



**Strategic Development  
Committee**

**Air Service Development  
Information Report**

**and**

**Proposed 2015 Annual Air Service Plan**

December 2014

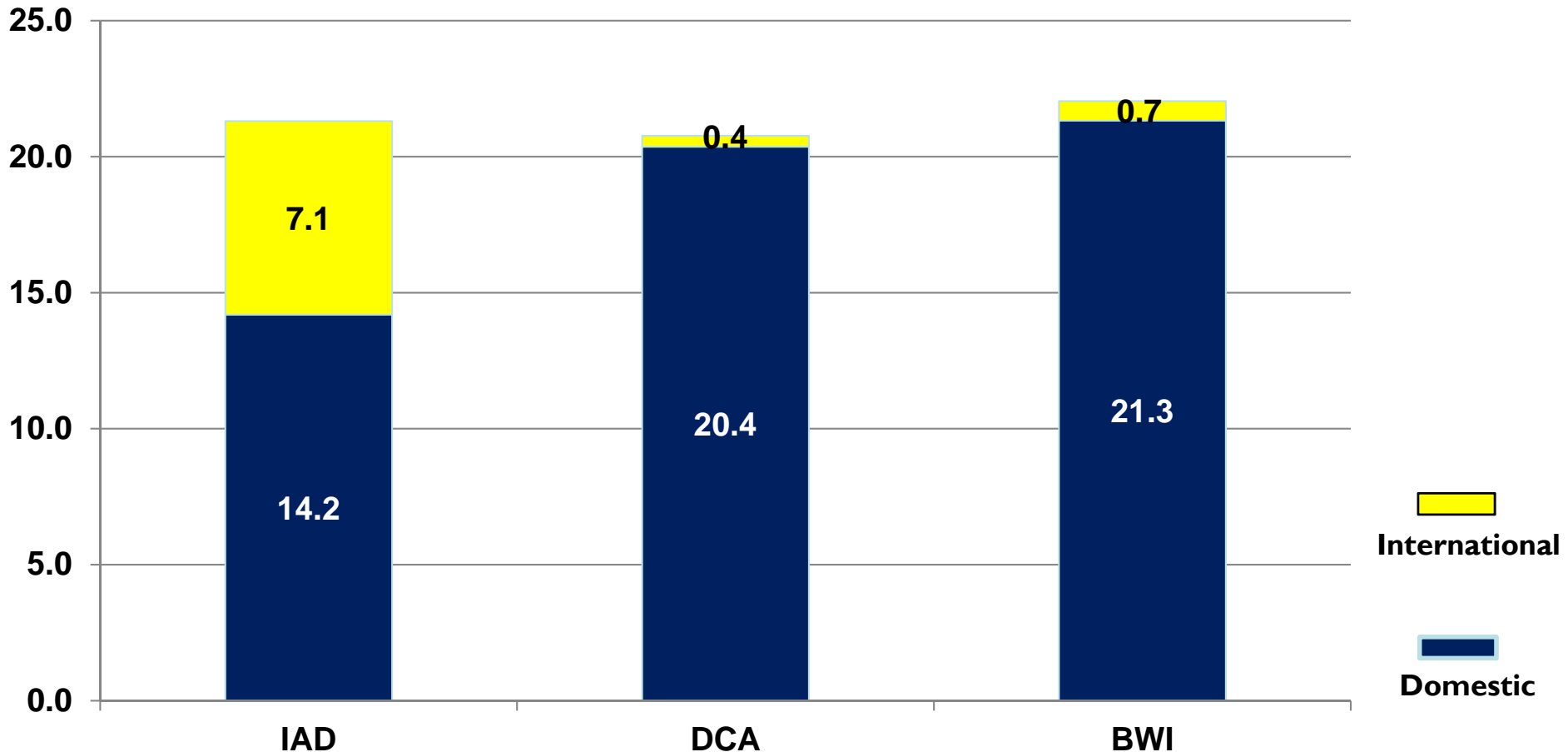
## 2014 Air Service Overview

- ➔ Airlines offered little growth in seat capacity, however, produced overall strong revenues and profits
- ➔ Reagan National is expected to reach an all-time record 20.8 million passengers
- ➔ International air service grew at Dulles International for a seventh straight year
- ➔ Dulles domestic air service declined primarily due to Reagan National drawing flights/passengers from Dulles



# Reagan National & Dulles International Projected to Serve 66% of Region's Passengers

2014 Forecasted Total Domestic and International Passengers by Airport (Millions)



Sources: MWAA forecasts based on MWAA and BWI statistical reports and Diio seat capacity data



## Dulles Attracted New and Expanded Airline Service In 2014



**New Airline**  
Beijing – April

Est. Annualized Revenue = \$2.7M



**New Airline**

Began first phase of ultra low cost  
air service in August expanding to  
17 domestic markets

Est. Annualized Revenue = \$2.2M



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**No Overall Flight Reductions**

New: Las Vegas, San Diego – November

**UNITED**

**New Markets**

Madrid, Spain

June 4 – September 6

Nassau, Bahamas

June 7 – August 17

Est. Annualized Revenue = \$865K



## Reagan National Experienced Seat Capacity Increases in 2014

American Airlines 

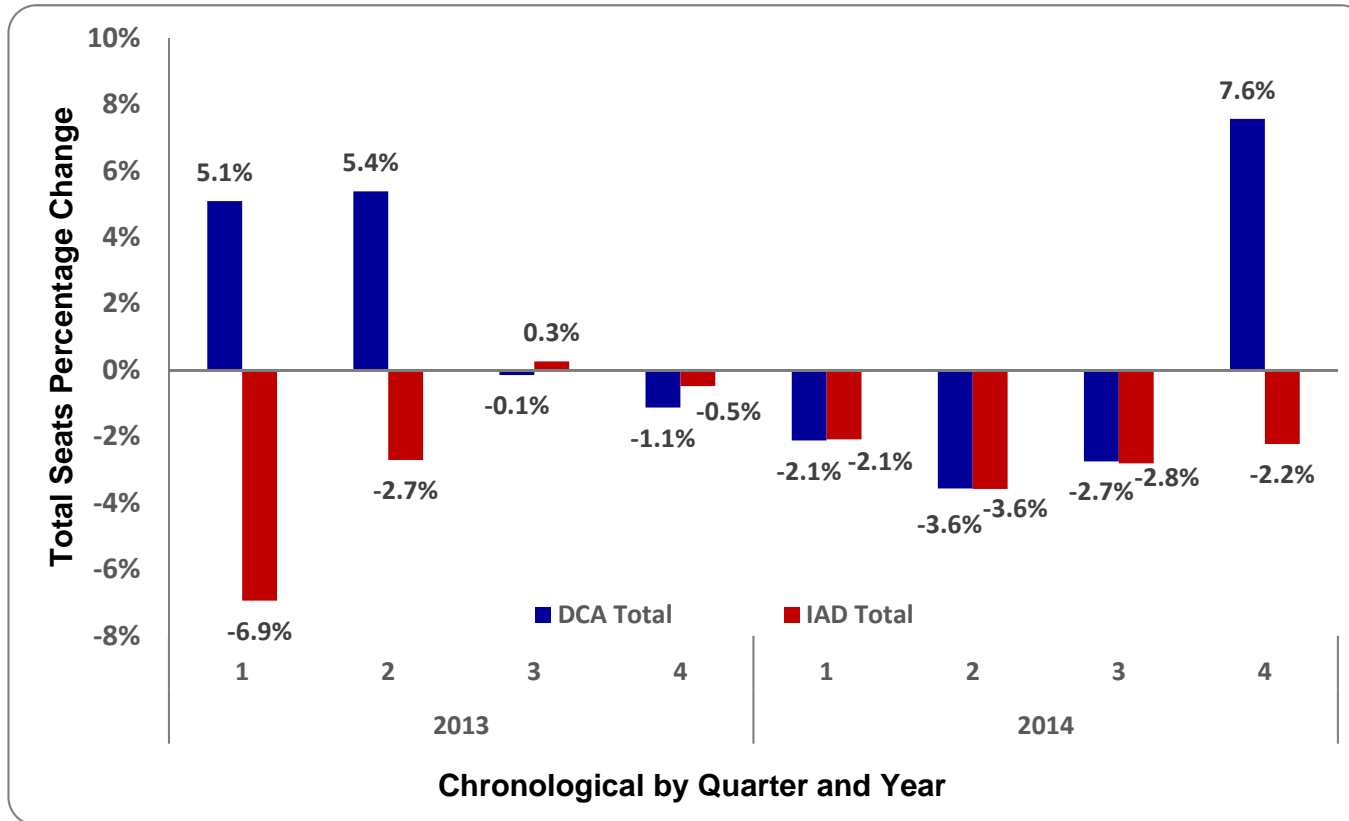
1. DOJ slot divestiture causing airline market share shifts

