ANALYSIS OF SCHEDULED COMMERCIAL AIR SERVICE IN FLORIDA

This report provides an update to the overview of Florida's scheduled commercial airline service using 2008 data. The original overview was based on conditions that characterized Florida's commercial air service airports in the summer of 2000. Subsequently, an update to the original study was prepared to contrast and compare commercial airline service at Florida airports in the summer of 2000 and the summer of 2001. A supplemental update was made after September 11, 2001 to reflect changes to Florida's commercial airline service following the terrorist attacks in New York and Washington, DC. That supplement noted changes in air service at Florida's airports between the summer and the late fall of 2001. An additional update was prepared in the summer of 2003 to address any further changes in Florida's air service in the two years after September 11. This report compares airline service for the 2000, 2001, 2003, 2005 and 2007 and 2008 timeframes and notes service changes that have occurred since the summer of 2005.

With data from the prior studies and new information presented in this report, the Florida Department of Transportation can benchmark changes in the State's commercial airline service.

Data presented in this report is for various reporting periods as follows:

- Passenger O&D travel patterns for each market and information on average one-way fares are for calendar year 2007; this information was obtained from the USDOT.
- Data on service provided to and from each airport as of July 2008 was obtained from the Official Airline Guide (OAG).

Table 1: Data Sources

2007	2008
Outbound O& D Passengers[1] Average Domestic One-Way Fare[1] Total Enplanements[1]	Weekly Flight Departures[2] Weekly Departing Seats[2] US Cities Served[2] Airlines Serving[2] Weekly International Departures[2] Intrastate Departures & Destinations[2]
1. U.S. DOT, Air Passenger O&D Survey, reconciled to Schedules T-100 and 298C T-1 2. Official Airline Guide (OAG)	

The focus of this document is on highlighting changes that occurred in Florida's commercial airline service environment from the summer of 2000 through the summer of 2008. This report makes it possible to identify market-specific recovery at each Florida airport since 9/11. This report also makes it possible to identify any more notable long-term structural changes in Florida's commercial service environment that appear to have been precipitated by the events of 9/11 or the continued economic problems of many of the nation's leading airlines.

In general, when referring to carriers, code share carriers are counted as separate airlines. For instance if an additional code sharing partner for Delta begin service to Florida since the 2007 update, this counted as an additional airline, even though Delta was already operating in the State.

This 2008 update was prepared by Kimley-Horn and Associates, Inc., in association with Cambridge Systematics, Inc. The 2000, 2001, 2002, 2005 and 2007 reports were prepared by Wilbur Smith Associates.

CHARACTERISTICS IMPACTING COMMERCIAL AIRLINE SERVICE IN FLORIDA

Florida loses a very small percentage of its originating air travelers to competing commercial service airports in neighboring states. In other words, few people leave Florida in their car to drive to a commercial airport in a neighboring state to initiate their airline trip. Passenger diversion within the State from small to larger commercial service airports, however, is notable.

Low Yield Market

Florida is typically viewed by the airlines as a "low yield" market. This means that assuming the airline could carry the same volumes of passenger traffic in other markets, they may be able to achieve a higher profit in those other markets. Florida markets provide lower yields for the following reasons:

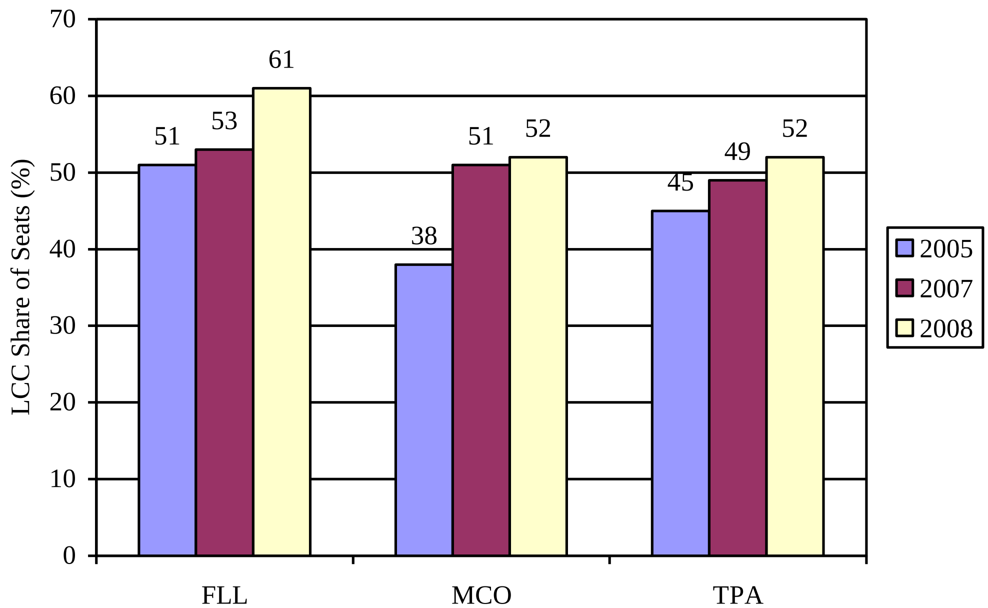
- Several markets have intense competition between carriers that provide scheduled airline service.
- The leisure nature of a high percentage of the passengers who fly into the Florida markets equates to lower cost tickets. For most Florida markets, the percentage of vacation/leisure related is much higher than the national average.
- Many passengers on planes to Florida markets are non-revenue travelers flying on frequent flyer redemptions.
- The percentage of seats in Florida flown by low cost carriers (LCCs) is notably above the national average.

Prior to September 11, 2001, the average load factor (the ratio of passengers to available seats on the aircraft) for carriers in the U.S. surpassed 70 percent. Carriers to Florida airports typically have to operate at a higher load factor, meaning seats may not be available to certain markets, to compensate for lower yields. Following September 11th, load factors nationally fell significantly. By 2008, the average intrastate load factor for all domestic carriers had increased from 74.3 in 2007 to 75.5. This higher average load factor is due in part to decreased airline capacity (seats) that has characterized the airline industry since 9/11, as well as increased passenger demand stimulated by low-fare carrier growth. This trend continued into 2008 as fuel prices rose and airlines further cut capacity.

Low Cost Carriers

Low-fare airline activity in Florida is concentrated in three cities: Fort Lauderdale, Orlando, and Tampa, with lower levels of low-cost carrier service available at 9 other Florida airports. These three airports can trace their considerable and recent growth in large part to the service provided by these lowfare carriers. At each of these three airports, the trend of increased low-fare seats occurred since the last update, and is shown in Figure 1.

Figure 1: LCC Market Share Growth



In 2006, Southwest Florida International saw the introduction of Southwest Airlines, and this carrier continues to be this airport's largest in terms of seats. Since the last update, low cost service was introduced and then lost at Daytona Beach International as well as Melbourne International. Continued growth in low-fare service is expected for the foreseeable future as Florida markets grow and carriers compete for increasing numbers of leisure travelers.

CHANGES SINCE 2007 UPDATE

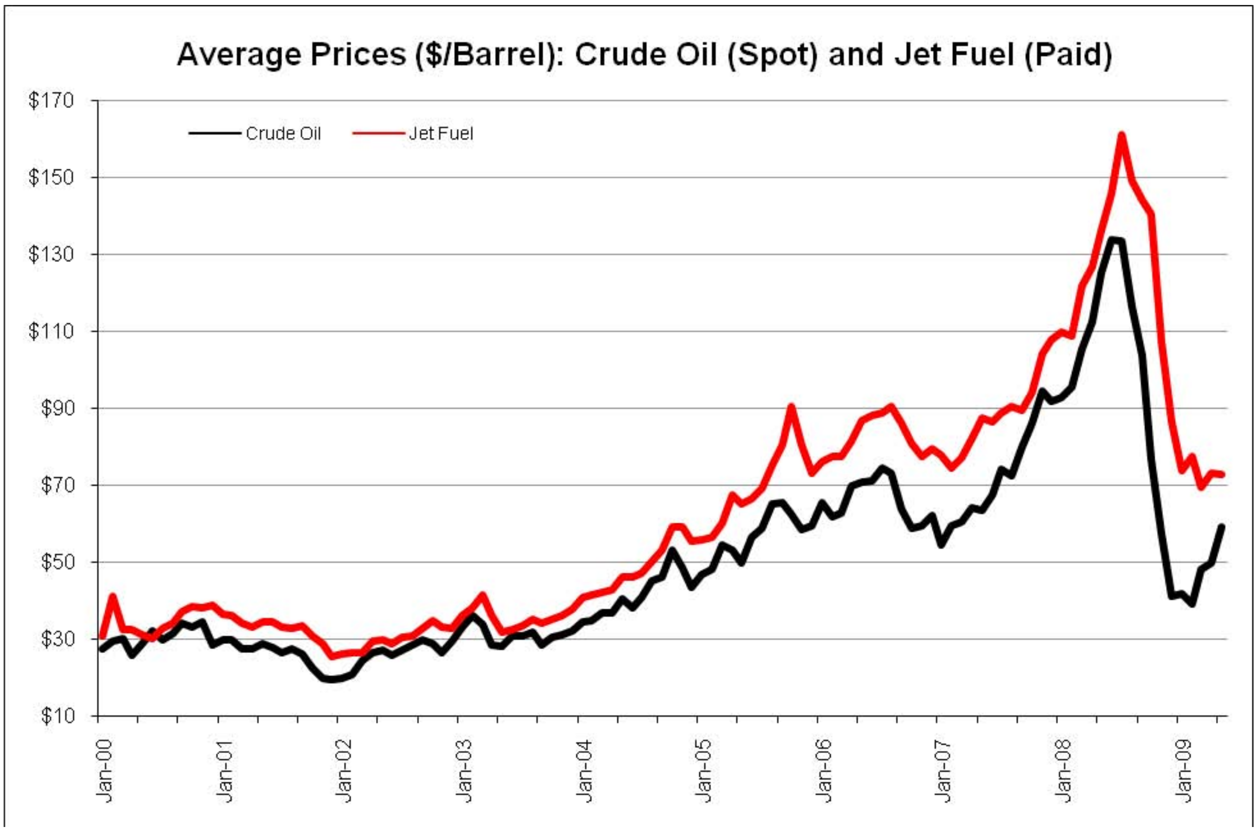
Airport Name Changes

Two airports changed their names in 2008. On September 2, 2008 the Okaloosa Regional Airport changed its name to Northwest Florida Regional Airport. On August 14, 2008, Pensacola Regional Airport changed its name to Pensacola Gulf Coast Regional Airport. All 2008 references to these airports have been updated; however references to these airports in past graphs and tables have not been revised.

Fuel Prices

In 2008, a dramatic spike in jet fuel prices occurred, which had a tremendous impact on the financial health of airlines. Fuel prices went from approximately $85/barrel in the summer 2007 to a high of $160/barrel during the summer of 2008. In 2008, every dollar increase per barrel (42 gallons) drove an additional $464M in fuel expenses for U.S. passenger and cargo airlines; every penny increase per gallon drove $195M in annual expenses. Historically, fuel expenses have ranged from 10 percent to 15 percent of U.S. passenger airline operating costs, but averaged more than 35 percent in the third quarter of 2008. The increase in fuel prices may have had a large part of the fare growth from 2007 to 2008.

Figure 2: Jet Fuel Price Growth



Source: Bureau of Transportation Statistics (BTS)

Fees

Also in 2008, the airline industry reacted to the increased operating (fuel) costs in several ways. Most notably was the introduction of fees for various services not directly reflected in the airline base fare. Most airlines introduced or increased varying fees for checked or oversized baggage, meals, pets, unaccompanied minors, seat assignment/legroom, reservations by phone, curbside check-in, and increased non-refundable ticket change fees. All of these fees could contribute an additional $25-50 to the segment cost, and not be reflected in the base fare price[1]. These fees will most likely not be shown in future updates to base fares, and consequently fares may not be reflective of the actual cost to passengers.

Skybus

On May 22, 2007, Skybus airlines began flying routes from Port Columbus, OH. Its Florida destinations eventually included Charlotte County, Palm Beach International, and St. Augustine which had no scheduled service in previous study years. Skybus ceased operations on April 5, 2008.

Dayjet

In 2007, DayJet began operations in Florida. Through 2007 and the beginning of 2008, they expanded both number of flights and destinations, called DayPorts. DayJet's per–seat, on–demand business jet service was operated by DayJet Corporation's wholly owned subsidiary, DayJet Services, LLC, an air carrier registered with the Department of Transportation and the holder of an on–demand air carrier certificate from the FAA. DayJet flew Eclipse 500 VLJ aircraft.

Nine Florida airports were designated as DayPorts, and prepared for service from DayJet. The named DayPorts were as follows:

1. Boca Raton (BCT)
2. Gainesville (GNV)
3. Lakeland (LKL)
4. Pensacola Gulf Coast (PNS)
5. Tallahassee (TLH)
6. Jacksonville (JAX)
7. Naples (APF)
8. Sarasota (SRQ)
9. Miami (OPF)

An additional 16 Flordia cities were designated as DayStops, notably Key West, Daytona Beach, Leesburg, Ft. Pierce, and Panama City. At its peak, 62 percent of Florida's population lived within 35 miles of a DayPort airport.

As of September 19, 2008, DayJet Services discontinued its jet services and cancelled all future flights as a result of the company’s inability to arrange critical financing in the midst of the 2008

[1] The Domestic Average Fare for each ticket includes the actual fare, federal taxes, airport passenger service charges, and U.S. Dept. of Homeland Security fees. The average does not include bulk fares. *Source: US. DOT Bureau of Transportation Statistics (BTS).*

global financial crisis. It is not certain what impact, if any, this carrier had on the overall air service system since their passenger traffic numbers did not increase significantly before their demise.

OVERVIEW OF FLORIDA'S CURRENT COMMERCIAL AIR SERVICE

Among all U.S. states, Florida continues to have one of the most comprehensive systems of scheduled commercial service airports. As of 2008, 19 airports in the State had scheduled airline service.

Since the first time this air service review was conducted in 2000, Marathon and Naples have each gained and lost scheduled service several times, often reducing service at these two airports to charter and/or air taxi options. Marathon had no scheduled service in 2008, while Naples was served by Yellow Air Taxi with flights to Key West and Tampa.

AIRPORT CATEGORIZATION

The Federal Aviation Administration (FAA) categorizes commercial airports as follows:

Table 2: FAA Commercial Airport Categories and Florida Airports

Hub Size	Annual Enplanements	Airports
Large Hub	6.5 million and above	1. Fort Lauderdale International 2. Miami International 3. Orlando International 4. Tampa International
Medium Hub	6.5 million to 1.6 million	5. Jacksonville International 6. Southwest Florida International 7. Palm Beach International
Small Hub	1.6 million to 324,000	8. Northwest Florida Regional 9. Pensacola Gulf Coast Regional 10. Sarasota-Bradenton International 11. Tallahassee Regional
Non-Hub	324,000 and below	12. Daytona Beach International 13. Gainesville Regional 14. Key West Regional 15. Melbourne International 16. Orlando-Sanford International 17. Panama City- Bay County Regional 18. St. Petersburg-Clearwater International 19. Naples Municipal

FLORIDA DEMAND PATTERNS AND FARES

Using information obtained from the U.S. Department of Transportation for calendar years 1999, 2000, 2002, 2004, 2006, and 2007, Florida's commercial service airports were analyzed to identify travel patterns for all domestic originating passengers. **Exhibits 1-7** (see **Appendix A)** summarize the following information for each of the commercial airports, for six geographic areas of the State and for the State as a whole:

- Number of annual domestic passengers originating at each airport bound for cities within eight geographic regions of the U.S.
- Percent of originating passengers by airport and by region bound for destinations in eight geographic regions of the U.S.
- The average one-way fare paid by originating passengers to reach destinations within the eight geographic regions of the U.S.

Table 1 (see **Appendix A**) provides a comparison of outbound O&D passengers, top travel destinations, and the average one-way fare by Florida region and airport for 1999, 2000, 2002, 2004, 2006 and 2007. As shown in this table, travel patterns remained relatively unchanged between 1999 and 2007. Shifts in travel patterns do not typically occur from year to year, especially in larger markets. Individual Florida airports all experienced a change in O&D passengers and/or average one-way fares between 1999 and 2007. Most Florida regions experienced overall growth in domestic O&D passengers between 1999 and 2004. Generally speaking, statewide domestic originating passengers increased between 1999 and 2000, fell between 2000 and 2002, but grew again through 2004. Originating passenger growth moderated somewhat between 2004 and 2006. The total outbound passengers grew significantly with a 21.4 percent increase from 2006 to 2007, resulting in more than 59 million. The State's average one-way fare increased between 1999 and 2000, fell notably between 2000 and 2004, but increased to pre-9/11 levels in most regions by 2006 and continued to increase dramatically in 2007.

Based on the information presented in Appendix A, conclusions are summarized below.

Travel Patterns

- In 2007, approximately 67 percent of all domestic passengers who originated their travel at a Florida commercial service airport were bound for a location east of the Mississippi River. Compared to approximately 79 percent in recent years, passengers were less likely to travel to destinations east of the Mississippi River in 2007. However, it still remains as a major travel destination.
- In 2007, for almost all airports and all regions of Florida, cities in the Northeastern part of the U.S. were the top travel destination. Cities in the Northeast were also the top travel destinations in previous updates of this document.
- In a pattern similar to those found in the previous reporting periods, in 2007 cities in the Midwest and Southeast ranked as the second- and third-most heavily traveled destinations for Florida-originating domestic air travelers.

- Nationally in 2007, approximately 25 percent of all domestic originations were bound for cities in the Southwestern part of the U.S. In 2007 in Florida, travel to cities in the Southwest accounted for approximately nine percent of annual domestic originating passengers. Since 1999, this figure has consistently remained between eight and nine percent.
- In all prior reporting periods, travel to destinations in the Northwest (Alaska, Washington, Oregon, and Idaho) ranked last from each of the regions in Florida. In 2006 and 2007, just 1.7 percent of all of Florida's originating passengers were bound for destinations in the Northwest.
- In 2007, the number of passengers from the Florida Keys Marathon Airport increased as a result of short-term air service that was available in 2007. Key West International Airport decreased to half of the previous year to approximately 56,000 passengers destined to the Southeast U.S. region. Orlando-Sanford Airport demonstrated a significant increase to the Midsouth U.S. region and a decrease in the passenger trips to the Northeast. The Midwest U.S. region remained the same through 2007 as a major destination from St. Petersburg, however, Southeast, Midsouth and North Central regions gained popularity in market share. In Southwest Florida, Naples Airport decreased drastically from approximately 23,500 to 14,200 passenger trips. A slight decrease was found in Northwest Florida's passengers departing to the Midsouth U.S. region.

Fares

- The average one-way fare paid by all domestic passengers originating in Florida increased from $130.03 in 2006 to $180.12 in 2007. Nationally, the average one-way fare paid by all U.S. passengers traveling domestically was $174.06 in 2007, up from the 2006 average of $149.50. While Florida's average one-way fares have historically (1999-2006) been below the national average, the average one-way fare paid by passengers originating in Florida was slightly higher than the national average in 2007.
- In previous updates to this report, the airports in the East Central (Orlando, Orlando-Sanford, Melbourne, and Daytona) and West Central (Tampa, St. Petersburg, and Sarasota) regions of Florida had average fares lower than the statewide average. With the exception of Melbourne, this trend continued in 2007. This trend may result from the multiple low-cost carriers that serve the large hub airports in these regions.
- In 2007, as in previous updates to this report, the highest one-way average fares were reported in the Northwest region of Florida (Pensacola, Tallahassee, Ft. Walton Beach, and Panama City). Additionally, two airports in the Southeast Region of Florida had fares comparable to the fares found in the Northwest region. These airports are the two located in the Florida Keys, Marathon and Key West.
- For travel to cities included in Florida's top three regional destinations (Northeast, Midwest, and Southeast), average one-way fares continue to be below the national average one-way fare:

Table 3:Average One Way Fare by Region - 2007

Origin	Destination: Northeast	Midwest	Southeast	Southwest	South Central	Midsouth	North Central	Northwest
Florida	**$166.55**	**$166.60**	**$171.54**	$239.23	$205.52	$183.68	$202.49	$246.91
Northeast	$136.90	$163.23	$149.22	$242.89	$214.55	$195.81	$226.07	$209.70
Midwest	$163.12	$134.99	$155.54	$195.21	$168.49	$176.79	$177.43	$201.08
Southeast	$149.60	$156.17	$152.83	$229.40	$192.37	$177.99	$194.46	$182.54
Southwest	$209.35	$200.70	$181.32	$166.04	$204.48	$224.38	$227.29	$166.82
South Central	$214.37	$168.08	$192.19	$173.23	$124.62	$165.61	$195.58	$204.30
Midsouth	$196.28	$176.92	$177.50	$222.62	$165.43	$187.95	$249.80	$226.64
North Central	$225.60	$177.94	$194.05	$196.50	$195.91	$249.39	$242.95	$228.28
Northwest	$209.35	$200.70	$181.32	$166.04	$204.48	$224.38	$227.29	$166.82

- In 2007, excluding Orlando International (Florida's airport with the largest number of outbound O&D passengers, serviced predominately by less expensive carriers), the average one-way fare paid by domestic passengers originating at all other Florida airports combined was $183.27, while the national average was $174.06. In all prior study years, the average one-way fare paid by originating passengers at all Florida airports, except Orlando International, was $3 or $4 higher than the same average one-way fare paid by originating passengers at all Florida airports, including Orlando. In 2007, this fare difference was $3.15, reflecting continuing expanded offerings by low-fare carriers at other commercial airports throughout the State.

