

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



Board of Directors

November 14, 2012

Michael A. Curto *
Chairman

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Warner H. Session +

Todd A. Stottlemeyer °

Appointee of:

* United States

+ District of Columbia

× Maryland

° Virginia

The Honorable Ray LaHood
Office of the Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Robert F McDonnell
Office of the Governor
Patrick Henry Building, 3rd Floor
111 East Broad Street
Richmond, VA 23219

The Honorable Vincent C. Gray
Executive Office of the Mayor
1350 Pennsylvania Avenue, NW
Washington, DC 20004

The Honorable Martin O'Malley
Office of the Governor
100 State Circle
Annapolis, MD 21401

Dear Secretary LaHood, Mayor Gray, Governor McDonnell and Governor O'Malley:

On behalf of the Airports Authority's Board of Directors, I want to update you on actions that have been taken and those that are underway in response to the issues expressed in your joint letter of August 4, 2012, and to the reports issued by the Department of Transportation Inspector General. The leadership of the Airports Authority understands the concerns you have expressed, takes them seriously, and intends to fully address and resolve them.

Following the issuance of the DOT Inspector General's interim report letter last May, the Airports Authority undertook a number of actions in the areas of governance, transparency, ethics, procurement and travel. Many of these actions are responsive to the issues presented in your August 4 letter. The Inspector General's final report, issued on November 1, contains a series of 12 recommendations that the Airports Authority intends to fully implement. Some of those recommendations call for actions we have already taken in response to the May interim letter; others call for additional action on our part. We are determined to implement the recommendations of the Inspector General as quickly as possible. We also are determined to do whatever is necessary to restore your confidence in the Airports Authority and in our ability to operate the important public transportation assets that have been entrusted to us.

Over the past 25 years, the Airports Authority has successfully financed and developed significant improvements to Ronald Reagan National and Dulles International Airports, expanding the availability and quality of air service in the greater Washington region and significantly contributing to the regional economy. I believe that sound judgment, effective management and organizational integrity were required for this success, and that these values continue to guide the Authority's work today. It is clear, however, that past actions and decisions, as described in the Inspector General's interim and final reports, have cast doubt upon the transparency, fairness and integrity of the Authority's administration of valuable regional assets, and have served to overshadow the quality service that Authority employees provide each day to the region's travelers. It is equally clear that the Authority must act, meaningfully and convincingly, to remedy the organizational deficiencies suggested by those actions and decisions in order to regain your trust, as well as that of the public.

In your August 4 letter, you identified eight areas in which you expected the Authority to institute "reforms . . . immediately in the most appropriate and lawful manner." I want to report on the actions we have taken in each of these areas, and to identify the additional actions we intend to take in the near future. I would note that, in taking these actions, we have worked – and will continue to work – closely with Ms. Kimberly Moore, the Federal Accountability Officer appointed by Secretary LaHood, who has provided significant guidance and assistance.

Each of the reform areas identified in your letter is stated below and, following its identification, a "status" is provided of the actions we have taken, and others we are in the process of taking, to respond to your issues of concern and to the recommendations made in the Inspector General's final report (referred to below as "IG Recommendations").

A. *"Swiftly overhaul financial, procurement, and human resources policies and adopt policies in line with Federal standards for transparency and fairness in these categories."*

Status

1. In the area of Procurement, the following actions have been taken or are in process:
 - a. The use of categorical exceptions to "full and open competition" has been suspended for professional services,¹ and amendments to the Authority's Contracting Manual that minimize future use of such exceptions are scheduled to be presented to the Board of Directors in the first quarter of 2013. (See IG Recommendation 2(b))
 - b. Through reorganization, the Authority's procurement function has been transferred to the Office of Finance.

¹ A copy of the memorandum from the Authority's President and CEO imposing this suspension is enclosed as Enclosure A.

- c. Recruitment is underway for a new director of the Authority's procurement function, to replace the prior director who has retired.
- d. The Authority is in the process of taking the steps necessary to implement the following "procurement-related" recommendations of the Inspector General.² Our intent is to have much of this work completed in the first quarter of 2013, and the remainder by June 30, 2013.
 - i. To address IG Recommendation 1 regarding the preparation of quarterly procurement acquisition reports, this first of these reports will be produced and delivered to DOT in April 2013; the report will cover the first quarter of 2013, will address contracts awarded and contract selections approved by the Board during the quarter, and will identify planned procurements for the following quarter. This report will thereafter be produced on a quarterly basis.
 - ii. To address IG Recommendation 2 regarding revisions to the Authority's Contracting Manual to reflect Federal and other best practices in certain identified areas, work has begun on these revisions, and formal amendments to the Contracting Manual that address the areas identified in this recommendation will be presented to the Board of Directors during the first quarter of 2013.
 - iii. To address IG Recommendation 3 regarding the need to clarify and enforce certain identified policies and procedures currently in the Contracting Manual, work is underway on the preparation of amendments to the Manual that will clarify, and will address the enforcement of, these policies; these amendments will be presented to the Board during the first quarter of 2013.
 - iv. To address IG Recommendation 4 regarding an assessment of the Authority's procurement workforce and implementation of an appropriate procurement certification program, an external consultant is being retained to conduct this assessment and work is underway to prepare the recommended certification program. The workforce assessment will be completed and the certification program will be defined by June 30, 2013.
 - v. Finally, to address IG Recommendation 5 regarding the establishment of policies and procedures for procurement integrity, amendments to the Contracting Manual are in preparation that will formally create these policies; the amendments will be presented to the Board in the first quarter of 2013. This IG Recommendation may also require amendments to the Authority's codes of ethics for Board members and employees (discussed below); if it is determined that such amendments are needed, they also will be presented to the Board during the first quarter of next year.

² The Recommendations in the Inspector General's final report (pages 38-41) are enclosed as Enclosure B.

2. In the area of Human Resources, the following actions have been taken or are in process:
 - a. Recruitment is underway for a new Vice President for the Office of Human Resources to replace the prior Vice President who has retired. In the interim, the Authority's President and CEO has assumed day-to-day management of the Office.
 - b. To address IG Recommendation 10(a) regarding policies addressing competitive hiring and compensation policy and procedure, policy revisions are underway (i) to clarify that, with possible narrow exceptions, all newly created positions, vacant positions, and "promotional opportunity" open positions will be competitively filled, (ii) to eliminate job descriptions with "unclassified duties," and (iii) to require that all positions have a specific job description with an associated salary range. These revisions will be completed in the first quarter of 2013. In addition, a number of actions in line with these policies have already been taken.
 - c. To address IG Recommendation 10(b) regarding the student employment program, management guidance for the program has been developed and distributed to all Authority offices; the guidance ensures that student candidates and current student employees meet and maintain program eligibility requirements, and requires that all students complete background investigations before being hired.
 - d. To address IG Recommendation 10(c) regarding background checks on new employees, steps have been taken to improve communication and coordination between the Office of Human Resources and the Office of Public Safety, including providing certain Public Safety employees access to personnel files. In addition, to improve Authority background investigations, on October 17, the Board of Directors authorized staff to begin the Authority's process to adopt a new regulation that will enable the Authority's Police Department to obtain criminal history record information for new employees from the FBI, through the Virginia state police. It is anticipated that this regulation will be adopted by the Board within the next six weeks.
 - e. To address IG Recommendation 10(d) regarding justifications to override no-hire recommendations based upon background investigations, new Authority policy will provide that decisions regarding the suitability of individuals based on background investigations will be made by the Vice President for the Office of Public Safety, and that appeals from such decisions may be made by to the President and CEO.
 - f. To address IG Recommendation 10(e) regarding the establishment of policies for hiring bonuses and cash awards, policies are now being developed in this area. Once finalized, which will be during the first quarter of 2013, these policies will, among other things, require the approval of the President and CEO for any hiring bonus and will establish a set of new, more stringent criteria for cash awards.

- g. Finally, to address IG Recommendation 10(f) regarding the timely verification of employee eligibility for compensation and benefits, procedures providing for such verification will be adopted and implemented during the first quarter of 2013. In addition, these procedures will ensure that benefits will not be authorized or provided following the termination of an employee's employment for reasons other than retirement.

3. In the area Finance, the following actions have been taken or are in process:³

- a. An Internal Controls and Compliance Division has been established in the Office of Finance under the direction of the Chief Financial Officer. This division is responsible for monitoring and testing Authority-wide remediation of the Inspector General's findings, for monitoring the status of all audit findings, for periodically validating operational compliance with established Authority policies and processes, and, where lack of compliance or adequate internal controls are found, for providing the action required to bring about such compliance or sufficient controls.

B. *"Terminate all existing contracts with former Board members and former employees that were not competitively bid."*

Status

- 1. All contracts with former Board members have been terminated.
- 2. The one contract with a former employee has been terminated.
- 3. In addition, the new code of ethics for members of the Board of Directors,⁴ which was adopted by the Board on September 19, prohibits any Board member and any member of his or her family, for a two-year period following the member's departure from the Board, from having any contractual relationship with the Authority. The new code extends this two-year contract prohibition to any business entity that is under the control of a former Board member.
- 4. The new Board ethics code also prohibits any member of the Board and any member of his or her family, as well as any business entity that is controlled by the member, from having a contract with the Authority during the member's term on the Board.

³ Other than addressing issues relating to procurement (see para. A(1)(d) above), the IG Recommendations do not directly address the Authority's "finance" function or activities of the Office of Finance.

⁴ The revised ethics code for the Board of Directors is enclosed as Enclosure C.

C. *"Terminate all existing employment relationships with former Board members."*

Status

1. The single employment contract with a former Board member has been terminated.
2. In addition, the new code of ethics for Board members prohibits any Board member and any member of his or her family, for a two-year period following the member's departure from the Board, from being employed by the Authority.
3. The new Board ethics code also prohibits any member of the Board and any member of his or her family from being employed by the Authority during the member's term on the Board.

D. *"Adopt post-employment restrictions for Board members and employees that meet Federal standards."*

Status

1. In addition to adopting a new ethics code for the Board of Directors, on September 19 the Authority adopted a new code of ethics for employees.⁵ The Authority worked closely with Ms. Kimberly Moore, the appointed Federal Accountability Officer, in developing both of these new codes. These new codes places restrictions on Board members and employees following their departure from the Authority which are consistent with Federal standards. Prior Authority codes of ethics did not impose any such restrictions on Board members or employees. The provisions of these new codes and the actions being taken to implement the codes, which are described below, address IG Recommendations 6 through 9.
2. The ethics code for Board members, in addition to the two-year contract and employment prohibitions described above, bars members, for a two-year period after they leave the Board, from knowingly making any communication to or appearance before the Board or any Authority officer or employee, on behalf of a person, in connection with a matter that the member knew or should have known was pending during his or her term on the Board. This provision is consistent with Federal standards.
3. The ethics code for employees places a number of post-employment restrictions on employees.
 - a. On a *permanent* basis, the code bars employees from knowingly making any communication to or appearance before the Board of Directors or any

⁵ The revised ethics code for the Authority employees is enclosed as Enclosure D.

Authority officer or employee, on behalf of a person, in connection with a matter in which the employee "participated personally and substantially as an Authority employee."

- b. For a *two-year period* after leaving the Authority, the code prohibits employees from knowingly making a communication to or appearance before the Board or any Authority officer or employee, on behalf of a person, in connection with a matter which was "pending within an area of the Authority for which the former employee was responsible" at any time during the year before the employee's departure from the Authority.
- c. For a *one-year period* after departing the Authority, the code provides an overall "cooling off period" applicable to employees who are required to file annual financial disclosure statements; those employees are barred, for a year following the termination of their Authority employment, from knowingly making any communication to or appearance before the Board or any Authority officer or employee on behalf of any person, regardless of the nature of the particular matter.

E. *"Strengthen your ethics code to guard against conflicts of interests and provide annual ethics training to Board members and employees."*

Status

1. As noted, on September 19 the Authority adopted two new codes of ethics, one applicable to the Board of Directors, the other to Authority employees. With minor exceptions, the two codes contain parallel provisions.
2. As to conflicts of interests, the codes' conflicts provisions – but particularly those in the Board code – have been significantly strengthened. For example:
 - a. The definition of "conflict of interests" has been expanded to encompass not just "businesses doing or seeking to do business with the Authority," but any business or real property that "may realize a reasonably foreseeable benefit or detriment as a result of an Authority action or decision";
 - b. Various thresholds defining the level of financial interest in a business or property that may give rise to a conflict of interests have been lowered to parallel levels in Federal conflicts rules; and
 - c. A "recusal" procedure that is to be followed by Board members with a conflict of interests has been defined, which includes public announcement of the recusal, execution of a recusal agreement, and certain steps to withdraw from participating in the "conflicted" matter at a Board or committee meeting.
3. In addition to strengthening the "conflict of interests" area, the new ethics codes have clarified and strengthened other important areas. For instance:
 - a. The codes' provisions relating to the *solicitation and acceptance of gifts* have been significantly rewritten and tightened, and particular emphasis on

these provisions has been given during current ethics training (*see* para. 4 below);

- b. The codes' approach to *financial disclosures* has been substantially altered and revised to parallel the approach taken in the Federal "disclosure" area. Under the new codes, disclosures will not be limited to those "businesses doing or seeking to do business" with the Authority in which a Board member or employee has a financial interest, but will extend to *any business* in which a financial interest is held. In addition, the disclosures will now include information relating to gifts received, employment positions occupied, and outside positions held during the prior year.⁶ (The actions in this subpara. (b) address IG Recommendation 6(b));
- c. The Board code has been revised to specifically address the *use of one's position* to benefit relatives or friends, and the use of *confidential information* (addressing IG Recommendation 6(a)) ;
- d. The Board code also has been revised to provide, for the first time, provisions directed at the *enforcement* of the code's substantive rules. The code establishes an Ethics Review Committee of the Board and a procedure for the review of and action on allegations of member conduct in violation of the code (*see* subpara. (e)(vi) below); and
- e. Both codes provide for the appointment of an Ethics Officer for the Authority and define the responsibilities of the officer. The appointment of an Ethics Officer (an attorney in the Office of General Counsel) was approved by the Board on October 17. Her responsibilities include:
 - i. ensuring the timely filing of annual financial disclosure statements by Board members and all employees required to file, reviewing such filings to ensure completeness, and using information in the filings to alert members and employees of potential conflicts of interests (addressing IG Recommendations 6(b) and 7);
 - ii. discussing potential conflicts of interests with Board members and employees, and providing for the execution of recusal agreements when appropriate (*see* IG Recommendation 7);
 - iii. reviewing the second jobs of Authority employees for potential conflicts of interests and approving them when no conflict is presented;
 - iv. reviewing Board member and employee inquiries regarding "widely attended gatherings" and approving the acceptance of invitations to such events when the codes' standards are met;
 - v. advising members and employees generally as to the codes' applicability to situations they describe;
 - vi. acting as staff to the Board's Ethics Review Committee, undertaking a preliminary investigation of alleged code violations by a Board member, and making recommendations based on the investigation to the committee; and

⁶ A copy of a *draft* financial disclosure form for Board members is enclosed as Enclosure E.

- vii. arranging for the provision of ethics training on an annual basis for Board members and employees, as well as new members and employees soon after their arrival at the Authority.

In addition, the Ethics Officer is developing internal forms and protocols to be used in implementing and overseeing compliance with the new ethics codes (addressing part of IG Recommendations 6, 7 and 9), including annual conflict of interests certifications by contracting officers and their representatives (addressing IG Recommendation 6(c)).

- 4. With respect to ethics training, the new codes require ethics training for new Board members and employees within 30 days of their arrival at the Authority and thereafter on an annual basis. Since the adoption of the codes, and to address IG Recommendations 8(a) and 8(b), an ethics training program for Authority employees has been developed which calls for over 35 training sessions that will reach all 1,425 employees of the Authority. To date, 26 of these sessions, involving 727 employees, have been conducted. In addition, to date ten Board members have received training on the new Board ethics code, and the remaining members are scheduled for a November 16 training session. Annual ethics training will hereafter be provided to employees and Board members. It is envisioned that every three years this training will be delivered in a "live" meeting format, like the training now being conducted, and that, in the intervening two years, an on-line training program will be provided.

- F. *"Tighten travel procedures to eliminate wasteful spending. These procedures should be consistent with Federal requirements."*

Status

- 1. On September 5, the Board adopted a new travel policy which applies to both Board members and Authority employees.⁷ The Authority worked closely with the Accountability Officer in developing this policy and in working to ensure it is in line with relevant Federal requirements and industry best practices.
- 2. The new travel policy is applicable to both employees and the Board of Directors, and places a number of controls upon Board member travel that heretofore did not exist or existed in different form. For example, it:
 - a. requires prior approval of all non-recurring travel from the Board chairman;
 - b. places a daily cap of \$71.00 for meals and incidental expenses, and requires detailed receipts for all expenditures;
 - c. defines allowable expenditures that may be reimbursed;

⁷ This new travel policy is enclosed as Enclosure F.

- d. bars any reimbursement for alcohol-related expenses;
 - e. requires all air travel be via economy class, except for travel outside the continental United States which may be an upgrade to the next higher class (if this upgrade is to first class, prior approval is required);
 - f. places restrictions on lodging, limiting it to conference sponsored hotels or other reasonably priced lodging (to address IG Recommendation 11, the Authority is working with the Accountability Officer to define additional limitations on "reasonable lodging expenses");
 - g. requires all expense reimbursement requests to be approved by the Board chairman; and
 - h. requires an annual audit of travel expenses to be provided to a committee of the Board and the President and CEO.
3. In addition to the revised Travel Policy, to address IG Recommendation 12(b) regarding guidelines for entertainment business expenses, a revised business expense reimbursement policy, applicable to both Authority employees and the Board of Directors, is being prepared and is expected to be finalized by the end of the year.

G. *"Implement a transparency program that requires open meetings, and the posting of meeting announcements, agendas, and all minutes on the internet. This program must ensure executive sessions are used for limited and proper purposes."*

Status

1. On February 15, the Board adopted revisions to its Bylaws designed to improve the transparency of Board operations and meetings.⁸ These revisions:
- a. provide for the regular posting on the Authority's website of information relating to the Board of Directors and meetings of the Board and its committees, including the following: (i) the dates, times and agendas of the next scheduled Board and committee meetings; (ii) the non-privileged information and recommendation papers prepared for the Board and committees in connection with the meetings' agenda items; (iii) the approved minutes of Board meetings; and (iv) the schedule of all Board and committee meetings for the upcoming six months;
 - b. direct the Board Secretary to ensure that the public is informed of the date, time and location of upcoming Board and committee meetings, and has access to the records of such meetings; and
 - c. clarify the circumstances in which the Board and its committees may move into executive or closed session.

⁸ The revised bylaws are enclosed as Enclosure G

Since February 15, the materials described above have been regularly posted to the Authority's website.

2. On July 18, the Board amended the Authority's Freedom of Information Policy.⁹ The amendments:
 - a. establish a Freedom of Information Officer for the Authority;
 - b. define how the public may request records from the Authority and the responsibility of Authority officers in responding to such requests;
 - c. provided an appeal from a decision by the FOI Officer to withhold records to the chairman of the Board's Legal Committee;¹⁰ and
 - d. identify a broad range of Authority documents that are to be posted on the Authority's website (documents, e.g., relating to the Board, to Authority finances, to Authority contract opportunities), all of which have been placed on the website.
3. In addition, today the Board has revised its policy regarding meetings of the Board's Audit Committee. Prior to this revision, Audit Committee meetings have been held largely in closed session. Under today's revision, meetings of the Audit Committee will be held in open session except in four specific circumstances: when considering audits involving safety or security matters, proprietary and privacy information, matters related to actual or potential litigation, and information that the professional standards governing financial statement auditors require to be addressed in closed session. This policy revision, which addresses IG Recommendation 12(a), will be added to the Authority's bylaws in early 2013.

