



**Louis Armstrong New Orleans International Airport (MSY)
Airline Competition Plan Update No. 2**

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Federal Aviation Administration

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OVERVIEW

Louis Armstrong New Orleans International Airport (“MSY”) submits this second update to its approved Airline Competition Plan (“Plan”) in accordance with the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (“AR-21”), Section 155, and applicable Federal Aviation Administration (“FAA”) Program Guidance. This second update provides updated information about MSY, its physical properties, use of facilities and explains how airport management continues its commitment and actions to provide new entrant air carrier access and expansion by incumbent air carriers.

On February 15, 2013, MSY submitted its Airline Competition Plan (“Plan”) in accordance with AR-21 and applicable FAA guidance. MSY received approval for its Plan on June 28, 2013 from the FAA. In accordance with 49 USC § 47107(a)(15), the Plan was made available to the public by posting on MSY’s website. Below is a direct link to the posting:

http://www.flymsy.com/Files/Publications/MSY_Airline_Competition_Plan_2013.pdf

MSY submitted its first update to the approved Plan (“Update No. 1”) on December 24, 2014, as MSY remained a covered airport. Update No. 1 was approved by the FAA on July 9, 2015. Update No. 1 was made available to the public by posting on MSY’s website. Below is a direct link to the posting:

http://www.flymsy.com/Files/Publications/MSY_Airline_Competition_Plan_12.24.14.pdf

MSY is identified by the FAA as a medium hub airport. MSY now hosts seventeen (17) air carriers and three (3) all-cargo air carriers (December 2016). There are currently 59 nonstop destinations available for booking from MSY. MSY fosters a competitive airline environment and accommodates new entrant air carriers. No one air carrier dominates the market; however, Southwest Airlines and Delta Air Lines’ combined enplanements accounted for 58.1% of MSY’s total enplanements in 2015. Four (4) new entrant air carriers (Allegiant Air, Copa Airlines, GLO Airlines, and Branson AirExpress) began service in 2015, and three (3) new entrant air carriers (British Airways, Condor, and Choice Aire) announced new service in 2016 further adding to the competition.

MSY has approximately 1.2 million square feet of terminal space, with four (4) concourses. There are a total of forty-two (42) gates, including six (6) gates on Concourse C with direct Federal Inspection Service (FIS) access. In 2010, Concourse A closed and the jet bridges located at each gate were removed. There are also two (2) gates on Concourse B which do not have jet bridges. However, MSY has the ability to reactivate these areas for commercial air service if needed.

The following is a breakdown of the number of gates and airlines operating on each concourse:

Concourse A	Concourse B	Concourse C	Concourse D
6 gates	10 gates	14 gates	12 gates
(currently vacant)	Southwest	American	Delta
	GLO Airlines	Frontier	United
		JetBlue	Air Canada*
		Spirit	
		Alaska	
		Allegiant	
		Vacation Express	
		Branson AirExpress	
		British Airways (3/2017)	
		Condor (5/2017)	
		Choice Aire	
		Copa Airlines	

*Air Canada has expressed interest in moving to Concourse C, which we will accommodate if/when a final decision is made.

Through December 2016, the average number of scheduled daily departures at MSY was approximately 147. There are no slot restrictions, curfews or other constraints on air operations.

MSY policies provide a fertile environment for airline competition. Since 2010, MSY has significantly decreased its cost per enplanement (CPE) paid by the airlines. Just as other airports, MSY offers incentives consistent with Federal law and FAA policies to attract new airlines and to encourage incumbent airline growth to new destinations.

The following factors demonstrate the lack of barriers to new entrant and incumbent airlines desiring growth at MSY:

A. The lack of barriers:

- No slot restrictions.
- No significant aircraft delays.
- Declining airline CPE.

B. Airport space available:

- Twenty (20) ticket counter positions designated as common-use.
- Multiple options for office space both in the terminal and on the apron level.
- Twelve (12) jet bridges and hold rooms are designated as common-use, not including the eight (8) currently inactive gates.

