



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Office of Airport Planning  
and Programming

800 Independence Ave., SW.  
Washington, DC 20591

**MAR 26 2015**

Mr. Paul J. Wiedefeld  
Executive Director/CEO  
Maryland Aviation Administration  
P.O. Box 8766  
BWI Airport, MD 21240



Dear Mr. Wiedefeld:

Thank you for submitting the Maryland Aviation Administration's (MAA) Fiscal Year (FY) 2015 Competition Plan update for Baltimore/Washington International Thurgood Marshall Airport (BWI). The Federal Aviation Administration (FAA) has reviewed your Plan update that was occasioned by your new 5-year term Use and Lease Agreement (Agreement) that was effective on July 1, 2014, at BWI. We have determined that your Competition Plan update for BWI is in accordance with the requirements of section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21), Public Law (P.L.) 106-181, April 5, 2000, codified as title 49 United States Code (U.S.C.), sections 40117(k) and 47106(f). However, as explained on page 2, we do have recommendations and requests for additional information.

The BWI Competition Plan update is required because, for calendar year 2013, two air carriers accounted for over 50 percent of enplanements, and BWI executed a new Agreement that was effective July 1, 2014. We are pleased that the BWI FY 2015 Competition Plan update indicates that MAA is committed to maximizing opportunities for airlines to provide competitive service and airfares for travel to and from BWI.

The BWI FY 2015 Competition Plan update indicates that MAA is implementing the following additional competitive actions as a result of your new Agreement:

- Constructing a post-security connector between Concourses B and C;
- Creating a 12-position ticket counter in the domestic terminal outfitted with common-use equipment and providing several gates with common-use equipment, thereby allowing for the accommodation of new entrant airlines not wishing to initially lease space;
- Working to increase common-use gate and baggage screening capacity to accommodate growth by constructing an expansion of the international concourse (E) which will add 5 additional international aircraft positions;
- Planning for 2 mainline domestic gates in what is now the commuter gate area;
- Committing to post the 2015 BWI Plan update on MAA's website; and
- Negotiating a relatively short-term 5-year Agreement with air carriers this year.

Your Plan Update also indicated that the Airline Accommodation Committee has been meeting regularly to work on issues related to accommodation of new carriers and service expansion by incumbent carriers. Also, the airport accommodated Spirit

Airlines, Condor Airlines, and Alaska Airlines as new entrant carriers and ensured that these and expanding incumbent carriers, such as Southwest Airlines, have adequate facilities at BWI to support their service plans and growth.

As noted above, your Plan update has been approved. However, we have three recommendations and seek further clarification from you regarding the items noted below.

First, in addition to posting your BWI Competition Plan update on your website, we recommend that you also post our FAA BWI Plan update approval letter on your website.

Second, our approval of your 2009 Plan Update included recommendations related to the Majority-in-Interest (MII) clause. We note that there were no major changes to the MII clause in your new Agreement. Please explain the circumstances behind this. We ask that you consider revising your MII clause when you negotiate a new Agreement.<sup>1</sup> The PFC statute directs that an airport-airline contract “may not impair [your] authority . . . to impose a [PFC] or to use the [PFC] revenue as provided in [title 49 U.S.C. § 40117]. See title 49 U.S.C. §40117(f)(1). These changes should specify that the MII is not applicable to PFCs imposed or used to finance the projects. Please provide us with the status of this clarification with your next Competition Plan update.

Lastly, we are concerned that your Plan update indicates that your procedures for resolution of any disputes between air carriers relating to access at BWI remain unchanged since the 2009 Plan update. As you may recall, in your 2009 BWI Plan update you indicated that MAA's Office of Commercial Management planned to draft a protocol for the resolution of disputes between air carriers relating to access and distribute the protocol to all airlines serving BWI. Please provide clarification regarding your current dispute resolution procedures for air carriers at BWI and provide us with a copy of your protocol for the resolution of disputes.

Please provide your responses to the issue raised above within 30 days of the date of this letter.

Please note that we are enclosing with this letter a chart, prepared by FAA in November 2010, highlighting actions taken by airports covered by the Competition Plan requirement to reduce barriers to entry and enhance competitive access. In addition, we have distributed this product at several airport conferences in order to demonstrate the tools airport managers are using to comply with the statutory elements of the Competition Plan requirement, the competitive benefits that may be achieved through implementation of these tools, and other ancillary advantages that may be derived from these tools. This chart may be of interest to you as you fully implement BWI's Competition Plan. We take this opportunity to point out to you that airports have adopted or are adopting such competitive practices as: developing formal dispute

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<sup>1</sup> FAA/OST best practices have found MII restrictions can adversely impact competition at airports by limiting the ability of the airport to expand facilities to meet demand from new entrants or expanding incumbent carriers.

resolution procedures (sec. II), and arranging procedures to provide for uniform notification of availability of gates or gate-sharing (sec. IV).

As you are aware, MAA has filed, and FAA has now approved an initial Competition Plan and four Plan Updates of the initial Competition Plan for BWI; thus, no further Competition Plan updates will be required unless certain special conditions arise. The conditions identified in the Airport Improvement Program (AIP) Handbook, Order 510038D, Appendix X, which would require the filing of a Competition Plan update are as follows:

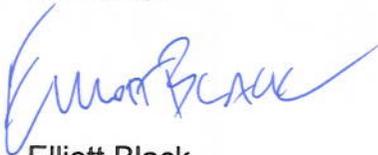
- An airport files a competitive access report as required by Section 424 of Vision 100, codified as 49 U.S.C., section 47107 (s) stating it had denied access to an air carrier for gates or facilities within the last six months. Section 424 requires any medium hub or large airport that has denied a carrier's request or requests for access to file a report with FAA describing the carrier's requests, providing an explanation as to why the requests could not be accommodated, and providing a time frame within which, if any, the airport will be able to accommodate the requests.
- An airport executes a new lease and use agreement, or significantly amends a lease and use agreement, including an amendment due to use of PFC financing for gates.

Please also note that in 2012, Congress eliminated the need for airports to include data on airfare levels and patterns of air service in Competition Plans; thus, we will no longer require this information in any further updates to the BWI Competition Plan. Please see Section 134 of the FAA Modernization and Reform Act of 2012, P.L. No. 112-95 (February 14, 2012).

As you may know, the Secretary of Transportation is required by title 49 U.S.C., section 40117(k) to review implementation of Competition Plans from time to time to verify each covered airport implements its Plan successfully. In connection with our review, we may determine that it would be useful to visit your airport or hold a teleconference with airport officials. Please be assured that we will notify you should we decide to visit BWI in connection with its Competition Plan.

If you have any questions regarding this letter or FAA's review of your Plan, please contact Mr. Joe Hebert, Manager, Financial Analysis and Passenger Facility Charge Branch, at (202) 267-8375.

Sincerely,



Elliott Black  
Director, Office of Airport Planning  
and Programming

Enclosure