

**HEARING BEFORE THE UNITED STATES SENATE
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION**

SUBCOMMITTEE ON AVIATION SAFETY, OPERATIONS, AND INNOVATION

“Aviation Infrastructure for the 21st Century.”

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Chair Sinema, Ranking Member Cruz, and members of the subcommittee,

Thank you for the invitation to join today to discuss our perspective on aviation infrastructure at Dallas Fort Worth International Airport (DFW).

I’ve served as Chief Executive Officer of DFW since late 2013 where I am responsible for the management, operation and future strategy and development of the Airport. I am a member of the U.S. Travel Gateway Airports Committee and sit on the Executive Committees of the World Travel & Tourism Council and the Dallas Regional Chamber. I previously spent over 25 years working for US and global airlines.

About Dallas Fort Worth International Airport

DFW covers more than 26.9 square miles of North Texas. We have 2,000 direct airport employees and over 60,000 total on-airport employees through airlines, concessionaires, vendors, and other partners. The aviation ecosystem in north Texas is one of the largest and most robust in the nation, home to American Airlines, Southwest Airlines, Bell Helicopter, Boeing Aviall, Sabre, and more.

DFW operates 7 runways and 164 gates throughout 5 terminals. In calendar year 2020, DFW ranked 4th in the world for passengers and 2nd in North America. DFW produces over \$37 billion in economic impact each year. DFW is the second largest economic engine in the Texas behind the Port of Houston.

DFW’s role as a leading international cargo operations and logistics hub is critical to the North Texas economy. DFW’s total cargo throughput is nearly 1 million US tons per year.

COVID-19’s impact on travel significantly reduced revenues from airlines and passengers for the last two fiscal years from which we expect a full recovery not to occur until 2023. DFW and the airport industry are grateful for the three COVID relief

packages Congress passed. DFW has used and will use the funds primarily to stabilize our balance sheet and provide relief for our concessionaire and airline partners. The Federal relief funds allowed us to balance our finances so that we did not have to pass on incremental costs to our airline partners, who were also deeply impacted by the pandemic. DFW also reduced its budget by over \$90 million after the pandemic hit. But, even before the COVID-19 tragedy struck the world, DFW and other airports across the United States were already playing catch up in the race to modernize our aging infrastructure.

Modernizing aging infrastructure to manage existing capabilities

DFW is nearly 50-years old. Much of our existing infrastructure has reached the end of its useful life and requires rehabilitation and replacement. DFW faces the challenge of balancing the priorities of modernizing existing infrastructure capabilities while making the necessary investments for future travel demands. We must plan for expansion as we are operating in one of the fastest growing urban areas in the United States.

We placed approximately \$100 million in capital projects on hold for an estimated 18 months. Further adjusting to COVID's effect on the economy and travel, DFW extended our 10-year Capital Improvement Program (CIP) to 15 years to reduce the capital expenditure in the near term while aviation activity recovers. This program focuses specifically on aging infrastructure rehabilitation and replacement. Previously DFW had renovated three of its four original terminals that were built in the early 1970s.

DFW is currently planning the renovation of the fourth original Terminal C plus the addition of 9 additional gates for growth in the Central Terminal Area (CTA). In addition, our access roads, bridges, and utility systems are 50 years old and in need of replacement. DFW's total capital investment needs over the next decade is in excess of \$6 billion, with nearly 90% of those dollars being slated for infrastructure repairs and replacement alone.

On a positive note, we were able to accelerate some projects due to the period of lower airport utilization, such as the recently completed reconstruction of Runway 18R/36L as this is a critical piece of infrastructure for the entire National Airspace System. DFW was able to create and preserve jobs at the height of the pandemic by following through on the project. It was made possible in part through an AIP letter of intent from the FAA. In the past 14 months of the pandemic, DFW was able to complete 42 Capital Projects amounting to over \$500 million in capital expenditures. We're proud to share that this work created 4,348 new jobs during a difficult economic environment.

Investing for growth and future travel demands of the 21st century

The travel industry is beginning to see the initial signs of recovery and we must be ready to welcome travelers. COVID forced DFW to suspend construction of a new 24-gate Terminal F and associated infrastructure due to uncertainty around future passenger growth and the financial impact to the airlines. The pandemic's impact on the

construction of Terminal F puts DFW behind the growth curve as travel demand rapidly returns. Delaying construction of a new terminal challenged us to adjust planning and reorganize activity to be prepared for when travel demand returns to pre-COVID levels. However, the 9-gate expansion of the Central Terminal Area will not be enough to meet the demands of future travel.

Our post-COVID adjusted 15-year Capital Improvement Program includes – 45% airfield, 30% roads and bridges, and 25% facilities projects. All of the Capital Improvement Projects are critical infrastructure projects as the DFW Capital Improvement Program is based on condition assessments conducted by professional firms and just in time delivery of assets rehabilitation. The team at DFW is focused on developing shovel-ready projects to create opportunities should additional funds become available. We accelerated the design and required environmental documentation for key airfields, roadways, and facilities infrastructure projects. This planning will facilitate project opportunities that can stimulate job creation in the North Texas regional economy as we serve travelers.

Another facet of our project development at DFW is to look for ways to achieve our Net Zero Carbon by 2030 goal. DFW is the largest carbon airport in the world. DFW integrates sustainability principles into all aspects of operations, planning, and development. A key component of our Net Zero Carbon by 2030 goal is a \$170M electric central utility plan that would replace our aging utility plan and transition DFW's primary heating fuel source from natural gas to renewable electricity. The project will further reduce our carbon and ozone emissions and decrease water use annually as well as provide operating cost savings.

Our DFW team is creative and leans forward with planning and development. However, the current AIP program is not sufficient to put a dent in our Capital Improvement Program and there are limitations on eligible projects for AIP funds. The only option we have is to issue bonds to finance these projects which are repaid through higher airline charges.

Bringing Airport Infrastructure into the 21st Century

The industry appreciates the committee, as well as your colleagues in the House, working with us to find solutions to meet the needs of providing world-class domestic and international business and leisure travel.

I would like to thank the Chair and Ranking Member along with Senator Young for introducing the Expedited Delivery of Airport Infrastructure Act last week. We have been supportive of the companion bill in the House and encourage passage in the Senate. I commend the Senators working on the various infrastructure proposals being discussed for recognizing the ongoing need of airports. As we in the aviation industry work to address our infrastructure challenges ahead, money directed toward airports would be

put to good use at DFW and at other airports across the country on meaningful and necessary infrastructure projects.

Airports of all sizes and locations are a critical ecosystem of travel moving passengers and cargo throughout America and beyond our borders. Every Member of Congress, whether they begin their travels at a small, mid-sized, or larger airport in their state, understands the importance airports bring to the economy of their state.

Thank you for the opportunity today and I look forward to your questions.