



Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Air Service Administrator
Copies: San Antonio Regional Stakeholders
Subject: February 2018 Monthly Statistics
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NEW FLIGHTS AND THRIVING ECONOMY PROPEL PASSENGER GROWTH INTO FEBRUARY 2018

SUMMARY

In what is typically the slowest travel month of the year, San Antonio International Airport (SAT) achieved double digit growth in all key passenger and cargo categories in February 2018. A record 667,650 total passengers flew through the airport during the year's second month, an impressive 10.5% increase over the same month last year. This represents the highest level of traffic for any February on record with calendar year-to-date totals up 9.1%, also a record. These increases continue an ongoing trend of growth at SAT with the last 20 consecutive months experiencing record passengers.

Domestic traffic for the month climbed 10.0% compared to February 2017, due to capacity increases by most of the domestic carriers as well as new routes on Frontier and American which inaugurated nonstop service to Philadelphia February 15. Moreover, international traffic surged 24.8% as a result of new and additional service to Toronto and Mexico City added last year.

With respect to air cargo, a total of 19,815,617 pounds moved through SAT in February 2018 representing an 11.8% increase YOY.

(Please see Exhibit A for a detailed breakdown)

Since the spring of 2016, 21 new flights have either been added or announced at SAT contributing to the recent passenger growth at the airport. These additions along with remarkable population growth are telling indicators of a flourishing economy in the San Antonio area. According to the Bureau of Labor Statistics, unemployment rates continue to fall year after year and are consistently below the national average. From January 2017 to January 2018, over 24,000 jobs were added in the Alamo City with notable growth in the tech, cybersecurity, bioscience and manufacturing sectors. The visitor and tourism industry continues to outpace their hotel occupancy targets set for the next several years and below national average cost of living continue to make San Antonio an increasingly attractive place to live, work and do business.

(Sources: U.S. Census Bureau, San Antonio Economic Development Foundation and Visit San Antonio)

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DOMESTIC PASSENGERS

Scheduled domestic capacity, or seats, increased nearly 11% or 39,329 seats in February 2018 vs. February 2017 with a total of 405,945 monthly departure seats. Airlines routinely make monthly or seasonal adjustments to the number of flights and seats available to match market demand trends.

Fall 2017, Frontier Airlines launched new non-stop service to five markets which contributed to a 341% surge in capacity for the airline in February. Furthermore, United Airlines increased their capacity over 19% by adding seats to almost all their markets from SAT while American Airlines grew their capacity nearly 14% with the launch of Philadelphia and by deploying larger aircraft and/or increasing frequency to Charlotte, Chicago O'Hare, Miami and Phoenix. Southwest grew capacity by 1.8% with added seats to several markets while Delta sustained capacity at 0.8%. Alaska Airlines also saw a notable spike in capacity and passengers by deploying a larger aircraft on their Seattle route. Seasonal adjustments were made on Allegiant with reduced frequency to Las Vegas and Orlando-Sanford.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	4.5%	12.5%
Allegiant Air	(35.0%)	(29.4%)
American Airlines	13.6%	7.6%
Delta Air Lines	0.8%	(1.9%)
Frontier Airlines	341.1%	324.5%
Southwest Airlines	1.8%	4.7%
United Airlines	19.4%	14.6%

When comparing year-over-year domestic capacity changes, the results were based on the following:

- American Airlines: began daily nonstop service to Philadelphia in February 2018, increased Miami service back to near daily in March 2017 and increased aircraft gauge to Charlotte, Chicago O'Hare and Phoenix in September, March and April 2017 respectively
- Frontier Airlines: added service to New Orleans, Ontario, CA, Phoenix, San Diego and Washington-Dulles in fall 2017 and suspended seasonal service to Atlanta and Philadelphia in September 2017, a month earlier than 2016. Atlanta resumed in November 2017 with Philadelphia resuming April 2018
- Southwest Airlines: Added capacity to several markets
- United Airlines: increased aircraft gauge to Chicago O'Hare, Denver and Newark in January 2018 as well as to Washington-Dulles in November 2017



INTERNATIONAL PASSENGERS

Scheduled international capacity continued its upward trend in February 2018 at 18,843 monthly departure seats or 11.4%. This increase was primarily due to Volaris' new service to Mexico City which began September 2017 as well as to Air Canada's inaugural service to Toronto which began May 2017 collectively adding nearly 4,000 seats to the international market in February.

