

ERIE

INTERNATIONAL AIRPORT

TOM RIDGE FIELD



2023

ANNUAL REPORT





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Message from Derek V. Martin A.A.E. – ERAA Executive Director

As Erie International Airport— and the aviation industry in general — continue to emerge from the adverse conditions created by the Covid-19 pandemic, we remain hopeful, resilient, and committed to growth. Though many challenges still linger and economic headwinds have challenged our efforts, there are plenty of reasons for optimism moving forward.

- Among our 2023 successes, American Airlines announced in October that they would be adding a third daily flight to Charlotte starting in April 2024, upping our total number of seats to 54,750.
- ERAA operated at an average load factor of 90.1%, up from 86.2% in 2022. To put this in perspective, [air carrier traffic statistics](#) for Feb. 2023–Jan. 2024 showed the national passenger load factor rose to 83%, three years after plummeting to 65% in 2020.
- Last July, the Erie Regional Chamber and Growth Partnership established the Fly Erie Fund to engage public and private support for air service development. The Fly Erie Fund is a three-year [\\$1.5 million fund](#).

While we and the industry have been seeing the light at the end of the tunnel, a number of challenges have led to slower growth and exacerbated cost pressures — especially for smaller, regional airports like ours.

- In June, we were among 35 stations to lose United Airlines service, due in large part to us being their second lowest revenue source of airports with 50-seaters regional service into O’Hare.
- Boeing has experienced a series of both safety and production issues which have caused major ripples throughout the industry by creating a shortage of aircraft. Unfortunately, Boeing’s problems impact not only their customers but also what we, and smaller airports like us, can offer our customers.
- Recent struggles among ultra low-cost carriers have impacted their high growth models. That, along with decreased mainline deliveries, has limited the ability to grow the large regional jet fleet.

Despite these challenges, ERI remains a vital resource for the Erie region, providing convenient flight service and significant economic impact to the community. This annual report offers an in-depth look at our 2023 successes and challenges as well as a snapshot of our current financial and operational state.

Rest assured that we are committed more than ever to continued growth and finding viable solutions for bringing in more service and lowering prices.

Derek Martin

Message from Dan Giannelli – President of the ERAA Board of Directors

With the best interests of the airport and region at the forefront of everything we do, the ERAA Board of Directors and Erie International Airport staff continue searching for the most effective and feasible ways to spur growth and optimize the experience of our travelers. As we have navigated a challenging few years, working closely with the community remains critical to accomplishing our goals, which involves seeking feedback from Erie residents and partnering with regional leaders and organizations.

During this time, we have:

- Teamed up with the Erie Regional Chamber of Growth Partnership to develop and raise support for the Fly Erie Fund. This has positioned ERI strategically to expand air service in a competitive market.
- Enlisted top industry professionals to help us define and present our air service case to airlines.
- Held continued discussions with all legacy and key low-cost carriers to solidify our existing service and expand on it.
- Engaged with community stakeholders for a design engagement project focused on better understanding and meeting the needs and expectations of ERI customers.

In addition, as a reflection of our commitment to transparency, in November we hosted a town hall concerning the state of the airport as well as plans for growth. Members of the ERAA Board, Erie City Council, and Erie County Council joined interested citizens to discuss operations and ongoing efforts to bring new service to the airport.

As for expanding our facility capabilities, we completed two construction projects – the Taxiway A Phase 1 and General Aviation Apron – thanks to millions of dollars in federal funds. These have already proven to be great updates for the airport, enhancing safety and convenience.

In 2023, we made great strides in improving our customer experience and air service. Moving forward, we will continue to search out and take advantage of growth opportunities and meaningful partnerships within the community. We recognize the critical role we play in the resurgence taking place in the greater Erie region. As we add more flights and offer more services, we hope that you recognize and appreciate the change, are proud of Erie and our airport, and Fly Erie First.

Dan Giannelli

Erie International Airport

The Erie Region's Gateway to the World

From business trips to family vacations, Erie International Airport (ERI) at Tom Ridge Field remains the top option for personal, business, and leisure flights into and out of the Erie Region.

