
WEST VIRGINIA PUBLIC PORT AUTHORITY



ADDRESSING ISSUES

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Response to Questions posed by The Charleston Gazette

The West Virginia Public Port Authority (WVPPA) was asked by the House Finance Committee to respond to the charges found in a Charleston Gazette editorial which appeared in the February 1, 2000 edition of the paper. Below is the full text of the editorial, and in the following pages it will be broken down for response to different claims.

The Charleston Gazette

February 1, 2000

Yeager: The state's flagship
Full Editorial

“STILL trying to ruin Charleston's Yeager Airport and saddle West Virginians with a giant debt, the state Public Port Authority last week released a feasibility study saying its proposed westerly transpark would succeed. But remember, several such regional jetports around America flopped after feasibility studies predicted glowing success.

Meanwhile, the booming Yeager - far and away the state's most successful airport - showed what's really feasible. After dedicating a new \$2.5 million rental car area, Yeager directors voted to design a \$1.3 million terminal expansion to handle rising business. They also began selection of an engineer for an environmental study required for Yeager's planned runway extension.

Yeager had 267,286 passenger boardings last year, the most since airline deregulation in the 1970s. That's almost twice as many as all other West Virginia airports combined. (Other 1999 totals, from the state Aeronautics Commission: Huntington, 61,329; Parkersburg, 25,340; Morgantown, 21,642; Clarksburg, 18,242; Lewisburg, 14,743; Cumberland, Md., in Mineral County, 7,500; Beckley, 3,200; and Bluefield, 2,534.) Wheeling and Elkins no longer have airline service.

Yeager's business rose 20 percent in the past three years. Because of the growth, every ticket counter at the mountaintop terminal is occupied. There's no room to add another airline. So the directors voted to enlarge the building by 2,300 square feet. The terminal will gain two new counters, plus offices, baggage rooms, an all weather boarding tunnel and three new passenger jetways.

Yeager is feasible. There's no doubt, because success is happening in front of everyone's eyes. Why is the Port Authority determined to destroy Yeager and move airline business to a regional hub near the Ohio border? Yeager Chairman Ed Hill commented: "The Port Authority wants to take the business

(continued on next page)

Yeager is doing and move it to a different location, where it can help develop the economy in an area outside of Charleston. The Port Authority wants to shift economic activity from Charleston to Lincoln County. That's not fair to the people in the Charleston area, or the people in places to the south and east, like Beckley, who would have to drive so much further to use the regional airport."

Combining air, rail, river and highway transportation at the Lincoln County "transpark" would cost \$257 million, the authority's engineer says - but the actual cost might run to \$400 million, hobbling West Virginia with a monstrous bond debt. However, a transpark can be created at Yeager for a tiny fraction of either cost. If Yeager achieves its runway extension and prepares land for cargo-related businesses, it will be a transpark similar to Clarksburg's Benedum Airport.

Charleston already is the hub of West Virginia commerce, government and travel. It's the logical place for the transpark. And nobody needs a feasibility study to decide if it's possible."

The West Virginia Public Port Authority Response

The body of the editorial appears in all red

WVPPA wishes to acknowledge that an editorial is an opinion piece, thus only measurable information in the body will be addressed. For a rounded view of opinions regarding the Regional Airport issue it is advisable to read a variety of editorials and statements made by media throughout the I-64 corridor.

Gazette Paragraph 1: "STILL trying to ruin Charleston's Yeager Airport and saddle West Virginians with a giant debt, the state Public Port Authority last week released a feasibility study saying its proposed westerly transpark would succeed.

Response/Comments/Observations of the Port Authority: The Port Authority has no mission to, nor does it wish to destroy Yeager or any of West Virginia's airports. The Port Authority's charge is to create economic development through intermodalism. A new Regional Airport would not be the ruination of Yeager. If a new facility were built, the commercial traffic from Yeager and Tri-State would be transferred to that new facility. The remaining traffic could stay at the existing airports, which would be transformed into general aviation facilities. This would create a supportive airport structure for the I-64 Corridor region.

In every market where regional airports were built, those airports became economic engines, which grew local economies. So there is no reason to believe such a facility in West Virginia would create enormous debt.

In a similar location, the Greenville/Spartanburg International Airport (GSP) in South Carolina was built between the two cities. The existing airports in the respective cities remained open as general aviation facilities. All three airports are very successful today because the international airport has been an economic magnet, which played a key role in attracting the North American headquarters of companies like BMW, Michelin, Fuji, Hitachi, and Dunlop Sporting Goods. The economic success created by GSP International created more private traffic for the general aviation facilities, which, in turn, handle the private aviation traffic, leaving GSP to handle the busier commercial traffic. This synergy allows for private aircraft to fly directly to either city, while giving GSP a larger marketplace with which to create better competition and consumer pricing for the region.