H. *"Strengthen all oversight, construction planning and management programs to find ways to reduce design, construction and operating costs of airport facilities and the rail to Dulles project."*¹¹

Status

1. The Airports Authority is committed to undertaking capital construction projects in accordance with industry best practices and in a collaborative, efficient and cost effective manner. In developing plans for all large capital projects, the Authority will continue to hold formal consultations with relevant stakeholders and partners (e.g., the airlines, our Metrorail project funding partners, the Dulles Corridor Advisory Committee, the Metrorail project's Principals Coordinating Committee established under the project partners' 2011 Memorandum of

⁹ The revised Freedom of Information Policy is enclosed as Enclosure H.

¹⁰ IG Recommendation 12(c) calls for an external review of FOI denials. The Authority is reviewing its authority to provide such reviews.

¹¹ The IG Recommendations do not directly address the matters addressed in this "reform" area.

Agreement) to gain input on project scope, budget, and procurement methodology. In addition, during the life of construction projects, the Authority will continue to regularly share construction progress and cost reports with project partners and the public. Such information is regularly presented during Board of Directors meetings, and is posted on the Authority's website.

2. Financial planning for major capital projects will continue to be based on best practices. Engineering cost estimates will be independently developed and, for large, complex projects, those estimates will be independently evaluated through third party "value engineering" reviews. The Phase 2 Metrorail project budget has been developed using these methodologies.
3. Design and construction services will be competitively competed to assure best value is obtained. The Phase 2 Metrorail project is currently out to bid utilizing a two-step procurement methodology approved by the project partners and FTA that is designed to maximize competition and achieve a competition-driven fixed price. Aviation projects scheduled for 2013 will be procured using the most cost effective construction and procurement methods permitted by FAA grant assurances.
4. Finally, the Airports Authority will continue to utilize independent construction oversight and management support services to assist Authority staff in managing construction projects. These third party services have been utilized for years to assist in the management of constructions projects at both airports; they also have been successfully used during Phase 1 of the Metrorail project. The contract for program management support services for Phase 2 of the Metrorail project is currently being competed through open competition. The scope of the existing aviation oversight and management support services contract is being revised in light of reduced construction activities at the airports and in order to appropriately align the services needed with the scale of the airports' capital program.

I apologize for the length of this letter. However, I wanted to be sure that the Airports Authority's response to your August 4 letter contains and conveys the "candor and wholehearted implementation of . . . changes" that you seek. I also wanted our response to demonstrate that the Authority's Board of Directors is fully committed to working with you and our other regional partners in the months ahead to address your concerns and regain your confidence.

The Honorable Ray LaHood
November 14, 2012
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Finally, I note that, in a November 9, 2012, Deputy Secretary of Transportation John Porcari has requested that the Airports Authority provide a "point-by-point" response to each of the recommendations contained in the Inspector General's final report. We will, of course, provide this response within the period identified by the Deputy Secretary.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Curto", with a stylized flourish at the end.

Michael A. Curto
Chairman

Enclosures

Enclosure A

Memorandum Suspending Use of Certain Categorical Exceptions
(August 2012)

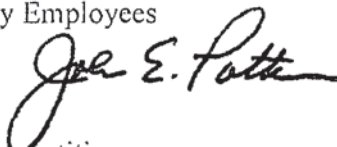
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



MEMORANDUM

To: Airports Authority Employees

From: John E. Potter



Subject: Full and Open Competition

Date: August 10, 2012

As a result of recent audits by the Department of Transportation Office of the Inspector General, we are taking several positive steps to change our procurement procedures. In the future, the Contracting Manual will be revised to reflect these changes. However, some changes will be put into effect before the Contracting Manual is formally revised.

Effective August 10, 2012, we are suspending the use of certain categorical exceptions to full and open competition presently allowed by section 1.2.1 of the Contracting Manual. These consist of the categorical exceptions for the procurement of legal, financial, audit, or legislative representation professional services. Any exceptions to this suspension must be approved by me.

From this date forward, these services must be procured using full and open competition. Therefore, sufficient lead time should be allotted to allow the procurement process to be completed by your need date. If there are any questions, please contact Fred Seitz of the Procurement and Contracts Department at extension 7-8674.

Thank you in advance for your attention and compliance.

JEP:klm

Enclosure B

Recommendations from Inspector General
November 1, 2012, Final Report

Office of Inspector General

Audit Report

**MWAA'S WEAK POLICIES AND
PROCEDURES HAVE LED TO
QUESTIONABLE PROCUREMENT
PRACTICES, MISMANAGEMENT, AND A
LACK OF OVERALL ACCOUNTABILITY**

Metropolitan Washington Airports Authority

*Report Number: AV-2013-006
Date Issued: November 1, 2012*



subject to Federal or State guidelines or potential penalties for any abuse of these sessions, unlike other major transportation boards.⁶⁷

CONCLUSION

As an independent public body subject to few Federal and State laws, MWAA must rely on the strength of its policies and processes to ensure credibility in its management of two of the Nation's largest airports and a multibillion-dollar public transit construction project. However, MWAA's ambiguous policies and ineffectual controls have put these assets and millions of Federal dollars at significant risk of fraud, waste, and abuse and have helped create a culture that prioritizes personal agendas over the best interests of the Authority. While MWAA is taking positive steps to correct the deficiencies we identified—including revising its travel policies and suspending contracts with former Board members—significant weaknesses remain that leave the Authority vulnerable to criticism for its contracting practices and governance. Enhanced policies, strong internal controls, and robust oversight in the areas of hiring and compensation, ethics, transparency, and procurement will be critical to maintaining and improving the Authority's operations and restoring public trust in the soundness of its current and future activities.

RECOMMENDATIONS

We recommend that the Office of the Secretary direct MWAA to take the following actions to promote integrity and accountability in the Authority's management and governance. We also recommend that the Office of the Secretary consider devising and adopting enforcement mechanisms to ensure that these actions are followed.

1. Provide quarterly acquisition reports to the Board of Directors and to DOT. These reports should include the following: (a) contracts awarded, dollar value, and the extent of competition; (b) name of contracting officer or delegated official who entered into the contract; (c) contract modifications and task orders issued, including dollar value; (d) contract actions approved by the Board during the quarter; (e) planned procurements for the next quarter; and (f) employees with contracting warrants and delegations and any limits to their authorities.

⁶⁷ In contrast, similar entities, such as the Board of Directors of the Dallas-Fort Worth International Airport, must follow Texas State law and guidelines related to ethics, transparency, and procurement, and willful failure to comply can be punishable by imprisonment and fines. For example, a willful violation of the Texas open meetings law is a misdemeanor punishable by up to 6 months in prison and a fine of up to \$500. Under Virginia law, which MWAA is not subject to, a willful violation of the open meetings law is a \$500 to \$2,000 civil penalty for a first offense and \$2,000 to \$5,000 for a second and any subsequent offense.

2. Implement a plan with milestones to revise contracting policies and procedures to reflect Federal and other best practices, including the following:
 - a. Publicly announce intent to award sole source contracts.
 - b. Minimize categorical exceptions to full and open competition and explicitly state the conditions under which an exception can be used.
 - c. Limit the involvement of the Board of Directors and individual Board members in contracting and prohibit their ability to bypass contracting officers.
 - d. Ensure fair opportunity in the awarding of task orders under multiple-award contracts and ensure contracting officers adequately justify their selections of contractors.
 - e. Limit and monitor delegations of procurement authority.
 - f. Require program offices to prepare annual forecasts of their acquisition needs.
3. Clarify and enforce its current contracting policies and procedures, including the following:
 - a. Obtain Board approval for sole source awards over \$200,000 and all contracts other than fully competed construction contracts over \$3,000,000.
 - b. Ensure justifications for the use of categorical exceptions are adequate per MWAA's Contracting Manual.
 - c. Ensure justifications for the use of task orders over \$200,000 are adequate per MWAA's Contracting Manual.
 - d. Prohibit adding out-of-scope work to contracts and authorizing work prior to contract award.
 - e. Ensure technical evaluation committees do not include both supervisors and a subordinate as voting members when possible.
4. Define and assess the size and skills of the acquisition workforce and implement an appropriate acquisition certification program, including acquisition and ethics training.
5. Establish policies and procedures for procurement integrity, including the following:
 - a. Safeguard non-public and sensitive procurement information.
 - b. Restrict prior Board members' and employees' eligibility for MWAA contracts and prohibit them from receiving compensation from contractors who were awarded contracts, modifications, or task orders of significant

value after serving as a contracting officer, program manager, or other related positions.

6. Fully implement formal ethics policies and procedures for Board members and MWAA employees to ensure the following:
 - a. Nepotism is detected and prevented.
 - b. Board members and employees disclose debts, obligations, and holdings—regardless of whether the interests currently conduct or are seeking to do business with MWAA—and gifts on their financial interest forms.
 - c. All contracting officers and COTRs certify that they do not have financial interests in the contracts they award or administer.
7. Ensure that the review process for financial interest forms emphasizes verification and documentation of the following:
 - a. All Board members and employees completed and submitted required financial interest forms.
 - b. Any Board members and employees who have a conflict of interest or potential conflict of interest are counseled.
8. Fully implement a formal, robust ethics training program that ensures the following:
 - a. All employees receive initial training.
 - b. Recurrent training is based on employees' level of responsibility.
 - c. MWAA employees involved in contracting receive training in procurement integrity procedures.
9. Establish priorities for implementing the new Board and MWAA employee ethics codes, including developing procedures to oversee and enforce the new codes. Develop and implement a process to measure the effectiveness of the codes and the oversight and enforcement procedures, and revise or update as necessary.
10. Implement and enforce human resources policies and practices, including the following:
 - a. Implement a competitive hiring and compensation policy and process that competes positions, whether newly created positions, vacancies, or promotions. All positions should be based on a specific job description with a set salary range.
 - b. Verify that candidates and current employees meet and maintain program eligibility requirements for the student employment program.

- c. Complete background checks on all new employees prior to their start date through a formal communication and coordination process between the Offices of Human Resources and Public Safety.
 - d. Establish a list of acceptable justifications to override a no-hire recommendation from the Office of Public Safety.
 - e. Establish a policy to administer and oversee hiring bonuses and cash awards, including more stringent requirements for justifying and approving awards an employee can earn in a certain period of time.
 - f. Verify eligibility prior to authorizing and continuing pay and/or benefits.
11. Revise its travel policy to further define what constitutes a “reasonable lodging expense” for Authority-related travel and to require that travelers do not exceed the defined amount.
12. Further enhance the accountability and transparency of the Board of Directors, including the following:
- a. Further revise the Board’s bylaws to incorporate what actions the audit committee may take in closed session.
 - b. Develop a Board-specific policy that establishes guidelines for entertaining business contacts, including spending thresholds and reimbursement prohibitions for items such as meals, alcohol, and entertainment.
 - c. Include a mechanism for external review in the Freedom of Information Policy when a requester is denied information.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

We provided OST with our draft report on October 3, 2012, and received its formal written comments on October 18, 2012. OST’s response is included in its entirety as an appendix to this report. In its response, OST stated that the Department will formally transmit the final report to MWAA with a clear expectation that the Authority produce a detailed response within 30 days addressing each of our recommendations and specific sub elements.

OST emphasized that the Department is exercising the full extent of its authority to help MWAA address the serious problems raised in our report. According to OST, the Department has been working with MWAA over the last several months to ensure that it swiftly adopts needed reforms. In particular, the Department appointed an Accountability Officer to provide guidance to MWAA as it rewrites its policies and procedures.

Enclosure C

Code of Ethics for Members of
Airports Authority Board of Directors
(September 2012)

Metropolitan Washington Airports Authority



**CODE OF ETHICS FOR
MEMBERS OF THE BOARD OF DIRECTORS**

DATE: December 2012

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

CODE OF ETHICS FOR MEMBERS OF THE BOARD OF DIRECTORS

1. PURPOSE AND POLICY

The Board of Directors of the Metropolitan Washington Airports Authority (the "Authority") recognizes that community and industry support of the Authority's programs is dependent, in large part, upon community and industry trust in the Directors of the Authority. The Board finds and declares that the community and the industry are entitled to be assured that the judgment of the Directors of the Authority will not be compromised or affected by conflicting interests. Directors, Board leadership and Authority management are responsible for fostering high ethical standards for the Authority and its employees, thereby strengthening public confidence that the business of the Authority is being conducted with impartiality and integrity. Toward this end, this Code prescribes standards of ethical conduct and reporting requirements for members of the Board of Directors.

2. DIRECTORS' BASIC DUTY

Directors are expected to act in the best interests of the Authority in carrying out their duties as members of the Board, and to not knowingly engage in conduct that would violate the standards of this Code or bring discredit upon the Authority. Regardless of whether specifically prohibited by this Code, Directors must endeavor to avoid conflicts of interest or even the appearance of a conflict of interests, refrain from using the position of Director for private gain, refrain from giving undue preferential treatment to any person or entity, avoid compromising independence or impartiality, refrain from making Authority decisions outside of official channels, and avoid any other action that is likely to adversely affect the confidence of the public in the integrity of the Authority.

3. CONFLICTS OF INTERESTS

(a) *Actual and Apparent Conflicts.* An actual conflict of interests arises whenever a Director or member of the Director's Immediate Family:

- (i) has a Substantial Financial Interest in an Interested Party; or
- (ii) has a Substantial Financial Interest in any other Business or Property which may realize a reasonably foreseeable benefit or detriment as a result of an action or decision of the Authority.

An apparent conflict of interests arises whenever a Director or member of the Director's Immediate Family has any other personal interest of which the Director is aware that could reasonably appear to conflict with the fair and objective performance of the Director's official duties.

(b) ***Recusal; Declaration.*** Directors are expected to recuse themselves from participating in any Authority matter in which they have an actual conflict of interests. Directors are also expected to recuse themselves from participating in any Authority matter in which they have an apparent conflict of interests, unless the Director believes and publicly declares in the manner described below that the Director is able to participate in the matter fairly and objectively in the interest of the Authority notwithstanding the appearance of a conflict. When a Director is recused from a matter, a written disqualification and recusal agreement is to be executed.

(i) ***Recusal Procedures.*** A Director shall not vote on, or at any time Participate in, attempt to Participate in, or discuss with other Directors or Authority personnel, any matter from which the Director is recused from participating. (Directors may, however, consult the Ethics Officer or General Counsel regarding compliance with the provisions of this Code at any time.) The Director may remain present for any public portion of a meeting at which the matter is considered, provided the Director does not remain at the Board or committee table or dais during the discussion and consideration. The Director may not attend any portion of an executive session closed to the public at which the matter is considered. The Director shall promptly notify the Chairman of the conflict of interests and recusal, and shall cause the Board's official records to reflect the Director's recusal from participating in the matter. Additionally, the fact of the conflict of interests and recusal shall be publicly announced at any meeting of the Board or Board committee at which the matter is considered.

(ii) ***Declaration Procedures.*** If a Director believes that the Director is able to participate in a matter fairly and objectively in the interest of the Authority notwithstanding an apparent conflict of interests, the Director shall declare: (1) the nature of the Director's personal interest in the parties or matter before the Authority, and (2) that the Director is able to participate in the matter fairly and objectively in the interest of the Authority. The Director shall make the declaration orally at any meeting of the Board or Board committee at which the matter is considered. In any other circumstance, the Director shall file a signed written declaration with the Secretary of the Board, who shall cause the declaration to be included in the Board's official records and shall make it available for public inspection.

(c) ***Prohibited Interests.***

(i) ***Prohibited Interests Existing at Time of Appointment; Exceptions.*** To qualify for appointment, a prospective Director and members of the prospective Director's Immediate Family may not hold a Substantial Financial Interest in an Interested Party. Exceptions to this prohibition may be made by the appointing official at the time of appointment if the interest is disclosed to the appointing official and the Director does not participate in any Authority matter affecting such Interested Party.

(ii) ***No Acquisition of Certain Interests during Term of Service.*** No Director or member of the Director's Immediate Family shall knowingly acquire any interest in an Interested Party during the Director's term of service. This shall not preclude, however, acquisition of interests in one or more diversified mutual funds, employee benefit plans, or

other investment plans holding interests in an Interested Party that are administered by an independent party without participation by the Director or his or her Immediate Family members in the selection or designation of financial interests held by the fund or plan.

(iii) ***Prohibited Contracts and Employment with the Authority during Term of Service.*** No Director or member of a Director's Immediate Family shall be employed by the Authority during the Director's term of service. In addition, no Director, member of the Director's Immediate Family, or Business that is wholly or substantially owned or controlled by a Director or a member of the Director's Immediate Family shall be a party to a contract with the Authority during the Director's term of service. For purposes of this section, a Business will be considered "substantially" owned or controlled if the Director or a member of the Director's Immediate Family singly or in combination owns or controls more than fifty percent (50%) of the Business (i.e., by value or voting power).

(d) ***Authority Procedures for Facilitating Compliance with Conflict of interests Restrictions.*** In order to facilitate compliance with the conflict of interests provisions of this section, Authority management, on no less than a quarterly basis, shall supply to Directors a current list of all Authority Interested Parties and other Businesses or Property that may be affected by a Board or committee decision on particular matters at a future Board or committee meeting. In addition, at least one week prior to any meeting of the Board or committee, management shall supply to Directors a list of Interested Parties and other Businesses or Property that may be affected by a Board or committee decision on a particular matter for consideration at the upcoming meeting. Directors are entitled to rely on the accuracy of information supplied to them by the Authority pursuant to this subsection. Directors shall review the information at the time it is supplied against their current holdings, and shall, as necessary, recuse themselves from participating in any matter in which they have a conflict of interests or, in the case of an apparent conflict, make the declaration described in subsection (b)(ii) with regard to the matter. Authority management shall also collect information from Businesses seeking a contract or agreement with the Authority that will facilitate compliance with this Code, which may include a requirement for such Businesses to identify whether, to the Business's knowledge, any Director or member of the Director's Immediate Family has a Substantial Financial Interest in the Business (including a parent entity of the Business).

(e) ***Definitions.*** For purposes of this Section and throughout this Code:

(i) ***Business*** means a sole proprietorship, corporation, partnership, company, joint venture, association, joint stock company or any other form of entity recognized by law which is engaged in trade, commerce or the transaction of business, and any parent entity of the foregoing. For purposes of this Code, an entity will be considered a "parent" of a Business if the entity owns or controls more than fifty percent (50%) of the Business (i.e., by value or voting power).

(ii) ***Immediate Family*** includes a Director's spouse, domestic partner, any dependent children within the meaning of Section 152 of the Internal Revenue Code living in the Director's household, and any other person over whose financial affairs the Director has substantial legal or actual control.

(iii) **Interested Party** means any Business that has or is seeking a contract or agreement with the Authority or is an aeronautical, aviation services or airport services enterprise that otherwise has interests that can be directly affected by decisions or actions of the Authority.

(iv) **Participate** means approving, disapproving, making, undertaking, influencing or attempting to influence an action or decision of the Authority.

(v) **Property** means real property, including land, together with any structures or improvements thereon, and any rights or interests in land and/or improvements.

(vi) **Substantial Financial Interest** means:

(1) **Ownership of Interest in a Business.** Ownership interest (e.g., shares of stock or other securities) in a Business that exceeds three percent (3%) of the total equity of the Business, has a fair market value greater than \$15,000 or yields more than \$1,000 in annual income.