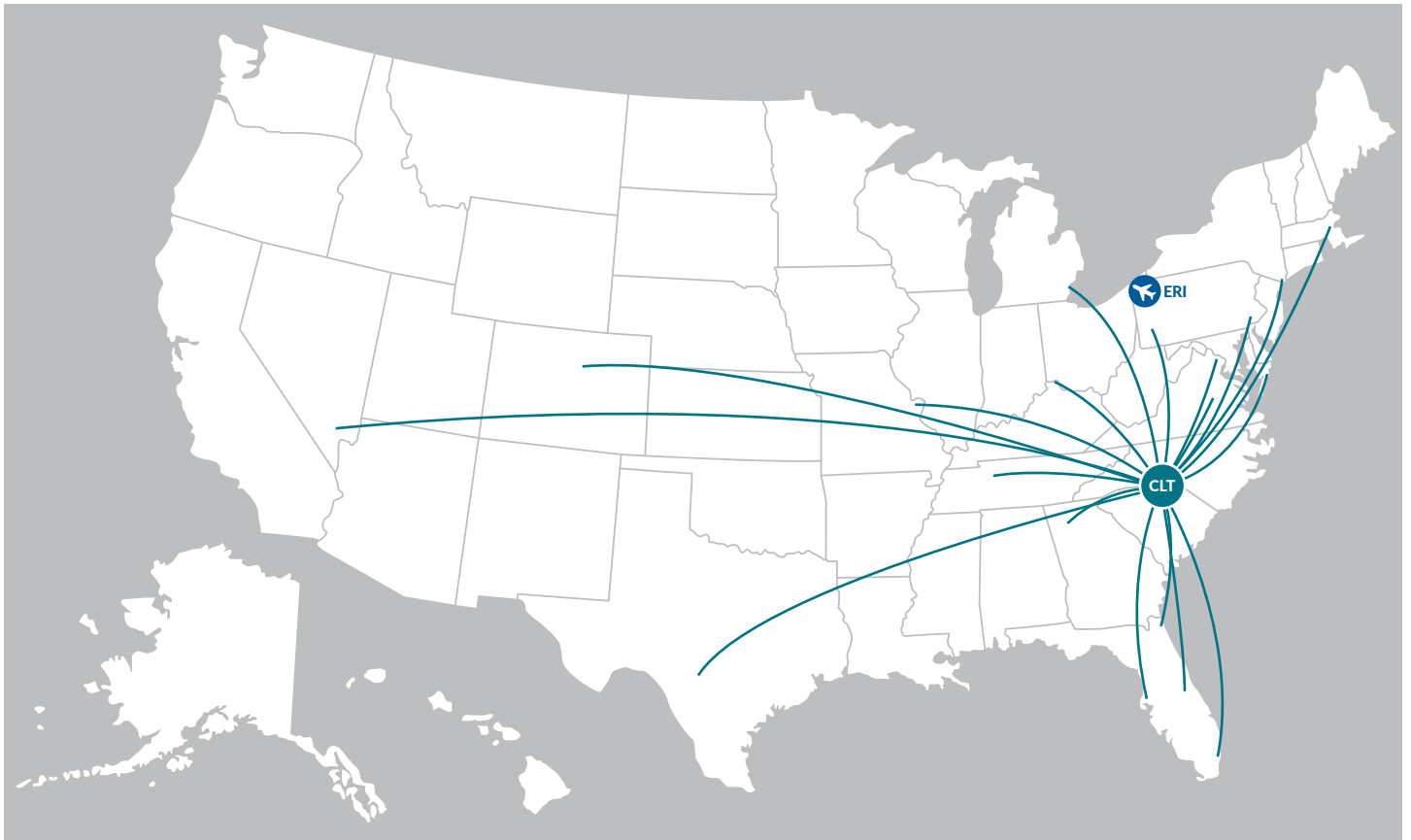
Offering hassle-free flight services with access to the national transport system, airport-related jobs, and a hub for incoming cargo, ERI remains a vital asset and economic catalyst for the Erie region and surrounding communities. Last year, we served just over 100,000 incoming and outgoing passengers, deplaned just over 200,000 lbs of cargo, and provided over 100 jobs.

ERI meets all of the busy traveler's needs, including convenient parking, access to public transit, easy boarding, complimentary WiFi, trouble-free baggage services, and friendly staff. We also provide aviation services including flight training, full-service fueling, and U.S. Customs & Border Protection clearance.



