

30 Minute Panel Discussion

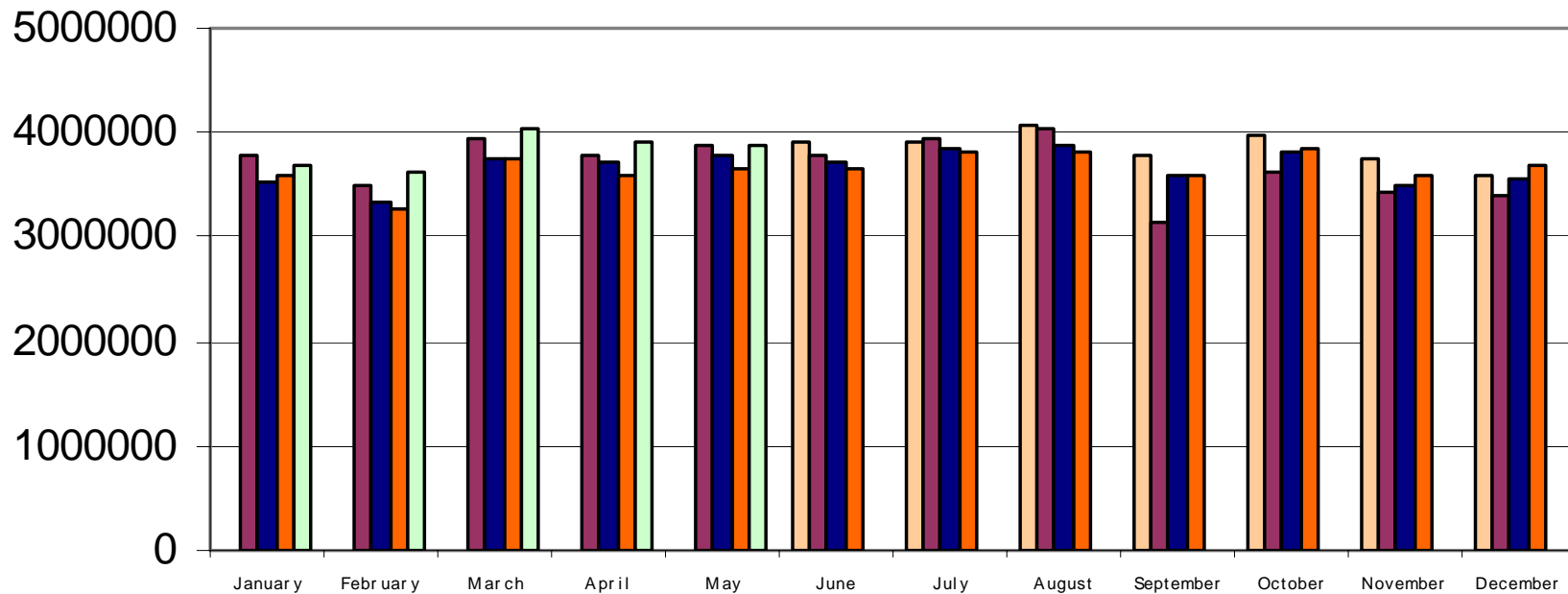
Command Center
June 23, 2004



Total Center Operations



Total Center Operations

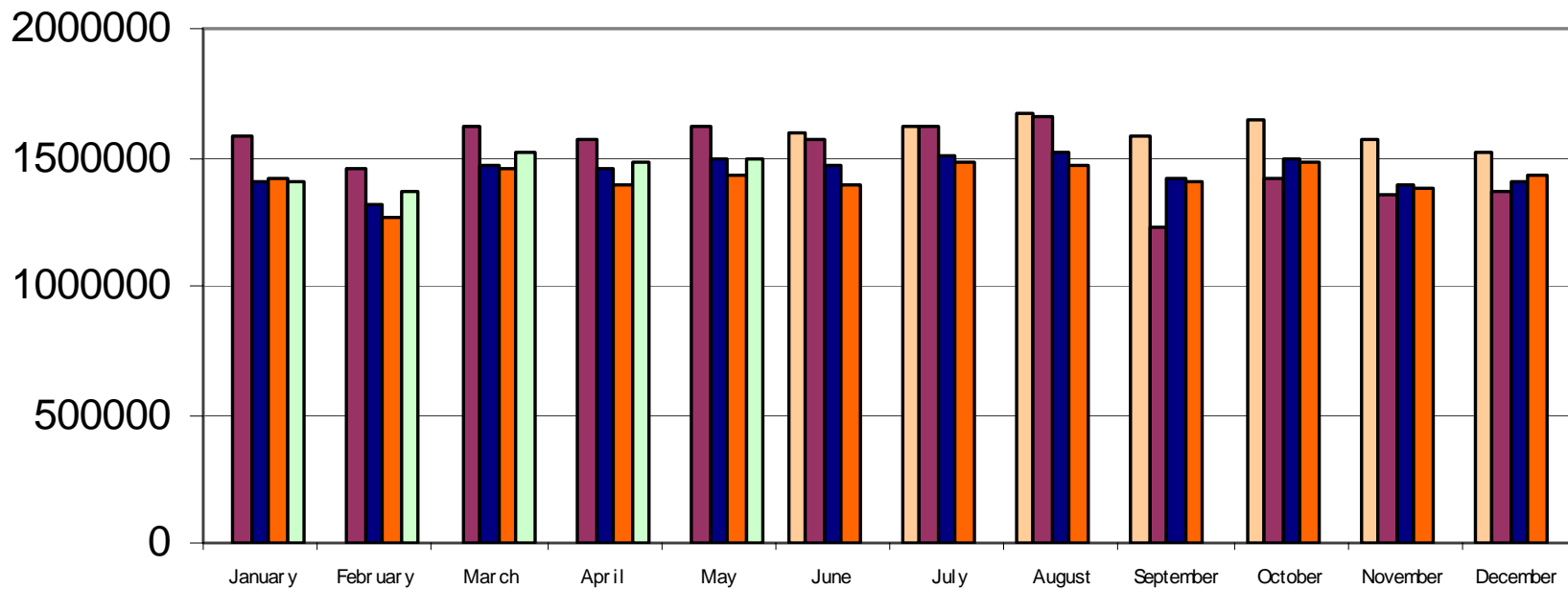


45 Select Airport Operations

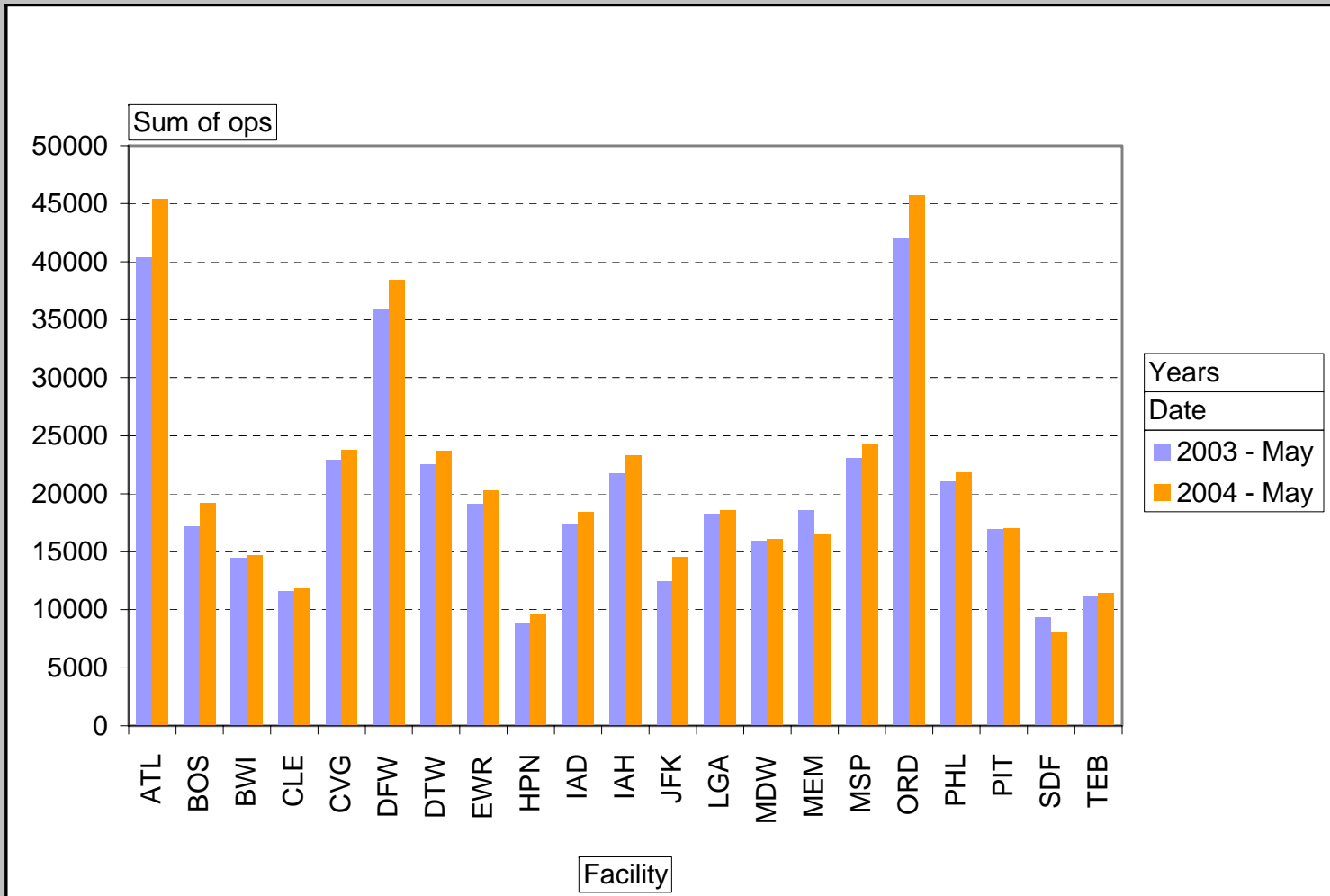


45 Select Airport Operations

2000 2001 2002 2003 2004



Traffic Volume (OPSNET)



Traffic is up in 2004 over 2003 at most of the major airports.

HR 2115, Section 423 Vision-100

- Legislation authorized additional communications between carriers during "capacity reduction events."
- Human-in-the-Loop Testing scheduled for July
 - Evaluate
 - Access to data earlier (12 Hours)
 - Staging database to model different strategies without impacting operational data
 - Incentive to cancel flights through delay reduction
 - Seat capacity and demand
 - Markets served



Fractional Ownership Has Taken Off Since 1996



- Providers: *Net Jets, Citation, Flight Options*
- Almost 800 aircraft (*Aviation Now, Special Report: "BizJet Fractional Ownership Remains Relatively Strong", Velocci, 2002*)
- NetJets: over 500 aircraft alone, comparable to major airline

Number of Fractional Shares Sold

Source: NBAA, *Business Aviation Industry Statistics*



Regional Airline Use of RJs

- RJs allow airlines to increase passenger traffic, primarily at hubs, but also in point-to-point operation
 - Regional jets supplied 14% of airline seats in 2003* vs. 6% for turboprops
 - Regional airlines have consistently sustained double digit revenue growth since 2000 and are flying longer and more complex route structures with RJs
- Key capabilities of RJs
 - Improved productivity as a replacement/supplement for props in roles previously filled by props (especially longer routes)
 - Increased traffic and revenue
 - Increased opportunities for airlines to adopt new types of operations (change in overall operating philosophy)
- Note: many regional airline flights in CONUS are in code-sharing arrangements with major airlines

