CHAPTER 5
TRANSPORTATION

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INTRODUCTION

Your job as a transportation reporter, whether that be air, rail, or some other form of travel, is to make sense of the business of moving people and things from place to place. Transportation is a beautiful thing when it works, but when it doesn't, the failures are out there for everyone to see – and they will look.

What can make this beat so much fun is that very little of transportation's inner workings are a secret and there is a lot of publicly available data that can help you in your reporting without having to dig very far. All of this can make your job as a business reporter a little easier.

However, this also means that your readers, listeners and viewers are often self-appointed experts, and they will keep you on your toes. You may not be able to get to a story before your readers, but you need to have a more thorough understanding of the events and data behind it so you provide more insight to the conversation.

To get started on this beat, it will help to understand the aspects of transportation that are true across the industry, this includes how impactful the transportation business is to the national and local economy.
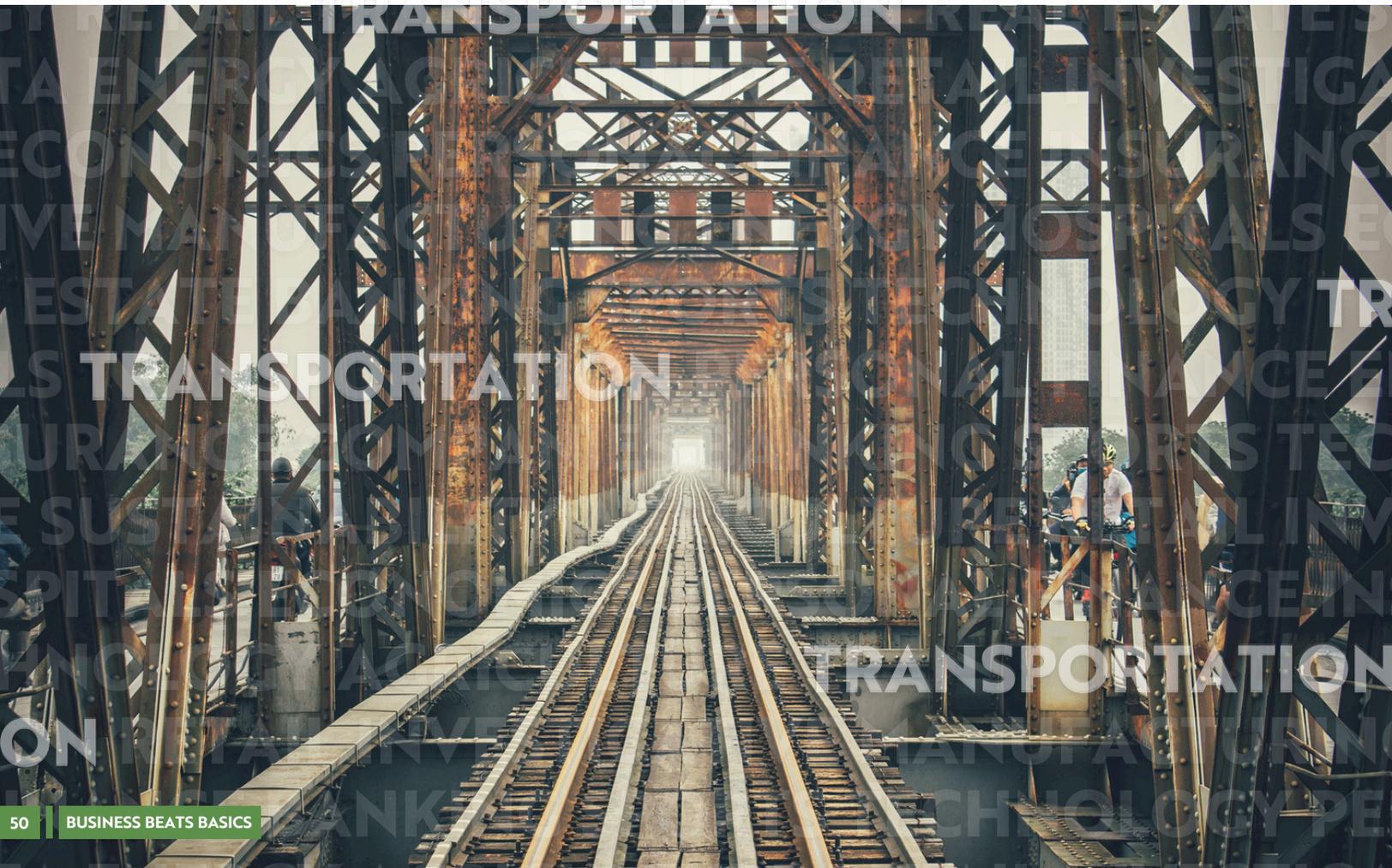
UNDERSTAND ECONOMIC FORCES

