METROPOLITAN
WASHINGTON
AIRPORTS AUTHORITY

REPORT FOR THE FINANCE COMMITTEE

Recommendation to Approve the Proposed Resolution Authorizing Issuance of Airport System Revenue and Refunding Bonds, Series 2018A

May 2018

Purpose

- Request that the Finance Committee approve and recommend to the Board of Directors the proposed Authorizing Resolution to:
  - Authorize the Issuance of Airport System Revenue and Refunding Bonds, Series 2018A, in the amount not to exceed $750 million
  - Approve substantially completed bond documents
  - Provide delegations to the Chair or Vice Chair and at least one of the Co-Chairs of the Finance Committee regarding approval of final bond terms

Discussion

- As part of the 2018 Plan of Finance, the Airports Authority is pursuing issuance of the Series 2018A Bonds which include:
  - refunding approximately $413.8 million of Series 2008A and 2009C Bonds
  - issuing new money bonds to fund up to $200 million of project costs

Assuming Current Rates and July 3, 2018 Delivery Date				
Type of Bonds	**Par Refunded (M)**	**Series 2018A Par* (M)**	**Est. Net PV Savings (%)***	**Est. Net PV Savings (M)***
Refunding 2008A	$159.6	$149.8	11.4%	$18.1
Refunding 2009C	$254.2	$238.9	13.7%	$34.7
New Money & Required Reserves		$223.1		
Total	**$413.8**	**$611.8**	**12.8%**	**$52.8**

- The authorization for bond issuance of not to exceed $750 million is to allow for:
  - the ability to include a swap unwind if it can be accomplished in an economic manner
  - changes in market conditions
  - flexibility to use different coupon structures

** Rates as of May 10, 2018*

Discussion *cont'd*

Proposed Schedule	Target Date(s)*
Finance Committee & Board Approval of Bond Resolution/Documents	May 16
Post Preliminary Official Statement	May 17
Receive Ratings	May 18
Marketing Efforts / Investor Relations	May 22-May 30
Price Bonds	May 30-31
Closing	July 3

**Preliminary, subject to change*

Recommendation

- That the Finance Committee approve and recommend to the Board of Directors the Bond Authorizing Resolution to:
  - Approve substantially completed bond documents
    - Fiftieth Supplemental Indenture
    - Bond Purchase Agreement
    - Preliminary Official Statement, including the Report of the Airport Consultant (Appendix A)
    - Series 2008A and 2009C Refunding Agreements for the Refunded Bonds
  - Authorize the Issuance of Airport System Revenue and Refunding Bonds, Series 2018A, in the amount not to exceed $750 million

Recommendation *cont'd*

- Provide delegations to the Chair or Vice Chair and at least one of the Co-Chairs of the Finance Committee regarding approval of final bond terms
    - Par Amount of Series 2018A Bonds
    - Interest Rate
    - Maturity Dates
    - Redemption Provisions
    - Credit Enhancement, if any
    - Purchase Price

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REPORT TO THE FINANCE COMMITTEE

RECOMMENDATION TO APPROVE THE PROPOSED RESOLUTION AUTHORIZING ISSUANCE OF AIRPORT SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2018A

MAY 2018

ACTION REQUESTED

That the Finance Committee approve and recommend to the Board of Directors (Board) the adoption of the proposed Authorizing Resolution for the issuance of the Series 2018A Bonds in the amount not to exceed $750 million and approve related documents in substantially completed form.

In addition, the proposed Authorizing Resolution delegates authority to the Chairman or the Vice Chairman of the Board and at least one of the Co-Chairmen of the Finance Committee to negotiate the exact principal amount, interest rates, and certain other transaction details at the time the Series 2018A Bonds are being priced in the market.

DISCUSSION

The authorization for bond issuance of not to exceed $750 million is to allow for the ability to include a swap unwind if it can be accomplished in an economic manner, changes in market conditions, and the flexibility to use different coupon structures.

Plan of Finance Components

New Money

Based on the Airports Authority's Capital Construction Program (CCP) cashflows, current available funds (excluding Commercial Paper) are expected to fund ongoing CCP expenditures through December 2018. Included in this transaction is an amount not to exceed $200 million of CCP expenditures which will provide funds to meet capital needs through July 2019.

Refunding

The Airports Authority has approximately $413.8 million of Series 2008A and 2009C Bonds that are currently outstanding with a call date in 2018:

- $159.6 million of Series 2008A Bonds and
- $254.2 million of Series 2009B Bonds, both series will be refunded with bonds subject to the Alternative Minimum Tax (AMT).

The refunding analysis assumes the Series 2018A Bonds will be delivered on July 3, 2018, as current refunding bonds. The Series 2008A and 2009C Bonds are callable at any time on or after October 1, 2018, at a redemption premium of 100 percent. In the current market, all of the outstanding maturities can be refunded for debt service savings of approximately $52.8 million, or 12.8 percent of the refunded par amount, which exceeds the Airports Authority's refunding thresholds.

Potential Opportunities

Finance Staff and the Financial Advisor continue to monitor the economics of terminating all or a portion of existing swaps.

Timing

The Series 2018A Bonds are tentatively scheduled to price on May 31, and will be delivered on July 3. Pricing may be accelerated or delayed depending on the degree of marketing required for the bonds and market conditions.

Draft Documents

1. Fiftieth Supplemental Indenture
2. Bond Purchase Agreement
3. Preliminary Official Statement for Series 2018A Bonds (POS), including the Report of the Airport Consultant, Appendix A
4. Series 2008A and 2009C Refunding Agreements for the Refunded Bonds

RECOMMENDATION

That the Finance Committee approve and recommend that the Board of Directors adopt the proposed Authorizing Resolution that authorizes the issuance of the Series 2018A Bonds, in the amount not to exceed $750 million and approve related documents in substantially completed form. In addition, the proposed Authorizing Resolution delegates authority to the Chairman or the Vice Chairman of the Board and at least one of the Co-Chairmen of the Finance Committee to negotiate the exact principal amount, interest rates, and certain other transaction details at the time the Series 2018A Bonds are being priced in the market.

Prepared by:
Office of Finance
May 2018

PROPOSED RESOLUTION

Authorizing Issuance of
Airport System Revenue and Refunding Bonds, Series 2018A

WHEREAS, The Metropolitan Washington Airports Authority ("Airports Authority") desires to authorize the issuance of Airport System Revenue and Refunding Bonds, Series 2018A (the "Series 2018A Bonds"), which may be issued in one or more series or subseries in an aggregate principal amount not to exceed $750,000,000, to finance and refinance a portion of the costs of certain capital improvements (the "Projects") at Ronald Reagan Washington National Airport and Washington Dulles International Airport (together, the "Airports") and for other purposes identified below;

WHEREAS, A public hearing has been held relating to the Projects and the plan of financing to the extent required by Section 147 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, Prior to the issuance of the Series 2018A Bonds, the Governor of Virginia and the Mayor of the District of Columbia will have approved the plan of financing, including the issuance of the Series 2018A Bonds, to the extent that such bonds are subject to Section 147 of the Code;

WHEREAS, The Airports Authority has selected a syndicate of investment banking firms to serve as underwriters for the program of financing and refinancing costs of certain capital improvements at the Airports and has appointed from the syndicate of investment banking firms Barclays Capital Inc., to serve as senior bookrunning manager (the "Managing Underwriter") for the Series 2018A Bonds;

WHEREAS, The Airports Authority desires to authorize the refunding, as applicable, of all or a portion of (i) its outstanding Airport System Revenue Bonds, Series 2008A (the "Series 2008A Bonds"; all or the portions of the Series 2008A Bonds to be refunded are the "Series 2008A Refunded Bonds"), (ii) its outstanding Airport System Revenue Bonds, Series 2009C (the "Series 2009C Bonds"; all or the portions of the Series 2009C Bonds to be refunded are the "Series 2009C Refunded Bonds") and (iii) such other of its outstanding Bonds as shall be cost-effective and in the best interests of the Airports Authority, as may be determined in accordance with Section 3 hereof (such other Bonds and the Series 2008A Refunded Bonds and the Series 2009C Refunded Bonds are the "Refunded Bonds");

WHEREAS, The Airports Authority desires that proceeds of the Series 2018A Bonds be used to (1) pay a portion of the cost of the Projects, (2) pay capitalized interest on the Series 2018A Bonds and certain of the Airport Authority's outstanding bonds, (3) refund the Refunded Bonds, (4) pay costs related to the termination of any interest rate swaps with respect to certain of the Refunded Bonds, (5) fund a deposit, if necessary, to a reserve account, and (6) pay costs of issuance of the Series 2018A Bonds;

WHEREAS, The Airports Authority desires to set forth guidelines for determining the interest rate or rates, maturities, and other terms of the Series 2018A Bonds; and

WHEREAS, There has been presented to the Airports Authority the form of the following documents for execution in connection with the issuance of the Series 2018A Bonds, copies of which documents shall be filed in the records of the Airports Authority:

(a) the form of the Fiftieth Supplemental Indenture of Trust (the "Fiftieth Supplemental Indenture"), between the Airports Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), relating to the issuance of the Series 2018A Bonds, which supplements the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended (the "Master Indenture"), which form will be modified after pricing to reflect the pricing details and final terms of the Series 2018A Bonds and the Refunded Bonds (as determined in accordance with Section 3 below);

(b) the form of the Series 2018A Bonds, attached as Exhibit A to the Fiftieth Supplemental Indenture;

(c) the form of the Bond Purchase Agreement relating to the Series 2018A Bonds (the "Purchase Contract"), between the Airports Authority and the Managing Underwriter and the other underwriting firms named therein (collectively, the "Underwriters");

(d) the Preliminary Official Statement relating to the public offering of the Series 2018A Bonds (the "Preliminary Official Statement"; the final Official Statement, in substantially the form of the Preliminary Official Statement and including the final terms of the Series 2018A Bonds, is the "Official Statement"); and

(e) the form of Refunding Agreements between the Airports Authority and the Trustee relating to the refunding of the Refunded Bonds, which form will be modified as necessary with respect to agreements for additional outstanding Bonds that will be refunded (collectively, the "Refunding Agreement"); now, therefore, be it

RESOLVED, that the Underwriters are authorized to distribute the Preliminary Official Statement to prospective purchasers of the Series 2018A Bonds and the Official Statement to purchasers of the Series 2018A Bonds;

2. That the Series 2018A Bonds shall be issued in book-entry form, pursuant to the Master Indenture and the Fiftieth Supplemental Indenture and sold to the Underwriters pursuant to the Purchase Contract, all upon the terms and conditions specified therein;

3. That the Chairman or Vice Chairman, and at least one of the Co-Chairs of the Finance Committee, are authorized until December 31, 2018, and directed to jointly determine, after the Series 2018A Bonds have been priced in the market, the following:

(a) the exact principal amount, series, and subseries designation of the Series 2018A Bonds, including whether issued as AMT, Non-AMT or Taxable, provided that the aggregate principal amount of the Series 2018A Bonds shall not exceed $750,000,000;

(b) the interest rate or rates of each series or subseries of the Series 2018A Bonds;

(c) the maturity or maturities of each series or subseries of the Series 2018A Bonds, including the amount and date of any mandatory sinking fund redemption for a maturity;

(d) the provisions for redemption of each series or subseries of the Series 2018A Bonds prior to maturity;

(e) the amount and extent of any credit facility for the Series 2018A Bonds and the provider thereof;

(f) the amount of the debt service reserve requirement, if any, and the provider of any debt service reserve fund surety bond, if any, for each series or subseries of the Series 2018A Bonds;

(g) the amount of the purchase price for each series or subseries of Series 2018A Bonds;

(h) the investment, if any, of the defeasance escrows under the Refunding Agreement; and

(i) the par amount and series of the Refunded Bonds, if any, to be refunded;

all in a manner to achieve the most favorable net effective interest rate while balancing the Airports Authority's exposure to interest rate and market risks on the entire long-term debt portfolio within the Airports Authority's Aviation Enterprise Fund, including the Series 2018A Bonds; provided, that the determinations made pursuant to this paragraph 3 shall comply with the following requirements: (i) the maximum term of the Series 2018A Bonds shall not exceed 35 years; (ii) no Series 2018A Bonds shall be subject to redemption at a redemption premium exceeding three percent of the principal amount thereof; (iii) the underwriters' discount relating to the Series 2018A Bonds shall not exceed two percent of the principal amount thereof; (iv) the true interest cost of the Series 2018A Bonds shall not exceed six percent per annum; and (v) the Series 2018A Bonds shall be offered to the public at a price of not less than 95 percent and not more than 130 percent of the principal amount thereof, plus accrued interest, if any;

4. That each of the Chairman, the Vice Chairman, any Co-Chair of the Finance Committee, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President and General Counsel, the Senior Vice President for Finance and Chief Financial Officer and the Manager of

Treasury is hereby appointed as an “Authority Representative” under the Master Indenture and the Fiftieth Supplemental Indenture;

5. That the payment or redemption of the Refunded Bonds with a portion of the proceeds of the Series 2018A Bonds, together with any other funds of the Airports Authority, is authorized and directed in the manner set forth in the Refunding Agreement or the Fiftieth Supplemental Indenture, as applicable;

6. That the Chairman or the Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Fiftieth Supplemental Indenture, the Series 2018A Bonds, the Purchase Contract, the Official Statement and the Refunding Agreement, all of which forms are hereby approved, with such changes, insertions, completions, and omissions as are necessary to reflect the bond principal amounts, the series or subseries designations, and other terms determined pursuant to paragraph 3 of this Resolution, and the execution of these documents by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Airports Authority;

7. That the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Airports Authority or a facsimile thereof on the Fiftieth Supplemental Indenture, the Series 2018A Bonds and the Refunding Agreement, after their execution by the Chairman or Vice Chairman, to attest the same, by a manual or facsimile signature, and to deliver the Series 2018A Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Fiftieth Supplemental Indenture;

8. That each of the Authority Representatives is authorized, with respect to the Series 2018A Bonds, to execute one or more tax compliance certificates on behalf of the Airports Authority to implement the covenants and agreements set forth in the Fiftieth Supplemental Indenture and to make any election permitted by the Internal Revenue Code of 1986, as amended, that is determined by such officer to be to the advantage of the Airports Authority; and the representations, agreements and elections set forth in the executed tax compliance certificate(s) shall be deemed to be the representations, agreements and elections of the Airports Authority, as if the same were set forth in the Fiftieth Supplemental Indenture;

9. That each of the Authority Representatives is authorized to execute, deliver and file all other certificates and instruments related to the issuance and sale of the Series 2018A Bonds, including the Internal Revenue Service Form 8038, any reimbursement agreement relating to any debt service reserve fund surety bond, any agreements and/or amendments to agreements for the investment of proceeds from the sale of, or other moneys relating to, the Series 2018A Bonds and/or the Refunded Bonds, and any agreements relating to the termination of the interest rate swaps referenced above, and to take any further action as the officer may consider necessary or desirable in connection with the issuance and sale of the Series 2018A Bonds, the refunding and, as applicable, redemption of the Refunded Bonds and the termination of such interest rate swaps, and the other determinations made pursuant to paragraph 3 of this Resolution;

10. That any authorization provided in this Resolution to execute a document shall include authorization to deliver the document to the other parties thereto; and

11. That any other acts of the Authority Representatives or any other officer of the Airports Authority that are in conformity with the purposes, intent and conditions of this Resolution and in furtherance of the execution, delivery and performance by the Airports Authority of the Fiftieth Supplemental Indenture are hereby authorized, and the authorizations granted herein to such officers of the Airports Authority shall apply equally to any person serving in such capacity on an interim or acting basis, except that the Airports Authority reserves unto itself the authority to appoint or remove any person or entity named, appointed or described in this Resolution or in the form of the Fiftieth Supplemental Indenture presented to the Airports Authority who is to serve as underwriter, trustee, or provider of a credit facility, if any, or in a similar role relating to the Series 2018A Bonds or the Refunded Bonds.

For consideration by the Finance Committee and
Board of Directors on May 16, 2018

NOTE: Recorded vote is required.

FIFTIETH SUPPLEMENTAL INDENTURE OF TRUST

between

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

Governing the Issuance of and Securing

$___________ Airport System Revenue and Refunding Bonds,
Series 2018A (AMT)

Dated as of July 1, 2018

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THIS FIFTIETH SUPPLEMENTAL INDENTURE OF TRUST dated as of July 1, 2018, by and between the **METROPOLITAN WASHINGTON AIRPORTS AUTHORITY**, a public body politic and corporate created by the Commonwealth of Virginia and the District of Columbia (the "**Airports Authority**"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, as Trustee (the "**Trustee**");

W I T N E S S E T H:

WHEREAS, pursuant to Va. Code Ann. § 5.1-152 *et seq.* (2001) (codifying Chapter 598 of the Acts of Virginia General Assembly of 1985, as amended), and D.C. Official Code Ann. § 9-901 *et seq.* (2001) (codifying the District of Columbia Regional Airports Authority Act of 1985, as amended) (together, the "**Acts**"), the Airports Authority is authorized and empowered to issue bonds, notes and other obligations to finance the cost of Airports Authority Facilities as defined in the Acts, including the refunding of any obligations of the Airports Authority;

WHEREAS, the Airports Authority and the Trustee have entered into a 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 supplemented and amended (the "**Master Indenture**");

WHEREAS, within the limitations of and in compliance with Articles II and IX of the Master Indenture, the Airports Authority is authorized to issue one or more Series of Bonds;

WHEREAS, the Airports Authority has determined to issue a Series of Bonds in the aggregate principal amount of $_______________ (the "**Series 2018A Bonds**"), the proceeds of which shall be used, together with other moneys of the Airports Authority, to (i) finance the Cost of the Series 2018A Projects, (ii) pay capitalized interest on the Series 2018A Bonds and certain of the Airport Authority's outstanding Bonds, (iii) refund the Refunded Series 2008A Bonds and the Refunded Series 2009C Bonds (as such terms are defined herein), (iv) fund a deposit to the Common Reserve Account, and (v) pay costs of issuing the Series 2018A Bonds;

WHEREAS, the Master Indenture provides that, in connection with the issuance of a Series of Bonds, the Airports Authority shall execute and deliver to the Trustee a Supplemental Indenture governing the issuance of the Series of Bonds and setting forth the provisions thereof; and the Series 2018A Bonds when authenticated by the Trustee and issued by the Airports Authority shall constitute valid and binding revenue obligations of the Airports Authority, and this Fiftieth Supplemental Indenture shall constitute a valid and binding instrument for the authorization of and security for the Series 2018A Bonds.

NOW, THEREFORE, THIS FIFTIETH SUPPLEMENTAL INDENTURE WITNESSETH, that the Airports Authority does hereby covenant and agree with the Trustee and with the respective Holders, from time to time, of the Outstanding Series 2018A Bonds, as follows:

ARTICLE I
FIFTIETH SUPPLEMENTAL INDENTURE

Section 101. Fiftieth Supplemental Indenture.

This Fiftieth Supplemental Indenture is authorized and executed by the Airports Authority and delivered to the Trustee pursuant to and in accordance with Articles II and IX of the Master Indenture. All covenants, conditions and agreements of the Master Indenture shall apply with full force and effect to the Series 2018A Bonds and to the Holders thereof, except as otherwise provided herein.

Section 102. Definitions.

Except as otherwise defined herein, terms defined in the Master Indenture are used in this Fiftieth Supplemental Indenture with the meanings assigned to them in the Master Indenture. In addition, the following terms shall have the following meanings in this Fiftieth Supplemental Indenture:

"**Authenticating Agent**" shall mean the Trustee.

"**Authority Representative**" shall mean the Chairman or 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 Senior Vice President and General Counsel, the Senior 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 this Fiftieth Supplemental Indenture.

"**Bond Payment Date**" shall mean each April 1 and October 1, commencing October 1, 2018 and each redemption date.

"**Book-Entry System**" shall mean the system maintained by the Securities Depository and described in Section 207 of this Fiftieth Supplemental Indenture.

"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 2018A Bonds and any other Common Reserve Bonds; (ii) the Maximum Annual Debt Service on the Series 2018A Bonds and any other Common Reserve Bonds in any Fiscal Year; or (iii) 125% of the average Annual Debt Service for the Series 2018A 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 2018A Bonds or Common Reserve Bonds.

"Common Reserve Account" shall mean the account established for the Series 2018A Bonds and any other Common Reserve Bonds in the Debt Service Reserve Fund, as set forth in Section 401(iii)(1) of this Fiftieth 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 2018A Bonds by amounts on deposit in the Common Reserve Account. As of the date of the issuance of the Series 2018A 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) Airport System Revenue Refunding Bonds, Series 2016A, (xv) Airport System Revenue Refunding Bonds, Series 2016B, (xvi) Airport System Revenue and Refunding Bonds, Series 2017A Bonds, (xvii) Series 2018A Bonds and (xviii) any future Series of Bonds designated by the Airports Authority as "Common Reserve Bonds".

"**DTC**" shall mean The Depository Trust Company, New York, New York.

"**Exempt Facilities**" shall mean airports and functionally related and subordinate facilities within the meaning of and qualifying under Section 142 of the Code.

"**Fiftieth Supplemental Indenture**" shall mean this Fiftieth Supplemental Indenture of Trust between the Airports Authority and the Trustee, which supplements the Master Indenture.

"**Indenture**" shall mean the Master Indenture, as supplemented and amended from time to time in accordance with its terms.

"**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 supplemented and amended, between the Airports Authority and the Trustee.

"**Participant**" shall mean one of the entities which deposit securities, directly or indirectly, in the Book-Entry System of the Securities Depository.

"**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.

"**Record Date**" shall mean the fifteenth (15th) day (regardless of whether a Business Day) of the calendar month immediately preceding a Bond Payment Date.

“**Refunded Series 2008A Bonds**” shall mean all of the Airports Authority’s Airport System Revenue Bonds, Series 2008A **[**that mature on October 1 in the years 2019 through 2029**]**, currently Outstanding in the aggregate principal amount of $**[**159,630,000**]**.

“**Refunded Series 2009C Bonds**” shall mean all of the Airports Authority’s Airport System Revenue Bonds, Series 2009C **[**that mature on October 1 in the years 2020 through 2031, 2034 and 2039**]**, currently Outstanding in the aggregate principal amount of $**[**254,245,000**]**.

“**Securities Depository**” shall mean DTC, or its nominee and the successors and assigns of such nominee, or any successor appointed under Section 207 of this Fiftieth Supplemental Indenture.

“**Series 2008A Refunding Agreement**” shall mean the refunding agreement dated as of July 1, 2018, between the Airports Authority and the Trustee relating to the Refunded Series 2008A Bonds.

“**Series 2009C Refunding Agreement**” shall mean the refunding agreement dated as of July 1, 2018, between the Airports Authority and the Trustee relating to the Refunded Series 2009C Bonds.

“**Series 2018A Bonds**” shall mean the Airport System Revenue and Refunding Bonds, Series 2018A, authorized to be issued by Article II of this Fiftieth Supplemental Indenture.

“**Series 2018A Cost of Issuance Subaccount**” shall mean the subaccount established for the Series 2018A Bonds in the Construction Fund, as set forth in Section 401(ii)(1) of this Fiftieth Supplemental Indenture.

“**Series 2018A Custodian**” shall mean Manufacturers and Traders Trust Company, or its successor, as custodian and bailee for the Trustee holding the Series 2018A Cost of Issuance Subaccount and the Series 2018A Project Account pursuant to provisions of Section 401 of the Master Indenture.

“**Series 2018A Interest Account”** shall mean the account established for the Series 2018A Bonds in the Bond Fund, as set forth in Section 401(i)(1) of this Fiftieth Supplemental Indenture.

“**Series 2018A Paying Agent**” shall mean, with respect to the Series 2018A Bonds, the Trustee or such other paying agent appointed by the Trustee.

“**Series 2018A Principal Account**” shall mean the account established for the Series 2018A Bonds in the Bond Fund, as set forth in Section 401(i)(2) of this Fiftieth Supplemental Indenture.

“Series 2018A Project Account” shall mean the account established for the Series 2018A Bonds in the Construction Fund, as set forth in Section 401(ii)(2) of this Forth-ninth Supplemental Indenture.

"Series 2018A Projects" shall mean the projects described in Exhibit B hereto, as the same may be amended pursuant to Section 603 of this Fiftieth Supplemental Indenture.

"**Series 2018A Redemption Account**" shall mean the account established for the Series 2018A Bonds in the Bond Fund, as set forth in Section 401(i)(3) of this Fiftieth Supplemental Indenture.

"**Series 2018A Registrar**" shall mean the keeper of the Register for the Series 2018A Bonds, which shall be the Trustee.

"Sinking Fund Redemption Date" shall mean, when used with respect to the Series 2018A Bonds, the respective dates specified in Section 302 of this Fiftieth Supplemental Indenture.

"Tax Certificate" shall mean the Tax Compliance Certificate for the Series 2018A Bonds dated July 3, 2018 executed by the Airports Authority.

"Thirtieth Supplemental Indenture" shall mean the Thirtieth Supplemental Indenture of Trust between the Airports Authority and the Trustee, which supplements the Master Indenture.

"Thirty-third Supplemental Indenture" shall mean the Thirty-third Supplemental Indenture of Trust between the Airports Authority and the Trustee, which supplements the Master Indenture.

Section 103. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Fiftieth Supplemental Indenture.

ARTICLE II
DETAILS AND FORMS OF SERIES 2018A BONDS

Section 201. Series 2018A Bonds.

The Series 2018A Bonds shall be issued as a Series of Bonds pursuant to Articles II and IX of the Master Indenture in the aggregate principal amount of $_______________ to provide funds, together with other moneys of the Airports Authority, to (i) finance the Cost of the Series 2018A Projects, (ii) pay capitalized interest on the Series 2018A Bonds and certain of the Airport Authority's outstanding Bonds, (iii) refund the Refunded Series 2008A Bonds and the Refunded Series 2009C Bonds, (iv) fund a deposit to the Common Reserve Account, and (v) pay costs of issuing the Series 2018A Bonds.

Section 202. Details of Series 2018A Bonds.

The Series 2018A Bonds shall be designated "Metropolitan Washington Airports Authority Airport System Revenue and Refunding Bonds, Series 2018A" and shall bear the terms set forth herein and in the Master Indenture. The Series 2018A Bonds shall be dated the date of their delivery, shall be issued in denominations of $5,000 or integral multiples thereof, shall be numbered R-1 upward, shall bear interest at rates, payable semiannually on each April 1 and October 1, beginning October 1, 2018, shall be serial bonds and term bonds, and shall mature on October 1 in years and amounts, as follows:

Year (October 1)	Principal Amount	Interest Rate
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
20__		

$__________ _____ % Term Bond due October 1, 20__

Each Series 2018A Bond shall bear interest (i) from its date if such Series 2018A Bond is authenticated prior to the first Bond Payment Date, or (ii) otherwise from the interest payment date that is, or immediately precedes, the date on which such Series 2018A Bond is authenticated; *provided, however*, that if at the time of authentication of any Series 2018A Bond payment of interest is in default, such Series 2018A Bond shall bear interest from the date to which interest has been paid.

Section 203. General Terms.

The Series 2018A Bonds shall be issued in fully registered form as herein provided.

Interest on the Series 2018A Bonds shall be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and all such interest determinations and calculations shall be made by the Trustee.

If the principal of any Series 2018A Bond is not paid when due (whether at maturity or call for redemption or otherwise), then the overdue principal shall continue to bear interest until paid at the rate applicable to such Series 2018A Bond.

The Series 2018A Bonds shall be payable, executed, authenticated, registrable, exchangeable and secured all as set forth in the Master Indenture and this Fiftieth Supplemental Indenture.

Section 204. Medium and Place of Payment.

Interest on the Series 2018A Bonds shall be paid by check or draft of the Trustee, mailed to the registered owner as of the applicable Record Date at such owner's address as it appears on the Register or at such other address as is furnished to the Trustee in writing by such owner; *provided, however* that at the option of any Holder of at least $1,000,000 of any Series 2018A Bonds, payment will be made by wire transfer as directed by such Holder. No interest shall accrue on any payment mailed or wired on or before the Bond Payment Date to the most recent address shown on such Register or as directed by the Holder.

The principal of and premium, if any, on the Series 2018A Bonds are payable at the principal corporate trust office of the Trustee.

Section 205. Forms of Series 2018A Bonds.

The Series 2018A Bonds shall be in substantially the form set forth in Exhibit A hereto, with such alterations and variations in the arrangement of paragraphs and the text to be contained on the face and reverse of each Series 2018A Bond, and with such completions, omissions, insertions, and changes as may be required by the circumstances to conform to industry practice or as may otherwise be consistent with the Master Indenture and this Fiftieth Supplemental Indenture. During any period that the Securities Depository or its nominee is the registered owner of the Series 2018A Bonds, such forms shall be changed as may be necessary or desirable to reflect such registered ownership.

Section 206. Delivery of Series 2018A Bonds.

The Trustee shall authenticate and deliver the Series 2018A Bonds when there have been filed with or delivered to it all items required by Sections 210 and 213 of the Master Indenture. Delivery of each of the Series 2018A Bonds shall be deemed to be simultaneous, and no Series of Bonds may be delivered unless all such Series 2018A Bonds are delivered.

Section 207. Book-Entry System.

All Series 2018A Bonds shall initially be registered in the name of Cede & Co., as nominee of DTC as Securities Depository for the Series 2018A Bonds in accordance with the terms of a letter of representations from the Airports Authority to DTC. The Series 2018A Bonds shall be registered upon subsequent transfer or exchange as provided in the Master Indenture.

A single certificate shall be issued and delivered to the Securities Depository for each maturity of the Series 2018A Bonds. The actual purchasers of the Series 2018A Bonds (the

“**Beneficial Owners**”) will not receive physical delivery of Bond certificates except as provided herein. So long as there exists a Securities Depository as provided herein, all transfers of beneficial ownership interests in the Series 2018A Bonds shall be made by book-entry only, and no person purchasing, selling or otherwise transferring beneficial ownership interests in the Series 2018A Bonds will be permitted to receive, hold or deliver any Series 2018A Bond certificate. The Airports Authority and the Trustee shall treat the Securities Depository or its nominee as the sole and exclusive Series 2018A Bondholder for all purposes, including payments of principal of, premium, if any, and interest on the Series 2018A Bonds, notices and voting. With respect to the Series 2018A Bonds registered in the name of Cede & Co., the Airports Authority and the Trustee shall have no responsibility or obligation to any Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, the Airports Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any beneficial ownership interest in the Series 2018A Bonds, (ii) the delivery to any Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Series 2018A Bonds, including any notice of redemption, (iii) the payment to any Participant, Beneficial Owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or any interest on, the Series 2018A Bonds, or (iv) any consent given or other action taken by DTC as owner of the Series 2018A Bonds. The Trustee shall pay the principal or redemption price of, and interest on, all Series 2018A Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Airports Authority’s obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid.

The Airports Authority and the Trustee agree, so long as DTC shall continue to serve as Securities Depository for the Series 2018A Bonds, to meet the requirements of DTC with respect to required notices and other provisions of the letter of representations.

The Trustee and the Airports Authority may conclusively rely upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Series 2018A Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of the Series 2018A Bonds beneficially owned by, the Beneficial Owners.

Whenever the Series 2018A Bonds remain Outstanding and the beneficial ownership thereof must be determined by the books of the Securities Depository, the requirements in the Master Indenture for holding, delivering, tendering or transferring the Series 2018A Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository with respect to such actions to produce the same effect. Any provision of the Master Indenture permitting or requiring delivery of the Series 2018A Bonds shall, while the Series 2018A Bonds are in the Book-Entry System, be satisfied by notation on the books of the Securities Depository in accordance with state law.

The Airports Authority may from time to time appoint a successor Securities Depository and enter into any agreement with such Securities Depository to establish procedures with respect to the Series 2018A Bonds not inconsistent with the provisions of this Fiftieth Supplemental Indenture. Any successor Securities Depository shall be a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended.

Neither the Airports Authority nor the Trustee shall have any responsibility or obligation to any Securities Depository, any Participant in the Book-Entry System, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount (including premium) or redemption or purchase price of, or interest on, any Series 2018A Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2018A Bonds; or (v) any other action taken by the Securities Depository or any Participant in connection with the Series 2018A Bonds.

Series 2018A Bond certificates shall be delivered to and registered in the name of the Beneficial Owners only under the following circumstances:

(a) The Securities Depository determines to discontinue providing its services with respect to the Series 2018A Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving reasonable notice to the Airports Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(b) The Airports Authority determines not to continue the Book-Entry System through any Securities Depository.

If at any time the Securities Depository ceases to hold any Series 2018A Bonds, all references herein to the Securities Depository shall be of no further force or effect with respect to such Series 2018A Bonds. In such event, the Airports Authority shall issue and the Trustee shall transfer and exchange such Series 2018A Bond certificates as requested by DTC or Participants and confirmed by DTC of like principal amount, series and maturity, in authorized denominations to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interests in the Series 2018A Bonds.

ARTICLE III
REDEMPTION OF SERIES 2018A BONDS

Section 301. Redemption Dates and Prices.

The Series 2018A Bonds may not be called for redemption by the Airports Authority except as provided herein and in Article III of the Master Indenture.

The Series 2018A Bonds maturing on and after October 1, 20__ are subject to optional redemption prior to maturity by the Airports Authority, on and after October 1, 20__, in whole or in part, by lot, at any time, at 100% of the principal amount of the Series 2018A Bonds to be redeemed plus interest accrued to the date fixed for redemption.

Section 302. Sinking Fund Redemption.

The $_______ Series 2018A Bonds term bond maturing October 1, 20__, is subject to mandatory sinking fund redemption in part, by lot, prior to maturity on October 1, in the years set forth below, at a redemption price equal to the principal amount of such term bond called for redemption:

Year	Principal Amount
20__	$_________
20__	_________
20__	_________
20__	_________
20__*	_________

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45^{th}) day next preceding any such applicable Sinking Fund Redemption Date, the Airports Authority may: (i) cause to be paid to the Trustee for deposit in the Series 2018A Redemption Account such amount, or direct the Trustee to use moneys in the Series 2018A Principal Account and the Series 2018A Interest Account allocable to payments due on the applicable Series 2018A Bonds on such Sinking Fund Redemption Date in such amount, as the Airports Authority may determine, accompanied by a certificate signed by the Authority Representative directing the Trustee to apply such amount to the purchase of the applicable Series 2018A Bonds, and the Trustee shall use all reasonable efforts to expend such funds as nearly as may be practicable in the purchase of such Series 2018A Bonds, at a price not exceeding the principal amount thereof plus accrued interest to such Sinking Fund Redemption Date; or (ii) receive a credit against its sinking fund redemption obligation for the applicable Series 2018A Bonds which prior to such date have been purchased by the Airports Authority and presented to the Trustee for cancellation or redeemed (other than through the operation of the sinking fund) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any sinking fund redemption obligation. Any such purchase in lieu of redemption (as described above) shall occur no later than forty-five (45) days prior to the applicable Sinking Fund Redemption Date.

Each Series 2018A Bond so purchased, delivered or previously redeemed shall be credited by the Trustee as provided above at 100% of the principal amount thereof against the obligation of the Airports Authority on such Sinking Fund Redemption Date. Any excess over such obligation shall be credited, as directed in writing to the Trustee by an Authority Representative, against applicable future sinking fund redemption obligations, or deposits with respect thereto, and the principal amount of such Series 2018A Bonds to be redeemed by operation of the sinking fund shall be accordingly reduced. Any funds received by the Trustee pursuant to clause (i) of the preceding paragraph, but not expended as provided therein for the purchase of Series 2018A Bonds on or before said forty-fifth (45^{th}) day shall be retained in the Series 2018A Redemption Account and shall thereafter be used only for the purchase of Series 2018A Bonds, as a credit in chronological order, against future sinking fund obligations, or deposits with respect thereto as directed by the Airports Authority.

Section 303. Partial Redemption of Series 2018A Bonds.

Upon the selection and call for redemption of, and the surrender of, any Series 2018A Bond for redemption in part only, the Airports Authority shall cause to be executed and the Authenticating Agent shall authenticate and deliver to or upon the written order of the Holder thereof, at the expense of the Airports Authority, a new Series 2018A Bond of authorized denominations and like tenor, in an aggregate face amount equal to the unredeemed portion of the Series 2018A Bond surrendered.

Section 304. Effect of Call for Redemption.

On the date designated for redemption by notice given as herein provided, the Series 2018A Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2018A Bonds on such date. If, on the date fixed for redemption, moneys for payment of the redemption price and accrued interest are held by the Series 2018A Paying Agent as provided herein, interest on such Series 2018A Bonds so called for redemption shall cease to accrue, such Series 2018A Bonds shall cease to be entitled to any benefit or security hereunder, and under the Master Indenture, except for the right to receive payment from the moneys held by the Series 2018A Paying Agent and the amount of such Series 2018A Bonds so called for redemption shall be deemed paid and no longer Outstanding.

Section 305. Notice of Redemption.

(a) Notice of redemption of Series 2018A Bonds shall be given in the manner set forth in Section 303 of the Master Indenture, *provided however*, such notice of redemption may be provided by first-class mail to the Holders of the Series 2018A Bonds, and *provided further* that during any period that the Securities Depository or its nominee is the registered owner of the Series 2018A 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.

(b) If at the time of notice of any redemption of the Series 2018A Bonds there has not been deposited with the Trustee moneys available for payment sufficient to redeem all of the Series 2018A Bonds called for redemption, the notice shall 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.

ARTICLE IV
ACCOUNTS FOR SERIES 2018A BONDS; PROCEEDS OF SERIES 2018A BONDS; AND FLOW OF FUNDS

Section 401. Accounts for Series 2018A Bonds.

With respect to the Series 2018A Bonds, there are hereby established the following accounts and subaccounts:

(i) Within the Bond Fund:

(1) Series 2018A Interest Account;

(2) Series 2018A Principal Account; and

(3) Series 2018A Redemption Account.

(ii) Within the Construction Fund:

(1) Series 2018A Cost of Issuance Subaccount; and

(2) Series 2018A Project Account.

(iii) Within the Debt Service Reserve Fund:

(1) Common Reserve Account.

Section 402. Use of Proceeds and Other Moneys.

(a) The proceeds of the sale of the Series 2018A Bonds of $__________ (which includes the original issue premium and less the underwriters' discount) shall be applied as follows:

(i) $__________ shall be delivered to the Trustee for the payment and redemption of the Refunded Series 2008A Bonds in accordance with the Series 2008A Refunding Agreement.

(ii) $__________ shall be delivered to the Trustee for the payment and redemption of the Refunded Series 2009C Bonds in accordance with the Series 2009C Refunding Agreement.

(iii) $__________ shall be delivered to the Series 2018A Custodian to be deposited in the Series 2018A Cost of Issuance Subaccount; *provided, however,* that to the extent any funds in the Series 2018A Cost of Issuance Subaccount are not used to pay costs of issuance for the Series 2018A Bonds such funds may be used by the Airports Authority for any legally permitted purpose under this Fiftieth Supplemental Indenture; and *provided further, however*, that such amount may be subject to overnight investment by the Trustee.

(iv) $__________ shall be delivered to the Trustee to be deposited in the Common Reserve Account.

(v) The balance of $__________ shall be delivered to the Series 2018A Custodian to be deposited in the Series 2018A Project Account, of which $__________ represents capitalized interest on the Series 2018A Bonds and on certain previously issued Bonds. Amounts in the Series 2018A Project Account shall be applied to the payment of Costs of the Series 2018A Projects in accordance with the requirements of the Master Indenture and this Fiftieth Supplemental Indenture. The foregoing amounts may be subject to overnight investment by the Trustee.

(b) The Trustee shall make the following transfers:

(i) $__________ on deposit in the Series 2008A Interest Account in the Bond Fund established pursuant to the Thirtieth Supplemental Indenture shall be transferred in accordance with the Series 2008A Refunding Agreement.

(ii) $__________ on deposit in the Series 2009C Interest Account in the Bond Fund established pursuant to the Thirty-third Supplemental Indenture shall be transferred in accordance with the Series 2009C Refunding Agreement.

(iii) (A) $__________ on deposit in the Series 2009C Reserve Account in the Debt Service Reserve Fund established pursuant to the Thirty-third Supplemental Indenture shall be transferred in accordance with the Series 2009C Refunding Agreement, and (B) $__________ on deposit in the Series 2009C Reserve Account in the Debt Service Reserve Fund shall be transferred to the Common Reserve Account.

(iv) Any moneys remaining in the aforementioned accounts after the above transfers shall be transferred to the Revenue Fund.

Section 403. Flow of Funds.

With respect to the Series 2018A Bonds:

(a) **Bond Fund.** On August 1, 2018 and September 3, 2018, an amount equal to one-half (1/2) of the principal payment due on October 1, 2018, and thereafter beginning on October 1, 2018, 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 2018A Bonds shall be deposited to the Series 2018A Principal Account. On August 1, 2018, and on September 3, 2018, an amount equal to one-half (1/2) of the interest payment due on October 1, 2018, and thereafter beginning on October 1, 2018, and on the first (1st) Business Day of each month thereafter, an amount equal to one-sixth (1/6) of the interest payment due on the immediately following Bond Payment Date with respect to the Series 2018A Bonds shall be deposited to the Series 2018A Interest Account; *provided, however,* 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.

(b) **Debt Service Reserve Fund.** 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 the investments of the Common Reserve Account shall be transferred after each Bond Payment Date to the Revenue Fund.

(i) (A) Beginning on the first (1st) Business Day of each month after a withdrawal from the Common Reserve Account 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, (B) 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 (C) 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.

(ii) Subject to the requirements of Section 506 of the Master Indenture and upon instruction from the Airports Authority, the Trustee may substitute a Credit Facility in lieu of cash or investments, or cash and investments in lieu of a Credit Facility, in order to satisfy the Common Debt Service Reserve Requirement.

ARTICLE V
SECURITY FOR SERIES 2018A BONDS

Section 501. Security for Series 2018A Bonds.

The Series 2018A Bonds shall be issued pursuant to the Master Indenture and this Fiftieth Supplemental Indenture and, together with the Airports Authority's obligations to any Credit Provider as set forth in any Credit Facility, shall be (a) equally and ratably secured with respect to Net Revenues under the Master Indenture and this Fiftieth Supplemental Indenture with the Airports Authority's Outstanding (i) Airport System Revenue Variable Rate Bonds, Series 2003D, (ii) Airport System Revenue Commercial Paper Notes, Series Two, issued from time to time, (iii) Airport System Revenue Bonds, Series 2008A, (iv) Airport System Revenue Bonds, Series 2009B, (v) Airport System Revenue Bonds, Series 2009C, (vi) Airport System Revenue Variable Rate Bonds, Series 2009D, (vii) Airport System Revenue Bonds, Series 2010A, (viii) Airport System Revenue Refunding Bonds, Series 2010B, (ix) Airport System Revenue Variable Rate Refunding Bonds, Series 2010C, (x) Airport System Revenue Variable Rate Bonds, Series 2010D, (xi) Airport System Revenue Refunding Bonds, Series 2010F-1, (xii) Airport System Revenue and Refunding Variable Rate Bonds, Series 2011A, (xiii) Airport System Revenue and Refunding Variable Rate Bonds, Series 2011B, (xiv) Airport System Revenue Refunding Bonds, Series 2011C, (xv) Airport System Revenue Refunding Bonds, Series 2011D, (xvi) Airport System Revenue Refunding Bonds, Series 2012A, (xvii) Airport System Revenue Refunding Bonds, Series 2012B, (xviii) Airport System Revenue and Refunding Bonds, Series 2013A, (xix) Taxable Airport System Revenue Refunding Bonds, Series 2013B, (xx) Airport System Revenue Refunding Bonds, Series 2013C, (xxi) Airport System Revenue and Refunding Bonds, Series 2014A, (xxii) Airport System Revenue Refunding Bonds, Series 2015A, (xxiii) Airport System Revenue and Refunding Bonds, Series 2015B, (xxiv) Airport System Revenue Refunding Bonds, Series 2015C, (xxv) Taxable Airport System Revenue Refunding Bonds, Series 2015D, (xxvi) Airport System Revenue Refunding Bonds, Series 2016A, (xxvii) Airport System Revenue Refunding Bonds, Series 2016B, (xxviii) Airport System Revenue and Refunding Bonds, Series 2017A and (xxix) any other Series of Bonds (or Credit Facilities, if any) issued pursuant to Article II and IX of the Master Indenture, without preference, priority or distinction of any Bonds over any other Bonds, and (b) secured with respect to certain Funds and Accounts in accordance with the provisions of this Fiftieth Supplemental Indenture.

ARTICLE VI
TAX COVENANTS

Section 601. General Tax Covenants.

The Airports Authority covenants as follows with respect to the Series 2018A Bonds:

(a) The Airports Authority shall not (1) make any use of the proceeds of the Series 2018A Bonds, any funds reasonably expected to be used to pay the principal of or interest on the Series 2018A Bonds, or any other funds of the Airports Authority; (2) make or permit any use of Authority Facilities refinanced with proceeds of the Series 2018A Bonds; or (3) take (or omit to take) any other action with respect to the Series 2018A Bonds, the proceeds thereof, or otherwise, if such use, action or omission would, under the Code, cause the interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes.

(b) In particular, without limitation, the Airports Authority shall cause an amount not less than ninety-five percent (95%) of the proceeds of the Series 2018A 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 2018A Bonds, and agrees to make or to direct the Trustee to make any transfers necessary to satisfy such covenant.

(c) Also, in particular, without limitation, the Airports Authority shall not take (or omit to take) or permit or suffer any action to be taken, if the result of the same causes the Series 2018A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 602. Rebate.

The Airports Authority covenants as follows with respect to the Series 2018A Bonds:

(a) Except as otherwise expressly provided in the Code, the Airports Authority shall pay to the United States in accordance with the requirements of Section 148(f) of the Code an amount equal to the sum of (i) the excess of the amount earned on all nonpurpose investments allocable to the Series 2018A Bonds (other than investments attributable to such excess) over the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the aggregate yield on such Series 2018A Bonds, plus (ii) any income attributable to such excess.

(b) Any amounts so paid shall be derived from the Net Revenues of the Airports or from such other legally available sources as the Airports Authority may determine; *provided, however*, that the application of Net Revenues for such purpose shall be subordinate in priority to the application of Net Revenues required by Section 511(b)(vii) of the Master Indenture.

(c) Notwithstanding any provision of this Section 602, if the Chief Financial Officer of the Airports Authority shall obtain an opinion or opinions of Bond Counsel to the effect that any action required under this Section 602 is no longer required or that some further action is required to maintain the exclusion from federal income tax of interest on the Series 2018A Bonds, the Airports Authority may rely conclusively on such opinion in complying with the requirements of this Section 602, and the covenants contained herein shall be deemed to be modified to that extent.

Section 603. Amendments of Series 2018A Projects.

The Airports Authority may amend the descriptions of the Series 2018A Projects attached as Exhibit B, at any time or from time to time by filing with the Trustee a copy of the amendment to such Exhibit B, accompanied by an opinion or opinions of Bond Counsel to the effect that such amendment will not cause the interest on the Series 2018A Bonds to be included in gross income for federal income tax purposes.

ARTICLE VII
MISCELLANEOUS

Section 701. Limitations of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Fiftieth Supplemental Indenture for the Series 2018A Bonds is intended or shall be construed to give any person other than the parties hereto, the Holders of the Series 2018A Bonds, and any Series 2018A Paying Agent, Series 2018A Registrar, and Authenticating Agent any legal or equitable right, remedy or claim under or with respect to this Fiftieth Supplemental Indenture or any covenants, conditions and provisions herein contained; this Fiftieth Supplemental Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Series 2018A Bonds, any Series 2018A Paying Agent, Series 2018A Registrar, and Authenticating Agent as herein provided.

Section 702. Severability.

If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Series 2018A Bonds issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 703. Non-Presentment of Series 2018A Bonds.

Notwithstanding Section 214 of the Master Indenture to the contrary, if any Series 2018A Bond is not presented for payment of principal of, premium, if any, and interest on the Series 2018A Bonds within two (2) years after delivery of such funds to the Trustee, and absent knowledge of the Trustee of any continuing Event of Default, the moneys shall, upon request in writing by the Airports Authority, be paid to the Airports Authority free of any trust or lien and thereafter the Holder of such Series 2018A 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 any 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 2018A Bonds.

Section 704. Governing Law.

This Fiftieth Supplemental Indenture and the Series 2018A Bonds are contracts made under the laws of the Commonwealth of Virginia and shall be governed and construed in accordance with such laws.

Section 705. Counterparts.

This Fiftieth Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 706. Binding Effect.

This instrument shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns subject to the limitations contained herein.

Section 707. 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 this Fiftieth Supplemental Indenture.

IN WITNESS WHEREOF, the Airports Authority and the Trustee have caused this Fiftieth Supplemental Indenture to be executed and delivered by their duly authorized officers, all as of the date first above written.

[SEAL]

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Attest:

____
Monica R. Hargrove
Secretary

By: ______________________________
Warner H. Session
Chairman of the Board of Directors

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: ______________________________
Sarah A. Stokes
Assistant Vice President

EXHIBIT A

SERIES 2018A BOND FORM

CEDE & CO. HAS AN INTEREST HEREIN: UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE AIRPORTS AUTHORITY OR THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL.

REGISTERED

R-__ $____________

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

DISTRICT OF COLUMBIA

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
AIRPORT SYSTEM REVENUE AND REFUNDING BOND
SERIES 2018A

MATURITY DATE	ANNUAL INTEREST RATE	DATED	CUSIP
October 1, 20__	____%	July 3, 2018	592647 ___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ____ DOLLARS

The Metropolitan Washington Airports Authority (the "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, for value received, hereby acknowledges itself obligated to, and promises to, pay, but only out of the sources provided for that purpose as hereinafter specified, and not otherwise, to the Registered Owner named above, or registered assigns, on the Maturity Date stated above, the Principal Amount stated above (unless this Bond will have been called for prior redemption, in which case on such redemption date) and to pay, solely from such sources, interest on the unpaid balance of said Principal Amount, semiannually on each April 1 and October 1, beginning October 1, 2018, and, to the extent permitted by law, interest on overdue installments of such interest, at the annual rate stated above. Interest shall be payable the date on which this Bond is authenticated (unless payment of interest hereon is in default, in which case this Bond shall bear interest from the date to which interest has been paid). Interest shall be payable by check or draft mailed to the registered owner at such address as it appears on the registration books kept by the Trustee on the fifteenth day of the calendar month immediately preceding each interest payment date; provided, however, that at the option of any Holder of at least $1,000,000 of Series 2018A Bonds (as defined below), payment will be made by wire transfer as directed by such Holder. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

The Airports Authority has established a book-entry only system of registration for the Series 2018A Bonds (the "Book-Entry System"). Except as specifically provided otherwise in the Master Indenture, the Securities Depository (or its nominee) will be the Registered Owner of this Bond. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to this arrangement. The Securities Depository (or its nominee), as Registered Owner of this Bond, shall be treated as its owner for all purposes.

This Bond is one of an issue of bonds (the "Series 2018A Bonds") in the aggregate principal amount of $_______________ authorized and issued to provide funds to finance and refinance the cost of certain capital improvements to the Airports Authority's airport facilities for Ronald Reagan Washington National Airport located in Arlington County, Virginia, and Washington Dulles International Airport located in Fairfax and Loudoun Counties, Virginia, and for other authorized purposes, all pursuant to a bond authorizing resolution adopted by the Board of Directors of the Airports Authority on May 16, 2018, as supplemented by a Pricing Certificate dated June ___, 2018, executed by the Chairman of the Board of Directors (the "Chairman") and the Co-Chair of the Finance Committee of the Board of Directors, and the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended and supplemented (the "Master Indenture"), between the Airports Authority and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"), as supplemented by the Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "Fiftieth Supplemental Indenture"), between the Airports Authority and the Trustee (the Master Indenture and the Fiftieth Supplemental Indenture, together, the "Indenture"). Under the Indenture, the Airports Authority has reserved the right to issue bonds, notes and other obligations ("Additional Bonds") on a parity with the Airports Authority's Outstanding Bonds without limitation as to amount. Reference is hereby made to the Indenture for a description of the rights, limitations of rights, obligations, duties and immunities of the Airports Authority, the Trustee, and the Holders of the Series 2018A Bonds. Executed counterparts or certified copies of such instruments are on file at the principal corporate trust office of the Trustee.

The Series 2018A Bonds have been issued by the Airports Authority pursuant to and in accordance with 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 (D.C. Law 6-67), as amended, codified at D.C. Official Code Ann. § 9-901 et seq. (2001) (collectively, the "Acts"). By the Indenture and as authorized by the Acts, the Airports Authority has pledged certain "Net Revenues," as defined in the Indenture, to secure and provide a source of payment for the Airports Authority's Outstanding Bonds, and any Additional Bonds (collectively, the "Bonds"). All Bonds issued under the Indenture shall be equally and ratably secured by the pledge of and lien on Net Revenues created by the Indenture, without preference, priority or distinction.

The Series 2018A Bonds are limited obligations of the Airports Authority payable only from Net Revenues, proceeds received from the sale of the Series 2018A Bonds and such other revenues of the Airports Authority as may, under the Indenture, be available for such payment, including such amounts as may be on deposit in the funds, accounts, and subaccounts established under the Indenture in respect of the Series 2018A Bonds. Each Series 2018A Bond is and shall be equally and ratably secured, and shall have the same rights, liens and preferences as any other Series 2018A Bond.

THE SERIES 2018A BONDS SHALL NOT BE DEEMED TO CREATE OR CONSTITUTE A DEBT OF THE COMMONWEALTH OF VIRGINIA, ANY POLITICAL SUBDIVISION THEREOF, OR THE DISTRICT OF COLUMBIA, NOR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA, ANY POLITICAL SUBDIVISION THEREOF, OR THE DISTRICT OF COLUMBIA. THIS BOND SHALL BE A LIMITED OBLIGATION PAYABLE SOLELY FROM FUNDS PROVIDED THEREFOR FROM NET REVENUES OR OTHER SOURCES PROVIDED UNDER THE INDENTURE. THE ISSUANCE OF THE SERIES 2018A BONDS UNDER THE PROVISIONS OF THE ACTS AND THE UNDERTAKING OF THE COVENANTS, CONDITIONS AND AGREEMENTS CONTAINED IN THE INDENTURE SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA, ANY POLITICAL SUBDIVISION THEREOF, OR THE DISTRICT OF COLUMBIA TO THE PAYMENT THEREOF OR TO THE LEVY OR PLEDGE OF ANY FORM OF TAXATION WHATEVER THEREFOR. THE AIRPORTS AUTHORITY HAS NO TAXING POWER.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

This Bond will not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee, as Authenticating Agent, has executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN TESTIMONY WHEREOF, the Airports Authority has caused this Bond to be executed and attested by the manual or facsimile signature of its Chairman and by the manual or facsimile signature of its Secretary of the Airports Authority and its corporate seal, or a facsimile thereof, to be hereunto affixed, impressed, imprinted, engraved or otherwise reproduced; and this Bond to be authenticated by the manual signature of an authorized officer of the Trustee, without which authorization this Bond will not be valid nor entitled to the benefits of the Indenture, all as of the date stated above.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: ________________________________
Warner H. Session
Chairman of the Board of Directors

(SEAL)

Attest:

____
Monica R. Hargrove
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: ______________

The undersigned hereby certifies that this is one of the Series 2018A Bonds referred to in the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: ________________________________
Authorized Officer

ADDITIONAL SERIES 2018A BONDS PROVISIONS

The Series 2018A Bonds may not be called for redemption by the Airports Authority except as provided herein and in the Indenture.

The Series 2018A Bonds maturing on or after October 1, 20__ are subject to optional redemption prior to maturity by the Airports Authority, on and after October 1, 20__, in whole or in part at any time, at 100% of the principal amount of the Series 2018A Bonds to be redeemed plus interest accrued to the date fixed for redemption.

The $__________ Series 2018A Bonds term bond maturing October 1, 20__, is subject to mandatory sinking fund redemption in part, by lot, prior to maturity on October 1, in the years set forth below, at a redemption price equal to the principal amount of such term bond called for redemption:

Year	Principal Amount
20__	$________
20__	________
20__	________
20__	________
20__*	________

*Final Maturity

The Fiftieth Supplemental Indenture provides for a credit against the sinking fund obligation for the applicable Series 2018A Bonds to the extent the Series 2018A Bonds have been previously purchased by the Airports Authority and presented to the Trustee for cancellation or previously redeemed (other than pursuant to the above sinking fund requirements).

If less than all of the Series 2018A Bonds are called for redemption, the maturities to be redeemed or the method of their selection shall be determined by the Airports Authority. If less than all of the Series 2018A Bonds of a single maturity are to be redeemed, the Series 2018A Bonds to be redeemed shall be selected by lot in such manner as the Trustee in its discretion, subject to the requirements of the Securities Depository, may determine, each portion of $5,000 principal amount being counted as one Series 2018A Bonds for such purpose.

If any of the Series 2018A Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption identifying the Series 2018A Bonds or portions thereof to be redeemed, by first-class mail not less than 30 nor more than 60 days prior to the redemption date to the registered owner of each Series 2018A Bond to be redeemed at his address as it appears on the registration books maintained by the Trustee. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 2018A Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. If a portion of this Series 2018A Bond shall be called for redemption, a new Series 2018A Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender hereof.

The registered owner of this Series 2018A Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Series 2018A Bonds are issuable as registered bonds in denominations of $5,000 and integral multiples thereof. Upon surrender of this Series 2018A Bond at the principal corporate trust office of the Trustee, as Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, as Registrar, the Airports Authority shall execute, and the Trustee, as Registrar, shall authenticate and deliver in exchange, a new Series 2018A Bond or Series 2018A Bonds in the manner and subject to the limitations and conditions provided in the Indenture, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Airports Authority, except that the Trustee, as Registrar, may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner of this Series 2018A Bond as the person exclusively entitled to payment of principal of, premium, if any, and interest on the Series 2018A Bond and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the fifteenth day of the month immediately preceding the month in which each interest payment is to be made.

LEGAL OPINION

It is hereby certified that the following is a true and correct copy of the complete text of the final legal opinion of Squire Patton Boggs (US) LLP, as bond counsel, relating to the issue of bonds of which this bond is one, and that a signed copy of such opinion, dated and issued as of the date of delivery of and payment for the bonds, is on file with the Trustee and with the undersigned.

____
Secretary,
Metropolitan Washington Airports Authority

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") in connection with the issuance by the Airports Authority of its $________________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "Series 2018A Bonds"), dated the date of this letter.

The Series 2018A 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. 18-__, adopted by the Board of Directors of the Airports Authority (the "Board of Directors") on May 16, 2018 (the "Resolution"), as supplemented by a Pricing Certificate dated June ___, 2018 (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 2018A 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 Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "Fiftieth 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 2018A Bonds, the signed and authenticated Bond of the first maturity of the Series 2018A Bonds, the Authorizing Resolution, an executed counterpart of the Master Indenture, an executed counterpart of the Fiftieth 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 2018A Bonds and the Indenture are valid and binding obligations of the Airports Authority, enforceable in accordance with their respective terms.

2. The Series 2018A Bonds constitute limited obligations of the Airports Authority, and the principal of and interest on (collectively, "debt service") the Series 2018A Bonds, together with debt service on any other Bonds issued and outstanding on a parity with the Series 2018A 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 2018A Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2018A 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 2018A 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 2018A 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 2018A Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed under the Code on individuals and, for taxable years beginning before January 1, 2018, corporations. Interest on the Series 2018A 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 2018A 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.

We express no opinion herein regarding the priority of the lien on the Net Revenues or other funds created by the Indenture.

In rendering those opinions with respect to treatment of the interest on the Series 2018A 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 2018A Bonds may cause interest on the Series 2018A 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 2018A Bonds and the enforceability of the Series 2018A Bonds and the Indenture are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Series 2018A Bonds is concluded upon delivery of this letter.

Respectfully submitted,

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

____

____

(Please print or typewrite name and address
including postal zip code of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

____
: :
: :
: :
____

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing ____, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: ___________________

____

(Signature of Registered Owner)
NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

____

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

EXHIBIT B

SERIES 2018A PROJECTS

DCA331	Interim Roadway Improvements (Phase V Roadways)/Route 233 & South Bound GWMP Ramp Bridges Rehabilitation
DCA332	Terminal A Planning/Programming/Schematic Design
DCA333	Remaining Terminal A General Rehabilitation/Baggage/Passenger Boarding Bridges/Power Distribution Upgrades - Phase 1/Terminal A Banjo Electrical Distribution Upgrade and Eastern Vault Upgrade/MERS/Southwest Airline Ticket Counter & Baggage Handling System
DCA334	Secure National Hall
DCA335	New North Concourse
DCA336	NNC Enabling - South Hangar Line Renovations
DCA337	NNC Enabling - Hangar 11 & 12 Demolition
DCA338	NNC Enabling - Gate 35 Modifications
DCA339	NNC Enabling - North Area Site Utilities Relocation/Special Systems
DCA340	NNC Enabling - North Area Airport Security Fence/Gate Modifications
DCA341	NNC Enabling - Central Utility Plant Modifications
DCA342	NNC Enabling - Facility Relocation/Spec Sys/Ground Water/S Hangar Line Reno
DCA343	NNC Enabling - Reloc. of MWAA Corporate Office Bldg. Tenants/Relocation of Office of Public Safety, Engineering, Airport Engineering & Maint. (includes study)
DCA344	NNC Enabling - Demo. of MWAA Corporate Office Bldg.
DCA345	Terminal C Bag Room Renovations
DCA346	Live Fire Training Facility Improvements
DCA347	Terminal A Hardening and Safety
DCA348	Hold Apron 1 Expansion
DCA349	TV-900 Airfield Electric Vault Relocation
DCA350	Airfield Pavement Rehabilitation Program/Geometry Requirements/Airfield Pad B Hold Block/Runway 4-22 and 15-33 RSA Improvements Funding for Design/Runway Overlays: 1-19/Taxiway and Taxilane Resurfacing Program
DCA351	Structured Parking Garage
DCA352	Power Distribution Upgrades - Phase 3
DCA353	Campus Utility Distribution & Central Plant Improvements - Phase 2
DCA354	Switchgear Upgrade
DCA355	Sanitary Sewer Main Reconstruction - Tml C to North Pump Station
DCA356	Pump Station and Force Main Rehabilitation
DCA357	Power Cable Replacement
DCA358	Infrastructure Modernization & Integration Services
DCA359	Data Center Consolidation
DCA360	Public Safety Sys Replacement (911, Crashnet, AEGIS) Des & Phase1 Imp.
DCA361	Unified Digital Signage and Content Mgmt Sys Des Study & Phase1 Imp.
DCA362	Enterprise Mobile Applications and Website Phase 2 Implementation
DCA363	Other Planning and Programming
DCA364	Severe Storm Resiliency Improvements
DCA365	Perimeter Security Fence
DCA366	Security Infrastructure

DCA367	Aerial Imagery and Countour Lines
DCA368	Other
IAD920	Access Highway Road Improvements
IAD921	Concourse A/B
IAD922	Concourse A/B
IAD923	Concourse C/D
IAD924	Concourse C/D
IAD925	Concourse C/D
IAD926	Concourse C/D
IAD927	Concourse C/D Enhancements Ph. II
IAD928	Main Terminal Exit Doors
IAD929	JP Morgan Chase Office Building Rehabilitation
IAD930	Dulles East Building
IAD931	Shops and Warehouse Building Renovation
IAD932	Live Fire Training Facility Improvements
IAD933	Airfield Pavement Panel Replacement & Runway 1R-19L
IAD934	Taxiway S and W-5
IAD935	Cub Run Pump Station Improvements
IAD936	Utility Building Main Feeder Replacement
IAD937	Convert Underground to above Ground Storage Tanks
IAD938	Airfield Stormwater Sewer Reconstruction
IAD939	Replace Telecommunications Ductbank - Autopilot Drive
IAD940	Sanitary Sewer System Improvements (misc. projects)/Stormwater Management Facilities
IAD941	Stormwater Management Facilities (North and South) & Power Distribution Upgrade & Fire Alarm Sys Replac
IAD942	Infrastructure Modernization & Integration Services
IAD943	Data Center Consolidation
IAD944	AeroTrain Major Maintenance Cycle
IAD945	Mobile Lounge/Planemate Rehabilitation
IAD946	Other Planning and Programming
IAD947	Special Systems
IAD948	Aircraft Gate Expansion
IAD949	IAB Capacity Enhancements
IAD950	Main Terminal: Entrance Doors/Roof Replace/Main Terminal Ticket Counter Capacity Expansion/Baggage Handling System Improvements - Inbound & Outbound
IAD951	Other

Other projects described in the Plan which was the subject of the public hearing held on May 10, 2018, but only to the extent that the payment of the Costs of such Projects with proceeds of the Series 2018A Bonds is consistent with the Airports Authority's covenants provided in the Tax Certificate and in Article VI of the Indenture, as determined by the Airports Authority in consultation with Bond Counsel.

$____________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds,
Series 2018A (AMT)

BOND PURCHASE AGREEMENT

___________, 2018

Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001-6000

Ladies and Gentlemen:

Barclays Capital Inc. (the "*Representative*"), acting on behalf of itself and the underwriters who are the signatories hereto (collectively, the "*Underwriters*"), hereby, jointly and severally, offers to enter into this Bond Purchase Agreement (the "*Purchase Agreement*") with you (the "*Airports Authority*") for the purchase by the Underwriters and sale by the Airports Authority of the Bonds described below which Purchase Agreement, upon the Airports Authority's acceptance of this offer, will be binding upon the Airports Authority and the Underwriters. This offer is made subject to acceptance by the Airports Authority at or prior to 5:00 P.M., Eastern Time, on the date hereof. Upon such acceptance, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon both the Airports Authority and the Underwriters. If not so accepted, this Purchase Agreement will be subject to withdrawal by the Underwriters upon written notice delivered to the Chairman of the Board of Directors (the "*Board*") or President and Chief Executive Officer of the Airports Authority at any time prior to the acceptance hereof by the Airports Authority. *Terms used but not defined herein are defined in the Indenture identified below.*

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters hereby agree to purchase from the Airports Authority, and the Airports Authority hereby agrees to sell to the Underwriters, all (but not less than all) of the Airport System Revenue and Refunding Bonds, Series 2018A (AMT), in the principal amount of $____________ (the "Series 2018A Bonds" or the "*Bonds*") and to purchase the Bonds at the aggregate purchase price of $______________, representing the aggregate principal amount of the Bonds of $______________, plus original issue premium of $___________ and less an Underwriters' discount of $____________ to be tendered on the date of payment for and delivery of the Bonds pursuant to Section 6 hereof (the "*Closing*").

