

MKE Air Service Update

2015



mitchellairport.com



**FLY
MKE** MILWAUKEE'S
AIRPORT
WISCONSIN AIRPORT AUTHORITY



Welcome to the 2015 MKE Air Service Update

Mitchell Airport (MKE) is an important economic engine for our region and serves more than 6.5 million passengers per year.

Choosing MKE for your air travel creates jobs for local residents, brings commerce to Milwaukee, and grows Wisconsin's economy. Your decision to fly from MKE instead of Chicago will result in more nonstop flights from Milwaukee.

Whether you travel for business or for pleasure, here are some interesting facts about your airport.

MKE Air Service Update

Overview of Air Service Trends at MKE

Air Service Facts

- **Where airlines fly is a decision made by the airlines.**
- **Airlines compete with each other for passengers and cargo.**
- **Fares are set by the airlines and reflect what consumers will pay.**

MKE is the only airport in Wisconsin or Illinois served by all the major domestic airlines

Southwest 

 DELTA

American Airlines 

UNITED 

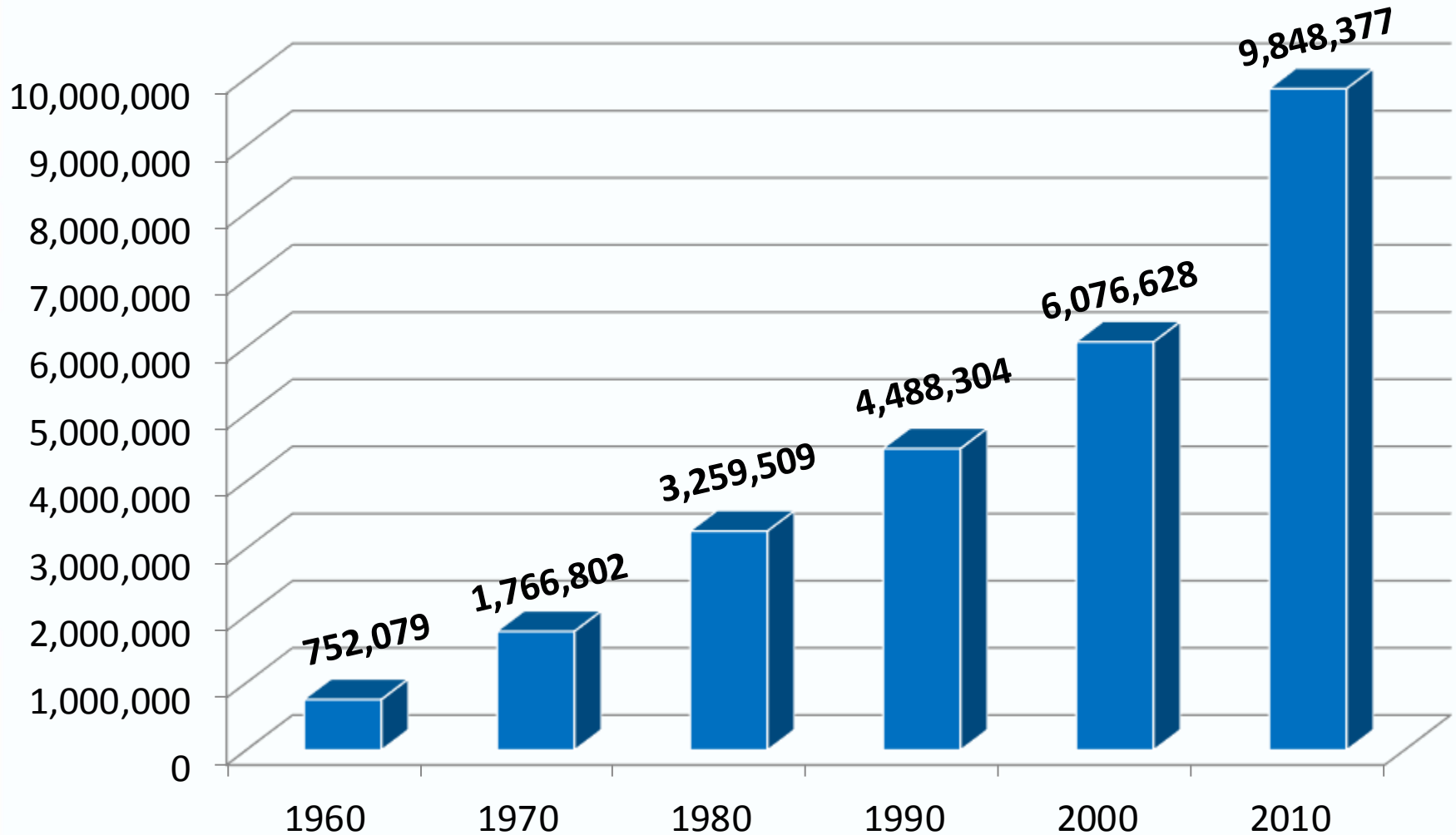
FRONTIER

AIR CANADA 

Alaska 

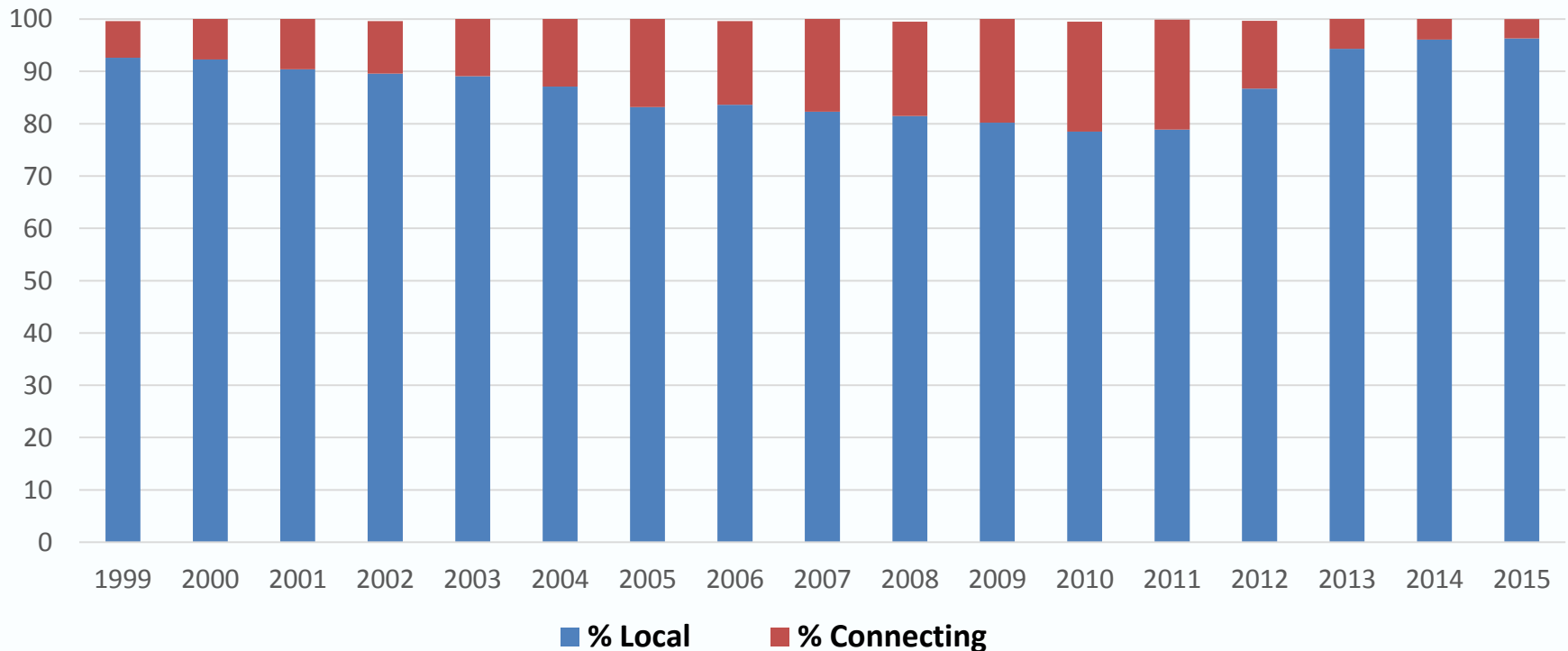
ONEJET 

MKE's Passenger Traffic Has Grown Every Decade



Passengers spending time in Milwaukee have a greater economic impact than connecting passengers

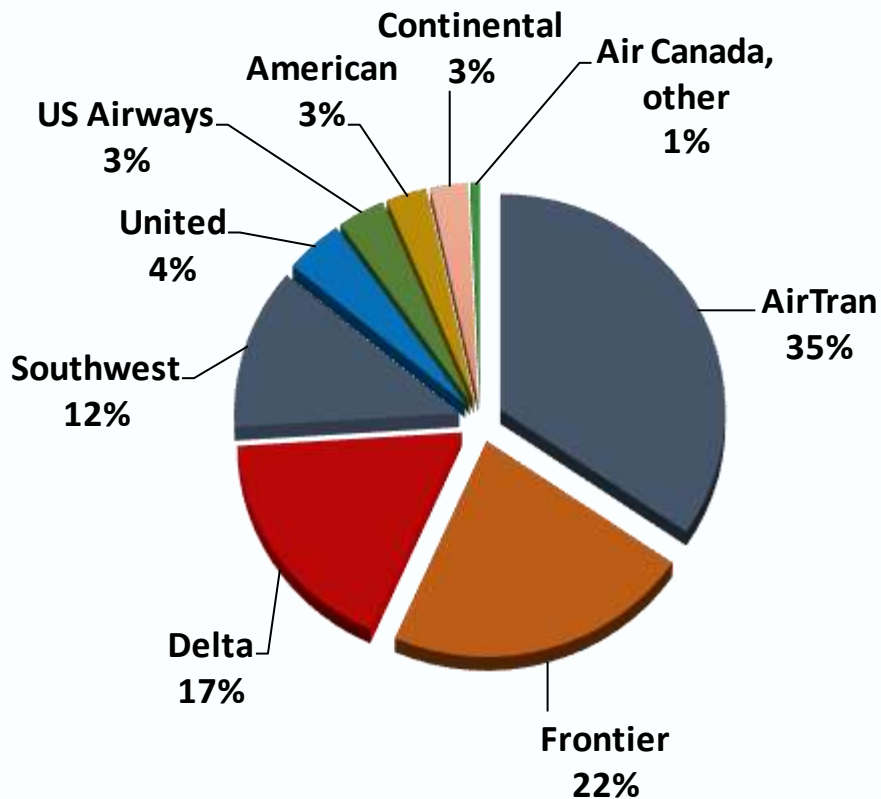
- In 2010-11, 21% of passengers simply changed planes at MKE and did not leave the airport to spend money at area hotels, shops, restaurants or attractions.
- Today, 96% of MKE passengers begin and/or end their journeys here, which provides a greater economic boost to our local economy.



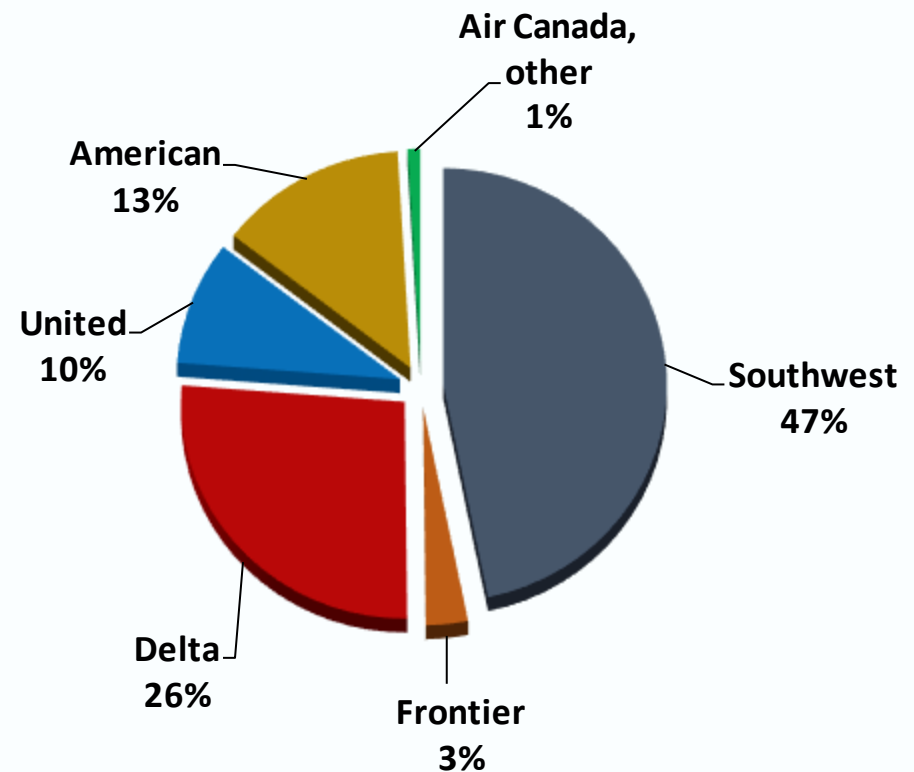
Airline Market Share at MKE

A lot changed in just four years!

2011



2015

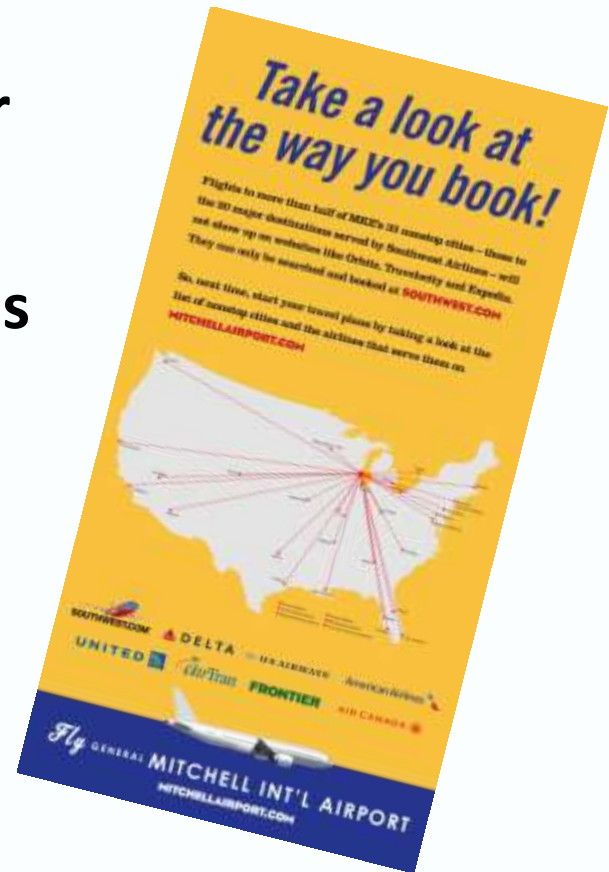


Find All of MKE's Nonstop Flights

Southwest is now MKE's largest carrier

Southwest flights are not listed on sites like Expedia, Orbitz, Travelocity, etc.

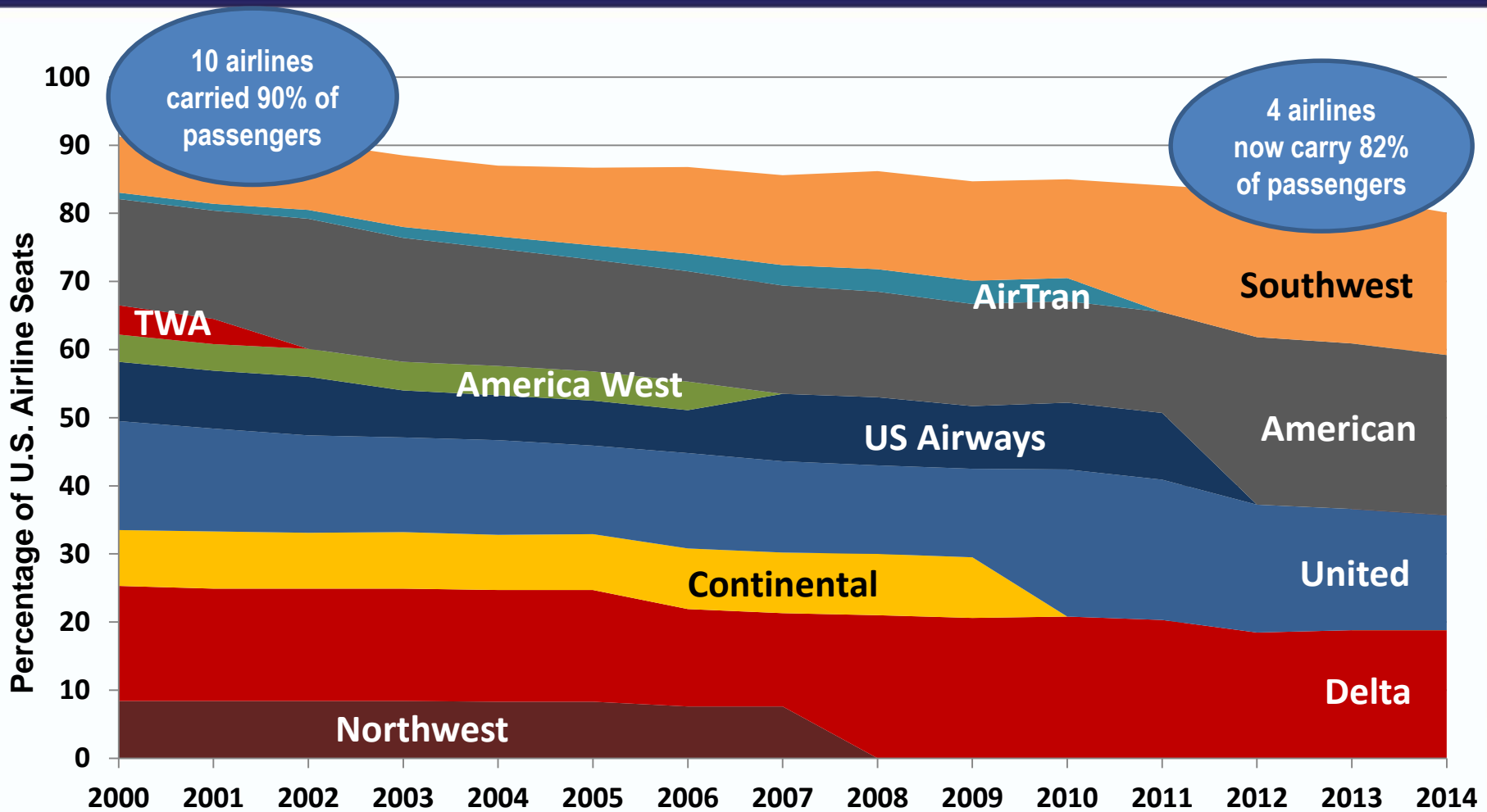
Many of MKE's nonstop flights are only found online at Southwest.com



MKE Air Service Update

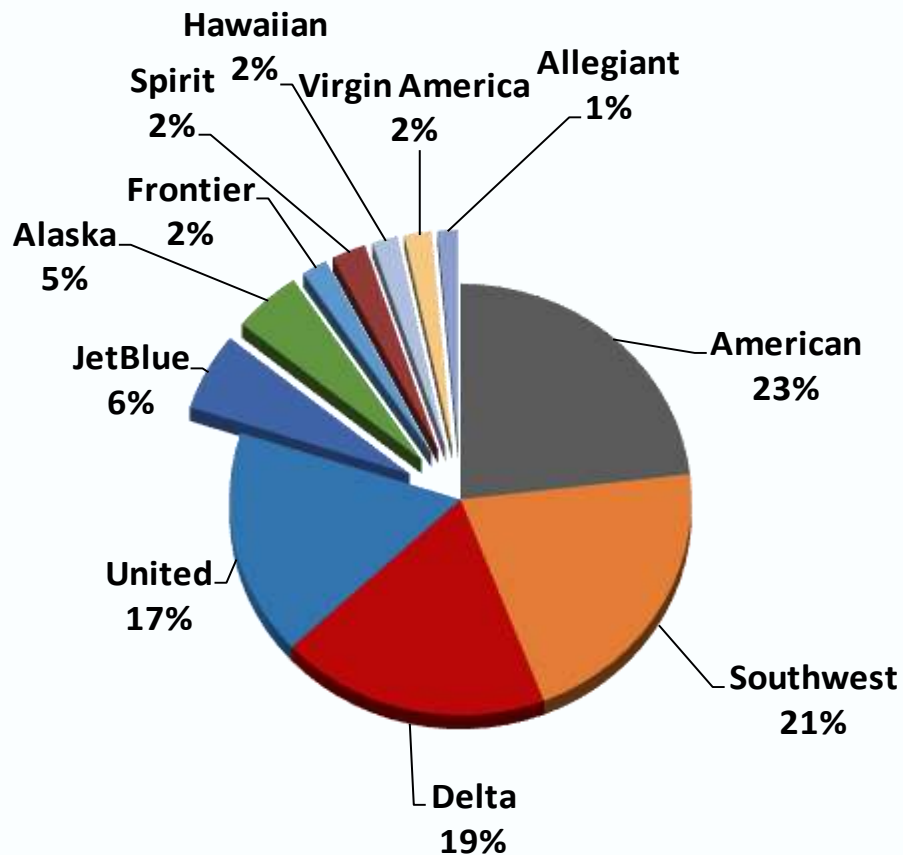
Nationwide Airline Industry Changes

Fewer Airlines Due to Mergers and Acquisitions



Airline Market Share in the U.S.

