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**THE 30,000 FOOT VIEW: COMPETITION AND REGULATION IN THE U.S. AIRLINE INDUSTRY**
**STATEMENT OF CHRISTOPHER T. SUNUNU, PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO), AIRLINES FOR AMERICA**
**BEFORE THE**
**U.S. HOUSE COMMITTEE ON THE JUDICIARY, SUBCOMMITTEE ON THE ADMINISTRATIVE STATE, REGULATORY REFORM, AND ANTITRUST**

**June 24, 2026**

Good afternoon, Chairman Fitzgerald, Ranking Member Nadler and members of the Subcommittee. My name is Chris Sununu, and I am the President and CEO of Airlines for America (A4A). Thank you for inviting me here today, and on behalf of all our A4A members[1], I appreciate the opportunity to participate in the Subcommittee's examination of "The 30,000 Foot View: Competition and Regulation in the U.S. Airline Industry".

Commercial aviation drives 5% of U.S. GDP and helps support more than 10 million U.S. jobs. We operate the safest mode of transportation with an average of 28,000 flights, carrying 2.7 million passengers and 61,000 tons of cargo every day across the globe.

Robust competition in the U.S. airline industry has generated unprecedented levels of affordability and accessibility, benefitting the customer at every level. There are few industries that match the airline industry's record when it comes to consumer choice, which is why air travel has transitioned from a luxury good available to the few to an indispensable freedom enjoyed by the vast majority of Americans from diverse economic, cultural, racial and geographic backgrounds.

**Today--Consumers Have More Choices for both Domestic and International Travel Than Ever Before.**

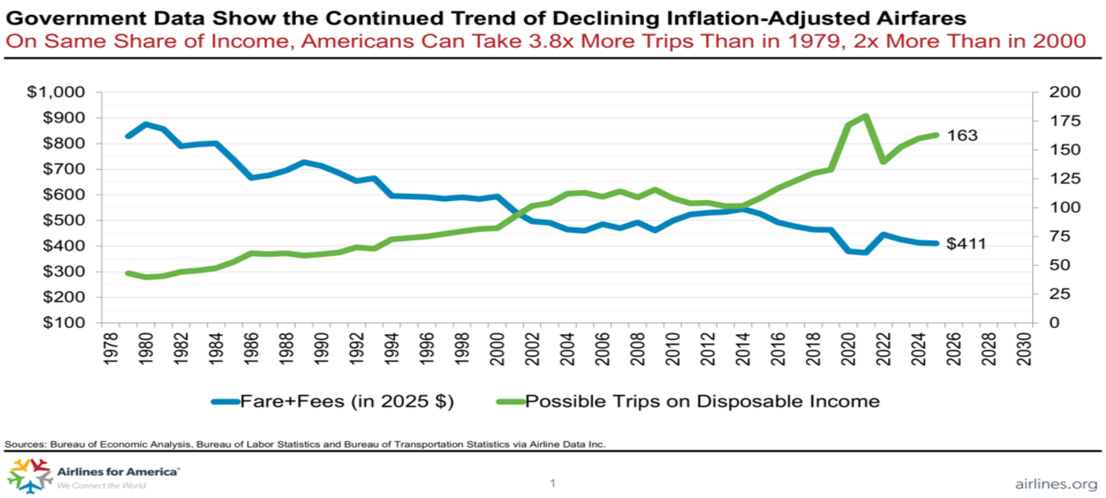
Choices have broadly expanded for consumers during the period since consolidation began (and new entry continued), the airlines created significant new service products, including basic economy and premium economy while upgrading business class. And despite the pandemic setback, airline capacity has increased. Further, the fact (outside the COVID-19 pandemic) that the airlines are not routinely facing a risk of bankruptcy has given the confidence and financial wherewithal to invest in the long term (especially new planes, ground equipment, airport amenities, mobile apps). In fact, the 13-year stretch from November 2011 (American Airlines) to November 2024 (Spirit Airlines) represent the longest stretch in memory without a major airline bankruptcy filing. As evidenced by the American Customer Satisfaction Index (ACSI®) and other independently conducted surveys, airline industry customer satisfaction ratings are at record levels. Unbundling has given consumers a greater choice, including very-low-fare basic economy. And including ancillary fees, real fares have continued to decline, due in large part to the low barriers to market and route entry.

The increasing role of ancillary pricing has benefited consumers by allowing carriers 1) to offer lower prices to price-sensitive passengers and 2) to tailor products to consumer demand. Contrary to common misperception, however, it was not brought about by consolidation. Unbundling is a global phenomenon that commenced in earnest in 2008 amid the Great Recession. It was pioneered by lower-cost carriers such as People Express in the 1980s and Ryanair, easyJet, Frontier, Spirit, WestJet and others. For example, Canada has seen little recent consolidation, but ancillaries are just as critical to service offerings by network carriers and LCCs relative to their U.S. counterparts.

