



Inter-Office Memo

Reno-Tahoe Airport Authority

Date: February 27, 2009
To: Statistics Recipients
From: Tom Medland, Vice President of Airlines Business Development
Subject: **RENO-TAHOE INTERNATIONAL AIRPORT
JANUARY 2009 PASSENGER STATISTICS**

U.S. DOMESTIC INDUSTRY OVERVIEW FOR JANUARY

Average Load Factor:	70.7% (all RNO carriers)
Air Fares:	Up 14% vs. same period last year
Number of Flights:	Down 13.5%*
Capacity of Seats:	Down 11.4%*
Fuel:	\$40 per barrel ending January 2009

** Source: APGDat*

RNO OVERVIEW FOR JANUARY

Average Load Factor:	71.0%
Total Passengers:	Down 23.3%
Air Fares:	Up 14% average vs. same period last year
Air Cargo:	Down 21.9%
Number of Flights:	Down 17.9%
Capacity of Seats:	Down 17.4%

RNO AIRPORT SUMMARY

RNO airlines reported 297,327 total passengers, a 23.3% decline for the month of January 2009, or 89,785 fewer passengers, the second highest decline in any single month over the past year. The January decline in total passengers also represents the tenth month in a row where the monthly passenger totals have had a double digit decrease over the same period in the previous year. Airlines cut capacity last year to cope with then-high fuel prices and now face a recession that has hurt demand for air travel. Although many carriers offered lower fares during the month of January to generate sales for the typically slow January-February period, demand for air travel remained low.

The January 2009 average airline load factor at 71% in RNO increased year-over-year by 2.8 points. It should be noted that in January capacity was reduced by 20 fewer daily flights and 1,855 fewer daily seats compared to January 2008. This resulted in a higher load factor on the remaining flights and an indication that the airlines continue to adjust capacity to match demand.

RNO Air Cargo was down 21.9% at 8,777,047 pounds, or 3,980.5 metric tons, during the month of January. This is the eleventh month over the past year that RNO air cargo has dropped below the previous year for the same month and by far the largest decrease over the preceding 12 months. The global downturn in air freight resulting from a deepening U.S. recession and a weak global economy sped up in January and surpassed the previous record declines recorded after the September 11 terror attacks in 2001.

RNO TOTAL PASSENGERS

In January 2009, a total of 295,827 passengers traveled to and from RNO. This is a decrease of 23.3%, or 89,785 fewer passengers, from the same period last year and one of the largest year-over-year percentage declines recorded at RNO since the 35% decline seen following the September 11, 2001 terrorist attack. The substantial decrease in January traffic is attributed to a severely struggling U.S. economy and the impact of the fuel crisis from last year that prompted most air carriers to slash capacity. Additionally, even though carriers lowered fares to generate sales during the month of January, ticket sales declined by 24.8 percent* compared to the same period last year.

RNO TOTAL CARGO

A total of 8,777,047 pounds, or 3,980.5 metric tons, was handled during the month of January for a 21.9% decrease compared to January 2008. DHL posted the largest year-over-year decrease with a 99.1% decline in RNO with only one 767 operation as they completed their plans to cease all domestic operations in the United States in January 2009. UPS and Fed-Ex each posted January 2009 losses of 21.8% and 7.6 respectively compared to January 2008. FedEx states these are the worst economic conditions in the company's 35 year operating history with the negative impact of lower shipping volumes resulting from the weak global economy. UPS also stated the severe decline in economic activity around the world resulted in sharply lower package and freight volumes for UPS.

AIRLINE LOAD FACTORS

In the month of January, RNO airlines reported an average load factor of 71.0% which is approximately 2.8 points higher than the average load factor in January 2008. Four airlines reported a RNO load factor which was higher than their system-wide load factor. Of significant concern, however, Allegiant reported a 34.1 point drop in monthly average load factor at RNO as compared to their system-wide average of 89.0%. Allegiant advised that Harrah's traffic was well below normal due to internal problems with their mailings to customers.

*Airline Reporting Corp (ARC)

Southwest and United reported RNO load factors lower than their system-wide average for January, although both improved their RNO load factor performance compared to the past two months. Skywest, Alaska/Horizon, US Airways and American reported an increase in average load factor compared to their system-wide average.

<u>Airline</u>	<u>Reno LF</u>	<u>System LF</u>	<u>Difference</u>
Allegiant	54.9%	89.0%	-34.1
Alaska/Horizon	75.1%	71.7%	3.4
US Airways	79.9%	75.8%	4.1
Skywest - Delta Connection	84.5%	51.0%	33.5
United	70.3%	75.2%	-4.9
American	74.0%	73.8%	0.2
Delta	74.5%	75.1%	-0.6
Southwest	55.1%	62.8%	-7.7

January 2009 RNO Airline Load Factor and System-Wide Comparison

AIRLINE MARKET SHARE

The additional market share realized by Southwest, American and United was due to the reduction of airlines in the RNO market. Most notable is the departure of ExpressJet who began operations with 5 daily departures from RNO in November 2007 and ceased all operations 10 months later. Additionally, Aloha Airlines ceased operations last March canceling Reno-Orange County service and Continental Airlines ceased operations in RNO effective September 3, 2008. As a result, RNO is now served by seven major airlines providing 68 daily departures to 16 airports. The departure of the above mentioned airlines constituted a shift of 6.62% in market share. Southwest Airlines currently maintains the largest market share in RNO with 53.52%, an increase of 4.6 market share points compared to January 2008. United Airlines continues to hold the second largest market share in RNO with 12.11% and gained 1.95 market share point compared to 2008. American Airlines gained 2.29 market share points for a total of 10.53% while Alaska/Horizon had a slight decrease at 8.23% share due to their change to smaller Q400 aircraft last year.

<u>Airline</u>	<u>JAN. 2009</u>	<u>JAN. 2008</u>	<u>Change</u>
Alaska/Horizon	8.23%	8.24%	-0.01
Allegiant	0.56%	0.40%	0.16
American	10.53%	8.24%	2.29
Delta	2.84%	4.5%	-1.66
Delta Connection	3.77%	3.3%	0.47
Southwest	53.52%	48.92%	4.6
United	12.11%	10.16%	1.95
US Airways	7.88%	8.46%	-.58
Non-Scheduled	0.56%	1.78%	-1.22

January 2009 RNO Airline Market Share

DOMESTIC AND INTERNATIONAL CHARTER PASSENGERS

Year-over-year, RNO charter traffic decreased 53.5% in January 2009 with a total of 1,661 charter passengers. This decrease in charter activity is a direct result of a new contract between Harrah's Charter and Allegiant Airlines to reduce long-haul charter flights to and from east coast markets. A total of 13 Harrah's charter flights, each using an MD-80 aircraft with 130 available seats, occurred in January 2009 compared to 23 charter flights in January 2008 and resulted in 2304 fewer passengers. Additionally, there were no ATA charter flights in January 2009 which had accounted for 14.3% of charter flights in January 2008.

SCHEDULED DEPARTURES AND SEATS

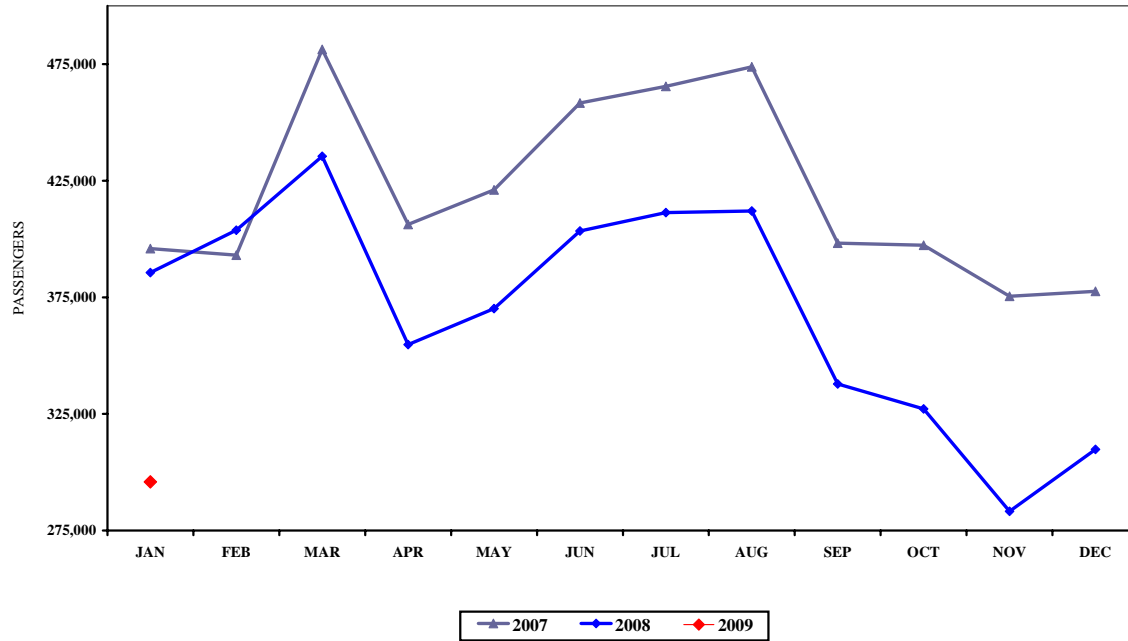
During the month of January, RNO reported 1,949 scheduled departures, or 25.2% fewer departures than January 2008. This decrease is part of a nation wide reduction in airline capacity as a direct result of increased fuel costs at the beginning of the year and a severely struggling U.S. economy. The RNO total monthly available outbound seats of 237,926 in January 2009 represents a 21.0% decrease year-over-year which is a result of the reduction in daily departures and the downsizing of aircraft.

TOTAL OPERATIONS

Total RNO airport operations for the month of January declined 11.6% to 8,985 operations which is 1,178 fewer operations than January 2008. This decline is attributed to a decrease in scheduled service and general aviation flying to and from RNO. Total airport operations consists of scheduled air carrier arrivals and departures, air taxi flights, general aviation landings and take-offs, and military aircraft operations.

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TOTAL PASSENGERS JANUARY 2009

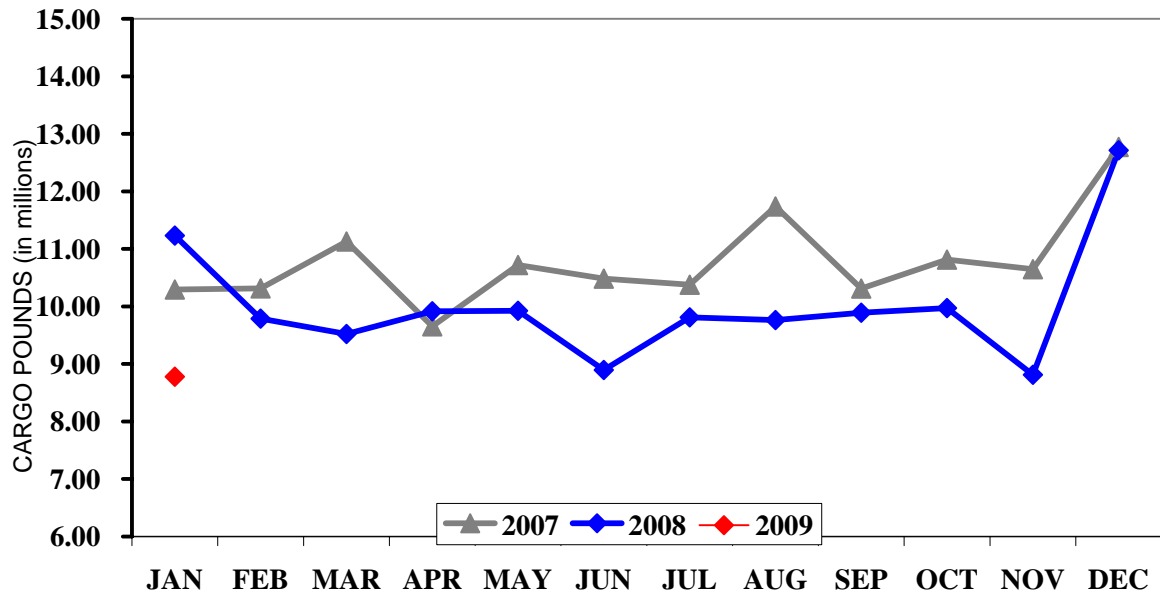


Month	<u>PASSENGERS¹</u>			<u>PASSENGERS¹</u>	
	2007	2008	Percent Change	2009	Percent Change
January	395,878	385,612	-2.59%	295,827	-23.28%
February	393,086	403,819	2.73%		
March	481,370	435,495	-9.53%		
1st Q Total	1,270,334	1,224,926	-3.57%		
April	406,237	354,768	-12.67%		
May	421,078	370,145	-12.10%		
June	458,338	403,441	-11.98%		
2nd Q Total	1,285,653	1,128,354	-12.23%		
July	465,487	411,332	-11.63%		
August	473,858	412,002	-13.05%		
September	398,219	337,851	-15.16%		
3rd Q Total	1,337,564	1,161,185	-13.19%		
October	397,367	327,146	-17.67%		
November	375,463	283,256	-24.56%		
December	377,706	309,771	-17.99%		
4th Q Total	1,150,536	920,173	-20.02%		
TOTALS	5,044,087	4,434,638	-12.08%	295,827	-23.28%

¹Per Landing Reports

↑
% change YTD

TOTAL CARGO JANUARY 2009



Month	<u>CARGO (IN POUNDS)</u>			METRIC TONS	PERCENT CHANGE
	2007	2008	2009		
January	10,293,920	11,231,880	8,777,047	3,980.5	-21.86%
February	10,313,441	9,786,730			
March	11,129,070	9,519,983			
1st Quarter	31,736,431	30,538,593			
April	9,653,603	9,915,236			
May	10,718,860	9,923,064			
June	10,483,160	8,893,972			
2nd Quarter	30,855,623	28,732,272			
July	10,377,947	9,811,115			
August	11,736,465	9,763,038			
September	10,311,212	9,890,572			
3rd Quarter	32,425,624	29,464,725			
October	10,813,406	9,971,505			
November	10,646,261	8,811,895			
December	12,772,059	12,713,339			
4th Quarter	34,231,726	31,496,739			
TOTALS	129,249,404	120,232,329	8,777,047	3,980.5	-21.86%

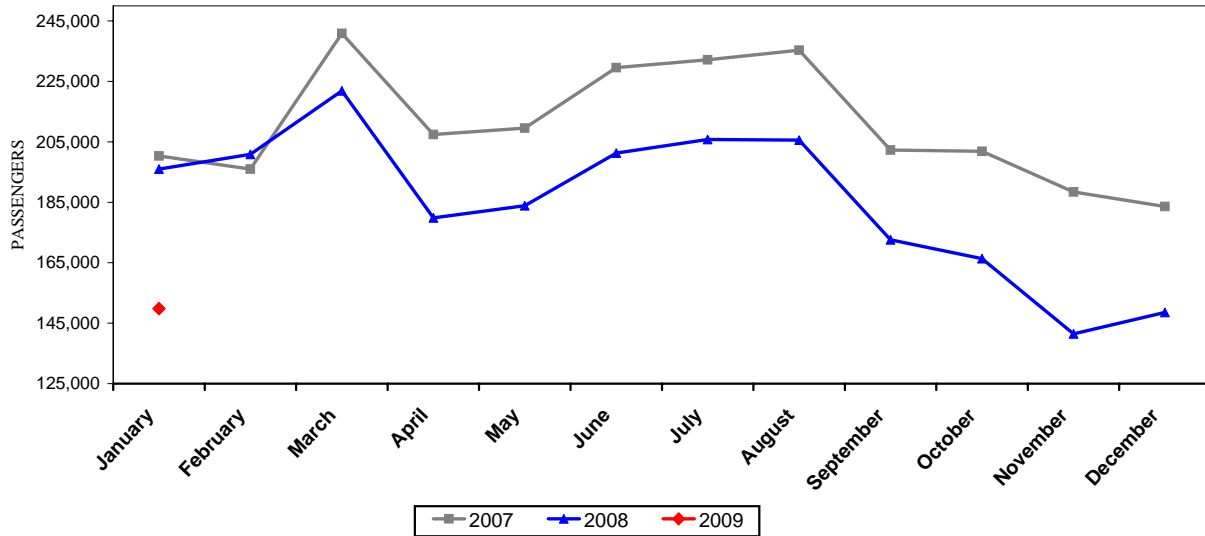
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% change YTD

