SUPPLEMENT TO OFFICIAL STATEMENT

DATED JUNE 14, 2016

RELATING TO:

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

$386,025,000
Consisting of

$362,655,000	**$23,370,000**
Airport System Revenue	**Airport System Revenue**
Refunding Bonds	**Refunding Bonds**
Series 2016A	**Series 2016B**
(AMT)	**(Non-AMT)**

I. The subsection entitled "CERTAIN INVESTMENT CONSIDERATIONS – Airports Authority Insolvency" on page 90 of the Official Statement dated June 14, 2016 (the "Official Statement"), pertaining to the captioned bonds (the "Series 2016AB Bonds"), is hereby deleted and replaced in its entirety with the following (new language has been underscored and deleted language has been stricken):

CERTAIN INVESTMENT CONSIDERATIONS

Airports Authority Insolvency

The Series 2016AB Bonds are not secured by or payable from the revenues derived from the Dulles Toll Road or other assets of the Airports Authority accounted for under the Dulles Corridor Enterprise Fund. Nevertheless, the Airports Authority could become insolvent in connection with activities related to the Dulles Toll Road and the Dulles Metrorail Project, even though the Airports are operating at a profit. If this were to occur, an Event of Default under the Indenture could occur even though the Revenues of the Airports may be adequate to meet the rate covenant under the Indenture. A creditor who has a judgment against the Airports Authority as a result of activities related to the Dulles Toll Road or the Dulles Metrorail Project may not be restricted to claims against the revenues of, or other assets accounted for by, the Dulles Corridor Enterprise Fund. Any attempt to levy against Airports Authority facilities used in operation of the Airports or Revenues derived from such operations may cause an Event of Default under the Indenture. Similarly, the Airports Authority could become insolvent in connection with its operations and maintenance of the Airports. Attempts to levy against Airports Authority facilities used in operation of the Airports or Revenues derived from such operations also may cause an Event of Default to occur.

~~As described under "LITIGATION,"~~ Prior litigation against the Airports Authority contesting its power to charge and collect tolls from users of the Dulles Toll Road has been resolved in favor of the Airports Authority. On July 5, 2016, new litigation raising substantially similar claims was filed in United States federal district court. See "LITIGATION."

II. The section entitled "LITIGATION" beginning on page 98 of the Official Statement is hereby deleted and replaced in its entirety with the following (new language has been underscored):

LITIGATION

The Airports Authority is involved in various claims and lawsuits arising in the ordinary course of business that are covered by insurance or that the Airports Authority does not believe to be material. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Airports Authority's general counsel, the likely outcome in these matters that are not covered by insurance will not have a material adverse effect on the financial condition of the Airports Authority. No litigation is pending or, to the knowledge of the Airports Authority, threatened against the Airports Authority (a) seeking to restrain or enjoin the issuance of the Series 2016AB Bonds or the collection of Net Revenues pledged under the Indenture, or (b) in any way contesting or affecting any authority for the issuance of the Series 2016AB Bonds, the validity or binding effect of the Series 2016AB Bonds or the resolution of the Airports Authority authorizing and implementing the Series 2016AB Bonds or the Indenture, or (c) <u>except as described below in the last paragraph of this section</u>, in any way contesting the creation, existence, powers or jurisdiction of the Airports Authority, the validity or effect of the Federal Act, the Federal Lease, the Virginia Act or the District Act, or any provision thereof, or the application of the proceeds of the Series 2016AB Bonds.

On October 5, 2015, the United States Supreme Court entered an order denying the petition of certiorari in *Corr v. Metropolitan Washington Airports Authority*, No. 13-1559, a lawsuit filed in federal district court against the Airports Authority in April 2011 by two users of the Dulles Toll Road claiming that the setting of tolls by the Airports Authority violates various rights and privileges they enjoy under the United States Constitution. On January 21, 2014, the United States Court of Appeals for the Fourth Circuit had affirmed the trial court's ruling that plaintiffs had failed, as a matter of law, to state a valid claim as to which any relief could be granted and, more generally, that the setting of tolls by the Airports Authority does not violate the federal constitution, and had affirmed the trial court's dismissal of the plaintiffs' complaint. All proceedings are now terminated and the matter has concluded.

<u>On July 5, 2016, six users of the Dulles Toll Road, individually and on behalf of all others similarly situated, filed a class action complaint against the Airports Authority, the United States Department of Transportation and the Secretary of Transportation in federal district court for the District of Columbia. In the lawsuit, among other claims, the plaintiffs claim that the payment of tolls on the Dulles Toll Road may not be used to subsidize the construction of the Dulles Metrorail Project and question the constitutionality of the Airports Authority and certain of its activities that are related to the Dulles Metrorail Project. Many of the claims raised in the complaint are substantially similar to claims made in previous litigation challenging the tolls the Airports Authority has set for the Dulles Toll Road, all of which (including the *Corr* litigation described above) have been concluded in favor of the Airports Authority. While the Airports Authority intends to vigorously defend against the claims raised in the litigation, it cannot predict what action the federal district court might take or whether a decision that is adverse to the Airports Authority will directly affect the Aviation Enterprise.</u>

This Supplement is dated July 6, 2016.

NEW ISSUE / BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes, except interest on any Series 2016A Bond for any period during which that Series 2016A Bond is held by a "substantial user" of the facilities financed or a "related person," as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Series 2016A Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed on individuals and corporations under the Code, (ii) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2016B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) interest on the Series 2016AB Bonds is exempt from income taxation by the Commonwealth of Virginia and is exempt from all taxation by the District of Columbia except estate, inheritance and gift taxes. Interest on the Series 2016B Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. See "TAX MATTERS" for a more detailed discussion.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

$386,025,000

Consisting of

$362,655,000	**$23,370,000**
Airport System Revenue	**Airport System Revenue**
Refunding Bonds	**Refunding Bonds**
Series 2016A	**Series 2016B**
(AMT)	**(Non-AMT)**

Dated: Date of Delivery — Due: October 1, in the years as shown herein

Interest on the Metropolitan Washington Airports Authority's (the "Airports Authority") Airport System Revenue Refunding Bonds, Series 2016A, in the principal amount of $362,655,000 (the "Series 2016A Bonds"), and Airport System Revenue Refunding Bonds, Series 2016B, in the principal amount of $23,370,000 (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "Series 2016AB Bonds") will be payable on October 1, 2016, and semiannually thereafter on each April 1 and October 1. The Series 2016AB Bonds are issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof. When issued, the Series 2016AB Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which payments of principal and interest will be made. Purchasers will acquire beneficial interests in the Series 2016AB Bonds, in principal amounts shown on the inside cover pages hereof, in book-entry form only. DTC will remit such payments to its participants who will be responsible for remittance to beneficial owners. See "THE SERIES 2016AB BONDS – Book-Entry Only System."

Proceeds of the Series 2016A Bonds, along with other available funds, will be used to (i) refund the Airports Authority's outstanding Airport System Revenue Bonds, Series 2006A and 2006B, (ii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Series 2016A Bonds and any other Common Reserve Bonds, and (iii) pay costs of issuing the Series 2016A Bonds.

Proceeds of the Series 2016B Bonds, along with other available funds, will be used to (i) refund the Airports Authority's outstanding Airport System Revenue Refunding Bonds, Series 2006C, (ii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service requirement for the Series 2016B Bonds and any other Common Reserve Bonds, and (iii) pay costs of issuing the Series 2016B Bonds.

The Series 2016AB Bonds will be issued under and secured by the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended (the "Master Indenture") and the Forty-eighth Supplemental Indenture of Trust dated as of July 1, 2016 (the "Forty-eighth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the Airports Authority and Manufacturers and Traders Trust Company, as the trustee (the "Trustee"). Except to the extent payable from the proceeds of the Series 2016AB Bonds and any other moneys available for such payment, the Series 2016AB Bonds are payable from, and secured by a pledge of, Net Revenues of the Airports Authority, as described herein, which pledge is on a parity with the pledge of Net Revenues made to secure the Airports Authority's outstanding Bonds and other Bonds which may be issued in the future under the Indenture, as further supplemented. The Series 2016AB Bonds will not be subject to acceleration upon an event of default or otherwise.

THE SERIES 2016AB BONDS SHALL NOT CONSTITUTE A DEBT OF THE DISTRICT OF COLUMBIA OR OF THE COMMONWEALTH OF VIRGINIA OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR A PLEDGE OF THE FAITH AND CREDIT OF THE DISTRICT OF COLUMBIA OR OF THE COMMONWEALTH OF VIRGINIA OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2016AB BONDS UNDER THE PROVISIONS OF THE DISTRICT ACT AND THE VIRGINIA ACT SHALL NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE DISTRICT OF COLUMBIA OR THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF TO ANY FORM OF TAXATION WHATSOEVER. THE AIRPORTS AUTHORITY HAS NO TAXING POWER.

The Series 2016AB Bonds will mature on October 1 in the years and in the principal amounts, and will bear interest at the rates, as shown herein. The Series 2016AB Bonds are subject to redemption prior to maturity, as more fully described herein.

The Series 2016AB Bonds are offered when, as and if issued and received by the Underwriters. Legal matters with respect to the issuance of the Series 2016AB Bonds are subject to the approval of Squire Patton Boggs (US) LLP, Bond Counsel to the Airports Authority. Certain legal matters will be passed upon for the Airports Authority by Philip G. Sunderland, Esquire, Vice President and General Counsel to the Airports Authority, and by Squire Patton Boggs (US) LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their Counsel, Ballard Spahr LLP. It is expected that the Series 2016AB Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about July 7, 2016.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

J.P. Morgan

BofA Merrill Lynch — **Barclays** — **Citigroup**

Goldman, Sachs & Co. — **RBC Capital Markets** — **Wells Fargo Securities**

June 14, 2016

Metropolitan Washington Airports Authority

$362,655,000
Airport System Revenue Refunding Bonds
Series 2016A
(AMT)

Year October 1	Principal Amount	Interest Rate	Yield	Price	CUSIP† No.
2030	$ 6,735,000	5.000%	2.440%	123.055*	592647CX7
2031	77,265,000	5.000%	2.500%	122.446*	592647CY5
2032	70,490,000	5.000%	2.550%	121.941*	592647CZ2
2034	32,545,000	5.000%	2.590%	121.539*	592647DA6
2035	61,180,000	4.000%	2.920%	109.490*	592647DB4
2035	50,000,000	5.000%	2.600%	121.438*	592647DD0
2036	64,440,000	4.000%	2.950%	109.212*	592647DC2

* Priced at the stated yield to the first optional redemption date of October 1, 2026.

† Copyright, American Bankers Association. The CUSIP numbers are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Marketing Intelligence. The CUSIP numbers are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2016A Bonds and the Airports Authority and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2016A Bonds.

Metropolitan Washington Airports Authority

$23,370,000
Airport System Revenue Refunding Bonds
Series 2016B
(Non-AMT)

Year October 1	Principal Amount	Interest Rate	Yield	Price	CUSIP† No.
2020	$ 155,000	5.000%	1.050%	116.312	592647DE8
2021	1,755,000	5.000%	1.170%	119.385	592647DF5
2022	1,845,000	5.000%	1.340%	121.815	592647DG3
2023	1,910,000	5.000%	1.450%	124.291	592647DH1
2024	2,015,000	5.000%	1.590%	126.215	592647DJ7
2025	2,105,000	5.000%	1.690%	128.184	592647DK4
2026	2,210,000	5.000%	1.830%	129.458	592647DL2
2027	2,460,000	5.000%	1.960%	128.060*	592647DM0
2028	2,580,000	5.000%	2.010%	127.528*	592647DN8
2029	1,475,000	5.000%	2.070%	126.892*	592647DP3
2030	1,545,000	5.000%	2.120%	126.366*	592647DQ1
2031	1,620,000	5.000%	2.180%	125.737*	592647DR9
2032	1,695,000	5.000%	2.230%	125.216*	592647DS7

* Priced at the stated yield to the first optional redemption date of October 1, 2026.

† Copyright, American Bankers Association. The CUSIP numbers are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Marketing Intelligence. The CUSIP numbers are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2016B Bonds and the Airports Authority and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2016B Bonds.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

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MEMBERS OF THE AIRPORTS AUTHORITY

SENIOR MANAGEMENT

President and Chief Executive Officer.....John E. Potter
Executive Vice President and Chief Operating Officer.....Margaret E. McKeough
Executive Vice President and Chief Revenue Officer.....Jerome L. Davis
Vice President and Secretary.....Monica R. Hargrove
Vice President and General Counsel.....Philip G. Sunderland
Vice President for Finance and Chief Financial Officer.....Andrew T. Rountree
Vice President for Audit.....Lee Wyckoff
Vice President for Engineering.....Roger Natsuhara
Vice President for Communications.....David Mould
Vice President for Technology and Chief Information Officer.....Goutam Kundu
Vice President for Customer and Concessions Development.....Steven C. Baker
Vice President for Airline Business Development.....Mike Stewart
Vice President for Business Outreach.....Mark Treadaway
Vice President for Human Resources and Administrative Services.....Anthony Vegliante
Vice President and Airport Manager - Reagan National Airport.....J. Paul Malandrino, Jr.
Vice President and Airport Manager - Dulles International Airport.....Christopher U. Browne
Vice President for Public Safety.....Bryan Norwood
Vice President for Supply Chain Management.....Julia T. Hodge

AIRPORTS AUTHORITY CONSULTANTS

Bond Counsel..... Squire Patton Boggs (US) LLP
Disclosure Counsel..... Squire Patton Boggs (US) LLP
Financial Advisor.....Frasca & Associates, LLC
Airport Consultant.....LeighFisher and MAC Consulting, LLC

This Official Statement is provided in connection with the issuance of the Series 2016AB Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The information contained in this Official Statement has been derived from information provided by the Airports Authority and other sources which are believed to be reliable.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesman or other person has been authorized by the Airports Authority or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2016AB Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein speak as of their date unless otherwise noted and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Airports Authority since the date hereof.

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Series 2016AB Bonds or passed upon the adequacy or accuracy of this Official Statement. Any representation to the contrary is a criminal offense.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: **onlinemunis.com**. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016AB BONDS AT A LEVEL ABOVE THAT WHICH OTHERWISE MIGHT PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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SUMMARY STATEMENT

This Summary Statement is qualified in its entirety by reference to the information appearing elsewhere in this Official Statement. Terms used in this Summary Statement and not defined herein or in the Official Statement shall have the meanings set forth in APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture."

The Airports Authority

The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by the District of Columbia Regional Airports Authority Act of 1985, as amended, codified at D.C. Official Code §9-901 *et seq.* (2001) (the "District Act"), and Chapter 598 of the Acts of Virginia General Assembly of 1985, as amended, codified at Va. Code §5.1-152 *et seq.* (2001) (the "Virginia Act" and, together with the District Act, the "Acts"). Pursuant to an Agreement and Deed of Lease effective June 7, 1987, as amended (the "Federal Lease"), the Airports Authority assumed operating responsibility for Ronald Reagan Washington National Airport ("Reagan National Airport") and Washington Dulles International Airport ("Dulles International Airport" and, together with Reagan National Airport, the "Airports") upon the transfer of an initial 50-year leasehold interest in the Airports from the United States federal government to the Airports Authority in accordance with the Metropolitan Washington Airports Act of 1986 (Title VI, P.L. 99-500, as reenacted in P.L. 99-591, effective October 18, 1986, as amended, codified at 49 U.S.C. §49101 *et seq.*) (the "Federal Act"). The Federal Lease was amended in 2003 to extend its term to 2067. See "THE AIRPORTS AUTHORITY – Lease of the Airports to the Airports Authority."

The Airports Authority operates two enterprises – the Aviation Enterprise, under which it operates and maintains the Airports, and the Dulles Corridor Enterprise, under which it operates and maintains the Dulles Toll Road and is constructing the Dulles Metrorail Project. See "THE AIRPORTS AUTHORITY – Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project." The Airports Authority accounts for the two enterprises separately through the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund. Dulles Toll Road Revenues are treated as "Released Revenues" under the Indenture (as defined below) and therefore are not part of the Net Revenues that secure the Bonds (as defined below). The Series 2016AB Bonds are being issued solely to refinance bonds issued for projects at the Airports, and this Official Statement pertains to the Airports and the Airports Authority's operation of the Aviation Enterprise.

The Airports

Reagan National Airport was opened for service in 1941. It is located on approximately 860 acres along the Potomac River in Arlington County, Virginia, approximately three miles from downtown Washington, D.C. In 2015, enplanements totaled approximately 11.5 million, nearly all on flights to domestic destinations. Based on three quarters of actual data, origin-destination ("O&D") passengers accounted for an estimated 83.9% of enplanements at Reagan National Airport for 2015. The top two airlines at Reagan National Airport (American Airlines, Inc. and Delta Air Lines, along with their code-sharing affiliate carriers) enplaned 64.6% of all passengers in 2015.

Dulles International Airport was opened for service in 1962. It is located on approximately 11,830 acres (exclusive of the Dulles International Airport Access Highway) in Fairfax and Loudoun Counties, Virginia, approximately 26 miles west of Washington, D.C. In 2015, enplanements totaled approximately 10.7 million, 33.1% on flights to international destinations. Based on three quarters of actual data, O&D passengers accounted for an estimated 66.9% of enplanements at Dulles International Airport for 2015. United Airlines, Inc. accounted for 72.4% of domestic enplanements and 42.5% of international enplanements at Dulles International Airport in 2015 while foreign-flag scheduled airlines accounted for virtually all of the remaining 57.5% of international enplanements.

See "THE AIRPORTS AUTHORITY – The Airports," "THE AIRPORTS AUTHORITY'S FACILITIES AND MASTER PLANS – Facilities at Reagan National Airport and Dulles International Airport," "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY," "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS," and "CERTAIN INVESTMENT CONSIDERATIONS – Airline Consolidations."

The Airline Agreement

The Airports Authority and certain airlines entered into an Airport Use Agreement and Premises Lease (the "Airline Agreement"), which became effective on January 1, 2015, replacing the previously existing agreement. The airlines that have executed the Airline Agreement are the "Signatory Airlines." For airlines operating at Reagan National Airport, the term of the Airline Agreement is 10 years, starting on January 1, 2015, and running to December 31, 2024. For airlines operating at Dulles International Airport, the term of the Airline Agreement is three years, starting on January 1, 2015, and running to December 31, 2017, and may be extended up to and including December 31, 2024, upon the mutual agreement of the Airports Authority and the Signatory Airlines. The Airports Authority and the Signatory Airlines have begun discussions regarding the extension of the Airline Agreement applicable to Dulles International Airport.

The Airline Agreement provides for the use and occupancy of facilities at the Airports and establishes the rentals, fees and charges, including landing fees and terminal rents, to be paid by the Signatory Airlines. The Airline Agreement also provides for the allocation of Net Remaining Revenue between the Airports Authority and the Signatory Airlines and for the Airports Authority to utilize its share of Net Remaining Revenue derived from Reagan National Airport at Dulles International Airport, up to certain specified maximum annual amounts.

The Airline Agreement approves the funding of capital construction programs (collectively, the "Capital Construction Programs" or the "CCP") for Reagan National Airport and Dulles International Airport, as described below.

See "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS" and APPENDIX B – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease."

Capital Construction Programs

The Airports Authority's CCP is comprised of the 2001-2016 CCP, which is nearing completion, and the 2015-2024 CCP, which was approved as part of the current Airline

Agreement. Under the CCP, the Airports Authority has constructed and will construct many of the principal elements of the Reagan National Airport and Dulles International Airport Master Plans, as defined herein, which are necessary for the operation and development of the Airports, and has renovated and will renovate certain existing facilities. See "THE AIRPORTS AUTHORITY'S FACILITIES AND MASTER PLANS."

2001-2016 CCP

The projects included in the 2001-2016 CCP, all of which are scheduled for completion by the end of 2016 (except for the Dulles International Airport Metrorail station, which is expected to be operational in 2020), are collectively referred to as the "2001-2016 CCP." The 2001-2016 CCP currently is estimated to cost approximately $5.0 billion of which approximately $4.7 billion had been expended as of December 2015. See "CAPITAL CONSTRUCTION PROGRAMS (CCP) – The 2001-2016 CCP" and "PLAN OF FUNDING FOR THE CCP."

2015-2024 CCP

The most recent CCP for the period from 2015 to 2024 was approved by the Signatory Airlines as part of the Airline Agreement and is collectively referred to as the "2015-2024 CCP." The 2015-2024 CCP at Reagan National Airport includes a new regional airline concourse; moving security areas outside of the main National Hall; preliminary planning and design work on the redevelopment of Terminal A; a new parking garage; and various airfield, roadway, utility and other improvements. The 2015-2024 CCP at Dulles International Airport includes the renewal and replacement of the existing infrastructure of buildings, airfields, roadways and utilities. The 2015-2024 CCP currently is estimated to cost approximately $1.3 billion (including allowances for inflation but excluding Deferred Projects, as defined below). See "CAPITAL CONSTRUCTION PROGRAMS (CCP) – The 2015-2024 CCP," "CAPITAL CONSTRUCTION PROGRAMS (CCP) – 2015-2024 CCP DEFERRED PROJECTS" and "PLAN OF FUNDING FOR THE CCP."

Funding of the Capital Construction Programs for the Airports

The Airports Authority has financed and plans to complete the financing of the CCP for the Airports with a combination of Bonds (including the possible issuance of approximately $27.5 million of additional bonds for the 2001-2016 CCP and approximately $1.4 billion of additional bonds for the 2015-2024 CCP), CP Notes, Passenger Facility Charges ("PFCs") revenues, federal and state grants and other available Airports Authority funds. See "PLAN OF FUNDING FOR THE CCP."

The Series 2016AB Bonds

The Airports Authority expects to issue its Airport System Revenue Refunding Bonds, Series 2016A, in the principal amount of $362,655,000 (the "Series 2016A Bonds"), and its Airport System Revenue Refunding Bonds, Series 2016B, in the principal amount of $23,370,000 (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "Series 2016AB Bonds"). The Series 2016AB Bonds will be issued under and secured by the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as previously supplemented and amended (the "Master Indenture"), and the Forty-eighth Supplemental

Indenture of Trust dated as of July 1, 2016 (the "Forty-eighth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the Airports Authority and Manufacturers and Traders Trust Company, as the trustee (the "Trustee"). The Series 2016AB Bonds, the Airports Authority's outstanding bonds previously issued under the Master Indenture, and any additional bonds to be issued under the Indenture, as may be further supplemented, are referred to collectively in this Official Statement as the "Bonds." See "THE SERIES 2016AB BONDS."

Use of the Series 2016AB Bond Proceeds

Proceeds of the Series 2016A Bonds, along with other available funds, will be used to (i) refund the Airports Authority's outstanding Airport System Revenue Bonds, Series 2006A and 2006B, (ii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Series 2016A Bonds and any other Common Reserve Bonds, and (iii) pay costs of issuing the Series 2016A Bonds.

Proceeds of the Series 2016B Bonds, along with other available funds, will be used to (i) refund the Airports Authority's outstanding Airport System Revenue Refunding Bonds, Series 2006C, (ii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service requirement for the Series 2016B Bonds and any other Common Reserve Bonds, and (iii) pay costs of issuing the Series 2016B Bonds.

All of the Bonds to be refunded with the proceeds of the Series 2016AB Bonds are collectively referred to as the "Refunded Bonds" and will be legally defeased upon issuance of the Series 2016AB Bonds.

Security and Source of Payment

The Series 2016AB Bonds are secured on a parity with other Bonds issued under the Indenture by a pledge of the Net Revenues derived by the Airports Authority from the operation of the Airports, all as described in the Indenture. The principal sources of Net Revenues are the rentals, fees and charges received from the Signatory Airlines under the Airline Agreement, fees received from non-signatory airlines using the Airports and payments under concession contracts at the Airports. Upon the issuance of the Series 2016AB Bonds and the defeasance of the Refunded Bonds, approximately $4.7 billion aggregate principal amount of Bonds will be outstanding. In addition, the Airports Authority at any time can draw up to $200 million of the Airport System Revenue Commercial Paper Notes, Series Two ("CP Notes"), under the credit facility it currently has in place. See "AIRPORTS AUTHORITY INDEBTEDNESS FOR THE AVIATION ENTERPRISE FUND – Outstanding Bonds of the Airports Authority for the Aviation Enterprise Fund" and "– Commercial Paper Program for the Aviation Enterprise Fund." For a description of the new Airline Agreement that became effective January 1, 2015, see "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS – Airport Use Agreement and Premises Lease."

The Bonds shall not constitute a debt of the District of Columbia or of the Commonwealth of Virginia or of any political subdivision thereof, nor a pledge of the faith and credit of the District of Columbia or of the Commonwealth of Virginia or of any political subdivision thereof. The issuance of the Series 2016AB Bonds under the

provisions of the District Act and the Virginia Act shall not directly, indirectly, or contingently obligate the District of Columbia or the Commonwealth of Virginia or any political subdivision thereof to any form of taxation whatsoever. The Airports Authority has no taxing power. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – General," and APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture" hereto.

Commitment of Certain Passenger Facility Charges

The Airports Authority has irrevocably committed certain designated PFC revenues to pay Debt Service on certain Bonds and also has included in its 2016 Budget its intent to use other available PFC revenues to pay Debt Service on other eligible Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Commitment of Certain Passenger Facility Charges."

Debt Service Reserve Fund

Under the Indenture, the Airports Authority has covenanted to deposit, or cause to be deposited at closing, amounts sufficient to maintain the Common Reserve Account (the "Common Reserve Account") in the Debt Service Reserve Fund in an amount equal to the Common Debt Service Reserve Requirement for the Series 2016AB Bonds and any other Common Reserve Bonds Outstanding (the "Common Debt Service Reserve Requirement"). "Common Reserve Bonds" means any other Series of Bonds issued under the Indenture and designated in writing to the Trustee by an Authority Representative as being secured by amounts on deposit in the Common Reserve Account on a parity with the Series 2016AB Bonds, and any other Common Reserve Bonds. The Common Debt Service Reserve Requirement means an amount equal to the lesser of (i) 10% of the stated principal amount of the Series 2016AB Bonds and any other Common Reserve Bonds; (ii) the Maximum Annual Debt Service on the Series 2016AB Bonds and any other Common Reserve Bonds in any Fiscal Year; or (iii) 125% of the average Annual Debt Service for the Series 2016AB Bonds and any other Common Reserve Bonds. On the closing date, amounts from the series-specific reserve accounts pertaining to the Refunded Bonds will be transferred to the Common Reserve Account and will be used to satisfy the portion of the Common Debt Service Reserve Requirement allocable to the Series 2016AB Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Debt Service Reserve Fund."

Rate Covenant

In the Indenture, the Airports Authority has covenanted that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airports, including services rendered by the Airports Authority, pursuant to the Airline Agreement or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either:

(a) The amounts needed for making the required deposits in each fiscal year to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund and the Emergency Repair and Rehabilitation Fund; or

(b) An amount not less than 125% of the Annual Debt Service with respect to Bonds for such fiscal year.

See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Rate Covenant."

Grant from Commonwealth of Virginia

On May 20, 2016, the Governor of the Commonwealth of Virginia signed House Bill 30, which provides for the Commonwealth of Virginia to extend $50 million in grants to the Airports Authority over a two-year period, beginning in calendar year 2017. These grant funds are to be used by the Airports Authority to reduce the cost per enplanement at Dulles International Airport by reducing debt service requirements and operating costs payable by airlines operating at the airport. To receive the funds, the Airports Authority must enter into an agreement with one or more airlines currently operating at Dulles International Airport that ensures the retention of domestic hub service at Dulles International Airport through at least 2024 and enter into an agreement with the Virginia Department of Transportation that, among other provisions, requires the Airports Authority to present a plan for long-term cost reductions at Dulles International Airport. The Airports Authority has begun discussions with the airlines regarding the extension of the Airline Agreement at Dulles International Airport.

Redemption of the Series 2016AB Bonds

The Series 2016AB Bonds are subject to redemption prior to maturity as described under "THE SERIES 2016AB BONDS – Redemption of the Series 2016AB Bonds."

Certain Investment Considerations

The Series 2016AB Bonds may not be suitable for all investors. Prospective purchasers of the Series 2016AB Bonds should read this entire Official Statement and give careful consideration to certain factors affecting the air transportation industry and the Airports, including cost of aviation fuel, air transportation security concerns, national and global economic conditions, geopolitical risks, financial condition of airlines serving the Airports, regulations and restrictions affecting the Airports, cost and schedule of the CCP, provisions of the Airline Agreement, limitations on Bondholders' remedies, competition and other key factors impacting the Airports. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS" and "CERTAIN INVESTMENT CONSIDERATIONS."

Report of the Airport Consultant

The Airports Authority retained LeighFisher to serve as the Airport Consultant in connection with the issuance of the Series 2016AB Bonds. The Airport Consultant, together with its subconsultant, MAC Consulting, LLC, prepared the Report of the Airport Consultant dated May 31, 2016 (the "Report of the Airport Consultant"). The Report of the Airport Consultant has not been updated to reflect the final pricing terms of the Series 2016AB Bonds or other changes that may have occurred since May 31, 2016. The Airport Consultant has provided its consent to include the Report of the Airport Consultant as APPENDIX A hereto. See "REPORT OF THE AIRPORT CONSULTANT" and APPENDIX A – "Report of the Airport Consultant."

Debt Service Coverage Forecast

The following table sets forth forecasts of the Airports Authority's Net Revenues and debt service coverage for the period from 2016 through 2021. The minimum debt service coverage required by the rate covenant set forth in the Indenture is 1.25x. Debt service coverage is calculated as the ratio of Net Revenues available annually to pay debt service to the Annual Debt Service requirement for the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Rate Covenant." The forecasts are based on assumptions regarding debt service on: the Series 2016AB Bonds; other Bonds to be outstanding following the issuance of the Series 2016AB Bonds; and Additional Bonds that the Airports Authority plans to issue to complete the funding of the 2001-2016 CCP and the 2015-2024 CCP. The Net Revenues of the Airports Authority are forecast to exceed the rate covenant requirement in each year of the forecast period. For information regarding the Airports Authority's actual Annual Debt Service requirements on outstanding debt, see "DEBT SERVICE SCHEDULE." See also "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Commitment of Certain Passenger Facility Charges" and "PLAN OF FUNDING FOR THE CCP – Funding Source: PFCs."

Forecast Debt Service Coverage
($000's)

Year	Net Revenues	Series 2016AB Bonds Debt Service*	Planned Additional Bonds Debt Service[1]	Outstanding Bonds Debt Service	CP Notes Debt Service	LESS: Irrevocable PFC[2]	LESS: Intended PFC[3]	LESS: Approved PFC-eligible Bond debt service[4]	LESS: Future PFC-eligible Bond debt service[5]	Net Bonds Debt Service	Debt Service Coverage Ratio
2016	$518,104	$5,079	$0	$360,167	$0	$(35,000)	$(8,500)	$(2,951)	$0	$318,795	1.63
2017	$506,107	$22,540	$6,195	$358,168	$0	$0	$(45,000)	$(2,923)	$(5,851)	$333,128	1.52
2018	$526,705	$22,548	$41,431	$375,039	$0	$0	$(44,000)	$(3,830)	$(28,983)	$362,205	1.45
2019	$554,474	$22,549	$45,702	$374,064	$0	$0	$(45,000)	$(4,163)	$(28,985)	$364,168	1.52
2020	$560,825	$23,402	$56,817	$378,129	$0	$0	$(46,000)	$(4,223)	$(28,984)	$379,140	1.48
2021	$580,880	$23,389	$74,183	$383,322	$0	$0	$(47,000)	$(4,466)	$(28,984)	$400,444	1.45

* Series 2016AB Bonds Debt Service has not been updated to reflect final pricing terms of the Series 2016AB Bonds.
1 Additional Bonds that the Airports Authority plans to issue to complete the funding for the 2001-2016 CCP and to fund a portion of the 2015-2024 CCP.
2 Consisting of the Airports Authority's irrevocable commitment of $35 million of Designated Passenger Facility Charges (as such term is defined herein) in 2016.
3 PFCs generated at Dulles International Airport that the Airports Authority intends to use to pay Bond debt service.
4 Bond debt service that has been approved under existing PFC applications for projects at Reagan National Airport.
5 Bond debt service for future Additional Bonds that will need to be approved in a PFC application for projects at Reagan National Airport.

Totals may not add due to rounding.
Source: Report of the Airport Consultant.

The forecasts set forth in the Report of the Airport Consultant are based on assumptions as discussed in APPENDIX A – "Report of the Airport Consultant." The Report of the Airport Consultant should be read in its entirety for an understanding of the forecasts and the underlying assumptions. The Report of the Airport Consultant has been included herein in reliance upon the knowledge and experience of LeighFisher as the Airport Consultant and MAC Consulting, LLC, its subconsultant. As stated in the Report of the Airport Consultant, any forecast is subject to uncertainties and therefore there will be differences between the forecast and actual results, which differences may be material. See "CERTAIN INVESTMENT CONSIDERATIONS," "REPORT OF THE AIRPORT CONSULTANT" and APPENDIX A – "Report of the Airport Consultant" for a discussion of factors, data and information that may affect the forecasts.

Ratings

Fitch Ratings, Moody's Investors Service, Inc. and S&P Global Ratings have assigned the Series 2016AB Bonds the ratings of "AA-" (Stable Outlook), "A1" (Positive Outlook) and "AA-" (Stable Outlook), respectively.

OFFICIAL STATEMENT

relating to

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

$386,025,000
CONSISTING OF

$362,655,000	**$23,370,000**
Airport System Revenue	**Airport System Revenue**
Refunding Bonds	**Refunding Bonds**
Series 2016A	**Series 2016B**
(AMT)	**(Non-AMT)**

INTRODUCTION

This Official Statement is furnished in connection with the issuance of the Metropolitan Washington Airports Authority's (the "Airports Authority") Airport System Revenue Refunding Bonds, Series 2016A, to be issued in the principal amount of $362,655,000 (the "Series 2016A Bonds"), and Airport System Revenue Refunding Bonds, Series 2016B, to be issued in the principal amount of $23,370,000 (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "Series 2016AB Bonds").

The Series 2016AB Bonds

The Series 2016AB Bonds will be issued under and secured by the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as previously supplemented and amended (the "Master Indenture"), and the Forty-eighth Supplemental Indenture of Trust dated as of July 1, 2016 (the "Forty-eighth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the Airports Authority and Manufacturers and Traders Trust Company, as the trustee (the "Trustee"). The Series 2016AB Bonds, the Airports Authority's outstanding bonds previously issued under the Master Indenture, and any additional bonds to be issued under the Indenture, as may be further supplemented, are referred to collectively in this Official Statement as the "Bonds."

Proceeds of the Series 2016A Bonds, along with other available funds, will be used to (i) refund the Airports Authority's outstanding Airport System Revenue Bonds, Series 2006A and 2006B, (ii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Series 2016A Bonds and any other Common Reserve Bonds, and (iii) pay costs of issuing the Series 2016A Bonds.

Proceeds of the Series 2016B Bonds, along with other available funds, will be used to (i) refund the Airports Authority's outstanding Airport System Revenue Refunding Bonds, Series 2006C, (ii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service requirement for the Series 2016B Bonds and any other Common Reserve Bonds, and (iii) pay costs of issuing the Series 2016B Bonds.

All of the Bonds to be refunded from the proceeds of the Series 2016AB Bonds are collectively referred to as the "Refunded Bonds" and will be legally defeased upon issuance of the Series 2016AB Bonds.

Prospective Financial Information

Airports Authority management believes that the prospective financial information from its 2016 Budget (see "AIRPORTS AUTHORITY FINANCIAL INFORMATION – Aviation Enterprise Fiscal Year 2016 Budget") and the Report of the Airport Consultant (see APPENDIX A) have been prepared on a reasonable basis, reflecting best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Airports Authority's expected course of action and future financial performance. However, any prospective financial information is subject to uncertainties. Inevitably, some assumptions underlying the prospective financial information will not be realized and unanticipated events and circumstances will occur. Therefore, there will be differences between the prospective financial information and actual results and those differences may be material.

Miscellaneous

This Official Statement consists of the cover page, the inside cover pages, the table of contents, the Summary Statement, the body of this Official Statement and the appendices, all of which should be read in their entirety. This Official Statement contains, among other things, descriptions of the Series 2016AB Bonds, the Airports Authority, including certain financial information, the Airport Use Agreement and Premises Lease (the "Airline Agreement"), the Airport Service Region and the Airports' activity, certain factors affecting the air transportation industry, the financial condition of certain airlines serving the Airports, the Airports Authority's capital construction programs (collectively, the "Capital Construction Programs" or "CCP") for Ronald Reagan Washington National Airport ("Reagan National Airport") and Washington Dulles International Airport ("Dulles International Airport" and, together with Reagan National Airport, the "Airports"), the plan of funding for the CCP and certain investment considerations. Such descriptions do not purport to be comprehensive or definitive.

Unless otherwise defined herein, all terms used in this Official Statement shall have the meanings set forth in APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture."

All references in this Official Statement to documents are qualified in their entirety by reference to such actual documents, and references to the Series 2016AB Bonds are qualified in their entirety by reference to the forms of the Series 2016AB Bonds included in the Forty-eighth Supplemental Indenture.

The audited financial statements of the Airports Authority for the year ended December 31, 2015, which include financial statements and management's discussion and analysis thereof and footnotes thereto, are contained in the Airports Authority's Comprehensive Annual Financial Report of 2015 ("2015 CAFR"), which was filed with the Municipal Securities Rulemaking Board under its Electronic Municipal Market Access System ("EMMA") and can also be found at www.mwaa.com and www.dacbond.com and are hereby incorporated into this

Official Statement by reference. The financial statements as of December 31, 2015 set forth in the 2015 CAFR have been audited by Cherry Bekaert LLP, independent auditor, as stated in their report appearing therein. Cherry Bekaert LLP has not been engaged to perform and has not performed, since the date of its report included therein, any procedures on the financial statements addressed in that report. Additionally, the Cherry Bekaert LLP report does not cover any other information in this Official Statement and should not be read to do so.

Definitions and a summary of certain provisions of the Indenture are included in APPENDIX B. A summary of certain provisions of the Airline Agreement between the Airports Authority and the Signatory Airlines is included in APPENDIX C. A description of the book-entry system maintained by The Depository Trust Company, New York, New York ("DTC") is included in APPENDIX D. The proposed form of the opinion to be delivered to the Airports Authority by Bond Counsel, Squire Patton Boggs (US) LLP, in connection with the issuance of the Series 2016AB Bonds is included in APPENDIX E. A schedule of the Refunded Bonds is included in APPENDIX G.

The Airports Authority has executed a Continuing Disclosure Agreement (the "Disclosure Agreement") with Digital Assurance Certification L.L.C. ("DAC"), the form of which is included in APPENDIX F, to assist the Underwriters in complying with the provisions of Rule 15c2-12 ("Rule 15c2-12"), promulgated by the SEC under the Securities Exchange Act of 1934, as amended, and as in effect as of the date hereof, by providing annual financial and operating data and material event notices required by Rule 15c2-12. See "CONTINUING DISCLOSURE" and APPENDIX F – "Form of Continuing Disclosure Agreement."

The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Airports Authority or the Airports since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Airports Authority or the Underwriters and purchasers or owners of any of the Series 2016AB Bonds.

Inquiries regarding information about the Airports Authority and its financial matters contained in this Official Statement may be directed to Andrew T. Rountree, Vice President for Finance and Chief Financial Officer, at (703) 417-8700, or submitted by email at bondholders.information@mwaa.com. Certain financial information with respect to the Airports Authority, including the Master Indenture, also may be obtained through the Airports Authority's website at www.mwaa.com and through the website of DAC at www.dacbond.com. DAC serves as Disclosure Dissemination Agent for the Airports Authority. See "CONTINUING DISCLOSURE."

THE AIRPORTS AUTHORITY

General

The Airports Authority is a public body politic and corporate, created with the consent of the Congress of the United States by the District of Columbia Regional Airports Authority Act of 1985, as amended, codified at D.C. Official Code §9-901 *et seq.* (2001) (the "District Act"), and

Chapter 598 of the Acts of Virginia General Assembly of 1985, as amended, codified at Va. Code §5.1-152 *et seq.* (2001) (the "Virginia Act" and, together with the District Act, the "Acts"), for the purpose of operating, maintaining and improving the Airports. In the Federal Act, Congress authorized the Secretary of Transportation (the "Secretary") to lease the Airports to the Airports Authority. Pursuant to an Agreement and Deed of Lease effective June 7, 1987 (the "Lease Effective Date"), as amended (the "Federal Lease"), the Airports Authority assumed operating responsibility for Reagan National Airport and Dulles International Airport upon the transfer of an initial 50-year leasehold interest in the Airports from the United States to the Airports Authority in accordance with the Metropolitan Washington Airports Act of 1986 (Title VI, P.L. 99-500, as reenacted in P.L. 99-591, effective October 18, 1986, as amended, codified at 49 U.S.C. §49101 *et seq.* (the "Federal Act")). The Federal Lease was amended in 2003 to extend its term to 2067. See "THE AIRPORTS AUTHORITY – Lease of the Airports to the Airports Authority."

The Airports Authority is independent of the District of Columbia, the Commonwealth of Virginia and the federal government. The Airports Authority has the powers set forth in the Acts, including the authority: (a) to plan, establish, operate, develop, construct, enlarge, maintain, equip and protect the Airports; (b) to issue revenue bonds for any of the Airports Authority's purposes payable solely from the rentals, fees and charges from the Airports pledged for their payment; (c) to fix, revise, charge and collect rates, fees, rentals and other charges for the use of the Airports; (d) to make covenants and to do such things as may be necessary, convenient or desirable in order to secure its bonds; and (e) to do all things necessary or convenient to carry out its express powers. The Airports Authority has no taxing power.

The Airports Authority operates two enterprises – the Aviation Enterprise, under which it operates and maintains the Airports, and the Dulles Corridor Enterprise, under which it operates and maintains the Dulles Toll Road and is constructing the Dulles Metrorail Project. The Dulles Toll Road is an eight-lane limited access highway 13.4 miles in length that begins just inside Interstate 495 (the Capital Beltway) and terminates near Dulles International Airport. The Dulles Metrorail Project is a 23.1 mile extension of the existing Metrorail system from the West Falls Church station to Dulles International Airport and beyond into Loudoun County, Virginia. The Dulles Metrorail Project is being constructed in two phases and, upon completion, each phase will be conveyed to and operated by the Washington Metropolitan Area Transit Authority ("WMATA"). Phase 1 of the Dulles Metrorail Project was completed in 2014, is operational and has been transferred to WMATA. Construction of Phase 2 has commenced and Phase 2 is expected to be operational in 2020. Accordingly, the Airports Authority accounts for the two enterprises separately through the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund. Dulles Toll Road Revenues are treated as "Released Revenues" under the Indenture and therefore are not part of the Net Revenues that secure the Bonds. See "THE AIRPORTS AUTHORITY – Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project." The Series 2016AB Bonds are being issued solely to refinance projects at the Airports, and this Official Statement pertains to the Airports and the Airports Authority's operation of the Aviation Enterprise.

The Airports Authority also is empowered to adopt rules and regulations governing the use, maintenance and operation of its facilities. Regulations adopted by the Airports Authority governing aircraft operations and maintenance, motor vehicle traffic and access to Airports

Authority facilities have the force and effect of law. The Airports Authority also is empowered to acquire real property or interests therein for construction and operation of the Airports. It has the power of condemnation, in accordance with Title 25 of the Code of Virginia, for the acquisition of property interests for airport and landing field purposes.

The Airports

Reagan National Airport was opened for service in 1941. It is located on approximately 860 acres along the Potomac River in Arlington County, Virginia, approximately three miles from downtown Washington, D.C. It has three interconnected terminal buildings, three runways, 44 loading bridge-equipped aircraft gates, and 14 parking positions for regional airline aircraft. As of March 2016, Reagan National Airport was served by nine mainline U.S. airlines, 11 affiliated regional airlines, and two foreign flag airlines. In 2015, enplanements totaled approximately 11.5 million, nearly all flights to domestic destinations.

Dulles International Airport was opened for service in 1962. It is located on approximately 11,830 acres (exclusive of the Dulles International Airport Access Highway) in Fairfax and Loudoun Counties, Virginia, approximately 26 miles west of Washington, D.C. In addition to a main terminal, it has four midfield concourses (A, B, C and D), four runways, 95 loading bridge-equipped aircraft gates, and 35 parking positions for regional airline aircraft. As of March 2016, Dulles International Airport was served by eight mainline U.S. airlines, 11 regional airlines (most operating as affiliates of mainline airlines), 25 foreign flag airlines, and three all-cargo carriers. In 2015, enplanements totaled approximately 10.7 million, 33.1% on flights to international destinations.

See "THE AIRPORTS AUTHORITY'S FACILITIES AND MASTER PLANS – Facilities at Reagan National Airport and Dulles International Airport," "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY," "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS," and "CERTAIN INVESTMENT CONSIDERATIONS – Airline Consolidations."

Board of Directors

The Acts provide that the Airports Authority shall consist of a 17-member Board of Directors (the "Board"). Seven members of the Board are appointed by the Governor of Virginia subject to confirmation by the Virginia General Assembly, four are appointed by the Mayor of the District of Columbia subject to confirmation by the Council of the District of Columbia, three are appointed by the Governor of Maryland, and three are appointed by the President of the United States with the advice and consent of the Senate. Presently, one seat appointed by the President of the United States is vacant. Directors serve staggered six-year terms without compensation and may be reappointed to one additional term.

The members of the Airports Authority's Board of Directors are:

Name	Appointing Authority	Term Expires
William Shaw McDermott, *Chairman*	President of the United States	November 22, 2017
Warner H. Session, *Vice Chairman*	Mayor of the District of Columbia	January 5, 2017
Earl Adams, Jr.	Governor of Maryland	October 10, 2018
Honorable C. Charles Caputo	Governor of Virginia	November 23, 2020
Michael A. Curto*	Governor of Maryland	November 30, 2016
Bruce A. Gates	Governor of Virginia	November 23, 2016†
Anthony H. Griffin	Governor of Virginia	November 23, 2018
Honorable Katherine K. Hanley	Governor of Virginia	November 23, 2020
Barbara Lang	Mayor of the District of Columbia	October 2, 2018
Caren Merrick	Governor of Virginia	October 11, 2018
A. Bradley Mims	Governor of Maryland	November 30, 2020
Thorn Pozen	Mayor of the District of Columbia	January 5, 2021
William E. Sudow	Governor of Virginia	October 11, 2018
J. Walter Tejada	Governor of Virginia	November 23, 2018
Nina Mitchell Wells	President of the United States	May 30, 2018
Joslyn N. Williams	Mayor of the District of Columbia	January 5, 2019
Vacant	President of the United States	

The Board operates through several committees, including Business Administration, Dulles Corridor, Ethics Review, Executive and Governance, Finance, Human Resources, Nominations, Risk Management (formerly Audit – Legal) and Strategic Development. Primary oversight over financing activities is provided by the Finance and the Risk Management Committees. The Co-Chairs of the Board's Finance Committee are Earl Adams, Jr. and Michael A. Curto; Finance Committee Members are C. Charles Caputo, Bruce A. Gates, A. Bradley Mims, Thorn Pozen and William Shaw McDermott (ex officio). The Co-Chairs of the Board's Risk Management Committee are Barbara Lang and Thorn Pozen; Risk Management Committee Members are Earl Adams, Jr., C. Charles Caputo, Anthony H. Griffin and William Shaw McDermott (ex officio).

Senior Management

Airports Authority operations are conducted under the supervision of the Airports Authority management. The current senior management of the Airports Authority are listed below.

JOHN POTTER. Mr. Potter is President and Chief Executive Officer of the Airports Authority. Prior to assuming this position in July 2011, Mr. Potter served as the Postmaster General of the United States for 10 years where he worked to modernize management of the over 500,000 employee organization. Prior to serving as Postmaster General, Mr. Potter served in a number of positions at the United States Postal Service, including Manager of Washington–Baltimore–Northern Virginia Field Operations, Senior Vice President of Labor Relations, Senior Vice President of Operations Support, and

* Mr. Curto is a partner of Squire Patton Boggs (US) LLP, which is serving as Bond Counsel and Disclosure Counsel for the Airports Authority. Mr. Curto is a Co-Chair of the Board's Finance Committee.

† Second term.

Executive Vice President and Chief Operating Officer. Mr. Potter is a graduate of Fordham University (B.A., Economics, 1977) and Massachusetts Institute of Technology (M.S.M., Sloan Fellow, 1995).

MARGARET E. MCKEOUGH. Ms. McKeough is the Executive Vice President and Chief Operating Officer of the Airports Authority. Ms. McKeough previously served for more than five years as the Vice President for Business Administration of the Airports Authority. Prior to joining the Airports Authority in August 1998, Ms. McKeough was the Deputy Aviation Director for Business and Properties at Phoenix Sky Harbor International Airport and managed various business programs in the Phoenix Economic Development Department. Ms. McKeough is a graduate of Providence College (B.A., Political Science, 1983) and the University of Connecticut (M.P.A., 1985).

JEROME L. DAVIS. Mr. Davis is the Executive Vice President and Chief Revenue Officer for the Airports Authority. Mr. Davis joined the Airports Authority in September 2014. Mr. Davis previously served as executive vice president for Food & Retail for Waste Management; global vice president of service excellence, chief client executive officer and president of the Americas for Electronic Data Systems; president of Maytag's Commercial Solutions Division and senior vice president of sales at Maytag Appliance Company; and vice president of national accounts and area vice president for Frito Lay. He started his business career with Procter & Gamble where he worked in a variety of sales leadership positions. Mr. Davis is a graduate of Florida State University (B.S. Communications, 1977). He serves on the board of directors of GameStop Corporation and Apogee Enterprises, Inc.

MONICA R. HARGROVE. Ms. Hargrove is Vice President and Secretary of the Airports Authority. Prior to assuming this position in March 2016, Ms. Hargrove served as Deputy General Counsel of the Airports Authority since November 2013. Before joining the Airports Authority, Ms. Hargrove served as General Counsel of Airports Council International-North America and as a corporate attorney with US Airways for more than 19 years, serving in the positions of Senior Attorney, Assistant General Counsel and Associate General Counsel. Ms. Hargrove began her legal career as a trial attorney in the Antitrust Division of the United States Department of Justice in 1979. She currently serves as the Chair of the American Bar Association's Forum on Air & Space Law, and she served as the 2013 Chair of the Federal Bar Association's Transportation & Transportation Security Law Section. Ms. Hargrove is a graduate of Dartmouth College (B.A., Government, 1976) and the University of Michigan Law School (J.D., 1979).

PHILIP G. SUNDERLAND. Mr. Sunderland is Vice President and General Counsel to the Airports Authority. Prior to assuming this position in April 2008, Mr. Sunderland served as the Secretary and Counsel to the Airports Authority beginning in June 2007. Before joining the Airports Authority, Mr. Sunderland was the chief of staff for Congressman James Moran (VA, 8th). Prior to his work on Capitol Hill, he had been the City Manager for five years and the City Attorney for 14 years for the City of Alexandria, Virginia. Mr. Sunderland has served on the boards of numerous non-profit organizations in Northern Virginia, was a member of a Virginia General Assembly task force that prepared a re-codification of the Local Government chapter of the Virginia Code, and has

served as a teaching fellow at the Stanford Law School and the Chinese University of Hong Kong. He is a graduate of Dartmouth College (B.A., Economics, 1967) and the Stanford University Law School (J.D., 1972).

ANDREW T. ROUNTREE. Mr. Rountree became Vice President for Finance and Chief Financial Officer in December 2010. Prior to then, Mr. Rountree served as the Acting Vice President for Finance and Chief Financial Officer and was the Deputy Chief Financial Officer. He joined the Airports Authority's Office of Finance in October 2005. Prior to joining the Airports Authority, Mr. Rountree was appointed as the Director of Finance for the City of Richmond, Virginia in September 2000. While with the City of Richmond, he served as Deputy Director of Finance from 1998 to 2000. He originally joined the City of Richmond in 1996 as the Chief of the License, Assessment, and Tax Audit. Mr. Rountree began his career with the Commonwealth's Auditor of Public Accounts, the legislatively appointed auditor for Commonwealth, and worked there until 1990 as Audit Director. He subsequently served as Assistant Controller for the Commonwealth's Department of Information Technology until 1996. Mr. Rountree is a graduate of Virginia Commonwealth University (B.S., Economics, 1982) and is a Certified Public Accountant.

LEE WYCKOFF. Mr. Wyckoff is the Vice President for Audit. He joined the Airports Authority in 2015. Prior to joining the Airports Authority, Mr. Wyckoff served as the first Inspector General for the State of Utah. He has also worked as an auditor with progressive levels of responsibility within KPMG, LLP, Genworth Financial, Inc. and Wellpoint, Inc. (a BlueCross BlueShield licensee). Mr. Wyckoff, a Certified Public Accountant and a Certified Information Systems Auditor, is a graduate of Johns Hopkins University (M.S., Engineering – Information Systems, 2003) and Towson University (B.S., Accounting, 1998).

ROGER NATSUHARA. Mr. Natsuhara is the Vice President for Engineering and is responsible for the Airports Authority's Capital Construction Programs and Capital Improvements Program for the Airports. He joined the Airports Authority in October 2014. Mr. Natsuhara has managed large capital programs since 1989 when he was assigned as an Assistant Resident Officer in Charge of Construction at Marine Corps Air Station El Toro. Prior to joining the Airports Authority, he was the Acting Assistant and Principal Deputy Assistant Secretary of the Navy for Energy, Installations and Environment. His responsibilities included overseeing all world-wide construction policies for the Navy and the Marine Corps. He is a graduate of the University of California, Berkeley (B.S., Civil Engineering, 1980) and Naval Postgraduate School (M.S., Financial Management, 1989).

DAVID R. MOULD. Mr. Mould is Vice President for Communications, which includes public relations, media relations, employee communications, government relations, community relations and noise abatement programs. He joined the Airports Authority in June 2012, after serving as chief of communications for government agencies, including NASA and the Tennessee Valley Authority, and energy corporations, including Southern Company and PG&E National Energy Group. He also has served as senior policy advisor to the United States Secretary of Energy and as a public affairs consultant and

lobbyist in the energy and aerospace industries. He was a journalist for three newspapers and the United Press International news agency. He serves on the boards of the Washington School of Photography and Washington ArtWorks, and is the author of history books on Charleston, S.C., and the Georgetown neighborhood of Washington D.C. He is a graduate of Emory University (M.B.A., 1998) and the University of Tennessee (B.S. Communications, 1980).

GOUTAM KUNDU. Mr. Kundu is Vice President for Technology and Chief Information Officer. He joined the Airports Authority in June 2013. Prior to joining the Airports Authority, Mr. Kundu held the executive positions of Chief Information Officer at the United States Mint; Vice President at NIIT Technologies, a global IT Service and software company; Chief Information Officer at the Washington Suburban Sanitary Commission; and Chief Technology Officer at Farm Bureau Insurance. He is a graduate of the University of Calcutta (B.S., Computer Engineering, 1993) and the Indiana University Kelley School of Business (M.B.A., 1998).

STEVEN C. BAKER. Mr. Baker is Vice President for Business Administration. Prior to joining the Airports Authority in October 2005, Mr. Baker served as Deputy Aviation Director of the Miami International Airport and the Deputy General Manager of Hartsfield Jackson-Atlanta International Airport. Mr. Baker also worked with the Harold A. Dawson Real Estate Development Company as Vice President of Portfolio Management. Earlier in his career, Mr. Baker served as Vice President of Aviation Resource Partners, Inc., Real Estate Counsel for American Airlines, Inc., and Regional Administrator for United Airlines, Inc. He is a graduate of Cornell University (B.A., Economics, 1982), the Wharton School (M.B.A., Real Estate Finance, 1986) and the University of Pennsylvania School of Law (J.D. 1986).

MIKE STEWART. Mr. Stewart is Vice President for Airline Business Development. He joined the Airports Authority in April 2007 as Airline Affairs Manager, was promoted to Manager, Airport Administration at Dulles International Airport in 2008, and in February 2015 was promoted to Acting Manager of Business Development until assuming his current position in October 2015. Prior to joining the Airports Authority, Mr. Stewart served over six years as Director of Airport Affairs and Regional Director, United Express Station Operations for Independence Air and its predecessor Atlantic Coast Airlines; he also served over fifteen years in various positions, including Station Manager, for Piedmont Airlines and US Airways. Mr. Stewart is a graduate of Middle Tennessee State University (B.S., Aerospace, 1983).

MARK TREADAWAY. Mr. Treadaway is Vice President for Business Outreach. He joined the Airports Authority in April 1992, holding several positions in marketing and air service development. Prior to joining the Airports Authority, he gained experience in strategic business planning and account management while employed at advertising agencies, Apple Computer, Inc. and as a founding partner of a marketing consultancy group. He is a graduate of the University of Texas (B.B.A., 1978) and American Graduate School of International Management (Thunderbird Campus) in Phoenix, Arizona, (M.B.A., 1980).

ANTHONY VEGLIANTE. Mr. Vegliante is Vice President for Human Resources and Administrative Services. He joined the Airports Authority in May 2013. Prior to joining the Airports Authority, Mr. Vegliante was the Chief Human Resources Officer for the United States Postal Service, where he managed the human resources function for more than 500,000 employees nationwide. Prior to that assignment Mr. Vegliante was the Vice President for Labor Relations and participated in 20 national labor negotiations at the United States Postal Service. In 2010, Mr. Vegliante was elected a fellow of the National Academy of Human Resources, the first public sector executive to receive the honor. He is a graduate of the University of Rhode Island (B.S., Economics, 1974), the University of Southern California Executive Management Program, the University of Bridgeport (M.S., Business Education, 1979), and the University of New Haven (M.S., Industrial Relations, 1997).

J. PAUL MALANDRINO, JR. Mr. Malandrino is Vice President and Airport Manager at Reagan National. Mr. Malandrino was the Federal Security Director at Thurgood Marshall Baltimore/Washington International Airport for almost four years before assuming his current position in July 2006. Prior to that time, he served as Manager of the Operations Department at Dulles International Airport for more than six years. Mr. Malandrino retired from the United States Air Force in 1996, after spending 30 years on active duty. Mr. Malandrino is a graduate of the Citadel (B.A. History, 1965) and Golden Gate University (M.P.A., 1976).

CHRISTOPHER U. BROWNE. Mr. Browne is Vice President and Airport Manager at Dulles International. He joined the Airports Authority in April 1988 as an Operations Duty Officer and was promoted to the Manager of the Operations Division in 1995. He was subsequently promoted to Vice President and Airport Manager at Reagan National in 1998, where he served until he assumed his current position in April 2005. Mr. Browne retired from the Navy in March 2000, after seven years of active duty and 13 years in the United States Naval Reserves, during which time he attained the rank of Commander. Mr. Browne is a graduate of Dartmouth College (B.A., History, 1980).

BRYAN NORWOOD. Mr. Norwood is Vice President for Public Safety and Acting Chief of Police. He joined the Airports Authority in April 2014. He began his law enforcement career in 1989 as a police officer in New Haven, Connecticut. After rising through the ranks to assistant chief in 2002, he was appointed chief of police in Bridgeport, Connecticut, in 2006, and chief of police in Richmond, Virginia, in 2008. Mr. Norwood also was a special agent for the United States Drug Enforcement Administration from 1998 to 1999. He was chairman of the Central Virginia Law Enforcement Chief Executive Association and is a member of the International Association of Chiefs of Police, the Virginia Association of Chiefs of Police, and the National Organization of Black Law Enforcement Executives. He is a graduate of Hampton University (B.A. in Psychology, 1988) and New Haven Police Academy (1989).

JULIA T. HODGE. Ms. Hodge became Vice President for Supply Chain Management in May 2016 and is responsible for the Airports Authority's Procurement and Contracts, Supplier Diversity, and Property Management functions. She joined the Airports

Authority in September 2009 and previously held leadership positions in the Office of Finance and Office of Audit. She most recently served as the Deputy Vice President for Corporate Risk and Strategy, where she managed organization-wide governance, compliance, and strategic planning. Prior to joining the Airports Authority, she was an auditor and management consultant with PricewaterhouseCoopers, LLP. Ms. Hodge is a Certified Public Accountant in the Commonwealth of Virginia. She is a graduate of Boston College (B.S., Accounting, 2000) and Georgetown University (E.M.L., 2012).

Inspector General Audit Reviews

In 2011, at the request of two members of the U.S. House of Representatives, the U.S. Department of Transportation Office of Inspector General (the "Inspector General") initiated a review of the governance and management of the Airports Authority. The Inspector General issued an audit report on November 1, 2012, which addressed the Airports Authority's policies and practices in the areas of procurement, human resources, employee ethics, and Board governance and transparency, and an audit report on January 16, 2014, which addressed the Dulles Corridor Enterprise and the Airports Authority's financial management controls over the existing federal grant agreement for the Dulles Metrorail Project. The Airports Authority has taken action to address all recommendations in those reports.

On March 20, 2015, the Inspector General released an audit report (the "2015 Audit Report") identifying certain issues relating to the internal audit function performed by the Office of Audit at the Airports Authority. In particular, the 2015 Audit Report concluded that the Office of Audit (1) lacked a quality review process, (2) had insufficient audit policies and procedures, (3) did not adequately support its reports, and (4) inadequately documented its audit plans and risk assessments. The 2015 Audit Report made seven recommendations for the Office of Audit at the Airports Authority to bring its internal audit quality assurance and improvement program in conformance with applicable auditing standards. The Airports Authority has taken action on all of the 2015 Audit Report recommendations, including changes to the reporting relationships of the Office of Audit, to include both functional reporting to the Board of Directors and administrative reporting to the President and Chief Executive Officer.

Employees and Labor Relations

As of March 2016, the Airports Authority employed approximately 1,609 full and part-time employees, 1,213 of whom were employed in aviation functions, 61 of which were employed in Dulles Corridor (toll and rail), and 335 of whom were employed in consolidated functions. Of the total employees of the Airports Authority, 827 are represented by labor unions in five bargaining units. The Airports Authority is not subject to the National Labor Relations Act and also is outside the jurisdiction of the Federal Labor Relations Authority. As required by the Federal Lease, the Board has adopted a Labor Code which establishes an Employee Relations Council (the "ERC"). The ERC consists of nine members who are named to two-year terms by mutual agreement between the President and Chief Executive Officer of the Airports Authority and the labor organizations representing Airports Authority employees. The ERC is composed of three panels: the Impasse Disputes Panel, the Representation Matters Panel and the Unfair Labor Practices Panel. Through these panels, the ERC acts on petitions for exclusive representation, resolves negotiation disputes and investigates unfair labor practice allegations.

Pursuant to the Airports Authority's Labor Code, Airports Authority employees are prohibited from striking.

Lease of the Airports to the Airports Authority

The Airports were transferred by the federal government to the Airports Authority on June 7, 1987, for an initial term of 50 years ending June 6, 2037. The term of the Federal Lease may be extended by mutual agreement and execution of a written extension by the Secretary of Transportation and the Airports Authority, and this was done in 2003 to extend the term to June 6, 2067. The Federal Lease transferred a leasehold interest in all of the Airports' then existing real property, including access highways and related facilities, and transferred title to all equipment, materials, furnishings and other personal property appurtenant to or located on the Airports' real property (other than particular property required for federal air traffic control responsibilities). Since the transfer, the Airports Authority has acquired title to approximately 1,540 acres of land, as well as aviation easements over approximately 158 acres of land adjacent to Dulles International Airport for airport expansion. Included in the land acquired are 830 acres of land to accommodate the new runways at Dulles International Airport and other future development. All land acquired after the transfer is not subject to the Federal Lease, except that any such land in the Airports Authority's possession upon expiration of the Federal Lease will revert to the federal government. The Federal Lease has been amended over the years to reflect changes in federal law eliminating the Airports Authority's Board of Review and increasing the number of appointees to the Board.

The FAA Modernization and Reform Act of 2012 (the "2012 FAA Reauthorization Act") expanded the purposes for which the real property subject to the Federal Lease may be used to include any business activity that is consistent with the needs of aviation and has been approved by the United States Secretary of Transportation. Prior to that amendment, the real property subject to the Federal Lease could be used only for aviation business or activities, activities necessary or appropriate to serve passengers or cargo in air commerce and nonprofit, and public use facilities consistent with the needs of aviation. The Federal Lease has been amended to incorporate this provision of the 2012 FAA Reauthorization Act. In addition, the Federal Lease has been amended to provide that the Airports Authority will adopt, maintain and adhere to policies and procedures in the areas of "procurement and contracting, human resources (including hiring and adverse action), budget (as relates to federal funds), travel, ethics, governance, and transparency (including open meetings and executive sessions)" – areas addressed in the 2012 Audit Report – that are "substantially similar to those of similar public entities and strive to reflect a standard of 'best practices'." The amendment also provides that the Airports Authority will develop these policies and procedures in consultation with the United States Secretary of Transportation, or the Secretary's designee, and will obtain the concurrence of the same prior to adopting such policies and procedures.

Under the Federal Lease, the Airports Authority has full power and dominion over, and complete discretion in the operation and development of, the Airports. Pursuant to the Federal Lease, the Airports Authority adopted all existing labor agreements in effect on the Lease Effective Date, and provided for the transfer to the Airports Authority of employees who were employees of the FAA and the continuation of various employment benefits, including coverage of certain United States Civil Service retirement benefits. The Airports Authority has satisfied

its legal requirement to fund these pension and other benefit obligations. For a detailed discussion of the Airports Authority pension plans and the funding status of those pension plans, deferred compensation plan and other post-employment benefits, see Notes 8 and 9 to the 2015 CAFR which was filed with EMMA and can also be found at www.mwaa.com and www.dacbond.com.

The Federal Lease provides for an annual base rental payable to the United States Treasury, which was initially $3.0 million for the one-year period that commenced June 7, 1987. This amount is subject to annual adjustment for inflation and interest. The adjusted lease payment for the year ended June 6, 2015 was $5.358 million, and the adjusted lease payment for the year ended June 6, 2016 is estimated to be $5.433 million. The Airports Authority has made all rental payments on a timely basis.

The Airports Authority is required by the Master Indenture to deposit funds into a reserve for rental payments on a monthly basis and to make rental payments in semiannual installments. Any interest earned on the deposited funds also is required to be paid to the United States. Payments under the Federal Lease are to be made by the Airports Authority from funds legally available for such purpose, after the Airports Authority has satisfied its contractual obligations in respect of debt service on its bonds and other indebtedness, and paid or set aside the amounts required for payment of the operating and maintenance expenses of the Airports. The Airports Authority has made all rental deposits and payments on a timely basis.

Under the Federal Lease, the Airports Authority may not use certain revenues from one Airport for payment of operation and maintenance expenses at the other Airport. However, this restriction does not extend to debt service, amortization or depreciation expenses. The Federal Lease requires the Airports Authority to use the same basis in calculating general aviation landing fees at the Airports as is used in setting air carrier landing fees.

The Federal Lease imposes certain restrictions on the Airports Authority in the operation of the Airports. For example, the Airports Authority may not (a) increase or decrease the number of Instrument Flight Rule takeoffs and landings permitted at Reagan National Airport by the FAA's High Density Rule as in effect on October 18, 1986, which rule limits, with certain exceptions, the number of air carrier flight arrivals and departures that can be scheduled to 37 per hour, and 11 regional air carrier flights and 12 general aviation flights scheduled per hour, (b) impose any limitation on the number of passengers taking off or landing at Reagan National Airport, or (c) change the hours of operation or the types of aircraft serving either of the Airports, except by regulation adopted after a public hearing. See "Regulations and Restrictions Affecting the Airports" below.

The Federal Lease requires the Airports Authority to maintain a risk financing plan for its casualty and property losses, covering such items as are customarily insured by enterprises of a similar nature. The Airports Authority's risk financing plan includes risk retention, risk transfer to commercial insurers or participation in group risk financing plans. The Airports Authority is required to consult with qualified actuaries and risk management consultants in developing its risk management plan. The Airports Authority has adopted a risk financing plan in accordance with the requirements of the Federal Lease. See "Insurance" below.

The following constitute "events of default" under the Federal Lease: (a) the failure of the Airports Authority to make rental payments for 30 days after their due date; (b) the continuation of the use of any of the leased property or any portion thereof for purposes other than airport purposes (for 30 days after notice of such noncompliant use from the Secretary, unless good faith efforts to remedy the default have been commenced and are being diligently pursued); and (c) the continuation of a breach of any other provision of the Federal Lease (for 30 days after notice of the breach from the Secretary, unless good faith efforts to remedy such default have been commenced and are being diligently pursued). In the case of an event of default described in (a) or (c) above, the Secretary may request the United States Attorney General to bring an appropriate action to compel compliance with the Federal Lease by the Airports Authority. In the case of an event of default relating to a rental payment under the Federal Lease, the Secretary may assess penalties and interest at specified rates. In the case of an event of default described in (b) above, the Secretary is required to direct the Airports Authority to bring the use of Airport property into conformity with the Federal Lease and to retake that property if the Airports Authority does not comply within a reasonable period. It is only in this "event of default," where Airport property is used for non-airport purposes, that the Federal Lease, as to the property so used, may be terminated.

Although the Airports Authority is not required to follow federal contracting statutes and regulations, the Airports Authority is obligated under the terms of the Federal Lease to implement contracting procedures to achieve, to the maximum extent practicable, full and open competition. The Airports Authority has published a contracting manual that sets forth its procedures for full and open competition, and has amended the manual to incorporate recommendations made by the Inspector General in 2012.

Regulations and Restrictions Affecting the Airports

The operations of the Airports Authority and its ability to generate revenues are affected by a variety of legislative, legal, contractual and practical restrictions. These include, without limitation, restrictions in the Federal Act, limitations imposed by the Federal Lease and provisions of the Airline Agreement. Both Airports are subject to the extensive federal regulations applicable to all airports and, following the September 11, 2001 attacks, the FAA instituted additional special operating restrictions at Reagan National Airport. The following summarizes some of the regulations and restrictions applicable to the Airports.

Historical Operating Restrictions at Reagan National Airport

Reagan National Airport is subject to the following federal statutory and regulatory restrictions that do not apply to most other airports in the United States:

(i) The High Density Rule. The FAA regulation known as the High Density Rule limits the number of air carrier, regional air carrier and general aviation flights that can be scheduled at Reagan National Airport. The High Density Rule has been in effect since 1969, and is intended to promote air traffic efficiency and relieve congestion. The maximum number of air carrier flight arrivals and departures authorized by the High Density Rule is 37 per hour, with some exceptions. In addition to the air carrier flights, the rule allows 11 regional air carrier flights and 12 general aviation operations per hour.

(ii) The Perimeter Rule. Under the Federal Act, nonstop flights to and from Reagan National Airport generally are limited to destinations no more than 1,250 miles away (the "Perimeter Rule").

Since 2000, Congress has authorized increases in flight activity at Reagan National Airport exceeding the number of flights authorized by the High Density Rule and the distance of flights under the Perimeter Rule. The 2012 FAA Reauthorization Act increased the number of slot pairs (i.e., daily round trip flights) to points beyond the perimeter from 12 to 20. Of these eight additional slot pairs, four were awarded to existing air carriers serving Reagan National Airport. The remaining pairs were offered to four new entrant air carriers or limited incumbent airlines. The Airports Authority cannot predict the impact of future changes to the High Density Rule or the Perimeter Rule on the Airports, but such changes would likely increase flight activity at Reagan National Airport and could cause some reduction in flight activity at Dulles International Airport.

Additional Security Restrictions at Reagan National Airport

Although general aviation is authorized at Reagan National Airport, it is subject to compliance with strict security requirements, including arrival from one of 117 "gateway" airports[*], advanced screening and background checks of crews and passengers, Transportation Security Administration ("TSA") inspection of crews, passengers and property and the presence of armed officers on each flight. General aviation activities at Reagan National Airport have no material effect on traffic and revenues at Reagan National Airport.

Since September 11, 2001, general aviation activity has been severely curtailed at Reagan National Airport. Initially banned following September 11, 2001, general aviation was authorized to resume at Reagan National Airport on October 18, 2005, but subject to compliance with strict security requirements.

Possible Future Restrictions at Reagan National Airport

For security reasons, the federal government could restrict future flights at or close to Reagan National Airport for extended periods or permanently. If closure of the Airport or such restrictions were to occur, they would have a negative impact on enplanements at the Airport and, as a result, on Revenues. If this were to occur, the Airports Authority would expect to seek compensation from the federal government for the losses and damages incurred, as it did successfully when Reagan National Airport was temporarily closed as a result of the events of September 11, 2001. No assurances can be given, however, that any compensation would be forthcoming from the federal government in these circumstances.

Federal Funding Regulations at the Airports

The FAA has the power to terminate the Airports Authority's authority to impose PFCs if PFC revenues are not used for approved projects, if project implementation does not commence within the time periods specified in the FAA's regulations or if the Airports Authority otherwise

[*] The FAA uses the term "gateway" airport to refer to certain airports from which all flights to Reagan National Airport must complete TSA screening prior to landing at Reagan National Airport.

violates FAA regulations. The Airports Authority's plan of funding for the CCP is premised on certain assumptions with respect to the approval by the FAA of the Airports Authority's PFC applications and the availability of PFC revenues to fund PFC-eligible portions of certain projects in the CCP. In the event that PFC revenues are lower than those expected, the Airports Authority may elect to delay certain projects or seek alternative sources of funding, including the possible issuance of additional Bonds. See "PLAN OF FUNDING FOR THE CCP – Funding Source: PFCs" and "CERTAIN INVESTMENT CONSIDERATIONS – Federal Funding; Impact of Federal Sequestration."

Noise Abatement Programs

Since 1993, the Airports Authority has had an aircraft noise compatibility program at Reagan National Airport that was approved by the FAA under 14 C.F.R. Part 150, the FAA program for addressing noise issues involving airports and neighboring communities ("Part 150"). The Airports Authority's program includes noise abatement flight corridors, nighttime noise limits and nighttime engine run-up limitations. In accordance with FAA requirements, in December 2004, the Airports Authority completed and delivered to the FAA a Part 150 review of its noise compatibility program for Reagan National Airport which, in light of changes in the type and number of aircraft operating at Reagan National Airport, proposed certain modifications to the program. The Airports Authority received FAA approval of the Part 150 review in January 2008.

The Airports Authority also has an aircraft noise compatibility program for Dulles International Airport. All runways at Dulles International Airport have buffers between the runway ends and the airport boundary. The Airports Authority worked in conjunction with the planning departments in Fairfax County and Loudoun County to provide for compatible land uses in the vicinity of Dulles International Airport, specifically in those areas projected to be adversely affected by significant aircraft noise in the future. The original Part 150 program for Dulles International Airport was completed by the FAA in 1985. In 1993, the noise exposure analysis was updated to reflect the phase-out of older, noisier aircraft as mandated by Congress. Both counties have adopted land-use plans that provide for development compatible with the predicted noise exposure from the planned five runways at Dulles International Airport.

Risk Based Auditing

The functions of the Airports Authority's Office of Audit include coordination of the annual financial statement audit performed by independent external auditors, as well as the provision of internal audits of internal controls. The Office of Audit conducts internal audits to provide the Airports Authority's management and Board with reasonable assurance that: (1) risks are being identified and managed; (2) management and delivery capacity are being maintained; (3) adequate control is being exercised; and (4) appropriate results are being achieved. The Office of Audit is to assess organization-wide risk to evaluate the allocation of internal audit resources and to develop annual audit plans in a manner that gives appropriate consideration to risks affecting the Airports Authority. See "THE AIRPORTS AUTHORITY – Inspector General Audit Reviews" for a discussion of the 2015 Audit Report and the actions taken by the Airports Authority in response to that report.

Insurance

The Airports Authority was required under the Federal Lease to have certain insurance in force on the Lease Effective Date and over the years has maintained property and casualty policies, including airport liability insurance to protect its operations. Additionally, the Airports Authority created an Owner Controlled Wrap-Up Insurance Program ("OCWIP") for CCP-related work performed at the Airports to provide builders' risk, workers' compensation, environmental, and general liability insurance to protect all enrolled contractors and their subcontractors of all tiers. The OCWIP is designed to reduce conflict among contractors and insurance providers, increase the liability protection for all participants, and reduce the total cost of the insurance for and during construction. The Airports Authority has acquired commercial insurance coverage for war risks, including terrorism, on selected liability insurance and property insurance policies. Each policy has specified limits and exclusions. Under the Airline Agreement, Signatory Airlines also are required to maintain certain amounts of comprehensive liability insurance.

Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project

The Airports Authority operates two enterprises – the Aviation Enterprise, under which it operates and maintains the Airports, and the Dulles Corridor Enterprise, under which it operates and maintains the Dulles Toll Road ("DTR") and is constructing the Dulles Metrorail Project. The Airports Authority accounts for the two enterprises separately through the Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund. Dulles Toll Road Revenues are treated as "Released Revenues" under the Indenture and therefore are not part of the Net Revenues that secure the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – General."

On November 1, 2008, the Virginia Department of Transportation ("VDOT") transferred operational and financial control of the DTR from VDOT to the Airports Authority for a term of 50 years, upon the terms and conditions set forth by the Master Transfer Agreement dated December 29, 2006, and the Permit and Operating Agreement dated December 29, 2006 (collectively, the "VDOT Agreements"), each entered into by and between VDOT and the Airports Authority. In exchange for the rights to the revenues from operation of the DTR and certain other revenues described in the VDOT Agreements (collectively, the "DTR Revenues"), the Airports Authority agreed to (i) operate and maintain the DTR, (ii) cause the design and construction of the Dulles Metrorail Project and (iii) make other improvements in the Dulles Corridor consistent with VDOT and regional plans.

The Dulles Toll Road is an eight-lane limited access highway 13.4 miles in length that begins just inside Interstate 495 (the Capital Beltway) and terminates near Dulles International Airport. The Dulles Metrorail Project is a 23.1 mile extension of the existing Metrorail system from the West Falls Church station to Dulles International Airport and beyond into Loudoun County, Virginia. The Dulles Metrorail Project is being constructed in two phases and, upon completion, each phase will be conveyed to and operated by WMATA. Phase 1 of the Dulles Metrorail Project was completed in 2014, is operational and has been transferred to WMATA. The cost of Phase 1 was $2.982 billion. Construction of Phase 2 has commenced and Phase 2 is expected to be operational in 2020. The cost of Phase 2 is currently estimated at $2.778 billion.

The Dulles Metrorail Project is being funded with a combination of Dulles Toll Road Revenue Bonds issued by the Airports Authority and secured by a pledge of DTR Revenues, federal grants and loans, grants from the Commonwealth of Virginia, contributions from local jurisdictions in the Commonwealth of Virginia, and a contribution from the Airports Authority totaling 4.1% of the total project cost. The Airports Authority's contribution will be funded by the Aviation Enterprise Fund over the period of June 2015 to August 2019 mainly by PFCs. The Airports Authority has issued approximately $1.7 billion of Dulles Toll Road Revenue Bonds. The Airports Authority also issued $1.278 billion Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 2014, on August 20, 2014, pursuant to a loan agreement with the Transportation Infrastructure Financing Innovative Act's ("TIFIA") Credit Program Office. No additional Dulles Toll Road Revenue Bonds currently are expected to be necessary to fund the Dulles Metrorail Project.

THE SERIES 2016AB BONDS

General

The Series 2016AB Bonds are being issued under the Indenture. The Series 2016AB Bonds will be dated as of their date of delivery, which will be on or about July 7, 2016, will bear interest from that date, payable beginning on October 1, 2016, and semiannually thereafter on each April 1 and October 1 at the interest rates, and will mature on October 1 in the years, set forth on the inside cover pages of this Official Statement. The Series 2016AB Bonds will be issued in denominations of $5,000 or integral multiples thereof and will be subject to redemption prior to maturity as described below under "Redemption of the Series 2016AB Bonds."

Book-Entry Only System

The Series 2016AB Bonds will be issued as fully registered bonds without coupons and are initially to be registered in the name of Cede & Co., as nominee for DTC as securities depository for the Series 2016AB Bonds. Purchases by beneficial owners are to be made in book-entry form. If at any time the book-entry only system is discontinued for the Series 2016AB Bonds, the Series 2016AB Bonds will be exchangeable for other fully registered certificated Series 2016AB Bonds in any authorized denominations, maturity and interest rate. Interest will be payable by check or draft mailed to the Holder as of the Record Date. The Trustee may impose a charge sufficient to reimburse the Airports Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or any transfer of a Series 2016AB Bond. The cost, if any, of preparing each new Series 2016AB Bond issued upon such exchange or transfer, and any other expenses of the Airports Authority or the Trustee incurred in connection therewith, will be paid by the person requesting such exchange or transfer. At the request of any Holder of at least $1,000,000 principal amount of the Series 2016AB Bonds, payment of interest will be made by wire transfer as directed by such Holder. Payment of principal of the Series 2016AB Bonds will be made upon presentation and surrender of such Bonds at the principal corporate trust office of the Trustee. For more information regarding the Book-Entry Only System, see APPENDIX D – "Book-Entry Only System."

NONE OF THE AIRPORTS AUTHORITY, THE UNDERWRITERS, OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO., ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2016AB BONDS; (iii) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF ANY SERIES 2016AB BONDS; (iv) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO ANY SERIES 2016AB BONDS; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2016AB BONDS; OR (vi) ANY OTHER MATTER RELATING TO DTC OR THE BOOK-ENTRY ONLY SYSTEM.

Redemption of the Series 2016AB Bonds

Optional Redemption at Par

The Series 2016AB Bonds maturing on and after October 1, 2027 are subject to optional redemption prior to maturity by the Airports Authority, on and after October 1, 2026, in whole or in part, by lot, at any time, at 100% of the principal amount of the Series 2016AB Bonds to be redeemed plus interest accrued to the date fixed for redemption.

Make-Whole Optional Redemption

The Series 2016AB Bonds are subject to optional redemption prior to maturity, in whole or in part, at any time prior to:

(a) the maturity date, with respect to Series 2016AB Bonds maturing prior to October 1, 2027, and

(b) October 1, 2026, with respect to Series 2016AB Bonds maturing on or after October 1, 2027,

at the "Make Whole Redemption Price", which is equal to the greater of:

(i) one hundred two percent (102%) of the Amortized Value (as defined below) of the Series 2016AB Bonds to be redeemed, plus accrued and unpaid interest on the Series 2016AB Bonds to be redeemed on the redemption date, or

(ii) an amount equal to the sum of the present values of the remaining scheduled payments of principal of and interest on the Series 2016AB Bonds to be redeemed, from and including the date of redemption to (A) the maturity date, with respect to Series 2016AB Bonds maturing prior to October 1, 2027, and (B) October 1, 2026, with respect to Series 2016AB Bonds

maturing on or after October 1, 2027, discounted to the date on which the Series 2016AB Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months at a discount rate equal to the Applicable Tax-Exempt Bond Rate (as defined below).

The "*Amortized Value*" will equal the principal amount of the Series 2016AB Bonds to be redeemed multiplied by the price of such Series 2016AB Bonds, expressed as a percentage, calculated based on the industry standard method of calculating bond prices, with a delivery date equal to the date of redemption and a maturity date equal to (i) with respect to Series 2016AB Bonds maturing prior to October 1, 2027, the maturity date, or (ii) with respect to Series 2016AB Bonds maturing on or after October 1, 2027, October 1, 2026.

"*Applicable Tax-Exempt Bond Rate*" means the "Interpolated AAA Yields" rate for (a) the maturity date with respect to Series 2016AB Bonds maturing prior to October 1, 2027 and (b) October 1, 2026 with respect to Series 2016AB Bonds maturing on or after October 1, 2027, as published most recently by the Municipal Market Data ("MMD") at least five calendar days, but not more than 45 calendar days, prior to the redemption date of the Series 2016AB Bonds to be redeemed. If no such rate is established for the applicable year, the "Interpolated AAA Yields" rate for the published maturities most closely corresponding to the applicable year will be determined, and the Applicable Tax-Exempt Bond Rate will be interpolated from those rates on a straight-line basis. Should the MMD no longer publish the "Interpolated AAA Yields" rate, then the Applicable Tax-Exempt Bond Rate will equal the "Consensus Scale" rate for the applicable year as published by Municipal Market Advisors ("MMA"). In the further event that MMA no longer publishes the "Consensus Scale," the Applicable Tax-Exempt Bond Rate will be determined by a broker-dealer registered with the U.S. Securities and Exchange Commission and the Financial Industry Regulatory Authority, Inc. selected by Airports Authority, as the quotation agent, based upon the rate per annum equal to the semiannual equivalent yield to maturity for those tax-exempt general obligation bonds rated in the highest rating category by Moody's Investors Service. Inc. and S&P Global Ratings, with a maturity date equal to (a) the maturity date with respect to Series 2016AB Bonds maturing prior to October 1, 2027 and (b) October 1, 2026 with respect to Series 2016AB Bonds maturing on or after October 1, 2027, having characteristics (other than the ratings) most comparable to those of such Series 2016AB Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax-Exempt Bond Rate will be final and binding in the absence of manifest error.

Method of Selecting the Bonds for Redemption

In the event that less than all of the outstanding Series 2016AB Bonds of a Series are to be redeemed, the maturities to be redeemed and the method of their selection will be determined by the Airports Authority. In the event that less than all of any Series 2016AB Bonds of a maturity are to be redeemed, the Series 2016AB Bonds of such maturity to be redeemed will be selected by lot in such manner as the Trustee determines.

Upon the selection and call for redemption of, and the surrender of, any Series 2016AB Bonds for redemption in part only, the Airports Authority will cause to be executed, authenticated and delivered to or upon the written order of the Holder thereof, at the expense of the Airports Authority, a new bond or bonds in fully registered form, of authorized

denominations and like tenor, in an aggregate face amount equal to the unredeemed portion of the Series 2016AB Bonds of the applicable Series.

Notice of Redemption

Any notice of redemption of any Series 2016AB Bonds must specify (a) the date fixed for redemption, (b) the principal amount of the Series 2016AB Bonds or portions thereof to be redeemed, (c) the applicable redemption price, (d) the place or places of payment, (e) that payment of the principal amount and premium, if any, will be made upon presentation and surrender to the Trustee or Paying Agent, as applicable, of the Series 2016AB Bonds to be redeemed, (f) that interest accrued to the date fixed for redemption will be paid as specified in such notice, (g) that on and after the redemption date, interest on the Series 2016AB Bonds which have been redeemed will cease to accrue, and (h) the designation, including Series, and the CUSIP and serial numbers of any Series 2016AB Bonds to be redeemed and, if less than the face amount of any Series 2016AB Bond is to be redeemed, the principal amount to be redeemed.

Any notice of redemption will be sent by the Trustee not less than 30 nor more than 60 days prior to the date set for redemption by first class mail (a) at the address shown on the Register, to the Holder of each Series 2016AB Bond to be redeemed in whole or in part, (b) to all organizations registered with the SEC as securities depositories, (c) to the Municipal Securities Rulemaking Board, and (d) to at least two information services of national recognition which disseminate redemption information with respect to tax-exempt securities. Failure to give any notice specified in clause (a) of this paragraph, or any defect therein, will not affect the validity of any proceedings for the redemption of any Series 2016AB Bonds with respect to which no such failure has occurred, and failure to give any notice specified in clause (b), (c) or (d) of this paragraph or any defect therein, will not affect the validity of any proceedings for the redemption of any Series 2016AB Bonds with respect to which the notice specified in (a) is correctly given. Notwithstanding the foregoing, during any period that the securities depository or its nominee is the registered owner of the Series 2016AB Bonds, notices will be sent to such securities depository or its nominee. During such period, the Trustee shall not be responsible for mailing notices of redemption to anyone other than such securities depository or its nominee.

If at the time of notice of any optional redemption of the Series 2016AB Bonds there has not been deposited with the Trustee moneys available for payment pursuant to the Indenture and sufficient to redeem all of the Series 2016AB Bonds called for redemption, the notice may state that it is conditional in that it is subject to the deposit of sufficient moneys by not later than the redemption date, and if the deposit is not timely made the notice shall be of no effect.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

The Series 2016AB Bonds are secured (i) on a parity with other Bonds issued by the Airports Authority under the Indenture by a pledge of Net Revenues derived by the Airports Authority from the operation of the Airports and (ii) by the Series 2016AB Bond proceeds deposited in certain segregated funds held by the Trustee. Upon the issuance of the

Series 2016AB Bonds and the defeasance of the Refunded Bonds, approximately $4.7 billion aggregate principal amount of Bonds will be Outstanding. In addition, the Airports Authority at any time can draw up to $200 million of the Airport System Revenue Commercial Paper Notes, Series Two ("CP Notes") under the credit facility it currently has in place. Credit facility repayments are on parity with payment of debt service on Bonds. See "AIRPORTS AUTHORITY INDEBTEDNESS FOR THE AVIATION ENTERPRISE FUND – Outstanding Bonds of the Airports Authority for the Aviation Enterprise Fund" and "– Commercial Paper Program for the Aviation Enterprise Fund." The principal sources of Net Revenues are the rentals, fees and charges generated under the Airline Agreement between the Airports Authority and airlines that have executed the Airline Agreement (the "Signatory Airlines"), fees received from non-signatory airlines using the Airports and payments under concession contracts at the Airports.

No property of the Airports Authority is subject to any mortgage for the benefit of the owners of the Series 2016AB Bonds. Under the Indenture, Net Revenues means Revenues, plus transfers, if any, from the General Purpose Fund to the Revenue Fund, after provision is made for the payment of Operation and Maintenance Expenses. See APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture."

Revenues are generally defined in the Indenture as all revenues of the Airports Authority received or accrued except (a) interest income on, and any profit realized from, the investment of moneys in any fund or account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund; (b) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (c) amounts received by the Airports Authority from, or in connection with, Special Facilities unless such funds are treated as Revenues by the Airports Authority; (d) the proceeds of any passenger facility charge or similar charge levied by, or on behalf of, the Airports Authority, including PFCs, unless such funds are treated as Revenues by the Airports Authority; (e) grants-in-aid, donations, and/or bequests; (f) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles; (g) the proceeds of any condemnation awards; (h) the proceeds of any sale of land, buildings or equipment; and (i) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use. Unless otherwise provided in a supplemental indenture, there also shall be excluded from the term "Revenues" (a) any Hedge Termination Payments received by the Airports Authority and (b) any Released Revenues in respect of which the Airports Authority has filed with the Trustee the request of an Authority Representative, an Airport Consultant's or an Authority Representative's certificate, an Opinion of Bond Counsel and the other documents contemplated in the definition of the term "Released Revenues" set forth in the Indenture. The Airports Authority has completed the procedures necessary to treat the DTR Revenues as "Released Revenues" under the Indenture, thereby excluding DTR Revenues from Revenues and from the pledge and lien on the Net Revenues securing the Bonds. See "THE AIRPORTS AUTHORITY – Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project."

Under the Indenture, Operation and Maintenance Expenses generally means all expenses of the Airports Authority paid or accrued for the operation, maintenance, administration and ordinary current repairs of the Airports. Operation and Maintenance Expenses do not include

(a) the principal of, premium, if any, or interest payable on any Bonds, Subordinated Bonds and Junior Lien Obligations; (b) any allowance for amortization or depreciation of the Airports; (c) any other expense for which (or to the extent to which) the Airports Authority is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (d) any extraordinary items arising from the early extinguishment of debt; (e) rentals payable under the Federal Lease; and (f) any expense paid with amounts from the Emergency Repair and Rehabilitation Fund.

The Airports Authority is obligated to deposit all moneys from the Revenue Fund into the various funds and accounts created under the Indenture on a monthly basis. Amounts held by the Airports Authority in the Revenue Fund are not pledged to secure the Bonds. See "Flow of Funds" below.

The Series 2016AB Bonds are secured by a pledge of and lien on certain proceeds of the sale of the Series 2016AB Bonds and the earnings thereon, held in certain funds and accounts created under the Indenture. These funds and accounts include the Bond Fund and the applicable account in the Debt Service Reserve Fund, held by the Trustee, and the applicable account in the Construction Fund, if any, held by a custodian on behalf of the Trustee.

The Series 2016AB Bonds shall not constitute a debt of the District of Columbia or of the Commonwealth of Virginia or any political subdivision thereof, nor a pledge of the faith and credit of the District of Columbia or of the Commonwealth of Virginia or any political subdivision thereof. Except to the extent payable from proceeds of the Series 2016AB Bonds and investment earnings thereon, the Series 2016AB Bonds shall be payable from Net Revenues of the Airports Authority pledged for such payment and certain funds established under the Indenture. The issuance of Bonds under the provisions of the Acts shall not directly, indirectly or contingently obligate the District of Columbia or the Commonwealth of Virginia or any political subdivision thereof to any form of taxation whatsoever. The Airports Authority has no taxing power.

Debt Service Reserve Fund

Under the Indenture, the Airports Authority has covenanted to deposit, or cause to be deposited at closing, amounts sufficient to maintain the Common Reserve Account (herein referred to as the "Common Reserve Account") in the Debt Service Reserve Fund in an amount equal to the Common Debt Service Reserve Requirement for the Series 2016AB Bonds and any other Common Reserve Bonds outstanding (the "Common Debt Service Reserve Requirement"). "Common Reserve Bonds" means any other Series of Bonds issued under the Indenture and designated in writing to the Trustee by an Authority Representative as being secured by amounts on deposit in the Common Reserve Account on a parity with the Series 2016AB Bonds and any other Common Reserve Bonds. The Common Debt Service Reserve Requirement will be recalculated and funded in connection with such written designations. The Common Debt Service Reserve Requirement means an amount equal to the lesser of (i) 10% of the stated principal amount of the Series 2016AB Bonds and any other Common Reserve Bonds; (ii) the Maximum Annual Debt Service on the Series 2016AB Bonds and any other Common Reserve Bonds in any Fiscal Year; or (iii) 125% of the average Annual Debt Service for the Series 2016AB Bonds and any other Common Reserve Bonds. After the issuance of the Series 2016AB

Bonds, the Common Debt Service Reserve Requirement will be $176,077,885, and the term Common Reserve Bonds will include the following Series of outstanding Bonds of the Airports Authority: Series 2008A, Series 2009B, Series 2010A, Series 2010B, Series 2010F-1, Series 2011C, Series 2011D, Series 2012A, Series 2012B, Series 2013A, Series 2013B, Series 2013C, Series 2014A, Series 2016A and Series 2016B. Each Series of the Refunded Bonds is secured by a series-specific reserve account. Amounts in those series-specific reserve accounts pertaining to the Refunded Bonds will be transferred to the Common Reserve Account and will be used to satisfy the portion of the Common Debt Service Reserve Requirement allocable to the Series 2016AB Bonds. See "Estimated Sources and Uses of Funds."

Under conditions specified in the Indenture, the Airports Authority may fund the Debt Service Reserve Requirement for any Series of Bonds, including the Series 2016AB Bonds, by delivering a letter of credit or other credit facility to the Trustee in substitution for, or in lieu of, moneys to be held in the Debt Service Reserve Fund for such Series. The Indenture requires that the provider of any such credit facility have a credit rating in one of the two highest rating categories by two Rating Agencies (as defined therein). In the event the Debt Service Reserve Requirement is satisfied with a letter of credit or other credit facility (rather than satisfying the requirement by a cash deposit), there will be no interest earnings on the account in the Debt Service Reserve Fund for such Series of Bonds. See the description under the heading "Debt Service Reserve Fund Deposit" in APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture." Currently, no portion of the Common Debt Service Reserve Requirement is funded with a credit facility.

The Trustee is required to draw on the Common Reserve Account in the Debt Service Reserve Fund whenever the amount held in the Interest Account or the Principal Account for Common Reserve Bonds is insufficient to pay interest on or principal of the Common Reserve Bonds on the date such payments are due. To the extent not needed to maintain the balance therein equal to the Common Debt Service Reserve Requirement, earnings on investments of the Common Reserve Account in the Debt Service Reserve Fund shall be transferred after each Bond Payment Date to the Revenue Fund.

If the amount on deposit in the Common Reserve Account in the Debt Service Reserve Fund at any time is less than the Common Debt Service Reserve Requirement, such deficiency is required to be made up as set forth in "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Flow of Funds."

Rate Covenant

Pursuant to the Indenture, the Airports Authority has covenanted that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airports, including services rendered by the Airports Authority, pursuant to the Airline Agreement or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either:

(a) The amounts needed for making the required deposits in each fiscal year to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service

Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund and the Emergency Repair and Rehabilitation Fund; or

(b) An amount not less than 125% of the Annual Debt Service with respect to Bonds for such fiscal year.

The Airports Authority has covenanted that if, upon the receipt of the audit report for a fiscal year, the Net Revenues in such fiscal year are less than the amount specified above, the Airports Authority will require the Airport Consultant to make recommendations as to the revision of the Airports Authority's schedule of rentals, rates, fees and charges, and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Airports Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airports as may be necessary to produce the specified amount of Net Revenues in the fiscal year following the fiscal year covered by such audit report.

In the event that Net Revenues for any fiscal year are less than the amount specified, but the Airports Authority has promptly complied with these remedial requirements, there will be no Event of Default under the Indenture; provided, however, that if, after the Airports Authority has complied with these remedial requirements, Net Revenues remain insufficient to provide for the specified amount in the fiscal year in which such adjustments are required to be made (as evidenced by the audit report for such fiscal year), such failure will be an Event of Default under the Indenture. See APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture – Rate Covenant and Defaults and Remedies."

The Airline Agreement provides a mechanism for setting rentals, fees and charges for use by airlines of the Airports that is designed to ensure that the Airports Authority's debt service and related obligations under the Indenture are met. Under the Airline Agreement, the Airports Authority sets its airline rentals, fees and charges at each Airport to recover its costs in the airline-supported cost centers. These costs include 100% of the debt service assigned to these cost centers, plus debt service coverage on such debt service in order to satisfy, with respect to that debt service, the 125% debt service coverage covenant included in the Indenture. In addition, under the Airline Agreement, if Net Revenues at an Airport in any Fiscal Year are projected to be less than 125% of the Annual Debt Service allocated to the Airport, then the Airports Authority can immediately adjust the rates on which airline rentals, fees and charges at the Airport are based in order to meet the 125% debt service coverage requirement at the Airport. These adjustments are referred to as "Extraordinary Coverage Protection Payments" under the Airline Agreement. The Airline Agreement will not be assigned or pledged to the Trustee as security for the Bonds. If for any reason the Airline Agreement is amended, expires or is terminated, the Airports Authority will set airline rentals, fees and charges in accordance with a successor agreement or regulations of the Board that are consistent with the Department of Transportation ("DOT") requirements (including that such rentals, fees and charges be reasonable and non-discriminatory), and in an amount sufficient to meet the rate covenant under the Indenture. See APPENDIX C – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease" and "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS."

Commitment of Certain Passenger Facility Charges

The definition of Revenues does not include, among other things, PFCs, except to the extent PFCs are designated as Revenues by the Airports Authority, which has not occurred to date. However, the definition of Annual Debt Service provides that in any computation relating to the issuance of additional Bonds under Section 213 of the Master Indenture or in any computation required by the rate covenant under Section 604 of the Master Indenture, there shall be excluded from the computation of Annual Debt Service the principal of and interest on Bonds for which funds have been irrevocably committed to make such payments. Pursuant to the Thirty-fifth Supplemental Indenture of Trust, dated as of July 1, 2009 (the "Thirty-fifth Supplemental Indenture"), the Airports Authority has irrevocably committed in each Fiscal Year through 2016 the greater of (i) $35,000,000 of Designated Passenger Facility Charges (as such term is defined below); or (ii) 50% of the total amount of Designated Passenger Facility Charges, such amount to be deposited into the PFC Debt Service Account of the PFC Fund to pay principal and/or interest on certain Bonds ("PFC Eligible Bonds") issued to finance or refinance the Cost of certain Authority Facilities authorized to be financed with PFCs. Under the Thirty-fifth Supplemental Indenture, any Designated Passenger Facility Charges received by the Airports Authority in excess of such amount in any Fiscal Year are to be deposited in the PFC Project Account of the PFC Fund.

The term "Designated Passenger Facility Charges" is defined in the Thirty-fifth Supplemental Indenture to mean revenues received by the Airports Authority from the $4.50 passenger facility charge imposed by the Airports Authority at Dulles International Airport pursuant to 49 U.S.C. § 40117, in accordance with FAA regulations, and as approved by the Federal Aviation Administration by letters dated August 17, 2005, May 8, 2008, September 4, 2008 and March 6, 2009, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting PFC revenues at Dulles International Airport, as provided in the FAA regulations. Such term does not include any other PFCs collected by the Airports Authority at either Reagan National Airport or Dulles International Airport.

The Thirty-fifth Supplemental Indenture provides that it may be amended, without the consent of the Holders of the Outstanding Bonds, for purposes of making changes relating to the definition of Designated Passenger Facility Charges or the amounts or Fiscal Years in which Designated Passenger Facility Charges are irrevocably committed to pay debt service on PFC Eligible Bonds, including a reduction of the amount of Designated Passenger Facility Charges, so long as such amendment is not reasonably expected to prevent the Airports Authority from complying with the rate covenant in the Master Indenture.

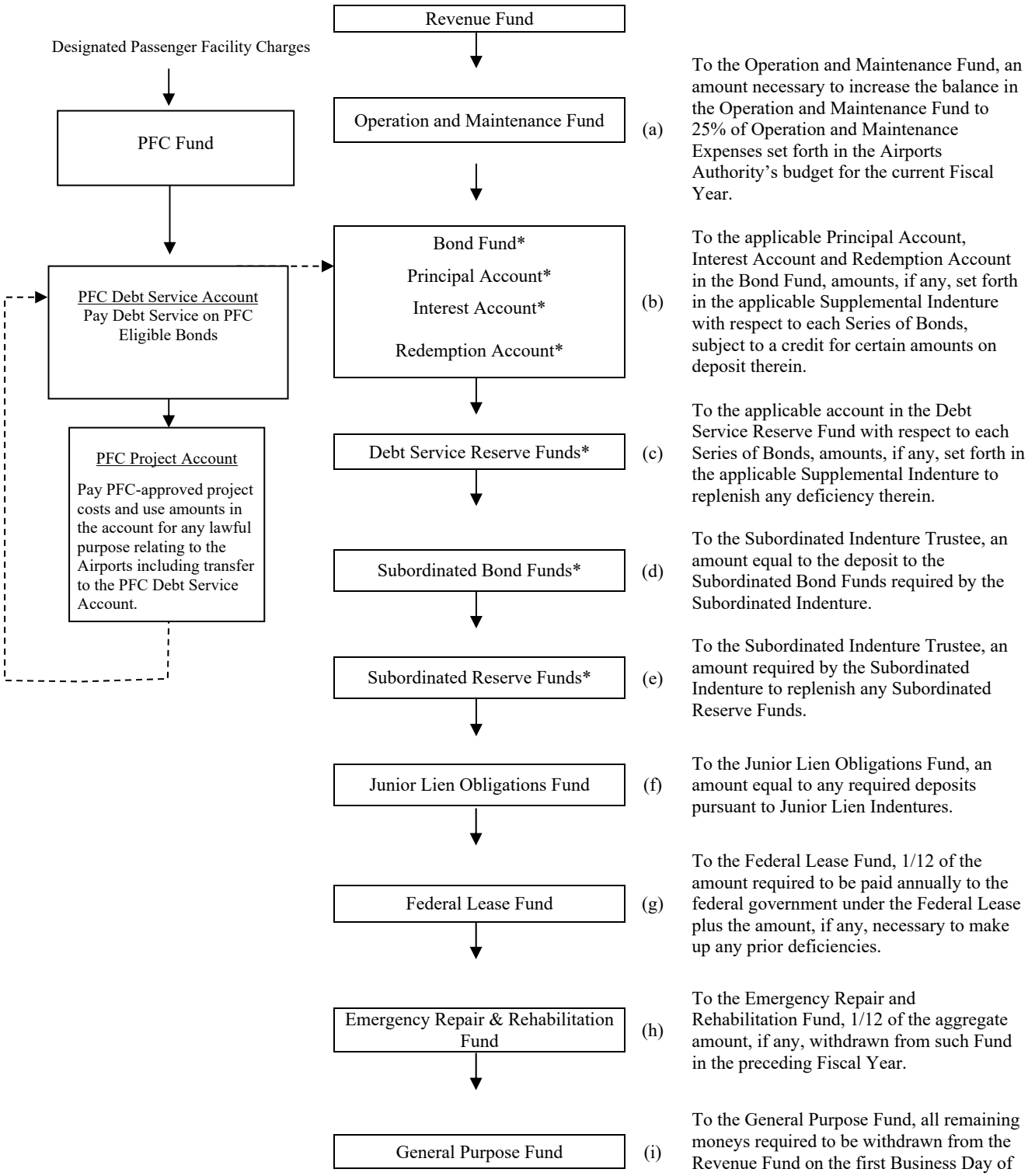
If the Airports Authority does not use the full amount of the irrevocably committed Designated Passenger Facility Charges to pay debt service on PFC Eligible Bonds in a Fiscal Year, any unused portion of such amounts may be transferred to the PFC Project Account of the PFC Fund under the Indenture. Amounts on deposit in the PFC Project Account may be applied by the Airports Authority to any lawful purpose including (i) providing for the payment of the Cost of Authority Facilities authorized to be financed with PFCs, and/or (ii) transferring funds to the PFC Debt Service Account to pay principal and/or interest on PFC Eligible Bonds not otherwise paid. Pursuant to the 2016 Budget, the Airports Authority intends to transfer available amounts in the PFC Project Account of $8.5 million in 2016 to the PFC Debt Service Account to

pay debt service on PFC Eligible Bonds that is not paid by the irrevocable commitment of the Designated Passenger Facility Charges. See APPENDIX A. See APPENDIX B for detailed information regarding certain covenants and agreements the Airports Authority has made with respect to the use of PFCs.

Flow of Funds

The Airports Authority is required to deposit all Revenues upon receipt, and may deposit amounts from any available source, in the Revenue Fund. On the first Business Day of each month, (1) amounts in the Revenue Fund, excluding any transfers from the General Purpose Fund during the current fiscal year, and (2) 1/12 of the amount of any transfers from the General Purpose Fund during the current fiscal year, are to be withdrawn from the Revenue Fund and deposited or transferred in the following amounts and order of priority:

FLOW OF FUNDS UNDER THE INDENTURE



* Funds or Accounts held by the Trustee.

Amounts in the Revenue Fund are not pledged to secure the Bonds. Amounts in the Operation and Maintenance Fund are required to be used by the Airports Authority to pay Operation and Maintenance Expenses and are not pledged to secure the Bonds. Amounts transferred to the Subordinated Indenture Trustee, if any, will be pledged to secure the Subordinated Bonds, if any, and will not be subject to the pledge securing the Bonds. Amounts in the Junior Lien Obligations Fund secure the Junior Lien Obligations and are not pledged to secure the Bonds. Amounts deposited in the Federal Lease Fund are not and will not be pledged to secure the Bonds. Amounts in the Emergency Repair and Rehabilitation Fund may be used by the Airports Authority to pay the costs of emergency repairs and replacements to the Airports and are not pledged to secure the Bonds. Amounts in the General Purpose Fund will be available for use by the Airports Authority for any lawful purpose and are not pledged to secure the Bonds.

Additional Bonds

The Airports Authority has issued, and expects to issue in the future, additional Bonds. See "PLAN OF FUNDING FOR THE CCP" and APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture."

Under the Indenture, the Airports Authority is permitted to issue one or more Series of additional Bonds on a parity with the outstanding Bonds, if:

The Airports Authority has provided to the Trustee the following evidence indicating that, as of the date of issuance of such additional Bonds, the Airports Authority is in compliance with the rate covenant as evidenced by: (a) the Airports Authority's most recent audited financial statements, and the Airports Authority's unaudited statements for the period, if any, from the date of such audited statements through the most recently completed fiscal quarter, and (b) if applicable, evidence of compliance with the Indenture's requirement of remedial action (discussed under "Rate Covenant" above); and (c) either:

(i) an Airport Consultant has provided to the Trustee a certificate stating that, based upon reasonable assumptions, projected Net Revenues will be sufficient to satisfy the rate covenant (disregarding any Bonds that have been or will be paid or discharged immediately after the issuance of the additional Bonds proposed to be issued) for each of the next three full fiscal years following issuance of the additional Bonds, or each full fiscal year from issuance of the additional Bonds through two full fiscal years following completion of the Projects financed by the additional Bonds proposed to be issued, whichever is later; provided that, if Maximum Annual Debt Service with respect to all Bonds to be outstanding following the issuance of the proposed Bonds in any fiscal year is greater than 110% of Annual Debt Service for such Bonds in any of the test years, then the last fiscal year of the test must use such Maximum Annual Debt Service; provided further, that if capitalized interest on any Bonds and proposed additional Bonds is to be applied in the last fiscal year of the period described in this sentence, the Airport Consultant must extend the test through the first full fiscal year for which there is no longer capitalized interest, or

(ii) an Authority Representative has provided to the Trustee a certificate stating that Net Revenues in the most recently completed fiscal year were not less than the larger

of (1) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts in the Bond Fund, the Debt Service Reserve Fund, the Subordinated Bond Fund, the Subordinated Reserve Fund, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (2) 125% of (a) Annual Debt Service on Bonds Outstanding in such fiscal year (disregarding any Bonds that have been paid or discharged, or will be paid or discharged immediately after the issuance of such additional Bonds proposed to be issued), plus (b) Maximum Annual Debt Service with respect to such additional Bonds proposed to be issued.

With respect to additional Bonds proposed to be issued to refund outstanding Bonds, the Airports Authority may issue such refunding Bonds if either the test described in clause (c) above is met, or if the Airports Authority has provided to the Trustee evidence that (a) the aggregate Annual Debt Service in each fiscal year with respect to all Bonds to be outstanding after issuance of such refunding Bonds will be less than the aggregate Annual Debt Service in each such fiscal year through the last fiscal year in which Bonds are outstanding prior to the issuance of such refunding Bonds, and (b) the Maximum Annual Debt Service with respect to all Bonds to be outstanding after issuance of such refunding Bonds will not exceed the Maximum Annual Debt Service with respect to all Bonds outstanding immediately prior to such issuance.

Other Indebtedness

In addition to financing the CCP with the proceeds of Bonds, the Airports Authority is authorized under the Indenture to issue other debt to finance its capital needs. The Indenture permits the Airports Authority at any time to issue (a) bonds, notes or other obligations payable from and secured by revenues other than Revenues and Net Revenues, including, but not limited to, Special Facility Bonds, and (b) bonds, notes or other obligations payable from Net Revenues, including revenue anticipation notes, on a basis subordinate to the Bonds, including Subordinated Bonds. For a more detailed discussion on the Airports Authority's Subordinated Bonds, the commercial paper program, interest rate swaps, and Special Facility Bonds, see "AIRPORTS AUTHORITY INDEBTEDNESS FOR THE AVIATION ENTERPRISE FUND."

Events of Default and Remedies; No Acceleration or Cross Defaults

"Events of Default" and related remedies under the Indenture are described in the summary of certain provisions of the Indenture attached as APPENDIX B, in particular in the section "Defaults and Remedies." The occurrence of an Event of Default does not grant any right to accelerate payment of the Series 2016AB Bonds to either the Trustee or the Holders of any Bonds. An Event of Default with respect to one Series of Bonds will not be an Event of Default with respect to any other Series unless such event or condition on its own constitutes an Event of Default with respect to such other Series. The Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including initiating proceedings to enforce the obligations of the Airports Authority under the Indenture. Since (a) Net Revenues are Revenues net of all amounts needed to pay Operation and Maintenance Expenses, and (b) the Airports Authority is not subject to involuntary bankruptcy proceedings, the Airports Authority may continue collecting Revenues and applying them to the operation of the Airports, even if an Event of Default has occurred and no payments are being made on the Series 2016AB Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2016AB Bonds and other available funds of the Airports Authority.

SOURCES:	Series 2016A Bonds	Series 2016B Bonds	Total
Par Amount of Bonds	$362,655,000.00	$23,370,000.00	$386,025,000.00
Net Original Issue Premium	63,832,929.40	6,053,323.15	69,886,252.55
Airports Authority Funds[1]	24,394,038.83	3,000,852.75	27,394,891.58
Total Sources[2]	$450,881,968.23	$32,424,175.90	$483,306,144.13
USES:			
Deposits to Retire or Redeem the Refunded Bonds	$448,430,442.56	$32,271,393.44	$480,701,836.00
Underwriters' Discount and Costs of Issuance	2,451,525.67	152,782.46	2,604,308.13
Total Uses[2]	$450,881,968.23	$32,424,175.90	$483,306,144.13

[1] Amounts released from the debt service accounts and the series-specific reserve funds for the Refunded Bonds.
[2] Totals may not add due to rounding.

On the closing date, $29,479,079.79 will be transferred from the series-specific reserve accounts for the Refunded Bonds to the Common Debt Service Reserve Account to satisfy the portion of the Common Debt Service Reserve Requirement allocable to the Series 2016AB Bonds.

Refinancing Plan

A portion of the proceeds of the Series 2016AB Bonds will be deposited into separate Redemption Accounts held by the Trustee to redeem the Refunded Bonds on the applicable redemption dates. Pursuant to separate Refunding Agreements, each dated as of July 1, 2016 (the "Refunding Agreements"), relating to each Series of the Refunded Bonds, the Trustee will use the amounts deposited in the applicable Redemption Account, together with other funds of the Airports Authority, to pay the principal or redemption price and accrued interest on each Series of the Refunded Bonds on the applicable maturity or redemption date. The sufficiency of such amounts will be verified by Robert Thomas CPA, LLC, as verification agent. A schedule of the Refunded Bonds is included in APPENDIX G.

DEBT SERVICE SCHEDULE

The following table sets forth (i) the debt service on the Series 2016AB Bonds, (ii) the debt service on approximately $3.8 billion of fixed rate Bonds to be outstanding immediately following the issuance of the Series 2016AB Bonds and the defeasance of the Refunded Bonds, and (iii) the assumed debt service on outstanding variable rate debt consisting of approximately $57.9 million of the outstanding Series 2003D Bonds, approximately $122.5 million of the outstanding Series 2009D Bonds, approximately $153.0 million of the outstanding Series 2010C Bonds, approximately $155.6 million of the outstanding Series 2010D Bonds, approximately $200.5 million of the outstanding Series 2011A Bonds, approximately $160.6 million of the

outstanding Series 2011B Bonds, and $200 million of the CP Notes, which is the maximum amount of the CP Notes available to be drawn by the Airports Authority under the credit facility it currently has in place.

Bond Year ending October 1	Series 2016A Principal	Series 2016A Interest	Series 2016B Principal	Series 2016B Interest	Outstanding Bonds Debt Service*	Debt Service on Maximum Available CP Notes*	Total Debt Service
2016	$ —	$ 3,937,862	—	$ 272,650	$ 372,659,819	$ 1,866,667	$ 378,736,997
2017	—	16,876,550	—	1,168,500	362,978,206	11,566,020	392,589,276
2018	—	16,876,550	—	1,168,500	376,131,717	11,566,020	405,742,786
2019	—	16,876,550	—	1,168,500	374,898,502	11,566,020	404,509,572
2020	—	16,876,550	$ 155,000	1,168,500	378,592,252	11,566,020	408,358,321
2021	—	16,876,550	1,755,000	1,160,750	383,462,427	11,566,020	414,820,747
2022	—	16,876,550	1,845,000	1,073,000	363,968,273	11,566,020	395,328,843
2023	—	16,876,550	1,910,000	980,750	355,102,233	11,566,020	386,435,553
2024	—	16,876,550	2,015,000	885,250	354,473,134	11,566,020	385,815,954
2025	—	16,876,550	2,105,000	784,500	316,999,539	11,566,020	348,331,609
2026	—	16,876,550	2,210,000	679,250	317,098,304	11,566,020	348,430,124
2027	—	16,876,550	2,460,000	568,750	317,040,126	11,566,020	348,511,446
2028	—	16,876,550	2,580,000	445,750	317,146,152	11,566,020	348,614,472
2029	—	16,876,550	1,475,000	316,750	318,488,128	11,566,020	348,722,448
2030	6,735,000	16,876,550	1,545,000	243,000	305,920,376	11,566,020	342,885,946
2031	77,265,000	16,539,800	1,620,000	165,750	222,495,938	11,566,020	329,652,508
2032	70,490,000	12,676,550	1,695,000	84,750	218,697,654	11,566,020	315,209,974
2033	—	9,152,050	—	—	277,840,302	11,566,020	298,558,372
2034	32,545,000	9,152,050	—	—	210,767,123	11,566,020	264,030,193
2035	111,180,000	7,524,800	—	—	139,892,433	11,566,020	270,163,253
2036	64,440,000	2,577,600	—	—	91,675,864	11,566,020	170,259,484
2037	—	—	—	—	91,804,579	11,566,020	103,370,599
2038	—	—	—	—	91,938,917	11,566,020	103,504,937
2039	—	—	—	—	93,985,456	11,566,020	105,551,476
2040	—	—	—	—	33,735,672	11,566,020	45,301,692
2041	—	—	—	—	22,868,608	11,566,020	34,434,628
2042	—	—	—	—	17,324,750	11,566,020	28,890,770
2043	—	—	—	—	17,329,750	11,566,020	28,895,770
2044	—	—	—	—	11,767,000	11,566,020	23,333,020
2045	—	—	—	—	4,998,000	11,566,020	16,564,020
2046	—	—	—	—	—	11,566,020	11,566,020
Total**	$362,655,000	$297,832,412	$23,370,000	$12,334,900	$6,762,081,234	$348,847,261	$7,807,120,807

* Calculated assuming an interest rate for unhedged variable rate debt of 2.00% through 2017, 3.00% for 2018 and 4.00% thereafter, plus support costs, and a 30-year level amortization of the $200 million maximum amount of CP Notes available to be drawn by the Airports Authority under the credit facility currently in place at an assumed interest rate of 4.00%.

** Totals may not add due to rounding.

Source: Airports Authority records.

THE AIRPORTS AUTHORITY'S FACILITIES AND MASTER PLAN

Facilities at Reagan National Airport and Dulles International Airport

Reagan National Airport

Reagan National Airport's ability to grow is constrained to a significant extent by the High Density Rule and its physical location. Its proximity to Washington, D.C. also makes operations at Reagan National Airport subject to particularly restrictive federal legislation and regulation. See "THE AIRPORTS AUTHORITY – Regulations and Restrictions Affecting the Airports" and "CERTAIN INVESTMENT CONSIDERATIONS."

Reagan National Airport has three terminals, all of which are interconnected through the National Hall. National Hall is currently located pre-security screening. Terminal A is listed on the National Register of Historic Places and has nine aircraft gates. Terminals B and C have 35 aircraft gates and approximately one million square feet of floor space spread over three levels. There are three runways at Reagan National Airport: 1/19 – 7,169 feet; 15/33 - 5,204 feet; and 4/22 – 5,000 feet. Runway 1/19 and associated taxiways are capable of handling aircraft up to Group IV, such as a B-767 aircraft. Runways 4/22 and 15/33 and associated taxiways are capable of handling aircraft up to Group III, such as the A-320 or B-737 aircraft.

Ground transportation to Reagan National Airport is provided via Metrorail service, taxi, transportation network companies (such as Uber and Lyft), shared van services, which are provided by concessionaires and limousines, and on-campus bus transportation provided by the Airports Authority. Metrorail service to Reagan National Airport connects directly to Terminals B and C.

There are 9,389 public parking spaces at Reagan National Airport, with 6,703 garage spaces (including eight electric car charging stations), 2,653 surface spaces and 33 cell phone waiting area spaces. Terminals B and C are connected to the public parking garages through two enclosed pedestrian bridges. In addition, there are approximately 3,000 employee surface parking spaces.

Dulles International Airport

Dulles International Airport has a main terminal (the "Main Terminal") and four midfield concourses (Concourses A, B, C and D) that may be reached via an Automated People Mover ("AeroTrain") system or mobile lounges that transport passengers to and from the Main Terminal. The Main Terminal at Dulles International Airport is eligible for listing on the National Register of Historic Places but is not on the register. There are four runways: 1C/19C - 11,500 feet; 1R/19L - 11,500 feet; 12/30 - 10,500 feet; and 1L/19R - 9,400 feet. The runways and associated taxiways are capable of handling aircraft up to Group VI, such as an A-380 aircraft.

The Main Terminal at Dulles International Airport has a total of 1.3 million square feet of floor space, four loading bridge-equipped aircraft gates, referred to as the Z Gates, and the recently expanded International Arrivals Building with a total floor space of nearly 268,000 square feet that provides customs, agriculture and immigration service facilities and can serve up

to 2,400 passengers an hour. Concourse A has 190,000 square feet of floor space and 35 parking positions for regional airline aircraft. Concourse B has 943,000 square feet of floor space and 43 loading bridge-equipped aircraft gates for international and domestic airlines. Concourses A and B are joined by a pedestrian bridge.

Concourses C and D were constructed as separate buildings, but as passenger demand increased, more gates were constructed at both concourses and the two concourses eventually were joined. They now have a combined total of 900,000 square feet of floor space and 48 loading bridge-equipped aircraft gates for both international and domestic airlines.

On June 6, 2011, regularly scheduled service using large A-380 aircraft began between Dulles International Airport and Paris-Charles de Gaulle Airport. To accommodate this aircraft, two gates were modified to support the boarding and unloading of passengers from the upper and lower decks. Additional regularly scheduled service for the A-380 began in October 2014 between Dulles International Airport and London Heathrow Airport. The current runway/taxiway system meets FAA separation standards, and certain construction work on pavement widening related to the A-380 has been permitted by the FAA to be deferred until other rehabilitation-related work is required on the airfield.

Ground transportation to Dulles International Airport is provided via taxi, transportation network companies (such as Uber and Lyft), shared van services, which are provided by concessionaires and limousines, and bus transportation provided by the Airports Authority and WMATA. Metrorail service to Dulles International Airport from the Washington, D.C. metropolitan area is anticipated to become operational in 2020 following completion of Phase 2 of the Dulles Metrorail Project. See "THE AIRPORTS AUTHORITY – Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project."

There are 23,742 public parking spaces at Dulles International Airport, with 14,916 surface spaces, 8,325 garage spaces (including eight electric car charging stations), 173 for-hire vehicle spaces, and 328 cell phone waiting area spaces. In addition, there are approximately 6,522 employee surface parking spaces.

There are six cargo buildings at Dulles International Airport, with a total of 555,000 square feet of cargo space.

In December 2013, United Airlines completed construction at Dulles International Airport of an aircraft maintenance hangar of sufficient size to accommodate two B-767 aircraft or a single B-787 or A-350 aircraft on land it leases from the Airports Authority.

In 2003, the Smithsonian opened the National Air and Space Museum Dulles Steven F. Udvar-Hazy Center (the "Center") at the Airport. The Airports Authority has title to, and is required to maintain, two roadways that were built by the Smithsonian and must allow Center patrons and invitees ingress to and egress from the Center.

The Airports Authority's Master Plans

The Master Plan for each Airport establishes the framework for the CCP and may be amended from time to time by the Airports Authority. The Master Plans adopted by the Airports

Authority's Board include the Airports' Land Use Plans and the Airport Layout Plans (the "ALPs"). The ALPs have been approved by the FAA, and any future amendments to the ALPs also must be approved by the FAA. The ALPs are required by the FAA to show all existing and proposed improvements. All major improvements to the Airports are developed in accordance with the Master Plan for each Airport and the approved ALPs.

Reagan National Airport

The Master Plan for Reagan National Airport became effective on April 15, 1988, and has been amended periodically. Major improvements included in the 2015-2024 CCP will accommodate changes in airline operations and enhance the level of service for passengers. These improvements include: a new North Concourse; moving security checkpoints to make National Hall a secure area; utility and infrastructure improvements including boiler/chiller plant upgrades, sanitary sewer system upgrades and airfield electric vault improvements and relocation; R/W 1 hold apron expansion; Pad B hold apron expansion; and additional economy parking.

Dulles International Airport

The Master Plan for Dulles International Airport was adopted and approved by the FAA prior to the Lease Effective Date and includes, by reference, the ALPs. The Master Plan for Dulles International Airport includes: the future construction of a fifth runway, permanent midfield concourses and an expansion of the AeroTrain system; future Metrorail along a right-of-way in the Dulles International Airport Access Highway corridor; expansion of automobile parking facilities; construction of additional roads on Airport land; and expansion of the capacity of the existing roads. The Master Plan for Dulles International Airport also includes potential future development of areas on the western side of Dulles International Airport called the Western Lands Area and Airport Support Zone. Improvements to these areas would include cargo, general aviation, airport support facilities and commercial/industrial non-aeronautical improvements. Additionally, the north Terminal Area has been evaluated for potential commercial development including hotel and gas station uses.

CAPITAL CONSTRUCTION PROGRAMS (CCP)

The Airports Authority's CCP is comprised of the 2001-2016 CCP, which is nearing completion, and the 2015-2024 CCP, which was recently approved as part of the current Airline Agreement. Under the CCP, the Airports Authority has constructed and will construct many of the principal elements of the Reagan National Airport and Dulles International Airport Master Plans, which are necessary for the operation and development of the Airports, and has renovated and will renovate certain existing facilities. See "THE AIRPORTS AUTHORITY'S FACILITIES AND MASTER PLANS."

The 2001-2016 CCP

Overview

The Airports Authority currently estimates the cost of the 2001-2016 CCP to be approximately $5.0 billion, of which approximately $4.7 billion had been expended as of the end

of December 2015. Of the remaining $300 million to be spent on the 2001-2016 CCP, approximately $233 million will be for the Dulles Metrorail Station. The Airports Authority expects most of the projects in the 2001-2016 CCP to be completed by the end of 2016 (excluding the Dulles Metrorail Station).

The portion of the CCP that is scheduled for completion by the end of 2016 is referred to as the "2001-2016 CCP" and does not include any of the Deferred Projects, as defined below. See "THE 2015-2024 CCP – Deferred Projects."

The 2001-2016 CCP includes the following project categories:

Summary of the 2001-2016 CCP[1]

Description	Reagan National Airport Project Costs (2001-2016)	Dulles International Airport Project Costs (2001-2016)	Total Project Costs (2001-2016)
Airfield	$212,763,812	$ 742,866,267	$ 955,630,079
Airport Buildings	122,728,544	1,349,428,019	1,472,156,563
Systems & Services	25,307,261	256,139,533	281,446,795
Ground Transportation	75,338,776	507,388,126	582,726,902
Aviation	4,106,708	158,720,065	162,826,773
Nonaviation	--	12,010,825	12,010,825
Passenger Conveyance	--	1,102,109,060	1,102,109,060
Maintenance	256,882	115,593,131	115,850,013
Public Safety	69,789,152	57,788,427	127,577,580
Administration	48,152,519	173,825,184	221,977,703
Tenant Equipment	1,455,053	8,843	1,463,896
TOTAL	**$559,898,709**	**$4,475,877,481**	**$5,035,776,189**

[1] The costs presented in this table represent expenditures to date and inflation of future expenditures at 3.0% per annum.

Source: Airports Authority records.

2001-2016 CCP Projects at Reagan National Airport

The 2001-2016 CCP includes approximately $560 million of projects at Reagan National Airport. Approximately 84% of the projects have been completed, that range from landside projects such as improvements in Terminal B and C, expansion of the Airports Authority office building, construction of the consolidated communications center, construction of additional parking decks on Garages A and B/C, Terminal A lobby and security screening enhancements to airside projects such as the runway safety improvements, construction of the airport rescue and firefighting facility, and the north area river rescue facility, and completion of the runway safety area program with Runway 1/19 completed in 2012, and Runways 15/33 and 4/22 completed in 2015. Remaining work includes the resurfacing of Runway 4/22 and rehabilitation of Taxiways K, P, and B, all of which is expected to be completed in 2017.

2001-2016 CCP Projects at Dulles International Airport

The 2001-2016 CCP includes approximately $4.5 billion of projects at Dulles International Airport. Approximately 93% of the projects have been completed, that range from

the rehabilitation and renovation of Concourses C and D, the mobile lounges, the access highway, the existing runways, the Dulles International Airport police station and other ancillary facilities, to construction of the AeroTrain system, gate additions to Concourse B, including two gates that can accommodate A-380 aircraft, expansion of the Main Terminal and the International Arrivals Building, construction of Cargo Building 6 and installation of security enhancements including in-line baggage screening systems. The following is a brief summary of projects that are not yet completed at Dulles International Airport, which are estimated to cost approximately $10 million:

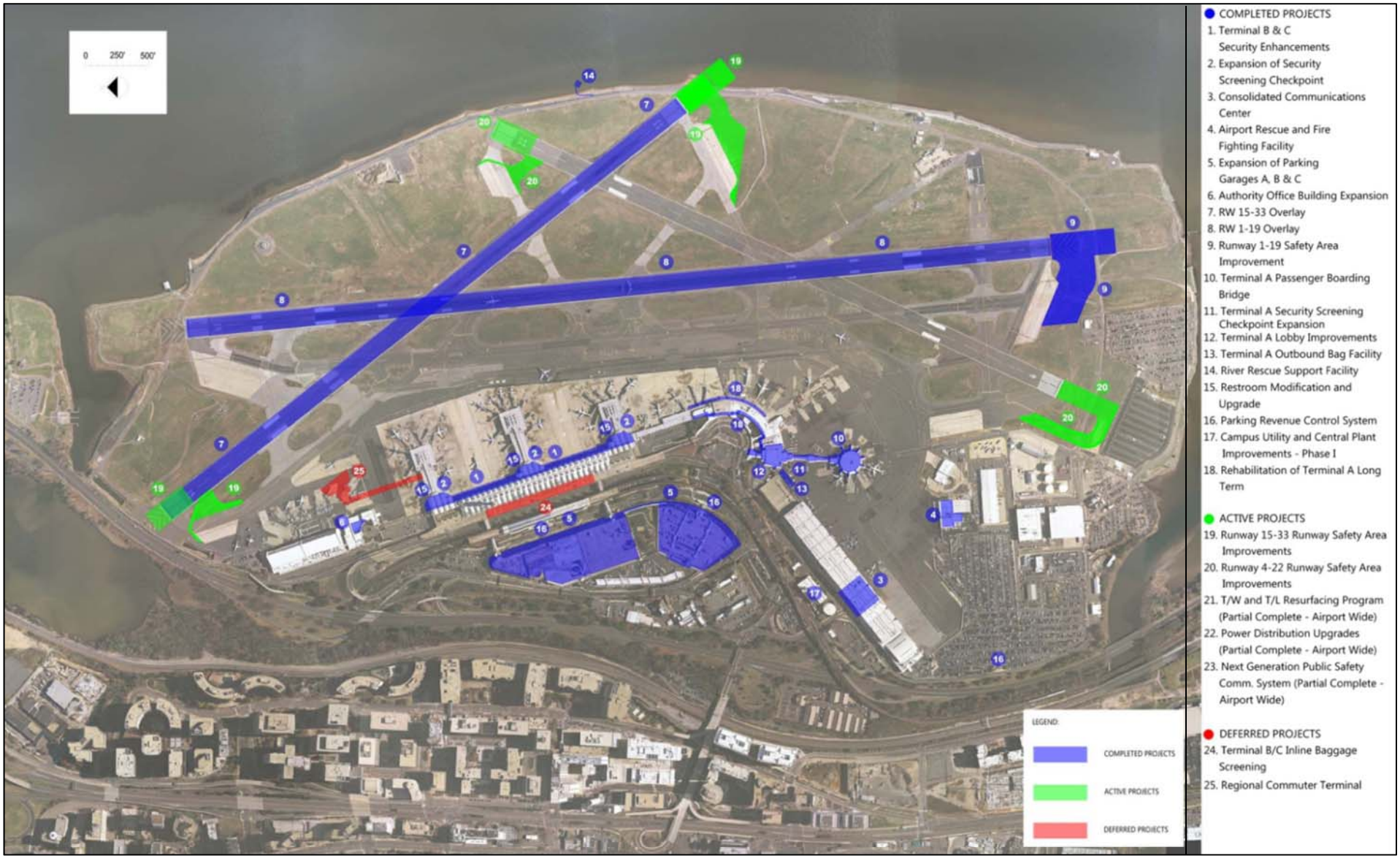
- Airfield Taxiways and Taxilanes. Rehabilitation of several airfield taxiways and taxilanes to reduce the likelihood of foreign object debris from deteriorating pavements that could damage taxiing aircraft.

- Police Range and Training Facility. A new police firing range and associated training and storage facilities are being constructed to meet the training requirements of the Airports Authority Police and possibly to provide non-airline revenue from public safety personnel from other jurisdictions that could utilize the facility. The Airports Authority has entered into a funding agreement with Arlington County, Virginia to help defray the construction costs of the project. This facility is scheduled to open in the fall of 2016.

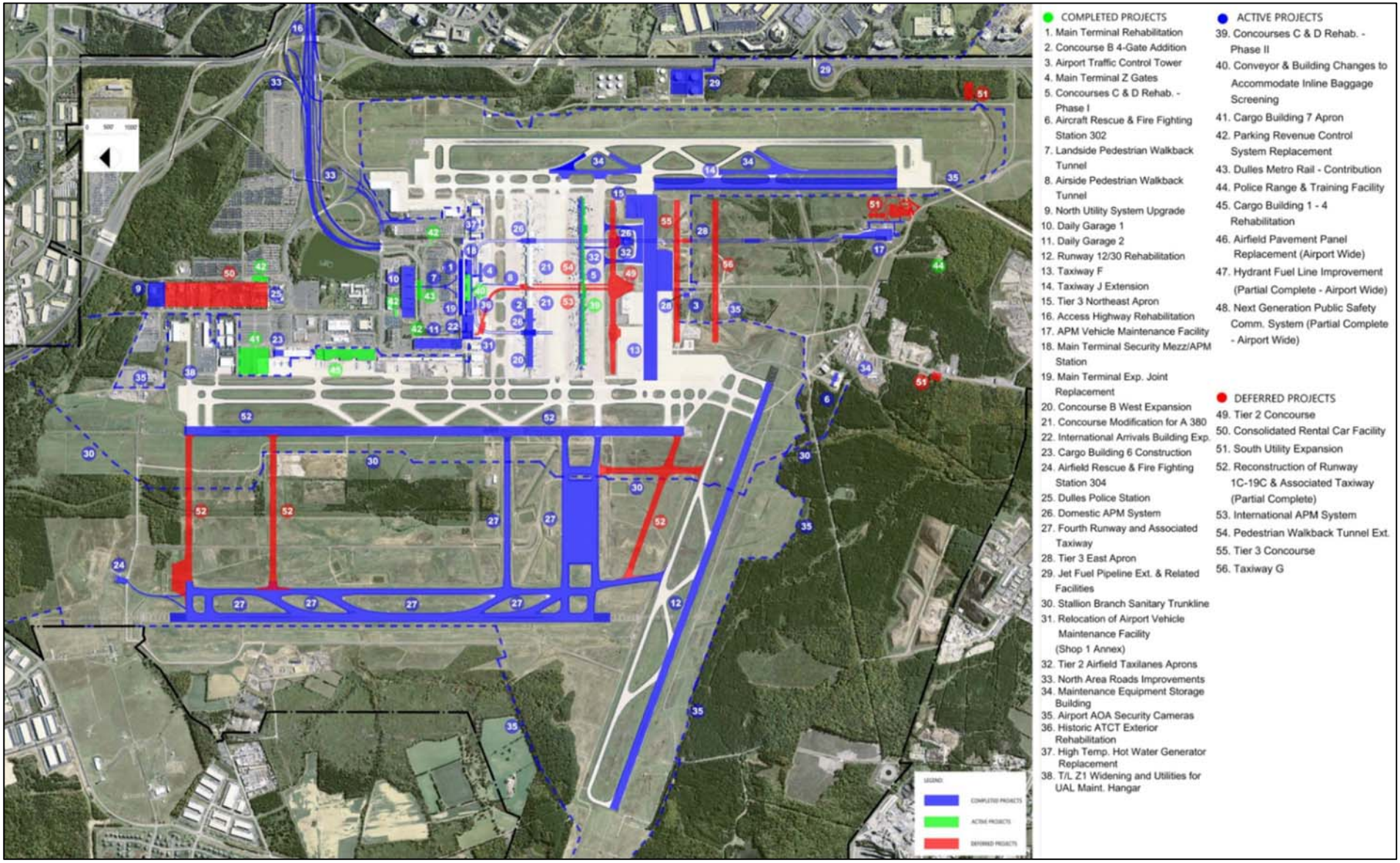
- Public Parking Revenue Control System Replacement. A complete replacement of the existing parking revenue control system with a system that includes enhanced security encryption to satisfy outside financial and credit industry standards.

- Metrorail Station. The Dulles Metrorail Station is planned as the ninth of eleven stops on the Metrorail extension that will originate at the existing East Falls Church Metrorail Station in Falls Church, Virginia, and end at the proposed Route 772 Metrorail Station in Loudoun County, Virginia. The Metrorail extension will connect to the entire Metrorail system from the East Falls Church Station. The Dulles Metrorail Station is expected to be operational in 2020.

Capital Construction Projects at Reagan National Airport
2001-2016 CCP



Capital Construction Projects at Dulles International Airport
2001-2016 CCP



The 2015-2024 CCP

Overview

The 2015-2024 CCP provides for planning, design, and construction of certain facilities at Reagan National Airport and Dulles International Airport that are included in the Master Plan; however, the majority of the expenditures will occur at Reagan National Airport. The 2015-2024 CCP is expected to take ten years from the beginning of construction to complete at Reagan National Airport and three years from the beginning of construction to complete at Dulles International Airport.

The 2015-2024 CCP includes the following project categories:

Summary of the 2015-2024 CCP[1]

Description	Reagan National Airport Project Costs (2015-2024)	Dulles International Airport Project Costs (2015-2017)	Total Project Costs (2015-2024)[2]
Airfield	$ 99,807,404	$ 37,516,658	$ 137,324,062
Airport Buildings	835,944,704	26,874,332	862,819,036
Systems & Services	46,584,118	16,010,830	62,594,948
Ground Transportation	109,681,628	17,599,211	127,280,839
Aviation	19,865,358	--	19,865,358
Nonaviation	--	9,195,157	9,195,157
Passenger Conveyance	--	19,203,369	19,203,369
Maintenance	--	1,727,772	1,727,772
Public Safety	10,213,022	5,967,492	16,180,513
Administration	57,968,755	21,702,636	79,671,391
Tenant Equipment	--	--	--
TOTAL[3]	**$1,180,064,987**	**$155,797,457**	**$1,335,862,445**

1 The costs presented in this table represent expenditures to date and inflation of future expenditures at 3.0% per annum.
2 Totals may not add due to rounding.
3 Totals do not include costs of Deferred Projects.
Source: Airports Authority records.

2015-2024 CCP Projects at Reagan National Airport

The 2015-2024 CCP includes projects at Reagan National Airport estimated to cost approximately $1.2 billion. The major work focuses on terminal/concourse development along with airfield, parking and utilities infrastructure. Projects include the design and construction of a new North Concourse and various related enabling projects; Terminal B/C redevelopment to secure National Hall as a post-security area, together with enabling projects; and preliminary planning and design to potentially rehabilitate, expand or replace Terminal A. The authorization also includes various airfield, roadway, utility and other ancillary support projects and construction of a multi-level parking garage. The 2015-2024 CCP also includes $10 million for the costs associated with a Live Fire Training Facility at Dulles International Airport, the costs of which are allocated equally to each Airport.

The following is a brief summary of 2015-2024 CCP projects estimated to cost $50 million or more:

Secure National Hall. Terminal B/C will be improved to convert National Hall into a post-security area. Security screening check points will be constructed in the north and south areas of the Terminal. This project will allow connecting passengers to flow freely between gates. Additionally, more food/beverage and other concessions will be available to post-security passengers.

New North Concourse. A new concourse will be constructed north of existing Terminal C to replace the hardstand parking positions used by regional airline aircraft adjacent to Hangars 11 & 12. The pier-concourse, similar in architecture to existing concourses, will accommodate no more than 14 gates. Additionally, certain enabling projects are required such as demolition of the Corporate Office Building, Hangar 11 and potentially Hangar 12, tenant relocations, utility plant upgrades and special systems infrastructure.

Terminal A - Planning/Programming/Schematic Design, Enabling Projects. Planning and programming efforts are required in advance of Terminal A redevelopment. This includes design efforts for enabling projects including additional restrooms, terminal interim general rehabilitation, baggage improvements, ticket counter relocation, improved gates and boarding bridges, banjo modifications, utility/HVAC modifications, and asbestos abatement.

Parking Garage. A new multi-level economy parking garage with approximately 1,600 spaces will be constructed. The project also includes major utility relocations, soil remediation and stormwater management.

Hold Apron 1 Expansion/Hold Apron Pad B Expansion/Airfield Electric Vault Relocation/Airfield Pavement Rehabilitation. The hold aprons will be expanded to accommodate additional aircraft for departure holds and sequencing, parking, circulation and winter deicing operations. The electric vault will be relocated to accommodate the apron expansion. Additionally, various portions of the airfield-wide pavements need to be reconstructed due to deterioration from traffic and weathering effects.

2015-2024 CCP Projects at Dulles International Airport

The 2015-2024 CCP authorizes projects at Dulles International Airport estimated to cost approximately $155.8 million. The 2015-2024 CCP was approved by the Signatory Airlines as part of the new Airline Agreement, which, for Dulles International Airport expires on December 31, 2017. The Airports Authority and the Signatory Airlines have begun discussions regarding the extension of the Airline Agreement applicable to Dulles International Airport. See "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS – Airport Use Agreement and Premises Lease." The majority of the work under the 2015-2024 CCP focuses on rehabilitation of existing infrastructure including pavements, concourses, AeroTrain, utilities and data/telecommunications. Projects include facility modifications to increase the operational efficiencies of Concourse C/D, including elevator, boiler, HVAC, electrical and fuel delivery improvements. In addition, the 2015-2024 CCP includes repair and maintenance of two buildings, airfield pavement panel replacement, roadway and utility system improvements and various engineering planning studies.

The following is a brief summary of significant 2015-2024 CCP projects at Dulles International Airport:

Access Highway Improvements. Significant portions of the access highway will be overlayed and/or reconstructed due to deterioration from weather and traffic.

Concourse C/D Rehabilitation. The concourse will be improved to maintain and/or increase operational efficiencies.

Airfield Pavement Panel Replacement. Various parts of the airfield pavements will be reconstructed due to deterioration caused by traffic and weather.

AeroTrain Maintenance Cycle. Periodic major overall maintenance of the cars (brakes, tires, drive systems, etc.) will be performed, as required by the original equipment manufacturer.

2015-2024 CCP Deferred Projects

Due to a number of factors, including economic conditions, increases in the cost of aviation fuel and their impact on the financial condition of airlines, in September 2008, the Airports Authority deferred certain projects then part of the 2001-2016 CCP (the "Deferred Projects"). The Deferred Projects are now part of the 2015-2024 CCP that was approved by the Signatory Airlines as part of the current Airline Agreement. Design work may continue on some of the Deferred Projects to ensure compatibility with ongoing CCP projects and to permit construction of the Deferred Projects to proceed as soon as the Airports Authority determines that activity levels warrant their activation.

The cost of the Deferred Projects is not included in the cost of the 2015-2024 CCP. The Deferred Projects include Tier 2 and Tier 3 Concourses, an expanded AeroTrain system, a pedestrian tunnel extension, a southern utility service expansion, a consolidated rental car facility, and a new taxiway, all at Dulles International Airport.

Capital Construction Projects at Reagan National Airport
2015-2024 CCP

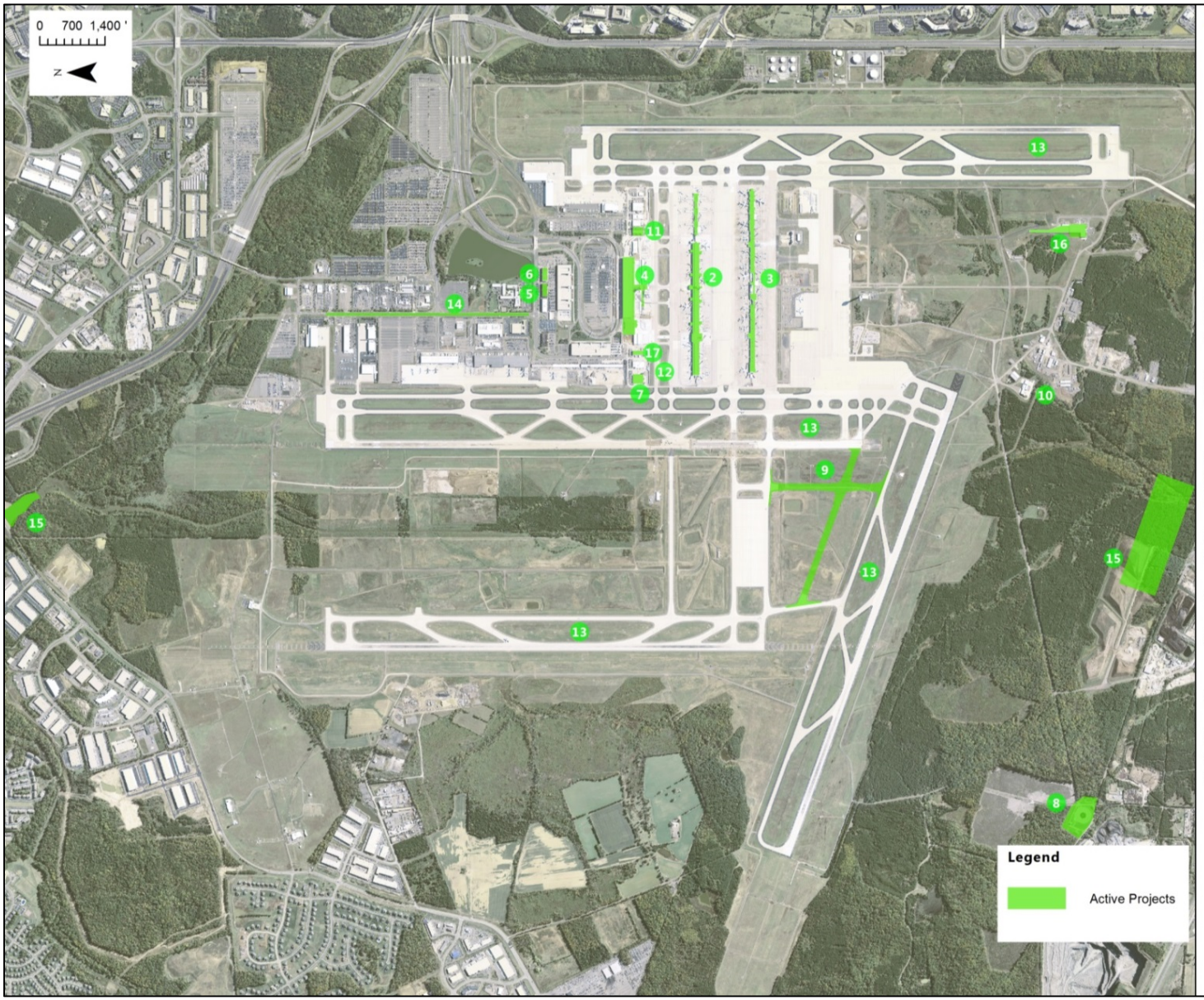
ACTIVE PROJECTS

1. Interim Roadway Improvements
2. Terminal A Planning/Programming/Schematic Design/Enabling Project Design
3. Terminal A General Rehabilitation
4. Secure National Hall
5. Secure National Hall Enabling Projects (South/North Checkpoints)
6. New North Concourse (NNC)
7. NNC Enabling Projects - MWAA Corporate Office Building (Demolition & Relocation)
8. Terminal C Bag Room Renovations
9. Terminal A Hardening and Safety
10. Hold Apron 1 Expansion
11. TV-900 Airfield Electrical Vault Relocation
12. Airfield Trench Drains
13. Glycol Collection Systems
14. Pad B Hold Block Expansion
15. Structured Parking Garage
16. Campus Utility Distribution and Central Plant Improvements - Phase 2
17. Sanitary Sewer Main Reconstruction - Terminal C to North Pump Station
18. Pump Station & Force Main Rehab.
19. Public Safety System. Replacement Design & Phase 1 Implementation
20. Perimeter Security Fence
21. Live Fire Training Facility Improvements (IAD)

ACTIVE AIRPORT WIDE PROJECTS

22. Airfield Pavement Rehabilitation Program
23. Airfield Geometry Requirements
24. Replace Emergency Generators
25. Power Distribution Upgrades - Phase 3
26. Switchgear Upgrade
27. Power Cable Replacement
28. Infrastructure Modernization & Integration Services
29. Data Center Consolidation
30. Public Wi-FI & Cellular Services Business Study & Prg. Mgmt.
31. Unified Digital Signage & Content Mgmt. Sys. Design Study & Phase 1 Implementation
32. Enterprise Mobile Application & Website Phase 2 Implementation
33. Other Planning and Programming
34. Severe Storm Resiliency Improvements
35. Security Infrastructure
36. Aerial Imagery and Contour Lines

Capital Construction Projects at Dulles International Airport
2015-2024 CCP



ACTIVE PROJECTS

1. Access Highway Road Improvements
2. Concourse A/B Enhancements
3. Concourse C/D Enhancements
4. Main Terminal Exit Doors
5. JP Morgan Chase Office Building Rehab.
6. Dulles East Building Office Building Rehab.
7. Shops / Warehouse Building Renovations
8. Live Fire Training Facility Improvements
9. Taxiway S and W-5
10. Cub Run Pump Station Improvements
11. Utility Building Main Feeder Replacement
12. Convert Underground to Above Ground Storage Tanks
13. Airfield Stormwater Sewer Reconstruction
14. Replace Telecommunications Duct Bank
15. Stormwater Management Facilities (North & South)
16. Aero Train Major Maintenance Cycle
17. Mobile Lounge/Planemate Rehabilitation

ACTIVE AIRPORT WIDE PROJECTS

18. Airfield Pavement Panel Replacement
19. Sanitary Sewer System Improvements
20. Infrastructure Modernization & Integration Services
21. Data Center Consolidation
22. Public Wi-FI & Cellular Services Business Study & Prg. Mgmt.
23. Public Safety System. Replacement Design & Phase 1 Implementation
24. Unified Digital Signage & Content Mgmt. System Design Study & Phase 1 Implementation
25. Enterprise Mobile Application & Website Phase 2 Implementation
26. Other Planning and Programming
27. Special Systems
28. Aerial Imagery and Contour Lines

Environmental Approvals for the CCP

Portions of the 2001-2016 CCP required approval by the FAA in order to use federal grant funds and were subject to environmental review and approval as required by the National Environmental Policy Act ("NEPA"). Most construction work associated with the 2001-2016 CCP is complete and environmental actions have been completed. The Airports Authority does not expect any controversial actions relating to the remaining work or that the approval process will result in construction delays.

Portions of the 2015-2024 CCP also will require approval by the FAA in order to use federal grant funds and are subject to environmental review and approval as required by NEPA. The nature of the review depends on the potential for a project or a group of interrelated projects to produce a significant impact on the natural or human environment. The three levels of NEPA review are categorical exclusions, environmental assessments and environmental impact statements ("EIS").

A categorical exclusion is a determination by the FAA that the action or project falls into a category of actions that the FAA has identified, based on its experience, as having minimal likelihood of causing a significant environmental impact. Examples include replacement of airfield paving and extension of a taxiway. No additional environmental consideration is required for a project that falls within this category unless there are extraordinary circumstances that would cause the project to be reviewed further.

An environmental assessment is a formal, detailed evaluation of environmental conditions to determine whether a proposed action is likely to have a significant environmental impact. It involves a consideration of alternative actions and the process includes an opportunity for public review and comment. The two outcomes of an environmental assessment are a "Finding of No Significant Impact" or a decision that an EIS is required.

An EIS is prepared by the FAA when there is a federal action with a potentially significant impact on the environment. Public involvement is required to determine the scope of the environmental review and the issues and alternatives to be addressed. A draft EIS is published for public review and comment, including a public hearing. The FAA then prepares a final EIS and eventually makes a decision on the project.

Some of the 2015-2024 CCP projects at Reagan National Airport, such as the new North Concourse and secure National Hall, will require NEPA review prior to approval by the FAA. The Airports Authority is currently in the process of preparing an environmental assessment to address these improvements. No significant environmental impacts are anticipated, and it is expected that the FAA will issue a Finding of No Significant Impact in 2016. Other planned improvements at Reagan National Airport, such as a parking garage, also will require an environmental assessment and Finding of No Significant Impact prior to approval by the FAA. Other smaller projects in the 2015-2024 CCP at Reagan National Airport likely will qualify for a categorical exclusion.

None of the 2015-2024 CCP projects at Dulles International Airport (excluding any Deferred Projects) is expected to result in any significant environmental impact and therefore all are expected to qualify for categorical exclusions.

PLAN OF FUNDING FOR THE CCP

2001-2016 CCP

The total cost of the projects in the 2001-2016 CCP is expected to be approximately $5.0 billion. The Airports Authority plans to finance the remaining costs of the 2001-2016 CCP projects with the proceeds of Bonds, CP Notes, federal and state grants, PFCs and other available Airports Authority funds. The following table sets forth estimated funding sources for the 2001-2016 CCP.

2001-2016 CCP
Estimated Sources of Funding

Proceeds from Prior Bonds[1, 2]	$ 3,258,085,465
Future Bonds[2]	23,978,035
Subtotal from Bonds	$ 3,282,063,500
Pay-go PFCs as of 12/31/15	$ 973,824,602
Future Pay-go PFCs	233,041,165
Federal and State Grants	546,846,910
Total	$ 5,035,776,177

[1] Includes only that portion of previously issued Bonds and CP Notes that funded construction costs in 2001 and thereafter.
[2] Includes assumed interest earnings on construction fund deposits.
Note: Totals may not add due to rounding.
Source: Airports Authority records.

2015-2024 CCP

The cost of the projects in the 2015-2024 CCP (excluding any Deferred Projects) is expected to be approximately $1.3 billion when adjusted for inflation. The Airports Authority plans to finance the 2015-2024 CCP projects with the proceeds of Bonds, CP Notes, federal and state grants, PFCs and other available Airports Authority funds. The following table sets forth estimated funding sources for the 2015-2024 CCP.

2015-2024 CCP
Estimated Sources of Funding

Proceeds from Prior Bonds[1]	$ 132,260,772
Future Bonds[1]	1,118,311,903
Subtotal from Bonds	$ 1,250,572,676
Federal and State Grants	$ 85,289,759
Total	$ 1,335,862,435

[1] Includes assumed interest earnings on construction fund deposits.
Source: Airports Authority records.

Funding Source: Bond Proceeds

2001-2016 CCP

The Airports Authority previously issued Bonds to fund approximately $3.3 billion of the 2001-2016 CCP, along with funding capitalized interest, reserve requirements and financing costs. Additional Bonds of approximately $27.5 million are expected to be issued to fund approximately $24 million of project costs to complete the 2001-2016 CCP (adjusted for inflation), excluding reserve requirements, capitalized interest and financing costs.

2015-2024 CCP

The Airports Authority previously issued Bonds to fund approximately $132.3 million of the 2015-2024 CCP, along with funding capitalized interest, reserve requirements and financing costs. Additional Bonds of approximately $1.4 billion are expected to be issued to fund approximately $1.1 billion of project costs to complete the 2015-2024 CCP (adjusted for inflation), excluding reserve requirements, capitalized interest and financing costs.

Funding Source: Federal and State Grants

The FAA's Airport Improvement Program ("AIP") consists of entitlement funds and discretionary funds. Entitlement funds are distributed through grants by a formula currently based on the number of enplanements and the amount of landed weight of arriving cargo at individual airports. Discretionary funds are distributed based on the FAA's assessment of national priorities. A letter of intent ("LOI") represents the FAA's intention to obligate funds from future federal appropriations for the program. The AIP has been authorized through September 30, 2016. Between January 2001 and December 2015, the Airports Authority received approximately $372.3 million in entitlement and discretionary grant funds.

2001-2016 CCP

The Airports Authority to date has received LOI commitments totaling approximately $211.8 million for 2001-2016 CCP projects at Dulles International Airport to finance a portion of the design and construction of the fourth runway and associated taxiways and the cost of the EIS for Dulles International Airport. The FAA has allocated approximately $191.2 million of these LOI commitments through December 31, 2015. The Airports Authority expects to receive $9.0 million of LOI commitments in 2016.

In February 2004, the Airports Authority submitted to TSA a federal funding request for $231.1 million to finance building modifications to better accommodate the in-line baggage screening system at both Airports. In 2012, the Airports Authority decided not to pursue the in-line baggage screening project at Reagan National Airport due to TSA's decision to shift funding priorities. As of September 2015, approximately $196.0 million in LOI funds have been approved by TSA for the in-line baggage screening system at Dulles International Airport. Currently, approximately $180.2 million of this amount has been applied to the project, which represents the current costs allowable under the agreement with TSA.

2015-2024 CCP

The Commonwealth of Virginia, through the aviation portion of its Transportation Trust Fund, provides grants to Virginia airport operators on an annual basis. As of December 2015, the Airports Authority received approximately $33.5 million in state grants since 1998. The Airports Authority expects to receive an additional $6 million ($2 million per year) between 2016 and 2018.

Amounts received by the Airports Authority pursuant to these federal and state grants are expressly excluded from the definition of "Revenues" under the Indenture and are not pledged to secure the Bonds.

Funding Source: PFCs

The Airports Authority began collecting a $3.00 PFC at each Airport in 1994 and increased the PFC to $4.50 (the maximum amount authorized by the FAA) in May 2001. An airport must apply to the FAA for the authority to impose a PFC and to use the PFC revenue collected for specific FAA-approved projects. Since Reagan National Airport and Dulles International Airport collect a $4.50 PFC, federal entitlement grant moneys that otherwise would have been received under the AIP have been reduced by 75%.

The Airports Authority has five active PFC applications, with associated amendments, at Reagan National Airport and two at Dulles International Airport, which, in total, provide collection authority of approximately $3.47 billion ($1.03 billion at Reagan National Airport and $2.44 billion at Dulles International Airport). As of March 31, 2016, the Airports Authority had collected $678.5 million (including interest earned) under the applications at Reagan National Airport (including active and closed applications) and $753.0 million (including interest earned) under the applications at Dulles International Airport (including active and closed applications). Authority for the collection of PFCs under the approved PFC applications at Reagan National Airport will expire on February 1, 2023, and at Dulles International Airport on December 31, 2038. If the amounts authorized to be collected have not been collected by the expiration dates, it is expected that the authorization to collect the PFCs will be extended.

The FAA is authorized to terminate the authority to impose PFCs if the Airports Authority's PFC revenues are not being used for FAA-approved projects, if project implementation does not commence within the time periods specified in the FAA's regulations, or if the Airports Authority otherwise violates FAA regulations. The authority to impose a PFC also may be terminated if the Airports Authority violates certain informal and formal procedural safeguards that must be followed. The Secretary of Transportation may authorize an airport operator, including the Airports Authority, to use PFC revenues to finance non-approved projects if such use is necessary due to the financial need of an airport. See also "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS – Effect of Airline Bankruptcies – PFCs."

The calculation of Net Revenues pledged under the Indenture expressly excludes the proceeds of any PFC or similar charge levied by or on behalf of the Airports Authority unless the Airports Authority takes action to treat these funds as Revenues under the Indenture. The Airports Authority has not taken any such actions and, therefore, any PFC or similar charge collected by the Airports Authority currently is not pledged to secure the Bonds, including the

Series 2016AB Bonds. However, on August 1, 2009, the Airports Authority irrevocably committed $35 million of Designated Passenger Facility Charges per year to pay Annual Debt Service on the Bonds through 2016. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Commitment of Certain Passenger Facility Charges."

The following table provides the annual collections of PFCs, plus interest income, from 2011 through 2015.

PFC Revenue

Calendar Year	Reagan National Airport	Dulles International Airport	Total[1]
2011	$37,324,941	$42,169,214	$79,494,155
2012	39,842,248	41,979,851	81,822,099
2013	40,299,744	40,370,183	80,669,927
2014	41,692,591	40,402,223	82,094,814
2015	45,093,237	41,504,519	86,597,756

[1] Represents actual annual PFC collections but does not include accruals.
Source: Airports Authority records.

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AIRPORTS AUTHORITY INDEBTEDNESS
FOR THE AVIATION ENTERPRISE FUND

Outstanding Bonds of the Airports Authority for the Aviation Enterprise Fund

The following table lists the Airports Authority's Bonds that will be outstanding upon the issuance of the Series 2016AB Bonds. The table does not include the CP Notes in the total authorized aggregate amount of $200 million.

Series of Bonds	Originally Issued Par Amount	Total Bonds Outstanding as of July 7, 2016
2003D	$ 150,000,000	$ 57,875,000
2007A	164,460,000	98,065,000
2007B	530,000,000	379,100,000
2008A	250,000,000	192,705,000
2009B	236,825,000	216,690,000
2009C	314,435,000	281,520,000
2009D	136,825,000	122,530,000
2010A	348,400,000	318,805,000
2010B	229,005,000	163,280,000
2010C	170,000,000	153,020,000
2010D	170,000,000	155,620,000
2010F1	61,820,000	61,820,000
2011A	233,635,000	200,530,000
2011B	207,640,000	160,620,000
2011C	185,390,000	155,815,000
2011D	10,385,000	8,845,000
2012A	291,035,000	291,035,000
2012B	20,790,000	14,050,000
2013A	207,205,000	207,205,000
2013B	27,405,000	27,405,000
2013C	11,005,000	11,005,000
2014A	539,250,000	524,710,000
2015A	163,780,000	163,780,000
2015B	279,235,000	278,685,000
2015C	35,975,000	35,630,000
2015D	30,490,000	30,490,000
2016A	362,655,000	362,655,000
2016B	23,370,000	23,370,000
Total	$5,391,015,000	$4,696,860,000

Subordinated Bonds for the Aviation Enterprise Fund

Currently, there are no outstanding Subordinated Bonds. The Airports Authority, however, has the ability to issue additional debt on a subordinated basis to the Bonds. Under the Indenture, Subordinated Bonds are to be secured by a pledge of the Airports Authority's Net Revenues, which pledge is to be subordinated to the pledge of Net Revenues securing the Bonds.

Commercial Paper Program for the Aviation Enterprise Fund

The Airports Authority has authorized a commercial paper program in an aggregate principal amount not to exceed $500 million outstanding at any time. The Airports Authority currently has in place one credit facility allowing the Airports Authority to support the issuance of up to $200 million in CP Notes at any given time.

The issuance of up to $250 million of the Series One CP Notes is authorized pursuant to the Amended and Restated Eleventh Supplemental Indenture dated as of November 1, 2004, as amended, by and between the Airports Authority and the Trustee. The letter of credit securing the Series One CP Notes has expired; the Series One CP Notes Program has been suspended and there are no plans at this time to procure a replacement letter of credit provider.

The issuance of up to $200 million of the Series Two CP Notes was authorized pursuant to the Twenty-second Supplemental Indenture dated as of January 1, 2005, as amended in March 1, 2007, October 1, 2009, and March 6, 2014, by and between the Airports Authority and the Trustee. The Series Two CP Notes are structured as Short Term/Demand Obligations under the Indenture and are secured by certain pledged funds including Net Revenues on a parity with the Bonds. They are further secured by an irrevocable direct pay letter of credit issued by Sumitomo Mitsui Banking Corporation ("SMBC"), acting through its New York Branch, that expires on March 6, 2017. The Airports Authority's obligation to repay amounts drawn under such letter of credit is secured by and payable from Net Revenues and other pledged funds on a parity with any Series One CP Notes that are issued, and Bonds, including the Series 2016AB Bonds.

Credit Facilities Relating to Bonds

In addition to the letter of credit securing the Series Two CP Notes, the Airports Authority has approximately $476.1 million principal amount of variable rate Bonds outstanding that are secured by letters of credit. The chart below provides summary information with respect to the credit facilities relating to the Airports Authority's Series Two CP Notes and certain of its variable rate Bonds.

Airports Authority's Credit Facilities for Bonds

	Series Two CP Notes	Series 2009D Bonds	Series 2010C Bonds	Series 2011A Bonds
Principal Amount[1]	$200,000,000	$122,530,000	$153,020,000	$200,530,000
Expiration Date	March 6, 2017	February 28, 2021	September 21, 2020	September 28, 2018
Letter of Credit Provider	SMBC[2]	TD Bank[3]	SMBC[2]	RBC[4]
Credit/Provider Ratings (Fitch/Moody's/S&P)				
Short-Term	F1/P-1/A-1	F1+/P-1/A-1+	F1/P-1/A-1	F1+/P-1/A-1+
Long-Term	A/A1/A	AA-/Aa1/AA-	A/A1/A	AA/Aa2/AA-

[1] The principal amount as of May 2016.
[2] Sumitomo Mitsui Banking Corporation. Ratings as of May 2016.
[3] TD Bank, N.A.
[4] Royal Bank of Canada. The Royal Bank of Canada is the parent company of RBC Capital Markets, LLC.

Direct Purchase Bonds

The Airports Authority has $374.1 million principal amount of index floater variable rate Bonds outstanding that were purchased by banks. The chart below provides summary information with respect to those direct purchase Bonds. Unless extended in the current index floater variable rate, the direct purchase Bonds will be subject to mandatory tender on the purchase date and will then be refunded or converted to a different interest rate mode or another index floater variable rate.

Airports Authority's Direct Purchase Bonds

	Series 2003D-1 Bonds	Series 2010D Bonds	Series 2011B Bonds
Principal Amount[1]	$57,875,000	$155,620,000	$160,620,000
Mandatory Purchase Date	October 1, 2018	September 23, 2017	October 2, 2017
Purchaser	Wells Fargo[2]	Wells Fargo[2]	PNC[3]

[1] The principal amount as of May 2016.
[2] Wells Fargo Municipal Capital Strategies, LLC.
[3] PNC Bank.

Interest Rate Swaps for the Aviation Enterprise Fund

The Airports Authority has entered into a number of interest rate swap agreements (collectively, the "Swap Agreements") to hedge against potential future increases in interest rates. All of the Airports Authority's Swap Agreements (i) were entered into in connection with the planned issuance of variable rate debt and represent floating-to-fixed rate agreements and (ii) were written on a forward-starting basis to either hedge future new money Bonds or to synthetically advance refund Bonds that could not be advance refunded on a conventional basis because of their tax status. The chart below provides summary information with respect to the Airports Authority's current Swap Agreements.

Airports Authority's Swap Agreements

Trade Date	Swap Provider	Ratings Moody's/ S&P/Fitch	Original Notional Amount	Outstanding Notional Amount as of April 2016	Fair Value as of April 2016	Rate Paid by Counterparty	Nature of Swap	Rate Paid by Airports Authority	Termination Date
07/31/2001	Bank of America, N.A.[1]	A1/A/A+	$80,590,000	$34,015,000	$(3,811,288)	72% LIBOR	Refunding	4.445%	10/01/2021
06/15/2006	JPMorgan Chase Bank, N.A.[2] Bank of America, N.A.	Aa3/A+/ AA- A1/A/A+	$190,000,000 $110,000,000	$170,148,167 $98,506,834	$(59,563,480) $(33,699,024)	72% LIBOR	Hedge Future Borrowing	4.099%	10/01/2039
06/15/2006	Wells Fargo Bank, National Association[3]	Aa2/AA-/ AA	$170,000,000	$155,624,800	$(56,675,122)	72% LIBOR	Hedge Future Borrowing	4.112%	10/01/2040
09/12/2007	Wells Fargo Bank, National Association[3,4]	Aa2/AA-/ AA	$125,000,000	$115,484,375	$(33,999,407)	72% LIBOR	Hedge Future Borrowing	3.862%	10/01/2039

[1] On June 9, 2011, Merrill Lynch Capital Services, Inc. transferred its role by novation as the swap provider under this swap agreement to Bank of America, N.A.

[2] On March 4, 2009, Bear Stearns Financial Products assigned its role as the swap provider under this swap agreement to JP Morgan Chase Bank, N.A.

[3] On November 22, 2011, as successor of Wachovia Bank, Wells Fargo Bank, National Association, assumed the role as swap provider under this swap agreement.

[4] On September 12, 2007, the Airports Authority (a) realized the market value of this swap and received $1,255,000 from the swap provider, and (b) extended the start date of the swap from October 1, 2007, to October 1, 2011, with a new fixed swap rate of 3.86%.

Source: Airports Authority records.

The Board has adopted a policy governing the use of derivative products by the Airports Authority. A copy of the Board policy is available at www.mwaa.com. To manage its exposure to counterparty risk, the Airports Authority has entered into Swap Agreements only with counterparties having a rating of at least "A." Upon the issuance of the Series 2016AB Bonds and the defeasance of the Refunded Bonds, approximately 18% of the Airports Authority's outstanding Bonds will be in a variable rate mode (approximately 12% will be synthetic fixed rate and approximately 6% will be unhedged variable rate) and 82% of the Airports Authority's debt will be conventional fixed rate.

The Airports Authority's regular hedge payments under the Swap Agreements constitute Junior Lien Obligations of the Airports Authority secured by a pledge of the Airports Authority's Net Revenues that is subordinate to the pledge of Net Revenues securing the Bonds, including the Series 2016AB Bonds, and any Subordinated Bonds issued in the future. If any Swap Agreement is terminated prior to its scheduled termination date, depending on market conditions at the time of the termination, the Airports Authority may be required to make a termination payment to the counterparty or may receive a termination payment from a counterparty. Termination payments owed by the Airports Authority under the Swap Agreements, if any, would be payable solely from legally available funds that would be subordinate to the payment of Bonds, including the Series 2016AB Bonds, CP Notes, Subordinated Bonds and Junior Lien Obligations.

In 2008, the Airports Authority implemented the Governmental Accounting Standards Board ("GASB") Statement No. 53, Accounting and Financial Reporting for Derivative Instruments ("GASB 53"). The Airports Authority's Swap Agreements described in the table above have been reviewed for hedge effectiveness pursuant to the requirements of GASB 53 and

found not to be effective hedges under GASB 53. As required by GASB 53, the monthly change in the fair value of the swaps is recorded as investment income or loss in the Statements of Revenues, Expenses and Changes in Net Assets. See "AIRPORTS AUTHORITY FINANCIAL INFORMATION" and the Airports Authority's financial report as of, and for, the years ended December 31, 2015 and 2014 – Derivatives, which is contained in the Airports Authority's 2015 CAFR which was filed with EMMA and can also be found at www.mwaa.com and www.dacbond.com.

Special Facility Bonds

Special Facility Bonds are generally defined as any revenue bonds, notes or other obligations of the Airports Authority other than Bonds, Subordinated Bonds or Junior Lien Obligations, issued to finance any Special Facility, as defined in the Indenture, that are payable from and secured solely by the proceeds of such obligations and by rentals, payments and other charges payable by the obligor under the applicable Special Facility Agreement, as defined in the Indenture. As of the date of this Official Statement, no Special Facility Bonds of the Airports Authority are outstanding.

AIRPORTS AUTHORITY HISTORICAL FINANCIAL INFORMATION

General

The Airports Authority's financial report as of, and for, the years ended December 31, 2015 and December 31, 2014, is contained in the Airports Authority's 2015 CAFR, which was filed with EMMA and can also be found at www.mwaa.com and www.dacbond.com, and includes three financial statements: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by GASB principles.

The Airports Authority's financial statements for the year ended December 31, 2015 and December 31, 2014 include two Enterprise Funds. The Aviation Enterprise Fund encompasses the two Airports, Reagan National Airport and Dulles International Airport. The Dulles Corridor Enterprise Fund, which commenced November 1, 2008, encompasses the Dulles Toll Road and the Dulles Metrorail Project. The Management's Discussion provided in this Official Statement concerns only the Aviation Enterprise Fund.

Aviation Enterprise Fund Fiscal Years Ended December 31, 2011 Through 2015

Historical Statements of Revenues, Expenses and Changes in Net Position for the Aviation Enterprise Fund for the five Fiscal Years ended December 31, 2011 through 2015, are set forth on the following table. The amounts set forth in the table were derived from the Airports Authority's audited historical financial statements.

HISTORICAL FINANCIAL RESULTS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AVIATION ENTERPRISE FUND

	12/31/2011	12/31/2012[1]	12/31/2013	12/31/2014[2]	12/31/2015
OPERATING REVENUES					
Concessions	$227,599,995	$227,719,891	$236,254,054	$253,486,229	$286,049,575
Rents	275,428,113	301,637,067	305,301,798	293,951,059	316,082,521
Landing fees	110,255,672	112,282,616	128,386,773	118,863,519	105,741,304
Utility sales	11,979,591	11,704,662	12,143,660	12,524,281	12,920,034
Passenger fees	30,331,231	33,442,803	32,828,954	34,247,856	30,500,912
Other	8,381,229	8,160,525	8,108,012	9,103,861	10,546,031
	663,975,831	694,947,564	723,023,251	722,176,805	761,840,377
OPERATING EXPENSES					
Materials, equipment, supplies, contract services, other	187,607,830	194,967,615	205,964,686	193,644,452	193,733,350
Impairment loss/design costs	–	40,239,036	–	8,000,402	-
Salaries and related benefits	148,072,307	151,531,516	155,687,570	147,529,800	167,220,134
Utilities	26,542,084	27,253,512	26,116,991	26,197,069	25,568,096
Lease from U.S. Government	5,180,558	5,303,936	5,335,290	5,297,523	5,392,439
Depreciation and amortization	211,365,393	253,743,153	237,667,144	236,314,390	238,558,192
	578,768,172	673,038,768	630,771,681	616,983,636	630,472,211
OPERATING INCOME (LOSS)	85,207,659	21,908,796	92,251,570	105,193,169	131,368,166
NON-OPERATING REVENUES (EXPENSES)					
Investment income	24,683,618	13,356,837	11,992,454	13,535,125	14,061,258
Interest expense	(221,951,744)	(210,149,419)	(216,902,168)	(202,577,928)	(189,397,216)
Federal, state and local grants	874,810	1,222,205	736,767	1,121,552	798,437
Fair value gains (loss) on swaps	(96,249,918)	6,422,461	81,962,970	(54,156,518)	1,196,495
Contributions to other governments	–	–	–	(34,727,931)	(26,104,546)
	(292,643,234)	(189,147,916)	(122,209,977)	(276,805,700)	(199,445,572)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(207,435,575)	(167,239,120)	(29,958,407)	(171,612,531)	(68,077,406)
CAPITAL CONTRIBUTIONS					
Passenger facility charges	78,626,926	83,263,578	79,056,914	82,278,776	88,552,338
Federal and State grants	54,805,079	54,452,170	73,256,629	64,911,075	47,589,763
Other capital property contributed	5,180,000	–	8,500,000	–	-
	138,612,005	137,715,748	160,813,543	147,189,851	136,142,101
NET ASSETS					
Increase (decrease) in net assets	(68,823,570)	(29,523,372)	130,855,136	(24,422,680)	68,064,695
Total net assets, beginning of year	830,969,040	726,355,332	696,831,960	827,687,096	808,044,532
Cumulative effect of change in accounting principle	–	–	–	4,780,116	–
Cumulative effect of GASB 65 implementation	(35,790,138)	–	–	–	–
Total net assets, end of year	$726,355,332	$696,831,960	$827,687,096	$808,044,532	$876,109,227

[1] As discussed in the Airports Authority's Comprehensive Annual Financial Report of 2013 ("2013 CAFR"), the Airports Authority implemented GASB 65 and revised its 2012 and prior years' statements to reflect the change in its method of accounting for bond issuance costs, excluding prepaid insurance costs, to recognize these bond issuance costs as an expense in the period incurred. The opening net assets for 2012 were adjusted to reflect the cumulative effect of the change impacting periods prior to 2012.

[2] As discussed in the Airports Authority's Comprehensive Annual Financial Report of 2015 ("2015 CAFR"), the Airports Authority implemented GASB 68 and revised its 2014 and prior years' statements to reflect the change in its method of accounting for pension costs. The opening net assets for 2014 were adjusted to reflect the cumulative effect of the change impacting periods prior to 2014.

The Aviation Enterprise Fund has activity-based revenues which include revenues derived from non-airline fees, such as parking and rental car concession fees, and revenues derived from airline rentals, fees and charges such as landing fees, international arrival fees and passenger conveyance fees. Demand for air service is driven by economic conditions. In recent years, the aviation industry has been challenged by the global economic downturn, carrier consolidation, and thin profit margins. As a result, in 2015, the Airports Authority budgeted minimal increases to airline rentals, fees and charges, maintained the ability to operate the Airports in a safe and secure manner, and met customer service standards, with the goal of sustaining the Airports Authority's long-term financial strength. Overall the Airports System's activity has remained strong in the face of these economic and aviation industry changes.

In 2015, operating revenue, which consists largely of concessions, rents, landing fees, passenger conveyance charges and international arrivals fees, totaled $761.8 million, which was an increase of $39.7 million, or 5.5% from prior year. In 2015, concession revenue increased by $32.6 million or 12.8% due to implementing new food, beverage, and retail programs at both Airports. In 2015, terminal rent revenue increased by 7.5% due to an increase in the debt service requirement from 25% to 35%, under the negotiation of the new Use and Lease Agreement for fiscal years 2015 through 2017. Landing fee revenues totaled $105.7 million in 2015, which was a decrease of $13.1 million from 2014. Signatory landing fees paid per 1,000 pounds at Reagan National Airport increased to $4.09 in 2015 from $3.60 in 2014. In 2015, Signatory landing fees paid per 1,000 pounds at Dulles International Airport decreased to $2.93 in 2015 from $3.86 in 2014. Passenger fees, including passenger conveyance, international arrivals fees, and fees for the Transportation Security Administration ("TSA"), totaled $30.5 million in 2015, a decrease of $3.7 million, or 10.9%, from 2014.

As of December 31, 2015, the Airports Authority's Aviation Enterprise Fund had $1.44 billion of total cash and investments of which $723.8 million was unrestricted. Total unrestricted net position at December 31, 2015 for the Aviation Enterprise Fund was $503.5 million, an increase of $83.2 million from December 31, 2014. As of December 31, 2015, the Airports Authority's Aviation Enterprise unrestricted cash and investments were equivalent to 768 days of operation and maintenance expenses, compared to 608 days as of December 31, 2014. As of March 2016, unrestricted cash and investments increased to $705.0 million and total unrestricted net position for the Aviation Enterprise Fund was $493.9 million, a decrease of $9.7 million from December 31, 2015. These net unrestricted assets may be used to meet any of the Airports Authority's Aviation Enterprise on-going operational needs, including debt service, should the reserves restricted for debt service prove inadequate, subject to approval by the Airports Authority's Board of Directors.

The following table provides details of concession revenues by major category for the five Fiscal Years 2011 through 2015.

TOTAL CONCESSION REVENUES BY MAJOR CATEGORY
AVIATION ENTERPRISE FUND
(Audited)

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Parking	$108,936,324	$108,943,383	$110,113,780	$116,494,286	$127,169,736
Rental cars	38,706,628	35,433,032	36,416,084	36,298,071	38,965,642
Terminal concessions					
Food and beverage	17,274,882	18,011,106	18,992,489	20,513,081	26,276,371
Newsstand and retail	12,003,770	12,238,148	12,814,549	11,622,016	13,632,732
Duty free	4,009,277	4,455,682	4,666,805	8,189,287	13,143,952
Display advertising	12,061,771	10,665,291	10,240,914	9,295,511	11,320,884
Fixed base operator	14,109,353	15,467,248	15,542,501	17,275,789	17,515,830
Ground transportation	8,046,470	9,225,667	9,770,802	12,643,100	15,977,416
In-flight catering	7,172,499	7,925,048	10,005,313	12,087,658	12,426,345
All other	5,279,021	5,355,286	7,690,817	9,067,430	9,620,667
Total	$227,599,995	$227,719,891	$236,254,054	$253,486,229	$286,049,575

Source: Airports Authority records.

In 2015, the Airports Authority's concession revenues totaled $286.0 million, an increase of $32.6 million, or 12.8%, from 2014, which is attributable to increases primarily in parking, food and beverage, duty free, rental cars, and display advertising. Concession revenues accounted for 37.5% of total operating revenues in 2015. Parking revenues continued to rank as the Airports Authority's largest source of concession revenue in 2015, providing $127.2 million, an increase of $10.7 million, or 9.2%, from $116.5 million in 2014 due to higher overall passenger traffic and parking rate increases. Rental car revenues of $39.0 million increased by $2.7 million compared to 2014.

The Airports Authority is implementing new food, beverage, and retail programs at both Airports; recently implemented food and beverage concepts included Page at Reagan National Airport and Chef Geoff at Dulles International Airport in 2015. Food and beverage revenue totaled $26.3 million in 2015, an increase of $5.8 million compared to 2014. Food and beverage revenue totaled $20.5 million in 2014, which represented an increase of $1.5 million from 2013. Newsstand and retail revenue increased by $2.0 million to $13.6 million in 2015. Fixed base operator revenues of $17.5 million in 2015 increased by $240 thousand from prior year. Fixed base operator revenues of $17.3 million in 2014 increased by 1.7 million from the prior year and were attributable to higher minimum annual guarantees. Inflight catering revenues increased $339 thousand compared to 2014 and increased by $2.1 million compared to 2013, as a result of increased international passenger traffic at Dulles International Airport and new contracts that provide the Airports Authority with a higher percentage of revenues. Ground transportation revenues increased $3.3 million in 2015, due to an additional shared ride service provider at both airports and higher minimum guarantees at Dulles International Airport. All other areas of concession revenues accounted for a combined net increase of $0.6 million over 2014. This increase was largely due to an increase in hotel trip fees and an increase in foreign currency revenue due to higher minimum annual guarantees.

Concession revenues at Reagan National Airport increased by $19.6 million, or 18.8%, in 2015. Parking revenue at Reagan National Airport increased $9.0 million, or 16.8%, from 2014.

Overall activity for public parking increased 1.5% in 2015 compared to 2014. Total exits for 2015 were 1.37 million compared to 1.35 million in 2014.

Concession revenues at Dulles International Airport increased by $13.0 million, or 8.7%, from 2014. In 2015, parking revenue was $64.8 million, an increase of $1.7 million, or 2.7%, from 2014. Overall activity for public parking increased 3.5% in 2015 compared to 2014. Total exits for 2015 were 2.64 million compared to 2.55 million in 2014.

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2015 totaled $630.5 million, an increase of $13.5 million, or 2.2%, from 2014. The primary reason for this decrease was a one-time impairment charge of $8.0 million that was recorded in 2014 in accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries (GASB 42) to write-off project design costs related to Dulles International Airport in-line baggage screening project, which was offset by increased salaries and related benefit expenses of $19.7 million related to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Materials, equipment, supplies, contract services, and other expenses were held relatively flat at $193.7 million in 2015. In 2014, expenses decreased $12.3 million, or 6.0% to $193.6 million primarily due to a decrease in contract help and non-capital facility projects.

Salaries and related benefits expenses increased $19.7 million, or 13.3%, from 2014 to $167.2 million in 2015. Regular full time pay for Airports Authority employees increased $1.3 million, or 1.2%, over 2014. Overtime costs increased $1.0 million, or 13.6%, to $8.3 million in 2015 as a result of winter weather events. The Airports Authority continued funding its Other Post-Employment Benefits (OPEB) program and recorded $1.5 million in expenses for 2015 and $5.9 million in expenses for 2014. The contribution percentages to the Airports Authority's pension plans decreased to 1.4% in 2015 from 6.1% of eligible earnings in 2014 for the General Employee Plan and decreased to 2.1% in 2015 from 9.8% of eligible earnings in 2014 for the Police and Firefighters' plan. The funded ratio as of the actuarial valuation date of December 31, 2015 was 96.9% for the General Employee Plan and 97.5% for the Police and Firefighters' plan.

The Airports Authority's utility expenses for 2015 were $25.6 million, a decrease of $629 thousand from 2014, or 2.4%, which was a result of a reduction in electricity rates and sewerage offset by increase in natural gas usage compared to the prior year. Depreciation and amortization expenses totaled $238.6 million in 2015, an increase of $2.2 million or 0.9% from 2014, due to additional capitalizations in 2015 in building and systems.

In 2015, at Reagan National Airport, the Airports Authority completed Runway 15-33, Runway 4-22 and the master site refresh with master controller and smart-X technology. In 2014, at Reagan National, the Airports Authority completed Terminal A Building Rehabilitation and Switchgear and Supervisory Control and Data Acquisition (SCADA) systems. In 2013, runway 1/19 improvements were completed, as well as improvements to Terminal A. In 2015, at Dulles International, the East and West Basement EDS in-line baggage screening and Taxiway Z reconstruction and airfield Runway 1R-19L and RSA Pavements were completed. In 2014, at Dulles International, the South Baggage Basement EDS in-line baggage screening and the airfield pavements were completed.

Operating income was $131.4 million in 2015, an increase of $26.2 million compared to 2014. The change is primarily due to a $39.7 million increase in concessions and rents, and a $13.5 million increase in expenses, mainly attributable to an impairment loss in 2014 and higher pension-related costs due to the implementation of GASB 68.

Compared to 2014, total non-operating revenues increased $1.4 million and non-operating expenses decreased $76.0 million. Non-operating revenue in 2015 was comprised of $14.1 million in investment income primarily as a result of interest earned on debt service reserve funds, and $798 thousand of federal, state, and local grants in support of operations and a $1.2 million increase from fair value gain on swaps. Non-operating expenses, which included interest expense on the Aviation Enterprise Fund's $5.0 billion debt in non-current liabilities, totaled $189.4 million. Contributions to the Dulles Corridor Enterprise totaled $26.1 million, which reflects the Aviation Enterprises share of Phase 2 of the Dulles Metrorail Project.

Capital contributions include PFCs, federal, state, and local grants, and other capital property acquired. PFC revenue in 2015 was $88.6 million, an increase of $6.3 million from 2014. Federal, state, and local grants in support of capital programs were $47.6 million in 2015, $64.9 million in 2014, and $73.3 million in 2013. In 2015, the Airports Authority received $28.1 million in Airport Improvement Program (AIP) grants primarily to reimburse the capital costs of constructing the fourth runway, reconstructing a portion of Taxiway Y, reconstructing Taxiway Z & Taxilane C Reconstruction, reconstructing and widening of Taxilane B East section all at Dulles International Airport, and improving the safety areas for runways 15/33 and 4/22 at Reagan National Airport. The Airports Authority also received American Recovery and Reinvestment Act (ARRA) grants of $15.0 million for the East/West in-line baggage electronic detection system.

Net position increased in 2015 by $68.1 million primarily due to a reduction in interest expense and fair value gains on swaps, offset by an increase in pension related costs due to the implementation of GASB 68. Net position decreased in 2014 by $24.2 million primarily due to fair value losses on swaps, contributions to other governments and pension related costs due to the implementation of GASB 68.

Net Remaining Revenue

Set forth in the table below is the calculation of Net Remaining Revenue ("NRR") and debt service coverage for the four Fiscal Years ended December 31, 2012 through 2015.

NET REMAINING REVENUE SCHEDULE AND CALCULATION OF DEBT SERVICE COVERAGE FOR AVIATION ENTERPRISE FUND (Unaudited)

	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Airline Revenues[1]				
Landing and Apron Fees	$126,828,986	$142,468,206	$137,823,048	$159,344,357
Rentals	344,380,174	348,698,777	346,191,178	356,056,705
Passenger & Other Fees	1,019,467	459,899	1,365,363	878,368
Other Rents	30,396,460	30,966,432	34,105,457	34,370,112
Utility Reimbursements	7,509,943	7,958,813	8,479,935	8,863,608
Concessions[2]	193,707,437	203,346,885	218,512,315	253,566,416
Investment Earnings	15,563,423	16,186,751	12,597,284	16,557,569
Other	8,155,914	8,071,202	9,103,052	10,545,092
TOTAL REVENUES[1]	727,561,804	758,156,965	768,177,632	840,182,227
O&M Expenses	307,361,481	323,155,858	320,276,202	321,422,565
NET REVENUES	420,200,323	435,001,107	447,901,430	518,759,662
Debt Service on Bonds Issued under Master Indenture[3]	312,026,356	309,828,340	309,882,664	307,711,750
TOTAL DEBT SERVICE	312,026,356	309,828,340	309,882,664	307,711,750
O&M Reserve Requirement Increment	1,238,000	61,000	(480,000)	191,000
Federal Lease Payment	5,303,936	5,335,290	5,297,523	5,392,439
NET REMAINING REVENUE[4]	$101,632,031	$119,776,476	$133,201,243	$205,464,473
DEBT SERVICE COVERAGE[4]	1.35x	1.40x	1.45x	1.69x

[1] Includes credit for Signatory Airlines' share of NRR from the prior year, which offsets the amount of rentals, fees and charges that are due from the Signatory Airlines in the respective fiscal year.
[2] Concession Revenue for Washington Flyer Ground Transportation is not included.
[3] Reflects actual amount of debt service paid on outstanding Bonds and CP Notes in the respective fiscal year.
[4] Calculations of NRR and coverage are made in conformance with provisions of the Indenture and the Airline Agreement and are not determined in accordance with GAAP.

Source: Airports Authority records.

The Aviation Enterprise Fund Budget

The Aviation Enterprise Fund's annual budget is a financial planning tool outlining the estimated revenues and expenses for the Airports. The budget is not prepared according to GAAP. The President and Chief Executive Officer submits the Aviation Enterprise Fund's annual budget to the Board for approval. Budgetary controls and evaluations are effected by comparing actual interim and annual results with the budget, noting the actual level of passenger activities. The Airports Authority conducts quarterly reviews to ensure compliance with the provisions of the annual operating budget approved by the Board. The budget may be amended at any time during the year upon recommendation by the President of the Board and adoption by the Board.

Operating revenues surpassed budgeted amounts by 2.1% in 2015 compared to 0.9% over budget expectations in 2014. Operating expenses were held to 93.0% of budget authorization in 2015, while in 2014 expenses were held to 96.4% of budget authorization. The Airports

Authority's 2015 Budget reflected a 4.5% increase in revenues and a 2.8% increase in expenses, as compared to the 2014 Budget.

	Budget	Actual[1]	As a percentage of Budget
2015 Revenues	$701,260,000	$715,786,076	102.1%
2015 Expenses[2]	$346,474,000	$322,321,883	93.0%
2014 Revenues	$671,172,000	$677,483,650	100.9%
2014 Expenses[2]	$337,144,000	$324,896,166	96.4%

[1] Actual results are stated on a budgetary basis for comparative purposes, which are not consistent with GAAP.
[2] Does not include depreciation expense or debt service.

Aviation Enterprise Fund Fiscal Year 2016 Budget

The prospective financial information in the section below has been prepared by, and is the responsibility of, the Airports Authority's management. The Airports Authority and its management believe that the budget information below has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represents, to the best of management's knowledge and opinion, the Airports Authority's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

The Aviation Enterprise Fund's Budget, which includes the 2016 Operations and Maintenance Budget ("2016 O&M Budget") (funded from airline rentals, fees and charges and nonairline revenue, including concessions and other revenues), the 2016 Capital, Operating and Maintenance Investment Program Budget (funded with the Airports Authority's share of net remaining revenues from the prior year and, at Reagan National Airport, current operating year revenues), and the 2016 Capital Construction Program Budget (funded from Bond proceeds, PFCs and grants), was approved by the Board in December 2015 (the "2016 Budget"). The Airports Authority is committed to ensuring that adequate resources are available to efficiently and safely operate and maintain the Airports and believes that the 2016 Budget provides those resources.

The 2016 O&M Budget includes a 6.6% increase in operating revenues and a 0.7% decrease in operating expenses (excluding debt service) over the 2015 O&M Budget. Budgeted revenues of $811.3 million for 2016 reflect a $50.2 million increase from 2015 budgeted revenues. Operating revenues received from the airlines are on a cost recovery basis.

Budgeted operating expenses for 2016 are $344.0 million, a $6.4 million or 1.9% increase over 2015 budgeted expenses of $337.6 million (excluding debt service and O&M Reserve Requirement). The total budgeted expenses for 2016, including debt service but excluding O&M Reserve Requirement are $670.6 million, a $23.4 million or 3.6% increase over 2015 budgeted expenses of $647.2 million.

In the 2016 Budget, the Airports Authority's share of Net Remaining Revenues ("NRR") is estimated at $194.6 million, a 66.2% increase from the 2015 Budget. Under the Airline Agreement, NRR is allocated between the Aviation Enterprise Fund and the Signatory Airlines according to an established formula. The Signatory Airlines' share of NRR in 2015 (transfers included in the budgeted 2016 operating revenues) was $101.1 million and the Airports Authority's share of NRR in 2015 was $104.3 million.

AIRPORTS AUTHORITY CURRENT FINANCIAL INFORMATION

The unaudited Fiscal Year 2016 results through March 2016 for the Aviation Enterprise Fund are set forth below. This information has been prepared by management of the Airports Authority.

