



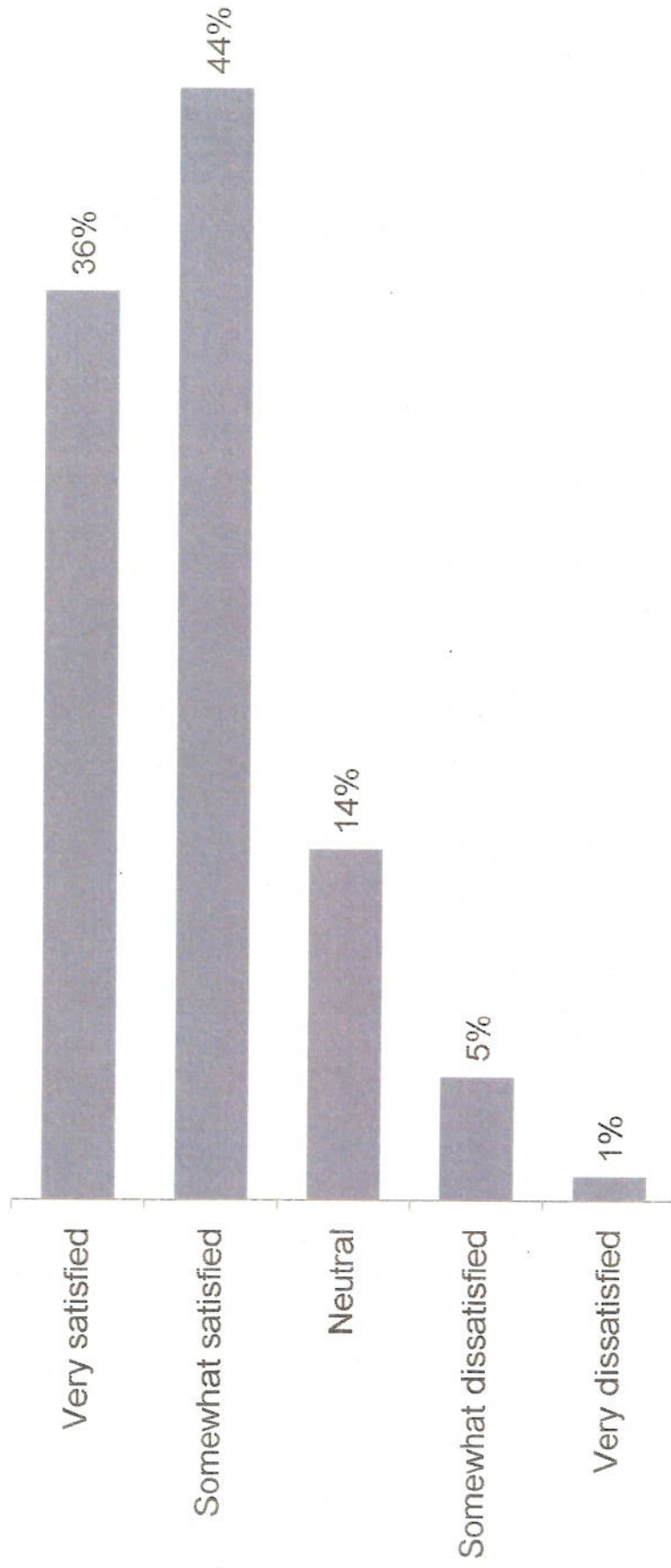
Airlines for America[®]

We Connect the World

December 15, 2016

Eighty Percent of 2015 Flyers Reported Being Somewhat or Very Satisfied **Only One Percent Reported Being "Very Dissatisfied"**

Satisfaction with "Overall Experience With Air Travel" in 2015



Source: <http://ipsos-na.com/news-polls/pressrelease.aspx?id=7208>

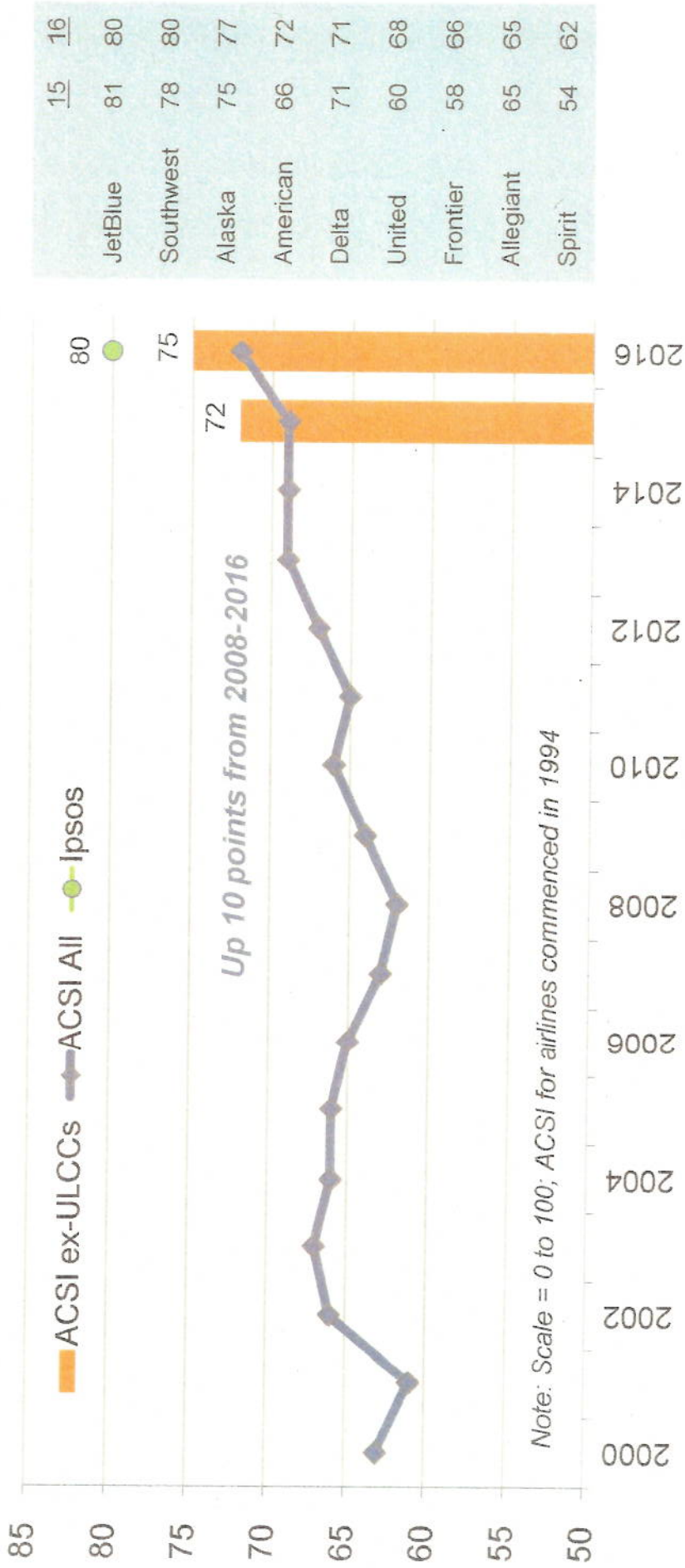
* Somewhat or very satisfied



2016 Airline Customer Satisfaction Tied All-Time High

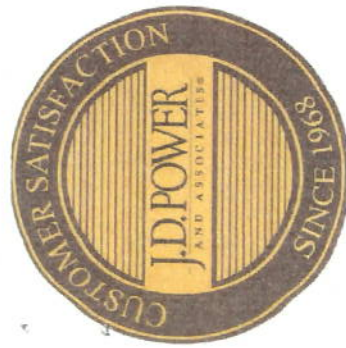
“New planes, more options for in-flight entertainment, and the return of free snacks have resulted in higher passenger satisfaction.” Ticket prices have fallen, and ACSI data show passengers are perceiving a better value for their money.”

-- “ACSI: Better In-Flight Experience Increases Passenger Satisfaction” (April 26, 2016)



Note: ACSI and its logo are Registered Marks of the University of Michigan; see <http://www.theacsi.org/the-american-customer-satisfaction-index>

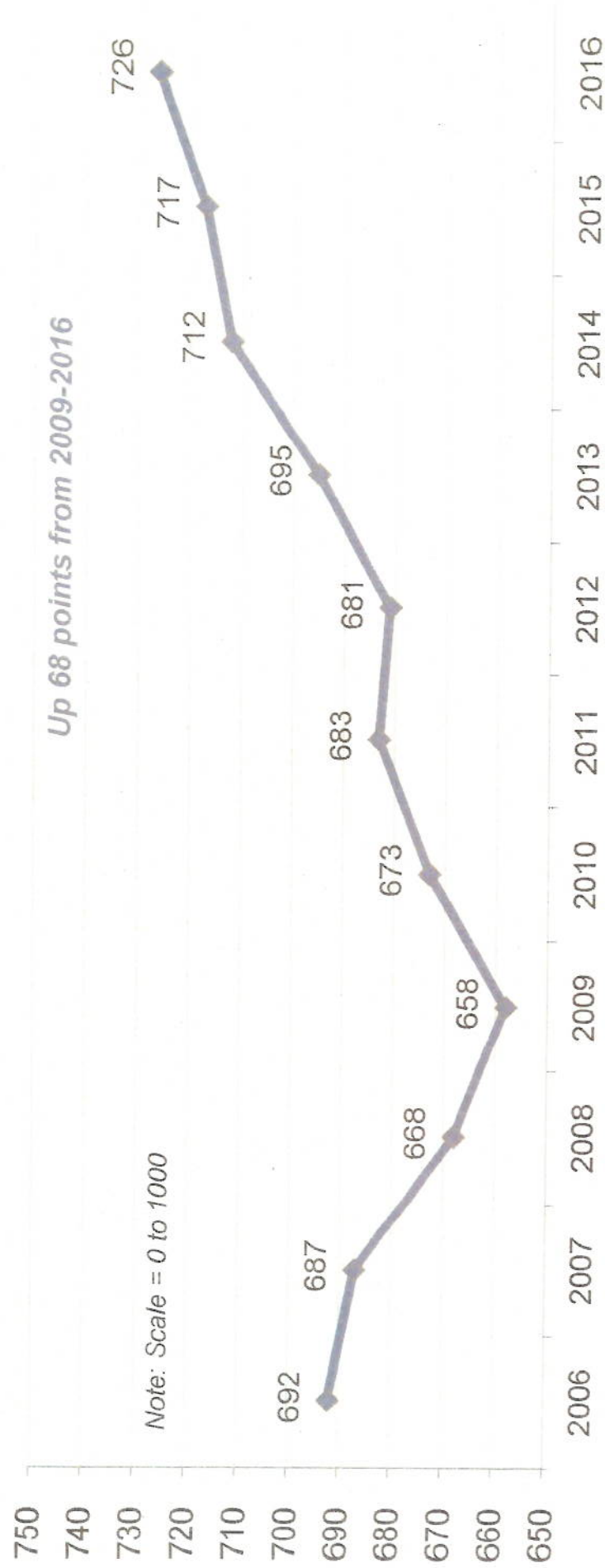




J.D. Power: North American Airline Satisfaction Climbs to 10-Year High

"The airlines are clearly listening to their passengers and are taking action. As a result, we see satisfaction rising across all touch points of the passenger experience. Airlines are making positive strides by adding value to its products and services with newer and cleaner planes, better in-flight services, improving on-time arrivals and bumping fewer passengers from their flights."