(2) **Ownership of Interest in Property.** Ownership interest in Property that has a fair market value greater than \$15,000 or yields more than \$1,000 in annual income.

(3) **Ownership of Interest in or Employment by a Business Receiving Income from an Interested Party.** Employment by or ownership (as defined above in subparagraph (1)) in a Business receiving revenues from an Interested Party of at least \$10,000 or three percent (3%) of the Business's gross income for its current or preceding fiscal year, whichever is greater.

(4) **Income.** Income in any form (whether or not deferred) from a Business or Property, including, but not limited to, wages, salaries, fringe benefits, interest, dividends or rent that exceeds or may reasonably be expected to exceed \$1,000 annually. Income also includes the prospect of income arising, for example, from an upcoming job or offer of employment with a Business.

(5) **Pledge or surety.** Personal liability (incurred or assumed) on behalf of a Business that exceeds the lesser of three percent (3%) of the asset value of the Business or \$1,000.

(6) **Loan or debt.** Personal indebtedness of \$1,000 or more to a Business, *except* a debt incurred in the ordinary course of business on usual commercial terms (e.g., a mortgage liability secured by a personal residence of the Director or the Director's spouse; a loan liability secured by a personal motor vehicle, household furniture or household appliances; a personal revolving line of credit or capital contribution loan liability; a debit, credit or other revolving charge account liability).

(7) **Personal Representation.** Personally representing or providing professional services to a Business, including legal, audit, accounting, financial and consulting services, regardless of the specific subject matter of the representation or amount of compensation received.

(8) **Fiduciary Duty.** The duty owed to a Business by a director, officer or general partner of the Business, even without financial remuneration from the Business.

(9) **Exclusions.** The following financial interests are excluded from "Substantial Financial Interests": checking or savings accounts; money market accounts and other demand deposits; government bonds; certificates of deposit; and diversified mutual funds, pension plans, employee benefit plans, trusts, estates and other similar funds, plans and entities administered by an independent party without participation by the Director or the Director's Immediate Family members in the selection or designation of financial interests held by the fund, plan or entity.

(10) **Imputed Interest.** The financial and other interests in a Business or Property held by the members of a Director's Immediate Family are imputed to the Director for purposes of this Code.

4. POST-SERVICE RESTRICTIONS

(a) **No Contracts or Employment with the Authority for Two Years.** No Director or member of a Director's Immediate Family shall be employed by the Authority for two years following the conclusion of the Director's term of service. In addition, no Director, member of the Director's Immediate Family, or any Business that is wholly or substantially owned or controlled by a Director or a member of the Director's Immediate Family shall be a party to a contract with the Authority for two years following the conclusion of the Director's term of service. For purposes of this section, a Business will be considered "substantially" owned or controlled if the Director or member of the Director's Immediate Family singly or in combination owns or controls more than fifty percent (50%) of the Business (i.e., by value or voting power).

(b) **No Representation of Third-Parties before the Authority for Two Years.** No Director, within two years of the conclusion of the Director's term of service, shall knowingly make, with the intent to influence, any communication to or appearance before the Board of Directors or any Director, officer or employee of the Authority on behalf of a Business or person other than the Authority in connection with a particular matter that the former Director knows or reasonably should know was pending during his or her term of service.

5. USE OF AUTHORITY POSITION

(a) **General Rule.** Directors shall not use their position with the Authority for their own personal financial gain, for the endorsement of any product, service or enterprise in which they have a financial interest, or for the private financial gain of friends, relatives, or individuals or entities with which they are affiliated, including nonprofit organizations of which they are officers or members, or with which they have or seek employment or business relations.

Notwithstanding the foregoing, based on personal knowledge, a Director may: (i) refer to the Authority President individuals other than relatives (as defined below in subsection 5(d)) who may be suitable candidates for employment and individuals and entities which may be able to provide products or services of potential interest to the Authority; following such referral, the Director shall take no action to influence a decision or action by Authority management to employ or contract with such individuals or entities; and (ii) respond to a request for an employment recommendation or character reference for individuals other than relatives who are being considered for Authority employment.

(b) **Confidential Information.** Directors shall not engage in financial transactions using proprietary, sensitive or confidential information of the Authority, allow or cause the improper use of such information to further any private interest, or allow or cause such information to be disclosed to unauthorized persons or in advance of the time prescribed for its authorized disclosure, except where and to the extent necessary to fulfill the Director's responsibility as a member of the Board of Directors and where required by law.

(c) **Solicitation of Political or Charitable Contributions.** Directors shall not solicit any support or financial assistance from the Authority or from any Authority employee for any political party, candidate or political committee, or for any charitable purpose. The Authority shall not give any support or financial assistance solicited in violation of this Code.

(d) **Influence with regard to Relatives.** A Director shall not participate in, address or discuss, or attempt to influence in any manner a decision by the Board or Authority management to hire, appoint, employ or promote, or to enter a contract with a person who is a relative of the Director. For the purposes of this subsection, the term "relative" means the following: husband, wife, domestic partner, father, mother, grandfather, grandmother, son, daughter, stepson, stepdaughter, granddaughter, grandson, brother, sister, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, sister-in-law or brother-in-law.

6. COMPENSATION AND REIMBURSEMENT OF EXPENSES

Directors do not receive compensation for serving as a Director of the Authority. Directors may, however, be reimbursed by the Authority for reasonable, authorized and properly documented expenses incurred in connection with the discharge of their official duties, in accordance with and to the extent permitted under the Authority's expense reimbursement policies. Directors are expected to exercise prudence when incurring expenses in connection with official duties.

7. GIFTS

(a) Definitions.

(i) **Gift.** A gift is any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value for which the recipient does not pay market value. A gift therefore includes, but is not limited to, cash, a meal, merchandise, services, admission to a sporting event, admission to a theatrical, musical or other spectator

event, admission to an event or activity in which persons are participants (e.g., a conference or golfing event), travel, transportation and lodging. It does not matter whether a gift is provided to the recipient in kind or in the form of a ticket, a payment in advance or a reimbursement of an expense that has been incurred; in all these cases, the item provided is considered a gift.

(ii) **Prohibited Source.** A Prohibited Source is:

- (1) an "Interested Party" as defined in Section 3(e)(iii) of this Code;
- (2) a Business or individual whose interests may be substantially affected by the performance or non-performance of the Director's duties; and
- (3) a Business or individual where it is clear that the gift would not have been offered or given were the Director not a member of the Authority Board of Directors.

For purposes of this Section 7, "Business" includes the officers, employees and agents of the Business.

(b) **Solicitation of Gifts.** A Director shall not solicit a gift, regardless of its value, from a Prohibited Source or from any Authority employee, except as specifically permitted pursuant to the exception set forth in Section 1 of Appendix A to this Code.

(c) **Acceptance of Gifts.**

(i) **General Rule.** Directors shall not accept any gift, directly or indirectly, from a Prohibited Source, except as specifically permitted pursuant to the exceptions set forth in Section 2 of Appendix A to this Code.

(ii) **Direct and Indirect Acceptance.** A gift is accepted "directly" when it is provided to and accepted by the Director. A gift is accepted "indirectly" when (1) with the Director's knowledge and acquiescence, it is provided to and accepted by the Director's parent, spouse, domestic partner, sibling, child or dependent relative (as defined in Section 5(d) of this Code), whether or not living in the same home, because of that person's relationship with the Director, or (2) is provided to and accepted by any other person, excluding a charitable organization or other charitable recipient approved by the Ethics Officer, on the basis of a designation, recommendation or other specification made by the Director.

(iii) **Limitations notwithstanding the General Rule.** Directors should not accept gifts, even though permitted pursuant to an applicable exception, on such a frequent or regular basis that a reasonable person could be led to believe they are using their position with the Authority for personal gain or are not performing the duties of their position in an impartial manner.

(iv) *Seeking Advice.* Directors are encouraged to seek the advice of the Ethics Officer when attempting to determine whether a particular offer of a thing of value may constitute a gift that may not be accepted under this Section 7.

(v) *Remedies.* A Director who has received a gift that may not be accepted under this Code shall do one of the following: pay the giver the gift's market value; return the gift to the giver; or in the case of perishable items delivered not by the giver but by a third party (e.g., Federal Express) deliver the gift to the Ethics Officer, who will make proper disposition of it. Market value may be estimated by reference to the retail cost of similar items or services of like quality. The Ethics Officer should be consulted when estimating the market value of a gift. Subsequent reciprocation of the giver by the Director does not constitute payment of the market value of a gift.

(d) *Disclosure.* Directors shall disclose to the Ethics Officer any gift solicited or accepted (directly or indirectly) from a Prohibited Source pursuant to an applicable exception of this Code. Gifts shall be disclosed in writing at the time of solicitation or acceptance (or as soon as possible thereafter). The disclosure shall briefly describe the gift, state its value and identify its source. Gift disclosures shall be maintained by the Ethics Officer for compilation and filing with each Director's Annual Disclosure Statement.

8. DISCLOSURE OF FINANCIAL INTERESTS AND OTHER MATTERS

(a) *Annual Disclosure.* Directors shall file a disclosure statement with the Ethics Officer on a form provided by the Authority within 30 days of assuming a position as Director, and by January 31 of each year thereafter for the duration of the Director's term of service ("Annual Disclosure Statement"). The Annual Disclosure Statement shall disclose:

(i) any Substantial Financial Interest in an Interested Party, Business or Property held by the Director or any member of the Director's Immediate Family at the time of filing, except for "personal representation" interests as defined in Section 3(e)(vi)(7) of this Code;

(ii) any positions of employment held by the Director or any member of the Director's Immediate Family during the prior calendar year, whether on a full- or part-time basis;

(iii) any outside positions held by the Director or any member of the Director's Immediate Family during the prior calendar year as a director, officer, general partner or trustee of any Business or other entity (including nonprofit, labor and educational organizations or institutions, although positions held in any religious, social, fraternal or political organization need not be disclosed);

(b) *Reimbursements and Gifts.* The following information shall be compiled by designated Authority personnel from Authority records for each Director, and filed with the Director's Annual Disclosure Statement:

(i) all reimbursements received from the Authority during the prior calendar year; and

(ii) all gifts accepted (directly or indirectly) from a Prohibited Source which had an aggregate value of \$350 or more, including a brief description of such gifts, their aggregate value and the identity of their source.

(c) **Continuing Disclosure Obligation.** Whenever a Director or a member of his or her Immediate Family acquires a disclosable Substantial Financial Interest in an Interested Party, Business or Property not previously disclosed, the Director shall notify the Ethics Officer, in writing, within 10 calendar days of the acquisition and its details, and such statement shall be maintained in the same file as the Director's most recent Annual Disclosure Statement.

(d) **Public Availability.** All statements required by this Section 8 shall be available for public inspection at the Authority offices at Ronald Reagan Washington National Airport.

9. ETHICS OFFICER

(a) **Designation.** The President, with approval of the Board, shall designate an Authority employee to serve as the Authority Ethics Officer, who will have and perform the responsibilities assigned to such officer in this Code of Ethics. An employee's designation as the Ethics Officer shall continue until rescinded by the President.

(b) **Duties.** The Ethics Officer is charged with fostering the highest ethical standards for the Authority and its Directors and employees, thereby strengthening public confidence that the business of the Authority is conducted with impartiality and integrity. Specifically, the Ethics Officer is responsible for the following:

- (i) distributing copies of the Ethics Code to Directors;
- (ii) distributing, receiving and reviewing Annual Disclosure Statements submitted by Directors;
- (iii) discussing potential conflicts of interest with Directors;
- (iv) advising Directors about the application of this Code to specific questions or situations presented by Directors, and documenting when ethics advice has been provided;
- (v) arranging for the preparation and delivery of ethics training materials and sessions;
- (vi) serving as primary support staff to the Board's Ethics Review Committee (defined in Section 11(b) of this Code); and
- (vii) receiving allegations of violations of this Code, conducting preliminary investigation into all such allegations, and reporting all allegations to the Ethics Review Committee with a recommendation for or against further inquiry based on the preliminary investigation.

(c) *Opinion of Ethics Officer.* No Director may be found to have violated this Code if the alleged violation followed from the Director's good faith reliance on a written opinion from the Ethics Officer that was made after a full and accurate disclosure by the Director of all material facts.

(d) *Role of General Counsel.* The Ethics Officer shall consult with the Authority's General Counsel, as necessary, in connection with carrying out the above-described duties.

10. TRAINING

Directors are provided with a copy of this Code of Ethics upon assuming their position as Director. Within 30 days of receiving the Code, Directors shall provide the Ethics Officer with a written certification that they have read and will comply with the Code. The Ethics Officer will arrange for all Directors to receive verbal ethics training and accompanying training materials within four weeks of the start of their term and thereafter on no less than an annual basis.

11. ENFORCEMENT

(a) *Enforcement Responsibility; Interpretation.* The Board is responsible for enforcing the provisions of this Code. It may seek general guidance regarding interpretation of the Code from the Ethics Officer and General Counsel.

(b) *Receipt and Review of Allegations.* Allegations of violations of this Code may be reported to the Board Chairman or to the Vice Chairman if the allegation pertains to the Board Chairman. The Board Chairman and Vice Chairman shall report any allegations received by them to the Ethics Officer for preliminary investigation. The Ethics Officer shall report all allegations to a Committee comprised of Directors and designated by the Board (with at least one Director from each appointing jurisdiction) with responsibility for ethics matters ("Ethics Review Committee"), with a recommendation for or against further inquiry based on the preliminary investigation. The Ethics Review Committee shall review all reports and recommendations received from the Ethics Officer and may conduct further inquiry or refer any matter to the Board of Directors for further action as the Committee deems appropriate.

(c) *Sanctions.* Disinterested members of the Board of Directors may hold a hearing regarding any ethics matter referred by the Ethics Review Committee. A Director whose alleged conduct is the subject of Board review shall be given notice and an opportunity to be heard, in writing and in person. If, following such hearing, the Board determines that a Director has knowingly violated this Code, the determination shall be made publically available, and the Board may take the action it determines to be appropriate, which may include but is not limited to any or all of the following:

- (i) issuing a public reprimand;
- (ii) giving notice of the violation to the Director's appointing authority; and

(iii) taking appropriate action regarding any contract or agreement that is related to the violation (e.g., voiding or cancelling a contract), to the extent permitted by law.

12. REVIEW OF POLICY

The Ethics Officer, in consultation with the Board Secretary and General Counsel, shall review this Code on an annual basis and report to the Board regarding any recommendations for amending the Code or its implementing policies and procedures.

Effective December 1, 2012

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

CODE OF ETHICS FOR MEMBERS OF THE BOARD OF DIRECTORS

APPENDIX A – GIFT RULE EXCEPTIONS

Solicitation or acceptance of gifts from Prohibited Sources is permitted only under the following circumstances:

1. SOLICITATION EXCEPTION.

When authorized by the Board Chairman and Ethics Officer and acting on behalf of the Authority, Directors may solicit donations for events sponsored in whole or in part by the Authority.

2. ACCEPTANCE EXCEPTIONS.

(a) *Gifts of \$25 or Less.* Directors may accept a gift (whether given directly or indirectly) *other than cash* of less than \$25.00, so long as the aggregate market value of individual gifts a Director receives from the same Prohibited Source in a calendar year does not exceed \$50. If the market value of a gift exceeds \$25 (or the aggregate market value of multiple gifts exceeds \$50), a Director may not pay the excess value over \$25 (or \$50) in order to accept the gift.

(b) *Personal Gifts.* Directors may accept a gift (whether given directly or indirectly) that is given under circumstances that make it clear that the gift is motivated by a personal friendship or family relationship rather than the position of the Director. Relevant factors in deciding whether a gift is motivated by a personal friendship or family relationship include the history of the friendship or relationship, and whether the cost of the gift is paid by the individual with whom the friendship or relationship exists or by the individual's employer.

(c) *Widely Attended Gatherings.* Directors may accept a gift of free attendance at a widely attended gathering (defined below), or an appropriate portion of such an event, with the written advance approval of the Ethics Officer that the Director's attendance is in the interest of the Authority because it furthers Authority objectives.

A widely attended gathering can take many forms, including, but not limited to, a reception, a luncheon or dinner event (including with entertainment), a banquet, a conference, and an activity-based event. A gathering is widely attended if it is expected that a large number of persons will attend, and such persons will bring differing interests, perspectives and/or viewpoints to the gathering. A sporting, theatrical, musical or similar spectator event will usually not be deemed to be a widely attended gathering.

The Ethics Officer will determine the Authority's interest in a particular widely attended gathering. Relevant factors that should be considered include the purpose of the gathering, the

relevance and importance of the gathering to the Authority, the identity of expected attendees and the range of interests, perspectives and viewpoints they will bring to the gathering, and the market value of the gift of free attendance.

Free attendance to a widely attended gathering may include the provision of food, refreshments, entertainment, instruction and instructional materials, and activity-based activities (e.g., a round of golf), each of which is furnished to all attendees as an integral part of the gathering. Free attendance may not include the provision of travel or lodgings.

(d) *Speaking Engagements and Events.* Directors may accept a gift of free attendance from the sponsor of an event at which they are speaking, presenting information or otherwise participating on behalf of the Authority. Free attendance may include food, refreshments and entertainment furnished to all attendees as an integral part of the event. Directors' participation in the event on the day of their participation is viewed as a customary and necessary part of the performance of their positions and does not constitute a gift to the Directors or the Authority.

(e) *Inaugural Flights.* Directors may accept a gift of travel, meals and lodging with respect to an inaugural flight to and from Reagan National or Dulles International Airport only if the terms of the gift are fully disclosed in advance to the Board and the public. An inaugural flight is deemed a gift to the Authority and not an individual Director.

(f) *Authority-Sponsored Events.* Directors may accept a gift of free attendance to an event that is sponsored solely by the Authority to recognize one or more Authority officers or employees or an Authority achievement or milestone, or that is sponsored, in whole or in part, by the Authority to raise funds for a charitable organization or cause. Free attendance to such an event may include the provision of food, refreshments and entertainment.

(g) *Gifts to Family Members.* A gift provided to the parent, spouse, domestic partner, sibling or child of a Director may be accepted where the gift results from the business or employment activities of the recipient, and it is clear from the circumstances that the gift is not being offered or given because of the Director's position with the Authority.

(h) *Prizes.* Directors may accept a gift that is a prize given to successful competitors in competitive contests or events or to persons based upon random drawings (including door prizes given randomly). Directors may accept a gift, not addressed in the prior sentence, that is provided as a favor or in recognition of attendance to all attendees at a widely attended gathering or at an event identified in paragraph (d) or (f), so long as the value of the gift is less than \$25.

(i) *Gifts to Authority.* A Director representing or acting on behalf of the Authority may accept and use gifts of property for the Authority. Property accepted under this section and proceeds from that property must be used, as nearly as possible, under the terms of the gift, if any. These include: (i) ceremonial gifts given to Directors (e.g., by representatives of foreign airports or governmental units) while serving as a representative of the Authority that are accepted on behalf of the Authority; and (ii) gifts of food or refreshments provided Directors at events they are attending as representatives of the Authority, where it is clearly in the interest of the Authority that it be present at the event through one or more official representatives. In the

case of ceremonial gifts, Directors are to turn the gifts over as soon as practicable to the Ethics Officer for disposition.

