

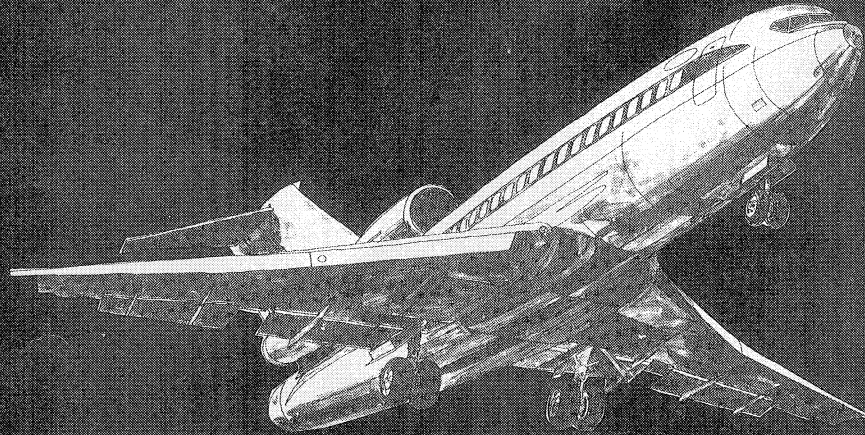
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Linda Kloster — Editor

AIR TRANSPORT 1979
The annual report of the U.S. scheduled airline industry



Air Transport 1979

*“Air transportation
has become
the prime
public carrier
between
American cities
and to
international points”*



1978 AT A GLANCE

Traffic	1978	1977	Per Cent Change
Passengers Enplaned (000)*	274,719	240,326	+14.3
Revenue Passenger Miles (000)	226,781,368	193,218,819	+17.4
Available Seat Miles (000)	368,750,530	345,565,901	+ 6.7
Passenger Load Factor	61.5%	55.9%	
Freight Ton Miles (000)	5,763,249	5,385,129	+ 7.0
U.S. Mail Ton Miles (000)	1,167,683	1,147,323	+ 1.8
Express Ton Miles (000)	56,494	41,417	+36.4
Cargo Ton Miles (000)	6,987,426	6,573,869	+ 6.3
Total Revenue Ton Miles (000)	31,095,008	27,582,374	+12.7
Total Available Ton Miles (000)	56,868,934	54,789,077	+ 3.8
Ton Mile Load Factor	54.7%	50.3%	

* Excludes charter.

Financial	1978	1977	Per Cent Change
Passenger Revenues (\$000)	18,806,247	16,273,355	+15.6
Freight Revenues (\$000)	1,939,062	1,687,302	+14.9
Total Operating Revenues (\$000)	22,883,955	19,924,800	+14.9
Total Operating Expenses (\$000)	21,519,092	19,016,760	+13.2
Operating Income (\$000)	1,364,863	908,040	+50.3
Profit (\$000)	1,196,537	752,536*	+59.0
Rate of Return on Investment	13.0%	10.9%	
Passenger Yield	8.29¢	8.42¢	- 1.5
Freight Yield	33.65¢	31.33¢	+ 7.4

* Excludes cumulative effect on prior years of change in accounting for vacation pay in the amount of \$44 million which was reported to the CAB in 1977.

A Record Year of Service

The U.S. scheduled airlines in 1978 — the 75th anniversary year of powered flight — set new records in traffic and earnings.

President Carter, commemorating the historic flight of the Wright Brothers on December 17, 1903, said: "Air transportation has become the prime public carrier between American cities and to international points."

The President added: "And the movement of cargo, especially perishable goods, life saving pharmaceuticals and other high-priority items important to the public welfare and commerce has become largely dependent upon the speed, efficiency and safety of air transport."

The 1978 air traffic surge has continued through the winter and spring of 1979. There is the prospect that the airlines this year will carry more than 300 million passengers, continuing their predominant role in intercity public passenger service — 84 per cent domestically and 95 per cent to overseas points.

An official report of the National Transportation Safety Board hailed the scheduled airline safety record in 1978 as one of the best ever recorded.

On October 24, the Airline Deregulation Act of 1978 became effective, and was followed immediately by the opening of new routes and services to scores of cities and new low-fare offerings. As the year came to a close, almost 50 per cent of air travelers were able to take advantage of discount fares, and the average cost of an airline ticket declined 1.5 per cent.

A leader in energy conservation, the airlines in 1978 carried almost 80 million more passengers than in 1973, while using less fuel.

In the first five months of 1979, the airlines were confronted with soaring fuel costs. Where in 1973, jet fuel cost about 12 cents a gallon, the cost in 1979 is expected to top 50 cents per gallon. Each penny increase in jet fuel means \$110 million in additional airline costs.

Notwithstanding major increases in traffic — 19 per cent during the first quarter of 1979 — sharply rising costs have resulted in a drop in airline earnings, which likely in 1979 will be significantly below the \$1.2 billion level achieved in 1978. This decline in earnings is a matter of particular concern in light of the fact that the airlines in the next decade will need to spend an estimated \$6-8 billion annually for procurement of aircraft.

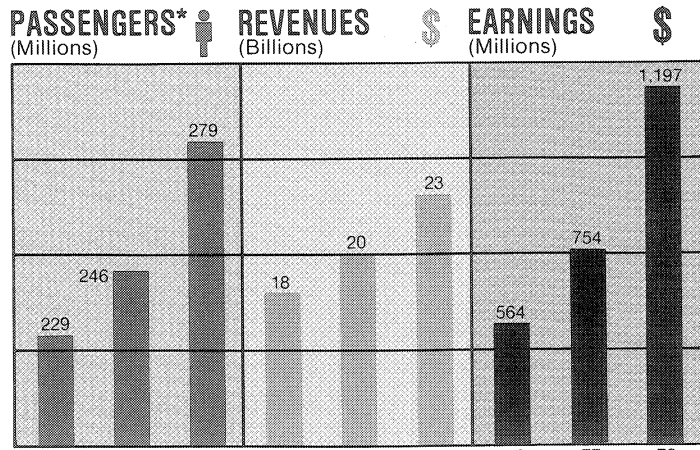
As the nation relies increasingly on air transportation, it is clear that cooperation will be essential among private sector, state and local, and Federal organizations to assure availability of airway and airport capacity for public transportation requirements. The challenge will be to make certain that U.S. air transportation remains the best in the world.



Paul R. Ignatius
President and Chief Executive Officer
Air Transport Association
June 1, 1979

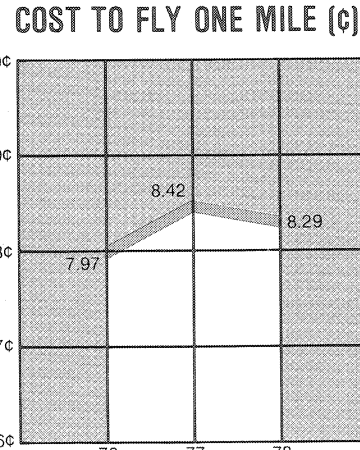
As a result of a strong economy and significant promotional efforts, airline passenger traffic growth set new records in 1978, with revenue passenger miles up 17 per cent and freight ton miles up seven per cent over 1977. Industry load factor rose from 56 per cent to 62 per cent in 1978. Traffic continued to increase sharply in the first quarter of 1979, up 19 per cent over the same quarter a year earlier.

During the latter part of 1978, however, certain adverse financial trends began to develop, resulting in a decline in operating profit in the fourth quarter. This downward profit trend has continued into 1979, as fuel and other costs continue to soar. As a result of price increases alone, the airline fuel bill in 1979 will be \$750 million to \$1 billion or more higher than in 1978.

