

## BOARD OF DIRECTORS MEETING

Minutes of February 18, 2015

The regular meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 9:45 a.m. Twelve Directors were present during the meeting:

Frank M. Conner III, Chairman  
Warner H. Session, Vice Chairman  
C. Charles Caputo  
Lynn Chapman  
Michael A. Curto  
Katherine K. Hanley

Richard A. Kennedy  
William Shaw McDermott  
Caren Merrick  
A. Bradley Mims  
Nina Mitchell Wells  
Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief  
Operating Officer  
Jerome L. Davis, Executive Vice President and Chief Revenue  
Officer

### I. MINUTES OF THE JANUARY 21, 2015 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the January 21, 2015 Board of Directors Meeting, which were unanimously adopted.

### II. COMMITTEE REPORTS

- a. Business Administration Committee – Shaw McDermott, Co-Chair

Mr. McDermott reported that the Business Administration Committee had last met January 21. Staff had presented the Pre-Solicitation Terms

for Fuel Retailing and Convenience Concession at Dulles International. The Committee had concurred with the pending procurement.

b. Human Resources Committee – Joslyn N. Williams, Co-Chair

Mr. Williams reported that the Human Resources Committee had held a Special Meeting January 21. Staff had presented its recommendation to confirm two nominees and seven incumbents of the Employee Relations Council. Staff had also presented a recommendation to approve the revised investment policies for the Sponsored Retirement Plans and the Employee Welfare Benefits Trust. The Committee and Board had approved both recommendations on January 21.

c. Strategic Development Committee – Lynn Chapman, Co-Chair

Mr. Chapman reported that the Strategic Development Committee had last met January 21. Staff had presented the monthly Air Service Development Report.

### III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported that staff continued to keep an eye on the winter weather and the effect it may have on travel. He stated that he would discuss the Authority's 2015 goals and plans for implementing them.

Mr. Potter echoed the sentiments expressed earlier that morning to Jefferies for the financial advisory services its staff had provided the Authority for the last 17 years. He personally thanked Ken Gibbs and Guy Nagahama for the assistance they had provided him during the past three years with regard to the finances of the Authority. Mr. Potter stated that he believed that they had done a yeoman's job in presenting the Authority in its best light with regard to the collective financial and investment community.

Mr. Potter also reported that the Vice President for Audit, Valerie Holt, had announced her intent to retire at the end of the month. He stated that Ms. Holt has served the Authority since 2001 after several years of working with major accounting firms and serving as Controller and Chief Financial Officer for the District of Columbia government. Over the past

year, Ms. Holt had undertaken multiple enhancements to the Authority's audit department, including the incorporation of best practices to update the office's Charter and operating standards. Mr. Potter reported that Ms. Holt had been a constant and highly visible presence at the Authority for more than 13 years and that it had been a pleasure to know her. He wished her all the best in her upcoming retirement.

Mr. Potter reported that the Authority would soon begin its search in an effort to recruit a new Vice President for Audit as expeditiously as possible. He stated that Julia Hodge, Deputy Vice President for Corporate Risk and Strategy, would assume Ms. Holt's duties on an interim basis, effective March 1.

Mr. Potter reported that during the current session of the Virginia General Assembly, the House and Senate had approved, and the Governor had signed, a bill involving the business operations of Transportation Network Companies (TNC) such as Uber, Lyft and Side-Car, which are gaining popularity with the public and that increasingly operate at Reagan National and Dulles International. He noted that an important provision of this bill would allow airports to regulate and manage these businesses when they operate on airport property. Mr. Potter reported that airports across the country had been working to incorporate these companies into the mix of ground transportation options for passengers and that the Authority is pleased that the Virginia legislation would offer airports the flexibility needed in this area.

Mr. Potter also reported that Authority staff is monitoring other proposals in the Legislature that are of interest to Reagan National and Dulles International and that he would keep the Board apprised of any developments as they occur.

