



THE CAA STRATEGIC PLAN



THE CAA STRATEGIC PLAN // INTRODUCTION

Charles R. Gray, Chair // Connecticut Airport Authority

THE CAA'S STRATEGIC COURSE

On behalf of the members of the Connecticut Airport Authority's Board of Directors, I present the CAA Strategic Plan 2016-2021. It has been five years since we appointed the CAA's first Chief Executive Officer, Kevin Dillon. During this period, we have met the promise of governance reform and continued to provide Connecticut, as well as the entire Northeast, with travel opportunities and safe access to the worldwide aviation system.

The CAA's airports generate significant economic value for the region: the economic impact study completed recently for the CAA estimates that the six airports together generate over 23,000 jobs and nearly \$3 billion of total output for the State of Connecticut, including over \$175 million in state and local taxes.

Our new strategic plan sets the CAA's direction for the next five years. It is the culmination of a long, collaborative

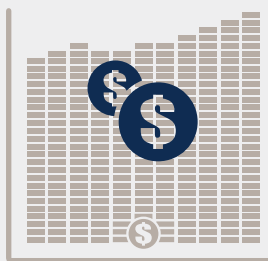
process of deliberation, discussion, and analyses of the most important industry trends, CAA's place within the industry, and how we — the CAA Board, executive team, staff, business partners, and stakeholders — can prosper in a dynamic environment.

This document includes a situation analysis, as well as the CAA's Mission, Vision, Goals, and Strategic Objectives. Together, they lay out our challenges and provide the components of a management playbook that will lead us to success.

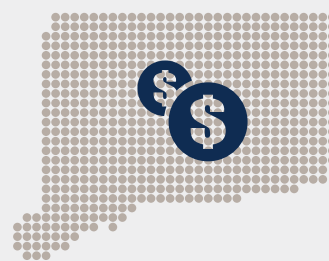
We welcome your feedback so that we may incorporate your ideas as we continuously renew the plan and make those inevitable future course adjustments. By doing so, you will be contributing to the efforts we make in meeting our ongoing responsibility to govern, manage, and operate Connecticut's system of airports.



23,000 JOBS



\$3 BILLION FOR CT



\$175 MILLION TAX REVENUE



OUR MANAGEMENT PLAYBOOK

Kevin A. Dillon, A.A.E., Executive Director // Connecticut Airport Authority

Thank you for reviewing the CAA Strategic Plan 2016-2021. We began this effort with the aim of completing a comprehensive review of what we do, how we do it, and what we need to change as we look to the future. I am delighted to say that we have been successful.

As our Chair notes, this was a collaborative and deliberative process led by our “CAA Design Team” composed of CAA Board members and staff.

The CAA’s Mission — “To provide outstanding airport service and grow the regional economy” — captures in a succinct way what we do every day. As you read the plan, it will become evident that service permeates everything we do — service to the airlines and pilots using our facilities to connect our region with the world, and service to the families beginning and ending their travels at our airport. As I walk through our airport every day and see the faces of travelers from across the U.S., and increasingly the world, it is easy to remember that excellent service must be our bottom line.

As a service provider, the CAA is unique among public agencies in that we charge our users directly for the services they utilize, and these revenues constitute the clear majority

of resources we require to invest in our infrastructure and operate our facilities. We are ever-mindful that the ongoing support of our users is dependent upon their confidence that the CAA is continuing to provide superior, cost-effective service.

While we do require some support to maintain and operate our five general aviation airports (Danielson, Groton-New London, Hartford-Brainard, Waterbury-Oxford, and Windham), our commercial service airport (Bradley International Airport) is supported entirely from on-airport commercial revenues and from revenues provided by the Federal Aviation Administration (FAA) from the taxes and fees assessed on passengers and shippers.

As a nonprofit, you are “shareholders” — our local citizens, users and visitors. It is for you that we have set our aggressive Vision — “To deliver the premier Northeast airport experience.” I am confident that we will reach the Vision by implementing this plan.

I look forward to reviewing your comments and seeing you at one of our airports soon.



ABOUT THE CONNECTICUT AIRPORT AUTHORITY

GOVERNANCE TIMELINE



CAA STATUTORY RESPONSIBILITIES

In addition to its responsibility to operate, develop, and improve Bradley International Airport and five of the state's general aviation airports, the CAA is statutorily provided with jurisdiction over aviation matters across the State of Connecticut.

