

BUSINESS

American, Alaska Airlines add routes to Austin travelers' growing flight options

Lori Hawkins Austin American-Statesman

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Airlines are betting bigger on Austin as the travel industry begins to reawaken.

As vaccines roll out and the COVID-19 pandemic eases, both American Airlines and Alaska Airlines on Thursday announced a wave of new nonstop flights at Austin-Bergstrom International Airport.

American said that this fall it will add 10 domestic and four international flights to and from ABIA.

The new domestic flights are:

- Three-times daily service to El Paso
- Twice-daily service to Cincinnati, Indianapolis, Kansas City, Mo., and St. Louis
- Daily service to Jacksonville, Fla.; Oklahoma City; Reno, Nev.; San Juan, Puerto Rico; and Tulsa, Okla.

Central Texans will also have four new international options, as American adds nonstop service to Cancun, Mexico; Liberia, Costa Rica; Puerto Vallarta, Mexico; and Punta Cana, Dominican Republic.

More: Travel is back and Austin is live again, but recovery will take time

The domestic flights will begin at various times in September, October and November, and international flights start in October and November.

American Airlines also will begin year-round nonstop service from Austin to Los Cabos, Mexico, and to Nassau, Bahamas, following this summer's successful seasonal service.

"Earlier this year we added more flights from Austin, and customers have spoken: they want more," said Brian Znotins, American's vice president of network planning. "We're eager to offer our customers even more opportunities to reconnect with family, friends and colleagues. Together with our partners, we're making it easier than ever to connect Austin with the world."

Customers will be able to purchase tickets for the new flights starting June 14 on aa.com.

"For the past 40 years, American Airlines has connected Austin and Central Texas with the world," Austin Mayor Steve Adler said in a statement. "We couldn't be happier with today's announcement of new and expanded service (in Austin). We look forward to continuing our successful partnership with American for many more years to come."

More: Mexico-based Viva Aerobus lands in Austin with two nonstop flights

Meanwhile, Alaska Airlines said Thursday that it plans a new route connecting Palm Springs, Calif., and Austin, starting Nov. 19. It will be the only nonstop flight between the heart of the Coachella Valley and the Texas capital, with flights five times a week.

"Since March, our bookings for leisure travel have exceeded what they were before the pandemic," said Brett Catlin, vice president of network and alliances at Alaska Airlines. "For many of our guests, there's an increased confidence that comes after being vaccinated. They were cooped up for well over a year – now they're ready to relax, enjoy and explore."

Still chasing business travel

Travel industry experts say airlines are targeting the leisure market by adding more nonstop flights to tourist destinations to lure vacationers back on board. But the hospitality industry won't see a full rebound until business travel returns, industry analysts say, and there are few signs of that happening until at least early 2022.

"As more people get vaccinated and events get rescheduled, we expect to see a substantial boost to lodging demand over the summer. This is especially true with leisure and tourist travel," said Paul Vaughn, senior vice president with Source Strategies, a consulting firm that tracks the Texas hospitality industry.

"Business and convention travel will take longer to return as many of those events are scheduled years in advance," he said. "Many companies may also be weighing the savings of virtual meetings over in-person gatherings."

While domestic air travel is back, international bookings are still sluggish due to quarantine requirements, closed attractions and outright entry bans such as the one on most non-U.S. citizens from much of Europe entering the U.S. and vice versa.

American, Alaska and Delta airlines are among those opting to put some of their large jetliners to work on domestic routes or for shorter international trips.

"It's like buying a Porsche to drive it to church on Sundays," Znotins of American Airlines recently told CNBC.

For Austin hotel operators, the new nonstops bring hope of increased travel to Austin.

"These new flights, especially internationally, give travelers a new reason to come explore everything that Austin has to offer, including our electric nightlife, robust restaurant scene, and awesome boutique hotels," said Ava Lugo, general manager of East Austin Hotel on East Sixth Street. "We can't wait to welcome new visitors and show them the Southern hospitality we're known for."

More options for Austin travelers

In the past several months, airlines have rolled out a number of new nonstop flights into and out of Austin-Bergstrom International Airport. In May, American Airlines began flying 10 year-round and seasonal routes into and out of the Austin airport.

Daily, year-round service from Austin to Nashville, Las Vegas, Orlando and New Orleans began May 6, with routes to Raleigh-Durham, Tampa and Washington-Dulles starting later in the summer, the airline said.

New Saturday seasonal service to Aspen, Colo., San Jose del Cabo, Mexico, and Destin-Fort Walton Beach, Fla., began June 5.

Other airlines are also adding service from Austin. Alaska Airlines said it will begin daily flights from Austin to Boise, Idaho, on July 17. Allegiant Air will begin nonstop flights this summer from Austin to Bozeman, Mont., and Bentonville, Ark.

Meanwhile, low-cost Mexican carrier Viva Aerobus plans to offer nonstop flights to Mexico City and Monterrey beginning this month.

"The airlines know Austin is a happening destination, and they know Austinites want to travel," airport spokesman Bryce Dubee told the American-Statesman earlier this month. "It's really a targeted effort on leisure destinations, national parks and beach destinations."

Passenger traffic at Austin's airport plunged 63% in 2020 as a result of the COVID-19 pandemic. The airport had about 6.5 million passengers last year compared with 17.3 million passengers in 2019, its highest-ever passenger travel year.

The 2020 passenger count is the lowest number for Austin-Bergstrom since the airport opened in 1999. Prior to COVID-19, the airport had recorded 10 consecutive years of record-setting passenger growth.

But there are signs of recovery: during the recent University of Texas graduation weekend and NASCAR events, local hotel rates and occupancies were near 2019 levels, according to Visit Austin. On Memorial Day, passenger traffic rose to 25,354 at the Austin airport, the single busiest day since the pandemic began.

Although out-of-town visitors are returning to Austin's hotels, restaurants and entertainment districts, industry analysts estimate it will take at least two years for the region's hospitality industry to get back to 2019 levels.

"The overall trend we've been seeing is really the return of leisure travelers," Dubee said. "That's been the big piece right now."