

# National Forecast Overview 2008-2025

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Federal Aviation  
Administration



# Review of 2007

- **Modest traffic growth, full planes**
  - RPMs up 3.9%; Passengers up 3.3%; LF at 80%
- **Pricing – Weak domestic; strong international**
  - Domestic real yield down 1.5%; International up 4.5%
- **General Aviation – Tale of 2 markets**
  - Shipments – Turbojets up 34.9%; Pistons down 4.9%
- **Air Traffic activity stable**
  - Tower Ops flat; En-Route Traffic up 1.2%

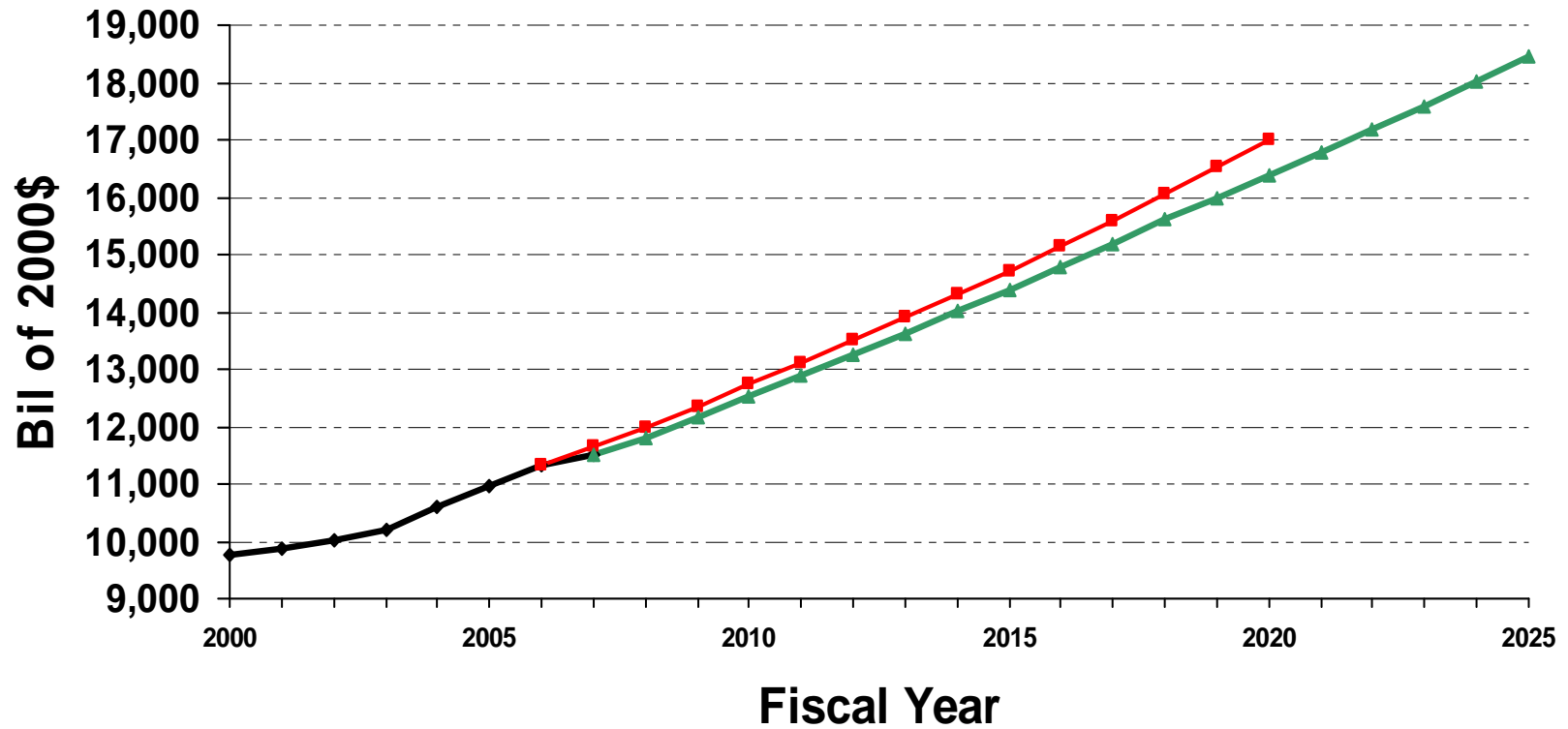


# Assumptions 2008-25

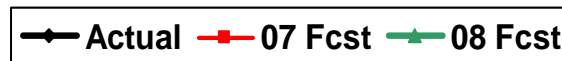
- **External Environment**
  - Economic growth lower
  - Oil prices higher
    - Range between \$75-\$85 per barrel; Spike in 2008
- **Commercial Industry**
  - No consolidation built in
- **Unconstrained demand**



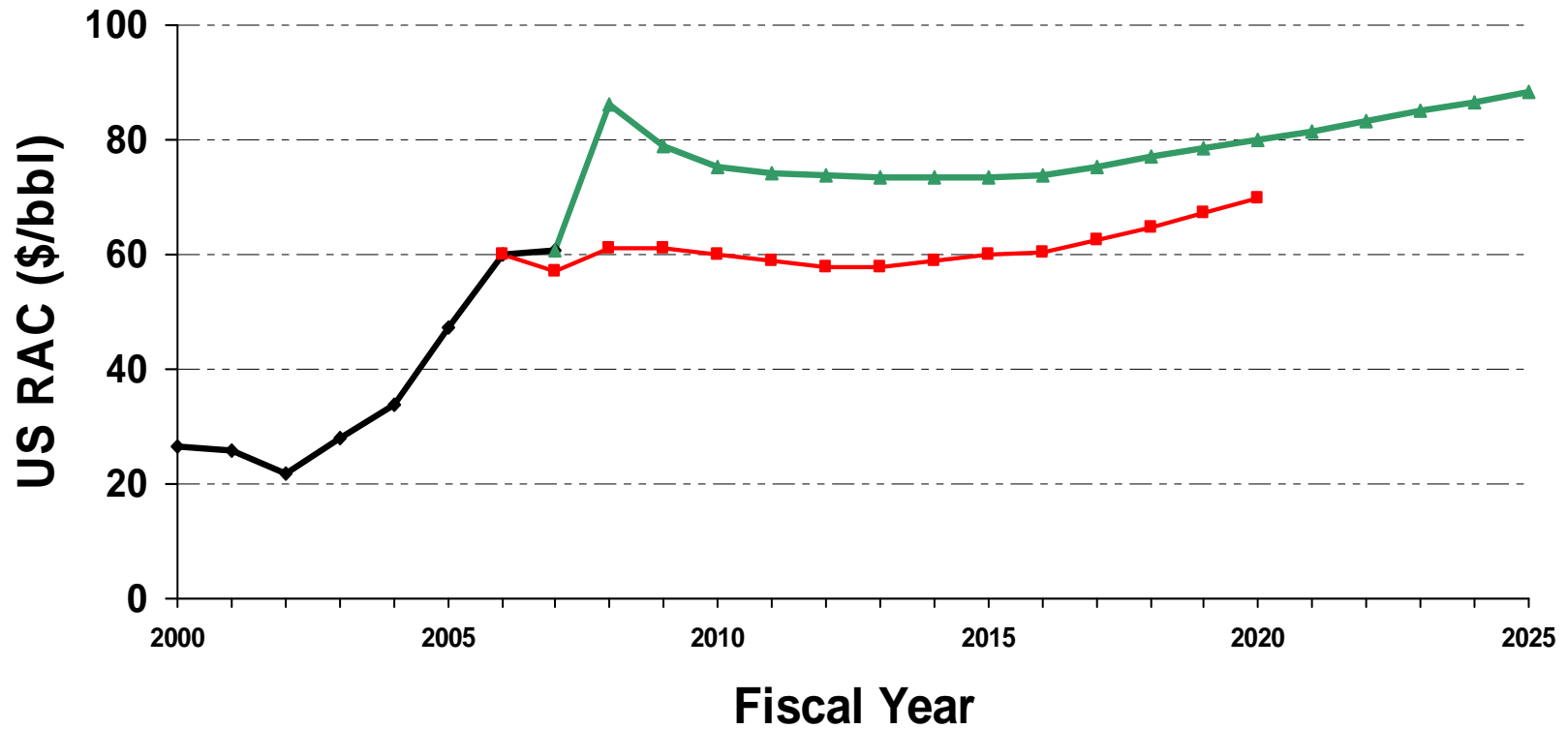
# US Real GDP



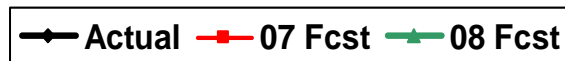
	Current	Prior
2007-2008:	2.7%	3.0%
2008-2020:	2.8%	3.0%
2008-2025:	2.7%	N/A



# Oil Prices



	Current	Prior
2007-2008:	42.1%	7.1%
2008-2020:	-0.6%	1.1%
2008-2025:	0.1%	N/A

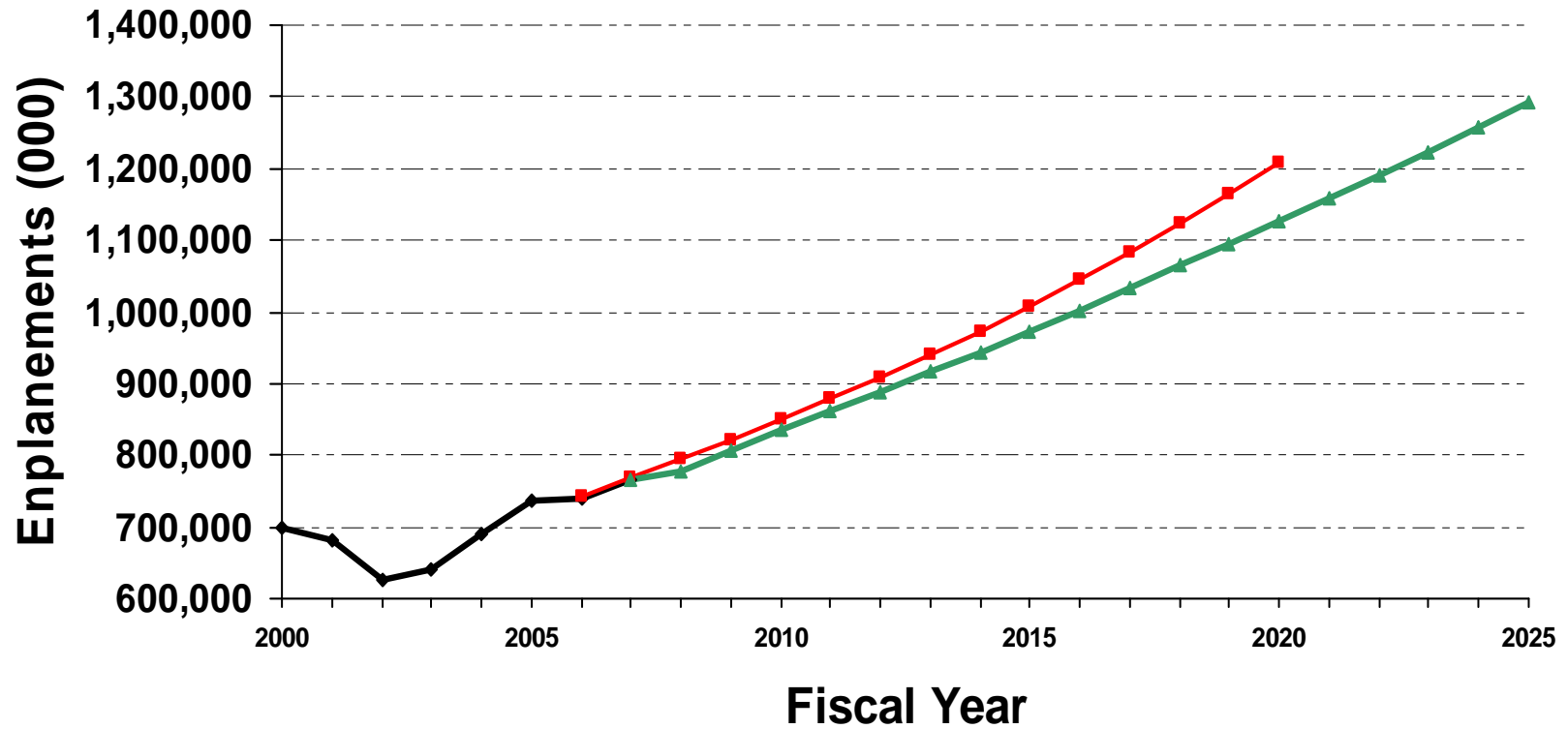


# Forecast Overview FY 2008-25

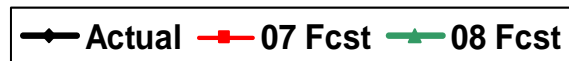
- **Airline traffic and capacity growth modest**
  - Passengers: +3.0% per year; 1 billion by 2016
  - RPMs: +4.2% per year; More than doubles by 2025
  - Load Factor higher; 81.7% by 2025
- **General Aviation growth in high end of market**
  - Flight hours grow 3% per year; Turbines up 5.3%
- **Air Traffic grows slower than Airline capacity**
  - Tower Ops grow 1.8% per year
  - En-Route grows 3.0% per year