jetBlue   SOUTHWEST.COM<sup>®</sup> 

2. Low cost carriers increasing market share
3. DCA Airlines using larger aircraft to maximize slot usage



## DCA Slot Ownership Changes Have Impacted Seat Capacity at Both Airports



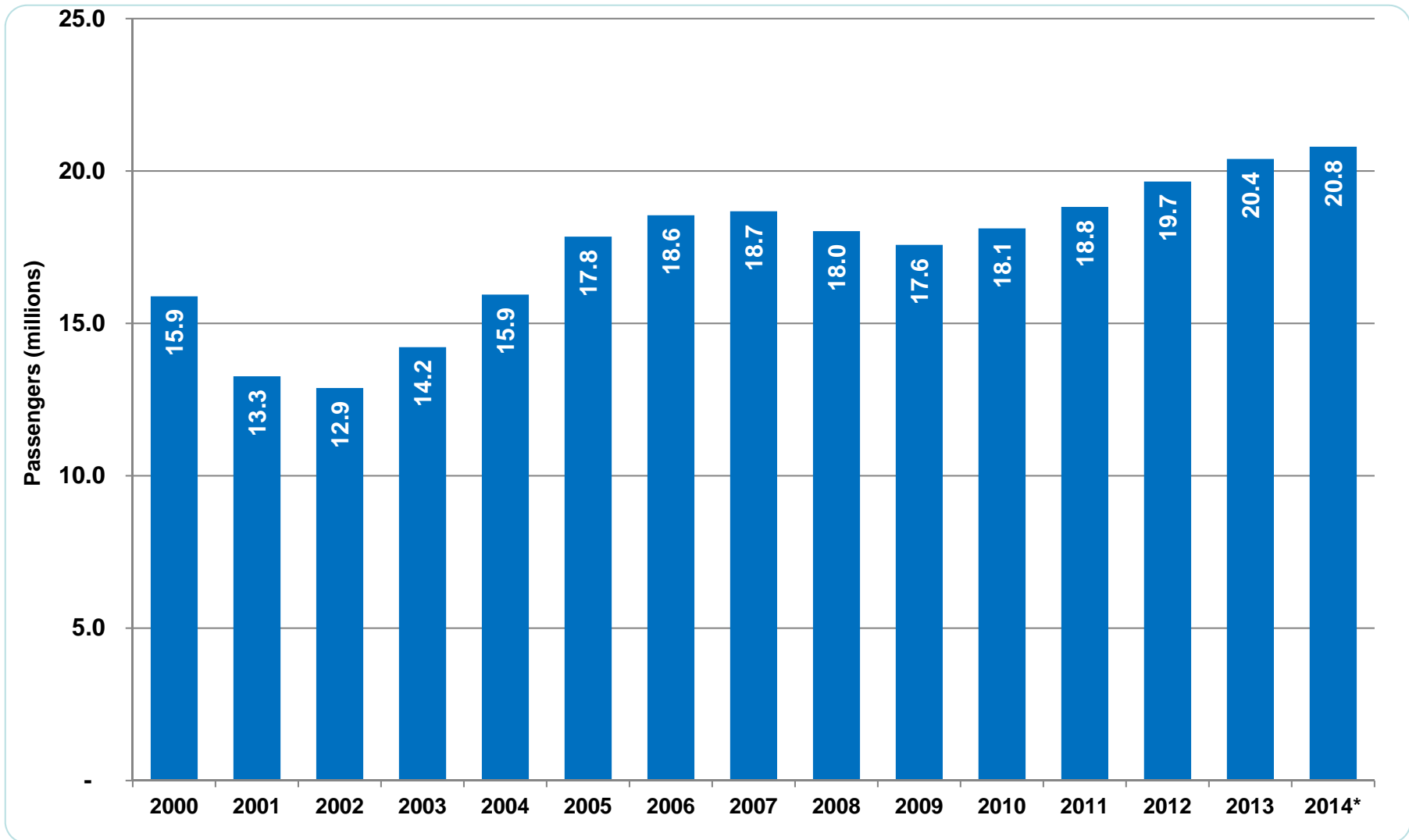
- DCA increases in seat capacity with corresponding decreases at IAD January-September 2013 were due to US/DL Slot Swap and FAA Reauthorization.
- DCA decreases in seat capacity January-

