

U.S. Department of Transportation  
Bureau of Transportation Statistics  
Office of Airline Information

REPORT OF FINANCIAL  
AND OPERATING STATISTICS FOR  
LARGE CERTIFICATED  
AIR CARRIERS

Period ended September 30, ~~XX~~ 2000

Alaska Airlines Inc.

(Full name of reporting company)

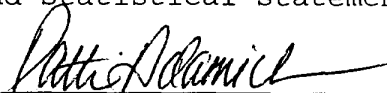
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CERTIFICATION\*

I, the undersigned Director of Finance  
(Title of officer in charge of accounts)

of the Alaska Airlines Inc.  
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.



(Signature)

Patricia Adamich

P O Box 68900

Seattle WA 98168

(Air Carrier Post Office Address)

Dated November 13, ~~XX~~ 2000

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\*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

## BALANCE SHEET

As At: September 30, 2000  
Schedule B-1

Air Carrier:  
Operation : Domestic ASD  
(000's)  
AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	ASSETS	
	CURRENT ASSETS	
1010	Cash	137,422
1100	Short-Term Investments	245,901
1200	Notes Receivable	38,004
1270	Accounts Receivable	120,460
1290	Less Allow. for Bad Debts	1,107
1299	Net Notes & Accounts Receivable	157,357
1399	Net Spare Parts & Supplies	34,514
1410	Prepaid Items	147,789
1420	Other Current Assets	0
1499	Total Current Assets	722,983
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	951
1530	Other Investments & Receivables	768
1550	Special Funds	121
1599	Total Inv. & Special Funds	1,840
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	1,398,777
1649	Ground-Property and Equipment	255,865
1668	Less Allowance for Depreciation	458,261
1675	Property & Equipment - Net	1,196,381
1679	Land	6,629
1685	Purchase Dep. & Adv. Payments	192,831
1689	Construction Work-in-progress	46,486
1695	Leased Property - Cap. Leases	44,381
1696	Accum. Amort. Capital Leases	33,307
1699	Total Oper. Prop. & Equipment	1,453,401
	NONOPERATING PROP. & EQUIPMENT	
1791		37,710
1792	Less Allow. for Depr. - Nonop.	8,115
1799	Net Nonoperating Prop. & Eqmt.	29,595
	OTHER ASSETS	
1820	Long-term Prepayments	26,125
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	18,033
1895	Total Other Assets	44,158
1899	TOTAL ASSETS	2,251,977

## BALANCE SHEET

As At: September 30, 2000  
Schedule B-1

Air Carrier:  
Operation : Domestic ASD  
(000's)  
AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	95,815
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	0
2021	Trade Accts. Payable	318,223
2025	Accts. Payable - Other	2,741
2080	Curr. Oblig. Under Cap. Leases	23
2110	Accrued Salaries & Wages	25,486
2120	Accrued Vacation Pay	32,117
2125	Accrued Interest	26,868
2130	Accrued Taxes	7,918
2140	Dividends Declared	0
2160	Air Traffic Liability	236,240
2190	Other Current Liabilities	110,320
2199	Total Current Liabilities	855,751
	NONCURRENT LIABILITIES	
2210	Long-term Debt	390,107
2240	Advances from Assoc. Companies	0
2250	Pension Liability	23,137
2280	Noncurrent Obgl.-Capital Leases	16,380
2290	Other Noncurrent Liabilities	111,449
2299	Total Noncurrent Liabilities	541,073
	DEFERRED CREDITS	
2340	Deferred Income Taxes	110,777
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	117,180
2399	Total Deferred Credits	227,957
	STOCKHOLDERS' EQUITY	
2820	Preferred Shares Issued	0
2840	Common Shares Issued	1
2860	Subscribed & Unissued	0
2869	Total Capital Stock	1
2890	Additional Capital Invested	225,850
2899	Total Paid in Capital	225,851
2900	Retained Earnings	401,345
2959	Total Stockholders' Equity	627,196
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	627,196
2999	Total Liab. & Stockholders' Eq.	2,251,977
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0



U S Department  
of Transportation  
Research and  
Special Programs  
Administration

**AIRFRAME AND AIRCRAFT ENGINE ACQUISITIONS  
AND RETIREMENTS**

Air Carrier: Alaska Airlines, Inc.

Quarter Ended: September 30, 2000

L i n e	Year of First Delivery (Airframe) (1)	Airframe Manufacturer's Serial Number (2)	Date Acquired or Retired (3)	Acquisition or Retirement "A" or "R" (4)	Airframe License Number (5)	Number of Engines Acquired/ Retired (6)	Type, Model and Cabin Design (7)	Maximum Seating Capacity (8)	Cost (9)	Amortized/ Depreciated Cost (10)	Realization (11)	Acquired From/ Disposition (12)
1							Owned Aircraft					
2	2000	30165	09/00	A	N622AS		Boeing B737-790 ALL PAX	120	*CTR			Boeing Aircraft Co.
3												
4												
5												
6												
7							Owned Engines					
8	2000		09/00	A		2	CFM Int'l CFM56-7B24		*CTR			Boeing Aircraft Co.
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												

RSPA Form 41 Schedule B-7

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\* Confidential treatment requested

# STATEMENT OF CASH FLOWS

Alaska Airlines, Inc.

