



***LOUISVILLE
INTERNATIONAL
AIRPORT®***
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Air Service

The New Reality and its Impact on Louisville

**Presentation to Louisville Metro Council Committee on
Labor and Economic Development**

Tuesday, May 19, 2015

4 p.m.

Welcome To
Louisville

INFORMATION



GETTING THE ECONOMY OFF THE GROUND.



TOGETHER, OUR AIRPORTS GENERATE

- 64,135 JOBS
- \$320 MILLION IN STATE AND LOCAL TAX REVENUE
- \$7 BILLION IN BUSINESS EXPENDITURES

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2014 Cargo Activity *



1	HONG KONG, HK (HKG)	4 415 983	6.0
2	MEMPHIS TN, US (MEM)	4 258 531	2.9
3	SHANGHAI, CN (PVG)	3 181 654	8.6
4	INCHEON, KR (ICN)	2 557 681	3.8
5	ANCHORAGE AK, US (ANC)	2 492 754	3.0
6	DUBAI, AE (DXB)	2 367 574	-3.1
7	LOUISVILLE, KY (SDF)	2 293 231	3.5
8	TOKYO, JP (NRT)	2 133 542	5.6
9	FRANKFURT, DE (FRA)	2 131 976	1.8
10	TAIPEI, TW (TPE)	2 088 727	6.2
* Preliminary			4




Taxiway Alpha

Enables SDF to handle the largest and newest long-range commercial cargo aircraft.

Two miles long
100 feet wide

1:4,000



Passenger Service By The Numbers

- Daily nonstop service to **8 of the top 10 largest metropolitan areas in the U.S.** (missing Los Angeles and Boston).
- Daily nonstop service to **7 of the top 10 international gateways in the U.S.** (missing Los Angeles, San Francisco and Boston).
- Daily nonstop service to **17 of region's top 20 destinations** (missing Los Angeles, Boston, San Francisco).



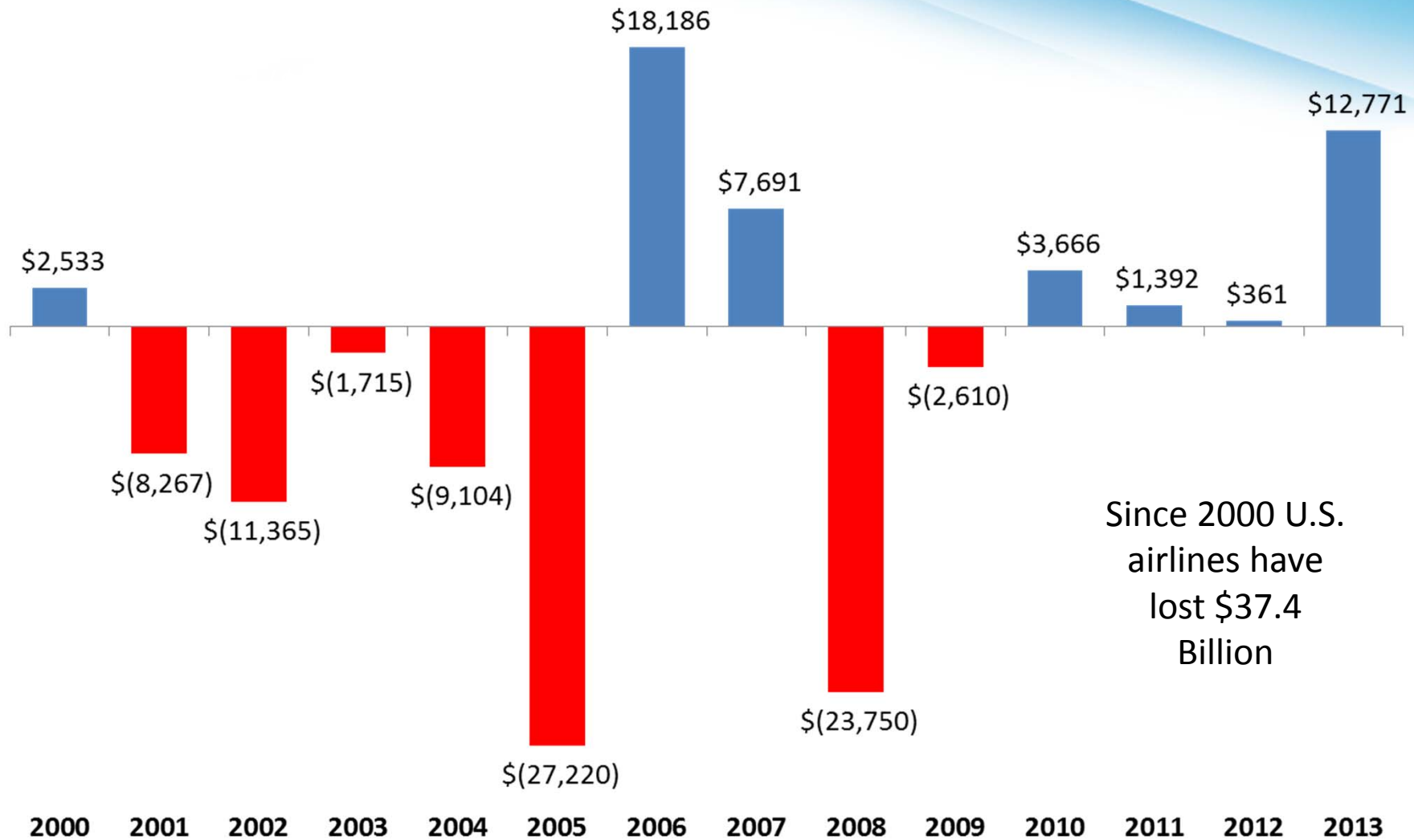
**1 Stop to
153 Cities, 66 Countries, 6 Continents**

