

# Air Service Update



**January 28, 2013**

***“Aviation is the glue that keeps the global economy together.”***

*Dr. Mark Zandi, Chief Economist and Co-Founder, Moody's Economy.com (August 2008)*



**Reno-Tahoe  
Airport Authority**

**And  
up we  
go.**

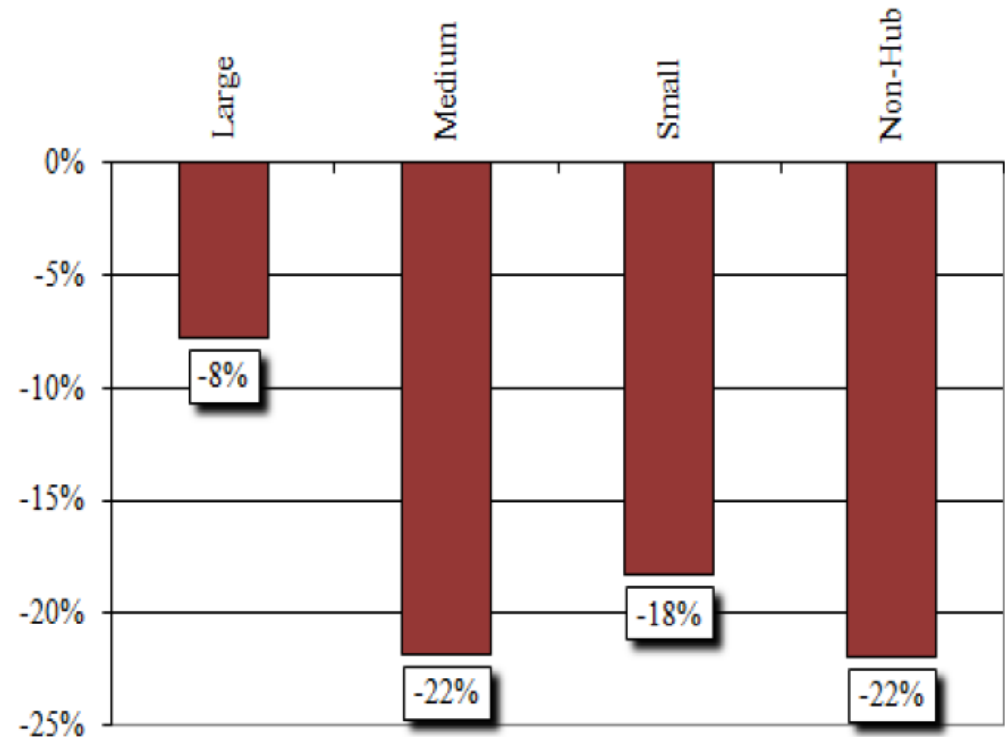
# Agenda

- **Industry Overview**
- **Air Service Development at RNO**
- **Opportunities**

# Airline Industry is Transforming and Adapting to Restore Profitability

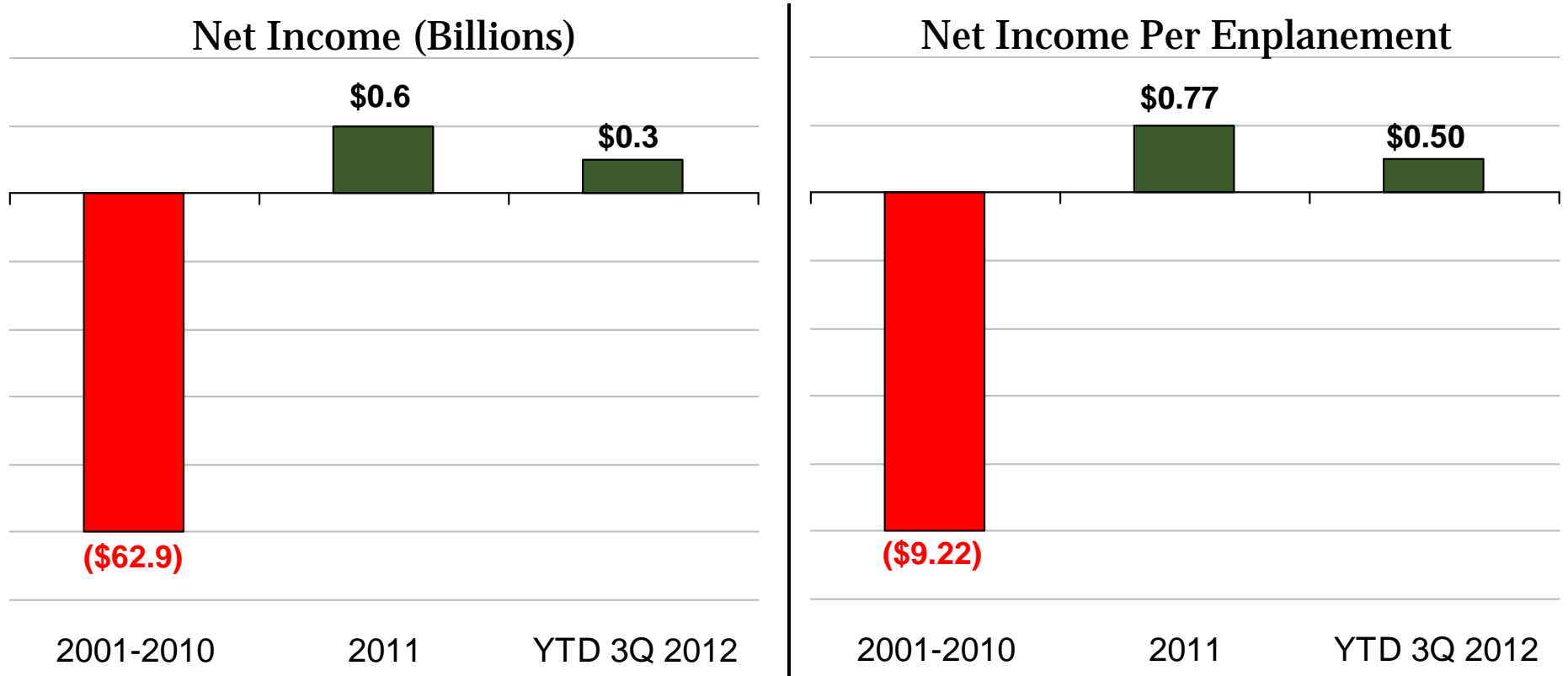
**Change in Scheduled Departures by Airport Size  
June 2012 vs. June 2007**

- U.S. airlines are focusing on
  - Debt Reduction
  - Fleet Renewal
  - Product Enhancement
- Regional carriers face less demand for their 50-seat jets and on short-haul flight
- Legacy carriers are focusing on their hubs and reducing flights to markets involving smaller aircraft



Source: Bureau of Transportation Statistics (Aviation Industry Performance, September 2012) and Federal Aviation Administration

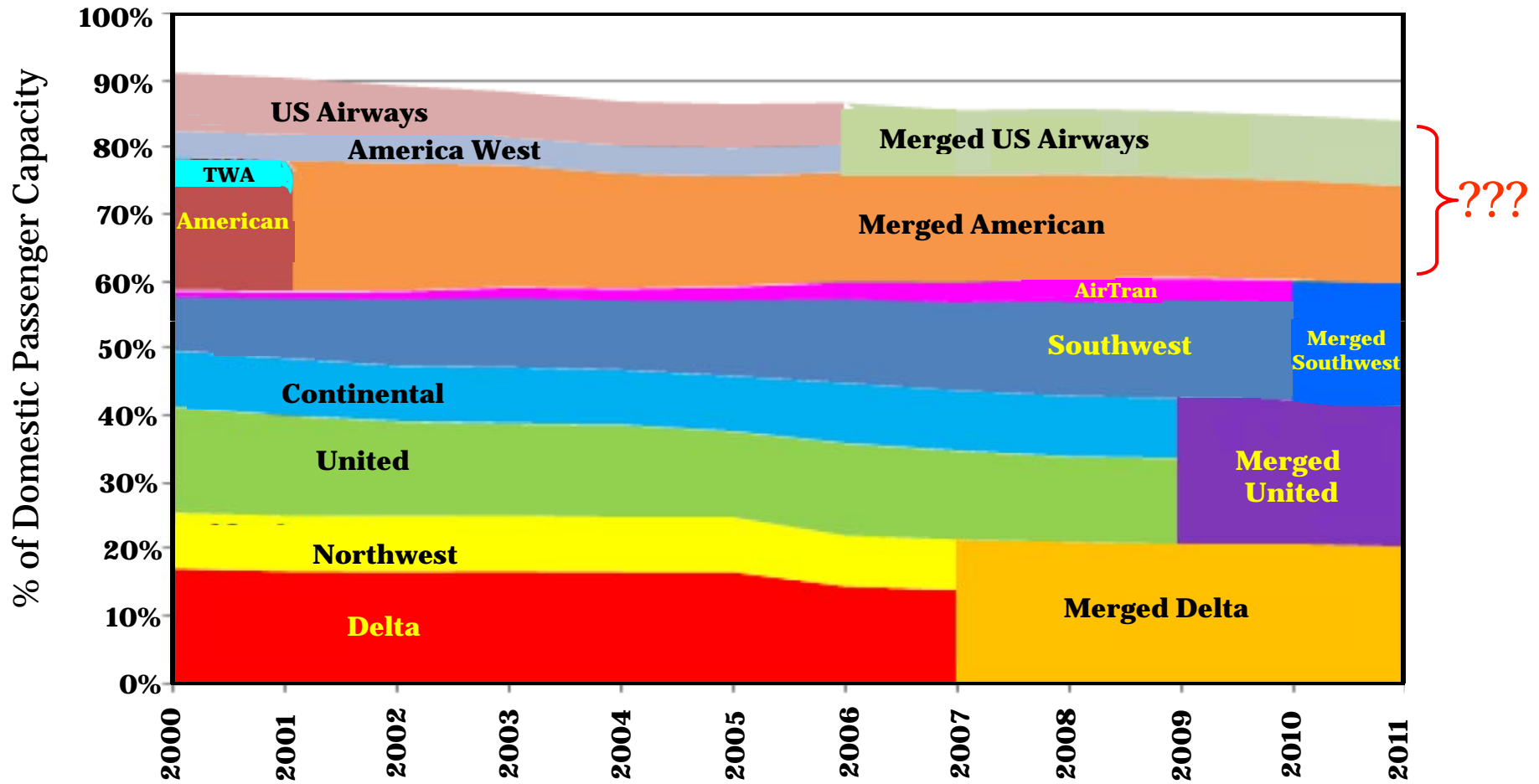
# Thus Far in 2012, U.S. Airlines Have Earned 50 Cents Per Enplaned Passenger



Source: For 2001-2011, A4A analysis of DOT Form 41 data reported by US airlines for which passenger revenue constitutes at least 25% of operating revenues; for 2012 A4A earning reports of Alaska, Allegiant, American, Delta, Hawaiian, JetBlue, Southwest, Spirit, United and US Airways.