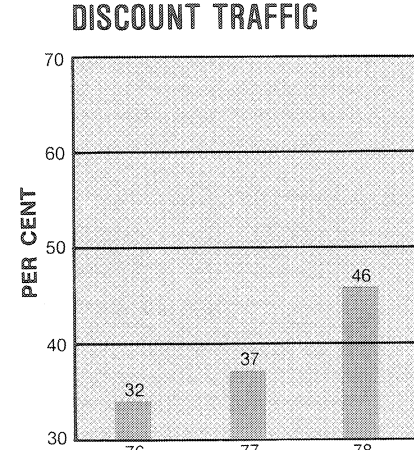


Airline passengers, revenues and earnings climbed to record levels in 1978.

*Includes charter



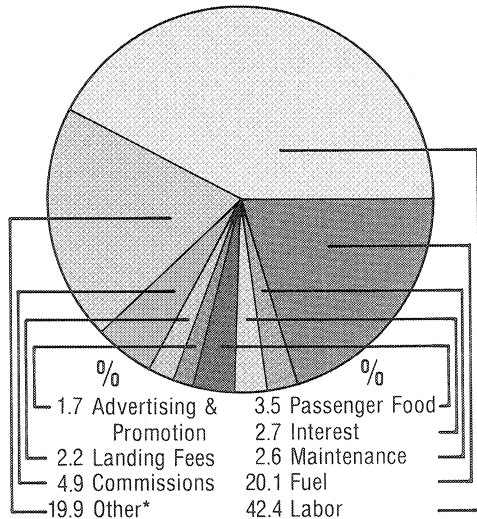
The average cost per mile to the airline passenger amounted to 8.29c in 1978, a decline from 1977. Overall consumer prices increased an average of 7.6 per cent in 1978.



Airlines continued to expand the travel market in 1978 with new promotional or discount fares. Nearly half of all domestic trunk traffic traveled on discount fares.

OPERATING EXPENSES

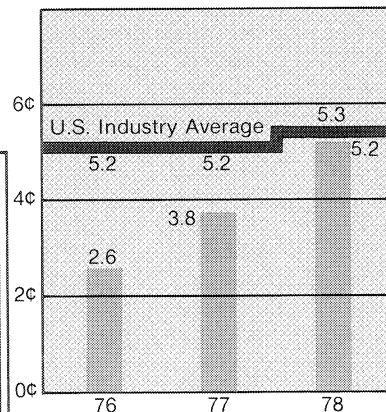
(Based on cash operating expense plus interest)



*Includes, for example, terminal and office rentals, insurance, utilities, telephone and miscellaneous supplies.

PROFIT MARGIN

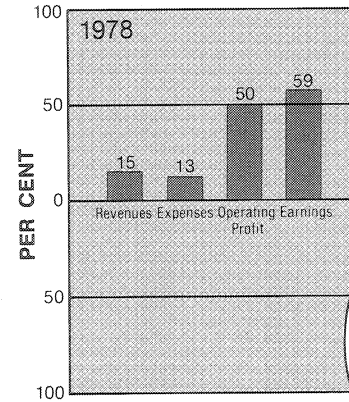
(Cents per dollar of sales)



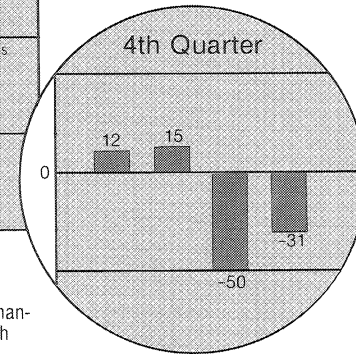
The airline industry profit margin reached its highest point since 1967. At 5.2c, it is still below the average for the U.S. industry as a whole.

CHANGING FINANCIAL RESULTS

(Per cent change from year earlier period)



Although airline operating profits and earnings climbed significantly in 1978, adverse financial signs appeared in the fourth quarter, when operating profits dropped 50 per cent and earnings dropped 31 per cent from the fourth quarter of 1977.



ATA Airline Statistics

	Employees	Passengers	Departures	Revenue Passenger Miles (000)	Freight Ton Miles (000)	Total Operating Revenues	Net Profit
Air California	1,160	2,400,000	41,000	813,000	n.a.	\$ 67,600,000	\$ 2,200,000
Air Florida	500	808,000	n.a.	181,000	n.a.	16,900,000 ¹	132,000 ¹
Air New England	540	538,000	52,934	69,091	76	20,801,253	(1,933,532)
Alaska	1,301	933,000	19,803	783,079	8,178	83,498,869	7,230,559
Allegheny*	8,459	12,838,000	306,413	4,083,420	20,803	566,753,000	32,737,000
Aloha	1,100	2,776,000	39,012	363,679	859	60,680,299	3,281,967
American	40,134	27,989,000	386,906	28,987,078	617,749	2,736,358,000	134,396,000
Braniff	12,452	11,551,000	224,678	9,604,422	103,247	966,493,189	45,823,107
Capitol International	762	851,000	8,000	2,300,000	n.a.	86,300,000	(1,800,000)
Continental	11,853	9,398,000	151,338	8,626,206	263,997	771,967,247	49,189,577
Delta	32,281	36,256,000	541,358	23,332,254	200,804	2,241,559,962	137,374,545
Eastern	35,899	37,819,000	566,421	25,183,415	229,537	2,379,564,032	67,257,244
Evergreen	378	217,000	17,000	229,000	70,000	40,800,000	500,000
Flying Tiger Line	4,681	105,000	21,089	667,244	1,156,056	404,151,000	21,699,000
Frontier	4,628	5,531,000	200,322	2,377,931	14,127	287,228,954	13,651,741
Hawaiian	1,450	3,712,000	44,301	481,754	2,973	89,862,911	(698,651)
Hughes Airwest	4,708	6,247,000	156,797	2,483,990	8,802	313,151,664	5,335,033
National	8,040	6,983,000	114,344	7,892,599	72,154	636,444,000	18,309,000
4							
North Central	4,198	6,732,000	232,521	1,714,134	11,250	298,523,249	22,164,205
Northwest	8,036 ³	6,575,000	99,542	7,018,305	301,043	794,361,253	61,841,389
Ozark	3,583	4,586,000	157,852	1,488,239	8,722	229,743,570	8,199,776
Pan American	26,964	8,675,000	85,066	21,054,983	1,045,846	2,281,821,000	118,801,000
Piedmont	3,446	4,580,000	168,970	1,434,409	6,908	205,606,293	5,590,711
PSA-Pacific Southwest	3,800	7,802,199	94,000	2,500,000	n.a.	229,800,000	11,600,000
Southern	3,141	4,111,000	155,851	1,334,987	7,698	188,512,000	2,407,000
Texas International	2,949	3,987,000	94,046	1,560,554	6,506	181,659,830	12,850,636
Trans Carib ²	—	—	—	—	—	—	—
Trans World	36,250	19,726,000	295,365	26,967,353	409,104	2,474,723,708	86,644,112
United	50,807	40,729,000	572,656	39,399,228	627,074	3,523,361,898	287,218,012
Western	10,561	11,129,000	165,026	10,188,474	140,936	834,512,965	39,602,949
Wien Air Alaska	826	563,000	64,745	235,820	14,611	63,711,500	482,223
Associate Members:							
Air Canada	20,964	11,300,000	178,888	12,017,000	275,000	1,322,600,000	47,500,000
CP Air	7,117	2,960,440	38,561	5,354,364	96,968	423,825,000	20,000,000

¹ Fiscal Year.

² Not currently in operation.

³ Average for year.

* Name change to USAir is pending.

