



Air Service Trends and the Role of Communities

Colorado Airport Operators Association

Spring Conference 2026

Harrison Earl

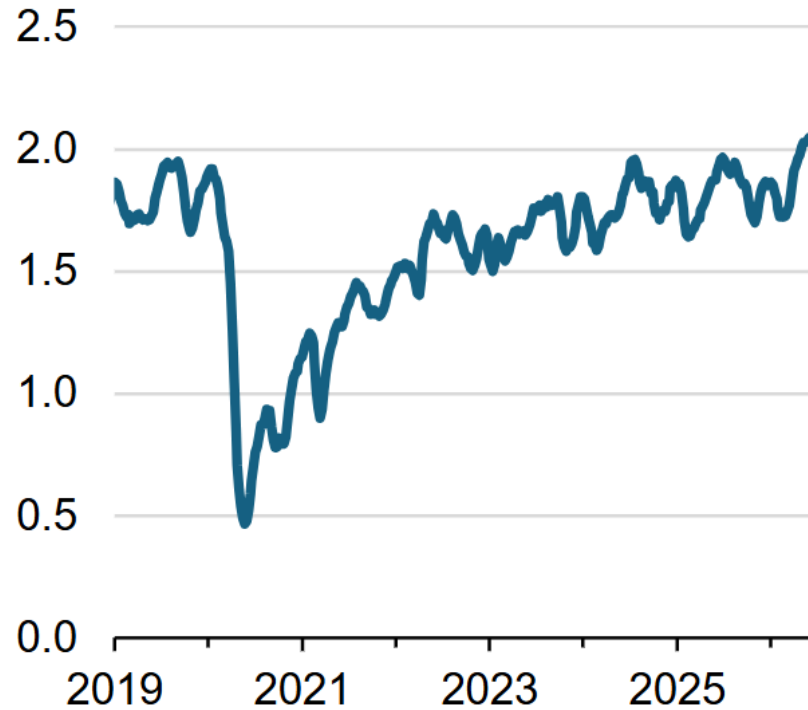
CMT Director of Air Service Development

Jon Jager

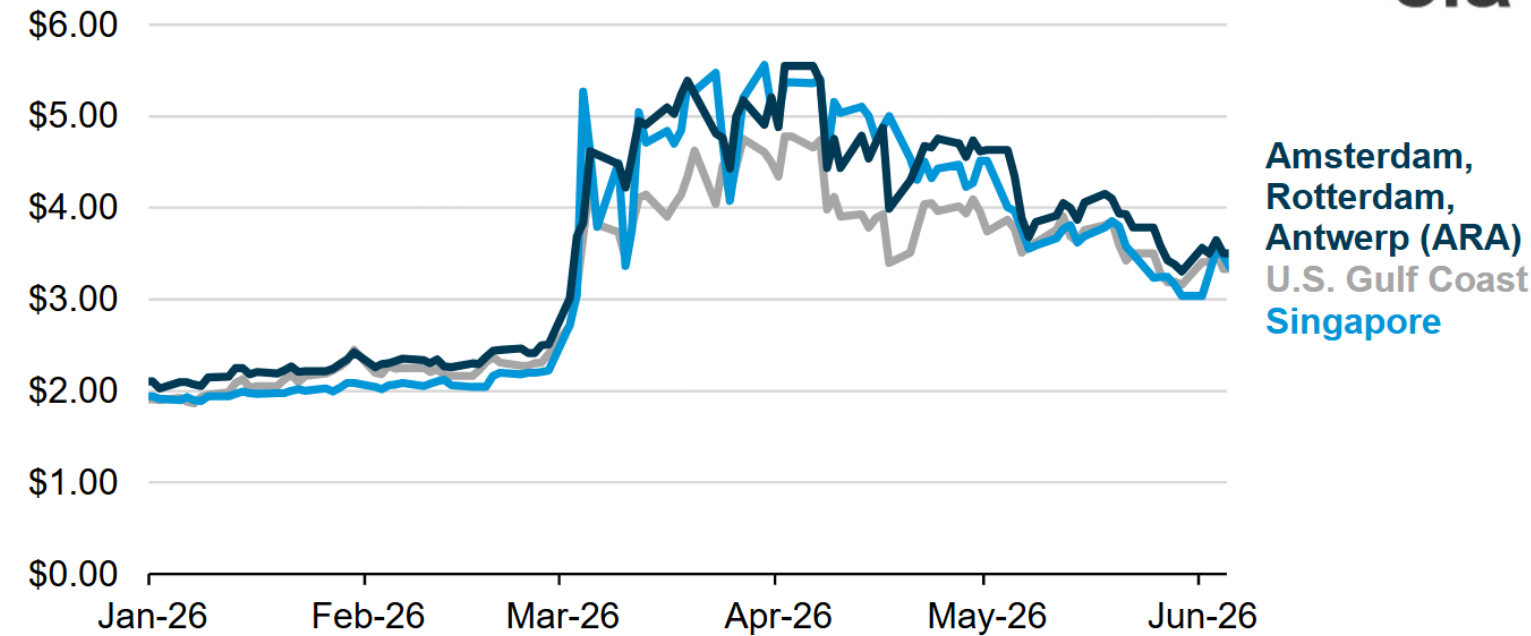
COS Air Service Manager

Fuel is Expensive

U.S. jet fuel production (four-week average, Jan 4, 2019–May 29, 2026)
million barrels per day



Regional daily jet fuel spot prices (Jan 1, 2026–Jun 4, 2026)
dollars per gallon



Amsterdam,
Rotterdam,
Antwerp (ARA)
U.S. Gulf Coast
Singapore

Just how bad is fuel?

- Delta expects to pay an additional **\$2 billion** for fuel just in the second quarter of this year
- Last year in the second quarter, Delta made a profit of **\$2 billion** – fuel could entirely wipe out profits



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And fuel is just one challenge

- Wage inflation
- Aircraft and engine supply chain constraints
- Rising costs at airports and elsewhere



But demand remains strong

“Corporate bookings over the next 90 days are up 20% to 30% from a year earlier across most geographies and industries...”

Shane Tackett, CFO Alaska Airlines, June 6, 2026

“With fares up though that much, there’s been no drop-off in demand at all.”

Bob Jordan, CEO Southwest Airlines, May 28, 2026

Airlines evolve or suffer



Delta and United are embracing a premium customer strategy



Southwest is changing nearly their entire business model



American is doing...something?



Allegiant pursued consolidation with Sun Country



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The combination of challenges can be overwhelming

