

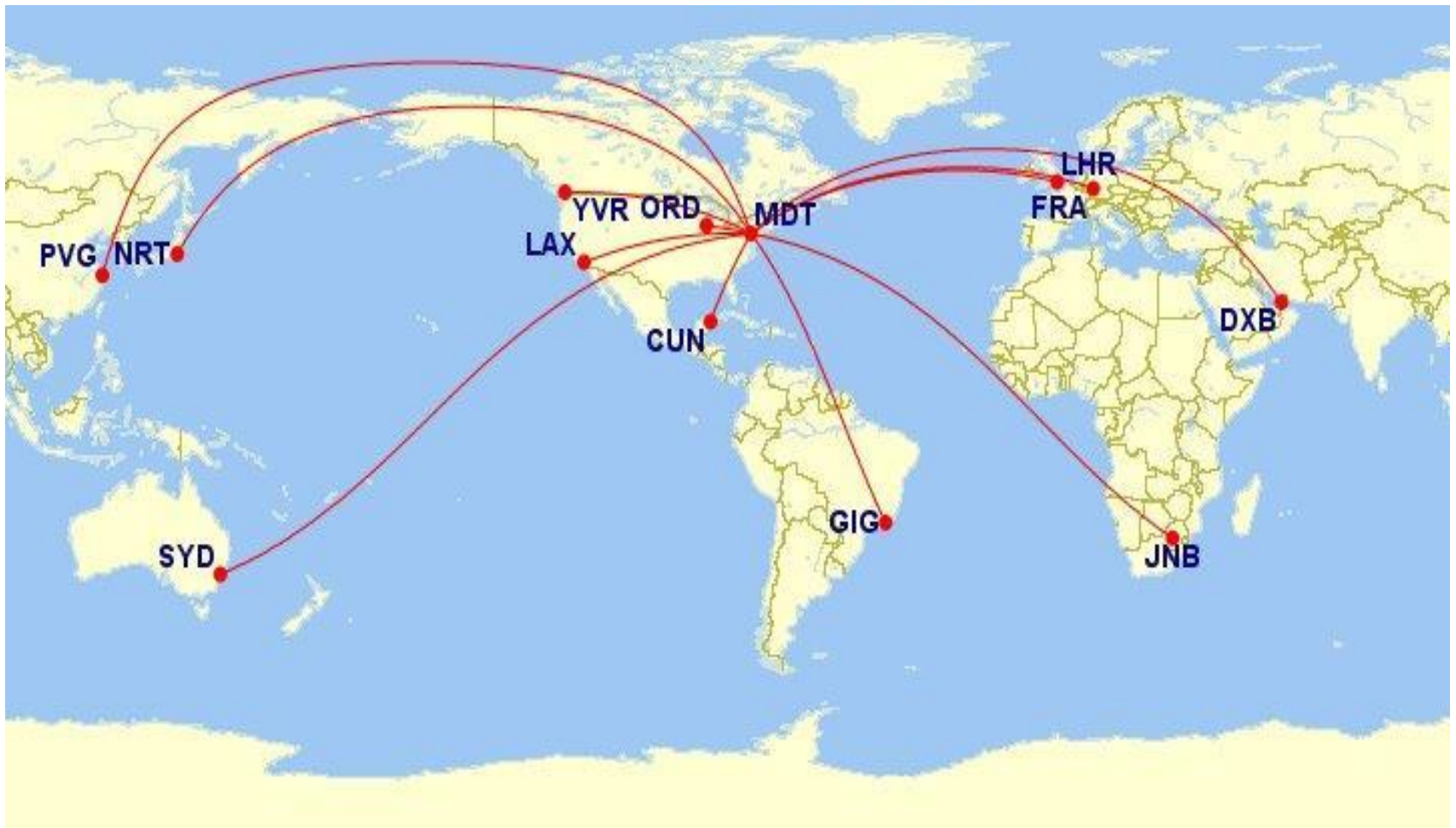
# State of the Ports Address

February 23, 2015

Presented by: Scott Miller



## MDT: Providing access to the global economy



# HIA generates nearly \$1B in economic activity

- ▶ *HIA is a self-sustaining entity that does not rely on any state or federal subsidies to operate*
- ▶ There are 60 businesses that support about 1,500 jobs on the HIA campus
- ▶ Nearly \$1 million in local property and school tax revenues are generated annually
- ▶ \$1.7 million in PA state sales taxes were generated in 2014
- ▶ Airline crews alone generate 10,000 hotel room nights annually = \$50,000 hotel taxes
- ▶ 2010 State study determined there are 11,901 indirect jobs supported by HIA and \$991 million in economy output