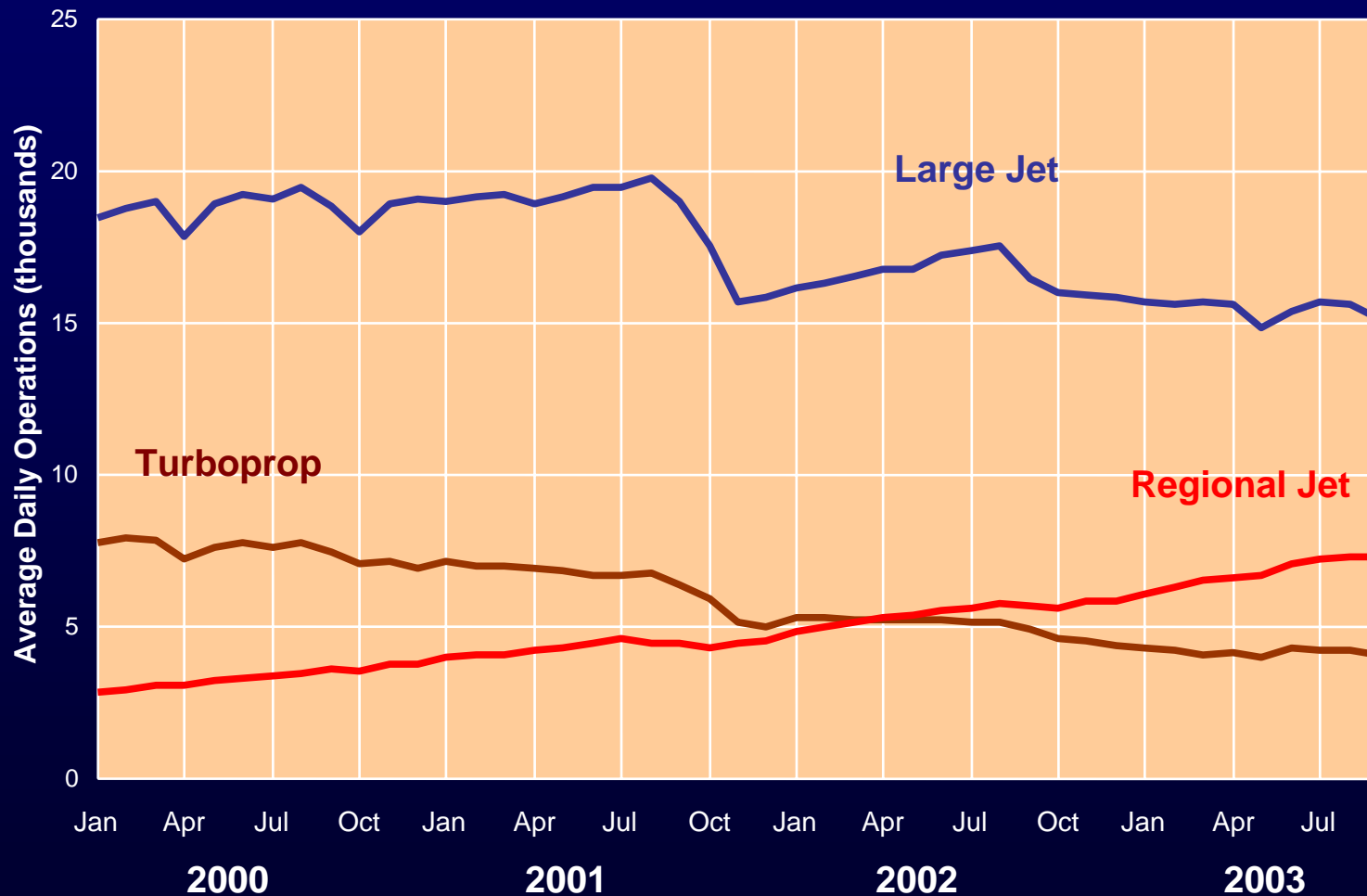


How RJs Will Affect the Airspace System

- Aggregate increase in traffic volumes may increase congestion in en route airspace and at some airports
 - Rate of retirements of props will level off at some point
 - Transition airspace (climb and descent) may see increases in congestion and traffic complexity
- Increased competition at spoke airports between airlines and competition for feed traffic to associated hub airports
 - Overall change in traffic pattern is unclear
 - Long-term, may provide opportunity to off-load some traffic from badly congested hubs, to less-congested hubs, to reliever airports, or with hub-bypass routes



Use of RJs Expands While Use of Turboprops Contracts



Aug '03 vs. Aug '00	
Large jet	↓ 20%
RJ	↑ 150%
Turboprop	↓ 47%

Source: OAG, 285 Airports, Scheduled ops down 12% overall

En Route Airspace Congestion

- RJs flying longer routes are best suited to higher altitude airspace, which is already congested