2. The Bonds. The Bonds have been authorized pursuant to Resolution _____ of the Airports Authority adopted by the Board on ________, 2018 (the "*Bond Resolution*"). The Bonds shall be dated the date of delivery, and shall be issued and secured under and pursuant to, an Amended and Restated Master Indenture of Trust, dated as of September 1, 2001 (the "*Master Indenture*") as amended, and as supplemented by the Fiftieth Supplemental Indenture of Trust, dated as of __________, 2018 (the "*Supplemental Indenture*" and together with the Master Indenture, the "*Indenture*"), by and between the Airports Authority and Manufacturers and Traders Trust Company, as Trustee (the "*Trustee*"). The Bonds will be secured by and payable from Net Revenues, as defined in the Indenture, derived from the operation of the Airport System and by the proceeds of the Bonds deposited in certain funds and accounts held under the Indenture by the Trustee. The Bonds will mature in the years, bear interest at the rates and

be subject to redemption prior to maturity at the times and in the amounts set forth on Schedule I attached hereto and in the Indenture. The authorized denominations, Record Dates, Interest Payment Dates, Sinking Fund Payment Dates, and other details and particulars of the Bonds shall be as described in the Indenture and the final Official Statement (defined below) of the Airports Authority.

Proceeds of the Bonds, along with other available funds, will be used to (i) pay a portion of the costs of certain capital projects at the Airports, and capitalized interest, (ii) refund all [or a portion] of the Airports Authority's outstanding Airport System Revenue Bonds, Series 2008A and Airport System Revenue Bonds, Series 2009C (the "Refunded Bonds"), (iii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Bonds and any other Common Reserve Bonds, and (iv) pay costs of issuing the Bonds.

3. Public Offering.

A. ***Establishment of Issue Price***

(1) The Representative, on behalf of the Underwriters, agrees to assist the Airports Authority in establishing the issue price of the Bonds and shall execute and deliver to the Airports Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Airports Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(2) [Except as otherwise set forth in Schedule I attached hereto,] the Airports Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Representative shall report to the Airports Authority the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Airports Authority the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Airports Authority or bond counsel. For purposes of this section 3A., if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bond,

[Schedule [I] and subsection (3) shall apply only if the Representative agrees to apply the hold-the-offering-price rule, as described below.]

(3) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Airports Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Airports Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the

initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(a) the close of the fifth (5th) business day after the sale date;

(b) or the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Airports Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Airports Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Airports Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(4) The Representative confirms that:

(a) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A)(i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the Closing Date has occurred, until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(b) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it, whether or not the Closing Date has occurred, until either all of the Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(5) The Airports Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Airports Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(6) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(a) "public" means any person other than an underwriter or a related party,

(b) "underwriter" means (A) any person that agrees pursuant to a written contract with the Airports Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public),

(c) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(d) "sale date" means the date of execution of this Purchase Agreement by all parties.

B. ***Good Faith Deposit***. In connection with the execution of this Purchase Agreement, the Representative will wire transfer to the Airports Authority $___________ (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligations to accept and pay for the Bonds at the Closing in accordance with the provisions of this Purchase Agreement. The Good Faith Deposit plus accrued interest, if any, will be applied as a credit towards the purchase price for the Bonds. In the event the Airports Authority does not accept this offer, or upon its failure to deliver the Bonds at the Closing, or if it shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Purchase Agreement, or if such obligation shall be terminated for any reason permitted by this Purchase Agreement, the Good Faith Deposit plus accrued interest, if any, shall be immediately returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted under this Purchase Agreement) to accept and pay for the Bonds at the Closing, the Good Faith Deposit plus accrued interest, if any, shall be retained by the Airports Authority as and for full liquidated damages for such failure for any and all defaults hereunder on the part of the Underwriters, and the retention of such proceeds shall constitute a full release and discharge of all claims and rights hereunder and, except as set forth in this Section and Sections 8 and 10 hereof, neither party shall have any further rights against the other hereunder.

4. Preliminary and final Official Statement. The Underwriters have distributed copies of the Preliminary Official Statement dated ____________, 2018, which together with the cover page, the inside cover pages and appendices thereto, is herein defined as the "*Preliminary Official Statement*". By its acceptance hereof, the Airports Authority hereby ratifies, confirms and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement and the Airports Authority represents that such Preliminary Official Statement is deemed final as of its date under Rule15c2-12 ("*Rule 15c2-12*") promulgated by the U.S. Securities and Exchange Commission (the "*SEC*") under the Securities Exchange Act of 1934, as amended, except for Permitted Omissions (defined below). It is acknowledged by the Airports Authority that the Underwriters may deliver the Preliminary Official Statement and the final Official Statement (such Official Statement, including the cover page, the inside cover pages and all appendices attached thereto, together with such amendments or supplements thereto as are adopted by the Airports Authority in accordance herewith subsequent to the acceptance of this Purchase Agreement by the Airports Authority, being herein called the "*Official Statement*") electronically over the internet on the website of Wold Printing (www.onlinemunis.com) and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling.

The Airports Authority hereby agrees to deliver or cause to be delivered to the Underwriters, within seven (7) business days of the date hereof or upon reasonable written notice from the Underwriters within sufficient time to accompany any confirmation requesting payments from any customers of the Underwriters, copies of the Official Statement related to the Bonds dated the date hereof (and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Airports Authority, Bond Counsel and the Underwriters) in such quantities as the Underwriters deem necessary to comply with paragraph (b)(4) of Rule 15c2-12 and Rules G-12, G-15 and G-32 of the Municipal Securities Rulemaking Board ("*MSRB*"). By execution thereof by the Chairman or Vice Chairman of the Airports Authority, the Airports Authority shall deem the Official Statement final as of its date within the meaning of Rule 15c2-12 in substantially the same form as the Preliminary Official Statement, subject only to such additions, deletions, revisions, and recent developments as shall have been consented to or accepted by the Underwriters.

The Underwriters hereby agree to cooperate and assist in the preparation of the Official Statement. The Representative hereby agrees to deliver a copy of the Official Statement to the MSRB in an electronic format prescribed by the MSRB for its Electronic Municipal Market Access ("*EMMA*") website at www.emma.msrb.org on or before the date of the Closing. The Airports Authority authorizes the use by the Underwriters of copies of the Official Statement, the Bond Resolution and the Indenture, all in connection with the public offering and sale of the Bonds.

In order to assist the Underwriters with complying with Rule 15c2-12, the Airports Authority will undertake, pursuant to the Disclosure Agreement (defined below), to provide certain financial and operating information and notices of the occurrence of certain events. A description of the Disclosure Agreement is set forth in the Official Statement.

5. Representations. The Airports Authority represents to and agrees with the Underwriters that:

(a) Each of the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date, is true and correct in all material respects and does not contain any untrue or misleading statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except, in the case of the Preliminary Official Statement, for omissions permitted pursuant to Rule 15c2-12 relating to details of the offering such as offering prices, principal amounts, maturities, interest rates and other pricing information, credit ratings, delivery dates, redemption terms and prices, and other terms dependent on such matters, including, without limitation, use of proceeds, credit enhancement, CUSIP numbers, amounts of reserve funds, and other information not known or reasonably ascertainable on the date of the Preliminary Official Statement (collectively, "*Permitted Omissions*"). In addition, to the extent any amendments or supplements to the Official Statement are prepared and furnished by the Airports Authority pursuant to Section 9 hereof, the Official Statement, as supplemented or amended, will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations contained in this Section 5(a) do not apply to any information in the Preliminary Official Statement and the Official Statement under the captions "THE SERIES 2018A BONDS – Book-Entry Only System," and "UNDERWRITING" and in APPENDIX D – "Book Entry Only System".

(b) The Airports Authority is a public body corporate and politic created by enactment of Chapter 598, Virginia Acts of Assembly, 1985, as amended and codified at Va. Code Sec. 5.1-152 through 178 (the "*Virginia Act*"), and the District of Columbia Regional Airports Authority Act of 1985, D.C. Law 6-67, as amended (the "*District Act*"), with the consent of Congress pursuant to the Metropolitan Washington Airports Act of 1986, Title VI of Public Law 99-591, as amended by P.L. 102-240 and P.L. 104-264 (the "*Federal Act*") with the powers and authority set forth in the Virginia Act and the District Act and with full legal right, power and authority, inter alia, to lease, operate, improve and maintain the Metropolitan Washington Airports (as defined in the Federal Act), to enter into this Purchase Agreement and the Indenture, to adopt the Bond Resolution and to issue, sell and deliver the Bonds to the

Underwriters as provided herein and to carry out and perform its obligations under this Purchase Agreement, the Bond Resolution, the Indenture and the Bonds.

(c) The Agreement and Deed of Lease between the United States of America, acting by and through the Secretary of Transportation, and the Airports Authority, effective June 7, 1987, as amended to date (the "*Federal Lease*"), is in full force and effect, without amendment or supplement except as described in the Official Statement, all lease payments and other charges payable under the Federal Lease have been timely paid when due by the Airports Authority, the Airports Authority is not in default in the performance of any covenant, agreement or condition contained in the Federal Lease and no "Event of Default" has occurred and is subsisting thereunder.

(d) The Airports Authority has entered into an Airport Use Agreement and Premises Lease (the "*Airline Agreement*") with each of the signatory airlines (each a "*Signatory Airline*") providing service at the Airports. The Airline Agreement constitutes a valid and binding obligation of the Airports Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. To the best knowledge of the Airports Authority, the Airline Agreement has been executed and delivered by each respective Signatory Airline and, except as described in the Preliminary Official Statement and the Official Statement, is currently in full force and effect and no event of default except as described in the Preliminary Official Statement and the Official Statement by any Signatory Airline has occurred under the Airline Agreement.

(e) The execution and delivery of this Purchase Agreement and the adoption of the Bond Resolution do not, and the execution and delivery of the Bonds, the Supplemental Indenture and compliance with the provisions thereof and of this Purchase Agreement, the Bond Resolution, the Continuing Disclosure Agreement dated June 1, 2002, as supplemented and amended on June 1, 2009 and December 1, 2010, and as may be supplemented and amended thereafter (the "*Disclosure Agreement*"), by and between the Airports Authority and Digital Assurance Certification L.L.C., as dissemination agent for the Airports Authority (the "*Dissemination Agent*"), and the Airline Agreement under the circumstances contemplated thereby, will not, in any material respect, conflict with or constitute on the part of the Airports Authority a breach of or default under (i) the Master Indenture, (ii) the Federal Lease and (iii) any other agreement or instrument to which the Airports Authority is a party or (iv) any existing law, administrative regulation, court order or consent decree to which the Airports Authority is subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Airports Authority to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds, the Indenture and the Bond Resolution.

(f) With respect to the issuance of the Bonds, the Airports Authority has, in all material respects, complied with the Federal Lease, the Bond Resolution, the Indenture, the Airline Agreement, the Virginia Act, the District Act and the Federal Act.

(g) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Airports Authority of its obligations hereunder and under the Bond Resolution, the Indenture, the Bonds, the Disclosure Agreement, and the Airline Agreement have been obtained (other than approval of the Airport layout plan, building permits and other similar consents and approvals which may be required for the construction or operation of any facilities financed or refinanced with the proceeds of the Bonds); provided that the Airports Authority makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations. No consents and approvals are required under the

Airline Agreement which would constitute a condition precedent to the performance by the Airports Authority of its obligations hereunder and under the Bond Resolution, the Indenture and the Bonds.

(h) The Bonds conform to the descriptions thereof contained in the Preliminary Official Statement (recognizing that the descriptions of the Bonds are incomplete as to the Permitted Omissions) and the Official Statement under the caption "THE SERIES 2018A BONDS" and, when duly issued and authenticated in accordance with the Bond Resolution and the Indenture and delivered to the Underwriters as provided herein, the Bonds will be the validly issued and outstanding limited obligations of the Airports Authority, entitled to the benefits of the Bond Resolution and the Indenture and payable from the sources therein specified. The proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption "ESTIMATED SOURCES AND USES OF FUNDS".

(i) The Supplemental Indenture, when executed and delivered by the Airports Authority, will (assuming due authorization, execution and delivery by the Trustee) constitute a valid and binding obligation of the Airports Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. No event that, with notice or lapse of time, could become an "Event of Default" under the Master Indenture has occurred and is continuing.

(j) Except as described in the Preliminary Official Statement and the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Airports Authority or against any other party of which the Airports Authority has notice or, to the knowledge of the Airports Authority, threatened against the Airports Authority, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds or the collection of Net Revenues pledged under the Indenture to secure the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of the Bonds, the Bond Resolution, the Indenture, the Airline Agreement, or this Purchase Agreement, (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Airports Authority relating to the Airports or 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 Bonds, (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or (v) which, if adversely determined, could materially adversely affect the financial position of the Airports Authority or the transactions contemplated by the Preliminary Official Statement, the Official Statement, the Bond Resolution, the Indenture, the Federal Lease or this Purchase Agreement.

(k) The audited financial statements of the Airports Authority incorporated by reference in the Preliminary Official Statement and the Official Statement fairly present the financial positions and results of operations of the Airports Authority as of the dates and for the periods therein set forth, and the Airports Authority has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles consistently applied, except as otherwise noted therein. Since December 31, 2017, no material and adverse change has occurred in the financial position or results of operations of the Airports Authority and the Airports Authority has not incurred, since December 31, 2017, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Preliminary Official Statement and the Official Statement.

(l) Any certificates signed by any officer of the Airports Authority and delivered to the Underwriters pursuant hereto or in connection herewith shall be deemed a representation of the Airports Authority as to the accuracy of the statements therein made.

(m) The Airports Authority has no reason to believe, after review, that the certifications, assumptions and conclusions in the Report of the Airport Consultant dated

______________, 2018 (the "*Report of the Airport Consultant*") prepared by LeighFisher and DKMG Consulting LLC (together, the "*Airport Consultant*") and included in the Preliminary Official Statement and in the Official Statement, are not reasonable. The Airports Authority believes that the capital construction program information, aviation activity data, and accounting and other financial documents furnished by the Airports Authority to the Airport Consultant in connection with the preparation of the Report of the Airport Consultant are accurate in all material respects. Further, the Airports Authority has no knowledge, after due inquiry, of any fact or circumstance that would have a material adverse effect on the assumptions, findings, projections or conclusions in the Report of the Airport Consultant that the Airports Authority has not disclosed to the Airport Consultant and the Underwriters.

(n) Except for the pledges of revenues made pursuant to the Master Indenture, the Airports Authority has not pledged or otherwise encumbered any of its revenue or funds that constitute Net Revenues under the Master Indenture.

(o) The Airports Authority has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture, including for the payment or reimbursement of Airports Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 10.

(p) The Airports Authority will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money payable from or secured by Net Revenues or incur any material liabilities, direct or contingent, except in the ordinary course of business, payable from or secured by Net Revenues without prior notice to the Representative.

(q) By all necessary official action of the Airports Authority prior to or concurrently with the acceptance hereof, the Airports Authority has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Airports Authority of the obligations on its part, contained in the Bonds, the Supplemental Indenture, the Disclosure Agreement, the Bond Resolution, the Indenture, the Airline Agreement, the Official Statement and this Purchase Agreement, (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds and (iv) the consummation by it of all other transactions described in the Preliminary Official Statement, the Official Statement, this Purchase Agreement and the Indenture and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Airports Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(r) Each of the Purchase Agreement and Bond Resolution has been duly authorized, adopted, executed and delivered, as applicable, and constitutes the legal, valid and binding obligations of the Airports Authority and the Indenture, when duly executed and delivered, will constitute legal, valid and binding obligations of the Airports Authority, in each case enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights.

(s) Except as described in the Preliminary Official Statement and the Official Statement, during the previous five years, the Airports Authority has complied, in all material respects, with all previous undertakings in a written continuing disclosure agreement under Rule 15c2-12.

(t) The Airports Authority will not knowingly take or omit to take any action, which action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution and herein or which would cause the interest on the Bonds to be includable in gross income of the owners thereof for federal income tax purposes.

(u) The Airports Authority is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the Commonwealth of Virginia or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Airports Authority is a party or to which the Airports Authority or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the Airports Authority has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Airports Authority under any of the foregoing.

6. Closing. The closing of the Bonds shall be held at 9:00 A.M., Eastern Time, on ___________, 2018, at the offices of Squire Patton Boggs (US) LLP, 2550 M Street, N.W., Washington, D.C. 20037, or at such other time, date or place as the Underwriters and the Airports Authority may mutually agree.

On the day of the Closing, the Airports Authority will cause the duly executed and authenticated Bonds to be delivered to the Trustee, as designee for The Depository Trust Company, New York, New York ("*DTC*"), which shall act as securities depository for the Bonds. At the Closing, the Representative shall accept the delivery of the Bonds and pay the purchase price of the Bonds as set forth in Section 1 hereof in immediately available federal funds by wire transfer payable to the order of the Trustee for the account of the Airports Authority upon (i) tender of the Bonds to DTC or its designee on behalf of the Underwriters by the Airports Authority, (ii) the satisfaction of all conditions to the Closing set forth in Section 7 hereof, and (iii) the delivery by the Airports Authority to the Underwriters of all documents set forth in Section 9 hereof.

The Bonds shall be printed in definitive form as one fully registered bond for each stated maturity of the Bonds. CUSIP identification numbers will be obtained by the Underwriters and will be printed on the Bonds in accordance with the requirements of DTC; provided neither the printing of an inaccurate number on any Bond nor the failure to print a number thereon shall constitute cause to refuse acceptance or delivery of any Bond.

The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing for purposes of inspection.

7. Conditions Precedent. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the Airports Authority contained herein and the performance by the Airports Authority of its obligations hereunder, both as of the date hereof and as of the date of the Closing.

The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) The representations of the Airports Authority contained herein shall be true, complete and correct on the date of acceptance hereof and on and as of the date of the Closing and the statements made in all certificates and other documents delivered to the Underwriters at Closing pursuant hereto shall be true and correct at Closing.

(b) At the time of the Closing, this Purchase Agreement, the Official Statement, the Bond Resolution, the Indenture, the Disclosure Agreement, the Federal Lease and the Airline Agreement (except as otherwise described in the Official Statement) shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriters; and the Airports Authority shall have duly adopted and there shall be in full force and effect the Bond Resolution and such other resolutions of the Airports Authority as, in the opinion of Squire Patton Boggs (US) LLP, bond counsel to the Airports Authority ("*Bond Counsel*"), shall be necessary in connection with the transactions contemplated hereby.

(c) The Airports Authority shall have delivered to the Underwriters Official Statements by the time, and in the numbers, required by Section 4 of this Purchase Agreement.

(d) The Airports Authority shall have delivered to the Underwriters at the time of the Airports Authority's acceptance hereof, a copy of the Disclosure Agreement.

(e) At or prior to the Closing, the Underwriters shall receive the following documents (in each case with any such changes as the Underwriters shall approve):

(1) (i) The approving and supplemental opinions, dated the date of the Closing, of Bond Counsel, addressed to the Underwriters and substantially in the forms attached as Appendix E to the Official Statement and attached hereto as **Exhibit A-1**, respectively, (ii) the opinion of Squire Patton Boggs (US) LLP, disclosure counsel to the Airports Authority ("*Disclosure Counsel*"), together with a reliance letter addressed to the Underwriters, each dated the date of the Closing, substantially in the form attached hereto as **Exhibit A-2**; (iii) the defeasance opinion of Bond Counsel dated the date of the Closing; and (iv) the opinion of Bond Counsel addressed to the Trustee, dated the date of the Closing, as required by Section 1002 of the Master Indenture;

(2) The opinion of the Vice President and General Counsel of the Airports Authority, dated the date of the Closing and addressed to the Underwriters, substantially in the form attached hereto as **Exhibit B**;

(3) The opinion of Ballard Spahr LLP, counsel to the Trustee, dated the date of the Closing and addressed to the Underwriters, substantially in the form attached hereto as **Exhibit C**;

(4) The opinion of Katten Muchin Rosenman LLP, counsel to the Underwriters, dated the date of the Closing and addressed to the Representative of the Underwriters, and covering such matters as the Underwriters may reasonably request;

(5) A certificate, dated the date of the Closing, signed by the Chairman or the Vice Chairman of the Airports Authority to the effect that (a) the representations and agreements of the Airports Authority contained herein are true and correct in all material respects as of the date of the Closing; (b) the Disclosure Agreement has been duly authorized and executed and is in full force and effect; (c) except as described in the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of Net Revenues pledged under the Indenture to secure the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Bond Resolution, the Indenture, the Disclosure Agreement, the Airline Agreement, or this Purchase Agreement, (iii) in any way contesting the creation, existence or powers of the Airports Authority relating to the Airports or the validity or effect of the Federal Lease, the Federal Act, the Virginia Act or the District Act or any provision thereof or the application of the proceeds of the Bonds, or (iv) which, if adversely determined, could materially adversely affect the financial position of the Airports Authority or the transactions contemplated by the Official Statement, the Bond Resolution, the Indenture, the Federal Lease, or this Purchase Agreement;

and (d) to the best of his or her knowledge, no event affecting the Airports Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which should be disclosed therein in order to make the statements and information therein not misleading, in any material respect except no review has been made of information in the Official Statement under the captions "THE SERIES 2018A BONDS – Book-Entry Only System," "UNDERWRITING" and in APPENDIX D – "Book Entry Only System";

(6) Executed or certified copies of the Master Indenture, the Supplemental Indenture, the Bond Resolution and the Refunding Agreements;

(7) Evidence satisfactory to the Representative of the assignment of the following long-term ratings assigned to the Bonds by Moody's Investors Service, Inc. ("*Moody's*") of "___," by S&P Global Ratings ("*S&P*") of "___," and by Fitch Ratings ("*Fitch*") of "___";

(8) Copies of the audited financial statements of the Airports Authority incorporated by reference into the Official Statement;

(9) A certificate, dated the date of the Closing, signed by the Vice President for Finance and Chief Financial Officer of the Airports Authority, in form and substance satisfactory to the Underwriters, to the effect that except as disclosed in the Preliminary Official Statement and the Official Statement, since December 31, 2017, no materially adverse change has occurred in the financial position or results of operations of the Airports Authority and the Airports Authority has not incurred, since December 31, 2017, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Preliminary Official Statement and the Official Statement, and as to certain other matters reasonably requested by Bond Counsel;

(10) A verification report issued by _______________ (the "Verification Agent") as to the sufficiency of the amounts deposited with the Trustee pursuant to the Refunding Agreements to currently refund and defease the Refunded Bonds;

(11) A fully executed copy of the Report of the Airport Consultant, as attached as Appendix A to the Official Statement and a letter from the Airport Consultant consenting to the inclusion of the Report of the Airport Consultant, substantially in the form attached hereto as **Exhibit D**;

(12) A certificate, dated the date of Closing, and executed by a duly authorized representative of Frasca & Associates, LLC, as financial advisor to the Airports Authority, acceptable to the Underwriters, substantially in the form attached hereto as **Exhibit E**;

(13) A Tax Certificate of the Airports Authority dated the date of Closing;

(14) Upon the request of the Representative and its counsel, the Airports Authority shall assist the Underwriters in obtaining from its auditors, Cherry, Bekaert & Holland LLP, letters or other evidence that they have performed certain Agreed Upon Procedures with respect to financial and other data included in the Preliminary Official Statement and the Official Statement as of their respective dates; and

(15) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, counsel for the Underwriters, Bond Counsel or Disclosure Counsel may reasonably request to evidence compliance by the Airports Authority with legal

requirements, the truth and accuracy, as of the time of Closing, of the representations of the Airports Authority herein contained and the due performance or satisfaction by the Airports Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Airports Authority and all conditions precedent to the issuance of additional Bonds pursuant to the Master Indenture shall have been fulfilled.

8. Termination by the Underwriters. The Underwriters shall have the right to terminate their respective obligations under this Purchase Agreement to purchase, accept delivery of and to pay for the Bonds (evidenced by a written notice from the Representative to the Airports Authority terminating the obligation of the Underwriters to accept delivery of and to pay for the Bonds and stating the reason therefor) if between the date hereof and the Closing:

(a) the market price or marketability of the Bonds at the initial offering prices set forth in the Official Statement or the ability of the Underwriters to enforce contracts for sale of the Bonds has been materially adversely affected, in the reasonable judgment of the Representative, by reason of any of the following:

(1) (x) Any legislation (A) enacted by or introduced in Congress, (B) favorably reported for passage to either House of the Congress of the United States by any Committee of such House to which such legislation has been referred for consideration, (C) recommended to the Congress for passage by the President of the United States or the Treasury Department, or (D) officially presented by any member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives for formal action by such Committee, or officially presented as an option for formal consideration by either such Committee, by the staff of such Committee or by the staff of the Joint Committee on Taxation of the United States Congress, or by the occurrence of any other Congressional action affecting the Federal tax status of the Airports Authority, its property or income or the interest on its bonds or notes (including the Bonds), or (y) laws, regulations or other actions enacted, proposed or made by a governmental agency or legislative body which have or will have the effect of making interest on the Bonds subject to inclusion in gross income under the laws of the Commonwealth of Virginia (the "*Commonwealth*") or the District of Columbia (the "*District*"), or (z) any decision rendered by a court established under Article III of the Constitution of the United States or the Tax Court of the United States, or any final order, ruling, regulation or official statement issued or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing Federal income taxation upon interest received by holders of the Bonds, or upon such revenues or other income of the general character expected to be received by the Airports Authority, or (xx) any final order, ruling, regulation or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds are not exempt from qualification under, or other requirements of, the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, or otherwise is or would be in violation of the Federal securities laws as amended and then in effect;

(2) Any outbreak of hostilities or other local, national or international calamity or crisis, or any escalation of existing hostilities or other local, national or international calamity or crisis, shall have occurred;

(3) The declaration of a general banking moratorium by Federal, Commonwealth or District authorities, or the general suspension of trading on the New York Stock Exchange or other national securities exchange;

(4) The imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the net capital requirements of the Underwriters;

(5) The adoption of any amendment to the Federal Constitution or the Virginia Act, the District Act, any order or decision by any Federal, Commonwealth or District court, or enactment by any Federal, Commonwealth or District legislative body materially adversely affecting (i) the Airports Authority or (ii) the validity or enforceability of this Purchase Agreement, the Bonds, the Indenture, the Disclosure Agreement, the Tax Compliance Certificate of the Airports Authority dated as of the Closing, the Bond Resolution and any instrument or agreement to which the Airports Authority is a party in connection herewith; or

(6) There shall have occurred since the date of this Purchase Agreement any downgrading, suspension, withdrawal, or published negative credit watch or similar published information from a rating agency that at the date of this Purchase Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Airports Authority's senior Aviation Enterprise bonds, which action reflects a change or possible change, in the ratings accorded any such obligations of the Airports Authority (including any rating to be accorded the Bonds); or

(7) There shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the Airports Authority, except for changes which the Preliminary Official Statement and the Official Statement disclose are expected to occur; or

(8) There shall have occurred since the date of this Purchase Agreement a material disruption in commercial banking or securities settlement, payment or clearance services; or

(b) if an event occurs, or information becomes known, which, in the reasonable judgment of the Representative makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the effect of any amendment or supplement to the Official Statement necessary to correct such misstatement or omission is to cause the market price or marketability of the Bonds to have been materially adversely affected, in the reasonable judgment of the Underwriter.

If the Airports Authority shall be unable for any reason to satisfy the conditions of the Underwriters' obligations contained in Section 7 of this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Section 8 of this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Airports Authority shall have any further obligations or liability hereunder except as set forth in Expenses in Section 10 below.

9. Amendments to Official Statement. During the period commencing on the date of the Closing and ending twenty-five (25) days from the end of the underwriting period (the Closing is hereby assumed to be the end of the underwriting period, unless written notice to the contrary is given by the Representative to the Airports Authority on or before the Closing, but for not more than sixty (60) days after Closing), the Airports Authority shall advise the Representative if any event relating to or affecting

the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer." If any such event occurs and in the reasonable judgment of the Representative and the Airports Authority, an amendment or supplement to the Official Statement is appropriate, the Airports Authority shall, at its expense, forthwith prepare and furnish to the Underwriters a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser or "potential customer," not misleading.

10. Expenses. The Airports Authority will pay all costs of issuance of the Bonds including, but not limited to (a) the cost of preparation, posting, printing and delivery of the Preliminary Official Statement and the Official Statement, including the number of copies the Representative deems reasonable; (b) any cost of preparation of the Bonds; (c) the fees and disbursements of Bond Counsel and Disclosure Counsel; (d) the fees and disbursements of any accountants, consultants, verification agents, financial advisors or additional legal counsel retained by the Airports Authority in connection with the issuance of the Bonds; (e) fees for Bond ratings and credit enhancement, if any; (f) the expenses (which may be included as an expense component of the Underwriters' discount) of transportation, meals, and lodging for Airports Authority representatives and its advisors to attend conferences with the rating agencies, investor meetings, and pricing meetings relating to the issuance of the Bonds; (g) all advertising expenses in connection with the public offering of the Bonds; (h) the costs of filing fees required by any of the Blue Sky laws; (i) CUSIP Service Bureau charges; (j) DTC fees; (k) Trustee's and verification agent's fees; and (l) all out-of-pocket and computer costs associated with the issuance of the Bonds. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including without limitation, the cost of preparing this Purchase Agreement and other Underwriters' documents, travel expenses and the fees and expenses of counsel to the Underwriters shall be paid by the Underwriters (which may be included as an expense component of the Underwriter's discount). The Airports Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

11. Qualification of Securities. The Airports Authority will furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Underwriters may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and to provide for the continuance of such qualification; provided, however, that the Airports Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

12. No Advisory or Fiduciary Role. The Airports Authority acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities for resale to investors, in an arm's length commercial transaction, between the Airports Authority and the Underwriters and the Underwriters have financial and other interests that differ from those of the Airports Authority; (ii) the Underwriters are acting solely as principals, and are not acting as an agent, a municipal advisor, financial advisor or fiduciary to the Airports Authority; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Airports Authority with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or their affiliates have provided other services or are currently providing other services to the Airports Authority on other matters); (iii) the only obligations the Underwriters have to the Airports Authority with respect to the transactions contemplated hereby expressly are set forth in this Purchase Agreement,

which Purchase Agreement expresses the entire relationship between the parties hereto; and (iv) the Airports Authority has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

13. Notices. Any notice or other communication to be given to the Airports Authority under this Purchase Agreement may be given by delivering the same in writing to Metropolitan Washington Airports Authority, 1 Aviation Circle, Washington, DC 20001-6000, Attention: President and Chief Executive Officer, and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Barclays Capital Inc., 745 Seventh Avenue, 19th Floor, New York, NY 10019.

14. Benefit; Parties in Interest; Survival of Representations. This Purchase Agreement is solely for the benefit of the Airports Authority, and the Underwriters, including any successors and assigns of the Underwriters, and no other party or person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Airports Authority contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 8 hereof.

If the Airports Authority shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters, nor the Airports Authority shall be under any further obligation hereunder, except that the respective obligations to pay expenses, as provided in Section 10, shall continue in full force and effect.

15. Approval. The approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing signed by the Representative and delivered to the Airports Authority.

16. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Airports Authority hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative, in its sole discretion, and the approval of the Representative when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Representative and delivered to the Airports Authority.

17. No Liability. Neither the Airports Authority, nor any of the members thereof, nor any officer, agent or employee thereof, shall be charged personally by the Underwriters with any liability, or held liable to the Underwriters under any term or provisions of this Purchase Agreement because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

18. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

19. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

Very truly yours,

BARCLAYS CAPITAL INC.
CITIGROUP
JEFFERIES LLC
RAMIREZ & CO., INC.
BANK OF AMERICA MERRILL LYNCH
GOLDMAN SACHS & CO. LLC
MORGAN STANLEY & CO. LLC
SIEBERT CISNEROS SHANK & CO., L.L.C.

BARCLAYS CAPITAL INC., as Representative

By:______________________________
Name:
Title:

Approved and Agreed to:
___________, 2018

METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

By:______________________________
Name: Warner H. Session
Title: Chairman

SCHEDULE I

$______________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds,
Series 2018A (AMT)

Principal Amounts, Interest Rates and Prices:

The Series 2018A Bonds will bear interest at the rates, mature and have the prices, as follows:

Serial Series 2018A Bonds

Maturity Date October 1	Amount	Rate	Price

* Priced to the call date of October 1, 20__.

Redemption Provisions

The Bonds shall be subject to optional and mandatory redemption as set forth in the Official Statement.

EXHIBIT A-1
to
BOND PURCHASE AGREEMENT

Supplemental Opinion of Bond Counsel to the Airports Authority

_______, 2018

$_____________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds
Series 2018A (AMT)

To: Metropolitan Washington Airports Authority
Washington, D.C.

Barclays Capital Inc.,
as Representative of the Underwriters identified in the
Purchase Agreement described below
New York, New York

We have served as bond counsel to our client the Metropolitan Washington Airports Authority (the "Airports Authority") in connection with the issuance by the Airports Authority of its $_____________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "Series 2018A Bonds"), dated the date of this letter.

We have rendered on this date our opinion letter as bond counsel concerning the Series 2018A Bonds. This supplemental opinion letter is rendered pursuant to Section 7(e)(1)(i) of the Bond Purchase Agreement, dated _______, 2018 (the "Purchase Agreement"), between the Airports Authority and the Underwriters therein named. Capitalized terms not otherwise defined in this letter are used as defined in the Purchase Agreement.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2018A Bonds, the Bond Resolution and the Indenture, and such other documents, matters and law as we deem necessary to render the opinions and advice 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 Purchase Agreement, the Disclosure Agreement and the Supplemental Indenture have been duly authorized, executed and delivered by the Airports Authority and are valid and binding obligations of the Airports Authority.

2. The Series 2018A Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

In accordance with the terms of our engagement as bond counsel, we reviewed the Preliminary Official Statement and the Official Statement. We confirm to you that we believe the statements in the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the date hereof, under the captions "THE SERIES 2018A BONDS" (other than the information relating to DTC and its book-entry system, as to which we express no view), "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" and in APPENDIX B — "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," insofar as such statements describe certain provisions of the Indenture and the Series 2018A Bonds, and the statements under the caption "TAX MATTERS," are accurate and fairly present the information purported to be shown.

The opinions and advice 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, and (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.

The rights of the Underwriters under the Purchase Agreement and the enforceability of the Purchase Agreement, and the rights of Digital Assurance Certification, L.L.C., the Underwriters and the owners of the Series 2018A Bonds under the Disclosure Agreement and the enforceability of the Disclosure Agreement, are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

This letter is being furnished only to you for your use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief or opinions other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief and opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Series 2018A Bonds is concluded upon delivery of this letter.

Respectfully submitted,

EXHIBIT A-2
to

BOND PURCHASE AGREEMENT

Opinion of Disclosure Counsel to the Airports Authority and Reliance Letter

___________, 2018

$______________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds
Series 2018A (AMT)

To: Metropolitan Washington Airports Authority
Washington, D.C.

We have served as disclosure counsel and as bond counsel to our client the Metropolitan Washington Airports Authority (the "Airports Authority") in connection with the original issuance by the Airports Authority of its $____________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "Series 2018A Bonds"), dated the date of this letter. The 2018A Bonds are issued pursuant to the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001 (the "Master Indenture") as amended, and as supplemented by the Fiftieth Supplemental Indenture of Trust, dated as of ___________, 2018 (the "Fiftieth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the Airports Authority and Manufacturers and Traders Trust Company, as Trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as disclosure counsel, certain of our lawyers have reviewed: (a) the Preliminary Official Statement, dated _________, 2018 (the "Preliminary Official Statement"), and the Official Statement, dated ___________, 2018, in each case relating to the Series 2018A Bonds (the "Official Statement"); (b) executed counterparts of the Indenture; and (c) such other proceedings, documents and matters as we deem necessary to provide this letter in accordance with the terms of our engagement. We have not reviewed any electronic version of the Preliminary Official Statement or the Official Statement and assume that any electronic version is identical in all respects to the printed version of the Preliminary Official Statement and the Official Statement. In providing this letter 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, the parties thereto and (iii) the correctness of the legal conclusions contained in all legal opinion letters of other counsel delivered in connection with this matter (excluding the letter of Underwriters' Counsel).

In accordance with the terms of our engagement, we have provided certain legal advice and assistance to the Airports Authority in connection with the Airports Authority's responsibilities with respect to the Preliminary Official Statement and the Official Statement. We have not been engaged to pass upon, and we do not assume any responsibility for and have not independently verified, the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the

Official Statement. As part of our engagement, however, certain of our lawyers participated in telephone conferences and meetings with representatives of the Airports Authority (including members of its legal staff), Cherry, Baekert & Holland LLP, accountants for the Airports Authority, Leigh Fisher and DKMG Consulting, LLC, as the feasibility consultants, Frasca & Associates, LLC, as the financial advisor to the Airports Authority, the Underwriters (as defined in the Bond Purchase Agreement dated ________, 2018) and their counsel, and others, during which telephone conferences and meetings the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. In reliance on those discussions and the proceedings, documents, matters and assumptions described above and subject to the qualifications set forth herein, we confirm to you that, during the course of our engagement on this matter, nothing came to the attention of the lawyers in our firm responsible for this matter that causes us to believe that the Preliminary Official Statement as of its date and as of the date of the Purchase Agreement (other than omissions therefrom permitted by Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "Rule") and except for any information listed in the following sentence, as to which we express no view) and the Official Statement (except for any information listed in the following sentence, as to which we express no view), as of its date and as of this date, contained or contain any untrue statement of a material fact or omitted or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. We express no view as to: (a) the information under the captions "SUMMARY STATEMENT – Report of the Airport Consultant", "INTRODUCTION – Prospective Financial Information", "THE SERIES 2018A BONDS – Book-Entry Only System", "REPORT OF THE AIRPORT CONSULTANT", "FINANCIAL ADVISOR", "INDEPENDENT ACCOUNTANTS", "UNDERWRITING" and "VERIFICATION AGENT" in the Preliminary Official Statement or the Official Statement; (b) any other financial, technical, statistical or demographic data or forecasts included or incorporated by reference in the Preliminary Official Statement or the Official Statement or the Appendices thereto; (c) any information about the book-entry system and The Depository Trust Company; and (d) the information in Appendices A and D to the Preliminary Official Statement or the Official Statement.

Reference in this letter to "lawyers in our firm responsible for this matter" includes only those lawyers now with this firm who rendered legal services in connection with this matter. This letter is being furnished only to you for your use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement in connection with the original issuance and delivery of the Series 2018A Bonds is concluded upon delivery of this letter.

Respectfully submitted,

_________, 2018

To: Barclays Capital Inc.,
as Representative of the Underwriters identified in the
Purchase Agreement described below
New York, New York

We have delivered to you, as Representative of the Underwriters identified in the Bond Purchase Agreement dated _________, 2018 (the "Underwriters"), a copy of our letter dated this date as Disclosure Counsel to our client the Metropolitan Washington Airports Authority ("Airports Authority") (the "Letter to the Airports Authority"). In our Letter to the Airports Authority, we confirm to the Airports Authority our beliefs regarding the Preliminary Official Statement, dated __________, 2018 (the "Preliminary Official Statement") and the Official Statement, dated June 6, 2017 (the "Official Statement"), relating to the Airports Authority's $___________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "Series 2018A Bonds"), dated the date of this letter.

Subject to the matters stated in the final paragraph hereof, this is to advise that you have our consent to rely upon the Letter to the Airports Authority as if it were addressed to the Underwriters in connection with your initial purchase of the Series 2018A Bonds, except that you may not rely upon the Letter to the Airports Authority to the extent that it relates to the yield on the Bonds and the information in the Preliminary Official Statement and the Official Statement under the heading "UNDERWRITING".

This letter is furnished by us in our capacity as Disclosure Counsel to the Airports Authority and not as counsel to any other person. No attorney-client relationship has existed or exists between our firm and you in connection with the transaction described herein or by virtue of this letter. The levels of our inquiry, review, investigation and diligence were determined under the terms of our engagement by the Airports Authority as its Disclosure Counsel. No inference should be drawn from our delivery of this letter to the Underwriters that levels of our inquiry, review, investigation or diligence are sufficient for any purpose other than to render the Letter to the Airports Authority in our capacity as Disclosure Counsel to the Airports Authority and in accordance with the scope of our engagement by the Airports Authority. We assume the Underwriters have disclosed to us any information known to the Underwriters that would be relevant to us in rendering the Letter to the Airports Authority. This letter is furnished by us solely for the benefit of the Underwriters in connection with the initial purchase by the Underwriters of the Series 2018A Bonds and may not be relied upon for any other purpose or by any other person, including the holders, owners or beneficial owners of the Series 2018A Bonds. Our engagement by the Airports Authority in connection with the original issuance and delivery of the Series 2018A Bonds is concluded upon delivery of this letter.

Respectfully submitted,

EXHIBIT B
to
BOND PURCHASE AGREEMENT

Opinion of Vice President and General Counsel

___________, 2018

Manufacturers and Traders Trust Company, as Trustee
Baltimore, Maryland

Barclays Capital Inc.
Representative of the Underwriters

$____________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds
Series 2018A (AMT)

Ladies and Gentlemen:

This opinion is rendered pursuant to Section 7(e)(2) of the Bond Purchase Agreement, dated ___________, 2018 (the "*Purchase Agreement*"), between the Metropolitan Washington Airports Authority (the "*Airports Authority*") and Barclays Capital Inc. (the "*Representative*"), on behalf of itself and the other underwriters signatory thereto and named in the Official Statement (as hereinafter defined), providing for the sale by the Airports Authority and the purchase by the Underwriters of the Airports Authority's $____________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "*Bonds*"), dated the date of delivery. Terms defined in the Purchase Agreement are used in this opinion as defined therein.

I am employed as Vice President and General Counsel of the Airports Authority and have acted as counsel to the Airports Authority in connection with the issuance and sale of the Bonds. In that capacity, I have examined, among other things, the following:

(a) Certificate of the Secretary to the Board as to the Appointment and Incumbency with respect to members of the Airports Authority;

(b) Certified copies of the By-laws and Regulations of the Airports Authority;

(c) The proceedings of the Airports Authority relating to the issuance and sale of the Bonds, including, without limitation, certified copies of Resolution No. ______ (the "*Bond Resolution*") approving the terms of the Bonds and the sale thereof pursuant to the Purchase Agreement;

(d) An executed counterpart of the Federal Lease, as amended;

(e) An executed counterpart of each of the Master Indenture, the Fiftieth Supplemental Indenture, the Refunding Agreements, the Disclosure Agreement and the Purchase Agreement (the "*Bond Documents*");

(f) An executed counterpart of the Airline Agreement;

(g) The Preliminary Official Statement and the final Official Statement;

(h) The form of Bond for each of the Bonds; and

(i) Such other documents, proceedings, and records, as I deemed necessary or appropriate for the purpose of rendering this opinion.

I also have reviewed the District Act, the Virginia Act, the Federal Act, each as amended, and such other laws as I deemed necessary for the purpose of rendering this opinion.

Based on such examination and review, I am of the opinion that:

(1) The Airports Authority is a public body corporate and politic created by enactment of the Virginia Act and the District Act, with the consent of Congress pursuant to the Federal Act, as amended, with the powers and authority set forth in the Virginia Act and the District Act and with full legal right, power, and authority to own, operate, improve, and maintain the Airports, to enter into the amended Federal Lease, the Bond Documents, and the Airline Agreement, to adopt the Bond Resolution, to issue, sell, and deliver the Bonds to the Underwriters pursuant to the Purchase Agreement and to carry out and perform its obligations under the Federal Lease, the Bond Documents, the Airline Agreement, and the Bonds.

(2) The Airports Authority is duly constituted in accordance with the Virginia Act and the District Act and the members thereof have been duly appointed and are validly serving.

(3) The Bond Resolution has been duly adopted by the Airports Authority and is in full force and effect.

(4) The Federal Lease has been duly authorized, executed, and delivered by the Airports Authority and constitutes the valid and binding obligation of the Airports Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

(5) The Airline Agreement has been duly authorized, executed, and delivered by the Airports Authority and constitutes the valid and binding obligation of the Airports Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and the performance by the Airports Authority under the Airline Agreement does not conflict with or constitute on the part of the Airports Authority a breach of or default under (i) the Indenture, (ii) the Federal Lease, (iii) any other agreement or instrument to which the Airports Authority is a party, or (iv) any existing law, administrative regulation, court order, or consent decree to which the Airports Authority is subject. The Airline Agreement is in effect with respect to all of the Signatory Airlines.

(6) The execution and delivery of the Bond Documents and the adoption of the Bond Resolution, do not conflict with or constitute on the part of the Airports Authority a breach of or default under (i) the Indenture, (ii) the Federal Lease, (iii) any other agreement or instrument to which the Airports Authority is a party or (iv) any existing law, administrative regulation, court order, or consent decree to which the Airports Authority is subject.

(7) In connection with the issuance, sale, and delivery of the Bonds, the Airports Authority has complied in all respects with the amended Federal Lease, the Bond Resolution, the Bond Documents, the Airline Agreement, and the Virginia Act, the District Act, and the Federal Act, each as amended.

(8) All approvals, consents, and orders of any governmental authority, board, agency, council, commission, or other body having jurisdiction which would constitute a condition precedent to the performance by the Airports Authority of its obligations under the Bond Resolution, the Bond Documents, the Bonds, and the Airline Agreement have been obtained (other than building permits and other similar consents and approvals which may be required for the construction or operation of any facilities financed or refinanced with the proceeds of the Bonds); provided that no opinion is expressed as to any approvals, consents, or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations. No consents and approvals are required under the Airline Agreement, which would constitute a condition precedent to the performance by the Airports Authority of its obligations under the Bond Resolution, the Bond Documents, and the Bonds.

(9) Each of the Bond Documents and the Bond Resolution constitutes the valid and binding obligation of the Airports Authority enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

(10) Except as described in the Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Airports Authority or against any other party of which the Airports Authority has notice or, to the knowledge of the Airports Authority, threatened against the Airports Authority, (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds or the collection of Net Revenues pledged under the Indenture to secure the Bonds, (ii) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of the Bonds, the Bond Resolution, the Indenture, the Airline Agreement, or the Purchase Agreement, (iii) in any way contesting the creation, existence, powers or jurisdiction of the Airports Authority or 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 Bonds or (iv) which, if adversely determined, could materially adversely affect the financial position of the Airports Authority or the transactions contemplated by the Official Statement, the Bond Resolution, the Indenture, the Federal Lease or the Purchase Agreement.

(11) The Preliminary Official Statement and the Official Statement and the distribution thereof have been approved by the Airports Authority and the execution and delivery of the Official Statement to the Underwriters has been authorized by the Airports Authority.

(12) The statements and information contained in Appendix C of the Preliminary Official Statement and the Official Statement constitute fair and accurate summaries of the material provisions of the Airline Agreement.

I have participated in the preparation of the Preliminary Official Statement and the Official Statement, and I have reviewed and discussed with members of the Airports Authority staff and others the information therein. On the basis thereof, I have no reason to believe that the information in the Preliminary Official Statement, as of its date and as of the date of the Purchase Agreement, and the Official Statement (except in each case (i) information under the captions "THE SERIES 2018A BONDS – Book-Entry Only System," and "UNDERWRITING" and in APPENDIX D – "Book Entry Only System," (ii) Permitted Omissions from the Preliminary Official Statement, and (iii) the financial statements and other statistical and financial data contained therein, as to all of which I express no opinion or belief), as of its date and as of the date hereof, contained or contains any untrue or misleading statement of a material fact, or omitted or omits to state any material fact, necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

[to be signed by the Vice President and General Counsel]

EXHIBIT C
to
BOND PURCHASE AGREEMENT

Opinion of Ballard Spahr LLP as Trustee's and Escrow Agent's Counsel

_____________, 2018

Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, DC 20001

Manufacturers and Traders Trust Company
Baltimore, MD

Barclays Capital Inc.
Representative of the Underwriters

$_____________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds
Series 2018A (AMT)

Dear Sirs:

This opinion is rendered pursuant to Section 7(e)(3) of the Bond Purchase Agreement, dated ____________, 2018 (the "Purchase Agreement"), between the Metropolitan Washington Airports Authority (the "Airports Authority") and Barclays Capital Inc. (the "Representative"), on behalf of itself and the other underwriters signatory thereto and named in the Official Statement (as hereinafter defined), providing for the sale by the Airports Authority and the purchase by the Underwriters of the Airports Authority's $____________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "*Bonds*"), dated the date of delivery. Terms defined in the Purchase Agreement are used in this opinion as therein defined.

We have acted as counsel to Manufacturers and Traders Trust Company (the "Trustee") in its capacity as trustee under the Amended and Restated Master Indenture of Trust dated as of September 1, 2001, as amended, between the Airports Authority and the Trustee (the "Master Trust Indenture"), and the Fiftieth Supplemental Indenture of Trust between the Airports Authority and the Trustee, dated as of __________, 2018 (the "Supplemental Indenture"; together with the Master Trust Indenture, the "Master Indenture"), in connection with the issuance and delivery of the Bonds. In that capacity, we have examined an executed counterpart of the Master Trust Indenture and the Supplemental Indenture. We also have examined certain other incidental affidavits, certificates and other documents executed by the Trustee and necessary as a basis for this opinion. We have made such investigation of fact and law and have examined originals or certified copies of such resolutions and other records of the Trustee, certificates of public officials, officers of the Trustee and other persons, and have examined such other documents, as we deemed necessary for the purposes of this opinion. As to matters of fact, we have relied upon such certificates and have assumed (without making any independent investigation of the facts) that the statements made therein are accurate and complete in all material respects. In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents purporting to be originals, and the conformity to the originals of all documents purporting to be copies thereof.

In rendering this opinion, we have assumed that (i) each other party that has executed or will execute a document, instrument or agreement to which the Trustee is a party, duly and validly executed and delivered each document, instrument or agreement to which such party is a signatory and that such party's obligations set forth therein are its legal, valid and binding obligations, enforceable in accordance with their respective terms, (ii) each person executing any document, instrument or agreement on behalf of any such party is duly authorized to do so, and (iii) each natural person executing any instrument, document or agreement referred to herein is legally competent to do so.

In our examination of documents for purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals and conformity to original documents submitted to us as certified or photostatic copies. We also have assumed the genuineness of all signatures on all documents submitted to us for examination.

Based on and subject to qualifications set forth below, it is our opinion that:

1. The Trustee is a banking corporation duly organized and validly existing under the laws of the State of New York and qualified under the laws of the Commonwealth of Virginia to carry out its duties and responsibilities as Trustee under the Master Trust Indenture.

2. The Trustee has duly accepted its appointment as Trustee under the Master Trust Indenture and as escrow agent under the Refunding Agreements.

3. The Trustee has duly authorized, executed and delivered the Master Trust Indenture and the Forty-ninth Supplemental Indenture. The Master Trust Indenture and the Fiftieth Supplemental Indenture constitute the legal and valid obligations of and are binding on and enforceable against the Trustee in accordance with their terms, except that enforceability may be limited (i) by applicable federal or state bankruptcy, insolvency, reorganization, moratorium and similar laws or equitable principles relating to or affecting the rights of creditors or other obligees generally; (ii) by applicable principles of equity, whether such principles are applied by a court of equity or a court of law; and (iii) to the extent that remedies are sought with respect to a breach that a court concludes is not material or does not adversely affect the Airports Authority or the Holders of Bonds.

This opinion is rendered solely for your benefit in connection with the closing today of the transactions contemplated by the aforementioned documents. It may not be relied upon by you for any other purpose, nor may it be furnished to, used, circulated, quoted or relied upon by any other person for any other purpose, without our prior written consent in each instance.

Very truly yours,

[to be signed by "Ballard Spahr LLP"]

EXHIBIT D
to
PURCHASE AGREEMENT

Certificate of the Airport Consultant

___________, 2018

Mr. Warner H. Session
Chairman of the Board

Mr. John E. Potter
President and Chief Executive Officer

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

$____________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds,
Series 2018A (AMT)

Dear Mr. McDermott and Mr. Potter:

We hereby consent to the inclusion of our Report of the Airport Consultant dated _________, 2018 as Appendix A in the Preliminary Official Statement dated May 19, 2017, and in the Official Statement dated June 6, 2017, relating to the above-captioned bonds. We also consent to the references to our firm in the Preliminary Official Statement and the Official Statement under the headings: "THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY" and "REPORT OF THE AIRPORT CONSULTANT".

As stated in our report, we have no responsibility to update our report because of events and transactions occurring after the date of the report. For purposes of issuing this consent letter, we have reviewed our report and confirm our opinion that, on and as of the date of this letter, the assumptions underlying the projections provide a reasonable basis for the projections set out in the report.

Respectfully submitted,

EXHIBIT E
to
BOND PURCHASE AGREEMENT

Form of Certificate of Frasca & Associates LLC

$___________
Metropolitan Washington Airports Authority
Airport System Revenue and Refunding Bonds
Series 2018A (AMT)

We have served as financial advisor to the Metropolitan Washington Airports Authority ("Airports Authority") in connection with the issuance by the Airports Authority's $___________ Airport System Revenue and Refunding Bonds, Series 2018A (AMT) (the "*Bonds*"). In that capacity, we have performed certain calculations for the Airports Authority including, but not limited to, calculations regarding the size and structure of the Bonds. In addition, based on information provided to us by the Airports Authority, we have estimated that approximately $[___] of additional bonds will be required to finance the remaining costs of certain projects in the Capital Construction Program ("CCP") through December 20___.

We also have provided the information included in the sections of the Official Statement relating to the Bonds entitled "ESTIMATED SOURCES AND USES OF FUNDS" and "DEBT SERVICE SCHEDULE".

It should be noted that the amount of additional bond financing actually required to finance the CCP noted above, after the issuance of the Bonds, could vary from our current estimate to the extent that actual experience differs from the assumptions used, particularly with respect to the amount or availability of additional grant revenues, the proceeds of Passenger Facility Charges, the cost of individual projects, the start and completion dates of individual projects, the extent to which inflation affects project costs and the interest rate on future issues of bonds. The variations in the amount of additional bond financing actually required compared to the amount in our current estimate could be significant.

This certificate is being delivered on the ____ day of ___________, 2018.

FRASCA & ASSOCIATES LLC

By:_________________________
Its:_________________________

EXHIBIT F

$[______________]

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
AIREPORT SYSTEM REVENUE BONDS, SERIES 2018A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Barclays Capital Inc. ("Representative"), acting on behalf of itself and the other members of the underwriting syndicate (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") of the Metropolitan Washington Airports Authority (the "Airports Authority").

1. ***Initial Offering Price***. On or before the Sale Date, the Underwriting Group offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices (the "Initial Offering Prices") set forth on the [inside cover] page of the Issuer's Official Statement, dated ______, 2018, with respect to the Bonds (the "Official Statement"). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule A. [Except for the following Maturities,] [T]he first price at which at least 10% of each Maturity of the Bonds was sold to the Public is the respective Initial Offering Price set forth on the inside cover page of the Official Statement. [list Maturities, if any]. [On the Sale Date, the Underwriters sold at least 10% of each Maturity of the Bonds to the Public at the Initial Offering Price for such Maturity.].

[2. ***Hold-the-Offering-Price Rule***. As set forth in the Bond Purchase dated _____ [__], 2018, between the Issuer and the Representative, the members of the Underwriting Group agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Bonds, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement no Underwriter (as defined below) offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

[(a) *Holding Period* means, with respect to each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of business on ____, 2018, which is the fifth business day after the Sale Date, or (ii) the date on which the Underwriters sold at least 10% of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.]

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(d) A purchaser of any of the Bonds is a *Related Party* to any Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ____ [__], 2018.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Airports Authority with respect to certain of the representations set forth in the [Tax Certificate] with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Squire Patton Boggs (US) LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. With respect to Bonds allotted to Underwriters other than the Representative, information furnished in this certificate with regard to sales of Bonds in paragraph 1 and with respect to compliance with the hold-the-offering-price rule in paragraph 2 is based solely on certifications provided to the Representative by such other Underwriters, [or in the case of sales during the retail offering period, representations transmitted by wire to the Representative from such other Underwriters], and has not been independently verified by us; however, we have no reason to believe such information is untrue in any material respect.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this [__] day of _____, 2018.

Barclays Capital Inc.

By:________________________

Name:

Title:

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2018

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 2018A Bonds is excluded from gross income for federal income tax purposes, except interest on any Series 2018A Bond for any period during which that Series 2018A 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 2018A Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed under the Code on individuals and, for taxable years beginning before January 1, 2018, corporations, and (ii) interest on the Series 2018A 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. See "TAX MATTERS" for a more detailed discussion.

[INSERT LOGO]

$[___________]*
Airport System Revenue and Refunding Bonds
Series 2018A
(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 and Refunding Bonds, Series 2018A, in the principal amount of $[_________]* (the "Series 2018A Bonds") will be payable on October 1, 2018, and semiannually thereafter on each April 1 and October 1. The Series 2018A Bonds are issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof. When issued, the Series 2018A 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 2018A Bonds, in principal amounts shown on the inside cover page 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 2018A BONDS – Book-Entry Only System."

Proceeds of the Series 2018A Bonds, along with other available funds, will be used to (i) pay a portion of the costs of certain capital projects at the Airports, and capitalized interest, (ii) refund all or a portion of the Airports Authority's outstanding Airport System Revenue Bonds, Series 2008A and Airport System Revenue Bonds, Series 2009C, (iii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Series 2018A Bonds and any other Common Reserve Bonds, and (iv) pay costs of issuing the Series 2018A Bonds.

The Series 2018A 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 Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "Fiftieth 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 2018A Bonds and any other moneys available for such payment, the Series 2018A 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 2018A Bonds will not be subject to acceleration upon an event of default or otherwise.

THE SERIES 2018A 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 2018A 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 2018A 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 2018A Bonds are subject to redemption prior to maturity, as more fully described herein.

The Series 2018A Bonds are offered when, as and if issued and received by the Underwriters. Legal matters with respect to the issuance of the Series 2018A 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, Katten Muchin Rosenman LLP. It is expected that the Series 2018A Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about July 3, 2018.

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.

Citigroup | **Barclays** | **Jefferies** | **Ramirez & Co., Inc.**

BofA Merrill Lynch
Morgan Stanley

Goldman Sachs & Co. LLC
Siebert Cisneros Shank & Co., L.L.C.

_______, 2018

* Preliminary, subject to change.

Metropolitan Washington Airports Authority

$[___________]*
Airport System Revenue and Refunding Bonds
Series 2018A
(AMT)

Year October 1	Principal Amount	Interest Rate	Yield	Price	CUSIP† No.

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

1 Aviation Circle
Washington, D.C. 20001-6000
(703) 417-8700

MEMBERS OF THE AIRPORTS AUTHORITY

Warner H. Session, *Chairman*	A. Bradley Mims
Earl Adams, Jr., *Vice Chairman*	Thorn Pozen
Anthony H. Griffin	Honorable David G. Speck
Honorable Katherine K. Hanley	William E. Sudow
Barbara Lang	Honorable J. Walter Tejada
Honorable Robert W. Lazaro, Jr.	Mark Uncapher
Caren D. Merrick	Nina Mitchell Wells
	Joslyn N. Williams

SENIOR MANAGEMENT

President and Chief Executive Officer.. John E. Potter
Senior Vice President and General Counsel .... Philip G. Sunderland
Senior Vice President for Finance and Chief Financial Officer .... Andrew T. Rountree
Senior Vice President for Engineering.. Roger Natsuhara
Senior Vice President for Human Resources and Administrative Services........... Anthony Vegliante
Senior Vice President for Technology and Chief Information Officer.................. Goutam Kundu
Senior Vice President for Dulles Corridor Metrorail Project................................ Charles Stark
Vice President and Secretary .... Monica R. Hargrove
Vice President for Audit .... Lee Wyckoff
Vice President for Supply Chain Management.. Julia T. Hodge

Executive Vice President and Chief Operating Officer .... Margaret E. McKeough
Vice President and Airport Manager - Reagan National Airport............................ J. Paul Malandrino, Jr.
Vice President and Airport Manager - Dulles International Airport...................... Mike Stewart
Vice President for Public Safety .... Bryan Norwood

Executive Vice President and Chief Revenue Officer .... Jerome L. Davis
Vice President for Communications and Government Relations........................... David Mould
Vice President for Airline Business Development... Yil Surehan
Vice President for Marketing and Consumer Strategy .... Chryssa Westerlund

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 DKMG Consulting LLC

This Official Statement is provided in connection with the issuance of the Series 2018A 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 2018A 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 2018A 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.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018A 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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APPENDICES

SUMMARY STATEMENT

This Summary Statement is qualified in its entirety by reference to the information appearing elsewhere in this Official Statement. Capitalized 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). In addition, Net Revenues of the Aviation Enterprise Fund do not secure Dulles Toll Road Revenue Bonds. The Series 2018A Bonds are being issued solely to finance and refinance capital 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 2017, enplanements totaled approximately 11.9 million, nearly all on flights to domestic destinations, marking the seventh consecutive year of record enplanement growth at Reagan National Airport. For the 12-month period ending September 30, 2017, origin-destination ("O&D") passengers accounted for an estimated 88.3% of enplanements at Reagan National Airport. The top two airlines at Reagan National Airport (American Airlines, Inc., along with its code-sharing affiliate carriers, and Southwest Airlines) enplaned 64.2% of all commercial enplanements in 2017.

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 2017, enplanements totaled approximately 11.3 million, 34.0% on flights to international destinations, and marked the 14^{th} consecutive year of growth in international travel at Dulles International Airport. For the 12-month period ending September 30, 2017, O&D passengers accounted for an estimated 68.9% of enplanements at Dulles International Airport. United Airlines, Inc., along with its code-sharing affiliate carriers, accounted for 75.7% of domestic enplanements and 39.0% of international enplanements at Dulles International Airport in 2017, while foreign-flag scheduled airlines accounted for virtually all of the remaining 61.0% 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 expiring on December 31, 2024. The Airports Authority and airlines operating at Dulles International Airport signed a First Universal Amendment to the Airline Agreement on July 27, 2016 (the “First Universal Amendment”), extending the term of the Airline Agreement from December 31, 2017 to December 31, 2024.

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.

For a description of the Airline Agreement and the First Universal Amendment, 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 nearly complete, and the 2015-2024 CCP, which was approved as part of the current Airline Agreement. Under the CCP, the Airports Authority is constructing and will continue to 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 are collectively referred to as the "2001-2016 CCP." The 2001-2016 CCP was an approximately $5.0 billion program. The only remaining project that is still under construction is the Dulles International Airport Metrorail station, which is expected to be finished and operational in 2020. See "CAPITAL CONSTRUCTION PROGRAMS (CCP) – The 2001-2016 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 the First Universal Amendment 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 $1.9 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 (as defined below), including the possible issuance of approximately $32.7 million of additional bonds for the 2001-2016 CCP ($7.4 million of which will be issued as part of the Series 2018A Bonds) and approximately $1.3 billion of additional bonds for the 2015-2024 CCP ($192.1 million of which will be issued as part of the Series 2018A Bonds), 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 2018A Bonds

The Airports Authority expects to issue its Airport System Revenue and Refunding Bonds, Series 2018A, in the principal amount of $[____________][*] (the "Series 2018A Bonds"). The Series 2018A 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 Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "Fiftieth 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 2018A Bonds, the Airports Authority's outstanding bonds previously issued under the Master Indenture, and any additional bonds and commercial paper 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 2018A BONDS." See also APPENDIX B – "Definitions and Summary of Certain Provisions of the Indenture" for the full definition of "Bonds."

Use of the Series 2018A Bond Proceeds

Proceeds of the Series 2018A Bonds, along with other available funds, will be used to (i) pay a portion of the costs of certain capital projects at the Airports, and capitalized interest, (ii) refund all or a portion of the Airports Authority's outstanding Airport System Revenue Bonds, Series 2008A (the "Series 2008A Refunded Bonds") and Airport System Revenue Bonds, Series 2009C (the "Series 2009C Refunded Bonds"), (iii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Series 2018A Bonds and any other Common Reserve Bonds, and (iv) pay costs of issuing the Series 2018A Bonds.

All of the Bonds to be refunded with the proceeds of the Series 2018A Bonds are collectively referred to as the "Refunded Bonds" and will be legally defeased upon issuance of the Series 2018A Bonds. The Airports Authority may refund additional series of Bonds or certain maturities of Bonds if market conditions warrant such refunding on the pricing date.

Security and Source of Payment

The Series 2018A 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 2018A Bonds and the defeasance of the Refunded Bonds, approximately $[___][*] 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."

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[*] Preliminary, subject to change.

For a description of the Airline Agreement and the First Universal Amendment, 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 2018A 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.

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 2018A 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 2018A 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 2018A Bonds and any other Common Reserve Bonds; (ii) the Maximum Annual Debt Service on the Series 2018A Bonds and any other Common Reserve Bonds in any Fiscal Year; or (iii) 125% of the average Annual Debt Service for the Series 2018A Bonds and any other Common Reserve Bonds. On the closing date, a portion of the amount from the series-specific reserve account pertaining to the Series 2009C Refunded Bonds will be transferred to the Common Reserve Account and will be used to satisfy a portion of the Common Debt Service Reserve Requirement allocable to the Series 2018A 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."

Grants 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. In March 2017 the Airports Authority received the first $25 million installment, and the second $25 million installment was received in January 2018. 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 Dulles International Airport. The execution of the First Universal Amendment ensures the retention of domestic hub service at Dulles International Airport through at least 2024, which is required for receipt of the funds. In addition, the Airports Authority has entered into an agreement with the Virginia Department of Transportation that presents a plan for long-term cost reductions at Dulles International Airport, also required to receive the funds. See "CERTAIN AGREEMENTS FOR USE OF THE AIRPORTS – Grants from Commonwealth of Virginia."

Redemption of the Series 2018A Bonds

The Series 2018A Bonds are subject to redemption prior to maturity as described under "THE SERIES 2018A BONDS – Redemption of the Series 2018A Bonds."

Certain Investment Considerations

The Series 2018A Bonds may not be suitable for all investors. Prospective purchasers of the Series 2018A Bonds should read this entire Official Statement and give careful consideration to certain factors affecting the air transportation industry and the Airports, including national and global economic conditions, geopolitical risks, financial condition of airlines serving the Airports, cost of aviation fuel, air transportation security concerns, 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 2018A Bonds. The Airport Consultant, together with its subconsultant, DKMG Consulting LLC, prepared the Report of the Airport Consultant dated _______, 2018 (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. 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 2018 through 2023. 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 2018A Bonds; other Bonds to be outstanding following the issuance of the Series 2018A 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 – Application of Designated Passenger Facility Charges" and "PLAN OF FUNDING FOR THE CCP – Funding Source: PFCs."