Oh, the Places We Can Go! Current Air Service at ERI

The Erie International Airport at Tom Ridge Field is the primary commercial service airport for the Erie, Pennsylvania MSA and surrounding areas. Currently served by American Airlines, one of the Big 3 carriers in the United States, ERI offers nonstop flights to [Charlotte Douglas International Airport](#) where travelers can fly directly to over 180 destinations, 36 of which are international locations, plus three U.S. territories. That's one stop between Erie and other U.S. cities such as Chicago, Orlando, Houston, Vegas, and LA, as well as international cities including London, Paris, Cancún, and Vancouver,



Financials Snapshot

2023 Financial Highlights (Through November)

Our executive team and board of directors have been meticulous in our budget management in order to position us for robust growth in the coming years.

- \$125,000 under budgeted expenses, year to date
- Averaged 90.1% load factor, year to date, up from 86.6% the previous year

CPE (Cost Per Enplaned Passenger)

Considered a key metric to evaluate the financial operations, cost per enplaned passenger (CPE) is the average passenger airline payment per enplaned passenger at a given airport.

	Operating Budgets (Expenses)
2017 - \$26.27	2017 - \$3,883,763
2018 - \$21.50	2018 - \$3,869,811
2019 - \$19.73	2019 - \$4,002,715
2020 - \$41.42	2020 - \$3,981,017
2021 - \$23.87	2021 - \$3,228,471
2022 - \$20.75	2022 - \$3,200,723
2023 - \$27.12	2023 - \$3,328,195
2024 - \$12.35 (budgeted)	2024 - \$3,381,873

2023 Capital Projects & Grants

(See Appendix for 2022 Audited Financial Statements)

Upgrades & Expansion

We continue making great strides in our ongoing efforts to enhance our travelers' experience, including major facility upgrades and expansion. In 2023, we completed two significant rehabilitation/reconstruction projects involving taxiway alpha (phase I) and the general aviation ramp.

Taxiway Alpha (Phase I) Rehabilitation/Reconstruction

In the summer, we completed phase one rehabilitation and reconstruction of the [airport's taxiway alpha](#), which starts at the east side of the airport and will expand to the west side of the airport. The \$14 million project involved realignment to improve safety and get people on and off the taxiway and runways in a more effective manner.

General Aviation Apron Rehabilitation

This project focused on the rehabilitation of the general aviation apron located at 12th and Ashbury, west of Taxiway F, including the full-depth reclamation areas, pavement mill and replace areas, pavement, drainage rehabilitation, shoulder restoration, pavement marking, and taxiway edge lighting rehabilitation.

Open to traffic with a few closeout items remaining in 2024, the new aviation apron was made possible by a \$4 million community funding grant awarded with the assistance of U.S. Representative Mike Kelly who serves PA's 16th District and is a member of the House Ways & Means Committee.



March 20 groundbreaking for general aviation ramp construction. From left to right: Owen McCormick, Congressman Mike Kelly, Derek Martin, Peter Burton, and Daniel Giannelli

Future Renovations

Starting in spring of 2024, Phase II of the project, for which we received [\\$2.4 million](#) in funding, will continue and complete the rehabilitation and reconstruction of taxiway alpha.

NEWS & EVENTS

At ERI, we believe that one of the keys to growth is engaging with the community, our customers, and industry leaders to better understand them and their needs and foster ideas for improvement.

2023 NEC/AAAE Annual Conference

On August 13-15, we were the host airport for the North East Chapter of the American Association of Airport Executives (NEC/AAAE) annual conference which was held at the Bayfront Convention Center. The theme of the conference was Explore the Horizon.

Featuring sailing tours on Lake Erie, golfing, and wine tasting, the event gave airport professionals the opportunity to meet with their colleagues throughout the Northeast for valuable networking, education on industry trends and new developments, and the exchanging of ideas to help make airports safer and more customer-friendly.



ERAA Town Hall

On November 2, 2023, we hosted a community town hall focused on the future of Erie International Airport, discussing the state of the airport as well as plans for growth. Held at the Bayfront Convention Center with members of the ERAA Board, Erie City Council, and Erie County Council present, the event centered on airport operations, standards, and regulations, including efforts to bring new service to the airport. For more details about the event, read [here](#).

NEWS & EVENTS

(Continued)

Traveler Experience Research

In fall of 2023, the Erie Regional Chamber of Growth Partnership along with Erie Insurance Next Level Innovation teamed up with [Harmonic Design](#) and students at [Gannon University](#) for a design engagement project to better understand and meet the needs and expectations of ERI customers.

Encompassing research, surveys, a traveler experience map, and recommendations, the ERI Traveler Experience project explored the current typical customer journey, synthesizing data points into major insights that help address current challenges and identify opportunities to drive future action. Throughout 2024, we, the Chamber, and other key stakeholders will meet to discuss the project's findings and consider recommendations. For more details about the project, read [here](#).



