PENNSYLVANIA AIR SERVICE MONITOR

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Edward G. Rendell, Governor • Allen D. Biehler, Secretary of Transportation

MAJOR TOPICS IN THIS ISSUE:

Airlines' Second Quarter Earnings–Best since 2000

In Depth Analysis: Fare and Passenger Trends at Pennsylvania Airports

US Airways and America West merged on September 27, 2005

US AIRWAYS–AMERICA WEST: *THE MERGER ONE YEAR LATER*

In a retrospective look at the US Airways–America West merger, senior executives of the new US Airways recently spoke about how close the former US Airways was to liquidation prior to the merger, and of the long odds against success initially. "At best, it appeared to be a huge long shot," said US Airways CEO Doug Parker.

Chief marketing officer Scott Kirby focused on the cyclical nature of the airline business as he sought the outside investors necessary to make the merger work. "Our pitch to investors was, 'We're at the bottom.'" Business could only improve.

US Airways has been profitable for both the first and second quarters of 2006, which it attributes to cost cutting and cutting unprofitable flying. And its share price has soared. In looking towards the future, Kirby said, "We're not market share driven….We will be very disciplined about capacity." Added Parker, "We want to build an airline that can be profitable even in the worst possible environment."

INSIDE THIS ISSUE:

A limited term publication beginning June 2005. The Pennsylvania Air Service Monitor is designed to provide policy makers with information regarding industry trends and developments affecting Pennsylvania air service.

US Airways—America West: *The Merger One Year Later (continued)*

Many airline mergers have taken place when the airline industry was at or near the peak of the business cycle, only to be followed by a downturn in demand that led to layoffs and fleet reductions that complicated the already difficult merger process.

Despite its early successes, the company faces a number of challenges in the future, including the need to combine unionized-labor groups from both airlines. Captain Jack Stephen of the US Airways' pilot union said recently, "We participated in the worst of times and we expect to equally participate in the best of times."

"Combining two incredibly disparate cultures has a horrible record in every industry," said Ron Kyhlmann, vice president of Unisys Transportation, San Francisco. "If they figure it out, they should patent the process because they will make more money with that than with the airline."

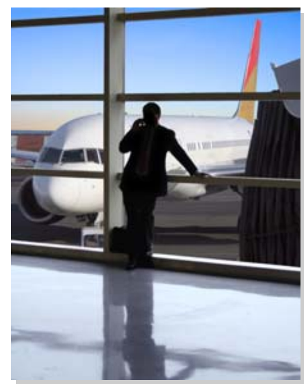
Sources: Interviews as reported in U.S. News and World Report, Chicago Tribune, Wall Street Journal, and Pittsburgh Tribune-Review.

"Being a low cost carrier is not as simple as being the same as Southwest Airlines."

—US Airways Executive Vice President Sales and Marketing, Scott Kirby, July 2006

Bi-Monthly Review

Airport Capacity and Service Changes



During August through October, the airlines will operate fewer seats at Pennsylvania's medium and large airports than during the same period last year. However, the reduction in seat capacity has stabilized. In August, the year-over-year reductions in capacity range from a 3.5% decline at Philadelphia to a 19.5% decline at Wilkes/Barre-Scranton. By October, however, the capacity reductions in scheduled seats at most medium and large Pennsylvania airports are less - with reductions ranging from a 1.4% decline at Philadelphia to a 13.7% decline at Wilkes/Barre Scranton. The subsiding capacity declines at several airports are largely the result of prior capacity reductions that have now been in place for a full year.

Selected Medium and Large Pennsylvania Airports versus Primary Out-of-State Competing Airports

Change in Year-over-Year Capacity

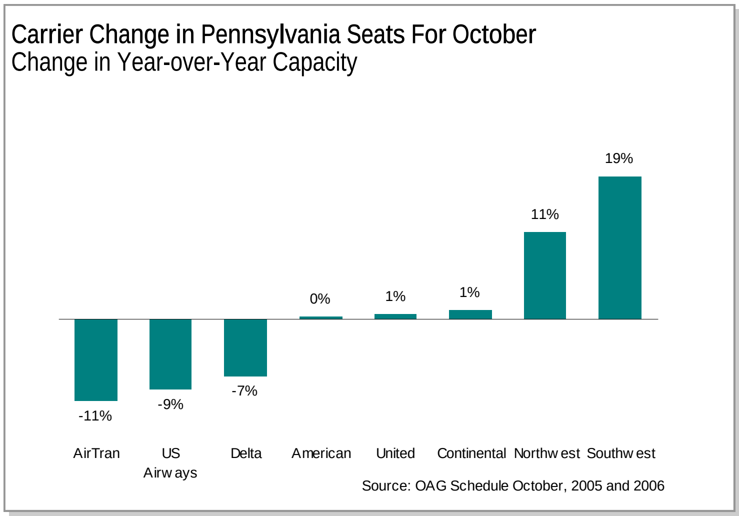
	Pennsylvania Airports				Competitive Airports		
	Aug	Sep	Oct		Aug	Sep	Oct
Erie	-13.9%	-12.6%	-12.8%	Buffalo	5.3%	3.7%	5.6%
Pittsburgh	-10.9%	-6.8%	-9.0%	Cleveland	-5.9%	-8.4%	-3.2%
Harrisburg	-9.2%	-9.8%	-5.9%				
Lehigh Valley	-10.3%	-17.0%	-11.8%	Baltimore	-0.5%	2.8%	3.8%
Philadelphia	-3.5%	-1.9%	-1.4%	Newark	2.7%	2.6%	0.9%
Wilkes-Barre/Scranton	-19.5%	-18.2%	-13.7%				

Scheduled Seats in domestic and international Service, Comparison of August, September and October 2006 versus same months one year prior.
Source: OAG

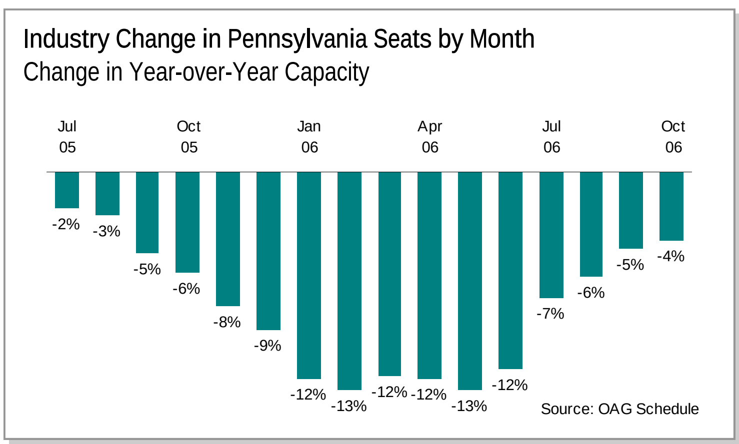
BI-MONTHLY REVIEW

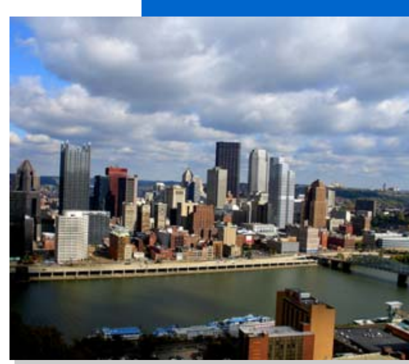
AIRPORT CAPACITY AND SERVICE CHANGES (CONTINUED)

By October, only three of the eight airlines (which account for 96% of Pennsylvania's capacity) will be reducing their seat capacity in Pennsylvania on a year-over-year basis. US Airways, the states' largest carrier, with 58% of the seats, will offer 9% fewer seats in Pennsylvania than during the prior October. Delta Air Lines, which is currently going through the bankruptcy process, will have 7% less capacity in Pennsylvania and low cost carrier AirTran will have 11% less capacity in the state.



For Pennsylvania overall, airline seat capacity in October will be down 4% year-over-year, the smallest year-over-year reduction since early 2005. However, Pennsylvania's capacity in October 2006 remains significantly below the level of October 2000, with airline seats down 24%.





Pittsburgh

Pittsburgh capacity reductions subside slightly between August and October, with capacity down 9%. Reductions in US Airways capacity and the year-over-year loss of Independence Air are not fully offset by the growth of most other carriers at the airport. Substantial new capacity is being provided by new entrant jetBlue, Northwest (capacity up 38% as a result of larger aircraft to Detroit and Minneapolis) and Delta (capacity up 12% with additional frequencies to Atlanta and JFK).

Bi-Monthly Review

Airport Capacity and Service Changes (continued)

Philadelphia

Despite reporting record passengers in 2005, Philadelphia will continue to experience modest capacity declines of 3.5% in August 2006, improving to down only 1.4% in October. This is much better than March when capacity was down nearly 11% year-over-year. Philadelphia's capacity declines continue to be driven by US Airways' substitution of smaller aircraft at the airport (departures are down only minimally), Delta's frequency pull-down to Atlanta and Cincinnati, and AirTran's withdrawal from the Richmond market. On the other hand, Southwest continues to grow at Philadelphia, with capacity up over 20% year-over-year.

Other Pennsylvania Airports

Year-over-year capacity reductions in Lehigh Valley continue largely as a result of the capacity reductions of bankrupt carriers Delta and Northwest. The shut-down of Transmeridian, which provided service to Orlando, also has had a large impact on year-over-year capacity. New to Lehigh Valley on a year-over-year basis is Allegiant with nonstop service to Orlando Sanford International Airport.

