



# Chapter One: Airport Air Service Inventories

## INTRODUCTION

The objective of this chapter is to gather and catalogue historic and current levels of airline service at commercial airports in Iowa. This chapter is based on a snapshot in time. Several airports have experienced changes in service since the completion of this chapter. These changes are not reflected in this analysis, but are taken into consideration in the development of recommendations later in this report.

Service and fare inventories were gathered for commercial airports in Iowa included in this study. These airports are listed below and are shown on **Exhibit 1-1**:

- Burlington – Southeast Iowa Regional Airport
- Cedar Rapids – The Eastern Iowa Airport
- Des Moines – Des Moines International Airport
- Dubuque – Dubuque Regional Airport
- Fort Dodge – Fort Dodge Regional Airport
- Mason City – Mason City Municipal Airport
- Sioux City – Sioux Gateway Airport
- Waterloo – Waterloo Regional Airport

**Exhibit 1-1**  
**Commercial Airports in Iowa**





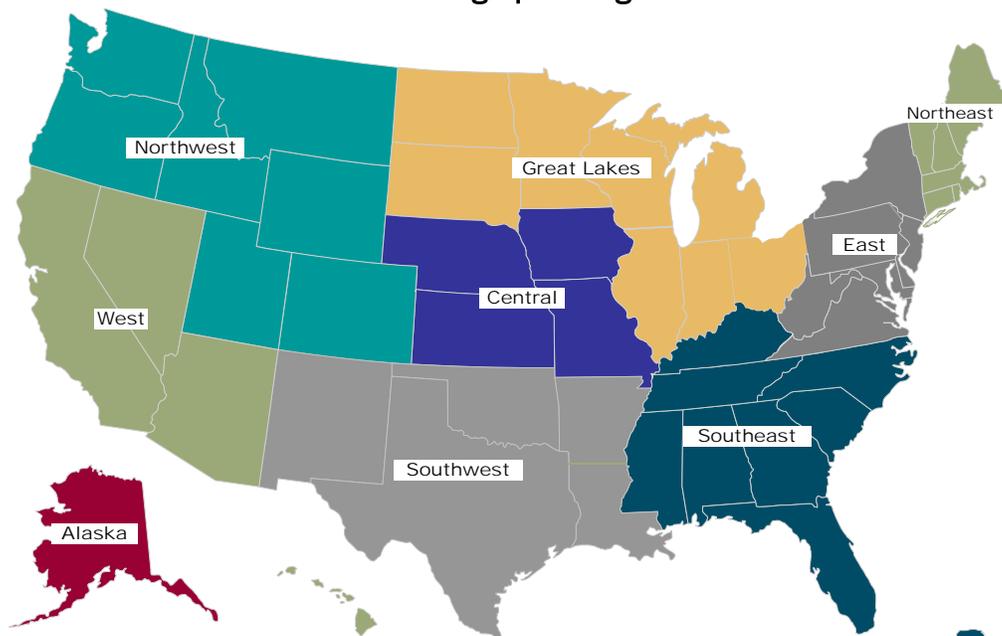
Historic information has also been collected for Border Airports<sup>1</sup> and Outlying Hub Airports<sup>2</sup>. To varying degrees, these additional airports play a role in meeting commercial air service needs in Iowa. This chapter also documents trends in air service and compares current air service levels among the commercial airports in Iowa, the Border Airports, and the Outlying Hub Airports. The following have been documented in this chapter:

- Annual enplanements;
- Airline connecting hubs served/nonstop service;
- Top origin and destination airports
- Average airfares; and
- Fare comparison to top origin and destination markets.

In addition, a comparison of annual enplanements and average airfares at commercial airports in Iowa, Border Airports, and Outlying Hubs has been conducted. Factors that historically resulted and that continue to result in lower fares at Outlying Hub Airports are also discussed.

Information used in this chapter was obtained from four sources. The Iowa Department of Transportation (DOT) provided data on airport enplanements. Data Base Products, Inc. was used as a source to compile top origin and destination markets, top regional destinations, and average airfares. APGDat and Back Aviation Solutions were sources used to compile current and historic connecting hubs served, nonstop service, and scheduled departing weekly seats. For discussions related to regional distribution of travel, a geographic breakdown of the United States as defined by the Federal Aviation Administration (FAA) has been used ( see **Exhibit 1-2**).

**Exhibit 1-2**  
**FAA Geographic Regions**



<sup>1</sup> Border airports include: La Crosse, WI; Moline, IL; Omaha, NE; Rochester, MN; and Sioux Falls, SD.

<sup>2</sup> Outlying hub airports include: Kansas City, MO; Minneapolis-St. Paul, MN; Chicago O'Hare, IL.; St. Louis, MO



## **BURLINGTON – SOUTHEAST IOWA REGIONAL AIRPORT (BRL)**

Southeast Iowa Regional Airport serves Southeast Iowa, West-Central Illinois, and Northeast Missouri. The Burlington, IA-IL Micropolitan Statistical Area encompasses a population of approximately 48,848. Air service at Southeast Iowa Regional Airport is subsidized by the US DOT's Essential Air Service Program.

Other commercial airports that are in the airport's extended service area include Quad City International Airport (Moline) 85 miles to the northeast, The Eastern Iowa Airport (Cedar Rapids) approximately 100 miles to the north, and Des Moines International Airport almost 200 miles to the northwest. This study will investigate what portion of Burlington's air traveler base may be attracted by these airports. Of Outlying Hub Airports, Kansas City International Airport is almost 300 miles to the southwest, Minneapolis-St. Paul International Airport is 375 miles north, Chicago O'Hare International Airport is 245 miles to the northeast, and Lambert-St. Louis International Airport is 185 miles to the south. Due to these distances, Outlying Hub Airports with the exception of St. Louis do not have a significant impact on passengers from Southeast Iowa Regional Airport.

At the start of this study, Southeast Iowa Regional Airport received daily service to St. Louis via RegionsAir. This carrier was affiliated with American Airlines (American Connection) and offered three daily flights between Southeast Iowa Regional Airport and Lambert-St. Louis International Airport. These three flights departed from Southeast Iowa Regional Airport in the early morning, late morning, and late afternoon. Passengers originating at Southeast Iowa Regional Airport flew to St. Louis on 19-seat Jetstream 32 turboprop aircraft. RegionsAir (formerly Corporate Airlines) provided service between Burlington and St. Louis since 2001.

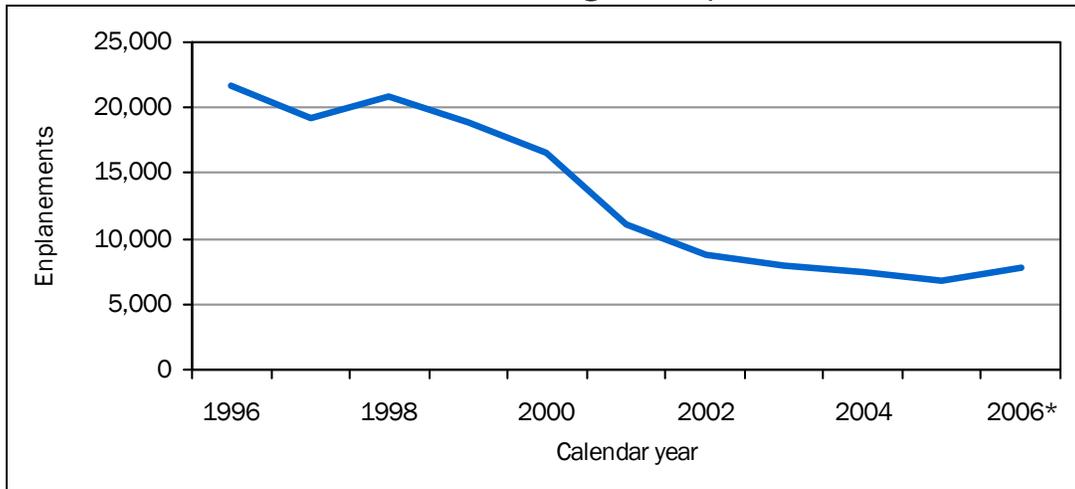
Since the completion of this chapter, RegionsAir ceased all operations. Southeast Iowa Regional Airport now has nonstop service by Great Lakes to Lambert-St. Louis and Kansas City International airports. This change is not reflected in this chapter.



## Annual Enplanements

**Exhibit 1-3** demonstrates the change in enplanements for Southeast Iowa Regional Airport from calendar year 1996 through 2006.

**Exhibit 1-3  
Enplanements  
Southeast Iowa Regional Airport**



Sources: Data Base Products, Inc. (1996); Iowa DOT (1997-2006);  
Note: 2006 = preliminary

Enplanements at Southeast Iowa Regional Airport decreased from 1996 through 2005. Enplanements decreased sharply from 1998 through 2001 due to service reductions and the impact of September 11, 2001. Enplanements continued to decline post-2001.



## Airline Connecting Hubs/Nonstop Service and Available Seats

Over the past 10 years, Southeast Iowa Regional Airport had commercial air service to the following airports: Chicago, IL (ORD), Ottumwa, IA, Quincy, IL, Springfield, IL, and St. Louis, MO. Some of this service was “tag” service. In other words, Southeast Iowa Regional and another airport/city were served by the same aircraft that connected both airports to a larger connecting hub. Both Chicago O’Hare International Airport and Lambert-St. Louis International Airport are considered connecting hubs. These hubs provide the community with connections to beyond destinations. Through 2000, the airport had service to both Chicago and St. Louis. At the time of this analysis, service was available only to St. Louis. **Table 1-1** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-1**  
**Nonstop Service and Available Seats**  
**Southeast Iowa Regional Airport**

Nonstop market	Average weekly departing seats						% change 1996-2006	CAGR 1996-2006
	1996	1998	2000	2002	2004	2006		
Chicago, IL (ORD)*	643	468	399	0	0	0	-100%	-100%
Ottumwa, IA	85	212	231	0	0	0	-100%	-100%
Quincy, IL	434	257	2	0	0	0	-100%	-100%
Springfield, IL	136	0	0	0	0	0	-100%	-100%
St Louis, MO*	471	459	465	341	342	342	-27%	-3%
<b>Total</b>	<b>1,768</b>	<b>1,397</b>	<b>1,097</b>	<b>341</b>	<b>342</b>	<b>342</b>	<b>-81%</b>	<b>-15%</b>
Sources: Back Aviation Solutions – CY 1996-2002; APGDat – CY 2004-2006 Notes: * Connecting hubs; CAGR = compounded annual growth rate								

As a result of service reductions, by 2002 Southeast Iowa Regional Airport only had commercial air service to St. Louis. Average weekly departing seats to St. Louis decreased from 1996 to 2006 by 27 percent, a compounded average decline of three percent. In total, average weekly departing seats at the airport declined 81 percent, representing a compounded annual decline of 15 percent which is higher than the compounded annual decline in enplaned passengers of 10 percent.



## Top Origin and Destination Markets

Southeast Iowa Regional Airport's top 30 origin and destination markets are shown in **Table 1-2**. This data shows where air travelers who use Southeast Iowa Regional Airport traveled to/from. The top markets as indicated in Table 1-4 are impacted by the limited service and non-interline bookings that are not accurately reflected in the data. This shortcoming in information overstates passenger traffic to the hub airport. With St. Louis hub service provided by American Connection, one-stop connecting destinations are limited. Often times, air travelers are forced to make double connections or use an airline that does not partner with American Connection (non-interline routing) to reach their final destination. Southwest Airlines' service at Lambert-St. Louis International Airport plays a large role in non-interline routings whereby air travelers purchase two tickets, one nonstop to St. Louis then an additional ticket on an alternate carrier, Southwest Airlines, to their final destination. These types of routings are not captured in the data presented in Table 1-4.

**Table 1-2**  
**Top 30 Origin and Destination Markets**  
**Southeast Iowa Regional Airport**

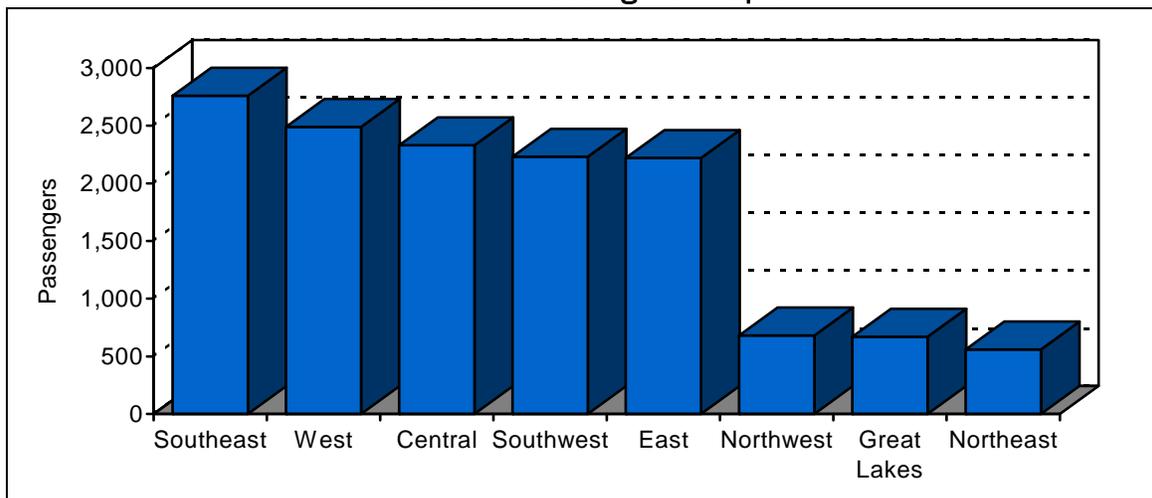
Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	St Louis, MO	2,060	15%	16	New York, NY (LGA)	270	2%
2	Dallas, TX (DFW)	880	6%	17	Raleigh/Durham, NC	260	2%
3	Los Angeles, CA	500	4%	18	San Francisco, CA	250	2%
4	Charlotte, NC	490	4%	19	Hartford, CT	240	2%
5	Washington, DC (DCA)	460	3%	20	Houston, TX (HOU)	240	2%
6	Philadelphia, PA	450	3%	21	Baltimore, MD	220	2%
7	Tampa, FL	390	3%	22	Wichita, KS	200	1%
8	Newark, NJ	380	3%	23	Oklahoma City, OK	200	1%
9	Phoenix, AZ	360	3%	24	Columbus, OH	190	1%
10	Nashville, TN	340	2%	25	Denver, CO	190	1%
11	San Diego, CA	300	2%	26	Las Vegas, NV	190	1%
12	Boston, MA	290	2%	27	Salt Lake City, UT	180	1%
13	Washington, DC (IAD)	290	2%	28	Orange County, CA	170	1%
14	Orlando, FL	280	2%	29	Seattle, WA	160	1%
15	Atlanta, GA	270	2%	30	Oakland, CA	150	1%
<b>Total top 30</b>						<b>10,850</b>	<b>78%</b>
<b>All markets</b>						<b>13,940</b>	<b>100%</b>

Source: Data Base Products, Inc. - year ended 6/30/06



Southeast Iowa Regional Airport's top destinations include St. Louis, Dallas (DFW), Los Angeles, Charlotte, and Washington, DC (DCA). An estimated 13,940 origin and destination passengers used Southeast Iowa Regional Airport during the year ended June 30, 2006. In addition to reviewing travel patterns on a market specific basis, it is useful to review the flow of traffic on a regional basis. **Exhibit 1-4** shows the regional distribution of air travelers (see Exhibit 1-2 for the states included in each of these regions).

**Exhibit 1-4**  
**Regional Market Distribution**  
**Southeast Iowa Regional Airport**



Source: Data Base Products, Inc. - year ended 6/30/06

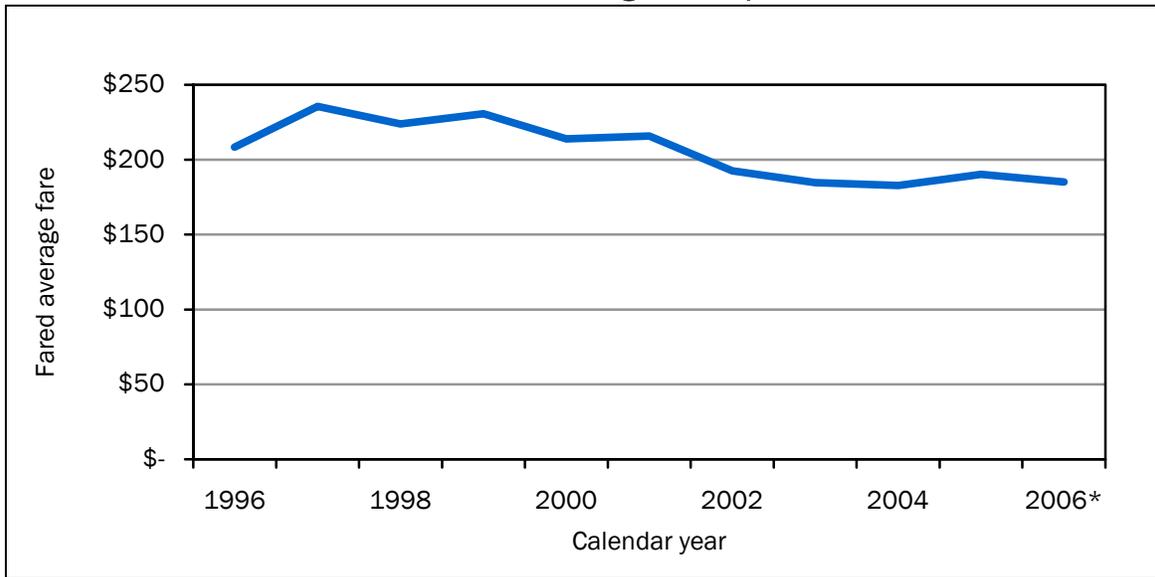
Of the airport's origin and destination passengers, 20 percent were destined for cities in the Southeast region, 18 percent for cities in the West region, and 17 percent for locations in the Central region. Of the top 10 origin and destination passenger markets, six were located in the Southeast or East regions, three in West and Southwest regions, and one in the Central region.



## Average Airfares

Average airfares fluctuated from 1996 to 2006 with an overall decline over the time period. **Exhibit 1-5** shows historic average one-way airfares from 1996 through 2006.

**Exhibit 1-5**  
**Historic Average Airfares**  
**Southeast Iowa Regional Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



Average airfares from 1996 through 2006 declined; however, airfares peaked at \$235 one-way in 1997 and reached a low of \$183 in 2004. Post calendar year 2001, fares remained relatively stable, ranging from \$183 to \$192 over the five-year period. **Table 1-3** provides domestic average one-way fares for the top 30 origin and destination markets.

**Table 1-3**  
**Average Airfares to Top Markets**  
**Southeast Iowa Regional Airport**

Rank	Destination airport	Average fare	Rank	Destination airport	Average fare
1	St Louis, MO	\$98	16	New York, NY (LGA)	\$151
2	Dallas, TX (DFW)	\$190	17	Raleigh/Durham, NC	\$153
3	Los Angeles, CA	\$175	18	San Francisco, CA	\$221
4	Charlotte, NC	\$156	19	Hartford, CT	\$255
5	Washington, DC (DCA)	\$150	20	Houston, TX (HOU)	\$164
6	Philadelphia, PA	\$188	21	Baltimore, MD	\$245
7	Tampa, FL	\$202	22	Wichita, KS	\$257
8	Newark, NJ	\$164	23	Oklahoma City, OK	\$184
9	Phoenix, AZ	\$242	24	Columbus, OH	\$178
10	Nashville, TN	\$125	25	Denver, CO	\$200
11	San Diego, CA	\$193	26	Las Vegas, NV	\$219
12	Boston, MA	\$190	27	Salt Lake City, UT	\$231
13	Washington, DC (IAD)	\$153	28	Orange County, CA	\$215
14	Orlando, FL	\$154	29	Seattle, WA	\$245
15	Atlanta, GA	\$248	30	Oakland, CA	\$273
<b>All markets</b>					<b>\$185</b>
Source: Data Base Products, Inc. - year ended 6/30/06 Note: Domestic; one-way; Does NOT include taxes, PFC, or non-fare passengers.					

Of the top 30 origin and destination markets, St. Louis had the lowest one-way average fare at \$98. Thirteen of the 30 top markets had average fares of over \$200 each way. Oakland, CA had the highest one-way average fare at \$273. The average fare for all domestic markets at Southeast Iowa Regional Airport was \$185 for the year ended June 30, 2006.



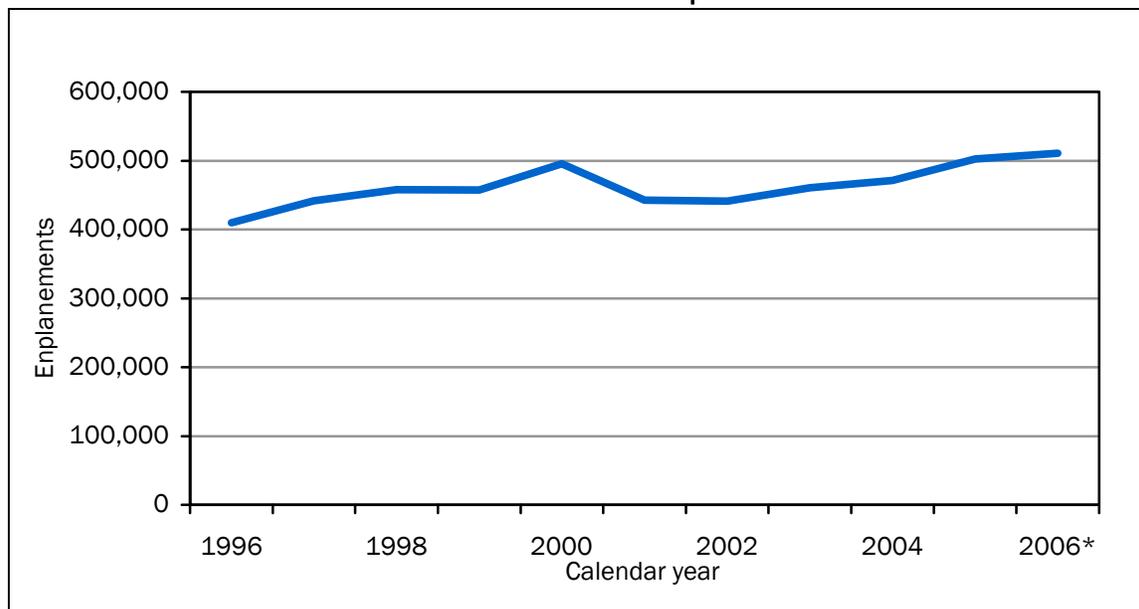
## CEDAR RAPIDS – THE EASTERN IOWA AIRPORT (CID)

The Eastern Iowa Airport serves an area that includes the Cedar Rapids, Iowa City, and Marion communities. The Cedar Rapids, IA Metropolitan Statistical Area (MSA) encompasses a population of approximately 249,787. To some extent, The Eastern Iowa Airport's air service offerings allow it to entice air travelers from other airport catchment areas. Airports with overlying service areas for The Eastern Iowa Airport include Quad City International Airport (Moline), Chicago-O'Hare, and Des Moines International Airport. Quad City International is located approximately 85 miles to the southeast and Des Moines International Airport is 130 miles to the west. Chicago O'Hare International Airport is more distant at approximately 240 miles to the east. Of the Outlying Hub Airports other than Chicago O'Hare, Kansas City is almost 320 miles to the southwest, and Minneapolis-St. Paul is 280 miles north. Chicago O'Hare is the only Outlying Hub Airport that has an impact on air service at The Eastern Iowa Airport.

### Annual Enplanements

Enplanements at The Eastern Iowa Airport have increased overall since calendar year 1996. **Exhibit 1-6** shows enplanements from calendar year 1996 through 2006.

**Exhibit 1-6**  
**Enplanements**  
**The Eastern Iowa Airport**



Source: Iowa DOT  
Note: 2006 = preliminary

Enplanements at The Eastern Iowa Airport increased from 1996 through 2000 peaking in 2000 at 495,394 enplanements. Enplanements decreased slightly from 2000 to 2002 reflecting the impact of September 11, 2001. Post 2002, enplanements rebounded through 2005 reaching 502,586



enplanements. The increase in enplanements continued through 2006, with an increase in enplanements of 2.0 percent.

### Airline Connecting Hubs/Nonstop Service and Available Seats

The Eastern Iowa Airport offers the second highest level of air service of all commercial airports in Iowa, second only to Des Moines International Airport. Over the past 10 years, The Eastern Iowa Airport added several new nonstop markets; however, overall average weekly departing seats declined. **Table 1-4** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-4**  
**Nonstop Service and Available Seats**  
**The Eastern Iowa Airport**

Nonstop market	Average weekly departing seats						% change 1996-2006	CAGR 1996- 2006
	1996	1998	2000	2002	2004	2006		
Atlanta, GA*	0	0	0	0	0	350	100%	100%
Bullhead City, AZ	0	0	0	6	0	168	100%	100%
Chicago, IL (MDW)	359	0	0	340	952	0	-100%	-100%
Chicago, IL (ORD)*	5,537	5,809	5,554	5,478	5,624	5,174	-7%	-1%
Cincinnati, OH*	773	1,341	1,401	1,333	1,079	886	15%	1%
Dallas, TX (DFW)*	0	0	772	1,033	1,319	1,640	100%	100%
Denver, CO*	1,589	1,596	1,656	1,365	1,460	1,305	-18%	-2%
Detroit, MI*	0	0	0	476	1,117	975	100%	100%
Kansas City, MO*	606	606	672	337	0	0	-100%	-100%
Las Vegas, NV	0	0	0	0	600	675	100%	100%
Milwaukee, WI*	0	0	186	0	0	0	0%	100%
Minneapolis, MN*	3,049	2,976	2,933	2,724	2,901	2,113	-31%	-4%
Moline, IL	0	0	159	0	0	0	0%	0%
Pittsburgh, PA*	0	0	0	160	0	0	0%	0%
Sanford, FL	0	0	0	0	0	300	100%	100%
St Louis, MO*	4,038	4,523	5,724	3,006	604	740	-82%	-16%
<b>Total</b>	<b>15,951</b>	<b>16,851</b>	<b>19,058</b>	<b>16,259</b>	<b>15,656</b>	<b>14,326</b>	<b>-10%</b>	<b>-1%</b>

Sources: Back Aviation Solutions - CY 1996-2002; APGDat - CY 2004-2006  
Notes: \* Connecting hubs; CAGR = compounded annual growth rate

From 1996 to 2006, nonstop service was added to Atlanta, GA, Bullhead City, AZ, Dallas, TX, Detroit, MI, Las Vegas, NV, and Sanford, FL. It is worth noting that some of the service to Bullhead City is provided by schedule charter carrier, Sun Country and occurs only a few times per year. Air service was lost to only one nonstop market, Kansas City, MO. Service to Chicago (MDW), Milwaukee, WI, Moline, IL, and Pittsburgh, PA has been intermittent. In terms of average weekly departing seats, overall, seats declined 10 percent, representing a one percent compounded annual decline while enplanements increased by a compounded annual growth rate of two percent. The most significant seat reductions occurred for the Chicago (ORD), Denver, Minneapolis, and St. Louis markets, with seats to St. Louis declining 82 percent.



## Top Origin and Destination Markets

In addition to the 11 nonstop markets available, nonstop service provides a large selection of one-stop and double connection market opportunities. **Table 1-5** provides the top 30 origin and destination markets to/from The Eastern Iowa Airport.

**Table 1-5**  
**Top 30 Origin and Destination Markets**  
**The Eastern Iowa Airport**

Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Las Vegas, NV	74,940	8%	16	San Francisco, CA	15,180	2%
2	Dallas, TX (DFW)	39,940	5%	17	Atlanta, GA	13,970	2%
3	Denver, CO	35,560	4%	18	Newark, NJ	13,660	2%
4	Chicago, IL (ORD)	31,230	4%	19	Baltimore, MD	13,230	1%
5	Phoenix, AZ	26,600	3%	20	Tampa, FL	12,820	1%
6	Washington, DC (DCA)	25,270	3%	21	Sanford, FL	12,760	1%
7	Los Angeles, CA	23,480	3%	22	St Louis, MO	11,430	1%
8	New York, NY (LGA)	22,940	3%	23	Cincinnati, OH	10,870	1%
9	Orlando, FL	22,060	2%	24	Raleigh/Durham, NC	10,090	1%
10	Detroit, MI	21,520	2%	25	Portland, OR	9,900	1%
11	Seattle, WA	19,760	2%	26	Orange County, CA	9,890	1%
12	Minneapolis, MN	19,190	2%	27	Houston, TX (IAH)	9,750	1%
13	San Diego, CA	17,400	2%	28	Washington, DC (IAD)	9,520	1%
14	Boston, MA	16,310	2%	29	San Antonio, TX	8,400	1%
15	Philadelphia, PA	16,270	2%	30	Nashville, TN	7,790	1%
<b>Total top 30</b>						<b>581,730</b>	<b>66%</b>
<b>All markets</b>						<b>885,280</b>	<b>100%</b>

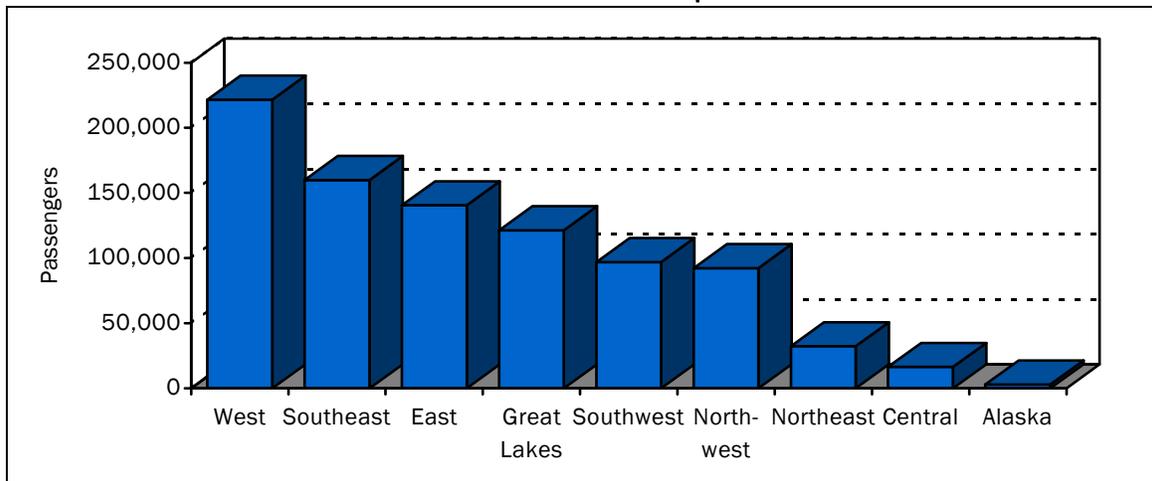
Source: Data Base Products, Inc.; year ended 6/30/2006

Las Vegas, NV, Dallas, TX, and Denver, CO are the top three origin and destination markets for The Eastern Iowa Airport. Approximately eight percent of The Eastern Iowa Airport air travelers are destined for Las Vegas. Of the top 10 markets, five have nonstop service. An estimated 885,280 origin and destination passengers used The Eastern Iowa Airport during the year ended June 30, 2006.



In addition to reviewing demand on a market specific basis, it is useful to review the flow of traffic on a regional basis. **Exhibit 1-7** provides the regional distribution of air travelers (see Exhibit 1-2 for the geographic breakdown of regions).

**Exhibit 1-7**  
**Regional Market Distribution**  
**The Eastern Iowa Airport**



Source: Data Base Products, Inc. – year ended 6/30/06

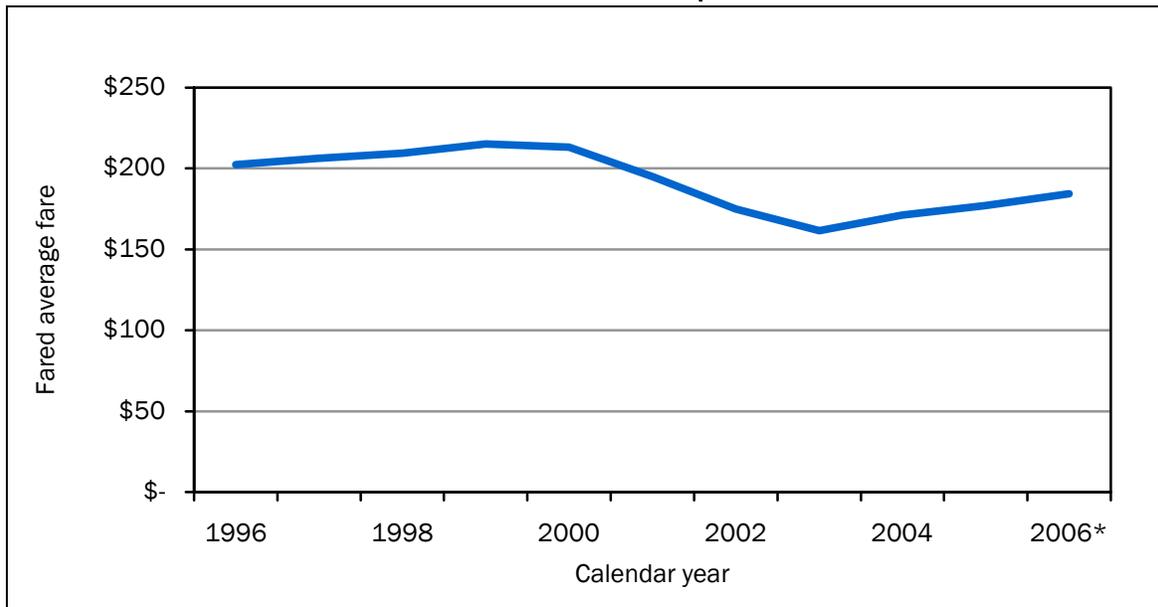
Of the region's origin and destination passenger traffic, approximately 25 percent of domestic air travelers were destined for locations in the West region. Eighteen percent and 16 percent were destined to the Southeast and East regions, respectively. Overall, almost 50 percent of the area's air travelers are traveling to points west of Iowa. Of the top 10 origin and destination passenger markets, three were located in the West region, two in each of the East and Great Lakes regions, and one in each of Northwest, Southwest, and Southeast regions.



## Average Airfares

During the time period from 1996 to 2006, one-way average airfares at The Eastern Iowa Airport fluctuated from a high in 1999 of \$215 to a low in 2003 of \$162. **Exhibit 1-8** shows historic average airfares from 1996 through 2006.

**Exhibit 1-8**  
**Historic Average Airfares**  
**The Eastern Iowa Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



With fluctuations in the intervening years, average airfares from 1996 through 2006 declined nine percent with an average one-way fare of \$202 in 1996 and an average one-way fare of \$184 in 2006. Over the period, fares increased from 1996 through 2000 then declined through 2003. Post 2003, fares increased through 2006 and have nearly returned to the 1996 level. **Table 1-6** provides domestic one-way average fares for the top 30 origin and destination markets.

**Table 1-6  
Average Airfares to Top Markets  
The Eastern Iowa Airport**

Rank	Destination airport	Average fare	Rank	Destination airport	Average fare
1	Las Vegas, NV	\$130	16	San Francisco, CA	\$233
2	Dallas, TX (DFW)	\$198	17	Atlanta, GA	\$181
3	Denver, CO	\$176	18	Newark, NJ	\$187
4	Chicago, IL (ORD)	\$151	19	Baltimore, MD	\$165
5	Phoenix, AZ	\$196	20	Tampa, FL	\$180
6	Washington, DC (DCA)	\$156	21	Sanford, FL	\$98
7	Los Angeles, CA	\$205	22	St Louis, MO	\$117
8	New York, NY (LGA)	\$161	23	Cincinnati, OH	\$207
9	Orlando, FL	\$170	24	Raleigh/Durham, NC	\$150
10	Detroit, MI	\$132	25	Portland, OR	\$218
11	Seattle, WA	\$233	26	Orange County, CA	\$268
12	Minneapolis, MN	\$200	27	Houston, TX (IAH)	\$190
13	San Diego, CA	\$206	28	Washington, DC (IAD)	\$168
14	Boston, MA	\$175	29	San Antonio, TX	\$173
15	Philadelphia, PA	\$172	30	Nashville, TN	\$147
<b>All markets</b>					<b>\$184</b>
Source: Data Base Products, Inc. - year ended 6/30/06					
Note: Domestic; One-way; does NOT include taxes, PFC, or non-fare passengers					

Of The Eastern Iowa Airport's top 30 origin and destination markets, Sanford, FL had the lowest one-way average fare at \$98 reflecting the nonstop, low-fare carrier service available from Allegiant Air. Eight of the top 30 markets had average fares of over \$200 each way. Orange County, CA had the highest one-way average fare at \$268. The average fare for all domestic markets at The Eastern Iowa Airport was \$184 for the year ended June 30, 2006.



