



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Dedication. Determination. Delivery.

2011 ANNUAL REVIEW



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About the Airports Authority

The Metropolitan Washington Airports Authority operates Washington Dulles International and Ronald Reagan Washington National Airports. In addition, it operates the Dulles Toll Road and is the financial manager and builder of the Metrorail extension through the Dulles Corridor, known as the Silver Line.

At the core of these vital enterprises are 1,500 Airports Authority employees who work side by side with our airline and contractor partners, and staff from federal, state and local governments and municipalities. Throughout this year's Annual Review, we are proud to feature stories of their dedication, determination and delivery to the people of the Greater Washington region and to visitors from all over the world.

Chairman's Letter



As Chairman of the Metropolitan Washington Airports Authority, I am proud to present our 2011 Annual Review. It not only brings to life the events and milestones that marked another successful year for us, but also illustrates the **Dedication, Delivery** and **Determination** of all our employees and partners whose contributions made our success a reality.

Ronald Reagan Washington National Airport set a new record with 18.8 million passengers served. Washington Dulles International Airport also had a very strong year with 23.2 million passengers served, including a 1.6 percent increase in international travelers.

In addition, the Airports Authority made great progress in constructing the Dulles Metrorail project. Phase 1 of the construction, which started in 2009, should be completed by 2013. Travelers

in the Falls Church and Tysons Corner communities, as well as the commuters on the Dulles Toll Road, are very familiar with the progress of the rail project. Almost every day it seems like a new section of the project is nearing completion.

The success of the airports and the rail project should not be taken for granted. The residents of the region deserve credit for their ongoing support of Dulles International and Reagan National Airports, the Toll Road and the Dulles Metrorail project. My fellow volunteer Board Members are to be commended for the enormous time and energy donated to the Airports Authority. And our nearly 1,500 staff members deserve recognition for the wonderful job they do operating two world-class airports while building one of the largest infrastructure projects in the nation.

To be clear, however, we certainly do not take our success for granted, and we constantly look for ways to improve. The transportation industry, like every other business arena, is getting more competitive every day. If our airports are going to continue to be leaders in the industry, we must continually work to make them more efficient, more revenue driven and more convenient. Everyone associated with the Airports Authority understands this challenge, and we plan to

do everything in our power to improve our policies, processes and procedures.

The Washington area has always been a leader in aviation. In the early 1900s, the Wright brothers tested their first airplanes on the grounds of Fort Myer in Arlington, Va. President Franklin Roosevelt took a great personal interest in the development of what is now called Ronald Reagan Washington National Airport and spoke at the grand opening on June 16, 1941. Washington Dulles International Airport was ridiculed by many as being too remote when it opened in 1962. Today, of course, it is widely regarded as an architectural treasure and one of the world's greatest airports. We are now absorbed in the construction of the Metrorail project to Dulles International and Loudoun County. This is an expensive and difficult project to undertake, but it is instrumental in helping this region maintain its leadership in national and global travel.

Serving as Chairman of the Metropolitan Washington Airports Authority is a great honor. I understand how much this region and the nation depend on the continued strength of this body. Speaking on behalf of my fellow Board Members, the executive leadership of the Airports Authority and our outstanding staff, I promise we will continue to do everything in our power to maintain the leadership position that has been so carefully built up over the last 25 years.



Michael A. Curto

Chairman

“We will continue to do everything in our power to maintain the leadership position that has been so carefully built up over the last 25 years.”

Management's Message



John E. Potter



Margaret E. McKeough

The Metropolitan Washington Airports Authority makes an ongoing commitment to delivering world-class transportation to our region's residents and visitors. That commitment was never more evident than in 2011.

During 2011, Washington Dulles International and Ronald Reagan Washington National Airports served more than 42 million passengers. The Airports Authority made great strides in constructing the Metrorail extension along the Dulles Corridor. The project is on target, with the first phase scheduled to open

in 2013. In part, the Airports Authority's operation of one of the region's most important highway arteries, the Dulles Toll Road, allows it to finance the Metrorail extension.

Two new air service records were set at Dulles International and Reagan National Airports during 2011. Dulles International, the Washington region's largest airport serving 23.2 million passengers, set an all-time high of 6.5 million international passengers, a 1.6 percent increase from 2010. International traffic at the airport has risen every year since 2003. Reagan National also set a new record serving 18.8 million passengers, a nearly 4 percent increase from 2010 and significantly greater than last year's national average growth rate of 1.5 percent. We view these passenger numbers as a positive economic indicator for our Aviation Enterprise as well as for our airline partners who have been working diligently to return to profitability.

Despite a challenging economy, the Airports Authority achieved success in maintaining its AA credit ratings from principal credit

“The Airports Authority's achievements in 2011 were the direct result of our employees' contributions ... we salute their Dedication, applaud their Determination and appreciate their Delivery of top-quality work for the Airports Authority.”

agencies. The Airports Authority's bonds are among the nation's top credit-rated bonds issued by airports. This is a notable achievement at a time when the Airports Authority's Capital Program is near completion and it has issued more than \$5 billion in debt. We completed a complex debt program in 2011 that encompassed issuing bonds for new construction, refunding existing bonds for debt service savings, and mitigating risk from some variable-rate obligations. Recently, the Airports Authority secured a \$300 million Commercial Paper Program for the Toll Road Debt Program that will ensure sufficient liquidity to fund the ongoing Phase 1 construction of the Metrorail extension.

A major initiative to integrate internal management information across our organization was completed in June with the successful launch of the Airports Authority's new Oracle Enterprise Resource Planning (ERP) system. The project's implementation represents the culmination of three years of planning and testing by staff members of the Airports Authority's IT, Finance, Procurement and other departments.

The Airports Authority's achievements in 2011 were the direct result of our employees' contributions. Working together, we have overcome difficult challenges, identified ways to improve our operations and efficiency, and collaborated with communities to share ideas and resources. The *Going the Extra Mile (GEM)* customer

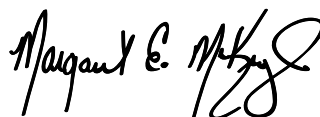
service initiative was launched in 2011 and salutes employees who go above and beyond the call of duty. The *GEM* program's success has sparked a new awareness of how employee actions, both small and large, can make a memorable, positive impact on travelers' experiences at our airports and in the Dulles Corridor.

Whether clearing the runways after a snow-storm, installing new safety equipment, deploying new technology, helping stranded motorists, responding to an emergency or working on the Metrorail extension, the role of every Airports Authority employee is critical. This year's Annual Review goes behind the scenes to illustrate the many contributions these individuals make — both on the job and in the community — to further the success of our internal and external initiatives. We salute their **Dedication**, applaud their **Determination** and appreciate their **Delivery** of top-quality work for the Airports Authority.



John E. Potter

President and Chief Executive Officer



Margaret E. McKeough

Executive Vice President and Chief Operating Officer



Aviation Enterprise

The Metropolitan Washington Airports Authority's Aviation Enterprise, which encompasses the operations of Dulles International and Reagan National Airports, reported positive growth in 2011. The two airports served 42 million passengers last year, including an all-time-high passenger total at Reagan National and a record-setting international passenger total at Dulles International.

Like other major airline hubs across the U.S., Washington's airports faced the challenge of airline industry restraint in terms of capacity growth. This was especially true on domestic routes, as the carriers sought to reduce operating expenses. In

2011, airlines were able to grow revenue by matching the availability of flights with passenger demand and increasing fares and ancillary fees. The Washington region remains one of the strongest air transportation markets in the country.

The Aviation Enterprise was served well by Airports Authority employees and the staff of our many partners who worked diligently to deliver a safe, pleasant travel experience to Dulles International and Reagan National travelers. Continued success would not be possible without employees' dedication, determination and delivery of key services, day and night, 365 days a year.



In May, Icelandair joined a growing list of international carriers at Dulles International, offering service to Reykjavik and points beyond in Europe.

Washington Dulles International Airport

Dulles International served 23.2 million passengers in 2011, putting it in first place among all three Washington area airports. It was a record-setting year for international air passengers, with nearly 6.5 million arriving and departing on commercial flights. International passenger traffic at the airport has increased every year since 2003 and last year's passenger count represented a 1.6 percent increase from 2010. Commercial domestic flights accounted for nearly 16.6 million passengers, a 2.9 percent decrease from 2010.

In 2011, the operation of Dulles International's AeroTrain achieved a 99.54 percent availability of service and logged more than 2.8 million vehicle miles since inception. The AeroTrain, which serves the majority of the airport's passengers, links the Main Terminal with the A, B and C Gates. In May, the AeroTrain's Main Terminal was named the "Best

Airport Rail Terminal" at the 2011 Global Air Awards ceremony.

The world's largest aircraft, the Airbus 380, made its Washington-area debut in June with daily Air France flights between Dulles International and Charles de Gaulle Airport in Paris. The double-decker plane is configured for 516 passengers and features a two-floor cabin with passenger lounges and private sleeping bunks. In anticipation of the new service, Airports Authority workers completed modifications to the airport's taxiways and gate areas to accommodate the aircraft.

In May, Icelandair made its debut at Dulles International offering flights to Reykjavik, Iceland, four times a week and low-cost service to a number of European points via Iceland. Turkish Airlines increased its service to Istanbul and United Airlines added more flights to Paris. The merger of United Airlines and Continental Airlines enabled new

domestic and international markets to be served, in some cases using smaller, more cost-efficient aircraft. United began service to four new domestic markets, Louisville, Minneapolis, Salt Lake City and Tulsa, and the low-cost carrier Virgin America increased service to its San Francisco hub.

Inside the airport, revenues from airport terminal concessions generated \$54.1 million for the Airports Authority. During 2011, a variety of new bookstore concessions were added, as Stellar Books, Hudson Booksellers and Authors' Books opened in locations formerly leased by Borders.

Several initiatives were undertaken in 2011 by the Airports Authority to identify additional sources of revenue. As a result of this effort, an agreement with the United States Golf Association (USGA) was reached to provide parking at the airport for those attending the June 2011 U.S. Open Golf Tournament. Spectators were shuttled from one of Dulles International's satellite lots to Congressional County Club in Bethesda, easing congestion along the Capital Beltway and providing a hassle-free transportation alternative to the major event.

Construction activities at Dulles International, designed to deliver additional convenience, safety and security enhancements, continued to progress throughout the year. A three-year project that expanded the airport's International Arrivals Building to twice its original size was substantially completed by year end. Improvements to the baggage re-check and passenger greeting areas also continued with the dedication and diligence



A380 Captain Christian Poinot meets his daughter Elodie upon arrival at Dulles International.

■ Big plane. Small world.

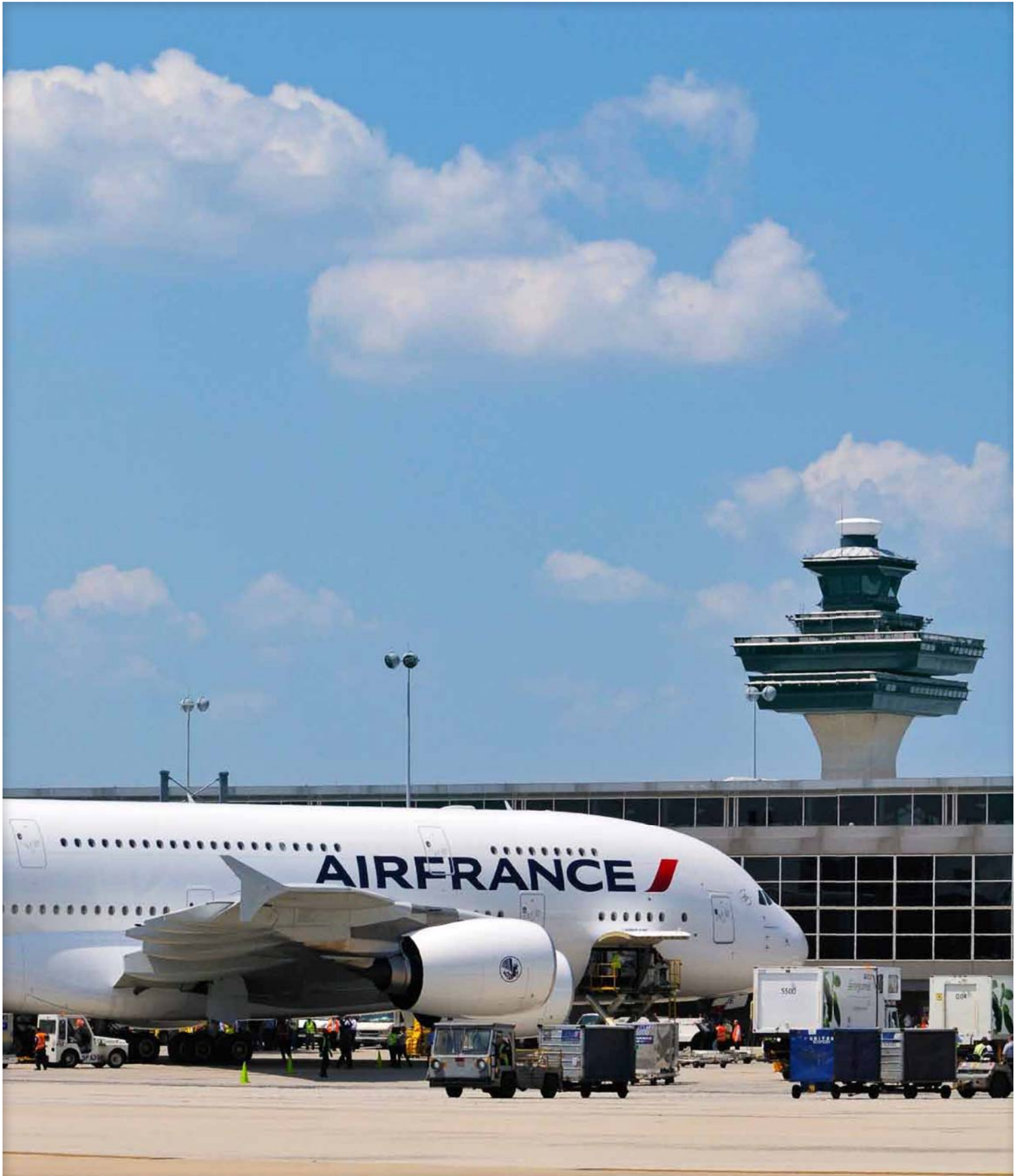
Dulles International Traffic Control Officer **Elodie Poinot** has a special connection with the world's largest aircraft. Her father, **Captain Christian Poinot**, is one of Air France's A380 pilots who fly the route between Washington and Paris.

■ Concourse C/D gets a facelift.

Passengers using Concourse C/D now have a brighter, updated space, thanks to the efforts of **Greg Michna**, **Richard Turner** and **Larry Ferrigno**, who coordinated the refurbishment project.

■ Delivering ahead of schedule.

Under the leadership of **Rick Mlinarcik**, **Gary Fuselier**, **Daren Durbin**, **Marty Clarke** and **Janene Shaw**, Taxiway Y at Dulles International was rebuilt and reopened three months ahead of schedule.



of our employees and contractors. The reconstruction of Taxiway Y, originally slated as a seven-month project, was completed in just four months. In October, the Dulles Jet Center reopened following a 21-month closure due to damage caused by a 2009 snowstorm.

The passenger experience at Dulles International was enhanced with the addition of two significant public art installations in the Customs and Border Patrol (CBP) areas. The “Hello and Welcome” installation, coordinated by artists Catherine Judge and Michael McBride, features self-portraits by students in artwork that greets visitors in dozens of languages. It is located in the Federal Inspection Services area used by United Airlines passengers connecting to other flights. The newly renovated International Arrivals Building is home to “North/South/East/West,” a four-lens sculpture by Philadelphia artist Ray King that is suspended beneath the skylights in the baggage claim area.

The Airports Authority is always looking for new outreach opportunities, ideas and solutions to meet the challenges of improving service to our customers and communities. *Going the Extra Mile (GEM)*, the Airports Authority’s customer service initiative, was eagerly embraced by employees at Dulles International at a kick-off celebration in early 2011. Monthly *GEM* award winners are selected from Dulles International employee nominations and recipients are honored for their proactive service to our customers. Our *GEM* winners are constantly inspiring their co-workers to go above and beyond the call of duty.



Student ambassadors assist at the airport-wide launch of the *GEM* program.

■ A home for the holidays.

In mid-December, a local student working at Dulles International became homeless. After contacting a social worker, the airport chaplain and the student’s teacher to see what options were available, a concerned co-worker sent an email to colleagues seeking donations to help the family. Within 20 minutes, **Loc Chu** of the airport’s Work Order Desk responded. Loc offered the use of a condo he owned to the family and met with them to work out the details. Through his generosity, the family had a place to live until they found permanent housing. Loc’s determination to help earned him a *GEM* Award.

■ Kindness + Compassion = Lifetime customer.

After arriving at Dulles International following a family funeral, a grief-stricken Fairfax resident realized she did not have enough money for her cab ride home. Dulles Flyer Taxi Driver **Solomon Woldeyohannes** refused her offer to send the \$3 she was short for the fare. The grateful woman wrote, “he treated me so well, I felt I had been given a new life.” *Going the Extra Mile* with kindness and compassion converted a stranded traveler into a lifetime Washington Flyer customer and turned Solomon into a *GEM* Award winner.



A young student finds his self-portrait now on permanent display in the Federal Inspection Services area at Dulles International.

■ International attention.

In an ongoing program coordinated by the Federal Aviation Administration, the U.S. Department of State and the Airports Authority's **Danielle Morgan**, a variety of international delegations visited both Dulles International and Reagan National last year. The program is actively supported by the Airport Operations, Engineering and staff offices of each airport.

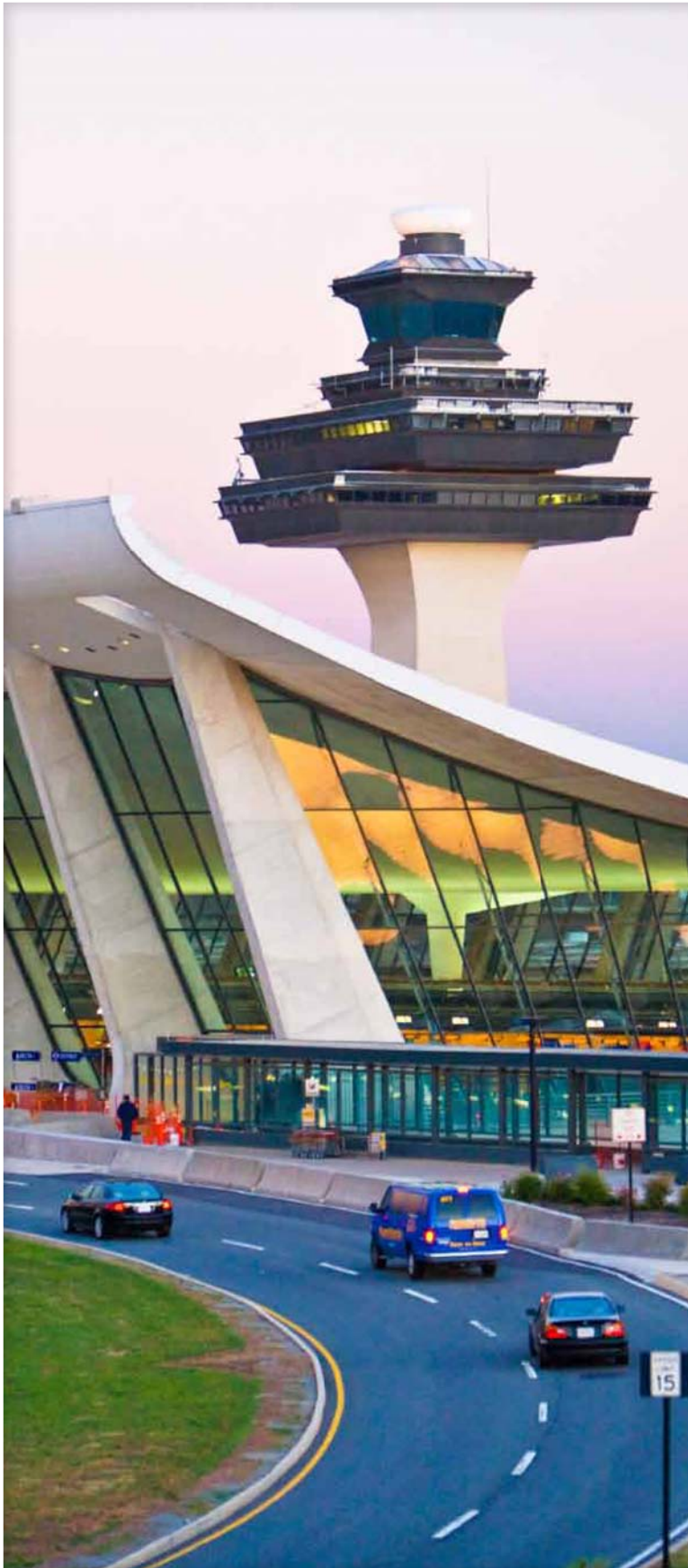
■ Taking students behind the scenes.

