

**A Report to the Maryland General Assembly**

**regarding**

**Maryland Aviation Commission Annual Report  
Transportation Article, § 5-201.2**

**January 2018**

**MSAR 268**

**Maryland Department of Transportation  
Maryland Aviation Administration**

## Introduction

Pursuant to Transportation Article §5-201.2, the Maryland Aviation Commission is required to submit an annual report. The section states that:

*(a) Subject to § 2-1246 of the State Government Article, the Commission shall report by January 15 of each year to the General Assembly on the activities of the Commission during the previous year.*

*(b) The report shall include:*

*(1) A review of the financial and operational results for all State-owned airports during the previous year and any recommendations of the Commission for future changes in legislation, capital funding, or operational flexibility;*

*(2) Subject to review by the Department of Budget and Management, an estimate of all expenditures necessary for the operation of the Commission. The estimate shall identify staff resources allocated to the Commission that are provided by the Department or other State agencies; and*

*(3) Actions taken by the Commission pursuant to § 5-201.1(a) of this subtitle, including the consideration of the comparative status of employees serving at comparable airports or aeronautical agencies.<sup>1</sup>*

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<sup>1</sup> No personnel actions under 5-201.1(a) were taken in CY 2017.

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## SECTION I

### BACKGROUND

#### Creation of the Maryland Aviation Commission

The 1994 General Assembly passed Chapter 457, Acts of 1994 (Transportation Article, §5-201.2 (c)) creating the Maryland Aviation Commission, effective October 1, 1994. The Commission is the successor to the BWI Airport Commission, a gubernatorial advisory panel created in September 1993 by Executive Order.

The Maryland Aviation Commission consists of nine voting members. Eight of the members are appointed by the Governor with the advice and consent of the Senate, with the Secretary of the Maryland Department of Transportation serving as Chair and ninth voting member, and the Secretary of the Maryland Department of Commerce serving as a nonvoting ex officio member. The Commission's duties include:

- Establishment of policies to improve and promote Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) as an airport of service to the Washington-Baltimore Metropolitan area;
- Approval of regulations for the operation of State-owned airports prior to adoption by the Executive Director, Maryland Aviation Administration (MAA);
- Direction to MAA in developing and implementing airport management policy for all State-owned airports;
- Approval of major capital projects at State-owned airports as defined in the Transportation Article, §2-103.1(a) (4), Annotated Code of Maryland;
- Consideration of information and advice from air carriers, airport concessionaires, the airport support services industry and citizen advisory groups in carrying out the provisions of law relating to the Maryland Aviation Commission; and
- Determination of qualifications, appointment and compensation for 12 senior management personnel positions and provide advice to the Chair on the appointment or removal of the Executive Director.

## SECTION II

### MARYLAND AVIATION COMMISSION MEMBERS

**Pete K. Rahn, Chairman**

Secretary, Maryland Department of Transportation

**Vishal Amin**

**T. Chineta K. Davis**

**W. Drew Hawkins**

**John H. Kiser**

**Raymond C. Nichols**

**Philip A. Parenti**

**Calvin D. Peacock**

**David L. Winstead, Esq.**

**R. Michael Gill**

Secretary, Maryland Department of Commerce  
ex officio, nonvoting member

## SECTION III

### MESSAGE FROM THE CHAIRMAN

In 2017, the Maryland Department of Transportation Maryland Aviation Administration (MDOT MAA) and the Maryland Aviation Commission worked together to ensure a world-class, productive airport system. MDOT MAA is committed to a high level of service and convenience for customers at Baltimore/Washington International Thurgood Marshall (BWI Marshall) and Martin State (Martin) Airports, while providing technical assistance and financial grants to public-use airports across the state.

BWI Marshall is a valuable transportation and economic development asset for the State of Maryland and the entire National Capital region. Following two-straight record years for passenger traffic, BWI Marshall Airport continued to flourish in 2017 with new airlines and nonstop service to new destinations. Commercial air service now includes more than 350 daily nonstop departures and flights to nearly 90 domestic and international markets. Monthly passenger records were set and broken throughout the year.

BWI Marshall is the 22<sup>nd</sup> busiest airport in the United States, and remains the busiest in the Washington, D.C. region. As the *Washington Post* noted in a July 2017 article, “the low fares and the addition of more nonstop flights and airport amenities in recent years has made BWI an attractive alternative to National and Dulles International.”

The next phase of growth is underway as BWI Marshall continues to expand its international terminal. The improved facility will serve passengers and airlines as BWI Marshall produces continued growth and new global opportunities in coming years.

In response to rapid growth in air cargo activity in 2017, BWI Marshall quickly implemented improvements to its Midfield Cargo Facility. The expansion of cargo apron and the addition of three aircraft parking positions were completed on an aggressive schedule before the end of the year to support important air freight opportunities.

As Maryland’s premier reliever airport, Martin has served general aviation and military users for decades. Aircraft operations and fuel sales continued to rise in 2017, which led to growth in operating revenues for the airport. Several international flights arrived during the year, which raised the profile of the airport for corporate aviation users. Martin appreciates its U.S. Customs and Border Protection partners for helping to serve these important international customers.

