



**Maryland Department of Transportation**  
**The Secretary's Office**

**Martin O'Malley**  
Governor

**Anthony G. Brown**  
Lt. Governor

**James T. Smith, Jr.**  
Secretary

January 10, 2014

The Honorable Thomas V. "Mike" Miller, Jr.  
President, Maryland Senate  
State House, H-107  
Annapolis MD 21401-1991

The Honorable Michael E. Busch  
Speaker, Maryland House of Delegates  
State House, H-101  
Annapolis MD 21401-1991

Dear President Miller and Speaker Busch:

Attached is a report concerning the Maryland Aviation Commission Annual Report to the General Assembly as required in the Annotated Code of Maryland, Transportation Article, Section 5-201.2. The language states:

*"(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.*

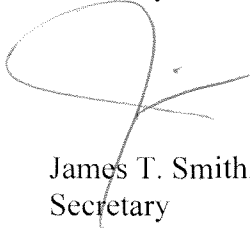
*(b) The report shall include:*

- (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."*

The Honorable Thomas V. "Mike" Miller, Jr.  
The Honorable Michael E. Busch  
Page Two

If you have questions or concerns, please do not hesitate to contact Mr. Paul Wiedefeld, A.A.E., Maryland Aviation Administration, Executive Director/CEO, 410-859-7060. Of course, you should always feel free to contact me directly.

Sincerely,

A handwritten signature in dark ink, appearing to be "J. Smith, Jr.", with a large loop at the top and a horizontal line extending to the right.

James T. Smith, Jr.  
Secretary

Attachment

cc: The Honorable Edward J. Kasemeyer, Chair, Senate Budget and Taxation Committee  
The Honorable Norman Conway, Chair, House Appropriations Committee  
Mr. Paul Wiedefeld, A.A.E., Maryland Aviation Administration, Executive  
Director/CEO

**A Report to the Maryland General Assembly**

**regarding**

**Maryland Aviation Commission Annual Report  
Transportation Article, § 5-201.2 (SB 294, Chapter 457, Acts of 1994)**

**January 2014**

**Maryland Department of Transportation**

## Table of Contents

Section	Page
I. Background.....	1
II. Maryland Aviation Commission Members .....	2
III. Message from the Chair.....	3
IV. Overview of Maryland Aviation Administration and Airport Activities and Accomplishments for 2013 .....	5
• Actions Taken by the Maryland Aviation Commission .....	12
• Financial Results.....	13
• Baltimore/Washington International Thurgood Marshall and Martin State Airports Aviation Activity .....	16
V. Fiscal Year 2013 Maryland Aviation Commission Costs .....	17

## SECTION I

### BACKGROUND

#### Creation of the Maryland Aviation Commission

The 1994 General Assembly passed Senate Bill 294 (Chapter 457, Acts of 1994) 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 Business and Economic Development 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**

**James T. Smith, Jr., Chairman**

Secretary, Maryland Department of Transportation

**Maurice Bellan, Esq.**

**Gregory V. Billups**

**Gerry L. Brewster**

**Erwin L. Greenberg**

**Raymond C. Nichols**

**Michele K. Ryan**

**William P. Wentworth**

**Calman J. Zamoiski**

**Dominick E. Murray**

Secretary, Maryland Department of Business & Economic Development  
ex officio, nonvoting member

## SECTION III

### MESSAGE FROM THE CHAIRMAN

In 2013, the Maryland Aviation Administration (MAA) continued to work with the Maryland Aviation Commission to offer high quality air transportation services for residents, businesses, and visitors throughout the State of Maryland. Public use airports across the State, including Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) and Martin State Airport (MTN) serve the needs of the traveling public and facilitate the transport of goods and services.

BWI Marshall remains a global gateway to Maryland and the entire National Capital region; it is now the busiest commercial airport in the region. BWI Marshall continues to attract travelers from throughout the entire region by offering outstanding customer service, efficient access, and low airline fares.

As *The [Annapolis] Capital* newspaper noted in a September 2013 editorial, BWI Marshall is “a dynamo that keeps the current flowing to the local economy.” BWI Marshall is an important transportation resource and a major economic engine. Economic impact data shows that the airport generates and supports approximately 93,000 total jobs. BWI Marshall helps to create \$3.6 billion in personal wages and \$5.6 billion in business revenue.

BWI Marshall offers an extensive domestic and international air service network. Following three straight record years for passenger traffic, the federal sequestration had some impact on passenger growth in 2013. The total number of passengers dipped at BWI Marshall during several summer and fall months. International passenger traffic, however, remained a bright spot following a strong 2012. The total number of International passengers grew significantly throughout 2013.

