




CITY OF PORTLAND, OREGON
BUREAU OF
Planning

 **PORT OF PORTLAND**
Possibility. In every direction.

State of the Airline Industry

Bill Wyatt

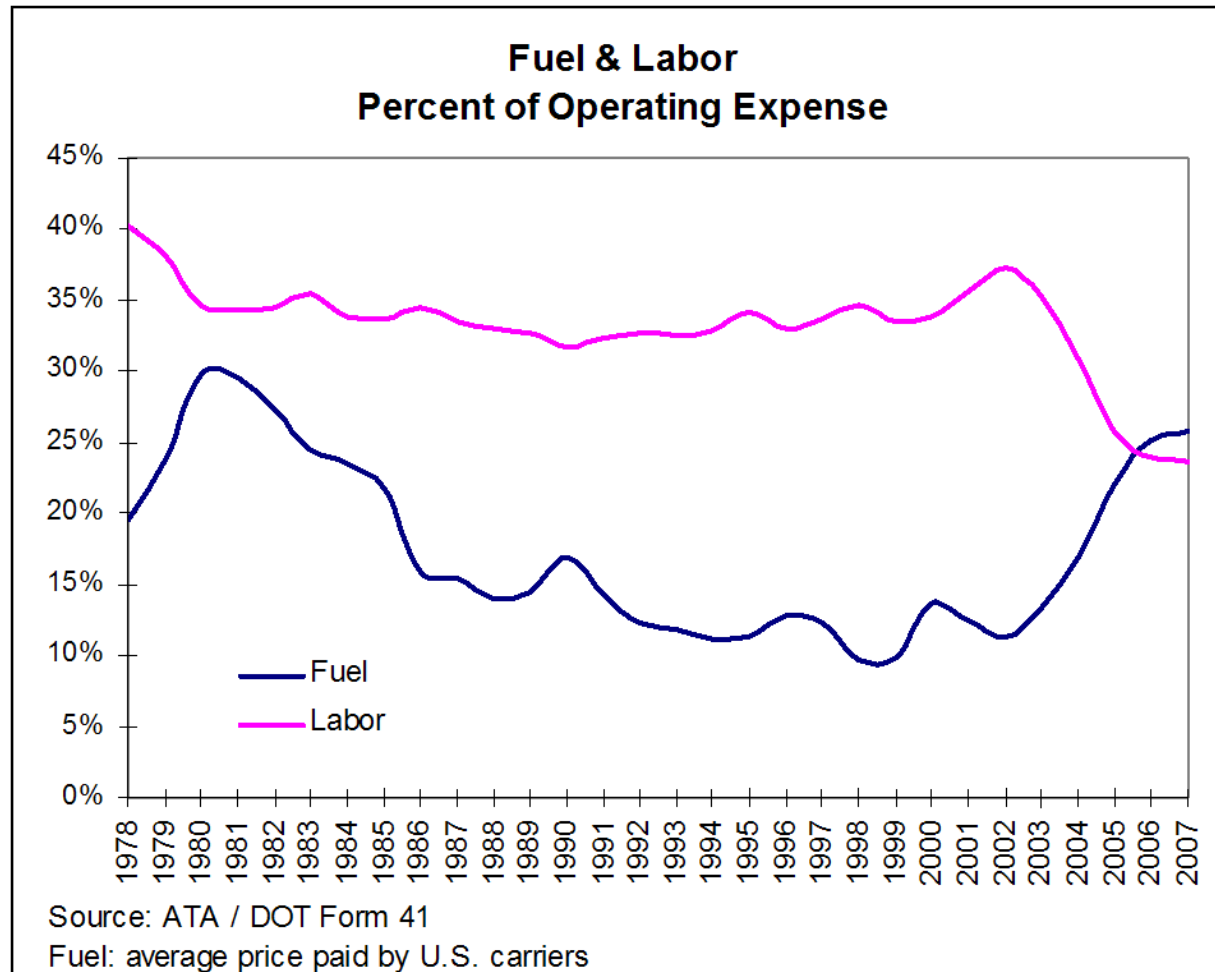
July 15, 2008








AIRPORT FUTURES

CHARTING A COURSE FOR PDX

Fuel Overtakes Labor as Percentage of Operating Expense



Aircraft Types and Their Fuel Economy

	Aircraft	Seats	Gallons/ Block Hour	Gallons/ Seat
	DHC8-400	75	321	4.3
	737-700	124	685	5.5
	MD80	140	923	6.6
	A320	152	774	5.1
	A330	243	1,817	7.5

