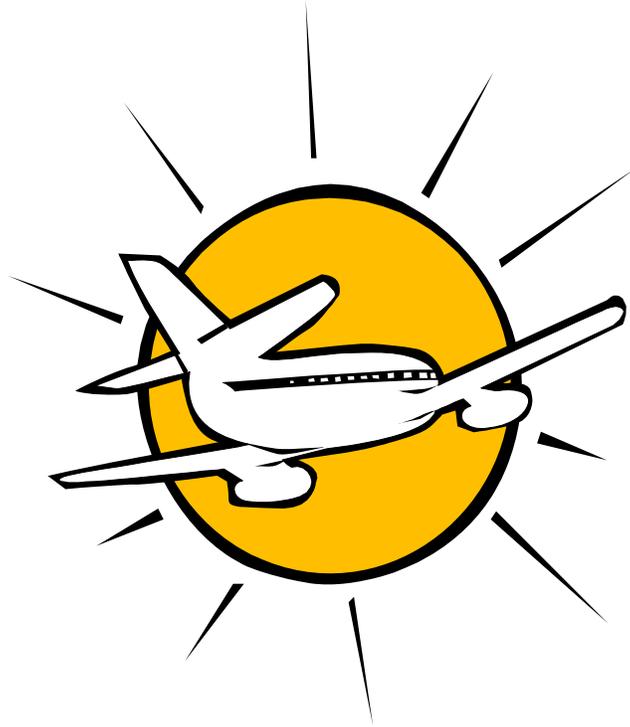

DOMESTIC AIRLINE FARES CONSUMER REPORT



First Quarter 2012 Passenger and Fare Information

September 2012



U.S. Department of Transportation
Office of Aviation Analysis

FARE INFORMATION FOR CONSUMERS

Each month the Department of Transportation releases an [Air Travel Consumer Report](#) that includes information about various service quality elements, including flight delays, mishandled baggage, oversales, and a variety of other types of consumer complaints.

In response to an increasing number of inquiries from consumers about domestic airline prices the Department's Office of Aviation Analysis decided to release a quarterly fare report. The first such report, for the third quarter of 1996, was released in June 1997.

The initial report provided information about average prices being paid by consumers in the 1,000 largest domestic city-pair markets within the 48 contiguous states. These markets account for about 75 percent of all 48-state passengers and 70 percent of total domestic passengers. Information regarding all 528 city-pair markets for the first quarter of 2012 is available at <http://www.dot.gov/policy/aviation-policy/domestic-airline-fares-consumer-report>. Once at the site, click on the appropriate Table 6 link.

Table 1 of this report continues to cover the 1,000 largest city-pair markets in the 48 contiguous states. For each of the 1,000 largest city-pair markets, Table 1 lists the number of one-way passenger trips per day, the nonstop distance, the average market fare, and identifies the airlines with the largest market share and the lowest average fare; market share and average fares are provided for both airlines. Average fares are average prices paid by all fare paying passengers. They therefore cover first class fares paid to carriers offering such service but do not cover free tickets, such as those awarded by carriers offering frequent flyer programs.

Airlines tend to offer a wide variety of prices in any given market and it is unlikely that the average fares from this report will be the same as any particular fare offered. Nevertheless, information about average fares charged, including fares charged by dominant carriers and lower-cost competing carriers where available, can provide useful consumer information. Also, fare comparisons between markets allow consumers to further evaluate prices.

In particular, a high average fare in a market is an indication that a broad range of fares is available and that the number of seats sold at low fares are likely to be both very limited and subject to various travel restrictions. In such markets travelers must make extra efforts to get the lowest price for the service they want. Advice laid out in the fact sheet prepared by the Department's Aviation Consumer Protection Division—*Getting the Best Air Fare*—will help consumers accomplish this. This fact sheet can be obtained by requesting a copy at (202) 366-2220 or via the World Wide Web at: <http://airconsumer.ost.dot.gov/publications/bestfare.htm>.

To assist consumers in making average fare comparisons, Table 1 segregates markets by mileage block, since distance is a major factor that affects the level of prices charged. Markets are then sorted within each mileage block by fare amount, from the highest average fare to the lowest. Consumers should understand that because carriers tend to offer a variety of prices in a market, carriers with higher average prices might offer some seats at prices as low as, or even lower than, carriers with much lower average prices.

The information contained in Table 1 reveals that in many markets the average fares are quite different from carrier-to-carrier. In some instances this reflects differences in service, such as connecting versus nonstop service, or service to different area airports. Note that the “lowest fare carrier” is the carrier with the lowest average fare that has at least a 10 percent share of the traffic in the market, except for markets where only a single carrier has a 10 percent or greater share. In such markets the carrier with the lowest average fare is identified even if its market share is less than 10 percent. In some markets the “market average” fare will be lower than the fare for the ‘lowest fare carrier’ because several carriers that do not individually account for a 10 percent share can collectively account for a significant share. Often they charge lower average fares than individual carriers with greater market participation.

Table 1A, which is available only on the Internet, is a version of Table 1 that lists all airport-pair markets that average at least 10 passengers each day where either the origin city or destination city is a hub and has more than one airport (i.e. Chicago with O’Hare (ORD) and Midway (MDW)).

In Table 2, the data are summarized by city. The information provided includes the number of city-pair markets with 100,000 or more passengers in the top 1,000 in either comparison period that involve each city (e.g., ten for Boise, ID), the number of passengers traveling to and from each city in the specified markets, the average fare, average fare per mile (yield), and average distance traveled. The data are sorted by distance.

Data are provided for markets that experienced changes in average fares of at least 30 percent compared with one year ago. Markets with large increases are shown in Table 3 and markets with large decreases are shown in Table 4. Each market’s average fare and total passenger count are provided, along with the absolute and percent change in both average fares and passengers.

Table 5 provides detailed fare information for short-haul, high-fare markets. For a more complete explanation, please read the introductory information at the beginning of Table 5 in this report.

Table 6, which is available only on the Internet, is the expanded version of Table 1 that lists all city-pair markets that average at least 10 passengers each day.

Table 7 provides fare premiums for airports in the top 1,000 city pairs, and demonstrates the impact of low-fare service and hub domination on fare levels.

Footnotes and a key for carrier codes used in this report can be found at the end of the report. Telephone inquiries should be referred to (202) 366-2352.