



Allegheny County Airport Authority



Air Service Update

June 27, 2025

Airline CEOs warn about slowing domestic travel demand, citing economic headwinds



What they're saying: "With broad economic uncertainty around global trade, growth has largely stalled," said Delta CEO Ed Bastian. "In this slower-growth environment, we are protecting margins and cash flow by focusing on what we can control. This includes reducing planned capacity growth in the second half of the year to flat over last year while actively managing costs and capital expenditures."



American Airlines CEO Robert Isom on Q1 results: Uncertainty is the word of the day STREAM CNBC

"We came off a strong fourth quarter, saw decent business in January and really domestic leisure travel fell off considerably as we went into the February time frame," CEO Robert Isom told CNBC's "[Squawk Box](#)" on Thursday.



The domestic market is currently the softest travel market, with airlines having to stimulate demand with lower fares. And consumer spending is the weakest among lower-income households.

Southwest said bookings softened throughout the March quarter in domestic leisure travel, where the airline has more exposure compared to its rivals like Delta and United.



United plans to trim domestic capacity by about 4% starting in the third quarter. That includes off-peak domestic flights, where demand has dropped the most. Rival [Delta Air Lines](#) as well as [Frontier Airlines](#) are also [cutting their growth plans](#) this year because of weaker-than-expected domestic bookings.

"The weakest region that we have is domestic," United Airlines CEO Scott Kirby said in an interview with CNBC's "[Squawk Box](#)" on Wednesday. He said the second-weakest segment is Canada, where United and other carriers have scaled back flights due to [falling demand this year](#)

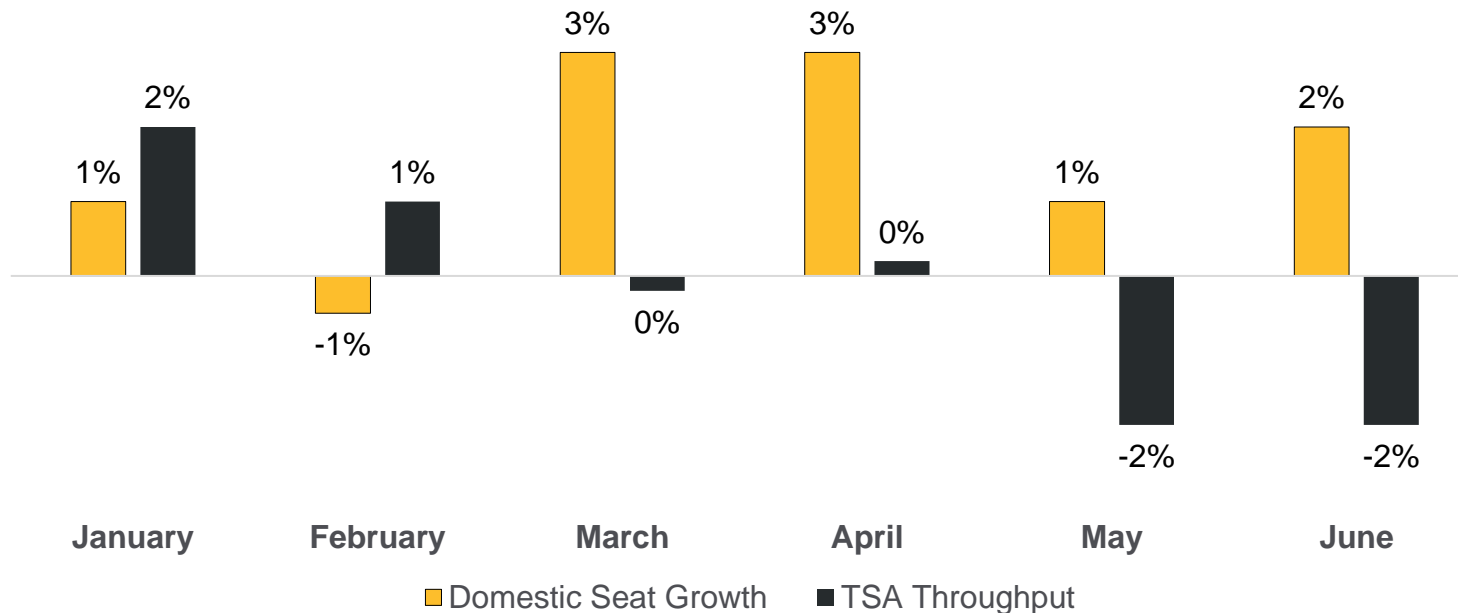


"Over the past few months, we've discussed how economic uncertainty has shaken consumer confidence and softened travel demand — hurting our plans for the year," Geraghty said in an internal memo seen by MarketWatch.

"We're hopeful demand and bookings will rebound, but even a recovery won't fully offset the ground we've lost this year and our path back to profitability will take longer than we'd hoped," Geraghty said.

Driven by uncertainty, nationwide consumer demand is being outpaced by capacity growth

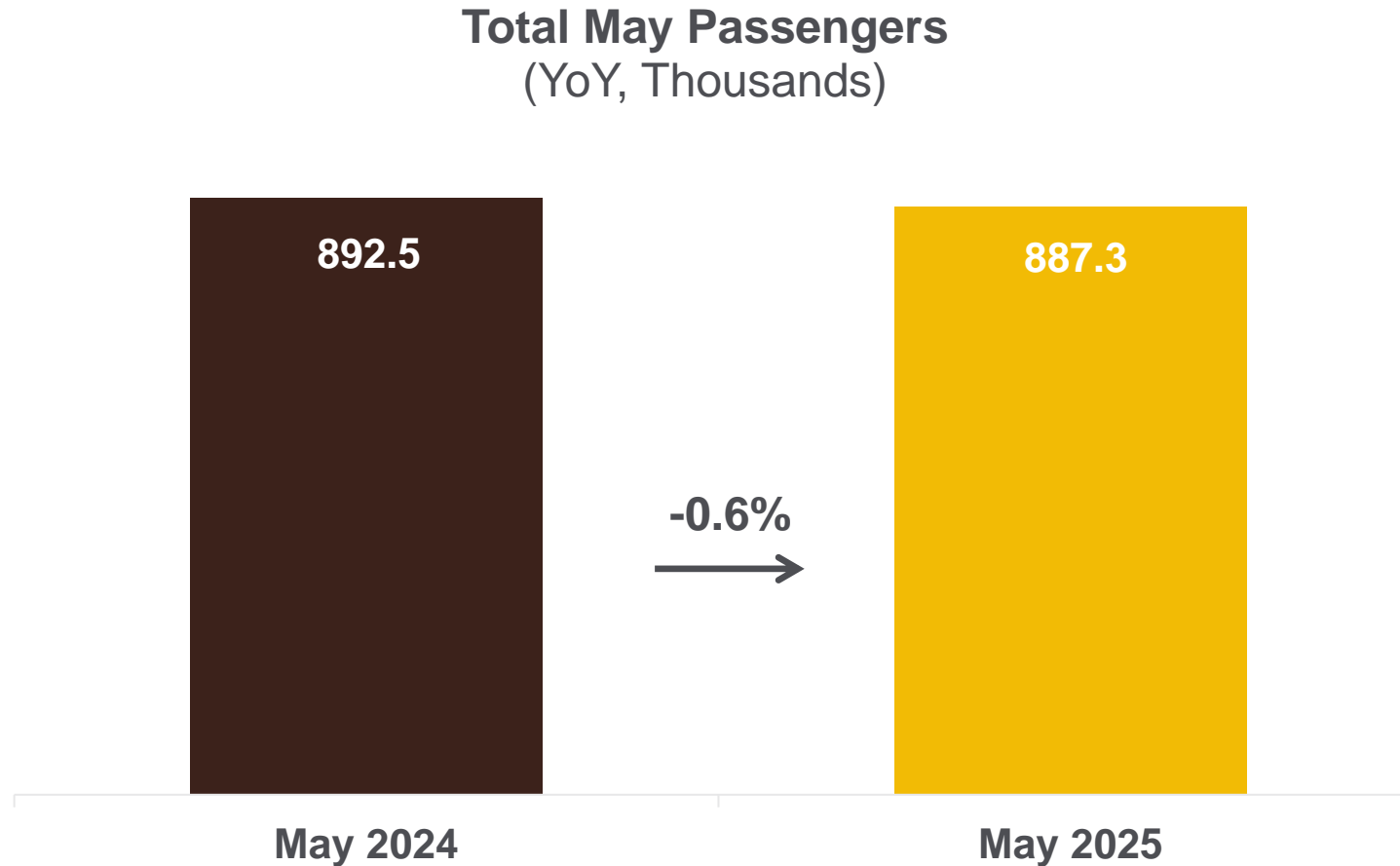
Domestic Capacity vs. National TSA Throughput
Year-over Year Comparison
January-June 2025



