

REPORT TO THE STRATEGIC DEVELOPMENT COMMITTEE

RONALD REAGAN WASHINGTON NATIONAL AIRPORT (DCA) SLOT AND PERIMETER UPDATE

MAY 2023



AGENDA

- What is a Slot ?
- What is the Perimeter Rule ?
- Temporary DCA Slot Relief and Slot Divestiture
- FAA Reauthorization
- Impact of Slot and Perimeter Changes
- MWAA Position



DCA SLOTS BACKGROUND

- A slot is an authorization issued by FAA to operate one flight in a specified hour
- One landing and one takeoff requires two separate slots, often referred to as one "Slot Pair"
- <u>Use or Lose Provision</u>: If an airline does not use a slot at least <u>80%</u> of the time, FAA can reallocate the slot to another airline



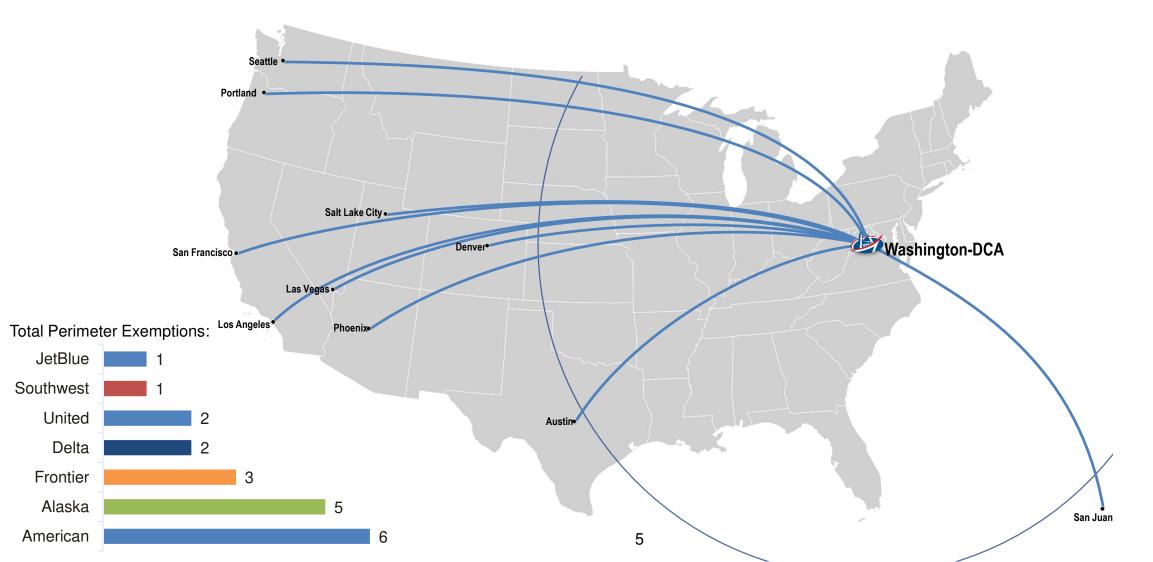


PERIMETER RULE

The **perimeter** is a 1,250-mile radius from Washington, D.C., beyond which nonstop flights to/from DCA are prohibited without a federally granted exemption. It limits DCA to shorter flights and smaller aircraft while managing congestion and limiting jet noise in surrounding residential areas. Originally set at 650 miles, the perimeter has been expanded by congressional and regulatory actions. In addition, Congress has legislated 20 daily, beyond-perimeter round trip exemptions.



