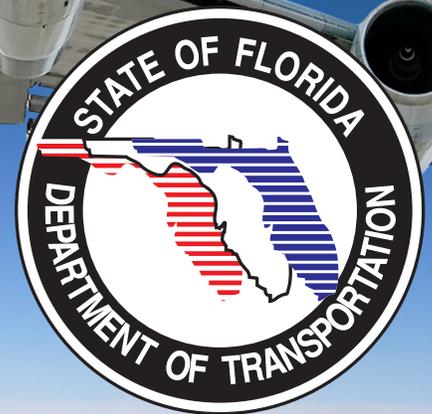


2012

AIRPORT AIR SERVICE PROFILE

Key West International Airport



prepared by



**Kimley-Horn
and Associates, Inc.**

Purpose

Airport Air Service Profiles have been developed for Florida's 19 commercial service airports. The purpose of the Airport Air Service Profiles is to inform Florida's airports of the travel patterns of their communities, so they can operate their airports more efficiently and to communicate this information to the airline industry, allowing them to make informed service delivery decisions.

Data Explanation

For this report, three key data sources were used: *Passenger Origin-Destination Survey* from the U.S. Department of Transportation, the Official Airline Guide (OAG) and Airline Reporting Corporation (ARC). In this profile, data are combined and compared in order to identify general trends about the airport, as well as offer certain analysis on the findings. A description of these data sources are presented below. Throughout the text, the data sources will be further explained, but this section provides a general overview of the data used in the development of this Airport Air Service Profile.

AIR PASSENGER ORIGIN AND DESTINATION (O&D) SURVEY

DB1B COUPON: The Airline Origin and Destination Survey (DB1B) is a 10% sample of airline tickets from reporting carriers collected by the Office of Airline Information of the Bureau of Transportation Statistics. Data from this source provides coupon-specific information for each domestic itinerary of the Origin and Destination Survey.

T-100 DOMESTIC MARKET: This data source contains domestic market data reported by both U.S. and foreign air carriers, including carrier, origin, destination, and service class for enplaned passengers, freight and mail when both origin and destination airports are located within the boundaries of the United States and its territories.

OFFICIAL AIRLINE GUIDE (OAG)

OAG data were summarized as weekly averages for the reported year. All OAG data are for direct flights and represents statistically significant samples of data.

AIRLINE REPORTING CORPORATION (ARC)

The data provided by this source represent a statistically significant and representative sample of airline tickets purchased with a consumer form of payment through an ARC-accredited agency, including major online travel agencies (OTAs), such as Expedia, Orbitz, and Travelocity.

The data represent a 10 percent sample, and industry standard sample size, of passengers from participating agencies. This amount can vary significantly by individual market depending on several factors, including but not limited to the following: 1) the overall composition of air travelers (leisure vs. business); 2) the presence of carriers whose distribution is more heavily weighted toward the direct vs. agency channel (e.g. low cost carriers); and 3) the presence of carriers with limited participation in the ARC settlement system (e.g. Southwest Airlines).

The data used represent passengers and zip codes from where in Florida tickets were purchased. The data include purchases from Florida zip codes only. Because the data in this document represent consumer purchases of airline tickets, there is a natural bias toward leisure and unmanaged business travel behavior and may not account for all business travel. There also may be limitations due to misrepresentation of the passenger information in instances where a person from one zip code purchased a ticket for another person in a different zip code.

Airline Reporting Corporation (ARC) did not assist in the preparation of this analysis. All analyses disclosed herein were performed by Kimley-Horn and Associates, Inc., the consultant to the Florida Department of Transportation, Central Aviation Office.

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KEY WEST INTERNATIONAL AIRPORT AIR SERVICE SUMMARY

AIRPORT INFORMATION AND HISTORY

Key West International Airport (EYW) operates as the southernmost airport in the United States (U.S.). The airport's first flight was in 1913, but scheduled service did not begin until 1928 when Pan American Airlines began flights at EYW. Key West International has two terminals that together served 288,923 enplanements in 2010. The airport has only one runway measuring 4,801 feet. Although Key West International Airport is considered a commercial airport, but general aviation accounts for the majority of airport use. The small size of Key West International Airport makes it an ideal airport to serve shorter flights destined for major airports in Florida.

ANALYSIS

The Continuing Florida Aviation System Planning Process (CFASPP) places Key West International Airport in the Southeast Region. Also included in this region are Miami International Airport, Ft. Lauderdale-Hollywood International Airport, and Palm Beach International Airport. Baseline conditions of the airport are reported using 2010 and 2011 data. In some instances, historical data will be shown using years 2000 to 2010. The primary sources of information are from the United States Department of Transportation (U.S.DOT), the Official Airline Guide (OAG), and the Airline Reporting Corporation (ARC). Specific data sources are described where appropriate.

TOTAL ENPLANEMENTS

In 2010, Key West International Airport had 288,923 total enplanements, making it the smallest airport in the southeast region and the fourth smallest of all commercial airports in Florida. Total enplanements at Key West International Airport have fluctuated throughout the last decade, seeing enplanements go from a low of 230,802 to a high of 301,766. Growth trends in total enplanements at Key West International are shown in *Figure 1* to the right. Data for this figure were taken from 2000 – 2010 Enplanements in Florida's Commercial Airports' annual airport passenger traffic reports.