- C. Significant level of existing competition:
- Based on airline schedule data, approximately 49% of all seat capacity (inbound & outbound) was operated by low-cost air carriers for year ending 2015. In 2016, seat capacity among low-cost air carriers increased to 51%.
 - Consistently lower fares than the national average (Compared to top 100 passenger markets, BTS.gov).
- D. No complaints received from incumbent or new entrant air carriers regarding denial of space prior to filing this second update.

AVAILABILITY OF GATES AND RELATED FACILITIES

A. Number of gates available at MSY by lease arrangement

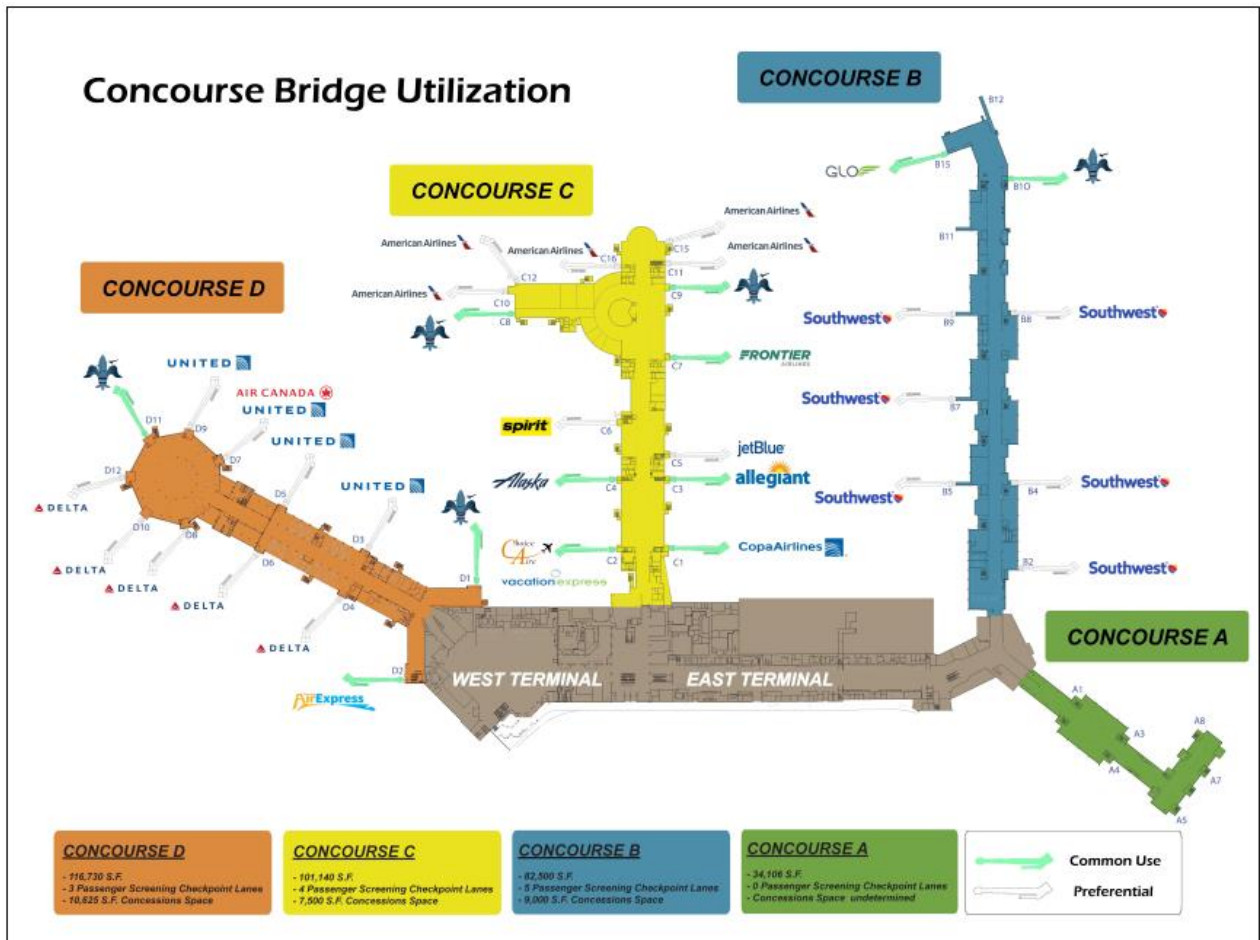
MSY has four (4) concourses with a total of forty-two (42) gates. Thirty-four (34) gates (Concourses B, C, and D) have passenger jet bridges; six (6) gates on Concourse A and two (2) gates on Concourse B do not currently have passenger jet bridges. While these eight (8) gates do not have jet bridges, MSY has an approved PFC project to acquire jet bridges if needed; and, if so acquired for any of these eight gates, they would be available on a preferential use lease or common use basis.

