

A Report to the Maryland General Assembly

regarding

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

March 2020

MSAR 268

**Maryland Department of Transportation
Maryland Aviation Administration**

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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.

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 Department of Transportation (MDOT) Maryland Aviation Administration (MAA);
- Direction to MDOT 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 Rahn, Chairman

Secretary, Maryland Department of Transportation

Vishal Amin

T. Chineta K. Davis

W. Drew Hawkins

John H. Kiser

(Resignation effective September 30, 2019)

Raymond C. Nichols

Philip A. Parenti

Calvin D. Peacock

Ivory Tucker, Esq.

(Appointment effective October 1, 2019)

David L. Winstead, Esq.

Kelly Schulz

Secretary, Maryland Department of Commerce
ex officio, nonvoting member

SECTION III

MESSAGE FROM THE CHAIRMAN

The Maryland Department of Transportation Maryland Aviation Administration (MDOT MAA) is pleased to work with the Maryland Aviation Commission to ensure high quality aviation facilities and services for the State of Maryland. MDOT MAA is committed to secure, efficient air transportation for passengers, cargo, and general aviation users.

MDOT MAA offers excellent service and air travel convenience for customers at Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) and Martin State Airport. Our airports are major transportation assets that link Maryland with the international economy. The state's first-rate aviation system encourages travel, trade, and economic development and ensures Maryland's prominent position in the 21st Century global marketplace. Serving commercial and general aviation customers, MDOT MAA continues to improve its facilities and services at both airports.

MDOT MAA is responsible for fostering aviation throughout Maryland by working with 33 public-use airports across the state. The MDOT MAA Office of Regional Aviation Assistance regulates these airports and administers the Statewide Aviation Grant Program that provides important funding. For Fiscal Year 2019, MDOT MAA contributed \$4.46 million to public-use airports in Maryland through this grant program. The grants support construction and improvement of airport runways, taxiways, ramps, and lighting systems, as well as for the removal of obstructions from runway approaches.

Martin State Airport is the busiest general aviation airport in Maryland, and serves as an important reliever airport, as designated by the Federal Aviation Administration. The airport has provided outstanding service for the military, business aviation, and general aviation users for over 80 years. More than 275 aircraft are based at Martin State Airport. The airport provides important services for these tenants and itinerant aircraft, including international customers.

BWI Marshall produces a total economic impact of \$9.3 billion while creating and supporting over 106,000 jobs in the region. Martin State Airport supports 2,400 jobs and generates over \$579 million in economic activity. Serving the commercial and general aviation needs of Maryland residents, businesses, and visitors, MDOT MAA continues to improve its facilities and services at both airports.

As an international gateway for Maryland and the entire National Capital region, BWI Marshall Airport continues to grow for both passengers and cargo shippers with new airlines and service to new markets. As the 22nd busiest airport in the United States, BWI Marshall remains the busiest in the Washington-Baltimore region.

In recent years, MDOT MAA has improved BWI Marshall to provide additional airline capacity, along with new passenger amenities. From a new cargo facility to an enhanced passenger terminal, MDOT MAA is building to meet the needs of our traveling and shipping customers. The improved facilities will serve passengers and airlines as BWI Marshall creates new global opportunities. In the

words of its new marketing campaign, BWI Marshall Airport will offer customers, “the most low fares, nonstops galore, and convenient parking.”

I acknowledge the important work of the Maryland Aviation Commission and the support of the Maryland General Assembly on behalf of our aviation system. Thank you to all MDOT MAA employees for their hard-work and dedication. Our staff remains dedicated to providing a positive travel experience for our customers with safe and reliable airport services.

SECTION IV

OVERVIEW OF MARYLAND AVIATION ADMINISTRATION AIRPORT ACTIVITIES AND ACCOMPLISHMENTS FOR 2019*

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 33 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) 2017, BWI Marshall supports 106,488 total jobs in the regional economy. Further, BWI Marshall produces \$4.1 billion in personal wages and is responsible for \$9.3 billion in business revenue for the state. The overall activity at BWI Marshall Airport produces an estimated \$591.9 million in tax revenue for state and local governments.

In Fiscal Year (FY) 2019, 26.7 million passengers flew through BWI Marshall. 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 275 aircraft based at the airport and those visiting the greater Baltimore metropolitan area from around the world. In

*Activities are for CY 2019, except as noted. FY data is based on FY 2019 (July 1, 2018 through June 30, 2019).

