

Staff

Editorial

1200 G Street N.W. • Suite 900, Washington, D.C. 20005
 www.aviationweek.com/awin
 Tel 202-383-2374 • Fax 202-383-2438
 E-mail AWNord@cdsfulfillment.com

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 E-mail AWNord@cdsfulfillment.com

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International Correspondents

Europe: Jens Flottau, Europe Bureau Chief,
 tel 49-89-6530-8313, mobile 49-177-413-9837,
 fax 49-89-6530-8314 Jens.Flottau@t-online.de
Martial Tardy, martial_tardy@hotmail.com
Latin America: Luis Zalamea, tel/fax 305-854-1302,
 lzalamea@bellsouth.net

Charts & Data

Oliver Wyman, Aaron Taylor, tel 631-745-6875,
 aaron.taylor@oliverwyman.com

Business Office

Cliff Johnson, Director, Electronic Sales,
 tel 202-383-2338, cliff_johnson@aviationweek.com
Mike Triunfo Director, Advertising Sales, tel 212-904-4697,
 fax: 212-904-3993, mike_triunfo@aviationweek.com
Elizabeth Meyer Classified advertising, tel 212-904-3675,
 fax 212-904-3334, elizabeth_meyer@aviationweek.com

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 tom_henricks@aviationweek.com; Anthony L. Velocci, Jr., AV
 Editorial Director, velocci@aviationweek.com; Mark A. Flinn, VP-
 Sales, mark_flinn@aviationweek.com. Officers of The McGraw-
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Spirit Moves To Top In Margin And Bottom In Unit Costs

Spirit posted the U.S. airline industry's best operating margin and lowest unit costs in the second quarter of 2008, according to figures released by the U.S. Transportation Dept. this week.

The DOT's Bureau of Transportation Statistics report showed a 13.5% operating margin and \$28 million operating profit for the airline. Privately held Spirit does not publicly release its earnings, so its filings with the DOT are among the few indicators of its financial performance, albeit an incomplete one.

Spirit's second-quarter results ended a string of two consecutive quarterly operating losses, and tops its 5.1% operating margin in the second quarter of 2007.

Southwest ranked second in second-quarter operating margin at 7.2%, Northwest ranked third, but best among the network carriers, at 6.7%. Comair topped the regional carriers at 9.7%.

The six largest network airlines, as a group, reported an operating loss margin of 6.3% in the second quarter, a reversal from its 9.2% profit margin in the second quarter of 2007.

In addition to an industry-leading operating margin, Spirit also

moved to the industry lead in low unit costs. Its cost per available seat mile of 8.1 cents was 1.7 lower than its unit costs in the first quarter, and the next lowest unit costs of the second quarter were 10.1 cents for both Southwest and Jet-Blue. The lowest unit cost among the six largest network carriers was 15.6 cents at Northwest.

Spirit, however, also had the lowest unit revenue among reporting U.S. carriers at 9.4 cents.

The BTS figures also underscored how a big a bite fuel is taking out of airline budgets, and provided an indication of how they are turning to new fees to help make up for some of the additional expense.

The six reporting network carriers, for example, spent 30.6 % of their second quarter operating expenses on fuel, compared with 12.8% five years earlier in the second quarter of 2003, BTS said.

Regarding fees, the U.S. carriers reporting their totals to the BTS collected \$182.6 million in excess baggage fees in the second quarter, up from \$122.3 million in the first quarter and \$113 million in the second quarter of 2007. **-Andrew Compant, andrew_compant@aviationweek.com**

JetBlue Taps Mark Logic To Help Manage Compliance Docs

JetBlue will soon be able to load all the content from its flight, ground and airport operations documents into a special database that can automatically generate and update procedural manuals and other documents under a project the airline is working on with vendor Mark Logic Corp.

In addition, FAA will be able to connect to the system to review and approve safety and compliance documents and manuals.

"The system has not been officially approved by FAA yet, but we are encouraged by their involve-

ment and interest up to this point," explained Murry Christensen, director of learning technologies for JetBlue University, which controls all of the airline's training operations. "When fully complete, this will be our system of record for managing these documents."

The system lets pilots, engineers and administrators use existing Microsoft Word and SharePoint applications to create their documents, along with Mark Logic servers to share them. **-Jim Mathews, jmathews@aviationweek.com**