Yesterday, September 15, 2010, I gave my State of the Airport – 100 Day Report to the New Orleans Aviation Board in the monthly regular meeting. I would like to share some of the findings of that report with you as well. The New Orleans Aviation Board (NOAB) is an important asset to this region. It is responsible for the operations of a major medium hub in the U.S. – Louis Armstrong New Orleans International Airport. According to a 2003 study, a total of 12,471 people in the New Orleans Metro area owe their job, either directly or indirectly, to the operations of this airport. In addition to its direct impact as documented in this report, the airport facilitates over $2.6 billion of additional tourism spending in the New Orleans area.

I have read that an organization is like a bus. You need to have the right people on the bus. They need to be sitting in the right seats and the bus needs to move in the right direction. I want to utilize this analogy to further make my point. The bus is the airport. The right people on the bus are the personnel needed with the right qualifications for the right “job match”. The right direction is a “strategic business plan” that is responsive to our community needs.

In the case of the right people on board, we are staffed with 115 Aviation Board employees. An airport that is similar in size will have a staff of about 250 people. After Hurricane Katrina in 2005, 104 employees were laid off and instead of properly recruiting to maintain a sufficient level of staffing, additional job assignments were given to the existing staff. For example, MSY has one person in the entire Properties Department who is also responsible for a $90M budget and assisting monthly enplanement statistics. These 3 ad hoc functions are not even related to each other. By contrast, the Properties Department in Nashville alone is staffed with 9 people. Moreover, third party consultants and contractors have been responsible for the day to day operations with no NOAB employee succession planning. This is a serious threat to our operation because 24 of the 115 employees now working are retired or are in the process of retiring. Due to the nature of the aviation industry, consultants and contractors will always have a role at the airport but a number of their contracts have not been advertised for competition for years. It is a best practice to bid third party agreements on a periodic basis, when renewals are considered. Using a consultant to perform a task that a qualified employee can do not only is a greater expense to the airport, but it robs the community of an employment opportunity. Moreover, there is less internal control with third party consultants.

In the aviation industry, the cost of doing business at an airport plays into an airline’s decision to serve a city. Our cost of enplanement (CPE), i.e., the cost to the airlines for every boarding passenger, is just over $10.00 per passenger compared to the national average of about $6.50. Our current projections show that by 2014 that CPE may go as high as $16.54. This could have devastating consequences to the retention of the airlines that now serve our market as well as a threat to the growth of any future enplanements at this airport. New Orleans is a type of destination suited for low cost carriers that offer low fares. However, low fares equals low margins and are sensitive to airport related costs that can diminish or erase profits. Thus, a high CPE is a menace to good business. We should take the necessary steps to lower our CPE to ensure a good business environment in New Orleans and an increase in the number of enplanements.

To realize the full potential of Armstrong International, there are some “high-level” objectives that must be considered to move forward with a strategic plan, i.e. steering the bus in the right direction. In my next article, I will outline those objectives.

The reality is that Armstrong International Airport is continually compared to other airports for its appearance, levels of service and amenities. We are reassessing who we are and where we are going. We will continue to work to make the airport better – both inside and out.

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Watch “Airport Alive”, the Armstrong International Airport TV show. Check your local TV listings for day and time in your area.