High altitude airspace

Low altitude airspace

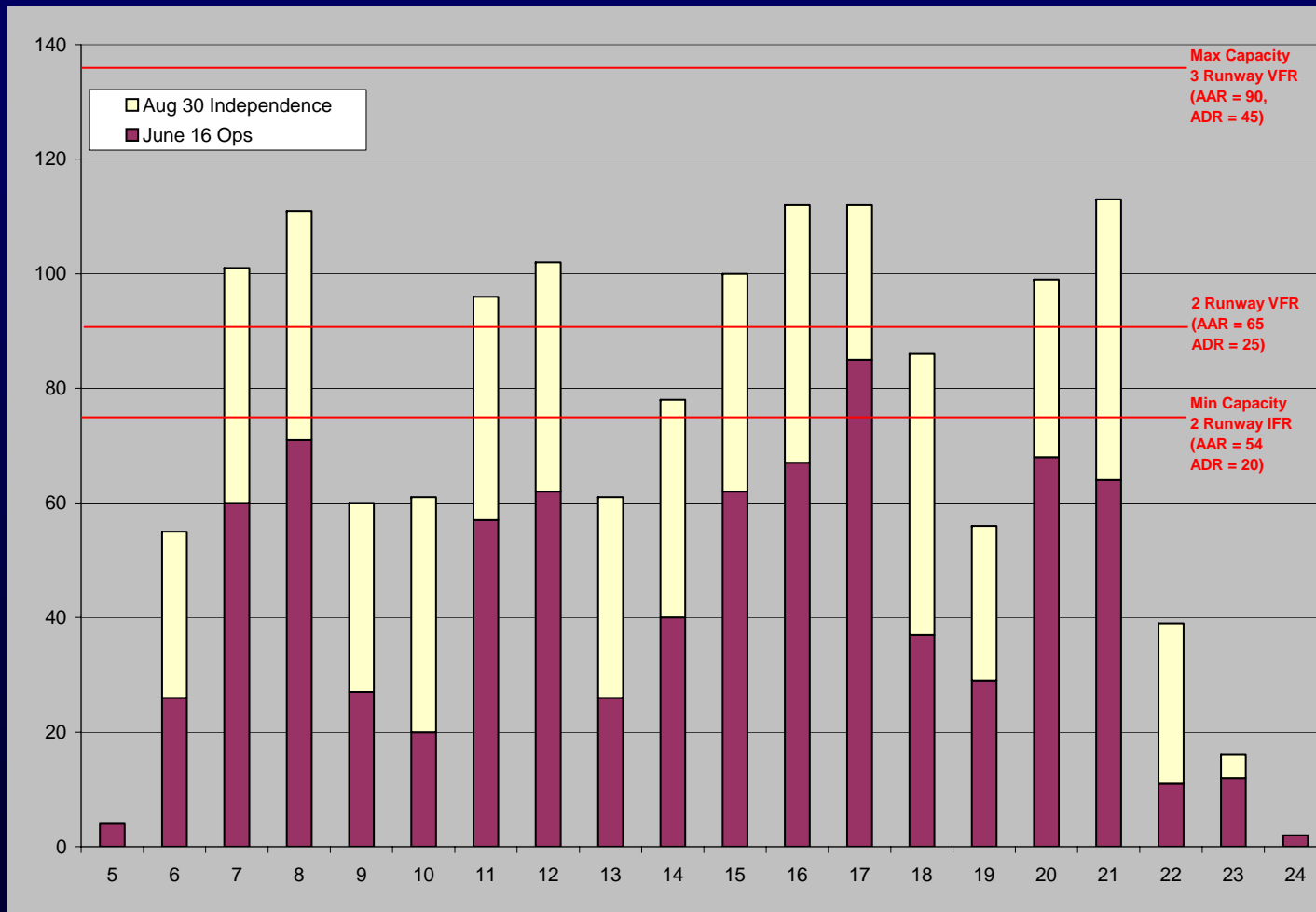
24,000 feet

Jet routes
Prop routes



Independence Air Impact on IAD

June 2004 Schedule plus Additional Operations Planned by Independence by August 30, 2004



Source: OAG, Independence Schedule provided by Independence Air, Capacity provided by IAD Tower



ATC Delays April 2004

Date	Total Delays for All Airports			Total Delays at the 32 Large Hub Airports			Operations at the 32 Large Hub Airports			Ground Stop Minutes for 32 Large Hub Airports			Ground Delay Program Min. for the 32 Large Hub Airports			Total Operations for Reporting Airports				
	Daily # Delays	Cum. Total	Daily Avg.	Daily # Delays	Cum. Total	Daily Avg.	Daily Ops	Cum. Total	Daily Avg.	GS Min	Cum. Total	Daily Avg.	GDP Min	Cum. Total	Daily Avg.	Daily # Ops	Cum. Total	Daily Avg.	Non Rpt	
04/01	1251	1251	1251	1075	1075	1075	41501	41501	41501	11714	11714	11714	29835	29835	29835	179054	179054	179054	10	
04/02	1053	2304	1152	970	2045	1023	42146	83647	41828	1463	13177	6589	24561	54388	27193	174352	353406	176703	9	
04/03	1008	3310	1103	943	2988	996	35338	118985	39862	187	13364	4456	27651	82037	27348	157806	511212	170404	10	
04/04	1070	4380	1095	918	3906	977	37637	156622	39156	1322	14686	3672	34439	116476	29119	143699	654911	163728	9	
04/05	845	5225	1045	792	4698	940	40748	197370	38474	1233	15919	3184	25570	142046	28409	176377	831288	166258	9	
04/06	721	5946	991	553	5251	875	41980	239350	39892	3074	18993	3166	3460	145606	24251	193963	1025251	170875	9	
04/07	665	6611	944	607	5858	837	42794	282144	40306	1658	20651	2950	1355	146861	20960	201964	1227235	175319	9	
04/08	1650	8261	1033	1442	7300	913	42748	324892	40612	2759	23410	2826	44528	191389	23924	194196	1421431	177679	9	
04/09	426	8687	965	391	7891	855	41642	366534	40726	227	23637	2626	2089	193478	21498	195407	1616838	179649	9	
04/10	391	9078	908	341	8032	803	35308	401842	40184	152	23769	2379	244	193722	19372	157442	1774280	177428	10	
04/11	719	9797	891	670	8702	791	37083	438905	39903	1154	24943	2288	12384	206108	18737	117599	1891879	171889	11	
04/12	1609	11406	951	1392	10094	841	40453	479358	39947	5706	30649	2564	32964	238070	19923	161158	2053037	171086	9	
04/13	2313	13719	1055	2191	12285	945	40880	520238	40018	6929	37578	2891	86510	325580	25045	163824	2218661	170528	10	
04/14	1132	14851	1061	1081	13366	955	42547	562785	40199	1008	38586	2756	49909	375489	26821	186784	2403645	171889	8	
04/15	1567	16418	1095	1463	14829	989	43326	606111	40407	2053	40639	2709	13585	389074	25938	196848	2600493	173366	8	
04/16	712	17130	1071	643	16472	967	42935	649046	40566	282	40921	2658	9533	398607	24913	205213	2805706	175357	9	
04/17	235	17365	1021	204	15676	922	36308	683354	40315	0	40921	2407	663	396270	23486	162864	2968570	174622	10	
04/18	1717	19082	1090	1684	17340	963	37579	722933	40163	2612	43533	2419	34636	433905	24106	149670	3118240	173238	10	
04/19	1237	20319	1099	1176	18516	975	41054	763987	40210	755	44288	2331	36762	470657	24771	168536	3286776	172988	8	
04/20	1134	21453	1073	1074	18590	980	41635	805622	40281	1995	46283	2314	23041	493998	24686	185770	3472546	173627	7	
04/21	1385	22838	1088	1351	20941	997	42456	848078	40389	4467	50750	2417	30668	524656	24979	184122	3656668	174127	8	
04/22	661	23499	1068	584	21526	978	42754	890832	40492	1462	52212	2373	0	524656	23843	185705	3842373	174653	7	
04/23	1116	24615	1070	1000	22525	979	42562	933394	40562	7940	60152	2615	80	524636	22810	183292	4025665	175029	7	
04/24	490	25105	1046	444	22969	957	36093	969487	40395	2035	62187	2691	1447	526083	21920	166612	4192277	174678	12	
04/25	997	26102	1044	958	23927	957	38041	1007528	40301	633	62820	2513	29454	556537	22221	152371	4344648	173786	9	
04/26	1710	27812	1070	1672	25599	985	40877	1048405	40323	747	63567	2445	64603	620140	23852	163328	4507976	173384	11	
04/27	424	28238	1046	381	25680	962	42139	1090544	40391	908	64475	2388	3894	624034	23112	186618	4694504	173674	16	
04/28	1167	29423	1051	1150	27130	969	42266	1132810	40456	1626	66301	2368	46532	670566	23949	179224	4873818	174065	23	
04/29	1359	30782	1061	1303	28433	980	43038	1175848	40546	2349	68650	2367	36844	707410	24393	177378	5051196	174179	37	
04/30	1836	32618	1087	1673	30106	1004	40331	1216179	40538	742	69392	2313	30199	737809	24587	137719	5188915	172964	128	
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	% Change =	187%		% Change =	107%		% Change =	107%		% Change =	106%		% Change =	249%		% Change =	103%			
2003	Daily Avg =	582		Daily Avg =	527		Daily Avg =	37944		Daily Avg =	2193		Daily Avg =	9885		Daily Avg =	167490			
	Difference +	506		Difference +	477		Difference +	2595		Difference +	120		Difference +	14702		Difference +	6465			
	% Change =	187%		% Change =	191%		% Change =	107%		% Change =	106%		% Change =	249%		% Change =	103%			

