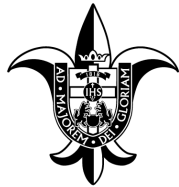


Airline Quality Rating



SAINT LOUIS
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For Immediate Release

Airline Quality Continues Three Year Decline during the Holiday Travel Season: 2008 Year-to-Date Data Shows Hope for Improvement

Event Details: **Nov. 10, Holeman Lounge, National Press Club, Washington, D.C.**

WASHINGTON, D.C. - A mid-year update on the national Airline Quality Rating (AQR) and release of important consumer information took place at 9:30 a.m. EST Monday, Nov. 10 at a news conference in Washington D.C.

Brent Bowen, AQR co-author and aviation science chair at Parks College of Engineering, Aviation and Technology, Saint Louis University (SLU), discussed recent factors affecting air transportation and what consumers need to know about traveling this holiday season.

Holiday travel 2008

Travelers on America's largest airlines have reason to be concerned this holiday travel period. Overall airline quality has plunged in the three-year moving average, as monitored by the national Airline Quality Research team. December travel is the worst, says Bowen.

"Over the last three years, the holiday period continues to decline. December has the lowest overall score," says Bowen.

This incremental decrease of the airline industry ranking in the important holiday travel season parallels the overall industry decline through the years, says Dean Headley, AQR co-author and marketing professor at Wichita State University (WSU). "The best bet for the consumer is to travel as early before the actual holiday or as late as possible afterwards."

The industry overall

As the airline industry continues its five-year decline in performance, there are emerging clues for improvement in 2008. Looking back, late in 2007, it was even worse than our average for the year said Headley. Data for the first six months of 2008 indicate that improvement is on the horizon.

He states: "We have a mixed blessing of hope and these data show very preliminary indications that performance scores are progressing upward. We are not seeing the full impact of capacity reduction yet, say like late 2001, but we are looking at something of similar scope."

Bowen says, "However, in the period after September 2001, the improvement was based on a decrease in air travelers rather than industry contributions."

Headley points out that if the 2008 data continues improving in the last quarter of the year, "holiday travel could actually be better than expected."

Headley says, "If you look at this emerging trend with month-to-month scores getting better, the industry is on a roll." "Air travel will cost more, but if you can find a seat, it may be operating better."

Bowen still wonders if the industry is indeed improving, or if it is simply failing to get worse.

"I do not see leadership in the airline industry making things better, but if fewer people are flying in fewer airplanes, there is a chance that things will flow better and travelers will notice improvement."

2008 best and worst airlines as of Nov. 10

The best-performing airlines in each of the AQR categories include Hawaiian, Jet Blue, Air Tran and Southwest. Hawaiian was best in on-time performance. Jet Blue was best in denied boardings. Air Tran was rated best in mishandled baggage. Southwest was rated best in customer complaints.

The worst performing airlines in each of the AQR categories include American, Atlantic Southeast, American Eagle and United. American had the worst on-time performance. Atlantic Southeast had the worst rate of denied boardings. American Eagle had the most mishandled baggage, and United had the most customer complaints.

What's ahead?

President-elect Barack Obama advocates that America must meet our infrastructure challenges. He has cited a key area of concern to be the nation's air traffic control system. The system is in need of modernization and a new generation of personnel. Obama is also on record in support of essential air service for isolated communities.

Airline acquisitions and mergers continue to add new dynamics to the industry. The most industry-changing event has been the Delta and NWA combination. The impact of this new mega-carrier will not be realized until 2009. Bowen points out that if you look at past AQR data (www.AQR.aero), you will find that combining two very large airlines does not result in improved performance.

"Look back to American and TWA, or U.S. Air and America West, and you will find that these mergers only drug down performance to a new, lower level."

Airline fees are all still there, so consumers beware. Headley says that more than \$2 billion in fees alone will go to the airlines this year.

"As fuel prices go down and fees go up, we may not have fiscal healing, but not bleeding will be reduced."

Unbundled services a la carte is the new reality.

Headley says, "Tickets may appear to be slightly higher, but when the fees hit you, you truly feel that the overall cost of travel has gone up. Maybe a year ago the average price was \$300, but with \$75 in fees, ticket costs today average \$400."

The complete national Airline Quality Rating will be released on Monday, April 6, 2009 at the National Press Club in Washington, D.C. You may register for advance information by contacting one of media representatives listed in the media notes.