In order to maintain BWI Marshall’s reputation and position as the “Easy Come, Easy Go” airport for the region, MAA continues to focus on customer service and improvements to grow the airport facilities. Several phases of a major terminal enhancement program opened at BWI Marshall in 2013, including: a new security checkpoint, a new secure connector between Concourse B and Concourse C, improvements to the BWI Marshall Airport Observation Gallery, and the creation of new food and retail concessions. An expansion of Concourse C will continue until early 2014. The construction improves the BWI Marshall terminal and provides new services for airport travelers.

Design work has started on the next phase of improvements that will continue to add amenities for passengers and create flexibility for new international airline service. The D/E Connector program was announced in July 2013. The development plan will span approximately three years and construct a new secure connector between Concourse D and Concourse E, create a new security checkpoint to serve domestic and international travelers, and configure airline gates to support additional international flights. The D/E Connector program will expand opportunities for growth at BWI Marshall.

Beyond BWI Marshall, general aviation and commercial service airports across Maryland contribute to economic growth and development. When the economic impact of the State's public use airports (excluding BWI Marshall) are measured, nearly 8,700 total jobs can be traced to the aviation industry. These airports and their employees generate about \$665 million in business revenue and \$222 million in local purchases. MTN and the MAA Office of Regional Aviation Assistance continue to foster and develop aviation to sustain its positive impact on the local and State economies.

MTN is a general aviation airport that supports a variety of services, including corporate and private aircraft, flight training, and the Maryland Air National Guard. At MTN, an ongoing environmental assessment process will help guide future development. A number of important capital enhancements are planned, including airfield improvements, new hangars, and a new air traffic control tower.

I sincerely appreciate the guidance and valuable contributions offered by the Maryland Aviation Commission, along with the leadership and continued support of our elected officials. The MAA staff remains committed to the successful, safe operation of Maryland's airports for all aviation system users.



## **SECTION IV**

### **OVERVIEW OF MARYLAND AVIATION ADMINISTRATION AIRPORT ACTIVITIES AND ACCOMPLISHMENTS FOR 2013\***

The mission of the Maryland Aviation Administration (MAA) is to foster the vitality of aviation State-wide to promote safe and efficient operations, economic viability, and environmental stewardship. MAA operates two airports, Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) and Martin State Airport (MTN). In addition, the MAA Office of Regional Aviation Assistance develops and regulates aviation activities at Maryland's 36 public-use airports.

#### **BWI Marshall**

Based on economic data from Calendar Year (CY) 2010, BWI Marshall supports 93,791 total jobs. The overall airport activity produces an estimated \$527 million in tax revenue for State and local governments and \$195 million in federal tax revenue. Furthermore, BWI Marshall produces \$3.6 billion in personal wages and is responsible for \$5.6 billion in business revenue for the State.

In Fiscal Year (FY) 2013, 22.5 million passengers flew through BWI Marshall, a decrease of 0.4 percent compared to FY 2012. The airport has, on average, more than 330 daily departures to 73 nonstop destinations.

#### **MTN**

MTN continues to be an economic engine for the State of Maryland, supporting business travel activity and the generation of income and tax revenue. Economic data from CY 2010 shows that MTN supports 1,632 total jobs and generates \$209.3 million in business revenue and \$9.5 million in State and local taxes.

In FY 2013, MTN handled more than 74,000 aircraft operations and generated nearly \$7.9 million of revenue for the fiscal year. MTN provides facilities and services in support of 270 aircraft based at the airport and those visiting the greater Baltimore metropolitan area from around the world. Fuel sales in FY 2013 totaled 1.1 million gallons of Jet-A and 100-LL aviation fuels.

#### **Regional Aviation Assistance**

MAA continues to foster and develop aviation in Maryland by helping to provide airport infrastructure improvements to meet a wide variety of business and personal needs. In FY 2013, \$15.9 million was invested into Maryland's airport infrastructure (excluding BWI Marshall and MTN). MAA provided \$3.2 million in grants for airport improvements, while the Federal Aviation Administration (FAA) contributed \$11.3 million and airport owners invested \$1.3 million.

---

\*Activities are for CY 2013, except as noted. FY data is based on FY 2013 (July 1, 2012 through June 30, 2013).

In accordance with COMAR 11.03.04, Aeronautical Regulations, 36 public-use facilities and 100 private-use facilities were inspected. Operating licenses or registrations were issued for continued operations to each of these facilities.

