



Dulles & The Region
MWA – Airline Business Development
Presentation for
Fairfax County Board of Supervisors

March 2019



**WASHINGTON DULLES
INTERNATIONAL AIRPORT**

The Washington, D.C. Capital Region



WASHINGTON DULLES
INTERNATIONAL AIRPORT

2019


Large, Affluent, and Diverse Population

The Washington, D.C. Metropolitan Area is often referred to as the **Wealthiest Metropolitan Region in the United States**

POPULATION:
6.4 Million
Residents
6th Largest in the U.S.



AFFLUENCE:
\$98,703
Median Household Income
Highest in the U.S.



GDP:
\$530 Billion
Gross Domestic Product
5th Highest in the U.S.



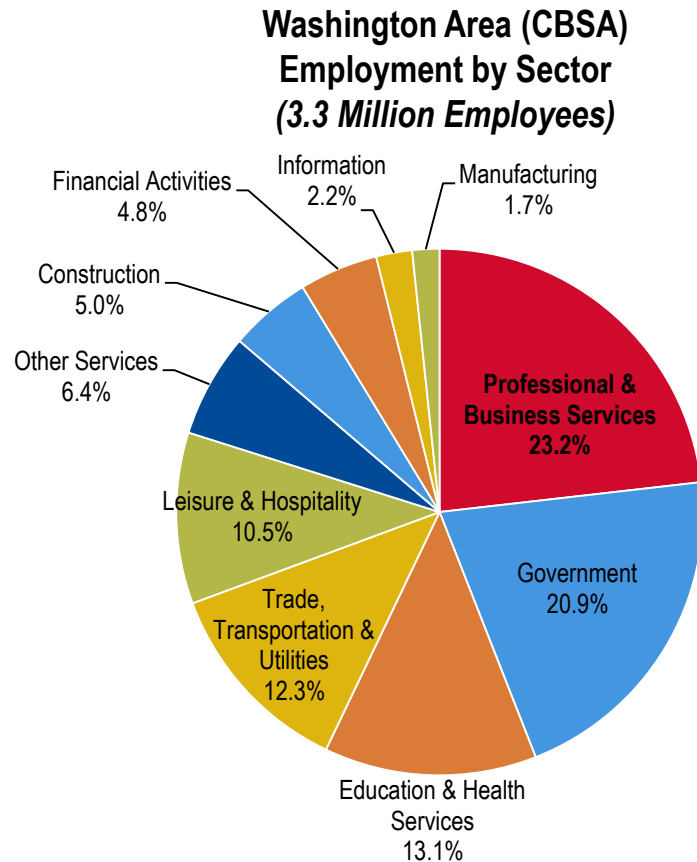
12 LARGEST CBSA METRO REGIONS	POPULATION (000)		25 LARGEST CBSA METRO REGIONS	5 YEAR POPULATION GROWTH		25 LARGEST CBSA METRO REGIONS	MEDIAN HOUSEHOLD INCOME (\$000)		25 LARGEST CBSA METRO REGIONS	UNEMPLOYMENT RATE		25 LARGEST CBSA METRO REGIONS	GROSS DOMESTIC PRODUCT (000)	
	2018	RANK		'13 - '18	RANK		2018	RANK		NOV18	RANK		2017	RANK
New York	20,552	1	Houston	987,233	1	Washington	\$98,703	1	Minneapolis	2.0%	1	New York	\$1,717,712	1
Los Angeles	13,657	2	Dallas-Ft. Worth	883,127	2	San Francisco	\$86,211	2	Boston	2.4%	2	Los Angeles	\$1,043,753	2
Chicago	9,627	3	New York City	834,895	3	Boston	\$78,669	3	San Francisco	2.5%	3	Chicago	\$679,699	3
Dallas-Ft.Worth	7,459	4	Los Angeles	711,898	4	Baltimore	\$77,343	4	Orlando	2.7%	4	Dallas-Fort Worth	\$535,499	4
Houston	7,051	5	Washington	616,399	5	New York	\$76,214	5	St. Louis	2.9%	5	Washington	\$529,990	5
Washington	6,376	6	Atlanta	553,767	6	Seattle	\$73,856	6	Washington	3.0%	6	San Francisco	\$500,710	6
Miami	6,182	7	Phoenix	516,817	7	San Diego	\$73,263	7	Tampa	3.0%	7	Houston	\$490,074	7
Philadelphia	6,125	8	Miami	508,516	8	Minneapolis	\$70,078	8	Miami	3.1%	8	Philadelphia	\$444,975	8
Atlanta	5,933	9	San Francisco	442,593	9	Los Angeles	\$69,482	9	San Antonio	3.1%	9	Boston	\$438,684	9
Boston	4,891	10	Seattle	392,350	10	Philadelphia	\$69,074	10	Atlanta	3.2%	10	Atlanta	\$385,542	10
San Francisco	4,845	11	Denver	356,414	11	Chicago	\$68,757	11	Charlotte	3.2%	11	Seattle	\$356,572	11
Phoenix	4,785	12	Ontario, CA	353,250	12	Denver	\$68,084	12	Dallas/Ft. Worth	3.2%	12	Miami	\$344,882	12

*Composite score is based on the sum of the individual category rankings.

Sources: U.S. Census bureau annual CBSA population update via SpatialTEQ (population & income data); Bureau of Labor Statistics (unemployment data); Bureau of Economic Analysis (GDP data)

Highest U.S. Share of “Corporate Travelers”

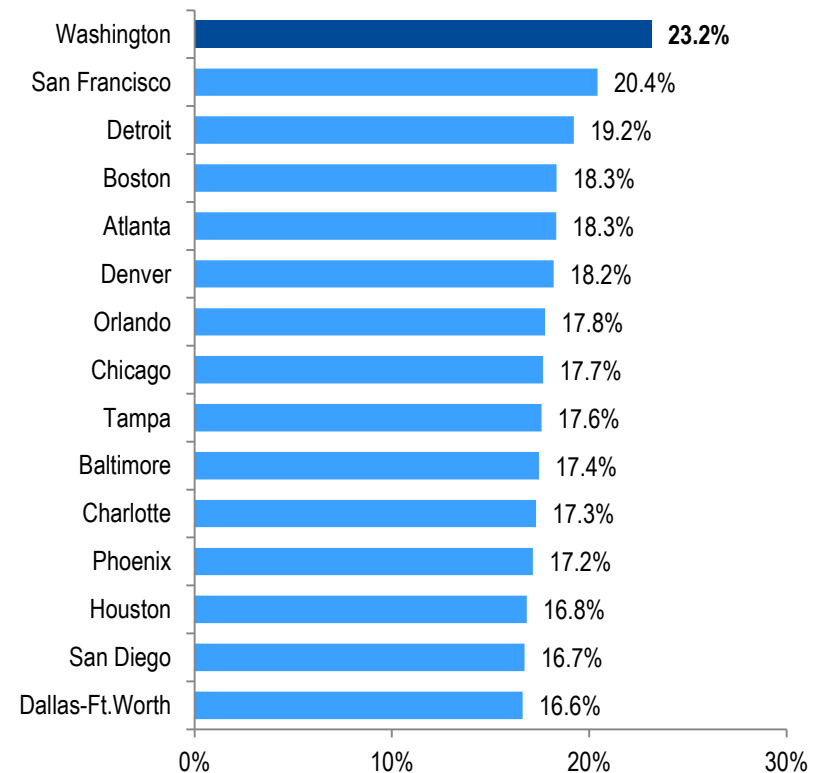
‘Professional & Business Services’ employees, also known as “Corporate Travelers” are heavy users of premium class air service