MONTHLY ENPLANED PASSENGERS JANUARY 2009

<u>PASSENGERS¹</u>				
Month	2007	2008	2009	DIFFERENCE
January	200,334	195,981	149,813	-23.56%
February	195,997	200,851		
March	240,880	221,875		
April	207,443	179,845		
May	209,557	183,861		
June	229,576	201,271		
July	232,164	205,791		
August	235,318	205,576		
September	202,311	172,607		
October	201,859	166,339		
November	188,434	141,456		
December	183,595	148,563		
TOTALS	2,527,468	2,224,016	149,813	-23.56%

¹Per Landing Reports

Monthly Enplaned Passengers

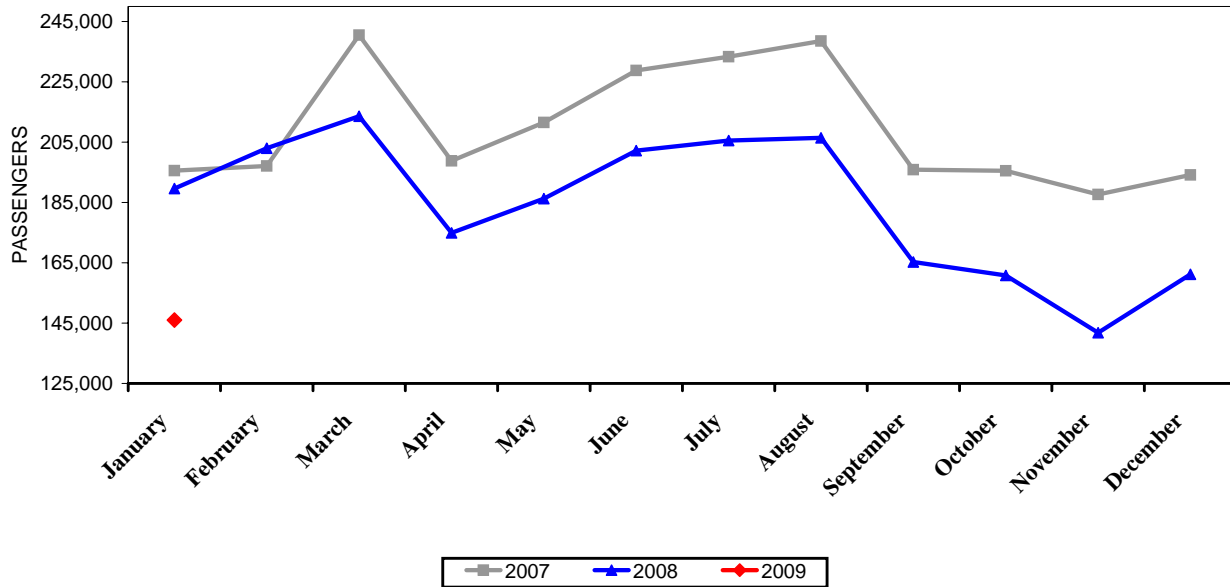


MONTHLY DEPLANED PASSENGERS JANUARY 2009

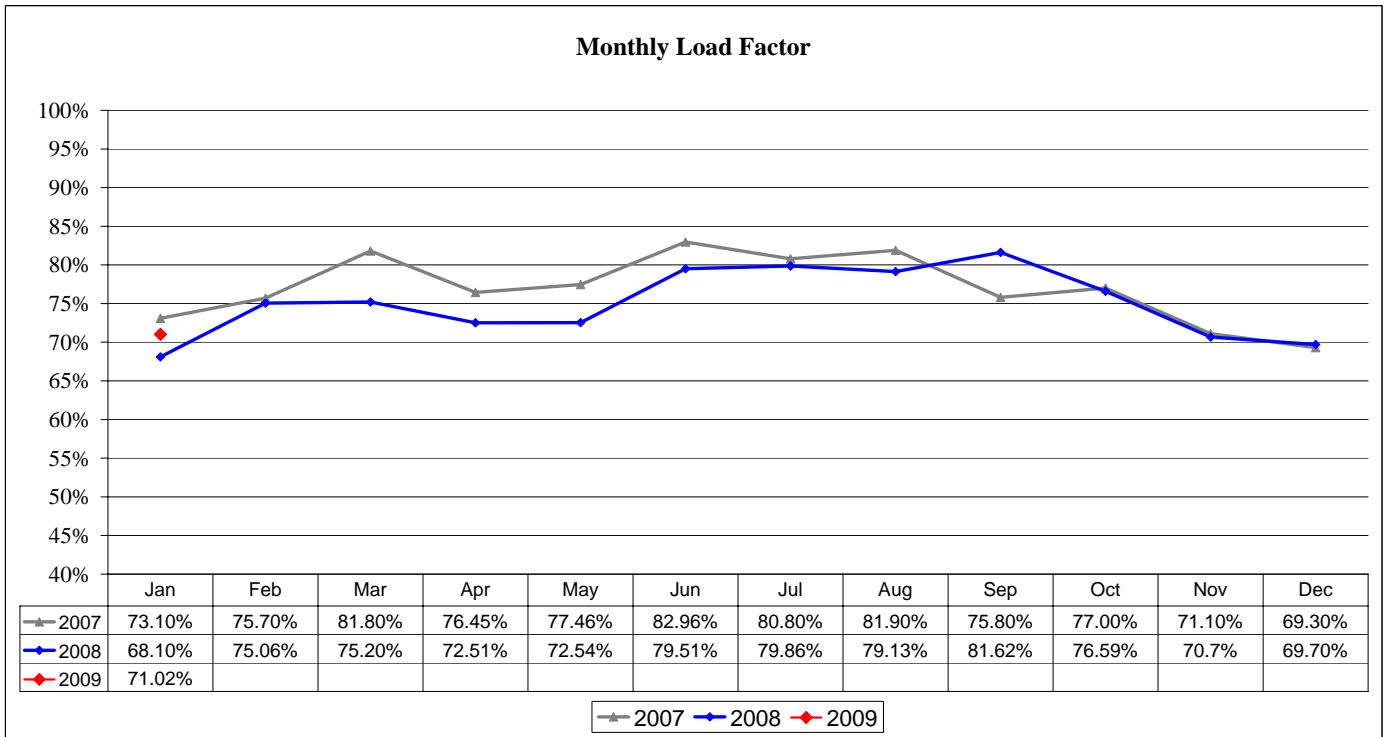
Month	PASSENGERS ¹			DIFFERENCE
	2007	2008	2009	
January	195,544	189,631	146,014	-23.00%
February	197,089	202,968		
March	240,490	213,620		
April	198,794	174,923		
May	211,521	186,284		
June	228,762	202,170		
July	233,323	205,541		
August	238,540	206,426		
September	195,908	165,244		
October	195,508	160,807		
November	187,635	141,800		
December	194,111	161,208		
TOTALS	2,517,225	2,210,622	146,014	-23.00%

¹Per Landing Reports - Scheduled and Charter

Monthly Deplaned Passengers



**MONTHLY ENPLANED PASSENGER LOAD FACTOR SUMMARY
JANUARY 2009**



Month	ENPLANED PASSENGERS*			LOAD FACTOR (%)			DIFFERENCE (2009 / 2008)
	2007	2008	2009	2007	2008	2009	
January	198,737	195,981	149,813	73.10	68.10	71.02	2.9
February	193,576	200,851		75.65	75.06		
March	237,470	221,875		81.78	75.20		
April	204,156	179,845		76.45	72.51		
May	206,369	183,861		77.46	72.54		
June	226,577	201,271		82.96	79.51		
July	229,238	205,791		80.75	79.86		
August	232,031	205,576		81.89	79.13		
September	199,578	172,607		75.77	81.62		
October	198,499	166,339		77.07	76.59		
November	184,384	141,456		71.48	70.67		
December	181,472	148,563		69.13	69.67		
***	2,492,087	2,224,016	149,813	76.96	75.04	71.02	2.9

