

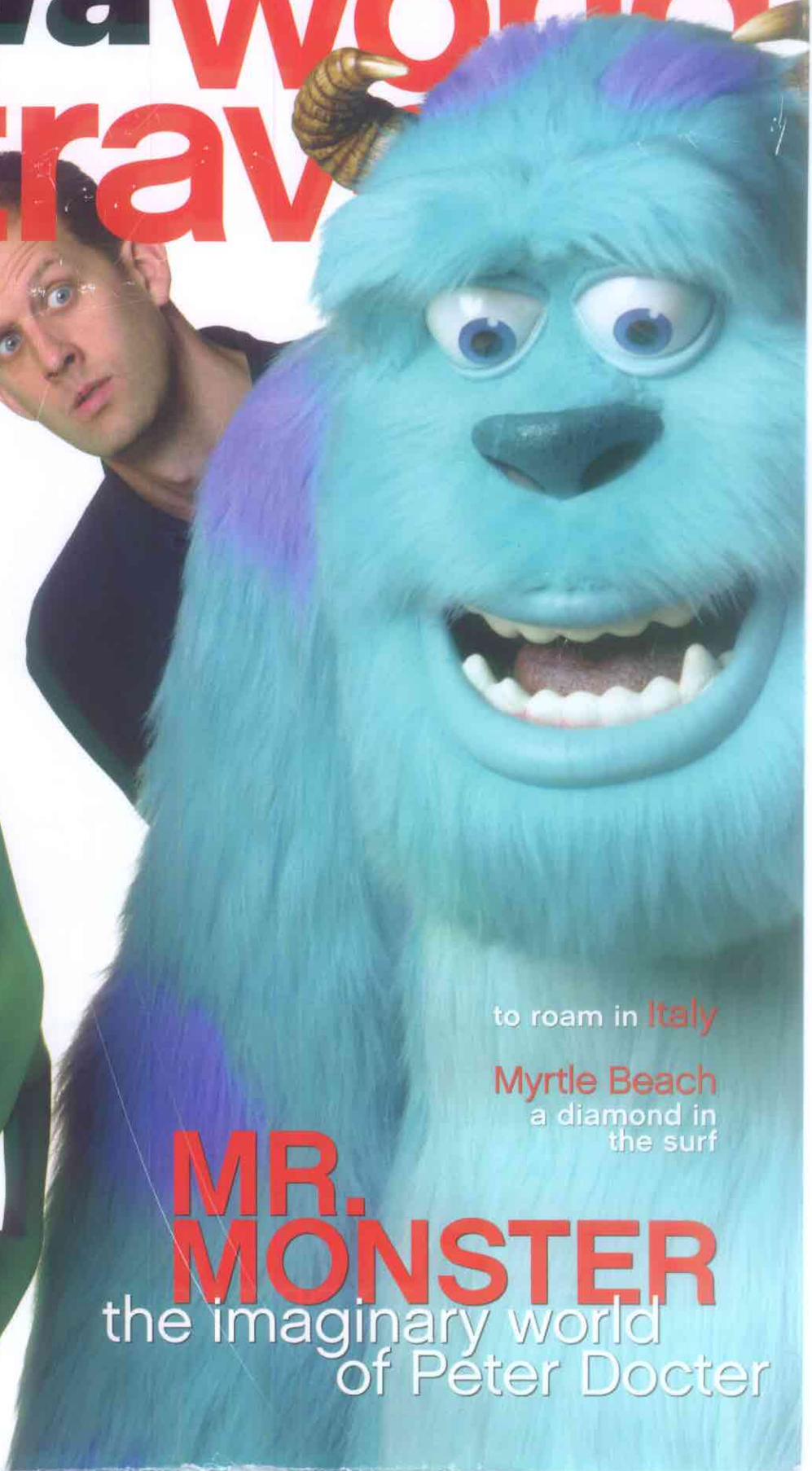


nwa world travel

MARCH 2004

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Welcome. We're glad to have you onboard Northwest Airlines today.

Part of our commitment to putting customers first is to comment on issues that impact you as an airline passenger, including the taxes and fees you pay on your airline ticket. I've written about this general topic before, but now I want to address a specific issue: the disparity between what you pay as a passenger on a commercial airline, and what a passenger on a private airplane pays to use airport facilities.

Chances are that you will either depart from or arrive at an airport that is used by both commercial airlines like

Northwest and privately owned aircraft. Airports levy passenger facility charges (PFCs) to cover airport maintenance and improvement projects, including runway and taxiway enhancements. (Look at your travel confirmation receipt.) PFCs are also used for Federal Aviation Administration (FAA) approved projects that enhance safety and security. Airports can charge PFCs of up to \$4.50 per flight segment, or up to \$18 roundtrip. As a commercial airline, we are required to collect this fee when you purchase your ticket. Private aircraft operators do not pay these fees for using the airport.

The total taxes and fees you pay as a commercial passenger can add as much as one-fourth to the cost of a \$200 domestic ticket. For example, Northwest's base fare for a roundtrip ticket from Fargo, North Dakota, to Madison, Wisconsin, with a connection in Minneapolis/St. Paul, is about \$200. That's a pretty good fare—until you realize that nearly 28 percent, or \$55, in taxes and fees is added to that amount. That's a hefty tax burden and it's not being shared by private aviation.

Private aircraft operators also do not pay ticket taxes to fund the FAA. Last year

the FAA spent \$6 billion operating the Air Traffic Control system in the U.S. This service is free of charge for private aircraft operators. Why? Because the commercial airlines pay taxes collected from you to pay for the operation of a system that all air travelers use.

Private aviation operators do pay a fuel excise tax, as do all commercial airlines—but that is about the extent of private aviation's funding for airports.

At NWA, we believe an airport's operating costs should be borne by all who use them, including those who travel by private aircraft. As the system works today, you, the commercial airline passenger, are subsidizing private aircraft ownership. This is not right.

We are working with the federal government to find solutions to this and other issues which exacerbate the challenges we face as a commercial airline serving customers like you who deserve a "fair fare."

Thanks for choosing Northwest. We appreciate your business. ▼

Richard

Richard Anderson, CEO



"We believe an airport's operating costs should be borne by all who use them, including those who travel by private aircraft."