

Port Authority no magic bullet for Atlantic City airport, analysts say

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Atlantic City International Airport is unlikely to become a hub for diverting passenger flights from the congested New York metropolitan airports, even if the Port Authority of New York and New Jersey purchases the property, according to experts on the region's economy, aviation and travel patterns.

But the Port Authority may be in a better position than current owner the South Jersey Transportation Authority to help the airport develop other opportunities, perhaps in airline maintenance or air cargo, said economic consultant Richard Perniciaro, retired director of the Center for Regional and Business Research at Atlantic Cape Community College.

"I don't see them making an impact on the air passenger side," said Perniciaro, "but other opportunities may be better."

No one from the Port Authority has responded to repeated requests for comment.

The SJTA, which owns some of the airport land and leases the rest from the federal government, did not discuss the potential takeover at its meeting Wednesday.

SJTA Executive Director Steve Dougherty declined to take media questions after the meeting, and spokesman Mark Amaroso has only said there have been no talks between the SJTA and Port Authority about a sale.

State Senate President Steve Sweeney wants the Port Authority to purchase the Egg Harbor Township airport, believing the authority would use it to take pressure off the larger Newark, LaGuardia and JFK airports, according to sources close to the Senate president.

They described a scenario in which Newark could land passenger flights at Atlantic City, allowing people to visit the resort or take other transportation to the New York area.

The Port Authority managed airport operations from 2013 to 2017 under a \$500,000-a-year contract but was unable to bring new services or flights. About 1.4 million passengers use the airport annually.

Attempts to divert flights to Stewart International Airport in Newburgh, New York, which the Port Authority bought in 2007, have been less than successful, said Anthony Marino, a retired SJTA analyst and adjunct faculty member at Stockton University.

People don't like the extra 60-mile bus or train ride into Manhattan on top of their flights, Marino said.

"Take the Stewart location and double the problem with Atlantic City," said Marino, since Atlantic City is 125 miles from Manhattan. "There doesn't seem to be a compelling argument. But the Port Authority, because of political pressure, may have to do it."

Aviation consultant Robert Mann said Stewart is similar to Atlantic City International. Both serve a mix of military and commercial use, and both have exceptionally long concrete runways that could accommodate the Concorde supersonic jet and Space Shuttle when they were flying.

“It is a first-class facility in search of a mission. That’s probably where ACY finds itself, too,” said Mann. “In light of the experience they have had with Stewart, I don’t see how (a Port Authority purchase) would make a lot of sense.”

The Port Authority brought some international flights to Stewart, but most of the operations there are small-package and logistics, Mann said.

“The largest operators there are UPS, FedEx and DHL,” Mann said. “It’s a regional distribution hub for middle New York, northeast New Jersey and Pennsylvania.”

Over the years, both the SJTA and the Port Authority have tried to bring cargo and maintenance operations to Atlantic City, but nothing panned out, said Perniciaro and Marino.

Perniciaro said it may work as a cargo airport for produce, if there is enough of a critical mass of produce to move on a regular basis. But Marino said Atlantic City is still too far from population hubs to be a good cargo choice. He said the Trenton-Mercer Airport has made more strides in that area.

There has never been a demand for flight service to Atlantic City, said Marino.

“In 40 years of casinos here, generating millions and millions of visits, few have been by air,” said Marino. “The Atlantic City market seems to extend about 150 miles out, and after that the Atlantic City market disappears.”

And while the Port Authority can influence carriers to bring flights to Atlantic City, that has led to trouble in the past. Port Authority Executive Director David Samson faced criminal charges and house arrest over his withholding approval of a hangar lease agreement with United Airlines until it agreed to provide a special Thursday night flight to South Carolina, where he had a weekend home.

At the same time, the Port Authority arranged for United to run money-losing routes out of Atlantic City to Chicago and Houston, but they dropped the flights in 2014 after just seven months when Samson resigned in disgrace.

The SJTA has repeatedly tried subsidizing airlines to get them to offer service at Atlantic City, said Marino, but the airlines have always given up the ACY route in two years or less. It recently announced a new subsidy offer, at a time when there is only one airline serving the airport, Spirit.

“The only way to make that airport more successful is when and after there are more things to do here,” said Perniciaro.

He said Spirit Airlines is doing well there with four routes to Florida and one to Myrtle Beach, South Carolina, but that is mostly used by locals traveling south, not by tourists coming here.

“I will give Sweeney credit for this. Nothing else has worked. Maybe the expressway won’t have to subsidize it anymore. It will save money for SJTA,” said Perniciaro. “We have been doing the same thing for 30 years. I figure it’s maybe worth a shot.”