Global Entry Pop-Up Enrollment Event

In partnership with U.S. Customs and Border Protection, we hosted a Global Entry enrollment event on September 5-7 which helped pre-approved travelers expedite their entry into the U.S. with reduced wait times, no paperwork, and no processing lines. Over 500 individuals, coming in from as far as Texas, Boston, West Virginia, Maryland, and D.C., participated.

Challenges

United Airlines Departure

In June 2023, United Airlines announced Erie Airport was one of 35 stations in which it would cease operations, with ERI being its second lowest revenue source of airports with 50-seaters regional service into O'Hare. This resulted in a loss of roughly 30,000 passengers annually.

Since April 2020, United Airlines has closed 35 stations, amongst those, ERI ranked #14 in terms of revenue for United

ANNUAL UNITED REVENUE EACH WAY-CLOSED STATIONS
In millions of dollars for YE4Q2019



The Boeing Mess

Along with its safety crisis, [Boeing](#) is also experiencing production problems, which has led to the company slowing its manufacturing and delivery of certain planes. In fact, out of the 183 Boeing narrow-body aircraft originally scheduled for delivery to United Airlines in 2024, only 61 are now expected to be delivered.

Scope Clause Problems

With recent mainline pilot negotiations complete, through their scope clauses, we have a better understanding of the Big 3's future use of large RJs (regional jets with 66-76 seats) whose favorable economics make them the main focus for regional airport growth. A scope clause places limits on the number of miles an aircraft can be flown by regional carriers.

Per their clauses, Delta has access to 325 large RJs and United remains limited to 255 large RJs. However, United's access can be increased to match Delta if it places a small narrowbody order that would be flown by its mainline pilots. American Airlines has emerged from negotiations with the most scope flexibility of the Big 3.

ULCC Struggles

Due to increased labor costs, ultra low-cost carriers' high growth model has been further challenged by the big airlines and most of ULCC's cost advantages, compared to traditional/network airlines, have started to disappear.

Less mainline deliveries also limit the ability to grow the large regional jet fleet.

Regional Service Deployed by the Big 3 (Delta, United, & American) Today vs. 2019

- 10% increase in mainline departures flown.
- 5% decrease in large RJ departures.
- 68% decrease in small RJ departures.

Opportunities & Successes

American Airlines Added Flight

In September 2023, American Airlines successfully tested the viability of a third flight to Charlotte, leading to an October announcement of the addition of a third flight starting in April 2024.



Fly Erie Fund

In July 2023, the Erie Regional Chamber and Growth Partnership established the Fly Erie Fund to engage public and private support for development at ERI to go along with \$5 million from the airport's reserve fund.

American Airlines Scope Flexibility

With American Airlines' strategy placing more focus on regional service than either Delta or United, there is potential for improved air service in communities such as Erie. American can utilize RJs with 65 seats or less.

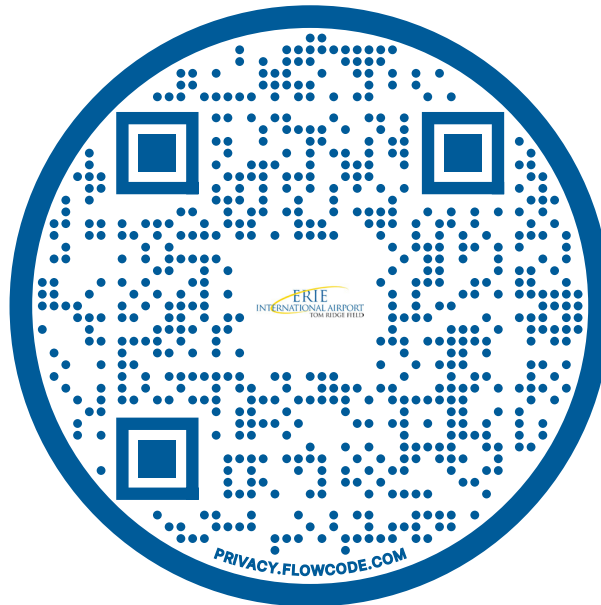
Room to Grow

We still have land available for future development at ERI, specifically on the south side of the airfield and north of West 12th Street.

APPENDIX:

[2023 Audited Financial Statement](#)

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[2022 Annual Report](#)

[2022 Audited Financial Statement](#)

Air Traffic Statistics Reports

[2023](#)



