New Orleans International Airport

Governance, Regional Cooperation and Airport Expansion

June 1999

Executive Summary

BGR
Bureau of Governmental Research

FUNDING FOR THIS PROJECT ...

was provided by the New Orleans and Jefferson Business Councils and the New Orleans Regional Chamber of Commerce. BGR greatly appreciates the financial support of these organizations.

BGR

Bureau of Governmental Research

Bureau of Governmental Research
225 Baronne Street, Suite 610
New Orleans, LA 70112-1704
Phone (504) 525-4152
FAX (504) 525-4153
research@bgr.org
www.bgr.org

New Orleans International Airport

Governance, Regional Cooperation and Airport Expansion

June 1999

Contents

BGR Project Staff

Mary Anne Barton
Acting President & CEO (beginning May 1999)

James C. Brandt
President & CEO (until May 1999)

Janet Howard
Principal Author

Patricia E. Morris
Director of Research

Amy T. Pease
Publication Designer

Wendy Pivaral
Executive Assistant

PREFACE

The purpose of this study is to identify steps that can be taken to facilitate regional cooperation with respect to the growth of New Orleans International Airport (NOIA or the Airport). The Airport, which occupies approximately 1,600 acres, has one of the smallest land masses of any major airport. Owned by the City of New Orleans (City), it is located primarily in the City of Kenner, Jefferson Parish, with a portion of one runway extending into neighboring St. Charles Parish. The airport's expansion plans call for the construction of an additional runway in St. Charles Parish.

BGR has identified two serious challenges to the airport's future growth and expansion. One challenge is the increasingly aggressive opposition of local government bodies and citizens near the airport to airfield expansion. The other problem is the lack of strong, broad-based support for the Airport and its management. In response to these problems, BGR is recommending a number of actions, including the transfer of authority over the Airport to a regional authority and the commencement of direct negotiations between the City of New Orleans, the City of Kenner, and St. Charles Parish.

Local Government Opposition

While airports play a vital economic role in the regions that they serve, they also generate serious environmental problems for the neighboring communities. Where the airport is located within the jurisdiction of the government that owns it and has authority over it (airport proprietor), that government can mitigate environmental impacts and protect future airport growth opportunities through land use, zoning, and similar controls. When necessary, such governments can obtain land for airport development by exercising the power of eminent domain.

The situation becomes more difficult when the airport proprietor is not the governing body for the jurisdiction in which the airport is located (host community). In such cases, the airport proprietor usually lacks the ability to impose land use and development controls in the airport environs or to acquire property for the airport by exercising the power of eminent domain. The host community, which normally has control of land use and zoning, has little incentive to protect the airport's future growth.

BGR found that with few exceptions, airports that want to expand onto land outside the airport proprietor's jurisdiction must reach accommodation with the local government having jurisdiction over that land. There are two situations in which expansion is possible without local government consent: (1) where state law grants the airport powers that supersede the host community's traditional land use powers, and (2) where the host community has ceded traditional land use powers through an intergovernmental agreement.

Neither of these exceptions applies to the existing situation of NOIA. Nor does changing the law to reallocate land use and zoning powers appear to be a realistic option. Any such reallocation—whether to the City of New Orleans, the State of Louisiana or a regional authority—would raise serious constitutional issues and could require an amendment to the State Constitution. Given the constitutional issues, BGR believes that the conflict over airport expansion should be resolved through direct, good faith negotiations between the airport's proprietor, the City of Kenner, and St. Charles Parish.

Regional Unity

A separate, but related, issue affecting the airport's development is the lack of strong broad-based support for the Airport. Important growth issues—such as increasing the limited number of flights into New Orleans, obtaining state and federal funding, and maintaining NOIA's position as the premier airport in the Gulf Region—can be resolved only through concerted effort by businesses and governments in the region.

Among the obstacles to forging a broad-based, public-private alliance to promote the Airport is the fact that the Airport does not enjoy the confidence of many in the business community and government circles. Criticisms leveled at the Airport by the public include allegations of gross mismanagement and patronage.

Replacing the historic image of the Airport as a mismanaged institution operated for the benefit of New Orleans' politicians with the concept of a well-run economic engine operated for the benefit of the region as a whole is critical to gaining support for the Airport. BGR believes that there are two ways to accomplish this. One involves transferring control of the airport to a different entity; the other involves the City's taking serious, meaningful steps to investigate, disclose and, where necessary, change its practices.

After considering the alternatives and other aspects of regional cooperation, BGR is advocating the transfer of control of the airport to a regional authority. While transferring control might seem like a radical solution to a problem of perception, in the absence of meaningful action by the City, such change may be the only way to get wider support for the Airport.

There are additional reasons for advocating the transfer of control to a broader-based, regional entity. Such a transfer can be expected to facilitate regional cooperation for Airport expansion in a number of other ways. It would create a broader base for legislative action that might be needed for expansion. In addition, it would provide a broader base for financing, or obtaining state or federal government funds to finance, off-site infrastructure improvements and economic development projects that might be demanded by St. Charles Parish as a quid pro quo for its consent to airport expansion. It could help to change the dynamics of negotiation from a confrontation with an intrusive, "foreign" government to a negotiation between participants in a venture.

In addition, the formation of a regional authority would provide an opportunity to implement the management structure most likely to promote efficiency and growth. In that regard, BGR is recommending that serious consideration be given to hiring one of the world's premier airport management companies to run the Airport.

The citizens of New Orleans have much to gain and little to lose from transferring the Airport to an entity capable of marshaling support from other governments and the business community throughout the area. The indirect economic benefits anticipated from an expanded airport would far outweigh any economic benefit that the City can derive directly from its ownership of the Airport.

This seemingly anomalous result follows because the Airport is not, and except in limited circumstances cannot be converted into, a revenue-producing asset for the City. Federal law prohibits the City from using airport-generated funds for general municipal purposes. Furthermore, unless the City should decide in the immediate future to participate in the FAA's pilot privatization program (a matter in which the City has shown no interest), existing interpretations of federal regulations would limit the City's recovery from the sale or lease of NOIA assets to certain unrecouped capital contributions and operating expenses. The City's capital contribution to the Airport as of December 31, 1997 totaled only $2,674,912. By contrast, the state and federal contributions equaled $68,599,445 and $125,424,445 respectively.

Given these restrictions on airport revenues, what, if anything, would the City lose by turning over control of the Airport to a regional authority? The only significant potential loss identified by the persons whom BGR interviewed for this study is the loss of patronage opportunities. We believe that New Orleans has little else to lose from the transfer of airport authority.