Source: DOT Form 41

Sample Flight Times / Fuel Used

City	Aircraft	Minutes	Gallons	Gallons/Seat
• SEATTLE	DHC8-400	50	268	3.6
• LOS ANGELES	737-700	130	1,484	11.4
	MD80	140	1,999	14.3
• CHICAGO	A320	195	2,458	16.2
• NEW YORK CITY	A320	312	4,025	26.5
• TOKYO	A330	625	18,927	77.9

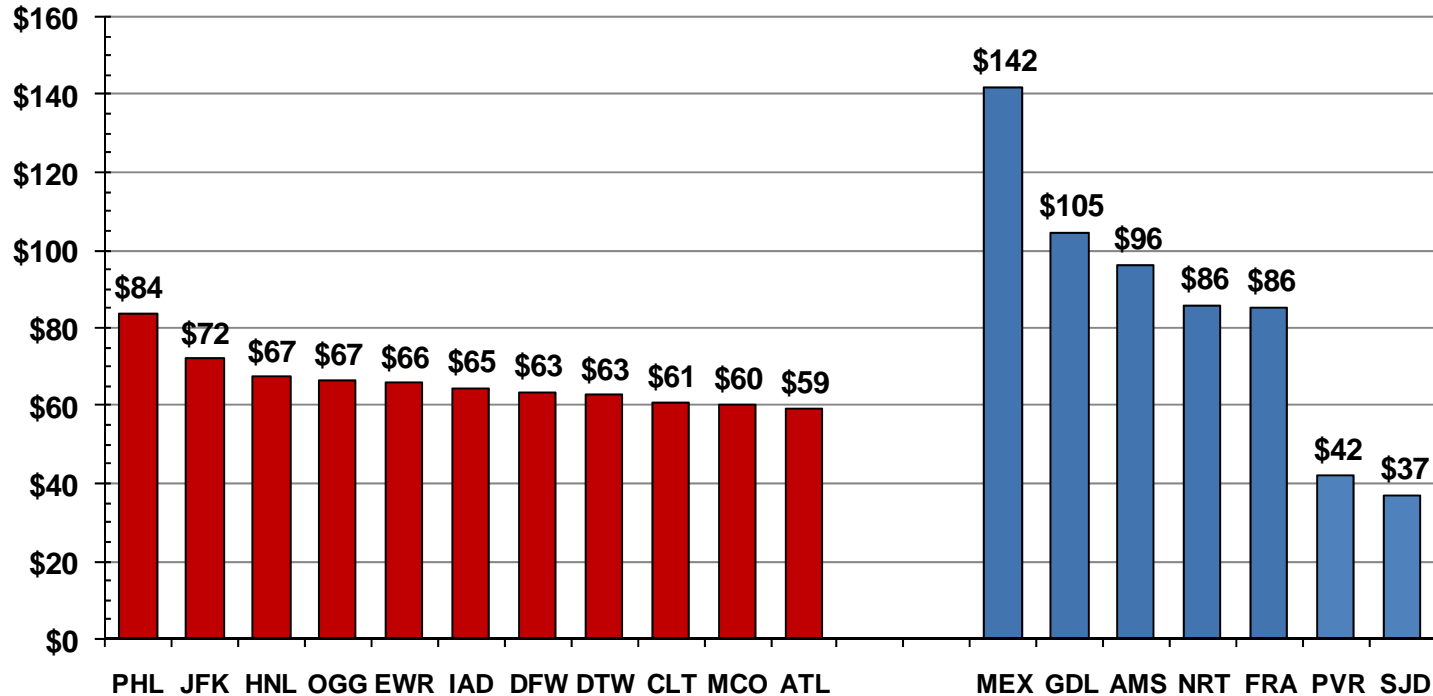
Source:

Fuel - DOT Form 41 / gallons estimated using average block hour fuel usage

Flight times - OAG

Increases in the Cost of Fuel per PDX Passenger (Jan-May 2008)

