World’s Best Airlines ... NOT Coming to Hawai‘i!

By Dr. Richard Kelley

Last Sunday, the huge biennial Farnsworth International Air Show wrapped up in England with the media, airlines and the traveling public getting a glimpse of what is coming in the future through exhibits, demonstrations and presentations. Of the many news articles spawned by the show, the stories that most caught my attention were the ones on the SKYTRAX awards for the world's best airline services. Not a single U.S. or European carrier made the list of the World's 10 Best Airlines. I believe that has huge implications for Hawai‘i.

SKYTRAX is a UK-based airline quality rating service that gathers information from over 18 million business and leisure travelers from more than 100 countries who fly on more than 200 airlines. It evaluates airline service levels and equipment using 38 key performance indicators – www.worldairlineawards.com.

According to SKYTRAX, the World's Best Airlines are:
1. Qatar Airways
2. Asiana Airlines
3. Singapore Airlines
4. Cathay Pacific Airways
5. ANA All Nippon Airways
6. Etihad Airways
7. Turkish Airlines
8. Emirates
9. Thai Airways
10. Malaysia Airlines

This was the second year in a row that Qatar Airways has earned this top award. I have met its CEO, Akbar Al Baker, and although I have not seen him for several years, I do remember how passionately he spoke about making his airline one of the best in the world.

Dr. Kelley and Akbar Al Baker talked about airline service at Vilamoura in 2003

After writing last week's article for Saturday Briefing, which focused on the challenges of sitting for hours in the economy-class sections of most U.S. airliners, I was particularly interested in discovering which airline offers the best economy seats.

According to SKYTRAX, the World's Best Economy Class Airline Seats are found on:
1. Asiana Airlines
2. Qatar Airways
3. Singapore Airlines
4. Garuda Indonesia
5. Korean Air
6. Thai Airways
7. Air China
8. Malaysia Airlines
9. South African Airways
10. ANA All Nippon Airways

Akbar Al Baker receives award for Qatar Airways as World’s Best Airline in 2012

Continued on page 2
World’s Best Airlines ... NOT Coming to Hawai‘i!

Continued from page 1

All but one of these top airlines are from the Middle East or Asia, and since Asia is the place from which more and more of Hawai‘i’s visitors will be coming in the future, I wonder if we can expect to see more of the world’s Top Ten Airlines landing at HNL (Honolulu International Airport) anytime soon.

Currently, only two on the Top Ten list, ANA and Korean Air, serve Hawai‘i, although others have in the past. I believe many of these top airlines would like to serve Hawai‘i and would do so if they were allowed to freely carry passengers between Honolulu and major cities in the continental U.S.

Unfortunately, under federal “cabotage” laws and regulations, only U.S. airlines have the right to pick up a passenger in Hawai‘i and take him or her to another U.S. destination – or to pick up passengers on the mainland and fly them to Hawai‘i. (See sidebar on cabotage.)

Hawai‘i has the potential to be a mid-Pacific airline hub served by every one of the SKYTRAX Top Ten airlines, but our country’s cabotage restrictions limit their access to passengers and discourage most foreign carriers from investing the resources needed to develop routes that include Hawai‘i, using their best and latest equipment and offering top service levels to our island state. The reason: most of them can’t find enough passengers willing to fly from their home countries only to Hawai‘i, where they would currently have to “dead-end” and return home. But if they could pick up U.S. domestic passengers here and fly on to a mainland city, that would make the Hawai‘i route profitable.

There is no question in my mind that the exclusion of foreign airline competition from routes between the continental U.S. and Hawai‘i has been a factor in the decline in the quality of service provided by U.S. carriers on domestic routes.

Tourism Lecturer Ravi Ravinder, commenting on a SKYTRAX awards article in the July 13, 2012, issue of Global Travel Industry News, wrote, “The reason for poor service levels in the U.S. may simply be due to complacency – there was no attempt by full-service airlines to value-add and distinctly brand their airline.” (www.eturbonews.com/30165/airline-shift-continues)

Think about the automobile industry. Remember the Yugo, an automobile that was briefly imported to the U.S. in the 1980s? It was manufactured in Yugoslavia by a government-owned corporation with no competition. Author Jason Vuic described the details in The Rise and Fall of the Worst Car in History.

In the U.S., competition from automobiles made in England, France, Italy, Germany, Japan and Korea has forced General Motors, Ford and Chrysler to consistently improve their products.

Much like the Yugo, the U.S. airlines are being protected from foreign competition. If SKYTRAX’S Top Ten were allowed to fly American passengers on U.S. domestic routes, you can bet there would be a big improvement in service on competing U.S. carriers almost overnight.

Maybe some day that will happen, and American, Delta, United, Alaska and Hawaiian airlines will be competing head to head with Singapore Airlines, Cathay Pacific, Air China, etc. not only in carrying passengers from foreign countries to Hawai‘i but also from Chicago, Los Angeles, San Francisco and other U.S. gateways.

If that day comes, I can assure you there will be a lot more legroom in economy, the seats will be more than 17 inches wide, and breakfast will be more than a warmed-over bun in a brown paper bag.

---

Cabotage

The term used to describe the right to carry passengers and/or goods by air, land or sea between two points within a country is “cabotage” – derived from the French word “caboter,” to sail along a coast, and ultimately from the Spanish word for cape, “cabo.” Traditionally, most countries have reserved the right to provide domestic transportation to their own carriers – typically ocean shipping companies and airlines, but also trucking and bus companies.

The much-discussed Jones Act is a long-standing American cabotage law that keeps foreign ships from carrying goods and passengers between any two U.S. points – e.g., California and Hawai‘i – reserving that right to generally more expensive U.S.-flag carriers, i.e., companies owned by Americans, with ships crewed by Americans, built in America (true for ships, but not airplanes!), and subject to all U.S. laws on labor, environmental protection, etc. – all of which explain their higher cost.

In the airline industry, cabotage rules mean that even though a foreign airline such as Japan Airlines can fly passengers from Tokyo to Honolulu and from Tokyo to Los Angeles, it cannot pick up passengers in Honolulu and carry them to Los Angeles.