Travel is one of the business sectors that is highly sensitive to the overall health of the economy. When companies are struggling, one of the first things they cut is business travel. Households may stick close to home for vacation when their budget is tight or not go on vacation at all.

Transportation companies have very little sway over these decisions. For example, other than cutting prices, there is little airlines can do to encourage people to get on a plane. And cutting prices may not be the best solution in the long run for the company. Although getting some revenue for a seat is better than getting nothing at all, filling a cross-country flight with people paying half the usual fare does little for an airline's bottom line.

As a reporter, understanding cost components in transportation is critical. Two of the biggest cost components for transportation are labor and fuel – unfortunately for airlines, jet fuel prices are much more volatile than gasoline prices. Because transportation businesses are extraordinarily capital-intensive – a new jet is hardly a small expense and requires a lot of money to invest – interest rates and the debt marketplace play huge roles in these companies' fortunes.

UNDERSTAND THE MATH

As with any business beat, a basic grounding in revenue, profits, and balance sheets is immensely helpful. For example, the way airlines set prices is so complex that they must employ some of the world's most powerful computers to keep it all straight. This system, known as yield management, explains why someone booking a flight from New York to Los Angeles a month in advance might pay as

little as $300 roundtrip while someone flying from New York to Boston on two days' notice might pay that same amount for a one-way ticket. Yield management is, at its core, the science of extracting the most money out of customers based on their willingness (or need) to fly.

UNDERSTAND THE EQUIPMENT

Although initially daunting, it is necessary to educate yourself on the hardware, equipment, and tools the companies you cover use on a regular basis – whether that be a Boeing 737 or a General Electric locomotive. Becoming familiar with their performance limits, parts, and most common areas of breakdown will go a long way when speaking with executives, pilots, or engineers.

UNDERSTAND THE PEOPLE

Similar to the equipment, transportation companies have a lot of jobs, and understanding each of their roles is essential for this beat. But don't stop with just the pilots, flight attendants, and mechanics – also understand the roles of dispatchers, schedulers, gate agents, and ground crews, as these are the people who make a transportation system run.

UNDERSTAND REGULATION

U.S. airlines were essentially deregulated in 1978 with the Airline Deregulation Act that removed federal control over such things as fares, routes, and market entry of new airlines. Similarly, railroads were deregulated in 1980 with the Staggers Rail Act.

Although technically deregulated and operating ostensibly as private businesses for three decades, commercial transportation companies are required to disclose virtually every detail of their operations to various federal, and sometimes state or local, government agencies – making them still the most regulated segments of the U.S. economy in other ways. This is true for privately held transportation companies as well as ones that are publicly traded.

Transportation is still so heavily regulated, in fact, that oversight of the industry can be overlapping, conflicted, or vague. For example, the National Transportation Safety Board (NTSB), despite its name, does not regulate safety. Its role is limited to investigations, research and recommendations. It has no power to enact anything – as told powerfully by a News21 student journalism project in 2010 that chronicled how the Federal Aviation Administration (FAA) ignored hundreds of NTSB recommendations throughout the years.