‘Professional & Business Services’ as Percent of Total CBSA Employment

#1 - #15

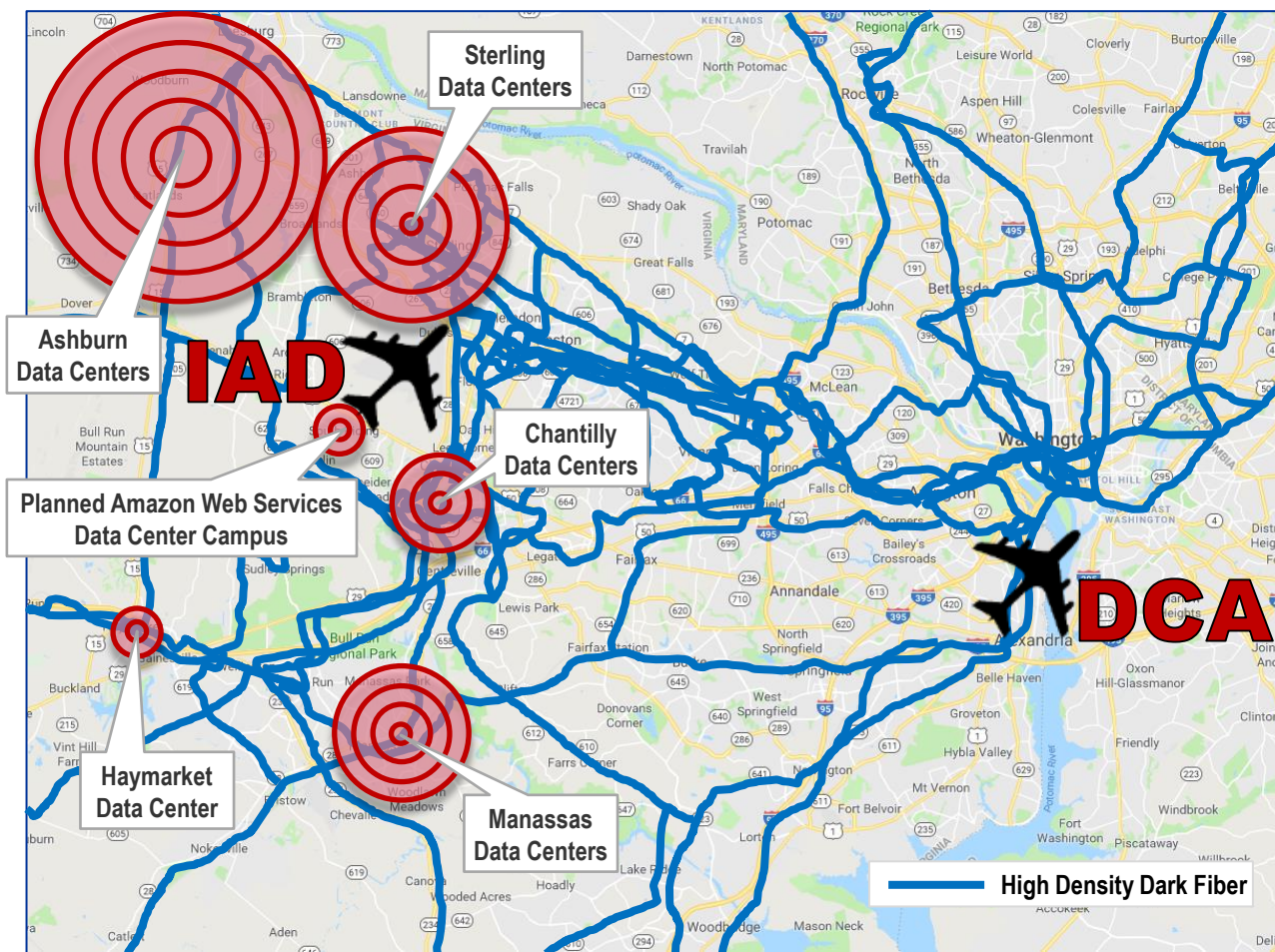
25 Largest CBSA Metro Regions



*Note: Data is Preliminary
Source: Bureau of Labor Statistics, July 2018

Core of the Internet

More than 70% of the world's internet traffic flows through the Dulles Corridor, also known as 'Data Center Alley'

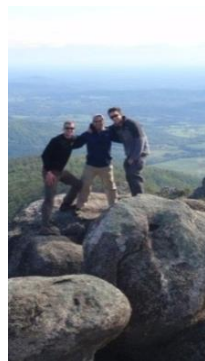


TECHNOLOGY COMPANIES LOCATED IN DATA CENTER ALLEY

Adobe Systems	L-3 Communications
Airbus	Lockheed Martin
Amazon Web Services	ManTech
Amdocs	Microsoft
AOL	MicroStrategy
Apple	Mitre Corporation
AT&T	NEC
BAE Systems	NetApp
Boeing	Network Solutions
CDW	NeuStar
Charter Communications	Nortel Networks
Cisco Systems	Northrop Grumman
Cox Communications	Nutanix
Dell	Oracle Corporation
Deloitte	Orbital ATK
DLT Solutions	Palo Alto Networks
DXC Technology	Raytheon
DynCorp	Rockwell Collins
EMC Corporation	SAIC
Equinix	Salesforce.com
ESRI	Siemens