Traffic and Service

	Total U.S. Scheduled Airlines			Domestic Trunk Airlines			Local Service Airlines		
	1978	1977	1968	1978	1977	1968	1978	1977	1968
Passenger Traffic									
Revenue passengers enplaned (000)	274,719	240,326	162,181	196,073	172,231	118,810	48,612	41,853	23,389
Revenue passenger miles (000)	226,781,368	193,218,819	113,958,321	164,150,171	141,276,272	81,611,832	16,477,664	13,541,668	5,489,224
Available seat miles (000)	368,750,530	345,565,901	216,445,750	268,190,511	252,567,993	153,864,640	28,130,174	25,129,836	12,153,585
Revenue passenger load factor (%)	61.5	55.9	52.6	61.2	55.9	53.0	58.6	53.9	45.2
Average length of haul (miles)	825	803	703	837	820	687	339	323	235
Cargo Traffic (Ton Miles) — Total (000)									
Freight (000)	6,987,426	6,573,869	4,167,064	3,295,024	3,219,309	2,072,466	129,285	117,382	59,036
Express (000)	5,763,249	5,385,129	2,804,878	2,523,358	2,496,540	1,439,161	84,816	76,577	31,415
U.S. Mail (000)	56,494	41,417	105,153	52,884	39,444	94,874	1,581	974	7,482
U.S. Mail (000)	1,167,683	1,147,323	1,257,051	718,782	683,325	538,431	42,888	39,831	20,139
Overall Traffic and Service									
Nonscheduled traffic — total ton miles (000) ..	1,415,576	1,673,587	2,865,022	429,291	599,135	425,942	102,485	76,250	11,062
Total revenue ton miles — all services (000) ..	31,095,008	27,582,374	18,114,334	20,140,854	17,947,607	10,321,322	1,879,552	1,547,812	593,665
Total available ton miles — all services (000) .	56,868,934	54,789,077	37,223,333	38,072,875	36,881,470	23,097,750	3,684,894	3,268,746	1,469,783
Ton mile load factor (%)	54.7	50.3	48.7	52.9	48.7	44.7	51.0	47.4	40.4
Scheduled revenue aircraft departures	5,013,169	4,936,519	5,348,110	2,993,188	2,966,175	3,005,352	1,472,772	1,429,569	1,620,940
Scheduled revenue aircraft miles (000)	2,519,976	2,418,645	2,145,972	1,812,660	1,755,550	1,486,460	321,311	292,743	211,203
Scheduled revenue aircraft hours	6,030,231	5,798,873	5,521,311	4,164,775	4,041,999	3,597,467	995,989	919,353	908,525

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	Int'l and Terr. Airlines			Intra-Hawaiian Airlines			Intra-Alaskan Airlines*		
	1978	1977	1968	1978	1977	1968	1978	1977	1968
Passenger Traffic									
Revenue passengers enplaned (000)	20,757	18,043	16,407	6,488	5,724	2,243	1,574	1,452	253
Revenue passenger miles (000)	44,104,146	36,609,570	26,450,644	845,433	762,153	301,429	1,066,418	924,491	76,790
Available seat miles (000)	69,199,608	64,946,986	49,575,001	1,272,622	1,157,025	580,391	1,698,128	1,560,761	204,431
Revenue passenger load factor (%)	63.7	56.4	53.4	66.4	65.9	51.9	62.8	59.2	37.6
Average length of haul (miles)	2,125	2,029	1,612	130	133	134	678	637	304
Cargo Traffic (Ton Miles) — Total (000)									
Freight (000)	1,759,008	1,755,269	1,596,029	4,915	7,252	3,167	38,609	35,229	8,477
Express (000)	1,488,133	1,466,844	926,091	3,832	6,037	2,272	23,898	21,191	3,825
U.S. Mail (000)	753	938	1,159	—	—	—	—	—	—
U.S. Mail (000)	270,122	287,487	668,779	1,083	1,215	895	14,711	14,036	4,652
Overall Traffic and Service									
Nonscheduled traffic — total ton miles (000) ..	445,818	613,326	1,684,105	6,766	25,930	8	4,071	3,571	3,432
Total revenue ton miles — all services (000) ..	6,627,569	6,041,034	5,978,604	96,225	109,397	29,630	149,322	131,248	19,920
Total available ton miles — all services (000) .	11,485,774	11,549,613	10,779,326	162,791	182,307	60,634	257,890	232,391	35,688
Ton mile load factor (%)	57.7	52.3	55.5	59.1	60.0	48.9	57.9	56.5	55.8
Scheduled revenue aircraft departures	209,512	214,178	367,960	83,313	79,531	69,359	103,184	104,411	66,389
Scheduled revenue aircraft miles (000)	301,378	295,604	408,136	9,962	9,624	8,131	23,487	21,909	7,155
Scheduled revenue aircraft hours	616,823	607,222	858,123	30,828	29,723	31,595	81,907	79,779	40,831

* See notes to statistical tables page 29.

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Traffic and Service

	All-Cargo Airlines (Dom.)			All-Cargo Airlines (Int'l)		
	1978	1977	1968	1978	1977	1968
Cargo Traffic (Ton Miles) — Total (000)	843,320	495,841	198,768	916,907	943,273	229,021
Freight (000)	813,561	483,554	194,005	825,352	834,108	208,097
Express (000)	1,276	61	1,576	—	—	12
U.S. Mail (000)	28,483	12,226	3,187	91,555	109,164	20,912

Overall Traffic and Service

Nonscheduled traffic — total ton miles (000) . .	26,981	23,579	295,406	397,933	329,604	445,016
Total revenue ton miles — all services (000) . .	870,300	519,421	494,181	1,315,620	1,272,876	674,127
Total available ton miles — all services (000) .	1,343,912	817,334	704,824	1,826,497	1,827,175	1,068,341
Ton mile load factor (%)	64.8	63.4	70.1	72.0	69.7	63.1
Scheduled revenue aircraft departures	22,870	15,720	15,016	8,361	9,457	8,393
Scheduled revenue aircraft miles (000)	25,179	16,145	11,552	17,214	19,243	10,428
Scheduled revenue aircraft hours	54,289	35,293	34,433	34,582	38,783	24,595

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Operating Revenues and Expenses (In Thousands of Dollars)

	Total U.S. Scheduled Airlines			Domestic Trunk Airlines			Local Service Airlines		
	1978	1977	1968	1978	1977	1968	1978	1977	1968
Operating Revenues — Total	22,883,955	19,924,800	7,753,211	15,309,391	13,478,556	5,039,441	2,271,179	1,895,909	501,308
Passenger	18,806,247	16,273,355	6,221,852	13,263,109	11,634,954	4,451,341	1,960,689	1,616,069	414,732
Freight	1,939,062	1,687,302	547,094	919,052	824,395	284,707	103,457	83,291	17,477
U.S. Mail	386,639	390,762	267,229	221,207	221,526	123,870	29,029	40,560	8,871
Express	47,758	31,227	38,174	43,499	28,743	33,146	2,983	1,725	3,967
Charter	578,285	644,381	517,074	187,978	238,349	87,475	56,534	45,463	6,837
Public Service Revenue	65,809	76,681	46,745	180	—	—	58,532	67,370	40,950
Other *	1,060,154	821,092	115,044	674,366	530,589	58,902	59,955	41,432	8,476
Operating Expenses — Total	21,519,092	19,016,760	7,248,323	14,470,415	12,961,343	4,719,364	2,127,199	1,766,498	510,518
Flying Operations	7,017,855	6,590,671	2,080,537	4,779,236	4,520,759	1,341,342	692,782	609,518	146,193
Maintenance	2,651,407	2,450,805	1,193,639	1,788,619	1,696,410	802,853	285,095	244,500	91,971
General Services and Administration									
Passenger Service	2,138,103	1,812,097	716,056	1,534,323	1,323,540	488,635	160,366	125,795	30,613
Aircraft and Traffic Servicing	3,888,420	3,396,135	1,262,945	2,508,361	2,231,244	825,578	487,434	417,980	120,179
Promotion and Sales	2,663,178	2,238,681	900,940	1,757,679	1,500,855	579,244	228,887	178,183	46,467
Administrative	973,158	857,397	351,965	596,812	519,152	202,465	111,034	93,051	28,136
Total	9,662,859	8,304,310	3,231,906	6,397,175	5,574,789	2,095,921	987,721	815,010	225,396
Depreciation and Amortization	1,554,458	1,219,914	742,240	1,074,106	862,392	479,249	120,635	82,926	46,958
Net Operating Income	1,364,863	908,040	504,888	838,976	517,212	320,077	143,980	129,412	(9,210)

* Includes excess baggage, foreign mail, incidental revenues and other transport. For notes to statistical tables see page 29.