The railroad industry has separate regulators for safety and economic issues, and Amtrak – while supported by taxpayer dollars – is an independent government-chartered corporation. Trucking and bus operators and shipping lines have their own regulators while state or local authorities operate airports under federal supervision. Begin by understanding who regulates what and what powers those organizations do and don't have.
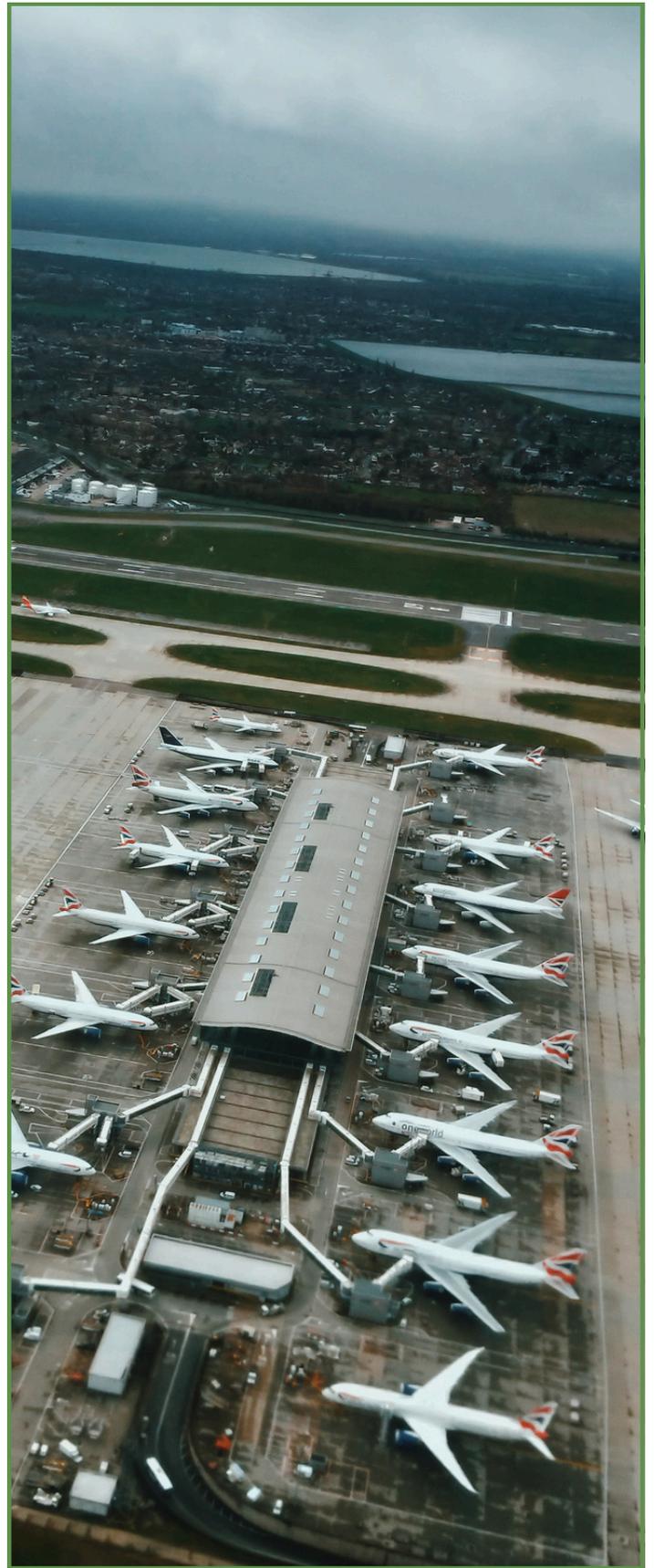
CHALLENGES AND PITFALLS

Commercial air travel is by far the safest form of travel in the U.S., but with the way some reports are sensationalized, that fact is often forgotten.

Take the following scenario for example:

A jet with 130 passengers on board is reported to have had an engine go out on approach for landing. The captain is in communication with air traffic control, seeking permission to land on a different runway. TV goes live with images of the plane gliding in for a landing, the anchors speak in hushed tones, seemingly awaiting a scene of destruction on the ground or heroic action by the pilots to avert disaster.

