

Massachusetts Port Authority Board Meeting

January 18, 2024



Public Comment

Chair's Comments

Public Session

CEO Report
Interim CEO Ed Freni

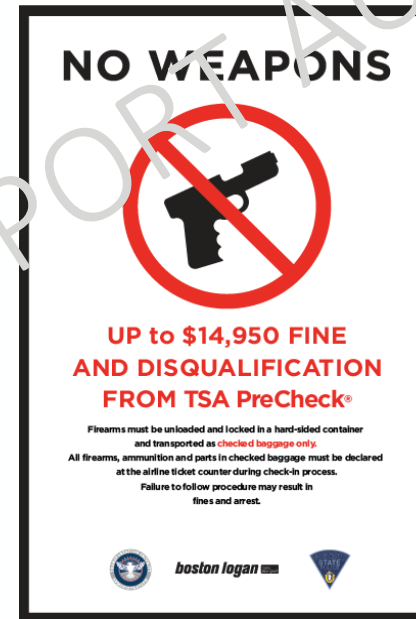
Massport Goals – FY 2024

1. Ensure safe and secure facilities
2. Generate economic impact for the Commonwealth
3. Enhance the customer experience
4. Improve financial and operational performance
5. Embed DE&I into our organizational DNA
6. Advance our environmental leadership
7. Bring about digital transformation
8. Maintain strong relationships with business partners, customers, stakeholders, elected officials, surrounding communities and employees

Logan Airport community-wide efforts resulted in a 42% decrease in firearm detections at TSA checkpoints in 2023

Greater emphasis on messaging, education, and more prominent signage likely contributed to the decline

- 18 firearms detected in 2023, down from 31 in 2022
- Massport Increased **No Weapons** signage at:
 - TSA checkpoints and queues
 - Garages/elevators and walkways
 - Entrances and common areas
 - Airport curbs
- TSA took measures to educate the air travelers on the approved methods for transporting firearms
- TSA imposes penalties and fines:
 - Raised the maximum civil penalty for to \$14,950 in December 2022
 - Revoke TSA PreCheck® eligibility for five years
 - Subject violators to future enhanced TSA screening
 - Arrest or summons passengers depending on local laws
- Massport enhanced public outreach and education via social media and collaborated with airlines to proactively reinforce the message with passengers



Massport launched an 8-week holiday drone campaign on December 26 to educate new owners about drone use safety

Print:



FLY SAFE THESE HOLIDAYS

Keep the holidays merry and bright. Obey the rules for a safe drone flight:

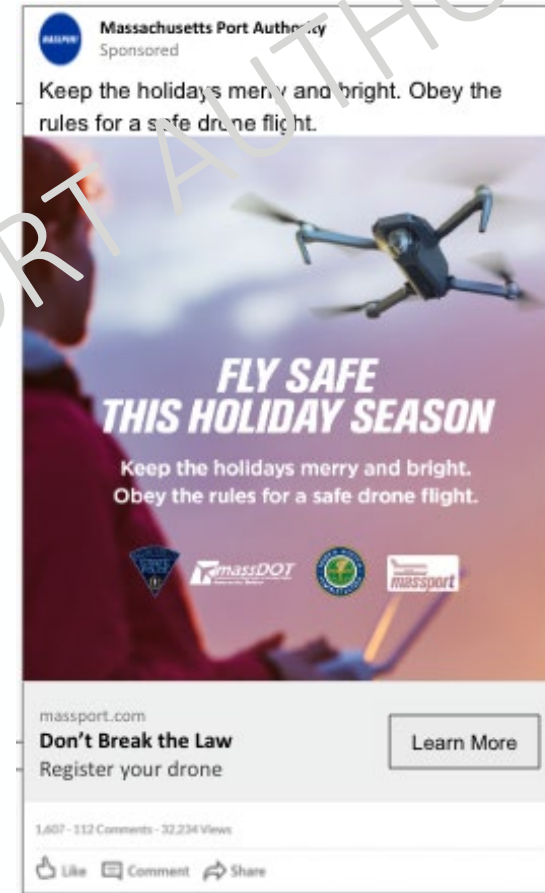
- Register your drone
- Never fly near any aircraft, airports and other controlled airspace without prior FAA approval
- Keep your drone in sight at all times
- Always fly below 400 feet
- Learn the rules for Remote ID and flying over crowds

Breaking the law will lead to penalties. Visit [FAA.gov/uas](https://www.faa.gov/uas) for more information.

Logos: State of Massachusetts, massDOT, FAA, massport



Social Media:



Massachusetts Port Authority Sponsored

Keep the holidays merry and bright. Obey the rules for a safe drone flight.

FLY SAFE THIS HOLIDAY SEASON

Keep the holidays merry and bright. Obey the rules for a safe drone flight.

Logos: State of Massachusetts, massDOT, FAA, massport

massport.com
Don't Break the Law
Register your drone

Learn More

1,607 · 112 Comments · 32,234 Views

Like Comment Share

facebook
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Logan Airport has nonstop service to 58 international destinations, providing the Commonwealth with global connectivity and supporting the tourism industry

2024 Nonstop International Destinations



Terminal E highlighted in WSJ as one of the Top 5 architectural projects of 2023

THE WALL STREET JOURNAL.

The Best Architecture of 2023: Solving Problems in Imaginative Style

Building projects always come with untold hurdles, but the year's most impressive feats of design—including additions to New York's American Museum of Natural History and the Buffalo AKG Art Museum—cleared them in creative ways.

By Michael J. Lewis

Dec. 9, 2023 7:00 am ET



Terminal E at Boston's Logan International Airport PHOTO: EMA PETER

"Terminal E, the newly enlarged and renovated international terminal at Logan Airport near Boston... there is no question that it stands out among exceptional buildings of 2023."

- Michael J. Lewis, Faison-Pierson-Stoddard Professor of Art History at Williams College and the architecture critic for The Wall Street Journal

Financial Performance: November 2023

Activity Highlights

- Logan served 3.3M passengers
- Conley Terminal processed 12,900 containers
- Real Estate revenues exceeded plan by \$0.8M
- Expenses were \$1.4M above budget