As part of the outreach effort that the Authority pursues annually, Mr. Potter stated that he had recently joined the Government Affairs team in Richmond to meet with several key legislators and other officials to update them on the Authority's progress and help to explain its position on various issues affecting its business. He noted that outreach efforts were underway to increase the understanding among officials at all levels of government, as well as community and business leaders, about issues affecting Reagan National and Dulles International and related operations and about their importance to the regional economy. These outreach efforts also included recent visits to Members of Congress and their staffs to explain Authority issues and to help prepare for upcoming

legislation to reauthorize the Federal Aviation Administration (FAA). Mr. Potter explained that this bill could have important implications for Reagan National and Dulles International and staff wanted to ensure that Congress is aware of the Authority's positions and the reasoning behind them.

Mr. Potter reported that one significant event in this outreach effort would occur on March 5 when the Washington Airports Task Force would host a forum called "Dulles Matters." [This event was postponed as a result of snow.] He noted that the session would be a follow up to a June 2014 event where the Authority had outlined the challenges facing Dulles International and the Authority's strategies for addressing them.

Mr. Potter announced that the March 5 forum would feature remarks by Governor McAuliffe, Congresswoman Barbara Comstock and other leaders in government and business. He extended an invitation to all Directors for the March 5 forum. He stated that the Authority looked forward to the event and to continue to work with elected officials and the local communities to further the ability for Dulles International to succeed and to contribute to the regional economy.

Mr. Potter reviewed the 2015 Corporate Goals (a copy is attached). He reported that the Authority will continue to focus to: 1) improve Dulles International's competitive position; 2) enhance the organization's reputation; 3) maintain safe and secure operations; and 4) recruit aggressively and develop talent. He explained that these goals support four objectives relative to cost, revenue, customers and people, while ensuring that continuous improvement occurred within each objective.

With regard to cost management, Mr. Potter reviewed the following highlights: reduce operating expenditures by right-sizing resources and outsourced contract expenditures to align with passenger activity level; continue to consolidate contracts; restructure busing and parking operations to maximize efficiencies and net return; implement environmental sustainability strategies, including optimization of energy usage; activate new baggage systems in a cost-effective manner; refinance up to \$276 million of callable bonds, depending on market conditions; and execute call date extension on select 2006 bonds; continue to consolidate applications and converge Information Technology infrastructure; eliminate discretionary capital spending; and review and recommend changes to healthcare and retirement programs to balance the level of benefits and cost.

Mr. Potter also reviewed the goals associated with revenue growth: implement strategies to solidify and grow air service across all carrier segments; attract new service at Dulles International leveraging the Airline Incentive Program; continue the launch and execution of the Concessions Redevelopment Program; re-bid Fixed Base Operator, in-flight kitchen, phone banks and display advertising contracts at Dulles International; optimize parking products and pricing; restructure Airports' ground transportation regulations; create commercial land development plan, including gas station, hotel(s) and other properties at Dulles International; generate revenue through right-of-way agreements; leverage market research, business intelligence and social media to drive non-airline revenue; and utilize legislative agenda to increase Passenger Facility Charge funding.

With respect to customers, Mr. Potter reviewed the following goals: improve passenger connection between Dulles International Terminals A and C, including Terminal C AeroTrain station walk back; implement way-finding initiatives through improved signage and new mobile technology; continue improving concessions with offerings that are attractive to a diverse customer base; promote use of the Silver Line Express from Wiehle Avenue to Dulles International to increase affordable and convenient connectivity options to and from the Airport; communicate increasingly complicated construction plans proactively – including concessions redevelopment and capital improvements – for both Enterprises; continue to optimize and improve the reliability of the passenger screening and port of entry experiences while promoting Transportation Security Administration (TSA) Pre-Check and Global Entry to reduce wait times and to ensure customers are aware of these services; and launch comprehensive customer communications program, including new passenger-centric website with mobile and social media capabilities.