-- Rick Garlick, J.D. Power (May 11, 2016)



Source: J.D. Power 2016 North America Airline Satisfaction Study (<http://www.jdpower.com/press-releases/2016-north-america-airline-satisfaction-study>)

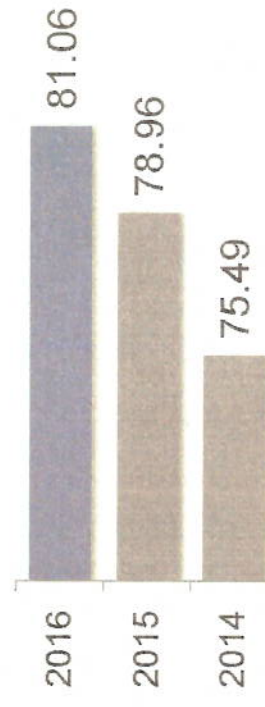


U.S. Airlines Seeing Continued Improvements in DOT Operational Metrics in 2016 Gains Driven by More Benign Weather and Investments in Systems, Procedures, Staffing

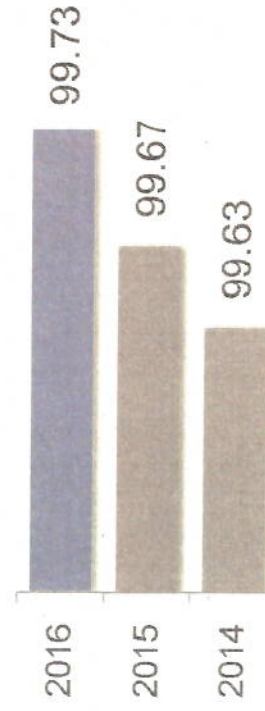
Flight Completion Factor (%) – Jan-Sep



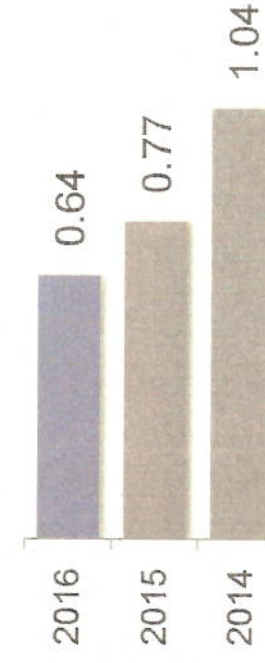
On-Time Arrival Rate (%) – Jan-Sep



Properly Handled Bag Rate (%) – Jan-Sep

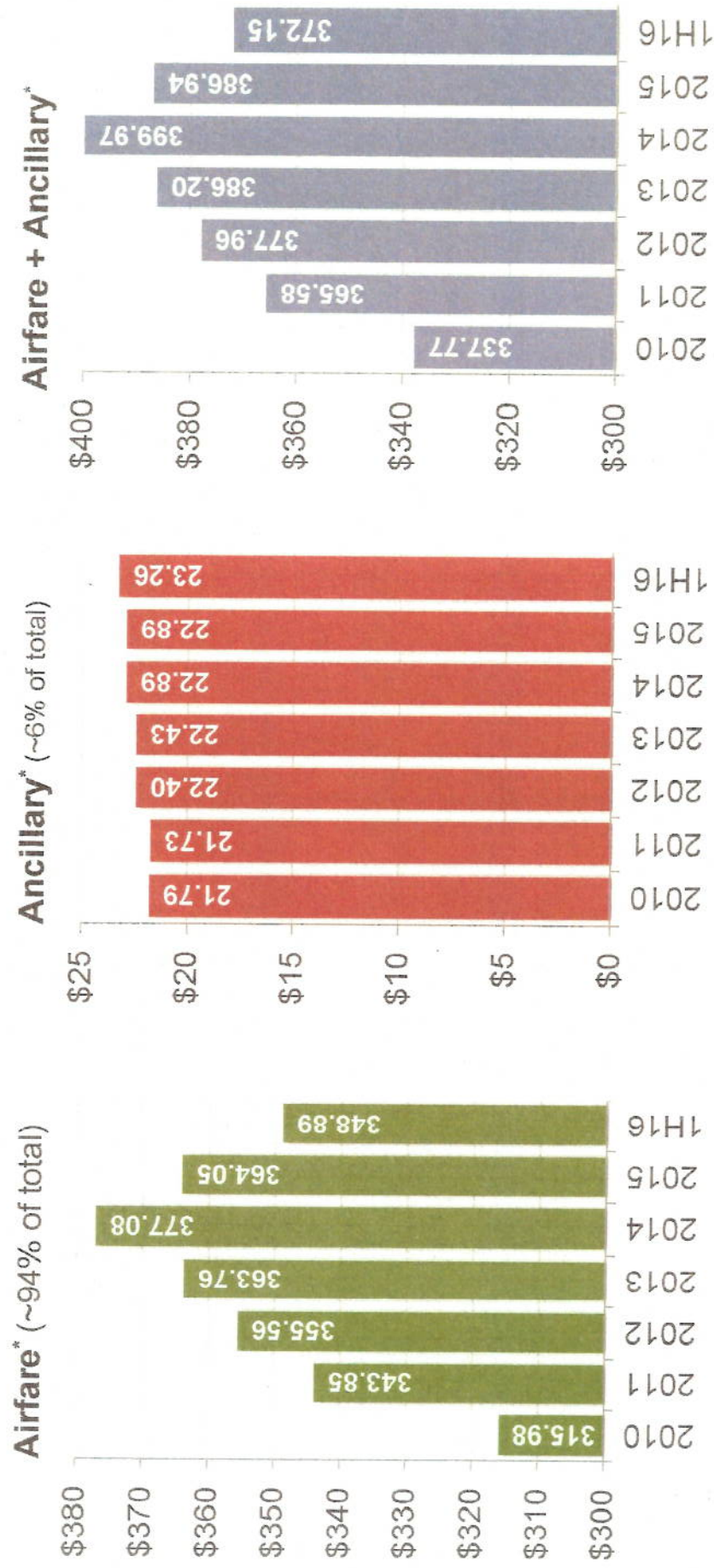


Oversales per 10,000 Customers – Jan-Sep



Sources: BTS and DOT Air Travel Consumer Report (<http://www.dot.gov/airconsumer/air-travel-consumer-reports>)

Average Round-Trip Airfare Down \$27.82 (7%) Since 2014; Fees Up 37¢ (1.6%) **Airfare Has Constituted 94 Percent of Total Ticket Price in Each of the Past Six Years**

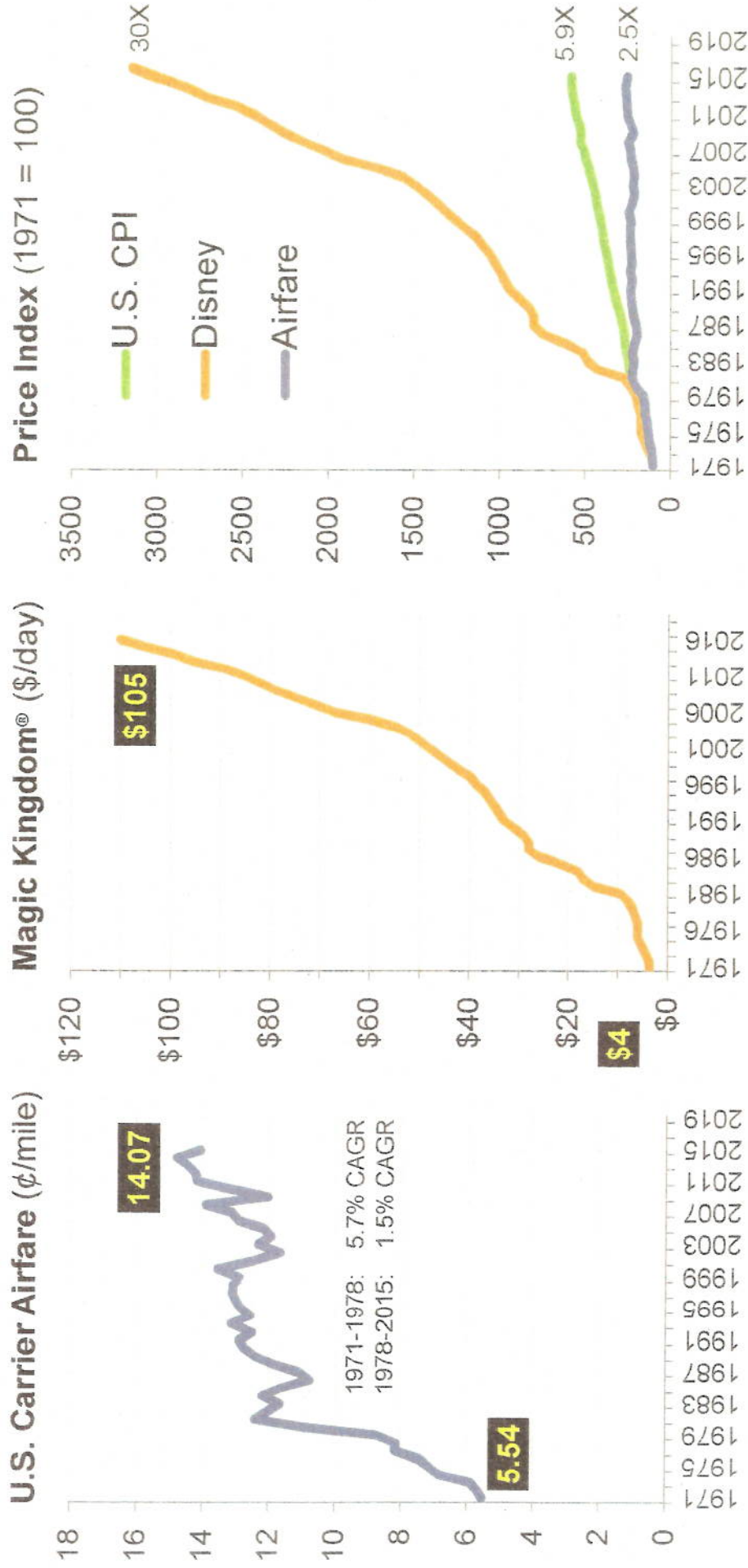


Source: A4A analysis of data from BTS Data Bank 1B (10% sample of tickets; all cabins and fare basis codes) and DOT Form 41

* Domestic round-trip average



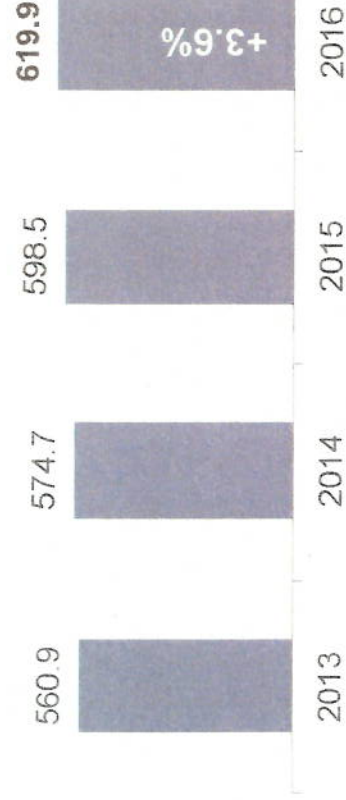
Within the Travel & Tourism Sector, Airfare Remains One of the Better Bargains In Contrast to Air Travel, the Price of a Day at Disney Rose 30-Fold From 1971 to 2015



Sources: A4A, BTS Data Bank 1B, alleairs.net, "How theme parks like Disney World left the middle class behind" (Drew Harwell, *The Washington Post*, June 12, 2015) and "Disney Introduces Demand-Based Pricing at Theme Parks" (Brooks Barnes, *The New York Times*, Feb. 27, 2016)

In First 9 Months of 2016, Capacity Outpaced Traffic, Driving Load Factor Down

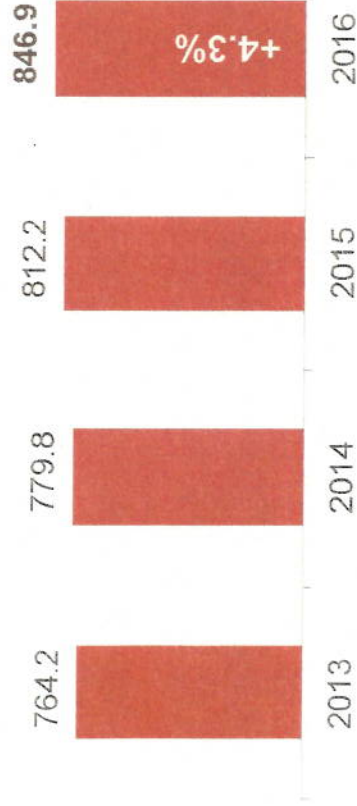
Passengers Enplaned (Millions) – Jan-Sep



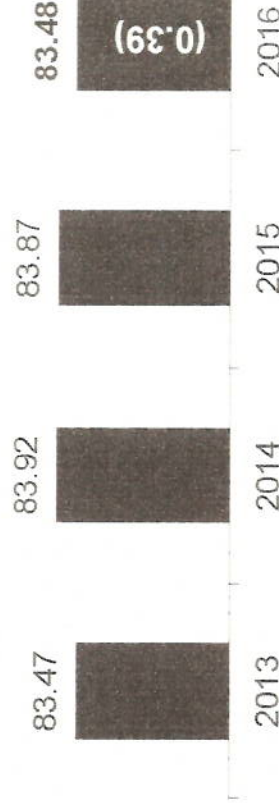
Revenue Passenger Miles (Billions) – Jan-Sep



