

Statement of Matt Klein  
EVP and Chief Commercial Officer  
Spirit Airlines, Inc.  
March 3, 2020

Good morning Chairman Larsen, Ranking Member Graves, and members of the Subcommittee on Aviation. Thank you for the opportunity to testify today. My name is Matt Klein. I am Chief Commercial Officer of Spirit Airlines.

Spirit Airlines is the largest so-called “Ultra Low-Cost Carrier,” or ULCC, in the US. We serve over 50 US domestic airports and 25 international destinations. Our total prices including all ancillary products and services are, on average, more than 30% below those of other airlines on our routes. Corporate travelers and more affluent consumers have many choices in today’s market. Spirit’s product is designed for highly price-sensitive travelers, mainly ordinary individual consumers, families and small and medium businesses who pay for their own tickets and who face narrower options. This continues to be an underserved segment in today’s market, and we are proud to fill the need. We are the fastest growing airline in the US for the past one, three, five and 10 years, consistently running high load factors, so it seems American consumers are responding very favorably to the choice we provide in the market for air travel.

What may be less widely known are the tremendous strides Spirit has made in the past few years to become one of the most reliable airlines in the country. We ranked fourth nationally in on-time performance (out of 10 reporting carriers) in 2018 and, based on unofficial statistics, in 2019 as well, beating out three out of the four big airlines and all the other low-cost carriers. We also rank strongly on completion factor (i.e., low cancellation rate) and on bag handling.

None of that is easy to do for a smaller airline, as we have less built-in redundancy and inherently greater challenges in recovering from unforeseen events. We believe Spirit's combination of low prices and reliable service adds up to terrific value for our Guests, and we are seeing a positive reaction from consumers, both in our satisfaction surveys as well as in our increasing customer repeat rate.

And it's not just about operational reliability. Over the past three years, Spirit rolled out a broad-based and ongoing initiative we call "Invest in the Guest." That program comprises enhanced service training for our crews and other Guest-facing personnel, as well as investments in technology like enhanced airport kiosks and our new self-bag drop machines that will help speed our Guests through the check-in process at the airport. We also recently announced a complete refresh of our interior cabins, featuring all-new seating that provides significantly greater comfort, personal space and usable legroom. Later this year, we will begin installing next-generation, full-streaming WiFi across our fleet, the first ULCC to do so. I believe we are the only major US carrier to have wheelchair-accessible lavatories installed on most of our aircraft.

Spirit operates one of the newest and most fuel-efficient fleets in the Americas, ranking consistently as a leader in fuel consumption per passenger. All new aircraft coming in to our growing fleet feature next-generation engines that burn about 16% less fuel than even the most recent generation. Not just fuel efficiency, but also noise efficiency: in addition to several other awards in the past two years, we are proud to have won Seattle's prestigious "Fly Quiet" award for two years in a row.

In the US, the large distances, the dispersal of families across the country and the needs of our interconnected business environment all make air travel more essential than in other countries.

At Spirit, we recognize our product may not be for everyone. Yet, we are very proud to offer low-priced, reliable service to those who may have no other option and, with the strong discipline we exert on the prices charged by other airlines, we are also pleased to help drive savings for all travelers, whether they fly us or not.

Thank you again for the opportunity to speak today.