(j) *Gifts of Generally Available Items.* Directors may accept gifts that represent an opportunity or benefit, including favorable air fares, commercial discounts and upgrades of service from air carriers, that is available either to the public (e.g., frequent flyer miles) or to a class of individuals consisting of all Authority employees or all Authority employees working at an airport (e.g., discounts offered airport employees by concessionaires in the terminals). The acceptance of a gift representing an opportunity or benefit, including, for example, an upgrade of air service, that is made available to any other class of Authority employees, including a class of one employee, is not permitted.

(k) *Approved Gifts.* The Board of Directors may, in an open public meeting, approve a Director's acceptance of a gift not otherwise falling within one of the foregoing exceptions if it determines that the acceptance would not be detrimental to the impartial conduct of the business of the Authority.

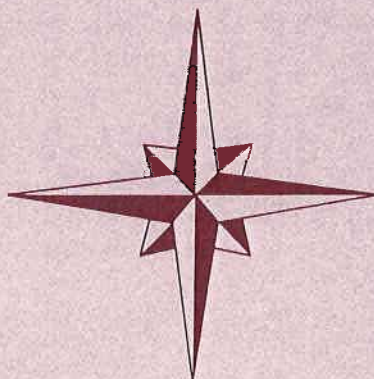
Enclosure D

Code of Ethics for Employees of Airports Authority
(September 2012)

DIRECTIVE

GC-001B

Metropolitan Washington Airports Authority



CODE OF ETHICS FOR EMPLOYEES

DISTRIBUTION: **All Employees**

OPI: **MA-70**

DATE: **January 2013**

CODE OF ETHICS FOR EMPLOYEES

Foreword to 2012 Revised Code

On September 19, 2012, the Board of Directors approved a new Code of Ethics for Employees of the Airports Authority. The revised Code is effective January 1, 2013. The Board has also approved a revised Code of Ethics for the Board of Directors. Both of these revised Codes of Ethics are intended to ensure that actions by employees and directors, both in fact and appearance, are honest, impartial and fair, and are not affected by any interest beyond the "best interest" of the Airports Authority. The Codes accomplish this by defining a range of rules that are applicable to employees and directors in four primary areas: conflicts of interests; disclosure of financial interests; solicitation and acceptance of gifts; and contacts with the Airports Authority following employment or service on the Board.

A number of significant changes have been made in the revised Code of Ethics for Employees.

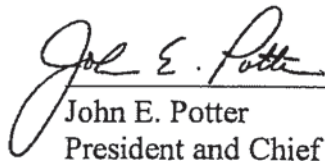
One is the creation of the position of Ethics Officer. Among the officer's responsibilities will be to advise employees on the meaning of the Code and to answer questions regarding its applicability to specific circumstances. An employee who acts in reliance on the advice of the Ethics Officer after making a full and accurate disclosure of all material facts cannot be found to have violated the Code.

Another change is in the area of gifts. The revised Code clarifies and expands the types of gifts that employees may not accept. Also, there are now certain gifts that may be accepted only with the prior approval of the Ethics Officer.

A third significant change affects the annual filing of a financial disclosure form. The number of employees who are required to file a disclosure form has been increased. In addition, the financial interests that must be disclosed have been expanded, and there is a new requirement that gifts above a defined size which have been accepted during the prior year must be disclosed.

All employees will be trained in this new Code of Ethics before it takes effect.

A major goal of the revised Code of Ethics is the achievement of a workplace that reflects the unquestioned integrity of the Airports Authority and of each of its employees. I expect every employee to join me in making the accomplishment of this goal a top priority.



John E. Potter
President and Chief Executive Officer

10/12/2012
Date

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METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

CODE OF ETHICS FOR EMPLOYEES

1. PURPOSE

This document establishes a formal Code of Ethics (Code) for all employees of the Metropolitan Washington Airports Authority (Authority).

2. DISTRIBUTION

This Code of Ethics is distributed to all Authority employees.

3. INTERESTS OF THE AUTHORITY

The Authority expects all employees to act in the best interests of the Authority at all times and to not knowingly engage in conduct that is illegal, dishonest, or a conflict of interests or that brings discredit upon the Authority. Employees must endeavor to avoid any actions that would create even the appearance that they are violating the law or the standards of this Code of Ethics. Whether particular circumstances create such an appearance is to be determined from the perspective of a reasonable person with knowledge of the relevant facts.

For example, there would be an appearance of a conflict if an Authority employee were to administer a contract for which his or her sister was the project manager for the contractor. Even though the employee would not have a Substantial Financial Interest in the matter, such a situation would create the appearance of a conflict of interests. If the Authority employee failed to bring this situation to the attention of management, he or she may be disciplined.

In addition, employees are expected to report violations of this Code of Ethics to the Office of General Counsel. (See the Conduct and Discipline Directive, Section 4, regarding the reporting of other misconduct.)

4. GIFTS

This Section sets forth rules regarding employees' solicitation and acceptance of gifts.

a. *Gift Defined.* The term "gift" is broadly defined for the purposes of this Code and means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value for which the recipient does not pay market value. Therefore, a gift includes, but is not limited to: cash; meals and food; merchandise; services; admission to a sporting event; admission to a theatrical, musical or other entertainment event; admission to an event or activity in which persons are participants (e.g., a conference or golfing event); attendance at a reception; travel; transportation; and lodging. It does not matter whether a gift is provided to the recipient in kind or in the form of a ticket, a payment in advance, or a

reimbursement of an expense that has been incurred. In all these cases, the item provided is considered a gift.

b. *General Prohibition on Solicitation.* Employees shall not solicit a gift, regardless of its value, from a Prohibited Source (defined in subsection (c)) or from any subordinate employee. However, when authorized by the Ethics Officer and acting on behalf of the Authority (or a trade association, business group or similar entity on which the employees represent the Authority), employees may solicit donations from a Prohibited Source for the support of an event sponsored in whole or in part by the Authority (or by the trade association, business group, or similar entity). For example, employees may solicit donations for Dulles Day Plane Pull for the Special Olympics, the United Way silent auction and events sponsored by the American Association of Airport Executives.

c. *General Prohibition on Acceptance.* Except as permitted below in subsection (d), employees shall not accept a gift directly or indirectly from any of the following Prohibited Sources: (i) a Business doing business or seeking to do business with the Authority, (ii) a Business or individual whose interests may be substantially affected by the performance or non-performance of the employees' duties, or (iii) a Business or individual where it is clear that the gift is being given because of the employees' positions with or status as employees of the Authority. For purposes of this subsection, Business includes the officers, employees, and agents of the Business. Employees may not accept any compensation other than that which they receive from the Authority for the performance of their Authority duties.

A gift is accepted directly when it is provided to and accepted by the employee. A gift is accepted indirectly when (i) with the employee's knowledge and acquiescence, it is provided to and accepted by the employee's parent, spouse, domestic partner, sibling, child or dependent relative (as defined in Section 9(a)), whether or not living in the same household, because of that person's relationship with the employee or (ii) is provided to and accepted by any other entity or individual (excluding a charitable organization or other charitable recipient approved by the Ethics Officer) on the basis of a designation, recommendation, or other specification made by the employee.

d. *Exceptions to Prohibition on Acceptance.* Employees are permitted to accept from Prohibited Sources the gifts described in this subsection that otherwise would be prohibited by subsection (c); provided, however, that employees shall not accept these or any other gifts in the following situations: (i) in return for being influenced in the performance of their official duties, (ii) from the same or different sources on a basis so frequent that a reasonable person would be led to believe the employees are using their positions with the Authority for private gain, or (iii) in violation of the law.

(1) *Nominal Value Gifts.* Employees may accept a gift (whether given directly or indirectly) *other than cash* of less than \$25, so long as the aggregate market value of individual gifts an employee receives from the same Prohibited Source in a calendar year does not exceed \$50. Where the market value of a gift exceeds \$25 (or the aggregate market value of multiple less-than-\$25 gifts exceeds \$50), an employee may not pay the excess value over \$25 (or \$50) in order to accept the gift.

(2) *Personal Gifts.* Employees may accept a gift (whether given directly or indirectly) that is given under circumstances that make it clear that the gift is motivated by a personal friendship or family relationship rather than the position of the employee. Relevant factors in deciding whether a gift is motivated by a personal friendship or family relationship include the history of the friendship or relationship and whether the cost of the gift is paid by the individual with whom the friendship or relationship exists or by the individual's employer. However, see subsection (f) *Gifts from Subordinates* below.

(3) *Widely Attended Gatherings.* Employees may accept a gift of free attendance at a widely attended gathering (defined below), or an appropriate portion of such an event, with the written approval of the Ethics Officer where the Officer has determined, in advance of the gathering, that the employees' attendance is in the interest of the Authority because it furthers Authority objectives.

A widely attended gathering can take many forms including, but not limited to, a reception, luncheon or dinner event (including with entertainment), banquet, conference, charity event, and activity-based or participatory event. A widely attended gathering can have many purposes including, but not limited to, instruction or discussion of a subject related to Authority objectives; recognition of an event, organization, or individual; and raising funds for charitable organizations or causes. A gathering is widely attended if it is expected that a large number of individuals will attend and these individuals will bring differing interests, perspectives, or viewpoints to the gathering. A sporting, theatrical, musical, or similar entertainment event will usually not be deemed to be a widely attended gathering.

The Ethics Officer will determine the Authority's interest in a particular widely attended gathering. Relevant factors that will be considered include: the purpose of the gathering; the relevance and importance of the gathering to objectives of the Authority; the identity of expected attendees and the range of interests, perspectives, and viewpoints they will bring to the gathering; and the market value of the gift of free attendance.

Free attendance to a widely attended gathering may include the provision of food, refreshments, entertainment, instruction, instructional materials, and activity-based or participatory activities, each of which is furnished to all attendees as an integral part of the gathering. (See also subsection (d)(7) below.) Free attendance to a widely attended gathering may not include the provision of travel or lodging.

(4) *Speaking Engagements and Events.* Employees may accept a gift of free attendance from the sponsor of an event at which they are speaking, presenting information, participating on a panel, or engaging in a similar activity on behalf of the Authority. Free attendance may include food, refreshments, entertainment, instruction, and instructional materials furnished to all attendees as an integral part of the event. (See also subsection (d)(7) below.) Employees' participation in the event on the day of their participation is viewed as a customary and necessary part of the performance of their duties and does not constitute a gift to the employees or the Authority.

(5) *Authority-Sponsored Events.* Employees may accept a gift of free attendance to an event that is sponsored solely by the Authority to recognize one or more Authority officers or employees or an Authority achievement or milestone, or that is sponsored, in whole or in part, by the Authority to raise funds for a charitable organization or cause. Free attendance at such an event may include the provision of food, refreshments, entertainment, and participatory activities.

(6) *Gifts to Family Members.* A gift provided to the parent, spouse, domestic partner, sibling, child, or dependent relative (as defined in Section 9(a)) of an employee may be accepted where the gift results from the business or employment activities of the recipient and it is clear from the circumstances that the gift is not being offered or given because of the employee's position with the Authority.

(7) *Prizes.* Employees may accept a gift that is a prize given to successful competitors in competitive contests or events or to persons based upon random drawings (including door prizes given randomly). Employees may accept a gift, not addressed in the prior sentence, that is provided as a favor or in recognition of attendance to all attendees at a widely attended gathering or at an event identified above in paragraph (4) or (5), so long as the value of the gift is less than \$25.

(8) *Gifts to Authority.* An employee representing or acting on behalf of the Authority may accept a gift of property for the Authority. Property accepted under this section and proceeds from that property must be used, as nearly as possible, under the terms of the gift, if any. These gifts include: (i) ceremonial gifts given to employees (e.g., by representatives of foreign airports or governmental units) while serving as a representative of the Authority that are accepted on behalf of the Authority, (ii) gifts of food or refreshments provided employees at events they are attending as representatives of the Authority where it is clearly in the interest of the Authority that it be present at the event through one or more official representatives, and (iii) gifts of instruction or training offered to the Authority and provided to employees who have been designated by the Authority. Training provided to employees by a contractor pursuant to and as required by its contract with the Authority, or by a contractor in order to facilitate the Authority's use of products or services the contractor is furnishing under a contract with the Authority, is not considered a gift. In the case of ceremonial gifts, employees must turn the gifts over as soon as practicable to the Ethics Officer for disposition.

(9) *Gifts of Generally Available Items.* Employees may accept gifts that represent an opportunity or benefit, including favorable air fares, reasonable commercial discounts, and upgrades of service from air carriers, where the same opportunity or benefit is being made available to the public (e.g., frequent flyer miles) or to a class of individuals consisting of all Authority employees or all Authority employees working at an airport (e.g., discounts offered airport employees by concessionaires in the terminals). The acceptance of a gift representing an opportunity or benefit that is made available to any other class of Authority employees, including a class of one employee, is not permitted by this

subsection. Thus, for example, an upgrade of air service that is made available to a small group of employees, or a single employee, may not be accepted.

e. *Appearance of Impropriety.* Employees must be mindful of perceptions and appearances that can arise from their acceptance of gifts from a Prohibited Source that are permitted under subsection (d). Consequently, employees should not accept gifts, even though permitted under that subsection, on such a frequent or regular basis that a reasonable person could be led to believe that employees are using their positions for personal gain or are not performing the duties of their positions in an impartial manner.

f. *Gifts from Subordinates.* Employees shall not accept gifts from subordinate employees, except for gifts that are offered for or on the following occasions:

(1) in recognition of special, non-recurring occasions of personal significance, such as marriage, illness, death in the family, and the birth or adoption of a child and

(2) in recognition of the termination of a subordinate-official superior relationship such as retirement, resignation or transfer.

g. *Remedies for Receipt of Improper Gifts; Ceremonial Gifts.* Employees who have received a gift that may not be accepted under this Code must take one of the following steps:

(1) pay to the giver the market value of the gift, whether the gift consists of a tangible (e.g., box of candy, flowers) or intangible (e.g., ticket to a sporting or entertainment event) item. The market value of the gift may be estimated by reference to the retail cost of similar items of like quality. However, when employees intend to retain a gift and pay the giver its market value, they shall consult with the Ethics Officer regarding the market value or

(2) return the gift to the giver; provided, however, that a gift of perishable items which is delivered not by the giver but by a third party (e.g., Federal Express) may, with the concurrence of the recipient employees' supervisors or the Ethics Officer, be given to an appropriate charitable organization, shared within the employees' office or working unit, or destroyed.

In the case of ceremonial gifts, although it is not improper to accept them, employees shall deliver the gifts to the Ethics Officer who will make proper disposition of them.

h. *Consultation with Ethics Officer.* Employees should seek the advice of the Ethics Officer when attempting to determine whether a particular offer of a thing of value may constitute a gift that may not be accepted under this Section. Under certain circumstances, written opinions provided by the Ethics Officer that are relied on by employees will insulate employees from a finding that they have accepted a gift in violation of this Code. (See Section 12(c) below.)

5. MISUSE OF AUTHORITY POSITION

a. Employees shall not use their positions with the Authority for their own financial gain; for the endorsement of any product, service, or business enterprise; or for the private financial gain of friends or relatives (as defined in Section 9(a)) or of any entity or individual with whom employees are affiliated (including nonprofit organizations of which the employees are officers or members) or with whom employees have or are seeking employment or a business relationship. Thus, for example, employees may not ask an Authority contractor or subcontractor to hire or consider hiring a relative or a friend, or inform a contractor that they are referring to the contractor a relative or friend who is seeking employment or work. However, an employee is not precluded by this subsection from responding to a request for an employment recommendation or character reference based upon the employee's personal knowledge of the ability or character of an individual, other than a relative, who is being considered for employment by the Authority.

b. Employees shall not engage in financial transactions using confidential, proprietary, or sensitive information of the Authority or allow or cause the improper use of such information to further any personal or private interest.

6. CONFLICT OF INTERESTS

a. *Definitions.* The following definitions are applicable throughout this Code of Ethics.¹

(1) *Substantial Financial Interest* means:

(a) *Ownership of Interest in Business.* An ownership interest (e.g., shares of stock) in a Business that exceeds three percent (3%) of the total equity of the Business, has a fair market value greater than \$15,000, or yields more than \$1,000 in annual income.

(b) *Ownership of Interest in Real Property.* An ownership interest in Real Property that has a fair market value greater than \$15,000 or yields more than \$1,000 in annual income.

(c) *Income.* Income in any form (whether or not deferred) from a Business or Real Property including, but not limited to, wages, salaries, fringe benefits, interest, dividends, or rent that exceeds or may reasonably be expected to exceed \$1,000 annually. Income also includes the prospect of income arising, for example, from an upcoming job with or an offer of employment from a Business.

(d) *Pledge or surety.* Actual or potential personal liability given on behalf of a Business that exceeds the lesser of three percent (3%) of the asset value of the Business or \$1,000.

¹ The capitalized terms set out in Section 6(a), along with their definitions, apply throughout this Code.

(e) *Loan or debt.* Personal liability in excess of \$1,000 owed to a Business *except* a debt incurred in the ordinary course of business on usual commercial terms (e.g., a mortgage liability secured by a personal residence of the employee or the employee's spouse; a loan liability secured by a personal motor vehicle, household furniture, or household appliances; a personal revolving line of credit or capital contribution loan liability; or a debit, credit, or other revolving charge account liability).

(f) *Fiduciary duty.* The duty owed to a Business by a director, officer, or general partner of the Business, even without financial remuneration from the Business.

(g) *Exclusions.* The following financial interests are excluded from Substantial Financial Interests: checking or savings accounts, money market accounts, and other demand deposits; government bonds; certificates of deposit; and diversified mutual funds, pension plans, employee benefit plans, trusts, estates, and other similar funds, plans, and entities administered by an independent party without participation by the employee or the employee's Immediate Family members in the selection or designation of financial interests held by the fund, plan, or entity.

(2) *Business* means a sole proprietorship, corporation, partnership, company, joint venture, association, joint stock company, and any other form of entity recognized by law which is engaged in trade, commerce, or the transaction of business and the parent entity of the foregoing. For purposes of this Code, an entity will be considered a parent of a Business if the entity owns or controls more than fifty percent (50%) of the Business (i.e., by value or voting power).

(3) *Immediate Family* of an employee means spouse, domestic partner, any dependent children (under Section 152 of the Internal Revenue Code) living in the same household as the employee, and any other person over whose financial affairs the employee has substantial legal or actual control.

(4) *Participate* means approving, disapproving, making, undertaking, influencing, or attempting to influence an action or decision of the Authority.

