U.S. Senate Committee on the Judiciary
Subcommittee on Antitrust, Competition Policy, and Consumer Rights
"Examining Competition in America's Skies"
Questions for the Record for Sharon Pinkerton
Submitted October 7, 2025

QUESTIONS FROM SENATOR CORY A. BOOKER

1. You discussed the impact the air traffic control system has on customers. When air traffic controllers are understaffed or lack sufficient resources, the result is often flight delays, cancellations, and frustration among flyers.

   In New Jersey this year, telecommunications failures snarled operations at Newark Airport and air traffic controller shortages led to long term flight reductions to ensure safety. I have called for more than $2 billion to address the urgent infrastructure needs of Newark and the surrounding region.

   a. The Republican reconciliation bill provided funds woefully inadequate for addressing the nation's broken air traffic control system. Can you speak to the scope of investment needed to modernize our air traffic control system, and what the consequences will be for Americans travelers if these upgrades are delayed any longer?

      <u>A4A response:</u>

      <u>Investment</u>. Earlier this year, a broad spectrum of the aviation community established the Modern Skies Coalition to wholeheartedly endorse Secretary of Transportation Duffy's plans to "supercharge" air traffic controller hiring at the Federal Aviation Administration (FAA) and the Brand New Air Traffic Control System (BNATCS) plan to modernize the air traffic control (ATC) system.

      We also strongly supported Congress's $12.5 billion in the One Big Beautiful Bill Act that was a much-needed down payment toward ATC modernization, and we continue to advocate in support of Secretary Duffy's acknowledgment that additional funding of at least $19 billion will be needed to completely build a new ATC system.

      <u>Scope</u>. Effective implementation needs to be comprehensive and address all the complex integrated programs and systems covering air traffic staffing, air traffic infrastructure, telecommunications, radio communications, surveillance systems, automation programs, FAA facilities, amongst others.

      <u>Consequences.</u> The circumstances you reference at Newark Airport and issues like the NOTAM system failure in January 2023 that caused the first nationwide ground stop since 9/11 are just two examples of the tremendous impact these system failures can have on the traveling public. Many of the FAA's systems, facilities, and equipment are decades old, antiquated, or obsolete and have outlived their useful service lives.

The time and need for investment is now. In DOT's own words from the BNATCS documents, "The Federal Aviation Administration (FAA) faces a rapidly growing, complex and demanding aviation sector, with commercial air travel returning to pre-COVID levels and new entrants, including drones, advanced air mobility, and commercial space, increasing. As the National Airspace System (NAS) users increase, the FAA's air traffic system is based on outdated technologies that are unable to meet the demands. These outdated systems are showing their age – which leads to delays and inefficiencies. The lack of funding for major investments in key air traffic infrastructure, such as radars, telecommunications, and facilities, is now putting the aviation sector at risk. To be clear, the NAS is safe. However, maintaining that safety will come at the expense of efficiencies as the FAA will be forced to throttle down air traffic as outdated systems suffer from outages."

Recommendation. If Congress is interested in making improvements to every single aviation consumer experience, there are no two more critical actions than addressing the air traffic controller staffing shortage and fully investing in the oversight, investment and implementation of a modernized ATC system.

2. Hub dominance at airports creates high barriers of entry for smaller airlines trying to enter the market, reducing competition and allowing major airlines to charge higher fares and ancillary fees for lower-quality service. In your testimony, you rejected this argument, claiming that customer satisfaction is high and ancillary prices are at an all-time low. Yet, several customer surveys have shown that satisfaction is low from flight delays and cancellations.

    a. How do you respond to critics who believe industry consolidation has negatively impacted consumer experience? Please provide any data or information about customer satisfaction with the airline industry.

    A4A response:

    At the most basic level, evidence that industry consolidation has not negatively impacted the customer experience can in large part be measured in three primary factors: competition, affordability and accessibility.

    - **Competition.** Airline deregulation unleashed industry competition that endures today. Today's airline industry offers consumers more choices among and between carriers competing with different business models than ever before. Also, as noted in more detail below, it is important to recognize that it is well understood that competition is best measured on an origin-and-destination ("O&D") basis between metropolitan areas (i.e., "city pairs").

- Lower cost carriers have entered hundreds of new routes and now carry nearly half of all domestic passengers; nearly nine of ten domestic passengers have lower cost carrier options for their travel.
    - Analysis of Bureau of Transportation Statistics data shows that, from 2000-2024, the number of competitors per domestic trip rose from 3.33 to 3.49. In 2024 alone, the 500 busiest city pairs in the U.S., which account for 60 percent of passengers, averaged an even higher 3.8 competitors per domestic trip.
- Lower cost carriers (including new entrants) have grown several times faster than the U.S. global network carriers and have hundreds of additional aircraft on order to support future growth.
    - In particular, at Newark (EWR), in 2015, ultra-low cost carriers (ULCC) did not serve this market. Today, ULCCs account for 8 percent of total domestic flights and 11 percent of total domestic seats. New Jersey residents and visitors benefit from low-fare competition provided by five ULCC carriers at EWR: Allegiant, Breeze, Frontier, Spirit and Sun Country. Competition is thriving without government intervention.

- **Affordability.** Airfares (including ancillaries) are at historic lows in real terms, a welcome relief at a time of runaway inflation for basic goods and services. Because deregulation enabled airlines to compete aggressively on routes and pricing instead of having the government dictate which airlines could service which routes at what price, inflation-adjusted airfares (including ancillaries) are at an all-time low (excluding the pandemic-stricken years 2020-2021). Using EWR as an example --
    - According to the Bureau of Transportation Statistics, the average domestic "all-in" one-way airfare in 2024 (including ancillary fees) at EWR was $222, near an all-time low on an inflation-adjusted basis.
    - At EWR, the 2024 average "all-in" domestic airfare declined 15 percent and 30 percent from 2014 and 2019 levels respectively, rates that exceeded the national average (11 percent – 2024 v 2019 and 24 percent – 2024 v 2014).

- **Accessibility.** Air travel is more available to the general public than ever with nearly 90 percent of Americans having flown in their lifetime. Pre-deregulation and pre-consolidation, that statistic was 63 percent. Air travel is no longer a luxury only afforded by the affluent. For EWR specifically:

Newark Air Service: Domestic and International

4th Quarter	2015	2025	% Chg
Scheduled Departures	48,521	48,759	0.5%
Scheduled Departure Seats	5,677,758	7,530,919	32.6%
Average Aircraft Size	117	154	32.0%
# of Unique Destinations	167	175	4.8%
# of Unique Carriers	28	37	32.1%

Source: Innovata, 10/7/2025

It is also important to note that all the affordability and omnipresence of scheduled air service have been achieved while having become the safest mode of transportation in the world despite operating in an understaffed and aging ATC system.

Regarding customer satisfaction, A4A would refer you to three nationwide, professionally conducted surveys:

- **The American Customer Satisfaction Index (ACSI®),** the only national cross-industry measure of customer satisfaction, measures the satisfaction of U.S. household consumers with the quality of products and services offered by firms with significant share in U.S. markets. The ACSI Travel Study 2025 is based on 16,771 completed surveys. Customers were chosen at random and contacted via email between April 2024 and March 2025. As part of that index, airlines are now at an average score of 74, which is up from 62 in 2008 and 69 in 2015. In addition, airlines scored over 80 plus points in five of the 221 benchmarks of the index and 75 to 79 points in 10 others. These scores are consistent with those of all other U.S. industries.

- **J.D. Power North America Airline Satisfaction Study**. This North America Airline Satisfaction Study measures passenger satisfaction with airline carriers in North America based on performance in seven core dimensions: airline staff; digital tools; ease of travel; level of trust; on-board experience; pre/post-flight experience; and value for price paid. The 2025 study is based on responses from 10,224 passengers. Passengers needed to have flown on a major North America airline within the past month of completing a survey. The study was fielded from March 2024 through March 2025. In that study, airline customer satisfaction rose six points in 2025.

- **A4A Survey of Air Travelers in America (Conducted by Ipsos)**. “Air Travelers in America” is A4A’s annual survey, conducted by Ipsos, collecting vital statistics about air travel. The most recent such poll, conducted January 7-22, 2025, screened a national sample of 3,667 American adults (age 18 or older) to identify those who have “ever flown on an airplane" via the probability-based Ipsos KnowledgePanel®. Of these, 3,230 respondents qualified for and completed the survey. Ipsos found that 69% of flyers reported being "very satisfied" or "somewhat satisfied" with their overall air-travel experience in 2024. While 21% of respondents said they were "neutral," only 8% said they were "somewhat dissatisfied" and just 2% said they were "very dissatisfied." For more information, see https://www.airlines.org/dataset/air-travelers-in-america-annual-survey/.

Also, attached is a slide deck providing additional and supplemental information on the contours of affordability, accessibility, competition and customer satisfaction in our industry.

b. How would market regulations such as hub dominance caps or hub reallocations affect major airlines? Do you believe that more airlines would exit the market?

<u>A4A response:</u>

A4A cannot predict the business decisions of any given air carrier at an airport or in any given market.

Facts and data, rather than hyperbole and individual anecdotes, show that by almost any measure deregulation of the airline industry has been one of the most successful public policies of the last five decades.

Today, travelers flying within the United States or abroad benefit from a diverse set of business models spanning full-service global network carriers (e.g., American, Delta, United), low-cost network carriers (e.g., Alaska/Hawaiian), low-cost carriers (e.g., Breeze, JetBlue, Southwest) and ultra-low-cost carriers (e.g., Allegiant, Avelo, Frontier, Spirit, Sun Country). These business models differ primarily by 1) network scope and product and 2) operational complexity. In general, as network scope (i.e., breadth of destinations served, fleet diversity required to serve those destinations) and product differentiation grow—along with the benefits that consumers derive from those attributes—so too do the complexity and associated costs of providing air service.

Proposals for the federal government to arbitrarily micromanage a highly competitive market are anathema to the intent and success of deregulation.