What you won't hear is that every airplane in commercial service in the United States is designed to operate with one engine malfunctioning. An aircraft cannot get certified by the Federal Aviation Administration otherwise. Additionally, pilots are required to undergo periodic training in so-called "unusual attitudes." Landing with an engine out is considered one of the less unusual. Unless it implodes with shrapnel puncturing a hydraulic line or creating a hole in a wing, an engine malfunction may actually be a non-event.

Overreaction to common incidents that rarely if ever endanger passenger safety – an engine out, a blown tire, landing gear stuck in the down position – may be the most prevalent error in covering transportation. It may ruin credibility with sources and expose reporters – often with justification – to charges of "sensationalism." Other common events to avoid sensationalizing include:

BIRD STRIKES

In January 2009, US Airways Captain Chesley "Sully" Sullenberger successfully "ditched" a commercial plane in the Hudson River after both of his plane's engines sucked in geese and stopped working shortly after taking off from New York's LaGuardia Airport. Dubbed the "Miracle on the Hudson" by the Governor of New York, this incident brought bird strikes to the general public's attention. However, this particular incident is not a common occurrence. Although bird strikes are a costly problem for airlines because they can ruin engine components, they're rarely emergencies. The chance of flocks of birds being sucked into both engines simultaneously, as they did in 2009, is exceptionally small.

UNSCHEDULED LANDINGS

These are almost always precautionary, often over something as minor as a malfunctioning cockpit light. Veteran airline reporter Ted Reed recalls that a US Airways redeye flight from Las Vegas to Charlotte would often have to make unscheduled landings to have drunk passengers removed.

SECURITY INCIDENTS

It doesn't help that airport personnel bring on the overreaction by clearing out terminals if they think someone may have gone through security checkpoints without being properly cleared through security, but try not to sensationalize these incidents until you have more information. "There's never been a terror incident that stemmed from somebody erroneously going through security at the airport – never," Reed says.

FINDING THE DATA

The exhaustive statistics from all these different regulation bodies used to only be available to media organizations rich enough to buy subscriptions from government vendors. Now all you need is the internet and an elementary-level proficiency in Excel.

BUREAU OF TRANSPORTATION STATISTICS

The heap of transportation data is at the U.S. Bureau of Transportation Statistics (BTS) website. Many reporters already know of BTS for its airline statistics, but it also features operating numbers on freight railroads and other modes of travel. The types of data available on the BTS are too numerous to list here, and its archive goes back decades. For example, I once used it on deadline to find the average load factor (the percentage of available seats occupied by paying passengers) on U.S. airlines in 1973.

This information is not solely national. There are links to break down information to any of the 450+ U.S. airports that operate commercial flights.

Through BTS and monthly consumer reports from the U.S. Department of Transportation (DOT), a reporter can maintain a running report of what percentage of their local airport's flights arrive and depart on time, how many passengers the flights carry and, for many cities, the most popular destinations. For the 30 largest airports, the DOT breaks out the percentage of flights that arrive on time each month for every one-hour block of the day from 6 a.m. through 11 p.m. Monthly numbers on departures and arrivals for every commercial airport are available through the FAA website. Local airports also keep these and should provide them upon request if they aren't easily accessible online.

A similarly rich level of detail – in local and national data – is available from the monthly operating reports on Amtrak's website. Here's the way to find that as of writing: from the home page, click on "News and Media" at the bottom, then under "Fact Sheets" you can find "Reports and Documents." These reports are almost as exhaustive as BTS statistics. If you have trouble finding it on the Amtrak website because they regularly update the structure of it, you can do a quick Google search for "Amtrak reports and documents" and the correct page should be right at the top of the search.

THE FEDERAL AVIATION ADMINISTRATION (FAA)

Air Traffic Activity Data System

Transportation reporters can use data from the FAA site in many types of business stories. For example, the website has an extensive guide on how to look up take-offs and landings at any airport using their Air Traffic Activity Data System. Through this system, you can find airport-specific and federal data.