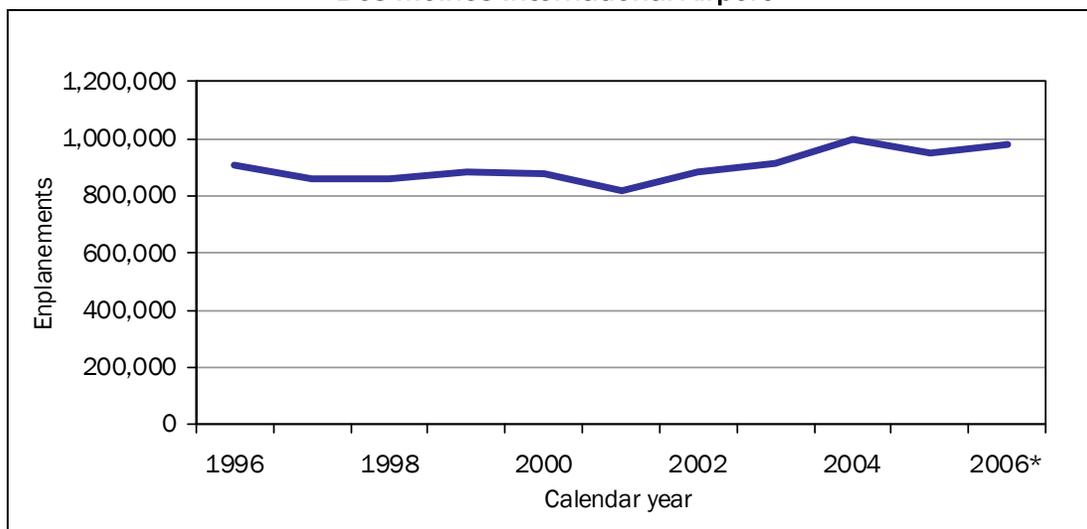
## DES MOINES – DES MOINES INTERNATIONAL AIRPORT (DSM)

Des Moines International Airport is the largest commercial airport in the state of Iowa. With the largest number of nonstop service options of commercial airports in Iowa and its central Iowa location, Des Moines International Airport serves a large portion of the state. Although this airport serves more than just the MSA, the Des Moines, IA MSA has a population of approximately 528,343. Airports with overlying service areas are Eppley Airfield (Omaha) approximately 140 miles to the west and Kansas City 190 miles to the south. Of the other Outlying Hub Airports, Chicago O'Hare is 335 miles to the east, and Minneapolis/St. Paul is 245 miles to the north. Because of the distances, these Outlying Hub Airports do not have much impact on diverting demand from Des Moines International Airport.

### Annual Enplanements

Overall, enplanements at Des Moines International Airport increased from calendar year 1996 to 2006. **Exhibit 1-9** shows historic enplanements for Des Moines International Airport from calendar year 1996 through 2006.

**Exhibit 1-9**  
**Enplanements**  
**Des Moines International Airport**



Source: Iowa DOT  
Note: 2006 = preliminary

Enplanements at Des Moines International Airport increased from 1996 through 2006 with a peak in 2004 of 997,655. Enplanements reached a low in 2001 attributed to September 11, 2001. Enplanements surpassed the previous 1999 peak in 2003, continued to increase through 2004, then declined by almost five percent in 2005. Enplanements surpassed 2005 levels in 2006 by almost six percent.



## Airline Connecting Hubs/Nonstop Service and Available Seats

Des Moines International Airport users have a large selection of nonstop service options from the airport. Des Moines International Airport has 18 nonstop destinations and an average of 25,921 weekly departing seats. **Table 1-7** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-7**  
**Nonstop Service and Available Seats**  
**Des Moines International Airport**

Nonstop market	Average weekly departing seats						% change 1996- 2006	CAGR 1996- 2006
	1996	1998	2000	2002	2004	2006		
Atlanta, GA*	0	0	1,053	1,046	1,283	1,101	100%	100%
Bullhead City, AZ	0	0	0	7	168	168	100%	100%
Chicago, IL (MDW)	2,330	394	838	1,136	1,023	0	-100%	-100%
Chicago, IL (ORD)*	5,815	5,527	6,107	6,191	6,532	6,280	8%	1%
Cincinnati, OH*	1,382	1,750	2,042	1,695	1,828	1,195	-14%	-1%
Colorado Springs, CO	0	0	113	0	0	0	0%	0%
Dallas, TX (DFW)*	1,912	1,907	1,517	1,814	2,230	2,413	26%	2%
Denver, CO*	4,246	4,179	3,740	2,695	3,617	3,209	-24%	-3%
Detroit, MI*	1,363	995	1,046	906	1,555	1,417	4%	0%
Houston, TX (IAH)*	0	0	0	304	710	580	100%	100%
Indianapolis, IN	0	0	310	0	0	0	0%	0%
Kansas City, MO*	3,406	851	856	815	616	0	-100%	-100%
Las Vegas, NV	35	0	0	0	963	994	100%	40%
Los Angeles, CA	0	0	113	0	0	0	0%	0%
Memphis, TN*	0	0	281	649	758	1,067	100%	100%
Milwaukee, WI*	442	436	706	686	517	591	34%	3%
Minneapolis, MN*	3,689	3,330	3,246	3,405	3,837	3,019	-18%	-2%
Moline, IL	1	288	197	0	0	0	-100%	-100%
New York, NY (LGA)	0	0	0	0	0	224	100%	100%
Newark, NJ*	0	0	0	221	0	0	0%	0%
Omaha, NE	488	0	0	0	0	0	-100%	-100%
Orlando, FL	0	197	0	0	0	0	100%	100%
Phoenix, AZ*	1,056	1,163	1,372	1,673	822	987	-7%	-1%
Salt Lake City, UT*	0	0	0	649	0	329	100%	100%
Sanford, FL	0	0	0	0	0	550	100%	100%
St Louis, MO*	4,318	4,562	5,175	4,017	955	1,403	-68%	-11%
Washington, DC (DCA)	0	0	97	362	528	394	100%	100%
<b>Total</b>	<b>30,482</b>	<b>25,579</b>	<b>28,812</b>	<b>28,269</b>	<b>27,942</b>	<b>25,921</b>	<b>-15%</b>	<b>-2%</b>
Sources: Back Aviation Solutions - CY 1996-2002; APGDat - CY 2004-2006								
Notes: * Connecting hubs; CAGR = compounded annual growth rate								



Des Moines International Airport gained nonstop air service to several markets since 1996 including: Atlanta, GA; Bullhead City, AZ; Houston, TX; Las Vegas, NV; Memphis, TN; New York, NY (LGA); Salt Lake City, UT; Sanford, FL; and Washington, DC (DCA). It is worth noting that the new service to Bullhead City is provided by scheduled charter carrier, Sun Country. Service was lost only to Chicago Midway and Kansas City, MO. Overall average weekly departing seats are down by 15 percent compared to 1996 with enplanements up eight percent. This is largely attributable to the loss of Chicago Midway service and seat reductions associated with Denver, CO, Minneapolis/St. Paul, MN, and St. Louis, MO. St. Louis lost 68 percent of its available seats since 1996. The decline in seats at St. Louis was largely a result of American Airlines' overall service reduction to this hub.

### Top Origin and Destination Markets

With eight airlines offering nonstop service to 18 markets, air travelers using Des Moines International Airport have access to a large selection of nonstop, one-stop, and double connect markets. **Table 1-8** provides the top 30 origin and destination markets for Des Moines International Airport.

**Table 1-8**  
**Top 30 Origin and Destination Markets**  
**Des Moines International Airport**

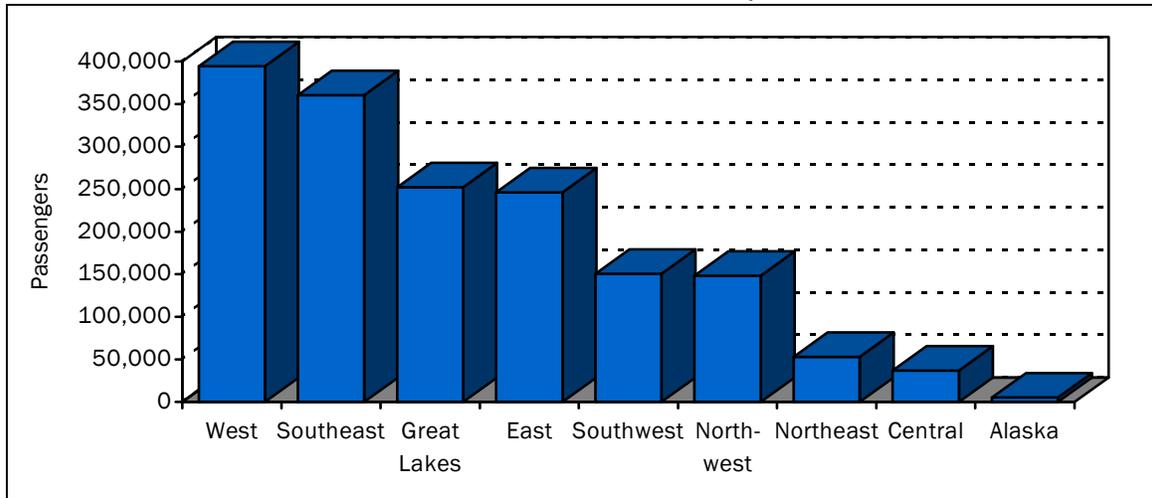
Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Las Vegas, NV	103,660	6%	16	Boston, MA	26,950	2%
2	Phoenix, AZ	89,660	5%	17	Houston, TX (IAH)	25,970	2%
3	Chicago, IL (ORD)	86,920	5%	18	Minneapolis, MN	25,540	2%
4	Denver, CO	61,240	4%	19	Seattle, WA	24,840	2%
5	Washington, DC (DCA)	58,930	4%	20	Detroit, MI	24,730	2%
6	Dallas, TX (DFW)	56,150	3%	21	San Diego, CA	23,850	1%
7	Orlando, FL	50,280	3%	22	Memphis, TN	22,860	1%
8	New York, NY (LGA)	49,580	3%	23	Newark, NJ	20,670	1%
9	Atlanta, GA	46,980	3%	24	Baltimore, MD	18,960	1%
10	Sanford, FL	39,250	2%	25	Fort Lauderdale, FL	18,600	1%
11	Los Angeles, CA	36,960	2%	26	Portland, OR	18,530	1%
12	St Louis, MO	35,600	2%	27	Fort Myers, FL	17,220	1%
13	San Francisco, CA	30,720	2%	28	Cincinnati, OH	16,230	1%
14	Philadelphia, PA	28,430	2%	29	San Antonio, TX	16,160	1%
15	Tampa, FL	27,430	2%	30	Milwaukee, WI	16,110	1%
<b>Total top 30</b>						<b>1,119,010</b>	<b>68%</b>
<b>All markets</b>						<b>1,647,680</b>	<b>100%</b>
Source: Data Base Products, Inc.; year ended 6/30/2006							

The airport's top five markets include Las Vegas, NV, Phoenix, AZ, Chicago, IL, Denver, CO, and Washington, DC (DCA) which all have nonstop service from Des Moines International Airport. The only top 10 market that does not have nonstop service is Orlando; however, Allegiant Air's service to Sanford provides access to the Orlando area. An estimated 1,647,680 origin and destination passengers used Des Moines International Airport during the year ended June 30, 2006.



In addition to reviewing origin and destination passenger demand on a market specific basis, this study reviews the flow of traffic on a regional basis. **Exhibit 1-10** shows the regional distribution of air travelers (see Exhibit 1-2 for the geographic breakdown of regions).

**Exhibit 1-10**  
**Regional Market Distribution**  
**Des Moines International Airport**



Source: Data Base Products, Inc. – year ended 6/30/06

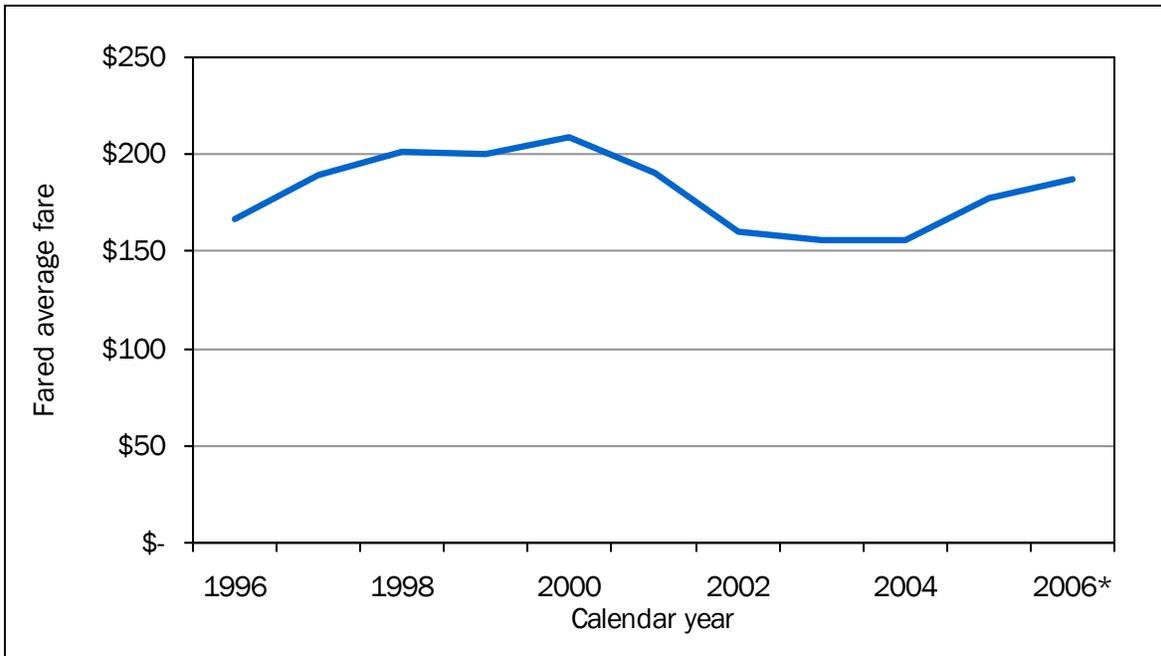
Almost 50 percent of air travelers using this airport were destined for locations in the West or Southeast regions. Twenty-four percent were destined for cities in the West region, and 22 percent were destined for the Southeast region. Fifteen percent of air travelers were destined to each of the Great Lakes and East regions. Overall, 44 percent of air travelers were destined for points west of Iowa. Of the top 10 origin and destination passenger markets, three were located in the Southeast region, two in each of the East and West regions, and one in each of Great Lakes, Northwest, and Southwest regions.



**Average Airfares**

Exhibit 1-11 shows historic average airfares for this airport from 1996 through 2006.

**Exhibit 1-11  
Historic Average Airfares  
Des Moines International Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



The airport's average domestic one-way airfares increased from 1996 through 2000 then decreased through 2004. Airfares increased in 2005 and continued to increase through the year ended June 30, 2006. Average airfares at Des Moines International Airport peaked at \$209 in 2000 and reached a low in 2003 at \$155. **Table 1-9** provides domestic average one-way fares for the top 30 origin and destination markets.

**Table 1-9**  
**Average Airfares to Top Markets**  
**Des Moines International Airport**

Rank	Destination airport	Average fare	Rank	Destination airport	Average fare
1	Las Vegas, NV	\$134	16	Boston, MA	\$175
2	Phoenix, AZ	\$177	17	Houston, TX (IAH)	\$223
3	Chicago, IL (ORD)	\$190	18	Minneapolis, MN	\$227
4	Denver, CO	\$189	19	Seattle, WA	\$216
5	Washington, DC (DCA)	\$154	20	Detroit, MI	\$152
6	Dallas, TX (DFW)	\$200	21	San Diego, CA	\$209
7	Orlando, FL	\$140	22	Memphis, TN	\$135
8	New York, NY (LGA)	\$179	23	Newark, NJ	\$216
9	Atlanta, GA	\$207	24	Baltimore, MD	\$162
10	Sanford, FL	\$101	25	Fort Lauderdale, FL	\$160
11	Los Angeles, CA	\$196	26	Portland, OR	\$224
12	St Louis, MO	\$129	27	Fort Myers, FL	\$168
13	San Francisco, CA	\$206	28	Cincinnati, OH	\$186
14	Philadelphia, PA	\$184	29	San Antonio, TX	\$169
15	Tampa, FL	\$152	30	Milwaukee, WI	\$164
<b>All markets</b>					<b>\$187</b>
Source: Data Base Products, Inc. - year ended 6/30/06 Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers.					

Of the top 30 origin and destination markets, Sanford, FL had the lowest one-way average fare at \$101 reflecting the nonstop, low-fare carrier service available from Allegiant Air. Nine of the top 30 markets had average fares of over \$200 each way. Minneapolis, MN had the highest one-way average fare at \$227 even though nonstop service is available to Minneapolis/St. Paul via Northwest Airlines. The average fare for all domestic markets at Des Moines International Airport was \$187 for the year ended June 30, 2006.



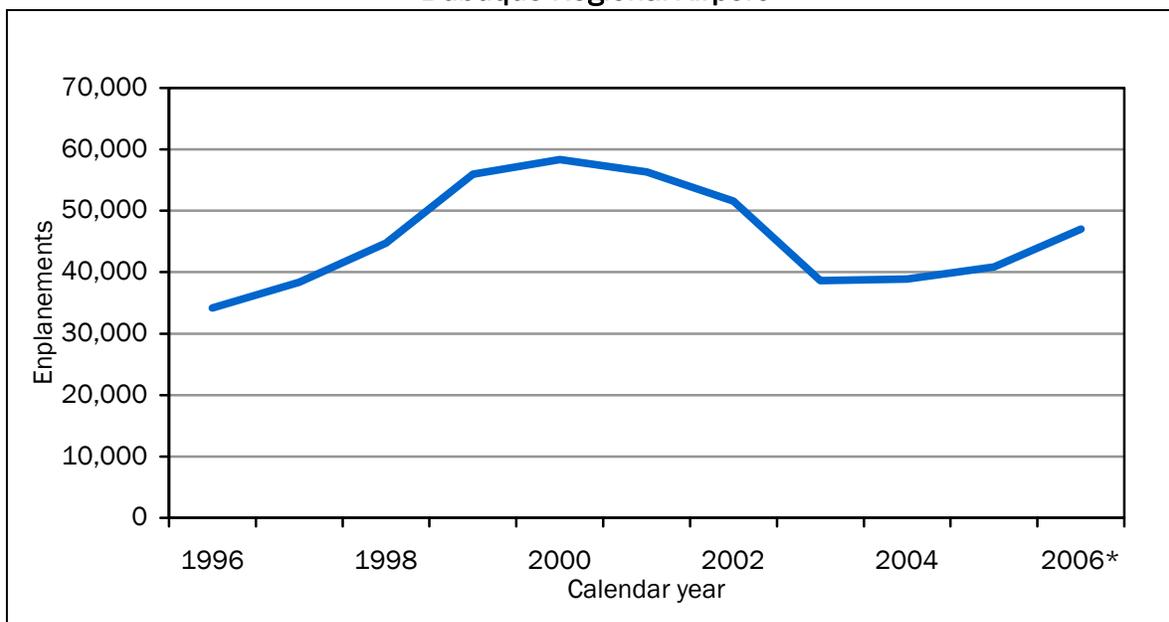
## DUBUQUE – DUBUQUE REGIONAL AIRPORT (DBQ)

Dubuque Regional Airport, located in northeast Iowa, primarily serves the Dubuque and outlying communities. The Dubuque, IA MSA encompasses a population of approximately 92,165. Airports with overlying service areas are The Eastern Iowa Airport (Cedar Rapids) 80 miles to the southwest and Quad City International Airport (Moline) 80 miles to the south. Located approximately 100 miles to the northeast, some area air travelers use Madison’s Dane County Regional Airport for air travel. Although more distant at 175 miles to the east, Chicago O’Hare International Airport draws air travelers from the area. Both Kansas City International Airport and Minneapolis-St. Paul International Airport are over 300 miles from Dubuque Regional Airport and do not impact passengers.

