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**BTS DATA**

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### **BTS Releases First Quarter 2004 Airline Financial Data; Regional Passenger Airlines Report Highest Rate of Domestic Profit**

The seven largest regional airlines had the highest domestic operating margins — an industry measure of profitability — of any carrier groups during the first quarter of 2004, the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation reported today in a release of preliminary data.

This group of regional carriers reported a domestic operating profit margin of 11.3 percent for the first quarter, above the profit margin of 1.8 percent reported by the seven largest low-cost air carriers and the 9.9 percent loss margin reported by seven largest network carriers (Table 1). Domestic operating margin measures operating profit or loss as a percentage of the airline's total domestic operating revenue.

The industry operating margin fell from the fourth quarter to the first quarter. Quarter-to-quarter changes may be affected by seasonal factors.

The selected low-cost carriers showed a slightly improved profit margin over the first quarter of 2003 while the selected network carriers reduced their operating loss margin from a year earlier.

The largest operating loss margins were reported by low-cost carrier ATA Airlines and by United Airlines and Delta Air Lines, both network carriers (Table 2). The top operating profit margins were reported by SkyWest Airlines, American Eagle Airlines and Air Wisconsin, all regional carriers (Table 4).

Network carriers operate a significant portion of their flights using at least one hub where connections are made for flights on a spoke system. Low-cost carriers are those that the industry generally recognizes as operating under a low-cost business model. Regional carriers provide service from small cities, using primarily regional jets to support the network carriers' hub and spoke systems. The selected groups consist of the seven carriers with the highest annual reported revenue in each group.

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The regional carriers had the highest unit revenues with 15.3 cents per available seat mile. (Table 5). These higher unit revenues generally reflect the shorter flights flown by these carriers. They average flights of 300 to 450 miles, compared to the 1,000-mile average stage length for the network carriers. Domestic unit revenue measures revenues against capacity by dividing domestic operating revenues by domestic available seat miles.

Overall, the highest unit revenues were reported by Atlantic Coast Airlines, Air Wisconsin and American Eagle (Table 8). The lowest unit revenues were reported by ATA, JetBlue Airways and America West Airlines (Table 7). US Airways reported the highest unit revenues among the selected network carriers (Table 6).

The regional carriers also reported the highest domestic unit costs – 13.6 cents per available seat mile (Table 9). The low-cost carriers reported the lowest unit costs – 7.6 cents per available seat mile. All of the selected low-cost carriers had lower unit costs than any of the regional or network carriers. (Tables 10, 11 and 12). Domestic unit cost measures expenses against capacity by dividing domestic operating expenses by domestic available seat miles.

The carriers with the highest unit costs were Atlantic Coast, US Airways and Air Wisconsin. The carriers with the lowest unit costs were JetBlue, ATA and America West.

The regional carriers also reported the highest domestic passenger revenue yields — at 23.4 cents per revenue passenger mile, nearly twice the rate compared to the network and low-cost carriers (Table 13). Domestic passenger revenue yield measures passenger revenues against total travel by dividing domestic passenger revenues by domestic revenue passenger miles.

The top passenger revenue yields were reported by Atlantic Coast, American Eagle and Air Wisconsin (Table 16). The lowest passenger revenue yields were reported by JetBlue, ATA and America West (Table 15). Northwest reported the highest revenue yield of any network carrier (Table 14).

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**Table 1: Quarterly Domestic Operating profit/loss margin (in percent)**

Passenger Airlines by Group

Ranked by 1st Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

1Q 2004 Group		1st	2nd	3rd	4th	1st	1st Quarter
Rank		Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003 (%)	2003 (%)	2003 (%)	2003 (%)	2004 (%)	Profit/Loss
1	Regionals	8.6	14.2	15.3	14.1	11.3	201.7
2	Low-Cost	0.7	8.4	11.2	5.3	1.8	57.7
3	Network	-20.5	-6.7	-2.7	-7.8	-9.9	-1,313.8
	<b>21-Carrier</b>	<b>-14.1</b>	<b>-2.1</b>	<b>-1.4</b>	<b>-3.5</b>	<b>-5.8</b>	<b>-1,054.4</b>
	<b>Total</b>						

Source: Form 41; Schedule P1.2

**Table 2: Quarterly Domestic Operating profit/loss margin (in percent)**

Network Carriers

Ranked by 1st Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

1Q 2004	Network	1st	2nd	3rd	4th	1st	1st Quarter
Rank	Carriers	Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003 (%)	2003 (%)	2003 (%)	2003 (%)	2004 (%)	Profit/Loss
1	Northwest	-12.0	0.2	5.4	-0.2	-2.9	-50.6
2	American	-30.2	-13.9	-6.3	-13.8	-8.3	-251.7
3	Continental	-19.1	8.8	-4.3	-8.5	-9.9	-125.9
4	US Airways	-13.9	-7.1	-5.7	-4.8	-11.0	-157.6
5	Alaska	-13.5	1.6	10.6	-4.2	-11.2	-49.6
6	United	-30.3	-12.1	0.04	-8.9	-12.2	-294.5
7	Delta	-12.4	-6.9	-6.0	-6.7	-13.1	-383.9
	<b>Group Total</b>	<b>-20.5</b>	<b>-6.7</b>	<b>-2.7</b>	<b>-7.8</b>	<b>-9.9</b>	<b>-1,313.8</b>

Source: Form 41; Schedule P1.2

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**Table 3: Quarterly Domestic Operating profit/loss margin (in percent)**

Low-Cost Carriers

Ranked by 1st Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

1Q 2004 Low Cost		1st	2nd	3rd	4th	1st	1st Quarter
Rank	Carriers	Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003 (%)	2003 (%)	2003 (%)	2003 (%)	2004 (%)	Profit/Loss
							\$(Millions)
1	JetBlue	15.9	18.7	19.7	13.4	11.3	32.7
2	AirTran	3.3	13.1	11.1	8.7	4.3	10.3
3	Southwest	3.4	9.3	11.9	7.3	3.1	46.4
4	America West	-9.4	2.4	8.0	1.0	2.0	11.1
5	Spirit	1.0	6.8	1.7	-2.9	1.9	2.6
6	Frontier	-13.6	4.3	13.5	7.7	-4.0	-6.8
7	ATA	-3.5	5.6	7.9	-6.5	-14.8	-38.6
	<b>Group Total</b>	<b>0.7</b>	<b>8.4</b>	<b>11.2</b>	<b>5.3</b>	<b>1.8</b>	<b>57.7</b>

Source: Form 41; Schedule P1.2

**Table 4: Quarterly Domestic Operating profit/loss margin (in percent)**

Regional Carriers

Ranked by 1st Quarter 2004 Margin

(Operating Profit/Loss as Percent of Total Operating Revenue)

1Q 2004 Regional		1st	2nd	3rd	4th	1st	1st Quarter
Rank	Carriers	Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003 (%)	2003 (%)	2003 (%)	2003 (%)	2004 (%)	Profit/Loss
							\$(Millions)
1	American Eagle	9.6	16.2	15.7	20.6	16.3	53.8
2	SkyWest	9.7	11.4	15.3	12.1	13.7	34.9
3	Air Wisconsin	6.8	11.6	21.4	12.6	13.3	20.9
4	Express Jet	13.4	12.4	12.8	12.9	12.5	42.4
5	Atlantic Southeast	11.2	15.2	12.7	9.7	7.7	16.1
6	Comair	5.6	13.6	15.8	16.5	6.8	19.3
7	Atlantic Coast	1.5	18.3	16.6	11.5	6.7	14.2
	<b>Group Total</b>	<b>8.6</b>	<b>14.2</b>	<b>15.3</b>	<b>14.1</b>	<b>11.3</b>	<b>201.7</b>

Source: Form 41; Schedule P1.2

AIRLINE FINANCES QUARTERLY RELEASE  
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**Table 5. Airline Domestic Unit Revenue (Cents Per Mile)**

Passenger Airlines by Group

Ranked by 1st Quarter 2004 Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

Rank	Group	1st Quarter 2003	2nd Quarter 2003	3rd Quarter 2003	4th Quarter 2003	1st Quarter 2004	Operating Revenue \$(Millions)
1	Regionals	16.60	15.79	15.34	15.07	15.34	1,784.1
2	Network	10.60	11.38	11.39	11.43	11.43	13,312.0
3	Low-Cost	7.61	8.18	8.25	7.91	7.76	3,129.8
	<b>21-Carrier Total</b>	<b>10.27</b>	<b>10.91</b>	<b>10.92</b>	<b>10.85</b>	<b>10.82</b>	<b>18,225.9</b>

Source: Form 41; Schedule P1.2. T100; T2 Data

**Table 6. Airline Domestic Unit Revenue (Cents Per Mile)**

Network Carriers

Ranked by 1st Quarter 2004 Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

Rank	Group	1st Quarter 2003	2nd Quarter 2003	3rd Quarter 2003	4th Quarter 2003	1st Quarter 2004	1st Quarter Operating Revenue \$(Millions)
1	US Airways	13.80	15.13	14.52	15.19	14.44	1,428.5
2	Northwest	10.47	11.31	11.41	11.65	12.68	1,769.9
3	Delta	11.92	13.02	12.57	12.46	12.31	2,940.5
4	United	9.16	9.80	11.19	10.73	10.84	2,422.4
5	American	10.05	10.58	10.35	10.44	10.29	3,033.9
6	Continental	9.92	10.65	9.95	10.25	10.27	1,275.8
7	Alaska	9.40	9.95	10.45	9.95	9.75	441.1
	<b>Group Total</b>	<b>10.60</b>	<b>11.38</b>	<b>11.39</b>	<b>11.43</b>	<b>11.43</b>	<b>13,312.0</b>

Source: Form 41; Schedule P1.2. T100; T2 Data

**Table 7. Airline Domestic Unit Revenue (Cents Per Mile)**

Low-Cost Carriers

Ranked by 1st Quarter 2004 Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

Rank	Group	1st Quarter 2003	2nd Quarter 2003	3rd Quarter 2003	4th Quarter 2003	1st Quarter 2004	Operating Revenue \$(Millions)
1	Frontier	7.80	8.66	9.79	9.18	9.53	173.0
2	AirTran	8.93	9.46	9.08	8.87	8.61	241.4
3	Spirit	7.64	7.84	7.73	7.81	8.11	131.1
4	Southwest	7.75	8.45	8.52	8.28	8.06	1,484.0
5	America West	7.51	8.13	8.29	7.90	7.79	550.9
6	JetBlue	7.36	7.48	7.37	7.00	6.84	289.0
7	ATA	6.51	6.80	6.86	6.06	5.93	260.4
	<b>Group Total</b>	<b>7.61</b>	<b>8.18</b>	<b>8.25</b>	<b>7.91</b>	<b>7.76</b>	<b>3,129.8</b>

Source: Form 41; Schedule p1.2. T100; T2 Data.

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**Table 8. Airline Domestic Unit Revenue (Cents Per Mile)**

Regional Carriers

Ranked by 1st Quarter 2004 Domestic Unit Revenue

(Domestic Operating Revenue Per Available Seat Mile)

Rank	Group	1st	2nd	3rd	4th	1st	1st Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003	2003	2003	2003	2004	Revenue
		\$(Millions)					
1	Atlantic Coast	18.54	19.99	18.37	18.31	18.55	212.1
2	Air Wisconsin	20.21	17.71	17.11	16.75	18.07	156.5
3	American Eagle	18.29	17.58	18.06	17.01	17.64	329.4
4	Express Jet	17.50	15.58	15.29	14.84	15.30	339.9
5	SkyWest	15.81	15.35	14.24	14.56	15.29	253.7
6	Atlantic Southeast	15.06	14.06	13.39	13.25	13.15	210.2
7	Comair	13.46	13.01	12.85	13.03	12.43	282.2
<b>Group Total</b>		<b>16.60</b>	<b>15.79</b>	<b>15.34</b>	<b>15.07</b>	<b>15.34</b>	<b>1,784.1</b>

Source: Form 41; Schedule p1.2. T100; T2 Data.

**Table 9. Airline Domestic Unit Costs (Cents per Mile)**

Passenger Airlines by Group

Ranked by 1st Quarter 2004 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1st Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003	2003	2003	2003	2004	Expenses
		\$(Millions)					
1	Regionals	15.16	13.54	12.99	12.94	13.61	1,582.5
2	Network	12.77	12.15	11.70	12.32	12.55	14,625.8
3	Low-Cost	7.56	7.49	7.33	7.49	7.62	3,072.1
<b>21-Carrier Total</b>		<b>11.72</b>	<b>11.15</b>	<b>10.77</b>	<b>11.22</b>	<b>11.44</b>	<b>19,280.4</b>

Source: Form 41; Schedule p1.2. T100; T2 Data.

**Table 10. Airline Domestic Unit Costs (Cents per Mile)**

Network Carriers

Ranked by 1st Quarter 2004 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	Operating
		Quarter	Quarter	Quarter	Quarter	Quarter	Expenses
		2003	2003	2003	2003	2004	\$(Millions)
1	US Airways	15.72	16.20	15.35	15.91	16.04	1,586.1
2	Delta	13.40	13.93	13.32	13.29	13.92	3,324.4
3	Northwest	11.73	11.28	10.79	11.67	13.05	1,820.4
4	United	11.93	10.98	11.19	11.69	12.16	2,716.8
5	Continental	11.82	9.71	10.37	11.11	11.28	1,401.7
6	American	13.09	12.05	11.00	11.89	11.14	3,285.6
7	Alaska	10.67	9.79	9.34	10.37	10.85	490.7
<b>Group Total</b>		<b>12.77</b>	<b>12.15</b>	<b>11.70</b>	<b>12.32</b>	<b>12.55</b>	<b>14,625.8</b>

Source: Form 41; Schedule P1.2. T100; T2 Data.

AIRLINE FINANCES QUARTERLY RELEASE  
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**Table 11. Airline Domestic Unit Costs (Cents per Mile)**

Low-Cost Carriers

Ranked by 1st Quarter 2004 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1 <sup>st</sup> Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003	2003	2003	2003	2004	Expenses
							\$(Millions)
1	Frontier	8.86	8.28	8.47	8.47	9.91	179.9
2	AirTran	8.57	8.22	8.07	8.10	8.24	231.1
3	Spirit	7.56	7.31	7.60	8.04	7.95	128.5
4	Southwest	7.49	7.67	7.50	7.67	7.81	1,437.6
5	America West	8.21	7.94	7.62	7.82	7.63	539.7
6	ATA	6.74	6.42	6.32	6.46	6.81	299.0
7	JetBlue	6.19	6.08	5.92	6.07	6.06	256.3
	<b>Group Total</b>	<b>7.56</b>	<b>7.49</b>	<b>7.33</b>	<b>7.49</b>	<b>7.62</b>	<b>3,072.1</b>

Source: Form 41; Schedule P1.2. T100; T2 Data.

**Table 12. Airline Domestic Unit Costs (Cents per Mile)**

Regionals

Ranked by 1st Quarter 2004 Domestic Unit Costs

(Domestic Operating Expenses per Available Seat Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1 <sup>st</sup> Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Operating
		2003	2003	2003	2003	2004	Expenses
							\$(Millions)
1	Atlantic Coast	18.26	16.33	15.33	16.22	17.30	197.8
2	Air Wisconsin	18.84	15.66	13.45	14.65	15.66	135.7
3	American Eagle	16.53	14.73	15.23	13.50	14.76	275.7
4	Express Jet	15.15	13.65	13.32	12.92	13.39	297.5
5	SkyWest	14.27	13.60	12.49	12.79	13.19	218.8
6	Atlantic Southeast	13.38	11.92	11.68	11.97	12.15	194.1
7	Comair	12.71	11.24	10.81	10.88	11.58	262.9
	<b>Group Total</b>	<b>15.16</b>	<b>13.54</b>	<b>12.99</b>	<b>12.94</b>	<b>13.61</b>	<b>1,582.5</b>

Source: Form 41; Schedule p1.2. T100; T2 Data.

**Table 13. Domestic Passenger Revenue Yield (Cents per Mile)**

Passenger Airlines by Group

Ranked by 1st Quarter 2004 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1 <sup>st</sup> Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Passenger
		2003	2003	2003	2003	2004	Revenue
							\$(Millions)
1	Regionals	25.90	22.30	21.69	21.78	23.38	1,768.3
2	Network	12.24	11.96	11.75	12.36	12.60	10,424.7
3	Low-Cost	10.71	10.43	10.36	10.73	10.61	2,935.8
	<b>21-Carrier Total</b>	<b>12.64</b>	<b>12.22</b>	<b>12.03</b>	<b>12.61</b>	<b>12.82</b>	<b>15,128.8</b>

Source: Form 41; Schedule P1.2. T100; T2 Data.

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**Table 14. Domestic Passenger Revenue Yield (Cents per Mile)**

Network Carriers

Ranked by 1st Quarter 2004 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1st Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Passenger
		2003	2003	2003	2003	2004	Revenue
							\$(Millions)
1	Northwest	12.80	13.15	12.85	13.77	15.47	1,540.2
2	US Airways	14.88	14.35	13.38	14.82	14.43	985.5
3	Continental	12.75	11.81	11.18	11.86	12.51	1,114.9
4	Alaska	12.47	12.44	12.74	12.72	12.44	387.7
5	Delta	12.26	11.81	11.40	11.97	12.08	2,040.3
6	American	12.25	11.72	11.46	12.20	12.03	2,516.1
7	United	10.45	10.63	11.27	11.25	11.41	1,840.0
	<b>Group Total</b>	<b>12.24</b>	<b>11.96</b>	<b>11.75</b>	<b>12.36</b>	<b>12.60</b>	<b>10,424.7</b>

Source: Form 41; Schedule P1.2. T100; T2 Data.

**Table 15. Domestic Passenger Revenue Yield (Cents per Mile)**

Low-Cost Carriers

Ranked by 1st Quarter 2004 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1st Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Passenger
		2003	2003	2003	2003	2004	Revenue
							\$(Millions)
1	AirTran	12.81	12.50	12.00	12.33	12.12	232.7
2	Frontier	12.74	12.26	12.05	12.03	11.90	153.7
3	Southwest	11.69	11.41	11.44	12.24	11.76	1,389.8
4	Spirit	9.92	10.10	9.05	9.19	10.10	126.9
5	America West	10.12	9.69	9.72	9.72	9.99	509.5
6	ATA	7.87	7.81	8.18	8.25	8.34	243.6
7	JetBlue	8.85	8.49	8.14	8.17	8.30	279.6
	<b>Group Total</b>	<b>10.71</b>	<b>10.43</b>	<b>10.36</b>	<b>10.73</b>	<b>10.61</b>	<b>2,935.8</b>

Source: Form 41; Schedule P1.2. T100; T2 Data.

AIRLINE FINANCES QUARTERLY RELEASE  
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**Table 16. Domestic Passenger Revenue Yield (Cents per Mile)**

Regionals

Ranked by 1st Quarter 2004 Domestic Revenue Yield

(Domestic Passenger Revenue per Revenue Passenger Mile in cents)

Rank	Group	1st	2nd	3rd	4th	1st	1st Quarter
		Quarter	Quarter	Quarter	Quarter	Quarter	Passenger
		2003	2003	2003	2003	2004	Revenue
							\$(Millions)
1	Atlantic Coast	26.59	26.14	24.74	25.94	28.59	209.4
2	American Eagle	30.46	25.93	26.89	25.58	27.38	327.8
3	Air Wisconsin	28.29	22.13	22.04	23.02	24.13	148.3
4	Express Jet	28.65	21.98	21.53	21.05	23.96	339.7
5	SkyWest	22.89	21.24	19.90	20.49	21.50	250.7
6	Atlantic Southeast	23.58	20.49	19.89	19.91	20.94	210.2
7	Comair	22.33	19.43	18.82	19.09	19.70	282.2
	<b>Group Total</b>	<b>25.90</b>	<b>22.30</b>	<b>21.69</b>	<b>21.78</b>	<b>23.38</b>	<b>1,768.3</b>

Source: Form 41; Schedule P1.2. T100; T2 Data.

Additional airline financial data can be found on the BTS website at TranStats, the Intermodal Transportation Database, at <http://transtats.bts.gov>. Click on “aviation”, then on “Air Carrier Financial Reports (Form 41 Financial Data)”, then click on “Schedule P-12.”

Data are compiled from quarterly financial and monthly traffic reports filed with BTS by commercial air carriers. Financial and traffic data are preliminary and include data received by BTS as of June 8. Data are subject to revision. Revised data from fourth-quarter 2003 and previous quarters are posted on the BTS website at <http://transtats.bts.gov>. BTS has scheduled Sept. 20 for release of second-quarter 2004 data.

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