

# Airport report

## Pre-K Air Service Restored at MSY

By Iftikhar Ahmad  
Director of Aviation

I am pleased to share some great news about air service at Louis Armstrong New Orleans International Airport that the New Orleans Aviation Board (NOAB) has been waiting for since the impact of Hurricane Katrina. The federal government ranks U.S. airports based on their passenger count. Before Katrina, New Orleans was ranked number 40 among the nation's airports. After the storm's disastrous affect, it lost its ranking and dropped to number 56 in the nation. Our airport has been steadily increasing its ranking over the years as the city has recovered. Based on numbers published in July 2012 by the Federal Government, month ending April 2012, we are back to being number 40 among U.S. airports. This shows that traffic is coming back and airlines are responding to demand and bringing more seats to this region.

In other good news, Armstrong International continues to outperform the national average in passenger growth. When measured against comparable medium hub airports, MSY is a +3.43 percent compared to a -1.23 percent nationwide. Though slight, our airport is outperforming its own passenger stats over last year. Looking at our latest numbers from June of this year, our year to date airline passenger activity shows we experienced a 1.7 percent increase with enplanements (passengers boarding aircraft) at 2,247,027 and deplanements (passengers exiting aircraft) at 2,232,177. We are presently served by all of the major airlines with an average of 121 daily flights to 37 non-stop destinations on nine airlines. Southwest Airlines is our largest carrier with 33 percent of the passenger load at MSY. On January 24, low cost carrier Spirit Airlines will begin service to Dallas from New Orleans with enticing fares and even more importantly, Southwest Airlines has announced the addition of 1.5 million seats to New Orleans by March 2013 with Key West as a new destination.

I am often asked the question, "How do we get new airlines to come to New Orleans?" The answer can be summed up in one word – demand. Today, airlines battle a number of obstacles to provide air service that range from high fuel costs (average U.S. jet fuel prices are up seven percent to date in 2012) to low passenger load factors. Airlines like any business must make a profit to stay in business. There are two markets for air travel – business and leisure. When considering a new route or additional service on a route, airlines are looking for a passenger base that will yield the most profit and the preferred base is the business traveler. They pay the higher fare for last minute reservations and prime seating options on the aircraft and

fly often. This particular passenger is more abundant in a city that has many Fortune 500 companies, so the larger cities often get the greatest amount of domestic and international service. In the leisure market, the passenger is looking for the lowest fares and only flies occasionally or seasonally. To make a profit with this passenger base, load factors must be high. The strength of our market is who we are – New Orleans. As a desirable convention and leisure market with a growing cruise industry, New Orleans continues to see its service levels grow with load factors in the 70 to 80 percentile even with some of the lowest fares available. When the New Orleans market becomes more of a business center with multiple Fortune 500 companies, we may see an even greater increase in service than we presently have.

Each year, the airport staff presents business cases to airlines by visiting the airline headquarters and at various venues, both international and domestic. In the last two years, the airport has presented business cases to dozens of airlines in over 40 direct meetings, including a visit to TACA Airline's headquarters in San Salvador and Southwest Airlines in Dallas. The NOAB staff also attends annual networking events such ACI-NA JumpStart, Network USA and World Routes. At the Routes conference in Berlin last year, we held meetings with British Airways, Virgin Atlantic, Condor, Monarch and Copa Airlines as well as many others. Next month, the staff will attend World Routes in Abu Dhabi where more international meetings will take place in an effort to promote both the city and airport with detailed case studies, including revenue/cost projections specific to the carrier's equipment and potential routing.

As you can see, we have been very aggressive in seeking new air service for New Orleans. The NOAB will continue to petition for new air service from legacy, low cost and international airlines, while it creates an airport environment the community can be proud of. We are committed to improving our ranking in the airline industry even higher with a sustained increase in passenger growth. ✈



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