Year-over-year capacity reductions in Erie are relatively unchanged between August and October, running approximately 13% lower than in the previous year. US Airways has one less flight to Philadelphia year-over-year, and is using smaller aircraft to Pittsburgh. Delta has also reduced the size of its aircraft in the Erie-Cincinnati market.

In Wilkes-Barre/Scranton, the capacity reductions for Continental, Delta and US Airways are each in excess of 15% on a year-over-year basis through October – all driven by reductions in frequency.

Harrisburg year-over-year capacity reductions slow to 5.9% in October as a result of new American Airlines service to Dallas/Ft. Worth.

Out-of-State Airports

Newark continues to grow modestly through October, as Continental remains the only network carrier that has grown consistently. Cleveland shows overall declines in capacity, consistent with prior months, as a result of decreasing capacity from network carriers.

Buffalo has more seats on a year-over-year basis, primarily as a result of capacity increases by JetBlue and Southwest. Delta capacity is also up as a result of new service to New York Kennedy and increased frequency to Atlanta.

Baltimore reverses recent trends with capacity growth in September and October. Low cost carriers AirTran and Southwest continue to grow at the airport, while network carrier capacity is roughly unchanged year-over-year in October.

AIRLINES' SECOND QUARTER EARNINGS– *BEST FINANCIAL RESULTS SINCE 2000*

The U.S. airline industry reported robust earnings for the second quarter of 2006. Despite record-high fuel prices, the strong passenger demand for air travel enabled the airlines to raise airfares enough to produce the best industry-wide financial results since 2000.

What differentiates the results for this quarter is the solid performance of the network carriers. During most of the post-9/11 era, low cost carriers such as Southwest, AirTran and others, have reported positive results, while the traditional network carriers have either lost money or had minimal profits. This is the first quarter in which the network carriers have also shown strong results. Particularly noteworthy are the profits reported by American Airlines, which - unlike Delta, Northwest, US Airways, and United - did not use the bankruptcy process to reduce its costs.

The table below shows both operating earnings and net earnings for each of the major carriers. Operating earnings do not include interest, taxes and the extraordinary items such as reorganization expenses that are highly variable and prevalent as carriers work through the bankruptcy process. With four carriers having results impacted by reorganization expenses, operating income is a better comparative measure of the airlines' earnings.

Each of the carriers listed below reported improved earnings versus the same quarter in 2005. Considering the financial plight of the industry since 9/11, the results are a welcome relief.

Selected Carrier Earnings Quarter Ended June 30, 2006
All Numbers in Millions

Carrier	Operating 2006	Operating 2005	Operating Change	Net 2006
Network				
American	$476	$229	$247	$291
Delta	$369	($129)	$498	($2,205)
Northwest	$295	($190)	$485	($285)
US Airways	$342	$13	$329	$305
United	$260	$48	$212	$119
Continental	$244	$119	$125	$198
Low Cost Competitive				
Southwest	$402	$256	$146	$333
Alaska	$80	$37	$44	$56
AirTran	$55	$20	$35	$32
jetBlue	$47	$40	$7	$14
Frontier	$11	($1)	$12	$4

Source: Company press releases

Despite vulnerability to high oil prices and a market easily swayed by a steady stream of bad news from the Middle East, some of the beleaguered major carriers may get in a couple quarters of smooth traveling, analysts say.

–Smartmoney.com article, August 2006

PENNSYLVANIA AVERAGE FARE AND PASSENGER GROWTH TRACK U.S. AVERAGE – COMPARE FAVORABLY TO NEW YORK AND OHIO

One of the recurring features in the Monitor is an analysis of how the average fare paid by Pennsylvania residents and the passenger volume at state airports compare with national trends and the performance of neighboring states. First quarter 2006 data has recently been released by the Department of Transportation, and the Pennsylvania results track the national trends and compare favorably with those of nearby states.

"I think they have a dart board."

–Airline expert Terry Tripler explaining how airline executives decide how much to raise or lower fares

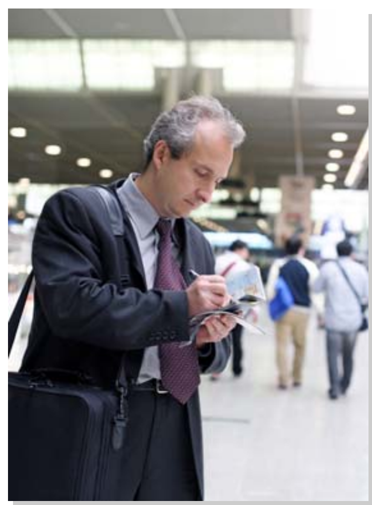
First Quarter 2006 Change in Fares and Traffic