2014



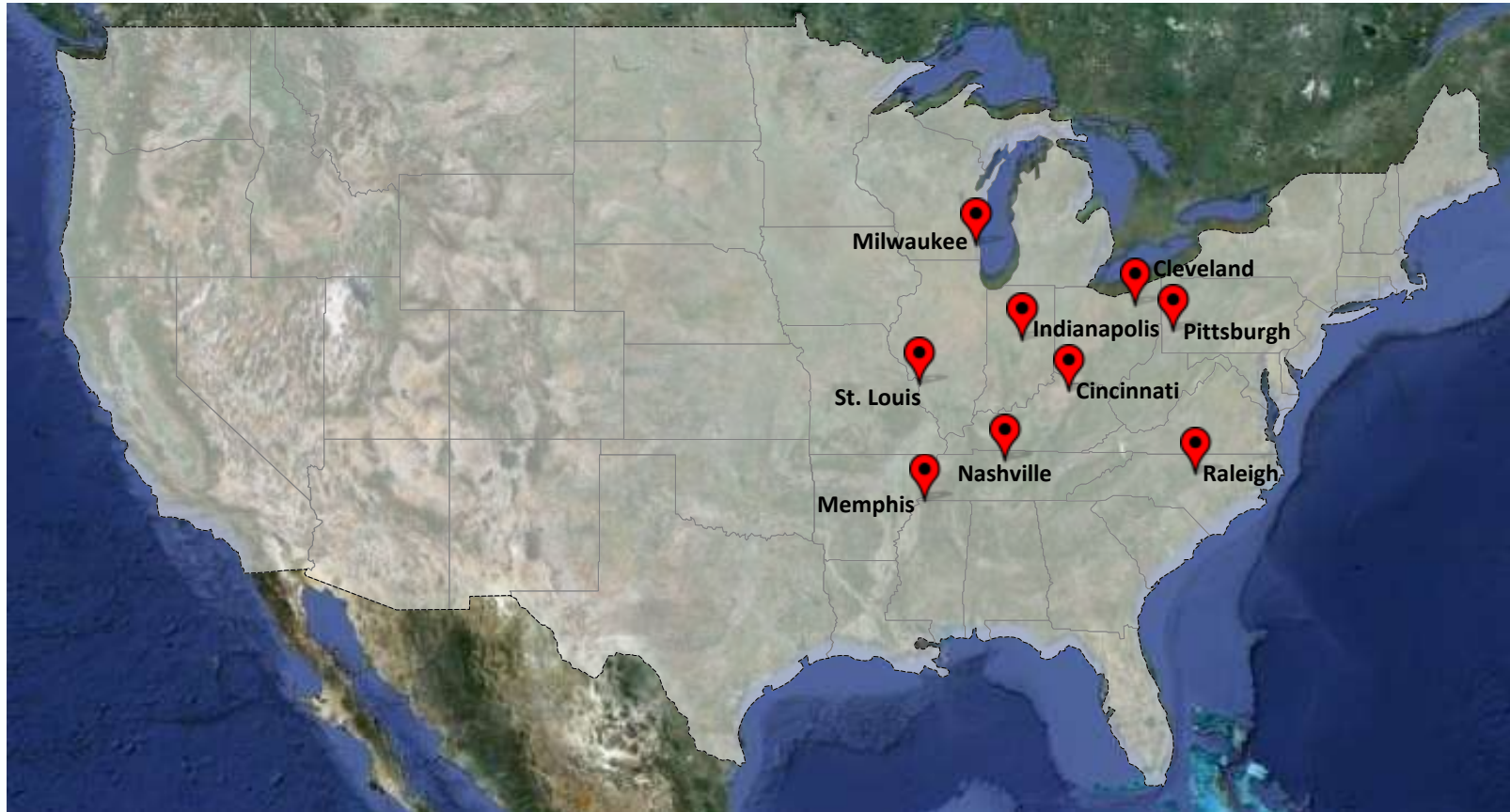
Current Hub Cities

“Big 4” remaining carriers operate large hubs in these cities



Airlines Scaled Back Smaller Hubs

Mergers, high fuel prices, less-efficient regional planes led to downsizing



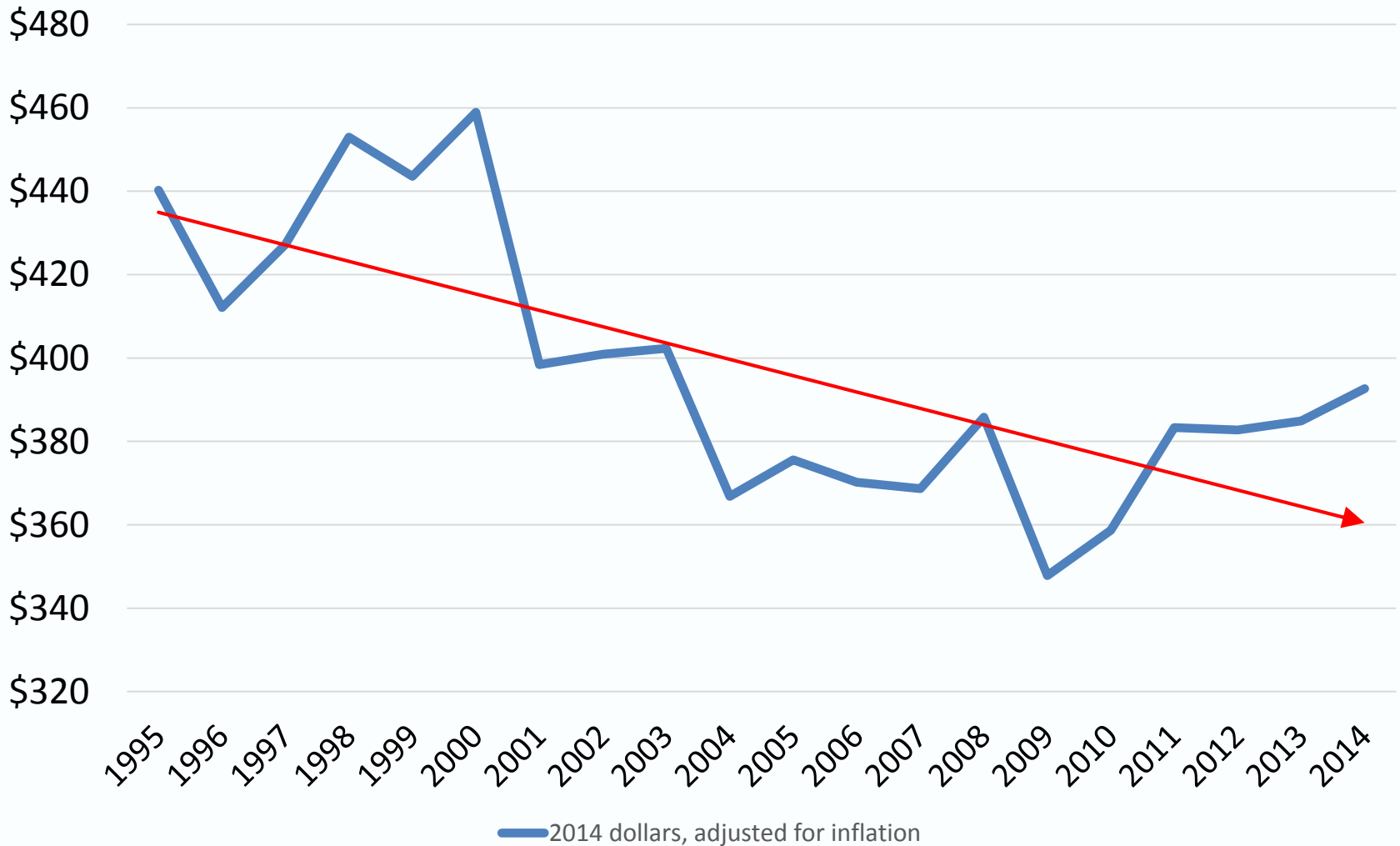
Airlines returned to more profitable large city hubs to fill larger aircraft

Change in Passenger Counts

All hub airports in the Midwest experienced the effects of airline industry consolidation and higher fuel prices

City	2005	2014	Percent Change	Change
Memphis	11,039,077	3,597,601	▼ 67.4%	- 7,441,476
Cincinnati	15,736,220	5,908,711	▼ 62.5%	- 9,827,509
Cleveland	11,463,391	7,609,404	▼ 33.6%	- 3,853,987
St. Louis	14,697,263	12,384,015	▼ 15.7%	-2,313,248
Detroit	36,383,514	32,513,555	▼ 10.6%	- 3,869,959
Milwaukee	7,268,000	6,554,152	▼ 9.8%	- 713,848
Chicago O'Hare	76,581,146	70,075,204	▼ 8.5%	- 6,505,942
Minneapolis	37,663,664	35,152,460	▼ 6.7%	- 2,511,204

Average Airfares Have Decreased...



...but Fee Revenue Is Up

Fees alone generated \$6.4 Billion for U.S. carriers in 2014

Airline	Carry-on Luggage	1 st Checked Bag	2 nd Checked Bag	Ticket Change Fee	Seat Selection Fee
Alaska		✓	✓	✓	
Allegiant	✓	✓	✓	✓	✓
American		✓	✓	✓	
Delta		✓	✓	✓	
Frontier	✓	✓	✓	✓	✓
JetBlue			✓	✓	
OneJet		N/A	N/A	✓	
Southwest					
Spirit	✓	✓	✓	✓	✓
United		✓	✓	✓	

Airline Financials Improved Significantly

In 2004, airlines **lost \$9.2 Billion**.

In 2014, airlines earned **\$7.3 Billion profit** due to:

- Higher demand for fewer seats
- Less competition
- Slower, targeted growth
- Lower fuel prices
- New fees

MKE Air Service Update

Impact on MKE Air Service Today

Nonstop from MKE to 38 destinations



*Includes seasonal destinations

Top Destinations for MKE Travelers

- | | |
|--------------------|--------------------|
| 1 New York | 16 Baltimore |
| 2 Orlando | 17 Philadelphia |
| 3 Phoenix | 18 Seattle |
| 4 Denver | 19 Kansas City |
| 5 Las Vegas | 20 Charlotte |
| 6 Atlanta | 21 San Diego |
| 7 Tampa | 22 Houston |
| 8 Washington, D.C. | 23 St. Louis |
| 9 Los Angeles | 24 New Orleans* |
| 10 Fort Myers | 25 Detroit |
| 11 Minneapolis | 26 Portland* |
| 12 Dallas | 27 Cleveland |
| 13 San Francisco | 28 Orange County* |
| 14 Boston | 29 Salt Lake City* |
| 15 Fort Lauderdale | 30 San Antonio* |

Airport staff frequently meets with airlines and actively pursues new service to all markets.

Air Service Launches – 2015

April 6 – Indianapolis	ONEJET
April 8 – Dallas-Love	Southwest
April 11 – San Diego (weekly)	Southwest
May 4 – Pittsburgh	ONEJET
June 5 – Boston	DELTA
July 1 – Seattle	Alaska
October 25 – Las Vegas	FRONTIER
December 19 – Fort Myers	FRONTIER

Air Service Launches – 2016

January 5 - Orlando	FRONTIER
April 14 – Dallas/Fort Worth	FRONTIER
April 15 – Atlanta	FRONTIER
June 2 – Philadelphia	FRONTIER
June 11 – San Diego (weekly)	Southwest ®
August 7 – San Diego (daily)	Southwest ®

Who Flies Where from MKE

Atlanta	ATL	Delta, Frontier, Southwest	Las Vegas	LAS	Frontier, Southwest
Baltimore	BWI	Southwest	Los Angeles	LAX	Southwest
Boston	BOS	Delta, Southwest	Minneapolis	MSP	Delta, Southwest
Cancun	CUN	Delta, Funjet, Southwest	Montego Bay	MBJ	Funjet, Southwest
Charlotte	CLT	American	New York-LaGuardia	LGA	Delta, Southwest
Chicago - O'Hare	ORD	American, United	New York-Newark	EWR	United
Cincinnati	CVG	Delta	Orlando	MCO	Delta, Frontier, Southwest
Cleveland	CLE	United	Philadelphia	PHL	American, Frontier
Cozumel	CZM	Funjet	Phoenix	PHX	Southwest, American
Dallas/Fort Worth	DFW	American, Frontier	Pittsburgh	PIT	OneJet
Dallas - Love	DAL	Southwest	Puerto Vallarta	PVR	Funjet
Denver	DEN	Frontier, Southwest, United	Punta Cana	PUJ	Funjet, Southwest
Detroit	DTW	Delta	San Diego	SAN	Southwest
Fort Lauderdale	FLL	Southwest	San Francisco	SFO	Southwest
Fort Myers	RSW	Frontier, Southwest	Seattle/Tacoma	SEA	Alaska, Southwest
Houston	IAH	United	St. Louis	STL	Southwest
Indianapolis	IND	OneJet	Tampa	TPA	Southwest
Ixtapa/Zihuatanejo	ZIH	Funjet	Toronto	YYZ	Air Canada
Kansas City	MCI	Southwest	Washington, D.C.	DCA	Southwest

Air Service at Similar Cities

City	Population	Nonstop Routes
Cincinnati	2,208,450	53
Pittsburgh	2,653,781	46
Indianapolis	2,353,935	42
Cleveland	3,497,851	39
Milwaukee	2,043,904	38
San Antonio	2,328,652	35
Columbus	2,389,297	34
Hartford	2,487,971	28
Jacksonville	1,543,297	26

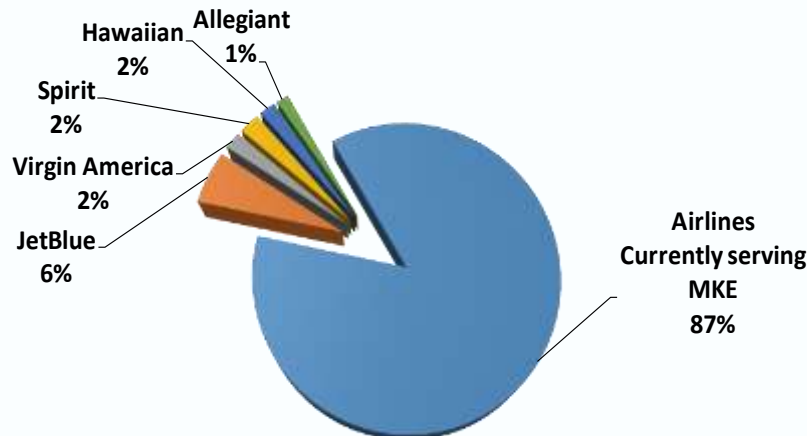
Recruiting More Airlines

Alaska Airlines and OneJet were recruited to MKE in 2015

MKE meets frequently with domestic and international carriers. Airlines choose new routes based on revenue, competition, available aircraft and many other factors.

Only four airlines with national networks do not yet serve Milwaukee, and MKE already has nonstop service to the hub cities of these airlines.

U.S. Market Share



JetBlue Hubs:

New York, Boston, Fort Lauderdale

Virgin America Hubs:

San Francisco

Spirit Hubs:

Fort Lauderdale, Detroit, Chicago

Allegiant Hubs:

Las Vegas, Phoenix, Florida

Source: U.S. D.O.T., Bureau of Transportation Statistics, 2014

MKE Air Service Update

MKE Travelers: How You Can Help!

CHOOSE MKE
FLY LOCAL  GO GLOBAL

Avoid “Connecting by Car”

- **Driving 3-4 hours to/from Chicago for a nonstop flight...
...is, in reality, adding a connection.**
- **It becomes “connecting by car...”
...which means it’s not really a nonstop itinerary.**
- **Choose MKE for a nonstop flight or plane-to-plane connection...
...instead of a car-to-plane connection at O’Hare.**
- **At MKE, get from car to gate...
...in just 10 minutes.**

Calculate the Total Trip Cost from Chicago

O'Hare's covered parking is **\$105** for three days. MKE's is just \$39!

Calculate the Chicago airline's fees for carry-on bags, seat assignments or check-in.

Transportation costs to O'Hare roundtrip:

- Van or executive car service: \$350-\$600
- Bus: \$55 per person + parking at bus station
- Drive yourself: \$60-\$210 for tolls, fuel, parking (3 days)

Time wasted: 3-4 hours driving time roundtrip, plus traffic and possible flight delays.

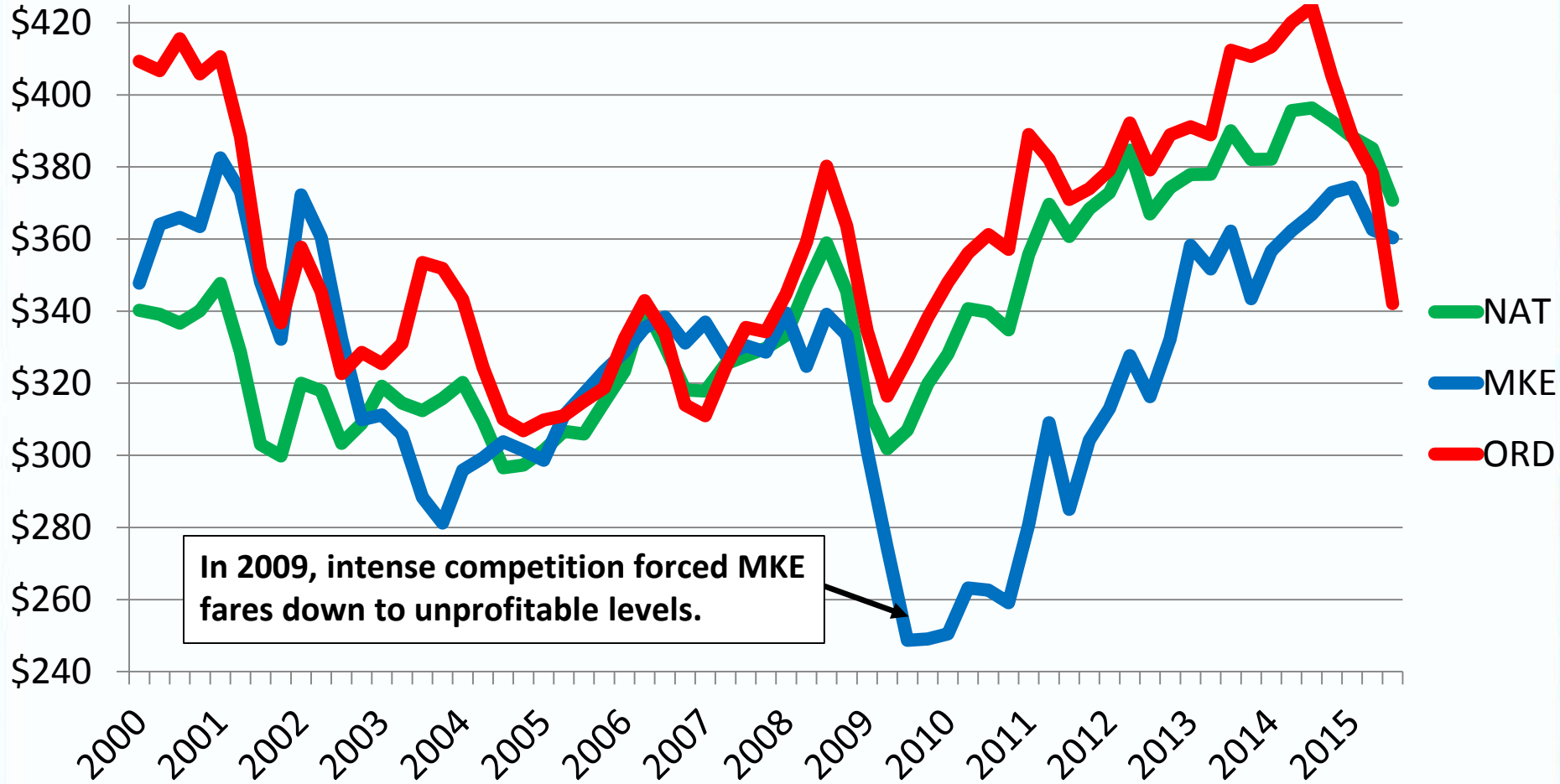
- If self-parking, add an hour from your car to the gate.

Chances of delay are high:

- In 2014, 33% of all arrivals/departures at O'Hare were delayed or canceled.
- Of those, the average delay was 60 minutes.

Average Air Fare

MKE compared with Chicago O'Hare (ORD) and National Average (NAT)



MKE is an On-Time Leader

MKE's On-Time Performance: 81%

O'Hare's On-Time Performance: 67%

Worst in the nation

Flying nonstop from O'Hare (ORD) takes longer and costs more than flying from MKE with a connection.



	Airfare	Other Costs	Total Cost	Flight Time	Travel Time
MKE (via Seattle)	\$297	\$79	\$376	6:01	7:46*
ORD nonstop	\$302	\$238	\$540	4:25	7:55**

Other Costs: Gas, tolls & daily parking for trip departing 4/29/16, returning 5/5/16. Excludes baggage, seat assignment, or check-in fees.
 Travel Time: *MKE: 15 min. drive, 30 min. car to gate, 60 min. wait at airport before departure. Includes connection time in Seattle.
 **ORD: 90 min. drive, 60 min. car to gate, 60 min. wait at airport before departure.
 Excludes traffic and flight delays. **O'Hare had worst on-time performance in nation in 2014.**

MKE Air Service Update

CHOOSE MKE
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**For Your
International Travel**

One million Milwaukee-area travelers per year fly internationally.

If they would all depart from MKE...

...we would have a lot of buying power with the airlines!

Connect “by plane” one hour east or west of Milwaukee...

...instead of “by car” two hours south.

On your return flight, use Customs at your connection city.

Why face a crowded Chicago arrivals terminal...

...followed by a two-hour car ride back to Milwaukee?

Flying nonstop from O’Hare (ORD) can take longer and cost more than starting your trip from MKE.



	Airfare	Other Costs	Total Cost	Flight Time	Travel Time
MKE (via Detroit)	\$1,328	\$79	\$1,407	10:00	11:45*
ORD nonstop	\$1,297	\$238	\$1,535	8:15	11:45**

Other Costs: Parking, gas and tolls for trip departing 4/29/16, returning 5/5/16.

Travel Time: *MKE: 15 min. drive, 30 min. car to gate, 60 min. wait at airport before departure. Includes connection time in Detroit.

**ORD: 90 min. drive, 60 min. car to gate, 60 min. wait at airport before departure.

Excludes traffic and flight delays. **O’Hare had worst on-time performance in nation in 2014.**

CHOOSE MKE
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For Your **International** Travel



-  Air Canada
-  Alaska
-  American
-  Delta
-  Southwest
-  United

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MKE Air Service Update

CHOOSE MKE
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**Boost the
Local Economy**

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Every flight from MKE
contributes approximately
\$19 million
annually to our local economy.

MKE Airport's Economic Impact on the Greater Milwaukee Community

Total Jobs: **28,066**

Total Federal, State, and Local taxes: **\$180 Million**

Total Business Revenues: **\$2 Billion**

CHOOSE MKE
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Show off your city!

Host your next

**Convention, Industry Conference,
Trade Show or Employee Meeting
in Milwaukee!**

Conventions and meetings help increase air service.

Show off your Airport!

Arriving passengers love MKE's newly renovated Baggage Claim!

- Faster baggage belts and carousels
- Glass canopy covers all pick-up areas



Photo credit: C&N Photography

Key Takeaway

Use Your Airport

- **Your decision to fly from MKE instead of Chicago will result in more nonstop flights from MKE.**
- **Using O'Hare hurts MKE's efforts to attract flights. Airlines add flights at the airport passengers use.**
- **Choosing MKE creates jobs in our region and grows Wisconsin's economy.**

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