Partnering with FAA and the Maryland Airport Managers Association (MAMA), MAA continues to support aviation safety programs and aviation promotional activities to encourage the use of Maryland's aviation gateways. MAA hosted FAA safety counselor orientation and safety training seminars and 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 18th Annual Regional Aviation Conference was held in Ocean City, along with the Maryland Regional Festival of Flight, to promote safety initiatives and activities for airports, pilots and the aviation businesses.

### Facilities Development and Engineering

The MAA Capital Program continues to focus on safety, security, and system preservation while maintaining our commitment to provide efficient and convenient airport facilities for passengers and airport tenants, consistent with FAA and Transportation Security Administration (TSA) regulatory standards at BWI Marshall and MTN. At BWI Marshall, several major system preservation programs are underway. Design has started for the new \$125.3 million D/E Connector program. The program will add a secure side corridor connecting Concourses D and E, create a new passenger security screening checkpoint in the Terminal area between Concourses D and E, reposition two existing gates to service either domestic or international flights, add moving walkways, widen and renovate a portion of Concourse D, and create a new sterile corridor to the International Arrivals area. Also within the Terminal, construction continues for the \$110.8 million B/C Connector program. In spring 2013, the new secure side corridor, moving walkways, passenger security screening checkpoint and Observation Gallery in the area between Concourses B and C opened. The widening of Concourse C and improvements to the baggage screening facilities in the lower terminal area will continue until early 2014.

On the airside, design and construction of the five-year, \$350 million Runway Safety Area (RSA) Standards and Pavement Improvement Program continue. Construction completed this year includes: \$21.8 million for Runway 15R-33L Earthwork Package; \$14.2 million for a Runway 15R Deicing Pad; \$5.0 million for Runway 15L-33R RSA Improvements; \$4.1 million for the Kitten Branch Stream Diversion; \$2.1 million for Stream Restoration Project; \$0.7 million for Taxiway C Improvements; and \$0.5 million for Obstruction Removal Program. Additional systems improvements include the completion of the \$48.2 million Integrated Life-Safety and Security Systems and vendor selection for the \$9.8 million Parking Revenue Control System. At MTN, system preservation initiatives include completion of: \$1.4 million for airfield pavement rehabilitation; \$0.9 million for airfield lighting vault improvements; and \$0.1 million for a 4,000 gallon fuel tank replacement.

Other System Preservation initiatives completed at BWI Marshall include: \$2.4 million for parking lot bus shelter replacement; \$1.9 million for landside roadway pavement rehabilitation; \$1.7 million for miscellaneous repairs to buildings, structures, and bridges; \$1.4 million for Hourly Garage tunnel repairs and service animal relief area; \$1.3 million for carpet replacement in Concourses A, B and D; \$1.3 million for airside taxiway pavement rehabilitation; \$1.1 million

for parking lot pavement rehabilitation; \$0.7 million for Terminal Building headknocker installation; \$0.4 million for emergency repair of Kitten Branch sanitary sewer line; \$0.3 million for USO Lounge renovations; \$0.3 million for Americans with Disabilities Act (ADA) lifts in Concourses A and B; \$0.2 million for Fire Training Facility repair; \$0.2 million for terminal adult changing stations; and \$2.5 million for improvements to the Consolidated Rental Car Facility Customer Service and Bus Maintenance Facility buildings.

In 2013, MAA received FAA grant funding for the first phase of the MTN Environmental Assessment (EA). To date, public and agency scoping has been conducted for the EA for proposed improvements, including runway and taxiway rehabilitation and construction of an additional aircraft parking apron.

Also in 2013, MAA submitted an Airport Layout Plan (ALP) update to the FAA covering the next major phase of airport improvements between 2016 and 2020, in preparation for a planned 2014 start of an EA. The ALP approval by FAA is expected in the spring 2014, to be followed by the EA, which is expected to be completed in 2016. Projects on the updated ALP for the 2016-2020 timeframe include airfield, terminal, and landside enhancements that will increase MAA's operating efficiencies.

### Air Service Development

Total passengers at BWI Marshall decreased slightly to 22.5 million passengers; cargo at BWI Marshall increased by 2.4 percent to more than 112,000 metric tons. International passengers using BWI Marshall increased 23.5 percent in FY 2013 due to new service from Condor Airlines between BWI Marshall and Frankfurt, Germany; new service from Southwest subsidiary AirTran Airways to Punta Cana, Dominican Republic; and increased service by AirTran Airways in several other international markets from BWI Marshall.

