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**Research and Innovative Technology Administration**  
**BTS Data**

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## **Average First-Quarter Domestic Air Fares Rose 4.4 Percent from 2007; Top 100 Airports: Highest Fare in Cincinnati, Lowest Fare at Atlantic City**

Average domestic air fares in the first quarter of 2008 were up 4.4 percent from the first quarter of 2007 (Table 1) in the largest year-to-year increase since second quarter 2006, but average fares remained 4.6 percent below the January-to-March high set in 2001 (Table 6), the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today.

BTS, a part of the Research and Innovative Technology Administration, reported that average fares increased 11.7 percent from the first quarter of 1995 to the first quarter of 2008 compared to a cumulative 41.0 percent inflation rate. First quarter 2008 fares increased 4.4 percent from the first quarter of 2007 compared to a 4.0 percent inflation rate (Table 1).

The average domestic itinerary fare in the first quarter of 2008 of \$332 was the highest average fare since the second quarter of 2006 (Table 2). The first-quarter 2008 average fare was up 10.1 percent from the post-9/11 first-quarter low of \$301 in 2005 (Table 6).

Average fares are based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares include taxes and fees. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares. Average fares in this release may not be comparable to BTS fare press releases before the second quarter of 2007 which did not exclude frequent flyer fares or abnormally high fares. Bulk fares continue to be excluded as in earlier releases.

Average air fares in the first quarter of 2008 rose 1.5 percent from the fourth-quarter 2007 average of \$327 (Table 2). Quarter-to-quarter changes may be affected by seasonal factors.

Beginning with this release, BTS will not include Alaska, Hawaii and Puerto Rico airports in average fare totals and rankings. Average fares for those airports are available on the BTS Air Fare web page. <http://www.bts.gov/xml/atpi/src/index.xml>.

Of the top 100 airports based on originating passengers, the highest first-quarter average fares were in Cincinnati; followed by Greenville/Spartanburg, SC; Madison, WI; Knoxville, TN; and Grand Rapids, MI. The lowest fares in the top 100 airports were at Atlantic City, NJ followed by Dallas Love, TX; Burbank, CA; Ft. Lauderdale, FL; and Las Vegas (Table 3). See the [BTS Air Fare web page](#) for average fares for the top 100 airports.

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## **AIR TRAVEL PRICE INDEX ADD ONE**

The largest year-to-year average fare increase for the first quarter among the 100 largest airports, ranked by originating passengers, was 15.6 percent in Boston followed by Washington Dulles; Houston Bush; Washington Reagan National; and Chicago Midway (Table 4).

The biggest year-to-year average decrease was 48.6 percent Atlantic City, NJ followed by Charleston, SC; Ft. Lauderdale, FL; San Francisco; and Atlanta (Table 4).

The largest average fare increase from the first quarter of 1995 was 187.2 percent at Dallas Love, followed by Lubbock, TX; Houston Hobby; El Paso, TX; and Las Vegas (Table 5).

The largest average fare decrease from the first quarter of 1995 to the first quarter of 2007 was 34.6 percent in White Plains, NY. The other top five average fare decreases over this period took place at Manchester, NH; Newburgh, NY; Jackson, MS; and Pittsburgh (Table 5).

### **The Air Travel Price Index (ATPI)**

A separate measure of fares, the BTS Air Travel Price Index (ATPI) was up 6.0 percent from the first quarter of 2007 to the first quarter of 2008, reaching the highest first-quarter level recorded in the 14 years of the ATPI (Table 8) (1995 1<sup>st</sup> quarter = 100). The ATPI is up 3.8 percent from its pre-9/11 first quarter high set in 2001 and up 16.8 percent from its post-9/11 first quarter low set in 2005 (Table 7).

ATPI is a statistical index that documents quarterly changes in airline prices since the first quarter of 1995. The index measures changes in airline ticket prices used on identical routings and identical classes of service on a quarter-by-quarter basis. The index can be used to compare airfares in the most recent available quarter to any quarter since the base year of 1995.

While the ATPI measures changes in fares, average fares measure the actual amount paid by passengers, including taxes and fees. Average fares take account of both the level of fares and the number of passengers purchasing fares at different levels. Average fares do not necessarily account for the level of service, as ATPI does.

Average fare calculations and the ATPI, while similar, measure air fares in two different ways and may produce different results. ATPI measures the rise in airfares and average fares show the increased use of lower fares. The varying results reflect trends in the airline industry that have resulted in more passengers using lower air fares even though fare levels continue to rise. Three of these trends follow.

First, low-cost carriers, which generally offer lower fares, now carry about 40 percent of all domestic enplaned passengers, up from about 14 percent in 1995. Second, the network carriers have been forced to match some of the low-cost carrier relaxed fare rules, such as eliminating the "Saturday Night Stay Rule", which has allowed more passengers to purchase lower fares. Third, use of the internet allows almost instant price comparisons that give the customer the opportunity for unprecedented low-fare shopping.

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## **AIR TRAVEL PRICE INDEX ADD TWO**

The ATPI rose 2.3 percent from the fourth quarter of 2007 to the first quarter of 2008. Quarter-to-quarter changes may be affected by seasonal factors (Table 2).

The largest year-to-year fare index increase for the first quarter among the 85 largest airline markets, ranked by passengers, was 13.3 percent in Buffalo/Niagara, NY followed by Charlotte, NC; Boston; Washington; and Philadelphia (Table 9).

The biggest year-to-year ATPI decrease for the first quarter was 6.1 percent for trips originating in Charleston, SC; St. Louis; Memphis, TN; Atlanta; and Seattle/Tacoma (Table 9).

The largest fare index increase from the first quarter of 1995 to the first quarter of 2008 was 68.8 percent in Burbank, CA. The other top ATPI increases over this period took place at Long Beach, CA; Ft. Myers, FL; New Orleans; and Greensboro/High Point, NC (Table 10).

There were no first-quarter fare index decreases for the 13-year 1995-to-2008 period. The smallest increases were in Manchester, NH; Denver; Richmond, VA; Raleigh/Durham, NC; and Detroit (Table 10).

Alaska, Hawaii and Puerto Rico airports have been excluded from Tables 9 and 10 of this release. Those airports are included in the total ATPI and data about them can be found on the ATPI rankings on the [BTS Air Fare web page](#).

Additional information about average fares, including fares for the top 100 airports based on U.S. originating domestic passengers, can be found on the BTS website at <http://www.bts.gov/xml/atpi/src/index.xml>. Additional information can also be found on that page about the ATPI, including indexes for foreign-origin itineraries and the top 85 air travel markets based on originating passengers. Second-quarter 2008 average fare data and the ATPI will be released on Oct. 29.

The ATPI series are computed using a price index methodology. Although the ATPI is computed using a tested index methodology, it is considered a research series at this time.

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**AIR TRAVEL PRICE INDEX  
ADD THREE**

**Table 1: First Quarter Average Fares 1995-2008 Compared to Inflation Rate**

Fares based on domestic itinerary fares, round-trip or a one-way for which no return is purchased.

Averages do not include frequent flyer fares.

	Percent change from previous year		Inflation (March from previous March)*	Percent change from 1995	
	Average Domestic 1Q Fares (\$)	Average Fares (1Q to 1Q)		Cumulative Average Fares (1Q 1995 to 1Q)	Cumulative inflation rate (March of each year from March 1995)*
<b>1995</b>	297				
<b>1996</b>	284	<b>-4.4</b>	2.8	<b>-4.4</b>	2.8
<b>1997</b>	283	<b>-0.2</b>	2.8	<b>-4.6</b>	5.7
<b>1998</b>	305	<b>7.5</b>	1.4	<b>2.6</b>	7.1
<b>1999</b>	332	<b>8.9</b>	1.7	<b>11.7</b>	9.0
<b>2000</b>	340	<b>2.6</b>	3.8	<b>14.6</b>	13.1
<b>2001</b>	348	<b>2.2</b>	2.9	<b>17.1</b>	16.4
<b>2002</b>	320	<b>-8.0</b>	1.5	<b>7.8</b>	18.1
<b>2003</b>	319	<b>-0.3</b>	3.0	<b>7.5</b>	21.7
<b>2004</b>	320	<b>0.3</b>	1.7	<b>7.8</b>	23.8
<b>2005</b>	301	<b>-5.9</b>	3.2	<b>1.5</b>	27.7
<b>2006</b>	323	<b>7.3</b>	3.4	<b>8.9</b>	32.0
<b>2007</b>	318	<b>-1.7</b>	2.8	<b>7.0</b>	35.6
<b>2008</b>	332	<b>4.4</b>	4.0	<b>11.7</b>	41.0