Forecast Debt Service Coverage
($000's)

						LESS:					
							Intended PFCs				
Year	Net Revenues	Series 2018A Bonds Debt Service	Planned Additional Bonds Debt Service[1]	Outstanding Bonds Debt Service	CP Notes Debt Service	Irrevocable PFC[2]	Currently Approved IAD[3]	Currently Approved DCA[4]	Pending Future Approval DCA[5]	Net Bonds Debt Service	Debt Service Coverage Ratio[6]
2018	$ 554,281	$ 4,740	$ -	$ 380,404	$ -	$ -	$ (43,600)	$ (5,002)	$ -	$ 336,542	1.65x
2019	$ 562,829	$ 28,531	$ 6,316	$ 336,254	$ -	$ -	$ (47,400)	$ (5,847)	$ (4,714)	$ 313,140	1.80x
2020	$ 579,120	$ 46,900	$ 37,445	$ 335,911	$ -	$ -	$ (46,400)	$ (28,965)	$ (4,710)	$ 340,182	1.70x
2021	$ 601,362	$ 41,116	$ 55,195	$ 347,691	$ -	$ -	$ (47,400)	$ (28,962)	$ (4,852)	$ 362,788	1.66x
2022	$ 613,392	$ 56,780	$ 64,863	$ 331,649	$ -	$ -	$ (48,300)	$ (28,961)	$ (6,058)	$ 369,972	1.66x
2023	$ 619,730	$ 52,575	$ 70,050	$ 328,220	$ -	$ -	$ (49,300)	$ (28,961)	$ (5,628)	$ 366,956	1.69x

1 Additional Bonds that the Airports Authority plans to issue to complete the funding for the 2015-2024 CCP.
2 Pursuant to the Thirty-fifth Supplemental Trust Indenture, the Airports Authority may irrevocably commit Designated Passenger Facility Charges (as such term is defined herein) in future years. The Airports Authority currently has not irrevocably committed Designated Passenger Facility Charges for future years during the forecast period but may do so in the future. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Application of Designated Passenger Facility Charges."
3 PFC revenues generated at Dulles International Airport approved under existing PFC applications that the Airports Authority intends to use to pay Bond debt service.
4 PFC revenues generated at Reagan National Airport approved under existing PFC applications that the Airports Authority intends to use to pay Bond debt service.
5 Bond debt service for future Additional Bonds that will need to be approved in a future PFC application for projects at Reagan National Airport.
6 The Report of the Airport Consultant assumes that PFC revenues will be used to pay a portion of the debt service on Outstanding Bonds as well as debt service on planned additional Bonds. Consequently, such portion of the debt service on those Bonds is excluded from the calculation of the Rate Covenant in the Report of the Airport Consultant.

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 DKMG 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 "INTRODUCTION – Prospective Financial Information," "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 2018A Bonds the ratings of "[AA-]" (Stable Outlook), "[Aa3]" (Stable Outlook) and "[AA-]" (Stable Outlook), respectively.

OFFICIAL STATEMENT

relating to

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

$[____________]*
Airport System Revenue and Refunding Bonds
Series 2018A
(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 and Refunding Bonds, Series 2018A, to be issued in the principal amount of $[___________]* (the "Series 2018A Bonds").

The Series 2018A Bonds

The Series 2018A 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 Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "Fiftieth 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 2018A 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 2018A Bonds, along with other available funds, will be used to (i) pay a portion of the costs of certain capital projects at the Airports, and capitalized interest, (ii) refund all or a portion of the Airports Authority's outstanding Airport System Revenue Bonds, Series 2008A and Airport System Revenue Bonds, Series 2009C, (iii) fund a deposit to the Common Reserve Account in the Debt Service Reserve Fund to satisfy the debt service reserve requirement for the Series 2018A Bonds and any other Common Reserve Bonds, and (iv) pay costs of issuing the Series 2018A Bonds.

All of the Bonds to be refunded from the proceeds of the Series 2018A Bonds are collectively referred to as the "Refunded Bonds" and will be legally defeased upon issuance of the Series 2018A Bonds. The Airports Authority may refund additional series of Bonds or certain maturities of Bonds if market conditions warrant such refunding on the pricing date.

* Preliminary, subject to change.

Prospective Financial Information

Airports Authority management believes that the prospective financial information from its 2018 Budget (see "AIRPORTS AUTHORITY FINANCIAL INFORMATION – Aviation Enterprise Fiscal Year 2018 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 2018A 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 2018A Bonds are qualified in their entirety by reference to the forms of the Series 2018A Bonds included in the Fiftieth Supplemental Indenture.

The audited financial statements of the Airports Authority for the year ended December 31, 2017, 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 2017 ("2017 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, 2017 set forth in the 2017 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 2018A 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 2018A Bonds.

Inquiries regarding information about the Airports Authority and its financial matters contained in this Official Statement may be directed to Andrew T. Rountree, Senior 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 is to 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 is expected to be operational in 2020. 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 of the Aviation Enterprise Fund that secure the Bonds. In addition, such Net Revenues do not secure Dulles Toll Road Revenue Bonds. See "THE AIRPORTS AUTHORITY – Operation of the Dulles Toll Road and Construction of the Dulles Metrorail Project." The Series 2018A Bonds are being issued solely to finance and 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 12 parking positions for regional airline aircraft. As of December 31, 2017, Reagan National Airport was served by eight mainline U.S. airlines, nine affiliated regional airlines, and two foreign flag airlines. In 2017, enplanements totaled approximately 11.9 million, nearly all flights to domestic destinations, marking the seventh consecutive year of record enplanements at Reagan National Airport.

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, 82 loading bridge-equipped aircraft gates, and 29 parking positions for regional airline aircraft. As of December 31, 2017, Dulles International Airport was served by eight mainline U.S. airlines, eight regional airlines (most operating as affiliates of mainline airlines), 29 foreign flag airlines, and five all-cargo carriers. In 2017, enplanements totaled approximately 11.3 million, 34.0% on flights to international destinations, and marked the 14th consecutive year of growth in international travel at the Airport.

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, two seats appointed by the President of the United States are 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
Warner H. Session, *Chairman*	Mayor of the District of Columbia	January 5, 2023*
Earl Adams, Jr., Vice Chairman	Governor of Maryland	October 10, 2018
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
Honorable Robert W. Lazaro, Jr.	Governor of Virginia	November 23, 2022
Caren D. 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
Honorable David G. Speck	Governor of Virginia	November 23, 2020
William E. Sudow	Governor of Virginia	October 11, 2018
Honorable J. Walter Tejada	Governor of Virginia	November 23, 2018
Mark Uncapher	Governor of Maryland	November 30, 2022
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	May 30, 2022
Vacant	President of the United States	

The Board operates through several committees that include the Standing Committees of Business Administration, Dulles Corridor, Finance and Strategic Development, and the committees of Ethics Review, Executive and Governance, Human Resources, Nominations and Risk Management. Primary oversight over financing activities is provided by the Finance and the Risk Management Committees.

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 E. 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 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 Executive Vice President and Chief Operating Officer of the Airports Authority. Ms. McKeough previously served for more

* Second term.
** Status of this seat will be updated in the final Official Statement.

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. She currently serves as Vice Chair of the U.S. Secretary of Commerce Travel and Tourism Advisory Board; President of the Aero Club of Washington; and as a member of the U.S. Department of Transportation Oversight Committee for the Airport Cooperative Research Program. 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 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 Immediate Past-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. She is a member of the District of Columbia and Virginia State Bars. 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 Senior 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 is Senior Vice President for Finance and Chief Financial Officer. Prior to assuming this position in December, 2010, Mr. Rountree served as the Acting Vice President for Finance and Chief Financial Officer and was the Deputy Chief Financial Officer beginning in 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 also served as Deputy Director of Finance from 1998 to 2000, and as the Chief of the License, Assessment, and Tax Audit beginning in 1996. Mr. Rountree served in a number of positions with the Commonwealth of Virginia, including Assistant Controller with the Department of Information Technology from 1990 to 1996 and Audit Director with the Auditor of Public Accounts, the legislatively appointed auditor for the Commonwealth, until 1990. Mr. Rountree currently serves on the Board Finance Committee for Airports Council International-North America (ACI-NA), and is Immediate Past-Chair of the ACI-NA Finance Steering Committee. He was recognized in 2017 as ACI-NA Finance Professional of the Year for Large Hub Airports. Mr. Rountree is a graduate of Virginia Commonwealth University (B.S., Economics, 1982) and is a Certified Public Accountant in the Commonwealth of Virginia.

LEE WYCKOFF. Mr. Wyckoff is 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 in Maryland 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 Senior 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).

ANTHONY VEGLIANTE. Mr. Vegliante is Senior 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).

JULIA T. HODGE. Ms. Hodge is Vice President for Supply Chain Management, responsible for the Airports Authority's Procurement and Contracts, Supplier Diversity, and Property Management functions. She joined the Airports Authority in September 2009 and held leadership positions in the Office of Finance, Office of Audit and Office of Corporate Risk and Strategy, where she served as the Deputy Vice President responsible for organization-wide governance, compliance, and strategic planning. Ms. Hodge was an auditor and management consultant with PricewaterhouseCoopers, LLP for ten years prior to joining the Airports Authority. 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).

GOUTAM KUNDU. Mr. Kundu is Senior 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).

CHARLES STARK. Mr. Stark is Senior Vice President for the Dulles Corridor Metrorail Project. Prior to assuming this position in September 2014, Mr. Stark was Vice President and Project Executive for AECOM. He was also responsible for the management of the Los Angeles County Metropolitan Transportation Authority (MTA) underground projects including the $4.5 billion Metro Red Line Subway. Previously, Mr. Stark was the Chief Operating Officer for the Miami Access Tunnel, responsible for engineering and construction management of the $969 million project for a design-build-operate-maintain contractor. Mr. Stark is a graduate of City College of New York (B.S., Mechanical Engineering, 1970) and Manhattan College (M.S., Civil Engineering, 1978). He is a registered Professional Engineer in Virginia and California.

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).

MIKE STEWART. Mr. Stewart is Vice President and Airport Manager at Dulles International, which includes the Airport, Dulles Toll Road and Dulles International Airport Access Highway. Prior to assuming this position in December 2017 he served as the Vice President for Airline Business Development. He joined the Airports Authority in April 2007 and previously held management positions as Airline Affairs Manager, Airport Administration Department Manager at Dulles and Acting Manager of Business Development. Prior to joining the Airports Authority, Mr. Stewart began his aviation career in 1983 as a Station Agent for Piedmont Airlines and over 15 years held several supervisory and management positions, including Station Manager, for Piedmont and its successor US Airways. He also served as Regional Director for United Express Station Operations at Atlantic Coast Airlines and as Director of Airport Affairs for Independence Air. Mr. Stewart is a graduate of Middle Tennessee State University (B.S., Aerospace, 1983).

BRYAN NORWOOD. Mr. Norwood is Vice President for Public Safety. 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).

DAVID R. MOULD. Mr. Mould is Vice President for Communications and Government Affairs, which includes corporate communications, media relations, employee communications, government relations, corporate relations and noise information 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 has also 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 is a graduate of Emory University (M.B.A., 1998) and the University of Tennessee (B.S. Communications, 1980).

YIL SUREHAN. Mr. Surehan is Vice President for Airline Business Development. He joined the Airports Authority in March 2018. Prior to joining the Airports Authority, Mr. Surehan was Director, Airline Route Development, at the Massachusetts Port Authority ("Massport") for 12 years, responsible for the development and expansion of air service at Boston Logan International Airport. Prior to joining Massport, Mr. Surehan had a 15-year career in the airline industry in the areas of planning/scheduling/market development, as Manager, International Schedules Planning at United Airlines, as Director, Capacity Planning at Alaska Airlines, and as Senior Planning Analyst at American Airlines. Mr. Surehan is a graduate of New York University (B.S., Finance and International Business, dual major, 1987) and the University of Texas (M.B.A., Economics, 1999).

CHRYSSA WESTERLUND. Ms. Westerlund is Vice President of Marketing and Consumer Strategy, which includes marketing, digital strategy, revenue strategy and airport concessions. Prior to assuming this position, Ms. Westerlund served as Deputy Vice President of Planning and Revenue Development. Before joining the Airports Authority in January of 2015, Ms. Westerlund served as a Global Alliance Director for Hewlett-Packard's IT services division and focused on growing revenue through the development of new partners and services. She also spent a number of years as a management consultant providing strategic advisory services to Fortune 500 companies. Ms. Westerlund is a graduate of the University of Texas in Austin (B.B.A., Accounting, 1992) and the University of Pennsylvania's Wharton School of Business (M.B.A., Marketing, 1997) and is a Certified Public Accountant in Texas.

Employees and Labor Relations

As of March 2018, the Airports Authority employed approximately 1,713 full and part-time employees, 1,648 of whom were employed in aviation functions and 65 of which were employed in Dulles Corridor (toll and rail), and, of that total, 338 of whom were employed in consolidated functions. Of the total employees of the Airports Authority, 851 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 1,585 acres of land, as well as aviation easements over approximately 158 acres of land adjacent to Dulles International Airport. Included in the land acquired are approximately 1,163 acres to accommodate new runways and related improvements at Dulles International Airport and approximately 422 acres for 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.

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)" 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 6 and 7 to the 2017 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, 2017 was $5.519 million, and the adjusted lease payment for the year ending June 6, 2018 is estimated to be $5.628 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.

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.

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) <u>The High Density Rule</u>. 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) <u>The Perimeter Rule</u>. 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. For example, 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 134 "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.

Possible Future Restrictions at Reagan National Airport

For security reasons, the federal government could restrict future flights at, or close, 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 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

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* 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.

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.

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

Under its Dulles Corridor Enterprise Fund, the Airports Authority operates and maintains the Dulles Toll Road ("DTR") and is constructing the Dulles Metrorail Project. The Airports Authority accounts for these activities through 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 of the Aviation Enterprise Fund that secure the Bonds. In addition, such Net Revenues do not secure Dulles Toll Road Revenue 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 is to 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 from PFCs. The Airports Authority has issued approximately $1.7 billion of Dulles Toll Road Revenue Bonds and $1.278 billion of Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 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 2018A BONDS

General

The Series 2018A Bonds are being issued under the Indenture. The Series 2018A Bonds will be dated as of their date of delivery, which will be on or about July 3, 2018, will bear interest from that date, payable beginning on October 1, 2018, 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 2018A 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 2018A Bonds."

Book-Entry Only System

The Series 2018A 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 2018A 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 2018A Bonds, the Series 2018A Bonds will be exchangeable for other fully registered certificated Series 2018A 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 2018A Bond. The cost, if any, of preparing each new Series 2018A 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 2018A Bonds, payment of interest will be made by wire transfer as directed by such Holder. Payment of principal of the Series 2018A 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 2018A 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 2018A 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 2018A BONDS; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2018A BONDS; OR (vi) ANY OTHER MATTER RELATING TO DTC OR THE BOOK-ENTRY ONLY SYSTEM.

Redemption of the Series 2018A Bonds

Optional Redemption at Par

The Series 2018A Bonds maturing on and after October 1, 20__ are subject to optional redemption prior to maturity by the Airports Authority, on and after October 1, 20__, in whole or in part, by lot, at any time, at 100% of the principal amount of the Series 2018A Bonds to be redeemed plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The $________ Series 2018A Bonds term bond maturing October 1, 20__, is subject to mandatory sinking fund redemption in part, by lot, prior to maturity on October 1, in the years set forth below (each a "Sinking Fund Redemption Date"), at a redemption price equal to the principal amount of such term bond called for redemption:

Year (October 1)	Principal Amount
*	

*Final Maturity

The $_________ Series 2018A Bonds term bond maturing October 1, 20__, is subject to mandatory sinking fund redemption in part, by lot, prior to maturity on October 1, in the years set forth below (each a "Sinking Fund Redemption Date"), at a redemption price equal to the principal amount of such term bond called for redemption:

Year (October 1)	Principal Amount
*	

*Final Maturity

Credits on Sinking Fund Redemption Dates

At its option, to be exercised on or before the 45th day next preceding any such applicable Sinking Fund Redemption Date, the Airports Authority may: (i) cause to be paid to the Trustee for deposit in the Series 2018A Bonds Redemption Account such amount, or direct the Trustee to use moneys in the applicable Principal Account and Interest Account allocable to payments due on the applicable Series 2018A Bonds on such Sinking Fund Redemption Date in such amount, as the Airports Authority may determine, accompanied by a certificate directing the Trustee to apply such amount to the purchase of the applicable Series 2018A Bonds, and the Trustee will use all reasonable efforts to expend such funds as nearly as may be practicable in the purchase of such Series 2018A Bonds, at a price not exceeding the principal amount thereof plus accrued interest to such Sinking Fund Redemption Date; or (ii) receive a credit against its sinking fund redemption obligation for the applicable Series 2018A Bonds which prior to such date have been purchased by the Airports Authority and presented to the Trustee for cancellation or redeemed (other than through the operation of the sinking fund) and canceled by the Trustee and, in either case, not theretofore applied as a credit against any sinking fund redemption obligation. Any such purchase in lieu of redemption (as described above) will occur no later than forty-five (45) days prior to the applicable Sinking Fund Redemption Date.

Each Series 2018A Bond so purchased, delivered or previously redeemed will be credited by the Trustee as provided above at 100% of the principal amount thereof against the obligation of the Airports Authority on such Sinking Fund Redemption Date. Any excess over such obligation will be credited, as directed in writing to the Trustee by an Authority Representative, against applicable future sinking fund redemption obligations, or deposits with respect thereto, and the principal amount of such Series 2018A Bonds to be redeemed by operation of the sinking fund will be accordingly reduced. Any funds received by the Trustee pursuant to clause (i) of the preceding paragraph, but not expended as provided therein for the purchase of Series 2018A Bonds on or before said 45th day will be retained in the applicable Redemption Account and will thereafter be used only for the purchase of the applicable Series 2018A Bonds, as a credit, as directed in writing to the Trustee by an Authority Representative, against future sinking fund obligations, or deposits with respect thereto.

Method of Selecting the Bonds for Redemption

In the event that less than all of the outstanding Series 2018A 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 2018A Bonds of a maturity are to be redeemed, the Series 2018A 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 2018A 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 2018A Bonds of the applicable Series.

Notice of Redemption

Any notice of redemption of any Series 2018A Bonds must specify (a) the date fixed for redemption, (b) the principal amount of the Series 2018A 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 2018A 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 2018A Bonds which have been redeemed will cease to accrue, and (h) the designation, including Series, and the CUSIP and serial numbers of any Series 2018A Bonds to be redeemed and, if less than the face amount of any Series 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A 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 2018A Bond proceeds deposited in certain segregated funds held by the Trustee. Upon the issuance of the Series 2018A Bonds and the defeasance of the Refunded Bonds, approximately $[___]* 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 2018A 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."

* Preliminary, subject to change.

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 2018A Bonds are secured by a pledge of and lien on certain proceeds of the sale of the Series 2018A 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 2018A 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 2018A Bonds and investment earnings thereon, the Series 2018A 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 2018A 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 2018A 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 2018A Bonds and any other Common Reserve Bonds; (ii) the Maximum Annual Debt Service on the Series 2018A Bonds and any other Common Reserve Bonds in any Fiscal Year; or (iii) 125% of the average Annual Debt Service for the Series 2018A Bonds and any other Common Reserve Bonds. After the issuance of the Series 2018A Bonds, the Common Debt Service Reserve Requirement will be $____________, 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, Series 2016B, Series 2017A and Series 2018A. The Series 2009C Refunded Bonds are currently secured by a series-specific reserve account. A portion of the amount in that series-specific reserve account pertaining to the Series 2009C Refunded Bonds will be transferred to the Common Reserve Account and will be used to satisfy a portion of the Common Debt Service Reserve Requirement allocable to the Series 2018A 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 2018A 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, at least 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."

Application of Designated Passenger Facility Charges

The Airports Authority has paid Annual Debt Service in certain fiscal years with Designated Passenger Facility Charges (as described below). Pursuant to its 2018 Budget, the Airports Authority intends to deposit $43.6 million of Designated Passenger Facility Charges in 2018 into the PFC Project Account and then to transfer such charges into the PFC Debt Service Account to pay debt service on certain PFC Eligible Bonds (as defined below). For purposes of calculating compliance with the rate covenant for those prior fiscal years and for 2018, in accordance with the provisions described in the following paragraphs, Annual Debt Service has been, and for 2018 will be, reduced by the amount of such debt service paid from Designated Passenger Facility Charges. See APPENDIX B for detailed information regarding certain covenants and agreements that the Airports Authority has made with respect to the use of PFCs.

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 will 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 in the past caused, and may in the future cause, certain amounts of Designated Passenger Facility Charges to be irrevocably committed for specified years 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. By causing such irrevocable commitments of Designated Passenger Facility Charges in specified years, the Airports Authority is able to reduce the amount of Annual Debt Service payable in such years for purposes of the additional bonds test and the rate covenant.

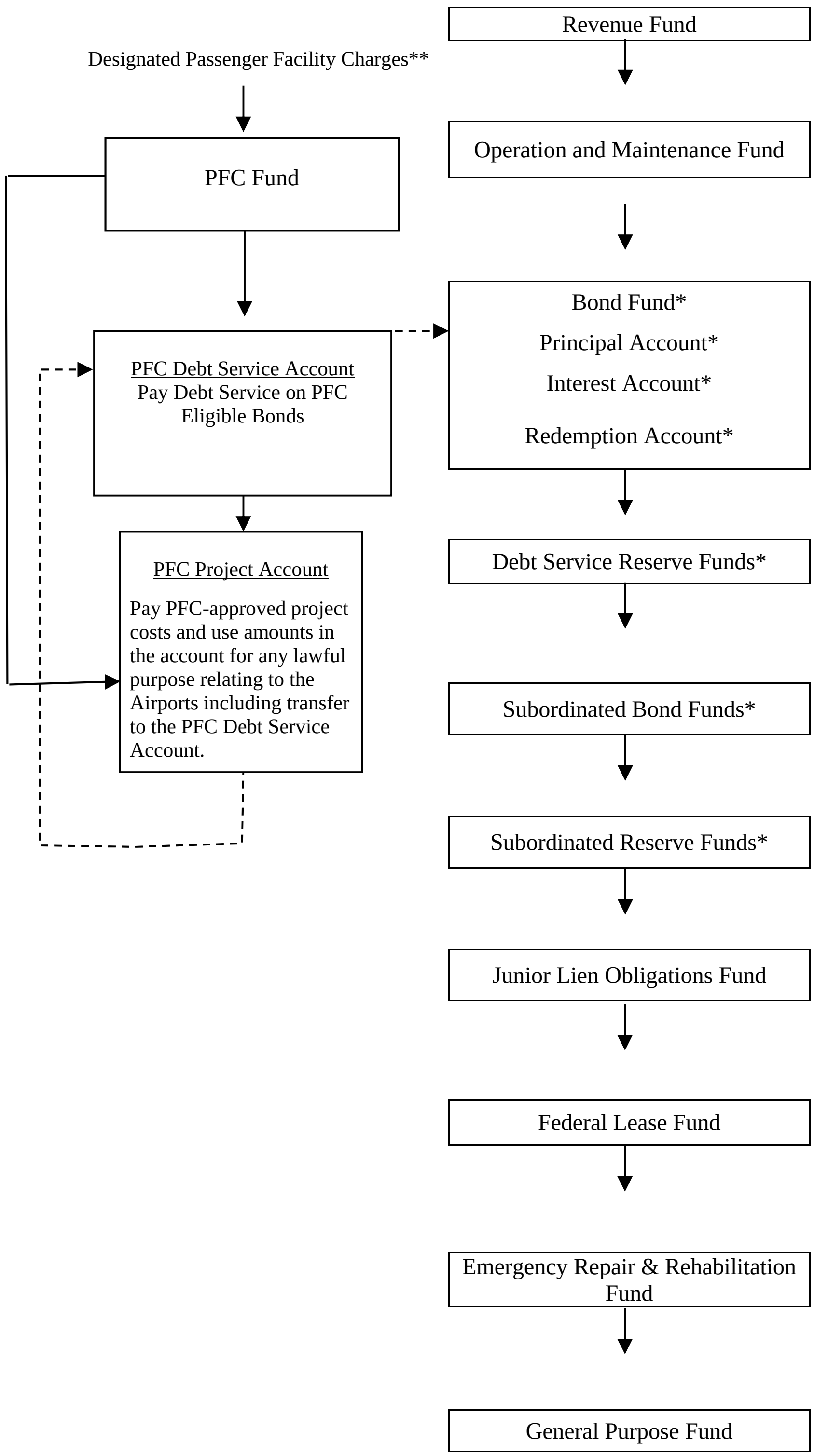
The term "Designated Passenger Facility Charges" is defined in the Thirty-fifth Supplemental Indenture to mean revenues received by the Airports Authority from the $4.50 passenger facility charge imposed by the Airports Authority at Dulles International Airport under certain PFC applications, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting PFC revenues. Currently, the Designated Passenger Facility Charges include all PFCs collected at 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 of 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.

Under the Thirty-fifth Supplemental Indenture, any Designated Passenger Facility Charges received by the Airports Authority after 2016 are to be deposited in the PFC Project Account of the PFC Fund. 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 certain 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, at which time they are irrevocably committed for such purpose. In 2018 and continuing through 2023, the Airports Authority intends to transfer Designated Passenger Facility Charges to the PFC Debt Service Account to pay principal and/or interest on such Bonds. See the column entitled "Currently Approved IAD" in the Forecast Debt Service Coverage table in the Summary Statement.

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



(a) To the Operation and Maintenance Fund, an amount necessary to increase the balance in the Operation and Maintenance Fund to 25% of Operation and Maintenance Expenses set forth in the Airports Authority's budget for the current Fiscal Year.

(b) To the applicable Principal Account, Interest Account and Redemption Account in the Bond Fund, amounts, if any, set forth in the applicable Supplemental Indenture with respect to each Series of Bonds, subject to a credit for certain amounts on deposit therein.

(c) To the applicable account in the Debt Service Reserve Fund with respect to each Series of Bonds, amounts, if any, set forth in the applicable Supplemental Indenture to replenish any deficiency therein.

(d) To the Subordinated Indenture Trustee, an amount equal to the deposit to the Subordinated Bond Funds required by the Subordinated Indenture.

(e) To the Subordinated Indenture Trustee, an amount required by the Subordinated Indenture to replenish any Subordinated Reserve Funds.

(f) To the Junior Lien Obligations Fund, an amount equal to any required deposits pursuant to Junior Lien Indentures.

(g) To the Federal Lease Fund, 1/12 of the amount required to be paid annually to the federal government under the Federal Lease plus the amount, if any, necessary to make up any prior deficiencies.

(h) To the Emergency Repair and Rehabilitation Fund, 1/12 of the aggregate amount, if any, withdrawn from such Fund in the preceding Fiscal Year.

(i) To the General Purpose Fund, all remaining moneys required to be withdrawn from the Revenue Fund on the first Business Day of each month.

* Funds or Accounts held by the Trustee.
** See "Application of Designated Passenger Facility Charges" above.

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 2018A 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 2018A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2018A Bonds and other available funds of the Airports Authority.

SOURCES:	
Par Amount of Bonds	
Net Original Issue Premium	
Airports Authority Funds[1]	
Total Sources	
USES:	
Deposit to Construction Fund	
Capitalized Interest[2]	
Deposits to Retire or Redeem the Refunded Bonds	
Deposit to Common Reserve Account	
Underwriters' Discount and Costs of Issuance	
Total Uses	

[1] Amounts released from the debt service accounts for the Refunded Bonds and the series-specific reserve fund for the Series 2009C Refunded Bonds.
[2] Includes capitalized interest payable on other Bonds of the Airports Authority allocable to facilities not yet placed in service.

On the closing date, $[___________] will be transferred from the series-specific reserve account for the Series 2009C Refunded Bonds to the Common Debt Service Reserve Account to satisfy a portion of the Common Debt Service Reserve Requirement allocable to the Series 2018A Bonds.

Refinancing Plan

A portion of the proceeds of the Series 2018A 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, 2018 (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. The Airports Authority may refund additional series of Bonds or certain maturities of Bonds if market conditions warrant such refunding on the pricing date.

DEBT SERVICE SCHEDULE

The following table sets forth (i) the debt service on the Series 2018A Bonds, (ii) the debt service on approximately $[____]* billion of fixed rate Bonds to be outstanding immediately

* Preliminary, subject to change.

following the issuance of the Series 2018A Bonds and the defeasance of the Refunded Bonds, and (iii) the assumed debt service on outstanding variable rate debt consisting of approximately $53.8 million of the outstanding Series 2003D Bonds, approximately $116.8 million of the outstanding Series 2009D Bonds, approximately $145.5 million of the outstanding Series 2010C Bonds, approximately $148.8 million of the outstanding Series 2010D Bonds, approximately $180.0 million of the outstanding Series 2011A Bonds, approximately $133.7 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 2018A Principal**	**Series 2018A Interest**	**Outstanding Bonds Debt Service***	**Debt Service on Maximum Available CP Notes****	**Total Debt Service**
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
Total***					

* Excluding Refunded Bonds. Unhedged variable rate debt at an interest rate of ____% in 2018, ____% in 2019 and ____% thereafter.
** Assumes 30 year level debt service amortization at an interest rate of ____%.
*** 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 accommodate increased aviation activity 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 two terminals that 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. Terminal B/C has 35 aircraft gates on three concourses 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 FAA Airplane Design 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 Terminal B/C.

There are 9,094 public parking spaces at Reagan National Airport, with 6,408 garage spaces (including eight electric car charging stations), 2,653 surface spaces and 33 cell phone waiting area spaces. Terminal B/C is connected to the public parking garages through two enclosed pedestrian bridges. In addition, there are approximately 3,200 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 is eligible for listing on the National Register of Historic Places. There are four runways at Dulles International Airport: 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 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. Concourses A and B are connected and together provide approximately 1.1 million square feet of floor space, and accommodate parking positions for 29 regional airline aircraft and 32 loading bridge-equipped aircraft gates for international and domestic airlines.

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 46 loading bridge-equipped aircraft gates for both international and domestic airlines.

Dulles International Airport has two gates that support the boarding and unloading of passengers from the upper and lower decks of the A-380 aircraft. The current runway/taxiway system operates under several FAA-approved Modification of Standards for Group VI aircraft. Group VI aircraft have specific operational requirements and routes that are approved by the FAA. As pavement along these routes is rehabilitated it is required to be brought up to Group VI standards.

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 23,673 public parking spaces at Dulles International Airport, with 15,151 surface spaces (including 173 for-hire vehicle spaces), 8,325 garage spaces (including eight electric car charging stations), and 197 cell phone waiting area spaces. In addition, there are approximately 6,800 employee surface parking spaces.

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

United Airlines maintains 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.

The Smithsonian operates 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 from time to time. 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. The Airports Authority is actively searching for opportunities to develop the Western Lands Area. Additionally, the north Terminal Area has been evaluated for potential commercial development including hotel and retail uses.

CAPITAL CONSTRUCTION PROGRAMS (CCP)

The Airports Authority's 2015-2024 CCP was approved as part of the current Airline Agreement as amended by the First Universal Amendment. Under the CCP, the Airports Authority is constructing and will continue to 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

The 2001-2016 CCP was an approximately $5.0 billion program which included approximately $544.3 million of projects at Reagan National Airport and approximately $4.5 billion of projects at Dulles International Airport. The only remaining project from the 2001-2016 CCP that is still under construction is the Dulles International Airport Metrorail station, which is expected to be finished and operational in 2020. The Dulles International Airport

Metrorail station project is expected to cost approximately $233.0 million upon final completion. The remaining cost of the project will be paid from PFC revenues.

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.

The 2015-2024 CCP includes the following project categories:

Summary of the 2015-2024 CCP[1]

Description	Reagan National Airport Project Costs	Dulles International Airport Project Costs	Total Project Costs[2]
Airfield	$ 125,466,844	$198,790,528	$ 324,257,371
Airport Buildings	854,624,898	222,146,162	1,076,771,061
Systems & Services	50,611,738	55,995,546	106,607,284
Ground Transportation	114,933,365	39,064,308	153,997,674
Non-aviation	0	9,409,948	9,409,948
Passenger Conveyance	0	76,823,125	76,823,125
Maintenance	0	1,803,084	1,803,084
Public Safety	9,182,125	5,847,399	15,029,525
Administration	69,835,448	42,370,684	112,206,131
TOTAL[3]	**$1,224,654,418**	**$652,250,785**	**$1,876,905,202**

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 are currently being constructed in the north and south areas of the Terminal. This project will allow connecting passengers to flow freely between the Terminal's three concourses. Additionally, more food/beverage and other concessions will be available to post-security passengers.

New North Concourse. A new concourse is currently being 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 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 $652.3 million. The Airline Agreement initially approved $142 million for 2015-2017 to provide for maintenance investment in existing infrastructure. The First Universal Amendment added $445.6 million for terminal improvements including utility upgrades to Concourse C/D, capacity enhancements to the International Arrivals Building, baggage handling improvements, existing aircraft gates to accommodate additional international service, construction of additional domestic gates, airfield pavement, passenger conveyance systems, airport-wide utility systems, roads and other support projects. Each approved amount is escalated annually in accordance with the terms of the Airline Agreement and the First Universal Amendment.

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, including electrical and utility upgrades, apron rehabilitation and equipment replacement.

Aircraft Gate Expansion. Up to six additional gates will be constructed to accommodate additional aircraft.

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 were incorporated as part of the 2015-2024 CCP that was approved by the Signatory Airlines as part of the current Airline Agreement; however, the cost of the Deferred Projects is not included in the cost of the 2015-2024 CCP. While the Airports Authority does not currently have plans to move forward with the Deferred Projects, design work may continue 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 Deferred Projects include planned new concourses south of the existing concourses, referred to as the 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.

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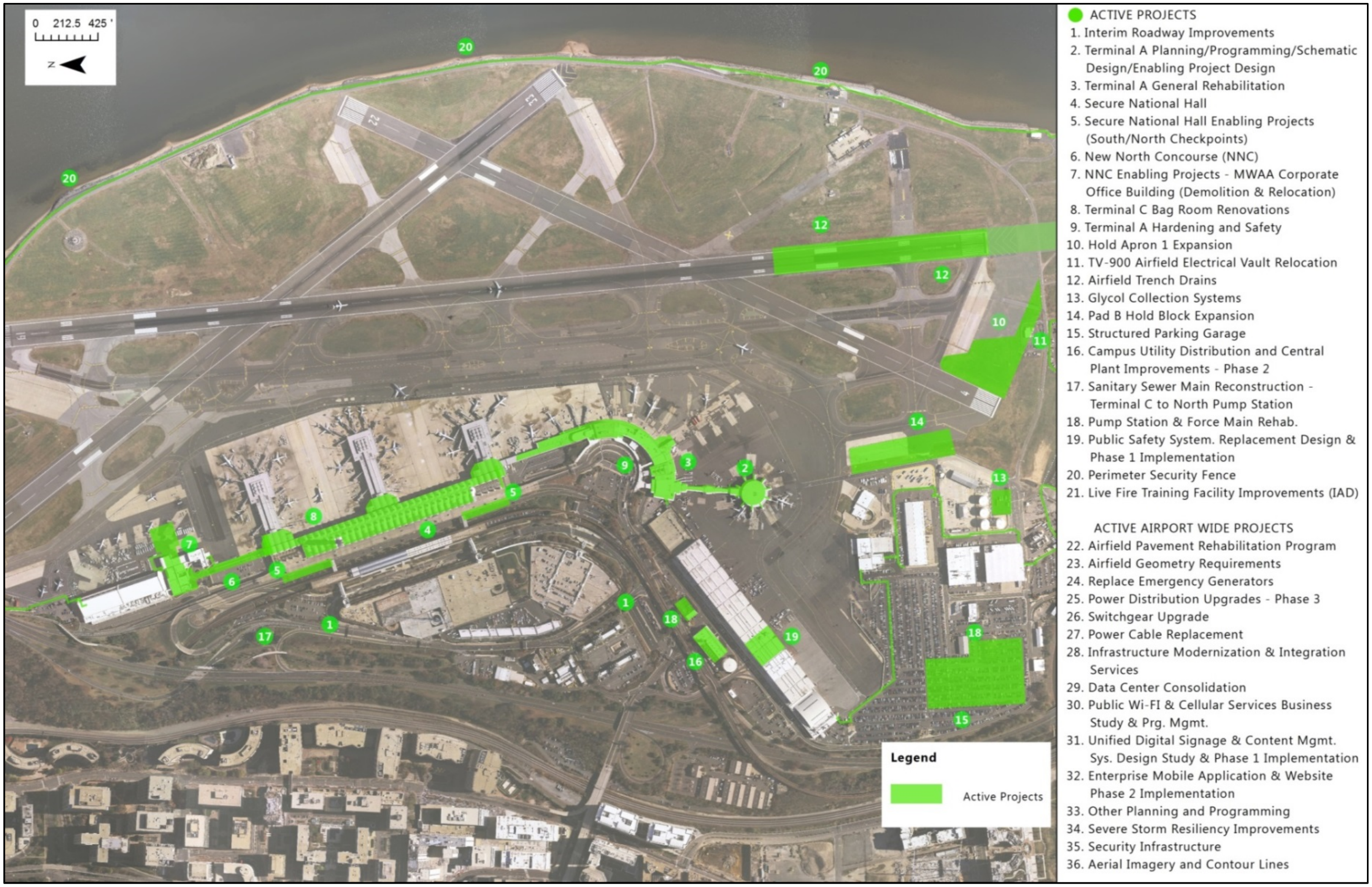
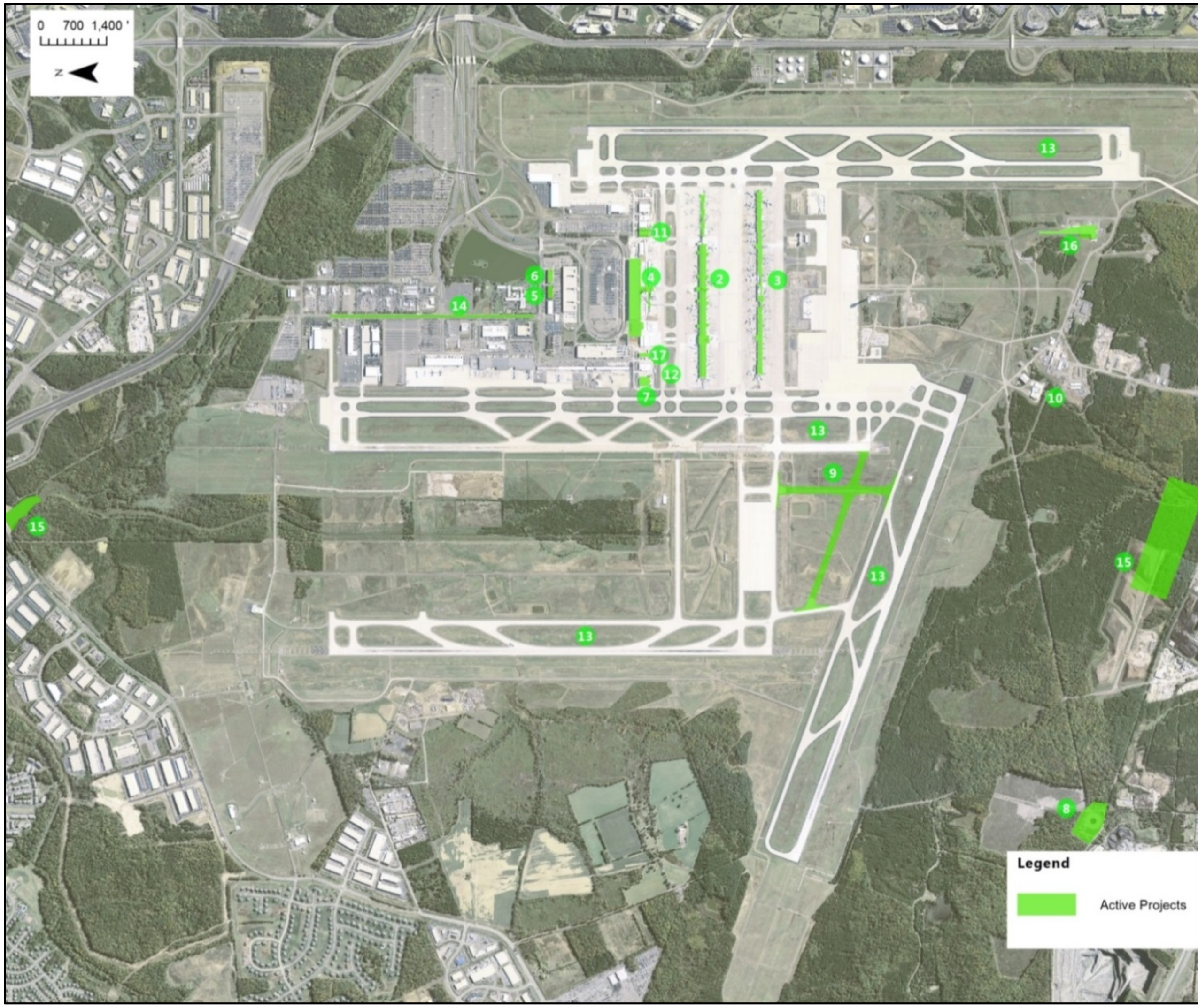
Capital Construction Projects at Reagan National Airport
2015-2024 CCP



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 2015-2024 CCP will require approval by the FAA in order to update the ALPs or use federal grant funds, and are subject to environmental review and approval as required by the National Environmental Policy Act ("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 ("FONSI") 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.

NEPA documentation was completed for the New North Concourse and Secure National Hall projects at Reagan National Airport, with the FAA issuing a FONSI on November 9, 2016. Other planned improvements at Reagan National Airport, such as roadway improvements and a parking garage, also will require an environmental assessment and FONSI prior to approval by the FAA. Other smaller projects in the 2015-2024 CCP at Reagan National Airport likely will qualify for categorical exclusions.

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. However, it is possible that the FAA will determine that some of the terminal improvement or gate expansion projects would require an environmental assessment and FONSI prior to being approved.

PLAN OF FUNDING FOR THE CCP

The cost of the projects in the 2015-2024 CCP (excluding any Deferred Projects) is expected to be approximately $1.9 billion when adjusted for inflation. The Airports Authority plans to finance the 2015-2024 CCP projects with the proceeds of Bonds (including a portion of the proceeds of the Series 2018A Bonds, as set forth below), 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]	$	422,219,651
Proceeds from Series 2018A Bonds		192,128,508
Future Bonds[1]		1,095,327,850
Subtotal from Bonds	$	1,709,676,009
Federal and State Grants	$	167,229,193
Total	$	**1,876,905,202**

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

Funding Source: Bond Proceeds

The Series 2018A Bonds are expected to be issued to pay approximately $192.1 million of 2015-2024 CCP project costs (adjusted for inflation). The Airports Authority previously issued Bonds to fund approximately $422.2 million of the 2015-2024 CCP, along with funding capitalized interest, reserve requirements and financing costs. After the issuance of the Series 2018A Bonds, 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, 2017. Between January 2001 and September 2017, the Airports Authority received approximately $531.9 million in entitlement and discretionary grant funds.

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 2017, the Airports Authority received approximately $37.5 million in state grants since 1998. The Airports Authority expects to receive $2 million in 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 uses certain PFC revenues to pay debt service on PFC eligible Bonds that are issued to pay costs of the CCP. 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 operator 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, 2018, the Airports Authority had collected $837.1 million (including interest earned) under the applications at Reagan National Airport (including active and closed applications) and $771.6 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 included in the Net Revenues and is not pledged to secure the Bonds, including the Series 2018A Bonds.

The following table provides the annual collections of PFC revenue, plus interest income, from 2013 through 2017.

PFC Revenue

Calendar Year	Reagan National Airport	Dulles International Airport	Total[1]
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
2016	47,428,958	42,059,511	89,488,469
2017	43,475,973	47,470,884	90,946,857

[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 2018A 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 May 31, 2018†
2003D	$ 150,000,000	$ 53,825,000
2008A*	250,000,000	167,770,000
2009B	236,825,000	204,605,000
2009C*	314,435,000	268,510,000
2009D	136,825,000	116,785,000
2010A	348,400,000	309,345,000
2010B	229,005,000	132,130,000
2010C	170,000,000	145,540,000
2010D	170,000,000	148,840,000
2010F1	61,820,000	61,820,000
2011A	233,635,000	180,020,000
2011B	207,640,000	133,715,000
2011C	185,390,000	139,320,000
2011D	10,385,000	8,020,000
2012A	291,035,000	277,780,000
2012B	20,790,000	7,315,000
2013A	207,205,000	207,205,000
2013B	27,405,000	21,145,000
2013C	11,005,000	11,005,000
2014A	539,250,000	482,435,000
2015A	163,780,000	163,780,000
2015B	279,235,000	266,050,000
2015C	35,975,000	30,625,000
2015D	30,490,000	30,490,000
2016A	362,655,000	362,655,000
2016B	23,370,000	23,370,000
2017A	522,135,000	517,975,000
Total	$5,218,690,000	$4,472,075,000

* The Airports Authority expects that all or a portion of the Series 2008A Bonds and the 2009C Bonds will be refunded with a portion of the proceeds of the Series 2018A Bonds.

† This table will be updated upon the pricing of the Series 2018A Bonds.

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 on March 1, 2007, October 1, 2009, March 6, 2014, and February 27, 2017 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 Industrial and Commercial Bank of China Limited, New York Branch ("ICBC"), which expires on February 25, 2022. 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 2018A Bonds.

Credit Facilities Relating to Bonds

In addition to the letter of credit securing the Series Two CP Notes, the Airports Authority has approximately $442.3 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	$116,785,000	$145,540,000	$180,020,000
Expiration Date	February 25, 2022	February 28, 2021	September 21, 2020	September 28, 2018
Letter of Credit Provider	ICBC[2]	TD Bank[3]	SMBC[4]	RBC[5]
Ratings[6] (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+[7]/Aa1[7]/AAA[7]	AA+[7]/Aa1[7]/AA+[7]	AAA[7]/Aa1[7]/AAA[7]

[1] The principal amount as of May 2018.
[2] Industrial and Commercial Bank of China Limited, New York Branch.
[3] TD Bank, N.A.
[4] Sumitomo Mitsui Banking Corporation.
[5] Royal Bank of Canada. The Royal Bank of Canada is the parent company of RBC Capital Markets, LLC.
[6] Ratings as of May 2018.
[7] Long-term ratings assigned are joint default analysis ratings.

Direct Purchase Bonds

The Airports Authority has $336.4 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]	$53,825,000	$148,840,000	$133,715,000
Mandatory Purchase Date	October 1, 2018	September 22, 2020	April 1, 2020
Purchaser	Wells Fargo[2]	Wells Fargo[2]	U.S. Bank[3]

[1] The principal amount as of May 2018.
[2] Wells Fargo Municipal Capital Strategies, LLC.
[3] U.S. Bank National Association.

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 tax-exempt basis. 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[5] Moody's/ S&P/Fitch	Hedged Series	Original Notional Amount	Outstanding Notional Amount as of April 2018	Fair Value as of April 2018	Rate Paid by Counterparty	Rate Paid by Airports Authority	Termination Date
07/31/2001	Bank of America, N.A.[1]	Aa3/A+/A+	2011A-2	$80,590,000	$23,780,000	$ (1,181,504)	72% LIBOR	4.445%	10/01/2021
06/15/2006	JPMorgan Chase Bank, N.A.[2] Bank of America, N.A.	Aa3/A+/ AA- Aa3/A+/A+	2011A-3 2009D 2010C2	$190,000,000 $110,000,000	$162,171,333 $93,888,667	$(34,959,414) $(19,688,469)	72% LIBOR	4.099%	10/01/2039
06/15/2006	Wells Fargo Bank, National Association[3]	Aa2/A+/ AA-	2010D	$170,000,000	$148,841,800	$(33,694,029)	72% LIBOR	4.112%	10/01/2040
09/12/2007	Wells Fargo Bank, National Association[3,4]	Aa2/AA+/ AA-	2011A-1	$125,000,000	$108,631,250	$(18,865,718)	72% LIBOR	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%.
[5] Ratings as of May 2018.

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 2018A Bonds and the defeasance of the Refunded Bonds, approximately 17%* of the Airports Authority's outstanding Bonds will be in a variable rate mode (approximately 12%* will be synthetic fixed rate and approximately 5%* will be unhedged variable rate) and 83%* 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 2018A 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

* Preliminary, subject to change.

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 2018A Bonds, CP Notes, Subordinated Bonds and Junior Lien Obligations.

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, 2017 and December 31, 2016, is contained in the Airports Authority's 2017 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 years ended December 31, 2017 and December 31, 2016 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 of Financial Information provided in this Official Statement concerns only the Aviation Enterprise Fund.

Aviation Enterprise Fund Fiscal Years Ended December 31, 2013 Through 2017

Historical Statements of Revenues, Expenses and Changes in Net Position for the Aviation Enterprise Fund for the five Fiscal Years ended December 31, 2013 through 2017, 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

	12/31/2013	12/31/2014[1]	12/31/2015	12/31/2016	12/31/2017
OPERATING REVENUES					
Concessions	$236,254,054	$253,486,229	$286,049,575	$316,453,536	$332,007,816
Rents	305,301,798	293,951,059	316,082,521	307,980,996	283,755,117
Landing fees	128,386,773	118,863,519	105,741,304	93,422,084	93,764,918
Utility sales	12,143,660	12,524,281	12,920,034	13,019,300	13,260,122
Passenger fees	32,828,954	34,247,856	30,500,912	32,544,343	27,872,762
Other	8,108,012	9,103,861	10,546,031	10,639,749	10,902,393
	723,023,251	722,176,805	761,840,377	774,060,008	761,563,128
OPERATING EXPENSES					
Materials, equipment, supplies, contract services, other	205,964,686	193,644,452	193,733,350	186,332,647	209,049,602
Impairment loss/design costs	–	8,000,402	–	2,045,592	295,303
Salaries and related benefits	155,687,570	147,529,800	167,220,134	171,931,528	172,453,925
Utilities	26,116,991	26,197,069	25,568,096	25,683,982	25,175,478
Lease from U.S. Government	5,335,290	5,297,523	5,392,439	5,502,217	5,562,099
Depreciation and amortization	237,667,144	236,314,390	238,558,192	234,151,332	224,157,392
	630,771,681	616,983,636	630,472,211	625,647,298	636,693,799
OPERATING INCOME (LOSS)	92,251,570	105,193,169	131,368,166	148,412,710	124,869,329
NON-OPERATING REVENUES (EXPENSES)					
Investment income	11,992,454	13,535,125	14,061,258	17,941,016	24,739,309
Interest expense	(216,902,168)	(202,577,928)	(189,397,216)	(189,201,753)	(178,913,318)
Federal, state and local grants	736,767	1,121,552	798,437	703,711	25,804,757
Fair value gains (loss) on swaps	81,962,970	(54,156,518)	1,196,495	16,447,932	13,175,314
Contributions to (from) other governments	–	(34,727,931)	(26,104,546)	(37,647,152)	(48,879,320)
	(122,209,977)	(276,805,700)	(199,445,572)	(191,756,246)	(164,073,258)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(29,958,407)	(171,612,531)	(68,077,406)	(43,343,536)	(39,203,929)
CAPITAL CONTRIBUTIONS					
Passenger facility charges	79,056,914	82,278,776	88,552,338	89,811,124	90,946,857
Federal and State grants	73,256,629	64,911,075	47,589,763	21,468,924	21,158,222
Other capital property contributed	8,500,000	–	-		-
	160,813,543	147,189,851	136,142,101	111,280,048	112,105,079
NET ASSETS					
Increase (decrease) in net assets	130,855,136	(24,422,680)	68,064,695	67,936,512	72,901,150
Total net assets, beginning of year	696,831,960	827,687,096	808,044,532	876,109,227	944,045,739
Cumulative effect of change in accounting principle	–	4,780,116	–	–	–
Total net assets, end of year	$827,687,096	$808,044,532	$876,109,227	$944,045,739	$1,016,946,889

[1] 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.

Management's Discussion of Financial Information

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 cost recovery-based revenues derived from airline rentals, fees and charges, such as landing fees, international arrival fees and passenger conveyance fees. The Airports Authority's 2017 Budget reflected a 0.5% decrease in revenues and a 2.6% increase in expenses, as compared to the 2016 Budget.

In 2017, operating revenue, which consists largely of concessions, rents, landing fees, passenger conveyance charges and international arrivals fees, totaled $761.6 million, which was a decrease of $12.5 million, or 1.6% from the prior year. In 2017, concession revenues totaled $332.0 million, which was an increase of $15.6 million, or 4.9%, from 2016. In 2017, airline revenue, which consists of landing fees, terminal rents from airlines, and other airline fees, totaled $360.0 million, a decrease of $31.9 million, or 8.1% from prior year. The airline terminal rent revenues totaled $239.2 million, a decrease of $27.7 million, or 10.4%, from 2016. The key driver of decreased terminal rents in 2017 was the decrease in rent rates at the Airports. Landing fee revenues totaled $93.8 million in 2017, an increase of $0.3 million from 2016. Signatory landing fee rates paid per 1,000 pounds at Reagan National Airport increased to $4.13 in 2017 from $3.95 in 2016. In 2017, signatory airline landing fee rates paid per 1,000 pounds at Dulles International Airport decreased to $1.44 from $2.60 in 2016. Passenger fees, including passenger conveyance and international arrivals fees for the Transportation Security Administration ("TSA"), totaled $27.0 million in 2017 and decreased $4.6 million, or 14.5%, from 2016.

As of December 31, 2017, the Aviation Enterprise Fund had $1.64 billion of total cash and investments of which $873.4 million was unrestricted. Total unrestricted net position at December 31, 2017 for the Aviation Enterprise Fund was $655.1 million, an increase of $69.3 million from December 31, 2016. As of December 31, 2017, the Aviation Enterprise Fund unrestricted cash and investments were equivalent to 895 days of operation and maintenance expenses, compared to 809 days as of December 31, 2016. As of March 2018, unrestricted cash and investments increased to $900.7 million and total unrestricted net position for the Aviation Enterprise Fund was $727.9 million, an increase of $72.8 million from December 31, 2017. These net unrestricted assets may be used to meet any of the on-going operational needs of the Aviation Enterprise, 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 2013 through 2017.

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

	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Parking	$110,113,780	$116,494,286	$127,169,736	$127,699,503	$124,625,634
Rental cars	36,416,084	36,298,071	38,965,642	39,303,541	43,639,231
Terminal concessions					
Food and beverage	18,992,489	20,513,081	26,276,371	30,377,267	32,871,379
Newsstand and retail	12,814,549	12,959,027	13,632,732	14,490,773	14,341,520
Duty free	4,666,805	8,189,287	13,143,952	13,566,562	13,671,554
Display advertising	10,240,914	9,295,511	11,320,884	14,963,331	15,039,275
Fixed base operator	15,542,501	17,275,789	17,515,830	20,229,037	24,388,896
Ground transportation	9,770,802	12,643,100	15,977,416	30,456,953	37,198,225
In-flight catering	10,005,313	12,087,658	12,426,345	15,206,722	16,663,967
All other	7,690,817	7,730,419	9,620,667	10,159,847	9,568,135
Total	$236,254,054	$253,486,229	$286,049,575	$316,453,536	$332,007,816

Source: Airports Authority records.

In 2017, concession revenues accounted for 43.6% of total operating revenues compared to 41.0% in 2016. The increase in concession revenue was attributable to increases primarily in ground transportation, food and beverage, inflight caterers, and display advertising. Parking revenues continued to rank as the Airports Authority's largest concession in 2017, providing $124.6 million in total revenues for the year, a decrease of $3.1 million, or 2.4% from $127.7 million in 2016 due to an increase in shared rider service providers primarily at Reagan National. Rental car revenues of $43.6 million were higher by $4.3 million compared to 2016.

The Airports Authority is implementing new food, beverage, and retail programs at both Airports. Food and beverage revenue totaled $32.9 million in 2017, which represented an increase of $2.5 million from 2016. Fixed base operator revenues of $24.4 million in 2017 increased by $4.2 million from 2016. Inflight catering revenues increased by $1.5 million compared to 2016 due to a new contract that provides for a higher minimum annual guarantee ("MAG") payment. Ground transportation revenues increased $6.7 million in 2017, due to the increase of shared ride service providers at both Airports. All other areas of concession revenues accounted for a combined net decrease of $0.6 million over 2016.

Concession revenues at Reagan National Airport increased by $6.2 million, or 4.5%, in 2017. Parking revenue at Reagan National Airport decreased $5.0 million, or 7.9%, from 2016. Overall activity for public parking decreased 6.8% in 2017 compared to 2016. Total exits for 2017 were 1.25 million compared to 1.34 million in 2016. Ground transportation revenue at Reagan National Airport was $23.2 million in 2017, an increase of $4.1 million or 21.7% from 2016.

Concession revenues at Dulles International Airport increased by $9.4 million, or 5.3%, from 2016. In 2017, parking revenue was $67.2 million, an increase of $1.9 million, or 2.9%, from 2016. Overall activity for public parking decreased 0.76% in 2017 compared to 2016. Total exits for 2017 were 2.56 million compared to 2.58 million in 2016. Ground transportation revenue at Dulles International Airport was $14.0 million in 2017, an increase of $2.6 million or 22.8% from 2016.

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2017 totaled $636.7 million, an increase of $11.0 million or 1.8% from 2016. Materials, equipment, supplies, contract services and other expenses increased $22.7 million or 12.2%, to $209.0 million in 2017. The increase was the result of expenses associated with the moving of the corporate offices and the associated lease expenses and the disposal of the previous corporate office building.

Salaries and related benefits expenses increased $0.5 million, or 0.3%, from 2016 to $172.5 million in 2017. Regular full time pay for Airports Authority employees increased $4.5 million, or 4.0%, over 2016. The Airports Authority continued funding its Other Post-Employment Benefits (OPEB) program and recorded $0.3 million in expenses in 2017 and $1.1 million in expenses in 2016. The contribution percentages to the Airports Authority's pension plans increased to 6.85% in 2017 from 5.5% of eligible earnings in 2016 for the General Employee Plan and increased to 10.16% in 2017 from 8.6% of eligible earnings in 2016 for the Police and Firefighters' plan. The funded ratio as of the actuarial valuation date of December 31, 2017 was 105.1% for the General Employee Plan and 98.9% for the Police and Firefighters' plan.

The Airports Authority's utility expenses for 2017 were $25.1 million, down slightly from 2016. Depreciation and amortization expenses totaled $224.2 million in 2017, a decrease of $10.0 million or 4.3% from 2016.

In 2017, the Airports capitalized $63.0 million in projects, principally for the Corporate Office Building Relocation, the public Wi-Fi infrastructure at both airports and the Airfield Pavement Panel Replacement and new Police Training facility at Dulles International Airport. Operating income was $124.9 million in 2017, a decrease in revenue of $23.5 million compared to 2016. The change is a combination of decreased airline revenues as a result of the impact of a $25.0 million Commonwealth grant received in 2017 which lowered the rates for the airlines, increased concession revenue of $15.6 million and increased expenses of $11.0 million.

When compared to 2016, total non-operating revenues increased $28.6 million and non-operating expenses decreased by $0.9 million. Non-operating revenue in 2017 included $24.7 million in investment income or interest earned on debt service reserve funds, $25.8 million of federal, state, and local grants in support of operations and a $13.2 million increase from fair value gain on swaps. Non-operating expenses, which included interest expense on the Aviation Enterprise Fund's $4.8 billion bond debt, totaled $227.8 million. Contributions to the Dulles Corridor Enterprise totaled $48.9 million which reflected the Aviation Enterprise's share of Phase 2 of the Dulles Metrorail Project.

Capital contributions include PFC revenues, federal, state, and local grants, and other capital property acquired. PFC revenues for 2017 were $90.9 million, which was an increase of $1.1 million from 2016. Federal, state, and local grants in support of capital programs were $21.2 million in 2017 and $21.5 million in 2016. In 2017, the Airports Authority received $19.2 million in Airport Improvement Programs (AIP) grants primarily to reimburse for runway construction and rehabilitation, taxiway reconstruction, and runway safety area improvements. In 2016, the Airports Authority received $14.8 million in AIP grants to reimburse for the capital costs of constructing the fourth runway, reconstructing a portion of Taxiway Y, reconstructing Taxiway Z and 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. Net position increased in 2017 by $72.9 million. This increase reflects the continued strength and growth of the airports and the sound management of the Airports Authority debt and investment programs. Net position increased in 2016 by $67.9 million due to increases in operating income and offset by the decrease in Federal, state and local grants and the increase in contributions to other governments.

Net Remaining Revenue

Set forth in the table below is the calculation of Net Remaining Revenue ("NRR") and debt service coverage for the five Fiscal Years ended December 31, 2013 through December 31, 2017.

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

	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Airline Revenues[1]					
Landing and Apron Fees	$142,468,206	$137,823,048	$159,344,357	$156,141,437	$157,497,443
Rentals	348,698,777	346,191,178	356,056,705	376,943,093	352,498,964
Passenger & Other Fees	459,899	1,365,363	878,368	948,547	851,460
Other Rents	30,966,432	34,105,457	34,370,112	35,618,201	39,270,645
Utility Reimbursements	7,958,813	8,479,935	8,863,608	9,049,035	8,609,153
Concessions[2]	203,346,885	218,512,315	253,566,416	286,617,711	303,267,566
Investment Earnings	16,186,751	12,597,284	16,557,569	20,248,213	23,897,933
Other	8,071,202	9,103,052	10,545,092	10,612,413	10,897,226
TOTAL REVENUES[1]	$758,156,965	$768,177,632	$840,182,227	$896,178,650	$896,790,390
O&M Expenses	323,155,858	320,276,202	321,422,565	323,765,223	326,898,182
NET REVENUES	$435,001,107	$447,901,430	$518,759,662	$572,413,427	$569,892,208
Debt Service on Bonds Issued under Master Indenture[3]	309,828,340	309,882,664	307,711,750	320,623,606	322,101,425
TOTAL DEBT SERVICE	$309,828,340	$309,882,664	$307,711,750	$320,623,606	$322,101,425
O&M Reserve Requirement Increment	61,000	(480,000)	191,000	390,000	522,000
Federal Lease Payment	5,335,290	5,297,523	5,392,439	5,502,217	5,562,099
NET REMAINING REVENUE[4]	$119,776,476	$133,201,243	$205,464,473	$245,897,604	$241,706,684
DEBT SERVICE COVERAGE[4]	1.40x	1.45x	1.69x	1.79x	1.77x

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 in the respective fiscal year and excludes amount of debt service paid from PFC revenues.
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 managed by comparing actual interim and annual results with the budget, noting the actual level of passenger activity. 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 and Chief Executive Officer and adoption by the Board.

Operating revenues were slightly lower than budgeted amounts by 0.1% in 2017 compared to 1.8% over budget expectations in 2016. Operating expenses were held to 91.3% of budget authorization in 2017, while in 2016 expenses were held to 93.8% of budget authorization. The Airports Authority's 2017 Budget reflected a 0.5% decrease in revenues and a 2.6% increase in expenses, as compared to the 2016 Budget.

	Budget	Actual[1]	As a percentage of Budget
2017 Revenues	$713,646,495	$713,071,294	99.9%
2017 Expenses[2]	$353,033,093	$322,493,388	91.3%
2016 Revenues	$717,081,000	$730,274,339	101.8%
2016 Expenses[2]	$343,968,000	$322,590,554	93.8%

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 2018 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 2018 Operation and Maintenance Budget ("2018 O&M Budget") (funded from airline rentals, fees and charges and non-airline revenue, including concessions and other revenues), the 2018 Capital, Operating and Maintenance Investment Program Budget (funded with the Airports Authority's share of net remaining revenues from the prior year), and the 2018 Capital Construction Program Budget (funded from Bond proceeds, PFCs and grants), was approved by the Board in December 2017 (the "2018 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 2018 Budget provides those resources.

The 2018 O&M Budget includes a 0.8% decrease in operating revenues (excluding transfers) and a 1.8% increase in operating expenses (excluding debt service) over the 2017 O&M Budget. Budgeted revenues of $707.7 million for 2018 reflect a $5.9 million decrease from 2017 budgeted revenues. Operating revenues received from the airlines are on a cost recovery basis.

Budgeted operating expenses for 2018 are $359.4 million, a $6.4 million or 1.8% increase over 2017 budgeted expenses of $353.0 million (excluding debt service and O&M Reserve Requirement). The total budgeted expenses for 2018, including debt service but excluding O&M Reserve Requirement are $702.2 million, a $22.1 million or 3.2% increase over 2017 budgeted expenses of $680.1 million.

In the 2018 Budget, the amount of total NRR is estimated at $229.3 million, a 6.8% increase from the 2017 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' estimated share of NRR in 2017 (transfers included in the budgeted 2018 operating revenues) was $144.2 million and the Airports Authority's estimated share of NRR in 2017 was $89.3 million.

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AIRPORTS AUTHORITY CURRENT FINANCIAL INFORMATION

The unaudited Fiscal Year 2018 results through March 2018 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 2017	Three Month Period Ended March 2018	Net Change
OPERATING REVENUES			
Concessions	$ 74,720,731	$ 77,698,176	$ 2,977,445
Rents	73,309,941	70,007,617	(3,302,324)
Landing fees	21,574,745	21,529,183	(45,562)
Utility sales	3,097,681	4,005,361	907,680
Passenger fees	5,514,511	6,407,282	892,771
Other	2,763,273	2,966,662	203,389
	180,980,882	182,614,281	1,633,399
OPERATING EXPENSES			
Materials, equipment, supplies, contract services, and other	46,961,368	48,464,011	1,502,643
Salaries and related benefits	44,283,615	47,213,797	2,930,182
Utilities	6,553,855	6,569,432	15,577
Lease from U.S. Government	1,385,750	1,411,000	25,250
Depreciation and amortization	55,742,366	55,247,726	(494,640)
	154,926,954	158,905,966	3,979,012
OPERATING INCOME	26,053,928	23,708,315	(2,345,613)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	4,585,750	5,270,203	684,453
Interest expense	(42,844,780)	(39,571,378)	3,273,402
Federal, state and local grants	6,328,623	6,371,297	42,674
Unrealized swap gain (loss)	5,465,107	18,610,764	13,145,657
	(26,465,300)	(9,319,114)	17,146,186
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(411,372)	14,389,201	14,800,573
CAPITAL CONTRIBUTIONS			
Passenger facility charges	24,110,487	25,269,553	1,159,066
Federal and State grants	765,900	12,583	(753,317)
Other capital property contributed	(14,643,563)	(7,746,982)	6,896,581
	10,232,824	17,535,154	7,302,330
NET POSITION			
Increase (decrease) in net position	9,821,452	31,924,355	22,102,903
Total net position, beginning of period	944,045,739	1,016,946,889	72,901,150
Total net position, end of period	$953,867,191	$1,048,871,244	$95,004,053

Totals may not add due to rounding.

The Aviation Enterprise Fund's financial results for the first three months of Fiscal Year 2018 reflect a $2.3 million, or 9.0%, decrease in operating income, primarily due to lower rent revenue offset by higher concession revenues and higher costs. Operating revenue for the three months ended March 31, 2018 was $182.6 million, an increase of $1.6 million or 0.9% compared to the same period in 2017. The Airports Authority recognized $6.3 million in operating grant revenues received from the Commonwealth of Virginia. These funds are being used to offset airline costs at Dulles International Airport.

Capital contributions include PFCs and federal and state grants by the Aviation Enterprise Fund. For the three months ended March 31, 2018, PFC revenue was $25.3 million, an increase of $1.2 million, or 4.8%, compared to the same period in 2017. Contributions to the Dulles Corridor Enterprise for Phase 2 of the Dulles Metrorail Project were $7.7 million, a decrease of $6.9 million, or 47.1% compared to the same period in 2017.

Through March 31, 2018, the Aviation Enterprise Fund's net position increased $31.9 million, reflecting operating income of $23.7 million, non-operating expenses of $9.3 million and capital contributions of $17.5 million.

Operating expenses through March 2018 were $158.9 million, an increase of $4.0 million or 2.6%, compared to the same period in 2017. Materials, equipment, supplies, and other contract services increased $1.5 million, or 3.2%. Salaries and related benefits increased $2.9 million compared to the same period in 2017, as a result of an increase in total salaries of $1.6 million and an increase in benefits of $1.3 million.

For the three months ended March 31, 2018, non-operating expenses, including interest expense, before capital contributions were $39.6 million, a decrease of $3.3 million compared to the same period in 2017. For the three months ended March 31, 2018, non-operating revenue was $30.3 million, a $13.9 million increase compared to the same period in 2017, as a result of the change in the fair value of the swaps.

The following table provides details of unaudited concession revenues by major category for the three months ended March 31, 2017 and March 31, 2018.

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

	Three Months Ended March 2017	Three Months Ended March 2018	Net Change
Parking	$28,801,214	$27,945,884	$ (855,330)
Rental Cars	9,089,116	10,196,457	1,107,341
Terminal Concessions			
Food and beverage	7,246,304	7,247,456	1,152
Newsstand and retail	3,282,151	3,100,543	(181,608)
Duty free	3,417,889	3,678,386	260,497
Display advertising	3,598,655	3,250,000	(348,655)
In-flight catering	3,333,389	3,808,032	474,643
Ground Transportation	7,705,951	8,079,204	373,253
Fixed base operator	5,746,812	7,837,831	2,091,019
All other	2,499,250	2,554,383	55,133
Total[1]	$74,720,731	$77,698,176	$ 2,977,445

[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, 2018 increased $3.0 million, or 4.0%, compared to the same period in 2017. As a percentage of operating revenues, concession revenue increased to 42.5% compared to 41.3% for the same period in 2017. In the first three months of 2018, parking revenues were the Aviation Enterprise Fund's largest source of concession revenue, representing 36.0% of total concession revenues and 15.3% of operating revenues. For the three months ended March 31, 2018, parking revenue was $27.9 million, a decrease of 3.0% compared to the same period in 2017. Rental car revenues of $10.2 million increased by $1.1 million or 12.2% compared to the same period in 2017. Ground Transportation increased $0.4 million, or 4.8% as compared to 2017. For the three months ended March 31, 2018, food and beverage revenue at the Airports of $7.2 million remained level and newsstand and retail concession revenue decreased $0.2 million compared to the same period in 2017. Display advertising decreased $0.3 million or 9.7% compared to the same period in 2017.

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 the 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 was originally three years, starting from the effective date of the agreement to December 31, 2017; however, the Airports Authority and the airlines signed a First Universal Amendment to the Airline Agreement on July 27, 2016, extending the term of the agreement for Dulles International Airport to December 31, 2024 to be coterminous with the agreement at Reagan National 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."

The new Airline Agreement (as was the prior agreement) is a hybrid agreement, which includes 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.

Airline 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 these rentals, fees and charges. In addition, at any time during the year if revenues fall 5% or more below projections, airline 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 a minimum 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 through 2017, airline-funded debt service coverage at both Reagan National Airport and Dulles International Airport was 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 at both Airports. In 2024, the final year of the Airline Agreement, airline-funded debt service coverage will be 25% of debt service at both Airports. 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 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 $1.2 billion construction program, and the CCP at Dulles International Airport is an approximately $588 million construction program. Approximately $445.6 million of the $588 million CCP at Dulles International Airport was added as part of the First Universal Amendment. Each approved program amount is escalated annually in accordance with the terms of the Airline Agreement and the First Universal Amendment. 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 definition of “Toll Revenues” in the indenture securing the Dulles Toll Road Revenue Bonds excludes 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 debt service coverage on Subordinated Bonds and coverage in the tenant equipment cost centers allocable to each Airport, if any, 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. The remaining NRR of each Airport is then shared between the Signatory Airlines and the Airports Authority in accordance with the Airline Agreement.

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

<table>
<tr><th><u>Year in Which NRR is Generated</u></th><th><u>NRR Sharing at Reagan National Airport</u></th><th><u>Maximum Amount of Airports Authority Share Usable at Dulles International Airport in Year Following Year of Generation</u></th></tr>
<tr><td>2014, 2015, 2016</td><td>100% Airports Authority/
0% Airlines</td><td>$40 million</td></tr>
<tr><td>2017</td><td>55% Airports Authority/
45% Airlines</td><td>$35 million</td></tr>
<tr><td>2018</td><td>55% Airports Authority/
45% Airlines</td><td>$30 million</td></tr>
<tr><td>2019 through 2023</td><td>45% Airports Authority/
55% Airlines</td><td>$25 million</td></tr>
<tr><td>2024</td><td colspan="2">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.</td></tr>
</table>

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, 2016 to the current year. The remainder is then to be split with 25% allocated to the Airports Authority and 75% allocated to the Signatory Airlines.

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, through 2018 the Airports Authority retains a higher share of NRR from Reagan National Airport than under the prior agreement and has the ability to use its share to reduce the requirement for airline rentals, fees and charges at Dulles International Airport, including up to a maximum of $30 million in 2018 and $25 million in years 2019 through 2023.

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, 2019. 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 22.9% of total concession revenue and 10.0% of total operating revenue in 2017. 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 with two additional one-year options that may be exercised by the Airports Authority to extend the contract through September 2020. 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 9,094 public parking spaces at Reagan National Airport and 23,673 public parking spaces at Dulles International Airport. Parking revenue represented 37.5% of concession revenue in 2017 and 16.4% of total operating revenue in 2017. See table entitled "TOTAL CONCESSION REVENUES BY MAJOR CATEGORY" herein.

Rental Car Facility Agreements

There currently are four groups of on-airport rental car operators at Reagan National Airport: Advantage, Avis/Budget Group (operating Avis and Budget brands), Enterprise Holdings (operating Alamo, Enterprise and National brands) and Hertz Holdings (operating

Hertz, Dollar and Thrifty brands). 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 $3.50 established by the Airports Authority to recover the debt service and other costs associated with the rental car facilities. The off-airport rental car company is Advantage/EZ Rent a Car. Advantage/EZ operates buses to transport customers to Garage A where they board an airport shuttle bus to the terminals. Advantage/EZ pays the Airports Authority 8% of the gross receipts generated from airport business. Contracts with rental car operators at Reagan National Airport were awarded on February 1, 2017, and expire on January 31, 2022.

The same four groups of on-airport rental car operators serve Dulles International Airport. These companies operate under contracts that run from July 1, 2013 through June 30, 2018 and that will be extended on a month-to-month basis beyond June 30, 2019. 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.

Rental car revenue represented 13.1% of concession revenue in 2017 and 5.7% of total operating revenue in 2017. See table entitled "TOTAL CONCESSION REVENUES BY MAJOR CATEGORY" herein.

Agreements with Transportation Network Companies

The Airports Authority has issued permits to transportation network companies ("TNCs"), such as Uber Technologies Inc. and Lyft, Inc., which require the TNCs to pay an access fee for operating on airport property. TNCs are app-based transportation companies that connect paying passengers with drivers using their own vehicles to provide transportation. In accordance with the permits, TNC vehicles pay a $4.00 trip fee for each pick-up and drop-off at the Airports.

Ground transportation revenue represented 11.2% of total concession revenue and 4.9% of total operating revenue in 2017. Of the total ground transportation revenue for 2017, approximately $22.6 million is attributable to trip fee revenue from TNCs.

Grants from Commonwealth of Virginia

On May 20, 2016, the Governor of the Commonwealth of Virginia signed House Bill 30 (the "2016 Appropriation Act"), which provided for the Commonwealth of Virginia to extend $50 million in grant funds to the Airports Authority over a two-year period, beginning in calendar year 2017. The Airports Authority received the first $25 million installment in March 2017 and received the second $25 million installment in January 2018. 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 Dulles International Airport in order to retain existing air carriers and attract new carriers to the Airport.

Receipt of the grant funds was conditioned on (i) ensuring the retention of a domestic airline hub service at the Airport for at least seven years beyond 2017 and (ii) entering into an agreement with the Virginia Department of Transportation (VDOT) that identifies a long range plan to lower the cost per enplanement at Dulles International Airport beyond 2018 without additional state support beyond the $50 million grant funds provided pursuant to the 2016 Appropriation Act. The execution of the First Universal Amendment satisfied the first requirement by ensuring the retention of United's domestic hub service at Dulles International Airport through 2024. The Airports Authority entered into an agreement with VDOT on March 6, 2017 (the "VDOT Agreement") that sets forth the Airports Authority's long range plan to satisfy the second requirement. That plan includes projections of financial savings through refundings of Bonds, contributions of unrestricted cash funds, increases in non-airline revenues, decreases in operating expenses and increases in passenger traffic. As part of the VDOT Agreement, the Airports Authority is required to demonstrate that it has created at least $50 million in debt service and other cost decreases and revenue increases at Dulles International Airport since January 1, 2016. In 2017, the Airports Authority made this demonstration to VDOT.

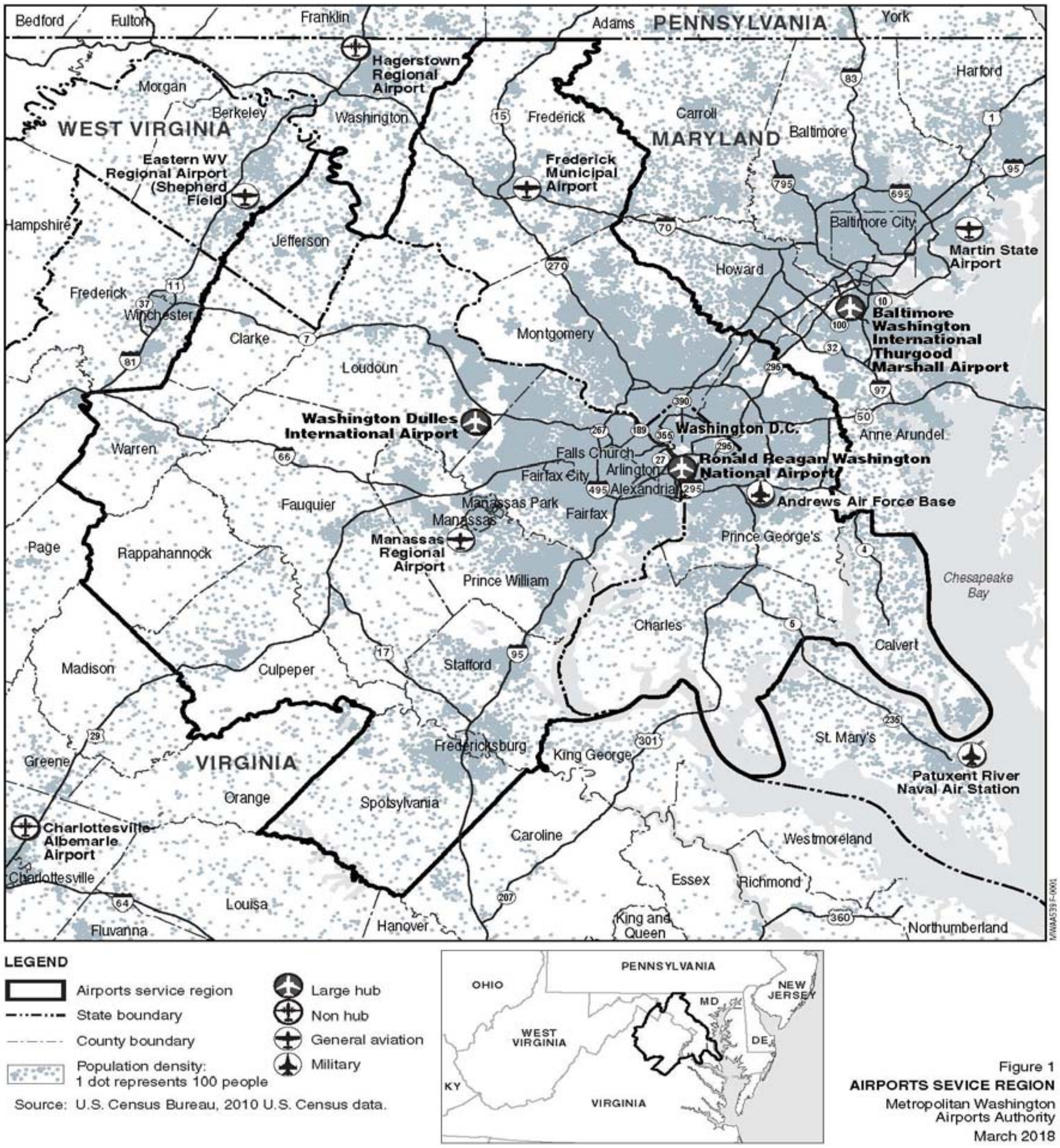
THE AIRPORTS SERVICE REGION AND AIRPORTS ACTIVITY

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 2010 and 2017, population growth in the Airports service region increased an average of 1.3% annually, compared with a 0.7% average annual increase for the nation (between 2010 and 2017). The Airports service region's per capita personal income in 2016 (the most recent data available) was 35.5% higher than the average for the United States as reported by the U.S. Bureau of Economic Analysis. Since 2010, the rate of unemployment in the Airports service region has been lower than the average for the United States, and in 2017, unemployment in the Airports service region was 3.7% compared with 4.4% 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.

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 2018:

REAGAN NATIONAL AIRPORT

U. S. MAINLINE AIRLINES	FOREIGN FLAG AIRLINES	REGIONAL AIRLINES
Alaska Airlines	Air Canada	Endeavor Air[3]
American Airlines	Air Canada Jazz (Regional)	Envoy[1]
Delta Air Lines		ExpressJet[2]
Frontier Airlines		GoJet Airlines[3]
JetBlue Airways		Mesa Airlines[2]
Southwest Airlines		PSA Airlines[1]
United Airlines		Republic Airlines[1,2,3]
Virgin America[5]		SkyWest Airlines[2,4]
		Trans States Airlines[1]

DULLES INTERNATIONAL AIRPORT

U. S. MAINLINE AIRLINES	FOREIGN FLAG AIRLINES	REGIONAL AIRLINES
Alaska Airlines	Aer Lingus	Air Wisconsin[2]
American Airlines	Aeroflot	Commutair[2]
Delta Air Lines	Aeromexico	Endeavor Air[3]
Frontier Airlines	Air Canada Jazz (Regional)	GoJet Airlines[3]
JetBlue Airways	Air China	Mesa Airlines[2]
Southwest Airlines	Air France	PSA Airlines[1]
United Airlines	Air Georgian (Regional)	SkyWest Airlines[2,3]
Virgin America[5]	Air India	Trans States[2]
	All Nippon Airways	
	Austrian Airlines	
	Avianca Airlines	
	British Airways	
	Brussels Airlines	
	Copa Airlines	
	Emirates	
	Ethiopian Airlines	
	Etihad Airways	**ALL-CARGO CARRIERS**
	Icelandair	FedEx
	KLM-Royal Dutch Airlines	Mountain Air Cargo
	Korean Air	United Parcel Service
	Lufthansa German Airlines	Volga
	Porter Airlines (Regional)	Kalitta Air
	Qatar Airways	
	Royal Air Maroc	
	Saudi Arabian Airlines	
	Scandinavian Airlines System	
	South African Airways	
	Turkish Airlines	
	Virgin Atlantic Airways	

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1 Operates under a code sharing agreement with American.
2 Operates under a code sharing agreement with United.
3 Operates under a code sharing agreement with Delta.
4 Operates under a code sharing agreement with Alaska Airlines.
5 Alaska Airlines purchased Virgin America in December 2016 and received a single operating certificate in January 2018.

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 2018, nonstop airline service is provided from Reagan National Airport to 81 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 2018, nonstop airline service was provided from Dulles International Airport to 71 U.S. destinations and 53 international destinations.

Historical Enplanement Activity

The following table summarizes total commercial enplanements at Reagan National Airport and Dulles International Airport from 2008 through 2017. 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
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%
2016	11,767	2.4%	7,145	0.1%	3,719	4.0%	10,864	1.4%
2017	11,946	1.5%	7,466	4.5%	3,858	3.7%	11,324	4.2%
	Annual Compounded Growth							
2008-2017		3.2%		(1.7)%		2.4%		(0.5)%

[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

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 11.9 million in 2017, which represents an increase of 24.8% since 2008.

For the 12-month period ending September 30, 2017, O&D passengers accounted for an estimated 88.3% of enplanements at Reagan National Airport. The top two airlines at Reagan National Airport (American, along with its code-sharing affiliate carriers, and Southwest) enplaned 64.2% of all passengers in 2017. Overall seat capacity at Reagan National Airport has increased nearly 13.0% since 2012 (as measured from June 2012 to June 2018), largely as a result of the airlines at Reagan National Airport operating larger aircraft primarily due to the slot transfers that occurred in 2014. See "INVESTMENT CONSIDERATIONS - Airline Consolidations."

Dulles International Airport

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 have increased every year since 2008 for a cumulative 10-year increase of 19.2%. 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 2017 were approximately 11.3 million. For the 12-month period ending September 30, 2017, O&D passengers accounted for an estimated 68.9% of enplanements at Dulles International Airport. United, along with its code-sharing affiliate carriers, accounted for 75.7% of domestic enplanements and 39.0% of international enplanements at Dulles International Airport in 2017 while foreign-flag scheduled airlines accounted for virtually all of the remaining 61.0% 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 2013 and 2017.

ENPLANEMENT MARKET SHARE BY AIRLINE AT REAGAN NATIONAL AIRPORT

	2013	Share	2014	Share	2015	Share	2016	Share	2017	Share
American Carriers	6,055,390	59.4%	5,891,399	56.3%	5,859,229	51.0%	5,838,447	49.6%	5,921,694	49.6%
Southwest	502,076	4.9%	812,951	7.8%	1,526,755	13.3%	1,720,193	14.6%	1,742,858	14.6%
Delta	1,462,961	14.3%	1,545,208	14.8%	1,559,262	13.6%	1,613,199	13.7%	1,721,188	14.4%
United Carriers	933,618	9.2%	887,741	8.5%	895,887	7.8%	931,836	7.9%	943,473	7.9%
JetBlue	611,949	6.0%	711,935	6.8%	959,459	8.3%	963,222	8.2%	918,430	7.7%
Alaska[2]	205,297	2.0%	211,710	2.0%	216,726	1.9%	217,186	1.8%	211,964	1.8%
Frontier Carriers	239,027	2.3%	165,284	1.6%	165,349	1.4%	175,806	1.5%	172,533	1.4%
Air Canada Carriers	108,477	1.1%	119,644	1.1%	129,923	1.1%	129,334	1.1%	142,881	1.2%
Virgin America[2]	38,007	0.4%	59,215	0.6%	126,313	1.1%	120,767	1.0%	139,229	1.2%
Sun Country	40,894	0.4%	53,266	0.5%	56,929	0.5%	57,203	0.5%	32,150	0.3%
Other		0.0%		0.0%	145	0.0%	69	0.0%		0.0%
Grand Total[1]	**10,197,696**	**100.0%**	**10,458,353**	**100.0%**	**11,495,977**	**100.0%**	**11,767,262**	**100.0%**	**11,946,400**	**100.0%**

[1] Excludes military and general aviation passenger enplanements. Enplanement data has been reconciled to the Airports Authority's records and may not match figures released in previous issues. The totals may not add due to rounding.

[2] Alaska Airlines purchased Virgin America in December 2016 and received a single operating certificate in January 2018.

Source: Airports Authority records

ENPLANEMENT MARKET SHARE BY AIRLINE AT DULLES INTERNATIONAL AIRPORT
Domestic Enplanements

	2013	Share	2014	Share	2015	Share	2016	Share	2017	Share
United Carriers	5,683,825	76.8%	5,331,808	75.0%	5,165,935	72.4%	5,382,994	75.3%	5,648,178	75.7%
Delta Carriers	465,574	6.3%	432,561	6.1%	463,307	6.5%	477,295	6.7%	502,377	6.7%
American Carriers	528,866	7.2%	528,636	7.4%	510,919	7.2%	497,519	7.0%	490,959	6.6%
Southwest	289,823	3.9%	269,534	3.8%	265,206	3.7%	258,813	3.6%	283,949	3.8%
Virgin America[2]	191,220	2.6%	187,422	2.6%	187,927	2.6%	190,201	2.7%	184,242	2.5%
JetBlue	225,087	3.0%	182,980	2.6%	155,894	2.2%	160,151	2.2%	153,528	2.1%
Frontier		0.0%	159,044	2.2%	306,584	4.3%	89,789	1.3%	143,547	1.9%
Alaska[2]		0.0%		0.0%	38,941	0.5%	50,405	0.7%	53,894	0.7%
Other	12,238	0.2%	20,469	0.3%	44,329	0.6%	37,486	0.5%	5,357	0.1%
Grand Total[1]	**7,396,633**	**100.0%**	**7,112,454**	**100.0%**	**7,139,042**	**100.0%**	**7,144,653**	**100.0%**	**7,466,031**	**100.0%**

ENPLANEMENT MARKET SHARE BY AIRLINE AT DULLES INTERNATIONAL AIRPORT
International Enplanements

	2013	Share	2014	Share	2015	Share	2016	Share	2017	Share
United Carriers	1,588,919	45.9%	1,560,099	43.7%	1,517,883	42.5%	1,527,531	41.0%	1,506,289	39.0%
Lufthansa	203,071	5.9%	199,170	5.6%	208,539	5.8%	212,300	5.8%	222,010	5.8%
British Airways	186,795	5.4%	193,323	5.4%	198,664	5.6%	192,065	5.2%	183,932	4.8%
Air France	172,083	5.0%	158,830	4.5%	153,051	4.3%	152,569	4.1%	164,513	4.3%
TACA	140,948	4.1%	162,577	4.6%	143,092	4.0%	143,604	3.9%	155,453	4.0%
Emirates	88,361	2.6%	97,732	2.7%	101,449	2.8%	129,540	3.5%	125,065	3.2%
COPA	66,069	1.9%	71,150	2.0%	77,731	2.2%	94,416	2.6%	106,158	2.8%
Ethiopian	81,661	2.4%	88,607	2.5%	85,329	2.4%	80,790	2.2%	98,174	2.5%
Qatar Amiri Air	90,845	2.6%	95,529	2.7%	99,589	2.8%	104,658	2.8%	93,697	2.4%
KLM Royal Dutch	85,959	2.5%	82,057	2.3%	84,236	2.4%	85,625	2.3%	92,398	2.4%
Turkish	82,057	2.4%	90,259	2.5%	90,738	2.5%	95,575	2.6%	88,559	2.3%
Icelandair	35,472	1.0%	39,379	1.1%	55,057	1.5%	68,387	1.9%	85,076	2.2%
Korean Air	77,363	2.2%	78,109	2.2%	77,863	2.2%	79,897	2.2%	80,560	2.1%
South African	74,339	2.1%	67,721	1.9%	65,021	1.8%	74,745	2.0%	75,138	1.9%
All Nippon	62,315	1.8%	64,128	1.8%	68,765	1.9%	70,419	1.9%	72,666	1.9%
Etihad	53,774	1.6%	76,432	2.1%	70,513	2.0%	71,546	1.9%	70,127	1.8%
Virgin Atlantic	69,543	2.0%	66,775	1.9%	65,159	1.8%	65,807	1.8%	66,576	1.7%
SAS	68,163	2.0%	69,814	2.0%	64,359	1.8%	66,538	1.8%	66,510	1.7%
Air China		0.0%	22,240	0.6%	42,064	1.2%	44,032	1.2%	61,218	1.6%
Saudi Arabian	61,076	1.8%	72,016	2.0%	69,839	2.0%	65,843	1.8%	60,668	1.6%
Porter	33,025	1.0%	38,152	1.1%	41,440	1.2%	52,405	1.4%	55,952	1.5%
Austrian	64,764	1.9%	75,777	2.1%	75,971	2.1%	59,563	1.6%	54,215	1.4%
Air Canada		0.0%		0.0%		0.0%	27,859	0.8%	51,292	1.3%
Aer Lingus		0.0%		0.0%	27,279	0.8%	37,386	1.0%	50,075	1.3%
Brussels	19,031	0.5%	34,072	1.0%	25,861	0.7%	28,884	0.8%	35,798	0.9%
Aeromexico	30,439	0.9%	33,387	0.9%	30,616	0.9%	27,182	0.7%	30,671	0.8%
LAN Airlines		0.0%		0.0%		0.0%	21,417	0.6%	29,872	0.8%
Royal Air Maroc		0.0%		0.0%		0.0%	7,528	0.2%	26,428	0.7%
Aeroflot	19,902	0.6%	21,515	0.6%	19,206	0.5%	20,574	0.6%	19,931	0.5%
Air India		0.0%		0.0%		0.0%		0.0%	17,359	0.4%
Other	8,009	0.2%	8,070	0.2%	15,496	0.4%	10,656	0.1%	11,249	0.3%
Grand Total[1]	**3,463,983**	**100.0%**	**3,566,920**	**100.0%**	**3,574,810**	**100.0%**	**3,719,341**	**100.0%**	**3,857,629**	**100.0%**

[1] Excludes military and general aviation passenger enplanements. Enplanement data has been reconciled to the Airports Authority's records and may not match figures released previously. 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

	2013	Share	2014	Share	2015	Share	2016	Share	2017	Share
United Carriers	8,206,362	39.0%	7,779,648	36.8%	7,579,705	34.1%	7,842,361	34.7%	8,097,940	34.8%
American Carriers	6,584,256	31.3%	6,420,045	30.4%	6,370,148	28.7%	6,335,966	28.0%	6,412,653	27.6%
Delta	1,929,949	9.2%	1,979,700	9.4%	2,027,448	9.1%	2,094,987	9.3%	2,228,000	9.6%
Southwest	791,899	3.8%	1,082,485	5.1%	1,791,961	8.1%	1,979,006	8.7%	2,026,807	8.7%
JetBlue	837,036	4.0%	894,915	4.2%	1,115,353	5.0%	1,123,373	5.0%	1,071,958	4.6%
Virgin America[1]	229,227	1.1%	246,637	1.2%	314,240	1.4%	310,968	1.4%	323,471	1.4%
Frontier	239,027	1.1%	325,132	1.5%	475,820	2.1%	265,595	1.2%	316,080	1.4%
Alaska[1]	205,297	1.0%	211,710	1.0%	255,667	1.2%	267,591	1.2%	265,858	1.1%
Lufthansa	203,071	1.0%	199,244	0.9%	208,539	0.9%	212,300	0.9%	222,010	1.0%
Air Canada	108,477	0.5%	119,644	0.6%	129,923	0.6%	157,193	0.7%	194,173	0.8%
British Airways	186,795	0.9%	193,323	0.9%	198,664	0.9%	192,065	0.8%	183,932	0.8%
Air France	172,083	0.8%	158,830	0.8%	153,051	0.7%	152,569	0.7%	164,513	0.7%
TACA	140,948	0.7%	162,577	0.8%	143,092	0.6%	143,604	0.6%	155,453	0.7%
Emirates	88,361	0.4%	97,732	0.5%	101,449	0.5%	129,540	0.6%	125,065	0.5%
COPA	66,069	0.3%	71,150	0.3%	77,731	0.3%	94,416	0.4%	106,158	0.5%
Ethiopian	81,661	0.4%	88,607	0.4%	85,329	0.4%	80,790	0.4%	98,174	0.4%
Qatar Amiri Air	90,845	0.4%	95,529	0.5%	99,589	0.4%	104,658	0.5%	93,697	0.4%
KLM Royal Dutch	85,959	0.4%	82,057	0.4%	84,236	0.4%	85,625	0.4%	92,398	0.4%
Turkish	82,057	0.4%	90,259	0.4%	90,738	0.4%	95,575	0.4%	88,559	0.4%
Icelandair	35,472	0.2%	39,379	0.2%	55,057	0.2%	68,387	0.3%	85,076	0.4%
Korean Air	77,363	0.4%	78,109	0.4%	77,863	0.4%	79,897	0.4%	80,560	0.3%
South African	74,339	0.4%	67,721	0.3%	65,021	0.3%	74,745	0.3%	75,138	0.3%
All Nippon	62,315	0.3%	64,128	0.3%	68,765	0.3%	70,419	0.3%	72,666	0.3%
Etihad	53,774	0.3%	76,432	0.4%	70,513	0.3%	71,546	0.3%	70,127	0.3%
Virgin Atlantic	69,543	0.3%	66,775	0.3%	65,159	0.3%	65,807	0.3%	66,576	0.3%
SAS	68,163	0.3%	69,814	0.3%	64,359	0.3%	66,538	0.3%	66,510	0.3%
Air China		0.0%	22,240	0.1%	42,064	0.2%	44,032	0.2%	61,218	0.3%
Saudi Arabian	61,076	0.3%	72,016	0.3%	69,839	0.3%	65,843	0.3%	60,668	0.3%
Porter	33,025	0.2%	38,152	0.2%	41,440	0.2%	52,405	0.2%	55,952	0.2%
Austrian	64,764	0.3%	75,777	0.4%	75,971	0.3%	59,563	0.3%	54,215	0.2%
Aer Lingus		0.0%		0.0%	27,279	0.1%	37,386	0.2%	50,075	0.2%
Brussels	19,031	0.1%	34,072	0.2%	25,861	0.1%	28,884	0.1%	35,798	0.2%
Sun Country	40,894	0.2%	53,266	0.3%	56,929	0.3%	57,203	0.3%	32,150	0.1%
Aeromexico	30,439	0.1%	33,387	0.2%	30,616	0.1%	27,182	0.1%	30,671	0.1%
LAN Airlines		0.0%		0.0%		0.0%	21,417	0.1%	29,872	0.1%
Royal Air Maroc		0.0%		0.0%		0.0%	7,528	0.0%	26,428	0.1%
Aeroflot	19,902	0.1%	21,515	0.1%	19,206	0.1%	20,574	0.1%	19,931	0.1%
Air India		0.0%		0.0%		0.0%		0.0%	17,359	0.1%
Other	18,833	0.1%	25,720	0.1%	51,204	0.2%	43,718	0.2%	12,171	0.1%
Grand Total[2]	**21,058,312**	**100.0%**	**21,137,727**	**100.0%**	**22,209,829**	**100.0%**	**22,631,256**	**100.0%**	**23,270,060**	**100.0%**

[1] Alaska Airlines purchased Virgin America in December 2016 and received a single operating certificate in January 2018.
[2] 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 2017 numbered approximately 13.1 million. This represented a 5.3% increase in passenger traffic compared with 2016. The five airlines with the largest number of enplaned passengers at BWI as of December 2017 were Southwest Airlines (69.25%), Spirit (7.48%), Delta (7.10%), American (6.84%), and United (4.15%).

The following table details the shares of enplaned passengers at Reagan National Airport, Dulles International Airport and BWI from 2013 through 2017:

Airport	2013	2014	2015	2016	2017[1]
Reagan National Airport	31.3%	32.1%	33.7%	33.4%	32.6%
Dulles International Airport	33.6%	33.1%	31.2%	30.9%	31.1%
BWI	35.1%	34.8%	35.1%	35.8%	36.3%
	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Data are for the 12 months ended September 30, 2017, 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. Between 2001 and 2006, most domestic airlines were downgraded by the rating agencies, 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 implemented service reductions and layoffs of employees in response to reduced passenger demand and increased fuel and other operating costs. In addition, since 2009, 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.

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 public reference facilities maintained by the SEC, which can be located 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 DOT's Office of Airline Information Bureau of Transportation Statistics, 1200 New Jersey Avenue, S.E., 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.

American

For the year ended December 31, 2017, American Airlines and its regional affiliates represented approximately 46.9% of the revenues earned from airlines at Reagan National Airport. No other airline represented over 16.4% of such revenues at Reagan National Airport. Enplanements of US Airways, American Airlines and their regional affiliates at the Airports in 2017 represented 27.6% of the combined enplanements at both Airports. According to information obtained from its filings with the SEC, American Airlines reported net income of $1.9 billion in 2017, compared to net income of $2.7 billion in 2016.

United

For the year ended December 31, 2017, United and its regional affiliates represented approximately 10.3% of the revenues earned from airlines at Reagan National Airport, and approximately 54.6% of the revenues earned from airlines at Dulles International Airport. Enplanements by United and its regional affiliates at the Airports in 2017 represented 34.8% of the combined enplanements at both Airports. According to information obtained from its filings with the SEC, United reported a net income of $2.1 billion in 2017, compared to net income of $2.3 billion in 2016.

Southwest

For the year ended December 31, 2017, Southwest represented approximately 11.2% of the revenues earned from airlines at Reagan National Airport. Enplanements by Southwest represented approximately 8.7% of the combined enplanements at both Airports in 2017. According to information obtained from its filings with the SEC, Southwest reported a net income of $3.5 billion in 2017, compared to a net income of approximately $2.2 billion in 2016.

CERTAIN INVESTMENT CONSIDERATIONS

The Series 2018A Bonds may not be suitable for all investors. Prospective purchasers of the Series 2018A 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) national and international economic conditions and currency fluctuations, (ii) the population growth and the economic health of the region and the nation, (iii) the financial health and viability of the airline industry, (iv) air carrier service and route networks, (v) the availability and cost of aviation fuel and other necessary supplies, (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, including federal funding, (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) evolving federal restrictions on travel to the United States from certain countries, (xix) environmental risks and regulations, noise abatement concerns and regulations, (xx) bankruptcy and insolvency laws, and (xxi) 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).

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 or political concerns will not have an adverse effect on the air transportation industry.

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.

United accounted for approximately 75.7% of domestic enplanements and 39.0% of international enplanements at Dulles International Airport in 2017 and maintains a hub at that Airport. In Fiscal Year 2017 approximately 24.9% of the Airports Authority's operating revenue from Dulles International Airport was received from rentals and fees derived from United's operation at the Airport. Pursuant to the First Universal Amendment, United extended its lease at Dulles International Airport through December 31, 2024; however, if United were to discontinue or reduce its hubbing operations at Dulles International Airport after that date, the Airports Authority cannot predict if United's current level of activity at the Airport would be replaced by other carriers.

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.

See "Effect of Signatory Airline Bankruptcy on the Airline Agreement" under this caption for additional discussion of airline bankruptcy on the Airline Agreement.

Airline Consolidations

In response to competitive pressures, the U.S. airline industry has continued to consolidate. Delta and Northwest merged in 2008; United and Continental merged in 2010; Southwest Airlines acquired AirTran Airways in 2011; and US Airways and American Airlines merged in 2013. More recently Alaska Air Group acquired Virgin America in December 2016 and received a single operating certificate in January 2018.

Airline consolidation has affected airline service patterns at Reagan National Airport and Dulles International Airport, including in 2014, the required divestiture of 104 carrier slots, or 52 round trip flights, at Reagan National Airport resulting from the merger of US Airways and American Airlines. 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.

Cost of Aviation Fuel

Airline profitability is 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. 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.

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 has spread, a list that included more than 50 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. 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 federal air 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.

Computer networks and data transmission and collection are vital to the safe and efficient operation of the Airports, the airlines that serve the Airports and other tenants of the Airports. Notwithstanding security measures, information technology and infrastructure of the Airports, any of the airlines serving the Airports or any other tenants at the Airports may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operations of the Airports and/or the airlines serving the Airports and the services provided at the Airports, thereby adversely affecting the ability of the Airports to generate revenue.

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 modifications to better accommodate additional requirements.

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 and on the airlines operating at the Airports. The United States Environmental Protection Agency ("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 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 August 15, 2016, EPA found that GHG emissions from certain aircraft cause and contribute to pollution that endangers public health and welfare. In that endangerment finding, EPA stated that it intends 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 ("ICAO"). The ICAO's standards were approved on October 6, 2016 and adopted on March 6, 2017. The ICAO standards apply to new aircraft type designs from 2020 forward, and in-production aircraft must meet the standards by 2028. EPA has publicly indicated as recently as January 2018 its intent to adopt the ICAO emission standards for the United States, but the agency has not initiated rulemaking or set a timeline for such actions. Consequently, the Airports Authority cannot predict when EPA's emission standards will be proposed, when the Federal Aviation Administration will adopt regulations to implement those standards, or what effect the 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, Federal Inspection Services, air traffic control and other FAA staffing and facilities. The FAA currently operates under the 2012 FAA Reauthorization Act, which, after several extensions, is scheduled to expire on September 30, 2018. 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."

While Congress has held hearings on a long-term FAA reauthorization act to replace the 2012 FAA Reauthorization Act expiring on September 30, 2018, no long-term reauthorization legislation has been approved by either house of Congress as of the date of this Official Statement. There can be no assurance that Congress will enact and the President will sign an FAA reauthorization act before the current authorization terminates. Failure to adopt such legislation could have a material, adverse impact on United Stated aeronautical operations as well as the AIP program.

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.

White House Infrastructure Proposal

On February 12, 2018, the Trump Administration released its infrastructure proposal entitled "Legislative Outline for Rebuilding Infrastructure in America." The proposal, among other things, included the divestiture of infrastructure assets currently owned by the federal government and, as an example of such assets, identified Reagan National Airport and Dulles International Airport. While no legislation has been introduced to implement the infrastructure proposal or, in particular, the divestiture of the Airports, such legislation could be introduced in the future. Any transfer by the federal government of the Airports to a new owner-operator likely would require termination of the Federal Lease and, if transferred to a private entity, under current law would require the payment or defeasance of all outstanding Airports Authority Bonds.

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."

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.

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 PFC revenues from each of the airlines that filed for Chapter 11 bankruptcy protection in the past. PFC revenues are not pledged to the repayment of the Bonds.

Availability of PFC Revenues

The Airports Authority has included in its 2018 budget its intent to use PFC revenues to pay Annual Debt Service on PFC Eligible Bonds in 2018. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Application of Designated Passenger Facility Charges" above.

The amount of available PFC revenues received by the Airports Authority in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airports. 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 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 2018A 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 meeting all financial obligations. 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.

As described under "LITIGATION," two lawsuits are pending against the Airports Authority contesting its power to charge and collect tolls from users of the Dulles Toll Road. One such lawsuit has been resolved by a federal district court in favor of the Airports Authority, but that decision has been appealed by the plaintiffs. The other is pending in the same federal district court.

Counterparty and Liquidity Provider Exposure

In connection with certain variable rate Bonds and the Series Two CP Notes program, 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 2018A 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

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 "CAPITAL CONSTRUCTION PROGRAMS (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 2013 and 2017, BWI had the largest share of enplaned passengers in the Airports' service region, remaining stable at approximately 35%. While the Airports Authority cannot predict 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 2017, Dulles International Airport had the largest share of international passengers in the Airports service region, at approximately 83.7%. International passengers made up approximately 34.1% of all commercial enplanements at Dulles International Airport in 2017. 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 2007 and 2017, average airfares in the New York City market from Reagan

National Airport increased 19.2% while the number of originating passengers decreased 41.0%. 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.

Changes in Federal Tax Law

See "TAX MATTERS – Risk of Future Legislative Changes and/or Court Decisions."

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 constrained airfield facilities. 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 service 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 2018A 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," "project," "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 __, 2018] is attached as APPENDIX A. The Report of the Airport Consultant was prepared by LeighFisher, in conjunction with its subconsultant, DKMG 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 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 2018A 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, 2017 contained in the Airports Authority's 2017 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 2018A 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 2018A Bond for any period during which that Series 2018A 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 2018A Bonds is an item of tax preference under Section 57 of the Code and therefore may be subject to the alternative minimum tax imposed under the Code on individuals and, for taxable years beginning before January 1, 2018, corporations, and (ii) interest on the Series 2018A 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 2018A 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 2018A 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 2018A 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 2018A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018A Bonds. The Airports Authority has covenanted to take the actions required of it for the interest on the Series 2018A 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 2018A 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 2018A Bonds or the market value of the Series 2018A Bonds.

Interest on the Series 2018A 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 2018A Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2018A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2018A 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 2018A Bonds ends with the issuance of the Series 2018A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Airports Authority or the owners of the Series 2018A 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 2018A Bonds, under current IRS procedures, the IRS will treat the Airports Authority as the taxpayer and the beneficial owners of the Series 2018A 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 2018A 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 2018A Bonds.

Prospective purchasers of the Series 2018A 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 2018A 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 may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the 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 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the recent federal tax legislation that was enacted on December 22, 2017 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the corporate alternative minimum tax (for taxable years beginning after December 31, 2017) and eliminates tax-exempt advance refunding bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

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

Original Issue Discount and Original Issue Premium

Certain of the Series 2018A Bonds ("Discount 2018A Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount 2018A Bond. The issue price of a Discount 2018A Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount 2018A Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount 2018A Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount 2018A Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount 2018A Bond. The amount of OID that accrues each year to a corporate owner of a Discount Series 2018A Bond is taken into account in computing the corporation's liability for federal alternative minimum tax. A purchaser of a Discount 2018A Bond in the initial public offering at the price or yield for that Discount 2018A Bond stated on the inside cover page of this Official Statement who holds that Discount 2018A Bond to maturity will realize no gain or loss upon the retirement of that Discount 2018A Bond.

Certain of the Series 2018A Bonds ("Premium 2018A Bonds") may be 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 2018A Bond, based on the yield to maturity of that Premium 2018A Bond (or, in the case of a Premium 2018A 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 2018A Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium 2018A 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 2018A Bond, the owner's tax basis in the Premium 2018A 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 2018A Bond for an amount equal to or less than the amount paid by the owner for that Premium 2018A Bond. A purchaser of a Premium 2018A Bond in the initial public offering at the price or yield for that Premium 2018A Bond stated on the inside cover pages of this Official Statement who holds that Premium 2018A Bond to maturity (or, in the case of a callable Premium 2018A Bond, to its earlier call date that results in the lowest yield on that Premium 2018A Bond) will realize no gain or loss upon the retirement of that Premium 2018A Bond.

Owners of Discount 2018A Bonds and Premium 2018A Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount 2018A Bonds or Premium 2018A Bonds and as to other federal tax consequences and the treatment of OID 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 2018A 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 2018A 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 2018A Bonds and to the status of interest on the Series 2018A 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, Katten Muchin Rosenman 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. Except as described below, 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 2018A 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 2018A Bonds, the validity or binding effect of the Series 2018A Bonds, the resolution of the Airports Authority authorizing and implementing the Series 2018A 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 2018A Bonds.

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 the federal district court for the District of Columbia. In the lawsuit as originally filed, among other claims, the plaintiffs claimed that the payment of tolls on the Dulles Toll Road may not be used to subsidize the construction of the Dulles Metrorail Project and questioned the constitutionality of the Airports Authority and certain of its activities as operator of the Dulles Toll Road that are related to the Dulles Metrorail Project and to the Airports Authority's Dulles Corridor Enterprise. The lawsuit was transferred to the federal district court for the Eastern District of Virginia in November 2016. Soon thereafter, the plaintiffs amended their complaint to add certain allegations and claims regarding the operation of the Aviation Enterprise by the Airports Authority and requesting, among other things, that the Secretary of Transportation retake possession of the Airports from the Airports Authority. Many of the claims raised in the amended complaint are substantially similar to claims made in previous litigation challenging the tolls the Airports Authority has set for the Dulles Toll Road and/or the constitutionality of the Airports Authority, all of which have been concluded in favor of the Airports Authority. On May 30, 2017, the federal district court in Virginia granted the motions to dismiss filed by Airports Authority and the federal defendants, rejected all claims asserted by plaintiffs in the amended complaint, and dismissed the amended complaint with prejudice. Plaintiffs thereafter filed an appeal of the district court's ruling in the U.S. Court of Appeals for the Fourth Circuit. Briefing in this appeal is underway, and it is expected that all briefing will be completed by the end of April 2018. A decision from the court of appeals is anticipated in the third or fourth quarter of 2018. While the Airports Authority intends to continue to vigorously defend against the claims raised in this litigation, it cannot predict what action the court of appeals might take, or whether a decision by that court which is adverse to the Airports Authority will directly affect the Aviation Enterprise.

A new lawsuit was filed on April 10, 2018, in the federal district court for the Eastern District of Virginia, also challenging the toll rates established for the Dulles Toll Road. The suit, filed by a single plaintiff as a class action on behalf of all users of the Dulles Toll Road since 2008, seeks damages in an amount no less than the toll revenues the Authority has collected for the Dulles Metrorail Project. The plaintiff's sole claim is that the Airports Authority has established excessive toll rates, which unfairly and impermissibly burden the plaintiff's use of the Dulles Toll Road and, as a result, violate his federal constitutional "right to travel intrastate." This claim is similar to claims made in previous litigation challenging the tolls that the Airports Authority has set for the Dulles Toll Road, all of which have been concluded in favor of the Airports Authority. The Airports Authority intends to vigorously defend against the claim raised in this litigation.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned the Series 2018A Bonds the ratings of "___", "___" and "___", respectively. [Fitch assigned the Series 2018A Bonds the rating of "___" with a "Stable Outlook" on May __, 2018. Moody's assigned the Series 2018A Bonds the rating of "___" with a "Stable Outlook" on May __, 2018. S&P assigned the Series 2018A Bonds the rating of "___" with a "Stable Outlook" on May __, 2018.] 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 2018A 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 2018A Bonds.

UNDERWRITING

The underwriters of the Series 2018A Bonds listed on the cover of this Official Statement, for whom Barclays Capital Inc. acts as representative (the "Underwriters"), have agreed to purchase the Series 2018A Bonds, at a price of $___________ (consisting of $___________ aggregate par amount of the Series 2018A Bonds, plus net original issue premium of $___________, less an underwriting discount of $_________) 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 2018A Bonds if any Series 2018A Bonds are purchased. The Underwriters reserve the right to join with other underwriters in the offering of the Series 2018A Bonds. The obligations of the Underwriters to accept the delivery of the Series 2018A 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.

Jefferies LLC, one of the Underwriters of the Series 2018A Bonds, has entered into an agreement (the “Agreement”) with E*TRADE Securities LLC (“E*TRADE”) for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies will sell Series 2018A Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2018A Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2018A Bonds.

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 2018A Bonds to determine that the proceeds of the Series 2018A 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.

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 2018A 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.

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 2018A Bonds.

All of the appendices are integral parts of this Official Statement and should 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 2018A Bonds are referred to the Indenture for the complete terms thereof. Copies of the Fiftieth 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: ____________________________
Chairman

Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AIRPORT SYSTEM REVENUE AND REFUNDING BONDS
Series 2018A (AMT)

Prepared for

Metropolitan Washington Airports Authority

Prepared by

LeighFisher
Burlingame, California

[May 15], 2018

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This preliminary draft report is subject to change and is intended for discussion purposes only. It is not to be made available to parties other than those to whom it has been issued directly and should not be relied upon for securing financing or making investment decisions.

DRAFT
(4/24/18)

[May 15], 2018

Mr. Warner H. Session
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 and Refunding Bonds
Series 2018A (AMT)

Dear Mr. Session and Mr. Potter:

LeighFisher, in conjunction with DKMG 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 and Refunding Bonds Series 2018A (AMT) (the 2018A 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 2018A Bonds to fund certain of the costs of capital improvements at the Airports and to refund certain outstanding Airport System Revenue Bonds, as follows:

- Approximately $223 million principal amount to fund the costs of capital improvements (the 2018A New Money Bonds)
- Approximately $389 million principal amount to refund approximately $160 million principal amount of outstanding Series 2008A Bonds and $254 million principal amount of outstanding Series 2009C Bonds (the 2018A Refunding Bonds)

The report takes into account Bonds that the Airports Authority plans to issue in 2019 through 2022 in the assumed principal amount of approximately $1.381 billion to fund certain of the costs of capital improvements to the Airports (the 2019-2022 Bonds).

Indenture

The proposed 2018A Bonds and planned 2019-2022 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 through the Aviation Enterprise Fund. The Airports Authority also oversees the operation and development of the Dulles Toll Road and the Dulles Corridor Metrorail Project through 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 elements of the CCP that were substantially completed through 2016 (the 2001-2016 CCP) totaled $5.011 billion, comprising $0.544 billion for projects at Reagan and $4.466 billion for projects at Dulles. Included in the costs of the 2001-2016 CCP is the Airports Authority's contribution of $233 million to the construction of a Metrorail station serving Dulles, expected to be operational in 2020.

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 $1.877 billion, comprising $1.225 billion for projects at Reagan and $0.652 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) replacement of deteriorated airfield pavement; (2) construction of additional domestic gates; (3) improvements to increase the capacity of the main terminal and International Arrivals Building; (4) upgrades to utilities and systems at Concourses A, B, C and D; (5) major maintenance of the AeroTrain system; (6) rehabilitation of the mobile lounge fleet; (7) reconstruction of sections of the Dulles International Airport Access Highway; and (8) upgrades to utility systems and other infrastructure.

The Airports Authority has funded or 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 proposed 2018A New Money Bonds and planned 2019-2022 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 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 intends to use PFC Revenues to pay certain 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 were irrevocably committed to the payment of PFC-eligible Bond debt service through 2016. The Airports Authority intends to use PFC Revenues to pay certain future 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 such PFC Revenues.

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 is 10 years, through 2024, for both Reagan and (under an amendment that was executed in October 2016) Dulles. For purposes of this report, it was assumed that the Signatory Airlines will pay all rentals, fees, and charges as calculated under the provisions of 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 2018A Bonds and the planned 2019-2022 Bonds. The report covers a five-year forecast period through 2023.

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 2018, 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 [TO COME – SEE EXHIBIT G-1]

	in thousands		
Year	Net Revenues [A]	Annual Debt Service *(a)* [B]	Debt service coverage [A/B]
2018	$	$	
2019			
2020			
2021			
2022			
2023			

(a) Net of PFC Revenues that the Airports Authority 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 DKMG 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,

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Attachment

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AIRPORT SYSTEM REVENUE AND REFUNDING BONDS
Series 2018A (AMT)

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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, 12 hardstand positions are provided for regional airline aircraft. Table 1 shows the distribution and use of gates by airline.

The Airports Authority provides 9,061 revenue-producing public automobile parking spaces at Reagan. Approximately 3,000 additional spaces are provided for employee parking. Direct connections from Terminal B/C to the 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
As scheduled for June 2018

	Terminal			Average daily departures		Average daily departing seats	
	A	B/C	Total	Departures	Per gate	Seats	Per departure
American							
Mainline *(a)*		19	19	145.5	7.7	15,450	106
Regional		12 *(b)*	12	92.2	7.7	5,044	55
Subtotal		31	31	237.8	7.7	20,493	86
Other airlines							
Air Canada	1		1	7.8	7.8	496	63
Alaska *(c)*		1	1	6.8	6.8	977	143
Delta *(d)*		7	7	53.1	7.6	6,462	122
Frontier	1		1	3.0	3.0	474	160
JetBlue		4	4	29.7	7.4	3,020	102
Southwest	7		7	41.5	5.9	6,236	150
United	_	4	4	33.9	8.5	3,017	89
Subtotal	9	16	25	175.8	7.0	20,683	118
Total gates	9	47	56	413.6	7.4	41,176	100

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

(a) American Eagle flights operated by Republic Airlines with Embraer 175 aircraft are included.
(b) Hardstand positions for small regional airline aircraft, not equipped with loading bridges.
(c) United operates 2 daily departures on a gate shared with Alaska. These departures are included with Alaska's.
(d) Alaska operates 3 daily departures on a gate shared with Delta. These departures are included with Delta's.

Sources: Airports Authority records as of March 2018 and OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2018.

Capital Construction Programs at Reagan

Exhibit A shows the sources and uses of funds for the Capital Construction Programs at Reagan. Substantially all projects in the 2001-2016 CCP are complete. The principal projects in the 2015-2024 CCP are:

North Concourse. A new north concourse, connected to the three existing Terminal B/C concourses, is being 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. Enabling projects include the demolition of an office building and hangars and modifications to the central utility plant.

Secure National Hall. Space is being constructed above the arrivals curbside roadway at the north and south ends of Terminal B/C to accommodate new passenger security screening checkpoints. The two new checkpoints will replace the three 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 is being 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 scheduled 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 floor space. The main terminal and four concourses provide 111 aircraft gates, 82 of which are equipped with loading bridges and 29 provide ground loading for regional airline aircraft. Two gates are configured for use by ADG VI aircraft.

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 2015-2024 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 used by United and provides 29 parking positions for regional airline aircraft. Concourse B (also referred to as the Tier 1 Concourse) accommodates all airlines other than United and provides 32 gates with loading bridges, up to 17 of which are served by a sterile corridor to accommodate arriving international passengers.

Concourses C and D, which are connected, together provide 900,000 square feet of floor space and 46 loading bridge-equipped gates, all of which are used by 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 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 29 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 32 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 22,607 revenue-producing public automobile parking spaces at Dulles. An additional 6,522 spaces are provided for employee parking. The two garages at Dulles 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

Exhibit A shows the sources and uses of funds for the Capital Construction Programs at Dulles. Substantially all projects in the 2001-2016 CCP are complete, with the exception of the Dulles Metrorail station, scheduled to open in 2020. Projects in the 2015-2024 CCP include:

Airfield Pavement Replacement. Various sections of deteriorated airfield pavement will be reconstructed.

Additional Aircraft Gates. Up to six additional gates will be constructed when required for increased domestic airline operations.

Upgrades to Main Terminal and IAB. Upgrades to the terminal will include improvements to baggage handling systems and enhancement of the capacity of the International Arrivals Building.

Upgrades to Concourses A, B, C and D. Upgrades to the concourses will include replacement of electrical equipment and other utility systems.

Other 2015-2024 CCP projects at Dulles include major maintenance of the AeroTrain system, rehabilitation of the mobile lounge fleet, reconstruction of access highway pavement, upgrades to stormwater and sanitary sewer systems, and other utility and infrastructure upgrades.

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Table 2

GATE DISTRIBUTION AND USE BY AIRLINE

Washington Dulles International Airport

As scheduled for June 2018

	Concourse						Average daily departures		Average daily departing seats	
	A *(a)*	B *(b)*	C	D	Z	Total	Departures	Per gate	Seats	Per departure
United *(c)*										
Mainline			16	12		28	106.9	3.8	18,751	175
Regional	29		6	12		47	147.3	3.1	8,892	60
Subtotal	29		22	24		75	254.2	3.4	27,643	109
Other airlines *(d)*										
Alaska		2				2	5.8	2.9	888	152
American		3				3	15.9	5.3	1,780	112
Delta		5				5	17.9	3.6	1,876	105
Frontier					1	1	4.0	4.0	672	168
JetBlue		1				1	5.7	5.7	570	100
Southwest		2				2	6.6	3.3	1,041	157
Foreign-flag airlines *(e)*		17			1	18	41.1	2.3	9,375	228
Subtotal		30			2	32	97.2	3.0	16,203	167
Gates in use	29	30	22	24	2	107				
Gates not in use	—	2	—	—	2	4				
Total gates	29	32	22	24	4	111	351.4	3.2	43,846	125

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

(a) Hardstand positions for regional airline aircraft, not equipped with loading bridges. The configuration of these positions is changed from time to time as the types of aircraft operated at the positions change. As a result, the number of positions may not match the number shown in other Airports Authority records.

(b) All Tier 1 Concourse gates are shown as B gates, although 11 gates at the east end of the concourse are designated as A gates on airport signage. The gate count is the number of marked aircraft parking positions, some of which are equipped with two loading bridges to accommodate large widebody aircraft.

(c) All gates are leased on a preferential-use basis except for four common-use gates on Concourse D, which are assigned to United.

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

(e) Departures and departing seats include some by Star Alliance airlines operating at Concourses C and D.

Source: Airports Authority records as of March 2018 and OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2018.

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, per capita income, and employment of the Airports service region, one of the nation's largest metropolitan areas. Its residents are on average wealthier 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.

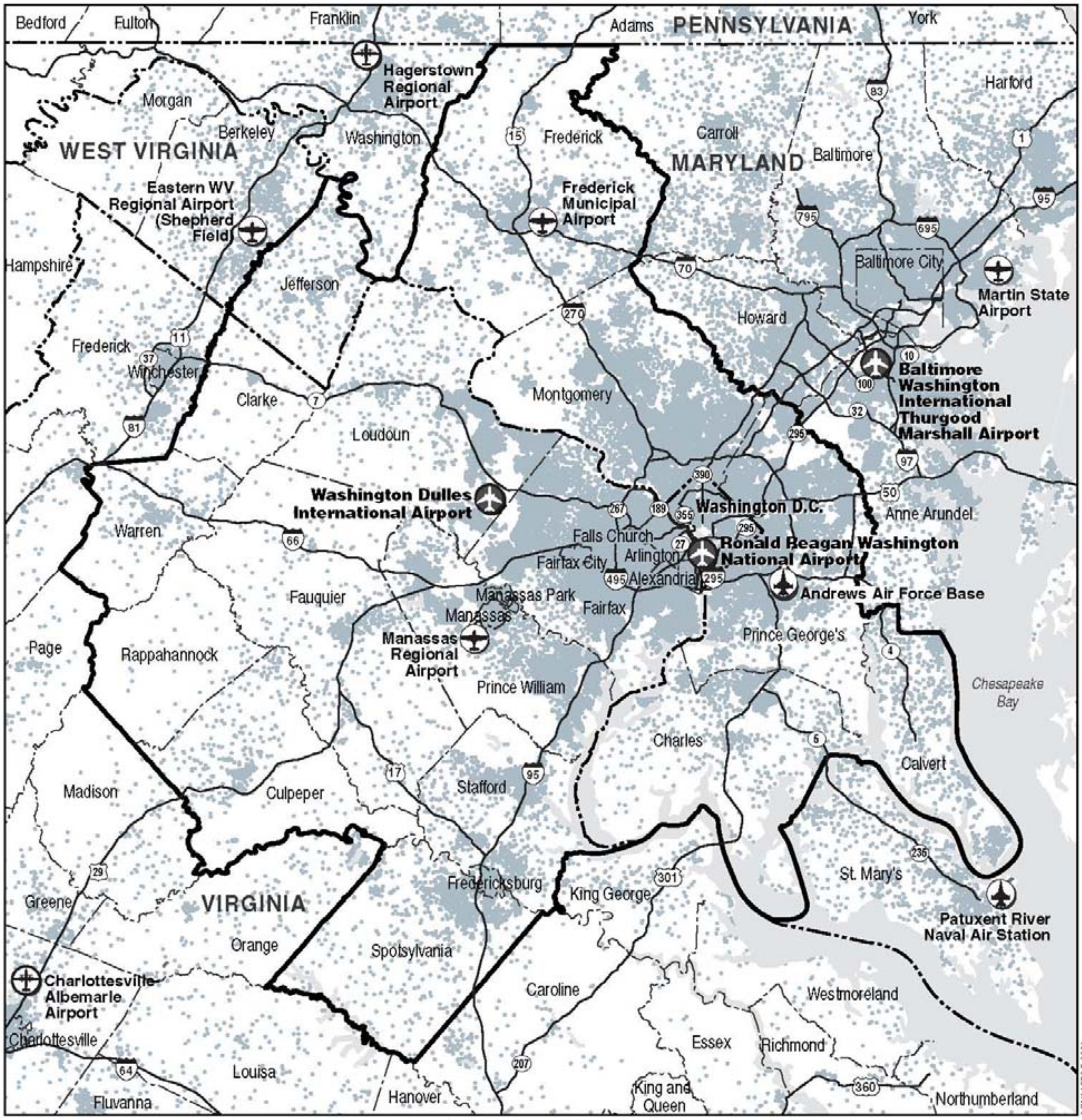
Historical Socioeconomic Data

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 2010 and 2017 (the most recent data available), the population of the Airports service region increased an average of 1.3% annually, compared with a 0.7% average annual increase for the nation as a whole. As shown in Table 4, in 2017, the Airports service region was the sixth most populous metropolitan area in the nation. Between 2007 and 2017, the region was the fifth fastest growing MSA among the nation's 20 most populous MSAs.

Per Capita Income. Between 2010 and 2016 (the most recent data available), per capita personal income in the Airports service region increased an average of 0.7% annually, compared with an average annual increase of 1.8% for the nation as a whole. Even so, the Airports service region's per capita personal income in 2016

($66,733) was 35.5% higher than the national average ($49,246). More than one million households in the Airports service region have annual incomes of $100,000 or more. This number represents 47.0% of the region's households, a proportion almost double that of the nation as a whole (24.6%), and the highest among the nation's 20 most populous MSAs.



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.

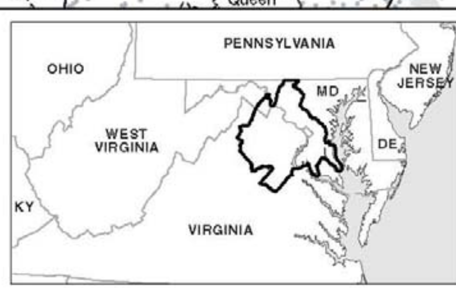


Figure 1
AIRPORTS SEVICE REGION
Metropolitan Washington Airports Authority
March 2018

Table 3
HISTORICAL SOCIOECONOMIC DATA

	Population (thousands)		Per capita personal income (2017 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
2000	4,863	282,162	60,534	43,561	2,695	132,024	2.7%	4.0%
2010	5,666	309,338	65,364	45,277	2,986	130,362	6.3	9.6
2011	5,776	311,644	66,478	46,273	3,029	131,932	6.1	8.9
2012	5,872	313,993	66,722	47,278	3,069	134,175	5.8	8.1
2013	5,963	316,235	63,989	46,812	3,098	136,381	5.6	7.4
2014	6,030	318,623	64,761	48,132	3,116	138,958	5.1	6.2
2015	6,092	321,040	67,382	50,085	3,174	141,843	4.4	5.3
2016	6,151	323,406	68,155	50,252	3,229	144,352	3.8	4.9
2017	6,217	325,719	n.a.	50,392	3,286	146,627	3.7	4.4
	Average annual percent increase							
2000-2010	1.5%	0.9%	0.8%	0.4%	1.0%	(0.1%)		
2010-2017	1.3	0.7	0.7*(a)*	1.5	1.4	1.7		

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. Employment and unemployment data for the Airports service region for 2017 are preliminary.

n.a. = not available.

(a) Average annual percent increase 2010-2016.

Sources: Population: U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed March 2018.
Income: U.S. Department of Commerce, Bureau of Economic Analysis website, www.bea.gov, accessed April 2018.
Employment: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed February 2018.

Nonagricultural Employment. Between 2010 and 2017, nonagricultural employment in the Airports service region increased an average of 1.4% annually, compared with a 1.7% average annual increase for the nation as a whole.

Unemployment Rates. Since 2010, the rate of unemployment has been lower for the Airports service region than for the nation. In 2017, unemployment in the region was 3.7% compared with 4.4% for the nation.

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

Metropolitan Statistical Area	Population (thousands) 2007	Population (thousands) 2017	Percent increase (decrease)	Rank by 2017 population
Houston-The Woodlands-Sugar Land	5,598	6,892	23.1%	5
Dallas-Fort Worth-Arlington	6,157	7,400	20.2	4
Denver-Aurora-Lakewood	2,449	2,888	17.9	19
Seattle-Tacoma-Bellevue	3,307	3,867	16.9	15
Washington Airports service region	**5,373**	**6,217**	**15.7**	**6**
Tampa-St. Petersburg-Clearwater	2,711	3,091	14.0	18
Phoenix-Mesa-Scottsdale	4,176	4,737	13.5	11
Riverside-San Bernardino-Ontario	4,049	4,581	13.1	13
Miami-Fort Lauderdale-West Palm Beach	5,465	6,159	12.7	7
San Francisco-Oakland-Hayward	4,202	4,727	12.5	12
Minneapolis-St. Paul-Bloomington	3,204	3,601	12.4	16
San Diego-Carlsbad	2,976	3,338	12.2	17
Atlanta-Sandy Springs-Roswell	5,268	5,885	11.7	9
New York-Newark-Jersey City	18,901	20,321	7.5	1
Boston-Cambridge-Newton	4,504	4,837	7.4	10
Los Angeles-Long Beach-Anaheim	12,693	13,354	5.2	2
Baltimore-Columbia-Towson	2,670	2,808	5.2	20
Philadelphia-Camden-Wilmington	5,913	6,096	3.1	8
Chicago-Naperville-Elgin	9,452	9,533	0.9	3
Detroit-Warren-Dearborn	4,457	4,313	(3.2)	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 population. 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 March 2018.

As shown in Table 5, between January 2007 and January 2018, nonagricultural employment in the Airports service region increased 10.1%, the 11th 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)

	Employment (thousands)		Percent increase
Metropolitan Statistical Area	2007	2018	(decrease)
Dallas-Fort Worth-Arlington	2,913	3,608	23.9%
Denver-Aurora-Lakewood	1,203	1,460	21.4
Houston-The Woodlands-Sugar Land	2,499	3,030	21.2
Seattle-Tacoma-Bellevue	1,707	2,017	18.1
San Francisco-Oakland-Hayward	2,032	2,398	18.0
Riverside-San Bernardino-Ontario	1,281	1,475	15.2
Atlanta-Sandy Springs-Roswell	2,428	2,710	11.6
San Diego-Carlsbad	1,303	1,454	11.5
Boston-Cambridge-Newton	2,436	2,699	10.8
New York-Newark-Jersey City	8,650	9,539	10.3
Washington Airports service region	**2,961**	**3,259**	**10.1**
Miami-Fort Lauderdale-West Palm Beach	2,415	2,646	9.5
Phoenix-Mesa-Scottsdale	1,885	2,053	8.9
Tampa-St. Petersburg-Clearwater	1,229	1,334	8.6
Minneapolis-St. Paul-Bloomington	1,816	1,961	8.0
Baltimore-Columbia-Towson	1,289	1,383	7.3
Los Angeles-Long Beach-Anaheim	5,715	6,063	6.1
Philadelphia-Camden-Wilmington	2,765	2,878	4.1
Chicago-Naperville-Elgin	4,449	4,607	3.5
Detroit-Warren-Dearborn	1,936	1,985	2.5

Notes: 2018 data are preliminary. 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 March 2018.

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.* 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 2016, federal procurement spending in the Airports service region decreased 10.4%, from $82.4 billion to $73.8 billion.** Federal employment in the Airports service region also decreased between 2010 and 2014, before returning to modest growth in 2015. Even so, employment growth in other economic sectors has more than compensated for these decreases, as evidenced by the overall employment gains since 2010 shown in Table 3.

The workforce in the Airports service region is well-educated, with 30.7% holding an associate's or bachelor's degree and an additional 25.0% holding a graduate or professional degree, compared with the national averages of 27.7% and 11.9%, 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 region has a high ratio of workers in professional services, information technology, education, and research, many of whom provide services to the federal government, either directly or through contracted services.

In recent years, companies such as Computer Sciences Corporation (now DXC Technology), Hilton Worldwide, Northrop Grumman, Science Applications International Corporation, and Volkswagen Group of America have located their U.S. headquarters in the region. According to the 2017 *Fortune* 500 list, 17 of the top 500 U.S. companies by revenue were headquartered in the Airports service region and accounted for combined revenues of approximately $414 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, and the Export-Import Bank. The region is also home to approximately 400 international associations, approximately 350 law firms with international practices, and approximately 180 embassies and international cultural centers.

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

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

**George Mason University, Center for Regional Analysis, *Washington Area Economy: Performance and Outlook,* January 8, 2018.