Average One-Way



Domestic Destinations

International Destinations

Source: Official Airline Guide, U.S. DOT, T-100 Data,
U.S. DOT, Form 41 Data, via Data Base Products, CY 2007; U.S. Department of Energy

Changes in Capacity at PDX

- Down 5% overall in September vs. one year ago
- Not all carriers and not all destinations down
- Some of capacity cut is empty seats (lower load factors)

Changes in Capacity at PDX

- 6 types of capacity changes so far vs. year ago
 - Discontinued service (Orlando, Mexico City, Pendleton)
 - Reduced frequencies (Atlanta, Ontario, Reno)
 - Smaller aircraft (Washington, Minneapolis)
 - Larger aircraft (Boston, Vancouver, Seattle)
 - Increased frequencies (Salt Lake City)
 - New service (Amsterdam)

Fewer Flights, But More Capacity on Some Routes

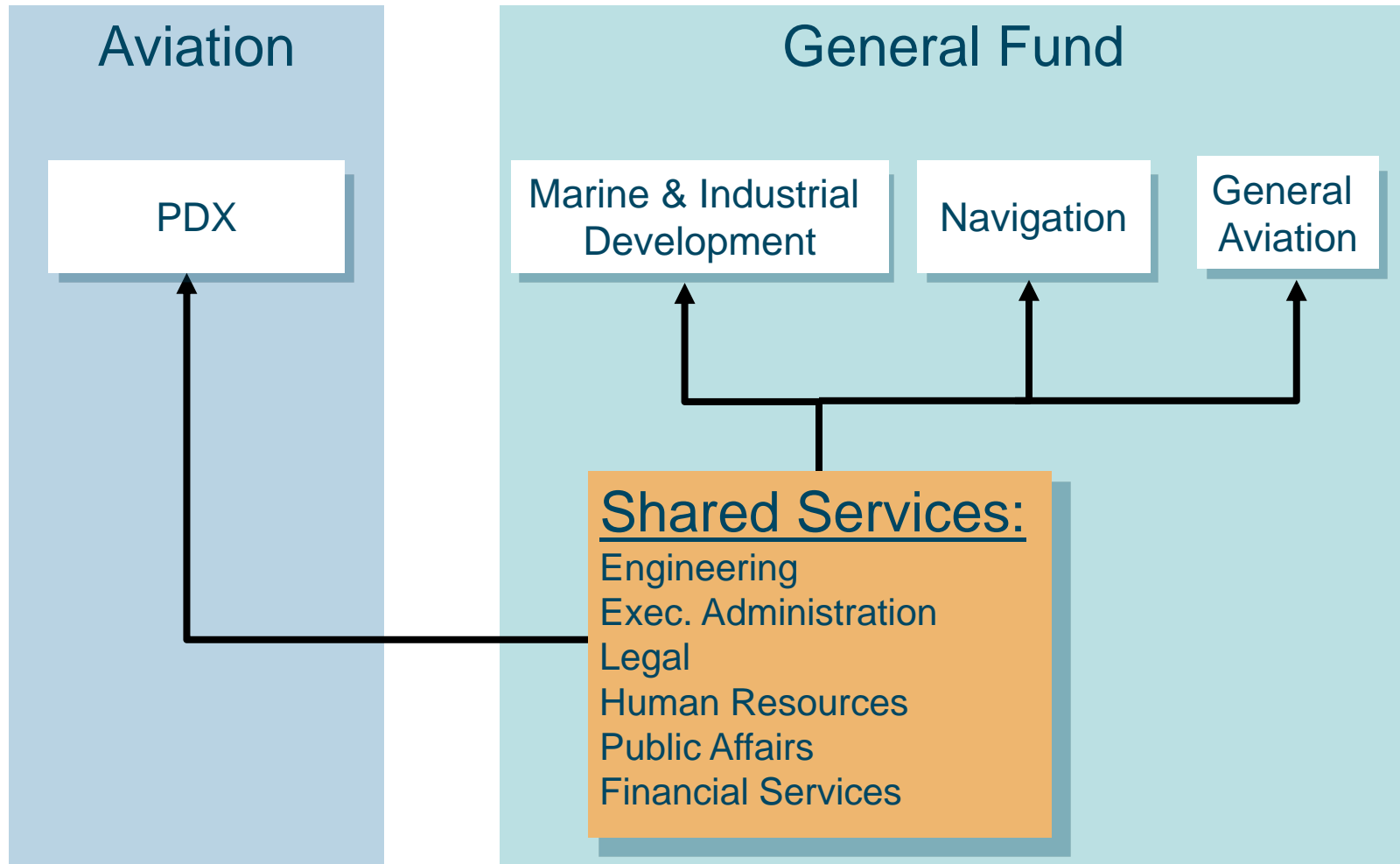
Case Study: Horizon

- Retiring smaller aircraft, adding larger
- Reducing frequency of flights
- Net change of greater capacity in some markets

	Net Change	
	Flights	Seats
Eugene	-1	37
Medford	-1	59
Redmond	-1	74
Seattle	-5	-37
Vancouver	0	63

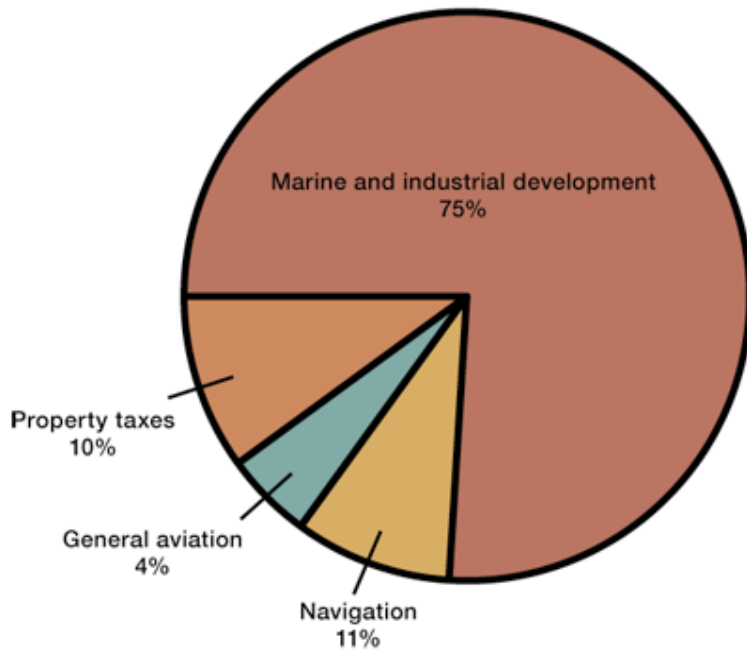
Net change in daily capacity September 2008 vs. September 2007; source: OAG

