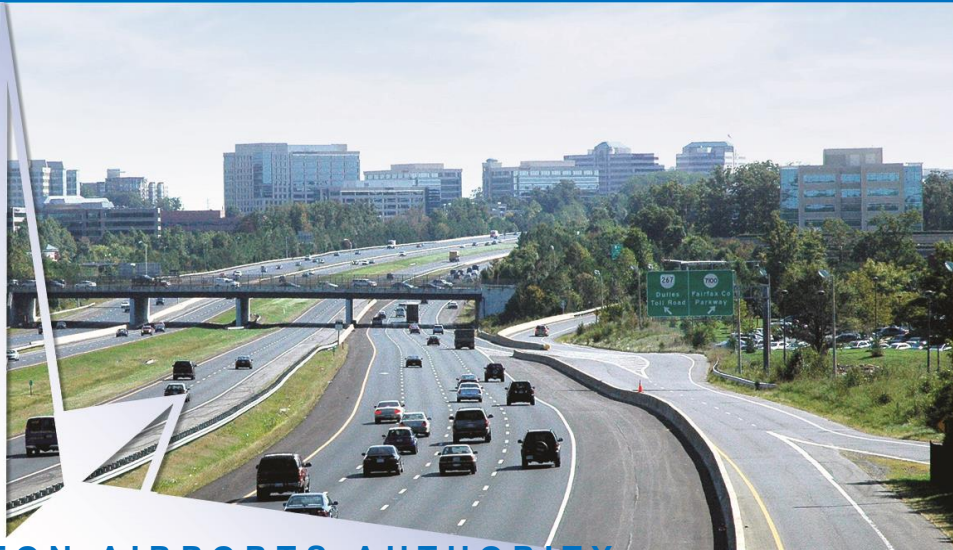


Aviation Update for Metropolitan Washington Council Of Governments



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



October 8, 2014



Reagan and Dulles are an Economic Engine for the Region

- 2012 Economic Impact Study finds that MWAA supports the metropolitan Washington region:
 - 4.5 percent of regional GDP
 - 387,000 jobs
 - \$15 billion labor income
 - \$3 billion taxes
 - \$21 billion business revenue
- One example - an international traveler will spend \$3,300 per person, per trip to the region

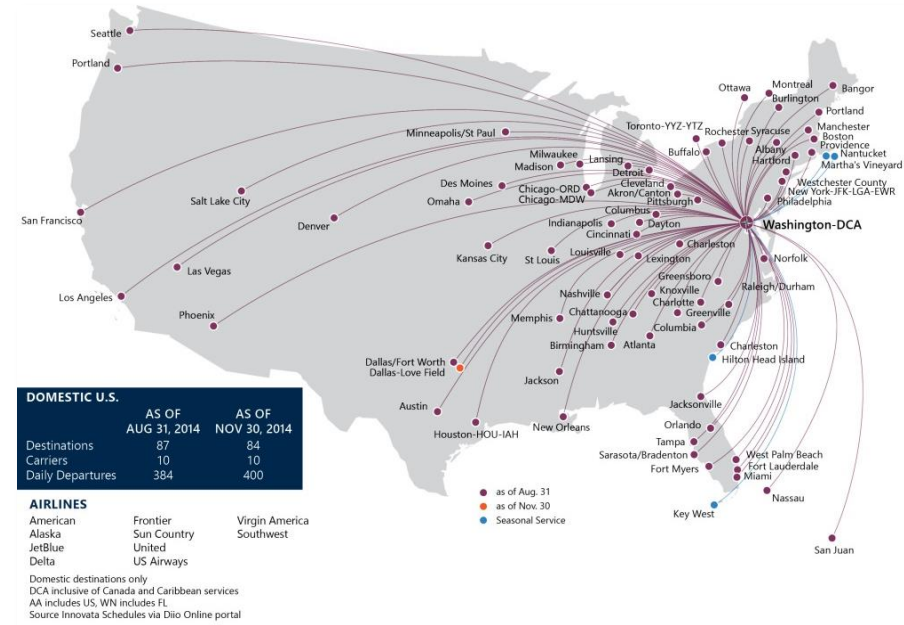
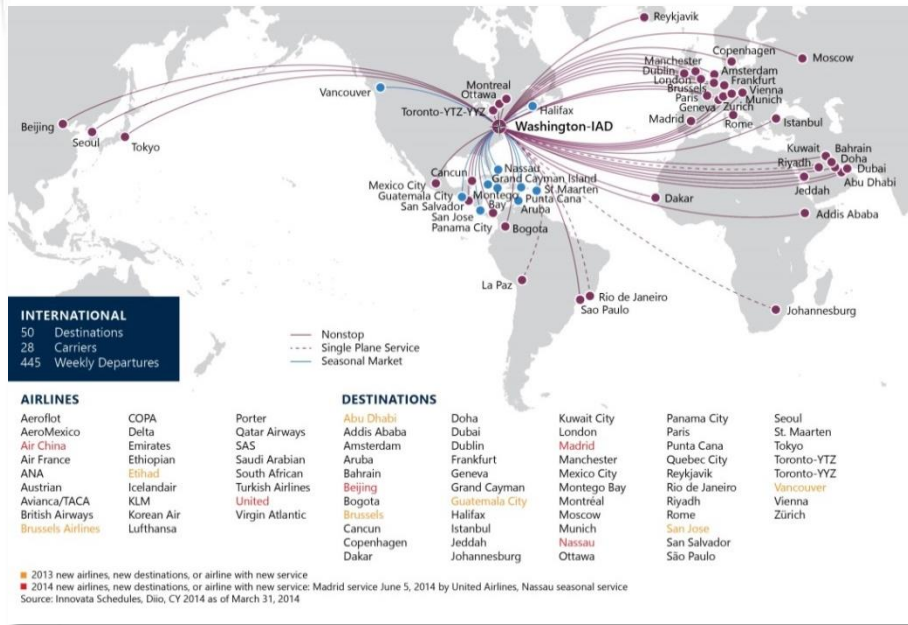
Original Plan: A Balanced Airport System