NONSTOP SERVICE

With travel demand and average fares to all domestic destinations from all of Florida's commercial service airports and regions summarized, a review was undertaken to determine the ability of each airport's current nonstop domestic service to meet the needs of domestic passengers originating at one of Florida's commercial airports. It is important to note that this review included only existing nonstop scheduled commercial airline service as reported in July of 2008. The review did not include an analysis of charter service, nor did it include an analysis of the ability of domestic originating passengers to reach their final travel destinations via connecting service.

It is important to note that the lack of nonstop scheduled commercial service does not preclude the ability of a domestic origination at one of Florida's commercial airports to reach, or to conveniently reach, their ultimate travel destination. For instance, even though nonstop commercial airline service is not available from Panama City to Chicago, a domestic passenger originating in Panama City can still reach Chicago each day at several different times via several connection opportunities.

Information on summer 2008 service patterns for each system airport is summarized in **Tables 1 through 20** (see **Appendix B**). For comparison purposes, **Tables 1 through 20** (**Appendix B**) also provide historical summaries of airport service patterns for the summers of 2000, 2001, 2003, 2005, and 2007. **Table 21** (**see Appendix B**) provides a summary of statewide information on the number of destinations served, total scheduled weekly departures, and total weekly departing seats for each airport by aircraft type; this information is also provided for the summer of 2000, 2001, 2003, 2005, and 2007

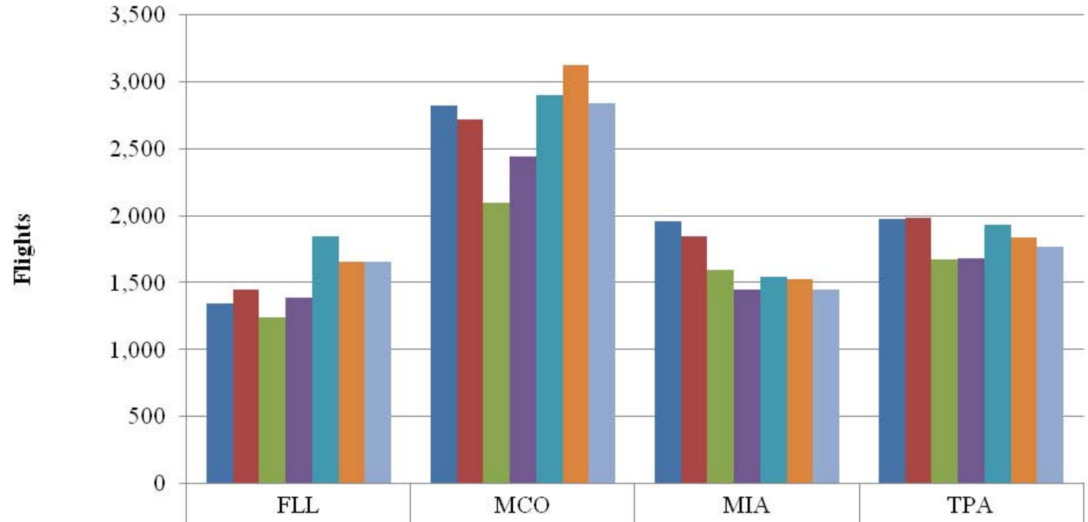
For this update, a seasonal comparison for each system airport is summarized in **Appendix B**. For comparison purposes, **Table 26** depicts summaries of departing seats and flight frequency for winter (December 2007 and January 2008), spring (March and April 2008), and summer (July and August 2008). This information is intended to determine which airports and regions experience a greater degree of air service change by season.

STATEWIDE DOMESTIC SERVICE SUMMARY

Statewide information on Florida's air service in the summer of 2008 may be summarized as follows:

- In the summer of 2008 from all of Florida's commercial airports, 11,145 nonstop domestic flights were scheduled each week. This represents a 4.3 percent decrease from the previous year's level of 11,650 reported nonstop domestic flights in the 2007 update of this document. The majority of this decrease in departures is attributed to Orlando, which had 293 fewer departures, and Jacksonville and Miami, which experienced 85 and 78 fewer departures respectively. This decrease in total departures was accompanied by a slight decrease in the number of nonstop domestic destinations served from Florida's airports; this number decreased from 120 in 2007 to 117 in 2008. In all, Florida travelers can reach 36 more cities on nonstop flights than they could in 2001, where nonstop domestic flights went to 81 different domestic locations. Flight trends over each study period by airport are illustrated in Figure 3 to Figure **6**,

Figure 3: Large Hub Flight Trends – Second Week of July



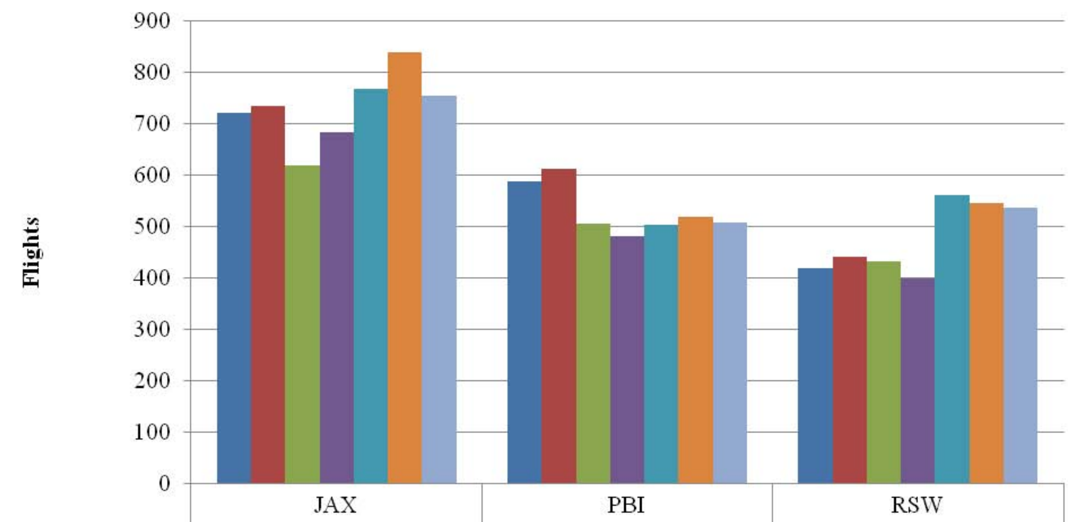
	FLL	MCO	MIA	TPA
Summer 2000	1,344	2,827	1,963	1,975
Summer 2001	1,448	2,720	1,849	1,987
Fall 2001	1,244	2,097	1,597	1,679
Summer 2003	1,389	2,443	1,453	1,681
Summer 2005	1,848	2,904	1,551	1,936
Summer 2007	1,658	3,132	1,532	1,843
Summer 2008	1,662	2,839	1,454	1,775

- In the summer of 2008, during each week there were, on average, 1.36 million departing seats, representing a modest decline from the over 1.4 million departing seats reported in 2007. Each week during the summer of 2001, there were on average, 1.29 million seats that departed all Florida airports to domestic airports throughout the U.S. The number in 2008 (1.36 million) is not the highest but remains above average for figures reported in previous editions of this study.
- When all seats that departed Florida airports each week to domestic locations were considered, approximately 90 percent of those seats were on large jet aircraft.[2] This level has remained virtually unchanged since 2000. In the summer of 2008, the average number of seats per flight increased to 122.3, up from 2007 when there was an average of 120.4 seats per flight. This seats-per-departure figure remained notably higher than 2001 levels. In 2001, there was an average of 112.7 seats per flight, an increase from 107.1 seats per flight in 2000.
- In the summers of 2000 and 2001, approximately two percent of all seats that departed Florida airports to domestic locations were on regional jet (RJ) aircraft. By the summer of 2003, the total percentage of all seats that departed Florida airports on RJs had

[2] The aircraft classifications used in this document include large jets (turbofan aircraft with more than 70 seats, sometimes referred to as "jets"), regional jets (turbofan aircraft with fewer than 70 seats, typically referred to as RJs), and turboprops (propeller-driven aircraft of all sizes, typically smaller than 50 seats).

increased to 6.4 percent; in 2005 it had increased further to 8.4 percent. In 2007, regional jet seats reversed the trend with a decline to 7.7 percent and remained there in 2008.

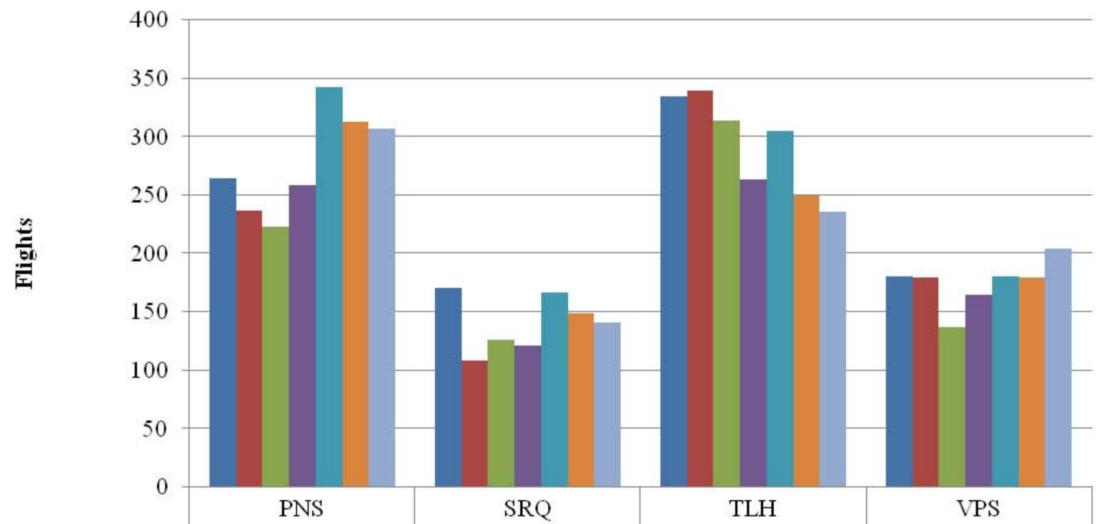
Figure 4: Medium Hub Flight Trends – Second Week of July



	JAX	PBI	RSW
Summer 2000	723	589	421
Summer 2001	735	613	443
Fall 2001	621	506	433
Summer 2003	685	483	401
Summer 2005	769	505	562
Summer 2007	841	519	546
Summer 2008	756	509	537

- In August 2001, approximately seven percent of all seats that left Florida airports were on turboprop aircraft, down from nine percent in the summer of 2000. The flights on turboprop aircraft were almost exclusively destined for other Florida airports. By the summer of 2003, of all seats departing Florida airports, only three percent were on turboprop aircraft. This figure fell to just 2.4 percent in 2005 and remained there for 2007 and 2008.
- In all previous study years, Orlando International had the highest number of domestic destinations served and the highest number of available departing domestic seats each week. This service pattern remained unchanged in the summer of 2008, though there were noticeable declines in the number of destinations served, scheduled weekly departures, and available domestic seats from 2007 (destinations decreased from 87 to 78; weekly departures decreased from 3,132 to 2,839; and domestic seats decreased from 419,245 to 399,604). These decreases are largely attributed to a significant decline in service from Delta Airlines as they reduced operations under two of their affiliate air carriers, Freedom Airlines and Comair, to many cities in 2008.

Figure 5: Small Hub Flight Trends – Second Week of July



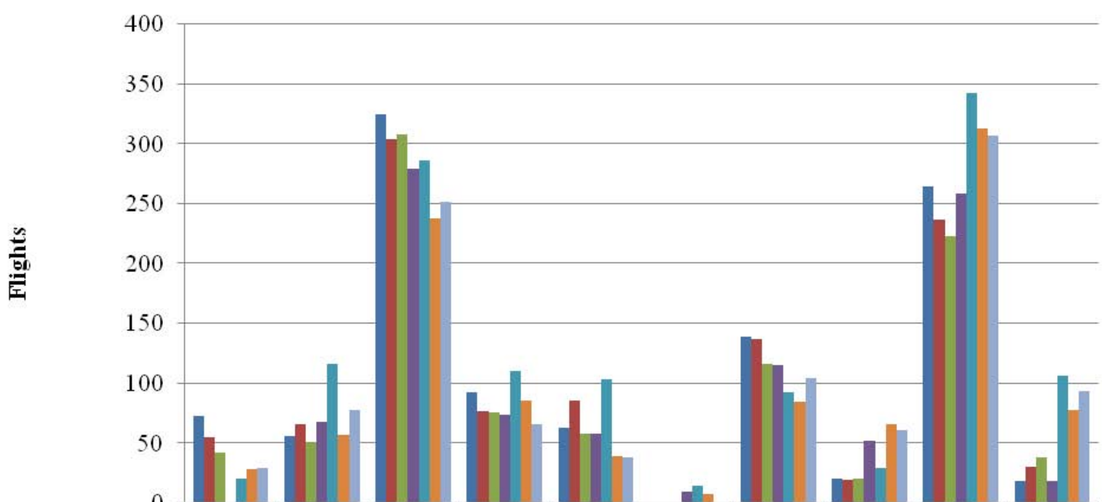
	PNS	SRQ	TLH	VPS
Summer 2000	265	171	335	181
Summer 2001	237	109	340	180
Fall 2001	223	126	314	137
Summer 2003	259	121	264	165
Summer 2005	343	167	305	181
Summer 2007	313	149	250	180
Summer 2008	307	141	236	204

- In the summers of 2000 and 2001, all commercial airports in Florida had nonstop service to at least two domestic locations (some airports, however, had service only to other locations in Florida) and most airports had scheduled service by at least two different airlines. In the summer of 2003, Naples lost service completely and service by one carrier to one destination was resumed at Marathon. By the summer of 2005, service at Naples had resumed. By the summer of 2007, Marathon had service to one destination by one carrier and Naples had service to two destinations (one in-state and one out-of-state) by two carriers. In the summer of 2008, Naples had two instate destinations by two carriers and Marathon was without scheduled service.
- In August 2001, St. Petersburg-Clearwater had the fewest number of scheduled domestic departures per week at 21. In the summer of 2000, Orlando-Sanford had the fewest number of weekly scheduled departures with 19. Orlando-Sanford gained an additional 12 weekly departures between the summer of 2000 and the summer of 2001. By the summer of 2003, weekly departures at St. Petersburg had increased to 52. Weekly departures from Orlando-Sanford fell once again to 19 in the summer of 2003, and that year Marathon had the fewest number of weekly scheduled departures with 10. In 2005, weekly domestic departures at Orlando-Sanford rose to 107, and airline offerings at St. Petersburg-Clearwater fell to just 30 weekly domestic departures. In 2005, Marathon had gained five new weekly domestic departures for a total of 15. By 2007, Orlando-Sanford had 78 weekly departures and St. Petersburg-Clearwater had 66 weekly departures. In 2008, Orlando-Sanford increased to 94 weekly departures, while St. Petersburg-

Clearwater declined slightly to 61 weekly departures. It is important to note that due to the types of carriers that operate at Orlando-Sanford and St. Petersburg-Clearwater, not all departing flights are reported to the *Official Airline Guide*.

- Naples had the fewest number of weekly scheduled seats in the summers of 2000 and 2001; domestic seats that departed this airport were on board turboprop aircraft and bound for other cities in Florida. By the summer of 2003, all commercial airline service to Naples was terminated. In mid-2005, however, Naples had regained Delta regional service to Atlanta; this service was withdrawn in late 2007. Yellow Air Taxi expanded its operations in Naples in 2008, with service to Fort Lauderdale in addition to its scheduled service to Key West.
- There were several airlines that ceased operations and service in 2008. Skybus Airlines, which briefly serviced Charlotte County Airport and St. Augustine Airport beginning in December 2007 and closed on April 5, 2008, due to the slowing economy and rising fuel costs. Dayjet Airlines also served Charlotte County Airport briefly in 2007, until it closed on September 19, 2008 due to a lack of monetary capital. Since the service was new in 2007, average fares and passenger data for these airports are not presented. Similarly, the airports in St. Augustine and Charlotte County have no recent history of passenger activity, so historic data for these airports is not presented here.

Figure 6: Non-Hub Flight Trends– Second Week of July



	APF	DAB	EYW	GNV	MLB	MTH	PFN	PIE	PNS	SFB
Summer 2000	73	56	325	93	63		139	21	265	19
Summer 2001	55	66	304	77	86		137	20	237	31
Fall 2001	42	51	308	76	58		117	21	223	39
Summer 2003	0	68	280	74	58	10	116	52	259	19
Summer 2005	21	117	286	111	104	15	93	30	343	107
Summer 2007	29	57	238	86	40	8	85	66	313	78
Summer 2008	30	78	252	66	39	-	105	61	307	94

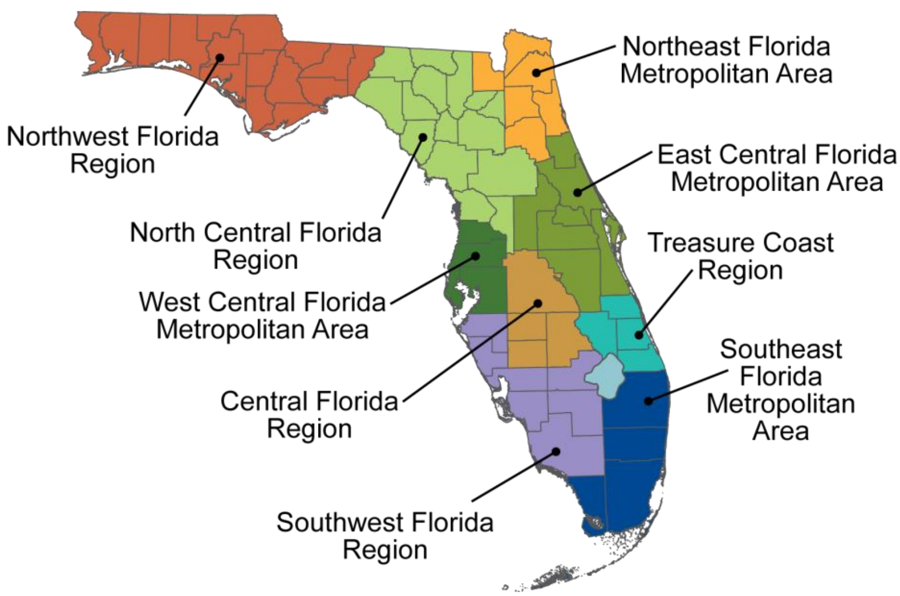
- As a new development in 2008, the discount airline DirectAir, operated by Virgin America began servicing Charlotte County Airport on November 22, 2008 with nonstop offerings to eight domestic destinations. It should be noted that DirectAir does not currently report its schedules to the *Official Airline Guide.* However, doing so would enable Florida's airports to have a more complete understanding of service patterns related to the new airline and its competition.

AIRPORT-SPECIFIC DOMESTIC SERVICE SUMMARIES

Key information regarding each commercial airport's nonstop domestic service is summarized below. Service information for 2008 is based on service available in July as reported in the *Official Airline Guide (OAG).* Enplanement data for 2007 was obtained from the U.S. Department of Transportation.

The Florida aviation planning regions are shown below. The North Central Florida, Central Florida and Treasure Coast regions are not discussed in this report because there are no commercial service airports in those planning regions. In many instances in the report and appendices, the term "metropolitan" has been removed from the region name for brevity.

Figure 7: Florida Aviation Planning Regions



Southeast Florida Region

<u>Fort Lauderdale-Hollywood International Airport</u>

Fort Lauderdale-Hollywood International saw significant growth in its domestic commercial enplanements since 1999. Domestic-bound enplanements increased from about 5.97 million during 1999 to about 10.4 million by the end of calendar year 2004. However, enplanements dipped slightly to 10.2 million in 2006, and further decreased to 9.68 million in 2007. This represents an increase of approximately 62 percent in eight years. Fort Lauderdale-Hollywood International continues to have significant representation by the country's predominant low-fare carriers, with service available on Southwest, jetBlue, Spirit, Allegiant and AirTran. Fort Lauderdale has nonstop service to 69 destinations; 52 of these destinations could be reached nonstop on at least one of the low-fare airlines in 2008. The number of weekly departures from the airport increased 23.6 percent (from 1,344 to 1,662) between the summers of 2000 and 2008, or about 45 additional departures per day. Fort Lauderdale-Hollywood International has also experienced a change in the mix of aircraft types that serve the airport. Average seats per flight for all aircraft in July of 2008 numbered 137, up from 2007's level of 136. Although not at its peak, weekly departing seats to domestic destinations increased from 225,335 in 2007 to 228,456 in July 2008. The exceptional growth that this airport experienced from 1999 has shown signs of slowing, however, it appears to be steadily increasing back up to higher levels in recent years.

