“Open Skies” for International Air Travel
Will the U.S. and Hawaii be ready?

This week an international air travel development created excitement in the Travel & Tourism industry and gave a glimpse of an intriguing future. It also raised questions as to whether the United States, and particularly Hawaii, will be ready to take advantage of the opportunities offered.

The cause of the excitement was the announcement of the first phase of an “Open Skies” agreement between the U.S. and the European Union (EU). Effective in March 2008, any EU carrier can fly to any airport in the U.S. if landing slots are available. American carriers can likewise fly to any European airport, subject to slot availability. Gone is the tangled web of restrictive bilateral agreements that have long hampered trans-Atlantic air travel.

Many predict that Open Skies will bring a significant increase in international travel to and from the U.S. With new carriers, lower airfares, and more marketing, EU officials estimate that trans-Atlantic travel will jump by 26 million passengers over the 50 million who now fly each year—an increase of more than 50 percent.

Hawaii could benefit. For example, when the Open Skies deal was concluded, Aer Lingus announced a direct Dublin-San Francisco flight, which will bring new travelers from the Emerald Isle to the Bay Area, only four-and-a-half hours from Hawaii. Likewise, Continental Airlines announced its hope to fly direct from London to Houston, where passengers could connect nonstop to Honolulu.

But the deal works both ways, and beginning next year, all Pacific destinations will face additional competition for mainland vacationers from the EU’s 27-member nations.

A second round of negotiations is scheduled, which may “open the skies” even wider. Up for discussion is the U.S. limit on foreign ownership of U.S. carriers to no more than 25 percent. This may be tricky, given the recent denial of the operation of U.S. ports by a Dubai-based company and the failed Chinese attempt to purchase Unocal.

Perhaps easier to resolve will be the issue of “cabotage,” meaning the right of a foreign airline to fly passengers between two cities in another country. As part of the new Open Skies agreement, U.S. carriers will be able to fly passengers within the EU, say from Paris to London. EU carriers did not get that same right in the U.S. If this restriction can be eliminated in the next round of Open Skies negotiations, it would really change the U.S. airline industry. We might someday see service to Hawaii by British Airways, Lufthansa, Air France-KLM, etc. Perhaps Aer Lingus will link Irish leprechauns with Hawaii’s menehune!

But will the U.S. and Hawaii be ready to handle the new flights and increased flow of international travelers? There is a lot of work to be done. The U.S. air traffic control system is already terribly outdated and inefficient. Many airports are at capacity and generally not user-friendly. Processing of international travelers by U.S. Immigration and Customs officials can be slow and frustrating. For the citizens of many countries—though not West European nations—getting a visa to travel to the U.S. can be difficult, even demeaning.

Last year, Hawaii’s Governor Linda Lingle announced a $2.3 billion, 12-year modernization for Honolulu International Airport. The upgrades include improvements in passenger terminals, ticket counters, baggage screening, and airport infrastructure. As reported in the Honolulu Advertiser, international passengers will be whisked by air-conditioned moving walkways between their gates and the terminal, greatly improving the arrival experience.

That is exciting news and a huge budget, but will it be enough? Former Honolulu Advertiser reporter Kelly Yamanouchi, now writing for the Denver Post, notes that major international airports around the world are spending even more money to bring their facilities up to a new level of convenience and luxury. Singapore’s airport, ranked No. 1 in the world by Skytrax, has exciting shops, restaurants, spa facilities, a gym, a swimming pool, free movies, and napping areas. The airport’s on-site hotel rents rooms in six-hour blocks. More and more airports are offering free wireless, high-speed Internet access.

Yes, the world of international travel is changing rapidly, and we in Travel & Tourism are going to have to run hard, fast, and smart to keep up. In Hawaii, that means everyone, because in Hawaii, Tourism is Everybody’s Business.