- 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





Dulles as the Growth Airport



Dulles:

- Long-haul
- International

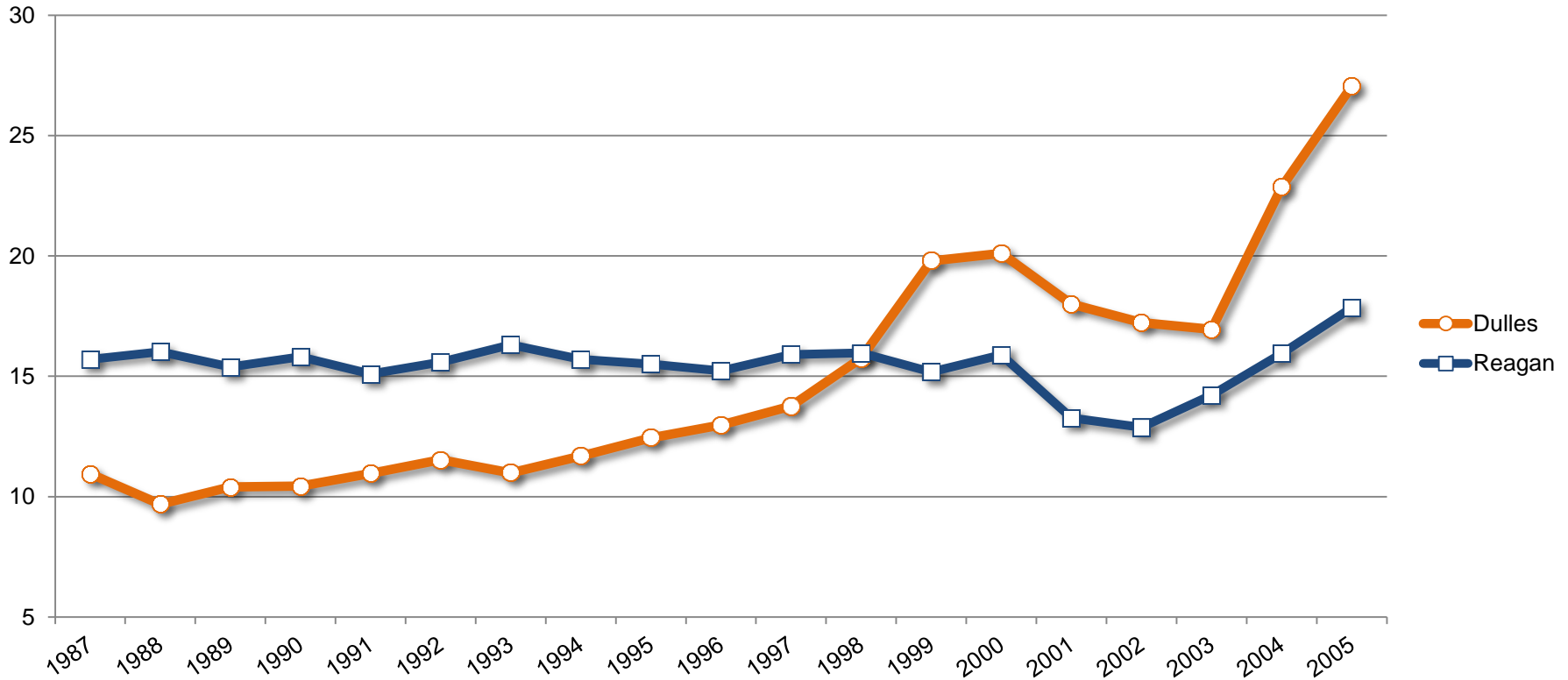
Reagan:

- Perimeter constrained: Short-haul
- Origin / Destination



For Over Two Decades, The Plan Worked

Total Passenger Activity
(Millions)



Dulles: \$5 Billion Invested for Growth



Updated baggage system



Expanded International Arrivals Building

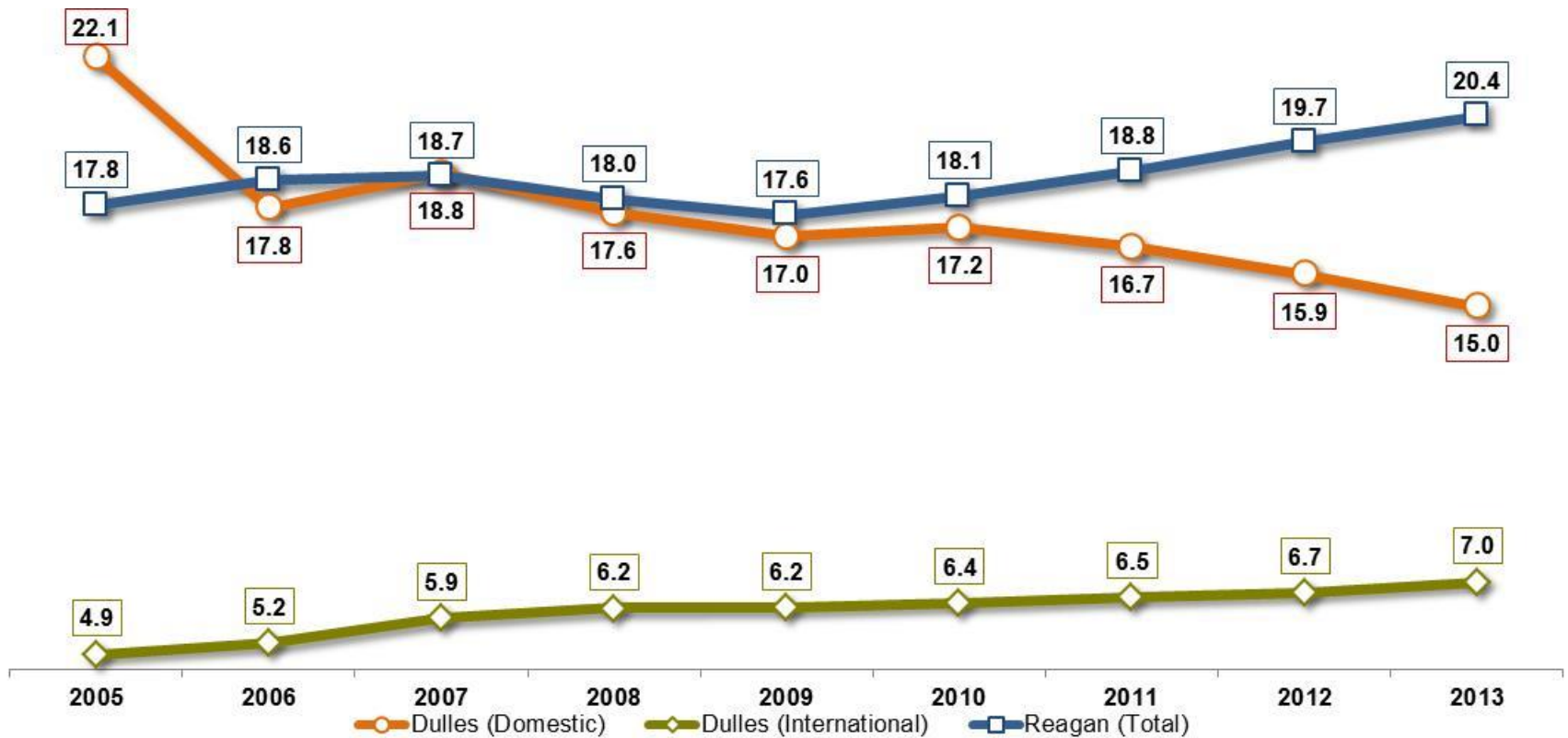


AeroTrain System



4th Runway

Result: Reagan Surpassing Dulles Domestic Traffic (In Millions)





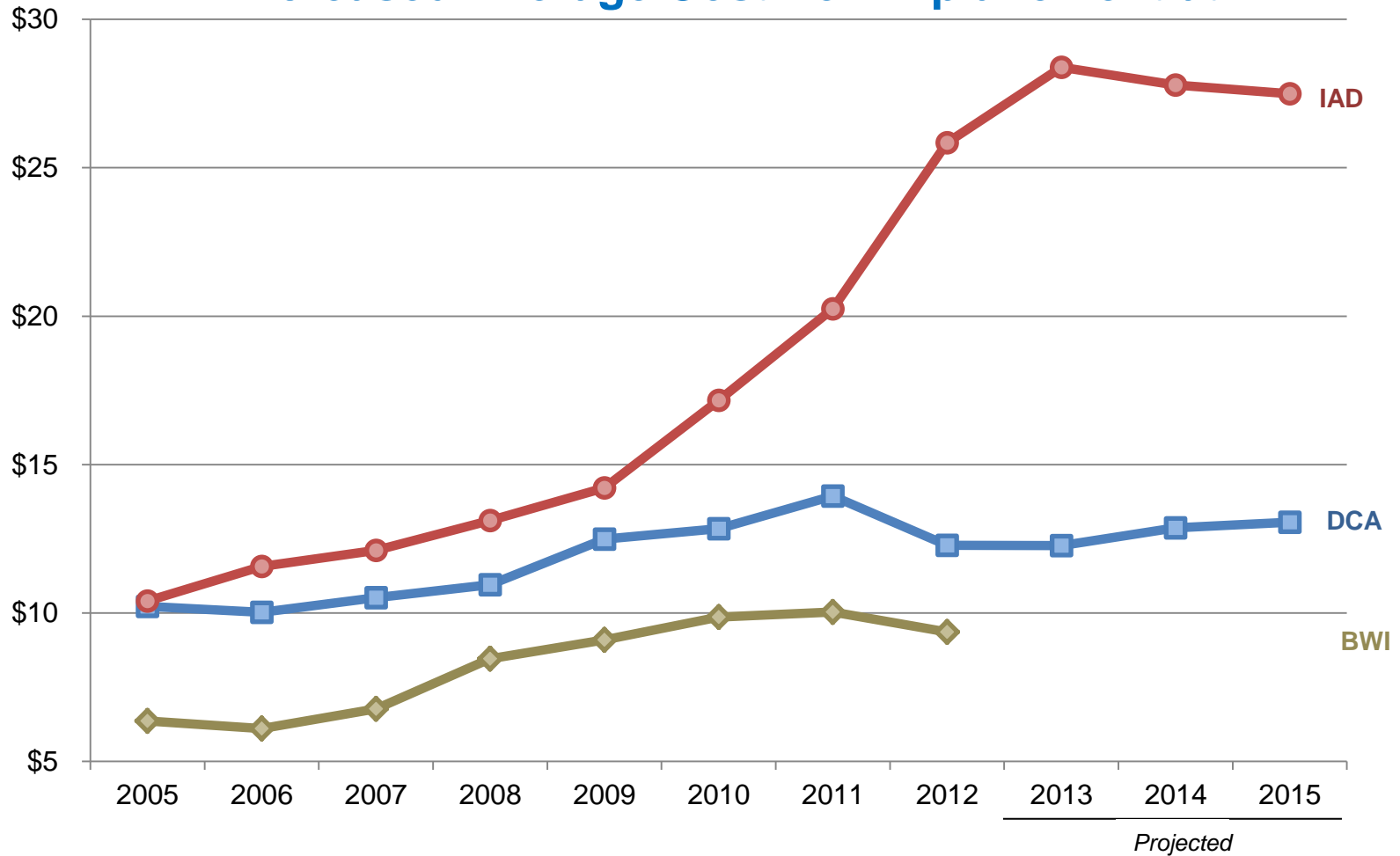
Result: Cost Per Enplanement

- Steady international growth and strong domestic passenger growth at the turn of the century resulted in \$5 billion capital investment in Dulles infrastructure (can handle ~ 40 million passengers with today's configuration)
- To pay for debt, and loss of airline passengers, landing fees and terminal rents have risen significantly
- As a result, average Airline Cost per Enplaned Passenger (CPE) at Dulles has been rising, which negatively impacts the airport's competitive position

$$\text{CPE} = \frac{\text{Total airport charges (\$) to Airlines}}{\text{Number (\#) of Enplaned Passengers}}$$



Mature Capital Program and Limited Activity Growth Has Increased Average Cost Per Enplanement at IAD





Reagan Poised to Overtake Dulles, BWI Enplanements

- Reagan National had an all-time record 20.4 million passengers in 2013
- As many as 2 million additional passengers expected annually by 2015
 - Result of US Airways / American Airlines merger



The Changing Face of Reagan National

- 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”
- More passengers per flight
- Facility at capacity – additional capital investments must be made:
 - Commuter Gates
 - Holdrooms
 - Passenger Screening
 - Parking



Current and Ongoing Priorities

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

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
- Road Access to Dulles Airport
 - South and West
 - East





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





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