- In the summer of 2001, nonstop service included 1,448 weekly departures to destinations throughout the U.S., up nearly eight percent from the summer of 2000. By the summer of 2003, weekly departures to domestic destinations had fallen to an average of 1,389. This measure rebounded significantly by 2005, when scheduled weekly nonstop departures numbered 1,848. Some retraction was seen by 2007, as weekly departures dropped to 1,658. There was modest growth in 2008, as weekly departures increased to 1,662.
- In the summer of 2001, Ft. Lauderdale had 319 weekly departures to 10 different cities, down slightly from 2000 levels. By 2003, weekly departures to other Florida cities had fallen to 304, with eight different Florida cities being served. In 2005, however, weekly in-state departures numbered 371, with service to 10 Florida cities. This service saw declines by July 2007, with 320 flights to seven Florida cities–nearly as low as the post-9/11 period. Intrastate service declined even further with 290 weekly departures despite the addition of an eighth Florida city in 2008.
- In August 2001, 22 percent of the market's weekly departures were to other locations in Florida. This was down from 27 percent of the total weekly departures in the summer of 2000. In the summer of 2003, Fort Lauderdale-Hollywood International had 304 average weekly departures to other destinations in Florida. This represented almost 22 percent of the airport's weekly departures; this statistic remained relatively unchanged between the summers of 2001 and 2003. By the summer of 2005, Fort Lauderdale's airline service to in-state destinations accounted for 20 percent of all weekly departures, down from a peak of 27 percent in 2000. Further declines were seen by 2007, with just 19.3 percent of all departures destined for Florida cities. This trend continued in the summer of 2008, with just 17.4 percent of all departures destined for Florida cities. This percentage represents the lowest level of in-state departures for all editions of this report since 2000.
- Almost 98 percent of the market's weekly domestic seats in 2001 were on jet aircraft, up from 97 percent in 2000. This percentage remained relatively unchanged in the summer of 2003 and again in 2005 before falling slightly to 95 percent in 2007 as additional RJ flights were deployed. The summer of 2008 saw a significant increase in weekly domestic seats on jet aircraft, up to almost 100 percent, as additional RJs and jets were utilized.
- Scheduled nonstop domestic service continued to be well-matched to domestic originating passenger demand. The airport's percentage of departing seats between the

summer of 2007 and 2008 increased slightly to destinations in the Mid-South, Southeast, South Central, and the Northeast regions. The proportion of departures to the Midwest and Southwest declined, as did Florida-only departures.

- Scheduled service showed variability during different seasons in 2008, most noticeably in the winter and summer months. The airport's percentage of departing seats increased from winter to summer for destinations in the Southeast, South Central, and Florida only. There were fluctuations in service for destinations in the Northeast and Midwest throughout all seasons.

Table 4: Fort Lauderdale-Hollywood International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	47%	46%	36%	38%
Midwest	15%	15%	11%	10%
Southeast (excl. FL)	10%	11%	19%	20%
Florida Only	6%	5%	19%	17%
Southwest	10%	10%	5%	4%
South Central	7%	7%	7%	8%
Mid South	3%	4%	2%	3%
North Central	2%	2%	0%	0%
Northwest	1%	1%	0%	0%

Table 5: Fort Lauderdale-Hollywood International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	37%	38%	36%	39%	40%	38%
Midwest	11%	12%	9%	11%	12%	9%
Southeast	19%	19%	21%	21%	21%	23%
Florida Only	18%	17%	17%	11%	11%	13%
Southwest	5%	4%	4%	5%	4%	4%
South Central	7%	7%	9%	8%	8%	9%
Mid South	3%	3%	3%	3%	3%	3%
North Central	1%	1%	0%	1%	1%	0%
Northwest	0%	0%	0%	0%	0%	0%

Miami International Airport

Since 2000, Miami International has seen an overall increase in the number of domestic-bound passengers it serves annually, after a period of declines in prior study years. In 2000, about 8.39 million originating passengers boarded domestic flights at the airport. In 2002, the airport served about 7.33 million originating domestic-bound passengers. In 2004, this figure had increased to 7.58 million, while outbound domestic passengers rebounded further to 8.37 million in 2006. In 2007, passengers increased to 8.57 million. The airport had nonstop service on 1,454 weekly departures to domestic destinations in 2008, down from 1,532 in 2007, and from 1,551 in 2005, but up from its 2003 level of 1,453. However, the 2008 weekly departures are still down from the high of 1,963 in 2000 and 1,849 in 2001. Weekly departing seats to U.S. destinations numbered 198,984 in 2008, down from 201,200 in 2007, and from 207,800 in July 2005, but up from 198,300 seats in 2003. Domestic departing seats numbered 224,600 in 2001 and 237,600 seats per week were reported in July 2000.

The average number of seats per flight was 137 in July 2008, the highest in all previous editions of this study; from 131 in July 2007, 134 in July 2005, and 121 in both 2000 and 2001. These flights were to 49 domestic destinations in 2008, the highest of all previous study years. A very large proportion of Miami's scheduled commercial flight departures were to international destinations. International service at each of Florida's commercial airports is discussed in a subsequent section of this document.

- In the summer of 2001, nonstop service from Miami International included 1,849 weekly departures to destinations throughout the U.S. This represented a decline in weekly departures of almost six percent from the summer of 2000. This was due largely to increased low-fare competition at Fort Lauderdale International Airport. This trend continued, and by the summer of 2003, Miami International reported 1,453 weekly departures to destinations in the U.S. This figure rebounded somewhat by the summer of 2005, when weekly domestic departures increased to 1,551 before declining to 1,532 in 2007. This downward trend continued in 2008, with 1,454 weekly domestic departures similar to 2003 levels.
- During the summer of 2001, Miami had nearly 600 weekly scheduled departures to six different cities in Florida, including 215 flights to Orlando International. However, during the summer of 2000, over 700 weekly in-state departures were scheduled to nine different Florida airports, representing a 16 percent decline in one year. By the summer of 2003, Miami International reported 342 weekly departures to other Florida cities, a number that increased slightly to 349 by July 2005. Flights to other Florida cities increased in July 2007 to 358 flights with service to seven Florida cities. Flights to other Florida cities were constant in July 2008 with service to seven Florida cities. However, overall flights declined with only 314 departures, as a result of reduced service to Orlando International and Tampa International.
- In the summer of 2001, nearly 250,000 weekly seats departed Miami for other U.S. destinations, about six percent less than the summer of 2000. The decreasing trend in domestic service from Miami International continued through 2003. By the summer of 2003, the airport reported 198,262 weekly departing seats to destinations within the U.S. Growth in weekly departing seats occurred by the summer of 2005, when weekly domestic departing seats increased to 207,800. This growth was short-lived, as weekly departing seats fell once again to 201,200 in the summer of 2007 and even further in 2008 with 198,984 weekly departing seats.
- In 2000 and 2001, approximately nine percent of the seats that left Miami each week were onboard turboprop aircraft; these seats were destined to other locations in Florida and nearby islands. By 2003 and continuing through 2005, the percent of departing seats on turboprop aircraft had fallen to four percent with July 2007 seeing a slight increase at 4.5 percent. In July 2008, the percentage of departing seats on turboprop aircraft remained steady with 2007 levels.

- Almost 90 percent of the market's weekly domestic scheduled seats were on jets in the summers of 2000 and 2001. This percentage increased to almost 94 in the summer of 2003 before retreating to 92 percent in 2005 and 89 percent in 2007. In 2008, the percent of weekly domestic scheduled seats on jets increased slightly to 90.4 percent.
- In August 2001, over 32 percent of the market's weekly scheduled domestic departures were to other cities in Florida, down from 36 percent of the departures in 2000. This trend continued. By the summer of 2003, an estimated 23.5 percent of all of Miami International's weekly departures were to other Florida destinations; in 2005, this figure dropped to 22.5 percent, and rose briefly in 2007, with 23.4 percent of departures destined for other Florida cities. In 2008, intrastate service declined again to 21.6 percent.
- Nonstop domestic service remained well-matched to originating domestic passenger demand. While top passenger origin and destination regions remained unchanged between the previous reporting period and this update, changes in the airport's percent of weekly domestic departures to various regional destinations were observed. The proportion of departures to the Northeast and Southeast showed modest increases in 2008, with minor decreases to the Mid South and Florida-only destinations.

The percentage of weekly departing seats and flight frequency increased to the Northeast in the summer months of 2008, while weekly departing seats and flight frequency decreased to the Midwest in the spring months.

Table 6: Miami International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	36%	36%	25%	26%
Midwest	15%	16%	11%	11%
Southeast (excl. FL)	15%	15%	21%	22%
Florida Only	5%	3%	23%	22%
Southwest	12%	13%	6%	6%
South Central	8%	9%	9%	9%
Mid South	3%	4%	4%	3%
North Central	3%	3%	1%	1%
Northwest	2%	2%	0%	0%

Table 7: Miami International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	23%	23%	26%	28%	29%	30%
Midwest	12%	11%	10%	11%	11%	9%
Southeast	22%	21%	22%	24%	23%	23%
Florida Only	23%	23%	21%	13%	13%	13%
Southwest	6%	6%	6%	9%	7%	9%
South Central	9%	9%	9%	11%	11%	11%
Mid South	4%	4%	3%	3%	4%	3%
North Central	1%	2%	1%	2%	2%	1%
Northwest	0%	0%	0%	1%	1%	1%

Palm Beach International Airport

Palm Beach International has seen fluctuations in air service since 1999. Domestic enplanements grew slightly between 1999 and 2000, from about 2.93 million to 2.97 million, before falling to 2.75 million in 2002, a decrease of about six percent. By 2004, however, enplanements grew to 3.28 million, and enplanements continued to increase in 2006 to 3.42 million. In 2007, the airport experienced a slight decrease to 3.39 million passengers. The number of weekly departures declined by 2003, after peaking in 2001. Weekly departures increased from 589 in 2000 to 613 in the summer of 2001, before decreasing to 483 in July 2003. Weekly departures had increased to 505 in July 2005, and to 519 in July 2007, before falling to 509 in July 2008. In 2003, Palm Beach International's number of weekly departing seats returned to pre-9/11 levels, to about 65,100; and by July 2005, weekly departing seats had climbed further to 71,800 per week. A reduction in departing seats occurred in the summer of 2007, when 66,100 departing seats were available, with the trend continuing in July 2008, when 662,238 departing seats were available. Average seats per flight increased steadily from 108 in 2000 to 124 in 2001 to 135 in 2003. The recent high was 142 seats per aircraft in the summer of 2005. Average seats-per-flight continued to fall in 2008 to 122, from 2007's low of 127. Despite a decline between 2005 and 2008, average seats-per-flight have increased overall from 108 in 2000 to 122 in 2008, indicating deployment of larger aircraft by airlines serving Palm Beach.

- This market had 613 weekly scheduled departures in August 2001 to various destinations in the U.S., up four percent from 589 weekly departures in July 2000. By the summer of 2003, however, weekly scheduled departures had fallen to 483. In July 2005, weekly scheduled departures had increased to 505, and to 519 in July 2007. July 2008 saw a decline when weekly scheduled departures decreased to 509.
- Nonstop scheduled departing seats rose markedly between 2000 and 2001, up 19 percent to nearly 76,000 weekly departing seats. By the summer of 2003, the number of weekly departing seats was down to approximately 65,100. This figure recovered partially by the summer of 2005, when it reached nearly 71,800, before falling to 66,100 in July 2007, and even further in July 2008 with 62,238.
- The increase in scheduled service measures reported in 2001 was attributed largely to Southwest Airlines which entered the market in January 2001. This carrier provided six daily flights to Tampa, three daily flights to Orlando, and two daily flights to Baltimore

and Nashville. By 2005, Southwest had added Long Island-Islip as a nonstop destination, and JetBlue had entered the market with nonstop flights to New York-JFK, adding options for Palm Beach's important New York market. By 2007, Southwest had added new low-fare service to Philadelphia. By 2008, many airlines (including Delta, Southwest, jetBlue, and Continental) had decreased the frequency of their nonstop service offerings. However, this decline in total departures was countered with new service to Key West from Continental, with 25 weekly departures.

- In the summer of 2001, there were 158 weekly scheduled departures to different locations in Florida; these in-state flights accounted for nearly 26 percent of the market's weekly scheduled domestic departures. There were approximately the same number of in-state departures at the airport one year earlier. By the summer of 2007, however, the airport's number of in-state weekly departures had fallen to 55, representing approximately 11 percent of the airport's total number of scheduled departures. In 2008, there was an increase in the number of in-state weekly departures to 68, which represented over 13 percent of the total scheduled departures.
- Over 97 percent of the weekly scheduled domestic seats in the summer of 1999 were on jets, up from 92 percent in 2000. By the summer of 2003, the percentage of departing seats on jet aircraft had fallen to 95 percent, but rebounded to 97.3 percent by July 2005, before falling again to 94.4 percent in 2007. An increase in turboprop departures further reduced Palm Beach jet departures to 91.9 percent in 2008.
- Nonstop domestic service could be better matched to originating domestic passenger demand. While the airport's distribution of originating passengers remained more or less unchanged from the last reporting period, the airport's regional distribution of departing domestic flights has changed moderately. The percentage of weekly scheduled departures to cities in the Northeast, Midwest, and Southwest U.S. have all decreased. Only weekly scheduled departures to other Florida cities, as a percent of the total, have increased. Departures to the Southeast and South Central have remained unchanged.
- The airport's percentage of departing seats fluctuated over the 2008 seasons, with the highest trips departing to the Northeast in the spring months. Departing seats and the frequency of the flights also increased in the summer months to the Southeast and the rest of Florida.

Table 8: Palm Beach International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	64%	63%	54%	53%
Midwest	13%	13%	7%	6%
Southeast (excl. FL)	8%	8%	20%	20%
Florida Only	2%	1%	11%	13%
Southwest	5%	6%	1%	0%
South Central	4%	5%	8%	8%
Mid South	2%	2%	0%	0%
North Central	1%	1%	0%	0%
Northwest	1%	1%	0%	0%

Table 9: Palm Beach International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	52%	54%	51%	56%	59%	55%
Midwest	9%	8%	6%	8%	8%	5%
Southeast	19%	18%	22%	23%	22%	25%
Florida Only	10%	11%	12%	5%	5%	7%
Southwest	1%	0%	0%	1%	0%	0%
South Central	8%	7%	9%	7%	6%	8%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	1%	0%	0%	1%	0%
Northwest	0%	0%	0%	0%	0%	0%

Key West International Airport

Domestic enplanements at Key West fell between 2000 and 2002, from 267,700 to 226,000, for a decline of about 16 percent. This trend reversed by 2004, when airlines serving Key West enplaned 275,200 domestic passengers. Further growth occurred through 2006, when the airport enplaned 294,000 passengers. However, passengers decreased in 2007 to 271,600. The number of weekly departures, for the most part, slowly declined from 325 in 2000, to 304 in 2001, to 280 in 2003, to 286 in 2005, and 238 in 2007. In 2008, weekly departures increased to 252. However, average departing seats per week declined from the previous growth pattern seen in prior updates of this study. After beginning in 2000 at 25 seats per flight, this measure dipped to 24 in 2001, but jumped to 28 in 2003. In 2005, this figure increased further to 31 seats per flight and onward to 33.4 seats per aircraft in 2007. In 2008, average departing seats per week was 29. Key West International was served largely by turboprop aircraft in 2008, a trend that was seen in 2007 despite the advent of regional jets, which saw decline in usage in 2008 from 38 to 26 weekly departures.

- This market had no scheduled service to destinations outside of Florida in 2000 and 2001. By the summer of 2003 and continuing into 2008, regional jets were providing service to Atlanta.
- In the summer of 2001, the Key West market had 304 weekly scheduled departures to six different locations in Florida, down slightly from 2000 levels of 325 weekly flights. By the summer of 2003, Key West had 266 weekly scheduled departures to five destinations in Florida, a figure that remained stable in 2005. By 2007, however, in-state departures from Key West fell to 216 per week. Six Florida cities (Fort Lauderdale, Fort Myers, Miami, Naples, Orlando, and Tampa) were served nonstop from Key West in 2007. A seventh location was added in 2008, with service being provided to West Palm Beach, increasing in-state departures to 233 per week.
- Between 2006 and 2007, the market's top domestic travel destinations changed from the Southeast (including Florida) to the Northeast. Additionally, approximately 80 percent of passengers originating from Key West International Airport were destined for the Southeast, Northeast, and Midwest regions of the U.S. in the year 2007.
- Scheduled commercial airline service to Key West International is limited by the length of the airport's runway.

- Throughout the three seasons, the percentages of the flights that were departing to the Southeast and cities in Florida remained constant. However, for departing seats, a higher percentage of seats were headed to the Southeast region in spring and summer months. This is due to the large jet aircraft that is utilized on the Delta flights to the hub in Atlanta from this airport.

Table 10: Key West International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	31%	40%	0%	0%
Midwest	16%	19%	0%	0%
Southeast (excl. FL)	11%	15%	9%	8%
Florida Only	26%	6%	91%	92%
Southwest	4%	5%	0%	0%
South Central	5%	7%	0%	0%
Mid South	4%	5%	0%	0%
North Central	2%	3%	0%	0%
Northwest	1%	1%	0%	0%

Table 11: Key West International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	0%	0%	0%	0%	0%	0%
Midwest	0%	0%	0%	0%	0%	0%
Southeast	8%	8%	8%	16%	18%	19%
Florida Only	92%	92%	92%	84%	82%	81%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

The Florida Keys Marathon Airport

The airport serving Marathon has seen commercial service come and go in recent years. In the summers of 2000 and 2001, when this report was previously prepared, the airport was without commercial airline service. When this report was updated in 2005, limited commercial airline service had been restored to the airport. As of summer 2008, the airport was without commercial airline service once again. Since commercial airline service was not available for this airport in 2000 and 2001, comparative data was not available for presentation and discussion.

In 2003, limited service was reinstituted to this airport on Florida Coastal Airlines. This small airline offered 10 weekly departures to Fort Lauderdale – Hollywood International on Cessna 402 eight-seat propeller-driven aircraft. In the summer of 2005, Florida Coastal had increased its offerings at Marathon to 13 weekly flights to Fort Lauderdale and two weekly flights to Key West. This Key West service was a "tagged" flight; that is, the route was comprised of a one-stop flight from Fort Lauderdale to Marathon to Key West. Given the relatively short distance between Marathon and Key West, it is unlikely that many originating passengers traveled this route.

By the summer of 2007, Marathon was served daily by flights to Atlanta on ASA, a Delta Air Lines regional partner. This service proved short-lived; as of October 2007, the airline had withdrawn from the market, leaving the community without scheduled air service until late 2008. As of December 19, 2008, Continental Connection operated by Cape Air started offering 42 weekly flights to Southwest Airport on turboprop aircraft.

There is no data to compare seasonal information for this airport, as there was no scheduled service in the winter and spring months of 2008.

Table 12: The Florida Keys Marathon Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	50%	35%	0%	0%
Midwest	50%	22%	0%	0%
Southeast (excl. FL)	0%	24%	100%	0%
Florida Only	0%	1%	0%	0%
Southwest	0%	1%	0%	0%
South Central	0%	5%	0%	0%
Mid South	0%	9%	0%	0%
North Central	0%	2%	0%	0%
Northwest	0%	1%	0%	0%

East Central Florida Region

Orlando International Airport

Like most airports in this study, Orlando International saw a significant decline in its level of enplanements after 9/11. In 1999, just over 11 million originating passengers boarded a domestic flight at this airport, a number that climbed to 11.75 million just a year later. By 2002, however, this number had fallen to 10.73 million, or a nine percent reduction in domestic passenger traffic. A full recovery was seen by 2004 when the airport enplaned 12.84 million passengers. Continued growth was seen through 2006, when enplanements counts totaled 14.1 million. In 2007, total passengers grew to 16.7 million. Between 2000 and 2003, the airport's number of weekly departures fell from 2,827 in 2000 to 2,720 in 2001, further declining to 2,361 in July 2003. Extensive growth in departures commenced for a period thereafter, in 2005 there were 2,904 weekly departures, and in 2007, there were 3,132 weekly departures. There was a sharp decline in 2008, with 2,839 weekly departures. The average number of seats per flight increased over the period, rising from 122 in 2000, to 128 in 2001, to 131 in 2003, and 134 in 2007. By 2008, seats per flight increased to 141. Further, domestic destinations served nonstop from Orlando International increased from 67 in 2001 to 78 in July 2008.

- In the summer of 2001, Orlando International had 2,720 scheduled departures each week to destinations throughout the U.S., down from 2,827 in the summer of 2000. By the summer of 2003, weekly scheduled domestic departures had fallen further to 2,361. Weekly departures rebounded to 2,904 by the summer of 2005, and 3,132 in 2007. By 2008, there was a sharp decline in scheduled departures with 2,839 each week, with many service offerings reduced from Comair and Freedom Airlines, both affiliates of Delta Airlines.