Air Service Marketing Priorities

Pursue sustainable long-term service opportunities that keep our business partners connected and competitive

- Preserve current nonstop access to top business markets;
- Add new domestic nonstop service to high demand markets and expand connecting service over major hub gateways;
- Maintain a competitive marketplace offering a variety of fares and service options;
- Add leisure travel options, without sacrificing access to business markets.

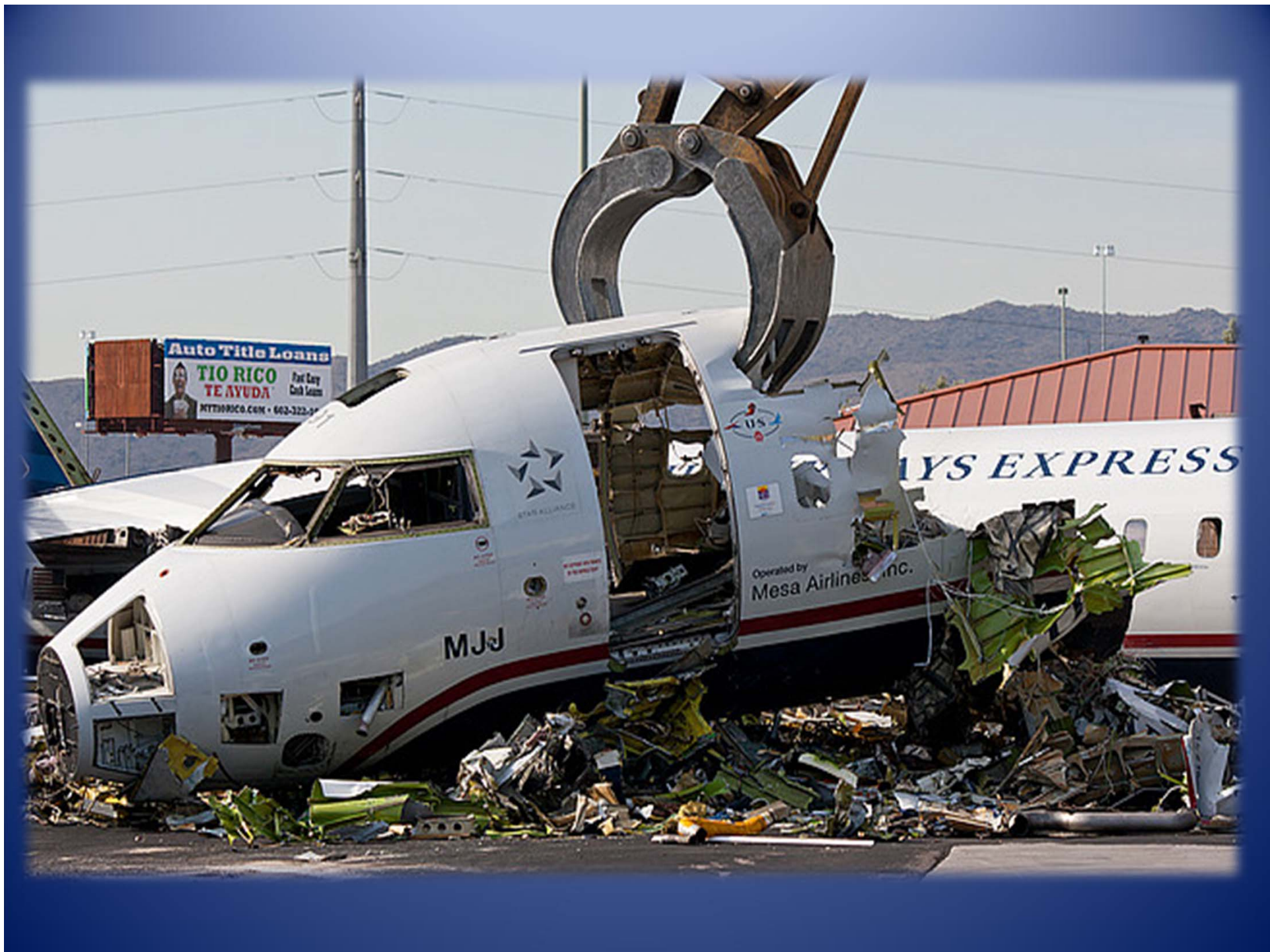
Annual Profits – U.S. Airlines



Since 2000 U.S. airlines have lost \$37.4 Billion







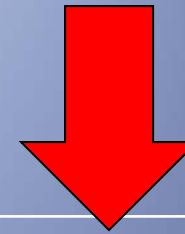


MESABA AIRLINES



Out of Business

Industry Consolidation

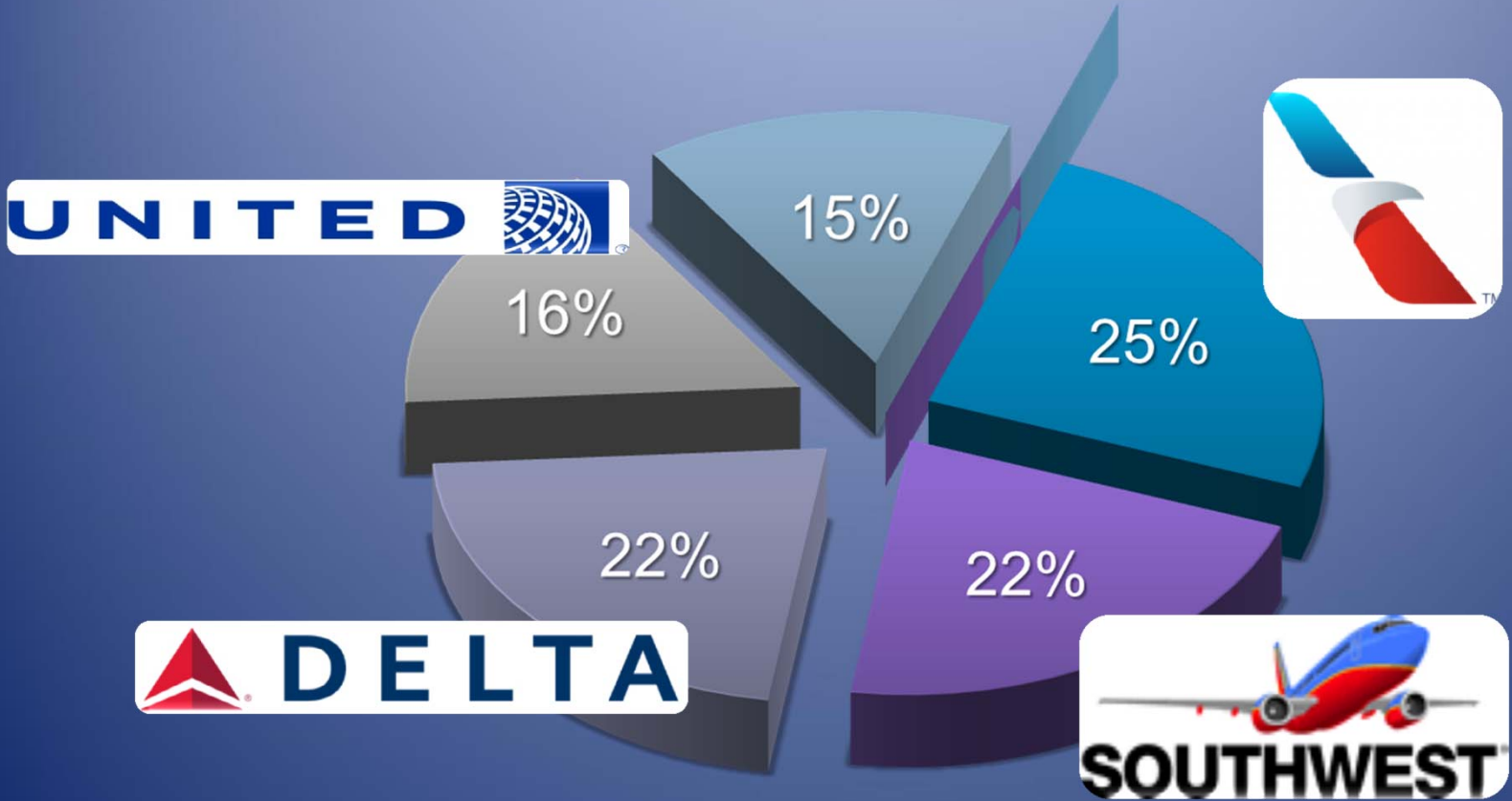


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Four Major Brands Now Offer 85% of all seats in the US

