

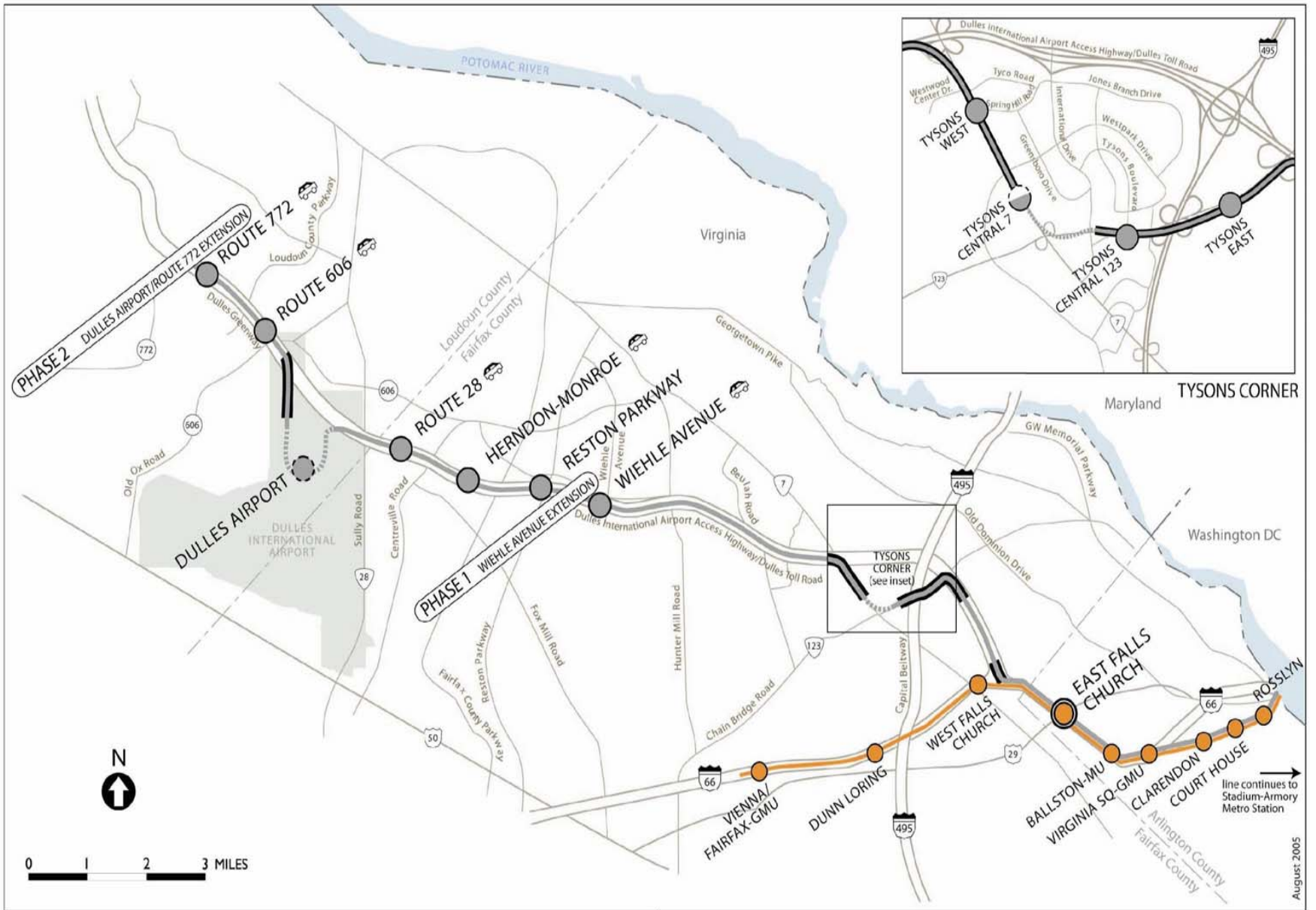


***Major Business Terms of the Transfer
and Permit Agreements Between the
Virginia Department of Transportation
and the Metropolitan Washington
Airports Authority Concerning the
Dulles Toll Road & Corridor***

December 2006

Briefing Overview

- Background
- Business Terms of Operating/Transfer Agreements for Toll Road
- Schedule and Next Steps



August, 2005

Background – Dulles Toll Road

- Dulles Toll Road built by the Commonwealth in 1984 and runs from the vicinity of I-495 to Route 28
 - Part of the National Highway System
 - Lies within the right of way of the Dulles Access Corridor which is leased to MWAA under a long-term arrangement with USDOT - MWAA must approve/permit all Commonwealth activities in the Toll Road right of way
 - USDOT owns the property in the Corridor and MWAA as the direct USDOT lessee has certain rights in the Toll Road right of way

Background - Dulles Corridor

- USDOT has planned rail in the Corridor for four decades
- For more than 15 years, the Commonwealth's plan has been to comprehensively manage mobility in the Dulles Corridor through consumer choice and pricing techniques
 - Expand bus services
 - Build park-and-ride lots
 - Encourage HOV
 - Bring rail to the Corridor
 - Develop supporting highway network

Background - Dulles Corridor, cont'd

- The General Assembly, Commonwealth Transportation Board, Fairfax and Loudoun Counties, VDOT, DRPT, MWAA, WMATA, and the regional MPO have all formally supported this plan
 - 85% of excess Dulles toll revenues dedicated to public transportation by CTB in 1990's
 - Fairfax County and CTB took action to dedicate additional funding to the Metrorail Project (Fairfax – special tax district/CTB – increase tolls on Dulles Toll Road) in 2004 and 2005
 - General Assembly authorized debt for Metrorail (\$432 million planned Commonwealth total)
 - DRPT entered into a PPTA agreement with Dulles Transit Partners (DTP) for the design and construction of the Project in June 2004
 - Record of Decision for Dulles Metrorail Project first approved by Federal Transit Administration in March 2005; amended in 2006

Background - MWAA Corridor Proposal

- In December 2005, MWAA proposed to assume the Commonwealth's responsibility for maintaining and operating the Dulles Toll Road in return for committing to finance and build the Dulles Metrorail Project and other capital improvements in the Corridor
- The MWAA proposal was not submitted as a PPTA proposal but rather as an alternative to these proposals, recognizing the underlying property interests of MWAA and FAA

***Major Business Terms of the Transfer and
Permit Agreements Between the Virginia
Department of Transportation and the
Metropolitan Washington Airports Authority
Concerning the Dulles Toll Road & Corridor***

- A series of agreements are required for the transaction and for the Dulles Metrorail Project to be financed, built, and subsequently operated
- The first required agreements are the transfer and permit agreements to shift responsibility for the Dulles Toll Road to MWAA
 - These first agreements will be executed by December 29, 2006
 - All business terms have been agreed to by VDOT and MWAA (subject to MWAA Board Acceptance and Approval)

Major Business Terms - MWAA/VDOT Agreement, cont'd

MWAA Rights & Obligations:

- Operate, maintain and improve the Dulles Toll Road to a set of standards, including federal requirements
- Operate and maintain the Dulles Toll Road for a 50-year Term (may offer employment to DTR employees)
- Pay off all remaining Dulles Toll Road debt and loans (including the note due Fairfax County) and finance certain reserves for debt service, O&M, and contingencies
- Segregate toll revenues from other MWAA revenues
- Design, build, and finance the Metrorail Project

Major Business Terms - MWAA/VDOT Agreements, cont'd

MWAA's Rights & Obligations, cont'd:

- Design, build, and finance other capital improvements with VDOT and regional plan approval
- Budget eligible transit operating expenses in the Corridor given available resources
- Participate in a regional congestion management program
- Toll rates, including congestion pricing, set by MWAA Board using established regulatory process and after consultation with the Dulles Corridor Advisory Committee

Major Business Terms - MWAA/VDOT

Agreements, cont'd

VDOT's Duties & Obligations:

- Continue to operate and maintain the Toll Road until, at a minimum, the Federal Full Funding Grant Agreement for the Metrorail Project is executed (at MWAA's cost)
- Provide remaining funding in Dulles Toll Road accounts to MWAA, in part to capitalize reserves
- Perform as federal steward of the Toll Road and other federal highway roadways and activities in the Corridor

VDOT's Rights:

- Receive financial information and reports
- Install, maintain, and operate ITS equipment
- Order suspension of tolls in emergencies
- Terminate agreement under certain conditions

Business Terms – Use of Toll Road Revenues

MWAA will annually budget for, in this order:

1. Operations & maintenance of Toll Road
2. Debt service and other financing instruments, including reserves
3. Toll Road Renewal and Replacement Program
4. Any capital improvements in the Corridor, as approved by the MPO
5. Any pay-as-you go Dulles Metrorail Project costs
6. Eligible transit operations in the Corridor given available resources
7. Any remaining Toll Revenues are returned to the Commonwealth for transportation programs and projects that are reasonably related to or benefit the users of the Dulles Toll Road. If agreed to during negotiations with USDOT, CTB may use remaining toll revenues to accelerate repayment of federal loans/debt to Metrorail Project

Responsibility	VDOT	MWAA
Financing	None	Yes
Traffic and Revenue	None	Yes
O&M and Major Maintenance	Set Standards; Reports	Yes
Insurance	No	Yes
Permitting & Licensing	Reasonable assistance	Yes
Hand-back, Asset Condition	Oversight	Yes
Toll Rate Setting	None	Yes
Finance and construct Metrorail Project	None	Yes
Construction of Capital Improvements, inside right of way	Meet federal requirements, approve design exceptions	Yes
Construction of Capital Improvements, outside right of way	Approval and oversight, including federal requirements	Yes

Responsibility	VDOT	MWAA
Environmental, including pre-existing conditions	None	Yes
Follow federal requirements including regional planning processes	Yes	Yes
Force Majeure	None	Yes
Use of Toll Revenues	Transportation programs and projects that are reasonably related to or benefit the users of the Dulles Toll Road and accelerated repayment of federal debt if agreed to during TIFIA negotiations	Use of Revenues: 1. O&M of Toll Road 2. Debt service and other financed costs and reserves 3. Renewal and replacement program 4. Capital Improvements 5. Pay-as-you-go Metrorail Project costs 6. Transit Operations in the Corridor 7. Commonwealth

Schedule & Next Steps

- Execution of These Agreements 12/29/2006
- Execution of Assignment Agreement with Dulles Transit Partners for Metrorail 2/28/2007
- Execution of Phase 1 Design-Build Agreement 3/31/2007
- FTA approval of final design for Phase 1 4/24/2007
- Submit Full Funding Grant Application to FTA 4/27/2007
- Tentative Timing of FTA Recommendation to Congress for Federal Funding and Approval Fall 2007