Summary of Statutes:

- Development Objectives
 - Provide first-class customer service
 - Operate and develop Bradley and five of the state's general aviation airports
 - Maximize the potential of CAA airports to facilitate economic development
- Fiscal Functions
 - Establish rates and charges, collect revenues
 - Approve annual capital and operating budgets
- Statewide Role
 - Regulatory authority for statewide aviation matters
 - Manage and administer the State's aircraft registration program
 - License state airports and heliports
 - Investigate accidents
 - Administer federal aid to all state airports



ABOUT THE CONNECTICUT AIRPORT AUTHORITY

CUSTOMER SERVICE PLEDGE

As a requirement of receiving a security badge at Bradley, all airport employees are required to:

- Provide the highest quality of customer service; and
 - Make customers and stakeholders of Bradley Airport feel important and appreciated.
- Politeness;
 - Courteousness;
 - Civility;
 - Respect; and
 - Responsiveness.

All airport employees are required to recognize the following key customer service principles:

The following is the CAA's official culture statement, which is provided to all employees.



A CULTURE OF SERVICE

The Connecticut Airport Authority was created to enhance public assets, namely Bradley International Airport and the General Aviation Airports. Our Board of Directors has determined that providing the "Premier Northeast Airport Experience" is our driving goal. To achieve this, each CAA employee through all levels of the organization must be focused every day on reaching that goal. No matter how large or small you think your role is, you contribute to our success.

There is a famous anecdote from a visit President Kennedy made to NASA in 1962. While on a tour, President Kennedy noticed a janitor carrying a broom. The President walked over and said, "Hi, I'm Jack Kennedy. What do you do here?" The Janitor replied, "Well Mr. President, I'm helping to put a man on the moon." The Janitor's response is informative to us all here at CAA. We need to approach even the smallest task as one of importance that warrants our focus and best effort in providing service to those who use our airports and to our fellow employees. We owe it to each other and the traveling public.

By putting forth our best effort and focusing on the little things that are needed daily, we can build an organization that will allow the CAA to reach its stated goals and provide truly exceptional service to the public. This individual effort will extend to our fellow employees, tenants, and vendors that are part of the larger CAA team and increase the momentum of continuous improvement. Together as a team, the CAA will provide the "Premier Northeast Airport Experience."

It is vital that all CAA employees know that what they do on a daily basis matters, how important their job is to our overall success, and that by doing their job everyday makes a difference.



SITUATION ANALYSIS CAA'S PLACE IN THE AVIATION INDUSTRY

The strategic planning process began with a situation analysis examining today's fast-changing domestic and global aviation trends, as well as the effects these changes have on the CAA's market position and operations. Issues highlighted during this process included changing customer needs, the air service outlook, infrastructure development, CAA's governance model, the CAA brand, and the federal and state policy environment.

THE CAA CUSTOMER.

Our customers continue to change in ways that require we adapt to provide the best possible service. With our expansion of air service, we are getting new and diverse passengers from around our region, nation and globe. Many of these customers are technologically savvy, allowing us to take advantage of the many opportunities that "connected customers" offer. Our competitive advantage for these customers includes disseminating real-time travel information, facilitating seamless movements through our efficient airport, and providing new food and beverage, retail, and lounge products for them to enjoy.

The rise of transportation network companies (TNCs), such as Uber and Lyft, and the increasing propensity of customers to use mobile devices for a variety of on-demand and peer-to-peer services, remind us that the challenges posed by constant connectedness will only grow. It is a challenge that we are committed to meeting and turning into an advantage for those using our airports.

AIR SERVICE.

The outlook for air service is positive. Commercial service is a principal driver of economic growth in the greater Northeast region. Growing air service not only helps attract new business to our region, but it also creates a virtuous cycle of reducing our costs to airlines. This enables us to invest in our airside, terminal, and landside infrastructure at Bradley and our five general aviation airports.