September 2014 resulted in a gap between American eliminating service and Low Cost Carrier (LCC) beginning service with larger aircraft



# Reagan National Passenger Traffic

Total passenger traffic at Reagan National estimated to reach 20.8 million in 2014  
Passenger totals projected to further increase in 2015 by up to 2 million



Source: MWA data.

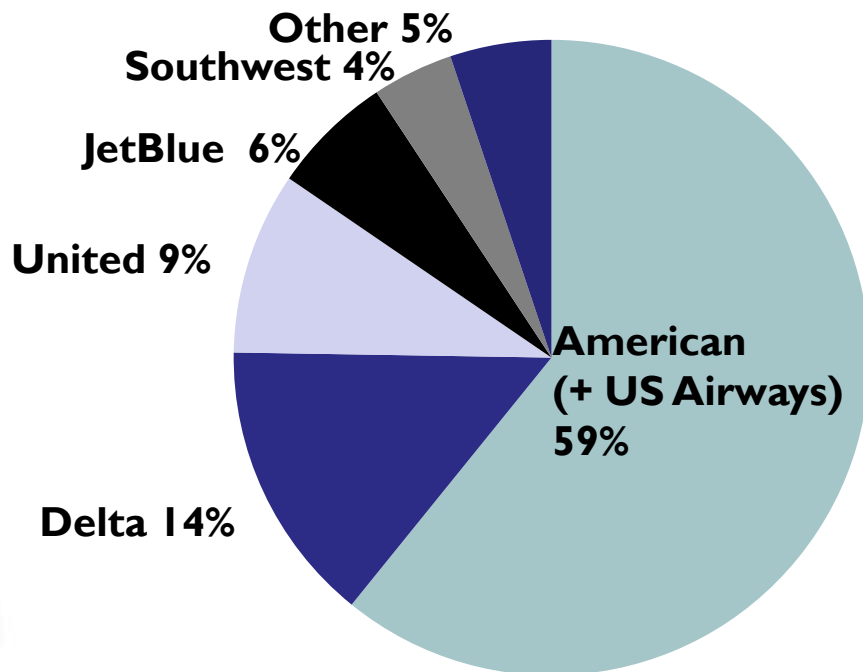
\* forecast



