



VICE PRESIDENT PUBLIC AFFAIRS: KEN CAPPS 972-574-8080
KCAPPS@DFWAIRPORT.COM

FOR IMMEDIATE RELEASE
December 1, 2004

NORTH TEXAS REGION, DFW INTERNATIONAL AIRPORT TO LOSE NEARLY \$800M ANNUALLY WITH DELTA AIR LINES' DEPARTURE

Region To Lose More than 7,000 Jobs; Airport Continues Search for Low-Fare Carrier to Fill 24 Gates

(DFW INTERNATIONAL AIRPORT, December 1, 2004) - Calling the commercial aviation industry "at a perilous juncture," an economic impact report prepared by renowned economist Dr. Bernard Weinstein from the University of North Texas estimates that North Texas and DFW International Airport will lose \$782 million annually when Delta Air Lines completes its announced reduction in flights at DFW in early 2005.

The reduction will cost the regional economy over 7,000 jobs paying more than \$344 million in annual wages, salaries, and benefits. Property income from rents, dividends, and other sources will decrease by \$143 million each year. State and local governments will also experience an estimated loss in yearly tax revenues of about \$58 million.

The results of the comprehensive economic impact study were announced today in DFW's Terminal E, which will be left largely vacant by Delta as it decreases its daily flights from 254 to 21 by January 31, 2005.

"Since 1990, Dallas/Fort Worth has been the fastest-growing major metropolitan area in the nation in terms of people and jobs," concludes Dr. Weinstein in his report, co-authored by Dr. Terry Clower. "Without question, DFW International Airport is one of the economic engines that has helped sustain that growth. Ongoing and planned expansion projects will ensure the airport remains competitive in the decades ahead. But for the near-term, the airport faces some serious challenges as a result of Delta's decision to "de-hub" at DFW. And when Delta withdraws 90 percent of its operations at DFW International Airport, many local businesses will lose a valuable, long-term customer."

-more-



-Page 2 of 4-

Delta Air Lines announced in early September it would drop DFW as one of its major hubs and drastically reduce flight operations. Delta has been a tenant at DFW since the Airport opened in 1974 and had grown into its number two carrier, behind American Airlines.

The Weinstein report offered this prognosis for new air service and revenues at DFW: "New flights planned by American Airlines next year will generate some additional landing fees, but the airport will be severely pressed to fill the 24 gates left vacant by Delta. Given Southwest Airlines' decision not to move any flights to DFW, and the reluctance of other discount carriers to serve DFW with Southwest making noises about expanding service from Love Field, it may be many years before DFW's gates and terminals are fully utilized."

"The terminal area where we are standing today will be empty by late January and that is unacceptable for DFW and our region," says Joe Lopano, DFW's executive vice president of marketing and terminal management. "The impact of Delta's decision is already hurting local businesses. One of our concessionaires in Terminal E reported a total income of \$46 on Saturday of last weekend, during one of the busiest travel weekends in history. Rest assured DFW will continue to aggressively reach out to low-fare carriers to fill the void left by Delta and provide low fares for our loyal passengers who are now benefiting from the incredible competition between American and our five low-fare carriers who already do business here every day."

Drs. Weinstein and Clower used the respected IMPLAN economic impact model to accurately measure the impact of the Delta move, reviewing all aspects of the North Texas economy from tax rolls and pay rolls to losses in employment and spending. The huge losses extend well past the runways and concourses of DFW.

-more-



-Page 3 of 4-

"This is certainly a major blow to the regional economy, affecting everyone from flight attendants and pilots to travel agents and fuel providers," says Dr. Weinstein. "This multiplier effect occurs not only when a new company comes to the region or an existing firm expands, but also when an ongoing business like Delta Air Lines leaves the local economy. Aviation plays a major role in the overall health of the North Texas business climate and the numbers clearly tell us that our region and DFW are not out of the woods yet."

The University of North Texas report specifically detailed annual projected losses to DFW Airport, Dallas and Tarrant Counties, North Texas, and the State of Texas as a result of Delta's decision to reduce its flight schedule.

DFW International Airport:

The Airport estimates that lost landing fees from Delta's reduced schedule will total about \$18 million per year while lost gate rents and increased operations and maintenance expenses will be about \$13 million annually. In addition, DFW Airport will lose \$3.6 million in concessions fee revenues due to lower passenger volumes in Terminal E.

The loss of landing fees, gate rentals, and concession income of approximately \$35 million is equal to about seven percent of DFW's \$494 million operating budget.

DFW International Airport concessionaires and state/local tax revenues:

The loss of \$29 million of taxable sales from terminal concessions will reduce the state's collections by about \$1.8 million and the City of Grapevine's revenues by \$290,000.

Dallas and Tarrant Counties:

According to the Dallas and Tarrant County Appraisal Districts, Delta's taxable business property is currently on the rolls at \$222 million. About 90 percent of this property likely will be relocated to other taxing jurisdictions after January, with attendant revenue losses not only for the counties but also for the cities and school districts whose boundaries overlap the airport's footprint.

-more-



-Page 4 of 4-

The report also contains this table that aggregates the total impact of the Delta loss:

Economic and Fiscal Impacts of Delta Reducing Operations at DFW
(Assuming 50% of re-assigned flight crews continue to live in DFW area)

Description	Impact
Total Economic Activity	\$ -782,311,000
Total Wages, Salaries, Benefits	\$ -344,207,000
Total Property Income*	\$ -143,278,000
State and Local Taxes+	\$ -57,951,000
Total Employment	-7,056 jobs

* Includes royalties, rents, dividends, and corporate profits.

+ Includes sales, excise, property taxes, fees, and licenses.

About DFW International Airport

Located halfway between the cities of Dallas and Fort Worth, Texas, DFW International Airport is the world's third busiest, offering nearly 2,000 flights per day and serving 57 million passengers a year. Currently, DFW International Airport provides non-stop service to 136 domestic and 32 international destinations worldwide. For the latest news, real-time flight information, parking availability or further details regarding the many services provided at DFW International Airport, log on to www.dfwairport.com.

Editors: To arrange interviews, contact Ken Capps, Vice President, Public Affairs at 972-574-8080 or kcapps@dfwairport.com.

###