



Three Short Talks

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Wye River
6/7/07



Agenda

- ❑ Schedule Padding Trends (for BR)
- ❑ LGA Gauge Analysis
- ❑ Analysis of Changes at LGA after “Temporary Order”

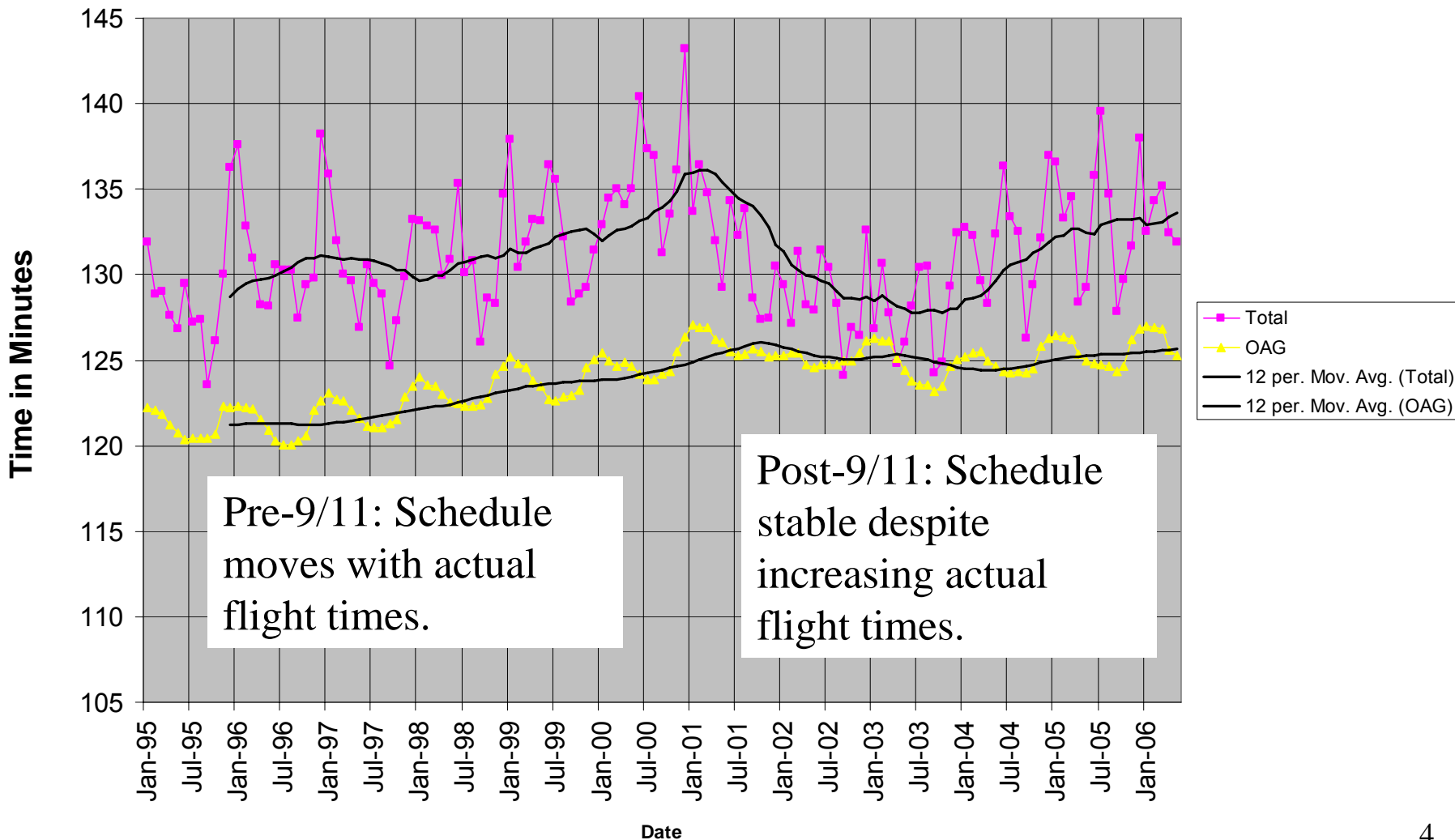


Flight Time Indices

- ❑ CPI for Flight Times
- ❑ “Market Basket” of City-Pairs with Constant Weights
- ❑ Flight Time from Scheduled Departure to Actual Arrival
- ❑ OAG Time