U.S. domestic airlines

Industry Performance January – June 2008:

OT On-Time Arrival: 73.4%

DB Denied Boardings: 1.16 per 10,000 passengers

MB Mishandled Bags: 5.82 per 1,000 passengers

CC Customer Complaints: 1.23 per 100,000 passengers

Best Performers January – June 2007:

OT On-Time Arrival: Hawaiian (92.0%)

DB Denied Boardings: Jet Blue (0.01 per 10,000 passengers)

MB Mishandled Bags: AirTran (3.24 per 1,000 passengers)

CC Customer Complaints: Southwest (0.30 per 100,000 passengers)

Worst Performers January – June 2007:

OT On-Time Arrival: American (63.2%)

DB Denied Boardings: Atlantic Southeast (3.93 per 10,000 passengers)

MB Mishandled Bags: American Eagle (11.39 per 1,000 passengers)

CC Customer Complaints: United (2.10 per 100,000 passengers)

U.S. airline industry performance* on AQR criteria, January – June 2008 compared to 2007

	OT (%)		DB (10,000)		MB (1,000)		CC (100,000)	
	'08	'07	'08	'07	'08	'07	'08	'07
January	72.4	73.1	1.36	1.46	7.37	8.19	1.56	0.99
February	68.6	67.3			6.39	8.23	1.30	1.23
March	71.6	73.3			6.66	7.74	1.16	1.56
April	77.7	75.7	1.00	1.23	4.99	6.34	1.39	1.65
May	79.0	77.9			4.59	5.94	1.09	1.13
June	70.8	68.1			5.15	7.94	0.95	1.37

OT = On Time; DB = Denied Boardings; MB = Mishandled Baggage; CC = Customer Complaints

*Performance statistics are taken from Department of Transportation, Office of Aviation Enforcement and Proceedings monthly *Air Travel Consumer Reports*. (<http://www.dot.gov/airconsumer/>)

Monthly AQR Scores Comparison U.S. Airline Industry

	2008*	2007	2006	2005	2004	2003
January	-2.34	-2.45	-2.09	-2.56	-1.71	-1.44
February	-2.05	-2.54	-1.80	-1.78	-1.46	-1.37
March	-2.07	-2.45	-1.75	-1.83	-1.28	-1.31
April	-1.60	-2.07	-1.56	-1.48	-1.05	-1.07
May	-1.43	-1.84	-1.47	-1.45	-1.13	-1.09
June	-1.56	-2.42	-1.93	-1.75	-1.40	-1.22
July	x	-2.50	-1.81	-2.00	-1.31	-1.19
August	x	-2.38	-2.12	-1.79	-1.35	-1.24
September	x	-1.64	-2.22	-1.27	-1.06	-0.87
October	x	-1.62	-2.04	-1.38	-1.13	-0.86
November	x	-1.42	-1.76	-1.58	-1.26	-0.94
December	x	-2.50	-2.42	-2.12	-2.53	-1.40
Industry	x	-2.16	-1.87	-1.73	-1.38	-1.14

*Tentative AQR Score pending final data verification.

Industry performance by element for holiday travel months

	OT	DB	MB	CC	AQR Score
Nov. 2005	.800	.085	5.77	0.65	-1.58
Dec. 2005	.710		7.73	0.76	-2.12
Jan. 2006	.787		6.87	1.14	-2.09
Nov. 2006	.764	.089	6.30	0.75	-1.76
Dec. 2006	.707		8.91	0.73	-2.42
Jan. 2007	.728		8.22	1.00	-2.45
Nov. 2007	.799	0.84	4.83	0.99	-1.42
Dec. 2007	.643		8.90	1.07	-2.50
Jan. 2008	.724		7.37	1.56	-2.34

About the AQR

The AQR, the most comprehensive study of the performance and quality of the 17 largest airlines in the United States, each year helps sort out the difference in airline performance for the business community, the media and the general public. The rating is conducted annually by researchers at SLU's Parks College of Engineering, Aviation and Technology and the W. Frank Barton School of Business at Wichita State University (WSU). The AQR is a cooperative project funded as part of faculty research initiatives at SLU and WSU. Bowen of SLU and Dean Headley of WSU are co-authors of the Airline Quality Rating.

Media Notes

Contact Joe Kleinsasser, WSU director of news and media relations, (316) 978-3013, joe.kleinsasser@wichita.edu; or Clayton Berry, SLU director of University communications, (314) 977-7117, berrycl@slu.edu.

Media unable to attend the news conference may receive a copy of the AQR news release on the day of the news conference, Monday, Nov. 10.

Contact:

Amanda Pope at SLU, (314) 977-8371 phone, (314) 977-8403 fax, apope@slu.edu; or Joe Kleinsasser at WSU (316) 978-3013 phone, (316) 978-3776 fax, joe.kleinsasser@wichita.edu.

An electronic version of the update will be available after 10 a.m. EST on Monday, Nov. 10 at wichita.edu or parks.slu.edu.

Dean Headley of WSU and Bowen will be available for interviews Monday, Nov. 10, after the press conference. Contact Headley at (316) 978-3367 or Bowen at (402) 516-8756.

Saint Louis University (SLU) is a Jesuit, Catholic university ranked among the top research institutions in the nation. The University fosters the intellectual and character development of more than 12,700 students. Founded in 1818, it is the oldest university west of the Mississippi and the second oldest Jesuit university in the United States. Through teaching, research, health care and community service, Saint Louis University has provided one-of-a-kind education, leadership and service for 190 years. SLU's Parks College of Engineering, Aviation and Technology is the first federally certified flight school in the nation. Rooted in a tradition of hands-on learning, Parks College has earned a worldwide reputation for its aviation and aerospace engineering programs and has emerged as a leader in biomedical, electrical, mechanical and other engineering disciplines.

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