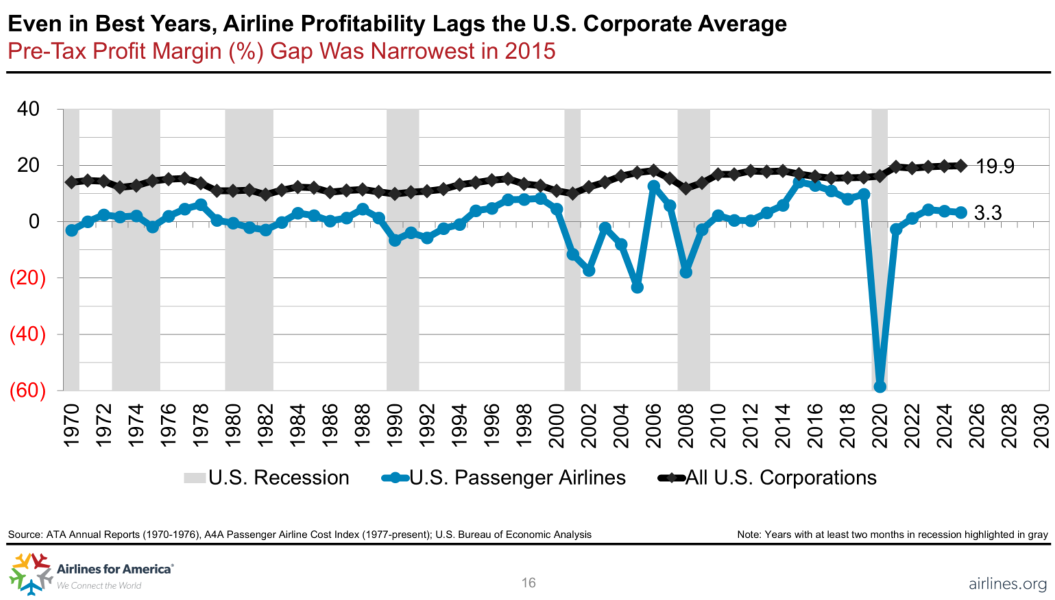
[1] A4A is the trade association for the leading U.S. airlines, both passenger and cargo carriers. Members of the association are Alaska Airlines; American Airlines; Atlas Air; Delta Air Lines; FedEx; JetBlue Airways; Southwest Airlines; United Airlines; and UPS. Air Canada is an associate member.

**Airfares (including ancillaries) are at historic lows in real terms, a welcome relief at a time of runaway inflation for basic goods and services.**

Because deregulation enabled airlines to compete aggressively on pricing instead of having the government dictate the price, inflation-adjusted **airfares (including ancillaries) reached an all-time low (**excluding the pandemic-stricken years 2020-2021) in 2025.

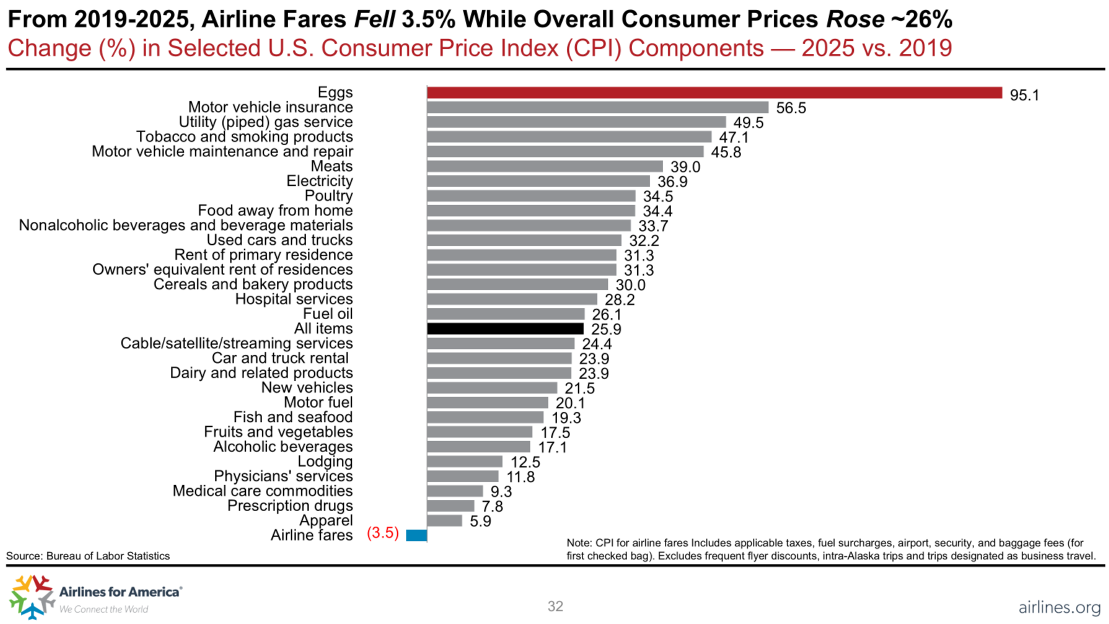



The never-ending competition and pressure to provide low-fare options—even amid rising costs and reinvestment—keep downward pressure on airline profit margins even in the best of times.



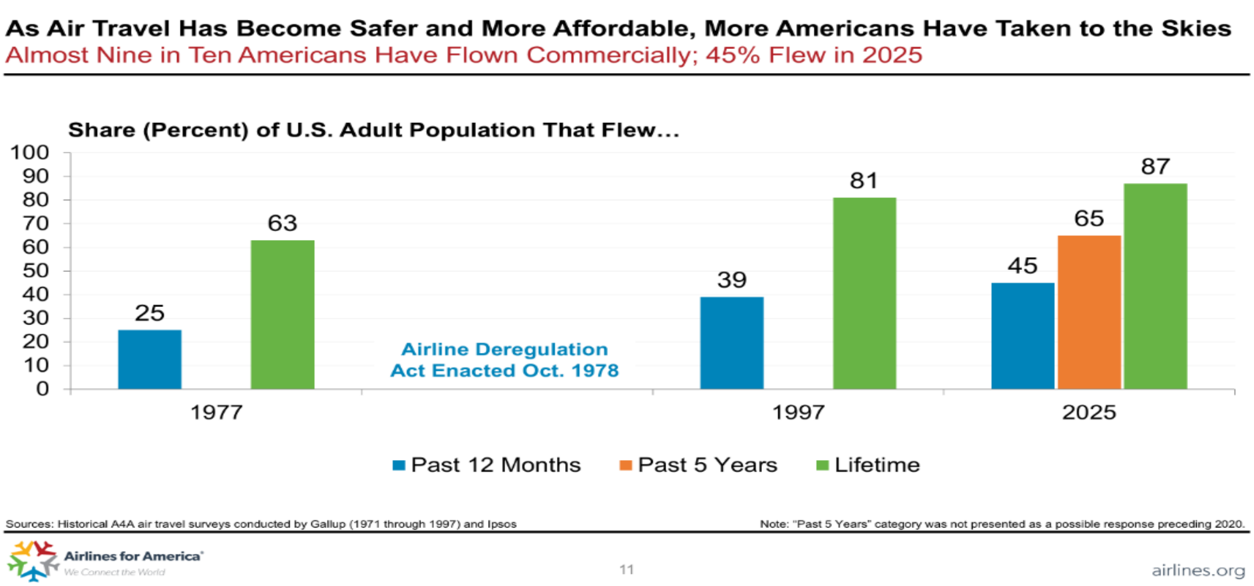

Data from the Bureau of Labor Statistics shows that from 2019 to 2025, overall consumer prices, as measured by the U.S.

