



BOARD OF DIRECTORS MEETING

Minutes of February 15, 2012

The regular 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 2:40 p.m. All thirteen 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
Mame Reiley
Warner H. Session
Charles D. Snelling

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

I. MINUTES OF THE JANUARY 4, 2012 BOARD OF DIRECTORS MEETING

The Chairman called for approval of the Minutes of the January 4 Meeting, which were unanimously adopted.

II. COMMITTEE REPORTS

- a. Audit-Legal Committee – Shirley Robinson Hall and Michael L. O'Reilly, Co-Chairmen

Mr. O'Reilly reported that the Audit-Legal Committee had met January 4. Ms. Hall, who had not yet arrived, had chaired the Audit Committee, held, as usual, in executive session. Valerie Holt, Vice President for Audit, had presented the 2012 Risk Assessment and Audit Plan. The

Committee had also discussed several construction audits on both the airport and rail project sides.

b. Business Administration Committee – Warner H. Session, Chairman

Mr. Session reported that the Business Administration Committee had met January 18 and again that morning. Except for one issue from the morning's meeting, he noted that the report would cover the January meeting, where the Committee had dealt with many issues in record time.

The first issue had been a pre-solicitation report on the lease of a vacant rental car facility at Dulles International. As a result of co-branding of rental car companies and a weak economy, one of the seven rental car concession areas at Dulles International had been vacant for four years. Staff was proposing to put it out for bid, as there had been some recent interest in the site. The term would be for six years, so that at its termination it could be bid for the customary five years with all the other sites. The annual value to the Authority would be about \$750,000; the Committee had concurred in the approach.

Staff had then presented a recommendation to award a contract for air-side snow removal and ice control services at Dulles International. The contract covered about seven million square feet of space on the ramps and gate areas. Runway and taxiways were cleared by the Authority snow team. The five-year contract would cost \$12 million, unless more than 15 inches of snow had to be removed. In that case, there would be additional charges. The proposed award was to Atlantic Contracting, a 100 percent Local Disadvantaged Business Enterprise (LDBE) firm from Upper Marlboro. The Committee had agreed to the award, but staff had asked that the item be removed from the Board Meeting agenda.

A set of two contracts also dealt with snow removal; they were for the purchase of 17 tow-behind snow brooms and 9 high-speed 4x4 plow trucks for the Authority fleet. "High-speed" meant 40 miles per hour instead of the traditional plow speed of 15. The productivity benefits for the snow team were obvious. The snow team, Mr. Session noted, was made up of employees from offices and shops throughout the Authority. The Committee had agreed to the proposed award, and a resolution would be offered to approve it later in the meeting.

The Committee had next considered a recommendation to award the taxicab dispatch contract at Reagan National. After a competitive procurement, the staff had recommended the incumbent Technical and Professional Services, Inc., a DBE firm. The Committee had agreed unanimously to the proposed award; Mr. Session said he would offer a resolution later in the meeting.

The next proposed contract award was for 19 "clean diesel" shuttle buses for both Airports. The procurement was part of a long-term program to replace the aging fleets of shuttle buses, which were primarily used for parking shuttles. The best cost option for acquiring the buses had been through a Metropolitan Washington Council of Governments purchasing agreement. In this case, Fairfax County had conducted a competitive procurement for buses that resulted in prices that could be used by other jurisdictions. The Authority would pay \$425,000 per bus, for a savings of about \$27,000 each bus. Because the Authority itself was not conducting a competitive process, the acquisition amounted to "sole source" procurement. A resolution would be offered to authorize the purchase later in the meeting.

The Committee also heard a pre-solicitation report for the Airports Telecommunications System contract. Mr. Session noted that the Authority operated its own telephone system, providing service to its tenants as well as itself. The system had been supported by contract; the nature of that contract would now be changed from fixed-cost to labor only. It would also include a 30 percent LDBE requirement. The Committee concurred.

Mr. Session then turned to the morning's agenda, when the Committee had been fully briefed on amendments to the Contracting Manual necessary to support the procurement approach for the Phase 2 Metrorail design-build contract. The amendments would explicitly allow ranking responses to a Request for Qualifications, and allow for a less than 100 percent bond, given that the project was too large for such coverage. Prompt action was necessary, as the Request for Qualifications (RFQ) would have to be published soon. A resolution would be offered later in the meeting.

c. Dulles Corridor Committee – Thomas M. Davis III,
Chairman

Mr. Davis noted that the Dulles Corridor Committee report would be the first under the new Board schedule, with committees and Board meetings on the same day. It would thus be a mix of that day's morning meeting and the prior meeting on January 18. Financial data would be up-to-date as of February 15.

In the Metrorail Phase 1 cost report, staff had reported that expenditures for December 2011 had been \$68 million, bringing the total to \$1.704 billion for 2011. The estimated completion cost, including contingency, was currently \$2.905 billion. December 2011 contingency usage had been \$8.4 million, leaving \$44.1 million for future items. The forecast completion date was holding at August 2013, which would allow the Washington Metropolitan Area Transit Authority (WMATA) enough time to test the new line so that revenue operations could begin before the end of the year.

The Dulles Corridor Quarterly Update, also delivered that morning, had shown Phase 1 construction as 64 percent complete and the total project 74 percent complete. As to Phase 2, the project was still in preliminary engineering, with expenses at \$71 million so far.

Andy Rountree, Vice President and Chief Financial Officer, had presented the preliminary 2011 Toll Road Financial Report. Revenues had reached \$94.7 million for the year, up 7.5 percent from 2010, but still 3.3 percent below budget. Expenses had also been below budget, at \$25 million, or 4.7 percent below 2010. Toll transactions had been at 101.5 million, down 3 percent from 2010. Electronic toll collection was used by 75 percent of the customers, up 3.3 percent.

At the January meeting, the engineers had reported on revisions to the Dulles Toll Road Highway Traffic Noise Policy, which the Board had approved a year before. Changes had been necessary to reflect Federal Highway Administration review and changes to the Virginia Department of Transportation policy. The details were all spelled out in the meeting materials; Mr. Davis said he would offer a resolution to approve them later in the meeting.

Also in January, the Committee had heard a report on the Phase 2 rail project value engineering, which had been thoroughly discussed among ~~the partners on the rail project.~~ Authority staff had gone through the 32 recommendations carefully and selected the ones that made the most sense. Three had been unanimously accepted by the partners. They were: privatizing the garages; reducing the station canopies; and shortening the storage track at the end of the line. Seven more recommendations on design and specification changes had required more engineering analysis and were getting it.

Mr. Brown had made a presentation on his proposal to do away with an on-airport Metrorail station altogether, and run the Metrorail line past the Airport along the Toll Road and the Greenway to the Loudoun stations. The Authority would build a people mover from the Route 28 station directly to the front of the Saarinen Terminal. Airline passengers would change trains at Route 28, and then arrive at the front door rather than the North Garage.

The Committee had spent a long time discussing this proposal, and all had commended Mr. Brown for his ingenuity. It did not appear, however, that the approach could be advanced at the current stage of the project. The Committee, however, did not dismiss the proposal out of hand; Mr. Brown was to be given the opportunity to make his proposal to the funding partners.

The rest of the January meeting had been devoted to the pre-solicitation report for the Dulles Corridor Metrorail Project Phase 2 procurement. The process would be a new one for the Authority, and would require amendments to the Contracting Policy, which, as Mr. Session had reported, the Business Administration Committee would be offering for approval later in the meeting.

The procurement would be done in two steps. First, all firms interested in the approximately \$1.5 billion contract would respond to an RFQ. The staff would review their submissions and rank the firms in accordance with a scoring system. Five firms would be shortlisted. The shortlisted firms would then respond to a Request for Proposals (RFP). A technical panel would review their proposals on a pass-fail basis. All would be given an opportunity to bring their applications up to an acceptable level. Next the surviving firms would submit bids. The final decision would be based on price alone.

The Committee had agreed with this approach, but had discussed at some length the criteria used for ranking the firms at the RFQ stage. ~~Several Directors were concerned about the level of attention given to~~ DBE issues in the criteria. Mr. Davis said he understood that Mr. Session, who he said had extensive procurement experience, had gone into the matter in some depth and was now satisfied with the RFQ approach. Mr. Session said that he was. Mr. Davis said that DBE would be addressed in two sections of the evaluation; it would be considered as a sub-factor under both the "performance history" and "management plan" evaluation factors. Actual DBE participation levels for the Phase 2 project would not be set until May, when the RFP was issued.