2019, Martin handled nearly 95,000 aircraft operations and generated \$10.3 million in revenue. Aviation fuel sales in FY 2019 totaled just over 1.5 million gallons.

Martin continues to be an economic engine for the state, supporting both national and international business travel. Economic data from CY 2017 indicates that Martin supports more than 2,400 total jobs and generates \$297 million in business revenues. The associated state and local tax revenues were \$41.9 million in CY 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 2019, \$27.7 million was invested into Maryland's regional airport infrastructure (excluding BWI Marshall and Martin). MDOT MAA provided over \$4.46 million in grants for airport improvements, while the Federal Aviation Administration (FAA) contributed \$21.1 million and airport owners invested \$2.2 million.

Economic data from CY 2017 shows the state's regional airports (excluding BWI Marshall) contribute 9,929 in total jobs, \$583 million in personal income, \$867 million in business revenue, \$271 million in local purchases, and \$131 million in state & local taxes.

Partnering with the aviation industry, the 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. MDOT MAA again partnered with MAMA to promote and support the 24th Annual Regional Aviation Conference held in Ocean City, Maryland to promote safety initiatives and discuss various issues important to the airport, pilot, and aviation business communities. MDOT MAA also supported two aviation safety seminars for pilots through partnership with the Aircraft Owners and Pilots Association, based in Frederick, Maryland.

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 and their integration into the National Airspace System. MDOT MAA has outreach tools for the UAS community available through social media and our websites to encourage safe UAS operations. MDOT MAA continues to work with our regional airport stakeholders in developing best practices for safe flight operations while maximizing life's opportunities that UAS technology brings.

Planning and Engineering

The DC Metroplex BWI Community Roundtable (Roundtable) is an initiative of MDOT MAA, formed 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 and receive a consensus recommendation from representatives of the affected communities. MDOT MAA engaged elected officials to appoint Roundtable representatives from local districts to participate. The Roundtable has been meeting

monthly since March 2017 with participation from MDOT MAA, air carriers, and business aviation representatives who serve as technical advisors. The success of this effort comes from the commitment of all involved to recognize and identify the problem and work together toward a viable solution. The technical proposal was presented to the Roundtable in October 2019.

In October 2017, MDOT MAA began the process of replacing an older noise operating monitoring system with new equipment. A total of 24 new noise monitors were replaced and software configuration was completed by April 2019. All testing was completed by the end of September 2019.

The Environmental Assessment (EA) for various projects at BWI Marshall is still under review by the FAA. An initial draft of the EA was submitted to FAA for review in late Summer 2017 and, after addressing comments from the FAA, a revised draft of the EA was submitted to the FAA for review in July 2019. During the early part of 2020, the FAA will release the document to the public for review and public comment. The result of the FAA review is forthcoming.

Environmental compliance activities at both BWI Marshall and Martin continued with the completion of yearly updates to Spill Prevention, Control and Countermeasures Plans, Stormwater Pollution Preventions Plans, and Asbestos Management Plans. Other compliance activities included continuous training of BWI Marshall and Martin employees in stormwater 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.

MDOT MAA continues to work on updating the master plans for BWI Marshall and Martin in order to meet airport needs. To support these updates, the feasibility and siting studies for the relocation of the Airport Surveillance Radar at BWI Marshall were completed. In addition, the feasibility study and implementation plan for the Automated Security Checkpoint Exit Lanes was completed. Planning is also being completed for an expanded Federal Inspection Services checkpoint to establish improvements to passenger circulation. The Program Definition Document was completed for the D/E Connector Ambience Improvement project and design of the Restroom Improvement Program was initiated.

Construction on the Concourse A Extension is currently underway. The project will expand Concourse A by five (5) gates allowing for larger aircraft. The addition will also include restrooms, loading bridges, concessions, and storage.

Design of the Concourse A/B Connector and Baggage Handling System is underway. To accommodate the growth that BWI Marshall is experiencing, the building will be expanded to include a larger departures level to accommodate five (5) relocated gates. The new layout will provide a better connection from Concourse A to Concourse B. The A/B Connector Baggage Handling System Program includes both new construction and renovation of existing areas with the goal of providing a new in-line baggage screening and handling system capable of accommodating approximately eight (8) Explosive Detection System machines meeting the latest TSA design requirements to replace the existing baggage screening capacity and maintain operation throughout construction.

