

**MARYLAND AVIATION COMMISSION
MAY 13, 2020**

**CONFERENCE CALL
CALL-IN NUMBER: 410-844-4124 | ACCESS CODE: 859-7023**

OPEN SESSION

MARYLAND AVIATION COMMISSION MEMBERS

Gregory Slater, Chairman
Vishal Amin
T. Chineta K. Davis
William Drew Hawkins
Raymond C. Nichols
Philip A. Parenti
Calvin D. Peacock
Ivory E. Tucker
David L. Winstead

**MARYLAND DEPARTMENT OF TRANSPORTATION
MARYLAND AVIATION ADMINISTRATION**

Ricky D. Smith, Sr.
Edward Carey
Jeanette Cook
Jonathan Dean
Annette Fisher
Staci Gorden
Jordan Kayloe
William Lindsey
Shanae Murray
Wayne Pennell
Al Pollard
Hazel Robinson
Robert Sager
Paul Shank
Ashish Solanki
James Walsh

Chairman Slater called the meeting to order at 1:05 p.m. Each Commissioner introduced himself/herself and welcomed Chairman Slater to his first Commission meeting as Chairman.

APPROVAL OF MINUTES – Chairman Slater

Upon request for a motion to approve the minutes of the February 25 Commission meeting, it was so moved by Commissioner Hawkins, seconded by Commissioner Parenti, and approved unanimously.

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EXECUTIVE DIRECTOR'S REPORT – Ricky Smith

Ricky Smith commended and thanked Jeanette Cook for her service to the MAA while serving as his Special Assistant. She has moved to a new position as Deputy Chief for Administration and Performance Management. Staci Gorden was introduced as his new Special Assistant. Paul Shank was commended for 15 years of service with MAA.

The presentations during today's Commission meeting will focus entirely on the impact of COVID-19 on Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall) and Martin State Airports (MTN).

Overview of COVID-19 Impact on BWI Marshall:

- Air traffic is down approximately 93%.
- There are service and market suspensions by many airlines across the board.
- BWI Marshall is taking prudent action in regard to pausing many Capital projects.
- A number of restrictions are in place at BWI Marshall and Martin State Airports in regard to operations and with the workforce. The focus is on ensuring the public and staff are safe.
- Many airlines are taking drastic action in terms of their fleet and workforce.
- Southwest is taking a conservative approach and leading the way for airlines in terms of flights and capacity.
- BWI Marshall went from the 22nd busiest to the 11th busiest.
- BWI Marshall is the 4th lowest reduced airport in the country.
- There is a commitment to keeping employees up to date through written communication and weekly video conferences.
- There are five COVID-19 Recovery Working Groups currently developing plans and strategies for recovery. The groups are: Administration, Communications, Operations, Capital/Technology and Business.

Chairman Slater commended MAA Executive Director Ricky Smith and Chief, BWI Operations & Maintenance, Wayne Pennell on working with Governor Hogan to facilitate the delivery of a large shipment of COVID-19 testing kits and N95 masks from South Korea.

BWI OPERATIONS & MAINTENANCE – Wayne Pennell

Total operations for March were down by 14%; total operations for April were down by 64%. The Division of BWI Operations & Maintenance has over 290 employees, and most are emergency personnel and mission critical. The Airport has remained open and has been critical to transporting supplies, including personal protective equipment. From an operational standpoint, the Division has made changes including: introducing new processes and procedures, implementing a sanitization system to clean all touchpoints (elevator buttons, kiosks, ticket counters, etc.), coordinating with Transportation Security Administration and private security companies to consolidate checkpoints, exit lanes and baggage screening areas. Some areas of the Airport, such as the badging office, are experiencing high demand. This presents an additional challenge for staff. The team is focused on utilizing signage to educate travelers and employees on best practices for staying safe (e.g. wearing masks).

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MTN OPERATIONS & MAINTENANCE – Al Pollard

For March and April, total operations at MTN are down 74%. For March and April, fuel sales were down 282%. Martin State Airport has had a deep cleaning. The work is ongoing.

Touchpoints including restrooms, counter tops, door handles, hand rails, tables and desks are being cleaned several times a day. Every person coming through the front gate is screened by a security member by asking the 2 critical questions. Additional, plexiglass has been installed between customers desk and employees. Masks, gloves, hand sanitizer, Lysol, and other supplies have been distributed to employees.

BUSINESS DEVELOPMENT & MANAGEMENT – James Walsh

Enplanement Forecasts – Enplanement forecasts have recovery models that are U-shaped, V-shaped, or L-shaped. For FY20, all three models indicate 30% decline. Differences in the models occur when projecting further out to FY21, FY22 and FY23. The U-shaped model predicts a 25-35% decline in FY21, 20% decline in FY22 and 10% decline in FY23. The V-shaped model predicts a 25-50% decline in FY21, 15% decline in FY22 and 5% decline in FY23. The L-shaped model predicts a 40-50% decline in FY21, 30% decline in FY22 and 20% decline in FY23.

Bond Stress Tests – With parking bonds, the annual cash flow forecast is sufficient to pay debt service and meet two times coverage targets annually. MDOT MAA had collected sufficient parking revenue to pay FY 2020 debt service by October 2019. FY 2021 MDOT MAA needs to shift from a parking concession model to a management expense contract. Use CARES funds for management expense contract in FY 2021. With Customer Facility Charge (CFC) bonds, \$19.5m in CFC accounts other than Debt Service Reserve Fund. MDOT MAA needs to use \$1.0-2.0m in FY 2021 from Facility Improvement Fund to pay debt service. Need to maintain balance of between \$6.4-10.9m in CFC accounts to meet 1.5 times coverage target which limits planned CFC projects. There are concerns regarding bankruptcy for several rental car companies. For Passenger Facility Charge (PFC) bonds, there is \$45.4 million in PFCs account as of April 1, 2020 other than Debt Service Reserve Fund. There is \$25.3 million in Debt Service Reserve Fund. To meet 1.5-2.0 times coverage, MDOT MAA will restructure PFC payments owed to MDOT for international concourse expansion.

