



**Airlines for America<sup>®</sup>**

**We Connect the World**

## **The State of U.S. Commercial Aviation**

Updated Sept. 17, 2023

*“To suggest that the airlines should have better prepared for this environment seems akin to suggesting Pompeii should have invested more heavily in firefighting technology.” (JPMorgan, Mar. 22, 2020)*

<https://www.airlines.org/dataset/state-of-us-aviation/>

# Key Points

---

- » Ticket sales remain strong despite lagging corporate demand.
- » Air cargo demand has subsided materially since reaching an all-time high in 2021.
- » As with numerous other industries, U.S. airlines have faced inflationary pressures across several cost categories (e.g., labor, fuel, maintenance, rents, landing fees).
- » As of June, U.S. passenger airlines had the largest workforce since Sept. 2001.
- » In large part, airlines are using cash flow to renew their fleets and aggressively retire the massive debt accumulated in 2020 and 2021 to weather the pandemic.
- » Debt—and interest expense—will likely remain elevated through 2024.

# A Multiyear, Multistage Recovery Is Underway

---

**Contain  
the Virus**



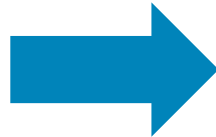
**Stabilize the  
Economy**



**Increase  
Efficiency**

Aviation-Government Collaboration on Health/Facilitation/Safety/Technology

**Traffic  
Recovery**



**Revenue  
Recovery**



**Financial  
Recovery**

Cost-Reduction Initiatives + Business Model Adaptation + Debt Reduction

**Reduce  
Cash Burn**



**Restore Profitability  
& Rebuild Margins**

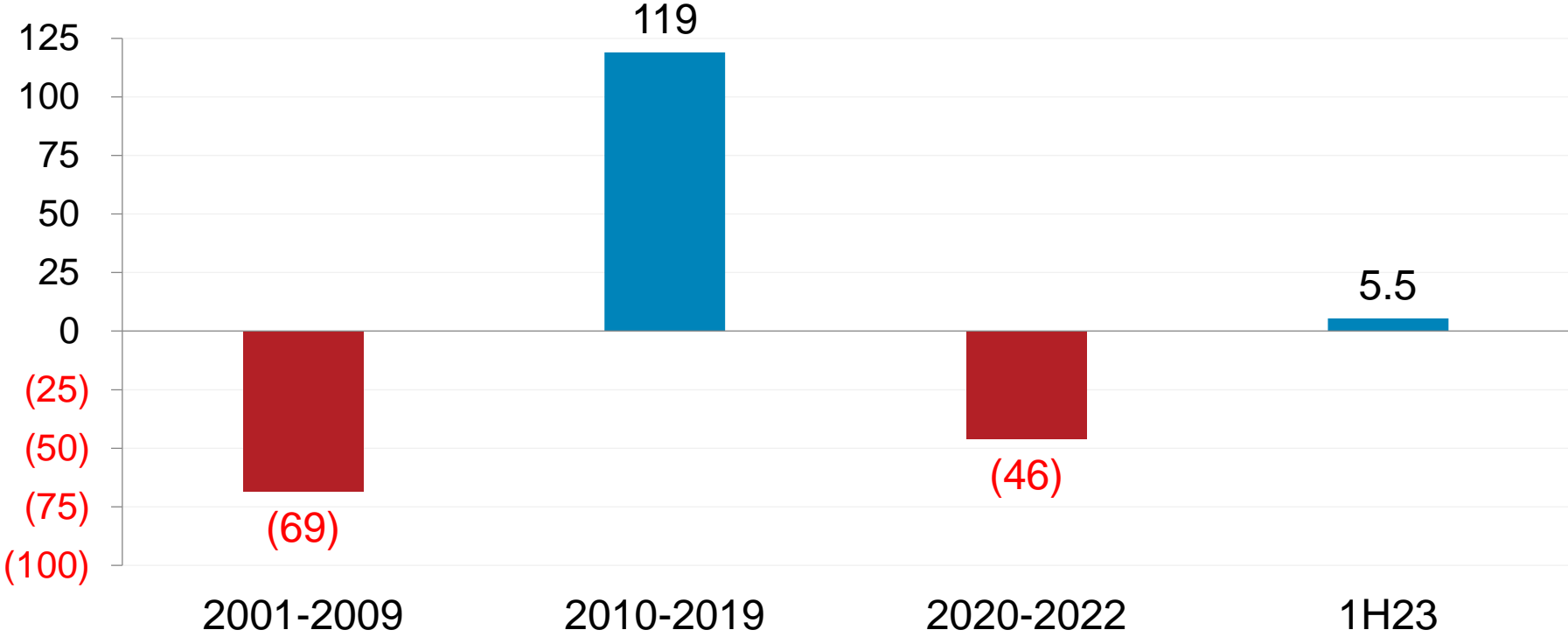


**Repair Balance  
Sheets**

# From 2001-1H23, U.S. Airlines Posted Just \$9.8B in Pretax Earnings — a 0.3% Margin

Analyst Consensus Is for ~5% Pretax Margin in 2023 Despite Cost Headwinds

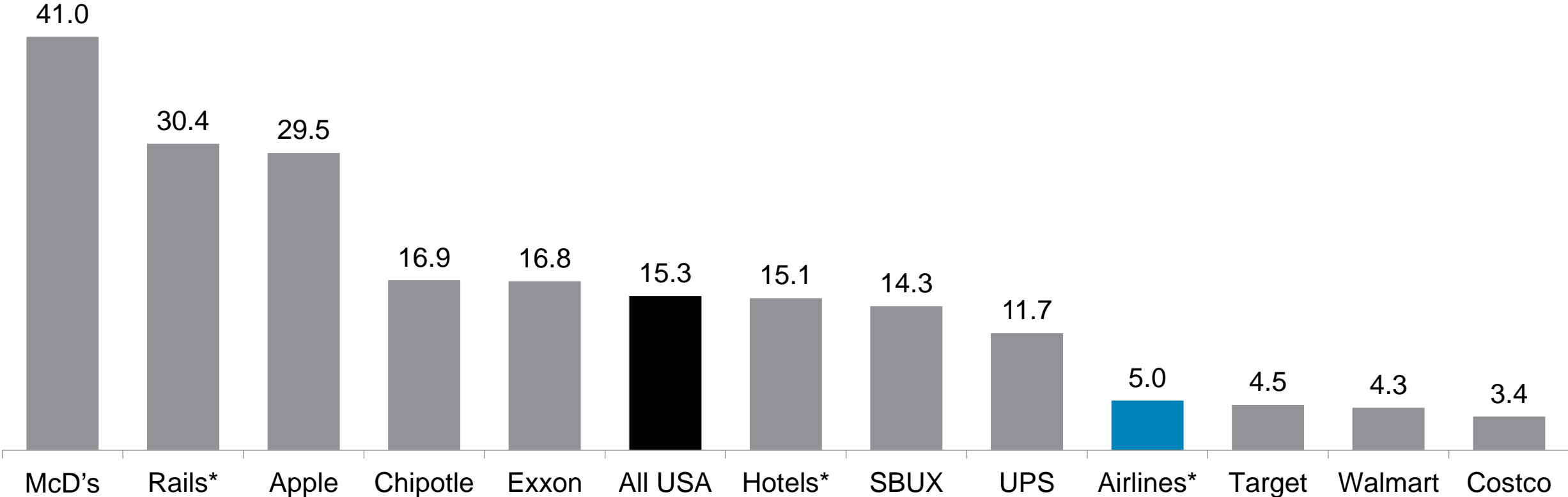
### Pretax Income (\$ Billions), U.S. Passenger Airlines



Source: A4A Passenger Airline Cost Index and Bureau of Transportation Statistics

**In the First Half of 2023, U.S. Airline Profit Margins Were a Third of the U.S. Average**  
**McDonald's Profitability Has Surged, While Freight Rail Profitability Remains Twice the U.S. Average**

**Pre-Tax Profit Margin (%) for Selected U.S. Companies and Industries, 1H 2023**



Sources: Bureau of Economic Analysis and company SEC filings \* Airlines = ALK/ALGT/AAL/DAL/ULCC/HA/JBLU/LUV/SAVE/UAL; Hotels = Choice/Hilton/Hyatt/Marriott/Wyndham; Rails = CSX/Norfolk Southern/Union Pacific

# U.S. Passenger Airlines Recorded \$5.5B in Pre-Tax Income in 1H 2023 — a Margin of 5%

## Revenues (Up 21%) Outpaced Operating Expenses (Up 12%); Net Interest Expense Cut in Half

Financial Results: 1H 2023	\$ Billions	% vs. 1H22	% of Category
Passenger (RPMs +17%, yield +7%)	98.7	25	89.6
Cargo	2.0	(30)	1.8
Other <sup>1</sup>	9.5	1	8.6
<b>Total operating revenues</b>	<b>110.2</b>	<b>21</b>	<b>100.0</b>
Salaries, wages and benefits	32.1	20	31.1
Aircraft fuel and taxes (consumption +13%, price -14%)	24.8	(3)	24.0
Maintenance materials and repairs	5.6	25	5.4
Landing fees and airport rentals	6.3	13	6.1
Depreciation and amortization <sup>2</sup>	5.0	7	4.9
Other <sup>3</sup>	29.4	18	28.5
<b>Total operating expenses</b>	<b>103.1</b>	<b>12</b>	<b>100.0</b>
Interest and other non-op expenses, net	1.5	(50)	n/a
<b>Pre-tax income/(loss)</b>	<b>5.5</b>	<b>n/a</b>	<b>n/a</b>
<b>Pre-tax margin</b>	<b>5.0%</b>	<b>n/a</b>	<b>n/a</b>

1. Sale of frequent flyer award miles to airline business partners, transportation of pets, in-sourced aircraft and engine repair, flight simulator rentals, inflight sales, etc.

2. Related primarily to ownership of aircraft, ground support equipment, information technology, etc.

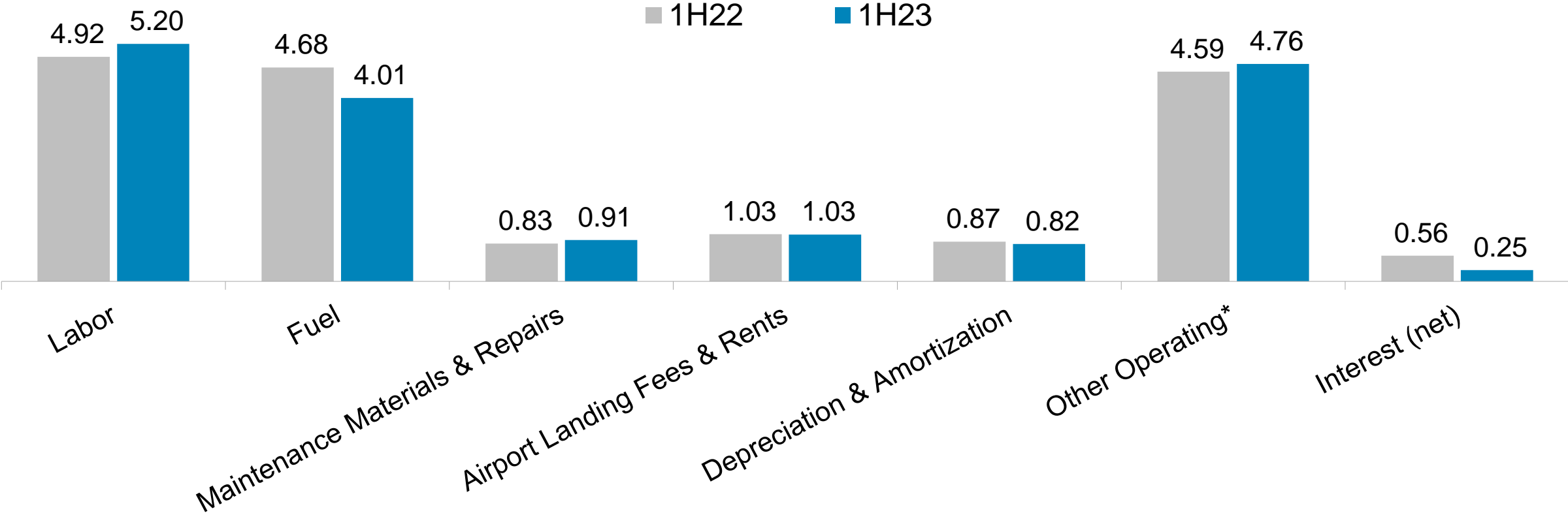
3. Aircraft rents, professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, payments to regionals, etc.

Source: Alaska, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United

# In 1H 2023, U.S. Airlines' Pre-Tax Unit Costs Averaged 2.9% Less Than in 1H 2022

Labor CASM Up 5.8%, Fuel CASM Down 14.3%, Maintenance CASM Up 9.5%

## U.S. Passenger Airlines: Cost (in Cents) per Available Seat Mile



Source: SEC filings of Alaska, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United

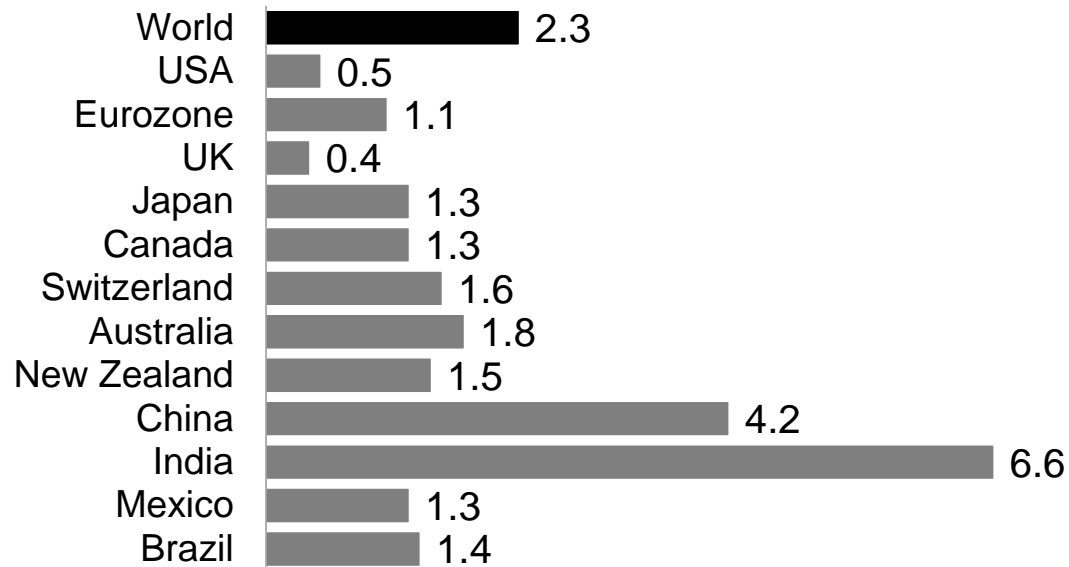
\* Professional fees, food/beverage, insurance, commissions, GDS fees, communications, advertising, utilities, office supplies, crew hotels, payments to regional carriers, etc.

# Per Wells Fargo, the *Global* Economy Will Grow 2.3% in 2024

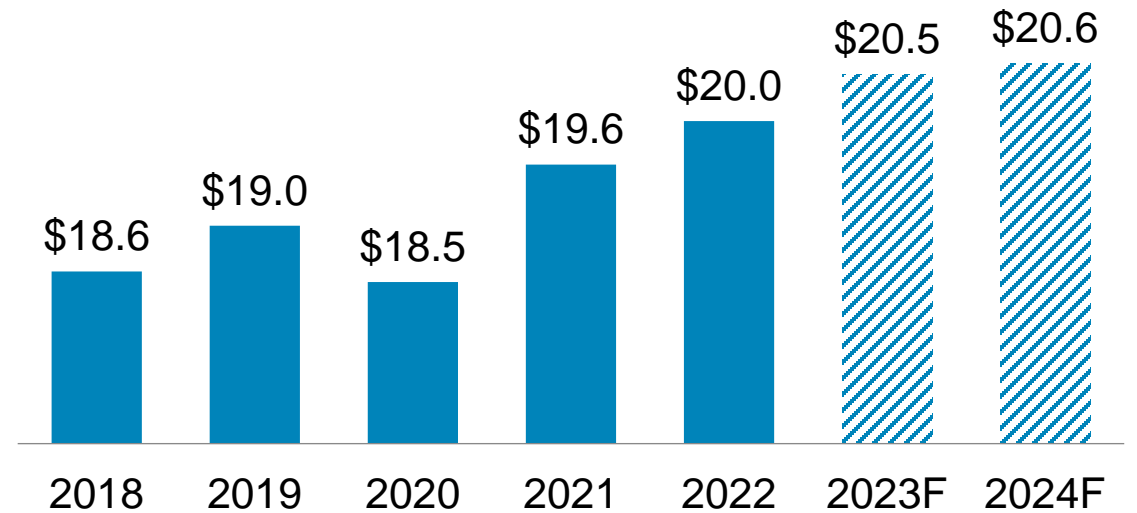
## The U.S. Economy Is Projected to Grow 0.5%

“Although the economy has generally shown signs of resiliency lately, there are **cracks** that are starting to appear below the surface.... Even if economic growth does not turn negative, **growth prospects in the first half of next year do not look promising**....” (Wells Fargo, Sept. 7, 2023)

### Projected 2024 Real GDP Growth (%)



### U.S. Real GDP (Trillions, \$2012)



Source: Wells Fargo (Sept. 7, 2023) and U.S. Bureau of Economic Analysis

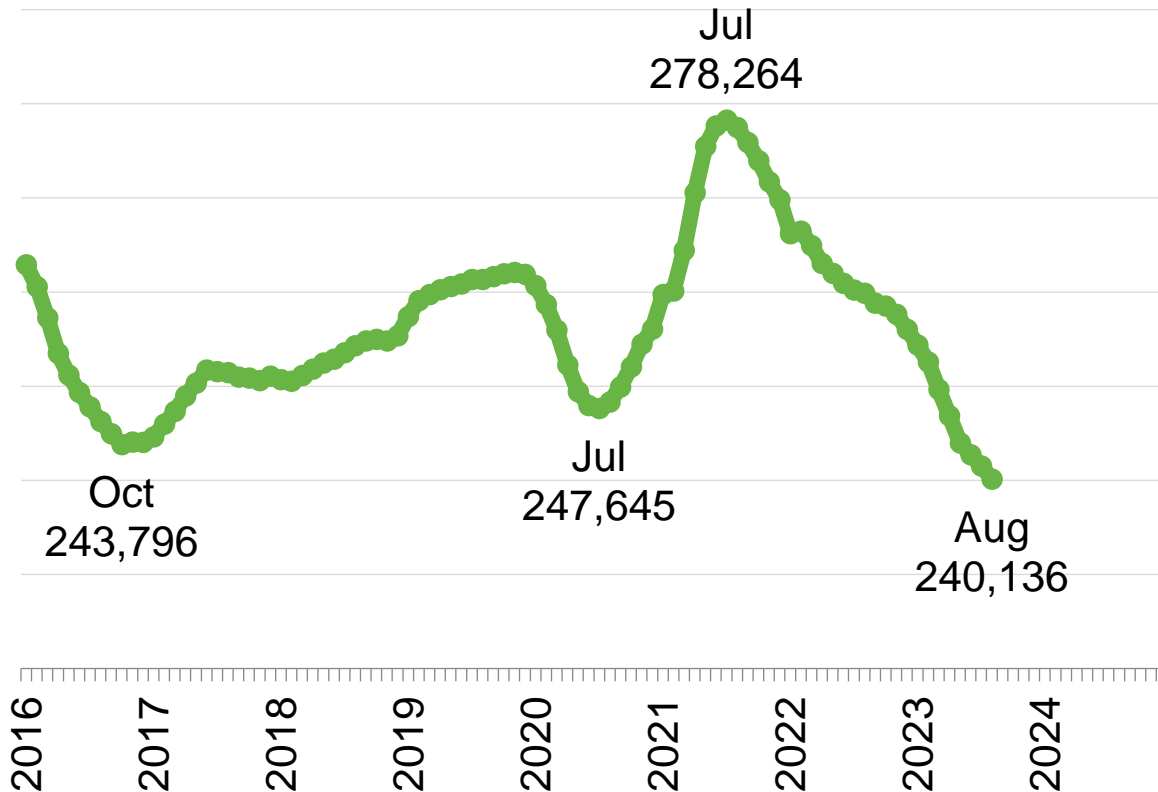


# In Isolation, U.S. Freight Rail Traffic Data Implies an Economic Slowdown

Slowdown Commenced in August 2021

## U.S. Freight Rail Traffic

12-Month Moving Average Weekly Rail Carloads



“**The freight recession is real**, and it stretches **across modes**, across air, trucking and rail.”

— Phil Levy, chief economist, Flexport

“I don’t know that we’ve ever seen freight demand fall this far, so fast and for so long, **without an accompanying economic recession.**”

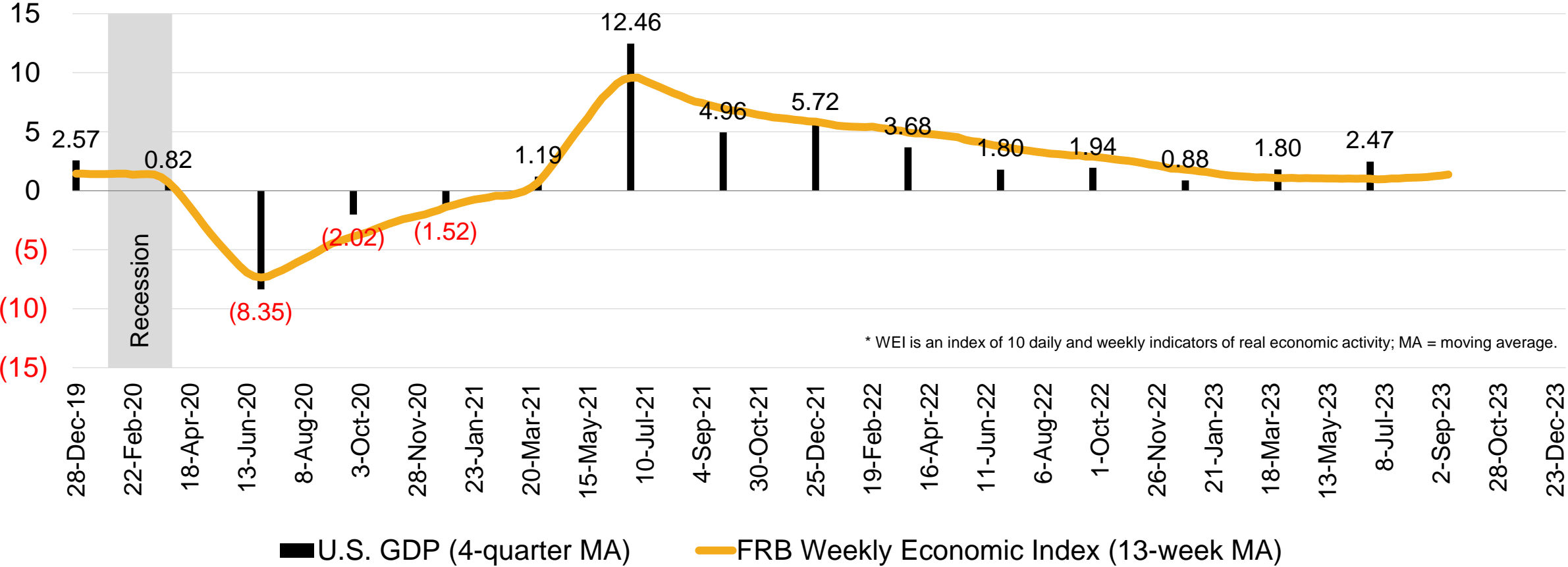
— David Jackson, chief executive, Knight-Swift Transportation Holdings

Sources: Association of American Railroads (AAR) and David J. Lynch, “Truck drivers are leaving boom-and-bust supply chain jobs,” *The Washington Post* (July 31, 2023)

# Broadly, U.S. Economic Activity Has Stabilized in 2023, With Recent Signs of Improvement

## Weekly Economic Index Has Risen Since Early July

Federal Reserve Bank Weekly Economic Index\* (%) and Annual Real GDP Growth (%)

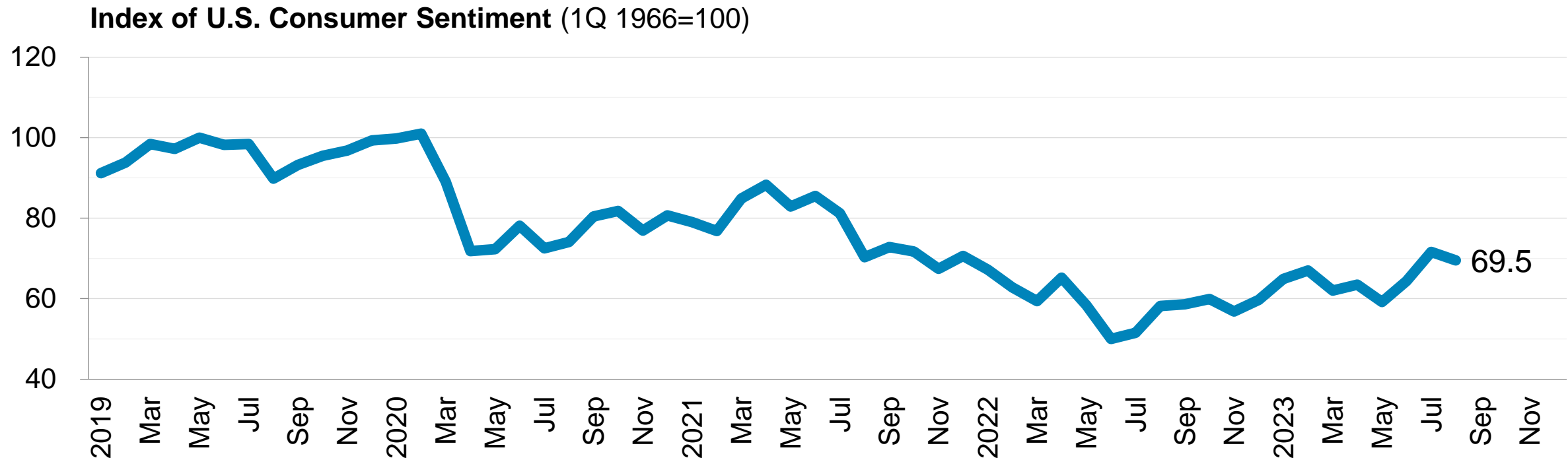


Sources: GDP from Bureau of Economic Analysis via <https://www.bea.gov/data/gdp/gross-domestic-product>; WEI from Lewis, Daniel J., Mertens, Karel, and Stock, James H. via <https://www.newyorkfed.org/research>.

# U.S. Consumer Sentiment Is Stable

Attributable to Slowdown in Inflation and Stability in Labor Markets

“[C]onsumer sentiment moved sideways in August with a small decline.... Consumers perceive that the rapid improvements in the economy from the past three months have moderated, particularly with inflation, and **they are tentative about the outlook ahead.**” (Joanne Hsu, University of Michigan, August 25, 2023)



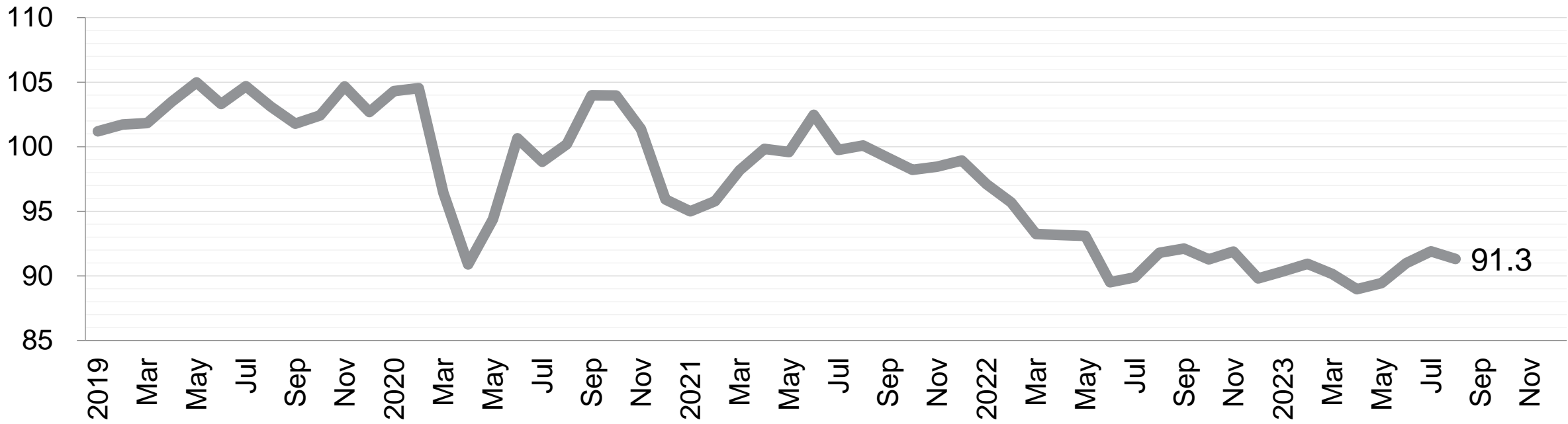
Source: University of Michigan

# U.S. Small Business Optimism Fell Slightly in August

## Well Below Pre-Pandemic Levels

“Inflation and the worker shortage continue to be the biggest obstacles for Main Street.”  
 (NFIB Chief Economist Bill Dunkelberg, Sept. 12, 2023)

**Small Business Optimism Index (Seasonally Adjusted 1986=100)**

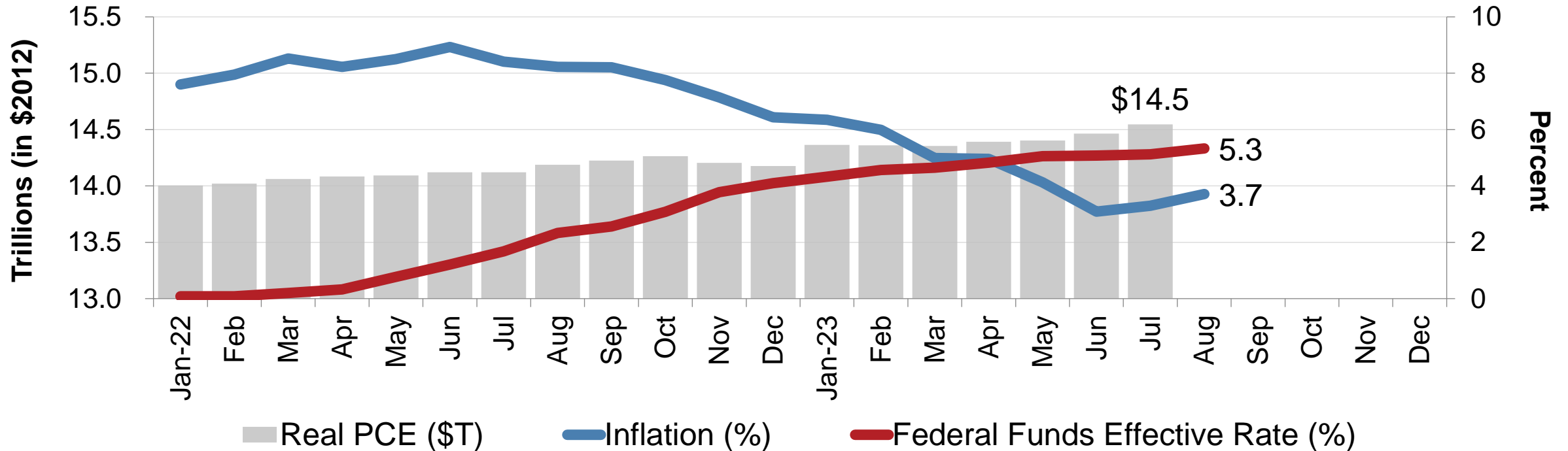


Source: National Federation of Independent Business via NFIB Research Center

# Real U.S. Consumer Spending Rose to All-Time High in July 2023

Consumers Have Been Buoyed by Lower Inflation, Not Yet Deterred by Rising Interest Rates

“Normally, a downturn in freight shipments would signal the approach of a broader downturn. **But consumer spending...isn't collapsing. It's gradually slowing and pivoting from merchandise to services, such as insurance and air travel.** In the second quarter, consumer spending on services rose three times as fast as goods purchases, according to the Commerce Department.” (*Washington Post*, July 31, 2023)



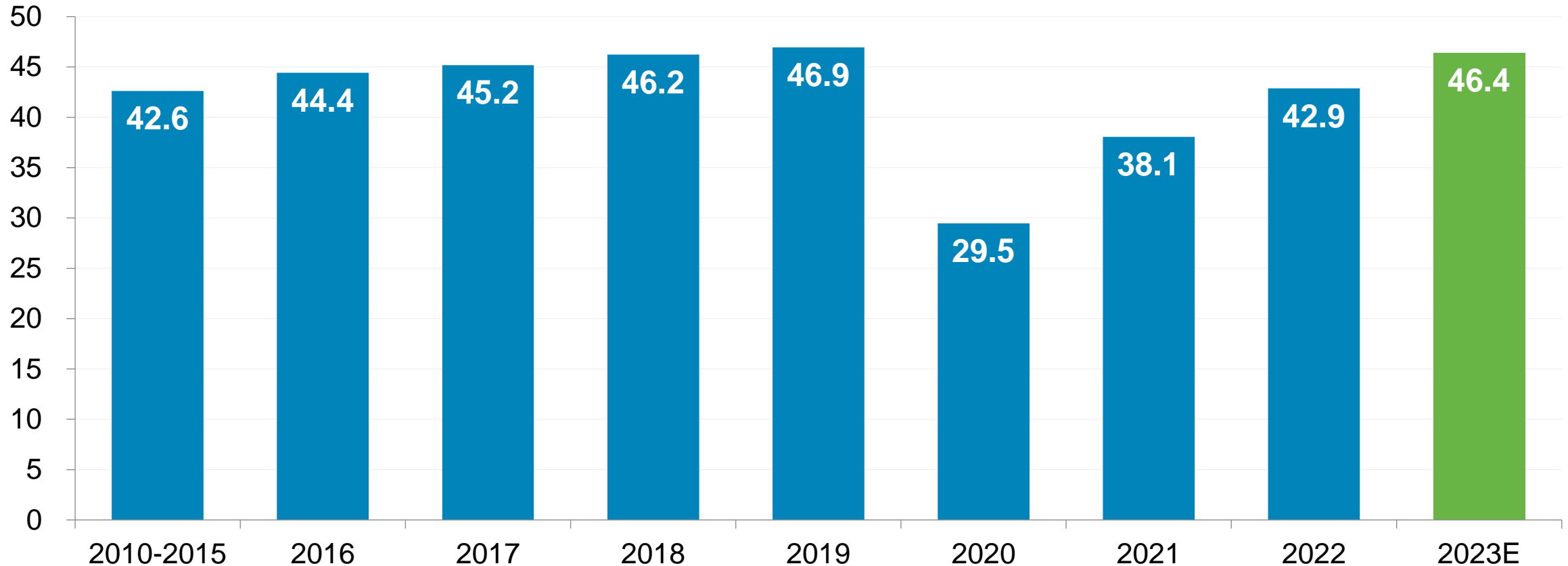
Source: U.S. Bureau of Economic Analysis and Bureau of Labor Statistics via Federal Reserve Bank of St. Louis

Note: Personal consumption expenditures (PCE) are seasonally adjusted and annualized; inflation is annualized

# Relative to the U.S. Economy, Domestic Airline Capacity Is in Line With 2018-2019

Constraints Include ATC Staffing, Aircraft/Engine Delivery Delays and Regional Airline Pilot Supply