Financial Results

Revenues	\$105M
Expenses	<u>(\$84M)</u>
Contribution	\$22M

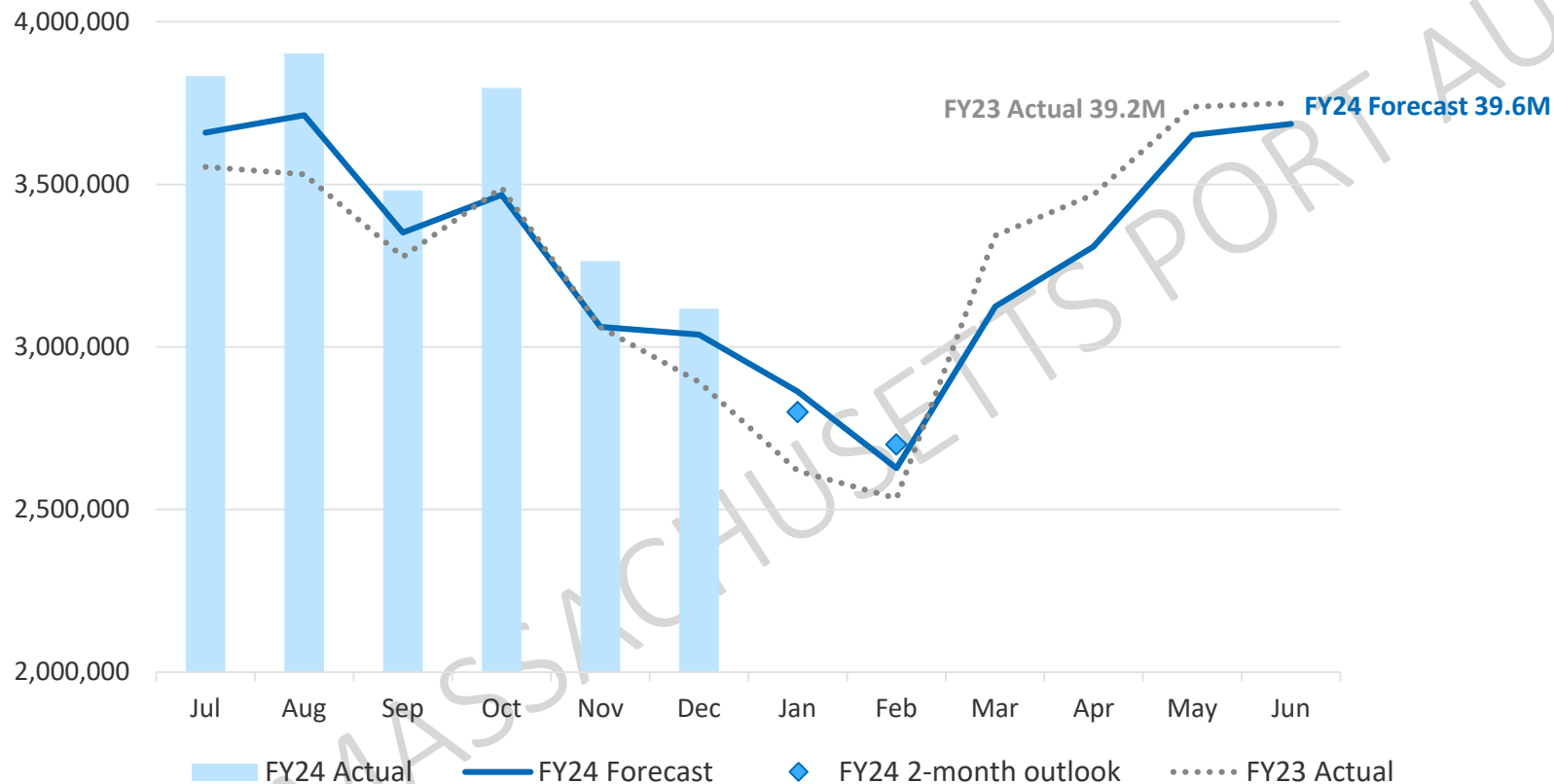
November net contribution will be used to fund the FY23-27 Capital Program including Net Zero initiatives and HOV enhancements

Note: Totals may not add due to rounding



Logan passenger activity is exceeding forecast as the economy remains strong

Logan Passengers
Actual vs. Forecast and Prior Year



Passenger Activity vs Forecast

- December: +2.6%
- FYTD: +5.4%

Outlook

- Strong leisure demand
- Business travel back but below pre-pandemic levels
- Asia travel demand still recovering
- Airlines face supply challenges: pilot shortages, delayed aircraft deliveries, P&W GTF engine recall
- FAA faces air traffic controller shortages
- Expectations for an economic recession in 2024 are fading

Massport exceeded its DE&I goal for Charitable Contributions for the first half of FY24

Contributions

- **FY24 DE&I Goal:** Award **50%** of Massport's Charitable Contributions Program budget to organizations that serve predominately people of color
- **FYTD24 Actual:** **78%** of funds awarded to organizations or programs that serve predominately people of color
- 22 organizations received grants totaling \$105,200
 - 15 organizations serving predominately people of color received grants totaling \$81,700
 - 11 organizations are run by or have a person of color on the executive leadership team

Funded Organizations in Q2 Meeting DE&I Goal:



Worcester Public Schools
Innovation Pathways Program

Other Funded Organizations in Q2:



In 2023, Massport achieved significant Logan Airport ground transportation/HOV milestones

- Logan Express ridership reached a record **2.3 million**, surpassing the previous high of 2.2 million in 2019
- Massport expanded transit/HOV options for passengers and employees:
 - Increased direct shuttle frequencies from the MBTA Blue Line to Logan terminals by **67%**
 - Procured **10 next-generation hybrid buses** for the Silver Line 1 service (SL 1) and grew the fleet by **25%** in partnership with the MBTA
 - Added a **Quincy Employee Logan Express** service to improve commuting options for employees and increase capacity at Braintree Logan Express for air passengers
 - Started the **Wonderland Employee Parking service**, offering a new convenient commuting option from the North Shore, while leveraging the MBTA Blue Line for HOV access



C&J Bus Lines will restart their Dover, NH-Logan Airport service on February 4

- 26 daily roundtrips between Dover and Logan Airport
- Dover terminal will be open 24/7
- Service was suspended during COVID and restart was delayed due to lack of bus drivers
- C&J also serves Logan Airport from Portsmouth, NH and Seabrook, NH



In December, Massport officially opened Piers Park II, bringing more green space to the East Boston community



Massport is procuring zero emission buses for airside operations



- The e.COBUS 3000 model is fully electric
- Two buses to be delivered in fall 2024
- Stationary fast chargers will be able to fully charge the buses in one to two hours
- Buses have a range of 300 miles per charge

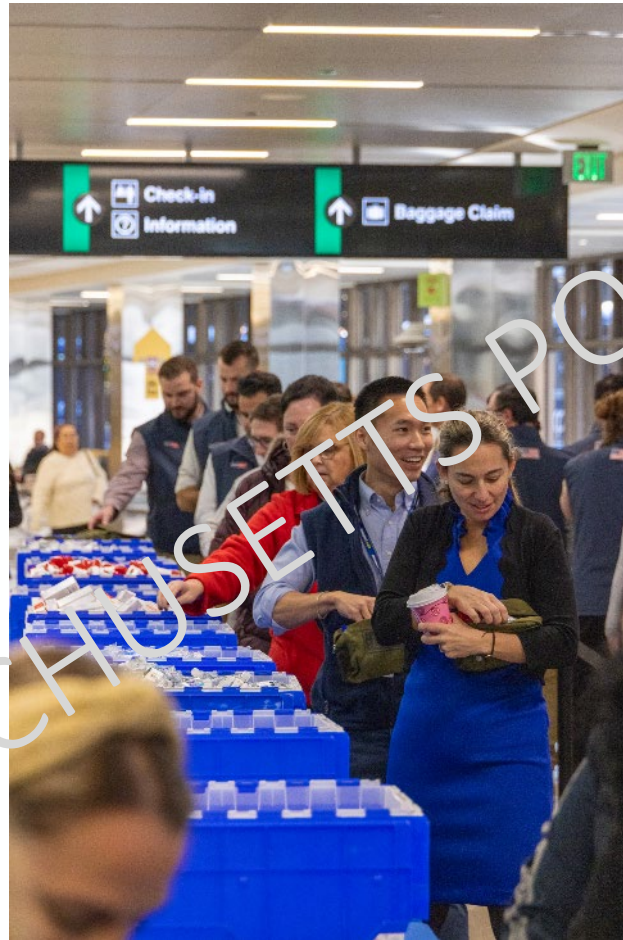


JetBlue is commissioning a new fleet of electric baggage tractors at Logan Airport

- Received 60 new electric baggage tractors in December
- Began rollout of new equipment January 1, 2024



Massport participated in a USO New England and Suffolk Construction volunteer event to support overseas military members



- 50+ volunteers from Suffolk, the USO and Massport assembled care packages for active duty military
- Care packages contain personal care items specially designed for military men and women in the field
- 1,000 care packages from the volunteer event were shipped to military members in time for the holidays

Employees generously donated coats for the annual children's winter coat drive



- 120 children in local communities received a new coat to keep them warm this winter
- Massport partnered with local community organizations:
 - Tierney Learning Center, South Boston
 - Michael J. Perkins School, South Boston
 - Crossroads Family Center, East Boston
 - Salesian Boys & Girls Club, East Boston

Massport participated in the second annual *JA Inspire* Career Fair for Greater Boston students

- Hosted by Junior Achievement of Greater Boston
- 1,200+ 8th grade students from Boston, Chelsea, Lawrence, Lowell, Lynn and Quincy attended
- Featured 46 exhibits from regional employers, including Massport
- Massport's exhibit showcased careers in STEM fields including Aviation, Maritime, and Capital Programs and Environmental Affairs



Report of the Director of Aviation
Ed Freni

Judge ruled in favor of US DOJ to block JetBlue's acquisition of Spirit Airlines

THE WALL STREET JOURNAL

Federal Judge Blocks JetBlue's \$3.8 Billion Acquisition of Spirit Airlines

Ruling says airline consolidation would hurt cost-conscious travelers

By Alison Sider [Follow](#) and Dave Michaels [Follow](#)

Updated Jan. 16, 2024 4:32 pm ET



Gift unlocked article



Listen (7 min)

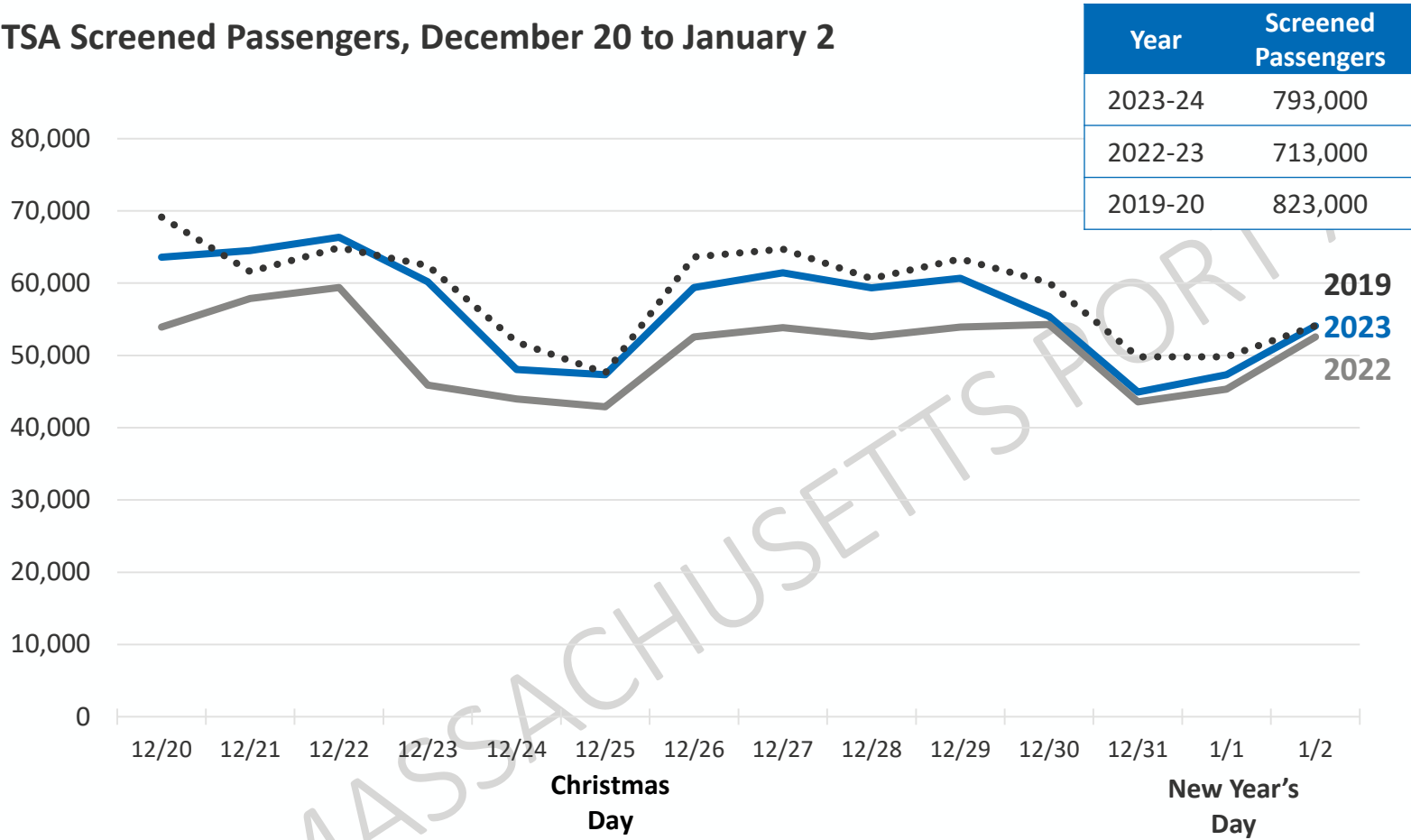


JetBlue is the country's sixth-largest carrier, and Spirit ranks seventh. PHOTO: WILFREDO LEE/ASSOCIATED PRESS

- Judge ruled that the merger would substantially lessen competition by removing ultra low cost carrier Spirit Airlines from the market
- JetBlue and Spirit argued that the merger would allow them to increase competition, keep fares low and compete more effectively with the top four, larger airlines (America, Delta, Southwest and United)
- JetBlue and Spirit are reviewing the decision and evaluating next steps

Logan Airport served 793,000 outbound passengers over the Christmas/New Year holiday travel period

TSA Screened Passengers, December 20 to January 2



- 11% increase in screened passengers vs. 2022
 - 4% below 2019
- 8% increase in flight operations vs. 2022
 - 11% below 2019



