

Airports Focus on the Ground

By JAD MOUAWAD JUNE 14, 2012

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<http://www.nytimes.com/2012/06/15/business/building-boom-takes-hold-at-us-airports.html? r=0>



A new luggage claim area under construction at New York's Kennedy Airport. Credit: Ángel Franco/The New York Times

At a time when federal and state public works programs are stalled, the nation's biggest airports are in the midst of major renovations or expansions that, taken together, amount to some of the largest infrastructure projects in the country.

New York's three major airports, as well as the airports in Los Angeles, Dallas, Atlanta and Chicago, are spending billions of dollars. Many of the airports have aging terminals, some built in the 1960s and 1970s, that are ill suited to the bigger planes, bigger security lanes and bigger crowds of modern-day air travel. They are replacing or improving existing terminals, updating food concessions and parking garages, or adding runways to keep up with growing demand.

These investments are concentrated at the largest international gateways, where the growth of foreign travel has been fastest. Unlike international hub airports overseas, like Changi Airport in Singapore, Hong Kong International Airport or Frankfurt Airport, which consistently fare well in traveler surveys, airports in the United States receive low marks for customer service with more delays, more congestion and older amenities. Skytrax, a British consulting firm, found recently that six of the 10 best airports this year were in Asia, three in Europe, and one in Canada.



Atlanta's airport is among those spending billions of dollars to replace terminals and upgrade operations. CreditChris Rank/Bloomberg News

For years, the major domestic airports had put off these improvements as airlines struggled to make a profit and passenger traffic slowed. But they can no longer afford to wait: symbols of the jet age, like Kennedy Airport's 50-year-old Terminal 3, are obsolete and falling apart. Most airports in the United States are owned by cities or local authorities but are not dependent on taxpayer money to finance themselves and are, therefore, less affected by the current political mood to rein in spending. Instead, they typically finance investments through the revenue they generate, including airline fees, passenger charges and the sale of bonds tied to passenger traffic.

Investments in airports "are going to be among the largest public work projects going on around the country," said Patrick Foye, the executive director for the Port Authority of New York and New Jersey, which operates five airports, including Kennedy Airport, La Guardia Airport, and Newark Liberty International Airport.

The need to accommodate bigger airplanes, like the double-deck Airbus A380 which can seat about 500 passengers, and the increase in the number of foreign carriers flying into the United States have helped spur many of the new investments. Airline mergers, too, have created the need for bigger terminals.

“Clearly, investment in aviation facilities has lagged the demand, but you could probably make the same case for most of our other infrastructure as well,” said Jerry Orr, the chief executive of Charlotte Douglas International Airport, which has about \$1 billion in improvements in the works. “But airports are businesses, and airports need the services that airlines provide.” The latest project to be completed is the \$1.4 billion terminal for international passengers at Hartsfield-Jackson Atlanta International Airport, the nation’s largest airport by number of passengers, which opened last month. The work, part of a \$6 billion renovation plan first drawn in 1999, includes a 1.2 million-square-foot concourse (roughly the size of 21 football fields), 12 additional boarding gates, more than 3,500 additional parking spots and a new highway entrance on the eastern side of the airport.



Old terminals at Kennedy Airport must be demolished to create room for new buildings or additional parking space for planes. CreditÁngel Franco/The New York Times

In Las Vegas, McCarran International Airport will open a \$2.4 billion new Terminal 3 at the end of the month. The terminal is aimed at attracting more international visitors. Dallas/Fort Worth International Airport, which built a new terminal in 2005, is in the midst of a seven-year, \$2 billion renovation of its older terminals to add more parking and concession stands and bigger security lanes.

Los Angeles International Airport kicked off a \$4.1 billion expansion program three years ago. The latest phase is a \$1.5 billion new international terminal, billed as the largest public work

project in the city's history, that will add 18 gates capable of accommodating the largest planes, including the Airbus A380.

The airport currently has only two gates capable of handling the A380, although five A380 flights land there every day.

"We have facilities that are not only dated and not meeting the current customer expectations but we also have facilities that are falling apart," said Gina Marie Lindsey, the executive director of Los Angeles World Airports, which includes Los Angeles International, known by its airport code LAX. "Basically, we are rebuilding LAX."

But because airports are dependent on airlines for part of their revenue, carriers can delay or even derail airport investments. Philadelphia International Airport has struggled in recent years to persuade US Airways, its biggest airline, to help pay for a \$5 billion expansion, including plans to lengthen two of the four runways and build a fifth one along the Delaware River. "Airlines are fussy about spending money on airports," said Joshua L. Schank, the president of the Eno Center for Transportation, a research group. "With the consolidation in the airline industry, airports are dominated by one or two airlines that can typically dictate what they want done with the money."



A new international terminal at Hartsfield-Jackson Atlanta International Airport includes a 1.2 million-square-foot concourse. CreditTami Chappell/Reuters

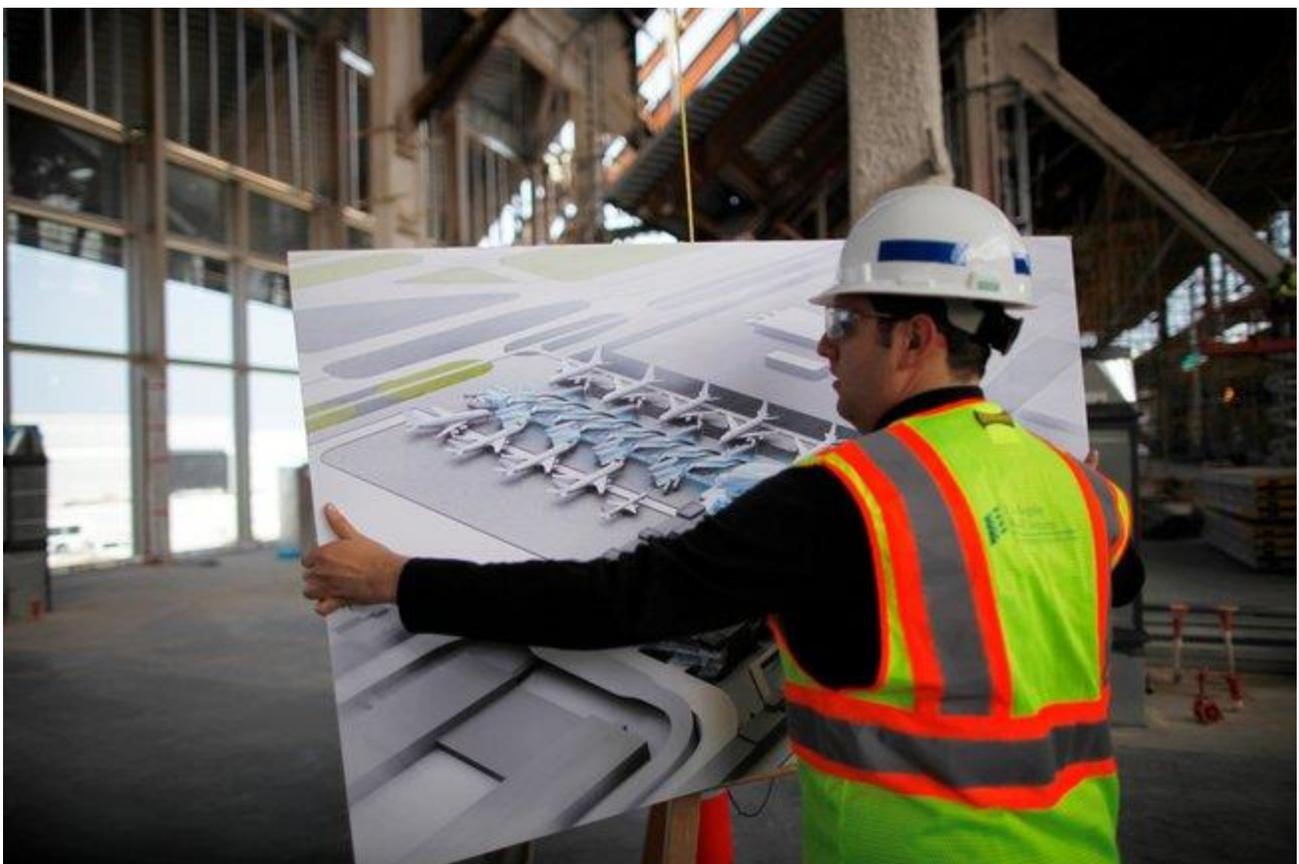
Houston was thrust into the middle of a battle between United Airlines and Southwest Airlines after the city approved a proposal by Southwest to build a five-gate extension for international flights from William P. Hobby Airport.

The city's 16-1 vote last month angered United, which has a major hub 30 miles north of Hobby, at George Bush Intercontinental Airport. It argued that its own international business would be hurt by the international gates at Hobby.

Shortly after the vote, United, which is based in Chicago, said that it would cut 1,300 jobs at Bush airport and that its plans for a \$700 million expansion at Bush, Houston's biggest airport, were now "in significant doubt."

"Unfortunately, the city of Houston will suffer the consequences of this decision for decades to come," Jeff Smisek, United's chief executive, said at the time.

In some cases, local opposition can also slow expansion. It took Seattle nearly 30 years, for instance, to add a third runway to its airport. In other cases, there are geographic limits to airport expansion.



Los Angeles International Airport's plans for a \$1.5 billion international terminal will add 18 gates. CreditLucy Nicholson/Reuters

The footprint of the three big airports in the New York region is one-fourth the size of Denver International Airport's alone, which is spread over nearly 53 square miles of unpopulated prairie. The Denver airport's sprawl, and its three pairs of parallel runways, mean it can handle the same number of daily flights as New York's three airports combined, [according to a 2011 report by the Regional Plan Association](#), an independent urban research firm.

New York airports have little wiggle room for new traffic — old terminals must be demolished to create room for new buildings or additional parking space for airplanes.

At Kennedy, Delta Air Lines is currently building a \$1.2 billion expansion to Terminal 4, which will eventually replace the obsolete Terminal 3, built in 1960 as Pan American's Worldport.

That circular terminal has become an embarrassment to both the airport and the airline, and a dreaded destination for passengers. It is narrow, parts of its roof are crumbling and leaking, and it is too cramped to accommodate enough security gates. It will be demolished next year, once Delta's new terminal is completed.

Likewise, to make room for the planned expansion of JetBlue's Terminal 5 at Kennedy, the airport chose to tear down Terminal 6, a 1969 building known as the National Airlines Sundrome that was designed by the architect I. M. Pei and was renowned for its sweeping glass walls. JetBlue said last month that it planned to invest \$200 million to expand its terminal, which was built in 2008, to create a new international arrival zone.

La Guardia Airport and Newark are also getting badly needed makeovers. The Port Authority is planning a \$3.6 billion rebuilding of the aging Central Terminal Building at La Guardia, which opened in 1964. A similar \$2 billion plan is also being considered to replace Terminal A at Newark. A \$350 million renovation of Terminal B there is nearly finished. The Port Authority plans to spend \$7.5 billion on its airports in the next decade, and expects more direct investments from airlines as well, according to Mr. Foye, its executive director.

"Each of the airports is in a densely populated area," Mr. Foye said. "Each has the ability to make better use of its real estate."

Correction: June 16, 2012

An article on Friday about renovations and expansions at many American airports misstated the role of the Port Authority of New York and New Jersey at five airports in the region. It is the operator, not the owner. The article also misstated the timing of United Airlines' decision to cut 1,300 jobs at George Bush Intercontinental Airport in Texas. The layoffs followed the Houston city council's approval of an expansion for Southwest Airlines at nearby William P. Hobby Airport; they were not planned "long before the city vote."

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