Mr. Potter stated that the Authority had been in existence for 27 years and many of those employees who had been with the organization since it had first been created may retire in the near future. He noted that it was a real opportunity for the Authority to develop a plan to attract new, diverse talent and improve hiring, training, and outreach processes, including the management intern and trades apprentice employment programs; enhance existing bench strength through supervisor training, leadership development, and succession planning programs; continue to review management of and compliance with Authority-wide policies and procedures; establish an enterprise-wide emergency preparedness

culture with the establishment of a new centralized Emergency Preparedness Program; conduct security drills and tabletop exercises to ensure staff and mutual aid partners have a rehearsed and coordinated response to crises; and implement new safety programs to reduce work-related accidents and associated costs.

Mr. Potter noted that these goals did not represent a comprehensive list, but he thought it important to communicate the top-line issues for 2015 to the Board and internally.

Mr. Conner offered two suggestions to TSA, which he had already mentioned to the Airport Managers for Reagan National and Dulles International. He suggested that longer conveyor belts be created in the area once passengers had advanced through security. While it may be difficult to implement longer conveyor belts due to space restrictions, Mr. Conner stated that he believed that they would be quite beneficial. Additionally, because passengers were not required to take off their coats when they used TSA's Pre-Check, Mr. Conner noted that TSA would not provide an airport security tray for passengers' coats unless the passenger requested one. Since it is likely that passengers had items in their coats to trigger an alert, Mr. Conner suggested that airport security trays also be provided to travelers using TSA's Pre-Check. Mr. Potter stated that a design for longer conveyor belts would be included in the new landside TSA check points.

Mr. McDermott inquired whether relative Committees would ask the Authority to provide comments regarding the FAA reauthorization. Mr. Potter stated that Authority staff would attend meetings and advocate that no additional slots and beyond perimeter flights be added at Reagan National. To that regard, Mr. Mims offered to lend his efforts to provide whatever assistance he could, including attending meetings.

Mr. Session inquired about the status of the Request for Proposals (RFP) for the gas station/convenience store. Mr. Davis responded that staff is currently developing the RFP. As a result of the Request for Information that had been previously distributed, Mr. Davis stated that several proposals may be received once the RFP had been issued. He noted that the RFP would provide an opportunity for the Authority to consider multiple different scenarios prior to the selection process.

Mr. Caputo had several questions about the cost per enplanements (CPEs) at Dulles International and suggested that he meet with staff at a

later date to gain a better understanding. Mr. Potter agreed that a meeting be scheduled to explain CPE calculations.

Ms. Wells requested that management provide a list of its top priorities and present an ongoing status update on each priority, to which Mr. Potter agreed.

b. Executive Vice Presidents' Reports

Ms. McKeough provided an update on the 2014 passenger activity levels at Reagan National and Dulles International. She reported that 2014 had been another record setting year for both Airports. The combined two-Airport system had served 42.4 million passengers in 2014, which had been fairly consistent with the passenger activity level for 2013. Ms. McKeough reported that Reagan National had served 20.8 million passengers in 2014, which had set a record for the fifth consecutive year. At Dulles International, 7.1 million international passengers had been served in 2014, which had marked the 11th consecutive record-breaking year. Ms. McKeough noted that the 2014 international passenger activity at Dulles International had represented an increase of approximately 1.6 percent compared to 2013. With the launch and return of Aer Lingus service from Dulles International to Dublin in May, Ms. McKeough stated that staff is optimistic that Dulles International is working toward another record-setting year. While Dulles International had served 800,000 more passengers than Reagan National in 2014, Ms. McKeough stated that the trend is not expected to continue in 2015.

Ms. McKeough reported that several Authority employees continued to meet with local communities that have expressed concerns regarding the noise impacts from Reagan National's aircraft operations, most significantly relating to flights before 7:00 a.m. and after 10:00 p.m. She noted that representatives from the FAA and airlines had also attended the meetings with the Authority. Ms. McKeough stated that all participants are working collaboratively to understand the issues and determine what can be done to address them. She reported that staff is particularly concerned with the airline operations during 12:00 a.m. to 6:00 a.m. when no slot regulations exist. Ms. McKeough explained that the airlines have the ability to operate flights during this time once they had submitted required paperwork to the FAA. Staff would continue to monitor the concerns closely and continue its discussions with the FAA.

