

Daily Memo: Sun Country Argues Allegiant Doesn't Need A JV To Launch Mexico Service

Lori Ranson April 18, 2025



Credit: Rob Finlayson

As Allegiant renews its quest to obtain antitrust approval for an alliance with Mexican ULCC Viva, its high-profile former COO argues the carrier doesn't need a regulatory nod for the partnership to launch service to Mexico.

Allegiant's proposed joint venture (JV) with Viva, the first between two non-network carriers, would be "revolutionary in a highly concentrated international market," Allegiant VP-corporate development and government affairs John Pepper [told the recent CAPA Airline Leader Summit](#).

Joining Pepper in a wide-ranging industry discussion, former Allegiant COO and current CEO of [Sun Country Airlines](#) Jude Bricker said, "I'll take the contrary to that, Allegiant can fly to Mexico any time they want. There's nothing the DOT [U.S. Transportation Department] does to prevent that."

Bricker also noted that if Allegiant "wants to outsource U.S. crew jobs to a Mexican carrier ... I don't see why that's on brand to this administration [of U.S. President Donald Trump]."

In March 2023, Allegiant's pilots, represented by the [International Brotherhood of Teamsters](#), told the DOT that it was convinced "the intention is to replace American airline pilots' jobs with those of Mexican pilots, whose salaries are approximately five to six times lower than our members' negotiated salaries."

During the conference, Pepper made similar remarks to those filed by Allegiant and Viva in their latest application with the DOT urging for approval of the alliance—the U.S.-Mexico market is dominated by legacy operators American Airlines and United Airlines and the JV between Delta Air Lines and [Aeromexico](#). Allegiant and Viva argued low-fare airlines continue to be excluded from the market.

“You know the airport that is a Delta hub that doesn’t have [Aeromexico](#) service, Minneapolis. Why? Because we do,” Bricker said. Schedules from CAPA and OAG show Sun Country, itself a low-fare airline, operates service from its Minneapolis headquarters to Cancun and Puerto Vallarta.

Pepper argued that “Allegiant could go into Mexico, and we intend to go into Mexico. But in order to get the critical mass to effectively compete with Delta or [Aeromexico](#), we need to be able to play by the same rules.”

According to CAPA, combined [Aeromexico](#) and Delta have a 21% two-way seat share between the U.S. and Mexico for the week of April 14. American’s share is nearly 19%, and Mexican ULCC [Volaris](#) represents a 17% share followed by United at roughly 15%.

Although the [proposed tie-up between Allegiant and Viva has languished](#) with the DOT for roughly three years, Allegiant’s aspirations to serve Mexico date back to the middle of the last decade.

At that point in time, when Bricker was a member of Allegiant’s management team, the Las Vegas-based company had ambitions to launch flights to Los Cabos and Hermosillo. The rationale behind serving Hermosillo was to tap Mexico’s growing middle class with disposable income and propensity to travel. But in late 2013, Allegiant was still uncertain on a service date, citing the automation necessary to initiate sales and comply with Mexican regulations.

Fast forward to the summer of 2023, and Allegiant found itself in a different regulatory quagmire. The DOT had suspended its review of the antitrust application during a spat the U.S. government had with Mexico, mainly regarding capacity restrictions put in place at Mexico City Benito Juarez International Airport. The DOT concluded they “called into question the existence” of a fully liberalized air transport agreement between the two countries.

“To the extent that the suspension of this proceeding was viewed as negotiating leverage to persuade the Government of Mexico to make adjustments to its measures to relieve congestion at Mexico City or to effectuate other U.S.-Mexico policy goals, it apparently represented a serious misreading of Mexico’s interests,” Allegiant and Viva recently told the DOT. “The only people hurt by the delay are the joint applicants and, more importantly, U.S. consumers.”

But for Bricker, who held various roles at Allegiant from 2006 to 2017, no real obstacles exist for the company to broaden its reach to international markets without a partnership. Pointing to Sun Country’s international offerings and plans by [Breeze Airways](#) to launch new international flights, Bricker simply concluded: “Everybody’s doing it.”

Pepper, meanwhile, is hopeful that Allegiant’s plans with Viva will finally come to fruition. “We’re optimistic that this administration understands and is going to be able to work past some of the issues that have prevented it from being finalized,” he said.