FINANCIAL RESULTS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
AVIATION ENTERPRISE FUND
(Unaudited)

	Three Month Period Ended March 2015	Three Month Period Ended March 2016	Net Change
OPERATING REVENUES			
Concessions	$63,235,063	$70,761,922	11.9%
Rents	77,338,639	79,782,058	3.2%
Landing fees	25,562,318	25,178,070	(1.5)%
Utility sales	3,701,770	3,595,693	(2.9)%
Passenger fees	6,646,740	6,888,789	3.6%
Other	2,277,808	2,508,093	10.1%
	178,762,339	188,714,625	5.6%
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	46,603,161	51,296,278	10.1%
Salaries and related benefits	40,084,883	43,306,431	8.0%
Utilities	7,428,111	7,091,075	(4.5)%
Lease from U.S. Government	1,343,500	1,363,000	1.5%
Depreciation and amortization	58,918,984	59,396,483	0.8%
	154,378,639	162,453,221	5.2%
OPERATING INCOME	24,383,700	26,261,404	7.7%
NON-OPERATING REVENUES (EXPENSES)			
Investment income	5,102,209	5,973,417	17.1%
Interest expense	(47,112,728)	(46,986,305)	(0.3)%
Federal, state and local grants	46,825	0	(100.0)%
Unrealized swap gain (loss)	(15,680,822)	(26,401,222)	68.4%
	(57,644,516)	(67,414,110)	17.0%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(33,260,816)	(41,152,706)	23.7%
CAPITAL CONTRIBUTIONS			
Passenger facility charges	22,804,645	23,705,073	3.9%
Federal and State grants	3,744,996	2,152,132	(42.5)%
Other capital property contributed	(4,553,566)	(6,294,437)	38.2%
	21,996,076	19,562,769	(11.1)%
NET POSITION			
Increase (decrease) in net position	(11,264,740)	(21,589,938)	91.7%
Total net position, beginning of period	808,044,532	876,109,227	8.4%
Total net position, end of period	$796,779,792	$854,519,289	7.3%

Totals may not add due to rounding.

The Aviation Enterprise Fund's financial results for the first three months of Fiscal Year 2016 reflect a $1.9 million, or 7.7%, increase in operating income, primarily due to increased concessions and rent revenues despite higher snow removal costs. Operating revenue for the three months ended March 31, 2016 was $188.7 million, an increase of $10.0 million or 5.6% compared to the same period in 2015.

Capital contributions include PFCs and federal and state grants by the Aviation Enterprise Fund. For the three months ended March 31, 2016, PFC revenue was $23.7 million, an increase of $0.9 million, or 3.9%, compared to the same period in 2015. Contributions to the Dulles Corridor Enterprise for the Phase 2 of the Metrorail Project were $6.3 million, an increase of $1.7 million, or 38.2% compared to same period in 2015.

Through March 31, 2016, the Aviation Enterprise Fund's net position decreased $21.6 million reflecting operating income of $26.3 million, non-operating expenses of $67.4 million and capital contributions of $19.6 million.

Operating expenses through March 2016 were $162.5 million, an increase of $8.1 million or 5.2%, compared to the same period in 2015. Materials, equipment, supplies, and other contract services increased $4.7 million, or 10.1%. Salaries and related benefits increased $3.2 million compared to the same period in 2015, as a result of an increase in salaries of $1.8 million and an increase in benefits of $1.4 million.

For the three months ended March 31, 2016, non-operating expenses before capital contributions were $67.4 million, an increase of $9.8 million compared to the same period in 2015, primarily due to an increase in interest expense and the change in the fair value of swaps. For the three months ended March 31, 2016, non-operating revenue was $6.0 million, a $0.8 million increase compared to the same period in 2015, mainly due to higher investment income on the investment portfolio and grants.

For the three months ended March 31, 2016, interest expense decreased $0.1 million, or 0.3%, compared to the same period in 2015, as a result of savings realized due to refunding of bonds in 2015 and lower variable interest rates compared to the same period in 2015.

The following table provides details of unaudited concession revenues by major category for the three months ended March 31, 2015 and March 31, 2016.

TOTAL CONCESSION REVENUES BY MAJOR CATEGORY
AVIATION ENTERPRISE FUND
(Unaudited)

	Three Months Ended March 2015	Three Months Ended March 2016	Net Change
Parking	$29,050,546	$30,023,674	3.3%
Rental Cars	8,604,272	8,929,015	3.8%
Terminal Concessions			
Food and beverage	5,012,166	6,327,152	26.2%
Newsstand and retail	3,019,395	3,196,805	5.9%
Duty free	3,223,914	3,372,892	4.6%
Display advertising	2,077,000	2,765,745	33.2%
In-flight catering	2,555,438	2,814,900	10.2%
Ground Transportation	3,044,290	5,856,715	92.4%
Fixed base operator	3,997,987	4,964,855	24.2%
All other	2,650,055	2,510,170	(5.3)%
Total[1]	$63,235,063	$70,761,922	11.9%

[1] Totals may not add due to rounding.
Source: Airports Authority records.

The Aviation Enterprise Fund's concession revenues for the three months ended March 31, 2016 increased $7.5 million, or 11.9%, compared to the same period in 2015. As a percentage of operating revenues, concession revenue increased to 37.5% compared to 35.4% for the same period in 2015. In the first three months of 2016, parking revenues were the Aviation Enterprise Fund's largest source of concession revenue representing 42.4% of total concession revenues and 15.9% of operating revenues. For the three months ended March 31, 2016, parking revenue was $30.0 million, an increase of 3.3% compared to the same period in 2015. Rental car revenues of $8.9 million increased by $0.3 million or 3.8% compared to the same period in 2015.

For the three months ended March 31, 2016, food and beverage revenue at the Airports of $6.3 million increased $1.3 million or 26.2% and newsstand and retail concession revenue increased $0.2 million compared to the same period in 2015. Duty free revenue increased $0.1 million, and display advertising increased $0.7 million compared to the same period in 2015.

CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS

Airport Use Agreement and Premises Lease

On January 1, 2015, a new Airline Agreement, replacing the previously existing agreement, became effective with nearly all of the airlines providing service at Reagan National Airport and Dulles International Airport. For airlines operating at Reagan National Airport, the term of agreement is 10 years, starting from the effective date of the agreement to December 31, 2024. For airlines operating at Dulles International Airport, the term of the agreement is three years, starting from the effective date of the agreement to December 31, 2017. The Airline Agreement with respect to Dulles International Airport may be extended up to and including December 31, 2024, upon the mutual agreement of the Airports Authority and the Signatory Airlines. The Airports Authority and the Signatory Airlines have begun discussions regarding the extension of the Airline Agreement applicable to Dulles International Airport. The prior agreement, which became effective in February 1990, terminated on December 31, 2014.

The Airline Agreement provides for the use and occupancy of facilities at the Airports and establishes the rentals, fees and charges, including landing fees and terminal rents, to be paid by the Signatory Airlines. Airline rentals, fees and charges are calculated using a methodology where the Airports Authority costs, including debt service and debt service coverage are allocated to separate cost centers at each Airport. Each Signatory Airline's rentals, fees and charges are based on its pro rata use of the facilities within the cost centers that cover Airport facilities utilized by the airlines. Each Signatory Airline's payment includes its pro rata share of the Airports Authority's total requirements in such airline-supported cost centers (including a component representing debt service plus debt service coverage), less transfers from the prior year. Airline payments of rents, fees and other charges pay for the costs assigned to the airline-supported cost centers. The Airports Authority's other revenues, principally concession revenue, pay for the costs assigned to other cost centers at the Airports, such as roadways, parking areas and non-airline revenue generating portions of the terminal. See APPENDIX C – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease."

Both the prior and the new Airline Agreements are hybrid agreements, which include elements of both compensatory and residual rate-making methodologies. The Airline Agreement is compensatory to the extent that the costs are allocated to specified cost centers, and the users of those cost centers are responsible for paying the costs. Signatory Airlines agree to pay fees that allow the Airports Authority to recover the total cost requirement of the airline-supported cost centers, which include: airfield, terminal, equipment (e.g., loading bridges, baggage conveyors and devices), passenger conveyance, and the International Arrivals Building at Dulles International Airport. The Airports Authority is responsible for paying the costs for all non-airline cost centers, such as general aviation, ground transportation, and Dulles International cargo.

Rentals, fees and charges are established annually during the budget process and are based on projected activity and costs. The Airline Agreement provides for a mid-year adjustment to rentals, fees and charges. In addition, at any time during the year if revenues fall 5% or more below projections, rentals, fees and charges may be adjusted to provide for full cost recovery plus debt service coverage.

The Airline Agreement has rate making features that are designed to ensure that the Airports Authority's debt service and related coverage obligations under the Indenture are met. The Indenture requires that there be 125% coverage on the debt service on the Bonds. Under the Airline Agreement, the Airports Authority sets its airline rentals, fees and charges at each Airport to recover its costs in the airline-supported cost centers. These costs include 100% of the debt service assigned to these cost centers, plus debt service coverage on that debt service at varying amounts, depending on the Airport and the year (as described in following paragraph). In addition, the Airline Agreement authorizes the Airports Authority to make immediate rate adjustments at an Airport in the event that Net Revenues in any Fiscal Year at the Airport are projected to be less than 125% of the Annual Debt Service allocated to the Airport. These adjustments, which are referred to as "Extraordinary Coverage Protection Payments" under the Airline Agreement, are designed to increase the projected Net Revenues at the Airport to an amount equal to 125% of the Annual Debt Service that is allocated to the Airport.

Under the prior agreement in effect through December 31, 2014, airline-funded debt service coverage at both Reagan National Airport and Dulles International Airport was 25% of debt service. In the first three years of the new Airline Agreement, from 2015-2017, airline-

funded debt service coverage at both Reagan National Airport and Dulles International Airport will be 35% of debt service. In the fourth through ninth years of the Airline Agreement, from 2018-2023, airline-funded debt service coverage will be 30% of debt service only at Reagan National Airport. In 2024, the final year of the Airline Agreement, airline-funded debt service coverage will be 25% of debt service at Reagan National Airport. Under the Airline Agreement, in the event that the 125% debt service coverage is not met at an Airport, an adjustment in the airlines rentals, fees and charges will occur at that Airport to produce compliance with the rate covenant. In the event that the Airports Authority is unable to adjust airline rates sufficiently at the Airport that failed to generate the required 125% debt service coverage, under the Airline Agreement, the Airports Authority shall adjust the rates at the other Airport as necessary to fulfill the Airports Authority's obligation to meet the debt service coverage covenant required by the Indenture. See APPENDIX C – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease."

The new Airline Agreement provides for a new capital construction program at each of the Airports. The approved CCP at Reagan National Airport is comprised of an approximately $1 billion construction program, and the CCP at Dulles International Airport is an approximately $155 million construction program. During the three-year term of the Airport Agreement, with regards to Dulles International Airport, the Airports Authority may undertake a portion of the CCP at Dulles International Airport, but will not be required to do so and may fund the projects it elects to undertake through the issuance of debt. The CCP at Reagan National Airport and the CCP at Dulles International Airport together comprise the 2015-2024 CCP. See "THE 2015-2024 CCP."

An airline that files for bankruptcy has the right to reject its Airline Agreement with the Airports Authority. In the event the Airports Authority does not recover all of its costs pursuant to the Airline Agreement with a bankrupt carrier, the Airports Authority may adjust the rentals, fees and charges for all Signatory Airlines in a subsequent rate period to recover the rentals, fees and charges due from the bankrupt carrier. As a result, if a Signatory Airline were to reject its lease of space at either Airport, the unrecovered rental costs could be allocated among the remaining airline tenants.

If an airline is not a Signatory Airline, it is required to pay rentals, fees and charges set by the Airports Authority in accordance with regulations adopted by the Board and DOT requirements. While the Airports Authority believes that its rate-making methodologies, including its allocation of costs for purposes of establishing rentals, fees and charges, are reasonable, no assurance can be given that challenges by an airline will not be made to the rentals, fees and charges established by the Airports Authority or its methods of allocating particular costs. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS – Effect of Airline Bankruptcies."

The Airline Agreement is not assigned or pledged to the Trustee as security for the Bonds. The Airline Agreement may be amended at any time without the consent of the Holders of the Bonds. If for any reason the Airline Agreement is amended, expires or is terminated, the Airports Authority will set airline rentals, fees and charges in accordance with a successor agreement or regulations of the Board, consistent with DOT requirements (including that such rentals, fees and charges be reasonable and non-discriminatory) and in an amount sufficient to satisfy the rate covenant in the Indenture. Such amendments, successor agreements or regulations could affect the calculation of future airline revenues. Forecast Net Revenues are

presented in the Report of the Airport Consultant, which are based on the assumed continuation of the provisions of the Airline Agreement. See APPENDIX A – "Report of the Airport Consultant" and APPENDIX C – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease." The Airline Agreement excludes the DTR Revenues from the definition of "Revenues" to ensure that no Revenues from the operation of the Airports will be used to support the operation of the Dulles Toll Road or finance Dulles Toll Road improvements or the Dulles Metrorail Project. See "THE AIRPORTS AUTHORITY - Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project."

The Airline Agreement also provides that, in accordance with a formula, the Airports Authority will share its revenue, after certain expenses, referred to as Net Remaining Revenues or NRR, with the Signatory Airlines. To calculate the Airports Authority's and the Signatory Airlines' respective shares of NRR, the total amount of NRR is first segregated by Airport. NRR at each Airport is then reduced by depreciation, debt service coverage on Subordinated Bonds and coverage in the tenant equipment cost centers allocable to each Airport, with the Signatory Airlines receiving 100% of an amount equal to the debt service coverage on any Subordinated Bonds and coverage in the tenant equipment cost centers and the Airports Authority receiving 100% of an amount equal to depreciation.

NRR at Reagan National Airport is shared under the Airline Agreement as shown in the table below:

Year in Which NRR is Generated	NRR Sharing at Reagan National Airport	Maximum Amount of Airports Authority Share Usable at Dulles International Airport in Year Following Year of Generation
2014, 2015, 2016	100% Airports Authority/ 0% Airlines	$40 million
2017	55% Airports Authority/ 45% Airlines	$35 million
2018	55% Airports Authority/ 45% Airlines	$30 million
2019 through 2023	45% Airports Authority/ 55% Airlines	$25 million
2024	NRR allocation between the Airports Authority and the Airlines, as well as any limitation on the use of the Airports Authority's share at Dulles International Airport, to be described in a new airport use and lease agreement, which would be effective in 2025, or, if none, in accordance with the allocation for NRR generated in 2023, as described above.	

NRR at Dulles International Airport is shared in the same manner as it had been shared under the prior agreement. At Dulles International Airport, NRR is divided equally between the Airports Authority and the Signatory Airlines up to a plateau of $15.6 million (in 2014 dollars) escalated by the U.S. Implicit Price Deflator Index from the base date of January 1, 2014 to the current year. The remainder is then be split with 25% allocated to the Airports Authority and 75% allocated to the Signatory Airlines. NRR generated in 2017, the final year of the Airline Agreement at Dulles International Airport, will be allocated between the Airports Authority and the Signatory Airlines either in accordance with a new airport use and lease agreement or if no

agreement, substantially in accordance with the methodology set forth in the Airline Agreement for the immediately preceding Fiscal Year.

The Signatory Airlines' share of NRR is used to reduce airline rentals, fees and charges in the year following the year that the NRR is earned. The Airports Authority uses its share of NRR to finance its Capital, Operating and Maintenance Investment Program or for any other lawful purpose. Under the formula set forth in the Airline Agreement, the Airports Authority retains an increased share of NRR from Reagan National Airport and has the ability to use such NRR to reduce the requirement for airline rentals, fees and charges at Dulles International Airport, up to a maximum of $40 million per year in years 2014, 2015 and 2016.

Under the Airline Agreement, the Airports Authority may increase its share of NRR from Reagan National Airport in the event any new legislation is enacted which expands the Perimeter Rule by allowing additional flights in excess of the 1,250 mile perimeter. For each new pair of beyond-perimeter flights, the Airports Authority would be entitled to $1.5 million from Reagan National Airport NRR, before any sharing of NRR occurs with the airlines. For additional information about the effect of an expansion or reduction of the Perimeter Rule on NRR, see "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY – Airports Activity," "THE AIRPORTS AUTHORITY – Regulations and Restrictions Affecting the Airports" and APPENDIX C – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease."

Terminal Concession Agreements

The Airports Authority has agreements to lease space to certain concessionaires who provide food, beverages, specialty retail, news, gift and other products and services to users of the Airports. The Airports Authority has a management contract with MarketPlace Washington, LLC ("MarketPlace") for the food and beverage and retail operations at Reagan National Airport and Dulles International Airport that commenced on January 1, 2013 and expires on December 31, 2017. Under this contract, MarketPlace sub-leases all food and beverage and retail facilities at the Airports. MarketPlace receives a fee from the Airports Authority for leasing and managing these facilities.

Concession contracts generally obligate the concessionaire to pay the higher of a percentage of gross revenues or a MAG payment to the Airports Authority. Typically these contracts extend for a period of seven to 10 years. The concession contracts are awarded in most cases on the basis of competitive procedures. Terminal concession revenue represented 25.6% of total concession revenue and 9.6% of total operating revenue in 2015. See table entitled "TOTAL CONCESSION REVENUES BY MAJOR CATEGORY" herein.

Parking Facility Agreements

The parking facilities at both Airports are operated for the Airports Authority by Five Star U-Street Parking under a management agreement with a base period that commenced in October 2015 and extends through September 2018. Under the management agreement, all parking operating costs are reimbursed to the operator, who receives a fixed management fee (adjusted annually for inflation).

There are 9,389 public parking spaces at Reagan National Airport and 23,742 public parking spaces at Dulles International Airport. Parking revenue represented 44.5% of concession revenue in 2015 and 16.7% of total operating revenue in 2015. See table entitled "TOTAL CONCESSION REVENUES BY MAJOR CATEGORY" herein.

Rental Car Facility Agreements

There currently are five on-airport rental car operators at Reagan National Airport: Avis, Budget, Enterprise, Hertz, and Vanguard (Alamo/National). The Airports Authority receives the greater of a MAG payment or 10% of the gross receipts of each on-airport rental car operator as a concession fee. Each on-airport rental car operator at Reagan National Airport also currently assesses its customers and remits to the Airports Authority a daily customer contract fee of $2.50 established by the Airports Authority to recover the debt service and other costs associated with the rental car facilities. The off-airport rental car companies are DTAG Inc. (Dollar Thrifty Automotive Group, Inc.) and Advantage. DTAG Inc. and Advantage operate buses to transport customers directly to the terminals and pay the Airports Authority 8% of the gross receipts generated from airport business. Contracts with rental car operators at Reagan National Airport were awarded on June 1, 2011, and expire on May 31, 2017.

There currently are seven on-airport rental car operators at Dulles International Airport: Advantage, Avis, Budget, DTAG Inc., Enterprise, Hertz, and Vanguard. These companies operate under contracts that became effective on July 1, 2013, and expire on June 30, 2018. The Airports Authority receives the greater of a MAG payment or 10% of the gross receipts from each on-airport rental car operator as a concession fee. Under the contracts, the cumulative MAG for the five years of the contracts are approximately $82 million. The only off-airport rental car company at Dulles International Airport is Flightcar. The contract with Flightcar became effective on September 11, 2015 and will expire on December 31, 2016. Each off-airport operator also pays a $100 annual fee, plus 8% of gross receipts in excess of $300,000.

Rental car revenue represented 13.6% of concession revenue in 2015 and 5.1% of total operating revenue in 2015. See table entitled "TOTAL CONCESSION REVENUES BY MAJOR CATEGORY" herein.

THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY

The Airports Service Region

The Airports service region includes the District of Columbia; the Maryland counties of Calvert, Charles, Frederick, Montgomery and Prince George's; the Virginia counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren; the independent Virginia cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park; and the West Virginia county of Jefferson.

According to the U.S. Department of Commerce, Bureau of Census, between 2000 and 2015, population growth in the Airports service region increased an average of 1.5% annually, compared with a 0.9% average annual increase for the nation. The Airports service region's per capita personal income in 2014 (the most recent data available) was 37% higher than the average for the United States as reported by the U.S. Bureau of Economic Analysis. Since 2000, the rate

of unemployment in the Airports service region has been lower than the average for the United States, and in 2015, unemployment in the Airports service region was 4.6% compared with 5.3% for the nation according to the U.S. Bureau of Labor Statistics. The Airports service region's economy is typically insulated from downturns by the economic activity generated by the federal government, although in 2013, implementation of the sequestration provisions of the Budget Control Act of 2011 (Pub. L. 112-25) (the "Budget Control Act") led to reductions in federal employment and spending.

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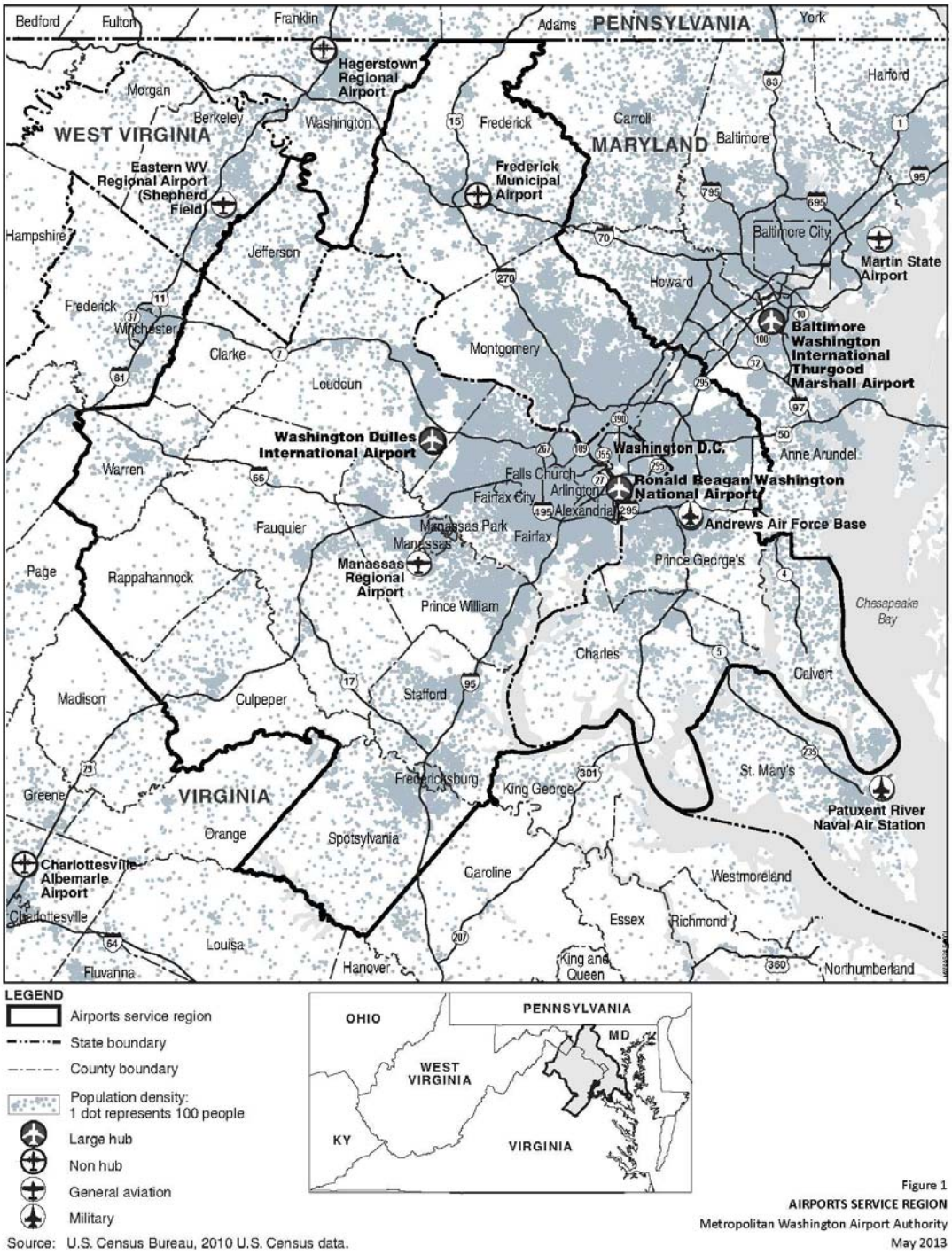
AIRPORTS SERVICE REGION



Source: Report of the Airport Consultant.

Airlines Serving the Airports

Listed below are scheduled airlines which served the Airports as of March 2016:

REAGAN NATIONAL AIRPORT

U. S. MAINLINE AIRLINES
Alaska Airlines
American Airlines[1]
Delta Air Lines
Frontier Airlines
JetBlue Airways
Southwest Airlines[2]
Sun Country Airlines
United Airlines
Virgin America

FOREIGN FLAG AIRLINES
Air Canada Jazz (Regional)
Sky Regional Airlines (Regional)

REGIONAL AIRLINES
Air Wisconsin[3]
Endeavor Air[5]
ExpressJet[4, 5]
GoJet Airlines[5]
Mesa Airlines[4]
Piedmont Airlines[3]
PSA Airlines[3]
Republic Airlines[3,4]
Shuttle America[4, 5]
SkyWest Airlines[4]
Trans States Airlines[3]

DULLES INTERNATIONAL AIRPORT

U. S. MAINLINE AIRLINES
Alaska Airlines
American Airlines[1]
Delta Air Lines
Frontier Airlines
JetBlue Airways
Southwest Airlines[2]
United Airlines
Virgin America

FOREIGN FLAG AIRLINES
Aer Lingus
Aeroflot
Aeromexico
Air China
Air France
All Nippon Airways
Austrian Airlines
Avianca Airlines
British Airways
Brussels Airlines
Copa Airlines
Emirates
Ethiopian Airlines
Etihad Airways
Icelandair
KLM-Royal Dutch Airlines
Korean Air
Lufthansa German Airlines
Porter Airlines (Regional)
Qatar Airways
Saudi Arabian Airlines
Scandinavian Airlines System
South African Airways
Turkish Airlines
Virgin Atlantic Airways

REGIONAL AIRLINES
Commutair[4]
Compass Airlines[5]
Endeavor Air[5]
ExpressJet[4,5]
Mesa Airlines[4]
PSA Airlines[3]
Shuttle America[5]
Silver Airways
Sky West Airlines[5]
Sun Air Express
Trans States[4]

ALL-CARGO CARRIERS
FedEx
Mountain Air Cargo
United Parcel Service

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1 US Airways and American Airlines completed a merger in December 2013. The combined airline operates under the name American Airlines.
2 Southwest Airlines completed its purchase of AirTran Airways in May 2011. The combined airline operates under the name Southwest Airlines.
3 Operates under a code sharing agreement with American.
4 Operates under a code sharing agreement with United.
5 Operates under a code sharing agreement with Delta.

Source: Official Airline Guide; Airports Authority records (for all-cargo carriers).

Airports Activity

Largely as a result of the Perimeter Rule, Reagan National Airport offers primarily short and medium haul passenger flights to destinations within 1,250 miles of Washington, D.C. See "THE AIRPORTS AUTHORITY – Regulations and Restrictions Affecting the Airports." As scheduled for June 2016, nonstop airline service is provided from Reagan National Airport to 82 U.S. destinations and five international destinations in Canada and the Bahamas. See "THE AIRPORTS AUTHORITY – Regulations and Restrictions Affecting the Airports."

Dulles International Airport serves primarily medium to long-haul markets, which is partly a function of the Perimeter Rule at Reagan National Airport. Since 1986, Dulles International Airport has served as a hub for United. As scheduled for June 2016, nonstop airline service was provided from Dulles International Airport to 77 U.S. destinations and 48 international destinations.

Historical Enplanement Activity

The following table summarizes total commercial enplanements at Reagan National Airport and Dulles International Airport from 2005 through 2015. See "CERTAIN INVESTMENT CONSIDERATIONS."

	Reagan National Airport [1,2,3]		Dulles International Airport [1,2,3]					
	Total Enplanements	Annual Growth	Domestic Enplanements	Annual Growth	International Enplanements	Annual Growth	Total Enplanements	Annual Growth
2005	8,909	12.0%	10,947	21.4%	2,449	6.0%	13,396	18.3%
2006	9,240	3.7%	8,797	-19.6%	2,595	5.9%	11,392	-15.0%
2007	9,294	0.6%	9,313	5.9%	2,960	14.1%	12,274	7.7%
2008	8,978	-3.4%	8,743	-6.1%	3,115	5.2%	11,858	-3.4%
2009	8,767	-2.3%	8,430	-3.6%	3,117	0.1%	11,547	-2.6%
2010	9,036	3.1%	8,565	1.6%	3,177	1.9%	11,742	1.7%
2011	9,363	3.6%	8,261	-3.5%	3,257	2.5%	11,518	-1.9%
2012	9,788	4.5%	7,855	-4.9%	3,318	1.9%	11,173	-3.0%
2013	10,198	4.2%	7,397	-5.8%	3,464	4.4%	10,861	-2.8%
2014	10,458	2.6%	7,112	-3.8%	3,567	3.0%	10,679	-1.7%
2015	11,496	9.9%	7,139	0.4%	3,575	0.2%	10,714	0.3%
			Annual Compounded Growth					
2005-2015		4.5%		0.7%		4.5%		1.8%

[1] Passenger enplanements in thousands.
[2] Excludes passengers enplaned on general aviation and military flights.
[3] Enplanement figures have been reconciled to the Airports Authority's records and may not match figures released in previous issues.

Source: Airports Authority records.

Reagan National Airport

Prior to 2001, passenger traffic at Reagan National Airport was flat for a number of years. Enplanements decreased significantly as a result of the 23-day closure of Reagan National

Airport following the September 11, 2001 events and the Federal government's imposition of flight restrictions which lasted through April 2002, but returned to pre-2001 levels by 2004. Except for a decrease during the economic recession in 2008 and 2009, enplanements have increased in each of the subsequent six years. Enplanements at Reagan National Airport were approximately 11.5 million in 2015, which represents an increase of 61.9% since 2003.

Based on three quarters of actual data, O&D passengers accounted for an estimated 83.9% of enplanements at Reagan National Airport for 2015. The top two airlines at Reagan National Airport (American and Delta, along with their code-sharing affiliate carriers) enplaned 64.6% of all passengers in 2015. Due to the slot divestitures related to the American and US Airways merger settlement in 2013, which were implemented in the final months of 2014, Southwest Airlines has become the third most active carrier at Reagan National Airport with 43 roundtrips daily as of March 2016. Overall seat capacity at Reagan National Airport has increased more than 9.0% since 2014 (as measured from March 2014 to March 2016), largely as a result of the airlines at Reagan National Airport operating larger aircraft. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS - General - American."

Dulles International Airport

Following a decade of rapid growth in enplanements, the adverse effects of the September 11, 2001 events on travel demand contributed to a significant decrease in domestic enplanements at Dulles International Airport from 2001 through 2003. Domestic enplanements rebounded in 2004 and 2005 (by 41.5% and 21.4%, respectively), largely as a result of the start of service by Independence Air and a corresponding increase in connecting and originating enplanements as other airlines added service and reduced fares to compete with Independence Air. With the bankruptcy and subsequent cessation of service by Independence Air, enplanements decreased 19.6% in 2006, before increasing 5.9% in 2007.

Largely as a result of the reduction in demand during the national economic recession, domestic enplanements decreased 8.0% between 2007 and 2010. Between 2010 and 2015, domestic enplanements decreased a further 16.6% as a result of capacity reductions by United and a transfer of air service by JetBlue, Southwest-AirTran, and Virgin America to Reagan National Airport following the enactment of the 2012 FAA Reauthorization Act, which expanded the number of flights at Reagan National Airport that could go beyond the 1,250 mile limit established by the Perimeter Rule.

The decrease in domestic enplanements at Dulles International Airport has been partially offset by an increase in international enplanements, which has increased every year since 2003 for a cumulative 11-year increase of 79.2%. Foreign flag airlines that have started service from Dulles International Airport since 2010 are Aer Lingus, Aeromexico, Air China, Brussels Airlines, Emirates Airline, Etihad Airways, Icelandair, Lan Airlines, Porter Airlines, Royal Air Maroc and Turkish Airlines.

Total enplanements at Dulles International Airport for 2015 were approximately 10.7 million. Based on three quarters of actual data, O&D passengers accounted for an estimated 66.9% of enplanements at Dulles International Airport for 2015. United accounted for 72.4% of domestic enplanements and 42.5% of international enplanements at Dulles International Airport in 2015 while foreign-flag scheduled airlines accounted for virtually all of the remaining 57.5%

of international enplanements. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS - General - United."

The following tables show passenger enplanements at Reagan National Airport and Dulles International Airport by airline between 2011 and 2015.

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ENPLANEMENT MARKET SHARE BY AIRLINE AT REAGAN WASHINGTON NATIONAL AIRPORT

	2011	Share	2012	Share	2013	Share	2014	Share	2015	Share
American Carriers [1]	5,014,473	53.6%	5,568,929	56.9%	6,055,390	59.4%	5,891,399	56.3%	5,859,229	51.0%
US Airways [2]	1,862,504	19.9%	1,918,063	19.6%	2,016,790	19.8%	1,857,726	17.8%	1,975,595	17.2%
American Airlines	1,194,779	12.8%	1,139,174	11.6%	1,222,743	12.0%	1,326,519	12.7%	1,434,409	12.5%
Republic Airline (US Airways Express)	924,495	9.9%	1,146,469	11.7%	1,350,172	13.2%	1,334,708	12.8%	964,323	8.4%
Air Wisconsin (US Airways Express)	450,729	4.8%	585,528	6.0%	737,268	7.2%	829,987	7.9%	924,762	8.0%
PSA Airlines, Inc.	203,834	2.2%	291,601	3.0%	404,206	4.0%	267,293	2.6%	330,904	2.9%
Republic Airlines (American Eagle)		0.0%		0.0%	3,675	0.0%	50,020	0.5%	173,457	1.5%
Envoy		0.0%		0.0%		0.0%	102,619	1.0%	29,738	0.3%
Piedmont Airlines	10,183	0.1%	32,433	0.3%	50,815	0.5%	39,852	0.4%	21,342	0.2%
Trans States Airlines (American Connection)		0.0%		0.0%		0.0%		0.0%	4,699	0.0%
Chautauqua Airlines, Inc. (US Airways Express)	125,817	1.3%	166,531	1.7%	54,559	0.5%		0.0%		0.0%
American Eagle Airlines	226,639	2.4%	288,187	2.9%	215,162	2.1%	82,675	0.8%		0.0%
Colgan Airways (US Airways Express)	15,493	0.2%	943	0.0%		0.0%		0.0%		0.0%
Delta Carriers	2,035,965	21.7%	1,658,003	16.9%	1,462,961	14.3%	1,545,208	14.8%	1,559,262	13.6%
Delta Airlines, Inc.	1,251,093	13.4%	1,269,557	13.0%	1,161,463	11.4%	1,218,088	11.6%	1,227,598	10.7%
Shuttle America (Delta Connection)	148,514	1.6%	146,677	1.5%	127,447	1.2%	171,477	1.6%	171,311	1.5%
Endeavor Air, Inc. (Delta Connection)		0.0%		0.0%	65,165	0.6%	144,621	1.4%	135,580	1.2%
GoJet Airlines (Delta Connection)		0.0%		0.0%		0.0%		0.0%	14,954	0.1%
Compass Airlines (Delta Connection)	128,135	1.4%	4,982	0.1%	662	0.0%		0.0%	6,456	0.1%
ExpressJet Airlines, Inc. (Delta Connection)		0.0%	13,138	0.1%	31,220	0.3%	7,303	0.1%	3,318	0.0%
SkyWest Airlines, Inc. (Delta Connection)		0.0%	33	0.0%		0.0%	49	0.0%	45	0.0%
Pinnacle (Delta Connection)	98,655	1.1%	116,780	1.2%	77,004	0.8%		0.0%		0.0%
Atlantic Southeast Airlines(ASA)(Delta Connection)	138,417	1.5%	15,072	0.2%		0.0%		0.0%		0.0%
Chautauqua Airlines, Inc. (Delta Connection)	46,182	0.5%	24,556	0.3%		0.0%	3,670	0.0%		0.0%
Mesaba Aviation (Delta Connection)	77,491	0.8%	630	0.0%		0.0%		0.0%		0.0%
Comair, Inc.	147,478	1.6%	66,578	0.7%		0.0%		0.0%		0.0%
Southwest [3]	389,426	4.2%	425,870	4.4%	502,076	4.9%	812,951	7.8%	1,526,755	13.3%
JetBlue	240,077	2.6%	447,570	4.6%	611,949	6.0%	711,935	6.8%	959,459	8.3%
United Carriers [4]	891,793	9.5%	944,710	9.7%	933,618	9.2%	887,741	8.5%	895,887	7.8%
United Airlines	468,066	5.0%	486,460	5.0%	676,651	6.6%	621,019	5.9%	565,748	4.9%
SkyWest (United Express)		0.0%	5,850	0.1%	4,355	0.0%	53,543	0.5%	107,115	0.9%
ExpressJet Airlines, Inc. (United Express)	-	0.0%	77,371	0.8%	59,002	0.6%	97,213	0.9%	106,741	0.9%
Shuttle America (United Express)	37,218	0.4%	18,444	0.2%	58,457	0.6%	69,776	0.7%	60,188	0.5%
Republic Airlines (United Express)		0.0%		0.0%	30,446	0.3%	38,742	0.4%	38,665	0.3%
Mesa Airlines, Inc. (United Express)		0.0%		0.0%		0.0%		0.0%	17,430	0.2%
SkyWest (Continental Connection)	8,613	0.1%	2,355	0.0%		0.0%		0.0%		0.0%
Chautauqua Airlines, Inc. (Continental Express)	14,513	0.2%	30,311	0.3%	43,142	0.4%	7,448	0.1%		0.0%
Colgan Air (Continental Connection)	32,047	0.3%	8,876	0.1%		0.0%		0.0%		0.0%
Continental Airlines, Inc	269,102	2.9%	299,145	3.1%	61,565	0.6%		0.0%		0.0%
Colgan Airways(United Express)		0.0%	3,969	0.0%		0.0%		0.0%		0.0%
Continental Express	62,234	0.7%	11,929	0.1%		0.0%		0.0%		0.0%
Alaska	155,454	1.7%	171,582	1.8%	205,297	2.0%	211,710	2.0%	216,726	1.9%
Frontier Carriers	357,605	3.8%	323,292	3.3%	239,027	2.3%	165,284	1.6%	165,349	1.4%
Frontier Airlines Inc.	357,605	3.8%	323,292	3.3%	190,024	1.9%	159,684	1.5%	165,349	1.4%
Republic Airlines (Frontier)		0.0%		0.0%	49,003	0.5%	5,600	0.1%		0.0%
Air Canada Carriers	104,983	1.1%	104,056	1.1%	108,477	1.1%	119,644	1.1%	129,923	1.1%
Sky Regional Airline		0.0%		0.0%	44,481	0.4%	77,706	0.7%	82,735	0.7%
Air Canada Jazz	46,566	0.5%	45,577	0.5%	38,501	0.4%	41,755	0.4%	47,188	0.4%
Air Canada	58,417	0.6%	58,479	0.6%	25,495	0.3%	183	0.0%		0.0%
Virgin America		0.0%	11,236	0.1%	38,007	0.4%	59,215	0.6%	126,313	1.1%
Sun Country (MN Airlines)	26,374	0.3%	34,061	0.3%	40,894	0.4%	53,266	0.5%	56,929	0.5%
Spirit	146,539	1.6%	98,846	1.0%		0.0%		0.0%		0.0%
Charter	123	0.0%		0.0%		0.0%		0.0%	145	0.0%
Grand Total [5, 6, 7]	9,362,812	100.0%	9,788,155	100.0%	10,197,696	100.0%	10,458,353	100.0%	11,495,977	100.0%

[1] US Airways and American Airlines completed a merger in December 2013. The combined airline operates under the name American Airlines.
[2] Includes activity for US Airways Shuttle.
[3] Southwest Airlines completed its purchase of AirTran Airways in May 2011. The combined airline operates under the name Southwest Airlines.
[4] United and Continental completed a merger of the two airlines on October 1, 2010. The combined airline operates under the name United Airlines.
[5] Excludes military and general aviation passenger enplanements.
[6] Enplanement data has been reconciled to the Airports Authority's records and may not match figures released in previous issues.
[7] The totals may not add due to rounding.

Source: Airports Authority records.

ENPLANEMENT MARKET SHARE BY AIRLINE AT DULLES INTERNATIONAL AIRPORT
Domestic Enplanements

	2011	Share	2012	Share	2013	Share	2014	Share	2015	Share
United Carriers [1]	5,974,011	72.3%	5,859,785	74.6%	5,683,825	76.8%	5,331,808	75.0%	5,165,935	72.4%
United Airlines	3,264,591	39.5%	3,112,021	39.6%	3,132,389	42.3%	2,866,519	40.3%	2,890,987	40.5%
Mesa Airlines, Inc. (United Express)	440,505	5.3%	471,395	6.0%	445,756	6.0%	449,283	6.3%	1,249,649	17.5%
Trans States Airlines (United Express)	349,374	4.2%	283,208	3.6%	295,704	4.0%	285,561	4.0%	600,996	8.4%
CommutAir	360	0.0%	100,300	1.3%	211,757	2.9%	266,623	3.7%	285,392	4.0%
ExpressJet Airlines, Inc. (United Express)	523,817	6.3%	1,000,835	12.7%	940,398	12.7%	916,552	12.9%	112,531	1.6%
Republic Airlines (United Express)		0.0%	4,933	0.1%	206,860	2.8%	244,988	3.4%	19,760	0.3%
Shuttle America (United Express)	173,835	2.1%	160,431	2.0%	170,232	2.3%	88,341	1.2%	5,086	0.1%
SkyWest (United Express)	67,254	0.8%	81,255	1.0%	98,604	1.3%	73,950	1.0%	971	0.0%
GoJet Airlines (United Express)	165,390	2.0%	131,282	1.7%	134,874	1.8%	106,350	1.5%	563	0.0%
Chautauqua Airlines, Inc. (United Express)		0.0%		0.0%	541	0.0%		0.0%		0.0%
Silver Airways (United Express)		0.0%	20,196	0.3%	46,710	0.6%	33,641	0.5%		0.0%
Colgan Air (Continental Connection)	29,766	0.4%	17,651	0.2%		0.0%		0.0%		0.0%
ExpressJet Airlines, Inc.	363,566	4.4%		0.0%		0.0%		0.0%		0.0%
Continental Express-Express Jet	39,404	0.5%	12,810	0.2%		0.0%		0.0%		0.0%
SkyWest (Continental Connection)	20,521	0.2%	6,919	0.1%		0.0%		0.0%		0.0%
Colgan Airways(United Express)	450,143	5.4%	358,005	4.6%		0.0%		0.0%		0.0%
Continental Airlines, Inc	85,485	1.0%	98,544	1.3%		0.0%		0.0%		0.0%
American Carriers [2]	590,485	7.1%	538,999	6.9%	528,866	7.2%	528,636	7.4%	510,919	7.2%
American Airlines	427,886	5.2%	388,322	4.9%	356,889	4.8%	353,899	5.0%	294,901	4.1%
PSA Airlines, Inc.	33,959	0.4%	40,353	0.5%	44,931	0.6%	45,716	0.6%	113,341	1.6%
Mesa Airlines, Inc. (US Airways Express)	84,534	1.0%	98,349	1.3%	123,001	1.7%	127,943	1.8%	63,522	0.9%
US Airways	13,258	0.2%		0.0%	790	0.0%		0.0%	35,299	0.5%
Republic Airlines (American Eagle)		0.0%		0.0%		0.0%		0.0%	1,911	0.0%
Republic Airline (US Airways Express)	373	0.0%	534	0.0%	1,956	0.0%	842	0.0%	1,899	0.0%
Air Wisconsin (US Airways Express)	14,611	0.2%	8,923	0.1%	1,299	0.0%	236	0.0%	46	0.0%
Piedmont Airlines	2,601	0.0%	2,518	0.0%		0.0%		0.0%		0.0%
Mesaba Aviation (US Airways Express)	13,192	0.2%		0.0%		0.0%		0.0%		0.0%
Chautauqua Airlines, Inc. (US Airways Express)	71	0.0%		0.0%		0.0%		0.0%		0.0%
Delta Carriers	532,739	6.4%	542,816	6.9%	465,574	6.3%	432,561	6.1%	463,307	6.5%
Delta Airlines, Inc.	324,660	3.9%	271,077	3.5%	231,202	3.1%	277,699	3.9%	314,335	4.4%
Shuttle America (Delta Connection)		0.0%		0.0%	32	0.0%	82	0.0%	56,912	0.8%
Endeavor Air, Inc. (Delta Connection)		0.0%		0.0%	41,178	0.6%	43,532	0.6%	39,285	0.6%
ExpressJet Airlines, Inc. (Delta Connection)		0.0%	25,768	0.3%	30,938	0.4%	38,011	0.5%	36,412	0.5%
SkyWest Airlines, Inc./ Delta Connection	464	0.0%		0.0%	7,122	0.1%	7,621	0.1%	11,346	0.2%
Compass Airlines (Delta Connection)	61,513	0.7%	69,443	0.9%	54,893	0.7%	4,865	0.1%	4,510	0.1%
GoJet Airlines (Delta Connection)		0.0%	1,185	0.0%	9,330	0.1%	16,512	0.2%	507	0.0%
Pinnacle (Delta Connection)	70,130	0.8%	106,712	1.4%	57,697	0.8%		0.0%		0.0%
Atlantic Southeast Airlines(ASA)(Delta Connection)	7,676	0.1%		0.0%		0.0%		0.0%		0.0%
Chautauqua Airlines, Inc. (Delta Connection)	18,158	0.2%	44,183	0.6%	33,182	0.4%	44,239	0.6%		0.0%
Mesaba Aviation (Delta Connection)	11,496	0.1%		0.0%		0.0%		0.0%		0.0%
Comair, Inc.	38,642	0.5%	24,448	0.3%		0.0%		0.0%		0.0%
Frontier		0.0%		0.0%		0.0%	159,044	2.2%	306,584	4.3%
Southwest [3]	419,412	5.1%	340,447	4.3%	289,823	3.9%	269,534	3.8%	265,206	3.7%
Virgin America	235,983	2.9%	241,489	3.1%	191,220	2.6%	187,422	2.6%	187,927	2.6%
JetBlue	495,844	6.0%	321,138	4.1%	225,087	3.0%	182,980	2.6%	155,894	2.2%
Alaska		0.0%		0.0%		0.0%		0.0%	38,941	0.5%
Silver Airways		0.0%		0.0%		0.0%	9,722	0.1%	36,541	0.5%
Sun Air International		0.0%	198	0.0%	2,980	0.0%	3,431	0.0%	1,629	0.0%
Elite Airways		0.0%		0.0%		0.0%	373	0.0%	72	0.0%
Republic Airways		0.0%		0.0%	803	0.0%	297	0.0%		0.0%
Lufthansa		0.0%		0.0%		0.0%	74	0.0%		0.0%
Charter	12,678	0.2%	10,201	0.1%	8,455	0.1%	6,572	0.1%	6,087	0.1%
Grand Total [4, 5, 6]	8,261,152	100.0%	7,855,073	100.0%	7,396,633	100.0%	7,112,454	100.0%	7,139,042	100.0%

[1] United and Continental completed a merger of the two airlines on October 1, 2010. The combined airline operates under the name United Airlines.
[2] US Airways and American Airlines completed a merger in December 2013. The combined airline operates under the name American Airlines.
[3] Southwest Airlines completed its purchase of AirTran Airways in May 2011. The combined airline operates under the name Southwest Airlines.
[4] Excludes military and general aviation passenger enplanements.
[5] Enplanement data has been reconciled to the Airports Authority's records and may not match figures released previously.
[6] The totals may not add due to rounding.

Source: Airports Authority records.

ENPLANEMENT MARKET SHARE BY AIRLINE AT DULLES INTERNATIONAL AIRPORT
International Enplanements

	2011	Share	2012	Share	2013	Share	2014	Share	2015	Share
United Carriers [1]	1,652,427	50.7%	1,603,209	48.3%	1,588,919	45.9%	1,560,099	43.7%	1,517,883	42.5%
United Airlines	1,439,487	44.2%	1,372,383	41.4%	1,401,491	40.5%	1,372,404	38.5%	1,323,186	37.0%
Mesa Airlines, Inc. (United Express)		0.0%		0.0%		0.0%	39,884	1.1%	142,721	4.0%
Trans States Airlines (United Express)	63,806	2.0%		0.0%		0.0%		0.0%	46,796	1.3%
ExpressJet Airlines, Inc. (United Express)	32,372	1.0%	110,063	3.3%	127,794	3.7%	109,533	3.1%	5,180	0.1%
Continental Airlines, Inc	45,209	1.4%	55,592	1.7%		0.0%		0.0%		0.0%
Shuttle America (United Express)	40,163	1.2%	23,406	0.7%	12,326	0.4%	2,771	0.1%		0.0%
Republic Airlines (United Express)		0.0%		0.0%	2,321	0.1%	11,093	0.3%		0.0%
GoJet Airlines (United Express)	25,838	0.8%	30,838	0.9%	27,412	0.8%	9,940	0.3%		0.0%
SkyWest (United Express)	5,552	0.2%	10,927	0.3%	17,575	0.5%	14,474	0.4%		0.0%
Lufthansa	174,947	5.4%	186,521	5.6%	203,071	5.9%	199,170	5.6%	208,539	5.8%
British Airways	190,445	5.8%	192,722	5.8%	186,795	5.4%	193,323	5.4%	198,664	5.6%
Air France	173,618	5.3%	173,360	5.2%	172,083	5.0%	158,830	4.5%	153,051	4.3%
TACA Carriers	128,187	3.9%	134,717	4.1%	140,948	4.1%	162,577	4.6%	143,092	4.0%
Taca International Airlines	103,804	3.2%	99,160	3.0%	103,621	3.0%	124,034	3.5%	106,156	3.0%
Avianca	24,383	0.7%	35,557	1.1%	37,327	1.1%	38,543	1.1%	36,936	1.0%
Emirates		0.0%	23,829	0.7%	88,361	2.6%	97,732	2.7%	101,449	2.8%
Qatar Amiri Air	101,139	3.1%	99,028	3.0%	90,845	2.6%	95,529	2.7%	99,589	2.8%
Turkish	47,988	1.5%	74,594	2.2%	82,057	2.4%	90,259	2.5%	90,738	2.5%
Ethiopian	80,752	2.5%	74,103	2.2%	81,661	2.4%	88,607	2.5%	85,329	2.4%
KLM Royal Dutch	77,930	2.4%	89,613	2.7%	85,959	2.5%	82,057	2.3%	84,236	2.4%
Korean Air	83,112	2.6%	83,288	2.5%	77,363	2.2%	78,109	2.2%	77,863	2.2%
COPA	35,917	1.1%	41,608	1.3%	66,069	1.9%	71,150	2.0%	77,731	2.2%
Austrian	60,793	1.9%	65,325	2.0%	64,764	1.9%	75,777	2.1%	75,971	2.1%
Etihad		0.0%		0.0%	53,774	1.6%	76,432	2.1%	70,513	2.0%
Saudi Arabian	35,634	1.1%	48,579	1.5%	61,076	1.8%	72,016	2.0%	69,839	2.0%
All Nippon	62,994	1.9%	65,839	2.0%	62,315	1.8%	64,128	1.8%	68,765	1.9%
Virgin Atlantic	75,256	2.3%	75,165	2.3%	69,543	2.0%	66,775	1.9%	65,159	1.8%
South African	78,859	2.4%	71,239	2.1%	74,339	2.1%	67,721	1.9%	65,021	1.8%
SAS	65,797	2.0%	68,620	2.1%	68,163	2.0%	69,814	2.0%	64,359	1.8%
Icelandair	20,193	0.6%	30,028	0.9%	35,472	1.0%	39,379	1.1%	55,057	1.5%
Air China		0.0%		0.0%		0.0%	22,240	0.6%	42,064	1.2%
Porter		0.0%	24,985	0.8%	33,025	1.0%	38,152	1.1%	41,440	1.2%
Aeromexico	74	0.0%	18,848	0.6%	30,439	0.9%	33,387	0.9%	30,616	0.9%
Aer Lingus	60,364	1.9%	49,023	1.5%		0.0%		0.0%	27,279	0.8%
Brussels		0.0%		0.0%	19,031	0.5%	34,072	1.0%	25,861	0.7%
Aeroflot	8,490	0.3%	10,390	0.3%	19,902	0.6%	21,515	0.6%	19,206	0.5%
Delta	4,199	0.1%	1,388	0.0%	1,414	0.0%	1,931	0.1%	4,879	0.1%
Frontier		0.0%		0.0%		0.0%	804	0.0%	3,887	0.1%
American Carriers [2]		0.0%		0.0%		0.0%	10	0.0%		0.0%
PSA Airlines, Inc.		0.0%		0.0%		0.0%	10	0.0%		0.0%
Cayman	2,449	0.1%	2,138	0.1%	672	0.0%		0.0%		0.0%
AeroSur	5,035	0.2%	2,649	0.1%		0.0%		0.0%		0.0%
Air Canada Jazz	10,623	0.3%		0.0%		0.0%		0.0%		0.0%
OpenSkies	5,883	0.2%		0.0%		0.0%		0.0%		0.0%
JetBlue	3,951	0.1%		0.0%		0.0%		0.0%		0.0%
Charter	9,748	0.3%	7,011	0.2%	5,923	0.2%	5,325	0.1%	6,730	0.2%
Grand Total [3, 4, 5]	3,256,804	100.0%	3,317,819	100.0%	3,463,983	100.0%	3,566,920	100.0%	3,574,810	100.0%

[1] United and Continental completed a merger of the two airlines on October 1, 2010. The combined airline operates under the name United Airlines.
[2] US Airways and American Airlines completed a merger in December 2013. The combined airline operates under the name American Airlines.
[3] Excludes military and general aviation passenger enplanements.
[4] Enplanement data has been reconciled to the Airports Authority's records and may not match figures released previously.
[5] The totals may not add due to rounding.

Source: Airports Authority records.

COMBINED REAGAN NATIONAL AIRPORT AND DULLES INTERNATIONAL AIRPORT ENPLANEMENT MARKET SHARE BY AIRLINE

	2011	Share	2012	Share	2013	Share	2014	Share	2015	Share
United Carriers [1]	8,518,231	40.8%	8,407,704	40.1%	8,206,362	39.0%	7,779,648	36.8%	7,579,705	34.1%
United Airlines	5,172,144	24.8%	4,970,864	23.7%	5,210,531	24.7%	4,859,942	23.0%	4,779,921	21.5%
Mesa Airlines, Inc. (United Express)	440,505	2.1%	471,395	2.2%	445,756	2.1%	489,167	2.3%	1,409,800	6.3%
Trans States Airlines (United Express)	413,180	2.0%	283,208	1.4%	295,704	1.4%	285,561	1.4%	647,792	2.9%
CommutAir	360	0.0%	100,300	0.5%	211,757	1.0%	266,623	1.3%	285,392	1.3%
ExpressJet Airlines, Inc. (United Express)	556,189	2.7%	1,188,269	5.7%	1,127,194	5.4%	1,123,298	5.3%	224,452	1.0%
SkyWest (United Express)	72,806	0.3%	98,032	0.5%	120,534	0.6%	141,967	0.7%	108,086	0.5%
Shuttle America (United Express)	251,216	1.2%	202,281	1.0%	241,015	1.1%	160,888	0.8%	65,274	0.3%
Republic Airlines (United Express)		0.0%	4,933	0.0%	239,627	1.1%	294,823	1.4%	58,425	0.3%
GoJet Airlines (United Express)	191,228	0.9%	162,120	0.8%	162,286	0.8%	116,290	0.6%	563	0.0%
SkyWest (Continental Connection)	29,134	0.1%	9,274	0.0%		0.0%		0.0%		0.0%
Colgan Air (Continental Connection)	61,813	0.3%	26,527	0.1%		0.0%		0.0%		0.0%
Continental Airlines, Inc	399,796	1.9%	453,281	2.2%	61,565	0.3%		0.0%		0.0%
Continental Express-Express Jet	101,638	0.5%	24,739	0.1%		0.0%		0.0%		0.0%
ExpressJet Airlines, Inc.	363,566	1.7%		0.0%		0.0%		0.0%		0.0%
Silver Airways (United Express)		0.0%	20,196	0.1%	46,710	0.2%	33,641	0.2%		0.0%
Chautauqua Airlines, Inc. (United Express)		0.0%		0.0%	541	0.0%		0.0%		0.0%
Chautauqua Airlines, Inc. (Continental Express)	14,513	0.1%	30,311	0.1%	43,142	0.2%	7,448	0.0%		0.0%
Colgan Airways(United Express)	450,143	2.2%	361,974	1.7%		0.0%		0.0%		0.0%
American Carriers [2]	5,604,958	26.8%	6,107,928	29.1%	6,584,256	31.3%	6,420,045	30.4%	6,370,148	28.7%
US Airways [3]	1,875,762	9.0%	1,918,063	9.2%	2,017,580	9.6%	1,857,726	8.8%	2,010,894	9.1%
American Airlines	1,622,665	7.8%	1,527,496	7.3%	1,579,632	7.5%	1,680,418	7.9%	1,729,310	7.8%
Republic Airline (US Airways Express)	924,868	4.4%	1,147,003	5.5%	1,352,128	6.4%	1,335,550	6.3%	966,222	4.4%
Air Wisconsin (US Airways Express)	465,340	2.2%	594,451	2.8%	738,567	3.5%	830,223	3.9%	924,808	4.2%
PSA Airlines, Inc.	237,793	1.1%	331,954	1.6%	449,137	2.1%	313,019	1.5%	444,245	2.0%
Republic Airlines (American Eagle)		0.0%		0.0%	3,675	0.0%	50,020	0.2%	175,368	0.8%
Mesa Airlines, Inc. (US Airways Express)	84,534	0.4%	98,349	0.5%	123,001	0.6%	127,943	0.6%	63,522	0.3%
Envoy		0.0%		0.0%		0.0%	102,619	0.5%	29,738	0.1%
Piedmont Airlines	12,784	0.1%	34,951	0.2%	50,815	0.2%	39,852	0.2%	21,342	0.1%
Trans States Airlines (American Connection)		0.0%		0.0%		0.0%		0.0%	4,699	0.0%
Mesaba Aviation (US Airways Express)	13,192	0.1%		0.0%		0.0%		0.0%		0.0%
Chautauqua Airlines, Inc. (US Airways Express)	125,888	0.6%	166,531	0.8%	54,559	0.3%		0.0%		0.0%
American Eagle Airlines	226,639	1.1%	288,187	1.4%	215,162	1.0%	82,675	0.4%		0.0%
Colgan Airways (US Airways Express)	15,493	0.1%	943	0.0%		0.0%		0.0%		0.0%
Delta Carriers	2,572,903	12.3%	2,202,207	10.5%	1,929,949	9.2%	1,979,700	9.4%	2,027,448	9.1%
Delta Airlines, Inc.	1,579,952	7.6%	1,542,022	7.4%	1,394,079	6.6%	1,497,718	7.1%	1,546,812	7.0%
Shuttle America (Delta Connection)	148,514	0.7%	146,677	0.7%	127,479	0.6%	171,559	0.8%	228,223	1.0%
Endeavor Air, Inc. (Delta Connection)		0.0%		0.0%	106,343	0.5%	188,153	0.9%	174,865	0.8%
ExpressJet Airlines, Inc. (Delta Connection)		0.0%	38,906	0.2%	62,158	0.3%	45,314	0.2%	39,730	0.2%
GoJet Airlines (Delta Connection)		0.0%	1,185	0.0%	9,330	0.0%	16,512	0.1%	15,461	0.1%
SkyWest Airlines, Inc./ Delta Connection	464	0.0%	33	0.0%	7,122	0.0%	7,670	0.0%	11,391	0.1%
Compass Airlines (Delta Connection)	189,648	0.9%	74,425	0.4%	55,555	0.3%	4,865	0.0%	10,966	0.0%
Atlantic Southeast Airlines(ASA)(Delta Connection)	146,093	0.7%	15,072	0.1%		0.0%		0.0%		0.0%
Pinnacle (Delta Connection)	168,785	0.8%	223,492	1.1%	134,701	0.6%		0.0%		0.0%

[1] United and Continental completed a merger of the two airlines on October 1, 2010. The combined airline operates under the name United Airlines.
[2] US Airways and American Airlines completed a merger in December 2013. The combined airline operates under the name American Airlines.
[3] Includes activity for US Airways Shuttle.

COMBINED REAGAN NATIONAL AIRPORT AND DULLES INTERNATIONAL AIRPORT ENPLANEMENT MARKET SHARE BY AIRLINE

	2011	Share	2012	Share	2013	Share	2014	Share	2015	Share
Chautauqua Airlines, Inc. (Delta Connection)	64,340	0.3%	68,739	0.3%	33,182	0.2%	47,909	0.2%		0.0%
Mesaba Aviation (Delta Connection)	88,987	0.4%	630	0.0%		0.0%		0.0%		0.0%
Comair, Inc.	186,120	0.9%	91,026	0.4%		0.0%		0.0%		0.0%
Southwest [4]	808,838	3.9%	766,317	3.7%	791,899	3.8%	1,082,485	5.1%	1,791,961	8.1%
JetBlue	739,872	3.5%	768,708	3.7%	837,036	4.0%	894,915	4.2%	1,115,353	5.0%
Frontier Carrriers	357,605	1.7%	323,292	1.5%	239,027	1.1%	325,132	1.5%	475,820	2.1%
Frontier Airlines Inc.	357,605	1.7%	323,292	1.5%	190,024	0.9%	319,532	1.5%	475,820	2.1%
Republic Airlines (Frontier)		0.0%		0.0%	49,003	0.2%	5,600	0.0%		0.0%
Virgin America	235,983	1.1%	252,725	1.2%	229,227	1.1%	246,637	1.2%	314,240	1.4%
Alaska	155,454	0.7%	171,582	0.8%	205,297	1.0%	211,710	1.0%	255,667	1.2%
Lufthansa	174,947	0.8%	186,521	0.9%	203,071	1.0%	199,244	0.9%	208,539	0.9%
British Airways	190,445	0.9%	192,722	0.9%	186,795	0.9%	193,323	0.9%	198,664	0.9%
Air France	173,618	0.8%	173,360	0.8%	172,083	0.8%	158,830	0.8%	153,051	0.7%
TACA Carriers	128,187	0.6%	134,717	0.6%	140,948	0.7%	162,577	0.8%	143,092	0.6%
Taca International Airlines	103,804	0.5%	99,160	0.5%	103,621	0.5%	124,034	0.6%	106,156	0.5%
Avianca	24,383	0.1%	35,557	0.2%	37,327	0.2%	38,543	0.2%	36,936	0.2%
Air Canada Carriers	115,606	0.6%	104,056	0.5%	108,477	0.5%	119,644	0.6%	129,923	0.6%
Sky Regional Airline		0.0%		0.0%	44,481	0.2%	77,706	0.4%	82,735	0.4%
Air Canada Jazz	57,189	0.3%	45,577	0.2%	38,501	0.2%	41,755	0.2%	47,188	0.2%
Air Canada	58,417	0.3%	58,479	0.3%	25,495	0.1%	183	0.0%		0.0%
Emirates		0.0%	23,829	0.1%	88,361	0.4%	97,732	0.5%	101,449	0.5%
Qatar Amiri Air	101,139	0.5%	99,028	0.5%	90,845	0.4%	95,529	0.5%	99,589	0.4%
Turkish	47,988	0.2%	74,594	0.4%	82,057	0.4%	90,259	0.4%	90,738	0.4%
Ethiopian	80,752	0.4%	74,103	0.4%	81,661	0.4%	88,607	0.4%	85,329	0.4%
KLM Royal Dutch	77,930	0.4%	89,613	0.4%	85,959	0.4%	82,057	0.4%	84,236	0.4%
Korean Air	83,112	0.4%	83,288	0.4%	77,363	0.4%	78,109	0.4%	77,863	0.4%
COPA	35,917	0.2%	41,608	0.2%	66,069	0.3%	71,150	0.3%	77,731	0.3%
Austrian	60,793	0.3%	65,325	0.3%	64,764	0.3%	75,777	0.4%	75,971	0.3%
Etihad		0.0%		0.0%	53,774	0.3%	76,432	0.4%	70,513	0.3%
Saudi Arabian	35,634	0.2%	48,579	0.2%	61,076	0.3%	72,016	0.3%	69,839	0.3%
All Nippon	62,994	0.3%	65,839	0.3%	62,315	0.3%	64,128	0.3%	68,765	0.3%
Virgin Atlantic	75,256	0.4%	75,165	0.4%	69,543	0.3%	66,775	0.3%	65,159	0.3%
South African	78,859	0.4%	71,239	0.3%	74,339	0.4%	67,721	0.3%	65,021	0.3%
SAS	65,797	0.3%	68,620	0.3%	68,163	0.3%	69,814	0.3%	64,359	0.3%
Sun Country (MN Airlines)	26,374	0.1%	34,061	0.2%	40,894	0.2%	53,266	0.3%	56,929	0.3%
Icelandair	20,193	0.1%	30,028	0.1%	35,472	0.2%	39,379	0.2%	55,057	0.2%
Air China		0.0%		0.0%		0.0%	22,240	0.1%	42,064	0.2%
Porter		0.0%	24,985	0.1%	33,025	0.2%	38,152	0.2%	41,440	0.2%
Silver Airways		0.0%		0.0%		0.0%	9,722	0.0%	36,541	0.2%
Aeromexico	74	0.0%	18,848	0.1%	30,439	0.1%	33,387	0.2%	30,616	0.1%
Aer Lingus	60,364	0.3%	49,023	0.2%		0.0%		0.0%	27,279	0.1%
Brussels		0.0%		0.0%	19,031	0.1%	34,072	0.2%	25,861	0.1%
Aeroflot	8,490	0.0%	10,390	0.0%	19,902	0.1%	21,515	0.1%	19,206	0.1%
Sun Air International		0.0%	198	0.0%	2,980	0.0%	3,431	0.0%	1,629	0.0%
Elite Airways		0.0%		0.0%		0.0%	373	0.0%	72	0.0%
Republic Airways		0.0%		0.0%	803	0.0%	297	0.0%		0.0%
Cayman	2,449	0.0%	2,138	0.0%	672	0.0%		0.0%		0.0%
Spirit	146,539	0.7%	98,846	0.5%		0.0%		0.0%		0.0%
AeroSur	5,035	0.0%	2,649	0.0%		0.0%		0.0%		0.0%
OpenSkies	5,883	0.0%		0.0%		0.0%		0.0%		0.0%
Charter	22,549	0.1%	17,212	0.1%	14,378	0.1%	11,897	0.1%	12,962	0.1%
Grand Total [5, 6, 7]	20,880,768	100.0%	20,961,047	100.0%	21,058,312	100.0%	21,137,727	100.0%	22,209,829	100.0%

[4] Southwest Airlines completed its purchase of AirTran Airways in May 2011. The combined airline operates under the name Southwest Airlines.
[5] Excludes military and general aviation passenger enplanements.
[6] Enplanement data has been reconciled to the Airports Authority's records and may not match figures released previously.
[7] The totals may not add due to rounding.
Source: Airports Authority records.

Baltimore/Washington International Thurgood Marshall Airport

Portions of the Airports service region also are served by Baltimore/Washington International Thurgood Marshall Airport ("BWI"), which is located northeast of Washington, D.C., approximately 30 miles from Reagan National Airport and 46 miles from Dulles International Airport. BWI is operated by the State of Maryland Department of Transportation. The Federal Lease and the Federal Act provide for the voluntary inclusion of BWI among the airports operated by the Airports Authority. At the time the Airports Authority was created, the State of Maryland declined to have BWI included in the Airports Authority.

According to information on BWI's website (which has not been independently verified by the Airports Authority or the Underwriters), enplaned passengers at BWI in 2015 numbered approximately 11.9 million. This represented a 6.7% increase in passenger traffic compared with 2014. The five airlines with the largest number of enplaned passengers at BWI in 2014 were Southwest Airlines (70.8%), American (9.0%), Delta (8.5%), United (4.5%), and Spirit (3.6%).

The following table details the shares of enplaned passengers at Reagan National Airport, Dulles International Airport and BWI from 2011 through 2015:

Airport	2011	2012	2013	2014	2015[1]
Reagan National Airport	29.1%	30.1%	31.3%	32.1%	33.4%
Dulles International Airport	35.5%	34.4%	33.6%	33.1%	31.7%
BWI	35.4%	35.4%	35.1%	34.8%	34.9%
	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Data are for the 12 months ended September 30, 2015, the most recent available.
Totals may not add due to rounding.

Source: Report of the Airport Consultant.

FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS

General

The Airports Authority derives a substantial portion of its operating revenues from airline landing and facility rental fees. The financial strength and stability of the airlines using the Airports, together with numerous other factors, influence the level of aviation activity at the Airports and revenues of the Airports Authority. Individual airline decisions regarding level of service, particularly hubbing activity at the Airports also affect enplanements. Since 2001, most domestic airlines have been downgraded by the rating agencies, have declared bankruptcy under Chapter 11 of the U.S. Bankruptcy Code ("Chapter 11"), including United, US Airways, Delta, Northwest, ATA, Air Canada, Midway, American Airlines and Independence Air, and have implemented service reductions and layoffs of employees in response to reduced passenger demand and increased fuel and other operating costs. In addition, since 2011, several domestic airlines have merged, such as United and Continental, Delta and Northwest, American and US Airways, and several ceased operations, such as Independence Air and ATA.

American

For the year ended December 31, 2015, American Airlines and its regional affiliates represented approximately 43.9% of the revenues earned from airlines at Reagan National Airport. No other airline represented over 17.5% of such revenues at Reagan National Airport. Enplanements of US Airways, American Airlines and their regional affiliates at the Airports in 2015 represented 28.7% of the combined enplanements at both Airports. According to information obtained from its filings with the SEC, American Airlines reported net income of $7.6 billion in 2015, compared to net income of $2.9 billion in 2014.

The merger of the holding companies of US Airways and American Airlines on December 9, 2013 resulted in the required divestiture of 104 air carrier slots, or 52 round trip flights, at Reagan National Airport. Southwest Airlines gained 27 round trip flights, JetBlue gained 20 round trip flights and Virgin America gained four round trip flights at Reagan National Airport. One slot pair (for Sunday-only service) was returned to the FAA and has not been reallocated to date. On April 8, 2015, the FAA officially granted a single operating certificate for both carriers and on October 17, 2015 the US Airways brand was discontinued. See "CERTAIN INVESTMENT CONSIDERATIONS–Airline Consolidations" herein.

United

For the year ended December 31, 2015, United and its regional affiliates represented approximately 11.1% of the revenues earned from airlines at Reagan National Airport, and approximately 53.8% of the revenues earned from airlines at Dulles International Airport. Enplanements by United and its regional affiliates at the Airports in 2015 represented 34.3% of the combined enplanements at both Airports. According to information obtained from its filings with the SEC, United reported a net income of $7.3 billion in 2015, compared to net income of $1.1 billion in 2014.

Delta

For the year ended December 31, 2015, Delta and its regional affiliates represented approximately 17.5% of the revenues earned from airlines at Reagan National Airport. Enplanements by Delta and its regional affiliates represented approximately 9.1% of the combined enplanements at both Airports in 2015. According to information obtained from its filings with the SEC, Delta reported a net income of $4.5 billion in 2015, compared to a net income of $659 million in 2014.

Bankruptcy of Airline Serving the Airports

In February 2016, Republic Airlines, which operates at both Airports, filed for reorganization under Chapter 11. Republic Airlines currently continues to operate at both Airports. As of March 2016, Republic Airlines owed $9,499 in pre-petition debt and $306,026 in post-petition debt to the Airports Authority. The Airports Authority is continuing to monitor this bankruptcy process.

The Airports Authority cannot predict the duration or extent of reductions and disruptions in air travel or the extent of any adverse impact on Revenues, PFC collections,

passenger enplanements, operations or the financial condition of the Airports Authority that disruptions and reductions related to airline bankruptcies may cause, or whether these and other factors will result in more airline bankruptcies. All airlines that have filed for reorganization under the United States bankruptcy laws in the past have remitted all material payments due to the Airports Authority under the Airline Agreements. Bankruptcies, liquidations or major restructurings of airlines could occur in the future. The Airports Authority is not able to predict how long any airline in bankruptcy protection would continue operating at the Airports or whether any such airline would liquidate or substantially restructure its operations. Further, the Airports Authority cannot predict or give any assurance that the airlines serving the Airports will continue to pay or to make timely payment of their obligations under the Airline Agreement.

PFCs

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508), the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181), the VISION 100-Century of Aviation Reauthorization Act, P.L. 108-176, the Federal Aviation Administration Extension Act of 2008, P.L. 110-330 and the FAA Modernization and Reform Act of 2012, P.L. 112-95 (collectively, the "PFC Acts"), the FAA has approved the Airports Authority's applications to require airlines to collect and remit to the Airports Authority a $4.50 PFC for each enplaning revenue passenger at the Airports. See "PLAN OF FUNDING FOR THE CCP – Funding Source: PFCs."

The PFC Acts provide that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Airports Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds on financial statements. Airlines are permitted to commingle PFC collections with other revenues. Airlines that have filed for Chapter 7 or 11 bankruptcy protection, however, are required to segregate PFC revenue in a separate account for the benefit of the airport and cannot grant a third party any security or other interest in PFC revenue. The airlines are entitled to retain interest earned on PFC collections until such PFC collections are remitted. PFCs collected by those airlines are required by the bankruptcy court to be placed in accounts separate from other airline revenue accounts and be paid to airports monthly in accordance with the PFC regulations. However, the Airports Authority cannot predict whether an airline that files for bankruptcy protection will properly account for the PFCs or whether the bankruptcy estate will have sufficient moneys to pay the Airports Authority in full for the PFCs owed by such airline. The Airports Authority has recovered all of its PFCs from each of the airlines that filed for Chapter 11 bankruptcy protection in the past. PFCs are not pledged to the repayment of the Bonds. On August 1, 2009, however, the Airports Authority irrevocably committed $35 million of Designated Passenger Facility Charges per year to pay Annual Debt Service on the Bonds through 2016. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Commitment of Certain Passenger Facility Charges."

Information Concerning the Airlines

Certain of the airlines (or their respective parent corporations) are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports and other information with the SEC. Certain information, including financial information, concerning such airlines (or their respective parent corporations) is disclosed in reports and statements filed with the SEC. Such reports and statements can be inspected and copies obtained at prescribed rates at the SEC's principal offices at 100 F Street, N.E., Washington, D.C. 20549, and should be available for inspection and copying at the SEC's regional offices located at 233 Broadway, New York, New York 10279, and 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661. The public may obtain information on the hours of operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Some of the airlines are required to file periodic reports of financial and operating statistics with the DOT. Such reports can be inspected at the Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, DOT, 400 Seventh Street, S.W., Washington, D.C. 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments or foreign corporations file limited information only with the DOT.

The Airports Authority has no responsibility for the completeness or accuracy of information available from the DOT or SEC, including, but not limited to, updates of information on the SEC's Internet site or links to other Internet sites accessed through the SEC's site.

CERTAIN INVESTMENT CONSIDERATIONS

The Series 2016AB Bonds may not be suitable for all investors. Prospective purchasers of the Series 2016AB Bonds should give careful consideration to the information set forth in this Official Statement, including, in particular, the matters referred to in the following summary.

General

The Revenues of the Airports Authority are affected substantially by the economic health of the air transportation industry and the airlines serving the Airports. Certain factors that may materially affect the Airport Service Region, the Airports and the airlines include, but are not limited to (i) the availability and cost of aviation fuel and other necessary supplies, (ii) national and international economic conditions and currency fluctuations, (iii) the financial health and viability of the airline industry, (iv) air carrier service and route networks, (v) the population growth and the economic health of the region and the nation, (vi) changes in demand for air travel, (vii) service and cost competition, (viii) levels of air fares, (ix) fixed costs and capital requirements, (x) the cost and availability of financing, (xi) the capacity of the national air traffic

control system, (xii) the capacity of the Airports and of competing airports, (xiii) alternative modes of travel and transportation substitutes, (xiv) national and international disasters and hostilities, (xv) the cost and availability of employees, (xvi) labor relations within the airline industry, (xvii) regulation by the federal government including the effect of the High Density and Perimeter rules on Reagan National Airport, (xviii) environmental risks and regulations, noise abatement concerns and regulations, (xix) bankruptcy and insolvency laws, and (xx) safety concerns arising from international conflicts, the possibility of terrorist or other attacks and other risks (including the impact of such attacks on other airports that have flights to or from the Airports, as well as the possibility of the closure of those airports for a period of time).

Airline Consolidations

In response to competitive pressures, the U.S. airline industry has continued to consolidate. In October 2008, Delta and Northwest merged. In June 2009, Republic Airways Holdings, Inc. acquired Midwest Airlines and in October 2009 it acquired Frontier Airline. In October 2010, United and Continental completed the merger of the two airlines. In May 2011, Southwest Airlines completed its acquisition of AirTran Airways. In December 2013, US Airways and American Airlines completed the merger of the two airlines.

Airline consolidation has affected airline service patterns at Reagan National Airport and Dulles International Airport, including, most recently, the slot divestitures at Reagan National Airport resulting from the merger of US Airways and American Airlines. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS." Further airline consolidation is possible and could continue to change airline service patterns, particularly at the connecting hub airports of the merged airlines. The Airports Authority cannot predict what impact, if any, such consolidations will have on airline traffic at the Airports. See "Competition" under this caption for additional discussion on the effect of airline consolidation on the Airports.

Airlines Serving the Airports

The Airports Authority derives a substantial portion of its operating revenues from landing, facility rental and concession fees. The financial strength and stability of the airlines using the Airports, together with numerous other factors, influence the level of aviation activity and revenues at the Airports. In addition, individual airline decisions regarding level of service, particularly hubbing activity at the Airports and aircraft size such as use of regional jets, can affect total enplanements.

In 2002 through 2013, several airlines (including some that served the Airports) ceased operations and/or filed for bankruptcy protection. No assurances can be given that the airlines now serving the Airports will continue operations or maintain their current levels of activity at the Airports. If one or more airlines were to discontinue operations at the Airports, the activity accounted for by such airlines would not necessarily be replaced by other carriers. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS."

Cost of Aviation Fuel

Airline earnings are significantly affected by the price of aviation fuel. According to Airlines for America, fuel is the largest single cost component for most airline operations, and

therefore an important and uncertain determinant of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but there have been significant increases and fluctuations in the price of fuel.

Any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries' policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities and weather. The cost of aviation fuel has fluctuated in the past in response to changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged increases in the cost of aviation fuel historically have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

National and Global Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economy. Following significant and dramatic changes which occurred in the financial markets in September 2008, the U.S. economy experienced a recession followed by weak growth. As a result of concerns about the U.S. government's ability to resolve long-term deficits, S&P in August 2011 downgraded the credit rating of the U.S. sovereign debt from "AAA" to "AA+". While the global economy generally has rebounded, there can be no assurances that any such rebound will continue, or that other national and international fiscal concerns will not have an adverse effect on the air transportation industry.

Public Health Risks

Public health concerns affect air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome ("SARS") led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. Following an outbreak of the Ebola virus in West Africa in 2014, concerns about the spread of the virus adversely affected travel to and from certain regions of Africa. More recently, in January 2016, the Centers for Disease Control and Prevention issued a travel alert warning pregnant women to avoid travel to areas where the Zika virus, which has been linked to a type of birth defect called microcephaly, is spreading, a list that currently includes more than 30 countries and territories.

Aviation Safety and Security Concerns

Concerns about the safety of air travel and the effectiveness of security precautions, particularly in the context of international hostilities and domestic and foreign terrorist attacks and threats and other airline incidents may influence passenger travel behavior and air travel demand. These concerns intensified in the aftermath of the events of September 11, 2001. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, which

may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Safety concerns in the aftermath of the terrorist attacks on September 11, 2001, were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have enhanced security measures to guard against possible terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies.

Aviation Security Requirements and Related Costs and Restrictions

The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing security measures after September 11, 2001. The Airports are currently in compliance with all federally mandated security requirements. If additional financial assistance becomes available from TSA, the Airports Authority may perform certain additional building modifications to better accommodate in-line baggage screening equipment. See "THE 2001-2016 CCP."

The Airports Authority cannot predict the effect of any future government-required security measures on passenger activity at the Airports. Nor can the Airports Authority predict how the government will staff security screening functions or the effect on passenger activity of government decisions regarding its staffing levels.

Enplanements at the Airports, collections of PFCs and the receipt of Revenues were negatively affected by security restrictions on the Airports and the financial condition of the air transportation industry following the terrorist attacks of September 11, 2001. The Airports Authority, like many airport operators, experienced increased operating costs due to compliance with federally mandated and other security and operating changes. Given the proximity of the Airports to Washington, D.C., the FAA or the Department of Homeland Security may require further enhanced security measures and impose additional restrictions on the Airports, which may negatively affect future Airports Authority performance. The Airports Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the possibility of increased security restrictions, the likelihood of future air transportation disruptions or the impact on the Airports or the airlines from such incidents or disruptions. See "THE AIRPORTS AUTHORITY – Regulations and Restrictions Affecting the Airports – Possible Future Restrictions on Reagan National Airport," "THE AIR TRADE AND AIRPORTS ACTIVITY – Airlines Serving the Airports," and "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS."

Regulations and Other Restrictions Affecting the Airports

The operations of the Airports Authority and its ability to generate revenues are affected by a variety of legislative, legal, contractual, statutory, regulatory and practical restrictions, including restrictions in the Federal Act, limitations imposed by the Federal Lease, provisions of the Airline Agreement, the PFC Acts, regulations such as the High Density and Perimeter Rules

that affect Reagan National Airport and extensive federal legislation and regulations applicable to all airports. It is not possible to predict whether future restrictions or limitations on the Airports' operation will be imposed, whether future legislation or regulation will affect anticipated federal funding or PFC collection, whether additional requirements will be funded by the federal government or require funding by the Airports Authority, or whether such restrictions, legislation or regulations would adversely affect Net Revenues. However, prior changes to the Perimeter Rule as part of the 2012 FAA Reauthorization Act resulted in increases in flight activity at Reagan National Airport and some reductions in flight activity at Dulles International Airport, and further changes to the Perimeter Rule could have similar impacts. For a description of these restrictions and regulations, see "THE AIRPORTS AUTHORITY – Regulations and Restrictions Affecting the Airports."

Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Airports Authority and on the airlines operating at the Airports. The United States Environmental Protection Agency (the "EPA") has taken steps towards regulation of greenhouse gas ("GHG") emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. On July 5, 2011, the United States District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the GHG and black carbon emissions of aircraft engines endanger public health and welfare. On June 10, 2015, EPA proposed to find that GHG emissions from certain aircraft cause and contribute to pollution that endangers public health and welfare. This proposed endangerment finding will be subject to public comment and EPA plans to finalize the aircraft endangerment finding in mid-2016. If finalized as proposed, EPA has stated its intent to propose GHG emission standards for covered aircraft that will be at least as stringent as emission standards under development by the International Civil Aviation Organization, which are scheduled for final review and adoption in 2016. The Airports Authority cannot predict what the EPA's emission standards will be or what effect those standards may have on the Airports Authority or on air traffic at the Airports.

Federal Funding; Impact of Federal Sequestration

The Airports Authority depends upon federal funding for the Airports not only in connection with grants and PFC authorizations but also because federal funding provides for TSA, FIS, air traffic control and other FAA staffing and facilities. The FAA currently operates under the 2012 FAA Reauthorization Act, which is scheduled to expire in 2016. That statute was the first long-term FAA authorization since the last such authorization expired in 2007. Between 2007 and the 2012 reauthorization, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in the summer of 2011. The 2012 FAA Reauthorization Act (i) retained the federal cap on PFCs at $4.50, (ii) removed the restriction contained in the Federal Act that provided that after September 16, 2011, the Secretary of Transportation may not approve an application of the Airports Authority (A) for an airport development grant under the AIP program or (B) to impose a PFC, and (iii) authorized $3.35 billion per year for the AIP through Fiscal Year 2015. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). FAA AIP expenditures are subject to congressional appropriation and no assurance can be given that the FAA will receive

spending authority. In addition, the AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described below. The Airports Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Airports Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Airports Authority would need to fund from other sources (including operating revenues and additional Bonds), (ii) result in adjustments to the CCP or (iii) extend the timing for completion of certain projects. See "PLAN OF FUNDING FOR THE CCP – Funding Source: Federal and State Grants."

Federal funding received by the Airports Authority and aviation operations at the Airports could be adversely affected by the implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA and TSA budgets and operations and the availability of certain federal grant funds typically received annually by the Airports Authority, which may cause the FAA or TSA to implement furloughs of its employees and freeze hiring, and may result in flight delays and cancellations.

Effect of Signatory Airline Bankruptcy on the Airline Agreement

In the event of bankruptcy proceedings involving one or more of the Signatory Airlines, the debtor airline or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Airline Agreement. In the event of assumption, the debtor airline is required to cure any prior defaults and to provide adequate assurance of future performance under the relevant document. Rejection of the Airline Agreement by any Signatory Airline gives rise to an unsecured claim of the Airports Authority for damages, the amount of which may be limited by the U.S. Bankruptcy Code. The amounts unpaid as a result of a rejection of the Airline Agreement by a Signatory Airline in bankruptcy can be passed on to the remaining Signatory Airlines under the Airline Agreement. If the bankruptcy of one or more Signatory Airlines were to occur, however, there can be no assurance that the remaining Signatory Airlines would be able, individually or collectively, to meet their obligations under the Airline Agreement. See "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS – Airport Use Agreement and Premises Lease," and APPENDIX C – "Summary of Certain Provisions of the Airport Use Agreement and Premises Lease."

In addition, the bankruptcy of a Signatory Airline may affect the amount and timing of receipt by the Airports Authority of PFCs collected by that airline. See "FINANCIAL CONDITION OF CERTAIN AIRLINES SERVING THE AIRPORTS – General – PFCs."

Availability of Designated Passenger Facility Charges and Other Available PFC Revenues

In addition to the use of Net Revenues, the Airports Authority has irrevocably committed to use the greater of (i) $35,000,000 or (ii) 50% of the total amount of Designated Passenger Facility Charges between Fiscal Years 2011 and 2016, to pay a portion of the Annual Debt Service on PFC Eligible Bonds allocable to Dulles International Airport. The Airports Authority also has included in its 2016 budget its intent to use additional PFC revenues to pay Annual Debt Service on other PFC Eligible Bonds in 2016. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Commitment of Certain Passenger Facility Charges" above.

The amount of Designated Passenger Facility Charges and other available PFC revenues received by the Airports Authority in future years will vary based upon the actual number of PFC-eligible passenger enplanements at Dulles International Airport. No assurance can be given that any level of enplanements will be realized. Additionally, the FAA may terminate the Airports Authority's authority to impose PFCs, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the PFC Regulations, or (b) the Airports Authority otherwise violates the PFC Act or the PFC Regulations. The Airports Authority's authority to impose a PFC also may be terminated if the Airports Authority violates certain provisions of the Airport Noise and Capacity Act of 1990 (the "ANCA") and its regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Airports Authority's authority to impose a PFC would not be summarily terminated. No assurance can be given that the Airports Authority's authority to impose a PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Airports Authority or that the Airports Authority will not seek to decrease the amount of PFCs to be collected, provided such decrease does not violate the Airports Authority's covenant in the Indenture. A shortfall in PFC revenues may cause the Airports Authority to increase rentals, fees and charges at the Airports to meet the debt service requirements on the Bonds that the Airports Authority plans to pay from Designated Passenger Facility Charges and other available PFC revenues, and/or require the Airports Authority to identify other sources of funding for its capital program, including issuing additional Bonds.

Airports Authority Insolvency

The Series 2016AB Bonds are not secured by or payable from the revenues derived from the Dulles Toll Road or other assets of the Airports Authority accounted for under the Dulles Corridor Enterprise Fund. Nevertheless, the Airports Authority could become insolvent in connection with activities related to the Dulles Toll Road and the Dulles Metrorail Project, even though the Airports are operating at a profit. If this were to occur, an Event of Default under the Indenture could occur even though the Revenues of the Airports may be adequate to meet the rate covenant under the Indenture. A creditor who has a judgment against the Airports Authority as a result of activities related to the Dulles Toll Road or the Dulles Metrorail Project may not be restricted to claims against the revenues of, or other assets accounted for by, the Dulles Corridor Enterprise Fund. Any attempt to levy against Airports Authority facilities used in operation of the Airports or Revenues derived from such operations may cause an Event of Default under the Indenture. Similarly, the Airports Authority could become insolvent in connection with its operations and maintenance of the Airports. Attempts to levy against Airports Authority facilities used in operation of the Airports or Revenues derived from such operations also may cause an Event of Default to occur.

As described under "LITIGATION," litigation against the Airports Authority contesting its power to charge and collect tolls from users of the Dulles Toll Road has been resolved in favor of the Airports Authority.

Counterparty and Liquidity Provider Exposure

In connection with certain variable rate Bonds, the Airports Authority has entered into credit facility agreements and Swap Agreements with various financial institutions. Any adverse rating developments with respect to such credit or liquidity providers or swap counterparties could have an adverse effect on the Airports Authority, including, without limitation, an increase in debt service-related costs, a termination event or other negative effects under the related agreements. Payments required under these agreements in the event of any termination or a default by any of the financial institutions under its liquidity or interest rate swap obligations could have an adverse impact on the finances of the Airports Authority.

Limitations on Bondholders' Remedies

The occurrence of an Event of Default under the Indenture does not grant a right to either the Trustee or the Bondholders to accelerate payment of the Bonds. As a result, the Airports Authority may be able to continue collecting Revenues and applying them to the operation of the Airports even if an Event of Default has occurred and no payments are being made on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Events of Default and Remedies; No Acceleration or Cross Default."

The rights and remedies available to the owners of the Series 2016AB Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial enforcement actions which are often subject to discretion and delay. Currently, the Airports Authority is not authorized by either of the Acts to file for bankruptcy. See "– Airports Authority Insolvency" above.

Expiration and Possible Termination of Airline Agreement

Pursuant to the Airline Agreement, each Signatory Airline has agreed to pay certain rentals, fees and charges for its use of the Airports. For airlines operating at Reagan National Airport, the term of the Airline Agreement is 10 years, starting from January 1, 2015, and running to December 31, 2024. For airlines operating at Dulles International Airport, the term of the Airline Agreement is three years, starting from January 1, 2015, and running to December 31, 2017. With respect to Dulles International Airport, the Airline Agreement may be extended up to and including December 31, 2024, upon the mutual agreement of the Airports Authority and the Signatory Airlines. The Airports Authority and the Signatory Airlines have begun discussions regarding the extension of the Airline Agreement applicable to Dulles International Airport. Under certain limited conditions, a Signatory Airline may terminate the Airline Agreement. See "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS – Airport Use Agreement and Premises Lease." If the Airports Authority and the Signatory Airlines are unable to reach a successor agreement to replace the current agreement at its respective expiration date, then the Airports Authority will set airline rentals, fees and charges at that Airport in accordance with a regulation of the Board that will be consistent with DOT requirements.

Cost and Schedule of Capital Construction Programs

The costs and the schedule of the projects included in the CCP depend on various sources of funding, including additional Bonds, CP Notes, PFCs, and federal grants, and are subject to a number of uncertainties. The ability of the Airports Authority to complete the CCP may be adversely affected by various factors including: (i) estimating errors, (ii) design and engineering errors, (iii) changes to the scope of the projects, (iv) delays in contract awards, (v) material, and/or labor shortages, (vi) unforeseen site conditions, (vii) adverse weather conditions, (viii) contractor defaults, (ix) labor disputes, (x) unanticipated levels of inflation, (xi) environmental issues, and (xii) additional security improvements and associated costs mandated by the federal government. A delay in the completion of certain projects under the CCP could delay the collection of revenues in respect of such projects, increase costs for such projects, and cause the rescheduling of other projects. In addition, any of the deferred projects could be implemented at any time, adding to the cost of the CCP. There can be no assurance that the cost of construction of the CCP projects will not exceed the currently estimated dollar amount or that the completion of the projects will not be delayed beyond the currently projected completion dates. Any schedule delays or cost increases could result in the need to issue additional Bonds and could result in increased costs per enplaned passenger to the airlines, which could place the Airports at a competitive disadvantage relative to lower-cost airports. See "THE 2001-2016 CCP" and "THE 2015-2024 CCP."

Competition

The Airports compete with other U.S. airports for both domestic and international passengers. Portions of the Airports service region are served by BWI, which experienced significant growth in the past decade, mostly due to low-cost carriers using the airport. Between 2011 and 2015, BWI had the largest share of enplaned passengers in the Airports service region, remaining stable at approximately 35%. The Airports Authority cannot predict, however, whether this trend will continue long-term. BWI is expected to continue to be a competitor for the region's domestic and international traffic. See "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY – Baltimore/Washington International Thurgood Marshall Airport."

In 2015, Dulles International Airport had the largest share of international passengers in the Airports service region, at approximately 84.0%. International passengers made up approximately 33% of all commercial enplanements at Dulles International Airport in 2015. Among east coast airports, only the New York area airports offer more service across the Atlantic. International traffic may be more susceptible to fluctuation and disruption based on cost, political instability, terrorist activities, currency fluctuations, and other factors that cannot be predicted or controlled by the airlines or the Airports Authority. The Airports Authority cannot predict whether the level of international traffic will continue at its current level or continue to grow at Dulles International Airport, nor can it predict what events, occurring domestically or internationally, might adversely affect such traffic in the future. See APPENDIX A – "Report of the Airport Consultant – Competing Airports Serving the Region."

The Airports Authority also may continue to experience increases in its operating costs due to compliance with federally mandated and other security and operating changes that are unique to the Airports. Such increased costs may increase the cost per enplaned passenger to the

airlines, which could result in the Airports being put at a competitive disadvantage relative to other airports and transportation modes. See "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY."

Alternative Travel Modes and Travel Substitutes

Competition from surface modes of transportation, primarily Amtrak rail service, has resulted in decreased passenger numbers in certain markets, particularly the New York City market. Between 2001 and 2015, average airfares in the New York City market from Reagan National Airport increased 64.7% while the number of originating passengers decreased 65.0%. See APPENDIX A – "Report of the Airport Consultant – Historical Airline Service and Traffic at Reagan."

Teleconference, video-conference and web-based meetings continue to improve in quality and price and are considered a satisfactory alternative to some face-to-face business meetings.

In addition, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by discounting fares have changed consumer expectations regarding airfares and the availability of transparent price information on the internet, which allows easier comparison shopping, has changed consumer purchasing habits. As a result, pricing and marketing have become more competitive in the United States airline industry.

Other Key Factors

Capacity limitations of the national air traffic control system, the Airports and at competing airports could be factors that might affect future activity at the Airports. In the past, demands on the air traffic control system have caused operational restrictions that have affected airline schedules and passenger traffic and caused significant delays. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger activity would not again adversely affect airline operations. The 2012 FAA Reauthorization Act contains numerous provisions aimed at accelerating the implementation of Next Generation Air Transport System ("NextGen"). NextGen is designed to modernize the National Airspace System from a ground-based system of air traffic control to a satellite-based system of air traffic management in order to enhance the use of airspace and runways.

Future growth of air traffic at Reagan National Airport will be constrained to a significant extent by the High Density Rule and its physical location. Existing terminal and airfield capacity at Dulles International Airport are believed to be sufficient to accommodate near term future growth in airline traffic.

BWI is the primary airport in the Airport Service Region that competes with the Airports. BWI has no airfield, landside or access constraints that would inhibit growth in either domestic or international markets. In recent years, certain low cost carriers, particularly Southwest Airlines, have developed hubs and expanded rapidly at BWI. No assurances can be given that other airlines will not commence or expand activities at BWI to the detriment of airline activity at either or both of the Airports.

For more details on these and other key factors that could impact results of Airports Authority operations, see APPENDIX A – "Report of the Airport Consultant."

Forward Looking Statements

This Official Statement, and particularly the information contained under the captions "SUMMARY STATEMENT," "INTRODUCTION," "THE AIRPORTS AUTHORITY," "THE SERIES 2016AB BONDS," "THE AIRPORTS AUTHORITY'S FACILITIES AND MASTER PLANS," "THE 2001-2016 CCP," "THE 2015-2024 CCP," "PLAN OF FUNDING FOR THE CCP," "REPORT OF THE AIRPORT CONSULTANT" and the Report of the Airport Consultant included as APPENDIX A to this Official Statement, contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause forecast revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the costs of certain projects. Any forecast is subject to such uncertainties. Therefore, there will be differences between forecast and actual results, and those differences may be material.