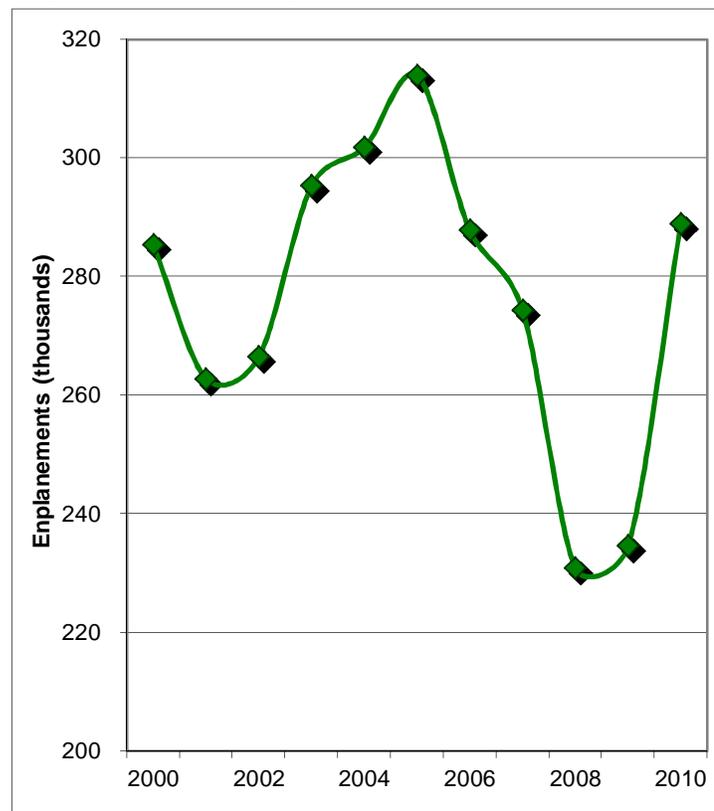


Figure 1: Key West International Airport Total Annual Enplanements

DOMESTIC ORIGINATION AND DESTINATION (O&D) TRAVEL PATTERNS

In 2010, Key West International Airport had 287,301 domestic enplanements (O&D passengers). This total is less than any other airport in the Southeast region. The location of Key West International Airport limits destination options. Because its service is limited, flights often require multiple layovers, which increase fares. The short length of the runway also limits the size of planes serviceable by the airport. Key West International Airport has the highest fares of any airport in the region, with an average one-way domestic fare of \$199.50. O&D passenger and fare data were collected from the U.S. Department of Transportation (U.S.DOT) Bureau of Transportation Statistics (BTS) O&D Survey and summarized from schedule T-100 Domestic Market All Carriers. Fare data are from U.S.DOT BTS DB1B Market Data. A graphical summary of O&D passenger and fare data can be seen in *Figure 2* below. United States (U.S.) regional trends and destination airports for 2010 and 2011 are shown in *Maps 1 and 2* on the following pages. Included in *Map 1* is a table that displays the top ten final destinations of passengers originating at Key West International Airport and a table that shows how average one-way fares and domestic passenger totals vary across U.S. regions. *Map 2* contains a table with the top ten final destinations from Key West International. The destination airport data seen in *Maps 1 and 2* were obtained from Airlines Reporting Corporation (ARC)* and is a 10 percent sample of reporting years 2010 and 2011.

* Disclaimer: Airline Reporting Corporation (ARC) did not assist in the preparation of this analysis. All analyses disclosed herein were performed by Kimley-Horn and Associates, Inc.

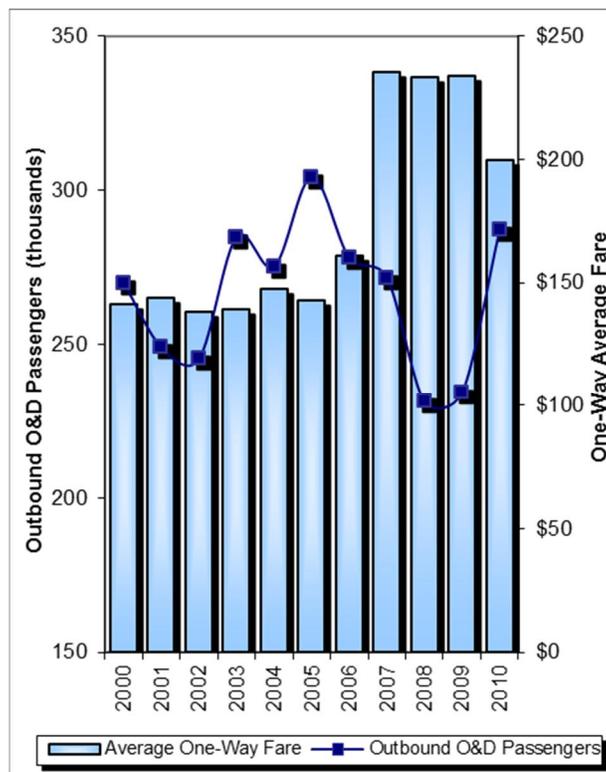
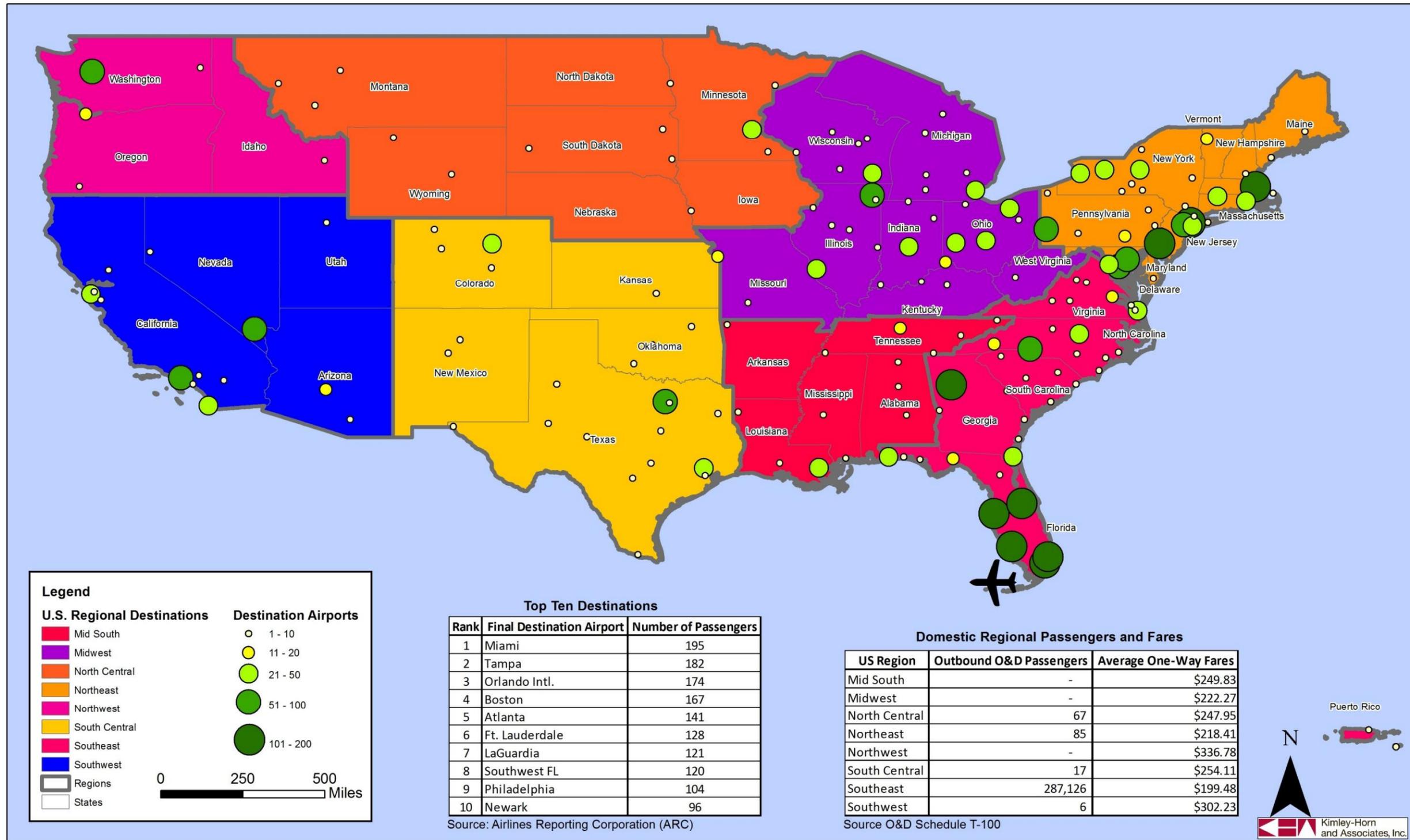
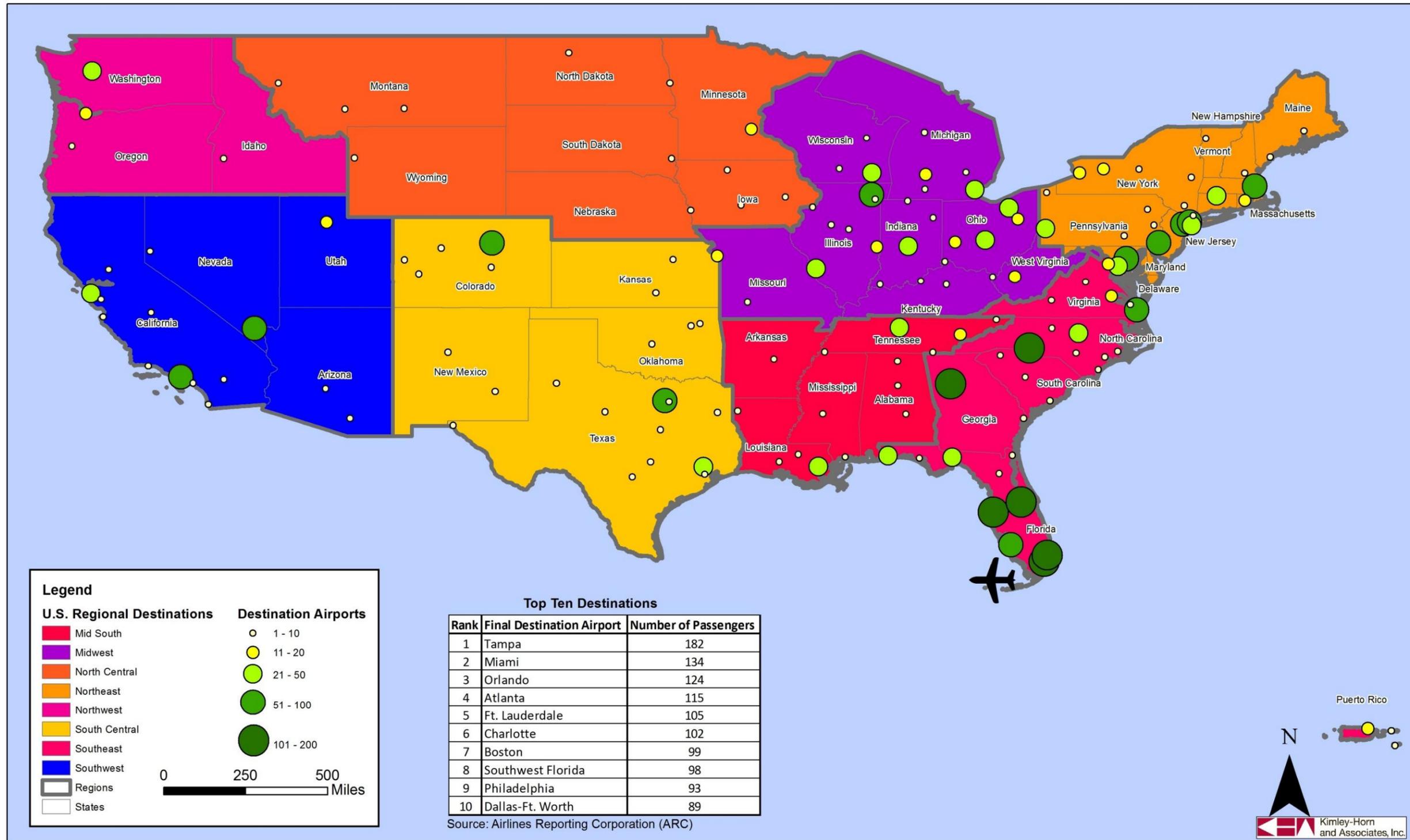


Figure 2: Summary of Outbound O&D Passengers and Average One-Way Fares



Map 1: Key West Domestic Destination Airports and Regions, 2010
Final destination information is based on a 10% sample of ARC-accredited Online Travel Agencies (OTA) and represents tickets purchased from Florida zip codes



Map 2: Key West Domestic Destination Airports and Regions, 2011
 Final destination information is based on a 10% sample of ARC-accredited Online Travel Agencies (OTA) and represents tickets purchased from Florida zip codes

DESTINATIONS SERVED

Key West International Airport provides direct flights to six domestic airport locations throughout the U.S. This is one of the lowest direct flights totals of any commercial airport in Florida and the lowest of all airports in the southeast region. Of the six destinations, three are served by large jet aircraft, one is served by regional jets, three are served by turboprop airplanes, and one is served by a prop plane. Currently Key West International has an average of 53 seats per flight for domestic destinations and 148 domestic departures per week. Data used to compile this information are from the Official Airline Guide (OAG) and are presented as a weekly summary taken during July 2011. A summary of airports served, number of flights, and serving airlines are shown in the *Appendix*.

INTRASTATE TRAVEL

Key West International Airport is one of 16 airports in Florida that offers intrastate service. In fact, Key West is the only commercial airport in Florida that has a majority of flights destined for an intrastate location. All airports in the Southeast Region currently offer intrastate flights. Of commercial service airports in Florida, Key West offers a relatively high number of flights to intrastate destinations with only 21 weekly flights depart to an out-of-state destination. Key West International has 127 weekly flights to five destinations, and provides service to airports in many of the CFASPP regions. Data displayed for intrastate flights were taken from the Official Airline Guide (OAG) and illustrate the weekly average number of flights from data collected in July of 2011. Historical intrastate service is summarized below in *Figure 3*, and 2011 data can be seen in *Map 3* on the following page.

