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How dire the straits at Pittsburgh International? By Colin McNickle

The coronavirus pandemic and state-ordered restrictions on travel-related industries resulted in massive declines in passenger counts at the nation's airports during the March-through-June period.

"Pittsburgh International Airport (PIT) was no exception," say Frank Gamrat, executive director of the Allegheny Institute for Public Policy, and Jake Haulk, the president-emeritus of the Pittsburgh think tank (in *Policy Brief Vol. 20, No. 36*).

But three questions persist: Is the worst over for airline travel? What is the propriety of continual taxpayer subsidies? And what is the fate of the billion dollar-plus make-over of PIT?

Data from the Department of Transportation (and the latest available being the January-through-June period) show a stunningly large loss of airline traffic nationally. The data are for "origination passengers" – the starting point a trip, whether for business or pleasure.

"Indeed, the drop in passengers was so large it may take years to fully recover to pre-coronavirus levels," Gamrat and Haulk say.

PIT, having lost its hub status well over a decade ago, now is primarily an "origination and destination (O&D)" airport.

PIT began 2020 with encouraging numbers with January and February domestic passenger origination counts 2.5 percent and 6.4 percent above their 2019 counts, respectively.

"The drop-off over the next four months was initially worse than the all-airport total with March down 56 percent and April down 96.8 percent from the year-ago counts," the think tank scholars say.

"But it was slightly better than the national declines in May, off 87.6 percent, and June, off 77.6 percent. For the first six months of 2020 origination passenger totals at PIT were 56.1 percent lower than the same period last year," they add.

Compared to the nine similarly sized passenger-count-ranked airports, PIT's decline in passenger counts ranked sixth best for the first six months of the year.

"Domestic origination flights" followed a pattern similar to "domestic origination passengers" -- up in January and February but dramatically down from March through June.

“However, both the increases in those first two months and the subsequent decreases were smaller than experienced for the nation as a whole,” Gamrat and Haulk note. “For the first six months of 2020, the number of flights originating out of PIT was down marginally less than nationally at 34.5 percent.”

And compared to the nine similarly sized airports, PIT fared quite well, having the third-lowest drop in the number of flights.

Now to those nagging questions.

The airlines have been heavily supported by federal stimulus dollars to prevent massive layoffs and even bankruptcy. But they cannot become permanent wards of the state.

“Major industry changes and restructuring are likely,” the researchers caution. “The implication for airports, especially mid-sized facilities such as PIT, could be severe.”

Then there have been the millions of dollars in direct subsidies to airlines such as British Airways, PIT having been among the most aggressive. But such “investments” seldom are recouped in flush economic times and, in these pandemic times, they almost certainly will not be.

“Government and airport officials should never use taxpayer money to pick airlines to subsidize,” the Ph.D. economists reiterate. “Government should ensure only an open market for carriers and provide competitively priced airport services.

“Bitter experience in recent years should have demonstrated this truth many times,” they say. “Subsidizing overseas travel by local residents is the worst idea of all.”

As for the Allegheny County Airport Authority’s billion-dollar (and likely growing) terminal replacement project at PIT, supposedly to be paid for by the airlines, that has been indefinitely stalled.

“The airlines were seemingly reluctant to sign on even before the pandemic,” Gamrat and Haulk remind. “They will almost certainly not be willing or able to pay for it in light of the straitened conditions they operate in now or are likely to operate in for the foreseeable future.”

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