



February 3, 2021

Allegheny Institute Op-Ed

730 words

Troubles at Pittsburgh International Airport

By Colin McNickle

These hardly are halcyon days for Pittsburgh International Airport (PIT). Its operations have been ravaged by the coronavirus pandemic. And there's great uncertainty ahead, what with the discombobulated vaccination regimen and new Covid-19 mutations being reported on a regular basis.

"The board of the Allegheny County Airport Authority must take a hard look at the realities that exist and take steps to prepare for unpleasant contingencies that are in store if the pandemic's lasting effects produce a major long-term loss in air travel," says Jake Haulk, president-emeritus at the Allegheny Institute for Public Policy.

"And it certainly needs to rethink subsidies (to airlines) altogether," he stresses (in *Policy Brief Vol. 21, No. 5*).

The damage numbers, as reported on the Airport Authority's website, are stark. Since the coronavirus pandemic started its wide, if not wild, spread in early March, the 10 months from March through December saw the total passenger count fall 73 percent.

The domestic passenger count was down 72.3 percent while the international count was down 94.5 percent compared to the same period in 2019. For all of 2020, including January and February, domestic passengers were down 62.1 percent; international passengers were down 83.8 percent from 2019 totals.

The decline in passengers using the airport was accompanied by a large decline in *aircraft operations* – that's takeoffs and landings -- during the 10 months. The biggest drops from the same month in 2019 occurred in April and May with declines of 62.9 and 64.4 percent, respectively.

In December, aircraft operations remained 43.5 percent behind the year-ago number and for 2020 overall operations were down 38 percent from 2019's total.

"Unfortunately, the ongoing rapid spread of Covid-19 poses an ongoing obstacle to the return of pre-pandemic passenger levels and aircraft operations," says Haulk.

“Indeed, the changes in the way business is conducted with more Internet usage and work from home point to a very slow return to the earlier patterns of air travel,” the Ph.D. economist adds. “It could take several years. And 2021 will very probably see only modest improvement from the second half of 2020 passenger counts.”

That said, there were some bright spots in 2020. To wit, cargo handling, which did not face the same kind of pandemic-related travel restrictions, was down only 4.8 percent from 2019. And mail handled at PIT rose nearly 10 percent in 2020 over 2019. It was fueled by a 62 percent jump in December, a likely result of online holiday shopping.

But there are plenty of caution flags ahead.

Though PIT’s declining 2020 passenger and aircraft operations most likely led to lower revenues, no actual numbers for 2020 will be available until April. The airport did receive \$36 million (and likely will be seek more) in emergency federal dollars, earmarked to maintain salaries and benefits for Airport Authority employees and, apparently, with no announced layoffs.

“What private company could see a prolonged 63 percent decline in its business and not be forced to make staffing level cuts?” Haulk asks, while noting that the Airport Authority “board did find money for a big raise and bonus for the authority’s CEO.”

Then there’s the authority’s continuing propensity to subsidize airlines.

“Overly optimistic ventures of bringing in more carriers through subsidy enticements failed to generate sustained passenger traffic as hoped or predicted,” Haulk reminds.

“In fact, passenger counts have not risen as fast as nationally over the last few years and PIT remains stuck as the 47th busiest airport as of 2019 (per the ‘Bureau of Transportation Statistics, Airport Rankings’) while other comparably sized airports have moved up in the rankings.”

And as Haulk has stressed repeatedly, the reality is that the region PIT serves has not been growing in step with the nation or other regions in terms of population and jobs. Absent a major hub carrier, passenger traffic at PIT is driven by the size and vibrancy of the local economy.

“Subsidizing people to travel out of the region makes no sense,” he reiterates. “Subsidizing business travel is inefficient and wasteful if the region has a business climate and political views that are inimical to business startups, operations and growth.

“In a successful business climate, subsidies should not be needed.”

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