

Air Service Development

Extended Staff Meeting 10.2024



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City of Philadelphia,
Department of Aviation



PHILADELPHIA INTERNATIONAL AIRPORT
NORTHEAST PHILADELPHIA AIRPORT

What is Air Services Development?



Air Services Development focuses on attracting and retaining air service to Philadelphia, from new and existing carriers.

Air Services Development centers its attention on building relationships with Airlines and other partners.

The objective of the team is to expand the range of destinations served and to diversify service options (i.e.: multiple carriers, new airlines, etc.) on existing routes, enhancing the overall connectivity and travel experience for passengers.



FY2024 Month by Month



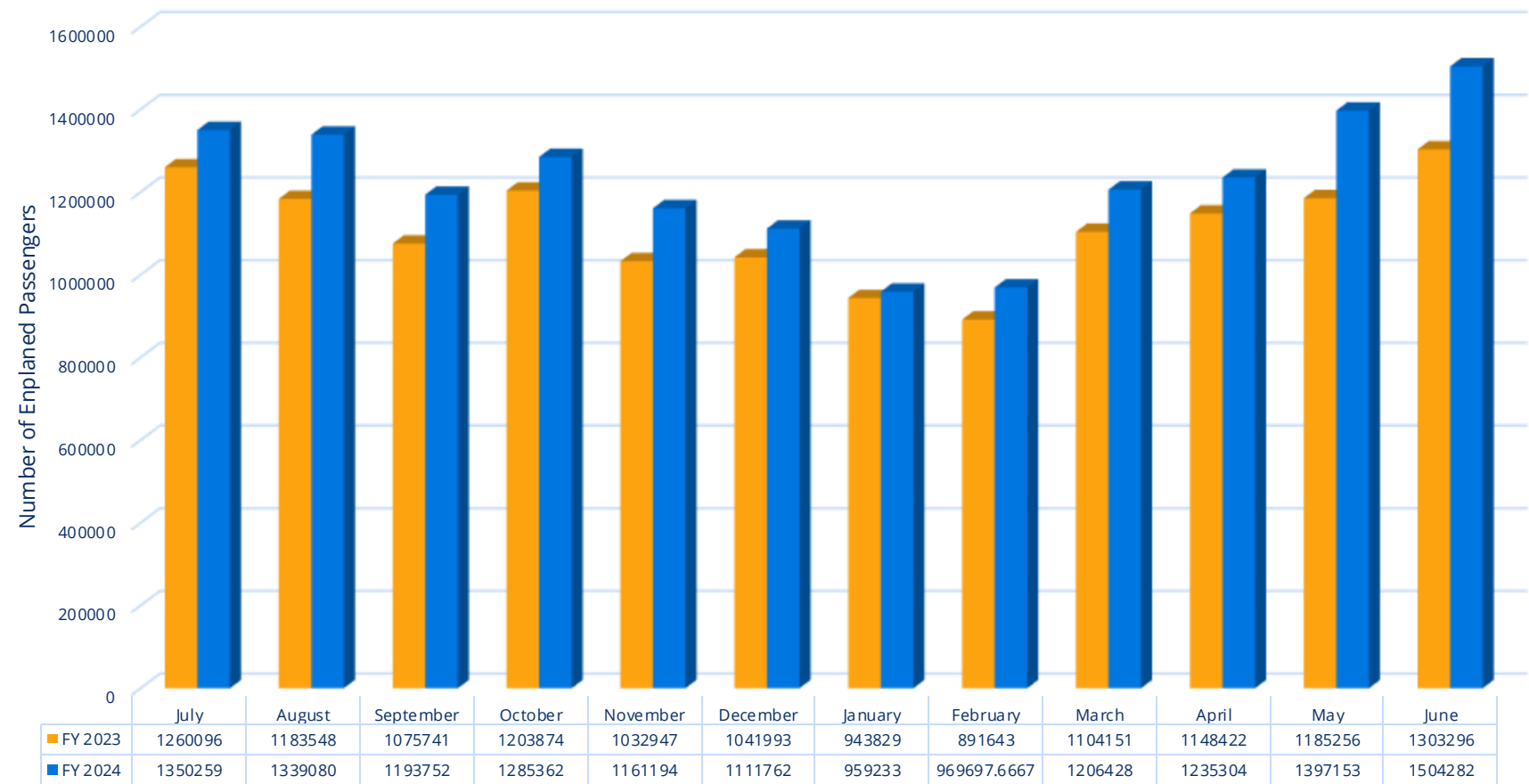
PHL Enplaned Passengers Fiscal Year 2024 vs. Fiscal Year 2023

Enplaned Passengers - PHL

PHL Total Enplaned Passengers

2023 13,374,796
2024 14,713,507
 1,338,711 **10%** ↑

**PHL Total Passengers
FY 2023**
25,242,133
**PHL Total Passengers
FY 2024**
28,131,972

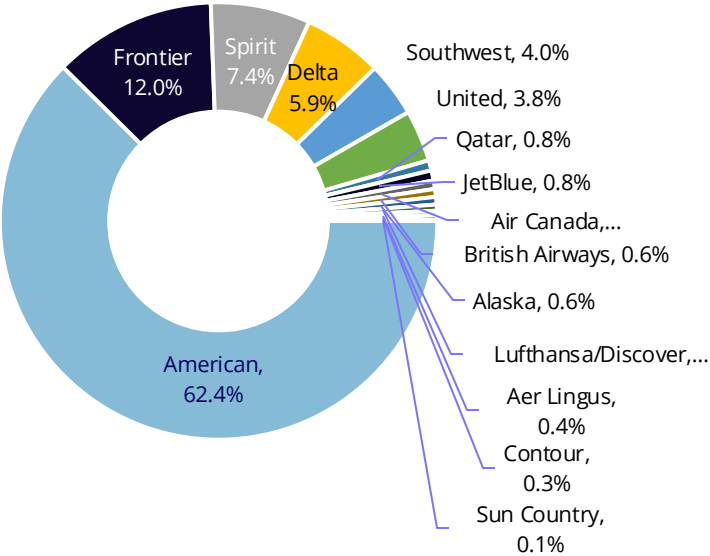


Source: PHL Finance 08/16/2024 – Actual passengers - FY2022 total passenger 25,242,133

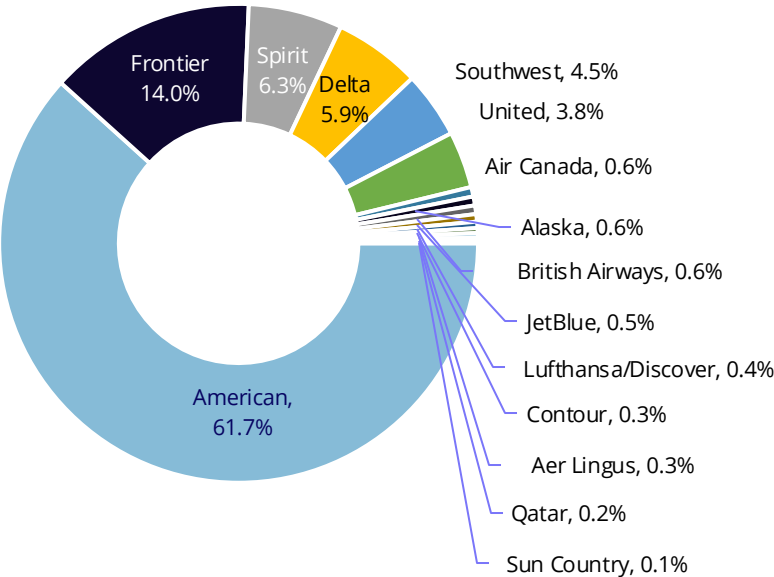
PHL's Seat Share Year-End June 2024 (Fiscal Year)