	Average Fare			Traffic
	1st Qtr 2006	1st Qtr 2005	1q Yr/Yr Change	1q Yr/Yr Change
Pennsylvania	$148	$134	10.5%	2.2%
Maryland	$120	$113	6.9%	1.7%
New York	$145	$130	11.8%	-1.6%
Ohio	$160	$137	16.8%	-2.2%
United States	$147	$133	10.8%	1.9%

Source: U.S. DOT O&D Survey

Average Fares

Pennsylvania residents paid 10.5% more to fly one-way in the 1st quarter of 2006 than in the same period of 2005. The average one-way fare increased to $148 – an increase of $14 one-way. Benchmarking Pennsylvania's average fare increase with the experience in neighboring states, Pennsylvania's increase was less that of New York and Ohio, and about the same as that of the U.S.



The average Pennsylvania one-way fare for the 1st quarter of 2006 was $148, which is within $1 dollar of the U.S. average – the same differential as in the 1st quarter of 2005. The average fare in Pennsylvania, New York, and the U.S. are all within a few dollars of each other. As illustrated in the table above, the average Ohio fare is significantly higher and the average Maryland fare is significantly lower.

Not only was Maryland's average fare the lowest of the group at $120, but also Maryland's fare *increase* was the lowest. Maryland's results are heavily weighted by Baltimore, with its large concentration of service provided by low fare carriers Southwest and AirTran. Generally, these carriers increased fares less than their network counterparts during the quarter – both in terms of the number of fare increases as well as the dollar amount of the increases.

PENNSYLVANIA AVERAGE FARE AND PASSENGER GROWTH TRACK U.S. AVERAGE *(CONTINUED)*

Passenger Volume

Pennsylvania passengers increased 2.2% in the 1st quarter of 2006 versus the 1st quarter of 2005. This outpaced the national passenger increase of 1.9%, as well as Maryland's increase of 1.7%.

New York and Ohio both saw *decreases* in passenger volume year-over-year, as they registered declines of 1.6% and 2.2% respectively.

In summary, Pennsylvania's average fare increase of 10.5% coupled with an increase in passenger volume of 2.2% closely tracks the trends for the nation as a whole. Pennsylvania's results are better than the fare change and passenger growth figures for both New York and Ohio – and are consistent with the conclusion that Pennsylvania's "high airfare, slow growth" record of the past is behind it. Among neighboring states, only Maryland's fare increase and average fare remain significantly lower.

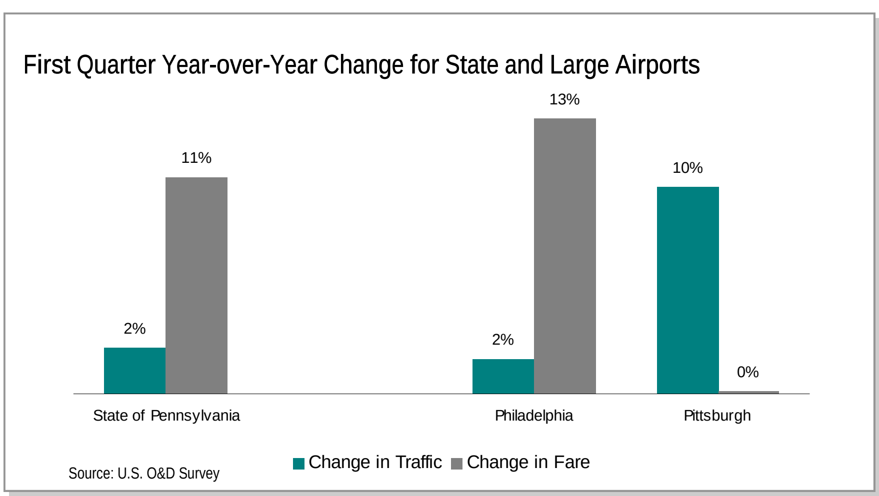
The following article provides in-depth analysis of passenger and fare changes among Pennsylvania's airports.

IN-DEPTH ANALYSIS

LARGE PENNSYLVANIA AIRPORTS CONTINUE TO GROW; HIGHER FARES CAUSE PASSENGER DECLINES AT MEDIUM AND SMALL AIRPORTS

Pennsylvania statewide results are heavily influenced by Philadelphia and Pittsburgh, which make up 90 percent of the state's passengers. Both airports continue to grow and to offer airfares in line with or lower than the national average. Other Pennsylvania airports, however, face significant challenges. In particular, over the past year, Pennsylvania's mid-size airports have suffered sharp fare increases, leading to significant passenger declines. And the smallest Pennsylvania airports struggle as they have for a number of years. These issues are explored further below.

Philadelphia and Pittsburgh Continue to Grow

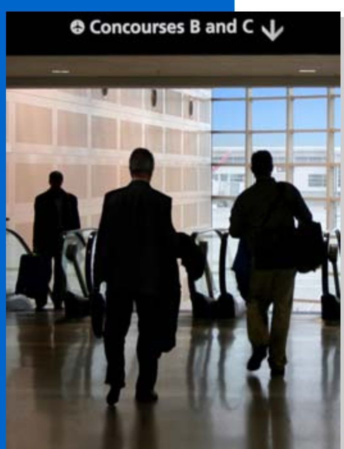


LARGE PENNSYLVANIA AIRPORTS CONTINUE TO GROW *(CONTINUED)*

Pittsburgh and Philadelphia registered passenger growth of 10% and 2%, respectively, during the 1st quarter 2006 versus the 1st quarter 2005. Other than Lancaster, with a DOT reported passenger base of only 3,240 passengers in the 1st quarter 2006, Pittsburgh and Philadelphia are the only two Pennsylvania airports to experience passenger growth.

Pittsburgh had no change in its average fare year-over-year – an unusual situation resulting from the initiation of service by Southwest in the 2nd quarter 2005. Pittsburgh's average one way fare in the 1st quarter of 2006 of $146 was $1 less than the U.S. average.

Philadelphia's average fare increased by 13% year-over-year – a higher increase than the national average. As a result, Philadelphia's average fare of $142 is now very close to Pittsburgh's. What happened in Philadelphia? As illustrated by the table below, which shows the average fare for the two largest carriers at Philadelphia, Pittsburgh, and Baltimore, Southwest's low initial fares at Philadelphia have increased to more closely resemble its fares at Baltimore. Also, US Airways' capacity cuts at Philadelphia have helped it to raise fares.

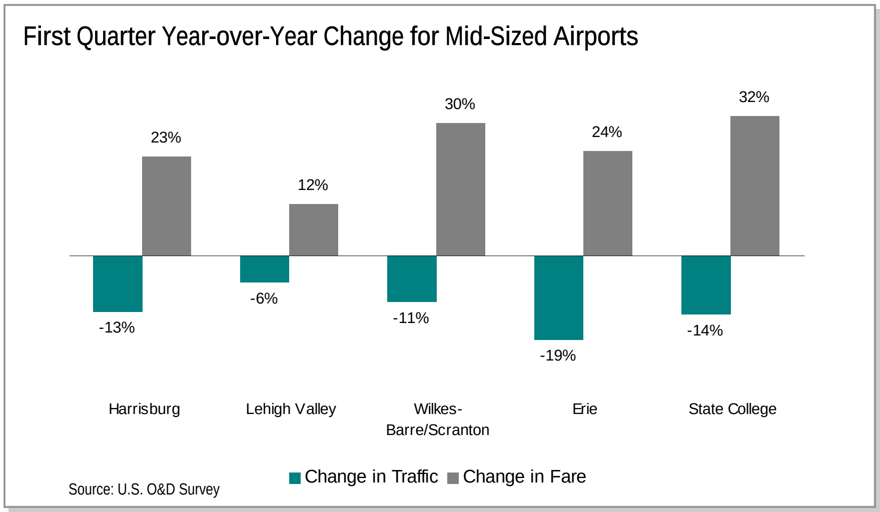


Average Fare by Carrier and Airport

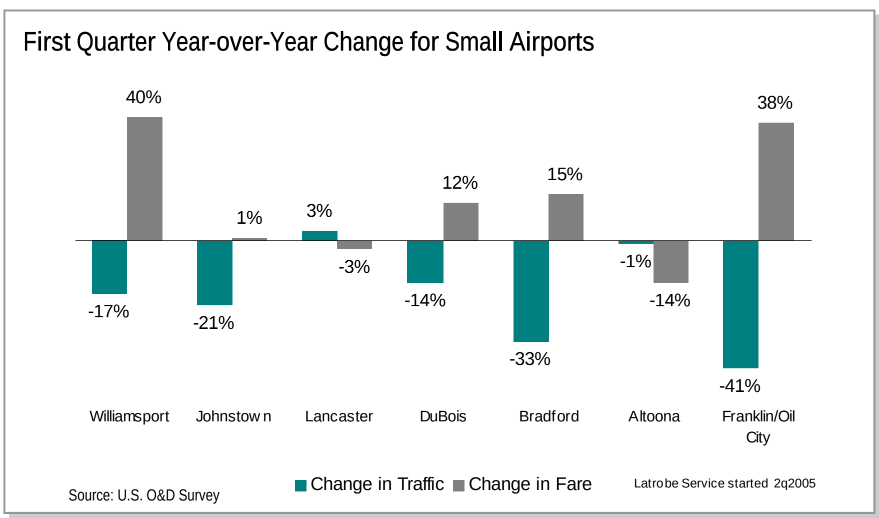
		1st Quarter 2005	1st Quarter 2006	Increase
Philadelphia	US Airways	$ 125	$ 148	$ 23
	Southwest	$ 77	$ 93	$ 16
Pittsburgh	US Airways	$ 146	$ 155	$ 9
	Southwest	$ -	$ 91	
Baltimore	Southwest	$ 89	$ 95	$ 7
	AirTran Airways	$ 92	$ 95	$ 3

