



Tourism and travel in today's world

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After 9/11 there was a significant drop in tourist travel abroad. Over the past three years confidence has rebuilt and, as [the NYT](#) recently reported

Even before the summer season kicked off, flights were already packed. In May, the big airlines' international flights flew 80.2 percent full, up nearly 2 percentage points from last year, and above the 78.7 percent occupancy rate for domestic flights, which was a record for any May. (Airlines consider their routes essentially full at 80 percent, given that there are generally empty seats on planes flying at off-peak hours, like red-eye trips.)

Already, with the summer season underway, advance bookings indicate that international flights will be very full. American, a unit of the AMR Corporation, is the nation's biggest airline and the biggest offering international service, says its flights overseas are averaging 88 percent to 93 percent booked.

Hopefully the events yesterday will not lead to many cancellations or changes in plan. While it is not possible to see into the minds of those who plan these despicable acts, yet it has been noted that they strike when the police are distracted elsewhere (the G8 Summit this time, the Spanish election last). Further it is easier to make such an attack when the victim is not intensely thinking about this issue and the security services are no longer fully alert, as they undoubtedly are now.

But the impact of this will have some effect on tourist behavior. At the same time the smaller operators are already feeling the pinch of higher oil costs. The Anchorage Daily News had a series on oil price impact while we were up there. They pointed out that some of the hardest hit were the small operators, of such things as helicopter tours, who had contracted with the cruise lines for a fixed price for the service for the summer. They had to bid early and used last years prices. Now they are stuck with those bids for this year, and must now bid on the service for next year, gambling their livelihood on their ability to guess where gas prices are going.

Continuing their stories on the impact on oil on the state the paper has [a story today](#) on a move to change the subsidies for airlines serving small communities. In essence the feds provides a subsidy to airlines that served remote communities. The paper comments

The subsidy, established when the airline industry was deregulated in 1978, used federal money to lower air-travel costs to 34 Alaska communities and 92 elsewhere in the country. Funding totals \$102 million for this budget year. That's down from \$113 million in 2003.

The program's aim is to provide a safety-net level of air service to the smallest and most isolated communities. Given that air service remains the only way in or out of many

Alaska villages, the Transportation Department regards them as a high priority, Mineta said.

But the program hasn't kept pace with airport improvements and changes in the way airlines fly, which calls for much-needed structural changes, Mineta said.

The charges would vary.

Communities more than 210 miles from the nearest large or medium hub airport would have to provide 10 percent. Those between 100 and 210 miles from a large or medium hub airport would have to provide 25 percent.

Yesterday's attack also hopefully will have no impact on the relatively successful program that London has had in moving people to public transport from private cars by imposing a congestion charge for driving in the city. This type of constructive thinking to find ways of reducing the problems of autos is town has led the British to consider other new alternative approaches to public and private transport. But they deserve a greater depth of thought and discussion at a later time.

Our thoughts and prayers remain with those suffering over there.

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