**Consumer Price Index, rose 26%; in striking contrast, the CPI's airline fares component fell 3.5%.**




**More customers are flying than ever before and customer satisfaction is at all-time highs.**

Thanks to the broad decline in the price of air travel stemming from deregulation decades ago, as well as the competitive forces and service innovation it unleashed, it is no surprise that a greater share of Americans are taking to the skies than ever before, with 45% of adults reported taking at least one airline trip in 2025 compared to just one out of four in 1977.



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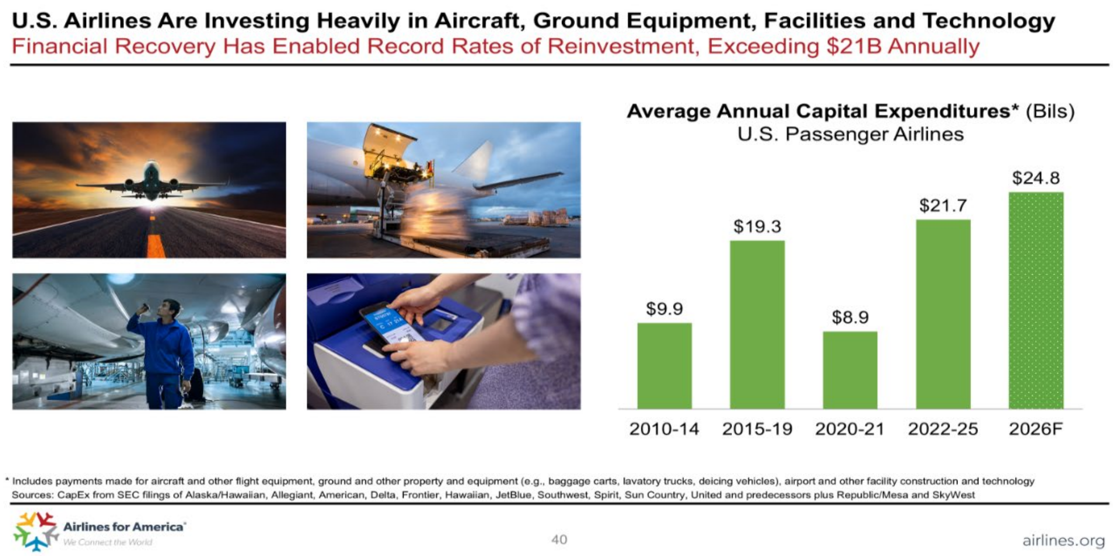
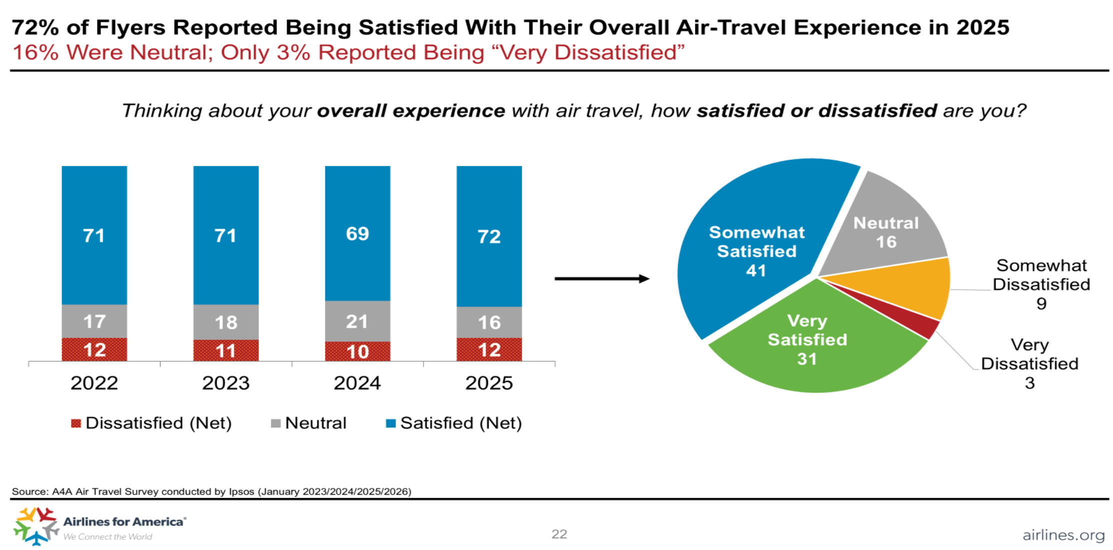
With most airlines now on firmer financial footing, they have invested extensively in products and people, including record capital expenditures in aircraft, ground equipment, facilities and technology.




Thanks to these ongoing investments, newfound financial stability and customer-service innovations, a January 2026 survey conducted by Ipsos (and commissioned by A4A) found that 72% of American adult flyers reported being “very” or “somewhat” satisfied with their overall all-travel experience in 2025. Only 3% reported being “very dissatisfied.”

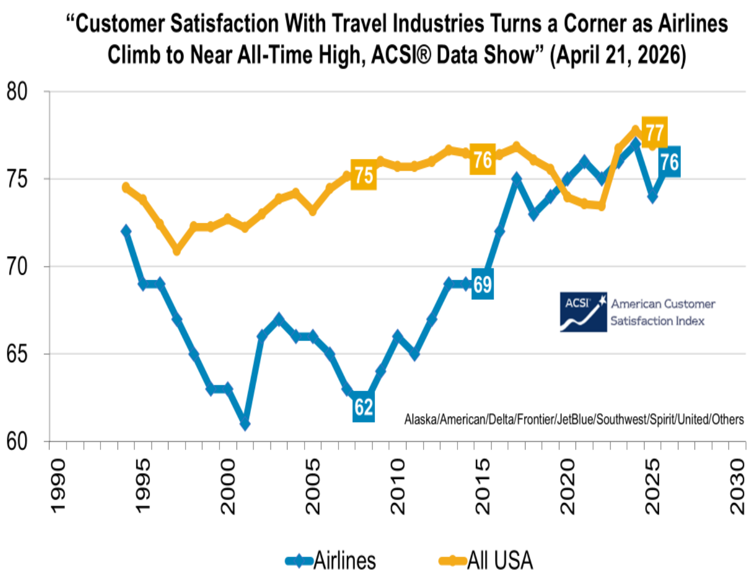


**Meanwhile, independent surveys show that airline customer satisfaction has risen steadily since 2008**.

One notable study is the American Customer Satisfaction Index (ASCI), whose airline satisfaction study reflects interviews with 16,771 customers, chosen at random and contacted via email over the course of 12 months. From 2003 to 2008, the ASCI score for airlines fell from 67 (out of 100) to 62. From that point forward, however, airlines made steady gains, rising to 72 (for the first time since inception in 1994) in 2016 and 74 in 2025, just below the national average for all industries. Notably, airlines scored 80 or higher on five of the 21 benchmarks (captured in the following chart) and 75 to 79 on 10 others. As noted in its April 2026 press release, "Customer Satisfaction With Travel Industries Turns a Corner as Airlines Climb to Near All-Time High."

**ACSI Airline Customer Satisfaction Index Now at 76, Up From 62 in 2008 and 69 in 2015**

In 2026, Airlines Scored 80+ on 15 of the 21 Benchmarks




| Satisfaction Benchmark | 2026 |
|---|---|
| Mobile app reliability | 85 |
| Mobile app quality | 84 |
| Website satisfaction | 84 |
| Ease of making a reservation | 84 |
| Ease of check-in process | 82 |
| Cleanliness of cabin and lavatory | 82 |
| Courtesy/helpfulness of gate staff | 82 |
| Courtesy/helpfulness of flight crew | 82 |
| Boarding experience | 82 |
| Timeliness of arrival | 82 |
| Usefulness of flight information | 82 |
| Baggage handling | 81 |
| Call center satisfaction | 81 |
| Loyalty program | 81 |
| Range of flight schedules | 80 |
| Availability/size of overhead storage | 79 |
| Quality of purchased food/beverage | 79 |
| Quality of comped food/beverage | 79 |
| Quality of in-flight Wi-Fi | 79 |
| Quality of in-flight entertainment | 78 |
| Seat comfort | 76 |

Source: The American Customer Satisfaction Index (ACSI®), the only national cross-industry measure of customer satisfaction, measures the satisfaction of U.S. household consumers with the quality of products and services offered by firms with significant share in U.S. markets. The ACSI Travel Study 2026 is based on 14,910 completed surveys. Customers were chosen at random and contacted via email between April 2025 and March 2026.

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**In Multiple Respects, Airline Employees Have Reaped the Benefits of Deregulation.**

The number and compensation of employees and their compensation have increased dramatically post-deregulation. According to data from the Bureau of Transportation Statistics, U.S. passenger airlines now employ the most workers since 2001, while average wages and benefits doubled from 2010 to 2025, dwarfing the 48% increase in the U.S. Consumer Price Index. Combined, these two factors have resulted in wages and benefits rising from 26% of operating revenues in 2005 to 34% in 2025.

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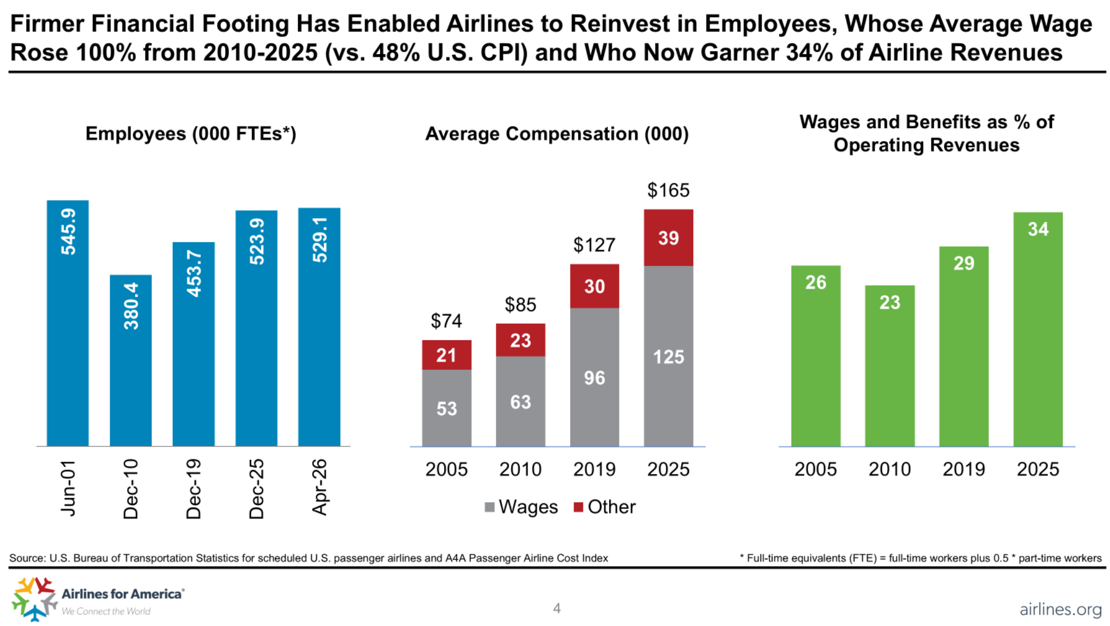



The greater financial stability achieved through consolidation has translated to employment stability. Remarkably, the industry did not see a single large-airline bankruptcy filing during the 13-year stretch from November 2011 (American Airlines) to November 2024 (Spirit Airlines). This more than triples the previous post-deregulation record of fewer than four years between bankruptcies of a large U.S. mainline carrier (which includes carriers operating at least 20 mainline passenger aircraft in scheduled transportation). It should be noted that if not for the CARES Act grants and other financial relief afforded the airlines in 2020-2021, there likely would have been bankruptcies during the pandemic. However, previous bankruptcies (except for the tragic events following 9/11) were due to economic and industry forces, and post-consolidation these forces have not led to any bankruptcies.

Airlines have also used revenues to invest in training and to give their employees the tools and technology needed to help them accomplish their jobs more safely and efficiently. This is a virtuous circle: Financially stable airlines can ensure well compensated and trained employees who provide better customer service, driving customer satisfaction higher. Airlines' increasing ability to hire, train and retain high-quality talent and reinvest in their product is translating directly into palpable benefits for customers.

**The Bipartisan Airline Deregulation Act Democratized Air Travel.**

The Airline Deregulation Act of 1978 (ADA), championed by consumer advocates and economists, spawned a flurry of new entry and diversification of business models that forced airlines to compete not only on product but also on price. Prior to its enactment, U.S. regulators, via the Civil Aeronautics Board (CAB), were the primary barrier to entry. Markets were simply not contestable, because even in the face of high prices and market inefficiencies, an incumbent serving a route knew that a competitor could not enter that route overnight. Rather, that aspiring competitor needed approval from the CAB to do so. This was good for aviation attorneys working on route cases, but not for consumers who could not afford to fly.

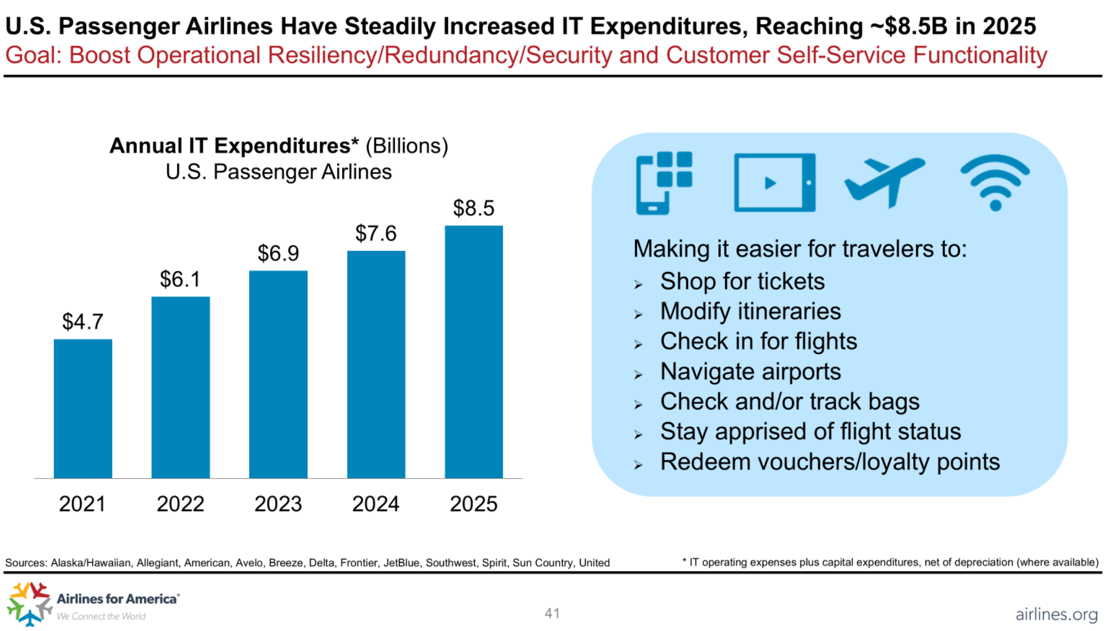
**Deregulation spawned a diversity of business models that provide consumers choice.**

Fast forward to today, and travelers flying within the United States or abroad are blessed with a diverse set of business models spanning full-service global network carriers (e.g., American, Delta, United), low-cost network carriers (e.g., Alaska/Hawaiian), low-cost carriers (e.g., Breeze, JetBlue, Southwest) and ultra-low-cost carriers (e.g., Allegiant, Avelo, Frontier). These business models differ primarily by 1) network scope and product and 2) operational complexity. In general, as network scope (i.e., breadth of destinations served, fleet diversity required to serve those destinations) and product differentiation grow—along with the benefits that consumers derive from those attributes—so too do the complexity and associated costs of providing air service.

**Airlines are Driving Innovation Through Technology Investments, Increasing Customer Satisfaction.**

Airlines compete fiercely for customers not only through pricing, but also through differing cabin offerings, routes, airport amenities (including lounges), mobile apps, distribution channels, loyalty programs and in-flight services. This would not be possible if the government still controlled fares and service or if decision-making powers were not in the hands of customers, as they are now.

Airlines know that customers value convenience and believe that technology can improve every stage of the travel process from planning, booking and payment all the way through the end of the journey. In addition, carriers also know that at the airport, customers want to reach their boarding gate quickly with minimum friction. That is why most carrier branded credit cards offer to pay for enrolling in TSA PreCheck and/or Global Entry and many carriers have invested in biometrics for bag drop and the boarding process. And carriers are responsibly utilizing Artificial Intelligence (AI) to buttress safety and efficiency to improve the customer experience.

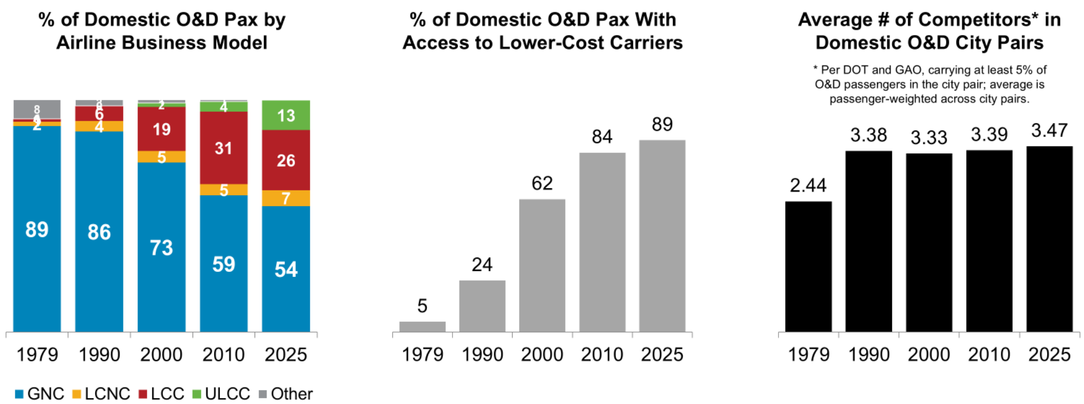



Carriers have also invested in product distribution so that more customers can easily view and choose from among all the travel options that meet their financial and service needs. Carriers have every incentive to be transparent, and the choices they make about who distributes their product through contractual relationships are critical to protecting consumers and ensuring the product is advertised in a way that meets the carriers' standards.

**Over the course of the deregulated era of air travel, lower cost carriers have been an engine of growth and taken a significant share of passengers away from the global network carriers (GNCs).**

In 1979, at the outset of deregulation, GNCs carried 89% of domestic origin-and-destination (O&D) passengers. By the turn of the century, that share had fallen to 73%, and by last year it had fallen further to just 54%, as lower-cost airlines continued to steal market share. Moreover, the share of domestic U.S. passengers with access to lower-cost carriers has soared from just 5% in 1979 to 62% in 2000 and 89% in 2025. In fact, last year almost half of domestic O&D passengers had access to ultra-low-cost carriers (ULCCs), up from just 8% in 2000, and have benefited from the arrival of two lower-cost startups—Avelo Airlines and Breeze Airways—in spring 2021. As lower-cost carriers grew rapidly, the consolidation of complementary GNC airline networks facilitated their ability to offer competitive connecting service on more O&D city pairs, expand nonstop service into new markets and restore growth. The combination of these developments resulted in more competition and choice than ever for flyers, with the average number of competitors on domestic city pairs rising from 2.44 in 1979 to 3.33 in 2000 to 3.39 in 2010 and 3.47 in 2025.

**From 2000-2025, the Number of Competitors per Domestic Air Trip *Rose* From 3.33 to 3.47**
Global Network Carrier Share of Domestic Passengers Fell From 73% in 2000 to 54% in 2025




Source: Econic Partners analysis of DOT O&D survey data. Global network carriers (GNCs) include AA/DL/UA and predecessor airlines (e.g., US Airways, America West, TWA, Northwest, Continental) and defunct legacy network carriers (e.g., Eastern, Braniff). Low-cost carriers includes Southwest, JetBlue, Breeze, Reno Air, Midway, Pro Air, Kiwi International, AirTran, Accessair, Independence, Eastwind, National, ValuJet, ATA, Skybus, People Express, Vanguard, Virgin America, Western Pacific, Air South, and Morris Air). Lower cost network carriers include Alaska, Hawaiian and Aloha. Ultra low-cost carriers (ULCCs) include Allegiant, Frontier, Spirit, Sun Country, and Avelo.

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While the statistics above speak to the average passenger, it is also worth noting that in 2025, 49% of U.S. domestic passengers traveled in city pairs with at least four effective competitors, 30% in markets with three competitors and 16% in markets with two competitors. Only 5.5% of U.S. domestic market passengers were left with just one carrier.

**Air Cargo Deregulation Led to Expanded Service, Lower Shipping Costs and Product Innovation.**

In the 20 years preceding the deregulation of Air Cargo in 1977, the CAB refused to certify the entry of any new cargo carriers or the expansion of existing ones into new routes and limited the size of aircraft used to transport goods. Under this regime carriers such as FedEx, which was classified as an express (rather than cargo) service, could only use small planes even when larger ones were the more efficient choice. Soon after deregulation, express air services spread across the country, allowing rapid increases in the amount and variety of products shipped.

Under CAB regulation, if a parcel needed extremely rapid transport, it could be shipped "belly hold" over routes for which an airline had passenger authority, thus limiting overnighting to point-to-point routes available under passenger air flight regulations. The 1977 deregulation of air cargo allowed carriers such as FedEx to use larger aircraft for overnight shipping over any route, with prices determined by the market, making it possible for a lobsterman in Maine to ship crates of fresh lobster from Bangor to Bismarck or nearly anywhere else. Free from operational restrictions imposed by the CAB and the Interstate Commerce Commission (ICC), shippers increased reliability and provided a multitude of delivery speed, time, and method combinations. Nearly simultaneous deregulation of trucking and railroads allowed parcel carriers to become multimodal and offer intermodal services.

Initially, the revolution of air cargo services unleashed by deregulation led to expansion of lean manufacturing and lean retailing processes, which rely heavily on just-in-time delivery services offered by carriers such as UPS and FedEx. Stocking every possible personal computer (PC) configuration, for example, would require maintaining massive, costly inventories. Instead, many PC makers wait until a customer's order is received and then install the needed components, shipping the finished product to the customer rapidly via delivery systems made possible by a parcel carrier utilizing combinations of air and surface transportation. Another economic development made possible by deregulation of air cargo was rapid repairs. For example, in 2000 SonicAir built a logistics center at the end of the runaway at UPS's Louisville hub that made it possible for customers of tech companies with which SonicAir had a contract to ship their printers and scanners for repairs. These repairs were then completed overnight at the airport and returned in working order to the customer in the morning, reducing parts inventory for the manufacturer and improving customer service.

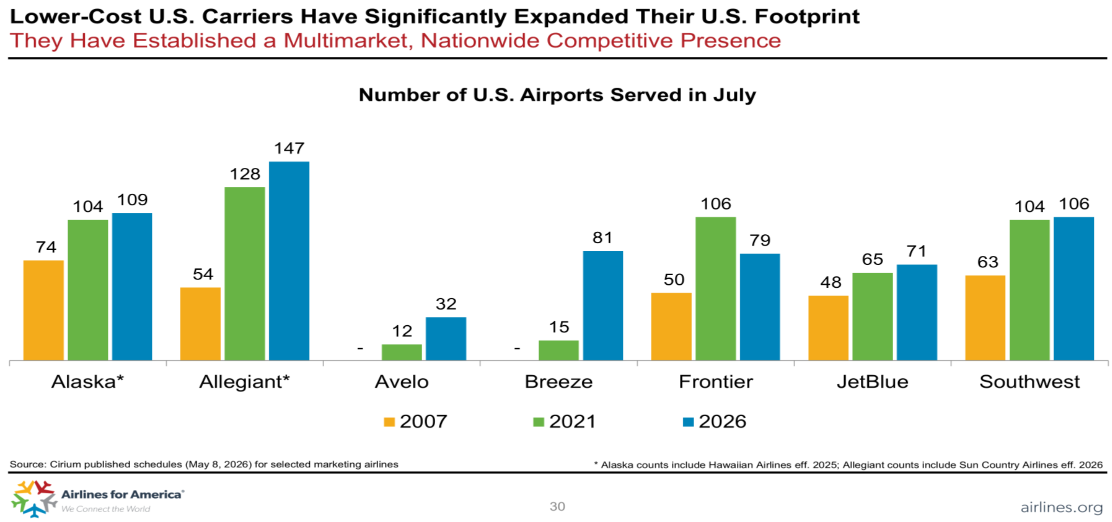
In recent decades, we have seen the proliferation of cargo-deregulation-enabled e-commerce, as typified by online retail giant Amazon.com and online auction house eBay.com, along with countless individual retailers and middlemen. The interaction between online retailers and air cargo deregulation is important: the rise of parcel shippers able to support the complex supply chains makes possible the rapid 1-2-day shipping of goods and tracking of shipments characteristic of modern e-commerce. When ordering online, consumers can often choose between slower shipping times or 24-48-hour shipping options—a choice not widely available before deregulation. For instance, the 1975 Sears Catalog (the pre-Internet equivalent of Amazon) lists only surface transport rates; 1-2-day shipping was not an option. Although it is impossible to guess what would have happened had air cargo not been deregulated, it is difficult to imagine e-retailing being anywhere near as successful in a world without parcel shippers such as FedEx and UPS.

In short, deregulation of air cargo was a key element in the emergence of modern, secure supply chain management and allowed wider access to goods supplied by domestic and international sources. It also facilitated American trade to foreign markets. Efficiencies in widespread use of hub-and-spoke models for air cargo, by reducing total costs, enable more American products to reach foreign markets.

**Competition Has Spurred Diverse Business Models and Greater Consumer Choice.**

The growth in the competitiveness of the airline industry since the ADA speaks for itself. Post-deregulation, the U.S. has experienced a plethora of differing business models from global network carriers and lower cost network carriers to low-cost carriers and even ultra-low-cost carriers. The invention of the hub-and-spoke system is what allowed some carriers to serve more communities with about the same number of planes. Other carriers have pursued a point-to-point approach. And in a post-pandemic world, demand is still evolving. One ULCC recently decided to offer first class. The government should not micromanage or otherwise interfere with the competitive marketplace; rather it should allow the marketplace to respond to evolving consumer preferences.

As shown below, lower-cost carriers serve more U.S. airports than ever. Among these are two new airlines that entered the market in spring 2021. Unlike some failed entrants of the past, these airlines were well capitalized and founded by seasoned executives with well thought-out business plans. Breeze Airways is focused on linking secondary markets with new A220 aircraft using a point-to-point model. Avelo Airlines operates 737s from bases across the country, catering to business and leisure customers on shorter routes.




**International Aviation Deregulation Has Also Yielded Consumer and Economic Benefits.**

The success of domestic airline deregulation is precisely what led industry and the U.S. government to pursue deregulation of international markets through its "Open Skies" template for bilateral air services agreements. As former President Bill Clinton said in an October 1995 speech to the White House Conference on Travel and Tourism "The second thing we've worked to do is to sign open-skies agreements with more countries to facilitate air travel here. Earlier this year I signed an open-skies agreement with Canada, deregulating the world's largest aviation market: more flights, lower fares. Last month we concluded an open-skies pact with nine European countries. We've expanded air service around the world to Great Britain, Brazil, Ukraine, the Philippines." He added, ""We've worked hard to give you a healthy airline industry. They were in deep trouble when I came into office. Every airline in America but one was losing money. Three were in bankruptcy. From 1988 to 1992, the industry lost $12 billion, more money lost in 4 years than it had made in its entire history. I appointed a special commission headed by the former Governor of Virginia, Gerry Baliles, to revive the industry. Secretary Pena has now carried out the vast majority of its recommendations. Today the airlines are healthy, the fares are down, the passengers are up, and they are turning a profit. We are moving in the right direction."

