The Quarterly Review of Airline Profitability by Flight Segment; Latest Quarter (2Q 2025), and Four-Year Trends

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Overview of Model and Reports

- The Model and Reports are produced quarterly for each airline and airport
- It defines airline capacity, cost, and revenue on each US domestic flight, and provides summaries by airport, airline, airport, and equipment type
- Flights are distinct from one another and additive to airline and airport totals; making it possible to calibrate model results for the total of each airline to DOT Reports only available for the total airline (by geographic division)
- Cost is by equipment type and detailed cost account, and stage length adjusted. Revenue includes all nonstop traffic and a prorate of connect traffic (behind and beyond the target segment)
- The “Airline Report” analyzes and compares all flights at the target airline, to include competitors on each flight. The “Airport Report” analyzes and compares all flights at the target airport, to include surrounding airports

Analytical models, methods, and data

- Aircraft capacity, passenger traffic, and cargo are from the US DOT Form T100
- Fares are from the US DOT O&D Survey. Each Survey itinerary is analyzed (over 5 million itinerary “trip” records, and over 12 million coupon records). The total itinerary fare is prorated across all legs, and considers for airline, equipment, and stage length differentials on each leg of each connect itinerary
- Ancillary revenue is based on a detailed analysis of all DOT ancillary accounts
- Flight cost is by equipment type and detailed account. Direct cost accounts [allocated to specific equipment type] are from the DOT Form P5. Indirect cost accounts are from the P1 and P6, and allocated to specific equipment based on tailored capacity drivers

- The mainline reports much of its feeder airline cost and revenue on its own income statement, which under-represents financial volumes on the feeder leg. This model reallocates these accounts back to the feeder, where they are effectively incurred
- In the final presentation of each flight segment, feeder results are folded into their mainline partner (where possible)

Summary background and experience performing economic analysis

- Ten years an economist for the Air Line Pilots Association, analyzing airline financial plans and analytical methods to support major airline negotiations and financial restructurings. Also, analyzed airline cost and productivity, emphasizing pilot labor contracts. Projects included Eastern, TWA, Pan Am, United, USAir (twice), Northwest (twice), America West, Fedex, and a majority of the regional feeders.
- Fifteen years an aviation consultant performing financial analysis of airlines and airports. Final position was Director of Aviation Economics at Intervistas Consulting. Airline projects included financial analyses of British Airways, American, Northwest, Swissair, Sabena, British Midland, Spirit, Emery Express, Kingfisher, Vueling, JAT Serbian, Rwandair, and Air Botswana. Airport projects included marketing and air service development for Los Angeles World Airports, IAH, MSP, IAG, BQK, SYS, CSG, LAN, and PNS. Capital and investment projects for JFK terminals 2, 3, and 4. World Bank/IFC airport projects for countries of Peru, Jamaica, Argentina and Indonesia. And international investment projects for Dyncorp at airports in Serbia and Nigeria
- For the last ten years, President of Flight Financials; analyzing airline profitability by flight segment (ROA, BDL, PSP, SFB); supporting airline labor negotiations at Alaska and Jetblue; and providing ongoing analytical support to an international airline investment firm in the Pacific