Port Financial Structure - Departments

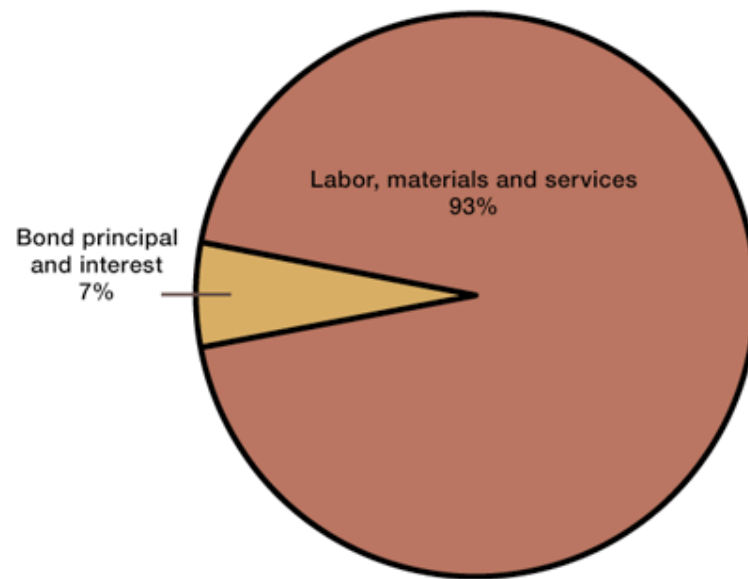


Port of Portland General Fund*

Revenue from Operations and Taxes
\$83.8 million



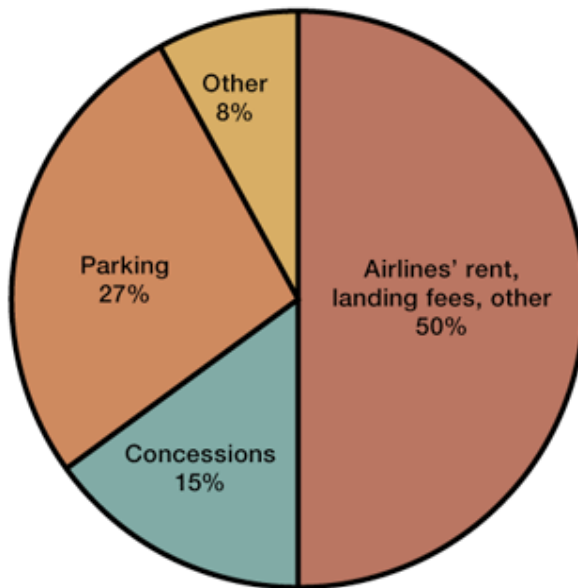
Uses of Revenue
\$85.2 million



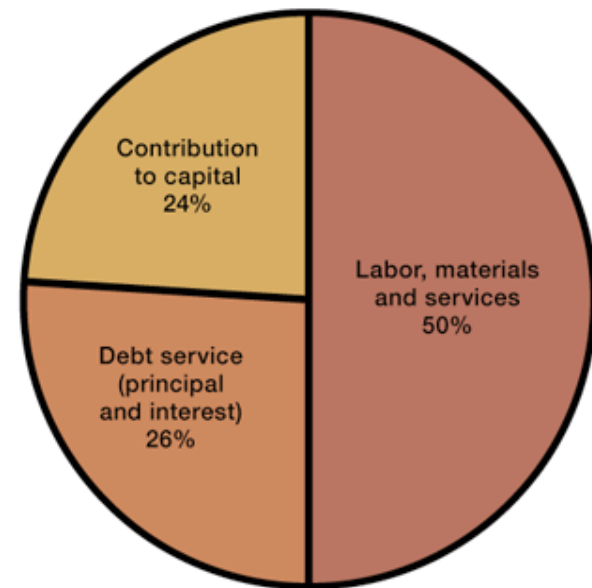
*Audited financial results July 1, 2006 – June 30, 2007

