



SPECIAL BOARD OF DIRECTORS MEETING

Minutes of June 6, 2012

The special meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 8:00 a.m. All twelve Directors were present during the meeting:

Michael A. Curto, Chairman
Thomas M. Davis III, Vice-Chairman
Robert Clarke Brown
Richard S. Carter
William W. Cobey Jr.
Frank M. Conner III

H.R. Crawford
Shirley Robinson Hall
Dennis L. Martire
Michael L. O'Reilly
Warner H. Session
Todd A. Stottlemeyer

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer
Margaret E. McKeough, Executive Vice President and Chief
Operating Officer

The Chairman first thanked all the Directors for attending the Special Meeting. He then asked Mr. Conner, Chairman of the Finance Committee, to provide an informal report on the June 5 bond sale.

Mr. Conner thanked the financial advisors, the underwriting group and the finance staff for achieving a far better than expected result with the refunding of about \$312 in Aviation Enterprise bonds. The market had been tough, but the Authority's transactions preceded the more serious decline. When first discussed, the expectation had been for about \$30 million present value in savings on the refundings; later the amount dropped to \$20 million with interest fluctuations. Finally the Authority had issued \$311.8 million in bonds, with net present value savings of \$40.6 million. Equally important, \$41 million in gross cash flow savings had been set in the first four years, which would help with airline rates and charges and decrease cost per enplanement. The combined interest

rate was 3.82 percent. Barclays and Loop had performed very well; Barclays had taken on \$25 million of Authority bonds to sell over the next few weeks. The results had shown both the strength of the Authority and the weakness in the market.

I. CONFIRMATION OF THE VICE PRESIDENT FOR COMMUNICATIONS

Mr. Potter presented David Mould to serve as Vice President for Communications. He noted that the position had been vacant for several years. Mr. Mould was a seasoned communications and public affairs professional, with experience in media relations, public policy and marketing. He had held senior communications positions in large public organizations, including the Tennessee Valley Authority, the National Aeronautics and Space Administration and the Department of Energy. He thanked the Directors who had helped with the selection, and asked the Board to confirm Mr. Mould. The Board then voted unanimously to confirm him.

Mr. Mould thanked the Board, and said he was pleased to join an important organization with a vital role in the regional economy at such an interesting time.

II. PHASE 2 PROCUREMENT PREFERENCE FOR PROJECT LABOR AGREEMENTS

Mr. Potter began with a chronology of the project labor agreement (PLA) events. Before he had joined the Authority in July 2011, the Board had voted to require a PLA on the Phase 2 Metrorail project, for very specific reasons. The principal of these had been Bechtel's success with a PLA on Phase 1 when it came to labor management. This voluntary PLA had included a no-strike clause, assured a trained workforce, produced an outstanding safety record, and allowed a flexible work schedule. The flexibility was needed with so much work to be done in a heavily congested area, along Route 7 and bridging over the Beltway, which meant night work. The bottom line was that the PLA had allowed a stellar safety record with an efficient and cost-effective outcome.

When Mr. Potter had arrived at the Authority, cost estimate issues were the major issue. Secretary LaHood had convened the funding partners to

address cost concerns and get the project moving. All had stepped up to make Phase 2 more affordable. The Authority had already cut over \$300 million from the cost of the original design. In addition, by moving the station from a tunnel to above ground, it would cut out another \$300 million. The Counties agreed to take on the parking garages and the Route 28 station, and the Transit Authority agreed to downsize the rail yard. The Commonwealth agreed to provide \$150 million for toll mitigation. Overall, the discussions had resulted in a \$2.7 billion project and funding to help lower tolls, which made the project viable. A Memorandum of Agreement was reached with the financial partners lowering the cost of the project, mitigating tolls, and stipulating that the labor approach would comply with the Virginia right-to-work law. An agreement on the labor issue would be reflected in a side agreement between the Authority and the Commonwealth.

The Authority then negotiated a set of principals with the Commonwealth, largely around the idea that whatever the Authority did with respect to labor had to be compliant with the Virginia right-to-work law. That law focused on individuals, not on any company or corporation. It gave the individual the opportunity to work. The discussion was therefore about how to assure this right. In the process, he had learned that Virginia does allow hiring halls, which were a key element of the PLA. It enabled the unions to recruit and train workers to be hired on the project through a hiring hall. The law did specifically provide that no preference could be given to a union member over anyone else on a project. He noted that there were PLAs on most major capital projects in Virginia.

Mr. Potter had reported to the Board that he had reached agreement with the Commonwealth on terms for a mandatory PLA agreement. The Board had authorized him to sign the Memorandum of Agreement and the side agreement on the PLA. He had signed both in November; the Memorandum of Agreement had gone to Secretary LaHood, and the side agreement to Sean Connaughton, the Virginia Secretary of Transportation. The Secretary did not sign the side agreement, but in December 2011 the Governor did sign the Memorandum of Agreement. To it he attached a letter with a list of conditions that had to be met before the \$150 million could be provided.

In March, preliminary engineering was complete, triggering the County votes on continued participation. Fairfax County voted to stay in, and Loudoun County asked for 30 more days to decide, to July 4. The PLA remained an open issue.

In December, the Commonwealth had put conditions on the \$150 million that went beyond the bounds of the Memorandum of Agreement. Since that Agreement, Virginia had twice changed its law. First, it prohibited mandatory PLAs. The Board then changed to a voluntary PLA with preference for contractors who would use one. The Commonwealth then enacted a law that prohibited the contribution to a project that required, provided an incentive for, or included a preference for a PLA.

Secretary LaHood had convened the partners again in May. There were three issues: the new conditions on release of the \$150 million; the consistency of PLA conditions with the amended Virginia law; and the Loudoun County vote. Discussions with the Commonwealth followed the meeting with the Secretary. In a letter sent to Secretary LaHood two days before the day's Special Board Meeting, the Governor had reduced the conditions to a single one: the Authority's PLA preference had to go.

Mr. Potter noted the Board would be considering what to do next during the current Meeting. He said he had talked about Phase 2 repeatedly in the community, where he had heard many claims and recommendations about how the Authority could do better with the project. His answer was always the same. There was little flexibility with the project. The Transit Authority standards were rigid; the preliminary and value engineering had been done; and many costs had been taken out of the project. This meant the project was what it was. No more savings could be realized until bids were in. The competitive construction environment could not be better. But whatever approach a contractor might take, the project was still a federal one, with Davis-Bacon "fair wages", as had prevailed on Phase 1, which would not be changed by a PLA.

The one variable in the project was the financing, the opportunities for which were better right now than in the past 50 years. Now was the time to move ahead with the project.

The basic considerations were that fair wages would be paid; the Commonwealth's \$150 million contribution was tied to the labor approach, as a result of changes in the law. But it was not just the \$150 million on the table; he thought there could be more funds available from the Commonwealth in the future. The project would be going on for several years, and he did not want to preclude future grants. It was also clear that Loudoun would drop out if the PLA preference were not changed. If that occurred, two more events would happen. First, the project would be delayed. The Authority could not allow it to end at Wiehle Avenue; the line was supposed to serve passengers and employees at the Airport, and to allow them to travel west as well as east. It was also clear that the Authority did not have the long-term ability to accommodate Metrorail commuters on airport property. The Airport was being developed to support the regional economy, and was planned for a doubling of the passenger traffic over the next decades. The relocated station was actually as close to the Terminal as reasonable possible, and the Authority did not want to compromise the area near it. If the Airport station were the last station on the line and accommodation was not made for parking and bus services at other Phase 2 stations, then there would have to be a distant parking lot built for commuters on the Airport, with a bus to the station. Thus an adverse Loudoun decision would require a thorough reconsideration of the Phase 2 stations.

In short, there was a major decision to be made. It had to be definitive; the Authority would have to either have a PLA preference or not. A key Loudoun meeting would occur that evening, and the PLA would be on the table. The issue was not an issue to Mr. Potter, but Loudoun had made it a litmus test for further participation. Phase 2 had been a long journey so far, and it would continue to be so. But clearing the PLA issue could measurably shorten it.

