



Statement of Kevin Dolliole
Director of Aviation, Louis Armstrong New Orleans International Airport
On Behalf of Airports Council International – North America
Before the House Subcommittee on Aviation
“FAA Reauthorization: Navigating the Comprehensive Passenger Experience”
Thursday, March 23, 2023

Good morning. I am Kevin Dolliole, Director of Aviation at the Louis Armstrong New Orleans International Airport. Thank you, Chairman Sam Graves, Chairman Garret Graves, Ranking Member Larsen, and Ranking Member Cohen for having me here today and providing me the opportunity to share the commercial airports’ perspective in today’s important conversation about the passenger experience. I am also here today in my capacity as Vice Chair of Airports Council International – North America (ACI-NA), the trade association for U.S. airports.

Airports across the United States approach the overall passenger experience we deliver to our passengers with the same determination we approach our central mission of ensuring the safety and security of the traveling public and airport workers. We strive to provide every single passenger who travels through our terminals with an easy, accessible, convenient, stress-free, and enjoyable experience.

Airports often think of themselves as the front door of our communities. When MSY opened our new terminal in 2019, we made sure the new building reflected our community. The sense of place you will find in our terminal perfectly represents everything the world loves about New Orleans. While our passengers know they have arrived in New Orleans when they enter our terminal from their jet bridge, they do not know all of the behind-the-scenes operations that are required to provide them with a seamless experience.

From the time a passenger arrives at the curb of an airport through their return back home, airports are committed to working collaboratively with their partners – including airlines, government, concessionaires, rental car companies, and other service providers – to set high customer experience standards and processes.

Improving the Passenger Experience

Even during the depths of the pandemic, when our terminals were nearly empty, airports continued to increase efforts to promote the health and safety of the traveling public and airport workers. Every airport took important steps during that time to enhance the passenger experience and provide a higher level of comfort to our customers. Now in our recovery as an industry, airports are continuing our work as more and more Americans return to the skies.

So much has changed over the last three years. To achieve the highest level of passenger satisfaction, airports are stepping up efforts to improve data collection and analysis to better understand passenger needs as we look to invest in future improvements. Passengers are now rightly demanding more choices when inside our terminals. As such, airports have worked closely with their tenants, especially concessions partners, to expand options and hours. Airports also are working with their airlines to improve price and service competition.

Every two years, ACI-NA conducts a survey of its members to understand new trends in delivering a positive passenger experience. In its first survey since the pandemic, ACI-NA has noted the widespread adoption of new passenger amenities and changes to how airports approach customer experience management. Using lessons learned from the pandemic, a greater number of airports are ensuring the customer experience is integrated into all decision making processes and enhancing collaboration with their stakeholders, business partners, and surrounding communities. Some of the new passenger amenities include:

- **Plan-Ahead Conveniences:** online parking reservation systems, security screening reservations, co-working spaces
- **Accessibility:** sensory rooms and quiet rooms, autonomous wheelchairs, vision impaired wayfinding, lactation rooms
- **Technology:** electrical charging stations, contactless mobile food ordering, autonomous delivery robots, restroom stall occupancy sensors

Airports are working to improve facilities for all passengers, including those with disabilities. Thanks to terminal funding made available through the Airport Terminal Program (ATP) in the Bipartisan Infrastructure Law (BIL), airports have been able to start projects that help with accessibility and ADA compliance. Of the \$1 billion granted for fiscal year 2022 through ATP, roughly two-thirds of the terminal projects accounting for more than \$600 million in federal funding include components that enhance accessibility and ADA compliance.

For fiscal years 2022 and 2023, airports submitted nearly \$25 billion worth of ATP projects requests for only \$1 billion in available funding each year. While the recent investment in the ATP is welcome and needed, the funding gap for terminal projects highlights the need for additional federal assistance to keep up with travel demands, including travelers with accessibility needs.

We are making progress, but some immense challenges remain. For example, airports and their partners have not been immune to the complex workforce issues impacting so many other

industries across our economy. While airports are massive employers in their communities, airports are at a disadvantage in attracting and retaining the skilled workers needed to make an airport function, such as with transportation to-and-from work and with security badging requirements. Airports are working closely with their partners to make airport jobs more desirable.