MDOT MAA completed the apron pavement reconstruction at Concourse B in June 2019. The pavement reconstruction extended from gate B6 through gate B15. Through careful coordination, the project was completed ahead of schedule to accommodate the summer travel season. Completion of the Taxiway B pavement reconstruction occurred in November 2019. Airfield lighting and signage have been replaced along with pavement markings. Over the summer, the rehabilitation of the midfield taxi lane commenced. The construction of a new connector taxiway to the Runway-10 end in support of the Midfield Cargo area expansion will be complete by the summer of 2020.

Marketing and Air Service Development

In FY 2019, total passengers passing through BWI Marshall decreased by 0.9% to just over 26.7 million. The decrease is largely a result of the grounding of the Boeing Max 8 aircraft in March 2019. More than 212,000 metric tons of cargo transited through BWI Marshall Airport, which was an increase of nearly 10% from the previous twelve months.

Southwest remains the largest carrier at BWI Marshall, with 67% of all market capacity. Southwest is followed by Spirit Airlines, with 11% of capacity, Delta Air Lines with 7%, American Airlines with 7%, United Airlines with 4%, and other airlines with 4% of the capacity.

One new fee waiver agreement was entered into in FY 2019. A total of \$1,646,134 was associated with ten agreements in FY 2019.

MDOT MAA launched the “We’ll Take You There” marketing campaign in 2019. Digital advertising was a cornerstone of the paid media mix featuring social, online, and mobile media assets. The campaign drove awareness and click-through traffic through highly geo-targeted displays at the DC Nationals baseball game, Union Station, Outdoor transit, Capital One Arena, mobile banner advertising, and local search engine marketing. In addition, MDOT MAA employed geo-fencing around the Washington, D.C. region including cinemas, competing regional airports and within a specified radius of targeted communities across the region. The campaign is supported with videos and graphics throughout BWI Marshall depicting traveler scenarios focusing on the key market audience segments including families, millennials, and business and leisure travelers.

In November, the BWI Marshall “We’ll Take You There” marketing campaign won a Platinum (highest honor) International MarCom Award. MarCom Awards is an international creative competition that recognizes outstanding achievement by marketing and communication professionals. The competition receives more than 6,000 entries each year.

The BWI Marshall website continues to drive engagement, reaching over 8.8 million visitors in FY 2019, assisting travelers with flight information, parking, and wayfinding the most visited areas. 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 a visit to BWI Marshall, advanced wayfinding, and integrated Lost & Found functionality.

Business Development and Management

Airline and aeronautical revenue for FY 2019 was \$144,462,000, a decrease of \$2,304,000 over FY 2018. The decreased revenue was primarily related to a decreased landing fee coupled with decreased total landed weight for the fiscal year. Passenger landed weight was impacted by the grounding of the Boeing MAX 8 aircraft, Icelandair's service ending in January 2019, WOW air's March 2019 bankruptcy, and JetBlue pulling service to Florida in January 2019. Landed weight generated from cargo activity increased 7%, offsetting the decrease realized by the passenger airlines. The increase in terminal rental rates collected from airlines is a result of increased rates, expiring promotional incentives, and increases in airline-leased space.

A new airline Use and Lease agreement was successfully negotiated by MDOT MAA. There are fifteen signatory airlines to the agreement: Southwest, Spirit, Delta, American, United, Alaska, JetBlue, British Airways, Condor, Air Canada, FedEx, UPS, Atlas Air, ABX Air, and Air Transport International. The seven-year term went into effect July 1, 2019. MDOT MAA enhanced its cost recovery through negotiated formulas and obtained airline pre-approval for nearly \$800 million in future capital projects. The new agreement is expected to generate an estimated \$1.2 billion over its term.

FRAPORT Maryland (formerly AIRMALL) continues its ongoing redevelopment of the terminal concession program. Several new restaurants and retail stores have opened in the past year, including: Nally Fresh (salads), White House Black Market, Marika (athleisure wear), and Stellar News. Renovated locations include all of the Starbucks and Dunkin Donuts.

The small business retail program, LaunchPad, which was initiated in 2017, has continued and entered its third year in 2019. The program recruits small, local businesses to set up retail kiosks at BWI Marshall. The new businesses that opened in 2019 include: Fran's Organic Body Care, Berries by Quicha, and Diva by Cindy (organic hair products). Two businesses which have shown incredible success and remain in the program from the previous year are Stupid Delicious (pre-packaged cookies) and Finesse Lylifestyle (organic beauty products). In March 2019, Finesse Lylifestyle was named 'Small Business of the Month' by the Baltimore City Mayor's Office of Minority and Women-Owned Business Development.

Revenue to MDOT MAA from food and beverage, retail, and services concessions increased to \$18.4 million in FY 2019, up from \$17.8 million in FY 2018, resulting from total concession sales of \$155,193,000 which increased 3.4% over prior year. Participation by Airport Concession Disadvantaged Business Enterprise operators in the concession program remained at an overall 36.4% in FY 2019.

MDOT MAA procured a new fleet of parking shuttle buses. The approximately \$25 million purchase included fifteen (15) 60-foot articulated buses and twenty-five (25) 40-foot buses. The buses are equipped with passenger amenities such as WiFi service, USB charging ports, and video screens. The fleet will serve the long-term lots, the Daily Garage, employee parking lots, and the BWI Rail Station.

As e-commerce continues to drive air cargo volume growth, MDOT MAA participated in the development of a new, 200,000 square foot air cargo facility in the Midfield Cargo Complex. A third-party developer designed, financed, and constructed the building, apron, truck docks, and employee parking. For its participation, MDOT MAA invested more than \$20 million in taxi lane reconstruction and expansion, as well as replacing Mathison Way.

Site preparation design is complete for the planned Southwest Airlines aircraft maintenance facility at BWI Marshall. The site construction schedule is pending approval of the Environmental Assessment in 2020. Southwest proposes to build a 130,000 square-foot maintenance hangar, aircraft parking apron, and office space. It is anticipated that the hangar facility could accommodate three aircraft. The exterior parking apron could support up to eight aircraft.

Operations and Maintenance

Safety, security, system preservation, and improving customer amenities continued to be the focus for BWI Marshall in 2019. 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. For the second year in a row, BWI Marshall successfully completed the annual Airport Safety and Certification Inspection with zero repeat discrepancies.

During 2019, MDOT MAA Office of Airport Security joined with the U.S. Department of Homeland Security's Transportation Security Administration and the Federal Bureau of Investigation's Joint Terrorism Task Force, along with many other partners, in completing our U.S. Congressionally mandated triennial Joint Vulnerability Assessment; the findings will be formally shared during early 2020. Commercial aviation insider threat concerns lead to significant increases in employee screenings and inspections which work well with our internal security policies, practices, and procedural enhancements.

Equally important, the Office of Airport Security was successful in obtaining support to amend regulations to establish requirements for an individual in possession of a MDOT MAA-issued identification badge and procedures to refuse, revoke, suspend, or confiscate an identification badge if that holder poses a threat or potential threat to the health, safety, or welfare of Airport property, personnel, passengers, or customers.

The Office of Airport Security's Homeless Initiatives now includes a 2019 executed Memorandum of Understanding between MDOT MAA and the Maryland Department of Housing and Community Development to partner on the ground at BWI Marshall in providing homeless outreach services to those using the airport for lodging purposes.

The Office of Airport Security community-wide training initiatives included the U.S. Department of Homeland Security Workplace Violence/See Something, Say Something, Federal Bureau of Investigation Active Assailant Training for Civilians, and Anne Arundel County Crisis Response System Mental Health First Aid.

The BWI Airport Fire & Rescue Department (FRD) operates as a full-function airport fire and rescue department, providing aircraft and structural firefighting, Advanced Life Support, Emergency Medical Services, hazardous materials response services, and some specialized rescue services including vehicle extrication. Additionally, FRD responds to off-airport incidents in support of mutual aid partners such as Baltimore City, Baltimore County, Howard County, and Anne Arundel County. In 2019, FRD responded to more than 3,640 incidents, of which 2,129 were on the BWI Marshall campus and 1,511 were in support of mutual aid partners. Of the 3,640 incidents, 1,087 were for fire-related incidents and 2,553 were medical. Through the first ten months of 2019, FRD's mutual aid colleagues responded to a total of 385 separate apparatus incidents on the BWI Marshall campus. Of those responses into BWI Marshall, 231 were from the Anne Arundel County Fire Department, 137 from the Baltimore County Fire Department, 14 from the Howard County Department of Fire and Rescue Services, and 3 from the Baltimore City Fire Department.

Airport Technology

Installation of the new Noise and Operations Monitoring System (NOMS), completed on September 30, 2019, provides a comprehensive monitoring and reporting program for aircraft flight track data and aircraft noise event measurements at BWI Marshall. The system consists of 27 permanent noise monitors and proprietary computer hardware and software to record and analyze data. In addition, the system generates GIS views, displays noise metric measurements in chart and graphical format, creates land use and zoning maps, creates graphics to support noise impact analysis (complaints), and produces numerous reports. NOMS supports the MDOT MAA Noise Abatement Program and the mandated responsibilities under the Maryland Environmental Noise Act of 1974. Installation of Security Checkpoint Wait Time displays has been completed. The new Checkpoint Wait Times system uses lidar sensors to calculate the number of passengers in line at each TSA security checkpoint. A cloud-based service processes these calculations and returns estimated wait time durations for the following passenger categories: General, Priority, TSA Pre and Clear. The wait time durations are displayed on the digital signs at each checkpoint and on the BWI Marshall Airport website to assist customers in getting to gates as quickly as possible.

The new IP based Public Address system installation is currently underway at BWI. When completed, the system will primarily be used to notify the public of any life safety emergencies requiring evacuation of the airport and have a high level of system redundancy and fail over capability. The system will also be used to provide general airport information. To date, the new PA system has been installed in the main, C, D, and E terminals. Installation of the fiber backbone and wiring for the microphone stations has been completed in terminals A and B. This project was completed late December 2019.

In addition, MDOT MAA recently completed an update to the Airport Technology Master Plan. The goals of this study were to assess current systems and infrastructure, develop a technology baseline report, analyze the current staff, develop a long-term staffing needs plan, and put together a long-term strategy. Given the conclusions of the ATMP, the Division of Airport Technology was created.

MDOT MAA is converting its telephone service from the traditional Plain Old Telephone Service (POTS) to Voice Over Internet Protocol (VOIP). This system will allow for flexibility and savings over time.

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;
 - Mid-year and year-end financial results;
 - Airport operational activities and aviation security issues;
 - Various airport construction projects; and
 - State and federal legislative issues impacting BWI Marshall.
- In accordance with Transportation Article, §5-201.1, the Commission approved the following personnel actions:
 - The appointment of and compensation for the Chief, Division of Airport Technology;
 - The appointment of and compensation for the Chief, Division of Administration & Performance Management; and
 - The appointment of and compensation for the Director, Office of Air Service Development.
- The Commission approved a Final Action to amend the Code of Maryland Regulations (COMAR) to establish a standard for MDOT MAA to refuse, revoke, suspend, and confiscate an identification badge if it is determined that an individual in possession of an identification badge poses a threat or potential threat to the health, safety, or welfare of Airport property, personnel, passengers, or customers.
- The Commission approved a Final Action for a new regulation under COMAR to establish public hours of operation at Baltimore/Washington International Thurgood Marshall (BWI Marshall) Airport.

FINANCIAL RESULTS

Maryland Aviation Administration
Baltimore/Washington International Thurgood Marshall Airport
and Martin State Airport
Comparative Statement of Revenue, Expense and Income
(Thousands)

	FY 2019	FY 2018	Difference	% Change
TTF Revenue and Expense				
TTF Operating Revenue	\$ 257,924	\$ 257,214	\$ 710	0.3%
TTF Operating Expense	\$ 204,714	\$ 195,147	\$ 9,566	4.9%
TTF Surplus/(Deficit)	\$ 53,211	\$ 62,067	\$ (8,856)	-14.3%
Non-TTF				
Non-Operating Revenue	\$ 84,332	\$ 84,501	\$ (169)	-0.2%
Non-TTF Debt Service	\$ 42,656	\$ 42,580	\$ 76	0.2%
Non-TTF Surplus/(Deficit)	\$ 41,676	\$ 41,921	\$ (245)	-0.6%
Total MAA Surplus/(Deficit)	\$ 94,887	\$ 103,987	\$ (9,101)	-8.8%
Capital Program Expenditures	\$ 91,964	\$ 147,461	\$ (55,497)	-37.6%
Enplanements (000's)	13,415,606	13,533,552	(117,946)	-0.9%

In FY 2019, the Maryland Aviation Administration TTF operating surplus totaled \$53.2 million, a \$8.9 million decrease from the FY 2018 TTF operating surplus of \$62.1 million. TTF revenue increased by \$0.7 million and expenses by \$9.6 million.