The Chairman said he would comment, and follow with a motion to adopt a proposed resolution, which had been distributed to all Directors. He understood there might be an amendment to the proposed resolution as well. After the resolution had been moved, he would seek the views of every Member, in order of seniority. He said he had been fully supportive of a PLA since the beginning, for four reasons: cost, schedule, safety, and financing. The white paper prepared by Bechtel, the contractor on Phase 1, made clear that the PLA had saved millions of dollars on that

project. It had been instrumental in the safety program. As to financing, he always felt a PLA was aligned with the policy of the federal government, which had put almost \$1 billion into the project. That policy was to encourage the use of a PLA on any project of \$25 million or more. Since the Authority would be going back to the federal government for TIFIA loans, he thought using a PLA would make sense. Last summer, when the Memorandum of Agreement was negotiated, Mr. Curto said, he thought he saw blue sky. The project had been redefined, and the negotiation on PLA terms with the Commonwealth was beginning. It took months to negotiate. In November, the Authority had accepted language for the PLA that had been provided by the Commonwealth, in a letter from the Attorney General's office that laid out the relevant Virginia statutes, the language the PLA, and stated that it was consistent with the right-to-work law. In December, however, the letter from the Governor made the \$150 million already agreed to contingent on the PLA. It became clear the PLA was not favored elsewhere in Richmond. Legislation against funding a project with a PLA passed. Next, in order to accommodate the Commonwealth, the Board had on its own adopted a voluntary approach to the PLA, adopting the federal scoring system used on project over \$25 million. The drumbeat against the PLA continued in Richmond, so additional amendments were enacted against a preference or incentive PLA provision. There the issue stood. When the Authority was established it was assumed that decisions would be insulated from the politics of the day. That had changed when the Authority took on the rail project. Now the Governor had provided a letter that said, if the PLA provisions were removed, the \$150 million would be provided without any conditions. The Board's decision should be made in the best interests of the project. Mr. Potter had described what delays would result if the PLA incentive remained. The project would lose a minimum of 18 months, up to two years. The window on the construction environment and the window on the financial market would be lost. He would therefore vote in favor of removing the PLA incentive without any conditions. He thought it important to send a signal to Loudoun County that the Authority wished them to continue. He did so grudgingly, but believed it important to the project. The resolution he would propose would authorize and direct the President to negotiate a funding agreement for the \$150 million, with the expectation that it would be executed before the Dulles Toll Road ratemaking process was decided in September. He then moved that the following proposed resolution be adopted:

WHEREAS, The Airports Authority is constructing, in two Phases, the Dulles Corridor Metrorail Project, a 23-mile extension of the existing Metrorail system from East Falls Church through Washington Dulles International Airport and west to Ashburn ("Project");

WHEREAS, Construction of Phase 1 of the Project, from East Falls Church to Wiehle Avenue, is now approximately 70 percent complete, and the process for procuring Phase 2 design-build construction services is about to begin;

WHEREAS, The Authority has approved a two-step process for selecting a design-build contractor for Phase 2 in which (i) in step one, a Request for Qualifications Information ("RFQI") will be issued and, at its conclusion, a short list of qualified offerors will be established, and (ii) in step two, a Request for Proposals ("RFP") will be issued to the shortlisted offerors and, at its conclusion, a design-build contract will be awarded to the selected offeror;

WHEREAS, As part of the RFQI, the Authority has approved the use of a ten-percent workforce credit factor that would be awarded to any offeror who committed to entering into a project labor agreement ("PLA"), modeled after the one applying to Phase 1 of the Project, in the event the offeror is selected as the Phase 2 design-build contractor;

WHEREAS, In December 2011, the United States Department of Transportation, the Commonwealth of Virginia, Fairfax and Loudoun Counties, the Washington Metropolitan Area Transit Authority, and the Airports Authority executed a Memorandum of Agreement relating to Phase 2 of the Project, in which, among other things, the Commonwealth of Virginia agreed to contribute an additional \$150 million toward the Project, if appropriated by the Virginia General Assembly, and following execution of a funding agreement, to be used by the Airports Authority to pay interest on Dulles Toll Road revenue bonds, unless a different use were approved by the Commonwealth;