### Annual Enplanements

Enplanements at Dubuque Regional Airport fluctuated significantly from calendar year 1996. **Exhibit 1-12** shows the change in enplanements for Dubuque Regional Airport from calendar year 1996 through 2006.

**Exhibit 1-12**  
**Enplanements**  
**Dubuque Regional Airport**



Source: Iowa DOT  
Note: 2006 = preliminary

Enplanements at Dubuque Regional Airport increased significantly, 71 percent, from 1996 through 2000. Post 2000, enplanements began a decline continuing through 2003 reaching a low of 38,599. In 2004 and 2005, enplanements gradually increased. In 2006, enplanements increased significantly with a year-over-year increase of 15 percent.



### Airline Connecting Hubs/Nonstop Service and Available Seats

Since 1996, Dubuque Regional Airport has had commercial air service to Chicago O'Hare International Airport. Chicago O'Hare is considered a connecting hub and provides the community with numerous connections to beyond destinations. **Table 1-10** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-10**  
**DBQ Nonstop Service and Available Seats**  
**Dubuque Regional Airport**

Nonstop market	Average weekly departing seats						% change 1996- 2006	CAGR 1996- 2006
	1996	1998	2000	2002	2004	2006		
Chicago, IL (ORD)*	951	1,350	1,762	990	1,091	1,323	39%	3%
La Crosse, WI	148	0	0	1	0	0	-100%	-100%
Mason City, IA	0	84	0	0	0	0	0%	0%
Minneapolis, MN*	501	702	829	677	0	0	-100%	-100%
Rockford, IL	210	18	293	0	0	0	-100%	-100%
Spencer, IA	0	43	170	0	0	0	0%	0%
Waterloo, IA	175	107	0	0	0	0	-100%	-100%
<b>Total</b>	<b>1,985</b>	<b>2,304</b>	<b>3,054</b>	<b>1,668</b>	<b>1,091</b>	<b>1,323</b>	<b>-33%</b>	<b>-4%</b>

Sources: Back Aviation Solutions - CY 1996-2002; APGDat - CY 2004-2006  
 Notes: \* Connecting hubs; CAGR = compounded annual growth rate

From 1996 to 2006, Dubuque Regional Airport's average weekly departing seats to Chicago O'Hare International Airport fluctuated but resulted in an overall increase from 1996 to 2006 of 39 percent. Overall, departing seats declined by 33 percent due primarily to the loss of nonstop hub service to Minneapolis-St. Paul International Airport post 2002 with enplanements increasing over the same period by 37 percent.



## Top Origin and Destination Markets

Chicago O'Hare service at Dubuque Regional Airport provides a large selection of one-stop and double connect market opportunities; however, nonstop service opportunities at the airport are limited to O'Hare. **Table 1-11** provides the top 30 origin and destination markets for the year ended June 30, 2006.

**Table 1-11**  
**Top 30 Origin and Destination Markets**  
**Dubuque Regional Airport**

Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Chicago, IL (ORD)	4,700	6%	16	Denver, CO	1,690	2%
2	New York, NY (LGA)	4,160	5%	17	Houston, TX (IAH)	1,600	2%
3	Phoenix, AZ	3,570	4%	18	Raleigh/Durham, NC	1,550	2%
4	Los Angeles, CA	3,100	4%	19	Miami, FL	1,360	2%
5	Washington, DC (DCA)	2,500	3%	20	Baltimore, MD	1,330	2%
6	Dallas, TX (DFW)	2,430	3%	21	Detroit, MI	1,300	2%
7	Orlando, FL	2,410	3%	22	Charlotte, NC	1,230	1%
8	Las Vegas, NV	2,350	3%	23	Tampa, FL	1,220	1%
9	Philadelphia, PA	2,170	3%	24	San Antonio, TX	1,130	1%
10	Boston, MA	2,150	3%	25	Columbus, OH	1,120	1%
11	San Francisco, CA	1,990	2%	26	Hartford, CT	1,070	1%
12	Atlanta, GA	1,960	2%	27	Orange County, CA	1,060	1%
13	San Diego, CA	1,930	2%	28	Cleveland, OH	1,000	1%
14	Newark, NJ	1,920	2%	29	Austin, TX	990	1%
15	Seattle, WA	1,790	2%	30	San Jose, CA	890	1%
<b>Total top 30</b>						<b>57,670</b>	<b>70%</b>
<b>All markets</b>						<b>82,340</b>	<b>100%</b>

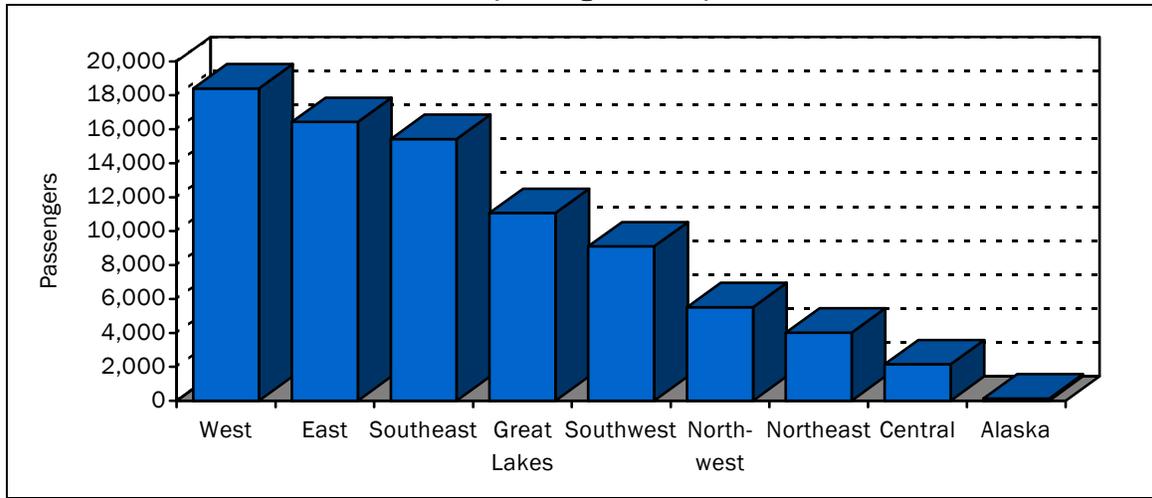
Source: Data Base Products, Inc. - year ended 6/30/06

Chicago O'Hare is Dubuque Regional Airport's top destination market. Chicago O'Hare represents six percent of total domestic origin and destination passengers. New York, NY (LGA), Phoenix, AZ, Los Angeles, CA, and Washington, DC (DCA) make up the remaining top five markets. An estimated 82,340 origin and destination passengers used Dubuque Regional Airport during the 12-month period.



In addition to the market review shown above, a review of the flow of traffic on a regional basis was completed. **Exhibit 1-13** shows the regional distribution of air travelers (see Exhibit 1-2 for the geographic breakdown of regions).

**Exhibit 1-13**  
**Regional Market Distribution**  
**Dubuque Regional Airport**



Source: Data Base Products, Inc. - year ended 6/30/06

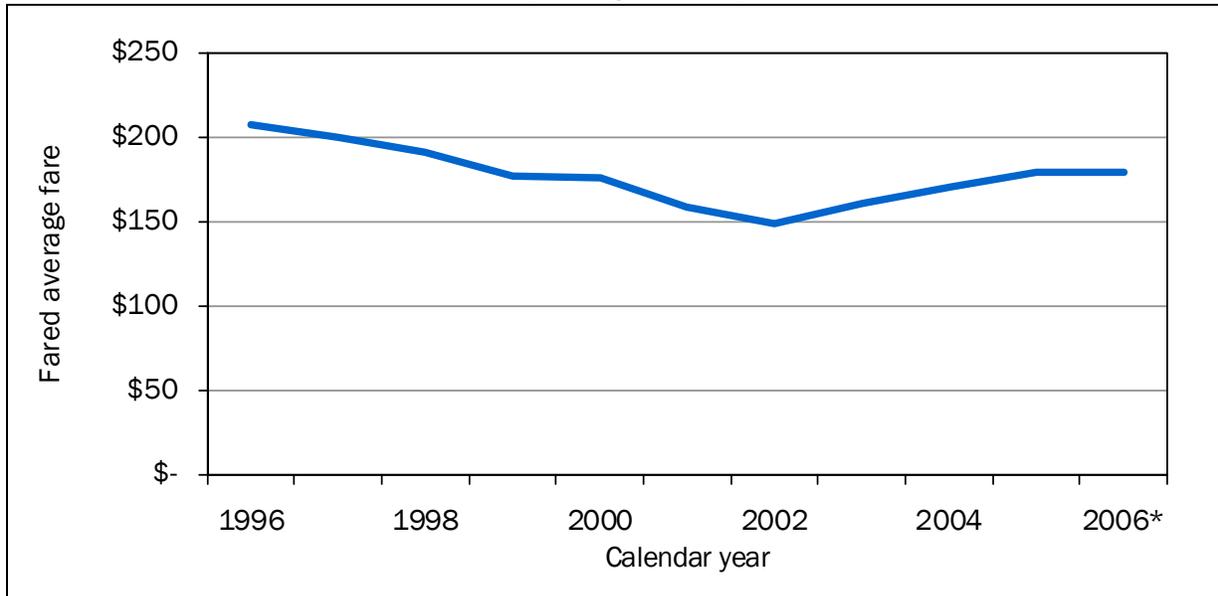
During the 12-month reporting period, 22 percent of the airport's origin and destination passengers were destined for locations in the West region. Twenty percent were destined to cities in the East region, and 19 percent were destined for the Southeast region. Approximately 43 percent of origin and destination passengers were destined to points west of Iowa; 44 percent were destined to points east. Of the top 10 origin and destination passenger markets, three were located in each of the West and East regions and one in each of the Great Lakes, Northeast, Southeast, and Southwest regions.



## Average Airfares

Average airfares declined from 1996 to 2006. Exhibit 1-14 shows historic average airfares.

**Exhibit 1-14**  
**Historic Average Airfares**  
**Dubuque Regional Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



Dubuque Regional Airport's average airfares declined steadily from 1996 to 2002, reaching a low for the period of \$148. Post 2002, airfares increased steadily but flattened from calendar year 2005 to year ended June 30, 2006 with an increase of less than one percent. **Table 1-12** provides domestic average one-way fares for the airport's top 30 origin and destination markets.

**Table 1-12**  
**Average Airfares to Top Markets**  
**Dubuque Regional Airport**

Rank	Destination airport	Average fare	Rank	Destination airport	Average fare
1	Chicago, IL (ORD)	\$136	16	Denver, CO	\$233
2	New York, NY (LGA)	\$147	17	Houston, TX (IAH)	\$163
3	Phoenix, AZ	\$180	18	Raleigh/Durham, NC	\$140
4	Los Angeles, CA	\$188	19	Miami, FL	\$150
5	Washington, DC (DCA)	\$135	20	Baltimore, MD	\$142
6	Dallas, TX (DFW)	\$196	21	Detroit, MI	\$154
7	Orlando, FL	\$165	22	Charlotte, NC	\$213
8	Las Vegas, NV	\$165	23	Tampa, FL	\$156
9	Philadelphia, PA	\$169	24	San Antonio, TX	\$178
10	Boston, MA	\$176	25	Columbus, OH	\$159
11	San Francisco, CA	\$206	26	Hartford, CT	\$187
12	Atlanta, GA	\$151	27	Orange County, CA	\$206
13	San Diego, CA	\$187	28	Cleveland, OH	\$146
14	Newark, NJ	\$154	29	Austin, TX	\$166
15	Seattle, WA	\$210	30	San Jose, CA	\$191
<b>All markets</b>					<b>\$179</b>
Source: Data Base Products, Inc. - year ended 6/30/06 Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers.					

Washington, DC (DCA) and Chicago O'Hare (the only nonstop market for the year ended June 30, 2006) had the lowest one-way average fares at \$135 and \$136, respectively, of the top 30 origin and destination markets. Five markets surpassed \$200 one-way. Denver, CO had the highest one-way average fare at \$233. The average fare for all domestic markets at Dubuque Regional Airport was \$179 for the year ended June 30, 2006.



## FORT DODGE – FORT DODGE REGIONAL AIRPORT (FOD)

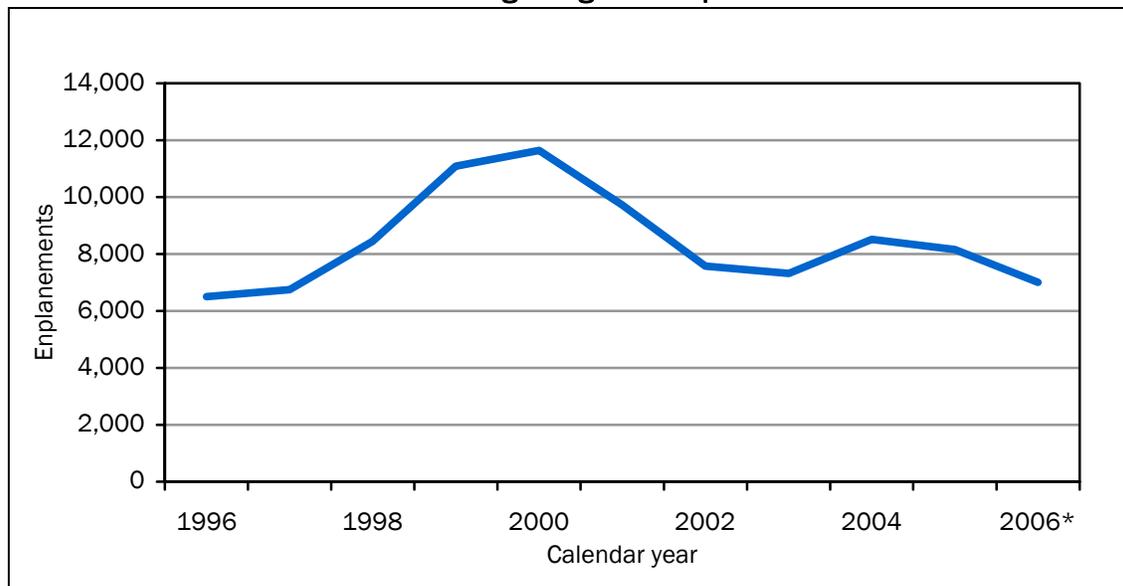
Located in northern Iowa, Fort Dodge Regional Airport serves Iowa's air travelers in the Fort Dodge, IA MSA with an estimated population of 38,995. Air service at Fort Dodge Regional Airport is subsidized by the US DOT's Essential Air Service Program. Many area air travelers drive 110 miles south to Des Moines International Airport to access air service. Other large airports that potentially attract air travelers from the Fort Dodge Regional Airport service area include Minneapolis-St. Paul International Airport and Eppley Airfield (Omaha) at just over 200 miles from Fort Dodge.

The Fort Dodge Regional Airport receives daily service to Minneapolis-St. Paul via Mesaba Airlines. This carrier is affiliated with Northwest Airlines (Northwest Airlink) and offers three daily flights between Fort Dodge Regional Airport and Minneapolis-St. Paul International Airport. In the fall of 2006, these flights depart from Fort Dodge Regional Airport in the early morning, late morning, and late afternoon. Each of these flights includes a stop in Mason City, Iowa. Passengers originating in the Fort Dodge market fly to Minneapolis-St. Paul on 34-seat Saab 340 turboprop aircraft. On Saturdays, one flight arrives in Fort Dodge from Minneapolis-St. Paul during the early evening. One flight departs mid-morning from Fort Dodge for Minneapolis-St. Paul on Sundays.

### Annual Enplanements

Enplanements at Fort Dodge Regional Airport fluctuated significantly from 1996 through 2006 with a low of 6,500 in 1996 to a high of 11,644 in 2000. Exhibit 1-15 provides the enplanement trend from calendar years 1996 through 2006.

**Exhibit 1-15**  
**Enplanements**  
**Fort Dodge Regional Airport**



Source: Iowa DOT  
Note: 2006 = preliminary



Enplanements at Fort Dodge Regional Airport increased from 1996 through 2000, peaking in 2000 at 11,644 enplanements. Enplanements decreased almost back to 1996 levels from 2000 to 2003 reflecting the impact of September 11, 2001 and service reductions. Although enplanements increased from 2003 to 2004, enplanements decreased through 2005. In 2006, enplanements decreased an additional 15 percent.

### Airline Connecting Hubs/Nonstop Service and Available Seats

Fort Dodge Regional Airport has had limited commercial air service over the past 10 years. Fort Dodge Regional Airport has one-stop service to Minneapolis-St. Paul International Airport via Mason City Municipal Airport. **Table 1-13** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-13**  
**Nonstop Service and Available Seats**  
**Fort Dodge Regional Airport**

Nonstop market	Average weekly departing seats						% change 1996-2006	CAGR 1996- 2006
	1996	1998	2000	2002	2004	2006		
Mason City, IA	444	667	747	689	680	612	38%	3%
Minneapolis, MN*	71	229	143	0	0	0	-100%	-100%
Sioux City, IA	333	11	0	0	0	0	-100%	-100%
Waterloo, IA	6	0	0	0	0	0	-100%	-100%
<b>Total</b>	<b>854</b>	<b>908</b>	<b>889</b>	<b>689</b>	<b>680</b>	<b>612</b>	<b>-28%</b>	<b>-3%</b>
Sources: Back Aviation Solutions – CY 1996-2002; APGDat – CY 2004-2006 Notes: * Connecting hubs; CAGR = compounded annual growth rate								

Until 2000, Fort Dodge Regional Airport had direct nonstop service to Minneapolis-St. Paul International Airport. Post 2000, the only hub access is one-stop service to Minneapolis-St. Paul via Mason City Municipal Airport. Overall, from 1996 to 2006, average weekly departing seats decreased 28 percent reflecting a compounded annual decline of three percent while enplanements increased eight percent over the period.



## Top Origin and Destination Markets

With the airport's hub service limited to one-stop service over Mason City Municipal Airport by Northwest Airlines, air travelers are limited to single and double connections. **Table 1-14** provides the airports top 30 markets.