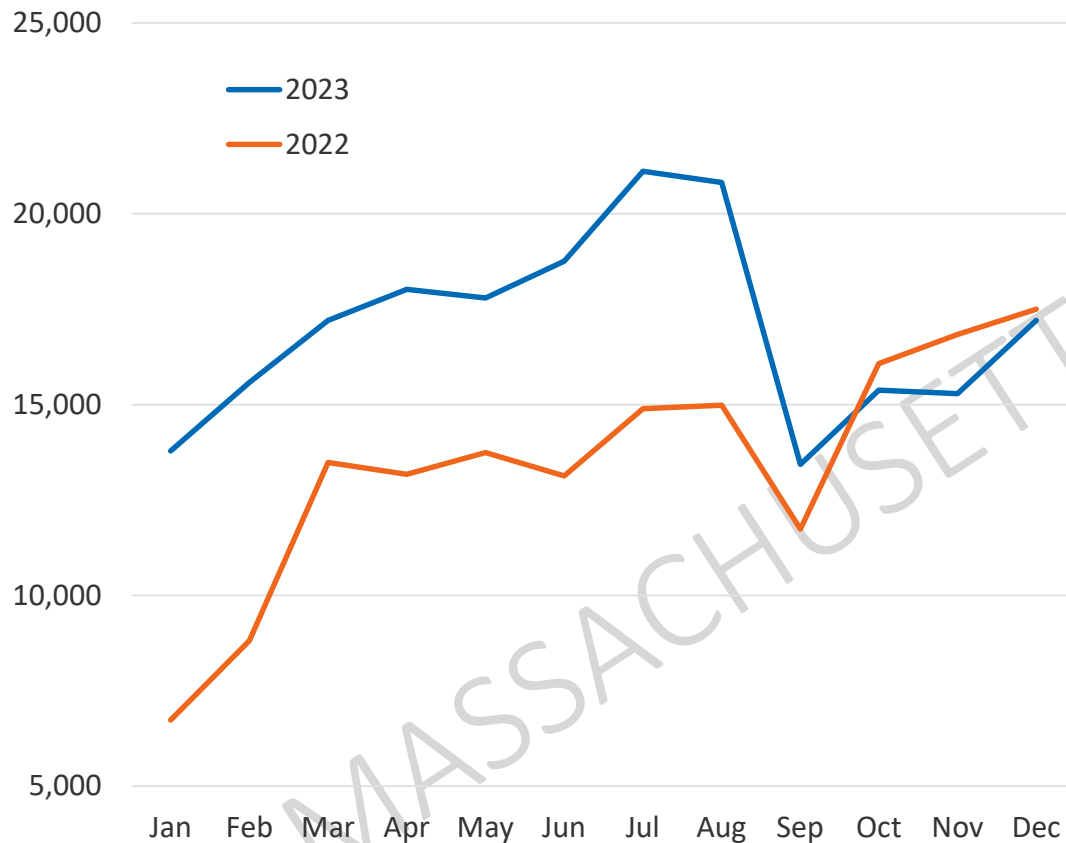
Logan Airport ended CY 2023 with 40.8M passengers

Logan Activity Summary November, December and CY 2023

		2023	Prior Year	Pre Pandemic 2019	% Change Over 2022
November:	Passengers	3.3M	3.1M	3.3M	6.7%
	Aircraft Operations	31.6K	32.2K	34.3K	-1.8%
December:	Passengers	3.1M	2.9M	3.4M	7.8%
	Aircraft Operations	30.4K	30.1K	33.9K	1.0%
CY 2023:	Passengers	40.8M	36.1M	42.5M	13.1%
	Aircraft Operations	395.1K	378.6K	427.2K	4.4%

Worcester surpassed 200,000 passengers in 2023, the highest volume under Massport ownership

**Worcester Regional Airport Passengers
2023 vs 2022**



- 204,000 passengers in CY 2023
 - Up 27% vs 2022 (161,000 passengers)
 - Up 5% vs 2019 (196,00 passengers)
- New services and upgrades to larger aircraft contributed to Worcester's passenger growth
 - JetBlue resumed nonstop Orlando service using 162-seat A320s
 - JetBlue switched Ft. Lauderdale service from a 100-seat E190 to a 162-seat A320

JetBlue launched a new seasonal service from Worcester to Fort Myers, FL on January 4



Massport has a robust Worcester Airport marketing campaign targeting February school vacation and college spring break travel

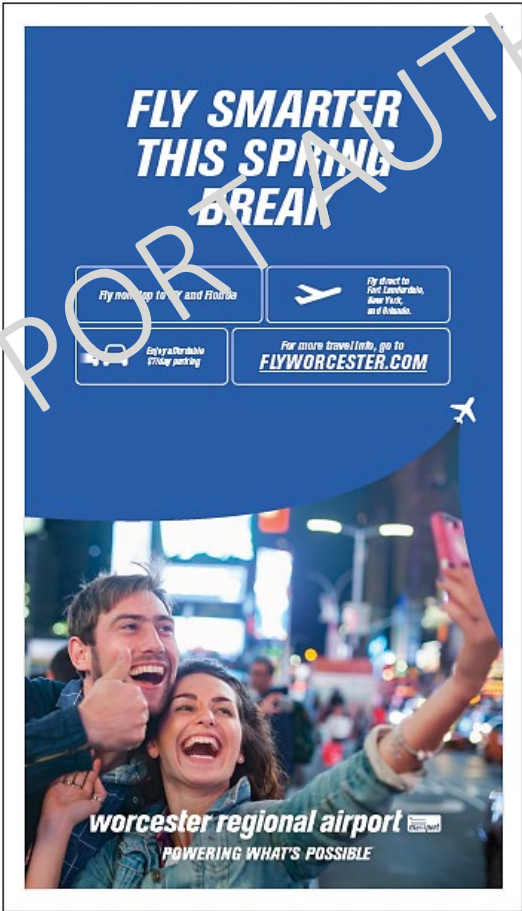
Winter Break



Print



Spring Break



Print

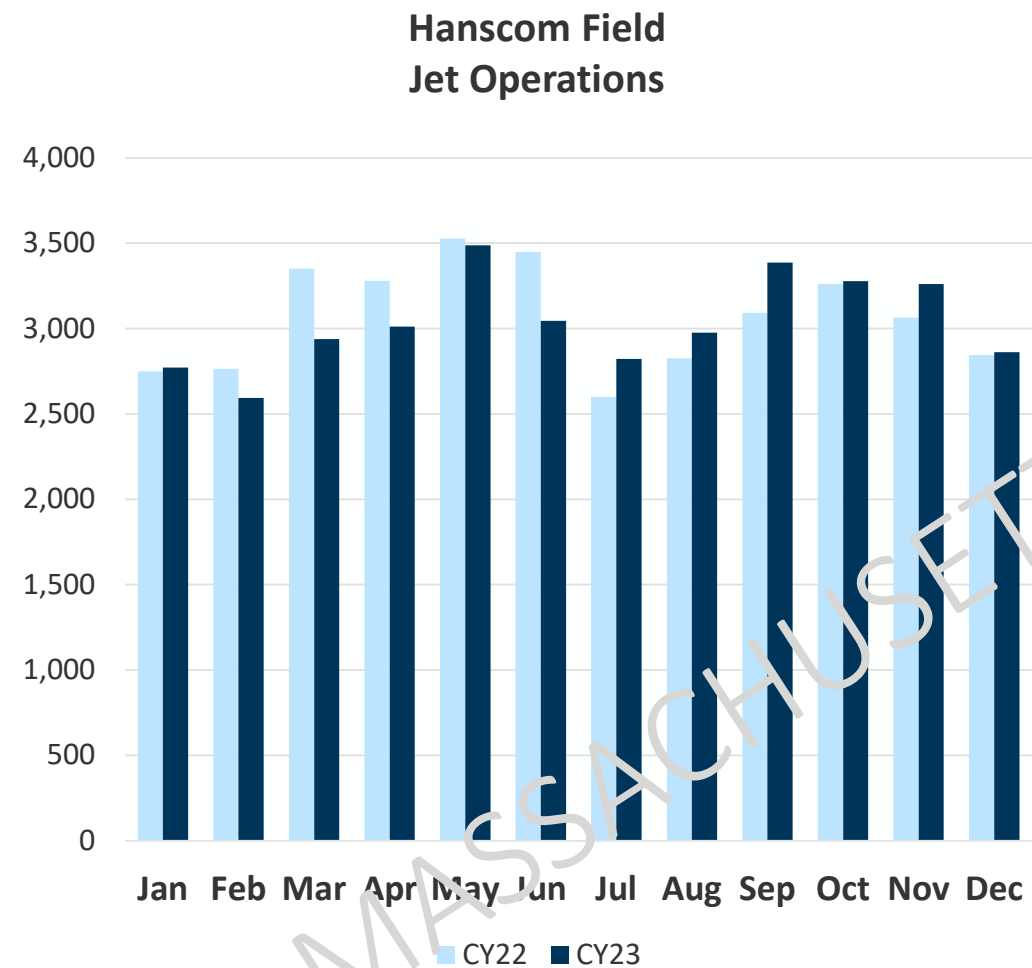


Social Media



Social Media

Total operations at Hanscom Field increased by 0.5% in CY 2023



December Activity:

	Jets	Total
Operations	2,900	8,700
Chg vs 2022	0.6%	4%
Chg vs 2019	21%	4%

CY 2023 Activity:

	Jets	Total
Operations	36,400	122,800
Chg vs 2022	(1%)	0.5%
Chg vs 2019	15%	(5%)



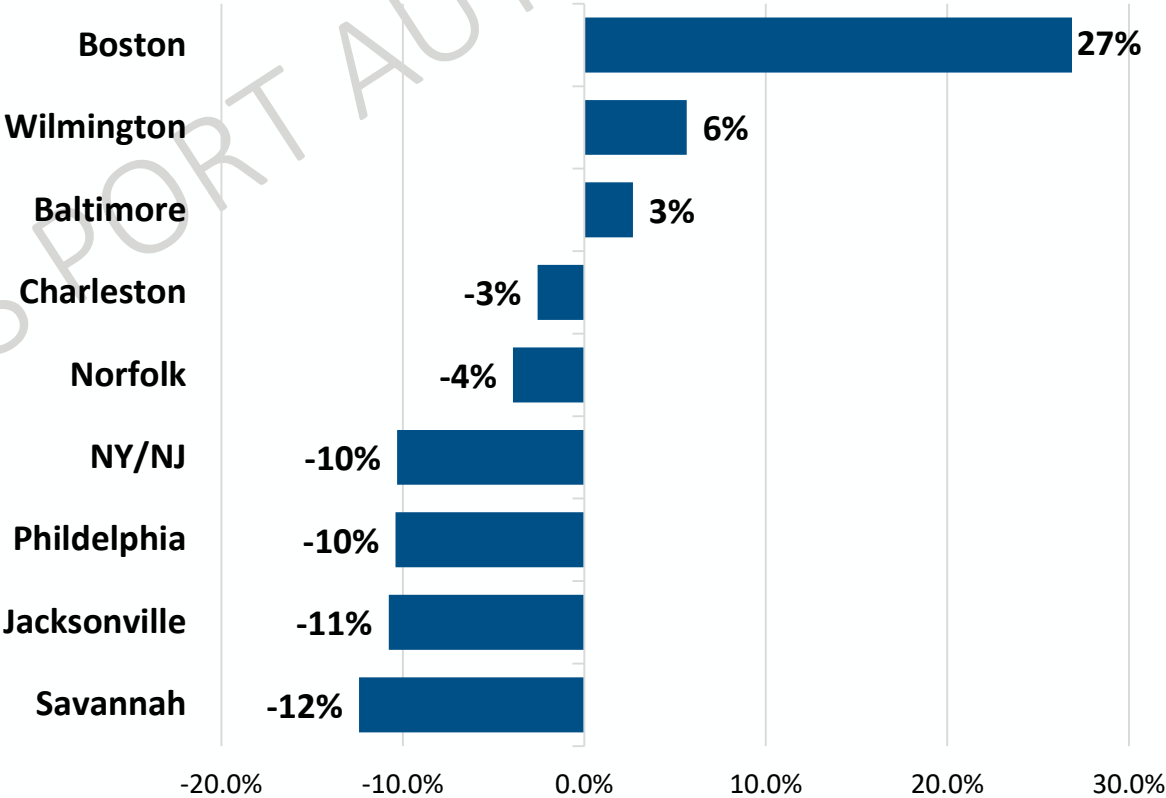
Report of the Director of Maritime
Joe Morris

Conley Terminal has been outperforming U.S. East Coast ports as strategic initiatives are resulting in activity growth

Conley Terminal Strategic Initiatives 2024 and Beyond	
✓	1. Deliver on the value proposition consistently
✓	2. Provide diversified carrier offerings and global connectivity
✓	3. Expand incentive programs for importers and exporters
✓	4. Recapture New England market share
	5. Restructure ocean carrier contracts (FY2025)