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant dated May 31, 2016 is attached as APPENDIX A. The Report of the Airport Consultant was prepared by LeighFisher, in conjunction with its subconsultant, MAC Consulting, LLC. The Report of the Airport Consultant evaluates the ability of the Airports Authority to produce Net Revenues sufficient to meet the requirements of the rate covenant during the forecast period taking into account estimated Annual Debt Service requirements using assumptions as documented in the Report of the Airport Consultant. The Airport Consultant has provided its consent to include the Report of the Airport Consultant as APPENDIX A hereto. The Report of the Airport Consultant has been included herein in reliance upon the knowledge and experience of LeighFisher as the Airport Consultant and its subconsultant. As stated in the Report of the Airport Consultant, any forecast is subject to uncertainties. Therefore, there will be differences between forecast and actual results, and those differences may be material. The Report of the Airport Consultant has not been updated to reflect the final pricing terms of the Series 2016AB Bonds or other changes that may have occurred after the date of the Report. The forecasts presented in the Report of the Airport Consultant are based on various assumptions that reflect the best information available to the Airports Authority and the knowledge and experience of the Airport Consultant as of the date of the Report. The Airports Authority's future operating and financial performance, however, will vary from the forecasts and such variances may be material. The Report of the Airport Consultant should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

FINANCIAL ADVISOR

Frasca & Associates, LLC (the "Financial Advisor") serves as the financial advisor to the Airports Authority in connection with the issuance of the Series 2016AB Bonds. The Financial Advisor has prepared the debt issuance plan for funding portions of the CCP based on information provided by the Airports Authority. In addition, it has assisted in the preparation of this Official Statement. The Financial Advisor has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement.

INDEPENDENT ACCOUNTANTS

The financial statements as of December 31, 2015 contained in the Airports Authority's 2015 CAFR, which was filed with EMMA and can also be found at www.mwaa.com and www.dacbond.com, have been audited by Cherry Bekaert LLP, independent auditor, as stated in their report included therein. Cherry Bekaert LLP has not been engaged to perform and has not performed, since the date of its report included therein, any procedures on the financial statements addressed in that report. Additionally, the Cherry Bekaert LLP report does not cover any other information in this Official Statement and should not be read to do so.

TAX MATTERS

General

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2016A Bond for any period during which that Series 2016A Bond is held by a "substantial user" of the facilities financed or a "related person," as those terms are used in Section 147(a) of the Code, and interest on the Series 2016A Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed on individuals and corporations under the Code, (ii) interest on the Series 2016B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) interest on the Series 2016AB Bonds is exempt from income taxation by the Commonwealth of Virginia and is exempt from all taxation by the District of Columbia except estate, inheritance and gift taxes. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2016AB Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Airports Authority contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2016AB Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Airports Authority's certifications and representations or the continuing compliance with the Airports Authority's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2016AB Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Airports Authority may cause loss of such status and result in the interest on the Series 2016AB Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2016AB Bonds. The Airports Authority has covenanted to take the actions required of it for the interest on the Series 2016AB Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2016AB Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2016AB Bonds or the market value of the Series 2016AB Bonds.

A portion of the interest on the Series 2016B Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2016AB Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2016AB Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2016AB Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2016AB Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2016AB Bonds ends with the issuance of the Series 2016AB Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Airports Authority or the owners of the Series 2016AB Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in

gross income for federal income tax purposes. If the IRS does audit the Series 2016AB Bonds, under current IRS procedures, the IRS will treat the Airports Authority as the taxpayer and the beneficial owners of the Series 2016AB Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2016AB Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2016AB Bonds.

Prospective purchasers of the Series 2016AB Bonds upon their original issuance at prices or yields other than the respective prices or yields indicated on the inside cover page of this Official Statement, and prospective purchasers of the Series 2016AB Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and also may be considered by state legislatures. Court proceedings also may be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2016AB Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2016AB Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2016AB Bonds or the market value or marketability of the Series 2016AB Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2016AB Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2016AB Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2016AB Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2016AB Bonds may be adversely affected and the ability of holders to sell their Series 2016AB Bonds in the secondary market may be reduced. The Series 2016AB Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2016AB Bonds are not subject to adjustment, in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Premium

The Series 2016AB Bonds ("Premium 2016AB Bonds") as indicated on the inside cover pages of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond

premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium 2016AB Bond, based on the yield to maturity of that Premium 2016AB Bond (or, in the case of a Premium 2016AB Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium 2016AB Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium 2016AB Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium 2016AB Bond, the owner's tax basis in the Premium 2016AB Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium 2016AB Bond for an amount equal to or less than the amount paid by the owner for that Premium 2016AB Bond. A purchaser of a Premium 2016AB Bond in the initial public offering at the price or yield for that Premium 2016AB Bond stated on the inside cover pages of this Official Statement of this Official Statement who holds that Premium 2016AB Bond to maturity (or, in the case of a callable Premium 2016AB Bond, to its earlier call date that results in the lowest yield on that Premium 2016AB Bond) will realize no gain or loss upon the retirement of that Premium 2016AB Bond.

Owners of the Series 2016AB Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of bond premium properly accruable or amortizable in any period with respect to the Series 2016AB Bonds and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

LEGAL MATTERS

Certain legal matters relating to the issuance of the Series 2016AB Bonds are subject to the approving opinion of Bond Counsel to the Airports Authority, Squire Patton Boggs (US) LLP, which will be furnished upon the issuance of the Series 2016AB Bonds. The form of such opinion is set forth in APPENDIX E of this Official Statement (the "Bond Opinion"). The Bond Opinion is limited to matters relating to the issuance of the Series 2016AB Bonds and to the status of interest on the Series 2016AB Bonds as described in "TAX MATTERS."

Certain legal matters will be passed upon for the Airports Authority by Philip G. Sunderland, Esquire, Vice President and General Counsel of the Airports Authority, and by Squire Patton Boggs (US) LLP, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Ballard Spahr LLP.

LITIGATION

The Airports Authority is involved in various claims and lawsuits arising in the ordinary course of business that are covered by insurance or that the Airports Authority does not believe to be material. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Airports Authority's general counsel, the likely outcome in these matters that are not covered by insurance will not have a material adverse effect on the financial condition of the Airports Authority. No litigation is pending or, to the knowledge of the Airports Authority, threatened against the Airports Authority (a) seeking to restrain or enjoin the issuance of the Series 2016AB Bonds or the collection of Net Revenues pledged under the Indenture, or (b) in

any way contesting or affecting any authority for the issuance of the Series 2016AB Bonds, the validity or binding effect of the Series 2016AB Bonds or the resolution of the Airports Authority authorizing and implementing the Series 2016AB Bonds or the Indenture, or (c) in any way contesting the creation, existence, powers or jurisdiction of the Airports Authority, the validity or effect of the Federal Act, the Federal Lease, the Virginia Act or the District Act, or any provision thereof, or the application of the proceeds of the Series 2016AB Bonds.

On October 5, 2015, the United States Supreme Court entered an order denying the petition of certiorari in *Corr v. Metropolitan Washington Airports Authority*, No. 13-1559, a lawsuit filed in federal district court against the Airports Authority in April 2011 by two users of the Dulles Toll Road claiming that the setting of tolls by the Airports Authority violates various rights and privileges they enjoy under the United States Constitution. On January 21, 2014, the United States Court of Appeals for the Fourth Circuit had affirmed the trial court's ruling that plaintiffs had failed, as a matter of law, to state a valid claim as to which any relief could be granted and, more generally, that the setting of tolls by the Airports Authority does not violate the federal constitution, and had affirmed the trial court's dismissal of the plaintiffs' complaint. All proceedings are now terminated and the matter has concluded.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned the Series 2016AB Bonds the ratings of "AA-", "A1" and "AA-", respectively. Fitch affirmed the Airports Authority's "AA-" rating with "Stable Outlook" on May 26, 2016. Moody's affirmed the Airports Authority's "A1" rating and revised the outlook from a "Stable Outlook" to a "Positive Outlook" on May 26, 2016. S&P affirmed the Airports Authority's "AA-" rating with "Stable Outlook" on May 27, 2016. The Airports Authority furnished to such rating agencies the information contained in this Official Statement and certain other materials and information about the Airports Authority. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions by the rating agencies.

A rating, including any related outlook with respect to potential changes in such ratings, reflects only the view of the agency giving such rating and is not a recommendation to buy, sell or hold the Series 2016AB Bonds. An explanation of the procedure and methodology used by each rating agency and the significance of such ratings may be obtained from the rating agency furnishing the same. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by any of such rating agencies if, in the judgment of any of them, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings is likely to have an adverse effect on the market price of the Series 2016AB Bonds.

UNDERWRITING

The underwriters of the Series 2016AB Bonds listed on the cover of this Official Statement, for whom J.P. Morgan Securities LLC acts as representative (the "Underwriters"), have agreed to purchase the Series 2016AB Bonds, at a price of $454,527,659.54 (consisting of $386,025,000.00 aggregate par amount of the Series 2016AB Bonds, plus original issue premium of $69,886,252.55, less an underwriting discount of $1,383,593.01) pursuant to the Bond

Purchase Agreement, entered into by and between the Airports Authority and the Underwriters (the "Bond Purchase Agreement"). The Underwriters will be obligated to purchase all of the Series 2016AB Bonds if any Series 2016AB Bonds are purchased. The Underwriters reserve the right to join with other underwriters in the offering of the Series 2016AB Bonds. The obligations of the Underwriters to accept the delivery of the Series 2016AB Bonds are subject to various conditions set forth in the Bond Purchase Agreement.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Airports Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Airports Authority.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2016AB Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings, including the Series 2016AB Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2016AB Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016AB Bonds that such firm sells. In the ordinary course of its business, JPMS and certain of its affiliates have engaged, and may in the future engage, in investment banking or commercial banking transactions with the Airports Authority. JPMS is a wholly owned indirect subsidiary of J.P. Morgan Chase & Co. and JPMorgan Chase Bank National Association is a wholly owned direct subsidiary of J.P. Morgan Chase & Co. JPMorgan Chase Bank, National Association from time to time may have provided a letter of credit for certain of the Airport Revenue Bonds and/or served as remarketing agent for certain Airport Revenue Bonds. As of June 1, 2016, JPMS is the dealer manager and JPMorgan Chase Bank, National Association is the letter of credit provider on the Airports Authority's outstanding Dulles Toll Road Second Lien Commercial Paper Notes. In addition, JPMorgan Chase Bank, National Association is one of the Airports Authority's swap counterparties.

Citigroup Global Markets Inc., an underwriter of the Series 2016AB Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2016AB Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, acting through its Municipal Products Group.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA") one of the underwriters of the Series 2016AB Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2016AB Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2016AB Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2016AB Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

VERIFICATION AGENT

Robert Thomas CPA, LLC will verify from the information provided to them the mathematical accuracy of the computations contained in the provided schedules as of the delivery date of the Series 2016AB Bonds to determine that the proceeds of the Series 2016AB Bonds and other funds of the Airports Authority to be held in escrow under the Refunding Agreements will be sufficient to pay the principal or redemption price, as applicable, and accrued interest with respect to the Refunded Bonds. Robert Thomas CPA, LLC will express no opinion on the assumptions provided to them.

RELATIONSHIP OF PARTIES

Manufacturers and Traders Trust Company serves as the Trustee for the Bonds, the CP Notes and the Airports Authority's Dulles Toll Road Revenue Bonds, as trustee for the Airports Authority's pension plan and safe keeper of certain operating funds of the Airports Authority.

Ballard Spahr LLP serves as counsel to the Trustee for the 2016AB Bonds and also serves as counsel to the Underwriters.

Mr. Michael A. Curto, a member of the Airports Authority's Board of Directors and Co-Chair of the Board's Finance Committee, is a partner at Squire Patton Boggs (US) LLP, which is serving as Bond Counsel and Disclosure Counsel for the Airports Authority.

CONTINUING DISCLOSURE

The Airports Authority has entered into a Continuing Disclosure Agreement (the "Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC") to assist the Underwriters in complying with the requirements of Rule 15c2-12 (the "Rule") promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended. The Disclosure Agreement requires the Airports Authority to file with DAC (i) certain annual financial information and operating data and (ii) certain event notices. Under the Disclosure Agreement, DAC will serve as the Airports Authority's Disclosure Dissemination Agent for purposes of filing annual disclosure and any event notices required by the Rule with the MSRB for posting on EMMA. DAC also will provide certain Airports Authority financial information through DAC's web site at www.dacbond.com. The form of the Disclosure Agreement is attached as APPENDIX F. The Airports Authority may amend the Disclosure Agreement in the future so long as such amendments are consistent with the Rule as then in effect.

The Disclosure Agreement requires the Airports Authority to provide limited information at specified times. While the Airports Authority expects to provide substantial additional information, as it has in the past, it is not legally obligated to do so. A default by the Airports Authority under the Disclosure Agreement is not an Event of Default with respect to the Series 2016AB Bonds. The Disclosure Agreement permits any Bondholder to seek specific performance of the Airports Authority's obligations thereunder after providing a 30-day prior written qualifying notice to the Airports Authority and 30 days to cure, but no assurance can be given as to the outcome of any such proceeding.

The Airports Authority believes that it has complied in all material respects with its previous continuing disclosure undertakings during the last five years, but in 2012 it failed to file certain notices relating to changes in the underlying ratings of the Bonds and changes in the ratings of credit or liquidity providers securing certain series of Bonds.

The foregoing instance of non-compliance by the Airports Authority with its continuing disclosure undertakings should not be construed as an acknowledgement by the Airports Authority that such instance was material. The Airports Authority has put in place internal procedures to ensure that all required information is provided to the MSRB for posting on EMMA on a timely basis in accordance with its continuing disclosure undertakings. All annual financial statements, operating data and event notices posted on EMMA are current as of the date of this Official Statement.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of those statements have been or will be realized. Historical data is presented for informational purposes only and is not intended to be a projection of future results. Information in this Official Statement has been derived by the Airports Authority from official and other sources and is believed by the Airports Authority to be accurate and reliable. Information other than that obtained from official records of the Airports Authority has not been independently confirmed or verified by the Airports Authority and its accuracy is not guaranteed. The Trustee has not

participated in the preparation of this Official Statement and takes no responsibility for its content.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders or beneficial owners of the Series 2016AB Bonds.

All of the appendices are integral parts of this Official Statement and must be read together with the other parts of this Official Statement. The description of the Indenture does not purport to be comprehensive or definitive, and prospective purchasers of the Series 2016AB Bonds are referred to the Indenture for the complete terms thereof. Copies of the Forty-eighth Supplemental Indenture may be obtained from the Airports Authority. The text of the Master Indenture may be obtained from the Airports Authority's website at www.mwaa.com and at www.dacbond.com.

This Official Statement has been prepared and delivered by the Airports Authority and executed for and on behalf of the Airports Authority by its official identified below.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: /s/ William Shaw McDermott
Chairman

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AIRPORT SYSTEM REVENUE REFUNDING BONDS
Series 2016A (AMT)
and
Series 2016B (Non-AMT)

Prepared for

Metropolitan Washington Airports Authority

Prepared by

LeighFisher
Burlingame, California

May 31, 2016

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Leigh|Fisher

May 31, 2016

Mr. William Shaw McDermott
Chairman of the Board of Directors

Mr. John E. Potter
President and Chief Executive Officer

Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, D.C. 20001-6000

Re: **Report of the Airport Consultant**
Metropolitan Washington Airports Authority
Airport System Revenue Refunding Bonds
Series 2016A (AMT) and Series 2016B (Non-AMT)

Dear Mr. McDermott and Mr. Potter:

LeighFisher, in conjunction with MAC Consulting, LLC, is pleased to submit this Report of the Airport Consultant in connection with the proposed issuance by the Metropolitan Washington Airports Authority (the Airports Authority) of its Airport System Revenue Refunding Bonds Series 2016A (AMT) and Series 2016B (Non-AMT) (referred to collectively in this report as the 2016AB Bonds). This letter and the accompanying attachment and financial exhibits constitute our report.

The Airports Authority operates Ronald Reagan National Airport (Reagan National Airport or Reagan) and Washington Dulles International Airport (Dulles International Airport or Dulles) (collectively, the Airports) under the terms of an agreement and deed of lease with the federal government (the Federal Lease) that, as amended, extends to 2067.

The Airports Authority proposes to issue the 2016AB Bonds to refund certain outstanding Airport System Revenue Bonds, as follows:

- Approximately $409 million principal amount of 2016A Bonds to refund approximately $438 million principal amount of outstanding Series 2006A and 2006B Bonds (referred to in this report as the 2016A Refunding Bonds)

- Approximately $27 million principal amount of 2016B Bonds to refund approximately $32 million principal amount of outstanding Series 2006C Bonds (referred to as the 2016B Refunding Bonds)

Depending on market conditions, the Airports Authority may issue additional 2016AB Bonds to refund certain variable-rate Bonds and make related swap termination payments. No such refunding was assumed for this report.

The report takes into account Bonds that the Airports Authority plans to issue in 2017 through 2020 in the assumed principal amount of approximately $1.045 billion to fund certain of the costs of capital improvements to the Airports. Bonds that the Airports Authority plans to issue in 2017 are referred to as the 2017 Bonds and Bonds that it plans to issue in 2018 through 2020 are referred to collectively as the 2018-2020 Bonds.

Indenture

The proposed 2016AB Bonds, planned 2017 Bonds, and planned 2018-2020 Bonds are to be issued under the 2001 Amended and Restated Master Indenture of Trust securing Airport System Revenue Bonds, as supplemented and amended (the Indenture). Except as otherwise defined, capitalized terms in this report are used as defined in the Indenture.

Aviation Enterprise Fund

The Airports Authority operates and develops the Airports under the Aviation Enterprise Fund. The Airports Authority also oversees the operation and development of the Dulles Toll Road and the Dulles Corridor Metrorail Project under the Dulles Corridor Enterprise Fund. The Aviation Enterprise Fund and the Dulles Corridor Enterprise Fund are segregated. Under the Indenture, the Airports Authority may not use Net Revenues pledged for the payment of Airport System Revenue Bonds to pay the operating or debt service costs of the Dulles Toll Road or the Dulles Corridor Metrorail Project. Revenues from the operation of the Dulles Toll Road are Released Revenues under the Indenture and are excluded from the pledge of Net Revenues securing the Bonds. Only the financial operations of the Aviation Enterprise Fund are considered in this report.

Capital Construction Programs

The Airports Authority is implementing capital improvements (collectively the Capital Construction Programs or CCP) to expand, redevelop, and modernize the Airports consistent with their master plans.

Estimated project costs for the active portion of the CCP that is scheduled for substantial completion through 2016 (the 2001-2016 CCP), including allowances for inflation, total $5.036 billion, comprising $0.560 billion for projects at Reagan and $4.476 billion for projects at Dulles. Included in the costs of the 2001-2016 CCP for the

purposes of this report is the Airports Authority's contribution to the construction of a Metrorail station serving Dulles, expected to be operational in 2020.

Projects in the 2001-2016 CCP still to be completed at Reagan include runway safety area improvements and the reconstruction of airfield pavement. Projects in the 2001-2016 CCP still to be completed at Dulles include various terminal, parking, roadway, and airfield improvements, public safety and security projects, and the Dulles Metrorail station.

Estimated project costs for the elements of the CCP that are scheduled for completion in 2015 through 2024 (the 2015-2024 CCP), including allowances for inflation, total $1.336 billion, comprising $1.180 billion for projects at Reagan and $0.156 billion for projects at Dulles.

Projects in the 2015-2024 CCP for Reagan are (1) construction of a new north concourse to replace the hardstands currently used for regional airline operations; (2) construction of space above the arrivals curbside roadway at Terminal B/C to accommodate new passenger security screening checkpoints to replace the separate checkpoints at the entrance to each concourse and allow passengers to move between the concourses post-security screening (referred to as the secure National Hall); (3) planning, programming and design for the eventual redevelopment of Terminal A; (4) construction of a new parking garage; and (5) various airfield improvement projects and upgrades to roadways, utility systems, and other infrastructure.

Projects in the 2015-2024 CCP for Dulles include (1) rehabilitation of Concourses C and D; (2) renewal and replacement of AeroTrain equipment and mobile lounges; (3) replacement of airfield pavement and upgrades to utility systems and other infrastructure; and (4) reconstruction of sections of the Dulles International Airport Access Highway.

The Airports Authority is funding the CCP with a combination of grants from the Federal Aviation Administration (FAA), the Commonwealth of Virginia, and the Transportation Security Administration (TSA); revenues derived from a $4.50 passenger facility charge imposed at the Airports (PFC Revenues); and Bond proceeds. The Airports Authority expects that the proceeds of the planned 2017 Bonds and planned 2018-2020 Bonds, together with other available sources of capital funds, will provide all funds needed to complete the CCP.

Security for the Bonds

Under the Indenture, Bonds are secured by a pledge of Net Revenues defined as all Revenues of the Airports Authority's Aviation Enterprise Fund plus transfers, if any, from the General Purpose Fund to the Revenue Fund, after provision is made for the payment of Operation and Maintenance (O&M) Expenses. PFC Revenues are excluded from Revenues under the Indenture, unless specifically so designated, and are not pledged to secure Bonds. The Airports Authority has not designated any PFC Revenues as Revenues, although, as discussed in the following section, it has committed certain Designated Passenger Facility Charges to the payment of Bond debt service and in addition intends to use PFC Revenues to pay certain other PFC-eligible Bond debt service.

Rate Covenant

In Section 604(a) (the Rate Covenant) of the Indenture, the Airports Authority covenants that it will fix and adjust from time to time the fees and other charges for the use of the Airports, including services rendered by the Airports Authority, so as to produce Net Revenues at least sufficient to provide for the larger of either:

(i) The amounts needed for making the required deposits in the Fiscal Year to the Principal Accounts, the Interest Accounts, the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund; or

(ii) 125% of Annual Debt Service with respect to Bonds for such Fiscal Year.

The Airports Authority's Fiscal Year is the calendar year ending December 31.

For purposes of demonstrating compliance with the Rate Covenant, Annual Debt Service is defined in the Indenture to exclude the payment of principal of and interest on indebtedness for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make such payments, including any such funds in an escrow account or any such funds constituting capitalized interest.

Pursuant to the Thirty-fifth Supplemental Indenture, certain Designated Passenger Facility Charges received from the imposition of the $4.50 PFC at Dulles are irrevocably committed to the payment of PFC-eligible Bond debt service through 2016. The Airports Authority intends to use certain additional PFC Revenues to pay PFC-eligible debt service. For purposes of demonstrating compliance with the Rate Covenant, for the forecasts in this report, Annual Debt Service is reduced by all PFC

Revenues that the Airports Authority has committed or intends to use to pay PFC-eligible Bond debt service.

Airline Agreement

Effective January 2015, the Airports Authority and airlines accounting for substantially all passengers at the Airports (the Signatory Airlines) entered into a new Airport Use Agreement and Premises Lease (the Airline Agreement) that succeeded an agreement that was in effect from 1990 through 2014. The Airline Agreement provides for the use and occupancy of the Airports and establishes the methodologies for calculating the terminal rentals, landing fees, and other fees and charges payable by the Signatory Airlines. Certain capitalized terms in this report are used as defined in the Airline Agreement.

Under an "extraordinary coverage protection" provision of the Airline Agreement, the Airports Authority may adjust rentals, fees, and charges payable by the Signatory Airlines to ensure that projected Net Revenues at the Airports are not less than required to meet the 125% debt service coverage requirement of the Rate Covenant.

The term of the Airline Agreement for Reagan is 10 years, through 2024, and for Dulles is 3 years, through 2017 (extendable by mutual agreement of the Airports Authority and the Signatory Airlines through 2024). The Airports Authority and the Signatory Airlines are in the process of negotiating the terms of an extension to the Airline Agreement through 2024 for Dulles. For purposes of this report, it was assumed that the provisions of the Airline Agreement relating to the calculation of airline rentals, fees, and charges will apply at both Reagan and Dulles for the forecast period (through 2021). It was further assumed that the Signatory Airlines will pay all amounts required under the Airline Agreement. No payments under the extraordinary coverage protection provision are forecast to be required.

Under the provisions of the Airline Agreement, the Signatory Airlines have consented to the funding plan for the CCP, thereby allowing debt service requirements and O&M Expenses allocable to airline cost centers to be recovered through Signatory Airline rentals, fees, and charges as provided for in the Airline Agreement.

Scope of Report

The purpose of this report is to evaluate the ability of the Airports Authority to produce Net Revenues sufficient to meet the requirements of the Rate Covenant taking into account the estimated debt service requirements of outstanding Bonds, the proposed 2016AB Bonds, the planned 2017 Bonds, and the planned 2018-2020 Bonds. The report covers a five-year forecast period through 2021.

In preparing the report, we analyzed:

- Future airline traffic demand at the Airports, giving consideration to the demographic and economic characteristics of the Airports service region, historical trends in airline service and traffic, the roles of the Airports in airline route systems, constraints on aircraft operations at Reagan, and other key factors that may affect future traffic.
- Estimated sources and uses of funds for the CCP and associated Bond debt service requirements.
- Historical and forecast PFC Revenues and the use of such PFC Revenues to pay project costs and PFC-eligible Bond debt service.
- Historical relationships among revenues, expenses, and airline traffic at the Airports.
- Budgeted and year-to-date revenues and expenses for 2016, expected staffing requirements, the facilities being constructed under the CCP, and other factors that may affect future revenues and expenses.
- The Airports Authority's policies and agreements relating to airline use and occupancy of the Airports, including the calculation of airline rentals, fees, and charges under the Airline Agreement.
- The Airports Authority's policies and contractual agreements relating to the operation of other services and concessions, including public parking, rental car concessions, terminal concessions, and the leasing of buildings and grounds.

We also identified key factors upon which the future financial results of the Airports Authority depend, formulated assumptions about those factors, and on the basis of those assumptions, assembled the financial forecasts presented in the exhibits at the end of the report. Historical financial data and estimates of project costs, project financing, and annual debt service requirements were provided by the sources noted in the report.

Forecast Airline Payments per Passenger

Exhibits E-4 and E-5 present the forecast financial requirements that determine terminal rentals, landing fees, and other fees and charges payable by the Signatory Airlines under the Airline Agreement. The exhibits also present forecast Signatory Airline payments expressed per enplaned passenger.

Forecast Debt Service Coverage

As shown in the following tabulation and Exhibit G-1, the Net Revenues of the Airports Authority are forecast to be sufficient to meet the requirements of the Rate Covenant and to exceed the required 125% debt service coverage in each year of the forecast period.

FORECAST DEBT SERVICE COVERAGE

	in thousands		
Year	Net Revenues [A]	Annual Debt Service *(a)* [B]	Debt service coverage [A/B]
2016	$518,104	$318,795	1.63
2017	506,107	333,128	1.52
2018	526,705	362,205	1.45
2019	554,474	364,168	1.52
2020	560,825	379,140	1.48
2021	580,880	400,444	1.45

(a) Net of PFC Revenues that the Airports Authority has irrevocably committed or intends to use to pay PFC-eligible Bond debt service.

Assumptions Underlying the Financial Forecasts

The financial forecasts presented in this report are based on information and assumptions that were provided by or reviewed with and agreed to by Airports Authority management as being appropriate for the report's purpose. The forecasts reflect management's expected course of action during the forecast period and in management's judgment, present fairly the expected financial results of the Airports Authority. Those key factors and assumptions that are significant to the forecasts are set forth in the report, which should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecasts. However, any financial forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material. Accordingly, neither LeighFisher nor MAC Consulting, LLC, makes any warranty with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in the report. We have no responsibility

to update the report for events and circumstances occurring after the date of the report.

* * * * *

We appreciate the opportunity to serve as Airport Consultant for the Airports Authority's proposed financing.

Respectfully submitted,

LeighFisher

LEIGHFISHER

Attachment

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AIRPORT SYSTEM REVENUE REFUNDING BONDS
Series 2016A (AMT)
and
Series 2016B (Non-AMT)

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CONTENTS

CONTENTS *(continued)*

CONTENTS *(continued)*

TABLES

TABLES *(continued)*

FIGURES

EXHIBITS

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AIRPORT FACILITIES

REAGAN NATIONAL AIRPORT

Reagan National Airport, opened in 1941, is located on approximately 860 acres along the Potomac River in Arlington County, Virginia, approximately 3 miles south of central Washington, D.C. Roadway access is provided via the George Washington Memorial Parkway and Route 1 through the Crystal City area of Arlington, Virginia. Access is also provided by the Metrorail rapid transit system via a station adjacent to the airport's passenger terminals.

Reagan has three runways. Runway 1-19 (7,169 feet long) is the primary air carrier runway, capable of accommodating up to Airplane Design Group (ADG) IV aircraft (B-767 and similar). Runway 15-33 (5,204 feet long) and Runway 4-22 (5,000 feet long) are used primarily by smaller aircraft.

Passenger Terminals at Reagan

The passenger terminals at Reagan provide 44 loading bridge-equipped aircraft gates and associated passenger check-in, security screening, baggage claim, and other functions in approximately 1.2 million square feet of space. Terminal A, which dates from the opening of the airport, is listed on the National Register of Historic Places and provides approximately 250,000 square feet of space and nine aircraft gates. Terminal B/C, opened in 1997, provides approximately 990,000 square feet of space and 35 aircraft gates on three concourses, with security screening areas at the entrance to each concourse. In addition, 14 hardstand positions are provided for regional airline aircraft. Table 1 shows the distribution and use of gates by airline.

The Airports Authority provides approximately 9,360 revenue-producing public automobile parking spaces at Reagan. An additional approximately 3,000 spaces are provided for employee parking. Direct connections from Terminal B/C to the airport's Metrorail station and the public parking garages are provided through two enclosed pedestrian bridges. Connections from Terminal A to the Metrorail station and the public parking garages are provided via shuttle buses and an underground walkway.

Table 1
GATE DISTRIBUTION AND USE BY AIRLINE
Reagan Washington National Airport
Gate Assignments as of March 2016

	Terminal			Average daily departures *(a)*		Average daily seats *(a)*	
	A	B/C	Total	Departures	Per gate	Seats	Per departure
American							
Mainline *(b)*		18	18	135.6	7.5	15,440	114
Regional		14 *(c)*	14	104.2	7.4	5,656	54
		32	32	239.7	7.5	21,097	88
Other airlines							
Air Canada	1		1	7.9	7.9	485	62
Delta *(d)*		7	7	53.4	7.6	6,520	122
Frontier	1		1	3.0	3.0	496	167
JetBlue		4	4	29.7	7.4	3,185	107
Southwest	6		6	43.6	7.3	6,263	144
Sun Country	1		1	1.7	1.7	221	127
United		5	5	35.0	7.0	3,345	96
Virgin America		1	1	3.7	3.7	474	127
Total gates	9	49	58	417.7	7.2	42,086	101

Notes: Departures and departing seats include those by regional affiliate airlines. Numbers may not add to totals shown because of rounding.

(a) Data for June 2016.
(b) American Eagle flights operated by Republic Airlines with Embraer 170 and 175 aircraft are included.
(c) Hardstand positions for small regional airline aircraft, not equipped with loading bridges.
(d) Alaska Airlines subleases a gate from Delta; Alaska departures (average 4.0 per day) are included.

Source: Airports Authority records and OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Capital Construction Programs at Reagan

2001-2016 Capital Construction Program. Projects in the 2001-2016 CCP still to be completed at Reagan are minimal, and include runway safety area improvements and the reconstruction of airfield pavement.

2015-2024 Capital Construction Program. The 2015-2024 CCP at Reagan, by comparison, is more substantial. The principal projects are:

North Concourse. A new north concourse connected to the three existing Terminal B/C concourses will be constructed to accommodate 14 loading-bridge-equipped gates for large regional airline aircraft. The concourse will replace the

hardstands currently used for regional airline operations. Required enabling projects include the demolition of an office building and hangars at the site and modifications to the central utility plant.

Secure National Hall. Space will be constructed above the arrivals curbside roadway at Terminal B/C to accommodate new passenger security screening checkpoints. The new checkpoints will replace the separate checkpoints at the entrances to each concourse and allow passengers to move between the Terminal B/C concourses through the National Hall without having to be rescreened. Screened passengers will have access to the concession outlets in the National Hall and the space now used for screening will become available for redevelopment for concessions and other facilities.

Terminal A Rehabilitation. Planning, programming and design will be undertaken for the eventual redevelopment of Terminal A. Near-term terminal improvements include upgrades and rehabilitation of restrooms, baggage systems, passenger loading bridges, utility systems and other facilities.

Parking Garage. A new parking garage, providing approximately 1,600 spaces on three levels, will be constructed at a site at the southwest corner of the airport. Shuttle bus service will be provided between the garage and the terminals.

Other 2015-2024 CCP projects at Reagan include airfield pavement replacement, other airfield improvement projects, upgrades to roadways and utility systems, and other infrastructure improvements.

DULLES INTERNATIONAL AIRPORT

Dulles International Airport, opened in 1962, is located on approximately 11,830 acres of land in Fairfax and Loudoun counties, Virginia, approximately 26 miles west of central Washington, D.C.

The Dulles International Airport Access Highway, a limited-access highway under the jurisdiction of the Airports Authority, is the primary access route to the airport. The Airports Authority provides Silver Line Express Bus service between Dulles and the Wiehle-Reston East Metrorail station, the current western terminus of the Metrorail Silver Line. Direct Silver Line service to a future Metrorail station at Dulles is expected to begin in 2020. The Washington Metropolitan Area Transit Authority (WMATA) also provides bus service between Dulles and the Rosslyn (Arlington, Virginia) and L'Enfant Plaza (Washington, D.C.) Metrorail stations.

Dulles has four runways: Runway 1L-19R (9,400 feet long), Runway 1C-19C (11,500 feet long), Runway 1R-19L (11,500 feet long), and Runway 12-30 (10,500 feet long). All runways are capable of accommodating operations by ADG VI aircraft (such as the A380). Most aircraft operations at the airport are conducted in parallel flow on the three north-south Runways 1-19. Crosswind Runway 12-30 is used

primarily for departures to the west and arrivals from the east during periods of high winds.

Passenger Terminals at Dulles

The passenger terminal complex at Dulles consists of the Eero Saarinen-designed main terminal and four midfield concourses. All passenger check-in, security screening, and baggage claim functions are accommodated at the main terminal. Processing of international arrivals is accommodated at both the main terminal and the Concourse C federal inspection services (FIS) facility. The main terminal also provides four loading bridge-equipped aircraft gates, referred to as the Z Gates. The main terminal, including the International Arrivals Building (IAB), and midfield Concourses A, B, C, and D collectively encompass approximately 3.7 million square feet of space. The main terminal and four concourses provide 125 aircraft gates, 90 of which are equipped with loading bridges and 35 provide ground loading for regional airline aircraft. Two gates are configured for use by ADG VI aircraft and are equipped with two loading bridges. For a typical fleet mix, 82 loading bridge-equipped gates are provided.

The security mezzanine adjoins the main terminal station for the underground automated people-mover system, known as the AeroTrain. The AeroTrain system has four stations, one located at the main terminal (integrated with the security mezzanine), two serving Concourses A and B, and one serving Concourse C. The Concourse C station is located at the site of a future midfield concourse (not included in the current CCP), which will eventually replace Concourses C and D. Passengers access Concourse C from the AeroTrain station via an underground walkway. During peak periods, the AeroTrain system operates with headways of approximately 2.5 minutes and achieves travel times of approximately 2.0 minutes between stations.

Mobile lounges provide shuttle service to and from Concourse D and the IAB at the main terminal. An underground moving walkway also provides access between the main terminal and Concourses A and B.

The IAB accommodates the FIS (customs, immigration, and agriculture inspection) conducted by U.S. Customs and Border Protection (CBP) for most international arriving passengers. The IAB, which is connected to the main terminal, was expanded and upgraded as part of the 2001-2016 CCP and has a processing capacity of approximately 2,400 passengers per hour.

Concourses A and B, which are connected, together provide approximately 1.1 million square feet of floor space. Concourse A is leased to United and provides 35 parking positions for regional airline aircraft. Concourse B accommodates all airlines other than United and provides gates with 40 loading bridges, up to 31 of which are served by a sterile corridor to accommodate arriving international passengers.

Concourses C and D, which are connected, together provide 900,064 square feet of floor space and 46 loading bridge-equipped gates, all of which are leased to United. Of the 46 gates, 12 are served by a sterile corridor to a CBP facility, referred to as the midfield FIS, that provides federal inspection services for passengers arriving on United and other Star Alliance airlines who are connecting to domestic flights. The midfield FIS facility has a processing capacity of approximately 1,200 passengers per hour.

Table 2 shows the distribution and use of the gates at Dulles by airline.

United leases, on a preferential basis, all 35 regional airline gates at Concourse A and 42 of the 46 gates at Concourses C and D. The Airports Authority has the right under the Airline Agreement to reallocate preferential-use gates and associated holdrooms periodically if needed to provide adequate facilities for all airlines operating or desiring to operate at the airport. The Airports Authority also may require a Signatory Airline to accommodate another airline at its preferential-use gates.

The Airports Authority manages and assigns four gates on Concourse D (now assigned to United), all 40 gates on Concourse B, and the four Z Gates under an application and permit process whereby the gates are operated on a common-use basis in accordance with established policies and procedures. The Airports Authority may cancel a permit with a 30-day written notice. A Signatory Airline may cancel a permit with a 60-day written notice.

The Airports Authority provides approximately 23,240 revenue-producing public automobile parking spaces at Dulles. An additional 6,522 spaces are provided for employee parking. Both garages are connected to the main terminal, one with an underground walkway with moving sidewalks (which is currently closed due to rail station construction) and the other with a covered walkway. The garages and remote surface parking lots are served via shuttle buses.

Capital Construction Programs at Dulles

2001-2016 Capital Construction Program. Projects in the 2001-2016 CCP still to be completed at Dulles are generally minimal, with the exception of the Dulles Metrorail Station, currently estimated at $233 million.

2015-2024 Capital Construction Program. Projects in the 2015-2024 CCP at Dulles are generally focused on maintenance of existing infrastructure and facilities, and include rehabilitation of Concourses C and D, renewal and replacement of AeroTrain equipment and mobile lounges, replacement of airfield pavement, upgrades to utility systems and other infrastructure, and reconstruction of sections of the Dulles International Airport Access Highway.

Table 2

GATE DISTRIBUTION AND USE BY AIRLINE

Washington Dulles International Airport

Gate Assignments as of March 2016

	Concourse						Average daily departures *(c)*		Average daily departing seats *(c)*	
	A *(a)*	B *(b)*	C	D	Z	Total	Departures	Per gate	Seats	Per departure
United *(d)*										
Mainline			16	22		38	92.2	2.4	16,934	183.7
Regional	35		6	2		43	138.8	3.2	8,289	59.7
Subtotal	35		22	24		81	231.0	2.9	25,223	109.2
Other airlines *(e)*										
Air Canada					1	1	3.0	3.0	150	50.0
Alaska		1				1	1.0	1.0	178	178.0
American		3				3	15.9	5.3	1,797	113.0
Delta		4				4	17.3	4.3	1,622	93.6
Frontier					1	1	2.4	2.4	367	150.7
JetBlue		1				1	5.7	5.7	573	100.0
Silver					2	2	10.8	5.4	367	34.0
Southwest		2				2	5.8	2.9	837	143.5
Virgin America		1				1	5.4	5.4	800	149.0
Foreign-flag airlines *(f)*		28				28	39.0	1.4	8,890	227.9
Subtotal		40			4	44	106.4	2.4	15,582	146.4
Subtotal gates in use	35	40	22	24	4	125				
Gates not in use		3		2		5				
Total gates	35	43	22	26	4	130	337.4	2.6	40,804	120.9

Note: Departures and departing seats include those by regional affiliate airlines.

(a) Hardstand positions for regional airline aircraft, not equipped with loading bridges.

(b) All Tier 1 Concourse gates are shown as B gates, although 11 gates at the east end of the Tier 1 Concourse are designated as A gates on airport signage. Gate count for B gates is based on count of available loading bridges, some of which are typically used two at a time to serve a single widebody aircraft.

(c) Data for June 2016.

(d) All gates are leased on a preferential-use basis except for four common-use gates on Concourse D.

(e) All gates are operated on a common-use basis under a permit process.

(f) Excludes Air Canada and includes Sun Air Express which shares a gate with Porter Airlines.

Source: Airports Authority records and OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

BASIS FOR AIRLINE PASSENGER DEMAND

AIRPORTS SERVICE REGION

Reagan National Airport and Dulles International Airport serve the greater Washington, D.C. area, home of the nation's capital. The Airports service region, as defined for purposes of this report, is the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA) encompassing the District of Columbia; the Maryland counties of Calvert, Charles, Frederick, Montgomery, and Prince George's; the Virginia counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren; the independent Virginia cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park; and the West Virginia county of Jefferson. Figure 1 shows a map of the Airports service region.

Portions of the Airports service region also are served by Baltimore/Washington International Thurgood Marshall Airport (Baltimore/Washington Airport or BWI), located approximately 30 miles northeast of Washington, D.C. and operated by the Maryland Aviation Administration. Information on competing airline service at Reagan, Dulles, and BWI is discussed in the later section "Competing Airports Serving the Region."

DEMOGRAPHIC AND ECONOMIC PROFILE

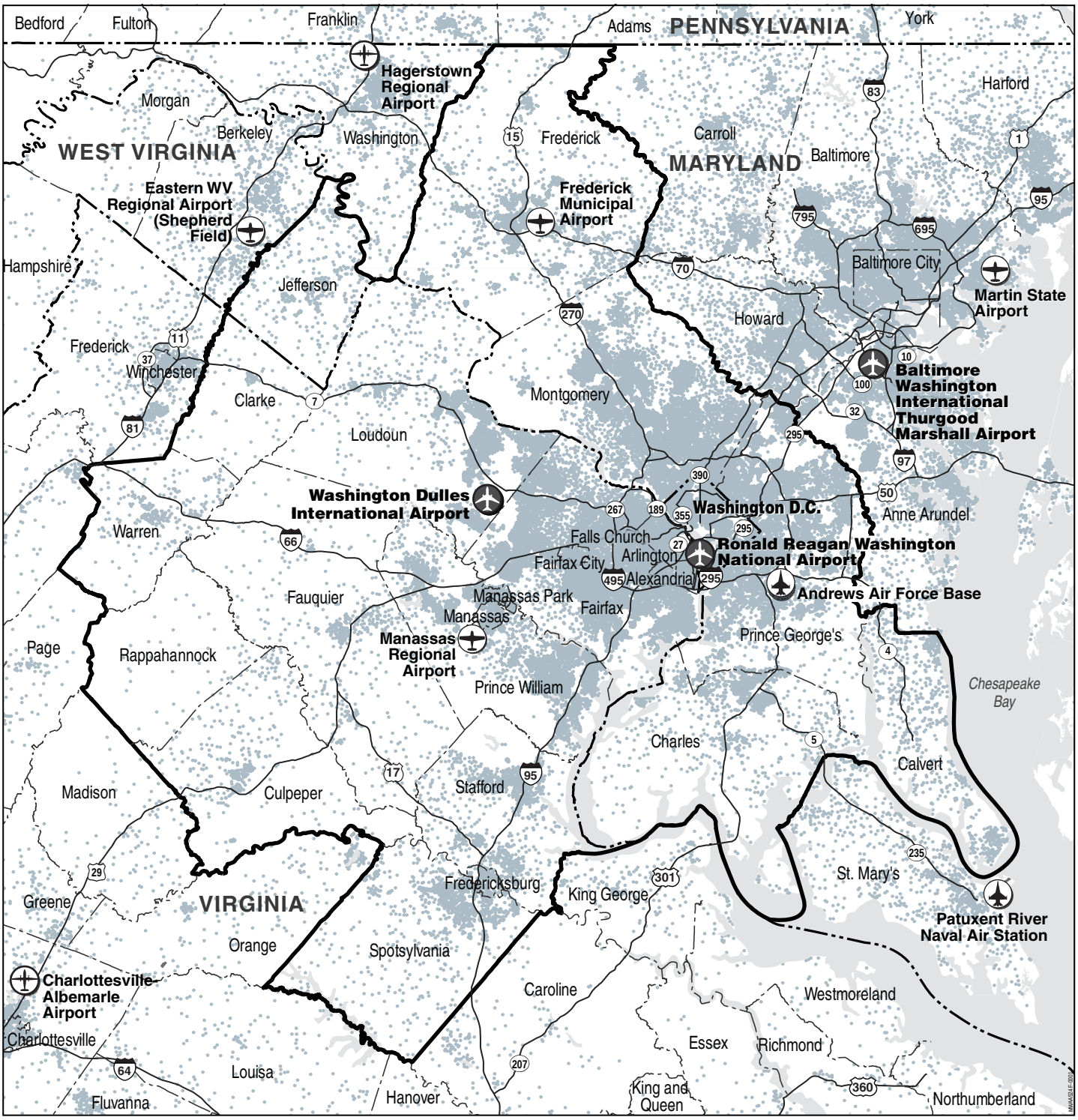
The demographic and economic factors that most strongly influence airline passenger demand at the Airports are the population, employment, and per capita income of the Airports service region, one of the nation's largest metropolitan areas. Its residents are on average wealthier and better educated than those of the nation as a whole, resulting in high rates of air travel to and from the Airports. In addition, tourism, government, and business-related travel have a strong role in generating visitors to the region.

Historical Socioeconomic Data

Table 3 shows data on historical population, per capita income, nonagricultural employment, and unemployment rates for the Airports service region and the nation.

Population. Between 2000 and 2015, the population of the Airports service region increased an average of 1.5% annually, compared with a 0.9% average annual increase for the nation as a whole. In 2015, the Airports service region was the sixth most populous metropolitan area in the nation.

Per Capita Income. The Airports service region's per capita personal income in 2014 ($63,050) was 36.8% higher than the national average ($46,104). Between 2000 and 2014 (the most recent data available), per capita personal income in both the Airports service region and the nation as a whole increased an average of 0.6% annually.



LEGEND

- Airports service region
- State boundary
- County boundary
- Population density: 1 dot represents 100 people
- Large hub
- Non hub
- General aviation
- Military

Source: U.S. Census Bureau, 2010 U.S. Census data.

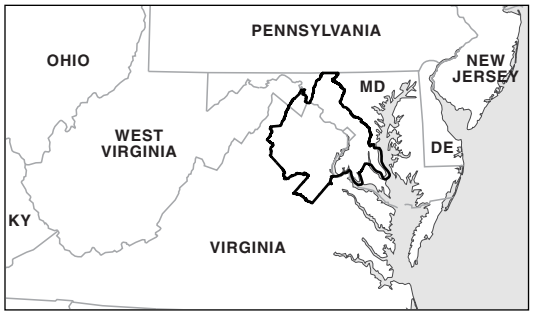


Figure 1
AIRPORTS SEVICE REGION
Metropolitan Washington Airport Authority
March 2016

Table 3
HISTORICAL SOCIOECONOMIC DATA

	Population (thousands)		Per capita personal income (2015 dollars)		Nonagricultural employment (thousands)		Unemployment rate	
	Airports service region	United States	Airports service region	United States	Airports service region	United States	Airports service region	United States
1990	4,173	249,623	$48,827	$35,527	2,262	109,527	3.3%	5.6%
2000	4,863	282,162	58,262	42,121	2,695	132,024	2.7	4.0
2007	5,373	301,231	65,336	45,520	3,009	137,999	3.0	4.6
2008	5,445	304,094	65,004	45,225	3,022	137,242	3.8	5.8
2009	5,548	306,772	63,170	43,502	2,972	131,313	6.1	9.3
2010	5,667	309,347	63,378	43,779	2,983	130,361	6.5	9.6
2011	5,778	311,722	64,217	44,732	3,026	131,932	6.3	8.9
2012	5,873	314,112	64,438	45,697	3,065	134,175	5.9	8.1
2013	5,964	316,498	62,457	45,212	3,093	136,381	5.6	7.4
2014	6,034	318,857	63,050	46,104	3,112	138,958	5.1	6.2
2015	6,098	321,419	n.a.	47,688	3,171	141,865	4.6	5.3
	Average annual percent increase							
1990-2000	1.5%	1.2%	1.8%	1.7%	1.8%	1.9%		
2000-2015	1.5	0.9	0.6 *(a)*	0.8	1.1	0.5		

Airports service region = The 23 counties and independent cities (plus the District of Columbia) in the Washington-Arlington-Alexandria MSA as currently defined (see Figure 1).

Notes: Population numbers are estimated as of July 1 each year. Calculated percentages may not match those shown because of rounding.

n.a. = not available.

(a) Average annual percent increase through 2000-2014.

Sources: Population: U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed April 2016.
Income: U.S. Department of Commerce, Bureau of Economic Analysis website, www.bea.gov, accessed March 2016.
Employment: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed March 2016.

Nonagricultural Employment. Between 2000 and 2015, nonagricultural employment in the Airports service region increased an average of 1.1% annually, compared with a 0.5% average annual increase for the nation as a whole. By 2015, employment in the Airports service region was 5.4% above its 2007 (pre-recession) level, while employment nationwide was 2.8% above its pre-recession level.

Unemployment Rates. Since 2000, the rate of unemployment has been lower for the Airports service region than for the nation. In 2015, unemployment in the region was 4.6% compared with 5.3% for the nation.

Table 4 shows that, between 2007 and 2015, the population of the Airports service region increased 13.5%, making it the fourth fastest growing MSA among the nation's 20 most populous MSAs.

Table 4
POPULATION IN MOST POPULOUS U.S. METROPOLITAN STATISTICAL AREAS

Metropolitan Statistical Area	Population (thousands) 2007	Population (thousands) 2015	Percent increase (decrease)	Rank by 2015 population
Houston-The Woodlands-Sugar Land	5,598	6,657	18.9%	5
Dallas-Fort Worth-Arlington	6,157	7,103	15.4	4
Denver-Aurora-Lakewood	2,449	2,814	14.9	19
Washington Airports service region	**5,373**	**6,098**	**13.5**	**6**
Seattle-Tacoma-Bellevue	3,307	3,734	12.9	15
San Diego-Carlsbad	2,976	3,300	10.9	17
Riverside-San Bernardino-Ontario	4,049	4,489	10.9	13
San Francisco-Oakland-Hayward	4,202	4,656	10.8	11
Miami-Fort Lauderdale-West Palm Beach	5,465	6,012	10.0	8
Minneapolis-St. Paul-Bloomington	3,204	3,525	10.0	16
Tampa-St. Petersburg-Clearwater	2,711	2,975	9.7	18
Phoenix-Mesa-Scottsdale	4,176	4,575	9.6	12
Atlanta-Sandy Springs-Roswell	5,268	5,711	8.4	9
New York-Newark-Jersey City	18,901	20,182	6.8	1
Boston-Cambridge-Newton	4,504	4,774	6.0	10
Los Angeles-Long Beach-Anaheim	12,693	13,340	5.1	2
Philadelphia-Camden-Wilmington	5,913	6,070	2.7	7
Chicago-Naperville-Elgin	9,452	9,551	1.0	3
St. Louis	2,806	2,812	0.2	20
Detroit-Warren-Dearborn	4,457	4,302	(3.5)	14

Airports service region = The 23 counties and independent cities (plus the District of Columbia) in the Washington-Arlington-Alexandria MSA as currently defined (see Figure 1).

Notes: MSAs ranked in descending order by percent change in employment. Population numbers are estimates as of July 1 of each year. Calculated percentages may not match those shown because of rounding.

Source: U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed April 2016.

As shown in Table 5, between 2007 and 2016, nonagricultural employment in the Airports service region increased 7.1%, the seventh largest increase among the nation's 20 most populous MSAs.

Table 5
NONAGRICULTURAL EMPLOYMENT IN MOST POPULOUS U.S. METROPOLITAN STATISTICAL AREAS
(for the month of January)

Metropolitan Statistical Area	Employment (thousands) 2007	Employment (thousands) 2016	Percent increase (decrease)
Houston-The Woodlands-Sugar Land	2,499	2,974	19.0%
Dallas-Fort Worth-Arlington	2,913	3,422	17.5
Denver-Aurora-Lakewood	1,203	1,391	15.7
San Francisco-Oakland-Hayward	2,032	2,276	12.0
Seattle-Tacoma-Bellevue	1,707	1,902	11.4
Boston-Cambridge-Newton	2,436	2,618	7.5
Washington Airports service region	**2,961**	**3,171**	**7.1**
Atlanta-Sandy Springs-Roswell	2,428	2,599	7.1
New York-Newark-Jersey City	8,650	9,258	7.0
San Diego-Carlsbad	1,303	1,394	6.9
Riverside-San Bernardino-Ontario	1,281	1,369	6.9
Miami-Fort Lauderdale-West Palm Beach	2,415	2,543	5.3
Minneapolis-St. Paul-Bloomington	1,816	1,909	5.1
Phoenix-Mesa-Scottsdale	1,885	1,947	3.3
Tampa-St. Petersburg-Clearwater	1,229	1,264	2.9
Los Angeles-Long Beach-Anaheim	5,715	5,835	2.1
Philadelphia-Camden-Wilmington	2,765	2,814	1.8
Chicago-Naperville-Elgin	4,449	4,515	1.5
St. Louis	1,321	1,325	0.3
Detroit-Warren-Dearborn	1,936	1,931	(0.2)

Notes: MSAs ranked in descending order by percent change in employment. Calculated percentages may not match those shown because of rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed April 2016.

The Airports service region is home to much of the federal government and many of its employees and contractors. According to the Center for Regional Analysis at George Mason University, the economic activity generated by the federal government reduced the effects of the 2008-2009 national economic recession on the region's economy.* However, in late 2011, implementation of the spending reduction provisions of the Budget Control Act of 2011 (popularly known as sequestration) reduced federal employment and spending. Between 2010 and 2014, federal procurement spending in the Airports service region decreased 13.6%, from $82.4 billion to $71.2 billion.** Likewise, federal employment in the Airports service region declined between 2010 and 2014, before returning to modest growth in 2015.*** Even so, employment growth in other economic sectors in the Airports service region has more than compensated for these declines, as evidenced by the overall employment gains since 2010 depicted in the earlier Table 3.

The workforce in the Airports service region is well-educated, with approximately 30.7% holding an associate's or bachelor's degree and an additional 23.2% holding a graduate or professional degree, compared with the national averages of 26.2% and 11.0%, respectively.**** This well-educated resident population is a key strength of the region's economy and is reflected in its high per capita income.

The Airports service region has a relatively high per capita ratio of "knowledge workers." Knowledge workers are those engaged in professional services, information technology, education, and research. Many of the region's knowledge workers provide professional services to the federal government, either directly or through contracted services.

In recent years, companies such as Computer Sciences Corporation (CSC), Hilton Worldwide, Northrop Grumman, Science Applications International Corporation (SAIC), and Volkswagen Group of America have located their U.S. headquarters in the region. According to the 2015 *Fortune* 500 list, 15 of the top 500 U.S. companies by revenue were headquartered in the Airports service region and accounted for combined revenues of approximately $408 billion.

Approximately 1,000 institutions in the region engage in international business, including the World Bank, the International Monetary Fund, the Inter-American Development Bank, the Export-Import Bank, approximately 400 international associations, and approximately 350 law firms with international practices.

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*George Mason University, Center for Regional Analysis, *The Post-Federally Dependent Washington Area Economy*, January 16, 2014.

**George Mason University, Center for Regional Analysis, *The Roadmap for the Washington Region's Future Economy,* December 2015.

***George Mason University, Center for Regional Analysis, *The Outlook for the U.S. and Washington Area Economies*, November 12, 2015.

****U.S. Department of Commerce, Bureau of the Census, *2014 American Community Survey*.

Employment by Industry Sector

Table 6 shows employment by industry sector in the Airports service region and the United States. Relative to the national average, employment in the Airports service region is disproportionately concentrated in the government and professional and business services sectors. Between 2007 and 2015, employment in these two sectors combined increased at higher rates in the Airports service region than in the nation such that, by 2015, they together accounted for 44.5% of employment in the region, compared with 29.4% in the nation. According to Bureau of Labor Statistics data, in 2015, the federal government accounted for approximately 365,000 employees in the MSA, 11.5% of the MSA's total nonagricultural workforce.

Table 6
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR

	Share of total 2015		Average annual percent Increase (decrease) 2007-2015	
Industry sector	Airports service region	United States	Airports service region	United States
Professional/Business Services	22.7%	13.9%	0.8%	1.2%
Government	21.8	15.5	0.8	(0.1)
Trade, Transportation, Utilities	13.0	15.5	2.7	2.1
Education and Health Services	12.7	19.0	(0.2)	0.1
Leisure and Hospitality	9.8	10.7	2.5	1.5
Other Services	6.2	4.0	1.0	0.3
Financial Activities	4.9	5.7	(0.5)	(0.3)
Natural Resources, Mining, Construction	4.7	5.1	(2.6)	(1.7)
Information	2.4	1.9	(2.6)	(1.2)
Manufacturing	1.7	8.7	(2.4)	(1.5)
Total	100.0%	100.0%	0.7%	0.3%

Note: Percent shares may not add to 100% because of rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed March 2016.

Table 7 shows the top 25 private-sector employers in the region. Of these 25 employers, 12 are on the *Fortune* 500 list of largest U.S. companies, 10 of which are also headquartered in the Airports service region, and 7 are government contractors or providers of professional, business, or technical services.

Table 7
LARGEST PRIVATE SECTOR EMPLOYERS
Washington, D.C. Metro area
June 2015

Rank	Company	Employment	Type of business
1	MedStar Health	16,600	Health care
2	Inova Health System	16,000	Health care
3	Marriott International Inc. *(a)*	15,290	Hospitality
4	Booz Allen Hamilton Inc. *(a)*	11,010	Government contractor
5	Verizon Communications Inc.	11,000	Telecommunications
6	Giant Food LLC	10,670	Retail grocer
7	Safeway Inc.	9,080	Retail grocer
8	Lockheed Martin Corp. *(a)*	9,000	Aerospace and defense
9	Deloitte LLP	8,010	Professional services
10	General Dynamics Corp. *(a)*	8,000	Aerospace and defense
11	Computer Sciences Corp. *(a)*	7,250	Information technology
12	Hilton Worldwide Holdings Inc. *(a)*	7,230	Hospitality
13	Kaiser Permanente of the Mid-Atlantic States	6,900	Health care
14	George Washington University	6,880	Higher education
15	George Mason University	6,510	Higher education
16	Children's National Health System	6,350	Health care
17	Leidos Holdings Inc.	6,030	Technology and engineering
18	The Long & Foster Cos. Inc.	5,400	Real estate
19	Adventist Healthcare	5,290	Health care
20	Fannie Mae *(a)*	5,140	Financial
21	Northrop Grumman Corp. *(a)*	5,000	Defense and technology
22	Georgetown University	4,860	Higher education
22	Capital One Financial Corp. *(a)*	4,780	Financial
24	Freddie Mac *(a)*	4,630	Financial
25	American University	4,140	Higher education

Notes: The Washington, D.C. Metro area as defined by the Washington Business Journal is similar to the Airports service region, but excludes Culpeper and Rappahannock counties in Virginia. Data are self-reported by companies to the Greater Washington Business Journal. Such self-reporting, or lack thereof, can affect companies' inclusion in the list from year to year.

(a) Fortune 500 company (based on 2014 revenue) headquartered in the Airports service region.

Sources: Greater Washington Business Journal, 2016 Book of Lists; Fortune 500 website, www.fortune.com.

Tourism and Conventions

Washington, D.C. attracted 18.3 million domestic visitors and 1.9 million international visitors in 2014 (the most recent data available), according to Destination DC, a nonprofit organization that promotes tourism. In 2014, visitors to Washington, D.C. spent $6.8 billion, of which $1.8 billion was accounted for by international

visitors. According to the U.S. Department of Commerce, National Travel & Tourism Office, among U.S. metropolitan areas in 2014, the Airports service region ranked eighth by numbers of overseas visitors, a 13.5% increase from 2013. Events such as Washington, D.C. hosting the U.S. Travel Association's IPW Annual Conference in 2017 will serve to increase demand for air travel to and from the Airports service region.

The Walter E. Washington Convention Center, located in downtown Washington, D.C., contains approximately 700,000 square feet of meeting and exhibit space. There are 4,635 hotel rooms within one mile of the convention center.* The Washington, D.C. Marriott Marquis, adjacent to the Convention Center, opened in May 2014 with 1,175 rooms, 49 suites, and 105,000 square feet of meeting space. The Airports service region is also home to the Gaylord National Resort & Convention Center. Located on the Potomac River in Prince George's County, Maryland, the Gaylord features approximately 2,000 guest rooms and 470,000 square feet of meeting and convention space.** An MGM resort and casino is expected to open in National Harbor in fall 2016. The resort will feature 308 guest rooms, 27,000 square feet of meeting and convention spaces, and a 125,000 square-foot casino.*** The Trump International Hotel is also scheduled to open in fall 2016 and will feature 263 guest rooms and suites and 38,000 square-feet of meeting and event space.****

ECONOMIC OUTLOOK

Outlook for the U.S. Economy

Following real (inflation-adjusted) gross domestic product (GDP) growth of 1.5% in 2013, 2.4% in 2014, and 2.4% in 2015, the Congressional Budget Office forecasts real GDP growth of 2.7% in 2016, 2.6% in 2017, and 2.0% thereafter.

Continued U.S. economic growth will depend on, among other factors, stable financial and credit markets, a stable value of the U.S. dollar versus other currencies, stable energy and other commodity prices, the ability of the federal government to reduce historically high fiscal deficits, inflation remaining within the range targeted by the Federal Reserve, and growth in the economies of foreign trading partners.

Outlook for the Economy of the Airports Service Region

The economic outlook for the Airports service region generally depends on the same factors as those for the nation, although changes in federal spending will have a

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*Destination DC, 2014 Visitor Statistics Washington, D.C., accessed March 2016.

**Gaylord Hotels, www.marriott.com/hotels/travel/wasgn-gaylord-national, accessed March 2016.

***National Harbor, http://www.nationalharbor.com/mgm-national-harbor-reveals-resort-guest-room-design-inspired-tradition-nations-capital/, accessed April 2016

****Trump Hotel Collection, https://www.trumphotelcollection.com/washington-dc/press/trump-international-hotel-washington-dc-set-to-open-two-years-ahead-of-schedule, accessed April 2016.

greater effect on economic growth and employment. The Center for Regional Analysis at George Mason University projects growth in Gross Regional Product of 2.1% in 2016, and an average of 2.9% per year between 2017 and 2020, somewhat higher than the nationwide rates of economic growth forecast by the Congressional Budget Office and described above.

Table 8 shows socioeconomic forecasts for the Airports service region and the nation developed by the Metropolitan Washington Council of Governments (MWCOG), an independent, nonprofit regional planning organization. Growth in population and employment in the region is forecast to exceed national rates.

Table 8
SOCIOECONOMIC FORECASTS

	Average annual percent increase	
	Historical 2000-2015	Forecast 2015-2025
Airports service region *(a)*		
Population	1.5%	1.2%
Nonagricultural employment	1.1	1.4
United States		
Population	0.9%	0.8%
Nonagricultural employment	0.5	0.6 *(b)*

(a) Percentages shown are for Metropolitan Washington Council of Governments member jurisdictions, which collectively are similar to the Airports service region, but exclude the counties of Culpeper, Rappahannock, and Warren in Virginia.
(b) Average annual percent increase for 2015-2024.

Sources:
Population:
Historical—U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed March 2016.
Forecast—Metropolitan Washington Council of Governments website, *Round 8.4 Cooperative Forecasting: Population and Household Forecasts to 2040 by Traffic Analysis Zone*, www.mwcog.org, accessed March 2016.
U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed March 2016.
Nonagricultural employment:
Historical—U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed March 2016.
Forecast—Metropolitan Washington Council of Governments, *Round 8.4 Cooperative Forecasting: Employment Forecasts to 2040 by Traffic Analysis Zone*, www.mwcog.org, accessed March 2016.
U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed March 2016.

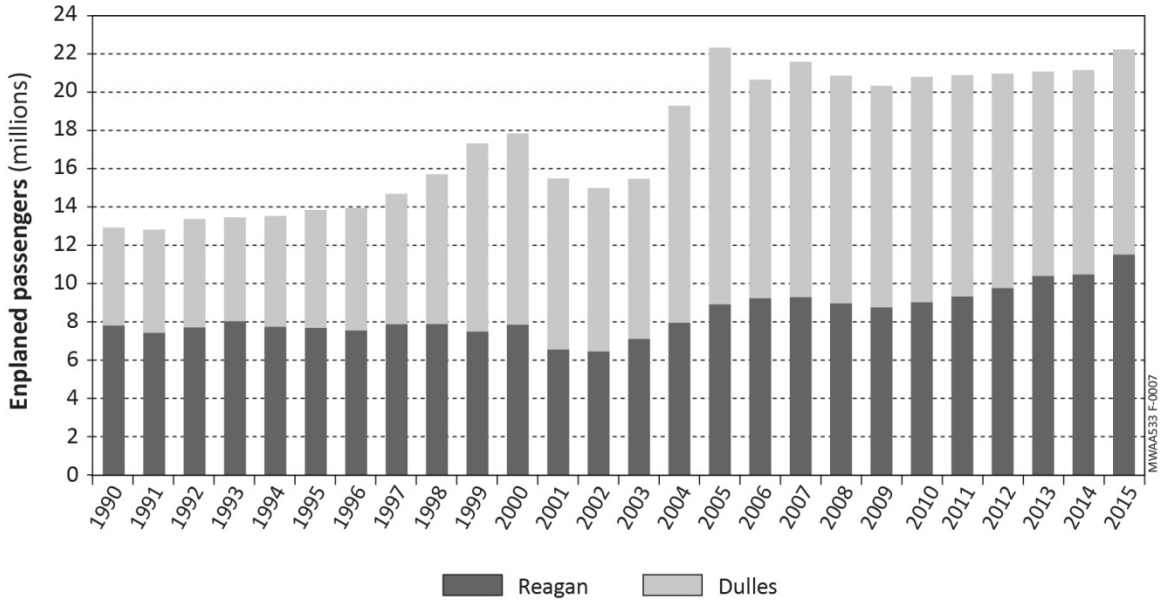
AIRLINE TRAFFIC ANALYSIS

HISTORICAL PASSENGER TRAFFIC AT THE AIRPORTS

From 1990 to 2007 Dulles accommodated most of the increase in passengers for the two-Airports system but, since 2007, all the increase has been at Reagan, offsetting a decrease at Dulles. Reagan's share of the total passengers enplaned at both Airports increased from 43.1% in 2007 to 51.8% in 2015.

Figure 2 and Table 9 provide historical data on numbers of enplaned passengers at the Airports.*

Figure 2
HISTORICAL ENPLANED PASSENGERS
Reagan National and Dulles International Airports



Source: Metropolitan Washington Airports Authority records.

*Throughout this report, enplaned passenger numbers obtained from Airports Authority reports include nonrevenue passengers, while enplaned passenger numbers obtained from U.S. DOT reports exclude such passengers. In 2015, nonrevenue passengers represented approximately 3.0% of enplaned passengers at each of Reagan and Dulles. Throughout this report, passengers on general aviation and military flights, which in 2015 accounted for less than 1.0% of enplaned passengers at each of Reagan and Dulles, are excluded.

Table 9

ENPLANED PASSENGER TRENDS

Reagan National and Dulles International Airports

(enplaned passengers in thousands)

	Reagan			Dulles			Airports total		
Year	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
2000	7,726	129	7,855	7,888	2,083	9,972	15,615	2,212	17,827
2007	9,146	149	9,294	9,313	2,960	12,274	18,459	3,109	21,568
2008	8,836	141	8,978	8,743	3,115	11,858	17,579	3,257	20,836
2009	8,634	133	8,767	8,430	3,117	11,547	17,064	3,250	20,314
2010	8,891	144	9,036	8,565	3,177	11,742	17,456	3,322	20,778
2011	9,237	126	9,363	8,261	3,257	11,518	17,498	3,383	20,881
2012	9,607	181	9,788	7,855	3,318	11,173	17,462	3,499	20,961
2013	9,994	204	10,198	7,397	3,464	10,861	17,390	3,668	21,058
2014	10,259	200	10,458	7,112	3,567	10,679	17,371	3,767	21,138
2015	11,298	198	11,496	7,139	3,575	10,714	18,437	3,773	22,210
	Average annual percent increase (decrease)								
2000-2015	2.6%	2.9%	2.6%	(0.7%)	3.7%	0.5%	1.1%	3.6%	1.5%
	Annual percent increase (decrease)								
2007-2008	(3.4%)	(4.8%)	(3.4%)	(6.1%)	5.2%	(3.4%)	(4.8%)	4.8%	(3.4%)
2008-2009	(2.3)	(5.8)	(2.3)	(3.6)	0.1	(2.6)	(2.9)	(0.2)	(2.5)
2009-2010	3.0	8.3	3.1	1.6	1.9	1.7	2.3	2.2	2.3
2010-2011	3.9	(12.7)	3.6	(3.5)	2.5	(1.9)	0.2	1.8	0.5
2011-2012	4.0	43.9	4.5	(4.9)	1.9	(3.0)	(0.2)	3.4	0.4
2012-2013	4.0	12.5	4.2	(5.8)	4.4	(2.8)	(0.4)	4.8	0.5
2013-2014	2.7	(2.1)	2.6	(3.3)	1.8	(1.7)	0.1	1.6	0.4
2014-2015	10.1	(1.0)	9.9	0.4	0.2	0.3	6.1	0.2	5.1
	Share of Airports total								
2000			44.1%			55.9%			100.0%
2007			43.1			56.9			100.0
2015			51.8			48.2			100.0

Notes: Numbers in rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

Sources: Metropolitan Washington Airports Authority records.

Airline Shares of Passengers at the Airports

Figure 3 shows airline shares of enplaned passengers at the Airports.* American, the airline enplaning the most passengers at Reagan (51.0%), and United, the airline enplaning the most passengers at Dulles (62.7%), together enplaned 63.0% of passengers at the Airports in 2015. (The later Tables 23, 33, and 34 provide detail on historical airline shares of enplaned passengers at the Airports.)

Ranking Among Other Airports

Table 10 shows the 30 largest U.S. airports ranked by enplaned passengers. By this measure, in 2015, Dulles ranked 25th and Reagan ranked 23rd. Reagan was among only seven airports that experienced more than a 40.0% increase in numbers of enplaned passengers over the 2000-2015 period.

Table 11 shows the 30 largest U.S. airports ranked by enplaned originating passengers. By this measure, in 2015, Reagan ranked 17th and Dulles ranked 26th.

Table 12 shows the 30 largest U.S. airports ranked by connecting passengers. By this measure, in 2015, Dulles ranked 19th and Reagan ranked 24th.

Table 13 shows the 30 largest U.S. gateway airports ranked by international enplaned passengers. In 2015, Dulles ranked 10th among U.S. gateway airports, up from 12th in 2000. Reagan has international service only to and from airports where passengers preclear CBP procedures for flights to the United States (mainly Canada).

COMPETING AIRPORTS SERVING THE REGION

Reagan and Dulles face regional competition for domestic traffic from Baltimore/Washington Airport (BWI) and competition for international traffic from other major eastern U.S. gateway airports, such as Boston Logan, Philadelphia, New York Kennedy, Newark Liberty, and Hartsfield-Jackson Atlanta international airports. Table 14 provides data on airline service at the three airports serving the greater Washington-Baltimore region. Table 15 and Figure 4 provide historical data on numbers of average daily enplaned passengers at the three airports.

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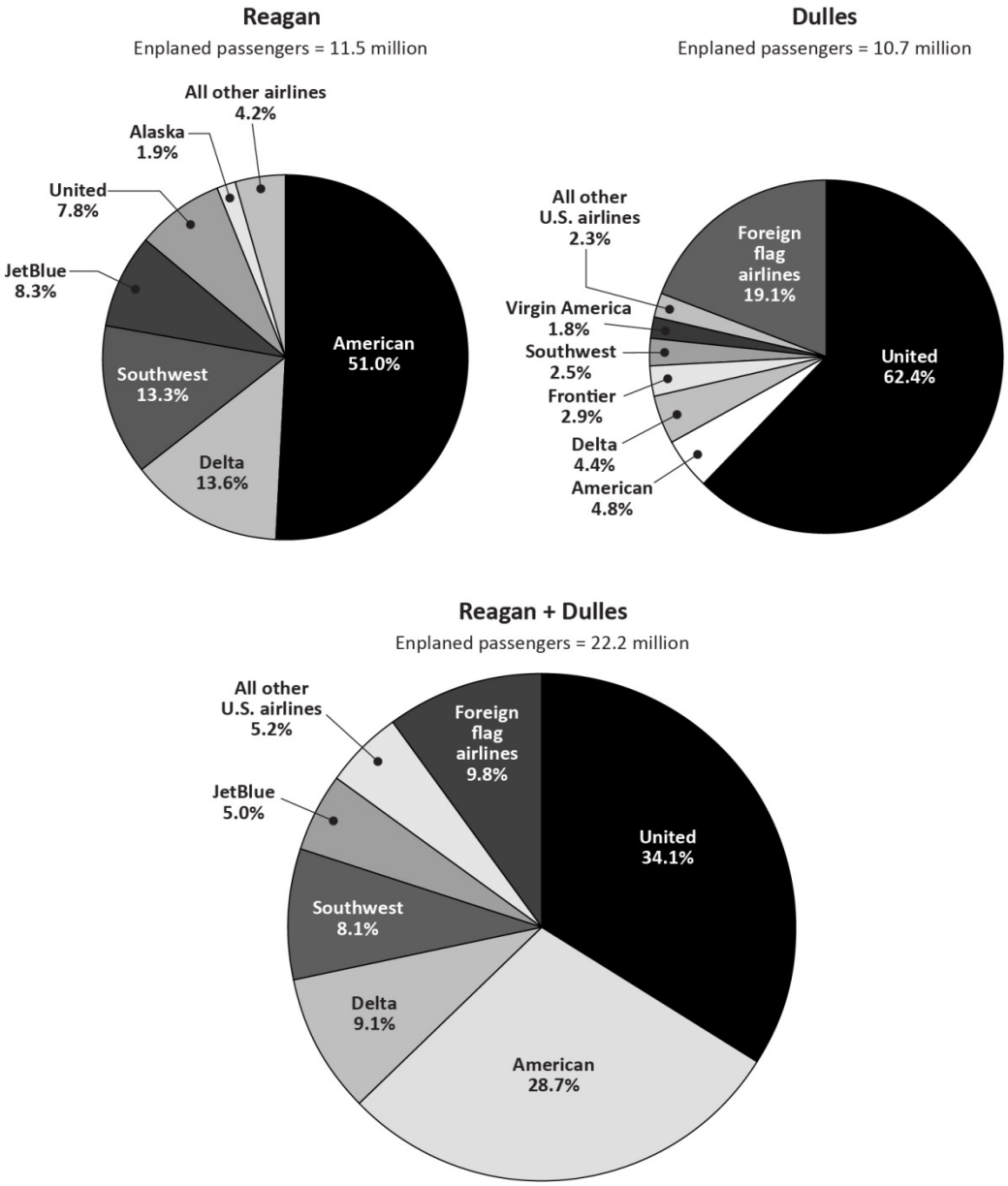
*In all discussions of historical airline service and passenger traffic by airline in this report, unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American Airlines; Northwest Airlines with Delta Air Lines; Continental Airlines with United Airlines; Midwest Airlines with Frontier Airlines; and AirTran Airways with Southwest Airlines).

Figure 3
AIRLINE SHARES OF ENPLANED PASSENGERS
Reagan National and Dulles International Airports
2015



Notes: Percentages may not add to 100% because of rounding.
The area of each of the circles is proportional to the number of enplaned passengers.

Source: Metropolitan Washington Airports Authority records.

MWAA533 F-0008

Table 10

ENPLANED PASSENGERS AT TOP-RANKING U.S. AIRPORTS

Calendar years, except 2015

2015 Rank	City (airport)	Enplaned passengers (millions) 2000	2007	2015 *(a)*	Percent increase (decrease) 2000-2015	Increase (decrease) 2000-2015 (millions)
1	Atlanta	39.2	43.1	48.4	23.5%	9.2
2	Chicago (O'Hare)	33.7	36.5	35.7	6.1	2.1
3	Los Angeles (International)	32.1	30.1	35.6	10.8	3.5
4	Dallas/Fort Worth	28.2	28.4	31.3	11.2	3.2
5	New York (Kennedy)	16.1	23.4	27.4	70.2	11.3
6	Denver	18.3	24.1	25.9	41.5	7.6
7	San Francisco	19.5	17.3	23.7	21.4	4.2
8	Las Vegas	16.4	22.4	21.3	29.6	4.9
9	Phoenix (Sky Harbor)	18.1	20.8	21.2	17.4	3.1
10	Miami	16.5	16.2	20.5	24.6	4.1
11	Houston (Bush)	16.3	20.8	20.3	24.5	4.0
12	Charlotte	11.4	16.6	19.9	73.6	8.4
13	Seattle	13.8	15.4	19.6	42.0	5.8
14	Newark	17.2	18.2	18.4	7.0	1.2
15	Orlando (International)	14.7	17.6	18.3	24.3	3.6
16	Minneapolis-St. Paul	16.8	17.0	17.4	3.5	0.6
17	Boston	13.6	13.8	16.1	18.0	2.5
18	Detroit	17.2	17.5	16.0	(6.9)	(1.2)
19	Philadelphia	12.3	15.7	14.8	20.6	2.5
20	New York (LaGuardia)	12.7	12.5	14.1	10.8	1.4
21	Fort Lauderdale	7.8	11.1	12.8	64.6	5.0
22	Baltimore	9.6	10.4	11.4	18.0	1.7
23	**Washington DC (Reagan)**	**7.9**	**9.3**	**11.3**	**43.9**	**3.4**
24	Chicago (Midway)	7.1	9.1	10.7	51.6	3.7
25	**Washington DC (Dulles)**	**10.0**	**12.3**	**10.7**	**7.3**	**0.7**
26	Salt Lake City	9.5	10.6	10.5	10.4	1.0
27	San Diego	7.9	9.1	9.8	24.3	1.9
28	Honolulu	10.6	10.3	9.5	(10.2)	(1.1)
29	Tampa	8.0	9.3	9.0	13.1	1.0
30	Portland, Oregon	6.8	7.3	8.2	20.7	1.4
	Total—top 30 airports				21.5%	

Notes: Airports shown are the top 30 U.S. airports ranked by number of passengers for 2015. Percentages were calculated using unrounded numbers.

(a) Data are for the 12 months ended September 30, 2015.

Sources: Metropolitan Washington Airports Authority (for Reagan and Dulles); U.S. DOT, Schedules T100 and 298C T1 (for all other airports).

Table 11

ORIGINATING PASSENGERS AT TOP-RANKING U.S. AIRPORTS

Calendar years, except 2015

2015 Rank	City (airport)	Originating passengers (millions) 2000	2007	2015 *(a)*	Percent increase (decrease) 2000-2015	Increase (decrease) 2000-2015 (millions)
1	Los Angeles (International)	24.0	23.3	27.7	15.5%	3.7
2	New York (Kennedy)	12.9	18.8	21.8	69.5	9.0
3	Chicago (O'Hare)	16.4	17.7	19.0	15.5	2.6
4	San Francisco	15.1	12.7	18.8	24.2	3.7
5	Las Vegas	14.1	18.5	17.8	26.3	3.7
6	Orlando (International)	13.8	16.6	17.4	25.9	3.6
7	Atlanta	15.3	15.1	15.7	3.0	0.5
8	Denver	9.8	13.0	15.6	59.6	5.8
9	Boston	12.6	13.1	15.2	20.8	2.6
10	Seattle	10.4	11.6	13.5	29.1	3.0
11	Newark	13.3	13.9	13.2	(0.8)	(0.1)
12	Dallas/Fort Worth	11.5	12.3	12.8	11.1	1.3
13	New York (LaGuardia)	11.8	11.6	12.3	4.2	0.5
14	Phoenix (Sky Harbor)	11.2	12.8	12.3	9.3	1.0
15	Miami	10.0	9.4	12.0	19.6	2.0
16	Fort Lauderdale	7.6	10.4	11.5	52.4	4.0
17	**Washington DC (Reagan)**	**7.0**	**7.7**	**9.5**	**36.3**	**2.5**
18	Houston (Bush)	6.8	9.0	9.4	38.8	2.6
19	Minneapolis-St. Paul	8.2	8.7	9.3	13.9	1.1
20	San Diego	7.6	8.8	9.2	21.4	1.6
21	Philadelphia	7.8	9.8	8.9	14.4	1.1
22	Tampa	7.5	8.7	8.5	14.3	1.1
23	Detroit	8.4	9.0	8.3	(2.0)	(0.2)
24	Baltimore	8.2	8.5	7.9	(3.8)	(0.3)
25	Honolulu	8.6	8.4	7.7	(9.9)	(0.9)
26	**Washington DC (Dulles)**	**7.0**	**7.8**	**7.2**	**2.0**	**0.1**
27	Portland, Oregon	5.7	6.2	6.9	22.0	1.3
28	Chicago (Midway)	5.8	6.5	6.5	12.6	0.7
29	Salt Lake City	5.0	5.7	5.9	18.2	0.9
30	Austin	3.5	4.0	5.3	54.6	1.9
	Total—top 30 airports				19.7%	

Notes: Airports shown are the top 30 U.S. airports ranked by originating passengers for 2015.
Percentages were calculated using unrounded numbers.
Includes a very small number of passengers on foreign-flag airlines making connections between international flights.

(a) Data are for the 12 months ended September 30, 2015.

Sources: U.S. DOT, Schedules T100 and 298C T1; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 12

CONNECTING PASSENGERS AT TOP-RANKING U.S. AIRPORTS

Calendar years, except 2015

2015 Rank	City (airport)	Connecting passengers (millions) 2000	2007	2015 *(a)*	Percent increase (decrease) 2000-2015	Increase (decrease) 2000-2015 (millions)
1	Atlanta	24.0	28.1	32.7	36.5%	8.7
2	Dallas/Fort Worth	16.7	16.1	18.6	11.4	1.9
3	Chicago (O'Hare)	17.2	18.8	16.7	(2.9)	(0.5)
4	Charlotte	8.4	11.8	16.0	89.5	7.6
5	Houston (Bush)	9.6	11.7	10.9	14.4	1.4
6	Denver	8.5	11.1	10.3	20.7	1.8
7	Phoenix (Sky Harbor)	6.9	8.0	9.0	30.7	2.1
8	Miami	6.4	6.8	8.5	32.4	2.1
9	Minneapolis-St. Paul	8.6	8.3	8.1	(6.2)	(0.5)
10	Los Angeles (International)	8.2	6.8	8.0	(2.8)	(0.2)
11	Detroit	8.8	8.5	7.7	(11.7)	(1.0)
12	Seattle	3.4	3.8	6.2	81.5	2.8
13	Philadelphia	4.5	5.9	5.9	31.3	1.4
14	New York (Kennedy)	3.2	4.6	5.5	72.8	2.3
15	Newark	3.8	4.3	5.2	34.2	1.3
16	San Francisco	4.4	4.5	4.9	12.0	0.5
17	Salt Lake City	4.6	4.9	4.6	2.0	0.1
18	Chicago (Midway)	1.3	2.7	4.2	227.6	2.9
19	**Washington DC (Dulles)**	**2.9**	**4.5**	**3.5**	**20.2**	**0.6**
20	Baltimore	1.4	1.9	3.5	143.3	2.0
21	Las Vegas	2.3	3.9	3.4	50.2	1.1
22	Dallas (Love)	0.7	1.0	2.0	182.2	1.3
23	Houston (Hobby)	1.1	1.1	1.8	71.2	0.8
24	**Washington DC (Reagan)**	**0.9**	**1.6**	**1.8**	**104.4**	**0.9**
25	Honolulu	2.0	1.9	1.8	(11.2)	(0.2)
26	New York (LaGuardia)	0.8	1.0	1.7	102.8	0.9
27	Fort Lauderdale	0.2	0.7	1.3	469.7	1.1
28	Portland, Oregon	1.1	1.1	1.2	14.0	0.2
29	St. Louis	9.5	1.4	1.0	(89.2)	(8.5)
30	Orlando (International)	0.9	1.0	0.9	(0.4)	(0.0)
	Total—top 30 airports				20.1%	

Notes: Airports shown are the top 30 U.S. airports ranked by number of connecting passengers for 2015.
Percentages were calculated using unrounded numbers.
Excludes a small number of passengers on foreign-flag airlines making connections between international flights.

(a) Data are for the 12 months ended September 30, 2015.

Source: U.S. DOT, Schedules T100 and 298C T1.

Table 13

INTERNATIONAL PASSENGERS AT TOP-RANKING U.S. AIRPORTS

Calendar years, except 2015

2015 Rank	City (airport)	Enplaned international passengers (millions) 2000	2007	2015 *(a)*	Percent increase (decrease) 2000-2015	Increase (decrease) 2000-2015 (millions)
1	New York (Kennedy)	9.02	10.71	14.36	59.2%	5.3
2	Miami	7.99	7.76	10.38	30.0	2.4
3	Los Angeles (International)	8.16	8.33	9.54	16.9	1.4
4	Newark	4.40	5.28	5.83	32.5	1.4
5	Chicago (O'Hare)	4.96	5.67	5.74	15.7	0.8
6	Atlanta	3.11	4.46	5.36	72.1	2.2
7	San Francisco	3.95	4.25	5.25	32.9	1.3
8	Houston (Bush)	2.67	3.79	5.01	87.9	2.3
9	Dallas/Fort Worth	2.42	2.51	3.71	53.5	1.3
10	**Washington DC (Dulles)**	**2.08**	**2.96**	**3.57**	**71.2**	**1.5**
11	Fort Lauderdale	0.70	1.44	2.54	263.0	1.8
12	Honolulu	2.49	1.79	2.49	(0.3)	(0.0)
13	Boston	2.13	1.92	2.48	16.3	0.3
14	Orlando (International)	1.22	1.10	2.38	95.4	1.2
15	Seattle	1.11	1.27	2.11	90.3	1.0
16	Philadelphia	1.28	1.79	1.98	54.7	0.7
17	Las Vegas	0.51	1.12	1.71	234.9	1.2
18	Detroit	1.92	1.89	1.61	(16.3)	(0.3)
19	Charlotte	0.47	1.04	1.50	216.1	1.0
20	Minneapolis-St. Paul	1.44	1.26	1.26	(12.4)	(0.2)
21	Phoenix (Sky Harbor)	0.49	0.87	1.15	134.6	0.7
22	Denver	0.63	1.10	1.08	70.2	0.4
23	New York (LaGuardia)	0.69	0.63	0.92	33.7	0.2
24	Baltimore	0.29	0.26	0.48	63.5	0.2
25	Chicago (Midway)	0.00	0.06	0.37	n.a.	0.4
26	San Diego	0.15	0.15	0.34	131.4	0.2
27	Tampa	0.20	0.18	0.31	57.3	0.1
28	Portland, Oregon	0.24	0.31	0.31	28.6	0.1
29	Salt Lake City	0.06	0.27	0.27	350.2	0.2
30	San Antonio	0.10	0.10	0.23	125.9	0.1
	Total—top 30 airports				45.2%	

Notes: n.a. = not applicable.
Airports shown are the top 30 U.S. airports (excluding airports in Puerto Rico, the islands of the Pacific Trust, and the U.S. Virgin Islands) ranked by international passengers for 2015. Percentages were calculated using unrounded numbers.

(a) Data are for the 12 months ended September 30, 2015.

Source: U.S. DOT, Schedules T100 and 298C T1.

Table 14

DOMESTIC AIRLINE SERVICE AT REGIONAL AIRPORTS

Reagan National, Dulles International, and Baltimore/Washington Airports

June of years noted

	Number of destinations served nonstop *(a)*			Average daily aircraft departures			Average daily departing seats		
	2007	2016	Change	2007	2016	Change	2007	2016	Change
By airport									
Reagan	65	71	6	374	412	38	36,062	41,789	5,727
Dulles	73	75	2	381	266	(115)	33,483	25,479	(8,004)
BWI	57	58	1	334	309	(25)	41,424	43,758	2,334
By airline type									
Low-cost carriers									
Reagan	5	26	21	14	82	68	1,946	10,642	8,696
Dulles	12	8	(4)	43	19	(24)	5,511	2,577	(2,934)
BWI	49	54	5	217	233	15	29,011	34,640	5,628
All other airlines									
Reagan	65	68	3	360	331	(30)	34,116	31,146	(2,969)
Dulles	73	75	2	338	247	(91)	27,972	22,902	(5,070)
BWI	25	18	(7)	116	76	(40)	12,413	9,118	(3,295)
By aircraft type									
Large jet									
Reagan	38	33	(5)	205	181	(24)	27,221	25,894	(1,327)
Dulles	27	31	4	135	113	(22)	20,385	16,621	(3,764)
BWI	55	55	-	281	276	(5)	38,878	41,713	2,834
Regional jet									
Reagan	46	56	10	163	229	66	8,624	15,830	7,206
Dulles	49	39	(10)	213	117	(96)	12,121	7,525	(4,596)
BWI	10	6	(4)	41	29	(12)	2,131	1,918	(214)
Turboprop									
Reagan	3	1	(2)	6	2	(4)	217	65	(152)
Dulles	11	17	6	33	37	4	977	1,333	356
BWI	4	1	(3)	11	4	(8)	414	127	(287)

(a) Some destinations are served by more than one airport and some airports are served by more than one airline type or aircraft type. Includes only destinations with an average of at least 4 flights per week.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Table 15

HISTORICAL TRENDS IN ENPLANED PASSENGERS AT REGIONAL AIRPORTS

Reagan National, Dulles International, and Baltimore/Washington Airports

	Average daily enplaned passengers					
				Share of three-airport region total		
Year	Reagan	Dulles	BWI	Reagan	Dulles	BWI
2000	20,233	24,804	26,351	28.3%	34.7%	36.9%
2007	24,762	32,290	28,616	28.9	37.7	33.4
2010	23,935	30,893	29,573	28.4	36.6	35.0
2011	24,801	30,250	30,157	29.1	35.5	35.4
2012	25,852	29,529	30,396	30.1	34.4	35.4
2013	26,952	28,946	30,281	31.3	33.6	35.1
2014	27,652	28,521	30,034	32.1	33.1	34.8
2015 *(a)*	29,906	28,341	31,173	33.4	31.7	34.9

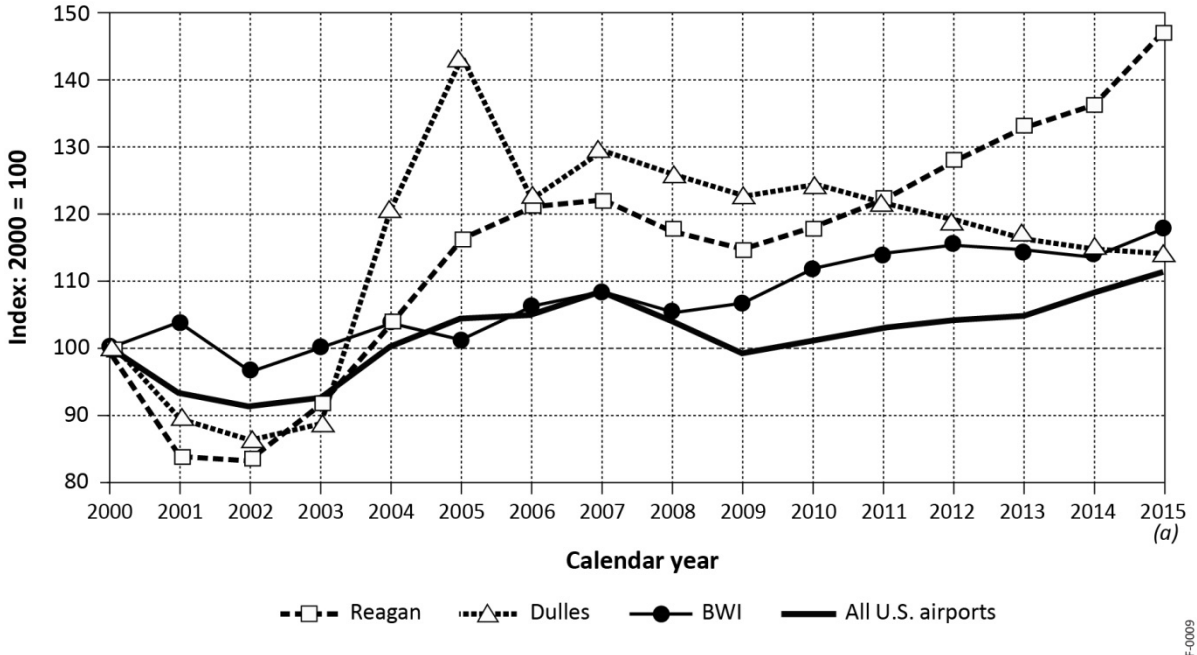
	Average daily domestic originating passengers					
				Share of three-airport region total		
Year	Reagan	Dulles	BWI	Reagan	Dulles	BWI
2000	16,688	12,811	21,257	32.9%	25.2%	41.9%
2007	18,868	14,604	21,922	34.1	26.4	39.6
2010	17,903	12,239	21,481	34.7	23.7	41.6
2011	18,784	11,644	21,256	36.3	22.5	41.1
2012	19,515	10,689	20,702	38.3	21.0	40.7
2013	20,184	10,306	20,361	39.7	20.3	40.0
2014	21,236	10,542	19,831	41.1	20.4	38.4
2015 *(a)*	23,426	11,163	19,937	43.0	20.5	36.6

	Average daily international enplaned passengers					
				Share of three-airport region total		
Year	Reagan	Dulles	BWI	Reagan	Dulles	BWI
2000	91	5,322	801	1.5%	85.6%	12.9%
2007	413	7,752	707	4.7	87.4	8.0
2010	411	8,201	555	4.5	89.5	6.0
2011	373	8,546	618	3.9	89.6	6.5
2012	520	8,798	768	5.2	87.2	7.6
2013	526	9,234	936	4.9	86.3	8.7
2014	500	9,514	964	4.6	86.7	8.8
2015 *(a)*	546	9,508	1,313	4.8	83.6	11.6

(a) Data are for the 12 months ended September 30, 2015.

Sources: U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedules T100 and 298C T1; U.S. DOT, Schedule T100 and 298C T1.

Figure 4
HISTORICAL TRENDS IN ENPLANED PASSENGERS AT REGIONAL AIRPORTS
Reagan National, Dulles International, Baltimore/Washington Airports,
and all U.S. Airports
(for calendar years)



(a) Data are for the 12 months ended September 30, 2015, the most recent available.

Sources: U.S. DOT, Schedules T100 and 298C T1.

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Competition from Baltimore/Washington Airport

BWI, operated by the Maryland Aviation Administration, is located about 30 miles northeast of downtown Washington, D.C., and is accessible from Washington, D.C., by interstate highway, rail, and bus service. Of the domestic originating passengers served by the three airports during 2015, BWI accounted for about 36.6% (down from 39.6% in 2007), Reagan for 43.0% (up from 34.1% in 2007), and Dulles for 20.5% (down from 26.4% in 2007). By contrast, Dulles accounted for about 83.6% of the international passengers served by the three airports in 2015, compared with 11.6% for BWI and 4.8% for Reagan. As shown on Figure 4, between 2007 and 2015, enplaned passengers increased 8.9% at BWI and 20.8% at Reagan, compared with a 2.9% increase nationwide and a 12.2% decrease at Dulles.

As shown in Table 14, as scheduled for June 2016, airlines provide nonstop service from BWI to 58 U.S. airports, 54 of them with service by low-cost carriers (LCCs)*, mainly Southwest, and 55 of them with large jets.** By comparison, airlines provide nonstop service from Reagan to 71 U.S. airports, 26 of them with service by LCCs and 33 with large jets. Airlines provide nonstop service from Dulles to 75 U.S. airports, 8 of them with service by LCCs and 31 with large jets. Between 2007 and 2016, the numbers of flights and seats offered by LCCs at BWI and Reagan have increased, while at Dulles they decreased. (As discussed in the later section "US Airways-American Merger and Slot Transfers," the transfer of landing and takeoff slots in 2014 resulted in increased LCC service at Reagan.)

