

Lower fares, more passengers ***(Midlands Business Trends)***

He's been on the job for a little more than a month, but Dan Mann, the new executive director of the Columbia Metropolitan Airport, already knows what CAE needs to grow: A low-cost carrier.

"It's vital. I don't know if we'll experience growth without getting a low-cost carrier," said Mann, who began in his new post on Feb. 1, following the retirement of Mike Flack. "The growth is going to require some significant airfare savings."

Columbia's airport has 41 non-stop daily departures to 10 cities, but with the absence of a low-cost carrier to fuel competition, the difference in airfare is often enough to lure passengers to Charlotte's much larger Douglas Airport. Allegiant Air, which offered low-cost airfare to Ft. Lauderdale Fla., and Orlando, Fla., stopped its services out of Columbia's airport in late summer 2009 due to what the company's president and CEO said was a "lack of market demand." But it serviced only those two cities and only twice per week, on Wednesdays and Saturdays.

The process of attracting new passengers to CAE is two-pronged, Mann said. The airport has to offer good business fares to the country's top destinations so these travelers don't have to go out of state for their departures. To accomplish that, though, the airport must work toward lowering its per-passenger cost to the airlines so the airlines can, in turn, offer lower fares.

While it isn't the only determining factor for whether an airline offers lower fares or more flights to more destinations, Columbia's approximately \$12 per-passenger cost to airlines is on the "high end," Mann said; low-cost carriers often like to see that charge around \$7, Mann said, based on his experience.

Columbia does have what Mann termed "huge selling points" for low-cost carriers, such as its location, its weather and its business—particularly the state government and the University of South Carolina.

In his most recent position as director of Cedar Rapids' Eastern Iowa Airport, Mann developed a strategic plan that helped the airport realize more than \$500,000 in cost savings annually.

"Dan has a track record of community outreach, air service development and budget preparation," said Elsie Rast Stuart, vice chairman of the Richland-Lexington Airport Commission. "In addition, he has demonstrated a strong ability to communicate with federal and state legislators, aviation officials, and local and public business leaders."

The Eastern Iowa Airport is slightly smaller than Columbia's airport, serving approximately 990,000 passengers each year compared to approximately 1.1 million, but it did service nine non-stop cities and had a low-cost carrier. It was also a city-run airport, as opposed to one run by an airport authority, like CAE is which plays to Columbia's advantage in terms of getting initiatives accomplished in a quicker fashion.

The biggest difference between the two, Mann said, was that Cedar Rapids didn't have the "bigger challenge" of competing with a large airport like Charlotte: Minneapolis, Minn., St. Louis and Chicago are all more than four hours away from Cedar Rapids.

Over the next 18 months, Mann said that Columbia, and other airports its size, are going to measure success in terms of how it is able to maintain the service it provides. While the recession may be over for a number of industries, it certainly isn't for the business and leisure traveler.

Not surprisingly, Columbia's total passengers dipped by 8.55 percent from 2008 to 2009, from approximately 1.15 million to approximately 1.05 million, according to airport statistics. Air cargo, measure in tons, decreased by 27.85 percent (from 101,885 tons to 73, 507 tons) and monthly scheduled flights also reduced by 15.77 percent (from 20,246 to 17,137).

"Our No. 1 mission, as it relates to air service, is finding out how we can retain what we have," Mann said.

The airport can accomplish this by educating the public, especially business owners, on the importance and economic impact of the airport, as well as the benefits of flying there.

CAE is not just the airlines and airfares it offers, but also the amount of business it brings to the region with its cargo facilities and the number of jobs it provides.

For passengers, the airport is easy to get to and has non-stop service to great destinations, Mann said. Flying local helps improve the frequency of airline departures, as well as attract new airlines to the airport.

"For a city our size to have the service we have...is phenomenal," he said. "For the population base, we have a lot of great service. We as airport folks need to let people know how important the airport is."

In March, Mann will meet with all the airport's current airlines and some potential new airlines, laying the groundwork for future expansion. But what comes first, the chicken (more airlines to drive lower fares) or the egg (more passengers to attract more airlines)?

"Our customers are not using our airport; they're using another airport," Mann said. "If we can get just a small portion of our customers to use our airport that will help us grow. The market's there. We have to find a way to recapture it."