THE PERIMETER RULE





TEMPORARY SLOT RELIEF

This year the FAA has granted two waivers to minimum slot usage requirements:

- DCA Runway Construction Closures
- NYC Air Traffic Controller Staffing





NORTHEAST ALLIANCE SLOT DIVESTITURE

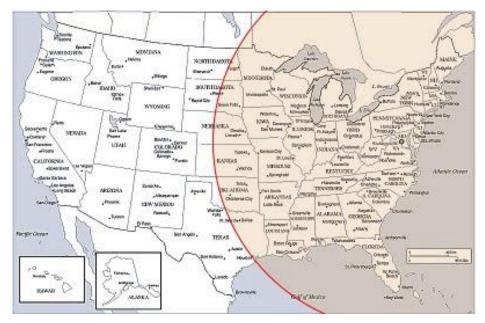
- American and JetBlue formed a Joint Venture in the Northeast corridor
- As a result, the FAA required a divestiture of six slot pairs
- Auction for the five-year lease of the six slot pairs ended May 5th
- Slot divesture is initially for five years and intended to continue for the duration of the alliance
- Winning airline must start operations by May 2024





PROPOSALS TO MODIFY SLOT/PERIMETER RULE

- FAA Reauthorization Bill: traditional legislative vehicle for slot and perimeter modifications
 - Last bill in 2018 was the first since 2012, without new exemptions, despite efforts from outside perimeter
 - Additional slots and perimeter exemptions are being sought in the new bill
- Separate House bill seeks 28 additional slot pairs
- Strong opposition by D.C. -VA. -MD. Delegation; main DCA and IAD airlines; state and local governments; regional business community
- Airports Authority position: 'No changes' to rule





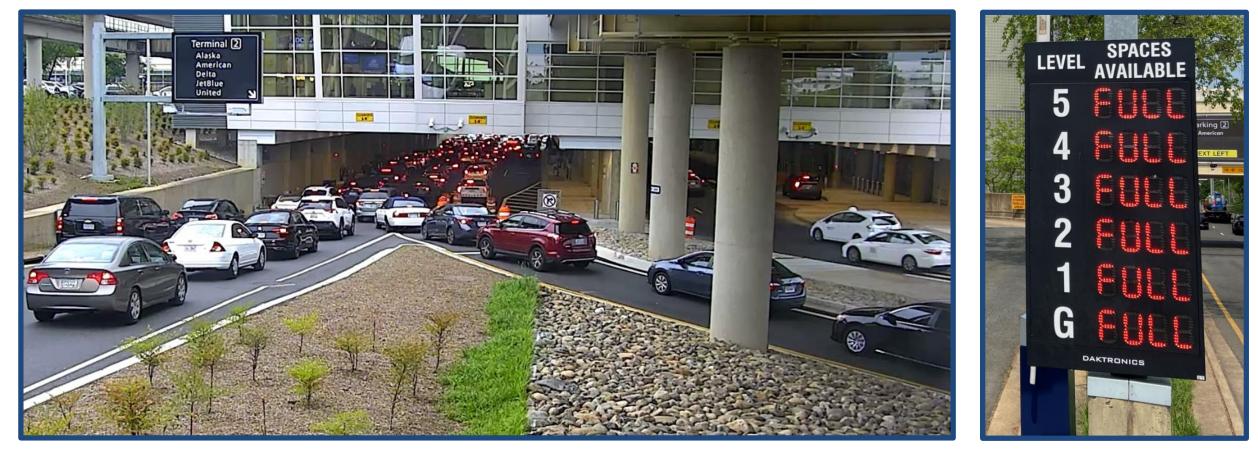
IMPACT OF MORE SLOTS AT DCA

- More flight activity will directly contribute to increased crowding in the terminals
- Gates, hold room boarding areas and baggage systems already at capacity





LANDSIDE CAPACITY CONSTRAINTS



May 7, 2023

May 10, 2023



AIRSIDE CAPACITY CONSTRAINTS

- Increased flight delays
- Less opportunity to recover operations
- More fuel burn from longer taxi times







AIRPORTS AUTHORITY POSITION: NO CHANGES

- Exemptions add more long-haul flights at DCA, shifting destinations and passengers away from IAD
- Migration to DCA causes overcrowding in terminals, roadways and parking areas; stresses infrastructure, adds to delays and noise
- Shift increases costs for IAD airlines and passengers; discourages new destinations and new airlines, especially international
- Potential loss of DCA service to smaller inside-perimeter cities to make room for more beyond-perimeter flights
- System imbalance reduces jobs, dampens contribution to regional economy









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