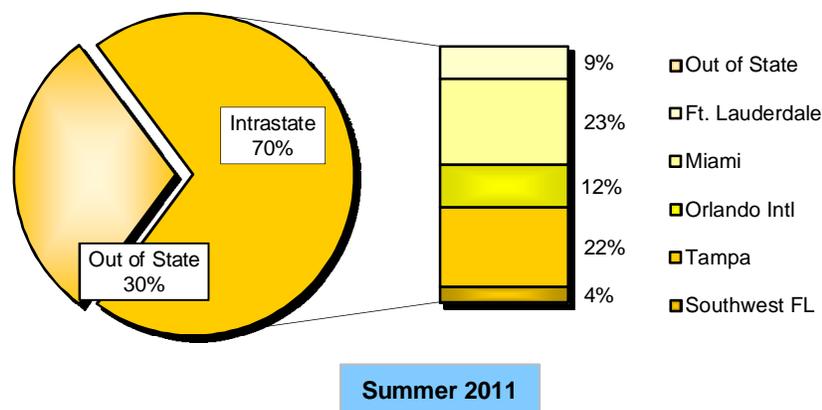
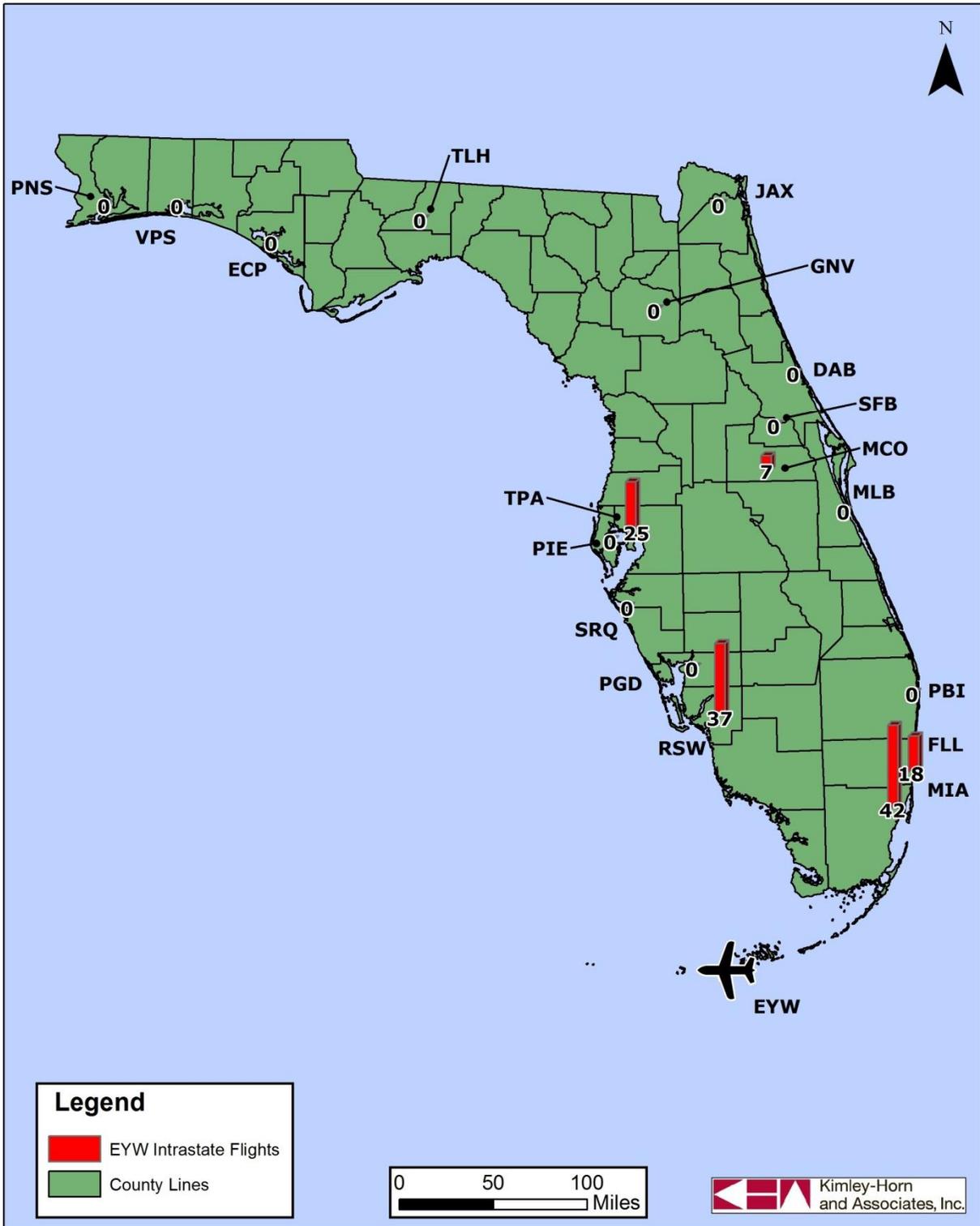


Figure 3: Intrastate Service
Intrastate passengers as a percent of the total



Map 3: Key West Intrastate Flights, 2011
 Average Number of Weekly Flights

INTERNATIONAL FLIGHTS

In 2011, Key West International Airport did not offer direct international service. However, when looking at final destinations of flights departing the airport, it was found that 8.2 percent of flights that leave Key West International Airport have international final destinations. While it may not be feasible for the airport to provide international service, the airport may want to consider international traffic patterns to assess how they may better serve their passengers

SEASONAL FLIGHT COMPARISON

Scheduled service showed great variability among seasons in 2011. With direct flights to only one domestic out-of-state destination, Key West saw flights to the southeast greatly decrease in the summer months and increase in the spring. Alternatively, intrastate destinations increased in the summer and decreased in the spring. Seasonal flight information was taken from the Official Airline Guide (OAG) and was summarized as a weekly average. Winter months include December 2010 and January 2011, spring months include March and April 2011, and summer months include July and August 2011. A summary of the seasonal comparison for Key West International Airport can be seen below in *Figure 4*.

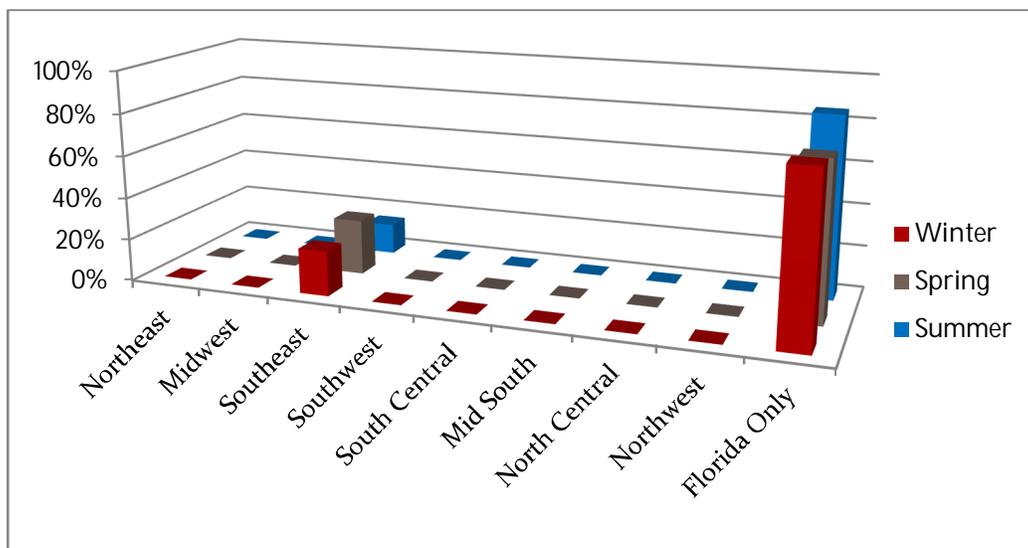


Figure 4: Key West International Airport – Seasonal Flight Comparison

Seasons presented are from a representative sample.

HUBS SERVED

Key West International Airport is one of the smallest airports in the state of Florida. On a national level, it is considered a Non-Hub Airport, which means that it enplanes less than 0.05 percent of all flights in the U.S. In 2010, Key West had 287,301 domestic enplanements and offered flights to six domestic hub airports. To be considered a hub airport, it must serve at least 0.05 percent of all enplaned passengers in the U.S. Hub information was taken from the U.S. Department of Transportation (U.S.DOT) Research and Innovative Technology Administration (RITA) using BTS data as of June 2011.

AVERAGE LOAD FACTORS

Average load factors represent the number of passenger miles traveled as a proportion of available seat miles. A higher average load factor equates to more passengers boarding. The average load factor at Key West International Airport was 84.54 which was slightly higher than the 2011 U.S. average of 81.73. Load factor data were found using Bureau of Transportation Statistics (BTS) T-100 segment data for the years 2010 and 2011. A summary of 2010 and 2011 average load factors are shown in *Table 1*.

Table 1: Average Load Factors Per Year

Year	Domestic	International	Total
Key West International			
2010	79.13	n/a	79.13
2011	84.54	n/a	84.54
All U.S. Airports			
2010	82.18	81.59	81.90
2011	83.03	80.41	81.73

ON-FLIGHT MARKET FREIGHT STATISTICS

Freight statistics represent the total number of pounds of freight, property other than mail and passenger baggage transported, transported by air from a given airport. Key West International Airport has a relatively large amount of freight for the size of the airport, handling more freight than airports such as Melbourne and Sarasota International. In 2011, Key West International handled 200,384 pounds of freight. A summary of 2010 and 2011 on-flight market freight statistics can be seen in *Table 2*. Due to delay in reporting periods by airlines and airports to the Bureau of Transportation Statistics (BTS), not all data for 2011 have been reported. Therefore, comparisons cannot be made between 2010 and 2011, but comparisons can be made between airports for the same years. Freight statistics were determined using BTS T-100 domestic market data.

Table 2: Total Freight (lbs.) Per Year

Year	Freight (in pounds)
2010 (Jan-Dec)	368,172
2011 (Jan-Sept)	200,384

ON-FLIGHT MARKET MAIL STATISTICS

Mail statistics represent the total number of pounds of U.S. and foreign mail shipped from a given airport. Key West International shipped just two pounds of mail in 2011 between the months of January and September. A summary of 2010 and 2011 on-flight market freight statistics can be seen in *Table 3*. Due to delay in reporting periods by airlines and airports to the Bureau of Transportation Statistics, not all 2011 data have been reported. Therefore, comparisons cannot be made between 2010 and 2011, but comparisons can be made between airports for the same years. Mail statistics were determined using BTS T-100 domestic market data.

Table 3: Total Mail (lbs.) Per Year

Year	Mail (in pounds)
2010 (Jan-Dec)	0
2011 (Jan-Sept)	2

MARKET LEAKAGE STUDY

INTRODUCTION

Florida has the most large hub airports (4) of any state in the U.S. Florida also has a large number of commercial service airports (19), which compete over the same potential passengers. There are many factors that play into the decision-making of passengers, ranging from cost to airport proximity to how direct a flight is. Because of these factors, many smaller commercial airports in Florida experience market leakage, or a loss of passengers who choose to drive further distances to airports for various reasons, such as less expensive flights or more convenient flight options. For large airports located in large metropolitan areas leakage may be a less significant factor due to the fact that they still carry large numbers of passengers. Conversely for smaller airports the loss of passengers to larger airports may potentially be more significant. This analysis looks at tickets purchased in Florida zip codes to see which Florida airports lose business due to market leakage. The market leakage study analyzed zip codes from where a ticket was purchased and subsequently which airport was departed from for that purchase. This analysis determined how many passengers leaving a county with commercial air service to use an airport located within another county. In order to better understand the market leakage findings, key demographic data are presented as part of the market leakage study.

METROPOLITAN STATISTICAL AREA (MSA)

Key West International Airport is the only commercial service airport in Florida that is not a part of an MSA. Because of this, analysis for the airport will be presented only at the county level. For this analysis, identifying populations, employment, and other factors is important to understand the area.

POPULATION TRENDS AND PROJECTIONS

Monroe County, the County in which Key West International Airport is located, has a current population of 73,090 people. Over the last 20 years, the county has seen large changes in population, which is projected to decrease in the future. These population projections make it very difficult for a small airport, such as Key West International, to attract new airlines and expand growth. Historical, current, and future population projections are shown in in *Figure 5*. Population data were taken from the 2010 census and population projections are from the Bureau of Economic and Business Research (BEBR) 2010.

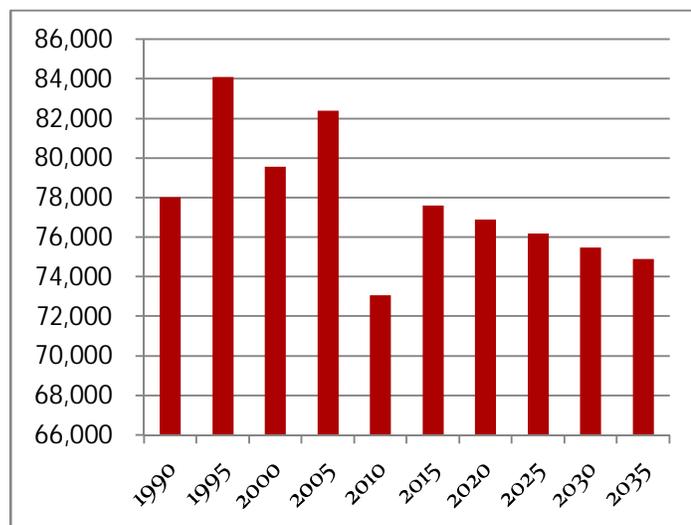


Figure 5: Historical, Current, and Future Population Projections Monroe County

INCOME LEVELS

Income levels for Monroe County are extremely high when compared to other counties in the state. Currently, the average per capita income in Monroe County is \$60,173 while the average for the state is \$38,965. The income in an area may impact the demand for air travel in an area. In an area that has a relatively high number of upper income households, more people may be willing to pay more in order to travel a shorter distance to the airport increases. In lower income areas, people may be likely to drive a greater distance for air travel in order to capture reduced fares. A summary of income data for Monroe County is shown below in *Figure 6*. Income data for the county was taken from the U.S. Census American Fact Finder.

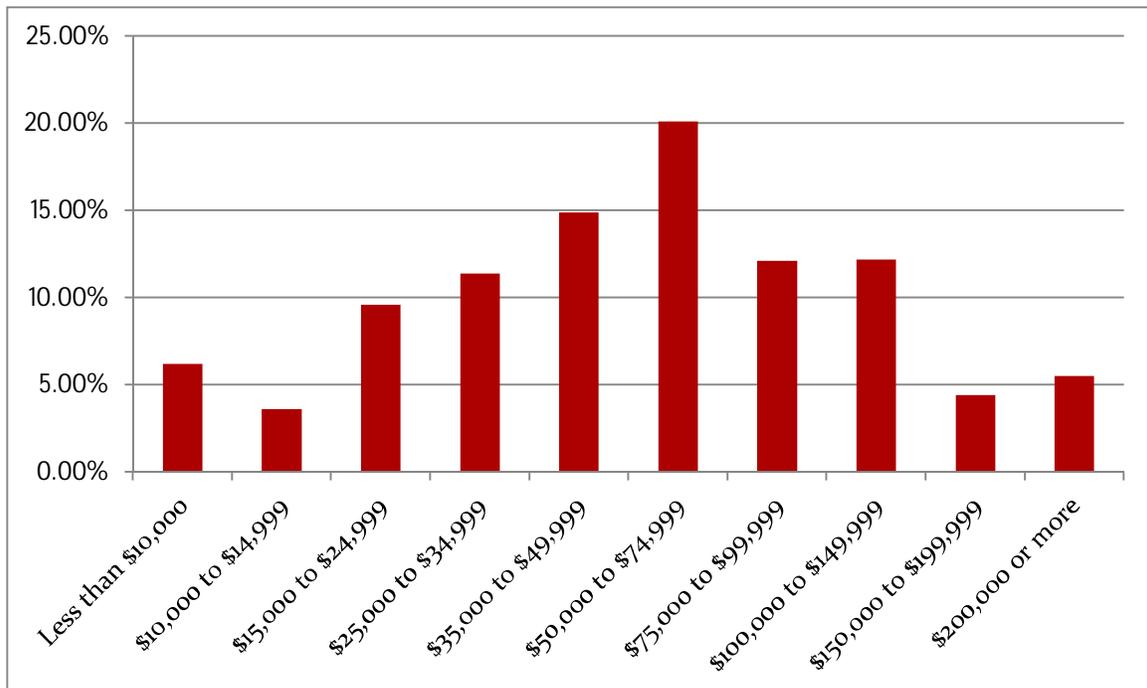


Figure 6: Income Brackets – Monroe County

EMPLOYMENT BY INDUSTRY

The type of employment that is located in an area may also have an effect on airline travel. For areas that have a large number of companies that participate in professional and financial services, demand for local air travel will likely increase because they may be less concerned about the cost of flights and more concerned about ease of access to the airport. In most cases, differences will exist between the county and the state averages, but these discrepancies are generally not large enough to impact commercial air service demand. Monroe County shows large differences from the state average for employment by industry group. In the leisure and hospitality field, Monroe County more than doubles the state average. In the financial, health, and business categories, the county falls well below the state average. *Figure 7* below shows the breakdown of employment by industry, and a list of the county's top employers can be seen in *Table 4*. Employment information was taken from Enterprise Florida and contains data from 2010.

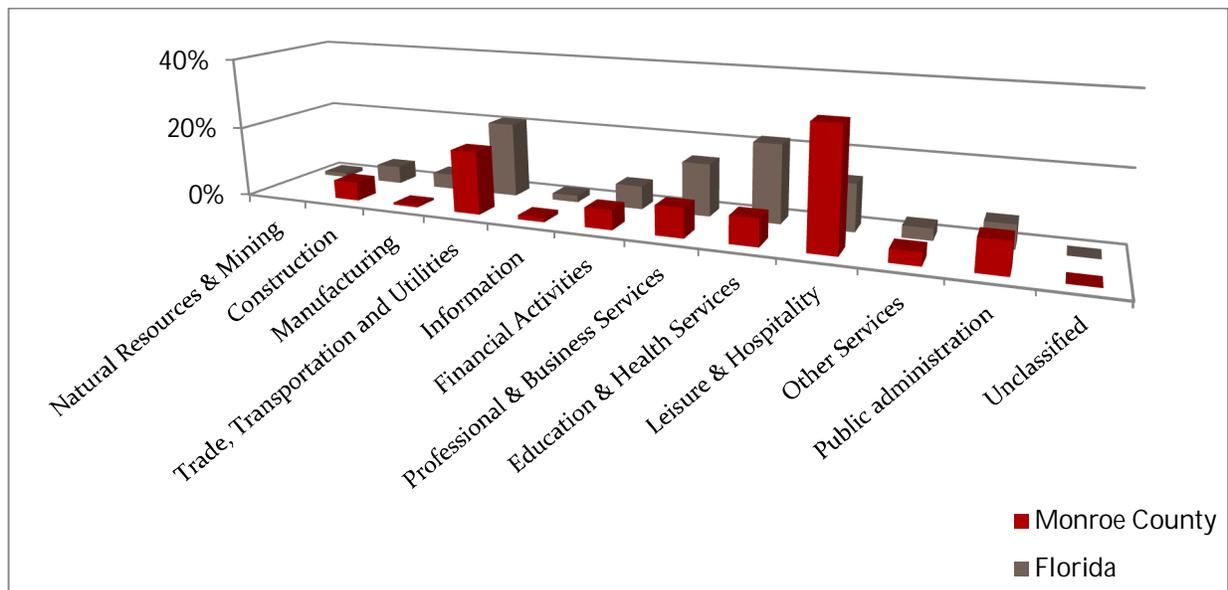


Figure 7: Jobs by Industry – Monroe County

Table 4: Top 10 Private Employers – Monroe County

Major Employers	Number of Employees
Kmart	750
HMA	600
Baptist (Mariner’s Hospital)	500
HTA	300
Hawks Kay Resort	295
Publix	280
FKA	258
Florida Key Community College	225
Winn Dixie	195
Singh Resorts	185

ROUTING

A route analysis was completed to determine how final destinations from Key West International were served. Due to the size of the runway at the airport, there is a limitation on the size of aircraft that can use it; therefore, many destinations cannot be reached without a layover. Of the top ten routes, a majority are served with direct flights, with only destinations outside of the southeastern U.S. needing a layover. The top ten routes can be seen on *Map 4* on the following page.

NEARBY AIRPORTS

Because of the remote location of the Key West International Airport, only two other airports could realistically be used as alternatives: Miami International Airport and Ft. Lauderdale-Hollywood International Airport. For this reason these two airports will be analyzed for leakage within this market area.

MARKET LEAKAGE ANALYSIS

A market leakage analysis was completed for Key West International for 2010 and 2011. The market leakage analysis evaluates the zip codes from where tickets were purchased for flights departing Key West International Airport. Data for this analysis were obtained from Airline Reporting Corporation (ARC)* and can be seen in *Maps 5 and 6*. The market leakage analysis also looks at tickets purchased from a Monroe County zip code for flights departing from either Miami International Airport or Ft. Lauderdale-Hollywood International Airport. By doing this, trends were identified as to whether or not Key West International loses passengers to nearby airports.

