

# La Crosse Air Service: Where do we go from here?

Aviation Board Meeting  
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Ian Turner, Director





## This afternoon, I will briefly cover:

- Air service in our community
- Specific discussion topics are:
  - Historic air service
  - Post-2020 airline situation
  - Where La Crosse has opportunities
  - Beyond 2024





# Historic Air Service

- Historical June departures:
  - 2006 – 10
  - 2009 - 11
  - 2012 – 10
  - 2015 – 7
  - 2018 – 7
  - 2021 – 7
  - 2023 – 3 (current schedule)

- Number of airlines:
  - 2005: Northwest, American Eagle, and Midwest
  - 2023 (June): American





# Why has the reduction occurred?

- Airline consolidation
  - Northwest/Delta
  - Continental/United
  - US Airways/American
  - Alaska/Virgin America
  - Southwest/ATA
  - Spirit/Jet Blue (not yet)
- Pilot Shortage
  - Bureau of Labor Statistics predicts 14,500 pilots needed annually to meet demand.
  - FAA average certificates issued is 6,335 a year
  - According to the coalition *Rally for Air Service*, this disparity is disproportionately affecting regional airlines that serve communities like La Crosse.



# Pilot shortage... the dismal truth

- The pilot shortage has been neglected over the past decade. Without positive policy changes or other intervention, the issue has begun to self-correct. This self-correction does not lean in favor of La Crosse, or communities our size.





# Delta: What happened?

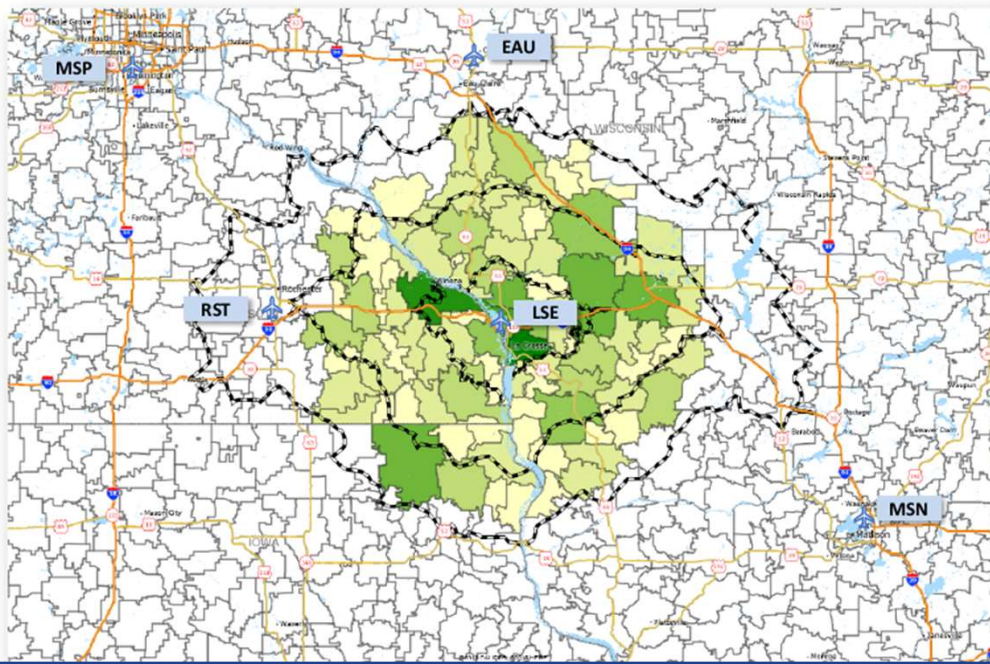
- Large and fast post-pandemic growth at mainline carrier
- Slow response by regional carriers to backfill pilots, notably captains
- New requirements in aircraft types in regional markets
- Unsustainable flight reductions in small markets
- Our market



# Core Catchment Area



A View of the LSE Catchment Area Population With Drive Time Rings at 30/60/90 Minutes to LSE Airport



- According to 2019 USDOT data the 92 zip codes in the LSE catchment areas:
  - Produced 597,822 passengers.
  - 13.6% utilized LSE
  - 86.4% utilized an airport other than LSE (mostly MSP)
  - This split has been consistent since 2018.



# Air Service

- The good news is our air service demand is strong:
  - Calendar Year 2022 Load Factor was 85.58%
    - DL – 82.01%\*
    - AA – 88.71%
  - Average one-way fair to the airlines is approximately \$75 above national average

\*A noticeable drop occurred in LF when DL dropped to a single flight a day in fall 2022.







# LSE's Air Service Efforts

- Regularly meet with airlines:
  - 2021 – 6 meetings
  - 2022 – 17 meetings
  - 2023 – 6 meeting to date
    - 2 more scheduled
- Control our costs
  - As one measure, we have kept cost increases below inflation
  - Grow non-aeronautical revenue
- Advocate for alternate pilot training arrangements
  - Joined Rally for Air Service
- Entertain opportunities that may lead to additional air service
  - Landline bus service paired with Sun Country Airlines
  - Pursuing other options of reliable ground transportation to MSP
- Updated Airline Incentive Program
- Working on applying for a Small Community Air Service Development Grant





# Airline Possibilities – Legacy Carriers

- American, Delta, United, and Southwest
  - AA, DL, and UAL have dropped 74 cities since March 2020.
    - AA – 19
    - DL – 17
    - UAL – 38

- These airlines are *unlikely* to grow their network anytime soon.
  - Exception is that American would like to keep us at 3X day
- They are the airlines most suited to serve business travelers through connections across the world through their route networks and that of their partners.
- The community of La Crosse is still too small for Southwest





# Airline Possibilities – Established LCCs

- Sun Country, Allegiant, Spirit, JetBlue, and Frontier
  - Have shown some growth in the last 18-24 months.
- *Moderate* chance at adding service.
  - Sun Country and Allegiant have shown the most interest in potentially serving LSE in the past
  - Frontier and Spirit have shown no interest





# Airline Possibilities – New entrant LCCs

- Avelo and Breeze
  - Together, have grown and added the most routes in the last 18 months

- *Most* likely chance of a new entrant comes from these two carriers.
  - Avelo is already serving markets our size (DBQ, LAN, and AZO)
  - Breeze is not yet serving our market size. I can see this changing in the next 5+ years.





# Air Service Challenges Moving Forward

- Competition:
  - There are 500+ communities vying for air service from approximately 12 air carriers
- Airline Growth:
  - Airlines are aiming to maintain the status quo
  - Currently 25 communities are holding 2022 awards of Small Community Air Service Development Grants and *are not seeing new service to date.*
- Assistance:
  - New routes require a sizable amount of initial investment. Airlines are looking to defray as much of this as possible.
- Continued Labor Issues:
  - Pilot shortage
  - Flight crew
  - Ground crew
- Local Effort:
  - This is why we are here





# What can the Community and Airport do to enhance Air Service?

- Incentivize new routes
  - Minimum Revenue Guarantee
  - Small Community Air Service Development Grant
    - LSE awarded one in 2017 and currently working on the next
- This type of effort requires local funding
  - It cannot be airport revenue
  - It will not be an insignificant amount





# Thank you!

Phone: 608-789-7456

Email: [turneri@lseairport.com](mailto:turneri@lseairport.com)

[www.lseairport.com](http://www.lseairport.com)

