

Air Service

Tennessee's six commercial service airports provide flights to a wide variety of domestic and international destinations and through a multitude of options. Commercial service options are served by different types of commercial air service business models, including ultra-low-cost carriers (ULCCs), essential air service (EAS) carriers, and legacy carriers. These three different commercial service models support access between Tennessee and hundreds of destinations at a variety of price points. In 2019, the number of air passengers who utilized one of Tennessee's commercial service airports was up 12.5 percent from 2018, almost triple the national growth rate of 4.3 percent.

Ultra-Low-Cost Carriers - An Affordable Option Throughout Tennessee

As a relatively new commercial service business model, the ULCC model offers affordable, a la carte options for air travel and promotes new passenger demand at lesser-known destinations. Popular ULCCs in the United States include Allegiant Air, Frontier Airlines, Spirit Airlines, and Sun Country Airlines, which each have unique offerings. Combined, these ULCCs serve over 200 destinations across North America, including destinations in Tennessee. ULCCs in Tennessee offer nonstop service to over 30 destinations, including one international destination (Cancun, Mexico). Almost 30 percent of the nonstop destinations flown from Nashville International Airport (BNA) are provided by ULCCs, including Allegiant Air, Frontier Airlines, Spirit Airlines, and Sun Country Airlines. Allegiant is Tennessee's most predominate ULCC, offering service from five of the state's six commercial service airports, including Memphis International Airport (MEM), Nashville International Airport (BNA), Lovell Field (CHA), McGhee Tyson Airport (TYS), and Tri-Cities Airport (TRI). Between Memphis International Airport (MEM) and McGhee Tyson Airport (TYS), Allegiant also employs over 100 people.

The economic presence of ULCCs in Tennessee is also set to expand with the relocation of Spirit Airlines' operational control center to Williamson County from Miramar, Florida. The operational control center relocation is an \$11.3 million investment that will bring 345 new jobs to Tennessee over the next five years. Of these jobs, 340 will be immediately brought to Williamson County upon the relocation, handling many aspects of flight operations, such as flight dispatch, crew scheduling, maintenance control, aircraft routing, and air traffic control coordination. In terms of commercial service, Spirit Airlines currently offers direct service from the Nashville International Airport (BNA) to 10 destinations across the United States and Mexico.

Essential Air Service - Keeping Tennessee Communities Connected

The Essential Air Service (EAS) program was established following the Airline Deregulation Act of 1978 (ADA) to ensure that small communities maintain access to commercial airline service. The EAS program currently serves 175 communities in the United States, one of which is Madison County, Tennessee out of the McKellar-Sipes Regional Airport (MKL) in Jackson. Air Choice One, an essential air service carrier, provides direct flights from McKellar-Sipes Regional Airport to the Hartsfield-Jackson Atlanta International Airport (ATL) and the St. Louis Lambert International Airport (STL). The connection to Atlanta provides the West Tennessee region with direct access to an international travel hub. Air Choice One provides daily service to Atlanta with seven round trips offered per week, which are usually completely booked. Additionally, every week, 12 round trip flights are offered with service to St. Louis. In 2019, almost 10,000 passengers arrived or departed from McKellar-Sipes Regional Airport (MKL) via Air Choice One.

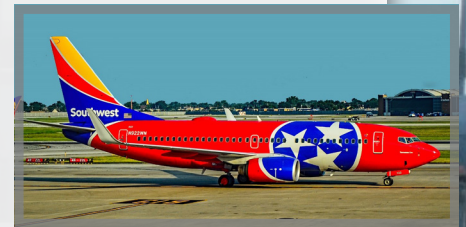


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Southwest Airlines – A Growing Presence in Tennessee

Southwest Airlines, one of the largest low-cost carriers in the United States, prides itself on offering exceptional customer service and maintaining low fares to best serve customers. Southwest's efforts are paying off. After starting as an airline with a fleet of three aircraft in 1971, Southwest has grown to a fleet of more than 700 aircraft serving more than 134 million revenue customers in 2019. Southwest's expansive growth has been seen first-hand in Tennessee as the airline has grown to serve a major role at Nashville International Airport (BNA) and Memphis International Airport (MEM).

Southwest currently offers 46 direct connections from Nashville International Airport to destinations throughout the United States. From July 2018 to July 2019, 53 percent of passengers, or almost 9 million passengers, traveled through Nashville International Airport via Southwest, maintaining Southwest as the predominant commercial service airline at the airport. At Memphis International Airport, Southwest's presence remains steady, accounting for at least 14 percent of total annual passengers since 2014. Southwest currently offers eight direct connections from Memphis International Airport to destinations throughout the United States. At Memphis International Airport, Southwest employs 62 people, contributing over \$30 million to Tennessee's economy.



Legacy Carriers – Commercial Service Mainstays in Tennessee

Legacy carriers are traditionally considered as airlines that had established domestic routes prior to airline deregulation in 1978 such as American Airlines, Delta Air Lines, and United Airlines. To highlight one legacy carrier, Delta Air Lines has been in operation since 1924 and operating in Tennessee since the 1940s. Delta Air Lines, along with American Airlines and United Airlines, are the backbone of Tennessee's balanced commercial service system, serving major connections at airports such as Memphis International Airport (MEM), Lovell Field (CHA), McGhee Tyson Airport (TYS), Tri-Cities Airport (TRI), and Nashville International Airport (BNA). At Nashville International Airport (BNA), legacy carriers offer non-stop flights to a combined 20 destinations across the U.S. In 2019, over 25 percent of passengers traveling through Nashville International Airport (BNA) arrived or departed via a legacy carrier. In addition to providing commercial service to and from Tennessee, legacy carriers also collectively employ over 1,000 people across the state. American Airlines employs over 500 people, including 457 employed at McGhee Tyson Airport (TYS).

Overview

Tennessee is served by a balanced mix of commercial service models at its six commercial service airports located across the state. Legacy carriers serve major hub connections by providing connections to domestic and international destinations, and employ over 1,000 people throughout the state. While legacy carriers are the mainstays of commercial service, essential air service and ultra-low-cost carriers (ULCCs), such as Air Choice One and Allegiant Airlines, serve vital roles for commercial airline service in Tennessee by keeping small communities connected to international hubs and offering commercial service at affordable price points.