- We've seen one failure already, bankruptcies and failures may continue

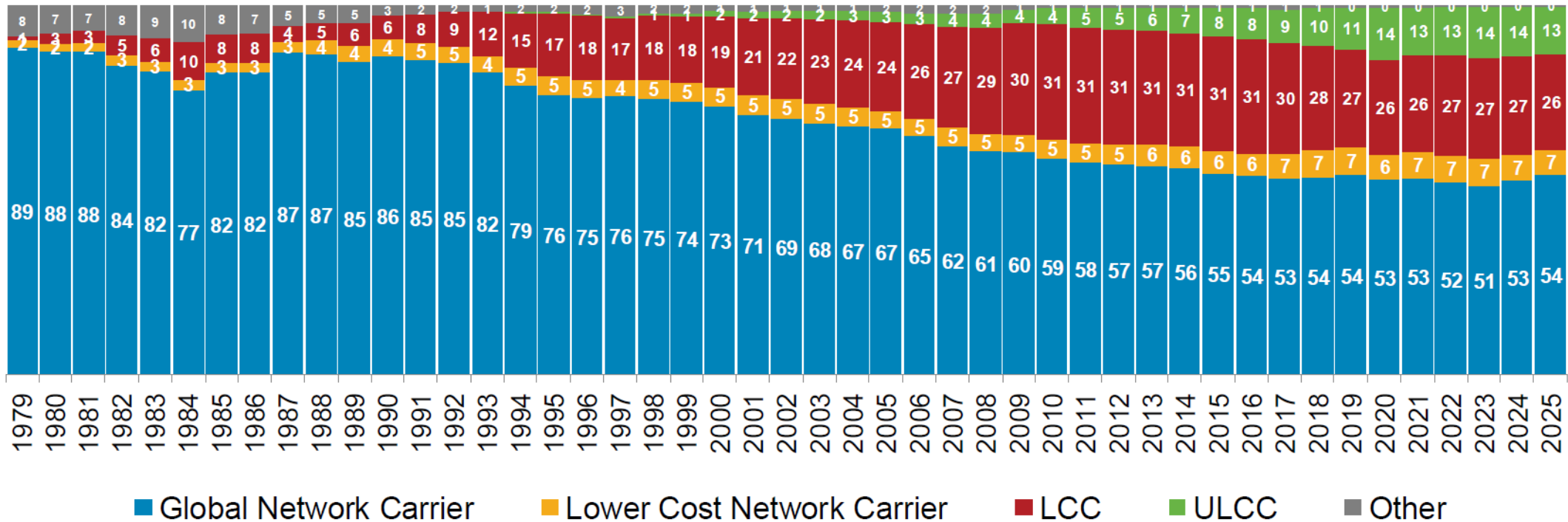


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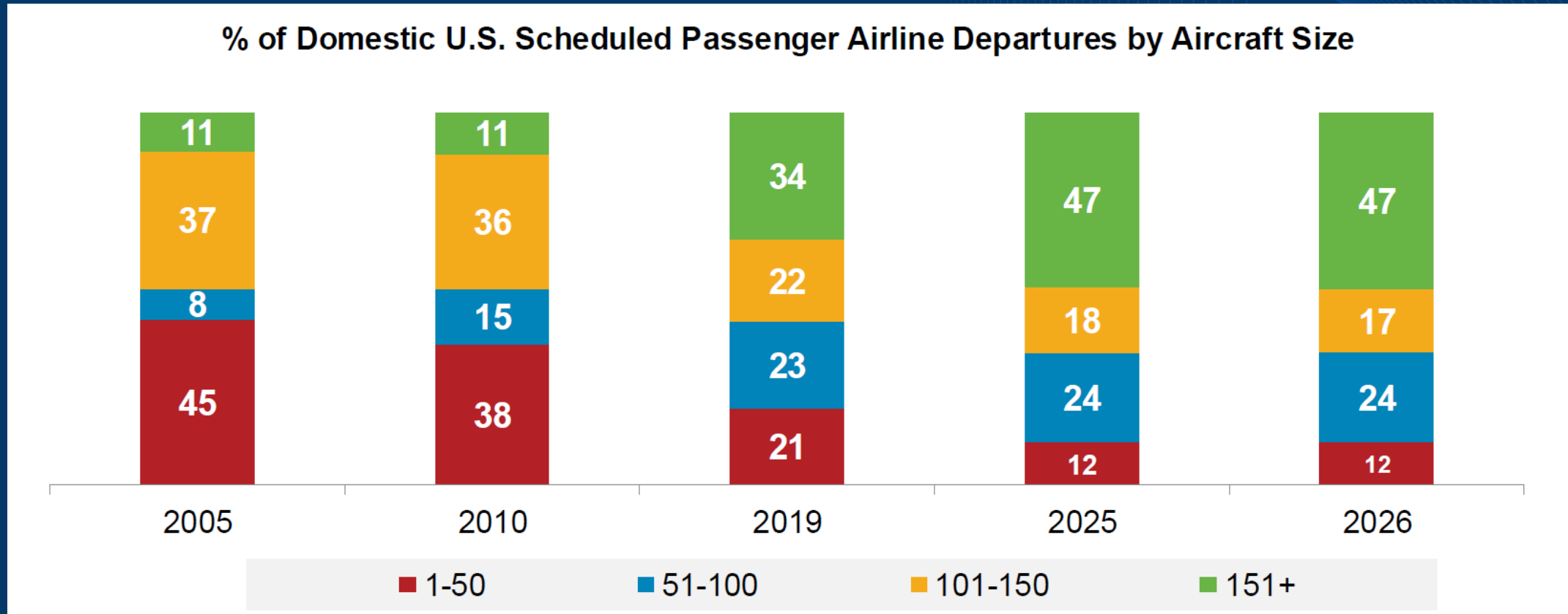