In addition, the staff had proposed to remove the requirement that the prevailing contractor sign a Project Labor Agreement (PLA), and include an agreement to do so as a point provision in the RFQ evaluation. This would require the rescission of the Board's April 2011 resolution mandating a PLA later in the meeting. Mr. Davis said the change was a step in the right direction.

Mr. Brown asked who would take the risks on utility work in the Phase 2 contract. Mr. Davis said there would not be nearly as much utility work. Mr. Potter said that that staff had learned from the Phase 1 project that the contract had not properly provided for utility risks. Mr. Brown said utility work had used a substantial part of the contingency funds for Phase 1, both through cost overruns and delays. He had since read that contractors on the Virginia Hot Lanes and Maryland Intercounty Connector had assumed the risk. Phil Sunderland, Vice President and General Counsel, said there were two types of utility work. For utility relocations, the work was done on force account, a time and materials basis, by the utilities companies themselves. The project owner took the risk; there was no alternative. In Phase 1 there had been substantial utility work outside what the utilities did, when Route 7 had been ripped up. The cost overrun had arisen here, where the project had done major utility relocations on its own. This time there would be a competitive procurement for any non-force account work; risk would be shifted as much as possible. This time the utility contracting would be under the Authority's control; in Phase 1 the contractor had controlled it.

Mr. Brown then asked about change orders. Would the Authority take the risk that the preliminary engineering documents it provides the bidders is correct? Or would it tell the bidders that it was their responsibil-

ity? Mr. Sunderland said the matter would be for negotiation at the contracting stage. Phase 1 had been different; Dulles Transit Partners, the primary contractor, had done all the preliminary engineering. For Phase 2, a different contractor had already done the 30 percent preliminary engineering. The issues would be what the cost of shifting the risk would be, and how the risks could best be controlled. Mr. Carter observed that shifting the risk to the prime contractor might cost more, but it should result in fewer change orders. Mr. Sunderland agreed. Mr. Brown said he would prefer to shift the risk and pay for it, as design disputes could be very costly and time-consuming. Mr. Sunderland said the matter would be addressed at the RFP stage, and that it could be discussed further with the Board.

Ms. Reiley asked if the matter could be fully resolved at the contract negotiation stage. Karl Rohrer, Deputy Project Director, noted that the basic charge was to design consistent with WMATA standards, which the preliminary engineering already did. Changes would not be likely, and all would have to be approved at the front end.

d. Executive and Governance Committee - Michael A. Curto, Chairman

Mr. Curto reported that the Executive and Governance Committee had considered two action items at its January 18 meeting. The first had been a series of proposed amendments to the Bylaws, which the Committee had unanimously agreed to recommend to the Board. All Directors had a copy of the Bylaws showing the changes in blue.

Mr. Curto summarized the amendments as: reflecting the Authority's responsibility for the rail project; defining the role of the Chairman beyond the list of the Chairman's powers; requiring the posting of Bylaws, committee lists, Board meeting schedules, agendas and papers on the Authority website; requiring Board Meetings to start at the scheduled time; requiring scheduling of executive sessions so as not to interrupt regular meetings; reiterating that Directors must be present to vote, but may participate in meetings by telephone; requiring the presiding officer, the Chairman or committee chairman, to state the subject discussed in any executive session; and providing that most of the Annual Budget be discussed in open session.

The Committee had also reviewed the terms for establishing, for the first time, a Nominations Committee. The Committee would be responsible ~~for developing a slate of candidates for Officers of the Board, which were~~ elected annually. Mr. Curto said he would offer a motion to adopt the amendments later in the meeting. The Committee would next be discussing the Code of Ethical Responsibilities and the Freedom of Information Policy.

e. Finance Committee – Frank M. Conner III, Chairman

Mr. Conner said he would make three reports, including two on joint meetings of the Finance and Dulles Corridor Committees. The first joint meeting had been held January 4, in executive session, and the second on January 18 in full public session. At both the Committees had discussed the response to a Request for Information that had sought the views of potential bidders on whether the Airports Authority should add a financing component to the Phase 2 rail procurement.

After a long discussion, the Committees agreed not to attach such a financing element. Mr. Conner noted that the Chairman had recused himself from these discussions.

The Finance Committee had met that morning to consider a number of reports. Mr. Rountree had presented preliminary year-end 2011 financial results, which were not yet final. He had also reported on Aviation Enterprise for January. The Financial Advisors had reported on three components of the aviation finance plan for 2012: new money, the opportunity to take advantage of some savings from lower interest rates and refinancing of existing debt, and some other restructuring of debt.

The Dulles Corridor Enterprise Financial Advisors had reported on several items; most of the discussion had centered on the updated traffic and revenue study made by CDM Smith, formerly Wilbur Smith. The results would be used to establish toll increases in the future. Mr. Conner said the study would be released publicly, so anyone who read it would have a better understanding of the process the Airports Authority would be following.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported that he had made two trips to Richmond. For the first, he had accompanied Sharon Bulova and Scott York, the Fairfax and Loudoun County Chairmen, respectively, to meet with the Northern Virginia caucus. There they had urged the members to support the two bills that would increase Virginia funding of the Phase 2 project from \$150 to \$500 million. A second trip, with Pat Nowakowski, Executive Director of the Metrorail Project, was to provide an update on the rail project. They had found broad support for moving ahead promptly.

On January 26, Mr. Potter, Ms. McKeough and Chris Browne, Vice President and Dulles Airport Manager, had taken the Loudoun County Supervisors on a tour of Dulles International. The Supervisors were very interested in economic development, and were supportive of the Airports Authority's efforts. Many of the supervisors were new, so the event provided an opportunity to meet them under favorable circumstances.

The week before a Federal Aviation Administration (FAA) team had visited to review airport accessibility under the Americans with Disabilities Act (ADA). The report had been positive, but there were still a few problems identified that the Airport staff would be addressing.

The FAA Modernization and Reform Act had been passed and signed by the President February 14. Mr. Potter noted that the staff had long been active on the bill, particularly with respect to the Reagan National slot and perimeter measures included in it. As it was finally enacted, the legislation added eight daily roundtrips beyond the 1250-mile perimeter at Reagan National. Eight new slots were for new flights and would be distributed by the Department of Transportation (DOT). The other eight slots were already held by incumbent legacy carriers, and were currently being used for hubs within the perimeter. The staff would be monitoring the DOT distribution process. In addition, the "come-see-me" provision was repealed. This was a deadline date, after which the Airports Authority would be ineligible for new FAA project grants or passenger facility fees. The idea was to require the Airports Authority to make periodic reports to the Congress, after which the deadline date would be changed.

Mr. Potter said there had been frequent meetings with US Airways to address facility changes resulting from its slot swap with Delta at Reagan National. ~~Some of its new services would be introduced in March, the rest in July.~~ Facility changes included expanding the hold room for gate 35A, which was used for passengers awaiting bus transportation to aircraft on the commuter ramp.

JetBlue had recently announced the markets it would serve at Reagan National, beginning in June. There would be eight round-trips added, increasing frequencies to Orlando, Fort Lauderdale and Boston, with new service to Tampa. The new services were at the expense of Dulles International, where JetBlue would be dropping the routes.

At Dulles International, United would begin daily round-trip service to Honolulu on June 7.

Mr. Snelling asked how the provision allowing debt exchange between the two Airports had been left out of the legislation. Mr. Potter said the airlines had interceded against it. On February 21, the negotiations on the Use and Lease Agreement would begin, and the sharing of revenues between the Airports would be a central topic of discussion.

b. Executive Vice President's Report

Ms. McKeough reported the month of December 2011 had not brought any surprises. Traffic had declined at both Airports, and nationally the industry had not seen any growth. Reagan National had, however, set a new record for the year – 18.8 million passengers, a 4 percent increase over 2010. Dulles International had served 23.2 million passengers, a decline of just over 1 percent. The decline was entirely attributable to domestic services, which had dropped 3 percent. International passengers – 6.5 million out of the 23.2 million total – had continued to grow. The industry nationwide had grown just over 1 percent.

Both international and domestic cargo had declined 12 percent in December 2011, for a year-end 9 percent decrease. Nationwide there had been 1 percent growth.

Mr. Crawford commended Ann Pina and Don Fields of the Air Service Planning and Development Office. He said he understood the first shipment of flowers from Ethiopia had arrived, and recalled how much work

former Director Leonard Manning had put into that business development.