Airfares at BWI historically have been lower than airfares at either Reagan or Dulles. Since 2007, fares have increased more at BWI than at Reagan, leading to a narrowing of the fare gap between those airports. On the other hand, fares have increased less at BWI than at Dulles leading to a widening of the fare gap between those airports. Based on fare data for the 12 months ended September 2015, domestic originating passengers at BWI paid an average fare of $157 for a one-way trip averaging 1,105 miles, compared with $185 at Reagan for a trip averaging 1,008 miles, and $213 at Dulles for a trip averaging 1,428 miles. The average airfares exclude ancillary charges. (See the discussion in the later sections "Domestic Airfares.") Airfares tend to correlate with trip distance (longer average distances generally equate to higher average airfares) and trip purpose (higher proportions of business travelers generally equate to higher average airfares). Airport surveys have shown that Reagan and Dulles historically have accommodated higher proportions of business travelers than BWI.

Southwest began service at BWI in 1993 and by 1999 had displaced US Airways as the largest airline serving BWI as measured by enplaned passengers. As scheduled for June 2016, BWI is the second-ranked airport in the Southwest system as measured by departing seats (after Chicago (Midway)). As scheduled, Southwest's departing seats at BWI are 1.8% higher in June 2016 than in June 2015. This increase is less than the airline's scheduled 3.4% capacity addition systemwide. Southwest began service at Dulles in 2006 and at Reagan in 2011 as a result of its merger with AirTran.

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*For purposes of this report, the following airlines are considered to be low-cost carriers: Allegiant Air, Frontier Airlines, JetBlue Airways, Southwest Airlines-AirTran Airways, Spirit Airlines, Sun Country Airlines, and Virgin America, as well as the defunct ATA, Independence Air, Midway Airlines, and National Airlines.

**For purposes of this report, jet aircraft are categorized as either large jets (100 or more seats) or regional jets (fewer than 100 seats).

Competition from Other International Gateway Airports

The large number of international flights provided by United and foreign flag airlines at Dulles makes it the preferred airport for international travel to and from the region served by the three airports. As shown in Table 16, as scheduled for June 2016, Dulles ranks fifth in service to Europe and second in service to the Middle East and Africa among U.S. international gateway airports. BWI provides CBP facilities for the processing of arriving international passengers, but accommodates only limited international airline service, ranking 24th among the largest U.S. gateway airports in terms of international enplaned passengers, as shown in Table 13.

HISTORICAL AIRLINE SERVICE AND TRAFFIC AT REAGAN

Trends in airline service, passenger traffic, and airfares at Reagan are discussed in the following sections.

Perimeter and High Density Rules

The "Perimeter Rule," a federal regulation in effect since 1966, generally limits nonstop flights from Reagan to destinations not more than 1,250 statute miles away. The Perimeter Rule was amended in 2000, and again in 2003, to allow a total of 12 daily round-trip nonstop flights between Reagan and points beyond the 1,250-mile perimeter. Pursuant to the FAA Modernization and Reform Act of 2012, eight additional "beyond-perimeter" daily nonstop roundtrip flights were authorized, four for new entrant or limited incumbent airlines and four for incumbent airlines.

The "High Density Rule," a federal regulation in effect since 1969, limits the number of airline, regional airline, and general aviation flights that may be scheduled each hour at Reagan. Federal legislation enacted in 2000 (the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, commonly referred to as AIR-21) phased out the High Density Rule at New York Kennedy, New York LaGuardia, and Chicago O'Hare, but not at Reagan.

Authorizations from the FAA for aircraft landings and takeoffs are referred to as "slots." A pair of slots is required for an airline to operate the arrival and subsequent departure of a flight. Essentially all authorized slots are held by incumbent airlines, and, although the U.S. DOT has favored LCCs in awarding newly authorized slots in the past, the opportunities for LCCs to increase service have, until recently, been limited. As discussed in the following section, additional slots were made available to LCCs in connection with the approval of the merger of US Airways and American.

Table 16

SCHEDULED INTERNATIONAL DEPARTING SEATS, BY WORLD REGION DESTINATION

Top 20 U.S. Gateway Airports

June 2016

		Average daily departing seats							
Rank	City (airport)	Europe	Latin America	Asia	Canada	Caribbean	Africa and Mid-East	Oceania *(a)*	Total
1	New York-Kennedy	27,570	7,715	6,029	1,828	9,809	7,677	--	60,629
2	Los Angeles	8,506	9,847	10,727	4,104	43	1,844	4,896	39,967
3	Miami	6,102	18,865	--	1,107	9,830	707	--	36,611
4	Chicago (O'Hare)	10,860	2,287	4,222	4,080	452	1,740	--	23,642
5	San Francisco	6,201	2,368	8,031	3,154	--	1,275	864	21,893
6	Newark	11,767	1,960	2,460	2,650	2,089	767	--	21,693
7	Atlanta	7,240	6,619	652	1,192	3,784	1,107	--	20,593
8	Houston (Bush)	3,112	11,462	1,275	1,830	1,303	1,343	218	20,544
9	Dallas/Ft. Worth	2,298	7,672	1,871	1,641	706	747	484	15,418
10	**Washington DC (Dulles)**	**8,220**	**1,846**	**1,241**	**1,039**	**225**	**2,333**	**--**	**14,904**
11	Boston	7,898	310	662	2,027	915	1,367	--	13,178
12	Fort Lauderdale	261	3,860	--	1,045	4,548	--	--	9,714
13	Orlando	3,289	2,915	--	1,368	954	266	--	8,792
14	Philadelphia	5,135	550	--	1,330	1,434	283	--	8,732
15	Honolulu	--	--	6,479	365	--	--	1,598	8,443
16	Seattle	2,339	--	2,601	2,850	--	620	--	8,410
17	Charlotte	2,399	1,058	--	433	2,761	--	--	6,651
18	Las Vegas	1,918	1,116	165	3,037	--	--	--	6,236
19	Detroit	3,055	424	1,526	922	41	45	--	6,012
20	Guam	--	--	4,920	--	--	--	240	5,160
	Total—top 20 gateways	118,171	80,872	52,862	36,003	38,895	22,120	8,300	357,223
	All other gateways	8,988	11,278	2,465	14,226	3,666	63	--	40,686
	Total—all U.S. gateways	127,159	92,150	55,327	50,229	42,560	22,183	8,300	397,909

Note: Columns and rows may not add to totals shown because of rounding.

(a) Includes Australia, New Zealand, and Pacific Ocean Islands.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

US Airways-American Merger and Slot Transfers

In February 2013, American, which was operating under Chapter 11 bankruptcy protection, and US Airways announced an agreement under which the two airlines would combine in an all-stock transaction. The merger was subject to approval by the U.S. Department of Justice (DOJ) to ensure compliance with antitrust laws. In August 2013, the DOJ filed a lawsuit seeking to block the merger on the grounds that it would reduce competition and lead to higher airfares. The lawsuit was settled in November 2013.

Under the settlement agreement, the DOJ required the combined airline, among other concessions, to divest 52 pairs of slots and up to five gates at Reagan. Of the 52 slot pairs, Southwest purchased rights to 28, one of which (for Sunday-only service) it relinquished; JetBlue purchased 20, eight of which it had already been leasing from American; and Virgin America purchased four.

Following the slot transfers which were completed in 2014, Southwest now has 44 slot pairs, JetBlue 30, and Virgin America 5, allowing a combined total of 79 daily departures by the three LCCs. To accommodate the airlines' increased service, the Airports Authority leased three of the five divested gates to Southwest (providing it with six gates in Terminal A), one of the five gates to JetBlue (providing it with four gates in Terminal B/C), and one of the five gates to Virgin America (providing it with one gate in Terminal B/C).

The settlement agreement paved the way for American to emerge from bankruptcy and complete the merger with US Airways in December 2013, and the airline began operating as American under a single operating certificate in April 2015. The combined airline is a member of the Oneworld alliance. (US Airways was formerly a member of the Star Alliance.)

As shown in Table 17, as scheduled for June 2016, Reagan ranks eighth by departing seats among airports in the American route network. Between 2007 and 2016, American increased its number of scheduled seats at Reagan by 3.0%, compared with a decrease of 3.9% systemwide. Figure 5 presents a graphic representation of seat capacity for the airline at its 10 top U.S. airports.

Figure 6 shows the domestic destinations with daily nonstop service from Reagan as scheduled for June 2016. The 1,250-mile perimeter is shown for reference. The constraints of the High Density Rule have dissuaded incumbent airlines from reducing their flights at Reagan because any such reductions would place those airlines at risk of losing slots.

Table 17

DEPARTURES AND DEPARTING SEATS ON AMERICAN

Top U.S. Airports in the American Airlines System

June of years noted

2016 Rank	City (airport)	Average daily departing seats 2000	2007	2016	Percent increase (decrease) 2000-2007	2007-2016
Domestic						
1	Dallas/Fort Worth	79,251	82,091	83,446	3.6%	1.7%
2	Charlotte	47,147	50,209	64,429	6.5	28.3
3	Chicago (O'Hare)	52,229	45,922	45,357	(12.1)	(1.2)
4	Phoenix (Sky Harbor)	38,883	33,982	35,506	(12.6)	4.5
5	Philadelphia	40,320	34,787	33,676	(13.7)	(3.2)
6	Miami	23,419	22,695	28,426	(3.1)	25.3
7	Los Angeles	27,541	20,141	26,394	(26.9)	31.1
8	**Washington (Reagan)**	**21,412**	**20,779**	**21,331**	**(3.0)**	**2.7**
9	New York (LaGuardia)	26,423	21,649	15,259	(18.1)	(29.5)
10	Boston	28,270	16,016	12,954	(43.3)	(19.1)
	All other	509,897	300,364	252,151	(41.1)	(16.1)
	Total—U.S. system	894,791	648,633	618,929	(27.5%)	(4.6%)
International						
1	Miami	15,593	17,939	21,015	15.0%	17.2%
2	Dallas/Fort Worth	7,182	8,195	11,331	14.1	38.3
3	Philadelphia	3,479	6,499	6,789	86.8	4.5
4	Charlotte	1,732	3,584	6,322	107.0	76.4
5	New York (Kennedy)	7,260	7,137	5,678	(1.7)	(20.4)
6	Chicago (O'Hare)	5,436	5,088	3,608	(6.4)	(29.1)
7	Los Angeles	577	1,330	3,202	130.6	140.7
8	Phoenix (Sky Harbor)	971	2,400	1,770	147.3	(26.3)
9	New York (LaGuardia)	838	593	505	(29.3)	(14.8)
10	Fort Lauderdale	695	340	315	(51.1)	(7.5)
11	**Washington (Reagan)**	**137**	**156**	**228**	**14.1**	**46.0**
	All other	10,574	5,938	671	(43.8)	(88.7)
	Total—U.S. system	54,472	59,199	61,433	8.7%	3.8%
Total						
1	Dallas/Fort Worth	86,433	90,286	94,777	4.5%	5.0%
2	Charlotte	48,879	53,793	70,751	10.1	31.5
3	Miami	39,012	40,633	49,442	4.2	21.7
4	Chicago (O'Hare)	57,665	51,011	48,965	(11.5)	(4.0)
5	Philadelphia	43,798	41,286	40,465	(5.7)	(2.0)
6	Phoenix (Sky Harbor)	39,854	36,382	37,276	(8.7)	2.5
7	Los Angeles	28,118	21,471	29,597	(23.6)	37.8
8	**Washington (Reagan)**	**21,549**	**20,935**	**21,558**	**(2.9)**	**3.0**
9	New York (LaGuardia)	27,261	22,242	15,764	(18.4)	(29.1)
10	Boston	23,214	15,189	14,969	(34.6)	(1.4)
	All other	533,480	314,606	256,799	(41.0)	(18.4)
	Total—U.S. system	949,264	707,832	680,362	(25.4%)	(3.9%)

Note: Percentages were calculated using unrounded numbers.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

LEGEND

American Airlines

Scale:
Area of circle = 50,000 average daily departing seats,
based on data presented in Table 17.

Notes: The area of the circle for each airport is proportional to the number of scheduled seats on all departing flights at the airport in June 2016. Airports shown are the 10 busiest system airports for American as ranked by scheduled departing seats on domestic and international flights in June 2016.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed March 2016.

Figure 5

SEAT CAPACITY PROVIDED BY AMERICAN AT ITS LARGEST U.S. AIRPORTS

June 2016

Airline Service

Table 18 presents data on nonstop airline service from Reagan to the top 20 domestic passenger destinations. Between 2000 and 2016, the number of aircraft departures from the airport increased 15.3%, while the number of seats increased 9.8%. (The later Table 22 provides data on fares in the air service markets.)

As scheduled for June 2016, nonstop service is provided from Reagan to all of the top 20 domestic destinations; 18 of these were served nonstop by more than one airline (or affiliated regional airline).*

Table 19 provides detail on airline service by aircraft type and shows the increased use of regional jet aircraft. The average seating capacity of both large jet and regional jet aircraft at Reagan has increased since 2000, but, because of the increased share of regional jets, the overall average number of seats per departure has decreased, from 106 in June 2000 to 101 in June 2016.

CBP does not provide facilities at Reagan for the inspection of arriving international flights, so international service is offered only to and from those locations where inbound passengers are precleared at their point of departure (Canada, the Bahamas, and Bermuda).

*Regional airlines operating at Reagan as code-sharing affiliates of mainline airlines as of April 2016 were Jazz Aviation (operating as Air Canada Express), Air Wisconsin (American Eagle), Compass Airlines (Delta Connection), Endeavor Air (Delta Connection), Envoy Air (American Eagle), ExpressJet (United Express), GoJet Airlines (Delta Connection), Mesa Airlines (United Express), Piedmont Airlines (American Eagle), PSA Airlines (American Eagle), Republic Airlines (American Eagle and United Express), Shuttle America (Delta Connection and United Express), Sky Regional Airlines (Air Canada Express), SkyWest Airlines (United Express) and Tran States Airlines (American Eagle).

LEGEND

○ Destinations with service by only 1 airline

● Destinations with service by 2 or more airlines

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed March 2016.

Figure 6

U.S. DESTINATIONS WITH DAILY SCHEDULED NONSTOP PASSENGER AIRLINE SERVICE

Reagan National Airport

June 2016

Table 18

AIRLINE SERVICE FOR TOP DOMESTIC DESTINATIONS

Reagan National Airport

June of years noted

Rank (a)	Destination Airport	Airlines providing nonstop service (b) 2016	Average daily scheduled Aircraft departures 2000	2007	2016	Departing seats 2000	2007	2016
1	Boston	AA,B6	22	26	25	2,728	2,162	2,955
2	Chicago	AA,UA,WN	29	24	30	4,072	3,231	3,852
	O'Hare	*AA,UA*	*26*	*20*	*22*	*3,424*	*2,633*	*2,727*
	Midway	*WN*	*3*	*4*	*8*	*648*	*597*	*1,125*
3	Atlanta	AA,DL,WN	19	22	23	2,514	2,774	3,161
4	Dallas/Fort Worth	AA,VX,WN	14	13	16	2,044	1,679	2,405
	Love Field	*VX,WN*	--	--	*7*	--	--	*897*
	Dallas/Fort Worth	*AA*	*14*	*13*	*9*	*2,044*	*1,679*	*1,508*
5	New York	AA,DL,UA	74	50	41	7,051	4,819	3,337
	LaGuardia	*AA,DL*	*31*	*33*	*26*	*4,628*	*3,666*	*2,223*
	Kennedy	*AA,DL*	*34*	*9*	*8*	*1,303*	*410*	*732*
	Newark	*UA*	*9*	*8*	*7*	*1,120*	*743*	*382*
6	Orlando	AA,B6,WN	2	6	11	226	730	1,326
7	Los Angeles *(c)*	AA,AS	--	1	3	--	157	483
8	Tampa	AA,B6,WN	2	5	7	275	622	885
9	Houston	UA,WN	8	8	11	893	978	1,390
	Bush	*UA*	*8*	*8*	*7*	*893*	*978*	*856*
	Hobby	*WN*	--	--	*4*	--	--	*534*
10	Denver	F9,UA	--	4	4	--	555	701
11	Fort Lauderdale	AA,B6,WN	2	6	7	223	866	849
12	Miami	AA	10	8	9	1,411	1,184	1,435
13	San Francisco *(d)*	UA,VX	--	--	2	--	--	362
14	Minneapolis-St. Paul	AA,DL,SY	7	7	11	1,092	970	1,336
15	New Orleans	AA,WN	2	3	7	248	245	635
16	St. Louis	AA,WN	7	4	7	1,108	481	723
17	Seattle	AS	--	2	2	--	314	326
18	Hartford	AA,B6	4	5	8	481	556	618
19	Detroit	AA,DL	9	11	9	1,189	1,352	1,019
20	Nashville	AA,WN	3	7	8	275	312	654
	Total—top 20 markets		212	211	240	25,829	23,984	28,451
	Other markets		146	163	172	12,217	12,078	13,338
	Total—all markets		358	374	412	38,045	36,062	41,789

Note: Columns may not add to totals shown because of rounding.

(a) Top 20 destinations ranked by domestic originating passengers for the 12 months ended September 2015.

(b) Airlines operating scheduled passenger service. Legend: AA=American, AS=Alaska, B6=JetBlue, DL=Delta, F9=Frontier, SY=Sun Country, UA=United, WN=Southwest, VX=Virgin America.

(c) Service provided to Los Angeles International Airport.

(d) Service provided to San Francisco International Airport.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Table 19

DOMESTIC SCHEDULED AIRLINE SERVICE BY AIRCRAFT TYPE

Reagan National Airport

June of years noted

	2000	2007	2016	Increase (decrease) 2000-2007	Increase (decrease) 2007-2016
Destinations served nonstop *(a)*					
Large jet	47	38	33	(9)	(5)
Regional jet	9	46	56	37	10
Jet overall	49	64	70	15	6
Turboprop	14	3	1	(11)	(2)
Total cities served nonstop *(a)*	59	65	71	6	6
Average daily aircraft departures					
Large jet	269	205	181	(64)	(24)
Regional jet	22	163	229	142	66
Jet overall	291	368	410	77	42
Turboprop	67	6	2	(61)	(4)
Total aircraft departures	358	374	412	17	38
Percent of total					
Large jet	75.3%	54.8%	43.9%		
Regional jet	6.0	43.6	55.6		
Jet overall	81.4%	98.4%	99.5%		
Turboprop	18.6%	1.6%	0.5%		
Average daily departing seats					
Large jet	34,747	27,221	25,894	(7,526)	(1,327)
Regional jet	1,077	8,624	15,830	7,547	7,206
Jet overall	35,823	35,845	41,723	22	5,878
Turboprop	2,222	217	65	(2,005)	(152)
Total departing seats	38,045	36,062	41,789	(1,983)	5,727
Percent of total					
Large jet	91.3%	75.5%	62.0%		
Regional jet	2.8	23.9	37.9		
Jet overall	94.2%	99.4%	99.8%		
Turboprop	5.8%	0.6%	0.2%		
Average seats per departure					
Large jet	129	133	143	4	10
Regional jet	50	53	69	3	16
Jet overall	123	97	102	(26)	4
Turboprop	33	36	35	3	(1)
Total seats per departure	106	96	101	(10)	5

Notes: Columns may not add to totals shown because of rounding.
Changes were calculated using unrounded numbers.

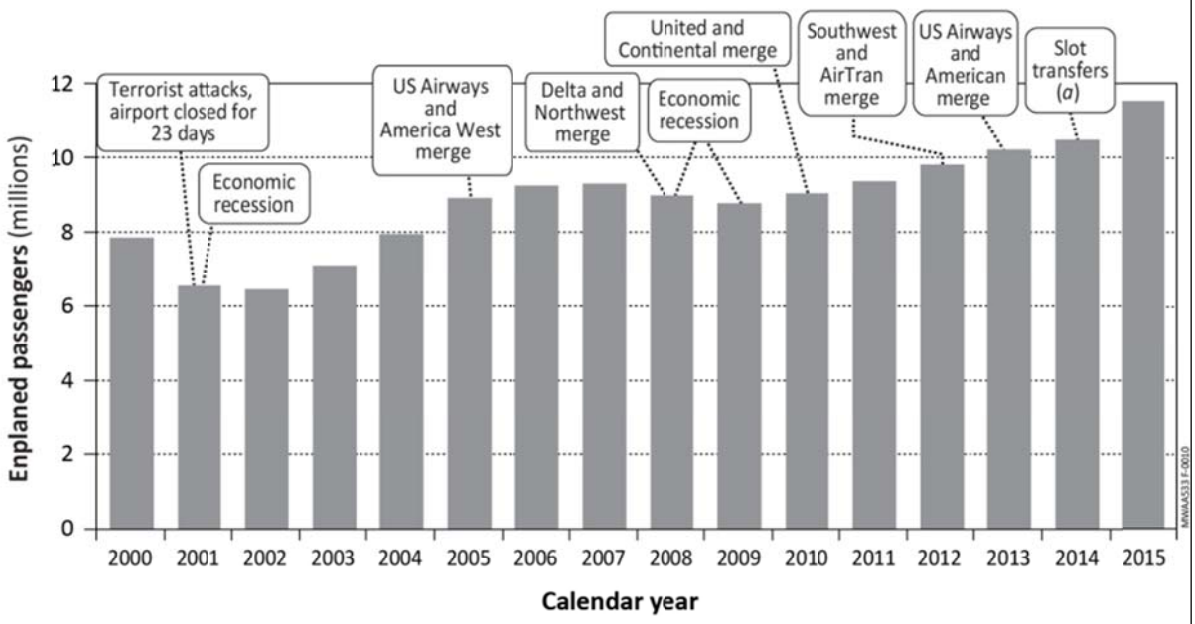
(a) Some destinations are served by more than one airport and some airports are served by more than one aircraft type. Includes only destinations with an average of at least 4 flights per week.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Enplaned Passengers

After the 2001 economic recession and the September 2001 terrorist attacks, which resulted in decreased passenger traffic in 2001 and 2002, the number of enplaned passengers at Reagan increased for five consecutive years and then decreased during the economic recession in 2008 and 2009. Passenger numbers then increased between 2009 and 2015, reaching a record high of 11.5 million enplaned passengers in 2015. Figure 7 shows historical passenger enplanements at Reagan.

Figure 7
HISTORICAL ENPLANED PASSENGERS IN RELATION TO EXTERNAL EVENTS
Reagan National Airport



(*a*) For detail on slot transfers, please see section "US Airways-American Merger and Slot Transfers."

Source for passenger data: Metropolitan Washington Airports Authority.

Table 20 shows historical passenger enplanements at Reagan by originating and connecting components. Originating passengers accounted for 83.9% of enplaned passengers at the airport in 2015, with the remaining 16.1% connecting between flights. The originating passenger percentage has decreased from 88.8% in 2000 as American has provided more connecting service.

Table 20

HISTORICAL ENPLANED PASSENGERS BY COMPONENT

Reagan National Airport

(passengers in thousands)

	Originating passengers				Connecting passengers			
	Scheduled							
Year	Domestic	International *(a)*	Domestic charter and nonrevenue *(b)*	Total	Domestic-to-domestic	Gateway *(c)*	Total	Total enplaned passengers
2000	6,108	578	294	6,979	843	33	876	7,855
2007	6,886	619	183	7,688	1,548	58	1,606	9,294
2008	6,377	629	220	7,226	1,687	64	1,751	8,978
2009	6,327	644	202	7,173	1,542	52	1,595	8,767
2010	6,534	662	257	7,454	1,525	56	1,581	9,036
2011	6,856	630	268	7,755	1,548	60	1,608	9,363
2012	7,142	635	331	8,108	1,600	80	1,680	9,788
2013	7,366	613	362	8,342	1,755	101	1,856	10,198
2014	7,751	646	359	8,756	1,619	84	1,703	10,458
2015	8,691	673	286	9,651	1,788	57	1,845	11,496
	Average annual percent increase (decrease)							
2000-2015	2.4%	1.0%	(0.2%)	2.2%	5.1%	3.7%	5.1%	2.6%
	Annual percent increase (decrease)							
2007-2008	(7.4%)	1.6%	20.2%	(6.0%)	9.0%	10.9%	9.1%	(3.4%)
2008-2009	(0.8)	2.4	(8.3)	(0.7)	(8.6)	(18.6)	(9.0)	(2.3)
2009-2010	3.3	2.9	27.5	3.9	(1.1)	7.1	(0.8)	3.1
2010-2011	4.9	(4.9)	4.3	4.0	1.5	6.8	1.7	3.6
2011-2012	4.2	0.7	23.3	4.6	3.4	34.0	4.5	4.5
2012-2013	3.1	(3.3)	9.4	2.9	9.7	25.8	10.5	4.2
2013-2014	5.2	5.3	(1.0)	5.0	(7.8)	(16.5)	(8.2)	2.6
2014-2015	12.1	4.3	(20.3)	10.2	10.5	(31.8)	8.4	9.9
				Share of Airport total				
2000				88.8%			11.2%	100.0%
2007				82.7			17.3	100.0
2015				83.9			16.1	100.0

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. Originating/connecting data for 2015 were estimated based on 3 quarters of actual data

(a) Includes originating passengers who boarded domestic flights at Reagan bound for international destinations via other gateway airports.

(b) Includes passengers on domestic nonscheduled (charter) flights and domestic nonrevenue passengers.

(c) Gateway connections are passengers connecting from domestic flights to international flights, and vice versa.

Sources: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

According to the October 9-22, 2013, regional air passenger survey conducted by MWCOG (the most recent available), 37.1% of originating passengers at Reagan were traveling for business-related purposes and 62.9% were traveling for non-business purposes. The reduction in the business-related share from the 52.3% reported in the 2011 air passenger survey to the 37.1% reported in the 2013 survey is partly attributable to the reduction in travel by government workers and contractors resulting from sequestration. As reported in the surveys, the share of government business-related travel fell from 26.6% in 2011 to 13.2% in 2013. In the survey report, MWCOG notes that the federal government shutdown of October 1-16, 2013, also skewed survey results.

As shown in Table 21, for the 12 months ended September 30, 2015, American accounted for 45.1% of originating passengers and 88.4% of connecting passengers at Reagan. Connecting passengers on American accounted for 27.0% of the airline's enplaned passengers.

Domestic Airfares

Table 22 presents data on domestic originating passengers and average airfares for the top 20 domestic destinations from Reagan. For Reagan's top 20 domestic destinations taken together, between 2000 and 2007, average airfares decreased 5.2% while passenger numbers increased 17.1%; between 2007 and 2015, average airfares increased 12.6% while passenger numbers increased 25.6%.

Competition has led to different results for individual destinations. For example, passenger numbers for Boston, Dallas/Fort Worth, and Tampa have increased, largely because of increased fare competition from LCCs. In contrast, increased airfares and decreased passenger numbers to and from New York have resulted from competition from surface modes of transportation, primarily Amtrak's Acela Express high-speed passenger rail service, and LCC service from BWI. Between 2000 and 2015, average airfares between Reagan and New York increased 64.7% while the number of originating passengers decreased 65.0%.

The average airfares shown in Table 22, as reported by the airlines to the U.S. DOT, exclude ancillary charges, such as those for checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes that have become widespread in the airline industry since 2006. As a result, the average airfares shown understate the amount actually paid by airline passengers for their travel, particularly for 2015. Ancillary charges that were previously included in the ticket price are not all separately reported to the U.S. DOT. They have been estimated by industry analysts to amount to an effective average surcharge on domestic airfares of approximately 5% of ticket fare revenues, although the percentage varies widely by airline.

Table 21

ENPLANED PASSENGERS BY AIRLINE GROUP

Reagan National Airport

12 Months ended September 30, 2015

	Average daily enplaned passengers			Distribution by airline group		
	American	All other airlines	All airlines	American	All other airlines	All airlines
By sector						
Domestic	15,958	14,468	30,426	99.2%	97.2%	98.2%
International	126	417	543	0.8	2.8	1.8
Total	16,084	14,885	30,969	100.0%	100.0%	100.0%
By type of passenger						
Originating – resident *(a)*	6,021	6,433	12,454	37.4%	43.2%	40.2%
Originating – visitor *(b)*	5,723	7,884	13,607	35.6	53.0	43.9
Subtotal originating	11,744	14,317	26,061	73.0%	96.2%	84.2%
Connecting	4,340	568	4,908	27.0	3.8	15.8
Total	16,084	14,885	30,969	100.0%	100.0%	100.0%
Share by airline group						
Originating	45.1%	54.9%	100.0%			
Connecting	88.4	11.6	100.0			
Total	51.9	48.1	100.0			

Notes: Rows and columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.

(a) Originating-resident passengers are defined as those passengers whose flight itineraries began at Reagan.

(b) Originating-visitor passengers are defined as those passengers whose flight itineraries began at airports other than Reagan.

Sources: Metropolitan Washington Airports Authority records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Table 22

PASSENGERS AND AIRFARES IN TOP 20 DOMESTIC DESTINATIONS

Reagan National Airport

		Average daily domestic originating passengers						Average one-way fare *(a)*				
					As percent of total	Percent increase (decrease)					Percent increase (decrease)	
Rank	Destination	2000	2007	2015 *(b)*	2015	2000-2007	2007-2015	2000	2007	2015 *(b)*	2000-2007	2007-2015
1	Boston	1,038	985	1,560	6.7%	(5.1%)	58.3%	$137.94	$180.29	$145.51	30.7%	(19.3%)
2	Chicago *(c)*	917	1,354	1,492	6.4	47.6	10.2	169.74	120.64	163.48	(28.9)	35.5
3	Atlanta	571	1,078	1,067	4.6	88.7	(1.0)	197.66	154.18	166.80	(22.0)	8.2
4	Dallas/Fort Worth *(d)*	558	604	1,035	4.4	8.2	71.4	243.63	196.78	156.91	(19.2)	(20.3)
5	New York *(e)*	2,712	1,606	949	4.1	(40.8)	(40.9)	117.25	141.69	193.17	20.8	36.3
6	Orlando	222	480	900	3.8	116.1	87.7	125.79	128.09	132.31	1.8	3.3
7	Los Angeles *(f)*	390	441	751	3.2	12.9	70.5	219.68	196.97	253.34	(10.3)	28.6
8	Tampa	247	358	718	3.1	44.9	100.4	130.75	138.89	118.96	6.2	(14.3)
9	Houston *(g)*	336	441	618	2.6	31.1	40.2	257.51	217.09	214.94	(15.7)	(1.0)
10	Denver	222	431	614	2.6	93.7	42.6	142.21	165.90	178.56	16.7	7.6
11	Fort Lauderdale	239	540	604	2.6	126.0	12.0	116.13	109.19	141.06	(6.0)	29.2
12	Miami	333	507	585	2.5	52.3	15.4	166.56	129.31	168.37	(22.4)	30.2
13	San Francisco *(h)*	319	293	568	2.4	(8.0)	93.9	231.41	207.70	276.57	(10.2)	33.2
14	Minneapolis/St. Paul	300	386	429	1.8	28.6	10.9	238.98	182.94	235.98	(23.4)	29.0
15	New Orleans	229	217	412	1.8	(5.1)	89.6	147.35	190.32	171.34	29.2	(10.0)
16	St. Louis	183	294	368	1.6	60.3	25.2	221.18	173.44	170.62	(21.6)	(1.6)
17	Seattle	172	299	357	1.5	74.1	19.5	212.52	227.39	261.31	7.0	14.9
18	Hartford	157	166	335	1.4	5.6	101.7	150.15	162.44	105.16	8.2	(35.3)
19	Detroit	267	541	329	1.4	102.6	(39.1)	199.08	92.92	203.55	(53.3)	119.0
20	Nashville	114	138	318	1.4	20.3	130.8	166.62	181.72	164.76	9.1	(9.3)
	Average—top 20 markets	9,529	11,158	14,011	59.8%	17.1%	25.6%	$164.28	$155.70	$175.25	(5.2%)	12.6%
	All other markets	7,159	7,710	9,416	40.2	7.7	22.1	175.94	187.55	198.39	6.6	5.8
	Average—all markets	16,688	18,867	23,426	100.0%	13.1%	24.2%	$169.28	$168.71	$184.55	(0.3%)	9.4%

Notes: Columns may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.

(a) Average one-way fares shown are net of taxes, fees, PFCs, and ancillary fees charged by the airlines.
(b) Data are for the 12 months ended September 30, 2015.
(c) O'Hare and Midway airports.
(d) Dallas/Fort Worth airport and Love Field.
(e) Kennedy, LaGuardia, and Newark airports.
(f) Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
(g) Bush and Hobby airports.
(h) San Francisco, Oakland, and San Jose airports.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Airline Shares of Enplaned Passengers

Table 23 shows that American enplaned 51.0% of Reagan's passengers in 2015. Second-ranked Delta enplaned 13.6%.

Between 2000 and 2015, the share of passengers enplaned at Reagan by the legacy airlines decreased from 87.7% to 45.3%, the share of the regional airlines (essentially all of which are now affiliated with the legacy airlines) increased from 7.1% to 27.8%, and the LCC share (Southwest, JetBlue, Frontier, Virgin America, and Sun Country) increased from 2.4% to 24.7%.

Table 23
AIRLINE SHARES OF ENPLANED PASSENGERS
Reagan National Airport

Airline	Average daily enplaned passengers			Airline share of total		
	2000	2007	2015	2000	2007	2015
American	12,080	14,564	16,053	56.3%	57.2%	51.0%
Delta	5,633	5,338	4,272	26.2	21.0	13.6
Southwest	--	585	4,183	--	2.3	13.3
JetBlue	--	--	2,629	--	--	8.3
United	2,618	2,706	2,454	12.2	10.6	7.8
Alaska	--	391	594	--	1.5	1.9
Frontier	333	913	453	1.6	3.6	1.4
Air Canada	297	294	356	1.4	1.2	1.1
Virgin America	--	--	346	--	--	1.1
All other	502	674	156	2.3	2.6	0.5
Total	21,463	25,463	31,496	100.0%	100.0%	100.0%
By type of airline						
Legacy airline	18,814	16,880	14,256	87.7%	66.3%	45.3%
Affiliated regional airline	1,533	5,727	8,750	7.1	22.5	27.8
Low-cost carrier	523	1,611	7,767	2.4	6.3	24.7
Other airline	594	1,245	723	2.8	4.9	2.3

Notes: Columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.

Source: Metropolitan Washington Airports Authority records.

Cargo

Because Reagan is land-constrained and lacks the space necessary to accommodate all-cargo aircraft operations, all-cargo airlines serving the Airports service region operate only at Dulles. FedEx served Reagan between 2008 and 2012 but ceased service at the airport in 2012. Currently, all cargo at Reagan is carried in the belly compartments of passenger aircraft. The shift from large jets to regional jets that has occurred among the passenger airlines has resulted in reduced belly cargo capacity.

In 2015, approximately 3,000 tons of air cargo were handled at Reagan versus 288,000 tons at Dulles. American accounted for 68.3% of air cargo tonnage handled at Reagan, followed by Delta with 12.2%, and Southwest with 10.5%.

Aircraft Operations

Historical aircraft departures, enplaned passenger load factor, and average seats per aircraft departure at Reagan are shown in Table 38. The number of operations (landings and takeoffs) by commercial passenger aircraft at Reagan increased an average of 1.0% per year between 2000 and 2015, less than the average increase in the number of enplaned passengers (2.6% per year) over the same period. The average passenger load factor (percentage of seats occupied) increased from 59% in 2000 to 80% in 2015 as the airlines implemented more sophisticated scheduling, reservations, and yield management systems to align capacity and demand. The average number of seats per aircraft decreased from 107 in 2000 to 100 in 2015.

HISTORICAL AIRLINE SERVICE AND TRAFFIC AT DULLES

Unlike Reagan, Dulles is not subject to the High Density Rule or the Perimeter Rule, and the expansion of airline service is not constrained by the capacity of its airside or landside facilities.

Airline Service

United operates a connecting hub at Dulles, along with other connecting hubs in Chicago, Denver, Guam, Houston, Los Angeles, Newark, and San Francisco. As shown in Table 24, Dulles ranks sixth in United's U.S. airport system by departing seats as scheduled for June 2016. Between 2007 and 2016, United reduced its number of scheduled seats at Dulles by 11.1%, compared with an 18.3% reduction systemwide. Additionally, United increased its international capacity at Dulles by 6.0% over the same period, a higher rate of growth than at Newark, the airline's other East Coast international gateway.

Figure 8 presents data on United's seat capacity at its 10 top U.S. airports graphically.

Table 24

SCHEDULED DEPARTING SEATS ON UNITED

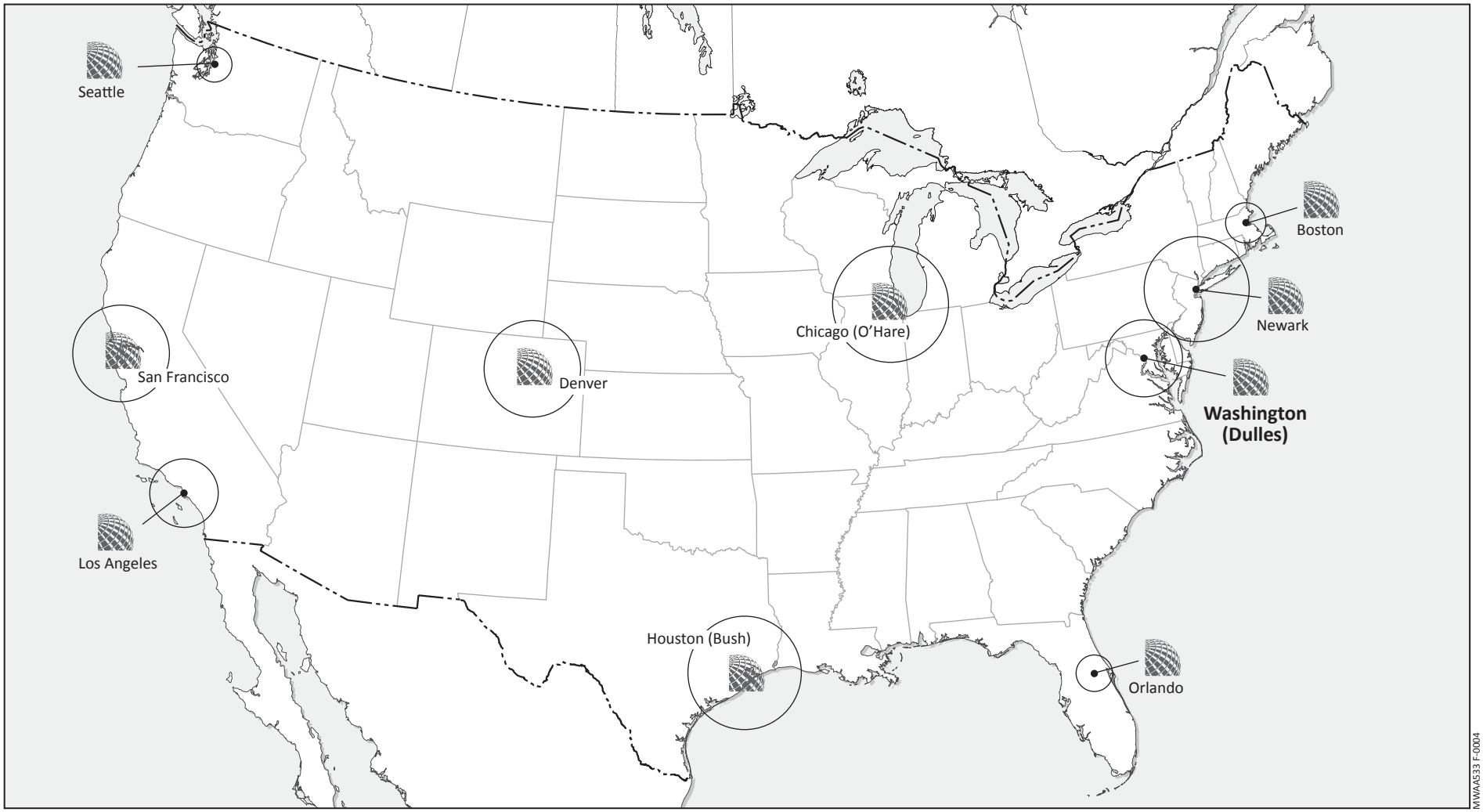
Top U.S. Airports in the United Airlines system

June of years noted

2016 Rank	City (airport)	Average daily departing seats 2000	2007	2016	Percent increase (decrease) 2000-2007	2007-2016
Domestic						
1	Chicago (O'Hare)	71,458	59,590	49,515	(16.6%)	(16.9%)
2	Houston (Bush)	47,595	53,645	40,374	12.7	(24.7)
3	Denver	56,668	45,192	37,870	(20.3)	(16.2)
4	San Francisco	39,371	26,307	32,525	(33.2)	23.6
5	Newark	37,574	34,082	32,085	(9.3)	(5.9)
6	**Dulles**	**23,660**	**22,461**	**18,978**	**(5.1)**	**(15.5)**
7	Los Angeles	38,467	23,245	17,598	(39.6)	(24.3)
8	Boston	10,605	7,187	6,699	(32.2)	(6.8)
9	Orlando	6,509	7,298	5,671	12.1	(22.3)
10	Seattle	11,201	7,187	5,190	(35.8)	(27.8)
	All other	239,633	206,504	144,054	(13.8)	(30.2)
	Total—U.S. system	582,742	492,698	390,560	(15.5%)	(20.7%)
International						
1	Newark	9,916	13,730	14,182	38.5%	3.3%
2	Houston (Bush)	8,053	11,878	14,146	47.5	19.1
3	Chicago (O'Hare)	5,160	7,621	7,527	47.7	(1.2)
4	San Francisco	5,136	6,148	7,041	19.7	14.5
5	**Dulles**	**3,270**	**5,850**	**6,200**	**78.9**	**6.0**
6	Los Angeles	3,481	1,816	2,249	(47.8)	23.9
7	Guam	2,164	2,043	2,196	(5.6)	7.5
8	Denver	987	1,549	1,613	56.9	4.1
9	Honolulu	372	1,007	341	170.6	(66.1)
10	Austin	--	--	41	n.a.	n.a.
	All other	5,266	2,024	92	(61.6)	(95.5)
	Total—U.S. system	43,806	53,664	55,627	22.5%	3.7%
Total						
1	Chicago (O'Hare)	76,618	67,211	57,042	(12.3%)	(15.1%)
2	Houston (Bush)	55,648	65,523	54,521	17.7	(16.8)
3	Newark	47,490	47,812	46,267	0.7	(3.2)
4	San Francisco	44,507	32,455	39,566	(27.1)	21.9
5	Denver	57,655	46,741	39,483	(18.9)	(15.5)
6	**Dulles**	**26,930**	**28,311**	**25,178**	**5.1**	**(11.1)**
7	Los Angeles	41,949	25,060	19,847	(40.3)	(20.8)
8	Boston	10,811	7,187	6,699	(33.5)	(6.8)
9	Orlando	6,509	7,319	5,671	12.5	(22.5)
10	Seattle	11,673	7,515	5,190	(35.6)	(30.9)
	All other	246,490	211,228	146,723	(14.3)	(30.5)
	Total—U.S. system	626,280	546,362	446,187	(12.8%)	(18.3%)

Note: Percentages were calculated using unrounded numbers.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.



LEGEND

United Airlines

Scale:
Area of circle = 50,000 average daily departing seats, based on data presented in Table 24.

Notes: The area of the circle for each airport is proportional to the number of scheduled seats on all departing flights at the airport in June 2016. Airports shown are the 10 busiest system airports for United as ranked by scheduled departing seats on domestic and international flights in June 2016.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed March 2016.

Figure 8

SEAT CAPACITY PROVIDED BY UNITED AIRLINES AT ITS LARGEST U.S. AIRPORTS

June 2016

Table 25 shows United's historical domestic seat capacity at Dulles as distributed between United mainline and United Express. The share of the seat capacity at Dulles accounted for by United Express increased from 35.2% in 2000 to 59.3% in 2007, then decreased to 42.5% in 2015. Advance published flight schedules indicate that United's domestic seat capacity at Dulles in 2016 will be 3.0% higher than in 2015 and that United Express will account for 40.5% of the capacity.

Table 25
HISTORICAL DOMESTIC SERVICE BY UNITED
Dulles International Airport
June of years noted

	Average daily scheduled departing seats			Distribution	
	United	United Express *(a)*	Total	United	United Express
2000	15,343	8,317	23,660	64.8%	35.2%
2007	9,140	13,321	22,461	40.7	59.3
2008	9,517	13,213	22,730	41.9	58.1
2009	11,408	10,231	21,638	52.7	47.3
2010	11,916	10,246	22,162	53.8	46.2
2011	11,795	10,079	21,874	53.9	46.1
2012	10,724	9,778	20,502	52.3	47.7
2013	10,811	9,546	20,357	53.1	46.9
2014	10,101	9,486	19,587	51.6	48.4
2015	10,594	7,825	18,420	57.5	42.5
2016	11,298	7,680	18,978	59.5	40.5

Note: 2016 seats are estimated based on advance schedule filings.

(a) Service provided by Atlantic Coast Airlines, Atlantic Southeast Airlines, Chautauqua Airlines, Colgan Air, CommutAir, Continental Express, ExpressJet Airlines, GoJet Airlines, Mesa Airlines, Republic Airlines, Shuttle America, Silver Airways, SkyWest Airlines, Ted, and Trans States Airlines during all or part of time period shown.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Domestic Airline Service. Figure 9 shows the domestic destinations with daily nonstop service from Dulles as scheduled for June 2016.

Table 26 presents data on nonstop airline service from Dulles to the top 20 domestic passenger destinations. As scheduled for June 2016, United (including affiliated United Express regional airlines) provides nonstop service to 19 of the top 20 destinations at Dulles; 14 of the top 20 destinations are served nonstop by two or three airlines (or their affiliated regional airlines); and 9 destinations are served nonstop by LCCs (Frontier, JetBlue, Southwest, or Virgin America).*

Domestic seat capacity for all airlines at Dulles decreased 31% between June 2000 and June 2016. In the intervening years, the seat capacity offered by LCCs fluctuated. In 2004 and 2005, Independence Air operated a hub at Dulles. As a result, departing seats on LCCs increased 80% in 2005, then decreased 70% in 2006 following Independence Air's demise in January 2006. Between 2006 and 2008, LCC seat capacity at Dulles increased 54% as Southwest and Virgin America began service. Then, between 2008 and 2016, LCC seat capacity at Dulles decreased 59% as LCCs increased service at Reagan and BWI.

In August 2014, Frontier launched service at Dulles, quickly increasing service to 66 weekly flights to 18 destinations by December 2014. Service was reduced, however, to 14 weekly flights to 2 destinations by November 2015. Advance published flight schedules, which are subject to change, reflect 17 weekly flights for Frontier from Dulles to 3 destinations (Chicago, Denver, and Orlando) through September 2016.

Table 27 provides detail on airline service at Dulles by aircraft type. Between 2000 and 2007, regional jet service increased substantially, while large jet and turboprop service decreased. Between 2007 and 2016, large jet and regional jet service decreased, while turboprop service remained generally unchanged. As scheduled for June 2016, regional jets account for 43.8% of aircraft departures and 29.5% of departing seats. Turboprop operations, which account for 46.2% of aircraft departures in June 2000, account for 13.7% of departures in June 2016. Changes in the mix of aircraft types serving Dulles resulted in an increase in the average number of seats per domestic departure from 70 in June 2000 to 96 in June 2016.

*Regional airlines operating at Dulles as code-sharing affiliates of mainline airlines as of April 2016 were CommutAir (United Express), Compass Airlines (Delta Connection), Endeavor Air (Delta Connection), ExpressJet (Delta Connection), Mesa Airlines (United Express), PSA Airlines (American Eagle), Shuttle America (Delta Connection), SkyWest Airlines (Delta Connection), and Trans States Airlines (United Express).

LEGEND

○ Destinations with service by only 1 airline

● Destinations with service by 2 or more airlines

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed March 2016.

Figure 9

U.S. DESTINATIONS WITH DAILY SCHEDULED NONSTOP PASSENGER AIRLINE SERVICE

Dulles International Airport

June 2016

MWAA533 F-0005

Table 26

AIRLINE SERVICE FOR TOP DOMESTIC DESTINATIONS

Dulles International Airport

June of years noted

Rank *(a)*	Destination *Airport*	Airlines providing nonstop service *(b)* 2016	Average daily scheduled Aircraft departures 2000	2007	2016	Departing seats 2000	2007	2016
1	Los Angeles *(c)*	AA,UA,VX	11	15	12	1,986	2,567	2,039
2	San Francisco *(d)*	UA,VX	11	12	12	1,870	2,059	2,092
3	Denver	F9,UA,WN	8	8	12	1,687	1,598	1,947
4	Orlando	F9,UA	15	13	5	1,907	1,829	804
5	Chicago *(e)*	F9,UA	14	15	7	2,334	2,333	1,039
6	Atlanta	DL,UA,WN	21	18	12	2,833	2,120	1,352
7	Las Vegas	UA,WN	2	5	3	260	785	456
8	Boston	B6,UA	26	13	7	2,807	1,387	947
9	San Diego	UA	3	4	3	443	612	499
10	Dallas/Fort Worth *(f)*	AA,UA	12	8	7	1,516	933	785
11	Seattle	AS,UA	4	3	4	604	486	691
12	Tampa	UA	5	5	3	648	768	514
13	New York	B6,DL,UA	53	31	14	2,654	1,920	719
	Kennedy	*B6,DL*	*9*	*13*	*7*	*222*	*951*	*475*
	LaGuardia	*UA*	*22*	*6*	*2*	*1,602*	*467*	*104*
	Newark	*UA*	*22*	*12*	*6*	*829*	*502*	*140*
14	Houston *(g)*	UA	3	6	5	294	337	698
15	Miami	AA	7	4	2	937	332	320
16	Minneapolis-St. Paul	DL,UA	6	5	6	716	517	465
17	Detroit	DL,UA	9	8	8	722	662	549
18	Charlotte	AA,UA	5	10	11	582	812	801
19	Phoenix	UA	1	2	1	178	262	177
20	St. Louis	UA	4	7	4	464	386	191
	Total—top 20 markets		219	194	136	33,731	29,647	20,076
	Other markets		311	186	130	3,423	3,836	5,403
	Total—all markets		529	381	266	37,153	33,483	25,479

Note: Columns may not add to totals shown because of rounding.

(a) Top 20 destinations ranked by domestic originating passengers for the 12 months ended September 2015.

(b) Airlines operating scheduled passenger service. Legend: AA=American, AS=Alaska, B6=JetBlue, DL=Delta, F9=Frontier, UA=United, VX=Virgin America, WN=Southwest.

(c) Service provided to Los Angeles International Airport in all years shown and Long Beach Airport in 2007.

(d) Service provided to San Francisco International Airport in all years shown, Norman Y. Mineta San Jose International Airport in 2000 and 2007, and Oakland International Airport in 2007.

(e) Service provided to Chicago O'Hare International Airport in all years shown and Chicago Midway International Airport in 2000 and 2007.

(f) Service provided to Dallas/Fort Worth International Airport in all years shown and Love Field in 2000.

(g) Service provided to George Bush Intercontinental Airport.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Table 27

DOMESTIC SCHEDULED AIRLINE SERVICE BY AIRCRAFT TYPE

Dulles International Airport

June of years noted

	2000	2007	2016	Increase (decrease) 2000-2007	Increase (decrease) 2007-2016
Destinations served nonstop *(a)*					
Large jet	35	27	31	(8)	4
Regional jet	20	49	39	29	(10)
Jet overall	52	64	62	12	(2)
Turboprop	38	11	17	(27)	6
Total cities served nonstop *(a)*	77	73	75	(4)	2
Average daily aircraft departures					
Large jet	201	135	113	(66)	(22)
Regional jet	84	213	117	129	(96)
Jet overall	285	348	229	63	(119)
Turboprop	245	33	37	(212)	4
Total aircraft departures	529	381	266	(149)	(115)
Percent of total					
Large jet	37.9%	35.5%	42.5%		
Regional jet	15.9	56.0	43.8		
Jet overall	53.8%	91.5%	86.3%		
Turboprop	46.2%	8.5%	13.7%		
Average daily departing seats					
Large jet	26,877	20,385	16,621	(6,493)	(3,764)
Regional jet	4,213	12,121	7,525	7,908	(4,596)
Jet overall	31,091	32,506	24,146	1,416	(8,360)
Turboprop	6,063	977	1,333	(5,086)	356
Total departing seats	37,153	33,483	25,479	(3,671)	(8,004)
Percent of total					
Large jet	72.3%	60.9%	65.2%		
Regional jet	11.3	36.2	29.5		
Jet overall	83.7%	97.1%	94.8%		
Turboprop	16.3%	2.9%	5.2%		
Average seats per departure					
Large jet	134	151	147	17	(4)
Regional jet	50	57	65	7	8
Jet overall	109	93	105	(16)	12
Turboprop	25	30	37	5	6
Total seats per departure	70	88	96	18	8

Notes: Columns may not add to totals shown because of rounding.
Changes were calculated using unrounded numbers.

(a) Some destinations are served by more than one airport and some airports are served by more than one airline type or aircraft type. Includes only cities with an average of at least 4 flights per week.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

International Airline Service. Table 28 shows that the average number of international departing seats at Dulles, as scheduled for June, increased 80% between 2000 and 2016, due to increased demand for international airline travel to and from the Airports service region and an increase in connecting service at Dulles. Service to Latin America increased largely due to United beginning service to Buenos Aires and Sao Paulo from Dulles in 2002 (Buenos Aires service ended in 2012) and increasing service to Cancun, as well as the addition of service by Copa Airlines (Panama City, 2007), Avianca (Bogota, 2008), and AeroMexico (Mexico City, 2012). Capacity to Asia doubled between 2000 and 2007 primarily as a result of United's introduction of nonstop service from Dulles to Tokyo (2006) and Beijing (2007). In 2014, Air China also began Beijing service. Capacity to the Middle East and Africa increased between 2007 and 2016 as a result of service increases by Emirates, Ethiopian Airlines, Etihad Airways, Qatar Airways, Saudi Arabian Airlines, South African Airways, and Turkish Airlines. Capacity to European destinations increased between 2007 and 2016 largely due to service additions by Aer Lingus, Brussels, Icelandair, and United.

Table 28
INTERNATIONAL AIRLINE SERVICE
Dulles International Airport
June of years noted

	Number of destinations served *(a)*			Number of airlines *(b)*			Average daily departing seats		
	2000	2007	2016	2000	2007	2016	2000	2007	2016
Total all destinations	23	34	48	17	19	29	8,265	11,741	14,904
By airline flag									
U.S.	8	24	29	2	3	2	3,551	5,932	6,220
Foreign	19	18	30	15	16	27	4,714	5,809	8,684
By destination world area									
Europe	11	13	18	11	12	12	6,632	7,805	8,220
Middle East and Africa	1	3	9	1	3	7	60	507	2,333
Latin America and Caribbean *(c)*	4	10	14	3	3	6	390	1,239	2,071
Asia	2	3	3	2	3	4	580	1,236	1,241
Canada	5	5	4	1	2	3	603	954	1,039
By aircraft type									
Large jet	19	29	46	17	18	27	7,755	10,884	13,885
Regional jet	4	5	3	1	2	2	510	857	774
Turboprop	--	--	1	--	--	1	--	--	244

(a) Some destinations may be served by both U.S. and foreign-flag airlines or by more than one aircraft type.
(b) Some airlines may serve more than one destination world area or may operate more than aircraft type.
(c) Mexico, Central America, South America, and the Caribbean.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.

Figure 10 shows the international destinations with daily nonstop (or direct, single-plane) service from Dulles as scheduled for June 2016. United, Delta, and 27 foreign-flag airlines operate such service to 48 destinations on five continents.

Table 29 shows the historical international seat capacity as scheduled by United at Dulles through 2016. Between 2010 and 2016, United reduced international capacity by 16%, attributable largely to a 24% reduction in transatlantic seat capacity and the cessation of service to Kuwait and the United Arab Emirates. Over the same period, United increased transatlantic seat capacity from Newark by 3%.

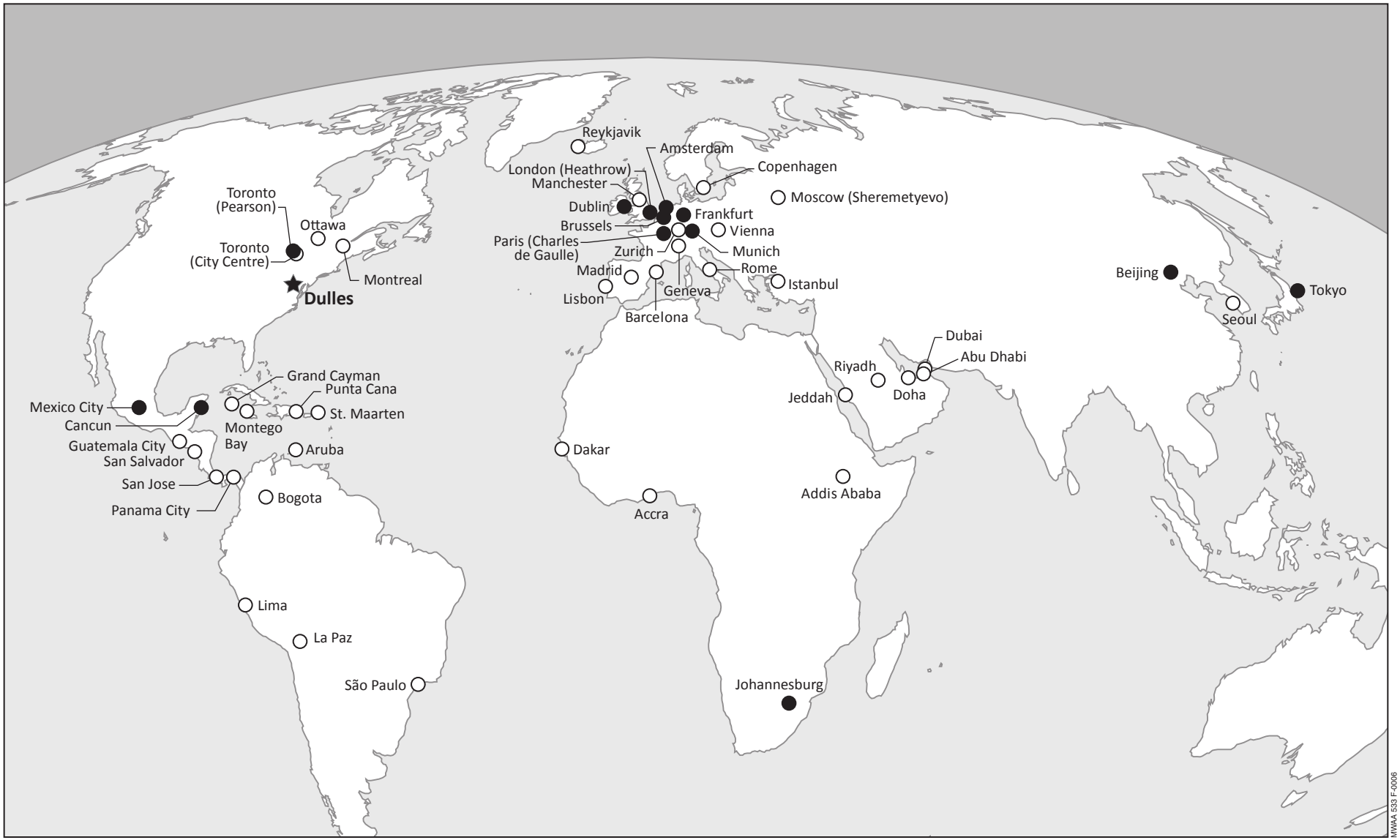
Table 29
HISTORICAL INTERNATIONAL SERVICE BY UNITED
Dulles International Airport
June of years noted

	Average daily scheduled departing seats			Distribution	
	United	United Express *(a)*	Total	United	United Express
2000	3,270	--	3,270	100.0%	0.0%
2007	5,168	682	5,850	88.3	11.7
2008	5,700	927	6,627	86.0	14.0
2009	6,435	663	7,097	90.7	9.3
2010	6,391	990	7,381	86.6	13.4
2011	7,054	936	7,990	88.3	11.7
2012	5,459	969	6,428	84.9	15.1
2013	5,225	704	5,929	88.1	11.9
2014	5,302	691	5,992	88.5	11.5
2015	5,181	676	5,858	88.5	11.5
2016	5,556	645	6,200	89.6	10.4

Note: 2016 seats are estimated based on advance schedule filings.

(a) Service provided by Chautauqua Airlines, ExpressJet Airlines, GoJet Airlines, Mesa Airlines, Republic Airlines, Shuttle America, SkyWest Airlines, Ted, and Trans States Airlines during all or part of time period shown.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2016.



LEGEND

○ Destinations with nonstop or one-stop (direct single-plane) service by 1 airline

● Destinations with nonstop or one-stop (direct single-plane) service by 2 airlines

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed March 2016.

Figure 10

INTERNATIONAL DESTINATIONS WITH SCHEDULED PASSENGER AIRLINE SERVICE

Dulles International Airport

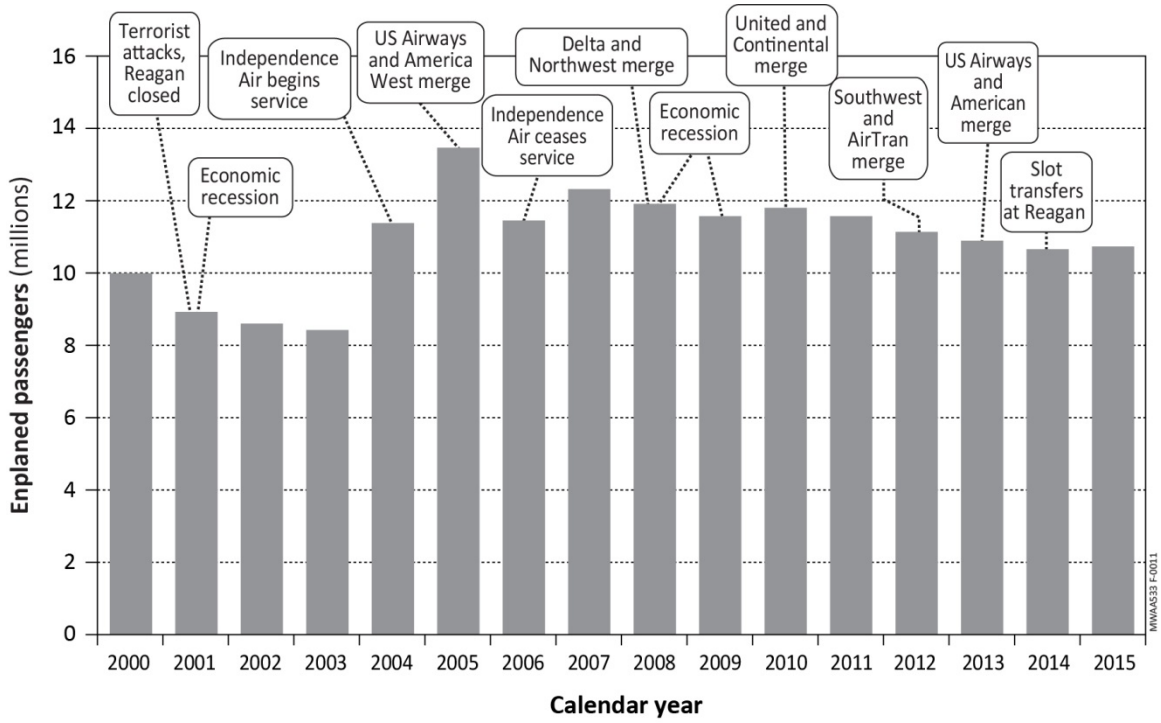
June 2016

Enplaned Passengers

Numbers of passengers using Dulles fluctuated between 2000 and 2007, particularly during 2004-2006 period of operation of the Independence Air hub. Between 2007 and 2015, the number of enplaned passengers decreased an average of 1.7% per year, with the decrease attributable to decreases in both originating passengers (-0.9% per year average) and connecting passengers (-3.2% per year average). Increased numbers of international passengers (+3.4% per year average) were more than offset by decreased numbers of domestic passengers (-3.1% per year average).

Figure 11 shows historical enplaned passenger numbers at Dulles. Table 30 shows historical enplaned passenger numbers at Dulles by originating and connecting components.

Figure 11
HISTORICAL ENPLANED PASSENGERS IN RELATION TO EXTERNAL EVENTS
Dulles International Airport



Source for passenger data: Metropolitan Washington Airports Authority.

Table 30

HISTORICAL ENPLANED PASSENGERS BY COMPONENT

Dulles International Airport

(enplaned passengers in thousands)

	Originating passengers				Connecting passengers			
	Scheduled							
Year	Domestic	International *(a)*	Domestic charter and nonrevenue *(b)*	Total	Domestic-to-domestic	Gateway *(c)*	Total	Total enplaned passengers
2000	4,689	1,673	686	7,048	1,592	1,331	2,924	9,972
2007	5,331	2,236	247	7,813	2,399	2,062	4,460	12,274
2008	4,862	2,318	129	7,309	2,364	2,185	4,549	11,858
2009	4,526	2,274	91	6,891	2,425	2,230	4,656	11,547
2010	4,467	2,339	163	6,969	2,460	2,312	4,773	11,742
2011	4,250	2,422	151	6,823	2,401	2,293	4,694	11,518
2012	3,912	2,523	268	6,703	2,317	2,153	4,470	11,173
2013	3,759	2,644	193	6,596	2,101	2,163	4,265	10,861
2014	3,848	2,807	153	6,807	1,869	2,003	3,872	10,679
2015	4,011	2,908	250	7,168	1,680	1,866	3,546	10,714
	Average annual percent increase (decrease)							
2000-2015	(1.0%)	3.8%	(6.5%)	0.1%	0.4%	2.3%	1.3%	0.5%
	Annual percent increase (decrease)							
2007-2008	(8.8%)	3.7%	n.c.	(6.5%)	(1.4%)	6.0%	2.0%	(3.4%)
2008-2009	(6.9)	(1.9)	n.c.	(5.7)	2.6	2.1	2.3	(2.6)
2009-2010	(1.3)	2.9	n.c.	1.1	1.5	3.7	2.5	1.7
2010-2011	(4.9)	3.5	(7.1)	(2.1)	(2.4)	(0.8)	(1.6)	(1.9)
2011-2012	(8.0)	4.2	77.1	(1.8)	(3.5)	(6.1)	(4.8)	(3.0)
2012-2013	(3.9)	4.8	(28.1)	(1.6)	(9.3)	0.5	(4.6)	(2.8)
2013-2014	2.4	4.6	(0.1)	3.2	(11.1)	(7.4)	(9.2)	(1.7)
2014-2015	4.2	3.6	63.7	5.3	(10.1)	(6.9)	(8.4)	0.3
				Share of Airport total				
2000				70.7%			29.3%	100.0%
2007				63.7			36.3	100.0
2015				66.9			33.1	100.0

n.c.=not calculated.

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. Originating/connecting data for 2015 were estimated based on 3 quarters of actual data.

(a) Includes O&D passengers that boarded domestic flights at Dulles bound for international destinations via other U.S. gateway airports, passengers on charter flights, and international nonrevenue passengers.

(b) Includes passengers on domestic nonscheduled (charter) flights and domestic nonrevenue passengers.

(c) Gateway connections are passengers connecting from domestic flights to international flights, and vice versa.

Sources: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

According to the October 9-22, 2013, MWCOG regional air passenger survey (the most recent available), 29.6% of Dulles originating passengers were traveling for business-related purposes and 70.4% were traveling for non-business purposes. The reported share of business-related travel fell from 41.0% in 2011 to 29.6% in 2013 and the share of government business-related travel fell from 18.9% in 2011 to 9.5% in 2013. As noted earlier, the federal government shutdown of October 1-16, 2013, skewed survey results.

As shown in Table 31, in 2015, United accounted for 62.2% of enplaned passengers and 88.3% of connecting passengers at Dulles. Connecting passengers on United accounted for 46.6% of the airline's enplaned passengers at Dulles.

Table 31
ENPLANED PASSENGERS BY AIRLINE GROUP
Dulles International Airport
12 months ended September 30, 2015

	Average daily enplaned passengers			Distribution by airline group		
	United Airlines	All other airlines	All airlines	United Airlines	All other airlines	All airlines
By sector						
Domestic	14,007	5,533	19,540	77.1%	49.6%	66.7%
International	4,159	5,614	9,773	22.9	50.4	33.3
Total	18,167	11,147	29,314	100.0%	100.0%	100.0%
By type of passenger						
Originating – resident *(a)*	5,938	4,354	10,292	32.7%	39.1%	35.1%
Originating – visitor *(b)*	3,735	5,662	9,398	20.6	50.8	32.1
Subtotal originating	9,673	10,016	19,689	53.2%	89.9%	67.2%
Connecting	8,494	1,130	9,624	46.8	10.1	32.8
Total	18,167	11,147	29,314	100.0%	100.0%	100.0%
Share by airline group						
Originating	49.1%	50.9%	100.0%			
Connecting	88.3	11.7	100.0			
Total	62.0	38.0	100.0			

Notes: Rows and columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.

(a) Originating-resident passengers are defined as those passengers whose flight itineraries began at Dulles.

(b) Originating-visitor passengers are defined as those passengers whose flight itineraries began at airports other than Dulles.

Sources: Metropolitan Washington Airports Authority records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Domestic Airfares

Table 32 presents data on domestic originating passengers and average airfares for the top 20 domestic destinations from Dulles. For Dulles's top 20 domestic destinations taken together, between 2000 and 2007, average airfares decreased 18.4% while passenger numbers increased 14.5%; between 2007 and 2015, average airfares increased 22.9% while passenger numbers decreased 21.9%. West Coast destinations rank higher at Dulles than at Reagan (as shown in the earlier Table 22) because of the Perimeter Rule's effect of restricting long-haul flights from Reagan.

The influence of airfares on passenger numbers is apparent for particular destinations, such as Los Angeles and San Francisco, where airfares have decreased (or increased less than for other destinations), largely as a result of competition driven by LCCs, and passenger numbers have increased. As noted in the earlier discussion of Table 22, the reported airfare data presented in Table 32 do not include ancillary charges such as those for checked baggage and preferred seating.

Airline Shares of Domestic Enplaned Passengers

As shown in Table 33, United and United Express together enplaned 72.9% of domestic passengers at Dulles in 2015.

LCCs increased their share of domestic enplaned passengers at Dulles from 2.9% in 2000 to 15.1% in 2007, an increase attributable to the start of service by JetBlue in 2001, Southwest in 2006, and Virgin America in 2007. By 2015, the LCCs' share of domestic enplaned passengers had decreased to 12.9%, as Southwest and JetBlue reduced service at Dulles and increased service at Reagan and BWI.

Table 32

PASSENGERS AND AIRFARES IN TOP 20 DOMESTIC DESTINATIONS

Dulles International Airport

		Average daily domestic enplaned originating passengers						Average one-way fare *(a)*				
					As percent of total	Percent increase (decrease)					Percent increase (decrease)	
Rank	Destination	2000	2007	2015 *(b)*	2015	2000-2007	2007-2015	2000	2007	2015 *(b)*	2000-2007	2007-2015
1	Los Angeles *(c)*	908	1,455	1,211	10.8%	60.2%	(16.8%)	$315.56	$226.27	$264.73	(28.3%)	17.0%
2	San Francisco *(d)*	801	1,237	1,192	10.7	54.3	(3.6)	465.98	276.11	302.38	(40.7)	9.5
3	Denver	532	504	529	4.7	(5.2)	4.9	282.69	225.59	245.34	(20.2)	8.8
4	Orlando	784	831	474	4.2	5.9	(42.9)	103.55	99.16	127.96	(4.2)	29.0
5	Chicago *(e)*	484	709	463	4.1	46.2	(34.7)	165.72	113.58	148.75	(31.5)	31.0
6	Atlanta	1,177	599	434	3.9	(49.1)	(27.6)	119.41	136.27	154.93	14.1	13.7
7	Las Vegas	113	553	378	3.4	390.9	(31.7)	274.47	155.19	193.60	(43.5)	24.7
8	Boston	789	709	352	3.2	(10.0)	(50.4)	113.30	105.13	143.15	(7.2)	36.2
9	San Diego	215	430	329	2.9	99.8	(23.6)	365.87	232.74	296.37	(36.4)	27.3
10	Dallas/Fort Worth *(f)*	477	355	308	2.8	(25.6)	(13.2)	246.64	188.66	177.47	(23.5)	(5.9)
11	Seattle	226	257	298	2.7	13.8	16.1	383.57	288.73	274.13	(24.7)	(5.1)
12	Tampa	292	387	255	2.3	32.7	(34.2)	114.29	105.37	127.46	(7.8)	21.0
13	New York *(g)*	644	485	229	2.1	(24.7)	(52.7)	109.95	99.82	148.74	(9.2)	49.0
14	Houston *(h)*	135	168	214	1.9	23.7	27.6	243.80	188.85	237.91	(22.5)	26.0
15	Miami	265	146	209	1.9	(45.0)	43.4	124.40	126.66	118.53	1.8	(6.4)
16	Minneapolis/St. Paul	324	330	176	1.6	2.0	(46.7)	158.17	127.07	187.39	(19.7)	47.5
17	Detroit	107	180	172	1.5	69.0	(4.7)	190.21	93.30	136.96	(50.9)	46.8
18	Charlotte	84	113	147	1.3	34.7	30.6	218.19	179.42	159.81	(17.8)	(10.9)
19	Phoenix	101	159	141	1.3	58.2	(11.7)	313.73	215.51	245.52	(31.3)	13.9
20	St. Louis	89	184	132	1.2	106.3	(28.0)	219.31	137.60	135.16	(37.3)	(1.8)
	Average—top 20 markets	8,548	9,791	7,643	68.5%	14.5%	(21.9%)	$213.74	$174.51	$214.53	(18.4%)	22.9%
	All other markets	4,264	4,813	3,520	31.5	12.9	(26.9)	173.91	176.29	208.73	1.4	18.4
	Average—all markets	12,811	14,604	11,163	100.0%	14.0%	(23.6%)	$200.48	$175.10	$212.71	(12.7%)	21.5%

Notes: Columns may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.

(a) Average one-way fares shown are net of taxes, fees, PFCs, and ancillary fees charged by the airlines.
(b) Data are for the 12 months ended September 30, 2015.
(c) Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
(d) San Francisco, Oakland, and San Jose airports.
(e) O'Hare and Midway airports.
(f) Dallas/Fort Worth Airport and Love Field.
(g) Kennedy, LaGuardia, and Newark airports.
(h) Bush and Hobby airports.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 33
AIRLINE SHARES OF DOMESTIC ENPLANED PASSENGERS
Dulles International Airport

Airline	Average daily enplaned passengers 2000	2007	2015	Airline share of total 2000	2007	2015
United	14,141	17,757	14,153	65.6%	69.6%	72.4%
American	4,046	1,993	1,400	18.8	7.8	7.2
Delta	2,551	1,882	1,269	11.8	7.4	6.5
Frontier	--	--	840	--	--	4.3
Southwest	533	1,570	727	2.5	6.2	3.7
Virgin America	--	75	515	--	0.3	2.6
JetBlue	--	2,129	427	--	8.3	2.2
All other	282	111	228	1.3	0.4	1.2
Total	21,553	25,516	19,559	100.0%	100.0%	100.0%
By type of airline						
Legacy airline	15,329	12,967	9,686	71.1%	50.8%	49.5%
Affiliated regional carrier	5,411	8,664	7,136	25.1	34.0	36.5
Low-cost carrier	630	3,863	2,515	2.9	15.1	12.9
Other airline	182	22	221	0.8	0.1	1.1

Note: Columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.

Source: Metropolitan Washington Airports Authority records.

Airline Shares of International Enplaned Passengers

Between 2000 and 2015, the number of international enplaned passengers at Dulles increased an average of 3.7% per year. Passengers enplaning on international flights accounted for 20.9% of all enplaned passengers at the airport in 2000 and 33.4% in 2015.

As shown in Table 34, United and United Express together accounted for 42.5% of international enplaned passengers at Dulles in 2015, down from 50.5% in 2007. Foreign-flag airlines accounted for virtually all of the remaining 57.5% in 2015. Among foreign-flag airlines, those from Europe accounted for approximately 27.4%, those from Africa and the Middle East for 16.3%, followed by airlines from the Caribbean and Latin America (7.0%), Asia (5.3%), and Canada (1.2%).

Dulles is one of two main international gateway airports on the East Coast for United and other members of the Star Alliance; the other is Newark Liberty. The Star Alliance has 27 member airlines, 12 of which serve Dulles. Dulles serves as a connecting gateway for Star Alliance flights to and from Europe (operated by United, Austrian Airlines, Brussels Airlines, Lufthansa, and SAS); Canada (United); Asia (United, Air China, and

ANA); Latin America (United, Avianca, and Copa Airlines); and the Middle East and Africa (Ethiopian Airlines, South African Airways, and Turkish Airlines).

Table 34
AIRLINE SHARES OF INTERNATIONAL ENPLANED PASSENGERS
Dulles International Airport

Airline	Average daily enplaned passengers			Airline share of total		
	2000	2007	2015	2000	2007	2015
United *(a)*	2,323	4,095	4,159	40.8%	50.5%	42.5%
Lufthansa *(a)*	455	558	571	8.0	6.9	5.8
British Airways	526	475	544	9.2	5.9	5.6
Air France	340	528	419	6.0	6.5	4.3
Avianca *(a)*	117	324	392	2.0	4.0	4.0
Emirates	--	--	278	--	--	2.8
Qatar Airways	--	71	273	--	0.9	2.8
Turkish *(a)*	--	--	249	--	--	2.5
Ethiopian *(a)*	23	115	234	0.4	1.4	2.4
KLM	--	227	231	--	2.8	2.4
Korean Air	137	175	213	2.4	2.2	2.2
COPA *(a)*	--	35	213	--	0.4	2.2
Austrian *(a)*	130	219	208	2.3	2.7	2.1
Etihad	--	--	193	--	--	2.0
Saudi Arabian	41	45	191	0.7	0.6	2.0
All Nippon *(a)*	212	180	188	3.7	2.2	1.9
Virgin Atlantic	314	286	179	5.5	3.5	1.8
All other	1,074	777	1,059	18.9	9.6	10.8
Total	5,692	8,111	9,794	100.0%	100.0%	100.0%
By alliance						
Star Alliance	3,742	6,132	6,754	65.7%	75.6%	69.0%
SkyTeam Alliance	766	1,009	1,205	13.5	12.4	12.3
Oneworld Alliance	526	622	820	9.2	7.7	8.4
Unaligned airlines	657	348	1,015	11.6	4.3	10.4

Notes: Columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.
In 2015, "All other" included South African, SAS, Icelandair, Air China, Porter, Aeromexico, Aer Lingus, Brussels, Aeroflot, Delta, Frontier, and various charter airlines.

(a) Member of Star Alliance.

Source: Metropolitan Washington Airports Authority records.

International Passengers by World Region

Passengers to Europe accounted for 51.0% of international enplaned passengers at Dulles in 2015, a decrease from 87.8% in 2000. Over those 15 years, the number of passengers to Europe increased at an average rate of 0.2% per year, while the number of passengers bound for other world areas increased (from a small base) at an average of 14.0% per year. Table 35 presents trends in the number of passengers enplaned on international flights at Dulles to the five major world regions.

Table 35
INTERNATIONAL ENPLANED PASSENGERS BY WORLD REGION
Dulles International Airport

	Average daily departing passengers					
Year	Europe	Middle East and Africa	Latin America Mexico and Caribbean *(a)*	Asia	Canada	Total all destinations
2000	4,699	8	276	322	47	5,352
2007	5,085	402	1,041	724	628	7,880
2008	4,984	831	1,074	710	584	8,183
2009	4,959	944	1,039	708	538	8,188
2010	4,797	1,179	1,095	761	559	8,391
2011	4,947	1,439	1,071	741	464	8,662
2012	4,949	1,491	1,048	802	555	8,846
2013	4,806	1,804	1,230	766	627	9,233
2014	4,797	1,876	1,362	837	640	9,511
2015 *(b)*	4,844	1,818	1,354	875	612	9,502
	Average annual percent increase (decrease)					
2000-2007	1.1%	75.9%	20.9%	12.2%	44.6%	5.7%
2007-2015	(0.6)	20.7	3.3	2.4	(0.3)	2.4
2000-2015	0.2	43.9	11.2	6.9	18.6	3.9

Notes: Rows may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.
Departing passengers include originating, connecting, and "through" passengers on scheduled and nonscheduled international flights. Not included are passengers who board domestic flights to U.S. gateway airports where they connect to international flights.

(a) Mexico, Central America, South America, and the Caribbean.
(b) Data are for the 12 months ended September 30, 2015.

Source: U.S. DOT, Schedule T100.

Cargo

Dulles is an important cargo airport, ranking 12th among U.S. airports in terms of international cargo weight for the 12 months ended September 30, 2015, according to data filed by the airlines with the U.S. DOT.

As shown in Table 36, between 2000 and 2015, domestic cargo weight at Dulles decreased 61.5%, while international cargo weight (virtually all carried by the passenger airlines) increased 19.6%, for a combined decrease of 31.6%. The decrease in domestic cargo weight, both at Dulles and nationwide, is attributable to a number of factors including post-September 2001 security restrictions on the carriage of freight and mail on passenger aircraft and the increased use of time-definite ground transportation modes as the relative operating economics of air and truck modes have changed.

Cargo activity at Dulles is dominated by United and FedEx, which together handled 51.0% of the cargo weight in 2015. Third-ranking UPS accounted for 5.7%.

Aircraft Operations

Historical aircraft departures, enplaned passenger load factor, and average seats per aircraft departure at Dulles are shown in Table 40. The number of commercial operations (landings and takeoffs by passenger and all-cargo aircraft) at Dulles decreased an average of 3.4% per year between 2000 and 2015, compared with an average increase of 0.5% per year in the number of enplaned passengers over the same period. This difference reflects the average number of seats per aircraft departure increasing from 85 to 114 due to a changing fleet mix at Dulles, and the average enplaned passenger load factor increasing substantially from 61.7% to 82.3%, over the same period.

The number of all-cargo aircraft operations at Dulles in 2015 was less than half the number in 2000. The average landed weight per aircraft for all-cargo aircraft operating at Dulles increased 26.3% over the same period, with the net result that all-cargo aircraft landed weight in 2015 was 37.9% lower than in 2000.

Table 36
HISTORICAL AIR CARGO WEIGHT
Dulles International Airport
(millions of pounds)

	Domestic			International			Total		
Year	Passenger	All-cargo	Total	Passenger	All-cargo	Total	Passenger	All-cargo	Total
2000	262.5	268.8	531.3	310.6	--	310.6	573.1	268.8	842.0
2007	116.0	237.6	353.6	433.7	0.6	434.3	549.8	238.1	787.9
2008	103.6	208.3	311.9	420.0	0.1	420.2	523.6	208.4	732.0
2009	94.2	176.7	270.9	372.5	0.3	372.8	466.8	177.0	643.7
2010	114.4	175.0	289.4	441.1	0.1	441.2	555.6	175.0	730.6
2011	86.3	175.8	262.1	403.0	0.8	403.8	489.3	176.6	665.9
2012	67.2	177.8	245.1	342.7	1.3	344.0	409.9	179.1	589.0
2013	39.7	166.5	206.2	348.7	1.7	350.4	388.4	168.2	556.6
2014	39.8	156.8	196.5	391.4	1.4	392.8	431.2	158.2	589.4
2015	48.1	156.2	204.3	369.0	2.7	371.6	417.1	158.9	576.0
	Annual percent increase (decrease)								
2000-2007	(55.8%)	(1.7%)	(5.7%)	4.9%	n.a.	4.9%	(0.6%)	(1.7%)	(0.9%)
2007-2015	(58.6)	(34.2)	(42.2)	(14.9)	377.5	(14.4)	(24.1)	(33.3)	(26.9)
2014-2015	20.9	(0.3)	4.0	(5.7)	90.5	(5.4)	(3.3)	0.5	(2.3)
2000-2015	(81.7)	(41.9)	(61.5)	18.8	n.a.	19.6	(27.2)	(40.9)	(31.6)
	Share of Airport total								
2000	31.2%	31.9%	63.1%	36.9%	-	36.9%	68.1%	31.9%	100.0%
2007	14.7	30.2	44.9	55.0	0.1	55.1	69.8	30.2	100.0
2015	8.3	27.1	35.5	64.1	0.5	64.5	72.4	27.6	100.0

n.a. = not applicable.

Notes: Sum of enplaned and deplaned freight and mail. Excludes air cargo carried on military and general aviation flights. Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

Source: Metropolitan Washington Airports Authority records.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

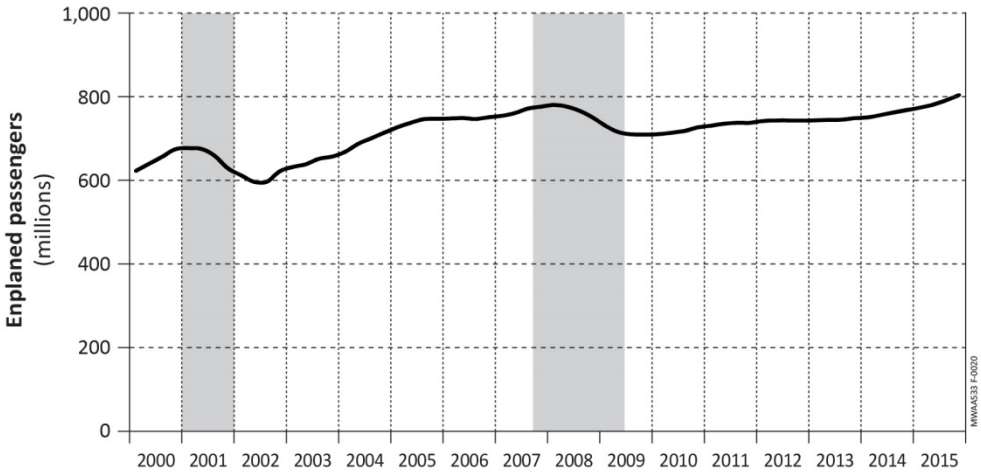
In addition to the demographics and economy of the Airports service region, as discussed earlier, key factors that will affect future airline traffic at the Airports include:

- Economic and political conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airports

Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated on Figure 12, recessions in the U.S. economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and coincided with reduced airline travel in those years.

Figure 12
HISTORICAL ENPLANED PASSENGERS ON U.S. AIRLINES



Note: Data shown are 12-month moving averages of monthly enplaned passengers on scheduled and nonscheduled flights to domestic and international destinations. Shaded quarters indicate economic recession during all or part of the quarter.

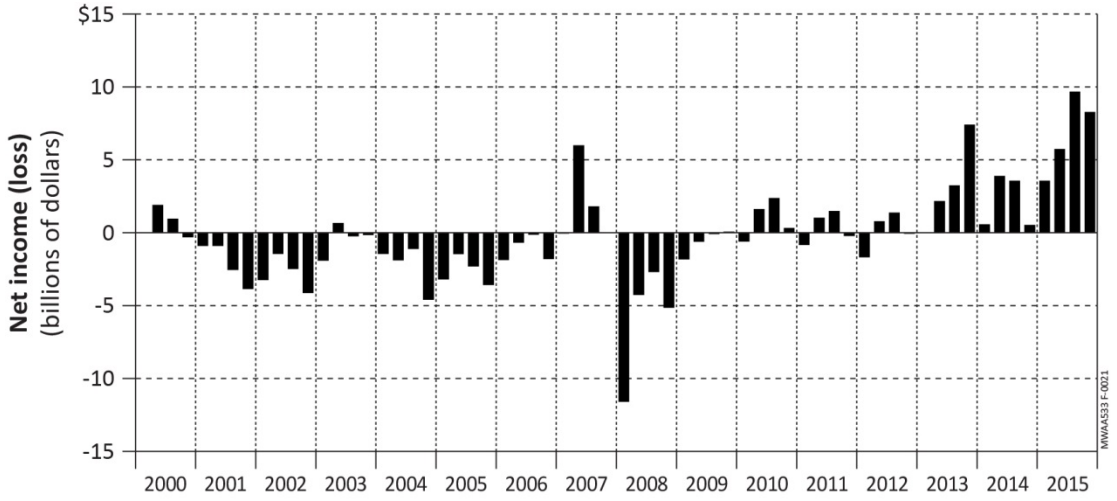
Source: U.S. DOT, Bureau of Transportation Statistics, T100 Market and Segment.

With the globalization of business and the increased importance of international trade and tourism, the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at major U.S. airports. Sustained future increases in passenger traffic at the Airports will depend on stable international conditions as well as national and global economic growth.

Financial Health of the Airline Industry

The number of passengers at the Airports will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines, particularly United and American, to make the necessary investments to provide service. Figure 13 shows historical net income for U.S. airlines.

Figure 13
NET INCOME FOR U.S. AIRLINES



Note: Includes scheduled service on U.S.-flag arlines only.

Source: U.S. DOT, Bureau of Transportation Statistics, F41 Schedule P12 data.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced huge financial losses. In 2001 through 2006, the major U.S. passenger airlines collectively recorded net losses of approximately $46 billion. To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. Between 2002 and 2005, Delta, Northwest, United, and US Airways all filed for bankruptcy protection and restructured their operations.

In 2007, the U.S. passenger airline industry as a whole was profitable, recording net income of approximately $7 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels, the industry experienced a profitability crisis. In 2008 and 2009, the U.S. passenger airline industry recorded net losses of approximately $26 billion. The industry responded by, among other actions, grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares. Between 2007 and 2009, the U.S. passenger airlines collectively reduced domestic capacity (as measured by available seat-miles) by approximately 10%.

From 2010 to 2013, the U.S. passenger airline industry as a whole recorded net income of approximately $18 billion, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, recording high load factors, and increasing ancillary revenues. Between 2009 and 2013, the airlines collectively increased domestic seat-mile capacity by an average of 1.0% per year. American filed for bankruptcy protection in 2011. In 2014, the U.S. passenger airline industry reported net income of $9 billion, assisted by reduced fuel prices in the second half of the year (as discussed in the later section, "Availability and Price of Aviation Fuel"). In 2015, the industry then achieved record net income of $27 billion as fuel prices decreased further, demand remained strong, and capacity control allowed average fares to remain high.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices. Consolidation of the U.S. airline industry has resulted from the acquisition of Trans World by American (2001), the merger of US Airways and America West (2005), the merger of Delta and Northwest (2009), the merger of United and Continental (2010), the acquisition of AirTran by Southwest (2011), and the merger of American and US Airways (2013).

Such consolidation has resulted in four airlines (American, Delta, Southwest, and United) and their regional affiliates now accounting for approximately 80% of domestic seat-mile capacity. The consolidation is expected by airline industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide. In April 2016, Alaska Air Group, parent of Alaska Airlines, announced that it will acquire Virgin America Airlines. In 2015, the two airlines together accounted for 6.6% of domestic U.S. airline industry seat-mile capacity. The proposed acquisition is subject to regulatory approval.

Airline Service and Routes

The Airports accommodate travel demand to and from the Airports service region and serve as connecting hubs. The number of origin and destination passengers at the Airports depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided at the Airports and at other competing airports. The number of connecting passengers, on the other hand, depends entirely on the airline fares and service provided at the Airports.

The large airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been drastically reduced at many former connecting hub airports, including those serving St. Louis (American, 2003-2005), Dallas-Fort Worth (Delta, 2005), Pittsburgh (US Airways, 2006-2008), Las Vegas (US Airways, 2007-2010), Cincinnati (Delta, 2009-2011), Memphis (Delta, 2011-2013), and Cleveland (United, 2014).

As discussed in earlier sections, Dulles serves as a primary connecting hub and international gateway for United, while Reagan serves as a secondary connecting airport for American. As a result, much of the connecting passenger traffic at the Airports results from the route networks and flight schedules of United and, to a lesser extent, American, rather than the economy of the Airports service region. If United were to reduce connecting service at Dulles, such service would not necessarily be replaced by other airlines, although reductions in service by any airline would create business opportunities for others. Given the slot constraints at Reagan, any reduction in seat capacity devoted by American to connecting passengers would likely be offset to some extent by increased use of such capacity for originating passengers. Hypothetical reductions in passenger traffic as a result of reduced connecting airline service at the Airports are discussed in the later section "Stress Test Forecasts."

Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips for which automobile and other surface travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airports, will depend, in part, on the level of airfares.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for U.S.-flag airlines decreased from 16.1 cents to 13.8 cents per passenger-mile. In 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased to 15.9 cents per passenger-mile. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased and seat capacity was restricted, yields increased to 17.7 cents per passenger-mile by 2015. Beginning in 2006, ancillary charges have been introduced by most airlines for services such as checked baggage, preferred seating, in-flight meals, and entertainment, thereby increasing the effective price of airline travel more than these yield figures indicate.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Figure 14 shows the historical fluctuation in aviation fuel prices since 2000. Beginning in 2003, aviation fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in other oil-producing countries; the growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Fuel prices decreased sharply in the second half of 2008 as demand for oil declined worldwide, but then increased as demand increased.

Between early 2011 and mid-2014, aviation fuel prices were relatively stable, partly as a result of increased oil supply from U.S. domestic production. As of mid-2014, average fuel prices were approximately three times those prevailing at the end of 2003. Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in a precipitous decline in the price of oil and aviation fuel. Decreased demand from China and other developing countries, combined with a continued surplus in the worldwide supply (and the potential for further surpluses from Iran as trade sanctions are lifted) resulted in further reductions in fuel prices in 2015. As shown on Figure 14, the average price of aviation fuel at the end of 2015 was approximately 50% of the price at mid-2014. The reduction in fuel prices is having a positive effect on airline profitability as well as far-reaching implications for the global economy.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term, although, absent unforeseen disruptions, prices are expected to remain low for some time. However, there is widespread agreement that fuel prices are likely to increase over the long term as global energy demand increases in the face of finite oil supplies that are becoming more expensive to extract.

Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

Figure 14
HISTORICAL AVIATION FUEL PRICES

Source: U.S. DOT, Bureau of Transportation Statistics, F41 Schedule P12 data.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips. Public health and safety concerns have also affected airline travel demand from time to time.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening

of passengers and baggage, and deployment of new screening technologies. The TSA also has introduced "pre-check" service to expedite the screening of passengers who have submitted to background checks.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, public health and safety concerns, and international hostilities. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, it can be expected that future demand for airline travel at the Airports will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transportation System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased as a result of reduced numbers of aircraft operations (down approximately 20% between 2007 and 2014), but, as airline travel increases in the future, flight delays and restrictions can be expected.

Capacity of the Airports

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and airport systems, future growth in airline traffic at the Airports will depend on the capacity of the Airports themselves. At Reagan, flights and passenger numbers will be constrained by the availability of airport facilities and the restrictions imposed by the High Density Rule and the Perimeter Rule. At Dulles, existing terminal and airfield facilities have the capacity to accommodate growth in airline traffic well beyond the forecast period covered in this report.

AIRLINE TRAFFIC FORECASTS

Forecasts of airline traffic at the Airports through 2021 were developed on the basis of the economic outlook for the Airports service region, trends in historical airline traffic, and key factors likely to affect future traffic, all as discussed earlier in this report. Forecasts for the Airports included in the FAA's *Terminal Area Forecast* (TAF), issued in January 2016, were also reviewed.

In developing the forecasts in this report, it was assumed that, over the long term, airline traffic at the Airports will increase as a function of growth in the economy of the Airports service region and continued airline service. It was assumed that airline service at the Airports will not be constrained by the availability of aviation fuel, the capacity of the air traffic control system or the Airports, charges for the use

of aviation facilities, or, except for the Perimeter and High Density Rules at Reagan as now in effect, government policies or actions that restrict growth.

The traffic forecasts for both Airports were developed on the basis of the assumptions that:

1. The U.S. economy will experience sustained growth in GDP averaging between 2.0% and 2.5% per year, an average rate of GDP growth generally consistent with that projected by the Congressional Budget Office, as described in the earlier section "Economic Outlook."

2. Despite recent challenges, the economy of the Airports service region will grow at approximately the same rate as the U.S. economy as a whole.

3. Airlines will add service to meet travel demand at the Airports and competition among airlines will ensure competitive airfares for flights from the Airports.

4. A generally stable international political environment and safety and security precautions will ensure airline traveler confidence in aviation without imposing unreasonable inconveniences.

5. There will be no major disruption of airline service or airline travel behavior as a result of international hostilities or terrorist acts or threats.

6. The respective historical roles of Reagan, Dulles, and BWI in accommodating domestic and international airline service will be generally unchanged.

Forecast Passengers for Reagan

Year-to-date and advance schedule filings by the airlines indicate a 1.3% increase in the number of departing seats at Reagan between the first half of 2015 and the first half of 2016 (compared with an estimated nationwide increase of 4.4%).