* Per Landing Reports

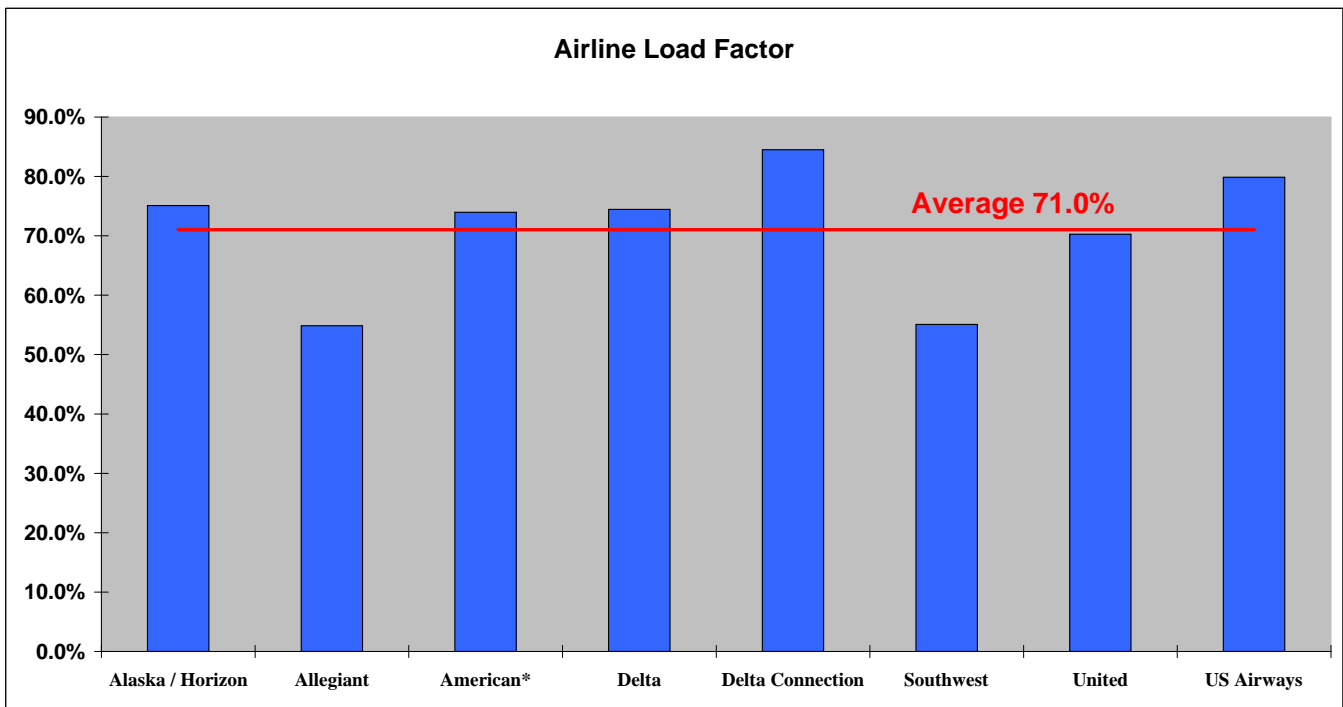
*** AVERAGE OF AIRLINE LOAD FACTORS

LOAD FACTOR BY AIRLINE JANUARY 2009

Carrier	Seats Available	***Enplaned Passengers	2009 Load Factor (%)	2008 Load Factor (%)	Difference
Alaska / Horizon	16,450	12,355	75.1%	71.9%	3.2
Allegiant	1,500	823	54.9%	52.4%	2.5
American*	20,008	15,223	74.0%	76.8%	-2.8
Delta	5,662	4,216	74.5%	75.6%	-1.1
Delta Connection	6,550	5,535	84.5%	76.1%	8.4
Southwest	146,836	80,887	55.1%	60.7%	-5.6
United	25,992	18,265	70.3%	71.8%	-1.5
US Airways	14,778	11,803	79.9%	75.4%	4.5
AVERAGE**	237,776	149,107	71.0%	69.3%	1.7

*LOAD FACTORS REPORTED BY AIRLINES

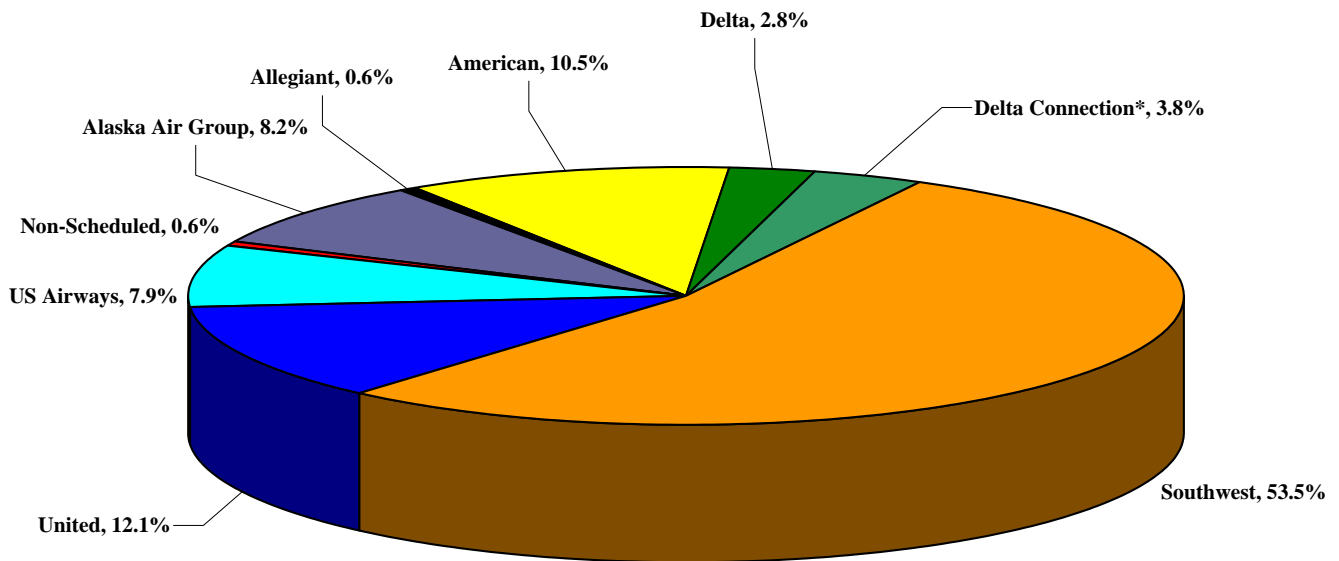
** ENPLANED PASSENGERS DOES NOT INCLUDE CHARTER PASSENGERS



TOTAL AIR CARRIER MARKET SHARE JANUARY 2009

Carrier	Passengers	Percentage of Total
Alaska Air Group	24,341	8.23%
Allegiant	1,667	0.56%
American	31,147	10.53%
Delta	8,395	2.84%
Delta Connection*	11,146	3.77%
Southwest	158,332	53.52%
United	35,830	12.11%
US Airways	23,308	7.88%
Non-Scheduled	1,661	0.56%
Totals	295,827	100.00%

