

Abbotsford and Bellingham: Border Airports Expanding Their Borders

by Ken Donohue



Abbotsford and Bellingham International Airports in Canada and the USA, respectively, have a lot in common. Both are close to the Canada/US border, built as military air bases during World War II and are now secondary, low-cost airports that have experienced significant growth in passenger traffic over the past decade. But that is where the similarities end. Both airports are growing, yes, but in different ways.

Abbotsford

Traditionally, Abbotsford (IATA: YXX), located 40mi (64km) east of Vancouver in British Columbia, was popularly known, simply, as the place where "The Airshow" was held. Begun in 1962 by the Abbotsford Flying Club to encourage flying from the airport, which at the time was inactive, the Abbotsford International Airshow is now Canada's largest aeronautical display. But the airport proper had its start, like many others in Canada, during World War II.

As early as 1940, Abbotsford was suggested as a site for a British Commonwealth Air Training Plan airfield. The first proposal was rejected, purportedly because of the site's close proximity to the USA (the US was a neutral party for the first three years of the war), but approval



CAROL WILLIAMS

WestJet is the only scheduled jet operator at Abbotsford.

was given in 1942 for a contract to construct the base. With three runways in a triangular layout, Abbotsford was opened on July 14, 1943. Initially, pilots were trained using Fairchild PT-26 Cornells, but in 1944 Consolidated B-24 Liberators were flown from Abbotsford, necessitating the widening and lengthening of the runways. Operations ceased at Abbotsford in 1945 and in 1946, only three years after opening, the station was closed.

According to aviation historian Christopher Weicht, “The airport was virtually abandoned following the war. But I remember landing there many times in the Fifties as an air cadet, and the runway was in good condition despite not being maintained.” Weicht and his fellow cadets flew de Havilland D.H.82 Tiger Moths.

In 1958 the Department of National Defence turned the airfield over to the Transportation Department, which reopened the control tower in 1960. A short time afterward, Skyway Air Services, which was later acquired by Conair, based its aerial crop spraying and fire attack operations at Abbotsford. Conair, which today delivers a comprehensive range of aerial fire control products and services, along with its subsidiary, Cascade Aerospace—one of the world’s leading aircraft maintenance companies—has built a large operation at YXX. The site was well suited for the development of industrial operations, but its use for commercial air service was limited through much of the half-century following the war, owing to the rural makeup of the region. But with a recent surge in population, the Abbotsford of today bears little resemblance to that of a few decades ago.

In the Nineties the Canadian government began divesting itself of many of the country’s airports. As such, YXX was sold to the City of Abbotsford for C\$10 (\$7) in 1997. With its 9,600ft (2,926m)-long main runway (07/25), Abbotsford has always been able to accommodate large aircraft, as it had from time to time when airliners were diverted because of fog at Vancouver. Nevertheless, few ever thought that Abbotsford would be viable for passenger operations. But in the same year that the airport was being turned over to the city, WestJet,

Canada’s leading low-cost carrier, and now the country’s second largest airline, began service from YXX. WestJet’s business model, like that of many other LCCs, is premised around stimulating traffic and serving secondary airports. Consequently, a modest passenger terminal was built to serve the anticipated increase in commercial use, and passengers were enticed to use the airport with free parking and no other charges—a hassle-free alternative to Vancouver International. However, to fund expansion projects, the airport authority now charges a modest improvement fee.

“There was an appetite on the city’s part to be more entrepreneurial,” says Jean Paul Laube, the airport’s director of business development. “Jet service to Abbotsford was huge, because it put the city on the map.” As WestJet has done since its first flight, it proved skeptics wrong, and demonstrated that commercial air service can be successful in Abbotsford. The airline now operates five daily flights to Calgary and two a day to Edmonton.

The Fraser Valley, in which Abbotsford is centrally located, is home to more than 1.2 million people; hence, proponents of air service long argued that with a significant population base, along with lower operating



PHOTOS:YXX

Refurbished interior of YXX features an improved departure lounge, security area, check-in counters, washrooms, a new tourist information centre, and new flooring and finishes.



costs compared to Vancouver, Abbotsford could be an attractive option.