Source: Bureau of Transportation Statistics

Note: Percent change based on unrounded numbers

\* Rate calculated using Bureau of Labor Statistics Consumer Price Index

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**AIR TRAVEL PRICE INDEX  
ADD FOUR**

**Table 2: Average Domestic Airline Fares and Air Travel Price Index Since Second Quarter 2006 (Percent Change by Quarter)**

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased.  
ATPI 1Q 1995=100

	Average Domestic Fares		Air Travel Price Index	
	Avg Fare* (\$)	Pct. Change	Index	Pct. Change
Second Quarter 2006	342	5.3	120.6	5.3
Third Quarter 2006	330	-3.5	117.4	-2.6
Fourth Quarter 2006	318	-3.8	114.0	-2.9
First Quarter 2007	318	-0.1	114.6	0.5
Second Quarter 2007	325	2.3	117.8	2.9
Third Quarter 2007	328	0.7	118.8	0.8
Fourth Quarter 2007	327	-0.3	118.7	-0.1
First Quarter 2008	332	1.5	121.4	2.3

Source: Bureau of Transportation Statistics

\* Average fare numbers were revised from second-quarter 2007 press release issued on Oct. 24, 2007

Note: Quarter-to-quarter changes may be affected by seasonal factors.

Note: Percent change based on unrounded numbers

**Table 3: Highest and Lowest Average Domestic Fares First Quarter 2008**

Top 100 Airports\* Based on 2007 U.S. Originating Domestic Passengers

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased.  
Averages do not include frequent flyer fares.

Rank	Origin	First Quarter 2008
<b>Highest Average Fares</b>		
1	Cincinnati, OH	535
2	Greenville/Spartanburg, SC	474
3	Madison, WI	455
4	Knoxville TN	440
5	Grand Rapids, MI	436
<b>Average Fare at All Airports</b>		<b>332</b>
<b>Lowest Average Fares</b>		
1	Atlantic City, NJ	109
2	Dallas Love, TX	210
3	Burbank/Glendale/Pasadena, CA	237
4	Ft. Lauderdale, FL	238
5	Las Vegas, NV	241

Source: Bureau of Transportation Statistics

\* Not including Alaska, Hawaii or Puerto Rico

**AIR TRAVEL PRICE INDEX PRESS RELEASE**  
**ADD FIVE**

**Table 4: Top Five Average Domestic Fare Increases and Decreases, 2007-2008**

Top 100 Airports\* Based on 2007 U.S. Originating Domestic Passengers

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased.

Averages do not include frequent flyer fares.

<b>Rank</b>	<b>Origin</b>	<b>First Quarter 2007</b>	<b>First Quarter 2008</b>	<b>Percent Change from 1st Qtr 2007</b>
<b>Largest Increases</b>				
<b>1</b>	Boston, MA	335	388	15.6
<b>2</b>	Washington Dulles, VA	363	418	15.2
<b>3</b>	Houston Bush, TX	354	405	14.5
<b>4</b>	Washington Reagan National	349	397	13.7
<b>5</b>	Chicago Midway, Il	223	253	13.3
<b>Average Fare at All Airports</b>		<b>318</b>	<b>332</b>	<b>4.4</b>
<b>Largest Decreases</b>				
<b>1</b>	Atlantic City, NJ	212	109	-48.6
<b>2</b>	Charleston, SC	493	401	-18.8
<b>3</b>	Ft. Lauderdale, FL	258	238	-7.7
<b>4</b>	San Francisco, CA	422	396	-6.2
<b>5</b>	Atlanta, GA	377	354	-6.0