PHL Seat Share YE-Jun 23



PHL Seat Share YE-Jun 24

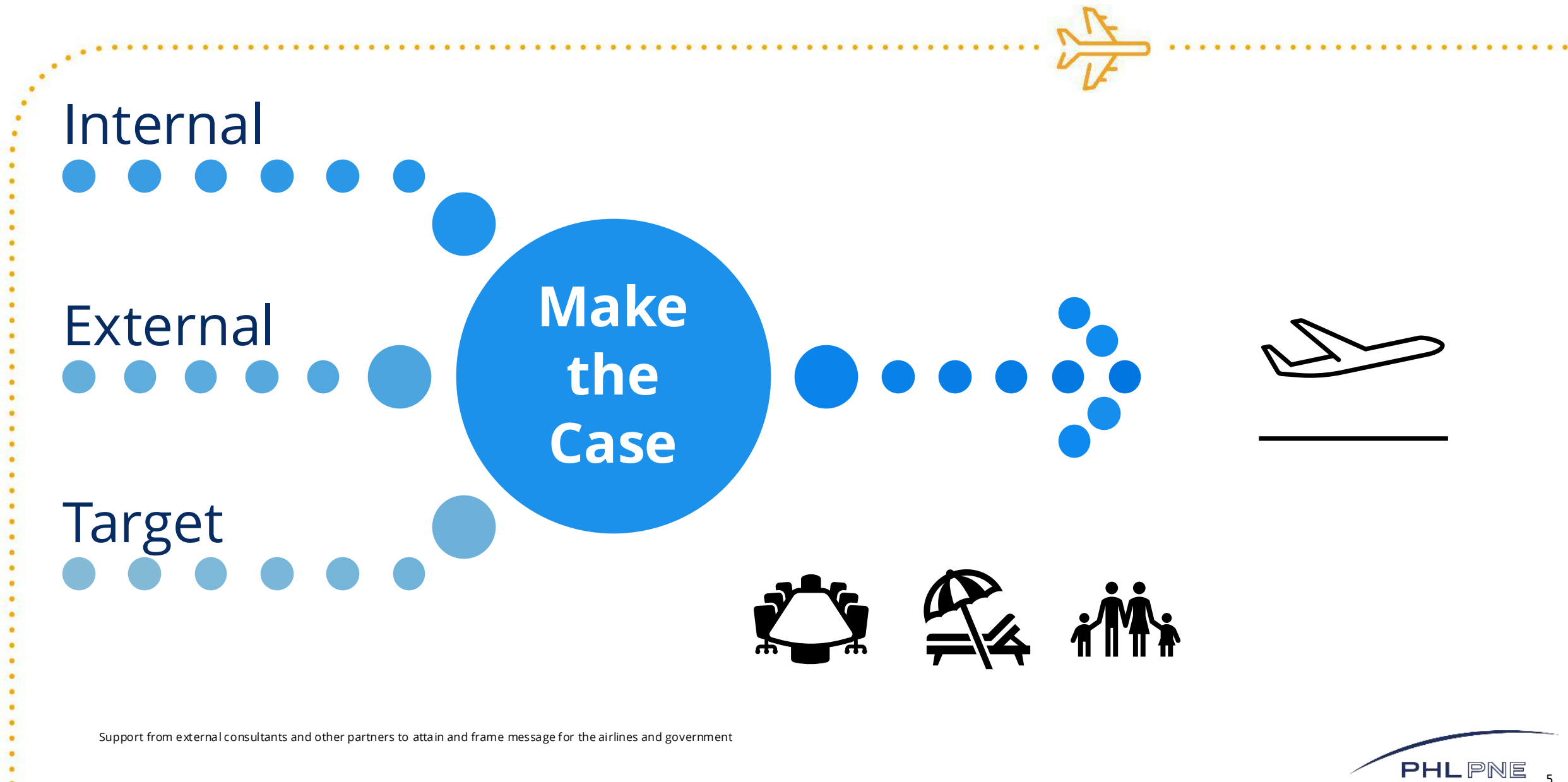


YE-23 vs. YE-24

	YE-Jun 2023	YE-Jun 2024	Difference
American	10,063,495	11,096,102	10%
Frontier	1,936,956	2,516,198	30%
Spirit	1,187,998	1,141,818	-4%
Delta	946,541	1,055,180	11%
Southwest	652,344	809,284	24%
United	614,378	687,258	12%
Air Canada	100,029	115,520	15%
Alaska	89,933	108,404	21%
British Airways	93,975	104,587	11%
JetBlue	121,342	91,700	-24%
Discover/LH Group	73,003	76,522	5%
Contour	52,410	59,100	13%
Aer Lingus	56,672	57,040	1%
Qatar	122,431	42,352	-65%
Sun Country	11,904	24,738	108%
	16,123,411	17,985,803	12%

Source: Cirium schedule data, Departing seats, Passenger (All)- 072024

Our World... On a regular basis



Support from external consultants and other partners to attain and frame message for the airlines and government

Our World... Internal Key stakeholders



What PHL is looking for:

- Contracts
- Logistics
- Incentives
- Education / Awareness
- Financial Viability
- Ticket Counter space/other

Examples of internal stakeholders:

- MarketPlace PHL
- Customs and Border Protection
- Transportation Security Administration
- Airline teams (managers)

Our World... External Key stakeholders

What PHL is looking for:

- Local business support
- Information – Travelers
- Guidance / Contacts
- Imports / Exports
- What do we need
- Leverage partnerships

The goal of external partnerships is to gather information.

Examples of external stakeholders:

- Commerce Department
- World Affairs Council / Sister Cities
- Global Philadelphia- UNESCO designation
- Portfolio and Associates (Community)
- Embassies (NYC/WDC and Consulates)
- Commonwealth of Pennsylvania
- PHLCVB



Regional Partners – Sustaining/Growing Air Service

Philadelphia Regional Stakeholders

Business Development Support

- Airport-led Incentives
- Potential funds for target advertising
- Collaborative marketing consultation to drive demand
- Public Relations support
- Targeted sales support

Information Sharing

- Corporate links between target markets and Philadelphia
- Social Media access
- Higher education links to target markets
- Media advertising



More than 80 Universities and Research Institutions



International Students Contribute over
\$1B to the Four-State Catchment Area

Benefits from International Students	Pennsylvania	Delaware	New Jersey	Maryland	Total
Financial Contribution	\$762M	\$86.6M	\$144M	\$7.7M	\$1.0B
Jobs Supported	8,303	916	1,620	49	10,888
International Students Enrolled	17,370	3,046	2,949	234	23,599

APPROX. 4,000 BIOMEDICAL AND
BIOLOGICAL SCIENCES DEGREES
CONFERRED EACH YEAR

>\$3.1B
7

In NIH funding
Medical schools

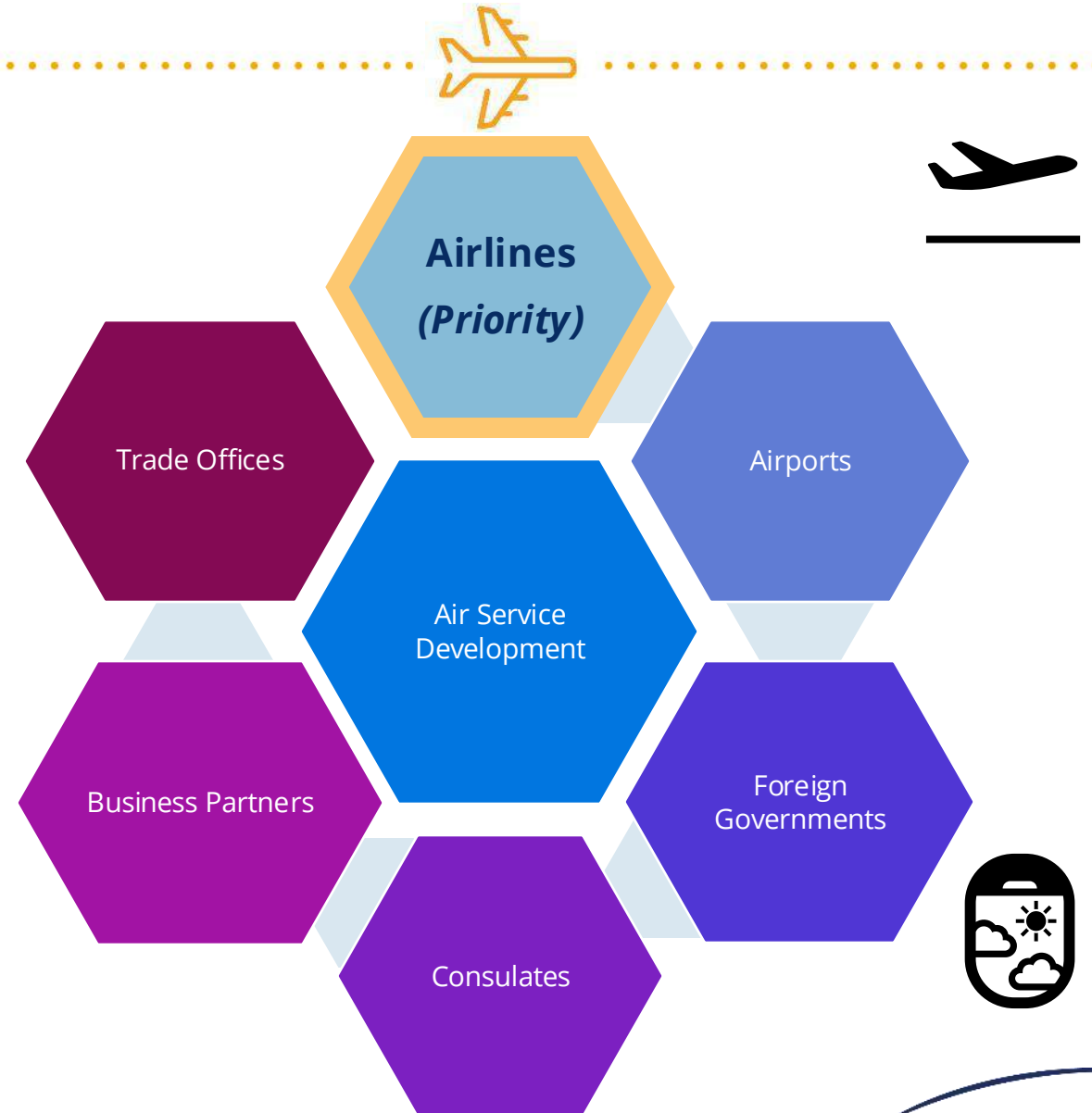
Our World... Our Targets

What PHL is looking for:

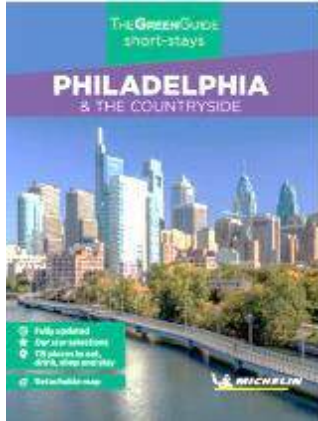
- Domestic / International Carriers
- Origin / Destination
- U.S. Embassies / Governments Abroad
- Cultural approach
- Leverage opportunities / Business Travelers
- Collecting data related to cargo opportunities / HQ relocations, building the business case

Example targets:

- Embassy of Costa Rica
- Milan Airport
- U.S. Embassy in 'Destination Country'
- 'FAMs' Familiarization Groups



Liberty Bell, Longwood Gardens Among Destinations Awarded Michelin Stars in New Philadelphia Guidebook



Michelin chose Philadelphia for several reasons (*Philippe Orain*, Michelin Green Guide editor-in-chief), including for it being:

- ❖ The "**best gateway**" to both the U.S. and the East Coast because of the **ease of Philadelphia International Airport** compared to larger airports in nearby cities (May 2023).
- ❖ "The most important historical city in the U.S." as the **birthplace of America** and therefore a way for international travelers to be introduced to the country.



Over 40K hotel rooms in the MSA

One of the host cities for **FIFA 2026**



Philadelphia is the Nation's First World Heritage City 11/2015

A UNESCO World Heritage Site of "outstanding universal value", Independence Hall, and a rich array of historic buildings and cultural sites located throughout the city, including **67 National Historic Landmarks**.



External Activities



Local

- **World Affairs Council**
 - Diplochat
 - Business forums
- **Consular Corps Association of Philadelphia**
 - Quarterly meetings
- **Select/Chamber**
 - International forums
- **Community**
 - Diplochat
- **Global Philadelphia Association**
 - UNESCO
- **Hispanic Chamber of Commerce**
 - Live, Work Philadelphia
- **Asian-American Chamber of Commerce**
 - Blossom Festival
- **African and Caribbean Business Council of Greater Philadelphia**
 - Caricom Business Forum

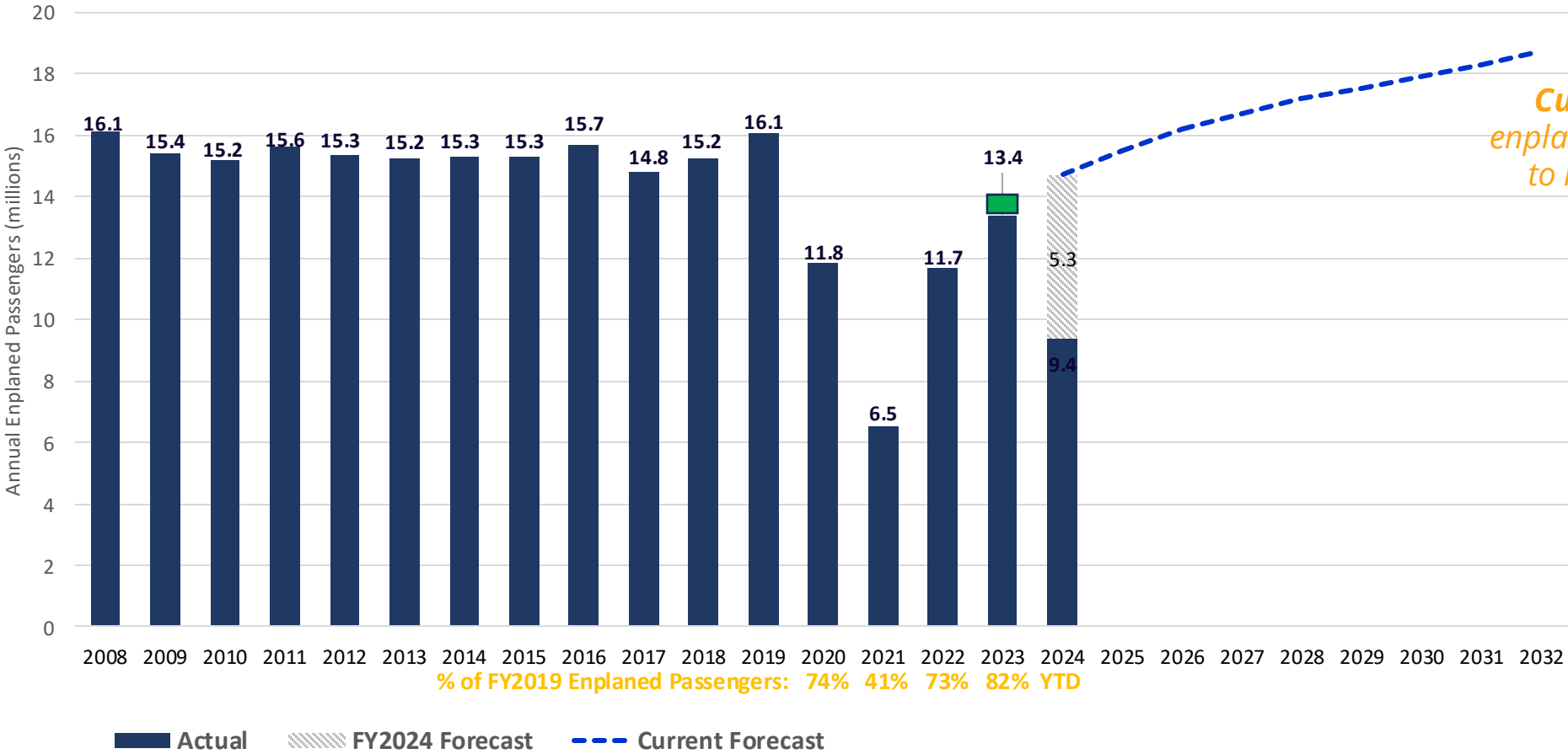
Regional

- **ACI JumpStart Air Service Development**
- **US- India Annual Aviation Conference**
- **Headquarter meetings**
- **ACI-NA US International Air Service Program**
- **Consular Corps Association of Pennsylvania – Foreign Representation visits**

International

- **Routes Conferences**
 - America
 - World
 - Asia
- **Headquarter Visits**

Enplaned Passenger History and Forecast



Current Forecast projects enplaned passengers will recover to FY 2019 levels in FY 2026



Reporting and Analysis



PHILADELPHIA INTERNATIONAL AIRPORT
NORTHEAST PHILADELPHIA AIRPORT

PHL has Used Data to Track Competitive Services, its Viability and impact on Current Incumbent Services



Avelo Current ILG Markets (9)

Avelo Current ILG Markets (9):

Avelo Current ILG Markets (9):				Avelo L12 (YE-Apr 2024)				PHL L12 (YE-Apr 2024)					
Dst	City	Frequency	Months of Operation	ILG				PHL				LE Dif	Fare Dif
				LE	Total Pax	Avg Fare YE1Q24	PDFW	LE	Total Pax	Avg Fare YE1Q24	PDFW		
FLL	Fort Lauderdale	2x/wk	Year-round (Except Sep/Oct)	71%	33,725	\$ 73	46	83%	797,577	\$ 117	940	(11%)	(37%)
ILM	Wilmington, NC	2x/wk	Summer (May-early Nov) 3x/wk in Oct	76%	10,887	\$ 35	15	82%	62,949	\$ 220	46	(6%)	(84%)
LAL	Lakeland	2x/wk	NEW. Starting Nov 2024	-	-	\$ -	-	-	-	\$ -	-	-	-
MCO	Orlando	4x/wk	Year-round	80%	62,433	\$ 74	84	83%	1,959,724	\$ 105	2,367	(3%)	(29%)
MYR	Myrtle Beach	2x/wk	Summer (May-early Nov) 3x/wk in Oct	70%	17,340	\$ 40	24	79%	131,278	\$ 108	150	(10%)	(63%)
RSW	Fort Myers	2x-3x/wk	Year-round (Except part of Sep)	77%	36,016	\$ 74	48	74%	383,412	\$ 140	484	3%	(47%)
SJU	San Juan	2x/wk	Year-round	73%	12,946	\$ 116	15	89%	472,331	\$ 158	635	(15%)	(27%)
TPA	Tampa	2x/wk	Year-round	77%	40,234	\$ 73	55	80%	767,536	\$ 135	970	(3%)	(46%)
USA	Concord	2x/wk	NEW. Starting Nov 2024	-	-	\$ -	-	-	-	\$ -	-	-	-
Current Market Subtotal				76%	213,581	\$ 71	288	82%	4,574,807	\$ 122	5,592	(7%)	(42%)