FINDINGS

The market leakage analysis identified that Key West International Airport lost a significant portion of passengers from within Monroe County in 2011. As shown in *Maps 5 and 6*, the airport is able to retain some passengers from the area but fails to attract passengers from nearby counties that offer commercial air service, such as Broward and Miami-Dade. It was found that 1.3 percent of passengers leaving Miami International Airport and 1.2 percent of passengers leaving Ft. Lauderdale-Hollywood International Airport were from Monroe County. While this may seem like a relatively small percentage, the fact that both Miami International Airport and Ft. Lauderdale International Airport enplane over 10 million passengers means that they are taking a large percentage of passengers that have could potentially depart from Key West International. While this may likely be due to the less expensive fares and more direct service offered at Miami International and Ft. Lauderdale-Hollywood International, additional market research would need to be completed to identify the true effects of this leakage. *Figure 8* illustrates three of the top airports that receive leaked passengers from the Key West International Airport market area. The values that are presented represent the number and percent of passengers who purchased their ticket from a Monroe County zip code but flew out of an alternative airport. Data presented is a 10 percent sample from all months of 2011.

** Disclaimer: Airline Reporting Corporation (ARC) did not assist in the preparation of this analysis. All analyses disclosed herein were performed by Kimley-Horn and Associates, Inc.*

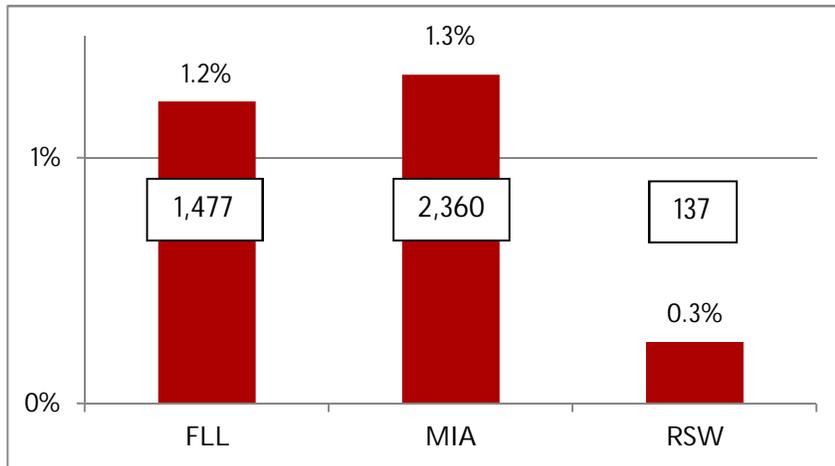


Figure 8: Market Leakage

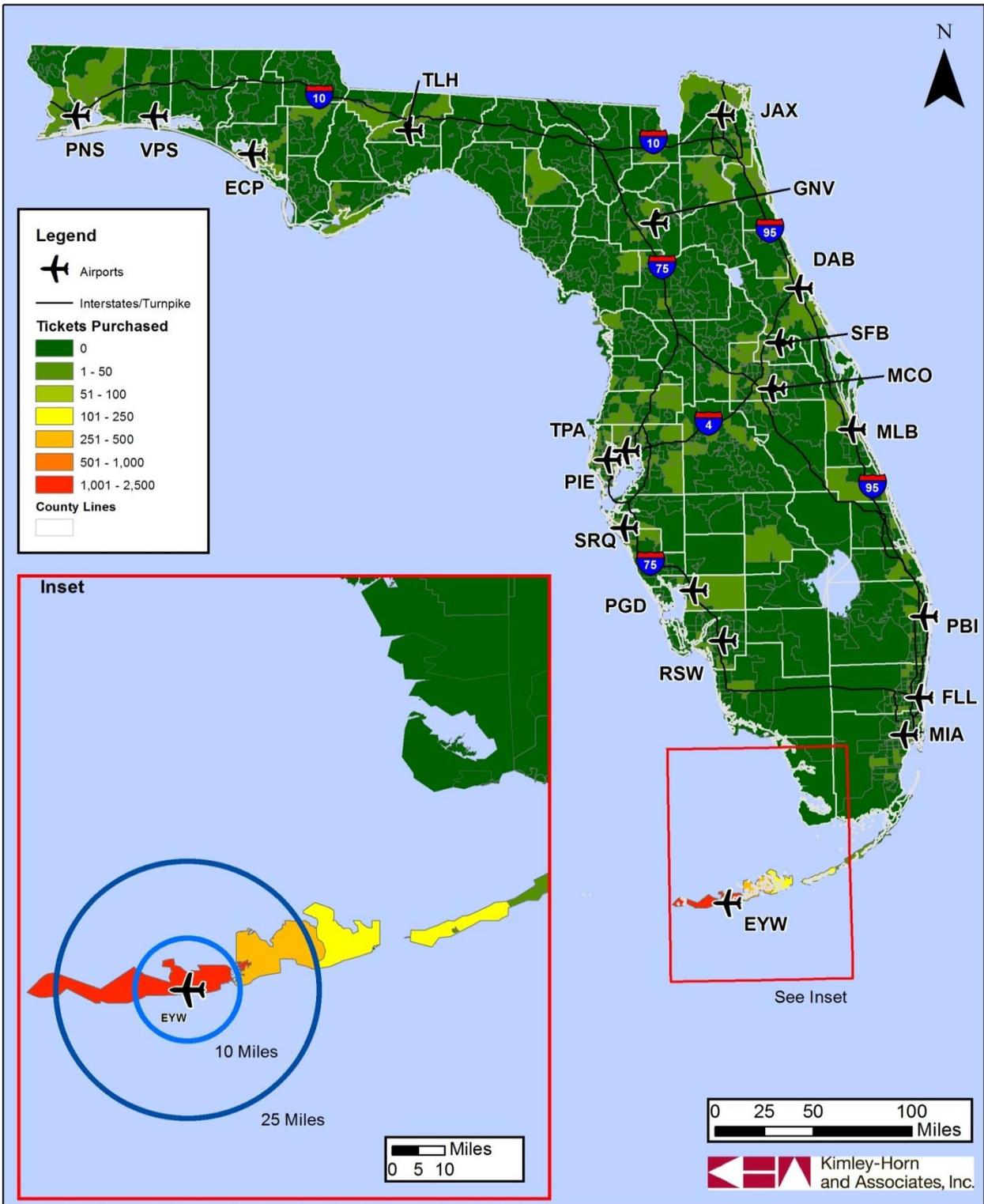
Represented as a Percentage of the Departing Airports Total Enplanements Volume in 2011



Map 4: Key West International Airport Top Ten Routes, 2011

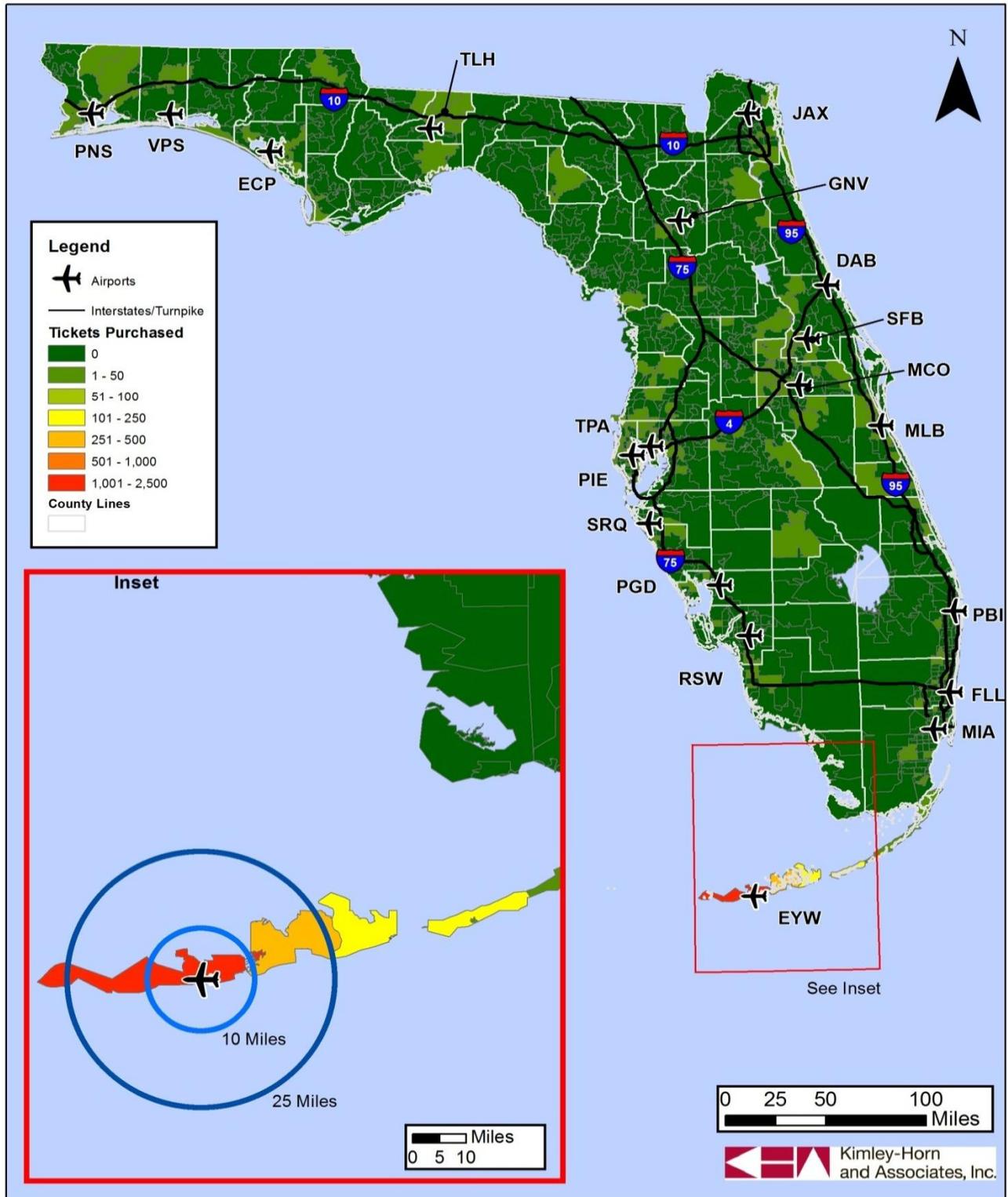
Routing information is based on a 10% sample of ARC-accredited Online Travel Agencies (OTA) and represents tickets purchased from Florida zip codes

Airport Air Service Profile
 Key West International Airport



Map 5: Key West International Airport, 2010 – Market Leakage Analysis

Market leakage information is based on a 10% sample of ARC-accredited Online Travel Agencies (OTA) and represents tickets purchased from Florida zip codes



Map 6: Key West International Airport, 2011 – Market Leakage Analysis

Market leakage information is based on a 10% sample of ARC-accredited Online Travel Agencies (OTA) and represents tickets purchased from Florida zip codes

APPENDIX

Airport Air Service Profile
 Key West International Airport

Summary of Domestic Airport Activity
 Key West International Airport (EYW)
 As of Summer 2011

Destinations Served	Weekly Departures		Carriers	
	2010	2011	2010	2011
Miami	42	42	AA	AA
Ft. Myers	44	37	9K	9K
Tampa	28	25	CO	CO(18), FL(7)
Atlanta	24	21	DL	DL
Ft. Lauderdale	23	16	CO	CO
Orlando Intl.	7	7	FL	FL
Total	168	148		

Source: Official Airline Guide, July 2011

Carrier Legend: DL- Delta Airlines, CO- Continental Airlines, FL- AirTran Airline, AA
 American Airline, 9K- Cape Air

Airport Air Service Profile
Key West International Airport

Commercial Agreements
as of February 2012

US Airways	Delta	American Airlines	United Airlines
PSA	Aeromexico	Cathay Pacific Airways	Colgan Airlines
Republic Airways	Air France	British Airways	Mesa Air Group
Piedmont	AF Regional	Japan Airlines	Republic Airways
Chautauqua	Brit Air (AF)	Jalways	Shuttle America
Colgan	City Jet (AF)	Brussels Airlines	Sky West Airlines
Trans States	Alitalia	Finnair	Trans States Airlines
Mesa Airlines	Avianca	Iberia	Go Jet
Air Wisconsin	Atlantic Southeast Airlines	Gulf Air	Express Jet
Asiana	Alaska Airlines	Qantas	All Nippon Airways
Singapore Airlines	Horizon Air	Royal Jordanian Airlines	Atlantic Southeast
	China Airlines	Malev Hungarian Airlines	Lufthansa German Airlines
Alaska Airlines	China Southern	Trans States Airlines	Continental Airlines
Peninsula Airways	Comair	Chautauqua Airlines	Air Lingus
Horizon	Compass Airlines	China Eastern Airlines	Asiana
ERA Aviation	CSA Czech Airlines	EVA Air	City Line
	KLM Royal Dutch Airlines	Jet Airways	Air Doliminti
Continental Airlines	KLM City Hopper	LAN Airlines	EuroWings
United Airlines	Korean Airlines	Mexicana	Contact
Air Doliminti	Olympic Air		Augsburg
Euro Wings	Royal Air Maroc	Frontier	
Contact	Masaba Airlines	Chautauqua Airlines	JetBlue
Augsburg	Sky West	Republic d/b/a/ Midwest Airlines	Cape Air
	Chautauqua Airlines	Republic Airlines	
	Freedom		AirTran
	Pinnacle		Sky West
	Shuttle America		
	Vietnam Airlines		
	Virgin Blue		
	Virgin Australia		