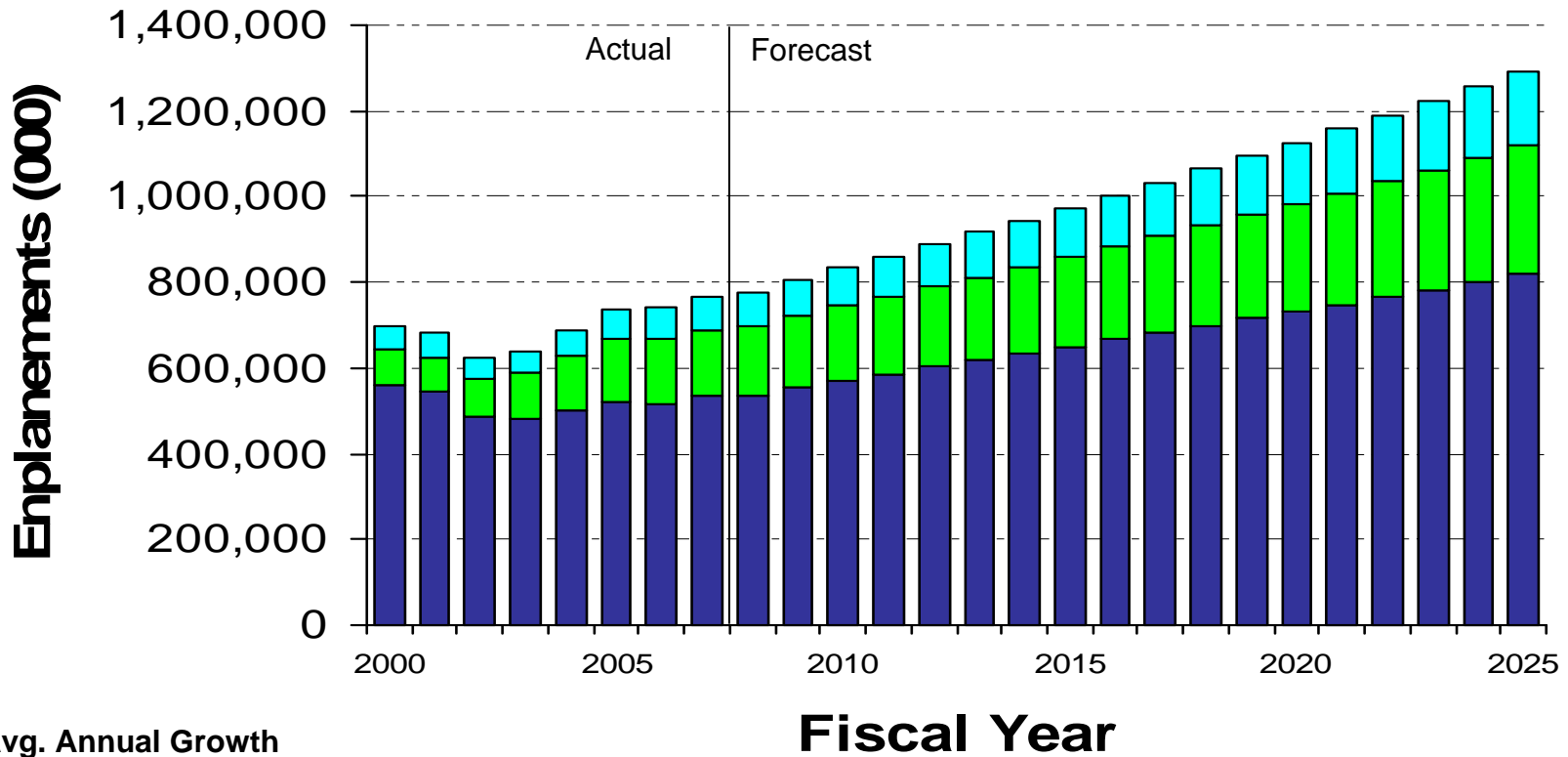
# System Enplanements



	Current	Prior
2007-2008:	1.5%	3.4%
2008-2020:	3.1%	3.5%
2008-2025:	3.0%	N/A



# System Enplanements



2008-25 Avg. Annual Growth

Mainline Domestic: 2.5%

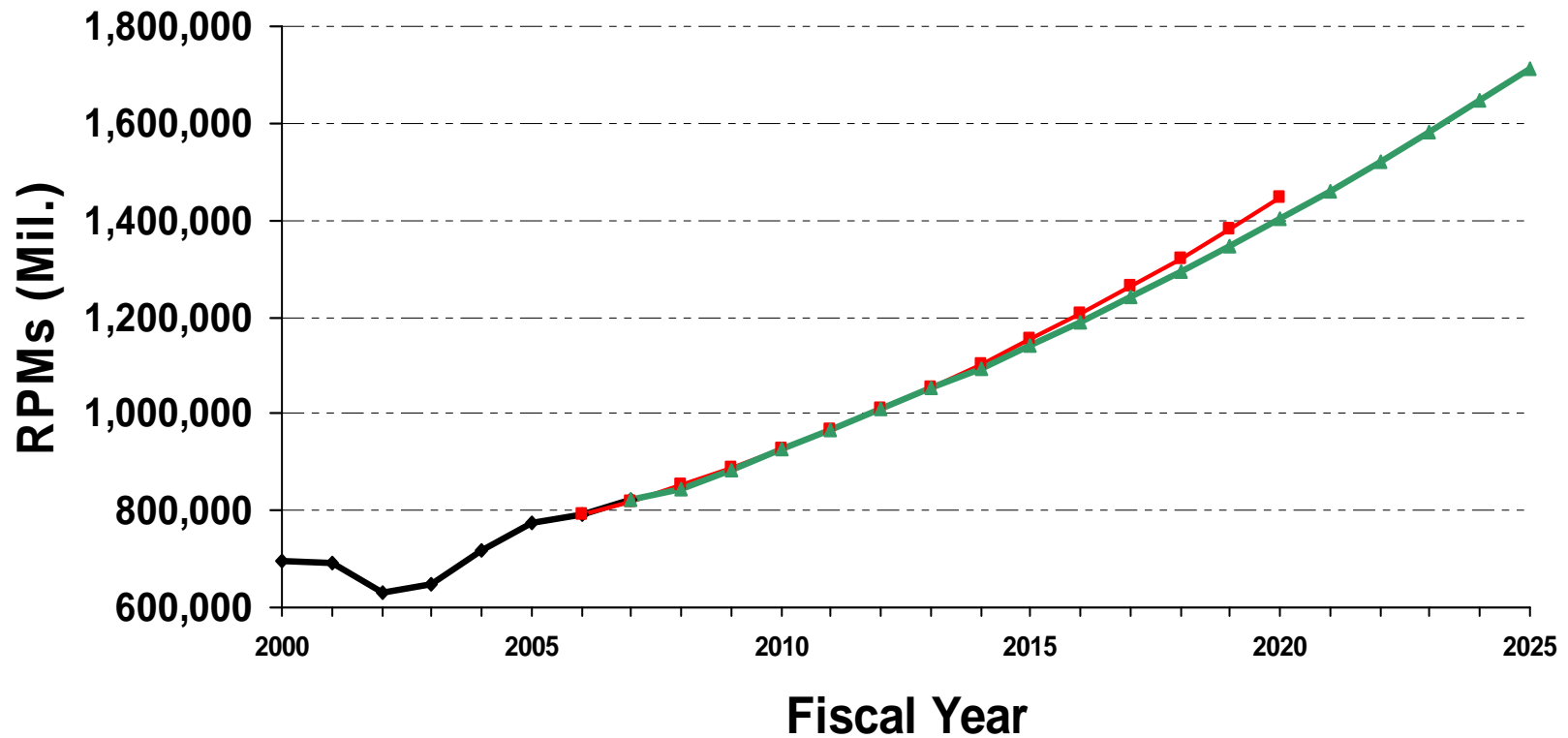
Regional Domestic: 3.8%

International: 4.7%

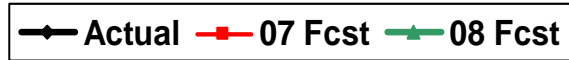




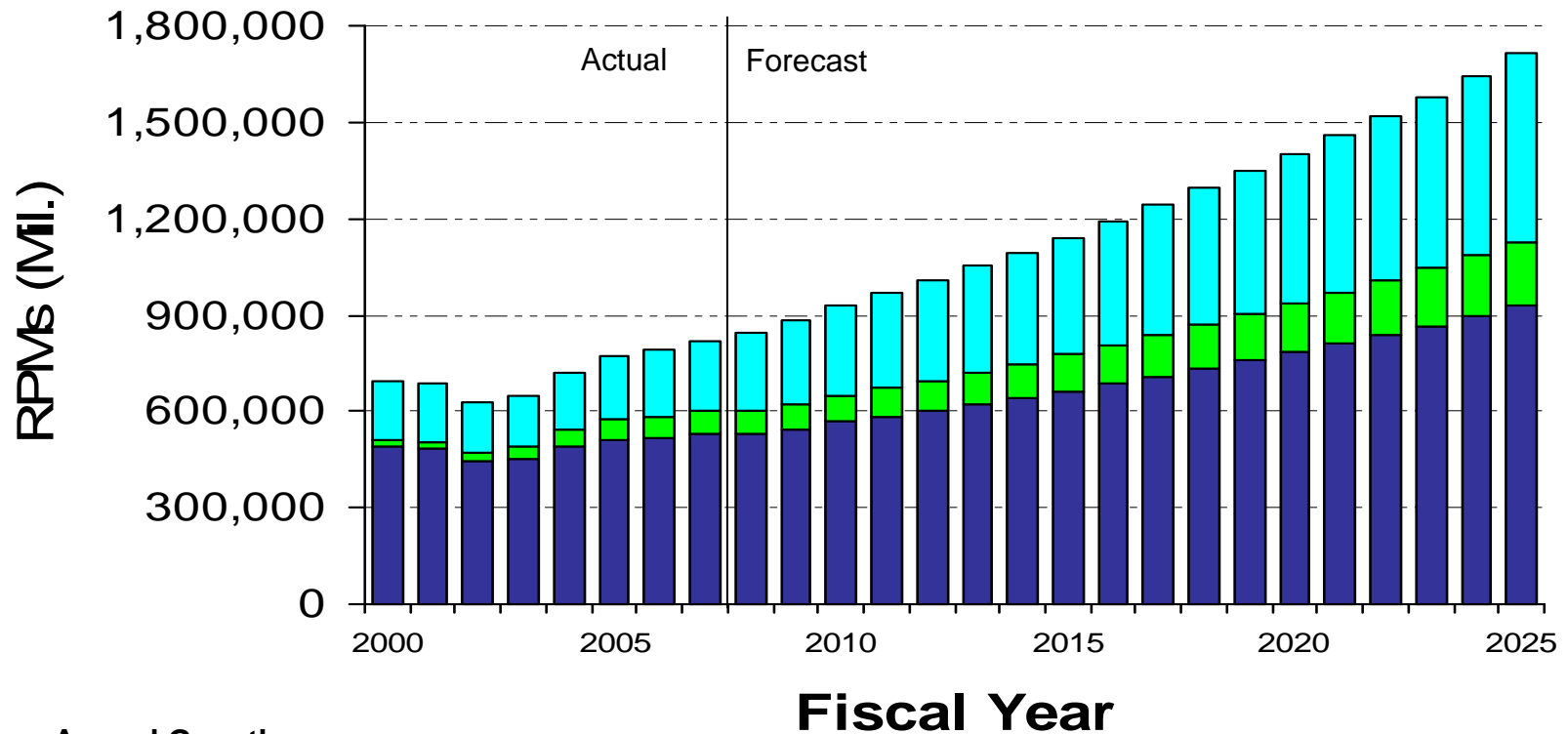
# System RPMs



	Current	Prior
2007-2008:	2.9%	4.2%
2008-2020:	4.3%	4.5%
2008-2025:	4.2%	N/A



# System RPMs



2008-25 Avg. Annual Growth

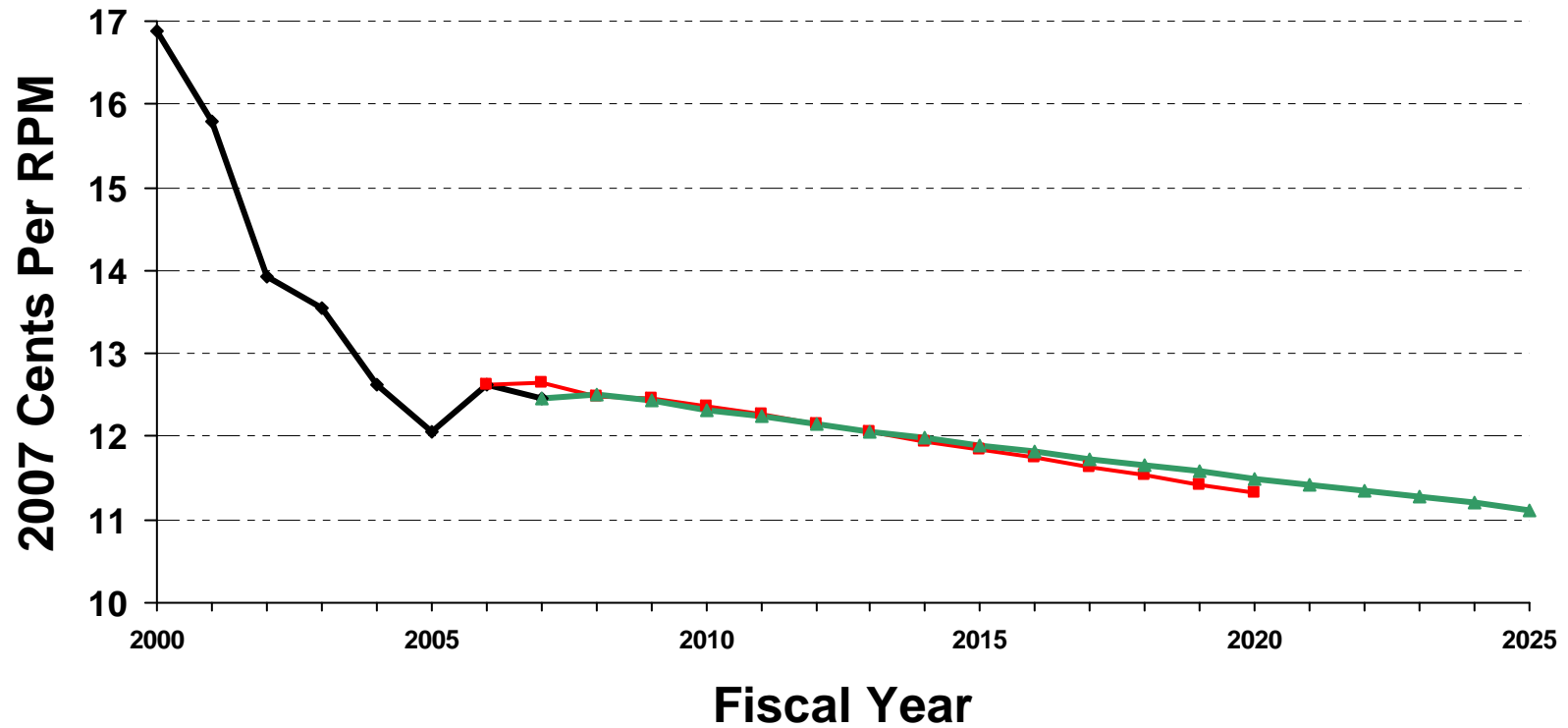
Mainline Domestic: 3.3%

Regional Domestic: 6.1%

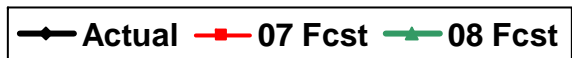
International: 5.4%



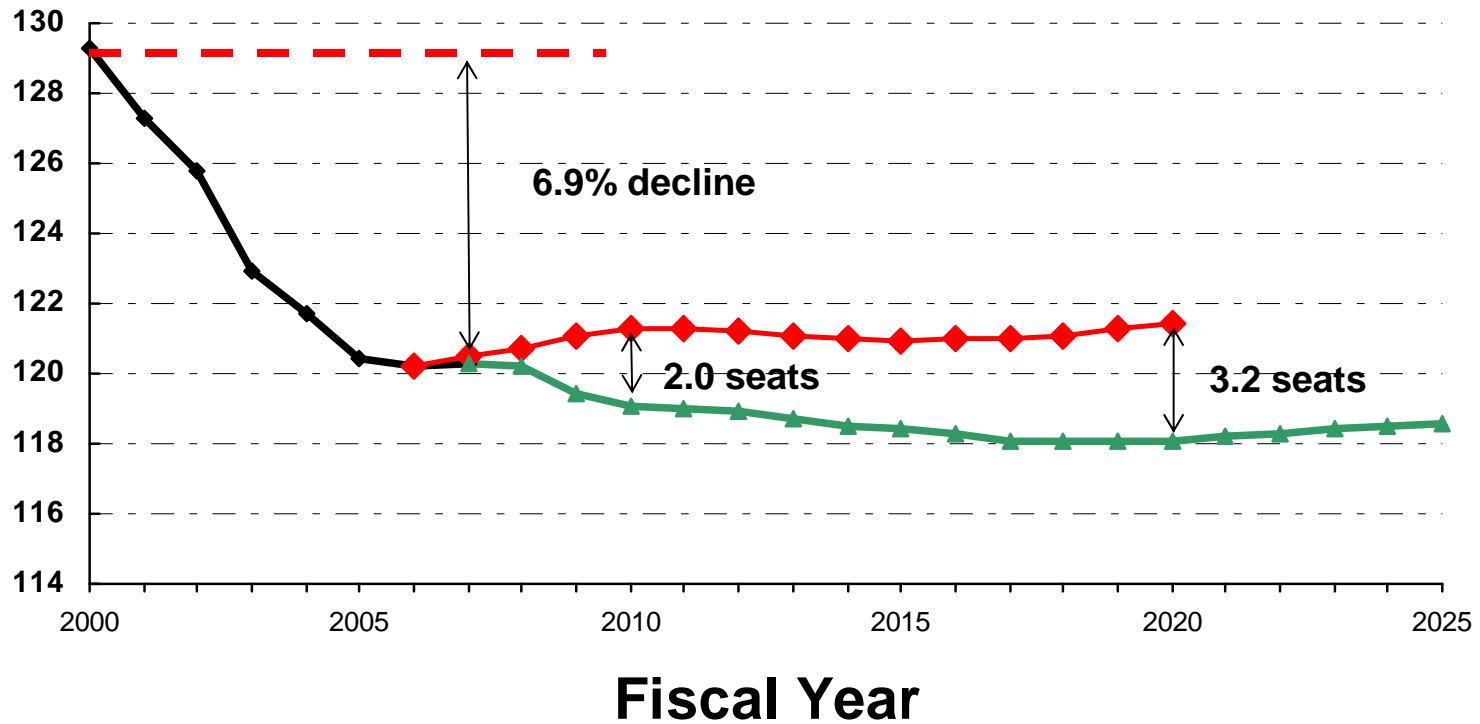
# Domestic Real Yield



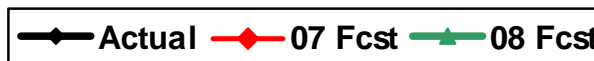
	Current	Prior
2007-2008:	0.4%	-0.8%
2008-2020:	-0.7%	-0.9%
2008-2025:	-0.7%	N/A



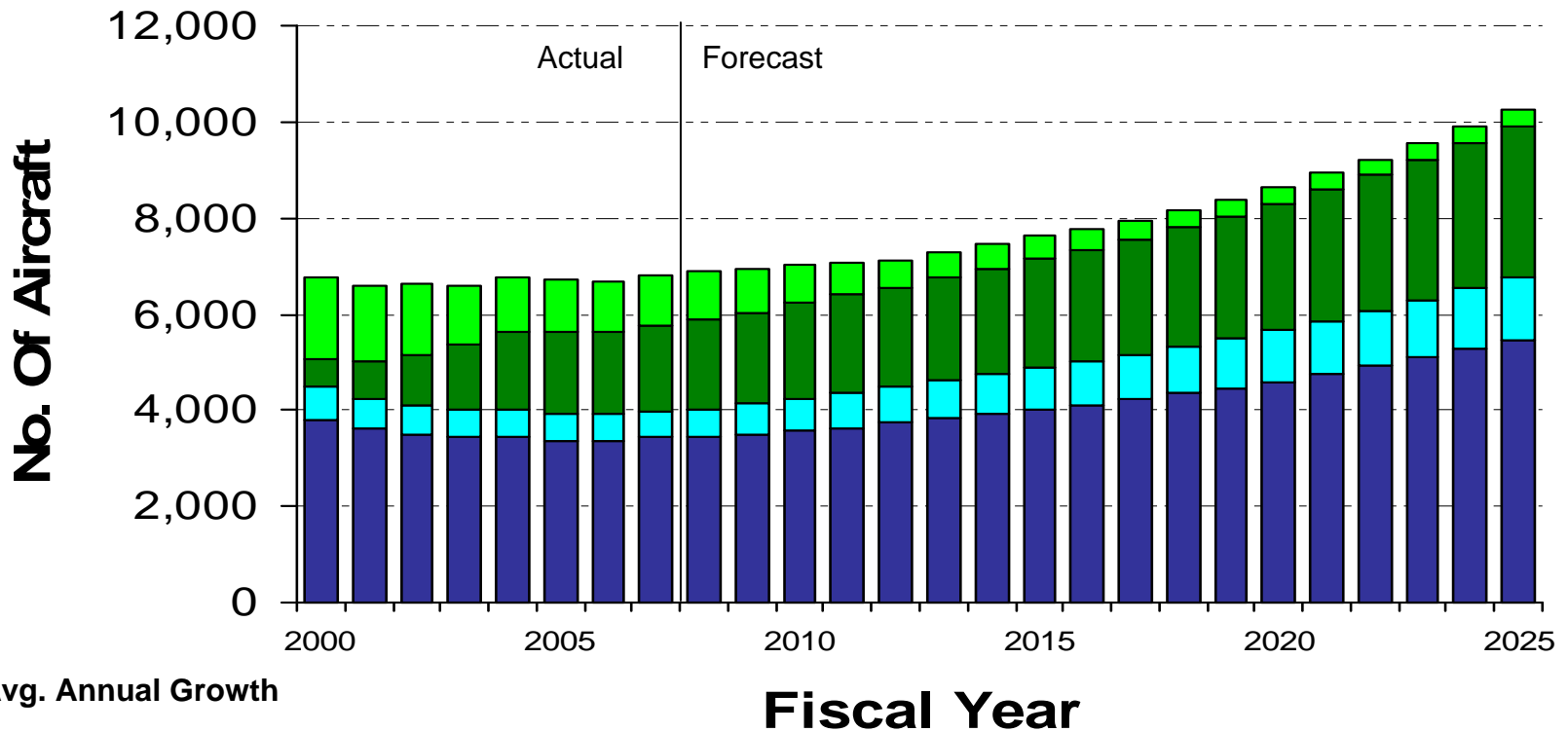
# Domestic Seats per Aircraft Mile



	Current	Prior
2007-2008:	-0.2 Sts	0.1 Sts
2008-2020:	-0.2 Sts	0.1 Sts
2008-2025:	-0.1 Sts	N/A



# U.S. Passenger Carrier Fleet



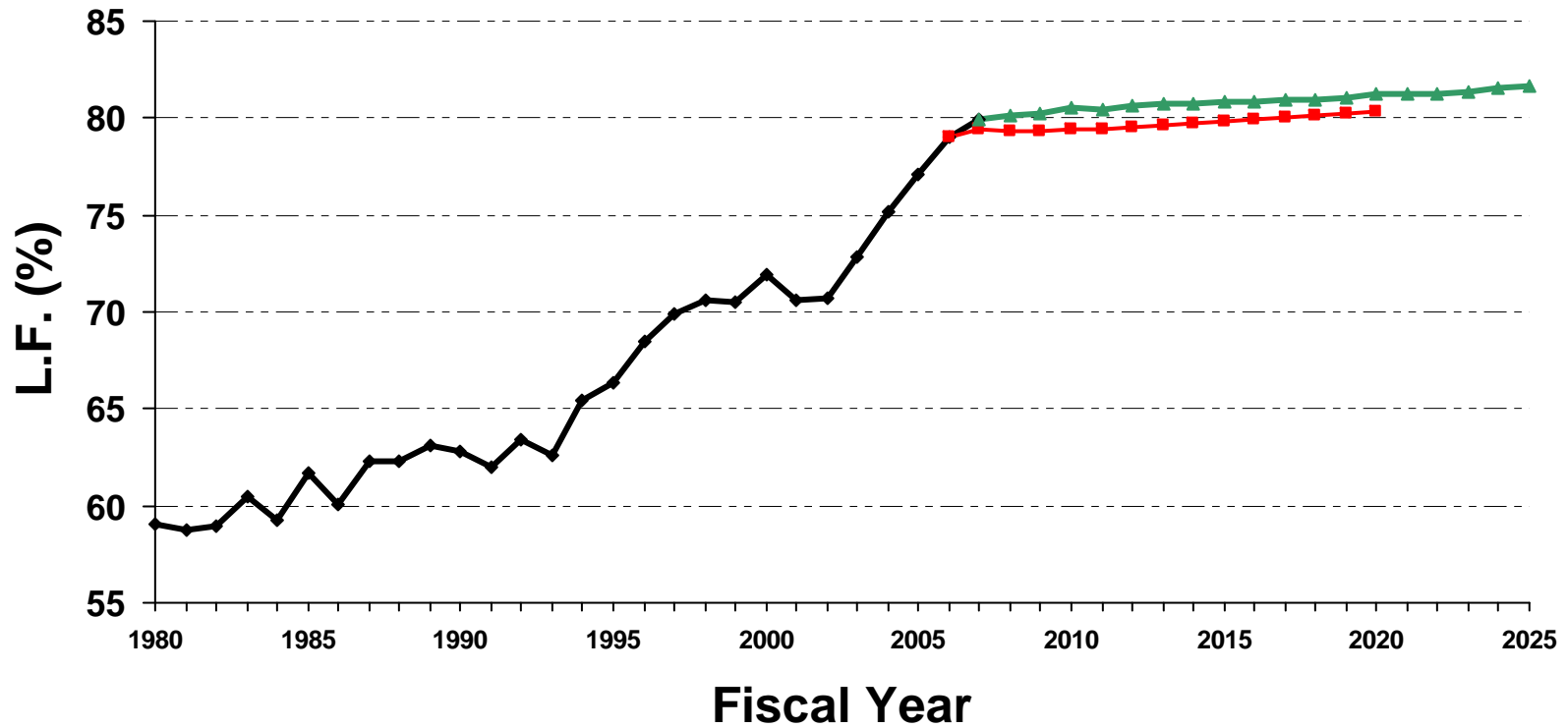
2008-25 Avg. Annual Growth

Single Aisle: 2.8%  
 Twin Aisle: 4.8%  
 RJ's: 3.1%  
 Turboprops: -5.9%

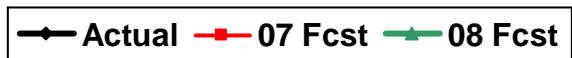
■ Single Aisle ■ Twin Aisle ■ RJ's ■ Turboprops