Quarter Ended September 30 (In Thousands)	1999	2000
<b>Cash flows from operating activities:</b>		
Net income	\$48,740	\$17,379
Adjustments to reconcile net income to cash:		
Depreciation and amortization	16,948	22,261
Amortization of airframe and engine overhauls	11,985	13,856
Loss on disposition of assets	172	375
Deferred income taxes	16,126	6,383
Decrease in accounts receivable	30,994	7,302
Decrease (increase) in other current assets	(214)	4,698
Decrease in air traffic liability	(39,920)	(28,575)
Increase in other current liabilities	14,380	40,664
Other-net	146	(927)
<b>Net cash provided by operating activities</b>	<b>99,357</b>	<b>83,416</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposition of assets	162	460
Purchases of marketable securities	(44,387)	(148,338)
Sales and maturities of marketable securities	127,864	62,095
Restricted deposits	3,059	(938)
Additions to flight equipment deposits	(56,275)	(42,901)
Additions to property and equipment	(114,770)	(49,518)
<b>Net cash used in investing activities</b>	<b>(84,347)</b>	<b>(179,140)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of long-term debt	0	118,650
Long-term debt and capital lease payments	(6,271)	(5,277)
<b>Net cash provided by (used in) financing activities</b>	<b>(6,271)</b>	<b>113,373</b>
<b>Net change in cash and cash equivalents</b>	<b>8,739</b>	<b>17,649</b>
<b>Cash and cash equivalents at beginning of quarter</b>	<b>67,503</b>	<b>119,773</b>
<b>Cash and cash equivalents at end of quarter</b>	<b>\$76,242</b>	<b>\$137,422</b>
<b>Supplemental disclosure of cash paid during the period for:</b>		
Interest (net of amount capitalized)	\$1,850	\$206
Income taxes	15,430	11,900

Noncash investing and financing activities:

2000 - A flight simulator was transferred to Alaska Air Group Leasing in exchange for a \$2.4 million note receivable and a \$0.6 million reduction in its payable to Alaska Air Group.

*Schedule B-12*

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000  
 Schedule P-1.2 Group III

Air Carrier:  
 Operation : Domestic ASD  
 (000's)

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901.1	Passenger - First Class	0
3901.2	Passenger - Coach	0
3901	Transport Revenues - Passenger	419,121
3905	Mail	4,255
3906.1	Property - Freight	15,215
3906.2	Property - Excess Baggage	1,289
3907.1	Charter - Passenger	531
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	8,139
3919.2	Misc. Operating Revenues	1,090
4808	Public Service Subsidy	300
4898	Transport Related	15,411
4999	Total Operating Revenue	465,351
	OPERATING EXPENSES	
5100	Flying Operations	158,996
5400	Maintenance	48,046
5500	Passenger Service	41,204
6400	Aircraft & Traffic Servicing	74,328
6700	Promotion & Sales	57,543
6800	General & Administrative	25,670
7000	Depreciation & Amortization	21,089
7100	Transport Related Expenses	2,670
7199	Total Operating Expenses	429,546
7999	Operating Profit or Loss	35,805
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	8,691
8182	Other Interest Expense (Income)	-2,889
8185	Foreign Exchange Gain or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	355
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-7,345
8199	Nonoperating Expense (Income)	-1,188
8999	Income Before Income Taxes	36,993
9100	Income Tax Expense	18,591
9199	Inc. Bf. Disc. Ops & Other Items	18,402
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	18,402
9800	Accounting Changes	0
9899	Net Income	18,402

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000  
 Schedule P-1.2 Group III

Air Carrier:  
 Operation : Latin ASL

(000's)  
 AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901.1	Passenger - First Class	676
3901.2	Passenger - Coach	19,947
3901	Transport Revenues - Passenger	20,623
3905	Mail	236
3906.1	Property - Freight	147
3906.2	Property - Excess Baggage	86
3907.1	Charter - Passenger	0
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	540
3919.2	Misc. Operating Revenues	72
4808	Public Service Subsidy	0
4898	Transport Related	0
4999	Total Operating Revenue	21,704
	OPERATING EXPENSES	
5100	Flying Operations	9,296
5400	Maintenance	2,968
5500	Passenger Service	2,231
6400	Aircraft & Traffic Servicing	3,970
6700	Promotion & Sales	2,756
6800	General & Administrative	1,433
7000	Depreciation & Amortization	1,173
7100	Transport Related Expenses	0
7199	Total Operating Expenses	23,827
7999	Operating Profit or Loss	-2,123
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	485
8182	Other Interest Expense (Income)	-161
8185	Foreign Exchange Gain or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	20
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-410
8199	Nonoperating Expense (Income)	-66
8999	Income Before Income Taxes	-2,057
9100	Income Tax Expense	-1,033
9199	Inc. Bf. Disc. Ops & Other Items	-1,024
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	-1,024
9800	Accounting Changes	0
9899	Net Income	-1,024

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000  
Schedule P-1.2 Group III

Air Carrier:  
Operation : System ASS  
(000's)  
AMOUNT

ACCT#	DESCRIPTION	AMOUNT
	OPERATING REVENUES	
3901.1	Passenger - First Class	676
3901.2	Passenger - Coach	19,947
3901	Transport Revenues - Passenger	439,744
3905	Mail	4,491
3906.1	Property - Freight	15,362
3906.2	Property - Excess Baggage	1,375
3907.1	Charter - Passenger	531
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	8,679
3919.2	Misc. Operating Revenues	1,162
4808	Public Service Subsidy	300
4898	Transport Related	15,411
4999	Total Operating Revenue	487,055
	OPERATING EXPENSES	
5100	Flying Operations	168,292
5400	Maintenance	51,014
5500	Passenger Service	43,435
6400	Aircraft & Traffic Servicing	78,298
6700	Promotion & Sales	60,299
6800	General & Administrative	27,103
7000	Depreciation & Amortization	22,262
7100	Transport Related Expenses	2,670
7199	Total Operating Expenses	453,373
7999	Operating Profit or Loss	33,682
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	9,176
8182	Other Interest Expense (Income)	-3,050
8185	Foreign Exchange Gain or Loss	0
8188.5	Capital (Gains)/Losses- Op. Prop.	375
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	-7,755
8199	Nonoperating Expense (Income)	-1,254
8999	Income Before Income Taxes	34,936
9100	Income Tax Expense	17,558
9199	Inc. Bf. Disc. Ops & Other Items	17,378
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	17,378
9800	Accounting Changes	0
9899	Net Income	17,378





U S Department  
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Research and  
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Air Carrier Alaska Airlines, Inc.

Operation Total Company

Period Ended September 30, 2000

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## NOTES TO RSPA FORM 41 REPORT

### Note 1. Basis of presentation

The accompanying unaudited financial statements of Alaska Airlines, Inc. (the Company or Alaska) should be read in conjunction with the financial statements in the Company's annual report on Form 10-K for the year ended December 31, 1999. They include all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods. The adjustments made were of a normal recurring nature.

The Company is a wholly owned subsidiary of Alaska Air Group, Inc. (Air Group) whose principal subsidiaries are Alaska Airlines, Inc. and Horizon Air Industries, Inc.

### Note 2. Prepaid Expenses and Other Current Assets

At September 30, 2000, other current assets included \$38.5 million of restricted deposits that will be used to pay certain current liabilities. At December 31, 1999, these deposits were included with other assets. These deposits are yen-denominated investments that are held to repay yen-denominated borrowings that are due in the next 12 months.

### Note 3. Frequent Flyer Program

#### (a) Change in Accounting Principle

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin 101 (SAB 101), Revenue Recognition in Financial Statements. SAB 101 gives specific guidance on the conditions that must be met before revenue may be recognized, and in June 2000 Alaska changed its method of accounting for the sale of miles in its Mileage Plan. Under the new method, a majority of the sales proceeds is deferred, and recognized when the award transportation is provided. The deferred proceeds are recognized as passenger revenue for awards issued on Alaska and as other revenue-net for awards issued on other airlines. In connection with the change, Alaska recognized a \$56.9 million cumulative effect charge, net of income taxes of \$35.6 million, effective January 1, 2000. Accordingly, results for the first quarter 2000 have been restated.

#### b) Special Charge - Mileage Plan

In June 2000, Alaska recorded a \$24.0 million special charge to recognize the increased incremental cost of travel awards earned by flying on Alaska and travel partners. The higher cost is due to an increase in the estimated costs Alaska incurs to acquire awards on other airlines for its Mileage Plan members, as well as lower assumed forfeiture of miles.



U S Department  
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Administration

Air Carrier Alaska Airlines, Inc.

Operation Total Company

Period Ended September 30, 2000

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### NOTES TO RSPA FORM 41 REPORT

#### (c) Balance Sheet Classification of Frequent Flyer Liability

Alaska's Mileage Plan liabilities are included under the following balance sheet captions.

	December 31, 1999	September 30, 2000
	(In millions)	
Current Liabilities:		
Other accrued liabilities	\$40.0	\$72.4
Other Liabilities and Credits:		
Deferred revenue	--	77.0
Other liabilities	--	37.0
Total Liabilities	\$40.0	\$186.4

#### (d) Restated First Quarter 2000

The following table shows Alaska's previously reported results and the restated results for the change in accounting principle for the sale of miles.

	1st Quarter 2000	
	Reported	Restated
	(in millions, except per share)	
Operating Revenues:		
Passenger	\$355.6	\$360.1
Freight and mail	17.8	17.8
Other-net	20.9	13.6
Total Revenues	\$394.3	\$391.5
Loss before accounting change	\$(10.9)	\$(13.7)
Cumulative effect of accounting change net of income tax	--	(56.9)
Net Loss	\$(6.5)	\$(65.1)

#### (e) Pro Forma Results for 1999

The following table shows Alaska's previously reported results and what those results would have been on a pro forma basis if the new accounting policy for the sale of miles had been in effect in 1999.