General Dynamics	Sprint Nextel
GeoEye	Syantec
Google	Tata Communications
Hewlett-Packard	The Sovereign Group
IBM	Unisys
ITT Exelis	VeriSign
Juniper Networks	Verizon

A Top Destination for International Visitors

The Washington D.C. Capital Region – Spans the District of Columbia, Virginia & Maryland



The Washington Capital Region Ranked 6th in International Visitors in 2016

RANK	DESTINATION	VISITATION
1	New York	10.0M
2	Florida	9.5M
3	California	8.2M
4	Nevada	3.4M
5	Hawaii	3.1M
6	Washington, DC*	2.9M

*Washington, DC was the 8th Most Visited U.S. City By Overseas Visitors** in 2016*

RANK	CITY	VISITATION
1	New York City, NY	9.8M
2	Miami, FL	5.4M
3	Los Angeles, CA	5.0M
4	Orlando, FL	4.5M
5	San Francisco, CA	3.6M
6	Las Vegas, NV	3.3M
7	Honolulu, HI	2.4M
8	Washington, DC	2.1M

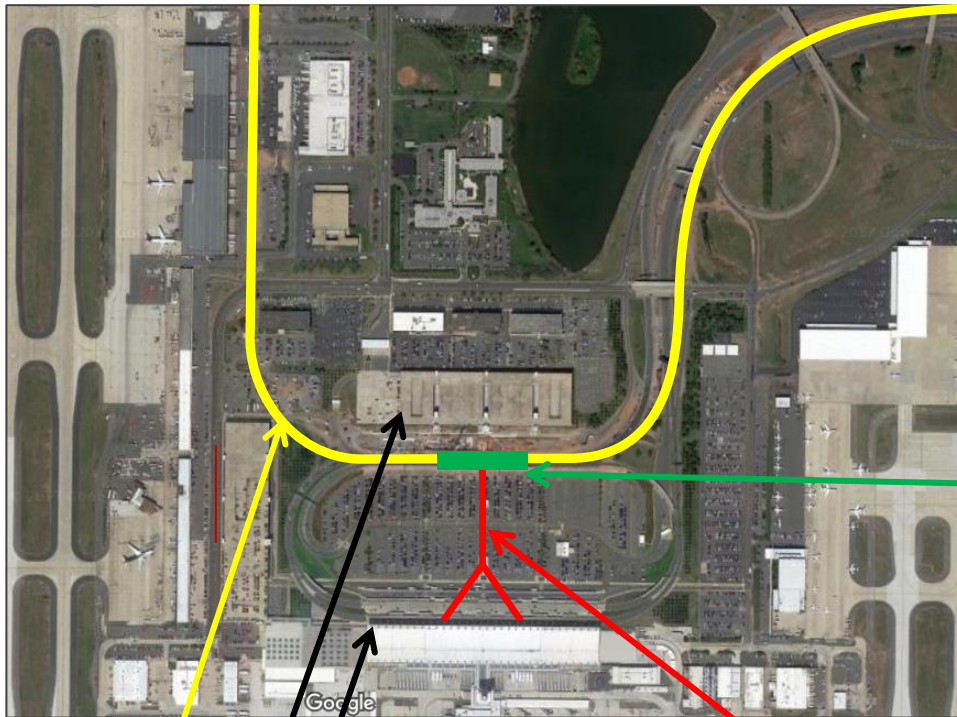
*Washington, DC = Washington CSA (combined statistical area) which includes the greater Washington DC metro area, Northern Virginia and Baltimore