(5) *Real Property* means land, together with any structures and other improvements thereon, and includes any rights or interests in land or improvements.

b. *Imputed Interest.* The financial and other interests (see Section 6(a)(1)(a) through (g)) in a Business or Real Property held by the members of an employee's Immediate Family are imputed to the employee for purposes of this Section 6.

c. *Conflict of Interests.* Employees holding a Substantial Financial Interest in a Business or Real Property that may realize a benefit or detriment as a result of an action or decision of the Authority (e.g., a Business holding a contract or lease with the Authority or responding to an Authority solicitation or certain Real Property adjacent to an airport) are considered to have a conflict of interests that may interfere, or be perceived to interfere, with the impartial and conscientious performance of their duties. Employees with a conflict of interests due to

their Substantial Financial Interest in such a Business or Real Property shall not Participate in any transaction or matter that involves or may affect that Business or Real Property (e.g., in a lease or contract negotiation, a solicitation or contract award process, the administration of a lease or contract, or an investment of Authority funds) absent a waiver from the President or Executive Vice President. Any such waiver will be reported to the Board of Directors. Whenever faced with an actual or apparent conflict of interests, employees shall follow the procedure set out in subsection (d) below.

d. *Disqualification and Written Recusal Procedure.* Employees shall bring to the attention of the Ethics Officer any situation they believe presents for them an actual or apparent conflict of interests in relation to a particular Authority transaction or matter (except as otherwise provided in Section 8(c)). The Ethics Officer shall gather and review information relevant to the situation presented by an employee and determine whether there exists a conflict of interests that requires the employee not to Participate in the transaction or matter. If an affirmative determination is made, the Ethics Officer shall execute a written disqualification and recusal agreement with the employee and the employee's supervisor that, among other things, requires the employee to recuse himself or herself from, and not to Participate in, the transaction or matter.

e. *Part-Time Employment.* Employees may acquire a Substantial Financial Interest in a Business by virtue of a part-time or second job with that Business. An employee shall not hold a part-time or second job with a Business where the employee's interest in that job would significantly conflict with the interest of the Authority in the employee's impartial performance of the position he or she holds with the Authority. Such a conflict of interests would exist where, in order to avoid the conflict, the employee would be required to withdraw from performing significant parts of the duties of his or her position, resulting in a material impairment to the employee's ability to perform in that position. Employees considering a part-time or second job with a Business shall consult with the Ethics Officer who will determine whether the job presents a conflict of interests that would preclude the employee from accepting the job. In making that determination, the Ethics Officer should consider whether a reasonable person with full knowledge of the relevant facts would question the employee's impartiality in performing Authority duties. Only if the Ethics Officer determines in writing that there is no conflict of interests may an employee assume a part-time or second job.

f. *Interest in Certain Aviation-Related Businesses.* Absent a written waiver from the President or Executive Vice President, employees identified in Section 8(a), as well as members of their Immediate Families, shall not have any ownership interest in, derive any income from, or owe any liability to any Business that is engaged in the transportation of people or property by aircraft in common carriage or in the provision of aviation or airport services; provided that any ownership interest in, income from, or liability to a fund, plan, or other entity described above in subsection (a)(1)(g) that owns an interest or has an investment in a Business identified in the prior sentence is not prohibited by this subsection (f).

7. COMPENSATION FOR TEACHING, SPEAKING, AND WRITING

a. Employees may accept compensation for teaching, speaking, and writing on matters not pertaining to their official duties.

b. Employees may not accept compensation or any other remuneration for teaching, speaking, writing, or undertaking a similar activity pertaining to their official duties other than that paid by the Authority (i) when the activity is undertaken as part of the employees' official duties or (ii) when the invitation to undertake the activity is extended, directly or indirectly, by a Business having interests that can reasonably be expected to be substantially affected by the employees' performance of their official duties. Nothing in this subsection prevents employees engaging in the activities described in Section 4(d)(4) from accepting the items of 'free attendance' identified in that section.

8. DISCLOSURE OF SUBSTANTIAL, FINANCIAL INTERESTS AND OTHER MATTERS; CERTIFICATIONS

a. *Employees Required to Make Annual Disclosure.* To avoid conflicts of interests from arising and to assure the public of their impartiality, the following employees and agents of the Authority shall disclose their Substantial Financial Interests and other matters in accordance with subsection 8(b):

(1) the President, the Executive Vice President, all Vice Presidents, all Deputy and Assistant Vice Presidents, the Police and Fire Chiefs, all employees reporting directly to the President or the Executive Vice President, and all employees reporting directly to the Board of Directors;

(2) all employees and agents working in: the Executive Offices; the Office of General Counsel; the Office of Airport Service Planning and Development; the Office of Audit; the Procurement and Contracts Department, the Accounts Payable Department, and the Treasury Branch within the Office of Finance; the Concessions and Property Development Department within the Office of Business Administration; the Property/Supply Office within the Office of Public Safety; and the Contract Management Division and the Procurement Office at each airport;

(3) the Controller, the Assistant Controller, the Controller's secretary, and the Executive Assistant to the Chief Financial Officer;

(4) the managers of: Air Carrier Relations within the Office of Business Administration; the Planning, Design, Construction and Building Code/ Environmental Departments within the Office of Engineering; Internal Controls, Financial Strategy Analysis and Debt within the Office of Finance; the Administrative Department within the Office of Public Safety; and the Administration Department at each airport;

(5) the manager and deputy manager of Operations and of Engineering and Maintenance at each airport;

(6) the Executive Project Director, the Project Director, and all Deputy Project Directors of the Dulles Corridor Metrorail Project; and

(7) other employees and agents identified by the President.

b. *Content of Annual Disclosure.* Every employee and agent identified in subsection (a) shall disclose and certify by January 31 of each year, on a form provided by the Authority, the following information as of the date of the disclosure:

(1) any Substantial Financial Interest in a Business or Real Property held by the employee or agent or any member of the his or her Immediate Family:

(2) any positions of employment held by the employee or agent or any member of his or her Immediate Family during the prior calendar year, whether on a full- or part-time basis;

(3) any gifts (as defined above in Section 4(a)) accepted, directly or indirectly, by the employee during the prior calendar year from a single Prohibited Source whose aggregate value exceeded \$350 (gifts are to be disclosed whether or not they were permitted to be accepted under Section 4); and

(4) any outside positions held by the employee during the prior calendar year as a director, officer, general partner, or trustee of a Business or other entity including a nonprofit organization, a labor organization, and an educational or other institution of higher learning. Positions held in a religious, social, fraternal, or political entity are not required to be disclosed.

c. *Employees Serving on Procurement Evaluation Committees.* Before beginning the evaluation of proposals submitted in an Authority procurement, each member of the committee evaluating the proposals (whether a voting or advising member) shall certify, on a form provided by the Authority, that the member has no Substantial Financial Interest in any offeror that has submitted a proposal. If, during the committee's deliberations, a member acquires or determines that he or she has a Substantial Financial Interest in a first tier subcontractor to one of the offerors, the member shall notify the Contracting Officer immediately and shall not participate further in the committee's deliberations.

d. *Employees Involved in Administration of Contracts.* Before beginning the administration of a contract, and annually thereafter by January 31 of the year, Contracting Officers, Contracting Officer's Technical Representatives, and their alternates, if any, whether they are employees or agents of the Authority, shall certify, on a form provided by the Authority, that they do not have a Substantial Financial Interest in the contract's prime contractor or in any first tier subcontractor. If, in the course of a year, a Contracting Officer or Contracting Officer's Technical Representative acquires or determines that he or she has a Substantial Financial Interest in the contract's prime contractor or a first tier subcontractor, he

or she shall immediately notify the Ethics Officer and cease performing any role in connection with the contract.

9. NEPOTISM

a. For the purposes of this Code, the term “relative” means the following: husband, wife, domestic partner, father, mother, grandfather, grandmother, son, daughter, stepson, stepdaughter, granddaughter, grandson, brother, sister, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, sister-in-law, and brother-in-law.

b. An employee shall not participate in the making of a decision to hire, appoint, employ, or promote or in either the making of any other decision or the taking of any action that has the potential to affect a person who is a relative of the employee, including making an attempt to persuade another employee to make a decision or take an action affecting a relative.

c. An employee may not work in or be assigned to a position which will result in a situation where: (i) a relative of the employee directly or indirectly may supervise, control, or influence the work or the employment status of the employee; (ii) the employee directly or indirectly may supervise, control, or influence the work or the employment status of the relative; (iii) the employee or relative may supervise, control, or influence the affairs of the organizational unit in which the other works; or (iv) the employee and relative report directly to the same supervisor.

10. POST-EMPLOYMENT CONFLICTS OF INTERESTS

a. *Permanent Restrictions Relating to Particular Matters.* No employee, after the termination of employment with the Authority, shall knowingly make, with the intent to influence, any communication to or appearance before the Board of Directors or any officer or employee of the Authority, on behalf of an entity or individual other than the Authority, in connection with a particular matter:

(1) in which the Authority is a party or has a direct and substantial interest,

(2) in which the former employee participated personally and substantially as an Authority employee, and

(3) which involved a specific party or specific parties at the time of such personal and substantial participation.

b. *Two-year Restrictions Relating to Particular Matters.* No employee, for a period of two years after the termination of the employee’s employment with the Authority, shall knowingly make, with the intent to influence, any communication to or appearance before the Board of Directors or any officer or employee of the Authority, on behalf of an entity or individual other than the Authority, in connection with a particular matter:

(1) in which the Authority is a party or has a direct and substantial interest,

(2) which the former employee knows or reasonably should know was actually pending within an area of the Authority for which the former employee was responsible at any time during the year before the termination of his or her Authority employment, and

(3) which involved a specific party or specific parties at the time it was pending.

c. *One-year "Cooling Off Period" for Certain Authority Employees.* No employee identified in Section 8(a)(1), for a period of one year after the termination of the employee's employment with the Authority, shall knowingly make, with the intent to influence, any communication to or appearance before the Board of Directors or any officer or employee of the Authority on behalf of any other entity or individual.

d. *One year "Cooling Off Period" for New Authority Employees.* No employee, for a period of one year after starting employment with the Authority, shall participate in a matter that is likely to have a direct effect on an interest of a Business for which the employee, during the year prior to the start of the employee's Authority employment, served as a director, officer, trustee, general partner, agent, attorney, contractor, or employee.

11. ROLE OF AUTHORITY MANAGEMENT AND GENERAL COUNSEL

Authority management is responsible for fostering high ethical standards for the Authority and its employees thereby strengthening public confidence that the business of the Authority is being conducted with impartiality and integrity. The General Counsel is responsible for regularly reviewing and, when necessary, recommending revisions to this Code of Ethics, for providing training on this Code to new employees within four weeks of the start of their employment, for providing training on the Code to other employees on an annual basis, for overseeing the preparation and filing of annual disclosures required by the Code, and for assisting the Ethics Officer, including when the officer is advising employees about the application of the Code to specific questions or situations presented by employees.

12. ROLE OF ETHICS OFFICER

a. The President shall designate an Authority employee to serve as the Authority Ethics Officer who will have and will perform the responsibilities assigned to such officer in this Code of Ethics. An employee's designation as the Ethics Officer shall continue until rescinded by the President.

b. The Ethics Officer is responsible for carrying out the duties defined and assigned to the officer in this Code. The Ethics Officer is also responsible for assisting the General Counsel in the performance of the responsibilities described in Section 11.

c. No employee will be found to have violated this Code if the alleged violation followed from the employee's good faith reliance on a written opinion from the Ethics Officer that was made after a full and accurate disclosure by the employee of all material facts. (See Section 4(h).)

13. NO RIGHTS CREATED IN THIRD PARTIES

A violation by an employee of any provision of this Code of Ethics shall not create any right or benefit, substantive or procedural, enforceable by law, contract, or otherwise by any entity or individual against the Authority, its officers, or its employees or against any other entity or individual.

14. ENFORCEMENT AND PENALTIES

a. Employees shall be subject to discipline, including termination of their employment with the Authority, for violations of the provisions of this Code of Ethics. Guidelines regarding the level of discipline that may be imposed for violations of this Code are set forth in Appendix A of the Conduct and Discipline Directive.

b. Any alleged violation of this Code by the President shall be processed and enforced under Section 11 of the Code of Ethics for Members of the Board of Directors.

Enclosure E

Draft Financial Disclosure Form for
Airports Authority Board of Directors
(October 2012)

MWAA Board of Directors Financial Disclosure Form

Reporting Individual's Identification

Last	First	Middle
------	-------	--------

General Instructions

Step 1: Read the instructions for Parts I and II on the following pages.

Step 2: For each statement below, check Yes or No to describe your situation:

I have reportable Substantial Financial Interests. ☐ Yes ☐ No

I have reportable Employment and Outside positions. ☐ Yes ☐ No

Step 3: If you selected Yes for any statement above, you must describe the reportable interests that you have in the corresponding Part of the form. Attach additional pages as necessary, labeled with your name and the Part of the form to which the additional pages correspond.

Step 4: Sign and date the form.

Step 5: Submit the completed form to the Ethics Officer.

Certification and Signature

I CERTIFY that the statements I have made on this form and all attached schedules are true, complete, and correct to the best of my knowledge.

Signature of Reporting Individual

Date (Month, Day, Year)

Part I—Substantial Financial Interests

Part I—General Instructions

1. Covered Persons. Report the required information for:

- yourself,
- your spouse or domestic partner,
- your dependent children living in your household, and
- any other person over whose financial affairs you have substantial legal or actual control.

2. Important Definitions.

Business: A sole proprietorship, corporation, partnership, company, joint venture, association, joint stock company, or any other form of entity recognized by law which is engaged in trade, commerce, or the transaction of business AND any **parent** entity that owns or controls more than fifty percent of any of the foregoing entities.

Immediate Family: Your spouse, domestic partner, dependent children living in your household, and any other person over whose financial affairs you have substantial legal or actual control.

Interested Party: The following are Interested Parties:

- Any Business that has or is seeking a contract or agreement with the Authority; or
- An aeronautical, aviation services or airport services enterprise that otherwise has interests that can be directly affected by decisions or actions of the Authority.

Property: Real property, including land, together with any structures or improvements on the land.

3. Interests Not Required to Be Reported. Report the required information in each category identified below, except for the following interests, which do not need to be reported:

- Checking or savings accounts, money market accounts, other demand deposits
- Government bonds
- Certificates of deposit
- Diversified mutual funds
- Pension plans
- Employee benefit plans
- Trusts or estates
- Other funds, plans, or entities administered by an independent party without participation by you or a member of your Immediate Family in the selection or designation of financial interests held by the plan, fund, or entity
- Any liability granted in the ordinary course of business by a financial institution or other Business on usual commercial terms, including the following:
 - Mortgage liability secured by a personal residence of you or your spouse
 - Loan liability secured by a personal motor vehicle, household furniture, or household appliances
 - Personal revolving line of credit or capital contribution loan liability
 - Debit, credit, or other revolving charge account liability

Part I—Reportable Interests

Ownership Interests in a Business or Property. Report for yourself or any member of your Immediate Family any interests in a Business or Property held at the time of filing:

- ✓ exceeding 3% of the total equity of the Business;
- ✓ having a fair market value greater than \$15,000; or
- ✓ yielding more than \$1,000 in annual income.

Business or Property Name and Address	Type of Interest Held (e.g., stock, bond, partnership interest, real property, etc.)
1.	
2.	
3.	
4.	

Income. Report for yourself and any member of your Immediate Family any sources of income you or your Immediate Family member has at the time of filing from a Business or Property that exceeds or may be reasonably expected to exceed \$1,000 per year. Also report any prospective sources of income from an upcoming job with or offer of employment from a Business.

Income Source Name and Address	Income Description (e.g., salary, wages, interest, dividends, rent, etc.)
1.	
2.	
3.	
4.	

Pledges or Sureties. Report for yourself and any member of your Immediate Family any pledge or surety given on behalf of a Business, which gives rise to actual or potential personal liability as of the time of filing, that exceeds the lesser of:

- ✓ 3% of the asset value of the Business; or
- ✓ \$1,000.

Business Name and Address	Type of Liability (e.g., pledge, surety, guaranty, etc.)
1.	
2.	
3.	
4.	

Liabilities. Report for yourself and any member of your Immediate Family any reportable personal liabilities in the form of loans or debts in excess of \$1,000 owed to a Business held at the time of filing.

Creditor Name and Address	Type of Liability
1.	
2.	
3.	
4.	

Fiduciary Positions. Report for yourself and any member of your Immediate Family any position held with a Business as a director, officer, or general partner at the time of filing.

Business Name and Address	Type of Business	Position
1.		
2.		
3.		
4.		

Part II—Employment and Outside Positions

Part II—General Instructions

1. **Reporting Period.** Report the required information for the calendar year preceding your filing of this form.
2. **Covered Persons.** Report the required information for:
 - yourself,
 - your spouse or domestic partner,
 - your dependent children living in your household, and
 - any other person over whose financial affairs you have substantial legal or actual control.

3. **Important Definitions.**

Business: A sole proprietorship, corporation, partnership, company, joint venture, association, joint stock company, or any other form of entity recognized by law which is engaged in trade, commerce, or the transaction of business AND any **parent** entity that owns or controls more than fifty percent of any of the foregoing entities.

Immediate Family: Your spouse, domestic partner, dependent children living in your household, and any other person over whose financial affairs you have substantial legal or actual control.

Part II—Reportable Positions

Outside Positions. Report any position held by you or any member of your Immediate Family during the reporting period as a director, officer, general partner or trustee of a Business or other entity, including nonprofit, labor, and educational organizations or institutions. Positions held in a religious, social, fraternal or political organization are not required to be reported.

Organization Name and Address	Type of Organization	Position
1.		
2.		
3.		
4.		

Employment Positions. Report any employment position (whether full, part-time, or temporary) held by you or a member of your Immediate Family during the reporting period.

Organization Name and Address	Type of Organization	Position
1.		
2.		
3.		
4.		

Enclosure F

Airports Authority Travel Policy
(September 2012)

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



MEMORANDUM

To: All Airports Authority Management Forum Attendees

From: Andrew Rountree, Vice President for Finance and CFO, MA-20

Subject: Airports Authority Travel Policy

Date: September 11, 2012

Attached please find a revised Airports Authority Travel Policy which is effective for all travel that is either authorized or actually occurs after September 5, 2012. The Board of Directors of the Airports Authority approved this new policy which applies to both the Board of Directors as well as to all Airports Authority employees. For Airports Authority employees, the policy does not differ significantly from the previous employee policy; however it should be read carefully as there are changes. One key change is that a daily limit has been set for the amount reimbursable for meals and incidentals while in travel status. I will provide a brief overview of this new policy at the Management Forum on September 17th and will be available to answer any questions you may have about this policy.

Please share and discuss this new Travel Policy with all employees and we will transmit this Policy to all employees directly following the Management Forum.

RTA:dp

cc: Jack Potter, MA-1
Margaret McKeough, MA-2
David Mould, MA-10
Frank Holly, MA-30
Mark Treadaway, MA-40
Phil Sunderland, MA-70
Valerie Holt, MA-80
Paul Malandrino, MA-100
Chris Browne, MA-200
Elmer Tippet, MA-300
Steve Baker, MA-400
Arl Williams, MA-500
Syed Ali, MA-600
Quince Brinkley, MA-BD

Topic:	Travel Policy	Topic No:	To Be Determined
Function:	General Accounting	Updated:	September 5, 2012
Section:	Cash Disbursements	Owner:	Office of Finance
Applicability:	Airports Authority-wide, including Directors	Status:	FINAL

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1.0 Purpose	The purpose of this Policy is to outline travel procedures for allowability, fiscal responsibility and consistency in control and reporting. The Policy applies to all Travelers, including all Directors, all employees, and non-employees (such as job candidates, external procurement panel members, etc.) traveling on behalf of the Metropolitan Washington Airports Authority (Airports Authority). Any exceptions for a category of Traveler are explicitly noted in the applicable section.
2.0 Distribution	<p>This Policy shall be distributed to all Directors and employees and supersede Airports Authority Directive AC-001B, dated April 15, 2005, and the Travel and Business Expense Guidelines for Board of Directors, dated December 3, 2008.</p> <p>This Policy will be presented to Directors during members' initial orientation and reviewed with Directors annually thereafter and presented to employees during new employee orientation.</p>
3.0 Definitions	<p>3.1. Actual Expenses Payment of authorized actual daily expenses incurred, up to the limit prescribed by Section 9.1.3 of this policy, as appropriate. Entitlement to reimbursement is contingent upon the presentment of receipts for actual expenses.</p> <p>3.2. Approving Official Those authorized to approve Travel Authorizations or Expense Reimbursement Requests. The Approving Official is responsible for ensuring knowledge and compliance with this Policy.</p> <p>3.3. Board Office Includes the Directors, the Vice President & Secretary, and Board staff.</p> <p>3.4. Daily Expenses Actual expenses incurred by the Traveler on a daily basis while in a travel status. Allowable Daily Expenses may include the Traveler's meals and Incidentals, Transportation, lodging (including internet connectivity fees, business center fees, and related expenses), and parking.</p> <p>3.5. Domestic Trips Trips taken within the continental (contiguous) United States (excludes Alaska, Hawaii, and U.S. Territories).</p> <p>3.6. Expense Reimbursement Request The Expense Reimbursement Request is the Traveler's statement to the Airports Authority of costs incurred on behalf of the Airports Authority.</p> <p>The Board Office and non-employees (such as job candidates, external procurement panel members, etc.) submit the Expense Reimbursement Request using the Form AC-13, which is available on Livelink, under MA-20 (Finance), in the Finance Forms folder and in the warehouse at each airport. The Vice President & Secretary shall transmit all documentation to Accounts Payable for the Board Office. Employees submit this form electronically through the Oracle EBS system using the appropriate MWAA Employee Expense Entry template (i-Expense).</p> <p>3.7. Incidentals A Daily Expense that includes: fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.</p>

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3.8. International Trips

Trips taken outside of the continental (contiguous) United States. Trips to Hawaii, Alaska, and U.S. Territories are also considered International Trips.