**Table 1-14**  
**Top 30 Origin and Destination Markets**  
**Fort Dodge Regional Airport**

Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Phoenix, AZ	1,920	15%	16	Newark, NJ	220	2%
2	Los Angeles, CA	520	4%	17	Orange County, CA	210	2%
3	Orlando, FL	470	4%	18	Salt Lake City, UT	190	1%
4	Las Vegas, NV	440	3%	19	Detroit, MI	170	1%
5	Philadelphia, PA	410	3%	20	Tampa, FL	170	1%
6	Seattle, WA	390	3%	21	Denver, CO	160	1%
7	Washington, DC (DCA)	370	3%	22	Indianapolis, IN	160	1%
8	Portland, OR	330	3%	23	Charlotte, NC	140	1%
9	San Francisco, CA	330	3%	24	Cleveland, OH	130	1%
10	San Antonio, TX	310	2%	25	Honolulu, HI	130	1%
11	Boston, MA	290	2%	26	Jacksonville, FL	130	1%
12	New York, NY (LGA)	290	2%	27	Chicago, IL (ORD)	130	1%
13	Houston, TX (IAH)	270	2%	28	Atlanta, GA	120	1%
14	Dallas, TX (DFW)	250	2%	29	Tucson, AZ	120	1%
15	Baltimore, MD	240	2%	30	Columbus, OH	110	1%
<b>Total top 30</b>						<b>9,120</b>	<b>69%</b>
<b>All markets</b>						<b>13,150</b>	<b>100%</b>

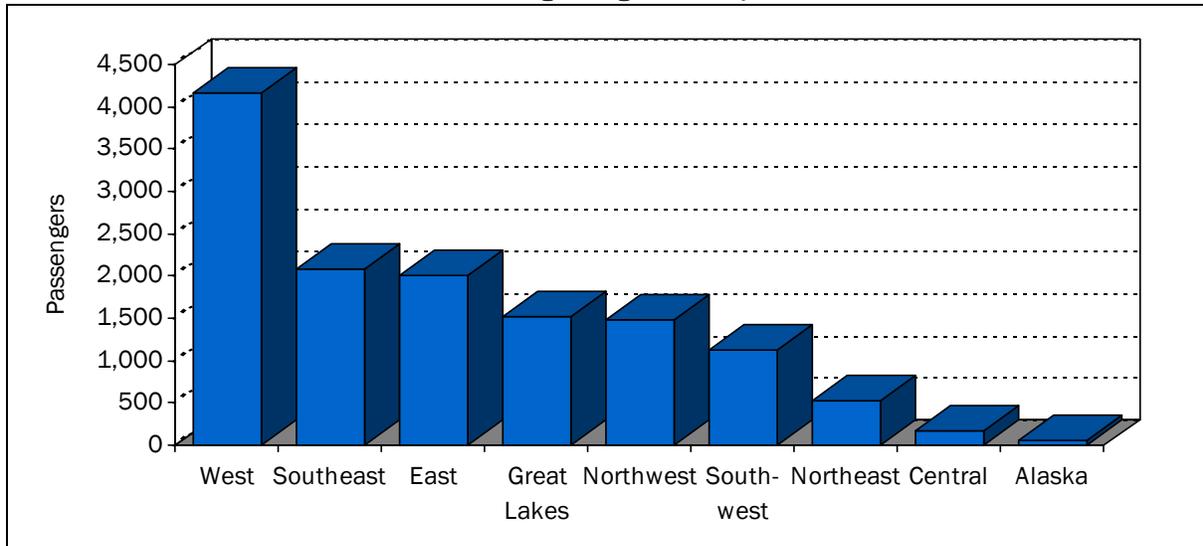
Source: Data Base Products, Inc. - year ended 6/30/06

Three of the airport's top five markets are leisure destinations. Phoenix, AZ is the largest destination market for Fort Dodge Regional Airport air travelers, comprising 15 percent of total origin and destination air travelers. Los Angeles, CA, Orlando, FL, Las Vegas, NV, and Philadelphia, PA make up the remaining top five markets. An estimated 13,150 origin and destination passengers used Fort Dodge Regional Airport during the year ended June 30, 2006.



In addition to reviewing air traveler flow on a market specific basis, it is useful to review the flow of traffic on a regional basis. **Exhibit 1-16** shows the regional distribution of air travelers (see Exhibit 1-2 for the geographic breakdown of regions).

**Exhibit 1-16**  
**Regional Market Distribution**  
**Fort Dodge Regional Airport**



Source: Data Base Products, Inc. – year ended 6/30/06

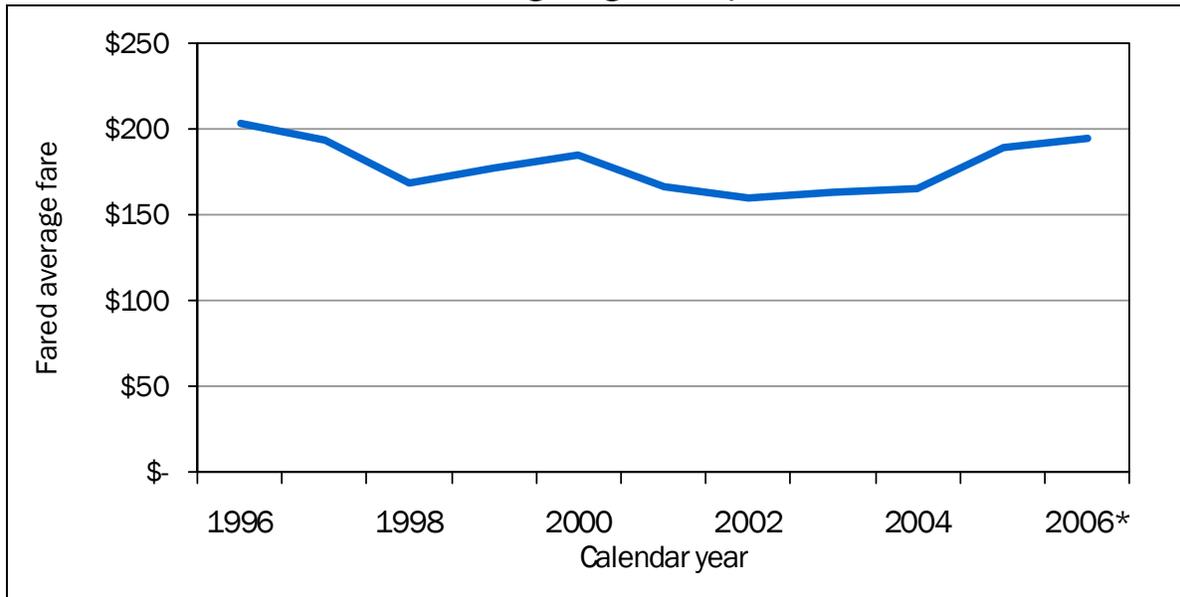
Regionally, a large percentage (32 percent) of Fort Dodge Regional Airport air travelers were destined for cities in the West region. This is largely influenced by the high percentage of air travelers destined for Phoenix. Approximately 16 percent of domestic air travelers were destined for cities in the Southeast region, and an additional 15 percent were destined for the East region. Overall, 53 percent of air travelers were traveling to points west of Iowa and 35 percent were traveling east. Of the top 10 origin and destination passenger markets, four were located in the West region, two in each of the East and Northwest regions, and one in each of Southwest and Southeast regions.



## Average Airfares

The airport's average airfares remained relatively flat from 1996 to 2006, increasing only four percent, with fluctuations in the intervening years. **Exhibit 1-17** shows historic average one-way airfares from 1996 through 2006.

**Exhibit 1-17**  
**Historic Average Airfares**  
**Fort Dodge Regional Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



Average airfares decreased from 1996 through 1998 then rose slightly through 2000. Thereafter, airfares declined until 2002 and have since been on the rise through 2006. Airfares reached a low in 2002 at \$160. The high for the period was in 1996 at \$203 each way. **Table 1-15** provides domestic average one-way fares for the top 30 origin and destination markets.

**Table 1-15**  
**Average Airfares to Top Markets**  
**Fort Dodge Regional Airport**

Rank	Destination airport	Average fare	Rank	Destination airport	Average fare
1	Phoenix, AZ	\$129	16	Newark, NJ	\$332
2	Los Angeles, CA	\$206	17	Orange County, CA	\$203
3	Orlando, FL	\$152	18	Salt Lake City, UT	\$207
4	Las Vegas, NV	\$198	19	Detroit, MI	\$220
5	Philadelphia, PA	\$187	20	Tampa, FL	\$269
6	Seattle, WA	\$236	21	Denver, CO	\$199
7	Washington, DC (DCA)	\$170	22	Indianapolis, IN	\$180
8	Portland, OR	\$189	23	Charlotte, NC	\$176
9	San Francisco, CA	\$191	24	Cleveland, OH	\$299
10	San Antonio, TX	\$167	25	Honolulu, HI	\$297
11	Boston, MA	\$175	26	Jacksonville, FL	\$175
12	New York, NY (LGA)	\$146	27	Chicago, IL (ORD)	\$146
13	Houston, TX (IAH)	\$222	28	Atlanta, GA	\$168
14	Dallas, TX (DFW)	\$254	29	Tucson, AZ	\$201
15	Baltimore, MD	\$133	30	Columbus, OH	\$185
<b>All markets</b>					<b>\$195</b>
Source: Data Base Products, Inc. - year ended 6/30/06 Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers.					

Of the airport's top 30 origin and destination markets, Phoenix, AZ had the lowest one-way average fare at \$129 one-way. Twelve of the top 30 markets had average fares of over \$200 each way. Newark, NJ had the highest one-way average fare at \$332. The average fare for all domestic markets at Fort Dodge Regional Airport was \$195 for the year ended June 30, 2006.



## MASON CITY – MASON CITY MUNICIPAL AIRPORT (MCW)

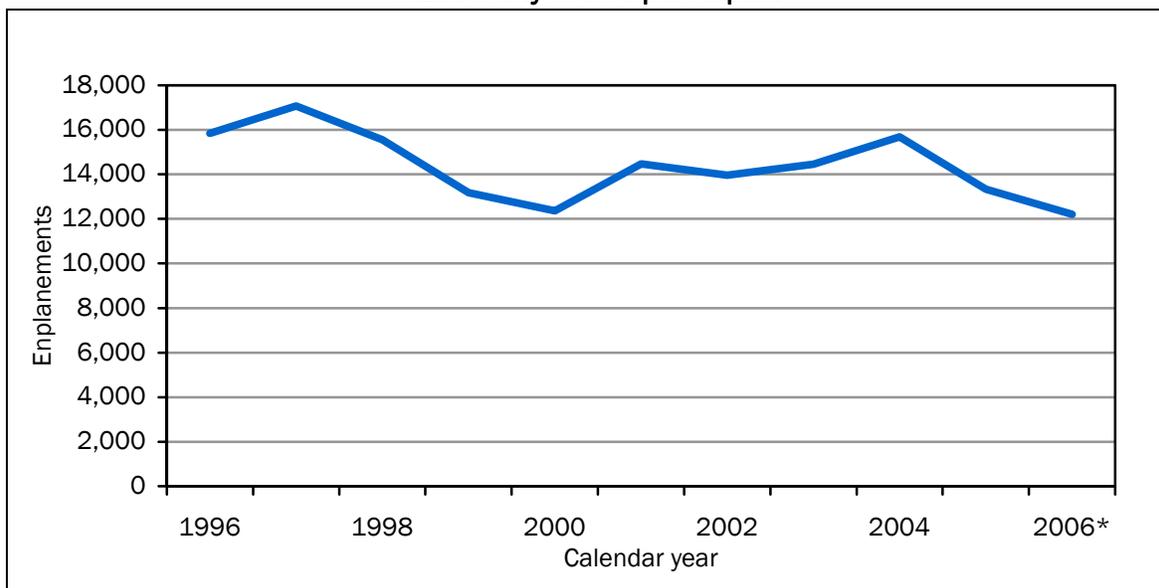
Mason City Municipal Airport is located in northern Iowa. The airport's MSA has a population of 52,549. The airport has air service to Minneapolis-St. Paul International Airport. Mason City Municipal Airport primarily serves the Mason City community. The air service offered at Mason City Municipal Airport is subsidized by the US DOT's Essential Air Service Program. Airports with overlying service areas for Mason City Municipal Airport include Rochester International Airport 90 miles to the northeast, Des Moines International Airport 120 miles to the south, and Minneapolis-St. Paul International Airport 125 miles to the north.

The Mason City Municipal Airport receives daily service to Minneapolis-St. Paul via Mesaba Airlines. This carrier is affiliated with Northwest Airlines (Northwest Airlink) and offers three daily flights between Mason City and Minneapolis-St. Paul. These flights depart from Mason City Municipal Airport in the early morning, late morning, and late afternoon. Passengers originating in the Mason City market fly to Minneapolis-St. Paul on 34-seat Saab 340 turboprop aircraft.

### Annual Enplanements

Enplanements at Mason City Municipal Airport fluctuated from calendar year 1996 to 2006. **Exhibit 1-18** shows the change in enplanements for Mason City Municipal Airport.

**Exhibit 1-18**  
**Enplanements**  
**Mason City Municipal Airport**



Sources: Data Base Products, Inc. (1996); Iowa DOT (1997-2006)  
Note: 2006 = preliminary

Enplanements at Mason City Municipal Airport decreased from 1996 through 2000. Post 2000, enplanements increased through 2004, but then dropped sharply in 2005 by 15 percent. In 2006, enplanements continued the downward trend decreasing by seven percent from 2005 to 2006.



### Airline Connecting Hubs/Nonstop Service and Available Seats

Mason City Municipal Airport users have nonstop and one-stop hub service to Minneapolis-St. Paul International Airport. **Table 1-16** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-16**  
**Nonstop Service and Available Seats**  
**Mason City Municipal Airport**

Nonstop market	Average weekly departing seats						% change 1996-2006	CAGR 1996-2006
	1996	1998	2000	2002	2004	2006		
Chicago, IL (ORD)*	294	0	0	0	0	0	-100%	-100%
Fort Dodge, IA	468	660	582	689	680	612	31%	3%
Minneapolis, MN*	826	887	925	689	680	612	-26%	-3%
Sioux City, IA	123	0	0	0	0	0	-100%	-100%
Sioux Falls, SD	345	0	0	0	0	0	-100%	-100%
Spencer, IA	74	200	0	0	0	0	-100%	-100%
Waterloo, IA	174	358	0	0	0	0	-100%	-100%
Total	2,304	2,104	1,506	1,378	1,360	1,224	-47%	-6%
Sources: Back Aviation Solutions - CY 1996-2002; APGDat - CY 2004-2006 Notes: * Connecting hubs; CAGR = compounded annual growth rate								

Until 1997, Mason City Municipal Airport had hub service to both Chicago O'Hare International Airport and Minneapolis-St. Paul International Airport. Since then, hub service has been limited to Minneapolis-St. Paul International Airport. Overall, average weekly departing seats from 1996 to 2006 declined 47 percent, representing a compounded annual decline of six percent with enplanements also declining but at a lower percentage, 23 percent over the period. The seat loss primarily reflects the loss of service to Chicago O'Hare.



## Top Origin and Destination Markets

With the Minneapolis-St. Paul nonstop hub service provided by Northwest Airlinck, one-stop and double connect opportunities are reflective of connecting opportunities available via the hub. **Table 1-17** lists the top 30 origin and destination markets for this airport for the year ended June 30, 2006.

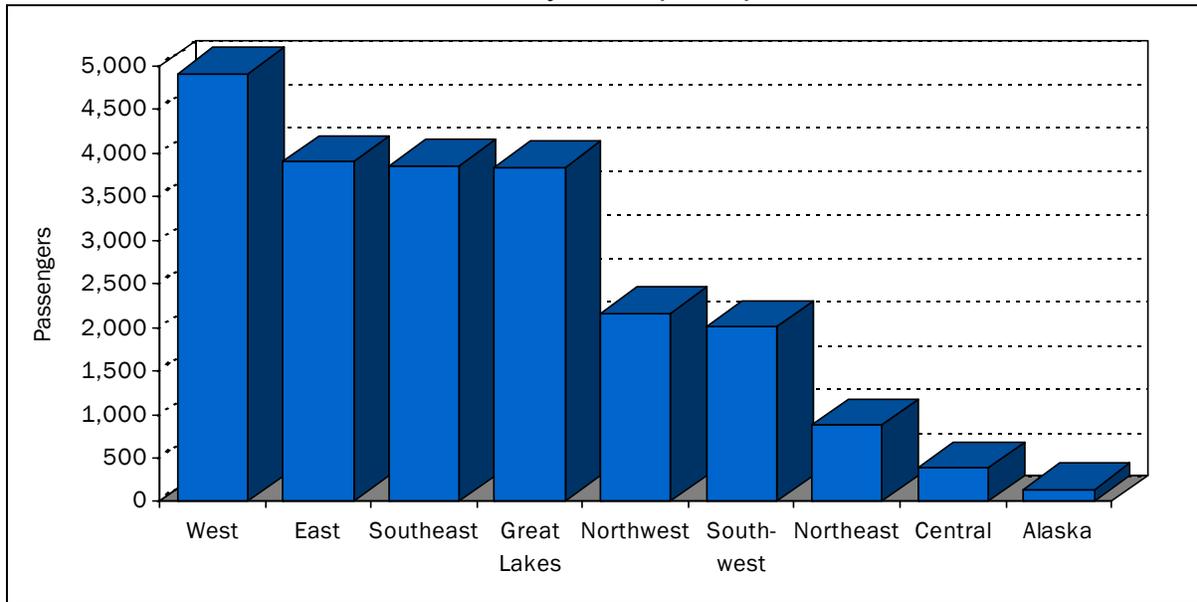
**Table 1-17**  
**Top 30 Origin and Destination Markets**  
**Mason City Municipal Airport**

Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Phoenix, AZ	1,200	5%	16	Dallas, TX (DFW)	430	2%
2	Washington, DC (DCA)	1,110	5%	17	Chicago, IL (ORD)	420	2%
3	Detroit, MI	810	4%	18	Nashville, TN	410	2%
4	Los Angeles, CA	720	3%	19	Boston, MA	410	2%
5	Las Vegas, NV	660	3%	20	San Diego, CA	380	2%
6	Orlando, FL	640	3%	21	Philadelphia, PA	360	2%
7	San Francisco, CA	620	3%	22	Minneapolis, MN	350	2%
8	Tampa, FL	610	3%	23	Atlanta, GA	340	2%
9	San Antonio, TX	570	3%	24	Houston, TX (IAH)	340	2%
10	Newark, NJ	490	2%	25	Hartford, CT	330	1%
11	New York, NY (LGA)	470	2%	26	St Louis, MO	330	1%
12	Seattle, WA	460	2%	27	Columbus, OH	310	1%
13	Portland, OR	450	2%	28	Cleveland, OH	280	1%
14	Baltimore, MD	430	2%	29	Salt Lake City, UT	270	1%
15	Denver, CO	430	2%	30	Louisville, KY	250	1%
<b>Total top 30</b>						<b>14,880</b>	<b>67%</b>
<b>All markets</b>						<b>22,090</b>	<b>100%</b>
Source: Data Base Products, Inc. - year ended 6/30/06							



Phoenix, AZ, Washington, DC (DCA), Detroit, MI, Los Angeles, CA, and Las Vegas, NV are the top five destinations for Mason City Municipal Airport air travelers. An estimated 22,090 origin and destination passengers used Mason City Municipal Airport during the year ended June 30, 2006. In addition to reviewing demand distribution on a market specific basis, it is useful to review the flow of traffic on a regional basis. **Exhibit 1-19** graphs the regional distribution of air travelers for Mason City Municipal Airport.