Spirit Airlines began service at BWI Marshall in September 2012 with two daily flights to Ft. Lauderdale and daily service to Dallas/Ft. Worth. In April 2013, Spirit added service to Las Vegas and seasonal service to Myrtle Beach. Southwest remains the largest carrier at BWI Marshall and, combined with its subsidiary AirTran Airways, carried more than 16 million passengers. AirTran Airways is being integrated into Southwest and several markets have transitioned from AirTran to Southwest. In addition, Southwest initiated service between BWI Marshall and Flint, Michigan. New service operated by AirTran Airways between BWI Marshall and Memphis began in September 2013 and transitioned to Southwest in November 2013.

Two fee waiver agreements were entered into in FY 2013. \$435,474 was associated with three agreements in FY 2013.

### Commercial Management

AIRMAIL Maryland continues its redevelopment of the terminal concession program. Several new restaurants and retail stores have opened in the past year, including BGR Burger, Boar's Head Grab and Go, Chipotle Mexican Grill, Leeann Chin, Tasti D-Lite, Invicta Watch, a Johnston & Murphy kiosk, Kiehl's, Tumi, PANDORA jewelry, a new Fire & Ice location, and two Union Shoe Shine locations on the concourses. Additional new restaurants and retail shops are scheduled to open in the coming months, including Ellary's Greens, Kraze Burger, a second Potbelly Sandwich Works, a redesigned and renamed Zona Cocina, and a new Hudson News

location. Additional restaurants and retail concessions are planned for many areas throughout the Airport including Concourse C, Concourse D, and the new D/E Connector.

MAA revenues from food and beverage, retail, and services concessions increased 5.9 percent to \$13.1 million in FY 2013, while total concession sales increased 1.5 percent to \$109.6 million. Participation by Airport Concession Disadvantaged Business Enterprises in the concession program as of June 2013 was 41.0 percent overall, with food and beverage participation at 47.08 percent and retail at 29.08 percent.

Revenue from commercial business activities (parking, rental car, taxi, ground transportation, duty free/duty paid concessions, MTN, BWI Marshall airport hotel, advertising, and the service station) continued to grow in FY 2013. Commercial business revenues for FY 2013 totaled \$63 million, an increase of 2.5 percent over FY 2012.

Revenue from airline leases in FY 2013 was \$117,541,000, a 1.5 percent decrease from FY 2012. During FY 2013, the net amount of airline-leased space was negatively impacted by the expiration of the US Airways Pier D lease (25-year term) on February 28, 2013. Of the 35,000 square feet of Pier D leased space, US Airways incorporated approximately one-third into its Signatory Airline Use and Lease Agreement (ULA). This reduction resulted in an overall loss of 13,000 square feet of airline leased space in FY 2013. Positive offsets were the addition of the newest BWI Marshall airline, Spirit Airlines, which leased 8,000 square feet of space in September 2012. Encouraged by the construction of the B/C Connector, Southwest Airlines added three Concourse C hold rooms to their leased space.

In October 2012, in connection with American Airlines Chapter 11 bankruptcy filing, American Airlines and MAA agreed to American Airlines' return of 4,000 square feet of leased space and assumption of all outstanding indebtedness to MAA. The space returns have been incremental from May through November 2013. Upcoming airline space changes include the relocation of US Airways from Concourse D to Concourse C space adjacent to their merger partner, American Airlines. The level of leased space for both airlines is anticipated to remain static through FY 2014 until full integration of the two airlines is achieved.

The existing Use and Lease Agreement (ULA) expires on June 30, 2014. MAA commenced negotiations with the Signatory Airlines on the new ULA in March 2013. The new ULA was finalized in December 2013 with Board of Public Works approval expected in March 2014.

### Marketing

MAA co-hosted the annual Boyd Group International Aviation Forecast Summit and worked with Visit Baltimore and the Maryland Department of Business and Economic Development to secure Baltimore as the 2013 site. The three-day summit presented an extensive outlook at air transportation future trends where aviation industry leaders representing airlines, financial institutions, and aircraft manufacturers discussed a range of issues that will affect global air transportation. More than 20 nations were represented, and the summit provided insight from various airline executives and CEOs. In addition, information regarding fleet trends from Boeing, Airbus, Embraer, Bombardier, and Mitsubishi were discussed, as well as substantive assessments about airline financial positions from J.P. Morgan and T. Rowe Price.