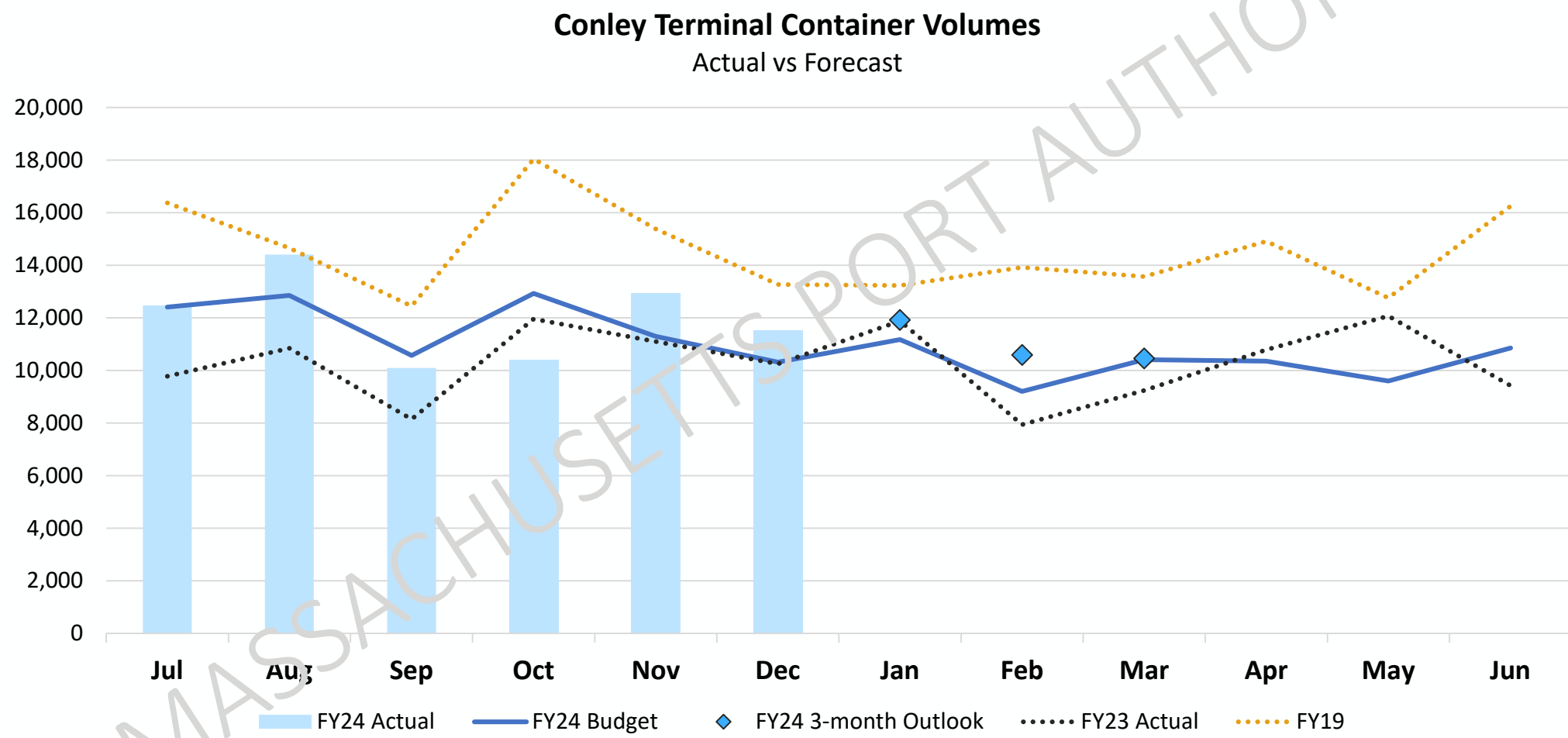


U.S. East Coast Port Activity Growth (Import + Export TEUs)
2023 vs. 2022 July-November



Source: Datamyne, July 1, 2023 – November 30, 2023

Conley Terminal handled 133,200 containers in CY 2023, a 37% increase over CY 2022



Ocean carriers are shifting cargo away from the Suez Canal as attacks on commercial ships are impacting global trade

Journal of Commerce

Asia-US container spot rates surge on Red Sea vessel diversions

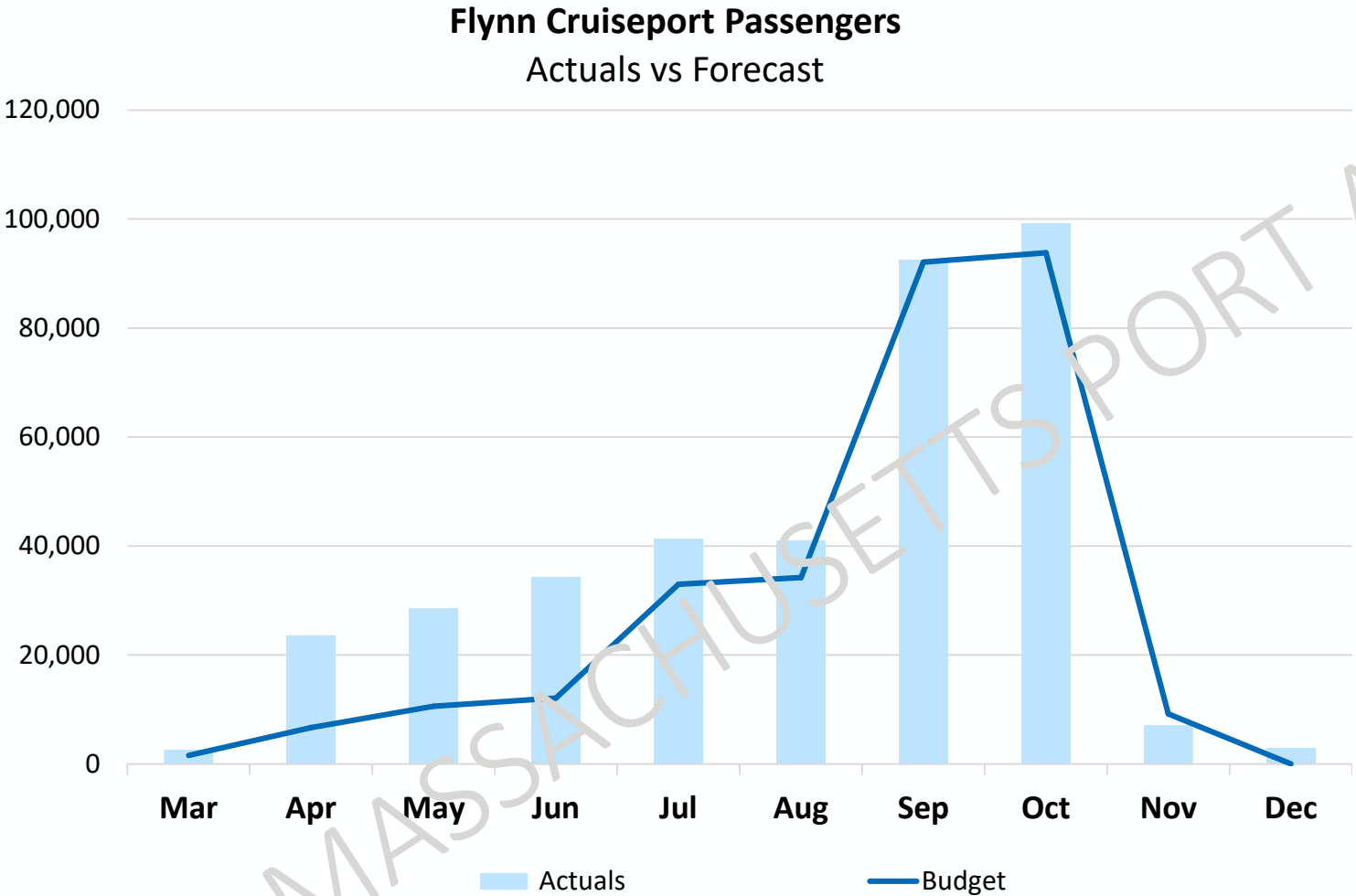


The ongoing attacks against commercial shipping have affected 330 container ships, according to Kuehne+Nagel. Photo Credit: by alet / Shutterstock.com.

- Hundreds of vessels have been diverted to avoid the Suez Canal, causing delays to global schedules
- Boston welcomes two weekly Southeast Asian/Indian services that transit through the Suez Canal
 - ZIM's "ZXB" Service
 - COSCO & OOCL's "AWES" Service
- The Suez Canal is utilized by about 33% of global container cargo and 30% for freight bound for U.S. East Coast ports

Michael Angell, Associate Editor, and Bill Mongelluzzo, Senior Editor | Jan 2, 2024, 4:31 PM EST

Flynn Cruiseport Boston welcomed one additional cruise vessel in December, the MSC Meraviglia, bringing the 2023 passenger total to over 373,000



2023 Cruise Season

Months	Home Ports	Ports-of-Call	Total
March-May	11	5	16
June-August	22	12	34
Sept- Dec	25	74	99
Total	58	91	149



Strategic Plan

HOV Update

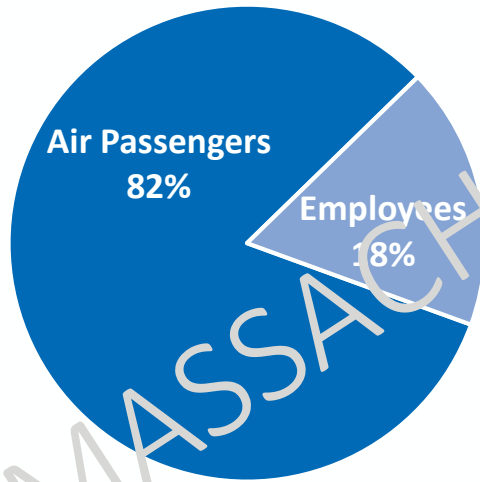
Joel Barrera

January 18, 2024

Framingham Logan Express (LEX) is an important HOV option for air passengers and employees

