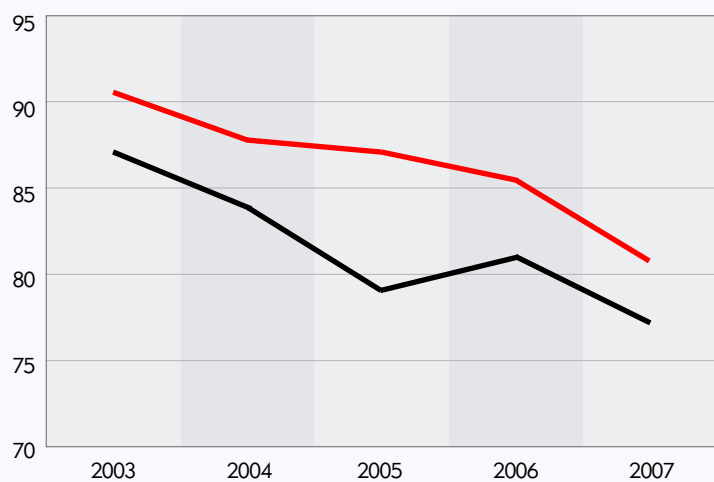




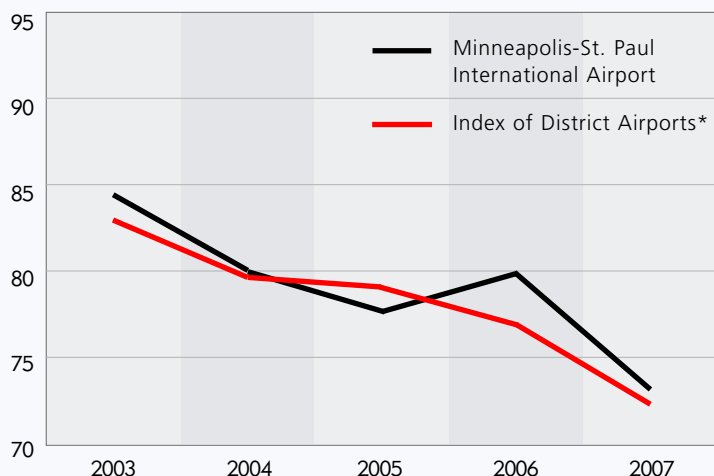
Common descent

Flight delays common at large airports also afflict regional airports in the district

Percent of Departures on Time



Percent of Arrivals on Time



* District airports with 100,000 or more annual passengers, not including MSP.
Source: Bureau of Transportation Statistics

By JOE MAHON
Staff Writer

Air travelers in North Dakota aren't accustomed to long waits in the airport terminal or on the tarmac. Traditionally, flight delays—the subject of intense media coverage lately—have been a problem at big hub airports such as Minneapolis-St. Paul International (MSP) or Chicago O'Hare. So it came as a shock for passengers at Bismarck Municipal Airport when the facility's on-time performance nose-dived in 2007.

Last year, according to figures from the U.S. Bureau of Transportation Statistics, only 82 percent of flights from Bismarck left on time—a sharp drop from 2003, when 94 percent of departures were on time. During the same period, Bismarck's on-time arrival rate dropped from 86 percent to 72 percent. "We always get some delays in the busy season," said Airport Manager Greg Haug, "but last year was unprecedented."

Bismarck Municipal isn't the only regional airport in the Ninth District with a punctuality problem. Bureau of Transportation figures show that average on-time performance at 16 smaller

airports in the region declined 10 percentage points between 2003 and 2007.

These data show that the problem of declining on-time service is much more widespread than well-publicized delays at major hub airports. Chronic tardiness is causing angst and lost productivity throughout the air passenger system.

With this year's travel season in full swing (federal transportation officials and industry analysts have warned travelers to brace themselves for more waiting), an examination of increasing flight delays in the district is timely. It turns out that the troubles of regional airports stem from an airborne domino effect—snarled air traffic at major hubs compounding delays at smaller satellite airports.

Hurry up and wait

Dozens of small commercial airports serve the sprawling district. The *fedgazette's* analysis focuses on airports in small- to medium-sized cities with annual scheduled service of at least 100,000 passengers, a group that excludes MSP, a major national hub. Montana has six of these airports, North Dakota has four, Minnesota and

South Dakota have two apiece and the district portions of Wisconsin and Michigan each have one.

An index of trends in on-time performance at these airports as a group (see accompanying charts) shows that all of them have experienced declines in on-time service over the past five years. At some airports the deterioration has been dramatic. The proportion of planes departing on time from Rochester Municipal fell 15 percentage points from 2003 to 2007. At Gallatin Field in Bozeman, the percentage of prompt arrivals dropped by almost the same amount.

Moreover, on-time performance at the airports went from bad to worse in 2007. The performance index indicates that on-time arrivals at all district regional airports decreased 5 percentage points last year, while departures fell 4 points. The sole exception to this downward trend was Sawyer International in Marquette, Mich., where bad weather hurt on-time performance in 2006. Sawyer's performance improved in 2007, but it merely stabilized at poor levels.

By some measures the decline in service at regional airports has rivaled that of many large metro hubs. The performance index shows that aggregate on-time departures and arrivals each decreased about 10 percentage points between 2003 and 2007. The comparable figures for MSP are similar—10 points for on-time departures and 11 points for timely arrivals.