Available Seat Miles (Billions) – Jan-Sep

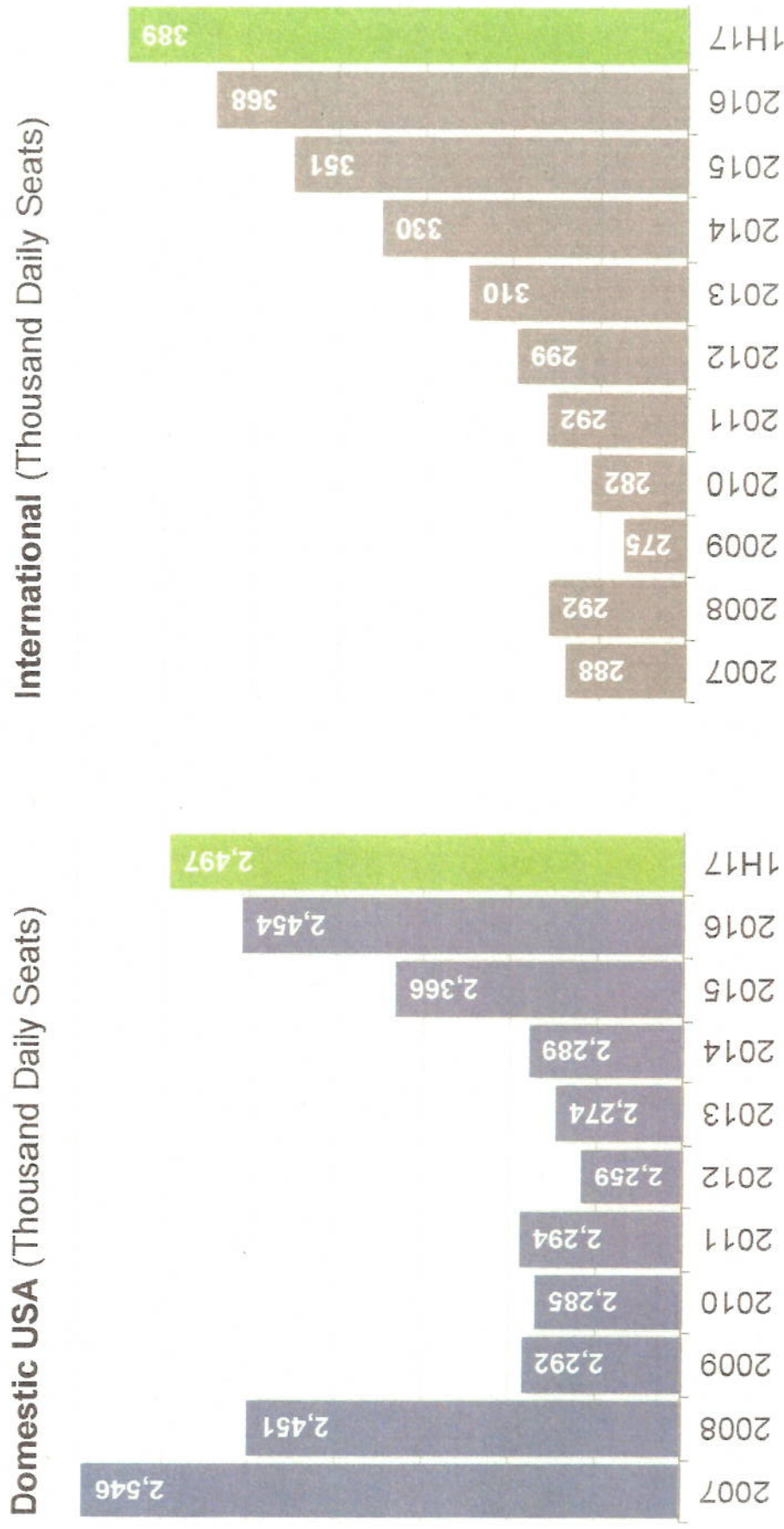


Load Factor (Percent) – Jan-Sep



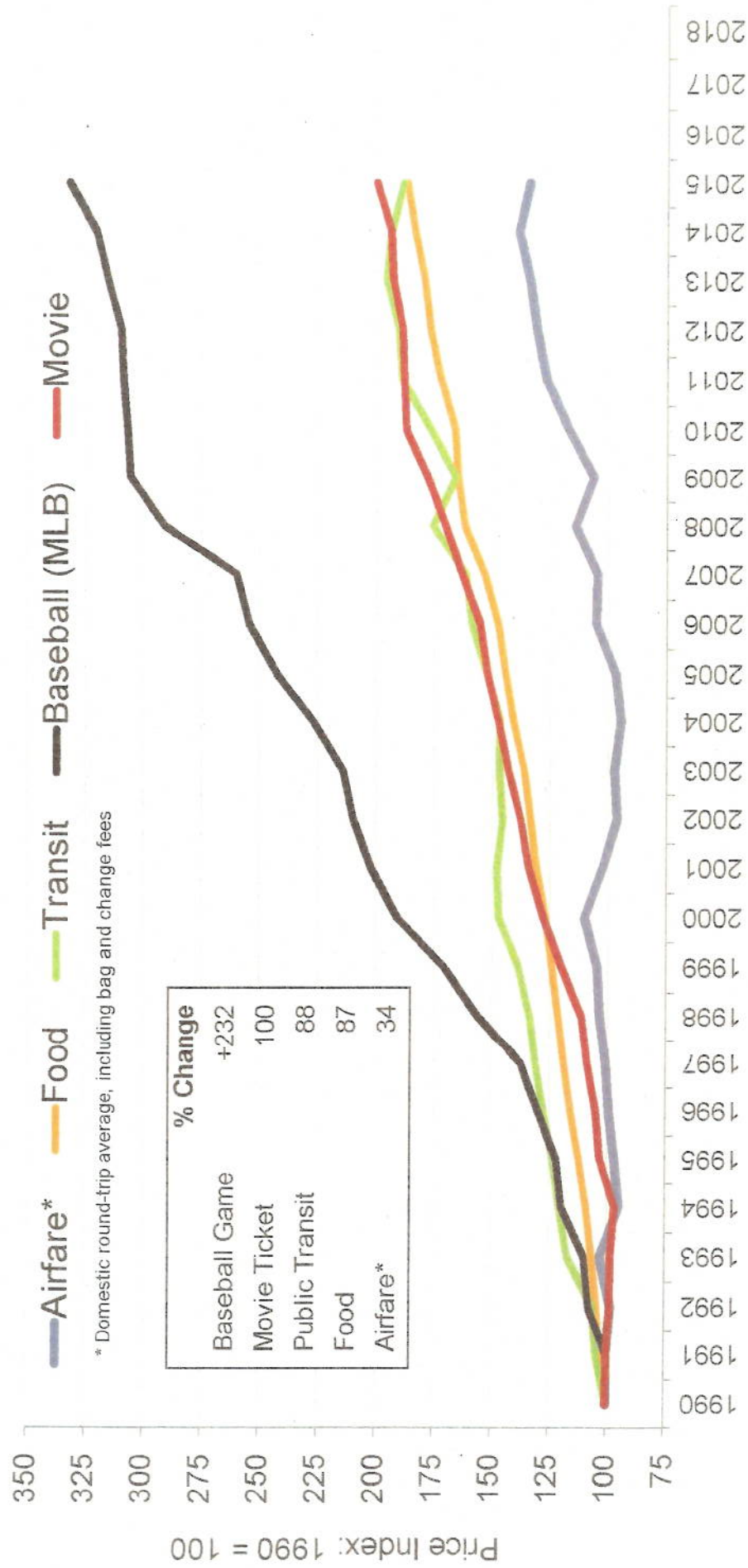
Source: U.S. Bureau of Transportation Statistics T1, systemwide scheduled service on U.S. airlines

As Airlines See Higher Returns on Capital, Customers Are Seeing More Seats Domestic Supply Approaching Pre-Recession Levels; International Supply at All-Time High



Source: Innovata (via Diio Mi) published schedules as of Dec. 9, 2016, for all airlines providing scheduled passenger service from U.S. airports to all destinations

Over the Past 25 Years, the Price of Purchasing Food, Taking the Bus/Train, or Going to the Movies/Ballpark Has Significantly Outpaced the Price of Taking a Trip by Air



Source: A4A, BTS Data Bank 1B, Federal Reserve Bank of St. Louis, National Association of Theatre Owners, Team Marketing Report

