



## Monthly Statistics Report

To: Russell J. Handy, Aviation Director  
From: Brian Pratte, Air Service Administrator  
Copies: San Antonio Regional Stakeholders  
Subject: September 2017 Monthly Statistics  
Date: October 26, 2017

### RECORD MONTH IN SEPTEMBER 2017

#### SUMMARY

San Antonio International Airport (SAT) experienced another record month of passenger traffic in September with 687,536 total passengers, a 0.6% increase over September 2016. This represents the highest level of traffic for any September on record. Year-to-date traffic totaled 6,665,150 passengers, representing a 4.0% increase YOY, also a record. The September growth represents the 15th straight month of passenger growth, as well as 16 of the past 17 months.

Domestic traffic for the month was up 1.3% compared to September 2016, due to capacity increases by some of the domestic carriers as well as new routes from Frontier and Southwest. International traffic experienced a decrease of (14.1%). While international capacity was up 15.1%, suppressed demand due to natural disasters and the continual weakened Peso likely attributed to the decline in international passenger traffic.

Though September was record month for SAT, the growth was more conservative compared to previous months' growth. During the month, SAT experienced 186 flight cancellations with almost all U.S. airlines reported a decrease in load factor due to back-to-back hurricanes in the U.S. and Caribbean in late August and September as well as recent earthquakes in Mexico. The cancelled flights and suppressed demand to/from these affected regions likely impacted passenger traffic at SAT and nationwide.

With respect to air cargo, a total of 21,999,514 pounds moved through SAT in September 2017 or 9.1% YOY, 4.1% YTD.

Please see Exhibit A for a detailed breakdown.

As part of our expanded efforts towards air service development, the San Antonio International Airport has developed a robust, broad air service marketing and advertising program. This program is intended to heighten awareness of options, including carriers and destinations, throughout San Antonio and the surrounding region.

#### SAN ANTONIO INTERNATIONAL AIRPORT

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## DOMESTIC PASSENGERS

Scheduled domestic capacity increased 2.2% or 8,872 seats in September 2017 vs. September 2016 with 416,112 total monthly departure seats. Airlines routinely make monthly or seasonal adjustments to the number of flights and seats available to match market demand trends.

Notably, American Airlines increased their capacity by 7.1% by deploying larger aircraft to Charlotte, Chicago O'Hare and Phoenix. Southwest Airlines increased capacity by 3.9% with new nonstop service to Kansas City (began Nov 2016) and added frequencies to Baltimore, Houston-Hobby and San Diego while Delta grew capacity 3.3% with added frequencies to Detroit and Minneapolis and larger aircraft utilization to Salt Lake City. Seasonal adjustments were made on Allegiant and Frontier with earlier suspensions of some seasonal routes with United trimming capacity to Chicago, Houston-Intercontinental and Newark.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	(0.5%)	(0.6%)
Allegiant Air	(50.0%)	(49.3%)
American Airlines	7.1%	7.5%
Delta Air Lines	3.3%	0.2%
Frontier Airlines	(22.6%)	(20.8%)
Southwest Airlines	3.9%	4.5%
United Airlines	(3.4%)	(7.7%)

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

- Allegiant: Briefly suspended Orlando-Sanford service during September 2017 which resumed in October 2017.
- American Airlines: increased Miami service back to near daily in March 2017 during peak times and increased aircraft gauge to Charlotte, Chicago O'Hare and Phoenix in September, March and April 2017 respectively.
- Frontier Airlines: began weekly service to Chicago O'Hare in April 2017, but suspended seasonal service to Atlanta and Philadelphia in September 2017, a month earlier than last year. Atlanta is expected to resume in November and Philadelphia next April.
- Southwest Airlines: commenced daily nonstop service to Kansas City effective November 6<sup>th</sup> and added a fifth daily flight to Houston-Hobby that same day.
- United Airlines: increased aircraft gauge on Denver flights and reduced aircraft gauge on Chicago O'Hare, Houston and Newark flights in September 2017.



## INTERNATIONAL PASSENGERS

Scheduled international capacity, or seats, increased in September 2017 YOY at 20,306 monthly departure seats or 15.1%. This increase was primarily due to Volaris' new daily nonstop service to Mexico City which began September 15<sup>th</sup> as well as to Air Canada's inaugural service to Toronto which began May 1<sup>st</sup> collectively adding over 4,700 seats to the international market.

Total international passengers decreased by (14.1%). As noted earlier, unfortunate earthquakes in Mexico likely drove down demand during the month. A compelling indicator of the effect the earthquakes had on passenger traffic is illustrated in the capacity change versus passenger change in the table below. For instance, Aeromexico's capacity was down (34%) in September yet passenger traffic was down (61%). However, in August, Aeromexico's capacity change and passenger change ratio was much more level at (51%) and (54%), respectively. This suggests there was an additional driving force in the decrease in passenger traffic in September beside decrease in capacity only.

Additionally, the continued low value of the Peso also likely suppressed demand between SAT and Mexico. While the valuation of the Peso to the U.S. Dollar has improved in 2017, with an increase of 10.8% in September YOY, the Peso still remained over 6% less in value than it did in September 2015 and over 25% less than it did in September 2014. Nonetheless, as the Peso continues to gain value, leisure and VFR traffic between Mexico and the U.S. is expected to improve.

