Airports Grow Apace, but the Timing Seems Off

By MICHELINE MAYNARD

Airports around the country broke ground on dozens of projects over the last decade, including new runways and terminals, to handle all the new passenger traffic that seemed certain to keep growing.

Now, many of those new developments are being completed. And the timing could not be worse.

Airlines, after all, are grounding hundreds of planes and cutting as much as 20 percent of their domestic flying schedule because of last summer’s high oil prices and the weakening economy. More cuts are planned for next year.

The good news for passengers is that all this new capacity in the system can help ease delays — at least for those flights that are not affected by the bottlenecks created by the three New York-area airports.

New runways are open or about to be dedicated at Chicago O’Hare, Washington Dulles and Seattle-Tacoma. A new terminal opened in Detroit recently, and the new Terminal 5 at Kennedy International Airport, home to JetBlue Airways, opened last week.

For many travelers, “congestion is kind of a thing of the past,” said Douglas M. Steenland, chief executive at Northwest Airlines.

But there is a cost to airlines and passengers who pay for these projects through leases and higher ticket fees. And some airline executives, who once pleaded with airport officials for more runways and gates, are speaking out against more construction on top of projects that have cost tens of billions of dollars over the last decade.

The projects are “spending other people’s money,” said Gary C. Kelly, chief executive at Southwest Airlines.

According to the Air Transport Association, the airlines’ trade group, carriers paid landing fees totaling $615 million in 2007. The median airport cost per passenger for each flight is $5.87, according to Moody’s Investor Services.

Bob Montgomery, vice president for properties at Southwest, said his airline paid an average $4.80 per passenger in airport costs in 2005. Next year, Southwest expects that figure to reach $7.50 — a 55 percent increase in just four years. At the higher end, it pays $12.30 per passenger at St. Louis, where American Airlines has sharply reduced flights, meaning others have to pick up more of the costs.

The biggest miscalculations in new construction occurred in hub cities where airports spent billions to meet the needs of a single carrier, only to see the airline drastically shrink its presence.
In St. Louis, the airport authority spent $1.1 billion on a new runway that opened in 2006, even though traffic is down 53.9 percent since 2000. American Airlines dropped many flights following its acquisition of Trans World Airlines, which had been the main carrier there.

The Pittsburgh airport authority spent $1 billion on a new terminal in the early 1990s for US Airways. But passenger traffic there is down by almost half this decade because of cutbacks by US Airways.

And in Cincinnati, the airport authority spent $500 million in the mid-1990s on construction that included a new terminal for Delta Air Lines. And it added a third runway in 2005, its busiest year. Since then, passenger traffic has fallen 36.4 percent as Delta cut back. On a recent weekday morning, half the parking spots were empty in the airport’s main garage, which was expanded only months before 9/11.

Even in the future, the prospects for Cincinnati’s airport are not good.

Delta received approval from the Justice Department Wednesday to merge with Northwest, giving the combined airline six hubs in the United States. Cincinnati is less than 250 miles from Detroit, Northwest’s main airport for international traffic.

Although Delta insists it has no plans to eliminate any hubs, Detroit, now its second-biggest airport after Atlanta, may have the upper hand if Delta chooses to streamline its operations. Detroit opened its new North terminal in September, its second new terminal this decade.

Detroit’s new terminal, which cost $1.2 billion, has wide security screening aisles, and plenty of shopping and restaurants. The half-mile-long facility replaced a crowded terminal built in the 1960s, not long after airlines began flying jets.

“It’s a huge improvement,” said Janet Lankford, of Milford, Mich., who was among the passengers using the terminal when it opened Sept. 17.

Mike Preamble of Atlanta called it “a nice step up for Detroit. I’ve been here in the past where the airport has been a dump.”

Despite the ups and downs of the industry and individual carriers, airports need to keep modernizing, said Todd Hauptli, an executive vice president for the American Association of Airport Executives, a trade group.

“Terminal buildings are often 10-, 12-, 15-year projects,” he said. “You can’t turn the spigot on and off. You have to look out a little farther than the airlines have to, or are able to. The airport’s mission is to process the passengers and think about not just next week or next month but next year and next decade,” he said.

Indeed, officials in Las Vegas are planning to build a new $2.4 billion international terminal. Air travel there has risen 50 percent since 2000, a trend that airport executives say justifies new facilities. But traffic fell in the last year, and Southwest has set aside a plan to expand its flights at Las Vegas to 350 a day, from 240.

Mr. Hauptli of the airports’ trade group said that the Federal Aviation Administration still predicted passenger traffic would rise to 1 billion annually during the next 15 years, up 300 million travelers from the levels of the last few years.
“That’s almost the population of the United States,” he said. “I don’t see how you add that to the system without building some new additional capacity.”

Nick Bunkley contributed reporting.