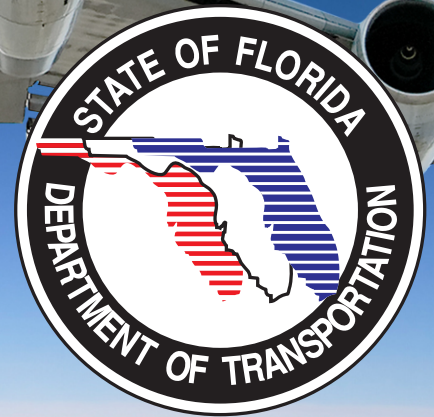


# 2012

## AIRPORT AIR SERVICE PROFILE

Melbourne International Airport



prepared by



Kimley-Horn  
and Associates, Inc.

## Purpose

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

## Data Explanation

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

### AIR PASSENGER ORIGIN AND DESTINATION (O&D) SURVEY

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

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

### OFFICIAL AIRLINE GUIDE (OAG)

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

### AIRLINE REPORTING CORPORATION (ARC)

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

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

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

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

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## MELBOURNE INTERNATIONAL AIRPORT AIR SERVICE SUMMARY

### AIRPORT INFORMATION AND HISTORY

Melbourne International Airport (MLB) began commercial service in 1952 when Eastern Airlines began service there. The airport, which was originally established as a landing strip in an agricultural area, now has three runways, measuring 3,001 feet, 6,000 feet, and 10,181 feet. With these facilities, Melbourne International Airport was able to enplane 184,410 total passengers in 2010. In recent years, growth at the airport has been limited; however, the airport reported increased enplanement numbers in 2010.

### ANALYSIS

Melbourne International Airport is located in the East Central Continuing Florida Aviation System Planning Process (CFASPP) region. Also included in this region are Daytona Beach International, Orlando International, and Orlando-Sanford International Airport. In this analysis, baseline conditions for the airport are reported using 2010 and 2011 data. In some instances, historical data are shown for years 2000 to 2010. The main sources of information are from the United States Department of Transportation (U.S.DOT), the Official Airline Guide (OAG), and the Airline Reporting Corporation (ARC). Specific data sources are described where appropriate.

### TOTAL ENPLANEMENTS

In 2010, Melbourne International Airport had 184,410 total enplanements, making it the smallest airport in the East Central CFASPP region and third smallest airport in Florida. Total enplanements at Melbourne International Airport have been steadily decreasing throughout the decade with a peak of 261,621 in 2001. Trends in total enplanements at Melbourne International can be seen in *Figure 1*. Data for this figure were taken from 2000 – 2010 Enplanements in Florida's Commercial Airports, annual airport passenger traffic reports.

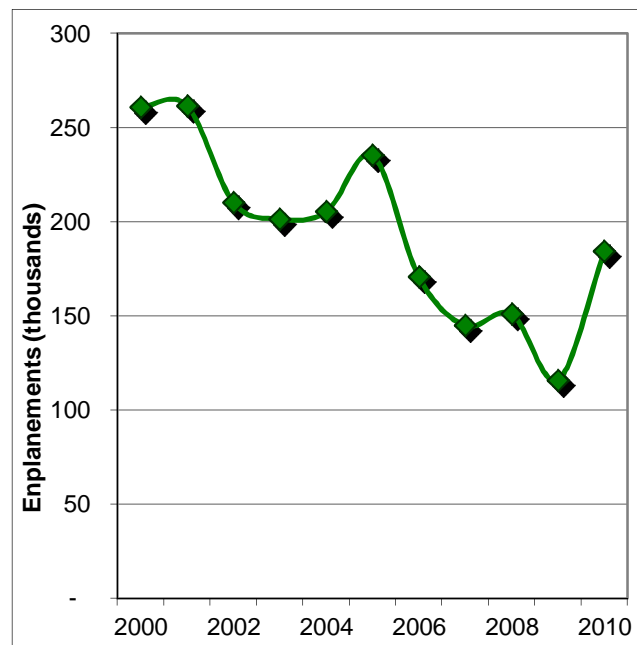


Figure 1: Melbourne International Airport Total Annual Enplanements

### DOMESTIC ORIGIN AND DESTINATION (O&D) TRAVEL PATTERNS

In 2010, Melbourne International Airport had 179,916 domestic enplanements (O&D passengers), the lowest of any other airport in the East Central CFASPP region. Melbourne International has an average domestic one-way fare of \$170.24, making it a relatively expensive option compared to the \$143.91 average for Orlando International Airport, which is also in the East Central CFASPP region. O&D passenger and fare data were collected from the U.S. Department of Transportation (U.S.DOT) Bureau of Transportation Statistics (BTS) O&D Survey and summarized from schedule T-100 Domestic Market All Carriers. Fare data were taken from U.S.DOT BTS DB1B Market Data. Summarized data for each year were taken from all months of the respective year. A graphical summary of O&D passenger and fare data can be seen in *Figure 2* below. United States (U.S.) regional trends and destination airports for 2010 and 2011 can be seen in *Maps 1 and 2* on the following pages. Included in *Map 1* is a table that displays the top 10 final destinations of passengers originating at Melbourne International Airport and a table that shows how average one-way fares and domestic passenger totals vary across U.S. regions. *Map 2* contains the top ten final destinations from Melbourne International. The destination airport data seen in *Maps 1 and 2* were obtained from Airlines Reporting Corporation (ARC) and are a 10 percent sample of reporting years 2010 and 2011.

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

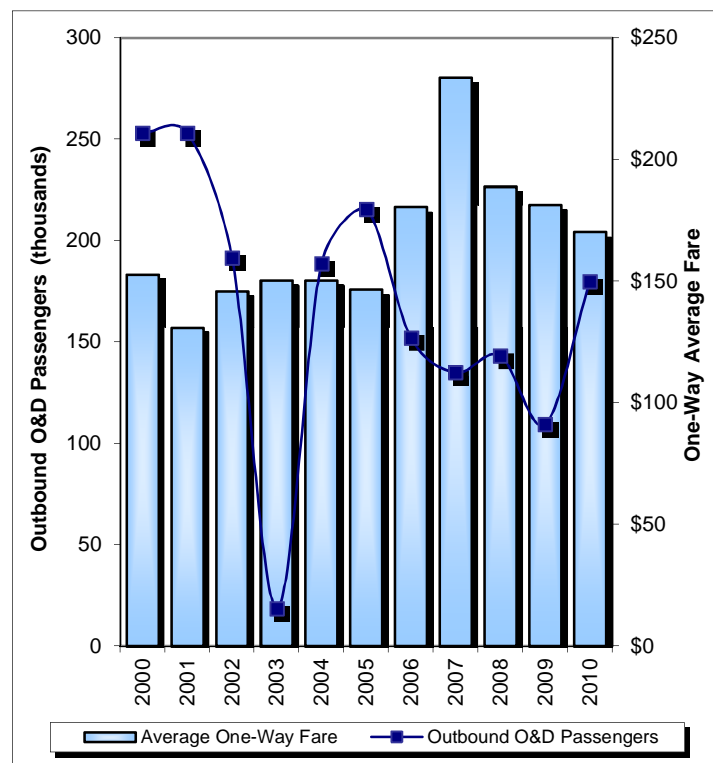
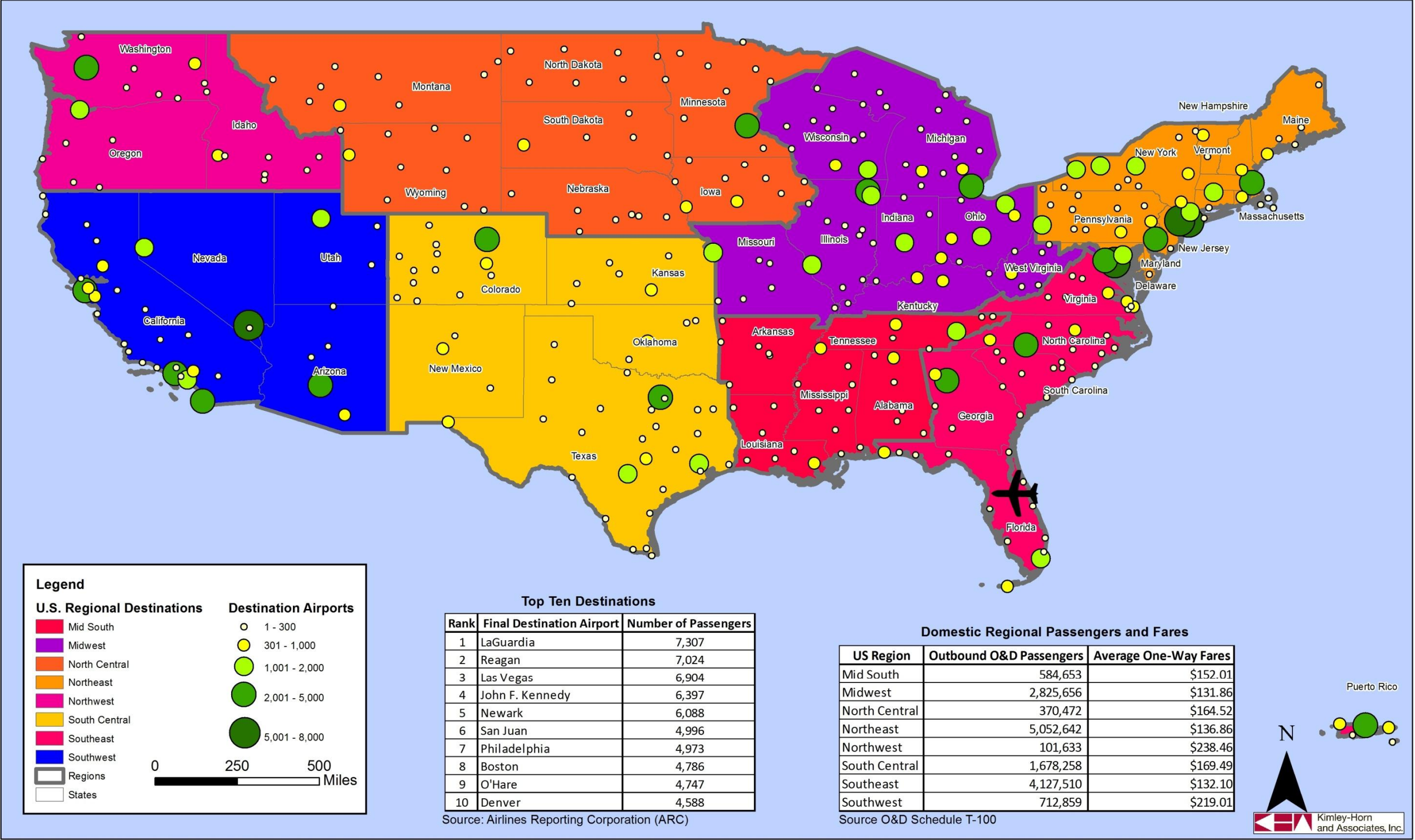
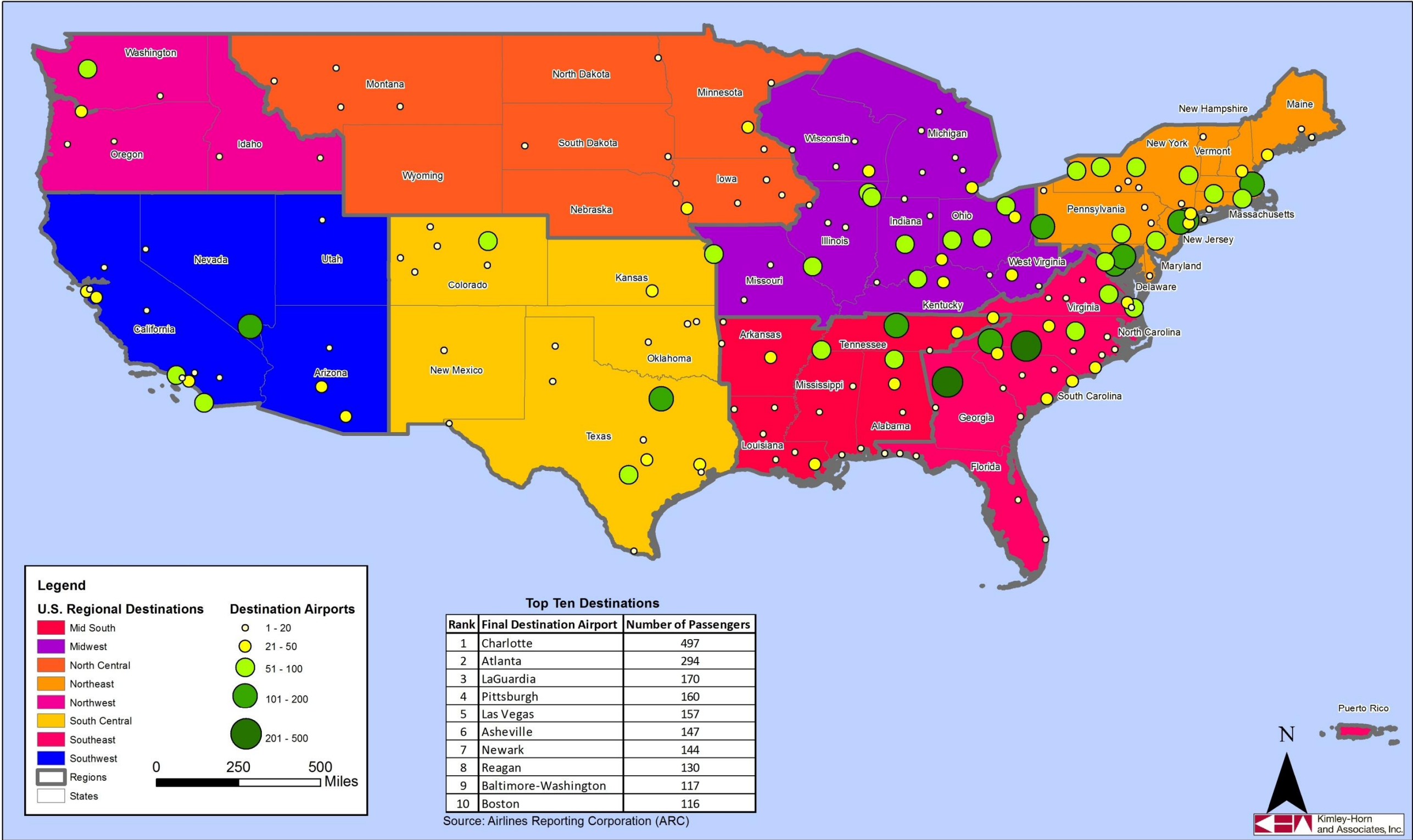


Figure 2: Summary of Outbound O&D Passengers and Average One-Way Fares



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





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

### DESTINATIONS SERVED

Melbourne International Airport serves two domestic airport locations, Atlanta International (ATL) and Charlotte International (CLT), with direct flights; tied with Daytona Beach International Airport for the lowest amount of direct destinations. Of the two destinations, one is served by large jet aircraft, and both are served by regional jets. Currently, Melbourne International Airport has an average of 93 seats per flight for domestic destinations and 48 domestic departures per week. Data used to compile this information are from the Official Airline Guide (OAG) and are presented as a weekly summary taken during July 2011. A summary of airports served, number of flights, and serving airlines can be seen in the *Appendix*. The destinations that an airport is able to serve are directly affected by the airlines that provide service. Airlines often enter into code sharing agreements so they are able to expand their service without investing in the necessary resources. The *Appendix* provides a list of contract airlines and the airports that have code sharing agreements with them.

### INTRASTATE SUMMARY

Melbourne International Airport does not currently offer commercial intrastate service.

### INTERNATIONAL FLIGHT DEPARTURES

In 2011, Melbourne International Airport did not offer direct international service; however, when looking at final destinations of flights departing the airport, 4.9 percent of flights that leave Melbourne International Airport have international final destinations. Historical international flight information for Melbourne International Airport can be seen below in *Table 1*.

WEEKLY INTERNATIONAL SCHEDULED FLIGHT DEPARTURES	2000	2001	2003	2005	2007	2008	2011	
	Caribbean	0	2	23	9	14	14	0
	TOTAL	0	2	23	9	14	14	0

Table 1 : Weekly International Scheduled Flight Departures

### SEASONAL FLIGHT COMPARISON

Scheduled service showed no variability during different seasons in 2011. Melbourne only offers flights to the southeast and all flights during all seasons remain at the same level for the same region. Seasonal flight information was taken from the Official Airline Guide (OAG) and was summarized as a weekly average. Winter months represent December 2010 and January 2011, while spring months represent March and April 2011, and Summer months represent July and August 2011. A summary of the seasonal comparison for Melbourne International Airport can be seen below in *Figure 3*.

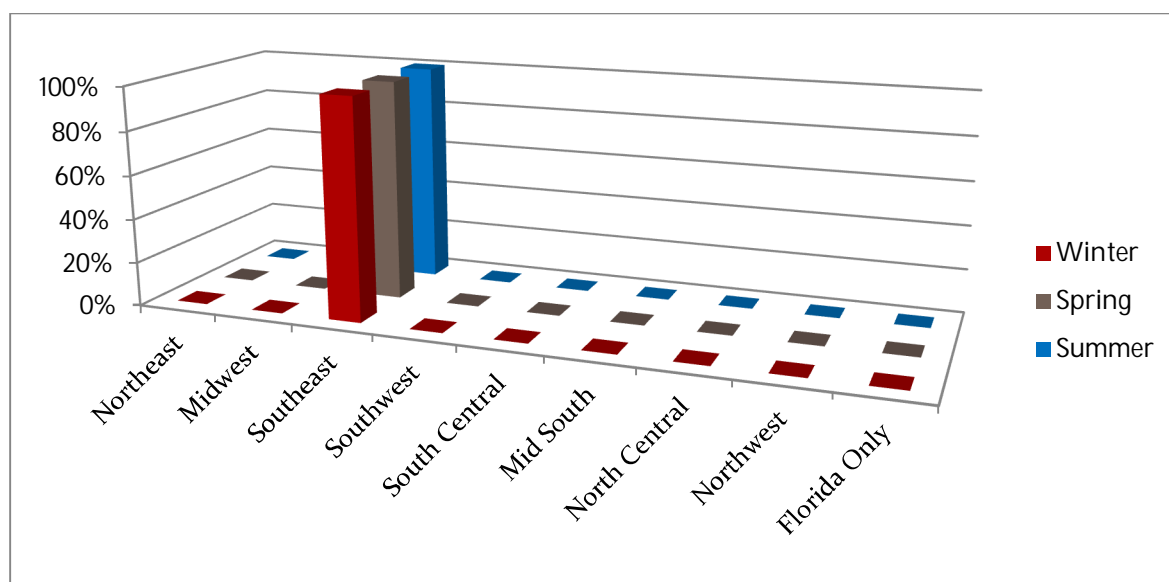


Figure 3: Melbourne International Airport – Seasonal Flight Comparison  
*Seasons presented are from a representative sample.*

#### HUBS SERVED

Melbourne International Airport is one of the smallest airports in the state of Florida with regard to enplanements, number of flights offered, and destinations served. Because of this, it is considered a non-hub airport. To be considered a hub airport an airport must serve at least 0.05 percent of all enplaned passengers in the U.S. Melbourne had 179,916 domestic enplanements and offered flights to two domestic hub airports. Hub information was taken from the U.S. Department of Transportation (U.S.DOT) Research and Innovative Technology Administration (RITA) with using Bureau of Transportation Statistics (BTS) data as of June 2011.

#### AVERAGE LOAD FACTORS

Average load factors represent the number of passenger miles traveled as a proportion of available seat miles. Higher average load factors represent more total passengers boarding. The average load factor at Melbourne International Airport, 83.37, was slightly higher than the U.S. average, 81.73, for 2011. Load factor statistics were determined using Bureau of Transportation Statistics (BTS) T-100 segment data for the years 2010 and 2011. A summary of 2010 and 2011 average load factors can be seen in *Table 2*.

Year	Domestic	International	Total
Melbourne International Airport			
2010	80.83	57.14*	80.82
2011	83.37	n/a	83.37
All U.S. Airports			
2010	82.18	81.59	81.9
2011	83.03	80.41	81.73

Table 2: Average Load Factors Per Year

#### ON-FLIGHT MARKET FREIGHT STATISTICS

Freight statistics represent the total number of pounds of freight, property other than mail and passenger baggage transported, transported by air from a given airport. Melbourne International Airport, with regards to its size, carries a relatively high amount of freight with 84,583 pounds shipped between the months of January and September 2011. A summary of 2010 and 2011 on-flight market freight statistics can be seen in *Table 3*. Due to delay in reporting periods by airlines and airports to the Bureau of Transportation Statistics, not all 2011 data have been reported. Therefore, comparisons cannot be made between 2010 and 2011, but comparisons can be made between airports for the same years. Freight statistics were determined using BTS T-100 domestic market data.

Year	Freight (in pounds)
2010 (Jan-Dec)	103,313
2011 (Jan-Sept)	84,583

Table 3: Total Freight (lbs.) Per Year

#### ON-FLIGHT MARKET MAIL STATISTICS

Mail statistics represent the total number of pounds of mail shipped from a given airport. Melbourne International Airport has one of the lowest mail totals of all commercial service airports in Florida with 100 pounds of mail shipped between the months of January and September 2011. A summary of 2010 and 2011 on-flight market mail statistics can be seen in *Table 4*. Due to delay in reporting periods by airlines and airports to the Bureau of Transportation Statistics, not all 2011 data have been reported. Therefore, comparisons cannot be made between 2010 and 2011, but comparisons can be made between airports for the same years. Mail statistics were determined using BTS T-100 domestic market data.

Year	Mail (in pounds)
2010 (Jan-Dec)	1,590
2011 (Jan-Sept)	100

Table 4: Total Mail (lbs.) Per Year



## MARKET LEAKAGE STUDY

### INTRODUCTION

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

### METROPOLITAN STATISTICAL AREA (MSA)

Melbourne International Airport is the only commercial airport in the Palm Bay-Melbourne-Titusville Metropolitan Statistical Area. This MSA is relatively large for the state and has shown steady growth over the past few decades. According to the U.S. Census, an MSA is “a geographic entity based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.” Per this definition, looking at populations, employment, and other important factors at the level of an MSA should prove beneficial in better understanding the area. Data are also analyzed at the county level where appropriate.

### POPULATION TRENDS AND PROJECTIONS

The Palm Bay-Melbourne-Titusville MSA has a current population of 540,583 people. The airport is located in Brevard County, which has a current population of 543,376 people. Historical, current, and future population projections can be seen for Brevard County in *Figure 4*. Historical populations for the MSA are shown in *Figure 5*. The population within the MSA and the county has steadily increased over the past two decades and this growth is likely to continue based on projections for the area. Historical and current population data for the County and the MSA are from the 2010 census and

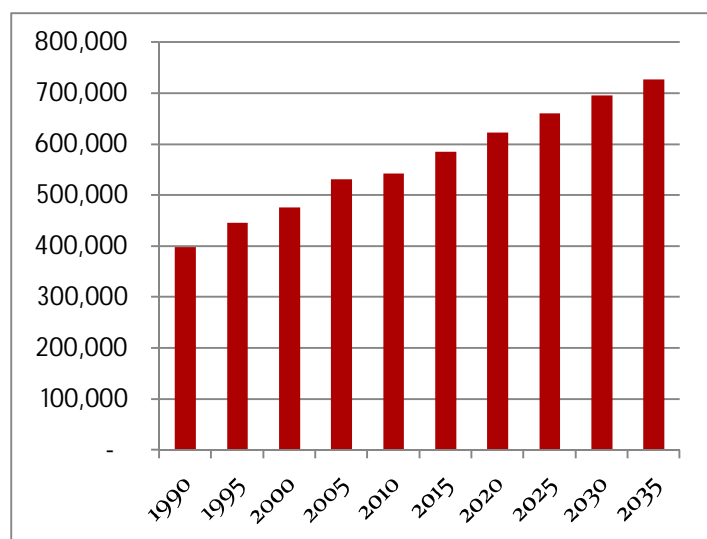


Figure 4: Historical, Current, and Future Population Projections Brevard County

population projections were taken from the Bureau of Economic and Business Research (BEBR) 2010.

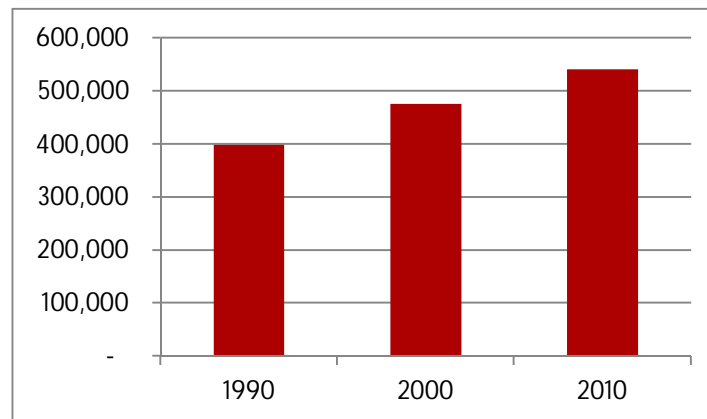


Figure 5: Palm Bay-Melbourne-Titusville MSA

#### INCOME LEVELS

Income levels for Brevard County are slightly lower than the average for the state. Currently, the average per capita income for Brevard County is \$37,454 while the average for the state is \$38,965. The income distribution for the Palm Bay-Melbourne-Titusville MSA follows the same pattern as all other MSAs in the state, but does show a higher percentage of people in middle income brackets than the state average. The income in an area may impact the demand for air travel in an area. In an area that has a relatively high number of upper income households, more people may be willing to pay more in order to travel a shorter distance to the airport increases. In lower income areas, people may be likely to drive a greater distance for air travel in order to capture reduced fares. Many other factors affect airports other than income, so final conclusions cannot be made looking at income data alone. A summary of income data for Brevard County and the metropolitan area are in *Figure 6*. Income data for both the county and the MSA are from the U.S. Census American Fact Finder.