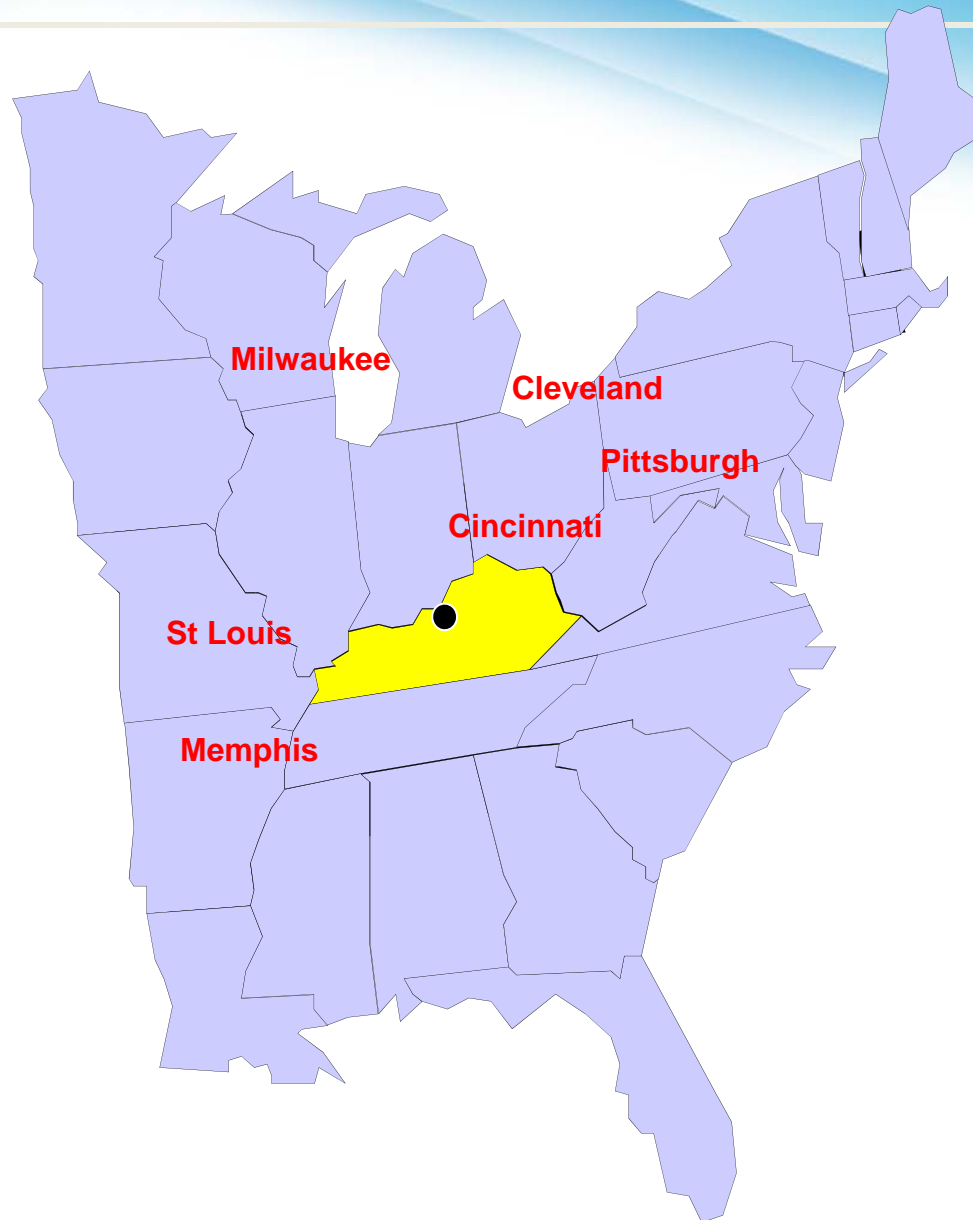
Of the remaining 15% of seats half are offered by two airlines - Alaska and JetBlue