Longer-term, the growth of the ULCC business model is stalling and contracting

Share (%) of U.S. Domestic O&D Passengers by Airline Business Model

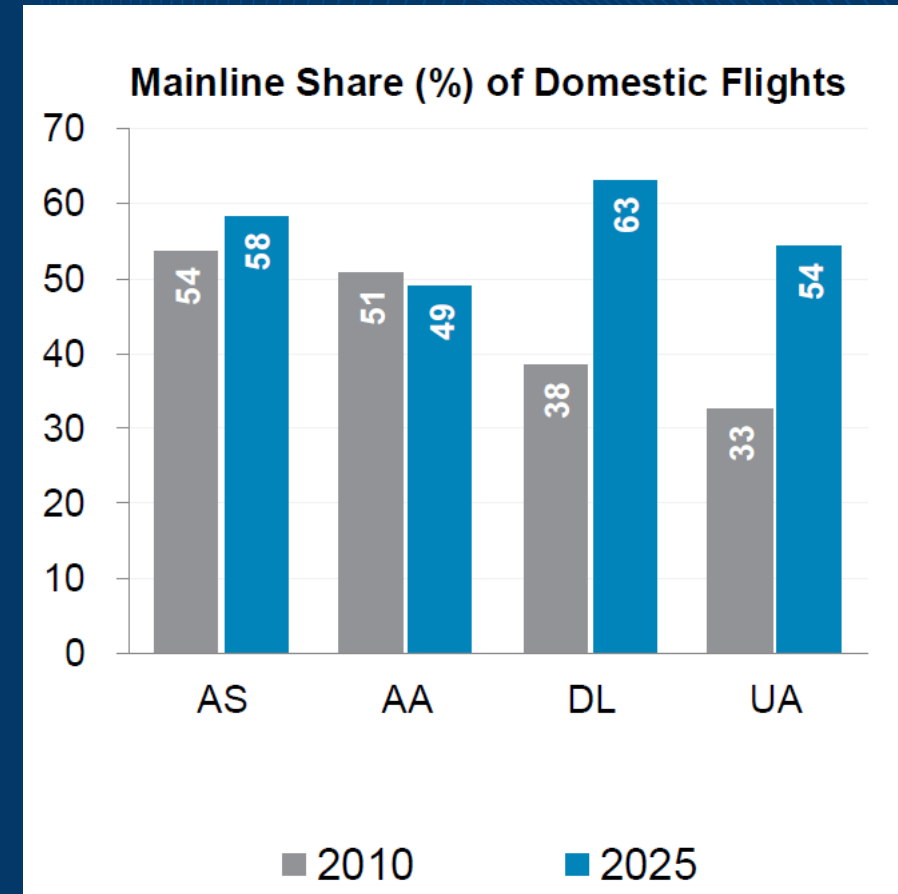


Aircraft continue to get larger, making it extra challenging for smaller markets



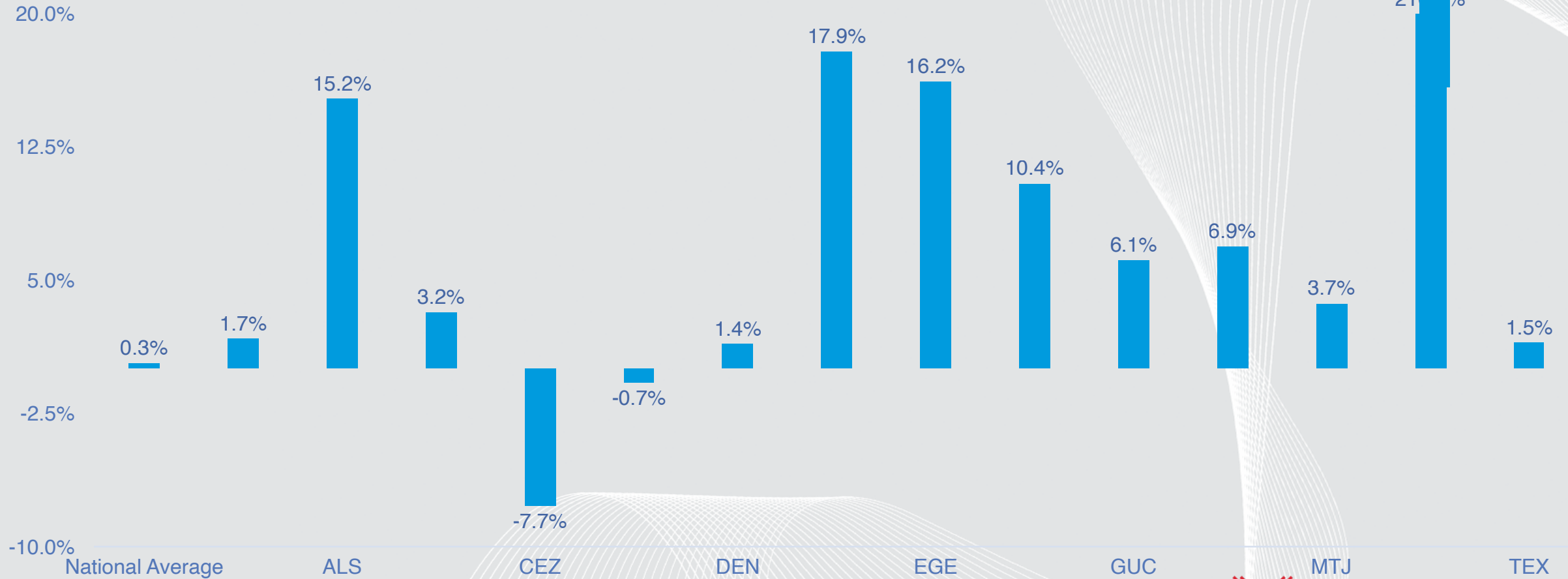
Shifting capacity back to mainline from regional

