

**MARYLAND AVIATION COMMISSION
WEDNESDAY, JULY 14, 2021**

**Virtual Meeting via Microsoft Teams
OR
Call In: (443) 409-5228 | Conference ID: 515 256 498#**

OPEN SESSION

MARYLAND AVIATION COMMISSION MEMBERS

Gregory Slater, Chairman*
Vishal Amin
T. Chineta K. Davis
William Drew Hawkins
José Morales
Raymond C. Nichols
Calvin D. Peacock
Ivory E. Tucker
David L. Winstead

* MDOT Deputy Secretary R. Earl Lewis, as designee for
Chairman Slater

MARYLAND DEPARTMENT OF TRANSPORTATION

MARYLAND AVIATION ADMINISTRATION (MDOT MAA)

Ricky D. Smith, Sr.
Edward Carey
Jonathan Dean
Staci Gorden
Dale Hilliard
Jordan Kayloe
William Lindsey
Wayne Pennell
Al Pollard
Hazel Robinson
Paul Shank
Ashish Solanki
James Walsh

OTHER EMPLOYEES OF THE STATE OF MARYLAND

Colter Menke, Maryland Department of Commerce

MEMBERS OF THE PUBLIC

Joseph Pickering

Deputy Secretary R. Earl Lewis called the meeting to order at 1:01 p.m.

WELCOME AND APPROVAL OF MINUTES – Deputy Secretary R. Earl Lewis

Deputy Secretary Lewis welcomed commissioners to the meeting. Upon request for a motion to approve the minutes of the May 12 Commission meeting, it was so moved by Commissioner Hawkins, seconded by Commissioner Amin, and approved unanimously.

EXECUTIVE DIRECTOR'S REPORT – Ricky Smith

All state mandated COVID-19 restrictions expired July 1, 2021. The airport has seen a robust return of customer travel, although traffic is still down about 30% from pre-pandemic levels. Passenger traffic surged recently during the 4th of July holiday weekend.

At the beginning of July, MAA welcomed back employees who were previously teleworking full-time. There were no challenges related to the “return to the office.”

There is continued focus on MDOT MAA's Recovery Plan, which includes strategies to protect employees, passengers and customers. There are ongoing efforts to address cost recovery, budget management, the concessions program, and airline relations. Currently, 85% of airport shops and restaurants are open. The goal is to have 100% open by August.

PLANNING & ENGINEERING – Paul Shank

Key Projects Update

Taxiway T reconstruction (Phase 1A)

The project includes: new asphalt pavement and new concrete behind gates B2, B4, A1-A5, A7 & A9. Work also includes removal and installation of airfield lighting. Phase 1 work is complete. Phase 2 work began in early July.

Upcoming projects:

Airline Maintenance Facility and Taxiway F (Phase 1/ Segment 1) – Anticipated schedule is three years.

Work includes: site development for airline maintenance facility; utilities will be brought into the site for connection to the facility; construction of perimeter roads will be realigned to allow for both landside and airside access to the facility and connectivity to the existing perimeter road near Taxiway 'W'. In addition, a portion of Taxiway 'F' will be relocated.

Airline Maintenance Facility and Taxiway F (Phase 1/ Segment 2) – Anticipated schedule is 1+ year.

The project will relocate 1,300 feet of Taxiway F from the existing intersection with Taxiway G to a point east of the new taxiway entrance to the airline maintenance facility. It will also address taxiway/runway FAA geometric standards.

BWI Terminal Restroom Enhancement Program.

Work includes the renovation of six sets of restrooms; two sets each in Concourses B, C, and D. Proposals were received January 14, 2021. Bid review process is currently in place.

Airfield Lighting Vault Relocation – Anticipated Schedule is three years.

This shelf-ready project is queued up and ready to go. Work includes building a new replacement ALV with dedicated rooms for each R/W system with fire separation for improved reliability and redundancy.