A robust statewide network of public-use airports further enhances mobility and economic development. These smaller airports are key contributors to the economic well-being of our local communities. The MDOT MAA Office of Regional Aviation Assistance supports and regulates these airports to help ensure safe and convenient operations, and through a vital grant program, supports capital projects including airfield, navigation, and safety improvements. Throughout the year, the Office continues its important outreach function by showcasing the importance of aviation to the public.

MDOT MAA and the Maryland Aviation Commission remain committed to a first-rate air transportation system for passengers, cargo, and general aviation users. A thriving aviation system offers vital connections to the global marketplace. I thank the talented MDOT MAA workforce for its steadfast commitment on behalf of our customers. These employees support airports across the State of Maryland to enhance travel, trade, and business development.

## SECTION IV

### OVERVIEW OF MARYLAND AVIATION ADMINISTRATION AIRPORT ACTIVITIES AND ACCOMPLISHMENTS FOR 2017\*

The Maryland Department of Transportation Maryland Aviation Administration (MDOT MAA) is responsible for fostering safe and efficient operations, economic viability, and environmental stewardship in aviation activity State-wide. MDOT MAA operates two airports, Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) and Martin State Airport (Martin). In addition, the MDOT MAA Office of Regional Aviation Assistance develops and regulates aviation activities at Maryland's 36 public-use airports. These efforts are guided by an MDOT mission, which reads:

*“The Maryland Department of Transportation is a customer-driven leader that delivers safe, sustainable, intelligent, and exceptional transportation solutions in order to connect our customers to life’s opportunities.”*

#### Baltimore/Washington International Thurgood Marshall Airport

Based on economic data from Calendar Year (CY) 2014, BWI Marshall supports 97,737 total jobs in the regional economy. Further, BWI Marshall produces \$3.8 billion in personal wages and is responsible for \$7.0 billion in business revenue for the State. The overall activity at BWI Marshall Airport produces an estimated \$535 million in tax revenue for State and local governments and \$260 million in federal tax revenue.

In Fiscal Year (FY) 2017, a record 25.7 million passengers flew through BWI Marshall, an increase of 4.1% compared to FY 2016. BWI Marshall remained the busiest airport in the Washington-Baltimore region, surpassing both Dulles and Reagan National airports. BWI Marshall has, on average, more than 320 daily departures to 90 nonstop destinations.

#### Martin State Airport

Martin State Airport is home to the Maryland State Police Aviation Command Headquarters and the Maryland Air National Guard, along with Baltimore County and Baltimore City Police Aviation Units. Martin continues to provide quality facilities and services in support of over 250 aircraft based at the airport and those visiting the greater Baltimore metropolitan area from around the world. In 2017, Martin handled nearly 85,000 aircraft operations and generated nearly \$8.5 million in revenue. Aviation fuel sales in FY 2017 exceeded 1.5 million gallons, a 15% increase compared to FY 2016.

Martin continues to be an economic engine for the State of Maryland, supporting both national and international business travel. Economic data from CY 2014 indicates that Martin supports 2,529 total jobs and generates \$287 million in business revenues, up from \$224.5 million in CY 2013. The associated State and local tax revenues were \$16.1 million in CY 2014, up from \$10.8 million in CY 2013.

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\*Activities are for CY 2017, except as noted. FY data is based on FY 2017 (July 1, 2016 through June 30, 2017).

## Regional Aviation Assistance

MDOT MAA continues to foster and develop aviation in Maryland by providing support for airport infrastructure improvements to meet a wide variety of business and personal needs. In FY 2017, \$25.7 million was invested into Maryland's regional airport infrastructure (excluding BWI Marshall and Martin). MDOT MAA provided over \$4 million in grants for airport improvements, while the Federal Aviation Administration (FAA) contributed \$17.7 million and airport owners invested \$4 million.

Economic data from CY 2014 shows the State's regional airports (excluding BWI Marshall and Martin) contribute 9,368 in total jobs, \$488.5 million in personal income, \$865 million in business revenue, \$239 million in local purchases, and \$51.8 million in State & local taxes.

Partnering with the aviation industry, FAA, and the Maryland Airport Managers Association (MAMA), MDOT MAA continues to support aviation safety programs and aviation promotional activities to encourage the use of Maryland's aviation gateways. MDOT MAA continues to support MAMA in the *Explore Maryland by Air* program, designed to encourage flyers and non-flyers to visit the many regional airports across the State. The 22nd Annual Regional Aviation Conference was held in College Park, Maryland to promote safety initiatives and discuss various issues important to the airport, pilot, and aviation business communities. MDOT MAA again partnered with MAMA to promote and support this Statewide event.

Through our collaboration with the University of Maryland, Maryland Department of Commerce, and the Maryland State Police, MDOT MAA continues to support the growing interest in Unmanned Aircraft Systems (UAS) and is engaged in supporting and promoting safe, responsible use of UAS. MDOT MAA has outreach tools for the UAS community available through social media and our websites to encourage safe UAS operations.