3.9. Local Travel

Any one-day trip less than 250 miles round trip from the Traveler's work location that does not require an overnight stay. Local Travel may be via personal vehicle, Airports Authority-owned vehicle or public transportation. Use of Airports Authority-owned vehicles is encouraged.

3.10. Mileage Rate

The per mile amount reimbursed to a Traveler when using his/her privately owned automobile on official business. Use of a privately owned vehicle is only authorized for Local Travel or as stated in Section 5.6.5 of this Policy. The Airports Authority follows the rate set by the IRS. The Mileage Rate is the same for Local and non-local Travel. The rate shall be updated as required by the Office of Finance and documentation on the current mileage rate is included in

Attachment 1 – Mileage Rate

TO: Users at CF, Users at DCA; Users at IAD; Users
FROM: Wanda Onafuwa, Accounts Payable Manager
DATE: January 1, 2012
SUBJECT: IRS Mileage Rate

The IRS standard business mileage rate effective January 1, 2012
Please use this rate on all expense reimbursement requests for travel through
December 31, 2012.

For all employees the Oracle i-Expense module will reflect the current
non-users of i-Expense we have updated the appropriate Expense
forms found in the MA-20 forms folder on Live Link.

Should you have additional questions please contact me at extens

Thank You.

3.11. Personal Expenses

Expenses not considered necessary to conduct official Airports Authority business. Personal Expenses that may not be reimbursed include expenses for movie rentals, health club costs, sundries, non-business related Local Travel, and alcoholic beverages.

3.12. Personal Travel

Any travel not considered official business.

3.13. Transportation

The means by which a Traveler gets to and from an authorized destination. Transportation may be accomplished by common carrier (e.g. bus, rental car, plane, train, or taxi), privately owned vehicle (if using a car service, only an amount up to a cab fare for an equivalent trip will be reimbursed) and Airports Authority-owned vehicle. Refer to Section 5.6 for Transportation

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guidelines and restrictions.

3.14. Travel Advance

Funds advanced via Form AC-10, Travel Authorization/Advance, to a Traveler prior to traveling on the Airports Authority's behalf. Travel Authorization/Advance forms are available on Livelink, under MA-20 (Finance), in the Finance Forms folder and in the warehouse at each Airport.

3.15. Travel Authorization

Written approval for a Traveler to leave his/her work location and incur expenses on behalf of the Airports Authority. Form AC-10, Travel Authorization/Advance, specifies the dates, places to be visited, department, estimated cost for the trip, and other pertinent information. The Travel Authorization/Advance Form shall be completed and approved before the trip, in accordance with Section 5.1. Travel Authorization/Advance forms are available on Livelink, under MA-20 (Finance), in the Finance Forms folder and in the warehouse at each Airport.

3.16. Travel Authorization Number

A sequential number assigned by the Traveler's office that uniquely identifies each Travel Authorization. The format is 4 letters (always MWAA), followed by 2 digits designating the fiscal year, followed by 3 digits (the MA routing number of the Traveler preceded by zeros if less than 3 digits), followed by a 3-digit trip number. The four elements should be separated by dashes, e.g., MWAA-03-022-010. The person preparing the Travel Authorization/Advance Form is responsible for obtaining the 3-digit trip number from the Traveler's office.

3.17. Traveler

Any person authorized to travel on behalf of the Airports Authority.

4.0 Policy

4.1. General Policy

The Airports Authority shall pay for or reimburse reasonable actual, authorized and properly documented expenses incurred while traveling on official business. Expenses include Transportation, Daily Expenses and other expenses necessary to complete the purpose of the trip in the most expeditious and cost effective manner to the Airports Authority. Expenses claimed that are found to be in violation of this Policy shall be rejected by the Approving Official. If payment or reimbursement occurred and further review by management, accounting staff, or audit determines it was made in error, the Traveler shall be required to make restitution.

4.2. Prudent Use of Travel Funds

Expenses incurred relative to the purpose and location of the travel must be reasonable.

4.3. Trip Summary

When requested by the Approving Official, the Traveler shall provide a written summary describing any event attended, key business-related activities, and the results and benefits to the Airports Authority.

4.4. Travel Reporting

Quarterly, the Airports Authority will deliver to the Board Office a report of all travel activity, which includes the travel of all Directors and employees.

4.5. Annual Audit

The Office of Audit shall conduct an annual audit of all travel expenses and

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present results of the audit to the President and CEO and Executive and Governance Committee of the Board.

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5.0 Travel Authorizations

5.1. Preparing the Travel Authorization/Advance Form

The Travel Authorization/Advance Form (Attachment 2 – Form AC-10 (Travel Authorization/ Advance)) shall be prepared to provide an estimate of the cost of non-Local Travel for budgetary purposes.

The Traveler's office must maintain a copy of the Travel Authorization/Advance Form until it has been submitted to Finance.

5.2. Approving Officials for Travel Authorizations

If the Traveler is...	Approval must be made in advance by...
Chairman of the Board	Vice-Chairman of the Board
Board Office (other than Chairman)	Chairman of the Board
President and CEO ("CEO")	CFO
Executive Vice President and COO ("COO")	CEO
Vice President	CEO or COO
Air Service Planning & Development Staff	Vice President
Staff or other Traveler not listed above	<u>Domestic Trips:</u> Vice President <u>International Trips:</u> Vice President, and Either the CEO or COO

Travel Authorization approval by the Chairman of the Board or Vice Chairman of the Board shall be applied consistently and shall not be unreasonably withheld.

The Board Office is not required to obtain a Travel Authorization for travel to Board and Committee meetings and any function, meeting, or event other than conferences for which the invitation has been extended to all Directors or Directors on the same Committee. If there is a vacancy or extended unavailability of an Approving Official on the Board, the Chairman of the Board or other Board Officer shall submit a Travel Authorization to the Board Secretary for approval.

5.2.1. Responsibility of Approving Officials for Travel Authorizations

It is the responsibility of the Approving Official to ensure, prior to authorizing travel, that the requested travel is reasonable, in compliance with this Policy, and that sufficient funds for travel are available in the department budget.

5.2.2. Appeal of Denied Travel Authorization

If a travel request for the Board Office is declined, the Traveler may appeal the decision to the Executive and Governance Committee.

5.3. Allowable Costs

Allowable costs include: round trip mileage to and from the point of common carrier Transportation, standard parking (not including valet parking, unless valet parking is the only option available), taxi fare to and from the point of common carrier Transportation or work location, shuttle bus fares, common carrier Transportation, Daily Expenses, car rental, telephone charges as described hereafter, and conference or meeting fees if appropriate. NOTE:

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Mileage to or from the airport may not be approved on workdays if the Traveler is required to report to work before or after the trip and works at the airport at which the flight is departing or arriving.

5.4. Amending a Travel Authorization/Advance Form

If travel plans change significantly, an amended Travel Authorization/Advance should be prepared. Significant changes are defined as changes that either increase or decrease the number of travel days or vary the estimated cost by 20 percent or more.

A Travel Authorization/Advance may be amended by (a) canceling the original Authorization and preparing a new Authorization using a new Authorization Number; or (b) amending the existing Authorization and initialing the changes; or (c) preparing a new Travel Authorization/Advance with the changes using the same number and stamped or marked "amended". Under "Remarks," the reason for the modification should be explained in detail. The Approving Official shall approve the amended Authorization.

5.5. Business and Personal Travel Combined

If a Traveler desires to combine a business trip with personal time, the Traveler shall indicate that in the appropriate section of the Travel Authorization/Advance Form and annotate the dates of personal leave. Approval to combine Personal Travel with business travel is at the sole discretion of the Approving Official. The Traveler shall reimburse the Airports Authority for the difference the Airports Authority would have paid for the most direct route to the business destination. Allowable expenses, as defined, are only reimbursable for the Traveler for the business portion of the trip.

5.6. Transportation

If a Traveler wants to use tickets that include weekend days to obtain savings on airfare, the Approving Official must concur and specifically note this on the Travel Authorization before their purchase. Evidence of the savings received from a weekend stay shall be provided in the form of dated quotes from the airline, hotel and estimated subsistence for the weekend stay versus the weekday airline ticket round trip cost.

To minimize costs, Travelers are encouraged to book Transportation as early as possible.

5.6.1. Air Travel

Travelers are required to obtain discount fares to the extent possible and purchase economy class tickets. Unrestricted or changeable tickets are allowable. Travelers may upgrade to a different class at their own expense. If travel is outside of the continental (contiguous) United States, the Board Office may purchase the next higher class over economy without prior approval, unless the next higher upgrade results in first class accommodations which must be approved in advance by the Approving Official. Travelers other than the Board Office may request advance approval from the appropriate Approving Official for the next higher class over economy if travel is outside the continental (contiguous) United States. Travelers may, with advance approval from the appropriate Approving Official, purchase other than economy class when necessary to accommodate a medical disability or other special need. Blanket

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authorization of other than economy class transportation accommodations is prohibited; authorizations shall be on an individual trip-by-trip basis.

Baggage fees charged by airlines for checked luggage will be reimbursed for up to two bags.

5.6.2. Train Travel

Travelers are required to purchase economy class or Acela business class tickets for train fares. The appropriate Approving Official may authorize the next higher class or Pullman car fares if the trip is greater than 6 hours or the travel is overnight. Travelers may, with advance approval from the appropriate Approving Official, purchase other than economy class when necessary to accommodate a medical disability or other special need. Blanket authorization of other than economy class transportation accommodations is prohibited; authorizations shall be on an individual trip-by-trip basis.

5.6.3. Car Rental

Car rental shall be authorized only when local Transportation is not practical or would be more expensive. Car rentals, if authorized, are limited to intermediate size vehicles. The Approving Official shall annotate the justification for use of a rental car in the "Remarks or Special Provisions" section on the Travel Authorization/Advance.

To the extent possible, the Airports Authority encourages Travelers to coordinate Transportation services when two or more Travelers are traveling at the same time to the same destination. Travelers shall not utilize the car rental pre-paid gasoline option.

The Airports Authority maintains insurance for Travelers renting automobiles while on official travel. The Airports Authority will not reimburse the Loss Damage Waiver (LDW) and Personal Accident Insurance (PAI) provisions of a rental car agreement. The Traveler shall use personal funds to purchase LDW or PAI or provide personal auto insurance coverage to cover any Personal Travel. The business portion of the rental car expense shall be a ratio of total business days used to total days of the rental car contract.

If the Traveler is involved in an accident while traveling on official business, he/she shall report the accident to the local authorities, the car rental company, their supervisor, or, in the case of a Member of the Board of Directors, the Chairman of the Board, and follow the Airports Authority's procedures as outlined in the Risk Management Claims Procedure Manual.

5.6.4. Private Aircraft

The use of a non-commercial privately owned aircraft is not authorized.

5.6.5. Personal Vehicle

Travelers are not authorized to use their personal vehicle for Airports Authority business, except for Local Travel or when authorized by the Approving Official. The Traveler's insurance policy for his/her personal vehicle shall be the primary policy when that vehicle is used on Airports

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Authority business. The Airports Authority provides coverage for liability in excess of the Traveler's policy.

5.6.6. Travel Routing

Travel shall be arranged by the route and Transportation mode that is most cost effective to the Airports Authority, except when otherwise necessary for Air Service Planning & Development purposes and must be authorized in advance by the Vice President of Air Service Planning & Development. The Traveler shall bear any additional cost incurred as a result of deviation from this route for personal reasons. Travelers shall indicate all calculations clearly on the Expense Reimbursement Request to support the amount claimed. If the Traveler is authorized to use a privately owned vehicle, reimbursement is limited to the lesser of actual expense at the current Mileage Rate or the direct route advance purchase ticket.

5.6.7. Taxis, Shuttle Services and Other Courtesy Transportation

Transportation expenses in the performance of Airports Authority business travel are reimbursable for the usual fare plus tip for use of a taxi, shuttle service or other courtesy transportation.

5.7. Hotel Accommodations

If traveling to an event and a host hotel is provided at a reasonable rate, Travelers should stay at the host hotel unless rooms are sold out at the host hotel rate. If rooms are no longer available at the host hotel rate, the Traveler should make every effort to find a room at a comparable cost.

If purpose of the travel is for a meeting or event that does not include a host hotel, the Traveler should make every effort to find a hotel with reasonable rates.

To minimize costs, Travelers are encouraged to book lodging as early as possible. In addition, the lowest possible (government, conference, corporate) rates at the selected hotel should be obtained when making hotel reservations. Non-standard, premium/deluxe suites or upgrades are acceptable only when there is no additional cost to the Airports Authority. Travelers may upgrade at their own expense. Travelers should provide their credit card information at check in to ensure that they are billed directly for all hotel charges.

6.0 Travel Advances

6.1. General

The Board Office and employees may request Travel Advances to cover their estimated out-of-pocket expenses while traveling on official business. The requested amount of the Travel Advance may not exceed the total cost estimate authorized in the Travel Authorization/Advance request.

6.2. Approval and Submission Requirements

A Traveler may request a Travel Advance by completing Form AC-10, Travel Authorization/Advance Request (Attachment 2 – Form AC-10 (Travel Authorization/ Advance)), and having it approved by his/her Approving Official. To allow sufficient time to process the request, Travelers are encouraged to submit the request at least 10 business days before the start of the trip.

6.3. Payment of Travel Advances

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Generally, Travel Advances will be paid to the Traveler no sooner than 15 business days before travel commences.

Travel Advances shall not be issued through the Agent Cashier.

6.4. Repayment of Travel Advances

Travel Advances must be settled by completing an Expense Reimbursement Request (see Section 9.0). If the amount submitted in the Expense Reimbursement Request is less than the amount of the Advance, the Traveler must send a personal check payable to MWAAs routed to Accounts Payable (MA-22B) with the Expense Reimbursement Request. Travel Advances may also be repaid by returning the original check.

6.5. Failure to Repay Advances and Potential Payroll Deduction

The Traveler shall submit an Expense Reimbursement Request within 30 days after returning from the trip. Any Travel Advance still outstanding 45 days after returning from the trip shall be referred to the Controller who shall notify the Traveler and the Traveler's Vice President that the amount will be deducted from his/her next paycheck within 10 days and future requests for Travel Advances to the Traveler will be denied.

7.0 Making Reservations

The Traveler may use the Airports Authority travel agents or his/her personal method of payment. If a Travel Authorization is required as defined in Section 5.2, the Traveler MUST obtain the Approving Official's signature and a Travel Authorization number prior to purchasing any tickets. If it is determined a ticket was purchased or reservation requiring a deposit was made prior to approval and receipt of a Travel Authorization number, the Traveler may have to pay for the items purchased.

7.1. Travel Agent

The Airports Authority has an established contract with a travel agency (Attachment 3). The Traveler may use the travel agent to make airline or train reservations. Hotel reservations, and/or car rental reservations (if authorized) may be made by the travel agent if a personal data sheet completed by the Traveler is on file with the agent. When making reservations with the Airports Authority's travel agent, Travelers should be as flexible as possible on their departure and return dates to take advantage of discount fares. The travel agent charges a fee for the service, which is part of the total cost of the ticket.

In the event of a national security incident, the travel agent will be able to provide vital information on the Traveler's itinerary and/or current location.

7.1.1. Problems with Ticketing or the Travel Agent

The travel agent provides a toll free number to be used during the travel period. The Airports Authority's travel agent and Airports Authority staff making the arrangements can easily remedy most ticketing reservation problems. If a problem cannot be resolved with the travel agent, the details should be reported to Accounts Payable, MA-22B.

7.2. Using the Internet or Contacting Carriers Directly

Travelers may use the Internet or contact carriers directly in an effort to obtain better prices. The Traveler is expected to use/obtain discount fares to the extent possible and purchase only economy class tickets.

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8.0

Local Travel

8.1. Reimbursable Expense for Local Travel

Reimbursable expenses for Local Travel while on Airports Authority business include mileage, standard parking (not including valet parking, unless valet parking is the only option available, public transit (Metrorail), and tolls. Accounts Payable shall reimburse expenses incurred during Local Travel upon receipt of an approved Form AC-13, Expense Reimbursement Request (Attachment 4). Local Travel reimbursements may be signed by the Department Manager or designated official.

Only Travelers on official Airports Authority business on their regular day off shall be reimbursed for meals during normal working hours.

Mileage to and from the workplace on a regularly scheduled day off is not reimbursable if an employee is reporting for work to perform his/her regular duties. Union employees shall refer to their current executed agreement with the Airports Authority.

8.2. Local Travel From Home Versus Work

If Local Travel to a meeting or training is from home rather than work on a normal business day, the normal commuting expenses to and from work shall be deducted from the claim.

8.3. Airports Authority-Sponsored Activities and Events

Travelers shall not be reimbursed for Local Travel expenses or meals incurred while participating in Airports Authority-sponsored activities and events for which attendance is not mandatory.

9.0

Expense Reimbursements

9.1. Completing the Expense Reimbursement Request

9.1.1. General Guidelines

The requestor must complete an Expense Reimbursement Request to request reimbursement of travel expenses. Expense Reimbursement Requests must be typed and signed by the requestor or submitted electronically through the i-Expense system. The address used on the form should be the requestor's preferred check mailing address or noted electronic funds transfer for direct deposit. The accounting code on the bottom of the form must be the same as that on the Travel Authorization.

9.1.2. Receipts

Requestors shall maintain all receipts related to travel on Airports Authority business. If submitting the Expense Reimbursement Request electronically through the i-Expense system, receipts must be submitted electronically and must be legible. Those not required to submit the Expense Reimbursement Request electronically must attach original receipts to the Expense Reimbursement Request and forward them to Accounts Payable, MA-22B.

Detailed receipts are required for all expenses in excess of \$25.00. For a credit card purchase, the signature page, as well as the detail of the purchase, are required. The requestor shall provide receipts for room/hotel meals that show total daily meal expenses of more than \$25.00 per day. (Hotels will provide this receipt upon request.)

The original itinerary and receipt for airfare shall be provided to document the travel. It is important that the employee's name, method of payment, date, time, airline flight numbers and applicable changes are clearly evident from the documentation provided.