Remote Transmitter / Receiver (RTR) Relocation

Work includes supporting the relocation of the RTR (RR) installation by providing site infrastructure to allow FAA installation of the tower.

Terminal A/B Connector and Baggage Handling System - Anticipated Schedule is 2021-2025.

Work includes two-level expansion to Terminal A/B, new expanded baggage handling system, extensive sitework to include underground utility relocations and concrete apron reconstruction. This project has recently had updates to the design, which has yielded tens of millions of dollars in cost savings. A contractor has been selected. Sub-contractors are now being selected. Funding for this project has been secured because of the MAA bond sale.

MARKETING & AIR SERVICE DEVELOPMENT – Jonathan Dean and Jordan Kayloe
Communications and Marketing Update – BWI Marshall received a variety of press coverage recently. News stories were about:

- Governor Hogan Tours BWI Marshall’s Airport Expansion Project, Highlights Continued Recovery of Tourism and Trade
- BWI’s Newest Concourse Opens with Spacious Restrooms, Five Additional Airline Gates, New Concessions, and Extra Charging Outlets
- BWI Marshall Airport opens expansion gate areas as increase in travel continues.
- Passenger Travel Hits New Pandemic High at BWI Marshall Airport
- BWI Marshall and BGE Celebrate New Electric Vehicle Charging Stations
- New International Service from Icelandair Coming to BWI Thurgood Marshall Airport; Nonstop Service to Iceland with Connection Across Europe to Start May 2022

MAA websites and social media continue to provide updates and information to the traveling public, stakeholders, tenants and employees. The BWI Marshall website received over one million page views in May and June. The type of information that the public is mainly seeking is related to: parking (40%), general updates (25%), and concessions (17%). Most people are utilizing the website (45%) and Twitter (33%) in order to obtain the information.

Air Service and Traffic Statistics

Total passenger declines are recovering gradually. After setting a 12-month passenger record of 27.2 million for the year-ended Feb 2020, April traffic declined 96%. By month in 2021-- January fell 59%; February fell 58%; March fell 43% from 2019; April fell 33% and May preliminary numbers fell 26%.

TSA statistics show recovery at BWI Marshall leads the region. Since May 2020, the airport has recovered more quickly than DCA and IAD.

Cargo movement experienced strong growth in 2020. Increased Amazon service brought gains in 2020, but schedules stabilized by October; December 2020 saw record tonnage. By month in 2021--January grew 9%; February grew 3%; March grew 1%, April grew 23% and May preliminary numbers grew 2%.

Total operations have fallen much less than passenger numbers. Cancellations were common early in the pandemic. By month in 2021--January fell 34%; February fell 41%; March and April fell 26% from 2019, and May preliminary numbers fell 25%.

Looking ahead at future capacity, Q3 is down 17% from Q3 2019.

New route announcements continue sparingly during the Pandemic.

Southwest Airlines has announced new routes from BWI to:

- Chicago, IL
- Jackson, MS
- Destin, FL
- Sarasota, FL
- Syracuse, NY
- Savannah, GA
- Myrtle Beach, SC

Icelandair has announced a new route from BWI to:

- Reykjavik

Spirit has announced new routes from BWI to:

- Miami, FL
- San Salvador (*the launch date continues to slip*)

Allegiant has announced a new route from BWI to:

- Punta Gorda, FL

Boutique has announced a new route from BWI to:

- Massena, NY

MTN OPERATIONS & MAINTENANCE – Al Pollard

At the start of the pandemic in March 2020, aircraft operations at Martin State Airport declined but began rebounding in May 2020. Since that time, operations have remained steady. Corporate travel via charter flights to and from Martin State airport account for most of the activity. In comparing year-over-year flight activity – aircraft operations in February 2021 declined slightly due to weather events, but operations have picked back up and continued to increase in March, April and May of this year. Fuel sales are up in March, April, and May of this year compared to last year. Martin State Airport continues to generate significant revenue from fuel sales and aircraft parking. Currently, four flight schools operate at the airport.

