

**J00I00 – MDOT – Maryland Aviation Administration  
MDOT RESPONSE TO DLS ANALYSIS**

***Budget Analysis Issues***

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**1. Audit Reveals Noncompliance with Federal Noise Regulations (Page 15)**

*The Department of Legislative Services (DLS) recommends that the Maryland Aviation Administration (MAA) should comment on its failure to comply with FAA regulations and any plans to change how the noise compatibility program operates.*

**MDOT Response:**

Reimbursement from federal sources for our past Sound Insulation Program was not available because pre and post noise mitigation testing was not done in accordance with FAA guidelines. Prior to 2012, many airports, including BWI Marshall, as a practice, were not conducting interior home noise testing pre- and post-mitigation, but were nevertheless being reimbursed by FAA for noise insulation projects. Post 2012, FAA would not reimburse home insulation without the pre- and post-testing. MAA continued its program to completion using the Transportation Trust Fund as a source which was fully recovered in airline rates & charges with the airlines' full knowledge and concurrence.

On August 30, 2016, the FAA announced that the 14 CFR Part 150 Noise Exposure Maps for BWI Marshall Airport were in compliance with applicable requirements with an effective date of August 31, 2016. This will allow the MAA to move forward with new programs for Sound Insulation and Voluntary Acquisition for eligible properties that fall within the 65 DNL noise contour and are interested in participating.

MAA will adopt a Standard Operation Procedure (SOP) consistent with our acoustical testing plan approved by the FAA. MAA currently has approximately \$1,000,000.00 in the escrow account to begin the program and is moving forward with some additional noise property sales that will provide additional funding. MAA's SOP's will insure that the reimbursement of all eligible costs will be requested in a timely manner.

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**2. Noise Complaints Take Off**

**(Pages 15 -16)**

*The Department of Legislative Services (DLS) recommends that the Maryland Aviation Administration (MAA) should comment on the status of group examining possible changes and provide any updates on NextGen regulations*

**MDOT Response:**

The Maryland Department of Transportation’s Maryland Aviation Administration (MAA) has received concerns and complaints from residents about increased noise and aircraft flying at lower altitudes to and from BWI Marshall. These complaints have resulted from changes in aircraft operations required by the federally-mandated Federal Aviation Administration’s (FAA) Modernization and Reform Act of 2012, Next Generation Air Transportation System (NextGen).

To address these concerns, MAA has been corresponding with the FAA Administrator, Michael P. Huerta, and the FAA Eastern Regional Administrator, Carmine Gallo, to convey the impact these changes have had on Maryland residents and MAA has asked for modifications to the flight procedures. Mr. Huerta’s office has advised that to initiate procedural changes or to reinstate the previous landing patterns, a Community Roundtable (Roundtable) made up of residents and industry representatives would need to be formed. These Roundtables have been established at other airports around the country.

To meet FAA’s requirement, MAA is forming a Roundtable to address the concerns of BWI Marshall’s surrounding communities. MAA expects that the Roundtable will provide a consensus of recommended changes for the FAA to consider. The FAA, although not a voting member of the Roundtable, will attend meetings and provide subject matter expertise on operational issues, procedural design and other issues to help develop more acceptable operations for the communities.

The twenty-six (26) representatives on the roundtable will include nineteen (19) voting members and seven (7) non-voting members as follows:

**Voting:**

- 14 Seven legislative districts,
- 3 Howard, Anne Arundel and Baltimore County Executive’s offices, and
- 2 Anne Arundel and Howard County Councils

**Nonvoting:**

- 3 Industry representatives,
- 3 Federal Aviation representatives, and
- 1 MAA representative

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We understand that this process is not an immediate fix and may take more time than most residents would like, but the FAA requires a consensus prior to developing, testing and implementing any significant air space procedural changes.

Two dates for the first meeting have been proposed, Tuesday March 21<sup>st</sup> and Tuesday April 11, 2017. A draft Charter has been prepared and will be provided to the representatives prior to the meeting.

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**3. Little Progress on Hotel Replacement**

**(Page 16)**

*The Department of Legislative Services (DLS) recommends that the Maryland Aviation Administration (MAA) should comment on the status of the hotel project.*

**MDOT Response:**

The MAA has completed review of the prior hotel development plan and the feedback on the lack of response to the hotel RFP issued in 2015. It was confirmed that the market had concerns with the planned location, lack of clarity around the financing plan, and the coordination between the hotel and related airport facilities. The review confirmed that an in-terminal boutique hotel with approximately 200 rooms and amenities for business meetings is more favorable to the developer and consumer markets. As a part of the Airport's Master Plan Update, the MAA is zeroing in on a location for an in-terminal hotel. In addition, the MAA tasked the Airport's consultant to explore and recommend financing alternatives. The MAA is planning to pursue any required regulatory approvals for the new hotel development plan later this year.

