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BTS Releases July Passenger Airline Employment Data; July 2006 Employment Down 5.9 Percent from July 2005

U.S. scheduled passenger airlines employed 5.9 percent fewer workers in July 2006 than in July 2005, the 19th 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 2).

BTS, a part of the Research and Innovative Technology Administration (RITA), reported that the July 2005 to July 2006 decline in FTEs was the 11th month in the last 12 with a decline of at least 5 percent from the same month of the previous year (Table 1). FTE calculations count two part-time employees as one 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 403,000 FTEs employed in July 2006 were the second lowest total since at least the beginning of 2003. Only June 2006 was lower (Table 3).

The seven network carriers employed 265,000 FTEs in July, 65.7 percent of the passenger airline total, while low-cost carriers employed 17.2 percent and regional carriers employed 13.8 percent (Table 4). The network carriers have employed fewer FTEs each July compared to the previous year since 2002, the only carrier group to do so (Table 5).

American Airlines employed the most FTEs in July among the network carriers, Southwest Airlines employed the most among low-cost carriers and American Eagle Airlines employed 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 declined 8.1 percent in July 2006 compared to July 2005. It was the 17th consecutive month with a decline of at least 5 percent from the previous year (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 371,000 in July 2002 to 265,000 in July 2006, a four-year decline of 28.7 percent (Table 8).

FTEs at all seven network carriers declined in July 2006 from July 2002. The biggest percentage declines were at US Airways, down 43.6 percent, a reduction of 15,000 FTEs, and United Airlines, down 33.5 percent, a reduction of 27,000 FTEs. Collectively, the seven network carriers reduced July 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 2.6 percent in July 2006 compared to July 2005, the 16th consecutive month of decreases from the previous year (Table 10). The 69,000 FTEs employed by the seven low-cost carriers in July account for 17.2 percent of the passenger airline total (Tables 11 and 4).

Low-cost carrier FTEs were 68,000 in July 2002, 71,000 in July 2005 and 69,000 in July 2006. The increase from 2002 to 2006 was 7.2 percent (Table 4).

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 2.7 percent in July compared to July 2005 (Table 13).

Regional carrier FTEs rose from 41,000 in July 2003 to 56,000 in July 2006, an increase of 34.3 percent (Table 14).

The seven regional carriers reporting employment data in both 2002 and 2006 employed 8.8 percent more FTEs in July 2006 than in July 2002. Of that group, Air Wisconsin and Mesaba Airlines were the only carriers to report fewer FTE's in July 2006 than July 2002 while Horizon Airlines employed virtually the same number of FTEs (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 Sept. 11.

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 August airline employment data for Oct. 19.

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

Percent 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)
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
Apr. 2005-Apr. 2006	-6.7	-2.2	-1.6	-4.8
May 2005-May 2006	-7.0	-2.1	-3.5	-5.0
June 2005-June 2006	-6.9	-2.0	-3.6	-5.0
July 2005-July 2006	-8.1	-2.6	-2.7	-5.9

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: Percent changes based on numbers prior to rounding.

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

Percent 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	-4.8
May	-6.7	-0.8	-3.5	-5.0
June	-8.3	0.5	-3.8	-5.0
July	-9.6	2.5	-3.5	-5.9
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: Percent changes based on numbers prior to rounding.

Table 3: Total Passenger Airline* Full-time Equivalent Employees by
Month**

Numbers in thousands (000's)

Month					Percentage
	2003	2004	2005	2006	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	445	435	421	404	-9.9%
May	443	440	424	403	-9.1%
June	439	441	424	403	-8.2%
July	433	444	428	403	-7.0%
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.-July Average	449	439	427	404	-10.0%

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: Percent 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, July 2002-2006
FTE Numbers in thousands (000's)

	Network	Low-Cost	Regional	All Passenger Airlines**
2002	371	68	30	476
2003	313	71	41	433
2004	306	72	54	444
2005	288	71	57	428
2006	265	69	56	403
Pct. Change 2002-2006***	-28.7%	2.3%	36.0%	-15.8%
Percent of Total Passenger Airline Employees in 2006	65.7%	17.2%	13.8%	

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.

*** Percent 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: Percent changes based on numbers prior to rounding.

Table 5: Full-time Equivalent Employees* by Carrier Group, Year-to-Year Change, July 2002-2006
Percent Change from the previous year

	Network	Low-Cost	Regional	All Passenger Airlines**
2002	-14.7	3.2	18.5	-10.6
2003	-15.8	4.2	34.3	-9.1
2004	-2.0	2.3	33.0	2.5
2005	-5.9	-1.5	5.1	-5.5
2006	-8.1	-2.6	-2.7	-5.9

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: Percent changes based on numbers prior to rounding.

