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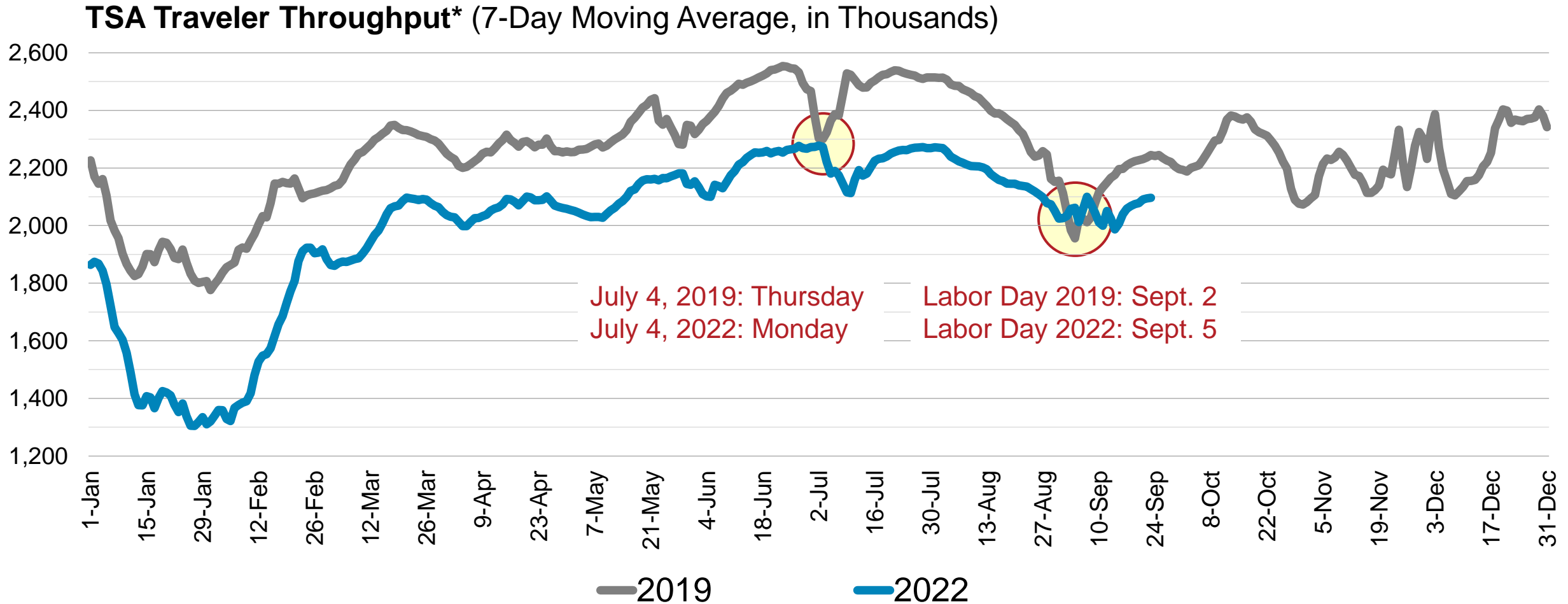
**We Connect the World**

## U.S. Air Transport Recovery and Outlook

John P. Heimlich, Vice President & Chief Economist  
Aircraft Builders Council 2022 Conference  
September 26, 2022