As Mr. Potter had reported, Governor McAuliffe had signed a bill regulating the TNCs in Virginia. With regard to outreach efforts, Ms. McKeough reported that the Authority had initiated a series of productive stakeholder meetings to all the businesses that comprise the ground transportation program at both Airports, as well as the TNCs. She noted that staff would present its recommendation on how to formally amend the Code of Regulations to include TNCs and begin the required public hearing process in the early spring.

Ms. McKeough reported that the Departments of Commerce and Homeland Security, through the Obama Administration, had issued a report on ways the federal government would like to improve the international arrival facility process at all international airports throughout the United States. She stated that the report included the actual approval for specific action plans on how 17 ports of entry, including Dulles International, could be further enhanced. Ms. McKeough noted that the Authority had worked collaboratively with the U.S. Customs and Border Protection (CBP) and the airlines to recommend actions to improve the customers' experience once they arrived at the International Arrivals Building at Dulles International. She reported that the Authority's action plans had been accepted by the Obama Administration and that staff would work with the airlines and CBP to implement the plans' components, for which the Authority hoped that Dulles International could serve as a pilot Airport to test the enhancements that would benefit the customers. Authority staff would keep the Board informed of these efforts.

Ms. McKeough reported that the Silver Line construction is very active on the campus of Dulles International. She stated that the realignment of the roadway system at the Saarinen Circle would soon begin to allow for a larger construction site for the contractor to begin work on the Airport station. Authority staff is working closely with the stakeholders, including the travelers, to ensure that everyone is aware of the upcoming changes as a result of the pending roadway realignment.

Mr. McDermott inquired about the reactions of those residents who had been impacted by airlines that had added extra flights during 12:00 to 6:00 a.m. Ms. McKeough responded that the communities had not been pleased and that the Authority had also expressed concern about the additional flights to the FAA. She stated that staff is aware of airline interest in adding commercial flights between 5:00 and 6:00 a.m. and between midnight and 1:00 a.m., to which staff is expressing opposition.

Mr. McDermott asked if the residents of these communities understood that the ability to control the issue regarding these flights is within FAA's purview. Ms. McKeough responded that staff had advised the community groups of FAA's purview and would continue to clarify that point with all community communications.

Mr. Williams inquired about the involvement of Virginia's congressional delegation with regard to the existing noise concerns and the additional flights that would likely contribute to them. He stated that he believed that it is important to ensure that the delegation is aware of the Authority's inability to control the noise and additional flights. Ms. McKeough stated that Authority staff had been communicating regularly with the local delegation to keep officials well informed of its efforts in working with FAA and the airlines. As Mr. Potter had reported, the Authority will continue to express its opposition to additional flights at Reagan National.

Ms. Merrick inquired about the hours of operation for the Airports' concessions. Mr. Davis responded that the concessions were typically open from 7:00 a.m. to 7:00 p.m.

Ms. Hanley suggested that staff identify members of the congressional delegation who reside in the communities impacted by noise resulting from Reagan National's aircraft operations and share any letters or concerns with those officials.

Mr. Caputo inquired whether similar noise complaints had been voiced by communities around Dulles International. Ms. McKeough responded that approximately 100 noise complaints had been received from mostly residents west of the Airport. She noted that the Authority is actively monitoring and expressing opposition to requests for Loudoun County to change a portion of its western area from industrial to residential zoning.

In response to Ms. Merrick's earlier inquiry about the operating times of Airports' concessions, Mr. Davis clarified that routine-type food and beverage concessions remained open around the clock; other boutique-type concessions usually closed at approximately 9 p.m.

Mr. Davis noted that the Authority had set several ambitious goals for the year, many of which revolved around revenue. Included amongst these goals are to improve the competitive position of Dulles International; increase passenger activity with new and expanded air

service; continue improvements in concessions; enhance the passenger experience through better services and more pro-active communications; and optimize the use of facilities and resources.

Mr. Davis reported that the business strategy of enhancing the Authority's reputation, through the communications and government affairs offices, is also a key focus of the Revenue Office. He noted that the success of any business is closely tied to its reputation with customers, other key stakeholders and the general public. Mr. Davis reported that the Revenue Office and other departments across the Authority are already making good progress toward these goals.