With WestJet proving that there indeed was a market to sustain passenger service, Air Canada soon after began offering nonstop service to Toronto. But as is often the case in the ultra-competitive airline business, WestJet responded by offering its own service to Toronto. On the surface this would seem a boon for the airport and passengers wanting to travel to Canada's largest city, but it didn't last long. The route wasn't viable for two carriers, so Air Canada pulled out of YXX, and a short time later WestJet discontinued nonstop flights, instead routing passengers through Calgary.

"The timing of Air Canada's Toronto flight—a 'red eye'—wasn't the best for this market, and WestJet has been successful here, and they wanted to keep their monopoly," says Laube. "We had no service to Toronto, then we had daily service, then double-daily, and now we don't have any service." He adds that market analyses suggests the airport can sustain daily service to Toronto, and the airport is committed to reviving the route.

Air Transat, Canada's leading leisure airline, offers seasonal service from YXX to two Mexican destinations: Puerto Vallarta and Cancún. Two small operators, Orca Airways and Island Express Air, operate Piper Navajo Chieftains to a handful of destinations on Vancouver Island, notably Victoria and Nanaimo.

While Abbotsford is interested in regaining service to Toronto, Laube tells *Airways* that the airport is serious about securing a flight to India. While this may sound surprising, he explains that next to the United Kingdom, British Columbia is home to the largest Sikh population

outside India, a significant portion of whom live in the Abbotsford area. "There are 160,000 origin-and-destination [O&D] passengers between Vancouver and India each year," says Laube. "We could fill a Boeing 777 every day for at least six months of the year."

A sizable population doesn't necessarily translate into success. Abbotsford is practically unknown to most airlines, including those from India. Laube admitted that during 2010's Routes conference held in Vancouver, Indian airlines said they weren't focusing on western Canada, targeting their efforts instead on Toronto, where Air India and Jet Airways currently offer service. The airlines also stated that if they did consider serving Canada's westernmost province, they would first consider Vancouver International Airport.

"India service wouldn't be a huge economic generator for the airport," admits Laube, "but it would show that we are a full-service international airport and it would demonstrate to the community that we are trying to get the service they have been asking for."

Unlike Bellingham, where the majority of passengers are Canadian, few residents of Washington state travel north to Abbotsford, despite the airport being a mile from the border. This is because the routes served from YXX do not attract US travellers; however, Laube would like to see this change. With a significant Dutch population across the border in Lynden, nonstop service to Amsterdam could be an attractive addition. "Given that the annual market between Vancouver and Amsterdam is about 60,000, we could easily sell a once- or twice-weekly service during the peak summer months," claims Laube.

Considering that many people from the Fraser Valley

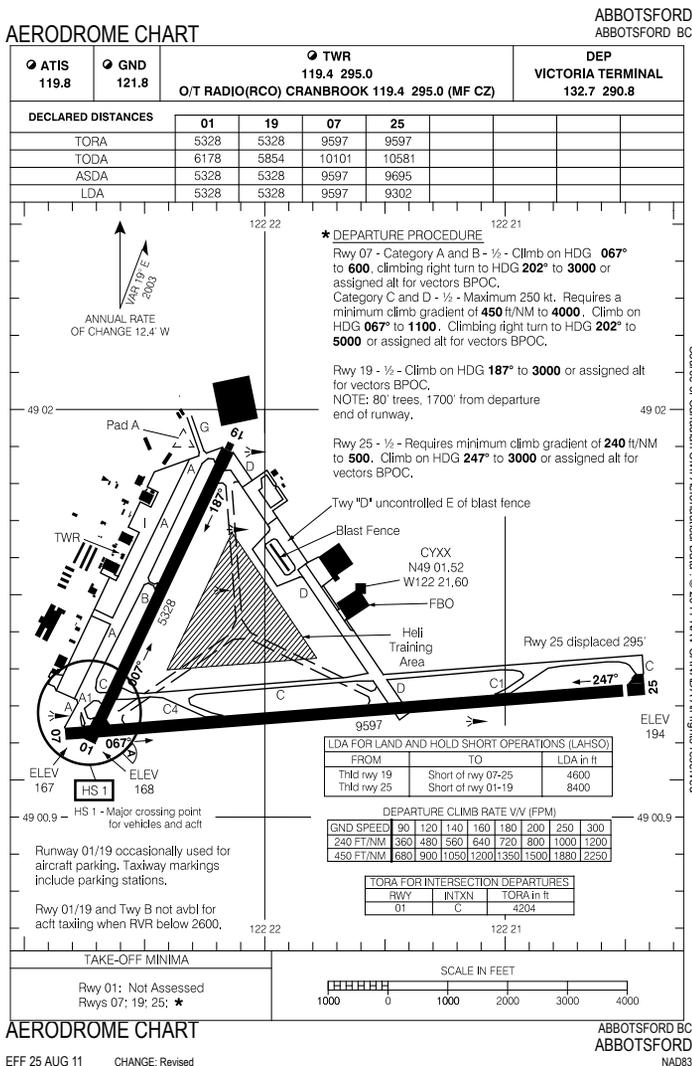
are crossing the border to take advantage of flights to Las Vegas and southern California from Bellingham, the Abbotsford Airport Authority is convinced that Las Vegas and Los Angeles represent natural markets for YXX. "Part of the challenge we face is telling people that we are here," notes Laube. "We need to get in front of the airlines and the public and let them know the benefits we offer."