BGR realizes that the existing administration did not create the patronage system associated with the Airport. The practice is said to go back many decades. The environment in which airports operate has changed dramatically, however, since the industry was deregulated twenty years ago. Management practices and inefficiencies that might have been tolerable in the regulated environment cannot be continued in the unregulated one without the City's and the region's eventually paying the price in a loss of competitiveness.

Effecting changes in the governance of NOIA ultimately depends on the good will and statesmanship of New Orleans' elected officials. Sacrificing a valuable political tool for the general good is a tall order. We nonetheless recommend that the Mayor and other elected leaders act quickly to replace a parochial system with one that can better serve both New Orleans and the region.

EXECUTIVE SUMMARY

Introduction

New Orleans International Airport, the air carrier airport serving the New Orleans metropolitan area, is owned by the City of New Orleans and operated by the New Orleans Aviation Board (the Aviation Board). It is located on approximately 1,600 acres, primarily in the City of Kenner in Jefferson Parish. A portion of one runway extends into neighboring St. Charles Parish.

Although the Airport has adequate capacity to meet existing demand, airport management expects it to reach operational capacity around 2004. Because the lead time required for airport expansion projects tends to be long, the Federal Aviation Agency's (FAA) rule of thumb is to begin planning for increased capacity when existing demand reaches 60 percent of instrument flight rule (IFR) capacity and to commence construction when demand equals approximately 80 percent of IFR capacity. At the present time, NOIA is operating at approximately 66 percent of serious delay capacity and 79 percent of "moderate" delay capacity.

The airport's 1990 Strategic Growth Plan calls for a number of significant improvements, including airfield expansion, terminal redevelopment, cargo area expansion, and the relocation and expansion of general aviation. Airfield expansion plans call for the addition of a new north/south runway and the conversion of an east/west taxiway into a runway.

The Airport has successfully completed a number of the improvements. Among the completed projects are the upgrading of the International Departure and Arrival Area to handle simultaneous international flights; the redevelopment of Concourse D to provide Delta Air Lines with modern facilities; and the completion of a 75,000-square-foot cargo facility.

There are, however, serious challenges to the future growth and expansion of the Airport in general and to the implementation of the airfield improvements in particular. One problem is the growing, and increasingly more aggressive, opposition of local government bodies and citizens in or near the Airport. The City of Kenner claims veto power through its zoning laws over any major construction project. St. Charles Parish in August 1998 imposed a moratorium on airport expansion in that parish and is preparing airport zoning controls. Plans relating to runway construction have been put temporarily on hold by the Aviation Board because of environmental and safety concerns raised by residents of Jefferson and St. Charles Parishes.

The resistance of the surrounding communities is certainly understandable. Based on the information available at this time, it appears that the construction of the north/south runway will require the displacement of families living in two subdivisions in St. Charles Parish. Other neighborhoods in St. Charles, including Ama and Destrehan, might also be impacted. Kenner residents fear that the proposed development will exacerbate noise in north Kenner.

Officials in St. Charles Parish have expressed the fear that the new runway might force the James Business Park, a major revenue source for St. Charles, to relocate in Jefferson Parish. They also fear that the runway might disrupt other businesses in the Airline Highway commercial corridor. Any expansion in St. Charles Parish that impacts developed or developable land has a far greater impact than the mere acreage numbers might suggest. According to parish officials, only 15 percent of the land in the parish is inhabitable.

Although the resistance is understandable, it poses a serious threat to the continued economic viability of the New Orleans region. While airports act as an important catalyst for business development wherever they are located, airport service plays a particularly critical role in the New Orleans region, where tourists, conventions, hotels, and restaurants account for one in six jobs.

Local government opposition is not the only problem facing the Airport. Another impediment to the airport's growth is the lack of strong, broad-based support from citizens, businesses, and elected officials in the region. Important growth issues—such as increasing the limited number of flights into New Orleans, obtaining state and federal funding, and maintaining NOIA's position as the premier airport in the Gulf Region—can be resolved only through concerted effort by businesses and governments in the region.

There are major obstacles, however, to forging the broad-based, public-private alliance needed to promote the Airport. The Airport does not enjoy the confidence of many in the business community and government circles. The draft operational audit report prepared for the Airport by Mitchell & Titus, LLP in conjunction with Black and Veatch and Bruno & Tervalon, CPAs (Operational Audit) identified, and rejected as untrue, a number of serious criticisms leveled at airport management by outsiders, including allegations of gross mismanagement and patronage. As the outside auditors' report stated, "[a] persistent allegation is that the Airport is rife with patronage."

BGR's interviews confirmed the auditors' assessment that patronage is perceived as a major factor in airport operations. Replacing the historic image of the Airport as a mismanaged institution operated for the benefit of New Orleans politicians with the concept of a well-run economic engine operated for the benefit of the region as a whole is critical to the airport's future growth.

Purpose of This Study

The purpose of this study is to identify steps that can be taken to facilitate regional cooperation with respect to the Airport. To address the issue, BGR examines the situation of NOIA and how other major cities with similar geopolitical situations have dealt with other governments in the development of their airports. It then analyzes whether the various strategies and approaches used by these cities can help to solve the problems associated with the expansion of NOIA.

Our study deals at great length with governance issues. Our focus on these matters is limited, however, to the issue of whether changes in structure might facilitate regional cooperation with respect to the Airport. We are not independently investigating whether one form of government is more effective or efficient than another. We consider managerial issues only insofar as they impact regional cooperation.

Airport Governance and Management Structure in General

Many of the past proposals and current suggestions for dealing with the airport's growth issues call for changes in the airport's governance structure. In this section BGR sets forth a brief description of the various forms of airport governance that it encountered in its research and the advantages and disadvantages attributed to each. It also looks at two management concepts: the nonprofit management structure proposed in the Operational Audit and the increasing use of for-profit management companies.

City-Owned Airports

Many large airports are run by city or county governments. This form of governance suffers from a number of disadvantages that can impede efficiency. Such airports are vulnerable to political interference. In addition, their freedom in employment matters is constrained by applicable civil service laws restricting hiring and firing. Their ability to function efficiently can be hampered by citywide procurement rules.

Despite the disadvantages associated with this form of government, some very successful airports are operated on this model. Examples include Atlanta, Charlotte, and Miami.