Discontinued Markets (8):

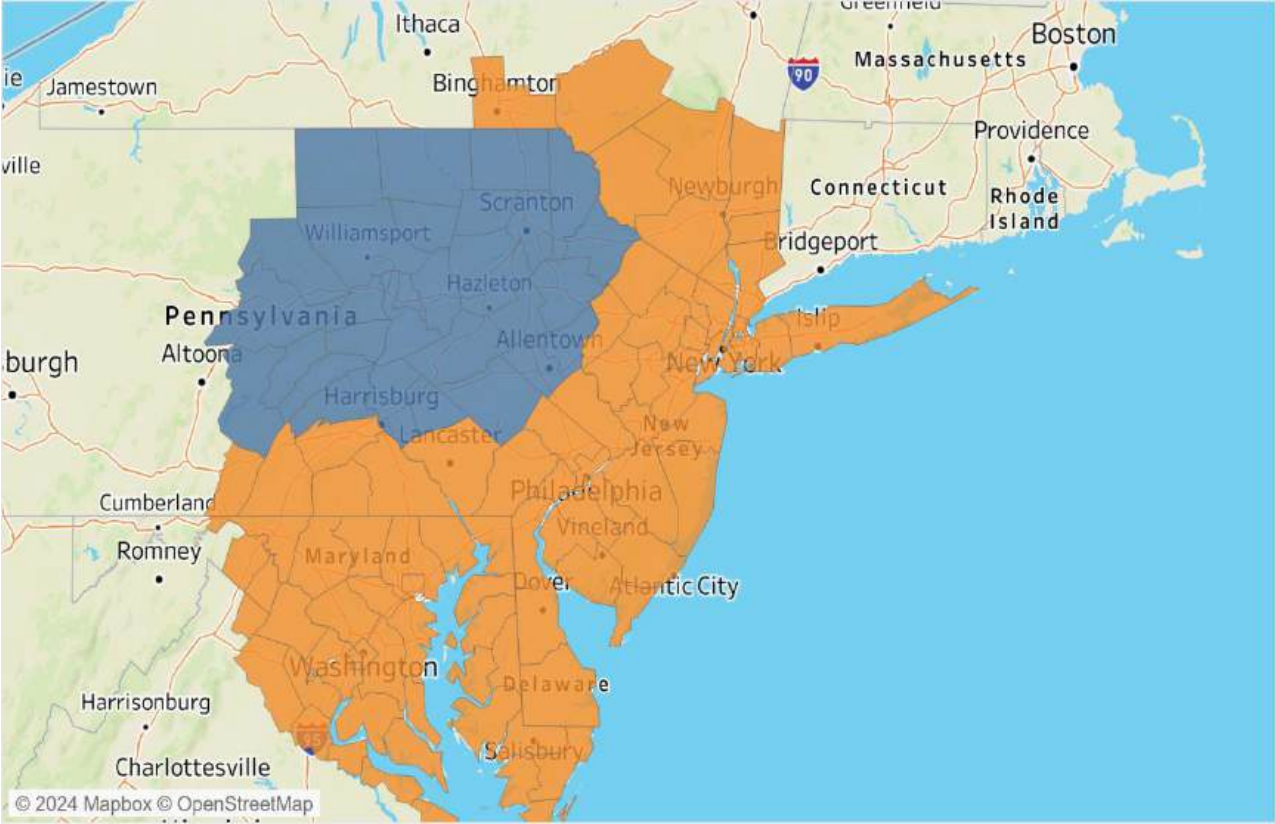
				ILG				PHL					
Dst	City	Frequency	Months of Operation	LE	Total Pax	Avg Fare YE1Q24	PDFW	LE	Total Pax	Avg Fare YE1Q24	PDFW	LE Dif	Fare Dif
BNA	Nashville	2x/wk	Jun 2023 - Jan 2024	67%	13,010	\$ 51	18	79%	600,773	\$ 138	605	(12%)	(63%)
CHS	Charleston	2x/wk	Jun 2023 - Oct 2023	62%	8,946	\$ 36	12	76%	247,418	\$ 149	286	(14%)	(76%)
DAB	Daytona Beach	2x/wk	Jun 2023 - Jan 2024	75%	16,761	\$ 44	23	71%	8,474	\$ 212	21	3%	(79%)
GSP	Greenville/Spartanburg	2x/wk	Jun 2023 - Oct 2023	68%	9,755	\$ 28	14	79%	82,742	\$ 228	75	(11%)	(88%)
PBI	West Palm Beach	2x/wk	Feb 2023 - Jul 2023; Nov 2023 - Apr 2024	64%	17,273	\$ 73	24	78%	414,933	\$ 163	522	(13%)	(55%)
RDU	Raleigh/Durham	2x/wk	Jun 2023 - Oct 2023	66%	9,428	\$ 27	13	68%	444,588	\$ 137	405	(2%)	(80%)
SAV	Savannah	2x/wk	Jun 2023 - Sep 2023	58%	3,719	\$ 35	6	79%	124,241	\$ 183	144	(21%)	(81%)
SRQ	Sarasota	2x/wk	Nov 2023 - Apr 2024	66%	12,966	\$ 67	15	76%	116,422	\$ 131	170	(10%)	(49%)
Discontinued Market Subtotal				67%	91,858	\$ 49	125	77%	2,039,591	\$ 151	2,228	(10%)	(68%)

Total				73%	305,439	\$ 64	412	81%	6,614,398	\$ 130	7,820	(8%)	(51%)
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Geographical surveillance on catchment trends that will impact the PHL business both short-term and long-term.

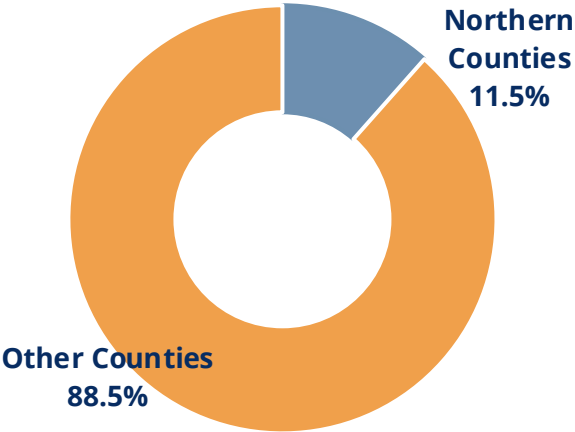
Avelo opened operations in 2023 out of Wilmington, with competing destinations as AA, Frontier, Spirit, etc.

The Share of PHL Passengers Coming from Counties to the North of PHL is Increasing

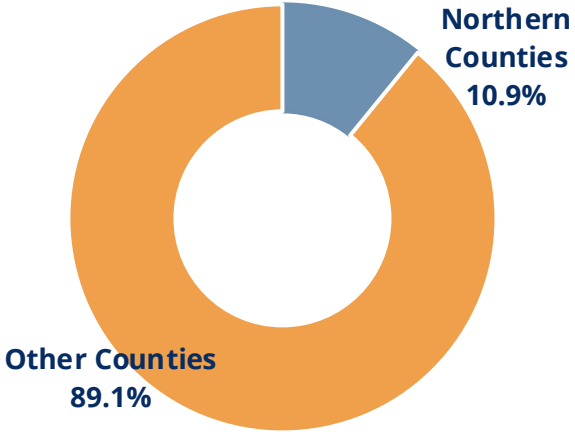


Air Service Development analyzes passenger trends, making note of travel patterns, community relocations, and business activities.