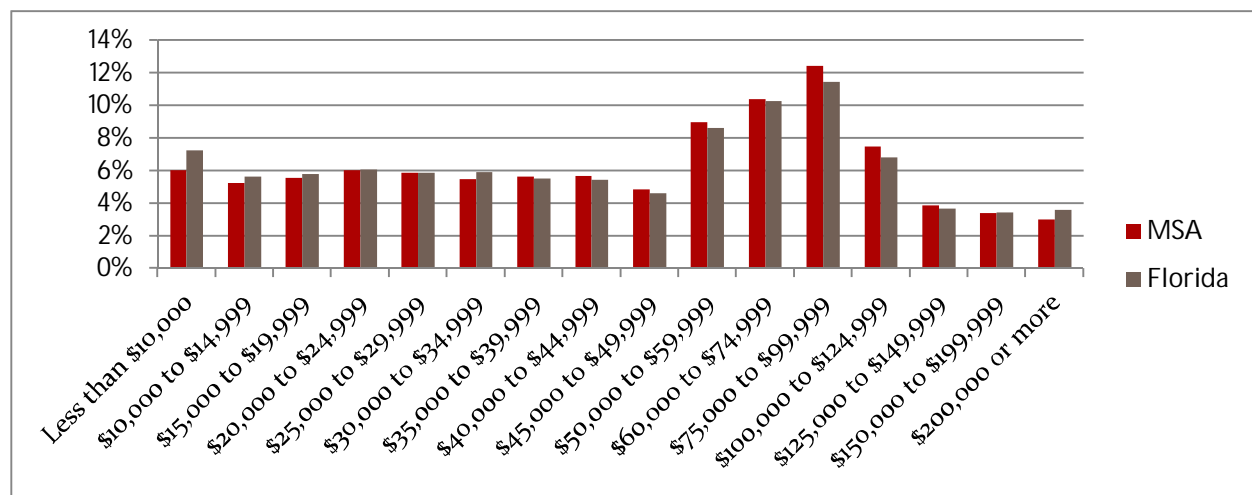


Figure 6: Income Brackets – Brevard County

## EMPLOYMENT BY INDUSTRY

The type of employment that is located in an area may also have an effect on airline travel. For areas that have a large number of firms that participate in professional and financial services, demand for local air travel will increase due to the fact they are generally less concerned about the cost of flights and more concerned about ease of access to the airport. In most cases, discrepancies will exist between the county and the state averages, but these discrepancies are generally not large enough to impact commercial air service demand. Brevard County shows moderate variation in employment industries with a lower percent of trade jobs and a higher percentage of manufacturing jobs when compared to the state average. There are also lower levels of education and financial activities. A summary of employment by industry can be seen below in *Figure 7*. A list of the county's top employers can be seen in *Table 5*. Employment information was taken from Enterprise Florida and contains data from 2010.

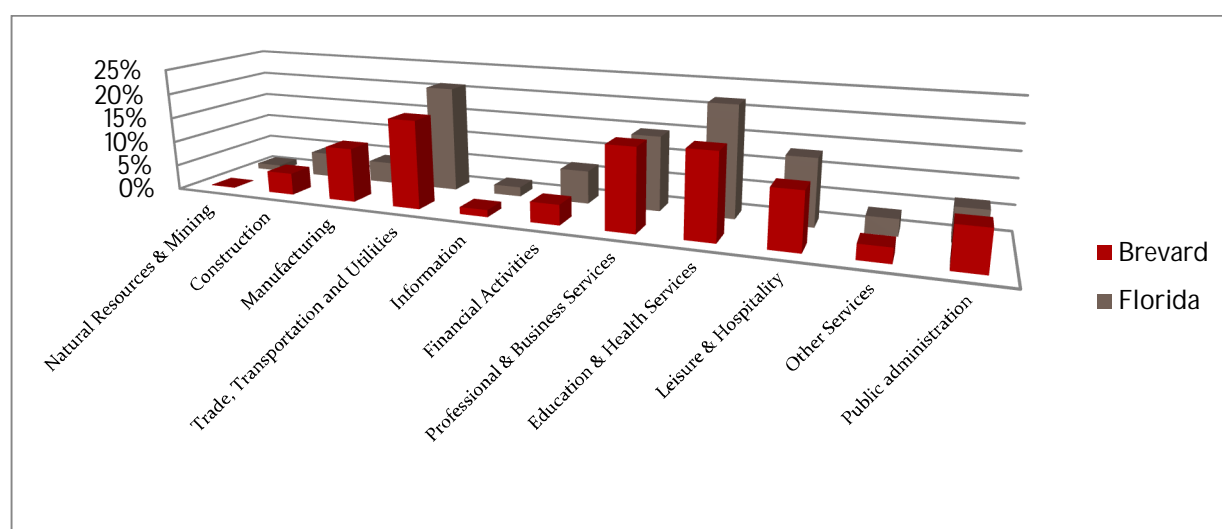


Figure 7: Jobs by Industry – Brevard County

Major Employers	Number of Employees
Harris Corporation	6,700
Health First, Inc.	6,420
United Space Alliance	5,890
Wuestoff Health System	2,430
Northrop Grumman Corporation	1,640
Rockwell Collins, Inc.	1,430
Parrish Medical Center	1,040
The Boeing Company	1,010
DRS Optronics, Inc.	910
MC Assembly	890

Table 5: Top 10 Private Employers – Brevard County

## ROUTING

A route analysis was completed to see how destinations are served by Melbourne International Airport. *Map 3* depicts the top ten routes served by the airport. As described earlier, Melbourne International only serves two destinations with direct flights. Because of this, Melbourne International may consider evaluating service offerings compared to top final destinations. Data for the routing analysis were obtained from Airline Reporting Corporation (ARC).

## NEARBY AIRPORTS

Melbourne International is located south of the Orlando metropolitan area, and is located within a reasonable driving distance to three other airports: Orlando International, Orlando-Sanford International, and Daytona Beach International.