Mr. Davis noted that the Revenue Office had been formed in the fall of 2014. Thus far, its efforts had contributed to the Authority ending 2014 with non-airline revenue of \$254 million, which is approximately 9 percent above the amount originally forecast in the budget. He thanked and congratulated the departments across the organization, particularly Concessions, Air Service Planning and Development, Operations, Marketing and Ground Transportation teams for helping the Authority to achieve such excellent results.

Mr. Davis reported that staff is working diligently to build on the success of 2014 and to maintain the momentum this year and next with possibly producing even better results in future years. He stated that staff had established a number of metrics to track its progress involving non-airline revenue per passenger, revenue per-passenger from parking and ground transportation and revenue per passenger in concessions. He noted that these metrics also included goals to bring new air carriers to Dulles International, to increase enplanements at Dulles International and finalize and implement a comprehensive plan for optimizing real estate assets.

With respect to marketing, Mr. Davis reported that the development of a new Authority website, which will be focused on the passenger, is underway. The Authority expects to launch the website early in the third quarter, which will help to make both Airports easier for passengers to navigate on the ground to get the information they need for a better airport experience. Since Digital Media is an important part of the Authority's marketing effort that is rapidly becoming the communications method of choice for a growing number of passengers, Mr. Davis noted that staff planned to make the Authority's new mobile website more

compatible for use with the smart phone which would also make the process easier for passengers.

Mr. Davis presented several slides as examples of recent progress regarding social media. The overall number of Facebook “likes” had increased from approximately 13,000 in January 2014 to more than 33,000 by December 2014. Mr. Davis reported that the number of Twitter followers at both Airports is also increasing, which will provide more opportunities to communicate with passengers through the use of social media and result in improved customer satisfaction and an increase in revenue. He noted that the revenue potential associated with digital advertisement is significant, which explained why the brand architecture, research and branding strategies due next quarter are so critical.

With respect to real estate, Mr. Davis reported that staff continued to make progress in formulating a plan for improving the use of the Western Lands at Dulles, which will be another important path to increased non-airline revenue. He stated that the Authority’s ability to review unsolicited proposals and start formulating a General Plan will enable economic development efforts to grow exponentially.

Mr. Davis reported that new shops and restaurants had continued to open and the passenger feedback had been positive. He stated that concessions, along with parking, would continue to be the cornerstone of the Authority’s non-airline revenue growth. Mr. Davis noted that the Grille District restaurant, Taylor Gourmet and new Starbucks Coffee locations had recently opened at Reagan National.

Mr. Davis announced that Mike Stewart had joined the Revenue Office on a management detail assignment. He stated that Mr. Stewart possessed a wealth of experience within the different areas associated with the Revenue Office and that he would work on some of the key contracts which are critical to the Authority. Mr. Davis reported that Mr. Stewart’s detail assignment had been the result of succession planning, which Tony Vegliante, Vice President for Human Resources and Administrative Services, had recently shared with the Human Resources Committee.

Mr. Davis reported that staff is confident that digital media is the right direction for the Authority and that staff is accelerating its efforts with regard to the communications method. Mr. Conner stated that the Airports’ terminals were more inviting and offered customers more

choices. The new concessions, coupled with the opportunities relative to social media and marketing options, were indicative of the Authority's progress thus far. Mr. Conner commended Mr. Davis on his efforts.

#### IV. NEW BUSINESS

a. Recommendation to Award a Sole Source Contract for Equipment for the Washington Metropolitan Area Transit Authority Automatic Train Control Training Facility

Mr. Kennedy moved the adoption of the following resolution, which was unanimously approved by 12 Directors present:

WHEREAS, The Airports Authority turned over Phase 1 of the Dulles Corridor Metrorail Project (Project), operating as the Silver Line, to the Washington Metropolitan Area Transit Authority (WMATA) on July 26, 2014;

WHEREAS, A critical element of the Project is the Automatic Train Control (ATC) system, which regulates the safe and efficient movement of trains on the Silver Line;