2%

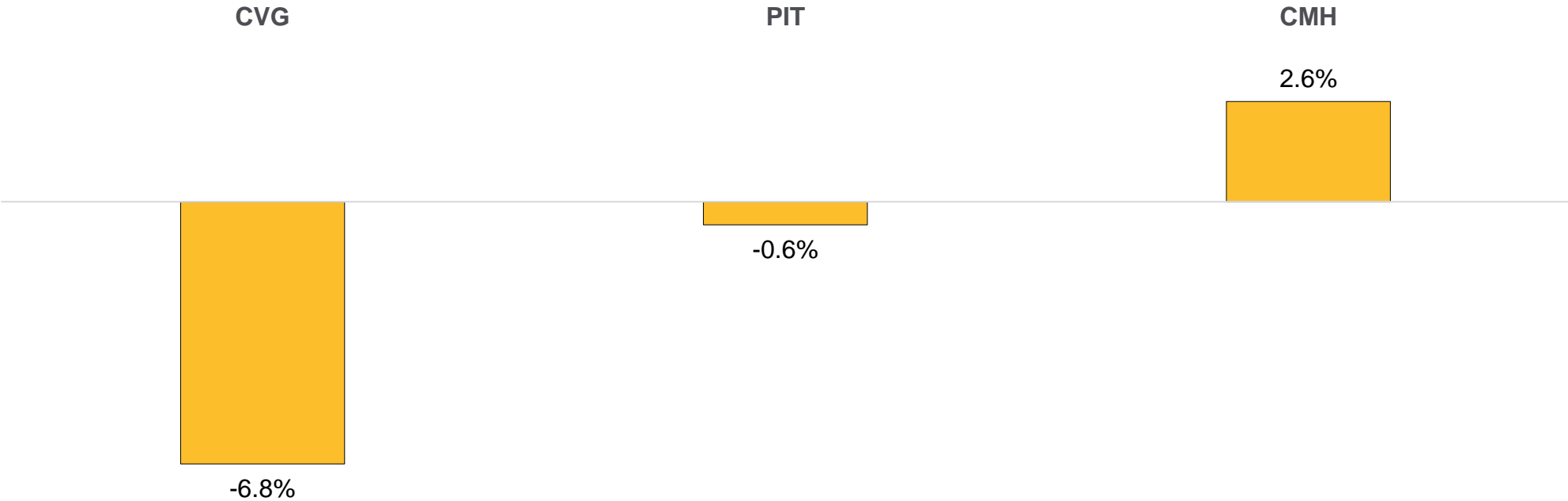
reduction in U.S. TSA throughput despite a 2% *increase* in domestic seat capacity during the first half of June