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Requestors may submit a per diem claim up to \$25.00 without receipts for total daily meal and Incidentals expenses (including applicable taxes and tips). Reimbursement requests for meals and Incidentals totaling more than the allotted \$25.00 per diem require detailed receipts.

Travelers shall be reimbursed for the actual cost of lodging for the business portion of the trip. The Traveler's lodging receipt must show each night registered. A lump sum billing, covering a number of days, is not acceptable. Online bookings may preclude daily charges from showing on the hotel receipt, however in this event, the Traveler must obtain evidence from the hotel indicating dates of stay. Travelers are discouraged from pre-payment lodging expenses unless clearly documented significant savings is evidenced in the Travel Authorization/Advance and approved in advance by Approving Official. The Traveler may claim Daily Expenses for the business portion of the trip only.

Receipts for gasoline purchases for a rental car are required regardless of cost.

9.1.3. Daily Expenses for Meals and Incidentals

Daily Expenses for meals (including applicable taxes and tips) and Incidentals should be reasonable and must not exceed the authorized limit, as defined in Attachment 5. The Office of Finance shall adjust this limit to remain consistent with federal travel policy.

9.1.4. Allowed Expenses for Travel

Tips in excess of the following amounts may be denied:

- \$2.00 per incident for baggage handlers, porters, shuttle drivers
- 20 percent of bill for meals
- 20 percent of trip charge for taxis

A claim for any expense involving tips will constitute a certification on the part of the requestor submitting the claim that those amounts were actually given to the service provider.

Dry cleaning and laundry expenses are allowed only for trips exceeding six (6) nights and seven (7) days. Rental cars are allowed only if approved on the Travel Authorization/Advance Form. Gasoline purchases incurred while traveling on business purposes shall be reimbursed only with receipts, regardless of cost. Work-related phone calls (e.g., to the office, voicemail, or other necessary business calls) as well as reasonable personal phone calls shall be reimbursed.

Meals provided in the prepaid cost of activities will not be reimbursed if the requestor chooses to obtain his/her meals elsewhere. Exceptions may be granted by the Approving Official.

Mileage is reimbursable to and from the destination at the Mileage Rate set by the set by the IRS per mile traveled for business. See

Attachment 1 – Mileage Rate

TO: Users at CF, Users at DCA; Users at IAD; Users
FROM: Wanda Onafuwa, Accounts Payable Manager
DATE: January 1, 2012

Topic:	Travel Policy	Topic No:	To Be Determined
Function:	General Accounting	Updated:	September 5, 2012
Section:	Cash Disbursements	Owner:	Office of Finance
Applicability:	Airports Authority-wide, including Directors	Status:	FINAL

SUBJECT: IRS Mileage Rate

The IRS standard business mileage rate effective January 1, 2012 is 55.5 cents per mile. Please use this rate on all expense reimbursement requests for travel beginning January 1, 2012 through December 31, 2012.

For all employees the Oracle i-Expense module will reflect the current mileage rate. For non-users of i-Expense we have updated the appropriate Expense Reimbursement forms found in the MA-20 forms folder on Live Link.

Should you have additional questions please contact me at extension 71201.

Thank You.

9.1.5. Personal Expenses

Personal Expenses are not reimbursable.

9.2. Approving Officials for Expense Reimbursement Requests

If the requestor is...	Approval must be made by...
Chairman of the Board	Vice-Chairman of the Board
Board Office (other than Chairman)	Chairman of the Board
CEO or COO	CFO or Designee
Vice President	CEO or COO
Staff or other requestor not listed above	Vice President or Designee

Expense Reimbursement Request approval by the Chairman of the Board or Vice Chairman of the Board shall be applied consistently and shall not be unreasonably withheld.

If there is a vacancy or extended unavailability of an Approving Official on the Board, the Chairman of the Board or other Board Officer shall submit an Expense Reimbursement Request to the Board Secretary for approval.

9.3. Currency Conversion

The Airports Authority will reimburse for out-of-country expenses for approved international travel on the basis of credit card statements and receipts, including currency conversion fees and credit card foreign exchange fees, for business-related transactions. The reimbursement rate is based on the exchange rate used by the Traveler's credit card company in calculating its "local currency" payment. The use of Automated Teller Machines (ATMs) is encouraged to minimize these fees.

9.4. Submission Requirements

The Board Office and non-employees (such as job candidates, external procurement panel members, etc.) submit the approved Expense

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Reimbursement Request using the Form AC-13 (Attachment 4), which is available on Livelink, under MA-20 (Finance), in the Finance Forms folder and in the warehouse of each airport. The Form must be submitted to Accounts Payable (MA-22B) within 30 days after completion of the trip. If a Travel Authorization/Advance is required, a copy should be submitted with the Expense Reimbursement Request.

Employees must submit Expense Reimbursement Requests electronically through the i-Expense system within 30 days after completion of the trip. If a Travel Authorization/Advance is required, a copy should be submitted with the Expense Reimbursement Request. Upon appropriate approvals, the electronic Expense Reimbursement Request will be routed to Accounts Payable.

9.4.1. Cancellation With Charges Incurred

If a trip is cancelled and charges were incurred (e.g., airfare or hotel reservations), an Expense Reimbursement Request shall be prepared and approved by the Approving Official. The Traveler shall provide a brief written explanation for the cancellation, submit the Expense Reimbursement Request with a copy of the Travel Authorization/Advance Form clearly marked "CANCELED," and return any Advance money received to Accounts Payable, MA-22B, within 10 business days of the cancellation.

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10.0 Miscellaneous	<p>10.1. Travel Expenses Paid by Outside Parties In circumstances when an employee's expenses are eligible for reimbursement by a third party, the employee should submit the Travel Authorization to Accounts Payable (MA-22B) and note on the Travel Authorization the third party reimbursement, including the name and billing contact for the third party. After submitting the Expense Reimbursement Request, Accounts Payable will submit an invoice to the third party directing reimbursement be made directly to the Airports Authority.</p> <p>10.2. Personal Injury Accidents A Traveler has the responsibility to seek medical attention if he/she is injured while traveling on official business and to notify his/her immediate supervisor as soon as possible. The Workers' Compensation insurance company shall determine if the injury will be compensable under the Virginia Workers' Compensation Act. The Traveler should follow the Airports Authority's internal reporting procedures as outlined in the <i>Risk Management Claims Procedure Manual</i>.</p> <p>A personal accident policy is also in effect for foreign Travelers. The Traveler shall contact the Risk Management Department prior to foreign travel for current policy information.</p>
11.0 Exceptions to the Policy	<p>Exceptions to this Policy shall be explained in detail on the Expense Reimbursement Request. When circumstances arise that are not directly covered in these written procedures, Travelers are expected to use sound judgment and provide detailed documentation on the reimbursement request in support of variances.</p> <p>Any exception to this policy requested by the Board Office must be approved in writing by the Chairman of the Board of Directors. If denied, the decision may be appealed to the Executive and Governance Committee.</p> <p>Any exception to this policy requested by staff must be approved in writing by the CEO or COO.</p>
12.0 Questions	<p>Questions regarding this Policy should be directed to Accounts Payable, MA-22B, on (703) 417-8722.</p>
13.0 Effective Date	
14.0 Approvals	

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**Attachment 1 –
Mileage Rate**

TO: Users at CF, Users at DCA; Users at IAD; Users at PSD; Users at DCE
FROM: Wanda Onafuwa, Accounts Payable Manager
DATE: January 1, 2012
SUBJECT: IRS Mileage Rate

The IRS standard business mileage rate effective January 1, 2012 is 55.5 cents per mile. Please use this rate on all expense reimbursement requests for travel beginning January 1–December 31, 2012.

For all employees the Oracle i-Expense module will reflect the current mileage rate . For non-users of i-Expense we have updated the appropriate Expense Reimbursement Request forms found in the MA-20 forms folder on Live Link.

Should you have additional questions please contact me at extension 71201.

Thank You.

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Function:	General Accounting	Updated:	September 5, 2012
Section:	Cash Disbursements	Owner:	Office of Finance
Applicability:	Airports Authority-wide, including Directors	Status:	FINAL

**Attachment 2 –
Form AC-10
(Travel
Authorization/
Advance)**

Metropolitan Washington Airports Authority		Page <u>1</u> of <u>1</u>
TRAVEL AUTHORIZATION/ADVANCE		TRAVEL AUTHORIZATION NO. (WWW.MWAA.AIRPORTS.DC)
NAME (OF TRAVELER)		EMPLOYEE'S CREDIT NO.
ADDRESS (STREET, CITY, STATE, ZIP CODE)		ROUTING SYMBOL
		DAYTIME PHONE NO.
PURPOSE OF TRAVEL		
TRAVEL ESTIMATES		
From: _____ To: _____ Return To: _____ <small>(Separate multiple destinations by comma)</small>		
DATE: _____ From: _____ To: _____		
COST ESTIMATES		
ITEM	AMOUNT	REMARKS OR SPECIAL PROVISIONS
Transportation	\$ _____	
Rental Car <small>(must be pre-authorized)</small>	\$ _____	
Lodging	\$ _____	
Meals	\$ _____	
Other	\$ _____	
	\$ _____	
	\$ _____	
TOTAL ▶	\$ 0.00	
L. Personal time requested		Dates of personal time: _____
TRAVEL ADVANCE (OPTIONAL)		
TYPE OF ADVANCE	TRAVEL ESTIMATES	
L. CHECK	Estimated cost of trip (from total Cost Estimate above) \$ _____	
	LESS:	
L. ACH	Transportation cost charged to the Authority \$ _____	
	Other costs paid directly by the Authority \$ _____	
	TOTAL ▶ \$0.00	
ACCOUNTING CODE (refer to Accounting Manual and ITC (Appendix))		Traveler is hereby authorized to perform travel as indicated above and to be reimbursed for necessary expenses for travel in accordance with Authority policy.
TRAVELER'S SIGNATURE		DATE
APPROVING OFFICIAL'S SIGNATURE (Please type print name below signature)		DATE

**Attachment 3 –
Airports
Authority Travel
Agent**

Globetrotter Travel Management Services, Inc.
 Phone: (301) 570-0800 (Press 1 for Reservations)
travel@globetrottermgmt.com

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Function:	General Accounting	Updated:	September 5, 2012
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Applicability:	Airports Authority-wide, including Directors	Status:	FINAL

**Attachment 4 –
Form AC-12
(Expense
Reimbursement
Request)**

Metropolitan Washington Airports Authority
EXPENSE REIMBURSEMENT REQUEST 2012

Page 1 of 1

NAME (Last, First, MI)				EMPLOYEE CLOCK NO.	
ADDRESS (Street, City, State, Zip Code)				ROUTING SYMBOL	
PURPOSE OF MEETING OR CONFERENCE				DAY TIME PHONE NO.	
EXPENSES					
DATE	EXPLANATION OF EXPENSE	MILEAGE	2012 rate \$0.555	OTHER EXPENSE AMOUNT	AMOUNT CLAIMED
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
ACCOUNTING CODE (Insert 0s for project number and LITC if applicable)				TOTAL CLAIMED	\$0.00
I certify that these expenses were incurred for official business and were not previously reimbursed.					
EMPLOYEE SIGNATURE					DATE
APPROVING OFFICIAL'S SIGNATURE (Please type/print name below signature)					DATE
RECEIVED FROM CASHIER					DATE

**Attachment 5 –
Daily Meals &
Incidentals Limit**

Daily Expenses for meals (including applicable taxes and tips) and Incidentals must not exceed the authorized limit, which is based on §301-11.18 of the Federal Travel Regulation.

As of August 31, 2012, the authorized limit for daily meals and incidentals is \$71.

Enclosure G

Airports Authority Bylaws
(October 2012)



BYLAWS

ARTICLE I

Organization of the Authority

Section 1. Board of Directors. Created on October 18, 1986, by Chapter 598 of the 1985 Virginia Acts of Assembly, as amended, and the Regional Airports Authority Act of 1985, D.C. Law 6-67, as amended, the Metropolitan Washington Airports Authority consists of seventeen Members. All powers, rights and duties of the Authority are thus conferred upon its Members, who are collectively known as "the Board of Directors," hereinafter referred to as "the Board." Individual Members of the Authority are known as "Directors."

a. There are seventeen Directors: seven appointed by the Governor of the Commonwealth of Virginia, four appointed by the Mayor of the District of Columbia, three appointed by the Governor of the State of Maryland, and three appointed by the President of the United States.

b. Directors (i) may not hold elective or full time, non-career appointive public office; (ii) serve without compensation, except that the Directors are entitled to reimbursement of their expenses incurred in attendance at meetings of the Authority or while otherwise engaged in the discharge of their duties, and (iii) reside within the Washington Standard Metropolitan Statistical Area, except that the Directors appointed by the President of the United States are not required to reside in that area, and must be registered voters of states other than Maryland, Virginia and the District of Columbia.

c. Appointments to the Authority are for a period of six years, except as otherwise provided by law for initial appointments.

d. Each Director may be removed or suspended from office only for cause, and in accordance with the laws of the jurisdiction from which he or she is appointed.

e. No Director may serve after the expiration of his or her term, unless reappointed. Any person appointed to fill a vacancy serves for the unexpired term. Each Director is eligible for reappointment for one additional term.

Section 2. Officers. The Board shall annually elect from its membership a Chairman and Vice-Chairman and shall elect from its membership, or elect and employ from its staff, a Secretary and a Treasurer or a Secretary/Treasurer, and prescribe the powers and duties of each officer. It may appoint from the staff an Assistant Secretary and an Assistant Treasurer, or an Assistant Secretary/Treasurer, who shall, in addition to other duties, discharge such functions of the Secretary and Treasurer, respectively, as may be directed by the Board. The Chairman and the Vice-Chairman may use any reasonable titles of their own choosing, such as Chair, Chairwoman, or Chairperson.

Section 3. Term of Office. The term for each elected office is one year, commencing January 1 of the year following the annual meeting. All officers, as long as they continue to serve as a Director or staff, hold office until the next January 1, or until their successors are elected or appointed and qualified, whichever may be the later.

ARTICLE II

Duties of the Board

The Board shall establish policy and provide direction to the President and Chief Executive Officer to acquire, operate, maintain, develop, promote and protect Ronald Reagan Washington National and Washington Dulles International Airports, including the Dulles Corridor, with its Dulles Toll Road and Dulles Metrorail Extension. The Board shall provide world class air transportation facilities with timely improvements at both Airports. The Board shall see that the laws pertaining to the purposes and functions of the Authority are faithfully observed and executed. In carrying out their duties on the Board, Directors appointed by the President shall ensure that adequate consideration is given to the national interest. The Board will employ staff, consistent with Article V, and adopt appropriate procedures to carry out these duties.

ARTICLE III

Powers and Duties of the Officers of the Board

Section 1. The Chairman. The Chairman is the first among equals and is dedicated to advancing the work of the Board and fostering common ground and consensus to move the Board's work forward in support of the Authority's mission. The Chairman is accountable to the Board, and serves as liaison between the Board and the Chief Executive Officer.

The Chairman presides at all meetings of the Board; establishes and appoints all Committees and the Chairmen thereof; determines the jurisdiction of all Committees; serves as an *ex officio* member of all Committees; executes documents on behalf of the Authority as prescribed by the Board; and performs such other duties as the Board may from time to time direct.

Section 2. The Vice-Chairman. The Vice-Chairman performs the duties and has the powers of the Chairman during the absence or incapacity of the Chairman from any cause. A certification by any seven Directors as to such absence or incapacity from any regular or special meeting is conclusive evidence thereof. Upon the resignation or death of the Chairman, the Vice-Chairman automatically becomes the Chairman for the unexpired term.

Section 3. The Secretary. The Secretary is the custodian of all records and of the Seal of the Authority and keeps accurate minutes of the meetings of the Board and its Committees. The Secretary has the authority to cause copies to be made of all minutes and other records and documents of the Authority and to certify under the official seal of the Authority that such copies are true copies. The Secretary affixes the Seal of the Authority to legal instruments and documents as required. The Secretary gives notice of all meetings of the Authority as required by law or by these Bylaws and distributes the agenda and related materials not less than 48 hours before the regular meetings of the Board. The Secretary is responsible for assuring that the public is fully informed as to the time, place, and agenda of all Board and Committee Meetings, and that records of these meeting are readily available. The Secretary, if a Director, becomes, *ex officio*, the Acting Chairman in the event the offices of the Chairman and Vice-Chairman are both vacant, or in the event that the Chairman and the Vice-Chairman are both unable to perform their duties by reason of absence or incapacity.

Section 4. The Treasurer. Except as may be required in any instrument under which any revenue or other bonds are issued by the Authority, the Treasurer shall have the care and custody of and shall be responsible for all monies of the Authority from whatever sources received. The Treasurer shall be responsible for the deposit of such monies in the name of the Authority in a bank or banks approved by the Board and shall be responsible for disbursements of such funds for purposes authorized or intended by the Board. The Treasurer, and any Assistant Treasurer, shall be bonded in an amount and with surety acceptable to the Board and shall make periodic accounting for all such funds as determined by the Board. The Treasurer's books shall be available for inspection by any Director during business hours.

Section 5. Other Duties. In addition to the duties and powers herein set forth, the Chairman, the Vice Chairman, the Secretary and the Treasurer have the duties and powers commonly incident to their offices and such duties as may be imposed by law or as the Authority may from time to time by resolution specify.

ARTICLE IV

Committees

Section 1. Committee Roster. The Chairman shall prepare a list of Committees, their members, and their jurisdiction.

Section 2. Committee Meetings. Each Committee Chairman schedules the Committee's meetings and sets the agenda. Except for the Audit Committee, all Committee meetings are normally held in public session.

Section 3. Subcommittees. Each Committee Chairman may establish special or *ad hoc* subcommittees that report to the full Committee, with the concurrence of the Chairman.

Section 4. Attendance . Any Director may attend and participate in any Committee meeting, but only members of the Committee count towards a quorum and may vote.

ARTICLE V

Chief Executive Officer, and Other Employees

Section 1. Chief Executive Officer. The Board shall appoint a President and Chief Executive Officer. He or she shall, except as otherwise provided by the Board, be in charge of management and operations of the Airports and any other activities of the Authority as prescribed by the Board. The President and Chief Executive Officer shall sign documents on behalf of the Authority as prescribed by the Board. The President and Chief Executive Officer shall discharge his or her duties in accordance with delegations of authority, and otherwise as directed by the Board.

Section 2. Chief Operating Officer. The Board shall appoint, upon the recommendation of the President and Chief Executive Officer, an Executive Vice President and Chief Operating Officer, who shall be initially responsible for the operational activities of the Authority, reporting to and exercising authority delegated to him or her by the President and Chief Executive Officer.

Section 3. Employees. The President and Chief Executive Officer shall staff the Authority in accordance with a plan approved by the Board. All selections for managerial positions reporting directly to the President and Chief Executive Officer and the Executive Vice President and Chief Operating Officer are subject to approval by the Board.

ARTICLE VI

Offices, Books and Records

Section 1. Offices. The Board shall maintain the principal office of the Authority at or near either Ronald Reagan Washington National Airport or Washington Dulles International Airport.

Section 2. Books and Records. Except as may be otherwise required or permitted by resolution of the Board, or as the business of the Authority may from time to time require, all of the books and records of the Authority shall be kept at its principal office. Such books and records shall be available during ordinary

business hours for inspection by any member of the public, in accordance with the Authority's Freedom of Information Policy.

Section 3. Minutes. All approved minutes of Board or Committee meetings shall be open to public inspection during ordinary business hours.