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Administration

Air Carrier Alaska Airlines, Inc.

Operation Total Company

Period Ended September 30 , 2000

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### NOTES TO RSPA FORM 41 REPORT

	Three Months Ended		Nine Months Ended	
	<u>September 30, 1999</u>		<u>September 30, 1999</u>	
	Reported	Pro Forma	Reported	Pro Forma
(in millions, except per share)				
Operating Revenues:				
Passenger	\$435.6	\$441.0	\$1,157.1	\$1,172.3
Freight and mail	21.9	21.9	60.6	60.6
Other-net	18.6	11.7	58.9	37.0
Total Revenues	\$476.1	\$474.6	\$1,276.6	\$1,269.9
Net Income	\$48.7	\$47.9	\$104.1	\$100.3

1. Passenger Facility Charge Activity for the Quarterly Period Ended September 30 , 2000.

PFC Amount in Account 15140 at Beginning of Quarter	\$3,976,276
Total Amount Collected in Trust for Public Agencies	\$11,863,770
Total Amount Remitted to Public Agencies	\$10,640,573
Adjustments (Collection compensation, PFC refunds)	\$1,189,015
PFC Amount in Account 15140 at End of Quarter	\$4,010,458

2. The Company's total reduced rate transportation for the quarter ended September 30 , 2000 is as follows:

Passengers:	165,330
RPM's (000's)	159,304
Revenue	\$1,487,340



U S Department  
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Research and  
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Air Carrier Alaska Airlines, Inc.

Operation Domestic

Period Ended September 30 , 2000

### NOTES TO RSPA FORM 41 REPORT

1. All substantive matters which may influence materially interpretations or conclusions in regard to the earnings position as of September 30 , 2000 for the Latin American Operations are considered to be identified in the body of the income statement.

2 The Company's Domestic reduced rate transportation for the quarter ended September 30 , 2000 is as follows:

Passengers:	158,007
RPM's (000's)	149,075
Revenue	\$1,417,590



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Administration

Air Carrier Alaska Airlines, Inc.

Operation Latin America

Period Ended September 30 , 2000

## NOTES TO RSPA FORM 41 REPORT

1. All substantive matters which may influence materially interpretations or conclusions in regard to the earnings position as of September 30 , 2000 for the Latin American Operations are considered to be identified in the body of the income statement.
2. The Company's Latin American reduced rate transportation for the quarter ended September 30 , 2000 is as follows:

Passengers:	7,323
RPM's (000's)	10,229
Revenue	\$69,750

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000  
Air Carrier: Operation: Domestic ASD  
(000's) Total Eqp B-737-4 B-737-3/7 B-737-2C MD-80  
ACCT # DESCRIPTION Code 9999 Code 6171 Code 6191 Code 6213 Code 6551

FLYING OPERATIONS						
5123	Pilots and Copilots	39,786	17,506	5,128	3,032	14,120
5124	Other Flight Personnel	0	0	0	0	0
5128.1	Trainees and Instructors	0	0	0	0	0
5136	Personnel Expenses	1,606	722	202	117	565
5141	Prof. & Tech. Fees & Exp.	0	0	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0	0	0
5145.1	Aircraft Fuel	69,816	29,953	7,203	5,767	26,893
5145.2	Aircraft Oil	180	79	18	22	61
5147	Aircraft Rentals	33,362	22,188	25	280	10,869
5153	Other Supplies	0	0	0	0	0
5155.1	Insur. Purch. - General	354	180	48	16	110
5157	Empl. Benefits and Pensions	6,366	2,804	831	496	2,235
5158	Injuries, Loss and Damage	0	0	0	0	0
5168	Taxes-Payroll	2,111	932	274	162	743
5169	Taxes-Other Than Payroll	5,416	2,393	748	436	1,839
5171	Other Expense	-1	0	0	-1	0
5199	Total Flying Operations	158,996	76,757	14,477	10,327	57,435
DIRECT MAINTENANCE-FLIGHT EQUIP						
5225.1	Maint Airfr. Labor	3,365	1,662	12	218	1,473
5225.2	Maint Eng. Labor	324	121	2	39	162
5243.1	Maint Airfr. Outside Rep.	28,788	8,125	161	5,475	15,027
5243.2	Maint Eng. Outside Rep.	13,055	6,665	12	1,433	4,945
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0	0	0
5246.1	Maint Materials - Airframe	8,566	3,435	794	1,190	3,147
5246.2	Maint Materials - Engines	-3,947	-1,755	267	-494	-1,965
5272.1	Maint Airfrm Airworth. Provs.	0	0	0	0	0
5272.3	Maint Airfrm O/H Deferred	-11,441	-1,862	0	-2,041	-7,538
5272.6	Maint AC Eng. Airworth. Prov	0	0	0	0	0
5272.8	Maint AC Eng. O/H Def. (cr.)	-4,649	-4,030	0	-531	-88
5278	Total Dir Maint-Flt.Eqpt	34,061	12,361	1,248	5,289	15,163
5279.6	APPL. MAINT BURDEN FLT. EQ.	12,561	4,542	457	1,936	5,626
5299	Total Flt. Eq. Maint. (Memo)	46,622	16,903	1,705	7,225	20,789
7073.9	NET OBSL & DETER.- EXP. PARTS	804	281	33	192	298
DEPRECIATION - FLIGHT EQUIPMENT						
7075.1	Depr. Airframes	10,772	2,321	3,243	1,103	4,105
7075.2	Depr. Aircraft Engines	2,417	549	716	109	1,043
7075.3	Depr. Airframe Parts	394	86	48	73	187
7075.4	Depr. Engine Parts	138	50	23	19	46
7075.5	Depr. Other Flt Eqp.	771	377	39	41	314
7076.1	Amort. Cap. Leases Flt.Eqpt.	443	0	0	0	443
EXPENSE OF INTERCHANGE AIRCRAFT						
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0	0	0
7098.9	Total Aircraft Operating Expens	221,357	97,324	20,284	19,089	84,660
OTHER DEPRECIATION & AMORTIZATI						
7074.1	Amortization Developmental & Pre	0				
7074.2	Amortization Other Intangibles	119				
7075.8	Depreciation Hangar & Maint. Eq	289				
7075.9	Depreciation Ground Property	4,934				
7076.2	Amort. Capital Leases Other	7				