Ms. Reiley noted that the Martin Luther King, Jr. event had been canceled because of weather, and that contributions were being returned. The Airports Authority had given \$25,000, not just to attend a gala, but in honor of Dr. King. She suggested the returned \$25,000 be contributed to the Martin Luther King, Jr. National Memorial Project Foundation.

IV. NEW BUSINESS

a. Rescission of the Project Labor Agreement Resolution

The Vice Chairman noted that a necessary step in changing the Phase 2 PLA from a mandatory to a voluntary item was the rescission of the April resolution making it mandatory. It had not been included on the day's agenda. He therefore asked unanimous consent to allow the matter to be considered. Mr. Martire announced that he would recuse himself and not vote on the matter. The Board unanimously agreed.

Mr. O'Reilly moved that the Board rescind Resolution No. 11-8, adopted April 6, 2011, which had required the prevailing bidder on the Phase 2 Metrorail design-build contract to sign a project labor agreement. He also asked the Board's concurrence in a ten-percent preference to be applied in the evaluation of offerors at the RFQ stage. Mr. Davis said the matter had been fully discussed in the Dulles Corridor Committee that morning.

Mr. Davis then called for a vote; all votes were in favor, with the Chairman (who was not present for this discussion) and Mr. Martire not voting.

b. Amendments to the Contracting Manual

Mr. Session moved the following resolution:

WHEREAS, The scope and magnitude of the upcoming design-build procurement actions required for Phase 2 of the Dulles Corridor Metrorail Project have led the Board to approve the use of a two-step competitive procurement process not fully addressed in the Contracting Manual;

WHEREAS, The staff has proposed amendments to the Contracting Manual that, among other things, will:

- a. Expressly authorize the two-step process,
- b. Provide that the evaluation criteria and process are included in the solicitation documents for each step,
- c. Authorize the payment of stipends to firms for participation in the second step of the process,
- d. Authorize performance and payment bonds less than 100 percent of the Phase 2 design-build contract price, and
- e. Provide that the solicitation documents for each step of the two-step process include a description of the procedures for protesting Airports Authority decisions made during that step;

WHEREAS, The Business Administration has fully reviewed the amendments and is satisfied with their content; now, therefore, be it

RESOLVED, That the Amendments to the Contracting Manual, as presented to the Business Administration at its February 15, 2012 meeting, are hereby adopted.

Mr. Brown said that he would vote for the resolution, but that further discussion of the procurement process itself was necessary. He said the process as devised was closer to design-bid-build than the design-build it purported to be. There still was an opportunity to structure the procurement into a competitive process that maximized the benefits of design-build, where firms would propose alternate concepts to the staff. He noted that the procurement was five times the size of the largest project the Airports Authority had done in the past, and an approach it had not used before. He recognized that construction procurements did not require Board approval, but thought this unique procurement should be treated differently. The Chairman urged Mr. Brown to work with Mr. Session and Mr. Davis, the chairs of the relevant committees.

The resolution was then unanimously adopted.

The final resolution filed in the Board of Directors office includes a copy of the staff recommendation paper.

c. Award of a Contract for Taxicab Dispatch Services at Reagan National

Mr. Session moved the following resolution, which was unanimously adopted, with Ms. Reiley abstaining:

WHEREAS, The contract for the Taxicab Dispatch System at Reagan National will expire February 29, 2012;

WHEREAS, The Business Administration Committee in September 2011 concurred in the issuance of a Request for Proposals for these taxicab dispatch services, which was issued on October 13, 2011;

WHEREAS, An Evaluation Committee has reviewed the competing proposals and has recommended the selection of Technical and Professional Services, Inc. of New Windsor, Maryland;

WHEREAS, The Business Administration Committee is satisfied with the results of the competitive procurement process, as presented at its January 18, 2012 meeting; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a three-year contract with two one-year extension options, with Technical and Professional Services, Inc. for operating and maintaining the taxicab dispatch system at Reagan National, consistent with the terms presented to the Business Administration Committee at its January 2012 meeting.

