



Report to the Finance Committee

Recommendation to Approve the Submission of the Passenger Facility Charge Application for Reagan National Airport to Fund the Airport Metrorail Station Project at Dulles International Airport and Certain Airfield Projects at Reagan National Airport

November, 2013

Recommended Action

That the Finance Committee approve and recommend to the Board of Directors the submission of an application for additional Passenger Facility Charge (PFC) collection authority at Reagan National Airport to pay capital and financing costs associated with the Airport Metrorail Station project at Dulles International Airport and certain airfield projects at Reagan National.



Background

- The Aviation Safety and Capacity Expansion Act of 1990 provided U.S. commercial airports the right to impose a Passenger Facility Charge (PFC) of up to \$3.00 on enplaning passengers.
- In 2000, the Wendell H. Ford Aviation Investment and Reform Action (AIR 21) increased the maximum PFC level to \$4.50.
- PFCs were devised to supplement the traditional capital funding sources used by the nation's airports. PFCs are collected by the airlines through ticket sales and transmitted monthly to each airport.
- PFCs are used by airports to fund projects that meet the FAA's criteria to enhance airport safety, security, or capacity; reduce noise; or increase air carrier competition.



Background (continued)

- Currently, PFCs are imposed and used at DCA and IAD to pay capital costs for FAA-approved projects as well as to pay debt service costs on certain approved PFC-eligible projects that have been bond funded.
- To date, MWAA has had prior PFC applications approved for the following PFC collection amounts:

	DCA	IAD
Current PFC Level	\$4.50	\$4.50
Annual PFC Revenues (2012 in \$M)	\$39.8	\$42.0
Total PFC Collection Authority (\$M)	\$600.1	\$2,442.7
Cumulative PFC Revenue (\$M as of 6/30/13)	\$557.0	\$641.7
Estimated Collection Expiration Date	June 1, 2014	April 1, 2041



Background (continued)

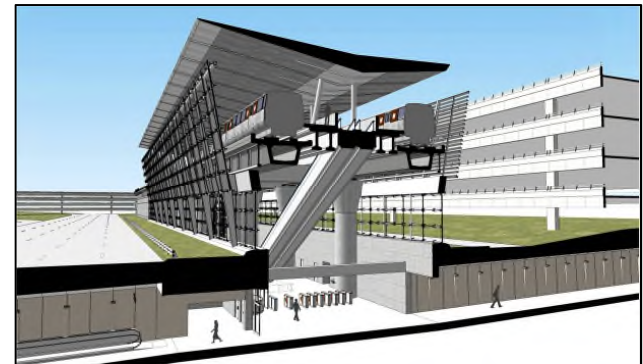
- The Airports Authority is committed to funding 4.1 percent of the Dulles Corridor Metrorail project in support of the Dulles Station. Consistent with ongoing financing plans, PFCs of Reagan National Airport have been targeted for use to fund this commitment.
- In order to ensure that the overall PFC application is approved for the \$4.50 collection level, the dollar amount of projects meeting the “significant contribution” test must total 33% of requested PFC authority (including both capital and financing costs).
 - Based on precedent with other airport rail projects, Dulles Station would satisfy the capacity goal of the PFC program but only at the \$3.00 collection level.
- Accordingly, the proposed PFC Application will include not only the Dulles Corridor Metrorail Station, but will also include Reagan National Airport airfield projects.



Discussion

Dulles Airport Metrorail Station

- Requested PFC Authorization: \$233,041,165 plus \$28,723,976 in financing costs totaling \$261,765,141
 - \$233.0M in PFC capital funding represents 4.1% MWAA Aviation funding commitment for DCMP based on current cost estimates
- The Project involves the design and construction of a new elevated station to be located across from the Main Terminal in the existing median between Saarinen Circle and the North Parking Garage





Discussion (continued)

Airfield Projects at DCA

- The Airfield Projects include improvements and rehabilitation of runways, taxiways, runway safety areas, ramps/aprons, and other airfield elements at DCA:

RSA 1-19 Improvements	Runway 4-22 RSA Improvements
Runway Overlay - 1-19	Taxiway Reconstruction
Runway Overlay - 15-33	River Rescue North Boat House
Runway Overlay - 4-22	ARFF Station 301
Runway 15-33 RSA Improvements	New Apron at Demolished ARFF Site

Actual list of projects may change based on further discussion with FAA



Discussion (continued)

Airfield Projects at DCA

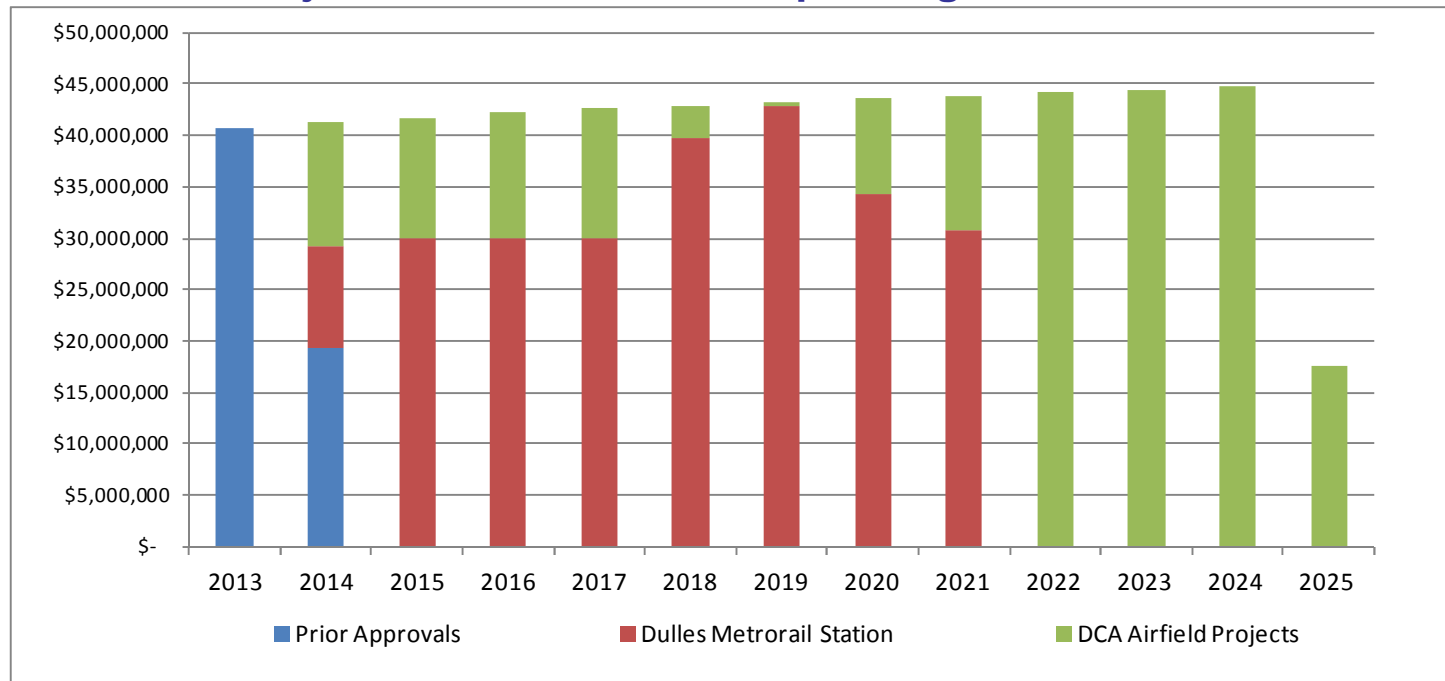
- Each of these projects was selected as they are expected to meet the “significant contribution” test as related to airport safety or capacity and should be approved for \$4.50 collection.
 - In order to ensure that the overall PFC project application is approved for \$4.50 collection, dollar amount of projects providing “significant contribution” must total 33% of requested PFC authority (including both capital and financing costs)
- Requested PFC Authorization: \$123,592,183 plus \$84,475,598 in financing costs totaling \$208,067,781.
 - Reduces airline rates and charges by replacing/reimbursing Authority bond funding with PFC funding
- Airfield projects represent approximately 44% of the recommended PFC Application, thereby conservatively meeting the \$4.50 collection threshold.



Discussion (continued)

Remaining Existing PFC Authority (prior approvals) as of June 30, 2013:	\$43,078,257
Additional Authority – Proposed New PFC Application:	<u>\$469,832,922</u>
Total Authority with New Application:	\$512,911,179
New Collection Authority Expiration Date:	June 1, 2025

Projected Collections and Spending of DCA PFCs



Recommendation

- Staff recommends that the Finance Committee approve and recommend to the Board of Directors approval of the submission of an application for additional Passenger Facility Charge (PFC) collection authority at Reagan National Airport to pay capital and financing costs associated with the Airport Metrorail Station project at Dulles International Airport and certain airfield projects at Reagan National Airport.
- Among other requirements, the FAA requires an airline consultation, which is tentatively targeted for December 2013.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

**REPORT TO THE FINANCE COMMITTEE
RECOMMENDATION TO APPROVE
SUBMISSION OF THE PASSENGER FACILITY CHARGE
APPLICATION FOR REAGAN NATIONAL AIRPORT TO FUND THE
AIRPORT METRORAIL STATION PROJECT AT DULLES
INTERNATIONAL AIRPORT AND CERTAIN AIRFIELD PROJECTS AT
REAGAN NATIONAL AIRPORT**

NOVEMBER, 2013

ACTION REQUESTED

That the Finance Committee approve and recommend to the Board of Directors approval to submit an application for additional Passenger Facility Charge (PFC) collection authority at Reagan National Airport. The new PFC will extend the PFC collection period at Regan National to June 1, 2025.

BACKGROUND

The Aviation Safety and Capacity Expansion Act of 1990 provided U.S. commercial airports the right to impose a PFC of up to \$3.00 on enplaning passengers. In 2000, the Wendell H. Ford Aviation Investment and Reform Action (AIR 21) increased the maximum PFC level to \$4.50. PFCs were devised to supplement the traditional capital funding sources used by the nation's airports. PFCs are collected by the airlines through ticket sales and transmitted monthly to each airport.

