

ANALYSIS OF SCHEDULED COMMERCIAL AIR SERVICE IN FLORIDA

This report provides an updated overview of Florida's scheduled commercial airline service. 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, and 2005 timeframes and also notes service changes that have occurred since the summer of 2003.

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 on an annual basis.

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 2004; this information was obtained from the USDOT.
- Data on service provided to and from each airport as of July 2005 was obtained from the 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 2005. 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 airline service environment that appear to have been precipitated by the events of 9/11 and the continued economic problems of many of the nation's leading airlines.

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.

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. 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 notable 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 2004, the average load factor for all domestic carriers had rebounded to 74.4 percent. 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.

OVERVIEW OF FLORIDA’S CURRENT COMMERCIAL AIR SERVICE

Among all U.S. states, Florida has one of the most comprehensive systems of scheduled commercial service airports. At the writing of this report, 20 airports in the State have scheduled airline service. Since the time the first air service review was conducted in 2000, Marathon has gained and lost service several times. As of July 2005, scheduled charter service was available between Marathon and Fort Lauderdale on Florida Coastal Airlines. After lacking service in the 2003 update of this document, scheduled commercial airline service to Naples has resumed, with three daily Delta flights to Atlanta in July 2005.

The Federal Aviation Administration (FAA) categorizes commercial airports based on the number of annual enplaned passengers they serve. Airports are categorized as follows:

<u>Hub Size</u>	<u>Annual Enplanements</u>
Large Hub	6.5 million and above
Medium Hub	6.5 million to 1.6 million
Small Hub	1.6 million to 324,000
Non-Hub	324,000 and below

Based on this definition, four of Florida’s 19 commercial airports are classified as Large Hubs. These Large Hubs include the airports serving Fort Lauderdale, Miami, Orlando, and Tampa. The Florida system contains three Medium Hubs at Jacksonville, Fort Meyers, and West Palm Beach. The remaining 12 commercial service airports fall into the Small Hub or the Non-Hub category. Small Hubs serve Ft. Walton Beach, Orlando-Sanford, Pensacola, St. Petersburg-Clearwater, Sarasota-Bradenton, and Tallahassee. Non-Hubs serve Daytona Beach, Gainesville, Key West, Marathon, Melbourne, Naples, and Panama City.

FLORIDA DEMAND PATTERNS AND FARES

Using information obtained from the U.S. Department of Transportation for calendar years 1999, 2000, 2002, and 2004, 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, and 2004. As shown in this table, travel patterns remained relatively unchanged between 1999 and 2004. 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 2002. 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. The state's average one way fare increased between 1999 and 2000, but then fell notably between 2000 and 2004.

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

Travel Patterns

- In 2004, about 78 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. This was essentially the same as the 1999, 2000, and 2002 reporting periods.
- In 2004, 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 1999, 2000, and 2002 reporting periods, in 2004 cities in the Midwest and Southeast ranked as the second and third most heavily traveled destinations for Florida-originating domestic air travelers.
- Nationally in 2004 approximately 25 percent of all domestic originations were bound for cities in the Southwestern part of the U.S. In 2004 in Florida, travel to cities in the Southwest accounted for slightly more than nine (9) percent of all annual domestic originating passengers. Since 1999, this figure has consistently remained around eight or 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 2004, just 1.7 percent of all of Florida's originating passengers were bound for Northwestern destinations.

Fares

- The average one-way fare paid by all domestic originating passengers in Florida was slightly more than \$116 in 2004, down from \$117 in 2002 and ten percent lower than the state average of \$129 in 1999. Overall, fares in 2004 were fully 13.5 percent lower than their recent peak of \$134 in 2000. Nationally, the average one-way fare paid by all domestic originating passengers was \$134 in 2004 and \$137 in 2002; down 14 percent from its recent peak of \$158 in 2000. While the trend in Florida’s average one-way airline fares has mirrored the national trend, Florida’s average one-way fares, according to USDOT data, have historically (1999-2004) been notably below the U.S. average.
- In previous updates to this document, the airports in the East Central (Orlando, Orlando Sanford, Melbourne, and Daytona) and the West Central (Tampa, St. Petersburg, and Sarasota) regions of Florida had lower fares than the State average when travel to all destinations is considered. This trend continued in 2004. The large hub airports in these regions have multiple low cost carriers.
- In 2004, the highest one-way average fares were reported at those airports in the northwestern part of the State (Pensacola, Tallahassee, Ft. Walton Beach and Panama City). The average one-way fare from these airports was \$146; statewide the average one-way fare in 2004 was \$116. In 2000 and 2002, the airports in northwestern Florida also reported the highest average fare, at \$168 and \$135, respectively. In 1999, these airports reported an average one-way fare of \$161, while the State average was \$129. The cause of the decline in the average one-way fare in the northwestern region between 1999 and 2004 can be traced to the entrance of low fare service. Nevertheless, the average fare in Northwest Florida exceeds the national average.
- For travel to cities included in Florida’s top three regional domestic destinations, average one-way fares continue to be well below the national average:

U.S. Destination	Florida Avg. One-Way Fare					National Avg. One-Way Fare				
	1999	2000	2002	2004	% Change 1999-2004	1999	2000	2002	2004	% Change 1999-2004
Northeast	\$118	\$123	\$108	\$106	-10.17%	\$168	\$177	\$148	\$150	-2.24%
Midwest	\$124	\$125	\$115	\$111	-10.48%	\$151	\$161	\$136	\$137	-1.93%
Southeast	\$110	\$119	\$101	\$108	-1.82%	\$145	\$151	\$129	\$132	-1.86%

- In 2004, excluding Orlando (Florida’s largest domestic market, dominated by low fare carriers), the average one-way fare paid by domestic passengers originating at all other Florida airports combined was \$118, while the national average was \$134. In 1999, 2000, and 2002, the average 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 2004, this fare difference was \$2.25, reflecting more extensive 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 Florida's originating domestic passengers. It is important to note that this review included only existing nonstop scheduled commercial airline service as reported in July of 2005. 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 several different times via a variety of connecting opportunities.

Information on summer 2005 service patterns for each system airport is summarized in **Tables 1 through Table 20** (see **Appendix B**). For comparison purpose, **Tables 1 through 20 (Appendix B)** also provide historical summaries of airport service patterns from the summers of 2003, 2001, and 2000. **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 2003, 2001, and 2000.

Statewide Domestic Service Summary

Statewide information on Florida's air service in the summer of 2005 may be summarized as follows:

- In the summer of 2005 from all Florida airports, 11,955 nonstop domestic flights were scheduled each week. This represents nearly a 20 percent increase over the previous level of 10,021 reported in the 2003 update of this document. The majority of these additional departures came at Fort Lauderdale (459 additional departures) and Orlando International (461 additional departures). This increase in total departures was accompanied by an increase in the number of nonstop domestic destinations served from Florida's airports, which increased from its 2003 level of 83 to 110 in 2005. By these service measures, domestic commercial airline service in Florida in 2005 surpassed its most recent peak, which occurred in 2001 when air carriers performed 11,437 nonstop domestic flights each week to 81 different domestic locations.
- In the summer of 2005, each week on average, there were 1.4 million departing seats, an increase of over 200,000 seats since 2003. Each week on average during the summer of 2001 there were nearly 1.29 million seats that departed all Florida airports to domestic airports throughout the U.S. Again, this number in 2005 surpassed figures from previous editions of this study.
- When all seats that departed Florida airports each week to domestic locations were considered, approximately 89 percent of these seats were on large jet aircraft¹. In 2003, this figure was 90 percent, and in 2001 it was 91, up slightly from 89 percent in 2000. In the summer of 2005, the average number of seats per flight was 118, down slightly from 2003 when there were 120 seats per flight on average. This seats-per-departure figure, however, remained notably higher than

¹ 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).

2001 levels. In 2001, there were 112.7 seats per flight on average, 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 increased to 6.4 percent; in 2005 it had increased further to 8.4 percent.
- ❑ 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; these on flights on turboprop aircraft were almost exclusively destined to other Florida airports. By the summer of 2003, of all seats departing Florida airports, only 3 percent were on turboprop aircraft. This figure fell to just 2.4 percent in 2005.
- ❑ After a period of decline between 2000 and 2003, weekly scheduled in-state departures (flights to other airports in Florida) rebounded in 2005. These in-state departures numbered 2,380 per week during the summer of 2005; in 2003 this figure was 2,296. Both of these totals were down from the 3,363 weekly scheduled in-state departures in the summer of 2001 and 3,852 in the summer of 2000. Overall, between the summer of 2000 and the summer of 2005, the frequency of Florida's in-state scheduled airline service has decreased significantly, falling from 3,852 in 2000 to 2,380 in 2005.
- ❑ In 2000, 2001, and 2003, 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 2005.
- ❑ In the summer 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.
- ❑ 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-Clearwater 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 remained at 19, airline offerings at St. Petersburg-Clearwater had fallen to just ten weekly domestic departures, and Marathon had gained five new weekly domestic departures for a total of 15. It is important to note that due to the types of carriers that operate at Orlando Sanford and St. Petersburg-Clearwater, not all flights are reported to the *Official Airline Guide*.
- ❑ Naples had the fewest number of weekly schedule 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. As of mid-2005, however, Naples had regained service, this time on regional jets to Atlanta.
- ❑ For Florida's largest commercial service airports, the most obvious "mismatch" continues to be between domestic passenger originating demand and nonstop service to destinations in the Southwest.

Airport-Specific Domestic Service Summaries

Key information regarding each commercial airport's nonstop domestic service is summarized below. Service information for 2005 is based on service available in July as reported in *Official Airline Guide*. Passenger count data cited for 2005 is preliminary and is subject to change with official statistical releases.

Southeast Florida Region

Fort Lauderdale-Hollywood International Airport

Fort Lauderdale-Hollywood International has continued to see significant growth in 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. This represents an increase of about 74 percent in five years. The airport continued to experience significant growth through late 2005, with a passenger count through October about 9.7 percent higher than through October 2004. Fort Lauderdale-Hollywood International continues to have significant representation by the country's predominant low-fare carriers, with service available on Southwest, JetBlue, Spirit, and AirTran. Twenty-five of Fort Lauderdale's 60 available destinations could be reached non-stop on at least one of these low-fare airlines in 2005. The number of daily departures from the airport increased from 1,344 to 1,448 between the summers of 2000 and 2001. By 2003, the number of weekly departures from Ft. Lauderdale had decreased somewhat to 1,389. By the summer of 2005, however, weekly scheduled departures from Fort Lauderdale had increased to 1,848. This represents a 37.5 percent increase since 2000, or about 72 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 2005 numbered 130, down from 140 in 2003 but still higher than the average of 125 seats in 2000. Weekly departing seats to domestic destinations climbed from 167,400 in July 2000 to 240,500 in July 2005.

- In the summer of 2001, nonstop service included 1,448 weekly departures to destinations throughout the U.S., up nearly 8 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.
- In the summer of 2001, Ft. Lauderdale had 319 weekly departures to 10 different cities in Florida, down slightly from 2000 levels. By 2003, weekly departures to other Florida cities had fallen to 304, with 8 different Florida cities being served. In 2005, however, weekly in-state departures numbered 371, with service to 10 Florida cities.
- 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

included 371 in-state departures, accounting for 20 percent of all weekly departures, down from a peak of 27 percent in 2000. This decline, however, was relative in nature; the 371 in-state departures from Fort Lauderdale in 2005 represents the highest level of all previous editions of this study.

- Turboprop aircraft were used mostly on in-state routes; approximately 1 percent of all seats that departed each week in 2001 were on turboprop aircraft, down from 2 percent in 2000. By the summer of 2003 and continuing through 2005, departing seats on turboprop aircraft comprised less than 1 percent of the airport’s total departing weekly seats.
- 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.
- Scheduled nonstop domestic service continued to be well-matched to domestic originating passenger demand. As shown below, based on calendar year data from the USDOT for 2002 and 2004, the percent of passengers originating at the airport with destinations in the Northeast increased slightly. At the same time, the airport’s percentage of scheduled weekly departures to cities in the Northeast climbed slightly from 34 percent to 35 percent. Originating passengers whose destination was another Florida city remained constant between 2002 and 2004. The airport’s percentage of departing seats between the summer of 2003 and 2005 increased slightly to destinations in the Southwest, the Southeast and the Northeast regions.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	46%	47%	34%	35%
Midwest	17%	16%	14%	13%
Southeast (excl. FL)	10%	9%	15%	18%
Florida Only	6%	6%	22%	20%
Southwest	8%	10%	3%	4%
South Central	6%	6%	8%	6%
Mid-South	4%	4%	3%	3%
North Central	2%	2%	1%	0%
Northwest	1%	1%	0%	0%

Miami International Airport

Since 2000, Miami International has seen a decline in the number of domestic-bound passengers it serves annually. In 2000, about 4.61 million originating passengers boarded domestic flights at the airport. In 2002, the airport served about 3.82 million originating domestic-bound passengers. In 2004, this figure had rebounded to 4.17 million. This represented an overall decrease of about 9.5 percent from 2000 levels, but an increase from 2002. Further increases in passengers were seen in 2005, when counts through October were up 2.3 percent from the same period in 2004. The airport had non-stop service on 1,551 weekly flights to domestic destinations in 2005, up from its 2003 level of 1,453, but still down from 1,849 in 2001 and 1,963 in 2000. Weekly departing seats to U.S. destinations numbered 207,800 in July 2005, an increase of 4.8 percent from 198,300 seats in 2003 but

lower than the 237,600 seats per week reported in July 2000. The average number of seats per flight was 134 in July 2005, down slightly from 136 in July 2003, but up from 121 in 2000 and 2001. These flights were to 44 domestic destinations, an increase from 41 in 2001 and 2003 and the 42 domestic destinations offered in the summer of 2000. 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 6 percent from the summer of 2000. This was due largely to increased low fare competition at Ft. 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.
- During the summer of 2001, Miami had nearly 600 weekly scheduled departures to 6 different cities in Florida, including 215 flights to Orlando International. However, during the summer of 2000, over 700 weekly instate departures were scheduled to nine different Florida airports, a 16 percent decline in one year. This decreasing trend in intrastate service continued through 2005. By the summer of 2003, Miami International reported 342 weekly departures to other Florida cities, a number that increased slightly by July 2005 to 349.
- In the summer of 2001, nearly 250,000 weekly seats departed Miami for other U.S. destinations, about 6 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 was reporting 198,262 weekly departing seats to destinations within the U.S. Growth occurred by the summer of 2005, when weekly domestic departing seats increased to 207,800.
- In 2000 and 2001, approximately 9 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 4 percent.
- Almost 90 percent of the market's weekly domestic scheduled seats were on jets in the summer of 2000 and 2001. This percentage increased to almost 94 in 2003 before retreating to 92 percent in 2005.
- 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 through 2005. By the summer of 2003, an estimated 23.5 percent of all of Miami International's weekly departures were to other Florida destinations, and in 2005 this figure dropped to 22.5 percent.
- Nonstop domestic service remained fairly well matched to originating domestic passenger demand. While top passenger O&D 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. Departures to the

Southeast, South Central, and Mid South increased. Weekly departures to other destinations in Florida remained steady.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
	Northeast	35%	34%	25%
Midwest	15%	17%	13%	12%
Southeast (excl. FL)	17%	16%	19%	20%
Florida Only	6%	4%	23%	23%
Southwest	11%	12%	7%	5%
South Central	8%	8%	9%	10%
Mid South	3%	3%	2%	5%
North Central	3%	3%	1%	1%
Northwest	1%	2%	1%	0%

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 preliminary figures through October 2005 show an 8.5 percent increase in passengers from the same period a year earlier. The number of weekly departures declined by 2003 after peaking in 2001, increasing from 589 in 2000 to 613 in the summer of 2001, before falling to 483 in July 2003. As of July 2005, however, weekly departures had increased to 505. In 2003 Palm Beach International’s number of weekly departing seats returned to pre-9/11, to about 65,100, and by July 2005 had climbed further to 71,800 per week. Average seats per flight increased steadily from 108 in 2000 to 124 in 2001 to 135 in 2003, to a recent high of 142 in the summer of 2005. This shows a shift in the fleet serving Palm Beach to larger jets.

- This market had 613 weekly scheduled departures in August 2001 to various destinations in the U.S., up 4 percent from 589 weekly departures in July 2000. By the summer of 2003, however, weekly scheduled departures had fallen to 483. In July 2005, however, weekly scheduled departures had increased to 505.
- 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.
- The increase in scheduled service demand measures reported in 2001 was attributed largely to Southwest Airlines, which entered the market in January 2001, providing 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.

- ❑ In the summer of 2001, there were 158 weekly scheduled departures to different locations in Florida; these instate flights accounted for nearly 26 percent of the market’s weekly scheduled domestic departures. There were approximately the same number of instate departures at the airport one year earlier. By the summer of 2005, however, the airport’s number of instate weekly departures had fallen to 57; this number of weekly departures accounted for approximately 11 percent of the airport’s total number of 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.
- ❑ 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. The percentage of weekly scheduled departures to cities in the Northeast and the Southeast has increased. Weekly scheduled departures to other Florida cities, as a percent of the total, have fallen.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	61%	64%	45%	51%
Midwest	13%	12%	9%	8%
Southeast (excl. FL)	8%	8%	23%	24%
Florida Only	3%	2%	15%	11%
Southwest	5%	6%	0%	0%
South Central	5%	4%	7%	6%
Mid South	3%	3%	1%	0%
North Central	1%	1%	0%	0%
Northwest	1%	1%	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 had reversed by 2004, however, when airlines serving Key West enplaned 275,200 domestic passengers. Preliminary passenger counts through October 2005 indicate additional increases, with 6.1 percent growth over the first ten months of 2004. The number of weekly departures declined, from 325 in 2000 to 304 in 2001 to 280 in the summer of 2003, before finishing in 2005 at 286. Average departing seats per week, however, continued the growth pattern seen in the previous update 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. Key West International was served in July 2005 by regional jets on nine flights per day, a continued change from previous years in which the airport was served solely by turboprop aircraft.

- ❑ This market had no scheduled service to destinations outside of Florida in 2000 and 2001. By the summer of 2003 and continuing in 2005, however, 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. Six Florida cities (Fort Lauderdale, Fort Meyers, Marathon, Miami, Orlando, and Tampa) were served nonstop from Palm Beach in 2005.
- ❑ The market's top domestic travel destinations continued to be in the Southeast (including Florida), the Northeast, and the Midwest; combined, domestic originating passenger demand to cities in these regions accounts for about 85 percent of the market's annual enplaned passenger demand.
- ❑ Scheduled commercial airline service to Key West International is limited by the length of the runway at this airport.

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. At the writing of this report in 2005, limited commercial airline service had been restored to the airport. Since commercial airline service was not available from this airport in 2000 and 2001, comparative data is not available for presentation and discussion.

After it lost service in early 2000, travelers were unable to obtain air service from Marathon's airport. In 2003, however, limited service was reinstated 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. However, this Key West service was a tagged flight; that is, the route 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.

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 passengers boarded a domestic flight at the 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, however, when the airport handled 12.84 million passengers. Continued growth was seen through October 2005, when passenger counts were 9.7 percent

higher than the same period in 2004. Between 2000 and 2003, the airport's number of weekly departures fell, from 2,827 in 2000 to 2,720 in 2001, and further declining to 2,361 in July 2003. Extensive growth in departures commenced thereafter, and by the summer of 2005 the airport reported 2,904 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, ending at 131 seats per flight in 2005. Further, domestic destinations served nonstop from Orlando International increased from 67 in 2001 to 82 in July 2005.

- 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, but rebounded to 2,904 by the summer of 2005.
- 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.
- In the summer of 2001, this market had a high number of weekly departures to cities in Florida with 531 weekly flights. However, instate weekly departures were down nearly 17 percent from 2000, when the airport reported 631 instate 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 instate departures.
- 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 instate scheduled weekly departures had fallen to 14 percent, and in July 2005 this figure was 10.4 percent.
- 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 on board jet aircraft. This decrease in jet departures occurred as the number of regional jets serving Orlando International continued to increase.
- Seats on turboprop aircraft accounted for about 4 percent of all seats that left the market each week in the summers of 2000, 2001, 2003, and 2005. These aircraft were used primarily to serve other destinations in Florida.
- The market's scheduled nonstop domestic service is well matched to originating passenger demand. While the airport's regional distribution of its O&D passengers remained largely unchanged between this reporting period (summer 2005) and the prior reporting period (summer 2003), some changes in the regional distribution of scheduled departing domestic flights were noted. The percentage of scheduled departures to cities in the Northeast, Southeast and Midwest increased slightly, but scheduled departures to other cities in Florida declined.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	40%	40%	30%	31%
Midwest	22%	21%	19%	20%
Southeast (excl. FL)	10%	10%	16%	17%
Florida Only	2%	2%	14%	10%
Southwest	9%	9%	4%	3%
South Central	8%	8%	8%	9%
Mid South	5%	5%	8%	8%
North Central	4%	4%	1%	2%
Northwest	2%	2%	0%	0%

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 passengers, 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. However, significant growth was seen in 2005, when passenger counts for the first ten months of the year exceeded the same period in 2004 by over 16 percent. 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. However, the number of weekly departing seats increased between July 2003 and July 2005, to 7,105. 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. The number of non-stop domestic destinations available 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. The previous update of this document in 2003 reported Melbourne’s nonstop destinations as major connecting hub airports at Atlanta, Cincinnati, Dallas/Ft. Worth, and Orlando. Since then, airlines have ceased serving Dallas and Orlando nonstop from Melbourne, but have added New York – JFK and Washington – Dulles, as well as instate flights to Daytona Beach and Fort Lauderdale.

- ❑ In the summer of 2001, this market had nonstop service to six airports including 3 domestic connecting hubs beyond Florida (Atlanta, Newark, and Cincinnati). By the summer of 2003, the airport had service to Atlanta, Cincinnati, Orlando, and Dallas. As of July 2005, airlines serving Melbourne served Atlanta, Cincinnati, Daytona Beach, Fort Lauderdale, New York – JFK and Washington – Dulles.
- ❑ 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 have since rebounded to 104.
- ❑ Between 2000 and 2001, this market saw an increase in the number of airlines providing service. By the summer of 2003, however, airline cut backs 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 and 2005.

- Between the summer of 2000 and 2001, new nonstop service was provided between Melbourne and one instate Florida destination, Ft. Lauderdale. By the summer of 2003, Melbourne's only instate service was to Orlando. In July 2005, Fort Lauderdale and Daytona Beach could be reached nonstop 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 instate routes.
- Nonstop domestic service in this market could be better matched to originating domestic passenger demand. Nearly 35 percent of this market's originating passengers have destinations in the Northeast, but only 27 percent of nonstop departures are to cities in the Northeast. Over 17 percent of this market's originating passengers have destinations in the Midwest; approximately 2 percent of this airport's scheduled departures are to cities in this region. Over 71 percent of all scheduled weekly departures from this airport are to destinations in the Southeast; less than 20 percent of Melbourne's originating passengers are traveling to cities in the this region.

Daytona Beach International Airport

Like the other airports in this region, Daytona Beach International saw decreases in the number of domestic passengers it served in earlier years, followed by a period of growth. In 1999, the airport served about 253,700 passengers, compared to 246,500 a year later. In 2002, about 220,500 passengers boarded flights at the airport. However, in 2004, the airport served 290,800 passengers. The change between 1999 and 2005 represents about a 15 percent increase in enplanements, and passenger counts through the first ten months of 2005 show a small amount of continued growth (0.4 percent) over the same period in 2004. Between 2000 and 2005, weekly departures during summer months increased from 56 in 2000 to 66 in 2001 to 68 in 2003 to 117 in 2005. In the same years, the average number of seats per flight decreased from 103 to 97 to 90 to 71 as service at the airport moved away from full size jets to regional jet aircraft.

- 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.
- For the previous reporting period, nonstop domestic service was on flights to four airline connecting hubs beyond Florida, namely Atlanta, Cincinnati, Dallas, and Newark. For 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 airports mainline carriers.
- In 2000, 2001, and 2003, all weekly scheduled seats departing this market were on jet or regional jet aircraft. However, in 2005, turboprop service was provided linking Daytona and Melbourne with Orlando International.

- 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.
- Given the airport's level of scheduled departures, these departures are not particularly well matched to the market's originating domestic passenger demand. USDOT statistics show that 39 percent of the airport's passengers have originations or destinations in the Northeast, 23 percent in the Midwest and 12 percent in the Southeast. These are the same regions served by most of the airport's scheduled departures. However, these departures are not offered in the same regional proportions as passenger demand. Scheduled departures to the Northeast account for 12 percent of all departures, while scheduled departures to the Midwest and Southeast account for seven percent and 47 percent, respectively, of the airport's scheduled weekly departures.

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. However, these enplanement figures fell in 2004, to just less than 60,000, and preliminary statistics for the first ten months of passenger traffic in 2005 show a nearly nine (9) percent decline over the same period a year earlier. The airport's domestic carriers, Allegiant Air, Pan-Am Airlines, and Transmeridian Airlines, served 19 destinations in 2005, up from just two in 2003. The airport had 107 weekly departures in July 2005, up from 19 weekly departures in 2003. However, on September 30, 2005, Transmeridian Airlines ceased operations, reducing the Orlando Sanford's destination count to nine and its weekly departure count to 43. Soon after, Allegiant Airlines announced it would provide service to some of the destinations TransMeridian had served from Orlando-Sanford. 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 2000 level of 19. In July 2005, the airport reported 107 weekly departures.
- In the summer of 2000, the airport averaged 3,287 scheduled departing seats per week. This number increased to 17,404 in July 2005.
- In the summer of 2000, Pan Am provided nonstop service to three destinations. By 2001, the airline had added three new destinations. In the 2003 update of this study, it was reported that Pan Am's departures had fallen, to just two cities. By 2005, Pan Am offered five destinations, and was joined by two additional airlines, Allegiant Air and Transmeridian. In 2005, the airport could claim 19 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.
- The cities served by airlines at Orlando-Sanford in July 2005 and the demand patterns of the airport's passengers in 2004 were fairly well-matched. In 2004, 41 percent of Orlando-Sanford passengers were destined for the Northeast and 59 percent for the Southeast. In July 2005, 24 percent of all departures from the airport were to the

Northeast and 26 percent to the Southeast. Forty-four (44) percent of departures from Orlando-Sanford were to the Midwest in the summer of 2005. In 2004, no originating passengers flew to cities in the Midwest; however, this service was new in 2005 and would therefore not have any 2004 passengers statistics associated with it.

- 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.

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 passengers 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 preliminary data through October 2005 indicate 10.7 percent increases in passengers over the first ten months of 2004. This level represents about a 15 percent increase from 1999 totals. 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. Some of this decline in weekly flights came from changes in the size of the aircraft fleet used to serve the airport. 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 2005 at about 118 seats per flight.

- 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.
- In the summer of 2001, over 7 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.
- In 2000, 37 percent of the Tampa International's departures were provided to instate 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, when 24 percent of all of Tampa's departing aircraft were bound for Florida destinations.
- 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.
- 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 (5) percent of departing domestic seats.

- ❑ 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. By the summer of 2005, seats on turboprop aircraft accounted for only two (2) percent of all departing seats on a weekly basis.
- ❑ 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 the Northeast and the Midwest increased. These regions represent the top domestic origination and destination markets for the airport. Since the last update of the report, the total percentage of flights departing to other destinations in Florida from Tampa International has fallen.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	35%	38%	25%	25%
Midwest	20%	20%	16%	18%
Southeast (excl. FL)	10%	9%	13%	14%
Florida Only	7%	5%	28%	24%
Southwest	9%	10%	3%	3%
South Central	8%	8%	8%	8%
Mid South	6%	6%	6%	7%
North Central	3%	3%	1%	1%
Northwest	2%	2%	0%	0%

Sarasota-Bradenton International Airport

In the period since the end of 2000, Sarasota-Bradenton experienced a significant decrease in enplanements. 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. 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 majority of these new departures since 2003 are on the airport’s newest carrier, AirTran, which operates flights to Atlanta, Baltimore, and Chicago-Midway. Comair, one of Delta’s regional carriers, also increased its flight frequency to Cincinnati, as did US Airways to its Charlotte hub. Departures to Atlanta on Delta have recovered to pre-9/11 levels. As a result of these service improvements, passenger counts through October 2005 indicate nearly 18 percent growth over the first ten months of 2004.

- ❑ 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 the mid-2003, scheduled

weekly departures from the airport had climbed back to 121. July of 2005 saw further recovery with 167 weekly departures.

- Sarasota lost scheduled service to Miami and Orlando between 2000 and 2001, and as of mid-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 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.
- In the summer of 2001, seats on regional jets accounted for approximately five (5) percent of the total that departed the market each week and turboprop seats made up the remaining two (2) percent. By the summer of 2003, these figures were 15 percent for regional jet seats and two (2) percent for turboprop seats. In mid-2005, 20 percent of Sarasota’s departing seats were on board regional jets, and slightly more than one (1) percent were on turboprops.
- Nonstop scheduled domestic departures could be much better matched to the market’s originating passenger demand. Approximately 70 percent of all passengers who originate at this airport have a destination in the Northeast or Midwest, yet only 30 percent of all departing flights from the airport travel to these regions. Sarasota’s nonstop service to the Southeast, including Florida, make up 70 percent of all departing flights, but only 13 percent of the airport’s travelers fly to destinations in that region. Currently, Sarasota travelers cannot fly nonstop to any destination west of the Mississippi River.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	35%	32%	6%	9%
Midwest	38%	38%	27%	21%
Southeast (excl. FL)	12%	13%	46%	55%
Florida Only	1%	0%	21%	16%
Southwest	4%	5%	0%	0%
South Central	3%	4%	0%	0%
Mid South	4%	4%	0%	0%
North Central	2%	3%	0%	0%
Northwest	1%	1%	0%	0%

St. Petersburg-Clearwater International Airport

In the two years since the last update to this report in 2003, St. Petersburg-Clearwater’s dominant airline, ATA, left the market. In both the summer of 2000 and 2001, the airport offered about three departures per day to two domestic destinations. As of July 2003, ATA had offered about five departures per day to five U.S. destinations, including three west coast destinations in 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. However, 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 ten (10) destinations. As a result, preliminary data through October 2005 shows a precipitous decline in passengers, with 54.3 percent fewer passengers over the same period in 2004.

- In the summer of 2001, this market had 20 weekly scheduled departures on one carrier, ATA. This is 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 mid-2005, the airport's service was provided by Pan Am and USA 3000, with 30 weekly nonstop departures.
- 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 statistic stood at 4,956 weekly scheduled seats.
- In the summer of 2000 and the summer of 2001, the destinations for all for its scheduled flights were 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, however, all destinations were in the Northeast, Midwest, or other cities in Florida.
- The market had no scheduled instate in 2000, 2001, or 2003. Service was provided to Orlando-Sanford four times a week in July 2005.
- All of the scheduled seats that leave this market each week continue to be on jets.

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. However, by the end of 2004, passenger traffic had nearly reached 2001 levels, increasing to 2.42 million. Data reported through October of 2005 show continued growth in passengers, with ten-month counts 10.8 percent higher than the same period in 2004. Similar to passenger counts, the airport's level of weekly departures increased through the 1990s until 2001, after which it fell by 50 flights per week, from 735 in 2001 to 685 in July 2003. The decrease was erased entirely by 2005, however, when the airport reported 769 weekly departures. The average number of seats per flight changed little between July 2000 and July 2003, falling slightly from 105 seats to 103. This figure fell to 98 seats per flight in the summer of 2005 as Jacksonville's airlines shifted to smaller regional jet aircraft. Since the last update to this document in 2003, two new nonstop destinations – New York-JFK and Boston – have been added to Jacksonville's roster, bringing the airport's total to 26.

- 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 non-stop domestic markets served decreased to 24, before rebounding to 26 in 2005.
- 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 to 75,324.
 - In the summer of 2001, there were 191 weekly departures to six different cities in Florida. 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 (6) to three (3). In the summer of 2005, instate departures had increased slightly, to 119 weekly departures to three cities.
 - 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.
 - In 2001, seven (7) percent of the scheduled seats each week were on regional jet aircraft, while the remaining six (6) percent of the scheduled weekly seats were on turboprop aircraft that served other cities in Florida. By the summer of 2005, nearly 21 percent of the airport’s departing weekly seats were on regional jet aircraft. Seats on turboprop aircraft accounted for the remaining three (3) percent of all departing seats.
 - With the exception of flights to the Southwest region, scheduled nonstop domestic departures from this market are generally well-matched to demand from the market’s originating domestic passengers:

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	30%	31%	23%	30%
Midwest	17%	17%	16%	17%
Southeast (excl. FL)	13%	12%	23%	21%
Florida Only	8%	8%	16%	16%
Southwest	10%	11%	0%	0%
South Central	10%	9%	12%	8%
Mid South	7%	7%	7%	7%
North Central	3%	3%	2%	1%
Northwest	2%	2%	0%	0%

Gainesville Regional Airport

Gainesville Regional’s enplanement levels have steadily declined since 1999. In 1999, the airport served 142,500 boarding passengers. A year later in 2000, about 131,300 passengers boarded flights at the airport, and in 2002 that number fell to 124,000. In 2004, the airport accommodated 123,100 enplanements. Overall, this represented a 14 percent decrease since 1999. However, preliminary passenger counts through October 2005 show substantial growth, with a 28.4 percent increase over the same period in 2004. 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. By July 2003, this number had fallen again slightly to 74 departures. However, by July 2005, the airport had regained service by Continental (Gulfstream) and new service on Northwest, and weekly departures totaled 111. Average seats per flight increased slightly, from 45 in 2000 to 47 in 2005, mostly as a result of Gulfstream's smaller aircraft being removed from the airport's schedule.

- 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 instate service. As of July 2005, however, the market had gained service to a third hub in Memphis on Northwest, and in-state service on Gulfstream to Miami and Tampa.
- 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 had fully recovered to 111 weekly departures by July 2005.
- 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. However, new service introductions increased this figure to 5,260 by the summer of 2005.
- The market had no scheduled instate service in the summer of 2001 or 2003. Previously, in the summer of 2000 Gulfstream provided nonstop service to Tampa, but this service was discontinued between the summer of 2000 and 2001. By 2005, Gulfstream's service to Tampa had resumed and had been augmented by service to Miami.
- 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. The remainder of seats departing Gainesville was on regional jets. There was no scheduled large jet service at Gainesville in 2005.
- Over 45 percent of this market's originating domestic passengers were bound for destinations in the Northeast or Midwest in 2001. By 2005, this percentage had increased to almost 45 percent; scheduled nonstop flights are not available to any locations in these two regions. All of the market's scheduled weekly seats depart for cities in the Southeast and Mid South.

Southwest Florida Region

Southwest Florida International Airport

Southwest Florida Regional succeeded in adding to its enplanement totals over the period from 1999 to 2002. 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. The growth over this period amounted to about a 57 percent increase in enplanements, continuing through October 2005 when passenger counts increased 12.4 percent over the first ten months of 2004. The average number of seats per flight increased accordingly, from 109 in 2000 to 130 in 2005. Five new destinations have been added to the schedules of the airlines at Southwest Florida Regional since

July of 2003, with Hartford, Memphis, Providence, Washington-Dulles, and Washington-National added. Delta's three daily flights to Orlando were dropped since the 2003 update of this report. Other notable service changes since the last update include three (3) additional daily flights to Atlanta on Delta, twice-daily service to JFK on Delta, 18 new weekly flights to Detroit, and two (2) additional daily flights to Philadelphia.

- 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.
- In the summer of 2001, two additional low fare carriers were serving the market since the summer of 2000, namely JetBlue and MetroJet. MetroJet has since ceased operations, but Independence Air began serving the market since 2003. Currently, Ft. Myers is served by six low fare carriers.
- 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.
- In the summer of 2001, six (6) percent of the market's weekly scheduled seats were on turboprop aircraft (compared to nine (9) percent one year earlier); these aircraft flew primarily to other Florida cities. This figure declined to less than three (3) percent in 2005.
- In 2001, service was available to four (4) cities in Florida; the market had 98 scheduled weekly departures to Florida destinations, 25 percent fewer instate flights than the summer of 2000. By 2003, the airport had 75 scheduled weekly departures to four (4) other Florida destinations. In 2005, just 55 weekly departures were available to three (3) Florida cities.
- The market's scheduled domestic departures are somewhat matched to the top demands of the market's domestic originating passengers. Passenger demand to cities in the Northeast increased since the last update of this report, and scheduled departures to cities in this region, as a percent of total departures, have increased substantially. Meanwhile, departures to other Florida cities as a percent of total have fallen. The market has seen increased departures to cities in the Midwest.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
	Northeast	39%	41%	23%
Midwest	38%	35%	26%	27%
Southeast (excl. FL)	7%	6%	24%	21%
Florida Only	1%	1%	19%	9%
Southwest	3%	5%	0%	0%
South Central	4%	5%	6%	5%
Mid South	2%	2%	0%	1%
North Central	5%	6%	2%	2%
Northwest	1%	1%	0%	0%

Naples Municipal Airport

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 in 2000. The airport's enplanement total fell to about 11,700 in 2002. 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.

- As of July 2005, Delta's regional partner Atlantic Southeast Airlines (ASA) offered three (3) daily departures to Atlanta.
- 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.
- 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 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 from Naples.
- 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.

Northwest Florida Region

Pensacola Regional Airport

Pensacola 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. Since then, however, the airport's enplanements have increased over 57 percent to over 741,300. Further increases in demand were seen through October 2005, when preliminary statistics showed an 11.8 percent increase over the first ten months of 2004. The airport's weekly departures have increased to match increased demand, from 237 weekly outbound flights in 2001 to 343 in July 2005. 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. The decrease in 2003 and 2005 came as a result of the airlines' changing fleet mix, which at Pensacola changed since 2000 from small turboprops to large jets and now to the more efficient regional jet aircraft. In addition to increased weekly flight frequencies, airlines serving Pensacola have added four (4) new destinations since 2003. Nonstop flights now exist between Pensacola and Chicago-O'Hare, Fort Lauderdale, Minneapolis, and New York-JFK.

- 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 7 destinations. Recovery was seen in these statistics by the summer of 2005, when the airport reported 343 weekly nonstop departures to 12 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 23,524.
- In the summer of 2001, the market had 71 weekly flights to three (3) cities in Florida, 13 fewer weekly instate 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 instate departure count to 81 flights.
- 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.
- In the summer of 2001, nine (9) percent of the seats were turboprop aircraft, down sharply from 20 percent one year earlier. By the summer of 2003, this percentage had decreased to 6 percent, and by July 2005, to slightly more than one (1) percent.
- The market’s scheduled nonstop service could be much better matched to originating passenger demand. Forty (40) percent of the market’s originating passengers have destinations in the Northeast or Midwest, yet only 12 percent of the airport’s departing flights are bound nonstop for cities in these regions. The flights to these regions, however, are an improvement over service reported in the previous update, when there were no flights to these regions. The market has experienced an increase in the percentage of its departures bound for destinations in the South Central states. Departures to cities in the Southeast, Mid South, and Florida regions have declined.

U.S. Destination Region	Domestic Passenger Originations		Scheduled Domestic Departures	
	Prior Study	Current Update	Prior Study	Current Update
Northeast	25%	23%	0%	4%
Midwest	16%	17%	0%	8%
Southeast (excl. FL)	16%	15%	41%	32%
Florida Only	13%	10%	27%	24%
Southwest	9%	12%	0%	0%
South Central	12%	13%	21%	25%
Mid South	4%	3%	11%	6%
North Central	2%	4%	0%	1%
Northwest	3%	2%	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 passengers in 1999, and by the end of in 2004, it served 580,500 passengers. This was an increase of approximately 39 percent over the four years. However, preliminary figures through October

2005 show a slight decline (-0.5 percent) in passengers over the same period a year earlier. Between 2000 and 2005, the airport's number of weekly departures fell, from 335 in July 2000 to 264 in July 2003, before rebounding somewhat in 2005 to 305. This decline was offset somewhat by a shift to larger aircraft at the airport. The average number of seats per flight began the study period in 2000 at 46, with eight of the airport's nine destinations served by turboprop aircraft. In July 2003, the number of seats per flight increased to 65, with nine of the airport's ten destinations served by regional jets. The airport's average departing seats-per-flight count fell somewhat by 2005, to 58, as carriers increasingly deployed regional jets on Tallahassee routes. All 11 of Tallahassee's nonstop destinations are currently served by RJs, with supplemental large-jet Delta service to Atlanta and turboprop service by Gulfstream to Tampa. New service additions since the last update are twice-daily flights to New York-JFK on Delta's Comair regional partner and twice-daily service to Houston-Bush on Continental's Expressjet partner. AirTran left the Tallahassee market by 2005, but Continental's Gulfstream and Delta's Chautauqua partners combined to replace AirTran's Atlanta and Tampa offerings. In early 2005, Delta closed its hub in Dallas, and service between Tallahassee and Dallas ceased.

- 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. By the summer of 2003, this number had fallen to 264, but recovered in 2005 to 305. While the airport's number of weekly scheduled departures decreased, its scheduled weekly seats actually increased, rising from 15,040 in 2001 to 17,807 in 2005.
- 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 travelers were offered nonstop scheduled service to seven (7) 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. Modest recovery in in-state service occurred between 2003 and 2005, when 53 percent of the airport's departures were to the same five (5) Florida cities.
- In the summer of 2001, almost 49 percent of this market's scheduled weekly seats were on turboprop aircraft, stable compared to one year earlier. By the summer of 2003, the market had seen a dramatic decline in the percentage of its service provided on turboprop aircraft. Total departing seats on turboprop aircraft from Tallahassee decreased to four (4) percent of the airport's total seats. In 2005, this figure stood at less than three (3) percent.
- In the summer of 2001, 26 percent of the departing seats each week were on regional jets, compared to just 6 percent in the summer of 2000. The remaining 25 percent of scheduled departing seats each week was on jets, down from 36 percent one year earlier. By the summer of 2005, 58 percent of all departing seats were on regional jets and 39 percent were on jets.
- Beyond locations in Florida, the market's scheduled departures in 2001 were to four domestic connecting hub airports, Atlanta, Memphis, Charlotte, and Cincinnati, up from 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, and hub service in July 2005 consisted of Atlanta, Charlotte,

Cincinnati, Houston, and Memphis. Delta withdrew its Cincinnati service in November 2005.

- The market's domestic service could be better matched to its originating passenger demand. Nearly 35 percent of the market's domestic passenger originations continue to be bound for cities in either the Northeast or the Midwest; only 9.2 percent of the nonstop departures from Tallahassee were destined for cities in these regions. Conversely, 80 percent of flights each week were to the Southeast region (including Florida), while just 41 percent of travelers were destined for cities in this region.

Okaloosa Regional Airport (Ft. Walton Beach)

Okaloosa 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. However, enplanements increased dramatically by 2004, to 395,000. Modest continued growth was seen in the first ten months of 2005, when passenger counts were 4.3 percent higher than the same period in 2004. As a result of this growth, modest service improvements followed, with 181 weekly departures in July 2005. The airport had succeeded in adding three new destinations to its airlines' offerings between 2001 and 2003, with new service to Dallas-Fort Worth, Houston, and Cincinnati. These destinations remained in July 2005, with additional new service to St. Louis. However, USAir's nonstop flights to Orlando were dropped by the summer of 2005, and Delta withdrew Cincinnati service in late 2005.

- In the summer of 2001, weekly service included scheduled flights to 2 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 6 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.
- In the summer of 2001, the market had 44 weekly scheduled departures to 3 cities in Florida. This was a decline from 49 weekly instate departures in the summer of 2000. In the summer of 2003, the airport had 43 weekly departures to two destinations in Florida. Instate service continued its decline at Okaloosa in 2005, with 18 weekly flights to one Florida city.
- In 2001, 43 percent of all seats departed this airport on a weekly basis were on turboprop aircraft, down slightly from 45 percent one year earlier. By 2005, this percentage had fallen to three (3) percent.
- In 2001, 57 percent of the scheduled seats each week were on jet or regional jet aircraft, up from 55 percent in 2000. By 2005, this percentage had increased to 97 percent.
- More than 42 percent of this airport's originating domestic passengers are bound for cities in the Northeast and Midwest, but only 15.5 percent of departing nonstop flights are destined for the Midwest and none to the Northeast. Conversely, nearly 45 percent of nonstop departures from Okaloosa are to cities in the Southeast and Florida, while less than 17 percent of passengers traveled to those regions.

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, and in 2002 this number had fallen slightly, to 157,100. By 2004, however, enplanements had climbed to 195,700, for an increase between 1999 and 2004 of 22 percent. Passenger growth at the airport appeared to have reached a plateau in 2005, when counts through October were approximately 0.2 percent lower than the same period in 2004. Nonstop departures from the airport, however, 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. USAir withdrew from the market between 2003 and 2005, and Delta closed its Dallas hub. As a result, three cities were dropped from Panama City's flight schedule, and passengers could no longer fly nonstop to Ft. Walton Beach, Tampa, or Dallas. The average number of seats per flight has risen slightly on flights departing Panama City, from 42 in 2000 to 58 in 2003, as a result of a switch by some carriers to regional jets from turboprop aircraft.

- In the summer of 2001, this market had 137 weekly departures to 5 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 6 destinations. By 2005, however, service was limited to 93 departures to four (4) cities.
- In 2000 and 2001, much of the market's service was "tag" service with Okaloosa Regional (Ft. Walton Beach). This service was dropped by 2005 with the withdrawal of USAir service.
- In 2001, the market had 44 scheduled departures to cities in Florida; 26 of these flights, however, were the "tag" service with Okaloosa Regional (Ft. Walton Beach). This was down 10 percent from 2000. In 2003, the market had 37 scheduled departures to 3 destinations in Florida (Orlando, Tampa, and Okaloosa Regional); 25 of these 37 flights are tagged flights with Okaloosa Regional. Instate service in 2005 had declined to just 14 weekly flights to Orlando.
- 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 was on regional jets. By 2005, the percentage of the market's seats on turboprop aircraft had fallen to 60, with the remainder of the seats being provided on regional jets. Panama City had no large jet service in 2005.
- 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). By 2005, Panama City's hub service included Atlanta, Cincinnati, and Memphis, though Cincinnati service was withdrawn later in the year.
- Over 50 percent of this market's domestic originating passengers were bound to locations in the Northeast and Midwest; nonstop scheduled service was not available to any destinations in these regions in 2001.

