

A legacy of regional cooperation, a commitment to a vibrant future

MEMORANDUM

DATE: June 13, 2007
TO: COG Board of Directors
FROM: Rob Krupicka, Chair
Aviation Policy Committee
SUBJECT: Update on Congressional Proposals to Change the
Slot and Perimeter Rule at Reagan National Airport

Recommendation

It is recommended that the COG Board of Directors reaffirm its position in opposition to additional slots and perimeter rule changes at Reagan Washington National Airport. Resolution R26-07 also encourages a broader communication effort to area elected and appointed officials on the importance of this issue the region. (Resolution attached)

Introduction

The purpose of this memorandum is to brief you on recent proposed changes to the slot and perimeter rule at Reagan Washington National Airport. The slot and perimeter rule has been a very important tool in managing the volume of air traffic at National Airport and balancing the economic viability of the region's three local airports--National, Dulles and Baltimore-Washington International (BWI). According to the original FAA regulations, the number of takeoffs and landing at Reagan Washington National Airport was restricted to 60 per hour. Concurrently, the perimeter rule ensures that flights into Reagan National come from airports within a 1,250-mile radius and longer distance flights are directed to Dulles and BWI.

Over the past weeks, various proposals were introduced in the U. S. Senate to increase the number of slots at Reagan National Airport and on an exception basis outside the 1,250 non-stop perimeter rules. These proposals are being offered as amendments to the Federal Aviation Reauthorization Act of 2007. The slot and perimeter rule have been very important tools in managing the volume of air traffic at National Airport and balancing the economic viability of the region's three airports – National, Dulles, and BWI.

The Metropolitan Washington Council of Governments is on record opposing Federal interference with the management of regional issues. The Metropolitan Washington Airports Authority was established to ensure the viability of National and Dulles Airports while not compromising the quality of life in our local communities.

Background¹

Reagan Washington National Airport was built by the federal government and opened on June 16, 1941, on the western bank of the Potomac River, across from Washington, D.C. Reagan Washington National currently has three runways and two terminals with a total of 44 gates or passenger loading ramps for use by air carriers.

*District of Columbia
Bladensburg*
Bowie
College Park
Frederick
Frederick County
Gaithersburg
Greenbelt
Montgomery County
Prince George's County
Rockville
Takoma Park
Alexandria
Arlington County
Fairfax
Fairfax County
Falls Church
Loudoun County
Manassas
Manassas Park
Prince William County
Adjunct member

The airport currently handles 400 daily departures to 75 cities, offered by 20 different airlines (this includes commuter airlines, which operate solely for the major carriers). Terminal A, the original terminal, has 9 gates, and Terminal B/C, which opened in 1997, has 35 gates, 100 ticket counters, and 12 baggage claim areas. In 2005, 17.8 million passengers used Reagan National. The airline with the largest number of flights at Reagan National is US Airways, which controls 44 percent of the commercial slots. The next largest operators are Delta Airlines and American Airlines, which have 14 percent of the commercial slots each. During 2005, these three airlines together accounted for nearly 60 percent of total passenger enplanements at the airport.

In 1969, FAA applied special air traffic rules to certain airports facing increasing delays and congestion that it designated as *high-density airports*: Chicago-O'Hare; New York's LaGuardia and Kennedy; Newark, New Jersey; and Reagan National (DOT dropped Newark's designation as a high-density airport in October 1970). Because of the restricted number of allowable flights, these airports are generally known as slot-controlled, and the special air traffic rules governing the allowable number of flights are referred to as slot rules, or high-density rules.

The number of hourly slots at Reagan National is controlled by the federal government. Since 1969, the federal government has restricted the number of commercial takeoffs and landings at Reagan National. Currently, the number allowed is 48 per hour: 37 for air carriers and 11 for commuter aircraft. Table 1 shows the number of slots per hour by type of aircraft permitted under the slot rule. FAA authorizes general aviation or unscheduled aircraft to make an additional 12 takeoffs or landings during each hour for a total of 60 slots per hour.

Table 1: Slots Per Hour by Carrier

Type	Slots per hour
Air carrier	37
Commuter	11
General aviation/unscheduled	12
Total	60

A *perimeter rule* has been in place at Reagan National since May 1966 restricting airlines from operating nonstop flights between Reagan National and airports further than a specified distance. The FAA previously had concerns that allowing long-range jets to fly into Reagan National would create a noise problem and hamper growth of the newly built Dulles International Airport. As a result, with the airlines agreeing, the Civil Aeronautics Board approved a 650-mile perimeter, with exceptions of seven cities between 650 and 1,000 miles away that enjoyed grandfather status as of December 1, 1965.

In 1986, the Congress codified the slot and perimeter rules into federal statute as part of the Metropolitan Washington Airports Act of 1986. The act led to the transfer of authority over Reagan National and Dulles from the federal government to the Metropolitan Washington Airports Authority and set the perimeter at 1,250 miles, which allowed nonstop flights as far as Houston and Dallas.

Two federal statutes enacted in 2000 and 2003 modified the slot and perimeter rules at Reagan National Airport. Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21) and Vision 100 effectively added up to three commercial slots per hour and for the first time designated some slots for flights beyond the 1,250 mile perimeter. AIR-21 and Vision 100, combined, allowed the Secretary of Transportation to award 22 roundtrips, 12 with service to airports beyond the perimeter and 10 with service to airports within the perimeter.

Current Policy Discussion

The COG stated policy on the slot and perimeter rule is that there should be no alteration or tampering with the existing rule. This position has been stated on many occasions during previous legislative

deliberations and administrative attempts to alter or modify the slot and perimeter rule at Reagan Washington National Airport and they are summarized as follows:

1. *The current rules have worked well to manage the airport's available capacity.* Slot rule of 37/hr. air carrier operations and 60/hr. total operations at Reagan Washington National was pivotal to the political consensus among federal, state and local interests in forging the legislation that transferred operation of Regan Washington National and Dulles Airports to MWAA. Local governments continue to view the slot rule as an inviolable part of the compact between the federal, state, and local levels of government and believe the slot rule is critical to the continued environmental acceptability of this centrally located airport.
2. *Flights from National currently operate in harmony with the airport's neighbors.* Twenty-five years ago, the FAA was under court order to produce an operating plan to mitigate environmental impacts on the airport's neighbors. The slot and perimeter rule was a key part of that plan and they have worked well for this purpose.
3. *Currently master planning capacity is based on existing slot and perimeter rule constraints.* When National was rebuilt in the 1990s, it was sized to the limits set by Congress in major part through the High Density and Perimeter Rules. The Reagan Washington National Part 150 Plan, which is still under review by Federal Aviation Administration, was developed using existing high density and slot perimeter for forecasting future operations at the airport.

According to the Washington Airports Task Force, a non-partisan non-profit, Virginia Corporation dedicated to promoting the expansion and enhancement of aviation services for Virginia and the National Capital region, the initiative for change is coming from airlines seeking to gain a competitive advantage. The desire for change is not being driven by market demand. For example, Senator Cantwell is being encouraged by Alaska Airlines, and Senator McCain's much worse proposals are in response to US Airways, now based in Arizona. Reportedly, Delta also would like some changes, but so far has found no congressional sponsor.

Legislators seeking change inevitably argue that the air transport industry has evolved since the rules originally became part of federal code, and the rules now need to evolve as well.

It is true that the air transport industry has evolved. As a result, it can be argued that the perimeter rule is no longer required to balance service with Dulles and BWI. However, the rules are still required to manage the airport's capacity – which has not changed – and sustain a balance with the community. The concern has always been that additional slots added in the early morning and late night hours would provide added stress to an already challenged environment.

In addition, the Washington Task Force believes that long distance flights to destination beyond the perimeter generate significantly more revenue for an airline than do the shorter flights within the perimeter. Secondly, approximately 70% of all Congressional districts are within the perimeter. Therefore, if perimeter restrictions are lifted, economics drive the airlines to apply the slots to transcontinental flights and Congressmen within the perimeter are led to argue for more slots in order to restore service for their constituencies.

Finally, the most significant impact of an increase in slots at Reagan Washington National Airport will most likely be seen on the landside infrastructure. The MWAA notes that an increase of four slots, for example, could result in 400 more passengers, and perhaps 500 passengers an hour. This would place stress upon the existing parking and gate infrastructure.