



Strategic Planning and Development Committee

Air Service Development Information Report

April 2013



American/US Airways Merger

- Plan to merge by Q3 2013
 - Bankruptcy court approval granted March 27, 2013
 - DOJ is lead agency for federal approvals
 - Shareholder approval required for deal closing
- Plan to integrate operations starting 2014: unified service, marketing, and customer experience, facilities co-locations, etc.
- Merged carrier is expected to be part of **oneworld** global alliance.



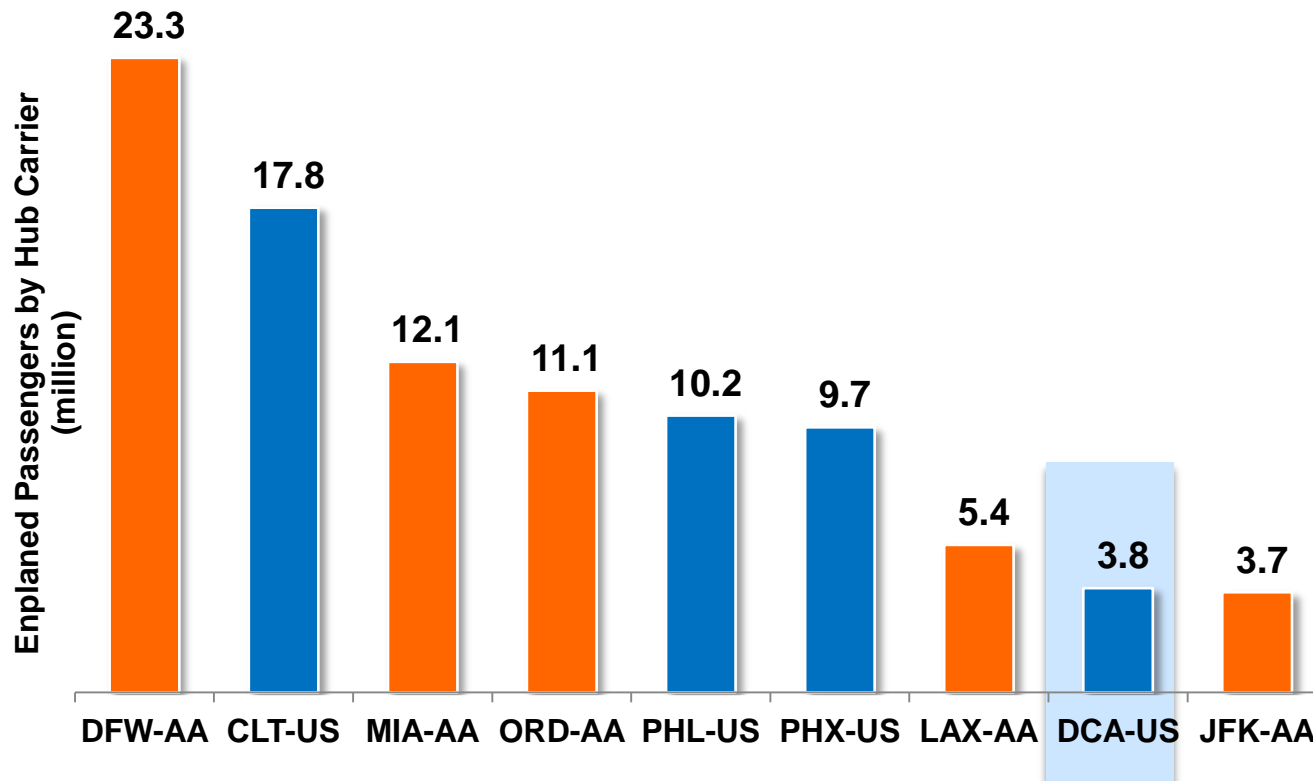
American/US Airways Combined Networks

- The merger will create the largest U.S. airline in terms of capacity, revenue, and fleet size:
 - 24.7% of total domestic available seat miles (ASMs),
 - AA/US combined revenue in 2012 was \$38.7 billion,
 - AA/US will have the largest fleet with 950 aircraft and 356 on order
 - AA operates 534 city pairs (359 domestic, 175 international); US operates 411 city pairs (320 domestic, 91 international) ; 12 of AA/US city pairs overlap
- Carrier maintains that merger will result in growth, with no hubs planned to be closed.



Airport Impacts

- AA has five hubs, US has four (including DCA)
- Among AA/US hubs, Reagan National ranks 8th





Washington Airport System Dulles International

- AA/US has limited presence in Dulles domestic market and serves 4 markets from Dulles with no overlap; no issues co-locating services at IAD
- Neither carrier has international operations at Dulles



Washington Airport System Reagan National

- AA/US combined has 67% of daily flights and over 60% of seats serving 77 markets with 2 overlapping: Nashville; Raleigh/Durham
- Analysts have suggested that AA/US slot concentration at DCA may result in required slot divestiture. Staff will keep Board informed.



American/US Airways Merger MWAA Next Steps

- Await DOJ decision
- Work with American Airlines and US Airways to accommodate operational and facility requests



First Quarter 2013 – Dulles International

- International growth continues as the international gateway airport to the region serving 67% of region's international passengers.
- Domestic passenger growth is challenged by Reagan National new domestic service and low fare options at BWI.

Two New Airlines at Dulles in 2013



Etihad – Daily Dulles/Abu Dhabi, UAE – March 31



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

New UNITED Air Service at Dulles in 2013



INTERNATIONAL

- **Weekly Service to Guatemala City, Guatemala and San Jose, Costa Rica – April 13**
- **Saturday/Sunday Service to Vancouver, Canada – June 8**
- **Seasonal Daily Service to Quebec City, Canada – August 27**

DOMESTIC

- **3X Daily Service to Fayetteville, NC – February 14**
- **Daily Service to Grand Rapids, MI – May 1**

Increased Air Service at Dulles in 2013



**Nonstop Moscow increases to 3X per week –
June 8**



**Nonstop Amsterdam increases to 9X per week –
July/August**



**Nonstop Jeddah increases to 4X per week –
March 31**



Dulles Cargo Activity

ANA CARGO

 **brussels airlines**
cargo


cargolux


Emirates
SkyCargo


ETIHAD
CARGO

 **SAS** Cargo

 **Silk Way**
Airlines

 **SOUTH AFRICAN**
CARGO

TURKISH CARGO 

UNITED 
CARGO