To this end, the airport isn't waiting for new operators to appear before improvements are made. Last September, a C\$30 million (\$29 million) project for terminal improvements, including expanding the departure lounge and ramp area and building a taxiway parallel to the main runway, was completed. Laube tells *Airways* that the airport wants to get ahead of the game, so that if it is able to attract wide-body flights the infrastructure will be in place to handle the capacity. "If we market ourselves as the hassle-free alternative to YVR [Vancouver International], then we'd better deliver," he asserts.

Abbotsford currently serves some 500,000 passengers annually, representing a 160% increase over the number that travelled through the airport 12 years ago, during its first full year of passenger operations. And while traffic growth has slowed over the past five years, the goal is to double the number to one million a year. A lofty target, though little more than a decade ago few would have believed that the airport would even be in a position to consider such numbers.

There is no cargo infrastructure at Abbotsford, but the airport is studying how it might cater to the airfreight industry, with the hope of diversifying the business. Geographically, YXX is well situated, and at the center of a huge agricultural region. The airport is also well connected to intermodal transport systems.

Shifting demographics are playing into Abbotsford's favor. Squeezed out by the prohibitively high cost of real estate in Vancouver, many people are moving east to the Fraser Valley where house prices are much more reasonable. These growing communities should provide YXX with passengers, but the challenge for the airport is to market itself, so the list of destinations it serves grows along with the burgeoning population. Can it attract intercontinental flights? While some may scoff at such talk, it's clear that over past 13 years, Abbotsford International Airport has proved that it is more than just a place that holds an airshow.



Fast Facts—Abbotsford International Airport, British Columbia

IATA: YXX

ICAO: CYXX

Location:

49° 01' 31.00" N, 122° 21' 38.00" W
2.5mi (4.1km) from city centre

Airlines

Air Transat:
Island Express Air:
Orca Airways:
WestJet:

Cancún*, Puerto Vallarta*
 Nanaimo, Victoria
 Nanaimo, Tofino, Victoria
 Calgary, Edmonton, Puerto Vallarta*

*seasonal

Operator:

City of Abbotsford

Website:

www.abbotsfordairport.ca

Passengers

2010: 463,814
2009: 471,508
2008: 505,252
2007: 508,464



Bellingham

Bellingham International Airport, Washington (BLI), traces its roots to late in the Thirties, when an airport for the city was proposed. Like many large projects of the time, monies from the Works Progress Administration helped pave the way for construction of the airport, with a single 5,000ft (1,524m)-long runway. A military air base—in this case established by the Army Corps of Engineers—was established at BLI in the Forties. During this period, two more runways were built to support operations during World War II. Today, these two diagonal runways have fallen into disrepair, with portions used as taxiways. After the war, the airport was turned over to local government, and in 1957, the Port of Bellingham assumed control. It was then that commercial passenger services began.

For the past 50 years, air service has followed a series of peaks and valleys that have mirrored the fortunes of the US economy, along with the financial state of the airline industry. Historically, a handful of airlines, mostly operating within Washington state, have operated from BLI. Before its disappearance in 1988, Pacific Southwest Airlines served BLI from California, while more recently Horizon Air (Alaska Airlines) and Delta Express have called at Bellingham, though the latter discontinued its sole route, to Salt Lake City, Utah, in 2008 when fuel prices spiked. Horizon, on the other hand, currently serves Seattle with Bombardier Q400s, with a seasonal service to Portland, Oregon.

While the airport has struggled to build up a stable of carriers, 2007 looked promising when Western Airlines, using a wet-leased Boeing 737, announced its intention to serve four destinations from Bellingham. However, less than a month after its inaugural flight, Western ceased operations. A few months later, Columbus, Ohio-based Skybus entered the market, offering low fares, which was a boon to the local economy. “They [Skybus] were very successful with their flights to Bellingham,” says Daniel Zenk, BLI’s airport manager.

“They drew people to the region for sightseeing and touring, and when their flights arrived the number of car rentals would double.” But less than six months after starting, Skybus discontinued flights to BLI, and half a year later ceased operations entirely.

While there have been a few dips over the past 15 years, passenger traffic at Bellingham has increased a staggering 470%, from 70,000 passengers in 1996 to an anticipated 400,000 in 2010. It was the introduction of service by Allegiant Air in 2004 that started the upward trend. Since then, BLI has enjoyed steady growth. In fact, during the past four years alone the number of passengers flying in and out of Bellingham has more than doubled.

Location is key for any business, and BLI is no different. With a city population of 90,000, and double that for Whatcom County, Bellingham would scarcely be able to muster these numbers, but the airport is located less than 20mi (32km) from the US/Canada border. And there are more than two million people living in Vancouver and the south coast region of British Columbia. It is the Canadian market that is fueling much of the growth at BLI, with more than 60% of the airport’s passengers from Canada. Canadians have long streamed across the border in search of shopping deals, but since Allegiant started service many are now finding BLI an attractive alternative to Vancouver International, where fares are often more expensive than can be found from Bellingham, or even farther south from Seattle.

“Allegiant saw an untapped market in southern British Columbia,” says Zenk. “When I came in 2006, the main parking lot in front of the airport was never full, now it is never empty, and most days passengers must park in the overflow lot.” A complimentary shuttle is provided to ferry passengers the short distance between the overflow lot and the terminal. Allegiant now serves seven

destinations from BLI, and while Horizon Air offers connections at Seattle to the Alaska Airlines network, Bellingham's primary market is leisure travellers, which makes Allegiant a perfect fit.

Alaska Airlines made its own splash in Bellingham when it started a six times-weekly service to Las Vegas, Nevada, and in January 2011 began daily Boeing 737-800 service to Honolulu. "The destinations that are now served from Bellingham are unprecedented," says Zenk. "In the late Eighties, PSA operated to some California cities, but not at the level that we are now seeing."

Ever since Allegiant announced an intention to add the Boeing 757 to its fleet, rumors have abounded that the airline would use that aircraft to launch service from Bellingham to Hawai'i. Allegiant declined to be interviewed for this story, and has not announced where it plans to place the 757s.

Also helping has been the favorable currency exchange rate between the US and Canada, which has been close to par for the past three years. For the past three decades, the Canadian dollar was worth less than its US counterpart. Many economists would suggest it is folly to base a business model solely on the hope of an exchange rate, but for now Bellingham is content to ride the wave. "Sure, there are some concerns, but we hope that the gap between

the Canadian and US dollar doesn't grow too much that it doesn't make it beneficial for the target market," says Zenk.