***U.S. Department of Commerce, Bureau of the Census, *2016 American Community Survey*.

region is disproportionately concentrated in the government and professional and business services sectors. Between 2007 and 2017, employment in these two sectors combined increased at higher rates in the Airports service region than in the nation such that, by 2017, they together accounted for 44.3% of employment in the region, compared with 29.2% in the nation. Employment growth in the education, health services, leisure, and hospitality sectors also outpaced national rates of growth. According to Bureau of Labor Statistics data, in 2017, the federal government accounted for approximately 367,000 employees in the Airports service region, 11.2% of the Airports service region's total nonagricultural workforce.

Table 6

NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR

	Share of total 2017		Average annual percent Increase (decrease) 2007-2017	
Industry sector	Airports service region	United States	Airports service region	United States
Professional and Business Services	23.0%	14.0%	1.1%	1.3%
Government	21.3	15.2	0.7	0.0
Education and Health Services	13.6	15.8	2.9	2.2
Trade, Transportation, Utilities	12.5	18.8	0.1	0.3
Leisure and Hospitality	10.2	10.9	2.7	1.8
Other Services	6.0	3.9	1.0	0.5
Mining, Logging, and Construction	4.8	5.2	(1.6)	(0.9)
Financial activities	4.8	5.8	(0.1)	0.1
Information	2.2	1.9	(2.8)	(0.8)
Manufacturing	1.6	8.5	(1.8)	(1.1)
Total	100.0%	100.0%	0.9%	0.6%

Notes Percent shares may not add to 100.0% because of rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed February 2018.

Table 7 shows the top 25 private-sector employers in the region. Of these 25 employers, 11 are on the *Fortune* 500 list of largest U.S. companies, 10 of which are also headquartered in the Airports service region, and 11 are providers of professional, business, or technical services, largely to the federal government.

Table 7
LARGEST PRIVATE SECTOR EMPLOYERS
Washington, D.C. Metro area
June 2017

Rank	Company	Employment	Type of business
1	MedStar Health	17,420	Health care
2	Marriott International *(a)*	16,770	Hospitality
3	Inova Health System	16,000	Health care
4	Booz Allen Hamilton *(a)*	15,210	Professional services
5	Giant Food	10,750	Retail grocer
6	Deloitte	9,530	Professional services
7	CSRA *(a)(b)*	9,050	Information technology
8	Leidos Holdings *(a)*	9,010	Technology and engineering
9	Verizon Communications *(c)*	8,300	Telecommunications
10	Hilton Worldwide Holdings *(a)*	8,240	Hospitality
11	Georgetown University	8,010	Higher education
12	General Dynamics *(a)*	7,500	Aerospace and defense
13	Kaiser Permanente of the Mid-Atlantic States	7,450	Health care
14	Children's National Health System	6,860	Health care
15	George Washington University	6,590	Higher education
16	Accenture Federal Services	6,500	Professional services
17	Capital One Financial *(a)*	6,200	Financial services
18	Adventist Healthcare	5,420	Health care
19	Freddie Mac *(a)(d)*	5,420	Financial services
20	The Long & Foster Cos.	5,420	Real estate
21	Fannie Mae *(a)(d)*	4,990	Financial services
22	Northrop Grumman *(a)*	4,700	Defense and technology
22	Securitas Security Services	4,320	Professional services
24	Holy Cross Health	4,300	Health care
25	Engility	4,000	Defense and technology

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

(a) Fortune 500 company (based on 2016 revenue) headquartered in the Airports service region.
(b) Formed by merger of government services division of Computer Sciences Corporation and SRA International.
(c) Fortune 500 company (based on 2016 revenue) not headquartered in the Airports service region.
(d) Employee count as of June 2016.

Sources: Greater Washington Business Journal, 2018 Book of Lists; Fortune 500 website, www.fortune.com.

Visitors and Conventions

The national monuments, institutions, museums, and other attractions of the Airports service region make it one of the most visited in the nation. Washington, D.C. attracted 20.0 million domestic visitors and 2.0 million international visitors in 2016 (the most recent data available), according to Destination DC, a nonprofit organization that promotes tourism. In 2016, visitors to Washington, D.C. spent $7.3 billion, of which $2.0 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 2016, the Airports service region ranked eighth by numbers of overseas visitors.

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 more than 4,600 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 more than 500,000 square feet of meeting and convention space.

ECONOMIC OUTLOOK

Outlook for the U.S. Economy

Real (inflation-adjusted) gross domestic product (GDP) grew 2.4% in 2014, 2.6% in 2015, 1.6% in 2016, and 2.3% in 2017. The Congressional Budget Office forecasts real GDP growth of 3.0% in 2018, 2.9% in 2019, and an average of 1.7% per year 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, growth in the economies of foreign trading partners, and stable trading relationships.

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 greater effect on economic growth and employment. The Center for Regional Analysis at George Mason University projects annual growth in Gross Regional Product averaging 2.0% in the years 2017 through 2020, generally in line with 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, in November 2016 (the most recent forecasts available). Growth in population and employment in the region is forecast to exceed national rates.

Table 8
SOCIOECONOMIC FORECASTS

	Average annual percent increase	
	Historical 2000-2017	Forecast 2017-2025
Airports service region *(a)*		
Population	1.5%	1.1%
Nonagricultural employment	1.2	1.2
United States		
Population	0.8%	0.8%
Nonagricultural employment	0.6	0.7

(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.

Sources:
Population:
Historical—U.S. Department of Commerce, Bureau of the Census website, www.census.gov, accessed March 2018.
Forecast—Metropolitan Washington Council of Governments website, *Round 9.0 Cooperative Forecasting: Population and Household Forecasts to 2045 by Traffic Analysis Zone*, November 2016, www.mwcog.org.
U.S. Department of Commerce, Bureau of the Census, *Projections of Population and Components of Change for the United States: 2015 to 2060*, December 2014, www.census.gov.
Nonagricultural employment:
Historical—U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed February 2018.
Forecast—Metropolitan Washington Council of Governments, *Round 9.0 Cooperative Forecasting: Employment Forecasts to 2045 by Traffic Analysis Zone*, November 2016, www.mwcog.org.
U.S. Department of Labor, Bureau of Labor Statistics, *Employment Projections: 2016-2026*, October 2017, www.bls.gov.

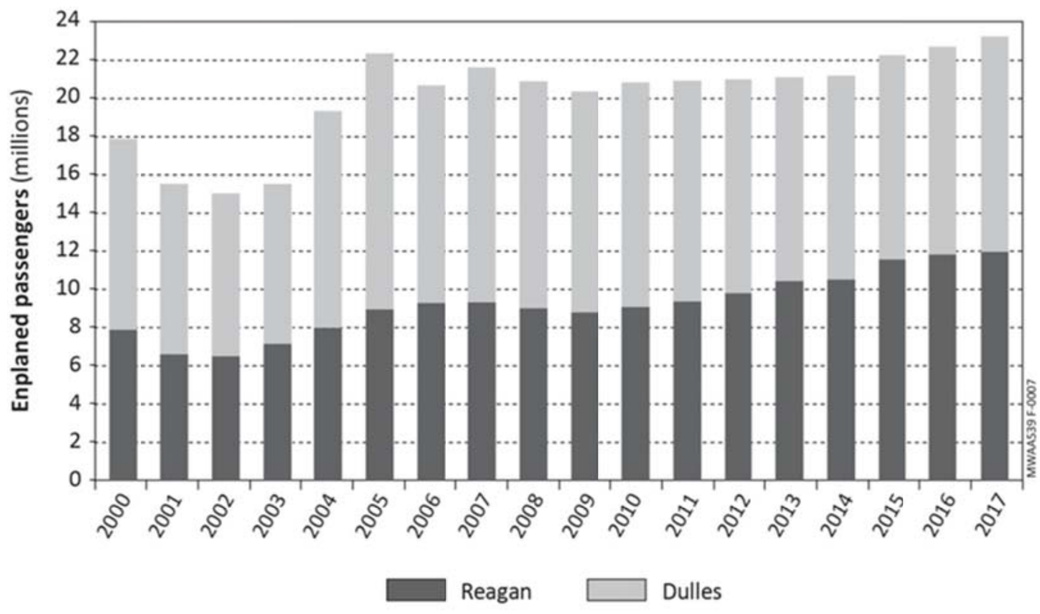
AIRLINE TRAFFIC ANALYSIS

HISTORICAL PASSENGER TRAFFIC AT THE AIRPORTS

From 2000 to 2007, Dulles accommodated most of the net increase in passenger numbers for the two-Airports system but, since 2007, all the net increase has been at Reagan, more than offsetting a decrease at Dulles. Reagan's share of the total passengers enplaned at both Airports increased from 43.1% in 2007 to 51.3% in 2017.

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 2017, 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 2017 accounted for less than 0.8% 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
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	10,257	201	10,458	7,112	3,567	10,679	17,370	3,768	21,138
2015	11,298	198	11,496	7,139	3,575	10,714	18,437	3,773	22,210
2016	11,600	167	11,767	7,145	3,719	10,864	18,745	3,886	22,631
2017	11,763	183	11,946	7,466	3,858	11,324	19,230	4,041	23,270
	Average annual percent increase (decrease)								
2000-2012	1.8%	2.9%	1.9%	(0.0%)	4.0%	1.0%	0.9%	3.9%	1.4%
2012-2017	4.1	0.2	4.1	(1.0)	3.1	0.3	1.9	2.9	2.1
2000-2017	2.5	2.1	2.5	(0.3)	3.7	0.8	1.2	3.6	1.6
	Annual percent increase (decrease)								
2012-2013	4.0%	12.5%	4.2%	(5.8%)	4.4%	(2.8%)	(0.4%)	4.8%	0.5%
2013-2014	2.6	(1.4)	2.6	(3.8)	3.0	(1.7)	(0.1)	2.7	0.4
2014-2015	10.1	(1.7)	9.9	0.4	0.2	0.3	6.1	0.1	5.1
2015-2016	2.7	(15.6)	2.4	0.1	4.0	1.4	1.7	3.0	1.9
2016-2017	1.4	9.6	1.5	4.5	3.7	4.2	2.6	4.0	2.8
	Share of Airports total								
2000			44.1%			55.9%			100.0%
2007			43.1			56.9			100.0
2012			46.7			53.3			100.0
2017			51.3			48.7			100.0

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

Source: 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 (49.6%), and United, the airline enplaning the most passengers at Dulles (63.2%), together enplaned 62.4% of passengers at the two Airports in 2017. (The later Tables 23, 31, and 32 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 2017, Reagan ranked 23rd and Dulles ranked 25th.

Table 11 shows the 30 largest U.S. airports ranked by enplaned originating passengers. By this measure, in 2017, Reagan ranked 18th and Dulles ranked 27th.

Table 12 shows the 30 largest U.S. airports ranked by connecting passengers. By this measure, in 2017, Dulles ranked 20th and Reagan ranked 27th.

Table 13 shows the 30 largest U.S. gateway airports ranked by international enplaned passengers. In 2017, Dulles ranked 10th among U.S. gateway airports, up from 12th in 2000.

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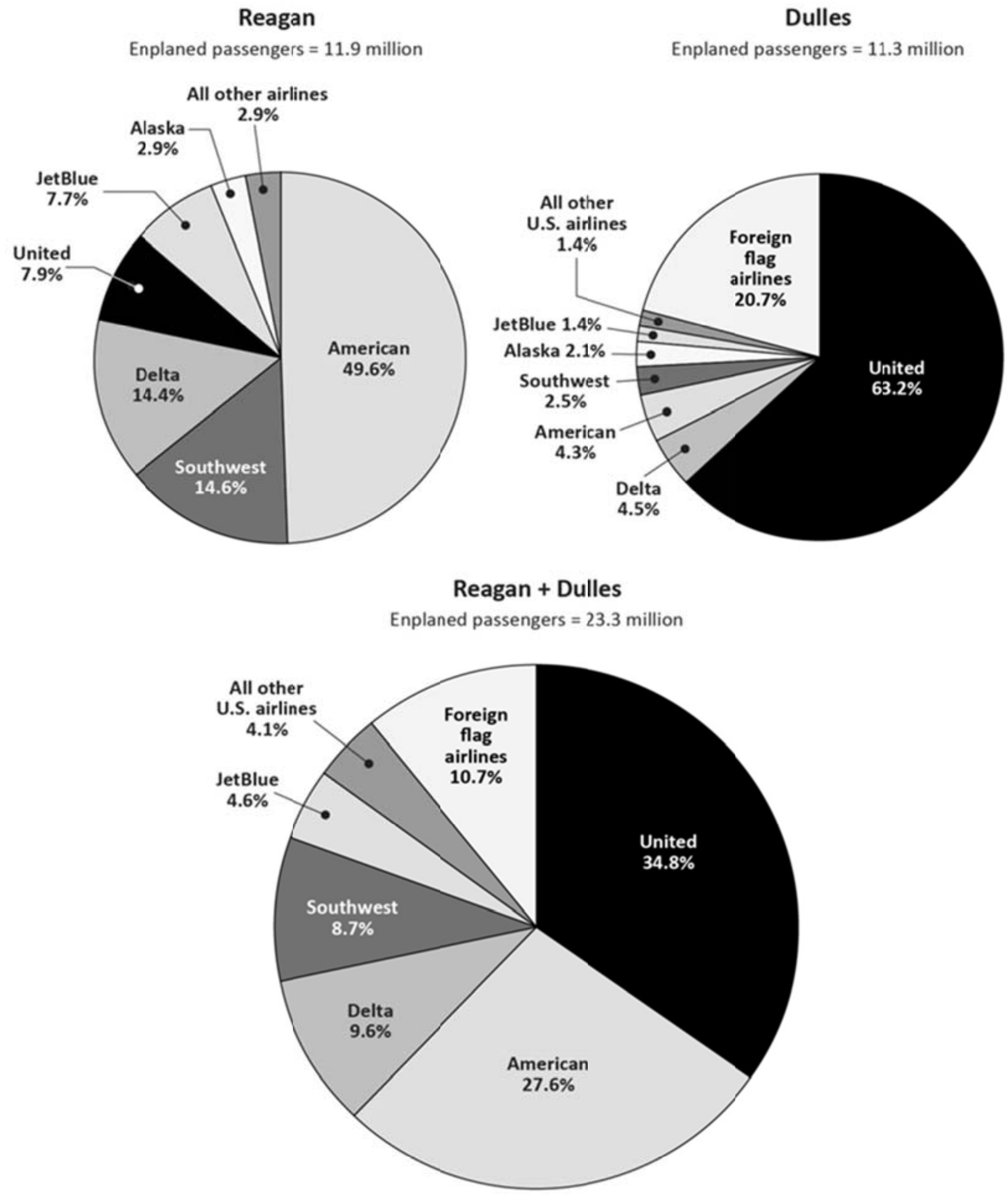
*In all discussions of historical airline service and passenger traffic by airline in this report, unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American Airlines; Northwest Airlines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

Figure 3
AIRLINE SHARES OF ENPLANED PASSENGERS
Reagan National and Dulles International Airports
2017



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.

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Table 10

ENPLANED PASSENGERS AT TOP-RANKING U.S. AIRPORTS

Calendar years, except 2017

2017 Rank	City (airport)	Enplaned passengers (millions) 2000	2007	2012	2017 *(a)*	Percent increase (decrease) 2012-2017	Increase (decrease) 2012-2017 (millions)
1	Atlanta	39.2	43.1	45.7	50.4	10.2%	4.7
2	Los Angeles (International)	32.1	30.1	31.4	40.9	30.4	9.5
3	Chicago (O'Hare)	33.7	36.5	32.2	38.2	18.6	6.0
4	Dallas/Fort Worth	28.2	28.4	28.0	31.4	12.2	3.4
5	New York (Kennedy)	16.1	23.4	24.5	29.6	20.7	5.1
6	Denver	18.3	24.1	25.8	29.6	14.7	3.8
7	San Francisco	19.5	17.3	21.3	26.5	24.3	5.2
8	Las Vegas	16.4	22.4	19.8	23.1	16.4	3.2
9	Seattle	13.8	15.4	16.1	22.4	39.5	6.4
10	Charlotte	11.4	16.6	20.0	21.7	8.3	1.7
11	Newark	17.2	18.2	17.1	21.2	24.5	4.2
12	Phoenix (Sky Harbor)	18.1	20.8	19.6	21.1	8.0	1.6
13	Orlando (International)	14.7	17.6	17.2	21.1	23.0	3.9
14	Miami	16.5	16.2	19.0	20.5	8.0	1.5
15	Houston (Bush)	16.3	20.8	19.0	19.6	2.6	0.5
16	Boston	13.6	13.8	14.3	18.5	29.7	4.2
17	Minneapolis-St. Paul	16.8	17.0	15.9	18.3	15.0	2.4
18	Detroit	17.2	17.5	15.6	17.0	8.7	1.4
19	Fort Lauderdale	7.8	11.1	11.4	15.4	34.8	4.0
20	New York (LaGuardia)	12.7	12.5	12.8	14.4	12.6	1.6
21	Philadelphia	12.3	15.7	14.6	14.2	(2.9)	(0.4)
22	Baltimore	9.6	10.4	11.1	12.8	14.7	1.6
23	**Washington DC (Reagan)**	**7.9**	**9.3**	**9.8**	**11.9**	**21.8**	**2.1**
24	Salt Lake City	9.5	10.6	9.6	11.5	20.3	1.9
25	**Washington DC (Dulles)**	**10.0**	**12.3**	**11.2**	**11.2**	**0.6**	**0.1**
26	Chicago (Midway)	7.1	9.1	9.4	10.9	15.6	1.5
27	San Diego	7.9	9.1	8.7	10.9	25.4	2.2
28	Honolulu	10.6	10.3	9.2	9.8	6.4	0.6
29	Portland, Oregon	6.8	7.3	7.1	9.4	31.6	2.3
30	Tampa	8.0	9.3	8.2	9.4	13.9	1.1
	Total—top 30 airports					16.6%	

Notes: Airports shown are the top 30 U.S. airports ranked by number of passengers for 2017. Percentages were calculated using unrounded numbers.

(a) Data are for the 12 months ended September 30, 2017.

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 2017

2017 Rank	City (airport)	Originating passengers (millions) 2000	2007	2012	2017 *(a)*	Percent increase (decrease) 2012-2017	Increase (decrease) 2012-2017 (millions)
1	Los Angeles (International)	24.0	23.3	23.9	32.9	37.8%	9.0
2	New York (Kennedy)	12.9	18.8	19.5	24.6	26.3	5.1
3	Chicago (O'Hare)	16.4	17.7	16.7	21.7	29.9	5.0
4	San Francisco	15.1	12.7	16.6	20.7	24.8	4.1
5	Orlando (International)	13.8	16.6	16.1	20.1	24.7	4.0
6	Las Vegas	14.1	18.5	16.9	20.0	18.5	3.1
7	Denver	9.8	13.0	13.9	18.3	32.1	4.4
8	Atlanta	15.3	15.1	14.4	18.3	27.1	3.9
9	Boston	12.6	13.1	13.6	17.5	28.4	3.9
10	Newark	13.3	13.9	12.0	16.5	38.2	4.6
11	Seattle	10.4	11.6	11.6	15.6	34.6	4.0
12	Dallas/Fort Worth	11.5	12.3	11.6	14.1	21.4	2.5
13	Phoenix (Sky Harbor)	11.2	12.8	11.1	13.6	22.4	2.5
14	Miami	10.0	9.4	10.8	13.6	26.0	2.8
15	Fort Lauderdale	7.6	10.4	10.6	13.5	27.5	2.9
16	New York (LaGuardia)	11.8	11.6	11.6	13.0	12.4	1.4
17	Minneapolis-St. Paul	8.2	8.7	8.3	10.6	28.2	2.3
18	**Washington DC (Reagan)**	**7.0**	**7.7**	**8.1**	**10.5**	**29.7**	**2.4**
19	San Diego	7.6	8.8	8.3	10.3	24.5	2.0
20	Philadelphia	7.8	9.8	8.5	9.9	16.3	1.4
21	Houston (Bush)	6.8	9.0	8.0	9.8	22.4	1.8
22	Detroit	8.4	9.0	7.7	9.5	23.6	1.8
23	Baltimore	8.2	8.5	8.1	9.0	11.1	0.9
24	Tampa	7.5	8.7	7.7	9.0	17.2	1.3
25	Portland, Oregon	5.7	6.2	6.0	8.2	36.5	2.2
26	Honolulu	8.6	8.4	7.5	8.0	6.9	0.5
27	**Washington DC (Dulles)**	**7.0**	**7.8**	**6.7**	**7.8**	**15.6**	**1.0**
28	Chicago (Midway)	5.8	6.5	6.0	7.1	18.1	1.1
29	Salt Lake City	5.0	5.7	5.1	6.9	34.8	1.8
30	Charlotte	3.0	4.8	5.2	6.5	24.5	1.3
	Total—top 30 airports					25.7%	

Notes: Airports shown are the top 30 U.S. airports ranked by originating passengers for 2017.
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, 2017.

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 2017

2017 Rank	City (airport)	Connecting passengers (millions) 2000	2007	2012	2017 *(a)*	Percent increase (decrease) 2012-2017	Increase (decrease) 2012-2017 (millions)
1	Atlanta	24.0	28.1	31.4	32.1	2.5%	0.8
2	Dallas/Fort Worth	16.7	16.1	16.4	17.4	5.6	0.9
3	Chicago (O'Hare)	17.2	18.8	15.5	16.5	6.5	1.0
4	Charlotte	8.4	11.8	14.8	15.2	2.6	0.4
5	Denver	8.5	11.1	11.9	11.3	(5.5)	(0.7)
6	Houston (Bush)	9.6	11.7	11.0	9.7	(11.8)	(1.3)
7	Los Angeles (International)	8.2	6.8	7.5	8.0	6.7	0.5
8	Minneapolis-St. Paul	8.6	8.3	7.6	7.7	0.8	0.1
9	Phoenix (Sky Harbor)	6.9	8.0	8.4	7.5	(11.0)	(0.9)
10	Detroit	8.8	8.5	7.9	7.5	(5.7)	(0.4)
11	Miami	6.4	6.8	8.2	6.9	(15.8)	(1.3)
12	Seattle	3.4	3.8	4.5	6.8	51.9	2.3
13	San Francisco	4.4	4.5	4.7	5.8	22.6	1.1
14	New York (Kennedy)	3.2	4.6	5.1	5.0	(1.1)	(0.1)
15	Newark	3.8	4.3	5.1	4.7	(7.6)	(0.4)
16	Salt Lake City	4.6	4.9	4.5	4.7	4.0	0.2
17	Philadelphia	4.5	5.9	6.1	4.3	(29.6)	(1.8)
18	Chicago (Midway)	1.3	2.7	3.4	3.8	11.3	0.4
19	Baltimore	1.4	1.9	3.0	3.8	24.4	0.7
20	**Washington DC (Dulles)**	**2.9**	**4.5**	**4.5**	**3.5**	**(21.8)**	**(1.0)**
21	Las Vegas	2.3	3.9	2.9	3.1	3.9	0.1
22	Dallas (Love)	0.7	1.0	1.1	2.4	123.1	1.3
23	Houston (Hobby)	1.1	1.1	1.4	2.2	54.2	0.8
24	Fort Lauderdale	0.2	0.7	0.9	2.0	123.5	1.1
25	Honolulu	2.0	1.9	1.7	1.8	3.9	0.1
26	St. Louis	9.5	1.4	1.1	1.6	48.5	0.5
27	**Washington DC (Reagan)**	**0.9**	**1.6**	**1.7**	**1.4**	**(16.7)**	**(0.3)**
28	New York (LaGuardia)	0.8	1.0	1.2	1.4	15.3	0.2
29	Portland, Oregon	1.1	1.1	1.1	1.2	5.9	0.1
30	Boston	1.0	0.7	0.7	1.0	55.6	0.4
	Total—top 30 airports					2.4%	

Notes: Airports shown are the top 30 U.S. airports ranked by number of connecting passengers for 2017.
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, 2017.

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

Table 13

INTERNATIONAL PASSENGERS AT TOP-RANKING U.S. AIRPORTS

Calendar years, except 2017

2017 Rank	City (airport)	Enplaned international passengers (millions) 2000	2007	2012	2017 *(a)*	Percent increase (decrease) 2012-2017	Increase (decrease) 2012-2017 (millions)
1	New York (Kennedy)	9.02	10.71	12.45	16.13	29.5%	3.7
2	Los Angeles (International)	8.16	8.33	8.33	11.89	42.8	3.6
3	Miami	7.99	7.76	9.71	10.36	6.7	0.6
4	San Francisco	3.95	4.25	4.56	6.41	40.7	1.9
5	Chicago (O'Hare)	4.96	5.67	5.15	6.30	22.3	1.1
6	Newark	4.40	5.28	5.58	6.21	11.2	0.6
7	Atlanta	3.11	4.46	4.78	5.83	21.9	1.0
8	Houston (Bush)	2.67	3.79	4.27	5.11	19.6	0.8
9	Dallas/Fort Worth	2.42	2.51	2.90	4.05	39.5	1.1
10	**Washington (Dulles)**	**2.08**	**2.96**	**3.32**	**3.85**	**15.9**	**0.5**
11	Boston	2.13	1.92	2.03	3.40	67.3	1.4
12	Fort Lauderdale	0.70	1.44	1.76	3.36	91.3	1.6
13	Orlando (International)	1.22	1.10	1.88	2.79	48.5	0.9
14	Seattle	1.11	1.27	1.55	2.46	59.1	0.9
15	Honolulu	2.49	1.79	2.21	2.40	8.5	0.2
16	Las Vegas	0.51	1.12	1.40	1.77	26.4	0.4
17	Philadelphia	1.28	1.79	1.88	1.77	(6.0)	(0.1)
18	Detroit	1.92	1.89	1.57	1.72	9.9	0.2
19	Charlotte	0.47	1.04	1.45	1.50	3.2	0.0
20	Minneapolis-St. Paul	1.44	1.26	1.08	1.41	30.3	0.3
21	Denver	0.63	1.10	0.87	1.23	41.5	0.4
22	New York (LaGuardia)	0.69	0.63	0.73	1.05	44.1	0.3
23	Phoenix (Sky Harbor)	0.49	0.87	1.10	1.02	(7.4)	(0.1)
24	Baltimore	0.29	0.26	0.28	0.54	91.6	0.3
25	Salt Lake City	0.06	0.27	0.18	0.45	145.2	0.3
26	Houston (Hobby)	0.00	0.00	0.00	0.44	n.c.	0.4
27	Tampa	0.20	0.18	0.24	0.43	80.5	0.2
28	San Diego	0.15	0.15	0.26	0.42	57.0	0.2
29	San Jose	0.17	0.08	0.08	0.41	390.3	0.3
30	Chicago (Midway)	0.00	0.06	0.19	0.41	116.4	0.2
	Total—top 30 airports					29.2%	

Notes: n.c. = not calculated.
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 2017.
Percentages were calculated using unrounded numbers.

(a) Data are for the 12 months ended September 30, 2017.

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

As scheduled for June of years noted

	Number of destinations served nonstop *(a)*			Average daily aircraft departures			Average daily departing seats		
	2007	2018	Change	2007	2018	Change	2007	2018	Change
By airport									
Reagan	65	81	16	374	405	31	36,062	41,075	5,013
Dulles	73	71	(2)	381	276	(105)	33,483	28,659	(4,824)
BWI	57	67	10	334	335	1	41,424	47,489	6,065
By airline type									
Low-cost carriers									
Reagan	5	24	19	14	74	60	1,946	9,730	7,784
Dulles	12	8	(4)	43	16	(27)	5,511	2,283	(3,228)
BWI	49	56	7	217	247	30	29,011	37,913	8,902
All other airlines									
Reagan	65	77	12	360	331	(30)	34,116	31,345	(2,771)
Dulles	73	70	(3)	338	259	(78)	27,972	26,375	(1,596)
BWI	25	28	3	116	88	(29)	12,413	9,576	(2,837)
By aircraft type									
Large jet									
Reagan	38	32	(6)	205	155	(50)	27,221	23,785	(3,435)
Dulles	27	34	7	135	116	(19)	20,385	18,629	(1,756)
BWI	55	57	2	281	295	14	38,878	45,745	6,867
Regional jet									
Reagan	46	69	23	163	250	87	8,624	17,290	8,666
Dulles	49	50	1	213	160	(53)	12,121	10,030	(2,092)
BWI	10	6	(4)	41	25	(16)	2,131	1,593	(539)
Turboprop									
Reagan	3	--	(3)	6	--	(6)	217	--	(217)
Dulles	11	--	(11)	33	--	(33)	977	--	(977)
BWI	4	8	4	11	11	(0)	414	151	(263)

(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 2018.

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
2007	24,762	32,290	28,616	28.9%	37.7%	33.4%
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	30,812	28,484	32,047	33.7	31.2	35.1
2016	31,340	29,002	33,610	33.4	30.9	35.8
2017 *(a)*	31,443	29,994	34,962	32.6	31.1	36.3

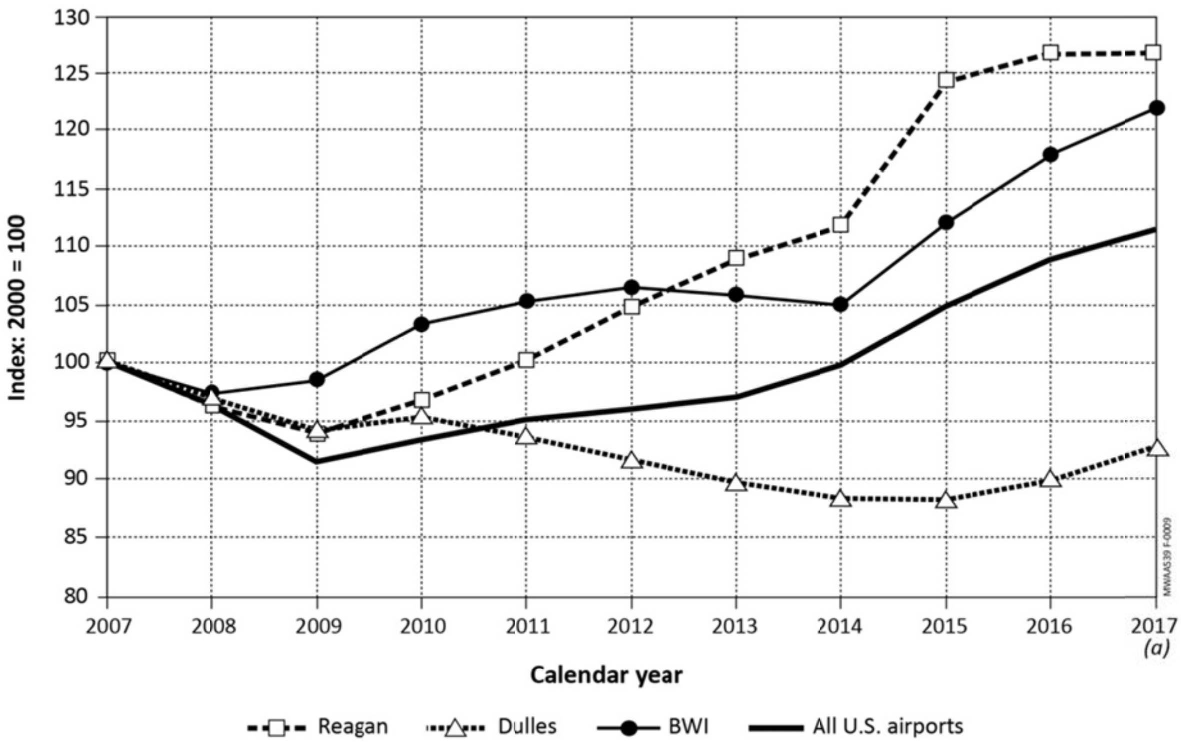
	Average daily international enplaned passengers					
				Share of three-airport region total		
Year	Reagan	Dulles	BWI	Reagan	Dulles	BWI
2007	413	7,752	707	4.7%	87.4%	8.0%
2012	520	8,798	768	5.2	87.2	7.6
2013	526	9,234	936	4.9	86.3	8.7
2014	500	9,514	964	4.6	86.7	8.8
2015	550	9,563	1,392	4.8	83.1	12.1
2016	510	9,860	1,474	4.3	83.3	12.4
2017 *(a)*	505	10,209	1,476	4.1	83.7	12.1

	Average daily domestic originating passengers					
				Share of three-airport region total		
Year	Reagan	Dulles	BWI	Reagan	Dulles	BWI
2007	18,868	14,604	21,922	34.1%	26.4%	39.6%
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	24,033	11,082	20,238	43.4	20.0	36.6
2016	25,511	11,037	21,387	44.0	19.1	36.9
2017 *(a)*	25,846	11,652	22,418	43.1	19.4	37.4

Data are for the 12 months ended September 30, 2017.

Sources: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100; U.S. DOT, Schedule T100.

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, 2017, the most recent available.
Source: U.S. DOT, Schedule T100.

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 2017, BWI accounted for about 37.4% (down from 39.6% in 2007), Reagan for 43.1% (up from 34.1% in 2007), and Dulles for 19.4% (down from 26.4% in 2007).

Dulles accounted for about 83.7% of the international passengers served by the three airports in 2017, compared with 12.2% for BWI and 4.1% for Reagan. BWI accommodates only limited international airline service, ranking 24th among U.S. gateway airports by international enplaned passengers, as shown in Table 13. Reagan does not provide CBP facilities 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).

As shown on Figure 4, between 2007 and 2017, enplaned passengers increased 22.3% at BWI and 27.6% at Reagan, compared with an 11.6% increase nationwide and a 6.9% decrease at Dulles.

As shown in Table 14, as scheduled for June 2018, airlines provide nonstop domestic service from BWI to 67 airports, 56 of them with service by low-cost carriers (LCCs)*, mainly Southwest, and 57 of them with large jets.** Airlines provide nonstop domestic service from Reagan to 81 airports, 24 of them with service by LCCs and 32 with large jets. Airlines provide nonstop domestic service from Dulles to 71 airports, 8 of them with service by LCCs and 34 with large jets. Between 2007 and 2018, the numbers of flights and seats offered by LCCs at BWI and Reagan 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.)

Due to the large LCC presence, 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 2017, domestic originating passengers at BWI paid an average fare of $147 for a one-way trip averaging 1,115 miles, compared with $174 at Reagan for a trip averaging 979 miles, and $211 at Dulles for a trip averaging 1,422 miles. The average airfares exclude charges for optional services. (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 indicate that Reagan and Dulles accommodate higher proportions of business travelers than BWI.***

As scheduled for June 2018, 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% lower in June 2018 than in June 2017,

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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, Spirit Airlines, and Sun Country Airlines, as well as the defunct AirTran Airways, ATA, Independence Air, Midway Airlines, National Airlines, and Virgin America.

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

****Washington-Baltimore Regional Air Passenger Survey – 2015*, January 2017, National Capital Region Transportation Planning Board.

compared to a 1.4% increase systemwide. Southwest began service at Dulles in 2006 and at Reagan in 2011 following its merger with AirTran.

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 well as for connections between domestic and international flights. As shown in Table 16, as scheduled for June 2018, Dulles ranks fifth in service to Europe and second in service to the Middle East and Africa among U.S. international gateway airports.

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. Originally introduced to encourage airlines to operate long-haul flights from newly opened Dulles, 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 and intended to allow the FAA to manage airspace congestion and delays, 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. The constraints of the High Density Rule have dissuaded incumbent airlines from reducing their flights at Reagan because any such reductions would place them at risk of losing slots. As discussed in the following section, additional slots were made available to LCCs in connection with the approval of the merger of American and US Airways.

Table 16

INTERNATIONAL DEPARTING SEATS, BY WORLD REGION DESTINATION

Top 20 U.S. Gateway Airports

As scheduled for June 2018

		Average daily departing seats							
Rank	City (airport)	Europe	Latin America	Asia	Canada	Caribbean	Africa and Mid-East	Oceania *(a)*	Total
1	New York-Kennedy	28,941	8,085	6,238	1,428	10,023	7,012	--	61,725
2	Los Angeles	10,838	11,951	12,507	4,514	27	1,907	5,087	46,831
3	Miami	6,140	17,855	--	919	9,688	753	--	35,354
4	Newark	13,924	2,636	2,616	3,096	2,197	1,680	--	26,149
5	Chicago (O'Hare)	11,258	3,947	4,309	4,232	509	1,830	--	26,084
6	San Francisco	7,436	3,082	9,320	3,771	--	1,232	1,146	25,986
7	Atlanta	7,533	7,040	962	1,747	4,111	890	--	22,282
8	Houston (Bush)	3,005	11,599	1,092	1,878	1,092	1,244	500	20,408
9	Dallas/Ft. Worth	3,254	8,015	2,034	1,577	755	699	484	16,817
10	**Washington (Dulles)**	**8,112**	**1,728**	**1,474**	**1,168**	**240**	**2,535**	**--**	**15,256**
11	Fort Lauderdale	701	5,176	--	1,114	7,357	266	--	14,614
12	Boston	7,976	548	924	2,197	1,160	1,038	--	13,842
13	Orlando	3,994	3,347	--	1,392	1,004	354	--	10,090
14	Seattle	3,090	241	2,777	3,225	--	354	--	9,687
15	Honolulu	--	--	6,821	378	--	--	1,779	8,978
16	Philadelphia	5,502	499	--	1,180	1,314	283	--	8,778
17	Detroit	3,388	999	1,396	962	59	45	--	6,848
18	Charlotte	2,363	1,028	--	469	2,868	--	--	6,728
19	Las Vegas	1,871	1,444	307	2,750	--	--	--	6,372
20	Denver	1,789	1,594	219	1,949	--	--	--	5,551
	Total—top 20 gateways	131,113	90,815	52,994	39,944	42,401	22,119	8,995	388,381
	All other gateways	13,582	12,513	7,985	14,128	3,333	--	275	51,815
	Total—all U.S. gateways	144,695	103,327	60,980	54,072	45,733	22,119	9,270	440,196

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 2018.

American-US Airways Merger and Slot Transfers

In February 2013, American, which had been operating under Chapter 11 bankruptcy protection, and US Airways announced an agreement under which the two airlines would combine. Under the terms of an agreement with the U.S. Department of Justice (DOJ), the combined airline was required to divest 52 pairs of slots and 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.

To accommodate increased service by these three airlines, the Airports Authority leased three of the five divested gates to Southwest, one to JetBlue, and one to Virgin America. The additional service made possible by the slot and gate transfers largely accounted for an increase in enplaned passenger numbers at Reagan between 2014 and 2015.

American emerged from bankruptcy and completed 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.)

In April 2018, Alaska announced that, effective October 2018, it will lease four within-perimeter slot-pairs at Reagan to Southwest for a 10-year period. As scheduled for June 2018, Alaska operates three daily departures from Reagan to Dallas Love Field with 76-seat E-175 aircraft. Southwest has not announced what additional service it will provide from Reagan, but the service will be with B-737 aircraft with between 143 and 175 seats.

As shown in Table 17, as scheduled for June 2018, Reagan ranks eighth by departing seats among airports in the American route network. Between 2012 and 2018, American decreased its number of scheduled seats at Reagan by 2.8%, compared with an increase of 7.5% systemwide.

Figure 5 shows the destinations with daily nonstop service from Reagan as scheduled for June 2018. The 1,250-mile perimeter is shown for reference.

Table 17
DEPARTING SEATS ON AMERICAN AT U.S. AIRPORTS
Top U.S. Airports in the American Airlines System
As scheduled for June of years noted

2018 Rank	City (airport)	Average daily departing seats 2007	2012	2018	Percent increase (decrease) 2007-2012	2012-2018
Domestic						
1	Dallas/Fort Worth	82,091	76,864	87,046	(6.4%)	13.2%
2	Charlotte	50,209	59,133	64,390	17.8	8.9
3	Chicago (O'Hare)	45,922	39,629	47,117	(13.7)	18.9
4	Philadelphia	34,787	36,022	35,194	3.6	(2.3)
5	Phoenix (Sky Harbor)	33,982	32,752	32,328	(3.6)	(1.3)
6	Miami	22,695	25,438	26,797	12.1	5.3
7	Los Angeles	20,141	19,976	24,158	(0.8)	20.9
8	**Washington (Reagan)**	**20,779**	**20,693**	**20,251**	**(0.4)**	**(2.1)**
9	New York (LaGuardia)	21,649	17,537	14,067	(19.0)	(19.8)
10	Boston	16,016	12,459	12,250	(22.2)	(1.7)
	All other	300,364	231,913	252,797	(22.8)	9.0
	Total—U.S. system	648,633	572,415	616,394	(11.8%)	7.7%
International						
1	Miami	17,939	19,329	20,711	7.7%	7.1%
2	Dallas/Fort Worth	8,195	8,605	12,119	5.0	40.8
3	Philadelphia	6,499	7,043	6,940	8.4	(1.5)
4	Charlotte	3,584	5,892	6,381	64.4	8.3
5	New York (Kennedy)	7,137	5,910	4,697	(17.2)	(20.5)
6	Chicago (O'Hare)	5,088	3,969	3,971	(22.0)	0.0
7	Los Angeles	1,330	1,142	3,597	(14.2)	215.0
8	Phoenix (Sky Harbor)	2,400	2,566	1,813	6.9	(29.3)
9	New York (LaGuardia)	593	755	397	27.4	(47.3)
10	Fort Lauderdale	340	296	320	(12.9)	8.1
11	Raleigh/Durham	236	225	281	(4.7)	25.0
12	**Washington (Reagan)**	**156**	**384**	**243**	**146.2**	**(36.9)**
	All other	5,702	2,060	96	(63.9)	(95.3)
	Total—U.S. system	59,199	58,176	61,568	(1.7%)	5.8%
Total						
1	Dallas/Fort Worth	90,286	85,469	99,165	(5.3%)	16.0%
2	Charlotte	53,793	65,024	70,771	20.9	8.8
3	Chicago (O'Hare)	51,011	43,598	51,088	(14.5)	17.2
4	Miami	40,633	44,767	47,508	10.2	6.1
5	Philadelphia	41,286	43,065	42,133	4.3	(2.2)
6	Phoenix (Sky Harbor)	36,382	35,318	34,141	(2.9)	(3.3)
7	Los Angeles	21,471	21,118	27,755	(1.6)	31.4
8	**Washington (Reagan)**	**20,935**	**21,077**	**20,493**	**0.7**	**(2.8)**
9	New York (LaGuardia)	22,242	18,292	14,465	(17.8)	(20.9)
10	New York (Kennedy)	15,189	14,507	12,783	(4.5)	(11.9)
	All other	314,606	238,355	257,660	(24.2)	8.1
	Total—U.S. system	707,832	630,590	677,962	(10.9%)	7.5%

Notes: n.a = not applicable. Percentages were calculated using unrounded numbers.
Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2018.

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 2018.

Figure 5

DESTINATIONS WITH DAILY SCHEDULED NONSTOP PASSENGER AIRLINE SERVICE

Reagan National Airport

June 2018

Airline Service

Table 18 presents data on nonstop airline service from Reagan to the top 20 domestic passenger destinations. Between 2007 and 2018, the number of aircraft departures from the airport increased 8.2%, while the number of seats increased 13.9%. (The later Table 22 provides data on fares.)

As scheduled for June 2018, nonstop service is provided from Reagan to all of the top 20 domestic destinations; 17 of these are 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 2007, resulting in an increase in the overall average number of seats per departure from 96 in June 2007 to 101 in June 2018.

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*Regional airlines operating at Reagan as code-sharing affiliates of mainline airlines as of March 2018 were Endeavor Air (Delta Connection), Envoy Air (American Eagle), ExpressJet (United Express), GoJet Airlines (Delta Connection), Jazz Aviation (Air Canada Express), Mesa Airlines (United Express), PSA Airlines (American Eagle), Republic Airlines (American Eagle, Delta Connection, and United Express), SkyWest Airlines (Alaska Airlines and United Express) and Tran States Airlines (American Eagle).

Table 18
AIRLINE SERVICE FOR TOP DOMESTIC DESTINATIONS
Reagan National Airport
As scheduled for June of years noted

Rank *(a)*	Destination *Airport*	Airlines providing nonstop service *(b)* 2018	Average daily scheduled Aircraft departures 2007	2012	2018	Departing seats 2007	2012	2018
1	Chicago	AA, UA, WN	24	22	29	3,231	2,852	3,846
	O'Hare	*AA, UA*	*20*	*22*	*23*	*2,633*	*2,852*	*2,966*
	Midway	*WN*	*4*	*--*	*6*	*597*	*--*	*880*
2	Boston	AA, B6	26	22	24	2,162	2,519	2,714
3	Atlanta	AA, DL, WN	22	21	20	2,774	3,062	3,098
4	Dallas/Fort Worth	AA, AS, WN	13	11	16	1,679	1,512	2,383
	Dallas/Fort Worth	*AA*	*13*	*11*	*9*	*1,679*	*1,512*	*1,500*
	Love Field	*AS, WN*	*--*	*--*	*7*	*--*	*--*	*882*
5	Orlando	AA, B6, DL, WN	6	10	11	730	1,216	1,530
6	New York	AA, DL, UA	50	42	37	4,819	3,496	2,759
	LaGuardia	*AA, DL*	*33*	*26*	*21*	*3,666*	*2,554*	*1,619*
	Kennedy	*AA, DL*	*9*	*8*	*9*	*410*	*541*	*700*
	Newark	*UA*	*8*	*7*	*8*	*743*	*401*	*440*
7	Los Angeles *(c)*	AA, AS, DL	1	2	4	157	264	647
8	Fort Lauderdale	B6, WN	6	9	7	866	1,190	804
9	Miami	AA	8	9	9	1,184	1,322	1,427
10	Tampa	AA, B6, WN	5	5	6	622	675	822
11	San Francisco *(d)*	AS, UA	--	1	2	--	118	377
12	Houston	UA, WN	8	7	11	978	1,031	1,195
	Bush	*UA*	*8*	*7*	*8*	*978*	*1,031*	*752*
	Hobby	*WN*	*--*	*--*	*3*	*--*	*--*	*443*
13	Denver	F9, UA	4	4	4	555	655	704
14	Minneapolis-St. Paul	AA, DL	7	5	9	970	860	1,089
15	New Orleans	AA, WN	3	4	6	245	366	592
16	Detroit	AA, DL	11	10	9	1,352	1,133	1,074
17	St. Louis	AA, WN	4	3	8	481	198	872
18	Indianapolis	AA	7	8	5	522	543	372
19	Nashville	AA, WN	7	8	7	312	434	693
20	Phoenix	AA	3	3	3	525	420	556
	Total—top 20 markets		214	205	228	24,161	23,867	27,553
	Other markets		160	175	177	11,901	12,550	13,523
	Total—all markets		374	379	405	36,062	36,417	41,075

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 2017.
(b) Airlines operating scheduled passenger service. Legend: AA=American, AS=Alaska, B6=JetBlue, DL=Delta, F9=Frontier, UA=United, and WN=Southwest.
(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 2018.

Table 19
DOMESTIC AIRLINE SERVICE BY AIRCRAFT TYPE
Reagan National Airport
As scheduled for June of years noted

	2007	2012	2018	Increase (decrease) 2007-2012	Increase (decrease) 2012-2018
Destinations served nonstop *(a)*					
Large jet	38	31	32	(7)	1
Regional jet	46	62	69	16	7
Jet overall	64	78	81	14	3
Turboprop	3	2	--	(1)	(2)
Total cities served nonstop *(a)*	65	79	81	14	2
Average daily aircraft departures					
Large jet	205	158	155	(47)	(3)
Regional jet	163	216	250	53	34
Jet overall	368	374	405	6	31
Turboprop	6	5	--	(1)	(5)
Total aircraft departures	374	379	405	5	26
Percent of total					
Large jet	54.8%	41.7%	38.4%		
Regional jet	43.6	57.0	61.6		
Jet overall	98.4%	98.7%	100.0%		
Turboprop	1.6%	1.3%	--		
Average daily departing seats					
Large jet	27,221	22,183	23,785	(5,037)	1,602
Regional jet	8,624	13,916	17,290	5,292	3,374
Jet overall	35,845	36,099	41,075	254	4,976
Turboprop	217	317	--	100	(317)
Total departing seats	36,062	36,417	41,075	355	4,659
Percent of total					
Large jet	75.5%	60.9%	57.9%		
Regional jet	23.9	38.2	42.1		
Jet overall	99.4%	99.1%	100.0%		
Turboprop	0.6%	0.9%	--		
Average seats per departure					
Large jet	133	140	153	8	13
Regional jet	53	64	69	12	5
Jet overall	97	97	101	(1)	5
Turboprop	36	62	--	26	(62)
Total seats per departure	96	96	101	(0)	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 2018.

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 2017, in part because of the 2014 slot and gate transfers, reaching a record high of 11.9 million enplaned passengers in 2017.

Table 20 shows historical passenger enplanements at Reagan by domestic and international subtotals and originating and connecting components. Originating passengers accounted for 88.6% of enplaned passengers at the airport in 2017, with the remaining 11.4% connecting between flights. The originating passenger percentage has increased from 82.8% in 2012 as American has competed more aggressively for originating passengers and reduced its reliance on connecting activity.

According to a passenger survey conducted by the Authority, 40% of originating passengers at Reagan in 2017 were traveling for business-related purposes (down from 48% in 2010) and 60% were traveling for non-business purposes. Of business travelers, 26% were traveling for business related to the federal government or military.

As shown in Table 21, for the 12 months ended September 30, 2017, American accounted for 44.5% of originating passengers and 85.4% of connecting passengers at Reagan. Connecting passengers on American accounted for 20.3% of the airline's enplaned passengers.

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Table 20

HISTORICAL ENPLANED PASSENGERS BY COMPONENT

Reagan National Airport

(passengers in thousands)

	Passengers enplaned on								
	Domestic flights			International flights			All flights		
Year	Originating *(a)*	Connecting	Total	Originating *(b)*	Connecting	Total	Originating	Connecting	Total
2000	6,867	859	7,726	112	17	129	6,979	876	7,855
2007	7,565	1,580	9,146	123	26	149	7,688	1,606	9,294
2012	7,966	1,640	9,607	142	40	181	8,108	1,680	9,788
2013	7,366	1,804	9,994	152	52	204	8,342	1,856	10,198
2014	8,598	1,659	10,257	157	44	201	8,756	1,703	10,458
2015	9,501	1,798	11,298	168	30	198	9,669	1,827	11,496
2016	10,100	1,501	11,600	144	23	167	10,243	1,524	11,767
2017	10,425	1,339	11,763	160	23	183	10,585	1,361	11,946
	Average annual percent increase (decrease)								
2000-2012	1.2%	5.5%	1.8%	2.0%	7.3%	2.9%	1.3%	5.6%	1.9%
2012-2017	5.5	(4.0)	4.1	2.5	(10.7)	0.2	5.5	(4.1)	4.1
2000-2017	2.5	2.6	2.5	2.1	1.7	2.1	2.5	2.6	2.5
	Annual percent increase (decrease)								
2012-2013	2.8%	10.0%	4.0%	7.2%	31.6%	12.5%	2.9%	10.5%	4.2%
2013-2014	5.0	(8.0)	2.6	3.6	(16.0)	(1.4)	5.0	(8.2)	2.6
2014-2015	10.5	8.4	10.1	6.8	(32.3)	(1.7)	10.4	7.3	9.9
2015-2016	6.3	(16.5)	2.7	(14.4)	(21.9)	(15.6)	5.9	(16.6)	2.4
2016-2017	3.2	(10.8)	1.4	11.6	(2.9)	9.6	3.3	(10.7)	1.5
	Share of Airport total								
2000	87.4%	10.9%	98.4%	1.4%	0.2%	1.6%	88.8%	11.2%	100.0%
2007	81.4	17.0	98.4	1.3	0.3	1.6	82.7	17.3	100.0
2012	81.4	16.8	98.1	1.4	0.4	1.9	82.8	17.2	100.0
2017	87.3	11.2	98.5	1.3	0.2	1.5	88.6	11.4	100.0

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. The distribution of originating and connecting passengers for 2017 was estimated using actual data for the first three quarters and estimated data for the fourth quarter.

(a) Includes domestic originating passengers, international originating passengers who boarded domestic flights at Reagan bound for international destinations via other gateway airports, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) Includes international originating passengers on scheduled flights, along with small numbers of passengers on nonscheduled flights, nonrevenue passengers, and international-to-international connections.

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

Table 21
ENPLANED PASSENGERS BY AIRLINE GROUP
Reagan National Airport
12 Months ended September 30, 2017

	Average daily enplaned passengers			Distribution by airline group		
	American	All other airlines	All airlines	American	All other airlines	All airlines
By sector						
Domestic	15,995	16,183	32,178	99.4%	97.7%	98.5%
International	98	380	478	0.6	2.3	1.5
Total	16,093	16,563	32,655	100.0%	100.0%	100.0%
By type of passenger						
Originating – resident *(a)*	6,441	7,026	13,467	40.0%	42.4%	41.2%
Originating – visitor *(b)*	6,379	8,976	15,355	39.6	54.2	47.0
Subtotal originating	12,820	16,002	28,822	79.7%	96.6%	88.3%
Connecting	3,273	561	3,834	20.3	3.4	11.7
Total	16,093	16,563	32,655	100.0%	100.0%	100.0%
Share by airline group						
Originating	44.5%	55.5%	100.0%			
Connecting	85.4	14.6	100.0			
Total	49.3	50.7	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.

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 2007 and 2012, average airfares increased 12.0% while passenger numbers increased 3.1%; between 2012 and 2017, average airfares decreased 7.6% while passenger numbers increased 34.3%.

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 2007 and 2017, average airfares between Reagan and New York increased 19.2% while the number of originating passengers decreased 41.0%.

The average airfares shown in Table 22, as reported by the airlines to the U.S. DOT, exclude charges for optional services, such as checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes. Such charges 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 2017. Optional service 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.

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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	2007	2012	2017 *(b)*	2017	2007-2012	2012-2017	2007	2012	2017 *(b)*	2000-2007	2007-2016
1	Chicago *(c)*	1,358	1,244	1,846	7.1%	(8.4%)	48.5%	$120.38	$158.71	$135.74	31.8%	(14.5%)
2	Boston	986	1,520	1,647	6.4	54.2	8.4	179.98	125.55	131.39	(30.2)	4.6
3	Atlanta	1,078	985	1,279	4.9	(8.6)	29.8	153.89	155.09	142.87	0.8	(7.9)
4	Dallas/Fort Worth *(d)*	604	547	1,095	4.2	(9.4)	99.9	196.52	265.13	167.93	34.9	(36.7)
5	Orlando	479	876	1,040	4.0	82.8	18.8	127.72	120.21	114.89	(5.9)	(4.4)
6	New York *(e)*	1,606	813	947	3.7	(49.4)	16.5	141.46	198.33	168.68	40.2	(14.9)
7	Los Angeles *(f)*	440	539	811	3.1	22.5	50.5	197.56	222.45	253.16	12.6	13.8
8	Fort Lauderdale	540	828	774	3.0	53.2	(6.5)	109.07	104.56	115.89	(4.1)	10.8
9	Miami	510	568	678	2.6	11.4	19.3	130.09	144.02	148.96	10.7	3.4
10	Tampa	358	461	675	2.6	28.9	46.3	138.52	152.57	120.28	10.1	(21.2)
11	San Francisco *(g)*	292	367	605	2.3	25.5	65.0	208.06	232.09	285.56	11.6	23.0
12	Houston *(h)*	440	441	589	2.3	0.2	33.5	216.89	247.86	217.55	14.3	(12.2)
13	Denver	430	522	552	2.1	21.3	5.6	165.70	194.58	169.63	17.4	(12.8)
14	Minneapolis/St. Paul	386	468	529	2.0	21.2	13.0	182.96	209.08	173.56	14.3	(17.0)
15	New Orleans	217	258	449	1.7	18.9	74.4	190.09	216.44	164.63	13.9	(23.9)
16	Detroit	541	281	432	1.7	(48.1)	54.0	92.64	206.90	152.18	123.3	(26.4)
17	St. Louis	293	232	397	1.5	(20.8)	70.9	173.11	207.89	171.19	20.1	(17.7)
18	Indianapolis	241	207	387	1.5	(14.1)	87.2	137.54	194.72	117.13	41.6	(39.8)
19	Nashville	137	149	369	1.4	8.3	147.8	181.26	208.22	165.25	14.9	(20.6)
20	Kansas City	231	324	357	1.4	40.4	10.2	175.21	159.73	157.21	(8.8)	(1.6)
	Average—top 20 markets	11,169	11,511	15,462	59.8%	3.1%	34.3%	$155.02	$173.59	$160.44	12.0%	(7.6%)
	All other markets	7,674	7,984	10,385	40.2	4.0	30.1	188.20	204.13	193.38	8.5	(5.3)
	Average—all markets	18,843	19,496	25,846	100.0%	3.5%	32.6%	$168.54	$186.10	$173.68	10.4%	(6.7%)

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, 2017.

(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) San Francisco, Oakland, and San Jose airports.

(h) Bush and Hobby airports.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Airline Shares of Enplaned Passengers

Table 23 shows that American enplaned 49.6% of Reagan's passengers in 2017. Second-ranked Southwest enplaned 14.6%.

Between 2007 and 2017, the share of passengers enplaned at Reagan by the mainline airlines decreased from 66.3% to 41.6%, the share of the regional airlines (essentially all of which are now affiliated with the mainline airlines) increased from 22.5% to 30.9%, and the LCC share (Southwest, JetBlue, Frontier, and Sun Country) increased from 8.5% to 24.0%.

These changes in airline shares of passengers resulted largely from slot and gate transfers. In 2011, American (then US Airways) acquired 42 slot pairs from Delta at Reagan and in return relinquished slots to Delta at New York LaGuardia. As discussed in the earlier section "American-US Airways Merger and Slot Transfers," as a condition of the merger, in 2013, American relinquished 52 slot pairs at Reagan to JetBlue, Southwest, and Virgin America (now Alaska).

Table 23
AIRLINE SHARES OF ENPLANED PASSENGERS
Reagan National Airport

	Average daily enplaned passengers			Airline share of total		
Airline *(a)*	2007	2012	2017	2007	2012	2017
American	14,564	15,216	16,224	57.2%	56.9%	49.6%
Southwest	585	1,164	4,775	2.3	4.4	14.6
Delta	5,338	4,530	4,716	21.0	16.9	14.4
United	2,706	2,581	2,585	10.6	9.7	7.9
JetBlue	--	1,223	2,516	--	4.6	7.7
Alaska	391	500	962	1.5	1.9	2.9
Frontier	913	883	473	3.6	3.3	1.4
Air Canada	294	284	391	1.2	1.1	1.2
Sun Country	--	93	88	--	0.3	0.3
Spirit	237	270	--	0.9	1.0	--
ATA	437	--	--	1.7	--	--
Total	25,463	26,744	32,730	100.0%	100.0%	100.0%
By type of airline						
Mainline airline	16,880	13,968	13,628	66.3%	52.2%	41.6%
Affiliated regional airline	5,727	8,359	10,128	22.5	31.3	30.9
Low-cost carrier	2,171	3,633	7,852	8.5	13.6	24.0
Other airline	684	784	1,122	2.7	2.9	3.4

Notes: Columns may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.
(a) Includes regional code-sharing affiliates.

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 Authority's two airports now operate only at Dulles. (FedEx served Reagan between 2008 and 2012.) 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 2017, approximately 3,000 tons of air cargo were handled at Reagan versus 328,000 tons at Dulles. American accounted for 66.1% of air cargo tonnage handled at Reagan, followed by Southwest with 16.0%, and Delta with 9.4%.

Aircraft Operations

Historical aircraft departures, enplaned passenger load factor, and average seats per aircraft departure at Reagan are shown in Table 36. The number of operations (landings and takeoffs) by commercial passenger aircraft at Reagan increased an average of 0.8% per year between 2000 and 2017, less than the average increase in the number of enplaned passengers (2.5% per year) over the same period. The average passenger load factor (percentage of seats occupied) increased from 59% in 2000 to 83% in 2017 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 101 in 2017.

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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 2018. Between 2012 and 2018, United increased its number of scheduled seats at Dulles by 2.6%, compared with an 11.1% increase systemwide.

Domestic Airline Service. Figure 6 shows the domestic destinations with daily nonstop service from Dulles as scheduled for June 2018.

Table 25 presents data on nonstop airline service from Dulles to the top 20 domestic passenger destinations. Between 2007 and 2018, the number of aircraft departures from the airport decreased 27.5%, while the number of seats decreased 14.4%. (The later Table 30 provides data on fares in the air service markets.)

As scheduled for June 2018, 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 8 destinations are served nonstop by LCCs (Frontier, JetBlue, or Southwest).*

Table 26 provides detail on airline service at Dulles by aircraft type. As scheduled for June 2018, large jets account for 42.1% of aircraft departures and 65.0% of departing seats. Regional jets account for 57.9% of aircraft departures and 35.0% of departing seats. Turboprop service is no longer provided. Changes in the mix of aircraft types serving Dulles resulted in an increase in the average number of seats per domestic departure from 88 in June 2007 to 104 in June 2018.

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*Regional airlines operating at Dulles as code-sharing affiliates of mainline airlines as of March 2018 were Air Georgian (Air Canada Express), Air Wisconsin (United Express), CommutAir (United Express), Endeavor Air (Delta Connection), GoJet (Delta Connection), Jazz Aviation (Air Canada Express), Mesa Airlines (United Express), PSA Airlines (American Eagle), Republic Airlines (United Express), SkyWest Airlines (Delta Connection and United Express), and Trans States Airlines (United Express).

Table 24

DEPARTING SEATS ON UNITED AT U.S. AIRPORTS

Top U.S. Airports in the United Airlines system

As scheduled for June of years noted

2018 Rank	City (airport)	Average daily departing seats 2007	2012	2018	Percent increase (decrease) 2007-2012	2012-2018
Domestic						
1	Chicago (O'Hare)	59,590	48,030	58,062	(19.4%)	20.9%
2	Denver	45,192	34,173	45,516	(24.4)	33.2
3	Houston (Bush)	53,645	46,683	43,732	(13.0)	(6.3)
4	San Francisco	26,307	28,269	38,548	7.5	36.4
5	Newark	34,082	30,982	36,830	(9.1)	18.9
6	**Washington (Dulles)**	**22,461**	**20,502**	**21,788**	(8.7)	6.3
7	Los Angeles	23,245	20,248	20,215	(12.9)	(0.2)
8	Boston	7,187	6,384	7,262	(11.2)	13.8
9	Las Vegas	8,409	6,396	6,596	(23.9)	3.1
10	Orlando	7,298	5,081	6,121	(30.4)	20.5
	All other	205,282	164,818	175,766	(19.7)	6.6
	Total—U.S. system	492,698	411,565	460,437	(16.5%)	11.9%
International						
1	Newark	13,730	14,039	14,500	2.3%	3.3%
2	Houston (Bush)	11,878	13,057	14,239	9.9	9.0
3	San Francisco	6,148	5,920	7,772	(3.7)	31.3
4	Chicago (O'Hare)	7,621	6,920	7,275	(9.2)	5.1
5	**Washington (Dulles)**	**5,850**	**6,428**	**5,855**	9.9	(8.9)
6	Los Angeles	1,816	1,986	2,714	9.4	36.6
7	Denver	1,549	1,400	2,049	(9.6)	46.4
8	Guam	2,043	2,095	1,386	2.6	(33.8)
9	Honolulu	1,007	419	363	(58.4)	(13.3)
10	Austin	--	20	40	n.a.	99.0
	All other	2,024	1,096	85	(45.9)	(92.2)
	Total—U.S. system	53,664	53,382	56,278	(0.5%)	5.4%
Total						
1	Chicago (O'Hare)	67,211	54,950	65,337	(18.2%)	18.9%
2	Houston (Bush)	65,523	59,741	57,971	(8.8)	(3.0)
3	Newark	47,812	45,021	51,330	(5.8)	14.0
4	Denver	46,741	35,572	47,565	(23.9)	33.7
5	San Francisco	32,455	34,189	46,320	5.3	35.5
6	**Washington (Dulles)**	**28,311**	**26,930**	**27,643**	(4.9)	2.6
7	Los Angeles	25,060	22,234	22,929	(11.3)	3.1
8	Boston	7,187	6,389	7,262	(11.1)	13.7
9	Las Vegas	8,409	6,396	6,596	(23.9)	3.1
10	Orlando	7,319	5,100	6,121	(30.3)	20.0
	All other	210,333	168,424	177,642	(19.9)	5.5
	Total—U.S. system	546,362	464,947	516,715	(14.9%)	11.1%

Notes: n.a. = not applicable. Percentages were calculated using unrounded numbers.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2018.

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 2018.

Figure 6

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

Dulles International Airport

June 2018

Table 25

AIRLINE SERVICE FOR TOP DOMESTIC DESTINATIONS

Dulles International Airport

As scheduled for June of years noted

Rank *(a)*	Destination *Airport*	Airlines providing nonstop service *(b)* 2018	Average daily scheduled — Aircraft departures 2007	2012	2018	Departing seats 2007	2012	2018
1	Los Angeles *(c)*	AA, AS, UA	15	16	13	2,567	2,506	2,110
2	San Francisco *(d)*	AS, UA	12	15	11	2,059	2,398	1,954
3	Denver	F9, UA, WN	8	10	11	1,598	1,620	1,985
4	Orlando	F9, UA, WN	13	5	5	1,829	681	882
5	Atlanta	DL, UA, WN	18	12	12	2,120	1,257	1,576
6	Boston	B6, UA	13	8	7	1,387	966	899
7	Dallas/Fort Worth *(e)*	AA, UA	8	7	7	933	862	890
8	Seattle	AS, DL, UA	3	3	5	486	467	757
9	New York	B6, DL, UA	31	24	15	1,920	1,393	1,358
10	*Kennedy*	*B6, DL*	13	9	6	*951*	*534*	*436*
11	*Newark*	*UA*	12	6	6	502	353	652
12	*LaGuardia*	*UA*	6	9	4	*467*	*506*	*271*
	Las Vegas	F9, UA	5	2	3	785	316	532
	San Diego	UA	4	3	3	612	459	498
	Chicago *(f)*	UA	15	14	6	2,333	1,966	880
13	Tampa	UA	5	3	3	768	440	495
14	Austin	F9, UA	3	2	3	203	230	405
15	Houston *(g)*	UA	6	6	5	337	590	808
16	Miami	AA	4	4	3	332	428	380
17	Detroit	DL, UA	8	7	8	662	390	525
18	Phoenix	UA	2	1	1	262	150	178
19	Fort Lauderdale	UA, WN	3	1	3	456	90	480
20	Minneapolis-St. Paul	DL, UA	5	6	6	517	441	433
	Total—top 20 markets		183	149	130	22,167	17,652	18,025
	Other markets		198	167	146	11,316	9,704	10,634
	Total—all markets		381	316	276	33,483	27,356	28,659

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 2017.
(b) Airlines operating scheduled passenger service. Legend: AA=American, AS=Alaska, B6=JetBlue, DL=Delta, F9=Frontier, UA=United, and WN=Southwest.
(c) Service provided to Los Angeles International Airport in all years shown and Long Beach Airport in 2007 and 2012.
(d) Service provided to San Francisco International Airport in all years shown, Norman Y. Mineta San Jose International Airport in 2007, and Oakland International Airport in 2007 and 2012.
(e) Service provided to Dallas/Fort Worth International Airport.
(f) Service provided to Chicago O'Hare International Airport in all years shown and Chicago Midway International Airport in 2007 and 2012.
(g) Service provided to George Bush Intercontinental Airport.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed March 2018.