MAA worked with British Airways to promote awareness of the BWI Marshall-London flight to Washington-Baltimore travelers with a creative contest on Redskins Radio. The contest winners were flown from BWI Marshall to London to see the National Football League play at Wembley Stadium. MAA also conducted an awareness campaign with television advertising during Downton Abbey airings and supported other air service initiatives with marketing support through various creative means. MAA continued its international advertising campaign targeting airline route planners by featuring BWI Marshall's international capabilities online, in print advertising, and with large display graphics on the exterior of the BWI Marshall meeting space at the World Routes tradeshow attended by international airline route planners.

Seasonal Summer 2013 flights to Frankfurt, Germany on Condor Airlines were promoted through a creative outdoor advertising campaign targeting Montgomery County and Washington D.C. travelers. MAA took the lead with Condor and Visit Baltimore to promote Condor Airlines at the International Tourism Bourse in Berlin. No cooperative marketing funds were provided to any airline during 2013.

MAA targeted Maryland and Washington D.C. sports audiences with advertising messages at the University of Maryland men's and women's basketball and football games, Washington Nationals and Baltimore Orioles baseball games, and Baltimore Ravens football games with the "Easy Come, Easy Go" brand awareness messaging.

MAA promoted the re-opening of the Observation Gallery and the new small-plates restaurant, Sky Azure, to the media and to the public.

MAA promoted MTN and their fuel provider Phillips 66 with an online advertising campaign targeting general aviation pilots, schedulers, and dispatchers.

MAA continues to enhance the BWI Marshall website and social media experience, utilizing Twitter, Flickr, YouTube, and Facebook to communicate real-time information to the traveling public.

### Operations and Maintenance

Improving safety, security and customer amenities continued to be a focus at BWI Marshall in 2013. For a third consecutive year, BWI Marshall passed its annual Airport Safety and Certification Inspection without any repeat discrepancies. FAA mandates and conducts this comprehensive inspection and audit of commercial airports for compliance with federal aviation safety regulations.

Significant improvements to passenger screening have been made throughout the Terminal. A new nine-lane Passenger Security Screening Checkpoint, which provides additional screening capacity to assist in meeting the forecasted growth in passengers at BWI Marshall, opened in April on the B/C Connector. MAA partnered with TSA to successfully launch the TSA Pre✓™ program at BWI Marshall. The TSA program, along with other Trusted Traveler programs (Global Entry and Military with Common Access Cards), allows passengers to utilize special screening lanes at various checkpoints throughout the Airport for an expedited security screening process.

Terminal improvements at BWI Marshall include new high-quality seating introduced throughout the public and secure areas and new carpeting installed to upgrade the aesthetics in the concourses. New recreational options also were introduced: the BWI Cardio Trail and the newly renovated Observation Gallery. The Cardio Trail consists of two, 1-kilometer, marked loops - one pre-security and the other post security on Concourse A/B. The renovated Observation Gallery opened in July 2013 with the second children's play area in the Airport.

Phase 1 of a multi-phase, terminal-wide effort to introduce charging stations for personal electronic devices was completed. MAA is also introducing new video monitors using high-quality, easy to understand visual graphics to assist travelers with finding their destinations in the Airport.

To better accommodate the members of the military that transit through BWI Marshall each year (approximately 80,000), a total renovation of our 5,000 square-foot USO International Gateway Lounge was completed this year.

The Airport Fire and Rescue Department responded to and safely mitigated over 3,000 Fire and Emergency Medical Service calls. In FY 2013, the Department received state-of-the-art replacement support equipment to include: a structural pumper, 75-foot ladder/pumper, Airport Rescue Fire Fighting unit, paramedic unit, and Division Commander's vehicle.

MAA staff from both BWI Marshall and MTN continue to work with the U.S. Navy, Maryland Department of Transportation modals, Maryland Emergency Management Agency, Maryland Department of Business and Economic Development, Baltimore City and Baltimore County personnel, and the staff of Star Spangled 200, Inc. on the 2014 celebration of the War of 1812.

### Information Technology

Two major public safety and security information technology projects went into production and were completed in 2013. The Integrated Airport Security System (IASS) was an eight-phase, \$40 million project enabling BWI Marshall to meet its security mission and federal mandates in an effective and efficient manner. The technological components of the project include a controlled access security system to monitor and control more than 800 doors and a video surveillance, recording and archival system with more than 600 cameras and a fully automated fingerprinting/badge processing system. These components function as a single, integrated airport security platform. The Consolidated Dispatch Center Upgrades Project was a \$5 million effort to upgrade and modernize the central dispatching facilities at BWI Marshall. The project consisted of a 9-1-1/Emergency Call Processing System, Computer Aided Dispatch and a Fire Station Alerting System, all integrated with numerous airport systems including Check Point Breech, Fire Alarm Monitoring, and the new IASS. Both projects were successfully deployed under budget.