**Exhibit 1-19**  
**Regional Market Distribution**  
**Mason City Municipal Airport**



Source: Data Base Products, Inc. – year ended 6/30/06

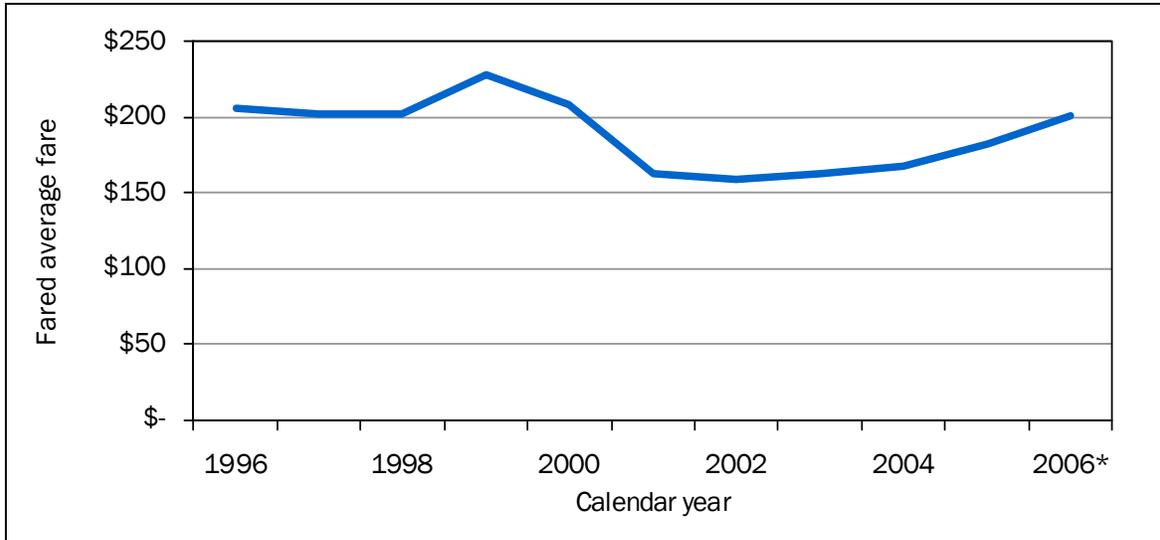
The West region represented the largest regional destination for Mason City Municipal Airport air travelers, comprising 22 percent of total air travelers. The East region, Southeast region, and Great Lakes region each had 17 to 18 percent of total air travelers. Overall, approximately 43 percent of air travelers were destined for points west of Iowa; 39 percent were destined for points east of Iowa. Of the top 10 origin and destination passenger markets, four were located in the West region, two in each of the East and Southeast regions, and one in each of the Great Lakes and Southwest regions.



## Average Airfares

As demonstrated in **Exhibit 1-20**, airfares for this airport fluctuated from 1996 to 2006.

**Exhibit 1-20**  
**Historic Average Airfares**  
**Mason City Municipal Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



The absolute fare from 1996 to 2006 decreased only 2.5 percent. Airfares decreased slightly from 1996 to 1998 then reached a 10-year peak in 1999 at \$229 one-way. Post 1999, airfares decreased through 2002 to a 10-year low of \$158. Since 2002, airfares increased surpassing \$200 each way. **Table 1-18** provides domestic average one-way fares for the top 30 origin and destination markets.

**Table 1-18**  
**Average Airfares to Top Markets**  
**Mason City Municipal Airport**

Rank	Destination airport	Average airfare	Rank	Destination airport	Average airfare
1	Phoenix, AZ	\$158	16	Dallas, TX (DFW)	\$287
2	Washington, DC (DCA)	\$158	17	Chicago, IL (ORD)	\$211
3	Detroit, MI	\$257	18	Nashville, TN	\$144
4	Los Angeles, CA	\$192	19	Boston, MA	\$180
5	Las Vegas, NV	\$195	20	San Diego, CA	\$177
6	Orlando, FL	\$150	21	Philadelphia, PA	\$197
7	San Francisco, CA	\$204	22	Minneapolis, MN	\$115
8	Tampa, FL	\$149	23	Atlanta, GA	\$170
9	San Antonio, TX	\$172	24	Houston, TX (IAH)	\$199
10	Newark, NJ	\$264	25	Hartford, CT	\$172
11	New York, NY (LGA)	\$188	26	St Louis, MO	\$257
12	Seattle, WA	\$203	27	Columbus, OH	\$235
13	Portland, OR	\$174	28	Cleveland, OH	\$218
14	Baltimore, MD	\$166	29	Salt Lake City, UT	\$212
15	Denver, CO	\$172	30	Louisville, KY	\$211
<b>All markets</b>					<b>\$201</b>
Source: Data Base Products, Inc. - year ended 6/30/06 Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers.					

Of the top 30 origin and destination markets, Minneapolis, MN had the lowest one-way average fare at \$115; 11 of the airport's 30 top markets had average fares of over \$200 each way. Dallas, TX had the highest one-way average fare at \$287. The average fare for all domestic markets at Mason City Municipal Airport was \$201 for the year ended June 30, 2006.



## SIoux CITY – SIoux GATEWAY AIRPORT (SUX)

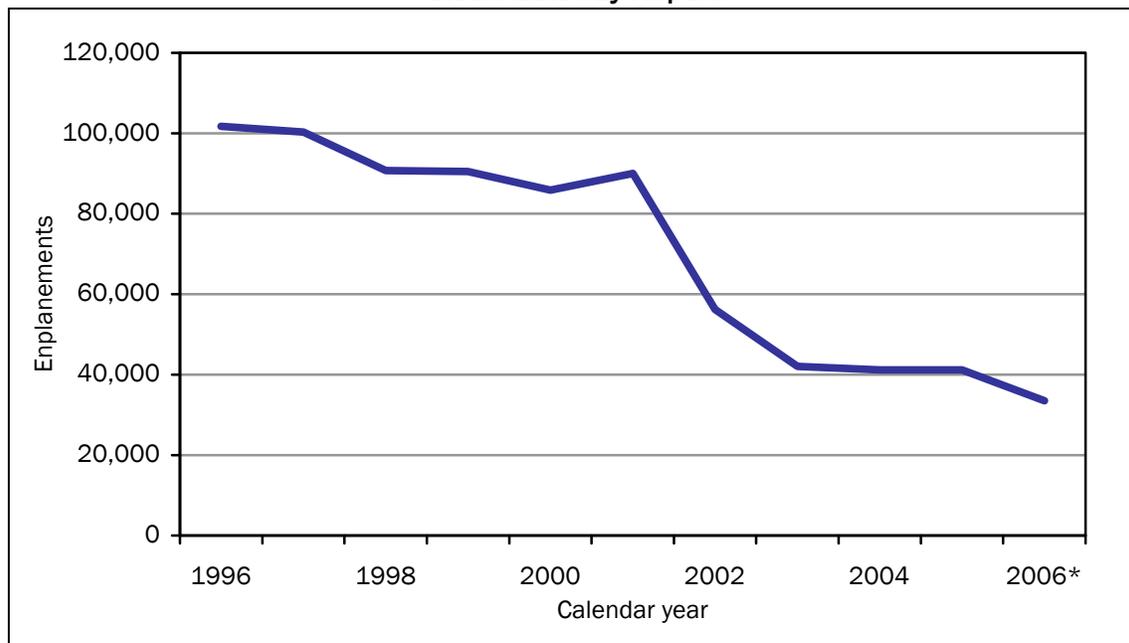
Sioux Gateway Airport located in northwestern Iowa primarily serves the Sioux City community with nonstop service to Minneapolis-St. Paul International Airport four times daily. The Sioux City, IA-NE-SD MSA has a population of approximately 143,417. Airports with overlying service areas for Sioux Gateway Airport include Eppley Airfield (Omaha) and Sioux Falls Regional Airport (South Dakota). Eppley Airfield is located 95 miles to the south and offers significant nonstop air service including low-fare Southwest Airlines' service. Although offering less air service than Eppley Airfield, Sioux Falls Regional also draws passengers from this market area of this Iowa airport. Outlying Hub Airports do not have an effect on local air travelers; the closest Outlying Hub is Kansas City International Airport 260 miles to the southeast.

As of the writing of this chapter, Sioux Gateway had daily nonstop service on one carrier: Northwest Airlink to Minneapolis-St. Paul. Frontier Airlines began nonstop service at Sioux Gateway in October 2007. This new service is not included in this analysis.

### Annual Enplanements

Enplanements at Sioux Gateway Airport have declined sharply since calendar year 1996. **Exhibit 1-21** provides the trend in enplanements from calendar year 1996 through 2006.

**Exhibit 1-21**  
**Enplanements**  
**Sioux Gateway Airport**



Source: Iowa DOT  
Note: 2006 = preliminary



Each year, with the exception of slight growth from 2000 to 2001 and stagnant growth from 2004 to 2005, Sioux Gateway Airport experienced year-over-year enplanement declines. Enplanements continued to decline in 2006 by 20 percent from 2005 to 2006.

**Airline Connecting Hubs/Nonstop Service and Available Seats**

Sioux Gateway Airport has nonstop service four times daily to Minneapolis-St. Paul International Airport with 34-seat turboprops and 50-seat regional jets. **Table 1-19** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-19  
Nonstop Service and Available Seats  
Sioux Gateway Airport**

Nonstop market	Average weekly departing seats						% change 1996-2006	CAGR 1996- 2006
	1996	1998	2000	2002	2004	2006		
Bullhead City, AZ	0	0	0	0	0	168	100%	100%
Chicago, IL (ORD)*	76	0	0	0	0	0	-100%	-100%
Denver, CO*	548	302	0	0	0	0	-100%	-100%
Fort Dodge, IA	255	11	0	0	0	0	-100%	-100%
Grand Island, NE	90	0	0	0	0	0	-100%	-100%
Mason City, IA	192	0	0	0	0	0	-100%	-100%
Minneapolis, MN*	2,454	2,928	2,905	2,043	1,807	1,339	-45%	-6%
Spencer, IA	293	0	0	0	0	0	-100%	-100%
St Louis, MO*	714	659	683	164	0	0	-100%	-100%
Waterloo, IA	598	0	0	0	0	0	-100%	-100%
<b>Total</b>	<b>5,219</b>	<b>3,901</b>	<b>3,588</b>	<b>2,206</b>	<b>1,807</b>	<b>1,507</b>	<b>-71%</b>	<b>-12%</b>

Sources: Back Aviation Solutions – CY 1996-2002; APGDat – CY 2004-2006  
Notes: \* Connecting hubs; CAGR = compounded annual growth rate

Historically, Sioux Gateway Airport offered service to multiple hubs including Chicago O’Hare, Denver, Minneapolis, and St. Louis. Enplanement levels in the 1990s reflect this service level. However, post 2002, hub service has been limited to Minneapolis-St. Paul. Minneapolis-St. Paul service was reduced between 1996 and 2006 with a decrease in average weekly departing seats of 45 percent since 1996. Overall, when all service is considered, average weekly departing seats declined from 1996 to 2006 by 71 percent, a 12 percent compounded annual decline. Over the same period, enplanements declined 67 percent, a 10 percent compounded annual decline.



## Top Origin and Destination Markets

Northwest Airlines' Minneapolis-St. Paul International Airport service provides a selection of one-stop and double connect market opportunities. **Table 1-20** provides the top 30 origin and destination markets to/from Sioux Gateway Airport.

**Table 1-20**  
**Top 30 Origin and Destination Markets**  
**Sioux Gateway Airport**

Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Minneapolis, MN	7,410	11%	16	Denver, CO	1,070	2%
2	Dallas, TX (DFW)	2,110	3%	17	San Antonio, TX	980	1%
3	Chicago, IL (ORD)	1,910	3%	18	Milwaukee, WI	950	1%
4	Atlanta, GA	1,810	3%	19	San Diego, CA	950	1%
5	Seattle, WA	1,750	3%	20	Nashville, TN	910	1%
6	Washington, DC (DCA)	1,650	2%	21	Indianapolis, IN	910	1%
7	Detroit, MI	1,490	2%	22	Las Vegas, NV	900	1%
8	New York, NY (LGA)	1,440	2%	23	Tampa, FL	880	1%
9	Boston, MA	1,430	2%	24	San Francisco, CA	840	1%
10	Grand Rapids, MI	1,300	2%	25	Los Angeles, CA	830	1%
11	Newark, NJ	1,230	2%	26	Raleigh/Durham, NC	790	1%
12	Phoenix, AZ	1,120	2%	27	Portland, OR	750	1%
13	Orlando, FL	1,100	2%	28	Cleveland, OH	730	1%
14	Houston, TX (IAH)	1,090	2%	29	Madison, WI	730	1%
15	Philadelphia, PA	1,080	2%	30	St Louis, MO	730	1%
<b>Total top 30</b>						<b>40,870</b>	<b>61%</b>
<b>All markets</b>						<b>67,150</b>	<b>100%</b>

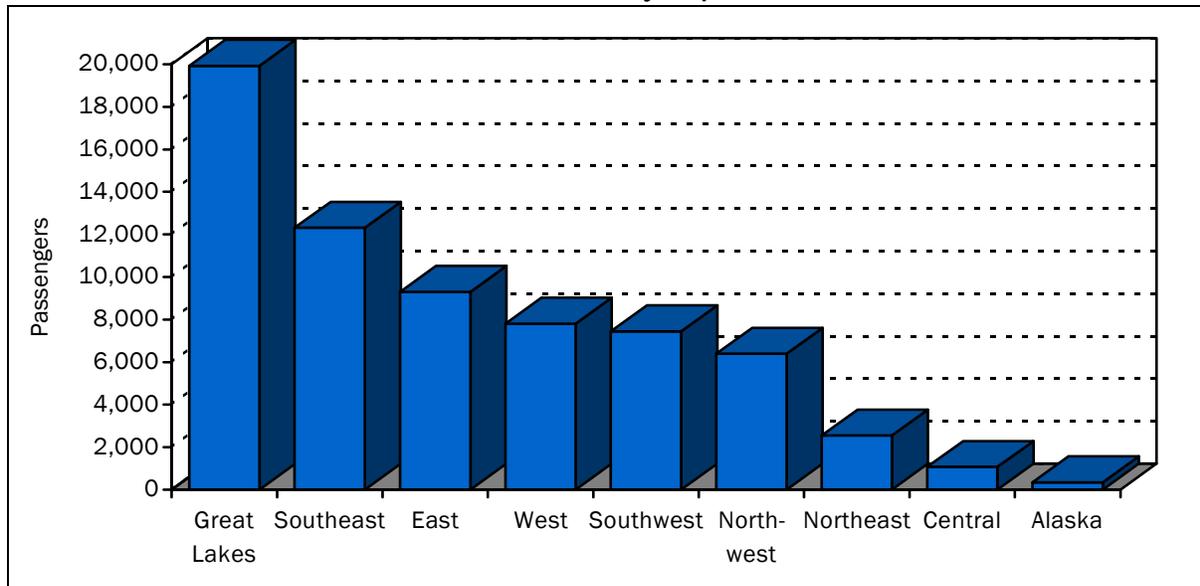
Source: Data Base Products, Inc. - year ended 6/30/06

Minneapolis, MN is the top destination for Sioux Gateway Airport users accounting for 11 percent of the airport's total air travelers. Its large share of air travelers reflects the nonstop service available to Minneapolis. Dallas, TX, Chicago, IL (ORD), Atlanta, GA, and Seattle, GA make up the remaining top five markets. An estimated 67,150 origin and destination passengers used Sioux Gateway Airport during the year ended June 30, 2006.



In addition to reviewing demand on a market specific basis, it is useful to review the flow of traffic on a regional basis. **Exhibit 1-22** shows the regional distribution of air travelers (see Exhibit 1-2 for the geographic breakdown of regions).

**Exhibit 1-22**  
**Regional Market Distribution**  
**Sioux Gateway Airport**



Source: Data Base Products, Inc. - year ended 6/30/06

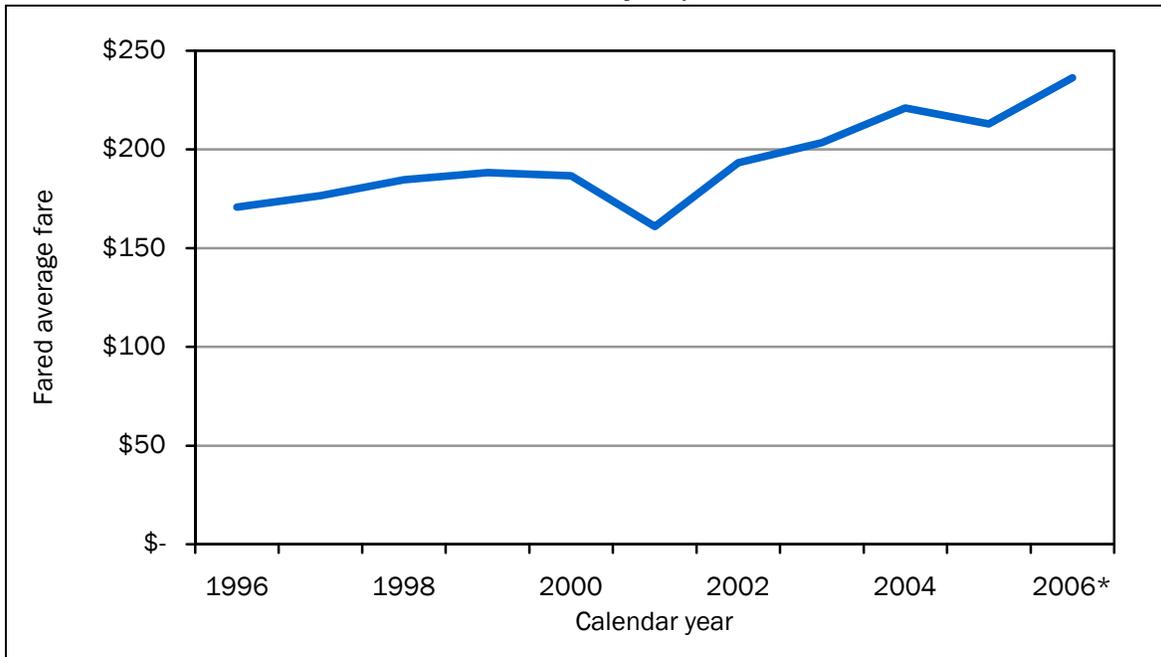
The Great Lakes region represents the largest regional destination for Sioux Gateway Airport air travelers, accounting for 30 percent of total air travelers. Approximately 18 percent of domestic air travelers were destined for the Southeast region, the second highest regional destination. Overall, almost 36 percent of air travelers were destined to points east of Iowa; 34 percent traveled west of Iowa. Of the top 10 origin and destination passenger markets, four were located in the Great Lakes region, two in the East region, and one in each of Northeast, Northwest, Southwest, and Southeast regions.



### Average Airfares

From 1996 to 2006, average one-way airfares at this airport increased significantly from \$171 in 1996 to \$236 in 2006. **Exhibit 1-23** shows historic average airfares from 1996 through 2006.