Four airlines now control 85% of all seats in US

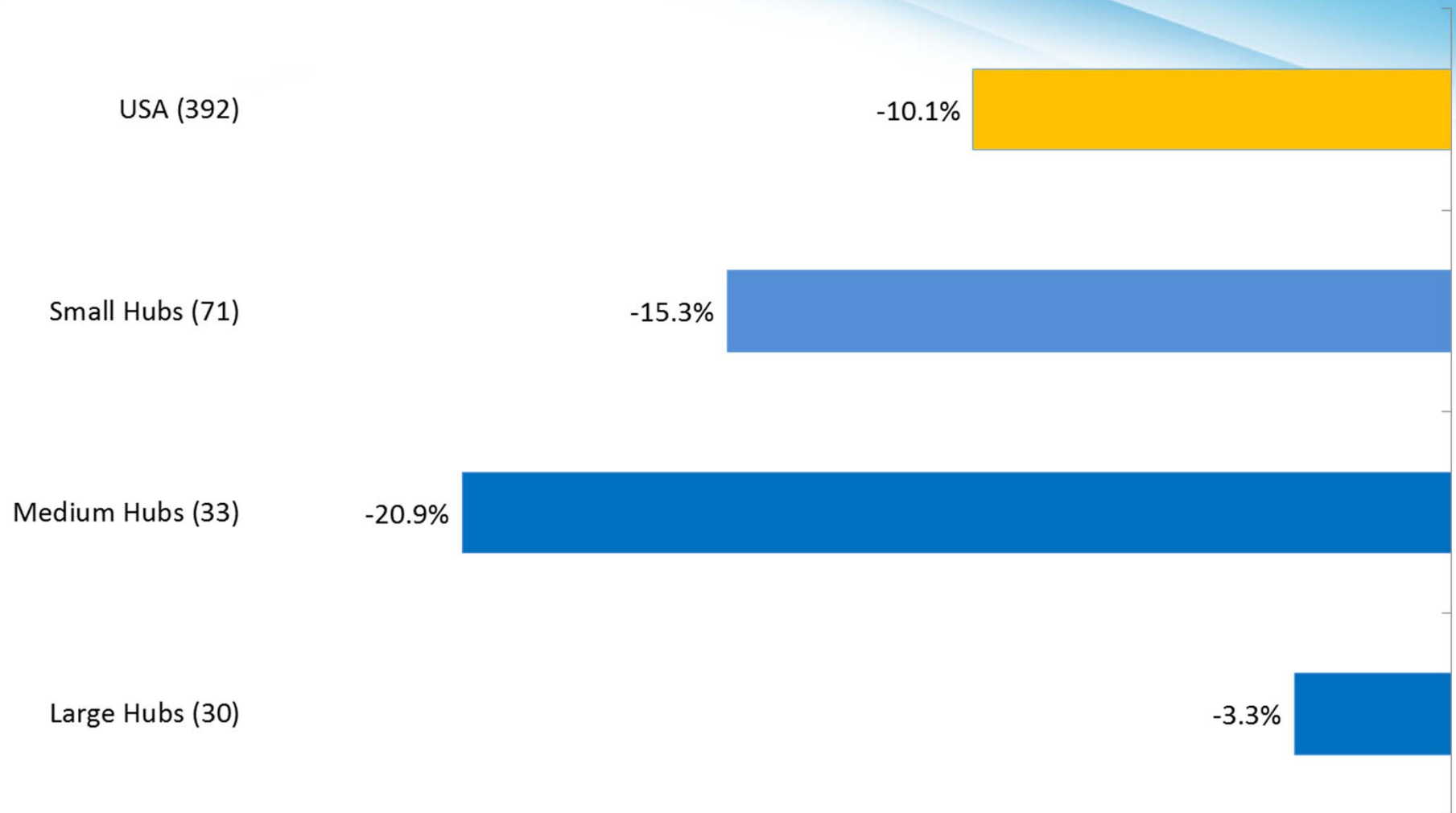


Major Hub Closures Since 2009

Memphis
and
Cleveland
both closed
in 2014