## MARKET LEAKAGE ANALYSIS

A market leakage analysis was completed for Melbourne International Airport for 2011. The market leakage analysis evaluates the zip codes from where tickets were purchased for flights departing Melbourne International Airport. Data for this analysis were obtained from Airline Reporting Corporation (ARC)\* and can be seen in *Maps 4 and 5*. The market leakage analysis also looks at tickets purchased from a Brevard County zip code departing from other airports. By doing this, trends were identified as to whether or not Melbourne International loses passengers to nearby airports

## FINDINGS

Based on the market leakage analysis, Melbourne International Airport loses a significant number of passengers to Orlando International Airport. Of the passengers departing from Orlando International Airport, 11.2 percent are from Brevard County. That percentage relates to a loss of passengers from the primary Melbourne International Airport market. As shown in *Maps 4 and 5*, Melbourne International Airport is able to retain some local flights but attracts no passengers from the primary markets of other commercial airports. *Figure 8* illustrates three of the top airports that received leaked passengers from Melbourne International Airport market. The values that are presented represent the number and percent of passengers who purchased their ticket from a Brevard County zip code but flew out of an alternative airport. Data presented are from a 10 percent sample from all months of 2011.

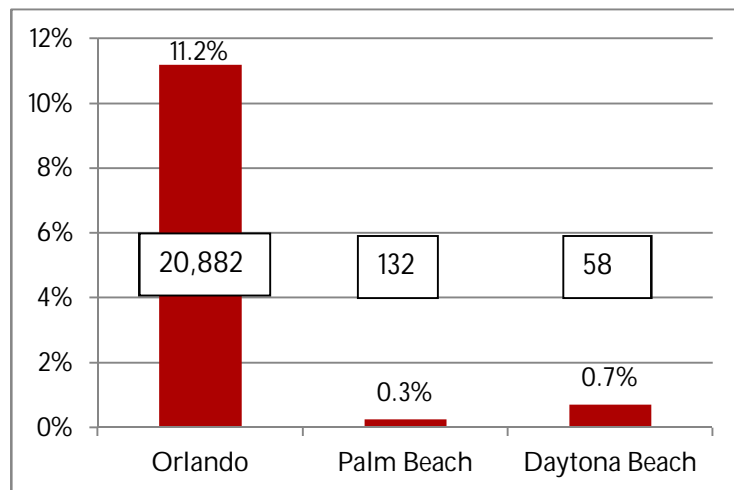


Figure 8: Market Leakage

*Represented as a percentage of the departing airport's total enplanement volumes in 2011*

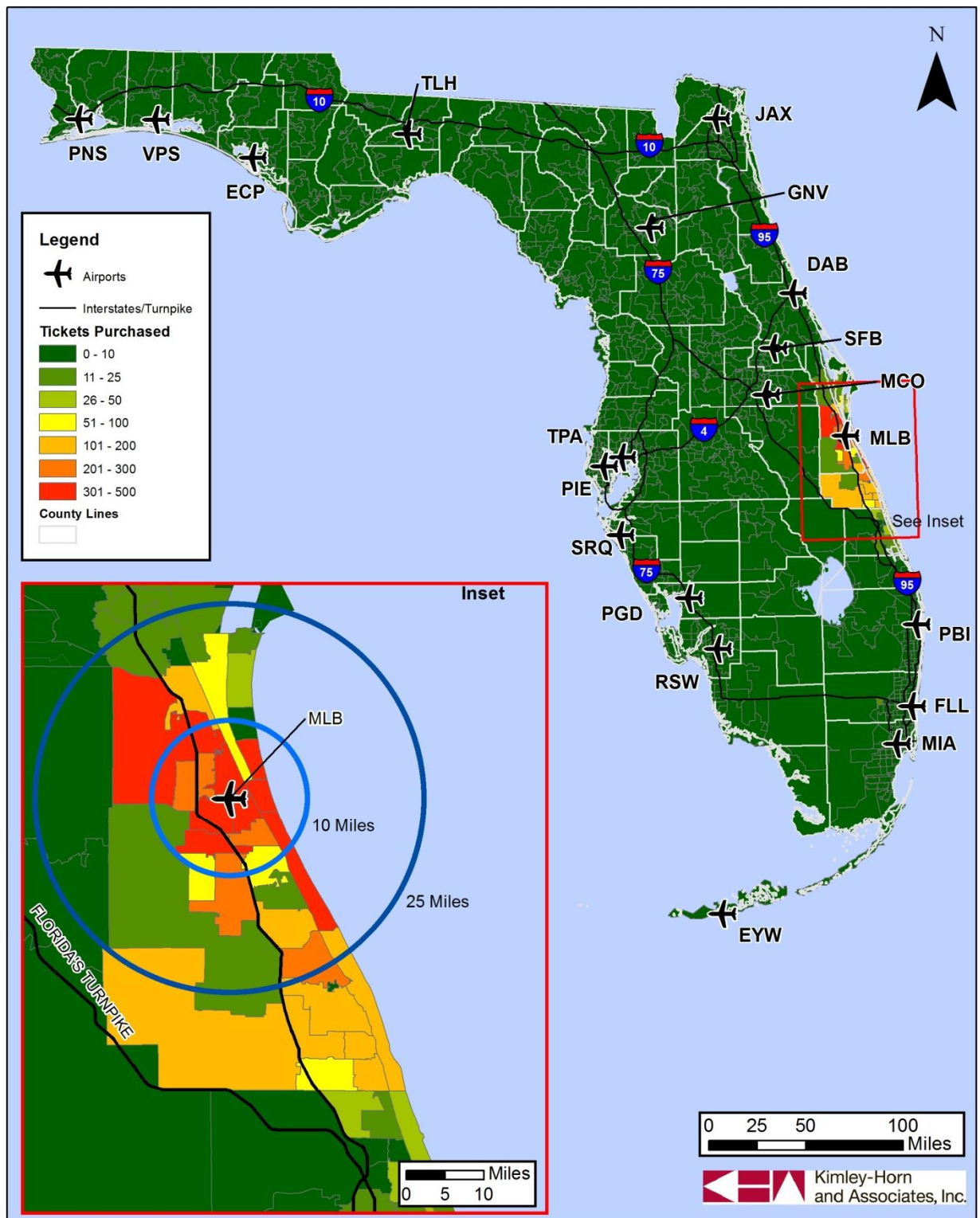
\* Disclaimer: Airline Reporting Corporation (ARC) did not assist in the preparation of this analysis. All analyses disclosed herein were performed by Kimley-Horn and Associates, Inc.