To add insult to injury, some regional airports such as Bismarck Municipal and Gallatin Field have experienced steeper declines in service than MSP, which was recently ranked among the nation's 10 worst big airports for delays. However, those airports had farther to fall in the rankings; historically, MSP's on-time service rates have run a few

percentage points lower than the average for regional airports.

Caught between a hub and a spoke

Theories abound as to the cause of declining on-time service at MSP and other major airports across the country. Some aviation experts blame an antiquated air traffic control system. Another oft-cited culprit is demand from business passengers for more frequent flights. More flights on smaller planes worsens congestion on runways and flight paths without increasing capacity.

Those explanations don't wash at smaller regional airports. Congested airspace isn't an issue, noted New York airline-industry analyst Robert Mann, contrasting the open skies over much of the district with notorious congestion in the eastern part of the country. Crowded tarmacs aren't at fault either. "You leave one of these Montana cities, you're going to be probably the only airplane taxiing out to the runway at a certain time," said Helena Airport Manager Ron Mercer.

Instead, the root of the problems at regional airports can be traced to backups at metro hubs. The parallel decline in on-time service at MSP and regional airports isn't coincidental; delays at MSP and other major hubs often trigger delays at smaller airports that rely on hubs for connections to other destinations.

Delays at metro hubs explain why overall arrival performance is worse than on-time departure performance at regional airports. If a flight takes off late from a major hub, it will probably arrive late at its destination. On-time arrival rates at smaller district airports average about 9 percentage points lower than departure rates, although

departure performance has suffered at regional airports as well. Sometimes air traffic controllers at hubs experiencing delays will instruct regional airports to hold aircraft on the ground.

A closer look at the statistics reveals that regional airports linked to hubs with severe on-time problems suffer from the same disease. For example, a large share of Helena's flights go to and from Salt Lake City, a relatively free-flowing hub. Consequently, Helena boasts the highest rate of on-time arrivals in the district—80 percent so far this year. Gallatin Field in Bozeman, on the other hand, provides nonstop service from Chicago O'Hare, and has seen on-time arrivals plummet 14 percentage points.

"That flight is late every day," Mercer said. In 2007, the rate of on-time arrivals in Bozeman was 8 percentage points lower than in Helena.

Furthermore, in today's hub-and-spoke system, jets don't just fly back and forth between regional airports and their hubs. A plane headed to Missoula, for example, might start the day in Pittsburgh, located in one of the busiest airspaces in the world. "So the weather may be great in Missoula and the airport may be relatively uncongested, but the aircraft is going to be late arriving," Mann said.

Turbulence ahead

Sadly for district air travelers, most of these problems are systemic and have been getting steadily worse. Rather than an aberration, last year's significant decline in on-time service may be a sign of more to come.

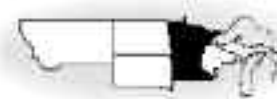
The U.S. Department of Transportation has cited MSP as one of the airports expected to experience serious flight delays this summer. Given MSP's central role in routing flights around the district, that spells trouble for regional airports.

For on-time service to improve, Mann said, airlines must change their marketing strategy, focusing on reliable service rather than frequent flights. That might mean deploying big jets for long flights and small turboprops for shorter routes. Turboprops not only consume less fuel; they also fly at lower altitude in less congested airspace.

New technologies also offer hope. Delta Airlines uses computerized scheduling to adjust the arrival times of airplanes and minimize waiting on the tarmac for open gates.

In the meantime, long waits for off-schedule planes appear increasingly likely, especially when stormy weather overtakes an already stressed air traffic network. "I guess we could all hope for good weather," Mann said. **f**

MINNESOTA



All those in favor, quack

The environment is a hot topic these days, and a measure from this past legislative session will give Minnesotans a chance later in the year to put their tax money where their opinions are.

In November, state residents will vote on a measure to dedicate three-eighths of 1 percent of state sales tax to environmental conservation, which includes protection of fish and wildlife habitats. The state Department of Natural Resources has been seeking a stable, dedicated source of funding for years to pursue a variety of conservation and natural resource initiatives that span beyond the cyclical nature of state budgeting.

This issue has been lobbied in the Legislature for the better part of a decade. As dedicated funding, money set aside will mean less money for other areas, as the referendum does not seek an increase in the sales tax.

In the process of legislative negotiations, the referendum also came to include dedicated funding for public broadcasting and the arts as well, which critics derided as watering down the original conservation proposal and proponents argued was necessary to broaden the base of supporters. Other sources of dedicated funding were also considered, including bonding and the use of either lottery or Indian gaming proceeds, but ultimately dropped.

Health plans bleeding too

Many people claim that health care costs an arm and a leg. Even if that's the case, the state's nonprofit health plans apparently aren't hoarding them.

Last year, the state's eight largest nonprofit health plans, which provide health care coverage to more than 4 million people, showed operating losses of \$71 million, according to the Minnesota Council of Health Plans, a trade group. This was the third consecutive year of operating losses, and this year's results were actually a small improvement.

The reasons for the financial trouble should sound familiar. Health plans have had difficulty keeping up with medical cost inflation; in 2007, medical care costs paid for by the eight organizations went up 7 percent, to more than \$14 billion. The industry's balance sheet looks better, however. Health plans managed to cover their operating losses, thanks to more than \$200 million in investment income.

—Ronald A. Wirtz

