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Chair, Subcommittee on Political, Educational and Legal Reform

Congress of the United States House of Representatives

Washington, DC 20515

June 26, 2003

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The Honorable Marion Blakey Administrator Federal Aviation Administration 800 Independence Ave, SW Washington, DC 20591

Dear Honorable Blakey:

On January 16, 2003 you received an application to transfer the New Orleans Lakefront Airport's sponsorship from the Orleans Levy District to the American Airports Corporation as part of the airport privatization pilot program. After reviewing the joint application, I want to express my serious concerns, because I believe it fails to meet both the intent and spirit of the pilot program Congress designed. Additionally, I have heard from a number of constituents expressing reservations about this project for a variety of reasons.

First, currently the New Orleans Lakefront Airport (NEW) plays a vital role to the New Orleans area. The airport serves as the primary reliever airport to Louis Armstrong International Airport (MSY), and currently has 255 based aircraft and over 123,600 operations per year. By contrast, MSY is home base to only 32 general aviation aircraft accounting for a mere 21,850 operations per year. Even within thirty miles of the New Orleans Lakefront Airport, three additional airports combined with MSY total 162 based aircraft and 136,400 operations per year. Thus, the importance of the New Orleans Lakefront Airport is clearly evident when it is compared to that of the other four regional airports. Any significant change at NEW like the kind they are proposing would curtail its availability as a general aviation reliever airport and negatively affect the region.

Second, during debate and authorization of this pilot program Congress was very clear that private investment was intended to replace federal funding in airport development. I believe that the proposal submitted to the FAA for participation in the pilot program by New Orleans Lakefront Airport does not meet this standard, as it lacks significant private investment. Rather, the newly proposed development will rely heavily on federal and state funding sources versus private capital.

Third and equally important, I am concerned about the adequacy of safeguards against unreasonable fees at NEW. When Congress approved the measure that allows for privatization, a provision was included to allow air carriers to essentially veto excessive rate increases imposed by the operator. This provision further states that the percentage increase to general aviation aircraft at the airport will not exceed the increase in fees placed on air carriers at the airport. As there are no air carrier operations at NEW, these protections would be completely lost. Any private operator at an airport serving only general aviation would essentially be free to raise fees at will to pay lease payments to the previous public airport sponsor, as well as an escalating percentage of the airport's revenue -- profit sharing if you will -- to the airport's public sponsor.

New Orleans Lakefront Airport is a vital piece of the transportation system for both southeast

The Honorable Marion Blakey June 26, 2003 Page # 2

Louisiana and the nation. Its role in providing services to general aviation operators in the area is critical. Any change to that role, especially through escalating fees or operational changes, could have a negative ripple effect on other regional airports including MSY.

For these reasons, I strongly urge you to carefully consider the facts and concerns expressed by the aviation industry as you consider this proposal. I look forward to your response regarding the application.

If you need any further information, please do not hesitate to contact me. Thank you for your attention to this important matter.

Sincerely,

David Vitter

Member of Congress