PFCs are used by airports to fund projects that meet the FAA's criteria to enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Before receiving FAA approval to impose PFCs, the Authority is required to consult with the airlines serving the airports concerning the proposed projects to be funded with PFCs; in addition, the Authority is required to give both the airlines serving the airports and the public a minimum thirty-day period to provide comments on the proposed projects. Dulles and Reagan National Airports are considered one airport system for PFC purposes, and PFCs imposed at one airport can be used for projects at the other airport.

DISCUSSION

Management is recommending the submission of a new PFC application (**Attachment A**) to the FAA for additional PFC collection authority to support the Airport Metrorail Station project at Dulles International Airport and certain airfield projects at Reagan National Airport. Descriptions and PFC objectives/justifications for each project are provided in **Attachment B**, which is the draft notice to the air carriers for the required consultation meeting.

In order to ensure that the overall PFC application is approved for the \$4.50 collection level, the dollar amount of projects meeting the “significant contribution” test must total 33% of requested PFC authority (including both capital and financing costs). Based on precedent with other airport rail projects, Dulles Station would satisfy the capacity goal of the PFC program but only at the \$3.00 collection level. The proposed Reagan National airside projects are expected to satisfy the significant contribution test. These airside projects represent approximately 44% of the recommended PFC Application, thereby conservatively meeting the \$4.50 collection threshold.

The proposed schedule for the new PFC application is listed below:

Event	Date
MWAA Board and Finance Committee Meetings to request approval to submit a new PFC application	November 13, 2013
Air Carrier Consultation Meeting	December 12, 2013
Public Notification of PFC Application	December 12, 2013
Due date for comments from air carriers and the public	January 13, 2014
Submit new PFC application to FAA	Late January 2014
FAA review of application	120 days
Anticipated FAA approval and issuance of Final Agency Decision	Late May 2014


RECOMMENDATION

That the Finance Committee approve and recommend to the Board of Directors approval to submit an application for additional Passenger Facility Charge (PFC) collection authority at Reagan National Airport to pay capital and financing costs associated with the Airport Metrorail Station project at Dulles International Airport and certain airfield projects at Reagan National Airport.

Prepared by:
Office of Finance
November 2013

ATTACHMENT A

OMB Approved 2120-0557
Exp. 8/31/2013

 Federal Aviation Administration U. S. Department of Transportation	PASSENGER FACILITY CHARGE (PFC) APPLICATION			
1. Application Type <i>(Check all that apply)</i> <input checked="" type="checkbox"/> a. Impose PFC Charges <input checked="" type="checkbox"/> b. Use PFC Revenue <input type="checkbox"/> c. Amend PFC No. _____		FAA USE ONLY <hr/> Date Received _____ PFC Number _____		
PART I				
2. Public Agency Name, Address, and Contact Person Agency Name <u>Metropolitan Washington Airports Authority</u> Address <u>1 Aviation Circle</u> City, State, ZIP <u>Washington DC 20001-6000</u> Contact Person <u>Andrew Rountree, 703.417.8710</u>		3. Airport(s) to Use IAD, DCA		4. Consultation Dates a. Date of Written Notice to Air Carriers: November 8, 2013 b. Date of Consultation Meeting with Air Carriers: December 12, 2013 c. Date of Public Notice: December 12, 2013
PART II				
5. Charges				
a. Airport to Impose DCA	b. Level <input type="checkbox"/> \$1.00 <input type="checkbox"/> \$2.00 <input checked="" type="checkbox"/> \$3.00 <input type="checkbox"/> \$4.00 <input checked="" type="checkbox"/> \$4.50	c. Total Estimated PFC Revenue by Level Impose \$261,765,141 Use \$261,765,141 Impose \$208,067,781 Use \$208,067,781	d. Proposed Effective Date: June 1, 2014	e. Estimated Expiration Date: June 1, 2025
PART III				
6. Attachments <i>(Check all that Apply)</i>				
	Attached	Submitted with Application Number	Document	
a.	<input type="checkbox"/>	<input type="checkbox"/>	Airport Capital Improvement Plan	
b.	<input type="checkbox"/>	<input type="checkbox"/>	Project Information (Attachment B)	
c.	<input type="checkbox"/>	<input type="checkbox"/>	Air Carrier Consultation and Public Notice Information	
d.	<input type="checkbox"/>	<input type="checkbox"/>	Request to Exclude Class(es) of Carriers	
e.	<input type="checkbox"/>	<input type="checkbox"/>	Alternative Uses/Projects	
f.	<input type="checkbox"/>	<input type="checkbox"/>	Competition Plan/Update	
g.	<input type="checkbox"/>	<input type="checkbox"/>	ALP/Airspace/Environmental	
h.	<input type="checkbox"/>	<input type="checkbox"/>	Notice of Intent Project Information	
i.	<input type="checkbox"/>	<input type="checkbox"/>	_____	
PART IV				
7. With respect to this PFC application I hereby certify as follows: To the best of my knowledge and belief, all data in this application are true and correct; This application has been duly authorized by the governing body of the public agency; The public agency will comply with the assurances (Appendix A to Part 158) if the application is approved; For those projects for which approval to use PFC revenue is requested, all applicable ALP approvals, airspace determinations, and environmental reviews required by the National Environmental Policy Act have been completed. If required, the public agency has submitted a competition plan in accordance with 49 U.S.C. 47106(f); and If required by 49 U.S.C. 40117(d)(4), adequate provision for financing the airside needs, including runways, taxiways, aprons, and gates, has been made by the public agency.				
a. Typed Name of Authorized Representative Andrew Rountree		b. Title VP for Finance and Chief Financial Officer d. E-mail Address Andrew.Rountree@mwaac.com		c. Telephone Number 703.417.8710 e. Fax Number 703.417.8995
f. Signature of Authorized Representative			g. Date Signed	
Paperwork Reduction Act Statement: This form is the FAA's primary source for collecting information for the authority to collect PFC revenue for airport development. This information is used to determine the eligibility and justification of airport development projects regarding safety, security, or capacity of the national air transportation system; or which reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among air carriers. It is estimated that it will take approximately 5-80 hours to fill out the application depending on the complexity. The use of the form is required to obtain FAA approval of authority to collect PFC revenue (49 U.S.C. 40117(c)). No assurance of confidentiality is necessary or provided. It should be noted that an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The OMB control number associated with this collection of information is 2120-0557. Comments concerning the accuracy of this burden and suggestions for reducing the burden should be directed to the FAA at: 800 Independence Ave. SW, Washington, DC, 20591, Attn: Information Collections Clearance Officer, AIO-20.				