**All international visitors excluding Canada & Mexico

Source: U.S. National Travel and Trade Office, 2016

Dulles Metrorail Opens in 2020

Dulles Metro Station Is Connected to the Main Terminal by a 300 Meter Pedestrian Tunnel

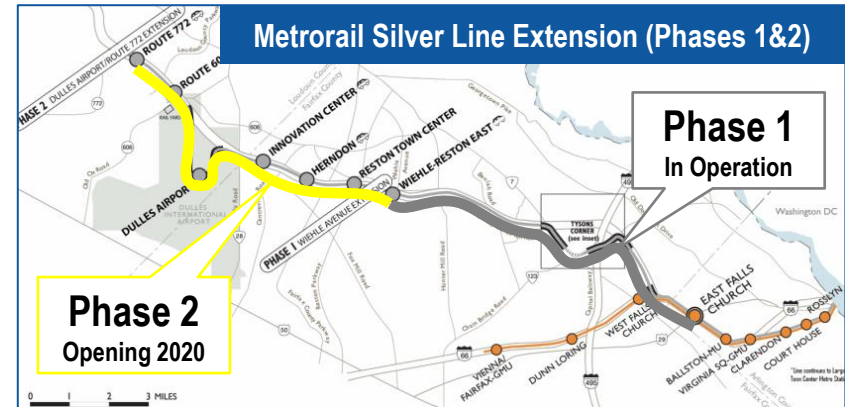


Metro Rail Line

**Daily Parking
Garage 1**

Main Terminal

Pedestrian Tunnel to Main Terminal



Dulles Metro Station



IAD – Aerial View

RUNWAYS

1R/19L	3,505m / 11,500ft.
1C/19C	3,505m / 11,500ft.
12/30	3,200m / 10,500ft.
1L/19R	2,865m / 9,400ft.

AIRPORT FACILITY

24-Hour Operations

No Slot Rescriptions

1 Main Passenger Terminal

3 Airside Concourses

A&B Gates

C&D Gates

Z Gates

2 Customs Facilities

Main Terminal

Mid-field (C&D Gates)

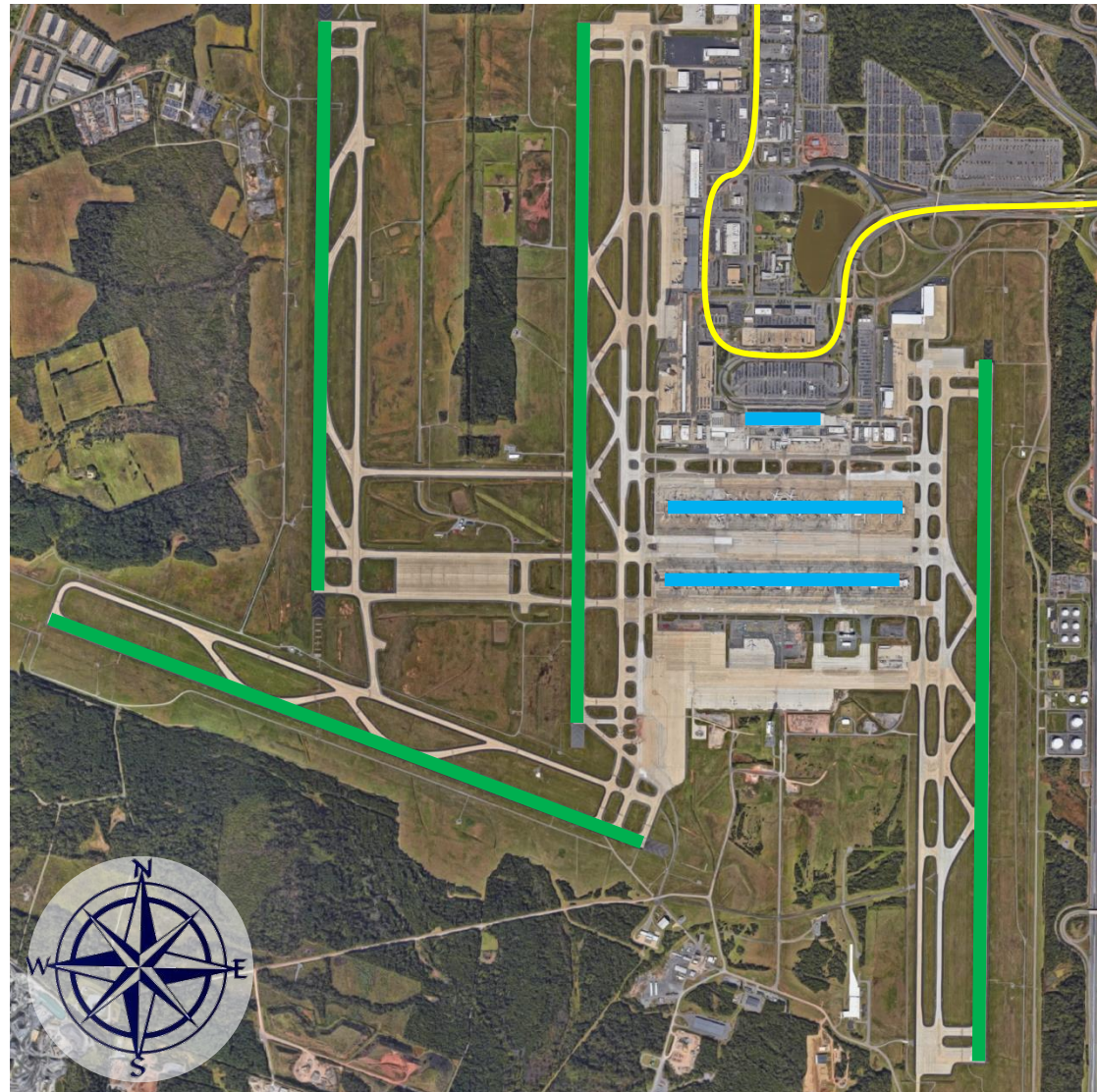
11,800 Total Acres

FUTURE DEVELOPMENT

Metrorail (Opens 2020)