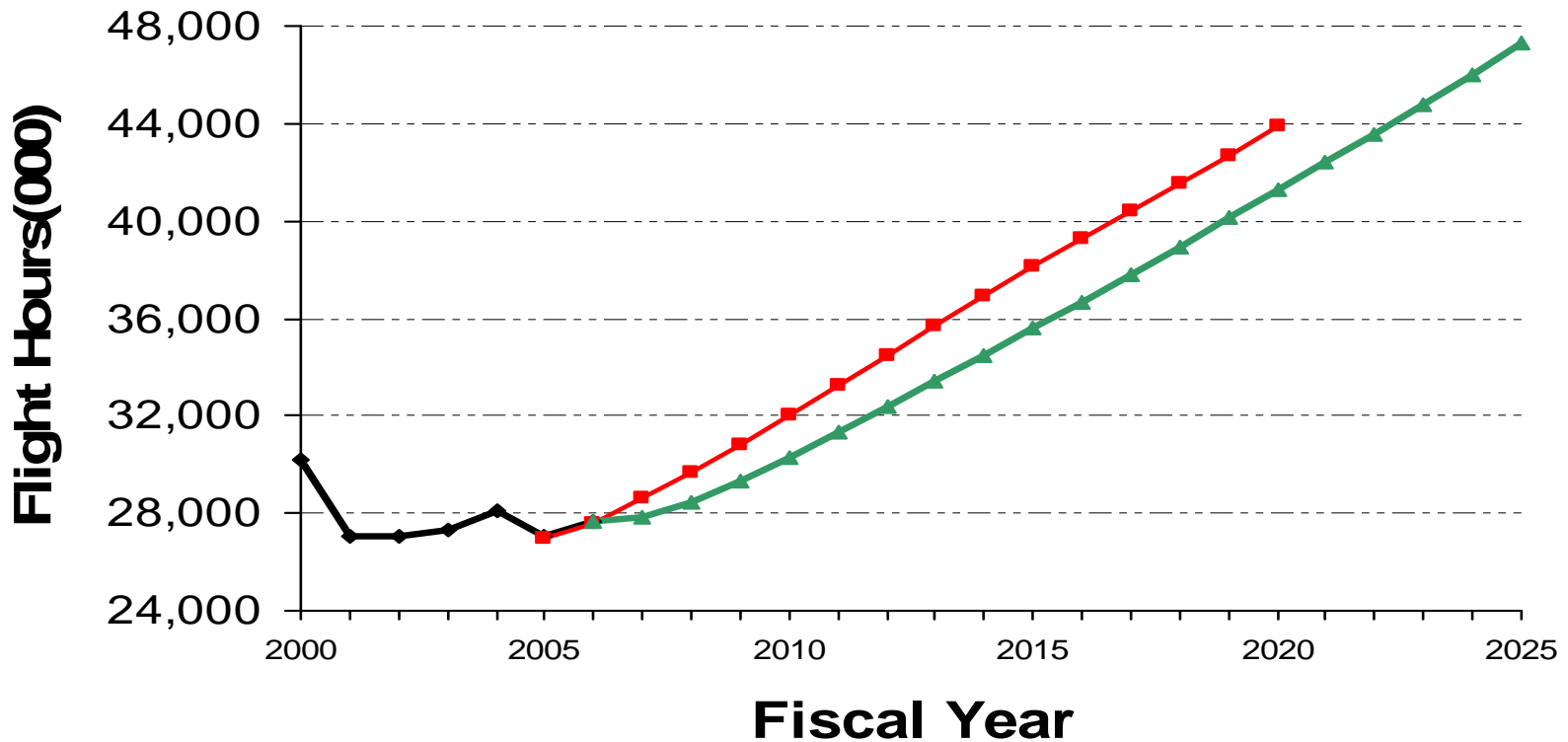
# System Load Factor



	Current	Prior
2007-2008:	0.2 Pts	-0.1 Pts
2008-2020:	0.1 Pts	0.1 Pts
2008-2025:	0.1 Pts	N/A