On the basis of year-to-date passenger traffic reports and advance airline schedules, the number of enplaned passengers at Reagan in 2016 is forecast to be 11.75 million, up 2.2% from the number enplaned in 2015.

In forecasting enplaned passengers at Reagan between 2016 and 2021, it was assumed that:

- American will continue to operate the airport as a secondary connecting point in its route network.

- Any future changes to the High Density and Perimeter rules will result in no material increase or decrease in the number of landing and takeoff slots or the average size of aircraft accommodated.
- There will be no further swapping of slots among airlines, such as those which contributed to the surge in passengers between 2014 and 2016.
- Passenger load factors and aircraft seating capacity will increase only modestly.

Between 2016 and 2021, the number of enplaned passengers at Reagan is forecast to increase an average of 0.9% per year, lower than the average rate for the airport forecast by the FAA in the TAF (2.2% per year). A higher rate of growth is not unusual in passenger forecasts related to facility planning, such as the TAF, compared with forecasts such as the one presented herein, which was developed for financial planning purposes.

The number of enplaned passengers at Reagan is forecast to be 12.3 million in 2021, an increase of 7.0% over the 2015 number. Connecting passengers are forecast to account for the same share of enplaned passengers in 2021 (16.0%) that they did in 2015. Table 37 presents historical and forecast enplaned passengers at Reagan by originating and connecting components, and provides domestic and international subtotals.

Forecast Aircraft Departures and Landed Weight for Reagan

Table 38 shows forecasts of aircraft departures and landed weight at Reagan, which were derived from the passenger forecasts using assumed trends in average seat occupancy, aircraft seat capacity, and aircraft size.

Between 2015 and 2021, average aircraft seating capacity at Reagan was assumed to increase. The number of aircraft departures is forecast to increase an average of 0.8% per year and landed weight is forecast to increase an average of 1.0% per year.

Table 37

HISTORICAL AND FORECAST ENPLANED PASSENGERS

Reagan National Airport

(passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

	Passengers enplaned on domestic flights					Passengers enplaned on international flights				
		Connecting from:								
Year	Originating *(a)*	Domestic flights	International flights	Connecting total	Total	Originating *(b)*	Connecting from domestic flights	Total	Total originating passengers	Total enplaned passengers
Historical										
2000	6,867	843	16	859	7,726	112	17	129	6,979	7,855
2007	7,565	1,548	32	1,580	9,146	123	26	149	7,688	9,294
2008	7,114	1,687	35	1,723	8,836	112	29	141	7,226	8,978
2009	7,063	1,542	28	1,571	8,634	109	24	133	7,173	8,767
2010	7,339	1,525	27	1,552	8,891	116	29	144	7,454	9,036
2011	7,657	1,548	32	1,580	9,237	98	28	126	7,755	9,363
2012	7,966	1,600	41	1,640	9,607	142	40	181	8,108	9,788
2013	8,190	1,755	49	1,804	9,994	152	52	204	8,342	10,198
2014	8,600	1,619	40	1,659	10,259	156	44	200	8,756	10,458
2015	9,481	1,788	29	1,817	11,298	169	29	198	9,651	11,496
Forecast										
2016	9,720	1,825	25	1,850	11,570	155	25	180	9,875	11,750
2017	9,845	1,845	26	1,870	11,715	160	26	185	10,005	11,900
2018	9,925	1,859	26	1,885	11,810	164	26	190	10,089	12,000
2019	10,005	1,874	27	1,900	11,905	169	27	195	10,174	12,100
2020	10,085	1,888	27	1,915	12,000	173	27	200	10,258	12,200
2021	10,165	1,903	28	1,930	12,095	178	28	205	10,343	12,300

Table 37 *(page 2 of 2)*
HISTORICAL AND FORECAST ENPLANED PASSENGERS
Reagan National Airport
(passengers in thousands)

Year	Passengers enplaned on domestic flights					Passengers enplaned on international flights			Total originating passengers	Total enplaned passengers
		Connecting from:								
	Originating *(a)*	Domestic flights	International flights	Connecting total	Total	Originating *(b)*	Connecting from domestic flights	Total		
	Average annual percent increase (decrease)									
Historical										
2000-2015	2.2%	5.1%	3.9%	5.1%	2.6%	2.8%	3.5%	2.9%	2.2%	2.6%
Forecast										
2015-2016	2.5%	2.1%	(13.4%)	1.8%	2.4%	(8.4%)	(12.5%)	(9.0%)	2.3%	2.2%
2016-2017	1.3	1.1	2.0	1.1	1.3	2.9	2.0	2.8	1.3	1.3
2017-2018	0.8	0.8	2.0	0.8	0.8	2.8	2.0	2.7	0.8	0.8
2018-2019	0.8	0.8	1.9	0.8	0.8	2.7	1.9	2.6	0.8	0.8
2019-2020	0.8	0.8	1.9	0.8	0.8	2.7	1.9	2.6	0.8	0.8
2020-2021	0.8	0.8	1.9	0.8	0.8	2.6	1.9	2.5	0.8	0.8
2015-2021	1.2	1.0	(0.8)	1.0	1.1	0.8	(0.6)	0.6	1.2	1.1

Notes: Excludes passengers enplaned on general aviation and military flights. Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. Originating/connecting data for 2015 were estimated based on 3 quarters of actual data.

(a) Category includes domestic originating passengers, international originating passengers that boarded domestic flights at Reagan National Airport bound for international destinations via other U.S. gateway airports, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) Category includes international originating passengers on scheduled flights, along with small numbers of passengers on charter flights, nonrevenue passengers, and international-to-international connections.

Sources: Historical: Metropolitan Washington Airports Authority records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: LeighFisher, March 2016.

Table 38

HISTORICAL AND FORECAST AIRCRAFT DEPARTURES AND LANDED WEIGHT

Reagan National Airport

(passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

Year	Enplaned passengers	Load factor *(a)*	Departing seats	Average seats per departure	Aircraft departures			Average landed weight per departure (pounds)		Total landed weight (millions of pounds)		
					Passenger	All-cargo	Total	Passenger	All-cargo	Passenger	All-cargo	Total
Historical												
2000	7,855	59.1%	13,293	107.2	123,990	--	123,990	100,009	--	12,400	--	12,400
2007	9,294	72.0%	12,900	95.7	134,819	--	134,819	94,347	--	12,720	--	12,720
2008	8,978	69.9	12,853	94.9	135,468	85	135,553	93,520	198,000	12,669	17	12,686
2009	8,767	71.1	12,330	93.0	132,608	198	132,806	90,715	198,000	12,029	39	12,069
2010	9,036	72.6	12,438	94.0	132,390	199	132,589	91,065	198,000	12,056	39	12,095
2011	9,363	72.2	12,964	94.1	137,758	201	137,959	91,529	198,000	12,609	40	12,649
2012	9,788	75.2	13,010	93.0	139,886	198	140,084	91,306	198,000	12,772	39	12,812
2013	10,198	76.6	13,319	93.4	142,623	--	142,623	92,181	--	13,147	--	13,147
2014	10,458	79.3	13,190	95.4	138,297	--	138,297	93,470	--	12,927	--	12,927
2015	11,496	79.9	14,383	100.5	143,169	--	143,169	97,104	--	13,902	--	13,902
Forecast												
2016	11,750	78.8%	14,903	100.8	147,900	--	147,900	97,382	--	14,403	--	14,403
2017	11,900	79.5	14,978	101.0	148,300	--	148,300	97,623	--	14,478	--	14,478
2018	12,000	79.7	15,056	101.3	148,700	--	148,700	97,865	--	14,553	--	14,553
2019	12,100	80.0	15,133	101.5	149,100	--	149,100	98,107	--	14,628	--	14,628
2020	12,200	80.2	15,210	101.8	149,500	--	149,500	98,348	--	14,703	--	14,703
2021	12,300	80.5	15,286	102.0	149,900	--	149,900	98,590	--	14,779	--	14,779

Table 38 *(page 2 of 2)*

HISTORICAL AND FORECAST AIRCRAFT DEPARTURES AND LANDED WEIGHT

Reagan National Airport

(passengers in thousands)

Year	Enplaned passengers	Load factor *(a)*	Departing seats	Average seats per departure	Aircraft departures			Average landed weight per departure (pounds)		Total landed weight (millions of pounds)		
					Passenger	All-cargo	Total	Passenger	All-cargo	Passenger	All-cargo	Total
	Average annual percent increase (decrease)											
Historical												
2000-2015	2.6%		0.5%		1.0%	n.a.	1.0%	(0.2%)	n.a.	0.8%	n.a.	0.8%
Forecast												
2015-2016	2.2%		3.6%		3.3%	n.a.	3.3%	0.3%	n.a.	3.6%	n.a.	3.6%
2016-2021	0.9		0.5		0.3	n.a.	0.3	0.2	n.a.	0.5	n.a.	0.5
2015-2021	1.1		1.0		0.8	n.a.	0.8	0.3	n.a.	1.0	n.a.	1.0

n.a.=not available.

Notes: Includes a small amount of landed weight on general aviation flights. Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) Load factor calculated for enplaned passengers (excluding "through" passengers).

Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, Schedule T100; OAG Aviation Worldwide Ltd., OAG Analyser database, accessed February 2016.
Forecast: LeighFisher, March 2016.

Forecast Passengers for Dulles

Year-to-date and advance schedule filings by the airlines indicate a 0.3% increase in the number of departing seats at Dulles between the first half of 2015 and the first half of 2016 (compared with an estimated nationwide increase of 4.4%). The number of departing seats on United shows a 2.3% increase.

On the basis of year-to-date passenger traffic reports and advance airline schedules, the number of enplaned passengers at Dulles in 2016 is forecast to be 10.8 million, up 0.8% from the number enplaned in 2015.

In forecasting enplaned passengers at Dulles between 2016 and 2021, it was assumed that:

- United will continue to operate a connecting hub and international gateway at the airport.
- The role of Dulles as the primary provider of domestic long-haul and international airline service for the region served by the Airports and BWI will be unchanged.
- No change will occur to the competitive position of the airport relative to competing U.S. airports as a gateway for international passengers.

In the long term, it is expected that most of the increase in domestic passenger demand generated by economic growth in the Airports service region will be accommodated at Dulles. This increase in demand is expected partly because capacity constraints and operating restrictions at Reagan will limit future increases in passenger numbers at that airport and partly because much of the increase in the population of the region is forecast to occur in the outer Virginia suburbs for which Dulles is more easily accessible. Extension of the Metrorail Silver Line to Dulles, expected to be operational in 2020, will further improve ground access. Between 2016 and 2021, the number of enplaned passengers is forecast to increase an average of 2.1% per year, lower than the average rate for Dulles forecast by the FAA in the TAF (2.6% per year). A higher rate of growth is not unusual in passenger forecasts related to facility planning, such as the TAF, compared with forecasts such as the one presented herein, which was developed for financial planning purposes.

The number of enplaned passengers at Dulles is forecast to be 12.0 million in 2021, an increase of 12.0% from 2015. Connecting passengers are forecast to account for the same share of enplaned passengers in 2021 (35.0%) as in 2016. Table 39 presents historical and forecast enplaned passengers at Dulles by originating and connecting components and provides domestic and international subtotals. Table 40 presents historical and forecast aircraft departures and landed weight.

Forecast Aircraft Departures and Landed Weight for Dulles

The forecasts of aircraft departures and landed weight at Dulles shown in Table 40 were derived from the passenger forecasts using assumed trends in average seat occupancy, aircraft seat capacity, and aircraft size.

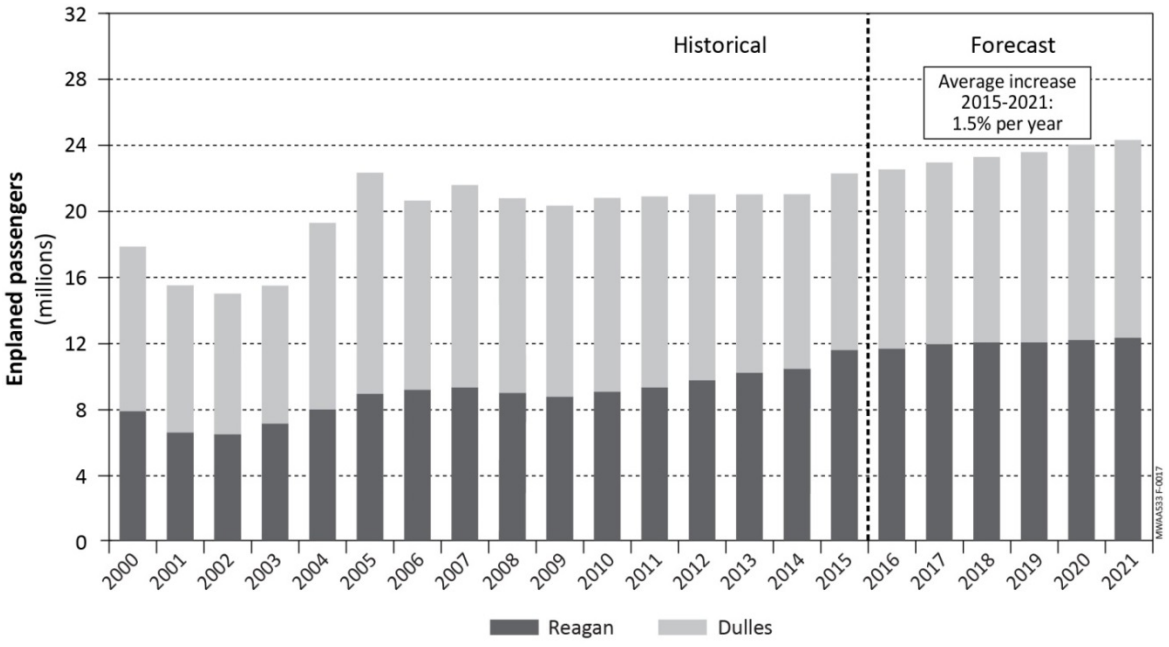
Between 2015 and 2021, average aircraft seating capacity and passenger load factors at Dulles were assumed to increase. The number of aircraft departures is forecast to increase an average of 1.4% per year and landed weight is forecast to increase an average of 1.6% per year.

Forecast Passengers for Both Airports

Figure 15 shows that the combined number of enplaned passengers at Reagan and Dulles is forecast to increase an average of 1.5% per year between 2015 and 2021. Largely as a result of the slot transfers at Reagan, the net traffic growth for the two-Airports system between 2014 and 2016 is forecast to occur at that airport. Beginning in 2017, most passenger growth for the two-Airports system is forecast to occur at Dulles.

Figure 15
HISTORICAL AND FORECAST ENPLANED PASSENGERS
Reagan National and Dulles International Airports

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.



Sources: Historical: Metropolitan Washington Airports Authority records.
Forecast: LeighFisher, March 2016.

Table 39

HISTORICAL AND FORECAST ENPLANED PASSENGERS

Dulles International Airport

(passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

	Passengers enplaned on domestic flights					Passengers enplaned on international flights				
		Connecting from:								
Year	Originating *(a)*	Domestic flights *(a)*	International flights	Connecting total	Total	Originating *(b)*	Connecting from domestic flights	Total	Total originating passengers	Total enplaned passengers
Historical										
2000	5,640	1,592	656	2,249	7,888	1,408	675	2,083	7,048	9,972
2007	5,895	2,399	1,019	3,418	9,313	1,918	1,042	2,960	7,813	12,274
2008	5,298	2,364	1,081	3,445	8,743	2,011	1,104	3,115	7,309	11,858
2009	4,892	2,425	1,113	3,538	8,430	1,999	1,118	3,117	6,891	11,547
2010	4,947	2,460	1,158	3,618	8,565	2,023	1,155	3,177	6,969	11,742
2011	4,712	2,401	1,148	3,550	8,261	2,112	1,145	3,257	6,823	11,518
2012	4,470	2,317	1,068	3,385	7,855	2,233	1,084	3,318	6,703	11,173
2013	4,215	2,101	1,080	3,182	7,397	2,381	1,083	3,464	6,596	10,861
2014	4,254	1,869	990	2,859	7,112	2,554	1,013	3,567	6,807	10,679
2015	4,536	1,680	923	2,603	7,139	2,632	943	3,575	7,168	10,714
Forecast										
2016	4,350	1,850	950	2,800	7,150	2,675	975	3,650	7,025	10,800
2017	4,375	1,900	975	2,875	7,250	2,750	1,000	3,750	7,125	11,000
2018	4,475	1,925	1,000	2,925	7,400	2,825	1,025	3,850	7,300	11,250
2019	4,575	1,950	1,025	2,975	7,550	2,900	1,050	3,950	7,475	11,500
2020	4,675	1,975	1,050	3,025	7,700	2,975	1,075	4,050	7,650	11,750
2021	4,775	2,000	1,075	3,075	7,850	3,050	1,100	4,150	7,825	12,000

Table 39 *(page 2 of 2)*
HISTORICAL AND FORECAST ENPLANED PASSENGERS
Dulles International Airport
(passengers in thousands)

	Passengers enplaned on domestic flights					Passengers enplaned on international flights				
		Connecting from:								
Year	Originating *(a)*	Domestic flights *(a)*	International flights	Connecting total	Total	Originating *(b)*	Connecting from domestic flights	Total	Total originating passengers	Total enplaned passengers
	Average annual percent increase (decrease)									
Historical										
2000-2015	(1.4%)	0.4%	2.3%	1.0%	(0.7%)	4.3%	2.3%	3.7%	0.1%	0.5%
Forecast										
2015-2016	(4.1%)	10.1%	2.9%	7.6%	0.2%	1.6%	3.4%	2.1%	(2.0%)	0.8%
2016-2017	0.6	2.7	2.6	2.7	1.4	2.8	2.6	2.7	1.4	1.9
2017-2018	2.3	1.3	2.6	1.7	2.1	2.7	2.5	2.7	2.5	2.3
2018-2019	2.2	1.3	2.5	1.7	2.0	2.7	2.4	2.6	2.4	2.2
2019-2020	2.2	1.3	2.4	1.7	2.0	2.6	2.4	2.5	2.3	2.2
2020-2021	2.1	1.3	2.4	1.7	1.9	2.5	2.3	2.5	2.3	2.1
2015-2021	0.9	2.9	2.6	2.8	1.6	2.5	2.6	2.5	1.5	1.9

Notes: Excludes passengers enplaned on general aviation and military flights. Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. Originating/connecting data for 2015 were estimated based on 3 quarters of actual data.

(a) Category includes domestic originating passengers, international originating passengers that boarded domestic flights at Dulles International Airport bound for international destinations via other U.S. gateway airports, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) Category includes international originating passengers on scheduled flights, along with small numbers of passengers on charter flights, nonrevenue passengers, and international-to-international connections, if any.

Sources: Historical: Metropolitan Washington Airports Authority records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: LeighFisher, March 2016.

Table 40

HISTORICAL AND FORECAST AIRCRAFT DEPARTURES AND LANDED WEIGHT

Dulles International Airport

(passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

Year	Enplaned passengers	Load factor *(a)*	Departing seats	Average seats per departure	Aircraft departures			Average landed weight per departure (pounds)		Total landed weight (millions of pounds)		
					Passenger	All-cargo	Total	Passenger	All-cargo	Passenger	All-cargo	Total
Historical												
2000	9,972	61.7%	16,168	84.6	191,093	3,564	194,657	87,817	222,230	16,781	792	17,573
2007	12,274	78.2	15,688	100.1	156,678	2,111	158,789	124,377	277,839	19,487	587	20,074
2008	11,858	76.5	15,507	103.2	150,239	2,091	152,330	126,138	273,438	18,951	572	19,523
2009	11,547	77.9	14,825	102.9	144,136	1,653	145,789	127,521	261,368	18,380	432	18,812
2010	11,742	79.9	14,702	103.3	142,289	1,738	144,027	129,975	259,837	18,494	452	18,946
2011	11,518	80.0	14,400	104.0	138,400	1,699	140,099	131,311	266,225	18,174	452	18,626
2012	11,173	80.7	13,845	104.4	132,666	1,727	134,393	130,801	271,966	17,353	470	17,822
2013	10,861	80.1	13,554	103.4	131,071	1,737	132,807	127,891	282,833	16,763	491	17,254
2014	10,679	81.8	13,054	106.0	123,188	1,751	124,939	131,726	277,169	16,227	485	16,712
2015	10,714	82.3	13,023	114.3	113,980	1,751	115,731	140,536	280,723	16,018	492	16,510
Forecast												
2016	10,800	81.8%	13,208	114.5	115,400	1,680	117,080	140,839	294,500	16,253	495	16,748
2017	11,000	82.2	13,388	114.8	116,700	1,690	118,390	141,147	295,000	16,472	499	16,970
2018	11,250	82.5	13,636	115.0	118,600	1,700	120,300	141,454	295,500	16,777	502	17,279
2019	11,500	82.8	13,882	115.3	120,500	1,710	122,210	141,762	296,000	17,082	506	17,588
2020	11,750	83.2	14,127	115.5	122,300	1,720	124,020	142,070	296,500	17,375	510	17,885
2021	12,000	83.5	14,369	115.8	124,100	1,730	125,830	142,377	297,000	17,669	514	18,183

Table 40 *(page 2 of 2)*

HISTORICAL AND FORECAST AIRCRAFT DEPARTURES AND LANDED WEIGHT

Dulles International Airport

(passengers in thousands)

Year	Enplaned passengers	Load factor *(a)*	Departing seats	Average seats per departure	Aircraft departures			Average landed weight per departure (pounds)		Total landed weight (millions of pounds)		
					Passenger	All-cargo	Total	Passenger	All-cargo	Passenger	All-cargo	Total
	Average annual percent increase (decrease)											
Historical												
2000-2015	0.5%		(1.4%)		(3.4%)	(4.6%)	(3.4%)	3.2%	1.6%	(0.3%)	(3.1%)	(0.4%)
Forecast												
2015-2016	0.8%		1.4%		1.2%	(4.1)%	1.2%	0.2%	4.9%	1.5%	0.7%	1.4%
2016-2021	2.1		1.7		1.5	0.6	1.5	0.2	0.2	1.7	0.8	1.7
2015-2021	1.9		1.7		1.4	(0.2)	1.4	0.2	0.9	1.6	0.7	1.6

n.a. = not available.

Notes: Includes a small amount of landed weight on general aviation flights. Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) Load factor calculation based on enplaned passengers (excluding "through" passengers).

Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, Schedule T100; OAG Aviation Worldwide Ltd., online database, accessed February 2016.
Forecast: LeighFisher, March 2016.

Stress Test Forecasts

Stress test forecasts of enplaned passengers were developed to provide the basis for conducting a test of the Airports Authority's financial results to hypothetical reductions in passenger numbers, such as could occur under conditions of weak economic growth or recession, restricted seat capacity, high airfares, and reduced connecting airline service that may result from changes in airline network strategies. For both Airports, relative to the base forecast for 2021, originating passenger numbers are forecast to be 10% lower and connecting passenger numbers are forecast to be 30% lower.

For Reagan, the number of enplaned passengers for the stress test in 2021 is forecast to be 10.7 million, compared with 12.3 million for the base forecast. Connecting passengers account for approximately 13% of the 2021 total for the stress test forecast, compared with 16% for the base forecast.

For Dulles, the number of enplaned passengers for the stress test for 2021 is forecast to be 10.0 million, compared with 12.0 million for the base forecast. Connecting passengers account for approximately 29% of the 2021 total for the stress test forecast, compared with 35% for the base forecast.

Table 41 presents the stress test forecasts relative to the base forecasts. Figure 16 and Figure 17 depict the stress test forecasts graphically for Reagan and Dulles, respectively. As shown in Figure 16, for Reagan, stress test passenger numbers forecast for 2021 are close to the numbers in 2014, prior to the recent increase in passenger traffic related to American slot transfers. As shown in Figure 17, for Dulles, stress test passenger numbers forecast for 2021 are close to the numbers in 2000, the year before the 2001 economic recession.

Table 41

BASE CASE AND STRESS TEST PASSENGER FORECASTS

Reagan National and Dulles International Airports

(passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

	Actual		Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021
Reagan								
Base case								
Enplaned passengers	10,458	11,496	11,750	11,900	12,000	12,100	12,200	12,300
Originating passengers	8,756	9,651	9,875	10,005	10,089	10,174	10,258	10,343
Connecting passengers	1,703	1,845	1,875	1,896	1,911	1,927	1,942	1,958
Stress test								
Enplaned passengers	10,458	11,496	11,750	11,200	10,675	10,675	10,675	10,675
Originating passengers	8,756	9,651	9,875	9,575	9,300	9,300	9,300	9,300
Connecting passengers	1,703	1,845	1,875	1,625	1,375	1,375	1,375	1,375
Percent reduction from Base								
Enplaned passengers	--	--	--	(6%)	(11%)	(12%)	(13%)	(13%)
Originating passengers	--	--	--	(4)	(8)	(9)	(9)	(10)
Connecting passengers	--	--	--	(14)	(28)	(29)	(29)	(30)
Dulles								
Base case								
Enplaned passengers	10,679	10,714	10,800	11,000	11,250	11,500	11,750	12,000
Originating passengers	6,807	7,168	7,025	7,125	7,300	7,475	7,650	7,825
Connecting passengers	3,872	3,546	3,775	3,875	3,950	4,025	4,100	4,175
Stress test								
Enplaned passengers	10,679	10,714	10,800	10,375	9,950	9,950	9,950	9,950
Originating passengers	6,807	7,168	7,025	7,025	7,025	7,025	7,025	7,025
Connecting passengers	3,872	3,546	3,775	3,350	2,925	2,925	2,925	2,925
Percent reduction from Base								
Enplaned passengers	--	--	--	(6%)	(12%)	(13%)	(15%)	(17%)
Originating passengers	--	--	--	(1)	(4)	(6)	(8)	(10)
Connecting passengers	--	--	--	(14)	(26)	(27)	(29)	(30)

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. Originating/connecting data for 2015 were estimated based on 3 quarters of actual data.

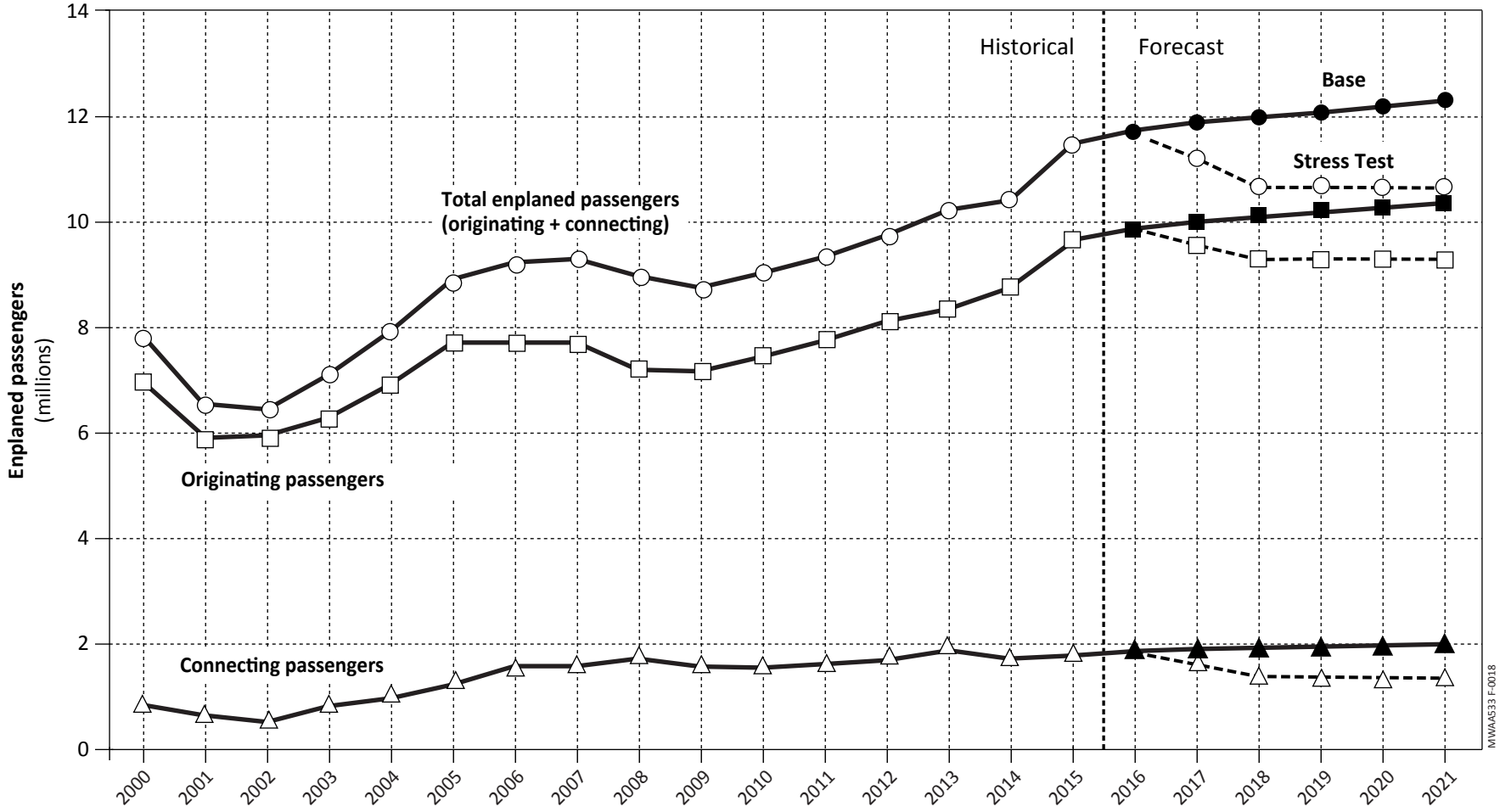
Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: LeighFisher, March 2016.

Figure 16

BASE AND STRESS TEST FORECASTS OF ENPLANED PASSENGERS

Reagan National Airport

The forecasts presented in this figure were prepared using the information and assumptions described in the accompanying text.
Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur.
Therefore, there will be differences between the forecast and actual results, and those differences may be material.



Note: Originating/connecting data for 2015 were estimated based on 3 quarters of actual data.

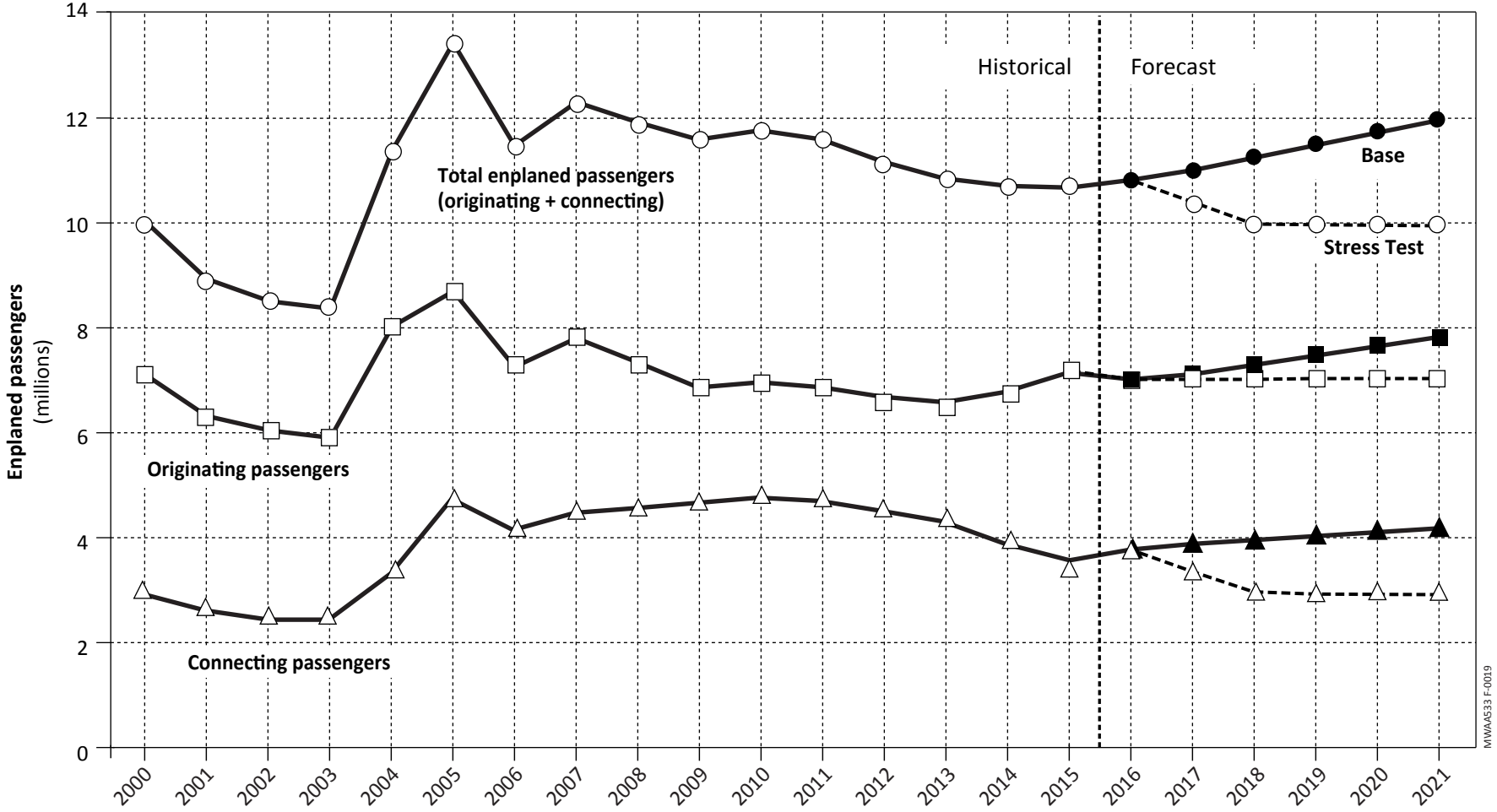
Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: LeighFisher, March 2016.

Figure 17

BASE AND STRESS TEST FORECASTS OF ENPLANED PASSENGERS

Dulles International Airport

The forecasts presented in this figure were prepared using the information and assumptions described in the accompanying text.
Inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur.
Therefore, there will be differences between the forecast and actual results, and those differences may be material.



Note: Originating/connecting data for 2015 were estimated based on 3 quarters of actual data.

Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: LeighFisher, March 2016.

FINANCIAL ANALYSIS

FRAMEWORK FOR AIRPORTS AUTHORITY'S FINANCIAL OPERATIONS

The Airports Authority operates the Airports under the Aviation Enterprise Fund with a staff of approximately 1,210, including airport police and fire employees. The financial operations of the Aviation Enterprise Fund are accounted for separately for each of the two Airports. The Airports Authority operates the Dulles Corridor Enterprise with approximately 60 employees, and consolidated functions provided for the Airports Enterprise and the Dulles Corridor Enterprise account for approximately 340 additional employees.

Indenture

The financial operations of the Aviation Enterprise Fund are governed in large part by the Indenture authorizing the issuance of Airport System Revenue Bonds. As described in the letter at the beginning of this report, the Airports Authority covenants in the Rate Covenant of the Indenture that it will fix and adjust fees and charges for the use of the Airports so as to ensure that all funding requirements of the Indenture are met and that Net Revenues are at least 125% of Annual Debt Service.

The Indenture also prescribes the application of Revenues and Designated Passenger Facility Charges to the funds and accounts established under the Indenture, as described in the later sections "Application of Revenues" and "Application of Designated Passenger Facility Charges."

Airline Agreement

Effective January 2015, the Airports Authority and airlines accounting for substantially all of the passengers at the Airports entered into a new Airline Agreement that succeeded an agreement that was in effect from 1990 through 2014. The Airline Agreement provides, among other things, for the use and occupancy of the Airports; the methodologies for calculating Signatory Airline rentals, fees, and charges according to cost-recovery principles; and the majority-in-interest (MII) rights of the Signatory Airlines to approve certain capital expenditures.*

The Airline Agreement provides that the Airports Authority may adjust airline rates to include Extraordinary Coverage Protection Payments to ensure that Net Revenues at each of the Airports are projected to be not less than 125% of the sum of Debt Service on Bonds and Subordinated Bonds, so ensuring that the 125% debt

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*MII is defined in the Airline Agreement to mean, for each of the two Airports, for the Airfield Cost Center, 50% in number of Signatory Airlines and Signatory Cargo Carriers accounting for 60% of the landed weight of such airlines, and for other Signatory Airline Supported Areas, 50% of Signatory Airlines accounting for 60% of terminal rentals, fees, and charges.

service coverage requirement of the Rate Covenant is met. Under the Airline Agreement, revenues from the Dulles Toll Road are excluded from the definition of Revenues.

The Airports Authority shares Net Remaining Revenues (NRR) each year with the Signatory Airlines. In 2012 through 2015, the annual amount of NRR averaged approximately $140 million, shared approximately 31% to the Airports Authority and 69% to the Signatory Airlines. The forecast amounts of NRR and its sharing in accordance with allocation methodology set out in the Airline Agreement is shown in Exhibit F-1 and discussed in the later section "Sharing of Net Remaining Revenues."

The Airports Authority's share of NRR is deposited into the General Purpose Fund and, at the beginning of the next year, transferred into the Capital Fund. Amounts in the Capital Fund may be used at the discretion of the Airports Authority to pay the costs of the Capital Construction Program, other capital improvements, major maintenance and repair projects, equipment acquisitions, and other improvements and operating initiatives. Under the Airline Agreement, the Airports Authority may use its share of NRR generated at Reagan, as available up to agreed-upon maximum amounts, to reduce required rentals, fees, and charges at Dulles in the following year. During the forecast period, such maximum amounts are, as generated in 2014 through 2016, $40 million; in 2017, $35 million; in 2018, $30 million; and in 2019 through 2021, $25 million. (The amounts shown in Exhibit F-1 are the lesser of such maximum amounts or the amounts forecast to be available.)

The Signatory Airlines' share of NRR is deposited into the General Purpose Fund and, at the beginning of the next year, deposited into the Airline Transfer Account and used to reduce rentals, fees, and charges in such year.

The term of the Airline Agreement extends through 2024 at Reagan and through 2017 (extendable through 2024) at Dulles. The Airports Authority and the Signatory Airlines are in the process of negotiating the terms of an extension to the Airline Agreement through 2024 for Dulles. For purposes of this report, it was assumed that the provisions of the current Airline Agreement relating to the calculation of rentals, fees, and charges and the sharing of NRR will be in effect through the forecast period and that the Signatory Airlines will pay all such required rentals, fees, and charges.

Capital, Operating and Maintenance Investment Program

The Airports Authority's Capital, Operating and Maintenance Investment Program (COMIP) provides for various maintenance projects, repairs, equipment acquisitions, improvements, and planning studies as well as the cost of the snow removal program and certain operating initiatives. For 2016, the Airports Authority has budgeted $39 million for new COMIP authorization to be funded from the Capital Fund. In the financial forecasts, it was assumed that the Airports

Authority's share of NRR transferred to the Capital Fund will be adequate to fund all required COMIP costs.

CAPITAL CONSTRUCTION PROGRAMS

The major projects in the CCP that are to be funded in part from the proceeds of the planned 2017 Bonds and 2018-2020 Bonds are listed in Exhibit A. Descriptions of the major CCP elements still to be implemented are provided in the earlier sections "Capital Construction Programs at Reagan" and "Capital Construction Programs at Dulles." Exhibit A also presents estimated project costs and sources of funding. Each of the sources of funding is discussed in the following sections.

Commercial Paper Notes

Exhibit A shows the estimated permanent sources of funding for the CCP. Certain of these amounts will require interim funding pending the receipt of permanent funding. The Airports Authority is authorized to issue Commercial Paper Notes to provide such interim funding and has in place a credit facility allowing draws of up to $200 million of such Notes. The payment of principal and interest on any Commercial Paper Notes is secured by Net Revenues and any other pledged funds on a parity with outstanding Bonds.

As of May 1, 2016, no Commercial Paper Notes were outstanding. For the purposes of this report, no further issuance of Commercial Paper Notes is assumed during the forecast period.

Federal Grants

The Airports Authority is eligible to receive grants-in-aid from the FAA under the Airport Improvement Program (AIP) for up to 75% of the costs of eligible projects. Certain of these grants are awarded as "entitlement" grants, the annual amount of which is calculated on the basis of the number of enplaned passengers and the amount of landed weight of all-cargo aircraft at the Airports. Other, "discretionary" grants are awarded on the basis of the FAA's determination of the priorities for projects at the Airports and at other airports nationwide. In 2010 through 2015, the Airports Authority received an average of approximately $25.6 million annually in AIP entitlement and discretionary grants. The AIP grant program is subject to periodic reauthorization and appropriation by Congress.

The FAA issues letters of intent (LOIs) for multi-year grants, expressing the FAA's intention to obligate funds from future federal budget appropriations. The Airports Authority has received LOI commitments totaling $211.8 million for projects in the 2001-2016 CCP at Dulles, including $200.2 million to fund design and construction of Runway 1L-19R and associated taxiways. Through December 2015, the FAA had allocated $191.2 million of such LOI commitments.

The TSA has determined that $203.0 million of the costs of in-line baggage screening equipment and systems at Dulles International Airport are eligible for

reimbursement from TSA grants. As of December 31, 2015, $191.2 million of such grants had been received.

State Grants

The Commonwealth of Virginia provides grants to Virginia airport operators. In 2010 through 2014, the Airports Authority received an annual average of approximately $2.0 million in such state grants. No additional state grants were assumed for the CCP funding plan shown in Exhibit A.

The Airports Authority expects to receive grants from the Commonwealth of $25 million in each of 2017 and 2018, for a total of $50 million, to reduce required airline payments at Dulles and thereby help to attract and retain airline service. The grants would be conditioned on, among other things, the Airports Authority entering into an agreement with one or more airlines currently operating at Dulles to ensure the retention of domestic hub service at the airport through at least 2024 and adopting an attainable plan for cost reductions. The grant amounts would be applied to reduce the debt service requirements and operating costs included in the calculation of airline rentals, fees, and charges and, as shown in Exhibit E-5, would result in reduced average airline payments per enplaned passenger in 2017 and 2018.

If the grants are not received, projected average airline payments per enplaned passenger would be higher, as shown for the sensitivity test presented in Exhibit H-4.

Passenger Facility Charge (PFC) Revenues

The Airports Authority has received approval from the FAA to impose and use a PFC per eligible enplaned passenger at both Airports. Beginning November 1993 at Reagan, and January 1994 at Dulles, the PFC was $3.00. Effective May 2001, the PFC was increased to $4.50 at both Airports. Under approvals received from the FAA, the Airports Authority is authorized to impose a PFC and to use up to approximately $3.5 billion of PFC Revenues on approved projects. At Reagan, approved projects include upgrades to the runway safety areas and pavement overlays for all three runways and a new aircraft rescue and firefighting facility. At Dulles, approved projects include Runway 1L-19R, the expansion of the IAB, the extension of Concourse B, the construction of the AeroTrain system, and the Dulles Metrorail station.

Under PFC Application 4,* the FAA approved the use of PFC Revenues to pay certain PFC-eligible debt service on Bonds used to fund the AeroTrain and related projects at Dulles. Under PFC Application 6, the FAA approved the use of PFC

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*The PFC Application numbers referenced in this report are as used internally by the Airports Authority. See the notes to Table 42 for the corresponding PFC application identifiers used by the FAA.

Revenues to pay certain PFC-eligible debt service on Bonds used to fund airside projects at Reagan (as well as $233.0 million of pay-as-you-go funding for the Dulles Metrorail station.). The approved PFC collection periods extend to February 2023 for Reagan and December 2038 for Dulles. Table 42 shows the Airport's approved PFC collection and use authority and PFC collections through March 2016.

Table 42
PFC COLLECTION AND USE AUTHORITY
Metropolitan Washington Airports Authority
(dollars in thousands)

PFC Application	Reagan National Airport	Dulles International Airport	Total
1	$166,410	$ 221,917	$ 388,327
2	131,397	72,508	203,905
3	30,728	58,903	89,631
4	146,604	2,089,326	2,235,929
5	124,914	--	124,914
6	425,514	--	425,514
Total PFC collection and use authority			$3,468,221
Less: PFC collections through March 31, 2016			1,431,451
Remaining collection authority as of March 31, 2016			$2,036,770

Notes: Rows and columns may not add to totals shown because of rounding.

Source: Metropolitan Washington Airports Authority.

The PFC Application numbers are as used internally by the Airports Authority. Corresponding PFC application identifiers used by the FAA are as follows:

Application 1: 93-01-C-04-DCA and 93-01-C-05-IAD
Application 2: 98-03-C-04-DCA, 98-04-C-03-DCA, and 98-02-C-03-IAD
Application 3: 02-05-C-01-DCA and 02-04-C-00-IAD
Application 4: 05-06-C-00-DCA and 05-05-C-02-IAD
Application 5: 07-08-C-01-DCA
Application 6: 14-09-C-00-DCA

Exhibits F-2 and F-3 present historical and forecast sources of PFC Revenues at the Airports assuming no change in the PFC from $4.50. PFC Revenues derived from the imposition of the $4.50 PFC at Dulles (but not at Reagan) are defined as Designated Passenger Facility Charges. As shown on the exhibits and discussed in the later section "Application of PFC Revenues," the Airports Authority has committed certain of such Designated Passenger Facility Charges and intends to use additional PFC Revenues to pay PFC-eligible Bond debt service.

Airport System Revenue Bonds

Exhibit B presents the estimated sources and uses of the proposed 2016AB Refunding Bonds, the planned 2017 Bonds, and the planned 2018-2020 Bonds as provided by Frasca & Associates, LLC, the Airports Authority's independent registered municipal advisor.

The 2016A Refunding Bonds are being issued as fixed-rate AMT Bonds to, along with other available funds, (1) refund approximately $153.6 million principal amount of outstanding 2006A Bonds and $284.3 million principal amount of 2006B Bonds, (2) fund a deposit to the Common Reserve Account of the Debt Service Reserve Fund, and (3) pay costs of issuance.

The 2016B Refunding Bonds are being issued as fixed-rate non-AMT Bonds to, along with other available funds, (1) refund approximately $30.1 million principal amount of outstanding 2006C Bonds, (2) fund a deposit to the Common Reserve Account of the Debt Service Reserve Fund, and (3) pay costs of issuance.

The planned 2017 Bonds and 2018-2020 Bonds are assumed to be issued as fixed-rate AMT bonds to (1) pay the costs of completing the CCP in the amounts shown in Exhibit A, (2) fund capitalized interest, (3) fund a deposit to the Debt Service Reserve Fund, and (4) pay costs of issuance.

As shown in Exhibit B, planned 2017 Bonds in the principal amount of $339.0 million are expected to be paid from general Airport System Revenues and are referred to in this report as the 2017A Bonds. Additional planned 2017 Bonds in the principal amount of $399.0 million are expected to be paid from PFC Revenues and are referred to as the 2017B PFC Bonds.

The amounts and dates of future Bond issues are subject to change, and, although the future Bonds to be paid from PFC Revenues are assumed to be issued in one tranche in 2017, such Bonds may be issued in more than one tranche in 2017 and later years.

The Airports Authority may issue additional Refunding Bonds during the forecast period to achieve debt service savings. However, no such issuance of Refunding Bonds was assumed for this report.

ANNUAL DEBT SERVICE

Exhibit C-1 presents historical and forecast Annual Debt Service. Forecast amounts were estimated using the following assumptions as provided by Frasca & Associates, LLC:

Outstanding Variable-Rate Bonds Subject to Floating-to-Fixed Interest Rate Swaps:

- Principal amount of $34.0 million of 2011A Bonds subject to the 2002 Swap Agreement, interest rate of 4.445% plus the costs associated with the underlying variable-rate debt

- Principal amounts of $122.5 million of 2009D Bonds, $95.1 million of 2010C Bonds, and $51.0 million of 2011A Bonds subject to the 2009 Swap Agreements, interest rate of 4.099% plus the costs associated with the underlying variable-rate debt

- Principal amount of $155.6 million of 2010D Bonds subject to the 2010 Swap Agreements, interest rate of 4.112% plus the costs associated with the underlying variable-rate debt

- Principal amount of $115.5 million of 2011A Bonds subject to the 2011 Swap Agreements, interest rate of 3.862% plus the costs associated with the underlying variable-rate debt

Outstanding Unhedged Variable-Rate Bonds:

- Principal amounts of $57.9 million of 2003D Bonds, $57.9 million of 2010C Bonds, and $160.6 million of 2011B Bonds, interest rates of 2.00% for 2016 and 2017, 3.00% for 2018, and 4.00% thereafter plus the costs associated with the variable-rate debt

Proposed 2016AB Fixed-Rate Bonds:

- Principal amount of $409.5 million of 2016A AMT Bonds, amortization 2030 through 2032 and 2034 through 2036, interest rate of 4.34%

- Principal amount of $27.3 million of 2016B Non-AMT Bonds, amortization 2017 through 2032, interest rate of 3.30%

Planned 2017 and 2018-2020 Fixed-Rate Bonds:

- Principal amount of $339.0 million of 2017A Bonds, amortization 2018 through 2047, interest rate of 6.09%

- Principal amount of $399.0 million of 2017B PFC Bonds, amortization 2018 through 2047, interest rate of 6.09%

- Principal amount of $653.5 million of 2018-2020 Bonds (to be issued in several years), amortization 2019 through 2050, interest rate of 6.09%

OPERATION AND MAINTENANCE EXPENSES

Exhibit D-1 presents historical and forecast Operation and Maintenance (O&M) Expenses for the Airports Authority's Aviation Enterprise. Under the Indenture, O&M Expenses include all expenses of the Airports Authority paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Airports. Such expenses include those directly attributable to the Airports and an allocable portion of expenses for consolidated functions. O&M Expenses do not include, among other things, rentals payable under the Federal Lease or operating expenses of the Dulles Corridor Enterprise. Exhibits D-2 and D-3 present the O&M Expenses for Reagan and Dulles, respectively.

O&M Expenses for 2016 are budgeted amounts, which were used as the base for the forecasts. O&M Expenses were forecast taking into account assumed increases in costs as a result of inflation and planned facility development. In particular, it was assumed that:

1. The unit cost of salaries, wages, and employee fringe benefits for life and health insurance and retirement benefits will increase 3.0% per year and there will be no overall increase in staffing.

2. The cost of utilities, services, materials, and supplies will also increase at 3.0% per year.

3. Expenses to operate and maintain the AeroTrain system will also increase at 3.0% per year under the terms of a contract that expires in 2025.

4. Additional expenses will be incurred beginning in 2020 at the scheduled opening date of the secure National Hall and in 2021 at the scheduled opening date of the new parking garage at Reagan (expenses for the latter accounted for in Exhibit E-2 as a deduction in the calculation of net parking revenues).

Revenues

Exhibit E-1 presents historical and forecast Revenues of the Aviation Enterprise. Revenues of the Airports Authority are derived primarily from rentals, fees, and charges paid for the use and occupancy of the Airports, including landing fees, terminal rents, passenger conveyance fees (for the AeroTrain and mobile lounges), and other charges payable by Signatory Airlines under the Airline Agreement, public parking revenues, rental car revenues, and fees paid by concessionaires. Table 43 summarizes 2014 Revenues according to major category. Further detail for each of Reagan and Dulles is shown in Exhibits E-2 and E-3, respectively.

Table 43
REVENUE SUMMARY FOR 2015
Metropolitan Washington Airports Authority
(dollars in thousands)

	Reagan National Airport		Dulles International Airport		Aviation Enterprise Total	
	Amount	% of total	Amount	% of total	Amount	% of total
Airline revenues						
Terminal rents and user fees	$ 98,917	35.2%	$177,475	38.9%	$276,392	37.5%
Landing and apron fees	54,378	19.4	51,363	11.3	105,741	14.4
International Arrival Building fees	--	0.0	23,424	5.1	23,424	3.2
Passenger conveyance fees	--	0.0	6,198	1.4	6,198	0.8
	$153,295	54.6%	$258,460	56.7%	$411,755	55.9%
Concessions						
Landside concession revenues *(a)*	$ 76,830	27.4%	$ 72,858	16.0%	$149,688	20.3%
In-terminal concession revenues	27,720	9.9	46,275	10.2	73,995	10.0
Airside concession revenues	3.342	1.2	26,600	5.8	29,942	4.1
	$107,892	38.4%	$145,733	32.0%	$253,625	34.4%
Other operating revenues	15,826	5.6	38,772	8.5	54,598	7.4
Investment earnings	3,860	1.4	12,698	2.8	16,558	2.2
Total	$280,873	100.0%	$455,663	100.0%	$736,536	100.0%

Note: Columns and rows may not add to totals shown because of rounding.

(a) Includes public automobile parking stated net of expenses and management fees.

Source: Metropolitan Washington Airports Authority.

Individual components of Revenues, shown for Reagan in Exhibit E-2 and for Dulles in Exhibit E-3, were forecast taking into account historical results through 2015, budgeted amounts for 2016, allowances for unit price inflation at 2.0% per year, planned facility development, and the provisions of the Airline Agreement and other leases and agreements with tenants and users of the Airports.

Revenues from sources related to passengers, such as parking and terminal concessions, and from sources related to aircraft activity, such as landing fees, were forecast to change in part as a function of the traffic forecasts shown in Tables 37 through 40 in the earlier section "Airline Traffic Forecasts."

AIRLINE REVENUES

Signatory Airline Rentals, Fees, and Charges

Exhibits E-4 and E-5 show, for Reagan and Dulles respectively, the historical and forecast financial requirements that determine rentals, fees, and charges payable by the Signatory Airlines under the provisions of the Airline Agreement. The Airports Authority calculates and adjusts such rentals, fees, and charges annually, but may adjust them at mid-year or at any other time in the event the Indenture requires such an adjustment. Exhibits E-4 and E-5 also show aggregate Signatory Airline payments per enplaned passenger. The differences between the airline payments shown in Exhibits E-4 and E-5 and the airline revenues shown in Exhibits E-1 and E-2, respectively, are accounted for by payments made by nonsignatory airlines.

Signatory Airline rentals, fees, and charges are calculated for each of the Airports from the Total Requirement as allocable to the Cost Centers and Sub-Centers within the Airline Supported Areas listed on Exhibits E-4 and E-5.* The Total Requirement of each such Cost Center and Sub-Center is the sum of allocable O&M Expenses, deposits into funds and accounts required under the Indenture, Capital Charges (including Debt Service), Debt Service Coverage, Federal Lease payments, and the requirements of the Indirect Cost Centers (Maintenance, Public Safety, Systems and Services, and Administration). The Airline Agreement defines Debt Service Coverage as an amount equal to the applicable annual coverage percentages specified in the Airline Agreement of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds plus such other amounts as may be established by any financing agreement or arrangement with respect to other indebtedness. The applicable coverage percentages during the forecast period are 35% in 2016 and 2017 and 30% in 2018 through 2021 (the 30% coverage as specified in the Airline Agreement for Reagan is also assumed for Dulles, where the Airline Agreement extends only through 2017).

In total, the rentals, fees, and charges paid by the Signatory Airlines recover their pro rata share of the Total Requirements of the Airline Supported Areas net of the Signatory Airline share of NRR. Revenues of the Airports Authority from other (nonairline) sources cover the Total Requirements of the Non-Aviation Cost Centers including the allocable portion of the requirements of the Indirect Cost Centers and the unrecovered portion of the Total Requirements of the Airline Supported Areas.

Under the Airline Agreement, if Revenues are not projected to be sufficient at either or both of the Airports to produce Net Revenues of at least 125% of the sum of Debt Service on Bonds and Subordinated Bonds, then the Airports Authority may adjust the Total Requirements in Airline Supported Areas, at either or both Airports, by requiring Extraordinary Coverage Protection Payments to ensure that the 125% coverage requirement of the Rate Covenant is met. No such Extraordinary Coverage Protection Payments are forecast to be required.

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*Certain capitalized terms in this section of the report are as defined in the Airline Agreement.

CONCESSION REVENUES

Public Parking

Table 44 shows the number of revenue-producing public parking spaces and parking rates at the Airports. At Reagan, parking rates were last changed effective September 1, 2015, when the daily rate for the Economy lot was increased from $15 per day to $17 per day. Before the September 2015 increase, parking rates were last changed effective November 1, 2014, when the separate Hourly parking areas in the Terminal A and Terminal B/C garages were eliminated and all garage parking was renamed Terminal parking. The hourly parking rate for Terminal garage parking was increased from $5 per hour to $6 per hour and the maximum rate per day was increased from $22 per day to $25 per day. The hourly rate for Economy parking was eliminated and the daily rate was increased from $14 per day to $15 per day. Effective November 1, 2015, a 100-space short-term lot at Terminal A was converted to use as a vehicle holding lot for transportation network companies such as Uber and Lyft.

Table 44
AIRPORT PUBLIC PARKING FACILITIES
Metropolitan Washington Airports Authority
(as of March 2016)

	Number of spaces	Parking rates
Reagan National Airport		
Garage A	1,397	$6 per hour, $25 per day
Garage B/C	5,306	$6 per hour, $25 per day
Economy	2,653	$17 per day
Total	9,356	
Dulles International Airport		
Hourly Terminal Lot	1,100	$6 per hour, $30 per day
Daily Terminal Lot	1,039	$6 per hour, $20 per day
Daily Garage 1	4,680	$6 per hour, $17 per day
Daily Garage 2	3,645	$6 per hour, $17 per day
Economy	12,346	$10 per day
Valet	431	$35 first day, $30 additional days
Total	23,241	

Source: Metropolitan Washington Airports Authority.

At Dulles, parking products and rates were last changed effective July 31, 2015, when the Terminal Lot was divided into Hourly and Daily parking sections. Rates for the Hourly section were set at $6 per hour and $30 per day, and rates for the Daily section were set at $6 per hour and $20 per day. (Previously, rates for the undivided Terminal Lot were $5 per hour and $35 per day.) Also effective July 31,

2015, Daily Garage rates were adjusted, with the $4 per half-hour rate replaced with a $6 per hour rate. Before the July 2015 changes, parking rates were last changed effective January 14, 2013, when the rate for Terminal Lot parking was increased from $4 per hour to $5 per hour, and effective July 21, 2014, when the maximum rate per day for Terminal Lot parking was decreased from $36 to $35.

The parking facilities at both Airports are operated for the Airports Authority by Five Star U-Street Parking under a management agreement that commenced in October 2015 and extends through September 2018 (with two one-year option periods, which, if exercised, would extend the agreement through 2020.). Under the management agreement, which covers public parking and shuttle bus services, all parking operating costs are reimbursed to the operator, who receives a fixed management fee (adjusted annually for inflation). The parking revenues shown in Exhibits E-1, E-2, and E-3 are the net revenues received by the Airports Authority (gross receipts less operating expenses and management fees) In 2015, operating expenses and management fees were $15.5 million at Reagan and $16.9 million at Dulles.

In 2014, net parking revenues were $46.9 million at Reagan, equivalent to $4.86 per originating passenger, and $47.9 million at Dulles, equivalent to $6.68 per originating passenger. There is little competition from off-airport operators at either Airport.

Parking revenues were forecast assuming that:

1. Parking rates will not be increased during the forecast period.

2. The number of parking transactions will increase with originating passenger numbers, but such increases will be mitigated by a decrease in the propensity to park as transportation network companies and other changes in technology make travel modes other than driving more attractive.

3. The limited supply of parking spaces at Reagan will constrain the number of parking transactions that can be accommodated through 2020, and parking revenues will increase at an average rate less than the forecast rate of increase in originating passengers. In 2021, with the scheduled opening of the new parking garage, parking transactions and revenues at Reagan will increase in line with the added spaces.

4. The supply of parking spaces at Dulles will be adequate to allow parking transactions to increase in proportion to forecast increases in originating passengers.

5. Parking facilities will continue to be operated under management agreements having financial terms that are substantially the same as the current agreement.

Rental Cars

In 2015, on-airport rental car companies providing service at the Airports and their shares of gross revenues were as shown in Table 45.

Table 45
RENTAL CAR GROSS REVENUES
Reagan National and Dulles International Airports
2015

	Reagan National		Dulles International		Airports Authority	
Company	Revenues	Share	Revenues	Share	Revenues	Share
Hertz *(a)*	$ 5,326,261	24.9%	$ 4,397,842	25.1%	$ 9,724,103	25.0%
Alamo/National *(b)*	5,095,912	23.8	3,439,052	19.6	8,534,964	21.9
Avis *(c)*	3,704,203	17.3	3,705,067	21.1	7,409,270	19.0
Budget *(c)*	3,192,470	14.9	1,894,536	10.8	5,087,006	13.1
Enterprise *(b)*	2,752,213	12.9	1,696,104	9.7	4,448,317	11.4
Dollar/Thrifty *(a) (d)*	950,997	4.4	1,316,599	7.5	2,267,596	5.8
Advantage *(d)*	388,067	1.8	1,101,506	6.3	1,489,573	3.8
	$21,410,122	100.0%	$17,550,706	100.0%	$38,960,828	100.0%

Note: Columns and rows may not add to totals shown because of rounding.

(a) Subsidiary of Hertz Global Holdings, Inc.
(b) Subsidiary of Enterprise Holdings, Inc.
(c) Subsidiary of Avis Budget Group.
(d) Operate off-airport at Reagan.

The on-airport rental car companies operate at the Airports under the terms of competitively bid concession agreements. At Reagan, the rental car concession agreements became effective in June 2011 and expired in May 2016. The agreements are being extended month-to-month while a competitive solicitation for successor agreements is undertaken. At Dulles, the concession agreements became effective in July 2013 and expire in June 2018. Under the concession agreements for both Airports, the rental car companies pay the greater of a minimum annual guarantee or 10% of their gross receipts. Rental car revenues also include certain site rentals. The agreements provide for a waiver of the minimum annual guarantee under specified conditions of drastically reduced passenger traffic or other disruptions to business.

As of April 2016, Dollar/Thrifty and Advantage operated off-airport at Reagan and Flight Car operated off-airport at Dulles. The off-airport companies pay a privilege fee of 8% of gross receipts over $300,000.

In 2015, revenues received by the Airports Authority from rental car operations at Reagan totaled $21.4 million, $2.22 per originating passenger. At Dulles, rental car revenues in 2015 were $17.6 million, $2.45 per originating passenger. Rental car revenues were forecast to increase in proportion to the forecast increase in originating passengers and with price inflation.

The Airports Authority imposes a customer contract fee of $2.50 per rental day on on-airport rental car transactions at Reagan. Revenues from the customer contract fee are used to pay debt service on bonds issued to fund the construction of rental car facilities at that airport. The adequacy of such customer contract fee revenues to meet the debt service requirements of the bonds was not evaluated in this report.

Food and Beverage

At Reagan, approximately 40 food and beverage outlets occupy 44,000 square feet of terminal space. In 2015, gross revenues from food and beverage concessions totaled $77.6 million, $6.15 per enplaned passenger. Net revenues received by the Airports Authority were $13.0 million, equivalent to 16.8% of gross revenues.

At Dulles, approximately 50 food and beverage outlets occupy 58,000 square feet of terminal space. In 2015, gross revenues from food and beverage concessions were $74.9 million, $6.99 per enplaned passenger. Net revenues received by the Airports Authority were $13.3 million, equivalent to 17.8% of gross revenues.

MarketPlace Washington, LLC, manages the food and beverage programs (as well as newsstand and retail programs) at both Airports under a master developer agreement that expires in December 2017. Under the agreement, MarketPlace develops and manages the food and beverage programs at the Airports, but does not operate any of the concession facilities. MarketPlace negotiates contracts with each concessionaire using a standard lease that has been approved by the Airports Authority. These contracts generally obligate the concessionaire to pay a minimum annual guarantee plus a negotiated percentage of gross revenues. MarketPlace collects all rents and fees from the concessionaires and retains a portion of such payments as its management fee. Minimum annual guaranteed amounts of $2.5 million are payable to the Airports Authority under the MarketPlace agreement.

MarketPlace is overseeing the redevelopment of food, beverage, newsstand, and retail concessions at both Airports under a program that began in early 2014 and is scheduled to be completed in 2016. The closure of some outlets during construction has reduced concession sales. Beginning in 2017, food and beverage revenues per enplaned passenger were forecast to increase with price inflation and to reflect the completion of construction and improved concession offerings. At Reagan, food and beverage revenues were also assumed to increase in 2020 as concession space is

added as part of the secure National Hall project and concession outlets that are now located before passenger security screening will become available to passengers after they have been screened.

Newsstand and Retail

At Reagan, approximately 50 newsstand and retail outlets occupy 17,000 square feet of terminal space. In 2015, gross revenues for newsstand and retail concessions were $34.8 million, $3.03 per enplaned passenger. Net revenues received by the Airports Authority were $5.9 million, equivalent to 17.0% of gross revenues.

At Dulles, approximately 40 newsstand and retail outlets occupy 33,000 square feet of terminal space. In 2015, gross revenues for newsstand and retail concessions were $35.8 million, $3.34 per enplaned passenger. Net revenues received by the Airports Authority were $7.7 million, equivalent to 21.5% of gross revenues.

As with food and beverage, newsstand and retail revenues were reduced during construction, then forecast to be higher beginning in 2017 as a result of improved concession offerings. At Reagan, revenues were also assumed to increase in 2020 as concession space is added and security screening is relocated. The same percentage changes in per-passenger revenues assumed for food and beverage were assumed for newsstand and retail.

Duty Free

Duty free concessions at Reagan and Dulles (Dulles accounts for substantially all duty free revenues) are managed and operated by Dulles Duty Free. At Dulles, duty free outlets occupy 11,000 square feet and are located in Concourses B, C, and D. At Reagan, a small (200-square-foot) duty free outlet is located in Terminal A. In 2015, gross duty free revenues for the two Airports combined were $21.8 million, $5.76 per enplaned international passenger. Net duty free revenues received by the Airports Authority were $13.1 million, equivalent to 60.5% of gross revenues.

The increase in duty free revenues between 2014 and 2015 reflected increased minimum annual guaranteed amounts under the contract. Duty free revenues were forecast to increase from budgeted 2016 amounts as a function of forecast increases in international enplaned passenger numbers and price inflation.

Display Advertising

In 2015, the Airports Authority received revenues from display advertising of $7.1 million at Reagan and $4.4 million at Dulles. Effective March 2016, the Airports Authority entered into a new eight-year concession agreement with Clear Channel Airports for display advertising at the Airports. The agreement extends to 2024 (with an option to extend to 2026) and provides for the payment of the greater of a percentage 70% of gross revenues or a minimum annual guarantee ($12.3 million in the first year of the agreement increasing to $17.0 million in the eighth year). Under the agreement, Clear Channel will initially invest $10.7 million to replace existing

advertising fixtures with high-definition digital screens at the Reagan and Dulles terminals. Display advertising revenues were forecast assuming the minimum guaranteed amounts will be paid.

Fixed Base Operations

At Reagan, Signature Flight Support provides fixed base operator services to business and general aviation under an agreement that expires in November 2023. Signature pays the greater of a minimum annual guarantee ($1.1 million) or a percentage of gross revenues for various categories of goods and services.

At Dulles, two fixed base operators, Landmark Aviation and Signature Flight Support, serve business and general aviation. The Landmark agreement expires in October 2022 and the Signature agreement expires in October 2017. Landmark and Signature pay the greater of a minimum annual guarantee ($11.0 million and $6.6 million, respectively) or a percentage of gross revenues. In February 2016, BBA Aviation, the parent company of Signature, completed an acquisition of Landmark. In settlement of an antitrust lawsuit brought by the U.S. Department of Justice, BBA Aviation is required to divest the Landmark assets at Dulles to a buyer approved by the Department.

Revenues from fixed base operations were forecast to increase from 2016 budgeted amounts with price inflation under the assumption that the buyer of the Landmark assets will assume all the obligations of agreement.

In-Flight Kitchen

The in-flight kitchen concession at Reagan is operated by LSG Sky Chefs under a lease that expires in April 2019 (with a two-year option to extend to April 2021). Sky Chefs pays the Airports Authority 10% of gross receipts for on-airport sales and 2% of gross receipts for off-airport sales plus premises rent to cover the cost of utilities that are provided by the Airports Authority.

Two in-flight kitchen concessions at Dulles are operated by Gate Gourmet International and LSG Sky Chefs under leases that also expire in April 2021 (with options for five-year extensions to April 2026). The Dulles leases are similar to those at Reagan, except that each operator pays the Airports Authority 5% of gross receipts for off-airport sales. In addition, Flying Food Groups operates an in-flight kitchen off-airport at Dulles under the terms of a commercial permit that provides for the payment to the Airports Authority of 10% of all gross receipts.

In-flight kitchen revenues were forecast to increase from budgeted 2016 amounts in proportion to the increase in enplaned passenger numbers and with price inflation.

OTHER OPERATING REVENUES

Other operating revenues are derived from rentals paid by the TSA and other tenants, utility reimbursements, and miscellaneous other sources. Some building

rentals are based on market rates and some, including certain hangars and cargo buildings, are based on cost-recovery rates. Revenues from TSA security fees include the reimbursements of the costs of police coverage of passenger screening activities. Revenues from utilities include reimbursements for metered and billed utility services. At some time in the future, the Airports Authority expects to generate additional revenues from the commercial development of land and buildings at Dulles, but such additional revenues were not taken into account in the forecasts.

INVESTMENT EARNINGS

Investment earnings included in Revenues are derived from amounts in funds and accounts other than the Construction Fund and the PFC Fund. Interest income was forecast assuming increased fund balances associated with the planned issuance of future Bonds and an average interest rate of 1.0%.

APPLICATION OF REVENUES

Exhibit F-1 shows the forecast application of Revenues. Under the Indenture, all Revenues (together with any other available funds, including transfers from the General Purpose Fund) are applied in the following priority:

- Pay Operation and Maintenance Expenses
- Deposit to the Operation and Maintenance Fund any amounts necessary to maintain a reserve balance of 25% of budgeted O&M Expenses.
- Deposit to the Bond Fund Principal and Interest Accounts amounts required to pay Bond principal and interest.
- Deposit to the Bond Fund Redemption Account amounts required to redeem Bonds. (No such payments are forecast to be required.)
- Deposit to the Debt Service Reserve Fund any amounts necessary to maintain required debt service reserves. (No such payments are forecast to be required.)
- Pay any required debt service on Subordinated Bonds. (No Subordinated Bonds are outstanding or expected to be issued and no such debt service payments are forecast to be required.)
- Replenish any required Subordinated Bond Reserve Funds. (No such payments are forecast to be required.)
- Pay any required debt service on Junior Lien Obligations. (No such payments are forecast to be required.)
- Make annual payments required under the Federal Lease.

- Replenish any amounts withdrawn from the Emergency Repair and Rehabilitation Fund in the preceding year. (No such payments are forecast to be required.)

- Deposit all remaining amounts into the General Purpose Fund.

Amounts in the General Purpose Fund are not pledged to Bondholders and are available for use by the Airports Authority for any legal purpose, provided that any moneys required to be transferred to the Revenue Fund, including those to be transferred under the provisions of the Airline Agreement, are not to be applied for any other purpose.

Any termination payments under Swap Agreements are payable from funds subordinated to Bonds, Commercial Paper Notes, Subordinated Bonds, and Junior Lien Obligations. (No such payments are forecast to be required.)

SHARING OF NET REMAINING REVENUES

Exhibit F-1 shows the forecast calculation of Net Remaining Revenues (NRR) and its allocation between the Airports Authority (transfer to the Capital Fund) and the Signatory Airlines (transfer to the Airline Transfer Account) as provided for under the Airline Agreement.

- At Reagan, NRR is to be split as follows: for amounts generated in 2014 through 2016, 100% Authority, 0% Airlines; in 2017 and 2018, 55% Authority, 45% Airlines; in 2019 and 2020, 45% Authority, 55% Airlines. The Authority may use its share of NRR generated at Reagan to reduce required Signatory Airline rentals, fees, and charges at Dulles in the amounts discussed in the earlier section, "Airline Agreement."

- At Dulles, NRR is to be split 50%-50% up to a "plateau" amount, which is to be increased annually with an inflation index. The plateau amount for 2015 was $15.9 million. Remaining NRR above the plateau amount is to be split 25% to the Airports Authority and 75% to the Signatory Airlines.

APPLICATION OF PFC REVENUES

Exhibits F-2 and F-3 show historical and forecast PFC Revenues (not taking into account potential investment earnings) and the use of such PFC Revenues to pay PFC-eligible Bond debt service and project costs pay-as-you-go. Pursuant to the Thirty-fifth Supplemental Indenture, Designated Passenger Facility Charges derived from the $4.50 PFC at Dulles (and not designated as Revenues) are deposited into the PFC Fund for use in the following priority:

- To the PFC Debt Service Account in each year 2009 through 2016, an amount equal to the greater of $35.0 million or 50% of the total amount of Designated Passenger Facility Charges received by the Airports Authority

in each year. Such amounts are irrevocably committed to the payment of PFC-eligible Bond debt service.

- To the PFC Project Account, all remaining amounts. Such amounts may be applied to any approved PFC-eligible purpose, including transfer to the PFC Debt Service Account to pay PFC-eligible Bond debt service or to pay approved PFC-eligible costs pay-as-you-go. The Airports Authority used $42.5 million to pay Bond debt service in 2015 and intends to use the amounts shown in Exhibit F-3 in 2016 through 2021.

As shown in Exhibit F-2, the Airports Authority intends to use PFC Revenues generated at Reagan to pay approved project costs, either pay-as-you-go or for PFC-eligible Bond debt service. As shown, amounts approved under Application 6 are forecast to be used for the Metrorail station at Dulles (pay-as-you-go) and for airside projects at Reagan (payment of debt service).

DEBT SERVICE COVERAGE

Exhibit G-1 shows historical and forecast coverage of Bond debt service by Net Revenues for the Aviation Enterprise. Exhibits G-2 and G-3 present historical and forecast debt service coverage for Reagan and Dulles, respectively. The amount of transfers from the General Purpose Fund is assumed to be the entire amount of the Signatory Airlines' share of NRR at each Airport per the Airline Agreement.

Exhibit G-1 also shows the calculation of the sufficiency of forecast Net Revenue to meet the requirements of the Rate Covenant, which requires that Net Revenues be sufficient to provide for the larger of the Indenture Section 6.04(a)(i) requirement or the Indenture Section 6.04(a)(ii) requirement. Net Revenues are forecast to be sufficient to meet the requirements of the Rate Covenant each year of the forecast period.

STRESS TEST FINANCIAL PROJECTIONS

Exhibits H-1 through H-3 summarize the forecast financial results as shown in earlier exhibits and discussed in the preceding sections. Revenues and expenses were forecast assuming the base forecasts of enplaned passengers shown in Tables 37 through 40 in the earlier section "Airline Traffic Forecasts."

As discussed in the earlier section, "Stress Test Forecasts," and presented in Table 41 and Figures 16 and 17, passenger forecasts were prepared to reflect hypothetical future reductions in numbers of both originating and connecting passengers. Exhibits H-1 through H-3 summarize projected financial results assuming the stress test passenger forecasts.

For the stress test financial projections, the CCP was assumed to be implemented to the same schedule as for the base case financial forecasts, notwithstanding the

reduced passenger traffic, and to be funded with the same amounts of Bond proceeds and other funds.

Other assumptions underlying the stress test projections are the same as those for the base case forecasts, except revenues related to passenger numbers, such as PFC Revenues, concession revenues, parking revenues, and rental car revenues, were projected to be lower. O&M Expenses were assumed to be the same for the stress test as for the base case.

Under the stress test, Bond debt service coverage ratios are projected to exceed the 125% requirement of the Rate Covenant and Extraordinary Coverage Protection Payments from the Signatory Airlines are not projected to be required at either Reagan or Dulles. Annual PFC Revenues and balances in the PFC Fund would be reduced, but PFC Revenues would still be sufficient to pay PFC-eligible Bond debt service from Designated Passenger Facility Charges in an amount equaling the irrevocably committed $35 million through 2016. PFC Revenues would also be sufficient to provide pay-as-you-go funding for the future projects as shown in Exhibits F-2 and F-3. As shown in Exhibits H-2 and H-3, required airline payments per passenger at the Airports would increase relative to those for the base forecasts.

SENSITIVITY TEST FINANCIAL PROJECTIONS

As discussed in the earlier section "State Grants," the Airports Authority expects to receive grants from the Commonwealth of Virginia in 2017 and 2018 to reduce required airline payments at Dulles. Exhibit H-4 presents a sensitivity test showing projected results if such grants are not received. Relative to the base case forecasts, projected average airline payments per enplaned passenger in 2017 and 2018 are between $2.20 and $2.30 higher. For the sensitivity test projections, all assumptions other than those regarding the grants, including those for operating expenses, are the same as for the base case forecasts.

Exhibit A

CAPITAL CONSTRUCTION PROGRAMS
Metropolitan Washington Airports Authority
(dollars in thousands)

		Sources of funds								
							Planned future Bonds			
	Inflated project costs	FAA grants	TSA grants	Virginia state grants	Pay-as-you-go PFC Revenues	Prior Bonds	2017A Bonds	2017B PFC Bonds	2018-2020 Bonds	Total future Bonds
Reagan National Airport										
2001-2016 CCP										
Completed projects	$ 331,478	$ 71,042	$ -	$ 4,777	$ 24,682	$230,978	$ -	$ -	$ -	$ -
Projects in progress										
Terminal A rehabilitation	47,446	-	-	-	3,362	44,084	-	-	-	-
Terminal B/C improvements	6,376	-	-	-	-	5,769	607	-	-	607
Airfield pavement rehabilitation	46,527	14,060	-	-	-	29,020	3,447	-	-	3,447
Runway safety area upgrades	73,001	34,316	-	-	-	38,685	-	-	-	-
Other projects	55,071	3,500	-	-	-	47,044	4,527	-	-	4,527
Subtotal projects in progress	$ 228,421	$ 51,876	$ -	$ -	$ 3,362	$ 164,602	$ 8,581	$ -	$ -	$ 8,581
Subtotal 2001-2016 CCP	$ 559,899	$ 122,918	$ -	$ 4,777	$ 28,044	$ 395,579	$ 8,581	$ -	$ -	$ 8,581
2015-2024 CCP										
Projects in progress										
North concourse	$ 387,412	$ -	$ -	$ -	$ -	$ 14,602	$ 22,178	$ 127,576	$ 223,056	$ 372,810
North concourse enabling projects	160,991	-	-	-	-	20,146	80,980	54,674	5,191	140,845
Secure National Hall	261,208	-	-	-	-	22,530	64,266	135,840	38,572	238,678
New parking garage	96,335	-	-	-	-	319	11,088	-	84,928	96,016
Terminal A rehabilitation	74,418	-	-	-	-	3,605	11,007	22,565	37,241	70,813
Utility system upgrades	46,584	-	-	-	-	4,881	24,414	14,925	2,364	41,703
Airfield pavement rehabilitation	30,750	16,800	-	-	-	1,001	4,589	-	8,361	12,949
Roadway improvements	13,347	-	-	-	-	747	5,253	7,346	-	12,599
Other airfield projects	69,058	44,550	-	-	-	-	3,420	-	21,088	24,508
Other projects	39,963	-	-	-	-	14,595	9,535	3,061	12,772	25,368
Subtotal 2015-2024 CCP	$ 1,180,065	$ 61,350	$ -	$ -	$ -	$ 82,426	$ 236,730	$ 365,987	$ 433,572	$ 1,036,289
Total CCP for Reagan National Airport	$ 1,739,964	$ 184,268	$ -	$ 4,777	$ 28,044	$ 478,005	$ 245,311	$ 365,987	$ 433,572	$ 1,044,870

Exhibit A (page 2 of 2)

CAPITAL CONSTRUCTION PROGRAMS
Metropolitan Washington Airports Authority
(dollars in thousands)

		Sources of funds								
							Planned future Bonds			
	Inflated project costs	FAA grants	TSA grants	Virginia state grants	Pay-as-you-go PFC Revenues	Prior Bonds	2017A Bonds	2017B PFC Bonds	2018-2020 Bonds	Total future Bonds
Dulles International Airport										
2001-2016 CCP										
Completed projects	$ 3,872,990	$ 175,739	$ -	$ 24,315	$ 945,781	$2,727,155	$ -	$ -	$ -	$ -
Projects in progress										
In-line baggage screening modifications	240,141	-	203,000	-	-	37,141	-	-	-	-
Other terminal projects	27,369	-	-	-	-	27,369	-	-	-	-
Public safety projects	25,277	3,500	-	-	-	16,987	4,790	-	-	4,790
Parking and roadway projects	12,576	-	-	-	-	4,374	8,202	-	-	8,202
Airfield pavement replacement	19,376	4,875	-	-	-	14,501	-	-	-	-
Other airfield projects	7,837	7,723	-	-	-	(623)	221	-	516	737
Contribution to Dulles Metrorail	233,041	-	-	-	233,041	-	-	-	-	-
Other projects	37,269	-	-	-	-	35,602	1,667	-	-	1,667
Subtotal projects in progress	$ 602,887	$ 16,098	$ 203,000	$ -	$ 233,041	$ 135,351	$ 14,881	$ -	$ 516	$ 15,397
Subtotal 2001-2016 CCP	$ 4,475,877	$ 191,837	$ 203,000	$ 24,315	$ 1,178,822	$ 2,862,506	$ 14,881	$ -	$ 516	$ 15,397
2015-2024 CCP										
Projects in progress										
Airfield pavement replacement	$ 33,417	$ 22,243	$ -	$ -	$ -	$ 11,174	$ -	$ -	$ -	$ -
Concourses C & D rehabilitation	25,336	-	-	-	-	1,407	5,934	-	17,994	23,928
Access Highway improvements	17,599	-	-	-	-	1,097	7	-	16,495	16,503
Utility system upgrades	16,011	-	-	-	-	6,217	5,338	-	4,456	9,793
AeroTrain renewal and replacement	11,462	-	-	-	-	8,468	2,994	-	-	2,994
Mobile lounge rehabilitation	7,741	-	-	-	-	4,340	3,401	-	-	3,401
Other airfield projects	4,100	1,697	-	-	-	161	-	-	2,242	2,242
Other projects	40,132	-	-	-	-	16,971	18,718	-	4,443	23,161
Subtotal 2015-2024 CCP	$ 155,797	$ 23,940	$ -	$ -	$ -	$ 49,835	$ 36,392	$ -	$ 45,631	$ 82,023
Total CCP for Dulles International Airport	$ 4,631,675	$ 215,777	$ 203,000	$ 24,315	$ 1,178,822	$ 2,912,341	$ 51,273	$ -	$ 46,147	$ 97,420
Total 2001-2016 CCP	$ 5,035,776	$ 314,755	$ 203,000	$ 29,092	$ 1,206,866	$ 3,258,085	$ 23,462	$ -	$ 516	$ 23,978
Total 2015-2024 CCP	1,335,862	85,290	-	-	-	132,261	273,122	365,987	479,203	1,118,312
Total CCP	$ 6,371,639	$ 400,044	$ 203,000	$ 29,092	$ 1,206,866	$ 3,390,346	$ 296,584	$ 365,987	$ 479,719	$ 1,142,290

Source: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.

Exhibit B

SOURCES AND USES OF BOND FUNDS
Metropolitan Washington Airports Authority
(dollars in thousands)

Airports Authority	Proposed Bonds			Planned future Bonds			
	2016 AMT	2016 Non-AMT	Total 2016A-B Bonds	2017A Bonds	2017B PFC Bonds	2018-2020 Bonds	Total future Bonds
Sources of funds							
Par amount of Bonds	$ 409,455	$ 27,290	$ 436,745	$ 339,005	$ 398,965	$ 653,545	$ 1,391,515
Original issue premium (discount)	37,276	3,768	41,044	-	-	-	-
Bond Fund	5,759	1,483	7,242	-	-	-	-
Total sources	$ 452,490	$ 32,541	$ 485,031	$ 339,005	$ 398,965	$ 653,545	$ 1,391,515
Uses of funds							
Construction Fund	$ -	$ -	$ -	$ 296,584	$ 365,987	$ 479,719	$ 1,142,290
Refunding escrow	448,389	32,268	480,657	-	-	-	-
Capitalized Interest	-	-	-	14,401	-	119,806	134,206
Debt Service Reserve Fund	-	-	-	24,630	28,986	47,485	101,101
Costs of issuance	4,101	273	4,374	3,390	3,992	6,535	13,917
Total uses	$ 452,490	$ 32,541	$ 485,031	$ 339,005	$ 398,965	$ 653,545	$ 1,391,515

Source: Frasca & Associates, LLC, March 28, 2016 (based on information provided by the Metropolitan Washington Airports Authority).
Columns may not add to totals shown because of rounding.

Exhibit C-1

ANNUAL DEBT SERVICE
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bonds by Series										
Commercial Paper	$ 253	$ 144	$ 100	$ 33	$ -	$ -	$ -	$ -	$ -	$ -
2001A-B	2,033	-	-	-	-	-	-	-	-	-
2002A-B & D	26,742	-	-	-	-	-	-	-	-	-
2003A-D	20,857	12,872	2,088	2,361	3,315	3,369	3,984	4,553	4,577	4,597
2004A-D	45,720	45,733	30,058	-	-	-	-	-	-	-
2005A-D	24,903	27,749	26,513	13,734	-	-	-	-	-	-
2006A-C	34,272	36,972	35,286	25,060	18,773	-	-	-	-	-
2007A-B	50,540	54,546	52,691	48,142	49,215	49,263	49,322	49,384	49,452	63,844
2008A	23,098	22,494	21,747	18,784	22,420	22,480	17,086	22,838	22,859	22,853
2009A-D	29,759	31,711	32,591	44,199	44,702	46,828	49,070	50,409	47,440	52,223
2010A-D & F1	52,898	54,743	66,695	64,588	65,991	66,064	71,636	58,123	75,380	71,677
2011A-D	40,961	50,418	45,294	50,588	51,066	52,111	54,092	55,489	55,541	55,615
2012A-B	-	10,483	14,631	19,009	21,285	28,249	28,253	28,250	24,321	24,320
2013A-C	-	3,964	7,982	8,732	12,251	14,997	19,423	22,575	26,303	26,169
2014A-D	-	-	14,205	37,999	41,167	43,717	48,681	48,682	37,553	34,707
2015A-D	-	-	-	16,982	29,982	31,090	33,494	33,761	34,702	27,318
Total Outstanding	$ 352,037	$ 351,828	$ 349,883	$ 350,212	$ 360,167	$ 358,168	$ 375,039	$ 374,064	$ 378,129	$ 383,322
Proposed 2016A-B Bonds										
2016A Refunding	$ -	$ -	$ -	$ -	$ 4,775	$ 20,469	$ 20,473	$ 20,473	$ 20,473	$ 20,473
2016B Refunding	-	-	-	-	303	2,070	2,075	2,076	2,929	2,916
Total proposed 2016A-B Bonds	$ -	$ -	$ -	$ -	$ 5,079	$ 22,540	$ 22,548	$ 22,549	$ 23,402	$ 23,389
Planned future Bonds										
2017A	$ -	$ -	$ -	$ -	$ -	$ 343	$ 12,312	$ 15,183	$ 19,054	$ 22,482
2017B PFC	-	-	-	-	-	5,851	28,983	28,985	28,984	28,984
2018-2020	-	-	-	-	-	-	136	1,534	8,778	22,717
Total planned future Bonds	-	-	-	-	-	6,195	41,431	45,702	56,817	74,183
Total Bonds	$ 352,037	$ 351,828	$ 349,883	$ 350,212	$ 365,246	$ 386,903	$ 439,018	$ 442,315	$ 458,347	$ 480,894
Less: PFC Revenues applied to eligible debt service										
Irrevocable PFC commitment (a)	$ (35,000)	$ (35,000)	$ (35,000)	$ (35,000)	$ (35,000)	$ -	$ -	$ -	$ -	$ -
Approved debt service (a)	(5,010)	(7,000)	(5,000)	(7,500)	(8,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Approved debt service (b)	-	-	-	-	(2,951)	(2,923)	(3,830)	(4,163)	(4,223)	(4,466)
Future debt service	-	-	-	-	-	(5,851)	(28,983)	(28,985)	(28,984)	(28,984)
Total Annual Debt Service	$ 312,026	$ 309,828	$ 309,883	$ 307,712	$ 318,795	$ 333,128	$ 362,205	$ 364,168	$ 379,140	$ 400,444

Source: Frasca & Associates, LLC, March 28, 2016 (based on information provided by the Metropolitan Washington Airports Authority).
Columns may not add to totals shown because of rounding.
(a) As approved under PFC Application 4.
(b) As approved under PFC Application 6.

Exhibit C-2

ANNUAL DEBT SERVICE BY COST CENTER
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reagan National Airport										
Airfield	$ 7,648	$ 8,143	$ 8,038	$ 7,605	$ 5,754	$ 8,294	$ 9,441	$ 8,832	$ 9,908	$ 10,545
Terminal A	2,605	2,707	2,848	2,064	2,649	3,123	4,057	4,844	4,937	11,171
Terminals B/C	32,921	30,127	28,651	23,077	27,819	28,209	34,195	35,120	39,428	42,921
Tenant Equipment	2,402	2,218	2,544	2,146	2,167	2,555	3,082	3,164	3,135	-
Subtotal Airline Supported Areas	$ 45,577	$ 43,195	$ 42,081	$ 34,892	$ 38,389	$ 42,181	$ 50,775	$ 51,959	$ 57,408	$ 64,637
Ground Transportation	$ 13,857	$ 17,837	$ 16,689	$ 15,498	$ 17,635	$ 18,559	$ 19,682	$ 19,226	$ 21,906	$ 28,150
Aviation	3,533	4,008	3,588	3,541	3,646	3,692	4,134	4,240	4,140	4,020
Nonaviation	-	-	-	-	-	-	-	-	-	-
Subtotal Nonairline Supported Areas	$ 17,390	$ 21,845	$ 20,277	$ 19,039	$ 21,281	$ 22,251	$ 23,816	$ 23,466	$ 26,045	$ 32,171
Maintenance	$ 808	$ 734	$ 1,086	$ 901	$ 910	$ 924	$ 973	$ 992	$ 999	$ 967
Public Safety	3,077	3,270	3,191	4,486	2,699	2,957	4,163	4,129	4,200	4,832
Administration	4,222	4,173	4,275	4,170	4,566	4,950	7,268	7,164	7,413	7,411
Systems & Services	6,144	6,404	5,841	5,602	5,882	6,808	8,898	9,407	9,305	9,039
Subtotal Indirect Cost Centers	$ 14,250	$ 14,581	$ 14,394	$ 15,159	$ 14,057	$ 15,640	$ 21,302	$ 21,694	$ 21,917	$ 22,250
Total Reagan National Airport	$ 77,217	$ 79,622	$ 76,752	$ 69,090	$ 73,727	$ 80,072	$ 95,893	$ 97,118	$ 105,371	$ 119,058
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 11,265	$ 12,502	$ 11,511	$ 13,093	$ 12,261	$ 13,085	$ 17,791	$ 18,152	$ 18,353	$ 18,619
Nonairline Supported Areas	2,986	2,080	2,883	2,066	1,796	2,556	3,511	3,541	3,565	3,631
	$ 14,250	$ 14,581	$ 14,394	$ 15,159	$ 14,057	$ 15,640	$ 21,302	$ 21,694	$ 21,917	$ 22,250

Source: Frasca & Associates, LLC, March 28, 2016 (based on information provided by the Metropolitan Washington Airports Authority).
Columns may not add to totals shown because of rounding.

Exhibit C-3

ANNUAL DEBT SERVICE BY COST CENTER
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Dulles International Airport										
Airfield	$ 34,909	$ 39,835	$ 39,886	$ 39,063	$ 39,726	$ 40,670	$ 41,520	$ 41,651	$ 42,740	$ 44,188
Concourses C & D	4,477	5,484	6,140	5,891	6,565	7,085	7,915	8,137	8,921	9,339
Concourse B	8,308	6,935	7,100	5,714	4,615	4,797	5,001	5,058	5,260	5,216
Main Terminal	53,076	52,591	51,391	47,810	54,826	56,486	58,998	58,905	59,023	58,845
International Arrivals Building	10,436	12,688	13,427	9,803	11,521	11,758	12,367	11,378	11,224	12,257
Concourse C IAB	627	655	790	681	796	796	796	489	489	490
Concourse A	389	413	397	386	426	428	441	415	415	415
Z Gates	962	546	561	441	206	232	210	348	424	368
Passenger Conveyance	38,593	37,010	38,209	56,660	48,656	48,924	51,865	52,044	53,561	56,994
Tenant Equipment	961	1,017	1,015	1,035	1,161	1,161	1,199	1,011	967	919
Subtotal Airline Supported Areas	$ 152,739	$ 157,172	$ 158,917	$ 167,484	$ 168,497	$ 172,337	$ 180,312	$ 179,436	$ 183,025	$ 189,030
Ground Transportation	$ 18,032	$ 17,343	$ 17,039	$ 17,194	$ 19,228	$ 20,569	$ 21,587	$ 21,523	$ 22,306	$ 23,695
Aviation	13,364	13,443	13,377	12,588	14,057	14,226	14,158	14,000	14,496	14,457
Nonaviation	972	658	189	171	866	1,177	1,614	1,837	1,838	1,839
Cargo	1,369	1,422	1,639	1,376	1,535	1,821	1,989	1,855	1,883	1,810
Subtotal Nonairline Supported Areas	$ 33,736	$ 32,867	$ 32,244	$ 31,329	$ 35,686	$ 37,793	$ 39,347	$ 39,215	$ 40,522	$ 41,802
Maintenance	$ 7,872	$ 7,123	$ 7,037	$ 6,460	$ 4,530	$ 4,591	$ 4,768	$ 4,947	$ 5,281	$ 5,177
Public Safety	2,023	2,225	2,294	2,277	2,660	2,830	3,942	3,988	3,998	4,370
Administration	18,666	13,073	14,633	14,092	15,694	16,572	18,276	18,487	19,394	19,686
Systems & Services	19,773	17,746	18,006	16,979	18,001	18,934	19,668	20,976	21,550	21,321
Subtotal Indirect Cost Centers	$ 48,334	$ 40,167	$ 41,970	$ 39,808	$ 40,885	$ 42,927	$ 46,653	$ 48,398	$ 50,222	$ 50,554
Total Dulles International Airport	$ 234,809	$ 230,206	$ 233,131	$ 238,622	$ 245,068	$ 253,057	$ 266,312	$ 267,050	$ 273,769	$ 281,385
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 30,235	$ 25,992	$ 27,645	$ 25,219	$ 25,037	$ 26,457	$ 28,830	$ 29,799	$ 30,995	$ 31,227
Nonairline Supported Areas	18,099	14,175	14,325	14,589	15,848	16,470	17,823	18,599	19,227	19,327
	$ 48,334	$ 40,167	$ 41,970	$ 39,808	$ 40,885	$ 42,927	$ 46,653	$ 48,398	$ 50,222	$ 50,554

Source: Frasca & Associates, LLC, March 28, 2016 (based on information provided by the Metropolitan Washington Airports Authority).
Columns may not add to totals shown because of rounding.

Exhibit D-1

OPERATION AND MAINTENANCE EXPENSES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Airports Authority	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel expenses	$ 150,821	$ 155,032	$ 159,642	$ 155,938	$ 176,152	$ 181,436	$ 186,880	$ 192,486	$ 198,596	$ 204,934
Utilities	26,533	25,261	25,721	25,141	26,438	27,231	28,048	28,889	29,755	30,648
Services	105,423	113,288	104,557	109,497	106,739	109,943	113,241	116,641	121,152	125,930
Supplies and materials	13,772	18,342	17,626	16,437	17,555	18,083	18,624	19,182	19,832	20,511
Miscellaneous	10,707	10,968	8,405	7,784	11,554	11,900	12,255	12,624	13,305	14,048
Equipment and facility expense	105	265	4,326	6,625	-	9,183	9,458	9,742	10,034	10,335
Total Airports (a)	$ 307,361	$ 323,156	$ 320,276	$ 321,423	$ 338,439	$ 357,776	$ 368,506	$ 379,564	$ 392,674	$ 406,406
Annual percent change		5.1%	-0.9%	0.4%	5.3%	5.7%	3.0%	3.0%	3.5%	3.5%

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) Excludes the Federal Lease Payment.

Exhibit D-2

OPERATION AND MAINTENANCE EXPENSES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Reagan National Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Summary by Account										
Personnel expenses	$ 65,914	$ 67,802	$ 71,151	$ 70,934	$ 80,461	$ 82,876	$ 85,363	$ 87,924	$ 90,898	$ 94,005
Utilities	8,888	8,590	8,950	8,738	9,682	9,972	10,271	10,579	10,896	11,223
Services	36,189	41,922	34,467	37,970	36,866	37,974	39,113	40,288	42,509	44,929
Supplies and materials	4,637	5,513	5,863	5,891	5,981	6,160	6,344	6,535	6,806	7,095
Miscellaneous	6,414	6,522	5,596	5,764	6,842	7,046	7,256	7,474	8,001	8,583
Equipment and facility expense	53	265	2,506	6,471	-	9,183	9,458	9,742	10,034	10,335
Total	$ 122,095	$ 130,614	$ 128,533	$ 135,769	$ 139,831	$ 153,211	$ 157,805	$ 162,542	$ 169,144	$ 176,170
Summary by Cost Center										
Airfield	$ 9,065	$ 11,188	$ 9,950	$ 12,096	$ 11,168	$ 14,186	$ 14,612	$ 15,051	$ 15,502	$ 15,968
Terminal A	3,653	4,111	5,164	6,045	6,424	7,822	8,056	8,298	8,547	8,803
Terminals B/C	12,655	15,155	13,845	19,160	15,798	20,515	21,129	21,763	24,142	26,816
Subtotal Airline Supported Areas	$ 25,373	$ 30,453	$ 28,959	$ 37,301	$ 33,390	$ 42,523	$ 43,797	$ 45,112	$ 48,191	$ 51,587
Ground Transportation	$ 6,273	$ 5,465	$ 7,491	$ 7,983	$ 6,317	$ 7,196	$ 7,412	$ 7,634	$ 7,864	$ 8,101
Aviation	1,367	1,521	1,196	1,479	1,205	1,585	1,632	1,681	1,731	1,783
Nonaviation	7	6	5	17	13	33	34	35	36	37
Subtotal Nonairline Supported Areas	$ 7,646	$ 6,992	$ 8,692	$ 9,479	$ 7,535	$ 8,814	$ 9,078	$ 9,350	$ 9,631	$ 9,921
Maintenance	$ 9,856	$ 10,684	$ 10,356	$ 10,222	$ 11,050	$ 11,382	$ 11,722	$ 12,073	$ 12,435	$ 12,807
Public Safety	22,678	23,085	27,003	25,044	27,149	27,964	28,803	29,668	30,557	31,474
Administration	45,189	47,690	41,696	41,880	47,779	49,212	50,689	52,211	53,778	55,392
Systems & Services	11,353	11,709	11,827	11,844	12,928	13,316	13,716	14,128	14,552	14,989
Subtotal Indirect Cost Centers	$ 89,076	$ 93,168	$ 90,882	$ 88,989	$ 98,906	$ 101,874	$ 104,930	$ 108,080	$ 111,322	$ 114,662
Total	$ 122,095	$ 130,614	$ 128,533	$ 135,769	$ 139,831	$ 153,211	$ 157,805	$ 162,542	$ 169,144	$ 176,170
Annual percent change		7.0%	-1.6%	5.6%	3.0%	9.6%	3.0%	3.0%	4.1%	4.2%
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 68,411	$ 78,714	$ 70,249	$ 76,062	$ 84,870	$ 82,836	$ 85,321	$ 88,139	$ 90,808	$ 93,841
Nonairline Supported Areas	20,664	14,455	20,633	12,926	14,036	19,038	19,609	19,941	20,514	20,821
	$ 89,076	$ 93,168	$ 90,882	$ 88,989	$ 98,906	$ 101,874	$ 104,930	$ 108,080	$ 111,322	$ 114,662

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.

Exhibit D-3

OPERATION AND MAINTENANCE EXPENSES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Dulles International Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Summary by Account										
Personnel expenses	$ 84,908	$ 87,230	$ 88,491	$ 85,004	$ 95,691	$ 98,560	$ 101,517	$ 104,562	$ 107,698	$ 110,929
Utilities	17,644	16,671	16,770	16,403	16,756	17,259	17,777	18,310	18,859	19,425
Services	69,233	71,366	70,090	71,527	69,873	71,969	74,128	76,353	78,643	81,001
Supplies and materials	9,135	12,829	11,763	10,546	11,574	11,923	12,280	12,647	13,026	13,416
Miscellaneous	4,293	4,446	2,808	2,020	4,713	4,854	4,999	5,150	5,304	5,465
Equipment and facility expense	53	-	1,821	154	-	-	-	-	-	-
Total	$ 185,266	$ 192,542	$ 191,743	$ 185,654	$ 198,607	$ 204,565	$ 210,701	$ 217,022	$ 223,530	$ 230,236
Summary by Cost Center										
Airfield	$ 8,421	$ 11,774	$ 12,131	$ 18,192	$ 18,360	$ 18,911	$ 19,479	$ 20,063	$ 20,665	$ 21,284
Concourses C & D	4,951	5,631	6,173	5,701	5,947	6,126	6,309	6,498	6,692	6,894
Concourse B	7,585	7,754	8,548	7,367	8,318	8,567	8,824	9,089	9,361	9,642
Main Terminal	16,893	14,925	13,915	13,720	13,643	14,052	14,473	14,907	15,354	15,815
International Arrivals Building	2,327	2,489	2,374	2,811	2,873	2,959	3,048	3,140	3,233	3,329
Concourse C IAB	320	364	394	361	377	387	398	409	420	432
Concourse A	1,725	1,683	1,624	1,593	1,626	1,674	1,725	1,778	1,832	1,887
Z Gates	117	106	117	114	119	123	127	131	135	139
Passenger Conveyance	32,309	31,785	33,202	29,275	27,586	28,414	29,267	30,145	31,049	31,980
Subtotal Airline Supported Areas	$ 74,647	$ 76,511	$ 78,478	$ 79,134	$ 78,849	$ 81,213	$ 83,650	$ 86,160	$ 88,741	$ 91,402
Ground Transportation	$ 9,187	$ 12,697	$ 12,701	$ 11,306	$ 12,287	$ 12,655	$ 13,035	$ 13,427	$ 13,830	$ 14,245
Aviation	631	503	362	521	457	471	484	499	515	531
Nonaviation	410	218	(526)	(611)	(1,791)	(1,844)	(1,900)	(1,957)	(2,016)	(2,078)
Cargo	667	486	536	588	847	874	900	927	955	985
Subtotal Nonairline Supported Areas	$ 10,895	$ 13,904	$ 13,073	$ 11,804	$ 11,800	$ 12,156	$ 12,519	$ 12,896	$ 13,284	$ 13,683
Maintenance	$ 16,314	$ 19,009	$ 17,640	$ 17,145	$ 18,627	$ 19,186	$ 19,761	$ 20,353	$ 20,964	$ 21,593
Public Safety	24,611	24,443	29,093	25,312	27,888	28,724	29,586	30,473	31,388	32,330
Administration	38,048	38,828	34,178	32,793	41,626	42,875	44,161	45,486	46,850	48,256
Systems & Services	20,752	19,847	19,281	19,465	19,817	20,411	21,024	21,654	22,303	22,972
Subtotal Indirect Cost Centers	$ 99,724	$ 102,127	$ 100,192	$ 94,715	$ 107,958	$ 111,196	$ 114,532	$ 117,966	$ 121,505	$ 125,151
Total	$ 185,266	$ 192,542	$ 191,743	$ 185,654	$ 198,607	$ 204,565	$ 210,701	$ 217,022	$ 223,530	$ 230,236
Annual percent change		3.9%	-0.4%	-3.2%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Exhibit D-3 (page 2 of 2)

OPERATION AND MAINTENANCE EXPENSES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

Dulles International Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 63,835	$ 68,617	$ 67,107	$ 62,059	$ 70,710	$ 73,080	$ 75,273	$ 77,702	$ 79,854	$ 82,250
Nonairline Supported Areas	35,890	33,510	33,085	32,656	37,248	38,116	39,259	40,264	41,651	42,901
	$ 99,724	$ 102,127	$ 100,192	$ 94,715	$ 107,958	$ 111,196	$ 114,532	$ 117,966	$ 121,505	$ 125,151

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.

Exhibit E-1

REVENUES

Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Airports Authority	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Airline revenues										
Terminal rents and user fees	$ 264,942	$ 268,504	$ 254,172	$ 276,393	$ 262,305	$ 266,400	$ 262,177	$ 288,371	$ 287,448	$ 303,085
Landing and apron fees	112,283	128,387	118,864	105,741	102,764	104,075	105,817	121,025	129,500	136,724
International Arrival Building fees	25,702	26,363	25,622	23,424	26,002	25,008	25,641	25,001	25,622	27,667
Passenger conveyance fees	6,721	6,006	7,261	6,198	7,011	7,033	7,708	8,688	8,412	8,561
Total airline revenues	$ 409,648	$ 429,260	$ 405,918	$ 411,756	$ 398,082	$ 402,515	$ 401,342	$ 443,085	$ 450,982	$ 476,037
Annual percent change		4.8%	-5.4%	1.4%	-3.3%	1.1%	-0.3%	10.4%	1.8%	5.6%
Airline revenues as a share of total Revenues	61.5%	61.7%	58.8%	55.9%	55.6%	54.7%	54.0%	55.9%	55.6%	56.0%
Concession revenues										
Landside concession revenues										
Net public automobile parking (a)	$ 74,931	$ 77,171	$ 81,529	$ 94,745	$ 93,068	$ 92,820	$ 93,411	$ 93,981	$ 94,531	$ 98,999
Rental car	35,433	36,416	36,298	38,966	38,429	39,462	40,890	42,358	43,869	45,426
Ground transportation	8,596	9,771	12,643	15,977	12,625	15,892	16,469	17,062	17,673	18,301
Subtotal	$ 118,960	$ 123,358	$ 130,470	$ 149,689	$ 144,121	$ 148,174	$ 150,770	$ 153,401	$ 156,073	$ 162,726
Originating passengers	14,811	14,938	15,563	16,819	16,900	17,130	17,389	17,649	17,908	18,168
Revenue per originating passenger	$ 8.03	$ 8.26	$ 8.38	$ 8.90	$ 8.53	$ 8.65	$ 8.67	$ 8.69	$ 8.72	$ 8.96
In-terminal concession revenues										
Food and beverage	$ 18,011	$ 18,992	$ 20,513	$ 26,276	$ 25,397	$ 28,172	$ 29,183	$ 30,225	$ 32,059	$ 34,417
Newsstand and retail	12,238	12,815	11,622	13,633	13,548	14,609	15,146	15,698	16,614	17,959
Duty free	4,456	4,667	8,189	13,144	13,492	14,324	15,000	15,697	16,416	17,158
Display advertising	10,665	10,241	9,296	11,321	9,300	12,120	12,823	13,567	14,355	15,187
Other concessions	5,985	7,691	9,067	9,621	10,005	9,951	10,133	10,319	10,510	10,706
Subtotal	$ 51,355	$ 54,406	$ 58,687	$ 73,995	$ 71,741	$ 79,175	$ 82,285	$ 85,506	$ 89,954	$ 95,427
Enplaned passengers	20,961	21,058	21,138	22,210	22,625	22,976	23,326	23,677	24,027	24,377
Revenue per enplaned passenger	$ 2.45	$ 2.58	$ 2.78	$ 3.33	$ 3.17	$ 3.45	$ 3.53	$ 3.61	$ 3.74	$ 3.91
Airside concession revenues										
Fixed base operator	$ 15,467	$ 15,543	$ 17,276	$ 17,516	$ 19,052	$ 18,158	$ 18,520	$ 18,890	$ 19,268	$ 19,654
Inflight kitchen	7,925	10,005	12,088	12,426	11,136	12,859	13,116	13,378	13,646	13,919
Subtotal	$ 23,392	$ 25,548	$ 29,363	$ 29,942	$ 30,188	$ 31,016	$ 31,636	$ 32,268	$ 32,914	$ 33,573
Total concession revenues	$ 193,707	$ 203,311	$ 218,521	$ 253,625	$ 246,050	$ 258,366	$ 264,691	$ 271,175	$ 278,941	$ 291,726
Annual percent change		5.0%	7.5%	16.1%	-3.0%	5.0%	2.4%	2.4%	2.9%	4.6%

Exhibit E-1 (page 2 of 2)

REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

Airports Authority	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other operating revenues										
Land and building rentals	$ 30,396	$ 30,966	$ 34,105	$ 34,370	$ 35,705	$ 36,594	$ 37,700	$ 38,294	$ 39,462	$ 39,959
TSA rentals	1,019	460	1,365	878	920	938	957	976	995	1,015
Utility reimbursements	7,510	7,959	8,480	8,864	8,737	8,912	9,091	9,274	9,460	9,651
Other revenues	8,156	8,107	9,094	10,486	9,477	9,667	9,860	10,057	10,258	10,463
Total other operating revenues	$ 47,082	$ 47,492	$ 53,045	$ 54,598	$ 54,838	$ 56,111	$ 57,608	$ 58,601	$ 60,175	$ 61,088
Annual percent change		0.9%	11.7%	2.9%	0.4%	2.3%	2.7%	1.7%	2.7%	1.5%
Investment earnings										
Debt Service Reserve Fund	$ 14,743	$ 13,155	$ 13,038	$ 14,312	$ 14,313	$ 14,893	$ 16,064	$ 16,064	$ 16,335	$ 16,335
Bond funds	85	773	(179)	192	84	182	475	475	543	543
Unrestricted funds	736	2,259	(261)	2,053	2,048	3,384	3,578	3,685	3,795	3,926
Total investment earnings	$ 15,563	$ 16,187	$ 12,597	$ 16,558	$ 16,445	$ 18,459	$ 20,117	$ 20,224	$ 20,673	$ 20,804
Annual percent change		4.0%	-22.2%	31.4%	-0.7%	12.2%	9.0%	0.5%	2.2%	0.6%
Total Revenues	$ 666,001	$ 696,250	$ 690,081	$ 736,538	$ 715,416	$ 735,451	$ 743,758	$ 793,085	$ 810,771	$ 849,655
Annual percent change		4.5%	-0.9%	6.7%	-2.9%	2.8%	1.1%	6.6%	2.2%	4.8%

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) Revenues net of expenses and fees under parking management agreement.

Exhibit E-2

REVENUES

Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Reagan National Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Airline revenues										
Terminal rents and user fees	$ 80,202	$ 85,180	$ 73,668	$ 98,917	$ 104,953	$ 112,419	$ 102,904	$ 106,735	$ 100,251	$ 110,947
Landing fees	45,345	51,571	44,292	54,378	58,001	61,196	56,528	57,104	57,517	61,448
Total airline revenues	$ 125,547	$ 136,750	$ 117,960	$ 153,295	$ 162,954	$ 173,616	$ 159,431	$ 163,839	$ 157,768	$ 172,395
Annual percent change		8.9%	-13.7%	30.0%	6.3%	6.5%	-8.2%	2.8%	-3.7%	9.3%
Airline revenues as a share of total Revenues	56.6%	57.2%	52.5%	54.6%	57.6%	57.1%	54.2%	54.4%	52.8%	53.6%
Concession revenues										
Landside concession revenues										
Net public automobile parking (a)	$ 32,795	$ 33,997	$ 37,518	$ 46,890	$ 45,331	$ 46,198	$ 46,122	$ 46,043	$ 45,961	$ 49,815
Rental car	18,562	18,525	19,073	21,414	20,032	21,311	21,921	22,547	23,189	23,848
Ground transportation	4,956	5,625	6,059	8,527	7,045	8,486	8,729	8,978	9,234	9,496
Subtotal	$ 56,314	$ 58,147	$ 62,651	$ 76,830	$ 72,408	$ 75,995	$ 76,772	$ 77,568	$ 78,384	$ 83,159
Originating passengers	8,108	8,342	8,756	9,651	9,875	10,005	10,089	10,174	10,258	10,343
Revenue per originating passenger	$ 6.95	$ 6.97	$ 7.16	$ 7.96	$ 7.33	$ 7.60	$ 7.61	$ 7.62	$ 7.64	$ 8.04
In-terminal concession revenues										
Food and beverage	$ 8,568	$ 9,411	$ 10,098	$ 13,021	$ 12,997	$ 14,018	$ 14,418	$ 14,829	$ 16,014	$ 17,703
Newsstand and retail	5,547	5,957	5,233	5,922	5,671	6,375	6,557	6,744	7,283	8,239
Duty free	83	84	123	182	189	177	186	195	204	213
Display advertising	4,787	5,546	5,381	7,112	5,500	7,640	8,082	8,550	9,045	9,568
Other concessions	747	716	1,273	1,483	1,153	1,513	1,543	1,574	1,607	1,640
Subtotal	$ 19,732	$ 21,714	$ 22,108	$ 27,720	$ 25,510	$ 29,722	$ 30,786	$ 31,892	$ 34,153	$ 37,363
Enplaned passengers	9,788	10,198	10,458	11,496	11,750	11,900	12,000	12,100	12,200	12,300
Revenue per enplaned passenger	$ 2.02	$ 2.13	$ 2.11	$ 2.41	$ 2.17	$ 2.50	$ 2.57	$ 2.64	$ 2.80	$ 3.04
Airside concession revenues										
Fixed base operator	$ 1,218	$ 1,026	$ 1,569	$ 1,627	$ 1,420	$ 1,627	$ 1,659	$ 1,692	$ 1,726	$ 1,761
Inflight kitchen	855	1,109	1,613	1,715	1,001	1,715	1,749	1,784	1,820	1,856
Subtotal	$ 2,073	$ 2,135	$ 3,182	$ 3,342	$ 2,421	$ 3,342	$ 3,408	$ 3,476	$ 3,546	$ 3,617
Total concession revenues	$ 78,119	$ 81,996	$ 87,941	$ 107,892	$ 100,338	$ 109,059	$ 110,966	$ 112,936	$ 116,083	$ 124,139
Annual percent change		5.0%	7.2%	22.7%	-7.0%	8.7%	1.7%	1.8%	2.8%	6.9%

Exhibit E-2 (page 2 of 2)

REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

Reagan National Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other operating revenues										
Land and building rentals	$ 9,948	$ 9,970	$ 9,601	$ 9,717	$ 10,406	$ 10,672	$ 11,438	$ 11,799	$ 11,909	$ 11,997
TSA rentals	719	169	916	550	569	581	593	605	617	629
Utility reimbursements	2,187	2,337	2,548	2,829	2,850	2,908	2,968	3,029	3,091	3,154
Other revenues	2,281	2,464	2,706	2,731	2,155	2,199	2,243	2,288	2,334	2,381
Total other operating revenues	$ 15,136	$ 14,941	$ 15,771	$ 15,826	$ 15,980	$ 16,360	$ 17,242	$ 17,721	$ 17,951	$ 18,161
Annual percent change		-1.3%	5.6%	0.4%	1.0%	2.4%	5.4%	2.8%	1.3%	1.2%
Investment earnings										
Debt Service Reserve Fund	$ 2,661	$ 4,291	$ 3,040	$ 2,965	$ 2,995	$ 3,654	$ 4,562	$ 4,551	$ 4,734	$ 4,644
Bond funds	12	167	(31)	27	12	153	358	355	435	448
Unrestricted funds	292	913	(105)	867	846	1,398	1,532	1,578	1,625	1,691
Total investment earnings	$ 2,965	$ 5,372	$ 2,904	$ 3,860	$ 3,853	$ 5,204	$ 6,452	$ 6,484	$ 6,794	$ 6,783
Annual percent change		81.2%	-45.9%	32.9%	-0.2%	35.1%	24.0%	0.5%	4.8%	-0.2%
Total Revenues	$ 221,767	$ 239,059	$ 224,575	$ 280,873	$ 283,125	$ 304,239	$ 294,092	$ 300,981	$ 298,596	$ 321,479
Annual percent change		7.8%	-6.1%	25.1%	0.8%	7.5%	-3.3%	2.3%	-0.8%	7.7%

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) Revenues net of expenses and fees under parking management agreement.

Exhibit E-3

REVENUES

Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Dulles International Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Airline revenues										
Terminal rents and user fees	$ 184,740	$ 183,324	$ 180,504	$ 177,475	$ 157,352	$ 153,981	$ 159,273	$ 181,636	$ 187,197	$ 192,137
Landing and apron fees	66,937	76,816	74,571	51,363	44,763	42,878	49,289	63,921	71,983	75,276
International Arrival Building fees	25,702	26,363	25,622	23,424	26,002	25,008	25,641	25,001	25,622	27,667
Passenger conveyance fees	6,721	6,006	7,261	6,198	7,011	7,033	7,708	8,688	8,412	8,561
Total airline revenues	$ 284,101	$ 292,509	$ 287,958	$ 258,461	$ 235,128	$ 228,900	$ 241,911	$ 279,246	$ 293,214	$ 303,641
Annual percent change		3.0%	-1.6%	-10.2%	-9.0%	-2.6%	5.7%	15.4%	5.0%	3.6%
Airline revenues as a share of total Revenues	64.0%	64.0%	61.9%	56.7%	54.4%	53.1%	53.8%	56.7%	57.2%	57.5%
Concession revenues										
Landside concession revenues										
Net public automobile parking (a)	$ 42,136	$ 43,173	$ 44,011	$ 47,856	$ 47,737	$ 46,622	$ 47,289	$ 47,938	$ 48,570	$ 49,184
Rental car	16,871	17,891	17,225	17,552	18,397	18,151	18,969	19,811	20,680	21,578
Ground transportation	3,639	4,146	6,584	7,451	5,580	7,406	7,740	8,084	8,439	8,805
Subtotal	$ 62,646	$ 65,211	$ 67,820	$ 72,858	$ 71,713	$ 72,179	$ 73,998	$ 75,833	$ 77,689	$ 79,567
Originating passengers	6,703	6,596	6,807	7,168	7,025	7,125	7,300	7,475	7,650	7,825
Revenue per originating passenger	$ 9.35	$ 9.89	$ 9.96	$ 10.16	$ 10.21	$ 10.13	$ 10.14	$ 10.14	$ 10.16	$ 10.17
In-terminal concession revenues										
Food and beverage	$ 9,443	$ 9,581	$ 10,415	$ 13,256	$ 12,400	$ 14,154	$ 14,765	$ 15,396	$ 16,045	$ 16,714
Newsstand and retail	6,691	6,857	6,389	7,711	7,877	8,234	8,589	8,954	9,331	9,720
Duty free	4,372	4,583	8,066	12,962	13,303	14,146	14,814	15,502	16,212	16,945
Display advertising	5,879	4,695	3,914	4,209	3,800	4,480	4,741	5,017	5,310	5,619
Other concessions	5,238	6,975	7,795	8,138	8,852	8,438	8,590	8,745	8,903	9,066
Subtotal	$ 31,623	$ 32,691	$ 36,579	$ 46,275	$ 46,231	$ 49,453	$ 51,499	$ 53,614	$ 55,801	$ 58,064
Enplaned passengers	11,173	10,861	10,679	10,714	10,875	11,076	11,326	11,577	11,827	12,077
Revenue per enplaned passenger	$ 2.83	$ 3.01	$ 3.43	$ 4.32	$ 4.25	$ 4.46	$ 4.55	$ 4.63	$ 4.72	$ 4.81
Airside concession revenues										
Fixed base operator	$ 14,250	$ 14,517	$ 15,707	$ 15,889	$ 17,632	$ 16,531	$ 16,861	$ 17,198	$ 17,542	$ 17,893
Inflight kitchen	7,070	8,896	10,475	10,711	10,135	11,144	11,367	11,594	11,826	12,063
Subtotal	$ 21,319	$ 23,413	$ 26,182	$ 26,600	$ 27,767	$ 27,675	$ 28,228	$ 28,792	$ 29,368	$ 29,956
Total concession revenues	$ 115,589	$ 121,315	$ 130,581	$ 145,733	$ 145,712	$ 149,306	$ 153,725	$ 158,239	$ 162,858	$ 167,587
Annual percent change		5.0%	7.6%	11.6%	0.0%	2.5%	3.0%	2.9%	2.9%	2.9%

Exhibit E-3 (page 2 of 2)

REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

Dulles International Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other operating revenues										
Land and building rentals	$ 20,449	$ 20,996	$ 24,505	$ 24,653	$ 25,299	$ 25,922	$ 26,262	$ 26,495	$ 27,553	$ 27,962
TSA rentals	300	291	449	329	350	357	364	371	378	386
Utility reimbursements	5,323	5,622	5,932	6,035	5,887	6,004	6,123	6,245	6,369	6,497
Other revenues	5,874	5,643	6,388	7,756	7,322	7,468	7,617	7,769	7,924	8,082
Total other operating revenues	$ 31,946	$ 32,552	$ 37,274	$ 38,772	$ 38,858	$ 39,751	$ 40,366	$ 40,880	$ 42,224	$ 42,927
Annual percent change		1.9%	14.5%	4.0%	0.2%	2.3%	1.5%	1.3%	3.3%	1.7%
Investment earnings										
Debt Service Reserve Fund	$ 12,082	$ 8,864	$ 9,998	$ 11,347	$ 11,318	$ 11,239	$ 11,502	$ 11,513	$ 11,601	$ 11,691
Bond funds	73	605	(148)	165	73	29	117	120	108	95
Unrestricted funds	444	1,346	(156)	1,186	1,202	1,986	2,046	2,107	2,170	2,235
Total investment earnings	$ 12,599	$ 10,815	$ 9,693	$ 12,698	$ 12,593	$ 13,255	$ 13,665	$ 13,740	$ 13,879	$ 14,021
Annual percent change		-14.2%	-10.4%	31.0%	-0.8%	5.3%	3.1%	0.5%	1.0%	1.0%
Total Revenues	$ 444,234	$ 457,191	$ 465,506	$ 455,664	$ 432,290	$ 431,212	$ 449,666	$ 492,105	$ 512,176	$ 528,176
Annual percent change		2.9%	1.8%	-2.1%	-5.1%	-0.2%	4.3%	9.4%	4.1%	3.1%

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) Revenues net of expenses and fees under parking management agreement.

Exhibit E-4

CALCULATION OF SIGNATORY AIRLINE PAYMENTS
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reagan National Airport										
Allocated requirements of Airline Supported Areas										
Direct Operation and Maintenance Expenses (a)	$ 25,373	$ 30,453	$ 28,959	$ 37,301	$ 33,390	$ 42,523	$ 43,797	$ 45,112	$ 48,191	$ 51,587
Indirect Operation and Maintenance Expenses (a)	68,411	78,714	70,249	76,062	84,870	82,836	85,321	88,139	90,808	93,841
O&M Reserve requirement	377	21	(150)	68	991	1,183	627	689	958	1,071
Direct Debt Service (b)	45,577	43,195	42,081	34,892	38,389	42,181	50,775	51,959	57,408	64,637
Indirect Debt Service (b)	11,265	12,502	11,511	13,093	12,261	13,085	17,791	18,152	18,353	18,619
Debt Service coverage	14,210	13,924	13,398	16,795	17,728	19,343	20,570	21,033	22,728	24,977
Amortization of COMIP Expenditures	2,851	2,744	2,943	2,783	2,693	2,593	2,490	1,964	1,811	1,782
Federal Lease payments	2,440	2,675	2,481	2,751	2,806	2,781	2,865	2,955	3,054	3,161
Total Requirement	$ 170,506	$ 184,227	$ 171,472	$ 183,746	$ 193,127	$ 206,524	$ 224,236	$ 230,004	$ 243,312	$ 259,676
Less: Utility and TSA reimbursements	$ 2,582	$ 2,122	$ 2,827	$ 2,638	$ 2,703	$ 2,750	$ 2,798	$ 2,847	$ 2,896	$ 2,946
Net Requirement	$ 167,923	$ 182,105	$ 168,645	$ 181,108	$ 190,424	$ 203,774	$ 221,438	$ 227,157	$ 240,416	$ 256,730
Signatory Airline Share of Net Requirement	$ 142,125	$ 154,968	$ 143,260	$ 153,110	$ 162,710	$ 173,359	$ 188,547	$ 193,037	$ 193,991	$ 202,766
Less: Transfer of prior year Signatory Airline share of Net Remaining Revenues (c)	$ 16,691	$ 18,376	$ 25,489	$ -	$ -	$ -	$ 29,389	$ 29,474	$ 36,508	$ 30,665
Net Requirement	$ 125,435	$ 136,592	$ 117,770	$ 153,110	$ 162,710	$ 173,359	$ 159,157	$ 163,563	$ 157,482	$ 172,101
Less: Payments by Signatory Cargo Carriers	$ 139	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Passenger Signatory Airline payments	$ 125,296	$ 136,592	$ 117,770	$ 153,110	$ 162,710	$ 173,359	$ 159,157	$ 163,563	$ 157,482	$ 172,101
Signatory enplaned passengers	9,794	10,201	10,462	11,496	11,750	11,900	12,000	12,100	12,200	12,300
Passenger Signatory Airline payments per passenger	$ 12.79	$ 13.39	$ 11.26	$ 13.32	$ 13.85	$ 14.57	$ 13.26	$ 13.52	$ 12.91	$ 13.99

Columns may not add to totals shown because of rounding.
(a) See Exhibit D-2.
(b) See Exhibit C-2.
(c) See Exhibit F-1.

Exhibit E-5

CALCULATION OF SIGNATORY AIRLINE PAYMENTS
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Dulles International Airport										
Allocated requirements of Airline Supported Areas										
Direct Operation and Maintenance Expenses (a)	$ 74,647	$ 76,511	$ 78,478	$ 79,134	$ 78,849	$ 81,213	$ 83,650	$ 86,160	$ 88,741	$ 91,402
Indirect Operation and Maintenance Expenses (a)	63,835	68,617	67,107	62,059	70,710	73,080	75,273	77,702	79,854	82,250
O&M Reserve requirement	518	26	(205)	79	1,187	789	772	823	789	843
Direct Debt Service (b)	152,739	157,172	158,917	167,484	168,497	172,337	180,312	179,436	183,025	189,030
Indirect Debt Service (b)	30,235	25,992	27,645	25,219	25,037	26,457	28,830	29,799	30,995	31,227
Debt Service coverage	45,743	45,791	46,641	67,446	67,737	69,578	62,743	62,771	64,206	66,077
Amortization of COMIP Expenditures	6,852	6,775	6,638	5,865	5,593	5,518	5,287	5,012	4,313	3,706
Federal Lease payments	1,471	1,504	1,509	1,525	1,577	1,628	1,676	1,728	1,778	1,831
Total Requirement	$ 376,040	$ 382,387	$ 386,730	$ 408,812	$ 419,188	$ 430,599	$ 438,542	$ 443,430	$ 453,700	$ 466,366
Less: Utility and TSA reimbursements	$ 936	$ 1,017	$ 1,121	$ 896	$ 995	$ 1,014	$ 1,033	$ 1,052	$ 1,072	$ 1,094
Net Requirement	$ 375,105	$ 381,370	$ 385,609	$ 407,915	$ 418,193	$ 429,585	$ 437,509	$ 442,378	$ 452,628	$ 465,272
Signatory Airline Share of Net Requirement	$325,008	$331,424	$336,332	$357,160	$369,340	$375,255	$381,833	$383,493	$392,001	$402,964
Less: Transfer of prior year share of Net Remaining Revenues (c)	$ 44,870	$ 43,531	$ 52,607	$ 103,645	$ 141,127	$ 128,432	$ 122,064	$ 111,479	$ 106,219	$ 106,967
Less: Virginia state grants	-	-	-	-	-	25,000	25,000	-	-	-
Net Requirement	$280,137	$287,893	$283,725	$253,515	$228,213	$221,823	$234,770	$272,013	$285,782	$295,997
Less: Payments by Signatory Cargo Carriers	$ 1,666	$ 2,163	$ 2,018	$ 1,311	$ 1,127	$ 1,057	$ 1,270	$ 1,761	$ 2,026	$ 2,143
Passenger Signatory Airline payments	$ 278,471	$ 285,730	$ 281,707	$ 252,204	$ 227,086	$ 220,766	$ 233,499	$ 270,253	$ 283,756	$ 293,854
Signatory enplaned passengers	11,134	10,796	10,608	10,654	10,739	10,938	11,187	11,436	11,685	11,934
Passenger Signatory Airline payments per passenger	$ 25.01	$ 26.47	$ 26.55	$ 23.67	$ 21.15	$ 20.18	$ 20.87	$ 23.63	$ 24.28	$ 24.62

Columns may not add to totals shown because of rounding.
(a) See Exhibit D-3.
(b) See Exhibit C-3.
(c) See Exhibit F-1.

Exhibit F-1

APPLICATION OF REVENUES AND ALLOCATION OF NET REMAINING REVENUES

Metropolitan Washington Airports Authority

For Fiscal Years ending December 31

(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues (a)	$ 666,001	$ 696,250	$ 690,081	$ 736,538	$ 715,416	$ 735,451	$ 743,758	$ 793,085	$ 810,771	$ 849,655
Application of Revenues (b)										
O&M Expenses (c)	$ 307,361	$ 323,156	$ 320,276	$ 321,423	$ 338,439	$ 357,776	$ 368,506	$ 379,564	$ 392,674	$ 406,406
Required deposits to:										
Operation and Maintenance Fund (d)	1,238	61	(480)	191	2,836	3,223	1,788	1,843	2,185	2,289
Principal and Interest Accounts (e)	312,026	309,828	309,883	307,712	318,795	333,128	362,205	364,168	379,140	400,444
Redemption Accounts	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Funds	-	-	-	-	-	-	-	-	-	-
Subordinated Bond Funds	-	-	-	-	-	-	-	-	-	-
Subordinated Reserve Funds	-	-	-	-	-	-	-	-	-	-
Junior Lien Obligations Fund	-	-	-	-	-	-	-	-	-	-
Federal Lease Fund	5,304	5,335	5,298	5,392	5,529	5,695	5,866	6,042	6,223	6,410
Emergency Repair and Rehabilitation Fund	-	-	-	-	-	-	-	-	-	-
General Purpose Fund	40,071	57,869	55,105	101,820	49,817	35,629	5,393	41,469	30,549	34,106
Total Application of Revenues	$ 666,001	$ 696,250	$ 690,081	$ 736,538	$ 715,416	$ 735,451	$ 743,758	$ 793,085	$ 810,771	$ 849,655

APPLICATION OF REVENUES AND ALLOCATION OF NET REMAINING REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Calculation of Net Remaining Revenues (f)										
Deposit to General Purpose Fund	$ 40,071	$ 57,869	$ 55,105	$ 101,820	$ 49,817	$ 35,629	$ 5,393	$ 41,469	$ 30,549	$ 34,106
Transfer from Airline Transfer Account (g)	61,561	61,907	78,097	103,645	141,127	128,432	151,453	140,953	142,728	137,632
Net Remaining Revenues	$ 101,632	$ 119,776	$ 133,201	$ 205,464	$ 190,944	$ 164,061	$ 156,846	$ 182,422	$ 173,277	$ 171,738
Plus: State grants	-	-	-	-	-	25,000	25,000	-	-	-
Adjusted Net Remaining Revenues	$ 101,632	$ 119,776	$ 133,201	$ 205,464	$ 190,944	$ 189,061	$ 181,846	$ 182,422	$ 173,277	$ 171,738
Allocation of Net Remaining Revenues (f)										
Reagan National Airport										
Authority share (transfer to Capital Fund)	$ 17,094	$ 18,484	$ 41,794	$ 72,674	$ 65,077	$ 35,920	$ 36,024	$ 29,871	$ 25,089	$ 23,354
Authority share (transfer to Dulles)	-	-	(40,000)	(40,000)	(40,000)	(35,000)	(30,000)	(25,000)	(24,666)	(23,354)
Signatory Airline share (transfer to Airline Transfer Account)	18,376	25,489	-	-	-	29,389	29,474	36,508	30,665	28,543
	$ 35,470	$ 43,973	$ 1,794	$ 32,674	$ 25,077	$ 30,310	$ 35,497	$ 41,379	$ 31,088	$ 28,543
Dulles International Airport										
Authority share (transfer to Capital Fund)	$ 22,631	$ 23,196	$ 27,763	$ 31,663	$ 37,434	$ 36,687	$ 34,869	$ 34,823	$ 35,222	$ 35,834
Authority share (transfer from Reagan)	-	-	40,000	40,000	40,000	35,000	30,000	25,000	24,666	23,354
Signatory Airline share (transfer to Airline Transfer Account)	43,531	52,607	63,645	101,127	88,432	87,064	81,479	81,219	82,301	84,007
	$ 66,162	$ 75,803	$ 131,407	$ 172,790	$ 165,867	$ 158,751	$ 146,348	$ 141,043	$ 142,189	$ 143,195
	$ 101,632	$ 119,776	$ 133,201	$ 205,464	$ 190,944	$ 189,061	$ 181,846	$ 182,422	$ 173,277	$ 171,738
Signatory Airline share of Net Remaining Revenues (h)										
Reagan National Airport	$ 18,376	$ 25,489	$ -	$ -	$ -	$ 29,389	$ 29,474	$ 36,508	$ 30,665	$ 28,543
Dulles International Airport										
Transfer from Reagan	-	-	40,000	40,000	40,000	35,000	30,000	25,000	24,666	23,354
Generated at Dulles	43,531	52,607	63,645	101,127	88,432	87,064	81,479	81,219	82,301	84,007
	$ 61,907	$ 78,097	$ 103,645	$ 141,127	$ 128,432	$ 151,453	$ 140,953	$ 142,728	$ 137,632	$ 135,904

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) See Exhibit E-1.
(b) Application per the Indenture.
(c) See Exhibit D-1.
(d) Annual O&M Reserve increment.
(e) Annual Debt Service is shown as a proxy for deposits to Principal and Interest Accounts. See Exhibit C-1.
(f) Calculation and allocation per the Airline Agreement.
(g) Signatory Airline share of prior year's Net Remaining Revenues.
(h) Amounts applied as credits in the calculation of Signatory Airline rentals, fees, and charges. See Exhibit E-4 and Exhibit E-5.

Exhibit F-2

SOURCES AND USES OF PFC REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Reagan National Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Enplaned passengers	9,788	10,198	10,458	11,496	11,750	11,900	12,000	12,100	12,200	12,300
Percent PFC-eligible	92%	90%	91%	93%	93%	93%	93%	93%	93%	93%
Net PFC amount (a)	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
PFC Revenues	$ 39,624	$ 40,498	$ 41,969	$ 46,886	$ 47,922	$ 48,533	$ 48,941	$ 49,349	$ 49,757	$ 50,165
PFC Fund balance beginning balance	$ 14,079	$ 25,582	$ 38,840	$ 38,019	$ 48,421	$ 63,392	$ 73,151	$ 59,280	$ 45,481	$ 32,030
PFC Revenues	39,624	40,498	41,969	46,886	47,922	48,533	48,941	49,349	49,757	50,165
Uses of PFC Revenues										
Pay-as-you-go expenditures										
Prior approved projects	$ 28,121	$ 27,239	$ 42,790	$ 12,865	$ -	$ -	$ -	$ -	$ -	$ -
Dulles Metrorail station (b)	-	-	-	23,618	30,000	30,000	30,000	30,000	30,000	30,000
Payment of PFC-eligible Bond debt service										
Reagan airside project debt service	-	-	-	-	2,951	2,923	3,830	4,163	4,223	4,466
Future PFC-eligible Bond debt service	-	-	-	-	-	5,851	28,983	28,985	28,984	28,984
Total Uses	$ 28,121	$ 27,239	$ 42,790	$ 36,483	$ 32,951	$ 38,774	$ 62,813	$ 63,148	$ 63,207	$ 63,450
PFC Fund balance ending balance	$ 25,582	$ 38,840	$ 38,019	$ 48,421	$ 63,392	$ 73,151	$ 59,280	$ 45,481	$ 32,030	$ 18,745

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) PFC of $4.50 less airline collection fee of $0.11.
(b) As approved under PFC Application 6.

Exhibit F-3

SOURCES AND USES OF PFC REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Dulles International Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Enplaned passengers	11,173	10,861	10,679	10,714	10,875	11,076	11,326	11,577	11,827	12,077
Percent PFC-eligible	89%	81%	86%	89%	89%	89%	89%	89%	89%	89%
Net PFC amount (a)	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
PFC Revenues	$ 43,640	$ 38,559	$ 40,309	$ 41,667	$ 42,295	$ 43,074	$ 44,048	$ 45,022	$ 45,996	$ 46,970
PFC Fund balance beginning balance	$ 4,062	$ 7,691	$ 4,251	$ 4,560	$ 3,727	$ 2,522	$ 596	$ 645	$ 667	$ 663
PFC Revenues	43,640	38,559	40,309	41,667	42,295	43,074	44,048	45,022	45,996	46,970
Uses of PFC Revenues										
Payment of PFC-eligible Bond debt service (b)										
Irrevocable commitment	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ 35,000	$ -	$ -	$ -	$ -	$ -
Approved debt service	5,010	7,000	5,000	7,500	8,500	45,000	44,000	45,000	46,000	47,000
Total Uses	$ 40,010	$ 42,000	$ 40,000	$ 42,500	$ 43,500	$ 45,000	$ 44,000	$ 45,000	$ 46,000	$ 47,000
PFC Fund balance ending balance	$ 7,691	$ 4,251	$ 4,560	$ 3,727	$ 2,522	$ 596	$ 645	$ 667	$ 663	$ 632

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) PFC of $4.50 less airline collection fee of $0.11.
(b) As approved under PFC Application 4.

Exhibit G-1

DEBT SERVICE COVERAGE
AND RATE COVENANT REQUIREMENT
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Airports Authority		Historical				Budgeted	Forecast				
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Service Coverage											
Revenues (a)		$ 666,001	$ 696,250	$ 690,081	$ 736,538	$ 715,416	$ 735,451	$ 743,758	$ 793,085	$ 810,771	$ 849,655
Transfer from General Purpose Fund (b)		61,561	61,907	78,097	103,645	141,127	128,432	151,453	140,953	142,728	137,632
		$ 727,562	$ 758,157	$ 768,178	$ 840,182	$ 856,543	$ 863,883	$ 895,211	$ 934,038	$ 953,499	$ 987,286
Less: Operation and Maintenance Expenses (c)		307,361	323,156	320,276	321,423	338,439	357,776	368,506	379,564	392,674	406,406
Net Revenues	[A]	$ 420,200	$ 435,001	$ 447,901	$ 518,760	$ 518,104	$ 506,107	$ 526,705	$ 554,474	$ 560,825	$ 580,880
Bond Debt Service		$ 352,037	$ 351,828	$ 349,883	$ 350,212	$ 365,246	$ 386,903	$ 439,018	$ 442,315	$ 458,347	$ 480,894
Irrevocable PFC commitment		(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	-	-	-	-	-
Approved debt service (d)		(5,010)	(7,000)	(5,000)	(7,500)	(8,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Approved debt service (e)		-	-	-	-	(2,951)	(2,923)	(3,830)	(4,163)	(4,223)	(4,466)
Future debt service		-	-	-	-	-	(5,851)	(28,983)	(28,985)	(28,984)	(28,984)
Total Annual Debt Service	[B]	$ 312,026	$ 309,828	$ 309,883	$ 307,712	$ 318,795	$ 333,128	$ 362,205	$ 364,168	$ 379,140	$ 400,444
Debt service coverage ratio	[A/B]	1.35	1.40	1.45	1.69	1.63	1.52	1.45	1.52	1.48	1.45

Exhibit G-1 (page 2 of 2)

DEBT SERVICE COVERAGE
AND RATE COVENANT REQUIREMENT
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

Airports Authority		Historical				Budgeted	Forecast				
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Rate Covenant Requirement											
Section 6.04(a)(i) requirement											
Required deposits to:											
Principal and Interest Accounts (f)		$ 312,026	$ 309,828	$ 309,883	$ 307,712	$ 318,795	$ 333,128	$ 362,205	$ 364,168	$ 379,140	$ 400,444
Redemption Accounts		-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Funds		-	-	-	-	-	-	-	-	-	-
Subordinated Bond Funds		-	-	-	-	-	-	-	-	-	-
Subordinated Reserve Funds		-	-	-	-	-	-	-	-	-	-
Junior Lien Obligations Fund		-	-	-	-	-	-	-	-	-	-
Federal Lease Fund		5,304	5,335	5,298	5,392	5,529	5,695	5,866	6,042	6,223	6,410
Emergency Repair and Rehabilitation Fund		-	-	-	-	-	-	-	-	-	-
Total Section 6.04(a)(i) requirement	[C]	$ 317,330	$ 315,164	$ 315,180	$ 313,104	$ 324,324	$ 338,823	$ 368,071	$ 370,210	$ 385,363	$ 406,854
Section 6.04(a)(i) requirement											
Annual Debt Service	[D]	$ 312,026	$ 309,828	$ 309,883	$ 307,712	$ 318,795	$ 333,128	$ 362,205	$ 364,168	$ 379,140	$ 400,444
Coverage factor	[E]	125%	125%	125%	125%	125%	125%	125%	125%	125%	125%
Total Section 6.04(a)(i) requirement (F = D x E)	[F]	$ 390,033	$ 387,285	$ 387,353	$ 384,640	$ 398,494	$ 416,411	$ 452,757	$ 455,209	$ 473,925	$ 500,555
Rate Covenant Requirement (equal to the greater of [C] or [F])	[G]	$ 390,033	$ 387,285	$ 387,353	$ 384,640	$ 398,494	$ 416,411	$ 452,757	$ 455,209	$ 473,925	$ 500,555
Result must not be less than zero	[A-G]	$ 30,167	$ 47,716	$ 60,548	$ 134,120	$ 119,610	$ 89,697	$ 73,949	$ 99,265	$ 86,900	$ 80,326

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) See Exhibit E-1.
(b) Airline Transfer Account deposit from prior year. See Exhibit F-1.
(c) See Exhibit D-1.
(d) As approved under PFC Application 4.
(e) As approved under PFC Application 6.
(f) Annual debt service is used as a proxy for deposits to the Principal and Interest Accounts.

Exhibit G-2

DEBT SERVICE COVERAGE
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Reagan National Airport		Historical				Budgeted	Forecast				
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues (a)		$ 221,767	$ 239,059	$ 224,575	$ 280,873	$ 283,125	$ 304,239	$ 294,092	$ 300,981	$ 298,596	$ 321,479
Transfer from General Purpose Fund (b)		16,691	18,376	25,489	-	-	-	29,389	29,474	36,508	30,665
		$ 238,457	$ 257,435	$ 250,065	$ 280,873	$ 283,125	$ 304,239	$ 323,481	$ 330,454	$ 335,104	$ 352,143
Less: Operation and Maintenance Expenses (c)		122,095	130,614	128,533	135,769	139,831	153,211	157,805	162,542	169,144	176,170
Net Revenues	[A]	$ 116,362	$ 126,821	$ 121,532	$ 145,104	$ 143,294	$ 151,028	$ 165,676	$ 167,912	$ 165,960	$ 175,973
Bond Debt Service		$ 77,217	$ 79,622	$ 76,752	$ 69,090	$ 76,678	$ 88,846	$ 128,706	$ 130,266	$ 138,578	$ 152,508
Approved debt service (d)		-	-	-	-	(2,951)	(2,923)	(3,830)	(4,163)	(4,223)	(4,466)
Future debt service		-	-	-	-	-	(5,851)	(28,983)	(28,985)	(28,984)	(28,984)
Total Annual Debt Service	[B]	$ 77,217	$ 79,622	$ 76,752	$ 69,090	$ 73,727	$ 80,072	$ 95,893	$ 97,118	$ 105,371	$ 119,058
Debt service coverage ratio	[A/B]	1.51	1.59	1.58	2.10	1.94	1.89	1.73	1.73	1.58	1.48

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) See Exhibit E-2.
(b) Airline Transfer Account deposit from prior year.
(c) See Exhibit D-2.
(d) As approved under PFC Application 6.

Exhibit G-3

DEBT SERVICE COVERAGE
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Dulles International Airport		Historical				Budgeted	Forecast				
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues (a)		$ 444,234	$ 457,191	$ 465,506	$ 455,664	$ 432,290	$ 431,212	$ 449,666	$ 492,105	$ 512,176	$ 528,176
Transfer from General Purpose Fund (b)		44,870	43,531	52,607	103,645	141,127	128,432	122,064	111,479	106,219	106,967
		$ 489,104	$ 500,722	$ 518,113	$ 559,309	$ 573,418	$ 559,644	$ 571,730	$ 603,584	$ 618,395	$ 635,143
Less: Operation and Maintenance Expenses (c)		185,266	192,542	191,743	185,654	198,607	204,565	210,701	217,022	223,530	230,236
Net Revenues	[A]	$ 303,838	$ 308,180	$ 326,370	$ 373,655	$ 374,810	$ 355,079	$ 361,029	$ 386,562	$ 394,865	$ 404,907
Bond Debt Service		$ 274,819	$ 272,206	$ 273,131	$ 281,122	$ 288,568	$ 298,057	$ 310,312	$ 312,050	$ 319,769	$ 328,385
Irrevocable PFC commitment		(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	-	-	-	-	-
Approved debt service (d)		(5,010)	(7,000)	(5,000)	(7,500)	(8,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Total Annual Debt Service	[B]	$ 234,809	$ 230,206	$ 233,131	$ 238,622	$ 245,068	$ 253,057	$ 266,312	$ 267,050	$ 273,769	$ 281,385
Debt service coverage ratio	[A/B]	1.29	1.34	1.40	1.57	1.53	1.40	1.36	1.45	1.44	1.44

Source for historical and budgeted data: Metropolitan Washington Airports Authority.
Columns may not add to totals shown because of rounding.
(a) See Exhibit E-3.
(b) Airline Transfer Account deposit from prior year.
(c) See Exhibit D-3.
(d) As approved under PFC Application 4.

Exhibit H-1

SUMMARY OF STRESS TEST FINANCIAL PROJECTIONS
LOWER PASSENGER TRAFFIC, AIRPORTS AUTHORITY
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Case										
Total Revenues	$ 666,001	$ 696,250	$ 690,081	$ 736,538	$ 715,416	$ 735,451	$ 743,758	$ 793,085	$ 810,771	$ 849,655
Plus: Transfer from General Purpose Fund	61,561	61,907	78,097	103,645	141,127	128,432	151,453	140,953	142,728	137,632
Less: Operation and Maintenance Expenses	(307,361)	(323,156)	(320,276)	(321,423)	(338,439)	(357,776)	(368,506)	(379,564)	(392,674)	(406,406)
Net Revenues	$ 420,200	$ 435,001	$ 447,901	$ 518,760	$ 518,104	$ 506,107	$ 526,705	$ 554,474	$ 560,825	$ 580,880
Bond Debt Service	$ 352,037	$ 351,828	$ 349,883	$ 350,212	$ 365,246	$ 386,903	$ 439,018	$ 442,315	$ 458,347	$ 480,894
Less: Commitment of PFC Revenues	(40,010)	(42,000)	(40,000)	(42,500)	(43,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Less: PFCs applied to eligible debt service	-	-	-	-	(2,951)	(8,774)	(32,813)	(33,148)	(33,207)	(33,450)
Total Annual Debt Service	$ 312,026	$ 309,828	$ 309,883	$ 307,712	$ 318,795	$ 333,128	$ 362,205	$ 364,168	$ 379,140	$ 400,444
Debt service coverage ratio	1.35	1.40	1.45	1.69	1.63	1.52	1.45	1.52	1.48	1.45
PFC Revenues	$ 83,264	$ 79,057	$ 82,279	$ 88,552	$ 90,217	$ 91,608	$ 92,989	$ 94,371	$ 95,753	$ 97,134
PFC Fund balance	$ 33,273	$ 43,090	$ 42,579	$ 52,148	$ 65,914	$ 73,748	$ 59,924	$ 46,147	$ 32,693	$ 19,378
Stress Test										
Total Revenues	$ 666,001	$ 696,250	$ 690,081	$ 736,538	$ 715,416	$ 730,000	$ 739,457	$ 788,823	$ 806,991	$ 849,676
Plus: Transfer from General Purpose Fund	61,561	61,907	78,097	103,645	141,127	128,432	145,284	131,960	130,289	117,845
Less: Operation and Maintenance Expenses	(307,361)	(323,156)	(320,276)	(321,423)	(338,439)	(357,776)	(368,506)	(379,564)	(392,674)	(406,406)
Net Revenues	$ 420,200	$ 435,001	$ 447,901	$ 518,760	$ 518,104	$ 500,656	$ 516,235	$ 541,219	$ 544,606	$ 561,115
Bond Debt Service	$ 352,037	$ 351,828	$ 349,883	$ 350,212	$ 365,246	$ 386,903	$ 439,018	$ 442,315	$ 458,347	$ 480,894
Less: Commitment of PFC Revenues	(40,010)	(42,000)	(40,000)	(42,500)	(43,500)	(43,000)	(39,000)	(39,000)	(39,000)	(39,000)
Less: PFCs applied to eligible debt service	-	-	-	-	(2,951)	(8,774)	(32,813)	(33,148)	(33,207)	(33,450)
Total Annual Debt Service	$ 312,026	$ 309,828	$ 309,883	$ 307,712	$ 318,795	$ 335,128	$ 367,205	$ 370,168	$ 386,140	$ 408,444
Debt service coverage ratio	1.35	1.40	1.45	1.69	1.63	1.49	1.41	1.46	1.41	1.37
PFC Revenues	$ 83,264	$ 79,057	$ 82,279	$ 88,552	$ 90,217	$ 86,322	$ 82,530	$ 82,531	$ 82,533	$ 82,534
PFC Fund balance	$ 33,273	$ 43,090	$ 42,579	$ 52,148	$ 65,914	$ 70,462	$ 51,179	$ 31,562	$ 11,888	$ (8,027)

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

Exhibit H-2

SUMMARY OF STRESS TEST FINANCIAL PROJECTIONS
LOWER PASSENGER TRAFFIC, REAGAN NATIONAL AIRPORT
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Reagan National Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Case										
Airline revenues	$ 125,547	$ 136,750	$ 117,960	$ 153,295	$ 162,954	$ 173,616	$ 159,431	$ 163,839	$ 157,768	$ 172,395
Concession revenues	78,119	81,996	87,941	107,892	100,338	109,059	110,966	112,936	116,083	124,139
Other operating revenues	18,101	20,312	18,675	19,686	19,833	21,564	23,694	24,205	24,745	24,944
Total Revenues	$ 221,767	$ 239,059	$ 224,575	$ 280,873	$ 283,125	$ 304,239	$ 294,092	$ 300,981	$ 298,596	$ 321,479
Plus: Transfer from General Purpose Fund	$ 16,691	$ 18,376	$ 25,489	$ -	$ -	$ -	$ 29,389	$ 29,474	$ 36,508	$ 30,665
Less: Operation and Maintenance Expenses	(122,095)	(130,614)	(128,533)	(135,769)	(139,831)	(153,211)	(157,805)	(162,542)	(169,144)	(176,170)
Net Revenues	$ 116,362	$ 126,821	$ 121,532	$ 145,104	$ 143,294	$ 151,028	$ 165,676	$ 167,912	$ 165,960	$ 175,973
Bond Debt Service	$ 77,217	$ 79,622	$ 76,752	$ 69,090	$ 76,678	$ 88,846	$ 128,706	$ 130,266	$ 138,578	$ 152,508
Less: PFCs applied to eligible debt service	-	-	-	-	(2,951)	(8,774)	(32,813)	(33,148)	(33,207)	(33,450)
Total Annual Debt Service	$77,217	$79,622	$76,752	$69,090	$73,727	$80,072	$95,893	$97,118	$105,371	$119,058
Debt service coverage ratio	1.51	1.59	1.58	2.10	1.94	1.89	1.73	1.73	1.58	1.48
Signatory enplaned passengers	9,794	10,201	10,462	11,496	11,750	11,900	12,000	12,100	12,200	12,300
Passenger Signatory Airline payments per passenger	$ 12.79	$ 13.39	$ 11.26	$ 13.32	$ 13.85	$ 14.57	$ 13.26	$ 13.52	$ 12.91	$ 13.99
Stress Test										
Airline revenues	$ 125,547	$ 136,750	$ 117,960	$ 153,295	$ 162,954	$ 173,620	$ 161,433	$ 167,572	$ 162,816	$ 178,019
Concession revenues	78,119	81,996	87,941	107,892	100,338	104,597	102,647	103,737	105,850	112,327
Other operating revenues	18,101	20,312	18,675	19,686	19,833	21,557	23,680	24,189	24,727	24,924
Total Revenues	$ 221,767	$ 239,059	$ 224,575	$ 280,873	$ 283,125	$ 299,775	$ 287,760	$ 295,498	$ 293,393	$ 315,270
Plus: Transfer from General Purpose Fund	$ 16,691	$ 18,376	$ 25,489	$ -	$ -	$ -	$ 27,380	$ 25,720	$ 31,429	$ 25,009
Less: Operation and Maintenance Expenses	(122,095)	(130,614)	(128,533)	(135,769)	(139,831)	(153,211)	(157,805)	(162,542)	(169,144)	(176,170)
Net Revenues	$ 116,362	$ 126,821	$ 121,532	$ 145,104	$ 143,294	$ 146,564	$ 157,335	$ 158,677	$ 155,678	$ 164,110
Bond Debt Service	$ 77,217	$ 79,622	$ 76,752	$ 69,090	$ 76,678	$ 88,846	$ 128,706	$ 130,266	$ 138,578	$ 152,508
Less: PFCs applied to eligible debt service	-	-	-	-	(2,951)	(8,774)	(32,813)	(33,148)	(33,207)	(33,450)
Total Annual Debt Service	$77,217	$79,622	$76,752	$69,090	$73,727	$80,072	$95,893	$97,118	$105,371	$119,058
Debt service coverage ratio	1.51	1.59	1.58	2.10	1.94	1.83	1.64	1.63	1.48	1.38
Signatory enplaned passengers	9,794	10,201	10,462	11,496	11,750	11,200	10,675	10,675	10,675	10,675
Passenger Signatory Airline payments per passenger	$ 12.79	$ 13.39	$ 11.26	$ 13.32	$ 13.85	$ 15.48	$ 15.10	$ 15.67	$ 15.23	$ 16.65

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

Exhibit H-3

SUMMARY OF STRESS TEST FINANCIAL PROJECTIONS
LOWER PASSENGER TRAFFIC, DULLES INTERNATIONAL AIRPORT
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

Dulles International Airport	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Case										
Airline revenues before Virginia state grants	$ 284,101	$ 292,509	$ 287,958	$ 258,461	$ 235,128	$ 253,900	$ 266,911	$ 279,246	$ 293,214	$ 303,641
Less: Virginia state grants	-	-	-	-	-	(25,000)	(25,000)	-	-	-
Concession revenues	115,589	121,315	130,581	145,733	145,712	149,306	153,725	158,239	162,858	167,587
Other operating revenues	44,545	43,366	46,967	51,470	51,450	53,006	54,031	54,620	56,103	56,948
Total Revenues	$ 444,234	$ 457,191	$ 465,506	$ 455,664	$ 432,290	$ 431,212	$ 449,666	$ 492,105	$ 512,176	$ 528,176
Plus: Transfer from General Purpose Fund	44,870	43,531	52,607	103,645	141,127	128,432	122,064	111,479	106,219	106,967
Less: Operation and Maintenance Expenses	(185,266)	(192,542)	(191,743)	(185,654)	(198,607)	(204,565)	(210,701)	(217,022)	(223,530)	(230,236)
Net Revenues	$ 303,838	$ 308,180	$ 326,370	$ 373,655	$ 374,810	$ 355,079	$ 361,029	$ 386,562	$ 394,865	$ 404,907
Bond Debt Service	$ 274,819	$ 272,206	$ 273,131	$ 281,122	$ 288,568	$ 298,057	$ 310,312	$ 312,050	$ 319,769	$ 328,385
Less: Commitment of PFC Revenues	(40,010)	(42,000)	(40,000)	(42,500)	(43,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Total Annual Debt Service	$ 234,809	$ 230,206	$ 233,131	$ 238,622	$ 245,068	$ 253,057	$ 266,312	$ 267,050	$ 273,769	$ 281,385
Debt service coverage ratio	1.29	1.34	1.40	1.57	1.53	1.40	1.36	1.45	1.44	1.44
Signatory enplaned passengers	11,134	10,796	10,608	10,654	10,739	10,938	11,187	11,436	11,685	11,934
Passenger Signatory Airline payments per passenger	$ 25.01	$ 26.47	$ 26.55	$ 23.67	$ 21.15	$ 20.18	$ 20.87	$ 23.63	$ 24.28	$ 24.62
Stress Test										
Airline revenues before Virginia state grants	$ 284,101	$ 292,509	$ 287,958	$ 258,461	$ 235,128	$ 256,047	$ 276,159	$ 290,470	$ 307,471	$ 325,582
Less: Virginia state grants	-	-	-	-	-	(25,000)	(25,000)	-	-	-
Concession revenues	115,589	121,315	130,581	145,733	145,712	146,172	146,507	148,235	150,024	151,876
Other operating revenues	44,545	43,366	46,967	51,470	51,450	53,006	54,031	54,620	56,103	56,948
Total Revenues	$ 444,234	$ 457,191	$ 465,506	$ 455,664	$ 432,290	$ 430,225	$ 451,697	$ 493,325	$ 513,598	$ 534,406
Plus: Transfer from General Purpose Fund	44,870	43,531	52,607	103,645	141,127	128,432	117,904	106,240	98,860	92,835
Less: Operation and Maintenance Expenses	(185,266)	(192,542)	(191,743)	(185,654)	(198,607)	(204,565)	(210,701)	(217,022)	(223,530)	(230,236)
Net Revenues	$ 303,838	$ 308,180	$ 326,370	$ 373,655	$ 374,810	$ 354,092	$ 358,899	$ 382,543	$ 388,929	$ 397,005
Bond Debt Service	$ 274,819	$ 272,206	$ 273,131	$ 281,122	$ 288,568	$ 298,057	$ 310,312	$ 312,050	$ 319,769	$ 328,385
Less: Commitment of PFC Revenues	(40,010)	(42,000)	(40,000)	(42,500)	(43,500)	(43,000)	(39,000)	(39,000)	(39,000)	(39,000)
Total Annual Debt Service	$ 234,809	$ 230,206	$ 233,131	$ 238,622	$ 245,068	$ 255,057	$ 271,312	$ 273,050	$ 280,769	$ 289,385
Debt service coverage ratio	1.29	1.34	1.40	1.57	1.53	1.39	1.32	1.40	1.39	1.37
Signatory enplaned passengers	11,134	10,796	10,608	10,654	10,739	10,316	9,893	9,893	9,893	9,893
Passenger Signatory Airline payments per passenger	$ 25.01	$ 26.47	$ 26.55	$ 23.67	$ 21.15	$ 21.60	$ 24.51	$ 28.41	$ 30.07	$ 31.84

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

Exhibit H-4

SUMMARY OF SENSITIVITY TEST FINANCIAL PROJECTIONS
STATE GRANTS NOT RECEIVED, DULLES INTERNATIONAL AIRPORT
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars and passengers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airports Authority management, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical				Budgeted	Forecast				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Base Case										
Airline revenues before Virginia state grants	$ 284,101	$ 292,509	$ 287,958	$ 258,461	$ 235,128	$ 253,900	$ 266,911	$ 279,246	$ 293,214	$ 303,641
Less: Virginia state grants	-	-	-	-	-	(25,000)	(25,000)	-	-	-
Concession revenues	115,589	121,315	130,581	145,733	145,712	149,306	153,725	158,239	162,858	167,587
Other operating revenues	44,545	43,366	46,967	51,470	51,450	53,006	54,031	54,620	56,103	56,948
Total Revenues	$ 444,234	$ 457,191	$ 465,506	$ 455,664	$ 432,290	$ 431,212	$ 449,666	$ 492,105	$ 512,176	$ 528,176
Plus: Transfer from General Purpose Fund	44,870	43,531	52,607	103,645	141,127	128,432	122,064	111,479	106,219	106,967
Less: Operation and Maintenance Expenses	(185,266)	(192,542)	(191,743)	(185,654)	(198,607)	(204,565)	(210,701)	(217,022)	(223,530)	(230,236)
Net Revenues	$ 303,838	$ 308,180	$ 326,370	$ 373,655	$ 374,810	$ 355,079	$ 361,029	$ 386,562	$ 394,865	$ 404,907
Bond Debt Service	$ 274,819	$ 272,206	$ 273,131	$ 281,122	$ 288,568	$ 298,057	$ 310,312	$ 312,050	$ 319,769	$ 328,385
Less: Commitment of PFC Revenues	(40,010)	(42,000)	(40,000)	(42,500)	(43,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Total Annual Debt Service	$ 234,809	$ 230,206	$ 233,131	$ 238,622	$ 245,068	$ 253,057	$ 266,312	$ 267,050	$ 273,769	$ 281,385
Debt service coverage ratio	1.29	1.34	1.40	1.57	1.53	1.40	1.36	1.45	1.44	1.44
Signatory enplaned passengers	11,134	10,796	10,608	10,654	10,739	10,938	11,187	11,436	11,685	11,934
Passenger Signatory Airline payments per passenger	$ 25.01	$ 26.47	$ 26.55	$ 23.67	$ 21.15	$ 20.18	$ 20.87	$ 23.63	$ 24.28	$ 24.62
Sensitivity Test										
Airline revenues before Virginia state grants	$ 284,101	$ 292,509	$ 287,958	$ 258,461	$ 235,128	$ 253,900	$ 266,911	$ 279,246	$ 293,214	$ 303,641
Less: Virginia state grants	-	-	-	-	-	-	-	-	-	-
Concession revenues	115,589	121,315	130,581	145,733	145,712	149,306	153,725	158,239	162,858	167,587
Other operating revenues	44,545	43,366	46,967	51,470	51,450	53,006	54,031	54,620	56,103	56,948
Total Revenues	$ 444,234	$ 457,191	$ 465,506	$ 455,664	$ 432,290	$ 456,212	$ 474,666	$ 492,105	$ 512,176	$ 528,176
Plus: Transfer from General Purpose Fund	44,870	43,531	52,607	103,645	141,127	128,432	122,064	111,479	106,219	106,967
Less: Operation and Maintenance Expenses	(185,266)	(192,542)	(191,743)	(185,654)	(198,607)	(204,565)	(210,701)	(217,022)	(223,530)	(230,236)
Net Revenues	$ 303,838	$ 308,180	$ 326,370	$ 373,655	$ 374,810	$ 380,079	$ 386,029	$ 386,562	$ 394,865	$ 404,907
Bond Debt Service	$ 274,819	$ 272,206	$ 273,131	$ 281,122	$ 288,568	$ 298,057	$ 310,312	$ 312,050	$ 319,769	$ 328,385
Less: Commitment of PFC Revenues	(40,010)	(42,000)	(40,000)	(42,500)	(43,500)	(45,000)	(44,000)	(45,000)	(46,000)	(47,000)
Total Annual Debt Service	$ 234,809	$ 230,206	$ 233,131	$ 238,622	$ 245,068	$ 253,057	$ 266,312	$ 267,050	$ 273,769	$ 281,385
Debt service coverage ratio	1.29	1.34	1.40	1.57	1.53	1.50	1.45	1.45	1.44	1.44
Signatory enplaned passengers	11,134	10,796	10,608	10,654	10,739	10,938	11,187	11,436	11,685	11,934
Passenger Signatory Airline payments per passenger	$ 25.01	$ 26.47	$ 26.55	$ 23.67	$ 21.15	$ 22.45	$ 23.09	$ 23.63	$ 24.28	$ 24.62

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

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APPENDIX B

DEFINITIONS
AND
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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DEFINITIONS

The following are definitions of certain terms used in the Official Statement (except as otherwise set forth therein) and a summary of certain provisions of the Indenture.

"Account" shall mean any account or subaccount created in any Fund created under the Master Indenture or under a Supplemental Indenture.

"Accreted Value" shall mean (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Indenture as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of the discounted principal which has accreted since the date of issue; in each case the Accreted Value shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds or Original Issue Discount Bonds.

"Acts" shall mean, collectively, Chapter 598 of the Acts of Virginia General Assembly of 1985, as amended, and the District of Columbia Regional Airports Authority Act of 1985 (D.C. Law 6-67), as amended.

"Airport Consultant" shall mean a firm or firms of national recognition experienced in the field of planning the development, operation and management of airports and aviation facilities, selected and employed by the Airports Authority from time to time.

"Airports" shall mean Ronald Reagan Washington National Airport, located in Arlington County, Virginia, Washington Dulles International Airport, located in Fairfax County and Loudoun County, Virginia, and any other airport over which the Airports Authority assumes ownership or operating responsibility and that the Airports Authority designates as a part of the Airports under the Master Indenture; provided, however, that the requirements set forth in the Master Indenture for the issuance of additional Bonds shall be satisfied on the date designated by the Airports Authority for inclusion of such designated airport, assuming the issuance of additional Bonds in an amount equal to the aggregate principal of any indebtedness then outstanding, issued or incurred or otherwise payable from the revenues of such airport if such indebtedness is intended to be secured on a parity basis with the Bonds by the pledge of Net Revenues under the Master Indenture (including revenues of such designated airport).

"Airports Authority" shall mean the Metropolitan Washington Airports Authority, a public body politic and corporate created by the Commonwealth of Virginia and the District of Columbia with the consent of the Congress of the United States of America.

"Annual Debt Service" shall mean the amount of payments required to be made for principal of and interest on all Bonds, including mandatory sinking fund redemptions and

Regularly Scheduled Hedge Payments to be made by the Airports Authority, and Airports Authority payments pursuant to Reimbursement Agreements with Credit Providers to reimburse such Credit Providers for debt service payments made, and to pay credit enhancement or liquidity support fees, in each case to the extent secured by the Indenture, scheduled to come due within a specified Fiscal Year, computed as follows:

(a) In determining the amount of principal to be funded in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds (other than Short-Term/Demand Obligations) in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such year; and in determining the amount of interest to be funded in each year, interest payable at a fixed rate shall (except to the extent any other subsection of this definition applies) be assumed to be made at such fixed rate and on the required funding dates.

(b) Except for any historical period for which the actual rate or rates are determinable and except as otherwise provided in the Master Indenture, Bonds that bear interest at a variable rate shall be deemed to bear interest at a fixed annual rate equal to (i) the average of the daily rates of such indebtedness during the 365 consecutive days (or any lesser period such indebtedness has been Outstanding) next preceding the date of computation; or (ii) with respect to any Bonds bearing interest at a variable rate which are being issued on the date of computation, the initial rate of such indebtedness upon such issuance.

(c) Any Bonds that bear interest at a variable rate and with respect to which there exists a Hedge Facility that obligates the Airports Authority to pay a fixed interest rate or a different variable interest rate shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to bear interest at the effective fixed annual rate or different variable rate thereon as a result of such Hedge Facility. In the case of any Bonds that bear interest at a fixed rate and with respect to which there exists a Hedge Facility that obligates the Airports Authority to pay a floating rate, Annual Debt Service shall (for the period during which such Hedge Facility is reasonably expected to remain in effect) be deemed to include the interest payable on such Bonds, less the fixed amounts received by the Airports Authority under the Hedge Facility, plus the amount of the floating payments (using the convention described in (b) above) to be made by the Airports Authority under the Hedge Facility.

(d) If all or any portion of an Outstanding Series of Bonds constitute Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations, then, for purposes of determining Annual Debt Service, each maturity that constitutes a Balloon Maturity, unissued Program Bonds or Short-Term/Demand Obligations shall, unless otherwise provided in the Supplemental Indenture pursuant to which such Bonds are authorized or unless provision (e) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which such Balloon Maturity, unissued

Program Bonds or Short-Term/Demand Obligations were issued, and extending not later than 30 years from the date such Balloon Maturity, unissued Program Bonds or Short-Term/Demand Obligations were originally issued; the interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index designated by an Authority Representative, taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes; with respect to any Series of Bonds only a portion of which constitutes Balloon Maturities, unissued Program Bonds or Short-Term/Demand Obligations, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable, and with respect to that portion of a Series that constitutes Balloon Maturities, all funding requirements of principal and interest becoming due in any year other than the stated maturity of the balloon indebtedness shall be treated as described in (a) above or such other provision of this definition as shall be applicable.

(e) Any maturity of Bonds that constitutes a Balloon Maturity as described in provision (d) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation of Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date, and provision (d) above shall not apply thereto, unless there is delivered to the entity making the calculation of Annual Debt Service a certificate of an Authority Representative stating (i) that the Airports Authority intends to refinance such maturity, (ii) the probable terms of such refinancing and (iii) that the debt capacity of the Airports Authority is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Maturity shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Annual Debt Service; provided that such assumption shall not result in an interest rate lower than that which would be assumed under provision (d) above and shall be amortized over a term of not more than 30 years from the expected date of refinancing.

(f) In any computation relating to the issuance of additional Bonds or the rate covenant required by the Master Indenture, there shall be excluded from the computation of Annual Debt Service principal of and interest on indebtedness for which funds are, or are reasonably expected to be, available for and which are irrevocably committed to make such payments, including without limitation any such funds in an escrow account or any such funds constituting capitalized interest held in any fund or account created by the Indenture.

"Authenticating Agent" shall mean the Trustee.

"Authority Facilities" shall have the same definition as such term has from time to time in the Acts.

"Authority Representative" shall mean the Chairman or the Vice Chairman of the Board of Directors, the Chair or any Co-Chair of the Finance Committee of the Board of Directors, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Vice President and General Counsel, the Vice President for Finance and Chief Financial Officer, or the Manager of Treasury of the Airports Authority, or other representative

of the Airports Authority designated as authorized to give directions to the Trustee under the Forty-eighth Supplemental Indenture.

"Balloon Maturities" shall mean, with respect to any Series of Bonds 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series, which matures on such date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date. Commercial paper, bond anticipation notes or other Short-Term/Demand Obligations shall not be Balloon Maturities.

"Bond" or **"Bonds"** shall mean, for purposes of this summary, any bonds or any other evidences of indebtedness for borrowed money issued from time to time pursuant to the Master Indenture and the Supplemental Indentures. The term "Bond" or "Bonds" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by the Indenture; provided that Hedge Termination Payments to be made by the Airports Authority shall not be secured by the Indenture on a parity with the Bonds. The terms "Bond" and "Bonds" shall not include Subordinated Bonds or Junior Lien Obligations**.**

"Bond Authorizing Resolution" shall mean the resolution adopted by the Airports Authority on May 18, 2016, authorizing the issuance of the Series 2016AB Bonds under the Indenture, authorizing the execution and delivery on behalf of the Airports Authority of the Forty-eighth Supplemental Indenture and other related agreements and approving, or duly delegating the authority to approve on behalf of the Airports Authority, the terms and details of the Series 2016AB Bonds.

"Bond Counsel" shall mean an attorney or firm or firms of attorneys of national recognition, selected or employed by the Airports Authority and acceptable to the Trustee, experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Bond Fund" shall mean the Metropolitan Washington Airports Authority Bond Fund created pursuant to the Master Indenture.

"Bond Payment Date" shall mean each April 1 and October 1, commencing October 1, 2016, and each redemption date.

"Book-Entry System" shall mean the system maintained by the Securities Depository as described in the Forty-eighth Supplemental Indenture.

"Business Day" shall mean any day of the week other than Saturday, Sunday or a day which shall be, in the Commonwealth of Virginia, the State of New York or in the jurisdiction in which the Corporate Trust Office of the Trustee or the principal office of the Series 2016AB

Registrar is located, a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close.

"Capital Appreciation Bonds" shall mean Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Indenture and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"Code" shall mean the Internal Revenue Code of 1986, as amended, including applicable Treasury Regulations, rulings and procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

"Common Debt Service Reserve Requirement" shall mean an amount to be on deposit in the Common Reserve Account equal to the lesser of (i) 10% of the original par amount of the Series 2016AB Bonds and any other Common Reserve Bonds; (ii) the Maximum Annual Debt Service on the Series 2016AB Bonds and any other Common Reserve Bonds in any Fiscal Year; or (iii) 125% of the average Annual Debt Service for the Series 2016AB Bonds and any other Common Reserve Bonds; provided that such amount may be recalculated at any time and that such amount shall be recalculated (a) upon the designation by the Airports Authority of any Common Reserve Bonds and (b) in connection with the redemption or purchase and cancellation of any Series 2016AB Bonds or Common Reserve Bonds.

"Common Reserve Account" shall mean the account established for the Series 2016AB Bonds and any other Common Reserve Bonds in the Debt Service Reserve Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Common Reserve Bonds" shall mean the Bonds of any other Series issued under the Master Indenture and designated in writing to the Trustee by an Authority Representative as being secured on a parity with the Series 2016AB Bonds by amounts on deposit in the Common Reserve Account. As of the date of the issuance of the Series 2016AB Bonds, the term Common Reserve Bonds shall include the (i) Airport System Revenue Bonds, Series 2008A, (ii) Airport System Revenue Bonds, Series 2009B, (iii) Airport System Revenue Bonds, Series 2010A, (iv) Airport System Revenue Refunding Bonds, Series 2010B, (v) Airport System Revenue Refunding Bonds, Series 2010F-1, (vi) Airport System Revenue Refunding Bonds, Series 2011C, (vii) Airport System Revenue Refunding Bonds, Series 2011D, (viii) Airport System Revenue Refunding Bonds, Series 2012A, (ix) Airport System Revenue Refunding Bonds, Series 2012B, (x) Airport System Revenue and Refunding Bonds, Series 2013A, (xi) Taxable Airport System Revenue Refunding Bonds, Series 2013B, (xii) Airport System Revenue Refunding Bonds, Series 2013C, (xiii) Airport System Revenue and Refunding Bonds, Series 2014A, (xiv) Series 2016AB Bonds, and (xv) any future Series of Bonds designated by the Airports Authority as "Common Reserve Bonds".

"Construction Fund" shall mean the Metropolitan Washington Airports Authority Construction Fund created pursuant to the Master Indenture.

"Corporate Trust Office" shall mean the office of the Trustee at which its principal corporate trust business is conducted, which at the date hereof is located in Baltimore, Maryland.

"Cost" when used with respect to Authority Facilities, shall have the same definition as such term has in the Acts.

"Credit Facility" or **"Credit Facilities"** shall mean, with respect to a Series of Bonds, the letter of credit, line of credit, municipal bond insurance, surety policy, or other form of credit enhancement and/or liquidity support, if any, for such Series of Bonds, provided for in the applicable Supplemental Indenture, including any alternate Credit Facility with respect to such Series of Bonds delivered in accordance with provisions of the Supplemental Indenture providing for the issuance of such Series of Bonds.

"Credit Provider" shall mean, with respect to a Series of Bonds, the provider of a Credit Facility, including municipal bond insurance, letter of credit, or liquidity support, if any, for such Series of Bonds specified in the applicable Supplemental Indenture.

"Debt Service Reserve Fund" shall mean the Metropolitan Washington Airports Authority Debt Service Reserve Fund created pursuant to the Master Indenture.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Emergency Repair and Rehabilitation Fund" shall mean the Metropolitan Washington Airports Authority Emergency Repair and Rehabilitation Fund created pursuant to the Master Indenture.

"Event of Default" shall mean any one or more of the events set forth in the Master Indenture.

"Exempt Facilities" shall mean airports and functionally related and subordinate facilities within the meaning of and qualifying under Section 142 of the Code.

"Federal Lease" shall mean the Agreement and Deed of Lease, dated March 2, 1987, between the United States of America, acting through the Secretary of Transportation, and the Airports Authority, as the same may be amended or supplemented.

"Federal Lease Fund" shall mean the Metropolitan Washington Airports Authority Federal Lease Fund created pursuant to the Master Indenture.

"Fiscal Year" shall mean the fiscal year of the Airports Authority ending as of December 31 of each year or such other date as may be designated from time to time in writing by the Airports Authority to the Trustee.

"Fitch" shall mean Fitch Ratings, Inc. and its successors, if any, and if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall mean any other nationally recognized Rating Agency designated by an Authority Representative.

"Forty-eighth Supplemental Indenture" shall mean the Forty-eighth Supplemental Indenture of Trust dated as of July 1, 2016, between the Airports Authority and the Trustee relating to the Series 2016AB Bonds, which supplements the Master Indenture.

"Fund" shall mean any fund created under the Master Indenture or under a Supplemental Indenture.

"General Purpose Fund" shall mean the Metropolitan Washington Airports Authority General Purpose Fund created pursuant to the Master Indenture.

"Government Certificates" shall mean (in the case of governmental obligations) evidences of ownership of proportionate interest in future interest or principal payments of Government Obligations, including depository receipts thereof. Investments in such proportionate interest must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated. "Government Certificates" shall also mean any other type of security or obligation that the Rating Agencies then maintaining ratings on any Bonds to be defeased have determined are permitted defeasance securities and qualify the Bonds to be defeased thereby for a rating in the highest category, or are otherwise acceptable to, each of the Rating Agencies.

"Government Obligations" shall mean direct and general obligations of, or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America.

"Hedge Facility" shall mean any rate swap transaction, basis swap transaction, cap transaction, floor transaction, collar transaction, or similar transaction, which is intended to convert or limit the interest rate payable with respect to any Bonds, and which (a) is designated in writing to the Trustee by an Authority Representative as a Hedge Facility to relate to all or part of one or more Series of Bonds; (b) is with a Qualified Hedge Provider or an entity that has been a Qualified Hedge Provider within the 60 day period preceding the date on which the calculation of Annual Debt Service or Maximum Annual Debt Service is being made; and (c) has a term not greater than the term of the designated Bonds or a specified date for mandatory tender or redemption of such designated Bonds.

"Hedge Termination Payment" shall mean an amount payable by the Airports Authority or a Qualified Hedge Provider, in accordance with a Hedge Facility, to compensate the other party to the Hedge Facility for any losses and costs that such other party may incur as a

result of an event of default or the early termination of the obligations, in whole or in part, of the parties under such Hedge Facility.

"Holder" or "Bondholder" shall mean the registered owner of any Bond; provided that with respect to any Series of Bonds which is insured by a bond insurance policy, the term "Holder" or "Bondholder" for purposes of all consents, directions, and notices provided for in the Indenture and any applicable Supplemental Indenture, shall mean the issuer of such bond insurance policy as long as such policy issuer has not defaulted under its policy; provided further that unless it is actually the beneficial owner of the Bonds in respect of which consent is requested, the policy issuer shall not have the power to act on behalf of the registered owners of any Bonds to consent to changes that (a) extend the stated maturity of or time for paying the interest on such Bonds, (b) reduce the principal amount of, purchase price for, or redemption premium or rate of interest payable on such Bonds, or (c) result in a privilege or priority of any Bond over any other Bond. A Qualified Hedge Provider shall only be considered a Bondholder to the extent specified in a Supplemental Indenture.

"Indenture" shall mean the Master Indenture as amended, supplemented, and restated from time to time in accordance with its terms.

"Interest Account" shall mean the Account of that name in the Bond Fund created pursuant to the Master Indenture.

"Junior Lien Indenture" shall mean the indenture or other documents of the Airports Authority providing for the issuance of and securing Junior Lien Obligations.

"Junior Lien Obligations" shall mean the Airports Authority's bonds, or other indebtedness or obligations subordinate to the Bonds and the Subordinated Bonds, but such term shall not include the Federal Lease or Special Facility Bonds. The term "Junior Lien Obligations" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by a Junior Lien Indenture.

"Junior Lien Obligations Fund" shall mean the Metropolitan Washington Airports Authority Junior Lien Obligations Fund created pursuant to the Master Indenture for the purpose of providing all deposits and payments required by any Junior Lien Indenture, including reserves for debt service on Junior Lien Obligations.

"Master Indenture" shall mean the Master Indenture of Trust dated as of February 1, 1990, as amended and restated by the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended, between the Airports Authority and the Trustee.

"Maximum Annual Debt Service" shall mean the maximum Annual Debt Service with respect to any specified indebtedness for any Fiscal Year during the term of such indebtedness.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall mean any other nationally recognized rating agency designated by an Authority Representative.

"Net Revenues" shall mean Revenues, plus transfers, if any, from the General Purpose Fund to the Revenue Fund, after provision is made for the payment of Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" shall mean for any period, all expenses of the Airports Authority paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Airports. Operation and Maintenance Expenses shall not include: (a) the principal of, premium, if any, or interest payable on any Bonds, Subordinated Bonds and Junior Lien Obligations; (b) any allowance for amortization or depreciation of the Airports; (c) any other expense for which (or to the extent to which) the Airports Authority is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (d) any extraordinary items arising from the early extinguishment of debt; (e) rentals payable under the Federal Lease; and (f) any expense paid with amounts from the Emergency Repair and Rehabilitation Fund.

"Operation and Maintenance Fund" shall mean the Metropolitan Washington Airports Authority Operation and Maintenance Fund created pursuant to the Master Indenture.

"Opinion of Bond Counsel" shall mean a written opinion of Bond Counsel.

"Original Issue Discount Bonds" shall mean Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds by the Supplemental Indenture under which such Bonds are issued.

"Outstanding" when used with reference to a Series of Bonds, shall mean, as of any date of determination, all Bonds of such Series theretofore authenticated and delivered except: (a) Bonds of such Series theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (b) Bonds of such Series which are deemed paid and no longer Outstanding as provided in the Master Indenture; (c) Bonds of such Series in lieu of which other Bonds of such Series have been issued pursuant to the provisions of the Master Indenture relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Bond is held by a bona fide purchaser; (d) after any tender date as may be provided for in the applicable Supplemental Indenture, any Bond of such Series held by a Bondholder who has given a tender notice or was required to tender such Bond in accordance with the provisions of the applicable Supplemental Indenture and which was not so tendered and for which sufficient funds for the payment of the purchase price of which have been deposited with the Trustee or the Paying Agent, if any, or any tender agent appointed under such Supplemental Indenture; and (e) for purposes of any consent or other action to be taken under the Indenture by the Holders of a specified percentage of principal amount of Bonds of a Series or all Series, Bonds held by or for the account of the Airports Authority.

"Participant" shall mean one of the entities which deposit securities, directly or indirectly, in the Book-Entry System of the Securities Depository.

"Payment of a Series of Bonds" shall mean payment in full of all principal of, premium, if any, and interest on a Series of Bonds.

"Permitted Investments" shall mean and include any of the following, if and to the extent the same are at the time legal for the investment of the Airports Authority's money:

(a) Government Obligations and Government Certificates.

(b) Obligations issued or guaranteed by any of the following:

(i) Federal Home Loan Bank System;
(ii) Export-Import Bank of the United States;
(iii) Federal Financing Bank;
(iv) Government National Mortgage Association;
(v) Farmers Home Administration;
(vi) Federal Home Loan Mortgage Corporation;
(vii) Federal Housing Administration;
(viii) Private Export Funding Corp;
(ix) Federal National Mortgage Association; and
(x) Federal Farm Credit Bank;

or any indebtedness issued or guaranteed by any instrumentality or agency of the United States of America.

(c) Pre-refunded municipal obligations rated at the time of purchase in the highest rating category by, or otherwise acceptable to, the Rating Agencies and meeting the following conditions:

(i) such obligations are (A) not to be redeemed prior to maturity or the Trustee has been given irrevocable instructions concerning their calling and redemption and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to interest, principal, and premium payments of such obligations;

(iii) the principal of and interest on such Government Obligations or Government Certificates (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations or Government Certificates serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations or Government Certificates are not available to satisfy any other claims, including those against the trustee or escrow agent.

(d) Direct and general long-term obligations of any state of the United States of America or the District of Columbia (a "State"), to the payment of which the full faith and credit of such State is pledged and that at the time of purchase are rated in either of the two highest rating categories by, or are otherwise acceptable to, the Rating Agencies.

(e) Direct and general short-term obligations of any State, to the payment of which the full faith and credit of such State is pledged and that at the time of purchase are rated in the highest rating category by, or are otherwise acceptable to, the Rating Agencies.

(f) Interest-bearing demand or time deposits with, or interests in money market portfolios rated AAA-m by Standard & Poor's issued by, state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation ("FDIC"). Such deposits or interests must be (i) continuously and fully insured by FDIC, (ii) if they have a maturity of one year or less, with or issued by banks that at the time of purchase are rated in one of the two highest short term rating categories by, or are otherwise acceptable to, the Rating Agencies, (iii) if they have a maturity longer than one year, with or issued by banks that at the time of purchase are rated in one of the two highest rating categories by, or are otherwise acceptable to, the Rating Agencies, or (iv) fully secured by Government Obligations and Government Certificates. Such Government Obligations and Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations and Government Certificates must be held by a third party (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depositary, as custodian for the institution issuing the deposits or interests. Such third party should have a perfected first lien in the Government Obligations and Government Certificates serving as collateral, and such collateral is to be free from all other third party liens.

(g) Eurodollar time deposits issued by a bank with a deposit rating at the time of purchase in one of the top two short-term deposit rating categories by, or otherwise acceptable to, the Rating Agencies.

(h) Long-term or medium-term corporate debt guaranteed by any corporation that is rated in one of the two highest rating categories by, or is otherwise acceptable to, the Rating Agencies.

(i) Repurchase agreements, (i) the maturities of which are 30 days or less or (ii) the maturities of which are longer than 30 days and not longer than one year provided the collateral subject to such agreements are marked to market daily, entered into with financial institutions such as banks or trust companies organized under State law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation, or with a dealer or parent holding company that is rated at the time of purchase investment grade by, or otherwise acceptable to, the Rating Agencies. The repurchase

agreement should be in respect of Government Obligations and Government Certificates or obligations described in paragraph (b) of this definition. The repurchase agreement securities and, to the extent necessary, Government Obligations and Government Certificates or obligations described in paragraph (b), exclusive of accrued interest, shall be maintained in an amount at least equal to the amount invested in the repurchase agreements. In addition, the provisions of the repurchase agreement shall meet the following additional criteria:

(A) the third party (who shall not be the provider of the collateral) has possession of the repurchase agreement securities and the Government Obligations and Government Certificates;

(B) failure to maintain the requisite collateral levels will require the third party having possession of the securities to liquidate the securities immediately; and

(C) the third party having possession of the securities has a perfected, first priority security interest in the securities.

(j) Prime commercial paper of a corporation, finance company or banking institution at the time of purchase rated in the highest short-term rating category by, or otherwise acceptable to, the Rating Agencies.

(k) Public housing bonds issued by public agencies. Such bonds must be: fully secured by a pledge of annual contributions under a contract with the United States of America; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States of America; or state or public agency or municipality obligations at the time of purchase rated in the highest credit rating category by, or otherwise acceptable to, the Rating Agencies.

(l) Shares of a diversified open-end management investment company, as defined in the Investment Company Act of 1940, or shares in a regulated investment company, as defined in Section 851(a) of the Code, that is a money market fund that at the time of purchase has been rated in the highest rating category by, or is otherwise acceptable to, the Rating Agencies.

(m) Money market accounts of any state or federal bank, or bank whose holding parent company is rated at the time of purchase in one of the top two short-term or long-term rating categories by, or is otherwise acceptable to, the Rating Agencies.

(n) Investment agreements, the issuer of which is at the time of purchase rated in one of the two highest rating categories by, or is otherwise acceptable to, the Rating Agencies.

(o) Any debt or fixed income security, the issuer of which is rated at the time of purchase in the highest rating category by, or is otherwise acceptable to, the Rating Agencies.

(p) Investment agreements or guaranteed investment contracts that are fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of

accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

(q) Any other type of investment consistent with Airports Authority policy in which an Authority Representative directs the Trustee to invest and there is delivered to the Trustee a certificate of an Authority Representative stating that each of the Rating Agencies has been informed of the proposal to invest in such investment and each Rating Agency has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any of the Bonds.

"Principal Account" shall mean the Account of that name in the Bond Fund created pursuant to the Master Indenture.

"Program" shall mean a financing program identified in a Supplemental Indenture, including but not limited to a bond anticipation note or commercial paper program, (a) which is authorized and the terms thereof approved by a resolution adopted by the Airports Authority and the items required under the Master Indenture have been filed with the Trustee, (b) wherein the Airports Authority has authorized the issuance, from time to time, of notes, commercial paper or other indebtedness in an authorized amount, and (c) the authorized amount of which has met the additional bonds test set forth in the Master Indenture and the Outstanding amount of which may vary from time to time, but not exceed the authorized amount.

"Qualified Costs of Facilities" shall mean the Costs of Exempt Facilities which (a) will be charged to the Airports' capital account for federal income tax purposes, or which would be so chargeable either with a proper election under the Code or but for a proper election to deduct such amount, and (b) were incurred and paid, or are to be incurred and paid, after the date on which the Airports Authority adopted a resolution or took some other official action toward the issuance of obligations to finance such Costs.

"Qualified Hedge Provider" shall mean a financial institution whose senior long-term debt obligations, or whose obligations under any Hedge Facility are (a) guaranteed by a financial institution, or subsidiary of a financial institution, whose senior long-term debt obligations, are rated at least "A1," in the case of Moody's and "A+," in the case of S&P, or the equivalent thereto in the case of any successor thereto, or (b) fully secured by obligations described in items (a) or (b) of the definition of Permitted Investments which are (i) valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 105% (or such lower percentage as shall be acceptable to the Rating Agencies) of the "notional amount" as defined in the Hedge Facility, together with the interest accrued and unpaid thereon, (ii) held by the Trustee (who shall not be the provider of the collateral) or by any Federal Reserve Bank or a depository acceptable to the Trustee, (iii) subject to a perfected first lien on behalf of the Trustee, and (iv) free and clear from all third-party liens.

"Rating Agency" or **"Rating Agencies"** shall mean Moody's or Standard & Poor's or Fitch or all of them and, if any such credit rating agency is no longer issuing applicable credit ratings, any other nationally recognized successor rating agency designated by the Airports Authority with the approval of the Trustee; provided that any such rating agency shall, at the time in question, be maintaining a rating on such Series of Bonds at the request of the Airports Authority.

"Rebate Amount" shall mean the amount, if any, determined pursuant to Section 148(f) of the Code to be paid to the United States of America with respect to the Series 2016AB Bonds, as described in the Forty-eighth Supplemental Indenture.

"Record Date" shall mean shall mean the fifteenth (15th) day (regardless of whether a Business Day) of the calendar month immediately preceding a Bond Payment Date.

"Redemption Account" shall mean the Account of that name in the Bond Fund created pursuant to the Master Indenture.

"Register" shall mean, with respect to the Series 2016AB Bonds, the registration books of the Airports Authority kept to evidence the registration and registration of transfer of the Series 2016AB Bonds.

"Regularly Scheduled Hedge Payments" shall mean the regularly scheduled payments under the terms of a Hedge Facility which are due absent any termination, default or dispute in connection with such Hedge Facility.

"Reimbursement Agreement" shall mean, with respect to a Series of Bonds, any agreement or agreements in each case between a Credit Provider or Credit Providers and the Airports Authority under or pursuant to which a Credit Facility for such Series of Bonds is issued, and any agreement that replaces such original agreement that sets forth the obligations of the Airports Authority to such Credit Provider or Credit Providers and the obligations of such Credit Provider or Credit Providers to the Airports Authority.

"Released Revenues" shall mean Revenues of the Airports Authority in respect of which the Trustee has received the following:

(a) a request of an Authority Representative describing such Revenues and requesting that such Revenues be excluded from the pledge and lien of the Master Indenture on Net Revenues;

(b) either (i) an Airport Consultant's certificate to the effect that, based upon reasonable assumptions, projected Net Revenues after the Revenues covered by the Authority Representative's request are excluded, calculated in accordance with the additional Bonds test set forth in the Master Indenture for each of the three full Fiscal Years following the Fiscal Year in which such certificate is delivered, will not be less than the larger of (A) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the

Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (B) an amount not less than 150% of the average Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such Revenues (disregarding any Bonds that have been or will be paid or discharged); or

(ii) an Authority Representative's certificate to the effect that Net Revenues in the two most recently completed Fiscal Years, after the Revenues covered by the Authority Representative's request are excluded, were not less than the larger of (A) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (B) 135% of (1) average Annual Debt Service on all Bonds Outstanding in each such Fiscal Year (disregarding any Bonds that have been paid or discharged), plus (2) average Annual Debt Service with respect to any additional Bonds issued since the completion of such Fiscal Year or proposed to be issued at the time such certificate is delivered;

(c) an Opinion of Bond Counsel to the effect that (i) the conditions set forth in the Master Indenture to the release of such Revenues have been met and (ii) the exclusion of such Revenues from the pledge and lien of the Master Indenture will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax;

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of such Revenues from the pledge and lien of the Master Indenture will not cause a withdrawal of or reduction in any unenhanced rating then assigned to the Bonds; and

(e) evidence that notice of the proposed Released Revenues was given to all current Credit Providers in respect of any Bonds at least 15 days prior to the proposed effective date of the release of such Revenues.

Upon the Trustee's receipt of such documents, the Revenues described in the Authority Representative's request shall be excluded from the pledge and lien of the Indenture, and the Trustee shall take all reasonable steps requested by the Authority Representative to evidence or confirm the release of such pledge and lien on the Released Revenues.