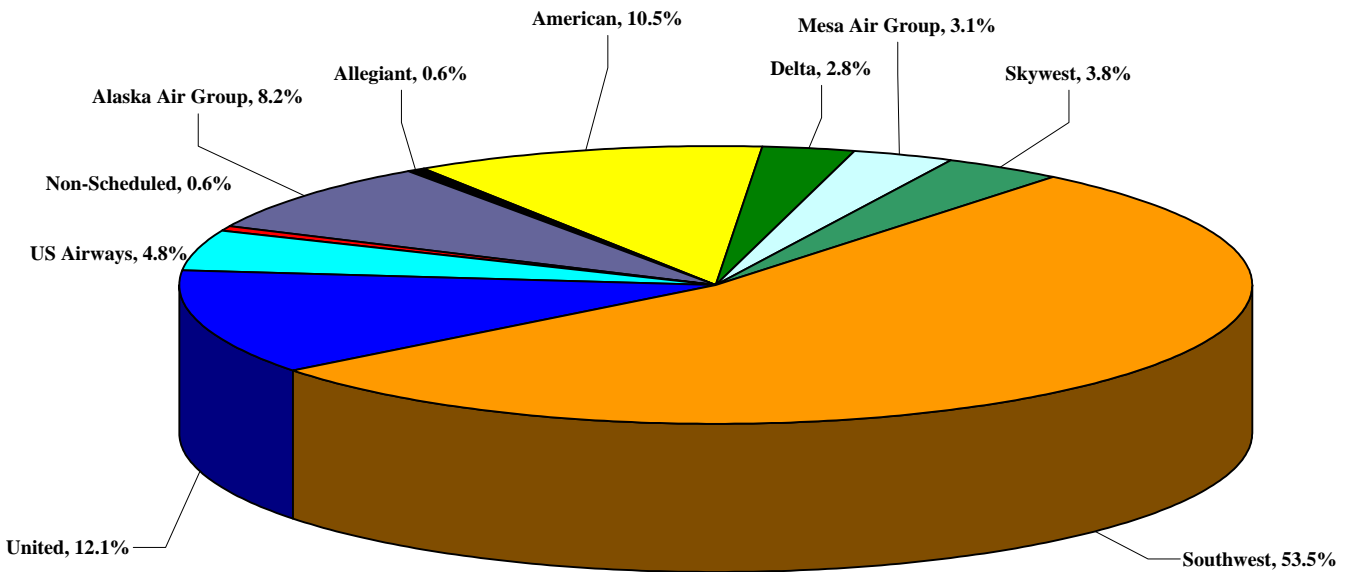
*Delta Connection carriers: ExpressJet and SkyWest



TOTAL AIRLINE MARKET SHARE JANUARY 2009

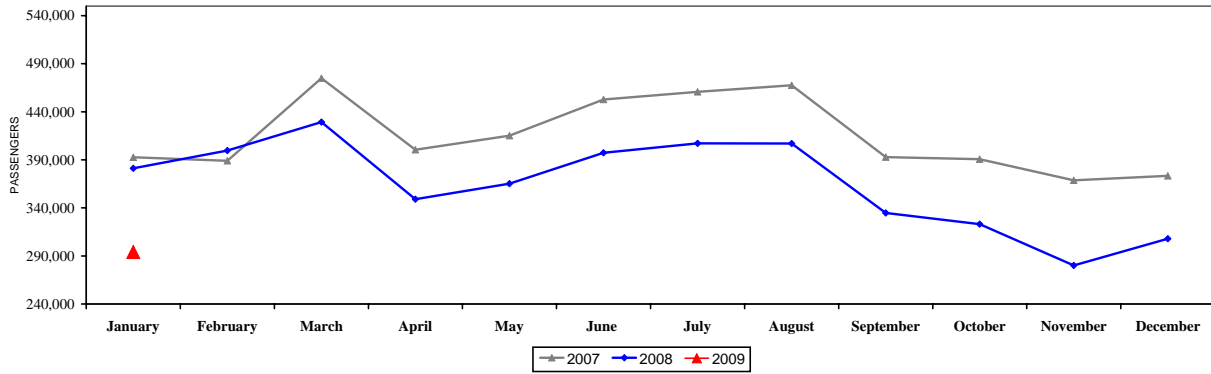
Carrier	Passengers	Percentage of Total
Alaska Air Group	24,341	8.23%
Allegiant	1,667	0.56%
American	31,147	10.53%
Delta	8,395	2.84%
Mesa Air Group	9,120	3.08%
Skywest	11,146	3.77%
Southwest	158,332	53.52%
United	35,830	12.11%
US Airways	14,188	4.80%
Non-Scheduled	1,661	0.56%
Totals	295,827	100.0%