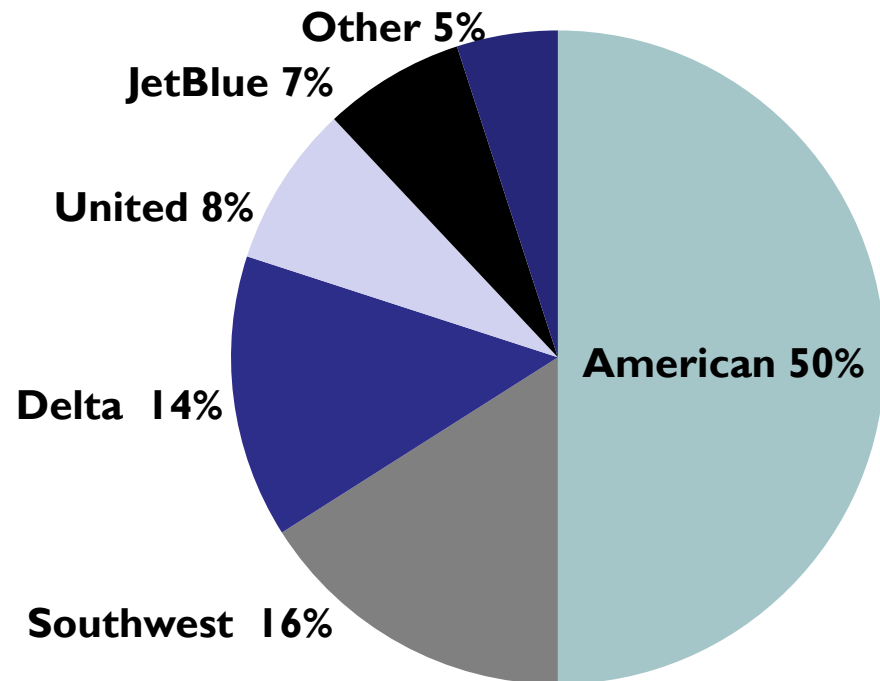
# Reagan National Airline Market Shares

Southwest now the second largest airline at Reagan National

### November 2013 Seat Capacity Shares



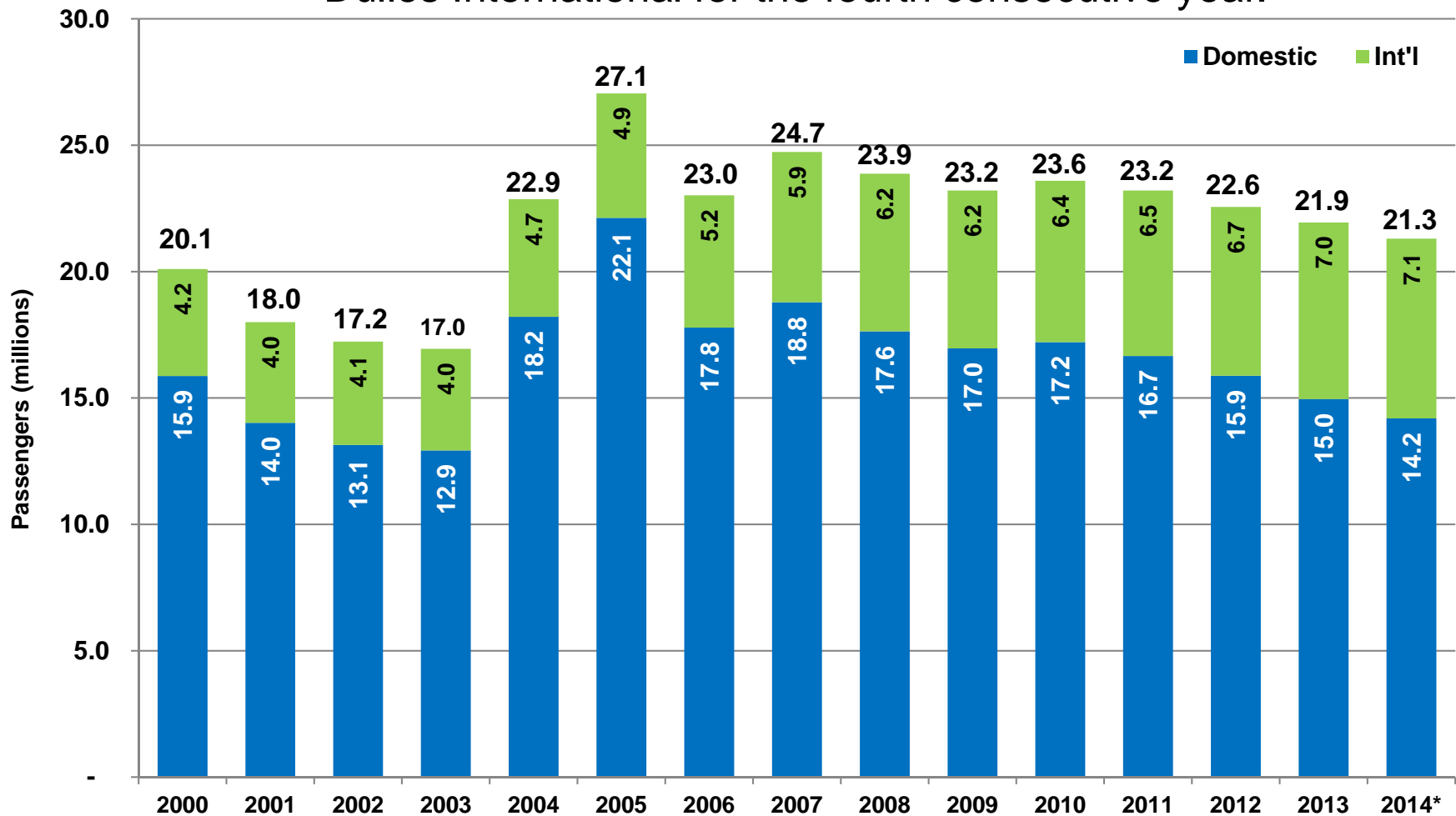
### November 2014 Seat Capacity Shares





# Dulles Passenger Traffic Changes

Due to declining domestic traffic, total passenger traffic decreased at Dulles International for the fourth consecutive year.