If you have multiple airports in your state or local area, you can use the information from this database to figure out which airport has the most airline activity or passengers and which may have the greater economic impact based on the data given. You can also use the data to compare operation numbers for a specific airport year over year.

Freight railroad operating statistics can be obtained through the Surface Transportation Board (STB). Railroads must file with the STB if they want to abandon services that generate little traffic or are no longer used. These filings can be found on the STB website.

Trucking companies and bus lines have their own federal regulator, the Federal Motor Carrier Safety Administration. All truck lines with more than $3 million in annual operating revenue must file annual reports with this regulator.

TRACKING SAFETY REPORTS

Safety information can be obtained through the website of the National Transportation Safety Board (NTSB). The NTSB investigates all commercial transportation accidents in the United States. In addition to the NTSB's records and archives on accidents and investigations, there are two databases for information on aviation safety – the Federal Aviation Administration's Accidents and Incidents database, and the lesser-known Aviation Safety Reporting System maintained by NASA.

The latter is a voluntary system used by pilots and other aviation personnel, usually anonymously, to report incidents they experienced or witnessed. Often these incidents are not found in the accident and incident database and provide early windows on trends.

The railroad industry's safety database is available through the website of the Federal Railroad Administration (FRA). Check records through the business or transportation regulator in your state, as some states maintain certain regulatory authority over railroad facilities despite the presence of the FRA.

LOCAL AIRPORTS

Airports usually post information on their own websites, and local business reporters can use this local data too. For example, Phoenix Sky Harbor International Airport usually posts data monthly and also releases annual data in the first few months for the previous year.

Carefully analyzing this data can reveal patterns and story ideas. If specific data is not available on the airport's website, public record requests provide another option.

You can also look for studies from local researchers. Universities are likely to have economic impact studies or similar research.
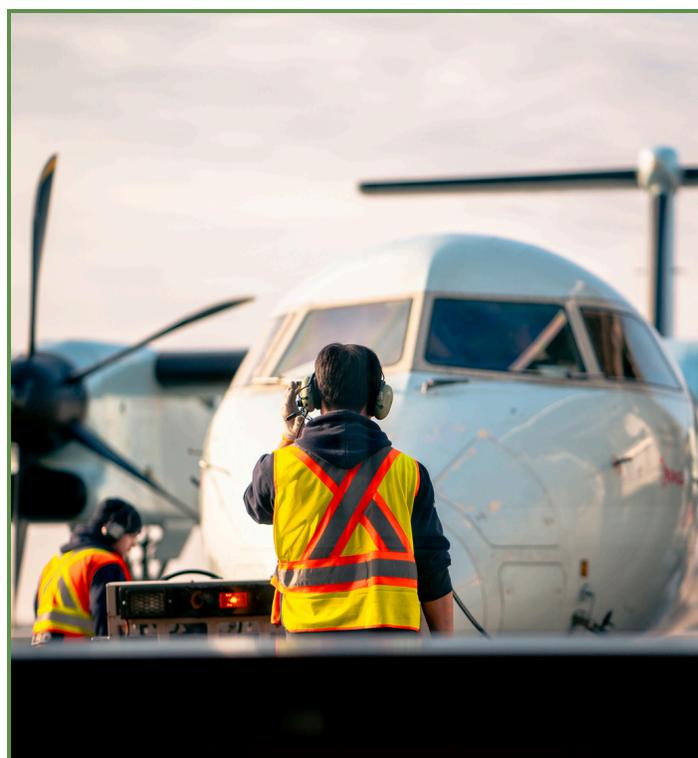
Transportation systems are run by people making judgment calls that technology cannot make for them. To know what you're covering, you have to know who you're covering.

Seeing transportation workers on the job is more difficult today than it was before September 11, 2001. Security restrictions mean you probably won't be able to haul bags with an airline ground crew, sit in with a locomotive engineer, or staff a station at an airline ground-control tower, as reporters once did with relative ease. But there is much to be learned on the public side of the security firewall.
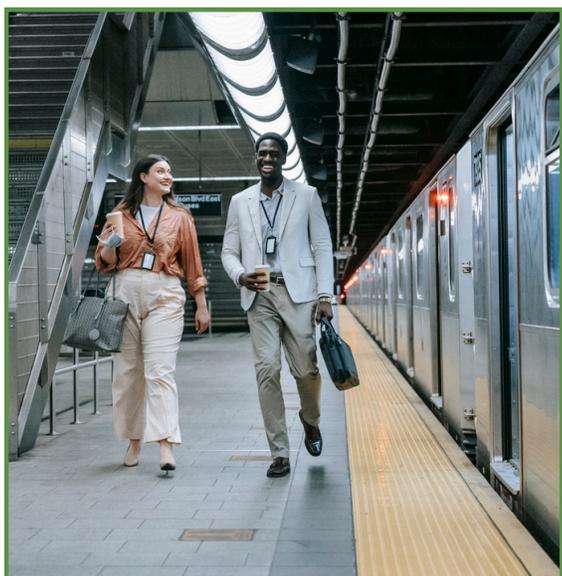
MAKE CONNECTIONS

Station managers at airports or train stations not only know everything about what is going on in their domains, but they can also educate you about larger operating issues and guide you to other sources, even if they're not willing to be quoted. Schedule regular background conversations with these people.

Also, correspond with every transportation industry worker who emails or calls you, even if their tone starts out angry or belittling. The mere act of getting back to them will often disarm their anger. From there, the right approach can turn them into valuable sources.

LEAVE YOUR DESK AND EXPLORE

Go to any event that gives you a chance to mingle with these people. "Get to the airport whenever possible," says Ted Reed, who has covered the airline industry for decades for several publications. "Take them up on every invitation, no matter whether it's newsworthy or not – anything that gets you in front of the key people."

If you're covering an airline in a city where it has major hub operations, there are likely union officers in your community. Get to know them at their favorite coffee shop or watering hole, and they can bring you into contact with rank-and-file employees. "They may be reluctant initially, but you don't have to go out of your city to have lunch with a top union official," Reed says.

FEDERAL AIRPORT IMPROVEMENT PROGRAM

When we think of airports, most of us think of the largest airport in our area, unaware of the vast network of other airports that people and cargo travel through every day. In the U.S. there are over 19,000 airports, with over 5,000 of them for public use. That's a lot of critical infrastructure to maintain.

The Federal Aviation Administration (FAA) has a program specifically designed to assist the majority of these 5,000 public-use airports to ensure safe and efficient air transport: The Airport Improvement Program (AIP). Under AIP, airports can apply for a set amount of funding each year based on passenger volume. This program is specifically meant for infrastructure projects including runway construction, weather observation stations, airfield signage, lighting, drainage, and planning, or environmental studies.

There are a number of ways you can use information from this program to inform stories relevant to your local community.

LATEST GRANT RECIPIENTS

Check out the latest grant recipients in your area. What are these airports using the funds for? Keep in mind that public-use airports in the National Plan of Integrated Airport Systems (NPIAS), and thus eligible for federal funds, can include facilities that don't have commercial flights, i.e. they only serve private or corporate aviation.

HISTORY OF GRANT FUNDING

Journalists can also look at a history of grant funding to their local airports to see what other projects have been funded through federal aid in past years, as well as how often grants are given to each airport.

NOISE MAPS

One of the biggest complaints from residents near an airport is how much noise they produce. Through AIP, airports can use the funds for "noise compatibility projects." Exposure maps created from these reports are required to be available to the public. However, the process of completing the study is voluntary and the majority of accessible maps have not been updated in many years. When was the last time your closest airport did a noise exposure study?

BUY AMERICAN PREFERENCES

All steel and manufactured goods used in AIP projects are required to be produced in the U.S. The FAA can waive this requirement under certain circumstances. Check to see what projects are able to abide by this rule and which are requesting waivers. The AIP website displays waivers granted and current waivers under consideration that are open for comment from the public.

TERMS TO KNOW

Here's a list of key terms and lingo to help you navigate transportation stories.

Available Seat Miles
A measure of passenger carrying capacity on a plane or train. Calculated by multiplying the number of seats available by the number of miles traveled.

Banking
A practice in the airline industry where an airline clusters their flights at their hub to arrive and depart within short periods of time to reduce connection times for passengers.

Bump
The practice of denying a seat to a passenger with a confirmed reservation when a flight is oversold. Also referred to as "denied boarding." Bumped passengers must be compensated under U.S. law.

Cabotage
This can mean either the transport of goods or passengers between two places in the same country or a set of laws made by a government to prevent/limit the transport of goods or passengers within a country by foreign vehicles. Derived from the French word "caboter" which means "to travel along the coast." Originally applied to shipping, this term can also apply to aviation, rail, and road transport. Example: In the airline industry, cabotage is a right granted by some governments to foreign airlines to operate domestic flights within their country. However, cabotage, in this context, is forbidden in the United States – foreign airlines cannot operate domestic flights in the U.S.

Code share
A marketing agreement under which two or more airlines share a two-letter designator code used in computerized reservations systems, so it appears that the itinerary is on one airline. Most often used by major airlines and commuter/regional partners.

Commuter
A small airline, and aircraft – generally 60 seats or fewer – that often operates under contract to a larger airline to carry passengers from small towns to their hub. These carriers, also known as regionals, usually operate under a derivative of a major carrier's name, such as American Eagle or Delta Connection, and may be either independent companies or subsidiaries of a larger airline.

Connection
A flight itinerary that involves changing planes at a different destination, usually at a hub airport.

Contract of carriage
The transportation equivalent of terms and conditions that defines the legal responsibilities of the carrier and user. You are assumed to have accepted this contract when you buy a ticket. It limits your rights and the carrier's liabilities when certain things go wrong, such as when your luggage is lost on an international flight.

Cost per available seat mile (CASM)
The key measurement of an airline's operating expenses. This is calculated by dividing the operating expenses by the total number of available seat miles. Fuel and transport-related expenses may occasionally be withheld from CASM.

Direct Flight
A flight that goes from one city to another without involving a change of planes. A direct flight is NOT necessarily nonstop, and may include stops in other cities but uses the same plane.

Fixed-Base Operator (FBO)
A company that is granted the right to operate at an airport to provide services to the airport such as fueling, hangaring, rental, maintenance, and flight instruction.

General aviation
Private or corporate aircraft, as opposed to commercial flight operations. This includes corporate aircraft, air tourism, and recreational flying.

Hub-and-spoke system
A route system in which an airline funnels most of its flights through several large airports where passengers have to change planes, often referred to as "hubs." Most domestic U.S. airlines use a hub and spoke system, with Southwest Airlines being a notable exception.

Load factor
The percentage of available seats occupied by paying passengers. This is a key measure of operating performance for airlines and Amtrak. A high load factor indicates most available seats are sold and therefore the costs of the trip can be spread out between more passengers.

Mainline

A mainline is one of the "major" airlines you're likely familiar with, rather than regional partners, subsidiaries, or code-sharers. Examples include American Airlines and United Airlines as the mainline and their regional partners would be American Eagle and CommuteAir, respectively (among many others).

Narrow-body

An airplane with one aisle between the seats.

On-Time performance

A key measure of service that is somewhat of a misnomer. The definition of "on-time" for regulatory purposes is a flight or train that arrives or departs within 15 minutes of its published schedule.

Origin and destination (O&D) traffic

Origin & destination traffic includes passengers at their start and end points of their travel journey, as opposed to general airline traffic that includes those traveling through a connecting airport in order to travel to someplace else that is their actual destination, and is therefore in an airport that is neither their origin or destination.

Overbooking

The practice by some airlines of selling more seats than exist on a flight, based on historical performance, to protect themselves from no-shows. This practice is legal and not all airlines practice it.

Passenger Facility Charge (PFC)

A fee of up to $4.50 per flight segment that is added onto airline tickets to pay for airport improvements. This fee is set up and capped by U.S. federal law.

Regional jets (RJ)

These are planes that typically have 100 or fewer seats and are used to fly to and from smaller cities where there is not enough passenger demand traffic to fill a larger plane.

Turboprop

A jet engine in which a turbine is used to drive a propeller.

Wide-body

An airplane with more than one aisle running between seats.

Yield

The amount of revenue, in cents, per passenger per mile flown. This is the key measure of revenue for transportation providers.

Yield management

Originated in the airline industry, but is used by other sectors as well, including hotels. This is a practice to maximize revenue. A good system will be able to determine the right price for the right number of seats and the right point in time.
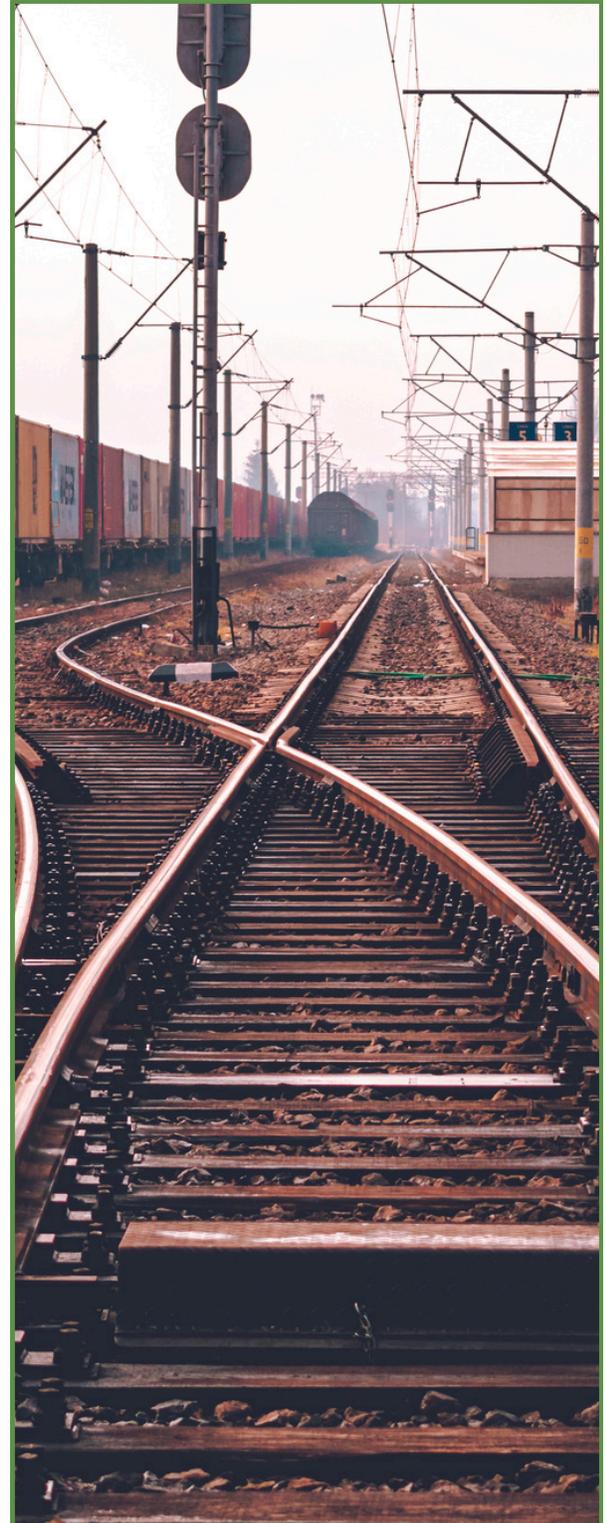
This chapter is based on the "Beats Basics" Transportation section, originally published in 2011 and written by Bernie Kohn who was a team leader at Bloomberg News.