ITEM 13 - Information
October 15, 2014

Briefing on the 2013 Regional Air Passenger Survey

Staff Recommendation: Receive briefing on the findings of the 2013 Washington-Baltimore Regional Air Passenger Survey at BWI, Reagan National, and Dulles airports and related issues.

Issues: None

Background: The survey covers geographic patterns of airport use, mode of access to the airports, originating air passengers by jurisdiction, and departures by time-of-day. It was conducted under the Continuous Airport System Planning Program.

MEMORANDUM

To: Transportation Planning Board

From: Richard I. Roisman, AICP
        Senior Transportation Planner

Date: October 9, 2014

RE: Background for Agenda Item #13 – Briefing on the 2013 Air Passenger Survey

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At its October 15, 2014 meeting, the TPB will receive a briefing on the results of the 2013 Washington-Baltimore Regional Air Passenger Survey. The survey, performed every two years, provides the data foundation for other activities completed under the Continuous Airport System Planning (CASP) Program. Staff has prepared this memorandum for inclusion in the mail-out packet to provide Board members with background information on the CASP Program and the 2013 Air Passenger Survey, its linkage to the TPB Vision and RTPP Goals, and recent actions by the COG Board of Directors on airport related issues.

The CASP Program

CASP has been part of the TPB work program since 1978. Funding for the program comes from the Federal Aviation Administration (FAA). These funds are used for air systems planning in the Washington-Baltimore region, which extends beyond the traditional TPB planning area and includes all three commercial service airports in the combined region: Ronald Reagan Washington National Airport (DCA), Washington Dulles International Airport (IAD), and Baltimore-Washington International Thurgood Marshall Airport (BWI [see shaded area of Figure 1, attached]).

The CASP Program provides a process that supports the planning, development and operation of airport facilities and the ground transportation facilities that serve the region's commercial airports in a systematic framework. This program is developed, implemented and monitored with the assistance of the Aviation Technical Subcommittee of the TPB Technical Committee. The Subcommittee is composed of representatives from the District Department of Transportation, the Metropolitan Washington Airports Authority (the owner and operator of both DCA and IAD), the Maryland Aviation Administration of the Maryland Department of Transportation (MAA, the owner and operator of BWI), as well as a representative from FAA and the Virginia Department of Aviation. While the primary focus of the CASP program is on our three commercial regional airports, smaller airports are represented on the Subcommittee by staff from the City of Frederick and City of Manassas, both of which operate general aviation airports in their respective cities. In addition to program oversight, the subcommittee is responsible for the integration of airport system planning with the regional transportation planning process.

The CASP airport system planning process consists of a continuous cycle that begins with a regional air passenger survey. The survey has been performed periodically since 1981 and since 2005 has been performed every two (2) years. The 2013 survey is the eleventh in the series. The results from the survey are then used with data from the FAA to develop forecasts of future air passenger travel and the ground

travel of these air passengers to and from the region's three commercial airports. These forecasts are then integrated with the regional travel demand forecasting model, and in turn lead to the development of a revised airport ground access plan for the region. The issues identified in the revised airport ground access plan are then integrated into the next update of the TPB's regional Constrained Long Range Plan.

In addition to the continuous planning cycle described above, periodically the CASP program also includes a regional analysis of air cargo and a study of highway travel times from regional activity centers to the three commercial airports. The air cargo element of the CASP program was last updated in 2008 and is currently in the process of being updated. The ground access travel time study was last updated in 2011 using GPS probe vehicle data collection, and is expected to be updated again next year and then every two years going forward using data from the I-95 Vehicle Probe Project ("INRIX data").

The Washington-Baltimore Regional Air Passenger Survey

The Regional Air Passenger Survey is conducted simultaneously at the three regional commercial service airports: Ronald Reagan Washington National Airport (DCA), Washington Dulles International Airport (IAD), and Baltimore-Washington International Thurgood Marshall Airport (BWI). The administration of the survey and a portion of the follow-up processing and analysis are directly funded by the airport operators: two-thirds by MWAA and one-third by BWI. The remainder of the survey analysis is funded under the annual FAA grant that supports the other aspects of the CASP program.

This survey is an at-gate survey of departing passengers on a random sample of domestic and international flights and is typically conducted during a two-week period in mid-to-late October. All passengers age 16 and older are asked to complete a survey questionnaire. For the 2013 survey, which was conducted from October 9th through October 22nd, the sample consisted of 673 flights (592 domestic and 81 international) representing approximately 69,000 enplanements (boardings). Approximately 24,700 passengers participated in the survey, a response rate of 36 percent. The survey results are annualized to observed annual passengers for calendar year 2013.

