



Photo Credit: FlyOntario.com

ONT - CARGO HUB

by Nikhil Agarwal '24

Cargo volume has played an important role in Ontario International Airport's (ONT) success over the past decade. According to the Federal Aviation Administration (FAA), in 2021 Ontario was the ninth leading cargo airport in the United States, and third in the West, trailing only Anchorage and LAX.

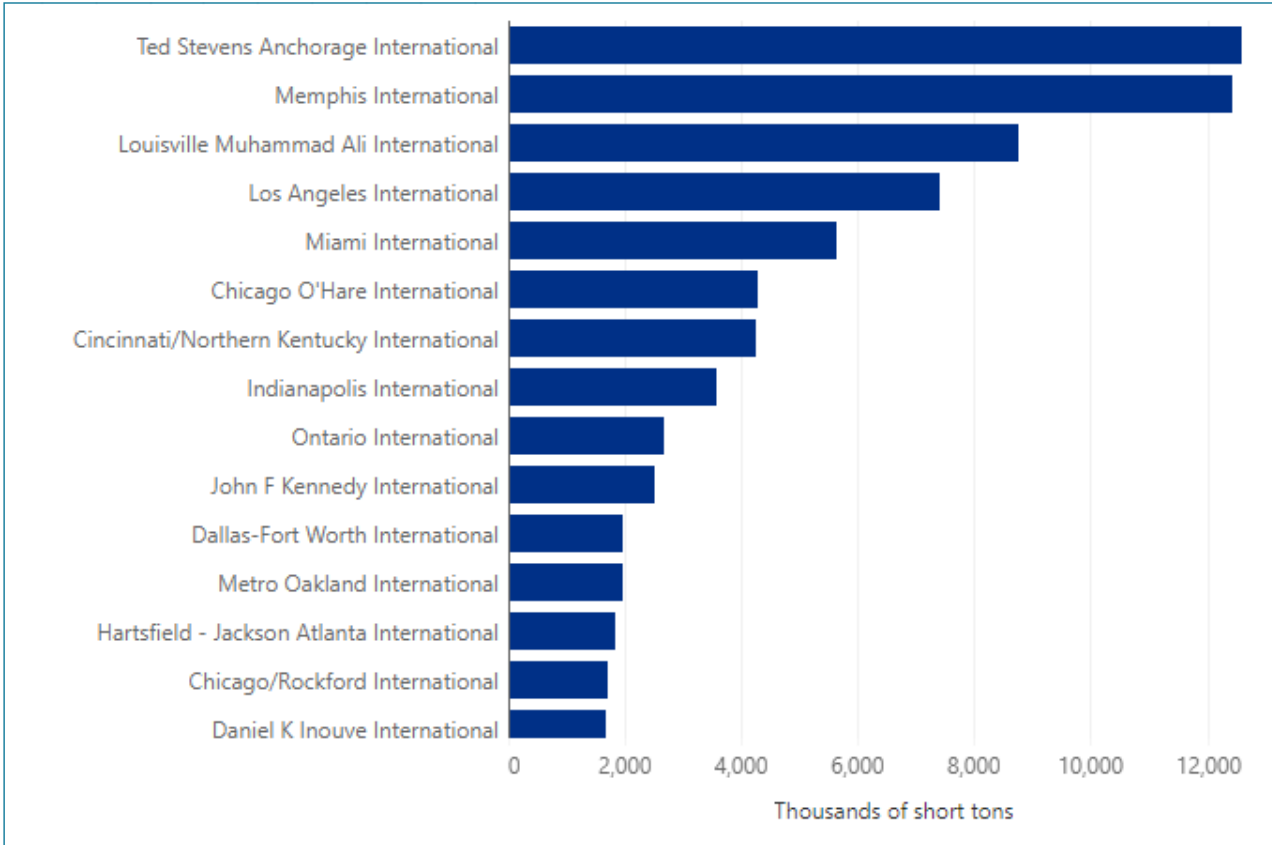
The large amount of cargo passing through the airport is driven by the Inland Empire's robust logistics industry. The region's proximity to the Ports of Los Angeles and Long Beach and to large population centers, as well as its supply of relatively inexpensive real estate for distribution and fulfillment centers, make it a natural logistics hub. And the airport's location close to the intersection of Interstate 10, which connects Los Angeles to Phoenix and Interstate 15, which connects San Diego to Las Vegas, make it an integral part of that industry.

Logistics has become the largest economic engine in the Inland Empire, employing an outsized number of local residents. For example, Amazon, which operates massive fulfillment centers in the area and runs many cargo flights per day through the airport, is the region's largest private employer.

Analysts have noted, however, that across the nation the logistics industry has not continued to expand at the rate it did during COVID and the initial post-COVID phases. Writing in the *San Bernardino Sun*, Manfred Keil, Robert Kleinhenz, and Rena O'Sullivan note that the number of workers in the Inland Empire logistics sector stood at 265,000 as of July 2023, down 20,000 from its peak in December 2022. This drop is clearly visible at Ontario Airport, where cargo shipments declined 17% in 2023 from the year before. Between 2007 and 2015, the volume of freight at Ontario had grown slowly, hovering around half a million tons each year, before increasing a whopping 81% between 2015 and 2020, when the volume of freight passing through the airport peaked at 924,160 tons.

Ontario lost 55% of its passenger volume in 2020, dropping from 5.5 million passengers in 2019 to 2.5 million in 2020. Freight volume, in contrast, rose from 781,993 tons in 2019 to 924,160 tons in 2020. It could be argued that as passenger volume fell precipitously during the COVID-19 pandemic, the surge in freight saved the airport. Steve Lambert, a spokesman for the airport, noted that Ontario had earned a reputation as one of the nation's stronger air-cargo centers and had the infrastructure required to handle the increase in cargo volumes during the pandemic period.