Overall, total international passengers increased by 24.8% YOY in February 2018. As noted earlier, this increase is primarily due to new flights to Toronto and Mexico City last year. Despite this growth, the low value of the Peso and current macro-level economic and political uncertainties continue to suppress demand between Mexico and SAT. While the valuation of the Peso to the U.S. Dollar improved into 2018, with an increase of 10% in February YOY, the Peso still remained nearly 20% less than it did in February 2015. As the Peso continues to regain value, leisure and VFR traffic between Mexico and the U.S. is expected to continue to improve.

Airline	Seat Capacity Change	Passenger Change
Air Canada	100%	100%
Aeromexico	(0.9%)	(6.0%)
Interjet	(5.1%)	13.8%
Southwest*	N/A	N/A
United*	N/A	N/A
Volaris	48.4%	55.0%

*Southwest and United offer seasonal service to Cancun, Mexico.

When comparing year-over-year international capacity changes, the results were based on the following:

- Air Canada: new daily service to Toronto began May 2017
- Southwest & United: offers service to Cancun on a seasonal basis
- Volaris: launched daily service to Mexico City in September 2017 and decreased seasonal capacity to Guadalajara in June 2017



RECENT SCHEDULE CHANGES

In November 2017, Southwest Airlines announced **NEW** daily, year-round, non-stop service to Oakland and Fort Lauderdale beginning July 8, 2018. Prior to this announcement, Oakland was an unserved market and Fort Lauderdale was only served on a seasonal basis. Both markets will bring much needed capacity to the Bay Area and Southeast Florida and will be flown on 143-seat Boeing 737 aircraft. Southwest has also recently added additional frequencies to multiple cities, mostly during the peak summer season.

Frontier Airlines has recently added 10 **NEW** markets from SAT. Weekly service to New Orleans, Ontario, CA, Phoenix, San Diego and Washington-Dulles began in fall 2017 and service to Cincinnati, Colorado Springs, Orlando, Raleigh-Durham and San José, CA are scheduled to begin in April 2018. Prior to these announcements, Cincinnati, Colorado Springs, Ontario, Raleigh and San José were all unserved markets with many on the airport's list of top target markets. In total, these new additions bring the total number of Frontier destinations either announced or served from SAT to 14 with all to be flown on 150-180 seat Airbus A319/A320 aircraft.

In February 2018, American Airlines launched **NEW** daily, year-round, non-stop service to Philadelphia, a market previously served only seasonally by Frontier. The new service is operated on a 128-seat Airbus A319 aircraft.

Volaris recently launched **NEW** non-stop service to Mexico City in September 2017 flown on a 179-seat Airbus A320 aircraft. With this added service, SAT now offers four peak-day non-stop flights to Mexico's capital city.

In May 2017, San Antonio International Airport welcomed a **NEW** international carrier with Air Canada's daily non-stop service to Toronto, Ontario, Canada- the airport's first non-stop to Canada.

In 2018, Southwest Airlines will begin daily, direct (one-stop, no plane change) service to Ronald Reagan Washington National Airport (DCA). Though the layover city will fluctuate, the schedule will remain consistent each day.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	February			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	320,534	289,890	10.6%	651,385	598,000	8.9%
Domestic Deplanements	323,929	295,971	9.4%	664,193	614,150	8.1%
Total Domestic Passengers	644,463	585,861	10.0%	1,315,578	1,212,150	8.5%
Intl Enplanements	11,606	9,449	22.8%	27,092	22,142	22.4%
Intl Deplanements	11,581	9,130	26.8%	27,726	22,220	24.8%
Total Intl Passengers	23,187	18,579	24.8%	54,818	44,362	23.6%
Grand Total All Passengers	667,650	604,440	10.5%	1,370,396	1,256,512	9.1%
Air Cargo (in Pounds)						
Total Domestic Freight	13,686,623	11,547,383	18.5%	28,107,384	23,323,393	20.5%
Total Intl Freight	423,221	716,403	-40.9%	1,029,546	1,640,441	-37.2%
Total Freight	14,109,844	12,263,786	15.1%	29,136,930	24,963,834	16.7%
Total Mail	5,705,773	5,456,075	4.6%	11,573,176	10,948,069	5.7%
Grand Total All Air Cargo	19,815,617	17,719,861	11.8%	40,710,106	35,911,903	13.4%