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

Rank	Airline	Total FTE Employees (000)	Carrier Group	July 2005 Rank	July 2004 Rank
1	American	73	Network	1	1
2	United	53	Network	2	2
3	Delta	45	Network	3	3
4	Continental	34	Network	5	5
5	Southwest	32	Low-Cost	6	6
6	Northwest	30	Network	4	4
7	US Airways	19	Network	7	7
8	America West	12	Low-Cost	8	8
9	JetBlue	10	Low-Cost	12	14
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: Network Airline Full-time Equivalent Employees*
Change from the Previous Year

Percent 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	-6.7
May	-12.7	-4.9	-6.6	-7.0
June	-14.4	-3.6	-7.0	-6.9
July	-15.8	-2.0	-5.6	-8.1
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: Percent 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	Percent Change 2002-2006
January	368	349	305	293	270	-26.8
February	364	342	305	290	268	-26.4
March	364	334	305	289	268	-26.3
April	363	327	306	286	267	-26.7
May	369	322	306	286	266	-27.9
June	371	318	306	285	265	-28.6
July	371	313	306	289	265	-28.7
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.-July Average	367	329	305	288	267	-27.3

Source: Bureau of Transportation Statistics

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

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

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

Rank		2002	2003	2004	2005	2006	Percent Change 2002- 2006
1	American	99	82	80	80	73	-25.7
2	United	80	61	59	54	53	-33.5
3	Delta	66	59	58	52	45	-31.7
4	Continental	37	35	35	33	34	-7.4
5	Northwest	45	39	39	38	30	-33.1
6	US Airways	34	26	26	22	19	-43.6
7	Alaska	10	10	10	9	9	-8.4
	Total	371	313	306	288	265	-28.7

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: Percent 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

Percent 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	-2.2
May	11.7	0.8	-1.0	-2.1
June	10.0	1.5	-1.1	-2.0
July	4.2	2.3	-1.5	-2.6
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: Percent 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	Percent 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	69	9.8
May	63	71	71	71	69	9.2
June	64	71	72	71	69	8.1
July	68	71	72	71	69	2.3
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.-July Average	63	69	71	71	69	10.0

Source: Bureau of Transportation Statistics

Note: Percent 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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AIRLINE EMPLOYMENT PRESS RELEASE
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Table 12: Low-Cost Carrier Full-time Equivalent Employees* July 2002-2006
 (Ranked by July 2006 FTE Employees)
 Numbers in thousands (000's)

Rank		2002	2003**	2004**	2005**	2006	Percent Change 2002-2006
1	Southwest	34	33	32	31	32	-5.3
2	America West	12	11	11	12	12	-0.6
3	JetBlue	3	5	6	8	10	227.0
4	AirTran	5	5	6	6	7	57.3
5	Frontier	3	3	4	4	5	70.2
6	ATA	7	7	7	4	3	-63.2
7	Spirit	2	2	2	2	2	-10.4
8	Independence	N/A	4	4	3	N/A	N/A
	Total****	68	71	72	71	69	2.3

Source: Bureau of Transportation Statistics

Note: Percent 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

Percent change compared to same month the previous year

	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	-1.6
May	23.5	10.9	-3.5
June	25.8	10.0	-3.6
July	31.4	4.9	-2.7
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.

** Four regional airlines, Mesa, Pinnacle, GoJet and PSA, did not meet the reporting standard in 2003. Mesa and Pinnacle began reporting employment numbers in 2004, Pinnacle began reporting in 2005 while GoJet began reporting in 2006.

Note: Percent changes based on numbers prior to rounding.

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

	2003**	2004	2005	2006	Percent 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	55	36.8
May	42	51	57	55	32.1
June	41	52	57	55	33.6
July	41	54	57	56	34.3
August	42	55	57		
September	36	49	51		
October	42	55	57		
November	42	56	56		
December	43	55	55		
Monthly Average	41	52	57		
Jan.-July Average	41	51	57	55	33.5

Source: Bureau of Transportation Statistics

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

** Note: Four regional airlines, Mesa, Pinnacle, GoJet and PSA, did not meet the reporting standard in 2003. Mesa and Pinnacle began reporting employment numbers in 2004, Pinnacle began reporting in 2005 while GoJet began reporting in 2006.

Note: Percent 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*, July 2002-2006
(Ranked by July 2006 FTE Employees)**

Rank		2002	2003	2004	2005	2006	Percent Change 2002-2006
1	American Eagle	8,544	7,411	8,604	9,373	9,211	7.8
2	Sky West	N/A	5,139	6,399	7,794	8,144	N/A
3	Express Jet	5,569	5,732	6,229	6,501	6,717	20.6
4	Comair	N/A	5,573	5,873	6,544	6,101	N/A
5	Atlantic Southeast	4,658	5,369	5,778	5,537	5,569	19.6
6	Horizon	3,496	3,357	3,360	3,409	3,477	-0.5
7	Mesa	N/A	N/A	3,743	3,314	3,376	N/A
8	Pinnacle	N/A	N/A	2,264	3,071	3,048	N/A
9	Mesaba	3,311	3,045	3,104	3,306	2,776	-16.2
10	Air Wisconsin	2,719	2,622	3,701	3,228	2,199	-19.1
11	Executive	1,119	1,938	2,027	1,848	1,813	62.0
12	PSA	N/A	N/A	1,843	1,708	1,463	N/A
13	Trans States	979	1,151	1,399	1,463	1,310	33.8
14	GoJet	N/A	N/A	N/A	N/A	325	N/A
	Total**	30,395	41,337	54,324	57,096	55,529	8.8

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 Percent 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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