

Presentation to Strategic Development Committee

Process for Adoption of a Regulation Governing
the Airports Authority's Financial and Operational
Relationship with the Airlines Serving
Reagan National and/or Dulles International Airports

MAY 2014

Background

A domestic airport operator's relationship with the airlines serving its airport is established either by an agreement among the parties or by a regulation unilaterally adopted by the operator.

Since 1990, the Airports Authority's relationship with the airlines at Reagan National and Dulles International has been governed by an agreement. This agreement expires on September 30, 2014.

Discussions with the airlines at both Airports regarding a new agreement have been underway for some time.

While these discussions have resulted in good progress, important business issues have yet to be resolved.

If an agreement cannot be reached with the airlines operating at an Airport, the Airports Authority will need to adopt a regulation that will establish the terms of the airlines' use of that Airport.

Process for Adopting a Regulation Governing Airlines' Use of the Airports

Adoption of a regulation governing the airlines' use of one or both of the Airports would proceed through two processes, which would run concurrently:

- the Airports Authority's "regulatory amendment" process – this process is defined in our compact legislation and bylaws, and is required when the Authority amends our set of regulations either by revising existing or adding new regulations; and
- a U.S. Department of Transportation "consultation" process – this process is defined in DOT policy and is required when an airport operator elects to establish the terms of the airlines' use of its airport by regulation or ordinance.

The Airports Authority's "regulatory amendment" process would consist of the following steps:

- Presentation of a proposed amendment to the Strategic Development Committee and its authorization to begin the process. (June)
- Publication of a notice in a newspaper of general circulation summarizing the proposed amendment, explaining how a copy of the amendment may be obtained, identifying the time and location of the public hearing on the amendment, and defining the period and explaining the ways in which written comments may be submitted. (June)
- Conducting the public hearing. (July)
- Collection of public comments. (June and July)
- Consideration by the Strategic Development Committee of a summary of the public comments, and a Committee decision whether to recommend the proposed amendment (possibly with revisions made in response to public comments) to the Board. (September)
- Board action on the proposed amendment. (September)

The DOT “consultation” process would consist of the following steps:

- Provision of notice by the Airports Authority to the airlines potentially affected by the proposed regulatory amendment, and of a meeting at which Airports Authority staff would present the proposed amendment. (June)
- Conducting the noticed meeting with affected airlines. (July)
- Receipt of, and response by the Airports Authority to, the airlines’ written requests for information and comments on the proposed amendment, and the Authority’s provision of other information relating to the amendment. (July and August)
- Sponsoring additional meetings, as needed, in order for the Airports Authority to provide further information on, and to address airline questions and issues relating to, the amendment and its effects on the airlines, including effects on rentals, fees and other charges. (July and August)
- Conclusion of the consultation process. (September)

Conclusion

These are the processes, with an approximate timetable, for the adoption of a regulation that, effective October 1 of this year, would govern the financial and operational relationship between the Airports Authority and the airlines serving one or both of the Airports.

If discussions with the airlines over the next few weeks are unsuccessful on an agreement that would replace the current agreement that has governed this relationship since 1990, authorization to commence the regulatory process will be sought from the Committee at its June meeting.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY