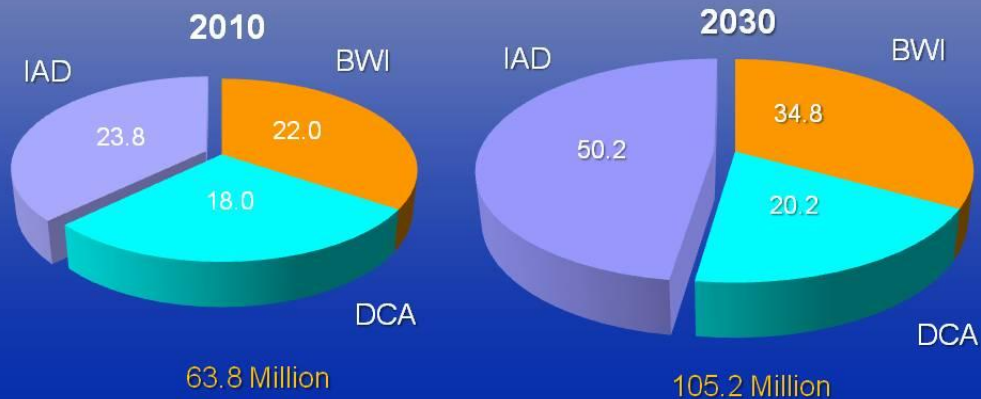




Passenger Demand Forecast by FAA to Increase 65% by 2030



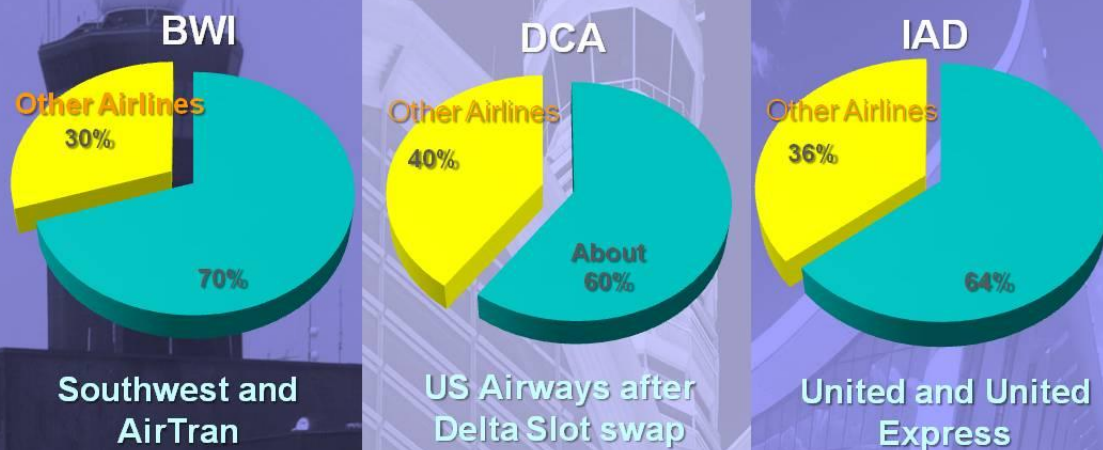
Sources: FAA Forecast, Airport Records

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The Washington Baltimore area is lucky to be served by three major airports. Anyone who still thinks Dulles and BWI are competitors doesn't understand the sheer volume of the region's air service demand, nor do they appreciate the changing structure of the air transport industry.



The Region's Big Three



93% of international passengers used IAD

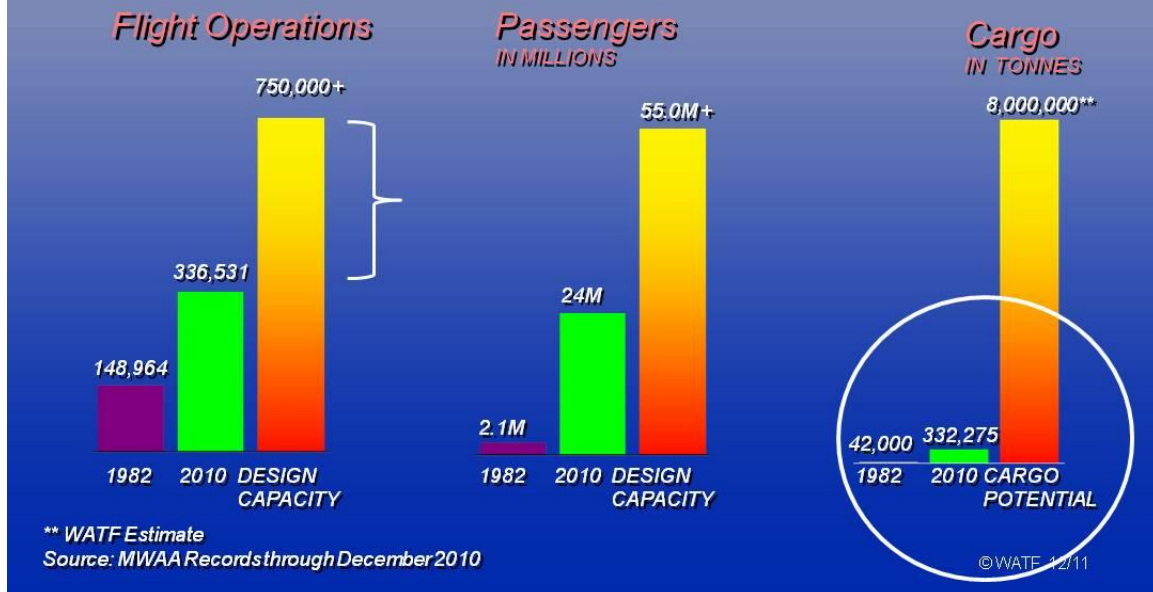
Sources: Airport records for 12 months through September 2011

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As the airline industry has concentrated into fewer, larger companies, we can see that with three airports we have a much higher level of competitive choice – assuming we can get to the airport – than major cities served by only one airport.



Capacity for Tomorrow



In operational terms, Washington Dulles also has the lion's share of the region's airport expansion capacity, as well as the runway length to support long distance flights.



Positioning the Region for Aviation and Economic Expansion

- Attractive, user-friendly airports
- More direct flights
- International aviation policies
- Air cargo
- Good ground access
- ATC capacity and efficiency
- **Customs** and TSA – eliminate long queues
- General aviation
- Happy neighbors
- Education

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We've been working to position the region to benefit from the Dulles expansion capacity. I'll touch on just a few of the items.

Customs started as a revenue collection service and it still is. For every dollar spent by the federal government clearing travelers into the country through Dulles, about \$11 is gained in fees and taxes from the international

passenger. Yet the government says it cannot afford to put more inspectors into Dulles to speed the flow and shorten the queues.

A graphic with a blue background. On the left, there is a yellow icon of a crane and a ship. To its right, the text "Air Cargo Opportunity" is written in a bold, yellow, italicized font. Below this, there are two bullet points in white text: "• Short-term: Consolidation" and "• Longer-term: Airport Dependent Manufacture". Further down, the text "Economic Development and Surface Transportation Challenge" is written in a yellow, bold font. On the right side of the graphic, there is a photograph of a white cargo loader with a yellow platform, positioned next to the open cargo door of a white airplane. The loader is carrying a large, rectangular object wrapped in white protective netting. The loader has "PA36" written on its side.

Air Cargo Opportunity

- Short-term: Consolidation
- Longer-term: Airport Dependent Manufacture

Economic Development and Surface Transportation Challenge

Air cargo involves a truck plus a plane. Dulles is in its infancy as an air cargo gateway. But the ingredients are there; we are supporting a Loudoun County/Airports Authority initiative to attract the global logistics industry to focus on Dulles.

Unlike passengers, cargo only goes one way. To create a concentration of cargo to move out of Dulles on the return trips will require consolidation of shipments trucked to Dulles to generate the volume.

Developing a strong international cargo network from Washington Dulles would provide the region and its neighbors with a key ingredient to support future high tech manufacturing jobs.

Concentration occurring within the air transportation industry also provides opportunities for significant expansion of international services.

To position our region to win, we need to support Airports Authority efforts to replace the old C/D gates with a new international connecting complex. We also need to sustain National Airport's perimeter statute, get more resources for the Dulles Customs team and continue to improve our ATC system.



Ground Access

***Good air service does not help the economy
if people and goods cannot easily
get to the airport!***

Solutions will not be found in the process that created the problem.

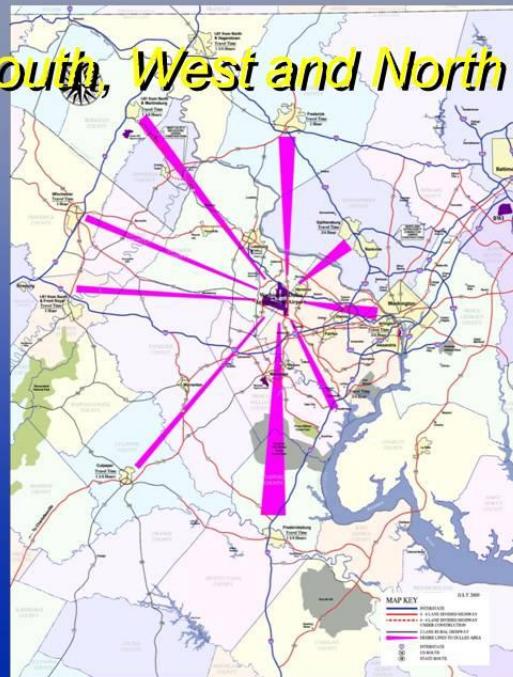
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Underpinning just about everything is the critical need for improved ground access. It's not the airport that needs the access; it's we the users who need the access if we are to use the airport efficiently.



Access from South, West and North

- Progress on Dulles Loop
- Creation of a North-South Planning Corridor in Virginia
- Innovative concept developed for new access roads



Map courtesy of Northern Virginia Transportation Alliance and Dewberry

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Today, Dulles essentially only faces east. Significantly improved access from the north, the south and the west is required as a matter of urgency. The need has been apparent for 20 years or more, but it is now acute.

Happily, during the year there has been some progress, albeit somewhat slow, with the Dulles Loop. If the 18-mile loop of roads around the airport does not function, it significantly adds to journey time and journey uncertainty for those trying to reach the airport.

Virginia's Commonwealth Transportation Board created a new north-south Corridor of Statewide Significance in May. This recognizes the need for improved access between Dulles and all parts of Virginia if the state is to gain from that expansion potential.



I-66 and Rt. 28 Intersection

- Region's (and Virginia's) third largest freight bottleneck
- Costs freight industry over 500,000 hours of delay a year



Rt. 28 5:30 p.m. southbound 8 miles north of I-66

One measure of that need is the junction between I-66 and Route 28 just south of Dulles. That intersection is now the third largest chokepoint for freight in the entire Commonwealth of Virginia. It costs the freight industry over 500,000 hours of delay each year and freight is well under 10% of the traffic volume – so that single interchange probably is costing this region well over \$100 million a year in economic loss.

The solution is not a half billion dollar interchange – it's a grid of roads, and in particular an urgently-needed new road in the Gainesville area north to the Dulles Loop.

This also highlights a critical reality: congestion is a loss to the economy; transportation improvements are an investment that generates a return – a return in new jobs, new incomes and thus new tax revenues.



Commuting Impact on Dulles Access

Commuting into the Washington MSA

- *Today – 330,000 people*
- *2030 – 750,000 people*



Source: 2030 Group/George Mason University

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Another example which horrifies me is a study by the 2030 Group that shows that today 330,000 people commute into our region; by 2030, that figure is expected to increase to 750,000. The horrifying part is that much of that increase will occur on the roads which today provide people and shippers with their primary access to Dulles from the north, south, and west.



Major Employers Locate Where There is Good Access to:

- The Federal Government
- International Air Service



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The realities are very clear. Major employers locate here to be close to the federal government. Where they locate in our region is governed by their ability to access the world markets through Washington Dulles. If the region and neighboring states want to optimize the potential of that expansion capacity at Washington Dulles,

they need to focus on regional access to the airport. Otherwise, the benefits will stay pretty much in the Dulles Neighborhood.

The Task Force couldn't function without your support, and I'd like to add my thanks to David's for all the steady support and the help we receive.

We're not bad at getting results, but I find it difficult to explain to people what the Task Force is and what it does.

We're a small professional group with major muscle among our Board of Directors and membership. We don't operate anything; we have a tiny budget, so we're not a threat to anybody. We're a neutral party that can work with the players to bring them together, and on occasions, get things done.