## Planning and Engineering

The DC Metroplex BWI Community Roundtable was an initiative of MDOT MAA, formulated at the request of the FAA. The Roundtable provides a vehicle for the FAA to engage with community residents to address noise issues related to the FAA's implementation of the Next Generation Air Transportation System in the region. MDOT MAA engaged elected officials to appoint Roundtable representatives from local districts to participate. The Roundtable has been meeting monthly since March 2017 with consistent participation from MDOT MAA, FAA, and community residents. The success of this effort comes from the commitment of all involved to recognize and identify the problem and work together toward a solution.

MDOT MAA continued work on the Environmental Assessment (EA) for proposed improvements needed at BWI Marshall through 2020. Agency and public scoping was completed, and a draft EA was submitted to FAA for review in Spring 2017, setting the stage for the draft EA to be released for public review in early 2018 and a final FAA decision in Spring 2018.

At Martin State Airport, MDOT MAA successfully worked with the U.S. Department of Agriculture and FAA to receive approval of an updated Wildlife Hazard Management Plan. Additionally, MDOT MAA resumed working on an EA for improvements at Martin through

2021. A draft EA was submitted to FAA for review in late Summer 2017, setting the stage for the draft EA to be released for public review in Spring 2018.

Environmental compliance activities at both BWI Marshall and Martin continued with the completion of updates to Spill Prevention, Control and Countermeasures Plans, Stormwater Pollution Preventions Plans, and Asbestos Management Plans. An environmental site assessment was completed for a satellite property in Middle River, Maryland. Other compliance activities included continuous training of BWI Marshall and Martin employees in storm water pollution control, hazardous waste management, asbestos and lead-based paint awareness, and emergency spill response requirements. MDOT MAA continues to perform necessary sampling, testing, and reporting to maintain compliance with National Pollution Discharge Elimination System permits. Additionally, as a waste minimization effort, MDOT MAA continued the program to recycle collected deicing fluids at BWI Marshall during the 2017 deicing season.

MDOT MAA continues to work on updating the BWI Marshall and Martin master plans to meet airport needs. Completed planning at BWI Marshall includes completing the interconnection of Terminal Concourses A through E with a new Concourse C/D Connector. Planning is also being completed for a new federally funded FAA Air Traffic Control Tower to replace the existing FAA Tower – which dates back to the airport’s original construction in the 1950. Planning has also been completed for improving baggage handling, holdrooms, concessions and restroom facilities in Terminal Concourse A/B, a project which is being positioned for design in 2018.

Improvements were recently completed on the Midfield Air Cargo Facility at BWI Marshall. The Air Cargo Facility is now sized to accommodate parking requirements for the Airport’s design aircraft and the improvements included upgrades in the drainage, deicing, and fueling facilities to meet standards.

The \$105 million D/E Connector Program was completed in May 2017, on schedule and on budget. The program consisted of building a secure connector between Concourses D and E, a new security checkpoint that consolidates passenger screening for Concourses D and E, interchangeable international/domestic-use gates with common-use holdrooms and a sterile corridor to customs and immigration inspection for international arrivals, additional passenger concessions, and an improved baggage handling system in the reconfigured D/E zone.

Construction is proceeding for the addition of six international gates on Concourse E, to be completed in 2018. Preparatory site grading, utility, drainage, and paving work was completed early in 2017 on schedule and on budget.

In 2017, MDOT MAA completed the design and bidding of a proposed apron reconstruction project to support the airline gates adjacent to Concourse B. The project addresses long-term pavement needs by replacing severely cracked concrete pavement slabs with new concrete pavement. The project’s design was fast-tracked to secure FAA federal grants. The project is estimated at over \$10 million in program cost and will be primarily funded by an FAA Airport Improvement Program grant.

A feasibility study for the development of a connector between Concourses C and D was completed in 2017. The C/D Connector and co-location of new Airport Traffic Control Tower (ATCT) project would include operational spaces for both essential airport and FAA personnel.

The project will provide a consolidated Transportation Security Administration Passenger Screening area, greatly shortening walking distances for our customers. The C/D Connector will also include relocated gates and holdrooms, improving accessibility and function, and will include additional concessions. The existing baggage handling system in that area, the oldest in the Airport, will be brought up to current industry standards. The baggage claim area will also be improved for better accessibility, capacity and convenience for arriving passengers. MDOT MAA has executed an agreement with the FAA to finalize the analysis for the proposed new ATCT, which will be completed in 2018.

On the airside, construction of the seven-year, \$354 million Runway Safety Area, Pavement Management and Standards Compliance Program (RSA Program) has been completed. BWI Marshall met the Congressionally mandated requirement to conform with the FAA RSA Program standards and, concurrently, brought the entire airfield into substantial compliance with all FAA runway and taxiway standards. Lastly, MDOT MAA completed the installation of a new Runway Safety Light System.

MDOT MAA has completed the conceptual design for the development of an airline maintenance facility at BWI Marshall. The planned facility includes: provision for a hangar to accommodate up to three Boeing 737s; a parking apron to accommodate up to eight 737s; associated support facilities including workshops, ground service equipment maintenance and parts storage; landside access; employee parking; utilities and stormwater management; and a taxilane for airside access. Development of the site is included in the EA currently being completed.

### Marketing and Air Service Development

Total passengers at BWI Marshall in FY 2017 increased 4.1% to nearly 25.7 million – an all-time record. The Airport also set and broke monthly records in each month of the Fiscal Year. Additionally, more than 127,000 metric tons of cargo transited through BWI Marshall Airport in FY 2017.

New international service continues to be added from BWI Marshall. WOW air continues to offer daily service to Reykjavik from BWI Marshall, and British Airways now uses 787-8 aircraft on its daily service to London-Heathrow. Condor added a fourth weekly flight for the peak of the summer in 2017 and extended the length of their seasonal service to Frankfurt. Spirit Airlines began service between BWI Marshall and Cancun, Mexico on November 9.

Spirit Airlines also added nonstop service to New Orleans, Oakland, San Diego, and Seattle in 2017. Alaska Airlines began service to San Diego in March 2017 and seasonal service to Portland, Oregon in June 2017. In addition, Alaska Airlines subsidiary carrier Virgin America started service between BWI Marshall and San Francisco in October 2017. Southwest Airlines started service to Cincinnati from BWI Marshall in June of 2017. Southwest remains the largest carrier at BWI Marshall, with more than 70% of all departures.

Southern Airways Express has started service to six cities from BWI Marshall: Altoona, Dubois, Hagerstown, Johnstown, Lancaster, and Morgantown. Boutique Air began service to Massena, New York in April 2017 and Contour Airlines began twice daily service to Macon, Georgia in August 2017.

Six new fee waiver agreements were entered into in FY 2017. \$2,395,305.50 was associated with fourteen agreements in FY 2017. Additionally, \$171,651.59 in cooperative marketing funds was provided for three airlines in FY 2017.

MDOT MAA launched the second phase of the “myBWI” marketing campaign in October 2017. The initial campaign in 2016 garnered more than 117 million impressions across all media and sought to establish brand loyalty with BWI Marshall by promoting convenience, low fares, and plentiful parking while targeting business, leisure, and millennial travelers. The goal of the second phase of the campaign was to go one step further and make an emotional and memorable connection with customers. This was successfully done using the original music of Jackie Wilson’s classic, “(Your Love Keeps Lifting Me) Higher and Higher.” The campaign featured meaningful moments taking place at BWI Marshall, showcasing heart-warming touch-points between travelers and with Airport personnel. Media elements included television, radio, outdoor, transit, cinema, digital, and social media. In addition to the campaign, MDOT MAA marketing staff continues to promote BWI Marshall amenities and parking products via social media, radio advertising, and the newly redesigned BWI Marshall website, and continues to utilize social media including Facebook, Twitter, and Instagram for real-time information and alerts.

A new website for BWI Marshall launched in July. The new site was designed to emphasize the open look and feel of the Airport and was developed with the following key features: a streamlined user experience; mobile responsiveness to adjust to various types of devices; real-time flight information; customizable navigation based on the purpose of your visit to BWI Marshall; advanced wayfinding; and integrated Lost & Found functionality.

### Business Development and Management

AIRMALL Maryland continues its ongoing redevelopment of the terminal concession program. Several new and renovated restaurants and retail stores have opened in the past year, including: Auntie Anne’s; Brix & Vine Wine Bar; Charm City Candy; Chick-Fil-A; DC-3 Hot Dog; Diva By Cindy; @Ease; Flying Dog Tap House; Green Beans Coffee; Jamba Juice; La Boutique; Mayorga; McDonald’s; NYS Collection Eyewear; Obrycki’s; Pen & Prose Boutique; Phillips Seafood; Pie Five Pizza; ROAM Fitness; Starbucks; Starbucks Lounge; Subway; The Club at BWI; and Tony & Benny’s Pizzeria.

A new small business retail program, LaunchPad, initiated in 2017. The program recruits smaller, local businesses to set up retail kiosks at BWI Marshall. The new kiosks opened under this program include Fashion House Spa, Flawless Damsels Boutique, New Secrets Tea and Roshe Cosmetics.

Revenue to MDOT MAA from food and beverage, retail, and services concessions increased 9.2 percent to \$16 million in FY 2017, while total concession sales increased 7.8 percent to \$138.8 million. Participation by Airport Concession Disadvantaged Business Enterprises operators in the concession program increased 0.51 percent to 36.24 percent overall in FY 2017, with food and beverage participation at 46.13 percent and retail at 17.00 percent.

Airline and aeronautical revenue for FY 2017 was \$140,172,000, an increase of \$5.1 million over FY 2016. This increase includes cost recovery from the signatory airlines for FY 2016

snow removal costs and capital costs. Additionally, airline revenue increased from increase in cargo activity and increase in signatory airlines.

The term of the current Use and Lease Agreement is July 1, 2014 through July 30, 2019. In 2016, there were eleven signatory airlines to the Use and Lease Agreement: Southwest Airlines, Delta Air Lines, American Airlines, United Airlines, Spirit Airlines, JetBlue Airways, British Airways, Condor Airlines, Air Canada, FedEx and UPS. In 2017, the number of signatory airlines to the Use and Lease Agreement increased to fifteen with the additions of Alaska Airlines, Wow air, and air cargo carriers ABX Air and Air Transport International.

MDOT MAA has begun the procurement of 20 new rental car facility buses. The current fleet of buses was purchased in 2003 and they have surpassed their useful life of 12 years. The timely replacement of the existing fleet will include 20 60-foot articulated buses to shuttle passengers between the terminal and the Consolidated Rental Car Facility. This \$16 million procurement is being funded through the collection of Customer Facility Charge revenues collected from rental car customers.

### Operations and Maintenance

Safety, security, system preservation, and improving customer amenities continued to be the focus for BWI Marshall in 2017. The FAA conducts an annual comprehensive inspection and audit of commercial airports for compliance with federal aviation safety regulations as outlined in Title 14, Code of Federal Regulations Part 139, Certification of Airports. BWI Marshall passed this annual Airport Safety and Certification Inspection again this year with zero repeat discrepancies.

Throughout 2017, MDOT MAA continuously partnered with key stakeholders in addressing security concerns. MDOT MAA maintained a close relationship with the Federal Bureau of Investigation – Joint Terrorism Task Force in intelligence sharing and offered two Active Shooter Training Sessions for the entire Airport Community. MDOT MAA worked collaboratively with the U.S. Department of Homeland Security in community outreach efforts related to Human Trafficking and worked extensively with the TSA on vulnerability assessments, and enhanced employee screening/inspection initiatives.

BWI Marshall purchased eight snow melters at a cost of to \$5,160,000 to assist with snow removal operations that cover more than 21,000,000 square feet of pavement. All melters have been delivered, inspected, and tested. This initiative will have an estimated annual savings of \$1,500,000.

The BWI Marshall Fire and Rescue Department (FRD) continues to upgrade both the vehicle fleet and personnel safety equipment through the purchases of a 2016 Pierce 100' aerial platform, a 2017 Chevrolet/Rosenbauer brush truck (to assist in extinguishing vehicle fires in the parking garages), a 2017 Freightliner PL Custom paramedic unit, and a 2017 Oshkosh Striker crash truck. The new equipment has enabled the FRD personnel to respond to approximately 4,200 fire and emergency medical responses for 2017.

FRD continues to maintain positive relationships with their mutual aid partners in neighboring jurisdictions and has provided these partners the opportunity to assist with the safe handling and mitigation of incidents in and around the BWI Marshall campus.

Following the mid-2016 installation of the American Heart Association Cardiopulmonary Resuscitation (CPR) training kiosk at BWI Marshall, the tracking of use and completion of the educational component has grown. Since the installation, the kiosk has had more than 15,000 visitors. Additionally, with the completion of the D/E connector, eight new automated external defibrillators (AED) have been added bringing the total AED's in the terminal to 55.

BWI Marshall entered into a new janitorial service contract with The Chimes, D.C., to clean and maintain approximately 1.8 million square feet space within the BWI Marshall terminal. The new five-year contract, worth \$87,835,385, will provide jobs to approximately 315 full-time employees, mostly from the special needs community.

### Information Technology

The Mass Notification System servicing both BWI Marshall and Martin airports was modified to include over 50 weather scenarios including severe storms, hurricanes, tornados, etc. Authorization was also secured from FEMA for the system to broadcast Integrated Public Alert and Warning System (IPAWS) messages targeted to specific geographic areas around the airport. This modification will significantly expand the ability to reach the public with emergency messaging and notifications.

A Safety Management System (SMS) was deployed efficiently automating many tasks related to all forms of safety related data acquisition, analysis, and reporting. The SMS system is integrated with the airfield inspection system providing a powerful tool for operations and safety management personnel to identify accident trends and address hazards. The system leverages GIS information for location specific data.

Procurement was completed, and an award made, for a new Noise Operations and Monitoring System (NOMS) at BWI Marshall. The NOMS system is a comprehensive monitoring and reporting program for aircraft flight track data and aircraft noise event measurements at BWI Marshall and the surrounding communities. The system will also generate Geographical Information System views, display noise metric measurements in chart and graphical format, display aircraft flight tracks, create graphics to support noise impact analysis (complaints), and produces a wide variety of useful reports. This system will support the MAA Noise Abatement Program and the mandated responsibilities under the Maryland Environmental Noise Act of 1974.

## ACTIONS TAKEN BY THE MARYLAND AVIATION COMMISSION

- The Commission was regularly briefed and consulted on the following:
  - Air service trends and air service marketing efforts;
  - Quarterly financial results;
  - Airport operational activities and aviation security issues;
  - Various airport construction projects;
  - Upcoming solicitations; and
  - State and federal legislative issues impacting BWI Marshall.
  
- The Commission reviewed and approved the inclusion of new major capital projects in the Final FY 2018-2023 Consolidated Transportation Program:
  - MDOT MAA Shuttle Bus Replacement - This project will purchase a maximum of 50 buses, 40-foot and 60-foot, for shuttle bus services to and from airport operated parking facilities and the Amtrak BWI Rail Station.
  - Airfield Lighting Vault Relocation – This project will relocate the existing airfield electrical vault near the end of Concourses B and C to a grass area outside of the dual parallel taxiway system. In addition, the existing lighting vault will be demolished and the space converted to aircraft maneuvering area.
  - Concourse D HVAC Replacement – This project will replace the existing HVAC systems serving the DY and commuter portions of Concourse D. Improvements include replacement of ceiling systems throughout the DX, DY, and commuter portions of the concourse.
  - Midfield Cargo Improvements - This project consists of improvements to the Midfield Cargo Complex facilities, apron, and aircraft parking positions to support new cargo operations. Improvements include security, building modifications, apron rehabilitation, additional aircraft parking positions, and tenant relocation costs.
  - Concourse B Apron Reconstruction - This project includes the reconstruction of approximately 28,000 square yards of Concourse B apron pavement from gates B6 to B15. The work includes existing pavement demolition and removal, erosion and sediment control, new portland cement concrete pavement, and pavement markings. The work will be accomplished in stages to minimize impacts to the airfield operations and maintain appropriate access for terminal gate usage.
  - Midfield Cargo Apron Deicing Expansion – This project covers infrastructural improvements to allow glycol collection at the expanded Midfield Cargo Apron. Scope includes piping and valving to divert glycol runoff, controls to actuate diversion, improvements to the lift station, and tanks for storage and collection of deicing fluids.
  - FIS Hall Reconfiguration – This project will increase passenger throughput in the Federal Inspection Service area by implementing Customs and Border Protection’s new “Baggage First” processing approach, and reconfiguring the current Immigration and Customs Halls to provide more kiosk and passport control booth space.
  - Restroom Improvement Program – This program will renovate 64 BWI Marshall Airport restroom facilities over a five-year period. Scope includes some facility expansion, new fixtures, addition of stalls, new partitions, and supporting infrastructure.
  - Residential Sound Mitigation Program – This five-year program will provide sound mitigation for up to 170 single family homes and 488 multi-family units, and the purchase of up to 35 parcels.

## FINANCIAL RESULTS

Maryland Aviation Administration  
 Baltimore/Washington International Thurgood Marshall Airport and Martin State Airport  
 Comparative Statement of Revenue, Expense and Income  
 Fiscal Years Ending June 30, 2017 and 2016  
 (Thousands)

	FY 2017	FY 2016	Difference	% Change
<b>TTF Revenue and Expense</b>				
TTF Operating Revenue	\$ 243,249	\$ 233,419	\$ 9,829	4.2%
TTF Operating Expense	\$ 186,839	\$ 191,654	\$ (4,815)	-2.5%
<b>TTF Surplus/(Deficit)</b>	<b>\$ 56,410</b>	<b>\$ 41,765</b>	<b>\$ 14,644</b>	35.1%
<b>Non-TTF</b>				
Non-Operating Revenue	\$ 82,120	\$ 81,738	\$ 382	0.5%
Non-TTF Debt Service	\$ 42,748	\$ 43,792	\$ (1,044)	-2.4%
<b>Non-TTF Surplus/(Deficit)</b>	<b>\$ 39,372</b>	<b>\$ 37,946</b>	<b>\$ 1,426</b>	3.8%
<b>Total MAA Surplus/(Deficit)</b>	<b>\$ 95,782</b>	<b>\$ 79,711</b>	<b>\$ 16,070</b>	20.2%
<b>Capital Program Expenditures</b>	<b>\$ 167,627</b>	<b>\$ 253,401</b>	<b>\$ (85,774)</b>	-33.8%
<b>Enplanements (000's)</b>	<b>12,875,954</b>	<b>12,331,941</b>	<b>544,013</b>	4.4%

In FY 2017, the Maryland Aviation Administration TTF operating surplus totaled \$56.4 million, a \$14.6 million increase from the FY 2016 TTF operating surplus of \$41.8 million. TTF revenue increased by \$9.8 million while expenses decreased by \$4.8 million.

FY 2017 BWI revenue increased \$9.8 million. Flight activity increased \$3.4 million due to increased airline activity. Parking revenue increased \$1.8 million, retail food and beverage concessions \$1.3 million, other passenger and non-passenger revenues \$0.4 million and rental car revenue \$.1 million due to higher enplanements. Actual snow recovery and amortization costs recovered from the airlines and other reimbursed expenditures increased \$2.0 million compared to FY 2016. MTN revenue increased \$0.8 million due to higher FBO fuel sales.

