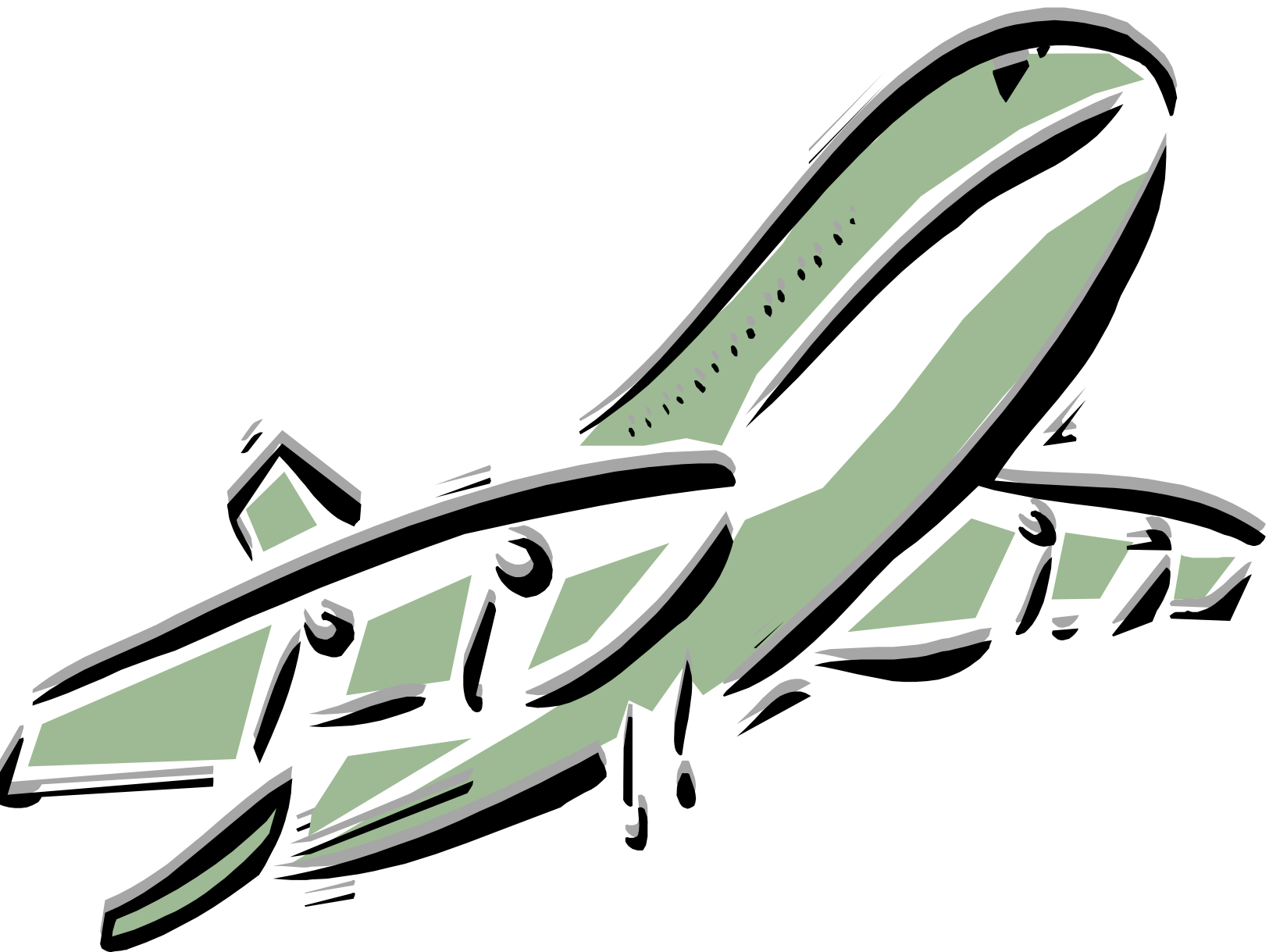


The Airline Quality Rating 2002



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What the Airline Quality Rating Tells Us About 2001

The Airline Quality Rating industry average score shows an industry that is improving in quality relative to customer performance criteria. All of the largest carriers, except Delta Airlines, show improvement in their overall AQR scores for 2001. AQR scores for Delta in 2001 were virtually unchanged from their industry leading score in 2000. America West Airlines registered the largest improvement in AQR score. AQR results for 2001 indicate that:

For 2001 the **overall industry** average AQR score was better than in 2000. As an industry, the AQR criteria shows that on-time arrival percentage improved (77.4% in 2001 compared to 72.6% in 2000), involuntary denied boardings per passenger served decreased (1.04 per 10,000 passengers in 2000 compared to 0.86 per 10,000 passengers in 2001), mishandled baggage rates improved (5.29 per 1,000 passengers in 2000 versus 4.55 per 1,000 passengers in 2001), and consumer complaint rates decreased (2.11 per 100,000 passengers in 2001 compared to 2.98 per 100,000 passengers in 2000). Taken together the AQR score for the industry was -1.60 for 2001 compared to -2.05 in 2000.

Alaska Airlines had a positive gain in their AQR score for 2001. They improved their rate of mishandled baggage from an industry leading 3.48 per 1,000 passengers in 2000 to an industry leading 3.00 in 2001. Consistent solid improvement in the areas of on-time performance, involuntary denied boardings, customer complaints, and baggage handling, helped move Alaska Airlines from the second ranked carrier in 2000 to the top rated carrier in 2001.

America West Airlines had the largest improvement in AQR score of all the airlines rated. On-time performance improved by over 9% in 2001 (65.5% in 2000 to 74.8% in 2001). The rate of mishandled baggage improved from 6.62 in 2000 to 4.22 in 2001, the most improvement of all airlines rated. Consumer complaints were reduced by over 50%, (7.51 in 2000 to 3.72 in 2001), reflecting the most improved rate of all airlines. Denied boarding rates were also the most improved for all airlines, moving from 1.12 per 10,000 passengers served in 2000 to 0.38 in 2001.

American Airlines' AQR score for 2001 was improved, as was nearly all other airlines. Their improvement in AQR score reflects better performance for on-time arrivals (72.9% in 2000 compared to 75.9% in 2001), mishandled baggage rates (5.50 in 2000 compared to 4.60 in 2001), denied boardings rates (0.42 in 2000 compared to 0.36 in 2001), and customer complaints. Most notable was the third best improvement in customer complaint rates (3.54 in 2000 to 2.51 in 2001) of all airlines.

American Eagle Airlines is included in the AQR for the first time in 2001. Positive aspects of American Eagle performance for 2001 come in better than industry performance in denied boardings (0.43 per 10,000 passengers compared to 0.86 for the industry) and customer complaints (1.70 per 100,000 passengers compared to 2.11 for the industry). On-time performance was 71.0% compared to 77.4% for the industry. The mishandled baggage rate of 7.36 per 1,000 passengers was the highest of all airlines rated.

Continental Airlines posted improved performance in all of the criteria in the AQR. Better performance in on-time arrivals (80.7% in 2001 versus 78.1% in 2000), denied boardings rate (1.51 in 2001 versus 1.80 in 2000), mishandled baggage (4.29 in 2001 versus 5.35 in 2000), and customer complaint rate (2.23 in 2001 versus 2.84 in 2000) was not enough, given improvement by other airlines, to improve the overall ranking position of the airline.

Delta Airlines' AQR score for 2001 (-1.48) was virtually unchanged from their industry best 2000 AQR score (-1.47). This lack of gain, while other airlines were showing improvement, dropped them from the number one ranking to fifth among the eleven airlines rated. Delta showed improvement in on-time arrival percentage (78.0% in 2001 compared to 75.3% in 2000) and mishandled baggage rate (4.11 in 2001 versus 4.49 in 2000). The negatives for Delta were a more than doubled rate for denied boardings, (2001 rate of 0.77 compared to 2000 rate of 0.33), and an increase in customer complaint rate (2.16 in 2001 compared to 2.01 in 2000). Delta was the only airline to register an increase in customer complaint rate and denied boarding rate of all the airlines rated in 2001.

Northwest Airlines posted improvements in all AQR elements for 2001. On-time arrival performance moved from 77.4% in 2000 to 79.7% in 2001. Denied boardings were reduced from 0.57 per 10,000 passengers in 2000 to 0.45 per 10,000 passengers in 2001. The rate of mishandled baggage dropped from 5.24 per 1,000 passengers in 2000 to 4.19 per 1,000 passengers in 2001. An improvement in customer complaint rate from 2.61 per 100,000 passengers in 2000 to 1.97 per 100,000 passengers in 2001 helped move the airline from a number five ranking in 2000 to number three ranking in 2001.

Southwest Airlines performance in 2001 took them from the third rated airline to the fourth position in 2001. They recorded the third best improvement (6.5% increase to an industry leading 81.7%) in on-time arrival percentage of the eleven airlines rated. Involuntary denied boarding rates, mishandled baggage rates, and customer complaint rates were all improved in 2001. Southwest Airlines is consistently the airline with the lowest customer complaint rate in the industry (0.38 per 100,000 passengers in 2001 compared to an industry rate of 2.11 per 100,000 passengers).

Trans World Airlines improved in all areas except mishandled baggage in 2001. On-time arrivals, denied boardings and customer complaint rates were all improved in 2001. TWA was the only airline rated that saw its mishandled baggage rate per 1,000 passengers increase (6.06 in 2000 increased to 6.35 in 2001). Even with gains in three of the four areas rated, Trans World airlines slipped to the bottom of the eleven airline field.

United Airlines had the greatest improvement in on-time arrival performance, going from 61.4% in 2000 to 73.5% in 2001. Performance regarding denied boardings (1.43 per 10,000 passengers in 2000 compared to 0.92 in 2001), mishandled baggage (5.07 per 1,000 passengers in 2001 compared to 6.57 in 2000), and consumer complaints (3.24 per 100,000 passengers in 2001 compared to 5.30 in 2000) were all improved for 2001. Consumer complaints dropped by nearly 40% in 2001 for United.

US Airways shows improvement in all of the criteria tracked for 2001. This improvement pulled the airline up to the second rated spot for 2001 from number four in 2000. Looking at some of the details reveals that US Airways performed better in on-time arrival percentage (78.2% in 2001 compared to 72.3% in 2000), denied boarding rate (0.34 in 2001 compared to 0.65 in 2000), mishandled baggage rate (3.86 in 2001 compared to 4.76 in 2000), and customer complaint rate (1.87 in 2001 compared to 2.59 in 2000).

ABOUT THE AUTHORS

Brent Bowen is Director and Professor, Aviation Institute, University of Nebraska at Omaha. He has been appointed as a Graduate Faculty Fellow of the University of Nebraska System-wide Graduate College. Bowen attained his Doctorate in Higher Education and Aviation from Oklahoma State University and a Master of Business Administration degree from Oklahoma City University. His Federal Aviation Administration certifications include Airline Transport Pilot, Certified Flight Instructor, Advanced-Instrument Ground Instructor, Aviation Safety Counselor, and Aerospace Education Counselor. Dr. Bowen's research interests focus on aviation applications of public productivity enhancement and marketing in the areas of service quality evaluation, forecasting, and student recruitment in collegiate aviation programs. He is also well published in areas related to effective teaching. His professional affiliations include the University Aviation Association, Council on Aviation Accreditation, World Aerospace Education Association, International Air Transportation Research Group, Aerospace Education Association, Alpha Eta Rho International Aviation Fraternity, and the Nebraska Academy of Science. He also serves as program director and principal investigator of the National Aeronautics and Space Administration funded Nebraska Space Grant Consortium.

Dean Headley is Associate Professor of Marketing and Barton Fellow, W. Frank Barton School of Business, and Faculty Associate of the National Institute for Aviation Research at Wichita State University. He holds a Doctorate in Marketing and Statistics from Oklahoma State University, a Master of Business Administration Degree from Wichita State University, and a Master of Public Health Degree from the University of Oklahoma. Dr. Headley's research interests include methodology development for measurement of service quality, the connection between service quality and consumer behavior, consumer choice processes in service settings, and the effects of marketing activities on consumers and providers of services.

Dr. Bowen's and Dr. Headley's research on the Airline Quality Rating (AQR) has met with national and international acceptance and acknowledgment. The Airline Quality Rating has been featured on *ABC's Good Morning America*, *The Cable News Network*, *The Today Show*, *C-Span*, on network news, in *USA Today*, in *Aviation Week and Space Technology*, and in numerous other national and international media. Bowen and Headley have served as invited expert witnesses before the U.S. House of Representatives Committee on Government Operations and have served as invited speakers and panelists for such groups as the National Academy of Sciences/Transportation Research Board. The work of Bowen and Headley has been recognized with awards from the American Marketing Association, the American Institute of Aeronautics and Astronautics, Embry-Riddle Aeronautical University,

the Travel and Transportation Research Association, and others. The AQR research has been published in the Journal of Aviation/Aerospace Education and Research, Journal of Air Transportation, as well as other journals, proceedings, textbooks, and research monographs.

Table 1

AIRLINE QUALITY RATING CRITERIA, WEIGHTS AND IMPACT

	CRITERIA	WEIGHT	IMPACT (+/-)
OT	On-Time	8.63	+
DB	Denied Boardings	8.03	--
MB	Mishandled Baggage	7.92	--
CC	Customer Complaints	7.17	--
	Flight Problems		
	Oversales		
	Reservations, Ticketing, and Boarding		
	Fares		
	Refunds		
	Baggage		
	Customer Service		
	Disability		
	Advertising		
	Tours		
	Animals		
	Other		

Data for all criteria is drawn from the U.S. Department of Transportation's monthly *Air Travel Consumer Report*. (<http://dot.gov/airconsumer/>)

The formula for calculating the AQR score is:

$$\text{AQR} = \frac{(+8.63 \times \text{OT}) + (-8.03 \times \text{DB}) + (-7.92 \times \text{MB}) + (-7.17 \times \text{CC})}{(8.63 + 8.03 + 7.92 + 7.17)}$$

2001 On-Time Arrival Percentage by Month for U.S. Airlines

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*	Oct	Nov	Dec	Average
Alaska	.662	.621	.621	.710	.773	.693	.706	.647	.800	.764	.759	.690	.690
America West	.685	.680	.697	.735	.770	.751	.743	.706	.823	.831	.860	.866	.748
American	.761	.705	.742	.789	.796	.751	.782	.752	.780	.800	.827	.827	.759
American Eagle	.617	.635	.660	.711	.716	.676	.732	.718	.770	.832	.814	.801	.710
Continental	.806	.801	.779	.857	.861	.760	.828	.777	.742	.887	.859	.829	.807
Delta	.731	.733	.734	.814	.833	.719	.780	.768	.844	.901	.867	.817	.780
Northwest	.810	.747	.812	.806	.840	.780	.802	.807	.809	.845	.856	.772	.797
Southwest	.777	.758	.798	.829	.850	.817	.835	.817	.868	.866	.866	.798	.817
Trans World	.769	.692	.817	.833	.852	.787	.819	.837	.862	.853	.857	.790	.808
United	.762	.697	.747	.715	.779	.736	.717	.711	.777	.807	.808	.779	.735
US Airways	.783	.786	.752	.829	.831	.746	.781	.741	.844	.866	.867	.808	.782
Monthly Avg.	.742	.715	.752	.793	.815	.752	.781	.762	.815	.848	.847	.802	.774

*Reflects On-Time performance for September 1 thru 10, 2001 only.

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

2000 On-Time Arrival Percentage by Month for U.S. Airlines

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
Alaska	.705	.605	.682	.708	.765	.655	.648	.696	.767	.705	.661	.570	.681
America West	.688	.627	.626	.696	.696	.605	.644	.595	.756	.605	.675	.646	.655
American	.757	.751	.749	.750	.742	.655	.739	.739	.781	.756	.723	.608	.729
Continental	.758	.764	.807	.798	.779	.731	.801	.777	.795	.822	.800	.740	.781
Delta	.732	.793	.799	.795	.807	.737	.761	.773	.781	.821	.674	.561	.753
Northwest	.772	.776	.832	.812	.789	.750	.779	.792	.818	.835	.745	.582	.774
Southwest	.787	.750	.742	.776	.780	.711	.785	.762	.817	.710	.751	.653	.752
Trans World	.798	.824	.811	.810	.756	.666	.744	.767	.855	.777	.815	.604	.769
United	.705	.688	.731	.656	.566	.483	.417	.427	.718	.696	.691	.613	.614
US Airways	.662	.757	.811	.723	.762	.633	.705	.673	.751	.785	.741	.671	.723
Monthly Avg.	.737	.748	.770	.754	.743	.663	.703	.700	.781	.751	.728	.625	.726

