

Strategic Planning and Development Committee

Air Service Development Information Report

June 2013



New Southwest Air Service at Reagan National



Daily Service to Houston Hobby – August 4

*Service utilizes the two DOT-awarded AIR-21 slots
returned by Spirit Airlines in August 2012.*

American/US Airways Merger Update



- ➔ Plan to merge by Q3 2013 and integrate operations starting 2014 with unified service, marketing, customer experience and facilities' co-locations.
- ➔ Remaining approvals
 - ✓ DOJ is lead agency for federal approvals
 - ✓ Shareholder approval required for deal closing

Largest Impact of AA/US Merger on Washington Airport System is at Reagan National

- ➔ AA/US combined has 68% of daily departures and over 60% of seats serving 77 markets at DCA.
- ➔ Two markets are served by both AA and US at DCA:
 - ✓ Nashville
 - ✓ Raleigh/Durham
- ➔ Analysts have suggested that AA/US slot concentration at DCA may result in required slot divestiture.

American/US Airways Merger Next Steps

- ➔ Await DOJ decision
- ➔ Work with American Airlines and US Airways to accommodate operational and facility requests
- ➔ Staff continue to keep Board informed

New Air Service Developments at Dulles



Etihad – Daily Dulles/Abu Dhabi, UAE – began March 31 - *Increased aircraft size to A340-600 (+50 seats per flight) – June 1*



Brussels Airlines – Dulles/Brussels, Belgium (5x per week) – *Starts June 18*

Air Cargo Industry

- ➔ Leading analysts predict air cargo industry to remain stagnant.
- ➔ Air Cargo is highly dependent on global economy.
- ➔ Perishable air cargo shows strong growth potential.
- ➔ Most Dulles international airlines are showing cargo losses across the board.
- ➔ Middle Eastern carriers are the exception with double digit cargo growth.

Passenger Promotional Activities



UK Sales Mission – April 14-19



- ➔ Dublin, Ireland
- ➔ London, UK
- ➔ Manchester, UK

Passenger Promotional Activities



Chinese Sales Mission – April 22-26



✈ Beijing
✈ Shanghai

Passenger Promotional Activities



United Arab Emirates Sales Mission May 9-15



→ Abu Dhabi
→ Al Ain



Washington, DC Hosting IPW - 2017



U.S. Travel Association's IPW is the travel industry's premier international marketplace and the largest generator of travel to the U.S. - it is NOT a typical trade show. In just three days of intensive pre-scheduled business appointments, more than 1,000 U.S. travel organizations from every region of the USA (representing all industry category components), and more than 1,200 international and domestic buyers from more than 70 countries conduct business negotiations that result in the generation of more than \$3.5 billion in future Visit USA travel. At IPW, buyers and sellers are able to conduct business that would otherwise be generated only through an exhaustive number of around-the-world trips.



Dulles International – We'll Take You Everywhere



- ✈ Radio messages about new flights, new airlines and great opportunities to travel through Dulles.
- ✈ Running around Traffic Reports
- ✈ 20 stations
- ✈ Started May 15th
- ✈ Over 2,000 spots will run by the end of the year