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000

Air Carrier:		Operation: Latin		ASL
(000's)		Total Eqp	B-737-4	MD-80
ACCT #	DESCRIPTION	Code 9999	Code 6171	Code 6551
	FLYING OPERATIONS			
5123	Pilots and Copilots	2,239	600	1,639
5124	Other Flight Personnel	0	0	0
5128.1	Trainees and Instructors	0	0	0
5136	Personnel Expenses	91	25	66
5141	Prof. & Tech. Fees & Exp.	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0
5145.1	Aircraft Fuel	4,147	1,026	3,121
5145.2	Aircraft Oil	10	3	7
5147	Aircraft Rentals	2,022	760	1,262
5153	Other Supplies	0	0	0
5155.1	Insur. Purch. - General	19	6	13
5157	Empl. Benefits and Pensions	355	96	259
5158	Injuries, Loss and Damage	86	0	86
5168	Taxes-Payroll	245	32	213
5169	Taxes-Other Than Payroll	82	82	0
5171	Other Expense	0	0	0
5199	Total Flying Operations	9,296	2,630	6,666
	DIRECT MAINTENANCE-FLIGHT EQUIP			
5225.1	Maint Airf. Labor	228	57	171
5225.2	Maint Eng. Labor	23	4	19
5243.1	Maint Airf. Outside Rep.	2,022	278	1,744
5243.2	Maint Eng. Outside Rep.	802	228	574
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0
5246.1	Maint Materials - Airframe	483	118	365
5246.2	Maint Materials - Engines	-288	-60	-228
5272.1	Maint Airfrm Airworth. Provs.	0	0	0
5272.3	Maint Airfrm O/H Deferred	-939	-64	-875
5272.6	Maint AC Eng. Airworth. Prov	0	0	0
5272.8	Maint AC Eng. O/H Def. (cr.)	-148	-138	-10
5278	Total Dir Maint-Flt.Eqpt	2,183	423	1,760
5279.6	APPL. MAINT BURDEN FLT. EQ.	705	137	568
5299	Total Flt. Eq. Maint. (Memo)	2,888	560	2,328
7073.9	NET OBSL & DETER.- EXP. PARTS	45	10	35
	DEPRECIATION - FLIGHT EQUIPMENT			
7075.1	Depr. Airframes	556	80	476
7075.2	Depr. Aircraft Engines	140	19	121
7075.3	Depr. Airframe Parts	25	3	22
7075.4	Depr. Engine Parts	7	2	5
7075.5	Depr. Other Flt Eqp.	50	13	37
7076.1	Amort. Cap. Leases Flt.Eqpt.	51	0	51
	EXPENSE OF INTERCHANGE AIRCRAFT			
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0
7098.9	Total Aircraft Operating Expens	13,058	3,317	9,741
	OTHER DEPRECIATION & AMORTIZATI			
7074.1	Amortization Developmental &Pre	0		
7074.2	Amortization Other Intangibles	7		
7075.8	Depreciation Hangar & Maint. Eq	16		
7075.9	Depreciation Ground Property	277		
7076.2	Amort. Capital Leases Other	0		

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Qtr: September 30, 2000

Air Carrier:		Operation: System		ASS		MD-80	
(000's)		Total Eqp	B-737-4	B-737-3/7	B-737-2C		
ACCT #	DESCRIPTION	Code 9999	Code 6171	Code 6191	Code 6213	Code 6551	
<b>FLYING OPERATIONS</b>							
5123	Pilots and Copilots	42,025	18,106	5,128	3,032	15,759	
5124	Other Flight Personnel	0	0	0	0	0	
5128.1	Trainees and Instructors	0	0	0	0	0	
5136	Personnel Expenses	1,697	747	202	117	631	
5141	Prof. & Tech. Fees & Exp.	0	0	0	0	0	
5143.7	Aircraft Interch. -Outside	0	0	0	0	0	
5145.1	Aircraft Fuel	73,963	30,979	7,203	5,767	30,014	
5145.2	Aircraft Oil	190	82	18	22	68	
5147	Aircraft Rentals	35,384	22,948	25	280	12,131	
5153	Other Supplies	0	0	0	0	0	
5155.1	Insur. Purch. - General	373	186	48	16	123	
5157	Empl. Benefits and Pensions	6,721	2,900	831	496	2,494	
5158	Injuries, Loss and Damage	86	0	0	0	86	
5168	Taxes-Payroll	2,356	964	274	162	956	
5169	Taxes-Other Than Payroll	5,498	2,475	748	436	1,839	
5171	Other Expense	-1	0	0	-1	0	
5199	Total Flying Operations	168,292	79,387	14,477	10,327	64,101	
<b>DIRECT MAINTENANCE-FLIGHT EQUIP</b>							
5225.1	Maint Airfr. Labor	3,593	1,719	12	218	1,644	
5225.2	Maint Eng. Labor	347	125	2	39	181	
5243.1	Maint Airfr. Outside Rep.	30,810	8,403	161	5,475	16,771	
5243.2	Maint Eng. Outside Rep.	13,857	6,893	12	1,433	5,519	
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0	0	0	
5246.1	Maint Materials - Airframe	9,049	3,553	794	1,190	3,512	
5246.2	Maint Materials - Engines	-4,235	-1,815	267	-494	-2,193	
5272.1	Maint Airfrm Airworth. Provs.	0	0	0	0	0	
5272.3	Maint Airfrm O/H Deferred	-12,380	-1,926	0	-2,041	-8,413	
5272.6	Maint AC Eng. Airworth. Prov	0	0	0	0	0	
5272.8	Maint AC Eng. O/H Def. (cr.)	-4,797	-4,168	0	-531	-98	
5278	Total Dir Maint-Flt.Eqpt	36,244	12,784	1,248	5,289	16,923	
5279.6	APPL. MAINT BURDEN FLT. EQ.	13,266	4,679	457	1,936	6,194	
5299	Total Flt. Eq. Maint. (Memo)	49,510	17,463	1,705	7,225	23,117	
7073.9	NET OBSL & DETER.- EXP. PARTS	849	291	33	192	333	
<b>DEPRECIATION - FLIGHT EQUIPMENT</b>							
7075.1	Depr. Airframes	11,328	2,401	3,243	1,103	4,581	
7075.2	Depr. Aircraft Engines	2,557	568	716	109	1,164	
7075.3	Depr. Airframe Parts	419	89	48	73	209	
7075.4	Depr. Engine Parts	145	52	23	19	51	
7075.5	Depr. Other Flt Eqpt.	821	390	39	41	351	
7076.1	Amort. Cap. Leases Flt.Eqpt.	494	0	0	0	494	
<b>EXPENSE OF INTERCHANGE AIRCRAFT</b>							
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0	0	0	
7098.2	Exp. of Interch. AC- Maint.	0	0	0	0	0	
7098.9	Total Aircraft Operating Expens	234,415	100,641	20,284	19,089	94,401	
<b>OTHER DEPRECIATION &amp; AMORTIZATI</b>							
7074.1	Amortization Developmental & Pre	0					
7074.2	Amortization Other Intangibles	126					
7075.8	Depreciation Hangar & Maint. Eq	305					
7075.9	Depreciation Ground Property	5,211					
7076.2	Amort. Capital Leases Other	7					



# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000  
Schedule P-6

Air Carrier: Alaska Airlines  
Operation : System AS S

(000's)

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	5,616
Line 4	Flight Personnel	59,189
Line 5	Maintenance Labor	4,719
Line 6	Aircr. & Traffic Hndl. Per.	35,041
Line 7	Other Personnel	14,205
Line 8	Total Salaries	118,770
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	7,048
Line 11	Empl. Benefits & Pensions	23,621
Line 12	Payroll Taxes	8,899
Line 13	Total Fringe Benefits	39,568
Line 14	Total Salaries & Benefits	158,338
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	79,843
Line 17	Maintenance Materials	5,024
Line 18	Passenger Food	13,475
Line 19	Other Materials	4,731
Line 20	Total Materials	103,073
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	11,433
Line 23	Communications	3,231
Line 24	Insurance	1,092
Line 25	Outside Flight Eqpt. Maint.	32,404
Line 26	Traffic Commissions - Passenger	16,945
Line 27	Traffic Commissions - Cargo	211
Line 28	Other Services	37,765
Line 29	Total Services	103,081
Line 30	LANDING FEES	8,527
Line 31	RENTALS	46,822
Line 32	DEPRECIATION	21,634
Line 33	AMORTIZATION	627
Line 34	OTHER	8,601
Line 35	TRANSPORT RELATED EXPENSES	2,670
Line 36	TOTAL OPERATING EXPENSES	453,373

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000  
Schedule P-6

Air Carrier: Alaska Airlines  
Operation : Domestic ASD

(000's)

