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British Airways' PIT return falls short

By Colin McNickle

A dramatic drop in international travel at Pittsburgh International Airport in 2019 strongly suggests the taxpayer-subsidized return of British Airways' direct flights between Pittsburgh and London did not generate the kind of passenger traffic in 2019's busiest travel season that its promoters implied it would, concludes an analysis by the Allegheny Institute for Public Policy.

It was a year ago, and with much fanfare, that officials at Pittsburgh International Airport (PIT) cited "so much pent-up demand" for flights direct to London's Heathrow Airport. One airport consultant even gushed that British Airways' return "opens up the world to the Pittsburgh community." It also was predicted to provide a sizable boost to the area's economy.

Despite the claims, the flights, counterintuitively, came with a \$3 million taxpayer "juicer" over two years, divided into two equal installments of \$1.5 million.

Airport data show PIT posted a very meager gain in overall passenger traffic in 2019 following two years of significant increases – up a mere 1.2 percent over 2018. But international traffic tanked by 16.3 percent last year from the 2018 level. And, more importantly, during the peak summer travel months the passenger count was down *35 percent*.

No doubt that big drop reflects the decision by Delta Air Lines to end its direct flights from Pittsburgh to Paris – a decision the carrier directly attributed to PIT's decision to subsidize an international competitor -- and the departure of the subsidized cut-rate Icelandic carrier WOW Air.

"This all means that British Airways, whose numbers are not reported separately in the (U.S. Bureau of Transportation Statistics') TranStats data base, fell far short of replacing WOW and

Delta passenger counts in the critical summer travel to Europe period,” says Jake Haulk, president-emeritus of the Pittsburgh think tank.

Indeed, “Some of the shortfall could be due to Air Canada or Condor declines in boardings,” he says (in *Policy Brief Vol. 20, No. 9*). “How much cannot be determined exactly without airline-specific data.

“But it would seem reasonable to assign a large percentage of the summer international boarding doldrums to the failure of British Airways’ four flights per week to make up the Delta losses,” the Ph.D. economist says.

For comparison purposes, note that over the four-month summer periods in 2018 and 2019 (May through August), total international boardings at U.S. airports rose 2.3 percent with domestic carriers posting an increase of 3.9 percent.

“PIT unfortunately had no international passengers boarding domestic carriers in the summer of 2019, a 100 percent drop from 2018,” Haulk says.

All this said, PIT’s international numbers should show improvement for the first two months of 2020. After all, neither British Airways nor WOW were flying in 2019’s first quarter. That is, if the Coronavirus outbreak does not intercede. And that could mean there is no clear picture of British Airways’ longer term effect on PIT for at least another year.

One thing can be said, however:

“At a cost of \$1.5 million per year in airport subsidy to the carrier and the cessation of Delta summer flights to Europe, 2019 international travel at PIT was a huge disappointment,” Haulk concludes.

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