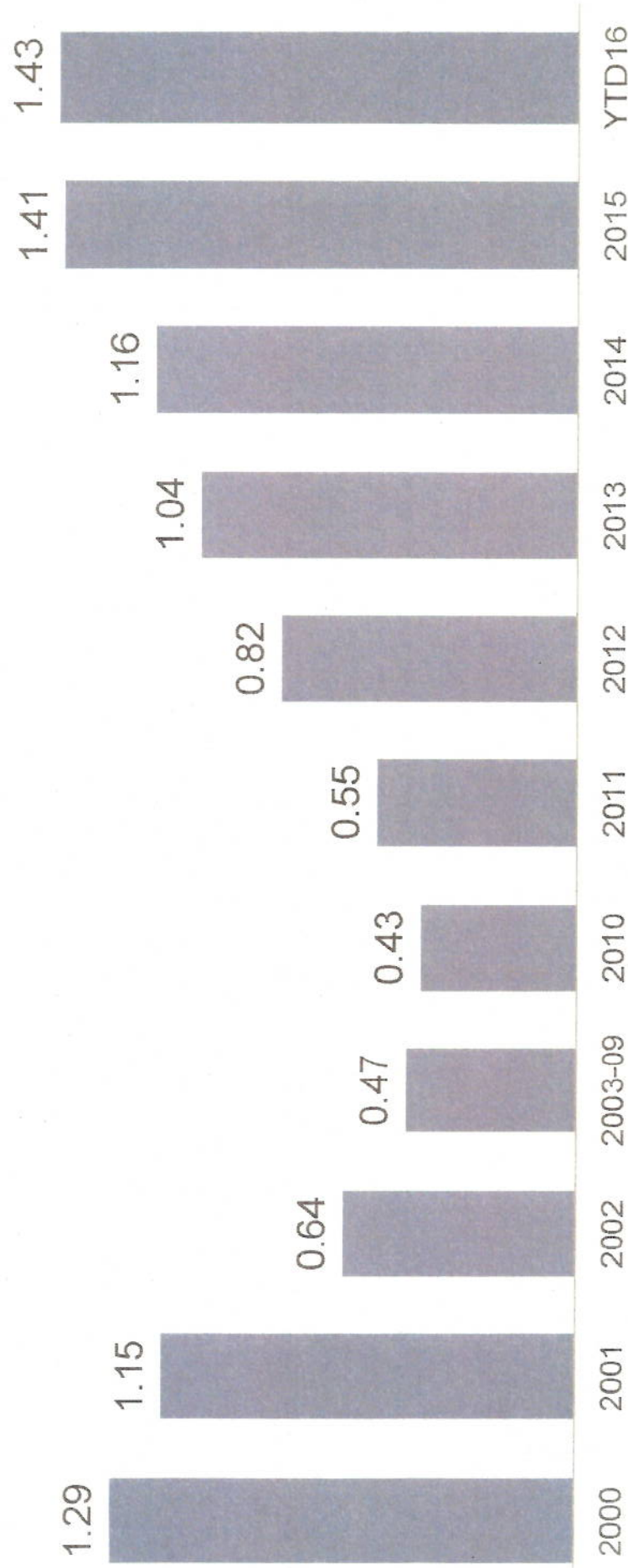


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Improving Finances Enabling Significant Reinvestment in Customer Experience

YTD 3Q 2016 Capital Outlays Averaged \$1.43B per Month, Exceeding 2015 Rate

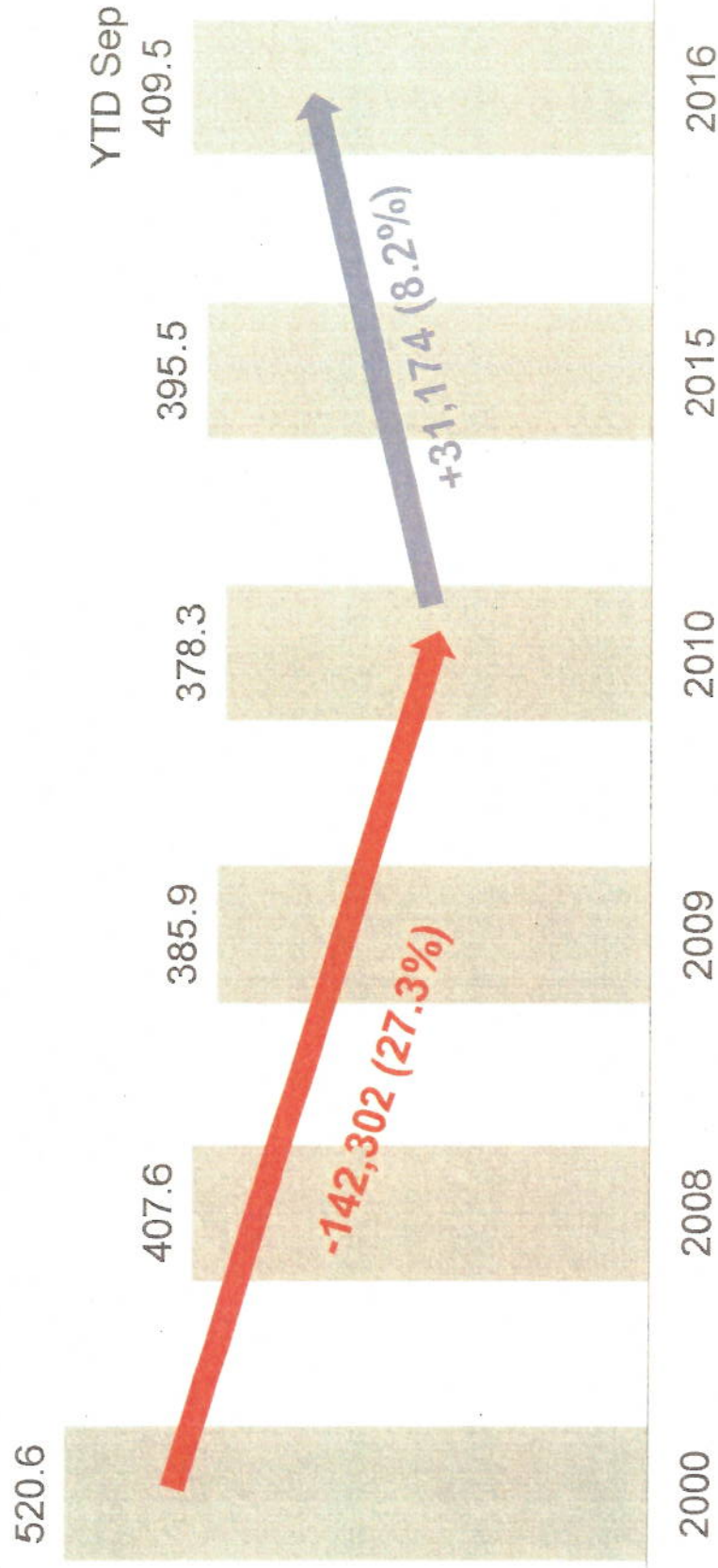
U.S. Passenger Airline* Capital Expenditures (\$ Billions per Month)