- Airlines are shifting to more mainline and fewer regional flights
- This can lead to reduced frequencies even as seat capacity rises

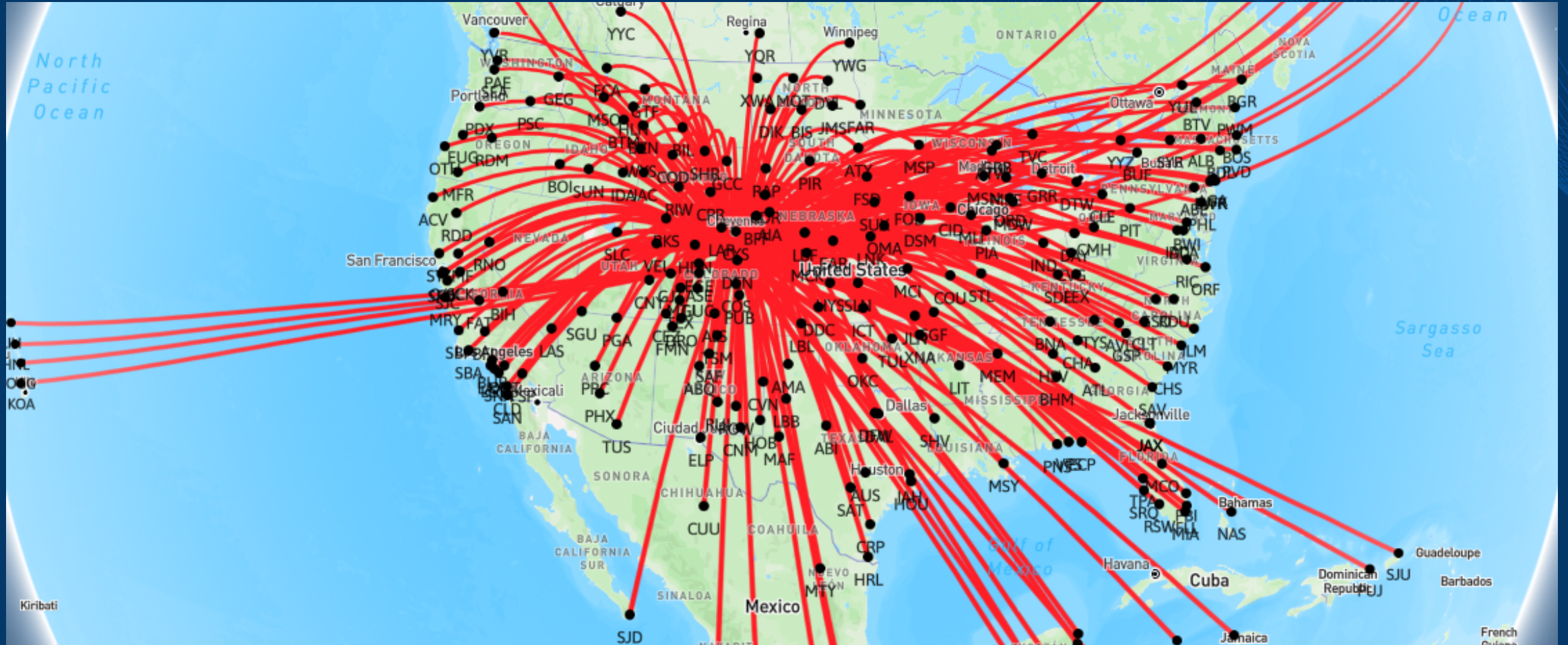


Colorado Airport Capacity Change

Domestic Seat Capacity Change
YE June 2026 vs. YE June 2025



DEN's growth connects Colorado to the World



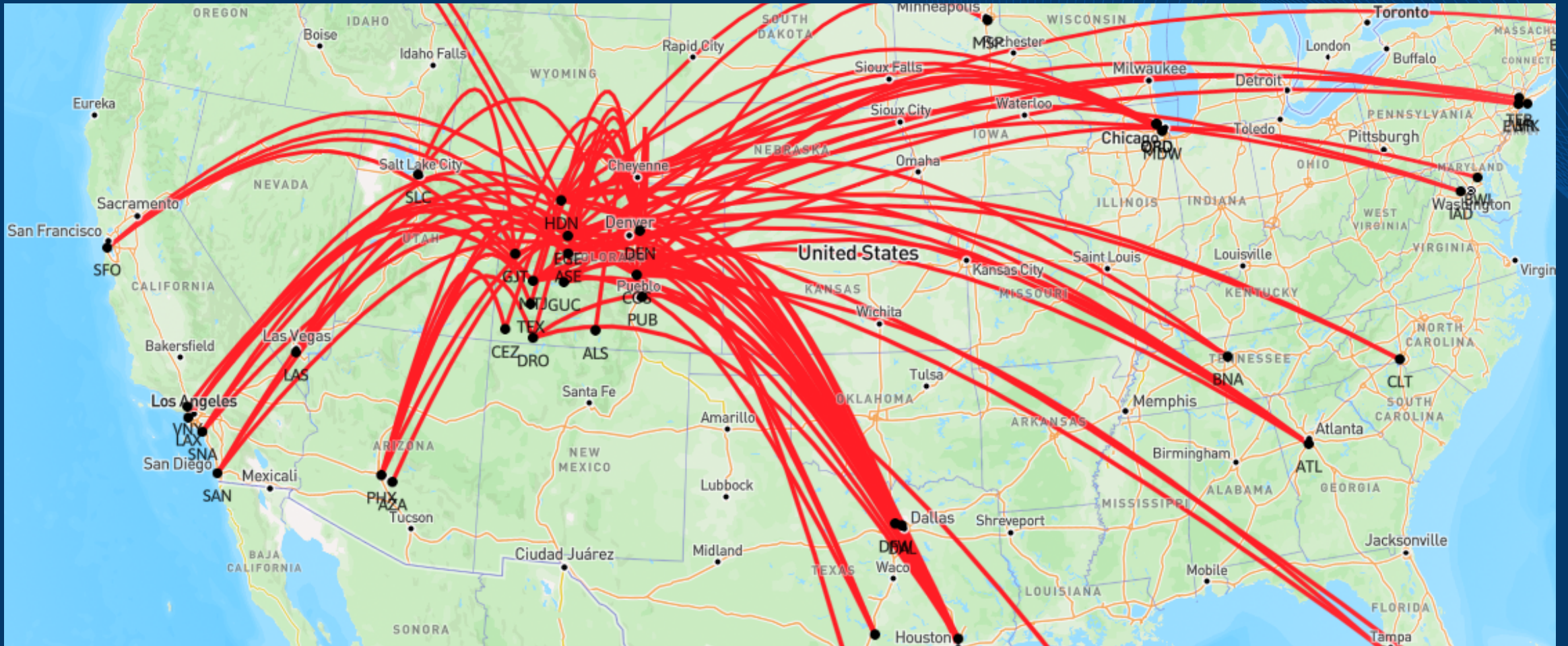
Source: Airline Data, Inc., YE June 2026



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Other Colorado Airports have service Coast to Coast



The role of community in air service development

- **Communities don't get service just because you want it; demand must be demonstrated and proved**
- **Air service is not just an airport project, it is a community project**



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How communities can help

- Involvement of local chambers and economic development agencies
- Businesses demonstrating their needs and then using new service once it starts
- Providing funding support to offset airline risk



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