## Scheduled Domestic U.S. Available Seat Miles per \$1,000 of Real\* U.S. Gross Domestic Product



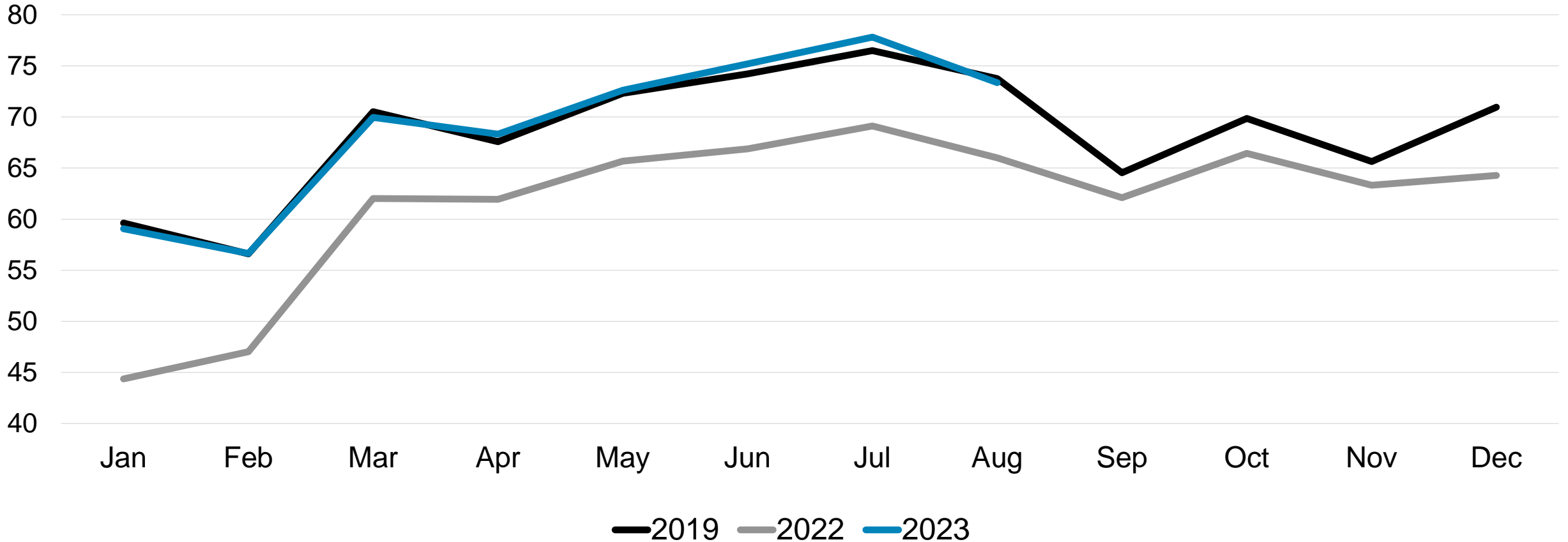
Sources: Bureau of Economic Analysis and S&P Global for GDP; Diio by Cirium (Sept. 1, 2023) for published schedules

\* Chained 2012 dollars

# In the First Eight Months of 2023, TSA Checkpoint Volumes Exceeded 2019 Levels by 0.3%

August 2023 Traveler Throughput Came in 0.6% Below August 2019

### TSA Traveler Throughput\* (Millions)



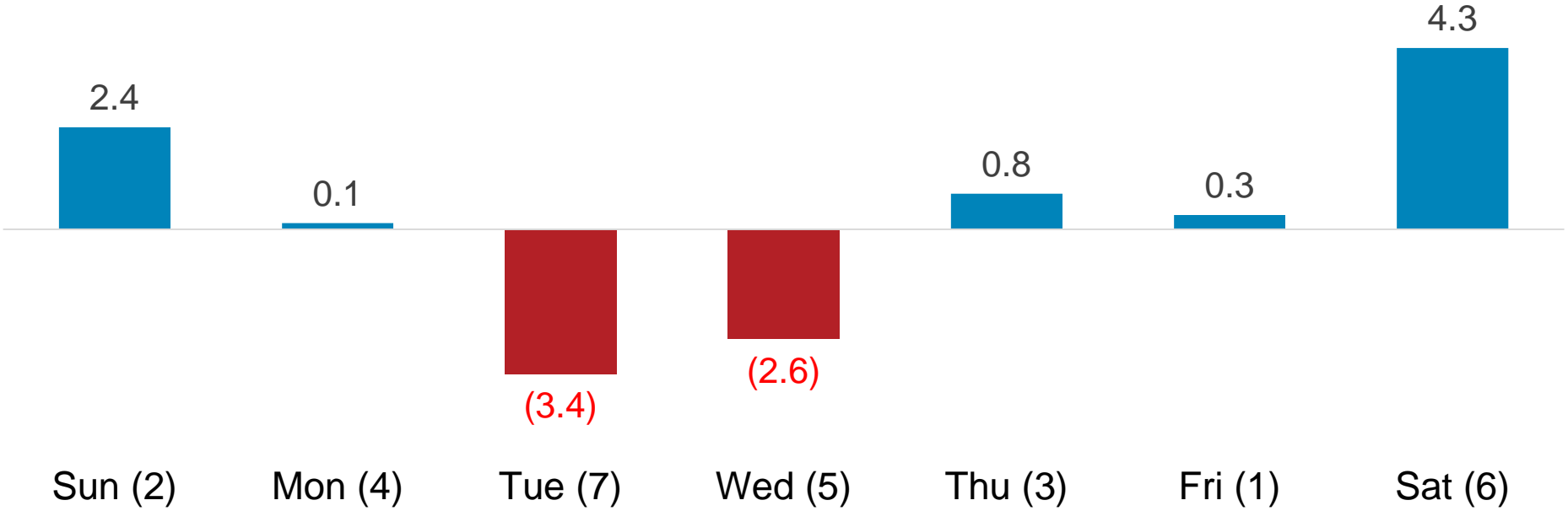
Source: Transportation Security Administration

\* U.S. and foreign carrier customers (excludes Known Crewmember® personnel) traversing TSA checkpoints

# Change in Day-of-Week Air-Travel Patterns Provides Evidence of Increased Leisure Mix

## Saturday and Sunday, Known for Leisure, Are the Big Winners; Friday Remains the Busiest Day

Change (%) in TSA Checkpoint Volume: Jan-Aug 2023 vs. Jan-Aug 2019



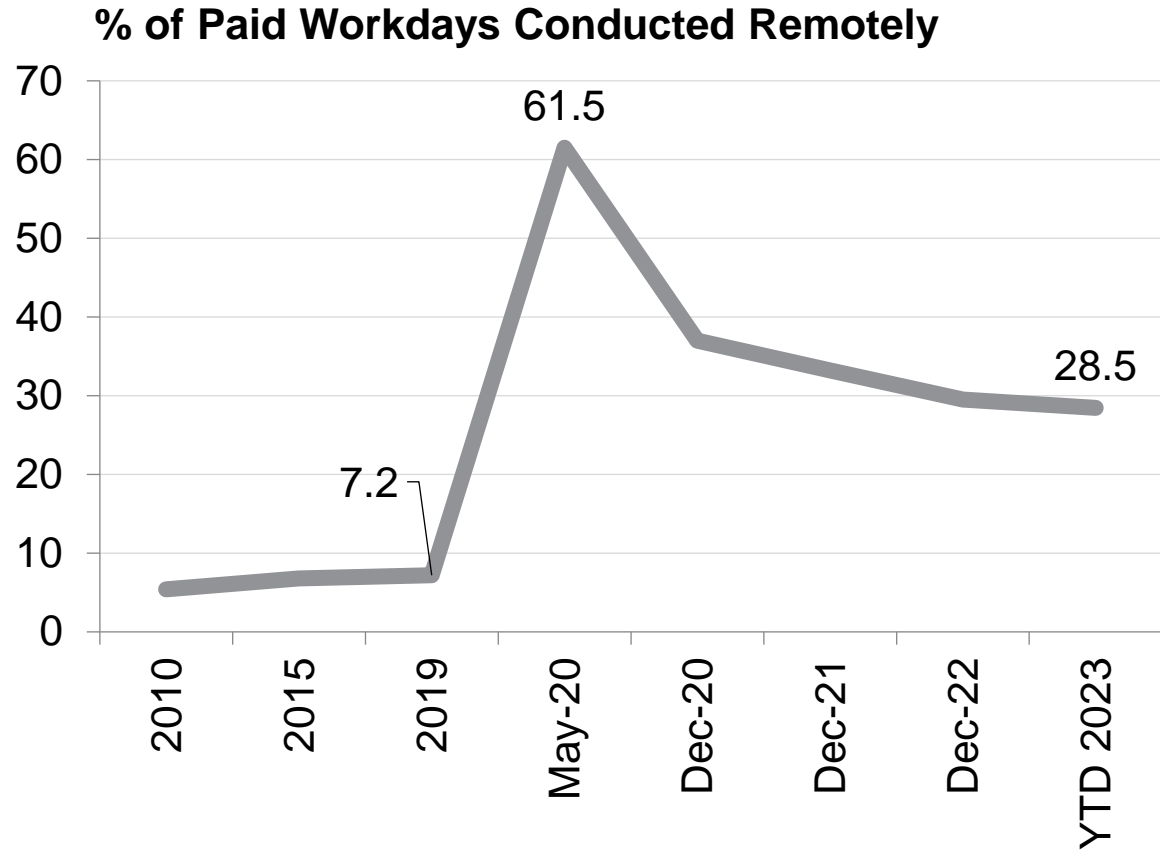
Day of Week and Rank (by Volume)

Source: Transportation Security Administration (excludes Known Crewmembers)

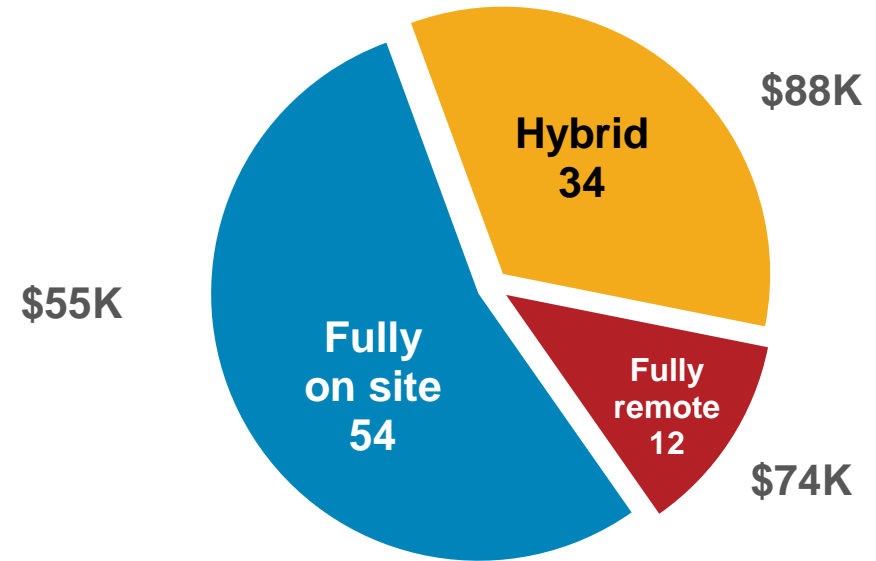


# Share of Remote Work Has Stabilized Well Above Pre-Pandemic Level

## Hybrid Workers, Who Earn the Most, Have Time and Money to Spend on Air Travel



**% of U.S. Resident Full-Time Employees by Working Arrangement (Aug-2023) and Earnings (2021)**



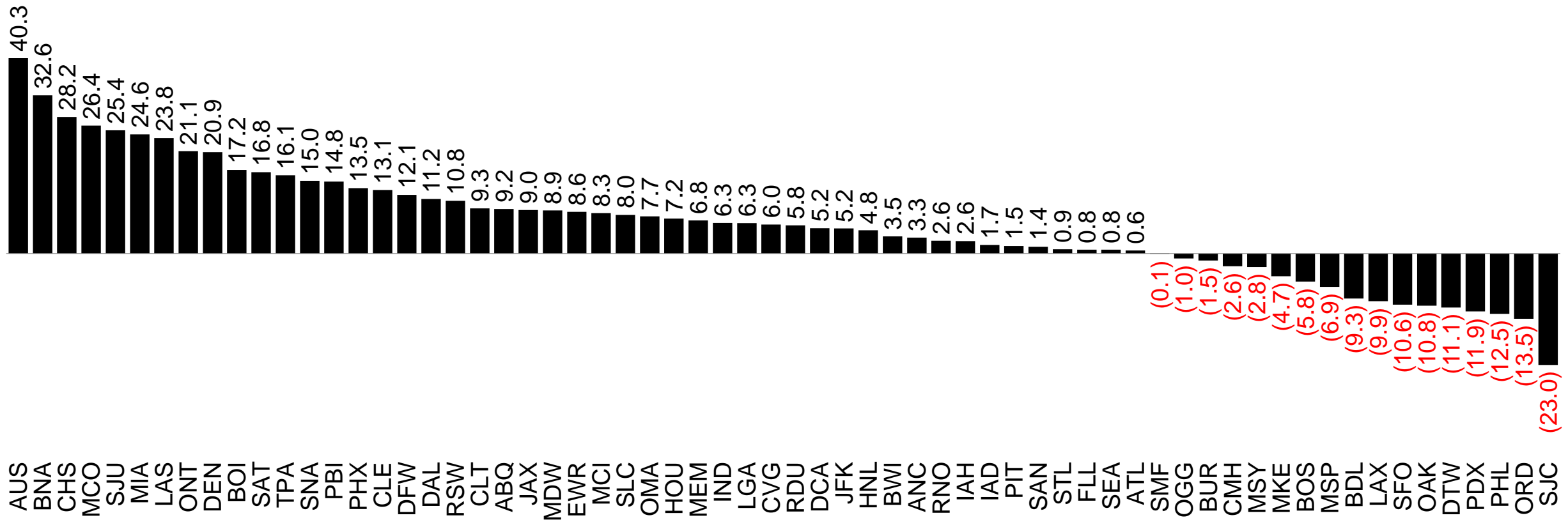
- **Fully in-person** work is most common for **front-line jobs** that require working with equipment or interacting with customers on site.
- **Hybrid** schemes are most common among **professionals and managers**.
- **Fully remote** work is most common for jobs that **require little interaction**, such as IT support, and in the tech industry.

Source: Survey of Working Arrangements and Attitudes (SWAA), Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

# In October-December, 47 Large/Medium-Hub U.S. Airports Are Seeing More Seats Than in 2019

## Austin Up 40%, Nashville Up 33%

Change (%) in Systemwide Scheduled Seats: 4Q 2023 vs. 4Q 2019

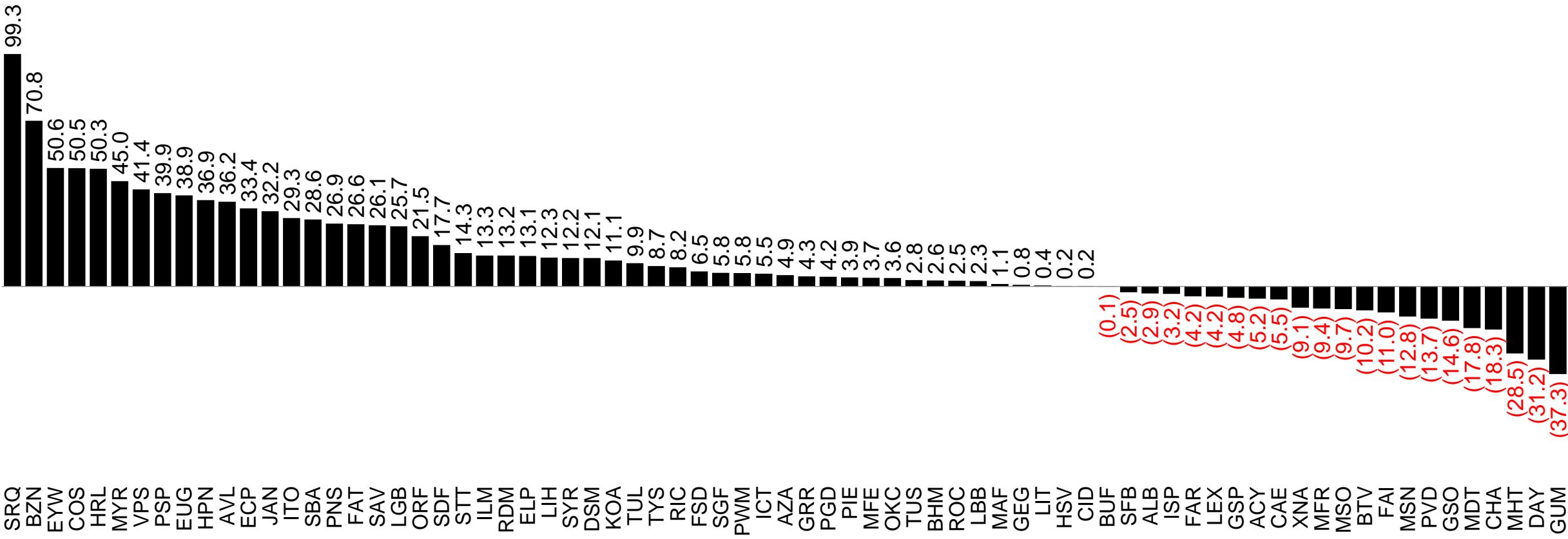


Source: Diio by Cirium published schedules (Sept. 16, 2023) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

# In October-December, 51 Small-Hub U.S. Airports Are Showing More Seats Than in 2019

Sarasota/Bradenton, Bozeman, Key West, Colorado Springs and Harlingen Up More Than 50%

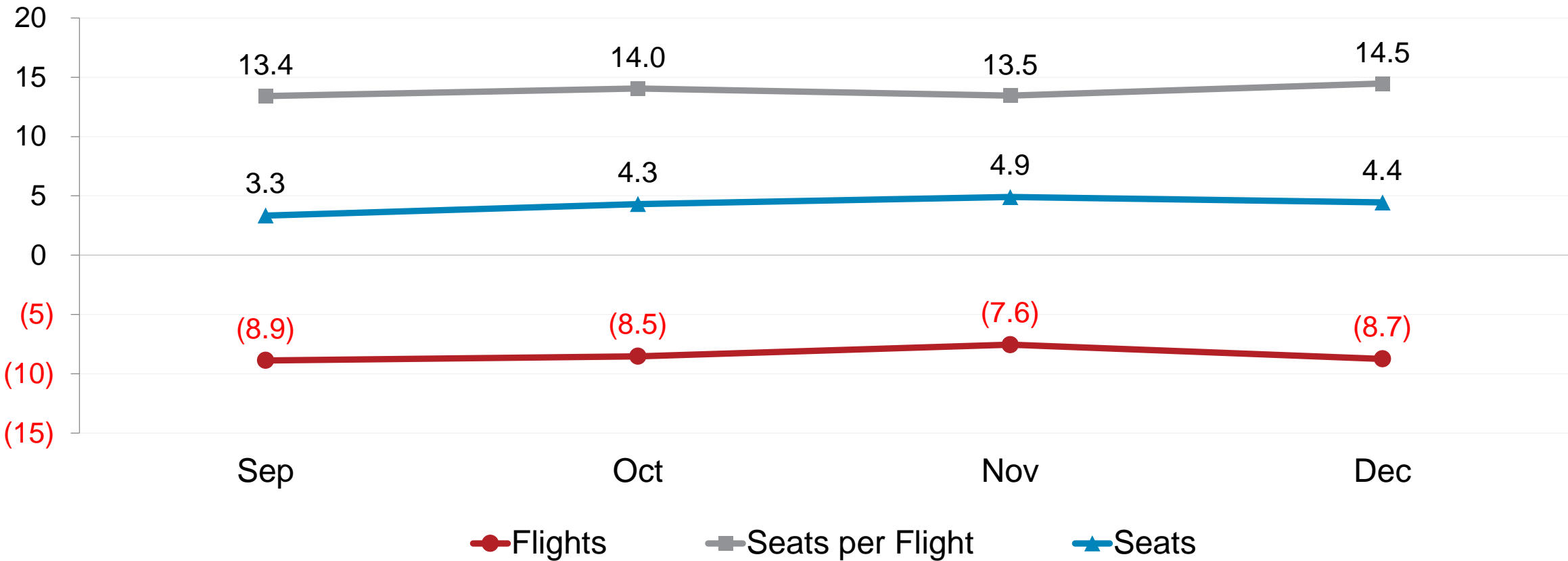
Change (%) in Systemwide Scheduled Seats: 4Q 2023 vs. 4Q 2019