**Exhibit 1-23**  
**Historic Average Airfares**  
**Sioux Gateway Airport**



Source: Data Base Products, Inc.  
Note: 2006 = year ended 6/30/2006



Fares steadily increased from 1996 to 2006, with one exception in 2001. Much of the increase reflects the declining competition at the Sioux Gateway Airport. With four hub options in 1996, decreasing to only one option in 2006, competition has waned. **Table 1-21** provides domestic average one-way fares for this airport's top 30 origin and destination markets.

**Table 1-21**  
**Average Airfare at Top Markets**  
**Sioux Gateway Airport**

Rank	Destination airport	Average fare	Rank	Destination airport	Average fare
1	Minneapolis, MN	\$190	16	Denver, CO	\$216
2	Dallas, TX (DFW)	\$243	17	San Antonio, TX	\$254
3	Chicago, IL (ORD)	\$255	18	Milwaukee, WI	\$225
4	Atlanta, GA	\$202	19	San Diego, CA	\$256
5	Seattle, WA	\$275	20	Nashville, TN	\$226
6	Washington, DC (DCA)	\$228	21	Indianapolis, IN	\$193
7	Detroit, MI	\$245	22	Las Vegas, NV	\$202
8	New York, NY (LGA)	\$247	23	Tampa, FL	\$278
9	Boston, MA	\$235	24	San Francisco, CA	\$242
10	Grand Rapids, MI	\$173	25	Los Angeles, CA	\$312
11	Newark, NJ	\$279	26	Raleigh/Durham, NC	\$260
12	Phoenix, AZ	\$226	27	Portland, OR	\$238
13	Orlando, FL	\$240	28	Cleveland, OH	\$292
14	Houston, TX (IAH)	\$253	29	Madison, WI	\$237
15	Philadelphia, PA	\$283	30	St Louis, MO	\$268
<b>All markets</b>					<b>\$236</b>
Source: Data Base Products, Inc. - year ended 6/30/06					
Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers.					

Of the top 30 origin and destination markets, Grand Rapids, MI had the lowest one-way average fare at \$173. Only three markets had fares less than \$200 one-way. One market, Los Angeles, had a one-way average fare over \$300. The average fare for all domestic markets at Sioux Gateway Airport was \$236 for the year ended June 30, 2006.



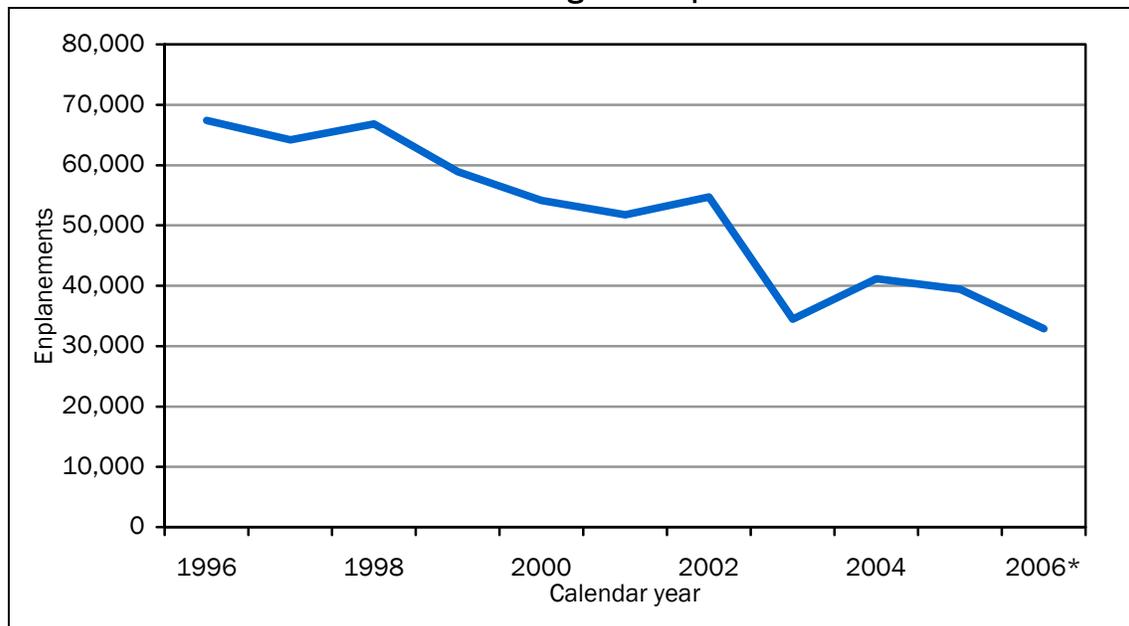
## WATERLOO – WATERLOO REGIONAL AIRPORT (ALO)

Waterloo Regional Airport is located in eastern Iowa, northwest of Cedar Rapids. The airport has a MSA of 162,435. Waterloo Regional Airport primarily serves the Waterloo and Cedar Falls' communities. Airports with overlying service areas include The Eastern Iowa Airport (Cedar Rapids) approximately 75 miles away, Des Moines International Airport 140 miles southwest, and Quad City International Airport (Moline) 155 miles to the southeast. Outlying Hub Airports are not a significant draw for passengers, as they are more than 200 miles distant.

### Annual Enplanements

Enplanements at Waterloo Regional Airport fluctuated, primarily declining, since calendar year 1996. **Exhibit 1-24** provides the change in enplanements from calendar year 1996 through 2006.

**Exhibit 1-24**  
**Enplanements**  
**Waterloo Regional Airport**



Sources: Data Base Products, Inc. (1996/1997); Iowa DOT (1998-2006)

Note: 2006 = preliminary

Enplanements from calendar year 1996 through 2006 declined sharply. Over this time period, only two years experienced increases in enplanements, 2001 to 2002 and 2003 to 2004. In 2006, the airport experienced a 10-year low with a decrease over 2005 of 18 percent.



### Airline Connecting Hubs/Nonstop Service and Available Seats

Similar to many other Iowa airports, Waterloo Regional Airport service is limited to nonstop Minneapolis-St. Paul International Airport by Northwest Airlines. This service is provided by a mix of 34-seat turboprop and 50-seat regional jet equipment. **Table 1-22** provides a summary of average weekly departing seats from 1996 through 2006 by nonstop market.

**Table 1-22  
Nonstop Service and Available Seats  
Waterloo Regional Airport**

Nonstop market	Average weekly departing seats						% change 1996-2006	CAGR 1996-2006
	1996	1998	2000	2002	2004	2006		
Chicago, IL (ORD)*	1,048	565	832	497	0	0	-100%	-100%
Dubuque, IA	172	34	0	0	0	0	-100%	-100%
Mason City, IA	168	312	0	0	0	0	-100%	-100%
Minneapolis, MN*	1,762	1,394	1,197	902	1,472	1,012	-43%	-5%
Sioux City, IA	556	0	0	0	0	0	-100%	-100%
Spencer, IA	171	152	426	0	0	0	-100%	-100%
St Louis, MO*	819	730	671	269	0	0	-100%	-100%
Total	4,695	3,188	3,126	1,668	1,472	1,012	-78%	-14%
Source: Back Aviation Solutions – CY 1996-2002; APGDat – CY 2004-2006 Note: * Connecting hubs; CAGR = compounded annual growth rate								

Until 2003, Waterloo Regional Airport had nonstop service to three hubs: Chicago O'Hare International Airport, Minneapolis-St. Paul International Airport, and Lambert-St. Louis International Airport. From 2003 forward, the only hub access is via nonstop service to Minneapolis-St. Paul. Overall, from 1996 to 2006, average weekly departing seats decreased 78 percent reflecting a compounded annual decline of 14 percent, with enplanements also decreasing by 51 percent, a compounded annual decline of seven percent.



## Top Origin and Destination Markets

With hub service limited to nonstop Minneapolis-St. Paul International Airport service on Northwest Airlines, Waterloo Regional Airport air travelers are limited to single and double connections over Minneapolis. **Table 1-23** provides the top 30 origin and destination markets for the year ended June 30, 2006.

**Table 1-23**  
**Top 30 Origin and Destination Markets**  
**Waterloo Regional Airport**

Rank	Destination airport	O&D pax	% of total	Rank	Destination airport	O&D pax	% of total
1	Minneapolis, MN	3,080	5%	16	Newark, NJ	1,300	2%
2	Phoenix, AZ	2,360	4%	17	Raleigh/Durham, NC	1,230	2%
3	Washington, DC (DCA)	2,260	4%	18	Dallas, TX (DFW)	1,170	2%
4	Los Angeles, CA	2,250	4%	19	Portland, OR	1,160	2%
5	New York, NY (LGA)	2,050	3%	20	Boston, MA	980	2%
6	San Diego, CA	1,890	3%	21	Denver, CO	970	2%
7	Atlanta, GA	1,690	3%	22	Orange County, CA	960	2%
8	Seattle, WA	1,590	3%	23	Baltimore, MD	940	2%
9	Houston, TX (IAH)	1,550	2%	24	Indianapolis, IN	930	1%
10	San Francisco, CA	1,520	2%	25	Sacramento, CA	840	1%
11	Las Vegas, NV	1,400	2%	26	Charlotte, NC	830	1%
12	Orlando, FL	1,380	2%	27	San Antonio, TX	830	1%
13	Philadelphia, PA	1,380	2%	28	Cleveland, OH	810	1%
14	Tampa, FL	1,320	2%	29	Nashville, TN	770	1%
15	Detroit, MI	1,310	2%	30	San Jose, CA	690	1%
<b>Total top 30</b>						<b>41,440</b>	<b>66%</b>
<b>All markets</b>						<b>62,520</b>	<b>100%</b>

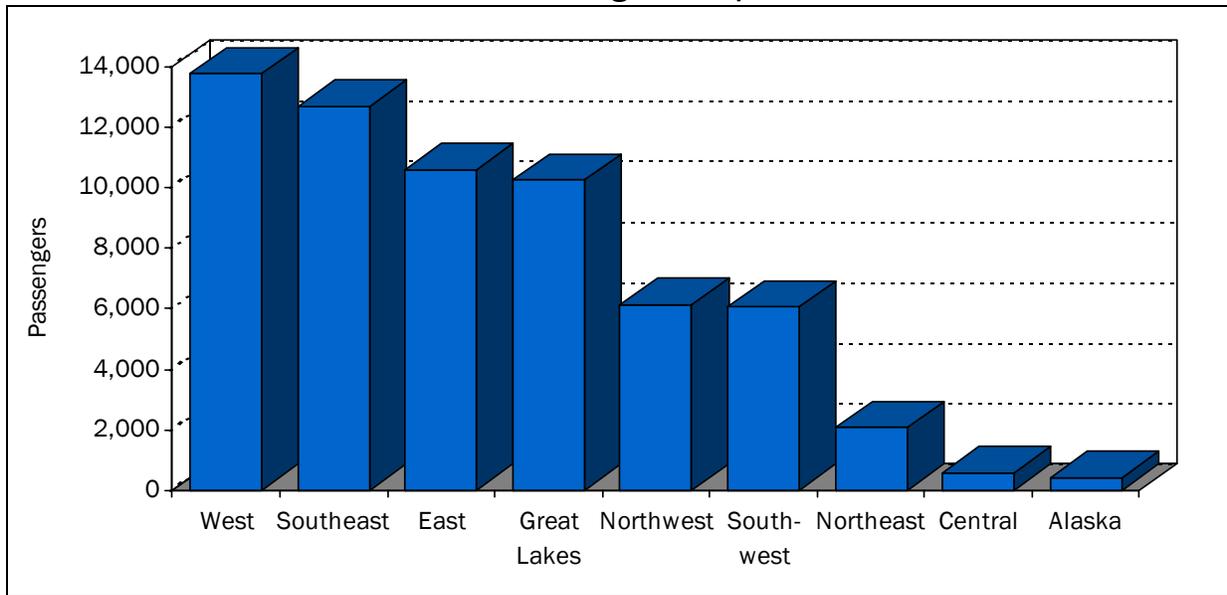
Source: Data Base Products, Inc. - year ended 6/30/06

Minneapolis, MN was the top destination for Waterloo Regional Airport air travelers reflecting the nonstop service available in the market. Five percent of Waterloo Regional Airport air travelers were destined for Minneapolis. Phoenix, AZ, Washington, DC (DCA), Los Angeles, CA, and New York, NY (LGA) make up the remaining top five markets. An estimated 62,520 origin and destination passengers used Waterloo Regional Airport during the year ended June 30, 2006.



Exhibit 1-25 shows the regional distribution of air travelers (see Exhibit 1-2 for the geographic breakdown of regions).

**Exhibit 1-25  
Regional Market Distribution  
Waterloo Regional Airport**



Source: Data Base Products, Inc. – year ended 6/30/06

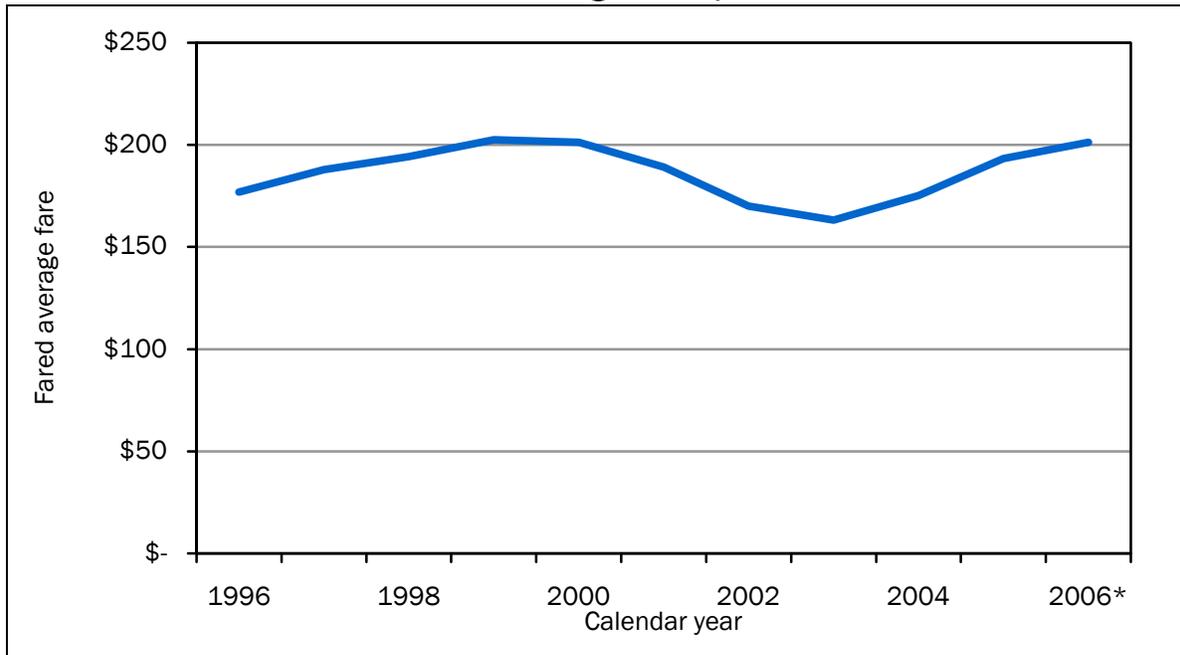
Approximately 22 percent of domestic air travelers were destined for locations in the West region, and an additional 20 percent were destined for cities in the Southeast region. Overall, 42 percent of air travelers were traveling to points west of Iowa, and 40 percent were traveling east of Iowa. Of the top 10 origin and destination passenger markets, four were located in the West region, two in the East region, and one in each of Great Lakes, Northwest, Southwest, and Southeast regions.



## Average Airfares

Average airfares for this airport fluctuated over the past 10 years with an overall increase of 14 percent from 1996 to 2006. **Exhibit 1-26** shows historic average one-way airfares from 1996 through 2006.

**Exhibit 1-26**  
**Historic Average Airfares**  
**Waterloo Regional Airport**



Source: Data Base Products, Inc.; Note: 2006 = year ended 6/30/2006



Average airfares increased from 1996 through 1999, and then decreased from 1999 to 2003 reaching a 10-year low of \$163 one-way. Thereafter, airfares increased through 2006. The high for the period was in 1999 at \$202 each way. **Table 1-24** provides domestic average one-way fares for the top 30 origin and destination markets.

**Table 1-24  
Average Airfares to Top Markets  
Waterloo Regional Airport**

Rank	Destination Airport	Average fare	Rank	Destination airport	Average fare
1	Minneapolis, MN	\$131	16	Newark, NJ	\$204
2	Phoenix, AZ	\$221	17	Raleigh/Durham, NC	\$146
3	Washington, DC (DCA)	\$161	18	Dallas, TX (DFW)	\$240
4	Los Angeles, CA	\$218	19	Portland, OR	\$229
5	New York, NY (LGA)	\$150	20	Boston, MA	\$180
6	San Diego, CA	\$193	21	Denver, CO	\$229
7	Atlanta, GA	\$213	22	Orange County, CA	\$227
8	Seattle, WA	\$228	23	Baltimore, MD	\$158
9	Houston, TX (IAH)	\$206	24	Indianapolis, IN	\$167
10	San Francisco, CA	\$201	25	Sacramento, CA	\$266
11	Las Vegas, NV	\$214	26	Charlotte, NC	\$198
12	Orlando, FL	\$188	27	San Antonio, TX	\$178
13	Philadelphia, PA	\$162	28	Cleveland, OH	\$203
14	Tampa, FL	\$166	29	Nashville, TN	\$154
15	Detroit, MI	\$268	30	San Jose, CA	\$185
<b>All markets</b>					<b>\$201</b>
Source: Data Base Products, Inc. - year ended 6/30/06 Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers					

Of the top 30 origin and destination markets, Minneapolis, MN had the lowest one-way average fare at \$131 one-way. Half of the top 30 markets had average fares of over \$200 each way. Detroit, MI had the highest one-way average fare at \$268. The average fare for all domestic markets at Waterloo Regional Airport was \$201 for the year ended June 30, 2006.

## COMPARISON TO BORDER AND OUTLYING HUB AIRPORTS

To contrast and compare commercial air service in Iowa, annual enplanements and average airfares are compared to Border Airports and Outlying Hub Airports. Factors that historically resulted and continue to result in lower fares at Outlying Hub Airports are discussed as part of the airfare comparison.

### Annual Enplanements

Enplanements are an indicator of the vitality of commercial air service in the market. Increasing enplanements often indicate increased service levels including additional seating capacity, frequency, and nonstop service. The reverse is also true. Decreasing enplanements often indicate a



decrease in capacity at the airport. **Table 1-25** provides a comparison of enplanements from calendar year 1996 to 2006 for commercial airports in Iowa, Border Airports, and Outlying Hub Airports.