State-Owned Airports

State governments are not generally regarded as ideal candidates for running airports because of their bureaucratic tendencies. In addition, the airport's government is more distant than it should be from the community that the airport serves. Many of the useful aspects of state control—such as the ability to exercise the power of eminent domain and to otherwise override blocking actions by local governments in the interest of the region as a whole—generally can be achieved through authorities.

Authorities

Authorities are special purpose corporate entities, generally created by the state legislature. They can be established for a single purpose, such as the ownership and operation of an airport, or for multiple purposes.

There are certain advantages often attributed to this form: less red tape, a single purpose and focus, greater freedom from politics, and the ability to run the airport as a business. Authorities can take financing and development beyond limitations, such as debt and tax limits, through creative financing techniques. They can also improve management by operating independently of traditional municipal civil service systems, thus allowing for greater salaries and hiring/firing flexibility. They can bypass cumbersome local processes, including certain procurement and decision-making processes. Authorities are often perceived as less subject to local political influence, leading at times to the criticism that they are unresponsive to citizens' concerns.

The fact that an airport is owned and operated by an authority will not in and of itself result in better management and less political interference. The success of a given authority depends to a large extent on who the members are, what their true interests are, and the history and culture of the community.

One of the critical aspects in the success or failure of an authority is the quality of people appointed to the board. Politically motivated appointments leave an institution vulnerable to changes in administration and to the exertion of political influence on decisions of a business nature. Such appointments can prevent the community from realizing some of the benefits associated with this form of government.

By contrast, the appointment of a board with a strong business orientation can increase the likelihood that the enterprise will be operated in a businesslike manner. In order to foster a commercial approach, some authorizing statutes stipulate appointment criteria, such as specific business backgrounds. Others, such as the statute creating the Port of New Orleans, provide for appointments from persons nominated by different civic, eleemosynary, and business groups. Ultimately, the effectiveness of such provisions depends on the good will of the person making the appointments.

Patronage is another area where the success of an authority depends on the good faith of the players. A switch to an authority can eliminate patronage; it can merely change the source of patronage; or it can result in the continuation of an existing patronage scheme, with politicians acting through their appointees.

As the Pennsylvania Economy League stated in a paper recommending the transfer of the Harrisburg International Airport from the State to a regional authority:

> Although authorities are not and should not be represented as automatically leading to a more efficient operation, they are a mechanism whereby government can bring people with business skills in the community together with professional staff recruited from and paid at a level consistent with a particular industry. To the extent that an authority board and staff are composed of people with management abilities, it will serve the enterprise well.

Authorities can be particularly useful vehicles in the regional context, since they provide a framework for participation on a similar footing, if not in equal proportions, by multiple jurisdictions. A sense of ownership and participation by right, as opposed to participation through the largess of another, is added to the advantage provided by the more business-oriented framework.

Port Authorities

Port authorities are structurally similar to other authorities. The only difference between a port authority that includes an airport and an airport authority is that the former serves multiple transportation, and sometimes economic development, purposes. A number of port authorities, including the Port of Portland, the Port of Seattle, the Port of Jacksonville, and the Port Authority of New York and New Jersey, own and/or operate airports.

BGR has not identified any advantage to incorporating an airport into a port authority as opposed to creating a single purpose airport authority. Authorities with air and port facilities operate them as separate endeavors, with largely separate staffs. There do not appear to be great opportunities for synergy, since the air and port freight sectors tend to have little overlap or opportunity for interface, with smaller, high-cost items going by air and bulk products by water.

Airport Privatization

Airport privatization, i.e., the sale or long-term lease of airports to private sector companies, was pioneered in 1987 when the British government sold the former British Airports Authority. Since that time, privatization has become a global trend.

The United States has not participated in this trend for a number of reasons. A major obstacle has been the FAA's interpretation of the revenue diversion rules applicable to airports that receive federal assistance. Under that interpretation, proceeds from the sale or lease of an airport are considered "airport revenues" and, as such, can only be used within the airport system for airport purposes. Thus, a city that sells an airport cannot use the proceeds for municipal expenses or improvements.

In October 1996, Congress enacted legislation allowing the sale or lease of up to five US airports to the private sector. The program basically permits the FAA to waive federal laws and regulations (such as the revenue diversion rule on sale and lease proceeds) that block privatization, provided that certain other requirements are met. The response has not been strong. To date, only two airports—Stewart International Airport, a small commercial airport in Newburgh, N.Y., and Brown Field Municipal, a general aviation airport in San Diego—have applied.

Proponents of privatization attribute a number of advantages to the form, including increased operating efficiencies, additional airport operating revenues, and more rapid and less costly development. Despite the lack of interest in the FAA's pilot program and the many uncertainties surrounding the impact of privatization on airports and their constituencies, some experts expect one or more major airport privatizations in the U.S. in the next decade.

For-Profit Private Management Contracts

Private companies provide management services to Burbank-Glendale-Pasadena Airport (Burbank Airport), Indianapolis International Airport, Harrisburg Airport, and the Airmall at Pittsburgh International Airport.

The rationale for hiring a management company is twofold: (1) it replaces the nonprofit, noncommercial approach to airport management with market incentives to improve operating efficiencies, and (2) it enables an airport to draw on the broad-based expertise and strategies of profess-ional managers operating in a worldwide arena. Major companies with substantial airport management experience are active in the US airport management market.

BAA (USA), which manages Indianapolis Airport, Harrisburg Airport, and the Airmall at Pittsburgh Airport, is a subsidiary of BAA plc, the former British Airport Authority. BAA, which has market capitalization of over eight billion dollars, owns and operates Heathrow, Gatwick, and five other airports in the United Kingdom. It moves approxi-mately 90 million passengers a year.

Other management companies operating in the United States include Airport Group International (AGI, formerly Lockheed Air Terminal), American Port Services Inc. (formerly Johnson World Controls), and Schiphol USA, a subsidiary of the company that operates Amsterdam Airport Schiphol. Schiphol USA is part of a consortium that has been awarded the contract to rebuild and operate as a private enterprise the international arrivals building at John F. Kennedy International Airport. Like BAA, many of these companies have wide-ranging, in-depth experience in airport management.

Working with a group that has substantial experience in other markets, regardless of its experience in the US, can be an advan-tage. It opens the doors to innovative tech-niques developed elsewhere. For example, the change in the paradigm for US airport retailing precipitated by the Pittsburgh Airmall had its roots in BAA's London operations. As privatization grows overseas, it is reasonable to expect more and more management advances to originate there.

Nonprofit Management

The Operational Audit calls for NOIA to contract out its management to a nonprofit entity. BGR is not aware of any case in which this structure has been used for the management of an airport. Nor has it identified any advantage to this mechanism that is not available through traditional or evolving forms of airport governance.

One of the proposal's stated goals, improving pay and allowing for more flexible hiring and firing of airport employees, can be achieved in the existing structure by modifying the civil service rules. It can also be achieved by transferring the Airport to a public authority, including one with a board appointed solely by the City.

Other stated goals, minimizing board interference in airport management and reducing the role of consultants, are not advanced by the proposed change. The Aviation Board is appointed by, and its role is defined by, the Mayor. A proposal which leaves the existing appointment process in place does not effect a systemic change. Any change in the role of board members remains dependent on the will of the Mayor. Any such change could be implemented now.

A nonprofit offers no greater business flexibility or performance incentives than an authority. Furthermore, a better non-governmental vehicle is available through the use of an experienced professional management company. The latter arrangement is far more likely than a nonprofit to succeed in creating an entrepreneurial management approach, since it introduces market incentives, market accountability, and a breadth of experience that is unavailable in the case of a start-up, nonprofit entity.

The use of a nonprofit carries the risk of making it far more difficult for the public to obtain information on airport operations. While the management contract with the City would be a publicly available document, the extent to which other contracts, arrangements, and meetings are open to the public could be the subject of endless debate and litigation. Given the airport's reluctance to produce documents that it is clearly required to make available to the public, the effect would be to place the airport's contract-letting procedures farther below radar. While this risk might be tolerable in the case of relatively small enterprises, it becomes unacceptable where hundreds of millions of dollars are at stake.

The Experience of Other Airports

To help formulate strategies for dealing with NOIA's expansion problems, BGR examined the experience of other airports in the United States. BGR's review indicated that NOIA is not alone in its geopolitical situation. A number of major airports—including Atlanta, Cincinnati, Dallas/Fort Worth, Denver, and Ontario—are located entirely, or largely, outside the jurisdiction of the sponsoring entity. Others, like Cleveland and Seattle, are located on the perimeter of the sponsoring jurisdiction and require the cooperation of other jurisdictions for expansion. A third group—the Burbank-Glendale-Pasadena, Minneapolis-St. Paul, New York City area, Portland, and Washington, DC airports—are located within a jurisdiction encompassed in a multi-governmental arrangement.

Intergovernmental relations with respect to airports are more frequently characterized by conflict than by cooperation. Communities surrounding airports have become more aggressive in resisting expansion, asserting control over airport development through local zoning laws. In addition, such communities frequently turn to litigation. Atlanta, Burbank, Cleveland, Dallas/Fort Worth, Minneapolis-St. Paul, New York and Seattle airports have all been involved in litigation with one or more of the communities surrounding the airport. Most, but not all, disputes arise over noise and come to a head when an airport proposes expansion.

BGR identified a number of arrangements that have facilitated airport expansion and a number of approaches used by airports to ease regional tensions. Facilitating factors include the operation of the airport by a regional authority, the existence of strong regional planning groups, and state laws allocating zoning and eminent domain powers in favor of the airport. Proactive approaches by airports include comprehensive involvement of local communities in the airport's master planning process, effective use of noise abatement and mitigation techniques, and representation of local communities in full or advisory capacities on airport boards. These various arrangements and approaches are discussed below.

Governance Structure as a Factor in Regional Cooperation

The airports studied by BGR for their regional issues operate under different forms of government. The Atlanta, Cincinnati, Cleveland, Denver, Ontario (California), and Seattle airports are owned and operated by single governmental units, such as cities or counties, or by authorities formed by single governmental entities.The Burbank-Glendale-Pasadena, Dallas/Fort Worth, Harrisburg, Minneapolis-St. Paul, New York City, Portland, and Washington, DC airports are owned and/or operated by regional authorities or other regional entities.

In some cases, the governance structure appears to be a historical accident. In others, the structure was chosen to facilitate cooperative endeavors, such as the acquisition of an existing airport or the construction of a new one. BGR did not discover any cases in which the ownership or control of an airport was transferred to resolve intergovernmental conflicts arising from the environmental and social impacts of an airport on the surrounding community.

The form of government is not necessarily determinative of the success of an airport in dealing with its regional issues. Some airports owned by single entities have amicable relations with their host communities. The form of ownership can play a critical role, however, in contentious situations. BGR found one case, that of the Burbank-Glendale-Pasadena Airport, where the existing intergovernmental framework has helped the airport on an important legal issue.

The creation of a regional structure does not necessarily produce infinite harmony. Relationships that have worked for years can become stormy when circumstances or administrations change. One example of such turbulence is the lawsuit prompted by the expansion of the Burbank Airport. Another is the threatened demise of the Port Authority of New York and New Jersey.

The Use of Intergovernmental Agreements

Intergovernmental agreements have been used to create airport authorities or other governance vehicles, to resolve environmental issues and/or to spell out the terms on which airport expansion will be permitted. Such agreements have addressed a wide range of issues, including annexation, expansion, economic development, infrastructure development, noise reduction, compensation, land use, representation, zoning and eminent domain, surface water management, tax sharing, and procedures for future dispute resolution.

Some intergovernmental agreements dealing with airports have been entered into in response to litigation. Examples include agreements between the City of Cleveland

and the Port of Seattle with their respective neighboring communities. Others are the result of voluntary negotiations unrelated to litigation. Denver, for example, entered into an agreement with neighboring Adams County to allow the construction of a new airport in that county.

With few exceptions, city- or county-owned airports that want to expand into land outside their jurisdictions must reach accommodation with the government entity with jurisdiction over that land. Sometimes the airport must reach accommodation with other communities which will be environmentally impacted, even if the expansion does not involve the acquisition or development of land in those communities. The terms of the accommodation cannot be dictated by the airport; rather the airport must engage in serious, direct negotiation with the parties holding the keys to expansion.

Redistribution of Zoning Authority and the Power of Eminent Domain

Land use, zoning, and eminent domain powers are generally vested in municipalities and counties, rather than in airport owners. Thus, when an airport owned by one municipal entity is in an expansion mode that involves the territory of another, it has to reach accommodation with the surrounding community in order to effect its program.

There are two situations in which expansion has been possible without such consent: where the law grants the airport powers that supersede the host entity's traditional local land use powers, and where the host entity has ceded traditional land use powers through an intergovernmental agreement.