Peggy Fowler, Capt. John Creager and **Radja the K-9** are just some of the many airport personnel who help give area students a unique perspective of Dulles International's operations. The Airports' Public Safety Department staff are key participants in the weekly program.

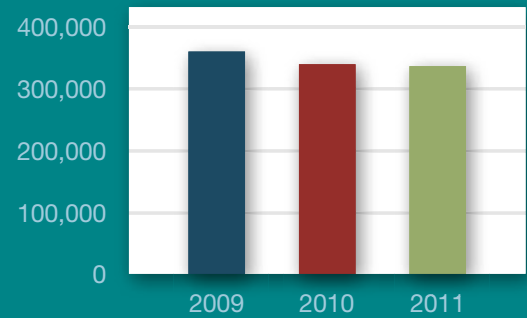
Another major outreach initiative was implemented in 2011 with the establishment of the "Sister Airport Program" that will allow us to share "best practices" with other airports around the world. Vienna International Airport in Austria was selected as Dulles International's first partner. Vienna International's CEO traveled to Washington in 2011 to tour Dulles International and Reagan National Airports and meet with airport management and staff members to kick off the program. The "Sister Airport Program" complements the ongoing hospitality that Airports Authority employees extend year-round to a number of visiting delegations from airports around the world.

On a local level, outreach activities at Dulles International have traditionally included tours that delight children of all ages. A new dimension was added in 2011 as close-up views of the airfield were incorporated for the first time. Employees from the Airports Authority, Transportation Security Administration (TSA), CBP, U.S. Coast Guard, Signature Flight Support and the airlines work together to give student visitors a unique "behind-the-scenes" perspective. In other youth outreach activities, students from many area schools and organizations participated throughout the year in seasonal celebrations, concerts, art exhibitions and other activities that allowed them to showcase their talents and entertain airport visitors.

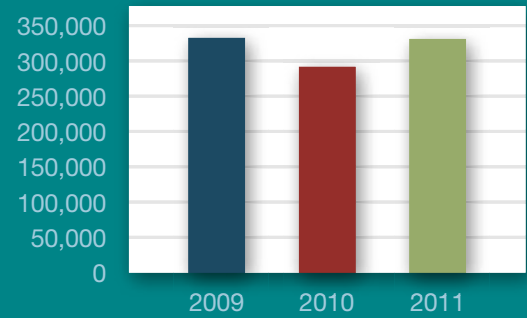
Thanks to the dedication of hundreds of airport employees, the Airports Authority is a valued partner to deserving charitable organizations and schools. The annual Plane Pull at Dulles International drew 12,000



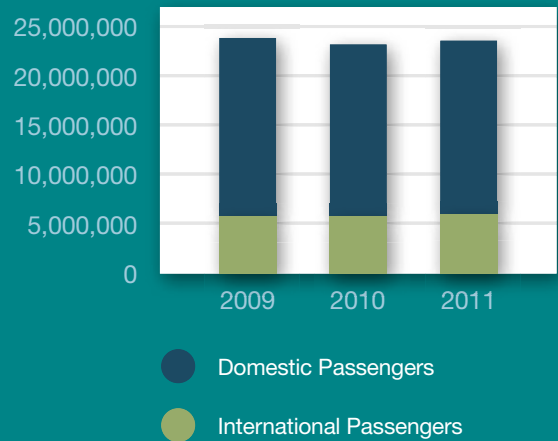
Dulles International Operations



Dulles International Cargo (metric tonnes)



Dulles International Passengers



“International traffic at Dulles rose to new heights in 2011.”



The Police Department raised \$6,161.62 for Special Olympics Virginia at the annual “Tip-A-Cop” event where police officers served as waiters.

■ A special connection with Special Olympics.

The popular “Plane Pull” annual event at Dulles International is just one of many activities that **Corporal Joe Carroll** organizes each year to benefit Special Olympics. Joe’s dedication to the organization last year included helping out with a variety of events, including the “Tip-A-Cop” fundraisers, a golf tournament in Fairfax County, the Polar Plunge at Virginia Beach, the Special Olympics Regional Torch Run conference in Pittsburgh and the Torch Run kickoff ceremony in Reston, Va. In November, Joe’s tireless service was honored with an invitation to attend the Special Olympics International Conference in Calgary, Canada.

■ Fantasy Flight delights.

United Airlines and Airports Authority employees helped bring smiles to children in hospice as they teamed up to deliver a 40-minute “Fantasy Flight” aboard a Boeing 777 in the skies above Dulles International. A fantasy land of treats along Concourse D awaited their arrival. U.S. Department of Transportation Secretary Ray LaHood was also on hand to greet the children and their families.

spectators and raised a record-breaking \$168,000 for Special Olympics. In addition, Airports Authority employees took to the greens to help make the 12th Annual Loudoun Charity Golf Classic a memorable and successful fundraiser. The tournament, held at Raspberry Falls Golf Club, raised over \$44,000 for United Way of the National Capital Area. This amount was in addition to the \$92,700 raised by donations from employees throughout the Airports Authority in the annual giving campaign.

Employees also showed their appreciation for active duty and veteran members of the U.S. military. When World War II veterans landed at Dulles International last year, members of the Fire Department greeted their “Honor Flights” in style. Spectacular water arches gave a warm welcome to more than 77 “Honor Flights” that brought veterans coming to visit the World War II Monument constructed on the Mall.

Green initiatives were noteworthy at Dulles International during the past year. The airport was certified in the Loudoun County Green Business Challenge, a testament to the success of the program’s efforts. In 2011, four electric vehicle charging stations, accommodating up to eight automobiles at a time, were added to the third level of Daily Parking Garage 2. The installation of solar panels that will supplement electricity at the Dulles Toll Road Administration Building was also completed. “Green Team” volunteers from Dulles International participated in several projects to clean up roadways in the Dulles Corridor and along the banks of the Horsepen Run stream near the airport.

Ronald Reagan Washington National Airport

Reagan National experienced a banner year in 2011 as it set a new passenger record and celebrated its 70th anniversary. Since its opening in June 1941, the airport's popularity has grown steadily. In its first year of operation, it served 344,257 passengers; five years later, it reached the one million mark. Last year, 18.8 million passengers passed through the airport's 44 gates, a 3.9 percent increase over 2010.

Today, Reagan National's original Terminal A holds a place of honor on the National Register of Historic Places and the striking Cesar Pelli-designed Terminal B/C gives

passengers a spectacular view of the nation's capital and its monuments. The airport's close-in location and easy access to Washington make it easy for passengers to take in the sights between flights. It's no wonder that *Wired* magazine named Reagan National one of the "Best Airports to Get Stuck In."

The airport was the scene of festivities in November as a nine-foot-tall bronze statue of President Ronald Reagan was unveiled in front of Terminal A. The statue, which was presented to the airport by The Ronald Reagan Presidential Foundation & Library, was dedicated in a special ceremony attended by more than 150 guests of honor and 30 media outlets.

The statue of former President Ronald Reagan was unveiled in a ceremony on November 1, 2011, attended by former Transportation Secretary Elizabeth Dole, current Transportation Secretary Ray LaHood and members of the Airports Authority's Board of Directors.





Tara Hamilton enjoys a moment with Airports Authority K-9 Tara.

■ Communicator extraordinaire.

For many throughout the Washington area, **Tara Hamilton** is a familiar name. She is the media person to turn to for news and events at our airports. Throughout her 20-year career, Tara has been on the scene during snowstorms, for special ceremonies, during emergencies and at the height of holiday passenger traffic. At the 2011 Airports Council International Marketing and Communications Committee Conference, Tara was honored as the industry's communications professional of the year and presented with the Ted Bushelman Legacy Award.

■ Culinary diversity.

In celebration of TSA's Diversity Day, the second annual "Iron Chef" competition at Reagan National featured culinary delights from all over the world. Staff members from each of the airport's security checkpoints prepared a dish for the competition. Special guest judges included Airport Manager **Paul Malandrino**, Student Ambassador Coordinator **Courtney Dillard**, Police Chief **Stephen Holl** and **Selina Johnson** of Airport Operations.

The event's success was the result of extensive planning by staff members from many Airports Authority offices, including Public Safety, Communications, Reagan National Airport Administration, Engineering and Maintenance, and Operations.

The U.S. Department of Transportation approved an application made by Delta Airlines and US Airways to reassign landing "slots" at Reagan National and other airports. The low-cost carrier JetBlue, which completed its first full year of service at Reagan National last year, is expected to add 16 new flights as a result of the Delta-US Airways "slot swap."

Delivering a world-class experience to Reagan National passengers has always been a priority of the Airports Authority's concessions program. The program's success was recognized in 2011 by *Airport Revenue News*, which awarded Reagan National the distinction of "Best Concessions Program Design" in the medium-size airport division. During 2011, the airport welcomed Heritage Booksellers (operated by Paradies-BZB, LLC) and Qdoba Mexican Grill in the Great Hall. Total airport terminal concessions revenues were \$25.8 million.

In addition, the passenger experience inside the airport was enhanced during the year by the completion of several cosmetic upgrades. New carpeting and lighting were installed in Terminal A, and a new rental car kiosk was added in the lobby adjacent to the baggage carousels.

