

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: February 8, 2012

TO: Supervisor Michael Mayo, Chairman, Transportation, Public Works and Transit Committee

FROM: Frank Busalacchi, Director, Department of Transportation

SUBJECT: **UPDATE ON GENERAL MITCHELL INTERNATIONAL AIRPORT -
2011 YEAR-END STATISTICS**

POLICY

Informational report.

BACKGROUND

For the first five months of 2011, the Airport hosted record numbers of passengers - the finale of a spectacular 21-consecutive month run of increased (average increase each month was 20.3%) passenger traffic and commercial airline operations, which began in September of 2009. In June, passenger numbers began to flatten as anticipated, and the Airport finished the year with a decrease of 3.31% in total (enplaned and deplaned) passengers (compared to 2010) along with a decrease of 10.07% in total (arriving and departing) commercial airline operations. The fourth-quarter of 2011 saw the greatest declines, which significantly impacted our year-end numbers, with total passenger traffic dropping 11.84% and total commercial airline operations dropping 20.38%.

The drop in 4th quarter passenger numbers corresponds with two significant airline changes. In fall of 2011, Frontier Airlines began a series of flight reductions eliminating small plane service, which the company said was unprofitable. In Milwaukee, Frontier cut nearly a third of its flights by terminating service to Green Bay, Madison, Dayton, Cleveland, Des Moines and Minneapolis, and reduced the frequency of flights on other routes. The reduction in flights on Frontier also reduced the number of passengers making a transfer in Milwaukee. Frontier is owned by Indianapolis based Republic Airways Holdings, Inc., which brought it and the former Milwaukee based Midwest Airlines in 2009.

Also in 2011, Southwest Airlines acquired AirTran Airways, which created some changes in air service at GMIA. Southwest does not enter into marketing agreements with feeder airlines as AirTran did, and therefore small plane service on Skywest to AirTran's hub at GMIA was eliminated.

Airline changes are not unique to GMIA. The airport and airline industry is feeling the effects of high fuel costs, a sluggish economy, and consolidation of airlines. In addition

to Republic Airways' purchase and merger of Frontier and Midwest Airlines, US Airways has acquired America West, Delta has merged with Northwest, United and Continental are combining, and most significant to Milwaukee, Southwest has acquired Airtran. Many airlines are being forced to eliminate routes or at least reduce the frequency of flights to existing destinations, which is impacting airports across the country. However, despite the most recent changes and reductions at GMIA, the airport in 2011 served far more travelers than even two years ago, when the number of passengers using the airport totaled just over 7.9 million.



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Cc: Supervisor Lee Holloway, Chairman, County Board of Supervisors