Extraordinary powers were given to the Dallas/Fort Worth International Airport (DFW) by the Texas legislature after the small cities in which the airport is located tried to block an expansion program through their zoning powers. The legislature granted the airport exclusive powers, including the power of eminent domain, over territory within its boundaries as they might be expanded. This grant of power allowed DFW to condemn city streets. The legislature also prohibited the host cities from enforcing zoning or other ordinances purporting to regulate the use or development of airport property. While the solution cannot be characterized as cooperative, it provides a useful and effective model for resolving differences in a way that allows airport expansion in jurisdictionally complex situations.

State-mandated zoning provisions addressing physical hazards to flight are fairly common. In 1991 Florida went beyond the traditional boundaries of zoning regulation to address another hazard to airport growth: development around airports. The state l egislature amended the Airport Zoning Act to prohibit new residential construction and other incompatible uses within certain distances from an airport. The Florida Department of Transportation indicated that compliance with this requirement is very spotty. Furthermore, because most of the areas surrounding airports are already developed, new land use controls are not very effective.

Master Planning

Atlanta is seeking to deal with its expansion problems by building a consensus through its master planning process. The City has gone to great lengths to involve the entire metropolitan region, including the communities surrounding the airport, in the airport planning process. Its approach goes far beyond the traditional one, whereby an airport develops its plan and holds such public hearings as are required by law.

The Master Plan Coordinating Committee, a 45-member committee with representatives from key areas of interest, initially developed 36 options for dealing with the airport's expansion. After evaluating the options under detailed quantitative and qualitative criteria, the committee reduced the number of options to four, plus a "no-build" option. A final proposal will be chosen from the remaining alternatives and subjected to a regional review process and public hearings.

Metropolitan Planning Commissions

A number of the airports studied by BGR are located in areas with strong regional planning commissions and/or legal requirements for regional coordination with respect to airport planning. In Minnesota, for example, the Metropolitan Council has planning authority over the seven-county metropolitan area for Minneapolis-St. Paul. The Metropolitan Council's authority includes, among other things, the power to adopt a long-range comprehensive policy plan for transportation and airports; to review comprehensive airport plans; to suspend indefinitely plans that do not conform to the development guide; and to approve certain airport capital projects, including runway construction or extension.

In connection with a quest for an alternative airport site in the metropolitan region, the Metropolitan Council was given authority to draw up criteria and guidelines for land use development within a three- to five-mile radius of any major, new airport site. Local governments were required to adopt controls in accordance with the council's criteria and guidelines.

Geographic Representation on Airport Boards

The Cincinnati/Northern Kentucky International Airport (Cincinnati Airport), which is owned and operated by the Kenton County (Kentucky) Airport Board, is located in Boone County, Kentucky and has a major impact on the City of Cincinnati. The airport has developed an unusual system for representation of these constituencies.

The airport has a board with seven voting members, all of whom must be Kentucky residents and one of whom must be from Boone County. It also has an advisory board. Until recently, the ten advisory members were appointed by the Governor of Kentucky based on the recommendation of the Kenton County Judge Executive. Although representation from Ohio was not legally required, most of the advisory members came from the Cincinnati business community.

In December 1998 the advisory board was expanded to eleven members and the appointment process changed. Each of the following now have one appointment to the advisory board: the Mayor of Cincinnati; the Commissioners of Hamilton County, Ohio; the Governor of Kentucky; the Judge Executive of Boone County; and the Judge Executive of Campbell County, Kentucky. The Judge Executive of Kenton County appoints the other six members.

Members of both the airport board and the advisory board serve on the board committees. Although the committees do not have authority to act on behalf of the board, they have substantial power. They originate all board actions, formulate policy with staff, and make recommendations. All members, voting and advisory, vote in committee.

Los Angeles' Ontario International Airport (Ontario Airport) also has an advisory panel. The panel was established in 1998 after a dispute between the airport and the City of Ontario over a proposed property acquisition by the airport. Through the panel the city of Ontario provides the Los Angeles board of airport commissioners with “advice and recommendations” on issues pertaining to the airport.

Noise Reduction

The Cincinnati Airport has made good use of noise reduction techniques and programs to reduce tensions within Boone County, its host community. Between 1991 and 1995 the airport spent more on noise reduction than any other airport in the United States, with expenditures twice those of the next two highest spenders combined. Noise reduction measures have included sound insulation and home purchase programs in Kentucky and modifications of flight procedures. The airport’s noise reduction plan mollified residents of the community with the greatest power to block airport expansion.

Strategies for the New Orleans Region

Formulating strategies to develop regional cooperation with respect to the Airport depends on the nature of the underlying issues and problems. As noted above, the issues fall into two broad categories: those relating to the physical impact of airport expansion on the surrounding communities and those inhibiting the formation of a strong regional public-private alliance to promote the Airport.

The experience of other airports suggests three strategies that might be useful in the New Orleans context: a reallocation of zoning and eminent domain powers, the negotiation of an intergovernmental agreement with Kenner and St. Charles, and the formation of a regional authority.

Reallocating eminent domain and zoning powers

As noted above, land use, zoning and eminent domain powers generally are vested in the local governmental entity. Thus, when an airport owned by one municipal entity is in an expansion mode that involves the territory of another, it has to reach accommodation with the surrounding community in order to effect its program.

There are two situations in which expansion has been possible without such consent: where the law grants the airport powers that supersede the host entity’s traditional local land use powers and where the host entity has ceded traditional land use powers through an intergovernmental agreement.

Existing law clearly vests land use and zoning powers with Kenner and St. Charles, the local government units. It precludes New Orleans from exercising the power of eminent domain for airport expansion. Neither the City of Kenner nor St. Charles Parish has ceded its local powers with respect to the Airport.

Because of uncertainties, contradictions and frequent reversals of cases, it is impossible to say with certainty whether the zoning and eminent domain powers could be reallocated in favor of the Airport. Subject to that caveat, it appears that the Louisiana Legislature could amend the statutes governing the power of eminent domain to authorize New Orleans or a newly established authority to exercise the power of eminent domain for the benefit of the Airport.

Whether Kenner or St. Charles Parish could be deprived by statute of their power over land use and zoning within their boundaries is open to serious question. One or more constitutional provisions, including those dealing with local home rule entities and vesting zoning power in local government units, could very well preclude this change. Based on the interviews with government officials that BGR conducted for this study, such an amendment is not a realistic option.

Intergovernmental Agreements

The experience of other airports shows that, where the zoning power and the power of eminent domain rest with a government other than the airport proprietor, reaching accord with that government is essential for expansion. Although New Orleans owns the airport of today, it owns only a part of the airport of tomorrow. To grow NOIA, New Orleans, or whatever entity controls the Airport in the future, needs to come to terms with the governments that own and/or control the other essential pieces.

Coming to terms would involve the negotiation of a detailed intergovernmental agreement addressing all the issues that need to be resolved if the Airport is to expand. These include the scope of airport expansion, land acquisition, zoning, economic development opportunities, infrastructure improvements, taxation, noise abatement measures, relocation of affected residents and businesses, representation and ownership of the Airport, compensatory payments, and mechanisms for future conflict resolution.

There is no obstacle to undertaking such negotiations, although there will undoubtedly be real obstacles, legal and financial, to implementing particular solutions. The list of issues that have been put on the table to date is wide-ranging and includes infrastructure improvements and compensation for loss of tax revenues. Some of the items on the wish list are not permissible expenditures for airports and would have to be funded from other sources, such as state funds or the City of New Orleans General Fund.

Creation of a Regional Governance Structure

Advantages

The creation of a properly constituted regional authority could contribute significantly to the airport's growth in a number of ways:

1. It could facilitate the formation of a broad-based, public-private alliance to promote the Airport. Important growth issues—such as increasing the limited number of flights into New Orleans, obtaining state and federal funding, and maintaining NOIA's position as the premier airport in the Gulf Region—can be resolved only through concerted effort by businesses and governments in the region.

As noted above, the obstacles to forging the needed alliance include the fact that the Airport does not enjoy the confidence of many in the business community and government circles. The airport's Operational Audit identified (and rejected as untrue) a number of serious criticisms leveled at the Airport by outsiders, including allegations of gross mismanagement and patronage. BGR's interviews confirmed the auditor's assessment that patronage is perceived as a major factor in operations.

Replacing the historic image of the Airport as a mismanaged institution operated for the benefit of New Orleans politicians with the concept of a well-run economic engine operated for the benefit of the region as a whole is critical to gaining support for the Airport. BGR believes that there are two ways to accomplish this change. One involves transferring control of the Airport to a regional entity; the other involves the

City's taking serious, meaningful steps to investigate, disclose and, where necessary, change its practices.

While transferring control to a regional authority might seem like a radical solution to a perception problem, in the absence of meaningful action by the City to investigate and deal with the issues, it may be the only solution. Unfortunately, the Operational Audit indicates that the City is unwilling to deal seriously with the issues that create so much cynicism with respect to the Airport. For example, the report summarily disposes of criticism of NOIA's contracting practices by arguing that patronage is innocuous if beneficiaries of the arrangement are well qualified and do competent work. It then proposes a governance change that exacerbates some of the problems bothering the critics by taking the contracting process farther below radar. At another point, the report attacks criticism as a cause of management problems. The tone of the Operational Audit does not instill great confidence.

2. A multi-parish regional authority could help to create a broader base of support for legislative action that might be needed to facilitate expansion. As discussed above, the outcome of expansion negotiations is seriously impacted by the legal parameters in which the debate takes place, particularly by what entity holds the trump cards for zoning and eminent domain. A regional authority, by involving more jurisdictions, could bring greater pressure to bear on the Louisiana Legislature to make adjustments favorable to expansion.

In particular, the Legislature is more likely to grant the power of eminent domain to a multi-parish authority than to the City of New Orleans. The availability of such power could be critically important. A portion of the land needed for the runway was subdivided and sold in small parcels, and St. Charles Parish was granted rights-of-way in the areas marked for streets on the subdivision plat. Without the power of eminent domain, the Airport will have to negotiate purchases from many small landowners, any one of whom could block the development by refusing to sell.

3. Certain issues raised by St. Charles Parish, such as off-site infrastructure improvements and economic development projects, would require significant investments that cannot be made legally by the Airport. Clearly, the City of New Orleans lacks the means to make such investments. A regional authority would provide a broader base for financing, or for soliciting state or federal funds to finance, off-site infrastructure improvements or economic development projects.

4. Replacing the existing governance structure with a regionally based one would provide the appropriate framework for unified, coordinated planning far into the future. Although there are perceived threats, such as the potential expansion of Stennis International Airport, there is no consensus in southeastern Louisiana as to what form local airport development should take. There is not even a coordinated effort to develop an approach.

To date, planning has consisted of warring efforts by the Louisiana Airport Authority to place a new, regionally owned airport somewhere between Baton Rouge and New Orleans and by New Orleans to keep one here under its control. Placing the existing Airport under a properly constituted regional authority could help rationalize long-term planning decisions by eliminating from the debate over new airport vs. existing site the distortions that occur when the subtext is a change in control.

5. The formation of a regional authority could also help by uniting southeastern Louisiana in the promotion of increased air service for the region. Ultimately, the airport's growth, and its ability to maintain its service area, will depend on the region's promotional efforts at the state and federal levels.

BGR recognizes that the State has already established one regional body, the Louisiana Airport Authority, to promote air service for the region. That particular authority is ill suited to promote joint action, however, since it had its genesis in conflict rather than cooperation. (Some New Orleans legislators claimed that they were not consulted about its creation.) An effective regional authority can be created only with the consent and active participation of New Orleans and other skey entities.

6. Transferring the Airport to an entity in which Kenner and St. Charles Parish participated could help overcome psychological hurdles to cooperation and create a more responsive framework for addressing the real environmental issues. Because the regional authority would allow multiple jurisdictions (including the host governments) to participate in airport governance on a similar basis, it has the potential to shift the dynamics of negotiation from a confrontation with an intrusive "foreign" government to a negotiation between participants in a venture. It also can create a better dynamic by redistributing the perceived benefits of ownership to all affected parties, eliminating the dichotomy created when the perceived benefits flow to one government and the negative impacts of the operation to another.

The citizens of New Orleans have much to gain and little to lose by transferring the Airport to an entity capable of marshaling support from other governments, as well as the citizens and business community throughout the area. The indirect economic benefits anticipated from airport expansion and growth far exceed the revenues that the City can derive directly from its ownership of the Airport.

This seemingly anomalous result follows because the Airport is not a revenue-producing asset for the City and, except in limited circumstances, cannot be converted into one. The limitations are as follows:

1. Federal law requires that revenues generated by airports be used for airport-related purposes. It prohibits the City from using such funds for general municipal purposes. Thus, in making a transfer, the City would not be giving up any income.

2. Realistically, the City cannot convert the Airport into a revenue-generating asset by changing its use. While it might be possible in theory to develop the airport land for residential or commercial use, this could not be done without constructing a new airport elsewhere. The construction would require substantial local, state, federal and private investment and backing.

3. Furthermore, under existing federal regulations, the City's recovery from the sale or lease of the Airport or its assets would be limited in most circumstances to unrecouped capital contributions and operating expenses made or incurred in the preceding six years. As of December 31, 1997, the City had a total of $2,674,912 of capital invested in the Airport. In addition, certain types of investments made by the federal government would have to be repaid.

4. An exception from the restriction on sale or lease proceeds is available for up to five airports that choose to participate in the FAA's pilot program for the transfer of airports to private entities. Congress has authorized the FAA to grant participating

air carrier airports waivers from laws precluding the retention of lease proceeds. Thus, New Orleans would have an opportunity to realize value through the transfer of the Airport to a private entity if it acted in the immediate future to participate in the pilot program. To date, New Orleans has shown no interest in this limited opportunity.

5. Laws or interpretations might change in the future to allow an airport to receive sale or lease proceeds on the transfer of an airport. New Orleans could preserve its potential to take advantage of any such change by retaining title to and leasing the Airport's assets to the regional authority on terms that would provide for payments to New Orleans under changed circumstances.

Given the above restrictions, what, if anything, would the City lose by turning over control of the Airport to a regional authority? In the course of BGR's interviews for this report, many interviewees suggested that the opportunity for patronage would be lost; they did not identify any other significant loss. Like them, we believe that New Orleans has little else to lose from the transfer of airport sponsorship.

In addition to the potential gains cited above, BGR perceives a number of other reasons for transferring control of the Airport:

1. In 1950, the City of New Orleans had 74 percent of the metropolitan area's population; it now has only 37 percent of the metropolitan region's population. From 1970 to 1990, New Orleans' eight-parish Metropolitan Statistical Area (MSA) experienced a 17 percent growth in population, with St. Tammany Parish's population increasing by 127 percent and St. Charles' by 68 percent. Orleans Parish's population declined by 16 percent in that period. Thus, while the Airport was once under the control of the government elected by a majority of the area's population, this vital economic engine is now under the control of a government that represents a decreasing percentage of the metropolitan region's population.

There is a strong policy argument for aligning ownership and control of a public asset with the area that it serves and impacts. The case is particularly compelling in the case of airports, where major capital investments are made by government entities other than the sponsor. Federal and state investments dwarf the City's equity in the Airport, weakening equitable claims to ownership. As of December 31, 1997, the Airport had total contributed capital of $196,698,802. In contrast to the City's contribution of $2,674,912, the state contribution equaled $68,599,445, and the Federal portion amounted to $125,424,445.

2. The creation of a properly constituted regional authority would also carry with it the advantages attributable to the authority form of government. These include the creation of a framework that encourages the Airport to operate with a more businesslike focus. Besides eliminating cumbersome civil service rules, the change would help to control political interference. The ability of any one person or group to use the Airport for political purposes would be greatly diluted if board members were appointed by, and answerable to, different groups.

3. Because the establishment of a regional authority would involve a management overhaul, it would provide an opportunity to implement the management structure most likely to promote efficiency and growth. In that regard, one option worthy of serious investigation is a private management contract with one of the world's premier airport management companies. The use of such companies could eliminate much of the potential for intergovernmental squabbling

over patronage and jobs. It could also promote efficiencies and service improvements through an incentive-based compensation package.

Risks and Limitations

To some, converting to a regional authority raises the specter of Kenner and St. Charles blocking airport expansion through board control. Such a concern is, of course, a matter that must taken into account in developing board composition. Such a possibility is not, however, a necessary result of a change in governance.

It is neither necessary nor desirable to give the airport's immediate neighbors control of the airport board. Indeed, structuring an authority in that way would defeat the very reason for a regional authority, by sacrificing the interests of the region as a whole to those of a particular constituency.

Host communities need to be represented as equals at the board level. They are, however, only one of a number of interests that need to be represented. A regional board should include, in addition to New Orleans, St. Charles Parish, and the City of Kenner, representatives from Jefferson and other parishes in the metropolitan region and, in view of the state's interest in and role in airport financing, the state government.

There are different ways of structuring a board. Although the most common is to base representation on population, others should be considered. For example, it might be appropriate to base representation in part on the distribution of travelers within the metropolitan area, recognizing that some areas of the region have a greater interest than others in the Airport.

Unfortunately, transferring the Airport to a regional authority (or to any other public entity) is not likely to ameliorate significantly the city's fiscal problems. As noted above, the FAA's current stance on revenue diversion raises serious obstacles to the receipt of compensation by an airport sponsor on the sale or transfer of an airport. In simple terms, the FAA views sales proceeds and lease payments from such transfers as airport revenues that must be reinvested by the airport sponsor in airports. With the exception of an amount equal to unreimbursed capital contributions and operating expenses made or incurred within the previous six years, such payments cannot be used for general municipal purposes.

The FAA leaves the door open for negotiation on a case-by-case basis, indicating that it will apply the revenue-use requirement flexibly, taking into consideration special conditions and constraints imposed by a change in ownership. This opening should be pursued in any transfer of the Airport, with a view to obtaining for the City whatever compensation the FAA might allow. Expectations need to be tempered, however, since recent FAA positions, taken as a whole, suggest that significant capital infusion is a dubious possibility.

Impediments

BGR has not identified any insurmountable legal or financial obstacles to converting to a regional authority. The transfer would require authorizing legislation and the consent of various interested parties, such as the FAA and airlines. Provision would have to be made for the payment of existing bonds. The biggest hurdle would be political resistance from the City of New Orleans, which has made clear that it does not want to give up control of the Airport.

OTHER ISSUES

There are a number of specific issues that need to be addressed to facilitate expansion and growth of the Airport. These include the feasibility of a major new airport, NOIA's communication with the citizens and representatives of the host communities, the airport's failure to address adequately operational issues that aggravate the host communities, and the community's cynical view of airport operations.

The Feasibility of a New Airport as a Near-Term Solution

BGR is concerned that the concept of a new airport may impede the resolution of the airport's existing problems by enabling political leaders to avoid the environmentally unpleasant and politically explosive issues associated with the expansion of NOIA. The concept persists despite growing evidence that such a new airport is not a realistic option for meeting the area's air needs.

BGR notes the following obstacles to the construction of a new airport in time to address the region's near- and intermediate-term needs:

1. The implementation of such a project would require concerted and unified efforts on the state, national, and local levels. Past discussions suggest that the regional consensus that would be necessary to implement the project is lacking. In the early 1990s the State of Louisiana, through the Louisiana Airport Authority, and the City of New Orleans conducted rival studies on the development of a new airport. Ultimately, the City of New Orleans abandoned its own quest for a new site. Both Baton Rouge and New Orleans opposed the concept proposed by the Louisiana Airport Authority. The FAA has indicated that additional funds for studying a new airport will not be forthcoming until such time as all the local parties are on the same page.

2. Only one major new airport, Denver International, has been built in the United States since DFW opened in 1976. Only one ex-military base, Bergstrom Air Force Base, is being converted to civilian air carrier use. It will replace Austin's Robert Mueller Municipal Airport. Efforts by other cities or states to develop major new airports have come to naught.

3. Federal funding allocated to airport infrastructure projects is inadequate to meet projected demands. The American Association of Airport Executives (AAAE), an airport trade group, estimates that capital requirements far exceed available funding. According to the AAAE, surveys of airports have consistently shown a need for 10 billion dollars annually for airport development and capital reconstruction. The federal government has been providing approximately one-fifth of that amount through grants under the Airport Improvement Program.

The FAA indicates that additional capacity is crucial but that, given the high cost of new airport construction, construction of new airports is not a common capacity enhancement technique. Such construction faces formidable financial, environmental, social, and political constraints.

4. The situation of New Orleans, whether measured by delays or demand, is far less critical than that of many competing entities. In 1996, NOIA ranked 43rd in terms of aircraft delay (measured as delays of 15 minutes or greater per 1,000 operations). New Orleans measured delays of that magnitude for 0.83 operations per 1,000. Newark International Airport, by contrast, had delays of that magnitude for 65.25 operations per 1,000. Twelve other airports had delays in the double digits per 1,000 operations.

NOIA is not among the 31 airports expected to have annual aircraft delays exceeding 20,000 hours in 2006. The top priority for a capacity increase in the FAA's Southwest Region is the construction of another parallel runway at DFW.

Communications

One of the recurring themes in interviews with political leaders representing Kenner and St. Charles was the lack of effective communication between the Airport, on the one hand, and the political leadership and citizens of impacted communities on the other. Although airport officials claim that they routinely apprise Kenner officials of NOIA development plans, Kenner council members have complained over the years that they are left in the dark. St. Charles Parish officials have also complained that they have been left out of expansion talks. Citizens complain that the Airport goes through the motions of public input in a pro forma way, without a desire for dialogue.

We recognize that there are certain established lines of communication for disgruntled citizens, such as the noise hotline and the airport's Noise Compatibility Committee. We also recognize that attempts are being made to encourage dialogue among political leaders in New Orleans, Kenner, and St. Charles. Examples of such efforts include the joint council meetings that were held over a year ago, the inter-council committee established last fall, and the Mayor's summit held in October 1998. While such efforts should be encouraged, the airport's efforts need to go beyond these measures in at least two ways. First, the Airport should embark upon a concerted public relations effort aimed at providing the host governments and their citizens with timely, complete and responsive information concerning its plans. Second, instead of seeking to minimize and control public input, it should actively listen and fully respond to community concerns.

Noise

The Airport needs to take a more active role in addressing operational issues that concern and aggravate the community. An example is the issue of overflights in the north Kenner neighborhoods. Kenner citizens have complained for more than a decade that airplanes deviate from established flight patterns calling for turns over Lake Pontchartrain, making an early turn over north Kenner. Their leaders blame the Airport, claiming that it is the only airport in the United States that does not impose penalties on airlines for flight pattern deviations. The Airport in turn points to the FAA, saying that only the FAA can impose such penalties.

Mayor Morial promised in December 1997 that the Airport would work with the FAA to correct the matter and that lease negotiations with the Airlines will require a commitment to keep to the flight paths. In October 1998 the Mayor announced that the airlines had asked the FAA to take action against the Airport for even considering this requirement, arguing that certain procedural channels must be followed and that such efforts usually do not result in any change. To date the issue remains unresolved.

Airport management should be able to determine, in a time frame shorter than 10 years, the extent to which planes are deviating from recommended flight patterns and what, if anything, can be done about the deviations. It should also be able to take the necessary actions to meet the community's request for enforcement or explain why it cannot. Failure to adequately address this kind of environmental issue over the course of years is interpreted as an indifference to community concerns. It also impedes the community's ability to deal with the major, new issues that expansion will present.

Management Issues and Regional Cooperation

As noted above, the airport's Operational Audit identified and rejected as untrue a number of criticisms leveled at the airport management by outsiders, including allegations of gross mismanagement and patronage. BGR's interviews confirm the auditors' assessment that patronage is perceived as a major factor in airport operations.

Confronting the allegations of mismanagement and patronage honestly, openly, and fully is a critical step in developing regional cooperation to promote the Airport. BGR is aware that the Airport purports to address these issues in its Operational Audit. Unfortunately, the report failed to address patronage and other issues impacting financial efficiency in a way that can give the community comfort that its suspicions are unfounded.

Recommendations

Having considered the strategies and experience of other airports and the specifics of the New Orleans situation, BGR recommends the following:

1. that a broad-based regional authority, with representatives from Kenner, St. Charles Parish, New Orleans, Jefferson Parish, and other parishes in the metropolitan region, be formed to sponsor and operate the Airport;

2. that the City of New Orleans retain title to the airport's existing land and facilities and lease them to the new authority on terms that would allow the City to receive compensation for the airport's assets should lease or other payments become legally permissible in the future;

3. that serious and immediate consideration be given to hiring one of the world's premier airport management companies;

4. that the City of New Orleans, Kenner, and St. Charles enter into a detailed intergovernmental agreement addressing all the issues that need to be resolved if the Airport is to expand in accordance with its plans;

5. that the concept of a major, new airport as a solution to the region's near- and intermediate-term air needs be abandoned;

6. that the Airport embark upon a concerted effort to provide the citizens of the local governments with timely, complete, and responsive information on airport matters of interest or concern to them; and

7. that the Airport take a more active role in addressing operational issues that concern and aggravate the neighboring communities.

BGR believes that the establishment of a regional authority is the optimal solution to southeastern Louisiana's airport issues and that steps should be taken immediately to accomplish this objective.