Aviation Update for
Metropolitan Washington Council Of Governments

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

September 26, 2014

Reagan and Dulles are an Economic Engine for the Region

- 2012 Economic Impact Study finds that MWAA supports:
    - 4.5 percent of regional GDP
    - 387,000 jobs
    - $15 billion labor income
    - $3 billion taxes
    - $21 billion business revenue

- On average, an international traveler will spend $3,300 per person, per trip to the region

Reagan Poised to Overtake Dulles Enplanements

- Reagan National had an all-time record 20.4 million passengers in 2013

- As many as 2 million additional passengers expected annually could result from the slot changes due to:
  – Congressional action
  – American/US Airways merger
  – Other commercial transactions

- At Dulles, international air traffic continues to grow, while domestic service growth impacted by new Reagan activity
  – Dulles lost nearly 200,000 seats to destinations with new beyond-Perimeter Reagan National Service between 2011 and 2013

Original Plan: A Balanced Airport System

- Reagan and Dulles Airports – federal airports turned over in 1987 "Transfer Act" to MWAA to manage as "a unit". Rationale:
  - Capital investments in the two airports needed
  - Access to the bond markets critical

- Congress directed:
  - Reagan - short-haul, origin/destination airport
  - Dulles - long-haul, growth airport

- In the past 25 years, character of the two airports changed due to commercial transactions and regulatory changes.

Changing Character of
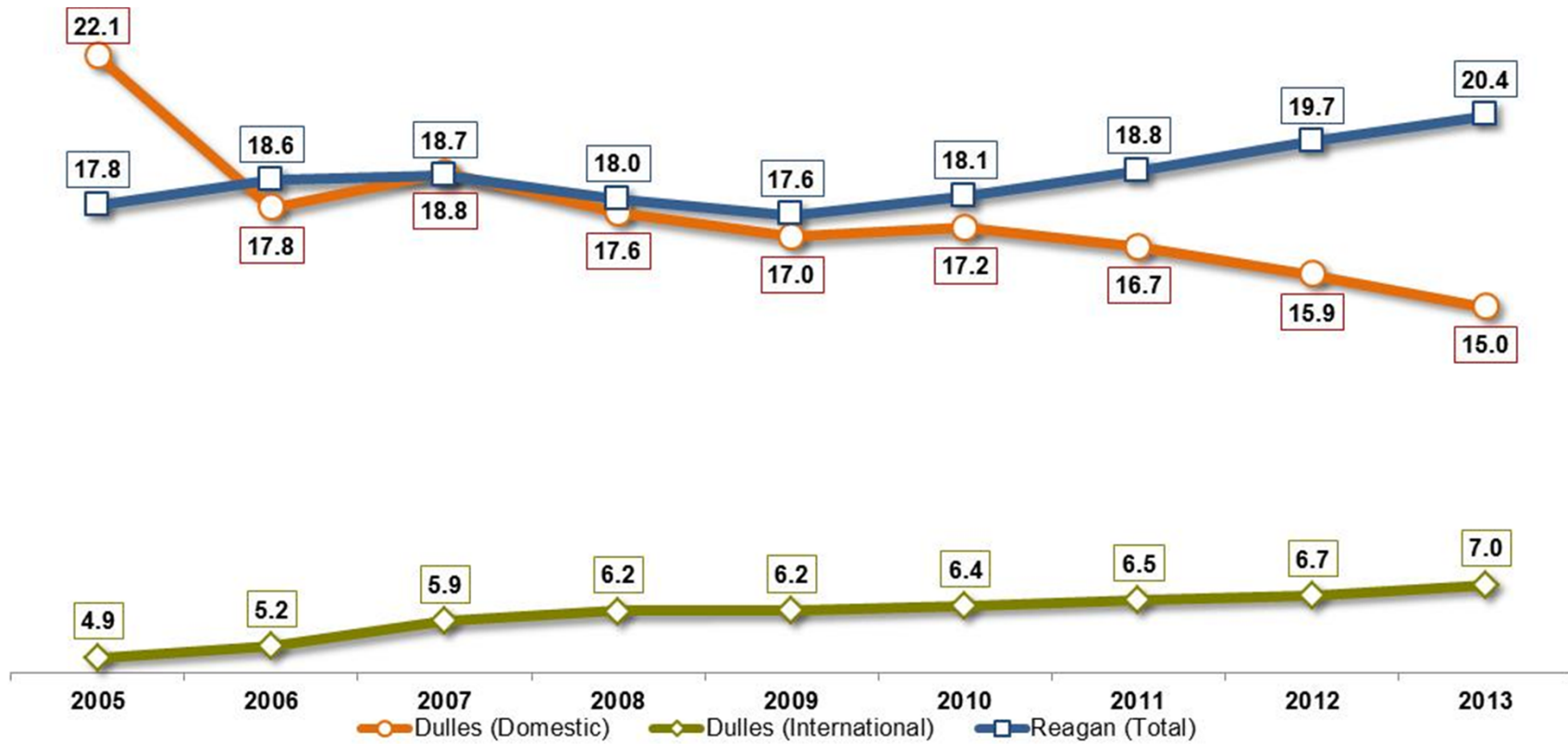# Reagan and Dulles Over 25 Years
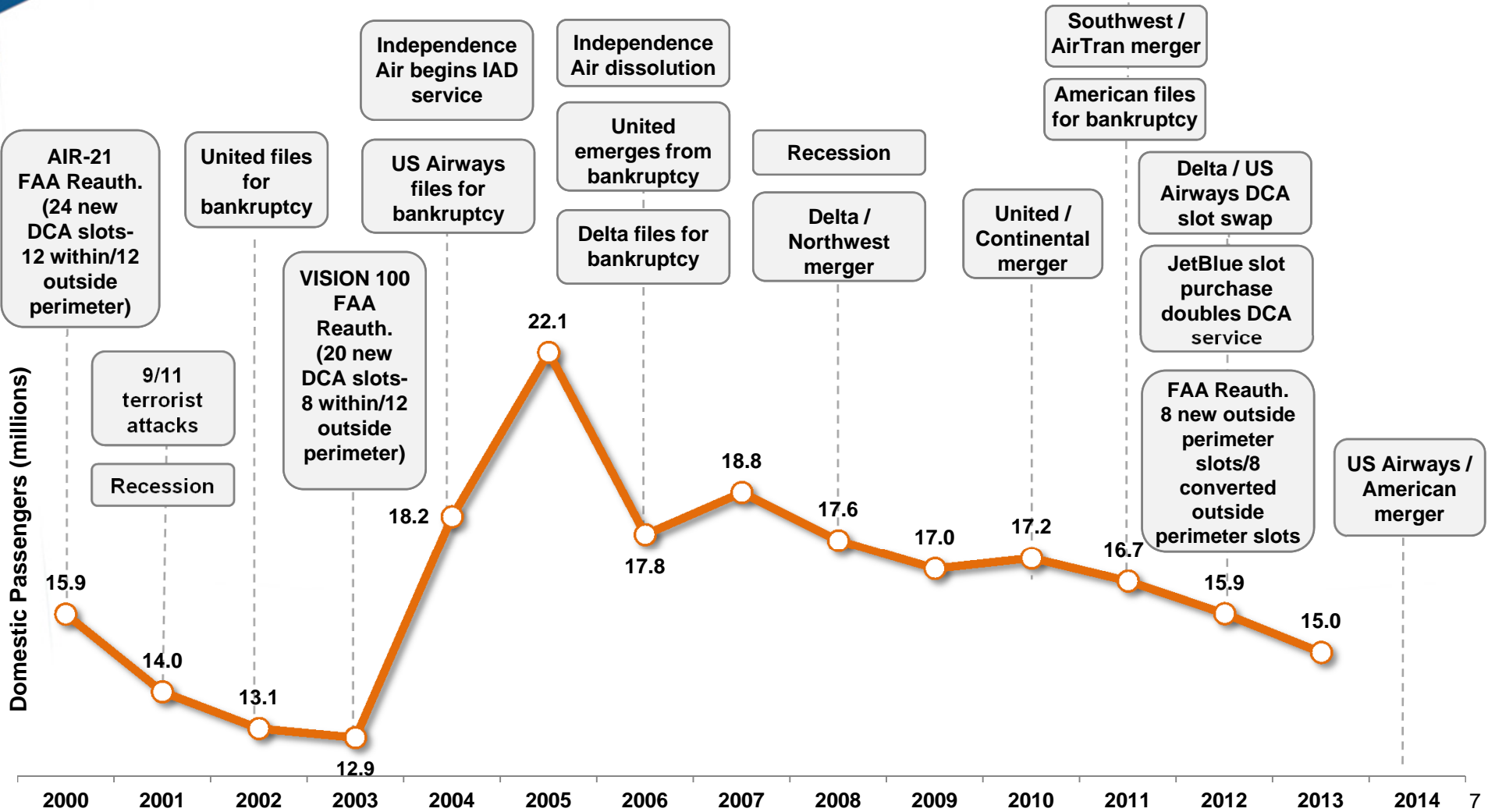
Total Passenger Activity
(Millions)
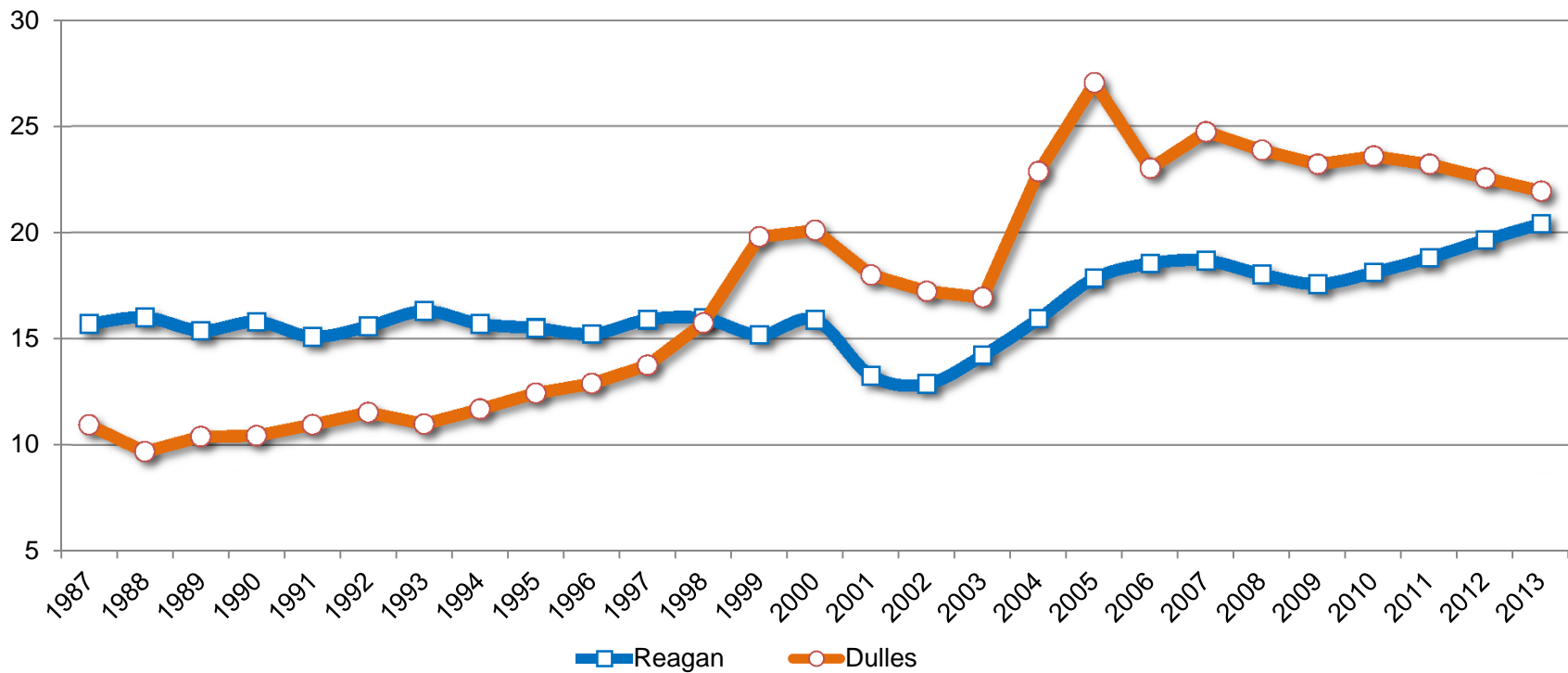
Passenger Activity
(In Millions)

Slot Changes and Commercial Transactions Have Tipped the Two Airport Balance

Southwest / AirTran merger

American files for bankruptcy

Independence Air begins IAD service

Independence Air dissolution

United emerges from bankruptcy

Recession

AIR-21 FAA Reauth. (24 new DCA slots-12 within/12 outside perimeter)

United files for bankruptcy

US Airways files for bankruptcy

Delta files for bankruptcy

Delta / Northwest merger

United / Continental merger

Delta / US Airways DCA slot swap

9/11 terrorist attacks

VISION 100 FAA Reauth. (20 new DCA slots-8 within/12 outside perimeter)

JetBlue slot purchase doubles DCA service

Recession

FAA Reauth. 8 new outside perimeter slots/8 converted outside perimeter slots

US Airways / American merger

Domestic Passengers (millions)

22.1
18.8
18.2
17.8
17.6
17.0
17.2
16.7
15.9
15.9
14.0
13.1
12.9
15.0

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

Dulles: Poised for Growth

- Dulles planned for long haul, international traffic and growth

- $5 billion capital infrastructure investment to position Dulles market
  - Aerotrain
  - Fourth Runway
  - New security mezzanine
  - International Arrivals Building expansion
  - New baggage handling
  - Additional parking

- Additional DCA Slots and Beyond Perimeter flights draw domestic traffic from IAD

- International service relies upon diverse domestic flight activity

Reagan: Hitting Record Levels, and Growing

- Now a hub, intended to be origin/destination airport:
  - More connecting passengers
  - Must exit security and be re-screened, or take a bus
    - Causes a problem if connection is closely timed
    - An imperfect "solution"

- Facility at capacity – additional capital investments must be made:
  - Aircraft Gates / holdrooms
  - Reconfigured Passenger Screening Areas
  - Public parking

Current and Ongoing Issues

Ground Access and Interconnectivity Critical to Region's Airports

- Silver Line open to Wiehle Ave
  - Express bus from Wiehle Ave to IAD
  - Phase 2 to Airport and Loudoun – forecasted for 2018 completion
  - TIFIA loan secured; Dulles Toll Road rates frozen through 2018

- Beltway Congestion Must be Addressed

- South and West Access to IAD
 - Bi-County Parkway

- New River Crossings

Processing Challenges at International Ports of Entry

- POTUS directives
  - May 2012: Achieve 100 million visitors by 2021
  - May 2014: Enhance international arrivals process

- Facilities & Technology
  - Global Entry
  - Coming soon: Automated Passport Control
  - December 2015: Mobile Entry App for smartphone

- Staffing
  - 2014 DHS Appropriations bill: 40 more CBP officers at Dulles
  - Need for more queue management staffing

Airport Infrastructure Financing Challenges

2014-2016 – Estimated Capital Expenditures $358.5 Million
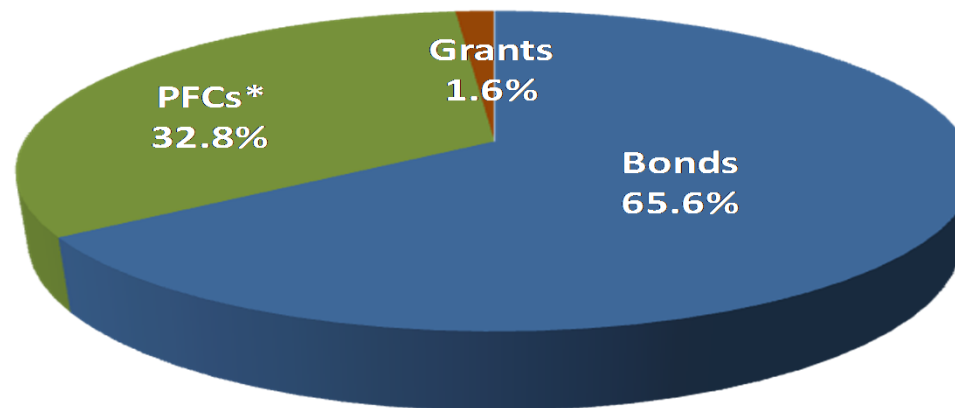
- Funded from:
  - Bond proceeds
  - Passenger Facility Charges (PFCs)
  - Grants

Includes Contribution to Dulles Metrorail

Restore Balance in the Two Airport System

- Priorities:
  - Maintaining Slots / Perimeter Rules
  - Funding infrastructure to accommodate growth – Increase PFC from $4.50 to $8.50, with inflation index

- FAA Authorization expires September 30, 2015
  - Seeking support from MWCOG and Stakeholders early 2015

- Other Efforts:
  - Improving access to Airports
  - Completing Silver Line