A new Parking and Revenue Control system (PARCS) is currently being procured. This is an \$11 million project that will replace all parking management and revenue collection equipment at BWI Marshall. The new PARCS will provide a platform for enhanced customer service features, powerful auditing and parking management business intelligence capabilities.

### Business Relations

MAA continues to implement and expand the business relations program. Through participation in trade fairs and business expos, membership in chambers of commerce, boards and committees, and attending and hosting business events, MAA is building business partnerships, opening up lines of communication, and enhancing the BWI Marshall image within the business and civic community in the Washington-Baltimore metropolitan area. A strong emphasis is being placed on marketing the business organizations in the Washington D.C. suburbs and the I-270 corridor to promote the quick access to BWI Marshall via the Intercounty Connector.

The BWI Marshall News Blast, which is sent to 26 business organizations within the Washington-Baltimore metropolitan area, reaches a combined membership of over 25,000 businesses and informs the recipients about the new vendors opening within the Terminal, renovations at the Airport and issues affecting the Airport community. In addition, MAA also utilizes social media to inform the business and civic communities about the positive aspects of BWI Marshall.

MAA continues to attract quality art exhibits and performing arts programs to enhance the experience of the traveling public. These exhibits and performances are a mix of nationally recognized and local artists and performers.

## **ACTIONS TAKEN BY THE MARYLAND AVIATION COMMISSION**

- The Commission was regularly briefed on the following:
  - Air service trends and air service marketing efforts;
  - The State's general aviation program and operations at several general aviation airports;
  - Updates to the BWI Marshall concession development program;
  - Airport security issues;
  - Various airport construction projects;
  - Negotiations related to the new Signatory Airline Use and Lease Agreement; and
  - Potential impacts related to the federal budget sequestration.
- In accordance with Transportation Article, §5-201.1, the Commission approved three personnel actions:
  - An increase in salary for the Chief Administrative Officer;
  - An increase in salary for the Director, Office of Regional Aviation Assistance; and
  - An increase in salary for the Director, Office of Commercial Management.
- The Commission reviewed and approved the inclusion of two new major capital projects in the Final FY 2014-2019 Consolidated Transportation Program:
  - The D/E Connector will add a secure-side corridor connecting Concourses D and E, create a new passenger security screening checkpoint in the Terminal, add moving walkways, widen portions of Concourse D to meet egress and holdroom requirements, relocate two gates from Concourse D, and improve baggage screening and handling facilities in the lower Terminal area.
  - The Loading Bridge Replacement Program consists of the purchase and installation of 13 new passenger loading bridges. The project will replace loading bridges that are manufactured by companies no longer in existence and that are beyond their useful life.
- The Commission approved two amendments to the Code of Maryland Regulations (COMAR):
  - To establish an updated Airport Noise Zone and Noise Abatement Plan for BWI Marshall; and
  - To clarify aircraft operation procedures at MTN when the air traffic control tower is not in operation.
- The Commission approved one proposed new regulation under COMAR to establish an ambulance transport fee and to administer the collection of the fee.



## FINANCIAL RESULTS

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

	FY 2013	FY 2012	Difference	% Change
<b>TTF Revenue and Expense</b>				
TTF Operating Revenue	\$220,769	\$208,093	\$12,676	6.1%
TTF Operating Expense	\$170,173	\$166,440	\$3,733	2.2%
<b>TTF Surplus/(Deficit)</b>	<b>\$50,596</b>	<b>\$41,653</b>	<b>\$8,943</b>	21.5%
<b>Non-TTF</b>				
Non-Operating Revenue	\$81,466	\$80,679	\$787	1.0%
Non-TTF Debt Service	\$41,546	\$40,437	\$1,109	2.7%
<b>Non-TTF Surplus/(Deficit)</b>	<b>\$39,919</b>	<b>\$40,242</b>	<b>(\$323)</b>	-0.8%
<b>Total MAA Surplus/(Deficit)</b>	<b>\$90,516</b>	<b>\$81,895</b>	<b>\$8,621</b>	10.5%
<b>Capital Program Expenditures</b>	<b>\$174,204</b>	<b>\$106,277</b>	<b>\$67,927</b>	63.9%
<b>Enplanements (000's)</b>	<b>11,292</b>	<b>11,340</b>	<b>(\$48)</b>	-0.4%

In FY 2013, the Maryland Aviation Administration TTF operating surplus totaled \$50.6 million, an \$8.9 million improvement over the FY 2012 TTF operating surplus of \$41.7 million. TTF revenue increased by \$12.7 million while expenses increased by \$3.7 million.

FY 2013 BWI Marshall revenue increased \$13.4 million. Increased landing fees and terminal rents accompanied by enplanement-driven increases in food and beverage, other concessions and rental cars increased revenue by \$5.2 million. Public parking was down slightly (\$0.3 million). Other revenue increased \$8.5 primarily because of one-time capital reimbursements and land sales. MTN revenue decreased \$0.7 million due to lower FBO fuel sales.

The \$3.7 million increase in FY 2013 TTF operating expense is the result of higher wages and salaries, utilities and contractual services, offset in part by reduced debt service because of the refinancing of MEDCO bonds.

FY 2013 non-TTF revenue increased approximately \$0.8 million as a result of higher enplanements that increased PFC, offset by lower CFC revenue and less revenue retained by the bond trustee for debt service. CFC debt service remained relatively flat, while PFC debt service increased due to a new bond issuance and parking debt service declined because of refinancing.

Total FY 2013 MAA surplus is \$90.5 million, an increase of approximately \$8.6 million over FY 2012. Enplaned passengers decreased 0.4% in FY 2013 versus FY 2012.

**FINANCIAL RESULTS**

Maryland Aviation Administration  
Statement of Revenue  
Fiscal Years Ending June 30, 2012 and 2011

	<b>FY 2013</b>	<b>FY 2012</b>	<b>Difference</b>	<b>% Change</b>
<b><u>BWI Operating Revenue (TTF)</u></b>				
Flight Activities	\$60,440,913	\$58,858,225	\$1,582,688	2.7%
Rents & User Fees	\$59,045,488	\$58,184,302	\$861,186	1.5%
Public Parking	\$38,582,012	\$38,916,031	(\$334,019)	-0.9%
Rental Cars	\$18,064,468	\$17,876,175	\$188,293	1.1%
Retail, Food & Beverage	\$13,257,135	\$12,375,514	\$881,621	7.1%
Other Passenger Concessions	\$4,350,054	\$3,851,013	\$499,041	13.0%
Non-Passenger Concessions	\$4,442,318	\$3,261,209	\$1,181,109	36.2%
Other Revenue	\$14,702,262	\$6,207,747	\$8,494,515	136.8%
<b>Total BWI Operating Revenue</b>	<b>\$212,884,650</b>	<b>\$199,530,216</b>	<b>\$13,354,434</b>	<b>6.7%</b>
<b><u>MTN Operating Revenue (TTF)</u></b>	<b>\$7,884,564</b>	<b>\$8,562,694</b>	<b>(\$678,130)</b>	<b>-7.9%</b>
<b>Total TTF Operating Revenue</b>	<b>\$220,769,214</b>	<b>\$208,092,910</b>	<b>\$12,676,304</b>	<b>6.1%</b>
<b><u>Non-Operating Revenue</u></b>				
Customer Facility Charges	\$12,902,225	\$13,356,555	(\$454,330)	-3.4%
Passenger Facility Charges	\$48,533,820	\$46,647,934	\$1,885,887	4.0%
Trustee Retained Parking Revenue	\$19,562,936	\$20,597,537	(\$1,034,601)	-5.0%
Interest Income	\$466,533	\$76,680	\$389,853	508.4%
<b>Total Non-Operating Revenue</b>	<b>\$81,465,515</b>	<b>\$80,678,707</b>	<b>\$786,808</b>	<b>1.0%</b>
<b>Total MAA Revenue</b>	<b>\$302,234,729</b>	<b>\$288,771,617</b>	<b>\$13,463,111</b>	<b>4.7%</b>

## FINANCIAL RESULTS

Maryland Aviation Administration  
Statement of Expense  
Fiscal Years Ending June 30, 2012 and 2011