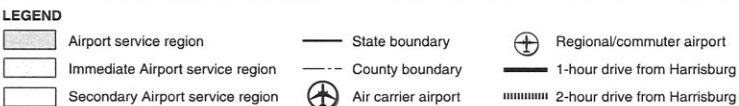
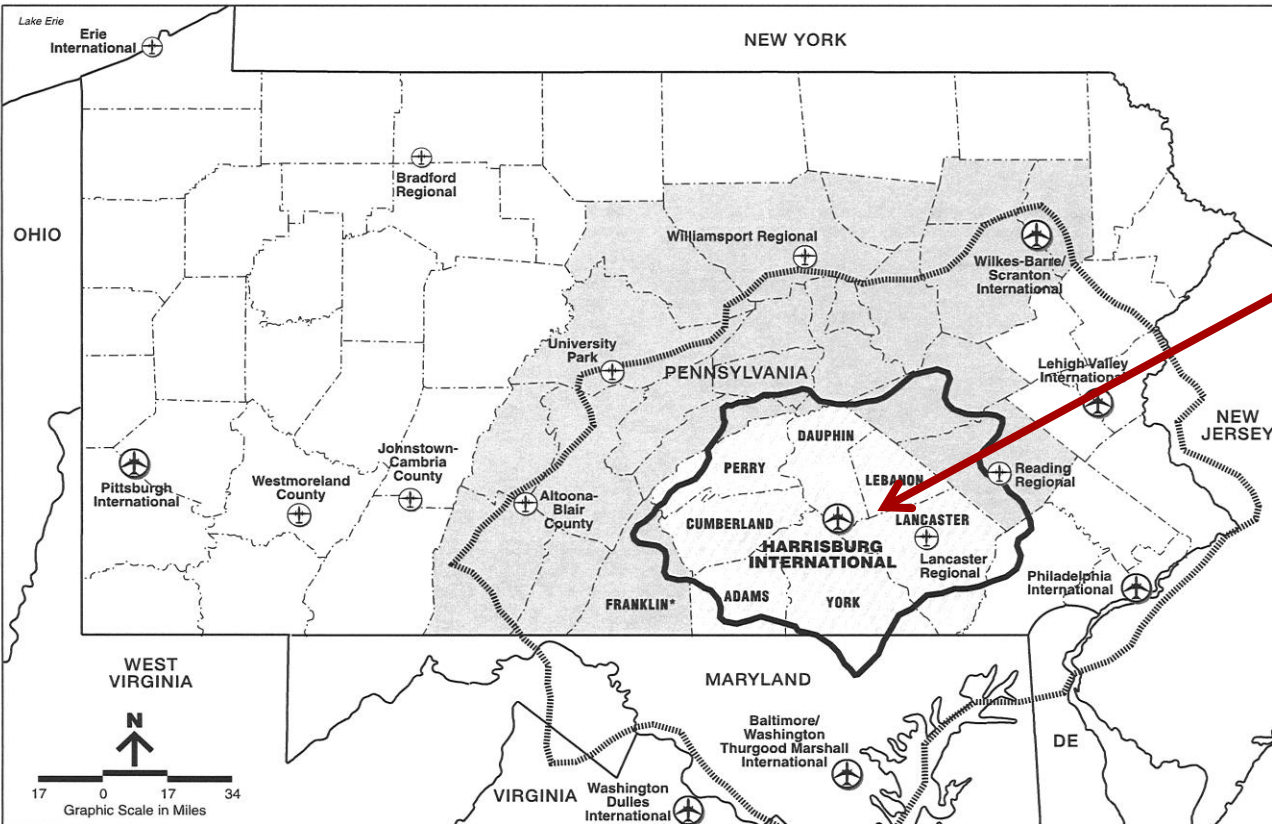


# HIA Serves the Capital Region of the Nation's Sixth Largest State

Nearly 1.9 million people live within a 1 hour drive of HIA

Airport	1 hour drive population
CMH	2,046,260
<b>HIA</b>	<b>1,845,976</b>
RDU	1,740,199
AUS	1,646,754
RIC	1,448,887
ALB	1,236,146

HIA serves the 12<sup>th</sup> largest state capital region in the USA



Note: The immediate Airport service region is a subset of the Airport service region.