Source: Bureau of Transportation Statistics

Note: Percent change based on unrounded numbers

\* Not including Alaska, Hawaii or Puerto Rico

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**AIR TRAVEL PRICE INDEX**  
**ADD SIX**

**Table 5: Top Five Average Domestic Fare Increases and Decreases, 1995-2008**

Top 100 Airports\* Based on 2007 U.S. Originating Domestic Passengers

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased.

Averages do not include frequent flyer fares.

<b>Rank</b>	<b>Origin</b>	<b>First Quarter 1995</b>	<b>First Quarter 2008</b>	<b>Percent Change from 1st Qtr 1995</b>
<b>Largest Increases</b>				
1	Dallas Love, TX	73	210	187.2
2	Lubbock, TX	126	268	112.8
3	Houston Hobby, TX	124	249	100.9
4	El Paso, TX	154	301	95.7
5	Las Vegas, NV	134	241	79.7
<b>Average Fare at All Airports</b>		<b>297</b>	<b>332</b>	<b>11.7</b>
<b>Largest Decreases</b>				
1	White Plains, NY	463	303	-34.6
2	Manchester, NH	433	303	-30.1
3	Newburgh, NY	352	255	-27.5
4	Jackson, MS	477	357	-25.2
5	Pittsburgh, PA	398	305	-23.5

Source: Bureau of Transportation Statistics

Note: Percent change based on unrounded numbers

\* Not including Alaska, Hawaii or Puerto Rico

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**AIR TRAVEL PRICE INDEX  
ADD SEVEN**

**Table 6: Percent Changes to 2008 in Domestic Average Itinerary Fares and the Inflation Rate\* by Year Since 1995**

(First Quarter to First Quarter for fares; March to March for inflation)

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Averages do not include frequent flyer fares.

Since 1st Quarter ...	Duration in Years	Average 1Q Itinerary Fare	Percent Change in Average Fare to 1st Quarter 2008	Inflation Rate to March 2008
<b>2008</b>		332		
2007	1	318	4.4	4.0
2006	2	323	2.6	6.9
2005	3	301	10.1	10.5
2004	4	320	3.6	13.9
2003	5	319	3.9	15.9
2002	6	320	3.6	19.4
2001	7	348	-4.6	21.2
2000	8	340	-2.5	24.7
1999	9	332	0.0	29.4
1998	10	305	8.8	31.6
1997	11	283	17.0	33.5
1996	12	284	16.8	37.1
1995	13	297	11.7	41.0

Source: Bureau of Transportation Statistics

Note: Percent change based on unrounded numbers

\* Rate calculated using Bureau of Labor Statistics Consumer Price Index

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**AIR TRAVEL PRICE INDEX  
ADD EIGHT**

**Table 7: Percent Changes to 2008 in the Air Travel Price Index  
From First Quarter Each Year Since 1995**  
U.S.-Origin Itineraries, First Quarter to First Quarter

<b>Percent Change to 1st Quarter 2008</b>	<b>Since 1st Quarter ...</b>	<b>Duration in Years</b>
6.0	2007	1
6.0	2006	2
16.8	2005	3
11.8	2004	4
12.4	2003	5
12.2	2002	6
3.8	2001	7
14.4	2000	8
18.8	1999	9
16.1	1998	10
19.0	1997	11
23.0	1996	12
21.4	1995	13

Source: Bureau of Transportation Statistics

**Table 8: Year-to-Year Changes in the Air Travel Price Index (ATPI)  
Since 1995**  
U.S.-Origin Itineraries First Quarter  
to First Quarter (First Quarter 1995 = 100)