BUSINESS DEVELOPMENT & MANAGEMENT – James Walsh

FY 2021 3rd Quarter Financial Results:

Operating and Non-Operating Revenues for BWI Marshall

- Operating Revenues: \$111,810,000 (down 41.5% from FY 2020)
- Non-Operating Revenues: \$24,904,000 (down 56.8% from FY 2020)

As passengers return to flying, they are using a lot of rewards point/ frequent flyer miles, which doesn't include passenger facility charges (PFC).

On July 13, 2021, MAA received \$21.3 million in federal aid from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). MAA expects to also receive federal aid from the American Rescue Plan Act of 2021 (ARP).

Operating Expenditures for BWI Marshall

- Appropriation: \$212,972,000 (up 3.6% from FY 2020)
- Operating Expenditures: \$129,358,000 (up 2.7% from FY 2020)

MAA is on target to spend appropriation through the fiscal year. The net contribution to the Transportation Trust Fund (TTF) is down \$17 million.

Operating Expenditures for Martin State

- Operating Revenues: \$6,294,000 (down 17.4% from FY 2020)
- Operating Expenditures: \$5,465,000 (down 10.2% from FY 2020)

Concessions Update

Approximately 85% of concessions are currently open. The goal is to have 100% open by August 31. Approximately ten locations are undergoing redevelopment. There are approximately 13 units currently closed, but expected to reopen including Starbucks, Hudson News, Johnston & Murphy, Sky Azure, DuClaw Brewing Co, Urban Bar-B-Que and several others.

Bond Sale

On Wednesday, July 14th, MDOT MAA sold \$200 million in revenue bonds to support the A/B Connector & Baggage Handling System Project. The underwriters received over \$1.5 billion in orders or more than 7.5 times oversubscribed – reflecting the market’s confidence in the BWI Marshall credit quality. Two institutional investors, T. Rowe Price and Blackrock, put in orders to purchase all \$200 million in bonds which lead underwriter Citi indicated was rare indeed but again showing the strength of the underlying credit. Closing will be completed by the end of July.

BWI THURGOOD MARSHALL AIRPORT LANDSCAPE PROGRAM – Wayne Pennell

Purpose:

-To maintain the campus landscape in a manner that meets our high operating standards
- This commitment applies to both the public (Landside) and restricted (Airside) areas, to include the FAA Part 139 Annual Certification Inspection requirements

Program Responsibilities - Office of Grounds Maintenance:

-Airside Landscape: grass mowing, pond maintenance, erosion
-Landside Landscape: trash pick-up, erosion control

Program Responsibilities – Contract Support Section:

-Airside Landscape: weed control, pond maintenance, tree care
-Landside Landscape: landscape beds, mowing, pond and wetland maintenance, tree care, weed control, trash pick-up

Landside Landscape Program:

-300 Acres

-Contract Support manages five contracts that provide the following services:

- Grounds Maintenance to include mowing, trimming and edging
- Landscape Bed Maintenance
- Tree Care Program
- Turf Maintenance and Weed Control
- Pond and Wetland Maintenance
- Landside Trash Pick-Up

Airfield Landscape Program:

-600 Acres

- Grounds Maintenance personnel and Contract Support provide the following services:

- Mowing
- Weed Control
- Pond & Wetland Maintenance
- Erosion Control

- Tree Trimming and Removal

Landscape Enhancement Initiative:

The goal is to create a themed landscape appearance that provides a more appealing, cohesive all-season look while reducing maintenance requirements and cost.

Bike Trail Maintenance – 12.5 miles:

- Tree Contract
- Mowing Contract
- Picket Fence Maintenance
- Erosion Repairs
- Sweeping

There being no further business, a motion to adjourn was made by Commissioner Nichols, seconded by Commissioner Hawkins, and approved unanimously. The meeting adjourned at 2:14 p.m.