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BTS Data

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2nd-Quarter 2009 Air Fare Data: Average Domestic Fares Drop 13% from 2nd Quarter 2008

Top 100 Airports: Highest Fare in Huntsville (Revised), Lowest Fare at Atlantic City

Average domestic air fares in the second quarter of 2009 fell to their lowest April-to-June level since 1998, dropping 13.0 percent from the second quarter of 2008 in the largest year-to-year decline on record (Tables 1, 2), the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today.

BTS, a part of the Research and Innovative Technology Administration, reports average fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or "zero fares" or a few abnormally high reported fares.

The 13.0 percent year-to-year drop exceeded the previous largest decline of 11.8 percent from the fourth quarter of 2000 to the fourth quarter of 2001, which took place following the 9/11 attacks. The \$301 average second-quarter fares were almost equal to the second quarter 1998 average fare. BTS air fare records reach back to 1995. See [BTS Air Fare web page](#) for historic data.

Second quarter average fares were down 3.8 percent from the first quarter of 2009, the largest first quarter to second quarter decline since 2001. Quarter-to-quarter changes may be affected by seasonal factors (Table 2).

While air fares in the second quarter of 2009 fell to the same level as in the second quarter of 1998, overall prices measured by the inflation rate rose 32.3 percent during that period. In the 14 years from 1995, the first year of BTS records, air fares rose 1.5 percent compared to a 41.4 percent inflation rate. From 2001, fares declined 8.3 percent compared to a 21.2 percent inflation rate increase (Table 6).

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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 data for the six quarters from the fourth quarter of 2007 to the first quarter of 2009, which had been withheld from previous releases pending revision, have been updated and are included in this release. The addition of Spirit's data resulted in changes to the list of top 100 airports based on 2008 originating passengers. Atlantic City, NJ, which was not included because Spirit operates more than 90 percent of the flights there, is now added to the Top 100 listings. It replaces Lubbock, TX. The changes in the top 100 list were described mistakenly in the first version of this release. Table 3 and Table 4 have been revised to correct the error in the first version. Data for Lubbock is available on the [BTS Air Fare web page](#). Atlantic City average fares in the July 23, 2008 press release were based on incorrect data.

Beginning with the first quarter 2008 release, BTS does not include Alaska, Hawaii and Puerto Rico airports in 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 2008 originating passengers, the highest second -quarter average fares (revised on Oct. 28 at 4:30 p.m.) were in Huntsville, AL, followed by Grand Rapids, MI; Savannah, GA; Washington Dulles; and Houston Bush. The lowest fares in the top 100 airports were at Atlantic City, NJ, followed by Long Beach, CA; Dallas Love; Orlando, FL; and Fort Lauderdale, FL (Table 3). See the [BTS Air Fare web page](#) for average fares for the top 100 airports.

There were two year-to-year average fare increases (revised on Oct. 28 at 4:30 p.m.) for the second quarter among the 100 largest airports ranked by originating passengers with the largest, 2.5 percent, in Savannah; followed by Dallas Love. Reno, NV, was unchanged. Islip, NY, and Atlantic City, NJ, had the smallest decreases (Table 4).

The biggest year-to-year average decrease was 38.7 percent in Cincinnati, followed by Madison, WI; Minneapolis/St. Paul; Charlotte, NC and Harrisburg, PA (revised on Oct. 28 at 4:30 p.m.) (Table 4).

The largest average fare increase from the second quarter of 1995 to the second quarter of 2009 was at Dallas Love followed by Houston Hobby; El Paso, TX; Reno, NV; and Las Vegas (revised on Oct. 28 at 4:30 p.m.) (Table 5).

The largest average fare decrease from the second quarter of 1995 to the second quarter of 2009 was at White Plains, NY. The other top average fare decreases over this period took place at Manchester, NH; Buffalo/Niagara, NY; Rochester, NY; and Akron/Canton, OH (Table 5).

The Air Travel Price Index (ATPI)

A separate measure of fares, the BTS Air Travel Price Index (ATPI) dropped 3.0 percent in the second quarter of 2009 from its first quarter level (Table 2). See <http://www.bts.gov/xml/atpi/src/datadisp.xml?t=1> for historic data.

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The ATPI was down 10.9 percent from the second quarter of 2008 to the second quarter of 2009 (Table 8).

The ATPI is up 0.7 percent from its pre-9/11 second -quarter high set in 2001 and up 6.3 percent from its post-9/11 second-quarter low set in 2003 (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 air fares in the most recent available quarter to any quarter since the first quarter of 1995, which is the base quarter (1Q 1995=100).

