September 22, 2021 Allegheny Institute Op-Ed

640 words

The Pittsburgh Problem

Past likely being prologue for Pittsburgh and Pittsburgh International Airport (PIT), a billion dollar-plus reconfiguration of the
Findlay Township facility's landside terminal could be a very expensive failure, concludes an analysis by the Allegheny Institute for Public Policy.

"Given recent history, and travel that has been negatively affected by the pandemic, this is a project that should not be undertaken," says Frank Gamrat, executive director of the Pittsburgh think tank (In *Policy Brief, Vol. 21, No. 35*).

The story is oft- (and painfully) told of an Allegheny County Airport Authority building a billion dollar-plus new pair of PIT terminals 30 years ago to meet the hub specifications of USAir (later USAirways and, now, American Airlines).

But the planners' grandiose projections of passenger volume because of the then-new airport never materialized. In fact, they never came close. The projection was for 30 million passengers annually by 2000; the count never exceeded 21 million.

Long in the throes of financial difficulty (even before the Sept. 11, 2001, terrorist attack), USAirways canceled its leases at PIT in 2003. And just before it emerged from its second Chapter 11 bankruptcy reorganization in 2004, it dropped PIT as a hub. And with it, passenger traffic at the airport tanked.

Do remember, it was only with the help of taxpayers -- as the state Legislature moved gaming proceeds to help retire PIT's construction debt – that it shook off the yoke of USAirways.

But lost in the recriminations over USAirways' supposed dirty deed done on the last-minute sly was the airline's bottom-line economic defense, recounted recently in a Post-Gazette retrospective on PIT's history as another billion dollar-plus airport re-do bows:

"The studies that were done did not show economic growth in Pittsburgh," said a person who was the airline's spokesman at the time. "Businesses were not growing in Pittsburgh. Businesses were leaving."

“And as we have well-documented over the years,” notes Gamrat, a Ph.D. economist, “the local economy has failed to keep up with national growth” to this day still.

That’s despite all the happy talk since of “eds and meds,” high-tech, “green energy” and all that. It has been Pittsburgh’s declining or largely stagnant population and a business climate that has kept Pittsburgh International from performing anywhere near its halcyon days.

Not even bribing airlines to fly in and out of PIT worked. And more than a few of those airlines fled the terminal, so to speak, when their ill-vetted business projections never materialized and/or the public subsidies ran out.

For 2019, PIT was an embarrassing shadow of its old self, only the 46th busiest airport in the nation.

Then the coronavirus pandemic hit -- and lingers. And though some encouraging advances have been made in cargo operations and summer 2021 passenger travel, business passenger counts, a lifeblood for any carrier and airport, remains deeply depressed at PIT.

Re-enter the planners. Key to a return to vibrancy and longer-term growth at PIT, they tell us, is to “right-size” the airport to reflect contemporary realities. Thus, the Terminal Modernization Program (TMP).

“Much like the 1992-built terminal, PIT claims it will be paid for by the airlines,” Gamrat recounts.

And we’re being told yet again that in order to support a vibrant and growing world-class city, it must now have another, albeit reconfigured and right-sized, world-class airport to support it.

But all the reality-defying platitudes in the world cannot mask the continuing imposition of onerous regulations by political machinators that have perennially retarded the kind of robust economic growth required to support any airport -- let alone a nearly $1.4 billion PIT upgrade that risks becoming the latest in another long line of Pittsburgh white elephants.

Colin McNickle is communications and marketing director at the Allegheny Institute for Public Policy (cmcnickle@alleghenyinstitute.org).

Allegheny Institute for Public Policy
305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234
Phone (412) 440-0079
E-mail: aipp@alleghenyinstitute.org
Website: www.alleghenyinstitute.org
Twitter: AlleghenyInsti1