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Higher airfares, crowded flights expected this summer

Demand for airline tickets this summer has led to higher airfares, and with airlines not adding flights amid economic uncertainty, planes are flying at or near capacity.

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The average domestic airfare this summer is up 5% over last summer and international flights are about 11% higher, according to an analysis by travel website Kayak.com. Above, travelers inside the international terminal at LAX. (Lawrence K. Ho, Los Angeles Times / June 18, 2012)

By Hugo Martín, Los Angeles Times

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Here's what airline travelers can expect this summer: higher fares, long lines and jam-packed planes.

And if you wait too long to buy a ticket you may be out of luck. With airlines loath to add flights in an uncertain economy, getting a seat at any price on some routes could be tough during peak travel times.

"I've been calling my fence-sitters and telling them they better book their flights now if they really need to go, otherwise they may be left with no options," said Jay Johnson, president of Coastline Travel Advisors in Garden Grove.

"I've been on over 20 flights within the past three months and I would say almost every flight has been at or close to 100% occupancy."

The average domestic airfare this summer is up 5% over last summer and international flights are about 11% higher, according to an analysis by travel website Kayak.com. That's on top of a 15% average rise in airfares last year.

Getting a flight to some popular vacation destinations such as Hawaii, the Caribbean or Florida could mean facing fares that have jumped much higher than the average.

When Peter Finie, a manager at a Glendale concrete and aggregate company, searched for tickets to take his wife to Maui in July, the prices shot up and down every few days, he said. He finally ended up paying about \$760 for each round-trip ticket, compared with the \$400 or so he paid last summer.

"And the service isn't any better," he said. "The caliber of the stewards and stewardess has dropped as well."

Bagging the best possible price can be like playing a game of airfare Whac-a-Mole. Timing is everything.

Tony Silva, the manager of a race car team who lives outside of Sacramento, said he has been frustrated trying to find low-price tickets to fly his team to compete in Florida, Illinois and Louisiana.

"The prices make no sense," he said. "They start high, go higher as the date approaches then for no known reason they will drop a few days before but only for a few hours."

Part of the reason for higher prices is pent-up demand by Americans who cut back on travel spending during the depths of the recession and are ready to spend again, according to travel experts.

"Consumers feel more confident this year than they did last year," said Bill Miller, senior executive of travel website CheapOair.com, "and travel is the first thing people want to add back to their budget."

But even with growing demand, airlines are adding very few extra flights and routes, leery of another economic downturn or a surge in fuel prices. The merger and consolidation of several airlines in the last five years also has cut down on the number of available airline seats.

U.S. carriers filled 82.1% of all available seats last year – the highest annual rate in more than a decade, according to federal statistics.

"Everybody is pushing the system to capacity," said Tom Parsons, who runs the website BestFares.com. "There are less planes in the sky now."

Airlines flying near-capacity jets are also less likely to offer big discounts. This is a far cry from the recession, when air travel demand dropped steeply and airlines sold tickets at bargain prices to fill seats.

Demand started coming back after the recession, but then jet fuel prices surged nearly 30% in 2011. Fuel prices rose 10% more in the spring of this year but have been falling in the last few weeks, according to federal statistics.

If fuel prices suddenly surge again this summer, airlines will not hesitate to push fares even higher, said Jonathan Kletzel, a transportation and logistics expert with accounting firm PriceWaterhouseCoopers.

"A surge in fuel prices will impact the bottom line," he said. "And if that changes, you will see higher prices."

Fares for international flights shot up even higher this summer, on average. For example, the average cost of a round-trip ticket from San Diego to Barcelona this summer is \$1,265, up 11% over last summer's average of \$1,144, according to CheapOair.com.

London has been an especially strong draw for tourists this summer because of the queen's Diamond Jubilee celebration and the upcoming Olympics.

Because of improvements in the economy, slow to come as they are, the demand for international business travel is up.

"More Americans are going abroad but there is also more business travel from China and the Middle East," Kletzel said. "With more wealthy people flying here, that is driving the demand in international travel."

Just about the only bargains to be had this summer are on routes served by several competing airlines.

For example, travelers can find lower rates on travel to Las Vegas this summer, partly because Florida-based Spirit Airlines has added several flights into Sin City to compete with carriers such as Southwest Airlines and JetBlue Airways.

A one-way flight from Los Angeles to Las Vegas costs an average of \$98 this summer, a drop of about 5% compared with \$103 last summer, according to CheapOair.com.

For some travelers, the crowding and especially the higher fares has them staying close to the ground.

Reservations at Kampgrounds of America Inc., which operates 488 campsites in the U.S. and Canada, are up nearly 6%, compared with last summer, according to KOA officials.

"Most of the trips I'm taking this summer are driving trips," said Coby King, a public relations executive from West Hills, who plans trips to Palm Springs and Joshua Tree this summer. "With two kids, flying anywhere is just too expensive."