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

**On-Time Performance for Selected* U.S. Airports
January - June 2001**

	JAN		FEB		MAR		APR		MAY		JUN	
	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.
ATL	74.7	76.8	72.5	75.7	72.2	73.8	82.3	81.4	82.5	83.5	68.4	69.5
BWI	79.7	79.5	81.7	81.7	76.8	77.4	84.3	84.3	82.5	84.0	75.7	78.3
BOS	70.3	77.2	72.8	77.7	61.4	64.0	75.7	78.1	74.1	80.4	65.6	69.2
CLT	83.8	83.5	82.8	82.9	78.9	78.3	86.7	84.8	86.2	85.3	77.8	77.2
ORD	73.1	75.9	69.0	73.6	75.0	75.4	70.1	72.2	74.6	76.0	72.6	72.8
CVG	79.4	83.3	82.0	85.1	81.7	85.4	88.2	89.1	87.6	88.6	82.1	83.2
DFW	79.8	81.6	72.5	76.1	78.9	78.0	84.5	83.8	84.2	83.5	77.8	77.1
DEN	79.4	78.6	69.3	71.0	78.5	75.9	75.8	77.0	82.6	83.4	78.1	76.1
DTW	81.6	79.9	80.8	78.2	83.7	81.0	83.9	82.0	84.7	84.3	82.2	80.5
HOU	80.2	78.1	76.7	75.2	77.9	75.2	84.0	81.1	83.2	79.6	73.8	69.7
IAH	81.4	86.2	81.7	86.6	79.9	84.3	87.9	89.7	87.3	89.4	75.8	78.8
MCI	78.5	82.1	73.4	79.4	79.1	84.8	81.2	85.4	81.7	85.6	77.0	82.8
LAS	75.1	73.2	68.1	69.0	76.4	74.6	75.9	77.0	83.9	82.6	80.5	80.2
LAX	72.7	75.3	60.0	71.1	70.8	74.8	70.3	77.3	74.3	80.4	74.8	79.8
MEM	83.4	84.0	78.8	79.8	84.2	83.4	86.0	84.3	86.4	86.5	79.8	81.2
MIA	76.9	77.7	77.9	81.8	67.6	74.9	82.0	82.9	80.4	84.1	70.9	75.1
MSP	82.9	81.8	75.7	76.7	83.0	81.8	79.9	82.0	85.5	85.8	78.2	78.9
JFK	68.2	76.0	78.5	80.1	64.9	67.4	75.1	77.2	70.2	77.0	62.0	68.6
LGA	64.5	74.3	73.1	80.2	61.5	69.1	73.6	79.9	72.4	82.0	65.5	74.5
EWR	72.3	78.4	74.7	80.1	70.0	76.5	78.9	83.5	77.4	85.2	69.1	76.7
MCO	75.8	79.1	77.1	83.1	70.3	76.9	84.3	87.9	83.2	88.3	73.8	80.1
PHL	70.2	75.1	73.7	76.0	69.4	72.5	77.4	79.9	75.3	80.8	66.8	72.8
PHX	70.7	72.7	66.8	70.0	75.1	74.4	74.9	77.8	85.2	82.7	82.0	80.3
PIT	80.9	83.3	82.0	83.4	80.5	82.2	85.4	86.3	84.7	87.1	76.4	80.3
SLC	73.1	76.2	72.2	85.5	79.2	82.1	80.3	84.3	87.1	88.8	81.6	85.0
SAN	74.8	78.5	65.0	74.1	76.6	80.2	73.0	79.4	82.2	84.0	77.9	82.5
OAK	74.7	73.8	71.2	70.1	79.6	76.3	76.1	75.8	85.4	83.8	81.2	80.4
SFO	73.4	77.0	60.3	71.2	71.8	76.3	64.7	76.7	84.6	88.3	77.8	83.9
SJC	76.2	78.1	68.8	75.2	78.5	78.7	73.3	78.2	84.5	85.0	80.4	81.5
SEA	70.7	76.3	66.7	72.6	58.5	71.4	69.9	78.5	76.2	84.1	67.8	77.3
STL	77.6	78.8	70.3	73.2	83.1	83.3	85.3	85.0	84.4	86.4	79.5	79.8
TPA	76.5	81.4	75.8	81.4	68.9	76.2	81.8	86.2	81.9	88.2	72.3	79.5
DCA	78.9	85.7	78.0	83.8	78.4	84.0	83.3	81.5	87.6	83.9	74.5	81.0

*Selected based on average number of reported operations exceeding 5000 per month (Jan – Aug).

ATL Atlanta	DFW Dallas	LAS Las Vegas	LGA LaGuardia	SLC Salt Lake City	STL St. Louis
BWI Baltimore	DEN Denver	LAX Los Angeles	EWR Newark	SAN San Diego	TPA Tampa
BOS Boston	DTW Detroit	MEM Memphis	MCO Orlando	OAK San Francisco	DCA Regan Nat'l
CLT Charlotte	HOU Houston	MIA Miami	PHL Philadelphia	SFO San Francisco	
ORD Chicago	IAH Houston	MSP Minn./St.Paul	PHX Phoenix	SJC San Jose	
CVG Cincinnati	MCI Kansas City	JFK New York	PIT Pittsburgh	SEA Seattle	

**On-Time Performance for Selected* U.S. Airports
July - December 2001**

	JUL		AUG		SEP**		OCT		NOV		DEC	
	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.	% On-Time Arr.	% On-Time Dep.
ATL	75.4	76.0	76.3	78.0	83.8	85.7	91.4	86.3	86.9	84.8	79.7	82.5
BWI	79.6	82.7	74.8	78.0	84.4	87.1	85.1	78.5	80.1	80.3	82.5	77.0
BOS	71.8	73.9	68.3	70.8	79.8	82.5	86.6	80.0	85.4	87.1	86.5	84.6
CLT	80.5	80.8	79.7	79.9	86.6	88.4	89.4	88.1	88.5	87.7	82.3	81.2
ORD	71.9	73.7	70.5	71.0	74.7	76.7	80.8	80.7	81.8	85.3	78.4	80.5
CVG	82.1	85.0	80.4	81.2	85.1	85.7	89.7	90.5	86.9	89.6	86.8	88.5
DFW	85.0	82.1	79.8	78.0	82.0	83.1	82.9	78.9	85.1	82.8	84.9	84.4
DEN	75.7	71.6	76.9	76.6	84.1	82.9	84.0	84.9	86.6	87.7	81.5	85.0
DTW	82.0	81.2	82.0	81.4	80.9	81.7	86.2	83.7	88.2	85.4	81.4	73.8
HOU	81.7	77.4	78.3	74.9	77.5	77.1	80.1	76.8	85.5	81.7	79.0	74.8
IAH	83.2	85.6	80.3	83.8	72.6	78.4	85.2	88.7	84.5	88.2	82.8	86.2
MCI	81.6	86.3	78.8	85.2	84.5	88.0	85.1	88.3	87.7	91.4	82.1	85.2
LAS	80.7	79.1	78.7	77.3	86.6	87.0	85.0	84.2	86.3	86.0	76.9	78.6
LAX	76.6	81.0	75.4	80.8	77.9	85.1	84.0	85.3	86.0	86.7	81.0	82.4
MEM	82.5	82.9	83.6	85.7	84.4	86.6	86.7	87.0	87.8	86.7	82.9	83.3
MIA	75.2	78.1	79.6	78.7	79.9	80.3	80.5	80.1	81.6	85.4	76.0	85.2
MSP	81.6	81.6	81.8	82.0	84.1	84.7	87.1	87.1	87.7	89.5	82.5	80.1
JFK	70.7	73.0	65.6	69.9	73.5	81.3	83.5	75.7	75.2	76.0	83.8	73.7
LGA	73.1	80.2	63.6	73.4	67.9	78.4	87.5	86.4	86.0	87.2	89.7	89.0
EWR	76.7	82.2	68.2	76.5	71.1	81.8	89.7	90.1	83.4	88.1	82.7	85.0
MCO	77.9	82.3	78.5	83.4	83.6	87.3	87.2	90.8	86.7	91.1	82.2	89.4
PHL	71.9	78.1	64.9	73.0	75.2	81.8	85.3	84.4	77.1	80.6	77.8	78.0
PHX	80.4	78.9	79.5	78.0	87.3	85.8	87.7	84.9	87.9	85.8	82.3	80.7
PIT	78.0	80.9	74.7	78.2	86.6	89.9	88.1	88.5	87.3	87.9	84.0	84.6
SLC	82.9	84.6	82.3	83.5	88.6	89.7	88.9	91.0	87.6	89.4	74.2	79.7
SAN	79.2	83.5	76.4	82.0	84.9	89.9	81.6	82.9	81.6	84.2	78.4	81.5
OAK	82.1	79.9	78.1	78.2	86.3	87.8	84.6	83.0	81.1	76.8	70.5	67.4
SFO	68.7	77.9	70.8	79.4	83.0	87.4	75.0	81.1	79.6	84.4	64.6	76.9
SJC	79.8	81.7	78.1	81.0	85.7	87.3	85.6	84.1	82.5	83.6	75.2	77.3
SEA	71.3	78.4	65.6	72.8	82.9	86.6	71.0	81.8	78.1	82.4	69.8	77.0
STL	81.8	82.4	84.4	84.2	85.5	87.6	85.5	85.5	88.7	88.1	80.0	78.9
TPA	77.7	83.2	77.1	83.8	82.3	85.1	85.9	89.2	86.2	90.2	79.9	84.8
DCA	80.4	85.9	76.3	82.6	83.9	89.9	79.0	79.1	85.7	90.4	86.9	90.0

*Selected based on average number of reported operations exceeding 5000 per month (Jan – Aug).

**September data only includes operations for Sept. 1 thru Sept. 10, 2001.

ATL Atlanta	DFW Dallas	LAS Las Vegas	LGA LaGuardia	SLC Salt Lake City	STL St. Louis
BWI Baltimore	DEN Denver	LAX Los Angeles	EWR Newark	SAN San Diego	TPA Tampa
BOS Boston	DTW Detroit	MEM Memphis	MCO Orlando	OAK San Francisco	DCA Regan Nat'l
CLT Charlotte	HOU Houston	MIA Miami	PHL Philadelphia	SFO San Francisco	
ORD Chicago	IAH Houston	MSP Minn./St.Paul	PHX Phoenix	SJC San Jose	
CVG Cincinnati	MCI Kansas City	JFK New York	PIT Pittsburgh	SEA Seattle	

2001 Involuntary Denied Boardings by Quarter for U.S. Airlines
(per 10,000 passengers)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Alaska	1.50	1.62	1.31*	0.96	1.36*
America West	0.49	0.46	0.21*	0.35	0.38*
American	0.38	0.30	0.37*	0.40	0.36*
American Eagle	0.02	0.60	0.90*	0.13	0.43*
Continental	1.30	0.77	0.56*	3.77	1.51*
Delta	0.41	0.87	0.65*	1.20	0.77*
Northwest	0.52	0.45	0.25*	0.63	0.45*
Southwest	1.57	1.86	1.45*	1.07	1.50*
Trans World	2.58	1.78	1.70*	1.07	1.83*
United	0.82	1.31	0.85*	0.61	0.92*
US Airways	0.52	0.26	0.17*	0.46	0.34*
Industry Average	0.84	0.91	0.70*	1.01	0.86*

*3rd Quarter and Annual Denied Boarding rates reflect performance data for September 1 thru 10, 2001 as part of the rates.

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

2000 Involuntary Denied Boardings by Quarter for U.S. Airlines
(per 10,000 passengers)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
Alaska	1.47	1.83	1.32	1.03	1.41
America West	1.79	1.36	0.71	0.68	1.12
American	0.59	0.43	0.31	0.35	0.42
Continental	0.89	1.52	1.87	2.91	1.80
Delta	0.44	0.35	0.25	0.27	0.33
Northwest	0.12	0.72	0.42	1.00	0.57
Southwest	1.70	2.10	1.71	2.04	1.89
Trans World	1.82	3.43	3.86	1.83	2.54
United	1.61	1.99	1.30	0.77	1.43
US Airways	0.80	0.86	0.37	0.66	0.65
Industry Average	0.98	1.28	0.97	1.01	1.04