A number of safety upgrades for passengers, visitors and workers at Reagan National were provided during 2011. Testing of an enhanced 9-1-1 system, allowing the

transfer of critical caller data across the Reagan National, Verizon and Arlington Emergency Call Center networks, was completed in October. The test confirmed the correct simultaneous display of a caller's number and location to emergency call operators and the Airports Authority's Public Safety Communications Center.

The delivery of a state-of-the-art Oshkosh Striker 3000 rapid emergency response unit represents a significant milestone in public safety services provided at Reagan National. Just hours after it was placed into service, the custom-engineered unit responded to its first call.

Construction improvements to Reagan National's runways continued throughout 2011. Resurfacing of Runway 1-19 was completed and the Touch Down Zone lighting was replaced. Utilities along the runway were also relocated in preparation for future improvements.

Keeping the runways free of foreign object debris (FOD) is also a priority for workers at Reagan National. In 2011, the popular FOD Walks attracted dozens of volunteers from the Airports Authority and its airline partners who came out to clean the runways on three occasions.

Customer service and community outreach initiatives were top of mind for Reagan National employees who embraced a variety of activities with dedication and determination. *Going the Extra Mile* pep rallies were held at Reagan National in March and May. More than 450 people attended the March rally to kick off the *GEM* customer service



The *GEM* program kicked off in March at Reagan National with a pep rally through Terminal B/C and into Terminal A.

■ **Safety first.**

Reagan National's enhanced 9-1-1 system passed its critical qualification tests required prior to implementation, thanks to the dedication of many team members, including **Renee Gordon, Douglas Campbell, Alice Queen, Deborah Henderson, Rhonda McCrimmon, Sonae Calloway, Bob Bloom, Tony Mayhew** and **Olin Kinner**.

■ **Quick response.**

When a hole was spotted along Runway 1-19 following overnight paving operations, the Pavement Crew and Operations Department sprang into action. Thanks to **Gerald Hillian, Sergio Delgadillo, Carlton Solomon, Heidi Sim, Tom Trudeau, Rob Simko** and others, the runway was reopened in less than an hour.

■ **Achieving a gold safety standard.**

Liberty Mutual Insurance Company's Gold Award, its highest recognition of achievement, was presented to the Airports Authority for superior safety performance on Dulles International and Reagan National construction projects. There were zero lost time injuries for the more than 690,000 work hours performed during 2011. Thanks go to **Mike Natale**, the Airports Authority's Risk Manager; **Tom Hardee**, PMC Program Safety Manager; and **Gerry Boudreau**, PMC Assistant Program Safety Manager.



World War II veterans were greeted enthusiastically by airport, airline and TSA employees who celebrated veterans' dedication to military service.

■ A bear of a journey.

When **Monte Sanchez** of US Airways spotted a lost teddy bear holding a picture of a U.S. serviceman, he knew a child was missing a very special companion. He took it upon himself to help find the bear's home, dedicating hours of his free time to solve the mystery. After many phone calls, he found the bear belonged to a young girl from Kentucky whose father had given her the bear as a gift before being deployed to Afghanistan. In recognition of Monte's determination to reunite the child with her keepsake bear, Monte was named the *GEM* Award Winner of the Year.

■ Getting the word out about *GEM*.

Airports Authority Graphic Designer **Bong Lee**, the creator of many customer and employee materials, including the *GEM* designs, was honored at the launch of the program at the corporate office in May with a *GEM* Award of his own for his dedication.

program. Band members from Wilson High School in Washington, D.C., marched through the airport's terminals and joined the celebrants in Terminal A's Historic Lobby.

During 2011, Reagan National staff members honored the lives of thousands of veterans. The airport staff organized special welcomes for 11,000 World War II veterans aboard the 97 "Honor Flights" that touched down at the airport. Each arrival was greeted with a water arch provided by members of the Fire Department. On October 31, World War II veterans of the 100th Battalion/442nd Regimental Combat Team and the Military Intelligence Service and their families arrived from Hawaii to receive Congressional Gold Medals. The 100th/442nd is the most highly decorated unit in U.S. military history, earning seven Presidential Unit Citations and 21 Medals of Honor.

Young flyers also received the VIP treatment at Reagan National. Employees gave children of fallen soldiers a festive send-off as they boarded the American Airlines "Snowball Express" for a getaway to Dallas, Texas, with children from all over the country. Airports Authority and American Airlines staff members also collaborated to create a special day for a 4-year-old with cancer. A special parade led by costumed volunteers gave the child and family members a preview of the Disney experience that awaited their arrival in Orlando. The Fire Department joined in the festivities by spraying a water arch over the plane at departure.

From energy-saving ideas to exploring alternative fuel applications, the Airports Authority is constantly looking at ways to expand its focus on green initiatives.

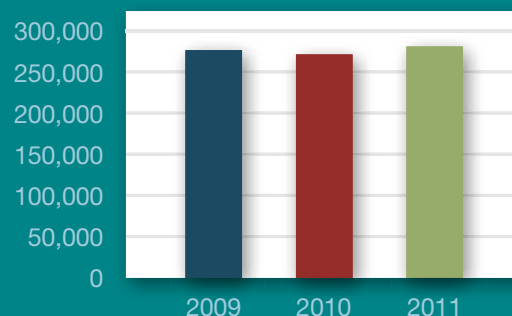
Throughout 2011, our employees continued a variety of studies, including an energy audit of major facilities at Reagan National and feasibility assessments of energy-saving lighting systems, co-generation of electric power and the use of alternative fuels for airport vehicles. A milestone in airline innovation occurred when the first of 75 commercial flights using a biofuel blend, an Alaska Airlines flight from Seattle, landed at Reagan National. Our determination to identify and implement earth-friendly solutions will continue to keep the Airports Authority at the forefront of the aviation industry in the years ahead.

Partnering for Progress Through Dedication, Determination and Delivery

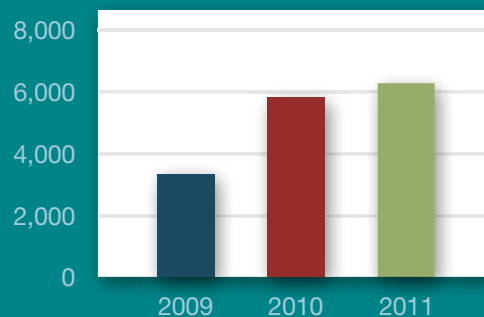
For many years, employees at both Dulles International and Reagan National have provided support to members of the Armed Forces and their families. At the USO of Metropolitan Washington's 8th Annual Stars and Stripes Casino Night, Airport Managers **Chris Browne** and **Paul Malandrino** were recognized for providing significant service to those who serve our country and for accommodating the hundreds of troops traveling through each airport with comfortable USO lounges.

In 2011, the Airports Authority's Fire & Rescue Department provided training in lifesaving skills to nearly 1,200 employees, tenants, concessionaires and contractors. The team effort, which encompassed more than 52,000 individual staff hours of training, provided instruction in first aid, CPR and the use of automated external defibrillators. The Department developed and delivered a recertification training program

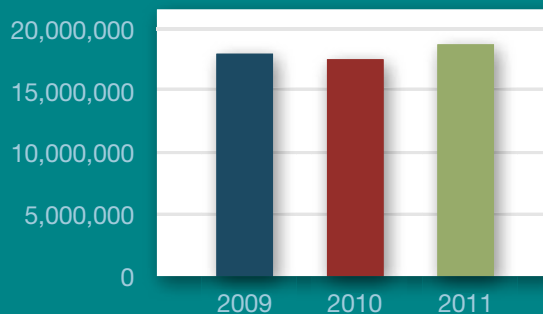
Reagan National Operations



Reagan National Cargo (metric tonnes)



Reagan National Passengers



“Passenger traffic at Reagan National reached an all-time high in 2011.”



Staff of the Business Administration Office celebrate the conclusion of another successful business opportunity seminar.

■ Ready to serve and save.

Emergency readiness drills are conducted throughout the year to help prepare crews for action when needed to protect the public, render medical assistance and keep the runways, roads and walkways safe in inclement weather. These training exercises paid off when an individual went into cardiac arrest at Dulles International. **David Hehr**, **Patrick Suder** and **Tom Kenney** were presented with Valor Awards from the Loudoun County Chamber of Commerce for successfully resuscitating the passenger.

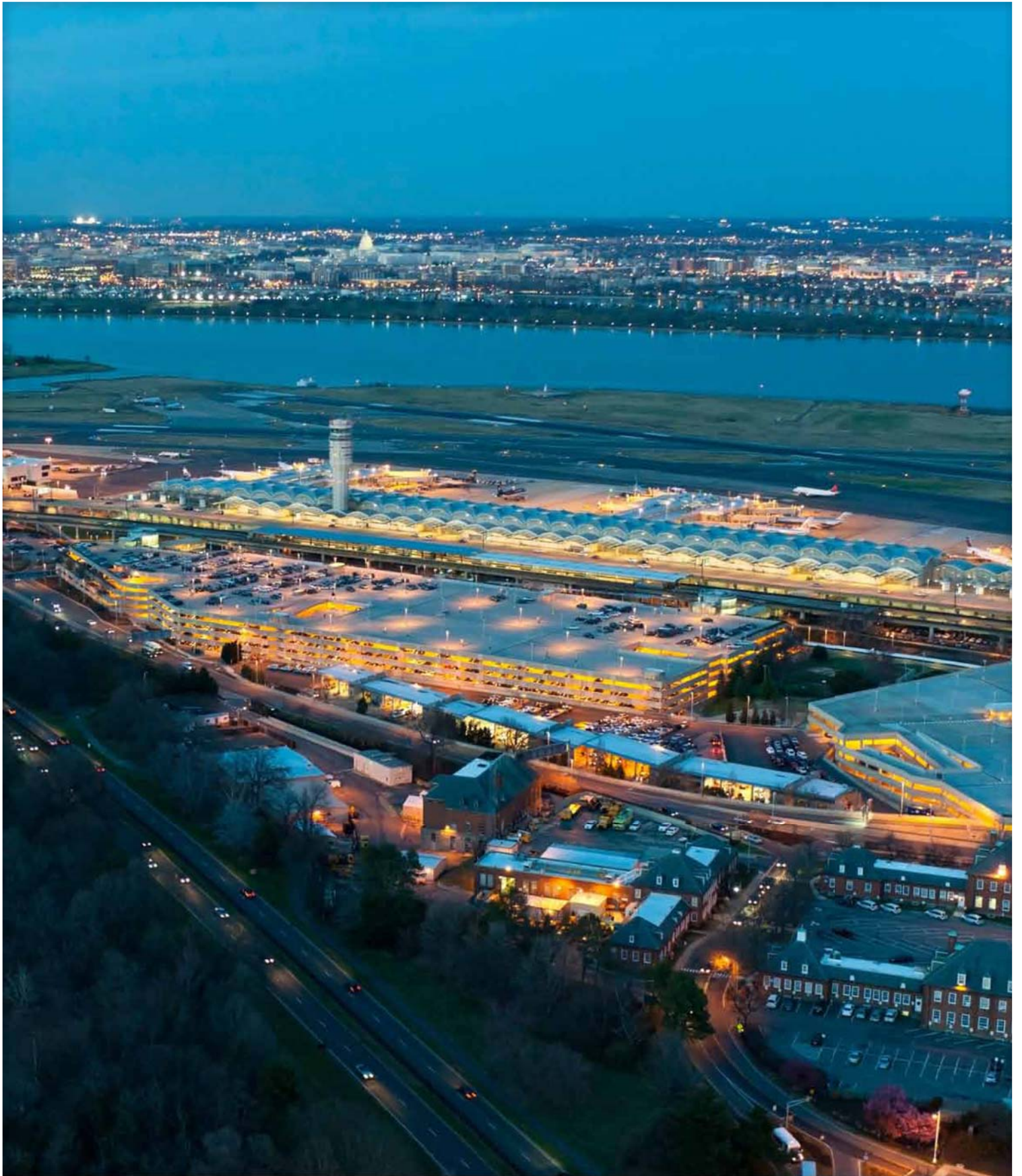
■ Federal recognition.

During 2011, the Airports Authority's efforts to ensure public safety at its facilities received recognition from two high-level federal agencies. The Central Intelligence Agency saluted the Airports Authority's Police Department for supporting day-to-day operations of the agency's Special Operations and Travel Assistance Cadre. Police Investigator **Angel Ruiz** was honored for his investigative role in helping the U.S. Department of Justice successfully prosecute a Nigerian national who operated an airline ticket scam.

for fire inspectors and investigators from around the region. In order to enhance the Department's Live Fire Training Facility at Dulles International, staff members teamed up with students from Leesburg's Monroe Technical Center to design, construct and install several training props inside the fire simulator. This partnership gave students a valuable "real world" experience and allowed the department to make economical additions to its training capabilities.

The Airports Authority's determination to partner with area business owners and entrepreneurs was again demonstrated during the 21st Annual Business Opportunity Seminar held at Washington's Renaissance Hotel. The event attracted more than 700 people who took part in networking and informational sessions that provided them with details about contracting opportunities. The Airports Authority also held a Local Taxicab Outreach Program in Washington, D.C., in September to provide potential operators with information on the current taxi operation and how they could enter the market.

Whether delivering passengers and cargo to their destinations or delivering Airports Authority projects on time and on budget, those who work for the Aviation Enterprise and our partners embrace teamwork with enthusiasm and drive. They approach both everyday assignments and special challenges with dedication and determination. Our employees are our partners in progress, channeling positive energy that results in the delivery of new ideas and innovative solutions throughout the year.





Dulles Corridor Enterprise

The Airports Authority's Dulles Corridor Enterprise encompasses the Dulles Corridor Metrorail extension and the Dulles Toll Road. These two components represent vital transportation activities that capture the Airports Authority's determination, dedication and delivery to improve ground transportation service in the Washington region.

Dulles Corridor Metrorail Project

Work along the 11.5-mile Metrorail route that will link East Falls Church with Reston and add five new stations reached a peak during 2011. Now officially known as the "Silver Line," this Phase 1 Metrorail project is on track for delivery to the Washington Metropolitan Area Transit Authority in 2013.

Major bridges spanning the Capital Beltway were finished during the year

and nearly four miles of inbound and outbound bridges in the Tysons Corner area are nearing completion. The three aerial cranes used simultaneously on the bridge project represented a construction feat believed to be the first accomplished in North America. Construction progress is also very visible at the five new Phase 1 Metrorail stations. Inside the new Wiehle Avenue Station, the escalator installation was completed.

Below ground, workers finished the mining, concrete work and waterproofing on both the inbound and outbound tunnels connecting Routes 7 and 123 and began track installation. The critical track and systems connections between the new Silver Line and existing Orange Line near the I-66 and Dulles Connector Road split progressed on schedule. The year marked

the delivery of the first train control room, the successful installation of the traction power station, and the relocation and underground placement of 21 utility systems.

The milestones achieved in 2011 brought Phase 2 of the project closer to reality. Phase 2 will extend Metrorail 11 miles from Reston through Dulles International and on to Route 772 in Loudoun County. An agreement on project scope and cost between the Airports Authority and its funding partners allowed significant progress toward completing preliminary engineering studies. In November, the Airports Authority's Board of Directors ratified a Memorandum of Agreement that ensured the Silver Line's continuation into Loudoun County and the U.S. Department of Transportation announced that additional funding for Phase 2 construction would be made available from its Transportation Infrastructure Finance and Innovation Act (TIFIA) fund. This federal funding, coupled with the announcement that Fairfax and Loudoun Counties provisionally agreed to fund various construction projects associated with the Silver Line, will reduce reliance for funding on Dulles Toll Road revenues.

The design-build procurement for Phase 2 is expected to be under way in 2013. The two-phased Metrorail extension represents one of the largest transportation improvements to come to the Washington metropolitan region in decades and will enhance access to locations along the Dulles Corridor and Dulles International for residents and visitors alike.



Project Director Sam Carnaggio and Kevin Volbrecht, Deputy Project Director for Construction, along the aerial guideway where a 379-ton truss is being used to build bridges for rail from Route 7 to the median of the Dulles International Airport Access Highway.

■ Read all about it.

Bringing the story of Metrorail's progress to readers of *The Washington Post* was made possible by **Pat Nowakowski** and the Rail Office staff who arranged a hard-hat tour for reporters and photographers. The journalists received a first-hand look at construction of the future Wiehle Avenue and Tysons stations as well as a rare look inside one of the Tysons Corner tunnels. The resulting story and photo spread conveyed the impressive scope of the project to the paper's readers.

■ Special recognition.

Dedication exhibited by those working on the massive Metrorail engineering project was celebrated last November. Members of the Rail Office staff were recognized for their service at a special Dulles Corridor Rail Association event hosted by Virginia Delegate Kenneth R. Plum.



Sarah Wright, flanked by Airport Manager Chris Browne and Toll Road Manager Cyndi Ward, is honored at the Annual Virginia Toll Facility Conference in November.

■ Award-winning service.

For the second year in a row, a Dulles Toll Road Collector was named Virginia's "Toll Collector of the Year." **Sarah Wright** won the 2011 award for her dedicated service.

■ To the rescue.

Dulles Toll Road Safety Service Patroller **Ian Lauderdale** helped save the life of a pedestrian struck by a motorist when he performed CPR until paramedics arrived. Ian received a *GEM* award for his heroism.

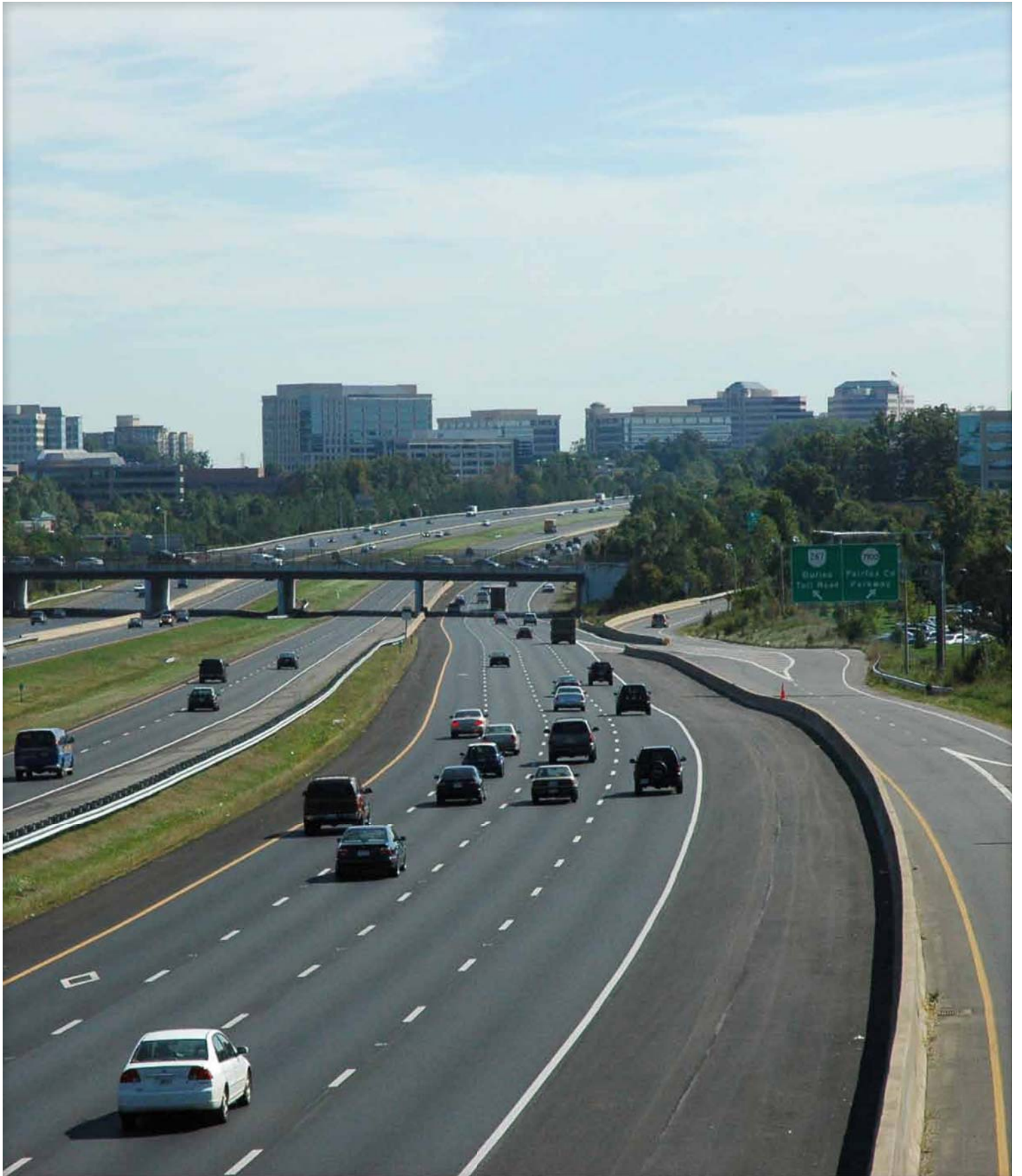
■ Keeping things moving.