Map 3: Melbourne International Airport Top Ten Routes, 2011

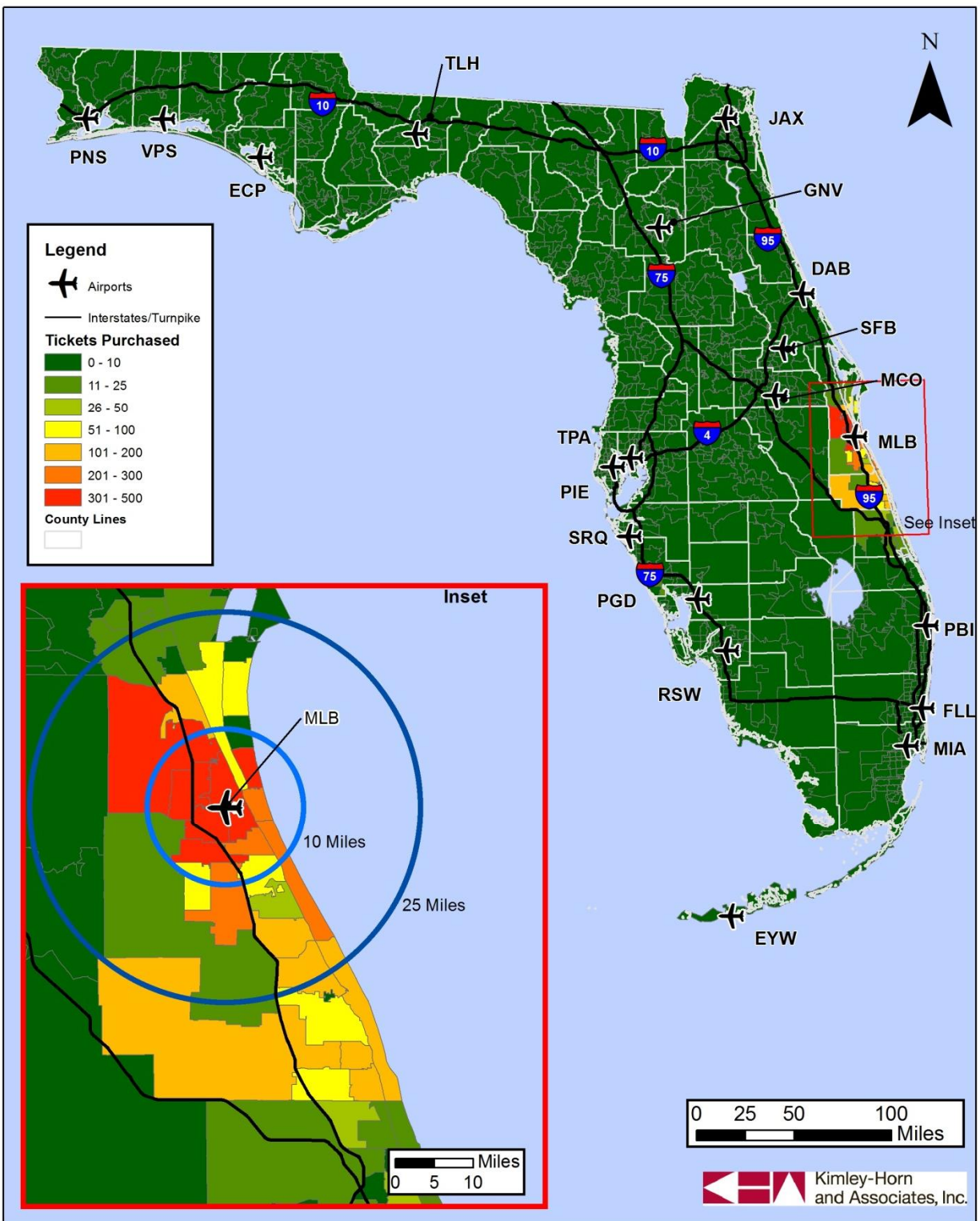
Routing information is based on a 10% sample of ARC-accredited Online Travel Agencies (OTA) and represents tickets purchased from Florida zip codes



Map 4: Melbourne International Airport, 2010 – Market Leakage Analysis

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





Map 5: Melbourne International Airport, 2011 – Market Leakage Analysis

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

# APPENDIX

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Airport Air Service Profile  
Melbourne International Airport

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Summary of Domestic Airport Activity  
Melbourne International Airport (MLB)  
As of Summer 2011

Destinations Served	Weekly Departures		Carrier	
	2010	2011	2010	2011
Atlanta	35	28	DL	DL
Charlotte	21	20	US	US
Total	56	48		

Source: Official Airline Guide, July 2011

Carrier Legend: DL- Delta Airways, US- US Airways

Airport Air Service Profile  
Melbourne International Airport

Commercial Agreements  
as of February 2012

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