



Air Service Development

Sam Rodriguez, Director of Aviation
City Council Meeting February 1, 2022



Vision Block

Vibrant Regional Economy

Goals 1&3

- Goal 1. Cultivate an Environment Conducive to Strong, Economic Development
 - 1.1 Stabilize and expand El Paso's tax base
 - Airport Development
 - 1.4 Grow the core business of air transportation
 - Expand Airport Development



Agenda

Pandemic Recovery

El Paso's Recovery is promising

Listening to the Community

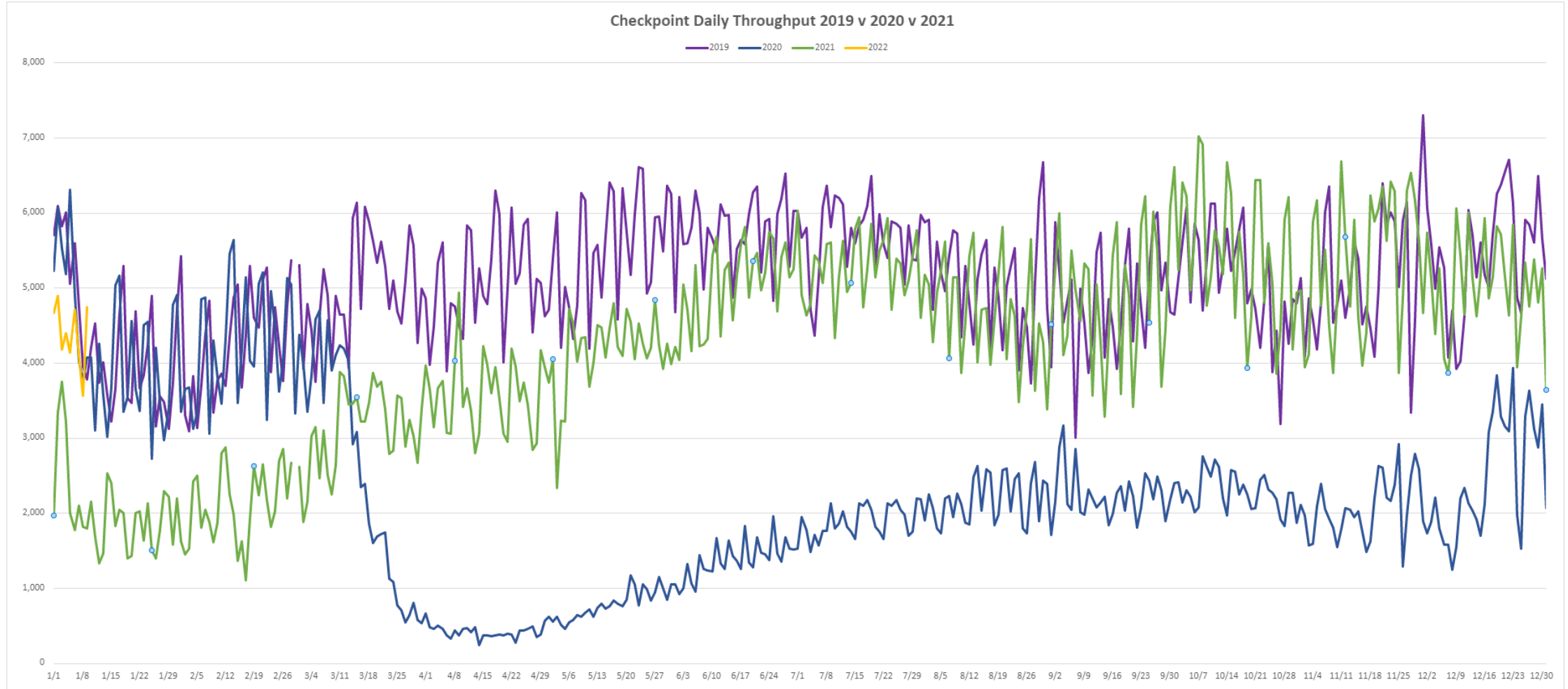
Community Priorities are our Priorities

Beyond Recovery

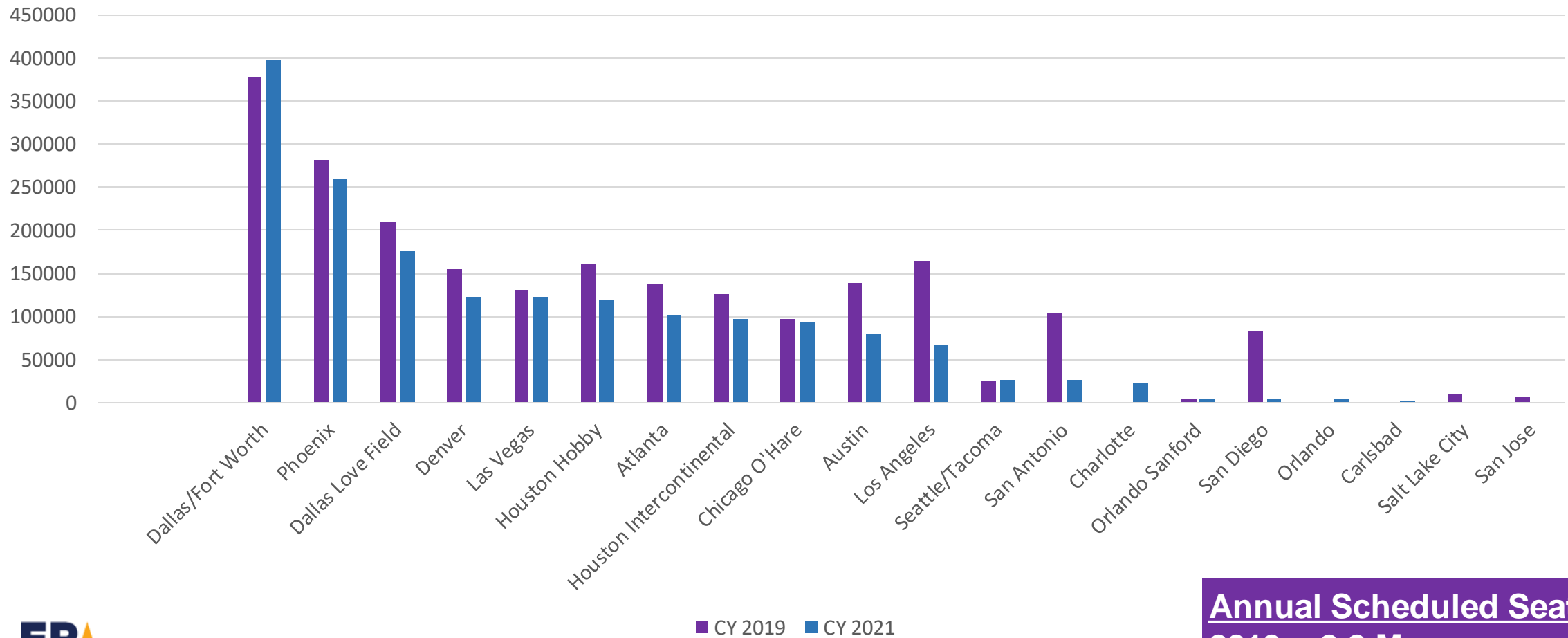
Strategy for Growth

Passenger Traffic

- 1.792 Million Departures 2019
- 746,000 in 2020
- 1.55 Million in 2021
- 2021 is at 86.5% of 2019 departures