- Scheduled nonstop weekly departing seats rose 1.6 percent between the summer of 2000 and 2001, from 343,800 to 349,150. By the summer of 2003, this number had fallen to 320,441 after post-9/11 airline cutbacks. A return to growth came quickly, with departing nonstop seats reaching 380,500 per week in July 2005 and continuing in 2007 with 419,200 seats offered each week. Weekly departing seats were reduced to 399,604 in 2008.
- In the summer of 2001, this market had a high number of weekly departures to cities in Florida with 531 weekly flights. In-state weekly departures were down nearly 17 percent from 2000, when the airport reported 631 in-state departures. Scheduled weekly departures to other destinations in Florida fell further in 2003 to 343. This decline continued in 2005, when the airport reported 301 weekly in-state departures. There was modest growth in 2007, with 328 weekly in-state departures; and then a record low of 239 in-state departures in 2008, with reduced services to Miami, Fort Lauderdale, and Tallahassee.
- In the summer of 2000, approximately 23 percent of Orlando International's weekly scheduled departures were to destinations in Florida, a figure which fell to 19 percent the next year. By the summer of 2003, the airport's percentage of in-state scheduled weekly departures had fallen to 14 percent, and in July 2007 this figure was 10.4 percent. This trend continued in 2008, with 8.4 percent of total weekly departures occurring to cities within the state.
- In the summer of 2001, over 95 percent of the scheduled weekly seats from Orlando were on jets, up slightly from 94 percent in 2000. By the summer of 2003, this percentage had fallen to 93 percent, and a precipitous decrease in jet departures had occurred by 2005, when just 78 percent of departures were onboard jet aircraft. This decrease in jet departures occurred as the number of regional jets serving Orlando International continued to increase. By 2007, however, this decline had been reversed, with more than 95 percent on jets, and continued in 2008 with over 96 percent of departing seats were deployed on large jet aircraft.
- Seats on turboprop aircraft accounted for about four percent of all seats that left the market each week in the summers of 2000, 2001, 2003, and 2005. This figure fell to 3 percent in 2007. As turbocraft aircraft is primarily used to serve other destinations in Florida, departing seats on turbocraft fell to just .22 percent of total departing seats in 2008.
- The market's scheduled nonstop domestic service is well-matched to originating passenger demand. While the airport's regional distribution of originating passengers remained largely unchanged between this reporting period and the prior reporting period, some changes in the regional distribution of scheduled departing domestic flights were noted. The percentage of scheduled departures to cities in the Northeast and South

Central increased slightly, but scheduled departures to cities in the Midwest, Southeast, Mid South, and within Florida declined.

- As expected, flights increased during the spring and summer months to the Northeast region. Although the percentage of departing seats to other cities in Florida remained constant throughout the seasons, the percentage of flights increased during the winter months, indicating the use of smaller aircraft within Florida during the winter months.

Table 13: Orlando International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	40%	41%	33%	37%
Midwest	20%	20%	20%	19%
Southeast (excl. FL)	10%	10%	17%	15%
Florida Only	2%	1%	10%	8%
Southwest	9%	8%	3%	3%
South Central	8%	9%	9%	10%
Mid South	5%	4%	7%	5%
North Central	3%	3%	1%	1%
Northwest	2%	2%	0%	1%

Table 14: Orlando International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	33%	35%	36%	35%	37%	36%
Midwest	18%	18%	17%	17%	17%	16%
Southeast	16%	16%	16%	18%	17%	18%
Florida Only	10%	10%	9%	7%	7%	7%
Southwest	4%	3%	4%	4%	4%	4%
South Central	9%	9%	10%	10%	10%	11%
Mid South	7%	6%	6%	5%	5%	5%
North Central	2%	2%	1%	2%	3%	2%
Northwest	1%	1%	1%	1%	1%	1%

Melbourne International Airport

Domestic enplanements at Melbourne International have decreased significantly over the past few years. In 1999, the airport served about 262,500 domestic enplanements, compared to 253,000 in 2000, 191,500 in 2002, and 188,700 in 2004. The change from 1999 to 2004 levels represents about a 28 percent decrease in enplanements. Some recovery was seen in 2005, but in 2006 a steep decline occurred and enplanements fell to just 162,100. In 2007, enplanements declined even further to approximately 135,000. The number of departing seats available each week initially increased from 6,300 in July 2000 to 9,650 in August 2001, before falling to about 4,470 in July 2003. The number of weekly departing seats increased between July 2003 and July 2005, to 7,105. As with enplanements, weekly departing seats dropped dramatically in 2007 to just 3,656, and decreased moderately in 2008 with 3,612 weekly departing seats. Similarly, weekly departures increased initially from 63 in 2000 to 86 in 2001. This measure fell to 58 weekly departures in 2003, but recovered considerably to 104 by the summer of 2005 before falling to 40 in 2007, and 39 in 2008. The number of nonstop domestic destinations served from the airport rose from just two in 2000, to six in 2001, declined to four in 2003, but rose to six again in 2005, and declined to two in 2007. The number of destinations was consistent in 2008 with just two, both out–of-state. The 2003 update of this document reported Melbourne's nonstop destinations as major connecting hub airports in Atlanta, Cincinnati, Dallas/Ft. Worth, and Orlando. In 2005, airlines ceased serving Dallas and Orlando nonstop from Melbourne, but added New York – JFK and Washington – Dulles, as well as in-state flights to Daytona Beach and Fort Lauderdale. In 2007, just Atlanta and Washington – National were served nonstop from Melbourne. In 2008, Atlanta was still serviced, however, Washington – National was dropped and replaced with service to Baltimore.

- In the summer of 2001, this market had nonstop service to 6 airports including three domestic connecting hubs beyond Florida (Atlanta, Newark, and Cincinnati). By the summer of 2003, the airport had service to Atlanta, Cincinnati, Orlando, and Dallas. By July 2007, the airport had service to just Atlanta and Washington – National. As of July 2008, airlines serving Melbourne offered nonstop flights to just Atlanta and Baltimore; Atlanta is a major connecting hub.
- The market had 86 weekly scheduled departures in the summer of 2001, up 37 percent from the summer of 2000. By the summer of 2003, scheduled weekly departures had fallen to 58, but rebounded to 104 in 2005. By 2007, the trend reversed with a decline in weekly departures to just 40, and in 2008, there were 39 weekly departures, the lowest level seen since this reporting process started.
- Between 2000 and 2001, this market saw an increase in the number of airlines providing service. By the summer of 2003, airline cutbacks reduced the number of carriers in this market to two. By 2005, a third airline was serving the market. Delta was the only mainline carrier serving the market in 2003, 2005 and 2007. In 2008, USA 3000 was introduced to Melbourne as they began offering three weekly nonstop flights to Baltimore.
- Between the summer of 2000 and 2001, new nonstop service was provided between Melbourne and one in-state Florida destination, Ft. Lauderdale. By the summer of 2003, Melbourne's only in-state service was to Orlando. In July 2005, Fort Lauderdale and Daytona Beach could be reached nonstop from Melbourne. In July 2007 and 2008, no in-state service was offered from Melbourne.
- In the summer of 2000 and 2001, all seats that left this market each week were on jet or regional jet aircraft. By the summer of 2003 and continuing through 2005, turboprop aircraft were being used to serve the in-state routes. This turboprop service ended by the summer of 2007.
- Nonstop domestic service in this market could be better matched to originating domestic passenger demand. Nearly 32 percent of this market's originating passengers had destinations in the Northeast. However, only 8 percent of nonstop departures were to a city in the Northeast. IJust 20 percent of all passengers originating from this airport traveled to destinations in the Southeast ; 92 percent of Melbourne's weekly departures were traveling to cities in the Southeast.

- Scheduled service varied during the 2008 seasons for destinations to the Southeast and cities in Florida. As Melbourne decreased its services in Florida, its total share of service was destined for the Southeast region by the summer.

Table 15: Melbourne International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	33%	32%	15%	8%
Midwest	15%	15%	0%	0%
Southeast (excl. FL)	19%	20%	85%	92%
Florida Only	0%	1%	0%	0%
Southwest	14%	13%	0%	0%
South Central	7%	7%	0%	0%
Mid South	7%	7%	0%	0%
North Central	2%	2%	0%	0%
Northwest	3%	2%	0%	0%

Table 16: Melbourne International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	3%	0%	0%	2%	0%	0%
Midwest	0%	0%	0%	0%	0%	0%
Southeast	85%	92%	100%	97%	99%	100%
Florida Only	12%	8%	0%	1%	1%	0%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

Daytona Beach International Airport

Like the other airports in this region, Daytona Beach International saw fluctuations in the number of domestic passengers it serves. In 1999, the airport served about 253,700 enplanements, compared to 246,500 a year later. In 2002, about 220,500 originating passengers boarded flights at the airport. However, in 2004, the airport served 290,800 enplanements, but these gains disappeared by 2006, when 243,100 originating passengers began a trip at the airport. The enplanements increased significantly to approximately 335,400 in 2007. The change between 1999 and 2007 represents a 32 percent increase in enplanements. Between 2000 and 2007, weekly departures during summer months increased from 56 in 2000, to 66 in 2001, to 68 in 2003, to 117 in 2005, but fell more than 50 percent to 57 in 2007. In 2008, weekly departures increased nearly 37 percent to 78. In the same years, the average number of seats per flight decreased from 103 to 97, from 97 to 90, and from 90 to 71 as service at the airport moved away from full size jets to regional jet aircraft. Large jets returned to the airport in 2007 as seat counts per departing aircraft increased to an average of 116. This increase was due in part to low-cost service on AirTran; which does not employ regional jets. In 2008, AirTran withdrew its operations from Daytona Beach, reducing the average seat count to 73, as more regional jets were used.

- In the summer of 2000, Daytona Beach had 66 weekly nonstop flight departures and nearly 6,400 weekly departing seats to destinations within the U.S. Information for the summer of 2005 shows that weekly scheduled departures at Daytona Beach International increased to 117, with weekly scheduled departing seats rising to 7,015. By the summer of 2005, scheduled service (departures and seats) was notably above levels experienced in the summer of 2003. Service fell in 2007 to historic lows of 57 weekly departures and 6,589 weekly departing seats. In 2008, weekly departures increased to 78, however, weekly seats decreased to 5,700, as smaller aircraft were utilized instead.
- In previous reporting periods, nonstop domestic service was on flights to four airline connecting hubs beyond Florida, namely Atlanta, Cincinnati, Dallas, and Newark. In the summer of 2005, the airport continued to have service to most of these same destinations; Dallas service, however, had been discontinued. Commuter service to Jacksonville, Orlando, and Melbourne was provided in July 2005 by Vintage Props and Jets. Continental and Delta were, as of the summer of 2005, the airport's mainline carriers, and were joined by AirTran by July 2007, to service Atlanta and Newark. In 2008, service was expanded to include Charlotte and Jacksonville. Charlotte is a major hub for US Airways and Jacksonville is serviced by Vintage Props and Jets.
- In 2000, 2001, and 2003, all weekly scheduled seats departing this market were on jet or regional jet aircraft. In 2005, turboprop service was also provided linking Daytona and Melbourne with Orlando International. This service was withdrawn by July 2007.
- There were no scheduled flights to other Florida destinations in the summer of 2001. In the summer of 2003 and continuing into 2005, service to Orlando and Melbourne was available. In 2007, no in-state service was offered. In 2008, one weekly nonstop flight was offered to Jacksonville.
- The airport's level of scheduled departures is not particularly well matched to the market's originating domestic passenger demand. U.S. DOT statistics demonstrate that 39 percent of the airport's passengers had destinations in the Northeast, 21 percent in the Midwest, and 16 percent in the Southeast. Regions served by the airport's scheduled airlines included the Northeast, Southeast, and one city within Florida; however, these departures were not offered in the same regional proportions as passenger demand**.** Scheduled departures to the Northeast accounted for 10 percent of all departures, while scheduled departures to the Southeast accounted for 88 percent of the airport's scheduled weekly departures, and Florida-only departures accounted for only one percent of all departures. Destinations in other major demand regions, such as to the Midwest and Southwest, were not served nonstop from Daytona Beach.
- Scheduled service varied during the seasons for this airport in 2008. There was a greater degree of change in the summer months, as service within Florida was eliminated and there was increased service to the Northeast region during this period. The winter and summer months were more consistent in terms of service.

Table 17: Daytona Beach International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	45%	39%	14%	10%
Midwest	18%	21%	0%	0%
Southeast (excl. FL)	11%	16%	86%	88%
Florida Only	0%	0%	0%	1%
Southwest	11%	9%	0%	0%
South Central	5%	6%	0%	0%
Mid South	5%	4%	0%	0%
North Central	2%	3%	0%	0%
Northwest	2%	2%	0%	0%

Table 18: Daytona Beach International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	14%	20%	12%	12%	18%	9%
Midwest	0%	1%	0%	0%	0%	0%
Southeast	78%	76%	87%	88%	82%	90%
Florida Only	7%	3%	1%	1%	0%	1%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

Orlando-Sanford International Airport

Orlando-Sanford saw its enplaned passenger numbers swell from about 42,000 to 79,400 between 2000 and 2002, for an increase of about 89 percent in two years. These enplanement figures fell in 2004 to just less than 60,000. Consistent offerings helped encourage greater demand at Sanford through 2006. As a result, originating passenger traffic grew to 283,900 in 2006. In 2007, a significant growth was identified, resulting in 415,500 enplanements, with a 46 percent increase from 2006. The airport's domestic carriers, Allegiant Air, Pan-Am Airlines, and Transmeridian Airlines, served 19 destinations in 2005, up from just two in 2003. By July 2007, just Allegiant remained, but had expanded offerings to 24 cities. The airport had 78 weekly departures in July 2007, down from 107 weekly departures in 2005. In 2008, Allegiant had expanded its nonstop service offerings to 28 destinations, and weekly flight departures increased to 94. A large percentage of this airport's passengers continue to be served by charter airlines.

- In the summer of 2000, Orlando-Sanford had 19 scheduled weekly departures. This figure increased to 31 in 2001. By the summer of 2003, the airport's weekly scheduled departures had returned to their summer of 2000 level of 19. In July 2005, the airport reported 107 weekly departures, but service retreated somewhat to 78 departures per week in 2007. By 2008, weekly departures had increased to 94 as more destinations were included from this airport.

- In the summer of 2000, the airport averaged 3,287 scheduled departing seats per week. This number increased to 17,404 in July 2005, before falling rather significantly to 11,700 in July 2007. In 2008, weekly departing seats increased to 14,100.
- In the summer of 2000, Pan Am provided nonstop service to three destinations. By 2001, this airline had added three new destinations. In the 2003 update of this study, it was reported that Pan Am's departures were to just two cities. By 2005, Pan Am served five destinations, and was joined by two additional airlines, Allegiant Air and Transmeridian. In 2005, the airport could claim service to 19 nonstop destinations. This grew to 24 in 2007, despite the loss of both Pan Am and Transmeridian. In 2008, four more destinations were added by Allegiant Air for a total of 28 nonstop destinations.
- In 2000, 2001, and 2003, Sanford had no scheduled flights to other cities in Florida. In 2005, Pan Am operated one weekly nonstop to St. Petersburg-Clearwater International, but this flight ceased when Pan Am stopped operations. In 2007 and 2008, no in-state service was offered from this airport.
- Cities served by airlines at Orlando-Sanford in July 2008 and the demand patterns of the airport's passengers in 2007 were well-matched. In 2007, 39 and 20 percent of Orlando-Sanford originations were destined for the Midwest and Midsouth, respectively. In July 2008, 34 and 24 percent of all departures from the airport were to the Midwest and Midsouth, respectively. In 2008, the Southeast and Mid South regions demonstrated increases. Departures to cities in the Midwest, South Central, and North Central decreased modestly. However, it should be noted that much of Allegiant's service was to regions that were underserved by traditional mainline carriers. For example, nonstop service existed on Allegiant to North Central states including Iowa and the Dakotas, states which were not served nonstop from any Florida airport by mainline carriers.
- In addition to scheduled service, this airport accommodates a notable amount of both domestic and international charter service that is not captured in this analysis.
- Scheduled service varied during the seasons for this airport in 2008. There was a greater degree of service change in the spring months as there were wide fluctuations in service frequency and departing seats. Flights and weekly departing seats to the Northeast region reached its peak during the spring months, while flights to the Southeast region reach its peak during the summer months.

Table 19: Orlando-Sanford International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	32%	13%	12%	12%
Midwest	41%	39%	39%	34%
Southeast (excl. FL)	10%	17%	15%	18%
Florida Only	0%	0%	0%	0%
Southwest	0%	0%	0%	0%
South Central	1%	2%	5%	4%
Mid South	2%	20%	19%	24%
North Central	14%	9%	10%	7%
Northwest	0%	0%	0%	0%

Table 20: Orlando-Sanford International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	11%	16%	14%	11%	17%	14%
Midwest	32%	31%	29%	32%	31%	29%
Southeast	17%	15%	20%	17%	15%	20%
Florida Only	0%	0%	0%	0%	0%	0%
Southwest	0%	0%	0%	0%	0%	0%
South Central	3%	2%	4%	3%	2%	4%
Mid South	26%	24%	26%	26%	24%	26%
North Central	10%	11%	7%	10%	11%	7%
Northwest	0%	0%	0%	0%	0%	0%

West Central Florida Region

Tampa International Airport

Tampa International has experienced fluctuations in its enplanement levels since the summer of 2000. While the airport added to its enplanements between 1999 and 2000, increasing from 6.52 million enplanements to about 6.96 million; its 2002 total enplaned domestic passengers decreased to about 6.69 million. However, by the end of 2004, enplanements at Tampa International topped 7.47 million, and increased to 8.08 million in 2006. In the year 2007, enplanements increased to 9.35 million, which represents about a 43 percent increase from 1999. While enplanements increased, weekly domestic departures from the airport have fallen slightly overall. Airlines at Tampa offered 1,975 weekly flights in 2000 and 1,987 flights in 2001, before falling to 1,681 flights by the summer of 2003. This figure recovered in part by the summer of 2005 when weekly departures numbered 1,936, but fell again in the summer of 2007 to 1,843 and even further in 2008 to 1,775. The recent decline in weekly flights came largely from a decrease in operations from several airlines to destinations, including Baltimore and Miami.

- In the summer of 2001, this market had 1,987 weekly scheduled departures to locations throughout the U.S., slightly higher than offerings during the summer of 2000. By the summer of 2003, weekly scheduled domestic departures from Tampa International had fallen to 1,681. By July 2005, however, this figure had rebounded to 1,936 before sliding to 1,843 in the summer of 2007, and even further to 1,775 in 2008.
- In the summer of 2001, over seven percent more weekly scheduled departing seats were offered at this airport compared to one year earlier. In the summer of 2001, Tampa International had 219,291 scheduled departing weekly domestic airline seats. By the summer of 2003, this number had fallen to 201,413. Airlines serving Tampa had increased offerings by July 2005 to nearly 229,000 weekly departing seats. This figure fell slightly to 226,000 in July 2007. In 2008, due to the decrease in nonstop service offerings to several cities on jet aircraft, weekly departing seats fell to 220,103.
- In 2000, 37 percent of the Tampa International's departures were provided to in-state destinations. This ratio dropped slightly to 36 percent in 2001. In the summer of 2003, 27 percent of all of Tampa's scheduled weekly departures were to other markets in Florida. This decline continued in 2005 and 2007, when 24 percent of all of Tampa's

departing aircraft were bound for Florida destinations. In 2008, nonstop routes to Miami and West Palm Beach were decreased, and eliminated completely to Sarasota and Gainesville resulting in a decrease to Florida destinations of 22 percent.

- In the summer of 2001, over 93 percent of the weekly seats that departed this market each week were on jet aircraft, up from 92 percent in the summer of 2000. By the summer of 2003, almost 95 percent of all weekly departing domestic seats were on jet aircraft. This figure once again stood at 93 percent in 2005 and rose again in 2007 to 96 percent. By 2008, weekly departing seats on jet aircraft rose to an all-time high to over 98 percent.
- In the summer of 2001, this market had one daily scheduled flight on a regional jet. There were no regional jets serving the market in the summer of 2000. By the summer of 2003, almost three percent of all scheduled departing domestic seats were on regional jet aircraft; by 2005, regional jet aircraft comprised nearly five percent of departing domestic seats. This figure fell to two percent in 2007. In 2008, this number increased to nearly three percent due to an increase in service offerings on regional jet aircraft.
- In the summer of 2001, seven percent of the scheduled weekly seats were on turboprop aircraft, down slightly from 2000; these flights served other destinations in Florida. For 2007 and 2008, seats on turboprop aircraft accounted for only two percent of all departing seats on a weekly basis.
- The average size of aircraft at Tampa International has increased steadily since July 2000, beginning at an average of about 104 seats that year and ending in July 2008 at about 124 seats per flight.
- Nonstop domestic service is fairly well matched to some originating passenger demand and could be better matched in other instances. Since the last update of this report, the airport's combined percentage of departures to both cities in Florida and the Midwest decreased. Since the last update of the report, the total percentage of flights departing to the Southwest was the only region where there was a reported increase, in all other regions the percentage of departures held steady.
- Scheduled service varied during the seasons for this airport in 2008. Within Florida, the Winter and Spring months offered higher percentage of flights and weekly departures compared to the Summer months.

Table 21: Tampa International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	38%	38%	29%	29%
Midwest	21%	21%	16%	15%
Southeast (excl. FL)	9%	9%	13%	13%
Florida Only	6%	4%	24%	22%
Southwest	9%	9%	3%	4%
South Central	8%	9%	10%	10%
Mid South	5%	5%	5%	5%
North Central	3%	3%	1%	1%
Northwest	2%	2%	0%	0%

Table 22: Tampa International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	26%	27%	28%	30%	31%	30%
Midwest	16%	16%	14%	17%	18%	15%
Southeast	13%	12%	14%	17%	16%	17%
Florida Only	25%	25%	21%	12%	12%	13%
Southwest	3%	3%	4%	4%	4%	5%
South Central	10%	9%	11%	12%	11%	12%
Mid South	5%	5%	6%	6%	6%	6%
North Central	1%	2%	1%	2%	2%	1%
Northwest	0%	0%	0%	0%	0%	0%

Sarasota-Bradenton International Airport

In the period since the end of 2000, Sarasota-Bradenton experienced a significant decrease in enplanements followed by a remarkable recovery. While the airport's enplanements stayed constant between 1999 and 2000 at slightly more than 680,000, its level of enplanements dropped to 535,000 in 2002, and rose only to 537,000 in 2004. By the end of 2006, however, passenger totals reached 674,100, nearly erasing declines seen in earlier study years. In 2007, passengers increased to approximately 775,000. During the 2000-2005 period, the number of weekly departures from the airport fell from 171 in July 2000 to 109 in August 2001, before recovering somewhat to 121 departures per week in July 2003. In July 2005, the airport had nearly regained all the weekly departures it had lost since 2000, reporting 167 weekly flights. The airport reported a loss in 2007, to 149, and decreased further still in 2008 to 141 weekly departures. The airport currently hosts two low-fare carriers, AirTran, which operates flights to Atlanta, Baltimore, and Chicago-Midway and JetBlue, with flights to JFK.

- In the summer of 2001, this market had 109 scheduled departures each week, 36 percent fewer flights than in the 171 offered in the summer of 2000. By mid-2003, scheduled weekly departures from the airport had climbed back to 121. July of 2005 saw further recovery with 167 weekly departures, but the airport lost ground in 2007 and 2008 as it had 149 and 141 weekly departures, respectively.
- Sarasota lost scheduled service to Miami and Orlando between 2000 and 2001, and as of the summer of 2001, 19 of the market's weekly departures were intrastate flights to just one other Florida airport, Ft. Lauderdale. In the summer of 2003, the airport had 26 scheduled departures to two in-state airports, Fort Lauderdale and Tampa, a figure that remained the same through July 2005. In July 2007, in-state service was reduced to 14 weekly flights to just Tampa. By July 2008, service to Tampa was cut and replaced with service to Miami with only seven weekly flights.
- In the summer of 2001, 93 percent of the scheduled weekly seats that left this market were on jet aircraft, up from 83 percent in the summer of 2000. By the summer of 2003, the airport's percentage of departing jet seats had fallen to about 82 percent, and by 2005, to 79 percent. This figure stood at 75 percent in 2007. By 2008, departing seats on jet aircraft dropped to 69 percent, despite an increase in regional jet aircraft service and a reduction in jet aircraft.

- In the summer of 2001, seats on regional jets accounted for approximately five percent of the total that departed the market each week and turboprop seats made up another two percent. By the summer of 2003, these figures were 15 percent for regional jet seats and two percent for turboprop seats. By the summer of 2005, 20 percent of Sarasota's departing seats were on-board regional jets, and slightly more than one percent was on turboprops. In July 2007, regional jets comprised 24 percent of all departing seats, with turboprops accounting for less than one percent. By July 2008, departing seats on regional jets and turboprops increased to 27 percent and 4 percent, respectively.
- Nonstop scheduled domestic departures could be much better matched to the market's originating passenger demand. Approximately 72 percent of all passengers who originated at this airport had a destination in the Northeast or Midwest in 2007, yet only 26 percent of all departing flights from the airport traveled to these regions in July 2008. Sarasota's nonstop service to the Southeast, including Florida, made up nearly 64 percent of all departing flights, however, only 13 percent of the airport's travelers were destined for that region.
- Scheduled service varied during the 2008 seasons for destinations to the Midwest and Northeast, with a dramatic decrease in flight frequency during the summer months. However, for the Southeast and South Central regions, departing flights and seats increased significantly during the summer months.

Table 23: Sarasota-Bradenton International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	34%	39%	19%	16%
Midwest	35%	33%	10%	10%
Southeast (excl. FL)	15%	13%	57%	59%
Florida Only	0%	0%	9%	5%
Southwest	5%	5%	0%	0%
South Central	4%	3%	5%	10%
Mid South	3%	2%	0%	0%
North Central	2%	2%	0%	0%
Northwest	1%	1%	0%	0%

Table 24: Sarasota-Bradenton International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	17%	18%	15%	20%	22%	17%
Midwest	25%	26%	10%	26%	25%	9%
Southeast	43%	43%	60%	48%	48%	65%
Florida Only	12%	10%	5%	4%	4%	4%
Southwest	0%	0%	0%	0%	0%	0%
South Central	3%	3%	10%	2%	2%	5%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

St. Petersburg-Clearwater International Airport

In both the summer of 2000 and 2001, the airlines serving St. Petersburg had about three departures per day to two domestic destinations. In July 2003, ATA offered about five departures per day to five U.S. destinations, including three West Coast destinations; Las Vegas, Los Angeles, and San Francisco. As a result, the airport was able to increase its enplanement level between 1999 and 2004 by about 28,000 passengers per year, from 185,500 to about 223,500. In early 2005, ATA declared bankruptcy and was acquired by Southwest Airlines; this airline subsequently ceased service to St. Petersburg. This action left Pan Am and USA 3000 as the airport's remaining carriers, offering 30 weekly flights to 10 destinations. In July 2007, the airport was served by Allegiant and USA3000 to 21 cities, and enplanements for 2006 stood at 172,900. By July 2008, the airport still served 21 destinations, though weekly flights dropped as service decreased largely to cities in the Northeast region. However, in 2007, enplanements increased significantly to approximately 381,700, a 121 percent increase from the year 2006.

- In the summer of 2001, this market had 20 weekly scheduled departures on one carrier, ATA. This was nearly the same level of service provided at this airport one year earlier. By the summer of 2003, the airport reported 52 scheduled weekly departures, all provided by ATA. In the summer of 2005, the airport's service was provided by Pan Am and USA 3000, with 30 weekly nonstop departures. In July 2007, Allegiant and USA3000 offered 66 weekly flights, which was reduced slightly to 61 weekly flights by 2008.
- In the summer of 2001, the airport reported 3,460 scheduled weekly seats. By the summer of 2003, this number had increased to 10,191. As of July 2005, this figure stood at 4,956. A brief rebound occurred in July 2007, when departing seats increased to 10,400 seats per week, but fell again by 2008 to 8,478 weekly seats.
- In the summer of 2000 and the summer of 2001, the destinations for all of St. Petersburg's scheduled flights were to cities in the Midwest; service was well-matched to the demands of the market's originating domestic passengers. In the summer of 2003, service included flights to Chicago, Indianapolis, Los Angeles, San Francisco, and Las Vegas. In the summer of 2005, service was limited to destinations in the Northeast, Midwest, and Florida. Some diversification of destinations offered occurred in July 2007 and continued through July 2008, as airlines flew to destinations in five different U.S. geographic regions.
- The market had no scheduled in-state in 2000, 2001, or 2003. Service was provided to Orlando-Sanford four times a week in July 2005, but this service was terminated by July 2007. As of July 2008, there is still no in-state service offered.
- All of the scheduled seats that leave this market each week continue to be on large jets.
- Service offerings indicated changes in service during the summer months of 2008 to the Midwest, Southeast, Midsouth, and North Central regions. Due to the increased destinations that the airport provided service to between the spring and summer months of 2008, this airport did not show a great variability in service between the seasons all considered.

Table 25: St. Petersburg-Clearwater International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations 2006	Domestic Passenger Orginations 2007	Scheduled Domestic Departures 2007	Scheduled Domestic Departures 2008
Northeast	35%	23%	21%	15%
Midwest	61%	50%	53%	54%
Southeast (excl. FL)	9%	10%	12%	15%
Florida Only	0%	0%	0%	0%
Southwest	0%	0%	0%	0%
South Central	0%	0%	0%	0%
Mid South	2%	11%	11%	13%
North Central	2%	6%	3%	3%
Northwest	0%	0%	0%	0%

Table 26: St. Petersburg-Clearwater International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency Winter	Flight Frequency Spring	Flight Frequency Summer	Departing Seats Winter	Departing Seats Spring	Departing Seats Summer
Northeast	18%	17%	15%	18%	17%	16%
Midwest	44%	44%	49%	44%	45%	49%
Southeast	15%	15%	17%	14%	14%	16%
Florida Only	0%	0%	0%	0%	0%	0%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	11%	11%	16%	11%	11%	15%
North Central	13%	12%	3%	13%	13%	3%
Northwest	0%	0%	0%	0%	0%	0%

Northeast Region

Jacksonville International Airport

After experiencing growth in its level of enplanements for much of the 1990s, Jacksonville International saw its domestic traffic fall about 14 percent between 2001 and 2003, from 2.44 million enplanements to about 2.25 million. By the end of 2004, passenger traffic had nearly reached 2001 levels, increasing to 2.42 million annual enplanements. Data for 2006 shows considerable recovery in passenger traffic, to 2.77 million. Enplanements grew further to 3.27 million in 2007. Similar to passenger counts, the airport's level of weekly departures increased throughout the 1990s until 2001, after which they fell by 50 flights per week, from 735 in 2001, and to 685 in July 2003. This declining trend was reversed in 2005 when the airport reported 769 weekly departures, and in 2007 when the airport reported 841 weekly flights. By 2008, the airport had experienced a rather sharp decline as only 756 weekly flights were offered. The average number of seats per flight changed little between July 2000 and July 2003, falling slightly from 105 seats to 103 seats. This figure fell to 98 seats per flight in the summer of 2005 as Jacksonville's airlines shifted to smaller regional jet aircraft, but rose to 101 in 2007, and again in 2008 to 106 weekly seats. Nonstop service existed to 33 U.S. cities in 2007 and 2008, up from 26 in 2005.

- In the summer of 2001, this airport had nonstop scheduled flights to 28 different domestic locations, up from 27 nonstop destinations one year earlier. In the summer of 2003, the number of nonstop domestic markets served decreased to 24, before rebounding to 26 in 2005 and to 33 in 2007. This figure was held constant in 2008.
- Both nonstop weekly departures and departing seats increased slightly between the summers of 2000 and 2001. By the summer of 2003, weekly departures had fallen from 735 to 685, and weekly departing seats had dropped from 77,400 to 70,600. These trends reversed by 2005, with departures reaching 769 and seats increasing to 75,324. Further growth occurred by 2007 as the airport recorded its highest levels of weekly scheduled departures (841) and departing seats (85,100). However, by 2008, the level of service had fallen to 756 weekly scheduled departures and 80,236 weekly departing seats.
- In the summer of 2001, there were 191 weekly departures to six different cities in Florida from this airport. This represented an increase of five weekly departures to one additional Florida destination from one year earlier. By 2003, weekly departures to other cities in Florida declined to 109, and the number of Florida cities served fell from six to three. In the summer of 2005, in-state departures had increased slightly, to 119 weekly departures to three cities. These figures remained fairly steady in 2007, at 117 departures to three Florida cities. By 2008, in-state service was still provided to three cities, however, weekly departures dropped slightly to 108.
- In both 2000 and 2001, 87 percent of all seats that were scheduled from this market each week were on jet aircraft. By 2005, this percent had fallen to 76 percent, where it stayed through 2007. In 2008, weekly departing seats on jet aircraft had increased to 79 percent, which reflected a decrease in the use of regional jet aircraft serving the airport.
- In 2001, seven percent of scheduled seats each week were on regional jet aircraft. In the summer of 2007, 22 percent of the airport's departing weekly seats was on regional jet aircraft. By July 2008, 18 percent of the airport's departing weekly seats were on regional jet aircraft representing a loss of 79 weekly flights from the previous year.
- In 2001, six percent of scheduled weekly seats departing Jacksonville were on turboprop aircraft. In 2007, this measure had fallen to just two percent of all weekly departing seats, however, it increased slightly to nearly three percent by the summer of 2008.
- With the exception of flights to destinations in the Southwest region, scheduled nonstop domestic departures from this market were generally well-matched to demand from the market's originating domestic passengers.
- There was not a great degree of service change relevant to flight frequency between the 2008 seasons for this airport. There were some changes in departing seats in the summer months for destinations to the Northeast. This is due to the larger jet aircraft that is being utilized on routes to this region.

Table 27: Jacksonville International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	32%	34%	26%	26%
Midwest	16%	15%	15%	13%
Southeast (excl. FL)	11%	11%	24%	24%
Florida Only	8%	7%	14%	14%
Southwest	11%	12%	1%	1%
South Central	10%	10%	12%	11%
Mid South	7%	6%	8%	9%
North Central	2%	2%	1%	1%
Northwest	2%	2%	0%	0%

Table 28: Jacksonville International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	23%	24%	24%	19%	21%	23%
Midwest	12%	13%	12%	10%	11%	9%
Southeast	27%	26%	26%	36%	34%	34%
Florida Only	16%	15%	14%	14%	13%	13%
Southwest	0%	0%	1%	0%	0%	1%
South Central	12%	12%	12%	11%	11%	11%
Mid South	9%	9%	10%	8%	8%	9%
North Central	1%	1%	1%	1%	1%	1%
Northwest	0%	0%	0%	0%	0%	0%

Gainesville Regional Airport

Gainesville Regional's enplanement levels have steadily declined since 1999. In 1999, the airport served 142,500 enplanements. A year later in 2000, about 131,300 passengers originated flights at the airport, and in 2002 that number fell to 124,000. In 2004, the airport accommodated 123,100 enplanements. Some recovery occurred by 2006, when the airport served 138,000 enplaning passengers. Passengers continued to increase to 142,500 in 2007. The airport's number of weekly departures declined through 2003. Airlines at Gainesville Regional offered 93 weekly departures to three destinations in July 2000. A year later, Gulfstream Airlines pulled out of the market, leaving just two destinations served with a total of 77 flights per week. In July 2003, this number had fallen again slightly to 74 departures. In July 2005, the airport had regained service from Continental (Gulfstream) and had secured new service on Northwest. Weekly departures totaled 111 in the summer of 2005. In the summer of 2007, Northwest had left the market, and weekly departures totaled 86. By 2008, the airport only had service to two destinations by two carriers, with Delta to Atlanta and United to Charlotte. In-state service was canceled to Miami and Tampa, and as a result weekly departures dropped to 66. Average seats per flight increased slightly, from 45 in 2000 to 50 in 2008, as a result of only regional jet aircraft used since turboprop aircraft being used to service the in-state destinations.

- Previously, in the summer of 2000, Gulfstream provided nonstop service to Tampa, but this service was discontinued later that same year. The market had no scheduled in-state service in the summer of 2001. As reported in the previous update of this document in 2003, Gainesville had scheduled nonstop service to two connecting hubs in Atlanta and Charlotte, and no in-state service. As of July 2005, the market had gained service to a third hub in Memphis on Northwest, and in-state service was available on Gulfstream to Miami and Tampa. In July 2007, service to Memphis ceased, but the airport continued to have hub service to Atlanta and Charlotte and in-state service to Miami and Tampa. By 2008, in-state service was canceled.

- In the summer of 2001, the market had 77 scheduled weekly departures, down 17 percent from the summer of 2000. By the summer of 2003, scheduled weekly departures had declined further to 74, but increased to 111 weekly departures by July 2005. This level was reduced with the withdrawal of Northwest service, and in July 2007 the airport had 86 scheduled departures per week. By 2008, due to the loss of in-state service, weekly departures dropped to 66.
- Scheduled weekly seats departing the market did not change substantially between the summer of 2001 and 2003. In 2001, there were 3,913 departing weekly seats and there were 3,848 in 2003. New service increased this figure to 5,260. By the summer of 2005, this level fell to 4,445 by July 2007, and was further reduced to a low of 3,300 weekly departing seats in 2008.
- In both the summer of 2000 and 2001, over 55 percent of the weekly scheduled seats that departed this market were on turboprop aircraft. By the summer of 2003, this percentage had increased to almost 82 percent, but fell to 34 percent in 2005. In 2007, nearly 70 percent of departing seats were on turboprop aircraft. By 2008, only regional jet aircraft were used in this market.
- Over 45 percent of this market's originating domestic passengers were bound for destinations in the Northeast or Midwest in 2001. In 2007, this percentage increased further to 47 percent, supporting the constant trend since 2001. Scheduled nonstop flights were not available to any locations in these two geographic regions. All of the market's scheduled weekly seats departed to cities in the Southeast.
- Scheduled service varied between the 2008 seasons for destinations to the Southeast and cities in Florida for the airport. However, the seasonal changes are due to the reduction and eventual elimination of in-state service at this airport. By the summer of 2008, only the Southeast region was serviced by this airport.

Table 29: Gainesville Regional Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	23%	29%	0%	0%
Midwest	19%	18%	0%	0%
Southeast (excl. FL)	16%	17%	80%	100%
Florida Only	6%	0%	20%	0%
Southwest	13%	13%	0%	0%
South Central	8%	8%	0%	0%
Mid South	10%	9%	0%	0%
North Central	3%	2%	0%	0%
Northwest	2%	3%	0%	0%

Table 30: Gainesville Regional Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	0%	0%	0%	0%	0%	0%
Midwest	0%	0%	0%	0%	0%	0%
Southeast	74%	80%	100%	90%	92%	100%
Florida Only	26%	20%	0%	10%	8%	0%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

St. Augustine Airport

Beginning July 18, 2007, St. Augustine Airport was served by Skybus Airlines, a new ultra-low-fare carrier headquartered in Columbus, Ohio. Service as of December 2007 included once-daily flights to Columbus and to Portsmouth, NH on Airbus A319 aircraft. Skybus Airlines closed on April 5, 2008 due to the slowing economy and rising fuel costs.

Southwest Florida Region

Southwest Florida International Airport

Southwest Florida International succeeded in adding to its enplanement totals over the period from 1999 to 2006. In 1999, the airport served 2.16 million passengers, a number that grew to 2.36 million in 2000, 2.38 million in 2002, and 3.39 million in 2004. In 2006, enplanement levels increased to 3.55 million, and continued to go up to 3.90 million in 2007. The average number of seats per flight increased accordingly, from 109 in 2000 to 119 in 2008. The airport is served by several major low-cost carriers including Southwest, JetBlue, Air Tran, and Spirit; these airlines account for 38 percent of the airport's weekly departing flights.

- In the summer of 2001, nonstop domestic service was available to 24 locations; the market had 443 weekly scheduled departures. This was up from 421 weekly nonstop flights to 22 destinations offered in the summer of 2000. By the summer of 2005, 29 domestic markets had nonstop service, and scheduled weekly departures had risen to 562. These metrics fell slightly in 2007, to 28 destinations and 546 weekly flights. By 2008, there was a slight increase in destinations to 29, however, weekly departures decreased to 537 as service to smaller cities were decreased.

- In the summer of 2001, 94 percent of all weekly scheduled seats departing this market were on jet aircraft, up from 91 percent one year earlier. This percentage increased to 95 by the summer of 2005, and fell slightly to 94 percent in 2007. This percentage fell even further to 92 percent as jet aircraft service was cut on service routes.
- In the summer of 2001, six percent of the market's weekly scheduled seats were on turboprop aircraft (compared to nine percent one year earlier); these aircraft flew primarily to other Florida cities. This figure declined to less than three percent in 2005, but increased to 11 percent in 2007. By 2008, this figure rapidly declined to just three percent; increased regional jet departures account for this growth.
- In 2001, service was available to four cities in Florida; the market had 98 scheduled weekly departures to Florida destinations, 25 percent fewer in-state flights than the summer of 2000. In 2003, the airport had 75 scheduled weekly departures to four other Florida destinations. In 2005, just 55 weekly departures were available to three Florida cities, but in-state service increased in 2007 to 89 weekly flights to four cities. By 2008, in-state service was consistent with the same four Florida cities, and weekly flights had increased to 104.
- The market's scheduled domestic departures were somewhat matched to the top demands of the market's domestic originating passengers. Passenger demand to cities in the Northeast or Midwest remained constant, attributing to 76 percent of passenger destinations in both 2006 and 2007. Departures to the Northeast and Midwest U.S. regions also remained constant at a level of 50 to 55 percent of the total departures. Departures to other Florida cities increased by 3 percent between 2007 and 2008. The market has seen increased departures to destinations in the Northeast region of the U.S., primarily to Boston, Westchester, and New York-LaGuardia, with a decrease in service to the Midwest.
- Scheduled service varied for this airport between seasons in 2008. There was a greater degree of service change for the spring months. During this spring months, there was a higher percentage of flights and departing seats to destinations in the Northeast. During the summer months, there was a significant increase in service to the Southeast region, as well as within Florida.

Table 31: Southwest Florida International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	42%	41%	28%	31%
Midwest	34%	35%	27%	22%
Southeast (excl. FL)	6%	5%	19%	19%
Florida Only	1%	1%	16%	19%
Southwest	5%	5%	0%	0%
South Central	4%	5%	8%	7%
Mid South	2%	2%	0%	0%
North Central	6%	5%	2%	1%
Northwest	1%	1%	0%	0%

Table 32: Southwest Florida International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	30%	34%	29%	32%	36%	32%
Midwest	31%	29%	22%	31%	29%	25%
Southeast	16%	15%	21%	18%	18%	24%
Florida Only	12%	12%	21%	6%	5%	10%
Southwest	0%	0%	0%	0%	0%	0%
South Central	7%	6%	7%	7%	6%	7%
Mid South	0%	0%	0%	0%	0%	0%
North Central	4%	4%	1%	5%	6%	1%
Northwest	0%	0%	0%	0%	0%	0%

Naples Municipal Airport

Naples Municipal enjoyed commercial airline service for many years, and the airport was even the seasonal home base to PBA airlines. Demographically, the airport serves a growing area of Florida where per capita personal income exceeds the State average. US Airways Express pulled out of the Naples market in June 2003, leaving the airport with no commercial air service. In 2001, the airport had 55 weekly flights to three Florida destinations and served about 48,200 enplanements. The airport's enplanement total fell to about 11,700 in 2002. In 2007, enplanements totaled 13,400, indicating a decrease from the year 2006 of 23,500 enplanements. By 2008, Naples only serviced two destinations, both in-state; Key West and Fort Lauderdale.