*Delta Connection carriers: ExpressJet and SkyWest

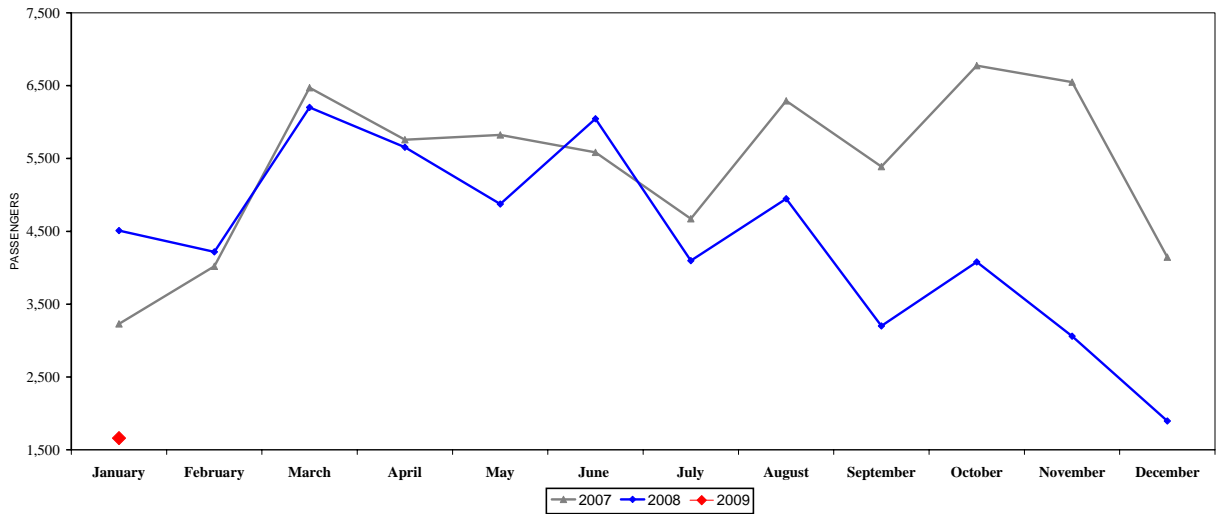


TOTAL PASSENGERS DOMESTIC & INTERNATIONAL JANUARY 2009

DOMESTIC SCHEDULED PASSENGERS



DOMESTIC CHARTER PASSENGERS

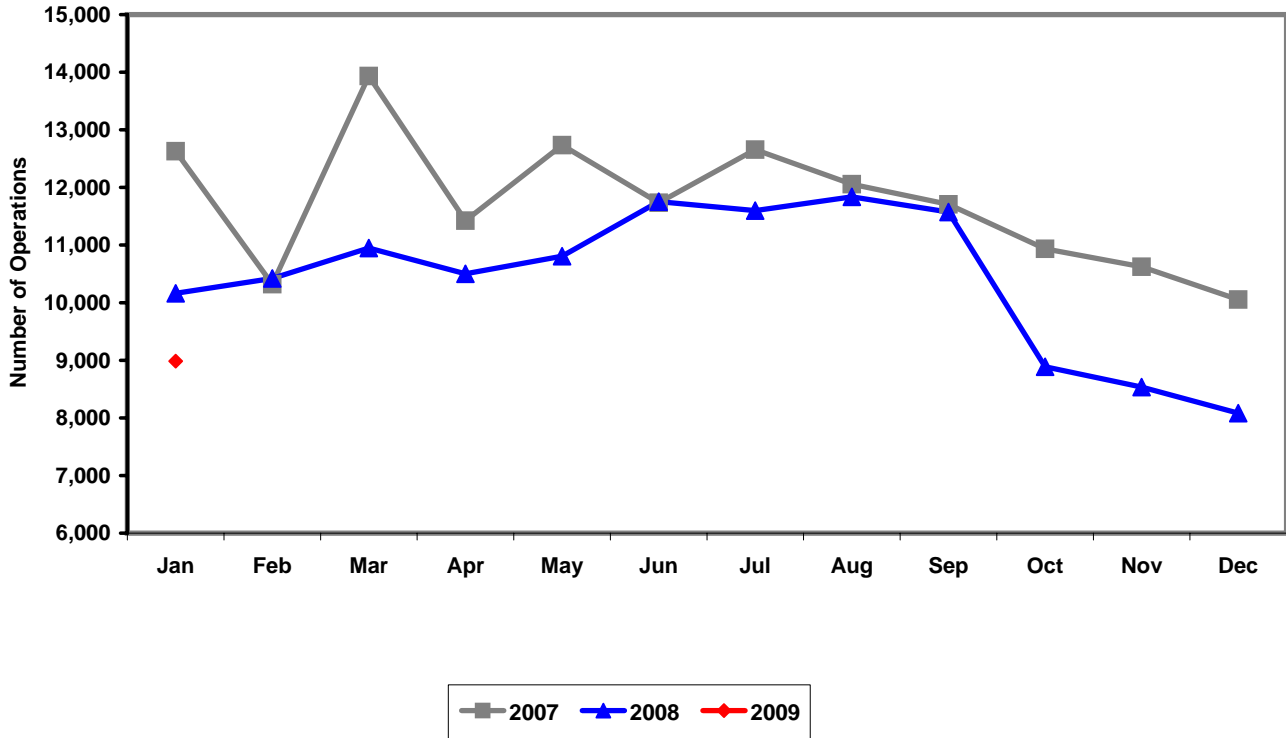


2009 MONTH	DOMESTIC ¹		INTERNATIONAL ¹		2009 TOTAL Passengers
	Scheduled	Charter	Scheduled	Charter	
January	294,166	1,661	0	0	295,827
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTALS	294,166	1,661	0	0	295,827

2009 Charter Passengers	2008 Charter Passengers	DIFFERENCE Passengers
1,661	4,509	-63.2%
1,661	4,509	-63.2%

¹Per Landing Reports

TOTAL OPERATIONS JANUARY 2009



Month	Number of Operations			07 to 08 Percent Change
	2007	2008	2009	
January	12,628	10,163	8,985	-11.59%
February	10,322	10,420		
March	13,933	10,948		
April	11,424	10,501		
May	12,734	10,807		
June	11,733	11,753		
July	12,657	11,599		
August	12,057	11,837		
September	11,706	11,572		
October	10,934	8,889		
November	10,624	8,535		
December	10,054	8,083		
TOTALS	140,806	125,107	8,985	-11.59%

↑
% change YTD