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Operating Revenues and Expenses (In Thousands of Dollars)

	Intra-Alaskan Airlines ¹			Intra-Hawaiian Airlines			Int'l and Terr. Airlines		
	1978	1977	1968	1978	1977	1968	1978	1977	1968
Operating Revenues — Total	165,006	147,953	21,967	150,543	129,121	29,746	4,331,776	3,774,262	1,949,766
Passenger	115,475	100,560	8,867	134,875	109,546	27,538	3,304,993	2,785,706	1,309,173
Freight	18,266	15,653	2,132	5,345	6,112	1,577	443,388	424,664	185,465
U.S. Mail	15,514	14,874	4,717	1,328	798	236	91,636	88,119	124,737
Express	—	—	—	—	—	—	698	632	391
Charter	4,346	4,795	2,310	4,349	8,238	13	202,762	251,329	287,202
Public Service Revenue	2,536	4,488	3,190	—	—	—	—	—	2,606
Other	8,869	7,583	751	4,646	4,427	382	288,300	223,820	40,193
Operating Expenses — Total	153,803	141,300	20,719	146,234	128,367	30,453	4,010,697	3,552,189	1,747,946
Flying Operations	47,822	45,947	6,042	42,814	41,942	8,674	1,210,641	1,170,021	495,025
Maintenance	22,091	20,434	5,142	17,645	15,795	6,069	457,787	414,486	244,316
General Services and Administration									
Passenger Service				6,709	5,304	1,047	421,835	346,968	187,756
Aircraft and Traffic Servicing	*	*	*	31,304	27,624	5,474	676,076	598,406	281,377
Promotion and Sales				27,216	21,637	4,205	601,836	506,031	263,692
Administrative				12,094	10,462	2,515	191,210	158,495	94,899
Total	71,533	63,709	7,775	77,323	65,027	13,241	1,890,957	1,609,900	827,723
Depreciation and Amortization	8,812	7,442	1,759	7,179	4,569	2,470	303,423	238,009	180,881
Net Operating Income	11,203	6,653	1,248	4,309	754	(707)	321,079	222,073	201,820

¹ For notes to statistical tables see page 29.

* Breakdown waived in reporting required of these carriers.

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	All-Cargo Airlines (Dom.)			All-Cargo Airlines (Int'l)		
	1978	1977	1968	1978	1977	1968
Operating Revenues — Total	246,001	132,193	85,303	370,887	329,682	111,998
Passenger	—	—	—	243	—	—
Freight	232,497	124,916	27,564	215,953	207,362	28,067
U.S. Mail	2,378	918	581	25,448	23,847	4,008
Express	579	114	407	—	—	4
Charter	6,596	5,424	54,414	115,720	87,002	78,273
Public Service Revenue	—	—	—	—	—	—
Other	3,951	819	2,337	13,523	11,471	1,645
Operating Expenses — Total	218,368	129,467	98,712	351,972	300,224	103,632
Flying Operations	91,820	58,768	35,170	140,485	133,181	44,968
Maintenance	29,828	14,870	19,354	40,697	35,382	18,441
General Services and Administration						
Passenger Service	—	6	2,579	5,544	3,804	5,425
Aircraft and Traffic Servicing	56,816	35,142	13,908	92,398	69,755	16,529
Promotion and Sales	7,298	4,986	3,448	28,818	20,107	3,885
Administrative	11,560	7,448	4,374	20,141	18,264	5,196
Total	75,674	47,582	24,310	146,901	111,930	30,935
Depreciation and Amortization	17,759	7,164	19,878	19,929	15,156	9,288
Net Operating Income	27,633	2,726	(13,408)	18,915	29,458	8,366

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Income Statement

	Total U.S. Scheduled Airlines			Domestic Trunk Airlines		
	1978	1977	1968	1978	1977	1968
Total Operating Revenues (\$000)	22,883,955	19,924,800	7,753,211	15,309,391	13,478,556	5,039,441
Total Operating Expenses (\$000)	21,519,092	19,016,760	7,248,323	14,470,415	12,961,343	4,719,364
Operating Income (\$000)	1,364,863	908,040	504,888	838,976	517,212	320,077
Interest Expense (\$000)	538,642	373,206	221,915	308,824	198,892	131,174
Income Taxes (\$000)	220,119	205,764	135,240	159,988	153,764	88,435
Net Profit or (Loss) (\$000)	1,196,537	752,536*	209,952	748,001	421,887*	126,521
Profit Margin on Sales (%)	5.2	3.8	2.8	4.9	3.4	2.5
Rate of Return on Investment (%)	13.0	10.9	4.9	12.3	9.6	4.6

	Local Service Airlines			Int'l and Terr. Airlines		
	1978	1977	1968	1978	1977	1968
Total Operating Revenues (\$000)	2,271,179	1,895,909	501,308	4,331,776	3,774,262	1,949,766
Total Operating Expenses (\$000)	2,127,199	1,766,498	510,518	4,010,697	3,552,189	1,747,946
Operating Income (\$000)	143,980	129,412	(9,210)	321,079	222,073	201,820
Interest Expense (\$000)	64,761	41,868	31,151	126,491	111,047	50,366
Income Taxes (\$000)	27,079	24,776	(9,091)	14,273	23,813	62,512
Net Profit or (Loss) (\$000)	102,932	86,541	(29,800)	298,454	171,117*	122,957
Profit Margin on Sales (%)	4.5	4.6	—	6.9	4.5	6.3
Rate of Return on Investment (%)	12.1	13.7	(0.4)	17.7	13.7	7.5

	Intra-Hawaiian Airlines			Intra-Alaskan Airlines		
	1978	1977	1968	1978	1977	1968
Total Operating Revenues (\$000)	150,543	129,121	29,746	165,006	147,953	21,967
Total Operating Expenses (\$000)	146,234	128,367	30,453	153,803	141,300	20,719
Operating Income (\$000)	4,309	754	(707)	11,203	6,653	1,248
Interest Expense (\$000)	5,035	3,615	1,013	5,718	4,818	279
Income Taxes (\$000)	(2)	(985)	(482)	(1,373)	2,431	293
Net Profit or (Loss) (\$000)	2,581	1,969	(1,533)	8,381	3,627*	1,429
Profit Margin on Sales (%)	1.7	1.7	—	5.1	2.5	6.5
Rate of Return on Investment (%)	4.0	9.9	(1.4)	11.7	8.2	8.2

	All Cargo Airlines (Dom.)			All-Cargo Airlines (Int'l)		
	1978	1977	1968	1978	1977	1968
Total Operating Revenues (\$000)	246,001	132,193	85,303	370,887	329,682	111,998
Total Operating Expenses (\$000)	218,368	129,467	98,712	351,972	300,224	103,632
Operating Income (\$000)	27,633	2,726	(13,408)	18,915	29,458	8,366
Interest Expense (\$000)	11,694	3,704	3,946	14,828	8,079	3,526
Income Taxes (\$000)	13,722	1,686	7,243	6,525	6,942	816
Net Profit or (Loss) (\$000)	13,488	5,415	(10,838)	24,455	33,008	4,274
Profit Margin on Sales (%)	5.5	4.1	—	6.6	10.0	3.8
Rate of Return on Investment (%)	11.5	9.3	(4.9)	11.1	16.7	6.2

* Excludes cumulative effect on prior years of change in accounting for vacation pay in the amount of \$44 million which was reported to the CAB in 1977.