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Page 1 of 1

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ATC Delays May 2004

Date	Total Delays for All Airports			Total Delays at the 32 Large Hub Airports			Operations at the 32 Large Hub Airports			Ground Stop Minutes for 32 Large Hub Airports			Ground Delay Program Min. for the 32 Large Hub Airports			Total Operations for Reporting Airports				
	Daily # Delays	Cum. Total	Daily Avg.	Daily # Delays	Cum. Total	Daily Avg.	Daily Ops	Cum. Total	Daily Avg.	GS Min	Cum. Total	Daily Avg.	GDP Min	Cum. Total	Daily Avg.	Daily # Ops	Cum. Total	Daily Avg.	Non Rpt	
05/01	603	603	603	533	533	533	35802	35802	35802	6593	6593	6593	2282	2282	2282	150543	150543	160543	9	
05/02	1154	1757	879	1070	1603	802	37709	73511	38756	8417	13010	6505	28004	30358	15178	143520	294072	147036	7	
05/03	1035	2792	931	971	2574	858	40537	114048	38016	3947	16957	5652	31417	61773	20591	168861	462933	164311	7	
05/04	540	3332	833	422	2996	749	42390	156438	39110	2286	19243	4811	6645	68418	17106	198958	661891	185473	7	
05/05	741	4073	815	591	3587	717	42936	199374	39875	2633	21876	4375	379	68797	13759	205439	867330	173466	7	
05/06	922	4995	833	823	4410	735	43324	242898	40450	1320	23196	3866	10785	79562	13264	210052	1077382	179664	7	
05/07	2090	7085	1012	1890	6300	900	42289	284987	40712	14210	37400	5344	41925	121507	17358	192169	1269551	181364	7	
05/08	429	7514	939	417	8717	840	35752	320739	40090	744	38150	4769	1278	122785	15348	165482	1435033	179379	7	
05/09	1601	9115	1013	1559	8276	920	36126	356885	39650	13835	51965	5776	31141	153926	17103	136452	1571485	174609	9	
05/10	1558	10673	1067	1493	9769	977	40371	397236	39724	5399	57384	5738	32400	186328	18633	168587	1740072	174007	7	
05/11	1836	12509	1137	1648	11417	1038	41897	439133	39921	11149	68533	6230	21224	207550	18688	176151	1916223	174202	7	
05/12	2646	15165	1263	2430	13847	1154	41497	480630	40053	15488	84021	7002	79784	287334	23945	183978	2100201	175017	7	
05/13	2866	18021	1386	2594	16441	1265	42246	522876	40221	26794	110815	8524	81036	368370	28338	178546	2278747	175288	7	
05/14	2336	20357	1484	2079	18520	1323	41932	564808	40343	8848	119663	8547	68324	436894	31192	178100	2456847	175489	7	
05/15	405	20762	1384	365	18875	1258	36622	601430	40095	1442	121106	8074	2828	436522	29301	162817	2619684	174644	9	
05/16	778	21540	1346	694	19599	1223	37920	639350	39959	2355	123460	7716	220	436742	27484	157492	2777156	173572	8	
05/17	2591	24131	1419	2434	22003	1294	39498	678848	39932	14365	137825	8107	64605	504347	29667	167783	2944939	173232	7	
05/18	2984	27115	1506	2780	24763	1376	41171	720019	40001	10781	148606	8256	99667	604014	33556	178456	3123395	173522	7	
05/19	1788	28901	1521	1632	26395	1389	42888	762905	40153	1834	150440	7018	29783	633797	33358	191855	3315050	174476	7	
05/20	1028	29929	1496	954	27349	1367	42277	805182	40259	1812	152252	7813	9446	643243	32162	195548	3510598	175530	8	
05/21	2888	32787	1562	2671	30020	1430	41079	846261	40289	16088	168340	8016	69997	713240	33964	180910	3691508	175786	7	
05/22	1252	34049	1548	1202	31222	1419	35619	881880	40089	4712	173052	7866	30964	744204	33827	146279	3837787	174445	9	
05/23	2166	36215	1575	2035	33257	1446	36806	918686	39943	10418	183470	7977	38775	782979	34043	141247	3979034	173001	9	
05/24	2298	38513	1605	2112	35369	1474	40835	959521	39980	8011	191481	7978	65440	848419	35351	169987	4148021	172751	12	
05/25	1436	39949	1598	1273	36642	1466	42277	1001798	40073	7098	196579	7943	7863	856282	34251	186527	4332548	173302	10	
05/26	2482	42431	1632	2325	38967	1499	42468	1044266	40164	13985	212564	8176	33982	890264	34241	180675	4513223	173586	18	
05/27	2285	44898	1655	1857	40824	1512	42963	1087229	40268	12499	225063	8336	24529	914793	33881	184347	4697570	173984	26	
05/28	1928	46824	1665	1588	42412	1515	43159	1130388	40371	5458	230521	8233	41548	956341	34155	168043	4865613	173772	41	
05/29	809	47433	1636	786	43178	1489	33607	1163995	40138	1994	232515	8018	18083	972424	33532	136900	5002513	172500	47	
05/30	1344	48777	1626	1278	44456	1482	32192	1196187	39873	18888	251401	8380	31509	1003933	33484	111596	5114109	170470	44	
05/31	2089	50846	1640	1965	46421	1497	36735	1232922	39772	8538	259939	8385	101306	1105329	35658	102471	5217580	168309	140	
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	Difference +	24302		Difference +	22251		Difference +	64393		Difference +	124419		Difference +	714941		Difference +	87526			
	% Change =	192%		% Change =	192%		% Change =	106%		% Change =	192%		% Change =	283%		% Change =	101%			
2003	Daily Avg =	856		Daily Avg =	780		Daily Avg =	37604		Daily Avg =	4372		Daily Avg =	12593		Daily Avg =	166131			
	Difference +	784		Difference +	717		Difference +	2078		Difference +	4013		Difference +	23063		Difference +	2178			
	% Change =	192%		% Change =	192%		% Change =	106%		% Change =	192%		% Change =	283%		% Change =	101%			

