Southwest's wings bear big hopes

Airline's plan to serve Upstate could be boon for jobs, business

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Southwest Airlines' decision to bring service to Greenville-Spartanburg and Charleston could be a major catalyst for recruiting new business and jobs to South Carolina, and it could break a logjam of economic frustration in the Upstate, which has struggled to attract corporate headquarters.

The airline's decision to fly to Greenville-Spartanburg International Airport is a "real breakthrough" for recruiting business, Greenville Mayor Knox White said, citing conversations with corporate headquarters that "dissolved" over air service concerns while other prospects never showed up because of the high cost of fares.

"They just check Greenville off the list," White said.

While neither White nor County Council Chairman Butch Kirven would discuss specific prospects, Rep. Dan Cooper of Piedmont, chairman of the House Ways and Means Committee, told *The*

See CARRIER on page 5A

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"there were five projects within Greenville County, three within the city that were significantly tied" to Southwest's decision.

"I think it could help make those decisions to come here and maybe bring some headquarters here," Cooper said.

Southwest said Tuesday it intends to serve Greenville and Charleston beginning next year.

Southwest said it will release details regarding start dates, destinations and fares, and number of departures at a later date. Airline officials said service won't be dependent on pending legislation to provide air-service subsidies.

"We look forward to serving the Palmetto State with Southwest Airlines' unique brand of genuine hospitality, great value, a robust and reliable flight network, and our terrific employees who deliver excellent customer service," said Dave Ridley, Southwest's senior vice president of marketing and revenue management.

Southwest reported a profitable start to the year with its first-quarter 2010 financial results last month. At that time, Southwest said overall demand remained strong, resulting in a record first-quarter performance for load factor, passenger yield, operating unit revenue and passenger revenues.

Southwest attributed the performance to making the most of its network and revenue management efforts, which also have allowed it to grow in destinations without growing its fleet of Boeing 737 aircraft.

The carrier intends to continue that growth strategy in 2011, keeping its capacity relatively flat with 2010.

"The presence of Southwest in the Upstate will have a positive impact on business recruitment and retention which will improve the overall quality of life for the citizens of the region," said Roger Milliken, chairman of the GSP Airport Commission.

"I'm confident that this is only the beginning of a great community partnership," said Sen. Jim DeMint, R-S.C. "South Carolina is already one of the best places in the world to do business, but the addition of a new low-cost air carrier will make a direct, positive impact on our ability to attract new companies, investments and jobs."

"Southwest Airlines beginning service to South Carolina is good news for our state, our economy, and the traveling public," said Sen. Lindsey Graham, R-S.C.

Southwest's airline model enhances Greenville's business appeal because it flies big jets and offers numerous connections, Kirven said. Regional airlines, using smaller commuter aircraft, now provide most of GSP's service. Airfares at the airport have been among the highest in the nation.

When it comes to the highly competitive chase for employers such as the high-tech types that might locate at Clemson University's International Center for Automotive Research, White said city officials have tried to talk around the subject but that the lack of efficient service has remained a "very difficult hurdle to cross."

It will now be easier to get in the door, White said.

It also could significantly lower the cost of air travel for businesses operating in the Upstate, cutting expenses and increasing the bottom line.

"I've never had anybody that has come to Greenville and not been blown away by what they have seen here in terms of the vibrancy, quality of life, of course the downtown, the can-do attitude, all those kind of things," said H. Lynn Harton, president and chief executive of The South Financial Group, a Greenville-based bank holding company.

"From a corporate relocation perspective, if you go down the block and check off what you want to have, you've got everything except great transportation," Harton said. "It is difficult to find good flights to the places we need to go, I need to go."

"I could not be more excited," he said of Southwest.

Dick Wilkerson, chairman and president of Greenville-based Michelin North America, said his company "has a high volume of business travel to and from Greenville. We welcome any news that offers more options, brings more competition and helps lower the cost of air travel."

He added, "New carriers and new routes not only help lower airfare prices across the board but also allow our people, customers and suppliers to travel more efficiently. Michelin welcomes Southwest Airlines to the Upstate, and we look forward to their new services here and in Charleston spurring further growth in our state economy."

Dale Hill, chairman of

Southwest Airlines' top airports



About the fleet

- Southwest currently operates 545 Boeing 737 jets.



Type	Number	Seats
737-300	180	137
737-500	25	122
737-700	340	137

As of July 31, 2009

- The fleet has an average age of approximately 10 years.
- The average aircraft trip length is 647 miles with an average duration of one hour and 53 minutes.
- Each aircraft flies an average of 6.5 flights per day, or almost 12 hours and 15 minutes per day.
- 3,200 daily flights between 68 cities in 35 states.

Source: Southwest Airlines

...estate tax laws to pass free of federal estate tax and that the balance of the deceased person's estate passes directly to the surviving

electric bus maker Proterra Inc., which is planning to build a factory in Greenville, called the news "fantastic" for him and his employees who travel between Greenville and the company's headquarters in Golden, Colo.

"It means I can get here faster, cheaper," Hill said. "Right now, a round-trip ticket can be as much as a thousand dollars if you go through Charlotte. And if Southwest keeps their pricing structure like the rest of the nation, I can do that for about $300 most likely."

Richard Dillard, spokesman for Milliken & Co., the Spartanburg-based textiles and chemicals giant, said that "as news of landing Southwest began to spread this afternoon, there was real elation from our people who travel."

He added: "I think any business in our area will benefit from the impact of lower fares from business travel. There's nothing but a positive effect from this."

A travel industry expert told *The News* that Southwest is likely to enter the market on a limited basis, while looking to expand service.

"Southwest executives are geniuses at identifying opportunities," said David Rowell, publisher of The Travel Insider. "What you have with them is the nose of the camel first peering around the tent. If their first flights go well, you'll see more. They don't want two or four flights in a market. They want more than that."

Rowell said it remains to be seen how the other primary GSP carriers — Delta Air Lines and US Airways — respond to Southwest.

"They can either join the fray with lower fares and more flights. Or they can wash their hands and pull out of the market," he said, adding he doesn't expect Southwest would displace the other GSP carriers.

In all, he said, Southwest is a "heads you win, tails you don't lose situation. You'll get more service, better fares and closer to the rest of the world" in air travel.

That Southwest made its announcement without an incentive agreement in

The county has already set aside $1 million for a tourism-related economic development project that Kirven has said could help lure an air carrier.

The money's still there, and Kirven said Tuesday it could now be used elsewhere.

Ultimately, Kirven said he believes Southwest studied the market and made its own business decision.

The airline may have liked to have the incentives, but the longer the legislative debate dragged on, the more counterproductive it became for Southwest, Kirven said, so executives made a move that took incentives off the table.

Ben Haskew, president of the Greenville Chamber of Commerce, said Southwest's decision to fly to GSP will be "transformational" for the airport, the region and economic development.

Local business leaders have worked since January 2009 to land the airline and lobbied for state incentives targeted to drawing the airline to South Carolina. Those incentives won't be needed, airline officials said.

"It's a terrific win for us and we think it's going to be a terrific win for Southwest Airlines," Haskew said.

Dallas-based Southwest serves 68 cities in 35 states and is the largest U.S. carrier based on domestic passengers flown. It operates more than 3,200 flights a day and has more than 35,000 employees.

A Federal Aviation Administration spokeswoman said the agency will review Southwest's operation specifications, including the type of aircraft to be used at GSP and Charleston, airport facilities and maintenance and fueling requirements.

- Reporters Tim Smith and Rudolph Bell contributed to this story.



DAVID ZALUBOWSKI / The Associated Press

Business leaders say Southwest's arrival in the Upstate could give a huge boost to attracting new companies.



Staff file

"We look forward to serving the Palmetto State with Southwest Airlines' unique brand of genuine hospitality."

Dave Ridley, Southwest senior VP of marketing and revenue management



JOHN OLSON / Staff

Caroline and Jeff Melby, from Austin, Texas, say they love Southwest's customer service and its policy of not charging **for baggage.**