Balance Sheet (In Thousands of Dollars)

	Total U.S. Scheduled Airlines			Domestic Trunk Airlines		
	1978	1977	1968	1978	1977	1968
Assets						
Current Assets	5,547,209	5,188,779	2,170,058	4,843,443	4,550,172	1,576,569
Investments and Special Funds	869,521	713,000	1,281,929	713,039	605,012	831,219
Flight Equipment	16,127,299	14,822,034	9,021,381	14,295,861	13,303,115	6,956,181
Reserve for Depreciation and Airworthiness	*	*	(2,545,996)	*	*	(2,025,147)
Ground Property and Equipment	3,107,977	2,996,896	1,042,385	2,797,141	2,719,625	794,600
Reserve for Depreciation	(8,798,173)	(8,329,656)	(462,906)	(8,070,094)	(7,509,436)	(356,253)
Other Property	3,592,549	1,169,144	263,299	3,096,088	852,807	207,456
Deferred Charges	296,999	307,971	222,235	179,948	190,860	121,572
Total Assets	20,743,381	16,868,168	10,992,385	17,855,424	14,712,155	8,106,199
Liabilities						
Current Liabilities	5,274,718	4,444,383	1,747,639	4,570,418	3,890,456	1,202,723
Long-Term Debt	4,282,887	4,526,900	5,263,933	3,340,048	3,743,131	3,767,627
Other Non-Current Liabilities	2,740,648	605,540	22,814	2,470,126	547,110	16,386
Deferred Credit	1,566,772	1,565,968	835,959	1,506,418	1,525,226	711,030
Stockholders' Equity — Net of Treasury Stock	6,878,355	5,727,726	3,122,040	5,968,413	5,006,232	2,408,432
Preferred Stock	182,536	141,992	49,686	124,189	123,101	36,646
Common Stock	325,205	305,263	349,026	260,210	246,678	282,194
Other Paid-in Capital	2,737,418	2,418,003	1,054,438	2,338,637	2,061,479	770,795
Retained Earnings	3,634,748	2,863,572	1,670,864	3,246,031	2,575,427	1,319,737
Less: Treasury Stock	1,552	1,105	1,975	654	654	939
Total Liabilities and Equity	20,743,381	16,868,168	10,992,385	17,855,424	14,712,155	8,106,199

* This is now included in reserve for depreciation — ground property and equipment.

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	Local Service Airlines			Intra-Hawaiian Airlines			Intra-Alaskan Airlines		
	1978	1977	1968	1978	1977	1968	1978	1977	1968
Assets									
Current Assets	432,954	416,072	173,435	31,112	27,195	7,380	47,042	26,846	7,140
Investments and Special Funds	105,607	52,838	48,658	3,446	2,849	3,049	12,804	11,149	1,283
Flight Equipment	1,351,784	1,061,125	609,357	70,208	65,708	27,391	96,513	84,531	22,662
Reserve for Depreciation and Airworthiness	*	*	(95,179)	*	*	(6,893)	*	*	(6,584)
Ground Property and Equipment	167,729	135,276	45,095	12,567	11,549	5,758	39,146	36,440	5,910
Reserve for Depreciation	(528,191)	(457,745)	(20,818)	(18,548)	(14,022)	(2,467)	(42,450)	(35,233)	(2,863)
Other Property	249,062	99,017	11,956	28,017	10,221	147	16,461	8,560	1,050
Deferred Charges	109,853	108,683	36,168	2,725	2,455	1,569	1,144	1,309	719
Total Assets	1,888,797	1,415,267	808,674	129,528	105,955	35,933	170,660	133,602	29,317
Liabilities									
Current Liabilities	489,465	392,381	167,886	39,371	29,449	8,589	41,514	29,170	5,278
Long-Term Debt	655,090	546,432	530,255	45,967	45,453	16,402	64,503	49,180	11,527
Other Non-Current Liabilities	119,913	21,872	231	17,594	6,270	416	3,026	1,562	68
Deferred Credit	26,359	19,206	5,257	3,561	3,471	—	4,611	3,053	328
Stockholders' Equity — Net of Treasury Stock	597,971	435,377	105,045	23,035	21,313	10,527	57,006	49,978	12,116
Preferred Stock	57,807	18,179	12,667	52	60	130	—	—	—
Common Stock	27,354	20,860	22,045	7,462	7,352	6,204	8,428	8,128	3,376
Other Paid-in Capital	276,523	232,389	72,151	7,807	7,691	6,592	22,532	21,431	2,289
Retained Earnings	236,759	164,335	(1,810)	7,713	6,210	(2,399)	26,426	20,419	6,451
Less: Treasury Stock	473	386	7	—	—	—	379	—	—
Total Liabilities and Equity	1,888,797	1,415,267	808,674	129,528	105,955	35,933	170,660	133,602	29,317

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Balance Sheet (In Thousands of Dollars)

	All-Cargo Airlines			International and Territorial Airlines		
	1978	1977	1968	1978	1977	1968
Assets						
Current Assets	190,103	162,929	70,232			329,091
Investments and Special Funds	34,516	41,026	52,876			344,150
Flight Equipment	302,543	289,492	289,388			1,101,919
Reserve for Depreciation and Airworthiness	*	*	(80,310)			(325,804)
Ground Property and Equipment	90,719	79,902	21,272	Balance sheet		167,252
Reserve for Depreciation	(135,031)	(117,839)	(6,499)	data reported in		(72,525)
Other Property	201,334	20,096	6,400	Domestic		35,264
Deferred Charges	2,963	4,014	23,856	Trunk		37,546
Total Assets	687,150	479,619	377,214	Category		1,616,891
Liabilities						
Current Liabilities	129,554	94,996	61,094			294,831
Long-Term Debt	168,769	129,499	203,053			726,555
Other Non-Current Liabilities	129,979	28,692	2,220			3,466
Deferred Credit	25,822	12,889	19,958			99,153
Stockholders' Equity — Net of Treasury Stock	233,025	213,543	90,888			492,885
Preferred Stock	441	603	244			—
Common Stock	20,958	20,269	20,413	Balance sheet		11,355
Other Paid-in Capital	87,818	87,642	34,792	data reported in		164,390
Retained Earnings	123,808	105,028	35,683	Domestic		317,925
Less: Treasury Stock	—	—	244	Trunk		785
Total Liabilities and Equity	687,150	479,619	377,214	Category		1,616,891

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Aircraft in Service U.S. Scheduled Airlines

Manufacturer	Model	1978	1977	1968	Manufacturer	Model	1978	1977	1968
Airbus Industrie:	A300	6	4	—	McDonnell Douglas:	DC-3	—	1	14
Boeing:	B707 (Jet)	207	235	380		DC-6	—	1	7
	B720 (Jet)	9	17	134		DC-7	—	—	15
	B727 (Jet)	909	818	516		DC-8 (Jet)	127	133	217
	B737 (Jet)	151	140	66		DC-9 (Jet)	367	352	260
	B747 (Jet)	112	99	—		DC-10 (Jet)	126	121	—
British Aircraft Corp.:	BAC 111 (Jet)	30	31	60	Nihon:	YS-11 (Turboprop)	20	23	9
Canadair:	CL 44 (Turboprop)	—	—	14	Nord Aviation:	262 (Turboprop)	9	3	—
Convair:	240	—	—	3	Sud Aviation:	Caravelle (Jet)	—	—	20
	340/440	—	4	46	Vickers:	Viscount (Turboprop)	—	—	19
	580/600 (Turboprop)	50	78	148	Other:		21	32	72
	880 (Jet)	—	—	41	Totals:				
	990 (Jet)	—	—	6	Jet		2,128	2,030	1,700
Curtiss:	C-46	—	2	7	Turboprop		114	168	412
Fairchild Hiller:	F-27 (Turboprop)	5	6	47	Piston		21	28	185
	FH-227 (Turboprop)	23	24	55	Total Fixed Wing:		2,263	2,226	2,297
Lockheed:	Electra (Turboprop)	7	17	86	Helicopters:				
	L-382B/100 (Turboprop)	—	—	9	Sikorsky:	S58	—	—	3
	L1011 (Jet)	84	78	—		S61 (Turbine)	3	3	8
Martin:	404	—	7	46		S62 (Turbine)	—	—	1
					Boeing Vertol:	V107 (Turbine)	—	—	4
					Total Helicopters:		3	3	16