WHEREAS, The Airports Authority has agreed to provide equipment for a WMATA training facility which will replicate a fully-functional train control room to enable WMATA to train its personnel to reliably and safely operate and maintain the Silver Line and other segments of the Metrorail system;

WHEREAS, The equipment for the WMATA training facility will be procured on a sole source basis from Alstom Signaling, Inc. (Alstom);

WHEREAS, The proposed contract with Alstom is for the design, fabrication, testing and delivery of this ATC training equipment, excluding the installation of the equipment;

WHEREAS, WMATA will perform the actual installation of the equipment in WMATA's existing facility, and WMATA's installation costs will be a reimbursable Project cost;

WHEREAS, As required by the Contracting Manual, notice of this intended sole source award has been published on the Airports Authority's website for the required time period;

WHEREAS, On December 10, 2014, the Board of Directors adopted Resolution No. 14-32 in which it approved this sole source contract award to Alstom;

WHEREAS, Following the December 10, 2014, staff reported to the Board that the pricing information for this contract, which had been presented to the Board in December 2014, contained an out-of-date price estimate of \$2.5 million, and that a new independent cost estimate, together with other pricing information, had produced a higher contract price of \$3.4 million;

WHEREAS, At the Board's request, staff has presented this new pricing information to the Board at its February 18, 2015 meeting, has described the derivation of the new contract price figure, and has explained the reasons this price is higher than the estimate presented to the Board in December 2014;

WHEREAS, The Board is satisfied with the staff's presentation; now, therefore, be it

RESOLVED, that Resolution No. 14-32 is hereby rescinded, to be replaced with this Resolution;

2. That the President and Chief Executive Officer is authorized and directed to enter into a sole source contract with Alstom Signaling, Inc., for the design, fabrication, testing and delivery of equipment for the WMATA ATC training facility; and

3. That, as requested by the Dulles Corridor Committee at its November 12, 2014 meeting, the executed contract with Alstom will require it, during the period of performance of the contract and at no additional cost to the Airports Authority, to update the ATC training facility equipment and documentation to match any configuration changes it

initiates to existing Dulles Corridor Metrorail Project equipment.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

b. Recommendation Regarding the Selection of Financial Advisory Firms

Mr. Curto moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, In October 2014, the Airports Authority issued a Request for Proposals (2014 RFP) for financial advisory services in two separate areas: (i) services to support the capital debt financing activities related to the Aviation Enterprise's Capital Construction Program and the Dulles Corridor Enterprise's Capital Investment Program (Capital Financing Advisory Services); and (ii) services to provide financial advisory services unique to the Dulles Toll Road (Specialized Toll Road Advisory Services);

WHEREAS, In December 2014, the Airports Authority received eight proposals to provide Capital Financing Advisory Services and eight proposals to provide Specialized Toll Road Advisory Services;

WHEREAS, A Technical Evaluation Committee (TEC) has reviewed and scored these 16 proposals, has interviewed short-listed offeror firms, and has recommended to the Finance Committee the selection of Frasca & Associates, LLC to provide Capital Financing Advisory Services for the Aviation and Dulles Corridor Enterprises, and Mercator Advisors LLC to provide Specialized Toll Road Advisory Services relating to the Dulles Toll Road;

WHEREAS, The Finance Committee has concurred with the TEC's recommendation and has recommended to the Board of Directors that it select Frasca & Associates, LLC and Mercator Advisors LLC to provide Capital Financing Advisory Services and Specialized Toll Road Advisory Services, respectively, to the Airports Authority; now, therefore, be it

RESOLVED, that Frasca & Associates, LLC is hereby selected as financial advisor to the Airports Authority to provide Capital Financing Advisory Services for the Aviation and Dulles Corridor Enterprises, as outlined in the 2014 RFP;

2. That Mercator Advisors LLC is hereby selected as financial advisor to the Airports Authority to provide Specialized Toll Road Advisory Services relating to the Dulles Toll Road, as outlined in the 2014 RFP; and

3. That the President and Chief Executive Officer is authorized to execute contracts with Frasca & Associates, LLC and Mercator Advisors LLC, with each contract containing terms and conditions consistent with those in the staff paper presented to the Board of Directors at its February 2015 meeting.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

#### V. UNFINISHED BUSINESS

There was not any unfinished business.