LEGEND

- Runways
- Passenger Terminals
- Metrorail (Opens 2020)



Washington, D.C.'s Air Service Market

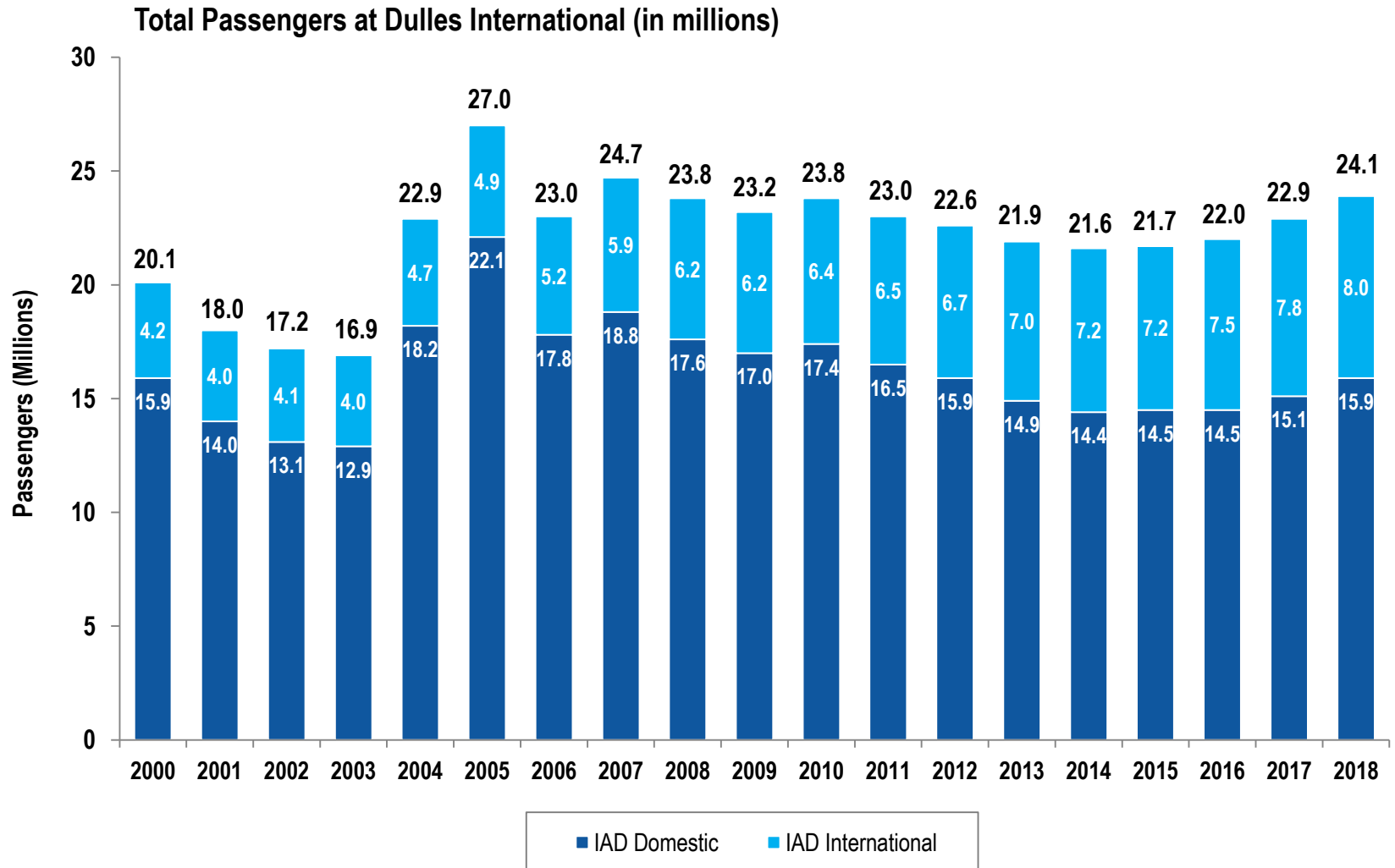


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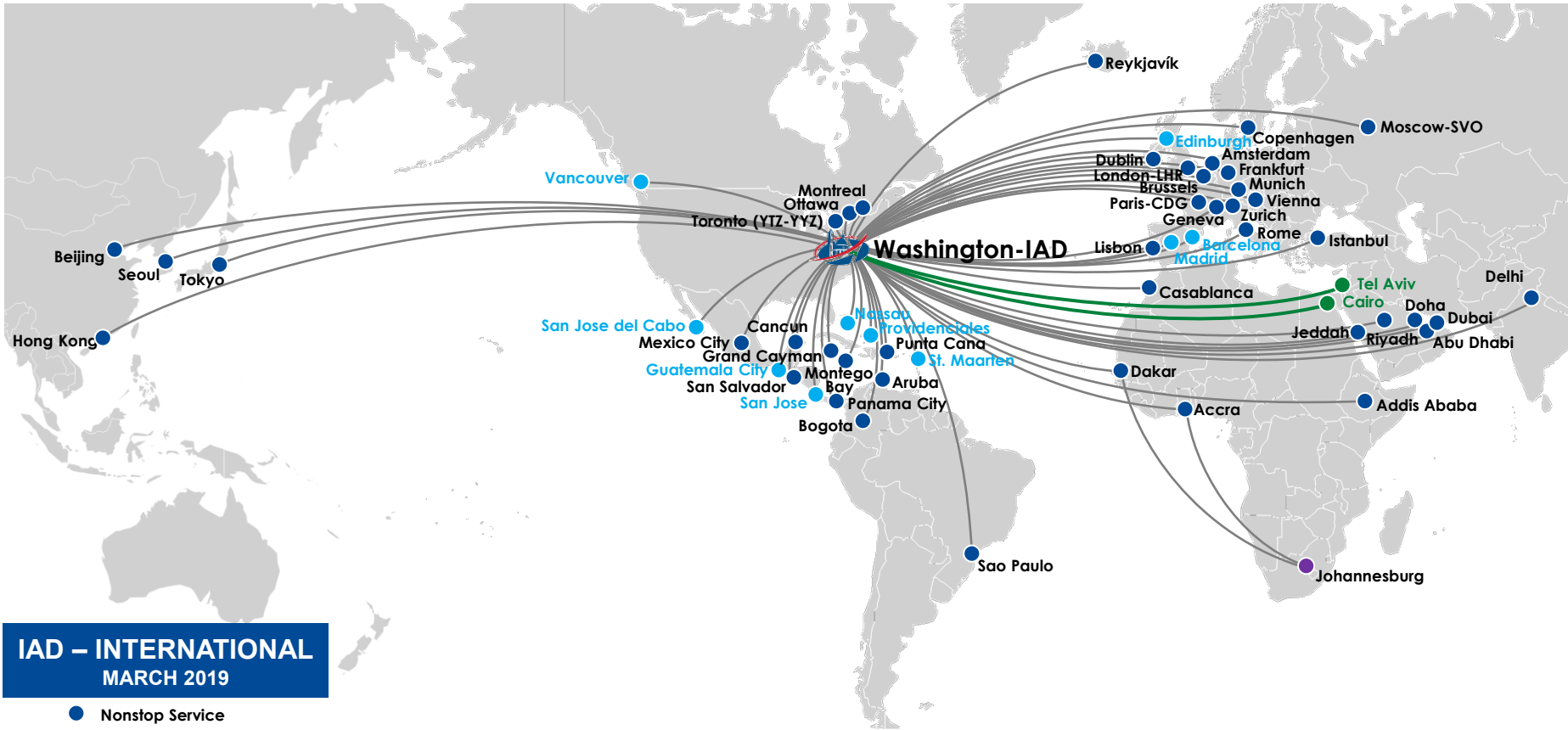
Passenger Volumes Continue to Grow at Dulles