	FY 2013	FY 2012	Difference	% Change
<b><u>BWI Operating Expense (TTF)</u></b>				
Salaries and Wages	\$35,490,577	\$34,538,283	\$952,294	2.8%
Technical and Special Fees	\$1,448,839	\$1,114,057	\$334,782	30.1%
Communications	\$1,355,678	\$1,585,809	(\$230,131)	-14.5%
Travel	\$180,323	\$179,274	\$1,049	0.6%
Fuel and Utilities	\$12,267,072	\$10,974,557	\$1,292,515	11.8%
Motor Vehicle Operations	\$3,630,301	\$3,428,578	\$201,723	5.9%
Contractual Services	\$75,042,691	\$72,445,736	\$2,596,955	3.6%
Supplies and Materials	\$4,025,504	\$3,639,811	\$385,693	10.6%
Replacement Equipment	\$498,320	\$512,030	(\$13,710)	-2.7%
Additional Equipment	\$328,690	\$166,555	\$162,135	97.3%
Grants/Subsidies/Contributions	\$865,302	\$873,170	(\$7,868)	-0.9%
MEDCO and COPS Debt Service	\$18,400,680	\$20,384,865	(\$1,984,185)	-9.7%
Other Fixed Charges	\$1,377,105	\$1,108,156	\$268,949	24.3%
Land and Structures	\$6,920,549	\$6,969,076	(\$48,527)	-0.7%
<b>Total BWI Operating Expense</b>	<b>\$161,831,631</b>	<b>\$157,919,957</b>	<b>\$3,911,673</b>	<b>2.5%</b>
<b><u>MTN Operating Expense (TTF)</u></b>	<b>\$8,341,093</b>	<b>\$8,520,011</b>	<b>(\$178,918)</b>	<b>-2.1%</b>
<b>Total TTF Operating Expense</b>	<b>\$170,172,724</b>	<b>\$166,439,968</b>	<b>\$3,732,755</b>	<b>2.2%</b>
<b><u>Non-TTF Debt Service Expense</u></b>				
Passenger Facility Charge Backed Debt	\$16,174,899	\$10,666,913	\$5,507,986	51.6%
Customer Facility Charge Backed Debt	\$8,998,556	\$9,005,520	(\$6,964)	-0.1%
Parking Debt	\$16,372,850	\$20,764,669	(\$4,391,819)	-21.2%
<b>Total Non-TTF Debt Service Expense</b>	<b>\$41,546,305</b>	<b>\$40,437,102</b>	<b>\$1,109,203</b>	<b>2.7%</b>
<b>Total MAA Expense</b>	<b>\$211,719,029</b>	<b>\$206,877,070</b>	<b>\$4,841,958</b>	<b>2.3%</b>
Regional Aviation	\$299,875	\$273,739	\$26,136	9.5%
<b><u>Capital Program Expenditures</u></b>				
State Funds	\$55,621,929	\$57,972,477	(\$2,350,548)	-4.1%
Federal Funds	\$16,258,605	\$3,642,443	\$12,616,162	346.4%
Other Financing	\$102,323,000	\$44,662,000	\$57,661,000	129.1%
<b>Total Capital Program Expenditures</b>	<b>\$174,203,534</b>	<b>\$106,276,920</b>	<b>\$67,926,614</b>	<b>63.9%</b>

Note:

- Federally funded and other reimbursable security related expenses of \$649,702 in FY 2013 and \$701,642 in FY 2012 are not included in operating expenses shown above

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

	<u><b>FY 2013</b></u>	<u><b>FY 2012</b></u>	<u><b>Difference</b></u>	<u><b>% Change</b></u>
<b>BWI Domestic Passengers</b>	21,754,891	21,984,238	-229,347	-1.0%
<b>BWI International Passengers</b>	775,451	627,750	+147,701	+23.5%
<b>BWI Total Passengers*</b>	22,530,342	22,611,838	-81,646	-0.4%
<b>BWI Aircraft Operations</b>	262,284	274,248	-11,964	-4.4%
<b>MTN Aircraft Operations</b>	74,213	74,290	-77	-0.0%

**Passenger Activity Comparison**

**FY 2013**

	<u><b>BWI Marshall</b></u>	<u><b>Dulles</b></u>	<u><b>Reagan National</b></u>
<b>Total Commercial Passengers</b>	22,530,342	21,855,033	20,376,434
<b>Percent Change over FY 2012</b>	-0.4%	-5.3%	+7.4%

<b>Total Regional Market:</b>	<u><b>2013</b></u>	<u><b>2012</b></u>
	64,761,809	64,662,409

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 2013\*

Technical and Special Fees		\$10,800
Travel Reimbursement to the Commissioners for Meetings and research and site visits		\$1,640
Contractual Services:		\$2,125
Public Notice Advertisements for Commission Meetings	\$ 898	
Food Services	\$1,227	
<b>Total Maryland Aviation Commission Cost</b>		<b>\$14,565</b>

---

\*Fiscal Year 2013: July 1, 2012 to June 30, 2013