

Golden Triangle, Coast boardings buffer declines elsewhere

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One might expect that with high fuel prices making it more expensive to fly, air travel in Mississippi would be down. While the number of flights at some commercial airports has decreased, overall statewide passenger boardings in May were up 1.6% over a year ago.

Awash on a wave of new industrial developments with ties to foreign countries, boardings at the Golden Triangle Regional Airport (GTRA) are up 17% over a year ago.

"There has been literally over \$4 billion in industrial investments in our area in the past four years," said Mike Hainsey, executive director, GTRA. "Most of that is just now coming online like the

SeverCorr steel mill and Eurocopter. About 80% of our travelers are business travelers. We have seen average boardings up 17% this year compared to a year ago, even though the number of flights has been reduced 13%."

Because of high fuel prices, airlines have been cutting the number of flights in many cities throughout the country. That puts capacity higher on the remaining flights, making the airlines more efficient.

Hainsey said their load factor is now over 80% compared to 60 to 65 before the number of flights was trimmed. Another factor helping the

GTRA is that a large part of their business travel has international destinations. Most of the equipment at the SeverCorr steel mill is German, and German company representatives visit frequently to maintain equipment. American Eurocopter has connections with French and German companies.

Airlines have a preference for international travelers because long international flights are more profitable.

"If everyone is going to Orlando for a \$200 ticket, the airline is not making much money," Hainsey said. "If the destination is Frankfurt, Germany, they make more money. Frankfurt is the number three destination out of here. People are getting on the airplane here, and taking one hop to Atlanta and one hop to Frankfurt. Delta has been working with us to schedule so international travelers can meet flight connections. They have been good working with us making sure people can meet the connections to get their business done."

The Gulfport-Biloxi Regional Airport is also booming.

"Gulfport-Biloxi, they are blowing and going with their operations," said Thomas M. Booth Jr., P.E., director, aeronautics division,

Mississippi Department of Transportation. "Gulfport-Biloxi has added additional service, and that always helps."

Across the country there has been concern about airline profitability, which is being challenged by dramatically high-

er costs for jet fuel. Some airlines are reporting that, for the first time in aviation history, fuel has eclipsed labor as the number one cost of doing business.

Mississippi hasn't seen that much impact yet from reduced service due to airline profitability problems.

"It hasn't really hit Mississippi yet, but there may be a change in the types of aircrafts they use," Hainsey said. "The airlines are beginning to make some adjustments, and are looking at ways to cut their costs. On some of these flights, they may look at going back to using turbo props again in some cases."

An interesting trend is more private plane corporate travel. Hainsey said while there has been a decrease in people who fly small private planes for pleasure because of high gas prices, business corporate charters are still strong.

"The corporate folks are still pretty active," Hainsey said. "They are still conducting their business. Some people are fed up with flying on the airlines, so they may use their business airplanes a little more than flying commercial."

The number of boardings at the Jackson-Evers International Airport is down about 5% over a year previously. Bonnie A. Wilson, chief operating officer, Jackson Municipal Airport Authority, said they don't have statistics about how much of that is business versus travel.

"Boarding are down slightly, but I couldn't tell you why," Wilson said.

Peggy Shamburger, leisure and group specialist for Avanti Travel, Jackson, said they are showing a decline in bookings.

"It is not huge yet, but yes, we are showing a decline in travel," Shamburger

said. "People are beginning to really shop, especially our corporate accounts, adjusting their times to get a cheaper ticket and that kind of thing. What I do for most corporate accounts is check all the airlines, check different routings and everything we can to get creative so they can keep their costs down. It is more and more difficult because these airlines are cutting back on the number of seats going in and out of some cities. When they do that, the less expensive seats go first. So it is very difficult. The baggage issue is a problem, too, with every airline charging for this, that and the other. It is a difficult time."

Leisure travel is also down right now, but it usually is this time of year. However, Shamburger has a lot of trips being planned for 2009. People are planning farther in advance so they have more time to pay for it.

She hasn't seen any decline in incentive travel, which is businesses that reward employees or customers with trips. Shamburger said all the groups she did trips for this year are planning trips again next year.

"It is nice when company picks up the tab," Shamburger said. "In some companies it is a big tradition."



Mike Hainsey



Thomas M. Booth Jr.

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