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VIA EMAIL (jesse.carriger@faa.gov)

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RE: Dallas Fort Worth International Airport Competition Plan Update

DFW recently reached an agreement with the airlines serving Dallas Fort Worth International Airport (the "Airport" or "DFW") on the terms of a new Use and Lease Agreement effective October 1, 2023 (the "New Agreement"). This New Agreement was approved by the Airport's Board on May 4, 2023 and replaces our 2010 agreement which expired on September 30, 2021 and is currently in holdover until the New Agreement's effective date.

Under the guidelines of FAA Program Guidance Letter (PGL-04-08) please accept this letter and enclosed attachment as the update to DFW's Competition Plan approved March 15, 2001 and as previously updated, based on the New Agreement. The New Agreement will expand opportunities for new and incumbent airlines through the delivery of additional facilities and increased efficiency and utilization of our existing terminals. Below are the highlights of this New Agreement and the changes that will support these initiatives:

1. New Gate Capacity – The New Agreement's Pre-Approved Capital Program includes a new Terminal F which will increase gate capacity for non-hub airlines by 40% by 2027.
2. Preferential Gate Use Rules and Procedures - The New Agreement requires a mandatory schedule submission process that will provide DFW with better information for facilitating gate sharing amongst airlines. This requirement gives DFW full visibility of gate use, opening more opportunities for gate sharing.

- Leasing and Subleasing Arrangements for Accommodation – The new accommodation procedures also correct onerous requirements on new and incumbent airlines requesting gates, eliminating a requirement to seek accommodation with existing airlines before contacting the Airport for accommodation. Airlines requesting accommodation are no longer required to negotiate and enter into a sublease or handling agreement directly with the accommodating airline(s). This eliminates delay, administrative burden, and the opportunity for the accommodating airline to charge the requesting airline an administrative charge up to 15%. Under the New Agreement, DFW will charge the requesting airline the then current published common use turn rate and provide the accommodating airline the associated credit. So that all parties are protected, DFW ensures that the requesting airline is a party to the New Agreement or an agreement of similar form.
  - Gate Utilization – To achieve better utilization of the facilities, airlines will be required to meet a higher gate utilization of 5.5 turns per gate averaged across all their preferentially leased gates. DFW has the right to reclaim gates and facilities of airlines not meeting the higher threshold. DFW then has the right to reassign the reclaimed gates or to make the reclaimed gates available as common use gates to new or incumbent airlines seeking to expand service.
3. Rates and Charges Methodology - Similar to the 2010 agreement, the New Agreement has a hybrid-residual rates and charges methodology. DFW continues to share certain net revenues with both the signatory and non-signatory airlines primarily through an offset to the terminal rental rate.
  4. Calculation of Common Use Turn Fee - The New Agreement specifies the rate that will be charged to users of the common use facilities at DFW. The prior agreement did not establish a methodology.
  5. Majority-in-Interest Provision - DFW has expanded the MII-exempt project list to provide flexibility for DFW to proceed with projects without seeking MII approval.

6. Public Availability – The New Agreement and the 2010 agreement are available on DFW’s public website at either the Investors page (see Controlling Documents & Policies) or Publications page (see Use Agreement). Once approved, this letter will be posted on DFW’s public website, along with DFW’s other Competition Plan documents, at the Publications page (see Competition Plan).

DFW believes this New Agreement will promote and ensure competition by providing additional gate capacity and the optimization of our existing facilities. Please let us know if you have any questions about our Competition Plan Update. We look forward to your approval.

Regards,



Donnell E. Harvey  
Vice President, Aviation Real Estate