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## Data lacking on benefit of PIT's international flight subsidies

By Colin McNickle

An *outré*, as in curious, thing has happened in conjunction with all the happy talk that Pittsburgh International Airport (PIT) is rebounding just fine, thank you, from the COVID-19 pandemic:

No data have been released to support the contention that taxpayer-subsidized international flights have boosted the local economy, says Jake Haulk, president-emeritus of the Allegheny Institute for Public Policy.

“(T)he Airport Authority has not revealed how many foreign passengers are arriving at PIT on subsidized flights as opposed to being returning Pittsburgh-area residents,” Haulk notes (in *Policy Brief Vol. 24, No. 7*).

“The subsidy to British Airways” – which ended up being about \$3.5 million over two years (the pandemic years excluded) – “was accompanied by a claim of enormous regional economic benefits from foreign visitors arriving on the flights from London.”

So, as Haulk, a Ph.D. economist, bluntly asks: “Where are PIT’s data on those arrivals?”

Nowhere to be found, it appears, or at least still not publicly released.

As previous Allegheny Institute analyses have shown, a much-ballyhooed economic impact study claiming a grand influx of financial benefits to the region from the “investment” of public dollars in the British Airways flights was seriously flawed.

“The go-to policy of offering subsidies to carriers is a sure sign that local demand is simply not large enough to sustain certain flights absent subsidization,” Haulk says, in part, in his latest white paper.

“If subsidies are not creating significant numbers of foreign or out-of-region passengers to come to Pittsburgh, the economic benefit of the subsidies is negligible, or actually negative,” the think tank scholar reminds.

“Since the Airport Authority is subsidizing area residents to go to Europe or other parts of the U.S. and spend money there, it creates a net outflow of income from the Pittsburgh area,” Haulk says.

In an important point of public policy order, he reminds that it’s the airlines, not the airport, that “have the basic responsibility of setting rates and flight schedules to meet demand or to try to grow it.”

All this said, Haulk reminds that PIT’s international passenger count *fell* 11.8 percent in December 2023 from the same month in 2019. And international passengers fell 25.3 percent from 2019 to 2023 and 37.5 percent from 2018.

Those clearly remain troubling numbers, especially given the subsidies, and not to forget the glowing pronouncements from the Allegheny County Airport Authority’s public relations staff.

And this all comes in a climate of higher costs at PIT than at other airports in similar-sized metro areas, Haulk reminds. “PIT, in total costs, is still far above the lower-cost airports,” he stresses.

Such very high operating costs – including cost per enplanement – “is, in part, a result of the inability to grow passenger counts,” Haulk says.

“To say the least, PIT has a lot of work to do if it wants to have a competitive cost structure with other busier and rising-passenger-count airports,” Haulk says. “It should not continue to rely on government subsidies to prop up its high-cost business model.”

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