There is a maxim in the aviation industry that generally states, "If you've seen one airport, you've seen one airport". Every airport is a complex set of unique circumstances, history and characteristics, rather than a set of standardized facilities.

Any proposals to mandate market regulation are ignoring the data that clearly shows –

- Today, non-legacy lower cost carriers carry nearly half of all domestic passengers and are a travel option for nearly everyone. (90%)
- It is even more evident at the Top 25 largest airports, which all have service offerings from ultra-low cost carriers. (100%)
- Federal protections are already in place, as FAA grant assurances require airports to provide access in order to receive federal grants, and larger airports are also subject to competition plan requirements.

Additionally, it is important to recognize that it is well understood that competition is best measured on an origin-and-destination ("O&D") basis between metropolitan areas (i.e., "city pairs"). A useful threshold—long recognized by the U.S. Government Accountability Office (GAO) (see GAO-08-845, GAO-10-778T, GAO-08-845, GAO-14-515) and Department of Transportation (DOT) (see DOT-OST-2015-0070 Order 2016-11-2)—for defining a competitor on a city pair is one that carries at least 5% of O&D passengers. When aggregating at the national level, it is appropriate to consider the passenger-weighted average number of competitors between city pairs, as this most accurately captures the level of competition experienced by the typical passenger.

Mandating blanket market regulations on gate and market access will only distort and undermine what is already a competitive market by arbitrarily allocating space, not competition on specific O&D markets.

Through the myriad of airport differences and airline business models the competitive market that exists benefits consumers and should not be arbitrarily distorted by blanket re-regulatory policies.

Instead, A4A would recommend Congress acutely focus on the critical actions of addressing the air traffic controller staffing shortage and fully investing in the oversight, investment and implementation of a modernized ATC system, neither of which come with the unintended consequences and detrimental impacts of federal market manipulation.

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Slide Deck to Accompany A4A Questions for the Record

October 21, 2025

Competitive Analysis: Perspective
Fred Cromer, Spirit Airlines

"**The airline industry is highly competitive**. The principal competitive factors in the airline industry include fare pricing, total price, flight schedules, aircraft type, passenger amenities, number of routes and frequency served from a city, customer service, safety record and reputation, code-sharing relationships, loyalty programs, and redemption opportunities."

Fred Cromer, Executive VP and CFO of Spirit Aviation Holdings, Inc. (Aug. 31, 2025)

Source: Declaration of Fred Cromer in Support of the Chapter 11 Proceedings and First Day Pleadings" (Aug. 31, 2025)

Competitive Analysis: Perspective
Warren Buffett, Berkshire Hathaway

“**It’s a fiercely competitive industry. The question is if it’s a suicidally competitive industry.** It has been operating at 80 percent or better of capacity for some time… It is no cinch that the industry will have more pricing sensibility in the next 10 years, but the conditions have improved for that.”

Warren Buffett, Chairman and CEO of Berkshire Hathaway (May 7, 2017)

Source: Reuters, “Highlights: Berkshire's Warren Buffett comments on healthcare, trade, buybacks” (May 7, 2017)

Competitive Analysis: Perspective

Dorothy Robyn (Clinton Administration) and Jeffrey Shane (Bush Administration[s])

"The fact that the 'Big Four' carriers have a 75-percent market share nationwide says little about the state of competition in the airline industry because airlines compete on individual routes. (The preoccupation with nationwide market share is the single biggest source of confusion and misunderstanding of airline competition.) Thus, **to understand the effect of recent mergers, one has to look at data at the individual route level**—or what the Department of Transportation (DOT) refers to as city-pair markets."

Dorothy Robyn, special assistant to the president for economic policy, 1993-2001

"What do the numbers actually tell us? **You don't make competition policy based simply on the number of airlines in the market**, or on the aggregate market share enjoyed by the 'big three' or 'big four'; instead, **you carefully examine the quality of the choices available to actual passengers in actual city pairs** and you look objectively at actual pricing trends."

Jeffrey Shane, Under Secretary for Policy at the Department of Transportation, 2003-2008

Sources: "US Airline Consolidation Has Not Harmed Competition or Consumers," Information Technology and Innovation Foundation (December 15, 2023) and testimony of Jeffrey N. Shane, Committee on Commerce, Science, and Transportation United State Senate, Hearing on Enhancing Consumer Protections and Connectivity in Air Transportation (March 23, 2023)

“Economists, especially those who have long been immersed in debates about the deregulation of trucks, intercity buses and railroads, as well as airlines, are inclined to go back to the numbers... Indeed, flying is no longer a luxury. **It’s cheap enough to allow most Americans to fly** — by 2020, 87 percent of the U.S. population had taken a commercial airline trip. And low fares have **cost us nothing in terms of safety**: no major airline has been involved in an accident in the United States since 2009.”

“Suppose regulators appeased those who claim that flying costs too much by putting a cap on air fares. The airline industry has periods of fat profits, but **those profits are notoriously fickle**. And **if they’re expected to stay in business in down times, airlines can’t be expected to sacrifice revenue generated when demand is high** without trying to make it up elsewhere.”

“The media and politicians take an active interest in the airline industry because they are frequent fliers and have the points to prove it. They see the government involved in ensuring safety, providing infrastructure and raising antitrust concerns, and then leap to the conclusion that government also should be involved in fares and amenities (which excite them most) when those are **best left to markets**.”

Clifford Winston, “Economists Are Still Right About Airline Deregulation!”, Milken Institute Review (Jan. 18, 2023)

Source: https://www.milkenreview.org/articles/economists-are-still-right-about-airline-deregulation (Clifford Winston, Jan. 18, 2023)

Competitive Analysis: Perspective
Captain Duane Woerth, U.S. Pilot and Labor Leader

"[I] strongly believe **the United States airline industry is vigorously competitive and vastly more transparent** as to pricing and services offered than the overwhelming majority of industries in this free market economy. **To believe otherwise requires one to ignore the 'forest for the trees' of compelling evidence**… [I] along with numerous other seasoned professionals **sense an overreaching attempt via one or more NPRMs to significantly reregulate this industry under the false flag of consumer protection.** We do not need to replace the long ago vanquished all powerful Civil Aeronautics Board of the pre-1978 era. May it rest in peace…. Keep deregulation working."

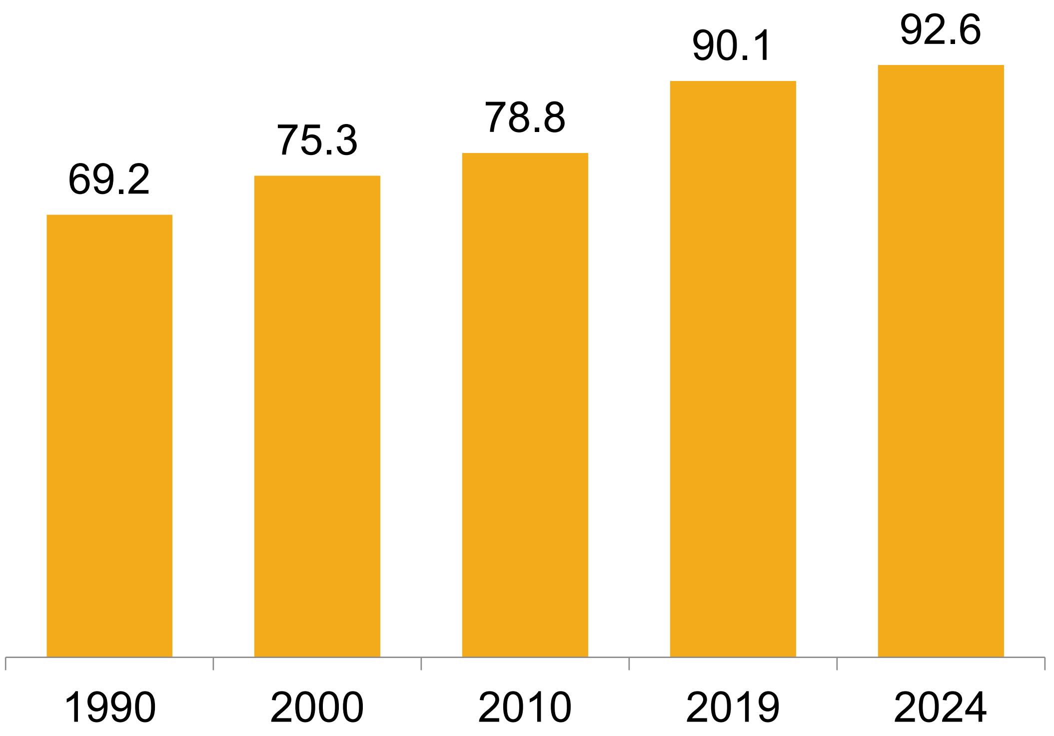
Captain Duane Woerth, former president of ALPA and U.S. Ambassador to ICAO (Dec. 5, 2024)

Source: Duane Woerth, Comment ATR-2024-0001-0041 ((Dec. 5, 2024) on DOJ-DOT RFI on Airline Competition 2024_10_24 15-20

Nonstop Domestic Service Is More Prevalent Than Ever Before

Share of Busiest Markets With a Nonstop Service Option Rose From ~69% in 1990 to ~93% in 2024

Share (%) of Top 2000 Domestic O&D Airport Pairs With Nonstop Service*



Passengers per Day Each Way (PDEW) in #1 and #2000 Domestic O&D Airport Pairs*

Year	Market #1	PDEW	Market #2000	PDEW
1990	HNL-OGG	3,266	MEM-MKE	32
2000	HNL-OGG	3,261	HOU-IND	51
2010	JFK-LAX	3,239	ALB-DFW	54
2019	JFK-LAX	4,292	CLT-PWM	70
2024	JFK-LAX	3,342	ATW-LAS	76