Portland International Airport (PDX)*

Revenue from Operations
\$167.9 million



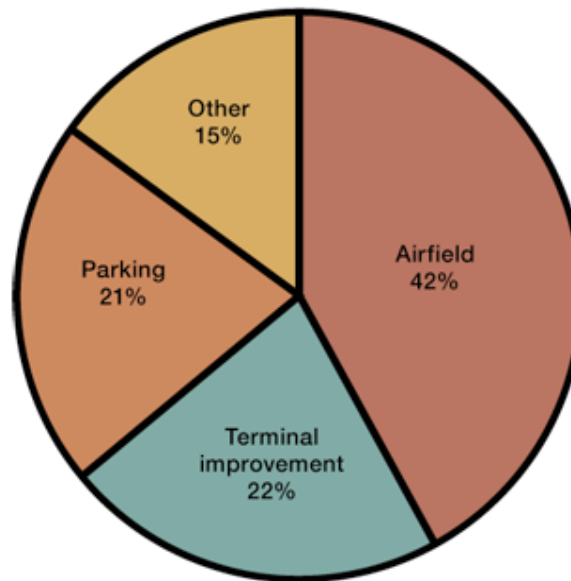
Uses of Revenue
\$167.9 million



*Audited financial results July 1, 2006 – June 30, 2007

Portland International Airport (PDX)*

