

# JOHN F. BROWN COMPANY EMAIL NEWSLETTER

*Consultants to the Airport Industry*

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## ✈ FINANCIAL STATE OF AVIATION INDUSTRY

### SECOND ROUND OF FEDERAL AID PACKAGE DISBURSEMENT BEGINS

Summarized from Reuters and Aviation Daily, 12-4-01:

The U.S. government has paid more than \$3.75 billion in emergency cash aid to 113 U.S. airlines since late September. As part of the airline stabilization act enacted in September, the government planned to pay U.S. airlines a total of \$5 billion. About \$2.5 billion was distributed in the first phase, and 23 carriers have received their second-round payments so far, including most major airlines. The DOT said it received over 300 applications for compensation in the second round. A third tranche of cash assistance will likely be activated in early 2002.

### AVIATION CAPITAL SPENDING REEVALUATED

Summarized from The Bond Buyer, 12-5-01:

Faced with lower revenues and higher security costs, airports are putting capital spending on hold and reevaluating their improvement plans. Las Vegas McCarran International Airport has put on hold \$327.5 million of a \$510 million, three-year capital spending plan. Miami International Airport has lost so far \$20 million in operation revenues. Angela Gittens, director of Miami-Dade County's aviation department, said the \$5.4 billion capital improvement plan for Miami International Airport is being reevaluated.

## ✈ AIR TRAFFIC

### US AIR PASSENGER LOADS INCH UP AMID RECOVERY SIGNS

Summarized from Reuters, 12-4-01:

Major U.S. airlines reported that weak passenger loads and traffic have started to inch up as the industry continues a steady ascent from the drop in air travel after September's suicide aircraft attacks. Although the load factors of major airlines are still lower than those of the previous year, they are slightly higher than October numbers.

	November 2001 Traffic Status			RPMs	ASMs
	Load Factor				
	Nov-00	Oct-01	Nov-01		
Airtran Airways	72.2%	N/A	65.1%	-4.8%	5.4%
Alaska Airline	68.0	63.6	67.7	-4.7	-4.3
America West	69.5	68.2	70.0	-17.9	-18.4
American Airline	69.8	59.6	65.6	-25.0	-20.2
American Eagle	59.3	53.6	59.0	-5.0	-4.4
Continental Airlines	72.6	66.1	71.4	-16.7	-15.2
Southwest Airlines	70.7	63.7	65.3	0.0	6.9
United Airlines	71.0	63.4	68.5	-23.5	-20.7
US Airways	70.8	61.7	63.7	-24.6	-16.3

Source: PR Newswire, Business Wire, Reuters.

## **CANADIAN TRANSPORT MINISTER CONCERNED ABOUT AIR CANADA**

Summarized from Air Transport World, 12-5-01:

Air Canada must reduce its market share or face re-regulation, Transport Minister David Collenette told a Canadian Senate transport committee yesterday. The airline's market share has soared to 80 percent following the demise of Canada 3000 and "that's untenable," Collenette declared. He also suggested that one alternative would be to allow foreign competitors into Canada. Air Canada will continue its discussion with the government on related issues, according to the recent statements.

## **✈ TOURISM INDUSTRY**

### **CALIFORNIA TO BUY AD TIME IN MEXICO TO PROMOTE TOURISM**

Summarized from Wall Street Journal, 12-4-01:

Gov. Gray Davis, on a trade mission to Mexico this week, announced Tuesday that the state will buy \$1 million in advertising time on Mexican television stations to promote California as a tourist destination.