**Response of Allegiant Travel Co.**
to Questions for the Record from Senator Cory Booker
before the U.S. Senate Committee on the Judiciary
Subcommittee on Antitrust, Competition Policy, and Consumer Rights
Hearing on "Examining Competition in America's Skies"
September 30, 2025
Dirksen Senate Office Building, Room 226

**Question 1:**

In 2021, Allegiant proposed a joint venture with Viva Aerobus, a Mexico-based low-cost carrier.1 This proposed deal, which was revived this past April, has faced opposition from labor unions, including Teamsters which represent 1,400 Allegiant pilots through Teamsters Local 2118. They are concerned this partnership could lead to U.S. jobs being outsourced to Mexican crews.

**a.** During your testimony, you claimed airline pilots will not lose their jobs. How will Allegiant ensure this remains true?

**b.** How do you balance economic efficiency with the need for providing long-term, reliable employment?

**Response:**

**a.** We greatly value our pilots at Allegiant. Allegiant currently does not fly any scheduled international service and has no plans to do so outside of this alliance given the substantial barriers to entry we face. All alliance services offered would be additive to the flying we do today or plan to do in the future. Longstanding cabotage restrictions also ensure that domestic point to point flying cannot be conducted by foreign carriers. These factors alone mean that it is mathematically impossible for the Joint Venture to lead to job loss at the hands of Viva pilots, and we continue to forecast that our rate of block hour growth for our pilots if the Joint Venture were to be approved would exceed the rate of growth without the Joint Venture. We have provided extensive information and data supporting this in our docketed proceeding (DOT-OST-2021-0152) and remain ready and willing to engage any interested parties regarding this matter. This is a revolutionary opportunity to introduce much-needed competition in the transborder market and provides significant financial and professional benefits for our pilots.

**b.** We view these priorities as going hand in hand at Allegiant. Allegiant's business model is built around long-term sustainability, serving markets that can support reliable, consistent leisure travel rather than chasing short-term efficiencies. By maintaining low costs and focusing on point-to-point flying between smaller communities and vacation destinations, we've been able to grow steadily and add good-paying U.S. aviation jobs while remaining profitable through multiple industry cycles. Allegiant also proactively recongized the change in the labor market and increased pilot wages to match industry standards outside of the normal negotiations process in the form of an accrual payable upon contract ratification.

**Question 2:**

Prior to federal deregulation there were dozens of US airlines. Now we have just a handful. This has reduced competition and consequently, increased prices. Allegiant Airlines and Frontier stand out as two of the few low-cost carriers.

**a.** Too often there are communities in our country that do not have access to reliable, affordable airline options because of where they are located geographically. How do low-cost carriers help correct this and is there more that they could do to expand access?

**b.** In your experience, have major carriers tried to compete in these smaller markets when carriers like Allegiant fly those routes?

**c.** Has Allegiant ever discontinued service on a route after a major airline began operating the same route and lowered prices?

**Response:**

**a.** Rural communities that have been overlooked by larger carriers are exactly who Allegiant exists to serve. We are proud that 75% of our routes have no other nonstop service, and in some markets that we serve we are the only commercial carrier present. Value Airlines like Allegiant have been instrumental in restoring air service to smaller and mid-sized communities that otherwise might not have viable commercial connections. Our model of less than daily service to America's premier leisure destinations allows us to enter markets with the right frequency of service offering affordable fares without relying on expensive hub operations and timely connections.

As a result, many communities that had lost scheduled air service after deregulation now enjoy reliable, affordable travel options because of Allegiant's entry. We are always evaluating opportunities to further expand access, though success depends in part on adequate infrastructure, reasonable costs, and regulatory efficiency. Less than daily service like that of Allegiant is truly the most sustainable future of rural air service that relies on organic market dynamics and local partnerships as opposed to government subsidy. There is certainly room in the domestic market for us to grow our service, and we look forward to continuing to engage with government stakeholders to ensure that the regulatory environment allows for this growth.

**b.** In our experience, larger legacy carriers rarely enter smaller markets that Allegiant serves nonstop because the demand profile does not fit their hub-and-spoke economics. Allegiant's low-cost structure allows us to sustain affordable service even in competitive environments. On the 25% of routes that Allegiant does have competitive overlap on, we see drastic fare reductions from our competitors on the days that we compete, which further illustrates the benefit of Value Airlines being present in the market.

**c.** Allegiant evaluates all routes based on sustainable demand, operational efficiency, and long-term profitability. While we constantly adjust our network to reflect these factors, it is uncommon for us to discontinue service solely because another carrier has entered a route. Typically, our decisions are driven by seasonal demand and local market conditions, not short-term fare competition. While our focus on smaller markets and minimal competitive overlap make these scenarios rare, it is important to note that legacy carriers cannot compete with our service on cost-basis, and in many cases choose to subsidize their operations with other revenue streams such as credit card and loyalty revenue to remain competitive or undercut our fares. This practice is most prevalent in markets where legacy carriers maintain fortress hubs, like Charlotte Douglas International Airport (CLT) where a single carrier was responsible for 87% of enplanements in 2024. When Value Airlines are ultimately pushed out of these markets as a result of distorted competition from legacy carriers, fares rise and consumers are hurt.

**Question 3:**

During your testimony, you mentioned low demand, high cost, and ATC inefficiency are barriers to market entry for connecting smaller airports to vacation destinations.

**a.** Do you believe these barriers are natural features of the industry, or are they caused by the anticompetitive actions of legacy carriers?

**b.** How does Allegiant decide whether to continue or cut back service between smaller airports and vacation destinations?

**c.** If you leave a region or route and later seek to re-enter, do you face resistance from larger legacy carriers?

**Response:**

**a.** In terms of anticompetitive actions specifically, artificial airport gate access issues at the hand of legacy carriers pose significant challenges for new entrants. Allegiant supports policies that promote fair access to airport infrastructure like the Airport Gate Competition Act.

The other barriers identified, which include a dislocation of passengers from lower income buckets due to inflation eroding their disposable income, high operating costs post pandemic, and ATC inefficiencies, are primarily structural characteristics of the aviation system rather than the result of deliberate anticompetitive conduct. While overburdensome regulatory actions raise costs for all carriers, the impact is outsized on our smaller operation and less than daily service model. Additionally, aging ATC infrastructure is a more prevalent issue in Florida, Las Vegas, and the small markets that we serve, many of which heavily rely on FAA owned and maintained automated systems that have been plagued with issues and long repair times in recent years. In some markets, the lack of reliability of these systems has caused major diversions that compromise our ability to meet the needs of the communities we are committed to serving, particularly taxpayers who for years have seen their dollars go towards bolstering the operations of only a few major airports while their community is left behind. This is why we continue to urge the DOT, FAA, and Congressional stakeholders to ensure that the much-needed modernization of the air traffic control system seeks to improve efficiency and reliability in all markets, not just the largest few.

**b.** We make service decisions based on a data-driven analysis of route performance, demand trends, barriers to entry from competition, and local airport partnerships. When a route consistently demonstrates sustainable demand and operational reliability, we maintain or expand it. Since we are largely averse to revenue guarantees or other government subsidies, it is not a practice of ours to enter and exit markets frequently. We much prefer to build lasting and sustainable relationships with the markets we enter so we can best serve the passengers that come to rely on our service. If costs rise or demand falls below thresholds for economic viability, we may reduce frequency or temporarily suspend service. For example, we recently ceased base operations at Los Angeles International Airport (LAX) when a variety of factors at the airport led to a per passenger airport-imposed fee structure of over $50. For an airline with an average fare of $78, this was an unsustainable environment for us to continue service. This said, we often revisit markets if conditions improve and hope to do so here as well if the opportunity arises.

**c.** In the smaller markets we serve, we generally face the same competitive dynamics as any other carrier unless there are burdensome gate access rules in place that are not conducive to our differentiated business model. While larger airlines may have established a presence during our absence, in most smaller markets the legacy service is limited to funneling passengers to large hubs at high fares, whereas our unique nonstop model and lower cost structure allow us to compete effectively on leisure travel itineraries.

When we seek to enter or re-enter larger markets, airport real estate and gate access issues continue to be the largest barriers we face. Whether it be a lack of common use facilities, relegating our operations to far corners of the airport, or imposing minimum use requirements and other artificial barriers that are not conducive to our unique business model, legacy carriers have become skilled in blocking competition and further entrenching their positions at fortress hub markets that we wish to serve. This does a disservice to all passengers, as the lack of meaningful competition leads to bloated fares and fewer market offerings in the name of record-setting profits for our legacy competitors.