WHEREAS, In a June 4, 2012, letter to the Secretary of the U.S. Department of Transportation, a copy of which is attached, the Governor of Virginia has stated that "legal issues" arising from PLA-related legislation enacted during the 2012 session of the Virginia General Assembly need to be resolved before the Commonwealth can fulfill its pledge to contribute this additional \$150 million to the Project. In this letter the Governor has also stated that, if "no PLA bonus or preference, or requirement, [is] included in the procurement documents for Phase [2], . . . the Commonwealth will provide the \$150 million in additional funding, without any further conditions, when it is due in 2013";

WHEREAS, in lieu of the credit factor, and in order to ensure an exceptionally safe working environment for all Phase 2 workers and a highly effective and efficient management of Phase 2 labor resources, the Authority has considered inserting language in the RFQI that calls upon offerors to submit an effective plan for the management of workforce issues without specifically incentivizing the use of a project labor agreement;

WHEREAS, The Authority wishes to ensure that the Project does not lose any funding from the Commonwealth that, except for the credit factor, would be made available to the Project and would assist in reducing tolls on the Dulles Toll Road; and

WHEREAS, the Authority also wishes to ensure that the presence of the credit factor in the procurement for Phase 2 design-build construction services does not affect the upcoming decision of the Loudoun County Board of Supervisors whether Loudoun County will participate in Phase 2 of the Project; now, therefore, be it

RESOLVED, That the credit factor shall be eliminated from the Phase 2 RFQI, and the RFQI shall not award, or fail to award, any predetermined points to any offeror based upon its willingness or unwillingness to commit to a project labor agreement or any other agreement with labor organizations.

In addition, no such credit factor, other form of project labor agreement bonus or preference, or project labor agreement requirement shall be included in any other part of the procurement for Phase 2 design-build or other construction services. In lieu of the credit factor, the RFQI will request offerors to submit a plan for the management of workforce issues;

2. That the President and Chief Executive Officer is authorized and directed to begin discussions immediately with the Commonwealth of Virginia regarding the funding agreement for the additional contribution of \$150 million to the Project that is called for by the 2011 Memorandum of Agreement, and to execute such agreement following its review by the Chairman, after consultation with the Board;

3. That the funding agreement should be executed by the parties before September of this year, when the Board expects to begin consideration, through its committees, of staff recommendations on future toll rates for the Dulles Toll Road; and

4. That the Secretary is directed to cause a copy of this resolution to be delivered to the Governor of the Commonwealth, the Secretary of the U.S. Department of Transportation, the Chairman of the Fairfax County Board of Supervisors, the Chairman of the Loudoun County Board of Supervisors, and the General Manager of WMATA.

Mr. Davis said he had opposed the PLA originally because he believed the marketplace, not politics, should set out the parameters for the most cost-effective procurement. He thought the PLA preference a bad idea, but was prepared to go along with it to keep the project moving ahead. Now it appeared the only way to complete it was to remove the preference. Loudoun and the \$150 million were critical. He took issue with Mr. Potter's remark that most large projects in Virginia had PLAs. He said that in 29 year of public office in Virginia, he had noted that under Democratic Governors there were PLAs and under Republican Governors there were not. The choice was political. Politics should not be in the Board room, at least partisan politics.

Mr. Brown offered an amendment to the proposed resolution to provide that the PLA preference would be removed when a funding agreement was executed between the Authority and the Commonwealth. He believed the Authority had been dealing directly with the Commonwealth on the issue for at least a year, and had learned that a statement or a signature from Richmond could not be relied on. The Authority was making major decisions on a multi-billion dollar project. Toll rates would be set soon. The Authority would be selling bonds for the project later in the year, and needed to know from more than a letter of the Governor, not even addressed to the Authority, that the money would be available in 2013, without a specific date. He did not believe the letter should be relied on. Some apparently focused on the statement that said "unconditional", but the letter began with a statement that there were legal issues without stating what they were, and ended with a reference to seating new Members. He said there had been a history of a partner who kept moving the goalpost. The project was at a critical point and firm answers were required. A written agreement was necessary to assure the money would be there.