**Top Airports for Cargo
2021 Cargo Landed Weight**



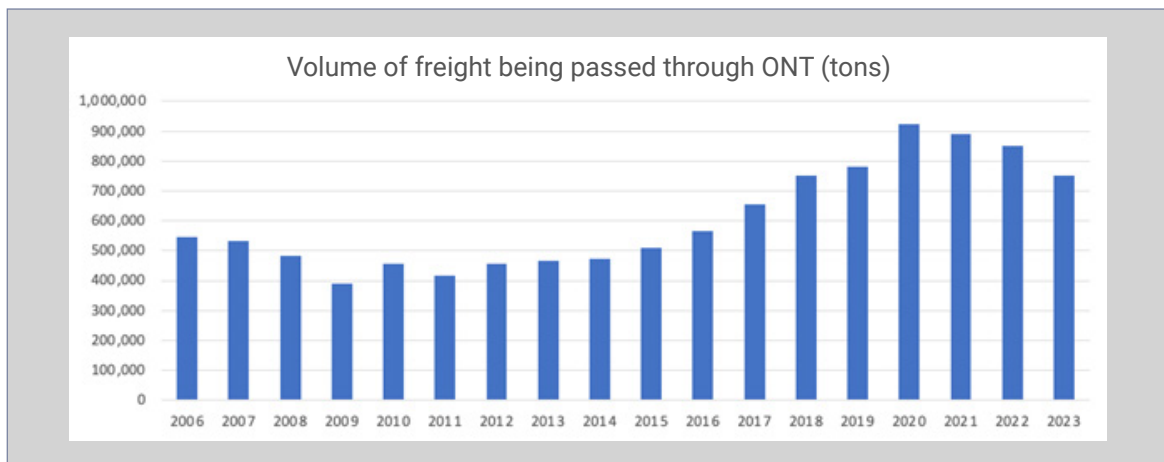
Source: Top 25 Airports by Landed Weight of All-Cargo Operations, Bureau of Transportation Statistics, US Department of Transportation, <https://www.bts.dot.gov/browse-statistical-products-and-data/freight-facts-and-figures/top-25-airports-landed-weight-all>.

Note: Includes cargo operations dedicated to the exclusive transportation of cargo, does not include aircraft carrying passengers that may also be carrying cargo. Cargo landed weight includes aircraft weight.

But as consumers have returned to in-person commerce and shifted some of their spending from buying goods back to consuming services, the volume of freight has declined year-on-year since 2020. The airport recorded 752,199 tons in 2023, comparable to 2018-19 levels.

Wayne records higher passenger volume year-on-year, the amount of air cargo it handles is dwarfed in comparison to Ontario Airport. Whereas Ontario came close to cracking one million tons of cargo during its peak in 2020, John Wayne Airport in the last 10 years has failed to record more than 20,000 tons in any year. Since 2014, SNA has displayed remarkable consistency, passing between 17,000 and 20,000 tons of cargo each year.

Ontario Airport's prowess and significance as a cargo hub is made clear by a comparison with John Wayne Airport (SNA), an Orange County airport in Santa Ana. While John



Source: Passenger and Freight Statistics, <https://www.flyontario.com/air-service/statistics>

Bob Hope Airport, also known as Hollywood Burbank Airport (BUR), a third regional airport in Southern California, is more similar to Ontario Airport in passenger volume, yet it too handles freight at far lower volumes than ONT. Burbank consistently recorded between 53,000-56,000 tons of cargo from 2014 to 2021, but that number dropped by 10,000 in 2022, and a further 7,000 in 2023.

Not only does Ontario handle vastly more freight volume than the two other regional airports, its growth in freight between 2014 and 2020 was 95%, compared to just 6% at John Wayne and 1% at Burbank. Since 2020, freight volume at Ontario has dropped 19%, compared to declines of 3% at John Wayne and 34% at Burbank. By 2023,

Cargo Volume - Ontario, Santa Ana, Burbank (in tons)

YEAR	ONT	SNA	BUR
2014	474,502	17,217	56,282
2015	509,809	17,679	54,753
2016	567,295	18,109	53,303
2017	654,378	19,101	54,405
2018	751,529	19,552	54,704
2019	781,993	17,825	53,024
2020	924,160	18,203	56,566
2021	890,383	18,243	53,935
2022	851,924	17,335	44,571
2023	752,199	17,611	37,265

Sources: <https://www.hollywoodburbankairport.com/about-us/airport-statistics/>
<https://www.flyontario.com/air-service/statistics>
<https://www.ocair.com/about/news-info/statistics/>

Ontario Airport was carrying more than 42 times as much freight as John Wayne Airport, and 20 times as much as Burbank Airport.

As consumer habits shift back toward in-person goods and services, and multinational corporations scale back investment in expansion and warehousing plans in response to lower demand and, possibly, heightened environmental concerns, will the period of growth for freight at Ontario Airport come to an end? Has it already?

Perhaps the biggest threat to growth in the region’s logistics sector is the rising local opposition to new warehouse construction. In recent years, three Inland Empire cities have blocked warehouse projects. In October 2022, Beaumont rejected a proposal for a warehouse complex of some 2.5 million square feet. Last year Moreno Valley rejected a proposed 1.3 million square feet warehouse complex and Fontana turned down a proposal for three warehouses covering more than 500,000 square feet.

Some environmental activists and other critics of the logistics industry see a turning of the tide. But given the importance of the logistics sector to the Inland Empire economy, it remains to be seen whether Beaumont, Moreno Valley, and Fontana are harbingers of the future -- or outliers. ♦

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