"Revenue Fund" shall mean the Metropolitan Washington Airports Authority Revenue Fund created pursuant to the Master Indenture.

"Revenues" shall mean all revenues of the Airports Authority received or accrued except (a) interest income on, and any profit realized from, the investment of moneys in any fund or account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund; (b) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (c) amounts received by the Airports Authority from, or in connection with, Special Facilities, unless such

funds are treated as Revenues by the Airports Authority; (d) the proceeds of any passenger facility charge or similar charge levied by, or on behalf of, the Airports Authority, unless such funds are treated as Revenues by the Airports Authority; (e) grants-in-aid, donations, and/or bequests; (f) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles; (g) the proceeds of any condemnation awards; (h) the proceeds of any sale of land, buildings or equipment; and (i) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use. Unless otherwise provided in a Supplemental Indenture, there shall also be excluded from the term "Revenues" (a) any Hedge Termination Payments received by the Airports Authority and (b) any Released Revenues in respect of which the Airports Authority has filed with the Trustee the request of Authority Representative, Airport Consultant's or Authority Representative's certificate, Opinion of Bond Counsel and the other documents contemplated in the definition of the term "Released Revenues."

"Securities Depository" shall mean DTC, or its nominees and the successors and assigns of such nominee, or any successor appointed under the Forty-eighth Supplemental Indenture.

"Series 2006A Bonds" shall mean all of the Airports Authority's $153,555,000 Outstanding Airport System Revenue Bonds, Series 2006A.

"Series 2006A Refunding Agreement" shall mean the refunding agreement dated as of July 1, 2016, between the Airports Authority and the Trustee relating to the refunding of the Series 2006A Bonds.

"Series 2006B Bonds" shall mean all of the Airports Authority's $284,320,000 Outstanding Airport System Revenue Bonds, Series 2006B.

"Series 2006B Refunding Agreement" shall mean the refunding agreement dated as of July 1, 2016, between the Airports Authority and the Trustee relating to the refunding of the Series 2006B Bonds.

"Series 2006C Bonds" shall mean all of the Airports Authority's $31,550,000 Outstanding Airport System Revenue Refunding Bonds, Series 2006C.

"Series 2006C Refunding Agreement" shall mean the refunding agreement dated as of July 1, 2016, between the Airports Authority and the Trustee relating to the refunding of the Series 2006C Bonds.

"Series 2016A Bonds" shall mean the Airport System Revenue Refunding Bonds, Series 2016A, authorized to be issued pursuant to the Master Indenture and the Forty-eighth Supplemental Indenture.

"Series 2016A Cost of Issuance Subaccount" shall mean the subaccount established for the Series 2016A Bonds in the Construction Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016A Interest Account" shall mean the account established for the Series 2016A Bonds in the Bond Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016A Principal Account" shall mean the account established for the Series 2016A Bonds in the Bond Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016A Redemption Account" shall mean the account established for the Series 2016A Bonds in the Bond Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016AB Bonds" shall mean collectively the Series 2016A Bonds and the Series 2016B Bonds.

"Series 2016AB Custodian" shall mean Manufacturers and Traders Trust Company or its successor as custodian and bailee for the Trustee holding the Series 2016A Cost of Issuance Subaccount and the Series 2016B Cost of Issuance Subaccount, pursuant to provisions of the Master Indenture.

"Series 2016AB Paying Agent" shall mean, for all purposes of the Indenture with respect to the Series 2016AB Bonds, the Trustee or such other paying agent appointed by the Trustee.

"Series 2016AB Registrar" shall mean, with respect to the Series 2016AB Bonds, the keeper of the Register, which shall be the Trustee.

"Series 2016B Bonds" shall mean the Airport System Revenue Refunding Bonds, Series 2016B, authorized to be issued pursuant to the Master Indenture and the Forty-eighth Supplemental Indenture.

"Series 2016B Cost of Issuance Subaccount" shall mean the subaccount established for the Series 2016B Bonds in the Construction Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016B Interest Account" shall mean the account established for the Series 2016B Bonds in the Bond Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016B Principal Account" shall mean the account established for the Series 2016B Bonds in the Bond Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series 2016B Redemption Account" shall mean the account established for the Series 2016B Bonds in the Bond Fund, as set forth in the Forty-eighth Supplemental Indenture.

"Series of Bonds" or **"Bonds of a Series"** or **"Series"** shall mean a series of Bonds issued pursuant to the Master Indenture and a Supplemental Indenture.

"Short-Term/Demand Obligations" shall mean each Series of Bonds issued pursuant to the Master Indenture, the payment of principal of which is either (a) payable on demand by or at the option of the Holder at a time sooner than a date on which such principal is deemed to be

payable for purposes of computing Annual Debt Service, or (b) scheduled to be payable within one year from the date of issuance and is contemplated to be refinanced for a specified period or term either (i) through the issuance of additional Short-Term/Demand Obligations pursuant to a commercial paper, auction Bond or other similar Program, or (ii) through the issuance of long-term Bonds pursuant to a bond anticipation note or similar Program.

"Special Facility" shall mean any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airports, the cost of construction and acquisition of which are paid for (a) by the obligor under a Special Facility Agreement, or (b) from the proceeds of Special Facility Bonds, or (c) both.

"Special Facility Agreement" shall mean an agreement entered into by the Airports Authority and one or more other parties, relating to the design, construction, and/or financing of any facility, improvement, structure, equipment, or assets acquired or constructed on any land or in or on any structure or building at the Airports, all or a portion of the payments under which (a) are intended to be excluded from Revenues and (b) may be pledged to the payment of revenue bonds, notes, or other obligations of the Airports Authority other than Bonds, Subordinated Bonds, or Junior Lien Obligations.

"Special Facility Bonds" shall mean any revenue bonds, notes, or other obligations of the Airports Authority other than Bonds, Subordinated Bonds or Junior Lien Obligations, issued to finance any facility, improvement, structure, equipment or assets acquired or constructed on any land or in or on any structure or building at the Airports, the payment of principal of, premium, if any, and interest on which are payable from and secured by the proceeds thereof and rentals, payments, and other charges payable by the obligor under a Special Facility Agreement.

"Standard & Poor's" or **"S&P"** shall mean S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns and, if such corporation shall no longer perform the functions of a securities rating agency, Standard & Poor's shall mean any other nationally recognized securities rating agency designated by an Authority Representative.

"Subordinated Bond Funds" shall mean the bond funds created pursuant to the Subordinated Indenture with respect to each series of Subordinated Bonds, held by the Subordinated Indenture Trustee, in which amounts are held to pay debt service on such series of Subordinated Bonds.

"Subordinated Bond" or **"Subordinated Bonds"** shall mean the Airports Authority's general airport subordinated revenue bonds or other obligations secured by the Subordinated Indenture. The term "Subordinated Bond" or "Subordinated Bonds" shall include notes, bond anticipation notes, commercial paper and other Short-Term/Demand Obligations, Regularly Scheduled Hedge Payments, Hedge Termination Payments, and other securities, contracts or obligations incurred through lease, installment purchase or other agreements or certificates of participation therein, in each case to the extent secured by the Subordinated Indenture.

"Subordinated Indenture" shall mean the Master Indenture of Trust relating to the Subordinated Bonds, dated as of March 1, 1988, between the Airports Authority and the Subordinated Indenture Trustee, as supplemented and amended.

"Subordinated Indenture Trustee" shall mean The National Bank of Washington, or its successor as trustee, under the Subordinated Indenture.

"Subordinated Reserve Funds" shall mean the debt service reserve funds created pursuant to the Subordinated Indenture with respect to certain series of Subordinated Bonds, held by the trustee under the Subordinated Indenture.

"Supplemental Indenture" shall mean an indenture supplementing or modifying the provisions of the Master Indenture entered into by the Airports Authority and the Trustee in accordance with the Master Indenture.

"Trustee" shall mean Manufacturers and Traders Trust Company, and any successor to its duties under the Master Indenture.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following, in addition to certain information provided under the heading "INTRODUCTION" and "THE SERIES 2016AB BONDS" in the forepart of this Official Statement, is a summary of certain provisions of the Master Indenture and the Forty-eighth Supplemental Indenture. This summary does not purport to be complete or definitive and reference is made to the Master Indenture and the Forty-eighth Supplemental Indenture for a complete recital of the terms of such documents. During the offering period for the Series 2016AB Bonds, copies of the Master Indenture and the Forty-eighth Supplemental Indenture may be obtained from the Airports Authority.

General

The Master Indenture and the Forty-eighth Supplemental Indenture constitute an assignment by the Airports Authority to the Trustee, in trust, to secure payment of the Bonds, of the Airports Authority's interest in Net Revenues and sets forth the conditions of such assignments. The Master Indenture and the Forty-eighth Supplemental Indenture also provide for the issuance of the Series 2016AB Bonds, define the terms thereof and determine the duties of the Trustee and the rights of the Bondholders.

Security for Bonds, Including Series 2016AB Bonds

The Series 2016AB Bonds are issued pursuant to and secured by the Master Indenture and the Forty-eighth Supplemental Indenture. All Bonds, including the Series 2016AB Bonds, issued under the Master Indenture and at any time Outstanding shall be equally and ratably secured with all other Outstanding Bonds with the same right, lien and preference with respect to Net Revenues, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds. All Bonds of a particular Series shall in all respects be equally and ratably secured and shall have the same right, lien and preference established for the benefit of such Series of Bonds under the Master Indenture, including, without limitation, rights in any related Series Account in the Construction Fund, the Bond Fund or the Debt Service Reserve Fund. No mortgage, lien or security interest in the Airports or operating property of the Airports Authority has been pledged to secure the Bonds.

No Pledge of Certain Revenues

In addition to certain other revenues of the Airports Authority not pledged under the Master Indenture, revenues of the Dulles Corridor Enterprise Fund established by Resolution No. 07-16 of the Airports Authority are not pledged to the payment of the Airports Authority's obligations under the Master Indenture or the Forty-eighth Supplemental Indenture.

Revenues and Funds

Creation of Funds and Accounts. Pursuant to the Master Indenture and the Forty-eighth Supplemental Indenture, the following Funds, Accounts, and Subaccounts are established:

(a) With respect to the Series 2016A Bonds, there are established the following accounts and subaccounts:

(i) Within the Bond Fund, to be held by the Trustee:

(1) Series 2016A Interest Account;

(2) Series 2016A Principal Account; and

(3) Series 2016A Redemption Account.

(ii) Within the Construction Fund, to be held by the Series 2016AB Custodian;

(1) Series 2016A Cost of Issuance Subaccount.

(iii) Within the Debt Service Reserve Fund, to be held by the Trustee:

(1) Common Reserve Account.

(b) With respect to the Series 2016B Bonds, there are established the following accounts and subaccounts:

(i) Within the Bond Fund:

(1) Series 2016B Interest Account;

(2) Series 2016B Principal Account; and

(3) Series 2016B Redemption Account.

(ii) Within the Construction Fund:

(1) Series 2016B Cost of Issuance Subaccount.

(iii) Within the Debt Service Reserve Fund:

(1) Common Reserve Account.

(c) Revenue Fund, to be held by the Airports Authority.

(d) Operation and Maintenance Fund, to be held by the Airports Authority.

(e) Junior Lien Obligation Fund, to be held by the Airports Authority.

(f) Emergency Repair and Rehabilitation Fund, to be held by the Airports Authority.

(g) Federal Lease Fund, to be held by the Airports Authority.

(h) General Purpose Fund, to be held by the Airports Authority.

Amounts in the Revenue Fund are not pledged to secure Holders of the Bonds. Amounts in the Operation and Maintenance Fund are required to be used by the Airports Authority to pay Operation and Maintenance Expenses and are not pledged to secure Holders of the Bonds. Amounts in the Emergency Repair and Rehabilitation Fund may be used by the Airports Authority to pay the costs of emergency repairs and replacements to the Airports and are not pledged to secure Holders of the Bonds. Amounts in the General Purpose Fund will be available for use by the Airports Authority for any lawful purpose and are not pledged to secure Holders of the Bonds.

Application of Series 2016A Bond Proceeds. There will be deposited, paid or transferred to (a) the Trustee, amounts, as set forth in the Series 2006A Refunding Agreement, to refund the Series 2006A Bonds, (b) the Trustee, amounts, as set forth in the Series 2006B Refunding Agreement, to refund the Series 2006B Bonds, and (c) the Series 2016AB Custodian, to be deposited in the Series 2016A Cost of Issuance Subaccount, amounts to pay costs associated with the issuance of the Series 2016A Bonds.

Application of Series 2016B Bond Proceeds. There will be deposited, paid or transferred to (a) the Trustee, amounts, as set forth in the Series 2006C Refunding Agreement, to refund the Series 2006C Bonds, and (b) the Series 2016AB Custodian to be deposited in the Series 2016B Cost of Issuance Subaccount, amounts to pay costs associated with the issuance of the Series 2016B Bonds.

Flow of Funds

The Indenture provides that on the first Business Day of each month (a) amounts in the Revenue Fund, excluding any transfers from the General Purpose Fund during the current Fiscal Year, and (b) 1/12 of the amount of any transfers from the General Purpose Fund for the current Fiscal Year, shall be withdrawn from the Revenue Fund and deposited or transferred as set forth under the heading, "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS--Flow of Funds" in the forepart of this Official Statement.

Required Deposits

Moneys are required to be deposited with respect to the Series 2016AB Bonds as described below. The Supplemental Indenture setting forth the terms of any additional Series of Bonds may require deposits to the applicable debt service and debt service reserve accounts and subaccounts with respect to such Series of Bonds, and, if such Series of Bonds is subject to mandatory purchase at the option of the Bondholder, will require deposits to a purchase fund for such Series of Bonds.

Required Deposits for Series 2016A Bonds

Debt Service Deposits for Series 2016A Bonds. So long as any Series 2016A Bonds are Outstanding, the Forty-eighth Supplemental Indenture requires that payments be made to the Trustee for the purposes of debt service payments on Series 2016A Bonds in the following manner:

Interest Account. On August 1, 2016 and on September 1, 2016, an amount equal to one-half (1/2) of the interest payment due on October 1, 2016, and thereafter beginning on October 1, 2016, and on the first (1st) Business Day of each month thereafter, an amount equal to one-sixth (1/6) of the next interest payment due after such date with respect to the Series 2016A Bonds shall be deposited to the Series 2016A Interest Account, provided the Airports Authority shall be entitled to a credit immediately before each Bond Payment Date for interest earned on the monthly deposits made by the Airports Authority.

Principal Account. Beginning on October 1, 2029, and on the first (1st) Business Day of each month thereafter, an amount equal to one-twelfth (1/12) of the next principal payment due after such date with respect to the Series 2016A Bonds shall be deposited to the Series 2016A Principal Account.

Debt Service Reserve Fund Deposit.

Beginning on the first (1st) Business Day of each month after a withdrawal from the Common Reserve Account in the Debt Service Reserve Fund to pay interest on the immediately preceding Bond Payment Date, and on the first (1st) Business Day of each month thereafter except April and October, an amount equal to one-fifth (1/5) of any deficiency resulting from such payment shall be deposited to the Common Reserve Account, (A) beginning on the first (1st) Business Day of each month after a withdrawal from the Common Reserve Account to pay principal on the immediately preceding Bond Payment Date, and the first (1st) Business Day of each month thereafter except each October, an amount equal to one-eleventh (1/11) of any deficiency resulting from a payment on the immediately preceding Bond Payment Date shall be deposited in the Common Reserve Account, and (B) beginning on the first (1st) Business Day of each month except each January, an amount equal to one-eleventh (1/11) of the amount necessary to cure any deficiency in the Common Reserve Account determined by the valuation pursuant to Section 514(b) of the Master Indenture, as of the beginning of the current Fiscal Year resulting from a change in market valuation of assets shall be deposited to the Common Reserve Account. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS--Debt Service Reserve Fund" in the forepart of this Official Statement.

Subject to the requirements of Section 506 of the Master Indenture and upon instructions from the Authority Representative, the Trustee may substitute a Credit Facility in lieu of cash or investments, or cash and investments in lieu of Credit Facility in order to satisfy the Common Debt Service Reserve Requirement.

The Forty-eighth Supplemental Indenture provides that, as provided in Section 514 of the Master Indenture, to the extent not needed to maintain the balance therein equal to the Common

Debt Service Reserve Requirement, earnings on a portion of the investments of the Common Reserve Account will be transferred after each Bond Payment Date to the Revenue Fund.

Required Deposits for Series 2016B Bonds

Debt Service Deposits for Series 2016B Bonds. So long as any Series 2016B Bonds are Outstanding, the Forty-eighth Supplemental Indenture requires that payments be made to the Trustee for the purposes of debt service payments on Series 2016B Bonds in the following manner:

Interest Account. On August 1, 2016 and on September 1, 2016, an amount equal to one-half (1/2) of the interest payment due on October 1, 2016, and thereafter beginning on October 1, 2016, and on the first (1st) Business Day of each month thereafter, an amount equal to one-sixth (1/6) of the next interest payment due after such date with respect to the Series 2016B Bonds shall be deposited to the Series 2016B Interest Account, provided the Airports Authority shall be entitled to a credit immediately before each Bond Payment Date for interest earned on the monthly deposits made by the Airports Authority.

Principal Account. Beginning on October 1, 2019, and on the first (1st) Business Day of each month thereafter, an amount equal to one-twelfth (1/12) of the next principal payment due after such date with respect to the Series 2016B Bonds shall be deposited to the Series 2016B Principal Account.

Debt Service Reserve Fund Deposit.

Beginning on the first (1st) Business Day of each month after a withdrawal from the Common Reserve Account in the Debt Service Reserve Fund to pay interest on the immediately preceding Bond Payment Date, and on the first (1st) Business Day of each month thereafter except April and October, an amount equal to one-fifth (1/5) of any deficiency resulting from such payment shall be deposited to the Common Reserve Account, (A) beginning on the first (1st) Business Day of each month after a withdrawal from the Common Reserve Account to pay principal on the immediately preceding Bond Payment Date, and the first (1st) Business Day of each month thereafter except each October, an amount equal to one-eleventh (1/11) of any deficiency resulting from a payment on the immediately preceding Bond Payment Date shall be deposited in the Common Reserve Account, and (B) beginning on the first (1st) Business Day of each month except each January, an amount equal to one-eleventh (1/11) of the amount necessary to cure any deficiency in the Common Reserve Account determined by the valuation pursuant to Section 514(b) of the Master Indenture, as of the beginning of the current Fiscal Year resulting from a change in market valuation of assets shall be deposited to the Common Reserve Account. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS--Debt Service Reserve Fund" in the forepart of this Official Statement.

Subject to the requirements of Section 506 of the Master Indenture and upon instructions from the Authority Representative, the Trustee may substitute a Credit Facility in lieu of cash or investments, or cash and investments in lieu of Credit Facility in order to satisfy the Common Debt Service Reserve Requirement.

The Forty-eighth Supplemental Indenture provides that, as provided in Section 514 of the Master Indenture, to the extent not needed to maintain the balance therein equal to the Common Debt Service Reserve Requirement, earnings on a portion of the investments of the Common Reserve Account will be transferred after each Bond Payment Date to the Revenue Fund.

Computation and Payment of Rebate Amount

Except as otherwise expressly provided in the Code, the Airports Authority will compute and pay any Rebate Amount required by the Code with respect to the Series 2016AB Bonds. Rebate Amounts will be paid from the Net Revenues of the Airports or from such other legally available sources. Net Revenues used to pay a Rebate Amount will be subordinate in priority to the application of Net Revenues required to make the monthly payment to the Federal Lease Fund.

No payment shall be made if the Airports Authority obtains an Opinion of Bond Counsel to the effect that such payment is no longer required or that some further action is required to maintain the exclusion from federal income tax of interest on the Series 2016AB Bonds.

Investment of Moneys

Moneys in all Funds and Accounts shall be invested as soon as practicable upon receipt in Permitted Investments, as directed by the Airports Authority or as selected by the Trustee in the absence of direction by the Airports Authority; provided that the maturity date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) dates on which moneys in the Funds and Accounts for which the investments were made will be required for the purposes thereof and provided further that in the absence of direction from the Airports Authority the Trustee shall select Permitted Investments in accordance with prudent investment standards.

Additional Bonds

The Airports Authority has issued, and expects to issue in the future, additional Bonds. Under the Indenture, the Airports Authority is permitted to issue one or more Series of additional Bonds on a parity with the outstanding Bonds, if:

The Airports Authority has provided to the Trustee the following evidence indicating that, as of the date of issuance of such additional Bonds, the Airports Authority is in compliance with the rate covenant established by the Indenture (the "Rate Covenant") (discussed under "Rate Covenant" below) as evidenced by: (a) the Airports Authority's most recent audited financial statements, and the Airports Authority's unaudited statements for the period, if any, from the date of such audited statements through the most recently completed Fiscal Year quarter, and (b) if applicable, evidence of compliance with the Indenture's requirement of remedial action (discussed under "Rate Covenant" below); and either

(i) an Airport Consultant has provided to the Trustee a certificate stating that, based upon reasonable assumptions, projected Net Revenues will be sufficient to satisfy the Rate Covenant (disregarding any Bonds that have been or will be paid or discharged immediately after

the issuance of the additional Bonds proposed to be issued) for each of the next three full Fiscal Years following issuance of the additional Bonds, or each full Fiscal Year from issuance of the additional Bonds through two full Fiscal Years following completion of the Projects financed by the additional Bonds proposed to be issued, whichever is later; provided that, if Maximum Annual Debt Service with respect to all Bonds to be Outstanding following the issuance of the proposed additional Bonds in any Fiscal Year is greater than 110% of Annual Debt Service for such Bonds in any of the test years, then the last Fiscal Year of the test must use such Maximum Annual Debt Service; provided further, that if capitalized interest on any Bonds and proposed additional Bonds is to be applied in the last Fiscal Year of the period described in this sentence, the Airport Consultant shall extend the test through the first full Fiscal Year for which there is no longer capitalized interest, or

(ii) an Authority Representative has provided to the Trustee a certificate stating that Net Revenues in the most recently completed Fiscal Year were not less than the larger of (1) the amounts needed for making the required deposits to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund, and the Emergency Repair and Rehabilitation Fund or (2) 125% of (a) Annual Debt Service on Bonds Outstanding in such Fiscal Year (disregarding any Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of such additional Bonds proposed to be issued), plus (b) Maximum Annual Debt Service with respect to such additional Bonds proposed to be issued.

With respect to additional Bonds proposed to be issued to refund Outstanding Bonds, the Airports Authority may issue such refunding Bonds if the test described above is met, or if the Airports Authority has provided to the Trustee evidence that (a) the aggregate Annual Debt Service in each Fiscal Year with respect to all Bonds to be Outstanding after issuance of such refunding Bonds will be less than the aggregate Annual Debt Service in each such Fiscal Year through the last Fiscal Year in which Bonds are Outstanding prior to the issuance of such refunding Bonds, and (b) the Maximum Annual Debt Service with respect to all Bonds to be Outstanding after issuance of such refunding Bonds will not exceed the Maximum Annual Debt Service with respect to all Bonds outstanding immediately prior to such issuance.

The issuance of the Series 2016AB Bonds will be in compliance with the immediately preceding paragraph.

General Covenants of the Airports Authority

The covenants set forth below apply to the Series 2016AB Bonds and to any other Series of Bonds issued under the Master Indenture.

Payment of Principal and Interest. The Airports Authority covenants to promptly pay or cause to be paid from Net Revenues (except to the extent payable from bond proceeds or other limited sources of payment specified in the Master Indenture) the principal of, premium, if any, and interest on each Bond, as and when due.

Pledge of Net Revenues. As security for the payment of the principal of, and interest and any premium on, the Bonds, the Airports Authority has granted to the Trustee a pledge of and lien on Net Revenues, as and when received by the Airports Authority, from and after the date of the Master Indenture without any physical delivery thereof or further act.

The Airports Authority has covenanted and agreed that it will not create any pledge, lien or encumbrance upon, or permit any pledge, lien or encumbrance to be created on, Revenues or Net Revenues except for a pledge, lien or encumbrance subordinate to the pledge and lien granted by the Master Indenture for the benefit of the Bonds and the pledge and lien granted by the Subordinated Indenture for the benefit of the Subordinated Bonds. The Airports Authority has previously issued Subordinated Bonds secured by a pledge of Net Revenues that is subordinated to the pledge of Net Revenues securing the Bonds as to moneys that have not been transferred by the Trustee to the Subordinated Indenture Trustee. See "AIRPORTS AUTHORITY INDEBTEDNESS FOR THE AVIATION ENTERPRISE FUND -- Subordinated Bonds for the Aviation Enterprise Fund" in the forepart of this Official Statement.

In addition to Bonds issued under the Master Indenture, the Airports Authority may issue, at any time and from time to time, in one or more series (a) Special Facility Bonds, (b) other bonds, notes or other obligations payable solely from and secured solely by revenues other than Revenues and Net Revenues, and (c) bonds, notes or other obligations payable from Net Revenues on a basis subordinate to the Bonds (including the Series 2016AB Bonds) and the Subordinated Bonds.

Management of Airports. The Airports Authority has covenanted not to take, or allow any person to take, any action which would cause the Federal Aviation Administration (the "FAA"), or any successor to the powers and authority of the FAA to suspend or revoke the Airports' operating certificates. The Airports Authority will comply with all valid acts, including the Acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to the Airports and with the Federal Lease, unless the same shall be contested in good faith, all to the end that the Airports will remain in operation at all times.

Operation and Maintenance of Airports. The Airports Authority has covenanted that it will operate and maintain the Airports as a revenue producing enterprise in accordance with the Federal Lease and the Acts. The Airports Authority will make such repairs to the Airports as shall be necessary or appropriate in the prudent management thereof. The Airports Authority has covenanted that it will operate and maintain the Airports in a manner which will entitle it at all times to charge and collect fees, charges and rentals in accordance with airport use agreements, if any, or as otherwise permitted by law, and shall take all reasonable measures permitted by law to enforce prompt payment to it of such fees, charges and rentals when and as due.

Insurance. The Airports Authority has covenanted that it will at all times (a) carry insurance, or cause insurance to be carried, with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airports as are customarily insured, and against loss or damage from such causes as are customarily insured against, by enterprises engaged in a similar type of business, or (b) have adopted and maintain a risk financing plan for property and casualty losses in accordance with the Federal Lease.

Financial Records and Statements. The Airports Authority has covenanted to have an annual audit made by independent certified public accountants of recognized standing and shall within 120 days after the end of each of its Fiscal Years furnish to the Trustee copies of the balance sheet of the Airports Authority as of the end of such Fiscal Year and complete audited financial statements of the Airports Authority for such Fiscal Year, all in reasonable detail.

Rate Covenant

Pursuant to the Indenture, the Airports Authority has covenanted that it will take all lawful measures to fix and adjust from time to time the fees and other charges for the use of the Airports, including services rendered by the Airports Authority, pursuant to airport use agreements or otherwise, calculated to be at least sufficient to produce Net Revenues to provide for the larger of either:

(a) The amounts needed for making the required deposits in each Fiscal Year to the Principal Accounts, the Interest Accounts, and the Redemption Accounts, the Debt Service Reserve Fund, the Subordinated Bond Funds, the Subordinated Reserve Funds, the Junior Lien Obligations Fund, the Federal Lease Fund and the Emergency Repair and Rehabilitation Fund; or

(b) An amount not less than 125% of the Annual Debt Service with respect to Bonds for such Fiscal Year.

Provided that any computation required above shall exclude from Net Revenues any capital gain resulting from any sales or revaluation of Permitted Investments.

The Airports Authority has covenanted that if, upon the receipt of the audit report for a Fiscal Year, the Net Revenues in such Fiscal Year are less than the amount specified above, the Airports Authority will require the Airport Consultant to make recommendations as to the revision of the Airports Authority's schedule of rentals, rates, fees and charges, and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Airports Authority, on the basis of such recommendations and other available information, will take all lawful measures to revise the schedule of rentals, rates, fees and charges for the use of the Airports as may be necessary to produce the specified amount of Net Revenues in the Fiscal Year following the Fiscal Year covered by such audit report.

In the event that Net Revenues for any Fiscal Year are less than the amount specified above, but the Airports Authority has promptly taken in the next Fiscal Year all available lawful measures to review the schedule of rentals, rates, fees and charges for the use of the Airports to comply with these remedial requirements, there will be no Event of Default under the Indenture; provided, however, that if, after the Airports Authority has complied with these remedial requirements, Net Revenues are not sufficient to provide for the specified amount in the Fiscal Year in which such adjustments are required to be made (as evidenced by the audit report for such Fiscal Year), such failure will be an Event of Default under the Indenture.

Tax Covenants

The Airports Authority has covenanted to comply with certain tax covenants with respect to the tax exemption of the Series 2016AB Bonds, including, among other matters, the use, expenditure and investment of proceeds and the rebate of certain "arbitrage profit" to the United States Treasury. See "TAX MATTERS" in the forepart of this Official Statement.

The Airports Authority has covenanted not to (1) make any use of the proceeds of the Series 2016A Bonds, any funds reasonably expected to be used to pay the principal of or interest on the Series 2016A Bonds, or any other funds of the Airports Authority; (2) make or permit any use of Authority Facilities refinanced with proceeds of the Series 2016A Bonds; or (3) take (or omit to take) any other action with respect to the Series 2016A Bonds, the proceeds thereof, or otherwise, if such use, action or omission would, under the Code, cause the interest on the Series 2016A Bonds to be included in gross income for federal income tax purposes.

In particular, without limitation, the Airports Authority has covenanted to cause an amount not less than ninety-five percent (95%) of the proceeds of the Series 2016A Bonds and investment income therefrom to be allocated for federal income tax purposes to Qualified Costs of Facilities, taking into account Qualified Costs of Facilities refinanced with proceeds of the Series 2016A Bonds, and agreed to make or to direct the Trustee to make any transfers necessary to satisfy such covenant.

The Airports Authority has covenanted not to (1) make any use of the proceeds of the Series 2016B Bonds, any funds reasonably expected to be used to pay the principal of or interest on the Series 2016B Bonds, or any other funds of the Airports Authority; (2) make or permit any use of Authority Facilities refinanced with proceeds of the Series 2016B Bonds; or (3) take (or omit to take) any other action with respect to the Series 2016B Bonds, the proceeds thereof, or otherwise, if such use, action or omission would, under the Code, cause the interest on the Series 2016B Bonds to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax.

The Airports Authority has covenanted not to take (or omit to take) or permit or suffer any action to be taken, if the result of the same causes the Series 2016AB Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Series 2016B Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

Default and Remedies

Events of Default. The Master Indenture provides that an Event of Default with respect to one Series of Bonds shall not cause an Event of Default with respect to any other Series of Bonds unless such event or condition on its own constitutes an Event of Default with respect to such other Series of Bonds. Each of the following is defined as an "Event of Default" with respect to each Series of Bonds under the Master Indenture:

(a) If payment by the Airports Authority in respect of any installment of interest on any Bond of such Series shall not be made in full when the same becomes due and payable;

(b) If payment by the Airports Authority in respect of the principal of any Bond of such Series shall not be made in full when the same becomes due and payable, whether at maturity or by proceedings for redemption or otherwise;

(c) If payment of the purchase price of any Bond of such Series tendered for optional or mandatory tender for purchase, if provided for in the Supplemental Indenture providing for the issuance of such Series, shall not be paid in full as and when due in accordance therewith;

(d) If the Airports Authority shall fail to observe or perform any covenant or agreement on its part under the Master Indenture (other than the Rate Covenant) for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Airports Authority by the Trustee, or to the Airports Authority and the Trustee by the Holders of at least 25% in aggregate principal amount of Bonds of a Series then Outstanding. If the breach of covenant or agreement is one which cannot be completely remedied within 60 days after written notice has been given, it shall not be an Event of Default with respect to such Series as long as the Airports Authority has taken active steps within the 60 days after written notice has been given to remedy the failure and is diligently pursuing such remedy;

(e) If the Airports Authority is required under the Rate Covenant to take measures to revise the schedule of rentals, rates, fees and charges for the use of the Airports and Net Revenues in the Fiscal Year in which such adjustments are made are less than the amount specified in the Rate Covenant contained in the Master Indenture (See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS--Rate Covenant") in the forepart of this Official Statement; and

(f) If the Airports Authority shall institute proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the institution of bankruptcy or insolvency proceedings against it, or shall file a petition, answer or consent seeking reorganization or relief under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Airports Authority or of any substantial part of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due.

No Acceleration or Cross Default. There shall be no rights of acceleration with respect to any Bonds, including the Series 2016AB Bonds. An Event of Default with respect to one Series of Bonds shall not cause an Event of Default with respect to any other Series of Bonds unless such event or condition on its own constitutes an Event of Default with respect to such other Series of Bonds.

Remedies and Enforcement of Remedies. The Master Indenture provides that upon the occurrence and continuance of any Event of Default with respect to a Series of Bonds, the Trustee may, or, upon the written request of the Holders of not less than 25% in an aggregate principal amount of such Series of Bonds, together with indemnification of the Trustee to its satisfaction therefor shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders

under the Master Indenture and under the Acts and such Bonds by such suits, actions, injunction, mandamus or other proceedings, as the Trustee, being advised by counsel, shall deem expedient.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in aggregate principal amount of a Series of Bonds, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (a) to prevent any impairment of the security under the Master Indenture by any acts or omissions to act which may be unlawful or in violation thereof, or (b) to preserve or protect the interests of the Holders of such Series of Bonds, provided that such request is in accordance with law and the provisions of the Master Indenture, and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Holders of Bonds of each Series not making such request.

The remedies provided for in the Master Indenture with respect to reaching Funds or Accounts thereunder shall be limited to the Funds or Accounts thereunder pledged to the applicable Series of Bonds with respect to which an Event of Default exists.

Application of Revenues and Other Moneys After Default. The Master Indenture provides that during the continuance of an Event of Default with respect to any Series of Bonds, all moneys received by the Trustee with respect to such Series of Bonds pursuant to any right given or action taken under the provisions of the Master Indenture shall, after payment of the costs and expenses of the proceedings which resulted in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be applied according to the accrued debt service deposits or payments with respect to each such Series as follows:

(a) Unless the principal amounts of all such Outstanding Bonds shall have become due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on such Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts of any Bonds which shall have become due (other than Bonds of such Series previously called for redemption for the payment of which moneys are held pursuant to the provisions of the Master Indenture), whether at maturity or by proceedings for redemption or otherwise or upon the tender of any Bond pursuant to the terms of the Supplemental Indenture providing for the issuance of such Bonds, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds of such Series due on any date, then to the payment thereof ratably, according to the principal amounts due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become due and payable, to the payment of the principal amounts and interest then due and unpaid upon such Bonds

without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Whenever moneys are to be applied by the Trustee as described in (a) and (b) above, such moneys shall be applied on the date fixed by the Trustee and, upon such date, interest on the principal amounts to be paid on such dates shall cease to accrue if so paid.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or the Bondholders or any Credit Provider under the Master Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Master Indenture or existing at law or in equity or by statute (including the Acts) on or after the date of the Master Indenture.

Remedies Vested in the Trustee. All rights of action (including the right to file proof of claims) under the Master Indenture or under any of the Bonds of any Series may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee may be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Holders of the applicable Series of Bonds. Subject to the provisions of the Master Indenture, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds of such Series.

Control of Proceedings. If an Event of Default with respect to a Series of Bonds shall have occurred and be continuing, the Master Indenture provides that the Holders of a majority in aggregate principal amount of Bonds of such Series then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken with respect to funds or assets solely securing such Series of Bonds in connection with the enforcement of the terms and conditions thereof, provided that such direction is in accordance with law and the provisions of the Master Indenture (including indemnity to the Trustee as provided in the Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of the Bondholders of each Series of Bonds not joining in such direction, and provided further, that nothing in this section shall impair the right of the Trustee in its discretion to take any other action under the Master Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders.

If an Event of Default with respect to all Series of Bonds shall have occurred and be continuing, the Holders of a majority in aggregate principal amount of all Bonds then Outstanding shall have the right, at any time, by any instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken with respect to Net Revenues or other assets securing all Bonds in connection with the enforcement of the terms and conditions of the Master Indenture, provided that such direction is in accordance with law and the provisions of the Master Indenture (including indemnity to the Trustee as provided in the Master Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction and provided further that nothing shall impair the right of

the Trustee in its discretion to take any other action under the Master Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders.

Individual Bondholder Action Restricted. No Holder of any Bond of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or for the execution of any trust thereunder or for any remedy thereunder unless:

(i) an Event of Default has occurred with respect to such Series (A) under paragraph (a), (b) or (c) of "Events of Default" of which the Trustee is deemed to have notice, or (B) under paragraph (d), (e) or (f) of "Events of Default" of which the Trustee has actual knowledge or as to which the Trustee has been notified in writing;

(ii) the Holders of at least 25% in aggregate principal amount of the applicable Series of Bonds of such Series then Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Master Indenture or to institute such action, suit or proceeding in its own name;

(iii) such Bondholders shall have offered the Trustee indemnity as provided in the Master Indenture;

(iv) the Trustee shall have failed or refused to exercise the powers granted under the Master Indenture or to institute such action, suit or proceeding in its own name for a period of 60 days after receipt by it of such request and offer of indemnity; and

(v) during such 60-day period, no direction inconsistent with such written request has been delivered to the Trustee by the Holders of a majority in aggregate principal amount of Bonds of such Series then Outstanding as provided in the Master Indenture.

No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Master Indenture or to enforce any right thereunder except in the manner provided therein and for the equal benefit of the Holders of all Bonds of such Series then Outstanding.

Nothing contained in the Master Indenture shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond on or after the due date thereof, or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of the Master Indenture on the moneys, funds and properties pledged under the Master Indenture for the equal and ratable benefit of all Holders of Bonds of such Series.

Waiver of Event of Default. No delay or omission of the Trustee, of any Holder of Bonds or, if provided by Supplemental Indenture, any Credit Provider to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be

a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by the Master Indenture to the Trustee, the Holders of Bonds and, if provided by Supplemental Indenture, any Credit Provider may be exercised from time to time and as often as may be deemed expedient by them.

The Trustee with the consent of the Credit Provider, if provided by Supplemental Indenture (provided, however, that such Credit Provider's consent may be required only in connection with an Event of Default on a Series of Bonds with respect to which such Credit Provider is providing a Credit Facility) may waive any Event of Default with respect to the Bonds, which, in the Trustee's opinion, shall have been remedied at any time, regardless of whether any suit, action or proceeding has been instituted before the entry of final judgment or decree in any suit, action or proceeding instituted by the Trustee under the provisions of the Master Indenture, or before the completion of the enforcement of any other remedy under the Master Indenture.

Notwithstanding anything contained in the Master Indenture to the contrary, the Trustee, upon the written request of the applicable Credit Provider, if any, or Holders of at least a majority of the aggregate principal amount of Bonds of a Series then Outstanding, with respect to an Event of Default affecting only such Series (or a majority of the aggregate principal amount of all Bonds then Outstanding, with respect to an Event of Default affecting all Series of Bonds) shall waive any Event of Default under the Master Indenture and its consequences, provided, however, that, a default in the payment of the principal amount of, premium, if any, or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds of such Series at the time Outstanding to which an Event of Default applies and the consent of the Credit Provider, if any.

In case of any waiver by the Trustee of an Event of Default under the Master Indenture, the Airports Authority, the Trustee, the Credit Provider, if any, and the Bondholders shall be restored to their former positions and rights under the Master Indenture, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to any one for waiving or refraining any Event of Default in accordance with the Master Indenture.

The Trustee

Trustee Not Required to Take Action Unless Indemnified. Except as expressly required in the Master Indenture, the Trustee shall not be required to institute any proceeding in which it may be a defendant or to take any action to enforce its rights and expose it to liability, or be deemed liable for failure to take such action, unless and until the Trustee shall have been indemnified against all reasonable costs, liability and damages.

Right to Deal in Bonds and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Bonds of any Series, including the Series 2016AB Bonds, as if it were not such Trustee and may commence or join any action which a Holder is entitled to take with like effect as if the Trustee were not the Trustee.

Trustee's Fees and Expenses. If the Airports Authority fails to properly pay any reasonable fees, costs or expenses of the Trustee incurred in the performance of its duties, the Trustee may reimburse itself from any surplus moneys on hand in any Fund or Account held by it except any amounts in the Bond Fund.

Removal and Resignation of Trustee. The Trustee may resign at any time. Written notice of such resignation shall be given to the Airports Authority and such resignation shall take effect upon the appointment and qualification of a successor Trustee. In addition, the Trustee may be removed at any time by the Airports Authority but only for cause by Supplemental Indenture so long as (a) no Event of Default shall have occurred and be continuing, and (b) the Airports Authority determines, in such Supplemental Indenture, that the removal of the Trustee shall not have an adverse effect upon the rights or interests of the Bondholders. In the event of the resignation or removal of the Trustee or in the event of the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Airports Authority shall be entitled to appoint a successor Trustee.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Bondholders. The Airports Authority and the Trustee may, without the consent of or notice to any of the Holders, enter into one or more Supplemental Indentures for one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture;

(b) To correct or supplement any provision in the Indenture which may be inconsistent with any other provision therein, or to make any other provision with respect to matters or questions arising thereunder which shall not materially adversely affect the interests of the Holders;

(c) To grant or confer upon the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon them;

(d) To secure additional revenues or provide additional security or reserves for payment of the Bonds;

(e) To preserve the excludability of interest on the Bonds from gross income for purposes of federal income taxes or to change the tax covenants set forth in the Master Indenture or any Supplemental Indenture pursuant to an Opinion of Bond Counsel that such action will not adversely affect such excludability;

(f) To provide for the issuance of a Series of Bonds under the Master Indenture;

(g) To remove the Trustee in accordance with the Master Indenture; and

(h) To add requirements the compliance with which is required by a Rating Agency in connection with issuing a rating with respect to a Series of Bonds.

(i) To accommodate the technical, operational and structural features of Bonds which are issued or are proposed to be issued or of a Program which has been authorized or is proposed to be authorized, including, but not limited to, changes needed to accommodate bond anticipation notes, commercial paper, auction Bonds, Hedge Facilities, Short-Term/Demand Obligations and other variable rate or adjustable rate Bonds, Capital Appreciation Bonds, Original Issue Discount Bonds and other discounted or compound interest Bonds or other forms of indebtedness which the Airports Authority from time to time deems appropriate to incur;

(j) To accommodate the use of a Credit Facility for specific Bonds or a specific Series of Bonds; and

(k) To comply with the requirements of the Code as are necessary, in the Opinion of Bond Counsel, to prevent the federal income taxation of the interest on any of the Bonds, including, without limitation, the segregation of Revenues into different funds.

Supplemental Indentures Requiring Consent of Bondholders. The Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding may consent to or approve, from time to time, which consent to or approval shall be in writing and shall not be withheld unreasonably, the execution by the Airports Authority and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Airports Authority for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, that if any Supplemental Indenture modifying, altering, amending, adding to or rescinding any of the terms and provisions of the Indenture contains provisions which affect the rights and interests of less than all Series of Bonds and the section of the Master Indenture relating to Supplemental Indentures not requiring consent of Holders is inapplicable, then such Supplemental Indenture shall require the consent only of the Holders of a majority in Outstanding principal amount of the Series of Bonds so affected; and provided further, that nothing shall permit or be construed as permitting a Supplemental Indenture that would:

(a) extend the stated maturity of or time for paying interest on any Bond or reduce the principal amount of or the redemption premium or rate of interest payable on any Bond, without the consent of the Holder of such Bond;

(b) prefer or give a priority to any Bond over any other Bond, without the consent of the Holder of each Bond then Outstanding not receiving such preference or priority; or

(c) reduce the aggregate principal amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such Supplemental Indenture, without the consent of the Holders of all Bonds then Outstanding.

If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the execution of a Supplemental Indenture as provided in the Master Indenture, no Holder of any Bond shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or to the operation thereof, or in any

manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Airports Authority from executing the same or from taking any action pursuant to the provisions thereof.

Satisfaction and Discharge

If payment of all principal of, premium, if any, and interest on a Series of Bonds in accordance with the terms of such Bonds is made, or is provided for as described below, and if all other sums payable by the Airports Authority under the Master Indenture with respect to such Series of Bonds shall be paid or provided for then the liens, estates and security interests granted thereby shall cease with respect to such Series of Bonds, provided that the rebate provisions, if any, of the related Supplemental Indenture shall survive so long as there is any amount due to the federal government pursuant to such Supplemental Indenture.

Payment of a Series of Bonds, including the Series 2016AB Bonds, may be provided for by the deposit with the Trustee of moneys, noncallable Government Obligations, noncallable Government Certificates or pre-refunded municipal obligations (as described in paragraph (c) of the definition of Permitted Investments in the Master Indenture) or any combination thereof. The moneys and the maturing principal and interest income on such Government Obligations, noncallable Government Certificates, or pre-refunded municipal obligations, if any, shall be sufficient and available to pay, when due, the principal of, whether at maturity or upon fixed redemption dates, premium, if any, and interest on such Bonds. The moneys, Government Obligations, noncallable Government Certificates and pre-refunded municipal obligations shall be held by the Trustee irrevocably in trust for the Holders of such Bonds solely for the purpose of paying the principal or redemption price of, including premium, if any, and interest on such Bonds as the same shall mature or become payable upon prior redemption, and, if applicable, upon simultaneous direction, expressed to be irrevocable, to the Trustee as to the dates upon which any such bonds are to be redeemed prior to their respective maturities.

If payment of any of the Series 2016AB Bonds is so provided for, the Trustee shall mail a notice so stating to each Holder of such Series 2016AB Bonds.

Bonds, the payment of which has been provided for, shall no longer be deemed Outstanding under the Master Indenture. The obligation of the Airports Authority in respect of such Bonds shall nevertheless continue but the Holders thereof shall thereafter be entitled to payment only from the moneys, Government Obligations, Government Certificates, and pre-refunded municipal obligations deposited with the Trustee to provide for the payment of such a series of Bonds.

No Bond may be so provided for if, as a result thereof or of any other action in connection with which the provision for payment of such Bond is made, the interest payable on any Bond with respect to which an Opinion of Bond Counsel has been rendered that such interest is excluded from gross income for federal income tax purpose is made subject to federal income taxes. The Trustee shall receive and may rely upon an Opinion of Bond Counsel (which may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that the provisions of this paragraph will not be breached by so providing for the payment of any Bonds.

Non-Presentment of Series 2016AB Bonds

If any Series 2016AB Bond is not presented for payment of principal of, premium, if any, and interest on the Series 2016AB Bond within two (2) years after delivery of such funds to the Trustee and absent knowledge by the Trustee of any continuing Event of Default, the moneys shall, upon request by the Airports Authority, be paid to the Airports Authority free of any trust or lien and thereafter the Holder of such Series 2016AB Bond shall look only to the General Purpose Fund of the Airports Authority and then only to the extent of the amounts so received by the Airports Authority without interest thereon. Prior to the transfer of any moneys, the Trustee shall give notice of such transfer to each affected Holder and publish such notice in a newspaper of general circulation in the Washington, D.C. metropolitan area. The Trustee shall have no further responsibility with respect to such moneys or payment of principal of, premium, if any, and interest on the Series 2016AB Bonds.

Governing Law

The Master Indenture, the Forty-eighth Supplemental Indenture and the Series 2016AB Bonds shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT USE AGREEMENT AND PREMISES LEASE

The following is a summary of certain provisions of the Airport Use Agreement and Premises Lease (the "Airline Agreement"), to which reference is made for a complete statement of its provisions and contents. The Airline Agreement signed by each of the Signatory Airlines is substantially identical except for provisions relating to the Premises leased by, and the Aircraft Parking Positions assigned to, each Signatory Airline. The Airline Agreement governs both Airports. An airline may become a Signatory Airline at one or both of the Airports.

DEFINITIONS

Certain words and terms used in this summary are defined in the Airline Agreement and have the same meanings in this summary, except as defined otherwise in the Official Statement. Some, but not all, of the definitions in the Airline Agreement are set forth below. Certain of these definitions have been abbreviated or modified for purposes of this summary.

"Additional Projects" shall mean capital expenditures for construction, acquisitions, and improvements related to the Airports, other than small capital items includable as O&M Expenses in accordance with Airports Authority policy and other than those Projects included in the Capital Construction Program.

"Airfield Net Requirement" shall mean at each Airport the Total Requirement attributable to the Airfield Cost Center, less (i) Ramp Area Charges, if any; (ii) direct utility or other reimbursements attributable or allocable to the Airfield Cost Center; and (iii) Transfers, if any, allocable to the Airfield Cost Center.

"Airline" shall mean the Scheduled Air Carrier executing the Airline Agreement.

"Airline Supported Areas" shall mean for each Airport the Airfield, Terminal and Equipment Cost Centers at that Airport and at Dulles International Airport shall also include the International Arrivals Building Federal Inspectional Services Facility ("IAB FIS"), Midfield C FIS and the Passenger Conveyance System Cost Centers.

"Bonds" shall mean Senior Bonds, Subordinated Bonds, and Other Indebtedness.

"Capital Charges" shall mean (i) Debt Service and (ii) Amortization Requirements.

"Capital Construction Program" shall mean the planning, design, construction, acquisitions and improvements to the Airports, as more particularly described in Exhibits N-H, N-I, D-H and D-I attached to the Airline Agreements.

"Common Use Charges" shall mean those charges, in any Rate Period, payable by the Airline to the Airports Authority for the use of Common Use Premises at each Airport, determined in accordance with Paragraph 8.03.4 of the Airline Agreement.

"Common Use Premises" shall mean those areas at the Airport which two or more Scheduled Air Carriers are authorized to use, as shown on Exhibits N-B-1 and D-B-1 attached to the Airline Agreement. For purposes of calculating rentals, fees, and charges under the Airline Agreement, such Common Use Premises shall be deemed Rentable Space; provided, however, no leasehold interests shall accrue to or be acquired by any authorized user thereof.

"Cost Centers" shall mean those areas of functional activities established by the Airports Authority at each Airport, as set forth in Exhibits N-E and D-E attached to the Airline Agreement, and as may be amended by the Airports Authority.

"Debt Service" shall mean, as of any date of calculation for any Rate Period, the amounts required pursuant to the terms of any Indenture to be collected during said period for the payment of Bonds, plus fees and amounts payable to providers of any form of credit enhancement used in connection with Bonds.

"Debt Service Coverage" shall mean at both Airports, for Fiscal Years 2015 through 2017, an amount equal to thirty-five percent (35%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds which is not funded with PFC revenue or federal grant assistance; at Reagan National Airport, for Fiscal Years 2018 through 2023, an amount equal to thirty percent (30%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds which is not funded with PFC revenue or federal grant assistance; and, at Reagan National Airport, for Fiscal Year 2024, an amount equal to twenty-five percent (25%) of the portion of Debt Service attributable to Senior Bonds and Subordinated Bonds which is not funded with PFC revenue or federal grant assistance; plus, in each of the Fiscal Years 2015 through 2024, such other amounts as may be established by any financing agreement or arrangement with respect to Other Indebtedness.

"Dulles Toll Road" shall mean the toll roadway between Virginia Route 28 on the west and Virginia Route 123 on the east that was constructed by the State of Virginia under the 1983 Deed of Easement and additional easements and is located immediately adjacent to the Dulles Airport Access Highway on land leased to the Airports Authority by the United States Department of Transportation.

"Equipment" shall mean the equipment and devices owned by the Airports Authority and leased to the Airline, which may include but shall not be limited to, Common Use Terminal Equipment ("CUTE"), baggage make-up and baggage claim conveyors and devices, loading bridges, 400 Hz, and preconditioned air units.

"Equipment Charges" shall mean those amounts payable by the Airline, if applicable, for the use of Equipment in accordance with Section 8.05 of the Airline Agreement.

"Equipment Sub-Centers" shall mean those individual facilities at each Airport that are included in the Equipment Cost Center at that Airport, as described in Exhibits N-E and D-E to the Airline Agreement.

"Extraordinary Coverage Protection Payments" shall mean those payments, if any, required to be paid by the Signatory Airlines at an Airport in any Fiscal Year in which the amount of Revenues plus Transfers less Operating and Maintenance Expenses at that Airport is projected to be less than one hundred twenty-five percent (125%) of the sum of Debt Service on Senior Bonds and Debt Service on Subordinated Bonds at the Airport.

"Federal Lease" shall mean the Agreement and Deed of Lease, dated March 2, 1987, between the United States of America, acting through the Secretary of Transportation, and the Airports Authority, as the same may be amended or supplemented.

"Fiscal Year" shall mean the annual accounting period for the Airports Authority for its general accounting purposes which, at the time of entering into the Airline Agreement, is the period of twelve consecutive months beginning with the first day of January of any year.

"Five CCP Projects" shall mean the Commuter Concourse and its Enabling Projects, the Secure National Hall and its Enabling Projects, and the Terminal A Preliminary Planning and Design Projects, all at Reagan National Airport and as summarized in Exhibit N-H and described in Exhibit N-I to the Airline Agreement.

"Ground Transportation Cost Center" shall mean the Cost Center described in Exhibits N-E and D-E to the Airline Agreement.

"Indenture" shall mean the Senior Indenture, Subordinated Indenture, or Other Indenture, including amendments, supplements, and successors thereto.

"International Arrivals Building Federal Inspectional Services Facility (or "IAB FIS")" shall mean the building adjacent to the Dulles Main Terminal containing facilities provided by the Airports Authority for the processing by U.S. Customs and Border Patrol of arriving international passengers requiring such processing.

"Landing Fees" shall mean those fees, calculated in accordance with Section 8.02 of the Airline Agreement, payable by the Airline for the use of the Airfield.

"Majority-in-Interest" shall mean, at each Airport, (i) for the Airfield Cost Center, fifty percent (50%) in number of all Signatory Airlines and Signatory Cargo Carriers at such Airport which together landed more than sixty percent (60%) of Signatory Airlines' and Signatory Cargo Carriers' landed weight at that Airport during the most recent six (6) full month period for which the statistics are available, and (ii) for the Airline Supported Areas (excluding the Airfield Cost Center), fifty percent (50%) in number of Signatory Airlines at such Airport which together were obligated to pay more than sixty percent (60%) of the sum of Terminal Rentals, Common Use Charges, FIS Charges, Passenger Conveyance Charges, and Equipment Charges at such Airport during the most recent six (6) full month period for which statistics are available.

"Midfield C Federal Inspection Services Facility" or "Midfield C FIS" shall mean those facilities provided by the Airports Authority at Concourse C at Dulles International Airport for the processing by U.S. Customs and Border Patrol of arriving international passengers requiring such processing.

"Operation and Maintenance Expenses" or "O&M Expenses" shall mean for any period all expenses of the Airports Authority paid or accrued for the operation, maintenance, administration, and ordinary current repairs of the Airports. Operations and Maintenance Expenses shall not include (i) the principal of, premium, if any, or interest payable on any Bonds; (ii) any allowance for amortization or depreciation of the Airports; (iii) any other expense for which (or to the extent to which) the Airports Authority is or will be paid or reimbursed from or through any source that is not included or includable as Revenues; (iv) any extraordinary items arising from the early

extinguishment of debt; (v) rentals payable under the Federal Lease; and (vi) any expense paid with amounts from the Emergency R&R Fund.

"Original Cost Estimate" shall mean for one or more or all of the Projects in the Capital Construction Program (as the context shall determine) the amount specified for such Project in Exhibits N-I and D-I to the Airline Agreement.

"Other Indebtedness" shall mean any financing instrument or obligation of the Airports Authority, except the Federal Lease, payable from Revenues on a basis subordinate to the Airports Authority's obligation to pay Subordinated Bonds.

"Passenger Conveyances" shall mean the Dulles International Airport mobile lounges, buses, Aerotrain or other airside ground transportation devices provided by the Airports Authority at Dulles International Airport for the movement of passengers and other persons.

"Passenger Conveyance Charges" shall mean those charges payable by the Airline pursuant to Section 8.07 of the Airline Agreement.

"Premises" shall mean areas at the Airports leased by the Airline pursuant to Article 6 of the Airline Agreement. Premises shall include Exclusive, Preferential, and Joint Use Premises.

"Project" shall mean any discrete, functionally complete portion of the Capital Construction Program identified as a separate project in Exhibits N-I and D-I to the Airline Agreement, as revised from time to time.

"Ramp Area" shall mean the aircraft parking and maneuvering areas adjacent to the Terminals and any other areas at an Airport designated by the Airports Authority for aircraft parking and maneuvering, and shall include within its boundaries all Aircraft Parking Positions. At Dulles International Airport, the Ramp Area shall also include the Dulles Jet Apron, but it shall not include the Dulles Cargo Apron.

"Ramp Area Charges" shall mean Aircraft Parking Position Charges and Dulles Jet Apron Fees, as set forth in Section 8.04 of the Airline Agreement.

"Revenues" shall mean all revenues of the Airports Authority received or accrued except (i) interest income on, and any profit realized from, the investment of moneys in any fund or account to the extent that such income or profit is not transferred to, or retained in, the Revenue Fund or the Bond Fund created by the Senior Indenture or the Bond Funds created by the Subordinated Indenture; (ii) interest income on, and any profit realized from, the investment of moneys in any fund or account funded from the proceeds of Special Facility Bonds; (iii) amounts received by the Airports Authority from, or in connection with, Special Facilities, unless such funds are treated as Revenues by the Airports Authority; (iv) amounts received by the Airports Authority from, or in connection with, the Dulles Toll Road, unless such funds are treated as Revenues by the Airports Authority; (v) the proceeds of any passenger facility charge or similar charge levied by, or on behalf of, the Airports Authority, unless such funds are treated as Revenues by the Airports Authority; (vi) grants-in-aid, donations, and/or bequests; (vii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles; (viii) the proceeds of any condemnation awards; and (ix) any other amounts which are not deemed to be revenues in accordance with generally accepted accounting principles or which are restricted as to their use.

"Rentable Space" shall mean, for each Terminal Sub-Center at each Airport, the total of all areas in that Terminal Sub-Center which constitute Premises, Common Use Premises, Dulles Permit Space, or areas otherwise available for lease to airlines or non-airline tenants.

"Scheduled Air Carrier" shall mean any company performing, pursuant to published schedules, commercial air transportation of persons, property, and/or mail over specified routes to and from an Airport and holding the necessary authority from the appropriate Federal or state agencies to provide such air transportation services.

"Senior Bonds" shall mean any bonds or other financing instrument or obligation issued pursuant to the Senior Indenture.

"Senior Indenture" shall mean the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, securing the Airports Authority's Airport System Revenue Bonds, as such has been and may be amended or supplemented.

"Signatory Airline" shall mean a Scheduled Air Carrier which has an agreement with the Airports Authority substantially similar to the Airline Agreement.

"Special Facility" shall mean any facility, improvement, structure, equipment, or assets acquired or constructed on any land or in or on any structure or building at the Airports, the cost of construction and acquisition of which are paid for (i) by the obligor under the special facility agreement, or (ii) from the proceeds of Special Facility Bonds, or (iii) both.

"Special Facility Bonds" shall mean revenue bonds, notes, or other obligations of the Airports Authority, issued to finance any Special Facility, the payment of principal of, premium, if any, and interest on which are payable from and secured by the proceeds thereof and rentals, payments, and other charges payable by the obligor under the Special Facility Agreements.

"Sub-Center" shall mean either a Terminal or Equipment Sub-Center.

"Subordinated Bonds" shall mean any bonds or other financing instrument or obligation issued pursuant to the Subordinated Indenture.

"Subordinated Indenture" shall mean the Master Indenture of Trust dated March 1, 1988, securing the Airports Authority's General Airport Subordinated Revenue Bonds, as such may be supplemented or amended.

"Terminal Rentals" shall mean those amounts payable by the Airline, calculated in accordance with Section 8.03 of the Airline Agreement, for the lease of its Exclusive, Preferential, and Joint Use Premises.

"Terminal Sub-Centers" shall mean those individual facilities at each Airport that are included in the Terminal Cost Center at that Airport, and described in Exhibits N-E and D-E of the Airline Agreement. At Reagan National Airport, Terminal Sub-Centers shall mean Terminal A and Terminal B/C and, after it is established, Terminal B/C/D. At Dulles International Airport, Terminal Sub-Centers shall mean Dulles Main Terminal, Concourse A, Concourse B, Concourse C, Concourse D and Z Gates.

"Terminal Sub-Center Net Requirement" shall mean, for each Terminal Sub-Center at each Airport, the Total Requirement attributable or allocable to each such Terminal Sub-Center, less direct utility or other reimbursements attributable or allocable to said Terminal Sub-Center.

"Total Requirement" shall mean, with respect to any Direct Cost Center or Terminal or Equipment Sub-Center, that portion of the sum of (i) O&M Expenses; (ii) required deposits under the Senior Indenture to maintain the O&M Reserve; (iii) Capital Charges; (iv) Debt Service Coverage; (v) required deposits to any Debt Service Reserve Fund; (vi) Federal Lease payments; (vii) required deposits to the Emergency R&R Fund; and (viii) Extraordinary Coverage Protection Payments, if any, properly attributable or allocable to each said Direct Cost Center or Sub-Center.

"Transfers" shall mean the amounts to be transferred by the Airports Authority to reduce Signatory Airline rentals, fees, and charges as set forth in Section 9.05 of the Airline Agreement.

TERM

On January 1, 2015, the Airline Agreement replaced the previously existing agreement (which became effective in February 1990 and terminated on December 31, 2014), and became effective with nearly all of the airlines providing service at Reagan National Airport and Dulles International Airport. For airlines operating at Reagan National Airport, the term of the Airline Agreement is 10 years, from the effective date (January 1, 2015) to December 31, 2024. For airlines operating at Dulles International Airport, the term of the Airline Agreement is three years, from the effective date (January 1, 2015) to December 31, 2017. The Airline Agreement with respect to Dulles International Airport may be extended, including up to and through December 31, 2024, upon the mutual agreement of the Airports Authority and the Signatory Airlines. The Airports Authority and the Signatory Airlines have begun discussions regarding the extension of the Airline Agreement applicable to Dulles International Airport.

COST CENTERS

The Airline Agreement divides each of the Airports into areas (the "Cost Centers") which are described both in terms of geographic location and function. The Airline Agreement establishes separate Cost Centers for Reagan National Airport and Dulles International Airport. The Cost Centers at each Airport are divided into two groups: the Direct Cost Centers (Airfield, Terminal, Equipment, Ground Transportation, Aviation and Non-Aviation, and, at Dulles International Airport only, IAB FIS, Midfield C FIS, Cargo, and Passenger Conveyance System) and the Indirect Cost Centers (Maintenance, Public Safety, Systems and Services, and Administrative). In addition, there are Sub-Centers created with the Terminal and Equipment Cost Centers. The Direct Cost Centers and Sub-Centers are used to account for both costs and revenues. The Indirect Cost Centers primarily serve to accumulate certain costs which are in turn allocated to the Direct Cost Centers and Sub-Centers.

The Signatory Airlines pay rentals, fees and charges based on their lease of Premises in, and usage of, those Direct Cost Centers and Sub-Centers which are within the Airline Supported Areas. The Airline Supported Areas at Reagan National Airport are the Airfield, Terminal and Equipment Cost Centers and at Dulles International Airport, they are the Airfield, Terminal, Equipment, IAB FIS, Midfield C FIS and Passenger Conveyance System Cost Centers.

REVENUE-SHARING; CALCULATION OF TRANSFERS

The Airports Authority and the Signatory Airlines at each Airport have agreed to share in the Net Remaining Revenue ("NRR") of the Airport each Fiscal Year. The Airports Authority's share of the Airport's NRR is deposited into the Airports Authority's Capital Fund. The Signatory Airlines' share of NRR is deposited into an Airline Transfer Account in the Revenue Fund and used as a credit to reduce rentals, fees and charges in the following Fiscal Year ("Transfers"). This reduction is accomplished by allocating Transfers to the various Cost Centers and Sub-Centers in the Airline Supported Areas.

To calculate the Airports Authority's and the Signatory Airlines' respective shares of NRR, at the end of each Fiscal Year, the total amount of NRR at each Airport is calculated. This calculation takes the total Revenues at the Airport (plus Transfers, if any, from the previous Fiscal Year) and subtracts from that amount various costs and expenses, including O&M Expenses, Debt Service, Federal Lease payments, various reserve and fund deposit requirements, but excluding Debt Service Coverage.

Under the formula set forth in the Airline Agreement, the Airports Authority will retain an increased share of NRR from Reagan National Airport (compared with its share under the prior agreement) and have the ability to use such NRR at Dulles International Airport, including to reduce the requirement for airline rentals, fees and charges at that Airport, up to a maximum of $40 million per year in years 2014, 2015 and 2016 and lower amounts in subsequent years. The amount of NRR so calculated for Reagan National Airport is allocated between the Airports Authority and the Signatory Airlines as follows:

Year in Which NRR is Generated	NRR Sharing	Maximum Amount of Airports Authority Share Usable at Dulles International Airport in Year Following Year of Generation
2014, 2015, 2016	100% Airports Authority/ 0% Airlines	$40 million
2017	55% Airports Authority/ 45% Airlines	$35 million
2018	55% Airports Authority/ 45% Airlines	$30 million
2019 through 2023	45% Airports Authority/ 55% Airlines	$25 million
2024	NRR allocation between the Airports Authority and the Airlines, as well as any limitation on the use of the Airports Authority's share at Dulles International Airport, to be described in a new airport use and lease agreement, which would be effective in 2025, or, if none, in accordance with the allocation for NRR generated in 2023, as described above.	

The amount of NRR for Dulles International Airport is divided equally between the Airports Authority and the Signatory Airlines up to a plateau amount of $15,612,320 in Fiscal Year 2014, which amount is subject to annual escalation in accordance with the index set forth in the Airline Agreement. The remainder is then split with 25% allocated to the Airports Authority and 75%

allocated to the Signatory Airlines. NRR generated in the final year of the Airline Agreement at each Airport will be allocated between the Airports Authority and the Signatory Airlines either in accordance with a new airport use and lease agreement applicable to the Airport or if no agreement, substantially in accordance with the methodology set forth in the Airline Agreement for the immediately preceding Fiscal Year.

In addition, the Airports Authority's share of NRR from Reagan National Airport is to be increased in the event any new legislation is enacted which allows additional non-stop flights to and from Reagan National Airport in excess of the 1,250 mile perimeter. For each new pair of beyond-perimeter flights, the Airports Authority will be entitled to $1.5 million from NRR at Reagan National Airport, before any sharing of NRR occurs with the Signatory Airlines.

AIRLINE RENTALS, FEES AND CHARGES

Terminal Rentals for Premises are charged to each of the Signatory Airlines on a square footage basis. These rentals are calculated by first determining the Terminal Sub-Center Net Requirement for the Signatory Airlines' share of each Terminal Sub-Center. This amount is then reduced by Transfers allocable to such Sub-Center to determine the adjusted requirement. An average rental rate per square foot is determined for each Terminal Sub-Center by dividing this adjusted requirement by the total square footage of rentable area in that Sub-Center. This average rental rate is then weighted for the various types of Signatory Airline space within each Terminal Sub-Center, and these weighted rates are applied to the Signatory Airlines' rented space to determine the amount of Terminal Rentals.

Landing Fees are charged to the Signatory Airlines on the basis of landed weight of aircraft. The Airfield Net Requirement for each Airport is determined by subtracting Transfers and certain other Revenues allocable to the Airfield from the Total Requirement of the Airfield. The Landing Fee rate is calculated by dividing each Airport's Airfield Net Requirement by the total estimated landed weight of aircraft of all air transportation companies and general aviation operating at that Airport. Each Signatory Airline pays Landing Fees which are determined as the product of the appropriate Airport's Landing Fee rate and such Signatory Airline's total landed weight. Each Signatory Airline also pays Common Use Charges (or, if the Signatory Airline is a commuter airline and its number of Enplaning Passengers is below a certain threshold, Low Volume Common Use Fees), Equipment Charges and, at Dulles International Airport, Passenger Conveyance Charges, Ramp Area Charges and FIS charges.

COMMITMENT TO PAY AIRPORT FEES AND CHARGES

The Airports Authority shall include in the calculation of rentals, fees and charges at an Airport Extraordinary Coverage Protection Payments if and to the extent necessary to ensure that total Revenues of that Airport, plus Transfers from the previous year, less Operation and Maintenance Expenses at the Airport, are at least equal to 125% of the Debt Service on Senior Bonds and Subordinated Bonds at the Airport.

MAJORITY-IN-INTEREST APPROVAL PROCEDURES

The Airports Authority shall initiate the Majority-in-Interest approval process in connection with certain Additional Projects that are to be debt-financed by delivering the request for approval to the Signatory Airlines at the appropriate Airport for the appropriate Cost Center. The request will be

deemed to have been approved unless the Airports Authority receives, within thirty (30) days, written notice of disapproval from the Signatory Airlines representing a Majority-in-Interest at such Airport for such cost center. (See the section below entitled "Additional Projects" for further discussion of Majority-in-Interest procedures.)

BILLING OF AIRPORT FEES AND CHARGES

Approximately sixty days prior to the end of each Fiscal Year, the Airports Authority is required to notify the Signatory Airlines of the estimated rates for rentals, fees and charges for the next ensuing Fiscal Year. Such rates are based on estimates of the activity at each Airport during that Fiscal Year, O&M Expenses budgeted for the Fiscal Year, and estimates of Transfers, Capital Charges, Debt Service Coverage, Federal Lease payments, and other costs in the Fiscal Year. Rentals for Exclusive, Preferential, and Joint Use Premises, Common Use Charges, Passenger Conveyance Charges, Equipment Charges, and Aircraft Parking Position Charges are due and payable in advance, without demand or invoice, on the first calendar day of each month. Payment for Landing Fees, Low Volume Common Use Fees, Dulles International Airport Jet Apron Fees, and FIS Charges for each month are due and payable on the tenth calendar day of the next month without demand or invoice.

Payment for all other fees and charges under the Airline Agreement are due within twenty days of the date of the Airports Authority's invoice for such fees and charges. The Airports Authority is required to make an annual adjustment to Signatory Airlines' rentals, fees and charges, effective on the first day of each Fiscal Year. The Airports Authority is authorized, but not required, to make a mid-year adjustment to the Signatory Airlines' rentals, fees and charges if warranted by revised estimates of activity and costs, and the impact of the prior Fiscal Year audits, at the Airports. The Airports Authority may also adjust Signatory Airlines' rentals, fees, and charges at any time under certain circumstances, including when it is projected that total rentals, fees and charges at their current rates would vary by more than five percent from the total rentals, fees and charges that would be payable if rates were based on more current financial and activity data then available. The rental, fees and charges payable by the Signatory Airlines may also be recalculated and increased as appropriate as Projects in the Capital Construction Program are completed and as their costs become allocable to the Airline Supported Areas.

GRANT OF RIGHTS; OBLIGATIONS OF AIRPORTS AUTHORITY AND SIGNATORY AIRLINES

Each Signatory Airline is granted the right to operate its air transportation business at each Airport at which it is Signatory Airline and to perform all operations and functions incidental, necessary or proper thereto. The Airports Authority has agreed not to grant to any airline any rates or terms and conditions at the Airports more favorable to such airline than those granted or available to a Signatory Airline, unless the more favorable rates and conditions are offered to the Signatory Airlines. This grant includes the right to use, subject to certain restrictions, the Signatory Airline's leased Premises and Equipment, the Common Use Premises and certain other support facilities at the Airports. Each of the Signatory Airlines and the Airports Authority have certain specified obligations with respect to the maintenance and operation of the Airports. The Airports Authority has certain specified insurance obligations with respect to the Airports, and each Signatory Airline has certain public liability and property insurance obligations.

LEASE OF PREMISES; ACCOMMODATION PROVISIONS

Premises at each Airport are leased to the Signatory Airlines on an exclusive, preferential or joint use basis, although some space at Dulles International Airport is provided to Signatory Airlines by permit. The Airports Authority will have the right to periodically reallocate leased space as follows: 1) once every twenty-four months beginning on January 1, 2017 at Reagan National Airport; 2) once every twenty-four months beginning on or after July 1, 2016 at Dulles International Airport; and 3) in accordance with a utilization study conducted by the Airports Authority. In addition, the Airports Authority has the right to require accommodation by a Signatory Airline of another airline on the Signatory Airline's leased Premises in order to meet the needs of expanding airlines and new entrants.

SUBLEASE AND ASSIGNMENT

All subleases and assignments of leased Premises, and handling agreements, must be approved by the Airports Authority. No sublease, voluntary assignment or handling agreement relieves a Signatory Airline from primary liability for the payment of rentals, fees and charges.

NO ABATEMENT OR SUSPENSION OF PAYMENTS

The Airline Agreement provides that the Signatory Airlines shall not abate, suspend, postpone, set-off or discontinue any payments of Airport rentals, fees and charges which they are obligated to pay thereunder if such abatement would interfere with the Airports Authority's ability to meet the rate covenant or any additional bonds test under the Indenture.

CAPITAL CONSTRUCTION PROGRAM

The Airline Agreement contains as exhibits thereto a list of Projects which were approved by the Signatory Airlines under the prior Airline Agreement and new Projects approved by the Signatory Airlines under the new Airline Agreement, including the Five CCP Projects at Reagan National Airport. The Airports Authority may issue Bonds to fund the Capital Construction Program and, to the extent Bond proceeds are available, has covenanted to build the Projects of the Capital Construction Program. So long as the cost of the Capital Construction Program does not exceed the Original Cost Estimate, adjusted for inflation and airline approved scope changes, plus an agreed upon contingency (25% at Reagan National Airport; 25% at Dulles International Airport), no further Signatory Airline approvals are required. If the cost exceeds that amount, certain cost control measures apply, and, under certain circumstances, Signatory Airline approvals may be required.

ADDITIONAL PROJECTS

The Airports Authority may build projects at the Airports in addition to those in the Capital Construction Program ("Additional Projects") from funds in the Airports Authority Capital Fund or from the proceeds of Bonds. Except as described in the following sentence, Additional Projects are not subject to Signatory Airline approval. An Additional Project which is in Airline Supported Areas and which is to be funded from the proceeds of Bonds may be undertaken by the Airports Authority without any Majority-in-Interest or other approval of the Airlines in such Airline Supported Areas if (i) the project falls within certain specified types of projects (e.g., safety projects, replacement of

airport capacity projects, government required projects, fully Federal funded Airfield projects) or (ii) the estimated cost of the project is less than $40,000,000.

If an Additional Project is not within one of the two specified categories above, then the Airports Authority may issue Bonds to fund the project if Majority-in-Interest approval is obtained for the project. In the event such an Additional Project receives a Majority-in-Interest disapproval, the Airports Authority may only issue Bonds to fund the project if it defers the issuance of such Bonds for one year from the date of Majority-in-Interest disapproval; thereafter, the Airports Authority may issue such Bonds and proceed with the project (i) after obtaining Majority-in-Interest approval, or (ii) after requesting but not obtaining Majority-in-Interest approval, the Airports Authority gives each Signatory Airline affected by the Bond issuance a sixty-day option to terminate the Airline Agreement upon 180 days written notice to the Airports Authority.

DULLES TOLL ROAD AND RAIL SYSTEM TO DULLES INTERNATIONAL AIRPORT

The Airline Agreement provides, that unless and until additional costs are agreed upon in writing by the Majority-in-Interest of the Signatory Airlines at Dulles International Airport for the Airfield Cost Center, the aggregate of all capital costs of any Rail System to Dulles which the Airports Authority may pay from Revenues is $10,000,000, and that all such costs are to be allocated to the Ground Transportation Cost Center at Dulles International Airport. Further, the agreement provides that no operation and maintenance costs associated with any Rail System to Dulles may be paid from Revenues (other than from the Airports Authority's share of NRR in the Airports Authority's Capital Fund), unless otherwise agreed to in writing by the Majority-in-Interest of Signatory Airlines at Dulles International Airport for the Airfield Cost Center.

The Airline Agreement also provides (i) that each Airline disclaims any right to share in the revenue of the Dulles Toll Road, (ii) that any expenditure by the Airports Authority of Dulles Toll Road revenue, or other funds not constituting Revenues, to acquire, operate, maintain and improve the Dulles Toll Road and to plan, design, construct and operate and maintain the Rail System to Dulles will not be a Project or an Additional Project within the Airline Supported Areas, will not require any approval by the Airline, and may not be recovered through rentals, fees and charges of an Airline, and (iii) that no Airline will be responsible to the Airports Authority or to any holder of Dulles Toll Road Revenue Bonds for the payment of principal and interest on any such bonds.

DEFAULT BY SIGNATORY AIRLINES

The following, among others, are defined as Events of Default: (1) the failure of a Signatory Airline to pay any rentals, fees or charges when due or after the expiration of any applicable grace period; (2) the dissolution, receivership, insolvency or bankruptcy of a Signatory Airline; (3) the discontinuance by a Signatory Airline of its air transportation business at the Airports; (4) the failure by a Signatory Airline to cure its default in the performance of any material covenant or provision in the Airline Agreement upon thirty days of receipt of notice of such failure or, if impossible to cure within such time, the failure to diligently pursue steps to cure within a reasonable period of time; (5) the failure of a Signatory Airline to cease any unauthorized business, practice, or act within thirty days of receipt of notice from the Airports Authority to do so; or (6) the taking of any appropriate judicial or governmental action which substantially limits or prohibits a Signatory Airline's operations at the Airports for a period of thirty days.

SUBORDINATION TO INDENTURE

The Airline Agreement and all rights granted to the Signatory Airlines under it are expressly subordinated and subject to the lien and provisions of the pledges made by the Airports Authority in any prior Indenture, or any Indenture executed by the Airports Authority after the Airline Agreement, to issue Bonds.

TERMINATION

The Airports Authority may terminate a Signatory Airline's Agreement upon the happening of certain Events of Default, and the expiration of any cure period as described in the Airline Agreement. So long as Bonds are outstanding, a Signatory Airline has no right to terminate its Airline Agreement other than as described under "Term" and "Additional Projects" above.

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

INFORMATION REGARDING DTC AND THE BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2016AB Bonds, payments of principal, premium, if any, and interest on the Series 2016AB Bonds to DTC, its nominee, Participants, defined below, or Beneficial Owners, defined below, confirmation and transfer of beneficial ownership interests in the Series 2016AB Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC, and neither the Airports Authority, the Trustee, nor the Underwriters make any representation as to the accuracy of such information.

General. The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Series 2016AB Bonds. The Series 2016AB Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2016AB Bond will be issued for each maturity of each series of the Series 2016AB Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of "AA+". The DTC Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016AB Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2016AB Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016AB Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of

their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016AB Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2016AB Bonds, except in the event that use of the book-entry system for the Series 2016AB Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016AB Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016AB Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016AB Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016AB Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Series 2016AB Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2016AB Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Airports Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2016AB Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2016AB Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Airports Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Airports Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by the authorized representative of DTC) is the responsibility of the Airports Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016AB Bonds at any time by giving reasonable notice to the Airports Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2016AB Bond certificates are required to be printed and delivered. The Airports Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016AB Bond certificates will be printed and delivered.

So long as Cede & Co. is the registered owner of the Series 2016AB Bonds, as nominee for DTC, references herein to Bondholders or registered owners of the Series 2016AB Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2016AB Bonds.

NEITHER THE AIRPORTS AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2016AB BONDS UNDER THE INDENTURE; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE SERIES 2016AB BONDS; (iv) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF SERIES 2016AB BONDS; OR (v) ANY OTHER MATTER.

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

July 7, 2016

To: Metropolitan Washington Airports Authority
Washington, D.C.

We have served as bond counsel to our client the Metropolitan Washington Airports Authority (the "Airports Authority") and not as counsel to any other person in connection with the issuance by the Airports Authority of its $362,655,000 Airport System Revenue Refunding Bonds, Series 2016A (AMT) (the "Series 2016A Bonds"), and $23,370,000 Airport System Revenue Refunding Bonds, Series 2016B (Non-AMT) (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "Series 2016AB Bonds"), each dated the date of this letter.

The Series 2016AB Bonds are issued pursuant to the authority of Va. Code Ann. § 5.1-152 et. seq. (2001) (codifying Chapter 598 of the Acts of Virginia General Assembly of 1985, as amended) and the District of Columbia Regional Airports Authority Act of 1985, as amended, codified at D.C. Official Code Ann. § 9-901 et. seq. (2001) (together, the "Acts"), the Metropolitan Washington Airports Act of 1986 (Title VI of Public Law 99-500 as re-enacted in Public Law 99-591, effective October 18, 1986, as amended) codified at 49 U.S.C. § 49101 et. seq. (the "Federal Act"), and Resolution No. 16-9, adopted by the Board of Directors of the Airports Authority (the "Board of Directors") on May 18, 2016 (the "Resolution"), as supplemented by a Pricing Certificate dated June 14, 2016 (the "Pricing Certificate"), executed by the Chairman of the Board of Directors and one of the Co-Chairs of the Finance Committee of the Board of Directors (the Resolution and the Pricing Certificate together, the "Authorizing Resolution"). The Series 2016AB Bonds are issued and secured under the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended (the "Master Indenture"), between the Airports Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), as supplemented by the Forty-eighth Supplemental Indenture of Trust dated as of July 1, 2016 (the "Forty-eighth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), between the Airports Authority and the Trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2016AB Bonds, the signed and authenticated Bond of the first maturity for each series of Series 2016AB Bonds, the Authorizing Resolution, an executed counterpart of the Master Indenture, an executed counterpart of the Forty-eighth Supplemental Indenture, and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Series 2016AB Bonds and the Indenture are valid and binding obligations of the Airports Authority, enforceable in accordance with their respective terms.

2. The Series 2016AB Bonds constitute limited obligations of the Airports Authority, and the principal of and interest on (collectively, "debt service") the Series 2016AB

Bonds, together with debt service on any other Bonds issued and outstanding on a parity with the Series 2016AB Bonds as provided in the Master Indenture, are payable from and secured solely by the Net Revenues and other sources provided therefor in the Indenture. The payment of debt service on the Series 2016AB Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2016AB Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Airports Authority, the Commonwealth of Virginia or the District of Columbia or any political subdivision thereof. The Airports Authority has no taxing power.

3. Interest on the Series 2016AB Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except interest on any Series 2016A Bond for any period during which it is held by a "substantial user" or a "related person," as those terms are used in Section 147(a) of the Code. Interest on the Series 2016A Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed on individuals and corporations under the Code. Interest on the Series 2016B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Series 2016B Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. Interest on the Series 2016AB Bonds is exempt from income taxation by the Commonwealth of Virginia and is exempt from all taxation by the District of Columbia, except estate, inheritance and gift taxes. We express no opinion as to any other tax consequences regarding the Series 2016AB Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Airports Authority and (iii) the due authorization, signing and delivery by, and the binding effect upon and enforceability against, the Trustee of the Indenture.

In rendering those opinions with respect to treatment of the interest on the Series 2016AB Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Airports Authority. Failure to comply with certain of those covenants subsequent to issuance of the Series 2016AB Bonds may cause interest on the Series 2016AB Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2016AB Bonds and the enforceability of the Series 2016AB Bonds and the Indenture are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Series 2016AB Bonds has concluded on this date.

Respectfully submitted,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT, AS AMENDED

NOTICE OF AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT

and

SECOND AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT

Effective Date: **December 1, 2010**

This NOTICE OF SECOND AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT is provided pursuant to Section 12 of the Continuing Disclosure Agreement dated as of June 1, 2002 executed and delivered by the Metropolitan Washington Airports Authority (the "Issuer") and Digital Assurance Certification, L.L.C. (the "Disclosure Dissemination Agent"), as amended by the Amendment to Continuing Disclosure Agreement dated as of June 1, 2009 (the "Disclosure Agreement"). As provided in Section 12 of the Disclosure Agreement, the Disclosure Agreement will be amended as provided below as of December 1, 2010 unless you provide written objection to us within 20 days of the delivery of this notice.

SECOND AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT

1. Section 2(e)(iv) of the Disclosure Agreement is deleted in its entirety and replaced with the following:

"upon receipt, promptly electronically file the text of the disclosure of the following events with the MSRB through its Electronic Municipal Market Access System and the State Depository (if any):

1. "Principal and interest payment delinquencies;"
2. "Non-Payment related defaults, if material;"
3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;""

2. Section 4(a) of the Disclosure Agreement is deleted in its entirety and replaced with the following:

"(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"

5. "Substitution of credit or liquidity providers, or their failure to perform;"

6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"

7. "Modifications to rights of securities holders, if material;"

8. "Bond calls, if material;"

9. "Defeasances;"

10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"

12. "Tender offers;"

13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"

14. "Merger, consolidation, or acquisition of the obligated person, if material;" and

15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;""

3. Section 4(c) of the Disclosure Agreement is deleted in its entirety and replaced with the following:

"(c) The Issuer shall instruct the Disclosure Dissemination Agent to report the occurrence of a Notice Event within ten (10) business days of the occurrence of such event. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and the MSRB."

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: _____

Name: Paula Stuart

Title: CEO

NOTICE OF AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT

and

AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT

DATED: June 1, 2009

This NOTICE OF AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT is provided to you pursuant to Section 12 of the Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of June 1, 2002 executed and delivered by the Metropolitan Washington Airports Authority (the "Issuer") and Digital Assurance Certification, L.L.C. (the "Disclosure Dissemination Agent"). As provided in Section 12 of the Disclosure Agreement, the Disclosure Agreement will be amended as provided below as of June 1, 2009 unless you provide written objection to us within 10 days of the dated date stated above.

AMENDMENT TO CONTINUING DISCLOSURE AGREEMENT

The Disclosure Agreement is amended as follows:

1. Amendments to Section 1. Definitions.

(a) The following definition shall be added:

"Effective Date" means July 1, 2009, or such later date as the Securities and Exchange Commission shall state as the effective date for the amendments to the Rule pursuant to Release No. 34-59062 (Dec. 5, 2008).

(b) The first two sentences of the term "National Repository" are amended to read:

"National Repository" means, prior to the Effective Date, any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule, and thereafter the MSRB. Prior to the Effective Date, the list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories.

2. Date Amendments to take Effect.

The amendments to the Disclosure Agreement provided in this notice shall take effect June 1, 2009.

The Disclosure Dissemination Agent has caused this Amendment to Continuing Disclosure Agreement to be executed, on the date first written above, by an officer duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By: Paula Stuart
Name: Paula Stuart
Title: Chief Executive Officer

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of June 1, 2002, is executed and delivered by Metropolitan Washington Airports Authority (the "Issuer"), and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders and Underwriters (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Report" means an Annual Report of the Issuer, as described in and consistent with Section 3 of this Disclosure Agreement.

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Issuer, for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, as supplemented from time to time by the Issuer.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Representative" means the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Disclosure Dissemination Agent" or "DAC" means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through

nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event notices, and the Voluntary Reports.

"Issue" means the Bonds offered in the corresponding Official Statement listed in Exhibit A.

"Notice Event" means an event listed in Sections 4(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"National Repository" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The list of National Repositories maintained by the United States Securities and Exchange Commission shall be conclusive for purposes of determining National Repositories. Currently, the following are National Repositories:

1. DPC Data Inc.
   One Executive Drive
   Fort Lee, New Jersey 07024
   (201) 346-0701 (phone)
   (201) 947-0107 (fax)
   Email: nrmsir@dpcdata.com

2. Interactive Data
   Attn: Repository
   100 Williams Street
   New York, New York 10038
   (212) 771-6999 (phone)
   (212) 771-7390 (fax for secondary market information)
   (212) 771-7391 (fax for primary market information)
   Email: NRMSIR@FTID.com

3. Bloomberg Municipal Repositories
   P.O. Box 840
   Princeton, New Jersey 08542-0840
   (609) 279-3225 (phone)
   (609) 279-5962 (fax)
   Email: Munis@Bloomberg.com

4. Standard & Poor's J.J. Kenny Repository
   55 Water Street
   45th Floor
   New York, New York 10041
   (212) 438-4595 (phone)
   (212) 438-3975 (fax)
   Email: nrmsir_repository@sandp.com

"Obligated Person" has the meaning provided in the Rule, including the Issuer and each person identified as such for an Issue in Exhibit A or in any Annual Report. The term shall include, unless otherwise provided by the Rule, each airline or other entity using the airport facilities of the Issuer under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of the Revenues (as defined in the Master Trust Indenture pursuant to which the Bonds are issued) of the Issuer for each of the two prior fiscal years of the Issuer.

"Official Statement" means that Official Statement prepared by the Issuer in connection with each respective issue of Bonds, as listed on Exhibit A.

"Repository" means the MSRB, each National Repository and the State Depository (if any).

"State Depository" means any public or private depository or entity designated by the Commonwealth of Virginia, as a state information depository (if any) for the purpose of the Rule. The list of state information depositories maintained by the United States Securities and Exchange Commission shall be conclusive as to the existence of a State Depository.

"Underwriters" means the underwriters of any Issue , as listed in Exhibit A.

"Voluntary Report" means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

SECTION 2. Provision of Annual Reports.

(a) The 150th day after the end of each fiscal year of the Issuer, commencing with the fiscal year ending December 31, 2002 and each anniversary thereof is the Annual Filing Date. The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than one (1) business day prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each National Repository and the State Depository (if any). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of an Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which shall be by facsimile and e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than one (1) business day prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB and the State Depository (if any) in substantially the form attached as Exhibit B.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate for filing with each National Repository and the State Depository (if any).

(e) The Disclosure Dissemination Agent shall:

(i) determine the name and address of each Repository each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) with each National Repository, and the State Depository, (if any);

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with each National Repository, and the State Depository (if any);

(iv) upon receipt, promptly file the text of each disclosure to be made with the MSRB and the State Depository (if any) together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated below:

1. "Principal and interest payment delinquencies," pursuant to Sections 4(c) and 4(a)(1);

2. "Non-Payment related defaults," pursuant to Sections 4(c) and 4(a)(2);

3. "Unscheduled draws on debt service reserves reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(3);

4. "Unscheduled draws on credit enhancements reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(4);

5. "Substitution of credit or liquidity providers, or their failure to perform," pursuant to Sections 4(c) and 4(a)(5);

6. "Adverse tax opinions or events affecting the tax-exempt status of the security," pursuant to Sections 4(c) and 4(a)(6);

7. "Modifications to rights of securities holders," pursuant to Sections 4(c) and 4(a)(7);

8. "Bond calls," pursuant to Sections 4(c) and 4(a)(8);

9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9);

10. "Release, substitution, or sale of property securing repayment of the securities," pursuant to Sections 4(c) and 4(a)(10);

11. "Ratings changes," pursuant to Sections 4(c) and 4(a)(11);

12. "Failure to provide annual financial information as required," pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement; and

13. "Other material event notice (specify)," pursuant to Section 7 of this Disclosure Agreement, together with the summary description provided by the Disclosure Representative.

(v) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including information of the types provided in the Official Statement under the headings for each Issue described in Exhibit A.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles will be included in each Annual Report or otherwise provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with each of the National Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of Bondholders;

8. Bond calls;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds; and

11. Rating changes on the Bonds.

(a) The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. No such notice shall be deemed an official notice unless given or authorized by the Disclosure Representative; and no such notice of Notice Events described in (a)(8) above need be given any earlier than notice, if any, of the underlying event is given to the Holders of Bonds under the Master Indenture.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the State Depository (if any) and the MSRB.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The failure by the Disclosure Dissemination Agent to advise the Issuer that state and federal laws, including securities laws and disclosure obligations thereunder, may apply to the Issuer shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities under this Disclosure Agreement. The

Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities for compliance with disclosure requirements pursuant to the Rule performed by the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders and Underwriters of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. If the Issuer fails to comply with any provision of this Disclosure Agreement, any Holder or Underwriter may take action in the Circuit Court of Arlington, Virginia to seek specific performance by court order to compel the Issuer to comply with its obligations under this Disclosure Agreement; provided that any Holder or Underwriter seeking to require compliance with this Disclosure Agreement shall first provide to the Disclosure Representative at least 30 days' prior written notice of the Issuer's failure, giving reasonable details of such failure, following which notice the Issuer shall have 30 days to comply. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a

default with respect to any Bonds or under any other document relating to any Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING (IF THE ISSUER IS FIRST GIVEN THE REASONABLE OPPORTUNITY TO DEFEND THE DISCLOSURE DISSEMINATION AGENT AGAINST THE SAME USING COUNSEL REASONABLY ACCEPTABLE TO DAC,) THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR ITS FAILURE TO COMPLY WITH THE TERMS OF THIS DISCLOSURE AGREEMENT OR THE TERMS OF ITS ENGAGEMENT LETTER WITH THE ISSUER, DATED AS OF JUNE 1, 2002, AS THE SAME MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the

Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 20 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the Commonwealth of Virginia (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY, as Issuer

By:_____
Norman M. Glasgow, Jr.
Chairman

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Metropolitan Washington Airports Authority
Obligated Person(s):	None
Name of Bond Issue:	Airport System Revenue Refunding Bonds, Series 2016AB
Date of Issuance:	July 7, 2016
Date of Official Statement:	June 14, 2016
Underwriter(s):	J.P. Morgan Securities LLC, as representative
CUSIP Numbers:	

Series 2016A	Series 2016B
592647CX7	592647DE8
592647CY5	592647DF5
592647CZ2	592647DG3
592647DA6	592647DH1
592647DB4	592647DJ7
592647DD0	592647DK4
592647DC2	592647DL2
	592647DM0
	592647DN8
	592647DP3
	592647DQ1
	592647DR9
	592647DS7

Content of Annual Reports: Each Annual Report shall contain financial information or operating data with respect to the Issuer and the Airports ("Annual Financial Information"), including information substantially similar to the types set forth in the Official Statement under the following captions or in the following appendices: "AIRPORTS AUTHORITY HISTORICAL FINANCIAL INFORMATION" and "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY — Airports Activity," and "Historical Enplanement Activity" in the Official Statement and in the Report of the Airport Consultant which is included as Appendix A to the Official Statement. Annual Financial Information may but is not required to, include Audited Financial Statements and may be provided by delivery of the Issuer's Comprehensive Annual Financial Report or in any other format deemed convenient by the Issuer.

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer _____

Name of Bond Issue: _____

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of _____, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Issuer

_____

cc: Issuer

EXHIBIT C

MATERIAL EVENT NOTICE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

_____

Issuer's Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

_____

Number of pages of attached material event notice: _____

Description of Material Events Notice (Check One):

1. ___Principal and interest payment delinquencies
2. ___Non-Payment related defaults
3. ___Unscheduled draws on debt service reserves reflecting financial difficulties
4. ___Unscheduled draws on credit enhancements reflecting financial difficulties
5. ___Substitution of credit or liquidity providers, or their failure to perform
6. ___Adverse tax opinions or events affecting the tax-exempt status of the security
7. ___Modifications to rights of securities holders
8. ___Bond calls
9. ___Defeasances
10. ___Release, substitution, or sale of property securing repayment of the securities
11. ___Rating changes
12. ___Failure to provide annual financial information as required
13. ___Other material event notice (specify)

_____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

_____

_____

Name: _____Title: _____

Employer: _____

Address: _____

City, State, Zip Code:_____

Voice Telephone Number: _____

Please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-1930 or sent to CDINet, Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice.

APPENDIX G

SCHEDULE OF REFUNDED BONDS

A portion of the proceeds of the Series 2016AB Bonds will be used to currently refund on October 1, 2016 the following maturities and principal amounts of the Refunded Bonds at maturity or a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

	Refunded Bonds		
Series	**Maturity Date (October 1)**	**Par Amount**	**CUSIP†**
2006A	2030	$ 12,500,000	592646RQ8
2006A	2032	81,555,000	592646RR6
2006A	2035	59,500,000	592646RS4
		$153,555,000	
2006B	2031	$ 59,020,000	592646SH7
2006B	2032	37,030,000	592646SJ3
2006B	2036	188,270,000	592646SK0
		$284,320,000	
2006C	2016	$ 1,420,000	592646ST1
2006C	2017	625,000	592646SU8
2006C	2017	845,000	592646SV6
2006C	2018	1,545,000	592646SW4
2006C	2019	200,000	592646SX2
2006C	2019	1,420,000	592646SY0
2006C	2020	205,000	592646SZ7
2006C	2020	1,525,000	592646TA1
2006C	2021	1,805,000	592646TB9
2006C	2022	75,000	592646TC7
2006C	2022	1,820,000	592646TD5
2006C	2023	1,965,000	592646TE3
2006C	2024	2,070,000	592646TF0
2006C	2025	2,165,000	592646TG8
2006C	2026	2,270,000	592646TH6
2006C	2032	11,595,000	592646TJ2
		$31,550,000	

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WASHINGTON
AIRPORTS AUTHORITY