The level of airline passenger service is highly correlated with the state of the regional and national economy. The economy has recovered since the Great Recession, and, with it, capacity and passenger levels have grown at Bradley. Today, the presence of the major network carriers (Delta, American and United), together with Southwest, JetBlue, Spirit, and OneJet provide a diversified service profile that offers connectivity to key North American hub airports and cost-competitive services that our passengers demand.

In the fall of 2016, Aer Lingus service to Dublin marked the return of transatlantic service to Bradley, offering passengers nonstop service to Ireland and one-stop service to a number of attractive destinations in Europe. Following on that announcement, in June 2017, Norwegian Air Express began service between Bradley and Edinburgh, Scotland. Over the next decade, as major international airports such as New York's John F. Kennedy International Airport and Boston's Logan International Airport become more capacity constrained, Bradley will be an increasingly attractive alternative for New Englanders and New Yorkers making international travel plans.

INFRASTRUCTURE.

CAA airports have a variety of airside, terminal, and landside infrastructure assets that together reflect years of prudent capital investment and ongoing maintenance by the CAA. Across our system of airports, the airfields remain in good condition. With the forecasted increase in passengers accessing the terminal, parking lots and roadways, the CAA has embarked on an aggressive capital development program to both meet that demand and provide the state-of-the-art facilities, amenities, and concession opportunities that today's passengers deserve.

However, addressing infrastructure needs requires substantial capital investment that the CAA must recover from its users. To ensure that Bradley protects its competitive low-cost model for commercial airlines and general aviation, the CAA



SITUATION ANALYSIS CONTINUED

continues to develop its properties at all of our airports. At the same time, the CAA relies on support for its five general aviation airports, which together have substantial capital and operating requirements.

CAA'S GOVERNANCE MODEL.

The governance model is a strength, and it is clear that the CAA's Board and independence have provided the dedicated commercial expertise and service-oriented culture that were promised when the idea was first discussed to transfer the airports from state management and operation to today's model. With a Board and executive team focused solely on the CAA's system of airports and the value it brings to the greater region, progress is evident in the achievement of important goals. These include increasing air service, promoting financial self-sufficiency, and ensuring convenient access to the variety of CAA users and customers.

This strategic planning effort has considered the benefits of the governance model and explored additional options for increasing the model's flexibility in a way that would serve the CAA's customers and achieve our goals. As always, we will work with our state's elected representatives, our stakeholders, and staff to pursue any necessary, additional flexibility.

THE CAA BRAND.

For the last several years, leaders in our region have recognized that the CAA, Bradley, and our greater region lack the national and international visibility and recognition that are required if we are to fully exploit our market position and increase air service. Similarly, we need to inform our own region, including residents of New England and New York, about the competitive air service available from Bradley, whether it be access to major airline hubs, attractive warm-weather destinations, or non-stop service to Europe. Our branding effort, "Love the Journey," and our air service development initiatives are raising our visibility and recognition. We will continue to rely on our stakeholders and local partners to build upon these efforts.

FEDERAL & STATE POLICY ENVIRONMENT.

Notwithstanding our goal of being self-sufficient, Washington and Hartford policymakers still have a considerable influence over the health of CAA's system of airports. Since the creation of the CAA in 2011, timely federal funding and stability for the Federal Aviation Administration (FAA) has been elusive. This has caused issues with the operation of air traffic control, as well as the capital funding of airports through the Airport Improvement Program (AIP). In addition, a principal source of airport revenue — the Passenger Facility Charge (PFC) — has not been adjusted in 17 years, placing additional pressure on the CAA to meet its federal and state requirements to be self-sustaining. Furthermore, a number of proposals floated at the state level have proposed reverting certain CAA processes back to those that were followed during the times of state agency management. These types of proposals, as well as others that could increase costs at CAA airports, must continue to be defeated in order to maximize the potential of CAA airports.

The CAA also relies on support for the operation of its five general aviation airports in a way that ensures continued access for the wide variety of users, whether they are for business, flight training, or recreation. The State's economy and annual budget process remain important to providing that support.

The Transportation Security Administration (TSA) is one of the most important governmental agencies to the CAA, providing security services to the airport and its customers. Like its industry counterparts, Bradley relies on effective and timely screening of its customers. Additionally, our leadership's support led to the opening of a Customs and Border Protection Global Entry Office on airport property, which will continue to facilitate and grow the number of passengers able to use the TSA's Pre-Check program providing expedited screening.