YE Q1 2024 PHL Originating Pax



YE Q1 2023 PHL Originating Pax

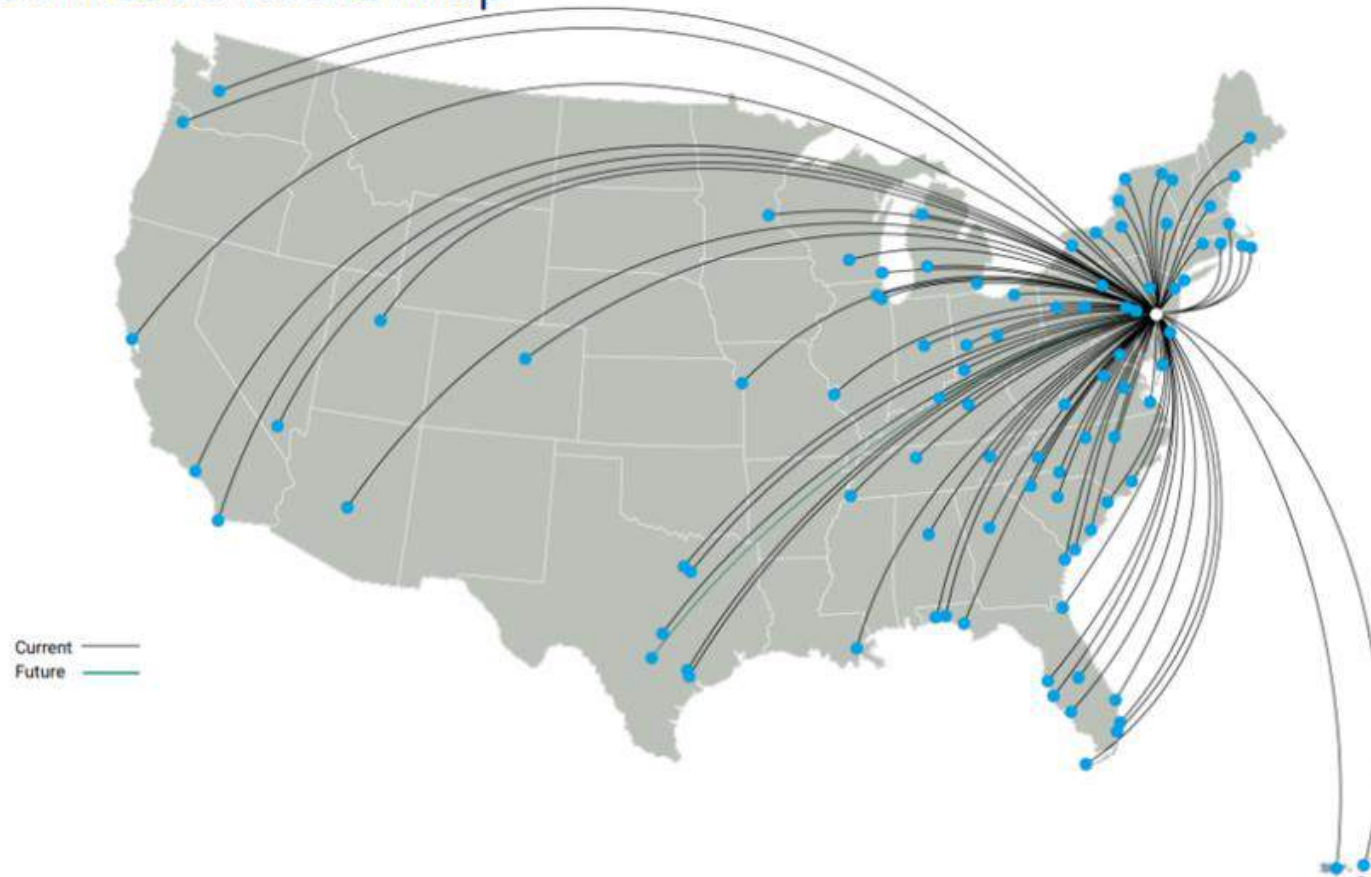


Map displays counties within 150 miles of PHL.
Source: Campbell-Hill Aviation Group and Place AI.

Domestic Destinations



PHL Domestic Route Map

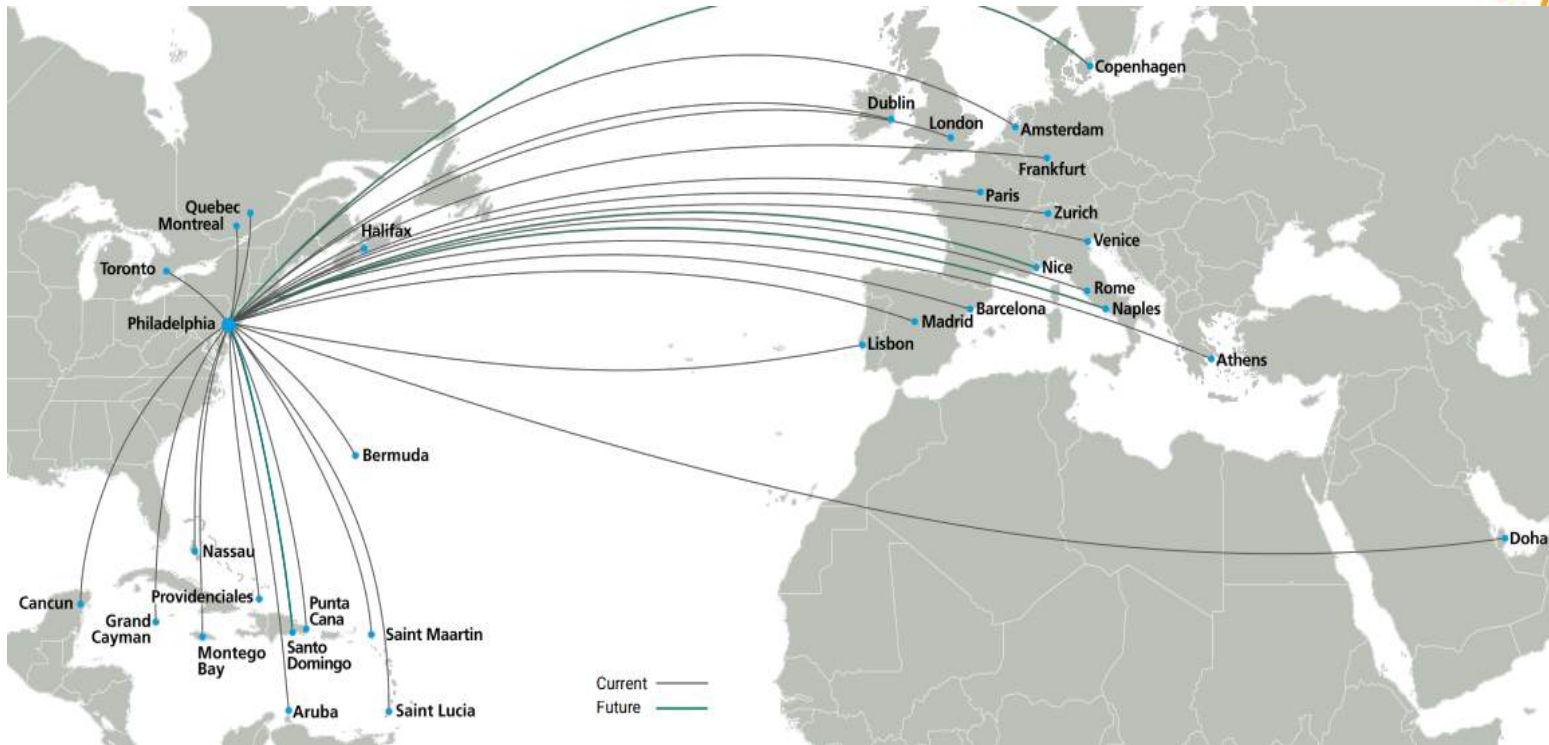


PHL's Top 5 Domestic Destinations:

MCO	Orlando, Florida
ATL	Atlanta, Georgia
MIA	Miami, Florida
TPA	Tampa, Florida
LAX	Los Angeles, California

Note: Count excludes discontinued flights, Charlottesville, VA resumed April 2023
Source: Cirium schedule data for YE June 2023. -ev71723

International Destinations

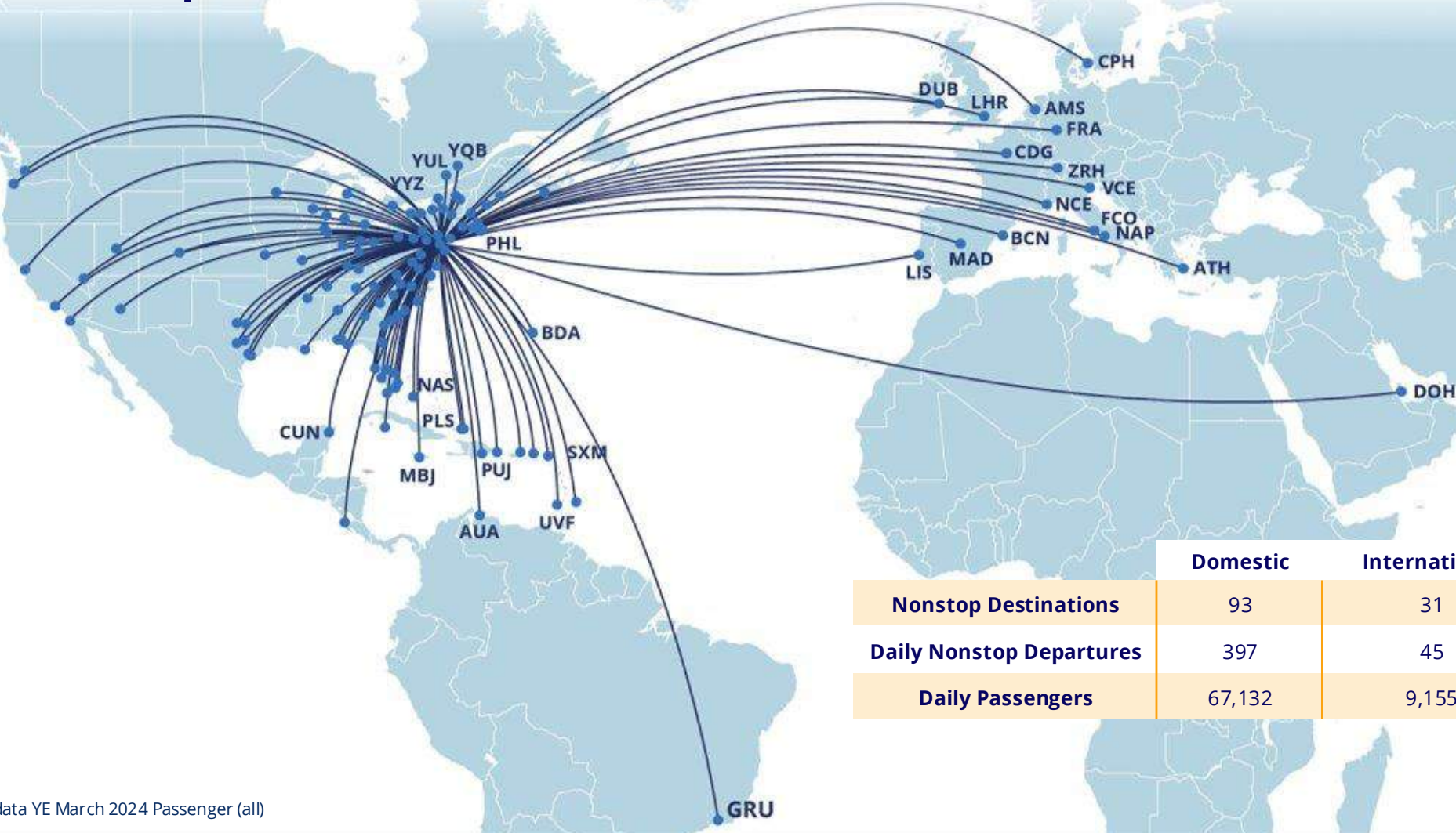


PHL's Top 5 International Destinations:

CUN	Cancun, Mexico
MBJ	Montego Bay, Jamaica
PUJ	Punta Cana, Dominican Republic
LHR	London-Heathrow, United Kingdom
YYZ	Toronto, Canada

PHL Domestic and International

124 Non-Stop Destinations



	Domestic	International	Total
Nonstop Destinations	93	31	124
Daily Nonstop Departures	397	45	442
Daily Passengers	67,132	9,155	76,287

Source: Cirium schedule data YE March 2024 Passenger (all)



Data Driven - KPIs



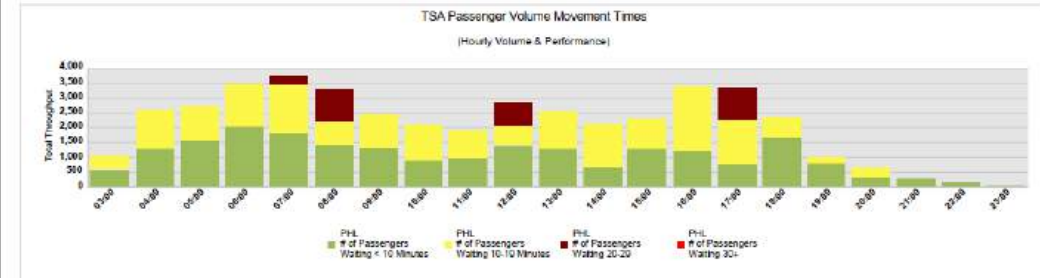
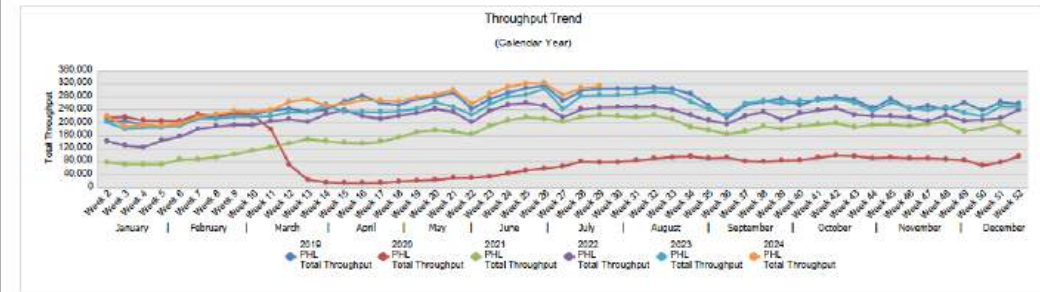
CBP PHILADELPHIA INTERNATIONAL AIRPORT 1108									
SCHEDULE OF FLIGHT ARRIVALS									
	23-Jul-2024			Tuesday					
AL	Flight	From	Sched	ETA	Crew	Total Pax	% US Pax	US Pax	Gate
*AA	729	LHR	12:45	13:01	12	282	66.7	188	A18
*AA	743	BCN	13:15	13:02	11	235	88.5	208	A24
*AA	259	LIS	13:40	13:20	11	236	90.7	214	A12
*AA	203	AMS	13:00	13:29	11	240	68.8	165	A23
*AA	741	MAD	14:05	13:53	11	232	69.8	162	A6
*AA	93	ZRH	14:35	14:49	11	234	77.4	181	A21
*AA	121	DOH	15:21	14:58	14	285	62.5	178	A19
*AA	9604	LHR	15:30		12	233	74.7	174	
*AA	719	FCO	15:40	15:42	12	285	93	265	A15
*AA	715	VCE	15:30	15:50	11	235	89.8	211	A8
4Y	50	FRA	16:00		10	283	63.3	179	
*AA	747	NCE	15:55	16:02	12	287	91.6	263	A20
*YX	4718	YQB	16:23	16:23		77	66.2	51	A2
*AA	755	CDG	16:20	16:24	11	234	79.5	186	A25
*AA	745	CPH	16:30	16:30	12	285	82.5	235	A6
*F9	90	CUN	16:30	16:30		242	78.6	190	
BA	67	LHR	16:35	16:36	14	376	75.9	285	
*AA	1738	PLS	16:50	16:50		129	98.4	127	A11
*AA	2175	CUN	17:19	17:19		195	84.1	164	A9
*AA	2641	PUJ	17:20	17:20		196	95.9	188	A10
*AA	857	MBJ	17:20	17:20		214	95.4	204	A13
*AA	759	ATH	17:00	17:50	12	286	99.3	284	A17
NK	2162	PUJ	18:16	18:16		186	94	175	A
*AA	781	NAP	16:10	18:19	11	237	95.4	226	A18
NK	1009	CUN	19:00	19:00		142	92.7	132	A
*AA	1116	CUN	19:30	19:30		192	88		A26
*F9	180	SDQ	19:56	19:56		191	58.2		

TSA Security Checkpoint Customer Volume and Movement Times

(07/22/2024 - 07/22/2024)

PHL: Philadelphia International

Airport	Throughput + KCM LY Same Weekday	Throughput + KCM This FY	% Change in Throughput + KCM	Throughput LY Same Weekday	KCM LY Same Weekday	Throughput This FY	KCM This FY	Max Non-PreCheck Wait Time	Max PreCheck Wait Time	% Thrpt Waiting < 15	% Thrpt Waiting 15-29	% Thrpt Waiting 30-44	% Thrpt Waiting 45-59	% Thrpt Waiting 60+
PHL	41,716	45,769	9.8%	40,463	1,253	44,478	1,322	24	9	68.8%	31.2%	0.0%	0.0%	0.0%



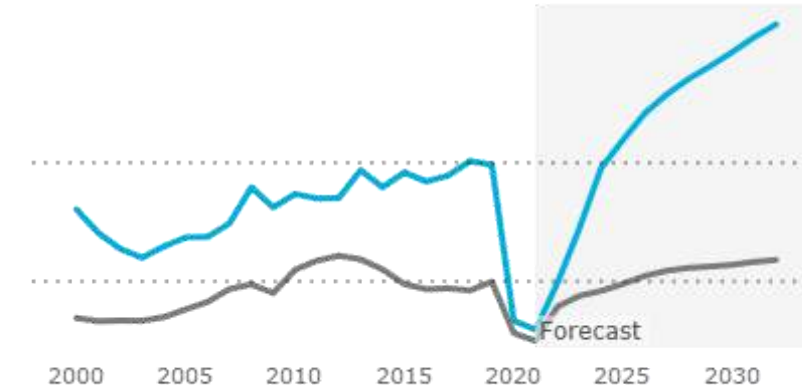
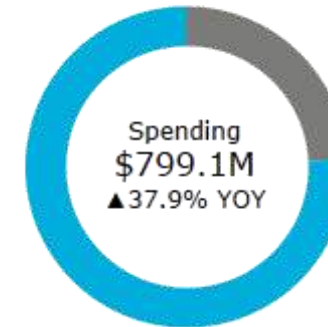
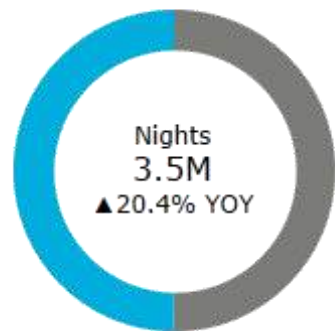
Air Services reviews CBP and TSA passenger data reports to make accurate trend assessments.