When and where appropriate, airports also are looking to technology to enhance the passenger experience. The rapid innovation and passenger comfort of new technologies and processes has been an unforeseen benefit of our pandemic experience. Airports are working with airlines, concessionaires, government partners, and service providers to deploy new technologies to further alleviate friction points and provide a seamless experience for passengers. From food delivery robots to more efficient monitoring of facility usage to enhanced security screening and safety technologies, we are making investments to provide passengers with the best possible experience in their return to the skies. Airports need to keep up with customer demands. Airport customers expect airports to fully embark on the digitalization of airport processes and in receiving stellar customer experience. Meeting passenger needs requires significant upgrade of existing aging infrastructure.

Airport Infrastructure Investment Helps Meet Passenger Expectations

Much of work being done across the industry to improve the passenger experience requires airports to make significant investments to update their physical infrastructure, particularly as many seek to personalize the experience based on regional and local influences. The commitment to the passenger experience requires monetary investment, but unfortunately airports remain constrained in long-term infrastructure funding opportunities as Airport Improvement Program (AIP) grants and federal cap on the Passenger Facility Charge (PFC) local user fee both have remained stagnant for two decades.

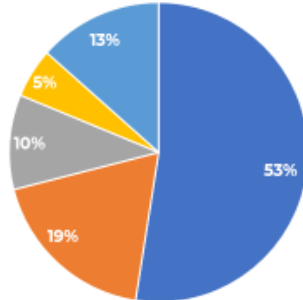
Year after year airport infrastructure needs continue to increase. As a result, available airport infrastructure funds do not meet today's demands. Despite the five-year influx of BIL funding, which ends in fiscal year 2026, unmet infrastructure needs far surpass current funding levels. The 2019 ACI-NA Infrastructure Needs Survey found that U.S. airports had \$128 billion in infrastructure needs over a five-year period. The updated 2023 version of that report, coming out today, shows the need has increased to \$151 billion over a five-year period, or about \$30 billion annually.

Virtually all airports, irrespective of their size and geographical location, are in need of capital to maintain and expand their infrastructure to accommodate the immediate and future demands, enhance the efficiency of their processes, and increase service quality and customer experience. More information about the needs based on hub sized can be found in the chart below:

ACI-NA Estimates over \$151 Billion Infrastructure Needs for 2023 - 2027

(Billions of Current Year Dollars)

■ Large Hub ■ Medium Hub ■ Small Hub
■ Non-Hub ■ Others



Hub Size	Average Annual Capital Needs Estimate
Large Hub	\$15.8
Medium Hub	\$5.6
Small Hub	\$3.1
Non-Hub	\$1.6
Others	\$4.1
Total	\$30.2



AIRPORTSCOUNCIL.ORG

- Large hub airports, with 69.4 percent of all enplanements, account for \$15.8 billion per annum (53 percent);
- Medium hub airports, with 16.9 percent of all enplanements, account for \$5.6 billion per annum (19 percent);
- Small hub airports, with 4 percent of all enplanements, account for \$3.1 billion per annum (10 percent), and;
- Non-hub airports, with 3 percent of all enplanements, account for \$1.6 billion per annum (5 percent).

The amount of money airports receive from the AIP and PFC combined is just under \$6.5 billion annually. BIL funds, which will run out in 3 years, add \$3.86 billion annually. Remaining airport revenue after operating expenses is just \$2.66 billion annually. After adding up AIP, PFC, BIL, and airport revenue totals, there is just under \$13 billion in available funds for infrastructure annually, one-third of which will not be available in a few years when BIL money stops. These numbers are a far cry from the \$30 billion in annual airport infrastructure needs – numbers which are sure to grow in the coming years. We have seen that demand just on BIL funding alone with more than 650 applications totaling \$14 billion for the first \$1 billion in terminal upgrades provided under BIL and nearly \$10 billion for the second round of airport terminal funding.

Airports want passengers to have a positive experience when traveling, but it is challenging to provide such an experience when airports have insufficient funding to build, maintain, and adapt their facilities. Currently, curbside congestion and long Transportation Security Administration (TSA) check point wait times frustrate aviation passengers, and rightfully so. Given the age of U.S. airports, it is no wonder that checkpoint inefficiencies are a common theme throughout our nation’s airports. TSA came into being 22 years ago, well after construction of most commercial service airports in the United States, and the agency suffers

from inefficient checkpoints in many locations because the terminals were not built to accommodate modern checkpoints in the first place. Additional funding can enable airports to expand the infrastructure around current checkpoints needs to maximize space and make them more efficient.

After passengers make it through security to their gates, there often are not enough seats or comfortable waiting areas available, particularly in close proximity to charging stations, which is a big deal to most travelers today. U.S. terminals are simply outdated and maxed out. According to the Federal Aviation Administration (FAA), it is projected that passenger traffic will increase to 153% of 2019 traffic levels by 2040. Current airport infrastructure cannot accommodate such growth and airports do not have the funds on hand to make these necessary changes especially in the time it takes to plan, build, and complete such projects.

Since most U.S. airports do not have the capital on hand to fund critical infrastructure projects, they must go to the bond market to finance them. However, borrowing money comes with a high price tag and the growing debt airports are incurring as a result is not sustainable. Most airports already have some level of debt they must continually service to maintain their superb credit ratings and some have already reached their borrowing capacity due to infrastructure project costs. Airports in the U.S. have a record outstanding debt of approximately \$137 billion, which results in an annual debt service obligation of approximately \$8 billion. This is on top of the \$151 infrastructure needs U.S. airports have over a five-year period.

FAA Reauthorization Provides an Opportunity to Improve

Airports are so focused on improving the passenger experience that our industry's FAA reauthorization priorities that we submitted to Congress actually has it in the title – Modernize America's Airports: Investing in the Passenger Experience. We break our requests into three main categories: investing in facilities, relieving regulatory burdens, and preparing for new opportunities. Airport operators, in collaboration with our trade associations ACI-NA and AAAE, recommend Congress implement the following [policy priorities](#) in the upcoming FAA reauthorization bill related to infrastructure improvement.



**INVEST IN
FACILITIES**



**RELIEVE
REGULATORY
BURDENS**



**PREPARE FOR NEW
OPPORTUNITIES**

Reform the Airport Improvement Program

As our top priority, airports urge Congress to increase funding and expand project eligibility to terminal projects for AIP, which has remained stagnant at \$3.35 billion for almost two decades. Increasing annual AIP funding will help airports meet growing infrastructure needs as validated by the FAA in its most recent National Plan of Integrated Airport Systems (NPIAS) report – needs that are exacerbated by the program’s reduced purchasing power and significant construction-cost inflation in recent years. Airports construction costs have jumped by 40 percent since 2012, outpacing inflation, which jumped 27 percent over the same period and significantly accentuated construction costs. Tensions on the supply chains, increases in construction material costs, and increases in U.S. labor costs all contribute to the added cost of airport projects. In this inflationary context, airports’ traditional sources of funding keep being eroded, drastically limiting their ability to finance their most basic infrastructure needs and deliver on airport projects.

We also propose loosening the federal restrictions on AIP eligibility, adjusting funding formulas for both commercial service and general aviation airports, expediting the release of AIP grants to airports, and recalibrating the program to meet with present and future needs of both commercial service and general aviation airports. We outline improvements to the passenger experience through AIP with a four-pronged approach:

- **Use Existing Funds:** Passengers contribute to the Airport and Airway Trust Fund (AATF) that funds AIP. As air service continues to rebound after the depths of the pandemic, more of the user fees from this trust fund should go toward helping to improve the passenger experience at airports across the country.
- **Promote Competition and Save Passenger Money:** Expanding AIP eligibility to terminals can promote much needed competition in the airline industry. New investments in airports are valuable tools in helping local communities attract new carriers and accommodate new routes or expanded service from existing carriers, which lowers airfares for passengers across routes, across the country.
- **Investment in Communities:** The total economic outputs of U.S. commercial service airports now exceeds \$1.4 trillion, supporting more than 11.5 million jobs with a payroll of more than \$428 billion and accounting for more than seven percent of U.S. GDP. Modernizing airport infrastructure funding ensures our nation’s airports have the resources they need to remain competitive and thriving hubs of economic opportunity.
- **Wide-Ranging Industry Support:** A broad and diverse coalition of industry groups and businesses support modernizing AIP. ACI-NA’s *Beyond the Runway* coalition, which is made up of more than 100 organization and trade groups, has come together to support AIP thanks to the jobs and dollars AIP brings to their industries.

Modernize the Passenger Facility Charge Program

Airports continue to urge Congress to adjust the outdated federal cap on PFCs, which was last raised more than 20 years ago. PFCs are local user fees that must be approved locally, imposed locally, and used locally for specific projects approved by the FAA, in consultation with the

airlines and local communities. Adjusting the federal cap on local PFCs would help reduce that financial pressure and give airports the option of using more local funds for their infrastructure needs.

In addition to a long overdue adjustment to the federal PFC cap, Congress should undertake reforms to the PFC program, such as eliminating the loophole that prevents airports from collecting user fees from non-revenue passengers; directing the FAA to fully implement a streamlined implementation process for airports of all sizes, as called for in Section 121 of the last FAA bill; and expanding project eligibility to include any lawful capital cost at an airport.

Louis Armstrong New Orleans International Airport and the Passenger Experience

The Louis Armstrong New Orleans International Airport (MSY) is the largest commercial service airport within a 350-mile radius, and nearly 85 percent of people traveling by air in Louisiana use our airport. Before the pandemic, MSY saw record-breaking passenger totals for 5 years in a row, peaking at 13.6 million passengers in 2019. With air service back on the rise again, forecasts show that we may exceed pre-pandemic passenger numbers by 2024.

Just five months before the pandemic began, MSY cut the ribbon on a new, \$1.1 billion replacement terminal to better meet the needs of the traveling public now and into the future. The original terminal building was constructed in 1959; it was 60 years old by the time it was replaced. In addition to the challenges that arise from maintaining an aging building, airport security requirements and aviation industry best practices have changed drastically over those six decades. The concourses in the former terminal had been built and reconstructed at various times over the previous 40 years, but the airport struggled to keep up with increased demand and a positive passenger experience as it aged.

When we moved all airport operations to the new facility on the opposite side of our runways, this significant infrastructure investment drastically improved the first thing visitors see when they arrive in New Orleans. The new MSY terminal is approximately 972,000-square-foot featuring three concourses, 35 gates, two new parking garages, a surface parking lot next to the terminal, and a remote economy garage with shuttle service.

The new MSY terminal is a stunning combination of modern convenience and regional details. It was built with the passenger experience in mind and contains many of the features the modern passenger expects such as:

- Electrical outlets available at 50 percent of the seats in the gate areas;
- Fast, free Wi-Fi, which was a challenge to deliver in the previous terminal facility due to aging infrastructure;
- Water bottle refilling stations post-security;
- Mothers rooms in each concourse;
- Fully automated restrooms with sanitary seat covers;
- A pet relief area post-security;
- Three curbside check-in locations with easy access to the Short-Term Garage;

- An efficient inline baggage screening system; and
- A single consolidated checkpoint compared to the 3 individual checkpoints retrofitted into the former terminal.

Once passengers are beyond the checkpoint, they now have access to more than 40 different food and retail concessions where they can feel the spirit of New Orleans through our new concessions program with a host of local restaurants and shops. Regional options mixed with national brands that most of the public is familiar with provide us with a well-balanced concessions program that can meet the needs of every traveler.

The new MSY also has improved the parking experience at the new terminal. With more than 8,000 parking spaces—2,000 more than the previous terminal—there is enough room to meet the airport’s parking needs especially as demand increased drastically during the pandemic. In addition to more spaces, real-time data on the airport website and dynamic signage on I-10 will quickly help travelers decide where to park in one of four locations.

Beyond the streamlined travel experience, beautiful architecture and world-class restaurant and shopping options, MSY offers other innovative customer service features:

- The Park MSY Express Economy Garage features convenient shuttle service and **Complimentary Baggage Check-in** allowing outbound passengers to check their luggage from the comfort of their vehicle before parking. This allows passengers to catch the shuttle luggage-free and skip the airline ticket counter.
- The airport’s new parking garages are equipped with **Park Assist**, which gives passengers a visual queue to alert them where one or more spaces are available. The program reduces the time it takes to find a parking spot and helps passengers get to their flight faster.
- An online **Parking Reservation System**, which allows passengers to ensure a space will be available in the parking facility of their choice.
- **Valet Parking**, which is a convenient option for passengers looking to save some extra time.
- The **MSY Guest Pass** program allows guests who are not flying and do not have a boarding pass access restaurants and stores post-security. This adds support for traveling families or additional comfort for those with less experience traveling.

We strongly believe this new airport terminal gives us the best opportunity to compete in the global, 21st-century economy. As a result of these efforts, MSY has been recognized for its customer service and efficient operational practices by numerous industry partners such as:

- Best Large Airport in North America, J.D. Power’s 2021 North America Airport Satisfaction Study;
- Best Airport in North America, (5-15 million passengers), Airports Council International World’s 2021, and 2022 ASQ Program;

- Best Overall Concessions Program, Best Concessions Program Design, and Best Local-Inspired Restaurant for Emeril's Table, (Medium/Small Airports Division), Airport Experience Awards, 2023;
- Best Hygiene Measures in North America, Airports Council International World's 2020 and 2021 ASQ Program;
- Most Efficient Airport in North America among airports serving 5-15 million passengers per year in 2021, Air Transport Research Society (ATRS); and
- Fastest Airport Pickup, Uber 2022.

These accolades underscore our commitment to the passenger experience and offer proof of what is possible when airports are able to make necessary infrastructure investments. The new MSY terminal was but one of many infrastructure needs. We were able to fund it by issuing debt and utilizing a combination of other available sources—leaving us with less flexibility to fund future projects. As we look forward to the future growth of the New Orleans region, a modernized airport infrastructure funding pipeline will allow us to better position ourselves to meet the increase in demand for even more connectivity at MSY while also prioritizing passenger experience.

A passenger rail line connecting the cities of New Orleans and Baton Rouge is currently under development, and a key component of this new service is a stop at MSY. Our next significant project is an InterCity Rail Connector, which will provide the last mile connection from the new rail stop on the south side of airport property to the existing passenger terminal on the north side. The project includes the development of an intermodal station and an automated people mover (APM) to transport rail users back and forth. The APM also will connect to the south airport campus where economy parking, employee parking, and rental car facilities are located. Additionally, the intermodal station will serve as a transit bus hub that will facilitate affordable mobility for the region, especially for disadvantaged communities near the airport and along the rail corridor.

This project will provide improved connectivity for passengers, employees, and residents among other economic and environmental benefits, and is a critical element to the next phase of MSY expansion. Investing in critical airport infrastructure will provide long-lasting and sustained economic and safety benefits for not only New Orleans area residents, but also the entire Gulf Coast region.

Conclusion

Airports across the United States are committed to improving the passenger experience by making travel efficient, maintaining our strong record of safety, and improving the comfort for all travelers. As airports look to adjust to the ever-changing passenger needs, airports need the resources to meet the demands, which is why we have prioritized increasing and reforming AIP in this year's FAA reauthorization legislation. Airports take the responsibility of welcoming travelers to their respective communities incredibly seriously and airport workers take pride in their ability to provide a positive, unique experience. The local approach taken at MSY is just

one of the many examples from around the country of what success looks like. MSY invested in a major critical infrastructure project, and many other airports are looking to do the same.

Airports will continue to seek out funding and opportunities to meet the public's needs. Unfortunately, that means airports will continue to face insufficient funding levels and financing options unless appropriate changes are made. Airports are grateful to have weathered the pandemic storm, in part thanks to the congressional assistance, but now there is the ability to create long-term, necessary funding pipelines to invest in the various critical infrastructure airports are responsible for building, maintaining, and improving. Airports have \$151 billion in outstanding infrastructure needs over the next five years and carry \$137 billion in debt, which is a record high. Modernizing airport infrastructure funding ensures our nation's airports have the resources they need to remain competitive and thriving hubs of economic opportunity and meet passenger expectations.

Thank you again for this opportunity to testify.