MISSION // THE REASON WE EXIST

This Mission statement provides a succinct statement capturing the enduring purpose of the CAA, incorporating the following key concepts:

SERVE THE AVIATION NEEDS OF CONNECTICUT AND THE SURROUNDING REGION.

The CAA is a system of six airports, meeting the needs of passengers, businesses and general aviation. To meet those needs, the CAA provides airside, terminal and landside infrastructure that allows safe and convenient access for citizens of Connecticut, passengers and users from the surrounding Northeast region, and for visitors coming to the area.

PROVIDE A CONVENIENT, USER-FRIENDLY AND ECONOMICAL TRANSPORTATION EXPERIENCE.

One of the principal attributes of Bradley International Airport is its convenience, reflected by the easy highway access to the airport, comparatively fast processing times, and smooth airside operations. Private pilots have similar convenient access to the National Airspace System through Bradley and our five general aviation airports. With neighboring gateway airports in Boston and New York facing congestion through all steps of their passenger experience, user-friendly service at Bradley is a major competitive advantage.



Our Mission:
To Provide
Outstanding Airport
Service And Grow
The Regional
Economy.



DELIVER EXCELLENT CUSTOMER SERVICE.

Our organizational culture places airport customers at the center of the CAA's priorities. Anticipating customer needs, measuring satisfaction, and continuously acting to address current and emerging customer service issues are key components of our management playbook.

BRING THE WORLD ECONOMY TO CONNECTICUT, FACILITATE ECONOMIC DEVELOPMENT.

Air service today is a competitive battle because airports, businesses, and communities appreciate the great benefits provided by access to the world's largest markets and most attractive destinations. Since the recovery from the 2008-2009 economic recession, air service to Bradley and the corresponding economic benefits have been increasing. However, we remain vigilant as today's dynamic competitive aviation industry continues to offer fast-developing opportunities and challenges.



VISION // WHAT WE WANT TO BE

CAA's Vision paints a clear picture of what we want to achieve over the next one-to-two decades:

THE PREFERRED AIRPORT SYSTEM IN NEW ENGLAND AND THE NORTHEAST.

The Northeast, including New England and New York, defines the area from which we draw our passengers and users. By delivering the premier experience, we will become the preferred choice of potential customers.

EXCEEDING EXPECTATIONS WITH SUPERIOR SERVICE, SPEED AND CONVENIENCE.

From "home to gate" and back again, we want our passengers and users to experience great service and tell others about it when they return home. To be the premier requires that our staff will "give more than expected, and give the unexpected" (from our Customer Service pledge that employees take when receiving their access badges). As we continue to exceed expectations, we will ensure our roadways, terminals, and airside infrastructure provide the best experience possible.

BEST VALUE FOR PASSENGERS IN TERMS OF OVERALL TRIP TIME AND COST.

Whether it is providing access to Florida, a network airline hub, or a private pilot's hangar, the CAA's airports compete every day with other airports in our region. Our leadership is mindful that we will be successful if our users believe we provide better total value than that of our competitors. That means creating an efficient and cost-effective passenger experience that makes our users want to come back and use us again.



Our Vision:
To Deliver
The Premier
Northeast Airport
Experience.

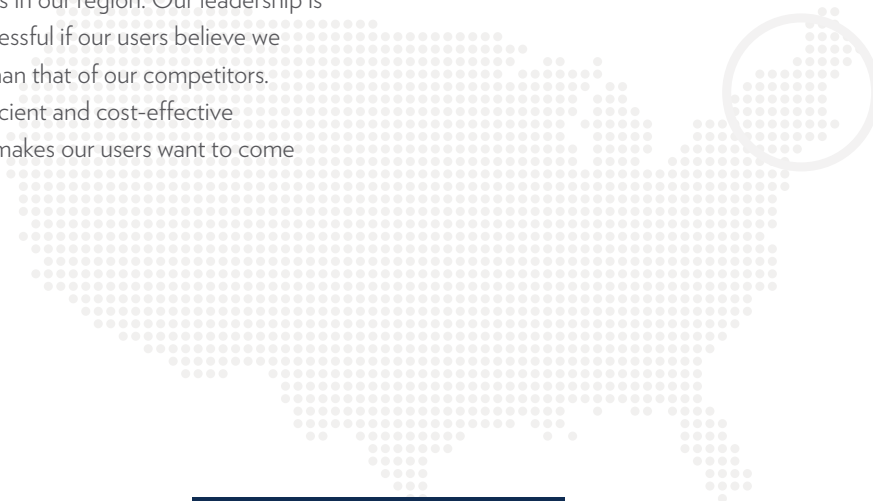


FASTEST-GROWING AIRPORT WITH MORE ROUTES, MORE PASSENGERS, INCREASING MARKET SHARE.

Bradley International Airport will be capable of processing millions of additional passengers and tens of thousands of additional operations. In contrast, our gateway competitor airports in Boston and New York face capacity constraints that will encourage passengers and users to search for alternatives. We want to be the alternative — we need to be well-positioned to grow, capture more of our market, and provide additional benefits to the greater region.

FINANCIALLY HEALTHY, SELF-SUFFICIENT.

To be a resilient organization, we must be able to sustain the organization over the long-term. In practice, this means that the fees and charges the CAA's users pay should be sufficient for investing in and operating our system of airports. To achieve this element of our vision, we will need the active cooperation of our users, tenants, state officials, and others.



CAA

CONNECTICUT
AIRPORT AUTHORITY



STRATEGIC GOALS AND OBJECTIVES // KEY DRIVERS AND MEASURABLE OUTCOMES THAT LEAD TO VISION REALIZATION

Many of the discussions over the year-long development of the Strategic Plan centered around identifying our Strategic Goals – the top priorities of the CAA over the next five-to-ten years. Each of these goals is accompanied by a series of objectives that identify measurable outcomes against which we can judge the success of the plan.

GOAL ONE

People: Attract & Develop the Best, Most Customer-Oriented Employees
Objective 1A: Foster a culture focused on customers and safety
Objective 1B: Make CAA an “Employer of Choice”



GOAL TWO

Customer Service: Streamline and Improve the Home-to-Plane Experience
Objective 2A: Invest in modern, aesthetically pleasing facilities
Objective 2B: Provide amenities and services to meet customer expectations
Objective 2C: Provide and facilitate seamless security, customs and immigration services at BDL



GOAL THREE

Air Service: Increase Non-Stop Routes and Passenger Traffic
Objective 3A: Increase non-stop destinations by 25% and increase seats on existing routes
Objective 3B: Ensure success and longevity of Aer Lingus service
Objective 3C: Maintain competitive air services with a mix of network, low-cost, and regional airlines



GOAL FOUR

Finance: Achieve a Financially Healthy System of Airports
Objective 4A: Achieve operating self-sufficiency for the General Aviation Airports
Objective 4B: Generate over 60% of Bradley Airport revenues from non-airline sources by 2021
Objective 4C: Achieve and maintain lowest cost per enplanement among regional competitors
Objective 4D: Encourage a favorable statutory and regulatory environment for better operating conditions



GOAL FIVE

Economic Impact: Increase the Value Generated by the CAA's Airports
Objective 5A: Enhance the CAA's economic contribution
Objective 5B: Implement sustainability initiatives at CAA Airports
Objective 5C: Increase recognition of value to customers, community, and other stakeholders





PERFORMANCE PLANNING STAYING ON TRACK TO SUCCESS

Given the dynamics of today's industry, as well as the policy environments of Washington and Hartford, adapting to change is vital to keep a strategic plan relevant to our Board, management, and the public. Accordingly, the organization's performance against the objectives will be tracked, and, twice per year, CAA Executives will report to the Board of Directors on how well we are doing on each of the goals and objectives. At those times, decisions will be made regarding any necessary changes to the action plans and any unexpected deviations from the originally established timelines.

Together, with a review of the changing role of CAA Airports within the regional, national and global transportation system, this feedback will help inform future business planning and shape annual budgets. It will also help us to continuously assess the degree to which our current approach is on track to "deliver the premier Northeast airport experience."

HFD | HARTFORD-
BRAINARD



IJD | WINDHAM
AIRPORT



GON | GROTON-
NEW LONDON



OXC | WATERBURY-
OXFORD



LZD | DANIELSON
AIRPORT