Dulles Toll Road employees worked overnight to repair traffic accident damage under the Beulah Road overpass. Workers had the road open in time for the morning rush hour. Workers also averted traffic disruption when alerted in advance of a coming eight-hour power outage at the Centreville West Toll Plaza. On short notice, they delivered portable electric generators to keep power flowing through the outage. Thanks go to the Dulles Toll Road and the Dulles International team members for their support.

Dulles Toll Road

The Dulles Toll Road's benefit to those who live and work in the Dulles Corridor is enormous. Built in 1984, the Toll Road represents a vast improvement to the area's vehicular transportation infrastructure and is an impetus for economic growth throughout its neighboring communities. The Toll Road allows motorists to travel at highway speeds between Loudoun County and the District of Columbia, saving time and precious fuel. Revenue from the Dulles Toll Road is used to help fund the construction of the new Metrorail extension.

In 2011, the Airports Authority remained committed to supporting several regional transportation initiatives that extend beyond the Dulles Toll Road, including completing the preliminary engineering phase for the widening of Route 606 west of the Greenway to four lanes. Members of Loudoun County's staff and the Washington Airports Task Force continued their study of long-term options to upgrade the Route 606 portion of the Dulles Loop to a highway and a partial freeway facility. The Airports Authority also teamed with local and state officials to review options for the new Northern Virginia North-South Corridor of Statewide Significance on the west side of Dulles International.



Employees in Service



Employees gather in the courtyard of the Corporate Office Building to kick off a *GEM* rally. The rally provided insight into good customer service skills. Awards were distributed to employees who were recognized for their professional behavior.



Airports Authority Police prepare for the 9-11 motorcycle ride.



Employees who have dedicated at least 20 years of service to the Airports Authority were recognized at the annual Employee Recognition Ceremony in December.

Employees in Service



In October, the U.S. Honor Flag was flown to Reagan National for the annual ceremony honoring fallen firefighters and then transported to Emmitsburg, Md., for the Fallen Firefighters Memorial. The Airports Authority's Fire Department Honor Guard participated in the event.



In July, Reagan National employees gathered to bid farewell to outgoing Airports Authority President & CEO Lynn Hampton.



Employees were recognized at the Operational Safety Awards Program in December for their contribution to the prevention of accidents and illnesses.

Financial Summary

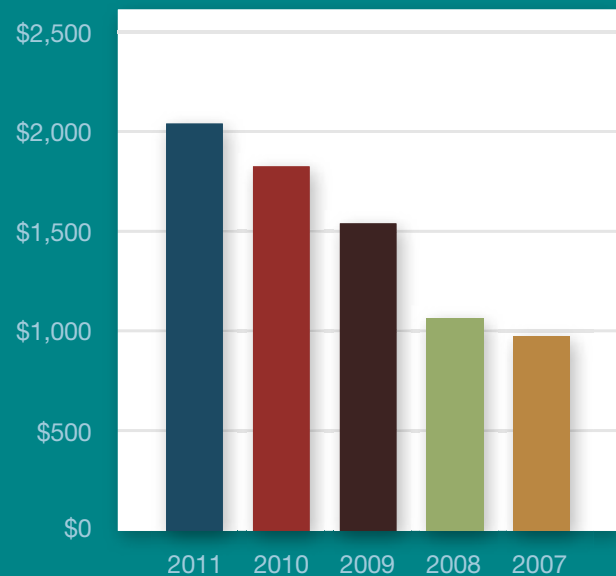
Combined Aviation Enterprise Fund and Dulles Corridor Enterprise Fund

Fiscal Years Ended December 31,	2011	2010	2009	2008	2007
Operating Revenues					
Concessions	\$ 227,599,995	\$ 230,973,498	\$ 217,461,176	\$ 223,710,732	\$ 217,486,823
Tolls	94,659,538	88,038,168	64,893,554	10,416,498	—
Rents	275,428,113	226,375,685	193,736,080	171,331,285	167,301,027
Design fees	—	—	—	20,363,189	—
Landing fees	110,255,672	101,637,867	96,934,558	82,289,545	78,682,496
Utility sales	11,979,591	12,464,920	13,227,161	13,348,545	11,778,736
Passenger fees	30,331,231	25,913,521	30,665,358	28,354,142	28,684,113
Other	8,381,229	6,509,225	6,429,128	11,547,405	6,542,935
Total Operating Revenues	\$ 758,635,369	\$ 691,912,884	\$ 623,347,015	\$ 561,361,341	\$ 510,476,130
Total Non-Operating Revenues	\$ 36,598,182	\$ 29,651,986	\$ 118,763,628	\$ 22,334,354	\$ 39,877,950
Total Revenues	\$ 795,233,551	\$ 721,564,870	\$ 742,110,643	\$ 583,695,695	\$ 550,354,080
Total Capital Contributions	\$ 370,923,020	\$ 458,221,068	\$ 428,228,630	\$ 438,884,975	\$ 118,674,180
Operating Expenses					
Materials, equipment, supplies, contract services and other	\$ 209,351,988	\$ 203,460,120	\$ 173,143,395	\$ 176,288,727	\$ 182,096,091
Impairment loss/design costs	—	—	—	80,027,390	—
Salaries and related benefits	157,370,451	156,535,252	144,617,031	136,720,661	128,465,267
Utilities	26,779,166	24,565,137	28,209,639	25,402,257	21,134,317
Lease from U.S. Government	5,180,558	5,101,119	5,066,069	4,958,280	4,830,121
Depreciation and amortization	215,291,994	219,060,255	185,914,089	164,852,954	142,029,601
Total Operating Expenses	\$ 613,974,157	\$ 608,721,883	\$ 536,950,223	\$ 588,250,269	\$ 478,555,397
Total Non-Operating Expenses	\$ 337,559,564	\$ 285,284,914	\$ 156,375,809	\$ 303,327,003	\$ 138,796,034
Total Expenses	\$ 951,533,721	\$ 894,006,797	\$ 693,326,032	\$ 891,577,272	\$ 617,351,431
Increase in Net Assets	\$ 214,622,850	\$ 285,779,141	\$ 477,013,241	\$ 131,003,398	\$ 51,676,829
Decrease in Net Assets Due to Restatement	—	—	—	(31,877,388)	(27,903,881)
Total Net Assets	\$ 2,037,211,695	\$ 1,822,588,845	\$ 1,536,809,704	\$ 1,059,796,463	\$ 960,670,453

This report presents selected financial information of the Metropolitan Washington Airports Authority (the Airports Authority) only. This report is not intended to be a Comprehensive Annual Financial Report (CAFR) presented in accordance with Generally Accepted Accounting Principles (GAAP). The financial data presented is derived from the 2011 CAFR and is consistent with GAAP. The Airports Authority has issued separately the 2011 CAFR, which is prepared in conformance with GAAP and includes more detailed financial information. A copy of the 2011 CAFR is available on the Airports Authority's Website at www.mwaa.com/file/2011_CAFR_Final_DAC_Rev.pdf or may be obtained by contacting the Office of Finance at the Metropolitan Washington Airports Authority, 1 Aviation Circle, Washington, D.C. 20001-6000, 703.417.8700.

This report is being submitted to the Government Finance Officers Association (GFOA) for consideration of the Award for Outstanding Achievement in Popular Annual Financial Reporting. The goal of the GFOA program is not to replace reports prepared in conformity with GAAP, but to supplement such reports so as to make the information they contain more readily accessible to a broader audience than that served by traditional financial reporting.

Total Net Assets (in millions)



Financial Highlights for the Fiscal Year Ended December 31, 2011

Financial Highlights — Aviation Enterprise Fund

The financial statements of the Airports Authority present the results of two enterprise funds. The Aviation Enterprise Fund encompasses the activity of Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International), collectively, the Airports. The Dulles Corridor Enterprise Fund encompasses the Airports Authority's activity within the Dulles Corridor, which includes, but is not limited to, the Dulles Toll Road and the Dulles Corridor Metrorail Project (Dulles Metrorail Project). The Dulles Corridor is the transportation corridor with an eastern terminus of the East Falls Church Metrorail station at Interstate Route 66 and a western terminus of VA Route 772 in Loudoun County, Va.

The overall activity results of 2011 reflect the continued gradual reversal of negative trends experienced across the aviation industry as a result of the recession that started in December 2007. The Aviation Enterprise Fund recorded \$664.0 million in operating revenues for 2011. This was a total increase from 2010 of \$60.1 million and an increase from 2009 of \$105.5 million. The Aviation Enterprise Fund's revenues are primarily derived from rents and charges for the use of the Airports Authority's facilities, including landing fees received from airlines using the Airports and concession contracts at the Airports, including parking and off-airport rental car operations. Concessions historically have accounted for a substantial portion of the Aviation Enterprise Fund's revenues

and comprised 34.3 percent of total operating revenues in 2011. Signatory airlines, those that have signed the Airport Use Agreement and Premises Lease (Use and Lease Agreement), are required to pay actual costs plus debt service coverage, while the majority of concessionaires pay the greater of a percentage of revenue or a minimum annual guarantee (MAG).

Airline Revenues

Airlines that operate at Reagan National and Dulles International pay for the costs to operate the Airports and to service the Airports' debt. When operating costs for the Airports Authority increase, there is a corresponding increase in the rates charged to the airlines. In 2011, airline revenues, which consist of terminal rents, landing fees and passenger fees, totaled \$416.0 million. This was an increase of \$62.1 million, or 17.5 percent, compared to 2010, and an increase of \$94.7 million, or 29.5 percent, compared to 2009.

In 2011, rent revenues totaled \$275.4 million, an increase of \$49.1 million from 2010 and an increase of \$81.7 million from 2009. The key drivers of increased terminal rents in recent years include higher operating costs as a result of the expanded International Arrivals Building at Dulles International and increases in debt service costs resulting from Terminal A improvements at Reagan National and the Automated People Mover (AeroTrain) that was placed into service at Dulles International in early 2010. In 2011, landing fees totaled \$110.3 million, which was an increase of \$8.6 million and \$13.3 million from 2010 and 2009, respectively. The increases in

total landing fees were consistent with the increase in combined operations at both Airports. Passenger fees, including conveyance, International Arrivals fees, and fees paid by the Transportation Security Administration (TSA) increased \$4.4 million, or 17.0 percent, from 2010 and decreased \$334,000, or 1.1 percent, from 2009. The increase in passenger fees over 2010 was driven by an increase in international traffic and corresponding International Arrivals Building fees at Dulles International.

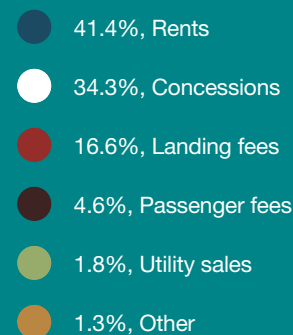
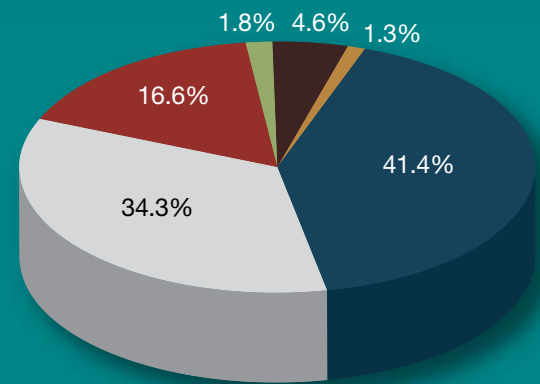
In 2011, prior-year transfers, which are used as an offset to revenues paid by the airlines, remained flat at \$61.6 million. *(Please refer to Note 3 – Airport Use Agreement and Premises Lease in the 2011 CAFR for more detail.)*

Concession Revenues

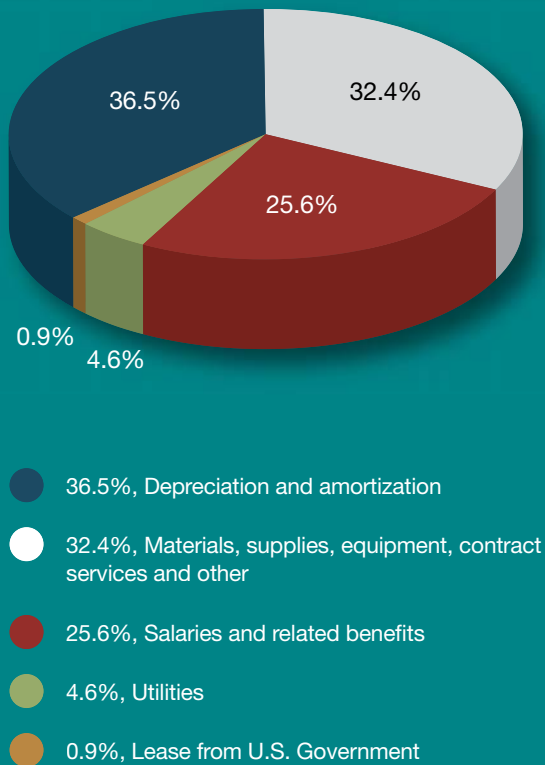
The Airports Authority's concession revenues totaled \$227.6 million, which was a decrease of \$3.4 million, or 1.5 percent compared to 2010, and an increase of \$10.1 million, or 4.7 percent from 2009. In 2011, concession revenues accounted for 34.3 percent of total operating revenues, down 3.9 percent from 2010, as a result of the overall decline in concession revenues and the aforementioned increase in airline revenues.

Car parking revenues continued to rank as the Airports Authority's largest concession in 2011, providing \$108.9 million in total revenues for the year. This was a decrease of \$1.2 million from 2010, but an increase of \$1.2 million from 2009. The decrease in parking revenues in 2011 was partially attributable to lower domestic passenger enplanements at Dulles International, which declined 3.2 per-

**2011 Aviation Enterprise Fund
Operating Revenues**



2011 Aviation Enterprise Fund Operating Expenses



cent from 2010 and 1.6 percent from 2009. In 2011, rental car revenues totaled \$38.7 million, which decreased \$5.6 million and \$159,000 from 2010 and 2009, respectively. In July 2011, a new rental car contract was awarded at Reagan National, which provided for lower MAG amounts than the previous contract. Food and beverage revenues totaled \$17.3 million in 2011, which represented an increase of \$800,000 from 2010 and \$1.6 million from 2009. New concepts in 2011 included Qdoba Mexican Grill at Reagan National. Fixed Base Operator (FBO) revenues of \$14.1 million in 2011 increased \$1.5 million from 2010 and \$1.8 million from 2009. Higher MAGs accounted for nearly \$1.1 million of the increase over 2010, while percentage revenues increased \$427,000 due to higher prices on fuel sold by the FBOs.

All other areas of 2011 concession revenues accounted for a combined net increase of \$1.1 million and \$5.7 million over 2010 and 2009, respectively. These increases were largely attributable to steady increases in duty free and advertising revenues, which offset moderate declines in other concession revenues.

Operating Expenses

Operating expenses for the Aviation Enterprise Fund for the fiscal year ended December 31, 2011, totaled \$578.8 million, an increase of \$4.8 million, or 0.8 percent, over 2010, and \$71.9 million, or 14.2 percent, from 2009. Materials, equipment, supplies, contract services and other expenses increased by \$7.0 million, or 3.9 percent in 2011. This increase was largely a result of contractual spending related to the

implementation of a new Oracle Enterprise Resource Planning (ERP) System. Services expenses increased by \$7.1 million in 2011, with spending on IT services accounting for \$5.2 million of the increase. Project expenses were also higher in 2011 than in 2010, increasing from \$5.6 million to \$9.6 million as a result of higher non-capitalized project costs associated with ERP implementation. Operating expenses in 2010 increased \$67.1 million from 2009 due to record snow events, new contracted operations of the AeroTrain, as well as additional depreciation and amortization expenses.

After three years of development, the Airports Authority implemented Oracle EBusiness Solutions as its new ERP System. According to accounting principles as promulgated in GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), the Airports Authority was in the developmental stage of the implementation program through early 2009 and expensed the costs through the Statements of Revenues, Expenses and Changes in Net Assets. From 2009 until the system was placed in service in June 2011, applicable costs were capitalized. All related training and data conversion costs were expensed.

Aviation Enterprise Fund — Operating Revenues

Fiscal Years Ended December 31,	2011	2010	2009
Operating Revenues			
Rents	\$ 275,428,113	\$ 226,375,685	\$ 193,736,080
Concessions	227,599,995	230,973,498	217,461,176
Landing fees	110,255,672	101,637,867	96,934,558
Utility sales	11,979,591	12,464,920	13,227,161
Passenger fees	30,331,231	25,913,521	30,665,358
Other	8,381,229	6,509,225	6,429,128
Total Operating Revenues	\$ 663,975,831	\$ 603,874,716	\$ 558,453,461

Aviation Enterprise Fund — Operating Expenses

Fiscal Years Ended December 31,	2011	2010	2009
Operating Expenses			
Materials, equipment, supplies, contract services and other	\$ 187,607,830	\$ 180,632,889	\$ 148,303,889
Salaries and related benefits	148,072,307	148,274,437	140,545,604
Utilities	26,542,084	24,375,181	28,141,650
Lease from U.S. Government	5,180,558	5,101,119	5,066,069
Depreciation and amortization	211,365,393	215,536,523	184,798,166
Total Operating Expenses	\$ 578,768,172	\$ 573,920,149	\$ 506,855,378

Salaries and related benefits expenses declined \$202,000 from 2010 to \$148.1 million in 2011. Regular full-time pay for Airports Authority employees increased by \$3.0 million, or 3.2 percent, over 2010. In 2011, the Airports Authority's health insurance expenses increased by \$1.2 million to \$15.3 million. These increases were offset by a 24.8 percent reduction in overtime costs, which fell by \$2.6 million as a result of lower snowfall, as well as a decline in Other Post-Retirement Employee Benefits (OPEB) expenses, which decreased by \$1.5 million to \$6.8 million in 2011. The Airports Authority recorded other post-retirement benefits expenses of \$6.8 million and \$8.3 million in 2011 and 2010, respectively. The contribution percentages to the Airports Authority's retirement plans decreased to 7.4 percent in 2011 from 7.5 percent of eligible earnings in 2010 for the general plan and decreased to 14.7 percent in 2011 from 16.0 percent of eligible earnings in 2010 for the police and firefighters plan. The funded ratio as of the actuarial valuation date of December 31, 2010, was 106.1 percent for the general plan and 99.0 percent for the police and firefighters plan.

The Airports Authority's utility expenditures for 2011 were \$26.5 million, an increase of \$2.2 million from 2010. The increase in utility expenses was driven principally by higher electricity rates, which resulted in a \$3.2 million increase in electricity expense. Spending on natural gas declined by \$800,000 in 2011 due to a decrease in rates, and helped to mitigate the increase in electricity costs. The Airports Authority's

utilities expenses in 2010 totaled \$24.4 million, a decrease of \$3.8 million from 2009. In 2010, the Airports Authority joined an energy consortium, which helped reduce utility expenses.