# Total General Aviation Flight Hours

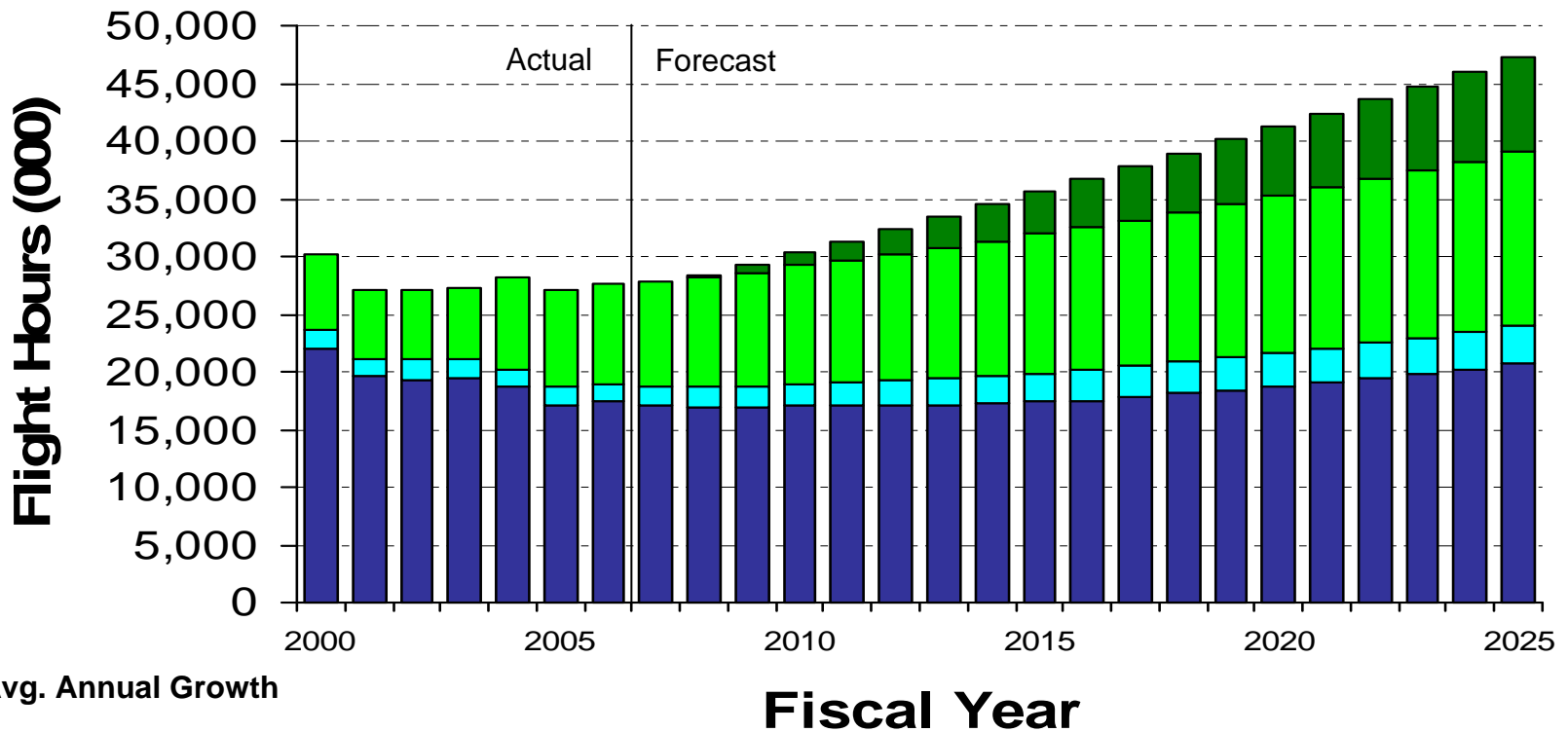


	Current	Prior
2006-2007:	0.6%	4.1%
2008-2020:	3.1%	3.3%
2008-2025:	3.0%	N/A

—◆— Actual
—■— 07 Fcst
—▲— 08 Fcst



# General Aviation Flight Hours



2007-25 Avg. Annual Growth

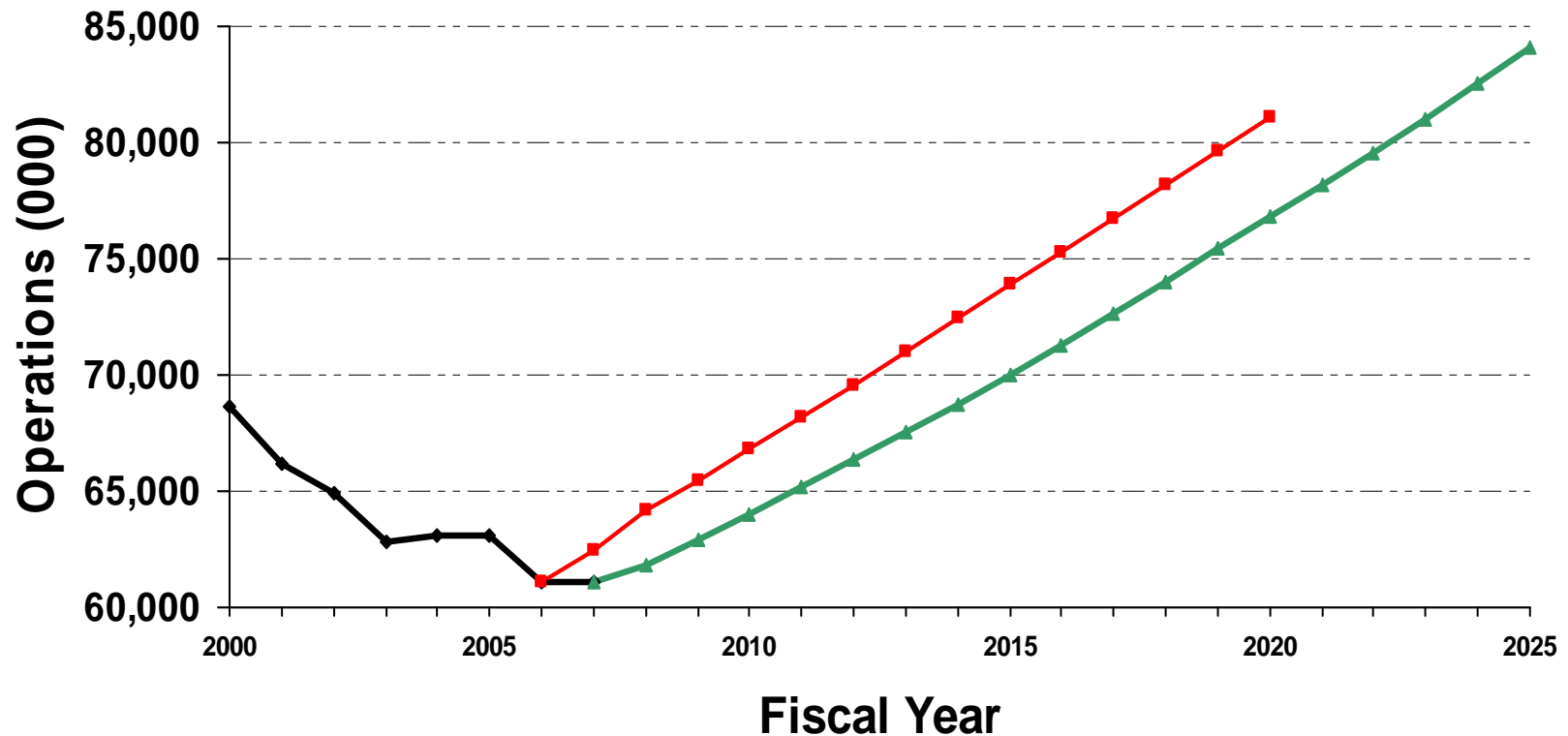
Piston:	1.1%
Exp, LSA, Oth:	4.1%
Non VLJ Turbine:	2.8%
VLJs:	28.4%