AIRLINE INDUSTRY STRUCTURAL CHANGES – 2001 TO 2005

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. It is also worth noting that while 9/11 is 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. Even in 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 resumed a period of growth and had returned to pre-9/11 levels. The airline industry, however, had yet to recover fully.

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 USAir, 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, as well. 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.

The impact of this industry turmoil is difficult to predict. While it is unlikely that many of the airlines involved in bankruptcy will be forced to liquidate in the short term, 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 – 37 percent – are offered by extremely competitive 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. As a result, further downward pressure on fares may continue, and if so, further changes in Florida's air service could occur.

Airport-specific narratives summarizing the changes in commercial airline service that occurred at each airport between the summer and fall of 2001 are contained in **Appendix C** to this report. Airport specific summaries are graphically depicted in **Appendix D**. The summaries contained in Appendix D show changes in service between the summer of 2000 and 2005, as well as showing how service changed between the summer and fall of 2001.

INTRASTATE SCHEDULED AIRLINE SERVICE

Given the distances between many of Florida's primary cities, scheduled commercial air service is an important mode for instate travel. **Table 22** (see **Appendix B**) was compiled to summarize available weekly service in summers of 2000, 2001, 2003, and 2005. 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 instate 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. However, by the summer of 2005, instate departures had increased slightly over 2003 levels to 2,380.
- ❑ Between the summer of 2000 and 2001, Comair (DL*) and Gulfstream (CO*) cut back the greatest number of flights since the summer of 2000. Comair discontinued 50 percent of its instate flights and Gulfstream cut nearly 40 percent of instate flights. The two carriers, combined, discontinued 470 weekly nonstop instate flights. By the summer of 2003, many carriers cut instate Florida service, and Comair had transferred control of its hub in Orlando to another Delta affiliate, Chautauqua. By the summer of 2005, connecting activity at the former hub at Orlando had been further downsized, but considerable growth in instate departures had occurred at Fort Lauderdale, the state's fastest-growing airport.
- ❑ From the summer of 2000 through the summer of 2003, Tampa, Miami and Orlando had the greatest number of these instate flights. By July 2005, Fort Lauderdale had surpassed Orlando as the third-busiest instate destination.
- ❑ In July 2000, only one Florida airport, Melbourne International, was without instate service and Gainesville had the fewest number of instate departures. In the summer of 2001, Melbourne and Gainesville had the fewest number of scheduled instate 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 instate departures, with one and four weekly flights, respectively. Only Naples, with no instate service, was lower.
- ❑ In July 2003, three airports – Orlando Sanford, Gainesville, and St. Petersburg-Clearwater – had no instate commercial service; Naples had no scheduled service at all. While it had regained scheduled service by July 2005, Naples was the only airport in Florida that year without airline service to another Florida destination.
- ❑ In the summer of 2001, 20 percent of all weekly instate scheduled departures were on large jet aircraft, up from 13 percent one year earlier. Also in 2001, just four (4) percent of the weekly instate departures were on regional jets, down from five percent in 2000. By the summer of 2003, 25 percent of all instate flights were on jets, and 24 percent were on regional jets. In July 2005, these proportions had reversed, with 21 percent of instate flights on jet aircraft and 27 percent on regional jets.
- ❑ In the summer of 2001, 75 percent of all scheduled departures between Florida's primary cities were on turboprop aircraft. The percentage of instate 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 2005.

As larger jet and regional jet aircraft continue to provide an larger share of Florida's instate scheduled commercial airline service, the frequency of instate service remained relatively stable since the last reporting period in 2003.

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. **Table 23** (see **Appendix B**) provides information that summarizes Florida's nonstop international commercial airline service. Information is provided for the summers of 2000, 2001, 2003, and 2005. 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. Carriers provided nonstop international service at two additional Florida airports since the summer of 2000: Jacksonville and Melbourne. 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.
- ❑ 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 made cuts in international service, trimming schedules to 2,009 weekly departures.
- ❑ Service to Caribbean destinations in 2005 continued to comprise approximately 55 percent of international departures from Florida's airports, about the same as in previous editions of this report.
- ❑ 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 figure remained stable through July 2005.
- ❑ In the summer of 2000, approximately six percent of the international departures each week were to Europe, a figure which increased to seven percent the following year. By the summer of 2003, the percentage of international departures to Europe was again six percent. In 2005, it stood at seven percent.
- ❑ In July of 2000, five percent of all international departures were to cities in Canada. Canadian destinations made up six percent of weekly international departures from Florida in 2001. By the summer of 2003, Canadian departures constituted five percent of all international departures, rising to six percent in 2005.
- ❑ 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 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.

- ❑ 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.
- ❑ In the summer of 2001, Orlando's 127 weekly international departures provided a more diversified range of service, 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.
- ❑ International service summarized in Table 23 does not include international charter service for any of the airports, including Orlando Sanford. Orlando Sanford accommodates a notable number of international charter flights.

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 another similar community. There are many factors, however, that enter into the level of commercial airline service that any given airport has. Some of these factors include:

- ❑ Types of traveler served/whether the majority of the travelers are traveling for business or leisure purposes.
- ❑ Locations of alternative travel/whether travelers have other nearby commercial service airports that they may choose for their departures or whether there are other convenient and competing modes of transportation.
- ❑ Geographic location of the market/whether the market is rural, suburban, or urban impacts its level commercial airline service, as does the location of the market in comparison to domestic airline route structures.

Scheduled airline service to all of Florida's commercial airports is impacted, to some degree, by each of these factors. Florida markets have a high percentage of leisure travelers; demographics in the State are also characterized by a higher than average percentage of retirees. This translates into Florida being often characterized by the airlines as a "low yield" market; low yields result from the fact that many travelers are flying on deeply discounted fares and in some instances "free" frequent flyer tickets.

Similar to most states, Florida airports face competition from the State's excellent system of interstates and turnpikes. More importantly, airports in Florida often face intense competition from one another.

Many of Florida's Small and Non-Hub airports are in close proximity to one or more Large or Medium Hub airports. This competition impacts commercial airline service at several Small and Non-Hub airports in Florida.

Finally, Florida's geographic location at the extreme eastern and southern most tip of the U.S. means that the State is at the end of all domestic airline route structures. A state located in the heartland has many airline route structures that crisscross above, and these states are also located in closer proximity to a greater number of airline connecting hubs. These facts and the fact that Florida airports are a "spoke" location for most airlines, makes it difficult to directly compare scheduled commercial airline service in Florida to airline service in other "similar" markets.

The facts noted above indicate that Florida markets may not always have the same level of commercial airline service as other comparable markets. To compare Florida's scheduled air service to air service in comparable markets, annual enplanements were used to determine which markets should be compared. **Table 24** (See **Appendix B**) compares service at Florida airports to commercial air service at other comparable airports. It is important to note that an attempt was not made to compare service levels at Orlando to other airports; this decision was made because of the airport's unique nature. Service levels for the remaining commercial service airports are shown in Table 24. Markets are compared using summer 2000, 2001, 2003, and 2005 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.

As shown in Table 24 (Appendix B), markets have been grouped by their total annual enplaned passengers; commercial airline service to Florida markets compares generally well to the average level of service found in each enplanement category. As mentioned, leisure travel, the number of competing airports, and its geographic location make Florida somewhat unique. It is also important to note that for some of the cities being compared to the Florida markets, service is more prevalent on turboprop aircraft; this can increase the number of destinations and hubs served from other comparable markets. Florida markets tend to have a higher percentage of their airline service on large jets. It is worth noting that since the last update to this report in the summer of 2003, a few of the airports have switched enplanement categories, as determined by their level of annual enplaned passengers.

In the 5 to 8 million enplanement category, Ft. Lauderdale, Miami, and Tampa compare favorably to the averages for the category. Service to the Florida markets generally exceeds that available in the most directly comparable market. As can be seen in Table 24, all three airports exceed the group average for number of weekly departing seats, the number of nonstop destinations served and the number of connecting hubs served.

In the 1 million to 5 million enplanement category are Palm Beach (West Palm Beach), Jacksonville, and Southwest Florida (Ft. Myers). As shown in Table 24 (Appendix B), scheduled airline service for airports in this group is in some cases below the category average. This market is impacted by the Florida-specific factors noted above. Both Palm Beach and Southwest Florida International are below the group average for scheduled weekly departures, and the same is true for scheduled weekly departing seats. For number of non-stop destinations served in 2005, only Palm Beach is below the group average.

Both Palm Beach and Jacksonville are below the group average for number of airline connecting hubs served.

In the 500,000 to 1 million annual enplanement category in 2005 are Pensacola, Tallahassee, and Sarasota. Of these three airports, only Pensacola is above-average in terms of weekly scheduled departures and departing seats. Sarasota and Tallahassee are below the category average for number of weekly scheduled departures. Sarasota is notably below the group average for scheduled departures. Sarasota and Tallahassee are also below the group average for number of scheduled departing seats. All three airports are below the category average for number of nonstop destinations served, and Tallahassee and Sarasota are below the group average for the number of airline connecting hubs served.

In the 250,000 to 500,000 enplanements category are Daytona Beach, Okaloosa Regional (Ft. Walton Beach), Key West, Orlando-Sanford, and St. Petersburg-Clearwater. Within this category, it is important to note that Orlando-Sanford and St. Petersburg's enplanements include the airport's charter passengers. Therefore, direct comparisons with these airports to others in this category are not meaningful. While Daytona Beach and Okaloosa Regional are below the group average for departing flights, Okaloosa Regional exceeds the group average for scheduled seats. Key West, meanwhile, exceeds the average weekly departure count for this category, but lags in weekly departing seats. All three of these airports (Daytona Beach, Key West, and Okaloosa Regional) are at or below the category average for destinations and hubs served.

Within a range of 100,000-250,000 annual enplaned passengers are Melbourne, Panama City, and Gainesville. In this group, none of the three airports meet the category average for scheduled weekly departures. Only Melbourne is above the group average for scheduled weekly seats. For destinations and hubs served, Melbourne and Gainesville are at or above the group average.

In the update published in the summer of 2001, there was one airport reporting annual enplanements in the 50,000-100,000 range, Naples. In the summer of 2003 and again in 2005, there were no airports in this category.

The remaining category, 50,000 enplanements or fewer, today 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.

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 did, for the most part, have levels of service that were equal to or above the averages for each enplanement category. By 2003 and continuing in 2005, several of the airports appeared to have 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 2004 since annual information for 2005 is not yet available. Nationally, in 2004, the average one-way fare paid by all domestic air travelers was \$134.37, down nearly 10 percent from the 1999 national one-way average fare. In 11 of Florida’s 20 markets, the one-way average fare is below the national average. The average one-way fare for all Florida markets in 2004 was \$116.47, also down nearly 10 percent from the statewide average fare in 1999. The average one-way domestic fare for each of the Florida markets in 1999, 2000, 2002, and 2004 is as follows:

Florida Airport	Average One Way Fare				% Change 2000-04
	1999	2000	2002	2004	
Marathon	\$153.04	\$159.51	\$118.29	\$70.79	-53.74%
Orlando-Sanford	n/a	\$106.11	\$99.82	\$88.56	-16.54%
St. Petersburg	\$107.35	\$106.43	\$90.60	\$88.58	-17.48%
Ft. Lauderdale	\$120.94	\$125.09	\$110.39	\$107.93	-10.76%
Tampa	\$122.80	\$127.62	\$109.80	\$109.27	-11.02%
Orlando	\$118.69	\$123.77	\$110.92	\$110.76	-6.68%
Palm Beach	\$136.54	\$140.74	\$121.17	\$116.13	-14.95%
Southwest Florida	\$130.02	\$135.17	\$121.55	\$120.85	-7.05%
Jacksonville	\$128.75	\$132.04	\$117.68	\$122.06	-5.20%
Tallahassee	\$162.50	\$167.61	\$116.84	\$127.94	-21.27%
Sarasota	\$130.67	\$134.90	\$121.76	\$128.53	-1.64%
Daytona Beach	\$145.86	\$149.74	\$130.65	\$134.93	-7.49%
Miami	\$153.21	\$168.09	\$143.17	\$140.60	-8.23%
Pensacola	\$166.28	\$178.18	\$134.01	\$140.70	-15.38%
Key West	\$133.17	\$141.16	\$138.04	\$147.49	10.75%
Melbourne	\$144.00	\$152.82	\$145.90	\$150.26	4.35%
Naples	\$137.01	\$145.49	\$121.63	\$153.41	11.97%
Gainesville	\$171.03	\$186.44	\$152.13	\$159.30	-6.86%
Okaloosa Regional	\$145.85	\$150.07	\$153.06	\$167.36	14.75%
Panama City	\$175.01	\$177.67	\$158.23	\$179.35	2.48%
Florida Total	\$128.89	\$134.22	\$117.31	\$116.47	-9.64%
U.S. Total	\$148.68	\$157.93	\$136.53	\$134.37	-9.62%

As shown in this list, in 2002 nine Florida airports had average one-way fares that exceeded the national average. The highest average one-way fares in 2004 were experienced at Panama City, Okaloosa Regional (Ft. Walton Beach), and Gainesville. Even with average fares at some Florida airports exceeding the national average, average one-way fares in the state were nearly \$18 below the national average in 2004. Five airports – Key West, Melbourne, Naples, Okaloosa Regional and Panama City – experienced increasing fares between 2000 and 2004. Tallahassee, Marathon and St. Petersburg saw the largest decreases in average one-way fares between 1999 and 2004, with each decreasing more than 17 percent in five years.

ENPLANEMENT TRENDS

As shown in **Table 25** (See **Appendix B**), several of Florida’s airports in the Small and Non-Hub categories several have experienced some decline in their levels of annual enplaned passengers. These airports include Daytona Beach, Gainesville, Melbourne, Naples, and Sarasota-Bradenton. 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 3.1 percent between 1988 and 2004. Small and Non-Hub airports whose enplanements have grown at a rate above the State average include St. Petersburg-Clearwater and Okaloosa Regional (Ft. Walton Beach).

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 larger 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:

1988-2004		
<u>Small/Non-Hub Airports</u>	<u>Enplanement Trend</u>	<u>Competing Airport(s)</u>
Sarasota-Bradenton	Decreasing	Southwest Florida/Tampa
Pensacola	Increasing	Panama City/Mobile
Tallahassee	Increasing	Jacksonville/Orlando/Atlanta
Okaloosa (Ft. Walton)	Increasing	Pensacola/Tallahassee
Orlando-Sanford	Increasing	Orlando/Daytona Beach
Key West	Increasing	Miami
Daytona Beach	Decreasing	Orlando/Jacksonville
Melbourne	Decreasing	Orlando
St. Petersburg-Clearwater	Increasing	Tampa/Sarasota
Panama City	Increasing	Tallahassee/Okaloosa
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 1988 and 2004, for the most part, compete with other Small and Non-Hub airports and not the Medium and Large hubs. Orlando-Sanford and St. Petersburg, even though each does compete with larger hub airports, have both recorded enplanement increases. Despite their proximity to larger competing commercial service airports, these two airports have successfully increased their enplanements by attracting niche carriers and charter operators.

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 competition to traditional airlines, have seen opportunities to expand in the resulting air travel market. 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 five years ago. Florida’s air service system is an example, with some airports coming to terms with reduced airline offerings or even the loss of air service. 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 airline capacity (measured in seats) was offered by airlines in dire financial straits.

When this report is updated in the future, it will be possible to benchmark how specific markets in Florida – as well as the airlines serving them – continue to adapt. Generally speaking, while demand has recovered in most of the Florida markets, a few airports in the summer of 2005 reported fewer weekly departure and seats than they reported at the time this report was last updated in the summer of 2003.