It is worth noting there are a variety of options for Yeager and Tri-State Airports should a new facility be built, and airport management and community leadership have been invited to participate in the Transition and Reuse Plan for the existing facilities.

Gazette Paragraph 2: But remember, several such regional jetports around America flopped after feasibility studies predicted glowing success.”

Response/Comments/Observations of the Port Authority: The Port Authority is unaware of any similar facility which has failed to succeed in its marketplace. Regional Airports have flourished everywhere they are located. In previous editorials, the Charleston Gazette frequently cites MidAmerica Airport in St. Clair County, Illinois (suburban St. Louis) as a failed regional airport. However, that facility is not a regional airport and bears little resemblance to the project being studied by the Port Authority. The differences are listed below.

MidAmerica Airport

MidAmerica is located 30 minutes from Lambert International Airport, the 14th busiest airport in the nation. The two airports share the same metropolitan marketplace: St. Louis.

MidAmerica Airport is located at the fringes of the core city region, whereas Lambert International is located near the center.

Because the market is dominated by an International airport, MidAmerica did not have a built-in passenger base anticipating its opening.

MidAmerica Airport was built to be a joint-use facility to preserve the already existing Scott Air Force Base during the period in which many military bases were being closed.

MidAmerica is not Illinois' or Missouri's primary, secondary, or even tertiary airport.

MidAmerica was not planned for immediate business. MidAmerica was designed to alleviate an overabundance of future traffic at Lambert International Airport as it begins to reach its capacity. Many organizations contracted to Lambert have expressed interest in MidAmerican, and are planning to make use of the new facility once their contracts expire.

Proposed Regional Airport

The proposed Regional Airport would not share a marketplace with another commercial service facility, much less one of the nation's busiest. The closest major airports would be in Cincinnati and Columbus, Ohio, a three and one-half hour driving distance.

The Regional Airport is planned for a metropolitan area consisting of not one, but two equally sized cities. The proposed site is located equidistant between the two population centers.

The Regional Airport would have a passenger base the first day it opened with the transfer of commercial traffic at the existing airports.

No military base facility is located in this region. The Air National Guard has a unit at Yeager, and it has no intentions to move, nor does the WVPPA airport study require such.

The proposed Regional Airport would be the state's primary airport serving the largest segment of its population.

Gazette Paragraphs 3 and 4: “Meanwhile, the booming Yeager - far and away the state's most successful airport - showed what's really feasible. After dedicating a new \$2.5 million rental car area, Yeager directors voted to design a \$1.3 million terminal expansion to handle rising business. They also began selection of an engineer for an environmental study required for Yeager's planned runway extension.”

Yeager had 267,286 passenger boardings last year, the most since airline deregulation in the 1970s. That's almost twice as many as all other West Virginia airports combined. (Other 1999 totals, from the state Aeronautics Commission: Huntington, 61,329; Parkersburg, 25,340; Morgantown, 21,642; Clarksburg, 18,242; Lewisburg, 14,743; Cumberland, Md., in Mineral County, 7,500; Beckley, 3,200; and Bluefield, 2,534.) Wheeling and Elkins no longer have airline service.

Response/Comments/Observations of the Port Authority: The Port Authority has no argument with these figures, which were provided to the Aeronautics Commission by the Federal Aviation Association (FAA). But the application of these figures in this instance can be misleading. West Virginia experiences a dilemma known as “leakage,” which is the departure of fliers from our state to use facilities in other states. This leakage weakens all of West Virginia’s airports, and as evidenced above, affects the facilities at the state’s borders most negatively. West Virginia’s leakage problem is the worst of any of the 49 states with commercial airports. Of all the 48 contiguous states and the District of Columbia, West Virginia has the lowest per capita usage of its state airports. When calculating the actual numbers, West Virginia ranks 2nd lowest for in-state usage. Only Wyoming ranks lower, and its state population is 450,000—smaller than the population of the Huntington/Charleston metro region.

With Pittsburgh 30 minutes from the Northern Panhandle, and Washington, D.C. less than an hour from the Eastern Panhandle, it is unlikely the state could retrieve that particular leakage from those large markets, however, the Huntington/Charleston region is over three hours from other major airports.

Though more central in the state, Yeager also experiences leakage and is not a facility sizeable enough to compete with bigger city airports. Studies have found that to upgrade Yeager to the level of a major regional airport would be more expensive than building a new facility, and its location would still fail to offer a short travel distance to the majority of West Virginia’s population. FAA places emphasis on the shortest travel time for the greatest number of people.

After Deregulation in 1978, Yeager dropped from 281,000 enplanements to 226,000 in 1980. In the years following Yeager’s enplanements fluctuated dramatically, dropping to 186,000 in 1982 (the lowest at the airport since 1966) and hitting a post-Deregulation period high of 257,000 in 1988. That figure dropped again in the subsequent years to 221,000 in 1996. Yeager, like other small local airports around the nation, found it difficult to compete with large regional and international airports after Deregulation.

By combining the Huntington and Charleston markets into one facility, the potential exists for West Virginia to retrieve leakage from airports in Kentucky and Ohio, while bringing residents from those states into West Virginia, thus reversing the leakage flyers back into our State.

Gazette Paragraph 5: Yeager's business rose 20 percent in the past three years. Because of the growth, every ticket counter at the mountaintop terminal is occupied. There's no room to add another airline. So the directors voted to enlarge the building by 2,300 square feet. The terminal will gain two new counters, plus offices, baggage rooms, an all-weather boarding tunnel and three new passenger jetways.

Response/Comments/Observations of the Port Authority: Of course, any growth is great news for West Virginia, which is the reason a Regional Airport is being studied. The Port Authority is charged with finding the best method with which to improve the state's transportation infrastructure and make it competitive with other states, while creating economic development through transportation.

As discussed above, Yeager's enplanement history has fluctuated dramatically. This is to be expected for all smaller local airports. It is important to note this recent growth has coincided with the publicity surrounding the regional airport debate, as well as following the efforts of Senator Jay Rockefeller's air service summit, and Governor Underwood's support in attracting new airlines to the facility.

| Year | Yeager's Enplanements | Number Increase over previous year | Percentage Increase over previous year |
|------|-----------------------|------------------------------------|--|
| 1995 | 219,721 | --- | --- |
| 1996 | 221,178 | 1,457 | 0.6% |
| 1997 | 246,819 | 25,641 | 12.0% |
| 1998 | 263,145 | 16,326 | 6.0% |
| 1999 | 267,286 | 4,141 | 1.5% |

This chart indicates a great surge in 1997, but that growth was almost half as much the following year, and considerably smaller last year. This suggests Yeager has depleted its market opportunities, which leaves West Virginia without an FAA defined hub facility (320,094 enplanements or greater). This puts West Virginia in the company of only four other states: Delaware, Montana, North Dakota, and Wyoming. All of these other states have a population under 800,000 people, and the Western states are far from the population bases of the eastern U.S. That leaves West Virginia and Delaware as the only states east of the Mississippi with no major facility, however Delaware has no airport due to its close proximity to Baltimore and Philadelphia, leaving West Virginia in a unique position among the states.

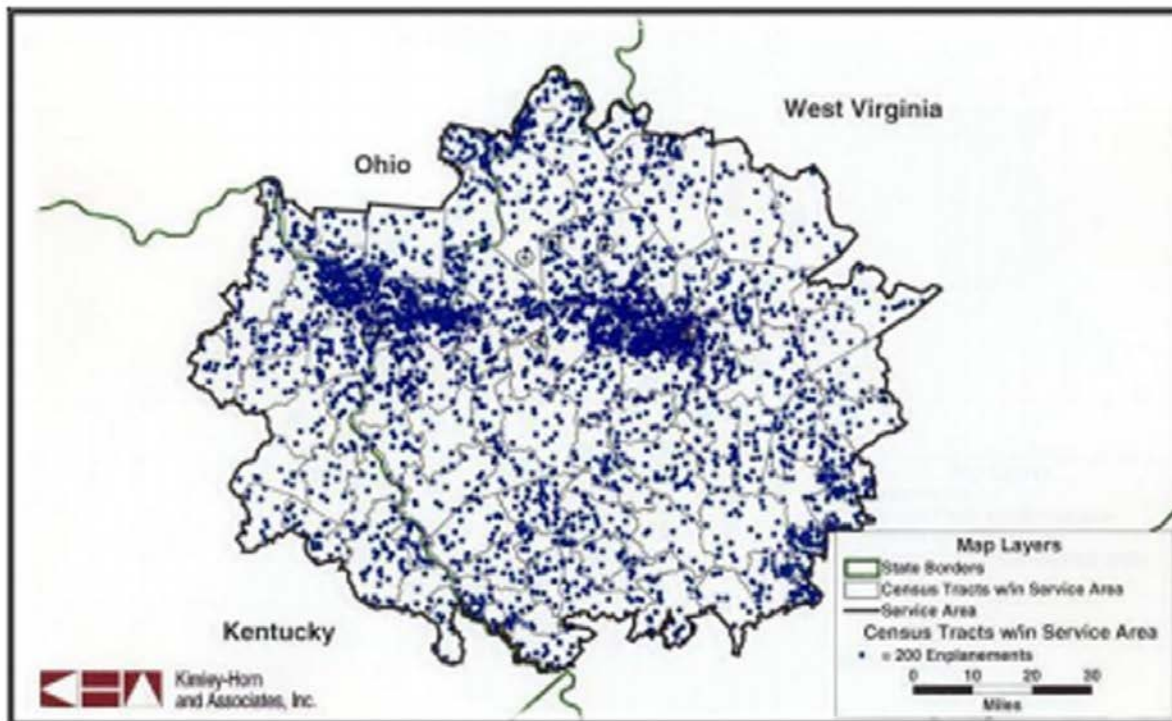
Gazette Paragraph 6: Yeager is feasible. There's no doubt, because success is happening in front of everyone's eyes. Why is the Port Authority determined to destroy Yeager and move airline business to a regional hub near the Ohio border?

Response/Comments/Observations of the Port Authority: The Lincoln County site for the proposed Regional Airport is 31 miles from Charleston's city center, and 32 miles from Huntington's city center. The most direct route to the state of Ohio is via Interstate 64 to the city of Huntington. Therefore, the proposed airport site is closer to the city of Charleston than Huntington or Ohio. Moreover, while Charleston may be the largest municipality in Kanawha County, the majority of Kanawha's population is in the western half of the county. Therefore, the bulk of the Kanawha Valley's large population base lives either equidistant or closer to the new airport site than to Yeager.

The Port Authority readily concedes border counties in Ohio and Kentucky are a part of the population base. Usage of Federal funding, which would be an integral part of airport construction, dictates that no state boundaries are observed. In addition, FAA typically offers greater financial participation when more than one state is involved, and leaders in both Ohio and Kentucky have indicated their support for the project, which will most likely result in financial participation from those states as well. With West Virginian's using airports in Ohio and Kentucky, it would be advantageous to the state to bring those passengers back into their own state, while bringing the large populations of border states to a large airport in West Virginia.

Gazette Paragraph 7: Yeager Chairman Ed Hill commented: "The Port Authority wants to take the business Yeager is doing and move it to a different location, where it can help develop the economy in an area outside of Charleston. The Port Authority wants to shift economic activity from Charleston to Lincoln County. That's not fair to the people in the Charleston area, or the people in places to the south and east, like Beckley, who would have to drive so much further to use the regional airport."

Response/Comments/Observations of the Port Authority: In Paragraph 4 of the Gazette editorial, eight commercial service airports in West Virginia are listed, including Beckley's. The quote in Paragraph 7 suggests these communities—including Beckley—are reliant on Yeager Airport in Charleston. This is a contradiction. Moreover, it ignores the large chain of population (West Virginia's largest concentration), which extends west from Charleston. Below is a map indicating the population base of the I-64 area and surrounding region. Tri-State Airport, Yeager Airport, and the proposed site are all indicated. It is evident the proposed site would serve more people with greater convenience and the least distance required for travel.



A new Regional Airport would be considered the server for Huntington and Charleston, just as airports in Raleigh/Durham, Dallas/Ft. Worth, Winston-Salem/Greensboro, and Seattle/Tacoma—to name a few—serve their respective cities. These regional airports have contributed to their respective marketplace's commercial centers, while also offering economic development to points in between. There is no evidence from these or any other seven regional airports that a facility located between cities steals from the urban center's commercial activity. More to the point, these airports have added to the commercial activity of these cities because of their vast development potential and the airport's ability to expand without impediment from urbanization.

Gazette Paragraph 8: Combining air, rail, river and highway transportation at the Lincoln County "transpark" would cost \$257 million, the authority's engineer says - but the actual cost might run to \$400 million, hobbling West Virginia with a monstrous bond debt.