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	5,344
Line 4	Flight Personnel	56,039
Line 5	Maintenance Labor	4,446
Line 6	Aircr. & Traffic Hndl. Per.	33,572
Line 7	Other Personnel	13,501
Line 8	Total Salaries	112,902
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	6,687
Line 11	Empl. Benefits & Pensions	22,446
Line 12	Payroll Taxes	8,468
Line 13	Total Fringe Benefits	37,601
Line 14	Total Salaries & Benefits	150,503
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	75,392
Line 17	Maintenance Materials	4,852
Line 18	Passenger Food	12,821
Line 19	Other Materials	4,501
Line 20	Total Materials	97,566
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	10,911
Line 23	Communications	3,075
Line 24	Insurance	1,037
Line 25	Outside Flight Eqpt. Maint.	30,365
Line 26	Traffic Commissions - Passenger	16,171
Line 27	Traffic Commissions - Cargo	201
Line 28	Other Services	35,294
Line 29	Total Services	97,054
Line 30	LANDING FEES	8,177
Line 31	RENTALS	44,317
Line 32	DEPRECIATION	20,520
Line 33	AMORTIZATION	569
Line 34	OTHER	8,171
Line 35	TRANSPORT RELATED EXPENSES	2,670
Line 36	TOTAL OPERATING EXPENSES	429,547

# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000  
Schedule P-6

Air Carrier: Alaska Airlines  
Operation : Latin ASL

(000's)  
AMOUNT

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	272
Line 4	Flight Personnel	3,150
Line 5	Maintenance Labor	273
Line 6	Aircr. & Traffic Hndl. Per.	1,469
Line 7	Other Personnel	704
Line 8	Total Salaries	5,868
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	361
Line 11	Empl. Benefits & Pensions	1,175
Line 12	Payroll Taxes	431
Line 13	Total Fringe Benefits	1,967
Line 14	Total Salaries & Benefits	7,835
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	4,451
Line 17	Maintenance Materials	172
Line 18	Passenger Food	654
Line 19	Other Materials	230
Line 20	Total Materials	5,507
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	522
Line 23	Communications	156
Line 24	Insurance	55
Line 25	Outside Flight Eqpt. Maint.	2,039
Line 26	Traffic Commissions - Passenger	774
Line 27	Traffic Commissions - Cargo	10
Line 28	Other Services	2,471
Line 29	Total Services	6,027
Line 30	LANDING FEES	350
Line 31	RENTALS	2,505
Line 32	DEPRECIATION	1,114
Line 33	AMORTIZATION	58
Line 34	OTHER	430
Line 35	TRANSPORT RELATED EXPENSES	0
Line 36	TOTAL OPERATING EXPENSES	23,826

# OPERATING EXPENSES BY FUNCTIONAL GROUPING

Quarter Ended: September 30, 2000  
Schedule P-7

Air Carrier: Alaska Airlines  
Operation : System AS S

LINE#	DESCRIPTION	(000's) AMOUNT
Line 2	AIRCRAFT OPER. EXPENSES (DIRECT) Aircraft Operating Expenses	234,414
	SERV., SALES & GEN.OP.(INDIRECT)	
	PASSENGER SERVICE EXPENSE:	
Line 5	Flight Attendant Expense	27,133
Line 6	Food Expense	13,475
Line 7	Other In-Flight Expense	2,827
Line 8	Total Passenger Service Exp.	43,435
	PASSENGER SERVICING EXPENSE:	
Line 10	Line Servicing Expense	19,527
Line 11	Control Expense	1,861
Line 12	Landing Fees	8,527
Line 13	Total Aircraft Servicing Exp.	29,915
	TRAFFIC SERVICING EXPENSE:	
Line 15	Directly Assignable- Psgr.	12,316
Line 16	Directly Assignable- Cargo	11,073
Line 17	Not Directly Assignable	24,994
Line 18	Total Traffic Servicing Exp.	48,383
	RESERVATIONS AND SALES EXPENSE:	
Line 20	Directly Assignable- Psgr.	30,695
Line 21	Directly Assignable- Cargo	211
Line 22	Not Directly Assignable	16,928
Line 23	Total Reservat. & Sales Exp.	47,834
	ADVERTISING & PUBLICITY EXPENSE:	
Line 25	Directly Assignable- Psgr.	7,817
Line 26	Directly Assignable- Cargo	0
Line 27	Not Directly Assignable	4,648
Line 28	Total Advertising & Prom. Exp	12,465
Line 29	GENERAL & ADMINISTRATIVE EXPENSE	27,103
	MAINT. & DEPREC. -GROUND PROP.&EQ.	
Line 31	Maintenance Ground Prop.&Eqpt.	1,505
Line 32	Depreciation Ground Prop.&Eqpt	5,211
Line 33	Total Maint.&Depr.- Ground P&E	6,716
Line 34	DEPR. EXPENSE - MAINTENANCE EQ.	305
Line 35	AMORT. (OTHER THAN FLIGHT EQ.)	133
Line 36	TOTAL SVCING, SALES & GEN.OP.EXP.	216,289
Line 37	TRANSPORT RELATED EXPENSES	2,670
Line 38	TOTAL OPERATING EXPENSES	453,373