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***Operating Budget Recommended Actions***

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1. Concur with the Governor's allowance

**MDOT Response:**

The Department concurs with the DLS recommendation.

***PAYGO Budget Recommended Actions***

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2. Concur with the Governor's allowance

**MDOT Response:**

The Department concurs with the DLS recommendation.



# *Maryland Department of Transportation Aviation Administration*

**February 2017**

Pete Rahn  
Secretary  
Maryland Department of Transportation

Ricky D. Smith, Sr.  
Executive Director/CEO  
Maryland Aviation Administration



# Baltimore/Washington International Thurgood Marshall Airport

## Economic Impact

- **Supports 97,737 total jobs in the region**
- **Produces \$3.8 billion in personal wages**
- **Responsible for \$7.8 billion in business revenue to the State**
- **Produces estimated \$535 million in tax revenue for State and local governments; \$260 million in federal tax revenue**



# Baltimore/Washington International Thurgood Marshall Airport

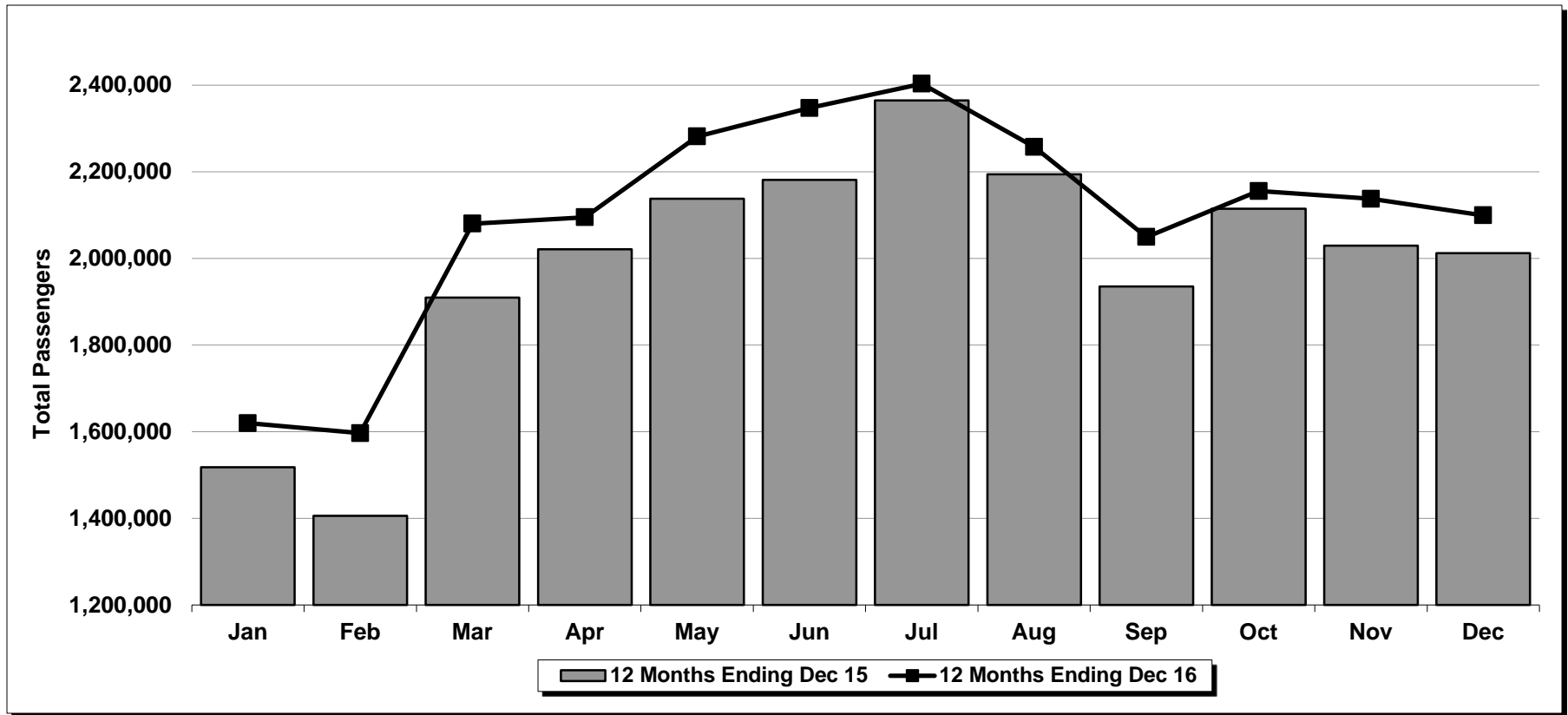
- **25 million passengers**
  - **23.8 million domestic passengers**
  - **1.2 million international passengers**
- **22<sup>nd</sup> busiest U.S. airport**
- **Average 68,000 passengers per day**
- **330 daily departures**
- **90 domestic and international destinations**