**Table 1-25**  
**Comparison of Enplaned Passengers**

Comparison Airport	Enplaned Passengers						% change 1996-2006	CAGR 1996-2006
	1996	1998	2000	2002	2004	2006*		
<b>Commercial Airports in Iowa:</b>								
Burlington, IA	21,720	20,879	16,602	8,777	7,385	7,756	-64%	-10%
Cedar Rapids, IA	409,929	457,860	495,394	441,101	471,241	510,635	25%	2%
Des Moines, IA	905,405	861,184	876,018	883,190	997,655	978,907	8%	1%
Dubuque, IA	34,188	44,724	58,326	51,590	38,892	47,000	37%	3%
Fort Dodge, IA	6,500	8,444	11,644	7,571	8,509	7,002	8%	1%
Mason City, IA	15,850	15,559	12,360	13,961	15,685	12,204	-23%	-3%
Sioux City, IA	101,713	90,715	85,837	56,199	41,179	33,551	-67%	-10%
Waterloo, IA	67,410	66,825	54,111	54,686	41,138	32,899	-51%	-7%
<b>Subtotal</b>	<b>1,562,715</b>	<b>1,566,190</b>	<b>1,610,292</b>	<b>1,517,075</b>	<b>1,621,684</b>	<b>1,629,954</b>	<b>4%</b>	<b>0.4%</b>
<b>Border Airports:</b>								
La Crosse, WI	110,579	112,318	110,852	107,601	122,126	117,899	7%	1%
Moline, IL	285,938	351,514	381,591	378,059	442,737	456,802	60%	5%
Omaha, NE	1,777,288	1,856,274	1,895,379	1,811,033	1,936,248	2,114,152	19%	2%
Rochester, MN	136,128	168,412	151,235	146,913	141,776	149,897	10%	1%
Sioux Falls, SD	328,238	344,854	362,000	303,897	335,076	371,693	13%	1%
<b>Subtotal</b>	<b>2,638,171</b>	<b>2,833,372</b>	<b>2,901,057</b>	<b>2,747,503</b>	<b>2,977,963</b>	<b>3,210,443</b>	<b>22%</b>	<b>2%</b>
<b>Outlying Hub Airports:</b>								
Chicago, IL (ORD)	28,895,824	30,322,255	28,566,355	26,802,233	31,402,210	31,689,145	10%	1%
Kansas City, MO	5,295,525	6,063,407	6,554,723	5,645,662	5,477,555	5,855,200	11%	1%
Minneapolis, MN	11,622,749	12,675,635	15,521,358	14,261,094	16,415,151	15,973,751	37%	3%
St. Louis, MO	14,233,158	14,939,524	15,702,183	12,275,853	6,575,273	7,425,896	-48%	-6%
<b>Subtotal</b>	<b>60,047,256</b>	<b>64,000,821</b>	<b>66,344,619</b>	<b>58,984,842</b>	<b>59,870,189</b>	<b>60,943,992</b>	<b>1%</b>	<b>0.1%</b>
Sources: Iowa DOT; Airport records; Outlying hub airports = Data Base Products, Inc. (onboard passengers)								
Notes: IA commercial airports/border airports 2006 = preliminary; Outlying hub airports 2006 = annualized based on 10 months ended October 31, 2006; CAGR = compounded annual growth rate								

From 1996 to 2006, four of the eight commercial airports in Iowa experienced declining enplanements. The Eastern Iowa Airport, Des Moines International Airport, Dubuque Regional Airport, and Fort Dodge Regional Airport experienced increasing enplanements over the period, ranging from eight percent to 37 percent from 1996 to 2006. In comparison, the Border Airports experienced an increase in enplanements. Moline experienced the highest increase with a 60 percent improvement over the period. Three of the four Outlying Hub Airports had growth in passengers with Minneapolis-St. Paul taking the lead with 37 percent growth. St. Louis, the only Outlying Hub Airport with a decline in enplanements decreased 48 percent over the period.



### Average Weekly Available Seats

Similar to enplanements, average weekly available seats are also an indicator of the vitality of commercial air service in the market. **Table 1-26** provides a comparison of average weekly available seats in calendar year 2006 for commercial airports in Iowa and the Border Airports to nonstop medium and large hub markets.

**Table 1-26  
Comparison of Average Seats per Week**

Nonstop market	Commercial Airports in Iowa								Border Airports				
	BRL	CID	DSM	DBQ	FOD	MCW	SUX	ALO	LSE	MLI	OMA	RST	FSD
Atlanta, GA		350	1,097							3,869	2,187		350
Chicago, IL (MDW)											5,501		
Chicago, IL (ORD)		5,148	6,259	1,326					1,045	3,875	6,992	1,933	1,838
Cincinnati, OH		895	1,199								1,002		555
Dallas, TX (DFW)		1,642	2,432							377	3,971		
Denver, CO		1,327	3,155							734	8,402		1,977
Detroit, MI		1,000	1,412							970	1,551	350	
Houston, TX (IAH)			580								2,379		
Kansas City, MO											113		
Las Vegas, NV		669	1,002								2,875		810
Memphis, TN			1,061							696	1,546		
Milwaukee, WI			594								1,528		
Minneapolis, MN		2,100	2,964			612	1,360	1,011	2,423	1,687	4,387	2,672	4,573
New York, NY (LGA)			224										
Newark, NJ											865		
Orlando, FL										464			
Phoenix, AZ			992								5,025		
Salt Lake City, UT			329								998		329
San Antonio, TX											336		
Sanford, FL		300	554										300
St Louis, MO	342	750	1,422								2,793		
Washington, DC (DCA)			395								1,144		

Source: APGDat - 2006

### Average Airfares

Airfares play a large role in an air traveler's decision on which airport to select for originating air travel. Airfares affect both air service demand and an airport's ability to retain passengers. To compare and contrast airfares, a comparison of historic and current overall average one-way airfares and average airfares to Iowa's top 30 origin and destination airports are provided. In addition, factors that resulted in lower fares at Outlying Hub Airports are discussed.



Historical Average Airfares

One-way historical airfares (excluding taxes and passenger facility charges) paid by air travelers at commercial airports in Iowa are compared to historical fares at Border Airports and Outlying Hub Airports in **Table 1-27**.

**Table 1-27  
Comparison of Average One-Way Fares**

Comparison airport	Fared average fare						% change 1996-2006	CAGR 1996-2006
	1996	1998	2000	2002	2004	2006*		
<b>Commercial Airports in Iowa:</b>								
Burlington, IA	\$208	\$224	\$214	\$192	\$183	\$185	-11%	-1%
Cedar Rapids, IA	\$202	\$210	\$213	\$175	\$171	\$184	-9%	-1%
Des Moines, IA	\$167	\$201	\$209	\$160	\$156	\$187	12%	1%
Dubuque, IA	\$207	\$191	\$176	\$148	\$171	\$179	-14%	-1%
Fort Dodge, IA	\$203	\$169	\$186	\$160	\$165	\$195	-4%	0%
Mason City, IA	\$206	\$202	\$209	\$158	\$167	\$201	-3%	0%
Sioux City, IA	\$171	\$185	\$187	\$193	\$221	\$236	38%	3%
Waterloo, IA	\$177	\$194	\$201	\$170	\$175	\$201	14%	1%
<b>Average</b>	<b>\$178</b>	<b>\$202</b>	<b>\$207</b>	<b>\$166</b>	<b>\$163</b>	<b>\$187</b>	<b>5%</b>	<b>0%</b>
<b>Border Airports:</b>								
La Crosse, WI	\$213	\$212	\$235	\$189	\$198	\$212	0%	0%
Moline, IL	\$190	\$185	\$173	\$139	\$134	\$152	-20%	-2%
Omaha, NE	\$127	\$141	\$152	\$138	\$142	\$149	17%	2%
Rochester, MN	\$244	\$230	\$235	\$196	\$215	\$202	-17%	-2%
Sioux Falls, SD	\$165	\$176	\$189	\$190	\$193	\$203	24%	2%
<b>Average</b>	<b>\$158</b>	<b>\$169</b>	<b>\$170</b>	<b>\$143</b>	<b>\$143</b>	<b>\$153</b>	<b>-3%</b>	<b>0%</b>
<b>Outlying Hub Airports:</b>								
Chicago, IL (ORD)	\$176	\$185	\$200	\$157	\$148	\$154	-13%	-1%
Kansas City, MO	\$121	\$126	\$137	\$126	\$128	\$139	16%	1%
Minneapolis, MN	\$212	\$212	\$194	\$190	\$179	\$173	-18%	-2%
<b>Average</b>	<b>\$174</b>	<b>\$180</b>	<b>\$186</b>	<b>\$160</b>	<b>\$153</b>	<b>\$157</b>	<b>-10%</b>	<b>-1%</b>
Source: Data Base Products, Inc. Notes: 2006 = year ended June 30, 2006; CAGR = compounded annual growth rate								

Five of the eight commercial airports in Iowa experienced a decrease in their average one-way airfares from 1996 to 2006. Three airports, Des Moines International Airport, Sioux Gateway Airport, and Waterloo Regional Airport experienced increases in airfares over the same period. Sioux Gateway Airport had the highest increase over the period of 38 percent, a three percent compounded annual growth rate. Two of the five Border Airports, Omaha and Sioux Falls, also experienced increased airfares from 1996 to 2006. Only one Outlying Hub Airport had an overall increase in airfares, Kansas City, with a 16 percent increase.

For the most current year available, year ended June 30, 2006, airfares at commercial airports in Iowa ranged from \$179 one-way to \$236 one-way. The Border Airport's airfares ranged from \$149 to \$242 for the same time period. In contrast, the Outlying Hub Airports average one-way fares were much lower than commercial airports in Iowa and Border Airports with fares ranging from \$139 to



\$173. Of all the airports, Kansas City International Airport had the lowest average fare at \$139. Sioux Gateway Airport had the highest average one-way fare at \$236.

Airfares at Top 30 Origin and Destination Markets

**Table 1-28** compares the average airfare for the top 30 origin and destination passenger markets for commercial airports in Iowa with average one-way airfares at Border Airports and Outlying Hub Airports.

**Table 1-28**  
**Comparison of Average Fares to Top 30 Markets**

Rank	Dest-ination	Airports in Iowa								Border Airports					Outlying Hub Airports		
		BRL	CID	DSM	DBQ	FOD	MCW	SUX	ALO	LSE	MLI	OMA	RST	FSD	ORD	MCI	MSP
1	LAS	\$219	\$130	\$134	\$165	\$198	\$195	\$202	\$214	\$175	\$156	\$123	\$185	\$111	\$149	\$119	\$132
2	PHX	\$242	\$196	\$177	\$180	\$129	\$158	\$226	\$221	\$180	\$152	\$138	\$205	\$171	\$144	\$135	\$150
3	ORD	\$221	\$151	\$190	\$136	\$146	\$211	\$255	\$250	\$183	\$121	\$106	\$151	\$210	N/A	\$94	\$111
4	DFW	\$190	\$198	\$200	\$196	\$254	\$287	\$243	\$240	\$172	\$163	\$203	\$150	\$227	\$170	\$151	\$124
5	DEN	\$200	\$176	\$189	\$233	\$199	\$172	\$216	\$229	\$154	\$178	\$143	\$144	\$178	\$158	\$135	\$97
6	DCA	\$150	\$156	\$154	\$135	\$170	\$158	\$228	\$161	\$186	\$127	\$158	\$213	\$200	\$132	\$144	\$206
7	LGA	\$151	\$161	\$179	\$147	\$146	\$188	\$247	\$150	\$181	\$138	\$159	\$228	\$203	\$156	\$162	\$250
8	MCO	\$154	\$170	\$140	\$165	\$152	\$150	\$240	\$188	\$161	\$117	\$126	\$173	\$208	\$117	\$118	\$125
9	LAX	\$175	\$205	\$196	\$188	\$206	\$192	\$312	\$218	\$230	\$175	\$143	\$225	\$221	\$192	\$133	\$162
10	ATL	\$248	\$181	\$207	\$151	\$168	\$170	\$202	\$213	\$195	\$116	\$193	\$183	\$199	\$157	\$121	\$141
11	MSP	\$113	\$200	\$227	\$197	\$210	\$115	\$190	\$131	\$82	\$141	\$229	\$65	\$224	\$111	\$240	N/A
12	SFB	N/A	\$98	\$101	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$110	N/A	N/A	N/A
13	SFO	\$221	\$233	\$206	\$206	\$191	\$204	\$242	\$201	\$251	\$187	\$157	\$275	\$217	\$256	\$173	\$201
14	DTW	\$174	\$132	\$152	\$154	\$220	\$257	\$245	\$268	\$249	\$133	\$137	\$159	\$232	\$90	\$176	\$233
15	STL	\$98	\$117	\$129	\$128	\$271	\$257	\$268	\$226	\$183	\$162	\$66	\$177	\$234	\$93	\$67	\$176
16	SEA	\$245	\$233	\$216	\$210	\$236	\$203	\$275	\$228	\$245	\$191	\$151	\$213	\$224	\$195	\$164	\$156
17	PHL	\$188	\$172	\$184	\$169	\$187	\$197	\$283	\$162	\$184	\$127	\$149	\$211	\$239	\$117	\$161	\$216
18	BOS	\$190	\$175	\$175	\$176	\$175	\$180	\$235	\$180	\$180	\$142	\$171	\$240	\$263	\$168	\$147	\$204
19	SAN	\$193	\$206	\$209	\$187	\$351	\$177	\$256	\$193	\$242	\$174	\$125	\$207	\$214	\$173	\$149	\$168
20	TPA	\$202	\$180	\$152	\$156	\$269	\$149	\$278	\$166	\$182	\$126	\$120	\$194	\$219	\$121	\$119	\$154
21	IAH	\$211	\$190	\$223	\$163	\$222	\$199	\$253	\$206	\$287	\$163	\$181	\$224	\$214	\$150	\$150	\$234
22	EWR	\$164	\$187	\$216	\$154	\$332	\$264	\$279	\$204	\$236	\$129	\$231	\$287	\$275	\$147	\$230	\$255
23	BWI	\$245	\$165	\$162	\$142	\$133	\$166	\$264	\$158	\$221	\$133	\$134	\$214	\$229	\$123	\$118	\$197
24	PDX	\$394	\$218	\$224	\$239	\$189	\$174	\$238	\$229	\$262	\$211	\$149	\$226	\$233	\$211	\$149	\$217
25	CVG	\$924	\$207	\$186	\$206	\$325	\$185	\$303	\$175	\$223	\$174	\$213	\$168	\$209	\$194	\$208	\$165
26	SAT	\$236	\$173	\$169	\$178	\$167	\$172	\$254	\$178	\$213	\$148	\$148	\$212	\$218	\$136	\$136	\$193
27	MEM	\$192	\$201	\$135	\$206	\$172	\$228	\$240	\$185	\$253	\$118	\$161	\$210	\$228	\$187	\$231	\$229
28	RDU	\$153	\$150	\$218	\$140	\$165	\$231	\$260	\$146	\$193	\$132	\$150	\$239	\$225	\$130	\$125	\$195
29	SNA	\$215	\$268	\$230	\$206	\$203	\$220	\$215	\$227	\$243	\$209	\$163	\$261	\$211	\$199	\$188	\$256
30	FLL	\$187	\$205	\$160	\$176	\$120	\$151	\$325	\$201	\$216	\$132	\$140	\$229	\$218	\$118	\$124	\$159

Source: Data Base Products, Inc. - year ended 6/30/06  
Note: Domestic; One-way; Does NOT include taxes, PFC, or non-fare passengers.

Iowa's top five markets include Las Vegas, NV, Phoenix, AZ, Chicago, IL (ORD), Dallas, TX (DFW), and Denver, CO. In the number one market, Las Vegas, the lowest airfare among comparison airports is at one of the Border Airports, Sioux Falls, SD. The \$111 airfare is significantly lower than average



airfares to Las Vegas from most of the airports in Iowa. In the number two market, Phoenix, results are significantly different. Fort Dodge Regional Airport had the lowest average fare to Phoenix, rivaling the fares out of Omaha and Kansas City. This appears to be an anomaly; however, as other commercial airports in Iowa show much higher fares ranging from \$158 to \$242 to Phoenix. In the Chicago O'Hare market, the average fare of \$94 at Kansas City was much lower than other comparison airports, particularly airports in Iowa with airfares ranging from \$136 to \$255.

Overall, of the top 30 origin and destination markets, an Outlying Hub Airport had the lowest average fare in 15 markets. Border Airports had the lowest fare in 13 markets. Commercial airports in Iowa had the lowest average fare in only two markets, Phoenix, AZ and Sanford, FL.

#### Factors Resulting in Lower Fares at Outlying Hub Airports

While it is generally true that hub airport average airfares are lower than average fares at non-hub and small-hub airports, such as the commercial air service airports in Iowa, this is not always the case. There are two types of hub airports, competitive hub airports and fortress hub airports. Competitive hub airports include Chicago O'Hare International Airport where both United Airlines and American Airlines have hubs and Denver International Airport where Frontier Airlines and United Airlines have hub and low cost carrier Southwest has started service. Fortress hubs include Minneapolis-St. Paul International Airport where Northwest Airlines has a hub, Cincinnati where Delta Air Lines has a hub, and Charlotte where US Airways has a hub. The so-called fortress hubs are characterized by the hub carrier and its codeshare affiliates operating a high percentage of all of the airport departures, perhaps 70 to 80 percent. In competitive hubs, average airfares are almost assuredly lower than non-hub and small-hub airfares. This is not always the case when fortress hubs are involved. In some Iowa markets, average one-way airfares may be lower than those between the fortress hub Minneapolis and the same destinations. Low-fare competition may lower airfares in selective hub markets, but seldom permeate a wide range of the hub nonstop markets.

The primary factors that cause non-hub and small-hub average airfares to be higher than hub airfares are costs and competition. Travel to non-hub and small-hub airports almost always involves travel via a hub airport. Therefore, the average fare must be higher than the hub average fare to compensate for the added cost of travel beyond the hub. Frequently, this travel involves a relatively short flight segment which basic airline economics dictate to be more expensive than longer flights on a per mile basis. The cost of reservations, passenger check-in, baggage handling, landing fees, and the slower flight time and higher fuel burn to reach cruise altitude is approximately the same whether the flight is for 100 miles or 500 miles. Many times the flight between the non-hub and small-hub airport and the hub airport involves a smaller aircraft with costs being spread over a smaller number of seats thereby resulting in higher per passenger cost. The airlines must recover or attempt to recover these added costs between the hub and the non-hub or small-hub airports or there is little to be gained by serving such airports. If there are competitive options (travel via alternate hubs) for travel between an airport in Iowa and an East Coast destination, this may, in some cases, limit the fare that the airlines charge. For instance, the fare at an airport in Iowa that has service through multiple hubs can be more competitive than if there was only service to a single hub.

The added costs of serving non-hub and small-hub airports compared to a hub airport are real. Due to the limited number of available seats and the lack of competition at smaller airports, Iowa travelers will frequently see even greater fare differentials than those noted in previous tables. The



airlines' attempt to charge what the market will bear is determined by competition and passenger willingness to drive to a nearby alternative airport. Regional carriers, which provide nearly all the service in Iowa, have historically been most interested in catering to the business traveler; they do not usually offer as many discounted seats as larger carriers since they simply do not have as many seats on their aircraft to sell.