Passenger traffic saw a small decrease in May due to headwinds



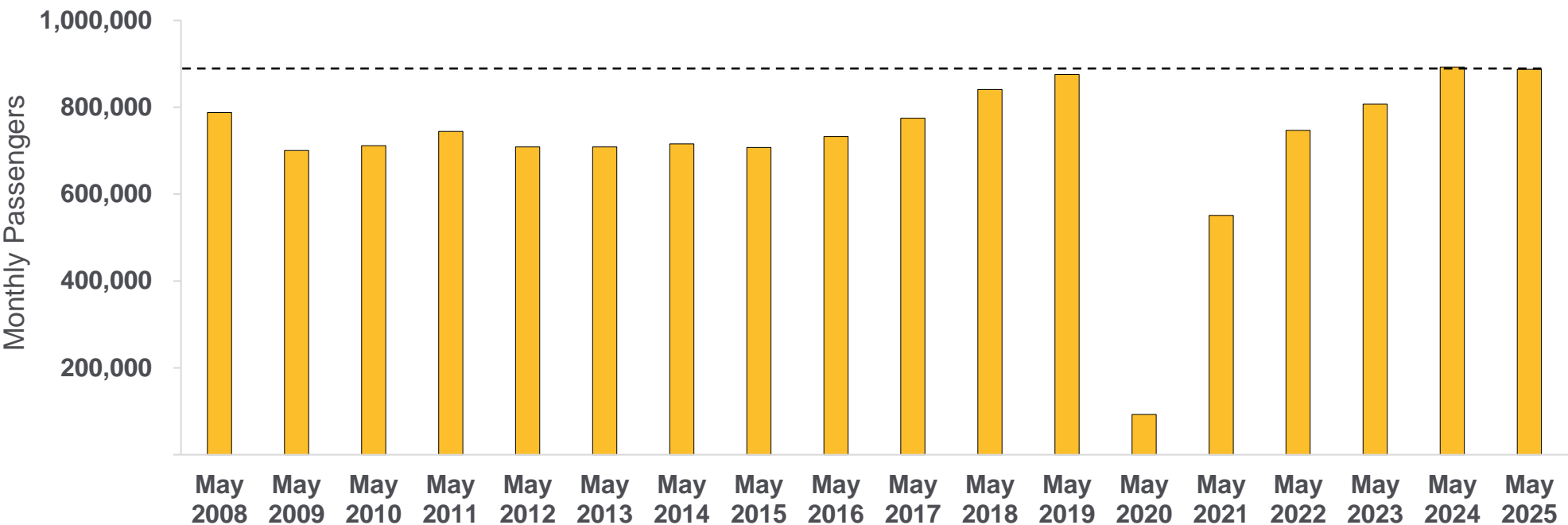
Meanwhile, PIT is seeing less of an impact than some peers due to a diversified carrier strategy

PIT vs. Peers YoY Change in Passenger Traffic
(May 2025 vs. May 2024)