OAG and Flight Time Trend 1995-2006





LGA Average Gauge Analysis

- ❑ Compare Seats/Flight (“Size”) and Pax/Flight (“Load”) on LGA Flight Segments with “Comparable” non-LGA Segments
- ❑ Criteria for Comparability
 - Length
 - Traffic
 - Concentration



Data

- ❑ T100 February 2007
- ❑ Airports with over 500K
outbound pax
- ❑ Segments with over 1k pax and
Distance>0
- ❑ 2440 Observations

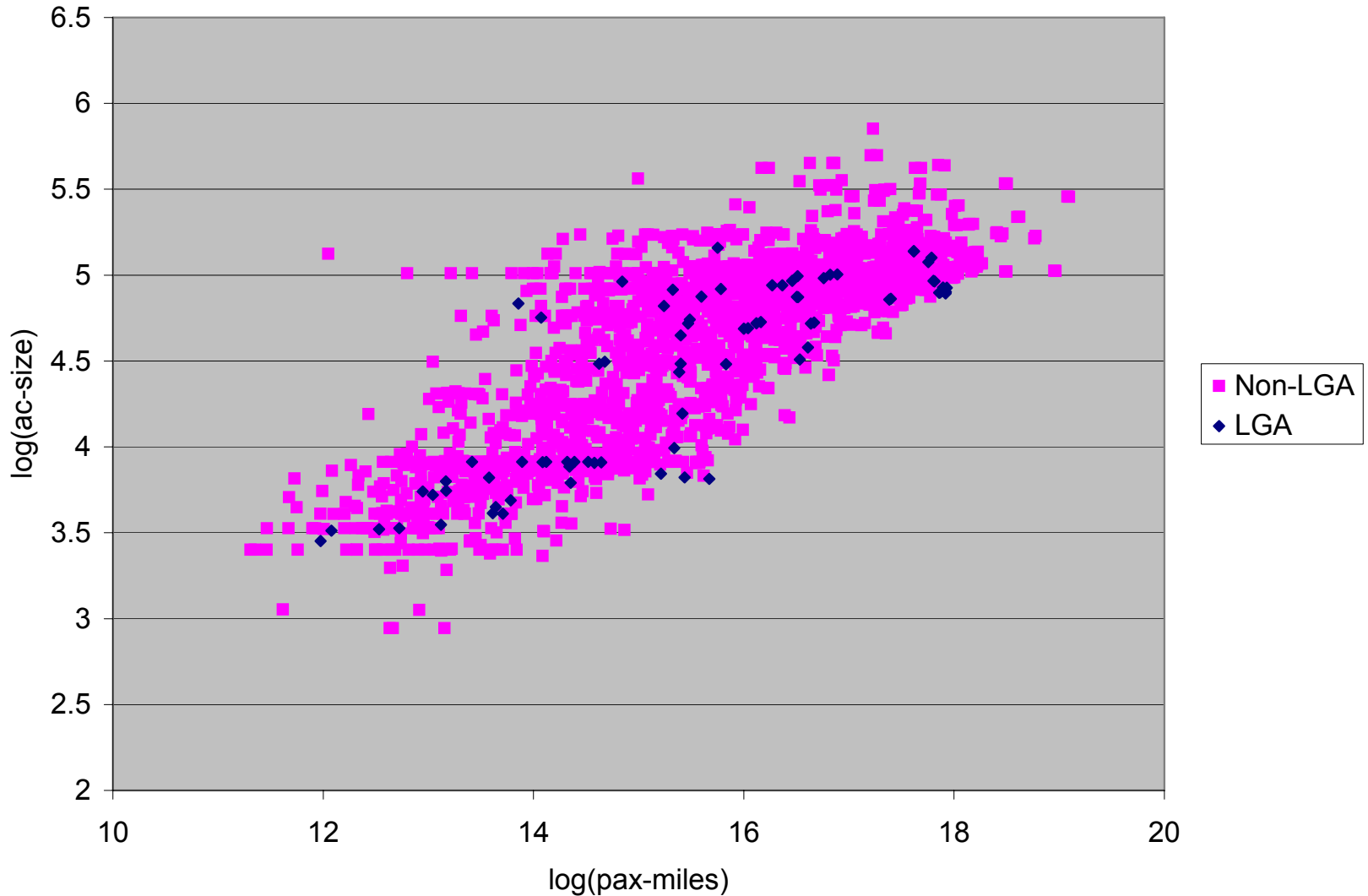


Models and Hypotheses

- ❑ $\text{Size} = f(\text{pax}, \text{miles}, \text{HHI}, \text{LGA})$
- ❑ $\text{Load} = g(\text{pax}, \text{miles}, \text{HHI}, \text{LGA})$
- ❑ Hypotheses
 - $\uparrow \text{pax} \uparrow \text{Size}$ (scale economies and diminishing returns from frequency)
 - $\uparrow \text{miles} \uparrow \text{Size}$ (scale economies greater for longer distances)
 - $\uparrow \text{HHI} \uparrow \text{Size}$ (fragmentation)
 - $\uparrow \text{LGA} \downarrow \text{Size}$ (babysitting+Air21)
 - Same for Load

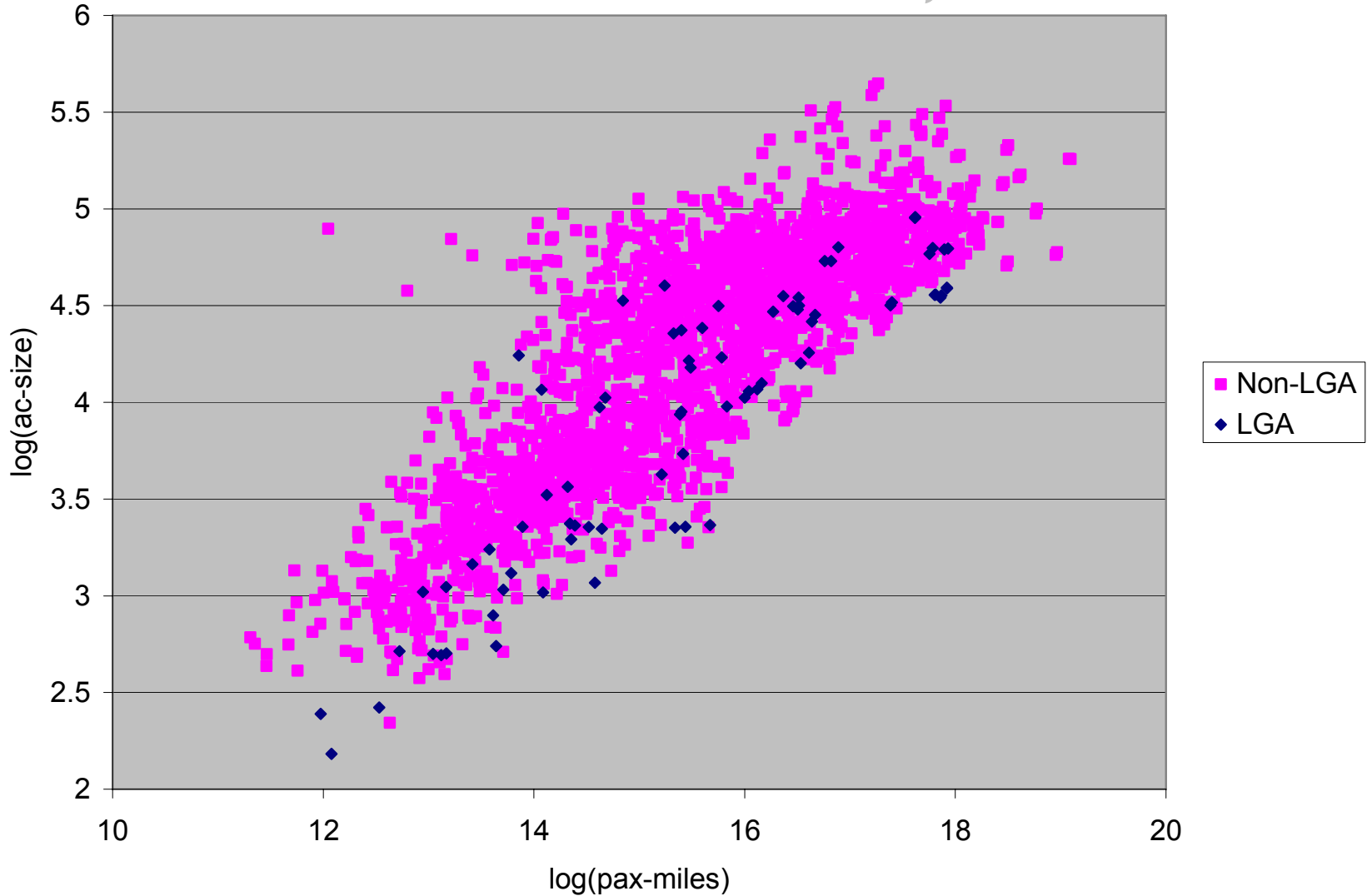


Size vs Pax-miles, 2/07





Load vs Pax-miles, 2/07





Estimation Results

- ❑ A 1% increase in:
 - Pax increases size 0.3% and load 0.3%
 - Distance increases size 0.4% and load 0.5%
 - HHI increases size 0.2% and load 0.3%
- ❑ An LGA segment vs a non-LGA segment that is otherwise identical
 - Has 7% smaller aircraft
 - Has 21% lower pax load
- ❑ Caveat: based on just one month!!



Changes Since 1/1/07

- ❑ Distinctions between slots and exemptions eliminated
- ❑ Operating authorizations unrestricted with respect to:
 - Community served
 - Aircraft size flown
- ❑ Use-or-lose remains (80%)

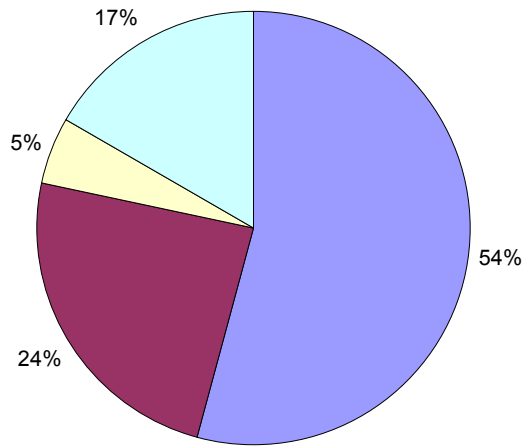


Methodology

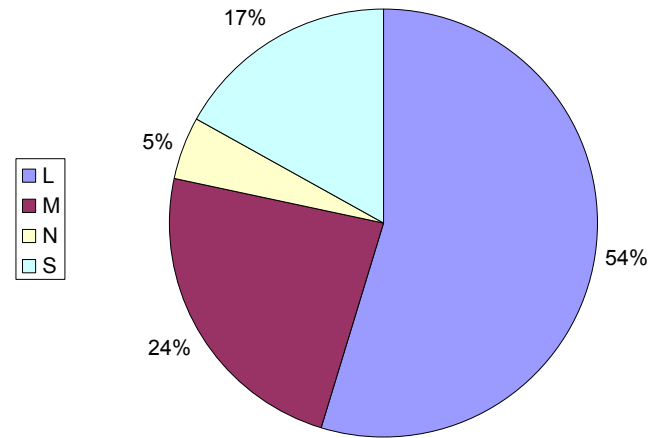
- ❑ Compared May 2007 and May 2006 weekday flights
- ❑ Only ASPM Individual Flight Data Available (completed flights only)