Airline	Seat Capacity Change	Passenger Change
Air Canada	100%	100%
Aeromexico*	(33.6%)	(60.5%)
Interjet	(3.4%)	(7.4%)
Southwest**	N/A	N/A
United**	N/A	N/A
Volaris	155.6%	68.9%

\*Aeromexico ceased service from SAT to MTY in January 2017 \*\*Southwest and United offer seasonal service to Cancun, Mexico.

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

- Aeromexico: increased to 2 daily flights to Mexico City only on select dates and ceased service to MTY in January 2017
- 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

Frontier Airlines has recently added eight **NEW** markets from SAT. Less than daily service to New Orleans, Ontario, CA, San Diego and Washington-Dulles began in October 2017 with service to Phoenix scheduled to begin in November and service to Cincinnati, Colorado Springs, Orlando and San José, CA scheduled to begin in April 2018. Prior to these announcements, Cincinnati, Colorado Springs, Ontario and San José were all unserved markets with San José being 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.

Volaris recently launched **NEW** daily nonstop service to Mexico City on September 15<sup>th</sup> flown on a 179-seat Airbus A320 aircraft. With this added service, SAT now offers four daily nonstop flights to Mexico's capital city.

In November 2017, Southwest will launch seasonal Saturday service to New York's La Guardia Airport. The airline will operate four total flights on November 18<sup>th</sup> and 25<sup>th</sup> and December 23<sup>rd</sup> and 30<sup>th</sup>.

On May 1, 2017, San Antonio International Airport welcomed a **NEW** international carrier with Air Canada's daily nonstop service to Toronto, Ontario, Canada- the airport's first nonstop to Canada.

Southwest Airlines added **NEW** daily nonstop service to Kansas City, MO on November 6, 2016 and added a fifth daily flight to Houston-Hobby on the same day. Southwest has also recently added additional frequencies to Baltimore, Chicago-Midway, Denver, Nashville, Orlando and Tampa, mostly during the peak summer season.



## EXHIBIT A

### San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	September			Calendar Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
<b>Passengers</b>						
Domestic Enplanements	330,814	327,881	0.9%	3,189,433	3,049,746	4.6%
Domestic Deplanements	332,323	327,209	1.6%	3,208,229	3,051,381	5.1%
<b>Total Domestic Passengers</b>	<b>663,137</b>	<b>655,090</b> <span style="color: green;">▲</span>	<b>1.2%</b>	<b>6,397,662</b>	<b>6,101,127</b>	<b>4.9%</b>
Intl Enplanements	12,079	14,037	-13.9%	134,899	152,815	-11.7%
Intl Deplanements	12,320	14,361	-14.2%	132,589	152,681	-13.2%
<b>Total Intl Passengers</b>	<b>24,399</b>	<b>28,398</b> <span style="color: green;">▲</span>	<b>-14.1%</b>	<b>267,488</b>	<b>305,496</b>	<b>-12.4%</b>
<b>Grand Total All Passengers</b>	<b>687,536</b>	<b>683,488</b> <span style="color: green;">▲</span>	<b>0.6%</b>	<b>6,665,150</b>	<b>6,406,623</b>	<b>4.0%</b>
<b>Air Cargo (in Pounds)</b>						
<b>Total Domestic Freight</b>	<b>15,068,341</b>	<b>13,360,196</b> <span style="color: green;">▲</span>	<b>12.8%</b>	<b>120,709,235</b>	<b>114,343,806</b>	<b>5.6%</b>
<b>Total Intl Freight</b>	<b>615,080</b>	<b>891,763</b> <span style="color: green;">▲</span>	<b>-31.0%</b>	<b>6,531,229</b>	<b>7,784,933</b>	<b>-16.1%</b>
<b>Total Freight</b>	<b>15,683,421</b>	<b>14,251,959</b> <span style="color: green;">▲</span>	<b>10.0%</b>	<b>127,240,464</b>	<b>122,128,739</b>	<b>4.2%</b>
<b>Total Mail</b>	<b>6,316,093</b>	<b>5,911,919</b> <span style="color: green;">▲</span>	<b>6.8%</b>	<b>54,952,349</b>	<b>52,895,353</b>	<b>3.9%</b>
<b>Grand Total All Air Cargo</b>	<b>21,999,514</b>	<b>20,163,878</b> <span style="color: green;">▲</span>	<b>9.1%</b>	<b>182,192,813</b>	<b>175,024,092</b>	<b>4.1%</b>

### San Antonio International Airport Total Air Operations

	September			Calendar Year-to-Date		
	2017	2016	% Change	2017	2016	% Change
Air Carrier	7,065	6,678	5.8%	67,038	65,025	3.1%
Air Taxi	1,615	2,051	-21.3%	14,828	16,603	-10.7%
General Aviation	3,710	4,313	-14.0%	33,715	37,328	-9.7%
Military	516	498	3.6%	3,649	4,219	-13.5%
<b>Total Itinerant</b>	<b>12,906</b>	<b>13,540</b> <span style="color: green;">▲</span>	<b>-4.7%</b>	<b>119,230</b>	<b>123,175</b>	<b>-3.2%</b>