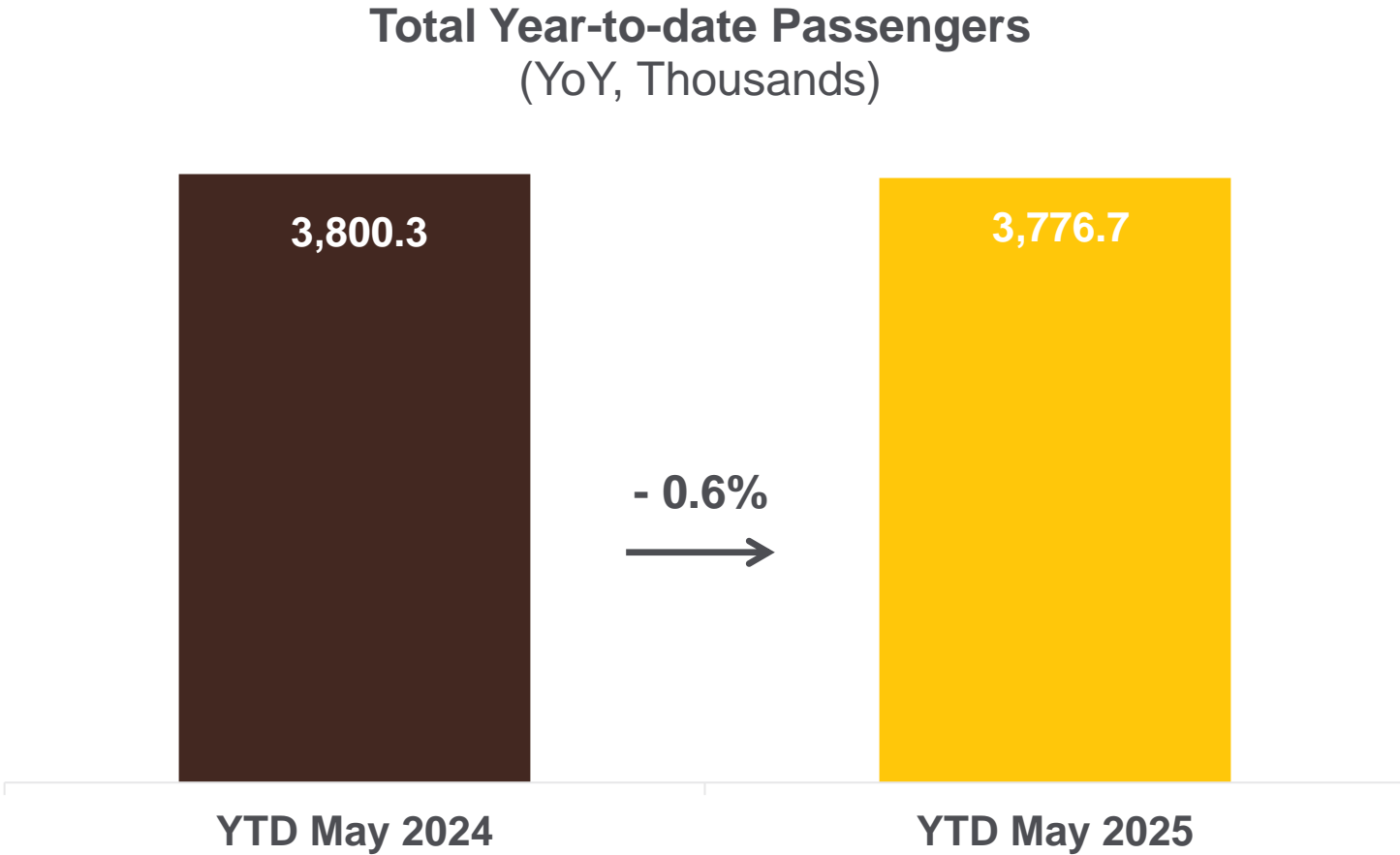


However, last month marked the second busiest May in nearly 20 years at PIT

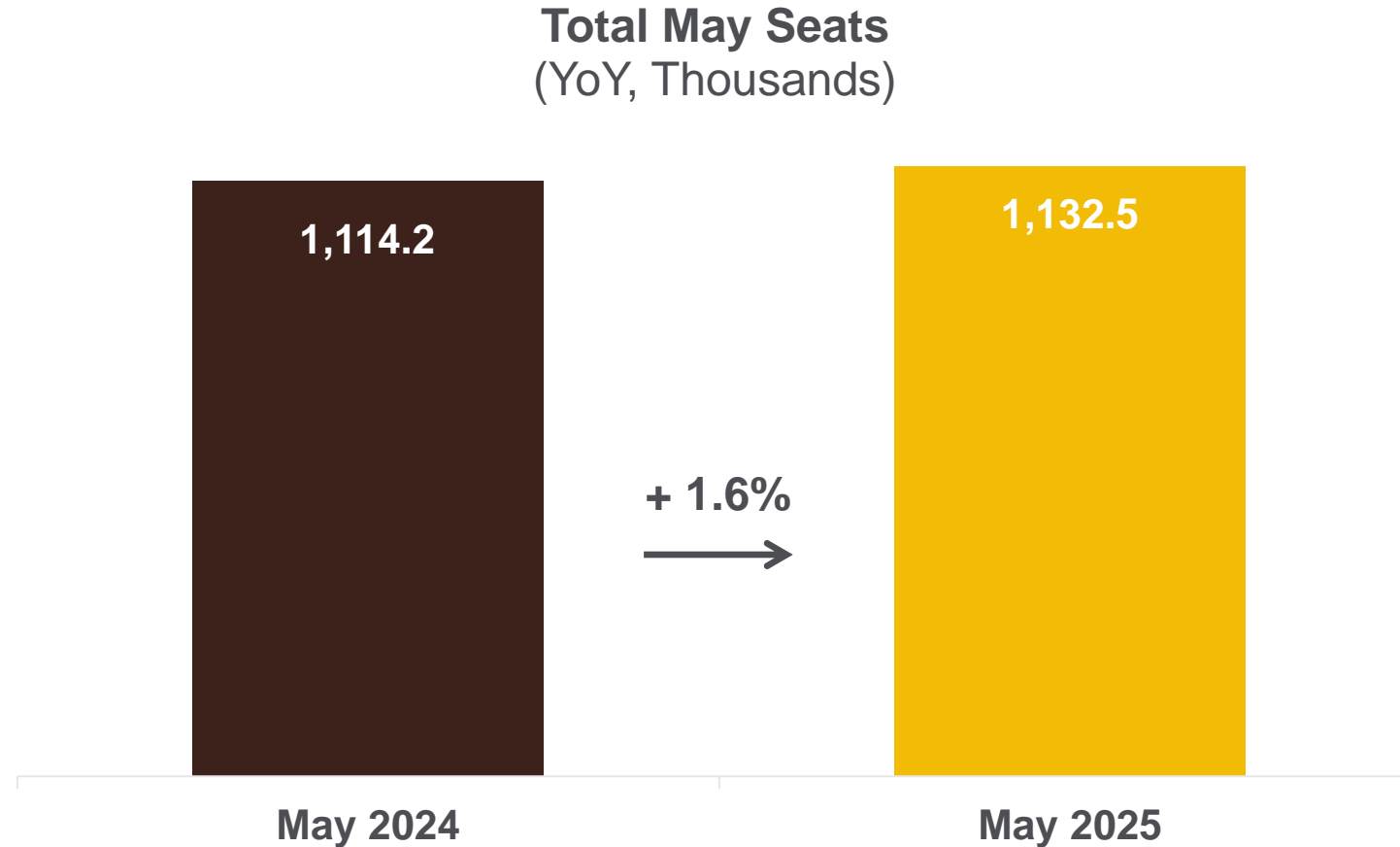
PIT Historical May Passenger Traffic
(2008-2025)