ATTACHMENT B

Form of Air Carrier Notice

November 8, 2013

To: Properties Representatives of Air Carriers and Foreign Air Carriers Serving Ronald Reagan Washington National Airport (DCA) and MWAC Executive Director

RE: PASSENGER FACILITY CHARGE – NOTICE OF AIR CARRIER CONSULTATION MEETING DECEMBER 12, 2013, 10 AM.

The Metropolitan Washington Airports Authority (the Authority) hereby provides notice, in accordance with Federal Aviation Administration (FAA) Passenger Facility Charge (PFC) regulation 14 CFR 158.23, of a consultation meeting with the air carriers serving Ronald Reagan Washington National Airport (National). The purpose of this notice is to discuss the projects to be included in a proposed new PFC application.

Proposed PFC Charge Level:	\$4.50
Proposed Charge Effective Date:	June 1, 2014
Estimated Charge Expiration Date:	June 1, 2025
Estimated Total PFC Revenue for this Application:	\$469,832,922

IMPOSE AND USE

Dulles Airport Metrorail Station (Use at IAD)

\$3.00 Collection Level

Project Description: The Dulles Airport Metrorail Station is one of six stations that will be constructed as part of Phase 2 of the Dulles Corridor Metrorail Project. The project element includes the design and construction of a new elevated (aerial) station adjacent to the Daily 1 (North) Parking Garage at Dulles Airport, including the partial demolition of the existing pedestrian tunnel providing access to the Main Terminal building. Station support facilities and equipment rooms would be located under the aerial guideway and at the platform level at either end of the station. Escalators, stairs and elevators will provide access to a below-grade concourse with a direct tie-in to the pedestrian walkway tunnel. Baggage carts would be available immediately outside the station fare gates, and appropriate signage and flight information would also be provided for the airline travelers as they depart the station and enter the pedestrian tunnel.

The project also includes the design and construction of the elevated (aerial) rail tracks within the boundaries of the station as well as the tracks immediately approaching the footprint of the station, including 1,165 linear feet to the east of the station and 998 linear feet to the west of the station. Work

ATTACHMENT B

associated with the guideways includes the rail, concrete ties, rail welding, rail fasteners, and rail anchors, along with the associated supporting infrastructure (i.e. aerial guideway concrete piers, columns and segments; track drainage system, running rail and associated cable trough). The project also includes the rework and relocation of roadways configured within an approximately 1,300 linear feet distance in the vicinity of the station (including portions of Saarinen Circle, Dulles International Airport Access Highway (DIAAH) with a northern bound of Aviation Drive) that is necessary to accommodate the construction of the Station.

The preliminary engineering estimate for PFC-eligible cost of the Dulles Airport Metrorail Station is \$268,486,146 excluding financial expense. This application is seeking PFCs to provide \$233,041,165 in capital funding (total PFC-eligible project cost net of Dulles Toll Road revenue funding) plus \$28,723,976 in financing and interest costs.

Project Justification: The Dulles Airport Metrorail Station Project will achieve the PFC objectives of the preservation and/or enhancement of Capacity. It will also furnish opportunity for competition between or among air carriers.

The Dulles Airport Metrorail Station Project will increase the ground transportation options available to travelers and users of Dulles Airport, while at the same time providing additional capacity on the DIAAH to accommodate future regional growth. The addition of the Dulles Corridor Metrorail Project (DMCP) provides the equivalent of 2-3 additional roadway travel lanes in each direction (approximately 8,600 persons in the AM peak-hour in each direction) and is expected to induce a decrease in DIAAH traffic large enough to result in an improvement in projected level of service from D to C in periods of peak volume.