- As of July 2005, Delta's regional partner Atlantic Southeast Airlines (ASA) offered three daily departures to Atlanta; this number fell to two in the summer of 2007. This service was terminated in October 2007. The airport's remaining carrier, Yellow Air Taxi, offered 15 weekly flights to Key West on nine-passenger Cessna aircraft. By 2008, Yellow Air Taxi offered another nonstop route to Fort Lauderdale.
- In the summer of 2001, this market had 55 scheduled weekly departures, down from 73 weekly flights one year earlier. In 2005, this figure was 21 weekly departures, but increased to 29 in 2007 before most service was canceled. By 2008, service had slightly increased to 30 weekly departures as the airport served only in-state locations.

- In 2000 and 2001, all scheduled seats that left this market each week were on turboprop aircraft. In 2005, all seats were offered on regional jet aircraft. In 2007, 85 percent of seats were offered on RJs, with the remainder on small Cessna propeller aircraft. By the fall of 2007, all service on regional jets had been terminated.
- In 2005, this market had no scheduled service within Florida. In the summer of 2001, scheduled weekly service was available to 3 different cities in Florida. Nonstop service to Miami was discontinued between the summer of 2000 and 2001 when American Eagle ceased flights to and from Naples. In 2007, Yellow Air Taxi offered service to Key West, and by 2008, had added service to Fort Lauderdale.
- In 2004, 44 percent of originating domestic passengers in this market were bound for destinations in the Northeast or Midwest; 35 percent of the passengers were destined for cities in the Southeast or Florida. By 2007, 42 percent were destined for the Northeast and Midwest, with 29 percent to the Southeast and Florida.
- There was no service change for this airport between seasons in 2008.

Table 33: Naples Municipal Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	17%	16%	0%	0%
Midwest	23%	26%	0%	0%
Southeast (excl. FL)	26%	27%	48%	0%
Florida Only	8%	2%	52%	100%
Southwest	9%	8%	0%	0%
South Central	4%	5%	0%	0%
Mid South	11%	11%	0%	0%
North Central	2%	2%	0%	0%
Northwest	1%	2%	0%	0%

Table 34: Naples Municipal Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	0%	0%	0%	0%	0%	0%
Midwest	0%	0%	0%	0%	0%	0%
Southeast	0%	0%	0%	0%	0%	0%
Florida Only	100%	100%	100%	100%	100%	100%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	0%	0%	0%	0%	0%	0%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

Charlotte County Airport

On December 5, 2007, Charlotte County Airport in Punta Gorda was served by Skybus Airlines, a new ultra-low-fare carrier headquartered in Columbus, Ohio. Service as of December 2007 included twice-daily flights to Columbus on Airbus A319 aircraft. Skybus Airlines closed on April 5, 2008 due to the slowing economy and rising fuel costs. Dayjet Airline also served Punta Gorda beginning in 2007 until 2008, when the company closed on September 19, 2008 due to a lack of monetary capital. DirectAir began servicing the airport on November 22, 2008.

Northwest Florida Region

Pensacola Gulf Coast Regional Airport

Pensacola Gulf Coast Regional has seen a significant increase in its enplanement levels since 2001. In 2000, the airport served about 488,700 enplanements, a number that fell slightly in 2001 to 470,700. By 2005, the airport's enplanements had increased over 57 percent to over 741,300. Further increases in demand were seen in 2006, when 749,000 originating passengers began a trip at the airport. Passengers continuously grew to 833,400 in 2007. The airport's weekly departures have increased to match increased passenger demand, from 237 weekly outbound flights in 2001 to 307 in July 2008. The average number of seats per flight at the airport has fluctuated since 2000, moving from 76 that year to 84 in 2001, before declining to 77 in 2003 and further declining to 69 in 2005. This figure recovered to 71 seats in 2007 and increased slightly to 72 seats in 2008. The decrease in 2003 and 2007 came as a result of the airlines' changing fleet mix, which at Pensacola changed from small turboprops to large jets and now to the more efficient regional jet aircraft. Overall, there was very little change in service from 2007 to 2008.

- In July 2000, Pensacola had 265 weekly scheduled departures to 10 different destinations. By the next summer, these service measures had declined to 237 weekly flights to nine destinations. In July 2003, scheduled weekly departures had increased to 259, but nonstop service had fallen to seven destinations. Recovery was seen in these figures by the summer of 2005, when the airport reported 343 weekly nonstop departures to 12 destinations. Moderate declines followed in 2007 and 2008, when the airport was served by 313 and 307 flights, respectively, to nine destinations.
- In the summer of 2001, the market had 19,947 scheduled weekly domestic seats; in the summer of 2003 this number remained basically unchanged at 19,959. By 2005, however, this figure increased to 23,500. Moderate decreases came by July 2007, when airlines offered 22,100 departing seats per week. In 2008, there was little change in departing seats at 22,104.
- In the summer of 2001, the market had 71 weekly flights to three cities in Florida, 13 fewer weekly in-state flights than one year earlier. By the summer of 2003, weekly departures to other Florida cities had fallen to 64 and only two other cities in Florida remained reachable by nonstop scheduled airline service. However, new service to Fort Lauderdale raised Pensacola's weekly in-state departure count to 81 flights in 2005. In 2007 and 2008, in-state service consisted of 69 weekly flights to three other Florida cities.
- In the summer of 2001, 91 percent of the seats leaving this market each week are on jet or regional jet aircraft, up from 80 percent in the summer of 2000. In the summer of 2003, 94 percent of all departing seats each week were on jets or regional jets, and by July

2005, that figure had increased further to 99 percent. Increased turboprop service, primarily on in-state routes, drove the share of jets and regional jets to 92 percent in 2007. Reduced service to in-state cities led to a decrease in departing seats on regional jet aircraft. However, due to increased service on large jet aircraft, the total share of departing weekly seats increased to 98 percent in 2008.

- In the summer of 2001, nine percent of weekly seats departing this airport were turboprop aircraft, down sharply from 20 percent one year earlier. In the summer of 2003, this percentage had decreased to six percent, and by July 2005, to slightly more than one percent. This percentage increased to eight percent in 2007. By July 2008, weekly departing seats on turbocraft aircraft had sharply declined to two percent; this is mainly due to the increase in service on large jet aircraft.
- The market's scheduled nonstop service could be much better matched to originating passenger demand. Approximately 44 percent of the market's originating passengers had destinations in the Northeast or Midwest, yet only 2 percent of the airport's departing flights were bound nonstop for cities in these regions. The market has experienced an increase in the percentage of its departures bound for destinations in the Southeast states. Departures to cities in the Midwest have declined.
- There was not a high degree of service change for this airport over the winter, spring, and summer months of 2008. There was a slight change in the summer months, with a slight increase in flight frequency for destinations to the Southeast and South Central.

Table 35: Pensacola Gulf Coast Regional Airport- July 2008 Update

U.S. Destination	Domestic Passenger Orginations		Scheduled Domestic Departures	
Region	2006	2007	2007	2008
Northeast	23%	25%	0%	0%
Midwest	16%	19%	4%	2%
Southeast (excl. FL)	15%	18%	40%	41%
Florida Only	13%	5%	22%	22%
Southwest	12%	14%	0%	0%
South Central	12%	11%	27%	27%
Mid South	3%	2%	7%	7%
North Central	3%	3%	0%	0%
Northwest	3%	3%	0%	0%

Table 36: Pensacola Gulf Coast Regional Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	0%	0%	0%	0%	0%	0%
Midwest	5%	2%	2%	3%	1%	1%
Southeast	38%	38%	41%	61%	62%	64%
Florida Only	24%	26%	21%	14%	14%	11%
Southwest	0%	0%	0%	0%	0%	0%
South Central	25%	26%	28%	17%	18%	18%
Mid South	7%	7%	7%	5%	5%	5%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

Tallahassee Regional Airport

Tallahassee Regional was one of the few airports that experienced an increase in its level of domestic enplanements between 1999 and 2004. The airport served about 418,000 enplaning passengers in 1999, and by 2004, it served 580,500 enplaning passengers. This was an increase of approximately 39 percent over the four years. Originating passenger counts fell to 445,100 in 2006, as a result of the loss of low-fare service on Air Tran at Tallahassee and growth in low-fare service in Pensacola. A recovery was seen in 2007, when passengers slightly increased to 465,400. Between 2000 and 2005, the airport's number of weekly departures fell, from 335 in July 2000 to 264 in July 2003, before partially rebounding in 2005 to 305. Further declines occurred in 2007 and 2008, when airlines offered 250 and 236 weekly departures, respectively. The average number of seats per flight in 2000 was 46, with eight of the airport's nine nonstop destinations served by turboprop aircraft. In July 2003, the number of seats per flight increased to 65, with nine of the airport's 10 nonstop destinations served by regional jets. The airport's average departing seats-per-flight count fell somewhat by 2007, to 49, as carriers increasingly deployed smaller regional jets on Tallahassee routes. However, by 2008, the average weekly departing seats was increased to 53 as there were slight decreases in service on turboprop and regional jet aircraft. In this period, all nine of Tallahassee's nonstop destinations were served by regional jets, with supplemental large-jet Delta service to Atlanta and turboprop service by Continental to Tampa.

- In the summer of 2001, Tallahassee had 340 scheduled weekly departures to destinations in the U.S., about the same level as in the summer of 2000. In the summer of 2003, this number of weekly departures had fallen to 264. Weekly departures recovered in 2005 to 305, but dropped considerably to 250 in 2007 and even further to 236 in 2008. At the same time, scheduled weekly seats also decreased, from 15,040 in 2001 to 12,243 in 2007 with a slight rebound in 2008 to 12,390. This partial rebound is due to the decrease in service on turboprop and regional jet aircraft during this period.
- In 2000, 74 percent of weekly departures from Tallahassee were to other cities in Florida, but by 2001, in-state service made up 65 percent of the airport's total departures. Tallahassee had nonstop scheduled service to seven Florida cities in 2001. By the summer of 2003, departures to other cities in Florida accounted for only 45 percent of all weekly departures, and service was provided to a total of five other Florida markets; Miami, Fort Lauderdale, West Palm Beach, Tampa, and Orlando. Modest recovery in in-

state service occurred by 2007, when 50.4 percent of the airport's departures were to the same five Florida cities. This trend remained in 2008 when in-state departures increased to nearly 52 percent to the same Florida cities.

- In the summer of 2001, almost 49 percent of this market's scheduled weekly seats were on turboprop aircraft. By the summer of 2003, the market saw a dramatic decline in the percentage of its service provided on turboprop aircraft. Total departing seats on turboprop aircraft from Tallahassee decreased to four percent of the airport's total seats. In 2005, this figure stood at less than three percent, but increased once again to 11.5 percent in 2007. By 2008, the percentage of weekly departing seats on turboprop aircraft dropped to 7 percent. This decrease in departing seats is due mainly to the increase in jet aircraft offerings to Atlanta.
- In the summer of 2001, 26 percent of the departing seats each week were on regional jets, compared to just six percent in the summer of 2000. By the summer of 2008, 79 percent of all departing seats were on regional jets.
- In the summer of 2001, 25 percent of scheduled departing seats each week were on jets, down from 36 percent one year earlier. In 2008, 14 percent were on large jets, an increase from nine percent in 2007.
- Beyond locations in Florida, the market's scheduled departures in 2001 were to four domestic connecting hub airports: Atlanta, Memphis, Charlotte, and Cincinnati. This was up from service to two connecting hub airports in 2000. In addition to adding low fare carrier service to Atlanta in 2003, Tallahassee also secured nonstop service to Dallas. This Dallas service was later dropped along with low-fare service to Atlanta, and hub service in July 2005 consisted of Atlanta, Charlotte, Cincinnati, Houston, and Memphis. Delta withdrew its Cincinnati service in November 2005. The remaining four airports constituted the airport's hub service in 2007 and 2008.
- The market's domestic service could be better matched to its originating passenger demand. In 2008, approximately 48 percent of the market's domestic passenger originations continued to be bound for cities in either the Northeast or the Midwest; no nonstop departures from Tallahassee were destined for cities in these regions. Conversely, 85 percent of flights each week were to the Southeast region (including Florida), while just 20 percent of travelers were destined for cities in this region.
- Scheduled service varied during the seasons for this airport in 2008. There was a greater degree of service change in the spring months. During the spring months, there was a higher number of flights and departing seats to destinations within the state. Service offerings were fairly consistent for the winter and summer months.

Table 37: Tallahassee Regional Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	23%	31%	0%	0%
Midwest	12%	17%	0%	0%
Southeast (excl. FL)	10%	13%	36%	33%
Florida Only	28%	7%	50%	52%
Southwest	9%	13%	0%	0%
South Central	9%	10%	6%	6%
Mid South	5%	4%	8%	9%
North Central	2%	3%	0%	0%
Northwest	2%	2%	0%	0%

Table 38: Tallahassee Regional Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	0%	0%	0%	0%	0%	0%
Midwest	0%	0%	0%	0%	0%	0%
Southeast	33%	29%	34%	47%	47%	50%
Florida Only	53%	58%	51%	39%	42%	36%
Southwest	0%	0%	0%	0%	0%	0%
South Central	5%	5%	6%	5%	4%	5%
Mid South	8%	8%	9%	9%	7%	8%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

Northwest Florida Regional Airport (Ft. Walton Beach)

Northwest Florida Regional saw a significant increase in enplanements in between 1999 and 2000, from 336,300 to 381,300, with about 180 scheduled departures each week in both years. However, the airport's enplanement level dropped to 307,700 by 2002, and airlines reduced their schedules to 165 weekly departures. Enplanements increased by 2004, to 395,000, before returning to 328,300 in 2006. Enplanements increased again in 2007 to 381,500. The airport also saw increases in weekly departures over the past few years. The airport had 180 weekly departures in July 2007, which later increased to 204 in 2008. This is due to new nonstop routes to Chicago and Charlotte.

- In the summer of 2001, weekly service included scheduled flights to two connecting hubs beyond Florida; the market had 180 scheduled weekly departures. This was the same level of service provided one year earlier. By the summer of 2003, weekly scheduled departures totaled 165, but service had expanded to include six hubs beyond Florida. Departing weekly seats in 2003 (10,513) were below the 2001 level of 11,592. Service in 2005 included 181 flights each week and service to five hubs, with 12,763 weekly departing seats. Weekly departures in 2007 totaled 180 with service to five hubs on 10,930 seats. By 2008, weekly departures had increased to 204 with service to seven destinations outside Florida.

- In the summer of 2001, the market had 44 weekly scheduled departures to three cities in Florida. This was a decline from 49 weekly in-state departures in the summer of 2000. In the summer of 2003, the airport had 43 weekly departures to two destinations in Florida. In-state service continued its decline at Northwest Florida Regional in 2005, with 18 weekly flights to one Florida city. In 2007, in-state service consisted of 25 flights to two Florida cities. By 2008, in-state service had decreased to just one city, Tampa, with a total of 17 weekly flights.
- In 2001, 43 percent of all seats that departed this airport on a weekly basis were on turboprop aircraft, down slightly from 45 percent one year earlier. In 2005, this percentage had fallen to three percent, and was less than one percent in 2007. By 2008, this figure had increased to over 19 percent, largely due to the increase in service that this market experienced.
- In 2001, 57 percent of the scheduled seats each week were on jet or regional jet aircraft, up from 55 percent in 2000. In 2005, this percentage had increased to 97 percent in 2005 and further to 99 percent in 2007. By 2008, departing seats on jet aircraft decreased to 80 percent as more turboprop aircraft were used.
- Approximately 40 percent of this airport's originating domestic passengers were bound for cities in the Northeast and Midwest. However, only 5 percent of departing nonstop flights were destined for cities in the Midwest and none to cities in the Northeast. Conversely, approximately 49 percent of nonstop departures from Northwest Florida Regional were to cities in the Southeast or Florida, while just 11 percent of passenger demand was to destinations in those regions.
- Scheduled service varied during the seasons for destinations to the Southeast, with increased flight frequency during the summer months of 2008.

Table 39: Northwest Florida Regional Airport (Ft. Walton Beach) - July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	19%	20%	0%	0%
Midwest	18%	20%	0%	5%
Southeast (excl. FL)	10%	9%	34%	41%
Florida Only	5%	2%	14%	8%
Southwest	13%	15%	0%	0%
South Central	20%	21%	39%	35%
Mid South	7%	6%	12%	10%
North Central	4%	4%	0%	0%
Northwest	2%	2%	0%	0%

Table 40: Northwest Florida Regional Airport (Ft. Walton Beach)- 2008 Seasonal Comparison

U.S.	Flight Frequency			Departing Seats		
Region	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	1%	0%	0%	1%	0%	0%
Midwest	7%	5%	5%	5%	4%	4%
Southeast	32%	38%	41%	37%	44%	45%
Florida Only	11%	11%	8%	3%	3%	3%
Southwest	0%	0%	0%	0%	0%	0%
South Central	37%	34%	36%	28%	25%	27%
Mid South	13%	12%	10%	25%	24%	21%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

Panama City-Bay County International Airport

Panama City's enplanement level has increased relatively slowly since 1999. That year, the airport served 150,500 boarding passengers. In 2000, about 160,200 travelers boarded a domestic flight at the airport, but by 2002, this number had fallen slightly to 157,100. By 2004, enplanements had climbed to 195,700, for an increase between 1999 and 2004 of 22 percent. Passenger counts at the airport declined in 2006 as 159,000 passengers began trips at the airport. Total passengers slightly increased in 2007 to 160,200, but did not recover to 2004 levels. Nonstop departures from the airport continue to decline. Airlines at the airport offered 139 weekly departures in July 2000, 137 in August 2001, and 116 in July 2003. In July 2005, this figure fell to 93, and fell further to 85 in July 2007, before rebounding to 105 weekly flights in 2008. The average number of seats per flight has risen slightly on flights departing Panama City, from 42 in 2000 to 55 in 2008, as a result of continued moves by some carriers to regional jets from turboprop aircraft.

- In the summer of 2001, this market had 137 weekly departures to five destinations. This was about the same level of service provided in the summer of 2000. In 2003, the airport had 116 average weekly departures to six destinations. In 2005 service fell to 93 departures to four cities, and fell further in 2007 to 85 weekly departures still to four cities. By 2008, departures had increased to five cities and weekly departures had risen to 105.
- In 2000 and 2001, much of the market's service was "tag" service with Northwest Florida Regional (Ft. Walton Beach). This service was dropped by 2005 with the withdrawal of US Airways service.
- In 2001, the market had 44 scheduled departures to cities in Florida; 26 of these flights, however, were the "tag" service with Northwest Florida Regional (Ft. Walton Beach). In 2003, the market had 37 scheduled departures to three destinations in Florida (Orlando, Tampa, and Northwest Florida Regional); 25 of these 37 flights are tagged flights with Northwest Florida Regional. In-state service in 2007 had declined to just 13 weekly flights to Orlando, where weekly service offerings held steady in 2008.
- In 2001, 99 percent of the seats leaving this market were on turboprop aircraft, up from 94 percent one year earlier; the remainder of the seats were on regional jets. In 2007, the percentage of the market's seats on turboprop aircraft had fallen to 37, with the remainder

of the seats being provided on regional jets. By 2008, weekly departing seats on turboprop aircraft had increased to 40 percent as more service was expanded. Panama City had no large jet service in 2007 or 2008.

- In 2001, the market had service to two domestic connecting hubs beyond Florida; these hubs were in the Southeast (Atlanta) and the Mid South (Memphis). In 2007, Panama City's hub service included Atlanta and Memphis, plus a once-weekly flight to Cincinnati. By 2008, US Air entered the market with expanded service offerings to its hub in Charlotte with 21 weekly flights.
- Approximately 50 percent of this market's domestic originating passengers were bound for locations in the Northeast and Midwest. However, in 2008, only 1 percent of nonstop scheduled service was available to the Midwest only via the nonstop route to Cincinnati; indicating a mismatch in passenger destinations and departures from this market.
- Scheduled service varied during the 2008 seasons for destinations to the Southeast and Mid South. During the spring and summer months, flight frequency increased to the Southeast, while flight frequency decreased to the Mid South. Within Florida, flight frequency and seats peaked in the spring months.