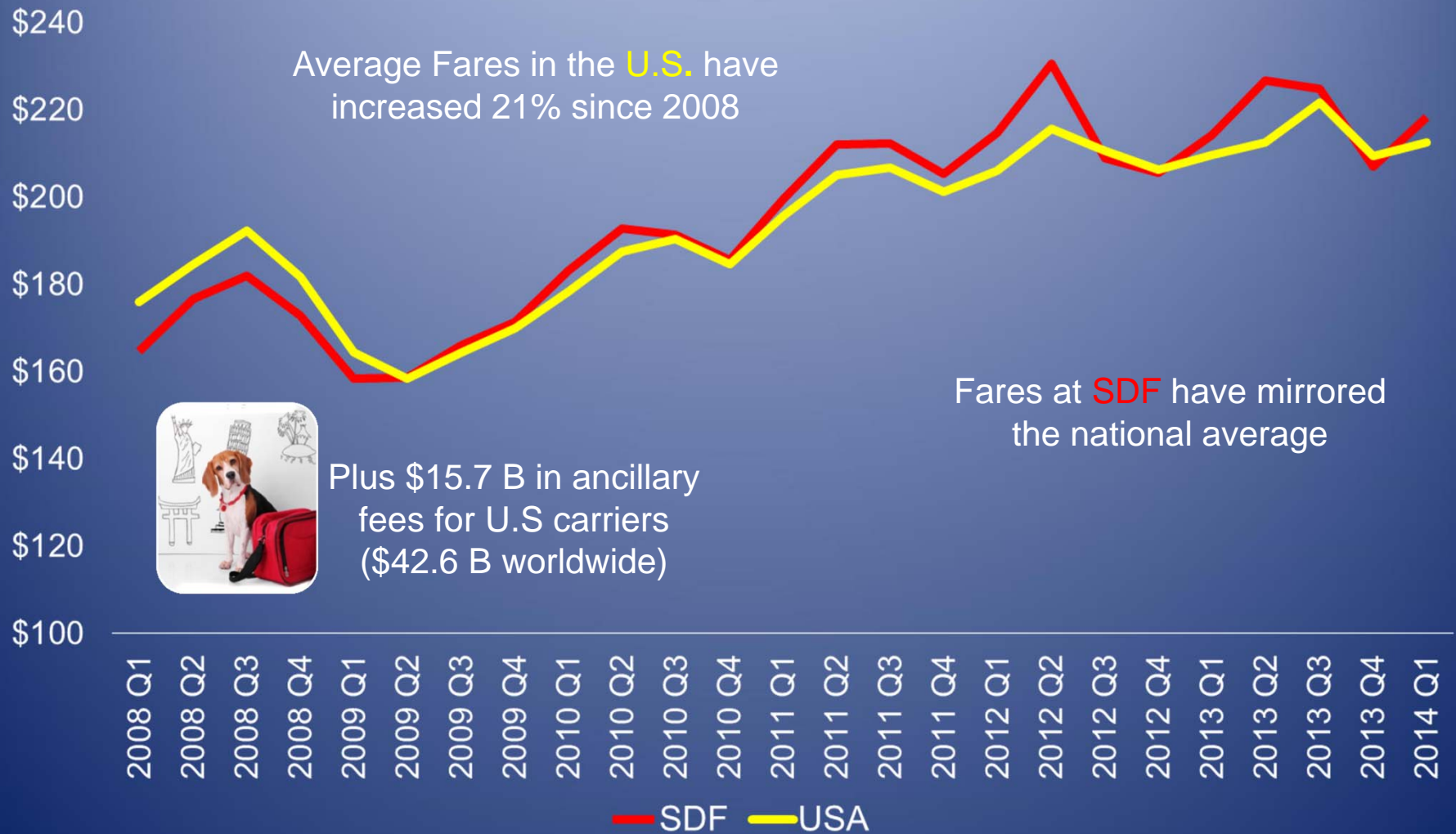


Change in Scheduled Seats by Airport Size 2007-2014



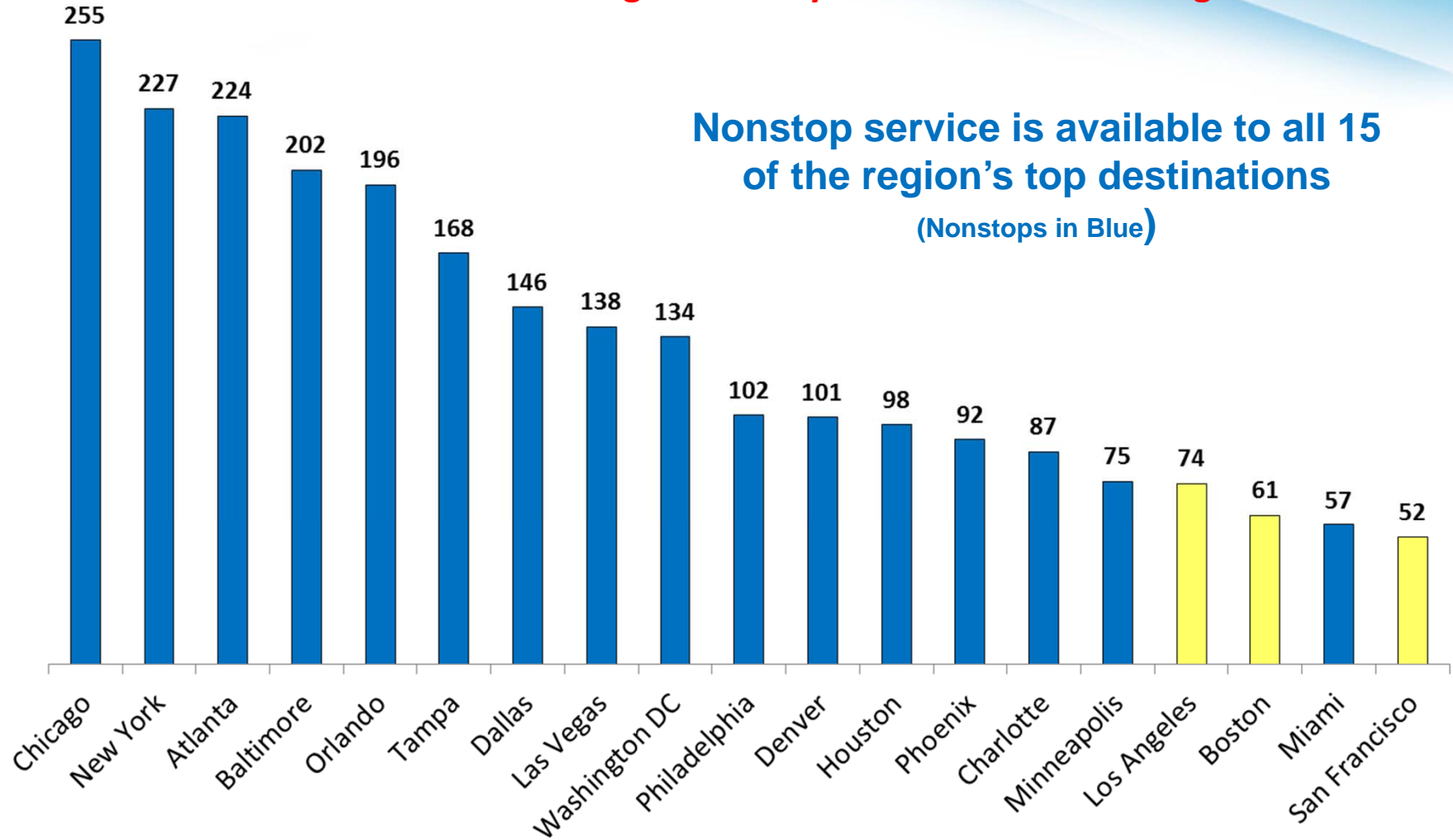
Average One-Way Fares

(All Destinations)



