



Introduction

The Iowa Department of Transportation's Office of Aviation initiated a study in the fall of 2006 to report on the current status of air service in the State of Iowa. The goal of the *Iowa Air Service Study* is to identify strategies to sustain and improve air service for Iowa residents. The study analyzes the level of current air service available to Iowans, identifies current and potential demand for air service, recommends strategies and actions based on the findings, and summarizes each airport's economic benefits.

The study considers the eight airports in Iowa that currently have scheduled commercial airline service. Commercial airports in Iowa included are:

- Burlington – Southeast Iowa Regional Airport
- Cedar Rapids – The Eastern Iowa Airport
- Des Moines – Des Moines International Airport
- Dubuque – Dubuque Regional Airport
- Fort Dodge – Fort Dodge Regional Airport
- Mason City – Mason City Municipal Airport
- Sioux City – Sioux Gateway Airport
- Waterloo – Waterloo Regional Airport

The impact of airports in neighboring states on Iowa air travel will also be considered in some tasks.

The airline industry operates in a continual state of adjustment and change. The *Iowa Air Service Study* began in the fall of 2006. Data such as airport histories, surveys, and demand estimates were developed based on data available at that time. Between the time this document was started and the time it was published, a great deal of industry changes occurred as well as air service changes at the airport level. A few recent air service changes in Iowa that have occurred include Frontier Airlines commencement of new service at Sioux Gateway, Great Lakes initiating service at Southeast Iowa Regional Airport, and several other new routes at Des Moines International Airport and The Eastern Iowa Airport. Recommendations were developed in the spring of 2008 and take these service changes into consideration.

The study is documented in the following chapters:

- **Chapter One – Airport Air Service Inventories** – A short history (1996-2006) of recent commercial service at airports in Iowa is provided. This chapter considers changes in passenger demand, carriers providing service, destinations served, departing seats on commercial aircraft, and average one-way fares. This chapter provides information for each of the commercial airports in Iowa that have scheduled commercial airline service. In addition to the information mentioned above for each airport, top origination and destination points for each of the commercial airports in Iowa are provided. Chapter One also provides comparative information for the Border and Outlying Hub airports that influence Iowa resident and visitor air travel.



- **Chapter Two – Overview of Airline Industry** - The commercial airline industry is constantly changing. Changes within the industry have and will continue to influence commercial airline service in Iowa. This chapter provides information on current industry trends and how these trends are most likely influencing commercial airline service in Iowa. Current financial conditions for the carriers, along with mergers, bankruptcies and acquisitions, are discussed. The status of airline connecting hubs and the role for regional carriers is reviewed. The impact of low cost carriers on the industry is investigated, and potential changes that might be forthcoming with the introduction of very light jets to commercial fleet are considered.
- **Chapter Three – Survey Findings** - As part of this study, a variety of surveys were undertaken. Results from these surveys are important to understanding air service needs and potentials for the commercial airports in Iowa. Surveys were undertaken not only at commercial airports in Iowa but also at several of the Border Airports in neighboring states. This chapter discusses the survey process and the results. Information from the surveys is used in subsequent portions of this study's technical analysis. Actual market areas for each airport are established with information from various surveys.
- **Chapter Four – Demand Analysis** - Each county in Iowa has some inherent level of demand for commercial airline travel. Using statistical analysis, current air travel demand for each Iowa county is estimated in this chapter. Then using survey results and modeling, demand from each county is assigned to a departure airport. This analysis helps Iowa to estimate the number of air travelers from neighboring states that use Iowa airports as well as Iowa residents that use Border and Outlying Hub airports. Analysis completed in this chapter also shows how Iowa's air travel demand is distributed among the eight commercial airports in Iowa.
- **Chapter Five – Market Demand** - When analyzing an airport's ability to support improved air service, it is important to consider current and future demand. This chapter provides information on that portion of Iowa-related commercial air travel demand that is closest to each of the commercial airports in Iowa. Nearly all airport market areas experience some level of passenger diversion. There are a number of factors that influence the actual demand each airport captures including air service at the local airport, the nature of existing air service at alternative airports, passenger preferences, and airfares.
- **Chapter Six – S.W.O.T. Analysis** - Each of the commercial service airports in Iowa and the market areas these airports serve have characteristics that influence their ability to maintain or improve their scheduled commercial airline service. With economic data, survey information, and input from study airports, the strengths, weaknesses, opportunities, and threats for each of the commercial airports in Iowa to either maintain or improve current levels of commercial airline service are identified.
- **Chapter Seven – Developing Air Service In Iowa** - Previous tasks in the study will provide diagnostics for each of the commercial airports in Iowa relative to its ability to maintain or support improved commercial airline service. Airport actions and options related to current or new commercial airline service are documented in this chapter. In addition, the Iowa DOT's Office of Aviation is an important partner and a valuable resource for individual



communities that seek to sustain and improve commercial airline service. Recommendations on the state level to assist with air service development are also developed.

- **Chapter Eight – Economic Impact of Commercial Airports in Iowa**– As a companion to the previous tasks which identified opportunities for improving commercial airline service in Iowa, this task measures the current annual economic contribution of the commercial airports in Iowa. This chapter provides information for each of the commercial airports in Iowa that quantifies the number of jobs, annual payroll, and total annual economic activity the state and the communities in each airport’s market area realize from aviation activities that take place at each airport. In addition, the lost benefits from Iowa visitors and residents that drive past their local airport to out-of-state airports were quantified. Understanding the value of commercial airline activity from an economic standpoint may be important to securing support for certain recommendations that are documented in Chapter Seven.

The Iowa DOT’s Office of Aviation would like to thank each of the commercial airports for their participation and cooperation in this valuable study. The information in this study can be used locally by communities to support and sustain existing scheduled air service, and in some instances, identify opportunities for new or improved service.

As of April 2008, the future of the airline industry remains uncertain with recent bankruptcy announcements and potential airline mergers. The data in this study can form the basis from which individual airports may consider opportunities and changes as the industry continues to evolve in the coming years.