Section 4. Documents Posted on the Authority Website. The Secretary shall post the following documents on the Authority website, with links shown at http://mwaa.com/board_members.htm:

- a. Schedules of upcoming Board and Committee Meetings, for at least six months
- b. Approved Minutes of Board and Committee Meetings
- c. The Roster of Committees, their members, and jurisdiction
- d. The Bylaws
- e. The Code of Ethical Responsibilities for Members of the Board of Directors
- f. Schedules, Agendas and non-privileged documents prepared for the next meetings, after they have been provided to the Directors

ARTICLE VII

Meetings of the Board

Section 1. Meetings Open to the Public. All meetings of the Board and its Committees are open to the public, except during executive sessions.

Section 2. Regular Meetings. A regular meeting of the Board shall be held at the principal office of the Authority on the third Wednesday of every month. When such day is a legal holiday or for any other reason inappropriate as a meeting day, the regular meeting shall be held on such other day as may be determined by the Chairman. The Secretary shall provide notice of a rescheduled meeting at least one week before the rescheduled date.

Section 3. Annual Meeting and Election of Officers. The regular meeting held in the month of November in each year is the annual meeting for the election of a Chairman, Vice-Chairman, Secretary and Treasurer. If the annual meeting is omitted, or the Board fails for any reason to elect a Chairman after repeated ballots, the election shall be on the agenda of each subsequent regular or

special meeting until a Chairman is elected. If a vacancy occurs in any of the four offices, and is not filled under other provisions of these Bylaws, after appropriate notice the Board may at a subsequent meeting elect a successor to complete any unexpired term.

Section 4. Special Meetings. Special meetings may be called at any time by the Chairman. Upon receipt of a written request for a special meeting from any seven Directors, the Chairman shall call a meeting. Written notice of each special meeting, specifying the time and place of the meeting, and the purpose or purposes of the meeting, shall be given to the Directors by the Secretary. Notice is sufficient if sent by mail at least seventy-two hours in advance of the date and time of the meeting or by e-mail or otherwise in writing within twenty-four hours before the time of the meeting, if given to the Directors in person. Formal notice to any person is not required provided all Directors are present or those not present have waived notice in writing, filed with the records of the meeting, either before or after the meeting.

Section 5. Schedule. While Committee meeting schedules may vary because of unpredictable duration, Board Meetings will begin at the advertised time. Any Committee meeting running into the Board Meeting time will suspend its session until the Board Meeting has been adjourned. Executive sessions, if any, shall be scheduled, if possible, before Committee meetings begin or after the last Committee meeting of the day in order to minimize inconvenience to the public.

ARTICLE VIII

Voting

Section 1. Quorum. Nine Directors constitute a quorum for the transaction of all business at a regular or special meeting. A majority of the members of a Committee, not including the *ex officio* member, constitutes a quorum for the transaction of all Committee business.

Section 2. Majority Voting. Action by the Board is by a simple majority vote of the Directors present and voting except where otherwise provided by the Bylaws. Ten affirmative votes are required to approve bond issues, the annual budget of the Authority, and the appointment of a President and Chief Executive

Officer. Ten affirmative votes are required to grant exceptions to competitive procurement procedures for contracts over \$200,000.

Section 3. Participation by Telephone. Directors unable to attend a meeting may participate by telephone, but may not vote.

ARTICLE IX

Transaction of Business

Section 1. Regular, Special and Committee Meetings. Any business of the Authority may be considered at any regular meeting of the Board. Only items of business identified in the agenda distributed by the Secretary forty-eight hours in advance of the meeting may be acted upon at a regular meeting. Other matters may be acted upon if nine or more Directors vote to waive this notice provision. When notice of a special meeting is sent, only matters specified or described in the notice may be considered at the special meeting, except that with the unanimous consent of the Directors present any other matter may be considered. Business within the jurisdiction of a Committee may be considered at any meeting of the Committee. Only items of business identified in the agenda distributed by the Secretary forty-eight hours in advance of the meeting may be acted upon at a Committee meeting. Other matters may be acted upon if a majority of the Members of the Committee vote to waive this notice provision.

Section 2. Order of Business. Unless waived by a vote of seven or more Directors, the order of business at a regular meeting of the Board is:

- a. Approval of the minutes of the previous meeting.
- b. Committee Reports.
- c. Reports of Chief Executive Officer and staff.
- d. Unfinished business.
- e. New business.
- f. Other business and adjournment.

Section 3. Executive Session. All regular, special and committee meetings of the Board shall be open to the public, except that at any time the presiding officer may, without objection, order that the Board or Committee consider a matter or matters in the categories described below in executive session closed to the public. Before an executive session begins, the presiding officer shall announce the matters to be discussed. At the discretion of the presiding officer, others who can contribute to the discussion, including appropriate employees, outside counsel and consultants, may attend an executive session, with the understanding that they are honor bound not to divulge what takes place there. Only the following items or matters may be considered in the executive session:

a. Personnel matters such as employment, appointment, assignment, promotion, demotion, performance appraisal, discipline, resignation, salaries and benefits, and interviews of Directors, officers, and employees of the Authority, and applicants for the same.

b. Personal matters not directly related to the Authority's business in order to protect the privacy of individuals.

c. Existing or prospective contracts, business or legal relationships to protect proprietary or confidential information of the Authority, any person or company; the financial interest of the Authority; or the negotiating position of the Authority.

d. Financial matters, including the indebtedness of the Authority and the investment of Authority funds, particularly where competition or negotiation is involved. The annual budget may be discussed in executive session in its earliest stages, but should otherwise be dealt with in open session. From time to time certain sections may be considered in executive session, particularly where public discussion could compromise the Authority's relationships with its employees or tenant airlines.

e. Consultation with legal counsel and briefings by staff, consultants and/or attorneys, pertaining to actual or potential litigation, pending or proposed legislation, compliance with a specific constitutional, statutory or judicially imposed requirement, or other legal matters, and discussions of such matters by the Board without the presence of counsel, staff, consultants, or attorneys.

f. Discussion of security plans and other law enforcement measures for the protection of the public from terrorism and aircraft hijacking.

g. Audit matters.

Section 4. Actions in Executive Session. No resolution, contract, or motion, adopted, passed or agreed to in an executive session, other than a request to the staff for information, is effective unless the Board or Committee, at an appropriate time following such session, reconvenes in public or open session and takes a vote of the Directors on such resolution, contract, or motion, and the subject of the resolution, contract, or motion is reasonably identified in the open session. This shall not be construed to require the Board or Committee to divulge information that is proprietary or actions that are not final.

Section 5. Other Business. After completion of the agenda, the Chairman, Directors, or the President and Chief Executive Officer may, for information purposes, place any matter or matters on the agenda or other business that either deems to require the attention of the Board.

Section 6. Procedure. Roberts Rules of Order, as amended, is the authority for all matters of procedure not otherwise covered by these Bylaws. A point of order as to procedure raised by any Director in the course of a regular, special or committee meeting is resolved by a ruling of the Chairman. The vote of a majority of the Directors present is required to overrule the Chairman. The Secretary serves as parliamentarian.

ARTICLE X

Directives and Regulations

Section 1. General. The Board will adopt, amend and repeal as necessary: 1) internal directives and procedures for operating the Airports, including delegations of authority, and 2) regulations which may have the force and effect of law, pertaining to the use, maintenance and operation of its facilities and governing the conduct of persons and organizations using its facilities.

Section 2. Regulatory procedure. Unless the Board determines that an emergency exists by unanimous vote of all Directors present, the Board shall, prior

to the adoption of any regulation or alteration, amendment, or modification thereof:

a. Make such regulation or amendment thereof in convenient form available for public inspection in the office of the Authority for at least ten days.

b. Publish a notice in a newspaper or newspapers of general circulation in the District of Columbia, Montgomery County and Prince George's County, Maryland, and in the local political subdivisions of the Commonwealth of Virginia where the Authority facilities are located declaring the Authority's intention to consider adopting such regulation or amendment thereof and informing the public that the Authority will hold a public hearing at which any person may appear and be heard for or against the adoption of such regulation or such alteration, amendment, or modification, on a day and at a time to be specified in the notice, after the expiration of at least ten days from the day of the publication thereof; and

c. Hold the public hearing, or appoint a hearing officer to hold a public hearing, on the day and at a time specified in such notice or any adjournment thereof, and hear persons appearing for or against such regulation or amendment thereof.

d. In accordance with the Metropolitan Washington Airports Act of 1986, adoption by the Board of the regulations of the Federal Aviation Administration that governed the Airports at the time the Airports were transferred to the Authority were not subject to this procedure.

Section 3. Inspection of regulations. The Authority's regulations are available for public inspection in the Authority's principal office.

Section 4. Force and Effect of Law. The Authority's regulations relating to

a. Air operations and motor vehicle traffic, including, but not limited to, motor vehicle speed limits and the location of and payment for public parking;

b. Access to and use of Authority Facilities, including but not limited to solicitation, handbilling, picketing and the conduct of commercial activities; and

c. Aircraft operation and maintenance;

have the force and effect of law, as do any other regulations of the Authority that contain a determination by the Board that it is necessary to accord the same force and effect of law in the public interest; provided, however, that with respect to motor vehicle traffic rules and regulations, the Board will obtain the approval of the traffic engineer or comparable official of the local political subdivision in which such rules or regulations are to be enforced.

ARTICLE XI

Miscellaneous

Section 1. Code of Ethics. The Board shall adopt a code of ethics and financial disclosure to assure the integrity of all decisions by the Board and employees of the Authority. The code shall provide that each Director and his or her immediate families may not hold a substantial financial interest in any enterprise that has or is seeking a contract or agreement with the Airports Authority or is an aeronautical, aviation services, or airports services enterprise that otherwise has interests that can be directly affected by the Airports Authority. Exceptions may be made if the financial interest is fully disclosed to the Board and the Director does not participate in decisions that directly affect such interest.

Section 2. Indemnity. The Authority shall indemnify each Director and Officer against all costs and expenses (including counsel fees) the Director actually incurs in connection with or resulting from any action, suit or proceeding, of whatever nature, to which the Director is or shall be made a party by reason of his being or having been a Director or Officer of the Authority, provided (1) that the Director or Officer conducted him- or herself in good faith and (2) reasonably believed that his or her conduct was in the best interest of the Authority. This indemnity shall not apply in actions when the Director or Officer is adjudged liable to the Authority.

Section 3. Minority and women-owned business participation. The Board shall maintain a policy for providing minority and women-owned business participation in the contracts of the Authority, and monitor its implementation.

ARTICLE XII

Amendments

These Bylaws may be amended or repealed in whole or in part by resolution of the Board adopted by at least ten Directors at any regular meeting or special meeting, provided that notice of intention to present such resolution is given to all Directors at least two days in advance of the meeting at which the motion to adopt such resolution is to be made. Such notice may be given by any Director, or by the Secretary at the request of any Directors, and shall specify the subject matter of the proposed amendment or repeal. The notice of intention to amend or repeal these Bylaws shall include a specific reference to the Article subject to the proposed amendment or repeal, together with the suggested changes, or a "redline" draft showing existing text and suggested changes.

Adopted March 4, 1987

Amended: January 8, 1992; April 1, 1992; September 6, 2000; January 3, 2001; June 5, 2002; August 8, 2007; April 20, 2011; January 4, 2012; February 15, 2012; and October 17, 2012.

Enclosure H

Airports Authority Freedom of Information Policy
(July 2012)

Freedom of Information Policy

The Metropolitan Washington Airports Authority is committed to transparency in all its operations. From the beginning, it has maintained its own Freedom of Information Policy that continued the disclosure rules in force at the two Airports from the enactment of the federal Freedom of Information Act in 1966. All its records are available to the public, except those that are not required to be disclosed pursuant to the exemptions set out in Part 3 below.

Given its commitment to transparency, the Airports Authority encourages anyone interested in its activities to seek information informally. This document is designed to assist in that process, and is divided into three parts.

Part 1 identifies records easy to get from the Authority's website; Part 2 provides contacts for answering questions and help in obtaining other records; Part 3 provides a formal Freedom of Information procedure for obtaining Authority records that are not readily available, and includes standards for the withholding of certain types of records.

Part 1 – Documents Generally Available

The Airports Authority makes most of its important records readily available, principally through the Authority website, www.mwaa.com, under the "About the Authority", "Business Information" and "News and Publications" tabs. There anyone can read and download many records. The following are among those to be found there:

Board of Directors documents

(About the Authority tab – Board of Directors – Meeting Information):

- Calendars and Schedules
- Agendas and Papers prepared for Board and Committee Meetings (Minutes are included with the link for each meeting)

(About the Authority tab – Board of Directors – Reference Materials)

- Bylaws
- Committee Membership
- Committee Jurisdiction

- Travel and Business Expense Guidelines
- Resolution No. 01-20 – General Delegations and Reservations of Authority
- The Code of Ethical Responsibilities for Members of the Board of Directors
- The Lease of the Metropolitan Washington Airports between the United States and the Metropolitan Washington Airports Authority
- Provisions of the District of Columbia Code establishing, jointly with the Commonwealth of Virginia, the Metropolitan Washington Airports Authority
- Provisions of the Commonwealth of Virginia Code establishing, jointly with the District of Columbia, the Metropolitan Washington Airports Authority
- Provisions of the United States Code, authorizing the transfer of Washington National and Washington Dulles International Airports to the Metropolitan Washington Airports Authority, with conditions.
- The Freedom of Information Policy

(About the Authority tab – Annual Reports)

- Annual Reports from 2000 to present
- Comprehensive Annual Financial Reports from 2000 to present

Business Information

(Business Information tab)

- Contracting Manual and forms
- Construction Opportunities
- Concession Opportunities
- Equal Opportunity Programs

(About the Authority tab – Regulations and Policies)

- Regulations
- Code of Ethics for Directors
- Code of Ethics for Employees
- Airline Use and Lease Agreement

Other Records

(About the Authority tab – Financial)

- The Budget
- Comprehensive Annual Financial Reports

- Monthly Financial Statements
- Airline Rates and Charges
- Master Trust Indenture
- Official Statements

Dulles Rail Documents

(Link on the home page, under the Dulles Corridor logo; also Dulles – About Dulles International – Dulles Corridor Information)

- Historical and current documents, including contracts, for the Dulles Corridor Rail Project

Part 2 – Contacts

The Airports Authority maintains its principal corporate offices at 1 Aviation Circle on Ronald Reagan Washington National Airport. Records are kept there, at the airport offices at both Reagan National and Washington Dulles International Airport, and at the Dulles Corridor Metrorail Project office at 1593 Spring Hill Road in Vienna.

To obtain records informally, questions or requests can be directed to any office in the Authority likely to have them. If uncertain which office to call, contact the Secretary's office, 703-417-8740, which will refer you to the right office.

Part 3 – Formal Freedom of Information Procedures

I. Where to file a request – Formal Freedom of Information requests for records located anywhere within the Authority should be addressed to the Freedom of Information Officer, Office of the Secretary, MA-BD, Metropolitan Washington Airports Authority, 1 Aviation Circle, Suite 210, Washington, D.C. 20001-6000. They can also be submitted to [\[FOI@mwaa.com\]](mailto:FOI@mwaa.com). Questions may be directed to the e-mail address or to 703-417-8740.

II. Content of a request – Such requests should identify the records requested or set out as clearly as possible their nature, state the format requested (paper or electronic) and provide a telephone number and/or an e-mail address for clarifying communications.

III. Internal processing – The Freedom of Information Officer will assure a copy of the request is directed to the office holding the requested records, and will respond to a request as soon as possible, but not later than within two weeks of the receipt of the request. The Freedom of Information Officer will keep a docket of all Freedom of Information requests.

IV. Requests sent elsewhere – Copies of written FOI requests submitted to offices other than the Office of the Secretary will be promptly provided to the Freedom of Information Officer.

V. Response – The Authority's written response shall (a) provide the records requested, (b) explain why more time is required to respond, or (c) deny the release of records, in whole or in part, based on the exemptions in paragraph VII below. If denied, the withheld records shall be identified, and reasons shall be provided for their withholding. Responses may not be sent without the concurrence of the Secretary and appropriate consultation with the General Counsel's Office.

VI. Appeal – If a request is denied in whole or in part, or not responded to within two weeks, the requester may appeal to the Chairman of the Legal Committee of the Board of Directors. Such an appeal should be clearly identified as a Freedom of Information appeal, and addressed to the Secretary of the Authority at the address in paragraph I, above. The Committee Chairman's decision will be final.

VII. Reasons for withholding – Records or portions of records in the following categories of exemptions may be, but are not required to be, withheld from disclosure. Records are rarely withheld in their entirety; when an exemption applies to only a portion of a requested record, the rest of the record will be released. Any decision to withhold must set out the reasons for doing so, based on the exemptions stated below:

A. Personal Privacy. Personnel, payroll and financial records containing information concerning identifiable individuals, except that access shall not be denied to the person who is the subject thereof. The name, position and salary of Authority employees, however, are public information.

B. Confidential Business Information.

(1) Confidential business information of the Authority: records containing commercial, financial, or proprietary information which, if disclosed, could harm the competitive or negotiating position of the Authority; and

(2) Confidential business information provided by others and held by the Authority: records containing commercial, financial or proprietary information provided from outside the Authority, if the submitter claims a privilege for the information and gives adequate reasons why protection is necessary, or the information has been identified as exempt in the Authority Contracting Manual.

(3) Confidential procurement records, such as proposals, offers, bids and proposal scoring records, including competitive negotiation proposals, sealed bidding records, cost estimates, and business plans, the withholding of which is specifically addressed in the Authority Contracting Manual.

C. Law Enforcement and Security Records. Records compiled for law enforcement and security purposes, but only to the extent that and as long as the production of such records would (1) interfere with investigative or enforcement proceedings; (2) deprive a person of a right to a fair trial or an impartial adjudication; (3) constitute an unwarranted invasion of personal privacy; (4) disclose the identity of a confidential source and confidential information furnished only by the confidential source; (5) disclose law enforcement and security techniques and procedures not generally known outside the law enforcement community; (6) cause a suspect to flee or evade detection; (7) result in the destruction of evidence; or (8) endanger the life or physical safety of an individual.

D. Privileged Documents. Records subject to a generally recognized privilege, such as the attorney work product privilege and the attorney-client privilege; records that would not be available to a person in litigation with the Authority; and records with respect to matters addressed by the Board of Directors in Executive Session.

E. Pre-Decisional Documents. Records containing analyses and recommendations with respect to matters to be decided by the President and Chief Executive Officer or the Board of Directors, except to the extent the analyses and/or recommendations are disclosed or otherwise addressed in a final decision document. Documents prepared for the Board of Directors and its committees and not otherwise exempt from disclosure under paragraph VII are normally made available at www.mwaa.com before the meeting at which the matters addressed in the documents are to be discussed, but only after they have been provided to the Directors.

VIII. Other Considerations – Only existing records are subject to release. The Authority does not create new records in response to a Freedom of Information re-

quests, including records summarizing data or other information. Only records held by the Authority can be released, paper records in its own files or electronic records on its own servers; this Policy does not reach records held by vendors, contractors, or other third parties. In addition, personal notes, papers and any other records created and maintained by the preparer solely as work papers for personal use are not treated as Authority records.

IX. Fees – Requests for a limited number of readily available records that do not require significant staff resources to locate and produce will normally be answered without charge. More substantial requests will be assessed fees to cover the costs of locating the requested records and in producing and delivering hard or electronic copies of the records. A schedule of such fees will be provided to the requester; if the projected fees exceed \$250, a 50 percent deposit may be required before Authority resources are committed to locating and producing the requested records.

July 18, 2012