

## Allegiant sees more traffic despite higher fares

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Despite higher fuel prices that increased fares, Allegiant Air reported a nearly 60 percent increase in passengers during the fourth quarter - and a record increase in traffic for all of 2007.

The airline, which launched passenger operations in October at Phoenix-Mesa Gateway Airport, serves 13 markets.

System-wide, the carrier served 894,834 passengers during the fourth quarter, compared with 579,516 in the year-ago period.

The airline flew 3.2 million passengers during 2007, compared with 2.1 million in 2006.

"Phoenix-Mesa had a lot to do with that increase," said Tyri Squyres, spokeswoman for Allegiant Air.

More than 14,000 of those passengers boarded at Gateway in November, during the carrier's second month of service there, said Brian Sexton, airport spokesman.

Sexton said December figures were higher, although the count was not yet available.

"Our terminal parking lot has 1,000 spaces and was overflowing," he said. "We had to send vehicles to the nearby Arizona State [University](#) Polytechnic parking lots in an agreement with the university."

Gateway is the fourth base for the airline, which provides scheduled service to more than 50 cities.

In March, the carrier will add seasonal flights to Cedar Rapids, Iowa; Fargo, N.D.; Missoula, Mont.; and Sioux Falls, S.D.

Allegiant began increasing fares last year as fuel prices skyrocketed, but the increases have been slight, Squyres said.

"We work pretty diligently to manage costs, but I don't think anybody anticipated that type of increase in fuel prices," she said. "For the most part, our fares already reflect increases. Some have been gradual, just based on fuel edging up. We can't throw a significant increase out there overnight. Our [business](#) model is based on low cost."

Squyres said Gateway wasn't affected by most of the rising prices because the airlines didn't begin service until the fourth quarter of last year after Allegiant began making adjustments for rising fuel costs.

The airlines also began operations with two flights a week to its destinations, which limited costs that would be passed on to passengers.

Some flights with a very high demand for service might see higher prices, Squyres said, but "we still have \$59 airfares to some destinations."

Valley airport officials and aviation consultants have said that Allegiant, because of its experience and size, should provide Gateway its biggest boost for developing passenger service and help the former Air Force base turn the corner on that market.

Allegiant, like other airlines, negotiates fuel prices directly with suppliers at a lower cost than the average pump price for general aviation, and pays Gateway fees for fuel-pumping services.

Prices for jet fuel at the airport range from \$4.19 a gallon to \$4.59 a gallon, Sexton said. The exact price is determined by the quantity used, he said.