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Aircraft on Order

U.S. Scheduled Airline Industry as of June 1, 1979

Manufacturer	Model	Aircraft on Order for Delivery			Total on Order
		1979	1980	1981 & Beyond	
Airbus Industrie:	A300	5	5	6	16
Boeing:	B-727	58	72	26	156
	B-737	13	8	4	25
	B-747	34	11	24	69
	B-757	—	—	21	21
	B-767	—	—	60	60
Lockheed:	L-1011	10	6	15	31
McDonnell Douglas:	DC-9	19	25	11	55
	DC-10	6	11	2	19
Total Aircraft on Order:		145	138	169	452

Air California-B-737 (10), L-188 (3)
Air Florida-DC-9 (5), B-737 (2), CV-440 (2), DC-3 (4)
Air New England-DHC-6 (10), FH-227 (8)
Alaska Airlines-B-727 (9)
Allegheny Airlines-BAC-111 (30), DC-9 (45), B-727 (9), ND-262 (9)
Aloha Airlines-B-737 (8)
American Airlines-B-707 (72), B-727 (136), B-747 (10), DC-10 (28)
Braniff International-B-727 (85), B-747 (4), DC-8 (14)
Capitol International-DC-8 (10)
Continental Airlines-B-727 (51), DC-10 (15)
Delta Air Lines-B-727 (108), DC-8 (23), DC-9 (49), L-1011 (26)
Eastern Air Lines-B-727 (125), DC-9 (84), L-1011 (32), A-300 (7)

* Not currently in operation.

Fleet Composition

Evergreen International-DC-8 (6), DC-9 (3), CV-580 (5), L-188 (5)
Flying Tiger Line-B-747 (6), DC-8 (20)
Frontier Airlines-B-737 (32), CV-580 (27), DHC-6 (3)
Hawaiian Airlines-DC-9 (9), SD-330 (1)
Hughes Airwest-B-727 (4), DC-9 (41), F-27 (4)
National Airlines-B-727 (40), DC-10 (15)
North Central Airlines-DC-9 (36), CV-580 (23)
Northwest Airlines-B-727 (62), B-747 (21), DC-10 (22)
Ozark Air Lines-DC-9 (32), FH-227 (13)
Pan American World Airways-B-707 (33), B-727 (13), B-747 (44)
Piedmont Airlines-B-727 (6), B-737 (22), YS-11 (17)
PSA-Pacific Southwest Airlines-B-727 (30), L-188 (4)
Southern Airways-DC-9 (30), SA-226 (8)
Texas International Airlines-DC-9 (26), CV-600 (3)
Trans Carib Air*
Trans World Airlines-B-707 (83), B-727 (71), B-747 (9), DC-9 (13), L-1011 (24)
United Airlines-B-727 (156), B-737 (59), B-747 (18), DC-10 (37), DC-8 (70)
Western Airlines-B-707 (5), B-720 (9), B-727 (33), B-737 (22), DC-10 (9)
Wien Air Alaska-B-737 (7), FH-227 (2), F-27 (1)
Air Canada-B-727 (15), B-747 (6), DC-8 (27), DC-9 (46), L-1011 (10)
CP Air-B-727 (2), B-737 (7), B-747 (4), DC-8 (11)

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Safety

Comparative Transport Safety Record

Passenger Fatalities per 100 Million Passenger Miles	1978	1977	1968
U.S. Scheduled Airlines			
Domestic Interstate			
Fatalities	13	64	258
Rate	0.007	0.038	0.30
International and Territorial			
Fatalities	0	0*	47
Rate	0	0	0.18
Total			
Fatalities	13	64*	305
Rate	0.006	0.031	0.27
Motor Buses			
Fatalities	2	6	31
Rate	.012	0.040	0.16
Railroads			
Fatalities	13	4	13
Rate	.017	.005	0.10
Autos			
Fatalities	29,000 ^B	28,685	36,500
Rate	1.6 ^B	1.4	2.3

* Does not include 321 passenger fatalities in nonscheduled international service.
^B estimated

Employment

U.S. Scheduled Airlines	1978	1977	1968
Pilots and Copilots	28,336	26,991	24,554
Other Flight Personnel	7,432	6,985	7,953
Flight Attendants	48,353	44,579	29,970
Communications Personnel	1,166	1,226	3,403
Mechanics	44,467	45,054	52,046
Aircraft and Traffic Servicing Personnel	96,428	90,445	82,950
Office Employees	66,679	60,363	63,158
All Others	36,442	32,425	36,417
Total Employment	329,302	308,068	300,451
Total Payroll (\$000)	7,205,940	6,302,535	2,921,120

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Airline Service in 1978*

Enplanements	Revenue Passenger Miles	Freight Ton Miles
1. United	1. United	1. Flying Tiger
2. Eastern	2. American	2. Pan American
3. Delta	3. Trans World	3. United
4. American	4. Eastern	4. American
5. Trans World	5. Delta	5. Trans World
6. Allegheny	6. Pan American	6. Seaboard World
7. Braniff	7. Western	7. Northwest
8. Western	8. Braniff	8. Continental
9. Continental	9. Continental	9. Eastern
10. Pan American	10. National	10. Delta
11. National	11. Northwest	11. Western
12. North Central	12. Allegheny	12. Airlift
13. Northwest	13. Hughes Airwest	13. Braniff
14. Hughes Airwest	14. Frontier	14. National
15. Frontier	15. North Central	15. Allegheny
16. Ozark	16. Texas International	16. Wien Air Alaska
17. Piedmont	17. Ozark	17. Frontier
18. Southern	18. Piedmont	18. North Central
19. Texas International	19. Southern	19. Hughes Airwest
20. Hawaiian	20. Alaska	20. Ozark
21. Aloha	21. Hawaiian	21. Alaska
22. Alaska	22. Aloha	22. Southern
23. Wien Air Alaska	23. Wien Air Alaska	23. Piedmont
24. Air New England	24. Air New England	24. Texas International
25. New York Airways	25. Reeve Aleutian	25. Hawaiian
26. Aspen	26. Aspen	26. Reeve Aleutian
27. Wright	27. Air Midwest	27. Aloha
28. Air Midwest	28. Wright	28. Wright
29. Reeve Aleutian	29. Seaboard World	29. Air Midwest
30. Kodiak-Western Alaska	30. New York Airways	30. Air New England
31. Munz Northern	31. Kodiak-Western Alaska	31. Aspen
32. Seaboard World	32. Munz Northern	32. Kodiak-Western Alaska
		33. Munz Northern
		34. New York Airways

All data are for system operations and are in thousands.

* Scheduled service.