Response/Comments/Observations of the Port Authority: Port Authority consultants Kimley Horn have found the first phase of the airport would cost \$257 million. This would create a functional airport with all the needed facilities for operation on its first day and include one runway with a length of 10,000 feet. Kimley Horn found approximately 85% of Phase 1 construction is eligible for FAA funding from the Airport Improvement Program. There is also anticipated funding assistance from Kentucky and Ohio, as well as private investors. West Virginia's funding requirements would likely range from \$20 to 40 million over five years. The Port Authority could sell bonds in the amount of approximately \$60 million over five years, which in turn could be retired with the profit made by operating the airport itself. The additional two phases of the airport would only be constructed on an as needed basis, and could be funded by the airport itself with FAA help, which by then will be an entrenched facility.

There is no basis or precedent for the concept that a new airport would create an enormous debt. More to the point, regional airports create strong, vital economies, which develop large, healthy tax bases, and thus more money is breathed into state and local funds.

Gazette Paragraph 8 (continued): However, a transpark can be created at Yeager for a tiny fraction of either cost. If Yeager achieves its runway extension and prepares land for cargo-related businesses, it will be a transpark similar to Clarksburg's Benedum Airport.

Response/Comments/Observations of the Port Authority: The management of Clarksburg's Benedum Airport is to be commended for the excellent job they have done in making their facility an economic engine for their region. Benedum has helped diversify the local economy with an adjacent airpark which includes such aviation industry luminaries as Pratt-Whitney, Lockheed Martin, and Bombardier. Clarksburg recently lengthened its runway to 7,000 feet, a project that had been planned at Benedum since the mid-1980s. This will aid Benedum in developing their airpark further, and the facility has become an excellent role model for any small airport. Airports in Martinsburg and Beckley have also executed smart strategies in economic development, with their facilities using ideas they have been honing for the decades since Deregulation in 1978.

Given this information, it is plain The Gazette errs in calling the facility at Benedum a "transpark." Benedum offers an "airpark" at which maintenance and electronics can be performed on planes and small jets, which is quite different than a "transpark," at which major cargo planes use the facility.

Yeager has reviewed the possibility of lengthening its runway to 7,000 feet, however, the minimum length for an airport at a 1,000 foot elevation (which is the case for most of West Virginia's airports) for major cargo planes is 8,700 feet. This length is an aerodynamic requirement for cargo and passenger jets carrying at least 80% of their possible weight in fuel, cargo and/or passengers in the thinner air of a hot summer day. Cargo companies cannot consider an airport with a runway shorter than 8,700 feet because carrying less than an 80% load or using smaller planes would render their activity unprofitable. The Huntington/Charleston region is within twelve driving hours of 80% of the American population, and West Virginia is the only state which is part of the Northeast, Southeast, and Midwest. This proximity makes West Virginia a perfect location for an air cargo facility.

The Gazette's claim that lengthening Yeager's runway to will make it viable for a transpark is untrue, and also ignores the fact that a lengthened runway would require the rest of the facilities to be augmented to match that length. Therefore the expense would be much greater than just that of a lengthened runway, and the new 7,000-foot length would accomplish nothing the facility couldn't accomplish already. Most importantly, the Gazette is comparing apples to oranges. The Port Authority envisions a facility competitive with other major markets and built in phases. The expansion of Yeager's runway will not create an equal facility capable of the same level of activity.

Gazette Paragraphs 9 and 10: Charleston already is the hub of West Virginia commerce, government and travel. It's the logical place for the transpark. And nobody needs a feasibility study to decide if it's possible."

Response/Comments/Observations of the Port Authority: This paragraph ignores the concept of a Regional Airport. The Port Authority is not disputing Charleston's significance as a commercial and government center, especially given that the Port Authority is based there. But this statement omits Huntington's status as a commercial and academic center, and as a transportation center equal to Charleston. With Interstate 73/74 under construction in Wayne County, the terminus of Norfolk-Southern Railway in Kenova, and the continued development of Ohio River ports (the 17th busiest in the nation), Huntington offers one of the state's largest transportation centers. By putting together the state's two largest cities and transportation bases. there is the potential to create a facility and a major metropolitan marketplace on par with those of many other major cities.

It is important to note that citizens and leadership in the Huntington area and other parts of the Kanawha Valley have offered significant support for the Regional Airport studies. These same supporters have gone on record as opposing the expansion of Yeager Airport since it is not at a location which could be shared by the majority of the population. These communities have formed the Just In Time Committee to promote their support for the regional airport studies. This organization, community members, and various leaders have emphasized they want a facility equal in distance and opportunity for Greater Huntington, the Teays Valley Region, and western Kanawha County, a region that creates a population base almost eight times the size of Charleston.