As of December 1, 2016, the allocation of gates is as follows:

1. Twenty-Two (22) gates remain under preferential leases to signatory airlines, but the following changes occurred since approval of Update No. 1:
 - a. JetBlue Airlines relocated from Concourse C, Gate C2 to Concourse C, Gate C5, which they now preferentially lease.
 - b. Spirit Airlines became a signatory airline and preferentially leases Concourse C, Gate C6.
 - c. Concourse D, Gate D11 was released by United Airlines.
2. Twelve (12) gates with Airport-owned jet bridges are available for use or lease (either on a common-use or preferential use basis) by airlines. Of these gates, two (2) gates are located on Concourse B (B10 and B15), seven (7) gates are located on Concourse C (C1, C2, C3, C4, C7, C8, and C9), and three (3) gates are located on Concourse D (D1, D2 and D11). The allocation and use of these gates are as follows:
 - a. Five (5) gates on Concourse C are being used on a common-use basis by non-signatory airlines (Alaska, Frontier, Allegiant, Copa Airlines, Choice Air, and Vacation Express).
 - b. Two (2) gates on Concourse C (Gates C8 and C9) are being used on a “per turn” basis by American Airlines.

- c. Three (3) gates on Concourse D are being used on a “per turn” basis - one by Delta Air Lines (Gate D2) and two (2) by United Airlines (Gates D1 and D11). Gate D2 is also used by non-signatory airline Branson AirExpress on a common-use basis.
 - d. One (1) gate on Concourse B (B15) is used on a common-use basis by the non-signatory airline, GLO Airlines. Gate B10 is available for use or lease by airlines.
3. Eight (8) gates without jet bridges, six (6) on Concourse A (A1, A3, A4, A5, A7 and A8) and two (2) gates on Concourse B (B11 and B12), are available for use or lease by airlines. Since Update No. 1 approval, the jet bridge at gate B12 was relocated to replace the jet bridge at gate C8.

Below is a depiction of the gates at MSY as of December 2016. The jet bridges highlighted in green are MSY’s common-use gates. Those gates identified with MSY’s “fleur de lis” logo are gates that are not leased or assigned to a non-signatory airline.



B. Gate-use monitoring policy

MSY Operations Department is staffed with no less than one (1) Operations Supervisor 24-hours a day / 365-days a year. The Operations Supervisors monitor use of the twelve (12) gates with jet bridges that are either not leased to any airline or are common-use gates assigned to non-signatory airlines. The Operations Supervisors have the authority to permit use of any of these available gates at the request of any carrier on a first come, first serve basis. In addition, Operations Supervisors are charged with implementation of the U.S. Department of Transportation approved MSY Emergency Contingency Plan for irregular operations. As of the submission of this Plan Update, MSY has been able to accommodate all airline requests for additional gates, including charters, airline RONS and diverted aircraft. In addition, MSY is able to accommodate any request by a potential new entrant airline seeking gate space. MSY is committed to gate use monitoring for all leased gates in the event that MSY gate capacity becomes constrained.

C. Differences, if any, between gate-use monitoring policy at PFC-financed facilities, facilities subject to PFC assurance #7, and other gates.

No change since the Plan and Update No. 1 approvals.