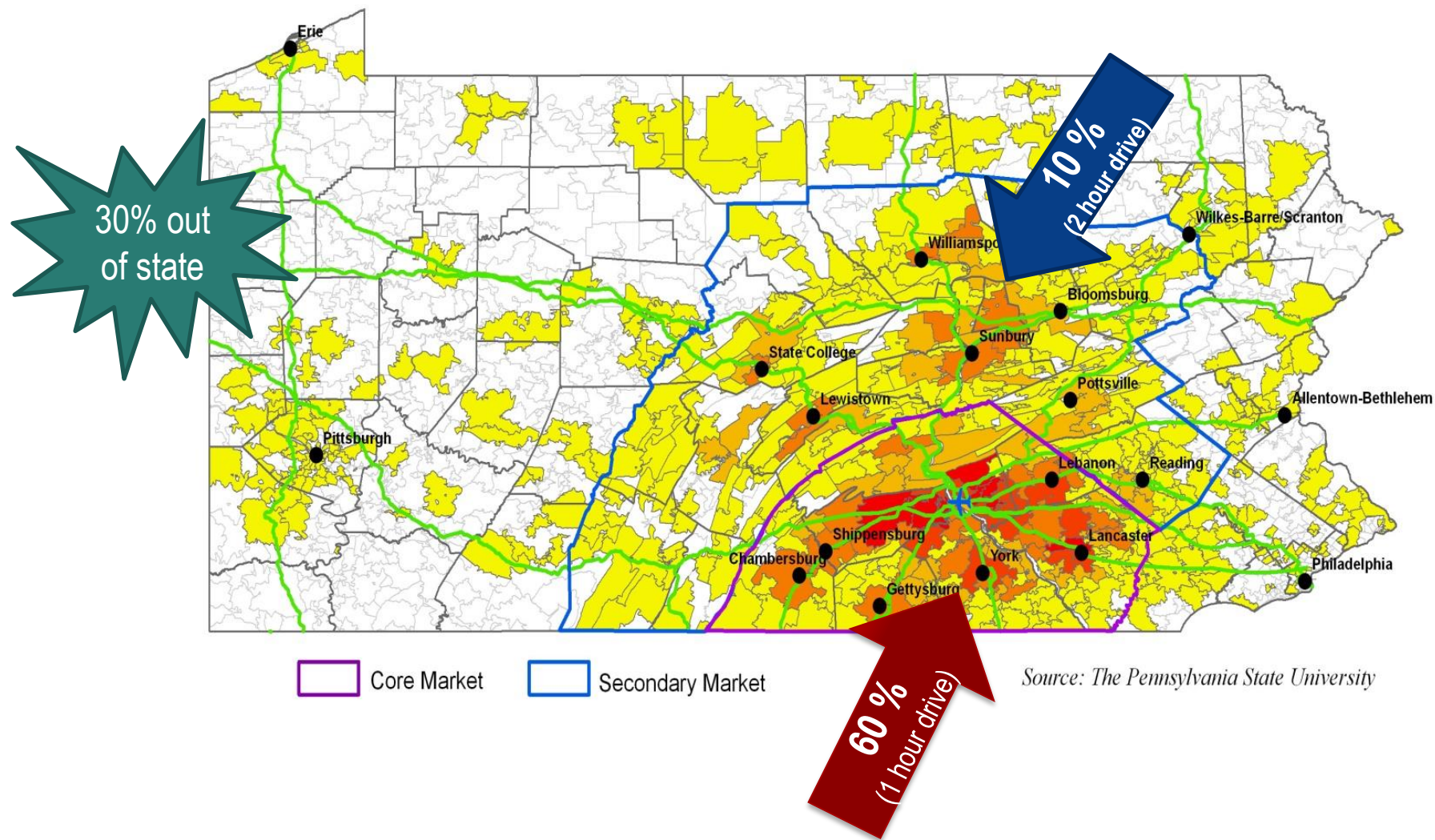
\* Franklin County is typically included in the description of southcentral Pennsylvania and Airport management considers the county to be an important part of the Airport's air service area.

Figure 1  
AIRPORT SERVICE REGION  
Harrisburg International Airport  
March 2008

**JACOBS**  
CONSULTANCY



# 70% of HIA traffic originates within two hours



Source: The Pennsylvania State University

# HIA Nonstop Service Profile - Passenger



- ▶ Allegiant, American/US Airways, Air Canada, Delta, Frontier, United offer nonstop service to 10 destinations
- ▶ 2014 - an average of 3,533 passengers use the airport each day – 1.3 million annually
  - ▶ Chicago
  - ▶ Orlando
  - ▶ Denver
  - ▶ Atlanta
  - ▶ Charlotte
- ▶ 2014 – an average of 244 people each day flew to/from an International destination
  - ▶ Cancun
  - ▶ Toronto
  - ▶ Vancouver
  - ▶ London
  - ▶ Mexico City

# HIA Nonstop Service Profile - Cargo



- ▶ Cargo from Williamsport and Scranton is flown to Harrisburg
- ▶ Federal Express and UPS fly about 100,000 tons of air cargo to destinations around the world via their global hubs
  - ▶ HIA ranks number 61 in the nation which is larger than Cleveland, Nashville, Buffalo
- ▶ Nearly 60% of total cargo is outbound from HIA which limits opportunities for increased cargo service

In 2008, there were 13 different airlines operating two basic business models for HIA to market the central PA region

### Global Network Airlines

AIR CANADA 

American Airlines 

Continental Airlines 

 DELTA 

 NORTHWEST  
AIRLINES®

UNITED 



U-S AIRWAYS

### Low Cost Airlines

 airTran

 allegiant™  
Travel is our deal.

**FRONTIER**

jetBlue  
AIRWAYS®

  
SOUTHWEST  
AIRLINES

spirit  
airlines



# In 2015, there are only 9 different airlines using three kinds of business models for HIA to market the central PA region

## Global Network Airlines

AIR CANADA 

American Airlines 

 DELTA 

UNITED 

Major focus is connecting higher fare business and international traffic over global hubs like Atlanta and Chicago

## Hybrid Airlines

jetBlue  
AIRWAYS®

  
SOUTHWEST  
AIRLINES

Former domestic only low fare airlines, now with increasing costs, looking for international revenue

## Ultra Low Cost Airlines

allegiant™  
Travel is our deal.

**FRONTIER**

spirit™  
airlines

Offer low fares with extra fee on point-to-point route in major markets dominated by global airlines

# Why doesn't \_\_\_\_\_ fly from Harrisburg?

**FRONTIER**

- ▶ Leaving the Harrisburg market in April—service was profitable but not profitable enough compared to “new opportunities”



- ▶ Nearly 1,000 central PA passengers a day don't mind driving to BWI so there is no economic reason to serve Harrisburg

**jetBlue**  
AIRWAYS®

- ▶ NYC hub too close; New Boston routes are focused on where Bostonians business travelers want to fly. They don't mind accessing our region via PHL and BWI

**spirit**  
airlines

- ▶ Major market focus only—looking at routes with at least 200 passengers a day—our largest market is Chicago with about 150 passengers a day