Capital Expenditures
\$38.3 million

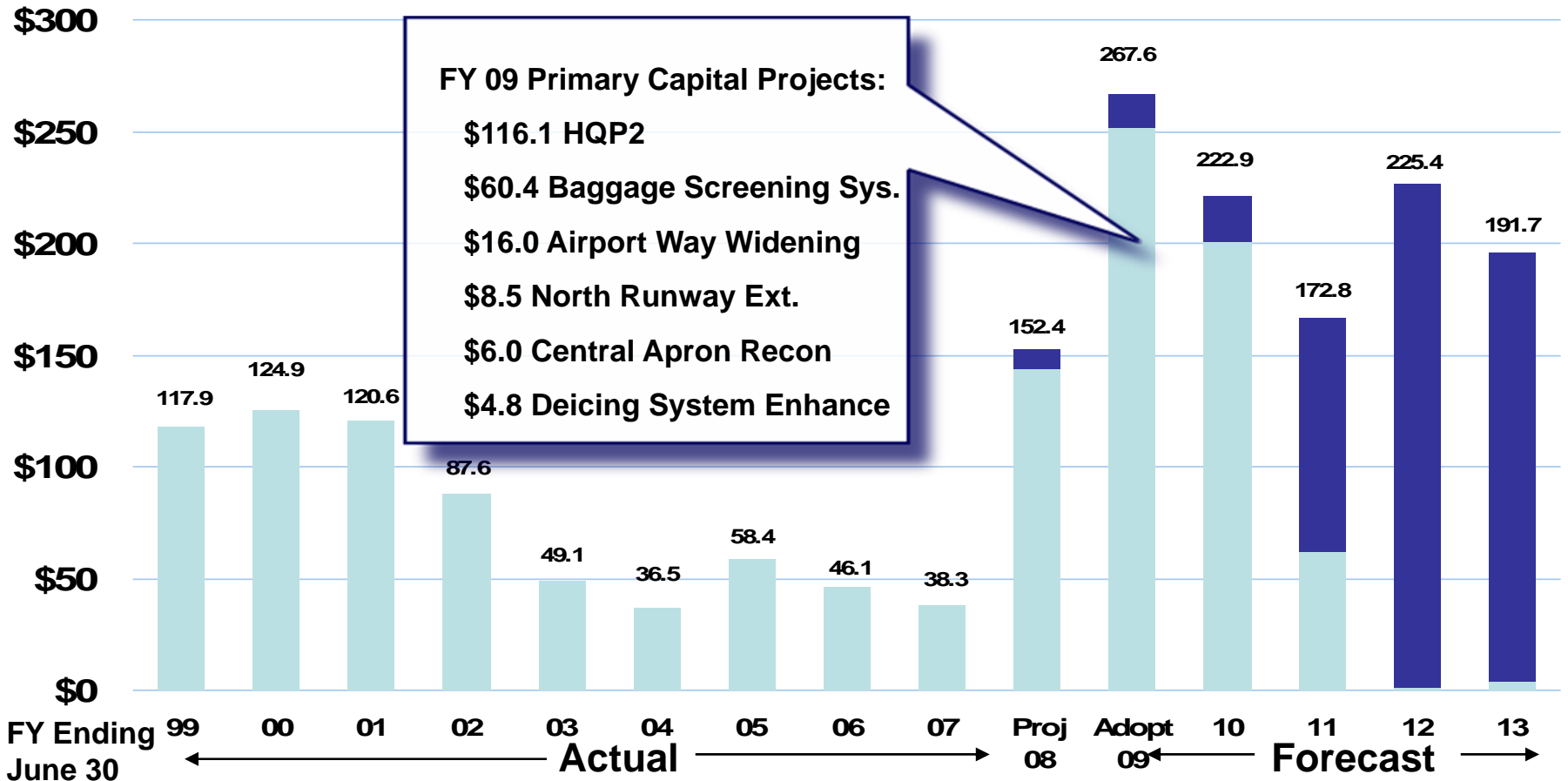


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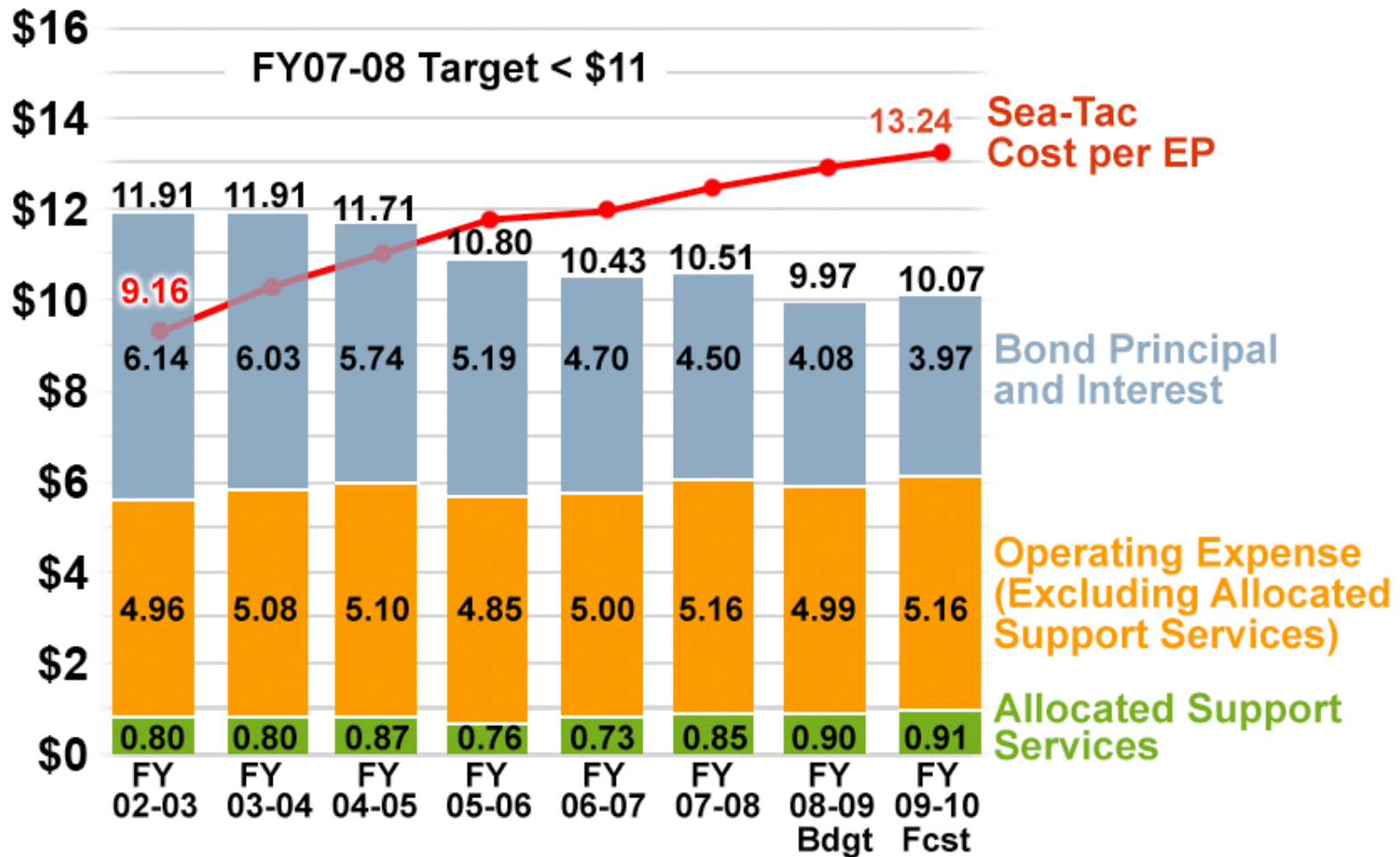
Aviation Capital Investment

(\$ in millions)

