

**MARYLAND AVIATION COMMISSION
WEDNESDAY, JANUARY 19, 2022**

**VIRTUAL MEETING VIA MICROSOFT TEAMS
OR
CALL IN (AUDIO ONLY)
(443) 409-5228 | CONFERENCE ID: 101 019 820#**

OPEN SESSION

MARYLAND AVIATION COMMISSION MEMBERS

Jim Ports, Chairman*
Vishal Amin
T. Chineta K. Davis
W. Drew Hawkins
Jose' Morales
Raymond C. Nichols
Calvin D. Peacock
Ivory E. Tucker
David L. Winstead

* MDOT Deputy Secretary Sean Powell, as designee for Chairman Ports for the first 20 minutes of the Commission meeting

**MARYLAND DEPARTMENT OF TRANSPORTATION
MARYLAND AVIATION ADMINISTRATION (MDOT MAA)**

Ricky D. Smith, Sr.
Ned Carey
Jonathan Dean
Jaimini Erskine
Annette Fisher
Staci Gorden
Dale Hilliard
Jordan Kayloe
William Lindsey
Shanae Murray
Wayne Pennell
Renee Phillips-Farley
Al Pollard
Hazel Robinson
Robert Sager

Paul Shank
Ashish Solanki
James Walsh

OTHER EMPLOYEES OF THE STATE OF MARYLAND

Colter Menke, Maryland Department of Commerce

MEMBERS OF THE PUBLIC

Jane Toskes, Martin Maryland Aviation Museum

Deputy Secretary Sean Powell called the meeting to order at 1:00 p.m.

WELCOME AND APPROVAL OF MINUTES – Deputy Secretary Sean Powell

Deputy Secretary Powell welcomed commissioners to the meeting. Upon request for a motion to approve the minutes of the November 10 Commission meeting, it was so moved by Commissioner Tucker, seconded by Commissioner Amin, and approved unanimously.

EXECUTIVE DIRECTOR’S REPORT – Ricky Smith

Pandemic Recovery

The recovery at BWI Marshall has led the region, and been among the best for airports in the northeastern part of the country. BWI Marshall experienced a robust, busy holiday travel season. There were no significant issues with airline flight cancellations. Passenger numbers approached more regular, pre-pandemic levels. Wednesday, November 24 -- the day before Thanksgiving -- marked a new busiest day for departing traffic at BWI Marshall Airport since the start of the pandemic with over 31,000 departing passengers.

Preliminary numbers from the TSA, departing passenger traffic for 2021 reached nearly 7 million. BWI Marshall Airport also has experienced growth in cargo activity last year. Total cargo moving through the airport in fiscal year 2021 reached a record 611.4 million pounds, an increase of 11.7% over the previous year. During the winter, leisure demand is typically low and the pandemic continues to suppress business demand.

All MAA employees returned to the office in July 2021, but due to the sharp increase of COVID-19 (Omicron variant) in December and January, eligible employees have been encouraged to telework for the immediate future. Omicron case numbers are expected to peak in Maryland in a matter of weeks.

Legislative Update

Congress passed the major infrastructure bill. The legislation allocates \$25 billion for projects at airports across the country. The first \$15 billion in funding is formula-based. With an additional

\$5 billion for terminal projects that airports will compete for. And another \$5 billion for air traffic control tower projects.

For the formula funding, MAA anticipates about \$130 million in funding from the infrastructure bill that would benefit BWI Marshall and Martin State. MAA would consider a wide range of projects for that funding, including airfield paving work.

There are several taxiway and apron pavements that will need to be replaced in coming years. The airport will compete for additional federal dollars in the two pots of discretionary funding that are dedicated to terminal and air traffic control tower projects.

BUSINESS DEVELOPMENT & MANAGEMENT – James Walsh and Jaimini Erskine

Operating Revenues and Expenses – MAA

The number of enplaned passengers for FY 2022 (year-to-date) is 4,646,902 vs. 2,229,499 in FY 2021. This is an increase of 108.4%. MAA's Operating Revenues are up 55.6% over last fiscal year (\$95,665,804 in FY 2022 (year-to-date) vs. \$61,496,911 in FY 2021). Operating Expenses are down 3.3%, compared to last year (\$57,739,516 in FY 2022 (year-to-date) vs. \$59,682,340 in FY 2021). The net Transportation Trust Fund Operating Surplus is \$37,926,288 in FY 2022 (year-to-date), compared to \$1,814,571 in FY 2021.

At Martin State Airport, Operating Revenues are up 36.5% (\$4,997,980 in FY 2022 (year-to-date) vs. \$3,662,725 in FY 2021). Operating Expenses are up 22.3% (\$3,381,727 in FY 2022 (year-to-date) vs. \$2,765,075 in FY 2021). The net Transportation Trust Fund Operating Surplus is \$1,616,253 in FY 2022 (year-to-date), compared to \$897,650 in FY 2021.

New Concessions Solicitation at BWI Marshall Airport

Commissioners were briefed on the upcoming Request for Proposals (RFP) for the Concessions Program at BWI Marshall.

The presentation focused on the following topic areas:

- Concessions Management Models
- Current Program Overview
- New Solicitation / Goals / Opportunities/ Considerations/ Labor/ Pricing
- Attracting Bidders/ Outreach
- Timing

Concessions Management Models

BWI Marshall currently utilizes the Developer model for the concessions program. Under the development program, one company develops and manages the concessions program. The developer subleases all locations to operators and manages each sublease. Advantages of this model include:

- Capital Investment by Developer

- Increased Rent to MAA
- Developer Assumes Financial Risk

Current Program Overview

The current Concessions Program achieved over \$158 million in sales in 2019 and utilized over 190,000 total square footage and support space. The program had over 130 units and approximately 65 subtenants – 50% of them were local operators. ACDBE participation in the program included 49% of the food operators and 18% of the retail operators.

New Solicitation

With the new RFP comes new opportunities to achieve the following:

- Introduce more businesses and concepts within BWI Marshall's Catchment Area
- Implement new business terms (adopt learnings from the pandemic) for the Lease and Concession Contract
- Incorporate diverse tenant and concept mix; High quality goods and services at affordable prices
- Excite customers with new and memorable experiences

The new RFP will incorporate considerations pertaining to changes in the aviation industry, passenger demographics, influences, labor and pricing.

Attracting Bidders

Comprehensive outreach will be conducted to attract bidders to the RFP. Outreach activities include:

- Pre-Meetings
- Presence at Industry Conferences
- Website / Registration
- Virtual outreach
- E-blasts
- Presence at BWI Synergy

Timing

- Q1 2022: Issuance
- Q2 2022: Proposal Responses & Addendums
- Q3 2022: Selection / Award
- Q4 2022: BPW Approval

PLANNING & ENGINEERING – Paul Shank

Key Projects Update

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

The project includes 26-acre site development for airline maintenance facility. Utilities 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.

Progress:

- MDE permit issued
- Erosion and sediment control measures being installed at stockpile and main project site.
- Clearing trees and mulching began in December.
- Mass excavation begins late January.

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

Work includes building a new parallel taxiway system. 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.

Progress:

- MDE permit issued.
- Submittals ongoing.
- Operational coordination ongoing.
- Pre-Construction Meeting: January 27th (est.)
- Mobilization: February 2022

BWI Terminal Restroom Enhancement Program.

Work includes the renovation of six sets of restrooms; two sets each in Concourses B, C, and D.

Progress:

- Partnering meeting held December 15, 2021
- Set security barricades and sediment controls measures at 1st buildout location near Gate B3
- Apron pavement demolition ongoing.

DX-DY HVAC Upgrades

Work includes Concourse D Chiller Plant Expansion and replacement of existing air handlers in Concourse DY and the Commuter Concourse. Project also includes ceiling replacement and lighting improvements .

Progress:

- Material staging area and construction trailer location established at Gold Lot and near Gate D7 ramp.
- Submittals under review.
- Existing condition survey and testing ongoing.
- Coordination ongoing with Central Utility Plant.

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. Install concrete shelter building with antenna tower platform, cable ice bridges, grounding, lightning protection. Project add alternate includes a wind cone and segmented circle marker system.

Progress:

- Pre-construction meeting held 12/1/21
- Initial project construction schedule approved.
- Submittal ongoing.
- Mobilization anticipated early February.

Long Term B Parking Lot Pavement Rehabilitation

Work includes replacement of pavement in the main parking lot area and bus lanes, revised pavement markings, and removal of select fencing.

Progress:

- Initial project construction schedule under review.
- Mobilization pending BPW approval.

Upcoming Capital Projects at BWI Marshall

Terminal A/B Connector and Baggage Handling System - Anticipated Schedule is 2021-2026.

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 had updates to the design, which has yielded tens of millions of dollars in cost savings. Funding for this project has been secured because of the MAA bond sale.

Taxiway F Phase 2

Work includes relocation of the taxiway to rectify deficiencies in geometry and pavement conditions. Project includes TW lighting and signage.

Progress:

- 30% Design in progress.

Airfield Lighting Vault Relocation (ALV) – Building Package

Project includes building a new replacement ALV with dedicated rooms for each R/W system with fire separation for improved reliability and redundancy. The current program is being designed as a single project covering both the building and fit outs.

Progress:

- 100% design complete.
- FFY23 Project.

North Area Fuel Farm Storage Tanks

This contract will provide two new 700,000 gallon above ground storage tanks for storage of Jet-A aircraft fuel. The existing site will be improved to allow fuel truck delivery between the limits of the North Area Fuel Farm and Southwest Fuel Farm.

Progress:

- 100% tank design complete.
- Fire protection upgrade in progress.

BWI OPERATIONS & MAINTENANCE

Exclusive Area Agreement

The Exclusive Area Agreement (EAA) is a TSA approved amendment to the BWI Marshall Airport Security Program in which Amazon and/or the TSA assumes responsibility for specified security measures for all or portions of the Secured Area, AOA or SIDA including access points and vetting.

TSA Administrator evaluated and approved three (3) airports to enter such an agreement.

- Baltimore/Washington International Thurgood Marshall Airport
- Cincinnati / Northern Kentucky International Airport (CVG)
- Chicago Rockford Illinois Airport (RFD)

The EAA was executed by all parties on November 4, 2021. Amazon's 180-day Implementation Plan is currently underway, which went in to effect on November 4, 2021. Weekly implementation meetings occur with Amazon, TSA & BWI Airport Security.

Amazon received increased geographical safety/security autonomy. Amazon can now facilitate TSA-approved vetting of their employees and contractors.

Going forward, Amazon will participate in the following with BWI Marshall Airport Security:

- Annual AVSEC Tabletop Exercise
- US Congressionally Mandated JVA (every three years)
- Monthly Security, Intel, and Police Meeting

BWI Marshall Airport maintains final decision-making authority on ALL safety/security investigations, violations and adjudications.

COMAR 11.03.01.04 Amendment

In accordance with Transportation Article §5-201 (b)(2), Annotated Code of Maryland, the Maryland Aviation Commission is charged with the approval of regulations prior to their adoption by the MDOT MAA Executive Director.

MDOT MAA has adopted COMAR 11.03.01.04 (Q) to establish a standard for having an Airfield Operator's Permit program. The proposed amendments to COMAR 11.03.01.01(B)3 and 11.03.01.04(Q) serve to update the definitions and more clearly describe the Airfield Operator's Permit program description and requirements.

The Administration has a three-tier system for its Airfield Operator's Permit as follows:

Tier 1 is designated for those individuals requiring *access to only non-movement areas* of the air operations area.

Tier 2 is designated for those individuals requiring access to non-movement areas and *limited access to movement areas* of the air operations area.

Tier 3 is designated for those individuals requiring *unrestricted access to the non-movement and movement areas* of the air operations area.

COMAR Amendment

Tier 1: The ***Non-movement Area*** Airfield Operator's Permit written examination with a minimum score of **80 percent**. The applicant must also complete recurrent non-movement area training on a bi-annual basis.

Tier 2: The ***Non-movement Area*** written examination with a minimum score of **80 percent** and the ***Movement Area*** written examination with a minimum score of **90 percent**. The applicant must also complete recurrent movement area training on an annual basis.

Tier 3: The ***Non-movement Area*** written examination with a minimum score of **80 percent**, the ***Movement Area*** written examination with a minimum score of **90 percent**, and a daytime and nighttime movement area practical driving test as follows:

Daytime and Nighttime Practical Driving Test with an Airport Operations supervisor. A minimum score of 90 percent is required on the written test. The written test also contains core questions of which have no numerical value but are pass/fail. A fail on any of the core questions ends the test and results in a denial of the permit. The practical driving test will demonstrate the ability to move around the Airport with knowledge, technique, and in a safe manner; and

The applicant must also complete recurrent movement area training on an annual basis.

Upon request for a motion to approve the proposed amendment, it was so moved by Commissioner Hawkins, seconded by Commissioner Winstead, and approved unanimously.

MARKETING & AIR SERVICE DEVELOPMENT – Annette Fisher and Jordan Kayloe

BWI Marshall Recovery Marketing Campaign

The tagline is – “When you’re ready, we’ll take you there.” The campaign takes an integrative approach and includes social media content, television commercials, sponsored Travel Tuesday television segments on WUSA9, airport advertising, targeted geo-fencing and digital display advertising. The geographic regions targeted are Baltimore, Washington, DC and Philadelphia.

Martin State Airport Marketing Campaign

The tagline is– “It’s All Here.” The campaign takes an integrative approach and includes video, media, SEO/PPC, geofencing, landing page, and organic social media.

Media Coverage

BWI Marshall received a variety of press coverage recently. News stories were about:

- Holiday Travel Demand
- BWI Marshall’s Pandemic Recovery
- New air service to Boston by air carrier PLAY

Air Service and Traffic Statistics

TSA statistics provide the most immediate look at passenger volumes. While they do publish numbers daily, they only count departing passengers – not arriving or connecting passengers.

Total passenger numbers recovered strongly, peaking in July. The recent declines are lower than TSA declines, meaning more passengers are connecting at BWI Marshall.

This October, BWI Marshall led regional airports in passengers.

BWI - 37%

IAD – 33%

DCA – 30%

Cargo Movement also peaked in July, setting a new monthly record. Amazon operations have reached a steady level, so year-over-year gains have stabilized compared to 2020’s growth. Total operations have fallen less than passenger numbers. With operations increasing slowly since March, but passengers increasing more, load factors have grown strongly.

Looking at future capacity, Q1 seats are down 14% from Q1 2019. Southwest scaled back capacity this winter to avoid operational challenges like they experienced in the fall.

In Q1 2022, Reagan offered more seats than BWI Marshall. DCA's "Use It or Lose It" slot rules returned in late Oct, so carriers must operate all pre-pandemic flights.

New route announcements continued during the Pandemic.

Air Senegal has launched a new route from BWI to JFK to:

-Dakar, Senegal

Southwest Airlines has launched new routes from BWI to:

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

Delta has launched a new route from BWI to:

-Boston

Frontier has launched a new route from BWI to:

-Cancun, Mexico
-Atlanta, GA

Icelandair has launched 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 launched a new route from BWI to:

-Punta Gorda, FL

Boutique has launched a new route from BWI to:

-Massena, NY

PLAY has announced a new route from BWI to:

-Boston, MA

There being no further business, a motion to adjourn was made by Commissioner Nichols, seconded by Commissioner Amin, and approved unanimously. The meeting adjourned at 2:46 p.m.