D. Description of the process for accommodating new service and for service by a new entrant.

No change since the Update No. 1 approval.

E. Has the PFC competitive assurance #7 operated to convert previously exclusive gates to preferential-use gates or has it caused such gates to become available to other users?

No change since the Plan and Update No. 1 approvals.

F. Gate Utilization (departures/gate) per week and month

In May 2016, MSY experienced its highest level of passenger activity in a single month with 1.06M total passengers served and approximately 1,156 departures per week. Airport-wide utilization per gate in May 2016 was approximately 36 flights per week and an average of 150 flights per gate for the month. The following table shows a full year average for gate utilization by operating air carrier YE2015:

Full Year Ending December 2015 Gate Utilization

Airline	Number of Departures	Number of Gates ¹	Daily Turns per Gate
Pinnacle	1,199		
Compass Airlines Inc.	33		
Delta Air Lines	7,716		
GoJet	18		
SkyWest Airlines	159		
Atlantic Southeast Airlines	81		
Shuttle America	130		
Delta Combined Operations	9,336	6	4.3
Elite Airways	22		
Orange Air	134		
Branson Air Combined Operations	156	1	0.4
ExpressJet Airlines	618		
GoJet Airlines LLC	15		
SkyWest Airlines	433		
Republic	50		
Shuttle America	473		
United Airlines	5,201		
Mesa Airlines	1,380		
Jazz Air	363		
United Combined Operations	8,533	6	3.9
PSA	389		
US Airways	2,178		
Mesa Airlines	121		
Republic Airlines	2,106		
American Eagle	1,719		
American Airlines	3,191		
American Combined Operations	9,704	6	4.4
Southwest Airlines	18,885		
Southwest Combined Operations	18,885	6	9
Alaska Airlines	367	1	1.01
Allegiant Air	156	1	0.43
Copa	112	1	0.31
Frontier	614	1	1.68
GLO Airlines	92	1	0.25
JetBlue Airways	1,206	1	3.30
Spirit Airlines	1,854	1	5.08
Vacation Express (Sunwing)	51	1	0.14
TOTAL MSY	51,066	33	4

¹American, Delta, Southwest and United utilize additional gates on a “per turn” basis as needed

Source: New Orleans Aviation Board

G. Number of carriers in the past year that have requested access or sought to expand, how they were accommodated, and the length of time between any requests and access

Since FAA approval of the Plan and Update No. 1, the following air service expansion occurred, and MSY was able to immediately accommodate each airline's request for terminal space and gates:

1. Delta Air Lines and United Airlines each began once-weekly seasonal service to Cancun, Mexico. Since Delta Air Lines and United Airlines preferentially leased gates that do not have access to the FIS, MSY was able to immediately accommodate the international service by assigning the seasonal flights access to available common-use gates on Concourse C (gates vary year to year based on airline schedules). Delta announced their service October 2014 and all requirements were accommodated before the service was scheduled to begin, five (5) months later (March 2015). United then announced their Cancun service in March 2015 and all requirements for this flight were also accommodated before the service was scheduled to begin two (2) months later (May 2015).
2. Allegiant Air began service at MSY in February 2015 with four (4) destinations and has since expanded service to a total of nine (9) destinations: Indianapolis, IN, Cincinnati, OH, Columbus-Rickenbacker, OH, Orlando-Sanford, FL, Pittsburgh, PA, St. Petersburg-Clearwater, FL, Concord, NC, Cleveland, OH, and Raleigh-Durham, NC. This required additional use of their assigned common-use gate, which MSY was able to immediately accommodate.
3. Spirit Airlines expanded their operations, adding new service to Las Vegas, NV, Los Angeles, CA, and Atlanta, GA. Since the approval of the Plan and Update No. 1, Spirit requested to become a signatory air carrier. MSY was able to timely accommodate this request by designating their common-use gate (Gate C6) as a preferential lease gate.
4. Vacation Express began seasonal service to Punta Cana, Dominican Republic in 2016 and announced new service to Freeport, The Bahamas to begin in 2017. This expansion of service required additional use of an FIS accessible common-use gate, which MSY was able to accommodate. Service to Punta Cana was announced in November 2014 and all requirements were accommodated before the service was scheduled to begin six (6) months later (May 2015). MSY will be able to immediately accommodate the new Freeport service when it begins in May 2017.

5. Branson AirExpress began service to Branson, MO and Cancun, Mexico (but has since discontinued Cancun service). This service was announced in January 2015 and all requirements were accommodated before the service was scheduled to begin four (4) months later (May 2015).
6. Copa Airlines began service to Panama City, Panama in June 2015. This service was announced in February 2015 and all requirements were accommodated before the scheduled start date, four (4) months later
7. New start-up airline, GLO Airlines, began new service to Little Rock, AR; Memphis, TN; Shreveport, LA; Destin-Fort Walton Beach, FL; and Huntsville, AL. GLO first announced its new service in September 2015 and all requirements were accommodated before service began two (2) months later (November 2015).
8. Choice Aire announced in October 2016 that it would begin service to San Pedro Sula, Honduras. MSY was able to immediately accommodate this new service and all air carrier needs were met before the service was scheduled to begin two (2) months later (December 2016).
9. In 2016, British Airways announced new service to London-Heathrow, England and Condor Airlines announced new service to Frankfurt, Germany. Planned ticket counter space, terminal space, and gates have been determined based on their requests, and all requirements will be accommodated before their respective service start dates of March 2017 (British Airways) and May 2017 (Condor Airlines).

A complete list of MSY's new air service since FAA approval of Update No. 1 is set forth in the table below, all of which MSY has been able to timely accommodate.

Flight Start Month/Year	Destination	Airline
Feb-15	Cancun, Mexico	Delta Air Lines
Feb-15	Cincinnati, OH	Allegiant Air
Feb-15	Indianapolis, IN	Allegiant Air
Feb-15	Columbus-Rickenbacker, OH	Allegiant Air
Feb-15	Orlando-Sanford, FL	Allegiant Air
Mar-15	San Antonio, TX	Southwest Airlines
Mar-15	Cancun, Mexico	United Airlines
May-15	Punta Cana, Dominican Republic	Vacation Express
May-15	Branson, MO	Branson Air Express
Jun-15	Oakland, CA	Southwest Airlines
Jun-15	Panama City, Panama	Copa Airlines
Nov-15	Las Vegas, NV	Spirit Airlines
Nov-15	Detroit, MI	Delta Air Lines
Nov-15	Shreveport, LA	GLO
Nov-15	Little Rock, AR	GLO
Nov-15	Memphis, TN	GLO
Feb-16	Pittsburgh, PA	Allegiant Air
Apr-16	Philadelphia, PA	Frontier Airlines
Apr-16	Orlando, FL	Frontier Airlines
Apr-16	Los Angeles, CA	Spirit Airlines
Apr-16	Atlanta, GA	Spirit Airlines
Jun-16	Los Angeles, CA	American Airlines
Jun-16	St. Petersburg-Clearwater, FL	Allegiant Air
Jun-16	Destin/Ft Walton Beach, FL	GLO
Sep-16	Huntsville, AL	GLO
Sep-16	Fort Lauderdale, FL	JetBlue Airways
Nov-16	Concord, NC	Allegiant Air
Dec-16	San Pedro Sula, Honduras	Choice Aire
Feb-17	Cleveland, OH	Allegiant Air
Feb-17	Raleigh-Durham, NC	Allegiant Air
Mar-17	London, England	British Airways
May-17	Frankfurt, Germany	Condor
May-17	Freeport, The Bahamas	Vacation Express

H. Description of process to resolve any access complaints by a new entrant or an air carrier seeking to expand service

No change since the Plan and Update No. 1 approvals.

I. Use/lose or use/share policies for gates and other facilities

No change since the Plan and Update No. 1 approvals.

J. Policy regarding “recapturing” gates that are not being fully used

No change since the Plan and Update No. 1 approvals.