Ridership projections for the Dulles Airport Metrorail Station prepared by WMATA during the environmental review process estimate that by year 2025, a total of 6,200 riders per day would be using this station, all of which being Airport patrons and employees. The incremental cost of building this station and appurtenant facilities benefits only users of the airports. This represents approximately 11 percent of the total projected ridership for the DCMP, and about 10 percent of the total number of airport users (passengers and employees) on a daily basis. The Dulles Airport Metrorail Station Project and the overall DCMP are an important component of the Airport Authority's plan to provide convenient and reliable access to Dulles Airport as its usage is projected to double from 23 MAP in 2012 to 32 MAP in 2025 per the FAA's 2013 Terminal Area Forecast, with capacity projected to reach a facility maximum of 55 MAP in the future per the Airport's Master Plan.

At this time, there is limited access to Dulles Airport via public transportation. The already congested Dulles Corridor, combined with when combined with expected increases in passenger and freight operations at Dulles Airport, will see even more congestion as the demand for air travel increases, and the capacity for further roadway expansion is limited. Construction of the DCMP will introduce a new, reliable transit service to/from Dulles Airport and help to maintain acceptable levels of service on the DIAAH by diverting airport passengers to other transportation modes.

RSA 1-19 Improvements

\$4.50 Collection Level

Project Description: Runway 1-19 is currently 6,869 feet in length and 150 feet in width. Runway 1-19 is bound by the Potomac River on both ends. This project made runway improvements to the safety and

ATTACHMENT B

operation of Runway 1-19. In addition this project made improvements to mitigate Runway Safety Area (RSA) deficiencies overlay of runway surfaces and improvements to related aeronautical infrastructure. In addition to these runway improvements, this project also increased the size of the existing hold-apron that supports Runway 1-19 complex.

Total eligible project cost is estimated at \$37,448,571 excluding financial expense. This application is seeking PFCs to cover \$22,706,522 in capital funding (total eligible project cost net of AIP funding) plus \$15,602,033 in financing and interest costs.

Project Justification: Runway 1-19 is designated as the primary runway at DCA handling over 95% of the airport operations. This project is essential to maintain the operational efficiency and safety of this runway. These improvements will satisfy the regulations set forth in Order 5200.8 to conform with the safety standards contained in AC 150/5300-13 Airport Design, to the extent practicable.

Significant Contribution for \$4.50: The southward shift and runway threshold displacement for Runway 1-19 will significantly enhance airfield safety and bring Ronald Reagan Washington National Airport (DCA) into compliance with FAA Order 5200.9 Runway Safety Area (RSA) Program. Since Runway 1-19 is surrounded by the Potomac River on both ends, the southward shift and threshold relocation will provide an area that exceeds current RSA requirements. In the event of an aircraft's excursion from the runway these modifications will significantly reduce the extent of personal injury and aircraft during overruns, undershoots, and veer-offs. In addition funding and support of this project will also put Runway 1-19 in compliance of the 2006 Congressional mandate that all airports certified under 49 U.S.C. 44706 shall improve the airport's runway safety areas to comply with the Federal Aviation Administration design standards no later than December 31, 2015.

Runway Overlay – 1-19

\$4.50 Collection Level

Project Description: This project will rehabilitate of Runway 1-19. The project includes mill and overlay with a four-inch bituminous pavement, along with the reapplying the associated pavement markings, for the entire lengths of Runway 1-19 (6,869-ft).

Total eligible project cost is estimated at \$20,843,505 excluding financial expense. This application is seeking PFCs to cover \$10,435,179 in capital funding (total eligible project cost net of AIP funding) plus \$7,170,187 in financing and interest costs.

Project Justification: The last overlay project on Runway 1-19 was done over 20 years ago. The high volume of aircraft operations over time has caused numerous surface distresses. Pavement management system reports indicated, before the most recent overlay activity, severe longitudinal and alligator cracking on all runway surfaces.

Significant Contribution for \$4.50: The overlay of this runway is necessary to provide a safe and reliable runway system and stay in compliance with FAA Part 139. This project is necessary to protect pavement structural integrity, extend its useful life, and eliminate the safety hazard caused by damaged pavement.

ATTACHMENT B

Runway Overlay - 15-33

\$4.50 Collection Level

Project Description: This project will rehabilitate of Runway 15-33. The project includes mill and overlay with a four-inch bituminous pavement, along with the reapplying the associated pavement markings, for the entire lengths of Runway 15-33 (5,204-ft).

Total eligible project cost is estimated at \$17,044,724 excluding financial expense. This application is seeking PFCs to cover \$10,887,502 in capital funding (total eligible project cost net of AIP funding) plus \$7,480,985 in financing and interest costs.

Project Justification: The last overlay project on Runway 15-33 was done over 20 years ago. The high volume of aircraft operations over time has caused numerous surface distresses. Pavement management system reports indicated, before the most recent overlay activity, severe longitudinal and alligator cracking on all runway surfaces.

Significant Contribution for \$4.50: The overlay of this runway is necessary to provide a safe and reliable runway system and stay in compliance with FAA Part 139. This project is necessary to protect pavement structural integrity, extend its useful life, and eliminate the safety hazard caused by damaged pavement.