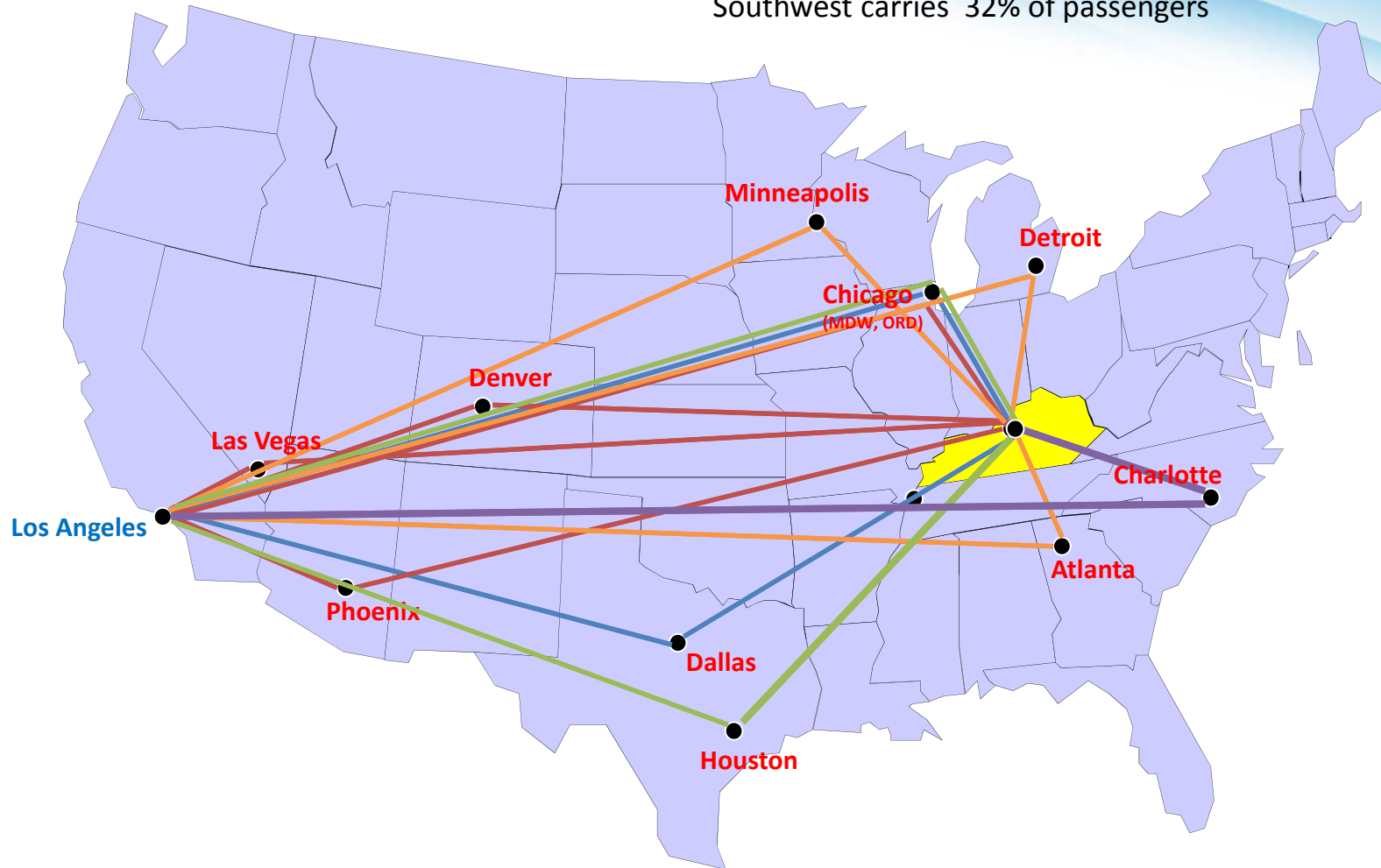
Top Domestic Markets from SDF

Passengers Per Day – Four Quarters Ending 2Q 2014



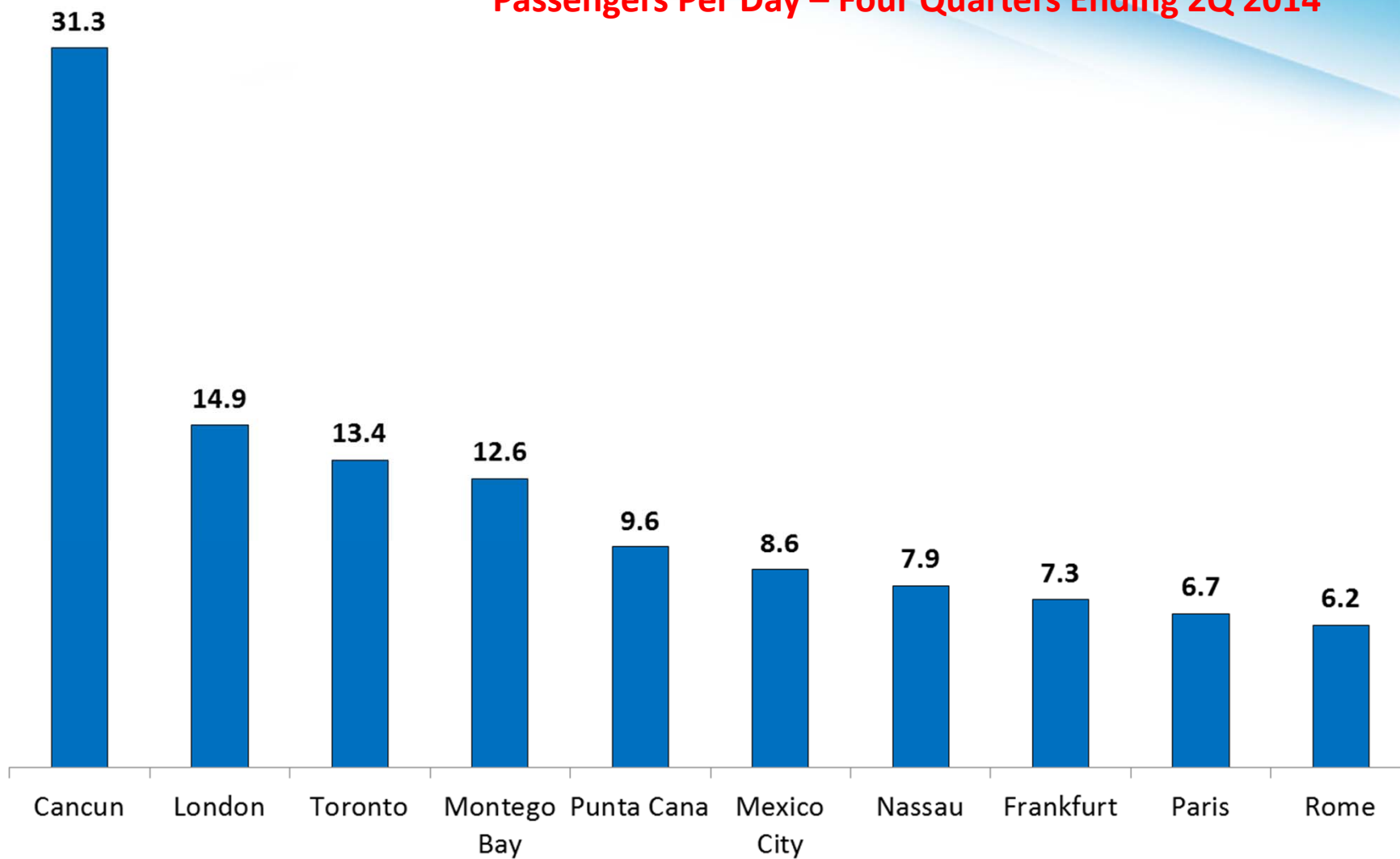
Actual Traffic to Los Angeles from SDF

- 13 Hubs, 5 airlines, 95 flights per day from SDF (dozens of connections available over each Hub)
- Largest routes capture only 9.5 passengers per day - ORD and DFW
- Minimum aircraft size is 137 seats, one flight daily
Southwest carries 32% of passengers



Top 10 International Destinations for SDF

Passengers Per Day – Four Quarters Ending 2Q 2014



Questions ?

