



**M O V I N G T H E  
AMERICAN  
ECONOMY**

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**Research and Innovative Technology Administration  
BTS Data**

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**Average Third-Quarter Domestic Air Fares Reach Highest Quarterly Level;  
Top 100 Airports: Highest Fare in Cincinnati, Lowest Fare at Dallas Love**

Average domestic air fares in the third quarter of 2008 reached \$362, the highest level of average fares for any quarter in the 13 years measured by available data (Table 1), 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 the average domestic itinerary fare in the third quarter was 2.8 percent higher than the \$352 average domestic fare in the second quarter of 2008, the previous quarterly high (Table 2). See <http://www.bts.gov/xml/atpi/src/avgfareseries.xml> for historic data.

Average domestic air fares in the third quarter of 2008 were up 10.4 percent from the third quarter of 2007 (Table 1) in the largest year-to-year increase since the second quarter of 2006, and average fares increased 7.4 percent above the previous July-to-September high set in 2000 (Table 6). The third-quarter 2008 average fare was up 22.0 percent from the post-9/11 third-quarter low of \$297 in 2004 (Table 6).

Average fares increased 25.8 percent from the third quarter of 1995 to the third quarter of 2008 compared to a cumulative 42.8 percent inflation rate. Third quarter 2008 fares increased 10.4 percent from the third quarter of 2007 compared to a 4.9 percent inflation rate (Table 1).

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.

Spirit Airlines failed to file its report for the third quarter. Data from Spirit for the second quarter of 2008 was not included in this release or the October 2008 release. Atlantic City, NJ, is not included because Spirit operates more than 90 percent of the flights there. The Atlantic City average fares in the July 23, 2008 press release were based on incorrect data. The data available on the BTS database for the fourth quarter of 2007 and the first quarter of 2008 have been revised to eliminate Spirit's submissions. See <http://www.bts.gov/xml/atpi/src/index.xml> Spirit has been notified about the incorrect data. The failure to file was referred to the Department's Office of General Counsel for review.

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

Beginning with the first quarter 2008 release, BTS does 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 third-quarter average fares were in Cincinnati; followed by Knoxville, TN; Greenville/Spartanburg, SC; Grand Rapids, MI; and Madison, WI. The lowest fares in the top 100 airports were at Dallas Love; followed by Orlando, FL; Burbank, CA; Long Beach, CA; and Islip, NY (Table 3). See the [BTS Air Fare web page](#) for average fares for the top 100 airports.

The largest year-to-year average fare increases for the third quarter among the 100 largest airports, ranked by 2007 originating passengers, was 26.8 percent in Minneapolis/St. Paul; followed by Islip, NY; Chicago Midway; Knoxville, TN; and Columbus, OH (Table 4).

The biggest year-to-year average decrease was 4.8 percent in Long Beach, CA; followed by Burlington, VT; Salt Lake City, UT; Atlanta; and San Antonio, TX (Table 4).

The largest average fare increase from the third quarter of 1995 was 212.0 percent at Dallas Love, followed by Lubbock, TX; Colorado Springs, CO; El Paso, TX; and Houston Hobby (Table 5).

The largest average fare decrease from the third quarter of 1995 to the third quarter of 2007 was 39.0 percent in White Plains, NY. The other top five average fare decreases over this period took place at Manchester, NH; Akron/Canton, OH; Providence, RI; and Newburgh, NY (Table 5).

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

A separate measure of fares, the BTS Air Travel Price Index (ATPI) reached an all-time high in the third quarter, up 3.4 percent from the previous high set in the second quarter of 2008 (Table 2). See <http://www.bts.gov/xml/atpi/src/datadisp.xml?t=1> for historic data.

The ATPI was up 9.9 percent from the third quarter of 2007 to the third quarter of 2008 (Table 8).

The ATPI is up 19.8 percent from its pre-9/11 third quarter high set in 2000 and up 27.2 percent from its post-9/11 third quarter low set in 2004 (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 first quarter of 1995, which is the base quarter (1Q 1995=100).

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

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.

Excluding Alaska, Hawaii, and Puerto Rico, the largest year-to-year fare index increase for the third quarter among the 85 largest airline markets, ranked by passengers, was 26.8 percent in Islip, NY; followed by Manchester, NH; Minneapolis/St. Paul, MN; Chicago; and Baltimore (Table 9).

There were no year-to-year ATPI decreases. The smallest year-to-year increases for the third quarter were for trips originating in Spokane, WA; Greensboro/High Point, NC; Atlanta; Salt Lake City, UT; and San Antonio, TX (Table 9).

The largest fare index increase from the third quarter of 1995 to the third quarter of 2008 was 110.7 percent in Long Beach, CA. The other top ATPI increases over this period took place at Burbank, CA; Cincinnati; Las Vegas; and Ft. Myers, FL (Table 10).