Runway Overlay - 4-22

\$4.50 Collection Level

Project Description: This project will rehabilitate of Runways 4-22. The project includes mill and overlay with a four-inch bituminous pavement, along with the reapplying the associated pavement markings, for the entire length of Runway 4-22 (4,911-ft).

Total eligible project cost is estimated at \$7,499,237 excluding financial expense. This application is seeking PFCs to cover \$7,499,237 in capital funding plus \$4,968,414 in financing and interest costs.

Project Justification: The last overlay project on Runway 4-22 was done over 20 years ago. The high volume of aircraft operations over time has caused numerous surface distresses. Pavement management system reports indicated, before the most recent overlay activity, severe longitudinal and alligator cracking on all runway surfaces.

Significant Contribution for \$4.50: The overlay of this runway is necessary to provide a safe and reliable runway system and stay in compliance with FAA Part 139. This project is necessary to protect pavement structural integrity, extend its useful life, and eliminate the safety hazard caused by damaged pavement.

Runway 15-33 Runway Safety Area Improvements and EIS

\$4.50 Collection Level

Project Description: This project includes design, environmental and construction services and shifts Runway 15-33 to the southeast and installs two Engineered Materials Arresting Systems (EMAS) beds at both runway ends. The Runway 15 and 33 EMAS beds will be capable of stopping design aircraft exiting the runway at speeds up to 70 and 40 knots respectively. In addition this project will also construct new taxiway connectors to the relocated runway ends and the needed modification in the Potomac River to support the Runway 33 EMAS bed.

ATTACHMENT B

Total eligible project cost is estimated at \$23,323,552 excluding financial expense. This application is seeking PFCs to cover \$12,258,588 in capital funding (total eligible project cost net of AIP funding) plus \$8,423,082 in financing and interest costs.

Project Justification: The objective of this project is to provide a safe and reliable runway. The installation of the Engineered Materials Arresting Systems (EMAS) beds on both ends of Runway 15-33 will provide an additional measure of safety in the event of an aircraft's excursion from the runway by significantly reducing the extend of personal injury and aircraft during overruns, undershoots, and veer-offs. Improvements to runway safety area's will ensure compliance of the FAA Order 5200.9 by December 31, 2015 and comply to the safety standards established in Part 139.

Significant Contribution for \$4.50: The installation of the Engineered Materials Arresting Systems (EMAS) beds on both ends of Runway 15-33 will address the growing concerns of safety beyond the existing non-standard safety areas at Ronald Reagan Washington National Airport (DCA). With the George Washington Memorial Parkway and Potomac River to the north and south of these runway ends this project will enhance airfield safety by providing an additional measure of safety in the event of an aircraft's excursion from the runway by significantly reducing the extend of personal injury and aircraft during overruns, undershoots, and veer-offs. In addition funding and support of this project will also put Runway 15-33 in compliance with FAA Order 5200.8 - Runway Safety Area Program, Part 139 - Airport Certification and the 2006 Congressional mandate that all airports certified under 49 U.S.C. 44706 shall improve the airport's runway safety areas to comply with the Federal Aviation Administration design standards no later than December 31, 2015.

Runway 4-22 Runway Safety Area Improvements and EIS

\$4.50 Collection Level

Project Description: This project includes design, environmental and construction services and will modify the length of Runway 4-22 by relocating the threshold and extending the Runway 4 end by 370 feet to provide 5,000 feet departures. This project will also install an Engineered Materials Arresting Systems (EMAS) bed at the existing Runway 22 end capable of stopping the design aircraft exiting the runway at speeds up to 70 knots and will also construct new taxiway connectors to the relocated runway ends.

Total eligible project cost is estimated at \$46,928,111 excluding financial expense. This application is seeking PFCs to cover \$24,664,870 in capital funding (total eligible project cost net of AIP funding) plus \$16,947,646 in financing and interest costs.

Project Justification: The objective of this project is to provide a safe and reliable runway. The installation of the Engineered Materials Arresting Systems (EMAS) beds on both ends of Runway 4-22 will provide an additional measure of safety in the event of an aircraft's excursion from the runway by significantly reducing the extend of personal injury and aircraft during overruns, undershoots, and veer-offs. Improvements to runway safety area's will ensure compliance of the FAA Order 5200.9 by December 31, 2015 and comply to the safety standards established in Part 139.

Significant Contribution for \$4.50: The installation of the Engineered Materials Arresting Systems (EMAS) beds on both ends of Runway 4-22 will address the growing concerns of safety beyond the existing non-standard safety areas at Ronald Reagan Washington National Airport (DCA). With the George Washington Memorial Parkway and Potomac River to the north and south of these runway ends this project will enhance airfield safety by providing an additional measure of safety in the event of an

ATTACHMENT B

aircraft's excursion from the runway by significantly reducing the extend of personal injury and aircraft during overruns, undershoots, and veer-offs. In addition funding and support of this project will also put Runway 15-33 in compliance with FAA Order 5200.8 - Runway Safety Area Program, Part 139 - Airport Certification and the 2006 Congressional mandate that all airports certified under 49 U.S.C. 44706 shall improve the airport's runway safety areas to comply with the Federal Aviation Administration design standards no later than December 31, 2015.

