



Pittsburgh International Airport  
Allegheny County Airport  
[www.FlyPittsburgh.com](http://www.FlyPittsburgh.com)

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**Allegheny County Airport Authority Statement Regarding Travel Expense Reports:**

There is a continued incorrect perception that the airport receives any county taxpayer dollars. It does not.

In fact no county tax payer money is used to operate the airport or to pay for Allegheny County Airport Authority business travel. Furthermore, the Authority receives no operating funds from Allegheny County, the Commonwealth of Pennsylvania or the federal government. Even the building of the billion dollar landside and airside terminal facility was built primarily with funds from airport revenue bonds that were guaranteed by the airlines. The airport authority pays \$62 million per year in debt service to amortize those bonds.

The funding for operations and payment of debt service at Pittsburgh International Airport and Allegheny County Airport comes from revenues generated by airline terminal and gate leases, landed weight fees, and from non-aviation revenues such as parking fees, rental car fees, and concessions. The Authority also receives rental income from the leases on airport property that has been developed including Clinton Commerce Park, Airside Business Park, Dicks Sporting Goods and development on the Cherrington Drive Extension.

One more clarification: As is the case with almost every major airport in the United States, passengers pay a passenger facility charge which is added to airline tickets. The revenue generated from these PFCs is utilized by the Airport Authority for capital projects specific to improving the airport infrastructure and safety. A portion of these revenues also goes toward paying debt service.

*Why travel for business?*

The Allegheny County Airport Authority has taken a strong position that we will maintain a world-class airport and provide quality air service to the region despite the changes brought on by US Airways' two bankruptcies and buy out by America West.

Pittsburgh International Airport is an economic generator for the region. The region requires quality air service to numerous destinations if it is to advance and grow. The Airport Authority works closely with government leaders, Visit Pittsburgh and the Allegheny Conference to coordinate efforts regarding business development, tourism and job creation. These groups expect the Airport Authority to keep this airport on the leading edge so that we can attract more flights and ultimately more business, enterprise and tourism for the region.

Business travel is a required means of conducting business to stay ahead. Directors of the airport authority are charged with:

- Attracting more flights and destinations
- Increasing revenues to the airport.
- Advancing the skill levels of the management team
- Participating in industry panels, committees and working groups and bringing those benefits back to their Airport Authority duties.

In addition to the accomplishments set forth, the Authority has taken an active leadership role in the Airports Council International and the American Association of Airport Executives, the key trade groups for airports. Through participation in meetings and conferences with these groups, the airport is able to obtain valuable resources and have its interests protected at a national level. These travel expense reports are clearly in line with these objectives.

The money for travel in 2006 was less than one percent of the total operating expenses. In 2007 and 2008, travel expenditures comprised about *one half of one percent* of the Authority's total operating expenses.

It is also important to point out that half (27 out of 55) of the travel reports requested by WTAE were from 2006. In 2006, the Authority made great strides in enhancing air service and many of these achievements can be directly related to our ability to travel to meet with airline executives to promote the benefits of Pittsburgh International Airport.

At that time:

- US Airways had extended its lease commitment for five more years with the Airport Authority on Hangars 3, 4 and 5, as well as the special services building, cargo building, mail sort facility and ground service equipment maintenance facility.
- US Airways was operating a hub and a crew base in Pittsburgh providing 176 daily flights to 60 non-stop destinations.
- US Airways agreed to locate its flight operations center in Pittsburgh, selected over strong competition from Phoenix and Charlotte
- JetBlue launched service in June 2006 with flights to New York and Boston.
- Midwest Airlines added Kansas City and increased daily flights to Milwaukee.
- United Airlines added Denver.
- Delta announced it would begin nonstop daily flights to Salt Lake City and increased the frequency of daily flights to New York JFK in early 2007.
- American announced it would add daily flights to New York LaGuardia in early 2007.
- Southwest announced it would add three more destinations (Baltimore, Phoenix and Tampa) and will soon increase frequency in May 2007 to Tampa.

One expense report included a flight to Cape Town, South Africa. This trip was canceled due to a schedule conflict and the entire amount of the flight was reimbursed to the Airport Authority by the employee.

In conclusion, the Allegheny County Airport Authority takes its role as stewards of the region's airports very seriously.

We realize that 2008 is not 2006. 2008 is a new environment with oil at \$130+ a barrel and the economy in question. The airlines are under increased pressure to cut costs. It is imperative that the Airport Authority have an open dialogue with the airlines. That dialogue includes face to face meetings requiring travel.

Additionally, we have addressed many cost issues with the airlines. The Airport Authority took a proactive and enterprising effort to drive down the cost of operations for airlines at Pittsburgh International Airport. The Airport Authority is restructuring a portion of the airport debt for 2008, trimmed 2008 operating costs and has realized lower 2008 insurance costs for a total savings of \$11 million this year. Thanks to the Authority staff's effective cost-saving measures and smart business decisions, the Authority passed the savings on to the airlines in the form of lower rates and charges effective March 1, 2008. Rates for landed weight, terminal and ramp space leases were reduced in the range of 11 to 48 percent.

We continue to seek ways to contain our costs while still advancing the facility and its services.