Airline Service in 1978*

Overall Revenue Ton Miles	Passenger Revenues	Total Operating Revenues
1. United 4,777,603	1. United \$2,984,693	1. United \$3,523,362
2. American 3,658,308	2. American 2,308,496	2. American 2,736,358
3. Pan American 3,332,890	3. Eastern 2,150,577	3. Trans World 2,474,724
4. Trans World 3,247,621	4. Trans World 2,063,305	4. Eastern 2,379,564
5. Eastern 2,831,173	5. Delta 1,030,195	5. Pan American 2,281,821
6. Delta 2,630,470	6. Pan American 1,631,798	6. Delta 2,241,560
7. Flying Tiger 1,237,340	7. Braniff 845,361	7. Braniff 966,493
8. Western 1,195,167	8. Western 734,005	8. Western 834,513
9. Continental 1,151,979	9. Continental 674,490	9. Northwest 794,361
10. Braniff 1,106,906	10. National 587,782	10. Continental 771,967
11. Northwest 1,079,681	11. Northwest 557,401	11. National 636,444
12. National 881,517	12. Allegheny 501,695	12. Allegheny 566,753
13. Allegheny 445,556	13. Hughes Airwest 273,914	13. Flying Tiger 404,151
14. Seaboard World 389,584	14. Frontier 251,248	14. Hughes Airwest 313,152
15. Hughes Airwest 260,721	15. North Central 248,596	15. North Central 298,523
16. Frontier 258,561	16. Ozark 190,085	16. Frontier 287,229
17. North Central 187,990	17. Piedmont 177,932	17. Ozark 229,744
18. Texas International 165,098	18. Southern 159,034	18. Piedmont 205,606
19. Ozark 162,133	19. Texas International 158,185	19. Southern 188,512
20. Piedmont 153,068	20. Hawaiian 77,513	20. Texas International 181,660
21. Southern 143,942	21. Alaska 71,972	21. Seaboard 128,438
22. Airlift 134,083	22. Aloha 57,363	22. Hawaiian 89,863
23. Alaska 90,508	23. Wien Air Alaska 34,134	23. Airlift 84,299
24. Hawaiian 51,678	24. Air New England 15,440	24. Alaska 83,499
25. Wien Air Alaska 46,632	25. Reeve Aleutian 7,503	25. Wien Air Alaska 63,712
26. Aloha 37,781	26. Aspen 5,580	26. Aloha 60,680
27. Reeve Aleutian 7,905	27. Air Midwest 3,542	27. Air New England 20,801
28. Air New England 7,036	28. Wright 2,301	28. Reeve Aleutian 13,177
29. Aspen 2,466	29. Munz Northern 1,424	29. Aspen 7,767
30. Air Midwest 2,163	30. Kodiak-Western Alaska 442	30. Wright 5,304
31. Wright 1,174	31. Seaboard World 244	31. Air Midwest 5,300
32. New York Airways 495		32. Munz Northern 2,913
33. Kodiak-Western Alaska 172		33. Kodiak-Western Alaska 1,705
34. Munz Northern 36		

All data are for system operations and are in thousands.

* Scheduled service.

Revenues and Costs Compared

Passenger Revenues

Average Revenue Per Revenue Passenger Mile — Intercity Common Carriers
(In Cents Per Mile)

	1978	1977	1968
U.S. Scheduled Airlines			
Domestic — First Class	11.98	12.21	7.32
Coach	7.81	7.92	5.11
Total	8.49	8.61	5.61
International — First Class	13.62	13.51	7.42
Coach	7.06	7.17	4.65
Total	7.49	7.61	4.95
Total	8.29	8.42	5.46
Railroads, Class I			
First Class	—	—	3.88
Coach	5.95*	5.92*	3.24
Motor Buses, Class I	5.50	5.17	3.18

* Includes first class and coach.

Freight Revenues

Average Revenue Per Ton Mile — Intercity Common Carriers (In Cents Per Mile)

U.S. Scheduled Airlines			
Domestic	37.10	34.22	19.97
International	28.50	27.47	18.83
Total	33.65	31.33	19.51
Railroads, Class I	2.37	2.29	1.31
Trucks	13.6	12.8	6.90

Airline Revenue, Cost and Profit

per Revenue Ton Mile (In Cents Per Mile)

Domestic Service			
Unit Revenue	78.53	78.06	49.66
Unit Cost	74.10	74.82	47.00
Operating Profit Margin	4.43	3.24	2.66
International and Territorial Service			
Unit Revenue	59.20	56.11	31.12
Unit Cost	54.92	52.67	27.82
Operating Profit Margin	4.28	3.44	3.30
Total Industry			
Unit Revenue	73.59	72.24	42.86
Unit Cost	69.20	68.94	39.96
Operating Profit Margin	4.39	3.30	2.90

Passenger Travel Compared

Passenger Travel Between the U.S. and Foreign Countries*

(Thousands of Passengers)	1978	1977	1968
Passengers via Air	32,750	28,505	14,160
Passengers via Sea	n.a.	n.a.	1,378
Total via Air and Sea	n.a. ¹	n.a.	15,538
Air Share (%)	n.a.	n.a.	91.1
Passengers via Foreign-Flag Airlines	16,369	14,129	6,259
Passengers via U.S.-Flag Airlines ..	16,381	14,376	7,901
U.S. Flag Airlines' Share (%) ...	50.0	50.4	55.8

* Figures are exclusive of travel over land borders (except Mexican air travel), crewmen, military personnel and travelers between continental United States and its possessions.

¹ These statistics no longer compiled as of 12/31/76.

Intercity Passenger Travel in the United States

(Passenger Miles in Millions)

Common Carriers			
Airlines	182,677	156,609	87,508
Railroads	10,222	10,293	8,737
Motor Buses	25,100	25,700	24,500
Total	217,999	192,613	120,693
Air Share (%)	83.8	81.3	72.5
Private Automobile	1,162,000 ^B	1,118,000	936,400
Total Common Carrier and Auto ...	1,379,999	1,361,613	1,057,093
Common Carrier Share (%) ..	15.8	14.2	11.4
Air Share (%)	13.2	11.5	8.3

^B estimated

Airports & Airways

Active Aircraft in the Civil Aviation Fleet

	1978	1977	1968
Air Carrier			
Piston	21	28	331
Turbine	2,242	2,195	2,239
Rotorcraft	3	3	16
Total	2,263	2,226	2,586
% of Total	1.1	1.2	2.0
General Aviation			
Piston	184,700	170,782	118,734
Turbine	5,500	5,666	1,833
Rotorcraft	5,000	4,725	2,350
Other	3,600	3,616	1,320
Total	198,800*	184,789	124,237
% of Total	98.9	98.8	98.0
Total	201,063	187,015	126,823

* Estimated

Air Traffic at Top 25 Airports – 1978

	Passengers (Arriving & Departing)	Cargo (000s of Lbs.)	Aircraft Movements* (Landings & Takeoffs)
Chicago O'Hare	49,151,449	1,561,861	777,158
Atlanta	40,190,086	486,933	556,992
Los Angeles	32,900,664	917,799	538,987
John F. Kennedy	25,056,039	1,401,226	340,126
San Francisco	23,040,603	1,034,702	355,896
Dallas/Ft. Worth	19,857,416	282,254	408,409
Denver	18,934,054	268,207	466,645
La Guardia	17,279,908	104,626	374,161
Miami	16,500,738	1,101,201	355,086
Honolulu	14,703,764	369,909	379,106
Washington National	14,176,233	180,723	352,044
Boston	13,543,062	467,380	299,905
Detroit	10,099,864	412,712	267,862
Houston Intercontinental .	9,749,425	142,248	269,641

Aircraft Operations at Airports With FAA Control Towers

Air Carrier	10,214,440	9,882,018	10,377,089
% of Total	15.0	14.8	18.8
Air Taxi	3,883,099	3,418,582	
% of Total	5.7	5.1	n.a.
General Aviation	51,664,261	50,835,720	41,564,024
% of Total	76.0	76.1	75.2
Military	2,532,068	2,665,070	3,350,922
% of Total	4.0	4.0	6.1
Total	68,293,868	66,801,390	55,292,035

Total U.S. Airports, FAA Control Towers and Points Receiving Scheduled Airline Service

Total Airports on Record with FAA ..	14,574	14,117	10,470
Total FAA Control Towers	428	427	322
Points Receiving Scheduled Airline Service	620	629	525

Pittsburgh	9,664,404	87,124	336,366
Philadelphia	9,549,434	202,444	333,500
Las Vegas	9,110,842	33,117	345,711
Minneapolis-St. Paul	8,727,195	255,728	263,461
Newark	8,628,613	151,158	206,121
Seattle-Tacoma	8,364,446	465,986	194,991
St. Louis	8,236,504	177,836	340,324
Cleveland	7,054,842	192,470	236,952
Tampa	6,984,037	100,628	223,155
San Diego	6,185,583	55,214	203,808
New Orleans	6,046,628	55,135	180,904

* Includes general aviation.