Taxiway & Taxilane Resurfacing Program (Taxiway Bravo, Kilo, Papa Reconstruction)

\$4.50 Collection Level

Project Description: Taxiway Bravo, Kilo, and Papa are primary taxiways that provide access to and from Runways 1-19 and 4-22. The surveyed sections of these taxiways were rated as marginal due to the surface distresses. Numerous repairs have been made these taxiways over the years, but the distresses identified in the PCS are associated with the need for full depth rehabilitation. The alligator and longitudinal cracking and rutting are considered major structural distress and will require full depth rehabilitation.

Total eligible project cost is estimated at \$10,662,153 excluding financial expense. This application is seeking PFCs to cover \$10,662,153 in capital funding plus \$7,063,917 in financing and interest costs.

Project Justification: The rehabilitation of taxiways B, K, and P will enhance safety by eliminating hazardous FOD and preventing congestion due to unanticipated major repairs on critical surfaces to airport operations. Implementation of these pavement improvements recommended in our PCS survey ensures compliance with FAR 14 CFR Part 139.

Significant Contribution for \$4.50: These rehabilitation of taxiway Bravo (B), Kilo (K), and Papa (P) are essential to the preservation and modernization of the airport's runway system. These taxiways represent the backbone of safe movement for all the aircraft that depart and arrive at DCA. This project is necessary to protect pavement structural integrity, extend its useful life, and eliminate the safety hazard caused by damaged pavement.

North River Rescue Boat House

\$4.50 Collection Level

Project Description: This project includes the design and construction of the North River Rescue Boat House. This facility, which is 2,025 square-feet, protects emergency boats and provides space for equipment storage. This facility was built with a walkway, and parking for rescue type vehicles. The new North River Rescue Boat House was designed to house a 27-ft Safe Boat International and a 22-ft Boston Whaler. This new facility is being used by the DCA River Rescue Team who provides emergency response to situations on the Potomac River adjacent to the airport.

Total eligible project cost is estimated at \$3,263,117 excluding financial expense. This application is seeking PFCs to cover \$3,263,117 in capital funding plus \$2,242,142 in financing and interest costs.

Project Justification: The original North River Rescue Boat House, which was constructed in 1962, was determined unsafe in a structural analysis report completed in 2009 and was subsequently vacated (Between that time and the opening of the new boat house in 2013, boats were kept on trailers and had to be ramp launched for each event) The report indicated that decades of weathering, storm surges, flooding

ATTACHMENT B

and tidal action had significantly compromised the structural integrity of this facility. This report also concluded that rehabilitation or reconstruction at the current location was not feasible due to the deteriorating condition of the primary support piles, the need for a larger facility (to support larger equipment) and existing airspace constraints. The new facility, which doubles the size of the original facility, allows the Airport to maintain compliance with Part 139 and meet the requirements of the FAA AC 150/5210-13C Airport Water Rescue Plans and Equipment requirements.

Significant Contribution for \$4.50: The project provides a significant contribution to safety at Ronald Reagan Washington National Airport (DCA) by keeping the airport in compliance with 14 CFR Part 139 to meet airport certification requirements for river rescue facilities and operations. The boat house allows for more rapid water response by keeping the boats in the water. The new boat house will also allow for the demolition of the old boat house, which is currently out of compliance with existing standards since it is located in the Object Free Area (OFA) of Runway 1-19.

ARFF Station 301

\$4.50 Collection Level

Project Description: This project included the design and construction of the new Airport Rescue and Fire Fighting (ARFF) facility. The new station, which was completed in 2007, is 24,911 square feet and provides fire fighting vehicle space, storage areas for fire equipment and emergency medical services, special systems, office areas, support areas, and private/living areas. This project also includes funding for the portion of the Security Infrastructure Improvement Study related to the construction and design of a new ARFF Station.

Total eligible project cost is estimated at \$16,370,620 excluding financial expense. This application is seeking PFCs to cover \$16,370,620 in capital funding plus \$11,248,528 in financing and interest costs.

Project Justification: The original ARFF facility, which was constructed in 1982, had grown inefficient for the station's mission. This station was originally designed for two 12-man shifts while the current operation requires three 16-man shifts. In addition, the station was designed with no accommodation for the female ARFF/Fire/EMS facilities and was not ADA compliant. The conditions at the original DCA ARFF station were deteriorating, including significant settlement in the foundations and floor slabs, and much of the station was not in compliance with the FAA Advisory Circular 150/5210-15A design standards. The station configuration did not allow modification or expansion due to its location in relation to aircraft parking and Taxiway Bravo.

Significant Contribution for \$4.50: The project provides a significant contribution to safety at Ronald Reagan Washington National Airport (DCA) by keeping DCA in compliance with the 49 CFR Part 139 certification requirements and providing updated facilities as required in the AC 150/5210-15A Aircraft Rescue Fire-Fighting station building design. The project replaced an antiquated and deteriorating ARFF station.

New Apron at Demolished ARFF Site

\$4.50 Collection Level

Project Description: This project installed 9,300 square yards of usable pavement for aircraft parking and staging at the site of the old DCA ARFF station. This new ramp provides additional parking and staging of aircraft when not in active rotation and provides an area for DCA cargo operations.

ATTACHMENT B

Total eligible project cost is estimated at \$4,844,395 excluding financial expense. This application is seeking PFCs to cover \$4,844,395 in capital funding plus \$3,328,665 in financing and interest costs.

Project Justification: This project preserves and enhances capacity as well as increases safety to ground personnel and equipment. This project installed pavement designed to support parking of aircraft that remain overnight at DCA. This pavement can support as many as three aircraft in Design Group III or up to five aircraft in Group II weighing up to 256,000 pounds. The ramp may also be used for cargo operations by B757-200 aircraft. This ramp will support the demand generated by airlines that need a place away from Terminals A, B, or C to park aircraft in the overnight hours. When the ramp is not occupied by aircraft this ramp will serve as a cargo ramp.

Significant Contribution for \$4.50: The construction of the new DCA ARFF station in 2008 significantly reduced aircraft overnight parking area and left an abandoned ARFF station. The demolition of the old ARFF station will provide 9,300 square yards of new pavement to support as many as three aircraft in Design Group III or up to five aircraft in Group II weighing up to 256,000 pounds. The ramp may also be used for cargo operations by B757-200 aircraft. DCA is the eastern origin and termination point for a number of flights by various airlines. The aircraft arrive late at night and remain overnight at DCA until their scheduled departure the next morning. There are typically 24 aircraft parked overnight at DCA.

The meeting to discuss this application will be held Thursday, December 12, 2013 at 10:00am in the Board Conference Room located at the Metropolitan Washington Airports Authority – Ronald Reagan Washington National Airport. The full Agenda for all meetings will be emailed/mailed at a later date. All Airlines are invited to attend.

Subsequent to this meeting, and after the mandatory thirty-day period for the Airlines and the public to comment, the Authority will submit this application to the FAA for approval. The materials used at this consultation meeting and any comments received during the comment period will be included.

Class of Carrier Not Required to Collect the PFC

Metropolitan Washington Airports Authority intends to exclude Nonscheduled/On-Demand Air Carriers as the class of carriers required to collect PFCs. According to the FAA's Calendar Year 2012 enplanement data (report dated 11/4/2013), the number of passengers enplaned by this class of carriers at DCA was 25 in calendar year 2012. This represents significantly less than one percent of total annual enplanements at the Airport. These carriers are excluded because the burden of collecting the fees is greater than the revenue that would be collected. Carriers in this class include:

- Ultimate Jetcharters LLC

ATTACHMENT B

In the event you have any questions, please contact me at (703) 417-8710 or at Andrew.Rountree@mwa.com.

Sincerely,

<SIGNATURE>

Andrew Rountree, CPA
Vice President for Finance and Chief Financial Officer

Proposed Resolution

Authorizing the Submission of a Passenger Facility Charge Application for Ronald Reagan Washington National Airport to Fund the Dulles Corridor Metrorail Station Project at Washington Dulles International Airport and Airfield Projects at Reagan National Airport

WHEREAS, The Airports Authority is eligible to receive passenger facility charge (PFC) revenues under federal law and to use such revenues to fund the construction costs of qualified capital projects at Ronald Reagan Washington National and Washington Dulles International Airports;

WHEREAS, The ability of the Airports Authority to impose PFCs at the Airports requires approval by the Federal Aviation Administration (FAA) of a PFC application submitted by the Airports Authority that describes the capital projects to be funded by revenues that the PFCs will produce;

WHEREAS, The Airports Authority now imposes PFCs at Reagan National Airport pursuant to FAA approvals of prior Airports Authority PFC applications, but the ability of the Airports Authority to impose these PFCs at Reagan National Airport expires in 2014;

WHEREAS, Staff have recommended that the Airports Authority submit a new application to the FAA (PFC Application) that seeks the ability to impose PFCs at Reagan National Airport from June 1, 2014, through May 31, 2025, in order to support construction of the Dulles Corridor Metrorail station project at the Dulles International Airport and a number of airfield projects at Reagan National Airport (these projects at the two Airports, collectively, the PFC Projects);

WHEREAS, A proposed PFC Application and a description of the PFC Projects were reviewed by the Finance Committee at its November 2013 meeting;

WHEREAS, At that meeting, after reviewing the proposed PFC Application and the description of the PFC Projects, the Finance Committee approved and recommended that the Board of Directors approve the submission of the proposed application to the FAA; now, therefore, be it

RESOLVED, That the Chief Financial Officer of the Airports Authority is authorized and directed to submit the PFC Application to the Federal Aviation Administration that seeks authorization to impose Passenger Facility Charges at

Reagan National Airport from June 1, 2014, through May 30, 2025, to provide PFC revenues for the Dulles Corridor Metrorail station project at Dulles International Airport and other PFC Projects at Reagan National Airport; and

2. That the Chief Financial Officer, in consultation with the Finance Committee Chairman, is further authorized and directed to take any other actions he deems necessary or desirable to assist the Federal Aviation Administration in its review of the PFC Application or otherwise to obtain FAA approval of the application, including substituting new projects for projects identified in the submitted application.

*For Consideration by the Finance Committee and
the Board of Directors on November 13, 2013*