In FY 2019, BWI revenue increased \$0.7 million. Parking increased \$3.5 million and rents and user fees increased \$2.0 million due to higher space rental rates. Other passenger concessions grew by \$1.2 million due to increased Transportation Network Company (TNC) fees. Non-passenger concessions increased by \$0.5 million and retail, food, and beverage increased by \$0.4 million which was offset by decreases in other revenue - \$3.7 million due to reduced prior year reimbursements from airlines and other government agencies and flight activities; \$3.6 million due to reduced landed weights tied to the grounding of MAX 737-800 aircraft. MTN revenue increased \$0.4 million due to higher FBO fuel sales.

The \$9.6 million increase in FY 2019 TTF operating expense is primarily the result of increased spending on contractual services of \$7.5 million, salaries and wages \$1.9 million, technical and special fees \$0.6 million, motor vehicle operations \$0.4 million and fuel and utilities \$.3 million offset by lower spending on supplies \$0.4 million, communication \$0.3 million and additional and replacement equipment \$0.5 million. MTN expenditures increased \$0.6 million due to higher FBO fuel inventory replenishments of \$0.4 million and maintenance expenses of \$0.2 million.

FY 2019 non-TTF revenue decreased \$0.2 million as a result of decreased enplanements that decreased PFC revenue \$0.4 million and CFC revenue of \$0.3 million offset by an increase in interest income of \$0.4 million and trustee retained parking \$0.1 million revenue. Non-TTF expenses increased \$0.1 million due to a \$0.1 million increase in PFC debt service.

Total FY 2019 MAA surplus is \$94.9 million, a decrease of \$9.1 million versus FY 2018. Enplaned passengers decreased 0.9% in FY 2019 versus FY 2018.

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

FINANCIAL RESULTS

Maryland Aviation Administration
Statement of Revenue
Fiscal Year Ending
June 30, 2019 and 2018

	FY 2019	FY 2018	Difference	% Change
<u>BWI Operating Revenue (TTF)</u>				
Flight Activities	\$ 68,153,431	\$ 71,710,348	\$ (3,556,917)	-5.0%
Rents & User Fees	\$ 74,556,445	\$ 72,527,272	\$ 2,029,173	2.8%
Public Parking	\$ 47,841,275	\$ 44,440,832	\$ 3,400,443	7.7%
Rental Cars	\$ 17,771,408	\$ 17,721,919	\$ 49,489	0.3%
Retail, Food & Beverage	\$ 18,386,010	\$ 17,983,425	\$ 402,586	2.2%
Other Passenger Concessions	\$ 9,319,523	\$ 8,123,868	\$ 1,195,656	14.7%
Non-Passenger Concessions	\$ 4,942,360	\$ 4,459,139	\$ 483,220	10.8%
Other Revenue	\$ 6,671,750	\$ 10,334,131	\$ (3,662,381)	-35.4%
Total BWI Operating Revenue	\$ 247,642,203	\$ 247,300,934	\$ 341,269	0.1%
<u>MTN Operating Revenue (TTF)</u>				
	\$ 10,282,232	\$ 9,913,111	\$ 369,120	3.7%
Total TTF Operating Revenue	\$ 257,924,435	\$ 257,214,046	\$ 710,389	0.3%
<u>Non-Operating Revenue</u>				
Customer Facility Charges	\$ 12,933,332	\$ 13,195,174	\$ (261,842)	-2.0%
Passenger Facility Charges	\$ 51,356,227	\$ 51,781,426	\$ (425,200)	-0.8%
Trustee Retained Parking Revenue	\$ 18,230,000	\$ 18,161,982	\$ 68,018	0.4%
Interest Income	\$ 1,812,111	\$ 1,362,342	\$ 449,769	33.0%
Total Non-Operating Revenue	\$ 84,331,670	\$ 84,500,924	\$ (169,254)	-0.2%
Total MAA Revenue	\$ 342,256,104	\$ 341,714,970	\$ 541,135	0.2%

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

FINANCIAL RESULTS

Maryland Aviation Administration
Statement of Expense
Fiscal Years Ending
June 30, 2019 and 2018