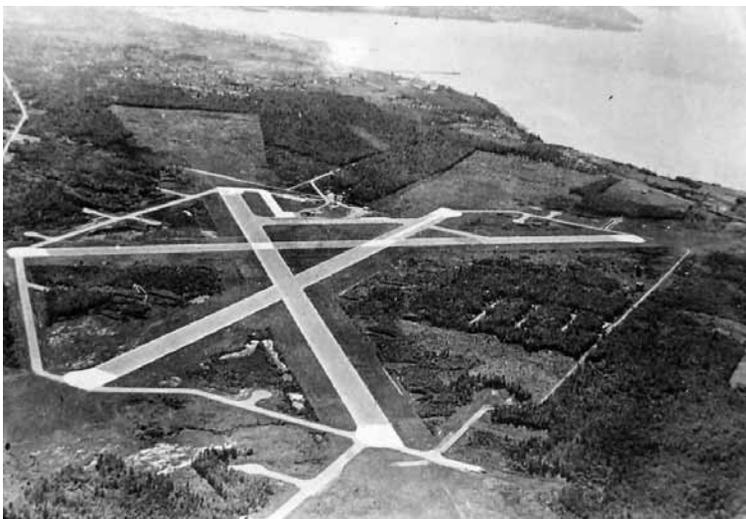
While the attractive exchange rate is a boon for air travellers, it is also creating longer waits at the border, up to two hours on some days. While BLI doesn't have control over time taken for border processing, Zenk admits that a speedier clearance process would lessen anxiety, he notes: "We don't think the border queue has a big impact on our business because those people wanting to fly from Bellingham just take that into account." The airport's website has links to border wait times, which help passengers with their planning.

Zenk tells *Airways* that the airport would like to see some west-east service to destinations such as Salt Lake City, Denver, Chicago, or even Minneapolis. "We think that airlines could be very successful with these routes," says Zenk. "It's not a hard sell, because the market is here, and we are a low-cost airport. We just need to educate the airlines and make them aware of the advantages."

To meet the growing demand, the airport recently completed a rehabilitation of the 6,700ft (2,042m)-long runway (16/34) and widened some taxiways. In some places the asphalt on the runway was 20 years old, and with heavier aircraft using the airport it was degrading quicker. Also underway is a multi-phase, multi-year terminal expansion that will triple the size of the existing passenger building to more than 100,000sq ft (9,300m²). BLI's terminal is rated for 9,000 enplanements per month, but is currently handling more than 40,000. The first phase, completed last June, saw a new departure gate area, and will be followed by a larger baggage claim and a remodeled lobby and security screening area.

The airport averages about 86 commercial flights a week, though in the peak season that number rises to more than 100, with Allegiant alone operating 40 departures. "We do have some limitations on ramp space," admits Zenk. "A Boeing 757 would take up two stands, but currently we are able to handle five [McDonnell Douglas] MD-80s and two Q400s at one time."

In the mid-19th century, Bellingham became a bustling town and seaport, as thousands flooded into the region before setting off northward for the Canadian gold fields. More than 150 years later the city is still welcoming thousands of travellers. This time, they are not in search of gold, but cheaper airfares. While BLI has experienced



PHOTOS: PORT OF BELLINGHAM

The original military triangular runway layout of BLI is still evident today.

unprecedented growth in recent years, and expects increased passenger traffic (though not necessarily in the 17 and 24% range that it has seen recently), it is heavily dependent on the Canadian market. For the time being an advantageous exchange rate will continue to drive the fortunes of Bellingham Airport. →

(Airways acknowledges the assistance of Chris Weicht—www.creeksidepublications.ca—and Kate Simmons of Bellingham’s Heritage Flight Museum—www.heritageflight.org—for providing historical background on Abbotsford International and Bellingham International Airports, respectively.)



PHOTOS: PORT OF BELLINGHAM

Allegiant Air bases five MD-80s at BLI, which is not equipped with airbridges.

Fast Facts—Bellingham International Airport, Washington

IATA: BLI

ICAO: KBLI

Location:

48° 47' 33.70" N, 122° 32' 15.10" W
3mi (5km) of downtown

Airlines

Alaska:

Honolulu, Las Vegas

Allegiant Air:

Las Vegas, Long Beach, Los Angeles, Oakland, Palm Springs*, Phoenix–Mesa Gateway, San Diego

Horizon Air:

Seattle/Tacoma

Northwest Sky Ferry:

San Juan Islands

San Juan Airlines:

San Juan Islands

**seasonal*

Operator:

Port of Bellingham

Website:

www.portofbellingham.com

Passengers

2011: 500,000 (projected)

2010: 391,155

2009: 329,392

2008: 280,461