# In the Week Ending Sept. 22, TSA Volumes Fell 7% From 2019 Levels

January-August 2022: Throughput Down 12.4% From 2019

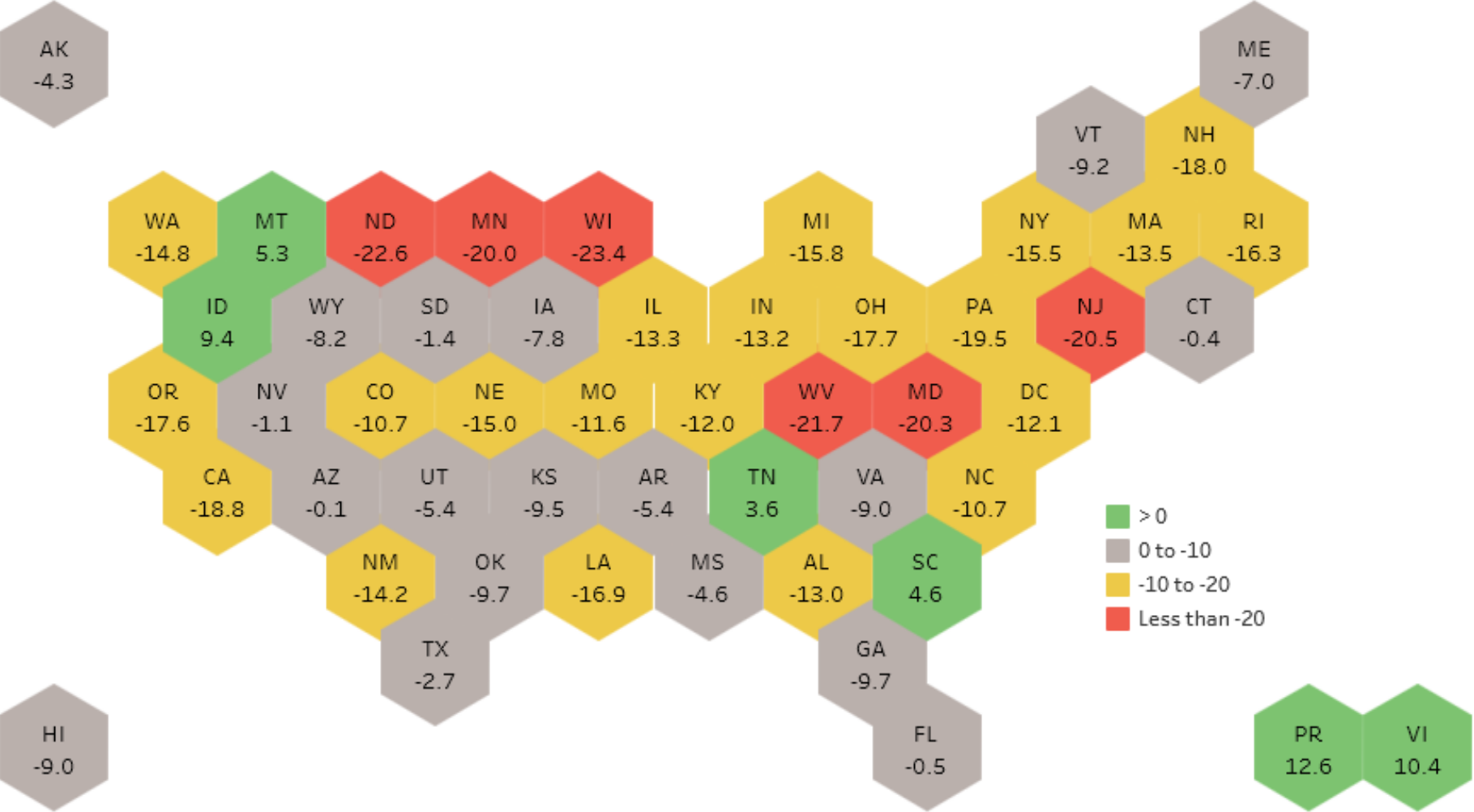


Source: Transportation Security Administration

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

# In August, TSA Checkpoint Volumes Exceeded 2019 Levels in Six U.S. States and Territories

## Change (%) in TSA Traveler Throughput — August 2022 vs. August 2019

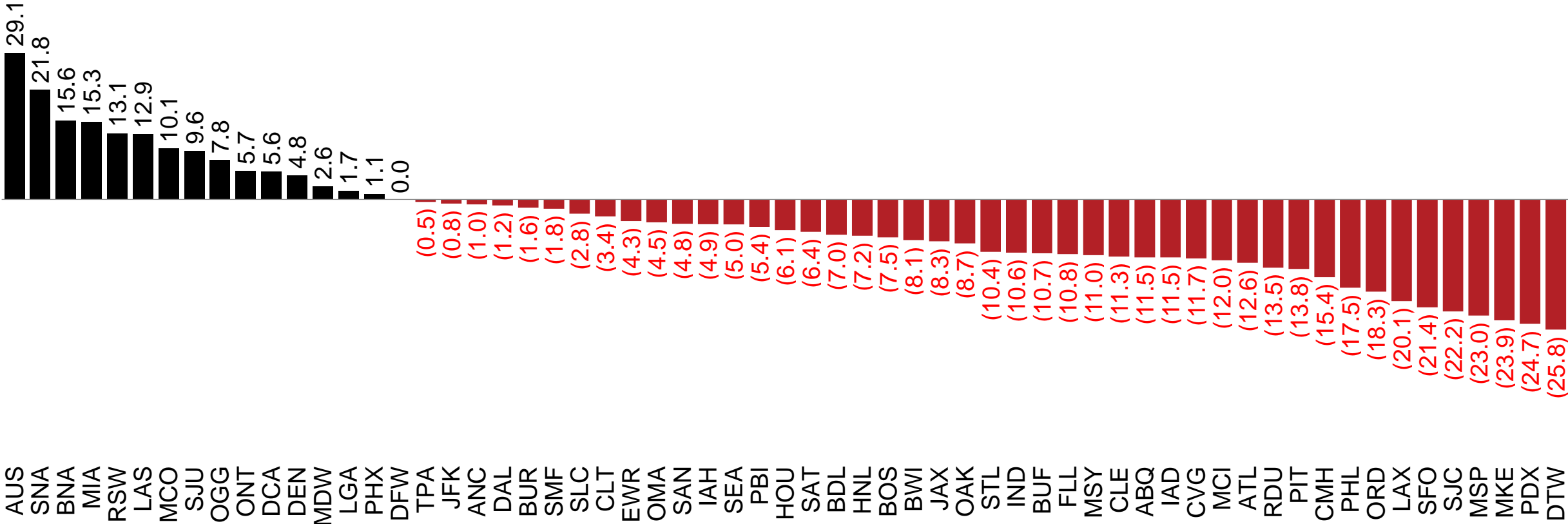


Source: Transportation Security Administration

# For October, Seven Large/Medium U.S. Airports Are Seeing Double-Digit Seat Growth vs. 2019

## Austin Leading the Pack in Growth; Detroit Seeing the Largest Decline

Change (%) in Systemwide Scheduled Seats: Oct-2022 vs. Oct-2019

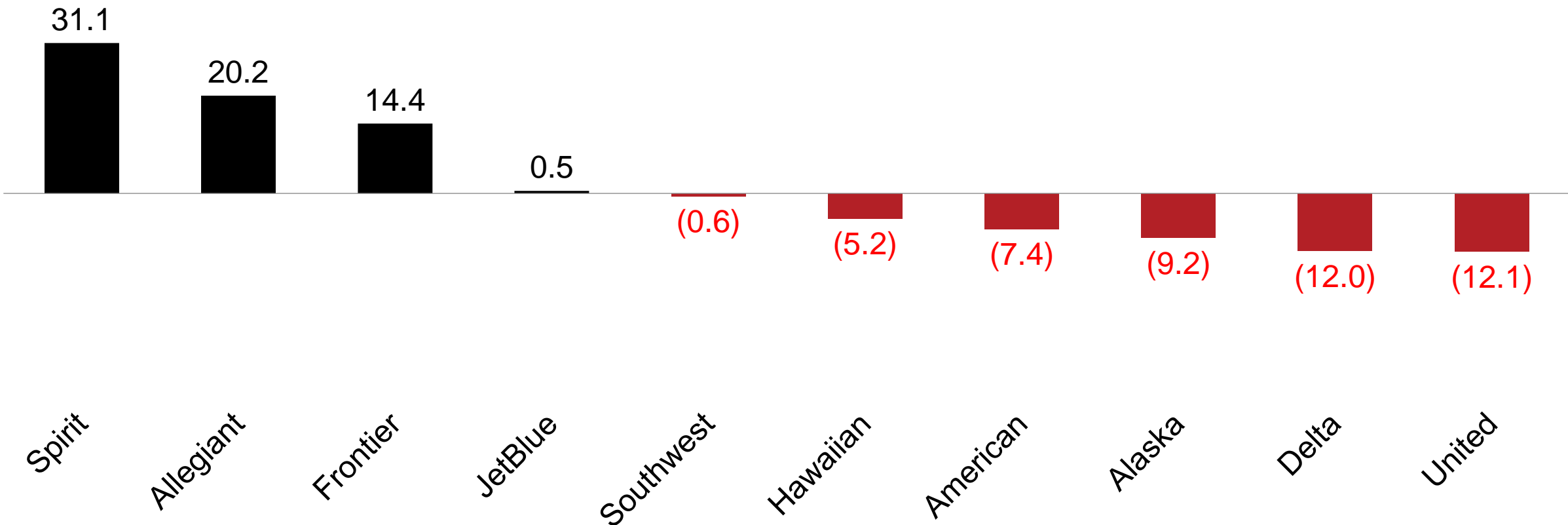


Source: Diio by Cirium published schedules (Sept. 23, 2022) for all U.S. and non-U.S. airlines providing scheduled service to all U.S. and non-U.S. destinations

# Spirit/Allegiant/Frontier Continue to Lead U.S. Airlines in Capacity Growth

## Delta and United Slower to Restore Capacity

Change (%) in Systemwide Scheduled Available Seat Miles: Oct-2022 vs. Oct-2019



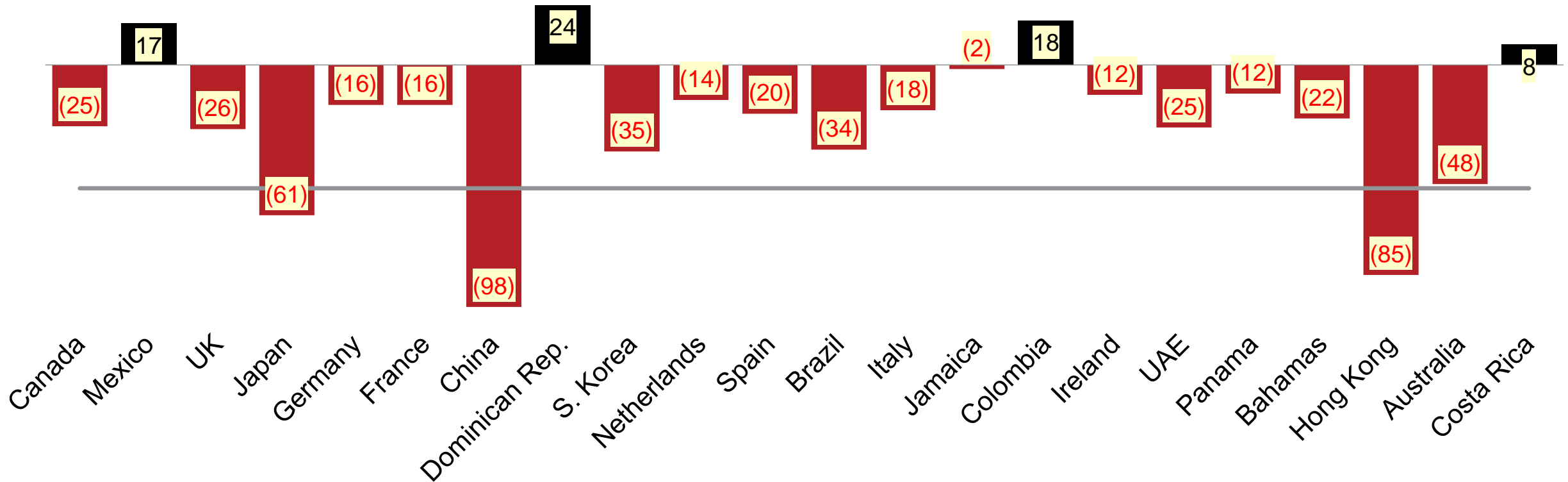
Source: Dii by Cirium published schedules (Sept. 23, 2022) for selected marketing airlines (i.e., on a consolidated basis)

# U.S.-Japan/China Air-Travel Demand Continues to Trail 2019 Levels by More Than 50%

## U.S.-Mexico/Dominican Republic/Colombia/Costa Rica Volumes *Exceed* Pre-Pandemic Levels

### Top U.S. Country Pairs: Change (%) in Passengers\* in Aug-2022 vs. Aug-2019

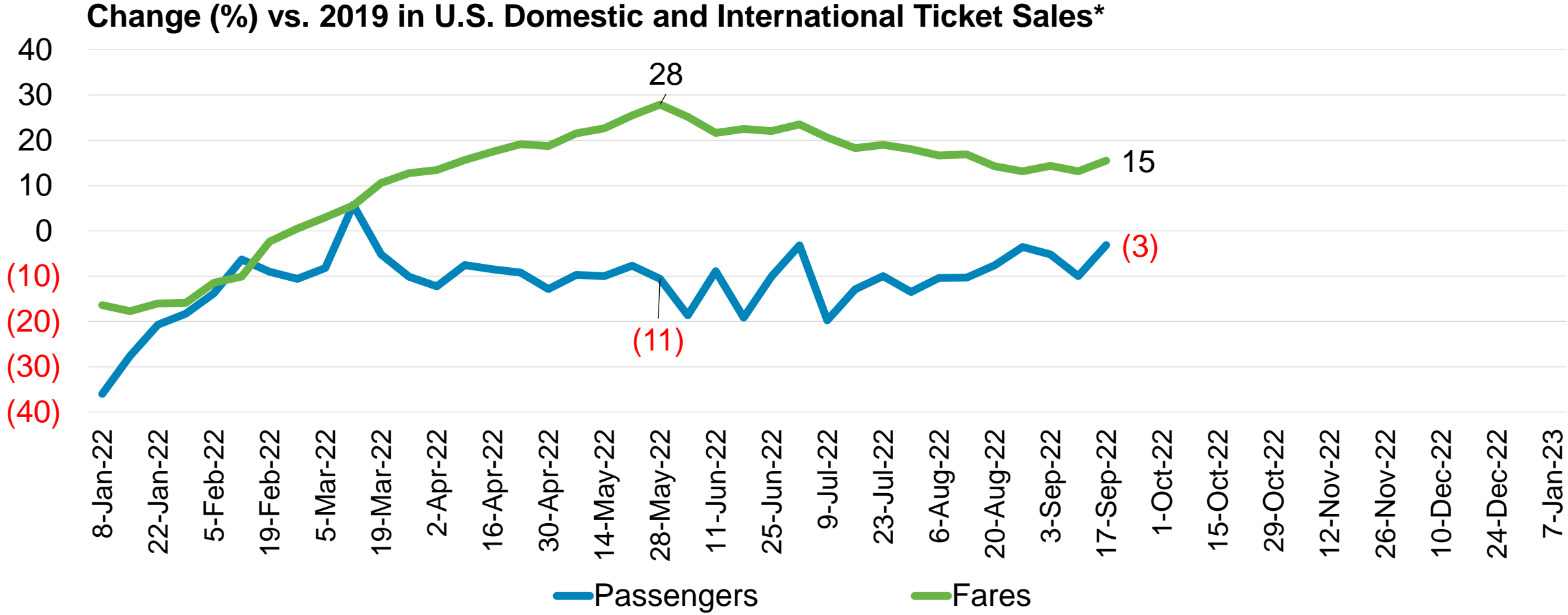
Sorted left to right by highest volume in Calendar Year 2019



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

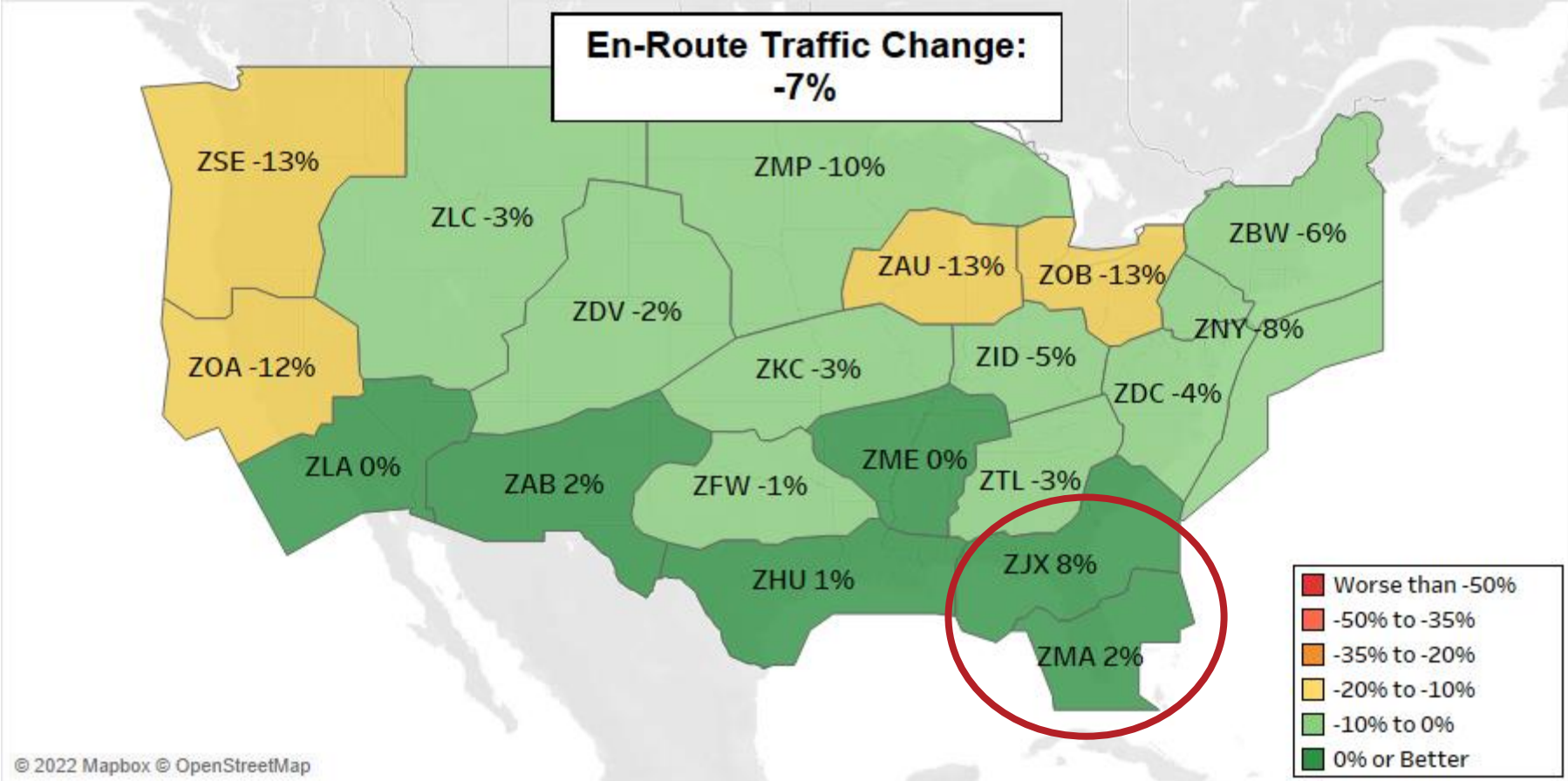
# Recent Data Suggests That Fare Growth May Have Peaked in Late May



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

\* Net tickets (gross sales minus refunds) sold in the United States for travel to/from U.S. airports

# In June, Jacksonville Center (ZJX) Led All FAA En Route Centers in Increased Flight Activity Up 8% Versus Pre-Pandemic Baseline, Followed by Miami (ZMA) and Albuquerque (ZAB)



Source: FAA OPSNET

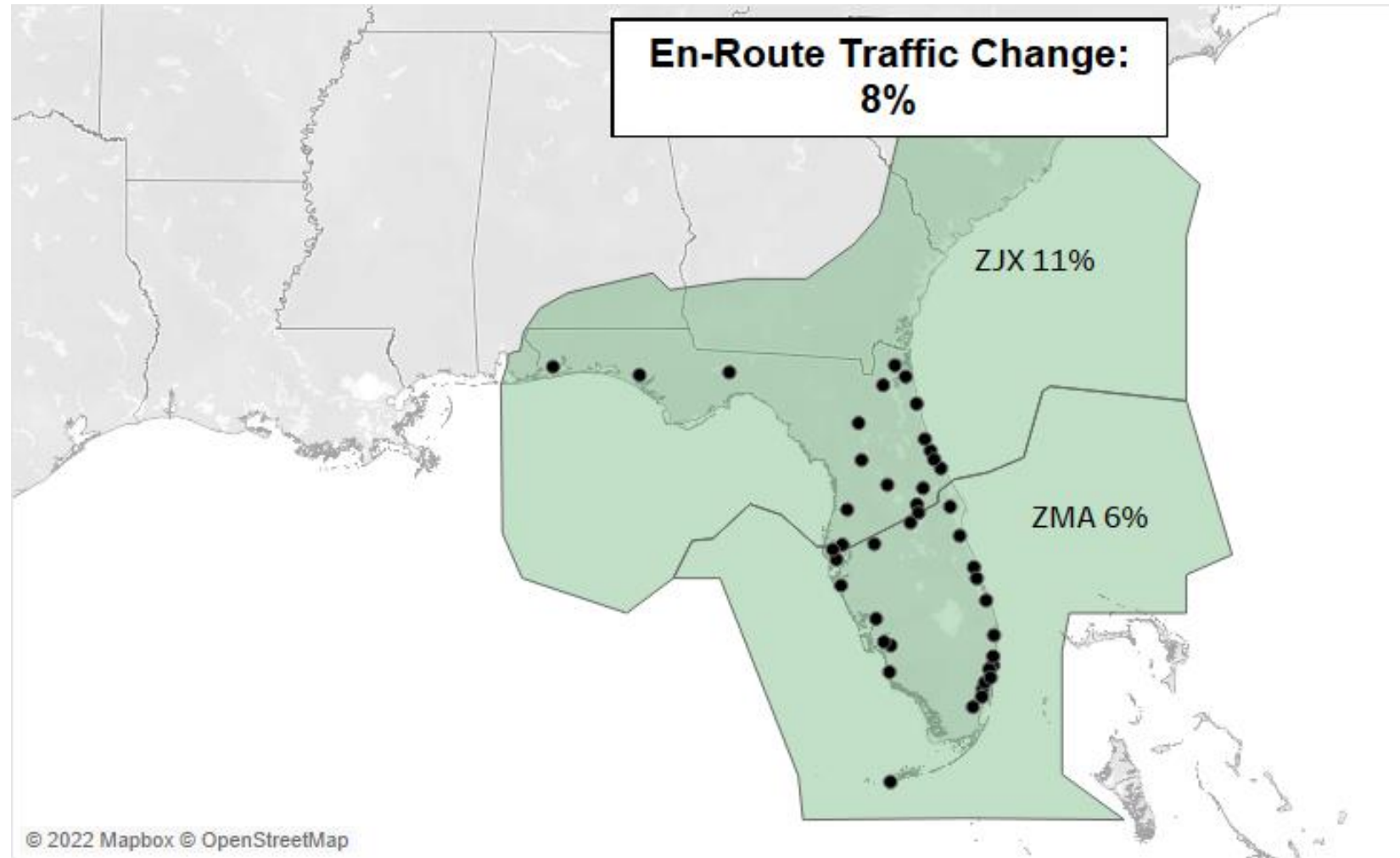
Note: Baseline = June 2017, June 2018 and June 2019



# In the First Half of 2022, ZJX and ZMA Saw Large Increases in General Aviation Air Traffic

As a Gateway to/from Florida and Latin America, ZJX Needs to Be Able to Handle Traffic Increases

	ZJX	ZMA
Air Carrier	7%	1%
Air Taxi	14%	14%
GA	27%	24%
VFR	-19%	-36%



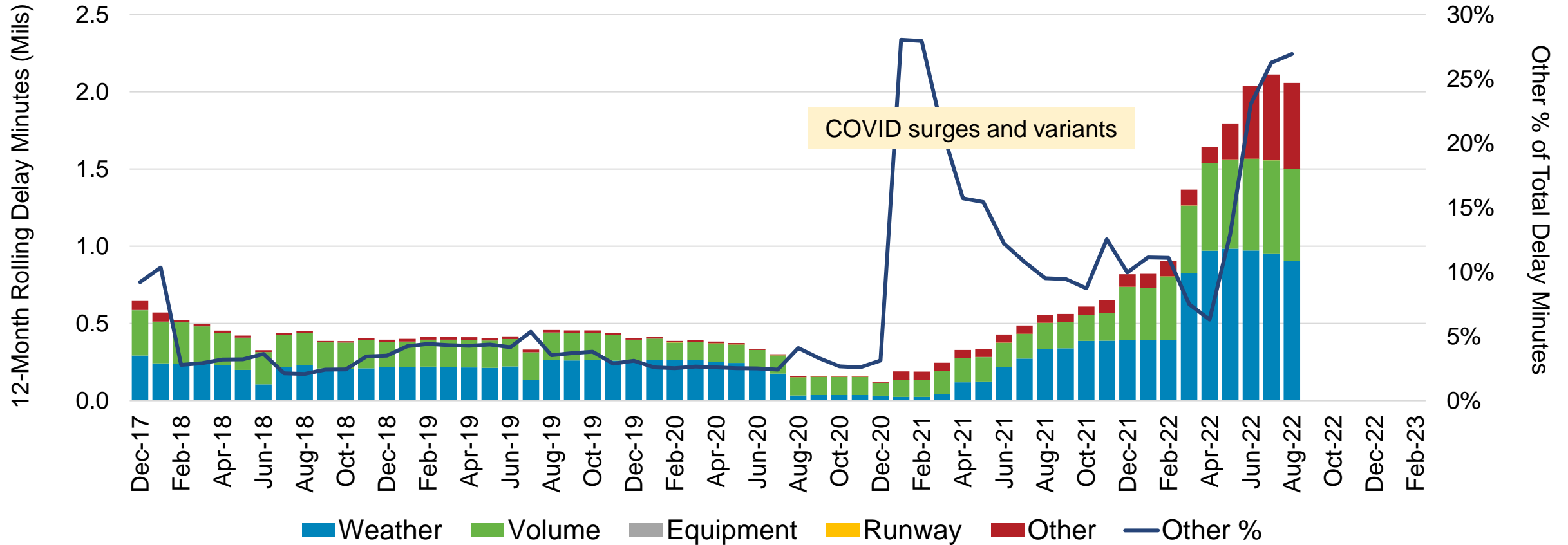
Source: FAA OPSNET

Note: Baseline = June 2017, June 2018 and June 2019

# ZJX Delay Minutes Surged in Spring/Summer 2022

“Other” Showing Increasing Share of Delay Minutes

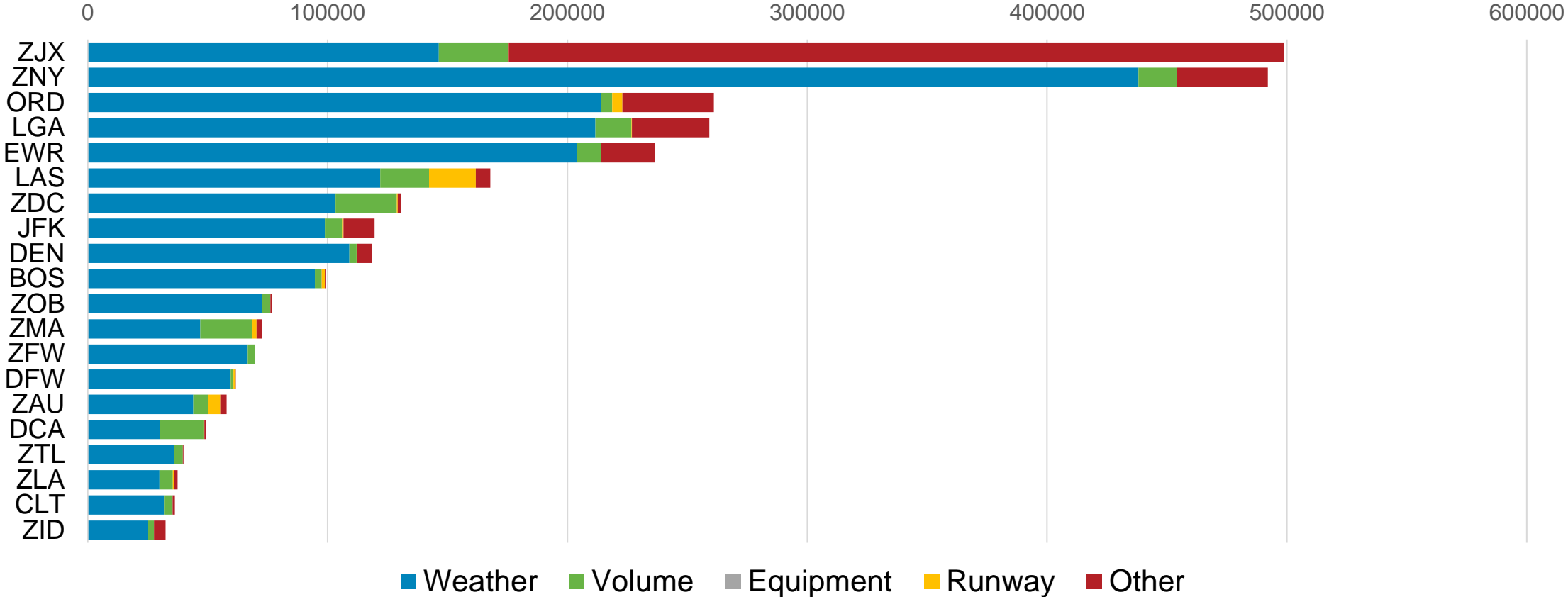
## Jacksonville Center (ZJX) 12-Month Rolling Delay Minutes



Source: FAA OPSNET

**In Summer 2022, ZJX Incurred the Most Delay Minutes (~499,000) of Any FAA Facility**  
*Approximately 65% of ZJX Delay Minutes Were Assigned to Cause of Delay = "Other"*

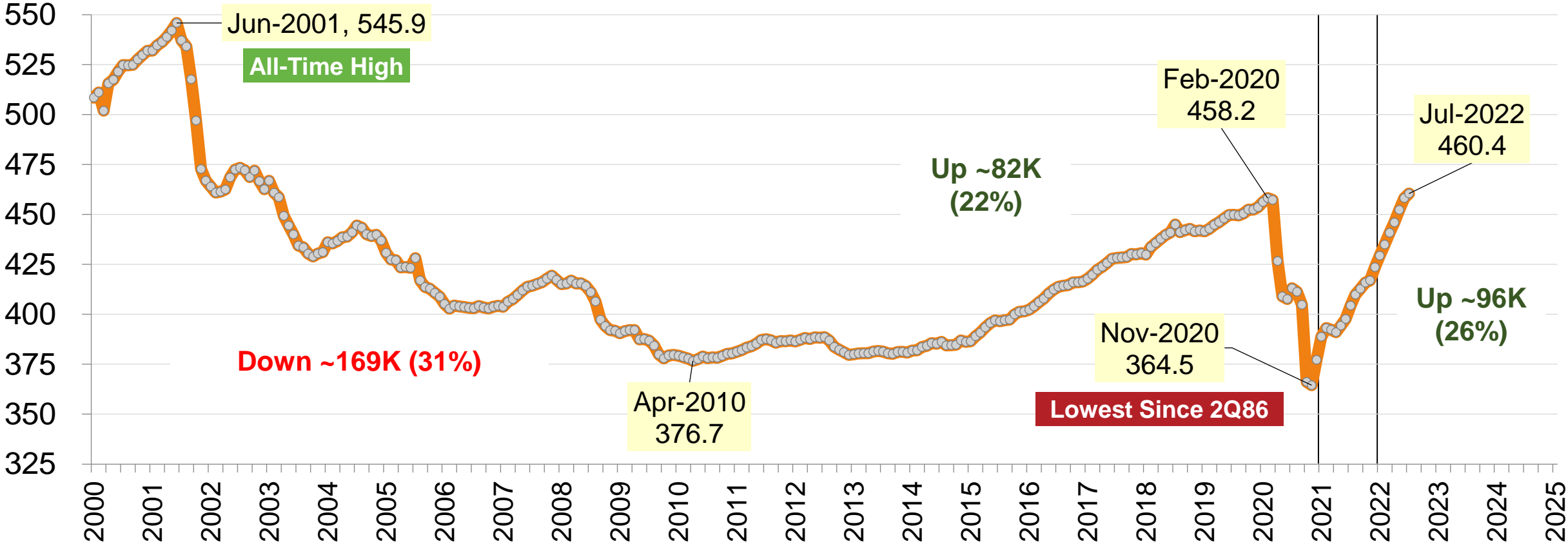
**Top 20 Facilities by Delay Minutes, Jun-Aug 2022**



Source: FAA OPSNET

# In July, U.S. Passenger Airlines Employed the Most FTEs Since February 2003

## U.S. Scheduled Passenger Airline Full-Time Equivalent Employees (000s)

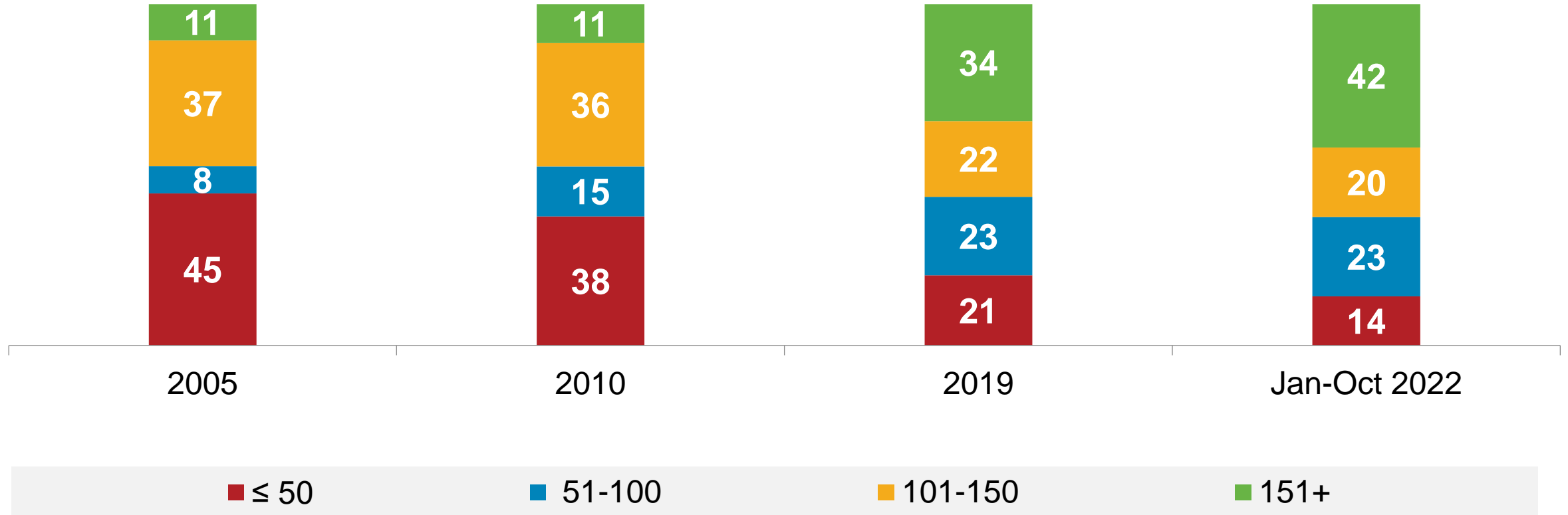


Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines (i.e., all that report scheduled passenger revenue)

# Airlines Have Deployed Larger Aircraft, and Mainline-Only Carriers Have Grown

Regionals Account for 38% of Scheduled Domestic Departures in 2022; 62% of Those Are > 50 Seats

## % of Domestic U.S. Scheduled Passenger Airline Departures by Aircraft Size\*



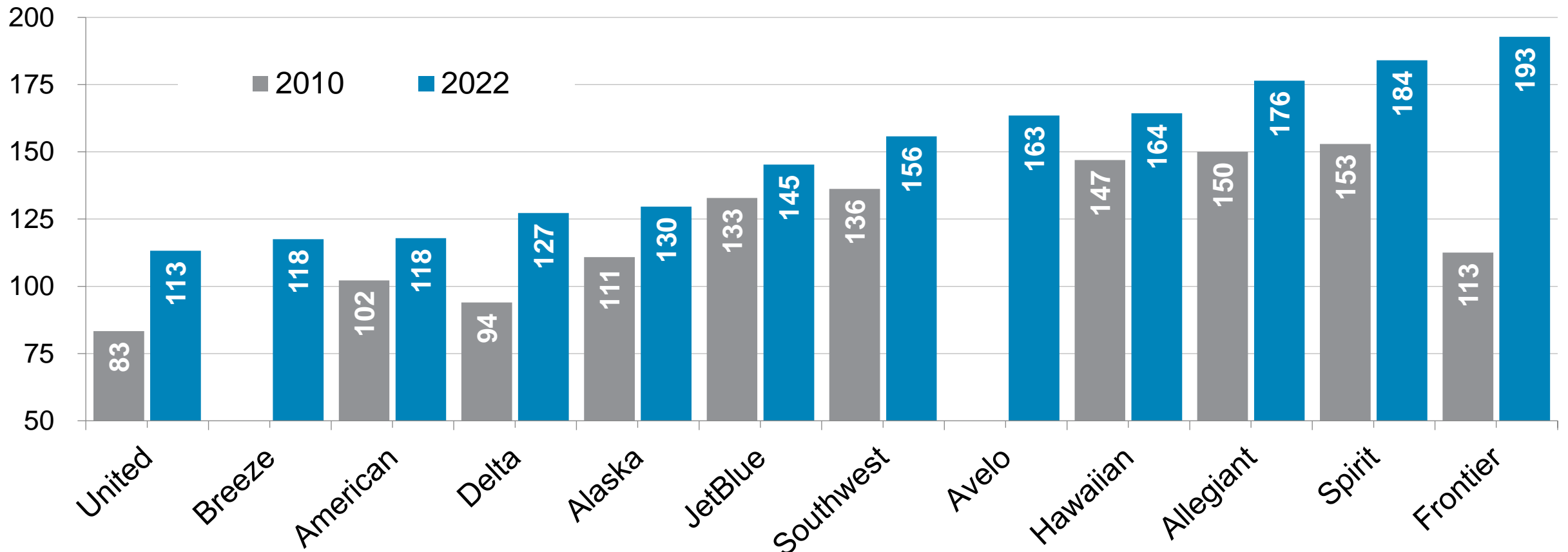
Source: Dii by Cirium published schedules as of Sept. 2, 2022

\* Numbers may not add to 100 due to rounding

# All U.S. Airlines Have Migrated to Larger (or Denser) Aircraft Domestically

## Global Network Carriers Tend to Have Fewer Seats per Domestic Flight, ULCCs the Most

Average Seats per Domestic Departure by Marketing Airline\*



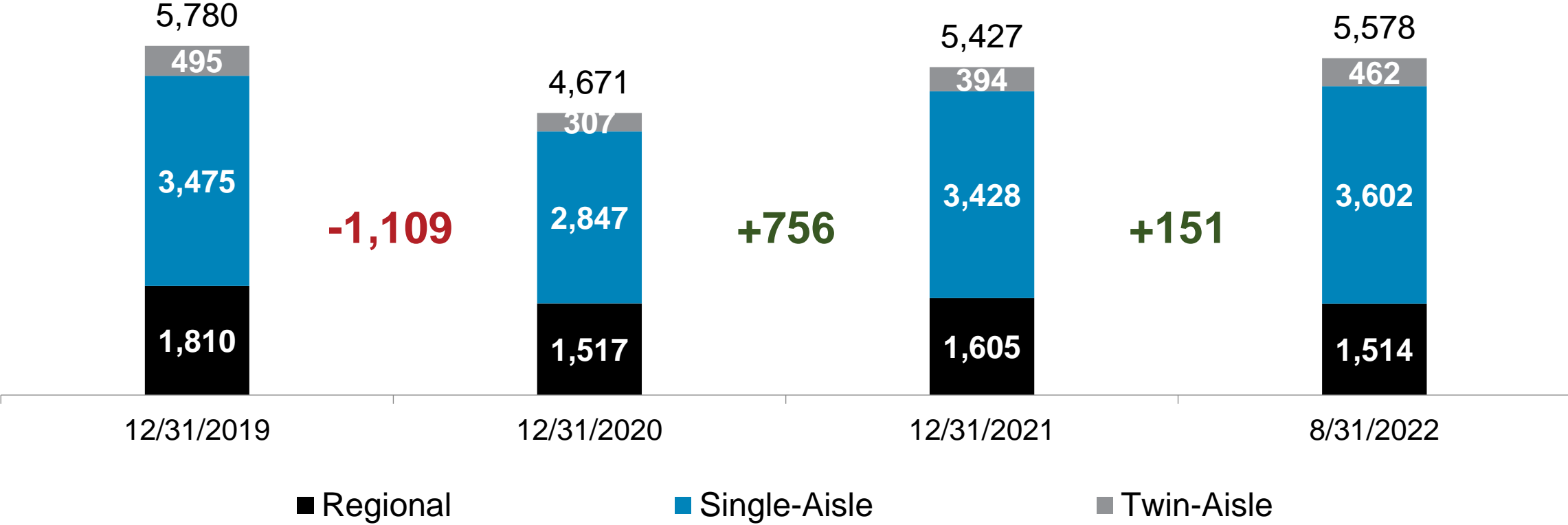
Source: Diio by Cirium schedules as of Sept. 2, 2022, for selected marketing airlines

\* Includes flights operated by regional/express airline partners

# U.S. Passenger Airlines Grew Active Fleet by 907 Units From End of 2020 to End of Aug-2022

## Regional Aircraft Count Has Fallen Below Year-End 2020

Number of Active Aircraft\*

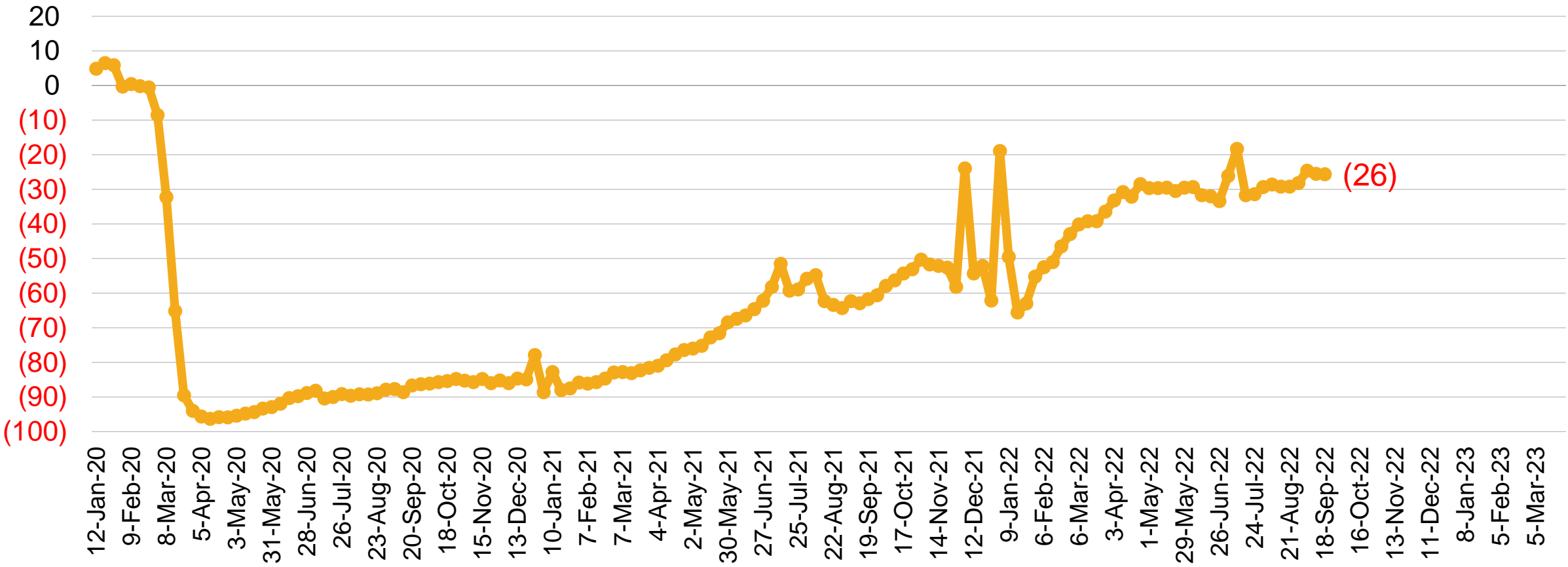


Source: Anuvu (formerly Global Eagle masFlight)

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

# Recovery of “Corporate” Sales Showing Promise, But Levels Remain Materially Below 2019

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



Source: Airlines Reporting Corporation (ARC)

\* Results reflect more than 10,000 agency sales outlets and do not include sales of tickets purchased directly from airlines and are not net of refunds or exchanges.



# U.S. Airlines Have a Strong Environmental Record and Are Focused on Further Improvements

## In 2021, A4A Carriers Committed to Net Zero CO<sub>2</sub> Emissions by 2050

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### » Strong Environmental Record and Aggressive Commitments

- 94% reduction in significant noise exposures 1975-2019 (passengers up 379%)
- CO and smoke virtually eliminated; NOx from aircraft continually reduced
- Completed voluntary program for aircraft deicing (atop regulatory requirements)
- Extensive recycling and other sustainability initiatives
- Improved fuel efficiency over 135% from 1978-2019
- Only 2% of man-made CO<sub>2</sub> but 5% of U.S. GDP—with aggressive go-forward climate commitment
  - **In 2021, members committed to achieve net-zero CO<sub>2</sub> emissions by 2050, in part by working with USG and others to make 3B gallons of cost-competitive SAF available to U.S. aircraft operators in 2030**

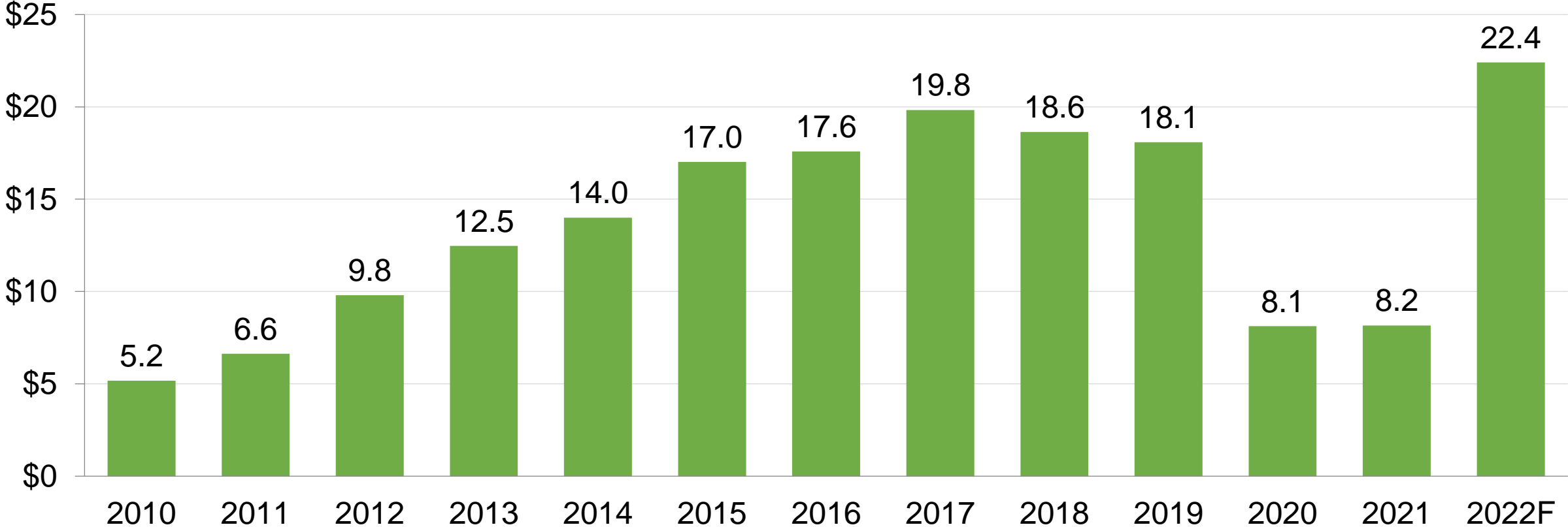


### » Pathways to Improve Upon That Record

- Technology: New aircraft/engines plus enhancements (e.g., winglets) and R&D for breakthroughs
- Operations: Weight reduction, cargo distribution, engine wash, single-engine taxi, ground power at gates
- Infrastructure: Delivering 21st Century air traffic control (“NextGen”)
- Sustainable Aviation Fuels (SAF) – liquids for now, but electric/hybrid or even hydrogen in long term
- Implementing 2016 United Nations ICAO agreements: CO<sub>2</sub> certification standard for new aircraft plus Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) [offsetting in 2021+]

# In 2022, U.S. Passenger Airlines Plan to Invest an All-Time High \$23 Billion in New or Upgraded Aircraft, Facilities, Ground Equipment and Technology

### Capital Expenditures (Billions) for U.S. Passenger Airlines

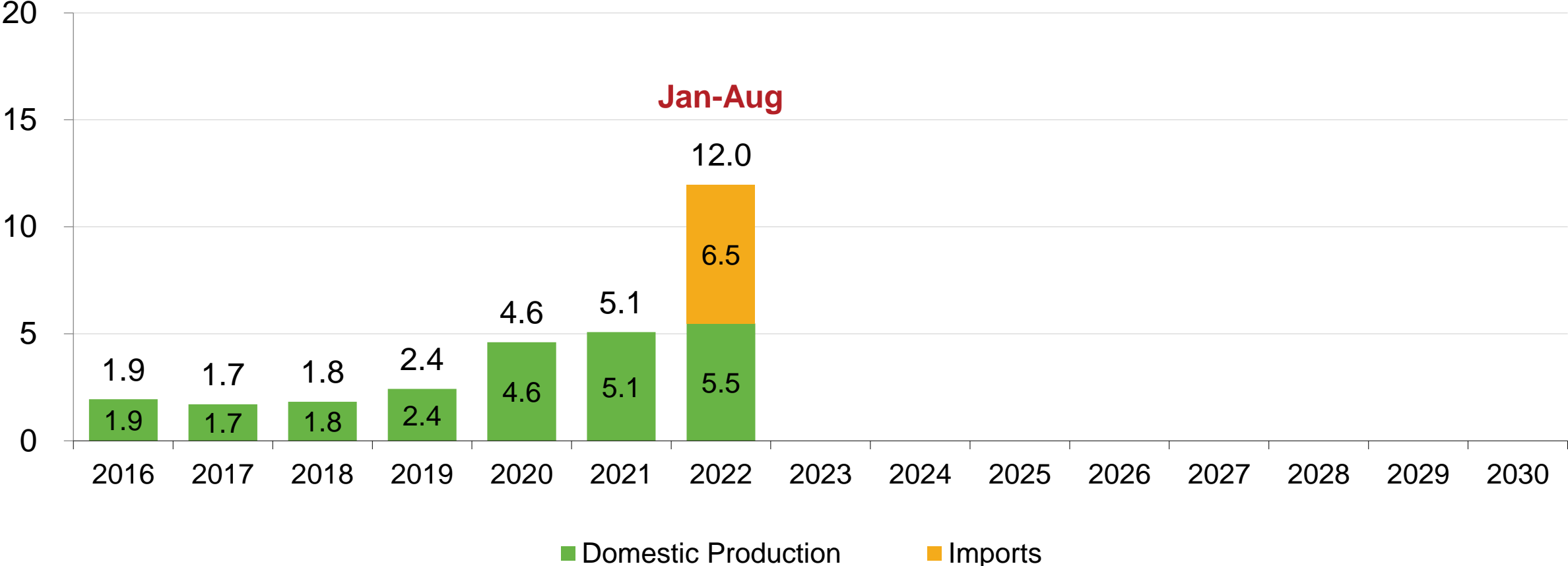


\* Includes payments made for aircraft and other flight equipment, ground and other property and equipment (e.g., vans, air stairs, lavatory trucks, deicing vehicles), airport and other facility construction and information technology  
Source: SEC filings of Alaska, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, Southwest, Spirit, United and merged/acquired predecessors

# Domestic Production of Sustainable Aviation Fuel (SAF) on Pace to Exceed 8M Gallons in 2022

## In Addition, U.S. Firms Imported 6.5M Gallons of SAF Through August

Million Gallons of SAF in the United States



Source: Environmental Protection Agency



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