



After the tumultuous events of 2001, the 2002 priorities for the Airports Authority were very clear: regain momentum, reassess development plans and adjust to operating in a new environment that demands the highest possible levels of security. Working closely with air carriers and with the Transportation Security Administration (TSA), both airports implemented more stringent security procedures; and new baggage screening equipment was installed by the Congressionally-mandated December 31, 2002 deadline.

The restoration of full air carrier service at Reagan Washington National was an important step toward recovery, a move that was welcomed by the Airports Authority and the community. We saw other signs of progress – increasing levels of passenger and cargo activity, rising revenues from concessions including parking, and the announcement of new routes by several carriers.

Nationwide, the combination of rising operating costs and lower passenger volumes has resulted in billions of dollars in financial losses for the airline industry. Of special significance to the Airports Authority was the August 2002 bankruptcy filing of US Airways, the

largest carrier at Reagan Washington National and the December 2002 bankruptcy filing of United Airlines, the largest carrier at Washington Dulles. Although we remain confident in the long-term strength of the region's economy and its air travel market, we also recognize the

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immediate implications of operating in this environment. In response, we have scaled back our capital construction program at Washington Dulles by \$1.5 billion, tightened budgets and held the line on costs for airlines to operate at our airports while, at the same time, sharply increasing our spending for security measures.

Even in this time of change and challenge, one element has remained constant: an active role in the community for the Airports Authority and its people. Although busy with their daily duties, especially during the past year, individual employees still found time to raise

MESSAGE
from the
PRESIDENT and
EXECUTIVE
VICE PRESIDENT
2002



James A. Wilding



James E. Bennett



funds for charity, mentor local schoolchildren and support numerous other activities that make the Washington region a better place to live. We deeply appreciate their commitment, leadership and spirit of community service. Some of these activities are highlighted in this report.

Above all, we should remember that the Washington region still has one of the finest airport systems in the nation. It is a system created by the hard work and vision of many talented people, and a vital asset as we work together to continue the process of recovery.

A handwritten signature in black ink, appearing to read "James A. Wilding".

James A. Wilding
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "James E. Bennett".

James E. Bennett
Executive Vice President and Chief Operating Officer