Source: Diio by Cirium published schedules (Sept. 16, 2023) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

**In September-December, U.S. Airports Are Seeing 8-9% Fewer Scheduled Flights Than in 2019**  
**But U.S. and Foreign-Flag Carriers Are Offering 3-5% More Seats Thanks to 13-14% Larger Aircraft**

**Change (%) vs. 2019 in Scheduled Passenger Service Departing U.S. Airports**

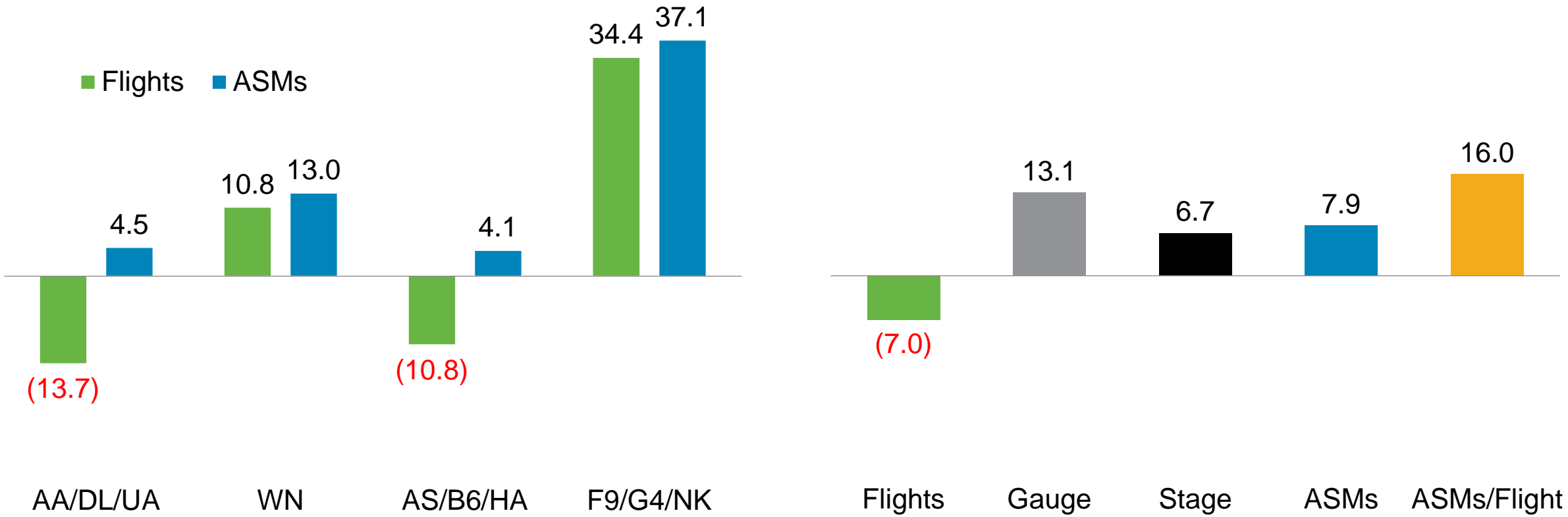


Source: Cirium published schedules (Sept. 16, 2023) for all U.S. and foreign-flag airlines departing U.S. airports for all destinations

# Schedules for Oct-Dec Show U.S. Airlines Producing 16% More ASMs per Flight

## Rates of Growth Vary Widely by Industry Segment

Change (%) in Systemwide Schedules for Selected Airlines: 4Q 2023 vs. 4Q 2019



Source: Cirium published schedules (Sept. 16, 2023) for selected marketing airlines on a consolidated basis

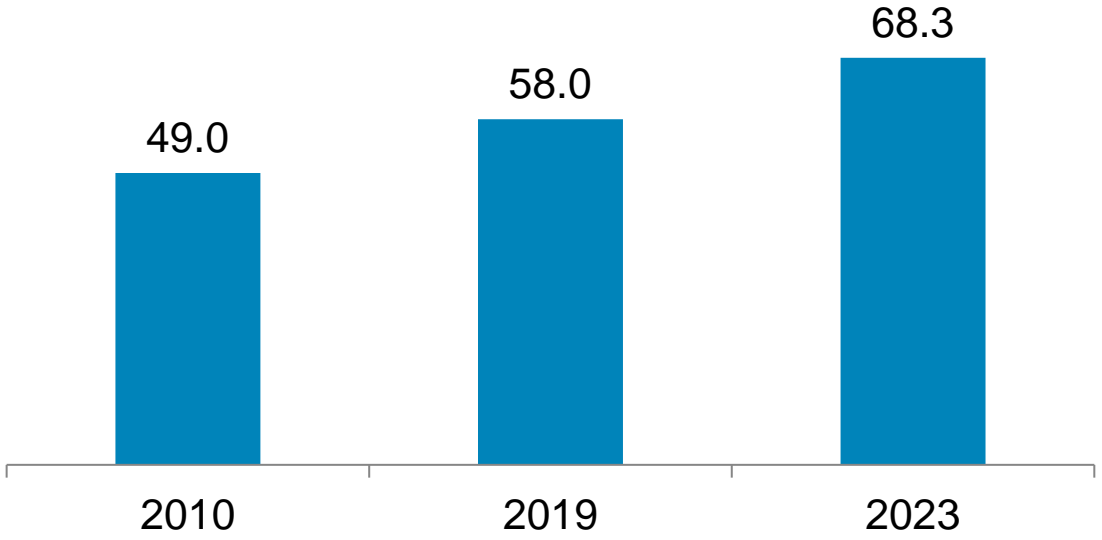
Note: ULCC = ultra low-cost carrier; gauge = seats/flight; stage = miles/flight; ASMs = available seat miles

# Increases in Mainline Flying *and* in Aircraft Size Have Fueled Domestic Upgauging

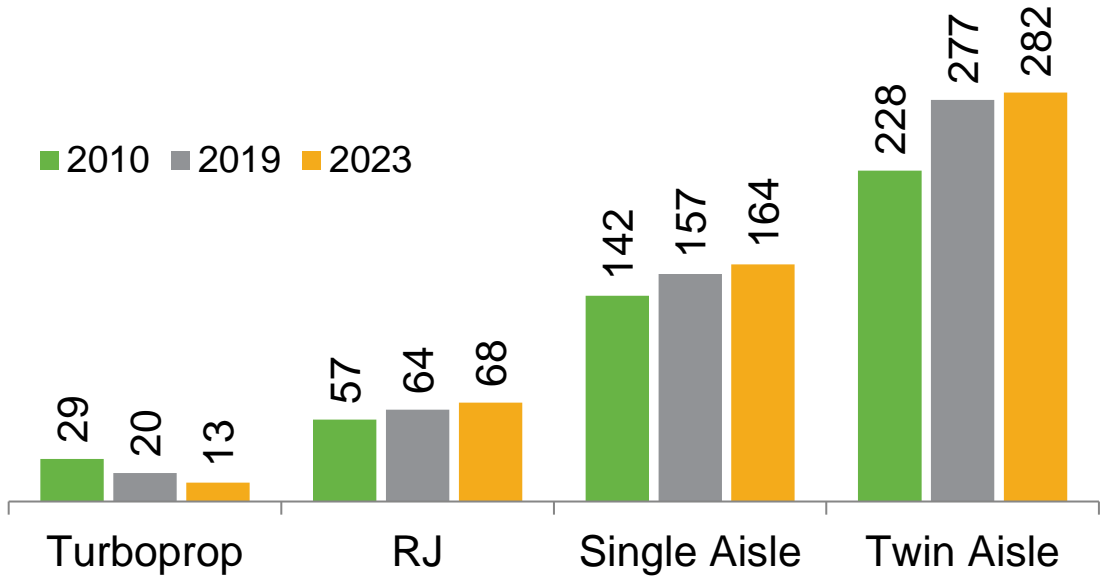
## Mainline Now Accounts for 68% of Domestic Flights, Up From 49% in 2010

“For some markets, we’re gonna need to make choices as to whether we’re gonna fly a larger flight, whether we’re gonna consolidate the number of operations, but **you’re never again gonna see the 50-seat aircraft have the level of prominence in the industry**. In fact, at Delta, we’re just about out of them.” (Delta CEO Ed Bastian, Sept. 20, 2022)

Mainline % of Domestic U.S. Scheduled Flights



Seats per Domestic U.S. Scheduled Departure



Source: Cirium published schedules (Sept. 8, 2023)

Note: Mainline = operated by the marketing airline itself rather than a regional airline codeshare partner

# U.S. DOT: Air Traffic Control Is Understaffed by About 3,000 Positions

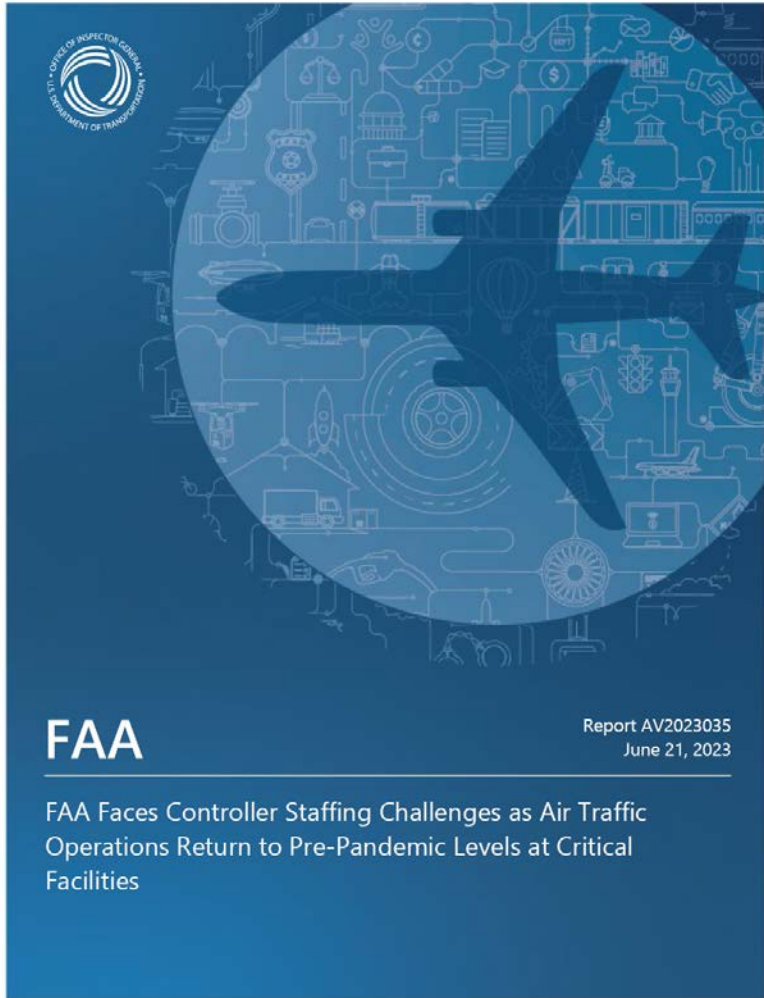
**“Air traffic control in the United States is understaffed by about 3,000 positions,** Transportation Secretary Pete Buttigieg told CNN on Friday... The...ATC workforce currently numbers about 11,500 controllers, but ‘the optimal number is closer to about 14,500,’ the secretary said. The numbers are similar to the agency’s assessment this spring that **about one in five controller positions nationwide are vacant.** ‘**We have thousands of controllers in training right now but also a number who are eligible to retire,**’ Buttigieg said.”



Source: “Buttigieg says FAA is about 3,000 air traffic controllers short,” Greg Wallace, CNN (May 5, 2023)

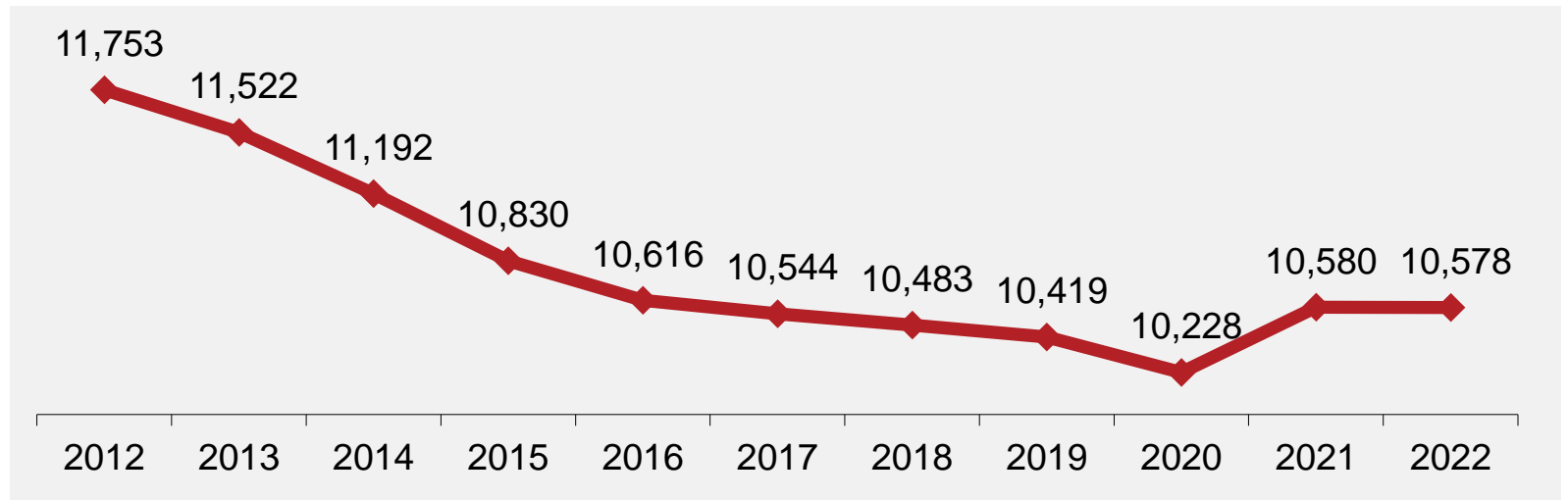


# DOT Inspector General: FAA Faces Controller Staffing Challenges as Air Traffic Operations Return to Pre-Pandemic Levels at Critical Facilities



“FAA has made **limited efforts to ensure adequate controller staffing at critical air traffic control facilities**. The Agency also has **yet to implement a standardized scheduling tool** to optimize controller scheduling practices at these facilities... As a result, **FAA continues to face staffing challenges and lacks a plan to address them**, which in turn poses a risk to the continuity of air traffic operations.”