# The Accelerating Consolidation of the U.S. Airline Industry



Source: Bureau of Transportation Statistics



Reno-Tahoe Airport Authority



# Non-Stop Flights From Reno-Tahoe International Airport



# In 2012, RTAA Staff Held 75 One-on-one Meetings with Numerous Airlines and Freight Forwarders



# RTIA Has Exceptional Air Service Compared to Communities of Its Size

Metropolitan Core Based Statistical Area (CBSA)	Fall 2010 Population (CBSA)	Airport/s	Departures	Seats	Destinations
Lexington, KY, US	478.5	LEX	31	1,893	13
Fayetteville – Springdale – Rogers, AR-MO	474.8	XNA	39	2,132	15
Pensacola, FL, US	457.5	PNS	34	2,613	10
Lansing, MI, US	452.6	LAN	14	1,006	10
Springfield, MO, US	436.3	SGF	23	1,280	9
<b>Reno, NV, US</b>	<b>423.6</b>	<b>RNO</b>	<b>54</b>	<b>6,155</b>	<b>16</b>
Flint, MI, US	419.1	FNT	20	1,526	8
Corpus Christi, TX, US	418.4	CRP	19	1,282	3
Asheville, NC, US	416.8	AVL	19	1,140	7
Fort Wayne, IN, US	416.6	FWA	17	1,011	8
Huntsville/Decatur, AL, US	415.6	HSV	29	2,126	9
Mobile, AL, US	415	MOB	18	1,078	4
Santa Barbara, Santa Maria, CA, US	410.3	SBA,SMX	34	1,557	7

\*All Airports listed experienced a reduction of at least 10% in flights and/or seats

\*The average seat size for most markets is 60 seats per departure (regional jets) as compared to 115 seats per departure for RNO (mainline jets).

Source: U.S. Census Bureau CBSA Estimates 2010 and U.S. DOT Schedule via APGDat March 2013