■ Piston 
 ■ Exp, LSA, Oth 
 ■ Non VLJ Turbine 
 ■ VLJs





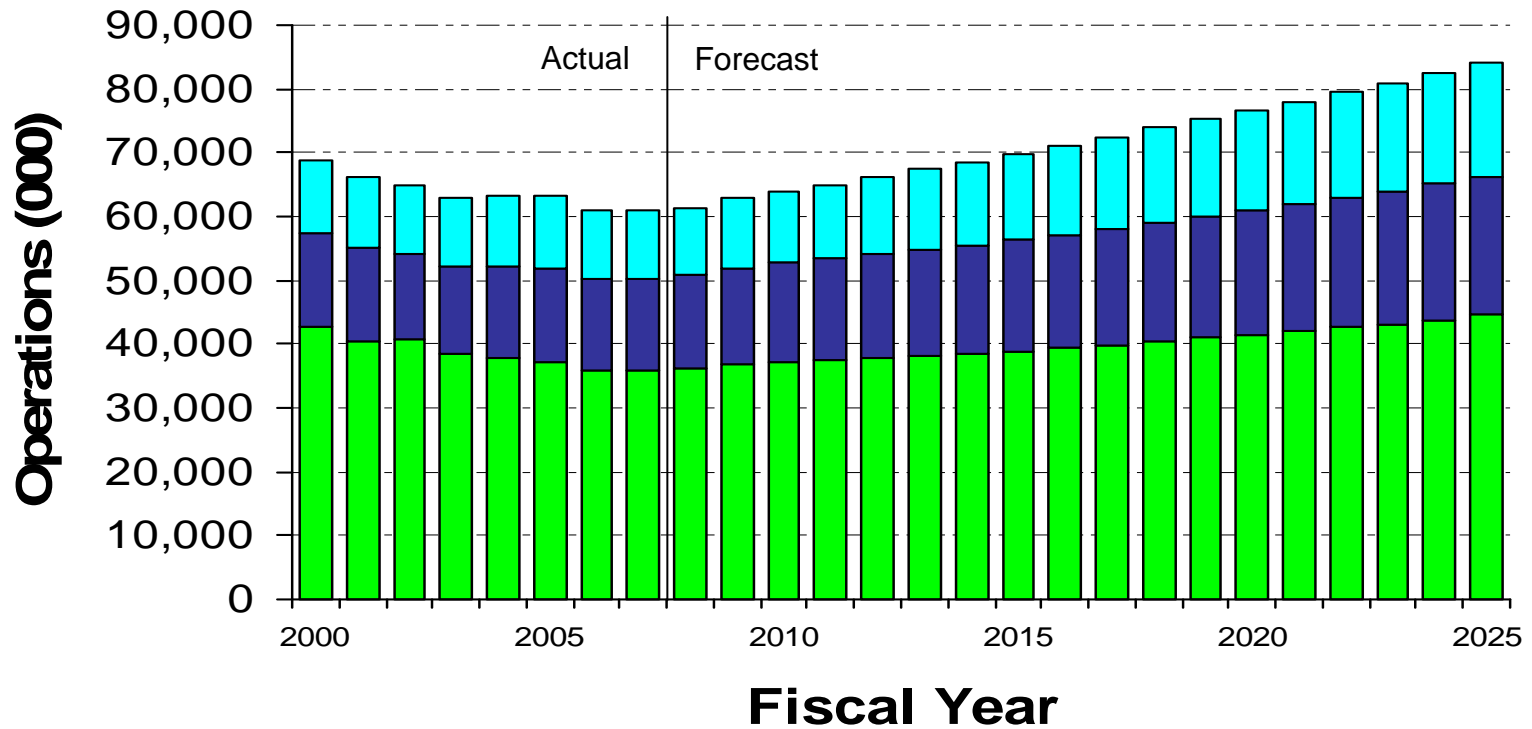
# FAA and Contract Tower Operations



	Current	Prior
2007-2008:	0.4%	2.7%
2008-2020:	1.9%	2.0%
2008-2025:	1.8%	N/A



# Tower Operations



■ Non Commercial
 ■ OEP 35 Commercial
 ■ Non OEP Commercial

## 2008-25 Avg. Annual Growth

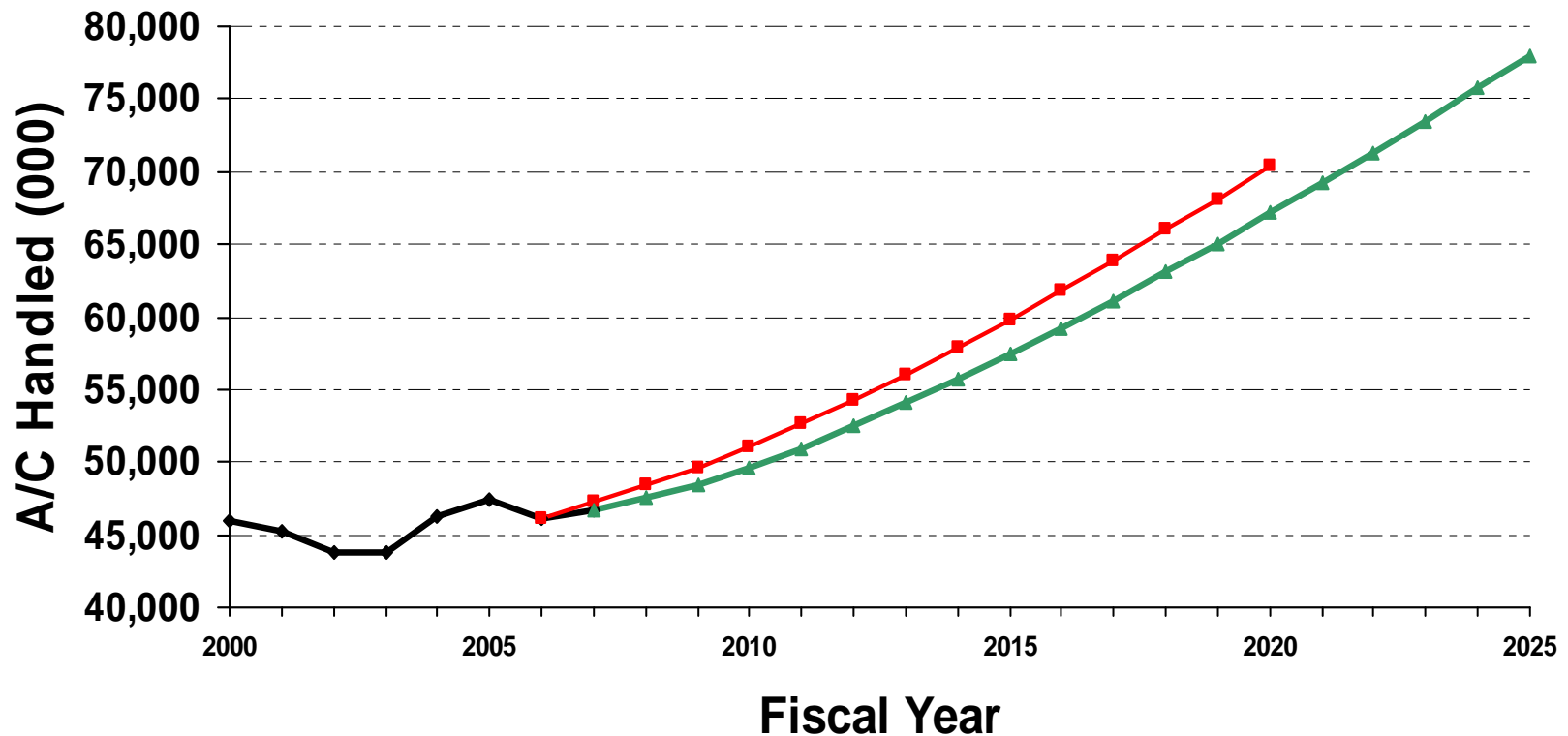
OEP 35 Commercial: 2.3%

Non OEP 35 Commercial: 3.1%

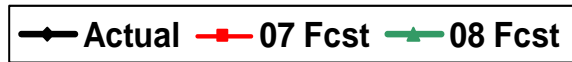
Non Commercial: 1.2%



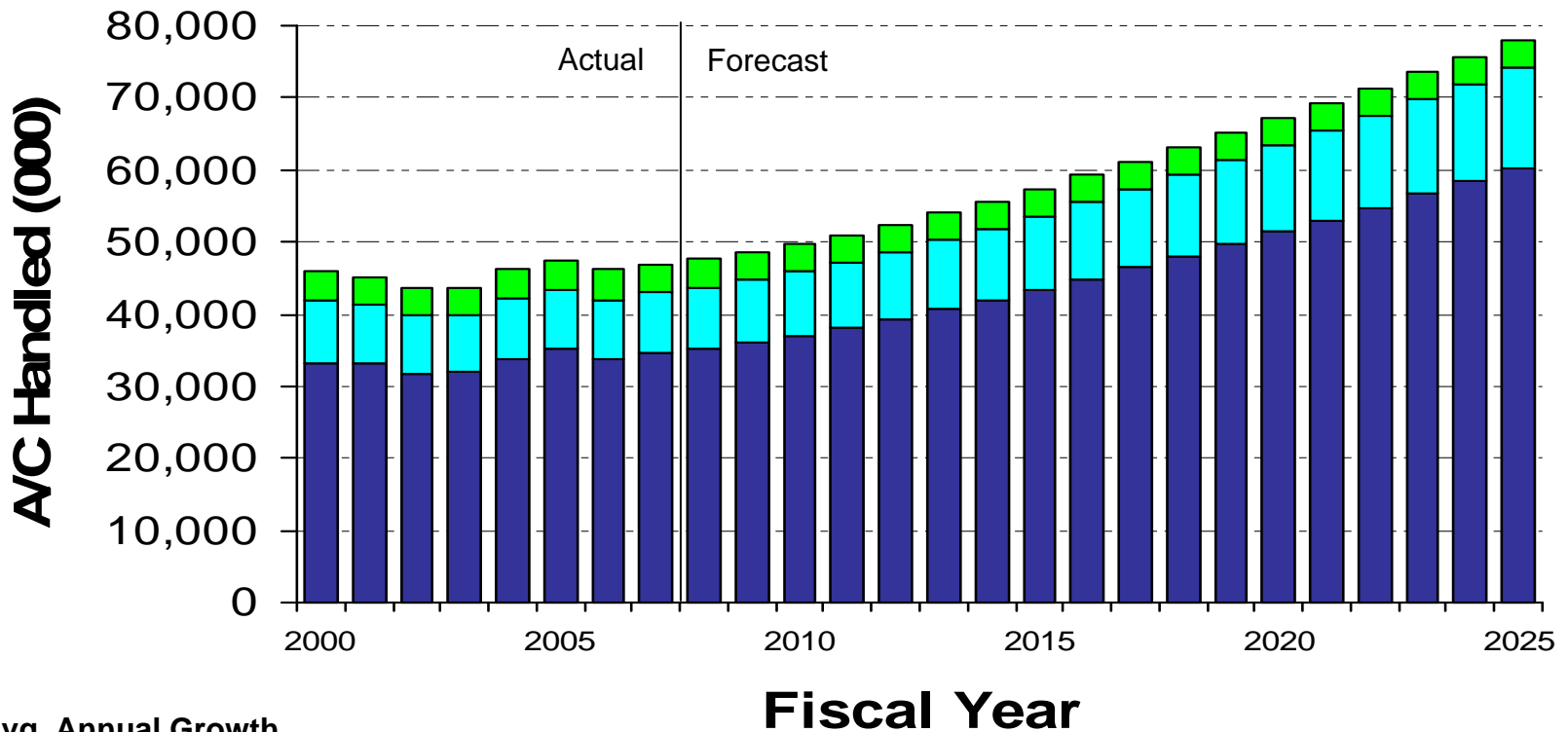
# En-Route Aircraft Handled



	Current	Prior
2007-2008:	1.8%	2.6%
2008-2020:	2.9%	3.2%
2008-2025:	3.0%	N/A



# En-Route Aircraft Handled



**2008-25 Avg. Annual Growth**

Commercial: 3.2%  
 General Aviation: 3.0%  
 Military: 0.0%



# Forecast Risks

- **Congestion – will it be severe enough to reduce demand?**
- **Will environmental concerns limit the growth in aviation?**
- **How much will high oil prices and a slow economy impact demand?**
- **How fast will VLJ demand grow and what is impact on workload?**
- **Terror attacks/Pandemic**