**FAA Certified Professional Controller Staffing by Fiscal Year**



Source: “FAA Faces Controller Staffing Challenges as Air Traffic Operations Return to Pre-Pandemic Levels at Critical Facilities,” DOT Office of Inspector General, Report AV2023035 (June 21, 2023)



# New York TRACON and New York Center Were Significantly Understaffed as of March 25, 2023

N90 Was 57% Staffed; ZNY Was 66% Staffed

Facility	CPC Authorized Total Based on 2014 CRWG*	CPC Actual on Board (AOB) as of 3/25/23	Trainees as of 3/25/23	AOB* % of Authorized
LGA	34	33	1	97
HPN	15	14	3	93
EWR	34	31	4	91
JFK	34	31	3	91
TEB	20	16	3	80
ZNY	296	196	95	66
N90	226	129	67	57
<b>Total</b>	<b>659</b>	<b>450</b>	<b>176</b>	<b>68</b>

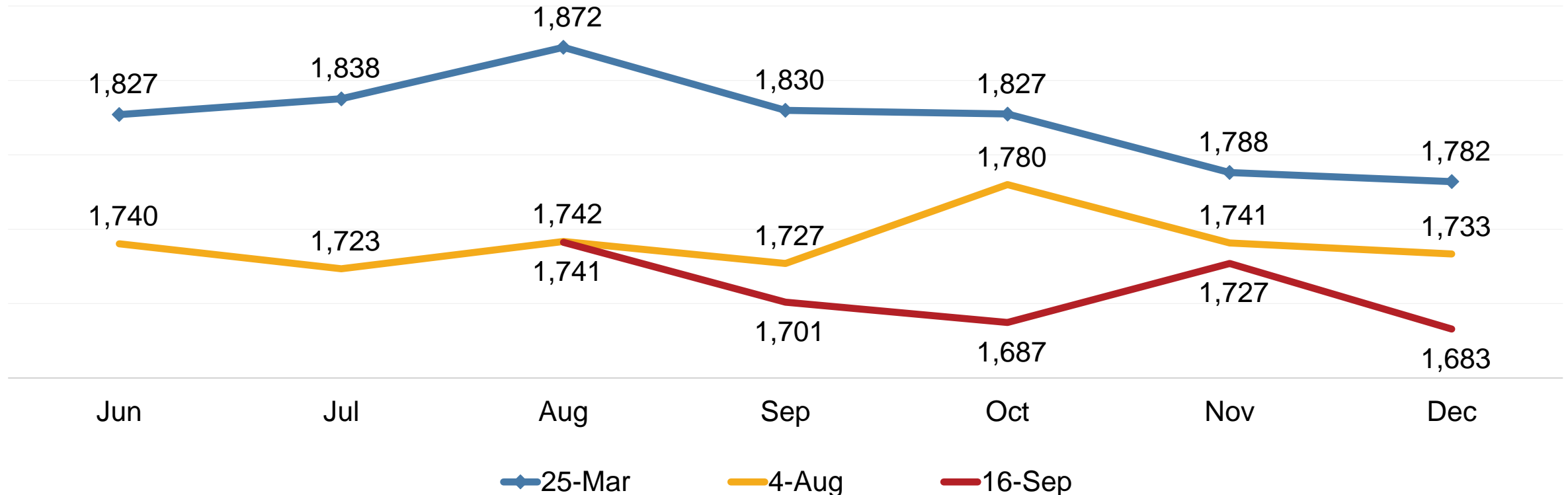
Source: FAA

\* AOB = Actual on Board; CPC = Certified Professional Controller; CRWG = Collaborative Resource Workgroup

# ATC Constraints Have Led Airlines to Continue to Pull Down NYC Flying

Relative to the March 25<sup>th</sup> Schedule, 3Q Reductions = 6.8%; October Reductions = 7.7%

## Scheduled Daily Passenger Flights Departing EWR/HPN/JFK/LGA in 2023 by Publication Date

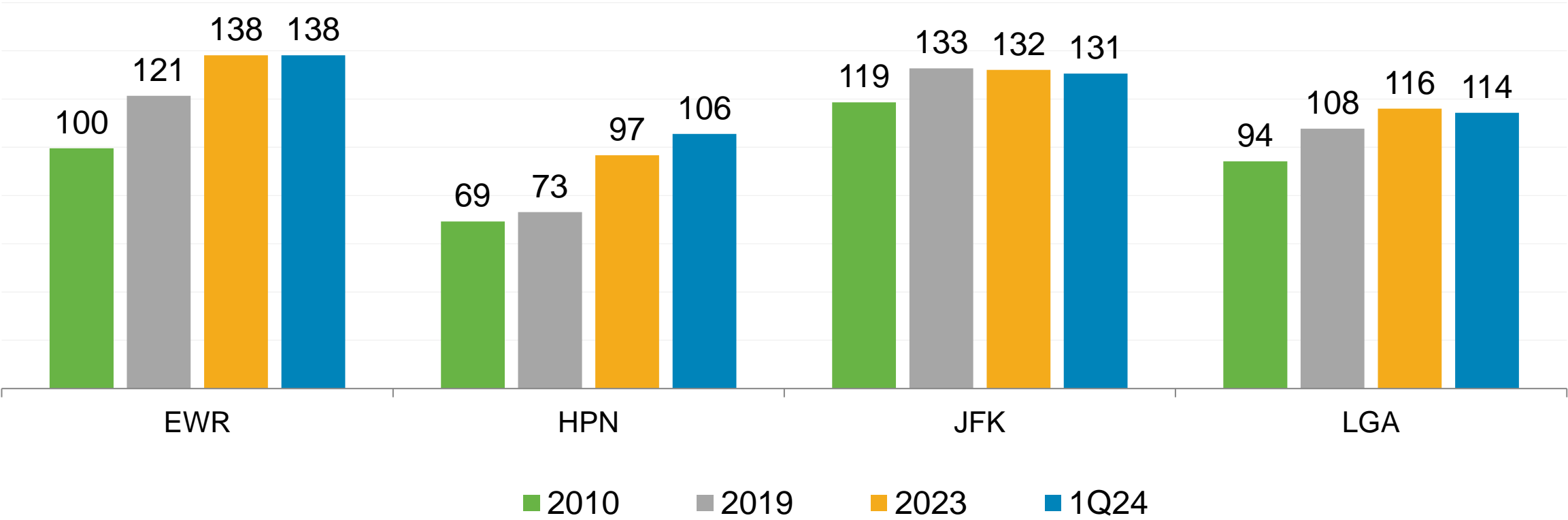


Source: Cirium published schedules for all U.S. and foreign-flag airlines departing EWR/HPN/JFK/LGA for all destinations

# Airlines Have Upgauged Domestic Flying at All Four NYC Airports

Average Seats per Domestic Flight Have Risen 25% (Almost 40% at EWR) From 2010 to 2023

### Scheduled Seats per Domestic U.S. Departure at NYC Airports

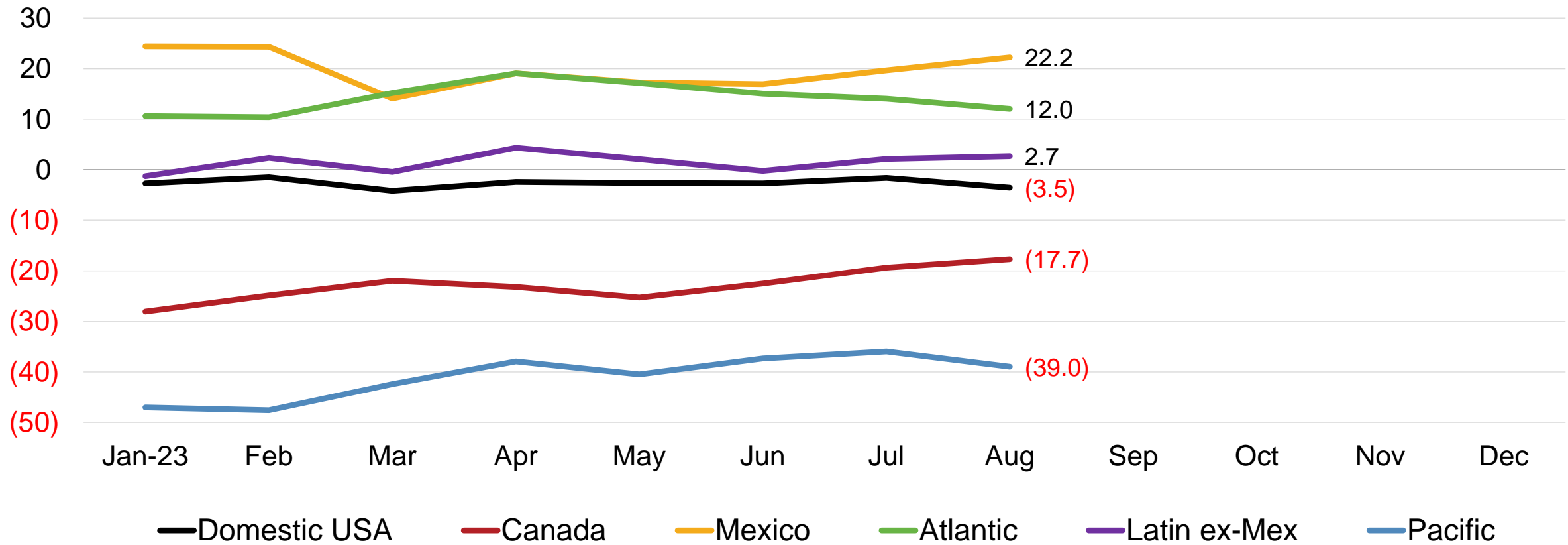


Source: Cirium published schedules (Sept. 16, 2023)

# In August 2023, A4A Airline Passenger Volumes Fell ~3% Below August 2019

Transpacific and U.S.-Canada Trailing; U.S.-Mexico and Transatlantic Leading

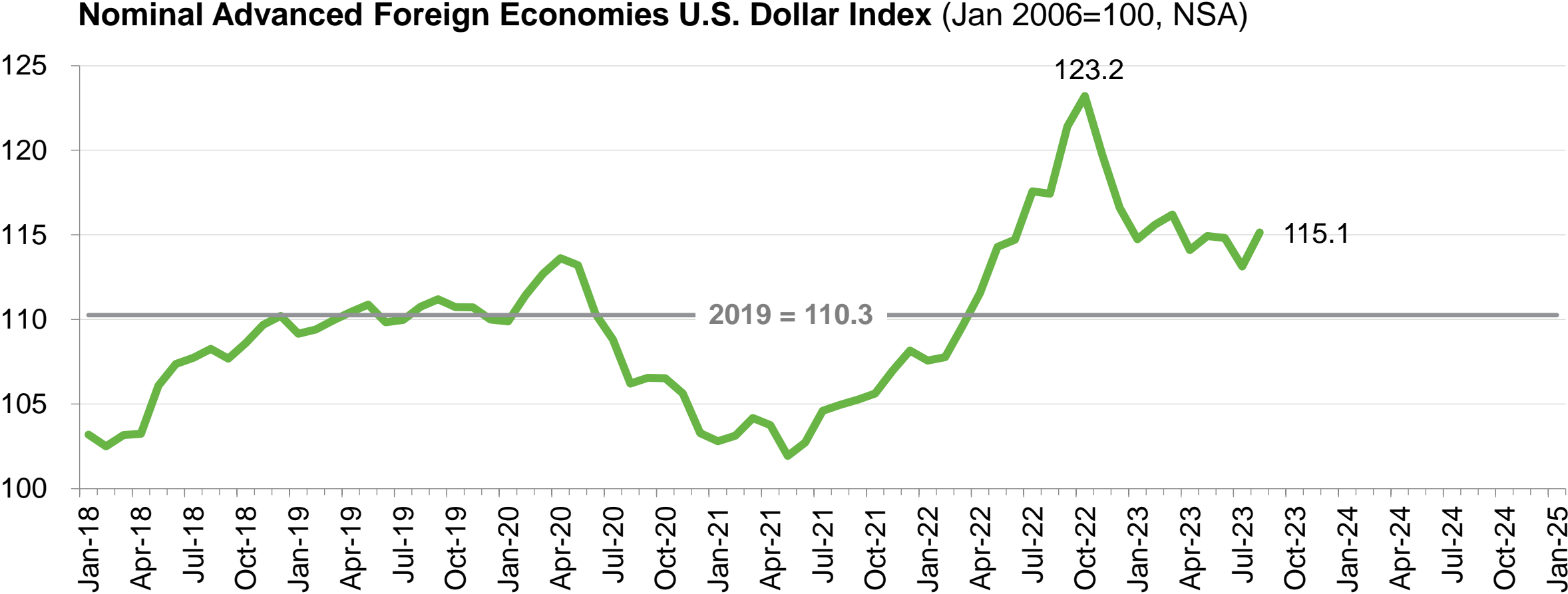
## Change (%) in Onboard Passengers vs. Same Month in 2019



Source: A4A member passenger airlines (Alaska/American/Delta/Hawaiian/JetBlue/Southwest/United) and branded code share partners

# Strength of U.S. Dollar Has Eased Since 2022 Peak But Remains Elevated

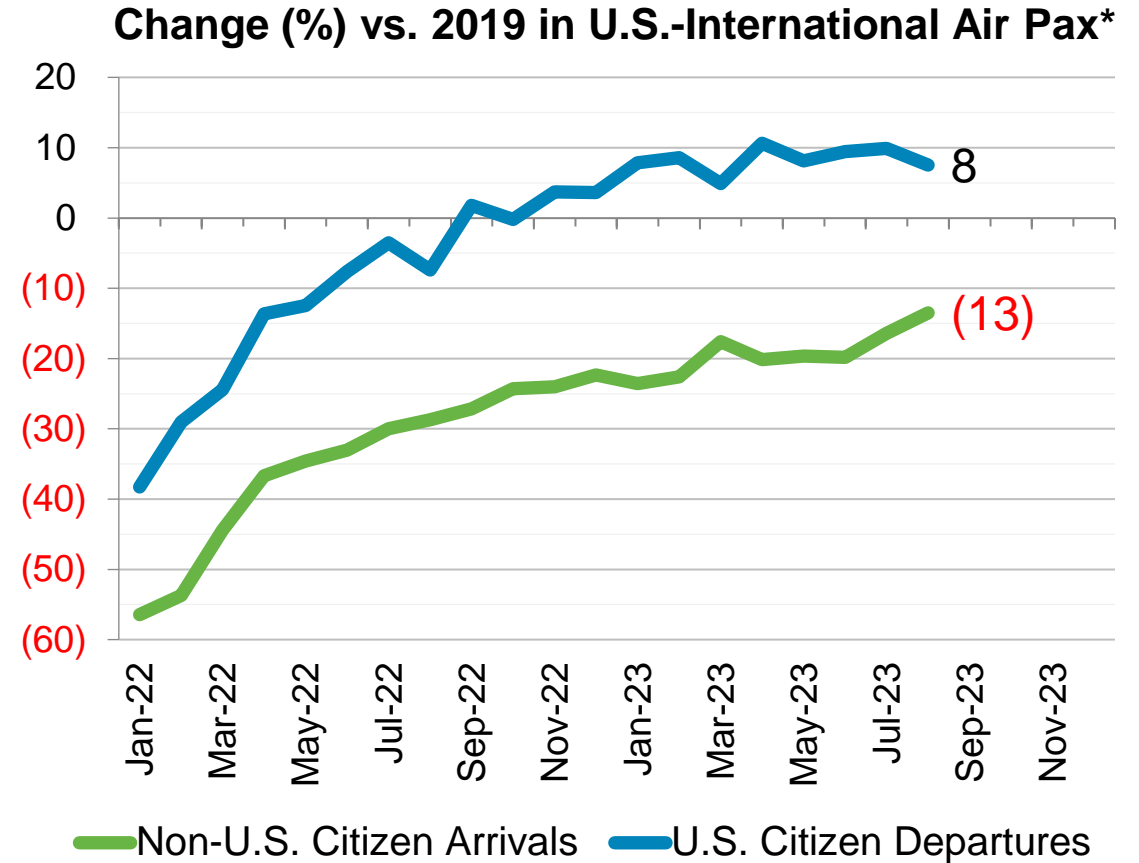
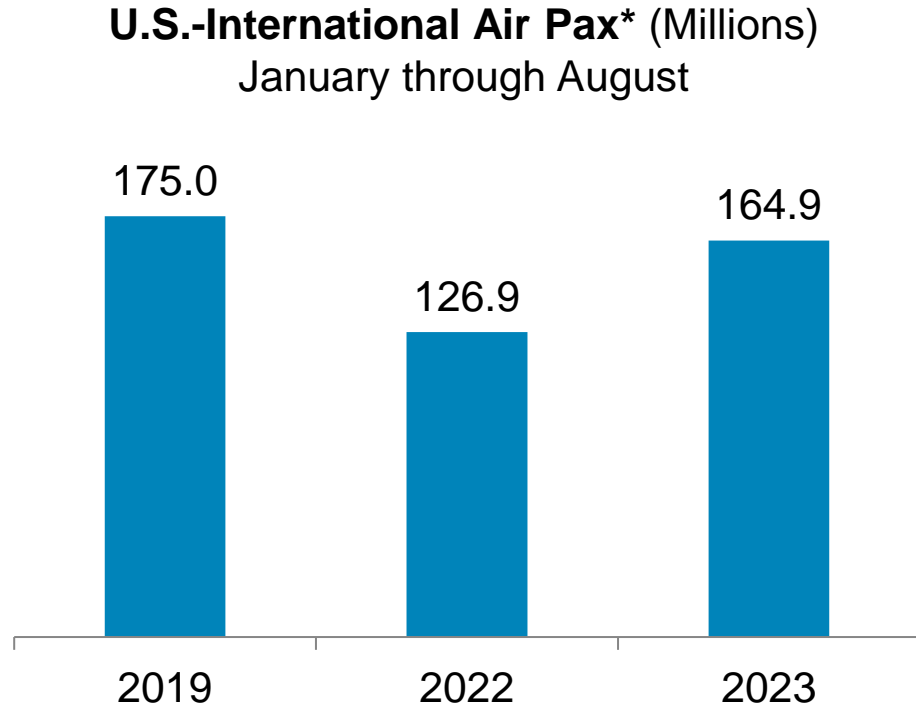
## Headwind for International Visitors Ticked Up in August 2023



Source: Board of Governors of the Federal Reserve System (US), Nominal Advanced Foreign Economies U.S. Dollar Index [TWEXAFEGSMTH], retrieved from FRED, Federal Reserve Bank of St. Louis

# In the First Eight Months of 2023, U.S.-International Air Travel Fell 6% Below 2019 Levels

## U.S. Citizen Departures Continue to Outperform Foreign Citizen Arrivals by a Very Large Margin



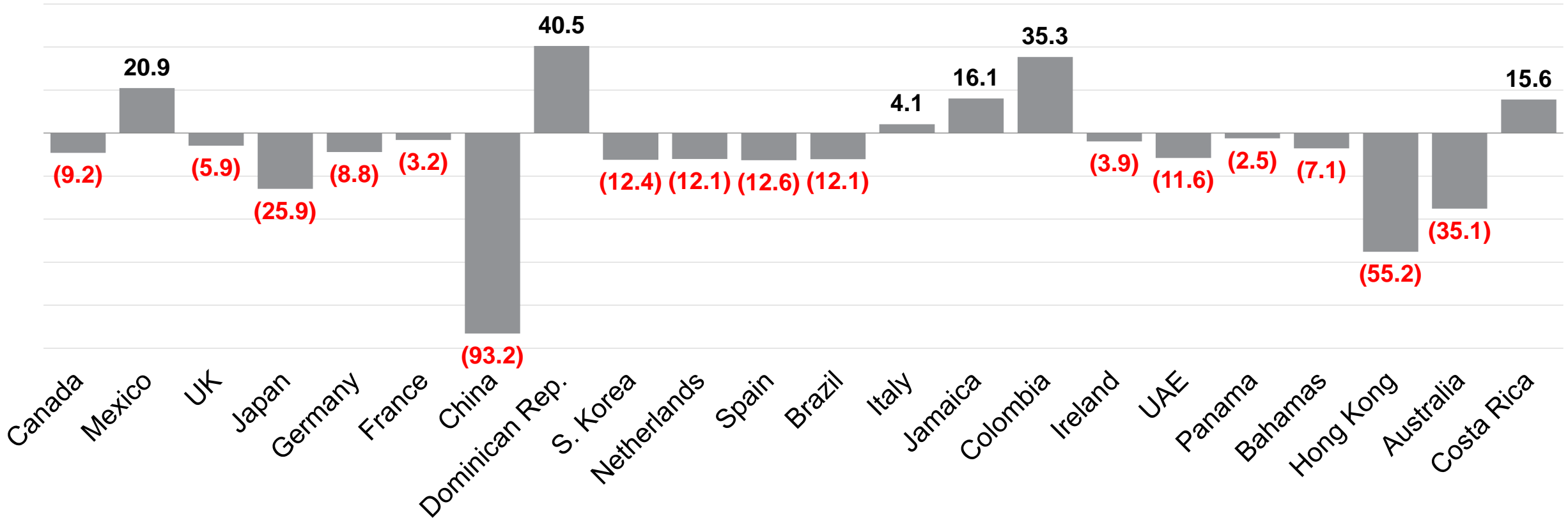
Source: U.S. Department of Commerce National Travel and Tourism Office using DHS I-92 / APIS data

