



Regional Carriers-Successfully Managing In An Ever-Changing Relationship

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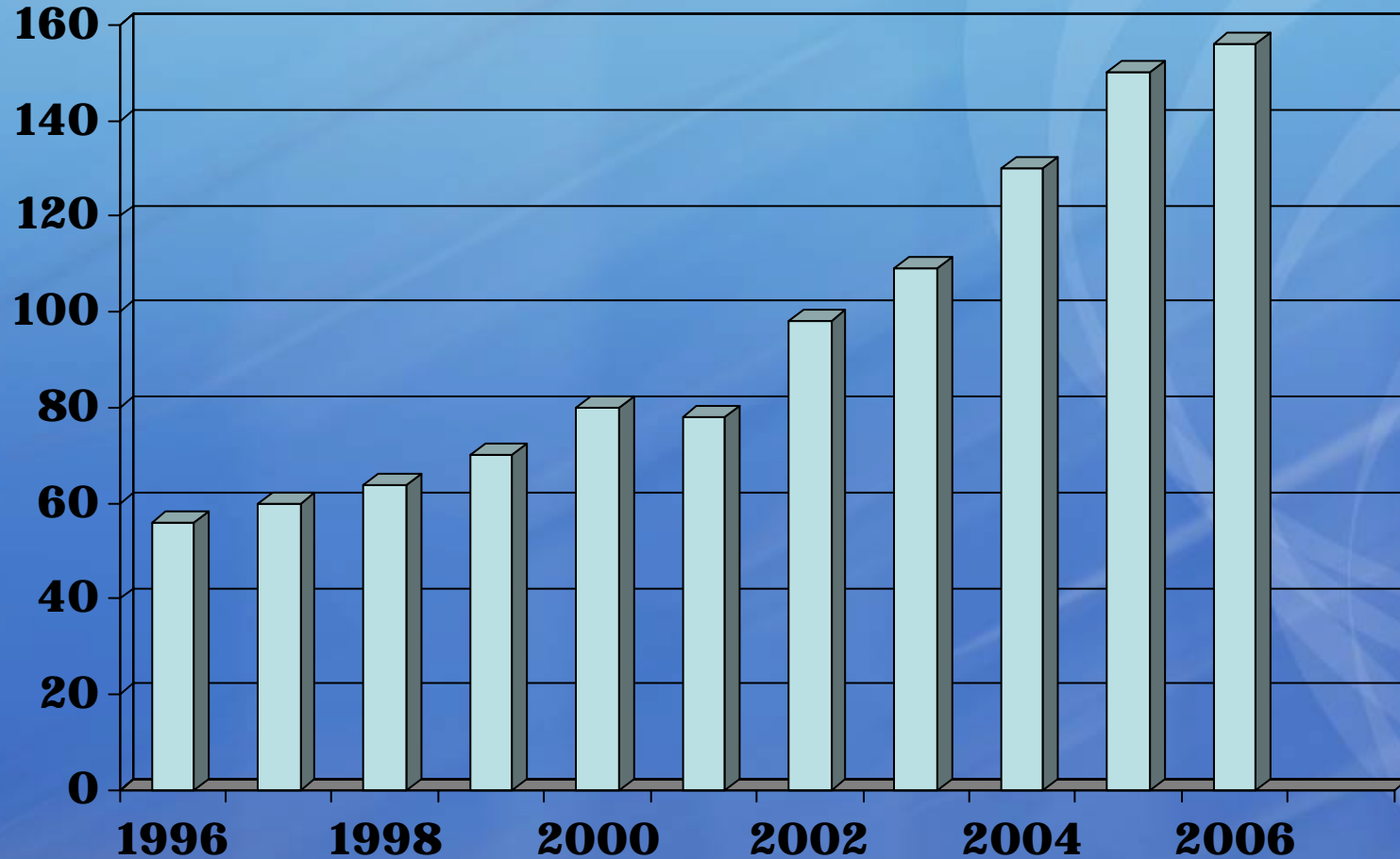
**Debby McElroy, Executive Vice President,
Policy and External Affairs, ACI-NA**

Regional Airline Statistics

- 156 million passengers in 2006
- Serve 422 airports in the United States; 96% of all airports with commercial service
- 247 U.S. airports served exclusively by regional airlines
- 14,000 flights each day; 50% of domestic departures
- Operate 40% of the U.S. commercial airline fleet
 - 1700 regional jets
 - 1100 turboprops and piston aircraft
- Employ approximately 60,000

Regional Airline Statistics

Passenger Enplanements



Regional Airline Statistics

44 code sharing agreements with major or national airlines

Alaska

- Horizon Air & Peninsula

American

- American Eagle, Executive, Chautauqua, Trans States

Continental

- Cape Air, Chautauqua, Colgan Air, Commutair, Expressjet, Gulstream Intl.

Delta

- ASA, Chautauqua, Comair, Exressjet, Freedom, Shuttle America, SkyWest

Frontier

- Lynx, Republic (ends in May)

JetBlue

- Cape Air, Nantucket Airlines

Midwest

- Skyway, SkyWest

Northwest

- Compass, Mesaba, Pinnacle

United

- Colgan Air, GoJet, Mesa, Chautauqua, Shuttle America, SkyWest, Trans States

US Airways

- Air Midwest, Air Wisconsin, Chautauqua, Colgan Air, Mesa, Piedmont, PSA, Republic, Trans States

Regional Airline Issues

- Record high fuel costs
- Congestion and delays
- Congestion pricing, auctions?
- Potential industry consolidation?
- Reduction of 50-seat RJ fleet
- Labor issues
- Ground service operations in addition to branded flying

Airport Issues

- Who signs the agreement?
 - Mainline airline or affiliate?
- Who receives the signatory rate?
- How are majority-in-interest provision calculated?
 - Signatories only?
- Who has majority in interest voting rates?
 - Signatories only?
- Security issues with employee screening?
- Employee parking
- Insurance and environmental compliance issues