International Traffic Continues to Set Records



IAD – International Air Service

65 daily flights to 56* nonstop destinations by 33 airlines



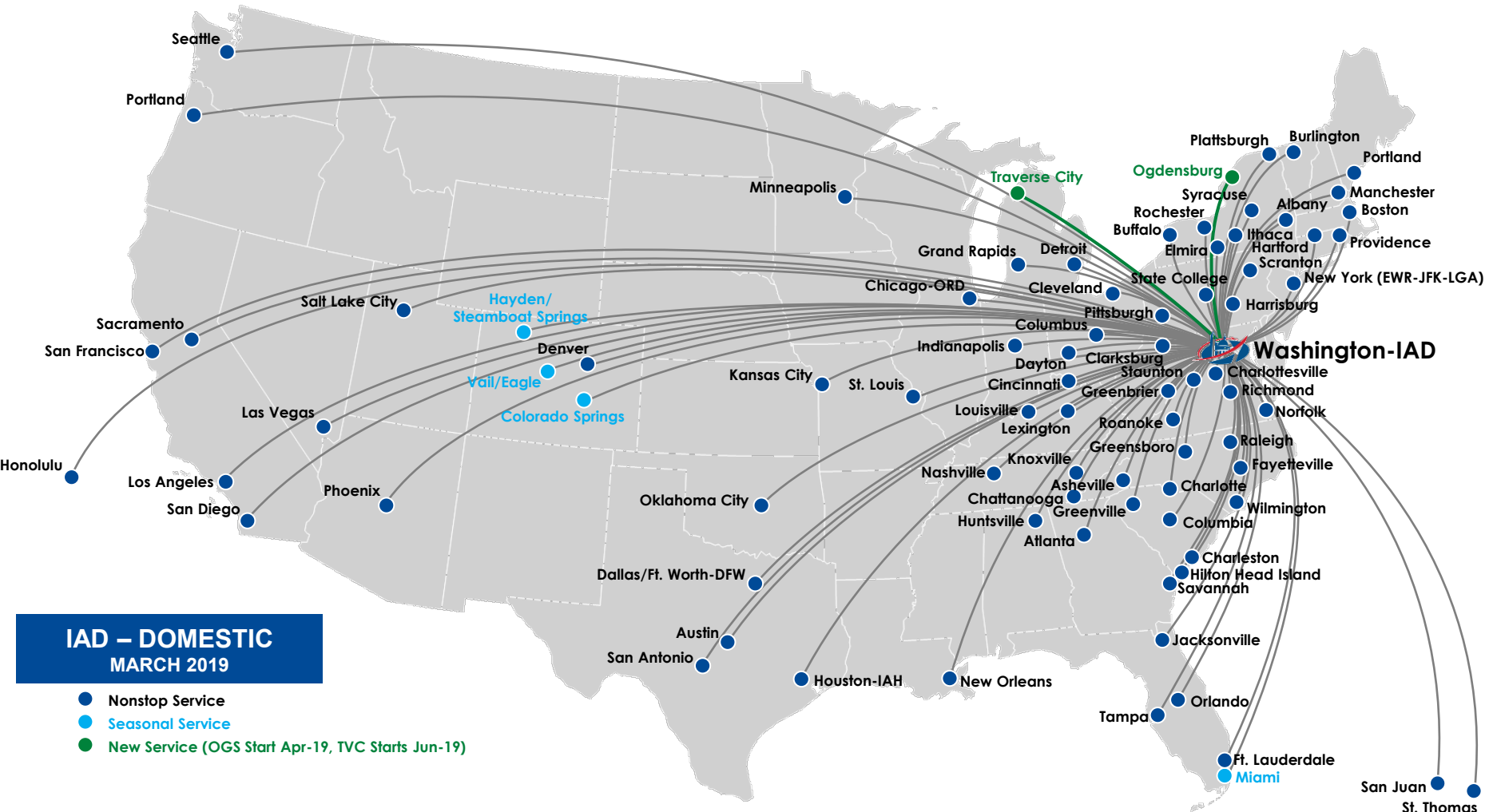
**IAD – INTERNATIONAL
MARCH 2019**

- Nonstop Service
- Single Plane Service
- Seasonal Service
- New Service (United-TLV May-19, Alitalia-FCO, Egypt Air-CAI & TAP-LIS Jun-19)

*Includes seasonal destinations not operating in March & new service destinations
Source: Innovata Airline Schedules (March 2019 – February 2020), via Diio MI Online Portal as of March 5, 2019.

IAD – Domestic Air Service

249 daily flights to 85* nonstop destinations by 7 airlines



*Includes seasonal destinations not operating in March & new service destinations
Source: Innovata Airline Schedules (March 2019 – February 2020), via Diio MI Online Portal as of March 5, 2019.

Dulles Continues to Attract New and Expanded Air Service

Dulles International Airport – 2019 New Air Service Start Dates



Rome, Italy - May 2, 2019*



Cairo, Egypt - June 3, 2019



Abidjan, Ivory Coast - June 9, 2019



Lisbon, Portugal - June 16, 2019*



Asheville, NC - February 14, 2019
 Lexington, KY - February 14, 2019
 Elmira, NY - March 31, 2019
 Hilton Head, SC - March 31, 2019
 Manchester, NH - March 31, 2019
 Ogdensburg, NY - May 3, 2019
 Tel Aviv, Israel - May 22, 2019
 Traverse City, MI - June 8, 2019



Minneapolis, MN - April 25, 2019*

*Expanded Service: Additional competing airline on existing route

A Continued Focus to Lower Costs



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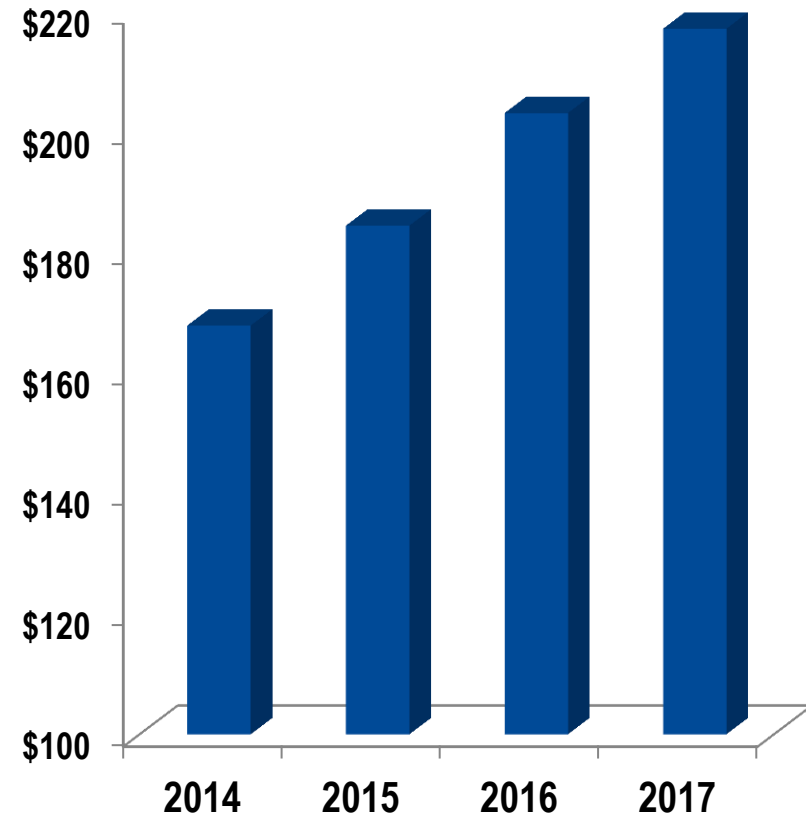
Growth in Non-Aeronautical Revenue