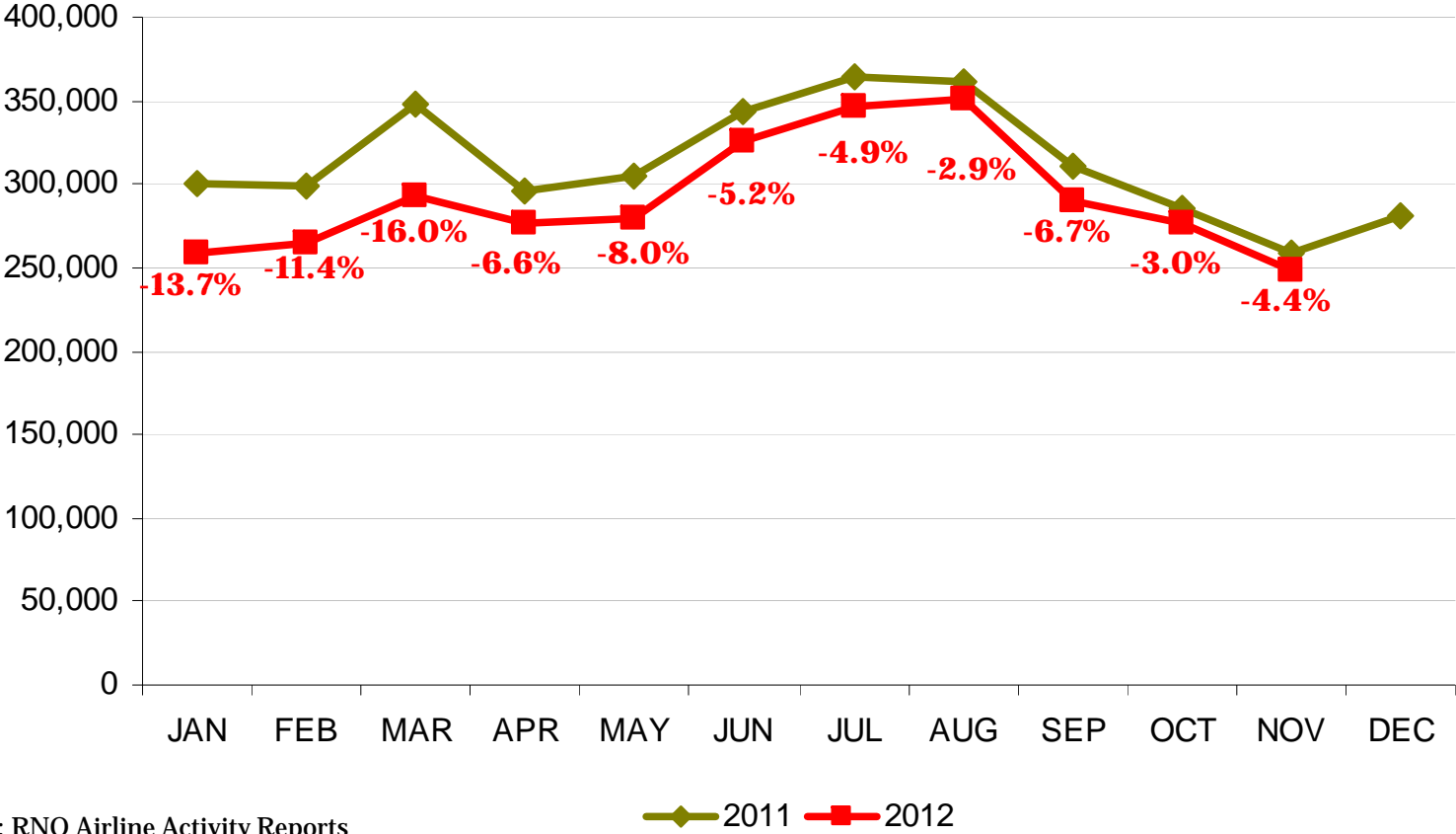


And  
up we  
go.