Source: U.S. O&D Survey

Mid-Sized and Small Airports Struggle with Fare Increases and Passenger Declines



All of Pennsylvania's mid-sized airports had double digit increases in their average fare when comparing the 1st quarter 2005 with the 1st quarter 2006 – ranging from 12% at Lehigh Valley to 32% at State College. As a result, all experienced declining passenger volumes – ranging from a decline of 6% at Lehigh Valley to 19% at Erie.



Pennsylvania's small commercial service airports also had disappointing passenger and fare trends. Lancaster was the exception, with a three percent increase in traffic and a three percent decline in average fare. The other small airports had traffic declines ranging from one percent at Altoona to 41% at Franklin/Oil City. Williamsport and Franklin/Oil City had average fare increases of 40% and 38% respectively, although Altoona had a 14% decline in average fare. (Note that Latrobe is not included in the analysis, since service began in April 2005.)

"Mr. Parker repeated his contention that with Delta and Northwest Airlines both operating under bankruptcy-court protection, the time is ripe for an airline merger and that he would be interested in either carrier."

–Wall Street Journal article, July 2006

Comparing Pennsylvania Airports with Other U.S. Airports

In light of the marked difference in performance between the large Pennsylvania airports and the mid-sized and small airports, the question arises as to how the passenger and fare trends at Pennsylvania's airports compare with trends at similar sized airports throughout the U.S.

The following table shows the results of comparing Pennsylvania airports with similarly-sized U.S. airports. Results for Philadelphia and Pittsburgh are compared with those for the 50 largest U.S. airports (based on O&D passengers); the five mid-size Pennsylvania airports are compared with airports ranked 51 through 250; and the seven small Pennsylvania airports are compared with the remaining U.S. commercial service airports.

"We will continue to develop opportunities for airlines and work to expand service for our customers."

–Executive Director of the Allegheny County Airport Authority, Kent George, August 2006

Change in Passengers and Fares at All Airports

	O&D Passenger	National Year-over-Year Change in		Pennsylvania Year-over-Year Change in	
Airports	Rank	Passengers	Fares	Passengers	Fares
Largest Airports	1-50	2.5%	10.0%	4.0%	9.4%
Midsized Airports	51-250	-0.7%	15.0%	-11.6%	22.2%
Smallest Airports*	251+	0.1%	10.9%	0.3%	15.4%

* Excludes airports without service in either quarter

Source: U.S. O&D Survey

As illustrated in the table on the next page, the largest Pennsylvania airports - Philadelphia and Pittsburgh - compare favorably with other large U.S. airports with passengers increasing more and fares rising less than at the comparison airports. The smallest Pennsylvania airports are relatively in-line with the comparison airports, although the average fare increased more. The mid-sized Pennsylvania airports show the greatest disparity with the comparison airports – with passengers falling much more and fares rising significantly more than at the comparison airports.

The Impact of Airfare Changes since 2005

Much has been written about the airlines' ability to increase fares to offset rising costs, especially for fuel. According to JP Morgan, there have been 21 general fare increases from 2005 through August 2006, with thirteen occurring in 2005 and eight in the first eight months of 2006. Not all fares increased each time, and not all airlines participated in the fare increase each time.

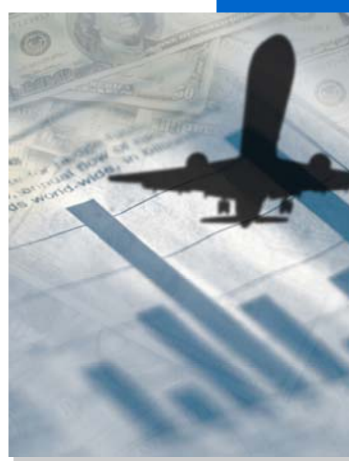
Network carriers increased fares more than low cost carriers. This is illustrated by the table below, which shows the average fare increase at Philadelphia and Pittsburgh - the only Pennsylvania airports served by major low cost carriers. The average increase at Baltimore, Cleveland, Newark, and Buffalo – neighboring airports served by low cost carriers that attract Pennsylvania travelers, is also set forth. The table also shows the average increase at Pennsylvania's mid-size airports, none of which has low cost carrier service. The results demonstrate that the presence of low cost carriers helps restrain the increase in airfares.