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.

The varying results reflect trends in the airline industry that have resulted in more passengers having access to lower air fares regardless of fare levels. 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, 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 second quarter among the 85 largest airline markets, ranked by passengers, was 39.8 percent in Islip, NY, followed by Reno, NV; Oakland, CA; Sacramento, CA; and Ft. Lauderdale, FL (Table 9).

The largest year-to-year ATPI decrease was 27.7 percent in Cincinnati, followed by Minneapolis/St. Paul; Charlotte, NC; Des Moines, IA; and Richmond, VA (Table 9).

The largest fare index increase from the second quarter of 1995 to the second quarter of 2009 was in Long Beach, CA. The other top ATPI increases over this period took place at; Burbank, CA; Islip, NY; Ft Myers, FL; and Las Vegas (Table 10).

The largest ATPI decreases for the 15-year 1995-to-2009 period was in Denver, followed by Richmond, VA; Minneapolis/St. Paul; Des Moines, IA; and Milwaukee (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 for them can be found on the ATPI rankings on the [BTS Air Fare web page](#).

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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. Third-quarter average fare data and the ATPI will be released on Jan. 27, 2010.

Table 1: 2nd Quarter Average Fares 1995-2009 Compared to Inflation Rate

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or “zero fares” or a few abnormally high reported fares. Averages do not include frequent flyer fares.

	Average Domestic 2Q Fares (\$)	Percent change from previous year		Percent change from 1995	
		Average Fares (2Q to 2Q)	Inflation (Jun from previous Jun)*	Cumulative Average Fares (2Q 1995 to 2Q)	Cumulative inflation rate (Jun of each year from Jun 1995)*
1995	297				
1996	276	-7.1	2.8	-7.1	2.8
1997	289	5.0	2.3	-2.5	5.1
1998	301	4.0	1.7	1.4	6.9
1999	329	9.4	2.0	11.0	9.0
2000	339	3.0	3.7	14.3	13.0
2001	329	-3.1	3.2	10.7	16.7
2002	318	-3.3	1.1	7.1	18.0
2003	315	-1.1	2.1	6.0	20.5
2004	309	-1.6	3.3	4.2	24.4
2005	307	-0.9	2.5	3.3	27.5
2006	342	11.4	4.3	15.1	33.0
2007	325	-4.7	2.7	9.6	36.6
2008**	346	6.4	5.0	16.6	43.5
2009	301	-13.0	-1.4	1.5	41.4

Source: Bureau of Transportation Statistics

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

** Revised

Note: Percent change based on unrounded numbers

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

Table 2: Quarterly Change in Average Domestic Airline Fares and Air Travel Price Index
Percent Change by Quarter

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or “zero fares” or a few abnormally high reported fares.

	Average Domestic Fares		Air Travel Price Index	
	Avg Fare* (\$)	Pct. Change	Index	Pct. Change
3Q 2007	328	0.7	118.8	0.8
4Q 2007	330	0.7	118.7	-0.1
1Q 2008	333	1.1	121.4	2.3
2Q 2008	346	3.8	126.3	4.1
3Q 2008	358	3.4	130.6	3.4
4Q 2008	345	-3.7	126.8	-2.9
1Q 2009	313	-9.1	116.0	-8.5
2Q 2009	301	-3.8	112.5	-3.0

SOURCE: Bureau of Transportation Statistics

* Average fares from 4Q 2007 to 1Q 2009 revised from July 29, 2009 release.

Note: Percent change based on unrounded numbers

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

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

Table 3: Highest and Lowest U.S. Domestic Average Itinerary Fares 2nd Quarter 2009

Top 100 Airports* Based on 2008 U.S. Originating Domestic Passengers

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or “zero fares” or a few abnormally high reported fares.

Rank**	Origin	2nd Quarter 2009 (\$)
Highest Average Fares		
1	Huntsville, AL	471
2	Grand Rapids, MI	403
3	Savannah, GA	402
4	Washington Dulles, VA	383
5	Houston Bush, TX	379
Average Fare at All Airports		301
Lowest Average Fares		
1	Atlantic City, NJ	185
2	Long Beach, CA	216
3	Dallas Love, TX	223
4	Orlando, FL	228
5	Ft. Lauderdale, FL	229

Source: Bureau of Transportation Statistics

* Not including Alaska, Hawaii or Puerto Rico

** Revised at 4:30 p.m. Oct. 28, 2009

Note: Percent change based on unrounded numbers

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ADD SIX**

Table 4: Top 5 Increases/Smallest Decreases and Top 5 Decreases in U.S. Domestic Average Itinerary Fare, 2008 – 2009

Top 100 Airports* Based on 2008 U.S. Originating Domestic Passengers

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or “zero fares” or a few abnormally high reported fares.