The \$4.8 million decrease in FY 2017 TTF operating expense is primarily the result of decreased spending on snow removal supplies and services of \$6.9 million, fuel and utilities \$.7 million, motor vehicle operations \$.5 million and fixed charges \$.2 million offset by higher spending on contractual services of \$2.7 million and higher wages and salaries of \$.7 million. MTN expenditures increased \$.1 million due to higher FBO fuel inventory replenishments.

FY 2017 non-TTF revenue increased approximately \$.4 million as a result of increased enplanements that increased PFC and CFC revenue and an increase in interest income offset by a decrease in trustee retained parking revenue. Non-TTF expenses decreased \$1.0 million as an \$.2 million increase in PFC debt service expense was more than offset by a \$1.2 million decrease in parking debt expense per the debt payment schedules.

Total FY 2017 MAA surplus is \$95.2 million, an increase of \$16.1 million versus FY 2016. Enplaned passengers increased 4.4% in FY 2017 versus FY 2016.

**MARYLAND AVIATION COMMISSION ANNUAL REPORT**  
**TRANSPORTATION ARTICLE, § 5-201.2**

**FINANCIAL RESULTS**

Maryland Aviation Administration  
Statement of Revenue  
Fiscal Years Ending June 30, 2017 and 2016

	<b>FY 2017</b>	<b>FY 2016</b>	<b>Difference</b>	<b>% Change</b>
<b><u>BWI Operating Revenue (TTF)</u></b>				
Flight Activities	\$ 66,054,374	\$ 62,672,258	\$ 3,382,115	5.4%
Rents & User Fees	\$ 68,787,020	\$ 68,737,292	\$ 49,729	0.1%
Public Parking	\$ 45,364,823	\$ 43,532,939	\$ 1,831,884	4.2%
Rental Cars	\$ 17,039,745	\$ 16,939,402	\$ 100,344	0.6%
Retail, Food & Beverage	\$ 16,175,726	\$ 14,843,080	\$ 1,332,646	9.0%
Other Passenger Concessions	\$ 4,558,675	\$ 4,425,161	\$ 133,514	3.0%
Non-Passenger Concessions	\$ 3,685,596	\$ 3,461,928	\$ 223,669	6.5%
Other Revenue	\$ 12,360,811	\$ 10,379,832	\$ 1,980,979	19.1%
<b>Total BWI Operating Revenue</b>	<b>\$ 234,026,771</b>	<b>\$ 224,991,892</b>	<b>\$ 9,034,880</b>	<b>4.0%</b>
<b><u>MTN Operating Revenue (TTF)</u></b>				
	<b>\$ 9,221,753</b>	<b>\$ 8,427,359</b>	<b>\$ 794,393</b>	<b>9.4%</b>
<b>Total TTF Operating Revenue</b>	<b>\$ 243,248,524</b>	<b>\$ 233,419,251</b>	<b>\$ 9,829,273</b>	<b>4.2%</b>
<b><u>Non-Operating Revenue</u></b>				
Customer Facility Charges	\$ 13,558,365	\$ 13,465,042	\$ 93,323	0.7%
Passenger Facility Charges	\$ 49,032,158	\$ 48,056,243	\$ 975,914	2.0%
Trustee Retained Parking Revenue	\$ 18,363,188	\$ 19,376,852	(1,013,663)	-5.2%
Interest Income	\$ 1,166,558	\$ 840,125	\$ 326,433	38.9%
<b>Total Non-Operating Revenue</b>	<b>\$ 82,120,269</b>	<b>\$ 81,738,263</b>	<b>\$ 382,007</b>	<b>0.5%</b>
<b>Total MAA Revenue</b>	<b>\$ 325,368,793</b>	<b>\$ 315,157,514</b>	<b>\$ 10,211,279</b>	<b>3.2%</b>

**MARYLAND AVIATION COMMISSION ANNUAL REPORT**  
**TRANSPORTATION ARTICLE, § 5-201.2**

**FINANCIAL RESULTS**

Maryland Aviation Administration  
Statement of Expense  
Fiscal Years Ending June 30, 2017 and 2016

	<b>FY 2017</b>	<b>FY 2016</b>	<b>Difference</b>	<b>% Change</b>
<b><u>BWI Operating Expense (TTF)</u></b>				
Salaries and Wages	\$ 42,075,812	\$ 41,396,215	\$ 679,597	1.6%
Technical and Special Fees	\$ 1,820,769	\$ 1,661,541	\$ 159,227	9.6%
Communications	\$ 1,166,652	\$ 1,205,342	\$ (38,690)	-3.2%
Travel	\$ 241,560	\$ 304,276	\$ (62,716)	-20.6%
Fuel and Utilities	\$ 12,843,835	\$ 13,563,434	\$ (719,599)	-5.3%
Motor Vehicle Operations	\$ 2,276,935	\$ 2,746,753	\$ (469,817)	-17.1%
Contractual Services	\$ 84,417,695	\$ 81,738,498	\$ 2,679,197	3.3%
Supplies and Materials	\$ 3,878,758	\$ 4,564,797	\$ (686,040)	-15.0%
Replacement Equipment	\$ 139,865	\$ 237,541	\$ (97,677)	-41.1%
Additional Equipment	\$ 192,509	\$ 131,109	\$ 61,400	46.8%
Grants/Subsidies/Contributions	\$ 992,281	\$ 948,396	\$ 43,885	4.6%
MEDCO and COPS Debt Service	\$ 17,693,484	\$ 17,820,440	\$ (126,955)	-0.7%
Other Fixed Charges	\$ 1,548,435	\$ 1,572,603	\$ (24,168)	-1.5%
Land and Structures	\$ 9,567,977	\$ 15,884,986	\$ (6,317,010)	-39.8%
<b>Total BWI Operating Expense</b>	<b>\$ 178,856,566</b>	<b>\$ 183,775,931</b>	<b>\$ (4,919,365)</b>	<b>-2.7%</b>
<b><u>MTN Operating Expense (TTF)</u></b>				
	\$ 7,982,295	\$ 7,877,954	\$ 104,341	1.3%
<b>Total TTF Operating Expense</b>	<b>\$ 186,838,861</b>	<b>\$ 191,653,885</b>	<b>\$ (4,815,024)</b>	<b>-2.5%</b>
<b><u>Non-TTF Debt Service Expense</u></b>				
Passenger Facility Charge Backed Debt	\$ 15,219,744	\$ 15,015,431	\$ 204,313	1.4%
Customer Facility Charge Backed Debt	\$ 8,970,936	\$ 8,978,878	\$ (7,943)	-0.1%
Parking Debt	\$ 18,557,750	\$ 19,798,000	\$ (1,240,250)	-6.3%
<b>Total Non-TTF Debt Service Expense</b>	<b>\$ 42,748,429</b>	<b>\$ 43,792,309</b>	<b>\$ (1,043,880)</b>	<b>-2.4%</b>
<b>Total MAA Expense</b>	<b>\$ 229,587,290</b>	<b>\$ 235,446,194</b>	<b>\$ (5,858,904)</b>	<b>-2.5%</b>
Regional Aviation	\$ 480,998	\$ 392,865	\$ 88,133	22.4%
<b>Capital Program Expenditures</b>				
State Funds	\$ 120,573,316	\$ 126,270,933	\$ (5,697,617)	-4.5%
Federal Funds	\$ 5,221,140	\$ 20,826,874	\$ (15,605,734)	-74.9%
Other Financing	\$ 41,832,386	\$ 106,303,000	\$ (64,470,614)	-60.6%
<b>Total Capital Program Expenditures</b>	<b>\$ 167,626,843</b>	<b>\$ 253,400,807</b>	<b>\$ (85,773,964)</b>	<b>-33.8%</b>

Note : Federally funded and other reimbursable security related expenses of \$645,500 in FY 2017 and \$645,500 in FY 2016 are not included in operating expenses shown above

**BALTIMORE/WASHINGTON INTERNATIONAL  
 THURGOOD MARSHALL AND MARTIN STATE AIRPORTS  
 AVIATION ACTIVITY**

	<u>FY 2017</u>	<u>FY 2016</u>	<u>Difference</u>	<u>% Change</u>
<b>BWI Domestic Passengers</b>	24,510,704	23,427,075	+1,083,629	+4.6%
<b>BWI International Passengers</b>	1,175,740	1,242,871	-67,131	-5.4%
<b>BWI Total Passengers*</b>	25,686,444	24,669,946	+1,016,498	+4.1%
<b>BWI Aircraft Operations</b>	253,238	248,247	-8,052	+2.0%
<b>MTN Aircraft Operations</b>	87,059	84,853	+2,206	+2.6%

**PASSENGER ACTIVITY COMPARISON FOR FY 2017**

	<u>BWI Marshall</u>	<u>Dulles</u>	<u>Reagan National</u>
<b>Total Commercial Passengers</b>	25,686,444	22,406,860	23,866,283
Percent Change over FY 2016	+4.1%	+4.7%	+1.7%
<b>Total Regional Market:</b>	<u>2017</u> 71,959,587		<u>2016</u> 69,538,927

NOTE: Statistical data is subject to change as subsequent information is received from airlines.

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\*Total Passengers include both enplaned and deplaned passengers.

**SECTION V**

**MARYLAND AVIATION COMMISSION COSTS  
FISCAL YEAR 2017\***

Technical and Special Fees		\$11,100
Travel Reimbursement to the Commissioners for Meetings		\$1,431
Contractual Services:		\$2,775
Public Notice Advertisements for Commission Meetings	\$ 831	
Food Services	\$1,944	
<b>Total Maryland Aviation Commission Cost</b>		<b>\$15,306</b>

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\*Fiscal Year 2017: July 1, 2016 to June 30, 2017