

You Would Pick Up Your Father from ONT, but Would You Pick Up Your Mother from LAX?

by

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Earlier this year, colleagues at the Inland Empire Economic Council lauded the past success of Ontario International Airport (ONT), noting its record-setting cargo and passenger traffic. Now ONT is eyeing a new international terminal between its existing Terminals 2 and 4, which will be named after Diane Feinstein. This expansion aims to meet the anticipated rise in international passenger traffic, with potential expansions into Japan and Europe.

While U.S. passenger volume has yet to surpass pre-pandemic levels, ONT exceeded its own pre-pandemic numbers, serving 6.4 million passengers in 2023, up from 5.5 million. It does not end there - ONT is currently on track to hitting the 7 million mark for 2024. The long-term plan is to service up to 30 million passengers. Currently, it offers nonstop flights to 25 major airports; six to the top 10 most populous cities in the U.S. ONT has built a competitive edge with lower operating costs, landing fees, ramp and parking charges, and routes to some international destinations in Mexico, Taiwan and Central America. The question is, can it become the airport of choice as an alternative to LAX for some Southern California resident.

While you may be impressed with 25 connections, ONT still lags behind Burbank (BUR) and John Wayne (SNA), both offering 36 and 40 nonstop flights respectively, while LAX comes in on top with a whopping 125. ONT's spokesperson, Steve Lambert, has highlighted that the new terminal presents an "opportunity for European flights," emphasizing the need for an international terminal to support such expansion." Despite ONT's notable growth, with international passenger volume increasing by 16.4% from 2023 to 2024, reaching 156,000 passengers, the question remains: Is passenger volume expected to be sufficiently high to create a new international terminal? If you build it, will they come?

Let us say upfront that we do not believe that people fly into ONT because of local tourist attractions. Big Bear is a possibility, particularly in the winter, but it is more popular with Southern Californians than out of the region visitors. Moreover, if you want to be at the Coachella Festival, watch a tennis tournament in Indian Wells, visit Joshua Tree, or escape from the big White North

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(including Canada), then Palm Springs Airport (PSP) is your destination. To get to Disneyland, you fly into John Wayne Airport (SNA).

Despite the lack of local tourist attractions, ONT has one key advantage over its competitors: the size of its population. The Inland Empire (IE) has become the 12th largest Metropolitan Statistical Area (MSA). It just passed the San Francisco MSA and is on track to catch Boston-Cambridge (200,000 ahead) and Phoenix-Mesa-Chandler (400,000 ahead). However, when you estimate the local demand for flights, the number of people is not sufficient to consider. Instead, we also have to look at the spending power of the residents. Unfortunately, when it comes to per capita GDP (income), the Inland Empire plummets from 12th place to 290th place. While the Asian population in the San Gabriel Valley is relatively affluent, thereby explaining the direct daily flight to Taipei, the same is not true for the general population.

To be confident that the new terminal will succeed, the City of Ontario and the greater Inland Empire region need to solve two issues: How to motivate Southern California residents to fly through ONT, and how to attract international visitors. We believe the solution lies in establishing a robust infrastructure hub with a focus on public transport, and targeted sector development.

Expanding the professional and business services sector, which currently accounts for less than 10% of total employment in the Inland Empire, would create higher-paying jobs and boost average income in the area, making residents more likely to demand direct flights to international destinations. It would also attract more executives who would then prefer flying out of ONT for convenience. However, firms are unlikely to relocate here unless education levels improve – currently, only 24% of Inland Empire residents have a bachelor's degree or higher, compared to the U.S. average of 38%. It is time for county administrators to think more seriously about retaining highly skilled residents to encourage higher-paying businesses, easing rush hour congestion, and remaking ONT's profile with airlines catering to wealthier travelers that can afford flights that are more expensive.

Residents from elsewhere in Southern California other than the Inland Empire may also make up for the lack of local demand. What would it take to lure these travelers to ONT rather than choosing LAX? Imagine you could take an express train from Union Station straight into ONT with perhaps one or two stops on the way. As of now, it takes 75 minutes and 9 stops from Union Station to get off at Rancho Cucamonga Station, and then get the ONT Connect Shuttle. This part of the picture clearly does not deserve ONT's slogan of "SoCal, So Easy." However, the San Bernardino County Transportation Authority is currently asking for public feedback on environmental documents for a proposed underground tunnel between the Metrolink Station and the airport. The 4.2-mile tunnel would allow zero-emissions shuttles to transport passengers to the airport without traffic delays, with a public hearing scheduled for November 13 at 6 p.m.

Note that the Rancho Cucamonga Metrolink Station will also become a stop for the Brightline West high-speed rail station to Las Vegas. Now, if you added an Express Train from Union Station, similarly to what you observe elsewhere (in Hong Kong and Seoul with airline check-in counters at the train station, in London the Heathrow Express takes 15 minutes from Paddington Station, or in Frankfurt and its 10 minute ride from the Hauptbahnhof), then you could really get rid of the “So LA, So Slow” attribute that currently characterizes this part of the journey from downtown.

Foreigners viewing ONT as an alternative to flying into Southern California is certainly a possibility. It is fair to assume that any person having experienced the (feedback) loop from hell at LAX or the hassle of finding the LAX-it shuttle would be willing to land anywhere but at LAX if only they could get from there conveniently quick into areas of LA which are their eventual destinations.

The bottom line is that what is needed for the next increase in passenger traffic to ONT is additional demand from domestic residents both inside and outside the Inland Empire, and from foreigners who will consider ONT as an alternative to flying into LAX when it comes to visit Southern California. And then, the question as to which parent to pick up from which airport becomes moot - you would pick up both of them at ONT, of course!