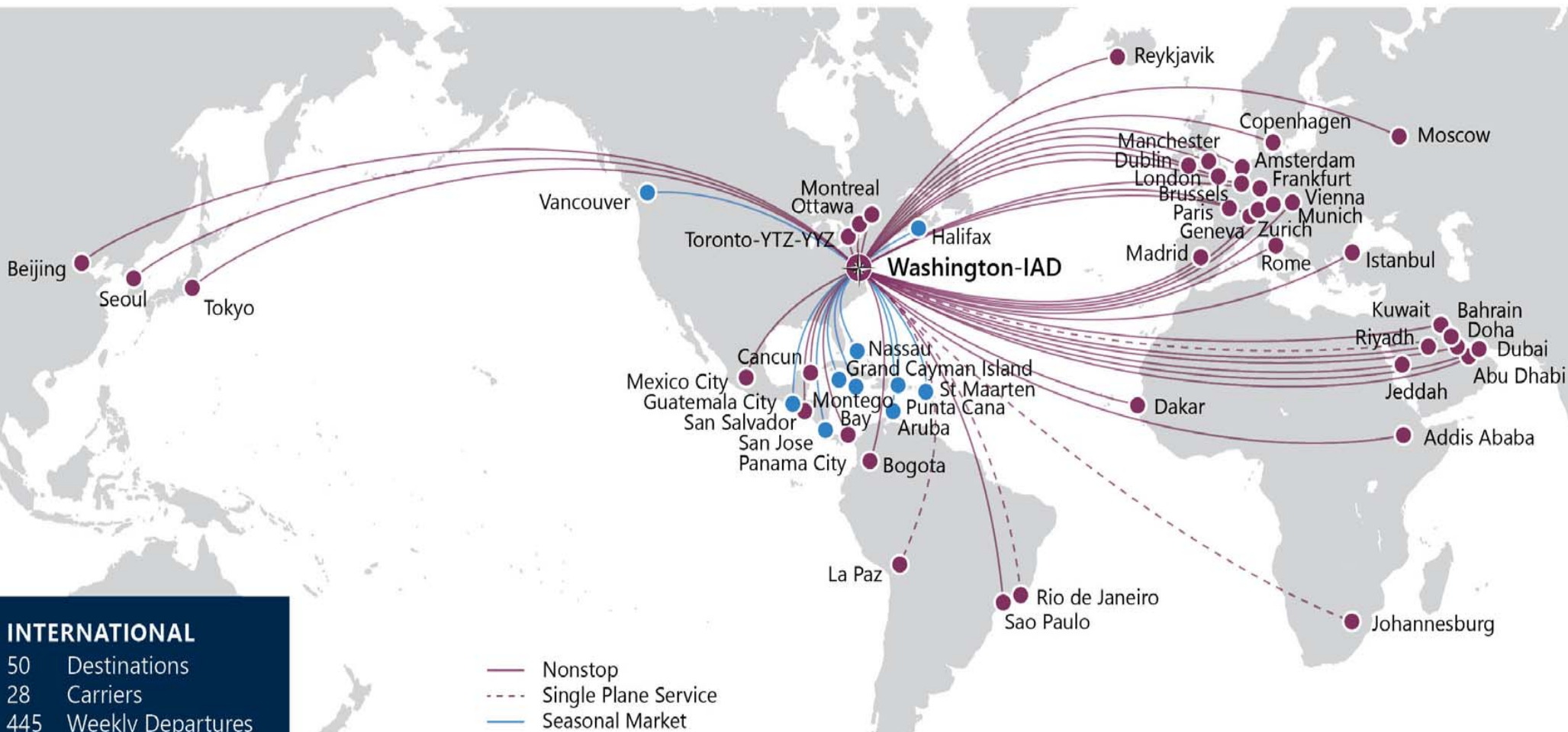
Source: MWAA Data. Figures may not sum due to rounding