Rank**	Origin	2nd Quarter 2008 (\$)	2nd Quarter 2009 (\$)	Percent Change from 2nd Qtr 2008
Largest Increases/Smallest Decreases				
1	Savannah, GA	392	402	2.5
2	Dallas Love, TX	219	223	1.8
3	Reno, NV	284	284	0.0
4	Islip, NY	255	254	-0.5
5	Atlantic City, NJ	187	185	-0.8
Average Fare at All Airports		348	301	-13.4
Largest Decreases				
1	Cincinnati, OH	593	364	-38.7
2	Madison, WI	469	349	-25.7
3	Minneapolis/St. Paul, MN	424	319	-24.8
4	Charlotte, NC	408	313	-23.4
5	Harrisburg, PA	450	347	-22.9

Source: Bureau of Transportation Statistics

* Not including Alaska, Hawaii or Puerto Rico

** Revised at 4:30 p.m. Oct. 28, 2009

Note: Percent change based on unrounded numbers

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AIR TRAVEL PRICE INDEX
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Table 5: Top 5 U.S. Domestic Average Itinerary Fare Increases and Decreases, 1995-2009

Top 100 Airports* Based on 2008 U.S. Originating Domestic Passengers

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft. Averages do not include frequent-flyer or “zero fares” or a few abnormally high reported fares.

Rank**	Origin	2nd Quarter 1995 (\$)	2nd Quarter 2009 (\$)	Percent Change from 2nd Qtr 1995
Largest Increases				
1	Dallas Love, TX	74	223	199.3
2	Houston Hobby, TX	135	253	87.9
3	El Paso, TX	161	299	85.9
4	Reno, NV	163	284	74.2
5	Las Vegas, NV	141	233	65.3
Average Fare at All Airports		297	301	1.5
Largest Decreases				
1	White Plains, NY	472	275	-41.8
2	Manchester, NH	444	284	-36.0
3	Buffalo/Niagara, NY	356	240	-32.6
4	Rochester, NY	408	278	-31.9
5	Akron/Canton, OH	376	258	-31.6

Source: Bureau of Transportation Statistics

* Not including Alaska, Hawaii or Puerto Rico

** Revised at 4:30 p.m. Oct. 28, 2009

Note: Percent change based on unrounded numbers

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**AIR TRAVEL PRICE INDEX
ADD EIGHT**

Table 6: Percent Changes to 2009 in Domestic Average Itinerary Fares and the Inflation Rate* by Year Since 1995

(2nd Quarter to 2nd Quarter for fares; June to June for inflation)

Fares based on domestic itinerary fares, round-trip or one-way for which no return is purchased. Fares are based on the total ticket value which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include other fees, such as baggage fees, paid at the airport or onboard the aircraft.

Averages do not include frequent-flyer or “zero fares” or a few abnormally high reported fares.

Since 2nd Quarter ...	Duration in Years	Average 2Q Itinerary Fare (\$)	Percent Change in Average Fare to 2nd Quarter 2009	Inflation Rate to Jun 2009
2009		301		
2008**	1	346	-13.0	-1.4
2007	2	325	-7.4	3.5
2006	3	342	-11.8	6.3
2005	4	307	-1.8	10.9
2004	5	309	-2.6	13.7
2003	6	315	-4.2	17.4
2002	7	318	-5.2	19.9
2001	8	329	-8.3	21.2
2000	9	339	-11.2	25.1
1999	10	329	-8.5	29.8
1998	11	301	0.1	32.3
1997	12	289	4.1	34.6
1996	13	276	9.2	37.6
1995	14	297	1.5	41.4

Source: Bureau of Transportation Statistics

* Rate calculated using Bureau of Labor Statistics Consumer Price Index

** Revised

Note: Percent change based on unrounded numbers

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AIR TRAVEL PRICE INDEX
ADD NINE

Table 7: Percent Changes to 2009 in the Air Travel Price Index, from Each Year Since 1995

(U.S.-Origin Itineraries, 2nd Quarter to 2nd Quarter)

Percent Change to 2nd Quarter 2009	Since 2nd Quarter ...	Duration in Years
-10.9	2008	1
-4.5	2007	2
-6.7	2006	3
4.0	2005	4
5.9	2004	5
6.3	2003	6
5.8	2002	7
0.7	2001	8
4.0	2000	9
10.2	1999	10
12.5	1998	11
8.7	1997	12
15.0	1996	13
11.3	1995	14

Source: Bureau of Transportation Statistics

Table 8: Year-to-Year Changes in the Air Travel Price Index (ATPI) since 1995 U.S.-Origin Itineraries

2nd Quarter to 2nd Quarter (1st Quarter 1995 = 100)

Year	ATPI	Percent Change from 2nd Quarter Previous Year
1995	101.1	
1996	97.8	-3.3
1997	103.5	5.8
1998	100.0	-3.4
1999	102.1	2.1
2000	108.2	6.0
2001	111.8	3.3
2002	106.4	-4.8
2003	105.8	-0.6
2004	106.2	0.4
2005	108.2	1.8
2006	120.6	11.5
2007	117.8	-2.3
2008	126.3	7.2
2009	112.5	-10.9

Source: Bureau of Transportation Statistics

**AIR TRAVEL PRICE INDEX
ADD TEN**

Table 9: Top 5 2nd Quarter Air Travel Price Index Increases/Smallest Decreases and Top 5 Decreases, 2008-2009

Top 85 Air Travel Markets*

Air Travel Price Index Percent Change, 2nd Quarter 2008 to 2nd Quarter 2009 (1st Quarter 1995 = 100)

Rank	Origin	ATPI 2nd Quarter 2008	ATPI 2nd Quarter 2009	Percent Change from 2nd Qtr 2008
Largest Increases/Smallest Decreases				
1	Islip, NY	121.1	169.3	39.8
2	Reno, NV	130.8	138.6	6.0
3	Oakland, CA	135.0	137.9	2.2
4	Sacramento, CA	126.1	128.3	1.7
5	Ft. Lauderdale, FL	121.3	119.6	-1.4
ATPI for All U.S. Origins		126.3	112.5	-10.9
Largest Decreases				
1	Cincinnati, OH	156.0	112.8	-27.7
2	Minneapolis/St. Paul, MN	116.1	94.5	-18.6
3	Charlotte, NC	135.3	110.5	-18.3
4	Des Moines, IA	118.5	98.4	-16.9
5	Richmond, VA	110.6	92.5	-16.3

Source: Bureau of Transportation Statistics

* See Top 85 Market Rankings Table 15 for Alaska, Hawaii and Puerto Rico airports

** HI, AK, PR airports are excluded.

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

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**AIR TRAVEL PRICE INDEX
ADD ELEVEN**

Table 10: Top 5 Air Travel Price Index Increases and Decreases (Smallest Increases), 1995-2009

Top 85 Air Travel Markets*

Air Travel Price Index Percent Change, 2nd Quarter 1995 to 2nd Quarter 2009 (1st Quarter 1995 = 100)

Rank	Origin	ATPI 2nd Quarter 1995	ATPI 2nd Quarter 2009	Percent Change from 2nd Qtr 1995
Largest Increases				
1	Long Beach, CA	88.8	153.6	72.9
2	Burbank/Glendale/Pasadena, CA	101.4	171.0	68.6
3	Islip, NY	104.8	169.3	61.6
4	Ft. Myers, FL	97.6	139.9	43.4
5	Las Vegas, NV	101.0	140.4	39.1
ATPI for All U.S. Origins		101.1	112.5	11.3
Largest Decreases				
1	Denver, CO	104.5	93.8	-10.2
2	Richmond, VA	101.7	92.5	-9.0
3	Minneapolis/St. Paul, MN	103.6	94.5	-8.8
4	Des Moines, IA	102.5	98.4	-4.0
5	Milwaukee, WI	103.8	102.0	-1.7

Source: Bureau of Transportation Statistics

* See Top 85 Market Rankings Table 15 for Alaska, Hawaii and Puerto Rico airports

** HI, AK, PR airports are excluded.

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

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ADD TWELVE

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:

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

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ADD THIRTEEN

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

* Data available on [BTS Air Fare Page](#) only.

For the ATPI for the following markets, go to <http://www.bts.gov/xml/atpi/src/index.xml>:

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

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ADD FOURTEEN

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

Brief Explanation of the ATPI

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.

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.

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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 air fares.

The ATPI differs from the Bureau of Labor Statistics’ (BLS) air fare 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 change as the BLS index.

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