Change in Average Fares at Selected Airports with LCC Service vs. Mid-Sized Pennsylvania Airports

Airport	Average Fare 1q05	Average Fare 1q06	Change
With LCC Service			
Philadelphia	$125	$142	$17
Pittsburgh	146	146	0
Baltimore	113	120	7
Newark	171	173	2
Cleveland	138	144	6
Buffalo	110	119	9
Mid-sized PA Airports			
Harrisburg	$165	$203	$38
Lehigh Valley	162	181	19
Wilkes-Barre/Scranton	153	199	46
Erie	118	147	29
State College	154	204	50

Source: U.S. O&D Survey

Mid-Sized Airports Struggle in Absence of Low Cost Service



As shown in the table below, much of the difference between the large fare increase at the mid-sized Pennsylvania airports (22.2% increase) relative to the comparison airports (15.0% increase — see chart on previous page) can be explained by the presence of low cost carrier service at the comparison airports. Of the 200 airports included in the comparison group, 35% had some service by a low cost carrier. As a result of the inclusion of those airports with low cost carrier service, the average fare increase of the comparison airports was lower than for the Pennsylvania mid-size airports. In fact, the 70 mid-size comparison airports *with* low cost carrier service experienced only a 12.2% airfare increase as compared with the 21.7% increase for the mid-size comparison airports *without* LCC service. If the comparison airports are limited to only those mid-size U.S. airports without low cost carrier service, the airfare results are very similar to those of Pennsylvania's mid-sized airports.

Change in Passengers and Fares at Mid-Sized Airports

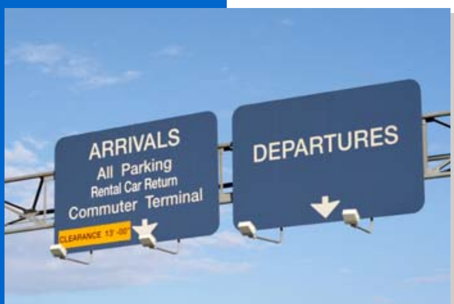
Airports	O&D Passenger Rank	National Year-over-Year Change in Passengers	National Year-over-Year Change in Fares	Pennsylvania Year-over-Year Change in Passengers	Pennsylvania Year-over-Year Change in Fares
Some LCC Service	51-250	1.9%	12.2%	n/a	n/a
No LCC Service	51-250	-6.9%	21.7%	-11.6%	22.2%

Source: U.S. O&D Survey

LARGE PENNSYLVANIA AIRPORTS CONTINUE TO GROW *(CONTINUED)*

Passenger Declines at Mid-Sized Airports

The 11.6% decline in passengers at mid-size Pennsylvania airports is greater than the passenger decline at comparison airports (with or without LCC service). To a large extent, this is a function of the changing pricing environment and the geographic proximity of Pennsylvania airports to competing airports with low cost carrier service.



One of the consequences of fares rising faster at Pennsylvania's mid-sized (and small) airports is that the fare "differential" increases relative to nearby large airports. As fare differentials have increased, passengers have "diverted" to other airports with more attractive prices.

The following table provides examples of fare differentials between mid-sized Pennsylvania airports and nearby airports with low cost carrier service. Both the fare differential and the change in differential from the 1st quarter of 2005 to the 1st quarter in 2006 are important. For example, comparing fares at Harrisburg and Baltimore shows that the differential increased by $31 year-over-year. Equally important is the fact that the absolute difference is now $83 per one-way passenger in 2006. For each of Pennsylvania's mid-size airports, the fare differential relative to competing airports has grown over the past year.

Average Fare Differentials Selected Mid-Sized Pennsylvania Airports vs. Nearby LCC Airports

	Fare Differential		
Airport	1q05	1q06	Change
Philadelphia versus			
Harrisburg	$40	$61	$21
Lehigh Valley	37	39	2
Wilkes-Barre/Scranton	28	57	29
Baltimore versus			
Harrisburg	52	83	31
Newark versus			
Wilkes-Barre/Scranton	(18)	26	44
Buffalo versus			
Erie	8	28	20

Source: U.S. O&D Survey

In addition to fare increases, network carriers have also focused on increasing revenue by reducing capacity to increase load factors. As illustrated in the separate article on capacity changes, these scheduling actions affected all of Pennsylvania's mid-sized airports. By reducing the number of seats available in mid-size markets, the carriers have been able to target higher paying passengers to improve revenue production. In many cases, this has meant that more price sensitive "leisure" passengers have been required to look to the larger airports to find attractive fares. The net effect of these actions is fewer passengers utilizing the mid-sized airports, with the remaining passengers paying higher fares.

Where Do We Go from Here?