Source: AOCI

Top 25 Domestic Airline Markets (12 Months Ended June, 1978)

Passengers

1. New York/Newark-Washington, D.C.	1,872,070	10. Honolulu-Lihue, Kauai	793,140	19. New York/Newark-Orlando	566,670
2. Boston-New York	1,849,680	11. Las Vegas-Los Angeles	788,520	20. Cleveland-New York	560,100
3. Chicago-New York	1,830,120	12. Atlanta-New York	769,490	21. Honolulu-Los Angeles	540,710
4. Miami-New York	1,809,120	13. Detroit-New York	743,220	22. Chicago-Washington, D.C.	540,250
5. Ft. Lauderdale-New York	1,695,840	14. Honolulu-Kahului, Maui	710,090	23. New York/Newark-Tampa	526,550
6. Los Angeles-New York	1,643,890	15. New York/Newark-Pittsburgh	649,580	24. Buffalo-New York	506,540
7. New York/Newark-San Francisco	1,110,920	16. Chicago-Minneapolis	638,090	25. Chicago-St. Louis	503,840
8. Los Angeles-San Francisco	1,106,920	17. Boston-Washington, D.C.	637,660		
9. Chicago-Los Angeles	1,053,460	18. Chicago-Detroit	595,460		

Passenger Miles

1. Los Angeles-New York	4,123,026,250	10. Boston-Los Angeles	894,604,130	19. Honolulu-New York	622,932,930
2. New York/Newark-San Francisco	2,914,525,530	11. San Francisco-Washington, D.C.	799,070,710	20. Atlanta-New York	603,626,350
3. Miami-New York	1,995,603,400	12. Honolulu-San Francisco	765,780,150	21. Detroit-Los Angeles	599,060,940
4. Chicago-Los Angeles	1,867,234,320	13. Boston-San Francisco	728,745,200	22. New York/Newark-Orlando	546,381,630
5. Ft. Lauderdale-New York	1,821,861,580	14. Houston-New York	711,948,810	23. New York/Newark-Tampa	537,323,020
6. Honolulu-Los Angeles	1,400,897,490	15. Los Angeles-Philadelphia	709,622,810	24. New York/Newark-Phoenix	504,723,750
7. Chicago-New York	1,350,530,750	16. Dallas/Ft. Worth-New York	697,685,070	25. Philadelphia-San Francisco	504,175,690
8. Los Angeles-Washington, D.C.	971,860,270	17. Denver-New York	656,558,420		
9. Chicago-San Francisco	899,710,230	18. Los Angeles-Miami	648,653,350		

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Airline Categories

These are the airlines included in each of the categories of scheduled carriers.

Domestic Trunk	Intra-Hawaiian
American	Aloha
Braniff International	Hawaiian
Continental	Intra-Alaskan
Delta	Alaska
Eastern	Kodiak-Western Alaska
National	Munz Northern
Northwest	Reeve Aleutian
Pan American	Wien Air Alaska
Trans World	All-Cargo
United	Airlift International
Western	Flying Tiger Line
Local Service	Seaboard World
Allegheny	International and Territorial
Frontier	American
Hughes Airwest	Braniff International
North Central	Continental
Ozark	Delta
Piedmont	Eastern
Southern	National
Texas International	Northwest
	Pan American
	Trans World
	Western

Notes to Statistical Tables

Redefinition of Domestic Traffic. Effective January, 1970, the Civil Aeronautics Board (CAB) revised its definition of domestic traffic to include all traffic between the United States mainland, Hawaii and Alaska. This traffic had, in the past, been considered as International and Territorial.

Because of this redefinition, the domestic and international and territorial traffic and financial data for 1969-78 are not strictly comparable to 1968 and previous years.

Total Industry Data. Some carriers' figures appear only in total industry data and not in any carrier group, including: Air New England for 1977 and 1978, Alaska Airlines for 1968, Aspen Airways for 1968-78, Wright Air Lines for 1977-1978, and Air Midwest for 1977-1978. From 1977 Alaska Airlines is included in the intra-Alaskan traffic figures and in 1977-1978 in the intra-Alaskan financial figures.

Employment and Payroll. Data as of quarter ended December each year for all years prior to 1977.

Sources

Airport Operators Council
International
American Bus Association
American Trucking Association
Association of American
Railroads
Civil Aeronautics Board
Department of Justice
(Immigration and
Naturalization)
Federal Aviation Administration
Federal Railroad Administration
Interstate Commerce
Commission
National Safety Council

Definition of Terms

Revenue Passenger Mile. One fare-paying passenger transported one mile. Revenue passenger miles are computed by multiplying the number of revenue passengers by the miles which they are flown.

Available Seat Miles. The total number of seats available for the transportation of revenue passengers multiplied by the number of miles which those seats are flown.

Revenue Passenger Load Factor. The percentage of seating capacity which is actually sold and utilized. Computed by dividing revenue passenger miles flown by available seat miles flown in scheduled revenue passenger service.

Revenue Ton Mile. One ton of revenue traffic transported one statute mile. Revenue ton miles are computed by multiplying tons of revenue traffic (passengers, freight, mail and express) by the miles which this traffic is flown.

Available Ton Miles. The total number of tons available for the transportation of passengers, freight and mail multiplied by the number of miles which this capacity is flown.

Revenue Ton Mile Load Factor. The percentage of total capacity available for passengers, freight and mail which is actually sold and utilized. Computed by dividing total revenue ton miles actually flown by total available ton miles.

Air Cargo. In the United States, this term refers to the total volume of freight, mail and express traffic which is transported by air. In other countries, this term refers only to air freight. Statistics herein include the following:

Freight —The airlift of commodities of all kinds—includes small package counter services.

Express —Priority reserved freight and express services.

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

Yield. The average amount of revenue received per revenue passenger mile or per revenue ton mile of freight, express or mail. Computed by dividing total passenger revenue by the total number of revenue passenger miles flown. Yield for freight, express or mail is computed in the same manner.

Public Service Revenues (Subsidy). Payments by the federal government which provide for air service to communities in the United States where traffic levels are such that air service could not otherwise be supported.

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

Net Profit or Loss. This figure is before "accounting changes" and after other non-operating income and expenses which are not shown.

Rate of Return on Investment. For 1977 and 1978 the rate of return on investment reflects earnings before accounting changes plus gross interest expense. Total investment in a five-quarter average of total net worth (stockholders' equity) plus long-term debt including current notes payable, current and non-current lease obligations, advances from associated companies and nontransport division, and unamortized premium (less discount) on debt.

For 1968, the return was based upon net profit before tax adjustments resulting from the investment credit plus interest paid on noncurrent portion of long-term-debt. Also, total investment was a five-quarter average of long-term-debt and stockholders' equity.

Balance Sheet. Balance Sheet data for the domestic trunk airlines include their international as well as domestic operations. The all-cargo category includes domestic and international all-cargo carriers.

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