Table 26

DOMESTIC AIRLINE SERVICE BY AIRCRAFT TYPE

Dulles International Airport

As scheduled for June of years noted

	2007	2012	2018	Increase (decrease) 2007-2012	Increase (decrease) 2012-2018
Destinations served nonstop *(a)*					
Large jet	27	26	34	(1)	8
Regional jet	49	49	50	-	1
Jet overall	64	67	71	3	4
Turboprop	11	21	-	10	(21)
Total cities served nonstop *(a)*	73	77	71	4	(6)
Average daily aircraft departures					
Large jet	135	105	116	(30)	12
Regional jet	213	162	160	(51)	(2)
Jet overall	348	266	276	(82)	10
Turboprop	33	49	--	17	(49)
Total aircraft departures	381	316	276	(65)	(40)
Percent of total					
Large jet	35.5%	33.1%	42.1%		
Regional jet	56.0	51.2	57.9		
Jet overall	91.5%	84.4%	100.0%		
Turboprop	8.5%	15.6%	--		
Average daily departing seats					
Large jet	20,385	15,666	18,629	(4,719)	2,963
Regional jet	12,121	9,181	10,030	(2,940)	849
Jet overall	32,506	24,847	28,659	(7,659)	3,812
Turboprop	977	2,509	--	1,533	(2,509)
Total departing seats	33,483	27,356	28,659	(6,127)	1,302
Percent of total					
Large jet	60.9%	57.3%	65.0%		
Regional jet	36.2	33.6	35.0		
Jet overall	97.1%	90.8%	100.0%		
Turboprop	2.9%	9.2%	--		
Average seats per departure					
Large jet	151	150	161	(1)	11
Regional jet	57	57	63	(0)	6
Jet overall	93	93	104	(0)	11
Turboprop	30	51	--	21	(51)
Total seats per departure	88	87	104	(1)	17

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 2018.

International Airline Service. Table 27 shows that the average number of international departing seats at Dulles, as scheduled for June, increased 30.0% between 2007 and 2018. The largest increases were to the Middle East and Africa and Latin America and Caribbean. Capacity to Latin America increased as Copa Airlines, Avianca, and AeroMexico began service and United increased service. Capacity to the Middle East and Africa increased between 2007 and 2018 as Emirates, Ethiopian Airlines, Etihad Airways, Qatar Airways, Royal Air Maroc, Saudi Arabian Airlines, and Turkish Airlines began service.

Figure 7 shows the international destinations with daily nonstop (or direct, single-plane) service from Dulles as scheduled for June 2018. United, Delta, and 30 foreign-flag airlines operate international service to 49 destinations on five continents.

Enplaned Passengers

Numbers of passengers using Dulles fluctuated between 2000 and 2007, particularly during the 2004-2006 period when Independence Air operated a connecting hub at the airport. Between 2007 and 2014, the number of enplaned passengers decreased an average of 2.0% per year. Since 2014, the number of enplaned passengers has increased each year, reaching 11.3 million in 2017, a level last experienced in 2011.

Table 28 shows historical passenger enplanements at Dulles by domestic and international subtotals and originating and connecting components. Originating passengers accounted for 69.5% of enplaned passengers at the airport in 2017, with the remaining 30.5% connecting between flights. The originating passenger percentage has increased from 60.0% in 2012 as United has competed more aggressively for originating passengers and reduced its reliance on connecting activity.

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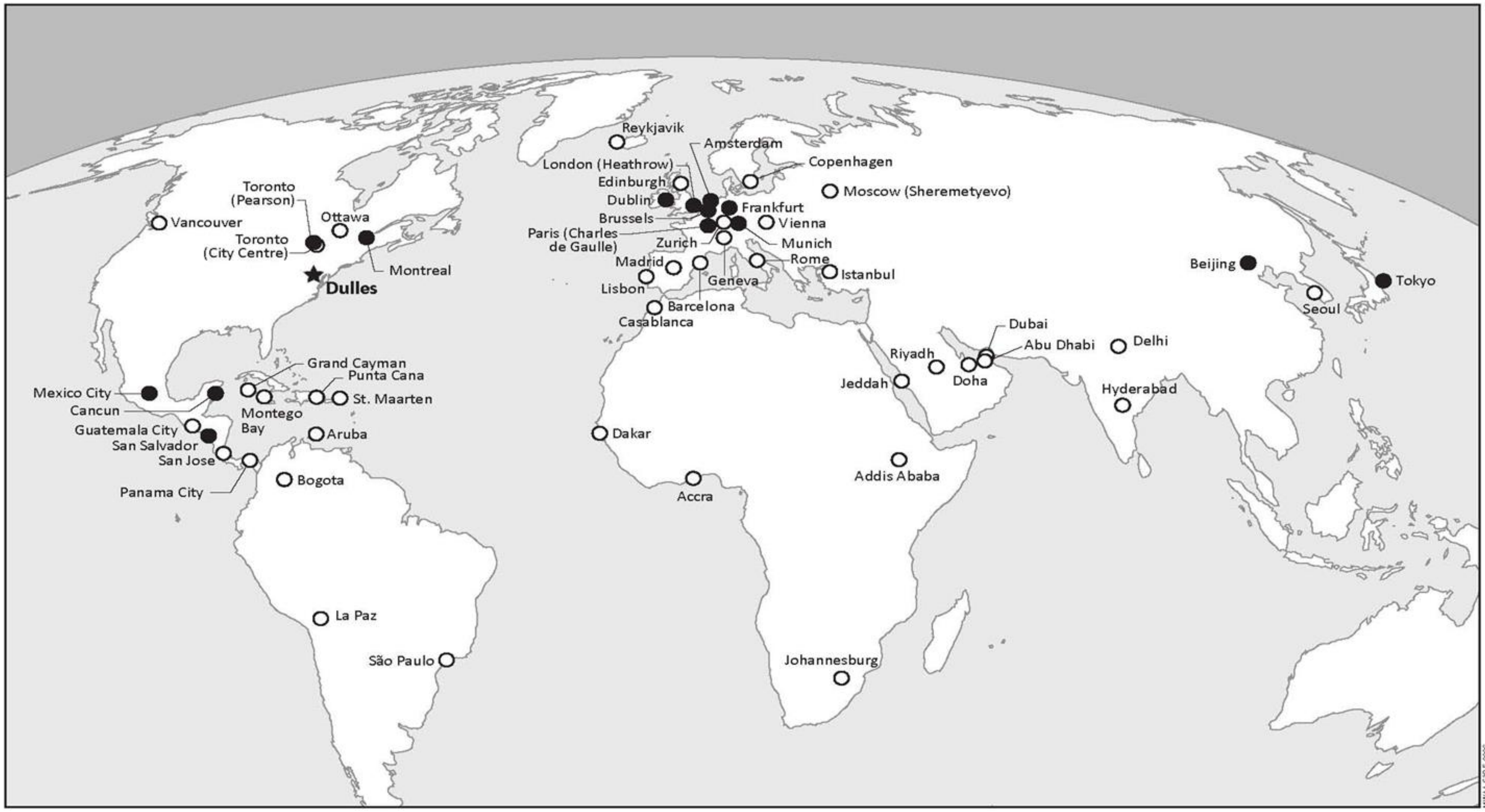
Table 27
INTERNATIONAL AIRLINE SERVICE
Dulles International Airport
As scheduled for June of years noted

	Number of destinations served *(a)*			Number of airlines *(b)*			Average daily departing seats			
	2007	2012	2018	2007	2012	2018	2007	2012	2018	% increase (decrease) 2007-'18
Total all destinations	34	44	49	19	23	31	11,741	13,102	15,266	30.0%
By airline/airline flag										
United	23	29	29	1	1	1	5,850	6,428	5,855	0.1%
Other U.S. flag	2	--	1	2	--	1	81	--	26	(67.7)
Foreign-flag	18	23	32	16	22	29	5,809	6,674	9,384	61.5
By destination world area										
Europe	13	17	18	12	10	12	7,805	7,667	8,122	4.1%
Middle East and Africa	3	9	10	3	6	8	507	2,090	2,535	400.0
Latin America and Caribbean *(c)*	10	11	12	3	6	6	1,239	1,353	1,968	58.8
Asia	3	3	4	3	3	5	1,236	1,053	1,474	19.3
Canada	5	4	5	2	2	3	954	938	1,168	22.4
By aircraft type										
Large jet	29	40	45	18	22	29	10,884	12,164	14,117	29.7%
Regional jet	5	3	3	2	1	2	857	702	900	5.0
Turboprop	--	1	1	--	1	1	--	236	249	n.a.

(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 2018.



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 2018.

Figure 7

INTERNATIONAL DESTINATIONS WITH SCHEDULED PASSENGER AIRLINE SERVICE

Dulles International Airport

June 2018

Table 28

HISTORICAL ENPLANED PASSENGERS BY COMPONENT

Dulles International Airport

(enplaned passengers in thousands)

	Passengers enplaned on								
	Domestic flights			International flights			All flights		
Year	Originating *(a)*	Connecting	Total	Originating *(b)*	Connecting	Total	Originating	Connecting	Total
2000	5,640	2,249	7,888	1,408	675	2,083	7,048	2,924	9,972
2007	5,895	3,418	9,313	1,918	1,042	2,960	7,813	4,460	12,274
2012	4,470	3,385	7,855	2,233	1,084	3,318	6,703	4,470	11,173
2013	4,215	3,182	7,397	2,381	1,083	3,464	6,596	4,265	10,861
2014	4,254	2,859	7,112	2,554	1,013	3,567	6,807	3,872	10,679
2015	4,536	2,603	7,139	2,654	921	3,575	7,191	3,523	10,714
2016	4,428	2,716	7,145	2,864	855	3,719	7,293	3,571	10,864
2017	4,856	2,610	7,466	3,018	840	3,858	7,874	3,450	11,324
	Average annual percent increase (decrease)								
2000-2012	(1.9%)	3.5%	(0.0%)	3.9%	4.0%	4.0%	(0.4%)	3.6%	1.0%
2012-2017	1.7	(5.1)	(1.0)	6.2	(5.0)	3.1	3.3	(5.0)	0.3
2000-2017	(0.9)	0.9	(0.3)	4.6	1.3	3.7	0.7	1.0	0.8
	Annual percent increase (decrease)								
2012-2013	(5.7%)	(6.0%)	(5.8%)	6.6%	(0.1%)	4.4%	(1.6%)	(4.6%)	(2.8%)
2013-2014	0.9	(10.1)	(3.8)	7.3	(6.4)	3.0	3.2	(9.2)	(1.7)
2014-2015	6.6	(9.0)	0.4	3.9	(9.2)	0.2	5.6	(9.0)	0.3
2015-2016	(2.4)	4.4	0.1	7.9	(7.1)	4.0	1.4	1.4	1.4
2016-2017	9.7	(3.9)	4.5	5.4	(1.8)	3.7	8.0	(3.4)	4.2
	Share of Airport total								
2000	56.6%	22.6%	79.1%	14.1%	6.8%	20.9%	70.7%	29.3%	100.0%
2007	48.0	27.8	75.9	15.6	8.5	24.1	63.7	36.3	100.0
2012	40.0	30.3	70.3	20.0	9.7	29.7	60.0	40.0	100.0
2017	42.9	23.0	65.9	26.6	7.4	34.1	69.5	30.5	100.0

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. The distribution of originating and connecting passengers for 2017 was estimated using actual data for the first three quarters and estimated data for the fourth quarter.

(a) Includes domestic originating passengers, international originating passengers who boarded domestic flights at Dulles bound for international destinations via other gateway airports, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) Includes international originating passengers on scheduled flights, along with small numbers of passengers on nonscheduled flights, nonrevenue passengers, and international-to-international connections.

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

According to a passenger survey conducted by the Authority, 31% of originating passengers at Dulles in 2017 were traveling for business-related purposes (down from 44% in 2010) and 69% were traveling for non-business purposes. Of business travelers, 19% were traveling for business related to the federal government or military.

As shown in Table 29, for the 12 months ended September 30, 2017, United accounted for 51.7% of originating passengers and 89.6% of connecting passengers at Dulles. Connecting passengers on United accounted for 43.9% of the airline's enplaned passengers.

Table 29
ENPLANED PASSENGERS BY AIRLINE GROUP
Dulles International Airport
12 months ended September 30, 2017

	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	15,393	4,878	20,271	78.8%	43.3%	65.8%
International	4,152	6,385	10,538	21.2	56.7	34.2
Total	19,545	11,264	30,809	100.0%	100.0%	100.0%
By type of passenger						
Originating – resident *(a)*	6,760	4,027	10,786	34.6%	35.7%	35.0%
Originating – visitor *(b)*	4,208	6,240	10,447	21.5	55.4	33.9
Subtotal originating	10,968	10,266	21,234	56.1%	91.1%	68.9%
Connecting	8,578	998	9,575	43.9	8.9	31.1
Total	19,545	11,264	30,809	100.0%	100.0%	100.0%
Share by airline group						
Originating	51.7%	48.3%	100.0%			
Connecting	89.6	10.4	100.0			
Total	63.4	36.6	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 30 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 2007 and 2012, average airfares increased 28.1% while passenger numbers decreased 26.7%; between 2012 and 2017, average airfares decreased 6.0% while passenger numbers increased 8.4%. 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 Denver, Orlando, and Atlanta, where airfares have decreased since 2012, largely as a result of airline competition, and passenger numbers have increased. As noted in the earlier discussion of Table 22, the reported airfare data presented in Table 30 do not include charges for optional services such as for checked baggage and preferred seating.

Airline Shares of Domestic Enplaned Passengers

As shown in Table 31, United and United Express together enplaned 75.7% of domestic passengers at Dulles in 2017. Between 2007 and 2017, the LCCs' share of domestic enplaned passengers decreased from 14.8% to 7.8%, as Southwest and JetBlue reduced service at Dulles and increased service at Reagan and BWI.

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Table 30

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	2007	2012	2017 *(b)*	2017	2007-2012	2012-2017	2007	2012	2017 *(b)*	2007-2012	2012-2017
1	Los Angeles *(c)*	1,460	1,338	1,197	10.3%	(8.3%)	(10.5%)	$226.65	$252.04	$249.66	11.2%	(0.9%)
2	San Francisco *(d)*	1,243	1,291	1,108	9.5	3.9	(14.2)	276.64	270.22	322.29	(2.3)	19.3
3	Denver	506	439	698	6.0	(13.2)	59.1	225.89	251.36	210.60	11.3	(16.2)
4	Orlando	831	409	568	4.9	(50.7)	38.9	98.81	136.94	109.65	38.6	(19.9)
5	Atlanta	600	377	540	4.6	(37.1)	43.3	136.57	156.96	132.65	14.9	(15.5)
6	Boston	710	415	381	3.3	(41.6)	(8.1)	105.05	120.10	131.05	14.3	9.1
7	Dallas/Fort Worth *(e)*	355	275	379	3.3	(22.4)	37.7	188.68	272.68	168.91	44.5	(38.1)
8	Seattle	258	258	378	3.2	0.0	46.5	289.27	296.95	258.27	2.7	(13.0)
9	New York *(f)*	486	339	329	2.8	(30.3)	(2.8)	99.46	129.62	118.10	30.3	(8.9)
10	Las Vegas	556	248	327	2.8	(55.4)	31.8	155.89	279.53	217.56	79.3	(22.2)
11	San Diego	430	274	312	2.7	(36.3)	13.8	232.94	336.95	308.94	44.7	(8.3)
12	Chicago *(g)*	711	574	281	2.4	(19.2)	(51.0)	113.98	155.25	181.54	36.2	16.9
13	Tampa	387	184	274	2.4	(52.6)	49.3	105.14	164.38	131.58	56.4	(20.0)
14	Austin	117	107	219	1.9	(8.9)	105.5	227.97	270.59	206.04	18.7	(23.9)
15	Houston *(h)*	167	169	205	1.8	1.0	21.4	188.67	254.46	247.64	34.9	(2.7)
16	Miami	146	162	164	1.4	10.7	1.3	126.92	142.74	136.03	12.5	(4.7)
17	Detroit	180	96	163	1.4	(46.7)	69.6	93.07	210.29	141.61	126.0	(32.7)
18	Phoenix	159	115	155	1.3	(27.5)	34.5	216.11	268.02	243.42	24.0	(9.2)
19	Fort Lauderdale	396	140	148	1.3	(64.7)	6.0	105.27	117.87	116.57	12.0	(1.1)
20	Minneapolis/St. Paul	330	145	143	1.2	(56.0)	(1.2)	126.88	221.24	176.86	74.4	(20.1)
	Average—top 20 markets	10,026	7,354	7,970	68.4%	(26.7%)	8.4%	$173.28	$221.99	$208.73	28.1%	(6.0%)
	All other markets	4,590	3,351	3,681	31.6	(27.0)	9.9	179.80	238.06	215.96	32.4	(9.3)
	Average—all markets	14,616	10,705	11,652	100.0%	(26.8%)	8.8%	$175.33	$227.02	$211.01	29.5%	(7.1%)

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, 2017.

(c) Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.

(d) San Francisco, Oakland, and San Jose airports.

(e) Dallas/Fort Worth Airport and Love Field.

(f) Kennedy, LaGuardia, and Newark airports.

(g) O'Hare and Midway airports.

(h) Bush and Hobby airports.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.

Table 31
AIRLINE SHARES OF DOMESTIC ENPLANED PASSENGERS
Dulles International Airport

	Average daily enplaned passengers			Airline share of total		
Airline *(a)*	2007	2012	2017	2007	2012	2017
United	17,757	16,011	15,474	69.6%	74.6%	75.7%
Delta	1,882	1,483	1,376	7.4	6.9	6.7
American	1,993	1,473	1,345	7.8	6.9	6.6
Southwest	1,570	930	778	6.2	4.3	3.8
Alaska	75	660	652	0.3	3.1	3.2
JetBlue	2,129	877	421	8.3	4.1	2.1
Frontier	--	--	393	--	--	1.9
All other	111	28	15	0.4	0.1	0.1
Total	25,516	21,462	20,455	100.0%	100.0%	100.0%
By type of airline						
Mainline airline	12,967	10,574	11,249	50.8%	49.3%	55.0%
Affiliated regional airline	8,664	8,393	6,948	34.0	39.1	34.0
Low-cost carrier	3,788	1,818	1,597	14.8	8.5	7.8
Other airline	97	677	661	0.4	3.2	3.2

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

(a) Includes regional code-sharing affiliates.

Source: Metropolitan Washington Airports Authority records.

Airline Shares of International Enplaned Passengers

Between 2000 and 2017, 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 34.1% in 2017.

As shown in Table 32, United and United Express together accounted for 39.0% of international enplaned passengers at Dulles in 2017, down from 50.5% in 2007. Foreign-flag airlines accounted for virtually all of the remaining 61.0% in 2017. Among foreign-flag airlines, those from Europe accounted for 27.0%, those from Africa and the Middle East for 16.5%, followed by airlines from the Caribbean and Latin America (8.4%), Asia (6.0%), and Canada (2.8%).

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, 14 of which serve Dulles, compared with 12 serving Newark. 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 and Air Canada); Asia (United, Air China, Air India, and ANA); Latin America (United, Avianca, and Copa Airlines); and the Middle East and Africa (Ethiopian Airlines, South African Airways, and Turkish Airlines).

Table 32
AIRLINE SHARES OF INTERNATIONAL ENPLANED PASSENGERS
Dulles International Airport

	Average daily enplaned passengers			Airline share of total		
Airline *(a)*	2007	2012	2017	2007	2012	2017
United *(b)*	4,084	4,392	4,116	50.5%	48.3%	39.0%
Lufthansa *(b)*	557	511	607	6.9	5.6	5.8
British Airways	474	528	503	5.9	5.8	4.8
Air France	526	475	449	6.5	5.2	4.3
Avianca *(b)*	323	369	425	4.0	4.1	4.0
Emirates	--	65	342	--	0.7	3.2
Qatar Airways	35	114	290	0.4	1.3	2.8
Turkish *(b)*	115	203	268	1.4	2.2	2.5
COPA *(b)*	71	271	256	0.9	3.0	2.4
KLM	227	246	252	2.8	2.7	2.4
Ethiopian *(b)*	--	204	242	--	2.2	2.3
Korean Air	--	82	232	--	0.9	2.2
South African *(b)*	174	228	220	2.2	2.5	2.1
Etihad	239	195	205	3.0	2.1	1.9
All Nippon *(b)*	180	180	199	2.2	2.0	1.9
Icelandair	--	--	192	--	--	1.8
SAS *(b)*	285	206	182	3.5	2.3	1.7
Saudi Arabian	181	188	182	2.2	2.1	1.7
All other	618	631	1,379	7.6	6.9	13.1
Total	8,088	9,090	10,540	100.0%	100.0%	100.0%
By alliance						
Star Alliance	6,115	6,536	7,133	75.6%	71.9%	67.7%
SkyTeam Alliance	1,007	1,166	1,238	12.4	12.8	11.7
Oneworld Alliance	620	799	840	7.7	8.8	8.0
Unaligned airlines	347	589	1,328	4.3	6.5	12.6

Notes: Columns may not add to totals shown because of rounding.
Percentages were calculated using unrounded numbers.
In 2017, "All other" included Air China, Saudi Arabia, Porter, Austrian, Air Canada, Aer Lingus, Brussels, Aeromexico, Aeroflot, LATAM, Royal Air Maroc, Air India, Delta, and various charter airlines.

(a) Includes regional code-sharing affiliates.
(b) Member of Star Alliance as of March 2018.

Source: Metropolitan Washington Airports Authority records.

International Passengers by World Region

Table 33 presents trends in the number of passengers departing on international flights from Dulles to five major world regions. Passengers to Europe accounted for 50.8% of international enplaned passengers in 2017, a decrease from 64.5% in 2007. Over those 10 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 at an average of 6.0% per year.

Table 33
INTERNATIONAL DEPARTING PASSENGERS BY WORLD REGION
Dulles International Airport

Year	Europe	Middle East and Africa	Latin America Mexico and Caribbean *(a)*	Asia	Canada	Total all destinations
	Average daily departing passengers					
2007	5,085	402	1,041	724	628	7,880
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	4,847	1,867	1,340	880	623	9,558
2016	5,020	1,705	1,538	892	703	9,857
2017 *(b)*	5,192	1,722	1,596	964	741	10,214
	Average annual percent increase (decrease)					
2007-2012	(0.5%)	30.0%	0.1%	2.1%	(2.4%)	2.3%
2012-2017	1.0	2.9	8.8	3.7	6.0	2.9
2007-2017	0.2	15.7	4.4	2.9	1.7	2.6

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, 2017.

Source: U.S. DOT, Schedule T100.

Cargo

Dulles is an important cargo airport, ranking 13th among U.S. airports in terms of international cargo weight for the 12 months ended September 30, 2017, according to data filed by the airlines with the U.S. DOT.

As shown in Table 34, between 2000 and 2017, domestic cargo weight at Dulles decreased 4.7% per year, on average, while international cargo weight (virtually all carried by the passenger airlines) increased 1.9% per year, for a combined decrease of 1.5% per year. 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 52.9% of the cargo weight in 2017. Third-ranking UPS accounted for 5.3%.

Aircraft Operations

Historical aircraft departures, enplaned passenger load factor, and average seats per aircraft departure at Dulles are shown in Table 38. The number of commercial operations (landings and takeoffs by passenger and all-cargo aircraft) at Dulles decreased an average of 3.2% per year between 2000 and 2017, compared with an average increase of 0.8% 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 125 and the average enplaned passenger load factor increasing from 61.7% to 82.8%.

The number of all-cargo aircraft operations at Dulles in 2017 was less than half the number in 2000. The average landed weight per aircraft for all-cargo aircraft operating at Dulles increased 21.3% over the same period, with the net result that all-cargo aircraft landed weight in 2017 was 41.8% lower than in 2000.

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Table 34
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
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
2016	45.3	179.9	225.2	357.5	2.9	360.4	402.8	182.9	585.7
2017	50.1	182.4	232.5	420.4	3.9	424.3	470.5	186.3	656.7
	Average annual percent increase (decrease)								
2000-2012	(10.7%)	(3.4%)	(6.2%)	0.8%	n.a.	0.9%	(2.8%)	(3.3%)	(2.9%)
2012-2017	(5.7)	0.5	(1.0)	4.2	24.6	4.3	2.8	0.8	2.2
2000-2017	(9.3)	(2.3)	(4.7)	1.8	n.a.	1.9	(1.2)	(2.1)	(1.5)
	Annual percent increase (decrease)								
2012-2013	(41.0%)	(6.4%)	(15.9%)	1.8%	31.5%	1.9%	(5.2%)	(6.1%)	(5.5%)
2013-2014	0.2	(5.9)	(4.7)	12.3	(17.5)	12.1	11.0	(6.0)	5.9
2014-2015	20.9	(0.3)	4.0	(5.7)	90.5	(5.4)	(3.3)	0.5	(2.3)
2015-2016	(5.8)	15.2	10.2	(3.1)	9.2	(3.0)	(3.4)	15.1	1.7
2016-2017	10.5	1.4	3.2	17.6	33.0	17.7	16.8	1.9	12.1
	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
2012	11.4	30.2	41.6	58.2	0.2	58.4	69.6	30.4	100.0
2017	7.6	27.8	35.4	64.0	0.6	64.6	71.6	28.4	100.0

Notes: n.a. = not applicable. 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

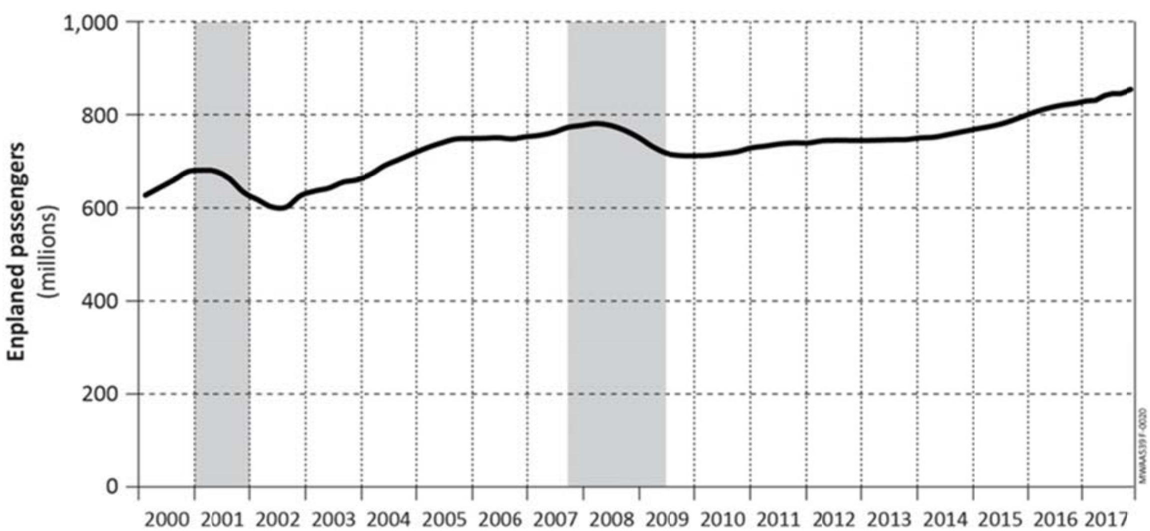
In addition to the demographics and economy of the Airports service region, as discussed earlier, key factors that will affect future airline traffic at the Airports include:

Economic, political, and security 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, Political, and Security 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 8, recessions in the U.S. economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and resulted in reduced airline travel. Sustained future increases in passenger traffic at the Airports will depend on national economic growth.

Figure 8
HISTORICAL ENPLANED PASSENGERS ON U.S. AIRLINES



Notes: Data shown are 12-month moving averages of enplaned passengers on scheduled and non-scheduled flights to domestic and international destinations. Shaded areas indicate months of economic recession.

Sources: U.S. DOT, Bureau of Transportation Statistics, T100 Market and Segment, www.rita.dot.gov, accessed March 2018; National Bureau of Economic Research, US Business Cycle Expansions and Contractions, www.nber.org.

With the globalization of business and the increased importance of international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and political relationships all influence passenger traffic at major U.S. airports.

Concerns about hostilities, terrorist attacks, and other perceived security and public health risks and associated travel restrictions also affect travel demand to and from particular international destinations. Beginning in March 2017, the Trump administration has issued various orders and proclamations seeking to restrict travel to the United States from certain countries, mainly in the Middle East and Africa, that are deemed by the administration not to meet standards for screening visa applicants. Such proposed travel restrictions are being challenged in court and have to date not been fully implemented. Depending on the form of restrictions eventually adopted, increased scrutiny by U.S. Customs and Border Protection could prevent or discourage some travel.

Sustained future increases in international passenger traffic at the Airports will depend on global economic growth, stable and secure international conditions, and government policies that do not unreasonably restrict or deter travel.

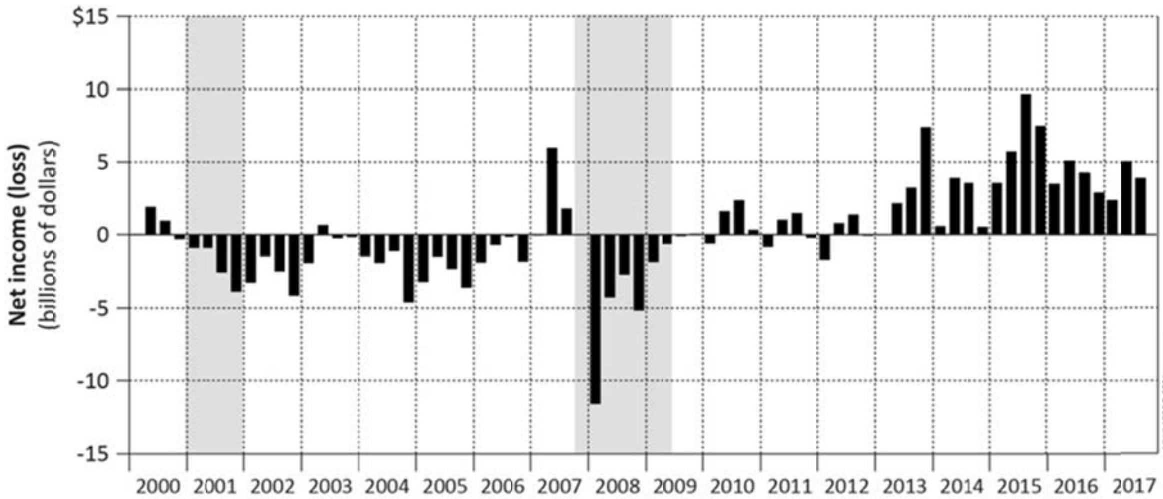
Financial Health of the Airline Industry

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 9 shows historical net income for U.S. airlines.

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%.

Figure 9
NET INCOME FOR U.S. AIRLINES



Notes: Includes scheduled service on U.S. carriers only. Shaded areas indicate quarters of economic recession. Data for the fourth quarter of 2005 and the first quarter of 2006 were adjusted to account for United bankruptcy claims which were settled for less than had been originally reported.

Source: U.S. DOT, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed March 2018.

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 achieved record net income of $26 billion as fuel prices decreased further, demand remained strong, and capacity control allowed average fares and ancillary charges to remain high. Strong industry profitability continued in 2016 and 2017. 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), the merger of American and US Airways (2013), and the acquisition of Virgin America by Alaska (2016).

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 continued industry profitability. However, any resumption of financial losses could cause one or more 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.

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 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 16.7 cents per passenger-mile by 2016.

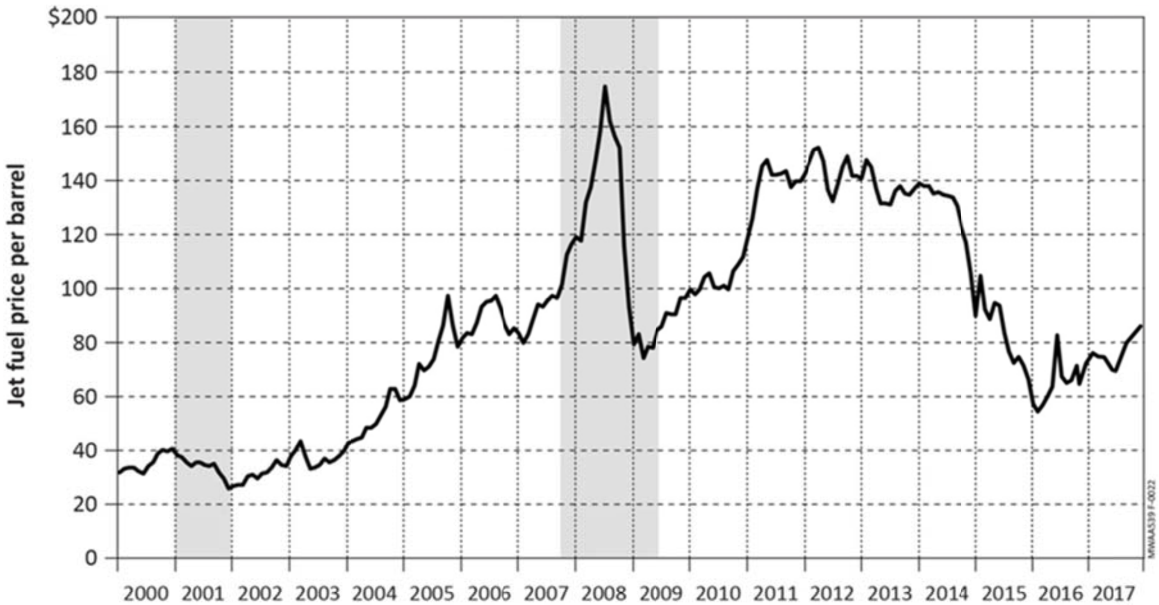
Beginning in 2006, charges have been introduced by most airlines for optional services such as checked baggage, preferred seating, in-flight meals, and entertainment, thereby increasing the effective price of airline travel more than these yield figures indicate.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 10 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 beginning in early 2009 as demand increased.

Between 2011 and 2014, aviation fuel prices were relatively stable, partly as a result of increased oil supply from U.S. domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average fuel prices were approximately three times those prevailing at the end of 2003.

Figure 10
HISTORICAL AVIATION FUEL PRICES



Notes: Data shown are monthly averages and were converted from gallons to barrels. Shaded areas indicate months of economic recession.

Source: U.S. DOT, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed March 2018.

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 the lifting of trade sanctions on Iran and a continued surplus in the worldwide supply resulted in reductions in fuel prices through early 2016. Fuel prices have since increased, but the average price of aviation fuel at mid-2017 was still approximately 60% of the price at mid-2014. Lower fuel prices are 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. 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, although some economists predict that the development of renewable sources of energy, pressures to combat global climate change, the widespread use of electric cars, and other trends will eventually result in a decline in the demand for oil and associated downward pressure on fuel prices.

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 climate change.

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.

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 federal air 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 has introduced "pre-check" service to expedite the screening of passengers who have submitted to background checks. Concerns about the safety of air travel security were heightened in 2016 by gun and bomb attacks at Brussels Airport (in March) and Istanbul Ataturk Airport (in June).

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other aviation safety concerns. 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 2016) 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 national 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 2023 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 2018, 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. 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, terrorist acts or threats, or government policies restricting or deterring travel.

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

In 2017, the number of enplaned passengers increased 1.5% at Reagan, compared with a nationwide increase of 3.0%. Year-to-date and advance schedule filings by the airlines indicate a 0.3% increase in the number of departing seats at Reagan between the first half of 2017 and the first half of 2018 (compared with an estimated nationwide increase of 4.2%).

On the basis of year-to-date passenger traffic reports, advance airline schedules, and assumptions regarding passenger load factor, the number of enplaned passengers at Reagan for 2018 as a whole is forecast to be 12.05 million, up 0.9% from the number enplaned in 2017.

In forecasting enplaned passengers at Reagan between 2018 and 2023, 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 exchanges of slots among airlines leading to a material increase or decrease in the average size of aircraft accommodated. Passenger load factors and aircraft seating capacity will increase modestly.

Between 2018 and 2023, the number of enplaned passengers at Reagan is forecast to increase an average of 0.8% per year, substantially lower than the average rate for the airport forecast by the FAA in the TAF (3.2% per year).* A higher rate of growth is not unusual in passenger forecasts prepared for purposes of facility and operational planning, such as the TAF, compared with forecasts such as those presented herein, prepared for purposes of financial planning.

*The average increase in the January 2018 TAF results largely from an estimated increase of 11.5% between 2018 and 2021. This increase is driven by the FAA's assumption of an increase in average passengers per flight from 80 in 2018 to 87 in 2021 to result from higher load factors and the use of larger aircraft.

The number of enplaned passengers at Reagan is forecast to be 12.55 million in 2023, an increase of 5.1% over the 2017 number. Connecting passengers are forecast to account for essentially the same share of enplaned passengers in 2023 (11.2%) than they did in 2017 (11.4%). Table 35 presents historical and forecast enplaned passengers at Reagan by domestic and international subtotals, and provides originating and connecting components.

Forecast Aircraft Departures and Landed Weight for Reagan

Table 36 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 2017 and 2023, average aircraft seating capacity at Reagan was assumed to increase. The number of aircraft departures is forecast to increase an average of 0.3% per year and landed weight is forecast to increase an average of 0.4% per year.

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Table 35

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			International flights			All flights		
Year	Originating *(a)*	Connecting	Total	Originating *(b)*	Connecting	Total	Originating	Connecting	Total
Historical									
2014	8,598	1,659	10,257	157	44	201	8,756	1,703	10,458
2015	9,501	1,798	11,298	168	30	198	9,669	1,827	11,496
2016	10,100	1,501	11,600	144	23	167	10,243	1,524	11,767
2017	10,425	1,339	11,763	160	23	183	10,585	1,361	11,946
Forecast									
2018	10,528	1,333	11,860	168	23	190	10,695	1,355	12,050
2019	10,618	1,337	11,955	172	23	195	10,790	1,360	12,150
2020	10,703	1,347	12,050	177	23	200	10,880	1,370	12,250
2021	10,788	1,357	12,145	182	23	205	10,970	1,380	12,350
2022	10,873	1,367	12,240	187	23	210	11,060	1,390	12,450
2023	10,958	1,377	12,335	192	23	215	11,150	1,400	12,550

Table 35 *(page 2 of 2)*
HISTORICAL AND FORECAST ENPLANED PASSENGERS
Reagan National Airport
(passengers in thousands)

	Passengers enplaned on								
	Domestic flights			International flights			All flights		
Year	Originating *(a)*	Connecting	Total	Originating *(b)*	Connecting	Total	Originating	Connecting	Total
	Average annual percent increase (decrease)								
Historical									
2014-2015	10.5%	8.4%	10.1%	6.8%	(32.3%)	(1.7%)	10.4%	7.3%	9.9%
2015-2016	6.3	(16.5)	2.7	(14.4)	(21.9)	(15.6)	5.9	(16.6)	2.4
2016-2017	3.2	(10.8)	1.4	11.6	(2.9)	9.6	3.3	(10.7)	1.5
Forecast									
2017-2018	1.0%	(0.4%)	0.8%	4.4%	--%	3.9%	1.0%	(0.4%)	0.9%
2017-2023	0.8	0.5	0.8	3.0	0.4	2.7	0.9	0.5	0.8
2018-2023	0.8	0.7	0.8	2.8	0.4	2.5	0.8	0.7	0.8

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. The distribution of originating and connecting passengers for 2017 was estimated using actual data for the first three quarters and estimated data for the fourth quarter.

(a) Includes domestic originating passengers, international originating passengers who boarded domestic flights at Reagan bound for international destinations via other gateway airports, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) Includes international originating passengers on scheduled flights, along with small numbers of passengers on nonscheduled flights, nonrevenue passengers, and international-to-international connections.

Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.
Forecast: LeighFisher, March 2018.

Table 36

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
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	80.0	14,370	100.4	143,169	--	143,169	97,104	--	13,902	--	13,902
2016	11,767	80.6	14,605	101.1	144,406	--	144,406	97,204	--	14,037	--	14,037
2017	11,946	82.6	14,462	101.1	143,070	--	143,070	95,470	--	13,659	--	13,659
Forecast												
2018	12,050	83.1	14,506	100.8	144,000	--	144,000	95,139	--	13,700	--	13,700
2019	12,150	83.4	14,567	101.0	144,200	--	144,200	95,354	--	13,750	--	13,750
2020	12,250	83.7	14,643	101.3	144,600	--	144,600	95,436	--	13,800	--	13,800
2021	12,350	83.9	14,718	101.5	145,000	--	145,000	95,517	--	13,850	--	13,850
2022	12,450	84.2	14,792	101.8	145,400	--	145,400	95,599	--	13,900	--	13,900
2023	12,550	84.4	14,866	102.0	145,700	--	145,700	95,745	--	13,950	--	13,950

Table 36 *(page 2 of 2)*

HISTORICAL AND FORECAST AIRCRAFT DEPARTURES AND LANDED WEIGHT

Reagan National Airport

(passengers in thousands)

					Aircraft departures			Average landed weight per departure (pounds)		Total landed weight (millions of pounds)		
Year	Enplaned passengers	Load factor *(a)*	Departing seats	Average seats per departure	Passenger	All-cargo	Total	Passenger	All-cargo	Passenger	All-cargo	Total
	Average annual percent increase (decrease)											
Historical												
2000-2012	1.9%		(0.2%)		1.0%	n.a.	1.0%	(0.8%)	n.a.	0.2%	n.a.	0.3%
2012-2017	4.1		2.1		0.5	n.a.	0.4	0.9	n.a.	1.4	n.a.	1.3
2000-2017	2.5		0.5		0.8	n.a.	0.8	(0.3)	n.a.	0.6	n.a.	0.6
Forecast												
2017-2018	0.9%		0.3%		0.7%	n.a.	0.7%	(0.3%)	n.a.	0.3%	n.a.	0.3%
2017-2023	0.8		0.5		0.3	n.a.	0.3	0.0	n.a.	0.4	n.a.	0.4
2018-2023	0.8		0.5		0.2	n.a.	0.2	0.1	n.a.	0.4	n.a.	0.4

Notes: n.a. = not applicable. 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 March 2018.
Forecast: LeighFisher, March 2018.

Forecast Passengers for Dulles

In 2017, the number of enplaned passengers increased 4.2% at Dulles, compared with a nationwide increase of 3.0%. Year-to-date and advance schedule filings by the airlines indicate a 3.6% increase in the number of departing seats at Dulles between the first half of 2017 and the first half of 2018 (compared with an estimated nationwide increase of 4.2%). The number of departing seats on United shows a 6.1% increase.

On the basis of year-to-date passenger traffic reports, advance airline schedules, and assumptions regarding passenger load factor, the number of enplaned passengers at Dulles in 2018 is forecast to be 11.6 million, up 2.4% from the number enplaned in 2017.

In forecasting enplaned passengers at Dulles between 2018 and 2023, 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 2018 and 2023, the number of enplaned passengers is forecast to increase an average of 2.1% per year, slightly lower than the average rate for Dulles forecast by the FAA in the TAF (2.4% per year).

The number of enplaned passengers at Dulles is forecast to be 12.85 million in 2023, an increase of 13.5% from 2017. Connecting passengers are forecast to account for a slightly lower share of enplaned passengers in 2023 (29.5%) than in 2017 (30.5%). Table 37 presents historical and forecast enplaned passengers at Dulles by domestic and international subtotals and provides originating and connecting components. Table 38 presents historical and forecast aircraft departures and landed weight.

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*Metropolitan Washington Council of Governments, Growth Trends to 2045: Cooperative Forecasting in Metropolitan Washington, November 2016.

Forecast Aircraft Departures and Landed Weight for Dulles

The forecasts of aircraft departures and landed weight at Dulles shown in Table 38 were derived from the passenger forecasts using assumed trends in average seat occupancy, aircraft seat capacity, and aircraft size.

Between 2017 and 2023, 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 1.7% per year and landed weight is forecast to increase an average of 1.9% per year.

Forecast Passengers for Both Airports

Table 39 shows that the combined number of enplaned passengers at Reagan and Dulles is forecast to increase an average of 1.5% per year between 2017 and 2023, with most passenger growth for the two-Airports system occurring at Dulles.

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Table 37

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			International flights			All flights		
Year	Originating *(a)*	Connecting	Total	Originating *(b)*	Connecting	Total	Originating	Connecting	Total
Historical									
2014	4,254	2,859	7,112	2,554	1,013	3,567	6,807	3,872	10,679
2015	4,536	2,603	7,139	2,654	921	3,575	7,191	3,523	10,714
2016	4,428	2,716	7,145	2,864	855	3,719	7,293	3,571	10,864
2017	4,856	2,610	7,466	3,018	840	3,858	7,874	3,450	11,324
Forecast									
2018	5,060	2,640	7,700	3,055	845	3,900	8,115	3,485	11,600
2019	5,165	2,685	7,850	3,140	860	4,000	8,305	3,545	11,850
2020	5,270	2,730	8,000	3,225	875	4,100	8,495	3,605	12,100
2021	5,375	2,775	8,150	3,310	890	4,200	8,685	3,665	12,350
2022	5,480	2,820	8,300	3,395	905	4,300	8,875	3,725	12,600
2023	5,585	2,865	8,450	3,480	920	4,400	9,065	3,785	12,850

Table 37 *(page 2 of 2)*
HISTORICAL AND FORECAST ENPLANED PASSENGERS
Dulles International Airport
(passengers in thousands)

	Passengers enplaned on								
	Domestic flights			International flights			All flights		
Year	Originating *(a)*	Connecting	Total	Originating *(b)*	Connecting	Total	Originating	Connecting	Total
	Average annual percent increase (decrease)								
Historical									
2014-2015	6.6%	(9.0%)	0.4%	3.9%	(9.2%)	0.2%	5.6%	(9.0%)	0.3%
2015-2016	(2.4)	4.4	0.1	7.9	(7.1)	4.0	1.4	1.4	1.4
2016-2017	9.7	(3.9)	4.5	5.4	(1.8)	3.7	8.0	(3.4)	4.2
Forecast									
2017-2018	4.2%	1.1%	3.1%	1.2%	0.6%	1.1%	3.1%	1.0%	2.4%
2017-2023	2.4	1.6	2.1	2.4	1.5	2.2	2.4	1.6	2.1
2018-2023	2.0	1.6	1.9	2.6	1.7	2.4	2.2	1.7	2.1

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. The distribution of originating and connecting passengers for 2017 was estimated using actual data for the first three quarters and estimated data for the fourth quarter.

(a) Includes domestic originating passengers, international originating passengers who boarded domestic flights at Dulles bound for international destinations via other gateway airports, passengers on nonscheduled (charter) flights, and nonrevenue passengers.

(b) Includes international originating passengers on scheduled flights, along with small numbers of passengers on nonscheduled flights, nonrevenue passengers, and international-to-international connections.

Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.
Forecast: LeighFisher, March 2018.

Table 38

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.

					Aircraft departures			Average landed weight per departure (pounds)		Total landed weight (millions of pounds)		
Year	Enplaned passengers	Load factor *(a)*	Departing seats	Average seats per departure	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
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	13,560	103.5	131,071	1,737	132,807	127,891	282,833	16,763	491	17,254
2014	10,679	81.8	13,058	106.0	123,188	1,751	124,939	131,726	277,169	16,227	485	16,712
2015	10,714	82.3	13,016	114.2	113,980	1,751	115,731	140,536	280,723	16,018	492	16,510
2016	10,864	82.0	13,241	118.0	112,240	1,803	114,043	144,753	265,436	16,247	479	16,726
2017	11,324	82.8	13,678	124.5	109,843	1,712	111,555	148,684	269,468	16,332	461	16,793
Forecast												
2018	11,600	82.1	14,134	124.5	113,530	1,720	115,250	148,639	270,349	16,875	465	17,340
2019	11,850	82.3	14,393	124.7	115,395	1,730	117,125	148,880	271,676	17,180	470	17,650
2020	12,100	82.7	14,625	125.0	117,010	1,740	118,750	149,175	272,989	17,455	475	17,930
2021	12,350	83.1	14,855	125.2	118,625	1,750	120,375	149,420	274,286	17,725	480	18,205
2021	12,000	83.5	15,083	125.5	120,190	1,760	121,950	149,721	275,568	17,995	485	18,480
2023	12,850	83.9	15,309	125.8	121,730	1,770	123,500	150,004	276,836	18,260	490	18,750

Table 38 (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												
2000-2012	1.0%		(1.3%)		(3.0%)	(5.9%)	(3.0%)	3.4%	1.7%	0.3%	(4.3%)	0.1%
2012-2017	0.3		(0.2)		(3.7)	(0.2)	(3.7)	2.6	(0.2)	(1.2)	(0.4)	(1.2)
2000-2017	0.8		(1.0)		(3.2)	(4.2)	(3.2)	3.1	1.1	(0.2)	(3.1)	(0.3)
Forecast												
2017-2018	2.4%		3.3%		3.4%	0.5%	3.3%	(0.0%)	0.3%	3.3%	0.8%	3.3%
2017-2023	2.1		1.9		1.7	0.6	1.7	0.1	0.5	1.9	1.0	1.9
2018-2023	2.1		1.6		1.4	0.6	1.4	0.2	0.5	1.6	1.1	1.6

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 March 2018.
Forecast: LeighFisher, March 2018.

Table 39
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.

	Reagan			Dulles			Airports total		
Year	Domestic	International	Total	Domestic	International	Total	Domestic	International	Total
Historical									
2014	10,257	201	10,458	7,112	3,567	10,679	17,370	3,768	21,138
2015	11,298	198	11,496	7,139	3,575	10,714	18,437	3,773	22,210
2016	11,600	167	11,767	7,145	3,719	10,864	18,745	3,886	22,631
2017	11,763	183	11,946	7,466	3,858	11,324	19,230	4,041	23,270
Forecast									
2018	11,860	190	12,050	7,700	3,900	11,600	19,560	4,090	23,650
2019	11,955	195	12,150	7,850	4,000	11,850	19,805	4,195	24,000
2020	12,050	200	12,250	8,000	4,100	12,100	20,050	4,300	24,350
2021	12,145	205	12,350	8,150	4,200	12,350	20,295	4,405	24,700
2022	12,240	210	12,450	8,300	4,300	12,600	20,540	4,510	25,050
2023	12,335	215	12,550	8,450	4,400	12,850	20,785	4,615	25,400
	Average annual percent increase (decrease)								
Historical									
2014-2015	10.1%	(1.7%)	9.9%	0.4%	0.2%	0.3%	6.1%	0.1%	5.1%
2015-2016	2.7	(15.6)	2.4	0.1	4.0	1.4	1.7	3.0	1.9
2016-2017	1.4	9.6	1.5	4.5	3.7	4.2	2.6	4.0	2.8
Forecast									
2017-2018	0.8%	3.9%	0.9%	3.1%	1.1%	2.4%	1.7%	1.2%	1.6%
2017-2023	0.8	2.7	0.8	2.1	2.2	2.1	1.3	2.2	1.5
2018-2023	0.8	2.5	0.8	1.9	2.4	2.1	1.2	2.4	1.4

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

Source: Historical: Metropolitan Washington Airports Authority records.
Forecast: LeighFisher, March 2018.

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 could result from changes in airline network strategies. For both Airports, relative to the base forecast for 2023, 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 2023 is forecast to be 11.00 million, compared with 12.55 million for the base forecast. Connecting passengers account for approximately 9% of the 2023 total for the stress test forecast, compared with 11% for the base forecast.

For Dulles, the number of enplaned passengers for the stress test for 2023 is forecast to be 10.80 million, compared with 12.85 million for the base forecast. Connecting passengers account for approximately 25% of the 2023 total for the stress test forecast, compared with 29% for the base forecast.

Table 40 presents the stress test forecasts relative to the base forecasts. Figure 11 and Figure 12 depict the stress test forecasts graphically for Reagan and Dulles, respectively. As shown in Figure 11, for Reagan, stress test passenger numbers forecast for 2023 are close to the numbers in 2015. As shown in Figure 12, for Dulles, stress test passenger numbers forecast for 2023 are close to the numbers in 2013.

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Table 40

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					
	2016	2017	2018	2019	2020	2021	2022	2023
Reagan								
Base case								
Enplaned passengers	11,496	11,767	12,050	12,150	12,250	12,350	12,450	12,550
Originating passengers	9,669	10,243	10,695	10,790	10,880	10,970	11,060	11,150
Connecting passengers	1,827	1,524	1,355	1,360	1,370	1,380	1,390	1,400
Stress test								
Enplaned passengers	11,496	11,767	12,050	11,500	11,000	11,000	11,000	11,000
Originating passengers	9,669	10,243	10,695	10,350	10,025	10,025	10,025	10,025
Connecting passengers	1,827	1,524	1,355	1,150	975	975	975	975
Percent reduction from Base								
Enplaned passengers	--	--	--	(5%)	(10%)	(11%)	(12%)	(12%)
Originating passengers	--	--	--	(4)	(8)	(9)	(9)	(10)
Connecting passengers	--	--	--	(15)	(29)	(29)	(30)	(30)
Dulles								
Base case								
Enplaned passengers	10,714	10,864	11,600	11,850	12,100	12,350	12,600	12,850
Originating passengers	7,191	7,293	8,115	8,305	8,495	8,685	8,875	9,065
Connecting passengers	3,523	3,571	3,485	3,545	3,605	3,665	3,725	3,785
Stress test								
Enplaned passengers	10,714	10,864	11,600	11,200	10,800	10,800	10,800	10,800
Originating passengers	7,191	7,293	8,115	8,150	8,150	8,150	8,150	8,150
Connecting passengers	3,523	3,571	3,485	3,050	2,650	2,650	2,650	2,650
Percent reduction from Base								
Enplaned passengers	--	--	--	(5%)	(11%)	(13%)	(14%)	(16%)
Originating passengers	--	--	--	(2)	(4)	(6)	(8)	(10)
Connecting passengers	--	--	--	(14)	(26)	(28)	(29)	(30)

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers. The distribution of originating and connecting passengers for 2017 was estimated using actual data for the first three quarters and estimated data for the fourth quarter.

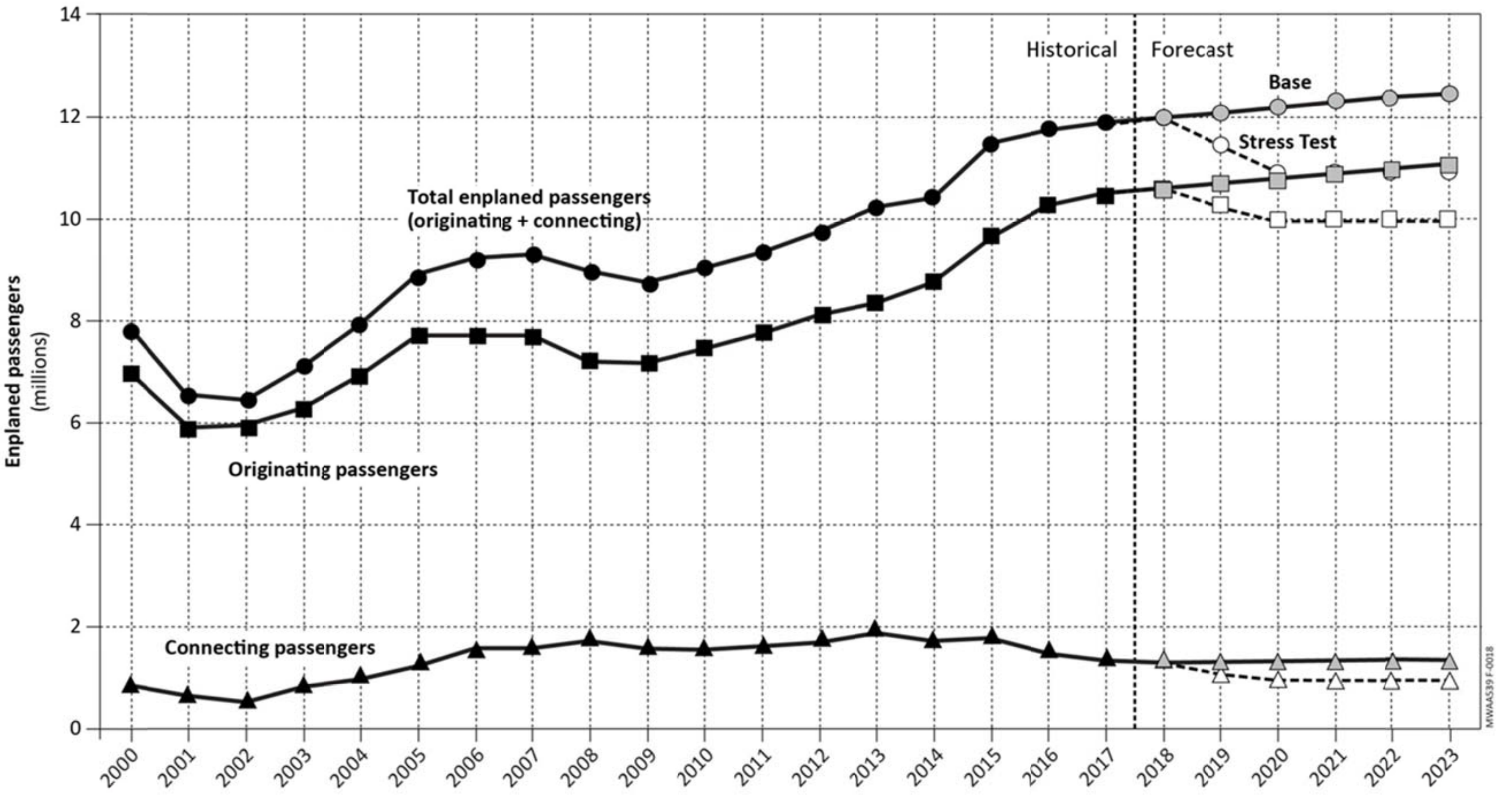
Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100.
Forecast: LeighFisher, March 2018.

Figure 11

BASE AND STRESS TEST FORECASTS OF ENPLANED PASSENGERS

Reagan National Airport

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.

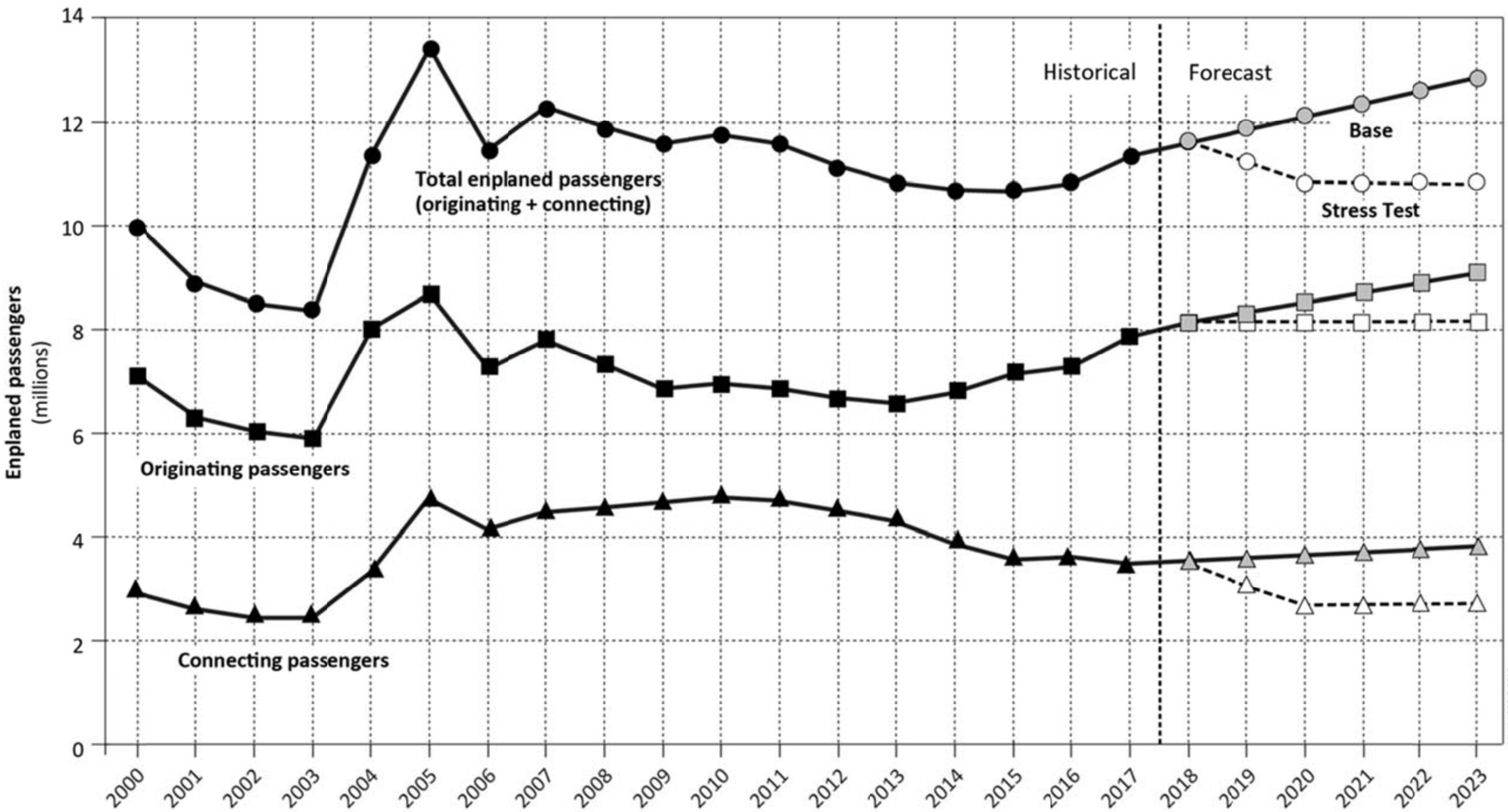


Note: Originating/connecting data for 2017 were estimated based on 3 quarters of actual data.

Sources: Historical: Metropolitan Washington Airports Authority; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: LeighFisher, March 2018.

Figure 12
BASE AND STRESS TEST FORECASTS OF ENPLANED PASSENGERS
Dulles International Airport

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.



Note: Originating/connecting data for 2017 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 2018.

FINANCIAL ANALYSIS

FRAMEWORK FOR AIRPORTS AUTHORITY'S FINANCIAL OPERATIONS

In 2017, the Airports Authority operated Reagan and Dulles through the Aviation Enterprise Fund with a staff of approximately 1,220 employees (270 at Reagan, 470 at Dulles, and 480 in public safety). The Airports Authority operated the Dulles Corridor Enterprise with approximately 70 employees, and consolidated functions provided for the Aviation Enterprise and the Dulles Corridor Enterprise accounted for approximately 350 additional employees. The financial operations of the Aviation Enterprise are accounted for separately for each of the two Airports.

Indenture

The financial operations of the Aviation Enterprise are governed in large part by the Indenture authorizing the issuance of Airport System Revenue Bonds (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 2014 through 2017, the annual amount of NRR averaged approximately $212 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 2018, $30 million, and as generated in 2019 through 2023, $25 million.

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 both Reagan and Dulles. For purposes of this report, it was assumed that the Signatory Airlines will pay all rentals, fees, and charges as calculated under the provisions of the Airline Agreement.

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 2018, the Airports Authority has budgeted $54.1 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 2018A Bonds and 2019-2022 Bonds are listed in Exhibit A. Descriptions of the CCP projects 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, 2018, 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 2008 through 2017, the Airports Authority was awarded an average of approximately $26.3 million annually in AIP entitlement and discretionary grants. The AIP grant program is subject to periodic reauthorization and appropriation by Congress.

The Airports Authority was awarded $306.8 million of AIP grant funding for the 2001-2016 CCP, including $191.8 million at Dulles for the design and construction of Runway 1L-19R and other airfield projects. In addition, the TSA contributed $203.7 million to the costs of in-line baggage screening equipment and systems at Dulles. The Airports Authority expects to receive $167.2 million in AIP grant funding for projects in the 2015-2024 CCP.

State Grants

The Commonwealth of Virginia provides grants to Virginia airport operators. In 2008 through 2017, the Airports Authority was awarded $2.0 million per year in such state grants. No additional state grants were assumed for the CCP funding plan shown in Exhibit A.

In March 2017, the Airports Authority and the Commonwealth entered into a funding agreement under which the Commonwealth has provided grants of

$25 million in each of 2017 and 2018 to reduce required airline payments at Dulles and thereby help to attract and retain airline service. The grants are conditioned on, among other things, the Airports Authority adopting and implementing an attainable plan for long-term cost reductions. The grants have not been used to fund capital projects, but rather have been applied to reduce the debt service requirements and operating costs included in the calculation of airline rentals, fees, and charges as shown in Exhibit E-5.

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 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 2018.

*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.

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	425,429	--	425,429
Total PFC collection and use authority			$3,467,785
Less: PFC collections through March 31, 2018			1,608,659
Remaining collection authority as of March 31, 2018			$1,859,126

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 in the past committed certain of such Designated Passenger Facility Charges to pay PFC-eligible Bond debt service and intends to continue to use PFC Revenues to pay such debt service.

Airport System Revenue Bonds

Exhibit B presents the estimated sources and uses of the proposed 2018A New Money Bonds, the 2018A Refunding Bonds, and the planned 2019-2022 Bonds as provided by Frasca & Associates, LLC, the Airports Authority’s independent registered municipal advisor.

The 2018A New Money Bonds are being issued as fixed-rate AMT Bonds to (1) fund $199.5 million of the costs of the CCP, (2) fund capitalized interest, (3) fund a deposit to the Common Reserve Account of the Debt Service Reserve Fund, and (4) pay costs of issuance.

The 2018A Refunding Bonds are being issued as fixed-rate AMT Bonds to, along with other available funds, (1) refund $159.6 million principal amount of outstanding 2008A Bonds and $254.2 million principal amount of 2009C Bonds, (2) fund a deposit to the Common Reserve Account of the Debt Service Reserve Fund, and (3) pay costs of issuance.

The planned 2019-2022 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 2019-2022 Bonds in the principal amount of $982.0 million are expected to be paid from general Airport System Revenues. Additional Bonds planned to be issued in 2019 in the principal amount of $398.7 million are expected to be paid from PFC Revenues and are referred to as the 2019 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 2019, such Bonds may be issued in more than one tranche in 2019 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 after the 2018A 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 $23.8 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 $116.8 million of 2009D Bonds, $91.7 million of 2010C Bonds, and $47.6 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 $148.8 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 $108.6 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 $53.8 million of 2003D Bonds, $53.9 million of 2010C Bonds, and $133.7 million of 2011B Bonds, interest rates of 2.00% for 2018, 3.00% for 2019, and 4.00% thereafter plus the costs associated with the variable-rate debt

Proposed 2018A Fixed-Rate Bonds:

Principal amount of $611.8 million of 2018A AMT Bonds, amortization 2019 through 2048, interest rate of 4.29%

Planned 2019-2022 Fixed-Rate Bonds:

Principal amount of $398.7 million of 2019 PFC Bonds, amortization 2020 through 2049, interest rate of 6.09%

Principal amount of $982.0 million of other 2019-2022 Bonds (to be issued over several years), amortization 2020 through 2052, interest rate of 6.09%

OPERATION AND MAINTENANCE EXPENSES

Exhibit D-1 presents historical and forecast Operation and Maintenance (O&M) Expenses for the 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 2018 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 2021 at the scheduled opening of the new north concourse and secure National Hall.

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 2017 Revenues according to major category. Further detail for each of Reagan and Dulles is shown in Exhibits E-2 and E-3, respectively.

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Table 43
REVENUE SUMMARY FOR 2017
Metropolitan Washington Airports Authority
(dollars in thousands)

	Reagan National Airport		Dulles International Airport		Aviation Enterprise Total	
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
Airline revenues						
Terminal rents and user fees	$103,516	33.2%	$134,977	31.1%	$238,493	32.0%
Landing and apron fees	57,319	18.4	36,919	8.5	94,238	12.6
International Arrival Building fees	--	0.0	20,052	4.6	20,052	2.7
Passenger conveyance fees	--	0.0	6,784	1.6	6,784	0.9
	$160,835	52.4%	$198,731	45.8%	$359,567	48.2%
Concessions						
Landside concession revenues *(a)*	$ 92,163	29.5%	$ 84,565	19.5%	$176,728	23.7%
In-terminal concession revenues	33,856	10.8	51,631	11.9	85,487	11.5
Airside concession revenues	3,817	1.2	37,236	8.6	41,053	5.5
	$129,836	40.9%	$173,432	39.9%	$303,268	40.6%
Other operating revenues	15,844	5.1	43,784	10.1	59,628	8.0
Investment earnings	5,677	1.8	18,221	4.2	23,898	3.2
Total	$312,192	100.0%	$434,168	100.0%	$746,361	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 2017, budgeted amounts for 2018, 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. Amounts shown for 2018 for nonairline revenues are as budgeted. Amounts shown for 2018 for airline revenues are as calculated per the provisions of the Airline Agreement using budgeted O&M Expenses and current estimates of debt service and other rate base requirements.

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 35 through 38 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 that is not funded with PFC Revenues or federal grants plus such other amounts as may be established by any financing agreement or arrangement with respect to other indebtedness. The applicable coverage percentage during the forecast period is 30%.

As noted in the earlier section “State Grants,” grants of $25 million from the Commonwealth of Virginia have been applied to reduce required airline payments in each of 2017 and 2018.

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 for each year net of the Signatory Airline share of NRR from the prior year. 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

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*Certain capitalized terms in this section of the report are as defined in the Airline Agreement.

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.

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. In 2015, a 100-space short-term lot at Terminal A was converted to use as a vehicle holding lot for Uber and Lyft ride-hailing services (also referred to as transportation network companies or TNCs).

Table 44
AIRPORT PUBLIC PARKING FACILITIES
Metropolitan Washington Airports Authority
(as of April 2018)

	Number of spaces	Parking rates
Reagan National Airport		
Garage A	1,102	$6 per hour, $25 per day
Garage B/C	5,306	$6 per hour, $25 per day
Economy	2,653	$17 per day
Total	9,061	
Dulles International Airport		
Terminal Hourly Lot	1,134	$6 per hour, $30 per day
Terminal Daily Lot	1,189	$6 per hour, $22 per day
Garage 1	4,680	$6 per hour, $17 per day
Garage 2	3,645	$6 per hour, $17 per day
Economy	11,643	$10 per day
Valet and administration	316	$35 first day, $30 additional days
Total	22,607	

Source: Metropolitan Washington Airports Authority.

At Dulles, parking rates were last changed effective August 1, 2016, when the daily rate for the Terminal Daily Lot was increased from $20 to $22. Before the August 2016 increase, 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, 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. In 2016, 703 spaces were displaced from Economy parking to allow construction of a gas station.

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).

Public parking represents the largest single source of nonairline revenues to the Airports Authority. At Reagan, in 2017, gross parking revenues were $57.4 million, $5.42 per originating passenger, operating expenses and management fees were $13.9 million, and net parking revenues were $43.5 million. At Dulles, in 2017, gross parking revenues were $67.2 million, $8.54 per originating passenger, operating expenses and management fees were $14.8 million, and net parking revenues were $52.4 million. There is little competition from off-airport operators at either Reagan or Dulles.

Since 2015, numbers of airport parking transactions have decreased relative to numbers of originating passengers at both Reagan and Dulles. At Reagan, between 2015 and 2017, the number of parking transactions decreased 7.9%, while the number of originating passengers increased 9.5%, resulting in a 15.8% decrease in the propensity to park as measured by parking transactions per originating passenger. At Dulles, between 2015 and 2017, the number of parking transactions decreased 2.9%, while the number of originating passengers increased 9.5%, resulting in an 11.3% decrease in parking transactions per originating passenger.

The decreased propensity to park is the result of changing airport access travel choices attributable to changes in the relative cost and convenience of competing travel modes. Short-stay parking transactions have also been reduced as mobile phones make arranging curbside pick-up easier. The decrease in the propensity to park has coincided with the increase in the number of airport trips made by Uber and Lyft, as discussed in the later section "Ground Transportation Fees."

Parking revenues were forecast assuming that:

1. Parking rates will not be increased.

2. Increases in parking demand with increased numbers of originating passengers will be offset by further decreases in the propensity to park as changes in technology and economics make travel modes other than driving more convenient and attractive. As a result, there will be only a small net increase in numbers of parking transactions.

3. 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 2017, on-airport rental car companies providing service at the Airports and their shares of revenues paid to the Airports Authority were as shown in Table 45.

Table 45
RENTAL CAR REVENUES
Metropolitan Washington Airports Authority
2017

	Reagan National		Dulles International		Airports Authority	
Company	Revenues	Share	Revenues	Share	Revenues	Share
Enterprise-Alamo-National *(a)*	$ 9,518,672	37.3%	$ 5,729,223	31.6%	$15,247,895	34.9%
Hertz-Dollar-Thrifty *(b)*	7,784,446	30.5	5,768,684	31.8	13,553,129	31.1
Avis-Budget *(c)*	7,842,949	30.8	5,538,168	30.5	13,381,116	30.7
Advantage *(d)*	357,090	1.4	1,100,000	6.1	1,457,090	3.3
	$25,503,156	100.0%	$18,136,0754	100.0%	$43,639,231	100.0%

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

(a) Subsidiaries of Enterprise Holdings, Inc.
(b) Subsidiaries of Hertz Global Holdings, Inc.
(c) Subsidiaries of Avis Budget Group.
(d) Operates 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 February 2017 and expire in January 2022. At Dulles, the concession agreements became effective in July 2013 and expire in June

2018 (to be extended month-to-month to no later than June 2019). 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 the proceeds of a customer contract fee (CCF) collected on behalf of the Airports Authority by the on-airport rental car companies for all rental car contracts at Reagan at a rate of $3.50 per vehicle transaction-day (increased from $2.50 effective February 2017). The CCF revenues are used to pay certain of the costs of financing, maintaining, and operating the rental car facilities at Reagan.

Advantage operates off-airport at Reagan and pays a privilege fee of 8% of gross receipts over $300,000.

In 2017, revenues received by the Airports Authority from rental car operations at Reagan totaled $25.5 million, $2.41 per originating passenger. At Dulles, rental car revenues in 2017 were $18.1 million, $2.30 per originating passenger.

As with parking, since 2015, at both Reagan and Dulles, numbers of rental car transactions have decreased relative to numbers of originating passengers as airport access travel choices have changed. Between 2015 and 2017, the number of rental car transactions per originating passenger decreased 12.1% at Reagan and 15.6% at Dulles. At both Airports, the decreased propensity to rent was more than offset by increased revenues per transaction, with the result that total rental car revenues increased. Rental car revenues were forecast to increase in proportion to forecast increases in originating passenger numbers, assuming some further decreases in the propensity to rent, and with price inflation, but with no increase in the CCF rate.

Ground Transportation

The Airports Authority collects permit and activity fees from taxicabs, limousines, shared van services, and other providers of commercial ground transportation. Effective November, 2015, the Airports Authority began collecting a $4.00 per trip fee from the transportation network companies that pick up and drop off passengers at the terminals.

At Reagan, commercial ground transportation revenues in 2017 totaled $23.2 million, of which $15.5 million was paid by TNCs. At Dulles, commercial ground transportation revenues in 2017 totaled $14.0 million, of which $6.8 million was paid by TNCs.

Numbers of trips by TNCs have increased rapidly since such trips were required to be reported beginning in November 2015. In 2017, TNCs accounted for 3.9 million trips at Reagan (32% of all trips made by TNCs, taxis, limousines, and shared-ride van services) and 1.7 million trips at Dulles (60% of all trips made by TNCs, taxis, limousines, and shared-ride van services). The increased use of TNCs has contributed to the decreased use of all other airport access modes.

Ground transportation revenues were forecast with numbers of originating passengers, assuming some further increase in the share of trips accounted for by TNCs, but with no increase in per trip fees.

Food and Beverage

At Reagan, approximately 40 food and beverage outlets occupy 44,000 square feet of terminal space. In 2017, gross revenues from food and beverage concessions totaled $94.4 million, $7.90 per enplaned passenger. Net revenues received by the Airports Authority were $17.8 million, equivalent to 18.9% of gross revenues.

At Dulles, approximately 40 food and beverage outlets occupy 58,000 square feet of terminal space. In 2017, gross revenues from food and beverage concessions were $80.2 million, $7.08 per enplaned passenger. Net revenues received by the Airports Authority were $15.05 million, equivalent to 18.8% 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 2019 (and may be extended at the Airport Authority's option to December 2021). Under the agreement, MarketPlace develops and manages the food and beverage programs at the Airports, but does not operate any concession facilities. MarketPlace negotiates contracts with each concessionaire using a standard lease that has been approved by the Airports Authority. These contracts generally obligate each concessionaire to pay the greater of a percentage of gross revenues or a minimum annual guarantee. MarketPlace collects all rents and fees from the concessionaires and retains 9.75% of such gross rental payments as its management fee.

MarketPlace oversaw the redevelopment of food, beverage, newsstand, and retail concessions at both Airports between 2014 and 2016, and revenues have generally increased with the completion of redevelopment and improved concession offerings. Beginning in 2018, food and beverage revenues per enplaned passenger were forecast to increase with price inflation. At Reagan, food and beverage revenues were also assumed to increase beginning in 2021 as concession space is added as part of the new north concourse and secure National Hall projects 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 30 newsstand and retail outlets occupy 17,000 square feet of terminal space. In 2017, gross revenues for newsstand and retail concessions were $36.0 million, $3.01 per enplaned passenger. Net revenues received by the Airports Authority were $5.5 million, equivalent to 15.3% of gross revenues.

At Dulles, approximately 40 newsstand and retail outlets occupy 33,000 square feet of terminal space. In 2017, gross revenues for newsstand and retail concessions were

$40.5 million, $3.57 per enplaned passenger. Net revenues received by the Airports Authority were $9.0 million, equivalent to 22.20% of gross revenues.

As with food and beverage, newsstand and retail revenues per enplaned passenger were forecast to increase with price inflation. At Reagan, revenues were also assumed to increase beginning in 2021 as concession space is added and security screening is relocated.

Duty Free

Duty free concessions at Reagan and Dulles are managed and operated by Dulles Duty Free under an agreement that became effective in August 2014 and expires in December 2021. 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 2017, gross duty free revenues for the two Airports combined were $23.1 million, $5.70 per enplaned international passenger (97% attributable to Dulles). Payments to the Airports Authority are the greater of 22% of gross revenues or a minimum annual guarantee calculated per international enplaned passenger.

In 2017, duty free revenues received by the Airports Authority were $13.7 million (the minimum annual guarantee), equivalent to 59.3% of gross revenues. Duty free revenues were forecast to be the minimum annual guarantee as increased in proportion to forecast increases in numbers of international enplaned passengers.

Display Advertising

In 2017, the Airports Authority received revenues from display advertising of $8.6 million at Reagan and $6.4 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 February 2024 (with an option to extend to February 2026) and provides for the payment of the greater of a percentage of gross revenues (between 60% and 70%) 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 initially invested $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 that the minimum guaranteed amounts will be exceeded and that revenues per enplaned passenger will increase from actual 2017 amounts with inflation.

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 ($1.5 million in 2018) or a percentage of gross revenues for various categories of goods and services.

At Dulles, two fixed base operators, Jet Aviation and Signature Flight Support, serve business and general aviation. Both agreements expire in October 2022. Jet Aviation and Signature each pay the greater of a minimum annual guarantee ($11.5 million and $17.2 million, respectively, in 2018) or a percentage of gross revenues from various categories of goods and services. The operators pay annual facility rents in addition.

Revenues from fixed base operations were forecast as the minimum annual guarantees plus the annual facility rents.

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 12% of gross receipts for on-airport sales and 5% 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, with the operators paying the Airports Authority the same percentages of gross receipts. 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 12% of all gross receipts.

In-flight kitchen revenues were forecast to increase from budgeted 2018 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 reimbursement 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. Investment earnings were forecast assuming increased fund balances associated with the planned issuance of future Bonds and investment rates consistent with historical rates.

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:

1. Pay Operation and Maintenance Expenses

2. Deposit to the Operation and Maintenance Fund any amounts necessary to maintain a reserve balance of 25% of budgeted O&M Expenses.

3. Deposit to the Bond Fund Principal and Interest Accounts amounts required to pay Bond principal and interest.

4. Deposit to the Bond Fund Redemption Account amounts required to redeem Bonds. (No such payments are forecast to be required.)

5. Deposit to the Debt Service Reserve Fund any amounts necessary to maintain required debt service reserves. (No such payments are forecast to be required.)

6. 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.)

7. Replenish any required Subordinated Bond Reserve Funds. (No such payments are forecast to be required.)

8. Pay any required debt service on Junior Lien Obligations. (No such payments are forecast to be required.)

9. Make annual payments required under the Federal Lease.

10. Replenish any amounts withdrawn from the Emergency Repair and Rehabilitation Fund in the preceding year. (No such payments are forecast to be required.)

11. 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 2017 and 2018, 55% Authority, 45% Airlines; and for amounts generated in 2019 through 2023, 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 2017 was $16.4 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 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) were or are to be 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 were 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 $45.0 million of Designated Passenger Facility Charges to pay Bond debt service in 2017 and intends to use the amounts of PFC Revenues, including Designated Passenger Facility Charges, shown in Exhibit F-3 in 2018 through 2023.

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 Reagan 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 35 and 37 in the earlier section "Airline Traffic Forecasts."

As discussed in the earlier section, "Stress Test Forecasts," and presented in Table 40 and Figures 11 and 12, 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 would 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.

Exhibit A

CAPITAL CONSTRUCTION PROGRAMS
Metropolitan Washington Airports Authority
(dollars in thousands)

		Sources of funds								
							Proposed	Planned future Bonds		
	Inflated project costs	FAA grants	TSA grants	Virginia state grants	Pay-as-you-go PFC Revenues	Prior Bonds	2018A Bonds	2019 PFC Bonds	2019-2022 Bonds	Total future Bonds
Reagan National Airport										
2001-2016 CCP										
Completed projects	$ 397,223	$ 77,223	$ -	$ 4,777	$ 28,044	$ 287,180	$ -	$ -	$ -	$ -
Projects in progress										
Runway safety area upgrades	72,071	11,797	-	-	-	60,274	-	-	-	-
Airfield pavement rehabilitation	39,204	25,941	-	-	-	11,935	401	-	926	926
Other projects	35,824	-	-	-	-	26,069	981	-	8,774	8,774
Subtotal projects in progress	$ 147,099	$ 37,738	$ -	$ -	$ -	$ 98,278	$ 1,382	$ -	$ 9,701	$ 9,701
Subtotal 2001-2016 CCP	$ 544,322	$ 114,961	$ -	$ 4,777	$ 28,044	$ 385,458	$ 1,382	$ -	$ 9,701	$ 9,701
2015-2024 CCP										
Completed projects	$ 506	$ -	$ -	$ -	$ -	$ 506	$ -	$ -	$ -	$ -
Projects in progress										
New north concourse	383,338	-	-	-	-	103,437	67,529	144,294	68,077	212,371
New north concourse enabling projects	172,077	-	-	-	-	100,524	8,687	33,829	29,038	62,866
Secure National Hall	262,436	-	-	-	-	76,887	25,777	139,967	19,804	159,771
Terminal A rehabilitation	73,177	-	-	-	-	15,594	5,123	22,565	29,895	52,460
New parking garage	100,769	-	-	-	-	-	-	-	100,769	100,769
Roadway improvements	14,164	-	-	-	-	156	11	7,064	6,934	13,998
Utility system upgrades	50,106	-	-	-	-	16,109	10,201	14,925	8,871	23,796
Airfield pavement rehabilitation	54,536	40,034	-	-	-	1,134	-	-	13,369	13,369
Other airfield projects	70,930	30,636	-	-	-	5,118	13,137	-	22,040	22,040
Other projects	42,615	-	-	-	-	11,927	10,637	3,061	16,990	20,051
Subtotal 2015-2024 CCP	$ 1,224,654	$ 70,670	$ -	$ -	$ -	$ 331,391	$ 141,102	$ 365,705	$ 315,787	$ 681,492
Total CCP for Reagan National Airport	$ 1,768,976	$ 185,631	$ -	$ 4,777	$ 28,044	$ 716,849	$ 142,483	$ 365,705	$ 325,488	$ 691,193

Exhibit A (page 2 of 2)

CAPITAL CONSTRUCTION PROGRAMS
Metropolitan Washington Airports Authority
(dollars in thousands)

		Sources of funds								
							Proposed	Planned future Bonds		
	Inflated project costs	FAA grants	TSA grants	Virginia state grants	Pay-as-you-go PFC Revenues	Prior Bonds	2018A Bonds	2019 PFC Bonds	2019-2022 Bonds	Total future Bonds
Dulles International Airport										
2001-2016 CCP										
Completed projects	$ 3,946,779	$ 191,837	$ -	$ 24,315	$ 945,781	$2,784,845	$0	$ -	$ -	$ -
Projects in progress										
Contribution to Dulles Metrorail	233,041	-	-	-	233,041	-	-	-	-	-
In-line baggage screening modifications	238,450	-	203,729	-	-	33,455	1,266	-	-	-
Other terminal projects	11,951	-	-	-	-	5,620	1,240	-	5,091	5,091
Public safety projects	14,062	-	-	-	-	8,318	1,450	-	4,295	4,295
Parking and roadway projects	12,162	-	-	-	-	10,308	1,854	-	-	-
Other projects	10,204	-	-	-	-	3,792	200	-	6,212	6,212
Subtotal projects in progress	$ 519,870	$ -	$ 203,729	$ -	$ 233,041	$ 61,493	$ 6,009	$ -	$ 15,598	$ 15,598
Subtotal 2001-2016 CCP	$ 4,466,649	$ 191,837	$ 203,729	$ 24,315	$ 1,178,822	$ 2,846,338	$ 6,009	$ -	$ 15,598	$ 15,598
2015-2024 CCP										
Completed projects	$ 1,224	$ -	$ -	$ -	$ -	$ 1,224	$ -	$ -	$ -	$ -
Projects in progress										
Airfield pavement replacement	194,727	96,187	-	-	-	6,275	-	-	92,265	92,265
Additional aircraft gates	59,421	-	-	-	-	4,274	1,334	-	53,814	53,814
Main Terminal improvements	37,621	-	-	-	-	3,183	17,146	-	17,292	17,292
IAB capacity enhancements	25,345	-	-	-	-	5,792	7,709	-	11,844	11,844
Upgrades to Concourses A and B	25,476	-	-	-	-	1,467	2,176	-	21,834	21,834
Upgrades to Concourses C and D	74,038	-	-	-	-	17,576	6,871	-	49,590	49,590
AeroTrain renewal and replacement	44,991	-	-	-	-	12,755	1,674	-	30,562	30,562
Mobile lounge rehabilitation	31,832	-	-	-	-	3,022	1,302	-	27,507	27,507
Utility system upgrades	54,771	-	-	-	-	12,949	6,618	-	35,204	35,204
Access Highway improvements	39,064	-	-	-	-	1,902	1,140	-	36,022	36,022
Other projects	63,740	372	-	-	-	20,410	5,056	-	37,901	37,901
Subtotal 2015-2024 CCP	$ 652,251	$ 96,559	$ -	$ -	$ -	$ 90,829	$ 51,027	$ -	$ 413,836	$ 413,836
Total CCP for Dulles International Airport	$ 5,118,900	$ 288,396	$ 203,729	$ 24,315	$ 1,178,822	$ 2,937,167	$ 57,036	$ -	$ 429,434	$ 429,434
Total 2001-2016 CCP	$ 5,010,970	$ 306,798	$ 203,729	$ 29,092	$ 1,206,866	$ 3,231,796	$ 7,390	$ -	$ 25,299	$ 25,299
Total 2015-2024 CCP	1,876,905	167,229	-	-	-	422,220	192,129	365,705	729,623	1,095,328
Total CCP	$ 6,887,876	$ 474,027	$ 203,729	$ 29,092	$ 1,206,866	$ 3,654,016	$ 199,519	$ 365,705	$ 754,921	$ 1,120,627

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 2018A Bonds			Planned future Bonds		
	2018A Refunding	2018A New Money	Total 2018A Bonds	2019 PFC Bonds (a)	2019-2022 Bonds	Total future Bonds
Sources of funds						
Par amount of Bonds	$ 388,745	$ 223,100	$ 611,845	$ 398,660	$ 982,035	$ 1,380,695
Original issue premium (discount)	32,586	16,261	48,847	-	-	-
Contribution from Debt Service Fund	5,421	-	5,421	-	-	-
Total sources	$ 426,752	$ 239,361	$ 666,113	$ 398,660	$ 982,035	$ 1,380,695
Uses of funds						
Construction Fund	$ -	$ 199,519	$ 199,519	$ 365,705	$ 754,921	$ 1,120,627
Refunding escrow (2008A)	163,163	-	163,163	-	-	-
Refunding escrow (2009C)	259,699	-	259,699	-	-	-
Capitalized Interest	-	22,200	22,200	-	144,400	144,400
Debt Service Reserve Fund	-	14,930	14,930	28,965	72,883	101,848
Costs of issuance	3,890	2,713	6,603	3,990	9,831	13,820
Total uses	$ 426,752	$ 239,361	$ 666,113	$ 398,660	$ 982,035	$ 1,380,695

Source: Frasca & Associates, LLC, April 16, 2018 (based on information provided by the Metropolitan Washington Airports Aut
Columns may not add to totals shown because of rounding.
(a) Assumed to be issued as Airport System Revenue Bonds payable from PFC Revenues.

Exhibit C-1

ANNUAL DEBT SERVICE
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bonds by Series										
Commercial Paper	$ 100	$ 33	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2003D	2,088	2,361	2,368	2,691	3,481	4,070	4,609	4,627	4,664	4,695
2004A-D	30,058	-	-	-	-	-	-	-	-	-
2005A-D	26,513	13,734	-	-	-	-	-	-	-	-
2006A-C	35,286	25,060	14,259	-	-	-	-	-	-	-
2007A-B	52,691	48,142	48,818	27,794	-	-	-	-	-	-
2008A	21,747	18,784	22,418	21,103	14,961	-	-	-	-	-
2009B-D	32,591	44,199	44,632	46,535	45,773	37,221	26,577	31,389	30,375	35,717
2010A-D & F1	66,695	64,588	63,969	64,196	71,399	57,903	75,669	71,958	73,330	64,046
2011A-D	45,294	50,588	48,446	49,715	52,627	54,479	55,607	55,672	34,035	34,048
2012A-B	14,631	19,009	23,008	28,177	28,253	28,250	24,321	24,320	24,316	24,320
2013A-C	7,982	8,732	11,927	10,356	18,398	21,969	26,012	26,131	25,758	18,710
2014A	14,205	37,999	41,658	43,810	46,191	46,955	36,605	34,264	50,003	50,000
2015A-D	-	16,982	30,349	31,179	31,735	32,650	33,421	26,813	28,505	28,509
2016A-B	-	-	12,271	17,864	18,045	18,045	18,200	19,792	19,795	19,767
2017A	-	-	-	23,682	49,541	34,712	34,888	52,725	40,869	48,408
Total Outstanding	$ 349,883	$ 350,212	$ 364,124	$ 367,101	$ 380,404	$ 336,254	$ 335,911	$ 347,691	$ 331,649	$ 328,220
Proposed 2018A Bonds										
2018A Refunding	$ -	$ -	$ -	$ -	4,663	26,322	40,405	30,258	42,390	38,184
2018A New Money	-	-	-	-	77	2,209	6,496	10,858	14,390	14,391
Total proposed 2018A Bonds	$ -	$ -	$ -	$ -	$ 4,740	$ 28,531	$ 46,900	$ 41,116	$ 56,780	$ 52,575
Planned future Bonds										
2019 PFC	$ -	$ -	$ -	$ -	$ -	$ 5,847	$ 28,965	$ 28,962	$ 28,961	$ 28,961
2019-2022	-	-	-	-	-	469	8,480	26,233	35,902	41,089
Total planned future Bonds	-	-	-	-	-	6,316	37,445	55,195	64,863	70,050
Total Bonds	$ 349,883	$ 350,212	$ 364,124	$ 367,101	$ 385,144	$ 371,101	$ 420,256	$ 444,002	$ 453,292	$ 450,845
Less: Application of PFC Revenues										
Irrevocable PFC commitment	$ (35,000)	$ (35,000)	$ (35,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PFC-approved (a)	(5,000)	(7,500)	(8,500)	(45,000)	(43,600)	(47,400)	(46,400)	(47,400)	(48,300)	(49,300)
PFC-approved (b)	-	-	-	-	(5,002)	(5,847)	(28,965)	(28,962)	(28,961)	(28,961)
Future PFC-eligible (c)	-	-	-	-	-	(4,714)	(4,710)	(4,852)	(6,058)	(5,628)
Total Annual Debt Service	$ 309,883	$ 307,712	$ 320,624	$ 322,101	$ 336,542	$ 313,140	$ 340,182	$ 362,788	$ 369,972	$ 366,956

Source: Frasca & Associates, LLC, April 16, 2018 (based on information provided by the Metropolitan Washington Airports Authority).
Columns may not add to totals shown because of rounding.
(a) As approved by the FAA under Dulles PFC Application 3.
(b) As approved by the FAA under Reagan PFC Application 6.
(c) Subject to approval by the FAA.

Exhibit C-2

ANNUAL DEBT SERVICE BY COST CENTER
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Reagan National Airport										
Airfield	$ 8,038	$ 7,605	$ 7,359	$ 7,504	$ 6,446	$ 7,854	$ 9,353	$ 9,214	$ 7,557	$ 8,938
Terminal A	2,848	2,064	2,132	4,574	5,845	5,925	6,370	7,722	7,261	7,445
Terminals B/C	28,651	23,077	27,348	28,421	30,069	29,690	28,721	39,970	50,032	49,639
Tenant Equipment	2,544	2,146	2,169	976	1,132	1,318	1,318	-	-	-
Subtotal Airline Supported Areas	$ 42,081	$ 34,892	$ 39,008	$ 41,475	$ 43,492	$ 44,788	$ 45,762	$ 56,906	$ 64,851	$ 66,022
Ground Transportation	$ 16,689	$ 15,498	$ 17,701	$ 17,497	$ 19,395	$ 18,174	$ 17,774	$ 18,037	$ 17,648	$ 16,231
Aviation	3,588	3,541	3,538	3,720	3,915	3,817	3,763	3,640	1,797	1,779
Nonaviation	-	-	-	-	-	-	-	-	-	-
Subtotal Nonairline Supported Areas	$ 20,277	$ 19,039	$ 21,239	$ 21,217	$ 23,310	$ 21,990	$ 21,538	$ 21,677	$ 19,445	$ 18,010
Maintenance	$ 1,086	$ 901	$ 859	$ 678	$ 747	$ 726	$ 731	$ 708	$ 440	$ 435
Public Safety	3,191	4,486	3,232	3,200	2,943	2,805	2,855	3,684	5,027	5,166
Administration	4,275	4,170	4,330	4,342	4,913	4,967	6,238	8,646	8,935	8,662
Systems & Services	5,841	5,602	5,748	6,025	6,250	6,759	8,534	8,866	7,515	7,707
Subtotal Indirect Cost Centers	$ 14,394	$ 15,159	$ 14,170	$ 14,245	$ 14,852	$ 15,256	$ 18,358	$ 21,904	$ 21,918	$ 21,969
Total Reagan National Airport	$ 76,752	$ 69,090	$ 74,416	$ 76,937	$ 81,654	$ 82,034	$ 85,657	$ 100,487	$ 106,214	$ 106,001
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 11,511	$ 13,093	$ 12,534	$ 12,092	$ 12,590	$ 12,972	$ 15,657	$ 18,609	$ 18,498	$ 18,547
Nonairline Supported Areas	2,883	2,066	1,636	2,153	2,263	2,284	2,701	3,295	3,419	3,422
	$ 14,394	$ 15,159	$ 14,170	$ 14,245	$ 14,852	$ 15,256	$ 18,358	$ 21,904	$ 21,918	$ 21,969

Source: Frasca & Associates, LLC, April 16, 2018 (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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Dulles International Airport										
Airfield	$ 39,886	$ 39,063	$ 37,449	$ 37,427	$ 40,821	$ 37,263	$ 40,276	$ 40,816	$ 40,120	$ 40,113
Concourses C & D	6,140	5,891	5,768	6,131	7,120	6,959	8,101	8,904	8,444	8,504
Concourse B	7,100	5,714	5,875	5,913	4,684	4,258	5,245	6,521	6,728	6,511
Main Terminal	51,391	47,810	53,898	53,791	56,137	53,053	56,079	54,429	53,212	52,494
International Arrivals Building	13,427	9,803	9,895	9,665	11,880	10,261	11,763	12,939	13,077	13,354
Concourse C IAB	790	681	759	751	786	483	483	484	556	489
Concourse A	397	386	396	422	429	371	399	399	406	400
Z Gates	561	441	229	399	484	182	411	3,734	5,339	5,463
Passenger Conveyance	38,209	56,660	56,008	54,590	50,385	40,899	44,198	43,342	43,951	45,402
Tenant Equipment	1,015	1,035	1,103	1,125	1,199	988	944	896	1,042	1,000
Subtotal Airline Supported Areas	$ 158,917	$ 167,484	$ 171,380	$ 170,213	$ 173,926	$ 154,716	$ 167,899	$ 172,464	$ 172,876	$ 173,731
Ground Transportation	$ 17,039	$ 17,194	$ 18,215	$ 18,222	$ 20,229	$ 19,385	$ 20,675	$ 22,234	$ 22,551	$ 21,266
Aviation	13,377	12,588	13,263	12,880	13,860	12,375	13,548	13,159	12,884	12,524
Nonaviation	189	171	793	809	1,152	1,210	1,388	1,537	1,541	684
Cargo	1,639	1,376	1,467	1,754	1,878	1,638	2,053	2,164	2,195	2,098
Subtotal Nonairline Supported Areas	$ 32,244	$ 31,329	$ 33,739	$ 33,665	$ 37,120	$ 34,608	$ 37,664	$ 39,094	$ 39,172	$ 36,573
Maintenance	$ 7,037	$ 6,460	$ 6,538	$ 6,271	$ 4,266	$ 3,567	$ 4,365	$ 3,941	$ 3,894	$ 3,742
Public Safety	2,294	2,277	2,335	2,541	3,953	3,950	4,264	4,438	4,833	4,862
Administration	14,633	14,092	14,762	14,581	16,380	15,292	17,901	19,031	19,643	19,210
Systems & Services	18,006	16,979	17,452	17,893	19,243	18,972	22,432	23,334	23,341	22,837
Subtotal Indirect Cost Centers	$ 41,970	$ 39,808	$ 41,088	$ 41,286	$ 43,842	$ 41,782	$ 48,962	$ 50,743	$ 51,711	$ 50,651
Total Dulles International Airport	$ 233,131	$ 238,622	$ 246,207	$ 245,165	$ 254,888	$ 231,107	$ 254,524	$ 262,301	$ 263,758	$ 260,955
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 27,645	$ 25,219	$ 25,972	$ 26,119	$ 28,178	$ 26,011	$ 29,669	$ 30,684	$ 31,296	$ 30,637
Nonairline Supported Areas	14,325	14,589	15,116	15,168	15,663	15,771	19,292	20,059	20,415	20,014
	$ 41,970	$ 39,808	$ 41,088	$ 41,286	$ 43,842	$ 41,782	$ 48,962	$ 50,743	$ 51,711	$ 50,651

Source: Frasca & Associates, LLC, April 16, 2018 (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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Personnel expenses	$ 159,642	$ 155,938	$ 166,632	$ 171,888	$ 185,682	$ 191,252	$ 196,990	$ 203,255	$ 209,754	$ 216,047
Utilities	25,721	25,141	25,298	24,817	25,327	26,086	26,869	27,676	28,506	29,362
Services	104,557	109,497	106,453	104,229	110,130	113,432	116,834	121,617	126,708	130,510
Supplies and materials	17,626	16,437	16,853	18,497	17,696	18,225	18,772	19,422	20,099	20,702
Miscellaneous	8,405	7,784	6,601	7,468	14,763	15,209	15,665	16,621	17,666	18,195
Equipment and facility expense	4,326	6,625	1,930	-	-	9,742	10,035	10,336	10,646	10,967
Total Airports (a)	$ 320,276	$ 321,423	$ 323,765	$ 326,898	$ 353,599	$ 373,946	$ 385,165	$ 398,927	$ 413,379	$ 425,783
Annual percent change		0.4%	0.7%	1.0%	8.2%	5.8%	3.0%	3.6%	3.6%	3.0%

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Summary by Account										
Personnel expenses	$ 71,151	$ 70,934	$ 77,081	$ 80,297	$ 87,135	$ 89,750	$ 92,443	$ 95,572	$ 98,841	$ 101,806
Utilities	8,950	8,738	8,868	8,967	9,286	9,564	9,851	10,147	10,451	10,765
Services	34,467	37,970	35,182	36,548	40,564	41,780	43,033	45,602	48,414	49,867
Supplies and materials	5,863	5,891	6,141	5,192	5,925	6,102	6,285	6,558	6,850	7,056
Miscellaneous	5,596	5,764	5,042	5,605	10,317	10,627	10,946	11,759	12,660	13,040
Equipment and facility expense	2,506	6,471	1,663	-	-	9,458	9,742	10,034	10,335	10,646
Total	$ 128,533	$ 135,769	$ 133,979	$ 136,609	$ 153,227	$ 167,281	$ 172,300	$ 179,672	$ 187,551	$ 193,180
Summary by Cost Center										
Airfield	$ 9,950	$ 12,096	$ 11,947	$ 12,093	$ 13,356	$ 16,518	$ 17,014	$ 17,524	$ 18,050	$ 18,592
Terminal A	5,164	6,045	4,932	4,751	5,495	6,902	7,109	7,322	7,541	7,769
Terminals B/C	13,845	19,160	17,697	17,131	20,773	25,766	26,539	29,539	32,915	33,902
Subtotal Airline Supported Areas	$ 28,959	$ 37,301	$ 34,575	$ 33,975	$ 39,624	$ 49,186	$ 50,662	$ 54,385	$ 58,506	$ 60,263
Ground Transportation	$ 7,491	$ 7,983	$ 6,079	$ 5,550	$ 6,732	$ 7,644	$ 7,873	$ 8,109	$ 8,353	$ 8,603
Aviation	1,196	1,479	1,751	997	1,461	1,858	1,914	1,971	2,029	2,090
Nonaviation	5	17	9	8	9	29	30	31	32	33
Subtotal Nonairline Supported Areas	$ 8,692	$ 9,479	$ 7,838	$ 6,555	$ 8,201	$ 9,531	$ 9,817	$ 10,111	$ 10,414	$ 10,726
Maintenance	$ 10,356	$ 10,222	$ 10,510	$ 11,445	$ 12,547	$ 12,924	$ 13,312	$ 13,712	$ 14,123	$ 14,548
Public Safety	27,003	25,044	24,414	26,179	28,503	29,358	30,239	31,146	32,081	33,044
Administration	41,696	41,880	44,839	46,436	51,685	53,236	54,833	56,478	58,173	59,918
Systems & Services	11,827	11,844	11,802	12,019	12,666	13,046	13,437	13,840	14,254	14,681
Subtotal Indirect Cost Centers	$ 90,882	$ 88,989	$ 91,565	$ 96,079	$ 105,402	$ 108,564	$ 111,821	$ 115,176	$ 118,631	$ 122,191
Total	$ 128,533	$ 135,769	$ 133,979	$ 136,609	$ 153,227	$ 167,281	$ 172,300	$ 179,672	$ 187,551	$ 193,180
Annual percent change		5.6%	-1.3%	2.0%	12.2%	9.2%	3.0%	4.3%	4.4%	3.0%
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 70,249	$ 76,062	$ 79,688	$ 79,357	$ 86,611	$ 89,447	$ 91,886	$ 94,981	$ 98,186	$ 101,133
Nonairline Supported Areas	20,633	12,926	11,878	16,721	18,790	19,117	19,935	20,195	20,445	21,058
	$ 90,882	$ 88,989	$ 91,565	$ 96,079	$ 105,402	$ 108,564	$ 111,821	$ 115,176	$ 118,631	$ 122,191

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Summary by Account										
Personnel expenses	$ 88,491	$ 85,004	$ 89,551	$ 91,591	$ 98,547	$ 101,502	$ 104,547	$ 107,683	$ 110,913	$ 114,241
Utilities	16,770	16,403	16,429	15,850	16,041	16,522	17,018	17,529	18,055	18,597
Services	70,090	71,527	71,271	67,681	69,566	71,652	73,801	76,015	78,294	80,643
Supplies and materials	11,763	10,546	10,711	13,305	11,771	12,123	12,487	12,864	13,249	13,646
Miscellaneous	2,808	2,020	1,559	1,863	4,446	4,582	4,719	4,862	5,006	5,155
Equipment and facility expense	1,821	154	266	-	-	284	293	302	311	321
Total	$ 191,743	$ 185,654	$ 189,786	$ 190,289	$ 200,372	$ 206,665	$ 212,865	$ 219,255	$ 225,828	$ 232,603
Summary by Cost Center										
Airfield	$ 12,131	$ 18,192	$ 18,180	$ 18,709	$ 19,150	$ 19,724	$ 20,316	$ 20,926	$ 21,553	$ 22,199
Concourses C & D	6,173	5,701	5,878	5,728	5,712	5,883	6,059	6,241	6,428	6,620
Concourse B	8,548	7,367	7,244	7,273	7,120	7,333	7,554	7,781	8,015	8,255
Main Terminal	13,915	13,720	14,015	13,489	13,962	14,411	14,844	15,290	15,748	16,221
International Arrivals Building	2,374	2,811	3,111	3,128	3,258	3,355	3,456	3,560	3,666	3,775
Concourse C IAB	394	361	372	363	394	406	418	430	443	456
Concourse A	1,624	1,593	1,651	1,637	1,721	1,772	1,825	1,879	1,935	1,993
Z Gates	117	114	97	120	123	127	132	137	142	147
Passenger Conveyance	33,202	29,275	29,726	30,262	31,564	32,511	33,486	34,492	35,526	36,591
Subtotal Airline Supported Areas	$ 78,478	$ 79,134	$ 80,274	$ 80,710	$ 83,004	$ 85,522	$ 88,090	$ 90,736	$ 93,456	$ 96,257
Ground Transportation	$ 12,701	$ 11,306	$ 11,561	$ 14,090	$ 14,679	$ 15,119	$ 15,572	$ 16,040	$ 16,521	$ 17,017
Aviation	362	521	636	310	487	502	517	532	547	563
Nonaviation	(526)	(611)	(794)	(1,052)	(562)	(579)	(596)	(614)	(633)	(653)
Cargo	536	588	738	492	719	740	762	784	808	833
Subtotal Nonairline Supported Areas	$ 13,073	$ 11,804	$ 12,141	$ 13,839	$ 15,322	$ 15,782	$ 16,255	$ 16,742	$ 17,243	$ 17,760
Maintenance	$ 17,640	$ 17,145	$ 17,835	$ 17,443	$ 18,286	$ 18,834	$ 19,398	$ 19,980	$ 20,580	$ 21,198
Public Safety	29,093	25,312	23,910	26,862	28,750	29,634	30,523	31,440	32,383	33,355
Administration	34,178	32,793	36,579	32,801	36,066	37,382	38,503	39,658	40,847	42,073
Systems & Services	19,281	19,465	19,047	18,635	18,943	19,511	20,096	20,699	21,319	21,960
Subtotal Indirect Cost Centers	$ 100,192	$ 94,715	$ 97,371	$ 95,740	$ 102,045	$ 105,361	$ 108,520	$ 111,777	$ 115,129	$ 118,586
Total	$ 191,743	$ 185,654	$ 189,786	$ 190,289	$ 200,372	$ 206,665	$ 212,865	$ 219,255	$ 225,828	$ 232,603
Annual percent change		-3.2%	2.2%	0.3%	5.3%	3.1%	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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Allocation of Indirect Cost Centers										
Airline Supported Areas	$ 67,107	$ 62,059	$ 64,222	$ 63,433	$ 71,959	$ 70,810	$ 69,002	$ 71,074	$ 73,206	$ 75,403
Nonairline Supported Areas	33,085	32,656	33,149	32,307	30,086	34,551	39,518	40,703	41,923	43,183
	$ 100,192	$ 94,715	$ 97,371	$ 95,740	$ 102,045	$ 105,361	$ 108,520	$ 111,777	$ 115,129	$ 118,586

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airline revenues										
Terminal rents and user fees	$ 254,172	$ 276,393	$ 266,949	$ 238,493	$ 220,740	$ 240,176	$ 234,868	$ 261,213	$ 276,955	$ 278,105
Landing and apron fees	118,864	105,728	93,422	94,238	89,075	100,868	112,928	118,032	119,353	124,192
International Arrival Building fees	25,622	23,424	23,709	20,052	22,086	19,240	22,216	23,882	24,039	24,573
Passenger conveyance fees	7,261	6,198	7,887	6,784	3,523	5,896	6,510	6,492	7,687	7,857
Total airline revenues	$ 405,918	$ 411,743	$ 391,967	$ 359,567	$ 335,425	$ 366,180	$ 376,521	$ 409,619	$ 428,034	$ 434,727
Annual percent change		1.4%	-4.8%	-8.3%	-6.7%	9.2%	2.8%	8.8%	4.5%	1.6%
Airline revenues as a share of total Revenue:	58.8%	55.9%	51.9%	48.2%	46.9%	48.0%	48.0%	49.6%	50.2%	50.1%
Concession revenues										
Landside concession revenues										
Net public automobile parking (a)	$ 81,529	$ 94,745	$ 97,864	$ 95,891	$ 88,482	$ 90,159	$ 90,291	$ 90,384	$ 90,978	$ 92,258
Rental car	36,298	38,966	39,304	43,639	43,092	42,885	44,389	45,939	47,530	49,168
Ground transportation	12,643	15,977	30,457	37,198	37,026	43,365	43,960	44,555	45,150	45,745
Subtotal	$ 130,470	$ 149,689	$ 167,624	$ 176,728	$ 168,600	$ 176,409	$ 178,640	$ 180,878	$ 183,658	$ 187,171
Originating passengers	15,563	16,859	17,507	18,283	18,810	19,095	19,375	19,655	19,935	20,215
Revenue per originating passenger	$ 8.38	$ 8.88	$ 9.57	$ 9.67	$ 8.96	$ 9.24	$ 9.22	$ 9.20	$ 9.21	$ 9.26
In-terminal concession revenues										
Food and beverage	$ 20,513	$ 26,276	$ 30,377	$ 32,866	$ 29,579	$ 35,308	$ 36,537	$ 38,809	$ 41,226	$ 42,622
Newsstand and retail	11,622	13,633	14,491	14,342	13,748	15,475	16,046	16,941	17,886	18,528
Duty free	8,189	13,144	13,567	13,672	14,120	14,483	14,845	15,207	15,576	15,951
Display advertising	9,296	11,321	14,963	15,039	14,537	16,110	16,659	17,225	17,805	18,402
Other concessions	9,067	9,621	10,160	9,568	9,443	10,006	10,205	10,409	10,617	10,827
Subtotal	$ 58,687	$ 73,995	$ 83,558	$ 85,487	$ 81,427	$ 91,382	$ 94,292	$ 98,591	$ 103,110	$ 106,330
Enplaned passengers	21,138	22,210	22,631	23,270	23,650	24,000	24,350	24,700	25,050	25,400
Revenue per enplaned passenger	$ 2.78	$ 3.33	$ 3.69	$ 3.67	$ 3.44	$ 3.81	$ 3.87	$ 3.99	$ 4.12	$ 4.19
Airside concession revenues										
Fixed base operator	$ 17,276	$ 17,516	$ 20,229	$ 24,389	$ 30,599	$ 33,519	$ 34,467	$ 35,444	$ 36,449	$ 37,523
Inflight kitchen	12,088	12,426	15,207	16,664	15,057	15,666	16,293	16,939	17,604	18,289
Subtotal	$ 29,363	$ 29,942	$ 35,436	$ 41,053	$ 45,656	$ 49,185	$ 50,760	$ 52,383	$ 54,053	$ 55,812
Total concession revenues	$ 218,521	$ 253,625	$ 286,618	$ 303,268	$ 295,683	$ 316,976	$ 323,692	$ 331,852	$ 340,821	$ 349,313
Annual percent change		16.1%	13.0%	5.8%	-2.5%	7.2%	2.1%	2.5%	2.7%	2.5%

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other operating revenues										
Land and building rentals	$ 34,105	$ 34,370	$ 35,618	$ 39,271	$ 40,493	$ 39,140	$ 41,140	$ 41,165	$ 39,187	$ 39,314
TSA rentals	1,365	878	949	851	875	892	910	928	946	964
Utility reimbursements	8,480	8,864	9,049	8,609	8,882	9,060	9,240	9,424	9,614	9,807
Other revenues	9,094	10,486	10,612	10,897	11,118	11,341	11,568	11,799	12,034	12,275
Total other operating revenues	$ 53,045	$ 54,598	$ 56,228	$ 59,628	$ 61,367	$ 60,433	$ 62,858	$ 63,316	$ 61,781	$ 62,360
Annual percent change		2.9%	3.0%	6.0%	2.9%	-1.5%	4.0%	0.7%	-2.4%	0.9%
Investment earnings										
Debt Service Reserve Fund	$ 13,038	$ 14,312	$ 15,353	$ 13,304	$ 15,745	$ 15,471	$ 16,507	$ 16,507	$ 17,304	$ 17,304
Bond funds	(179)	192	1,159	3,029	1,237	2,173	2,432	2,432	2,632	2,632
Unrestricted funds	(261)	2,053	3,736	7,565	5,698	1,768	1,869	1,926	1,994	2,067
Total investment earnings	$ 12,597	$ 16,558	$ 20,248	$ 23,898	$ 22,680	$ 19,412	$ 20,808	$ 20,865	$ 21,930	$ 22,003
Annual percent change		31.4%	22.3%	18.0%	-5.1%	-14.4%	7.2%	0.3%	5.1%	0.3%
Total Revenues	$ 690,081	$ 736,524	$ 755,061	$ 746,361	$ 715,155	$ 763,001	$ 783,879	$ 825,652	$ 852,566	$ 868,403
Annual percent change		6.7%	2.5%	-1.2%	-4.2%	6.7%	2.7%	5.3%	3.3%	1.9%

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airline revenues										
Terminal rents and user fees	$ 73,668	$ 98,917	$ 103,032	$ 103,516	$ 87,727	$ 96,597	$ 81,928	$ 100,507	$ 113,707	$ 113,750
Landing fees	44,292	54,378	55,292	57,319	48,311	55,865	55,617	58,590	59,272	63,266
Total airline revenues	$ 117,960	$ 153,295	$ 158,325	$ 160,835	$ 136,038	$ 152,462	$ 137,545	$ 159,097	$ 172,980	$ 177,016
Annual percent change		30.0%	3.3%	1.6%	-15.4%	12.1%	-9.8%	15.7%	8.7%	2.3%
Airline revenues as a share of total Revenues	52.5%	54.6%	52.4%	51.5%	48.9%	50.1%	47.1%	50.2%	51.8%	52.0%
Concession revenues										
Landside concession revenues										
Net public automobile parking (a)	$ 37,518	$ 46,890	$ 48,398	$ 43,489	$ 38,042	$ 38,878	$ 38,489	$ 38,091	$ 38,224	$ 38,351
Rental car	19,073	21,414	21,445	25,503	25,213	24,705	25,413	26,140	26,886	27,651
Ground transportation	6,059	8,527	19,038	23,171	23,642	27,310	27,538	27,766	27,994	28,222
Subtotal	$ 62,651	$ 76,830	$ 88,881	$ 92,163	$ 86,898	$ 90,893	$ 91,440	$ 91,997	$ 93,104	$ 94,224
Originating passengers	8,756	9,669	10,252	10,603	10,695	10,790	10,880	10,970	11,060	11,150
Revenue per originating passenger	$ 7.16	$ 7.95	$ 8.67	$ 8.69	$ 8.13	$ 8.42	$ 8.40	$ 8.39	$ 8.42	$ 8.45
In-terminal concession revenues										
Food and beverage	$ 10,098	$ 13,021	$ 15,875	$ 17,845	$ 15,733	$ 18,907	$ 19,447	$ 21,009	$ 22,695	$ 23,338
Newsstand and retail	5,233	5,922	5,523	5,447	5,351	5,766	5,931	6,407	6,921	7,118
Duty free	123	182	208	241	481	494	506	518	530	542
Display advertising	5,381	7,112	7,977	8,622	7,776	9,123	9,382	9,648	9,920	10,200
Other concessions	1,273	1,483	1,721	1,701	1,297	1,765	1,800	1,836	1,873	1,910
Subtotal	$ 22,108	$ 27,720	$ 31,303	$ 33,856	$ 30,638	$ 36,055	$ 37,066	$ 39,418	$ 41,939	$ 43,108
Enplaned passengers	10,458	11,496	11,767	11,946	12,050	12,150	12,250	12,350	12,450	12,550
Revenue per enplaned passenger	$ 2.11	$ 2.41	$ 2.66	$ 2.83	$ 2.54	$ 2.97	$ 3.03	$ 3.19	$ 3.37	$ 3.43
Airside concession revenues										
Fixed base operator	$ 1,569	$ 1,627	$ 1,738	$ 2,011	$ 1,730	$ 1,765	$ 1,800	$ 1,836	$ 1,873	$ 1,910
Inflight kitchen	1,613	1,715	1,708	1,806	1,724	1,773	1,823	1,875	1,928	1,982
Subtotal	$ 3,182	$ 3,342	$ 3,446	$ 3,817	$ 3,454	$ 3,538	$ 3,623	$ 3,711	$ 3,801	$ 3,892
Total concession revenues	$ 87,941	$ 107,892	$ 123,630	$ 129,836	$ 120,989	$ 130,486	$ 132,129	$ 135,126	$ 138,844	$ 141,224
Annual percent change		22.7%	14.6%	5.0%	-6.8%	7.8%	1.3%	2.3%	2.8%	1.7%

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other operating revenues										
Land and building rentals	$ 9,601	$ 9,717	$ 9,449	$ 9,136	$ 9,357	$ 9,422	$ 9,544	$ 9,607	$ 7,525	$ 7,652
TSA rentals	916	550	586	506	529	539	550	561	572	583
Utility reimbursements	2,548	2,829	2,797	2,676	2,806	2,862	2,920	2,979	3,040	3,102
Other revenues	2,706	2,731	3,157	3,526	3,373	3,440	3,509	3,579	3,650	3,723
Total other operating revenues	$ 15,771	$ 15,826	$ 15,988	$ 15,844	$ 16,064	$ 16,263	$ 16,523	$ 16,726	$ 14,787	$ 15,060
Annual percent change		0.4%	1.0%	-0.9%	1.4%	1.2%	1.6%	1.2%	-11.6%	1.8%
Investment earnings										
Debt Service Reserve Fund	$ 3,040	$ 2,965	$ 2,164	$ 1,735	$ 2,496	$ 3,597	$ 3,836	$ 4,124	$ 5,170	$ 5,143
Bond funds	(31)	27	282	781	284	847	892	953	1,095	1,104
Unrestricted funds	(105)	867	1,546	3,161	2,469	766	836	862	898	938
Total investment earnings	$ 2,904	$ 3,860	$ 3,993	$ 5,677	$ 5,250	$ 5,210	$ 5,565	$ 5,939	$ 7,163	$ 7,186
Annual percent change		32.9%	3.4%	42.2%	-7.5%	-0.8%	6.8%	6.7%	20.6%	0.3%
Total Revenues	$ 224,575	$ 280,873	$ 301,936	$ 312,192	$ 278,341	$ 304,421	$ 291,762	$ 316,888	$ 333,774	$ 340,486
Annual percent change		25.1%	7.5%	3.4%	-10.8%	9.4%	-4.2%	8.6%	5.3%	2.0%

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airline revenues										
Terminal rents and user fees	$ 180,504	$ 177,475	$ 163,917	$ 134,977	$ 133,014	$ 143,579	$ 152,940	$ 160,705	$ 163,248	$ 164,355
Landing and apron fees	74,571	51,350	38,130	36,919	40,763	45,003	57,311	59,442	60,081	60,926
International Arrival Building fees	25,622	23,424	23,709	20,052	22,086	19,240	22,216	23,882	24,039	24,573
Passenger conveyance fees	7,261	6,198	7,887	6,784	3,523	5,896	6,510	6,492	7,687	7,857
Total airline revenues	$ 287,958	$ 258,448	$ 233,643	$ 198,731	$ 199,387	$ 213,718	$ 238,976	$ 250,522	$ 255,055	$ 257,711
Annual percent change		-10.2%	-9.6%	-14.9%	0.3%	7.2%	11.8%	4.8%	1.8%	1.0%
Airline revenues as a share of total Revenues	61.9%	56.7%	51.6%	45.8%	45.6%	46.6%	48.6%	49.2%	49.2%	48.8%
Concession revenues										
Landside concession revenues										
Net public automobile parking (a)	$ 44,011	$ 47,856	$ 49,466	$ 52,402	$ 50,440	$ 51,281	$ 51,802	$ 52,293	$ 52,754	$ 53,907
Rental car	17,225	17,552	17,859	18,136	17,879	18,180	18,976	19,799	20,644	21,517
Ground transportation	6,584	7,451	11,419	14,027	13,384	16,055	16,422	16,789	17,156	17,523
Subtotal	$ 67,820	$ 72,858	$ 78,743	$ 84,565	$ 81,702	$ 85,516	$ 87,200	$ 88,881	$ 90,554	$ 92,947
Originating passengers	6,807	7,191	7,256	7,680	8,115	8,305	8,495	8,685	8,875	9,065
Revenue per originating passenger	$ 9.96	$ 10.13	$ 10.85	$ 11.01	$ 10.07	$ 10.30	$ 10.26	$ 10.23	$ 10.20	$ 10.25
In-terminal concession revenues										
Food and beverage	$ 10,415	$ 13,256	$ 14,502	$ 15,021	$ 13,847	$ 16,401	$ 17,090	$ 17,800	$ 18,531	$ 19,284
Newsstand and retail	6,389	7,711	8,968	8,895	8,397	9,709	10,115	10,534	10,965	11,410
Duty free	8,066	12,962	13,359	13,430	13,639	13,989	14,339	14,689	15,046	15,409
Display advertising	3,914	4,209	6,986	6,417	6,760	6,987	7,277	7,577	7,885	8,202
Other concessions	7,795	8,138	8,439	7,867	8,147	8,241	8,405	8,573	8,744	8,917
Subtotal	$ 36,579	$ 46,275	$ 52,254	$ 51,631	$ 50,789	$ 55,327	$ 57,226	$ 59,173	$ 61,171	$ 63,222
Enplaned passengers	10,679	10,714	10,864	11,324	11,600	11,850	12,100	12,350	12,600	12,850
Revenue per enplaned passenger	$ 3.43	$ 4.32	$ 4.81	$ 4.56	$ 4.38	$ 4.67	$ 4.73	$ 4.79	$ 4.85	$ 4.92
Airside concession revenues										
Fixed base operator	$ 15,707	$ 15,889	$ 18,491	$ 22,378	$ 28,869	$ 31,754	$ 32,667	$ 33,608	$ 34,576	$ 35,613
Inflight kitchen	10,475	10,711	13,499	14,858	13,333	13,893	14,470	15,064	15,676	16,307
Subtotal	$ 26,182	$ 26,600	$ 31,990	$ 37,236	$ 42,203	$ 45,647	$ 47,137	$ 48,672	$ 50,252	$ 51,920
Total concession revenues	$ 130,581	$ 145,733	$ 162,987	$ 173,432	$ 174,694	$ 186,490	$ 191,563	$ 196,726	$ 201,977	$ 208,089
Annual percent change		11.6%	11.8%	6.4%	0.7%	6.8%	2.7%	2.7%	2.7%	3.0%

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other operating revenues										
Land and building rentals	$ 24,505	$ 24,653	$ 26,170	$ 30,134	$ 31,136	$ 29,718	$ 31,596	$ 31,558	$ 31,662	$ 31,662
TSA rentals	449	329	362	346	346	353	360	367	374	381
Utility reimbursements	5,932	6,035	6,253	5,933	6,076	6,198	6,320	6,445	6,574	6,705
Other revenues	6,388	7,756	7,455	7,371	7,746	7,901	8,059	8,220	8,384	8,552
Total other operating revenues	$ 37,274	$ 38,772	$ 40,240	$ 43,784	$ 45,303	$ 44,170	$ 46,335	$ 46,590	$ 46,994	$ 47,300
Annual percent change		4.0%	3.8%	8.8%	3.5%	-2.5%	4.9%	0.6%	0.9%	0.7%
Investment earnings										
Debt Service Reserve Fund	$ 9,998	$ 11,347	$ 13,188	$ 11,569	$ 13,249	$ 11,874	$ 12,671	$ 12,383	$ 12,134	$ 12,161
Bond funds	(148)	165	877	2,248	953	1,326	1,540	1,479	1,537	1,528
Unrestricted funds	(156)	1,186	2,190	4,403	3,229	1,002	1,033	1,064	1,096	1,129
Total investment earnings	$ 9,693	$ 12,698	$ 16,256	$ 18,221	$ 17,431	$ 14,201	$ 15,243	$ 14,926	$ 14,767	$ 14,817
Annual percent change		31.0%	28.0%	12.1%	-4.3%	-18.5%	7.3%	-2.1%	-1.1%	0.3%
Total Revenues	$ 465,506	$ 455,651	$ 453,126	$ 434,168	$ 436,814	$ 458,579	$ 492,117	$ 508,764	$ 518,793	$ 527,917
Annual percent change		-2.1%	-0.6%	-4.2%	0.6%	5.0%	7.3%	3.4%	2.0%	1.8%

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-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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Reagan National Airport										
Allocated requirements of Airline Supported Areas										
Direct Operation and Maintenance Expenses (a)	$ 28,959	$ 37,301	$ 34,575	$ 33,975	$ 39,624	$ 49,186	$ 50,662	$ 54,385	$ 58,506	$ 60,263
Indirect Operation and Maintenance Expenses (a)	70,249	76,062	79,688	79,357	86,611	89,447	91,886	94,981	98,186	101,133
O&M Reserve requirement	(150)	68	138	181	1,588	2,066	653	1,136	1,221	784
Direct Debt Service (b)	42,081	34,892	39,008	41,475	43,492	44,788	45,762	56,906	64,851	66,022
Indirect Debt Service (b)	11,511	13,093	12,534	12,092	12,590	12,972	15,657	18,609	18,498	18,547
Debt Service coverage	13,398	16,795	18,040	18,748	16,824	17,328	18,426	22,655	25,005	25,371
Amortization of COMIP Expenditures	2,943	2,783	2,681	2,319	2,319	2,543	2,389	2,359	2,278	2,171
Federal Lease payments	2,481	2,751	2,836	2,791	2,879	2,968	3,054	3,162	3,274	3,373
Total Requirement	$ 171,472	$ 183,746	$ 189,498	$ 190,940	$ 205,928	$ 221,298	$ 228,488	$ 254,193	$ 271,819	$ 277,664
Less: Utility and TSA reimbursements	$ 2,827	$ 2,638	$ 2,626	$ 2,482	$ 2,599	$ 2,643	$ 2,688	$ 2,734	$ 2,781	$ 2,828
Net Requirement	$ 168,645	$ 181,108	$ 186,872	$ 188,458	$ 203,329	$ 218,655	$ 225,800	$ 251,459	$ 269,039	$ 274,836
Signatory Airline Share of Net Requirement	$ 143,260	$ 153,110	$ 158,127	$ 160,579	$ 172,778	$ 186,073	$ 183,058	$ 200,030	$ 212,736	$ 217,798
Less: Transfer of prior year Signatory Airline share of Net Remaining Revenues (c)	$ 25,489	$ -	$ -	$ -	$ 37,085	$ 33,992	$ 45,914	$ 41,346	$ 40,165	$ 41,210
Net Requirement	$ 117,770	$ 153,110	$ 158,127	$ 160,579	$ 135,693	$ 152,081	$ 137,144	$ 158,684	$ 172,571	$ 176,587
Less: Payments by Signatory Cargo Carriers	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Passenger Signatory Airline payments	$ 117,770	$ 153,110	$ 158,127	$ 160,579	$ 135,693	$ 152,081	$ 137,144	$ 158,684	$ 172,571	$ 176,587
Signatory enplaned passengers	10,462	11,496	11,767	11,946	12,050	12,150	12,250	12,350	12,450	12,550
Passenger Signatory Airline payments per passenger	$ 11.26	$ 13.32	$ 13.44	$ 13.44	$ 11.26	$ 12.52	$ 11.20	$ 12.85	$ 13.86	$ 14.07

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Dulles International Airport										
Allocated requirements of Airline Supported Areas										
Direct Operation and Maintenance Expenses (a)	$ 78,478	$ 79,134	$ 80,274	$ 80,710	$ 83,004	$ 85,522	$ 88,090	$ 90,736	$ 93,456	$ 96,257
Indirect Operation and Maintenance Expenses (a)	67,107	62,059	64,222	63,433	71,959	70,810	69,002	71,074	73,206	75,403
O&M Reserve requirement	(205)	79	164	216	1,844	228	127	786	809	833
Direct Debt Service (b)	158,917	167,484	171,380	170,213	173,926	154,716	167,899	172,464	172,876	173,731
Indirect Debt Service (b)	27,645	25,219	25,972	26,119	28,178	26,011	29,669	30,684	31,296	30,637
Debt Service coverage	46,641	67,446	69,073	68,716	60,631	54,218	59,270	60,945	61,252	61,310
Amortization of COMIP Expenditures	6,638	5,865	5,567	4,949	4,899	5,934	5,218	4,612	4,460	4,139
Federal Lease payments	1,509	1,525	1,561	1,564	1,703	1,705	1,703	1,754	1,807	1,861
Total Requirement	$ 386,730	$ 408,812	$ 418,214	$ 415,920	$ 426,145	$ 399,145	$ 420,979	$ 433,056	$ 439,161	$ 444,172
Less: Utility and TSA reimbursements	$ 1,121	$ 896	$ 1,320	$ 1,246	$ 1,332	$ 1,358	$ 1,384	$ 1,411	$ 1,438	$ 1,465
Net Requirement	$ 385,609	$ 407,915	$ 416,894	$ 414,674	$ 424,813	$ 397,787	$ 419,595	$ 431,645	$ 437,723	$ 442,707
Signatory Airline Share of Net Requirement	$336,332	$357,146	$369,004	$367,724	$376,481	$350,237	$369,789	$380,063	$385,321	$389,802
Less: Transfer of prior year share of Net Remaining Revenues (c)	$ 52,607	$ 103,645	$ 141,117	$ 150,430	$ 155,639	$ 139,783	$ 134,491	$ 133,291	$ 134,039	$ 135,900
Less: Virginia state grants	-	-	-	25,000	25,000	-	-	-	-	-
Net Requirement	$ 283,725	$ 253,502	$ 227,887	$ 192,294	$ 195,842	$ 210,455	$ 235,297	$ 246,772	$ 251,281	$ 253,902
Less: Payments by Signatory Cargo Carriers	$ 2,018	$ 1,311	$ 950	$ 734	$ 895	$ 1,020	$ 1,327	$ 1,374	$ 1,383	$ 1,398
Passenger Signatory Airline payments	$ 281,707	$ 252,191	$ 226,936	$ 191,560	$ 194,947	$ 209,435	$ 233,970	$ 245,398	$ 249,898	$ 252,505
Signatory enplaned passengers	10,608	10,654	10,806	11,266	11,541	11,790	12,039	12,288	12,537	12,786
Passenger Signatory Airline payments per passenger	$ 26.55	$ 23.67	$ 21.00	$ 17.00	$ 16.89	$ 17.76	$ 19.43	$ 19.97	$ 19.93	$ 19.75

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues (a)	$ 690,081	$ 736,524	$ 755,061	$ 746,361	$ 715,155	$ 763,001	$ 783,879	$ 825,652	$ 852,566	$ 868,403
Application of Revenues (b)										
O&M Expenses (c)	$ 320,276	$ 321,423	$ 323,765	$ 326,898	$ 353,599	$ 373,946	$ 385,165	$ 398,927	$ 413,379	$ 425,783
Required deposits to:										
Operation and Maintenance Fund (d)	(480)	191	390	522	4,450	3,391	1,870	2,294	2,409	2,067
Principal and Interest Accounts (e)	309,883	307,712	320,624	322,101	336,542	313,140	340,182	362,788	369,972	366,956
Redemption Accounts	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Funds	-	-	-	-	-	-	-	-	-	-
Subordinated Bond Funds	-	-	-	-	-	-	-	-	-	-
Subordinated Reserve Funds	-	-	-	-	-	-	-	-	-	-
Junior Lien Obligations Fund	-	-	-	-	-	-	-	-	-	-
Federal Lease Fund	5,298	5,392	5,502	5,562	5,824	5,999	6,179	6,364	6,555	6,752
Emergency Repair and Rehabilitation Fund	-	-	-	-	-	-	-	-	-	-
General Purpose Fund	55,105	101,806	104,780	91,277	14,741	66,524	50,484	55,279	60,251	66,845
Total Application of Revenues	$ 690,081	$ 736,524	$ 755,061	$ 746,361	$ 715,155	$ 763,001	$ 783,879	$ 825,652	$ 852,566	$ 868,403
Calculation of Net Remaining Revenues (f)										
Deposit to General Purpose Fund	$ 55,105	$ 101,806	$ 104,780	$ 91,277	$ 14,741	$ 66,524	$ 50,484	$ 55,279	$ 60,251	$ 66,845
Transfer from Airline Transfer Account (g)	78,097	103,645	141,117	150,430	192,724	173,774	180,406	174,637	174,205	177,110
Net Remaining Revenues	$ 133,201	$ 205,451	$ 245,898	$ 241,707	$ 207,465	$ 240,298	$ 230,889	$ 229,916	$ 234,456	$ 243,955
Plus: State grants	-	-	-	25,000	25,000	-	-	-	-	-
Adjusted Net Remaining Revenues	$ 133,201	$ 205,451	$ 245,898	$ 266,707	$ 232,465	$ 240,298	$ 230,889	$ 229,916	$ 234,456	$ 243,955

Exhibit F-1 (page 2 of 2)

APPLICATION OF REVENUES AND ALLOCATION OF NET REMAINING REVENUES
Metropolitan Washington Airports Authority
For Fiscal Years ending December 31
(dollars in thousands)

	Historical				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Allocation of Net Remaining Revenues (f)										
Reagan National Airport										
Authority share (transfer to Capital Fund)	$ 41,794	$ 72,674	$ 90,054	$ 57,979	$ 41,130	$ 37,243	$ 33,829	$ 32,863	$ 33,717	$ 34,887
Transfer to Dulles	(40,000)	(40,000)	(40,000)	(35,000)	(30,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Signatory Airline share (transfer to Airline Transfer Account)	-	-	-	37,085	33,992	45,914	41,346	40,165	41,210	42,639
	$ 1,794	$ 32,674	$ 50,054	$ 60,064	$ 45,122	$ 58,157	$ 50,175	$ 48,028	$ 49,928	$ 52,526
Dulles International Airport										
Authority share (transfer to Capital Fund)	$ 27,763	$ 31,659	$ 45,414	$ 51,004	$ 47,560	$ 47,650	$ 47,423	$ 47,849	$ 48,628	$ 50,489
Transfer from Reagan	40,000	40,000	40,000	35,000	30,000	25,000	25,000	25,000	25,000	25,000
Signatory Airline share (transfer to Airline Transfer Account)	63,645	101,117	110,430	120,639	109,783	109,491	108,291	109,039	110,900	115,940
	$ 131,407	$ 172,777	$ 195,844	$ 206,643	$ 187,342	$ 182,141	$ 180,714	$ 181,888	$ 184,528	$ 191,429
	$ 133,201	$ 205,451	$ 245,898	$ 266,707	$ 232,465	$ 240,298	$ 230,889	$ 229,916	$ 234,456	$ 243,955
Authority share of Net Remaining Revenues										
Reagan National Airport	$ 1,794	$ 32,674	$ 50,054	$ 22,979	$ 11,130	$ 12,243	$ 8,829	$ 7,863	$ 8,717	$ 9,887
Dulles International Airport	27,763	31,659	45,414	51,004	47,560	47,650	47,423	47,849	48,628	50,489
	$ 29,557	$ 64,334	$ 95,468	$ 73,983	$ 58,690	$ 59,893	$ 56,252	$ 55,711	$ 57,346	$ 60,376
Percent to total	22.2%	31.3%	38.8%	27.7%	25.2%	24.9%	24.4%	24.2%	24.5%	24.7%
Signatory Airline share of Net Remaining Revenues (h)										
Reagan National Airport	$ -	$ -	$ -	$ 37,085	$ 33,992	$ 45,914	$ 41,346	$ 40,165	$ 41,210	$ 42,639
Dulles International Airport										
Transfer from Reagan	40,000	40,000	40,000	35,000	30,000	25,000	25,000	25,000	25,000	25,000
Generated at Dulles	63,645	101,117	110,430	120,639	109,783	109,491	108,291	109,039	110,900	115,940
	$ 103,645	$ 141,117	$ 150,430	$ 192,724	$ 173,774	$ 180,406	$ 174,637	$ 174,205	$ 177,110	$ 183,579
Percent to total	77.8%	68.7%	61.2%	72.3%	74.8%	75.1%	75.6%	75.8%	75.5%	75.3%
	$ 133,201	$ 205,451	$ 245,898	$ 266,707	$ 232,465	$ 240,298	$ 230,889	$ 229,916	$ 234,456	$ 243,955

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Enplaned passengers	10,458	11,496	11,767	11,946	12,050	12,150	12,250	12,350	12,450	12,550
Percent PFC-eligible	91%	93%	92%	91%	91%	91%	91%	91%	91%	91%
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	$ 41,969	$ 46,886	$ 47,674	$ 47,471	$ 47,883	$ 48,280	$ 48,677	$ 49,075	$ 49,472	$ 49,869
PFC Fund balance beginning balance	$ 38,840	$ 38,019	$ 48,421	$ 45,998	$ 44,013	$ 56,894	$ 64,613	$ 49,616	$ 34,876	$ 19,906
PFC Revenues	41,969	46,886	47,674	47,471	47,883	48,280	48,677	49,075	49,472	49,869
Uses of PFC Revenues										
Pay-as-you-go expenditures										
Prior approved projects	$ 42,790	$ 12,865	$ 20,097	$ 19,456	$ -	$ -	$ -	$ -	$ -	$ -
Dulles Metrorail station (b)	-	23,618	30,000	30,000	30,000	30,000	30,000	30,000	29,423	-
Payment of Bond debt service										
PFC-approved (b)	-	-	-	-	5,002	5,847	28,965	28,962	28,961	28,961
Future PFC-eligible (c)	-	-	-	-	-	4,714	4,710	4,852	6,058	5,628
Total Uses	$ 42,790	$ 36,483	$ 50,097	$ 49,456	$ 35,002	$ 40,561	$ 63,674	$ 63,814	$ 64,443	$ 34,590
PFC Fund balance ending balance	$ 38,019	$ 48,421	$ 45,998	$ 44,013	$ 56,894	$ 64,613	$ 49,616	$ 34,876	$ 19,906	$ 35,185

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 by the FAA under Reagan PFC Application 6.
(c) Subject to approval by the FAA.