* SEC filings of Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit, United and Virgin America

U.S. Airline Jobs Are Exceeding 400,000 for First Time Since 2008 September 2016 Was 35th Consecutive Month of YOY Gains

Employment at U.S. Passenger Airlines (Thousand FTEs)



Source: Bureau of Transportation Statistics for scheduled U.S. passenger airlines

U.S. Airlines* Continue to Pump More Wages and Benefits into the Economy

Airlines* Spending **\$3.6 Billion per Month** on the Workforce – Up 42 Percent from 2010

Total Employee Wages and Benefits*
(\$ Billions per Month)



* SEC filings of Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit, United and Virgin America

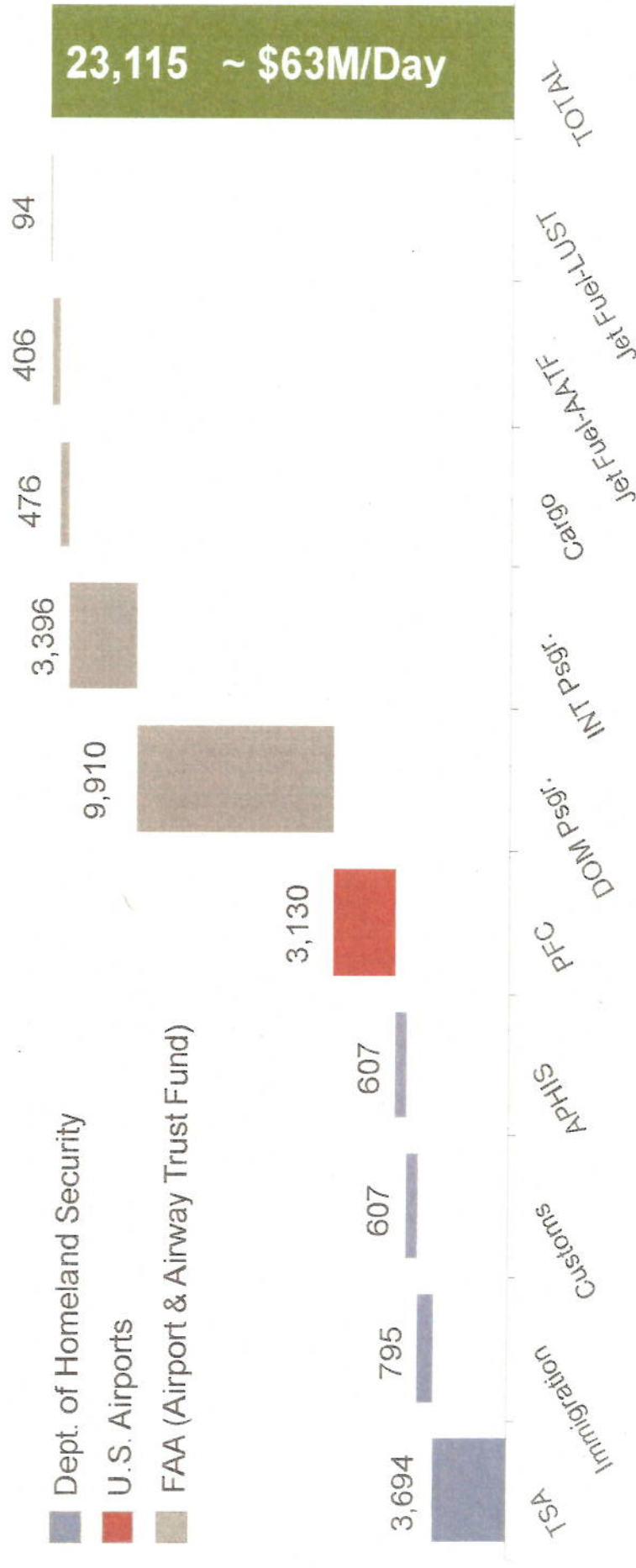


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U.S. Federal Commercial Aviation Tax Burden* Reached Record-High \$23.1B in 2016

FY 2016 Collections (\$Millions) from Airlines and their Customers



* Federally levied/approved commercial aviation taxes/fees only; some taxes/fees shown include collections from non-U.S. carriers; PFC figure is FAA estimate for CY2016
 Sources: A4A, CBP, EPA, FAA, OMB and TSA



The Administration Is Pushing to Increase the Government's Share of Each Ticket Growing Take of \$300* Itinerary Leaves Less Revenue for Carriers to Reinvest



AATF = Airport and Airway Trust Fund

* Sample itinerary is a \$300 domestic round trip with one stop each way and maximum passenger facility charge (PFC) per airport; total ticket price includes taxes

** Based on proposed increases in President's FY2017 budget

www.airlines.org



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