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

2001 Mishandled Baggage by Month for U.S. Airlines

(Per 1,000 passengers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*	Oct	Nov	Dec	Annual
Alaska	3.22	2.74	1.91	2.78	2.72	3.28	3.28	3.44	3.71	2.57	2.80	3.40	3.00
America West	5.88	4.89	5.17	3.82	3.28	4.01	4.17	4.15	3.56	3.53	3.29	4.19	4.22
American	5.80	4.99	4.86	3.99	3.52	4.54	4.48	4.55	4.23	4.92	3.96	5.34	4.60
American Eagle	7.78	6.22	6.88	5.77	4.80	6.37	6.12	6.69	5.60	10.50	9.24	13.44	7.36
Continental	5.50	4.41	4.51	3.78	3.71	4.56	4.31	4.38	5.06	3.61	3.56	4.47	4.29
Delta	6.03	4.64	4.68	4.22	3.35	4.32	3.87	3.61	3.64	3.19	3.05	4.36	4.11
Northwest	5.32	4.66	4.11	3.84	3.28	4.41	4.16	4.15	3.68	3.30	3.46	5.74	4.19
Southwest	6.15	5.61	5.93	4.92	4.26	4.58	4.55	4.24	3.57	4.05	3.84	4.94	4.77
Trans World	7.90	6.17	5.50	4.70	4.77	6.07	6.23	5.67	4.63	6.17	5.73	14.42	6.35
United	5.37	5.22	5.29	4.74	4.28	5.29	5.74	5.31	3.90	4.81	4.40	5.55	5.07
US Airways	4.92	4.37	4.32	4.18	3.83	3.33	3.44	3.88	3.21	4.02	3.25	3.06	3.86
Monthly Avg.	5.71	4.91	4.90	4.30	3.79	4.53	4.48	4.38	3.89	4.19	3.82	5.29	4.55

*Reflects Mishandled Baggage performance for September 1 thru 10, 2001 only.

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

2000 Mishandled Baggage by Month for U.S. Airlines

(per 1,000 passengers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Alaska	3.76	3.57	3.32	2.77	3.15	4.15	4.25	3.70	2.63	2.30	3.02	4.75	3.48
America West	6.26	5.66	7.65	5.81	5.78	7.93	8.59	8.16	4.66	6.04	5.56	6.46	6.62
American	5.23	5.18	5.63	5.02	5.44	5.97	5.47	5.16	4.37	4.59	5.20	8.76	5.50
Continental	5.87	5.31	4.82	4.09	4.80	5.97	5.70	5.64	4.72	4.73	5.07	7.53	5.35
Delta	5.65	4.08	5.04	3.81	3.64	4.00	4.38	3.96	4.06	3.64	4.62	7.61	4.49
Northwest	5.23	4.81	4.26	4.24	4.98	5.62	5.57	5.08	4.33	4.12	4.96	10.00	5.24
Southwest	4.60	4.13	4.20	4.01	4.14	5.03	5.06	4.94	4.35	5.44	5.54	8.41	5.00
Trans World	6.09	4.74	5.24	4.52	5.23	6.10	6.16	7.15	5.27	6.00	5.61	10.93	6.06
United	7.14	6.72	6.51	5.87	6.71	7.60	7.89	7.18	4.65	4.53	5.11	8.71	6.57
US Airways	4.48	4.31	3.93	4.29	4.57	5.51	4.98	4.99	5.83	4.13	4.19	5.81	4.76
Monthly Avg.	5.54	4.88	5.09	4.50	4.85	5.65	5.64	5.35	4.55	4.51	4.96	8.07	5.29

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

2001 Total Complaints to Department of Transportation by Month for U.S. Airlines

(Per 100,000 passengers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct*	Nov*	Dec*	Annual
Alaska	1.72	2.11	1.48	1.53	0.75	1.59	1.46	1.40	1.74	0.76	0.68	0.28	1.27
America West	6.15	3.19	4.10	4.28	2.69	3.84	4.83	3.85	4.49	3.08	1.63	1.61	3.72
American	4.80	2.92	3.02	3.47	2.39	2.38	2.46	2.44	2.41	1.44	0.91	0.92	2.51
American Eagle	2.37	2.17	2.02	2.87	1.05	1.87	1.91	2.98	1.51	0.22	0.33	0.45	1.70
Continental	3.84	2.15	1.92	1.96	1.63	3.34	2.50	2.21	3.66	1.93	1.12	0.59	2.23
Delta	4.58	2.32	2.62	2.26	1.33	2.13	2.44	2.25	2.27	1.61	0.76	1.01	2.16
Northwest	2.87	1.66	2.48	2.46	1.47	2.03	1.76	2.36	2.63	1.80	0.77	1.03	1.97
Southwest	0.78	0.45	0.52	0.28	0.26	0.38	0.22	0.44	0.38	0.37	0.18	0.34	0.38
Trans World	5.15	2.32	2.69	2.46	2.14	2.76	3.67	1.63	3.86	1.45	0.83	0.48	2.54
United	3.89	2.82	3.87	3.96	2.57	4.13	4.19	3.89	3.14	1.79	1.61	1.60	3.24
US Airway	2.58	1.76	2.19	2.08	1.27	1.72	2.29	2.31	2.60	1.52	0.72	1.04	1.87
Monthly Avg.	3.58	2.11	2.48	2.46	1.60	2.33	2.41	2.32	2.44	1.45	0.86	0.92	2.11

*During this month, U.S. Government offices in the Washington, D.C. area experienced mail delivery problems, which may have affected the complaint totals.

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

2000 Total Complaints to Department of Transportation by Month for U.S. Airlines

(per 100,000 passengers)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Alaska	2.00	2.47	2.33	4.00	2.48	1.75	1.62	2.63	0.97	2.34	1.19	0.69	2.04
America West	8.38	9.74	9.07	8.37	5.51	9.15	10.75	9.59	4.51	5.50	4.44	4.42	7.51
American	4.70	4.74	4.22	4.06	2.77	4.33	2.76	4.24	3.29	2.76	2.38	2.18	3.54
Continental	4.37	3.59	2.37	2.99	2.25	3.16	3.04	3.38	2.89	2.49	1.62	2.13	2.84
Delta	2.64	2.00	1.99	2.30	1.60	2.07	1.80	2.83	2.02	1.78	1.41	1.74	2.01
Northwest	3.23	2.94	2.36	2.78	2.17	2.78	2.92	3.30	2.10	2.35	2.49	1.85	2.61
Southwest	0.77	0.56	0.58	0.51	0.41	0.48	0.53	0.49	0.38	0.30	0.35	0.27	0.47
Trans World	4.38	3.38	3.29	3.55	3.47	3.14	2.73	4.85	2.57	4.34	3.20	2.86	3.47
United	4.02	3.64	2.71	3.75	5.07	6.84	9.34	11.61	5.03	3.66	3.74	3.27	5.30
US Airways	3.05	2.37	1.65	2.01	1.63	3.00	3.40	4.34	3.16	2.55	1.95	1.85	2.59
Monthly Avg.	3.46	3.08	2.61	2.93	2.49	3.47	3.62	4.56	2.72	2.46	2.11	2.01	2.98

Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

**Overview of Complaints Received by Department of Transportation
2000 and 2001¹**

	Complaints For All Airlines²		Complaints for U.S. Airlines		Complaints for 11 Airlines³		Top Four Categories⁴ of Complaints to All U.S. Airlines, 2001			
	2000	2001	2000	2001	2000	2001	1	2	3	4
Jan	2034	2221	1777	1972	1394	1525	FP	CS	BG	TB
Feb	1992	1248	1693	1086	1292	872	FP	CS	BG	TB
Mar	1924	1757	1663	1529	1325	1265	FP	CS	BG	TB
Apr	2099	1667	1826	1498	1421	1211	FP	CS	BG	TB
May	1729	1158	1544	987	1239	797	FP	CS	BG	TB
Jun	2393	1721	2147	1470	1807	1214	FP	CS	BG	TB
Jul	2445	1927	2243	1618	1931	1310	FP	CS	BG	TB
Aug	2911	1880	2659	1615	2380	1262	FP	CS	BG	TB
Sep	1587	1043	1410	865	1211	726	FP	RF	CS	BG/TB
Oct	1605	825 ⁵	1395	633 ⁵	1186	550 ⁵	RF	FP	CS	TB
Nov	1390	516 ⁵	1187	374 ⁵	987	328 ⁵	RF	CS	FP	BG
Dec	1287	558 ⁵	1077	433 ⁵	897	355 ⁵	CS	FP	BG	RF
	23396	16521	20621	14080	17070	11415	FP	CS	BG	TB

Percent (%) of All Complaints for U.S. Carriers in these Categories for 2001 35.8 19.2 14.0 9.3

¹ Totals for 2000 reflect 10 airlines' experience; totals for 2001 reflect 11 airlines' experience.

² Total number includes complaints for all U.S. airlines + foreign airlines + travel agents + tour operators + miscellaneous sources.

³ In 2001 American Eagle was the 11th airline added to the previous group of 10 airlines that have at least one percent of domestic scheduled-service passenger revenues.

⁴ FP = Flight Problems; CS = Customer Service; BG = Baggage; TB = Reservations, Ticketing, and Boarding; RF = Refunds. Details of categories and definitions are in appendix.

⁵ During this month, U.S. Government offices in the Washington, D.C. area experienced mail delivery problems, which may have affected the complaint totals.






Source: *Air Travel Consumer Report*, U.S. Department of Transportation, Office of Aviation Enforcement and Proceedings.

Some Interesting Facts About U.S. Airlines

Approximately 488 million people boarded one of the 11 largest U.S. carriers to fly somewhere inside the U.S. in 2001 (down from 517 million in 2000). This does not consider those travelers that boarded a flight in the U.S. and went to an international destination. Regional and commuter carriers accounted for an additional estimated 83 million passengers flying domestic routes as well (down from 85 million in 2000). This totals to an estimated 571 million people flying to destinations within the U.S. in 2001 (down from 602 million in 2000). With the economic down-turn in the first months of 2001 and the 9/11/01 terrorist attacks, passenger volumes dropped. As the economy recovers and the flying public returns to air travel, growth and a return to previous volumes are predicted. The FAA forecast for growth in domestic passenger enplanements is predicted to have a slow period for another year. It is anticipated that passenger enplanements will again reach the 4% per year growth level in 2003 and that domestic enplanements could reach 1 billion passengers by 2013.





Mishandled Baggage:

Your chance of having a bag mishandled or lost depends on how you use the baggage system, but less than one out of every 200 checked bags are reported mishandled. Most bags are returned to the traveler within 48 hours. Only a very few are completely lost and never returned.

-  The eleven largest U.S. airlines averaged 4.55 mishandled bags per 1,000 passengers in 2001, a decrease over the 2000 rate of 5.29.
-  Worst months for baggage handling were January (5.71) and December (5.29).
-  Fewest bags were reported mishandled in May (3.79), and November (3.82).
-  Airline that mishandled bags most often was American Eagle (7.36).
-  Airline that mishandled bags least often was Alaska Airlines (3.00).

On-Time Arrival:

On-time arrivals are affected by many uncontrollable factors. When just the more controllable elements are considered, the eleven largest U.S. carriers maintained a 77.4% on-time arrival record for 2001. This was better than the 72.6.1% on-time arrival record for the industry in 2000.

-  Worst on-time arrival performer for 2001: Alaska (69.0%).
-  Best on-time arrival performer for 2001: Southwest (81.7%).
-  The most troublesome months to fly in 2001 (lowest on-time arrival performance for the industry) were February (71.5%) and January (74.2%).
-  The most successful on-time arrival months for the industry in 2001 were October (84.8%), November (84.7%), and May (81.5%).

Being Bumped From a Flight (Involuntary Denied Boardings):

Across the industry, 0.86 passengers per 10,000 boardings were bumped from their flight involuntarily in 2001. This is a 17% improvement in the industry rate of 1.04 denied boardings per 10,000 passengers in 2000.

- ⊗ The airline most likely to bump a passenger in 2001: Trans World (1.83).
- ⊗ The airline least likely to bump a passenger in 2001: US Airways (0.34).
- ⊗ The fourth quarter of 2001 (October - December) was the worst at 1.01.
- ⊗ The third quarter of 2001 (July - September) was the best at 0.70.

Consumer Complaints:

On average, the Department of Transportation received 2.11 consumer complaints per 100,000 passengers for the eleven largest carriers in 2001. The volume of complaints in 2001 represents a 29% decrease in the rate of complaints over the 2000 rate. These complaints represent a wide range of areas, such as cancellations, delays, oversales, reservation and ticketing problems, fares, refunds, customer treatment, unfair advertising, and other general problems.

