



**Strategic Planning & Development  
Committee**

**Air Service Development  
Information Report  
and**

**Proposed 2014 Annual Air Service Plan**

December 2013



## 2013 Air Service Overview

- ➔ Airlines offered little to no growth in seat capacity and produced overall strong revenues and profits
- ➔ Reagan National expected to reach an all-time record 20.4 million passengers
- ➔ International air service grew at Dulles International for a sixth straight year
- ➔ Dulles domestic air service declined primarily due to Reagan National drawing flights/passengers from Dulles



# Both Airports Continued to Attract New and Expanded Airline Service In Past Year

## Dulles International Airport



San Salvador – December, 2012  
Fayetteville, NC – February 2013  
Guatemala – April 2013  
Costa Rica – April 2013  
Grand Rapids, MI – May 2013  
Vancouver, BC - June 2013



Abu Dhabi – March 2013



San Salvador – 3<sup>rd</sup> Daily Flight  
November 2013



Brussels – June 2013



Panama – 2<sup>nd</sup> Daily Flight  
December 2012

## Reagan National Airport



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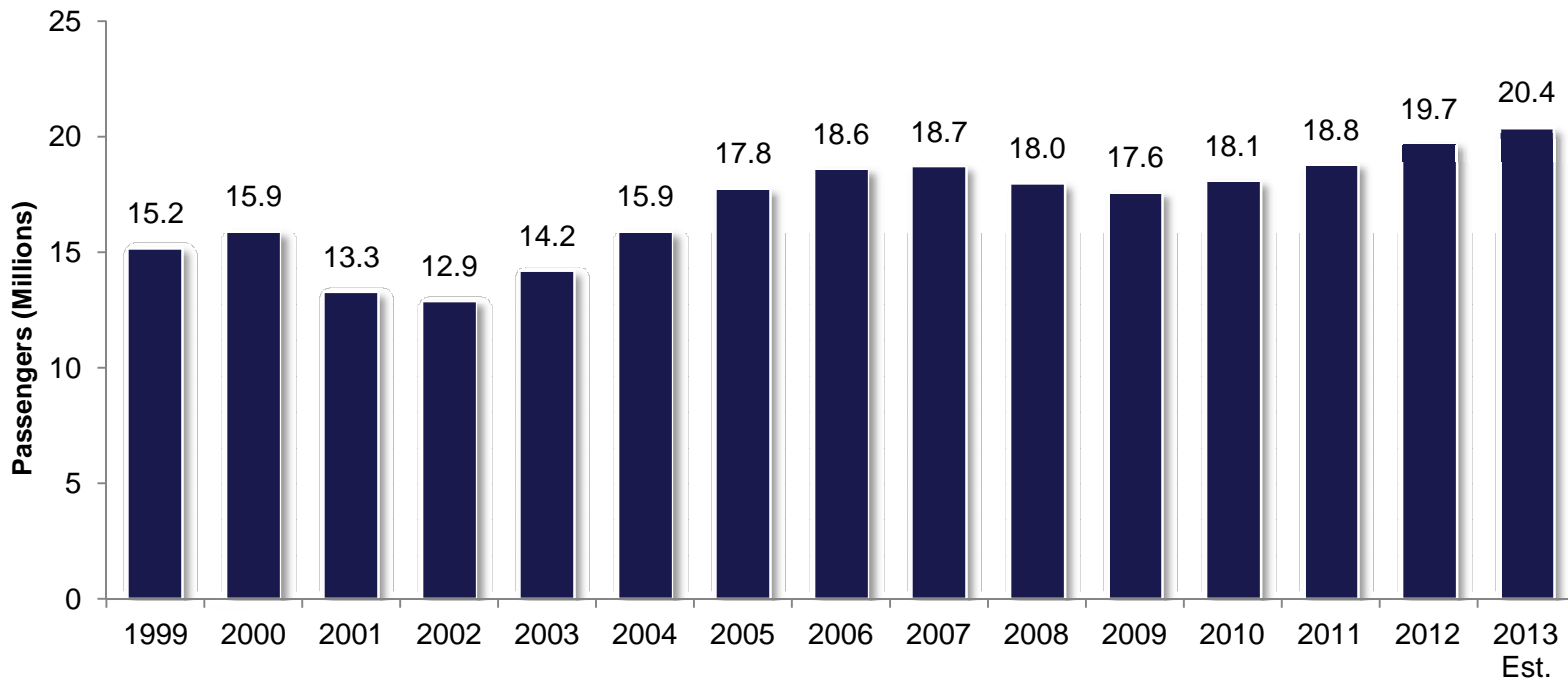
Houston-Hobby, TX – August 2013



# Reagan National Passenger Traffic

*Passenger Traffic Grew Strongly at Reagan National in 2013 to Record Levels*

**Total Passengers at Reagan National (in millions)**



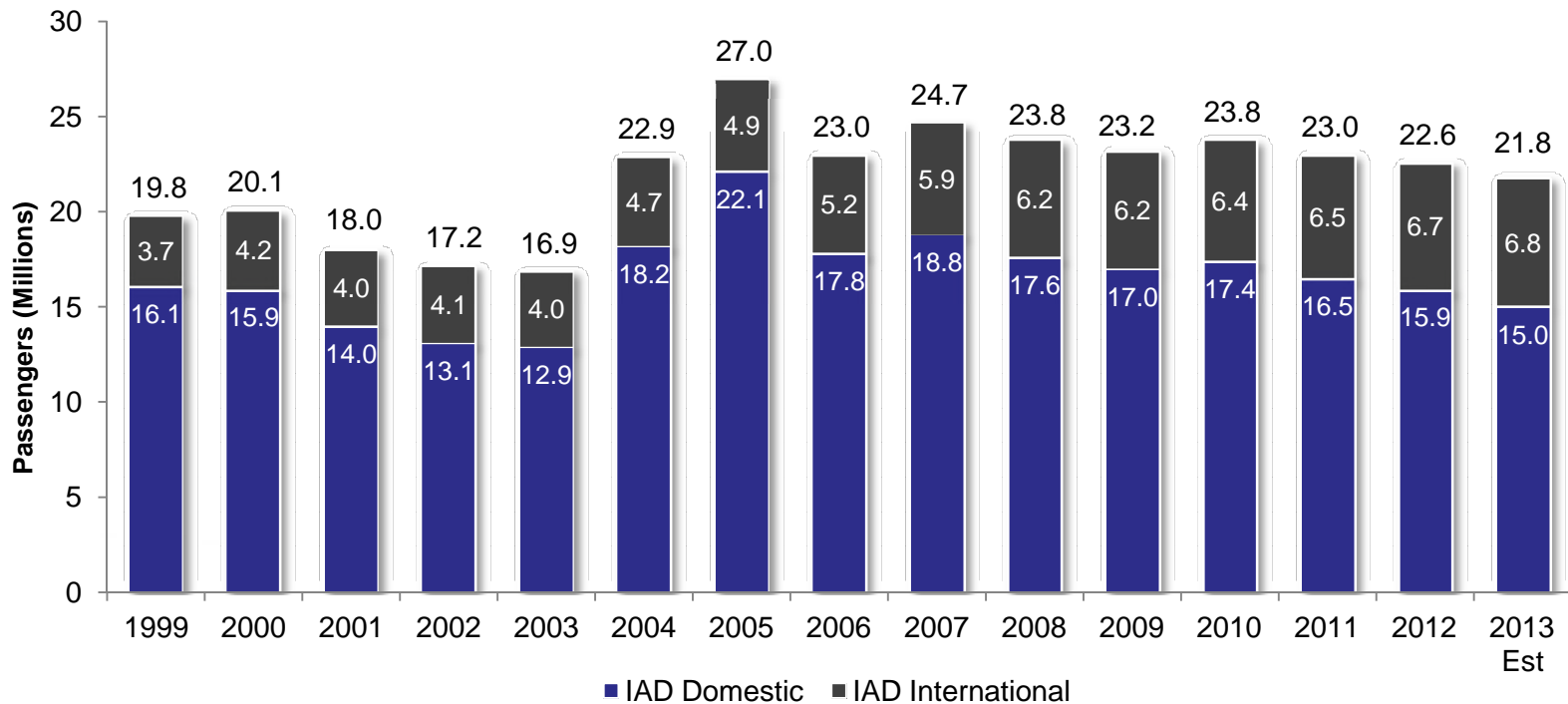
Source: Metropolitan Washington Airports Authority, 2013.



# Domestic and International Passenger Traffic Diverged at Dulles International in 2013

*International Traffic Hit a New Record While Domestic Traffic Declined*

**Total Passengers at Dulles International (in millions)**



Source: Metropolitan Washington Airports Authority, 2013.



American Airlines



- American and US Airways now approved to merge on December 9, 2013 and begin integrating operations in 2014
- DOJ Settlement requires:
  - ✓ New American will divest 52 roundtrips at Reagan National
  - ✓ 8 leased roundtrips will be sold to JetBlue permanently
  - ✓ 44 roundtrips are to be bundled and sold in at least two bundles/carriers with expectations that it could be more than two bundles/carriers
  - ✓ Likely acquirers: JetBlue, Southwest, Virgin America, Frontier, Alaska, Spirit, other LCCs
  - ✓ Congressional interest for bundles to be open to all carriers (Delta, United) to ensure service to small/non-hub communities

## 2013 Dulles Air Cargo Developments



Ethiopian Airlines' flower imports tonnage almost doubled in 2013 with 3 to 4 import shipments per week – installed additional 40' Cold Storage Container at Dulles Airport dedicated for flowers only



Dulles Airport Cargo Buildings leased at 97%



Increased Textile/Garment import tonnage over 50% from Middle East/Southeast Asia due to Middle East Cargo Sales Mission Tour

## United Opens New Wide-Body Maintenance Hangar At Dulles in 2013



- New \$45 million 125,000 square-foot facility allows United to perform maintenance overnight and get aircraft back into service increasing flexibility and reliability
- Hangar can accommodate up to two wide-body aircraft, such as Boeing 777s (or newest addition—787) plus one narrow-body plane





## Proposed 2014 Strategic Targets

- ➔ Preserve and increase domestic nonstop services at Dulles International
- ➔ Further grow international services at Dulles International
- ➔ Focus on smart growth at Reagan National as newly merged American Airlines divests slots
- ➔ Intensify strategic focus on Dulles air cargo development



## Action Requested

- ✈ Committee concurrence on proposed 2014 Annual Air Service Development Plan



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY