

June 11, 2008

Memorandum

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

The purpose of this memorandum is to brief you on recent proposed changes to the slot and perimeter rule at National Airport and to recommend Board adoption of Resolution R33-08. As noted later in this memorandum, these measures 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 local airports--National, Dulles and Baltimore-Washington International (BWI). In addition, the slot and perimeter rules combined with the flight path rules help limit the community noise impact from the operations of Reagan National.

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. 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 emplacements 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.

¹The GAO recently completed a report on the capacity issue at Reagan Washington National Airport. See full report for additional information, *Update on Capacity to Handle Additional Flights and Impact on Other Area Airports*, Feb. 2007.

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 Discussion

Over the past several weeks, the U. S. Senate has considered legislation to change the slot and perimeter rule at Reagan National. The changes have been proposed in amendments to the FAA Reauthorization bill.(S. 1300) While the bill is currently stalled in the Senate, we understand that parties from outside the region continue to push for changes to either the slots or perimeter rules. Five amendments were offered to the Senate FAA bill before it stalled, including one introduced by Senator Webb that would preserve local control and keep the slots and perimeter rules as they exist today. Senators John Ensign, John McCain, Barbara Boxer, Jon Kyl, Arlen Specter and Tom Coburn would allow airlines that currently use slots at Reagan National to access major hubs within the 1, 250 miles perimeter, to convert those slots into flights serving any airport outside the perimeter. Such action could be considered a de facto elimination to the perimeter rule at Reagan National. Senator Schumer offered an amendment that would add 40 new slots inside the perimeter for a total of 48.

| Sponsor | Legislation | Provision |
|---|--------------------|--|
| Senator Jim Webb | S.AMD. 4596 | No additional slots |
| Senator John Ensign | S.AMD. 4616 | <i>Allow additional flights beyond the perimeter restriction of DCA</i> |
| <i>Senator Kay Bailey Hutchinsor</i> | S.AMD. 4667 | <i>Eases restrictions on four of the beyond Perimeter exemptions specific to service to Texas.</i> |
| Senator John McCain Senator John Ensign Senator Jon Kyl Senator Tom Coburn Senator Arlen Specter Senator Barbara Boxer | S.2783 | <i>Allow additional flights beyond the perimeter restriction of DCA.</i> |
| Senator Schumer | S. AMD.4611 | <i>Authorize 40 additional within perimeter exemptions</i> |
| | | |

As you know, 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). The perimeter rule ensures that flights into National come from airports within a 1,250 mile radius and longer distance flights are directed to 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.

Attached is a copy of a letter sent to Chairman Jay Rockefeller by Senator Jim Webb voices concerns regarding additional changes beyond existing provisions at Reagan Washington National. We are continuing to work closely with the Metropolitan Washington Airports Authority and our Congressional delegation to convey our concerns regarding changes to the slot and perimeter rules at National.

Recommendation

The Board is asked to reaffirm, through Resolution R33-08, its position on additional slots at Reagan National Airport and to continue to express to our congressional delegation and House and Senate transportation leaders your views on this important matter. The Board is also asked to send a letter of commendation to Senator Webb for his leadership on this issue.

Attachments:

- Resolution R33-08
- Letter to Senator Jay Rockefeller from Senator Jim Webb