Table 41: Panama City-Bay County International Airport- July 2008 Update

U.S. Destination Region	Domestic Passenger Orginations		Scheduled Domestic Departures	
	2006	2007	2007	2008
Northeast	23%	26%	0%	0%
Midwest	20%	24%	1%	1%
Southeast (excl. FL)	12%	13%	59%	67%
Florida Only	8%	3%	15%	12%
Southwest	12%	12%	0%	0%
South Central	9%	9%	0%	0%
Mid South	9%	3%	25%	20%
North Central	4%	6%	0%	0%
Northwest	3%	3%	0%	0%

Table 42: Panama City-Bay County International Airport- 2008 Seasonal Comparison

U.S. Region	Flight Frequency			Departing Seats		
	Winter	Spring	Summer	Winter	Spring	Summer
Northeast	0%	0%	0%	0%	0%	0%
Midwest	0%	2%	1%	0%	1%	1%
Southeast	58%	64%	68%	64%	68%	71%
Florida Only	12%	13%	10%	10%	11%	9%
Southwest	0%	0%	0%	0%	0%	0%
South Central	0%	0%	0%	0%	0%	0%
Mid South	30%	21%	21%	25%	19%	19%
North Central	0%	0%	0%	0%	0%	0%
Northwest	0%	0%	0%	0%	0%	0%

AIRLINE INDUSTRY STRUCTURAL CHANGES – 2001 TO 2008

As noted throughout the discussion of airport-specific changes in scheduled commercial airline service, between the summer of 2000 and the summer of 2003 most of the Florida's commercial airports experienced decreased levels of scheduled service. For most all airports, this decline in service was caused – at least in part – by the events of September 11, 2001 (9/11). It is also worth noting that while 9/11 was not entirely to blame for Florida's declining levels of commercial airline service, the situation that Florida airports found themselves in the months following 9/11 was not confined just to Florida. As the nation's domestic carriers continued to struggle financially, many airports in most states experienced decreased levels of commercial airline service during this time frame. By 2005, four of the nation's largest carriers and several smaller carriers were involved in bankruptcy proceedings.

In October 2001, six weeks after the terrorist attacks, 23 percent fewer passengers flew on the nation's airlines than one year earlier. Many Florida airports suffered measurable declines in their levels of nonstop service. In the fall of 2001, due to airline capacity cuts, there were 15 percent fewer nonstop scheduled domestic flights offered at Florida airports than in the summer of 2001. Weekly scheduled departing seats at Florida's airports dropped as well, down 12 percent from three months earlier. There was one fewer carrier serving Florida and three fewer nonstop destinations served. The demise of MetroJet and large capacity cuts by Delta accounted for 68 percent of the decline in weekly flights departing all Florida airports in the late fall of 2001. By 2005, service offerings had generally returned to pre-9/11 levels.

As of late 2005, nearly 39 percent of all of Florida's departing domestic seats were flown by carriers involved in Chapter 11 negotiations. Delta, Northwest, United, and US Airways, as well as many of their regional affiliates, were each in various stages of bankruptcy. Delta and Northwest entered Chapter 11 in the fall of 2005, while USAir emerged shortly after being taken over by America West. United was near an exit from bankruptcy in late 2005. A number of smaller airlines that serve Florida were also in bankruptcy in 2005, with ATA, Independence Air, and TransMeridian all experiencing financial difficulty. Of Florida's 42 carriers (including mainline and regional airlines), 17 were involved in Chapter 11 proceedings in 2005. This trend continued into 2008, as several more airlines serving Florida entered bankruptcy (ATA, Skybus, Frontier, Vintage Props and Jets, and Sun Country)[3].

Most of these airlines have exited bankruptcy successfully, and have entered a period of relative prosperity. Demand for airline service by passengers has returned to record levels. Consolidation within the airline industry, fleet reductions, and schedule cutback by many airlines, means passenger load factors are at all-time highs. As a result, some upward price pressure has been seen in fares across the country, improving airline earnings through 2007. Soaring fuel prices and the slowing economy have caused staggering annual net losses of nearly $5bn in the US airline industry by the end of 2008, and causing airlines to be at half of their capitalized value since the same time a year ago[4].

[3] Sources: ATA research; company reports; DOT records; "The Bankruptcy Virus in the U.S. Airline Industry: Causes and Cures," Aviation Forecasting and Economics and The George Washington University; Lehman Brothers Equity Research, BankruptcyData.com, Chicago Tribune

[4] Source: International Air Transport Association (IATA) Economics

The longer term impacts of recent industry financial turmoil is difficult to predict. In order to remain competitive, it is likely that the "legacy" carriers will be forced to devise new operating strategies, including revised route and fare structures. This is especially true in Florida where an extraordinary proportion of seats –40 percent – are provided by low-cost carriers. (By comparison, in the month of July 2007, 20 percent of departing seats nationwide were on low-cost carriers.) Traditional mainline carriers emerging from bankruptcy will be unable to compete as in the past in a market comprised of such a high density of low-fare seats and highly price-sensitive leisure consumers.

Airline costs have risen considerably in recent years, nowhere more apparent than in fuel prices. The industry's recent increase in fares illustrates the effects such soaring costs have on airline decision making. As costs escalate, fares must increase or service cut. The first wave of such cuts is most often felt at smaller airports where thin margins spread over low passenger volumes make it difficult to justify continued service. Even in previously high-growth markets like Fort Lauderdale, service cutbacks have occurred.

Airport specific summaries are graphically depicted in Appendix D. The summaries contained in Appendix C show changes in service between the summer of 2000 and 2008.

INTRASTATE SCHEDULED AIRLINE SERVICE

Given the distances between many of Florida's primary cities, scheduled commercial air service is an important mode for in-state travel. Table 22 (see Appendix B) was compiled to summarize available weekly service in the summers of 2000, 2001, 2003, 2005, 2007, and 2008. The following can be concluded from the information presented in Table 22:

- In the summer of 2001, there were 3,363 flights each week that tied together the major cities of Florida, about 15 percent fewer in-state flights than were offered one year earlier (summer 2000). By the summer of 2003, the number of scheduled weekly departures among all Florida cities had fallen to 2,296. Between the summer of 2001 and 2003, airlines cut almost 1,000 weekly scheduled departures within the State. By the summer of 2005, in-state departures had increased slightly over 2003 levels to 2,380. Further declines in in-state departures occurred by 2007, when 2,198 scheduled flights operated each week between Florida's cities. By the summer of 2008, the total number of intrastate flights in Florida has further decreased to 1,996 scheduled flights.
- Between the summer of 2000 and 2001, Comair (DL*) and Gulfstream (CO*) eliminated the greatest number of flights. Comair discontinued 50 percent of its in-state flights and Gulfstream cut nearly 40 percent of in-state flights. The two carriers, combined, discontinued 470 weekly nonstop in-state flights. By the summer of 2003, many other carriers cut in-state Florida service, and Comair had transferred control of its hub in Orlando to another Delta affiliate, Chautauqua. By the summer of 2005 and continuing through 2007, connecting activity at the former hub in Orlando had been further downsized, but considerable growth in in-state departures had occurred in Fort Lauderdale, the state's fastest-growing airport. By the summer of 2008, the growth of in-state flights in Fort Lauderdale had slowed, resulting in 30 fewer flights than the summer

of 2007, while intrastate flights in Orlando continued to decrease from summer 2007 through summer 2008.

- From the summer of 2000 through the summer of 2003, Tampa, Miami and Orlando had the greatest number of in-state flights. By July 2005, Fort Lauderdale had surpassed Orlando as the third-busiest in-state destination. This phenomenon continued through the summer of 2008.
- In July 2000, only one Florida airport, Melbourne International, was without in-state service and Gainesville had the fewest number of in-state departures. In the summer of 2001, Melbourne and Gainesville had the fewest number of scheduled in-state flights, with seven weekly departures each. In the summer of 2003, of those cities with service to other Florida destinations, Daytona Beach, Melbourne and Marathon had the fewest scheduled departures. In 2005, Orlando-Sanford and St. Petersburg-Clearwater had the second-lowest level of in-state departures, with one and four weekly flights, respectively. Panama City, Sarasota, and Naples had the lowest level of in-state departures in 2007, each with fewer than 15 weekly departures. Between the summers of 2007 and 2008, the number of in-state flights decreased from 30 to 7 in Sarasota, from 17 down to zero in Gainesville, and from 25 to 17 in Fort Walton Beach.
- In July 2003, three airports – Orlando Sanford, Gainesville, and St. Petersburg-Clearwater – had no in-state commercial service; Naples had no scheduled service at all. While it regained scheduled service in July 2005, Naples was the only airport in Florida that year without airline service to another Florida destination. In 2007, five Florida airports (Daytona Beach, Marathon, Melbourne, Orlando-Sanford, and St. Petersburg-Clearwater) were without any in-state air service on scheduled carriers. As of summer 2008, Daytona Beach was dropped from the list of the airports without any in-state flights, while Gainesville was added to the list.
- In the summer of 2001, 20 percent of all weekly in-state scheduled departures were on large jet aircraft, up from 13 percent one year earlier. Also in 2001, just 4 percent of the weekly in-state departures were on regional jets, down from five percent in 2000. By the summer of 2003, 25 percent of all in-state flights were on jets, and 24 percent were on regional jets. In July 2005, these proportions had reversed, with 21 percent of in-state flights on jet aircraft and 27 percent on regional jets. By 2007, 28 percent of in-state flights were on board mainline jet aircraft, compared to 21 percent on regional jets. In July 2008, the percent of in-state flights were on large jets increased to 34 percent, while flights on regional jet aircraft decreased significantly to 14 percent.
- In the summer of 2001, 75 percent of all scheduled departures between Florida's primary cities were on turboprop aircraft. The percentage of in-state departures on turboprop aircraft dropped from 82 percent in the summer of 2000. By the summer of 2003, this percentage had fallen to just slightly more than 50 percent, where it remained through July 2008.

As larger jet and regional jet aircraft continue to provide a larger share of Florida's in-state scheduled commercial airline service, the frequency of in-state service has remained relatively stable since 2003 through 2007. Between the summers of 2007 and 2008, the number of regional jet aircraft serviced for in-state flights had decreased from 467 to 284, approximately 60.8 percent, while large jet and turbo prop aircraft remained almost unchanged.

INTERNATIONAL SCHEDULED SERVICE

In addition to scheduled service to destinations in the U.S., several of Florida's commercial airports also have nonstop service to international destinations. Tables 23 (see Appendix B) provide information that summarizes Florida's nonstop international commercial airline service. Information is provided for the summers of 2000, 2001, 2003, 2005, 2007 and 2008. From this table, the following conclusions can be drawn:

- In the summer of 2001, 10 airports in Florida had scheduled flights to international destinations; this included service to the islands from Watson Island Seaplane Base that is near Miami. The Watson Island service is not included elsewhere in this analysis. In 2001, carriers provided nonstop international service at two additional Florida airports since the summer of 2000: Jacksonville and Melbourne. Jacksonville operates one international route out of its airport using a charter service, and is therefore not included in the findings of this report. By the summer of 2003, 11 airports (including Watson Island) had some level of scheduled international airline service. By 2005, however, service from Watson Island had shifted to Fort Lauderdale, leaving 10 Florida airports with international service. By 2007, this count had decreased to nine airports following cessation of Toronto service to and from St. Petersburg-Clearwater. In 2008, there were only nine airports that offered international service; Ft. Lauderdale, West Palm Beach, Southwest Florida, Orlando, Tampa, Melbourne, Daytona Beach, Orlando Sanford, and Miami (excluding Jacksonville).
- In the summer of 2001, Florida had 2,273 weekly scheduled departures to destinations beyond the U.S., nearly the same number of international departures offered one year later (2,275). By the summer of 2003, the number of weekly scheduled international departures remained virtually the same, at 2,273. By 2005, however, airlines reduced flight operations in international service, trimming schedules to 2,072 weekly departures. Slight recovery was seen in international departures by 2007, when airlines performed 2,075 scheduled international departures from nine airports in Florida. These figures dipped again in 2008, due to a reduction of service to the Caribbean, despite an increase in flights statewide to Mexico/Central American and South American destinations for a total of 2,066 statewide weekly flights.
- Service to Caribbean destinations in 2007 continued to comprise approximately 55 percent of international departures from Florida's airports, about the same as in all previous editions of this report. In 2008, largely due to reduced flights to the Bahamas out of Fort Lauderdale and West Palm Beach, departures to this region declined to 51 percent of the total international departures.
- In 2001, about 33 percent (up from 30 percent in 2000) of scheduled international departures from Florida airports each week were to destinations in Central America, Mexico, or South America. By the summer of 2003, this statistic was closer to 32 percent of all international departures, and this percentage remained stable through July

2007. By 2008, scheduled departures to these regions had increased to 36 percent of the total international departures.

- In the summer of 2000, approximately 6 percent of the international departures each week were to Europe, a figure which increased to 7 percent the following year. By the summer of 2003, the percentage of international departures to Europe was again 6 percent. In 2005, it stood at 7 percent before increasing to 8 percent in 2007. In summer of 2008, the percentage of departures to Europe still remained at 8 percent.
- In July of 2000, 5 percent of all international departures were to cities in Canada. Canadian destinations made up 6 percent of weekly international departures from Florida in 2001. By the summer of 2003, Canadian departures constituted 5 percent of all international departures, rising to 6 percent in 2005. Canadian destinations fell to 4.6 percent of all international departures in 2007, however in 2008 increased to 5.0 percent.
- With 1,587 weekly scheduled international departures in 2000, Miami International accounted for 70 percent of Florida's weekly international departures. In 2001, this figure remained essentially unchanged. By the summer of 2003, total weekly international departures from Miami International had fallen to 1,415, but this still constituted 62 percent of Florida's weekly scheduled international departures. Further declines were seen in Miami's international service by 2005, when airlines offered 1,224 weekly international departures, or 61 percent of all international departures from Florida. This pattern continued through 2007, when Miami's airlines had 1,210 weekly international departures, or 58 percent of all international flights departing from Florida's airports. During the summer of 2008, Miami's international air commercial service had shown some growth, resulting in 1,237 departures and 60 percent of all Florida's international flight departures.
- While weekly international departures have fallen at Miami overall since 2000, considerable growth has occurred at Fort Lauderdale International. In the summer of 2000, Ft. Lauderdale had 442 weekly international departures almost exclusively to destinations in the Bahamas. In 2001, Ft. Lauderdale had 414 weekly international departures. By the summer of 2003, the total number of international weekly departures from Fort Lauderdale had fallen to 369; the vast majority of these departures continued to be to destinations in the Caribbean. July 2005 saw a resurgence of international activity at Fort Lauderdale with 449 departures, of which over 87 percent were to locations in the Caribbean. By the summer of 2008, the international flight departures from Fort Lauderdale had grown significantly to 526 departures, still maintaining destinations in Caribbean/Atlantic areas for as high as 80 percent of all the departures from Fort Lauderdale.
- In the summer of 2001, Orlando's 127 weekly international departures provided a more diversified range of service; this number of departures was up just slightly from 2000 levels. In the summer of 2003, Orlando's weekly international departures totaled 126. International service remained distributed between destinations in the Caribbean, South America, Central America, Mexico, Europe, and Canada. In 2005, the airport had 143 weekly international departures, a figure that remained stable through the summer of 2007, when airlines operated 146 weekly international departures. In 2008, Orlando's international departures amounted to 157, approximately 7.5 percent higher than in 2007.

- International service summarized in Table 23 does not include international charter service for any of the airports, including Orlando-Sanford International Airport. Orlando-Sanford accommodates a notable number of international charter flights as do some of the other commercial airports.
- In 2008, in the updated summary table of Table 23, Israel was moved from the Europe section to the Middle East section.
- Craig Air Center started offering one nonstop international flight later in 2008to Marsh Harbor, Bahamas. A 19 seat turboprop aircraft was used.
- Below is a comparison table for the international weekly departures for the years of 2005, 2007 and 2008. While South America has been more attractive over the last three years among Florida residents, a slight decrease in the number of departures was observed for the Caribbean/Atlantic, which still is the most popular destination with more than 50 percent of all the departures in Florida.

Table 43: International Weekly Departure Trends

	International Weekly Departures		
International Destination	***2005***	***2007***	***2008***
Caribbean/Atlantic	54.7%	54.7%	51.0%
Mexico/Central America	19.8%	17.7%	18.8%
South America	13.2%	15.0%	17.2%
Europe	6.8%	8.0%	7.9%
Canada	5.5%	4.6%	5.0%
Middle East	0.0%	0.0%	0.1%
FLORIDA TOTAL	100.0%	100.0%	100.0%

COMPARABLE MARKETS

Comparing markets, either by population served or by the number of annual travelers each market enplanes, provides a general reference point for how one community's scheduled commercial airline service may compare to service in a similar community. There are many factors that enter into the level of commercial airline service that any given airport has. Some of these factors include:

- Types of traveler served, such as those traveling for business versus leisure purposes.
- Employment status, type of employment, total disposable income, population, age of the population, and tourism all help determine a certain market area's demand for commercial airline travel.
- Distance to alternative travel options, convenient and competing modes of transportation, or other nearby commercial service airports that travelers may choose for their departures
- Geographic location of the market - whether the market is rural, suburban, or urban and the location of the market in comparison to domestic airline route structures impacts its commercial airline service level.

Scheduled airline service to all of Florida's commercial airports is impacted to some degree by each of these factors. For example, Florida markets have a high percentage of leisure travelers and a higher than average percentage of retirees. Additionally, Florida often enplanes many travelers who fly on deeply discounted fares and frequent flyer tickets ($0 fares).

Similar to most states, Florida airports face competition from the State's excellent system of interstates and highways for short intrastate trips. More importantly, airports in Florida often face intense competition from one another. Many of Florida's small and non-hub airports are close to one or more large or medium hub airports, impacting commercial airline service at these small and non-hub airports.

Florida's geographic location at the extreme southeastern tip of the continental U.S. means that Florida airports are "spoke" locations for most airlines. States located in the other regions often have many airline route structures that crisscross above, and are located in closer proximity to a greater number of airline connecting hubs. For these reasons, it is difficult to directly compare scheduled commercial airline service in Florida to airline service in other similar markets.

The factors noted above indicate that Florida markets may not always have the same level of commercial airline service as other comparable markets. 2008 annual enplanements were used to determine which markets should be compared to Florida's scheduled air service. Table 24 (Appendix B) compares service levels at Florida airports to commercial air service at comparable markets. Markets are compared using summer 2000, 2001, 2003, 2005, 2007, and 2008 weekly flights and seats leaving each market, the number of nonstop destinations served from each market, and the number of hubs served from each market that can be used to make airline connections.

In this table, markets have been grouped by their 2008 total annual enplaned passengers; commercial airline service to Florida markets compares generally well to the average service levels found in each enplanement category, although Florida is somewhat unique because of leisure travel, the number of competing airports, and its geographic location. It is also important to note that for some of the cities being compared to the Florida markets, service is more prevalent on smaller aircraft, which can increase the number of destinations and hubs served. In general, Florida airports have a higher percentage of their airline service on large jets.

Orlando International, the only airport in Florida with more than 10 million enplanements in 2007, has more weekly departing flights and seats and serves more destinations and hubs than any other Florida airport. Given Orlando International's relatively unique market, the service levels at the airport are not compared to service levels at other airports. Table 24 shows Los Angeles and New York – JFK in the same category as Orlando International only for reference purposes in terms of 2007 domestic enplanements.

In the 5 to 10 million enplanement category, Ft. Lauderdale, Miami, and Tampa compare favorably to the averages for the category in terms of departing seats. Tampa and Ft. Lauderdale have lower-than-average weekly flight frequencies, due largely to high levels of mainline jet service (versus regional jets at other comparable airports). All three airports serve a higher than average number of domestic connecting airline hubs.

The 1 million to 5 million enplanement category includes West Palm Beach, Jacksonville, and Southwest Florida (Ft. Myers). Airports in this category are impacted by the Florida-specific factors noted above. Both West Palm Beach and Southwest Florida International are below the group average for scheduled weekly departures and scheduled weekly departing seats. Jacksonville is the only Florida airport in this category that is above the category average for the number of non-stop destinations served in 2007. West Palm Beach falls below the group average for number of airline connecting hubs served.

The 500,000 to 1 million annual enplanements category in 2007 includes both Pensacola and Sarasota, neither of which is above-average in terms of weekly scheduled departures, departing seats, destinations served, or hubs served nonstop.

The 250,000 to 500,000 enplanements category includes Daytona Beach, Key West, Northwest Florida Regional, Orlando-Sanford, Tallahassee, and St. Petersburg-Clearwater. It is important to note that St. Petersburg switched enplanement categories, as determined by their level of annual enplaned passengers. Since the last update to this report in the summer of 2007, the level of departing flights and scheduled seats at Daytona Beach has fallen below the group average. Key West continues to exceed the average weekly departing flight count for this category, but lags in weekly departing seats in part due to runway length limitations. Tallahassee exceeds or meets all service measure averages in this size category except for the number of destinations served. Daytona Beach, Key West, and Northwest Florida Regional and Tallahassee are at or below the category average for destinations served. Direct comparisons between Orlando-Sanford and other airports in this category are not as skewed because enplanements include the airport's domestic charter passengers.

The 100,000-250,000 enplanements category includes Melbourne, Panama City, Gainesville. In this group, Panama City exceeds the category average for scheduled weekly departures and is above the group average for scheduled weekly seats, destinations, and hubs served.

Since the summer of 2003, there have been no Florida airports in the 50,000-100,000 enplanements category.

The remaining category, 50,000 enplanements or fewer, includes Marathon and Naples. It is important to note that in 2000 no Florida commercial service airports had fewer than 50,000 annual enplanements. By 2003, Naples had lost service altogether, and Marathon had limited service on small turboprop aircraft to Fort Lauderdale, causing both airports to fall below the 50,000 enplanement threshold. This remained the case for enplanements in 2004, despite Naples regaining Delta service to Atlanta 21 times each week, and Marathon retaining the service that was available in 2003. As of the summer of 2007, Marathon and Naples both possessed Delta regional service to Atlanta, but this service was withdrawn at both cities in October 2007. In 2008, Continental announced service from Southwest Florida International to Marathon Airport via a Cape Air codeshare.

