Study Demonstrates Need For New Air Traffic Initiative

Boeing today joined a broad coalition of aviation groups in releasing the results of a new study demonstrating both the importance of civil aviation to the U.S. economy and the need for a major new initiative to modernize the U.S. aviation infrastructure.

The study found that civil aviation, including airlines, cargo operations, general aviation and aircraft manufacturing, generates more than $900 billion in annual economic activity -- nearly 9 percent of the U.S. gross domestic product -- and sustains more than 11 million U.S. jobs.

The study also concluded that the airport and airway infrastructure supporting civil aviation will not meet projected long-term capacity requirements and will become a serious drag on U.S. economic growth unless major new improvements are made. The study acknowledged the significant drop in traffic following the terrorist attacks on September 11, but noted that forecasters agree that traffic will return to historic growth rates in the future.

Global Insight, formerly known as DRI-WEFA, collaborated on the study with the Campbell-Hill Aviation Group.

Alan Mulally, president and CEO, Boeing Commercial Airplanes, commented, "The study documents what we all know intuitively, that there's a direct link between the health of the U.S. aviation industry and the U.S. economy. Aviation is vital to our economic future, as well as to our way of life and the freedoms we all enjoy."

John Hayhurst, president, Boeing Air Traffic Management, said, "While the current economic crisis in the airline industry demands attention from our government leaders, so, too, does the longstanding problem of inadequate aviation infrastructure. Ongoing government efforts to expand the capacity of the nation's aviation system are important contributions that must be fully funded in the years ahead. But they do not go far enough. To fully meet our nation's air transportation requirements in the decades ahead, we need a system with far greater capacity and higher levels of safety and security than what we have today."

Among the study's key findings:

- Air transport delays in 2000, as measured by the FAA, cost the U.S. economy $9.4 billion.
- Without further improvement in airports and air traffic control, the cost of delays will approach $170 billion (cumulative) over the next 10 years.
- Even if all of the projects in the FAA's current modernization plans are completed on schedule, delays in 2012 will be greater than they were in 2000 as traffic returns to historic levels of growth.
- The economic penalty of delays, even with the completion of the FAA's plan, will be an estimated $157 billion over the next 10 years.
- Construction of additional runways and other industry-identified infrastructure improvements above and beyond the current modernization plan would cut projected delays in 2012 by 25 percent and reduce the projected 10-year cost of delays by $17 billion. However, the cumulative cost of delays over that timeframe still would total $140 billion.

"It is absolutely clear that we must do more to create a system that meets our future air transportation needs," Hayhurst said. "A fundamental redesign of the current system is necessary to address both future capacity requirements and the new security environment, post-9/11. This study demonstrates the importance of getting a new design initiative started, and justifies the use of general revenues to pay for such an initiative."

Boeing was one of six organizations that sponsored the study.

Boeing Commercial Airplanes, a division of The Boeing Company, is the world's leading producer of commercial jets. Boeing Air Traffic Management is a new Boeing business unit, established in 2000 to develop global solutions to air traffic delays.

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