#### VI. OTHER BUSINESS & ADJOURNMENT

As Mr. Potter had previously noted, Ms. Holt had had a very distinguished career. Mr. Conner stated that Ms. Holt would be missed by many as she had been a steadfast and loyal employee who had achieved lots of good things during her tenure with the Authority. He presented Ms. Holt with a retirement plaque and announced that the Authority would hold a celebration in her honor on February 25.

The Meeting was thereupon adjourned at 10:35 a.m.

Respectfully submitted:

Quince T. Brinkley, Jr.  
Vice President and Secretary



# **MWAA 2015 Corporate Goals**

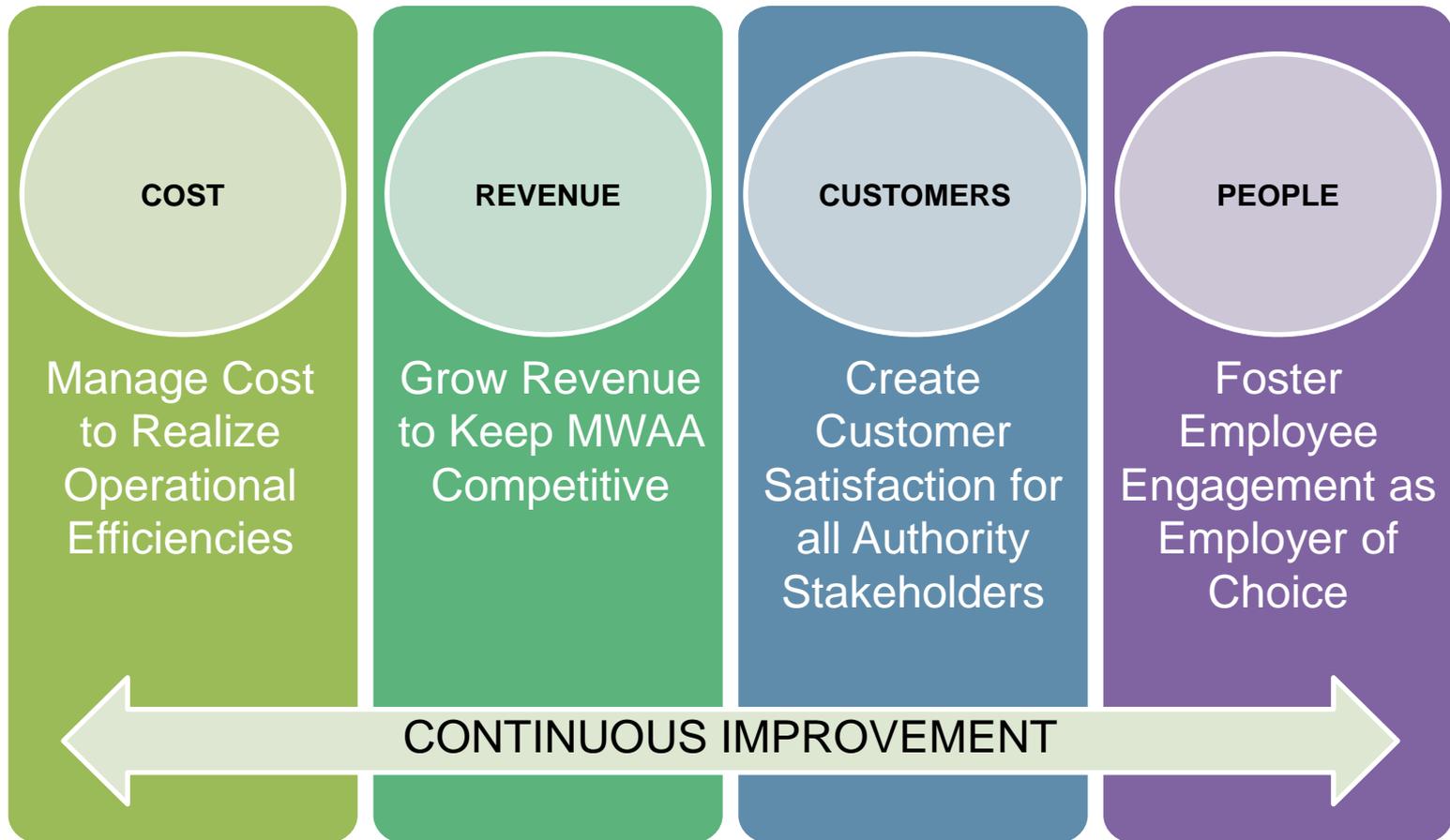
February 18, 2015

## Background

- In 2015, MWAA will focus its business strategies to progress the following objectives:
  1. Improve Dulles International Airport's Competitive Position
  2. Enhance the Organization's Reputation
  3. Maintain Safe & Secure Operations
  4. Aggressively Recruit & Develop Talent
- Corporate Goals support these strategic objectives and align the organization on Cost, Revenue, Customers, and People – all with an emphasis on continuous improvement



## Corporate Goal Objectives





## 2015 Goals: Cost Management

COST

- Reduce operating expenditures by right-sizing resources and outsourced contract expenditures to align with passenger activity level
- Continue to consolidate contracts
- Restructure busing and parking operations to maximize efficiencies and net return
- Implement environmental sustainability strategies, including optimization of energy usage
- Activate new baggage systems in a cost-effective manner
- Refinance up to \$276 M of callable bonds, depending on market conditions, and execute call date extension on select 2006 bonds
- Continue to consolidate applications and converge IT infrastructure
- Eliminate discretionary capital spending
- Review and recommend changes to healthcare and retirement programs to balance level of benefits and cost

## 2015 Goals: Revenue Growth



**REVENUE**

- Implement strategies to solidify and grow air service across all carrier segments (international, legacy, LCC, ULCC)
- Attract new service at IAD leveraging the Airline Incentive Program
- Continue launch and execution of Concessions Redevelopment Program