Source: Compass Lexecon analysis of DOT O&D, OAG and T-100 and Form 298C

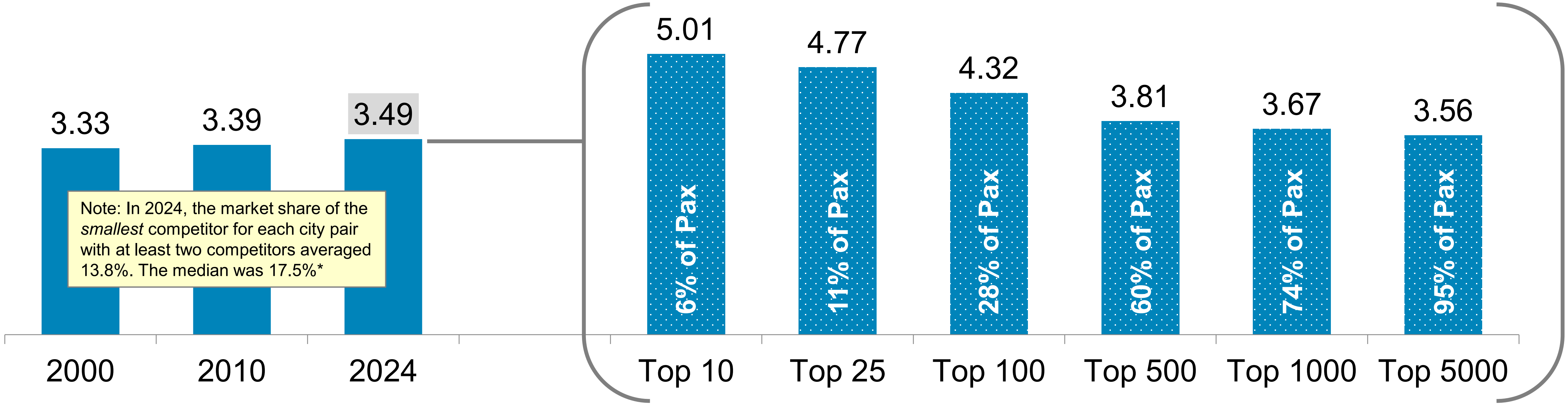
* Top 2000 accounted for 80% of domestic O&D passengers in 2019; nonstop = as at least 40 round-trip flights in any quarter

From 2000-2024, the Number of Competitors per Domestic Trip *Rose* From 3.33 to 3.49

In 2024, the 500 Busiest City Pairs—Accounting for 60% of Passengers—Averaged 3.8 Competitors

Made possible by 1) lack of entry barriers allowing rapid nationwide expansion of lower-cost carriers and 2) mergers of complementary networks enabling large network carriers to offer competitive connecting service on more city pairs *and* new nonstop service into markets they previously did not serve.

Average Number of Competitors* in Domestic U.S. Markets (O&D City Pairs)



Source: Compass Lexecon analysis of DOT O&D Survey data (DB1B)

* Per DOT and GAO, carrying at least 5% of O&D passengers in the city pair; average number of competitors is passenger-weighted across city pairs.

Competition in Sample City Pairs: Airline Share of O&D Passengers in 2024 vs. 2007

More Diversity of Business Models and Change in Distribution of Market Share*

LA (BUR/LAX/LGB)-Seattle (PAE/SEA)

	2007		2024
Alaska	67.4	Alaska	57.6
JetBlue	15.1	Delta	29.7
Southwest	7.2		
American	5.6		

Boston-Cleveland (CAK/CLE)

	2007		2024
Continental	62.6	JetBlue	48.5
AirTran	30.2	Delta	40.0
		American	5.1

Rochester, NY-South Florida (FLL/MIA)

	2007		2024
AirTran	33.9	American	24.9
US Airways	22.8	Spirit	24.2
Delta	18.5	Southwest	21.9
JetBlue	14.7	Delta	18.4
		United	5.6
		JetBlue	5.1

Chicago (MDW/ORD)-Sacramento

	2007		2024
United	44.8	United	47.9
Southwest	41.9	Southwest	35.7
US Airways	5.1	American	9.0

Memphis-Orlando (MCO/SFB)

	2007		2024
Northwest	60.1	Southwest	38.6
AirTran	21.6	Spirit	30.2
Frontier	9.8	Delta	10.5
Delta	5.7	Allegiant	9.5
		American	7.9

Austin-Raleigh/Durham

	2007		2024
American	62.1	Delta	38.4
Southwest	19.0	Southwest	37.9
Delta	7.4	American	21.0
Continental	5.8		

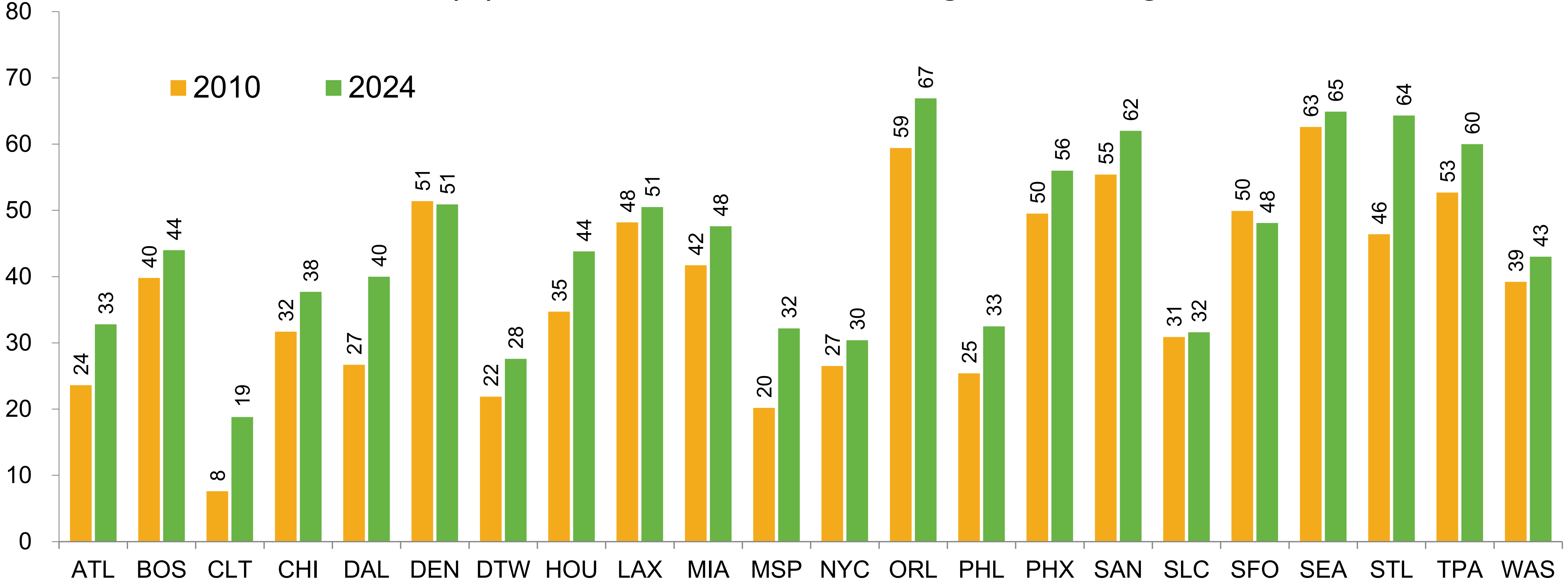
Source: DOT Data Bank 1B (nondirectional data) via Cirium

* Showing only those airlines with at least 5% of O&D share in each year

Lower-Cost Airlines Now Carry a Significant Share of Domestic Passengers in Largest Cities

In Several Metropolitan Statistical Areas (MSAs), They Command More Than Half of the Market

Lower-Cost Carrier Share (%) of U.S. Domestic O&D Passengers in 22 Largest MSAs*

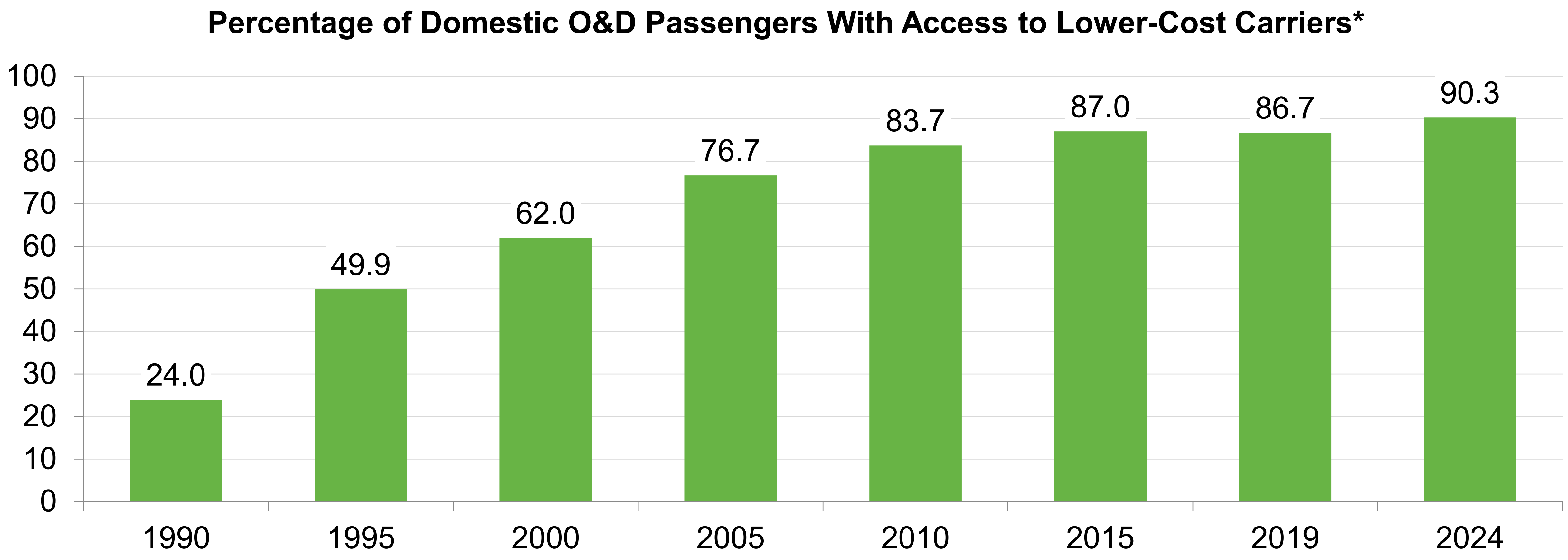


Source: Compass Lexecon analysis of DOT Data Bank 1B

*AirTran/Alaska/Allegiant/Avelo/Breeze/Frontier/Hawaiian/JetBlue/Southwest/Spirit/Sun Country/Virgin America; metro areas may contain multiple airports

