

# Airport report

## Armstrong International Airport Soars in Strong Headwinds

By Iftikhar Ahmad  
Director of Aviation

A recent study by the Massachusetts Institute of Technology International Center for Air Transportation published in the Wall Street Journal has found that airline mergers, a deep recession and surging fuel prices have led to sharp cuts in airline service around the nation. During the period of 2007 to 2012, scheduled domestic flights have been cut by 14% with the number of seats dropping slightly less. These reductions in service are the result of the airlines eliminating less-profitable routes. This has been particularly bad for 35 medium size airports that have lost an average of 26.2% of their flights in the five-year period, while the number of seats declined simultaneously by 21%. Many airlines have also replaced multiple flights of small, 50-seat planes with one or two flights using larger, 76-seat planes, the study noted. Pushed by rising fuel prices, airlines are focused on “capacity discipline”: flying fewer flights and making sure the planes are full. I am happy to report that here in New Orleans we are “flying” in the opposite direction. In fact, New Orleans is the only mid-size city that has gained service in 2012 over 2007 and the increase is continuing. In March, our total passenger activity was 8.2% greater than March 2012 with 842,954 passengers, the total airline passenger activity for the year was 5.1% greater than YTD 2012 with 2,231,415 passengers, the March average daily departures were 10% greater than March 2012 with 137.3 departures and the March daily carrier seats were 10.5% greater than 2012 with 16,948 seats and 8% greater than other U.S. Airports.

Gaining flights and more passengers was not the only accomplishment of New Orleans in the area of air service, our fares have been consistently at the bottom of the third quartile of the top 100 U.S. Airports for some time. This fact makes air travel to and from New Orleans more affordable. A Bureau of Statistics 4th quarter 2012 Average Domestic Fare Study recently released has ranked the New Orleans market 66th in low fares with 100 being the lowest. This is made possible by the fact that the New Orleans market has attracted a number of low cost carriers due to low operating costs; the newest among them is SPIRIT Airlines with daily service to Dallas (DFW), whose unique operating model is empowering their customers to save money on air travel by offering ultra-low base fares with a range of optional services for a fee. SPIRIT’s low fare approach appears to be a key in their high load factors and another reason we continue to expand our market share.

When I joined the MSY Team in May, 2010, I was approached by a Southwest Airlines officer with a request to help reduce their operating expenses at Armstrong International by lowering the Cost Per Enplanement (CPE). The CPE is composed of all landing fees,

airside usage charges, fuel flowage fees, terminal rents and other airline payments divided by enplaned passengers. We told him that our goal was to lower the cost between \$8.00 and \$9.00. He said they would be ecstatic if we could just bring it under \$10. Since that time, the New Orleans Aviation Board (NOAB) and staff have taken the necessary steps to decrease the CPE from a projected \$16.31 in 2014 to under \$8.41 today. Needless to say Southwest Airlines, who happens to have over 35% of the passenger load at our airport, is very pleased with the our efforts. They are so pleased that they continue to add new non-stop destinations such as Key West this spring and Austin this fall to their New Orleans’ lineup.

In other airport news, I am pleased to introduce the new Chairwoman of the NOAB - Ms. Cheryl Teamer. Ms. Teamer is the first woman to serve in the Chair position on the Aviation Board. She was elected by the other board members in the May NOAB meeting and Mr. Doug Thornton was re-elected to the position of Vice-Chairman. Ms. Teamer is a New Orleans native and was appointed to the board on January 19, 2012 by New Orleans Mayor Mitch Landrieu. Aviation Board members are appointed to five (5) year terms and serve without compensation. Ms. Teamer is an attorney with more than twenty years of experience and is the founder of Teamer Strategy Group, focusing on advocacy, business development, event coordination, government relations, project management and strategic planning. She is a civic leader that has dedicated a big part of her life to helping our region. She replaces outgoing Chairman Nolan V. Rollins, who accepted a position as the President & CEO of the Los Angeles Affiliate of the National Urban League.

Finally, the NOAB and staff are working to provide the best services and non-stop destinations our passengers want at Louis Armstrong New Orleans International Airport. We welcome the opportunity to make your airport experience a pleasant one the year round as we continue trending upward in air service. ✈



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