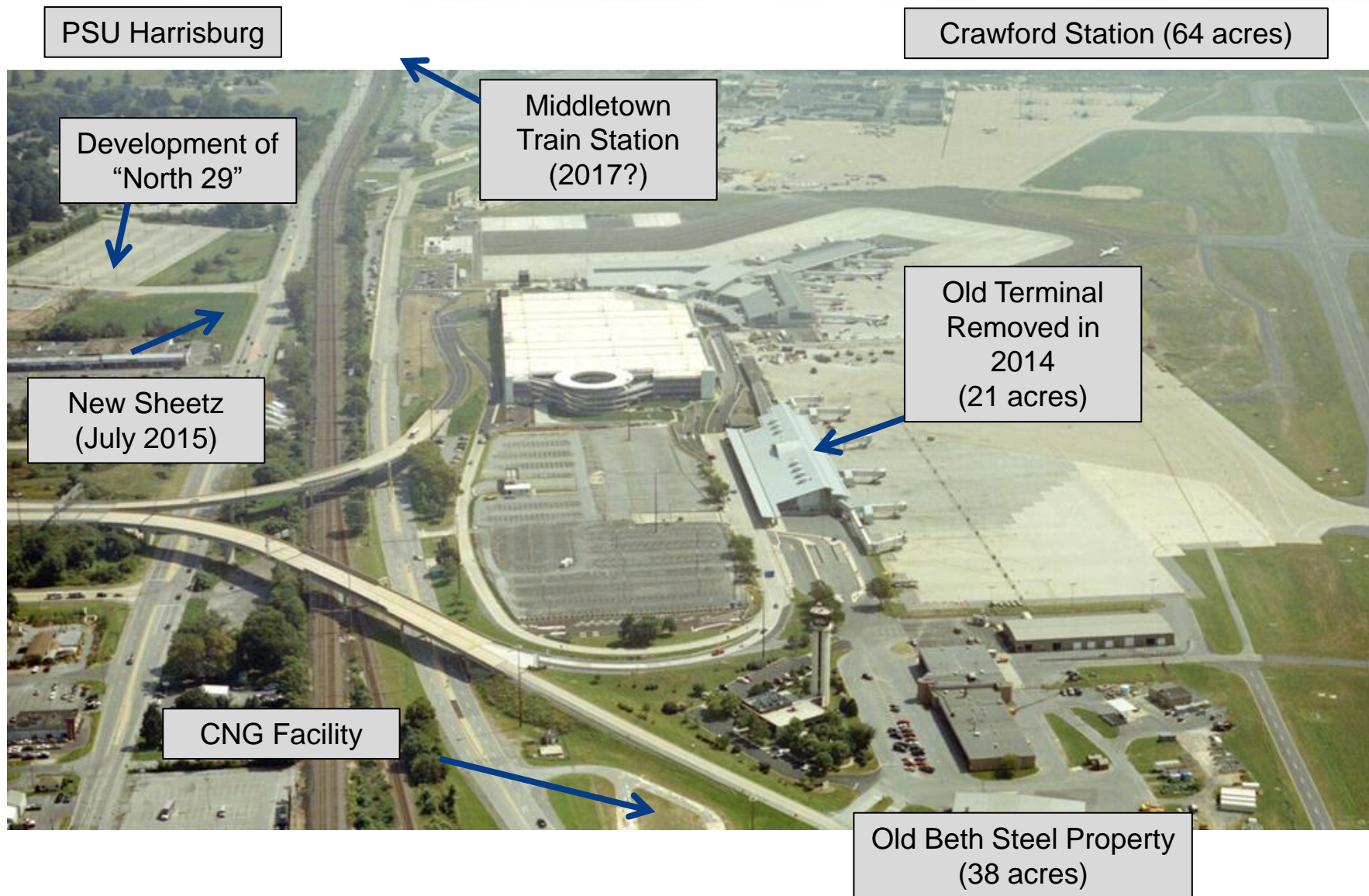
**allegiant**  
Travel is our deal.

- ▶ Serves Orlando Sanford and St. Petersburg/Clearwater—best chance for increased service late in 2015 and beyond

# HIA targets for new nonstop service

- ▶ Dallas/Ft. Worth (American Airlines)
  - Strong energy related local market—currently 45 people/day need to get to about 60 per day
  - Would provide connections into Texas, Southwestern U.S., Mexico and Asia
  - Need to identify current business travelers driving to BWI and PHL willing to switch to MDT
  
- ▶ Houston (United Airlines)
  - Strong energy related local market—currently 28 people/day need to get to about 45 per day
  - Would provide connections into Texas, Southwestern U.S., Mexico and Asia
  - Need to identify current business travelers driving to BWI and PHL willing to switch to MDT
  
- ▶ Minneapolis/St. Paul (Delta Air Lines)
  - Strong agriculture, retail and corporate market
  - Would provide access to northwestern U.S. and Canada
  - Need to identify current business travelers driving to BWI and PHL willing to switch to MDT

# HIA is more than just airplanes.....





# How you can help us grow

- ▶ Think Money, Distance and Time
- ▶ Let us know where you need to fly
- ▶ Join our frequent flier club
- ▶ Sign up for our At The Gate E-newsletter to stay informed



Harrisburg International Airport [View this email in your browser](#)



**Nearly 1.3  
Million  
Passengers  
Connect to the  
Global Economy**



The purpose of Harrisburg International Airport is to provide global air access for our region. During 2014, **1,289,487** passengers spent more than \$300 million on airfare at Harrisburg International Airport (HIA) when flying between our region and more than 300 destinations worldwide. Chicago remains the airport's most traveled business

# Thank You!

Scott Miller  
Deputy Director, Business Development  
Phone: (717) 948-3900

[scottm@saraa.org](mailto:scottm@saraa.org)

[www.flyhia.com](http://www.flyhia.com)