Passenger Traffic Seats by Destination 2019 vs. 2021

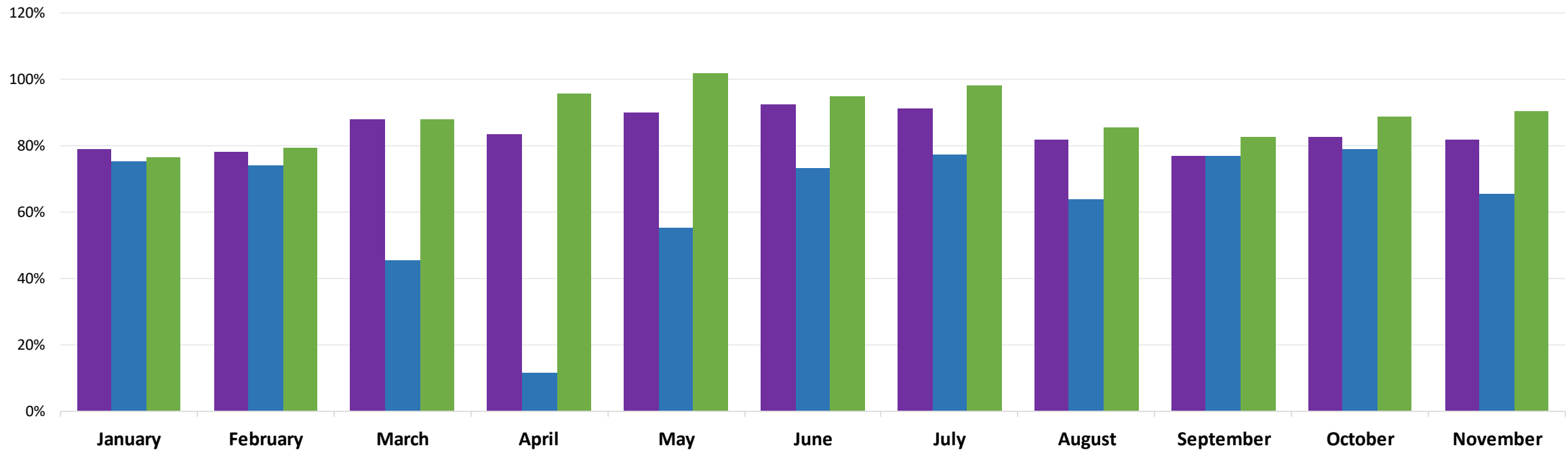


Annual Scheduled Seats*
2019 – 2.2 M
2021 – 1.7 M
*Source: Intervistas/Innovata Schedules via Dio, YE Q2 2021

Load Factors at ELP in 2021 Have Surpassed 2019 Levels



ELP Load Factors by Month
January – November 2021



Source: Innovata Schedules via Diio. TSA Daily Reports

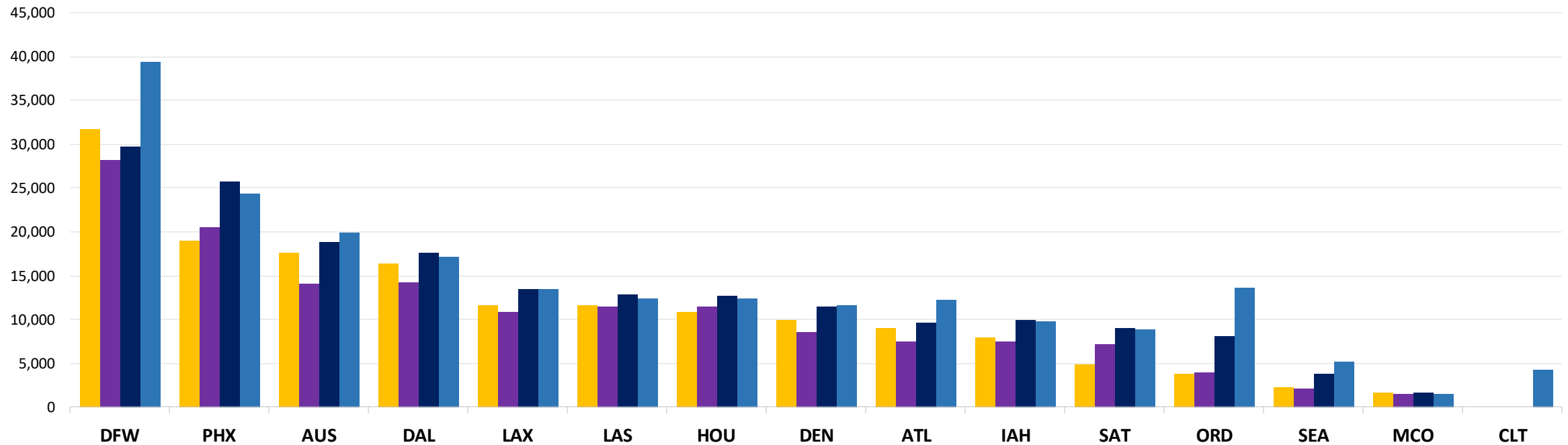
■ 2019 ■ 2020 ■ 2021



ELP has Strong Capacity Growth Scheduled for 2022



ELP Seats by Market
January – April 2022



Note: Schedule data as of December 17, 2021, subject to last minute capacity cuts or changes based on COVID-19 pandemic
Source: Innovata Schedules via Diio

■ January ■ February ■ March ■ April



New Service Announcements



2015



DELTA

1. **Atlanta** – one additional daily
(Announced April 2015 – Began August 2015)

2016



ALLEGIANT

2. **San Diego** – twice per week (Announced January 2016 – Began May 2016)

New Destination

3. **Las Vegas** – twice per week (Announced January 2016 – Began May 2016)

4. **Orlando-Sanford** – Seasonal, twice per week (Announced March 2016 – Began May 2016)

New Destination

5. **Oakland** – twice per week (Announced June 2016 – Began October 2016)

New Destination

Ceased Service August 2017

New Service Announcements



STRATEGIC PLAN

Implementation yields 27 new flights

2015



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New Destination

Ceased Service August 2017

New Service Announcements



2017



UNITED

6. **Denver** – one additional daily flight to
(Announced March 2017 – Began April 2017)

SOUTHWEST

7. **San Diego** – once per week
(Announced August 2017 – Began March 2018)

8. **Las Vegas** – two additional per week
(Announced August 2017 – Began April 2018)

FRONTIER

9. **Denver** – four times a week
(Announced July 2017 – Began March 2018)

10. **Chicago** – three times a week, Seasonal May-Aug.
(Announced October 2017- Began April 2018)

UNITED

11. **Chicago** – twice daily
(Announced November 2017 – Began April 2018)

AMERICAN

12. **Chicago** – one additional daily flight (Announced November 2017 – Began April 2018) plane size existing

New Service Announcements



2018



SOUTHWEST

13. **Denver** - once per week
(Announced March 2018 – Began October 2018)

DELTA

14. **Salt Lake City** – daily flight
(Announced March 2018 – Began October 2018)

New Destination, Service ceased June 2019

SOUTHWEST

15. **Denver** – daily flight
(Announced May 2018 – Began November 2018)

ALASKA AIRLINE

16. **Seattle** – daily flight
(Announced September 2018 – Began February 2019) *New Destination*

17. **San Diego** – daily flight
(Announced September 2018 – Began February 2019)

Service ceased January 2020

SOUTHWEST

18. **San Jose** – Sundays
(Announced October 2018 – Began January 2019)
New Destination

19. **San Diego** – 1 daily flight
(Announced October 2018 – Route canceled prior to starting date of January 2019)

New Service Announcements – *During the Pandemic*



2021



FRONTIER

20. **Las Vegas** – 3 weekly flights (Announced December 2020 – Began March 2021)

BOUTIQUE

21. **Carlsbad, NM** – 2 daily flights
(Announced January 2021 – Began February 2021, Service ceased May 2021)

New Destination

AMERICAN

22. **Charlotte** – daily flight
(Announced April 2021 – Began August 2021)

New Destination

23. **Austin** – 1 daily flight

(Announced June 2021 – Began September 2021)

24. **Austin** – 1 additional daily flight

(Announced June 2021 – Began October 2021)

25. **Austin** – 1 additional daily flight (for a total of 3 daily flights)

(Announced June 2021 – Begins November 2021)

FRONTIER

26. **Orlando** – 2 weekly flights

(Announced July 2021 – Begins November 2021)

New Airport

SOUTHWEST

27. **Austin** – 1 daily flight

(3rd daily flight added December – Begins March 2022)

TOP 10 GOAL DESTINATIONS



Top 5 Target U.S. Destinations

	Passengers Per Day Each Way (PDEW 2019)	Air Carriers
Washington DC	147	United Airlines
New York	125	United, jetBlue, American
San Francisco	113	United Airlines
Detroit	50	Delta Airlines
Nashville	41	Southwest Airlines

Leakage Study

Type of traffic	CY 2019 O&D	CY 2019 PDEW
ELP reported to U.S. DOT	25,287	35
U.S. leaking to CJS	284,680	390
TOTAL	309,967	425

- Study conducted by Intervistas Consulting, using credit card data and passenger traffic to determine where CJS passengers originated from
- U.S. passenger traffic leakage to CJS in 2019 is estimated to have been 11 times more than traffic from Mexico that used ELP
- 91.8 % of El Paso catchment area passengers traveling to Mexico in 2019 are estimated to have used CJS
- Traffic leakage from the U.S. to CJS represented an estimated 18.2 % of CJS total domestic Mexico O&D for 2019
- More than 40% of ELP travel to Mexico in 2019 occurred during June, July, and August – showing a strong summer leisure market
- Will conduct new study in Summer 2022

Top 10 El Paso – Mexico Destinations

Adjusted O&D Passengers by Market

Rank	Market	Total Adjusted ELP Passengers*
1	Mexico City	89,011
2	Cancun	78,823
3	Guadalajara	46,506
4	Leon-Guanajuato	19,884
5	Monterrey	19,755
6	Chihuahua	9,967
7	Puerto Vallarta	7,014
8	Tijuana	6,300
9	Culiacan	4,578
10	Hermosillo	4,519

*Reported ELP Passengers plus the Distributed Leaked Passengers

Top 5 Target Destinations in Mexico

Air Carriers	
Cancun	Volaris, Viva Aerobus, AeroMexico, Southwest, Frontier, Allegiant, Spirit, Sun Country
Chihuahua	TAR, Viva Aerobus, American, Aeromar
Guadalajara	Volaris, Viva Aerobus, Delta, United
Mexico City	Volaris, AeroMexico
Puerta Vallarta	TAR, Frontier, Volaris, Viva Aerobus, Alaska, American, Allegiant, Delta