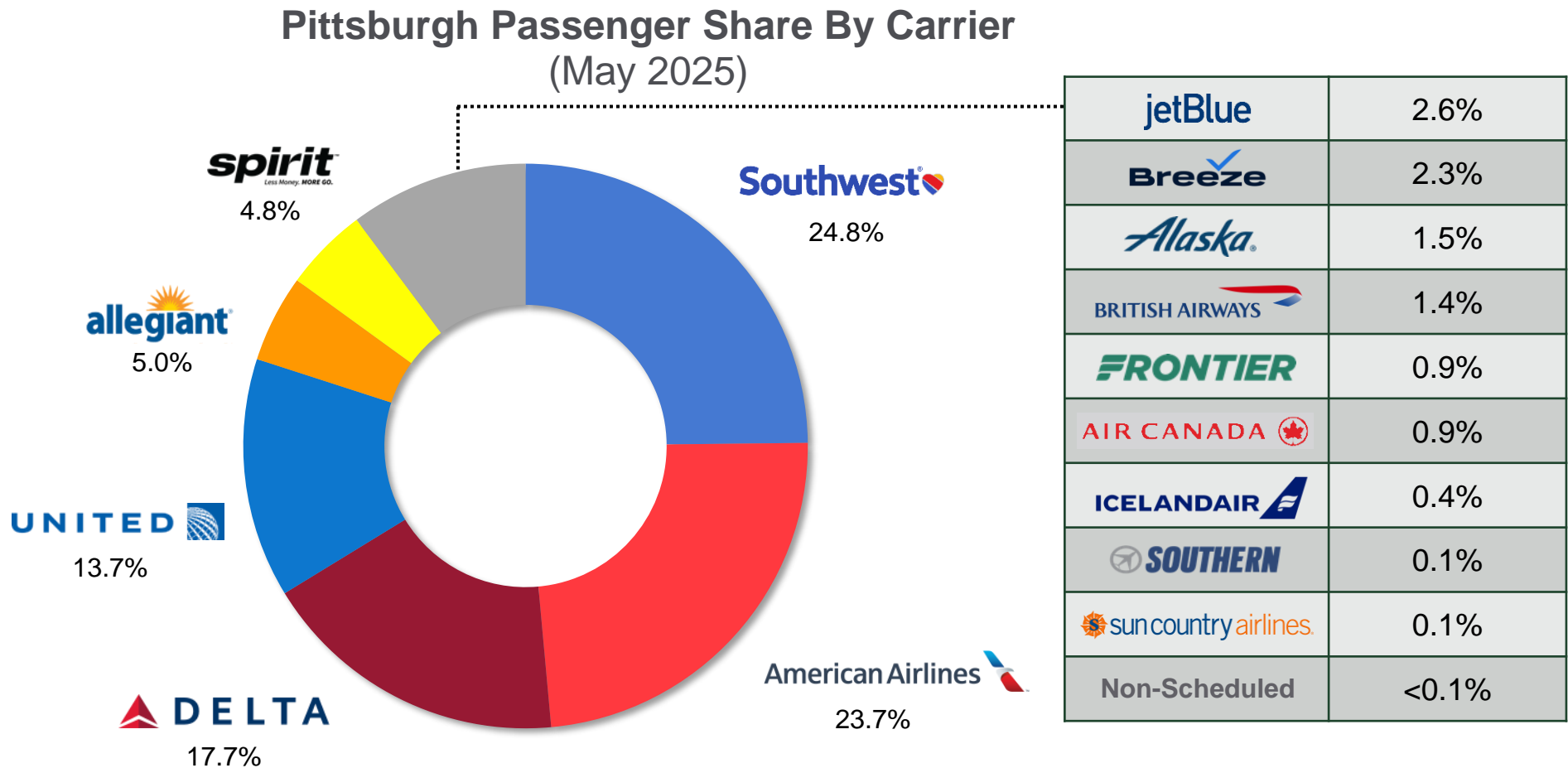
PIT has served nearly 3.8 million passengers year-to-date, reflecting a slight decrease



Airline capacity increased 1.6% in May 2025, driven by new routes and seasonal resumptions



Southwest holds the largest market share at PIT



SOURCE: Allegheny County Airport Authority (Note: Values are rounded)



PIT Modernization Update

June 27, 2025

Progress on PIT's modernization continues as we near opening day this fall





PIT's modernization is 91% complete

- **Interior high ceiling now complete**
- Security checkpoint system installation
- Arrivals level flooring and specialty ceilings
- Exterior tree column painting
- In-terminal signage installation



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June

July

August

Departures level high ceiling complete

Baggage handling system integrated acceptance testing

Terrazzo flooring installation in new terminal complete

Energization of power throughout parking structure

Surface parking lot concrete and asphalt paving continues

Arrivals level ceiling installation complete

Freight elevators complete and available for use

Security checkpoint installation complete

Parking structure branding and line painting begins

Technology testing and racking of equipment

Terminal elevator and escalator installations complete

Parking guidance system testing and commissioning

Fire alarm system completion, ready for occupancy testing

Parking structure and CSB canopy completion

Elevator installation in parking structure



Thank you

June 2025



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