



Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Air Service Administrator
Copies: San Antonio Regional Stakeholders
Subject: May 2018 Monthly Statistics
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STEADY RECORD PASSENGER GROWTH IN MAY 2018

SUMMARY

San Antonio International Airport (SAT) continued to experience record passenger growth during May 2018. A total 840,951 passengers flew through the airport during the year's fifth month, an 8.2% increase or nearly 64,000 more passengers than the same month last year. Furthermore, May's growth continued to bolster calendar year-to-date totals at 10.1%, the second month in a row to exceed double-digit YTD totals. With 14 new routes yet to begin in 2018, YTD totals are expected to continue to climb. The recent growth at SAT reflects an ongoing trend of progress at the airport in its effort to attain and retain air service with multiple new routes added in the past two years and record passengers for the past 23 consecutive months.

Domestic traffic for the month rose over 8% compared to May 2017 driven primarily by capacity increases by many of the domestic carriers and new routes on American and Frontier. Similarly, international traffic also increased over 8% as a result of additional service to Mexico City added last year on Interjet.

Also furthering the growth trend, a total of 23,561,233 pounds of air cargo moved through SAT in May 2018 representing a remarkable 13% increase YOY.

(Please see Exhibit A for a detailed breakdown)

Since the spring of 2016, 33 new flights have either been added or announced at SAT contributing to the recent passenger growth at the airport. These additions, along with extraordinary 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 Feb 2017 to Feb 2018, nearly 25,000 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 continues 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 5.5% or 25,188 seats in May 2018 vs. May 2017 with a total of 483,742 monthly departure seats. Airlines routinely make monthly or seasonal adjustments to the number of flights and seats available to match market demand trends.

Since fall 2017, Frontier Airlines has launched new non-stop service to 10 markets which contributed to a 92% surge in capacity for the airline in May. Furthermore, United Airlines increased their capacity nearly 11% by adding seats to many of their markets from SAT while American Airlines grew their capacity by over 7% with the launch of Philadelphia in February and deploying larger aircraft and/or increasing frequency to Charlotte, Chicago O'Hare and Phoenix. Southwest increased capacity by 2% to a number of markets while Delta reduced capacity by (6%). Seasonal adjustments were made on Allegiant with reduced frequency to Las Vegas.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	1.0%	0.8%
Allegiant Air	(32.1%)	(29.3%)
American Airlines	7.6%	7.4%
Delta Air Lines	(6.2%)	(4.2%)
Frontier Airlines	91.6%	108.4%
Southwest Airlines	1.9%	5.7%
United Airlines	10.5%	13.2%

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 and increased aircraft gauge to Chicago O'Hare and Phoenix in spring 2018
- Frontier Airlines: began service to New Orleans, Ontario, CA, Phoenix, San Diego and Washington-Dulles in fall 2017 and launched service to Cincinnati, Colorado Springs, Orlando, Raleigh-Durham and San José, CA in April 2018
- Southwest Airlines: Added capacity to several markets
- United Airlines: increased aircraft gauge and/or frequency to Chicago O'Hare in January 2018 as well as to Washington-Dulles in fall 2017



INTERNATIONAL PASSENGERS

Scheduled international capacity again continued its upward trend in May 2018 at 20,194 monthly departure seats or 3.7%. This increase was primarily due to added seats by Interjet to Mexico City and Southwest to Cancún. While this growth appears to have slowed compared to previous months, May's data no longer accounts for Air Canada's service to Toronto which began in May 2017.

Overall, total international passengers increased by 8.6% YOY in May 2018. However, as mentioned in previous reports, 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 April 2018 YOY, it decreased in value by nearly 4% in May. SAT's air service team continues to monitor this closely and any effect it may have on service levels to/from Mexico.

Airline	Seat Capacity Change	Passenger Change
Air Canada	(9.3%)	(20.1%)
Aeromexico	(0.4%)	(3.1%)
Interjet	9.2%	12.7%
Southwest*	100.0%	100.0%
United*	(100.0%)	(100.0%)
Volaris	(25.0%)	2.8%

*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: reduced daily service to 5-6X weekly during off-peak travel months (Nov-May)
- Southwest & United: offers service to Cancun on a seasonal basis
- Volaris: launched daily service to Mexico City in September 2017 which has since become seasonal, operating only during peak travel periods. Decreased seasonal capacity to Guadalajara in June 2017



RECENT SCHEDULE CHANGES

In May and June 2018, Frontier announced weekly service to 11 **NEW** markets- all set to begin in August. They include Albuquerque, Charlotte, Cleveland, Columbus, Jacksonville, Memphis, Oklahoma City, Omaha, Orange County, Salt Lake City and Tulsa with all but Charlotte and Salt Lake previously unserved markets. This is in addition to the 10 new routes they have launched within the last year. In total, these new flights bring the total number of Frontier destinations either announced or served from SAT to 25, the largest amount of any carrier at SAT.

In March 2018, Mexican low-cost carrier Interjet, announced **NEW** daily nonstop service to León, Mexico, the fourth Mexican city served by the carrier and fifth from SAT. Service to Del Bajío International Airport (BJX) was initially set to begin June 22, but has been pushed back to November due to aircraft delivery delays. The flight will operate on a 93-seat Sukhoi Superjet 100 aircraft offering convenient central access to Mexico's thriving Bajío region.

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.

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 143/175-seat Boeing 737 aircraft. Southwest has also recently added additional frequencies to multiple cities, mostly during the peak summer season.

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 January 2018, Southwest Airlines began daily, direct (one-stop, no plane change) service to Ronald Reagan Washington National Airport (DCA). Though the layover city fluctuates, the schedule remains consistent each day.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	May			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	409,385	378,823	8.1%	1,879,070	1,703,869	10.3%
Domestic Deplanements	401,639	370,631	8.4%	1,868,988	1,712,207	9.2%
Total Domestic Passengers	811,024	749,454	8.2%	3,748,058	3,416,076	9.7%
Intl Enplanements	15,710	14,274	10.1%	74,107	61,404	20.7%
Intl Deplanements	14,217	13,277	7.1%	73,907	59,905	23.4%
Total Intl Passengers	29,927	27,551	8.6%	148,014	121,309	22.0%
Grand Total All Passengers	840,951	777,005	8.2%	3,896,072	3,537,385	10.1%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	7,136,829	5,452,476	30.9%	32,367,408	24,135,160	34.1%
Domestic Freight Deplaned	9,122,616	8,394,645	8.7%	42,108,823	39,942,405	5.4%
Total Domestic Freight	16,259,445	13,847,121	17.4%	74,476,231	64,077,565	16.2%
Intl Freight Enplaned	563,009	560,932	0.4%	2,518,579	2,967,500	-15.1%
Intl Freight Deplaned	256,062	159,414	60.6%	904,787	915,465	-1.2%
Total Intl Freight	819,071	720,346	13.7%	3,423,366	3,882,965	-11.8%
Total Freight	17,078,516	14,567,467	17.2%	77,899,597	67,960,530	14.6%
Mail Enplaned	2,496,152	2,450,138	1.9%	11,652,082	11,362,393	2.5%
Mail Deplaned	3,986,555	3,788,801	5.2%	18,929,798	18,379,366	3.0%
Total Mail	6,482,707	6,238,939	3.9%	30,581,880	29,741,759	2.8%
Grand Total All Air Cargo	23,561,223	20,806,406	13.2%	108,481,477	97,702,289	11.0%