Mr. Brown said he was not sure the Virginia legislation by its terms actually reached the Authority, and asked about it. He noted that the legislation prohibited funding a project with a PLA; the Virginia contribution would not fund the project, but pay debt service on the bonds to relieve pressure on the toll payers. He also took issue with Mr. Potter's suggestion that there might be funds from Virginia in the future. He said the current politicians in Richmond were not about to appropriate any funds for the project. The situation might change in two or three years, after an election or two. The Washington Post had called the \$150 million a paltry amount of money. The Commonwealth was putting its money into privatization, contributing 6 percent to the Dulles rail and 26 to 28 percent to the privatization projects elsewhere in the Commonwealth. He hoped that more funds would come from the Commonwealth, but not think it likely. Mr. Potter said he agreed more money from the Commonwealth was not likely. But he said if the PLA was dropped, there was an opportunity to ask for more money; otherwise the Authority would not even get the \$150 million.

Mr. Crawford said the issue had been debated for a long while. The goals were to get the line to Dulles and to keep the tolls down. Further delay

would put the project in financial jeopardy. It would also increase tolls. He was concerned about the commuters who used the road every day. He was prepared to vote; the dispute had gone on for too long. He would vote for the motion pending. But he remained concerned about what might happen if the PLA preference was removed and Loudoun pulled out anyway. He suggested the Members should once again put their egos in their pockets and move along.

Mr. Cobey said that Mr. Crawford, Mr. Brown and he had been on the Board when it had asked to build the project, because it did not appear it would happen otherwise, and to finance it with tolls. He did not believe the votes would have been there to end the project at Wiehle Avenue; the project was all about rail to Dulles. He was ready to support the resolution that the Chairman had offered.

Mr. O'Reilly said it was difficult to put his ego in his pocket, but he would try to do so. He was not as pessimistic or as cynical as Mr. Brown. He was delighted with the Governor's letter, which he said was unqualified, and that the Governor could be taken at his word. The unfortunate part was that the project was not popular downstate, and the Governor did not have control over everybody downstate. As Mr. Potter had described, the Richmond position had changed in the General Assembly. Things could happen that were beyond the control of the Governor. In addition, if he had his way, the Governor would be gone in two months to run for Vice President. He did not know the Lieutenant Governor's position on the project; Mr. Davis said he supported it. Mr. O'Reilly said the Lieutenant Governor was likely to pay the \$150 million unless the General Assembly put up another roadblock. He had seconded Mr. Brown's motion because he was concerned that some things were beyond the control of the executive branch. Tying the PLA revision to the \$150 million made sense. Looking at the Chairman's proposed resolution that had been distributed at the beginning of the Meeting, he did not think a full linkage was still necessary. The proposed resolution, in the third "resolved" clause, already provided that "the funding agreement should be executed ... before September of this year"; he thought that a simple change of the work "should" to "must" would accomplish the same thing. It made sense, because the funding agreement needed to be done by September so the Board could actually set the tolls. He thought this would bridge the gap; the Directors all agreed the PLA preference would have to go,

but were concerned whether the \$150 million would still be forthcoming. Mr. Davis suggested using "shall" instead of "must", and Mr. O'Reilly agreed. He then moved that single word change as an amendment to the main motion. There followed some discussion about the word change; there was agreement that there was no direct linkage between the two actions. Mr. O'Reilly did note that it would be likely for some Members of the Board to bring up the PLA issue again if the \$150 million commitment was not signed by September.

Mr. Brown said he agreed with Mr. O'Reilly's approach. He believed a Virginia grant agreement would not be a difficult document to prepare, and that it could easily be done in about three weeks. He did not understand why the Board could not say that the agreement should be negotiated by July 4, so everything happened at the same time. Mr. Curto said that was more like a condition. As the proposed resolution stood, the two issues were still separate. Mr. Brown said he only meant to change the timing, so that the RFQI would not be out the door before the funding agreement was signed. Mr. Davis said a September deadline would not be a problem. He understood all bets would be off if the agreement was not done. Mr. Curto said all bets would be off, irrespective of the terms of a resolution, if the funding agreement were not executed. The funding agreement requirement was part of the Memorandum of Agreement. He would support Mr. O'Reilly's motion.

Mr. Stottlemeyer wanted make sure that, if Loudoun stayed in on July 3, there would be enough time to complete the funding agreement. Mr. Potter said it was hard to predict. Originally he had sought a funding agreement by the day's Meeting. The Transit Authority told him that the process had taken that agency several months because the Virginia funding agreements were designed for Virginia agencies and had to be revised. Mr. Potter said he thus had no idea whether the job would take three weeks or three months. Mr. Curto said the September deadline was more natural, as it fit the toll ratemaking process. He said he would accept Mr. O'Reilly's amendment into the main motion.

Mr. Brown said there was nothing conditional about the resolution with the simple one-word amendment. Assuming a positive result in Loudoun, the RFQI would go out in July. Nothing would happen if the

funding agreement was not done by September. It would be too late to talk about the PLA again after the RQI was out.

Mr. Brown asked the Chairman if he would support a motion restoring the PLA in September if the funding agreement were not done. Mr. Curto said he would put such a motion on the agenda.

Mr. Conner said the substance and benefits of a PLA were not in issue. He said he would vote for the Chairman's proposed resolution, as amended, and against Mr. Brown's proposal. Stepping back from the PLA and the details of a resolution, Mr. Conner said it was incredible that the original designers of Dulles had the vision to build an access road with right-of-way reserved for transit. The Authority was in an execution mode, not a vision mode. He wondered how the planners of 57 years ago would look upon this discussion of what word to use. The Authority was devoted to promoting the economic development of the region, and should not play Russian roulette with the project by attaching a condition to a resolution clearing the PLA. The Board needed to get past this issue and put Phase 2 to bed. The Board also needed to get back to running the Airports. It was also important to restore the credibility of the Board to manage the rail project. That would mean paying attention to the Board's constituencies. For better or worse, the project was a Virginia project, and Virginia had spoken very clearly on the issue. The Board was the steward of the public's money. Financing was not a one-day matter; the Authority would have to raise \$1.9 billion and doing so would be going on for several years. Given the construction market, there was no time to waste. The Board also needed to be responsive to the Inspector General's report, some of which was very fair. This kind of nitpicking over a resolution only compounded the concerns raised. The resolution should be adopted without any changes, so Loudoun would have no excuse for dropping out.

Mr. Martire said when he came on the Board, the AeroTrain was being built. The project cost about \$388 million, with a cost overrun of about \$188 million. He had investigated the project and called for an audit. The reason had been poor construction decisions. He had just heard Mr. Potter describe the benefits of a PLA; he had not heard anyone argue that the Authority was making a bad business decision to support an agreement that kept a project on budget, on time and safe. Until he heard a

business reason, the PLA should not be abandoned. He had never called for a PLA on any project at the Authority. The PLA on Phase 1 was not the Authority's doing; it had been there when the Authority took over the project. He found it offensive that working conditions would be changed for the workers, who have done an outstanding job in 100-degree heat and freezing cold winters. The working conditions would be changed because of politics, nothing more than politics. The government of Virginia had moved the goalposts several times, and would probably do so again. But as a fiduciary, he understood that the Authority needed the \$150 million. That was the bottom line; the Authority had to protect the toll payers. The Authority now had a gun to its head; the Board either removed the PLA preference or it would lose the money. As a fiduciary, he would vote to remove the preference. It did not mean there would not be any PLA; it would mean any PLA would be voluntary, as any contractor could choose to use one. He supported the resolution, with Mr. O'Reilly's amendment, which he said had solved the problem. He understood Mr. Brown's concerns as well. \$150 million would only lower the tolls for two years, and would not lower them very much. He agreed nevertheless that the resolution would allow the project to proceed. The project really needed more money, from the federal government as well as the Commonwealth, but there were no commitments. He pointed out that changing the working conditions in the middle of the project was not a simple matter. But he would support the resolution to keep the project moving.

Ms. Hall said the entire issue had been politically driven. Mr. Potter had clearly outlined the history of what the Authority had experienced. The Authority had been working in good faith every step of the way. This should be emphasized publicly. The Authority had cooperated with all entities in order to move forward. She had joined the Board to do business for the Airports, not politics. She added that the Board had not just operated in good faith, but had always been a functioning Board. The Board had been labeled dysfunctional, but she did not agree, and was ready to move forward.

Mr. Session was also ready to move forward. He agreed with Ms. Hall about the functionality of the Board. The good faith and good will on this project had been clearly one-sided. Unlike Mr. O'Reilly, he was as pessimistic as Mr. Brown. Every time the Authority acted in good faith, something changed. He had noted some unreadiness to vote on the

measure to remove the preference. He thought the removal of the preference should not be made with nothing in return. Mr. O'Reilly's amendment addressed this concern, and Mr. Session said he would vote for the resolution.

Mr. Carter said he wanted to express his appreciation for the commitment of all in the room. He was impressed that the Board had been the adults in the room all along. He was very supportive of the PLA, particularly because of the success in Phase 1. He was prepared to accept the resolution, as amended.

Mr. Stottlemeyer said he had been actively involved in the creation of the Authority, and had solicited a letter from four of the founders of the Authority, former Governors Robb, Baliles and Holton and former Senator John Warner. He read from it:

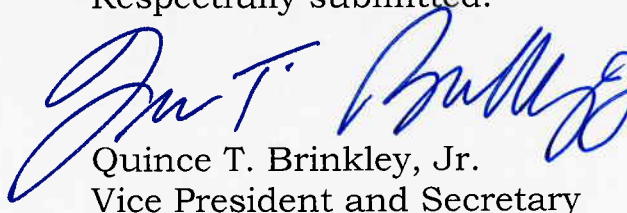
"Dulles rail is far too important to the future viability of the national capital region of Virginia to be allowed to fail now. In public office as Democrats and Republicans, we worked together to forge the foundation of the Metropolitan Washington Airports Authority and Dulles rail. As Democrats and Republicans we come together again to ask that you and your fellow decision makers on Dulles rail continue to work with Secretary LaHood and with each other to resolve your differences and move this vital project smartly forward in a cost-effective manner and without putting unfair burden on the Dulles Toll Road users. The Project Labor Agreement (PLA), the key point of contention, is a political and philosophical issue upon which reasonable people can disagree. To resolve that issue we recommend that the MWAA Board adopt the same prescription for Phase 2 as it prescribed for Phase 1, which is a voluntary PLA, without a preference and leave it to the selected prime contractor to choose the best method to meet MWAA's requirements for Phase 2."

Mr. Stottlemeyer said he hope the Board would listen to these individuals. Governor Holton had chaired the Commission that had set up the Authority and had served as its first Chairman; Senator Warner had been responsible for the legislation in the Senate; Governor Robb was involved in the process from the start, and no one had supported the Authority and Dulles more than Governor Baliles.

Mr. Brown said he still had a motion on the floor. He said his concern was simply that the way the proposed resolution was structured, there was a requirement that the funding agreement be executed, but there were no teeth if it was not. He was suggesting that the resolution include a provision that the procurement would start when the grant agreement was executed. He did not like any further delay to the procurement, but did not see any other way to have any confidence the Authority would ever receive the \$150 million. He asked Mr. O'Reilly if that argument appealed to him. Mr. O'Reilly said the argument appealed to him, but that it was for a discussion at the time when the Board would be deciding when the RFQI was to be issued. Mr. Brown said he understood the RFQI would be going out July 5. Mr. O'Reilly said that would only happen in Loudoun stayed in, and that there would in any event be a further discussion before the RFQI was issued. It was not critical to the current proposal. Mr. Brown said he would withdraw his motion, as there was not general support for it. The Chairman called for a vote on his original motion, as amended by Mr. O'Reilly. The resolution was approved by voice vote, with Mr. Brown voting in the negative.

The Meeting was thereupon adjourned at 9:27 a.m.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Quince T. Brinkley, Jr.", written in a cursive style.

Quince T. Brinkley, Jr.
Vice President and Secretary

Approved 6/20/12