Assessing the Future of the Airport - Part 3

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For the last 5 months, the airport has operated with uncertainty both as to where we are going and how to get there. Uncertainty was created by the discussion of governance structure and where the airport should be located. I am happy to say that recent developments have put certainty in front of us and uncertainty behind us. We now have a clear direction. In the October 2010 board meeting, the New Orleans Aviation Board (NOAB) passed a resolution to authorize the New Orleans Aviation Board staff to take all actions required to withdraw its Preliminary Privatization Application as submitted to the Federal Aviation Administration (FAA) a year ago. Congress established a demonstration airport privatization program to explore a means of generating access to sources of private capital for airport improvement and development. The legislation approved by Congress allowed up to five public airport sponsors to participate in this program. Louis Armstrong New Orleans International Airport was one of the five and the action taken by the Aviation Board to withdraw from the process was an option available to them.

As I stated in my last report, on September 15, 2010 I gave my “State of the Airport - 100 Day Report” to the NOAB in their monthly regular meeting. In that report and my last two articles, I outlined what I see as areas of concern and objectives to address them. Last month, I listed some of the objectives I feel must be met in the area of Airport Operations if privatization was rejected. Since it has been, in this article I want to cover my objectives regarding the final two parts of my three-part strategy (Airport Operations, Airport Infrastructure and Airport Finance) that I know will help us to chart our new course.

First, Airport Infrastructure.

Review Master Capital Improvement Plan (CIP) – Review the Airport Master Plan establishing improvement priorities consistent with Airline objectives while addressing community concerns about our infrastructure.

Prioritization of CIP Projects – Develop a priority list of projects that need completion prior to the Super Bowl in New Orleans in 2013 and establish a schedule for project development that leads to success by considering a more “phased” approach to construction development and improvement.

Revenue Generating Improvements – A preliminary study of consolidating commercial flight operations to Concourses C & D and utilizing Concourses A & B for charters and non-airline revenue.

Ensure Limited Impact on Cost Per Enplanement (CPE) – Start with a strategic position on CPE and ‘back into’ the CIP amounts that can be funded without negatively impacting the CPE.

Build Technical Capacity – Hire internal planners, engineers, architects, design consultants, Program Management/Construction Management consultants and construction contractors to oversee the CIP program to improve our ability to perform and control the program.


Reduce Soft Costs – Bring in line with industry norms the high soft costs of projects cited in audits at the airport. This problem cannot be fixed completely at this time because some existing contracts will continue to produce high soft costs with change orders for years to come as a result of existing designs and arrangements.

Finally, Airport Finance.

Improve Non-Airline Revenues – Improve net revenues from concessions, parking and other similar non-airline revenues.

Capital Budget – Determine sources and uses of funds for capital improvements.

Metrics – Institute a metrics system with benchmarking with other airports.

Internal Controls – Consider establishing an internal audit group to increase transparency of the airport. Post audits on the airport website.

Parking – Build another 1000 parking spaces with our Parking Partners and passenger facility charges (PFC) to enhance revenue. Discuss the pricing of our existing parking products.

Bond Indebtedness – Reevaluate debt projects as part of our capital program.

Human Resources – Universally implement, throughout the NOAB airport workforce, accountability measures, annual performance reviews and established work rules to improve performance.

Though general in nature, I believe my three-part strategy forms the basis for charting a course to move forward on a path for success. With uncertainty behind us and certainty in front of us, the New Orleans Aviation Board and staff are committed more than ever to changing the airport for the better, both inside and out.

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Check your local listings for the air time of the Armstrong International Airport 30 minute television program, “Airport Alive,” or view it on the airport website, www.flymsy.com, by clicking on the “Airport Alive” link on the homepage.