# OPERATING EXPENSES BY FUNCTIONAL GROUPING

Quarter Ended: September 30, 2000  
Schedule P-7

Air Carrier: Alaska Airlines  
Operation : Domestic ASD

(000's)  
AMOUNT

LINE#	DESCRIPTION	AMOUNT
Line 2	AIRCRAFT OPER. EXPENSES (DIRECT) Aircraft Operating Expenses	221,357
	SERV., SALES & GEN.OP.(INDIRECT) PASSENGER SERVICE EXPENSE:	
Line 5	Flight Attendant Expense	25,692
Line 6	Food Expense	12,821
Line 7	Other In-Flight Expense	2,690
Line 8	Total Passenger Service Exp.	41,203
	PASSENGER SERVICING EXPENSE:	
Line 10	Line Servicing Expense	18,700
Line 11	Control Expense	1,052
Line 12	Landing Fees	8,177
Line 13	Total Aircraft Servicing Exp.	27,929
	TRAFFIC SERVICING EXPENSE:	
Line 15	Directly Assignable- Psgr.	11,811
Line 16	Directly Assignable- Cargo	10,619
Line 17	Not Directly Assignable	23,969
Line 18	Total Traffic Servicing Exp.	46,399
	RESERVATIONS AND SALES EXPENSE:	
Line 20	Directly Assignable- Psgr.	29,292
Line 21	Directly Assignable- Cargo	201
Line 22	Not Directly Assignable	16,155
Line 23	Total Reservat. & Sales Exp.	45,648
	ADVERTISING & PUBLICITY EXPENSE:	
Line 25	Directly Assignable- Psgr.	7,460
Line 26	Directly Assignable- Cargo	0
Line 27	Not Directly Assignable	4,436
Line 28	Total Advertising & Prom. Exp	11,896
Line 29	GENERAL & ADMINISTRATIVE EXPENSE	25,670
	MAINT. & DEPREC. -GROUND PROP.&EQ.	
Line 31	Maintenance Ground Prop.&Eqpt.	1,425
Line 32	Depreciation Ground Prop.&Eqpt	4,934
Line 33	Total Maint.&Depr.- Ground P&E	6,359
Line 34	DEPR. EXPENSE - MAINTENANCE EQ.	289
Line 35	AMORT. (OTHER THAN FLIGHT EQ.)	126
Line 36	TOTAL SVCING,SALES & GEN.OP.EXP.	205,519
Line 37	TRANSPORT RELATED EXPENSES	2,670
Line 38	TOTAL OPERATING EXPENSES	429,546

# OPERATING EXPENSES BY FUNCTIONAL GROUPING

Quarter Ended: September 30, 2000  
Schedule P-7

Air Carrier: Alaska Airlines  
Operation : Latin ASL

(000's)  
AMOUNT

LINE#	DESCRIPTION	
	AIRCRAFT OPER. EXPENSES (DIRECT)	
Line 2	Aircraft Operating Expenses	13,057
	SERV., SALES & GEN.OP.(INDIRECT)	
	PASSENGER SERVICE EXPENSE:	
Line 5	Flight Attendant Expense	1,441
Line 6	Food Expense	654
Line 7	Other In-Flight Expense	137
Line 8	Total Passenger Service Exp.	2,232
	PASSENGER SERVICING EXPENSE:	
Line 10	Line Servicing Expense	827
Line 11	Control Expense	809
Line 12	Landing Fees	350
Line 13	Total Aircraft Servicing Exp.	1,986
	TRAFFIC SERVICING EXPENSE:	
Line 15	Directly Assignable- Psgr.	505
Line 16	Directly Assignable- Cargo	454
Line 17	Not Directly Assignable	1,025
Line 18	Total Traffic Servicing Exp.	1,984
	RESERVATIONS AND SALES EXPENSE:	
Line 20	Directly Assignable- Psgr.	1,403
Line 21	Directly Assignable- Cargo	10
Line 22	Not Directly Assignable	773
Line 23	Total Reservat. & Sales Exp.	2,186
	ADVERTISING & PUBLICITY EXPENSE:	
Line 25	Directly Assignable- Psgr.	357
Line 26	Directly Assignable- Cargo	0
Line 27	Not Directly Assignable	212
Line 28	Total Advertising & Prom. Exp	569
Line 29	GENERAL & ADMINISTRATIVE EXPENSE	1,433
	MAINT. & DEPREC. -GROUND PROP.&EQ.	
Line 31	Maintenance Ground Prop.&Eqpt.	80
Line 32	Depreciation Ground Prop.&Eqpt	277
Line 33	Total Maint.&Depr.- Ground P&E	357
Line 34	DEPR. EXPENSE - MAINTENANCE EQ.	16
Line 35	AMORT. (OTHER THAN FLIGHT EQ.)	7
Line 36	TOTAL SVCING,SALES & GEN.OP.EXP.	10,770
Line 37	TRANSPORT RELATED EXPENSES	0
Line 38	TOTAL OPERATING EXPENSES	23,827