

Highlights of [GAO-12-902](#), a report to the Committee on Commerce, Science, and Transportation, U.S. Senate

Why GAO Did This Study

To help manage airport congestion, airlines operating at four U.S. airports—Washington’s Reagan National and the three major New York City area airports—must obtain operating authorizations called slots from FAA to take off or land. Airlines operating out of Reagan National also may not operate flights beyond a 1,250-mile perimeter without congressional approval. In addition to the 24 flights (12 round trips) previously approved, Congress recently authorized 16 more beyond-perimeter flights (8 round-trips) at Reagan National—flights that the airport authority fears will adversely affect Reagan National and the authority’s ability to continue servicing its debt. Some airlines seeking to serve slot-controlled airports assert that slot control rules cause the airports to be underutilized or used inefficiently. GAO was asked to review (1) the effects of adding more beyond-perimeter flights from Reagan National and (2) how well slot control rules are working to reduce congestion, while maximizing capacity and encouraging competition. GAO analyzed slot allocation and airline schedule data, developed a statistical model, and interviewed FAA officials and others.

What GAO Recommends

Among other things, GAO recommends that FAA improve its administration of the slot control rules, including applying the utilization requirement to individual slots. Department of Transportation (DOT) and FAA provided technical comments, which GAO incorporated as appropriate, and agreed to consider the recommendations.

View [GAO-12-902](#). For more information, contact Susan Fleming at (202) 512-2834 or flemings@gao.gov

SLOT-CONTROLLED AIRPORTS

FAA’s Rules Could Be Improved to Enhance Competition and Use of Available Capacity

What GAO Found

The 16 new beyond-perimeter flights that were authorized in 2012 for Reagan National Airport are likely to have a limited effect on the airports in the Washington, D.C., area. Reagan National has sufficient runway capacity to accommodate the new beyond-perimeter flights and, with some improvements to baggage handling and security screening facilities, will have sufficient terminal capacity. Reagan National is routinely operating below 67 hourly takeoffs and landings (“slots”)—the maximum number authorized in any one hour—mostly because general aviation or other unscheduled aircraft operations decreased substantially after new security restrictions were imposed following the September 11, 2001, terrorist attacks. GAO’s analysis found that the new beyond-perimeter flights could add a maximum of about 5 percent of 2011 passenger levels at Reagan National, and if all of that increase came from passengers moving from Dulles International or Baltimore-Washington International Thurgood Marshall, these airports could experience a maximum decline of 4.1 percent of 2011 passenger levels. As a result, because Reagan National and Dulles generally do not share what are largely fixed costs, passengers shifting from Dulles to the new beyond-perimeter flights at Reagan National would, in the worst-case scenario, increase average airline costs to use Dulles by about 4 percent. Similarly, the new beyond-perimeter flights are not likely to affect the Washington Metropolitan Airports Authority’s (MWAA) ability to service its \$5.2 billion debt for the two airports. Finally, because half of the new beyond-perimeter flights were awarded to low cost airlines, thereby increasing competition, these new flights could have a positive effect on airfares on routes where new flights were added.

Slot control rules help the Federal Aviation Administration (FAA) manage congestion at these four airports by limiting the number of takeoffs and landings that airlines may make per hour. The rules, however, in effect, allow some existing airport capacity to go unused, and this capacity is therefore unavailable to other airlines because airlines are not required to schedule a flight for each of their slots, but instead are only required to use their slots 80 percent of the time. Moreover, FAA’s recordkeeping and its process for reviewing airlines’ self-reported slot utilization data do not provide sufficient assurance that FAA can identify instances when airlines do not meet the 80 percent utilization requirement or determine how much capacity is going unused. In addition, FAA’s allowing airlines to apply the requirement collectively to their pool of slots, rather than individual slots, further contributes to slots going unused and provides an advantage to airlines with large slot holdings. In addition to some existing capacity going unused, flights at the slot-controlled airports, even when operated, tend to be scheduled in such a way that available capacity is used more inefficiently than at like-sized airports that are not slot-controlled, thereby limiting passenger growth and access by new-entrant airlines that could offer new service or lower fares. For example, GAO found that flights operated at slot-controlled airports tend to be scheduled with smaller aircraft. Using statistical analyses, GAO found that scheduled passenger flights at slot-controlled airports are 75 percent more likely to be scheduled by airlines using an aircraft with fewer than 100 seats than flights at other like-sized airports that are not slot-controlled. Slot-controlled airports also tend to have certain routes that are flown at higher daily rates and aircraft that are less full.