2024 Visitation Driven By Overseas Traffic – More Visits, More Nights, More Spending



Overseas North America

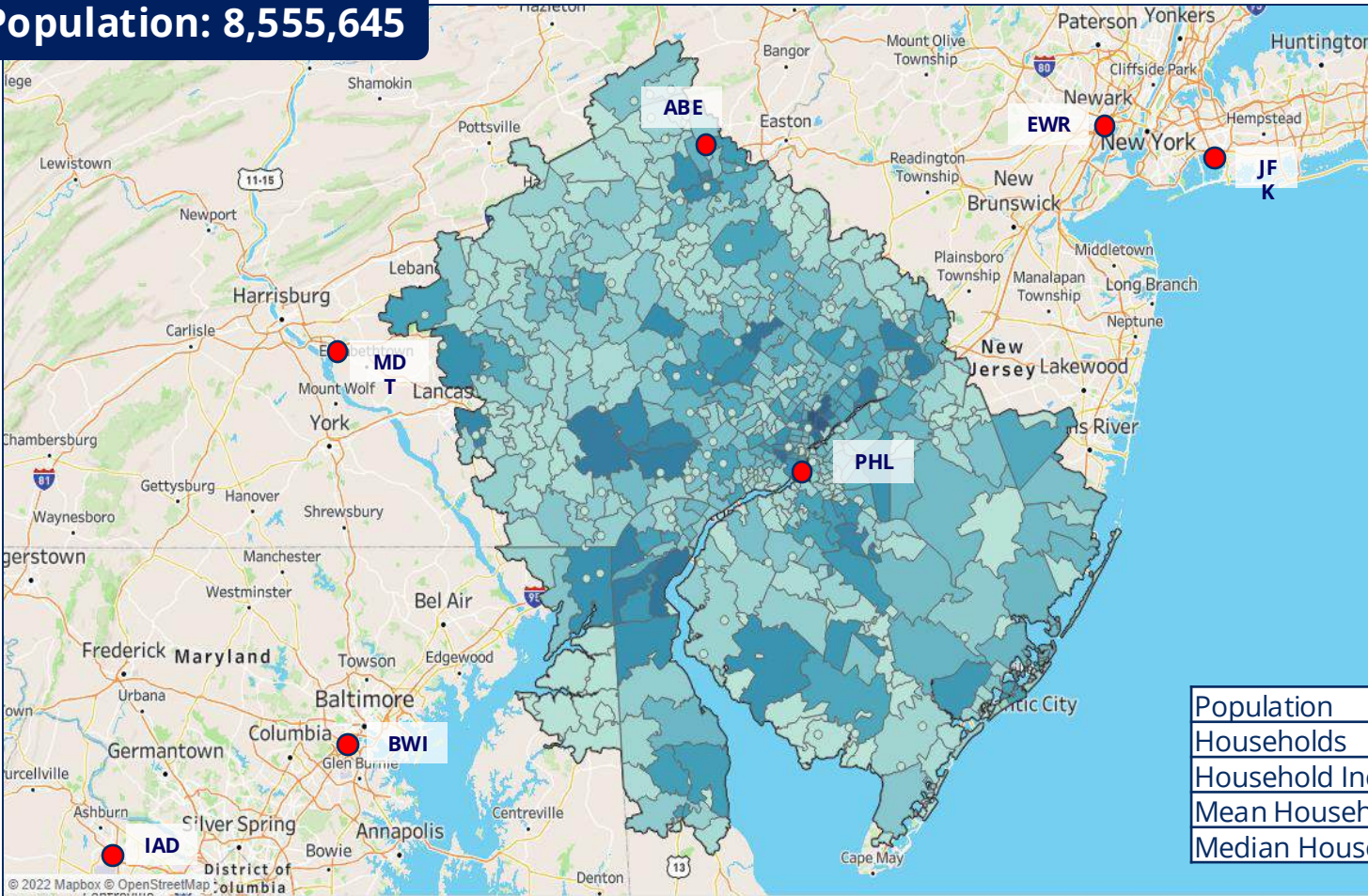
Multiple values



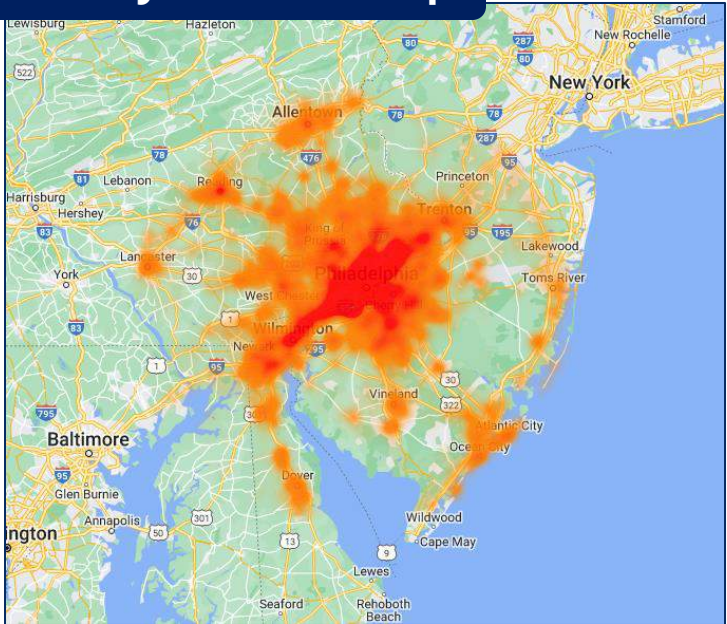
PHL's Primary Catchment Area Population Exceeds 8.5M



Population: 8,555,645



Mobalytics Data Map



Population	8,555,645
Households	3,304,120
Household Income (mil. \$)	\$377,041
Mean Household Income	\$114,112
Median Household Income	\$90,313

Note: PHL's Primary Catchment Area includes all locations where PHL is the closest major airport based on driving time
Source: U.S. Bureau of the Census, 2022 American Community Survey (5-Year)
Source: Buxton, Mobalytics data for YE May 31, 2024 within 60-mile radius of PHL



New Routes Added in 2024 and 2025



PHILADELPHIA INTERNATIONAL AIRPORT
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PHL 2024 Flights Update - Domestic

Domestic

Route Served by Additional Carriers

Chicago O'Hare, Illinois (ORD): May 21 –
Columbus, Ohio (CMH): May 22 –
Detroit, Michigan (DTW): May 16 –
Indianapolis, Indiana (IND): May 21 –
Kansas City, Missouri (MCI): May 22 –
Knoxville, Tennessee (TYS): May 16 –
Milwaukee, Wisconsin (MKE): May 16 –
Minneapolis, Minnesota (MSP): May 21 –
Pensacola, Florida (PNS): May 22 –
Pittsburgh, Pennsylvania (PIT): May 16 –
Portland, Maine (PWM): May 16 –
Salt Lake City, Utah (SLC): June 5 –
St. Louis, Missouri (STL): May 22 –
Buffalo, New York (BUF): June 6-
Norfolk, Virginia (ORF): June 5-

New Route –Single Carrier

San Antonio*, Texas (SAT): June 5 –

Landline

Up-gauged

Allentown (ABE), PA: May 6 -from 3xday to 5xday

Atlantic City, NJ (ACY): May 6 – from 4xday to 4xday

New Route

Wilmington, DE (ILG): Oct 7 – 4xday

Scranton, PA (AVP): Aug 6 – 6xday

PHL 2025 Flights Update - Domestic

Domestic

New Route –Single Carrier



Des Moines, IO (DSM): June 5 – 76px
10:55 a.m. & 06:30 p.m.



Omaha, NE (OMA): June 5 – 76px
11:00 a.m. & 06:30 p.m.



Hyannis, MA (HYA): June 19 / Sep 2 – 76px
10:50 a.m. (Cape Cod Gateway Airport)

Increased Frequencies

Panama City, FL (ECP): June 5 Daily vs 1/wk.