\* Gateway-to-gateway passengers on U.S. and non-U.S. airlines, outbound plus inbound

# In August 2023, Several U.S.-International Markets Saw Air Travel Volumes Above 2019 Levels

## U.S.-Mexico/Dominican Republic/Jamaica/Colombia/Costa Rica Continue to Thrive

**Top U.S. Country Pairs: Change (%) in Passengers\* — Aug-2023 vs. Aug-2019**  
Sorted left to right by highest volume in 2019



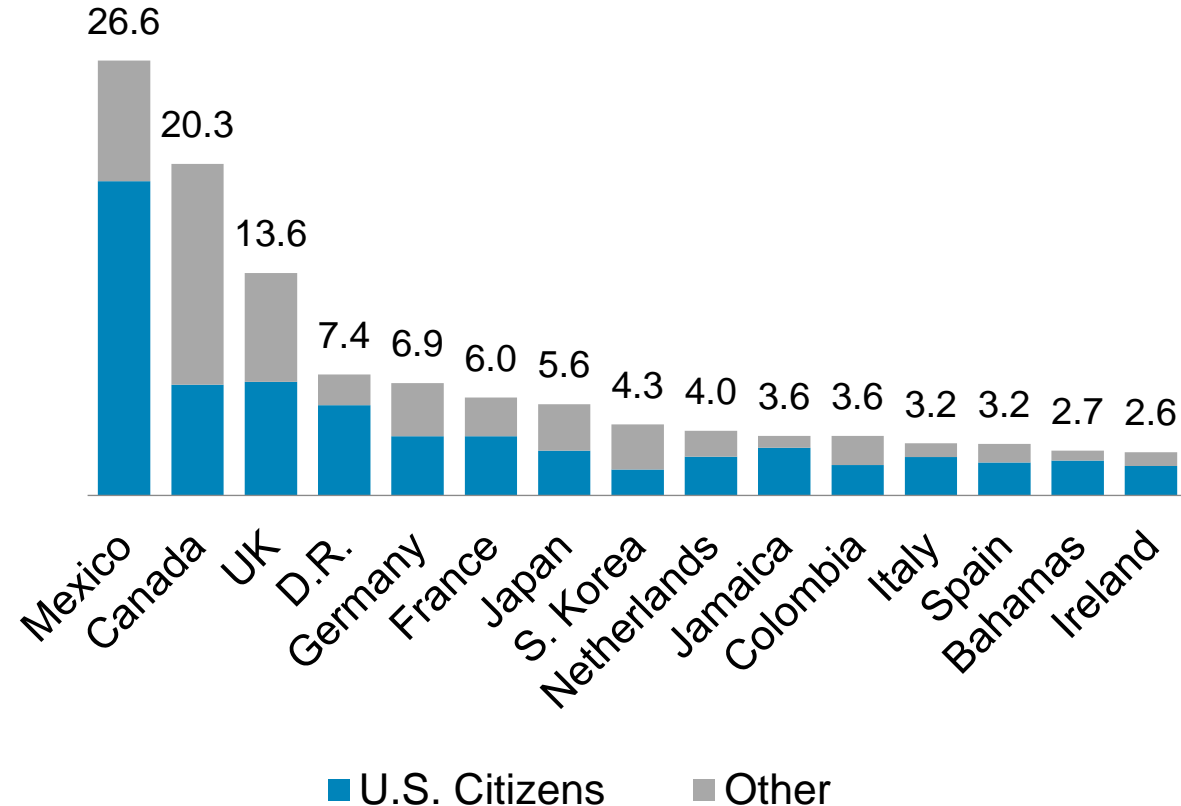
Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

\* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation

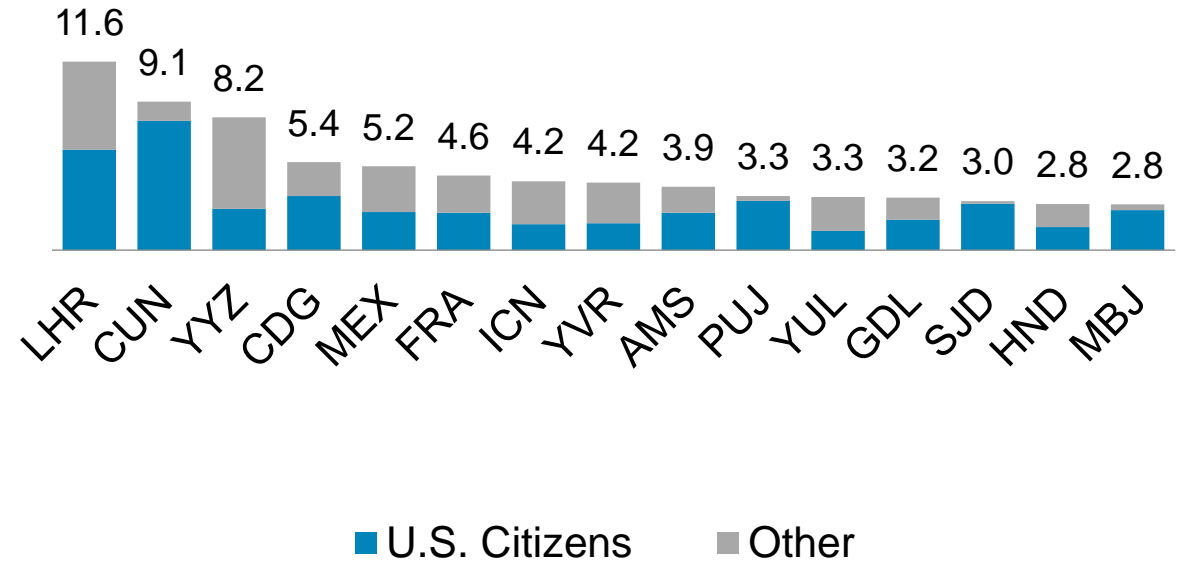
# Through August, U.S.-Mexico Had the Most U.S.-International Air Passengers (in 2023)

## London Heathrow (LHR) Had the Most of Any Foreign Gateway to/from the United States

**Top U.S. Country Pairs by Passengers\* (Mils)**  
January through August 2023



**Top U.S.-Foreign Gateways by Passengers\* (Mils)**  
January through August 2023



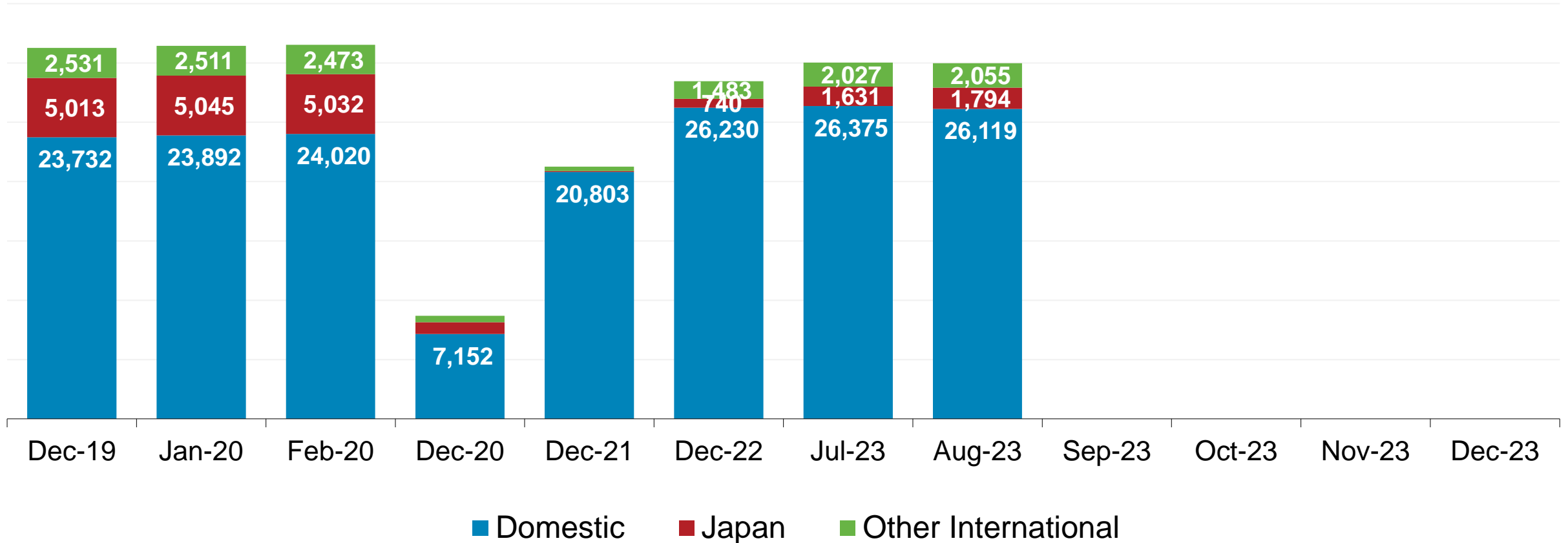
Source: DHS I-92 / APIS data compiled by U.S. Department of Commerce National Travel and Tourism Office

\* Gateway-to-gateway passengers on U.S. and foreign scheduled and charter airlines and general aviation



# International Air Arrivals (Especially From Japan) to Hawaii Remain Depressed But Domestic Air Arrivals Have Overtaken Pre-Pandemic Highs

12-Month Moving Average Daily Air Passenger Arrivals\* to Hawaii

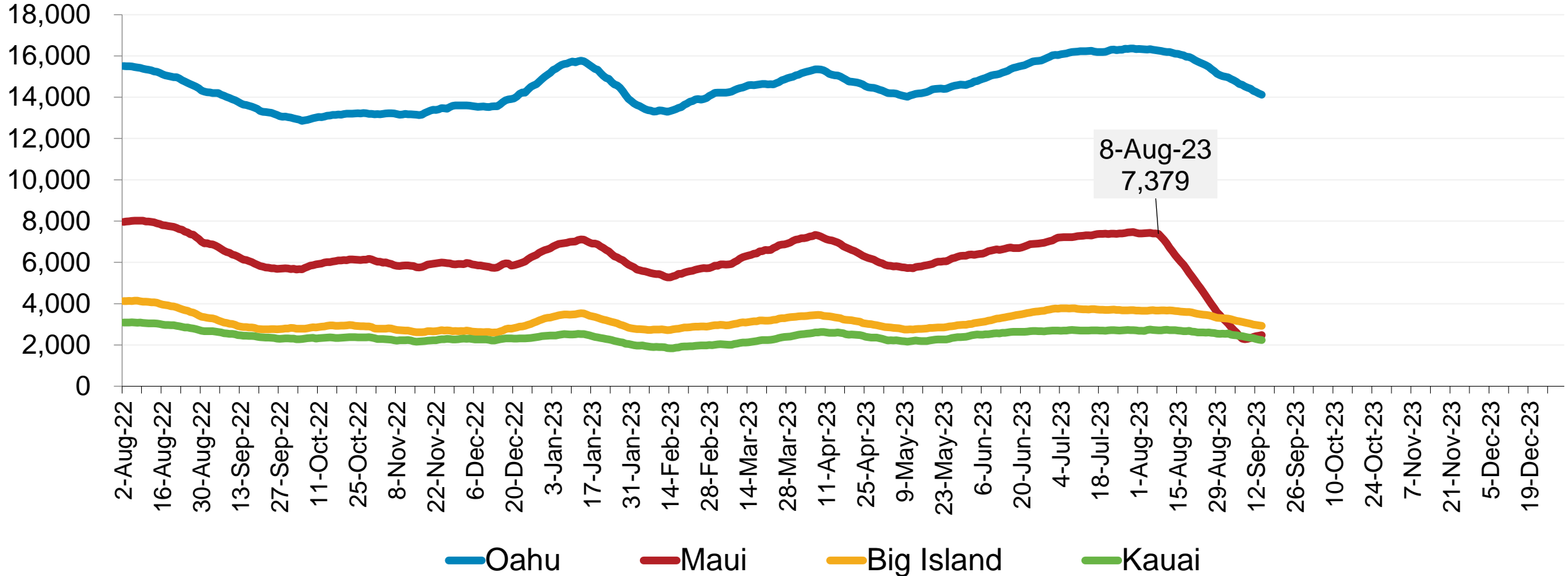


Source: Hawaii Department of Business, Economic Development & Tourism

\* Daily passenger counts include returning residents, intended residents and visitors but exclude interisland and Canada passengers

# After Plunging Due to the August Wildfires, Air Travel to Maui May Be Stabilizing

30-Day Moving Average Daily Domestic Air Passenger Arrivals\* to Selected Hawaiian Islands

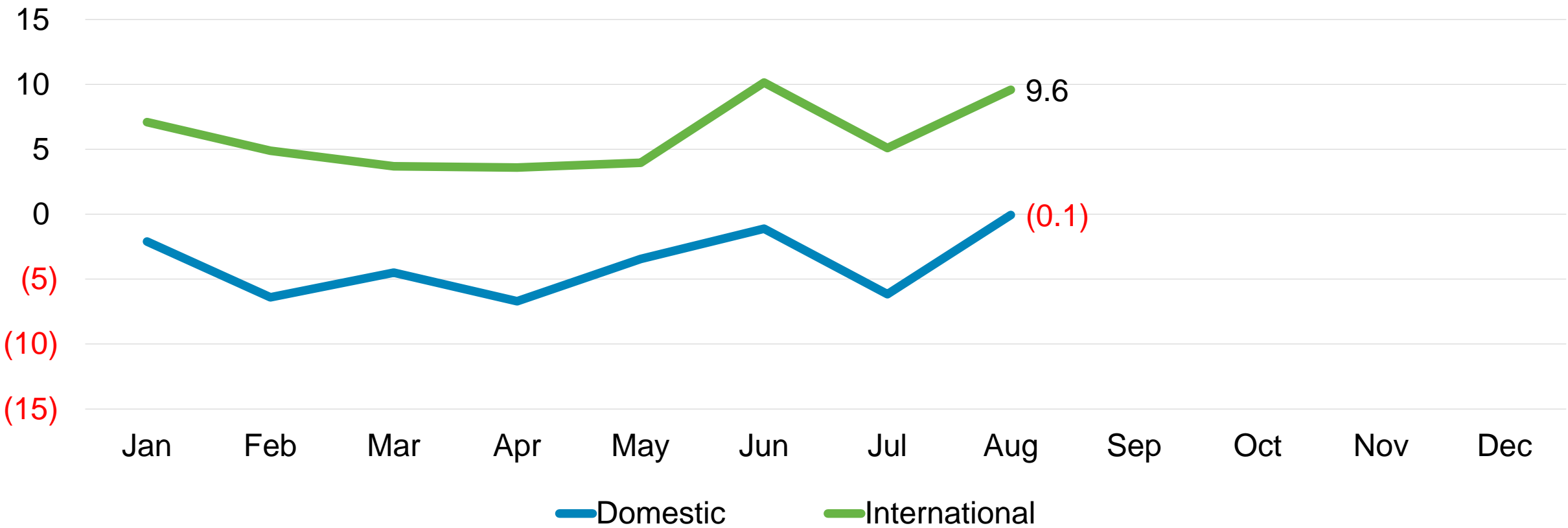


Source: Hawaii Department of Business, Economic Development & Tourism

\* Daily passenger counts include returning residents, intended residents and visitors but exclude interisland and Canada passengers

# Ticket Sales for International Trips Are Exceeding 2019 and Outpacing Domestic Sales Growth

Change (%) in U.S. Domestic and International Ticket Sales\* — 2023 vs. 2019

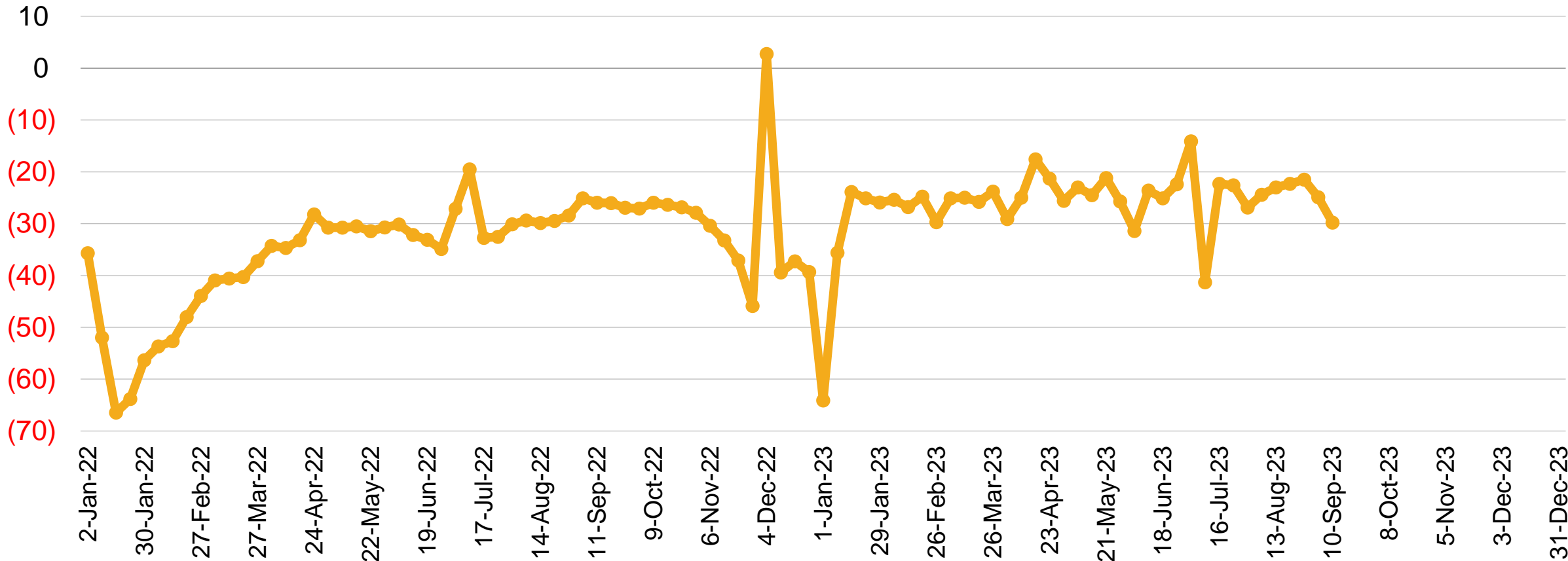


Source: A4A analysis of data from Airlines Reporting Corporation (ARC)