Domestic U.S. Passengers Have Greater Access to Lower-Cost Carriers Than Ever Before

Up From 24% in 1990 to 91% in 2023



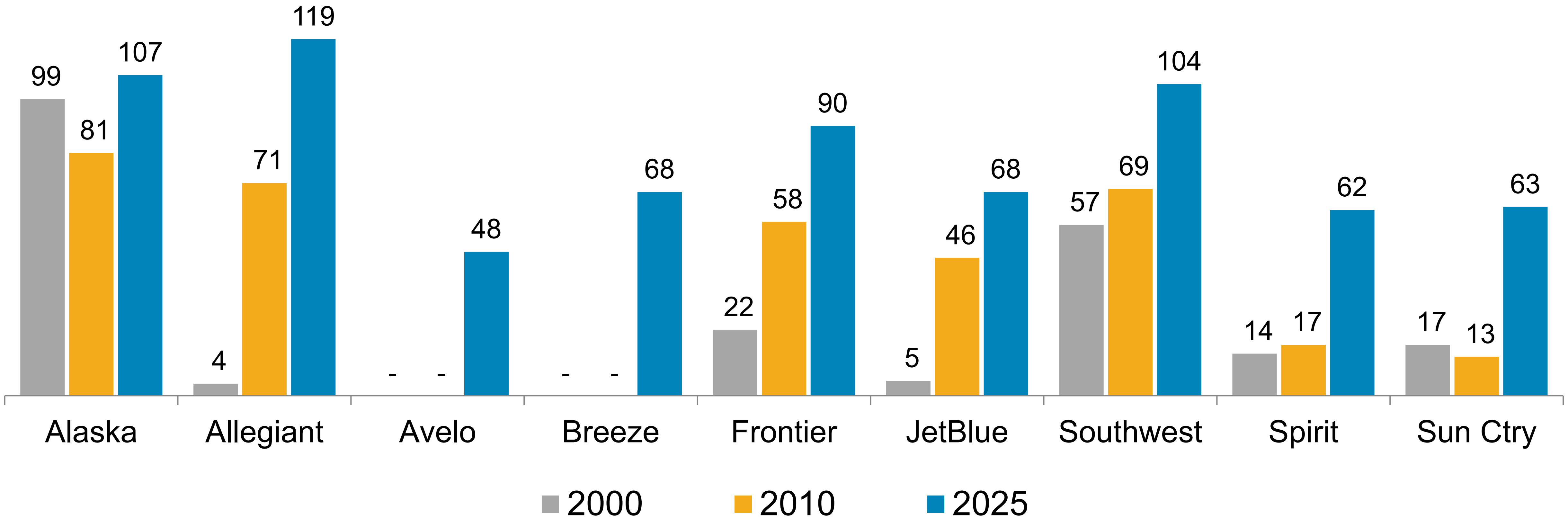
* Share of passengers traveling on city pairs where at least one lower cost carrier has a 5% share of O&D passengers. Lower cost carriers include Southwest, AirTran, JetBlue, Frontier, Allegiant, Spirit, Sun Country, Alaska, Virgin America, Independence Air, National, Morris Air, Accessair, Pro Air, Reno Air, Valujet, ATA, Eastwind, Vanguard, Skybus, Western Pacific, Air South, Kiwi, Midway Airlines and Hawaiian. Includes merged carriers.

Source: Compass Lexecon analysis of DOT Data Bank 1B (O&D Survey data)

Lower-Cost U.S. Carriers Have Significantly Expanded Their U.S. Footprint

They Have Established a Nationwide Competitive Presence

Number of U.S. Airports Served in July

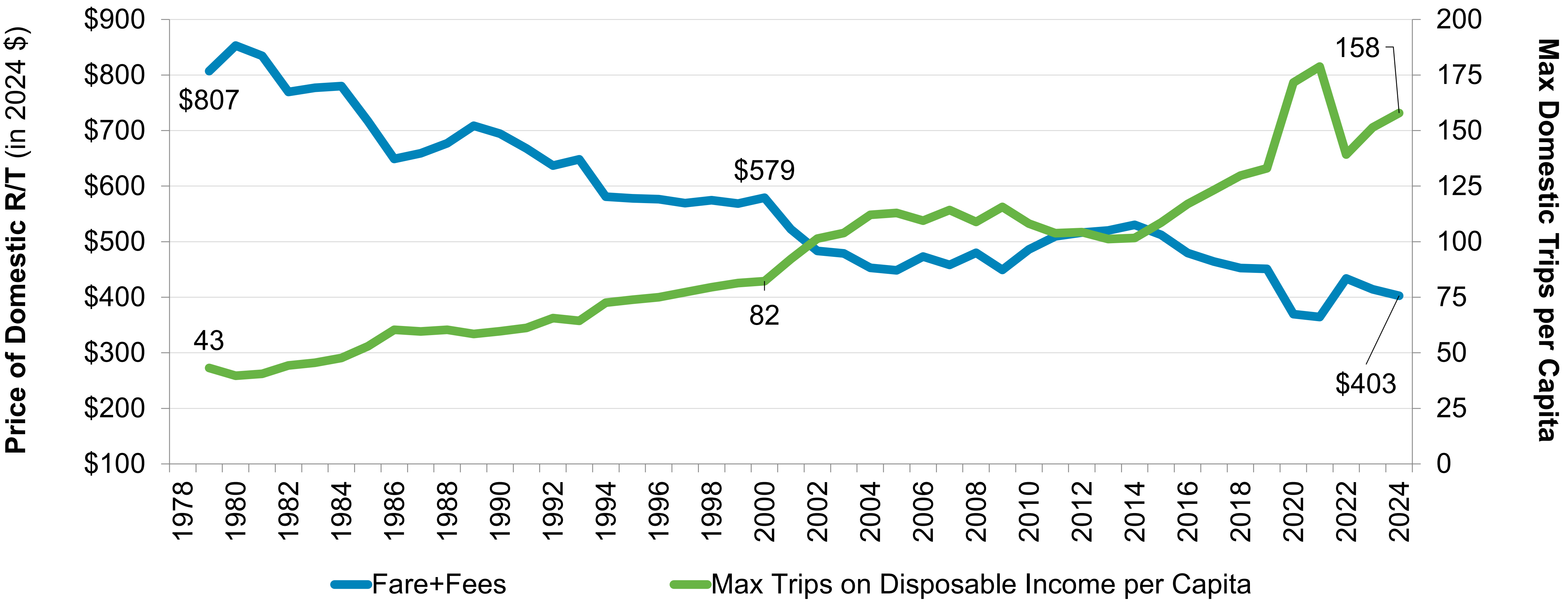


Source: Cirium published schedules (May 16, 2025) for selected marketing airlines

Note: Alaska number for 2025 includes points operated by Hawaiian Airlines.

Government Data Show the Continued Trend of Declining Inflation-Adjusted Airfares

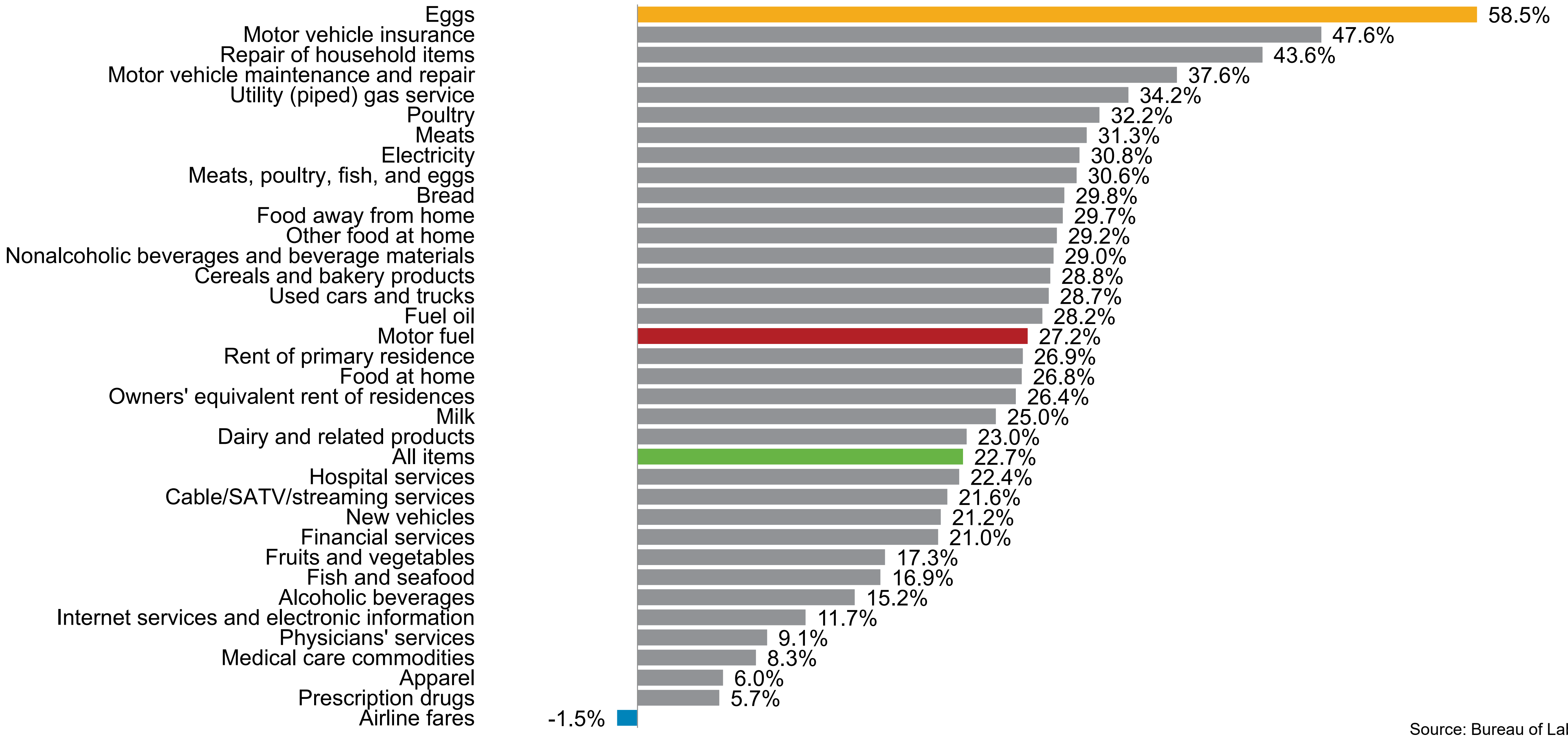
On Same Share of Income, Americans Can Take 3.7x More Trips Than in 1979, 1.9x More Than in 2000