The survey questionnaire, which only takes a few minutes to complete, contains questions about how the passenger traveled to the airport, from where and what time they began their trip to the airport, the purpose of their air travel, why they chose a particular airport, and basic demographic information such as location of residence, household size, age, and household income. Additional survey questions cover visitors to the area and use of ticketing and baggage services. In 2013 an on-line survey option was introduced for the first time along with the long-standing option of mailing back a completed survey in a pre-paid envelope.

The 2013 survey results show that while regionally air passenger enplanements have not changed significantly since the last survey conducted in 2011, enplanements have decreased at IAD and BWI and increased at DCA. Most of the enplanements are passengers beginning their trip at one of the three airports rather than connecting from another flight; these passengers access the airport using the regional ground transportation network. Most of these locally originating passengers begin their trip to the airport at home, and most of them use a private car or rental car to get to the airport. Some of these characteristics vary between the three regional airports, and the presentation on the 15th will discuss some of these important differences.

The Three Airport Regional System and Linkage to TPB Goals

The three commercial airports have a significant impact on the economy of the Washington-Baltimore air system region, generating nearly $50 Billion in annual revenues and supporting 500,000 jobs. The TPB has emphasized the importance of airports to the regional transportation system by including continued airport access as a goal in the TPB Vision adopted in 1998; Vision Goal 8 states: "The Washington Metropolitan Region will support options for **international and interregional travel and commerce** (emphasis in original)." In addition, Goal 6 of the Regional Transportation Priorities Plan (RTPP) adopted by the TPB in January is to "support inter-regional and international travel and commerce" and notes that "travel times to and from our airports are becoming less reliable for people and goods movement." Several of the strategies outlined in the RTPP benefit the airports, particularly those that improve ground access via the regional highway and transit networks.

Our region greatly benefits from having access to the three major commercial service airports named and shown in Figure 1, all three of which are in the top 25 busiest airports in the United States based on 2013 data from the Federal Aviation Administration (FAA). New York is the only other region that falls into this category. The regional three airport system serves both air passengers and air cargo and is accessed by a multimodal surface transportation system.

Historically, each facility in the three airport regional system has served a distinct market. BWI is the primary airport for the Baltimore area and serves the northeastern portion of the Washington area, particularly eastern Montgomery County and northern Prince George's County. It is the region's main airport for low cost air carriers due to the presence of Southwest Airlines, which began service at BWI in 1993 and now following its acquisition of AirTran Airways has just under 71% of the market share at BWI, based on the most recently available data (July 2014).

DCA is the most accessible airport to the core areas of the District of Columbia and Arlington County and is frequently accessed by business travelers and visitors to the area, not only via the roadway network but also through its Metrorail station on the Yellow and Blue Lines. Based on the 2013 air passenger survey, 15% of locally originating air passengers traveled to DCA using Metrorail, which is among the highest percentages in the country. DCA is the region's airport for traditional short haul domestic flights. Combined, American and US Airways (who merged in December 2013) have slightly less than 56% of the market share at DCA. That share has been shrinking as a result of takeoff and landing slot divestitures that were conditions of Federal approval of the merger. The divested slots have been picked up by low-cost carriers such as Southwest, Virgin America, and JetBlue.

IAD is the region's international air gateway and also the airport for long-haul domestic flights to the West Coast of the U.S. and other Western destinations such as Las Vegas, Salt Lake City, Denver, and Phoenix. Dulles currently provides service to 50 international destinations with 28 carriers, including daily non-stop service to Bejing, Abu Dhabi, Dubai, Doha, Frankfurt, Johannesburg, Istanbul, Singapore, Tokyo Narita, and Seoul Inchon. IAD is also one of nine airports in North America that is currently served by the Airbus A380, the world's largest passenger aircraft. A380 service is currently available several times a week on Air France's daily nonstop service to Paris Charles de Gaulle, and daily A380 service on British Airways to London Heathrow began on October 2nd. United Airlines, which operates both domestic and international service out of IAD, has 64% of the market at IAD. Frontier Airlines, which is rebranding itself as a low-cost carrier, began service from IAD on August 19th and currently serves 17 cities.