Flights by Hub Category



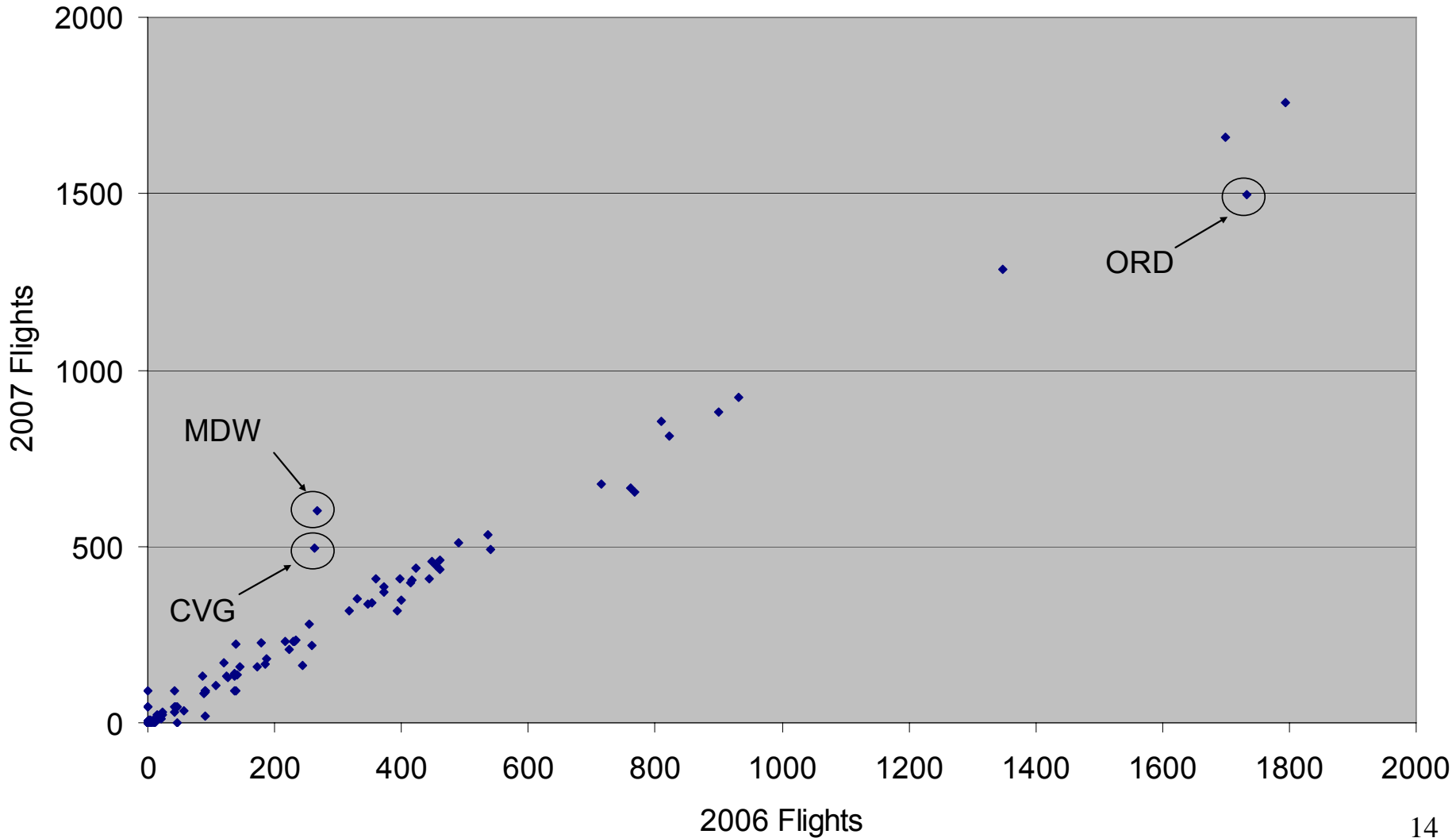
May
2006



May
2007

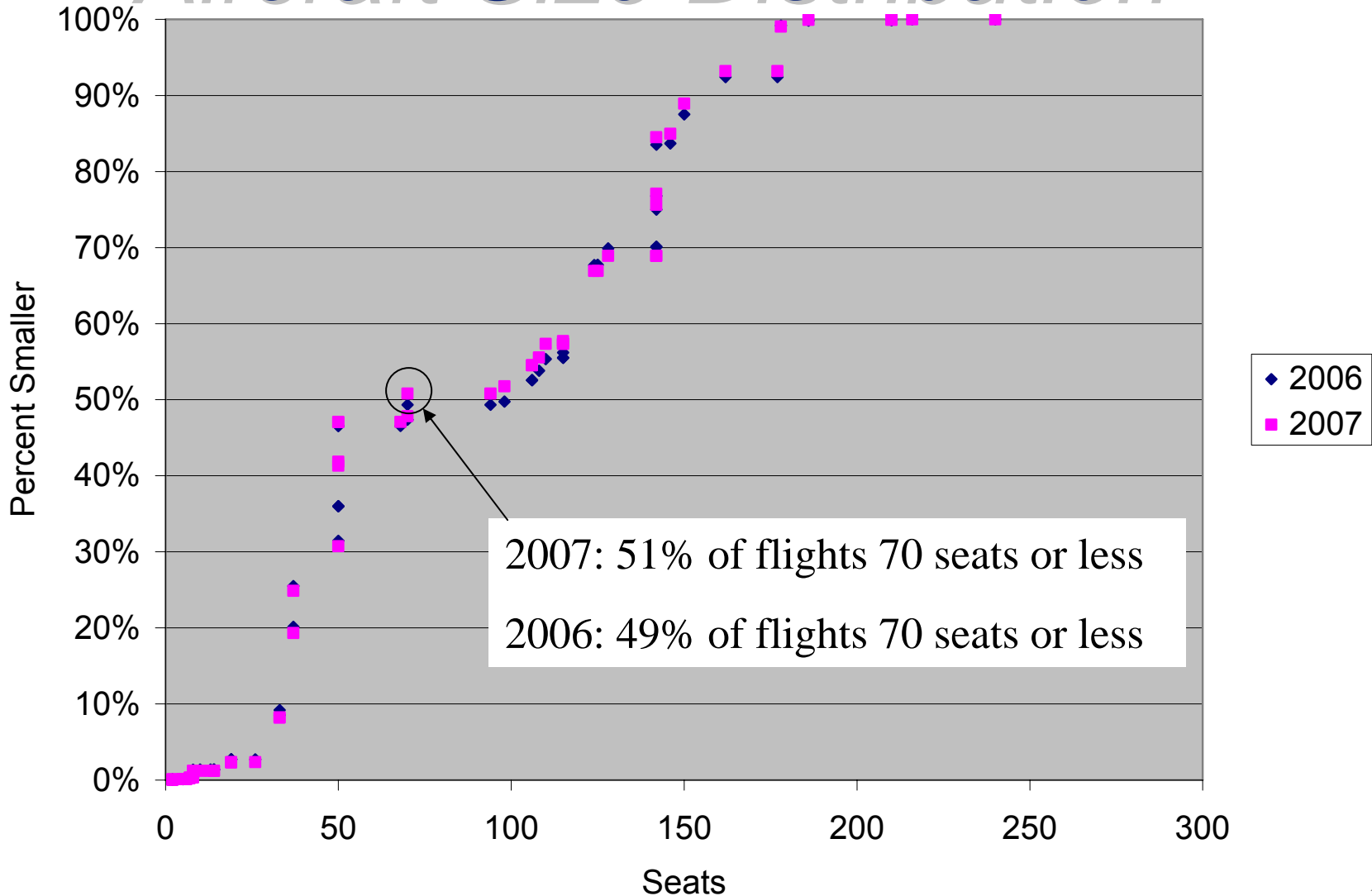