The final resolution filed in the Board of Directors office includes a copy of the staff recommendation paper.

d. Award of a Contract to Purchase 19 Shuttle Buses for both Airports

Mr. Session moved the following resolution, which was unanimously adopted. As purchasing the buses through Fairfax County constituted a

“sole source” contract under Airports Authority rules, the Chairman confirmed a count of 13 affirmative votes:

WHEREAS, The Airports Authority is undertaking a multi-year program to replace aging shuttle buses operating at both Airports;

WHEREAS, The staff has established that “clean diesel” buses are the most economical option currently available;

WHEREAS, The staff has found the best purchase option is the existing Metropolitan Washington Council of Governments purchasing agreement between Fairfax County and New Flyer of America, Inc., a competitively awarded contract;

WHEREAS, The staff has estimated that the purchase of 19 buses through this purchasing agreement at a cost of \$8.5 million will save approximately \$25,000 per bus, or \$475,000, than the Airports Authority would pay if it conducted its own procurement; and

WHEREAS, Acquisition of goods through such government-sponsored purchasing agreements is authorized in the Contracting Manual, but only up to a cost of \$3 million without Board approval; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to acquire 19 shuttle buses through the Metropolitan Washington Council of Governments purchasing agreement, consistent with the terms presented to the Business Administration Committee at its January 18, 2012 meeting.

The final resolution filed in the Board of Directors office includes a copy of the staff recommendation paper.

- e. Award of Two Contracts to Purchase Multi-Function Snow Removal Equipment for Washington Dulles International
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Mr. Session moved the following resolution, which was unanimously adopted:

WHEREAS, As a result of significant airfield expansion at Dulles International, additional equipment is needed to meet existing and future snow removal requirements;

WHEREAS, The Business Administration Committee concurred in a pre-solicitation report on the acquisition of plow trucks and snow brooms at its April 2011 meeting;

WHEREAS, Two Requests for Proposals, one for plow trucks and one for snow brooms, were issued in August 2011;

WHEREAS, An Evaluation Committee has reviewed the competing proposals and has recommended the purchase of nine high-speed 4x4 runway snow plow trucks from Airport Technologies, of Southport, Manitoba, and the purchase of seventeen heavy-duty high-speed runway rotary brooms from M-B Companies of Chilton, Wisconsin; and

WHEREAS, The Business Administration Committee is satisfied with the results of the competitive procurement process, as presented at its January 18, 2012 meeting; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to acquire the nine high-speed runway snow plow trucks from Airport Technologies and the seventeen heavy-duty high-speed runway rotary brooms from M-B Companies, consistent with the terms presented to the Business Administration Committee at its January 18, 2012 meeting.

The final resolution filed in the Board of Directors office includes a copy of the staff recommendation paper.

f. Dulles Toll Road Highway Traffic Noise Policy

Mr. Davis moved the following resolution, which was unanimously adopted:

WHEREAS, The Board of Directors at its February 2, 2011 meeting adopted the Dulles Toll Road Highway Traffic Noise Policy, with the understanding that amendments would be required after Federal Highway Administration review and amendments to Virginia Department of Transportation noise policy guidelines;

WHEREAS, The review process has been completed, and amendments to the Noise Policy have been proposed, reflecting the Federal Highway Administration review and the Virginia amendments and clarifications; and

WHEREAS, The Dulles Corridor Committee has reviewed the proposed amendments in detail at its January 18, 2012 meeting, and is satisfied with the amendments and the revised Noise Policy that incorporated the amendments; now, therefore, be it

RESOLVED, That the revised Dulles Toll Road Highway Traffic Noise Policy, as presented at this meeting, is hereby adopted.

The final resolution filed in the Board of Directors office includes a copy of the staff recommendation paper.

g. Amendments to the Bylaws

Mr. Curto moved approval of amendments to the Bylaws, as shown in the packages for the day. The motion was unanimously adopted.

h. Establishing a Nominations Committee

Mr. Curto moved the following resolution, which was unanimously adopted:

WHEREAS, The Board of Directors has concluded that a Nominations Committee will improve the dynamic of its annual election of officers;

WHEREAS, The structure of a Nominations Committee has been discussed at length in meetings of the Executive and Governance Committee and at a Board Retreat;

WHEREAS, By its nature, a Nominations Committee should not be established and appointed by the Chairman, as all other Committees are under the Bylaws; and

WHEREAS, The Executive and Governance Committee has reached consensus on the terms, now, therefore, be it

RESOLVED, That the Nominations Committee is hereby established, consisting of four members, each of whom shall be the senior member of each group of Members appointed by the same officer;

2. That the Committee shall elect a chairman, at whose call the Committee shall meet;

3. That candidates wishing to serve as Officers of the Authority, or Members intending to advance a candidate, shall so notify any member of the Committee;

4. That the Committee shall report to the Board nominations of one or more candidates for offices subject to election at the Annual Meeting; and

5. That the Committee shall comply with applicable provisions of the Bylaws that are not inconsistent with this Resolution.