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Page 1 of 1

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ATC Delays June 2004



Date	Total Delays for All Airports			Total Delays at the 32 Large Hub Airports			Operations at the 32 Large Hub Airports			Ground Stop Minutes for 32 Large Hub Airports			Ground Delay Program Min. for the 32 Large Hub Airports			Total Operations for Reporting Airports				
	Daily # Delays	Cum. Total	Daily Avg.	Daily # Delays	Cum. Total	Daily Avg.	Daily Ops	Cum. Total	Daily Avg.	GS Min	Cum. Total	Daily Avg	GDP Min	Cum. Total	Daily Avg	Daily # Ops	Cum. Total	Daily Avg	Non Rpt	
06/01	1592	1592	1592	1458	1458	1458	40255	40255	40255	16872	16872	16872	13029	13029	13029	168124	168124	168124	7	
06/02	1862	3454	1727	1605	3063	1532	42248	82503	41252	7339	24211	12106	28515	41544	20772	187106	355230	177615	8	
06/03	728	4182	1394	589	3652	1217	43089	125592	41864	2119	26330	8777	6074	47618	15873	206602	561832	187277	7	
06/04	737	4919	1230	700	4352	1088	42824	168416	42104	2252	28582	7148	1667	49285	12321	200668	762500	190625	8	
06/05	419	5338	1068	371	4723	945	36098	204514	40903	319	28901	5780	1419	50704	10141	159048	921548	184310	8	
06/06	703	6041	1007	626	5349	892	37788	242302	40384	1028	29929	4988	1100	51804	8634	146129	1067677	177946	8	
06/07	1927	7968	1138	1854	7203	1029	41033	283335	40476	4264	34193	4885	31962	83766	11967	167643	1235320	176474	11	
06/08	2000	9968	1246	1800	9003	1125	42027	325362	40670	5750	39943	4993	38453	122219	15277	177143	1412463	176558	17	
06/09	2980	12948	1439	2701	11704	1300	41290	366652	40739	22800	62743	6971	65574	187793	20866	175269	1587732	176415	9	
06/10	3044	15992	1599	2788	14492	1449	42994	409646	40965	9671	72414	7241	89662	277485	27749	177932	1765664	176566	9	
06/11	1692	17684	1608	1659	16151	1468	44132	453778	41253	4775	77189	7017	26939	304424	27675	182597	1948261	177115	13	
06/12	406	18090	1508	380	16531	1378	35882	489660	40805	5015	82204	6850	281	304705	25392	165868	2114129	176177	13	
06/13	1643	19733	1518	1524	18055	1389	37924	527584	40583	13517	95721	7363	30597	335302	25792	154460	2268589	174507	11	
06/14	2380	22113	1580	2173	20228	1445	40963	568547	40611	18537	114258	8161	60381	395683	28263	163216	2431805	173700	18	
06/15	2977	25090	1673	2809	23037	1536	42249	610796	40720	9637	123895	8260	78667	475550	31703	181531	2613336	174222	28	
06/16	2673	27763	1735	2477	25514	1595	42795	653591	40849	15014	138909	8682	23394	498944	31184	179865	2793201	174575	38	
06/17	3041	30804	1812	2774	28288	1664	38966	692557	40739	13370	152279	8958	89503	568447	34615	131246	2924447	172028	147	
JUN	Tot Delays =	16581		Tot Dels@32 =	14966		Tot Ops@32 =	655539		Tot GS@32 =	114876		Tot GDP@32 =	175581		Tot Ops =	2903212			
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	% Change =	186%		% Change =	189%		% Change =	106%		% Change =	133%		% Change =	335%		% Change =	101%			
2003	Daily Avg =	975		Daily Avg =	880		Daily Avg =	38561		Daily Avg =	6757		Daily Avg =	10328		Daily Avg =	170777			
	Difference +	837		Difference +	784		Difference +	2178		Difference +	2201		Difference +	24287		Difference +	1249			
	% Change =	186%		% Change =	189%		% Change =	106%		% Change =	133%		% Change =	335%		% Change =	101%			

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Page 1 of 1

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