\* Net tickets (gross sales minus refunds) for travel to/from U.S. airports

# Volume of Corporate Ticket Sales Remains Well Below 2019 Levels

Change (%) vs. 2019 in Corporate-Segment Weekly Tickets Sold\* by U.S. Travel Agencies



Source: Airlines Reporting Corporation (ARC)

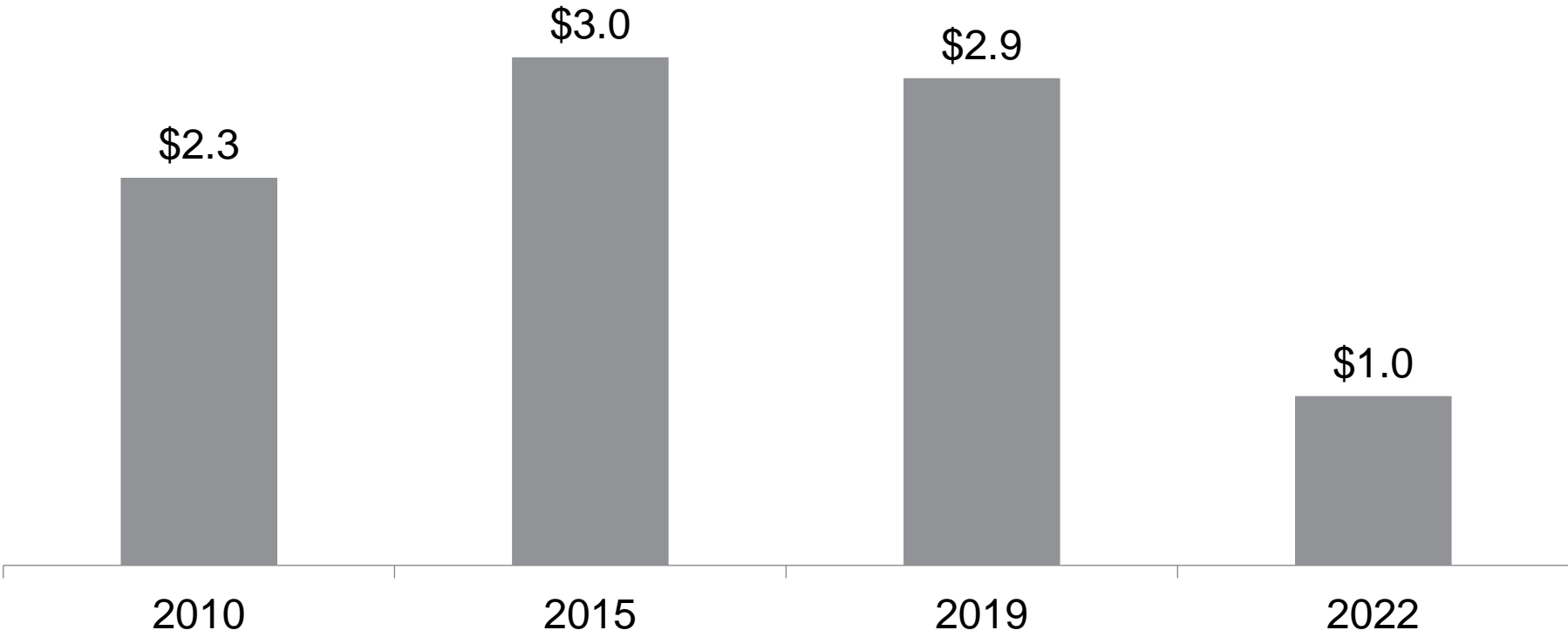
\* Results are not net of refunds or exchanges; "corporate" = agencies that primarily help companies organize travel arrangements for their employees.

# Revenues From Reservation Change Fees Have Fallen Sharply as Carriers Relaxed Restrictions

Widespread Elimination of Change Fees Has Boosted Traveler Flexibility

---

**U.S. Airline Revenues (in Billions USD) From Reservation Change Fees**



Source: Bureau of Transportation Statistics Form 41

# The Price of Jet Fuel, Elevated From Pre-Pandemic Levels, Has Risen Since May

Nationwide Spot Price Averaging \$2.78 per Gallon in 2023 — Up 44% From 2019

## Argus US Jet Fuel Index™ (USD per Gallon\*)

2015-2023 and 2023 by Month; Excludes Transportation, Taxes, Storage & Into-Plane Fees

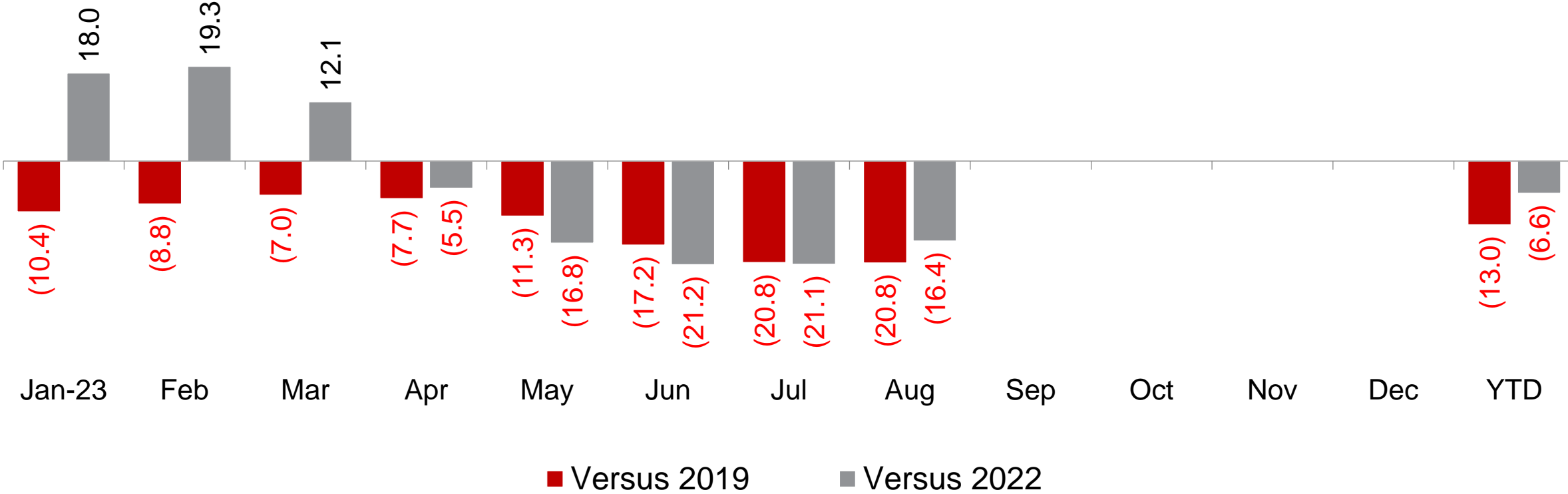


Sources: Argus Media as noted at <https://www.airlines.org/dataset/argus-us-jet-fuel-index/>

\* Argus daily simple-average jet-fuel price for Chicago, Houston, Los Angeles and New York

**Bureau of Labor Statistics: Real Airline Fares *Fell* 13% From Jan-Aug 2019 to Jan-Aug 2023**  
**In August, Inflation-Adjusted Fares Fell 21% From 2019 and 16% From 2022**

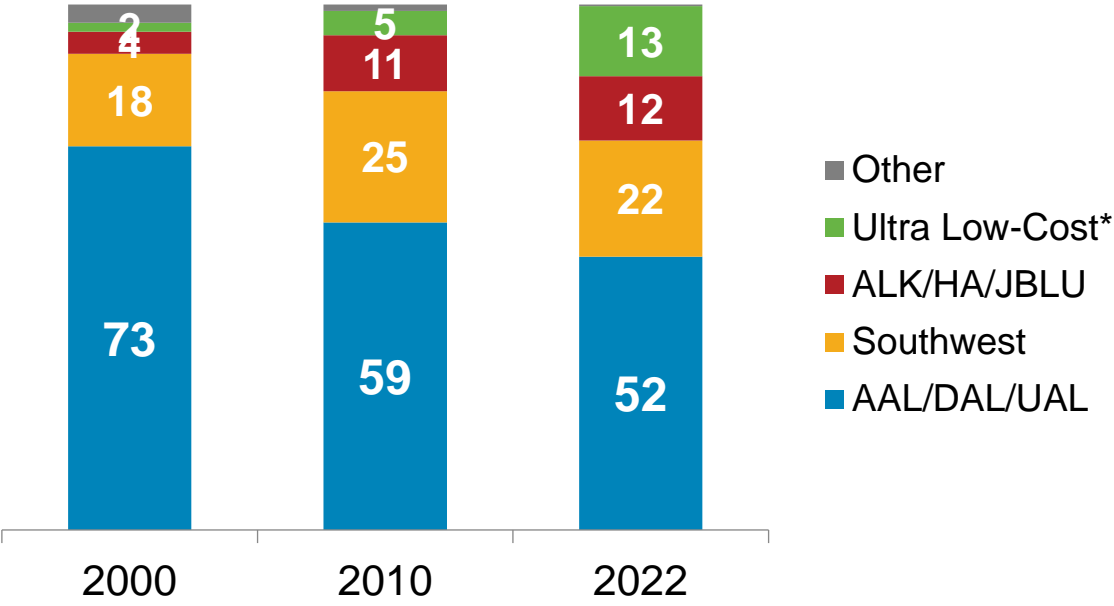
**Change (%) in Inflation-Adjusted Consumer Price Index for Airline Fares: 2023 vs. 2019 and 2022**



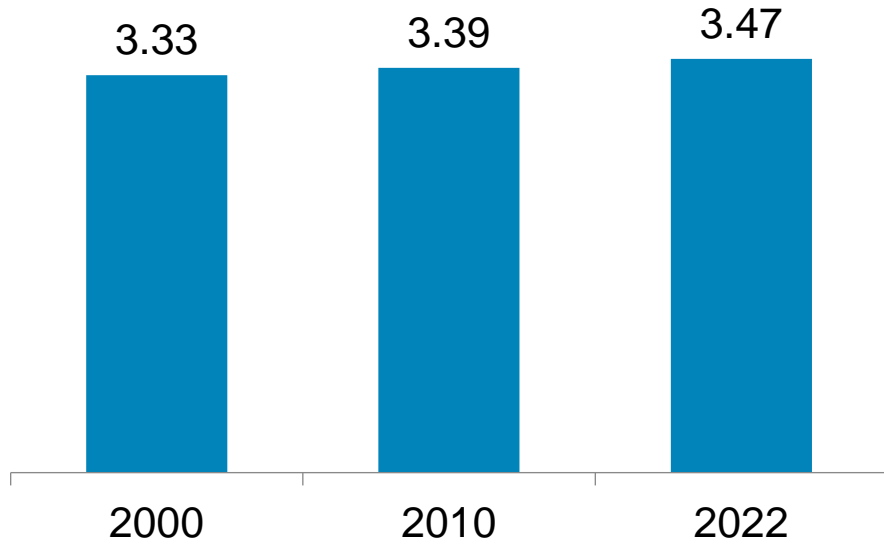
Source: Bureau of Labor Statistics (CPI series CUSR0000SETG01 and CUUR0000SA0); for information on the BLS methodology for "airline fares," see <https://www.bls.gov/cpi/factsheets/airline-fares.htm>

**From 2000-2022, the Number of Competitors per Domestic Air Trip Rose From 3.33 to 3.47**  
**Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 52% in 2022**

**Share (%) of U.S. Domestic O&D Passengers by Airline Business Model**



**Average Number of Competitors\*\* in Domestic U.S. Markets (O&D City Pairs)**



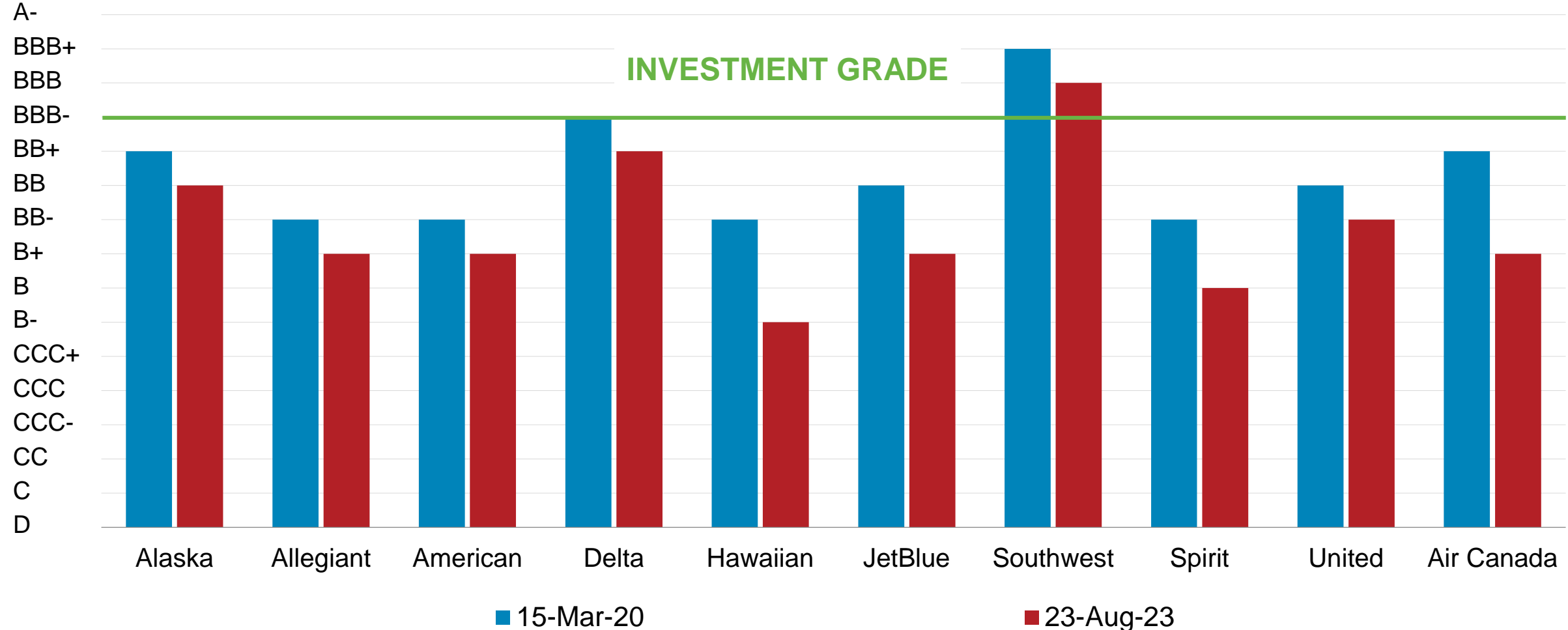
Source: Compass Lexecon analysis of DOT O&D Survey data (DB1B)

\* Allegiant/Avelo/Breeze/Frontier/Spirit/Sun Country  
 \*\* Per DOT and GAO, carrying at least 5% of O&D passengers in the city pair; average number of competitors is passenger-weighted across city pairs.



# Per Standard & Poor's, Balance Sheet Quality Remains Depressed Post-Pandemic

## Ratings Reflect Assessment of Financial Condition and Risk

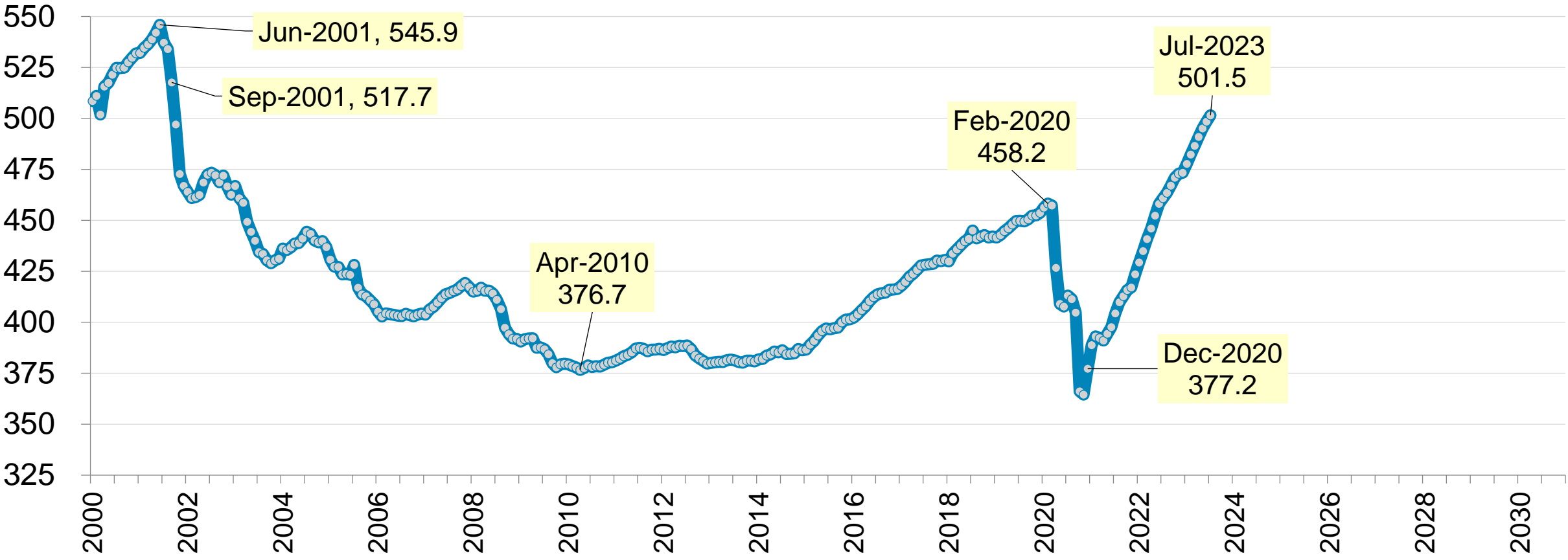


Source: Standard & Poor's issuer ratings for publicly traded U.S. and Canadian carriers in its coverage universe