Strong market demand – sometimes characterized as the best demand/capacity environment the airlines have seen in a decade – has allowed the airlines, especially the network carriers, to increase revenue using the price and schedule actions described above. The strategy is working, for the industry's financial results for the second quarter are the best in years.

Small and mid-sized Pennsylvania airports find themselves confronted with the classic issue of airlines focused on maximizing revenue, while airports struggle to attract passengers and assure that reasonable prices are available.

Whether the airlines can continue with this strategy will depend on a number of factors. How long will strong passenger demand continue? Will the continued expansion by the low cost carriers erode the pricing power of the network carriers? Will any of the major low cost carriers initiate service at a mid-sized Pennsylvania airport? Have the price differentials between competing airports reached the point where the loss of revenue through passenger diversion outweighs the gain of maintaining high fares at the mid-sized airports?

Despite the strides made over the past several years in making low fare air service available to many Pennsylvania residents, challenges remain, particularly with regard to small and mid-size airports. State and local aviation officials are closely monitoring these issues, and will continue to be engaged in promoting programs to help attract and maintain affordable air service for Pennsylvania residents.

"If the economy stays robust, as we are now expecting, there should be a major rally going into the spring. Generally airline managers of the legacy carriers are adjusting their capacity to maximize profits and not market share."

–Calyon Securities analyst Ray Neidl, August 2006

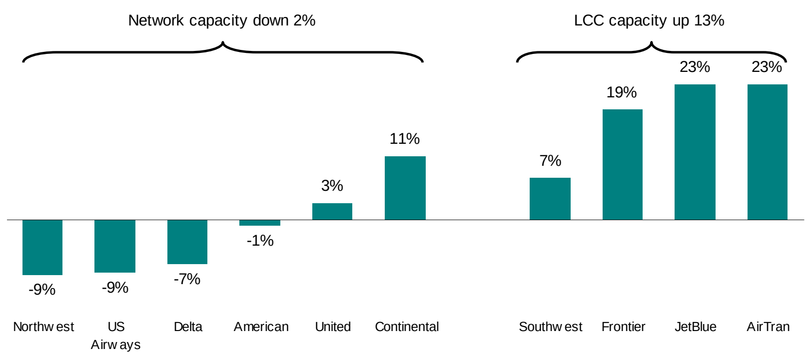
Summary by Airport Rank of Passengers, Average Airfare and Change

Size	Airport	National Rank*	Passengers Daily Each Way (1q06)	YOY Change	Average Fare (1q06)	YOY Change
Large	Philadelphia	15	22,403	2%	$ 142	$ 17
	Pittsburgh	43	9,201	10%	$ 146	$ 0
Mid-size	Harrisburg	100	1,361	-13%	$ 203	$ 38
	Lehigh Valley	124	878	-6%	$ 181	$ 19
	Wilkes-Barre/Scranton	156	474	-11%	$ 199	$ 47
	Erie	170	397	-19%	$ 147	$ 28
	State College	185	302	-14%	$ 204	$ 49
Small	Williamsport	266	68	-17%	$ 206	$ 59
	Latrobe	302	31	n/a	$ 170	n/a
	Johnstown	313	24	-21%	$ 208	$ 2
	DuBois	324	20	-14%	$ 161	$ 18
	Lancaster	336	18	3%	$ 140	$ (4)
	Altoona	347	15	-1%	$ 171	$ (27)
	Bradford	374	9	-33%	$ 201	$ 26
	Franklin/Oil City	405	4	-41%	$ 158	$ 44

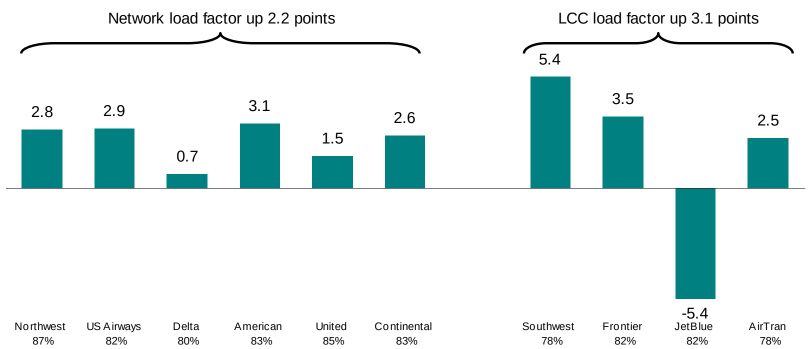
Source: U.S. O&D Survey

* Based on O&D Passengers, if connecting passengers were included, Pittsburgh would be ranked higher

Change in Carrier System Capacity—2nd Quarter 2006 versus 2005



Point Change in Carrier System Load Factor—2nd Quarter 2006 versus 2005



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