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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Enplaned passengers	10,679	10,714	10,864	11,324	11,600	11,850	12,100	12,350	12,600	12,850
Percent PFC-eligible	86%	89%	88%	87%	87%	87%	87%	87%	87%	87%
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	$ 40,309	$ 41,667	$ 42,138	$ 43,476	$ 44,537	$ 45,497	$ 46,457	$ 47,416	$ 48,376	$ 49,336
PFC Fund balance beginning balance	$ 4,395	$ 4,705	$ 3,872	$ 2,509	$ 985	$ 1,922	$ 19	$ 76	$ 92	$ 168
PFC Revenues	40,309	41,667	42,138	43,476	44,537	45,497	46,457	47,416	48,376	49,336
Uses of PFC Revenues										
Payment of Bond debt service										
Irrevocable PFC commitment	$ 35,000	$ 35,000	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PFC-approved (b)	5,000	7,500	8,500	45,000	43,600	47,400	46,400	47,400	48,300	49,300
Total Uses	$ 40,000	$ 42,500	$ 43,500	$ 45,000	$ 43,600	$ 47,400	$ 46,400	$ 47,400	$ 48,300	$ 49,300
PFC Fund balance ending balance	$ 4,705	$ 3,872	$ 2,509	$ 985	$ 1,922	$ 19	$ 76	$ 92	$ 168	$ 205

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 by the FAA under Dulles PFC Application 3.

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				Forecast					
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Service Coverage											
Revenues (a)		$ 690,081	$ 736,524	$ 755,061	$ 746,361	$ 715,155	$ 763,001	$ 783,879	$ 825,652	$ 852,566	$ 868,403
Transfer from General Purpose Fund (b)		78,097	103,645	141,117	150,430	192,724	173,774	180,406	174,637	174,205	177,110
		$ 768,178	$ 840,169	$ 896,179	$ 896,790	$ 907,879	$ 936,775	$ 964,285	$ 1,000,289	$ 1,026,771	$ 1,045,513
Less: Operation and Maintenance Expenses (c)		320,276	321,423	323,765	326,898	353,599	373,946	385,165	398,927	413,379	425,783
Net Revenues	[A]	$ 447,901	$ 518,746	$ 572,413	$ 569,892	$ 554,281	$ 562,829	$ 579,120	$ 601,362	$ 613,392	$ 619,730
Bond Debt Service		$ 349,883	$ 350,212	$ 364,124	$ 367,101	$ 385,144	$ 371,101	$ 420,256	$ 444,002	$ 453,292	$ 450,845
Irrevocable PFC commitment		(35,000)	(35,000)	(35,000)	-	-	-	-	-	-	-
PFC-approved (d)		(5,000)	(7,500)	(8,500)	(45,000)	(43,600)	(47,400)	(46,400)	(47,400)	(48,300)	(49,300)
PFC-approved (e)		-	-	-	-	(5,002)	(5,847)	(28,965)	(28,962)	(28,961)	(28,961)
Future PFC-eligible (f)		-	-	-	-	-	(4,714)	(4,710)	(4,852)	(6,058)	(5,628)
Total Annual Debt Service	[B]	$ 309,883	$ 307,712	$ 320,624	$ 322,101	$ 336,542	$ 313,140	$ 340,182	$ 362,788	$ 369,972	$ 366,956
Debt service coverage ratio	[A/B]	1.45x	1.69x	1.79x	1.77x	1.65x	1.80x	1.70x	1.66x	1.66x	1.69x

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				Forecast					
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rate Covenant Requirement											
Section 6.04(a)(i) requirement											
Required deposits to:											
Principal and Interest Accounts (g)		$ 309,883	$ 307,712	$ 320,624	$ 322,101	$ 336,542	$ 313,140	$ 340,182	$ 362,788	$ 369,972	$ 366,956
Redemption Accounts		-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Funds		-	-	-	-	-	-	-	-	-	-
Subordinated Bond Funds		-	-	-	-	-	-	-	-	-	-
Subordinated Reserve Funds		-	-	-	-	-	-	-	-	-	-
Junior Lien Obligations Fund		-	-	-	-	-	-	-	-	-	-
Federal Lease Fund		5,298	5,392	5,502	5,562	5,824	5,999	6,179	6,364	6,555	6,752
Emergency Repair and Rehabilitation Fund		-	-	-	-	-	-	-	-	-	-
Total Section 6.04(a)(i) requirement	[C]	$ 315,180	$ 313,104	$ 326,126	$ 327,664	$ 342,366	$ 319,139	$ 346,361	$ 369,152	$ 376,527	$ 373,708
Section 6.04(a)(ii) requirement											
Annual Debt Service	[D]	$ 309,883	$ 307,712	$ 320,624	$ 322,101	$ 336,542	$ 313,140	$ 340,182	$ 362,788	$ 369,972	$ 366,956
Coverage factor	[E]	125%	125%	125%	125%	125%	125%	125%	125%	125%	125%
Total Section 6.04(a)(ii) requirement (F = D x E)	[F]	$ 387,353	$ 384,640	$ 400,780	$ 402,627	$ 420,678	$ 391,426	$ 425,227	$ 453,486	$ 462,466	$ 458,694
Rate Covenant Requirement											
(equal to the greater of [C] or [F])	[G]	$ 387,353	$ 384,640	$ 400,780	$ 402,627	$ 420,678	$ 391,426	$ 425,227	$ 453,486	$ 462,466	$ 458,694
Result must not be less than zero	[A-G]	$ 60,548	$ 134,106	$ 171,634	$ 167,265	$ 133,603	$ 171,403	$ 153,893	$ 147,877	$ 150,926	$ 161,036

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 by the FAA under Dulles PFC Application 3.
(e) As approved by the FAA under Reagan PFC Application 6.
(f) Subject to approval by the FAA.
(g) 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				Forecast					
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues (a)		$ 224,575	$ 280,873	$ 301,936	$ 312,192	$ 278,341	$ 304,421	$ 291,762	$ 316,888	$ 333,774	$ 340,486
Transfer from General Purpose Fund (b)		25,489	-	-	-	37,085	33,992	45,914	41,346	40,165	41,210
		$ 250,065	$ 280,873	$ 301,936	$ 312,192	$ 315,426	$ 338,413	$ 337,676	$ 358,234	$ 373,939	$ 381,696
Less: Operation and Maintenance Expenses (c)		128,533	135,769	133,979	136,609	153,227	167,281	172,300	179,672	187,551	193,180
Net Revenues	[A]	$ 121,532	$ 145,104	$ 167,957	$ 175,583	$ 162,199	$ 171,132	$ 165,376	$ 178,562	$ 186,388	$ 188,516
Bond Debt Service		$ 76,752	$ 69,090	$ 74,416	$ 76,937	$ 86,656	$ 92,595	$ 119,332	$ 134,301	$ 141,234	$ 140,590
Approved debt service (d)		-	-	-	-	(5,002)	(5,847)	(28,965)	(28,962)	(28,961)	(28,961)
Future PFC-eligible (e)		-	-	-	-	-	(4,714)	(4,710)	(4,852)	(6,058)	(5,628)
Total Annual Debt Service	[B]	$ 76,752	$ 69,090	$ 74,416	$ 76,937	$ 81,654	$ 82,034	$ 85,657	$ 100,487	$ 106,214	$ 106,001
Debt service coverage ratio	[A/B]	1.58x	2.10x	2.26x	2.28x	1.99x	2.09x	1.93x	1.78x	1.75x	1.78x

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 by the FAA under Reagan PFC Application 6.
(e) Subject to approval by the FAA.

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				Forecast					
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues (a)		$ 465,506	$ 455,651	$ 453,126	$ 434,168	$ 436,814	$ 458,579	$ 492,117	$ 508,764	$ 518,793	$ 527,917
Transfer from General Purpose Fund (b)		52,607	103,645	141,117	150,430	155,639	139,783	134,491	133,291	134,039	135,900
		$ 518,113	$ 559,296	$ 594,243	$ 584,598	$ 592,453	$ 598,362	$ 626,609	$ 642,055	$ 652,832	$ 663,817
Less: Operation and Maintenance Expenses (c)		191,743	185,654	189,786	190,289	200,372	206,665	212,865	219,255	225,828	232,603
Net Revenues	[A]	$ 326,370	$ 373,642	$ 404,456	$ 394,309	$ 392,082	$ 391,697	$ 413,744	$ 422,800	$ 427,004	$ 431,214
Bond Debt Service		$ 273,131	$ 281,122	$ 289,707	$ 290,165	$ 298,488	$ 278,507	$ 300,924	$ 309,701	$ 312,058	$ 310,255
Irrevocable PFC commitment		(35,000)	(35,000)	(35,000)	-	-	-	-	-	-	-
PFC-approved (d)		(5,000)	(7,500)	(8,500)	(45,000)	(43,600)	(47,400)	(46,400)	(47,400)	(48,300)	(49,300)
Total Annual Debt Service	[B]	$ 233,131	$ 238,622	$ 246,207	$ 245,165	$ 254,888	$ 231,107	$ 254,524	$ 262,301	$ 263,758	$ 260,955
Debt service coverage ratio	[A/B]	1.40x	1.57x	1.64x	1.61x	1.54x	1.69x	1.63x	1.61x	1.62x	1.65x

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 by the FAA under Dulles PFC Application 3.

Exhibit H-1

SUMMARY OF BASE CASE AND STRESS TEST FINANCIAL PROJECTIONS

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				Forecast					
Airports Authority	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base Case										
Total Revenues	$ 690,081	$ 736,524	$ 755,061	$ 746,361	$ 715,155	$ 763,001	$ 783,879	$ 825,652	$ 852,566	$ 868,403
Plus: Transfer from General Purpose Fund	78,097	103,645	141,117	150,430	192,724	173,774	180,406	174,637	174,205	177,110
Less: Operation and Maintenance Expenses	(320,276)	(321,423)	(323,765)	(326,898)	(353,599)	(373,946)	(385,165)	(398,927)	(413,379)	(425,783)
Net Revenues	$ 447,901	$ 518,746	$ 572,413	$ 569,892	$ 554,281	$ 562,829	$ 579,120	$ 601,362	$ 613,392	$ 619,730
Bond Debt Service	$ 349,883	$ 350,212	$ 364,124	$ 367,101	$ 385,144	$ 371,101	$ 420,256	$ 444,002	$ 453,292	$ 450,845
Less: Application of PFC Revenues	(40,000)	(42,500)	(43,500)	(45,000)	(48,602)	(57,961)	(80,074)	(81,214)	(83,320)	(83,890)
Total Annual Debt Service	$ 309,883	$ 307,712	$ 320,624	$ 322,101	$ 336,542	$ 313,140	$ 340,182	$ 362,788	$ 369,972	$ 366,956
Debt service coverage ratio	1.45x	1.69x	1.79x	1.77x	1.65x	1.80x	1.70x	1.66x	1.66x	1.69x
PFC Revenues	$ 82,279	$ 88,552	$ 89,811	$ 90,947	$ 92,420	$ 93,777	$ 95,134	$ 96,491	$ 97,848	$ 99,206
PFC Fund balance	$ 42,724	$ 52,293	$ 48,507	$ 44,998	$ 58,816	$ 64,631	$ 49,691	$ 34,968	$ 20,074	$ 35,390
Stress Test										
Total Revenues	$ 690,081	$ 736,524	$ 755,061	$ 746,361	$ 715,155	$ 756,712	$ 776,640	$ 821,055	$ 847,526	$ 863,080
Plus: Transfer from General Purpose Fund	78,097	103,645	141,117	150,430	192,724	173,774	174,819	163,227	159,890	159,858
Less: Operation and Maintenance Expenses	(320,276)	(321,423)	(323,765)	(326,898)	(353,599)	(373,946)	(385,165)	(398,927)	(413,379)	(425,783)
Net Revenues	$ 447,901	$ 518,746	$ 572,413	$ 569,892	$ 554,281	$ 556,540	$ 566,294	$ 585,355	$ 594,036	$ 597,155
Bond Debt Service	$ 349,883	$ 350,212	$ 364,124	$ 367,101	$ 385,144	$ 371,101	$ 420,256	$ 444,002	$ 453,292	$ 450,845
Less: Application of PFC Revenues	(40,000)	(42,500)	(43,500)	(45,000)	(48,602)	(55,461)	(75,074)	(75,214)	(76,420)	(75,990)
Total Annual Debt Service	$ 309,883	$ 307,712	$ 320,624	$ 322,101	$ 336,542	$ 315,640	$ 345,182	$ 368,788	$ 376,872	$ 374,856
Debt service coverage ratio	1.45x	1.69x	1.79x	1.77x	1.65x	1.76x	1.64x	1.59x	1.58x	1.59x
PFC Revenues	$ 82,279	$ 88,552	$ 89,811	$ 90,947	$ 92,420	$ 88,698	$ 85,176	$ 85,176	$ 85,176	$ 85,176
PFC Fund balance	$ 42,724	$ 52,293	$ 48,507	$ 44,998	$ 58,816	$ 62,053	$ 42,154	$ 22,116	$ 1,449	$ 10,635

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

Exhibit H-2

SUMMARY OF BASE CASE AND STRESS TEST FINANCIAL PROJECTIONS
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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base Case										
Airline revenues	$ 117,960	$ 153,295	$ 158,325	$ 160,835	$ 136,038	$ 152,462	$ 137,545	$ 159,097	$ 172,980	$ 177,016
Concession revenues	87,941	107,892	123,630	129,836	120,989	130,486	132,129	135,126	138,844	141,224
Other operating revenues	18,675	19,686	19,981	21,522	21,314	21,473	22,088	22,665	21,950	22,246
Total Revenues	$ 224,575	$ 280,873	$ 301,936	$ 312,192	$ 278,341	$ 304,421	$ 291,762	$ 316,888	$ 333,774	$ 340,486
Plus: Transfer from General Purpose Fund	$ 25,489	$ -	$ -	$ -	$ 37,085	$ 33,992	$ 45,914	$ 41,346	$ 40,165	$ 41,210
Less: Operation and Maintenance Expenses	(128,533)	(135,769)	(133,979)	(136,609)	(153,227)	(167,281)	(172,300)	(179,672)	(187,551)	(193,180)
Net Revenues	$ 121,532	$ 145,104	$ 167,957	$ 175,583	$ 162,199	$ 171,132	$ 165,376	$ 178,562	$ 186,388	$ 188,516
Bond Debt Service	$ 76,752	$ 69,090	$ 74,416	$ 76,937	$ 86,656	$ 92,595	$ 119,332	$ 134,301	$ 141,234	$ 140,590
Less: Application of PFC Revenues	-	-	-	-	(5,002)	(10,561)	(33,674)	(33,814)	(35,020)	(34,590)
Total Annual Debt Service	$ 76,752	$ 69,090	$ 74,416	$ 76,937	$ 81,654	$ 82,034	$ 85,657	$ 100,487	$ 106,214	$ 106,001
Debt service coverage ratio	1.58x	2.10x	2.26x	2.28x	1.99x	2.09x	1.93x	1.78x	1.75x	1.78x
Signatory enplaned passengers	10,462	11,496	11,767	11,946	12,050	12,150	12,250	12,350	12,450	12,550
Passenger Signatory Airline payments per passeng	$ 11.26	$ 13.32	$ 13.44	$ 13.44	$ 11.26	$ 12.52	$ 11.20	$ 12.85	$ 13.86	$ 14.07
Stress Test										
Airline revenues	$ 117,960	$ 153,295	$ 158,325	$ 160,835	$ 136,038	$ 152,467	$ 140,303	$ 164,463	$ 178,982	$ 183,701
Concession revenues	87,941	107,892	123,630	129,836	120,989	125,462	122,357	124,208	126,685	127,958
Other operating revenues	18,675	19,686	19,981	21,522	21,314	21,466	22,074	22,650	21,934	22,229
Total Revenues	$ 224,575	$ 280,873	$ 301,936	$ 312,192	$ 278,341	$ 299,395	$ 284,734	$ 311,321	$ 327,600	$ 333,888
Plus: Transfer from General Purpose Fund	$ 25,489	$ -	$ -	$ -	$ 37,085	$ 33,992	$ 43,150	$ 35,960	$ 34,141	$ 34,502
Less: Operation and Maintenance Expenses	(128,533)	(135,769)	(133,979)	(136,609)	(153,227)	(167,281)	(172,300)	(179,672)	(187,551)	(193,180)
Net Revenues	$ 121,532	$ 145,104	$ 167,957	$ 175,583	$ 162,199	$ 166,106	$ 155,584	$ 167,609	$ 174,191	$ 175,210
Bond Debt Service	$ 76,752	$ 69,090	$ 74,416	$ 76,937	$ 86,656	$ 92,595	$ 119,332	$ 134,301	$ 141,234	$ 140,590
Less: Application of PFC Revenues	-	-	-	-	(5,002)	(10,561)	(33,674)	(33,814)	(35,020)	(34,590)
Total Annual Debt Service	$76,752	$69,090	$74,416	$76,937	$81,654	$82,034	$85,657	$100,487	$106,214	$106,001
Debt service coverage ratio	1.58x	2.10x	2.26x	2.28x	1.99x	2.02x	1.82x	1.67x	1.64x	1.65x
Signatory enplaned passengers	10,462	11,496	11,767	11,946	12,050	11,500	11,000	11,000	11,000	11,000
Passenger Signatory Airline payments per passeng	$ 11.26	$ 13.32	$ 13.44	$ 13.44	$ 11.26	$ 13.22	$ 12.71	$ 14.91	$ 16.23	$ 16.66

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

Exhibit H-3

SUMMARY OF BASE CASE AND STRESS TEST FINANCIAL PROJECTIONS
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				Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Base Case										
Airline revenues before Virginia state grants	$ 287,958	$ 258,448	$ 233,643	$ 223,731	$ 224,387	$ 213,718	$ 238,976	$ 250,522	$ 255,055	$ 257,711
Less: Virginia state grants	-	-	-	(25,000)	(25,000)	-	-	-	-	-
Concession revenues	130,581	145,733	162,987	173,432	174,694	186,490	191,563	196,726	201,977	208,089
Other operating revenues	46,967	51,470	56,495	62,005	62,734	58,371	61,578	61,516	61,761	62,117
Total Revenues	$ 465,506	$ 455,651	$ 453,126	$ 434,168	$ 436,814	$ 458,579	$ 492,117	$ 508,764	$ 518,793	$ 527,917
Plus: Transfer from General Purpose Fund	52,607	103,645	141,117	150,430	155,639	139,783	134,491	133,291	134,039	135,900
Less: Operation and Maintenance Expenses	(191,743)	(185,654)	(189,786)	(190,289)	(200,372)	(206,665)	(212,865)	(219,255)	(225,828)	(232,603)
Net Revenues	$ 326,370	$ 373,642	$ 404,456	$ 394,309	$ 392,082	$ 391,697	$ 413,744	$ 422,800	$ 427,004	$ 431,214
Bond Debt Service	$ 273,131	$ 281,122	$ 289,707	$ 290,165	$ 298,488	$ 278,507	$ 300,924	$ 309,701	$ 312,058	$ 310,255
Less: Application of PFC Revenues	(40,000)	(42,500)	(43,500)	(45,000)	(43,600)	(47,400)	(46,400)	(47,400)	(48,300)	(49,300)
Total Annual Debt Service	$ 233,131	$ 238,622	$ 246,207	$ 245,165	$ 254,888	$ 231,107	$ 254,524	$ 262,301	$ 263,758	$ 260,955
Debt service coverage ratio	1.40x	1.57x	1.64x	1.61x	1.54x	1.69x	1.63x	1.61x	1.62x	1.65x
Signatory enplaned passengers	10,608	10,654	10,806	11,266	11,541	11,790	12,039	12,288	12,537	12,786
Passenger Signatory Airline payments per passeng	$ 26.55	$ 23.67	$ 21.00	$ 17.00	$ 16.89	$ 17.76	$ 19.43	$ 19.97	$ 19.93	$ 19.75
Stress Test										
Airline revenues before Virginia state grants	$ 287,958	$ 258,448	$ 233,643	$ 223,731	$ 224,387	$ 216,273	$ 246,804	$ 262,448	$ 270,078	$ 275,906
Less: Virginia state grants	-	-	-	(25,000)	(25,000)	-	-	-	-	-
Concession revenues	130,581	145,733	162,987	173,432	174,694	182,673	183,524	185,770	188,086	191,168
Other operating revenues	46,967	51,470	56,495	62,005	62,734	58,371	61,578	61,516	61,761	62,117
Total Revenues	$ 465,506	$ 455,651	$ 453,126	$ 434,168	$ 436,814	$ 457,317	$ 491,906	$ 509,734	$ 519,925	$ 529,192
Plus: Transfer from General Purpose Fund	52,607	103,645	141,117	150,430	155,639	139,783	131,670	127,266	125,748	125,356
Less: Operation and Maintenance Expenses	(191,743)	(185,654)	(189,786)	(190,289)	(200,372)	(206,665)	(212,865)	(219,255)	(225,828)	(232,603)
Net Revenues	$ 326,370	$ 373,642	$ 404,456	$ 394,309	$ 392,082	$ 390,435	$ 410,711	$ 417,745	$ 419,846	$ 421,945
Bond Debt Service	$ 273,131	$ 281,122	$ 289,707	$ 290,165	$ 298,488	$ 278,507	$ 300,924	$ 309,701	$ 312,058	$ 310,255
Less: Application of PFC Revenues	(40,000)	(42,500)	(43,500)	(45,000)	(43,600)	(44,900)	(41,400)	(41,400)	(41,400)	(41,400)
Total Annual Debt Service	$ 233,131	$ 238,622	$ 246,207	$ 245,165	$ 254,888	$ 233,607	$ 259,524	$ 268,301	$ 270,658	$ 268,855
Debt service coverage ratio	1.40x	1.57x	1.64x	1.61x	1.54x	1.67x	1.58x	1.56x	1.55x	1.57x
Signatory enplaned passengers	10,608	10,654	10,806	11,266	11,541	11,143	10,745	10,745	10,745	10,745
Passenger Signatory Airline payments per passeng	$ 26.55	$ 23.67	$ 21.00	$ 17.00	$ 16.89	$ 19.01	$ 22.45	$ 23.89	$ 24.58	$ 25.11

Source: See preceding exhibits and accompanying text.
Columns may not add to totals shown because of rounding.

REFUNDING AGREEMENT

Dated as of July 1, 2018

By and Between

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

and

MANUFACTURERS AND TRADERS TRUST COMPANY, Trustee

Relating to the Current Refunding of
Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2008A

REFUNDING AGREEMENT

This **REFUNDING AGREEMENT** dated as of July 1, 2018 (this "***Refunding Agreement***"), by and between the METROPOLITAN WASHINGTON AIRPORTS AUTHORITY (the "***Airports Authority***") and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation with trust powers, as Trustee for the owners of the Bonds described below (the "***Trustee***").

BACKGROUND

A. Pursuant to a 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 and supplemented, the "***Master Indenture***") and the Thirtieth Supplemental Indenture of Trust dated as of June 1, 2008 (the "***Prior Supplemental Indenture***") (the Master Indenture and the Prior Supplemental Indenture may sometimes be referred to hereinafter collectively as the ***"Indenture"***), each between the Airports Authority and the Trustee, the Airports Authority issued its Airport System Revenue Bonds, Series 2008A (the "***Series 2008A Bonds***") for the purpose of financing certain capital projects at the Airports and refinancing certain outstanding commercial paper notes of the Airports Authority.

B. Pursuant to the Master Indenture and a Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "***Fiftieth Supplemental Indenture***") between the Airports Authority and the Trustee, the Airports Authority has authorized its Airport System Revenue and Refunding Bonds, Series 2018A (the "***Series 2018A Bonds***"), a portion of the proceeds of which will be used to pay the cost of currently refunding the outstanding Series 2008A Bonds maturing October 1, 2019 through October 1, 2029 in the aggregate principal amount of $159,630,000.00, as identified in **Schedule 1** to **Exhibit A** hereto (the "***Refunded Bonds***"), by redeeming the Refunded Bonds on October 1, 2018 (the "***Redemption Date***"), at the redemption price (the "***Redemption Price***") shown on **Schedule 1** to **Exhibit A**, plus accrued interest due thereon.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant, agree and certify as follows:

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

1. **<u>Deposit with Trustee</u>**. The Airports Authority hereby directs the Trustee to transfer the amounts of (a) $____________ from the proceeds of the Series 2018A Bonds (including a portion of the original issue premium) and (b) $_____________ from the Series 2008A Interest Account in the Bond Fund to the Series 2008A Redemption Account in the Bond Fund in respect of the Refunded Bonds, which account was established pursuant to the Prior Supplemental Indenture (the "***Redemption Account***"). The Airports Authority hereby directs the Trustee to apply the amounts in the Redemption Account first to pay the Redemption Price of the Refunded Bonds to be redeemed on the Redemption Date and then to pay the current interest due on the Redemption Date with respect to such Refunded Bonds.

2. **<u>Application of Moneys Deposited with Trustee</u>**. The Trustee acknowledges the Airports Authority's directions regarding the deposit and investment of the proceeds of the

Series 2018A Bonds and other available funds in the Redemption Account pursuant to Section 1002 of the Master Indenture and irrevocably agrees to use all such amounts, plus earnings thereon, to the extent needed to pay the Redemption Price of the Refunded Bonds to be redeemed on the Redemption Date, and interest due thereon, as provided in this Refunding Agreement.

3. **Notice of Refunding of Refunded Bonds**. The Trustee hereby acknowledges receipt of directions from the Airports Authority in the form attached hereto as **Exhibit A** to call the Refunded Bonds on the Redemption Date. In accordance with such instructions, the Trustee (i) by July __, 2018, will cause notice of the defeasance of the Refunded Bonds and the redemption of the Refunded Bonds to be given, and (ii) by September 1, 2018, but not before August 2, 2018, will cause notice of the redemption of the Refunded Bonds to be given, all in accordance with the requirements of Sections 1002 and 303 of the Master Indenture and the Prior Supplemental Indenture by sending both notices (a) to DTC or its nominee and to any other registered owners of the Refunded Bonds, (b) to all organizations registered with the Securities and Exchange Commission as securities depositories, and (c) to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board. In addition, the Trustee will provide copies of both notices to S&P Global Ratings, Moody's Investors Service Inc., Fitch Ratings, Inc. and The Bond Buyer. A copy of the notice of defeasance and redemption is attached hereto as **Exhibit B** and a copy of the notice of redemption is attached hereto as **Exhibit C**. Any costs associated with publishing such notices will be borne by the Airports Authority.

4. **Deposit and Investment of Redemption Account**. The moneys received by the Trustee under Section 1 of this Refunding Agreement will be deposited in the Redemption Account.

The Trustee shall invest moneys on deposit in the Redemption Account (other than $________ held in cash) in noncallable Government Obligations as specified in **Exhibit A** hereto.

The interest and income received from such investments, any interest paid by the Trustee or any other depository, and any profit or loss resulting from the sale of any such investment shall be credited to or borne by the Redemption Account.

Based on the report dated July 3, 2018 of [Robert Thomas CPA, LLC], which verifies the sufficiency of the moneys on deposit in the Redemption Account and the investment thereof to effect the redemption and defeasance of the Refunded Bonds (the "***Verification Report***"), the Airports Authority represents that the amounts to be deposited in the Redemption Account and the investment thereof will be sufficient to pay the Redemption Price on the Refunded Bonds, and to pay current interest due on such Refunded Bonds on the Redemption Date.

5. **Payment of Trustee's Fees and Expenses**. The Trustee agrees that it shall submit a statement to the Airports Authority for payment of its fees and expenses for services rendered or costs incurred by the Trustee under this Refunding Agreement, the Prior Supplemental Indenture, or otherwise relating to the Refunded Bonds, and further agrees that it shall have no claim or lien whatsoever on any of the moneys deposited in the Redemption Account for the payment of any such fees and expenses. The Airports Authority agrees to pay such statement promptly upon presentation by the Trustee.

6. **<u>Trustee's Covenant to Defease and Release Obligations with Respect to Refunded Bonds</u>**. The Trustee hereby acknowledges: (a) receipt of all moneys required to be deposited into the Redemption Account as provided in this Refunding Agreement; (b) receipt of the documents required under Article X of the Master Indenture; (c) in reliance on the Verification Report, that the moneys deposited in the Redemption Account and the investment thereof will provide sufficient moneys to pay the Redemption Price on the Refunded Bonds on the Redemption Date and current interest accrued and due on such Refunded Bonds on the Redemption Date in accordance with this Refunding Agreement and the Prior Supplemental Indenture; and (d) in reliance on the opinion of Bond Counsel, that upon such deposit and investment the Refunded Bonds shall no longer be deemed to be Outstanding under the Indenture, pursuant to Section 1002 of the Master Indenture. The Trustee hereby agrees that, upon the deposit in the Redemption Account of all moneys required by this Refunding Agreement, and the investment thereof, the Trustee's right, title and interest in the Indenture in respect of the Refunded Bonds, excluding any moneys held under this Refunding Agreement, will cease and the Trustee will thereupon release the Indenture in respect of the Refunded Bonds, pursuant to Section 1001 of the Master Indenture, and shall execute the form of release attached as **Exhibit D** and such other documents to evidence such release as may be reasonably requested by the Airports Authority.

Notwithstanding the foregoing, the parties further acknowledge and agree that the release of the Indenture in respect of the Refunded Bonds shall not terminate the powers and rights granted to the Trustee under the Indenture with respect to, but only with respect to, the payment, registration and transfer of the Refunded Bonds and the replacement of Refunded Bonds which have been lost, destroyed, mutilated or stolen or which for any other reason the Trustee deems a replacement to be necessary.

7. **<u>Return of Excess Moneys</u>**. After having reserved, in trust, funds sufficient for the payment of the Redemption Price of, and accrued interest due in respect of, the Refunded Bonds, the Trustee shall, pursuant to Section 517 of the Master Indenture, after October 1, 2018, transfer to the Airports Authority all excess moneys deposited in the Redemption Account. The Trustee shall return to the Airports Authority all unclaimed moneys, if any, in accordance with Section 1003 of the Master Indenture.

8. **<u>Trustee's Obligations Unconditional</u>**. The Trustee agrees that its obligations under this Refunding Agreement are absolute and unconditional, notwithstanding any failure by the Airports Authority to pay when due any fees or expenses relating to the Refunded Bonds or the Series 2018A Bonds.

9. **<u>Rights and Duties of Trustee</u>**. The Trustee's rights, duties and obligations under this Refunding Agreement shall be as set forth in Article VIII of the Master Indenture. Such provisions are hereby incorporated by reference.

10. **<u>No Recourse</u>**. No recourse shall be had for any claim based on this Refunding Agreement against any member, officer or employee, past, present or future, of the Airports Authority or of any successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise.

11. **Termination**. This Refunding Agreement shall terminate when all deposits, transfers, payments and other acts required to be made or taken by the Trustee under the provisions hereof shall have been made or taken.

12. **Severability**. If any one or more of the covenants or agreements provided in this Refunding Agreement to be performed on the part of the Airports Authority or the Trustee should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Refunding Agreement.

13. **Successors and Assigns**. All of the covenants, promises and agreements hereunder of the Airports Authority shall be binding upon, and inure to the benefit of, its successors and assigns. All of the covenants, promises and agreements hereunder of the Trustee shall be binding upon, and inure to the benefit of, its successor trustee under the Prior Supplemental Indenture.

14. **Governing Law**. This Refunding Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Virginia.

15. **Headings**. Any headings preceding the text of the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Refunding Agreement, nor shall they affect its meaning, construction or effect.

16. **Counterparts**. This Refunding Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Refunding Agreement to be executed by their duly authorized officers as of the date first above written.

[SEAL]

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

ATTEST:

By: ___________________________________
Chairman

By: ___________________________________
Secretary

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: ___________________________________
Authorized Officer

<u>Exhibit A</u>

July 3, 2018

Manufacturers and Traders Trust Company, Trustee
25 South Charles Street
11th Floor
Baltimore, Maryland 21201

Attention: Ms. Sarah Stokes

RE: Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2007A

Dear Ms. Stokes:

The above-referenced bonds (the ***"Series 2008A Bonds")*** were issued pursuant to 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 and supplemented, the ***"Master Indenture")*** and the Thirtieth Supplemental Indenture of Trust dated as of June 1, 2008 (the ***"Prior Supplemental Indenture")***, between the Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and Manufacturers and Traders Trust Company, as Trustee (the ***"Trustee")*** (the Master Indenture and the Prior Supplemental Indenture may sometimes be referred to hereinafter collectively as the ***"Indenture")***. The Airports Authority has determined to refund and redeem the outstanding Series 2008A Bonds as shown on **Schedule 1** attached hereto (the ***"Refunded Bonds")***. The Refunded Bonds will be redeemed on October 1, 2018 (the ***"Redemption Date")***, at the redemption price (the ***"Redemption Price")*** shown on **Schedule 1,** with a portion of the proceeds of its proposed Airport System Revenue and Refunding Bonds, Series 2018A (the ***"Series 2018A Bonds")***, and other available funds.

Pursuant to Section 301 of the Master Indenture and Section 301 of the Prior Supplemental Indenture, the Airports Authority hereby irrevocably directs the Trustee to call the Refunded Bonds for optional redemption on the Redemption Date at the Redemption Price shown on **Schedule 1** hereto, plus interest accrued thereon to the Redemption Date.

Moneys deposited with the Trustee for such purpose (except $______ to be held in cash) shall be invested as shown on **Schedule 2** hereto.

Any notice of redemption published or otherwise given to DTC or its nominee or other registered owners of the Refunded Bonds and to Moody's Investors Service Inc., S&P Global Ratings, Fitch Ratings, Inc., and The Bond Buyer must be made in accordance with Section 303 of the Master Indenture and Section 305 of the Prior Supplemental Indenture.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: ________________________________
Chairman

Schedule 1

Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2008A
to be Redeemed October 1, 2018

Maturity Date (October 1)	Principal Amount	Redemption Price	CUSIP
2019	$14,340,000	100%	592646A37
2020	15,150,000	100	592646A45
2021	16,015,000	100	592646A52
2022	16,810,000	100	592646A60
2023	11,610,000	100	592646A86
2023	600,000	100	592646A78
2024	12,775,000	100	592646A94
2025	13,340,000	100	592646B28
2026	13,925,000	100	592646B36
2027	14,540,000	100	592646B44
2028	15,325,000	100	592646B51
2029	15,200,000	100	592646B69

Schedule 2

Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2008A
Escrow Investments

Type of Security	Interest Rate	Maturity Date	Par Amount	Cost
SLGS-Certificate	%	10/01/18	$	$

<u>Exhibit B</u>

[<u>FORM OF DEFEASANCE AND REDEMPTION NOTICE</u>]

NOTICE OF DEFEASANCE AND REDEMPTION TO THE HOLDERS OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY AIRPORT SYSTEM REVENUE BONDS SERIES 2008A CUSIP: 592646

NOTICE IS HEREBY GIVEN, that pursuant to the provisions of 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 and supplemented, the ***"Master Indenture")*** and the Thirtieth Supplemental Indenture of Trust dated as of June 1, 2008, between the Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and Manufacturers and Traders Trust Company, as Trustee (the ***"Trustee")***, the undersigned has elected to defease all of the above-referenced Bonds maturing October 1, 2019 through October 1, 2029, currently outstanding in the aggregate principal amount of $159,630,000 (the ***"Refunded Bonds")***. The Refunded Bonds will be redeemed on October 1, 2018 (the ***"Redemption Date")*** at the redemption price shown below (the ***"Redemption Price")***, together with current interest accrued to the Redemption Date, upon presentation and surrender of the Refunded Bonds.

Maturity Date (October 1)	Principal Amount	Redemption Price	CUSIP
2019	$14,340,000	100%	592646A37
2020	15,150,000	100	592646A45
2021	16,015,000	100	592646A52
2022	16,810,000	100	592646A60
2023	11,610,000	100	592646A86
2023	600,000	100	592646A78
2024	12,775,000	100	592646A94
2025	13,340,000	100	592646B28
2026	13,925,000	100	592646B36
2027	14,540,000	100	592646B44
2028	15,325,000	100	592646B51
2029	15,200,000	100	592646B69

From and after October 1, 2018, interest on the Refunded Bonds shall cease to accrue and from and after July 3, 2018, the Refunded Bonds will have been defeased in accordance with Article X of the Master Indenture.

The Redemption Price on the Refunded Bonds, and accrued interest thereon, will become due and payable on the Redemption Date, upon presentation and surrender of such Refunded Bonds. Refunded Bonds may be presented in person or by mail at the principal office of **M&T Bank,**

c/o Wilmington Trust, Corporate Trust Operations, Attn: Work Flow Management, 1100 N. Market Street, Wilmington, DE 19890.

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, paying agents making payment of principal on municipal securities will be obligated to withhold 28% of the payment of principal to holders who have failed to provide the paying agent with a valid Taxpayer Identification Number. Holders of the above-described securities will avoid such withholdings by providing a certified taxpayer identification number on Form W-9 when presenting securities for payment.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: Manufacturers and Traders Trust Company,
as Trustee

Dated: July __, 2018

Neither the Airports Authority nor the Trustee are responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the Redemption Notice or any Bond. They are included solely for convenience of the Holders.

Exhibit C

[FORM OF REDEMPTION NOTICE]

NOTICE OF REDEMPTION TO THE HOLDERS OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY AIRPORT SYSTEM REVENUE BONDS SERIES 2008A CUSIP: 592646

NOTICE IS HEREBY GIVEN, that pursuant to the provisions of 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 and supplemented, the ***"Master Indenture")*** and the Thirtieth Supplemental Indenture of Trust dated as of June 1, 2008, between the Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and Manufacturers and Traders Trust Company, as Trustee (the ***"Trustee")***, the undersigned has elected to redeem the following amounts of its above referenced Bonds (the ***"Refunded Bonds")*** on October 1, 2018 (the ***"Redemption Date")*** at the redemption price shown below (the ***"Redemption Price")***, together with current interest accrued to the Redemption Date, upon presentation and surrender of the Refunded Bonds.

Maturity Date (October 1)	Principal Amount	Redemption Price	CUSIP
2019	$14,340,000	100%	592646A37
2020	15,150,000	100	592646A45
2021	16,015,000	100	592646A52
2022	16,810,000	100	592646A60
2023	11,610,000	100	592646A86
2023	600,000	100	592646A78
2024	12,775,000	100	592646A94
2025	13,340,000	100	592646B28
2026	13,925,000	100	592646B36
2027	14,540,000	100	592646B44
2028	15,325,000	100	592646B51
2029	15,200,000	100	592646B69

From and after October 1, 2018, interest on the Refunded Bonds shall cease to accrue.

The Redemption Price on the Refunded Bonds, and accrued interest thereon, will become due and payable on the Redemption Date, upon presentation and surrender of the Refunded Bonds.

Refunded Bonds may be presented in person or by mail at the principal office of **M&T Bank, c/o Wilmington Trust, Corporate Trust Operations, Attn: Work Flow Management, 1100 N. Market Street, Wilmington, DE 19890.**

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, paying agents making payment of principal on municipal securities will be obligated to withhold 28% of the payment of principal to holders who have failed to provide the paying agent with a valid Taxpayer Identification Number. Holders of the above-described securities will avoid such withholdings by providing a certified taxpayer identification number on Form W-9 when presenting securities for payment.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: Manufacturers and Traders Trust Company,
as Trustee

Dated: ___________, 2018

Neither the Airports Authority nor the Trustee are responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the Redemption Notice or any Bond. They are included solely for convenience of the Holders.

Exhibit D

MANUFACTURERS AND TRADERS TRUST COMPANY

RECEIPT AND RELEASE OF INDENTURE AND COLLATERAL DOCUMENTS

KNOW ALL PERSONS BY THESE PRESENTS, that Manufacturers and Traders Trust Company, successor Trustee under a certain 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 and supplemented, the ***"Master Indenture")*** and the Thirtieth Supplemental Indenture of Trust dated as of June 1, 2008 (the ***"Prior Supplemental Indenture")*** (collectively, the ***"Indenture")***, between Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and the Trustee, DOES HEREBY ACKNOWLEDGE that it has received moneys and noncallable Government Obligations sufficient for the payment upon redemption on October 1, 2018 (including the payment of accrued interest thereon), of the aggregate principal amount of the Series 2008A Bonds issued and Outstanding under the Prior Supplemental Indenture and identified in the Refunding Agreement dated as of July 1, 2018, between the Trustee and the Airports Authority (the ***"Refunded Bonds")***, together with all other sums payable and documents required thereunder, if any; and in consideration thereof, DOES HEREBY RELEASE, CANCEL AND DISCHARGE the lien of said Indenture in respect of the Refunded Bonds and hereby assigns unto the Airports Authority, its successors and assigns, all of the right, title and interest of Manufacturers and Traders Trust Company, as such Trustee thereunder in and to all the past, present and future "Net Revenues" payable to the Trustee under the Indenture in respect of the Refunded Bonds (other than the sums described above) and certain collateral documents and the moneys payable thereunder in respect of the Refunded Bonds.

IN WITNESS WHEREOF, Manufacturers and Traders Trust Company has caused this instrument to be executed and delivered on its behalf by its duly authorized officer, and its corporate seal to be hereunto affixed, all as of the 3rd day of July, 2018.

Manufacturers and Traders Trust Company, Trustee

[SEAL]

By: ___________________________________
Authorized Officer

REFUNDING AGREEMENT

Dated as of July 1, 2018

By and Between

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

and

MANUFACTURERS AND TRADERS TRUST COMPANY, Trustee

Relating to the Current Refunding of
Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2009C

REFUNDING AGREEMENT

This **REFUNDING AGREEMENT** dated as of July 1, 2018 (this "***Refunding Agreement***"), by and between the METROPOLITAN WASHINGTON AIRPORTS AUTHORITY (the "***Airports Authority***") and MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation with trust powers, as Trustee for the owners of the Bonds described below (the "***Trustee***").

BACKGROUND

A. Pursuant to a 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 and supplemented, the "***Master Indenture***") and the Thirty-third Supplemental Indenture of Trust dated as of June 1, 2009 (the "***Prior Supplemental Indenture***") (the Master Indenture and the Prior Supplemental Indenture may sometimes be referred to hereinafter collectively as the ***"Indenture"***), each between the Airports Authority and the Trustee, the Airports Authority issued its Airport System Revenue Bonds, Series 2009C (the "***Series 2009C Bonds***") for the purpose of refunding certain outstanding notes of the Airports Authority.

B. Pursuant to the Master Indenture and a Fiftieth Supplemental Indenture of Trust dated as of July 1, 2018 (the "***Fiftieth Supplemental Indenture***") between the Airports Authority and the Trustee, the Airports Authority has authorized its Airport System Revenue and Refunding Bonds, Series 2018A (the "***Series 2018A Bonds***"), a portion of the proceeds of which will be used to pay the cost of currently refunding the outstanding Series 2009C Bonds maturing October 1, 2020 through October 1, 2039 in the aggregate principal amount of $254,245,000.00, as identified in **Schedule 1** to **Exhibit A** hereto (the "***Refunded Bonds***"), by redeeming the Refunded Bonds on October 1, 2018 (the "***Redemption Date***"), at the redemption price (the "***Redemption Price***") shown on **Schedule 1** to **Exhibit A**, plus accrued interest due thereon.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant, agree and certify as follows:

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

1. **<u>Deposit with Trustee</u>**. The Airports Authority hereby directs the Trustee to transfer the amounts of (a) $____________ from the proceeds of the Series 2018A Bonds (including a portion of the original issue premium), (b) $_____________ from the Series 2009C Interest Account in the Bond Fund and (c) $_____________ from the Series 2009C Reserve Account to the Series 2009C Redemption Account in the Bond Fund in respect of the Refunded Bonds, which account was established pursuant to the Prior Supplemental Indenture (the "***Redemption Account***"). The Airports Authority hereby directs the Trustee to apply the amounts in the Redemption Account first to pay the Redemption Price of the Refunded Bonds to be redeemed on the Redemption Date and then to pay the current interest due on the Redemption Date with respect to such Refunded Bonds.

2. **<u>Application of Moneys Deposited with Trustee</u>**. The Trustee acknowledges the Airports Authority's directions regarding the deposit and investment of the proceeds of the Series 2018A Bonds and other available funds in the Redemption Account pursuant to Section 1002 of the Master Indenture and irrevocably agrees to use all such amounts, plus earnings thereon, to the extent needed to pay the Redemption Price of the Refunded Bonds to be redeemed on the Redemption Date, and interest due thereon, as provided in this Refunding Agreement.

3. **<u>Notice of Refunding of Refunded Bonds</u>**. The Trustee hereby acknowledges receipt of directions from the Airports Authority in the form attached hereto as **Exhibit A** to call the Refunded Bonds on the Redemption Date. In accordance with such instructions, the Trustee (i) by July __, 2018, will cause notice of the defeasance of the Refunded Bonds and the redemption of the Refunded Bonds to be given, and (ii) by September 1, 2018, but not before August 2, 2018, will cause notice of the redemption of the Refunded Bonds to be given, all in accordance with the requirements of Sections 1002 and 303 of the Master Indenture and the Prior Supplemental Indenture by sending both notices (a) to DTC or its nominee and to any other registered owners of the Refunded Bonds, (b) to all organizations registered with the Securities and Exchange Commission as securities depositories, and (c) to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board. In addition, the Trustee will provide copies of both notices to S&P Global Ratings, Moody's Investors Service Inc., Fitch Ratings, Inc. and <u>The Bond Buyer</u>. A copy of the notice of defeasance and redemption is attached hereto as **Exhibit B** and a copy of the notice of redemption is attached hereto as **Exhibit C**. Any costs associated with publishing such notices will be borne by the Airports Authority.

4. **<u>Deposit and Investment of Redemption Account</u>**. The moneys received by the Trustee under Section 1 of this Refunding Agreement will be deposited in the Redemption Account.

The Trustee shall invest moneys on deposit in the Redemption Account (other than $_______ held in cash) in noncallable Government Obligations as specified in **Exhibit A** hereto.

The interest and income received from such investments, any interest paid by the Trustee or any other depository, and any profit or loss resulting from the sale of any such investment shall be credited to or borne by the Redemption Account.

Based on the report dated July 3, 2018 of [Robert Thomas CPA, LLC], which verifies the sufficiency of the moneys on deposit in the Redemption Account and the investment thereof to effect the redemption and defeasance of the Refunded Bonds (the "***Verification Report***"), the Airports Authority represents that the amounts to be deposited in the Redemption Account and the investment thereof will be sufficient to pay the Redemption Price on the Refunded Bonds, and to pay current interest due on such Refunded Bonds on the Redemption Date.

5. **<u>Payment of Trustee's Fees and Expenses</u>**. The Trustee agrees that it shall submit a statement to the Airports Authority for payment of its fees and expenses for services rendered or costs incurred by the Trustee under this Refunding Agreement, the Prior Supplemental Indenture, or otherwise relating to the Refunded Bonds, and further agrees that it shall have no claim or lien whatsoever on any of the moneys deposited in the Redemption

Account for the payment of any such fees and expenses. The Airports Authority agrees to pay such statement promptly upon presentation by the Trustee.

6. **Trustee's Covenant to Defease and Release Obligations with Respect to Refunded Bonds**. The Trustee hereby acknowledges: (a) receipt of all moneys required to be deposited into the Redemption Account as provided in this Refunding Agreement; (b) receipt of the documents required under Article X of the Master Indenture; (c) in reliance on the Verification Report, that the moneys deposited in the Redemption Account and the investment thereof will provide sufficient moneys to pay the Redemption Price on the Refunded Bonds on the Redemption Date and current interest accrued and due on such Refunded Bonds on the Redemption Date in accordance with this Refunding Agreement and the Prior Supplemental Indenture; and (d) in reliance on the opinion of Bond Counsel, that upon such deposit and investment the Refunded Bonds shall no longer be deemed to be Outstanding under the Indenture, pursuant to Section 1002 of the Master Indenture. The Trustee hereby agrees that, upon the deposit in the Redemption Account of all moneys required by this Refunding Agreement, and the investment thereof, the Trustee's right, title and interest in the Indenture in respect of the Refunded Bonds, excluding any moneys held under this Refunding Agreement, will cease and the Trustee will thereupon release the Indenture in respect of the Refunded Bonds, pursuant to Section 1001 of the Master Indenture, and shall execute the form of release attached as **Exhibit D** and such other documents to evidence such release as may be reasonably requested by the Airports Authority.

Notwithstanding the foregoing, the parties further acknowledge and agree that the release of the Indenture in respect of the Refunded Bonds shall not terminate the powers and rights granted to the Trustee under the Indenture with respect to, but only with respect to, the payment, registration and transfer of the Refunded Bonds and the replacement of Refunded Bonds which have been lost, destroyed, mutilated or stolen or which for any other reason the Trustee deems a replacement to be necessary.

7. **Return of Excess Moneys**. After having reserved, in trust, funds sufficient for the payment of the Redemption Price of, and accrued interest due in respect of, the Refunded Bonds, the Trustee shall, pursuant to Section 517 of the Master Indenture, after October 1, 2018, transfer to the Airports Authority all excess moneys deposited in the Redemption Account. The Trustee shall return to the Airports Authority all unclaimed moneys, if any, in accordance with Section 1003 of the Master Indenture.

8. **Trustee's Obligations Unconditional**. The Trustee agrees that its obligations under this Refunding Agreement are absolute and unconditional, notwithstanding any failure by the Airports Authority to pay when due any fees or expenses relating to the Refunded Bonds or the Series 2018A Bonds.

9. **Rights and Duties of Trustee**. The Trustee's rights, duties and obligations under this Refunding Agreement shall be as set forth in Article VIII of the Master Indenture. Such provisions are hereby incorporated by reference.

10. **No Recourse**. No recourse shall be had for any claim based on this Refunding Agreement against any member, officer or employee, past, present or future, of the Airports

Authority or of any successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise.

11. **Termination**. This Refunding Agreement shall terminate when all deposits, transfers, payments and other acts required to be made or taken by the Trustee under the provisions hereof shall have been made or taken.

12. **Severability**. If any one or more of the covenants or agreements provided in this Refunding Agreement to be performed on the part of the Airports Authority or the Trustee should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Refunding Agreement.

13. **Successors and Assigns**. All of the covenants, promises and agreements hereunder of the Airports Authority shall be binding upon, and inure to the benefit of, its successors and assigns. All of the covenants, promises and agreements hereunder of the Trustee shall be binding upon, and inure to the benefit of, its successor trustee under the Prior Supplemental Indenture.

14. **Governing Law**. This Refunding Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Virginia.

15. **Headings**. Any headings preceding the text of the several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Refunding Agreement, nor shall they affect its meaning, construction or effect.

16. **Counterparts**. This Refunding Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Refunding Agreement to be executed by their duly authorized officers as of the date first above written.

[SEAL]

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

ATTEST:

By: ___________________________________
Chairman

By: ___________________________________
Secretary

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: ___________________________________
Authorized Officer

<u>Exhibit A</u>

July 3, 2018

Manufacturers and Traders Trust Company, Trustee
25 South Charles Street
11th Floor
Baltimore, Maryland 21201

Attention: Ms. Sarah Stokes

**RE: Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2007A**

Dear Ms. Stokes:

The above-referenced bonds (the ***"Series 2009C Bonds")*** were issued pursuant to 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 and supplemented, the ***"Master Indenture")*** and the Thirty-third Supplemental Indenture of Trust dated as of July 1, 2009 (the ***"Prior Supplemental Indenture"),*** between the Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and Manufacturers and Traders Trust Company, as Trustee (the ***"Trustee")*** (the Master Indenture and the Prior Supplemental Indenture may sometimes be referred to hereinafter collectively as the ***"Indenture").*** The Airports Authority has determined to refund and redeem the outstanding Series 2009C Bonds as shown on **Schedule 1** attached hereto (the ***"Refunded Bonds").*** The Refunded Bonds will be redeemed on October 1, 2018 (the ***"Redemption Date"),*** at the redemption price (the ***"Redemption Price")*** shown on **Schedule 1,** with a portion of the proceeds of its proposed Airport System Revenue and Refunding Bonds, Series 2018A (the ***"Series 2018A Bonds"),*** and other available funds.

Pursuant to Section 301 of the Master Indenture and Section 301 of the Prior Supplemental Indenture, the Airports Authority hereby irrevocably directs the Trustee to call the Refunded Bonds for optional redemption on the Redemption Date at the Redemption Price shown on **Schedule 1** hereto, plus interest accrued thereon to the Redemption Date.

Moneys deposited with the Trustee for such purpose (except $______ to be held in cash) shall be invested as shown on **Schedule 2** hereto.

Any notice of redemption published or otherwise given to DTC or its nominee or other registered owners of the Refunded Bonds and to Moody's Investors Service Inc., S&P Global Ratings, Fitch Ratings, Inc., and The Bond Buyer must be made in accordance with Section 303 of the Master Indenture and Section 305 of the Prior Supplemental Indenture.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: ________________________________
Chairman

Schedule 1

Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2009C
to be Redeemed October 1, 2018

Maturity Date (October 1)	Principal Amount	Redemption Price	CUSIP
2020	$ 2,150,000	100%	592646L35
2020	5,525,000	100	592646P23
2021	8,020,000	100	592646L43
2022	7,120,000	100	592646L50
2022	1,325,000	100	592646P31
2023	4,650,000	100	592646L68
2023	4,235,000	100	592646P49
2024	4,425,000	100	592646L76
2024	4,870,000	100	592646P56
2025	9,725,000	100	592646L84
2026	10,235,000	100	592646L92
2027	10,745,000	100	592646M26
2028	11,310,000	100	592646M34
2029	11,825,000	100	592646M42
2030	12,465,000	100	592646M59
2031	13,090,000	100	592646M67
2034	43,405,000	100	592646M75
2039	34,125,000	100	592646M83
2039	55,000,000	100	592646P64

Schedule 2

Metropolitan Washington Airports Authority
Airport System Revenue Bonds, Series 2009C
Escrow Investments

Type of Security	Interest Rate	Maturity Date	Par Amount	Cost
SLGS-Certificate	%	10/01/18	$	$

Exhibit B

[FORM OF DEFEASANCE AND REDEMPTION NOTICE]

NOTICE OF DEFEASANCE AND REDEMPTION TO THE HOLDERS OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY AIRPORT SYSTEM REVENUE BONDS SERIES 2009C CUSIP: 592646

NOTICE IS HEREBY GIVEN, that pursuant to the provisions of 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 and supplemented, the ***"Master Indenture")*** and the Thirty-third Supplemental Indenture of Trust dated as of July 1, 2009, between the Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and Manufacturers and Traders Trust Company, as Trustee (the ***"Trustee")***, the undersigned has elected to defease all of the above-referenced Bonds maturing October 1, 2020 through October 1, 2039, currently outstanding in the aggregate principal amount of $254,245,000 (the ***"Refunded Bonds")***. The Refunded Bonds will be redeemed on October 1, 2018 (the ***"Redemption Date")*** at the redemption price shown below (the ***"Redemption Price")***, together with current interest accrued to the Redemption Date, upon presentation and surrender of the Refunded Bonds.

Maturity Date (October 1)	Principal Amount	Redemption Price	CUSIP
2020	$ 2,150,000	100%	592646L35
2020	5,525,000	100	592646P23
2021	8,020,000	100	592646L43
2022	7,120,000	100	592646L50
2022	1,325,000	100	592646P31
2023	4,650,000	100	592646L68
2023	4,235,000	100	592646P49
2024	4,425,000	100	592646L76
2024	4,870,000	100	592646P56
2025	9,725,000	100	592646L84
2026	10,235,000	100	592646L92
2027	10,745,000	100	592646M26
2028	11,310,000	100	592646M34
2029	11,825,000	100	592646M42
2030	12,465,000	100	592646M59
2031	13,090,000	100	592646M67
2034	43,405,000	100	592646M75
2039	34,125,000	100	592646M83
2039	55,000,000	100	592646P64

From and after October 1, 2018, interest on the Refunded Bonds shall cease to accrue and from and after July 3, 2018, the Refunded Bonds will have been defeased in accordance with Article X of the Master Indenture.

The Redemption Price on the Refunded Bonds, and accrued interest thereon, will become due and payable on the Redemption Date, upon presentation and surrender of such Refunded Bonds. Refunded Bonds may be presented in person or by mail at the principal office of **M&T Bank, c/o Wilmington Trust, Corporate Trust Operations, Attn: Work Flow Management, 1100 N. Market Street, Wilmington, DE 19890.**

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, paying agents making payment of principal on municipal securities will be obligated to withhold 28% of the payment of principal to holders who have failed to provide the paying agent with a valid Taxpayer Identification Number. Holders of the above-described securities will avoid such withholdings by providing a certified taxpayer identification number on Form W-9 when presenting securities for payment.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: Manufacturers and Traders Trust Company,
as Trustee

Dated: July __, 2018

Neither the Airports Authority nor the Trustee are responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the Redemption Notice or any Bond. They are included solely for convenience of the Holders.

Exhibit C

[FORM OF REDEMPTION NOTICE]

NOTICE OF REDEMPTION TO THE HOLDERS OF METROPOLITAN WASHINGTON AIRPORTS AUTHORITY AIRPORT SYSTEM REVENUE BONDS SERIES 2009C CUSIP: 592646

NOTICE IS HEREBY GIVEN, that pursuant to the provisions of 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 and supplemented, the ***"Master Indenture")*** and the Thirty-third Supplemental Indenture of Trust dated as of July 1, 2009, between the Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and Manufacturers and Traders Trust Company, as Trustee (the ***"Trustee")***, the undersigned has elected to redeem the following amounts of its above referenced Bonds (the ***"Refunded Bonds")*** on October 1, 2018 (the ***"Redemption Date")*** at the redemption price shown below (the ***"Redemption Price")***, together with current interest accrued to the Redemption Date, upon presentation and surrender of the Refunded Bonds.

Maturity Date (October 1)	Principal Amount	Redemption Price	CUSIP
2020	$ 2,150,000	100%	592646L35
2020	5,525,000	100	592646P23
2021	8,020,000	100	592646L43
2022	7,120,000	100	592646L50
2022	1,325,000	100	592646P31
2023	4,650,000	100	592646L68
2023	4,235,000	100	592646P49
2024	4,425,000	100	592646L76
2024	4,870,000	100	592646P56
2025	9,725,000	100	592646L84
2026	10,235,000	100	592646L92
2027	10,745,000	100	592646M26
2028	11,310,000	100	592646M34
2029	11,825,000	100	592646M42
2030	12,465,000	100	592646M59
2031	13,090,000	100	592646M67
2034	43,405,000	100	592646M75
2039	34,125,000	100	592646M83
2039	55,000,000	100	592646P64

From and after October 1, 2018, interest on the Refunded Bonds shall cease to accrue.

The Redemption Price on the Refunded Bonds, and accrued interest thereon, will become due and payable on the Redemption Date, upon presentation and surrender of the Refunded Bonds.

Refunded Bonds may be presented in person or by mail at the principal office of **M&T Bank, c/o Wilmington Trust, Corporate Trust Operations, Attn: Work Flow Management, 1100 N. Market Street, Wilmington, DE 19890.**

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, paying agents making payment of principal on municipal securities will be obligated to withhold 28% of the payment of principal to holders who have failed to provide the paying agent with a valid Taxpayer Identification Number. Holders of the above-described securities will avoid such withholdings by providing a certified taxpayer identification number on Form W-9 when presenting securities for payment.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

By: Manufacturers and Traders Trust Company,
as Trustee

Dated: ____________, 2018

Neither the Airports Authority nor the Trustee are responsible for the selection or use of the CUSIP numbers, nor is any representation made as to their correctness indicated in the Redemption Notice or any Bond. They are included solely for convenience of the Holders.

Exhibit D

MANUFACTURERS AND TRADERS TRUST COMPANY

RECEIPT AND RELEASE OF INDENTURE AND COLLATERAL DOCUMENTS

KNOW ALL PERSONS BY THESE PRESENTS, that Manufacturers and Traders Trust Company, successor Trustee under a certain 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 and supplemented, the ***"Master Indenture")*** and the Thirty-third Supplemental Indenture of Trust dated as of July 1, 2009 (the ***"Prior Supplemental Indenture")*** (collectively, the ***"Indenture"),*** between Metropolitan Washington Airports Authority (the ***"Airports Authority")*** and the Trustee, DOES HEREBY ACKNOWLEDGE that it has received moneys and noncallable Government Obligations sufficient for the payment upon redemption on October 1, 2018 (including the payment of accrued interest thereon), of the aggregate principal amount of the Series 2009C Bonds issued and Outstanding under the Prior Supplemental Indenture and identified in the Refunding Agreement dated as of July 1, 2018, between the Trustee and the Airports Authority (the ***"Refunded Bonds"),*** together with all other sums payable and documents required thereunder, if any; and in consideration thereof, DOES HEREBY RELEASE, CANCEL AND DISCHARGE the lien of said Indenture in respect of the Refunded Bonds and hereby assigns unto the Airports Authority, its successors and assigns, all of the right, title and interest of Manufacturers and Traders Trust Company, as such Trustee thereunder in and to all the past, present and future "Net Revenues" payable to the Trustee under the Indenture in respect of the Refunded Bonds (other than the sums described above) and certain collateral documents and the moneys payable thereunder in respect of the Refunded Bonds.

IN WITNESS WHEREOF, Manufacturers and Traders Trust Company has caused this instrument to be executed and delivered on its behalf by its duly authorized officer, and its corporate seal to be hereunto affixed, all as of the ____ day of July, 2018.

Manufacturers and Traders Trust Company, Trustee

[SEAL]

By: ______________________________
Authorized Officer