There were no third-quarter fare index decreases for the 13-year 1995-to-2008 period. The smallest increase was 3.8 percent in Denver. The other smallest increases were in Richmond, VA; Milwaukee; Manchester, NH; 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. Fourth-quarter 2008 average fare data and the ATPI will be released on April 29.

**AIR TRAVEL PRICE INDEX  
ADD THREE**

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.

**Table 1: Third 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		Percent change from 1995	
	Average Domestic 3Q Fares (\$)	Average Fares (3Q to 3Q)	Inflation (Sept from previous Sept)*	Cumulative Average Fares (3Q 1995 to 3Q)	Cumulative inflation rate (Sept of each year from Sept 1995)*
<b>1995</b>	288				
<b>1996</b>	270	-6.3	3.0	-6.3	3.0
<b>1997</b>	282	4.7	2.2	-1.8	5.2
<b>1998</b>	315	11.7	1.5	9.7	6.8
<b>1999</b>	317	0.6	2.6	10.3	9.6
<b>2000</b>	337	6.1	3.5	17.1	13.4
<b>2001</b>	303	-10.0	2.6	5.4	16.4
<b>2002</b>	303	0.1	1.5	5.5	18.1
<b>2003</b>	312	3.0	2.3	8.6	20.9
<b>2004</b>	297	-5.1	2.5	3.1	24.0
<b>2005</b>	306	3.2	4.7	6.4	29.8
<b>2006</b>	330	7.9	2.1	14.8	32.4
<b>2007</b>	328	-0.8	2.8	13.9	36.1
<b>2008</b>	362	10.4	4.9	25.8	42.8

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 Fourth 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
Fourth Quarter 2006	318	-3.6	114.0	-2.9
First Quarter 2007	318	-0.1	114.6	0.5
Second Quarter 2007	325	2.4	117.8	2.9
Third Quarter 2007	328	0.7	118.8	0.8
Fourth Quarter 2007	331	1.1	118.7	-0.1
First Quarter 2008	336	1.5	121.4	2.3
Second Quarter 2008	352	4.6	126.3	4.1
Third Quarter 2008	362	2.8	130.6	3.4

Source: Bureau of Transportation Statistics

\* Average fare numbers for the fourth quarter of 2007 and the first quarter of 2008 were revised from the first-quarter 2008 press release issued on July 23, 2008

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 Third 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	Third Quarter 2008 (\$)
<b>Highest Average Fares</b>		
1	Cincinnati, OH	597
2	Knoxville TN	549
3	Greenville/Spartanburg, SC	542
4	Grand Rapids, MI	508
5	Madison, WI	490
<b>Average Fare at All Airports</b>		<b>362</b>
<b>Lowest Average Fares</b>		
1	Dallas Love, TX	238
2	Orlando, FL	266
3	Burbank/Glendale/Pasadena, CA	270
4	Long Beach, CA	271
5	Islip, NY	272

Source: Bureau of Transportation Statistics

\* Not including Alaska, Hawaii or Puerto Rico

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**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>Third Quarter 2007 (\$)</b>	<b>Third Quarter 2008 (\$)</b>	<b>Percent Change from 3rd Qtr 2007</b>
<b>Largest Increases</b>				
<b>1</b>	Minneapolis/St. Paul, MN	372	472	<b>26.8</b>
<b>2</b>	Islip, NY	217	272	<b>25.7</b>
<b>3</b>	Chicago Midway, IL	222	277	<b>25.0</b>
<b>4</b>	Knoxville, TN	445	549	<b>23.4</b>
<b>5</b>	Columbus, OH	277	337	<b>21.6</b>
<b>Average Fare at All Airports</b>		<b>328</b>	<b>362</b>	<b>10.4</b>
<b>Largest Decreases</b>				
<b>1</b>	Long Beach, CA	285	271	<b>-4.8</b>
<b>2</b>	Burlington, VT	371	358	<b>-3.6</b>
<b>3</b>	Salt Lake City, UT	344	337	<b>-2.3</b>
<b>4</b>	Atlanta, GA	358	352	<b>-1.9</b>
<b>5</b>	San Antonio, TX	333	331	<b>-0.5</b>

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>Third Quarter 1995</b>	<b>Third Quarter 2008</b>	<b>Percent Change from 3rd Qtr 1995</b>
<b>Largest Increases</b>				
<b>1</b>	Dallas Love, TX	76	238	212.0
<b>2</b>	Lubbock, TX	132	305	130.8
<b>3</b>	Colorado Springs, CO	194	433	123.1
<b>4</b>	El Paso, TX	153	333	117.7
<b>5</b>	Houston Hobby, TX	135	279	107.2
<b>Average Fare at All Airports</b>		<b>288</b>	<b>362</b>	<b>25.8</b>
<b>Largest Decreases</b>				
<b>1</b>	White Plains, NY	481	294	-39.0
<b>2</b>	Manchester, NH	462	330	-28.6
<b>3</b>	Akron/Canton, OH	389	290	-25.5
<b>4</b>	Providence, RI	421	328	-22.0
<b>5</b>	Newburgh, NY	368	288	-21.7