While several factors indicate that Florida markets may not be expected to have commercial airline service that is equal to other comparable domestic markets, historically, the data presented in Table 24 (Appendix B) shows that Florida airports do, for the most part, have levels of service that are equal to or above the averages for each airport category as measured by annual enplanements. By 2003 and continuing through 2008, several of the airports had some levels of service that are below average indicators for other airports with similar levels of enplaned passengers.

AVERAGE FARES

Fare information presented in this section is for calendar year 2007 since annual information for 2008 is not yet available. Nationally, in 2007, the average one-way fare paid by all domestic air travelers was $174.06, up significantly from the 1999 national one-way average fare of $148.68. This reverses a multiyear trend of declining fares at US airports, and illustrates the pricing power carriers have gained nationwide since the 2005 update of this document. At seven of Florida's 20 commercial airports, the one-way average fare in 2007 was below the national average.

The average one-way fare for all Florida airports in 2007 was $180.12, up significantly from the statewide average fare in 1999. The 2007 average one-way fare in Florida represents a considerable increase over the 2004 level of $116.47, for an increase of $63.65 in three years. This increase eliminated all post-9/11 fare reductions in the state. The average one-way domestic fare for each of the Florida airports in 1999, 2000, 2002, 2004, 2006, and 2007 is as follows:

Table 44: Average One Way Fare

Florida Airport	1999	2000	2002	2004	2006	2007	% Change 2000-2007	% Change 2006-2007
Orlando-Sanford	na	$106.11	$99.82	$88.56	$91.43	$117.35	10.59%	28.35%
St. Petersburg	$107.35	$106.43	$90.60	$88.58	$100.96	$117.98	10.85%	16.86%
Orlando	$118.69	$123.77	$110.92	$110.76	$122.97	$172.13	39.07%	39.98%
Ft. Lauderdale	$120.94	$125.09	$110.39	$107.93	$123.99	$171.72	37.28%	38.50%
Tampa	$122.80	$127.62	$109.80	$109.27	$124.04	$170.20	33.36%	37.21%
Palm Beach	$136.54	$140.74	$121.17	$116.13	$127.76	$176.40	25.34%	38.07%
Southwest Florida	$130.02	$135.17	$121.55	$120.85	$130.44	$173.08	28.05%	32.69%
Sarasota	$130.67	$134.90	$121.76	$128.53	$137.04	$172.25	27.69%	25.69%
Jacksonville	$128.75	$132.04	$117.68	$122.06	$137.05	$179.72	36.11%	31.13%
Miami	$153.21	$168.09	$143.17	$140.60	$147.99	$212.26	26.28%	43.43%
Daytona Beach	$145.86	$149.74	$130.65	$134.93	$157.46	$180.78	20.73%	14.81%
Key West	$133.17	$141.16	$138.04	$147.49	$160.65	$235.31	66.70%	46.47%
Pensacola	$166.28	$178.18	$134.01	$140.70	$164.02	$208.24	16.87%	26.96%
Tallahassee	$162.50	$167.61	$116.84	$127.94	$166.58	$237.30	41.58%	42.45%
Gainesville	$171.03	$186.44	$152.13	$159.30	$188.31	$246.98	32.47%	31.16%
Naples	$137.01	$145.49	$121.63	$153.41	$195.81	$254.34	74.82%	29.89%
NW FL Regional	$145.85	$150.07	$153.06	$167.36	$208.46	$225.63	50.35%	8.24%
Panama City	$175.01	$177.67	$158.23	$179.35	$214.39	$286.15	61.06%	33.47%
Marathon	$153.04	$159.51	$118.29	$70.79	$225.00	$241.60	51.46%	7.38%
Melbourne	$144.00	$152.82	$145.90	$150.79	$225.50	$233.24	52.62%	3.43%
Florida Total	**$128.89**	**$134.22**	**$117.31**	**$116.47**	**$130.03**	**$180.12**	**34.20%**	**38.52%**
US Total	**$148.68**	**$157.93**	**$136.53**	**$134.37**	**$149.49**	**$174.06**	**10.21%**	**16.44%**

As shown in this table, in 2007 thirteen Florida airports had average one-way fares that exceeded the national average. The highest average one-way fares in 2007 were experienced at Panama City, Northwest Florida Regional, and Naples. With average fares at most Florida airports exceeding the national average, average one-way fares in the State were slightly higher than the national average in 2007. Only five airports – Miami, Orlando-Sanford, Palm Beach, Pensacola, and St. Petersburg – experienced decreasing fares between 1999 and 2006. All airports experienced increasing fares between 2006 and 2007.

In 1999, no Florida airport had average one-way fares higher than $175, while in 2007, thirteen of Florida's 20 airports had fares higher than $175, with ten airports exceeding $200. Even more importantly, all airports experienced increases in their average one-way fares between 2004 and 2007.

ENPLANEMENT TRENDS

As shown in Table 25 (See Appendix B), several of Florida's airports in the Small and Non-Hub categories have experienced some decline between 1988 and 2006 in their levels of annual enplaned passengers. These airports include Daytona Beach, Gainesville, Melbourne, Naples, and Sarasota-Bradenton. On the other hand, some of the Florida airports in the Small and Non-Hub categories have experienced average annual rates of growth in their annual enplaned passengers that have actually exceeded the State's average. Enplanements for all commercial airports in the Florida system grew at an average annual rate of 3.0 percent between 1988 and 2006. Small and Non-Hub airports whose enplanements have grown at a rate above the State average include Key West, Okaloosa Regional, Pensacola, St. Petersburg-Clearwater.

Opportunities for improving scheduled commercial air service vary by market. For most of the Florida airports in the Small and Non-Hub categories, their proximity to more active Medium and Large Hub airports impacts their ability to attract new air service and in some cases to even retain existing air service. While many of the Small and Non-Hub airports compete with Large and Medium hub airports, some also compete with each other for enplaning passengers. Florida's Small and Non-Hub airports compete with the following airports:

Table 45: Airport Competition and Enplanement Trends

Small/Non-Hub Airports	2006-2007 Enplanement Trend	Competing Airport(s)
Sarasota-Bradenton	Increasing	Southwest Florida/Tampa
Pensacola	Increasing	Panama City/Mobile
Tallahassee	Decreasing	Jacksonville/Orlando/Atlanta
Northwest Florida	Increasing	Pensacola/Tallahassee
Orlando-Sanford	Increasing	Orlando/Daytona Beach
Key West	Decreasing	Miami
Daytona Beach	Increasing	Orlando/Jacksonville
Melbourne	Decreasing	Orlando
St. Petersburg-Clearwater	Increasing	Tampa/Sarasota
Panama City	Decreasing	Tallahassee/Okaloosa

Small/Non-Hub Airports	2006-2007 Enplanement Trend	Competing Airport(s)
Gainesville	Decreasing	Jacksonville/Orlando
Naples	Decreasing	Southwest Florida/Miami

Small and Non-Hub commercial airports in the Florida system that recorded an increase in their annual enplanements between 2006 and 2007, for the most part, compete with other Small and Non-Hub airports and not the Medium and Large hubs. Even though Orlando-Sanford and St. Petersburg compete with larger hub airports, each has recorded enplanement increases. Despite their proximity to larger competing commercial service airports, these two airports continue to increase their enplanements by attracting niche carriers and charter operators.

AIRPORT SPECIFIC DOMESTIC SERVICE SUMMARIES (POST-SEPTEMBER 11TH)

Southeast Florida Region

Fort Lauderdale-Hollywood International Airport

Ft. Lauderdale Hollywood International has experienced significant growth in domestic enplanements since the mid-1990s. This growth was fueled largely by increased service by low fare carriers like Southwest, JetBlue, Spirit, and AirTran. However, capacity fell sharply after the September 11th terrorist attacks. In the fall of 2001, weekly flight departures dropped 14 percent from the summer of 2001 and weekly departing seats fell over 11 percent from three months earlier. The termination of all MetroJet and Midway flights and large cutbacks by Delta Express were responsible for nearly the entire decline. AirTran and JetBlue have made recent announcements to add additional nonstop flights to Ft. Lauderdale International.

Miami International Airport

Due to increased low fare competition from Ft. Lauderdale International, domestic enplanement and capacity growth at Miami International has slowed since the mid-1990s. After the September 2001 terrorist attacks, domestic capacity was reduced even further at Miami International. By November 2001, carriers had reduced domestic weekly nonstop departures by nearly 14 percent since the summer of 2001, and weekly departing seats fell 10 percent between the summer and the fall of 2001. All major/national carriers made reductions in their schedules, ranging between 5 percent (US Airways) and 42 percent (Trans World) fewer domestic flight departures. Gulfstream cut back 34 percent of its instate operations at Miami as well between the summer and fall of 2001. Low fare carriers, AirTran and American Trans Air (ATA) have made recent announcements to add new nonstop service to Miami International.

Palm Beach International Airport

In the fall of 2001, carriers at Palm Beach International offered nearly 18 percent fewer weekly departing flights and nearly 9 percent fewer departing seats than in the summer of 2001. MetroJet, Midway Airlines, and Gulfstream all ceased operations at the airport between the summer and fall of 2001. Also there were large cutbacks in service by Delta Express and US

Airways. However, Spirit Airlines began new nonstop service and, along with JetBlue, announced additional nonstop service to Palm Beach International since the September 11, 2001 terrorist attacks.

Key West International Airport

There were few changes in scheduled service at Key West International after the September 11, 2001 terrorist attacks. Although Cape Air pulled 10 weekly nonstop flights, American Eagle added one additional daily flight at the airport between the summer and fall of 2001.

East Central Florida Region

Orlando International Airport

Orlando International experienced a 23 percent decline in domestic weekly scheduled departures and a 21 percent decline in departing seats between the summer and the fall of 2001. Two carriers, MetroJet and Midway, discontinued operations at Orlando International. Delta Express reduced weekly scheduled departures at Orlando International by 60 percent between the summer and the fall of 2001. Many of the airport's major/national carriers reduced their flights and their capacity as well. Recently, some carriers have made announcements related to increasing their level of nonstop service at Orlando International; the carriers include Southwest, Delta Express, United, and AirTran.

Melbourne International Airport

Melbourne International experienced strong growth in nonstop scheduled service between the summer of 2000 and the summer of 2001, with two additional carriers serving the market. However, after the September 11, 2001 terrorist attacks, two carriers pulled out of the market and the level of nonstop service at Melbourne International declined. In the fall of 2001, there were 33 percent fewer weekly flight departures and 43 percent fewer departing seats at the airport. Continental and Spirit dropped all scheduled service at Melbourne International, and the number of nonstop U.S. cities served dropped from six to two. Only Delta and regional partners, ASA and Comair, continued to serve the market in the fall of 2001.

Daytona Beach International Airport

In the 1990s, Daytona Beach International Airport experienced a decline in enplanements. In the summer of 2001, however, service levels had increased with two additional carriers providing nonstop scheduled service to two new U.S. cities. However, the terrorist attacks in September 2001 led to capacity cuts. Continental, and regional partner, Continental Express, pulled out of Daytona Beach International all together in the fall of 2001. There were 15 fewer weekly scheduled departures and 1,273 fewer weekly departing seats. Only Delta and regional partners, ASA and Comair, continued to serve Daytona Beach International in the fall of 2001.

Orlando Sanford Airport

Orlando Sanford Airport was not affected negatively by the September 2001 terrorist attacks and subsequent airline capacity cuts. Between the summer and fall of 2001, Pan Am, the sole carrier at the airport, added 8 additional weekly flight departures.

West Central Florida Region

Tampa International Airport

Enplanements and nonstop service at Tampa International have grown steadily since the mid-1990s. However, after the September 11, 2001 terrorist attacks, carriers cut capacity at the airport. Between the summer and fall of 2001, nonstop weekly departing flights declined nearly 16 percent and departing seats dropped 10 percent. About half of this decline was due to the demise of MetroJet and Midway Airlines. Gulfstream also discontinued 54 percent of their instate flights at Tampa International. Low fare carriers, AirTran and Spirit Airlines, have added additional nonstop service at the airport since the summer of 2001.

Sarasota-Bradenton International Airport

Although three carriers pulled out of Sarasota-Bradenton International in the year prior to September 11, 2001, the level of service provided at the airport after the attacks rose slightly. Comair (DL*) provided 17 additional weekly nonstop scheduled departures to Cincinnati in the fall of 2001 when compared to the summer of 2001.

St. Petersburg-Clearwater International Airport

Nonstop service offered at St. Petersburg-Clearwater International remained relatively unchanged after the September 11, 2001 terrorist attacks. American Trans Air, the lone carrier at the airport, added one additional nonstop weekly flight to Chicago-Midway between the summer and the fall of 2001.

Northeast/North Central Region

Jacksonville International Airport

Enplanements at Jacksonville International Airport grew steadily since the mid- 1990s with additional nonstop service provided by low fare carriers, Southwest, AirTran, and Midway. In the fall of 2001, carriers cut or discontinued service at the airport, due in part to the September 11, 2001 terrorist attacks. In the fall of 2001, there were 16 percent fewer weekly flight departures and 10 percent fewer weekly departing seats than in the summer of 2001. Four carriers, MetroJet, Midway, Gulfstream, and Continental Express discontinued service at the airport between the summer and fall of 2001 and combined, accounted for 92 fewer departures from the Airport by the fall of 2001.

Gainesville Regional Airport

There was little change in the level of nonstop service offered by carriers at Gainesville Regional between the summer and fall of 2001. Although, ASA (DL*) dropped one daily flight at Gainesville Regional, US Airways Express added six additional weekly flights to Charlotte.

Southwest Florida Region

Southwest Florida International Airport

Southwest Florida International has experienced strong growth in enplanements and nonstop service since the early 1990s. Although there were 10 fewer domestic weekly nonstop departures in the fall of 2001 than three months earlier, weekly nonstop departing seats offered grew 10 percent over the three-month period. MetroJet discontinued service at Southwest Florida International and Delta Express cut nonstop flight departures by 73 percent between the summer and fall of 2001. However, low fare carriers, AirTran, Spirit, ATA and JetBlue all increased nonstop service at the airport during the period. Northwest Airlines also nearly doubled its number of weekly flights provided to the market.

Naples Municipal Airport

Naples Municipal experienced a large decline in domestic service levels between the summer of 2000 and the summer of 2001. American Eagle, who provided over half of the airport's weekly departing seats in the summer of 2000, pulled out of Naples Municipal during the year. By the fall of 2001, the level of service at the airport had dropped again. US Airways Express discontinued two daily flights after the September 11, 2001 terrorist attacks. This represented a 24 percent drop in the airport's weekly scheduled departures and a 31 percent decline in weekly departing seats.

Northwest Florida Region

Pensacola Gulf Coast Regional Airport

The level of domestic nonstop service provided by carriers at Pensacola Gulf Coast Regional fell between the summer and fall of 2001. There were 14 fewer weekly scheduled flight departures and 9 percent fewer departing seats at the airport in the fall of 2001, compared to three months earlier. Delta cut weekly nonstop departures by one-third and US Airways Express and Northwest Airlink also cut nonstop flights offered. However, two new carriers, AirTran and SkyWest (DL*) began nonstop service at Pensacola Gulf Coast Regional since the terrorist attacks on September 11, 2001.

Tallahassee Regional Airport

Although weekly scheduled flight departures fell slightly between the summer and fall of 2001, weekly departing seats were up 8 percent over the period. This was due largely to the cutback in nonstop service operated by carriers using smaller turboprop aircraft combined with new service provided by AirTran using jet aircraft. Gulfstream pulled out of the Tallahassee market completely and US Airways Express, ASA, and Northwest Airlink all decreased operations at the airport. Along with the new service provided by AirTran to Atlanta, AirTran has also recently announced new nonstop service between Tallahassee and Tampa and Tallahassee and Miami. Delta regional partner, SkyWest, also announced new service to Dallas/Ft. Worth beginning in 2002.

Eglin AFB (Northwest Florida Regional Airport)

Between the summer and fall of 2001, Okaloosa Regional experienced a sharp decline in the level of domestic nonstop service offered by carriers. Nearly one quarter of the airport's weekly nonstop scheduled flight departures were cut, while departing seats dropped 20 percent. AirTran discontinued all operations at the airport and began scheduled nonstop service to Atlanta at Pensacola Gulf Coast Regional. However, after AirTran pulled out, Delta and Comair (DL*) initiated nonstop scheduled service at Okaloosa Regional to offer area passengers increased service to Delta's hubs in Atlanta and Cincinnati.

Panama City-Bay County International Airport

Although one additional carrier began serving Panama City-Bay County International since the September 11, 2001 attacks, nonstop service to the airport dropped. There were 20 fewer nonstop weekly departures and 9 percent fewer departing seats in the fall of 2001, compared to the summer of 2001. US Airways Express cut one daily flight and Northwest Airlink dropped two daily nonstop flights to the airport. However, Comair (DL*) began serving Panama City-Bay County International with two Saturday flights to Cincinnati between the summer and fall of 2001.

SUMMARY

Many forces combined in the late 1990s and early 2000s to cause a nationwide slowdown in airline passenger traffic. These factors caused travelers – both business and leisure – to reassess their traveling needs. As a result, many of the nation's airlines suffered declining passenger counts and decreasing revenues. Service cutbacks and financial difficulties mounted in the industry. As noted in this report, between the summer of 2000 and the summer of 2001, many of Florida's air service markets saw some reduction in their levels of commercial airline service, particularly among traditional legacy carriers. Other carriers, particularly low-fare carriers took this opportunity to expand. By 2003, most of Florida's markets had recovered to pre-9/11 activity, but the market for commercial air service around the country is far different from just six years ago. Further compounding this situation is the continuing uncertainty of the airline industry's health. In late 2005, four of the country's largest airlines were bankrupt. In Florida, this meant that approximately 35 percent of airlines' capacity (measured in seats) was offered by airlines in dire financial straits.

Since the 2007 update of this report, the airline industry has seen a period of recovery, with many carriers regaining pricing power, increasing seats per flight, and charging increased fares in response to near-record fuel prices. As a result, air service offerings in Florida have been mixed from a passenger standpoint since the 2005 update of this document. Table 46 shows some of the major metrics used to track air service in the state.

Demand remained strong and growing since 2004, with an increase in enplanements of 3.15 million, or over 5 percent over 2006 levels. Conversely, supply (in the form of weekly departures and seats) contracted, with approximately 500 fewer weekly departures and 40,000 fewer weekly departing seats in July 2008 than one years prior.

Carriers continued to deploy larger aircraft in Florida markets as the average number of seats per flight climbed from around 120 to over 122 between 2007 and 2008. Cities in Florida continued to see an increase in fares, as the average one-way fare has increased nearly 39 percent statewide since July 2007. This increase in fares began in 2005, and reversed a multi-year trend in Florida of consistently decreasing fares up to 2005.

Overall offerings by airlines in terms of departures and seats declined since the last study.International departures lost 6 weekly flights, losing 80 flights to the Caribbean but adding flights to Central and South America, Europe, Canada and for the first time, the Middle East.

Conversely, the number of instate departures continued to suffer decreases, down 182 since the summer of 2005. The total number of airlines providing service to Florida's cities decreased by one carrier., and nonstop destinations also decreased 3 to 117.

Table 46: Performance Measure Comparison

Performance Measure	**Previous (2007) Study**	**Current (2008) Update**	**Percent Change**
Total annual enplanements	66,568,871	69,675,386	5.6
Domestic total weekly departures	11,650	11,145	(4.3)
Domestic total weekly seats	1,402,407	1,363,528	(2.8)
Average seats per flight	120.4	122.0	1.3
Average one-way fares	$130.03	$180.12	39.0
International total weekly departures	2,072	2,066	(0.3)
Instate total weekly departures	147,452	144,246	(2.2)
Total number of airlines serving the State	43	42	(2.3)
Total number of nonstop destinations served	120	117	(2.5)

Notable service changes since the 2007 update of this report include the cessation of operations by Skybus and DayJet, the contraction of service at Florida's smaller airports, and the continued dominance of low-fare carriers in the State.

As a general trend, airline service in the U.S. has continued shifting to high-load routes to busy metropolitan markets and away from smaller markets. This was the case in Florida, where most of the State's smaller cities continued to see declines in air service offerings and substantial increases in fares since the 2007 update of this report. Flight trends over each study period by airports are illustrated in Figure 3 to Figure 6**,** Low fare airline activity in Florida continued to be concentrated in Fort Lauderdale, Orlando and Tampa. Nine other cities were served by these carriers in 2008. The low fare carrier share of seats continued to grow from 2005 and 2007 levels.

From the consumer's standpoint, demand remained strong despite lower seat capacity and higher fares. From the carrier's standpoint, increased pricing power was gained in the face of higher costs. Overall, service patterns increased in Florida's largest markets, while travelers in several smaller cities continued to see service cuts. .

During the writing of the 2007 update, domestic carriers had announced that they expect to cut capacity (seats) by about 20 percent during 2008. The actual statewide number of seats dropped (3) percent. A reduction in seats was experienced by most airports except Ft. Lauderdale International, Orlando Sanford International, and all airports in the Northwest region.