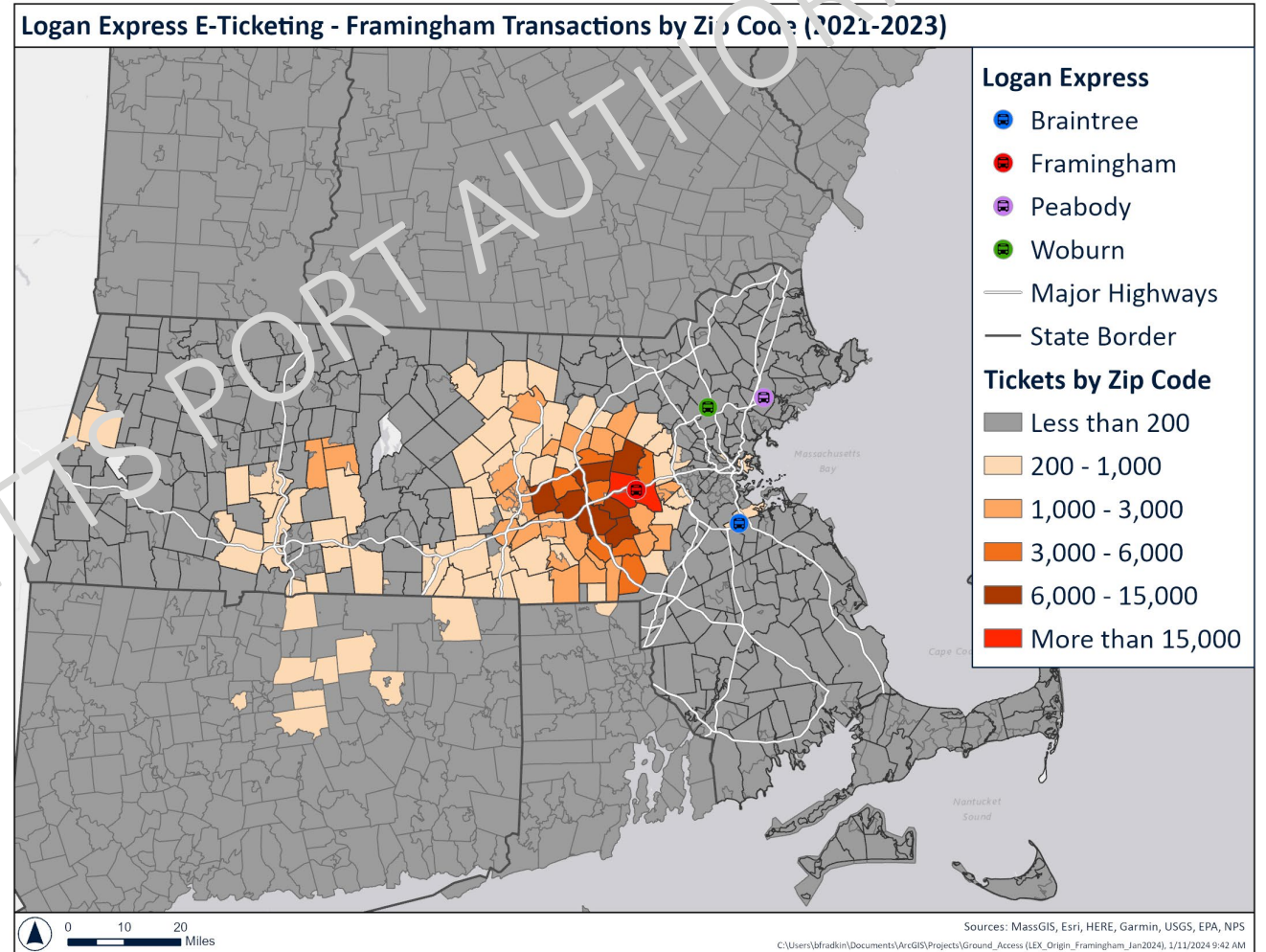
- Framingham Logan Express (LEX) served more than 600,000 riders in 2023
- Framingham is the second busiest LEX service and accounted for 27% of 2023 ridership
- Employees account for 18% of total Framingham riders

Framingham LEX Riders - 2023



Framingham LEX primarily draws air passengers from the Metro West area

- The City of Framingham accounts for 14% of riders based on online transactions data
- Other top locations:
 - Natick
 - Worcester
 - Marlborough
 - Ashland



Source: Online payment transaction data from April 2021 through August 2023 (244K with local zip codes out of 763K transactions)

The Framingham LEX location is in need of additional parking capacity

Framingham LEX Garage and Main Overflow Lot
May 22, 2023



- To accommodate passenger demand, Massport utilizes multiple overflow parking lots in addition to the garage
- The Framingham Logan Express Garage Optimization project will add approximately 1,000 spaces to the existing garage
- The additional capacity will improve customer service and allow Massport to increase service frequencies to every 20 minutes at a future date

Current Framingham LEX Parking Capacity	
Main Facility	1,037
Overflow/Satellites	680
Total	1,717

Safety and Security

Training Update

Hank Shaw

January 18, 2024

Preview of key Safety & Security initiatives for 2024

Focus on enhancing preparedness to efficiently address complex incident response and management

- Quickly modify and operationalize security plans
- Contingency planning and risk mitigation for potential incidents and attacks (i.e., active shooter, hostile event, civil unrest, and response, etc.)
- Constant emphasis on improving incident management, integrated emergency response, interagency coordination, and the interoperability of public safety communications

Upcoming Large Scale Preparedness Exercises:

hanscomfield

Active Shooter Full Scale Exercise
May 2024



bostonlogan

Active Shooter Tactical
Emergency Casualty Care
(ASTECC) Full Scale Exercise
October 2024



flynnncruiseportboston

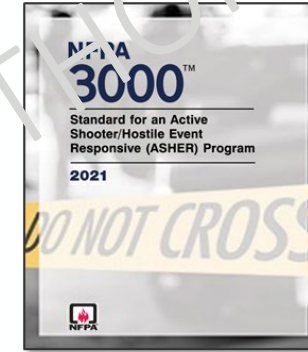
Active Shooter Tabletop Exercise
Fall 2024



Active Shooter and Hostile Event preparedness across Massport

New national standards have been implemented to enhance Active Shooter Hostile Event (ASHER) preparedness, training, and response

- Based on lessons learned from previous mass shootings in the U.S.
- Designed to improve survivability of victims
 - Closes the gap between the law enforcement response and providing life saving first aid
- The Commonwealth has also adopted as a statewide standard for all first responders:
 - Advanced Law Enforcement Rapid Response Training (ALERRT)
 - National Fire Protection Association (NFPA) 3000



Massport Updated ASHER response plans and training across the Authority in 2023

- Revised emergency action and building evacuation plans
- “Stop the Bleed” training for front line employees
- Continuation of Tactical Emergency Casualty Care (TECC) training for first responders
- Massport Police and Fire Rescue updated their standard operating guidelines for active shooter incidents and have attended “Train the Trainer” for new standard



Massport hosted multi-agency tabletop exercise for Flynn Cruiseport Boston

Objectives

- Refine and enhance Flynn Cruiseport's emergency response planning
- Test the integrated response to a hostile event including cross-agency coordination and communications
- Leverage national and state standards for ASHER program development

Highlights

- 60+ participants representing numerous local, state, and federal agencies including private sector partners
- Reviewed emergency response protocols to an active shooter/hostile event; discussing lessons learned and best practices from other incidents
- Discussed Maritime Transportation Security Act requirements and implementation of Massport's Facility Security Plan

Path Forward

- **2024:** U.S. Department of Homeland Security Cybersecurity and Infrastructure Security Agency sponsored Tabletop Exercise; series of ASHER training initiatives
- **2025:** Multi-agency full scale exercise

Critical Concepts

- Integrated Tactical Response
- Incident & Unified Command
- Emergency Staging & Coordination
- Public Safety Communications



Massport hosted a security awareness training for Logan Airport hotels and cargo operators

Reviewed key fundamentals of reporting and responding to security incidents:

- See Something, Say Something
- Run, Hide, Fight
- Insider Threats

Provided overview of the Logan Airport Active Shooter Hostile Event Response (ASHER) plan:

- Unified Command, evacuations, traffic management, and emergency communications
- Use and location of trauma kits and initial triage
- Importance of exercising internal hostile event response procedures
- Tactical Emergency Casualty Care protocols to improve survivability

Training initiatives planned for hotels and cargo operators in 2024:

- Fire Rescue will provide first aid, CPR and AED training
- HSI will provide Human Trafficking Awareness training
- Participate as role-players and observers at the ASTECC Full Scale Exercise



Real Estate and Strategic Initiatives

Parcel H Term Sheet Amendment

Andrew Hargens

January 18, 2024

Massport seeks to amend the Term Sheet for the Seaport Circle project

- In 2020, due to the financial impacts of COVID, Massport asked teams bidding on Parcel H to submit two alternative financial proposals:
 1. Standard rent schedule
 2. Prepayment of ground rent
- During Term Sheet negotiations with Lincoln Property Company in 2021, Massport opted-in to a ground rent prepayment of \$25 million, to be paid at lease execution
- Massport is now choosing to opt-out of this rent pre-payment, which requires an amendment of the Term Sheet
- Annual rent payments will result in a better long-term financial outcome for Massport compared to prepayment

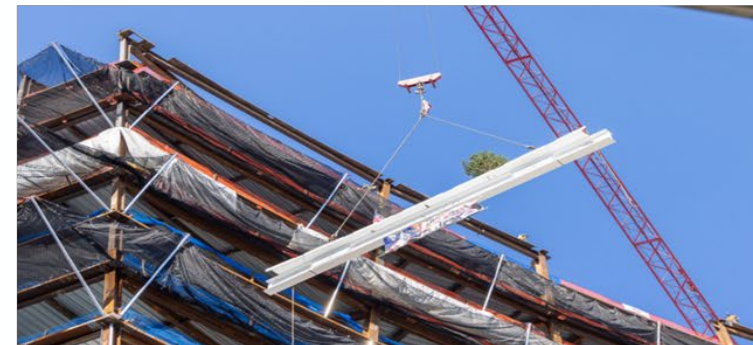


10 World Trade Center Update

Andrew Hargens

January 18, 2024

10 World Trade to be completed in December 2024



Human Resources, Diversity and Compensation Committee

CEO Search Update

Chair Jacobs

Facilities and Construction

Framingham Logan Express Optimization (L1629)

Partial Project Budget

Luciana Burdi

January 18, 2024

Framingham Logan Express Garage Optimization adds additional parking capacity to accommodate more Logan Express/HOV passengers

Project Scope:

- A three-level addition to existing garage that will add approximately 1,000 spaces for a total of 2,037 spaces
- Sustainability elements including photovoltaic panels (PV) and electric vehicle charging stations (EV)
- Terminal building layout improvements for better passenger flow and queuing
- Electronic signage for the Parking Access Revenue Control System (PARCS)



The Logan Express service is a key component of Massport's strategy to increase HOV options for Logan Airport passengers and employees

Key Conditions of Satisfaction (COS):

- Keep garage operational and maintain as many spaces as possible during construction
- Incorporate new terminal building programming to improve passenger flow
- Follow Massport's Project Success Plan by implementing a LEAN BIM project delivery system
- Provide additional parking capacity for passengers and employees using Framingham LEX

Milestones:

- Select Construction Manager – Spring 2024
- Pre-Construction Services – Spring/Summer 2024
- Commence Construction – Summer 2024
- Substantial Completion – Winter 2025



Elevator Lobby rendering of the Framingham LEX Terminal Building

Board Recommendation: Approve a Partial Project Budget in the not-to-exceed amount of \$15 million

Audit and Finance

Waste Hauling and Recycling Services Contract Extension

John Prankevicius

January 18, 2024

Authority-wide Waste Hauling and Recycling Services – Allied Waste Service, dba Republic Services

Background:

- In January 2019, Massport awarded a three-year contract (with two option years) to Allied Waste Service, dba Republic Services, for waste hauling and recycling services
- In September 2021, the contract was extended for three months (December 2021) for an additional \$500,000 under delegated authority
- In January of 2022, the Board approved exercising one of the option years and increasing the contract by \$1.55 million and in January 2023 the Board exercised the second option year for \$1.715 million
- In September of 2022, the contract was amended to February 29, 2024 and \$840,000 was added under delegated authority

New Mass DEP requirement for the disposal of organic commercial waste

- A recent Mass DEP requirement (November 2022) bans commercial entities from disposing more than one-half ton of commercial organic waste per week from the solid waste stream

Authority-wide Waste Hauling and Recycling Services – New Scope of Services

- Staff is developing a new authority-wide Waste Hauling and Recycling Scope of Services bid to comply with the amended Mass DEP Commercial Food Materials Disposal Ban and to increase the recycling rate from 10% to 30%
- Staff continues to work with business partners (i.e., on-airport concession vendors and airline catering service companies) to develop a program that complies with the Mass DEP requirements and implement other best management practices to achieve the 30% goal for the new contract
- In addition to improving the overall program, due to recent and ongoing capital improvements, such as Logan terminal improvements, staff will need to integrate a new recycling and waste hauling program within an evolving airside footprint
- Based on Massport's 30% goal, staff needs additional time to engage and educate business partners, prepare a new scope of services, review proposals, and evaluate the proposed programs to achieve our recycling and waste removal goals



RECYCLING



TRASH



ORGANIC WASTE
RECYCLING

Massport Facilities Fuels Contract Amendment

John Prankevicius

January 18, 2024

Massport Facilities Fuels Contract Amendment

Background:

- **November 2020:** Following an RFP process, the Board authorized an agreement with Broco Oil, a Veteran Business Enterprise, to provide fuel for snow melting operations, heavy equipment and heating oil at Massport facilities
- Contract term is 3 years with a 2-year option ending in November 2025 for a not-to-exceed amount of \$6.0 million

Future Procurements:

- Staff is exploring the opportunity to use renewable diesel for snow melters and other heavy equipment which will inform future fuels procurement contracts
- The on-going Logan Central Heating Plant study could eliminate the need for fossil fuels over the long term

Board Recommendation:

- Increase the not-to-exceed amount by \$2.0 million, for a total not-to-exceed amount of \$8.0 million for the full 5-year term

Assent Agenda