IAD Non-Aeronautical Revenue has increased \$49M or 29% in 3 years

Key Revenue Growth Tactics

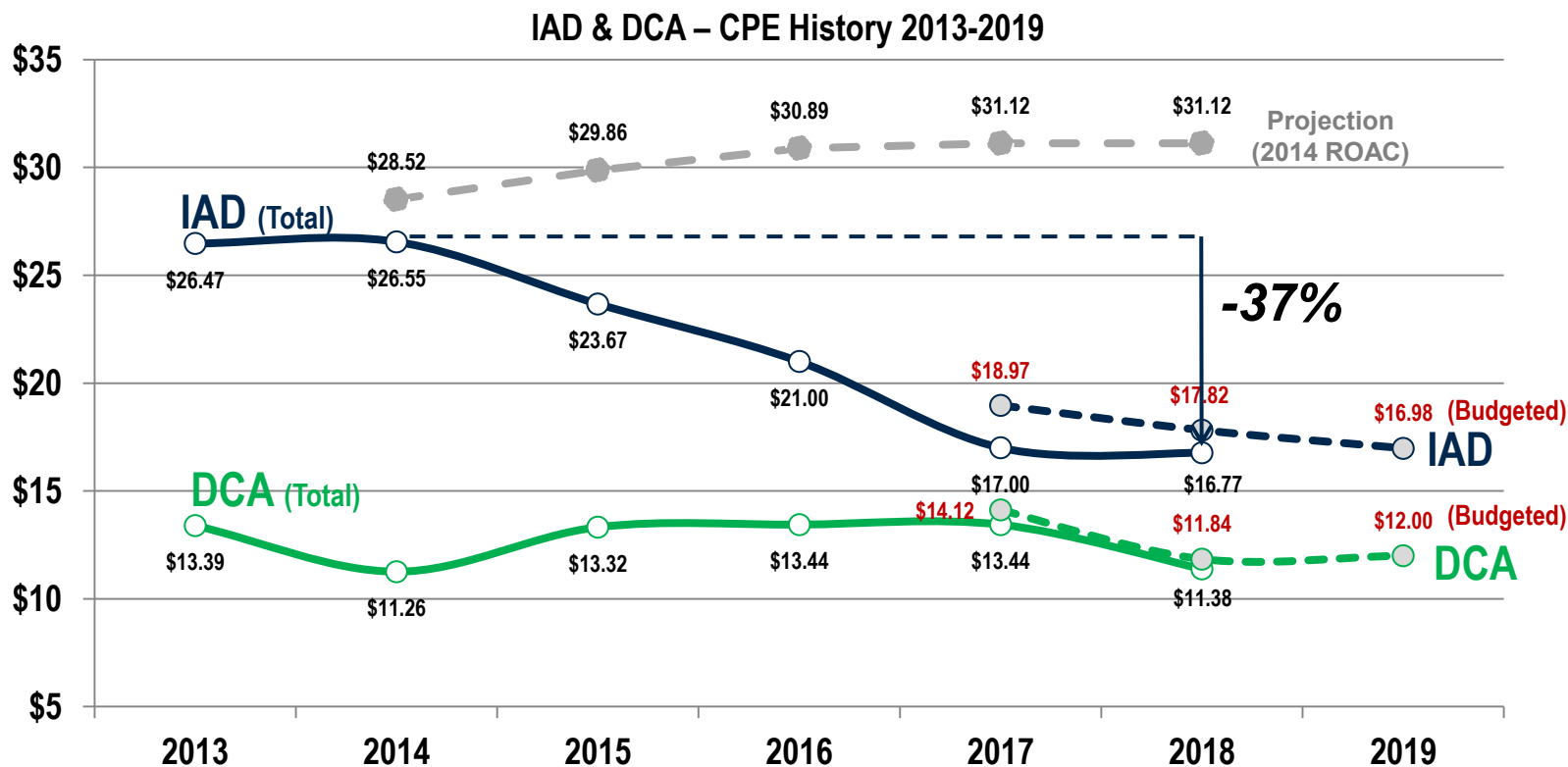
- Better alignment of parking products and pricing
- Negotiation of more favorable contract terms across all categories
- Optimization of concessions merchandising mix given space limitations
- Proactive real estate strategy
- Marketing efforts focused on growing revenue and creating preference for Dulles within the region

IAD Non-Aeronautical Revenue
(In Millions)



37% CPE Reduction in 5 Years

CPE reduction is driven by debt refinancing, cost reduction, increased non-aeronautical revenues, and enplanement growth



- **Declining Cost per Enplanement (CPE)**
 - \$26.55 in 2014
 - \$16.77 in 2018
- **Refinancing Airport Debt**
- **Increases in Non-Aeronautical Revenue**
 - 43% in 2014
 - 55% in 2018 (projected)

Support



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Task Forces

Putting airlines in contact with their largest potential customers for key targeted routes

- Each ‘Task Force’ is comprised of key leaders and travel decision makers from the region’s business, research, academic, government, and tourism communities, that travel extensively to the targeted region
 - Asia Task Force
 - Israel Task Force
 - Latin America Task Force
- This ‘Task Force’ approach has proven very effective in supporting new international service
 - Task Force members actively utilize new international routes
 - Increases profitability while reducing business risk of new routes
- Successful collaborative effort with Fairfax County Department of Economic Development and United Airlines for Israel

Thank You
Thank You Very Much



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