Indeed, beyond Open Skies, airlines have pursued different types of international cooperative agreements to provide even more robust travel choices for their passengers, and numerous studies, including by DOT, outline the benefits from integrating complementary networks. In 1998, DOJ's antitrust division chief Joel Klein remarked, "[B]y linking largely end-to-end route networks, international code-share agreements can inject additional competition into city-pair markets currently served by competitors' on-line connecting flights. If neither of the code-share partners currently serves that city-pair, the new combined code-share service might be an effective competitive alternative to other carriers' existing on-line services, and constrain prices in that market… Potential public interest benefits occur when an airline extends the reach of its route network by code-sharing on flights operated by an airline that operates a route network in another geographic region -- i.e., an end-to-end network combination."

Today, U.S. airlines employ more than one million people across the globe and offer passenger service to and from 85 countries and cargo service to and from more than 220 countries. Dedicated freighter service is complemented by plentiful belly cargo capacity offered by passenger carriers, keeping rates lower for shippers. Thanks to deregulation of most international markets, route entry is unlimited, and U.S. airlines compete vigorously with foreign-flag carriers. This vigorous competition among airlines has in turn fueled demand for the most cost-efficient, range-capable, customer-friendly (and often cargo-capable) aircraft to connect not only the largest hubs but also secondary U.S. and foreign markets with nonstop service.

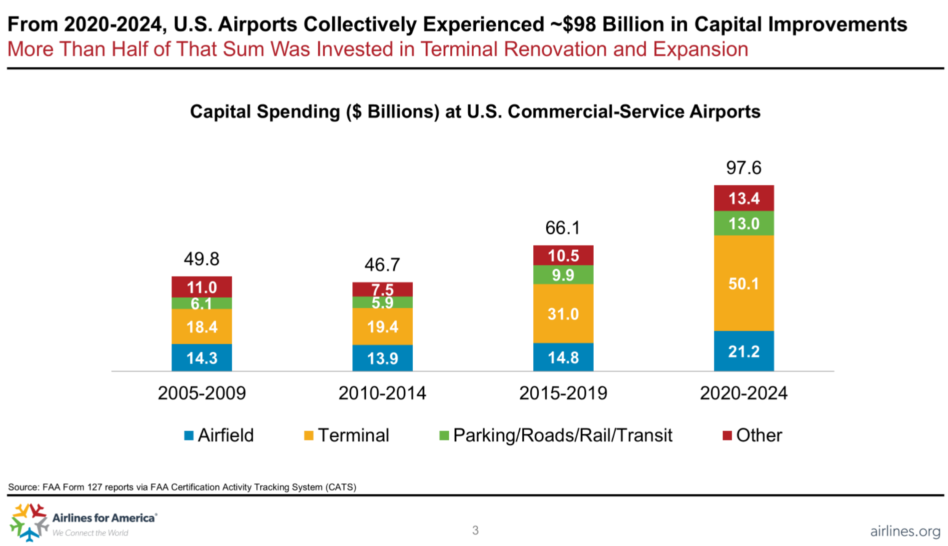
**Airport Access, Development, and Funding Support Competition.**

Federal law, grant assurances, and airport lease practices provide strong protections for airport access and airline competition, while giving airports and carriers flexibility to manage facilities based on local operational and financial needs. Large and medium hub airports must maintain competition plans to receive federal support, airports must provide access on reasonable and non-discriminatory terms, and exclusive rights are generally prohibited. In practice, lease agreements have also evolved to include shorter terms, preferential and common-use arrangements, and gate accommodation and recapture provisions that help airports make gates available to more carriers. These protections are reinforced by substantial airport investment. Airports and airlines have worked together to deliver major terminal and infrastructure projects nationwide, and airport funding is at historic levels through federal grants, higher AIP authorizations, strong PFC collections, record operating revenues, and continued access to capital markets. As a result, airports are well positioned to expand and modernize facilities, and consumers continue to benefit from robust competition and improved service.

**Airport Funding is at Historic Levels.**

Airport funding is now at historic levels. After infusing airports with $20 billion of COVID relief grants, Congress provided another $20 billion of Bipartisan Infrastructure Law (BIL) grants for airport infrastructure. To date, FAA has made available nearly $14.5 billion of airport infrastructure and terminal development grants across the nation. In addition, the 2024 FAA Reauthorization Act increased the AIP authorized funding level from $3.35 billion to $4.0 billion annually. PFC revenues reached a record $3.85 billion in 2025 and are projected to reach $4.0 billion in 2026. At the same time, airport operating revenues reached $32 billion in 2024, and unrestricted cash exceeded $31 billion (over 550 days of liquidity), both record levels. Along with investment-grade ratings and ease of access to capital markets at preferred interest rates, U.S. airports and airlines are well positioned to fund and deliver infrastructure improvements across the nation.

Consumers are reaping the benefits of competition as airport development booms to meet record demand and modernize the travel experience.



**Conclusion.**

We appreciate the opportunity to testify, and we believe the facts and data clearly show that passengers greatly benefit from vigorous airline competition, which creates greater choice and service options. Congress recognized the benefits to consumers when they acted on a bipartisan, bicameral basis to deregulate the airline industry in 1978. The federal government already has broad authority to prevent unfair, deceptive, predatory or anticompetitive practices and routinely uses it. With those protections in place, we should be placing a maximum reliance on competitive market forces to maintain an air transportation system that relies on healthy competition to provide efficiency, innovation and low prices, and to determine the variety, quality, and price of air transportation services. Deregulation has clearly been a success for consumers.