CARES Act Funding – The CARES Act has made \$10 billion available to U.S. airports. BWI Marshall received \$87 million. Martin State received \$154,000. It is for reimbursement of expenses incurred since January 20 this year “for any airport lawful purpose.” Grants are prepared for additional funding. The goal is to receive funding this fiscal year.

Tenant Relief – Airlines were offered 90-day rent deferral (not abatement) with payback in FY 2021. Landing and aircraft parking fees were frozen until January 1. Terminal concessions were allowed temporary closures and reduced operating hours for concessionaires. Currently 21% of the program is open. Percentage of rent only collected from open locations. MAA has waived minimum annual guarantee for Fraport through December 31, 2020. Concessionaires will receive temporary waiver of certain in pass through fees (i.e., Common Area Maintenance and Distribution). Rental car companies were charged a percentage of rent only. Minimum Monthly Guarantees were waived through December 31, 2020. The companies have been allowed to consolidate brands to single counters and accommodate excess vehicles by leasing vacant

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employee lots. Minimum Monthly Guarantee were waived for parking lot concessions through June 30, 2020 (end of term); seeking Board of Public Works approval of contract extension. MAA is extending parking solicitation deadline for new proposal until end of CY 2020. A new operator to be selected prior to end of FY 2021. All surface lots were closed (i.e., Express, Long Term A and B) and all parking operations moved to Hourly and Daily Garages.

ADMINISTRATION & PERFORMANCE MANAGEMENT – Shanae Murray

Initial Response - Initial response included a multi-pronged approach: daily team debriefs, coordination of screening protocol, coordination of PPE (assessment, distribution & replenishment), communication regarding safety & risk, and on-site risk assessment, coordination and response to management and employee concerns. A major component of the communication included educating staff on how to reduce the risk, spread and exposure to COVID-19 (i.e., social distancing, hand washing, wearing face coverings, etc.).

Telework – 35% of the staff are teleworking. Laptops were distributed to employees by the Airport Technology Division. There has been increased productivity.

New Hires – 13 new hires were onboarded before the state-wide hiring freeze took effect.

Employee Concerns – The Division is working to address employee concerns stemming from the COVID-19 pandemic, which revolve around health and safety, childcare, and care giving responsibilities.

Tools – Employees are encouraged to participate in continuing education through virtual courses and webinars.

Recovery & Reopening – The Division is currently working on a recovery and reopening strategy. For now, employees will continue to telework. Some will have flexible or staggered work schedules. Social distancing will be adhered to. Work spaces will be sanitized and employees will not gather in large groups for meetings or events.

AIRPORT TECHNOLOGY – Ned Carey

Since March 13, the Division of Airport Technology has issued 126 laptops to employees and set up 154 VPN accounts. The Help Desk is staffed (remotely) weekdays from 0800 to 1630. After hours, employees can leave a message for the on-call technician.

MARKETING & AIR SERVICE DEVELOPMENT – Annette Fisher and Jordan Kayloe

Marketing Update – BWI Marshall has received news coverage because of the important role that the Airport plays in the regional response to the COVID-19 pandemic. The Airport's social media pages have been used to disseminate information to customers. Some of the Airport's frontline workers have also been featured on BWI's social media, in an effort to thank them and highlight the airport's essential employees.

Air Service – In February, BWI Marshall boasted of 16 airlines with 340 daily departures to 93 destinations throughout 2020. In May, BWI Marshall will be as low as 11 airlines with 105 daily departures to 55 destinations. Southwest Airlines' seat share is higher after more conservative suspensions. Southwest had 66% of seats at BWI Marshall at last Commission meeting. Spirit

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had 12%, but has aggressively reduced capacity. Among area airports, BWI Marshall will lead in capacity in Q2 2020. MDOT MAA is collaborating with airline partners on the return of air service. Messages to customers on how to keep safe and what to expect when traveling will be disseminated.

Traffic Statistics Update – After a record-setting year, passenger traffic fell steeply in March. Year-over-year gains from December to February led to a 12-month passenger record of 27.234M for the year ending Feb 2020. With the onset of the COVID-19 crisis, March 2020 was down 53%, and Q1 2020 ended down 16%. International traffic fell to zero in late March; Q1 ended down 21%. However, cargo service continues to grow strongly, with Q1 up 18% due to increased service from Amazon. Looking forward, capacity is falling steeply, with Q2 down 52%. Airlines are reducing capacity as the crisis continues, focusing on the near term before addressing Q3. These figures do not include significant close-in “operational” cancellations made by the airlines in March and April. In May, airlines have suspended many routes from BWI Marshall.

PLANNING & ENGINEERING – Paul Shank

Key Projects Update – Taxiway rehabilitation work at the Midfield Cargo Complex is underway. The project includes rehabilitation of midfield cargo taxiway pavement and construction of a new connector taxiway to the Runway-10 end in support of the Midfield Cargo area expansion. Phase 2 of Concourse A Improvements (Five gate extension) is also underway. The project includes: five new gates for B737-800 aircraft, new restrooms, loading bridges, concessions, electrical, mechanical, and storage.

There being no further business, a motion to adjourn was made by Commissioner Parenti, seconded by Commissioner Hawkins, and approved unanimously. The meeting adjourned at 3:01 p.m.