<b>Year</b>	<b>ATPI</b>	<b>Percent Change from 1st Quarter Previous Year</b>
1995	100.0	
1996	98.7	-1.3
1997	102.0	3.3
1998	104.6	2.5
1999	102.2	-2.3
2000	106.1	3.8
2001	116.9	10.2
2002	108.2	-7.5
2003	108.0	-0.2
2004	108.6	0.6
2005	103.9	-4.3
2006	114.6	10.3
2007	114.6	0.0
2008	121.4	6.0

Source: Bureau of Transportation Statistics

**AIR TRAVEL PRICE INDEX  
ADD NINE**

**Table 9: Top Five First Quarter Air Travel Price Index Increases and Decreases, 2007-2008**

Top 85 Air Travel Markets\*

Air Travel Price Index Percent Change, First Quarter 2007 to First Quarter 2008  
(First Quarter 1995 = 100)

<b>Rank</b>	<b>Origin</b>	<b>First Quarter 2007</b>	<b>First Quarter 2008</b>	<b>Percent Change from 1st Qtr 2007</b>
<b>Largest Increases</b>				
1	Buffalo/Niagara, NY	99.0	116.0	17.1
2	Charlotte, NC	114.2	129.3	13.3
3	Boston, MA	105.2	119.1	13.2
4	Washington, DC	107.6	120.3	11.8
5	Philadelphia, PA	102.8	114.8	11.7
<b>ATPI for All U.S. Origins</b>				
		<b>114.6</b>	<b>121.4</b>	<b>6.0</b>
<b>Largest Decreases/Smallest Increases</b>				
1	Charleston, SC	128.5	120.7	-6.1
2	St. Louis, MO	117.2	116.1	-0.9
3	Memphis, TN	116.8	115.9	-0.8
4	Atlanta, GA	120.5	121.0	0.5
5	Seattle/Tacoma, WA	112.2	113.1	0.8

Source: Bureau of Transportation Statistics

\* [See Top 85 Market Rankings Table 16 for Alaska, Hawaii and Puerto Rico airports](#)

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**AIR TRAVEL PRICE INDEX  
ADD TEN**

**Table 10: Top Five Air Travel Price Index Increases and Decreases (Smallest Increases), 1995-2008  
Top 85 Air Travel Markets  
Air Travel Price Index Percent Change, First Quarter 1995 to First Quarter 2008  
(First Quarter 1995 = 100)**

<b>Rank</b>	<b>Origin</b>	<b>First Quarter 1995</b>	<b>First Quarter 2008</b>	<b>Percent Change from 1st Qtr 1995</b>
<b>Largest Increases</b>				
1	Burbank/Glendale/Pasadena, CA	100	168.8	68.8
2	Long Beach, CA	100	165.9	65.9
3	Ft. Myers, FL	100	146.0	46.0
4	New Orleans, LA	100	145.2	45.2
5	Greensboro/High Point, NC	100	143.6	43.6
<b>ATPI for All U.S. Origins</b>		<b>100</b>	<b>121.4</b>	<b>21.4</b>
<b>Largest Decreases/Smallest Increases</b>				
1	Manchester, NH	100	101.3	1.3
2	Denver, CO	100	105.2	5.2
3	Richmond, VA	100	105.8	5.8
4	Raleigh/Durham, NC	100	106.6	6.6
5	Detroit, MI	100	108.2	8.2

Source: Bureau of Transportation Statistics

[\\* See Top 85 Market Rankings Table 15 for Alaska, Hawaii and Puerto Rico airports](#)

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## **AIR TRAVEL PRICE INDEX**

### **ADD ELEVEN**

For **air fares** for the following airports, go to  
<http://www.bts.gov/xml/atpi/src/index.xml>.

Multiple airport areas for which a single average fare calculation is available are:  
Boston, Chicago, Dallas-Fort Worth, Houston, Los Angeles, New York, San Francisco  
and Washington, DC.