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics and Bureau of Transportation Statistics (Data Bank 1B)

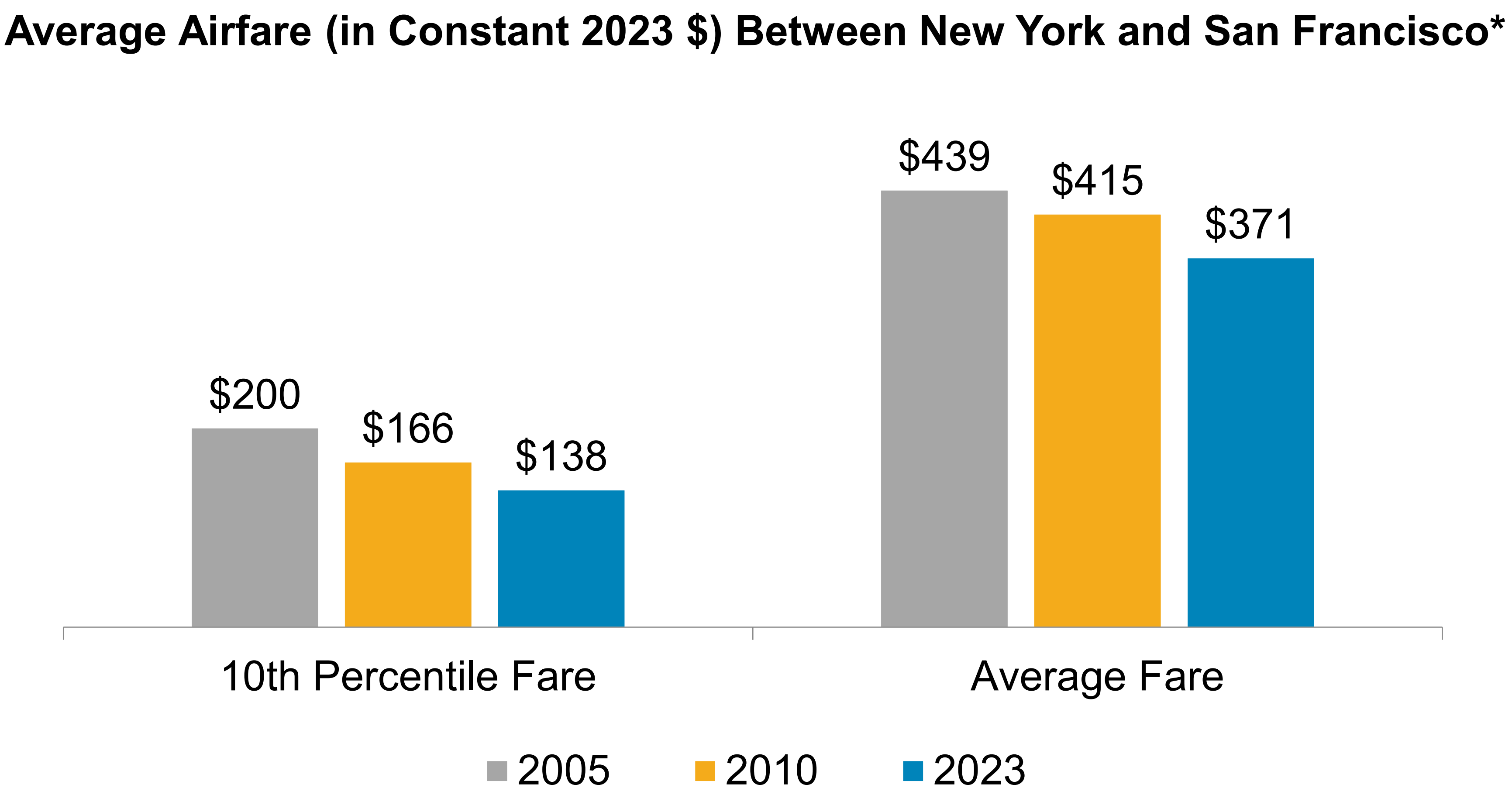
From 2019-2024, While Overall Consumer Prices Rose ~23%, Airline Fares *Fell* 1.5%

Change in Selected U.S. Consumer Price Index (CPI) Components — 2024 vs. 2019



Source: Bureau of Labor Statistics

Many City Pairs (ex. NYC-SFO) Have Enjoyed Inflation-Adjusted Declines in Not Only the Average Fare but Also the Lower-End Fares Prized by the Most Price-Sensitive Customers

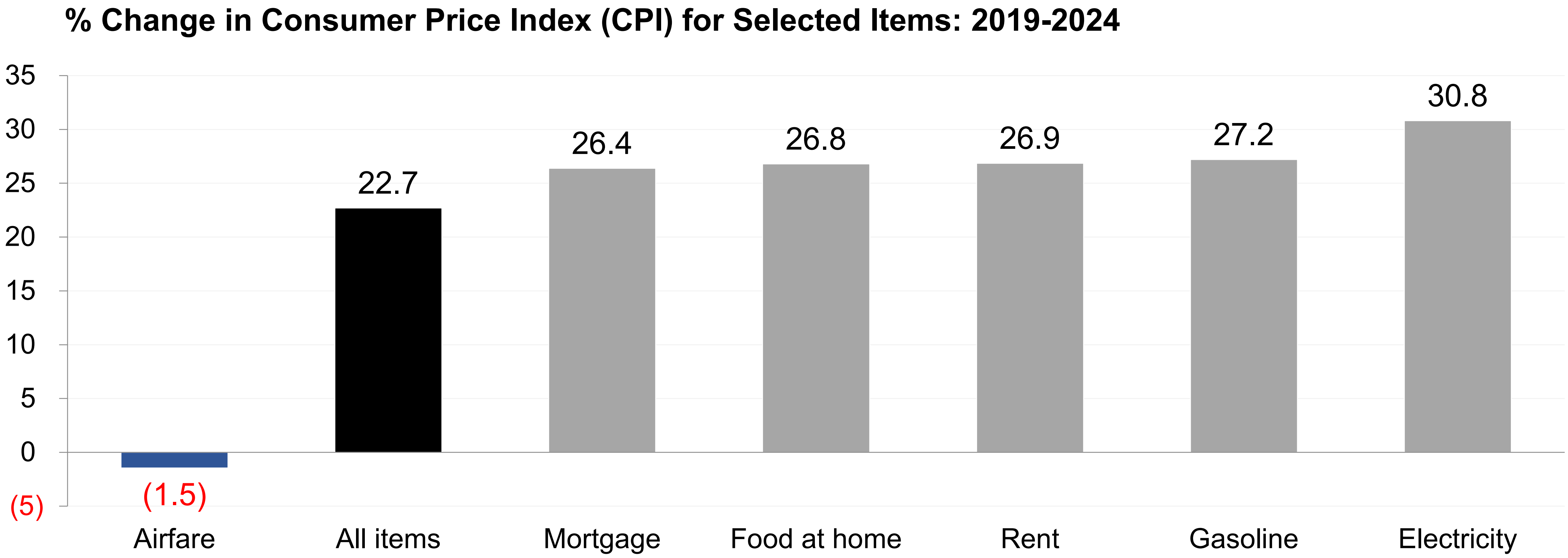


Source: Compass Lexecon analysis of DOT Data Bank 1B

* NYC = EWR/JFK/LGA; SFO = OAK/SFO

Consumers Have Faced Substantially Higher Prices for Food/Fuel/Housing But Not for Airfares