The three regional airports need to be considered as a single system, and long-standing regional policy seeks a balance within that system. All commercial service airports are highly regulated, but DCA is one of the most highly regulated airports in the country. In addition to the airspace restrictions in place

around the Washington-Baltimore region due to the presence of Federal buildings and aircraft operations (including those transporting the President of the United States), DCA has been subject to the high-density rule or slot rule since that caps the maximum number of takeoffs and landings per hour since 1969, subject to nighttime noise rules since 1981, and the perimeter rule that limits nonstop flights beyond a certain distance from the airport since 1966. These rules were put in place to maintain the system balance, create a safe operating environment, and to mitigate noise issues for neighborhoods in the flight paths of DCA.

It has been the standing policy of the agency since the region's first regional air system plan was undertaken in July 1973 to seek balance in the regional three airport system and to seek a broad, balanced, and integrated perspective on matters relating to airport and aircraft policies. In addition, when DCA and IAD were transferred from Federal operation to the newly-created MWAA in 1987, the U.S. Congress directed that DCA function as the short haul, origin-destination airport and IAD as the long-haul, growth airport. A combination of economic factors, regulatory changes, and changes within the airline industry has been contributing to an imbalance within the system.

Recent Airport-Related Actions by the COG Board of Directors

The COG Board of Directors has also recently examined the three airport regional system as part of its year-long theme on regional infrastructure during 2014. Under the leadership of Matt Letourneau of the Loudoun County Board of Supervisors (R-Dulles District), the 2014 COG Board President who has a particular interest in airport infrastructure, a Regional Airports Forum was held in the COG Board Room on Friday, September 26th. Approximately 25 people from the airports and the region's economic development and business communities attended the two hour forum, including several members of the TPB Technical Committee. At the forum, David Mould, Vice-President for Communications for MWAA, and James Walsh, Deputy Executive Director and Chief Financial Officer for BWI presented information on their airports' infrastructure investments; COG staff presented the results of the results of the 2013 Washington-Baltimore Regional Air Passenger Survey. The COG Board of Directors then received a briefing on regional airports infrastructure at its meeting on October 8th that included a brief presentation from staff on the results of the 2013 Washington-Baltimore Regional Air Passenger Survey and longer presentations from MWAA Chief Executive Officer Jack Potter and BWI Chief Executive Officer Paul Wiedefeld.

The presentations from the airports' CEOs at the October 8th COG Board meeting indicated that the airport operators share many common interests; in particular, maintaining the appropriate balance of airport utilization within the regional three airport system, encouraging growth at the airports where capacity exists for expansion and significant investment has been made in anticipation of forecast growth, and ensuring that sufficient funds are available to continue investment in maintenance and expansion of our regional airport infrastructure.

A key message from the airports operators at both the September 26th Forum and the COG Board meeting on October 8th was that the region's airport operators would be seeking COG Board action reaffirming their opposition to additional slots and perimeter exceptions at DCA during the development of the next FAA bill. The current FAA authorization expires on September 30th, 2015. The COG Board has periodically passed resolutions articulating specific policy positions with regard to the three airport regional system. The most recent such action by the Board with regard to our region's airports was Resolution R33-08, which was adopted on June 11, 2008. This resolution reaffirmed the Board's opposition to additional slots and perimeter changes at DCA. Additional slots and perimeter exceptions have been added at DCA since this resolution was adopted, most recently during the last FAA reauthorization in 2012.

A resolution adopted by the COG Board at its meeting on October 8th directs staff to continue research on the above issues and report back to the Board in early 2015, with the intent to have the Board consider a resolution and position on FAA reauthorization at that time. The resolution also directs staff to include airport noise in their research on the impacts of further modifications to the slot and perimeter rules at DCA.

In the second key message from the September 26th Forum and October 8th Board meeting, the region's airport operators also indicated that they would be seeking COG Board action regarding changes to the FAA's Passenger Facility Charge (PFC) Program. The PFC program allows the collection of fees up to $4.50 for every boarded passenger at publically-controlled commercial service airports. PFCs are a significant source of infrastructure funding in our regional three airport system, but the cap of $4.50 per passenger has not kept pace with inflation. A national coalition of airports is seeking to have the PFC cap increased to $8.50 per passenger and indexed to inflation as part of the FAA reauthorization. This is an issue on which the COG Board has not previously taken a position, and staff needs more time to conduct research on the impacts of increasing the PFC cap. The adopted October 8th resolution directs staff to conduct further research in coordination with the airports and report back findings to the Board in early 2015.

Figure 1: Washington-Baltimore Air Systems Planning Region