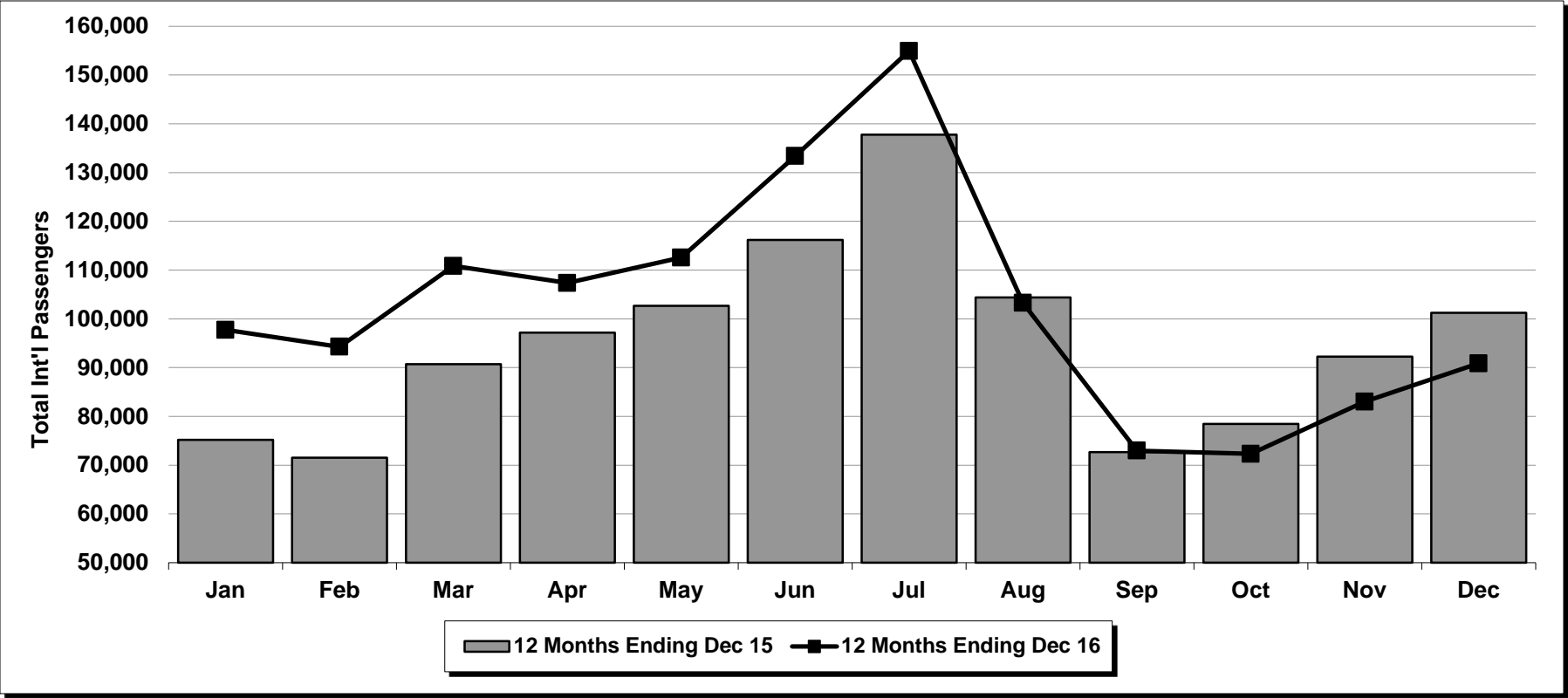


# Recent Passenger Trends

## **Eighteen Consecutive Monthly Records!**

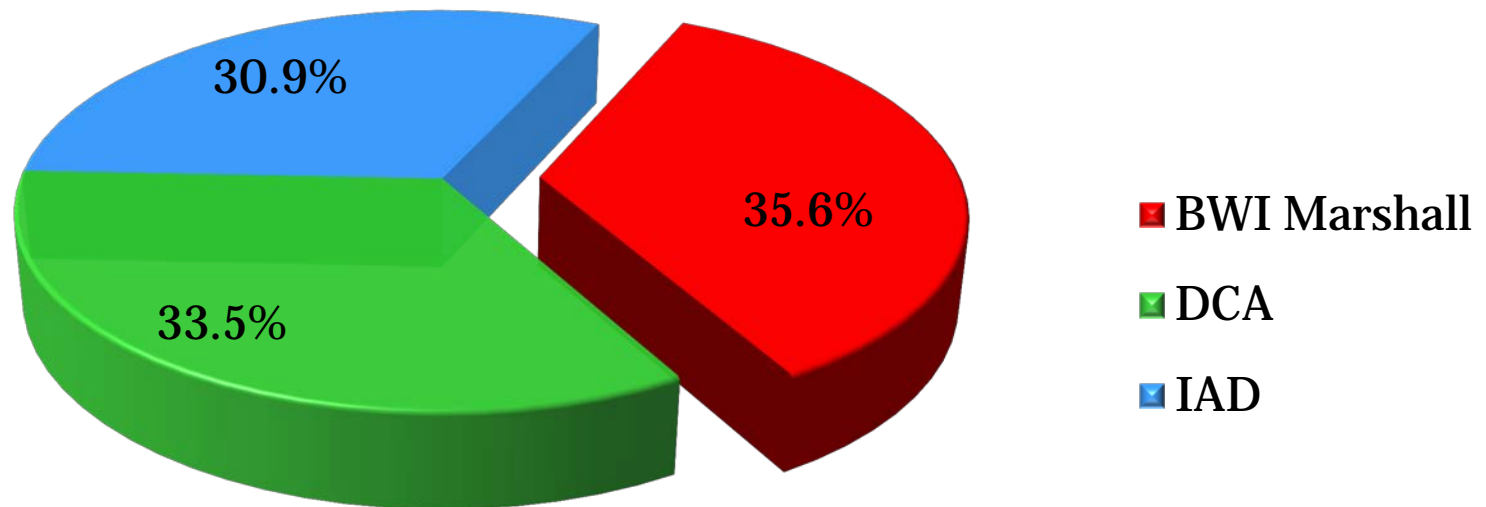


# Strong International Growth – Up 8% Over Previous 12 Months



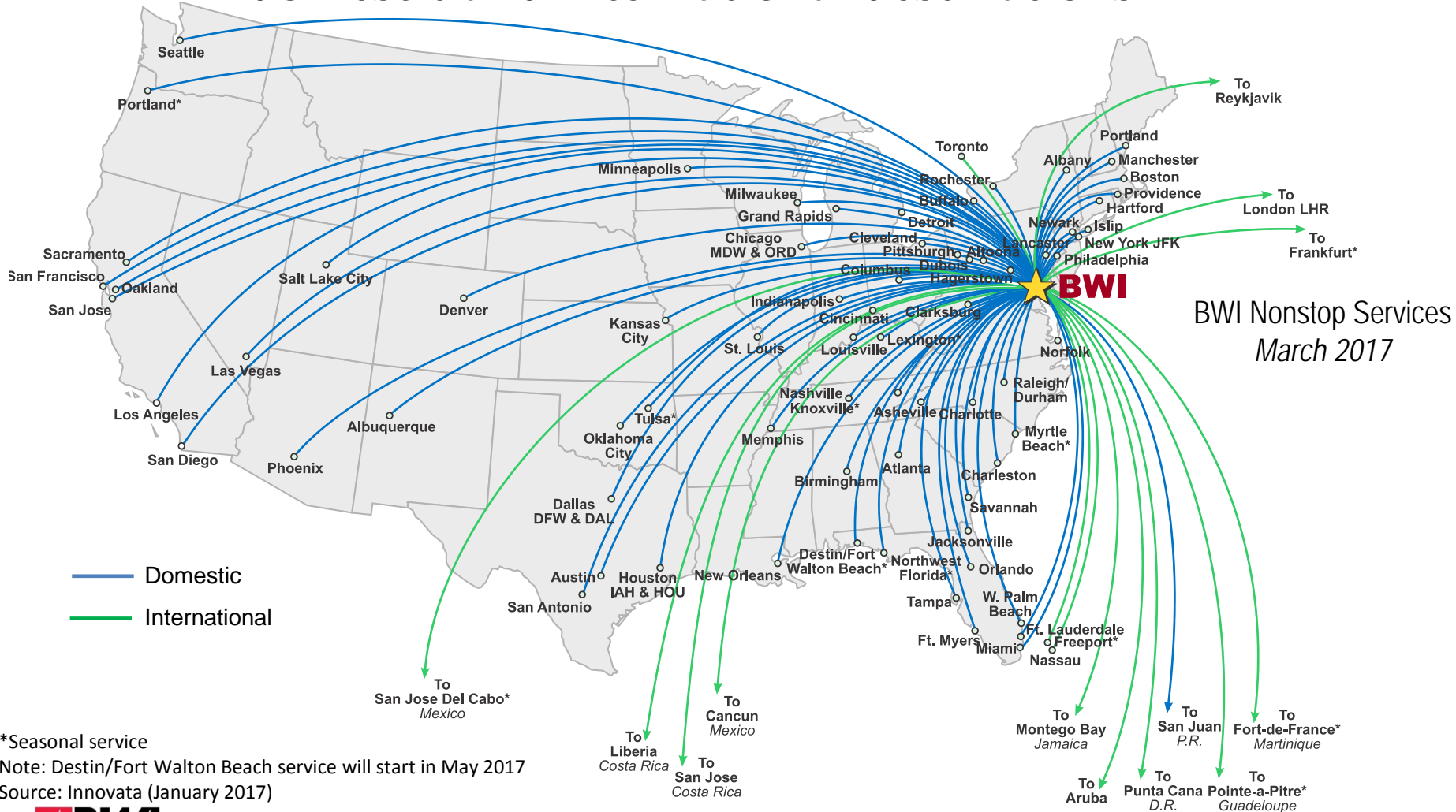
# BWI Marshall Remains Busiest Airport in Region

## PASSENGER MARKET SHARE BY AIRPORT



**We're winning DC!**

# BWI Marshall Airport has nonstop service to nearly 90 domestic and international destinations



BWI Nonstop Services  
March 2017

\*Seasonal service  
 Note: Destin/Fort Walton Beach service will start in May 2017  
 Source: Innovata (January 2017)



## New and Expanded Service

### – WOW Air

- Reykjavik, Iceland Increased service (June 2016)



### – Condor

- Frankfurt, Germany Increased service (May 2016)
- Additional increased service (May 2017)



### – Southern Airways Express

- Hagerstown, MD (November 2016)
- Dubois, PA (November 2016)
- Lancaster, PA (November 2016)
- Dubois, PA (January 2017)



## New and Expanded Service

### – Allegiant

- Savannah, GA (April 2016)
- Cincinnati, OH (April 2016)
- Asheville, NC (May 2016)
- Knoxville, KY (May 2016)
- Tulsa, OK (May 2016)
- Lexington, KY (June 2016)
- Destin/Fort Walton Beach, FL (May 2017)



### – Alaska Airlines

- San Diego, CA (March 2017)
- Portland, OR (June 2017)



## New and Expanded Service

### – Southwest

- Sacramento, CA (August 2016)
- San Jose, CA (October, 2016)
- Cincinnati, OH (June 2017)



### – Spirit

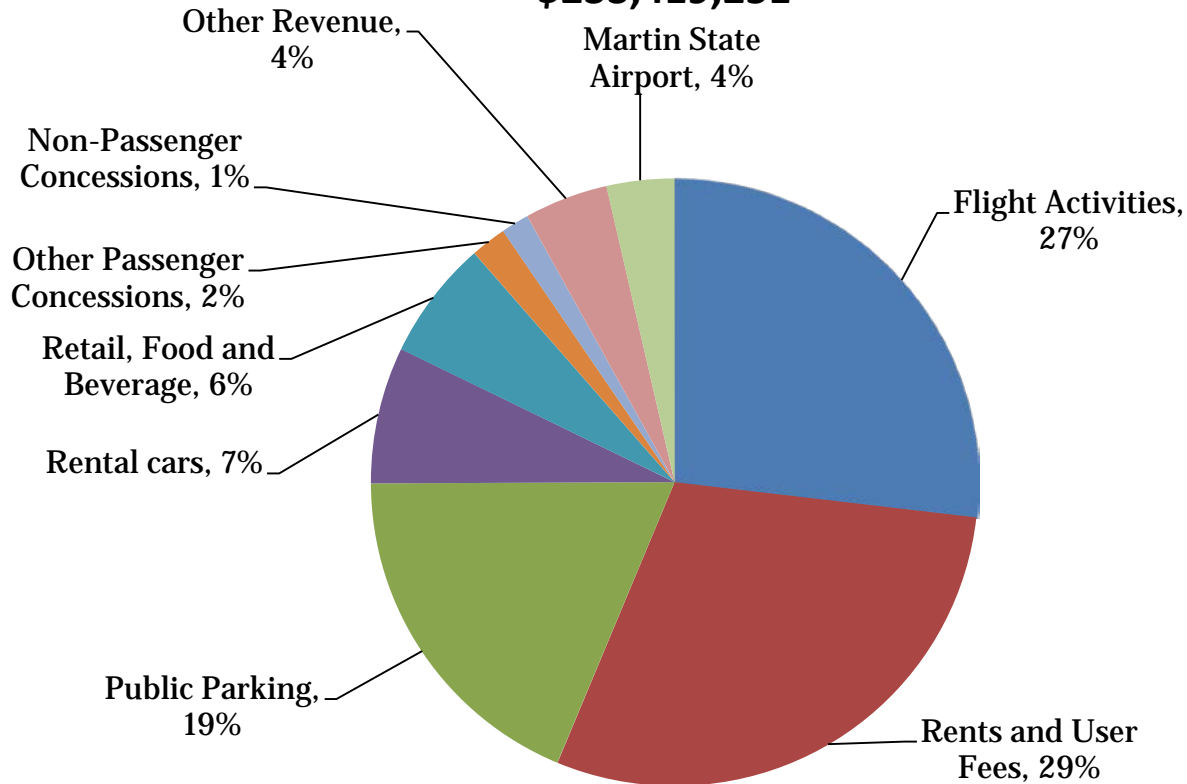
- Boston, MA (April 2016)
- Detroit, MI (April 2016)
- Tampa/St. Petersburg, FL (November 2016)
- Fort Myers, FL (November 2016)
- Oakland, CA (May 2017)
- New Orleans, LA (May 2017)
- San Diego, CA (May 2017)
- Seattle, WA (May 2017)



# MAA Key Financials - Revenues

## TTF Operating Revenue FY 2016

**\$233,419,251**

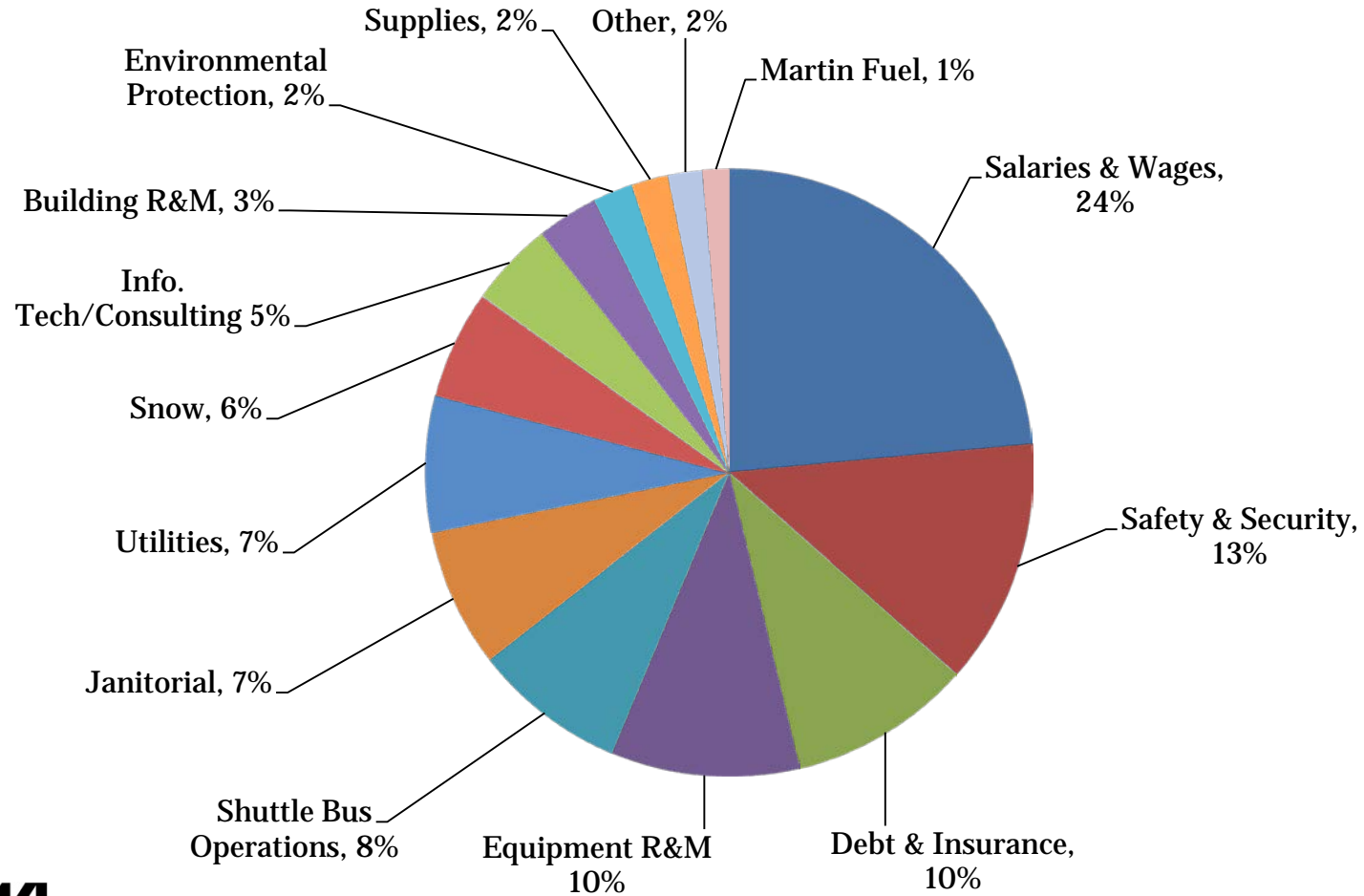




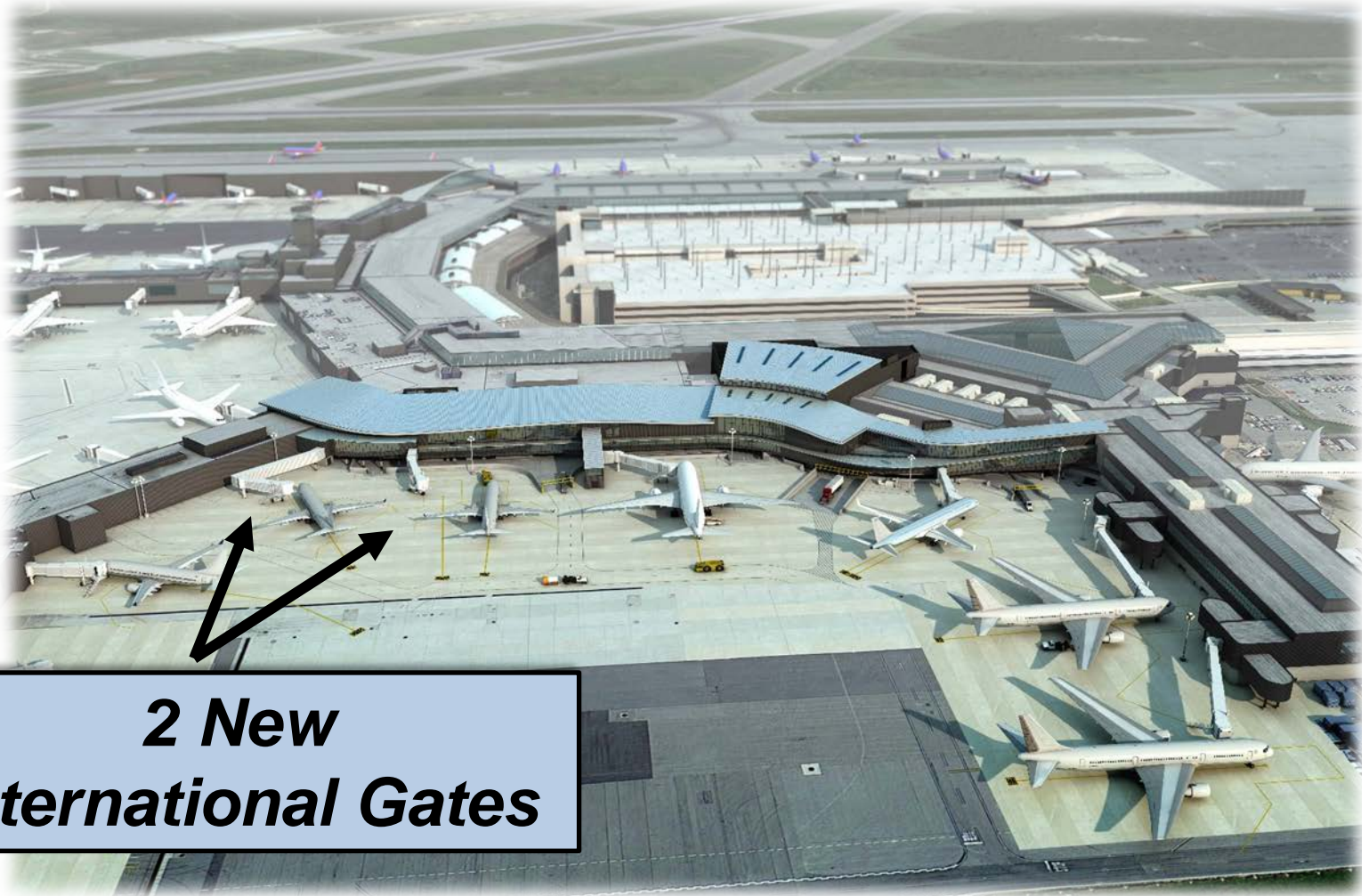
# MAA Key Financials - Expenditures

## TTF Operating Expenditures FY 2016

\$192,046,750



# D/E Security Checkpoint and Connector



**2 New  
International Gates**

# D/E Connector Adds International Capacity and Passenger Services

- **New security checkpoint for domestic and international passengers.**
- **Secure connector between Concourse D and Concourse E.**
- **Configure airline gates to support additional international flights.**
- **Added food and retail concessions— including outdoor plaza.**



# International Concourse Expansion to Support Airline Growth



- **Additional 6 international gates (2 full-service and 4 arrivals-only).**

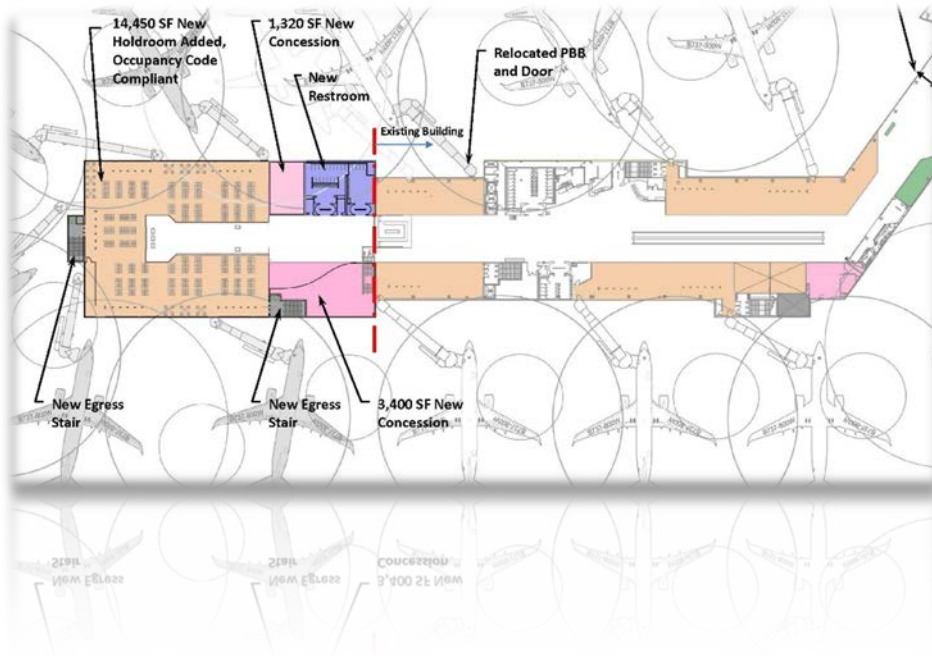
***6 New International  
Gates***

## **New Aircraft Maintenance Facility**



- **Located in the Northwest Quadrant of the Airfield**
- **Aircraft Maintenance Base**
- **Current Planning Includes 200,000 SF Hangar and 425,000 SF Apron**

# Concourse A Expansion



- **Five Gates at the end of Concourse A planned for in the original development**
- **Expanded concession opportunities**
- **Provides critical “Swing Gate” capacity for planned capital projects while meeting near term demand for Southwest Airlines.**

# New Airport Service Station



- **Vacant 5-acre parcel at Amtrak Way.**
- **Gas station and food service facility highly feasible.**

# Future Developments - Master Plan Update

- **Development plan for airport campus to accommodate operational forecasts of between 30 – 40 million annual passengers.**
- **Airfield including runway capacity, tarmac capacity, air traffic control tower, ARFF facility.**
- **Terminal building including gates, baggage handling system, and other passenger support facilities.**
- **Landside including roadway, curbside, and parking garage.**



# FY 2017/FY 2018 Outlook

## Potential Issues and Opportunities

- **Security Incidents/Changes in Protocols**
- **Infrastructure/Federal Funding Uncertainty**
- **Baggage Screening Capacity**
- **100% Airport Employee Screening**
- **Customs & Border Protection Staffing**
- **Air Traffic Control Modernization**
- **Terminal Roadway Congestion**
- **Interest and Inflation Rates**

Thank You for Your Continuing Support!