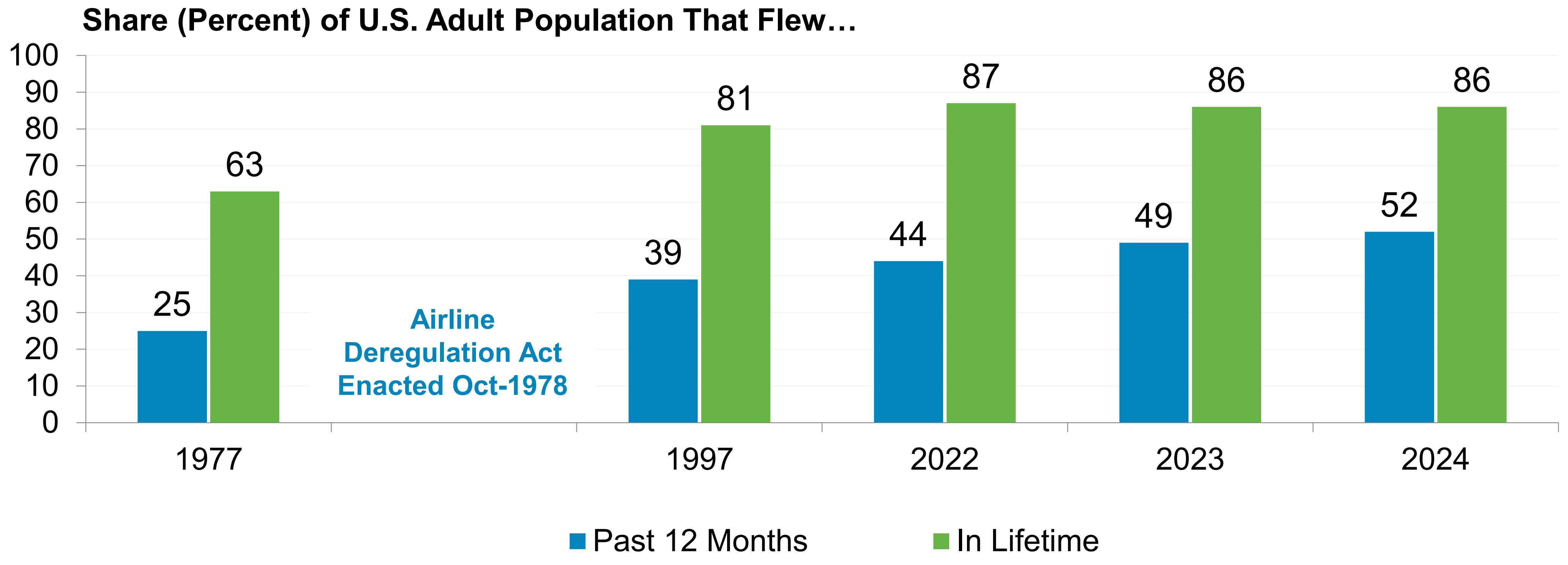
CPI for Airline Fares *Fell* 1.5% from 2019-2024



Source: Bureau of Labor Statistics

As Air Travel Has Become Safer and More Affordable, More Americans Have Taken to the Skies

Almost Nine in Ten Americans Have Flown Commercially; Over Half the Population Flew in 2024



Sources: Historical A4A air travel surveys conducted by Gallup (1971 through 1997) and Ipsos

Note: “Past 5 Years” category was not presented as a possible response preceding 2020.

Over the Past Five Years, a Large Share of Flyers Experienced a Lower-Cost Airline

16% of Americans Flew a Foreign-Flag Carrier on at Least One Personal Trip

*In the past five years, when traveling **for personal reasons**, which of the following **types of airlines*** did you fly?*

Airline Group	%
American, Delta, United	72
Alaska, Hawaiian, JetBlue, Southwest	45
Allegiant, Avelo, Breeze, Frontier, Spirit, Sun Country	23
Cape Air, Silver Airways, other U.S. airline	2
Non-U.S. airline (e.g., Air Canada, Aeromexico, British Airways, JAL, QANTAS)	16

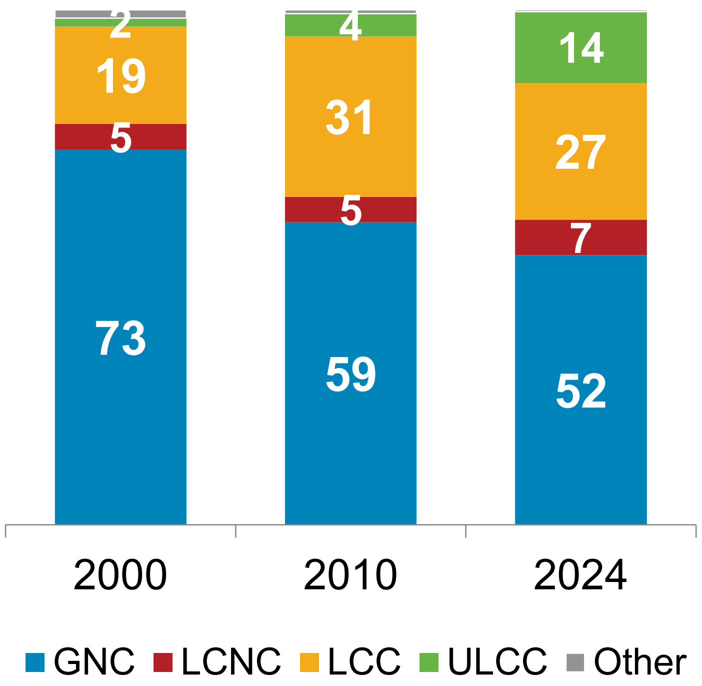
* Check all that apply

Source: A4A Air Travel Survey conducted by Ipsos (January 2025)

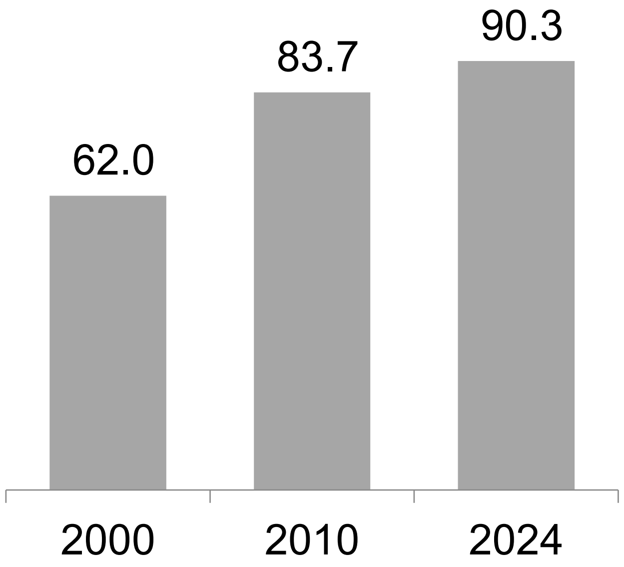
From 2000-2024, the Number of Competitors per Domestic Air Trip *Rose* From 3.33 to 3.49

Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 52% in 2024

% of Domestic O&D Pax by Airline Business Model

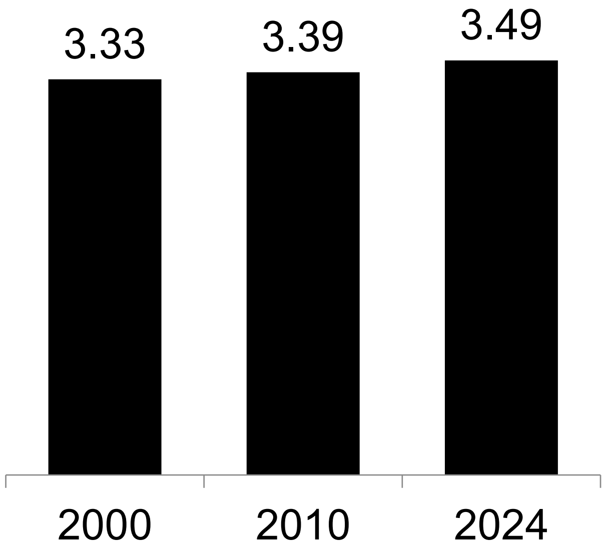


% of Domestic O&D Pax With Access to Lower-Cost Carriers



Average # of Competitors* in Domestic O&D City Pairs

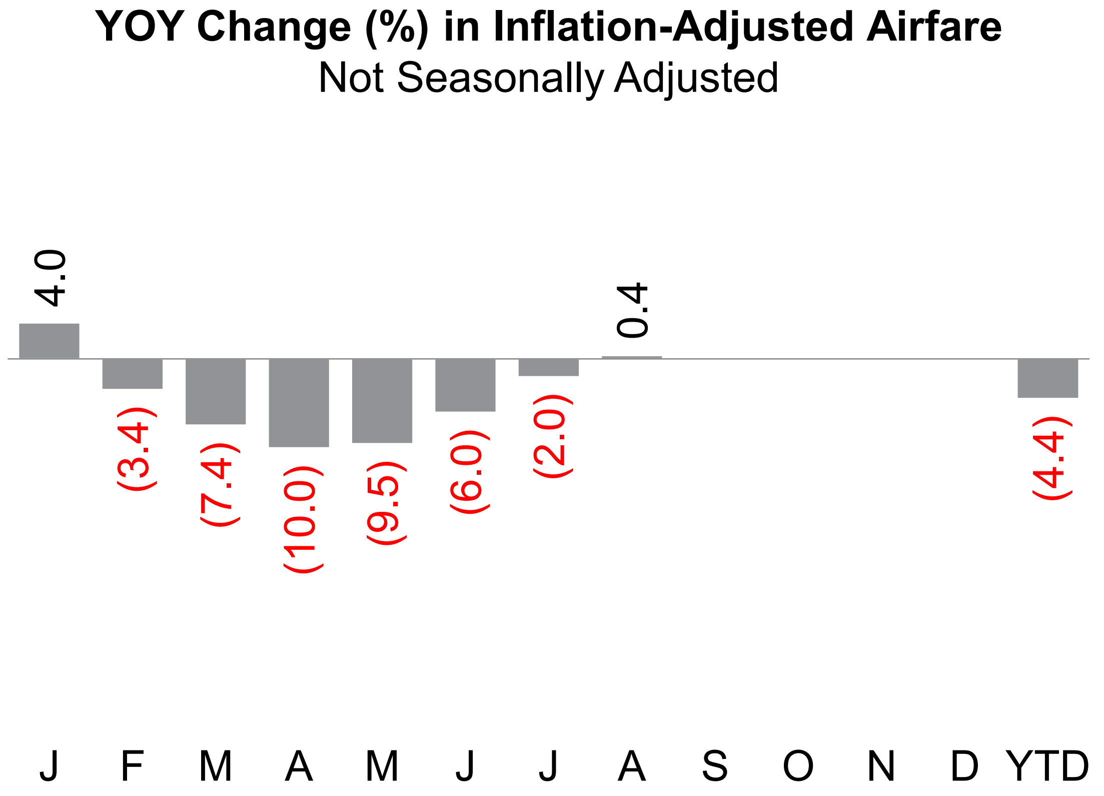
* Per DOT and GAO, carrying at least 5% of O&D passengers in the city pair; average is passenger-weighted across city pairs.

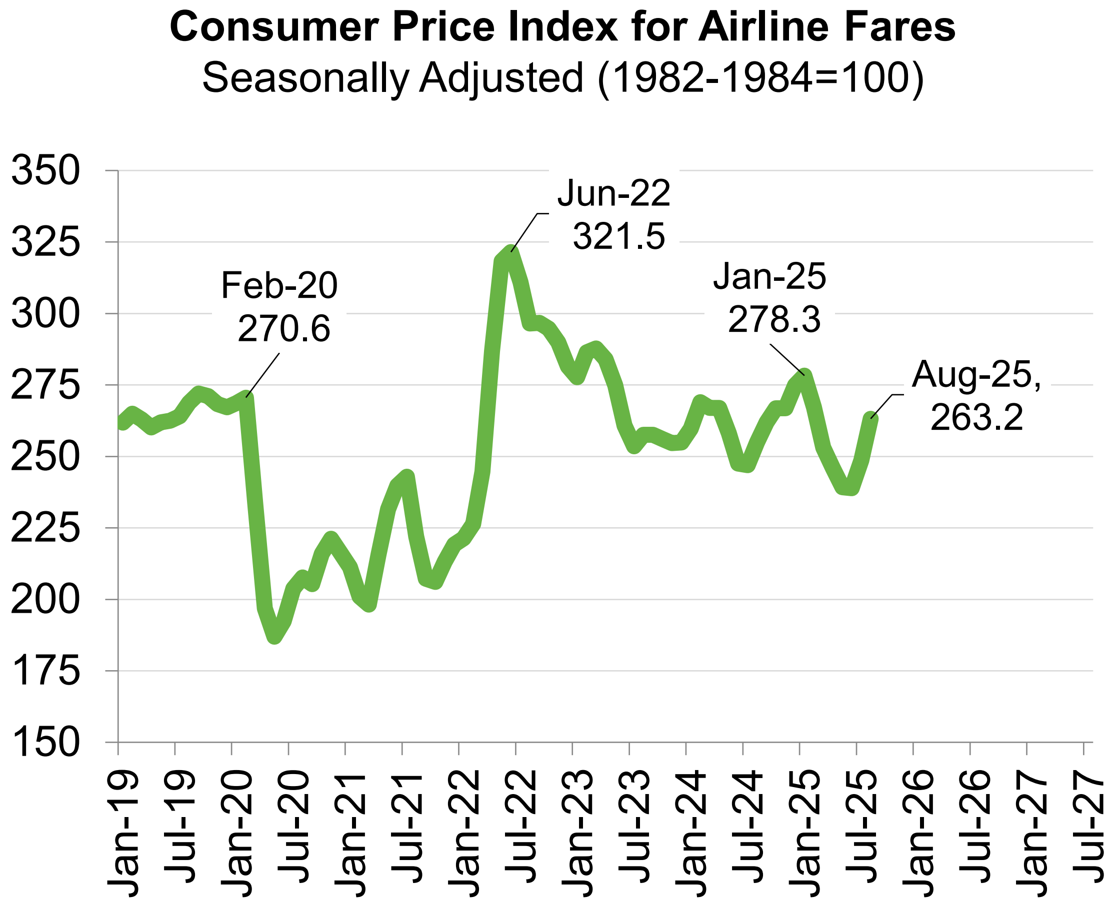


Source: DOT Data Bank 1B and Econic Partners. Global network carriers (GNCs) include AA/DL/UA and predecessor airlines (e.g., US Airways, America West, TWA, Northwest, Continental) and defunct legacy network carriers (e.g., Eastern, Braniff). Low-cost carriers includes Southwest, JetBlue, Breeze, Reno Air, Midway, Pro Air, Kiwi International, AirTran, Accessair, Independence, Eastwind, National, ValuJet, ATA, Skybus, People Express, Vanguard, Virgin America, Western Pacific, Air South, and Morris Air). Lower cost network carriers include Alaska, Hawaiian and Aloha. Ultra low-cost carriers (ULCCs) include Allegiant, Frontier, Spirit, Sun Country, and Avelo.

Collectively, Airlines Confronted Real Fare Declines Year Over Year From February-July

Adjusted for Inflation, August Airfare CPI Rose 0.4% Year Over Year



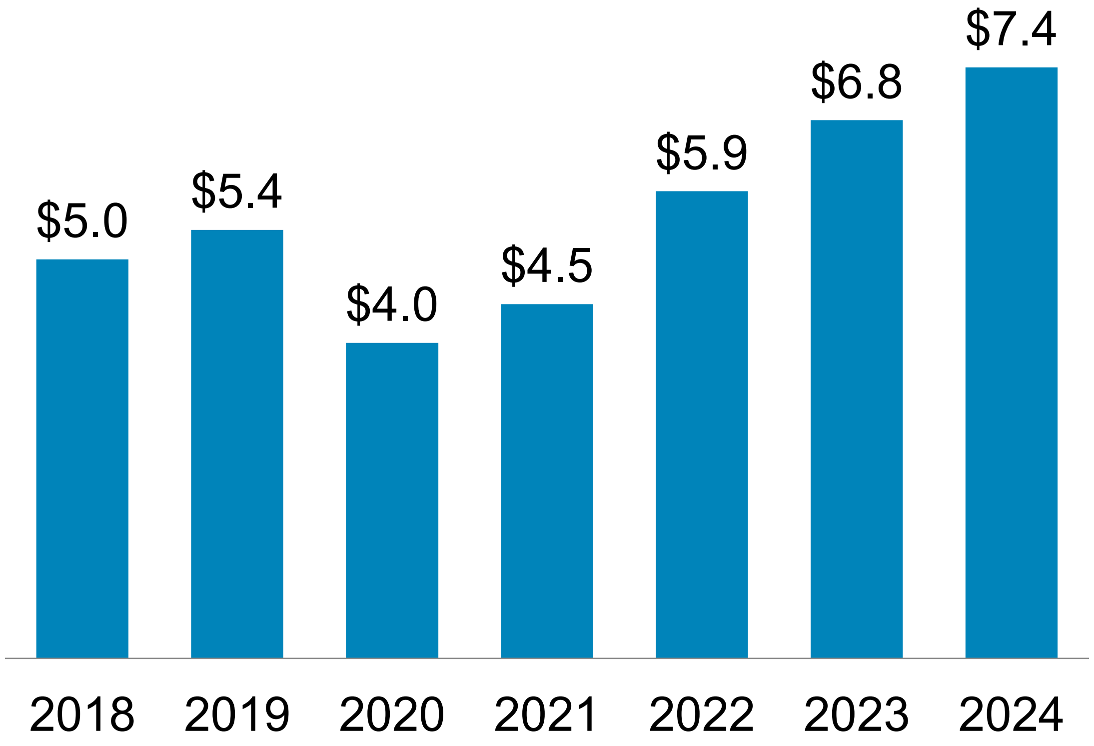


Source: Bureau of Labor Statistics (CPI Series CUUR0000SETG01)

From 2022-2024, U.S. Passenger Airlines Spent ~$20 Billion on Information Technology

Goal: Boost Operational Resiliency/Redundancy/Security and Customer Self-Service Functionality

Annual IT Expenditures* (Billions)
U.S. Passenger Airlines



Making it easier for travelers to:

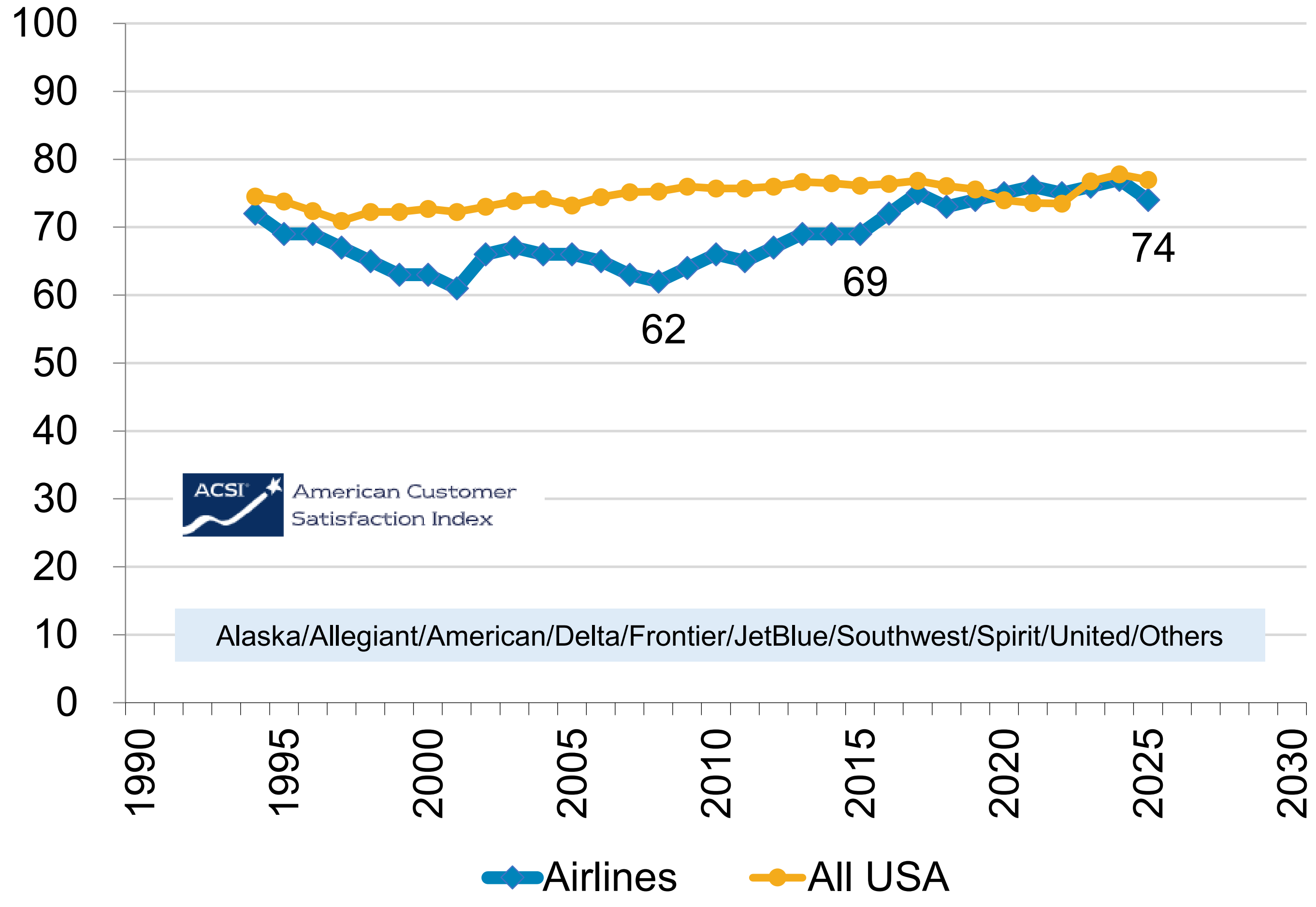
- Shop for tickets
- Modify itineraries
- Check in for their journeys
- Navigate airports
- Check and/or track bags
- Stay apprised of flight status
- Redeem vouchers/loyalty points

Sources: Alaska/Hawaiian, Allegiant, American, Avelo, Breeze, Delta Frontier, JetBlue, Southwest, Spirit, Sun Country, United

* IT operating expenses plus capital expenditures, net of depreciation (where available)

ACSI Airline Customer Satisfaction Index Now at 74, Up From 62 in 2008 and 69 in 2015

Airlines Scored 80+ on Five of the 21 Benchmarks and 75-79 on 10 Others



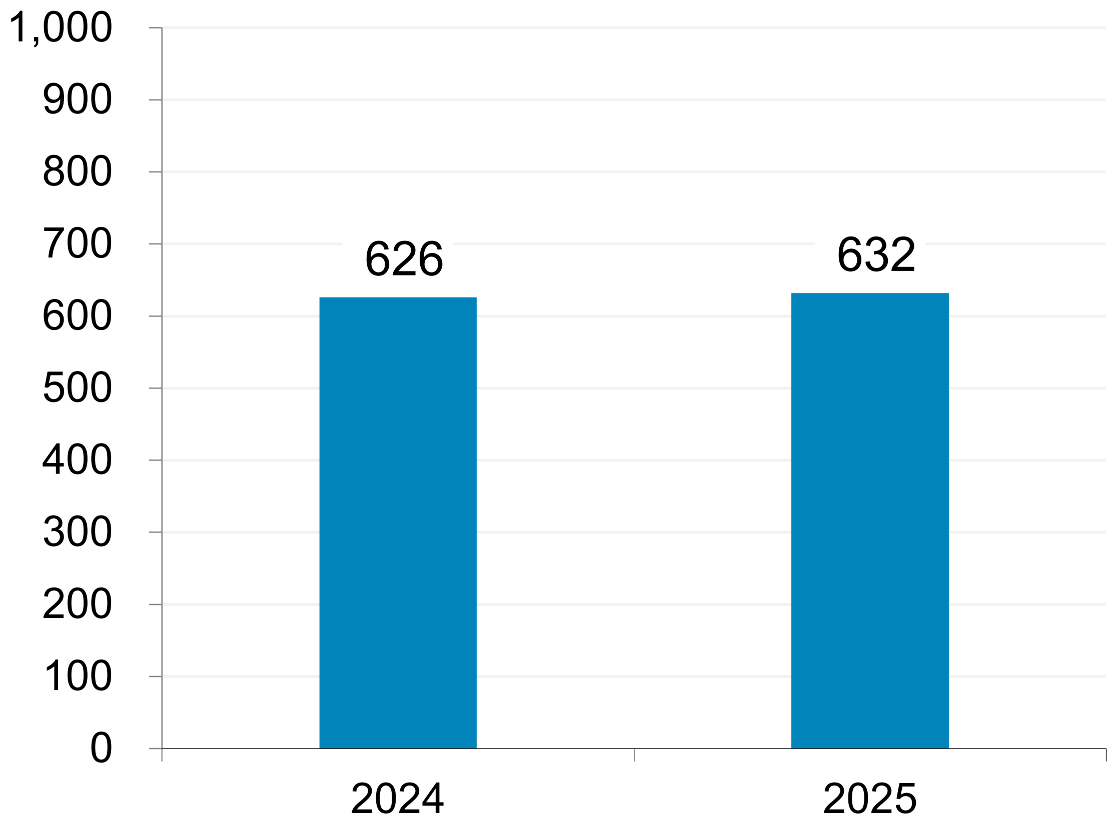
Satisfaction Benchmark	2019	2024	2025
Mobile app quality	82	84	82
Mobile app reliability	82	84	81
Website satisfaction	80	83	81
Ease of making a reservation	81	84	80
Ease of check-in process	82	83	80
Cabin and lavatory cleanliness	78	82	79
Courtesy/helpfulness: flight crew	80	82	78
Baggage handling	79	81	77
Boarding experience	79	81	77
Courtesy/helpfulness: gate staff	80	81	77
Range of flight schedules	77	80	77
Timeliness of arrival	80	81	77
Call center satisfaction	78	81	76
Loyalty program	75	80	76
Availability of overhead storage	73	79	75
Quality: purchased food/beverage	73	78	74
Quality: in-flight entertainment	71	78	74
Quality: free food/beverage	73	76	73
Seat comfort	69	76	73
Usefulness of flight information	NM	NM	71
Quality: in-flight Wi-Fi	NM	NM	66

Source: The American Customer Satisfaction Index (ACSI®), the only national cross-industry measure of customer satisfaction, measures the satisfaction of U.S. household consumers with the quality of products and services offered by firms with significant share in U.S. markets. The ACSI Travel Study 2025 is based on 16,771 completed surveys. Customers were chosen at random and contacted via email between April 2024 and March 2025.

J.D. Power: North America Airline Customer Satisfaction Rose Six Points in 2025

Note: Study Methodology Changed in 2024

“Airline Passenger Satisfaction Improves Slightly as Industry Confronts Economic Headwinds, J.D. Power Finds”



The North America Airline Satisfaction Study measures passenger satisfaction with airline carriers in North America based on performance in **seven core dimensions**: airline staff; digital tools; ease of travel; level of trust; on-board experience; pre/post-flight experience; and value for price paid.

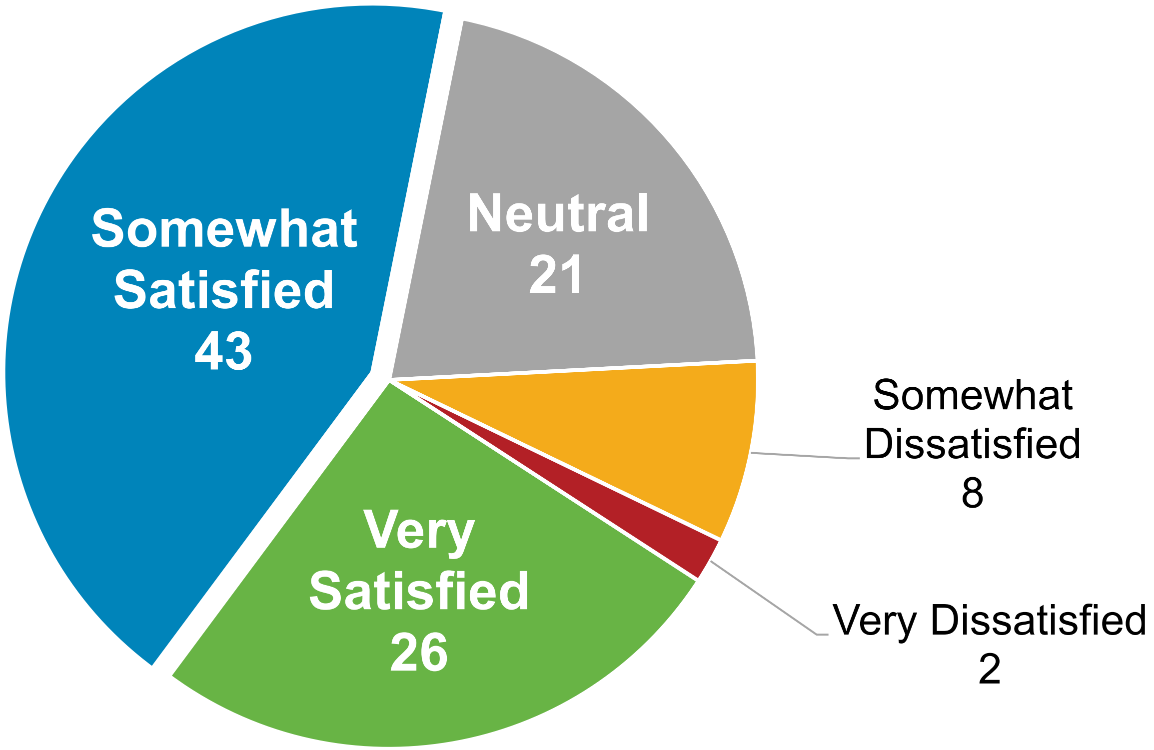
The 2025 study is based on responses from 10,224 passengers. Passengers needed to have flown on a major North America airline within the past month of completing a survey. **The study was fielded from March 2024 through March 2025**.

Note: The 2025 study reflected responses from 10,224 passengers who flew on a major North America airline within the past month of completing a survey. The study was fielded from March 2024 through March 2025.
Source: J.D. Power North America Airline Satisfaction Study[SM]

69% of Flyers Reported Being Satisfied With Their Overall Air-Travel Experience in 2024

21% Were Neutral; Only 2% Reported Being "Very Dissatisfied"

*Thinking about your **overall experience** with air travel, how **satisfied or dissatisfied** are you?*



Source: A4A Air Travel Survey conducted by Ipsos (January 2025)

Airlines for America®

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