K. Plans to make gates and related facilities available to new entrant air carriers that want to expand service at MSY; methods of accommodating new gate demand by air carriers at MSY (common-use, preferential-use, or exclusive-use gates); and length of time between when an air carrier initially contacts MSY and could begin operations

MSY actively pursues new entrant airlines and can adequately accommodate the needs of new and existing air carriers. Since 2015, MSY has been able to accommodate seven (7) new entrant air carriers (Allegiant Air, Branson AirExpress, Copa Airlines, GLO Airlines, Choice Aire, British Airways, and Condor). MSY is in the process of installing shared-use technology at eighteen (18) ticket counter positions and three (3) gates. This will allow MSY additional flexibility to accommodate new entrant air carriers and/or expansion of existing air service. MSY has been able to accommodate all air carrier requests for gates and terminal space.

L. Availability of an airport competitive access liaison to assist requesting carriers, including new entrants

No change since Update No. 1 approval.

M. Number of aircraft remain overnight (RON) positions available at the airport by lease arrangement, i.e. exclusive, preferential, common-use or unassigned, and distribution by carrier. Describe procedures for monitoring and assigning RON positions and for communicating availability of RON positions to users.

No change since the Plan and Update No. 1 approvals.

1.) Procedures for Assigning and Communicating Available RON Positions

No change since the Plan and Update No. 1 approvals.

2.) Monitoring Procedures

No change since the Plan and Update No. 1 approvals.

LEASING AND SUBLEASING ARRANGEMENTS

A. Is a subleasing agreement with an incumbent carrier necessary to obtain access?

No change since the Plan and Update No. 1 approvals.

B. How MSY assists requesting airlines obtain a sublease?

No change since the Plan and Update No. 1 approvals.

C. Airport policies regarding sublease fees (e.g., no more than 15 percent above the standard airport-determined fee).

No change since the Plan and Update No. 1 approvals.

D. Airport oversight policies for sublease fees and ground handling arrangements.

No change since Update No. 1 approval.

E. Are formal arrangements in place to resolve disputes among air carriers regarding the use of airport facilities?

In addition to direct one-on-one communication with the airlines, MSY sponsors an Airline-Airport Affairs Committee (“AAAC”) as a primary vehicle for airlines to resolve any disputes in regard to airport facilities. MSY hosts airline station managers meetings as an additional means to identify any issues or concerns in regard to use of MSY facilities. MSY is continuing to develop a formal procedure to resolve disputes among air carriers, as MSY has not had a dispute to date and finds the AAAC to be an effective way of discussing concerns preemptively.

F. How complaints by subtenants about excessive sublease fees or unneeded bundling of services are resolved?

No change since the Plan and Update No. 1 approvals.

G. How independent contractors who want to provide ground handling, maintenance, fueling, catering or other support services but have been unable to establish a presence at MSY are accommodated?

Signatory and Non-Signatory air carriers may perform aircraft handling and servicing with their own employees or by contracting their services directly with an independent contractor of their choice. MSY has accommodated all requests by new independent contractors. Service providers wishing to conduct business at the Airport will contact the Manager of Properties to obtain information on permit requirements and vacant terminal spaces.

H. Copies of lease and use agreements in effect.

A sample use and lease agreement is attached including all recent amendments.

GATE ASSIGNMENT POLICY

A. Gate assignment policy and method of informing existing carriers and new entrants of this policy. This would include standards and guidelines for gate usage and leasing, such as security deposits, minimum usage, if any, fees, terms, master agreements, signatory and non-signatory requirements.

Each airline considering service at MSY is provided a presentation, including a hard copy entailing general airport information, gates available for preferential or common-use, contacts for on-site ground handlers, rates and charges, and signage requirements. When a new entrant air carrier decides to begin service at MSY, MSY staff works closely with the air carrier to accommodate gate space, office space, ticket counter space, and other needs that the air carrier may have. Incumbent air carriers have either preferential or common-use gates. If service levels for incumbent air carriers rise to a level where additional space is required, MSY will assign a common-use gate to accommodate this increased activity. Common-use gates are assigned on a first come, first serve basis.

B. Methods for announcing to tenant carriers when gates become available.

Tenant air carriers are made aware at AAAC or Station Managers meetings and can request information during normal business hours by contacting NOAB staff.

During unusual operation, such as diversions, cancellations, delays, or maintenance issues, air carriers can request additional gates on a temporary basis from the MSY Operations Department. Additional gates are provided on a first come first serve basis upon availability.

C. How announcements are made to tenant air carriers when gates become available. Do all tenant air carriers receive information on gate availability and terms and conditions by the same process at the same time?

No change since the Plan and Update No. 1 approvals.

D. New policies that have been adopted or actions that have been taken to ensure that new entrant carriers have reasonable access to MSY and that incumbent carriers can expand their operations.

There are currently twelve (12) available gates with jet bridges available for incumbent or new entrant air carriers under a preferential lease or on a common-use basis. There are

eight (8) available gates with no jet bridges that can be activated if additional space is needed by any air carrier, new or existing. Airport staff closely monitors gate utilization and availability in order to accommodate all requests.

GATE USE REQUIREMENTS

A. Gate use monitoring policy, including schedules for monitoring, basis for monitoring activity (i.e., airline schedules flight information display systems, etc.), and the process for distributing the product to interested carriers.

No change since Update No. 1 approvals.

B. Requirements for signatory status and identity of signatory carriers.

There has been no change to the requirements for signatory status since the Plan and Update No. 1 approvals.

In 2016, Spirit Airlines became a signatory air carrier for a total of eight signatory air carriers at MSY (American Airlines, Delta Air Lines, JetBlue Airways, Spirit Airlines, Southwest Airlines, United Airlines, UPS, and FedEx).

C. Where applicable, minimum use requirements for leases (i.e., frequency of operations, number of seats, etc.).

Currently, the only minimum requirements imposed for Airline leases are those to become a Signatory Airline. To do so, an Air Transportation Company must provide passenger service with at least two daily departures (of its own or through its Affiliated Airlines Companies), lease at least 2,500 square feet of terminal space, and execute an Airline-Airport Use and Lease Agreement with MSY.

D. The priorities, if any, employed to determine carriers that will be accommodated through forced sharing or sub-leasing arrangements. Describe how these priorities are communicated to interested carriers.

No change since the Plan and Update No. 1 approvals.

E. Justifications for any differences in gate use requirements among tenants.

No change since the Plan and Update No. 1 approvals.

F. Usage policies for common-use gates, including where applicable, a description of priorities for use of common-use gates. Explain how these priorities are communicated to interested carriers.

No change since the Plan and Update No. 1 approvals.

G. Methods for calculating rental rates or fees for leased and common-use space. Where applicable, provide an explanation of the basis for disparities in rental fees for common-use versus leased gates.

No change since the Plan and Update No. 1 approvals.

FINANCIAL CONSTRAINTS

A. The major source of revenue at MSY for terminal projects.

No change since the Plan and Update No. 1 approvals.

B. Rates and charges methodology (residual, compensatory, or hybrid).

No change since the Plan and Update No. 1 approvals.

C. Past use, if any, of PFC's for gates and related terminal projects.

No change since the Plan and Update No. 1 approvals.

D. Availability of discretionary income for airport capital improvements.

No change since the Plan and Update No. 1 approvals.

AIRPORT CONTROLS OVER AIRSIDE AND GROUND SIDE CAPACITY

A. Majority-in-interest (MII) or “no further rates and charges” clauses covering groundside and airside projects

No change since Update No. 1 approval.

B. List capital construction projects that have been delayed or prevented because an MII was invoked

None.

