



Gulfport-Biloxi International Airport

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Press Release

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FOR FURTHER INFORMATION

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Mississippi Establishes Air Service Development Program

Earlier this week, the Governor signed Senate Bill 2785 which authorizes the creation of the Mississippi Air Service Development Program. The legislation creates a program where commercial air service airports in Mississippi that attain a new airline, service to a new city or an increase in frequency to an existing city could ultimately qualify for funding in partnership with the State to advertise the additional air service. Local communities would also have to share in the cost to gain access to the program. The legislation was endorsed and promoted by the Mississippi Airports Association and advanced by Lieutenant Governor Tate Reeves and House Speaker Philip Gunn. Senator Sean Tindell of Gulfport sponsored the legislation. Next year, Airports in Mississippi plan to continue to advocate for funding of the initiative. "Airline profit margins are very narrow at smaller airports and carriers are often looking for ways to minimize and abate their initial risk when adding service," said Clay Williams Executive Director, Gulfport-Biloxi International Airport. "Access to a region by air is critical for continued economic growth and the economic benefit of having the additional service is significant for the state," noted Tindell. With gaming and tourism being critical in my area, this legislation will have a great economic impact with the additional flights we hope to see," noted Tindell.

"With there being fewer and fewer carriers from which to choose, competition for additional service has become increasingly keen," said Williams. With the forthcoming merger of American Airlines and US Airways, there will be four major airline networks left in the United States comprised of Delta, United, American and Southwest. There is less capacity in the industry than before the recession, growth has been impacted by rising energy and labor costs and increased governmental oversight. "At current traveler demand levels at Gulfport-Biloxi, there are a wide range of financial gaps from small to large that exist for new market opportunities," said Williams.

In recent years, other states and communities have begun developing air service incentive programs. Kansas, Wyoming, and Oregon are examples of states that have implemented air

service development programs. In 2013, the Mississippi legislature also passed a jet fuel tax abatement bill which alleviates the state tax on jet fuel for a period of one year for service from a new airline or to a new city.

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