Depreciation and amortization expenses in 2011 were \$211.4 million. This was a decrease of \$4.2 million from 2010 and an increase of \$26.6 million from 2009. In January 2010, the AeroTrain became operational at Dulles International, and in November 2010, the Airports Authority completed the second phase of the International Arrivals Building (IAB). At Reagan National, the parking garage was expanded and runway and taxiway improvements were completed in 2010. In 2011, the Airports Authority completed the final phase of the IAB expansion at Dulles International and Runway 1-19 improvements at Reagan National.

A cost allocation plan is used to identify and quantify all overhead and other indirect costs appropriately allocable to the Dulles Toll Road or to the Dulles Metrorail Project within the Dulles Corridor Enterprise Fund. As a result of this allocation plan, \$8.5 and \$7.3 million of Aviation Enterprise Fund operating expenses were allocated to the Dulles Corridor Enterprise Fund in 2011 and 2010, respectively.

Financial Highlights — Dulles Corridor Enterprise Fund

Operating Revenues

For the year ended December 31, 2011, the Dulles Corridor Enterprise Fund recorded toll revenues of \$94.7 million, which consisted of Automated Vehicle Identification (AVI) or electronic toll collections of \$70.6 million, cash collections of \$22.9 million, and violations revenues of \$1.1 million. AVI collection as a percentage of total operating revenues was 74.6 percent. In 2010, toll revenues totaled \$88.0 million, an increase of \$23.1 million from 2009, and consisted of AVI collections of \$63.6 million, cash collections of \$23.7 million, and violations revenues of \$0.7 million. AVI collection as a percentage of total operating revenues was 72.2 percent. Overall increases in total operating revenues in 2011 were primarily driven by toll rate increases that went into effect on January 1, 2011.

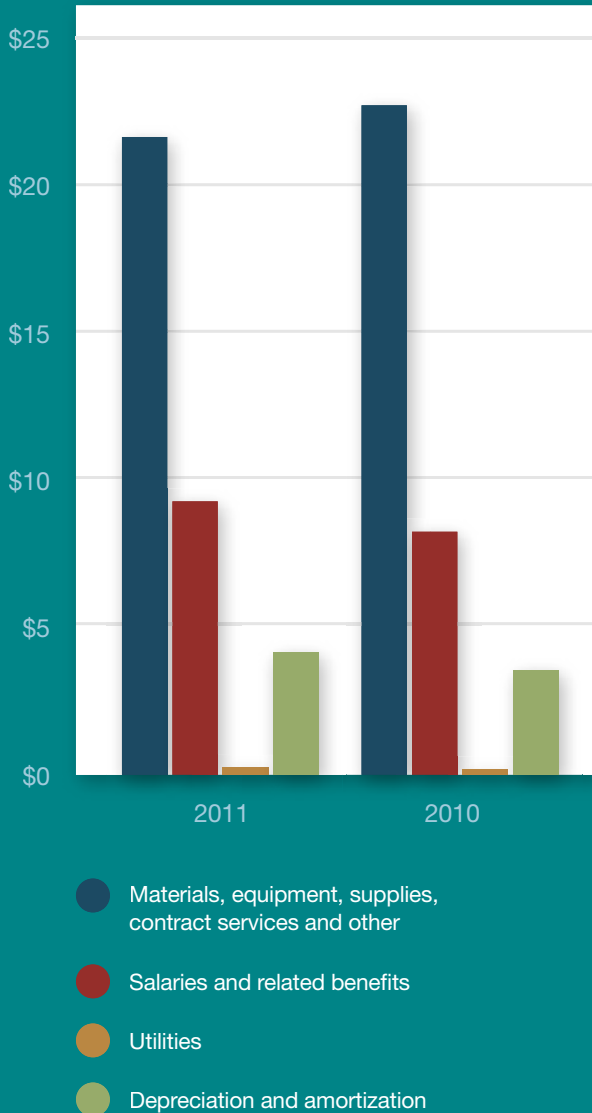
Operating Expenses

For the years ended December 31, 2011, 2010, and 2009, the Dulles Corridor Enterprise Fund recorded \$35.2 million, \$34.8 million, and \$30.1 million in operating expenses, respectively. In 2011, operating expenses were primarily comprised of materials, supplies, equipment, contract services, and other, which totaled \$21.7 million and included \$5.1 million in electronic toll collection fees paid to the third-party processor of AVI transactions, \$4.2 million in maintenance and repair costs, and \$1.6 million in consulting services. In 2010, materials, supplies, equipment, contract services and other totaled \$22.8 million, which included \$6.2 million

Dulles Corridor Enterprise Fund
Operating Revenues (in millions)



Dulles Corridor Enterprise Fund Operating Expenses (in millions)



in electronic toll collection fees paid to the third-party processor of AVI transactions, \$3.7 million in maintenance and repair costs, and \$1.4 million in contractual snow removal costs.

In 2011, \$8.5 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$5.0 million allocated to the Dulles Toll Road and \$3.5 million allocated to the Dulles Metrorail Project. In 2010, \$7.3 million was allocated from the Aviation Enterprise Fund to the Dulles Corridor Enterprise Fund, with \$4.6 million allocated to the Dulles Toll Road and \$2.7 million to the Dulles Metrorail Project. The increase in allocated costs is attributable to increases in the allocation for the Board, Information Systems and Telecommunications, Business Administration, and Finance expenses. Allocated costs related to Phase 2 of the Metrorail Project also increased due to preliminary engineering activities undertaken in 2011.

Salaries and related benefits expense increased \$1.0 million from \$8.3 million in 2010 to \$9.3 million in 2011. The increase was due to a \$978,000 increase in allocated salaries and benefits expense. Salaries and benefits expense increased \$4.2 million in 2010 due to a \$2.0 million increase in salaries and benefits for Dulles Toll Road and Metrorail Project employees as well as a \$2.2 million increase in allocated salaries and benefits expense.

Dulles Corridor Enterprise Fund — Operating Revenues

Fiscal Years Ended December 31,	2011	2010	2009
DCE Operating Revenues			
Cash	\$ 22,905,593	\$ 23,715,733	\$ 19,199,661
Automated vehicle identification (EZPass)	70,634,124	63,606,906	45,146,685
Violation	1,119,821	715,529	547,208
Total Operating Revenues	\$ 94,659,538	\$ 88,038,168	\$ 64,893,554

Dulles Corridor Enterprise Fund — Operating Expenses

Fiscal Years Ended December 31,	2011	2010	2009
DCE Operating Expenses			
Materials, equipment, supplies, contract services and other	\$ 21,744,158	\$ 22,827,231	\$ 24,839,506
Salaries and related benefits	9,298,144	8,260,815	4,071,427
Utilities	237,082	189,956	67,989
Depreciation and amortization	3,926,601	3,523,732	1,115,923
Total Operating Expenses	\$ 35,205,985	\$ 34,801,734	\$ 30,094,845

Finance Office consistently recognized for achievements

For the 22nd consecutive year, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Airports Authority for its 2010 Comprehensive Annual Financial Report. Once again, we also received the GFOA's 2011 Distinguished Budget Presentation Award and the 2010 award for Outstanding Achievement for our Popular Annual Financial Reporting. Congratulations go to CFO **Andrew Rountree** and his entire staff.

Board of Directors



Chairman
Michael A. Curto¹
MD



Vice Chairman
**The Honorable
Thomas M. Davis III**
VA



Robert Clarke Brown
US



**Richard S. "Dickie"
Carter**
MD



**The Honorable
William W. Cobey Jr.**
US



Frank M. Conner III
VA



**The Honorable
H.R. Crawford**
DC



**Shirley Robinson
Hall**
DC



Dennis L. Martire
VA



Michael L. O'Reilly
VA



Mame Reiley²
VA



Warner H. Session
DC



Past Chairman
Charles D. Snelling³
US



Todd Stottlemeyer⁴
VA

¹Chairman Effective January 1, 2012

²Resigned Effective February 15, 2012

³Deceased March 29, 2012

⁴Appointed March 8, 2012

Management

John E. Potter

President and Chief Executive Officer¹

Margaret E. McKeough

*Executive Vice President and
Chief Operating Officer*

Quince T. Brinkley, Jr.

Vice President and Secretary

Syed Ali

*Acting Vice President for Information
and Telecommunications Systems²*

Steven C. Baker

*Vice President for Business
Administration*

Christopher U. Browne

*Vice President and Airport Manager
Washington Dulles International*

George R. Ellis

*Vice President for Information and
Telecommunications Systems³*

Frank D. Holly, Jr.

Vice President for Engineering

Valerie Holt

Vice President for Audit

J. Paul Malandrino, Jr.

*Vice President and Airport Manager
Ronald Reagan Washington National*

Andrew T. Rountree

*Vice President for Finance and
Chief Financial Officer*

Philip Sunderland

Vice President and General Counsel

Elmer H. Tippet, Jr.

Vice President for Public Safety

Mark Treadaway

*Vice President for Air Service
Planning and Development,
and Acting Vice President for
Communications*

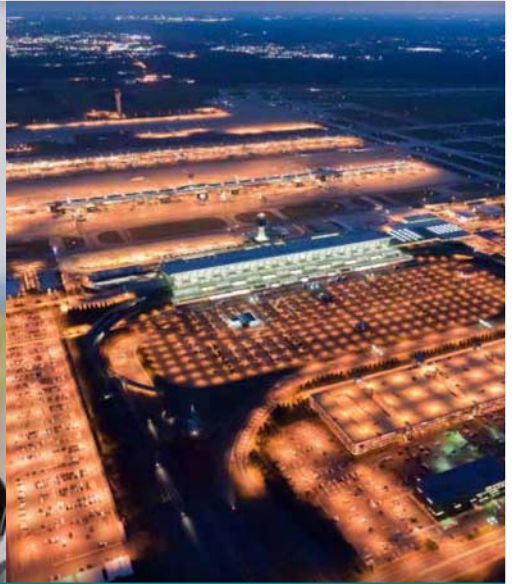
Arl B. Williams

Vice President for Human Resources

¹Effective July 11, 2011
E. Lynn Hampton retired on October 7, 2011

²Effective February 24, 2012

³Retired April 11, 2012



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

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