The final resolution filed in the Board of Directors office includes a copy of the staff recommendation paper.

V. UNFINISHED BUSINESS

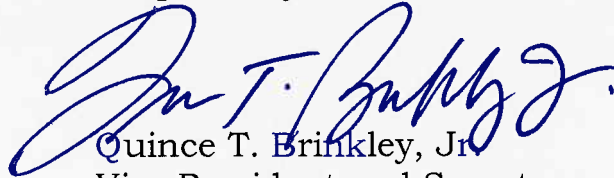
There was no unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

Mr. Crawford announced that he would submit a clarifying statement for the record. He said the statement spoke for itself.

The Meeting was thereupon adjourned at 3:30 p.m.

Respectfully submitted:



Quince T. Brinkley, Jr.
Vice President and Secretary

Approved 3/21/12

Mr Chairman, I would like to make a brief statement for the record.

As we approach the end of Phase 1 of the Dulles Rail Project, there are a couple of acknowledgements I would like to make, and a couple of misperceptions I would like to correct.

First, with respect to the acknowledgements, I think the public should know that this Board is composed of some of the finest, most able professionals I have ever been associated with. Yes, some of our decisions have been controversial, but that comes with the job, **but to continue to hear that this Board is somehow dysfunctional and needing reform does not help to create regional cooperation.**

We operate two of the world's busiest (federally owned) airports and simultaneously building a multi-billion dollar rail project, guarantees that this Board will always face an endless list of politically unpopular decisions. What I know is this, our decisions may not always be perfect in some eyes, but in every case the members of this volunteer, unpaid Board have approached their work with dedication and integrity.

Second, there are a couple of lingering misperceptions that continue to trouble me and, I would guess, some of the other members as well.

Specifically, I want it on the record - and I would ask the Chairman to confirm my assertion - that it is not possible under the rules of this Board to have a vote where members participate by proxy. **Therefore, we held no vote to ever select a candidate for our President and CEO, other than the vote to select John Potter as the President.** For a vote of this body to be binding and legal under our rules, members must be present to cast a vote.

Additionally, to clear up another issue asserted about my colleague and former Board Member, Mamadi Diane, was never under house arrest. Mr. Diane was detained in the Ivory Coast due to a political election in which he was not allowed to leave the country. His term of service had expired on the Board and he was continuing to serve until Mayor Fenty made a new appointment with the DC Council's approval. This man is a very successful business man and has served and represented the District of Columbia proudly.

In addition, there is a perception in some quarters, I know, that we have not always been sufficiently sensitive to Virginia's special interests in the Dulles Rail project. This is also not accurate. I understand and accept that the Dulles Rail project is of enormous importance to the entire region, but especially the State of Virginia and Fairfax and Loudoun Counties. These are legitimate interests and we have always treated them as such. In my own case, for example, **I established the Dulles Corridor Committee and made sure that this Committee was comprised of all Virginians and that the Chairman of this Committee was a Virginian. Virginians were and continue to be in lead positions on the committees responsible for the Dulles Rail project.** That pattern of respect and sensitivity has continued into this year with the

appointment of our very able colleague, Tom Davis, as Chairman of the Dulles Rail Committee.

Mr Chairman, I make these remarks today because I think it's important for the record to be clear and accurate. I have been honored to serve on this **Board as have all my colleagues**, I am proud of our work and I realize we have a lot of hard work ahead of us. To complete our mission, Mr. Chairman, we need to be sensitive to each other's special concerns and respectful of each other's priorities. I believe we have operated this way and I think the public record should be clear on this point.

I also want to acknowledge all the good work our employees do successfully every single day. The Board recognizes the importance of what they do daily to contribute to the successful operations of these airports and to the region. I want them to know that as a Member of the Board and a lifelong resident of this region (DC), that I am proud of what they do and happy to be a part of this wonderful organization.