Actual or Open Planned

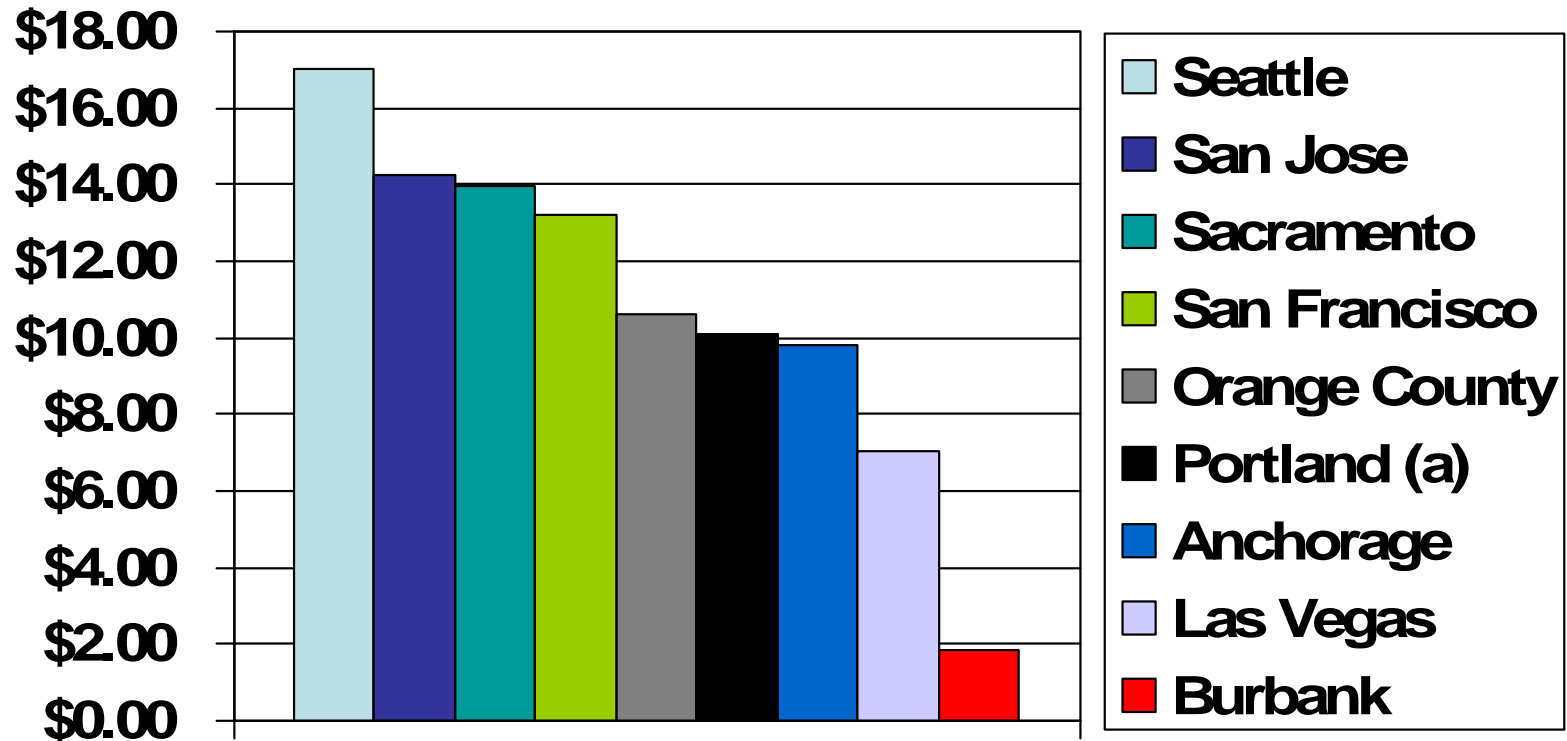


Cost per Enplaned Passenger (EP)



Cost per EP=(Airline Rent + Landing Fees) / Enplaned Passengers

Cost Per Enplaned Passenger, 2010 Selected West Coast Airports



a) Forecasted FY 2010 figure, based on JC Forecast.

Source: FAA Compliance Activity Tracking System (CATS), US DOT T100 Database, Official Statements, Rating Agencies, Airport Annual Reports, Airport Records. Compiled by Jacobs Consultancy.

Regional Airport Comparisons

	PORTLAND		SEATTLE		OAKLAND		VANCOUVER	
	2007	YOY	2007	YOY	2007	YOY	2007	YOY
Passengers	14,654,222	4.3%	31,296,628	4.3%	14,613,489	1.3%	17,495,046	3.4%
Operations	264,518	1.5%	347,046	2.1%	189,920	1.1%	328,563	1.9%
Cargo (tons)	274,143	-0.8%	351,652	6.7%	713,878	-3.1%	248,523	1.2%
Cost per enplaning passenger	\$10.43	-3.4%	\$12.00	1.7%				

Data for calendar year 2007

Breakdown of Fees for a Sample Airline

	<u>Annual Fee</u>
Terminal Rents	
12 Ticket Counters, Ticket Office, & Bag Make-up Space	\$ 815K
4 Gates, Loading Bridges, & Apron Fees	2,145K
Baggage Claim	1,965K
Operations Space	665K
 Landing Fees	
(aircraft type – 737; 40 flights per day)	<u>\$ 4,745K</u>
 Total	 \$ 10,335K