Flights by Airport



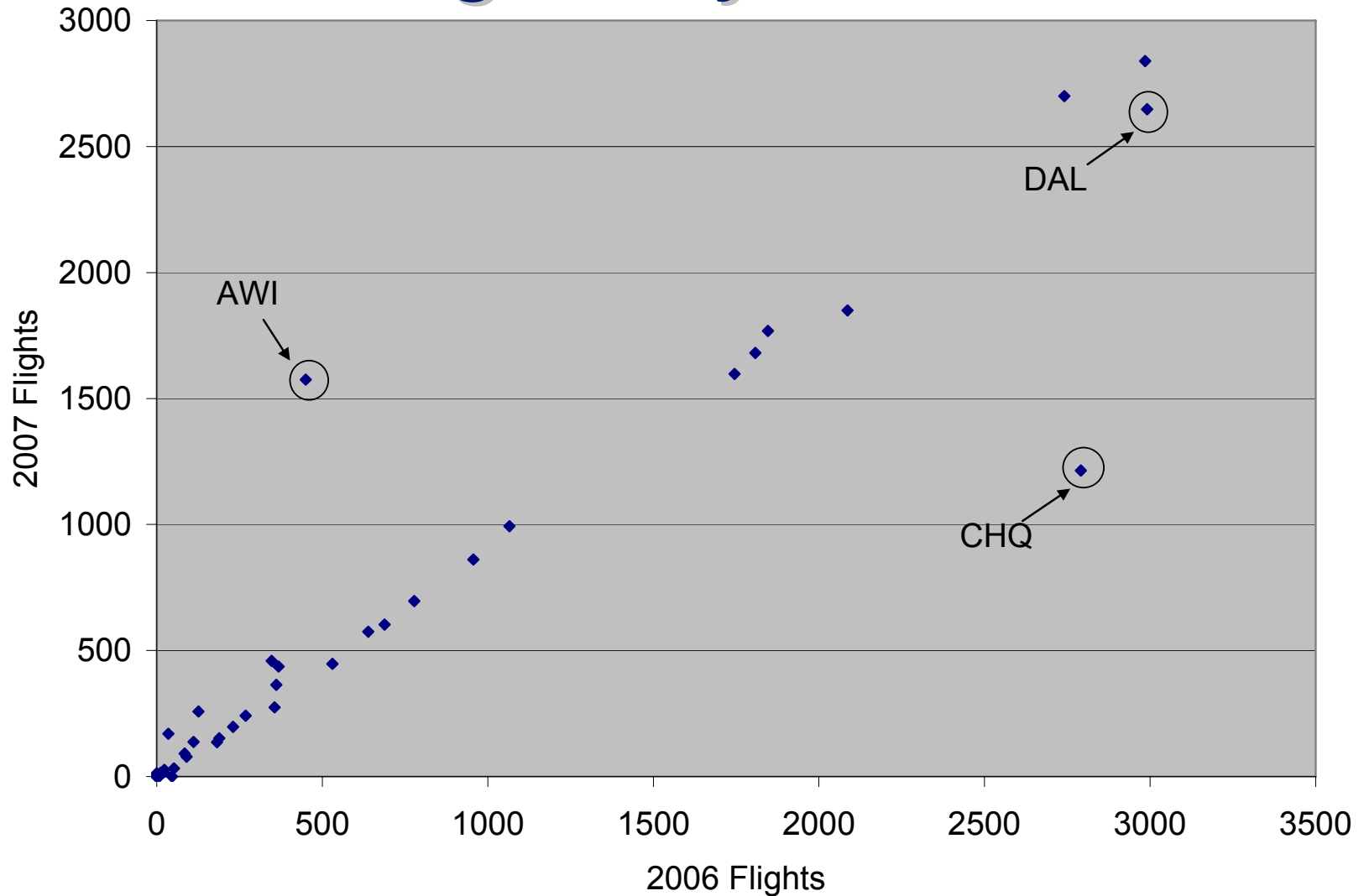


Aircraft Size Distribution





Flights by Airline





Conclusions

- ❑ Scheduled block times increased before 9/11 but not much since
- ❑ Aircraft size and loads are lower at LGA (as of 2/07)
- ❑ Little impact from temporary order