Airports covered by average fare calculations are:

<b>Alabama</b>	Birmingham
<b>Arizona</b>	Phoenix, Tucson
<b>Arkansas</b>	Little Rock
<b>California</b>	Burbank, Fresno, Long Beach, Los Angeles Intl, Oakland, Ontario/San Bernardino, Sacramento, San Diego, San Francisco, San Jose, Santa Ana (Orange County)
<b>Colorado</b>	Colorado Springs, Denver
<b>Connecticut</b>	Hartford
<b>District of Columbia</b>	Dulles, Reagan National
<b>Florida</b>	Ft. Lauderdale, Ft. Myers, Jacksonville, Miami, Orlando, Pensacola, Tampa, West Palm Beach
<b>Georgia</b>	Atlanta, Savannah
<b>Idaho</b>	Boise
<b>Illinois</b>	Chicago Midway, Chicago O'Hare
<b>Indiana</b>	Indianapolis
<b>Iowa</b>	Des Moines
<b>Kansas</b>	Wichita
<b>Kentucky</b>	Louisville
<b>Louisiana</b>	New Orleans
<b>Maine</b>	Portland
<b>Maryland</b>	Baltimore
<b>Massachusetts</b>	Boston
<b>Michigan</b>	Detroit, Grand Rapids, Flint
<b>Minnesota</b>	Minneapolis/St. Paul
<b>Mississippi</b>	Jackson/Vicksburg
<b>Missouri</b>	Kansas City, St. Louis
<b>Nebraska</b>	Omaha
<b>Nevada</b>	Las Vegas, Reno
<b>New Hampshire</b>	Manchester
<b>New Jersey</b>	Atlantic City, Newark
<b>New Mexico</b>	Albuquerque
<b>New York</b>	Albany, Buffalo, Islip, New York JFK, New York LaGuardia, Newburgh, Rochester, Syracuse, White Plains
<b>North Carolina</b>	Charlotte, Greensboro, Raleigh/Durham

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## **AIR TRAVEL PRICE INDEX**

### **ADD TWELVE**

<b>Ohio</b>	Akron/Canton, Cincinnati, Cleveland, Columbus, Dayton
<b>Oklahoma</b>	Oklahoma City, Tulsa
<b>Oregon</b>	Portland
<b>Pennsylvania</b>	Harrisburg, Philadelphia, Pittsburgh
<b>Rhode Island</b>	Providence
<b>South Carolina</b>	Charleston, Greenville/Spartanburg
<b>Tennessee</b>	Knoxville, Memphis, Nashville
<b>Texas</b>	Austin, Dallas Love, Dallas/Ft. Worth, El Paso, Houston Bush, Houston Hobby, Lubbock, San Antonio
<b>Utah</b>	Salt Lake City
<b>Vermont</b>	Burlington
<b>Virginia</b>	Norfolk, Richmond
<b>Washington</b>	Seattle, Spokane
<b>Wisconsin</b>	Madison, Milwaukee

For the **ATPI** for the following markets, go to

<http://www.bts.gov/xml/atpi/src/index.xml>:

<b>Alabama:</b>	Birmingham
<b>Alaska:</b>	Anchorage
<b>Arizona:</b>	Phoenix, Tucson
<b>Arkansas:</b>	Little Rock
<b>California:</b>	Burbank, Greater Los Angeles, Long Beach, Los Angeles, Oakland, Ontario, Sacramento, San Diego, San Francisco, San Jose, Santa Ana (Orange County)
<b>Colorado:</b>	Colorado Springs, Denver
<b>Connecticut:</b>	Hartford
<b>District of Columbia:</b>	Washington, DC (Dulles and Reagan National combined)
<b>Florida:</b>	Ft. Lauderdale, Ft. Myers, Jacksonville, Miami, Orlando, Tampa, West Palm Beach
<b>Georgia:</b>	Atlanta, Savannah
<b>Hawaii:</b>	Honolulu, Kahului (Maui), Kona, Lihue (Kauai)
<b>Idaho:</b>	Boise
<b>Illinois:</b>	Chicago (Midway and O'Hare combined)
<b>Indiana:</b>	Indianapolis
<b>Iowa:</b>	Des Moines
<b>Kentucky:</b>	Louisville
<b>Louisiana:</b>	New Orleans
<b>Maryland:</b>	Baltimore
<b>Massachusetts:</b>	Boston
<b>Michigan:</b>	Detroit, Grand Rapids
<b>Minnesota:</b>	Minneapolis/St. Paul
<b>Missouri:</b>	Kansas City, St. Louis