Airline Outreach

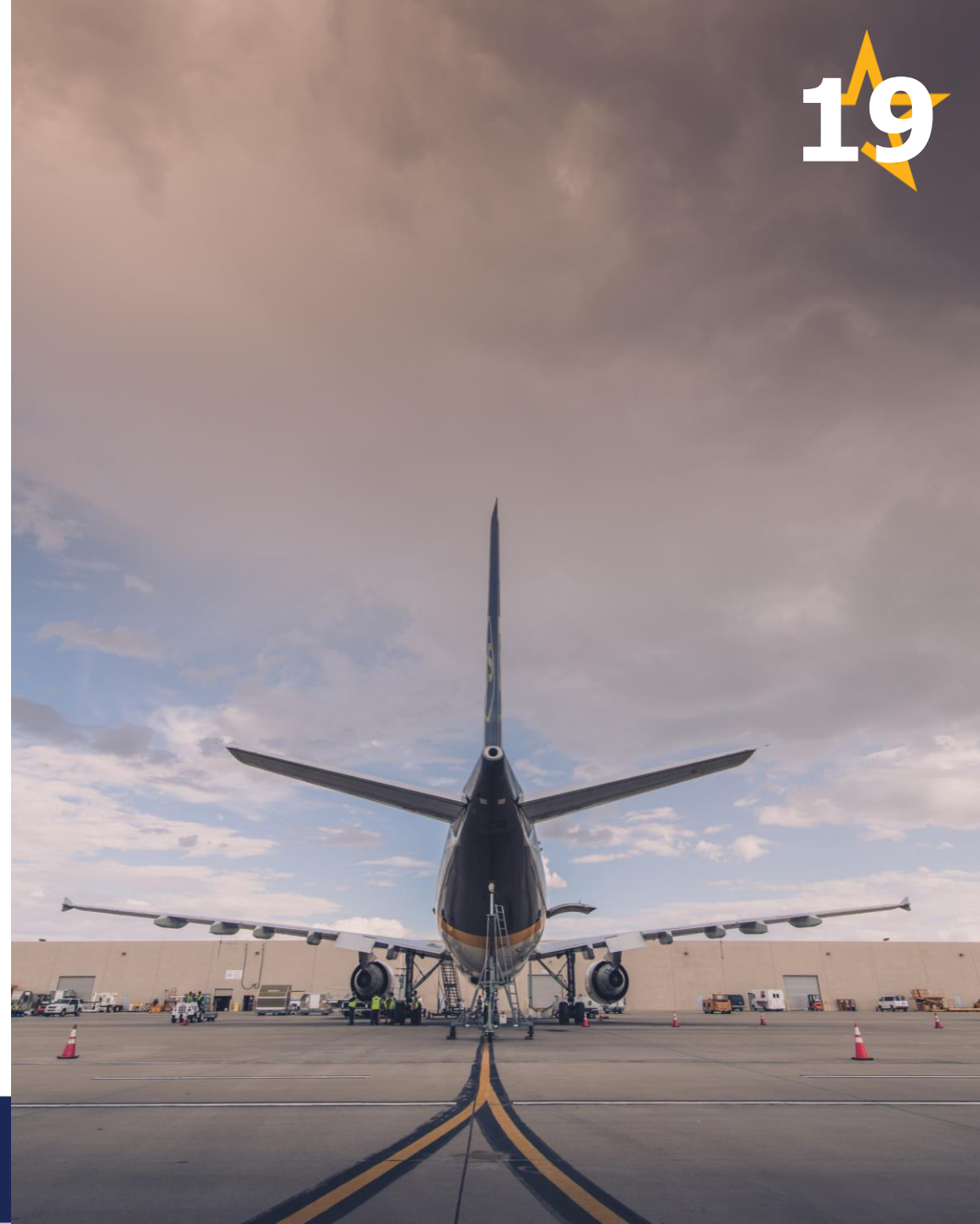
Since the Onset of the Pandemic



- 15 economic recovery reports and community updates sent to a distribution list of U.S. and Mexican Air Carriers
- 20 virtual meetings with existing and prospective Airlines, both U.S. and Mexican Carriers
- 16 Air Service Meetings (Airlines and Airports) at Routes North American, June 2021 – Orlando
- Allegiant Air Conference, October 2021 – Las Vegas
- Routes North America, February 2022 – San Antonio
- Annual Airline Meeting, May 2022

What's Next

- Continue aggressive approach to promote our business case
- Develop partnerships with community stakeholders
- New Leakage study Spring 2022
- Retailored Incentive Policy to be more aggressive and competitive



Incentive Policy

- Incentives are an important marketing tool for airports
- Typically include waivers or reduction of airport fees and marketing support
- ***Must comply with FAA grant assurance requirements***
 - Must not be unjustly discriminatory against other airlines
 - Airport revenue must be used for airport purposes; cannot be used to pay airlines
 - Airports in violation can be reported and will risk grant assurances for Airport Improvement Program (AIP) funding

Incentive Plan

- ELP must remain responsive and competitive
- A survey of other Airport incentive policies was completed
 - Most airports offer 24 months of fee waivers
 - Medium and small hubs tend to offer more terminal rent abatements
 - If rent abatements are offered, most are for 24 months
 - Most small and medium hubs provide marketing assistance to airlines as a part of the incentive
 - Most offer marketing assistance for 24 months.

Incentive Program for 2022-Domestic

Landing fees:

100%

reduction for the first
24 months

Additional Fee Waiver:

100 sq. ft.

For new entrants for the
first 2 years

Marketing Year 1:

\$5.00

per departure
seat

Marketing Year 2:

\$2.50

per departure
seat

Changes include: extending to 24 months and adding the 100 sq. ft. terminal rental fee waiver

Incentive Program for 2022-International

Landing fees:

100%

reduction for the first
24 months

Additional Fee Waiver:

100 sq. ft.

For new entrants for the
first 2 years

Marketing Year 1:

\$10.00

per departure
seat

Marketing Year 2:

\$5.00

per departure
seat

Changes include: extending to 24 months and adding the 100 sq. ft. terminal rental fee waiver, Marketing fees remain aggressive



Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People