# U.S. Passenger Airlines Added ~124K Jobs From the End of 2020 to July 2023

## Largest Workforce Since September 2001

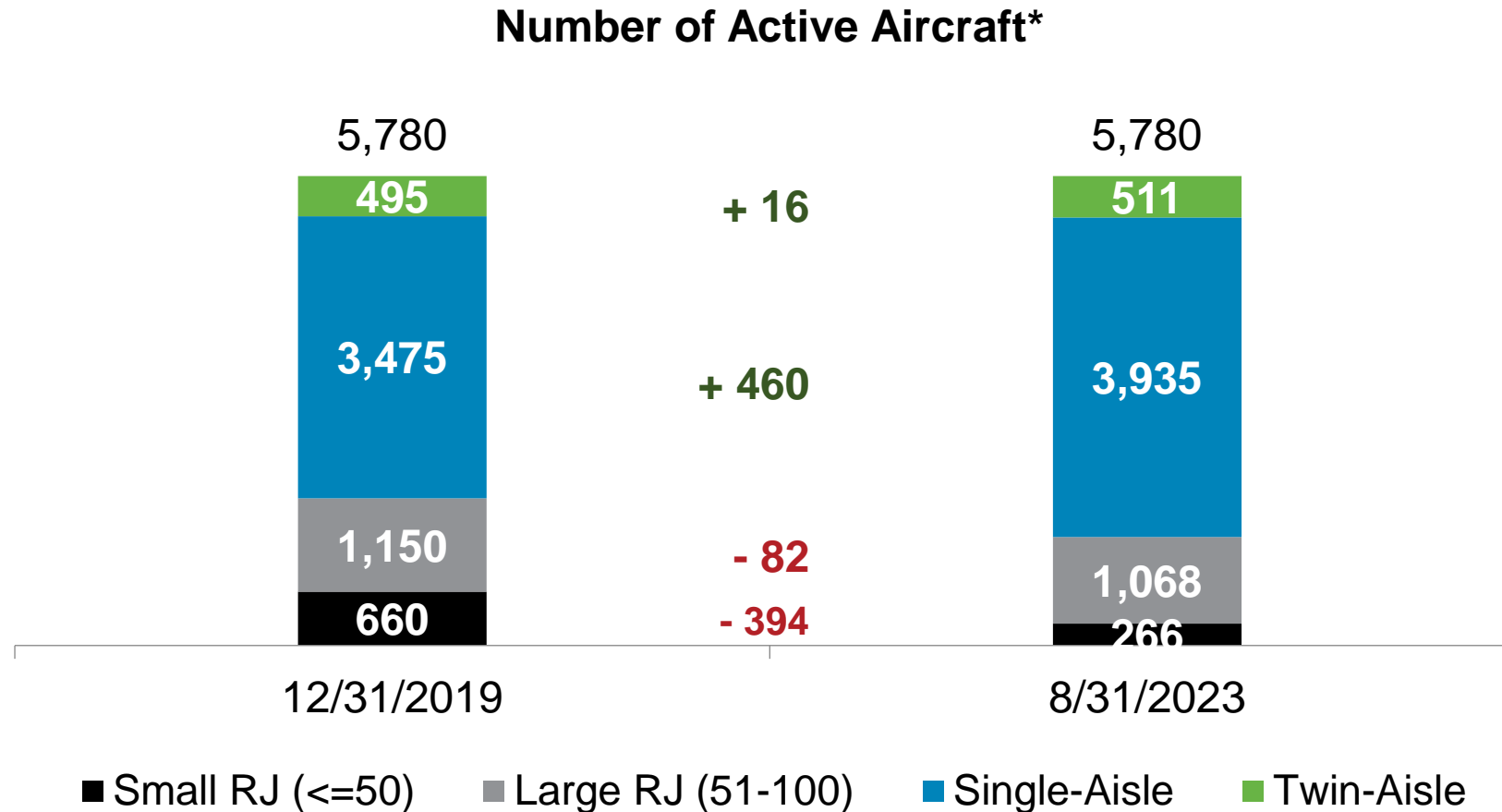
U.S. Passenger Airline Full-Time Equivalent\* Employees (000s)



Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines (i.e., all that report scheduled passenger revenue)

\* Full-time equivalents (FTE) = full-time workers plus 0.5 \* part-time workers

# U.S. Passenger Airlines Are Operating 476 More Mainline Aircraft Than at the End of 2019 But They Are Also Operating 476 Fewer Regional Aircraft



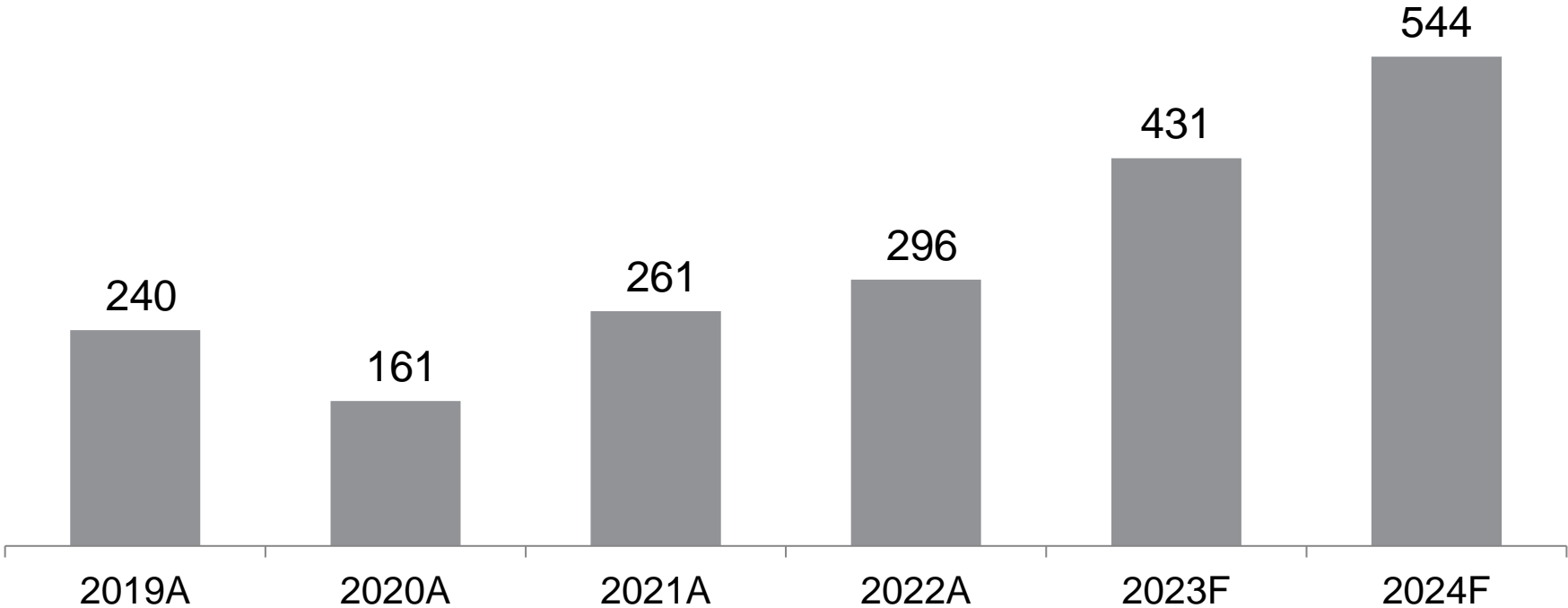
Source: Anuvu

\* Operated by or on behalf of Alaska/Allegiant/American/Avelo/Breeze/Delta/Frontier/Hawaiian/JetBlue/Southwest/Spirit/Sun Country/United in any of the previous seven days

# U.S. Airlines Expecting Significant Ramp-Up in Aircraft Deliveries

Order Books Imply Intake of More Than Nine New Aircraft per Week in 2023-2024

### Scheduled New-Aircraft Deliveries for Selected U.S. Passenger Airlines

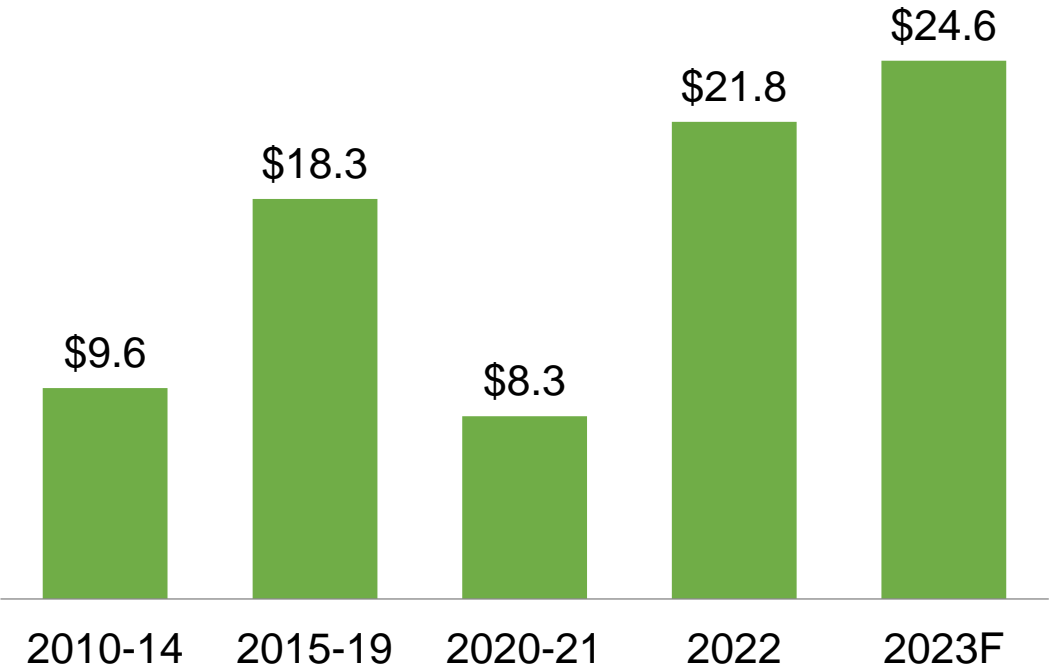


Source: Alaska, Allegiant, American, Breeze, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit and United as of August 3, 2023

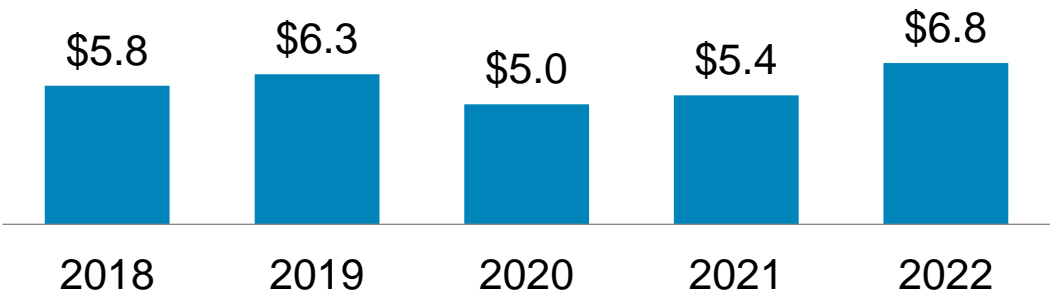
# U.S. Airlines Are Investing Heavily in Aircraft, Ground Equipment, Facilities and Technology

## Financial Recovery Is Enabling Significant Reinvestment

**Annual Capital Expenditures\*** (Billions)  
U.S. Passenger Airlines



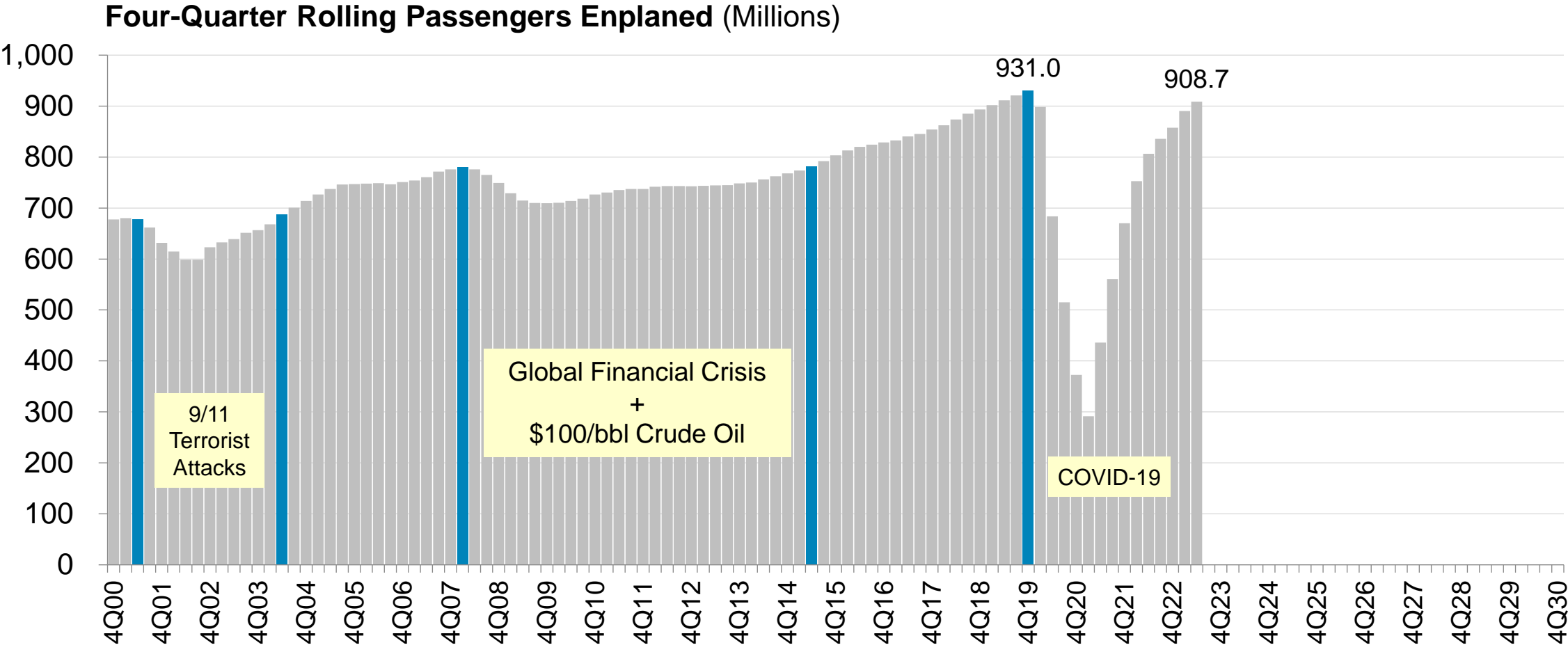
**Annual IT Expenditures** (Billions)  
U.S. Passenger Airlines



\* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., vans, air stairs, lavatory trucks, deicing vehicles), airport and other facility construction and information technology  
Sources: CapEx from SEC filings of Alaska, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, Sun Country, United and merged/acquired predecessors; IT spend from those carriers + Avelo

# U.A. Airline Passenger Volumes Are Closing in on the All-Time High Reached in 2019

Passenger Volumes Took More Than Seven Years to Recover From the Financial Crisis/Oil Spike



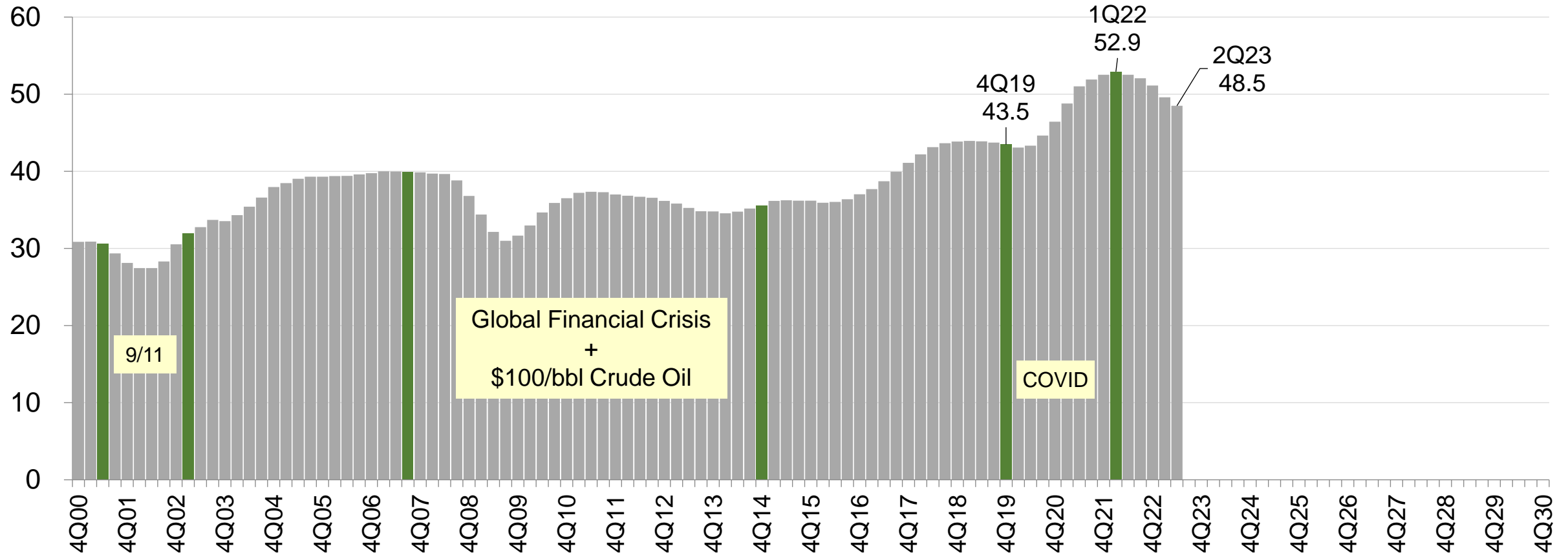
Source: A4A Passenger Airline Cost Index, BTS (Form 41 Schedule T1)

\* Passengers enplaned systemwide on U.S. airlines in scheduled and nonscheduled services

# Air-Cargo Demand Has Subsided Steadily Since Peaking in 1Q 2022

Air Cargo Had Taken 10 Years to Recover From the Global Financial Crisis and Subsequent Oil Spike

Four-Quarter Rolling Air Cargo Revenue Ton Miles\* (Billions)



Source: Bureau of Transportation Statistics (Form 41 Schedule T1)

\* Cargo revenue ton miles (RTMs) flown on U.S. passenger and cargo-only airlines in scheduled and nonscheduled services



**Airlines for America<sup>®</sup>**

*We Connect the World*