

A REGIONAL CARGO HUB AT MATHER IS A BAD IDEA

By Glen Otey and John Kerhlikar

A Pacific Rim Cargo Hub may have seemed like a good way to replace lost Air Force jobs years ago, but the Federal Aviation Administration – an agency created to foster aviation - had a different perspective. Citing failures, their report to Congress, “A Feasibility Study of Regional Air-Cargo Airports,” questioned “whether an all-cargo airport could succeed if it were developed for other reasons besides relieving local congestion.” The Mather hub idea and the FAA assessment never connected. The Sacramento County Board by a vote of 3 to 2 approved controversial cargo airport at Mather in 1995. (Illa Collin, upon retiring, said she would not have voted yes if she knew then what she knows now.)

The doubly contentious “Regional Hub” promotion became the centerpiece of the Mather Master Plan which is soon going to be passed by the Board of Supervisors. If passed, it will become essentially an irreversible act, condemning the Sacramento area to a future similar to other “regional hub” communities.

More than half of all U.S. air freight and mail travels in passenger planes. Consequently, Sacramento International handles half our cargo, and as before, could do it all. So why have two airports splitting cargo? Why have two customs clearance stations and three business/air parks (counting McClellan) in an area the size of Sacramento? Why spend \$100 million on a contrived, unneeded cargo hub characterized by the FAA as unlikely to pay it's own way.

A Pacific Rim hub here would be a switching yard for international freight with dozens of noisy, polluting freighters landing each night to swap cargo and depart again. Goods wouldn't reach us any faster; the millions of pounds of freight passing over our neighborhoods each night would be destined for other cities, while Sacramento's cargo would go to sorting centers in West Sacramento, further aggravating Hwy. 50 congestion.

Airports are dual-purpose. Passengers are the main business; cargo doesn't add to congestion - most of cargo flights are at night during off-peak hours. Only a few express delivery hubs are cargo-dominated. An

examination of Memphis (FedEx) and Louisville (UPS) - cities similar to Sacramento in size - shows that a big cargo hub is simply wrong for our prosperous, but environmentally challenged, area.

In the last 25 years, Federal Express became a multibillion dollar company in the Memphis area, their main hub. Sadly, over this period, inflation-adjusted median household income fell 3%, homes appreciated less than one third the national average and the Airport Authority and Fed Ex paid \$150 million to settle noise claims. UPS in Louisville has a similar story. Today, they are at economically lagging with unfavorable reputations.

A recent study showed that from 2000 to 2004 Sacramento grew over 10%, while Memphis and Louisville grew 1%. Sacramento homes appreciated by 125% over that time, while those in Memphis and Louisville only by 25% and 18%, respectively. This is cargo hub prosperity?

Think a hub will boost employment? The mostly part-time jobs envisioned here pale compared to the thousands of new jobs expected to in our area over the next few years. Anticipating manufacturing jobs? Memphis – with 25 times as much cargo - has fewer manufacturing jobs than Sacramento. High-paying jobs? Many of those desk jobs can now be done remotely: e.g. Operations at the big DHL hub amid Ohio cornfields are directed from Prague in Europe.

Over, 200,000 jobs have been created in the Greater Sacramento Area over the last decade without a cargo hub. It is more likely now to imperil our success by degrading the quality of life attractive to commerce-stimulating relocation from other areas. And the \$100 million spent on Airport expansion would be wasted, like a taxpayer-funded Alaskan bridge to nowhere.

Orange County voters were wise to reject a similar hub proposed at the former El Toro Marine Base in San Diego. Why haven't the citizens of Sacramento been offered a vote in this pork filled environmental disaster? We need our elected leaders to make decisions that will help enhance and preserve our quality of life, not devalue and devastate it.

This fact-based approach is a lot better than the hand-waving arguments from hub advocates like Hardy Acree, (Head of airport development for

Sacramento), or Roger Dickinson, Sac. supervisor) It's too important an issue to be left to misguided boosterism.

Ask yourself why are the El Dorado County Board of Supervisors against this "hub"? Why has the city of Folsom engaged a law firm to stop this assault on their citizens?

SOURCES and NOTES:

1. "Our vision of Mather is it will be THE air cargo facility, a hub not just for this part of California, but for the Pacific Rim." Paul Hahn, Sacramento County Economic Development Director, Sacramento Bee, page D-4, 2/14/97.
2. "A Feasibility Study of Air-Cargo Airports," Federal Aviation Administration Report to Congress, August 1991.
3. In the 12 month period ending in July 2005, International handled 66,075 tons of air freight; Mather, 62,587 tons. Sacairports.net, airmail archive.
4. Memphis household income, 1979 to 1997: "County and City Data Book," U.S. Department of Commerce, 2000; adjusted for Bureau of Labor Statistics Consumer Price Index.
5. Noise claims settlements: The Memphis Flyer, 12/10/98
6. The UPS hub in Louisville handles almost 100 freighters each night and has over 5,000 employees – U.S. News & World Report, 1/26/04. Memphis and Louisville are two peas in the same economic pod: 2002 population, 1,160,000/1,039,599; 2003 average annual household income, \$46,253/46,230; 2003 median house price, \$130,900/119,800; 2003 unemployment, 3.9/5.4. "Cities Ranked and Rated", Wiley Publishing, 2004
7. Population growth, 2000 to 2004: U.S. Census, 2004 Quick Facts.
8. Home appreciation: Smart Money, December 2005, pages 88-89.
9. Employment for a full-up Mather hub should be similar to the new FedEx hub at Piedmont Triad Airport in North Carolina: 1,500 jobs, about two-thirds part-time: Google 'FedEx Triad Airport,' click on 'FedEx Fact Sheet.'
10. "13,500 new jobs to be added to the four county Sacramento region in the professional and business service sectors alone over the next 2 years." Sacramento Bee, 6/29/05, reporting an Eberhardt School of Business forecast.
11. Manufacturing Jobs: U.S. Census- 2000: Memphis Metro Area, 46,851; Sacramento Metro Area, 50,524.
12. DHL's global operations center is in Prague: Business Week, December 12, 2005.
13. Investment in the Metro Air Park at Sacramento International: Sacramento Business Journal, December 2005.
14. Over \$100 million is planned for expansion and improvements at Mather over the next five years: SCAS – Mather Airport Five Year Capital Improvement Plan, 2005
15. Employment in the Greater Sacramento Area has grown by 212,000 over the past 10 years. www.sactoedc.org, Fig. 3. Mather at its peak employed 7,600.
16. The County, through avigation easements, requires buyers over a huge region to give up their rights to redress losses from aircraft over-flights. This practice is evidence that Mather will generate losses that could result in significant court judgments.

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