# So Far in 2012, RNO Has Served Over 3.2 Million Passengers

Passenger Traffic at Reno-Tahoe International Airport



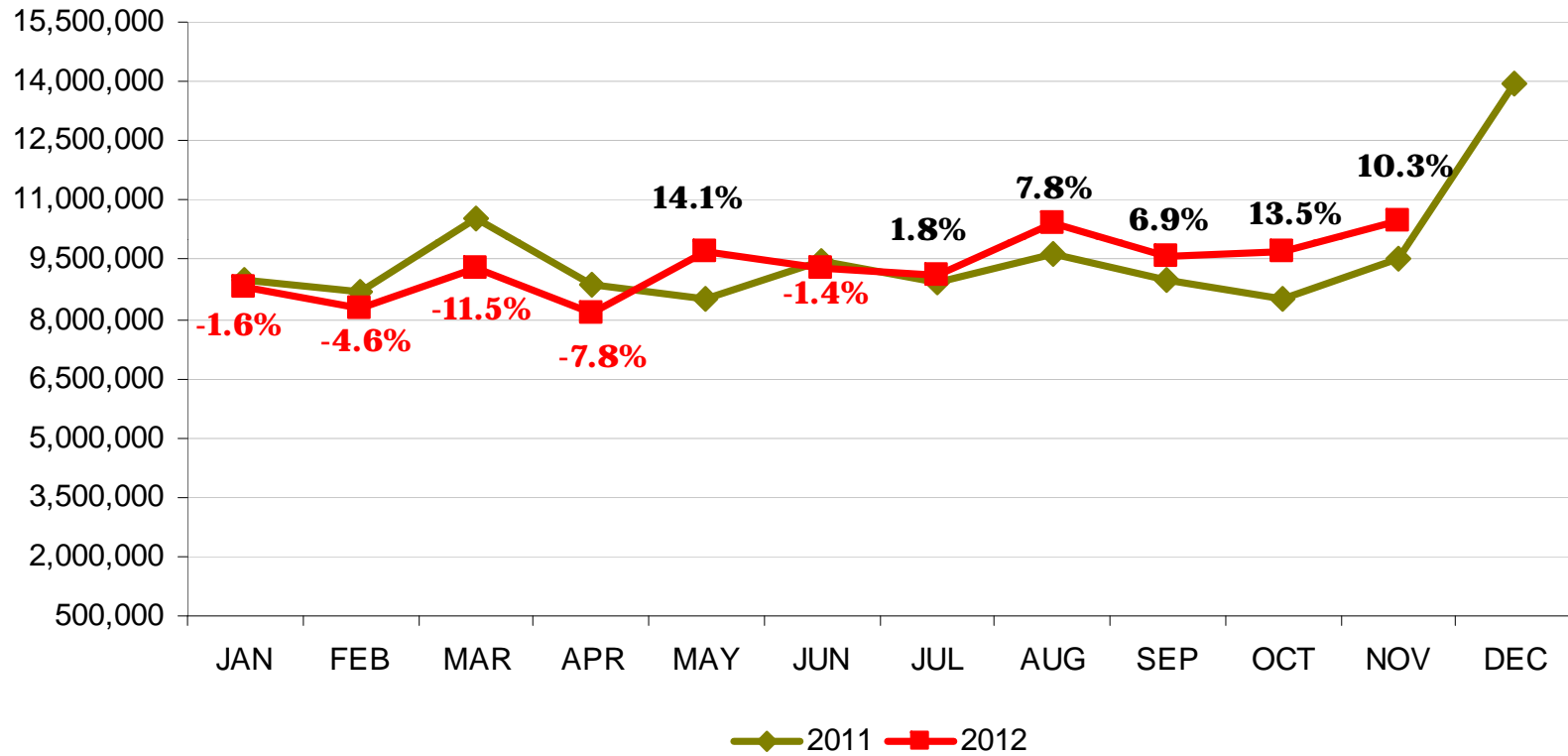
Source: RNO Airline Activity Reports

◆ 2011 ■ 2012



# So Far in 2012, RNO Has Handled 102.8 Million Pounds of Air Cargo

## Air Cargo at Reno-Tahoe International Airport



Source: RNO Airline Activity Reports



# Average Domestic Roundtrip Fares Nationwide

	2Q 2012	2Q 2011	% Difference	Rank Among Top 100 Airports
<b>U.S Dom Avg Fare</b>	<b>\$385</b>	<b>\$370</b>	<b>4.1%</b>	
<b>Cincinnati, OH</b>	<b>\$535</b>	<b>\$476</b>	<b>12.4%</b>	<b>1</b>
<b>Pittsburgh, PA</b>	<b>\$378</b>	<b>\$339</b>	<b>11.3%</b>	<b>62</b>
<b>Sacramento, CA</b>	<b>\$366</b>	<b>\$356</b>	<b>2.7%</b>	<b>72</b>
<b>San Jose, CA</b>	<b>\$352</b>	<b>\$337</b>	<b>4.3%</b>	<b>78</b>
<b>Reno, NV</b>	<b>\$346</b>	<b>\$342</b>	<b>1.0%</b>	<b>79</b>
<b>Las Vegas, NV</b>	<b>\$281</b>	<b>\$285</b>	<b>-1.2%</b>	<b>96</b>
<b>Atlantic City, NJ</b>	<b>\$166</b>	<b>\$205</b>	<b>-19.2%</b>	<b>100</b>

Source: Bureau of Transportation Statistics, Top 100 airports (based on 2011 U.S. originating domestic passengers) ranked by average domestic itinerary fare in 2Q 2012



# Added and Returned Flights

- Houston – United Airlines' non-stop flight to Houston returns in March.
- San Jose – Alaska Airlines began non-stop flights to San Jose in June 2012
- Ontario – Southwest Airlines began non-stop flights to Ontario on January 6, 2013
- Las Vegas – Effective February 1, 2013, Allegiant Air will offer twice weekly non-stop flights to Las Vegas

## Top Target Markets

- Southern California
  - Long Beach
  - Orange County
- Washington D.C.
- Detroit
- Minneapolis

U.S AIRWAYS

AIR CANADA 

*Alaska Airlines*

  
American Airlines

jetBlue  
AIRWAYS

WESTJET 

UNITED 

 virgin  
america

 sun country  
airlines

 DELTA

*spirit*  
airlines

  
SOUTHWEST

# Questions and Comments



Reno-Tahoe  
Airport Authority

And  
up we  
go.