\* forecast



# Dulles Continued International Growth in 2014

Beijing – Air China  
Madrid & Nassau – United



## INTERNATIONAL

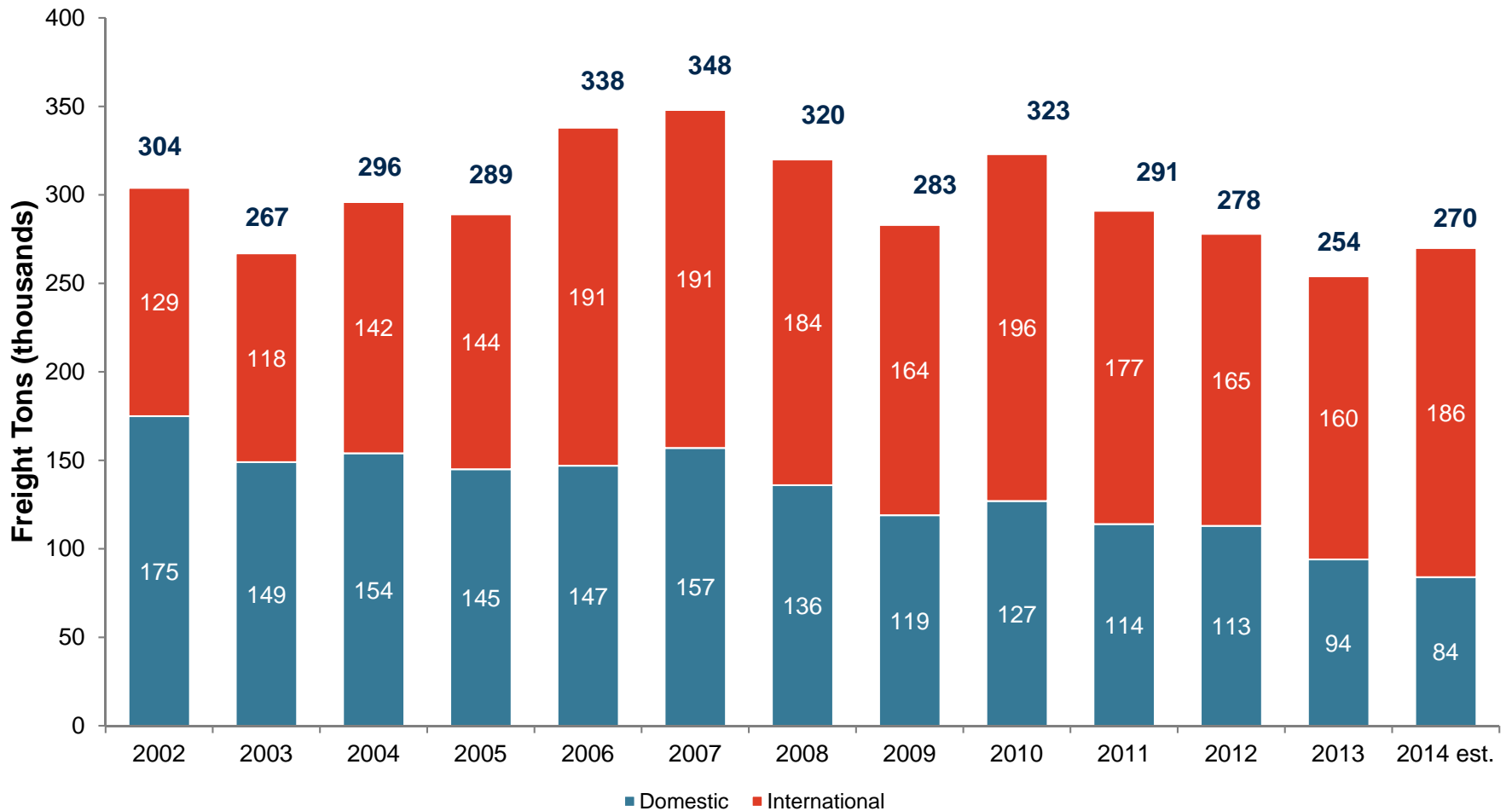
50 Destinations  
28 Carriers  
445 Weekly Departures

— Nonstop  
- - - Single Plane Service  
— Seasonal Market



# Air Cargo at Dulles International

Air cargo at Dulles is projected to grow overall in 2014 due to strengthening international cargo outweighing domestic freight declines.



## 2014 Dulles Cargo Overview

- Dulles International total cargo tonnage increased 7.1% (YTD October 2014 vs. YTD October 2013)
- International air cargo increased 16.9% (YTD October 2014 vs. YTD October 2013) driven by additional and enhanced utilization of belly cargo capacity from international wide-body passenger services
- Cargo tonnage grew due to strengthening demand for international air cargo as global trade accelerates
- Domestic air cargo continued on a downward trend, decreasing by 9.3% (YTD October 2014 vs. YTD October 2013)
- Modal competition from trucking continues to negatively impact domestic air cargo volumes at Dulles International and other U.S. airports, in general

## 2015 Annual Air Service Plan Strategies

- ➔ **Strategy #1 – Grow** domestic and international passenger air service at Dulles International through new competitive methods and effectively utilizing internal and external partnerships.
- ➔ **Strategy #2 – Grow** existing passenger air service at Dulles International through marketing support and external partnerships.
- ➔ **Strategy #3 – Grow** air cargo freight volumes at Dulles International through programs targeted to airlines, freight forwarders and all-cargo carriers.
- ➔ **Strategy # 4 – Grow** air cargo at Dulles International through expansion of cargo facilities to include both additional warehouse space and a perishable (refrigerated) center.



## Action Requested

- ✈ Committee concurrence on proposed 2015 Annual Air Service Plan



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY