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March 2006 Passenger Airline Employment Down 5.4 Percent from March 2005

U.S. scheduled passenger airlines employed 5.4 percent fewer workers in March 2006 than in March 2005, the 15th consecutive month that full-time equivalent employee (FTE) levels for the scheduled passenger carriers declined compared to the same month of the previous year, the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today (Table 1).

BTS, a part of the Research and Innovative Technology Administration (RITA), reported that the March 2005 to March 2006 decline in FTEs was the eighth consecutive month with a decline in FTEs of more than 5 percent from the same month of the previous year. In FTE calculations, a part-time employee is counted as one-half a full-time employee.

December 2004 was the last month in which scheduled passenger airlines employed more FTEs than in the same month the previous year. December 2004 was the last of seven consecutive months of increases from the previous year (Table 2). Scheduled passenger airlines include network, low-cost, regional and other airlines.

Many regional carriers were not required to report employment numbers before 2003, so year-to-year comparisons involving regional carriers, or the total industry, are not available for the years before 2003. Using the available numbers from network, low-cost, regional and other airlines, the 405,000 FTEs employed in March 2006 were the lowest total since at least the beginning of 2003 except for February 2006 when the airlines employed 586 fewer FTEs (Table 3).

The seven network carriers employed 268,000 FTEs in March, 66.2 percent of the passenger airline total (Table 4). Low-cost carriers employed 17.0 percent and regional carriers employed 13.7 percent. The network carriers are the only carrier group to reduce FTEs each March from the previous year since 2002 (Table 5).

American Airlines employs the most FTEs among the network carriers, Southwest Airlines employs the most among low-cost carriers and American Eagle Airlines employs the most among regional carriers. Seven of the top 10 employers in the industry are network carriers (Table 6).

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Network Airlines

Network carrier FTEs have declined every month since 2003 from the same month the previous year. They declined 7.4 percent in March 2006 compared to March 2005 (Table 7). Numbers from previous years were reported in BTS' Feb. 21 press release http://www.bts.gov/press_releases/2006/bts009_06/html/bts009_06.html.

Network carrier FTEs dropped from 364,000 in March 2002 to 268,000 in March 2006, a decline of 26.3 percent (Table 8).

FTEs at all seven network carriers declined in March 2006 from March 2002. The biggest percentage declines were at US Airways, down 55.7 percent, a reduction of 25,000 FTEs, and United Airlines and Northwest Airlines, both down 30.6 percent, a reduction of 24,000 FTEs at United and 13,000 FTEs at Northwest. Collectively, the seven network carriers reduced March FTE headcount in 2006 by 106,000 since 2002 (Table 9).

Network carriers operate a significant portion of their flights using at least one hub where connections are made for flights to down-line destinations or spoke cities.

Data for US Airways and America West Airlines, now in the process of merging operations, are separately reported – US Airways' data are included in the network carriers' category and America West's in the low-cost carriers' category.

Low-Cost Airlines

Low-cost carrier FTEs declined 3.0 percent in March 2006 compared to March 2005, the 12th consecutive month of decreases from the previous year (Table 10). The 69,000 FTEs employed by the seven low-cost carriers in March account for 17.0 percent of the passenger airline total (Tables 11 and 4).

Low-cost carrier FTEs were 62,000 in March 2002, 71,000 in March 2005 and 69,000 in March 2006. The increase from 2002 to 2006 was 11.2 percent (Table 11). Of the airlines operating and reporting in both March 2006 and March 2002, all reported more FTEs in 2006 except Southwest Airlines, down 2.6 percent; ATA Airlines, down 55.6 percent; and Spirit Airlines, down 3.3 percent (Table 12).

Low-cost carriers are those that the industry generally recognizes as operating under a low-cost business model with fewer infrastructure costs.

Employment data for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, have been included with low-cost carriers for 2003, 2004 and 2005 for consistency. The airline discontinued all flights on Jan. 5.

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Regional Airlines

Regional carrier FTEs were down 1.9 percent in March compared to March 2005 (Table 13).

Regional carrier FTEs rose from 41,000 in March 2003 to 55,000 in March 2006, an increase of 33.3 percent (Table 14).

The seven regional carriers reporting employment data in both 2002 and 2006 employed 9.2 percent more FTEs in March 2006 than in March 2002. Of that group, Air Wisconsin and Mesaba were the only carriers to report fewer FTE employees in March 2006 than March 2002 (Table 15).

Regional carriers provide service from small cities, using primarily regional jets to support the network carriers' hub and spoke systems.

Reporting Notes

Airlines that operate at least one aircraft with the capacity to carry combined passengers, cargo and fuel of 18,000 pounds – the payload factor – must report monthly employment statistics.

The Other Carrier category generally reflects those airlines that operate within specific niche markets, such as Aloha and Hawaiian Airlines in serving the Hawaiian Islands.

Data are compiled from monthly reports filed with BTS by commercial air carriers as of May 9.

Additional airline employment data can be found on the BTS website at http://www.bts.gov/programs/airline_information/number_of_employees/. BTS has scheduled release of April airline employment data for June 20.

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Table 1: Change in Passenger Airline Full-time Equivalent Employees* from the Previous Year

Percentage change compared to same month the previous year for the most recent 13 months

Month	Network Carriers (Pct. Change)	Low-Cost Carriers** (Pct. Change)	Regional Carriers (Pct. Change)	All Passenger Airlines*** (Pct. Change)
Mar. 2004-Mar. 2005	-5.0	0.0	13.3	-1.9
Apr. 2004-Apr. 2005	-6.5	-0.7	12.2	-3.1
May 2004-May 2005	-6.7	-1.0	10.9	-3.4
June 2004-June 2005	-7.0	-1.1	10.0	-3.7
July 2004-July 2005	-5.6	-1.5	4.9	-3.3
Aug. 2004-Aug. 2005	-9.0	-0.7	3.9	-5.7
Sept. 2004-Sept. 2005****	-8.9	-1.0	3.4	-5.8
Oct. 2004-Oct. 2005	-8.9	-1.0	2.4	-5.8
Nov. 2004-Nov. 2005	-9.3	-2.3	0.1	-6.5
Dec. 2004-Dec. 2005	-8.5	-1.4	0.0	-5.9
Jan. 2005-Jan. 2006	-7.8	-5.3	-1.8	-6.1
Feb. 2005-Feb. 2006	-7.8	-4.1	-1.2	-5.8
Mar. 2005-Mar. 2006	-7.4	-3.0	-1.9	-5.4

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

**Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The airline discontinued flights on Jan. 5, 2006.

*** Includes network, low-cost, regional and other carriers. Other Carriers generally operate within specific niche markets. They are: Allegiant Air, Aloha Airlines, Casino Express Airlines, Continental Micronesia, Hawaiian Airlines, Midwest Airlines, Shuttle America, Sun Country Airlines, TransMeridian Airlines, USA3000 Airlines.

**** Atlantic Southeast Airlines was granted an extension for the filing of September 2005 employment numbers. For year-to-year comparison purposes, its numbers are not included in September 2004.

Note: Percentage changes based on numbers prior to rounding.

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Table 2: Change in Total Passenger Airline* Full-time Equivalent Employees from the Previous Year**

Percentage change compared to same month the previous year

Month	2003	2004	2005	2006
January	-1.0	-6.0	-1.2	-6.1
February	-1.7	-5.3	-1.4	-5.8
March	-2.8	-4.1	-1.9	-5.4
April	-4.4	-2.3	-3.1	
May	-6.7	-0.8	-3.5	
June	-8.3	0.5	-3.8	
July	-9.6	2.5	-3.5	
August	-9.5	2.2	-5.8	
September***	-9.3	2.4	-5.8	
October	-10.4	2.5	-6.1	
November	-9.2	2.2	-6.5	
December	-8.3	0.9	-5.9	

Source: Bureau of Transportation Statistics

* Includes network, low-cost, regional and other carriers.

** Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

*** Atlantic Southeast Airlines was granted an extension for the filing of September 2005 employment numbers. For year-to-year comparison purposes, its numbers are not included in September 2004.

Note: Percentage changes based on numbers prior to rounding.

Table 3: Total Passenger Airline* Full-time Equivalent Employees**
Numbers in thousands (000's)

Month	2003	2004	2005	2006	Percentage Change 2003-2006
January	465	437	432	405	-12.9
February	459	435	429	404	-12.0
March	454	436	428	405	-10.9
April	448	438	424		
May	443	440	424		
June	439	441	424		
July	433	444	428		
August	433	443	418		
September	430	440	414		
October	428	439	413		
November	430	439	411		
December	430	434	409		
Monthly Average	441	439	421		
Jan.-Mar Average	460	436	429	405	-12.0

Source: Bureau of Transportation Statistics

* Includes network, low-cost, regional and other carriers.

** Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

Note: Percentage changes and averages based on numbers prior to rounding.

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Table 4: Total Number of Full-time Equivalent Employees* by Carrier Group, March 2002-2006
FTE Numbers in thousands (000's)

	Network	Low-Cost	Regional	All Passenger Airlines**
2002	364	62	24	468
2003	334	70	41	454
2004	305	71	50	436
2005	289	71	56	428
2006	268	69	55	405
Pct. Change 2002-2006***	-26.3%	11.2%	33.3%	-10.9%
Percent of Total Passenger Airline Employees in 2006	66.2%	17.0%	13.7%	

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Includes network, low-cost, regional and other carriers.

*** Percentage change comparison for regional airlines and for all passenger airlines is for 2003 to 2006 because of the number of airlines in these categories that did not meet the standard for reporting monthly employment numbers.

Note: Percentage changes based on numbers prior to rounding.

Table 5: Change in Full-time Equivalent Employees* by Carrier Group, March 2002-2006
Percentage Change from the previous year

	Network	Low-Cost	Regional	All Passenger Airlines**
2002	-15.7	3.6	-18.7	-13.5
2003	-8.2	14.1	69.7	-2.8
2004	-8.7	0.5	20.0	-4.1
2005	-5.0	0.0	13.3	-1.9
2006	-7.4	-3.0	-1.9	-5.4

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Includes network, low-cost, regional and other carriers.

Note: Percentage changes based on numbers prior to rounding.

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Table 6: Top 10 Airlines, March 2006
Ranked by Number of Full-Time Equivalent Employees*

Rank	Airline	Total FTE Employees (000)	Carrier Group	March 2005 Rank	March 2004 Rank
1	American	74	Network	1	1
2	United	53	Network	2	2
3	Delta	47	Network	3	3
4	Continental	34	Network	5	5
5	Southwest	31	Low-Cost	6	6
6	Northwest	31	Network	4	4
7	US Airways	20	Network	7	7
8	America West	12	Low-Cost	8	8
9	American Eagle	9	Regional	9	10
10	Alaska	9	Network	10	9

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

Table 7: Change in Network Airline Full-time Equivalent Employees* from the Previous Year

Percentage change compared to same month the previous year

Month	2003	2004	2005	2006
January	-5.3	-12.5	-4.3	-7.8
February	-10.7	-11.0	-4.7	-7.8
March	-8.2	-8.7	-5.0	-7.4
April	-10.0	-6.6	-6.5	
May	-12.7	-4.9	-6.6	
June	-14.4	-3.6	-7.0	
July	-15.8	-2.0	-5.6	
August	-16.4	-1.7	-9.0	
September	-16.6	-1.7	-8.9	
October	-16.6	-1.7	-8.9	
November	-15.4	-1.7	-9.3	
December	-14.1	-3.4	-8.5	

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

Note: Percentage changes based on numbers prior to rounding.

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Table 8: Network Carrier Full-time Equivalent Employees* by Month
Numbers in thousands (000's)

	2002	2003	2004	2005	2006	Percentage Change 2002-2006
January	368	349	305	293	270	-26.8
February	364	342	305	290	268	-26.4
March	364	334	305	289	270	-26.3
April	363	327	306	286		
May	369	322	306	286		
June	371	318	306	285		
July	371	313	306	289		
August	372	311	305	278		
September	369	308	302	275		
October	369	308	302	275		
November	361	305	300	272		
December	356	306	296	271		
Monthly Average	366	320	304	282		
Jan.-Mar Average	365	342	305	291	269	-26.5

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.
 Note: Percentage changes and averages based on numbers prior to rounding.

Table 9: Network Carrier Full-time Equivalent Employees, March 2002-2006*
(Ranked by March 2006 FTE Employees)
Numbers in thousands (000's)

Rank		2002	2003	2004	2005	2006	Percentage Change 2002-2006
1	American	96	91	79	76	74	-22.5
2	United	77	67	59	56	53	-30.6
3	Delta	66	61	58	54	47	-28.6
4	Continental	36	36	35	32	34	-7.8
5	Northwest	44	42	38	38	31	-30.6
6	US Airways	44	34	27	26	20	-55.7
7	Alaska	10	10	10	10	9	-9.2
	Total	374	340	306	293	268	-28.4

Source: Bureau of Transportation Statistics

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.
 Note: Percentage changes based on numbers prior to rounding.

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Table 10: Change in Low-Cost Airline Full-time Equivalent Employees* from the Previous Year

Percentage change compared to same month the previous year

Month	2003	2004	2005	2006
January	9.2	8.5	0.4	-5.3
February	8.5	6.9	0.6	-4.1
March	14.1	0.5	0.0	-3.0
April	12.4	0.6	-0.7	
May	11.7	0.8	-1.0	
June	10.0	1.5	-1.1	
July	9.2	2.3	-1.5	
August	9.6	1.1	-0.7	
September	9.8	0.7	-1.0	
October	9.8	0.7	-1.0	
November	9.0	0.6	-2.5	
December	1.7	0.5	-1.4	

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

Note: Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The airline discontinued flights on Jan. 5, 2006.

Note: Percentage changes based on numbers prior to rounding.

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Table 11: Low-Cost Carrier Full-time Equivalent Employees* by Month
Numbers in thousands (000's)

	2002	2003**	2004**	2005**	2006	Percentage Change 2002-2006
January	60	66	71	72	68	12.8
February	61	66	70	71	68	11.9
March	62	70	71	71	69	11.2
April	63	70	71	70		
May	63	71	71	71		
June	64	71	72	71		
July	65	71	72	71		
August	65	71	72	71		
September	64	71	71	71		
October	64	71	71	70		
November	66	72	72	70		
December	66	67	72	71		
Monthly Average	64	70	71	71		
Jan.-Mar Average	61	67	71	71	68	11.9

Source: Bureau of Transportation Statistics

Note: Percentage changes and averages based on numbers prior to rounding.

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The airline discontinued flights on Jan. 5, 2006.

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Table 12: Low-Cost Carrier Full-time Equivalent Employees*, March 2002-2006
 (Ranked by March 2006 FTE Employees)
 Numbers in thousands (000's)

Rank		2002	2003**	2004**	2005**	2006	Percentage Change 2002-2006
1	Southwest	32	33	32	31	31	-2.6
2	America West	11	11	11	12	12	3.7
3	JetBlue	2	4	5	7	9	277.6
4	AirTran	4	5	5	6	7	58.0
5	Frontier	2	3	4	4	4	77.2
6	ATA	7	7	7	5	3	-55.6
7	Spirit	2	2	2	2	2	-3.3
8	Independence	N/A	5	4	3	N/A	N/A
	Total****	62	70	71	71	69	11.2

Source: Bureau of Transportation Statistics

Note: Percentage changes based on numbers prior to rounding.

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

**Employment numbers in 2003, 2004 and 2005 for Independence Air, which changed its business model from a regional to low-cost carrier in mid-2004, are included with low-cost carriers. The carrier did not meet the standard for filing in previous years. The airline discontinued flights on Jan. 5, 2006.

N/A: Not applicable because carriers did not meet the standard for filing.

Table 13: Change in Regional Airline Full-time Equivalent Employees* from the Previous Year

Percentage change compared to same month the previous year

Month	2004**	2005	2006
January	16.9	15.8	-1.8
February	18.0	13.8	-1.2
March	20.0	13.3	-1.9
April	22.1	12.2	
May	23.5	10.9	
June	25.8	10.0	
July	31.4	4.9	
August	31.8	3.9	
September	36.9	3.4	
October	32.6	2.4	
November	32.3	0.1	
December	18.7	0.0	

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Three regional airlines, Mesa, Pinnacle and PSA, did not meet the reporting standard in 2003. Mesa and Pinnacle began reporting employment numbers in 2004 while Pinnacle began reporting in 2005.

Note: Percentage changes based on numbers prior to rounding.

**AIRLINE EMPLOYMENT PRESS RELEASE
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**Table 14: Regional Carrier Full-time Equivalent Employees* by Month
Numbers in thousands (000's)**

	2003**	2004	2005	2006	Percentage Change 2003-2006
January	41	48	58	55	33.7
February	41	49	56	55	33.3
March	41	50	56	55	33.3
April	41	50	57		
May	42	51	57		
June	41	52	57		
July	41	54	57		
August	42	55	57		
September	36	49	51		
October	42	55	57		
November	42	56	56		
December	43	55	55		
Monthly Average	41	52	56		
Jan.-Mar Average	41	49	57	55	33.4

Source: Bureau of Transportation Statistics

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Three regional airlines, Mesa, Pinnacle and PSA, did not meet the reporting standard in 2003. Mesa and Pinnacle began reporting employment numbers in 2004 while Pinnacle began reporting in 2005.

Note: Percentage changes based on numbers prior to rounding.

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**AIRLINE EMPLOYMENT PRESS RELEASE
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**Table 15: Regional Carrier Full-time Equivalent Employees*, March 2002-2006
(Ranked by March 2006 FTE Employees)**

Rank		2002	2003	2004	2005	2006	Percentage Change 2002-2006
1	American Eagle	8,497	7,708	8,139	9,412	9,310	9.6
2	Sky West	N/A	5,127	6,120	7,363	8,149	N/A
3	Express Jet	N/A	5,418	5,898	6,464	6,516	N/A
4	Comair Atlantic	N/A	5,288	5,797	6,260	6,127	N/A
5	Southeast	4,398	5,267	5,573	5,446	5,294	20.4
6	Horizon	3,425	3,387	3,343	3,341	3,536	3.2
7	Mesa	N/A	N/A	3,185	3,233	3,222	N/A
8	Pinnacle	N/A	N/A	1,997	2,833	3,039	N/A
9	Mesaba	3,164	2,967	2,866	3,253	2,987	-5.6
10	Air Wisconsin	2,822	2,925	3,426	3,746	2,352	-16.7
11	Executive	1,142	1,880	1,914	1,836	1,763	54.4
12	PSA	N/A	N/A	N/A	1,735	1,529	N/A
13	Trans States	1,004	1,224	1,327	1,458	1,468	46.2
	Total**	24,452	41,191	49,585	56,380	55,292	9.2

Source: Bureau of Transportation Statistics

Note: Detail may not add to total due to rounding

* Full-time Equivalent Employee (FTE) calculations count two part-time employees as one full-time employee.

** Many regional carriers were not required to report employment numbers before 2003, so year-to-year comparisons involving regional carriers, or the total industry, are not appropriate for the years before 2003. The Percentage Change 2002-2006 is based on the seven carriers reporting in both years.

N/A: Not applicable because carriers did not meet the standard for filing.

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