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**AIR TRAVEL PRICE INDEX**

**ADD THIRTEEN**

<b>Nebraska:</b>	Omaha
<b>Nevada:</b>	Las Vegas, Reno
<b>New Hampshire:</b>	Manchester
<b>New Jersey:</b>	New York/Newark
<b>New Mexico:</b>	Albuquerque
<b>New York:</b>	Albany, Buffalo, Long Island, New York/Newark, Rochester, Syracuse
<b>North Carolina:</b>	Charlotte, Greensboro/High Point, Raleigh/Durham
<b>Ohio:</b>	Cincinnati, Cleveland, Columbus, Dayton
<b>Oklahoma:</b>	Oklahoma City, Tulsa
<b>Oregon:</b>	Portland
<b>Pennsylvania:</b>	Philadelphia, Pittsburgh
<b>Rhode Island:</b>	Providence
<b>South Carolina:</b>	Charleston
<b>Tennessee:</b>	Memphis, Nashville
<b>Texas:</b>	Austin, Dallas/Ft. Worth, El Paso, Houston, San Antonio
<b>Utah:</b>	Salt Lake City
<b>Virginia:</b>	Norfolk, Richmond
<b>Washington:</b>	Seattle, Spokane
<b>Wisconsin:</b>	Milwaukee
<b>Puerto Rico:</b>	San Juan

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## **AIR TRAVEL PRICE INDEX ADD FOURTEEN**

### **Brief Explanation of the ATPI**

The ATPI is based on fares paid by travelers and draws its data from the BTS Passenger Origin and Destination Survey. Through this survey, BTS collects information from the airlines on a 10-percent sample of airline tickets. Each ticket sold is assigned an identification number, and if this number ends in 0, the ticket is in the sample.

The index measures the aggregate change in the cost of itineraries originating in the United States, whether the destinations are domestic or international, but only for U.S. carriers (excluding charter air travel). The ATPI is based on the changes in the price of individual itineraries, that is, round trips or one-way trips for which no return trip is purchased, and the relative value of each itinerary, for the set of matched itineraries.

The index uses the second quarter of 1995 as the reference point (expressed as the number 100) against which all subsequent quarterly prices are measured. ATPI values below 100 represent overall “cost of flying” levels less than those in the second quarter of 1995, while values above 100 represent cost of flying levels that exceed those of the second quarter of 1995. ATPI levels can be used to compute percentage changes in overall fare costs between any two quarters in an ATPI series.

Unlike many other price index estimates, the ATPI is not based on a fixed “market basket” of air travel services. Rather, all of the data from the Passenger Origin and Destination (O&D) Survey are fed into the estimation system each quarter, and this collection of itineraries varies from one quarter to the next. New entry, including routes and carriers, will not be included in the ATPI calculations until it has been present in the O&D Survey for two consecutive quarters.

For price comparison purposes, itineraries flown in each quarter are “matched up” with identical or very similar itineraries flown in other quarters. A price index formula is then used to compute aggregate index estimates such as those that appear in this release.

The fares reported in the O&D Survey include taxes, so the ATPI values reflect changes in tax rates as well as changes in fares received by the airlines. The ATPI values in this release are not adjusted for seasonality, so some movements in the series are due to seasonal variations in airfares.

The ATPI differs from the Bureau of Labor Statistics’ (BLS) airfare index, a component of the Consumer Price Index. The BLS index is based on fares advertised through SABRE, a leading computerized airline ticket reservation system, while the ATPI uses actual fares paid by travelers. Since a growing number of tickets are purchased through the internet at discounted prices not listed with SABRE, the ATPI does not show the same levels of increases as the BLS index.

**-END-**