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**

(Third Quarter to Third Quarter for fares; Sept to Sept 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 3rd Quarter ...	Duration in Years	Average 3Q Itinerary Fare (\$)	Percent Change in Average Fare to 3rd Quarter 2008	Inflation Rate to Sept 2008
<b>2008</b>		<b>362</b>		
2007	1	328	10.4	4.9
2006	2	330	9.6	7.8
2005	3	306	18.2	10.1
2004	4	297	22.0	15.2
2003	5	312	15.8	18.1
2002	6	303	19.3	20.9
2001	7	303	19.4	22.7
2000	8	337	7.4	26.0
1999	9	317	14.0	30.3
1998	10	315	14.7	33.7
1997	11	282	28.1	35.7
1996	12	270	34.2	38.6
1995	13	288	25.8	42.8

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 Third Quarter Each Year Since 1995**

U.S.-Origin Itineraries, Third Quarter to Third Quarter

<b>Percent Change to 3rd Quarter 2008</b>	<b>Since 3rd Quarter ...</b>	<b>Duration in Years</b>
9.9	2007	1
11.2	2006	2
19.6	2005	3
27.2	2004	4
23.7	2003	5
26.3	2002	6
23.1	2001	7
19.8	2000	8
30.0	1999	9
31.2	1998	10
27.8	1997	11
32.7	1996	12
30.1	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 Third Quarter  
to Third Quarter (First Quarter 1995 = 100)

<b>Year</b>	<b>ATPI</b>	<b>Percent Change from 3rd Quarter Previous Year</b>
1995	100.4	
1996	98.4	-2.0
1997	102.2	3.9
1998	99.5	-2.7
1999	100.4	1.0
2000	109.0	8.5
2001	106.1	-2.7
2002	103.4	-2.5
2003	105.5	2.1
2004	102.6	-2.7
2005	109.2	6.4
2006	117.4	7.5
2007	118.8	1.2
<b>2008</b>	<b>130.6</b>	<b>9.9</b>

Source: Bureau of Transportation Statistics

**AIR TRAVEL PRICE INDEX  
ADD NINE**

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

Top 85 Air Travel Markets\*

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

<b>Rank</b>	<b>Origin</b>	<b>ATPI Third Quarter 2007</b>	<b>ATPI Third Quarter 2008</b>	<b>Percent Change from 3rd Qtr 2007</b>
<b>Largest Increases</b>				
1	Islip, NY	103.6	131.4	26.8
2	Manchester, NH	94.5	111.4	17.9
3	Minneapolis/St. Paul, MN	107.9	126.6	17.3
4	Chicago, IL	112.0	129.4	15.5
5	Baltimore, MD	108.7	125.5	15.5
<b>ATPI for All U.S. Origins</b>		<b>118.8</b>	<b>130.6</b>	<b>9.9</b>
<b>Largest Decreases/Smallest Increases</b>				
1	Spokane, WA	119.8	121.7	1.5
2	Greensboro/High Point, NC	141.9	144.5	1.9
3	Atlanta, GA	121.6	124.1	2.0
4	Salt Lake City, UT	143.9	148.1	2.9
5	San Antonio, TX	125.5	130.5	3.9

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, Third Quarter 1995 to Third Quarter 2008  
(First Quarter 1995 = 100)**

<b>Rank</b>	<b>Origin</b>	<b>ATPI Third Quarter 1995</b>	<b>ATPI Third Quarter 2008</b>	<b>Percent Change from 3rd Qtr 1995</b>
<b>Largest Increases</b>				
1	Long Beach, CA	86.7	182.7	110.7
2	Burbank/Glendale/Pasadena, CA	101.2	185.1	82.9
3	Cincinnati, OH	102.0	158.2	55.1
4	Las Vegas, NV	100.6	153.7	52.8
5	Ft. Myers, FL	95.6	141.6	48.0
<b>ATPI for All U.S. Origins</b>		<b>100.4</b>	<b>130.6</b>	<b>30.1</b>
<b>Largest Decreases/Smallest Increases</b>				
1	Denver, CO	107.0	111.1	3.8
2	Richmond, VA	100.2	108.2	8.0
3	Milwaukee, WI	105.3	119.8	13.8
4	Manchester, NH	96.3	111.4	15.7
5	Detroit, MI	99.2	115.8	16.8

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, Sarasota/Bradenton, 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>	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 first 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-**