C. Plans to modify existing MII agreements

The current Airline-Airport Use and Lease Agreement has been amended to extend until the earlier of: (1) the date that a new Airline-Airport Use and Lease Agreement is executed by NOAB and at least two Signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the

immediately preceding twelve month period; (2) the date that is five (5) years after the North Terminal Occupancy; or (3) December 21, 2023 as further defined in Article 3 of the sample Agreement attached hereto. The amended Agreement also includes a Term Sheet defining mutually agreeable terms for a new Airline-Airport Use and Lease Agreement, one of which specifically states that in no case shall MII rights interfere with the Airport's Competition Plan. The Airport and Airlines agree that such MII provision will be consistent with the Federal Aviation Administration's intent and guidance provided to the Airport in connection with the approval of the NOAB's Competition Plan. MII will not be required for any NOAB project less than \$1.5 million in any one year and not to exceed a total of \$5.0 million for projects over any five year period. The Agreement General Terms may be found under Section 2 of Exhibit H in the attached sample.

AIRPORT INTENTIONS TO BUILD OR ACQUIRE GATES TO BE USED AS COMMON FACILITIES

A. The number of common-use gates available at MSY today.

Twelve (12) gates with jet bridges are available for common-use or preferential leasing. Further, an additional eight (8) gates without jet bridges could be reactivated, if needed.

B. The number of common-use gates MSY intends to build or acquire and timeline. Intended financing.

MSY is constructing a terminal replacement facility that is planned to open in 2018. The new "North Terminal" is an estimated \$807 million project that will include 760,500 square feet of space, two (2) concourses with 30-gates and associated jet bridges, Federal Inspection Service (FIS), consolidated checkpoint. Since work began on the North Terminal project, the Airport experienced significant enplanement growth and the addition of seven (7) new air carriers. Based on this growth, MSY reviewed and updated the enplanement forecasts and modeling and the results showed a need to add additional gates. Pending environmental clearance, a concourse addition would be constructed that will increase the number of gates for the North Terminal from a 30-gate configuration to a 35-gate configuration. In the event additional gates are needed in the future, there is ample room to construct an additional concourse for the North Terminal to have an approximate 42-gate total configuration. The sources of funding include: FAA Airport Improvement Program grants; TSA grant; Louisiana State Aviation Trust Fund grants; PFC collections; and General Airport Revenue Bonds.

C. Are any air carriers that have been serving MSY for more than three years relying exclusively on common-use gates?

Frontier has been using a common-use gate since 2010 due to their low frequency. The use of this gate has not impeded growth plans and has allowed Frontier to launch new service to Philadelphia and Orlando.

Vacation Express has been operating from a common-use gate seasonally since May 2013. The use of this gate has not impeded growth plans and has allowed Vacation Express to launch new service to Punta Cana.

D. Whether common-use gates will be constructed in conjunction with gates leased through exclusive or preferential-use arrangements.

The North Terminal project currently has thirty (30) gates. Pending environmental and other approvals of a proposed gate expansion that is currently in process, the North Terminal would have a total of thirty-five (35) gates by 2019. There will be a combination of common-use and airline preferentially leased gates, with the exact numbers yet to be determined.

E. Whether gates being used for international service are available for domestic service.

No change since Plan and Update No. 1 approvals.

F. Do air carriers that only serve domestic markets now operate from international gates?

Multiple airlines use an international gate for providing domestic service only. There is no difference in rental rates for domestic operations on an international capable gate.

SUMMARY

MSY is committed to encouraging and facilitating airline competition. MSY staff strategically identifies markets that currently or potentially support nonstop service. Once those markets are identified, MSY begins negotiations with air carriers who might have an interest in entering one of the individual markets with competitive service and fares.

Similarly, MSY identifies markets with potentially higher average fares and brings it to a low-cost air carrier's attention, such as Los Angeles and Atlanta which were added in 2016 by Spirit Airlines to compete with legacy air carriers. Allegiant Air, also known for their ultra-low cost model, began nonstop service to eleven (11) destinations since 2015, nine (9) of which continue today.

As opportunities unfold to increase air service and improve competition, MSY is dedicated to maximizing the use of its facilities for existing and potential new entrant air carriers. At this time, MSY ticket and gate areas are not at maximum capacity and able to accommodate expanded or new service as needed.