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Sacramento Airport flight reductions could hurt local businesses

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The reduction in flights at Sacramento International Airport is more than an inconvenience to vacationers. It could be harming the area's business climate.

While tourists lament the loss of nonstop flights to locales like Maui and Puerto Vallarta, business leaders are anxious about the cancellation of Sacramento's only nonstop service to bread-and-butter destinations such as Charlotte, N.C., one of America's banking centers. Sacramento's diminishing air service, they say, could make it harder to do business here and recruit corporations.

"One of the things they look at is non-stops," said Bob Burris, deputy director of the Sacramento Area Commerce and Trade Organization, which lures new businesses to the region. "That's the scorecard that site consultants and major companies look for."

Practically every airport in America is losing some service as airlines pull back in the face of a weakened economy and staggering jet fuel prices. In Sacramento's case, many of the lost flights were relatively new to begin with.

But the pain isn't being spread equally across the country, and some consultants say second-tier markets like Sacramento are getting hurt more than the big hubs.

"The airlines for the most part are trying to keep as much service as they can at their hubs," said David Beckerman of OAGback Aviation Solutions, a national consulting firm. "That second tier of cities that tend to have smaller populations and not have an airline hub – they're at risk of losing service."

Sacramento has lost, or is about to lose, nonstop service to business markets such as Kansas City, San Antonio and Vancouver, British Columbia.

JetBlue is halting Sacramento's only nonstop to New York in January, although it's supposed to be a seasonal suspension, with the flights scheduled to resume in May.

All told, Sacramento will have shed 13 percent of its flight capacity by November, when the latest round of cuts is expected to be complete, said airport spokeswoman Karen Doron. Capacity is the number of passenger seats available.

By contrast, San Francisco International will have lost 4 percent to 5 percent of its capacity by November, said deputy airport director Kandace Becker.

Burris said other factors, like the quality of the region's work force, also weigh heavily when corporations are looking for new sites. And so far, the loss of flights doesn't seem to have discouraged any companies that are talking to SACTO about moving operations here, he said.

But the availability of good air service can be make-or-break for some big corporations. In one closely watched example, AT&T Inc. recently announced it's moving its headquarters from San Antonio to Dallas largely because of Dallas' airport.

"The straw that broke the camel's back, the key factor, was superior airline service at Dallas-Fort Worth," said Jack Boyd, a corporate relocation consultant from Princeton, N.J. "It's something that our clients look at on a constant basis."

The moves are discouraging to Sacramento business travelers like Fred Forrer, chief executive of management consulting firm MGT of America.

He frequently bounces between MGT's main office in Sacramento and its satellite locations in Tallahassee, Fla.; Olympia, Wash.; and Austin, Texas. The Florida trip is often the toughest, and lately Forrer found some salvation in US Airways' nonstop from Sacramento to Charlotte, where he could get a connecting flight to Tallahassee. The service began in June.

Now that's going away. When a reporter told him US Airways is halting the Charlotte nonstop Aug. 18, Forrer was a bit crestfallen.

"My options are getting limited," he said.

Some experts say Sacramento is holding its own against other airports. Despite the downturn, some new nonstop destinations have been added recently, including a US Airways flight to Philadelphia and a Horizon Air flight to San Jose.

Mike Boyd, an aviation consultant in Evergreen, Colo., said some big markets like Houston are losing a bigger share of their flights than Sacramento.

And some of Sacramento's losses aren't particularly significant, said Boyd (no relation to the relocation consultant from Princeton). Many of the vanishing nonstops are the product of one struggling carrier, ExpressJet, which is suspending commercial operations to all cities Sept. 2.

ExpressJet's woes mean Sacramento will no longer have nonstop service to such cities as San Antonio, Colorado Springs, Santa Barbara and Spokane.

Boyd said Sacramento will survive. "Losing the nonstops to Colorado Springs and Spokane – there'll be three people in town who'll notice," he said.

Passenger traffic at Sacramento International was down 3.2 percent through June. But airport officials, who have broken ground on a \$1.27 billion airport expansion, have said service and traffic will improve when the economy does. Burris, the SACTO executive, agreed.

"I know we've lost some critical flights," he said. "I think we're going to gain those back at some time in the future."

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