Landline – 4 Qtr. 2024

New Route

Wilmington, DE (ILG): Oct 7 – 4xday

Scranton, PA (AVP): Aug 6 – 6xday

Returning

Northwest Arkansas Regional Airport (XNA): Dec 19 –

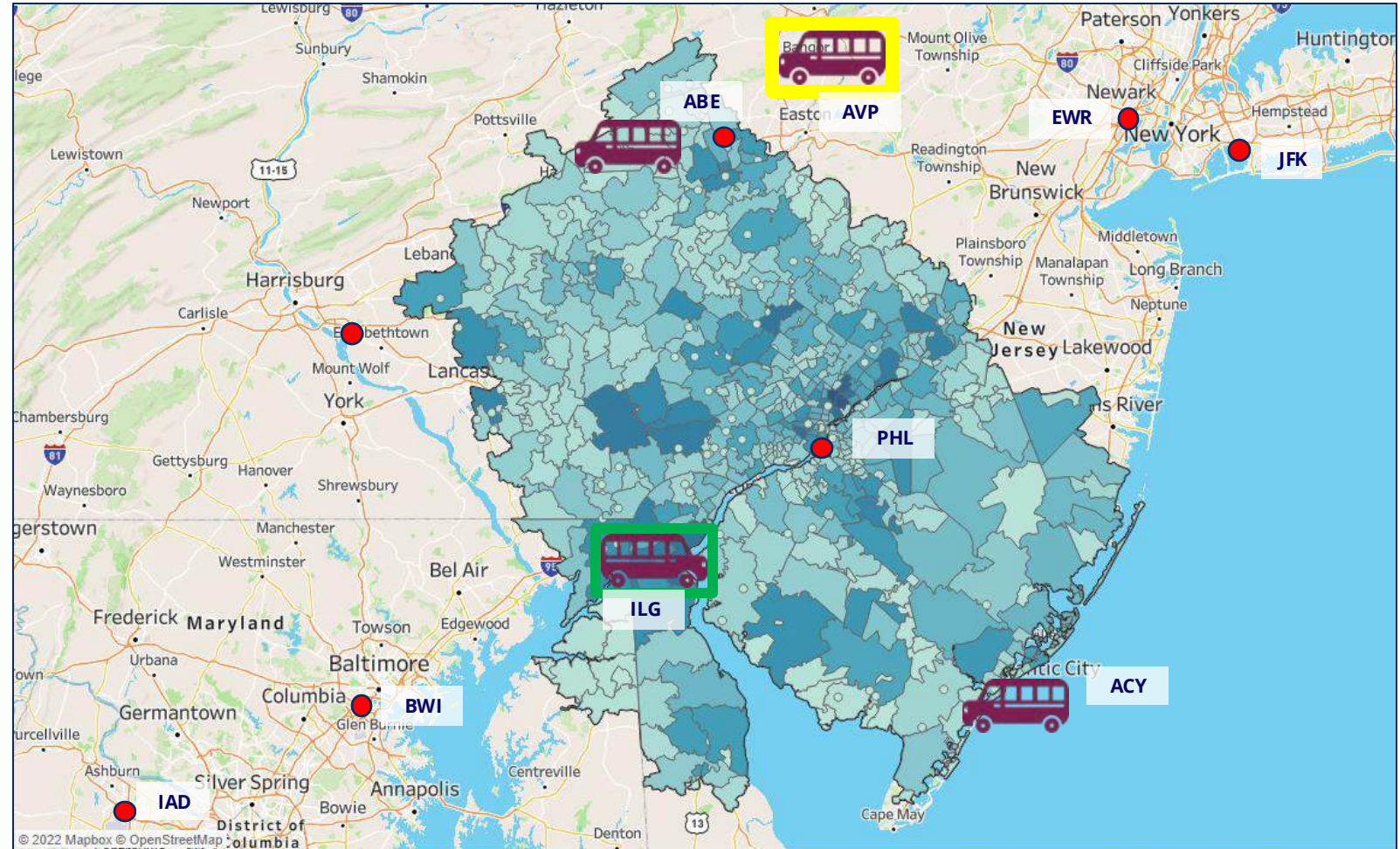
Route Served by Additional Carriers

"Air" Service Success



Customers arrive at ABE, ACY, AVP, and ILG check-in with American Airlines, clear security at their local airport, and then board their coach on the secure side of the terminal.

Landline's premium motorcoach experience offers many of the same amenities as a flight and is booked just like any other connecting flight in the AA network.



Evolving Our Passenger Service Incentive Program



An outline of the incentive program, see following slide for examples of routes where incentives have been used.

Markets	Incentives	Opportunities
International Level Two Markets Any international destination in Central America, South America, Africa, India Subcontinent, Middle East, East Asia, or Australia	Up to \$2.25M in incentives including activity fee waivers for years 1 and 2 of service, marketing funds and inclusion in PHL's destination marketing efforts.	<ul style="list-style-type: none">• Enrich incentives to keep pace with richer programs in other cities• Targeted fund managed by outside entities including incremental state funding
International New Entrant Carrier Any passenger air carrier that establishes year-round, daily nonstop international service	Up to \$1.25M in incentives including activity fee waivers for year 1 of service, marketing funds* and inclusion in PHL's destination marketing efforts.	<ul style="list-style-type: none">• Enrich incentives to keep pace with richer programs in other cities• Targeted fund managed by outside entities including incremental state funding
Expanded Service Any passenger air carrier expanding targeted international seasonal service from PHL as defined from the market definition table	Up to \$200k in waived activity fees.	<ul style="list-style-type: none">• Continue to layer in seasonal destinations
Regional Service Restoration Not an incentivized activity today	NA	<ul style="list-style-type: none">• Explore paths, including incentives or a fund, designed to bring multimodal connectivity into PHL• Stand up our own targeted, multimodal feeder networks

**Carriers that are both new entrants AND serving a new international destination can claim marketing funds only from new entrant incentive*

PHL 2024 Flights Update - International



International

Newly Added Routes 2024 (Seasonal)

Nice*, France (NCE): May 6 – October 5

Naples, Italy (NAP): June 5 – October 25

Copenhagen*, Denmark (CPH): June 6 – October 5

Barbados* (BGI): November 9

Guanacaste* (LIR): December 7 – March 30

Extended Routes 2024

Athens*, Greece (ATH): May 7 – September 4

Up-gauged Routes 2024 & Frequencies

St. Lucia (UVF): from 128 to 196 pax (1xw)

Turks and Caicos (PLS): April – Daily vs 1xw

Route Launched in December 2023

Santo Domingo, DR (SDQ): Dec 17 -

Year-Round 2024

Barcelona, Spain (BCN): Oct 2023

Lisbon, Portugal (LIS): Oct 2023

Domestic Routes are summer seasonal – Source Cirium

*Incentive approved

**Incentive pending

PHL 2025 Flights Update - International



International

Newly Added Routes 2025 (Seasonal)

Edinburgh, Scotland ** (EDI): May 23

Milan, Italy ** (MXP): May 23

Extended Routes 2025

Athens*, Greece (ATH): March 30th instead of May 7

Up-gauged Routes 2025 & Frequencies

Barcelona, Spain (BCN): from 234 to 285 pax (787-9)

Rome, Italy (FCO): from 234 to 285 pax (787-9)

Lisbon, Portugal (LIS): from 234 to 285 pax (787-9)

Route Launched Late 2024

Barbados (BGI):** November 9

Guanacaste (LIR):** December 7 – March 30

Returning 2024

Santo Domingo, DR (SDQ): Dec 7 (Returning)

Domestic Routes are summer seasonal – Source Cirium

*Incentive approved

**Incentive pending

PHL's Present Investment and Recovery 2023-2024



International - Extended season

American
Airlines



Barcelona – Route Economic Impact \$22.6 million
Lisbon – Route Economic Impact \$34.7 million



346,152 Additional Seats
214,844 New Routes
130,308 from Route Extensions

International - New Routes

American
Airlines



Copenhagen – Route Economic Impact \$31.9 million
Naples – Route Economic Impact \$25.3 million
Nice – Route Economic Impact \$37.1 million



\$150 Million Total USD Impact
\$94.2 Million from New Routes
\$57.3 Million from Route Extensions



600+ Jobs Created
395 Jobs Created from New Routes
238 Jobs Created from Route Extensions

International - Additional Pending

American
Airlines



Athens – Extension - APPROVED
Barbados – Approved – Starting 11/2024
Costa Rica – Approved – starting 12/2024

Non-incentivized

American
Airlines



St. Lucia – Up-gauged
Turks and Caicos – Daily



**Gracias – Thank you –
Danke – Obrigado – Merci
✈️ – Grazie - - شكریه - 谢谢-
Teşekkürler**

PHL PNE

PHILADELPHIA INTERNATIONAL AIRPORT
NORTHEAST PHILADELPHIA AIRPORT