- ✉ Airline with the highest complaint rate: America West (3.72).
- ✉ Airline with the lowest complaint rate: Southwest (0.38).
- ✉ January was the month with the highest complaint rate (3.58).
- ✉ November (0.86) had the lowest monthly rate for the eleven largest carriers. This lower rate is partly attributable to the lack of mail deliveries in the Washington D.C. area during this month.

Airline Safety:

If the deaths (265 on airplanes and those on the ground) involving the four airplanes used in the terrorist attacks of 9/11/01 are not considered, there were 265 deaths associated with 23 airline accidents in 2001. These 265 deaths are a direct result of the 11/12/01 crash in Belle Harbor, New York. In 2000, there were 88 passenger deaths for the ten largest (Part 121 scheduled) airlines. These 10 airlines experienced 49 accidents in 2000, compared to 35 accidents (and 228 deaths) in 1999. Also, one flight attendant was killed in 2000 during an emergency deplanement. National and Regional carriers (Part 135 scheduled) registered 14 fatalities in 2001 with 19 accidents being reported, compared to 5 fatalities and 12 accidents reported in 2000.

General aviation accident numbers were lower in 2001 (1,323) than in 2000 (1,835). With the lower overall number of accidents, fatalities were also lower in 2001 (323) than in 2000 (592). In 2001, about 1 in 4 (313 of the 1,323) general aviation accidents involved a fatality.

Airline Quality Rating Criteria Overview

The individual criteria used to calculate the AQR scores are summed up in four basic areas that reflect customer-oriented areas of airline performance. Definitions of the four areas used in this AQR 2002 (2001 data) are outlined below.

OT ON-TIME PERFORMANCE (+8.63)

Regularly published data regarding on-time arrival performance is obtained from the U.S. Department of Transportation's *Air Travel Consumer Report*. According to the DOT, a flight is counted "on time" if it is operated within 15 minutes of the scheduled time shown in the carriers' Computerized Reservations Systems. Delays caused by mechanical problems are counted as of January 1, 1995. Canceled and diverted operations are counted as late. The AQR calculations use the percentage of flights arriving on time for each airline for each month.

DB INVOLUNTARY DENIED BOARDINGS (-8.03)

This criterion includes involuntary denied boardings. Data regarding denied boardings could be obtained from the U.S. Department of Transportation's *Air Travel Consumer Report*. Data includes the number of passengers who hold confirmed reservations and are involuntarily denied boarding on a flight that is oversold. These figures include only passengers whose oversold flight departs without them onboard. The AQR uses the ratio of involuntary denied boardings per 10,000 passengers boarded by month.

MB MISHANDLED BAGGAGE REPORTS (-7.92)

Regularly published data regarding consumer reports to the carriers of mishandled baggage can be obtained from the U.S. Department of Transportation's *Air Travel Consumer Report*. According to the DOT, a mishandled bag includes claims for lost, damaged, delayed, or pilfered baggage. Data is reported by carriers as to the rate of mishandled baggage reports per 1,000 passengers and for the industry. The AQR ratio is based on the total number of reports each carrier received from passengers concerning lost, damaged, delayed, or pilfered baggage per 1,000 passengers served.

CC CONSUMER COMPLAINTS (-7.17)

The criteria of consumer complaints is made up of 12 specific complaint categories (outlined below) monitored by the U. S. Department of Transportation and reported monthly in the *Air Travel Consumer Report*. Consumers can file complaints with the DOT in writing, by telephone, via e-mail, or in person. The AQR uses complaints about the various categories as part of the larger customer complaint criteria and calculates the consumer complaint ratio on the number of complaints received per 100,000 passengers flown.

CONSUMER COMPLAINT CATEGORIES

Flight Problems

Data is available by the total number of consumer complaints pertaining to cancellations, delays, or any other deviations from schedule, whether planned or unplanned for each airline each month.

Oversales

This complaint category includes all bumping problems, whether or not the airline complied with DOT oversale regulations. Data is available by the total number of consumer complaints pertaining to oversales for each airline each month.

Reservations, Ticketing, and Boarding

This category includes airline or travel agent mistakes in reservations and ticketing, problems in making reservations and obtaining tickets due to busy telephone lines, or waiting in line or delays in mailing tickets, and problems boarding the aircraft (except oversales). Data is available by the total number of consumer complaints pertaining to ticketing and boarding for each airline each month.

Fares

As defined by the DOT, consumer complaints about fares include incorrect or incomplete information about fares, discount fare conditions and availability, overcharges, fare increases, and level of fares in general. Data is available for the total number of consumer complaints pertaining to fares for each airline each month.

Refunds

This category includes customer complaints about problems in obtaining refunds for unused or lost tickets, fare adjustments, or bankruptcies. Data is available by the total number of consumer complaints pertaining to refunds for each airline each month.

Baggage

Claims for lost, damaged, or delayed baggage, charges for excess baggage, carry-on problems, and difficulties with airline claim procedure are included in this category. Data is available by the total number of consumer complaints pertaining to baggage for each airline each month.

Customer Service

This category includes complaints about rude or unhelpful employees, inadequate meals or cabin service, and treatment of delayed passengers. Data is available by the total number of consumer complaints pertaining to customer service for each airline each month.

Disability

Previously included as part of the Reservations, Ticketing and Boarding Category (thru 6/99), this category includes complaints about civil rights complaints by air travelers with disabilities. Data is available by the total number of consumer complaints pertaining to disabilities for each airline each month.

Advertising

These are complaints concerning advertising that is unfair, misleading or offensive to consumers. Data is available by the total number of consumer complaints regarding advertising for each airline each month.

Tours

This category includes complaints about problems with scheduled or charter tour packages. Data is available by the total number of consumer complaints pertaining to tours for each airline each month.

Animals

This category, added in October 2000, tracks customer complaints about loss, injury, or death of an animal during air transport by an air carrier. Data is available by the total number of customer complaints regarding animals for each airline each month.

Other

Data regarding consumer complaints about frequent flyer programs, smoking, credit, cargo problems, security, airport facilities, claims for bodily injury, and other problems not classified above are included in this category. Smoking and credit elements, previously separate elements, were added to this general category as of 9/99. Data is available by the total number of consumer complaints regarding other problems for each airline each month.