	FY 2019	FY 2018	Difference	% Change
<u>BWI Operating Expense (TTF)</u>				
Salaries and Wages	\$ 43,504,643	\$ 41,523,483	\$ 1,981,160	4.8%
Technical and Special Fees	\$ 2,693,776	\$ 2,084,058	\$ 609,718	29.3%
Communications	\$ 1,297,052	\$ 1,579,206	\$ (282,154)	-17.9%
Travel	\$ 261,888	\$ 212,953	\$ 48,935	23.0%
Fuel and Utilities	\$ 13,125,671	\$ 12,900,183	\$ 225,488	1.7%
Motor Vehicle Operations	\$ 3,227,840	\$ 2,754,016	\$ 473,824	17.2%
Contractual Services	\$ 96,099,905	\$ 89,287,872	\$ 6,812,033	7.6%
Supplies and Materials	\$ 4,728,997	\$ 5,456,094	\$ (727,097)	-13.3%
Replacement Equipment	\$ 183,644	\$ 395,656	\$ (212,012)	-53.6%
Additional Equipment	\$ 148,899	\$ 400,570	\$ (251,671)	-62.8%
Grants/Subsidies/Contributions	\$ 1,029,320	\$ 1,064,478	\$ (35,158)	-3.3%
MEDCO and COPS Debt Service	\$ 16,460,382	\$ 16,453,498	\$ 6,885	0.0%
Other Fixed Charges	\$ 1,393,021	\$ 1,452,259	\$ (59,238)	-4.1%
Land and Structures	\$ 10,976,330	\$ 10,552,495	\$ 423,835	4.0%
Total BWI Operating Expense	\$ 195,131,368	\$ 186,116,822	\$ 9,014,546	4.8%
<u>MTN Operating Expense (TTF)</u>				
	\$ 9,582,237	\$ 9,030,452	\$ 551,785	6.1%
Total TTF Operating Expense	\$ 204,713,605	\$ 195,147,274	\$ 9,566,331	4.9%
<u>Non-TTF Debt Service Expense</u>				
Passenger Facility Charge Backed Debt	\$ 15,528,352	\$ 15,384,818	\$ 143,534	0.9%
Customer Facility Charge Backed Debt	\$ 8,956,820	\$ 8,965,520	\$ (8,700)	-0.1%
Parking Debt	\$ 18,170,750	\$ 18,230,000	\$ (59,250)	-0.3%
Total Non-TTF Debt Service Expense	\$ 42,655,922	\$ 42,580,338	\$ 75,584	0.2%
Total MAA Expense	\$ 247,369,526	\$ 237,727,612	\$ 9,641,915	4.1%
Regional Aviation	\$ 359,558	\$ 479,413	\$ (119,854)	-25.0%
<u>Capital Program Expenditures</u>				
State Funds	\$ 63,102,980	\$ 110,199,574	\$ (47,096,594)	-42.7%
Federal Funds	\$ 7,114,258	\$ 7,813,017	\$ (698,759)	-8.9%
Other Financing	\$ 21,746,270	\$ 29,448,387	\$ (7,702,117)	-26.2%
Total Capital Program Expenditures	\$ 91,963,508	\$ 147,460,978	\$ (55,497,470)	-37.6%

Note:

- Federally funded and other reimbursable security related expenses of \$645,500 in FY 2019 and \$645,000 in FY 2018 are not included in operating expenses shown above

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

	<u>FY 2019</u>	<u>FY 2018</u>	<u>Difference</u>	<u>% Change</u>
BWI Domestic Passengers	25,413,882	25,784,846	(370,964)	(1.43%)
BWI International Passengers	1,322,350	1,206,814	115,536	9.57%
BWI Total Passengers*	26,736,232	26,991,660	(255,428)	(0.94%)
BWI Aircraft Operations	260,932	268,254	(7,322)	(2.73%)
MTN Aircraft Operations	94,719	86,911	7,808	9.0%

PASSENGER ACTIVITY COMPARISON FOR FY 2019

	<u>BWI Marshall</u>	<u>Dulles</u>	<u>Reagan National</u>
Total Commercial Passengers	26,736,232	24,508,806	23,652,217
Percent Change over FY 2017	(0.9%)	5.6%	0.1%

Total Regional Market:	<u>2019</u>	<u>2018</u>
	74,897,255	73,240,450

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

*Total Passengers include both enplaned and deplaned passengers.

SECTION V

**MARYLAND AVIATION COMMISSION COSTS
FISCAL YEAR 2019***

Technical and Special Fees		\$8,100
Travel Reimbursement to the Commissioners for Meetings		\$1,184
Contractual Services:		\$2,263
Public Notice Advertisements for Commission Meetings	\$ 564	
Food Services	\$1,699	
Total Maryland Aviation Commission Cost		\$11,547

*Fiscal Year 2019: July 1, 2018 to June 30, 2019