- Re-bid FBO, in-flight kitchen, phone banks and display advertising contracts
- Optimize parking products and pricing; restructure Airports' ground transportation regulations
- Create commercial land development plan, including gas station, hotel(s), other properties
- Generate revenue through right of way agreements
- Leverage market research, business intelligence and social media to drive non-airline revenue
- Utilize legislative agenda to increase PFC funding

## 2015 Goals: Customers

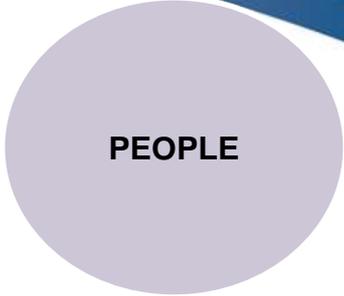


**CUSTOMERS**

- Improve passenger connection between IAD Terminals A and C, including Terminal C Aerotrain station walk back
- Implement way-finding initiatives through improved signage and new mobile technology
- Continue improving concessions with offerings that are attractive to a diverse customer base
- Promote use of the Silver Line Express to increase affordable and convenient connectivity options to and from the airport
- Proactively communicate construction plans – including concessions redevelopment and capital improvements – for both Enterprises
- Continue to optimize and improve the reliability of the passenger screening and port of entry experiences while promoting TSA Pre✓ and Global Entry to reduce wait times
- Launch comprehensive customer communications program, including new passenger-centric website with mobile and social media capabilities



## 2015 Goals: People



**PEOPLE**

- Develop a plan to attract new, diverse talent and improve hiring, training, and outreach processes, including the management intern and trades apprentice employment programs
- Enhance existing bench strength through supervisor training, leadership development, and succession planning programs
- Continue to review management of and compliance with Authority-wide policies and procedures
- Establish an enterprise-wide emergency preparedness culture with establishment of a new centralized Emergency Preparedness Program
- Conduct security drills and tabletop exercises to ensure staff and mutual aid partners have a rehearsed and coordinated response to crises
- Implement new safety programs to reduce work-related accidents and associated costs



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY