



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Special Joint Finance and Dulles Corridor Committees

Adoption of Amendment to the Regulation Establishing Toll Rates on the Dulles Toll Road

(Action Deferred from October 2012 Special Joint Committee Meeting)

November 14, 2012



Discussion Outline

- **Regulatory Process for Changing Toll Rates**
- **Information Provided at Public Hearings on the Finance Plan and the Proposed Toll Rate Adjustments**
- **Overview of Public Comments**
- **Dulles Corridor Advisory Committee Recommendations**
- **Recommendation to Adopt Amendment to the Regulation Establishing Toll Rates on the Dulles Toll Road**



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Airports Authority's Regulatory Process

✓ **Notification of Proposed Changes and Public Hearings**

Airports Authority press releases; 25 notices published in nine newspapers, public service announcements on local TV and radio; e-mail announcements to transportation organizations.

✓ **Public Hearings**

Three public hearings conducted on three different days, in two different weeks, at three different locations (Ashburn, Reston, McLean)

Conducted in open house format to inform and solicit comments from the community. Stations on five different topics with display boards and representatives from the Airports Authority available to answer questions.

In total, 195 individuals attended the three public hearings. Attendees submitted a total of 584 comments using various options: comment form, letters, and/or oral statements recorded by an individual.



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Airports Authority's Regulatory Process, *continued*

✓ Public Comment Period

Comments accepted from August 17 through September 16, 2012.

Informational exhibits and an "On-Line Open House" were available on the Airports Authority website.

A total of 584 comments were submitted (including written comments on the comment forms, letters, emails, oral statements provided during the hearings, and comments made online). In several cases, individuals commented on more than one occasion, using more than one medium.

Of the 567 individuals submitting comments, 56% identified their residence to be in Fairfax County, 32% identified their residence to be in Loudoun County, and the remainder either gave a residence outside of these counties or did not indicate their residence.



Airports Authority's Regulatory Process, *continued*



Dulles Corridor Advisory Committee Meeting

Created pursuant to the Permit and Operating Agreement for the Dulles Toll Road, the eight-member committee is composed of the two representatives denoted below for each of the Airports Authority, Fairfax County, Loudoun County, and the Commonwealth to provide the Airports Authority with advice on issues related to the management, improvement and expansion of the Dulles Corridor, as well as changes to toll rates on the toll Road. The Committee met on October 5, 2012.

- The Airports Authority representatives are the Airports Authority's Board Chairman and the President and CEO.
- Fairfax County is represented by the Chairman of the Board of Supervisors and the County Executive.
- Loudoun County is represented by the Chairman of the Board of Supervisors and the County Administrator.
- The Commonwealth's representatives are the Secretary of Transportation or a designee and a Northern Virginia member of the CTB.

Dulles Corridor Metrorail Project Finance Plan

Planned Contributions from Funding Partners

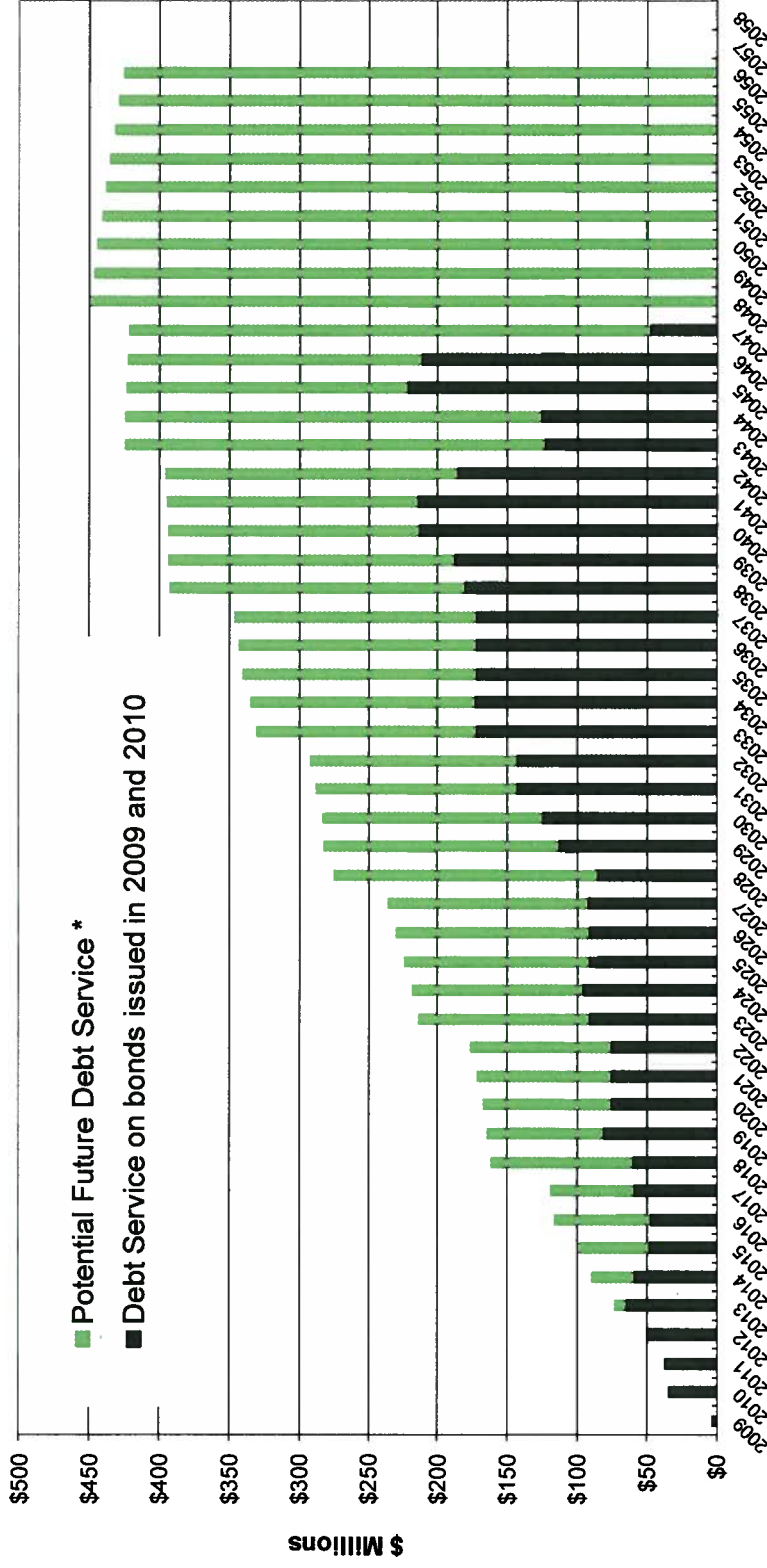
SOURCES OF CAPITAL FUNDS (Thousands YOE Dollars)	PHASE 1 Total	PHASE 2 Total	TOTAL PROJECT Total % of Total
Federal	\$ 900,000	\$ -	\$ 900,000 16.1%
Commonwealth of Virginia	251,700	23,300	\$ 275,000 4.9%
Fairfax County	400,000	500,746	900,746 16.1%
Loudoun County	-	268,545	268,545 4.8%
MWAA (Aviation Funds)	-	229,383	229,383 4.1%
MWAA (Dulles Toll Road)	\$ 1,353,995	\$ 1,667,026	\$ 3,021,021 54.0%
TOTAL SOURCES OF FUNDS	\$ 2,905,695	\$ 2,689,000	\$ 5,594,695 100.0%
	= Contribution is fixed amount		
	= Contribution is fixed percentage of total cost		
	= Contribution is not fixed - amount and percentage of total cost can change.		

- Allocation based on 100% Preliminary Engineering Estimate for Phase 2. Assumes Fairfax secures \$236 million for the Route 28 station and two parking garages, and Loudoun secures \$168 million for three parking garages.
- Allocation assumes \$150 million to be provided by the Commonwealth of Virginia will be used to pay interest on Dulles Toll Road revenue bonds, not direct project costs.

Dulles Corridor Finance Plan

Current and Anticipated Debt Service

POTENTIAL ANNUAL DEBT SERVICE REQUIREMENTS



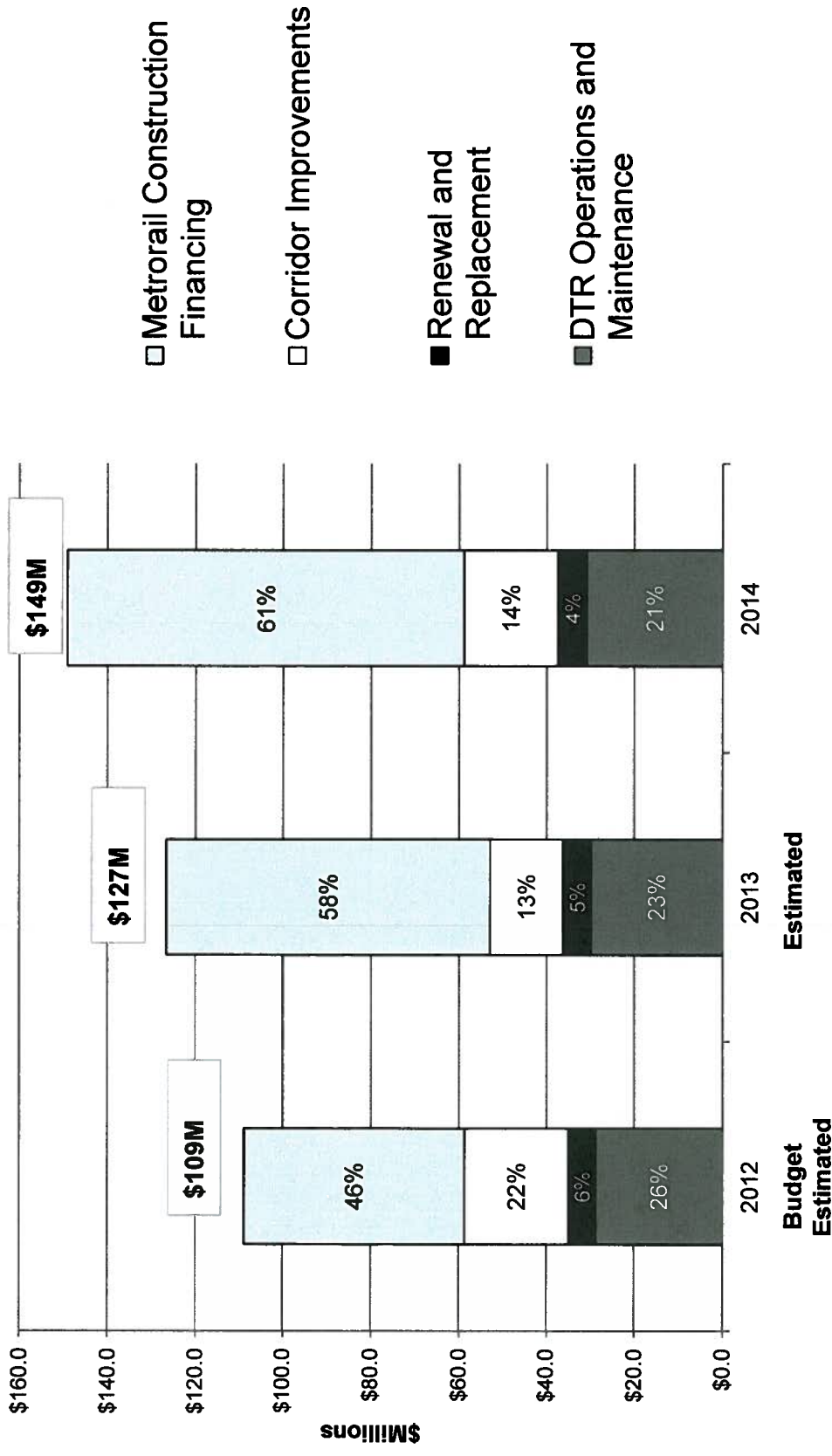
Over \$1.3 billion of Dulles Toll Road revenue bonds have been issued with an overall cost of capital of 6.073%

Approximately \$2 billion of additional toll revenue debt may be issued over the next five to six years to complete construction

*Actual amounts will vary depending on the type of debt issued, future interest rates, and several other factors.

Dulles Corridor Finance Plan

Use of Toll Revenue



Toll Rates

Proposed Adjustments

Effective January 1, 2013		
Vehicle Class	Mainline Plaza	Ramps
2-Axle	\$1.60	\$0.75
3-Axle	\$1.75	\$1.00
4-Axle	\$2.00	\$1.25
5-Axle	\$2.25	\$1.50
6 or more	\$2.50	\$1.75

Effective January 1, 2014				
Option A		Option B		
Vehicle Class	Mainline Plaza	Ramps	Mainline Plaza	Ramps
2-Axle	\$1.75	No change	\$1.75	\$1.25
3-Axle	\$3.50	No change	\$3.50	\$2.50
4-Axle	\$4.50	No change	\$4.50	\$3.00
5-Axle	\$5.25	No change	\$5.25	\$3.75
6 or more	\$6.25	No change	\$6.25	\$4.50

Effective January 1, 2015				
Option A		Option B		
Vehicle Class	Mainline Plaza	Ramps	Mainline Plaza	Ramps
2-Axle	\$2.50	\$1.00	\$2.25	\$1.50
3-Axle	\$5.00	\$2.00	\$4.50	\$3.00
4-Axle	\$6.25	\$2.50	\$5.75	\$3.75
5-Axle	\$7.50	\$3.00	\$6.75	\$4.50
6 or more	\$8.75	\$3.50	\$7.75	\$5.25

Toll increases beyond 2015 will be analyzed based upon actual financial performance and potential receipt of any additional funding

Toll Rates

Current Toll Rates in the Region

DULLES TOLL ROAD (13.4 miles)

	2 Axles	3 Axles	4 Axles	5 Axles	6 or More Axles
Mainline Toll Plaza	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50
Ramps	\$0.75	\$1.00	\$1.25	\$1.50	\$1.75
Cost per Mile	\$0.17	\$0.21	\$0.24	\$0.28	\$0.32

DULLES GREENWAY (14.0 miles)

	2	3	4	5	6+
Mainline Toll Plaza					
BASE TOLL	\$4.00	\$8.00	\$10.00	\$12.00	\$14.00
CONGESTION MANAGEMENT (MAXIMUM) TOLL	\$4.80	\$9.60	\$12.00	\$14.40	\$16.80
Cost per Mile	\$0.34	\$0.69	\$0.86	\$1.03	\$1.20

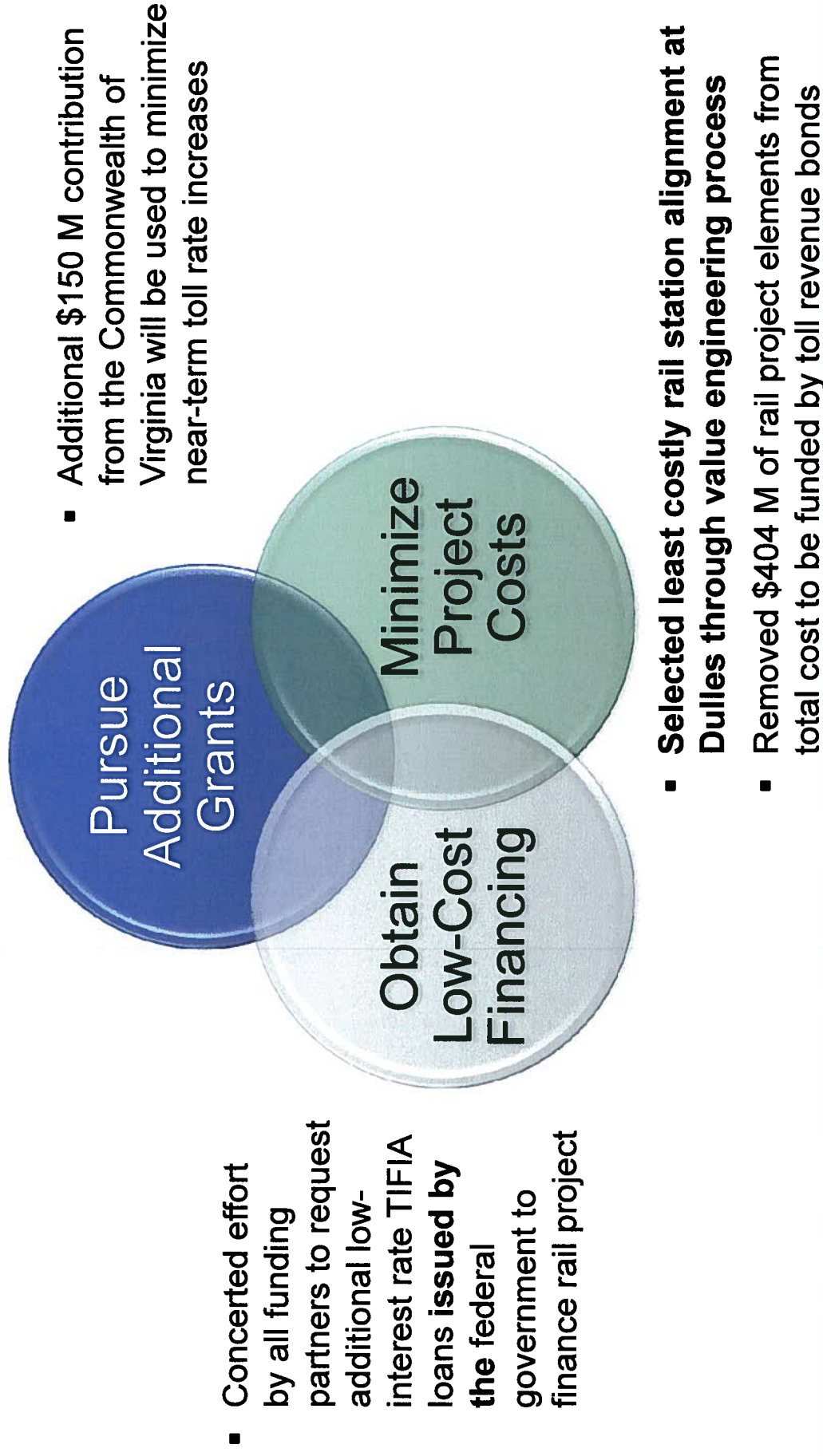
MARYLAND INTERCOUNTY CONNECTOR (16.0 miles)

	2	3	4	5	6+
Interstate 370 to Interstate 95					
PEAK	\$4.00	\$12.00	\$18.00	\$24.00	\$30.00
OFFPEAK	\$3.20	\$9.60	\$14.40	\$19.20	\$24.00
OVERNIGHT	\$1.60	\$4.80	\$7.20	\$9.60	\$12.00
Cost per Mile (Peak)	\$0.25	\$0.75	\$1.13	\$1.50	\$1.88

The 495 Express Lanes are scheduled to open in December 2012. Project sponsors expect the cost of average trip to be between \$5.00 and \$6.00.

Toll Rates

Toll Mitigation Strategies





Public Comment Themes

Majority of the 567 individuals submitting comments addressed the following topics:

Economic Impact of the Toll Increase *(334 comments)*

DTR tolls are already too high. Making the tolls even higher at this time will have an adverse effect on local businesses and the personal finances of Toll Road users.

A toll rate increase will not improve traffic, and neither will the addition of the new Metrorail line. The rate increase will cause many DTR users to take alternative routes

Alternatives to the Toll Increase *(316 comments)*

The Federal government and Commonwealth of Virginia need to contribute more.

Funds for the Metrorail Project could be obtained from raising Metrorail fares, increasing fares on upcoming Silver Line users, tolling users of the Dulles Airport Access Road, and taxing commercial developers in the Corridor.



Public Comment Themes, *continued*

Fairness of the Toll Increase (309 comments)

People who use the DTR, including residents and businesses of Fairfax and Loudoun Counties, should not be required to contribute substantially to the construction of the Metrorail Project, which will benefit people throughout the metropolitan area who will contribute nothing.

DTR Operations (62 comments)

Before money is set aside for another project, the DTR would benefit from upgrades, such as improved toll booth operations, improved exit ramps, etc. Consider using all electronic tolling collection and video tolling to save costs, to lessen the toll increase, and to improve traffic flow.



Public Comment Themes, *continued*

Tax Character of the Toll Increase (61 comments)

The toll rates are a hidden tax, unfairly imposed on a limited group of individuals (DTR users).

Noise Wall Program (3 comments)

The Authority should use increased DTR revenue to assist communities affected by increased noise levels on the Toll Road.

Support of Toll Increase (16 comments)

Comments recognized that the increases were necessary to fund the Metrorail project, which was viewed as a positive addition to the transportation infrastructure of Northern Virginia and, in particular, of the Dulles Corridor.



Recommendations from the Dulles Corridor Advisory Committee

The Committee voted to recommend the following:

- Implement the toll increase effective January 1, 2013 as proposed.
- Implement Option A of the proposed toll rate increases effective January 1, 2014.
- Implement Option B of the proposed toll rate increases effective January 1, 2015.
 - However, for 2015, consider a possible third option that would increase the Main Plaza toll by an additional \$.25 and decrease the Ramp toll by \$.25.



Management Recommendation

1. That the Committees approve and recommend to the Board of Directors adoption of a regulatory amendment to adjust the toll rates on the Dulles Toll Road.
2. That the Committees recommend that the toll rates be adjusted in one of the following ways:
 - A. That the rates be adjusted in each of the next three years (2013, 2014, and 2015) effective on January 1 of each such year, to the levels for these years set out in the toll rate schedule recommendations of the Dulles Corridor Advisory Committee, or
 - B. That the rates be adjusted in each of the next two years (2013 and 2014) effective on January 1 of such year, to the levels for these years set out in the toll rate schedule recommendation of the Dulles Corridor Advisory Committee, and that the Airports Authority expressly reserve the option, which may be exercised no later than June 30, 2013, to further adjust the toll rates, effective January 1, 2015, to levels no higher than the rates for that year set out in the Dulles Corridor Advisory Committee toll rate schedule recommendation.



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Recommended Toll Increases

2013 – As Proposed

Vehicle Class	Effective January 1, 2013	
	Mainline Plaza	Ramps
2-Axle	\$1.50	\$0.75
3-Axle	\$1.75	\$1.00
4-Axle	\$2.00	\$1.25
5-Axle	\$2.25	\$1.50
6 or more	\$2.50	\$1.75

2014 – Option A

Vehicle Class	Effective January 1, 2014		
	Option A	Option B	
	Mainline Plaza	Ramps	
2-Axle	\$1.75	No change	\$1.00
3-Axle	\$3.50	No change	\$2.00
4-Axle	\$4.50	No change	\$2.50
5-Axle	\$6.25	No change	\$3.00
6 or more	\$8.75	No change	\$3.50

2015 – Option B or Defer 2015 Decision

Vehicle Class	Effective January 1, 2015		
	Option A	Option B	
	Mainline Plaza	Ramps	
2-Axle	\$2.50	\$1.00	\$1.75
3-Axle	\$5.00	\$2.00	\$3.50
4-Axle	\$6.25	\$2.50	\$4.50
5-Axle	\$8.25	\$3.00	\$5.25
6 or more	\$9.75	\$3.50	\$6.00



Next Steps

- | | |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11/14/12 | <u>Finance and Dulles Corridor Committee Meeting</u>
<i>Staff report on comments and suggestions from the public and the DCAC; Consider recommendation to present to the Board of Directors</i> |
| 11/14/12 | <u>Board of Directors Meeting</u>
<i>If recommended by Finance and Dulles Corridor Committees, consider amendment to regulation to adjust Dulles Toll Road toll rates</i> |
| 01/01/13 | <u>Implementation of Potential 2013 Toll Rate Adjustment</u> |



Potential Future Funding Concepts

Federal Government

TIFIA Loan
Additional Grant
RRIF Loan
Qualified Tax Credit Bonds

WMATA

Surcharge Silver Line
Metrorail Riders

Airports Authority

Toll the Dulles Access Highway

Passenger Facility Charges
(Already targeted source of
Authority's share)

Fairfax & Loudoun Counties

Rebate taxes on Dulles concessions
Use proposed Loudoun Tax District Revenue from
Airport Station
Guarantee to fund Route 28 station
Surcharge Parking Garages

Commonwealth of VA

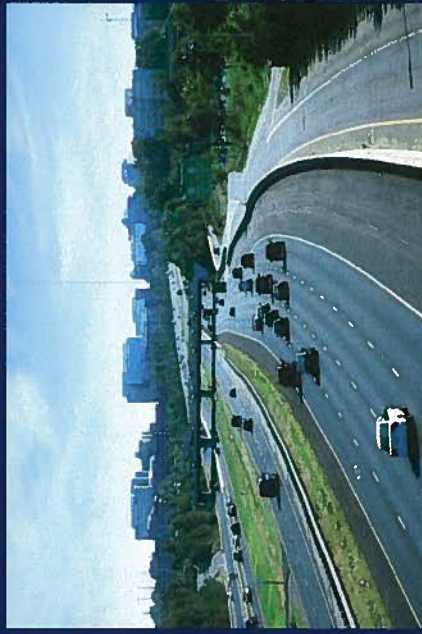
Additional Grant
Backstop/Guarantee DTR Debt
Impose Taxes (regional sales tax, other)
Rebate sales tax on Dulles concessions
Rebate/waive tax on Dulles Rail contract
Extend DTR Permit term
Assume Debt, Corridor Improvements, Toll Setting



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

Proposed Resolution (Option A)

Amending the Metropolitan Washington Airports Regulations Which Establish Toll Rates for the Dulles Toll Road

WHEREAS, the Metropolitan Washington Airports Authority (Airports Authority) operates the Dulles Toll Road (DTR) pursuant to a Permit and Operating Agreement (POA), dated as of December 29, 2006, between the Virginia Department of Transportation (VDOT) and the Airports Authority;

WHEREAS, under the terms of the POA, responsibility to establish and adjust toll rates for use of the DTR lies solely with the Airports Authority;

WHEREAS, under the terms of the POA, the Airports Authority is obligated to finance and construct the Dulles Corridor Metrorail Project (Project), an extension of the Washington, D.C., regional Metrorail system running from the West Falls Church Metrorail station on Interstate 66 in Fairfax County, along the Dulles Airport Access Highway, through the Tysons Corner area of Fairfax County, to and through Washington Dulles International Airport (Dulles Airport), to a western terminus at Route 772 in Loudoun County;

WHEREAS, the Project is being constructed in two phases, with Phase 1 running from Interstate 66 to Wiehle Avenue in Reston, Virginia, and Phase 2 running from Wiehle Avenue through Dulles Airport to Route 772 in Loudoun County;

WHEREAS, construction of Phase 1 of the Project commenced in March 2009 and is expected to be substantially completed in August 2013, and the competitive procurement of a design-build contractor for the major portion of Phase 2 is underway and is expected to be completed in the spring of 2013;

WHEREAS, pursuant to plan for the financing of the Project and capital improvements to the DTR, in November 2009 the Airports Authority established a series of new toll rates for the DTR to become effective on January 1 of the three ensuing years;

WHEREAS, pursuant to the plan of finance for Project and DTR improvements, and to its rights and obligations under the POA, the Airports Authority has issued approximately \$1.3 billion in Dulles Toll Road revenue bonds – debt secured entirely by revenues produced by the toll road – to help fund the design and construction of Phase 1 of the Project and capital improvements to the DTR;

WHEREAS, in July 2012, based upon an updated plan of finance for the Project and DTR improvements, staff presented a set of potential new DTR toll rates, to become effective in 2013, 2014 and 2015, to the Dulles Corridor and Finance Committees (Committees), along with a recommendation that the Committees authorize staff to initiate the process for amending Part 10 of the Airports Authority Regulations (Regulations) to establish new DTR toll rates, and the Committees provided the authorization;

WHEREAS, in August 2012 notice was published in The Washington Post and other media publications (i) of the proposed amendment to Part 10 of the Regulations, the proposed new DTR toll rates and the effective dates of these rates, (ii) of the dates, times and locations of three public hearings on the proposed amendment, and (iii) of the opportunities available to members of the public to submit comments on the proposed amendment during a formal 30-day comment period;

WHEREAS, public hearings on the proposed amendment were conducted on September 6, 2012, in Ashburn, Virginia, on September 12 Reston, and on September 13 in Mclean;

WHEREAS, over approximately 200 members of the public attended these hearings, and over 580 comments on the proposed amendment were submitted by individuals during the comment period;

WHEREAS, a report summarizing the public comments (as well as stating the comments themselves) (Report) and a separate staff paper responding to the comments have been submitted to the Committees and the Board of Directors;

WHEREAS, in September 2012, staff presented to the Dulles Corridor Advisory Committee (DCAC) (i) an updated plan of finance for the Project and capital improvements to the DTR, (ii) the proposed series of adjustments to DTR toll rates, which would become effective on January 1 of 2013, 2014 and 2015, that had been presented during the public hearing process, and (iii) a summary of the comments on the proposed new rates that had been submitted during the comment period; and the DCAC concurred in and recommended adoption by the Airports Authority of a series of adjusted rates to become effective on January 1 of 2013, 2014 and 2015 (DCAC Schedule of Rates);

WHEREAS, at its meeting on October 17, 2012, the Committees received and discussed the Report, the staff paper, the public comments, the updated plan of finance for the Project and capital improvements to the DTR, and the recommendation of the DCAC, and continued their discussion of the DTR toll rate adjustments to their November 14, 2012, meeting;

WHEREAS, on November 14, 2012, the Committees again received these same materials and, following discussion, concluded that it is necessary and appropriate to establish new toll rates for the DTR, agreed with the position and recommendation of the DCAC, and voted to recommend to the Board that it adopt the DCAC Schedule of Rates and establish those rates through the amendment to Section 10.1 of the Airports Authority Regulations that is set out below in paragraph 1 of this Resolution; and

WHEREAS, after considering the Report, staff paper, the public comments, the updated plan of finance for the Project and capital improvements to the DTR, the recommendation of the DCAC, and the recommendation of the Committees, the Board has determined that it is necessary and appropriate to adopt the recommended amendment to Section 10.1 of the Regulations, as set out in paragraph 1 of this Resolution, and to increase the DTR toll rates in accordance with the series of rate increases and effective dates that are set out in the amended Section 10.1;

NOW, THEREFORE, BE IT RESOLVED

1. That Section 10.1 of the Metropolitan Washington Airports Regulations is hereby amended to read as, and with the effective dates as, follows:

PART 10 - DULLES TOLL ROAD

§ 10.1. (Effective January 1, 2013.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.50 \$1.75	\$0.75 \$1.00
3-axle	\$1.75 \$3.50	\$1.00 \$2.00
4-axle	\$2.00 \$4.50	\$1.25 \$2.50
5-axle	\$2.25 \$5.25	\$1.50 \$3.00
6 or more axles	\$2.50 \$6.25	\$1.75 \$3.50

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

§ 10.1. (Effective January 1, 2014.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.75 \$2.50	\$1.00
3-axle	\$3.50 \$5.00	\$2.00
4-axle	\$4.50 \$6.25	\$2.50
5-axle	\$5.25 \$7.50	\$3.00
6 or more axles	\$6.25 \$8.75	\$3.50

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

§ 10.1. (Effective January 1, 2015.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$2.50 \$3.00	\$1.00 \$1.50
3-axle	\$5.00 \$6.00	\$2.00 \$3.00
4-axle	\$6.25 \$7.50	\$2.50 \$3.75
5-axle	\$7.50 \$9.00	\$3.00 \$4.50
6 or more axles	\$8.75 \$10.50	\$3.50 \$5.25

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

2. That this Resolution shall be effective upon its adoption.

*For consideration by Finance and Dulles Corridor Committees and
by Board of Directors on November 14, 2012*

Proposed Resolution (Option B)

Amending the Metropolitan Washington Airports Regulations Which Establish Toll Rates for the Dulles Toll Road

WHEREAS, the Metropolitan Washington Airports Authority (Airports Authority) operates the Dulles Toll Road (DTR) pursuant to a Permit and Operating Agreement (POA), dated as of December 29, 2006, between the Virginia Department of Transportation (VDOT) and the Airports Authority;

WHEREAS, under the terms of the POA, responsibility to establish and adjust toll rates for use of the DTR lies solely with the Airports Authority;

WHEREAS, under the terms of the POA, the Airports Authority is obligated to finance and construct the Dulles Corridor Metrorail Project (Project), an extension of the Washington, D.C., regional Metrorail system running from the West Falls Church Metrorail station on Interstate 66 in Fairfax County, along the Dulles Airport Access Highway, through the Tysons Corner area of Fairfax County, to and through Washington Dulles International Airport (Dulles Airport), to a western terminus at Route 772 in Loudoun County;

WHEREAS, the Project is being constructed in two phases, with Phase 1 running from Interstate 66 to Wiehle Avenue in Reston, Virginia, and Phase 2 running from Wiehle Avenue through Dulles Airport to Route 772 in Loudoun County;

WHEREAS, construction of Phase 1 of the Project commenced in March 2009 and is expected to be substantially completed in August 2013, and the competitive procurement of a design-build contractor for the major portion of Phase 2 is underway and is expected to be completed in the spring of 2013;

WHEREAS, pursuant to plan for the financing of the Project and capital improvements to the DTR, in November 2009 the Airports Authority established a series of new toll rates for the DTR to become effective on January 1 of the three ensuing years;

WHEREAS, pursuant to the plan of finance for Project and DTR improvements, and to its rights and obligations under the POA, the Airports Authority has issued approximately \$1.3 billion in Dulles Toll Road revenue bonds – debt secured entirely by revenues produced by the toll road – to help fund the design and construction of Phase 1 of the Project and capital improvements to the DTR;

WHEREAS, in July 2012, based upon an updated plan of finance for the Project and DTR improvements, staff presented a set of potential new DTR toll rates, to become effective in 2013, 2014 and 2015, to the Dulles Corridor and Finance Committees (Committees), along with a recommendation that the Committees authorize staff to initiate the process for amending Part 10 of the Airports Authority Regulations (Regulations) to establish new DTR toll rates, and the Committees provided the authorization;

WHEREAS, in August 2012 notice was published in The Washington Post and other media publications (i) of the proposed amendment to Part 10 of the Regulations, the proposed new DTR toll rates and the effective dates of these rates, (ii) of the dates, times and locations of three public hearings on the proposed amendment, and (iii) of the opportunities available to members of the public to submit comments on the proposed amendment during a formal 30-day comment period;

WHEREAS, public hearings on the proposed amendment were conducted on September 6, 2012, in Ashburn, Virginia, on September 12 Reston, and on September 13 in Mclean;

WHEREAS, over approximately 200 members of the public attended these hearings, and over 580 comments on the proposed amendment were submitted by individuals during the comment period;

WHEREAS, a report summarizing the public comments (as well as stating the comments themselves) (Report) and a separate staff paper responding to the comments have been submitted to the Committees and the Board of Directors;

WHEREAS, in September 2012, staff presented to the Dulles Corridor Advisory Committee (DCAC) (i) an updated plan of finance for the Project and capital improvements to the DTR, (ii) the proposed series of adjustments to DTR toll rates, which would become effective on January 1 of 2013, 2014 and 2015, that had been presented during the public hearing process, and (iii) a summary of the comments on the proposed new rates that had been submitted during the comment period; and the DCAC concurred in and recommended adoption by the Airports Authority of a series of adjusted rates to become effective on January 1 of 2013, 2014 and 2015 (DCAC Schedule of Rates);

WHEREAS, at its meeting on October 17, 2012, the Committees received and discussed the Report, the staff paper, the public comments, the updated plan of finance for the Project and capital improvements to the DTR, and the recommendation of the DCAC, and continued their discussion of the DTR toll rate adjustments to their November 14, 2012, meeting;

WHEREAS, at its meeting on November 14, 2012, the Committees again received these same materials and, following discussion, concluded that it would be premature at this time to establish DTR toll rates for 2015 because a number of factors may, in the upcoming months, affect the extent to which revenues from the DTR are required to fund the design and construction of the Project and, as a result, may also affect the toll rates that need to be in effect in 2015 and subsequent years, including the following:

(a) *Phase 2 construction cost* – while the cost to design and construct Phase 2 of the Project has been estimated on the basis of preliminary design and engineering work, a considerably stronger indicator of this cost will become available in the spring of 2013 when procurement of the major component of Phase 2 work will be completed and a competitively-established fixed price for that work will be contractually set; this fixed-price cost, if significantly different than the current Phase 2 cost estimate, may affect the amount of Project financing that is to be provided by the DTR and DTR revenue bonds;

(b) *TIFIA funding* – the amount of Project financing to be provided by the DTR revenue bonds may also be affected by decisions reached by the U.S Department of Transportation in the upcoming months regarding the amount, if any, of one or more federal loans the department would make to the Airports Authority for use in funding the Project under the department's Transportation

Infrastructure Finance and Innovation Act (TIFIA) program; and

(c) *Further assistance from Commonwealth* – the amount of Project funding provided by the DTR, and consequently, the level of toll rates in and following 2015 will also be affected by any additional financial assistance the Project receives from the Commonwealth of Virginia; the current plan for finance for the Project reflects a new Commonwealth contribution of \$150 million to the Project which is scheduled to be used to offset otherwise required DTR toll rate increases in the upcoming years; additional assistance from the Commonwealth, whether in the form of grants, loans or steps to enhance the credit of the DTR, could affect the DTR toll rates required to be in effect in 2015 and later years;

WHEREAS, at its November 14, 2012, meeting, the Committees also concluded (i) that, at the present time, it is necessary and appropriate to establish new toll rates for the DTR for years 2013 and 2014 only, but that it may be necessary to establish new rates for 2015 if the factors identified in the prior paragraph do not occur in a manner making unnecessary an increase in the 2015 rates, and therefore (ii) that the Airports Authority, in amending the Regulations, should reserve the option to increase rates effective January 1, 2015, if that because necessary; the Committees further concluded, and recommended, that this option to increase 2015 rates, in order to be exercised based upon the Airports Authority's regulatory amendment process that has just been completed, should be limited to the period between the adoption of this Resolution and June 30, 2013, and may not result in any toll rate for 2015 that exceeds the corresponding rate in the DCAC Schedule of Rates for 2015;

WHEREAS, at its November 14, 2012, meeting, the Committees agreed with the position and recommendation of the DCAC as to the new toll rates to become effective on January 1 of 2013 and 2014, and voted to recommend to the Board that it adopt the rates in the DCAC Schedule of Rates to become effective on those dates, and that it establish those rates, and reserve the option relating to 2015 rates identified in the prior paragraph, through the amendment to Section 10.1 of the Airports Authority Regulations that is set out below in paragraph 1 of this Resolution; and

WHEREAS, after considering the Report, staff paper, the public comments, the updated plan of finance for the Project and capital improvements to the DTR, the recommendation of the DCAC, and the recommendation of the Committees, including that new toll rates be established at this time only for years 2013 and 2014 and an option be reserved to later increase rates for 2015, the Board has determined that it is necessary and appropriate to adopt the recommended amendment to Section 10.1 of the Regulations, as set out in paragraph 1 of this Resolution, and to increase the DTR toll rates in accordance with the series of rate increases and effective dates that are set out in the amended Section 10.1;

NOW, THEREFORE, BE IT RESOLVED

1. That Section 10.1 of the Metropolitan Washington Airports Regulations is hereby amended to read as, and with the effective dates as, follows:

PART 10 - DULLES TOLL ROAD

§ 10.1. (Effective January 1, 2013.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.50 \$1.75	\$0.75 \$1.00
3-axle	\$1.75 \$3.50	\$1.00 \$2.00
4-axle	\$2.00 \$4.50	\$1.25 \$2.50
5-axle	\$2.25 \$5.25	\$1.50 \$3.00
6 or more axles	\$2.50 \$6.25	\$1.75 \$3.50

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

§ 10.1. (Effective January 1, 2014.) Tolls for Use of the Dulles Toll Road. (See note following this section)

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.75 \$2.50	\$1.00
3-axle	\$3.50 \$5.00	\$2.00
4-axle	\$4.50 \$6.25	\$2.50
5-axle	\$5.25 \$7.50	\$3.00
6 or more axles	\$6.25 \$8.75	\$3.50

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

Note: In Resolution 12-xxx, adopted November 14, 2012, the Airports Authority has reserved the option, which may be exercised no later than June 30, 2013, to adjust the toll rates for the Dulles Toll Road, effective January 1, 2015, to levels no higher than the rates set out in the following table.

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$3.00	\$1.50
3-axle	\$6.00	\$3.00
4-axle	\$7.50	\$3.75
5-axle	\$9.00	\$4.50
6 or more axles	\$10.50	\$5.25

2. That this Resolution shall be effective upon its adoption.

*For consideration by Finance and Dulles Corridor Committees and
by Board of Directors on November 14, 2012*

**RECOMMENDATION PAPER
TO THE FINANCE AND DULLES CORRIDOR COMMITTEES**

**ADOPTION OF AMENDMENT TO THE
REGULATION ESTABLISHING TOLL RATES
ON THE DULLES TOLL ROAD**

NOVEMBER 2012

RECOMMENDATION

That the Finance and Dulles Corridor Committees:

1. Approve and recommend to the Board of Directors the adoption of a regulatory amendment to adjust the toll rates on the Dulles Toll Road; and
2. Recommend that the toll rates be adjusted in one of the following ways:
 - (A) Option A: that the rates be adjusted in each of the next three years (2013, 2014 and 2015), effective on January 1 of each such year, to the levels for these years set out in the toll rate schedule recommendation of the Dulles Corridor Advisory Committee (DCAC), or
 - (B) Option B: that the rates be adjusted in each of the next two years (2013 and 2104), effective on January 1 of each such year, to the levels for these years set out in the toll rate schedule recommendation of the DCAC, and that the Airports Authority expressly reserve the option, which may be exercised no later than June 30, 2013, to further adjust the toll rates, effective January 1, 2015, to levels no higher than the rates for that year set out in the DCAC toll rate schedule recommendation.

A proposed regulatory amendment implementing the Option A toll rate adjustments is attached as part of Attachment A; a proposed amendment implementing the Option B rate adjustments is included in that attachment.

BACKGROUND

On July 18, 2012, the Finance and Dulles Corridor Committees authorized the initiation of the Airports Authority's regulatory amendment process in connection with a proposal to adjust toll rates on the Dulles Toll Road over the next three years.¹

¹ Section 10.1 of the Airports Authority Regulations establishes toll rates for the DTR. The current Section 10.1 is attached as Attachment A-1. It shows the toll rates for motor vehicles with two axles, along with rates for vehicles with more than two axles.

Under the proposal authorized by the committees, toll rates on the DTR for two-axle vehicles² would increase on January 1, 2013, by \$0.25 at the mainline plaza (from the current \$1.50 to \$1.75) and by \$0.25 at the entrance/exit ramps (from the current \$0.75 to \$1.00). As to rate increases beginning in January 2014 and January 2015, the proposal set out two options.

Under Option A, beginning on January 1, 2014, toll rates would increase at the DTR mainline plaza to \$2.50 and remain the same at the entrance/exit ramps (\$1.00) and, beginning on January 1, 2015, rates would increase at the mainline plaza to \$2.75 and at the ramps to \$1.75. Under Option B, beginning on January 1, 2014, rates would increase at the mainline plaza to \$2.25 and at the ramps to \$1.25, and beginning January 1, 2015, rates would increase at the mainline plaza to \$3.00 and at the ramps to \$1.50.³

Under both Option A and Option B, the combined toll rates at the mainline plaza and the ramps in 2014 would be the same (\$3.50); the combined rates would also be the same in 2015 (\$4.50).

As part of the regulatory amendment process, the Airports Authority conducted three public hearings on the proposed toll rate increases. Notice of these hearings was provided in a variety of ways: advertisements in newspapers with circulation in the Dulles Corridor;⁴ a press release; public service announcements on local television and radio stations; e-mail announcements to transportation organizations with a request that they disseminate the announcements to their membership; and announcements on the Airports Authority's website.

These three hearings were held on September 6, 12 and 13 at different locations in the Dulles Corridor.⁵ The purpose of the hearings was to inform members of the community about the proposed DTR toll rate increases and the primary uses to which the increased toll revenues would be put, and to provide opportunities for participants to submit comments on the proposed rate increases.

Each of the hearings included a number of information stations with display boards. Representatives from the Airports Authority were available at each station to explain the presented information and answer questions. In addition, an individual was available at each hearing to record participants' comments, and a comment form was given to each participant that could be completed and dropped in a comment box at the hearing or returned by mail.

Twenty days before the first hearing, the Authority's website was updated to include a video of the display boards with narration, the display boards themselves, and an online comment form that individuals could use to submit online their comments on the proposed rate increases. A list

² All toll rates presented in this paper are for two-axle vehicles.

³ These optional toll rate increases are shown in the schedule of rate adjustments attached as Attachment B. This schedule was presented at the public hearings, discussed below, on the proposed DTR rate increases. The schedule shows the rate adjustments for vehicles of all axles.

⁴ Altogether, 25 notices of the public hearings were published in area newspapers.

⁵ The September 6 hearing was held at Stone Bridge High School in Ashburn, and was attended by 56 individuals. The September 12 hearing was held at South Lakes High School in Reston, and attended by 94 individuals. The September 13 hearing was held at Spring Hill Elementary School in McLean, and was attended by 45 individuals.

of “Frequently Asked Questions” was added later to the website to help inform the public about the proposed rate increases.

The period for public comment on the proposed DTR toll rate increases ran from August 17 through September 16, 2012. During this period, a total of 567 individuals submitted 584 comments. These included written comments on the comment form, letters, e-mails, oral statements provided during the hearings, and comments made online. In several cases, individuals commented on more than one occasion, using more than one medium.

Of the 567 individuals giving comments, 56% identified their residence to be in Fairfax County, 32% identified their residence to be in Loudoun County, and the remainder either gave a residence outside of these counties or did not indicate their residence. Eighty-nine percent of the commenting individuals stated that they currently use the DTR, while 40% of these DTR users indicated that they plan to use the new Metrorail line once it is operational. Thus, overall, 37% of these individuals stated that they plan to use the Metrorail.

A report on the 584 comments submitted during the comment period, entitled “Dulles Toll Road Proposed Toll Rate Increases, Report on Public Comments, October 2012” (Report), is attached as Attachment C. The Report groups the comments into the following seven topical areas:

- A. Impacts of the Toll Increase
- B. Alternatives to the Toll Increase
- C. Fairness of the Toll Increase
- D. Operational Issues with the Toll Increase
- E. Tax Character of the Toll Increase
- F. Noise Wall Program and the Toll Increase
- G. Support of the Toll Increase

The Report summarizes the comments that fall within these topical areas, and states the major themes or points made by the comments in each area. These comments are addressed below in the Discussion part of this paper.

On October 5, the Dulles Corridor Advisory Committee (DCAC) was briefed on the proposed toll rate increases that had been presented during the public hearings, on the public hearings themselves, and on the comments provided during the public comment period. After discussion, the DCAC voted its concurrence with the following rate increases and effective dates:

- effective January 1, 2013, an increase of \$0.25 at the mainline plaza (from the current rate of \$1.50 to \$1.75) and of \$0.25 at the entrance/exit ramps (from the current rate of \$0.75 to \$1.00);
- effective January 1, 2014, an increase of an additional \$0.75 at the mainline plaza only (to \$2.50); and
- effective January 1, 2015, an increase of \$0.50 at the mainline plaza (to \$3.00) and of \$0.50 at the entrance/exit ramps (to \$1.50).

As part of its vote, the DCAC requested that the Airports Authority give consideration to the following alternative set of rates that would become effective on January 1, 2015: an increase of \$0.75 at the mainline plaza (to \$3.25) and of \$0.25 at the entrance/exit ramps (\$1.25).

On October 17, the Finance and Dulles Corridor Committees jointly received a briefing from staff on the public hearings, and the recommendation of the Dulles Corridor Advisory Committee, all of which is repeated within this paper. The Committees deferred further action until November 14, to ensure that newly appointed Directors had sufficient time and information to make an informed decision. In response to questions from the Committees, staff has provided supplemental material which is included in Attachment D.

DISCUSSION

The following sections of this paper correspond to the seven topical areas identified in the Report. Each section provides a general summary of the comments, states the primary points made by the comments, and provides a response to each of those points.

A. Impacts of the Toll Increase

Comments in this topical area of the Report addressed the impacts that the proposed DTR toll rates would, or could, have. Most comments were premised on the belief that the current toll rates are already too high and that the proposal to double the rates is not reasonable and will cause DTR ridership and revenues to decline. Commenters indicated they would take alternate highway routes and thus increase congestion on secondary roads. Some comments stated that increasing the rates will have negative consequences for drivers and their families, as well as the local economy. Some commenters indicated they would consider relocating. Other comments opposed the Metrorail Project, characterized it as a waste of time and money, and stated that it will cause more harm than good.

Three hundred thirty four (334) comments addressed this topic. The comments made the following points.

1. These are difficult economic times (e.g., the economy is bad, people are not receiving salary increases, businesses are suffering, and the cost of living is rising), and the present DTR tolls are already too high. Making the tolls even higher at this time will have an adverse effect on local businesses and the personal finances of toll road users (including forcing workers and other local residents to move from the area). The increase will make homes and businesses less appealing and will lower property values. Daily road-based transportation access along the Dulles Corridor will become excessively expensive, leading to Northern Virginia losing its ability to attract jobs and businesses. Combined with the Dulles Greenway, people in Loudoun County will be looking at a daily round trip cost of more than \$20.

Response. Under its agreements with the Commonwealth of Virginia, the Airports Authority is obligated to establish toll rates at the levels necessary to finance construction of the Dulles Corridor Metrorail Project and other transportation improvements in the Dulles Corridor.

Several actions have been taken to mitigate the near-term economic impact on DTR customers, including securing state funding to pay a portion of the debt service payable from DTR revenues over the next few years. As a result, the proposed toll rate increase at each toll collection point in 2013 has been limited to 25 cents for drivers of two-axle vehicles. The Airports Authority recognizes the need to keep DTR rate increases as low as feasible. Together with its funding partners, the Airports Authority is actively pursuing additional funding and financing to help reduce the anticipated toll rate increases in future years. In addition, the Airports Authority continues to evaluate the costs and technology requirements associated with implementing discount programs for frequent DTR customers driving during off-peak hours.

2. A toll rate increase will not improve traffic, and neither will the addition of the new Metrorail line. The rate increase will cause many DTR users to take alternative routes and travel on neighborhood roads (e.g., Route 7, Georgetown Pike, Route 28, Route 50, I-66, and the Fairfax County Parkway), thus increasing congestion on those routes. This will result in more accidents, increased pollution, wasted gas, and increased road rage. Decreased DTR ridership will in turn bring in less money to fund the Metrorail Project. The rate increase will also cause other DTR users to travel to and shop at local businesses and visit certain areas less often. Shoppers from inside the Beltway will choose to not visit businesses in Reston and Loudoun due to the high tolls.

Response. Toll rate increases certainly can lead to some diversion of traffic from the DTR to other routes. However, an increase in rates is not the only factor influencing the nature or amount of this diversion. Several additional factors play a role in diverting DTR traffic, including the income levels of customers, trip purpose and the average time savings from using the DTR versus alternative routes. As a result, a significant amount of data collection and analysis is undertaken before considering major toll rate adjustments. For example, since assuming responsibility for the DTR in 2008, the Airports Authority has only increased the ramp toll rates one time (from \$0.50 to \$0.75 in 2010). That decision was based in part on research that showed that short trips within the Dulles Corridor might be significantly reduced by toll increases at the ramp locations.

CDM Smith, the traffic consultant retained by the Airports Authority for the DTR, estimates that total toll transactions in 2013 may be 3.8% less than projected for the year 2012.⁶ This potential reduction in annual toll transactions reflects the proposed DTR toll rate increase on January 1, 2013, and other factors in the regional traffic model, such as the opening of the 495 Express Lanes at the end of this year. Moreover, according to CDM Smith, this potential diversion of traffic from the DTR is not likely to have the concentrated effects reflected by the comments. Instead, the diverted traffic will be spread across many available alternative routes and will be more significant during off-peak and nighttime hours, and on weekends, when those alternative routes have capacity. In addition, other drivers and passengers may choose to carpool, use buses, and consolidate and reduce discretionary trips.

⁶ A customer who makes payment at the mainline and a ramp toll plaza during one trip is treated as having generated two toll transactions.

3. Previous actions by the Airports Authority Board of Directors and management give rise to doubts about the Authority's ability to efficiently operate the DTR and construct the Metrorail Project. The Airports Authority appears to be spending money without any responsibility, at the cost of the public, and has shown little concern for the cost of the Silver Line (e.g., its proposal for a below ground station at Dulles, its requirement to use union labor, and its procurement processes).

Response. The Airports Authority Board of Directors has recently adopted several new policies and procedures to strengthen transparency and accountability. It also has adopted changes to its procurement procedures, bylaws, freedom of information policy, code of ethics, financial disclosure policy, and travel policy, and will be adopting additional changes in the near future. In addition, the Airports Authority is not constructing the Metrorail Project in isolation. It works closely with its multiple project partners – the Federal Transit Administration, the Washington Metropolitan Area Transit Authority (WMATA), the Commonwealth of Virginia, Fairfax County and Loudoun County – to ensure that the Project is delivered in an efficient and cost-effective manner. This close working relationship has been successful in the first phase of the Metrorail Project, and is expected to continue in the second and final phase.

B. Alternatives to the Toll Increase

Comments in this topical area of the Report identified and addressed other ways that funds for the Metrorail Project could be raised. The comments urged that alternative means of financing the Project be pursued, either in lieu of toll rate increases or in order to reduce the size of the increases.

Three hundred sixteen (316) comments addressed this topic. The comments made the following points.

1. Federal, state and local taxes that have already been collected, and/or will continue to be collected, as well as other sources of funds (e.g., Fairfax County, Loudoun County, travelers to/from Dulles Airport, and issuance of bonds), should be used to pay for the Dulles Metrorail Project. At the very least, these sources should be used to reduce any DTR toll rate increases that may be needed in the future. There is overwhelming agreement that the Federal government needs to contribute more toward the Metrorail Project (e.g., TIFIA loans and DOT grants), as does the Commonwealth of Virginia. The burden of funding the Project should be placed on its beneficiaries. Since the Commonwealth will substantially benefit, in the form of higher taxes, from the Project and the economic development impact it will have in Northern Virginia, the entire Commonwealth should be responsible for sharing the funding burden. Residents of Arlington, Alexandria, Falls Church, and the District of Columbia will most likely use the completed Metrorail Project, and therefore these municipalities should contribute to the project's funding.

Response. The current allocation of responsibility for funding the construction of the Metrorail Project reflects policy decisions and agreements made at the federal, state and regional level over many years and well before construction of the Project began. For example, in 2000, the WMATA Board of Directors adopted a policy that requires the local jurisdiction in which an

extension of the Metrorail system is to be built to secure the capital funding for the project. In exchange, the WMATA Compact members agreed to fund that extension's operating costs (and deficits) once it is adopted as part of the regional Metrorail system. In 2007, Fairfax County, Loudoun County and the Airports Authority entered an agreement in which they committed to pay for 25 percent of the total cost of constructing the Metrorail Project. Taxes in Fairfax and Loudoun Counties are scheduled to pay for a part of the counties' payments under this funding agreement. Also in 2007, VDOT and the Airports Authority executed an agreement in which the Authority assumed responsibility for operating the DTR, for constructing the Metrorail Project and for financing that construction using the proceeds of bonds secured by toll road revenues.

Notwithstanding these longstanding decisions and agreements, the Airports Authority and its funding partners recognize the need to minimize, to the maximum extent possible, future toll rate increases on the DTR, and are actively pursuing, at both the federal and state level, additional funding and financing for the Metrorail Project.

2. Users of the Dulles Airport Access Highway and of facilities at Dulles Airport (e.g., taxis, airlines, passengers, rental cars companies, concessionaires, users of parking garages) should be required to pay a toll or surcharge/fee, with the resulting revenue being used to reduce any increases that may be needed in the DTR toll rates. New revenue could also be generated by the sale or lease of airport property and advertising, and in other ways, which could be used to help fund the Metrorail Project.

Response. As part of decisions and agreements made years ago, the Airports Authority will fund 4.1% of the total capital cost of the Metrorail Project, or approximately \$229 million based on current cost estimates. The Airports Authority intends to provide this funding from net revenues generated from the operation of the airports and from "passenger facility charges" that may be imposed under federal law upon passengers using the airports. Thus, users of the airports already are scheduled to make substantial contributions toward the Project cost. In addition, the Airports Authority is making a significant amount of its property (e.g., along the Dulles Airport Access Highway and Dulles Connector Road, and within Dulles Airport) available to the new Metrorail line at no cost to the Project. Moreover, as noted below (see page 11), businesses leasing real property at or near Dulles Airport from the Authority will be subject to the supplemental taxes that Loudoun County will assess on properties within the special tax districts it expects to establish to help fund its contribution toward the Project's construction cost.

3. Commercial interests, especially those along the Dulles Corridor, which stand to benefit financially from the Dulles Metrorail Project, should be required to contribute to the Project's construction costs. Commercial landowners will gain the most from increased land values, rents and development. Fairfax and Loudoun Counties will gain more taxes from development that will be prompted by the Metrorail Project, as will the Commonwealth, and all these governmental units should contribute more toward the Project.

Response. "Commercial interests" and Fairfax and Loudoun Counties already are contributing to the Metrorail Project. Fairfax County has committed to contribute approximately \$900 million toward the Project's cost, and intends to fund the majority of this contribution from tax revenues generated by special districts authorized to levy taxes on commercial and industrial

zoned property. A tax district for Phase 1 of the Project was established in 2004, and has collected approximately \$195 million in tax revenues through August 2012. A Phase 2 tax district was established in December 2009. Loudoun County has committed to contribute approximately \$269 million to the Project, and it too is planning to fund the majority of its contribution from revenues generated by an additional tax assessed against real property located within to-be-defined special tax districts.

4. Tolls for E-ZPass users and cash customers should be redesigned, with a discount being provided to E-ZPass drivers and an increased toll charged to cash customers. Tolls should be reduced in order to increase the number of DTR users and DTR revenue. Local commuters and low-income users should be given a discounted rate. A break on the proposed rate increases should be given to drivers who use the toll road during non-rush hour/weekends. In addition, toll plazas should be built in other locations along the DTR. These alternatives would help offset the need for raising the tolls for DTR drivers.

Response. Approximately 77% of current DTR customers use E-ZPass. Airports Authority management is evaluating potential options to optimize toll plaza operations and to provide additional incentives for drivers to use E-ZPass. In addition, the Airports Authority continues to evaluate the costs and technology requirements associated with implementing discount programs for frequent customers driving during off-peak hours.

5. A system on the Dulles Airport Access Highway similar to the HOT/Express Lanes on I-495/95 should be constructed. Also, drivers of HOVs should be allowed to use the DTR for free.

Response. Use of the Dulles Airport Access Highway is restricted by federal law to vehicles carrying individuals who are traveling to or from Dulles Airport for a purpose related to the airport (e.g., passengers and workers). If tolls were imposed on the Access Highway, use of the resulting revenue would be subject to federal rules regulating the use of revenues generated by the Airports Authority, to the Authority's lease agreement with the airlines at Dulles Airport, and to the master indenture of trust governing the billions of dollars of Authority bonds that are secured by revenues of the two airports. As to the point regarding free use of the DTR by HOVs, the private operator of the 495 Express Lanes is expected to test a system that will enable drivers to use the express lanes without charge if they have three or more passengers and a new "E-ZPass Flex" transponder that is switched to HOV mode. If that system proves to be successful, it is possible that a similar approach could be considered for the DTR.

6. Instead of increasing tolls on the DTR, funds for construction of the Metrorail Project could be obtained from raising Metrorail fares, increasing fares on upcoming Silver Line users, imposing a tax on the entire metropolitan area, enforcing the speed limit/HOV regulations on the DTR, and/or fining violators who illegally use the Dulles Airport Access Highway as a turn-around. Other alternatives to lower the cost of the Metrorail Project and the amount of the toll increase include competitively bidding Phase 2 of the Metrorail Project so it will be less expensive, not building Phase 2 at all, or building light rail or using buses for Phase 2.

Response. This comment suggests a number of revenue-raising measures that should be undertaken in lieu of, or in addition to, toll rate increases.

Increase Metrorail Revenue. WMATA does not have a dedicated source of non-passenger revenue (such as sales or property taxes) that can be used for capital expenditures on expansions of the Metrorail system. WMATA relies on state and local jurisdictions to secure funding for any extension to the existing system. In exchange, WMATA funds the extension's operating costs (and deficits) once it is adopted as part of the regional Metrorail system. Thus, all fares or other charges placed on Silver Line users would constitute Metrorail operating revenue and would not be available to pay for construction of that line.

DTR Violation Revenue. The Airports Authority and VDOT have entered into a Violations Processing Agreement under which VDOT pursues DTR users who fail to pay the required toll amount. VDOT is compensated for these violations processing services and the net amount collected is paid to the Airports Authority. Through August 31, 2012, approximately \$772,000 has been generated from DTR violations. This violation revenue becomes part of the overall revenues of the DTR which are available, among other things, for operating the toll road and paying debt service on DTR revenue bonds.

Phase 2 Construction Bids. The Airports Authority is conducting a competitive procurement for Phase 2. The competitive process to select a design-build contractor for Phase 2 was initiated in July 2012. Price proposals will be due from short-listed design-build teams in April 2013 with a contract award a month later.

Phase 2 Scope Constructing transit systems in the Dulles Corridor other than the Metrorail Project have already been considered. A full scale environmental review of the Metrorail Project was conducted in the early 2000s, and a Final Environmental Impact Statement (FEIS) was issued in December 2004. The FEIS provided a comprehensive analysis and evaluation of a broad range of transportation options in the Dulles Corridor, including various improvements in local and express bus service, as well as bus rapid transit.

7. The Dulles Airport Access Highway should be open to all drivers. This could result in DTR users supporting the proposed toll rate increases for they would feel that they would be getting something in return for the rate increases.

Response. As noted above, use of the Dulles Airport Access Highway is restricted by federal law to vehicles carrying individuals who are traveling to or from Dulles Airport for a purpose related to the airport.

8. If toll rate increases are necessary, they should be imposed gradually, as opposed to doubling at once. Most likely, the tolls will never decrease, even after the Metrorail Project is built. It was not a good decision to have the Airports Authority take over responsibility for the DTR and Metrorail Project, the public was not consulted, and the Commonwealth of Virginia should take the responsibility back.

Response. Under the schedule of proposed toll rate increases presented at the public hearings, rates do double at once, but increase on a gradual basis. Thus, a DTR trip cost is

proposed to increase from \$2.25 to \$2.75 in 2013, from \$2.75 to \$3.50 in 2014, and from \$3.50 to \$4.50 in 2015.⁷ As to the Airports Authority's takeover of the DTR, this was a decision of the Virginia Department of Transportation (VDOT). In 2005, VDOT received five proposals from private consortiums to operate the Dulles Toll Road. The Airports Authority submitted an alternative "public-public" partnership proposal under which it would operate the DTR and would ensure that all toll revenues would be invested in the Metrorail Project and other transportation improvements in the Dulles Corridor. After extensive negotiations, VDOT accepted the Airports Authority proposal, and the Authority assumed responsibility for operating the DTR on November 1, 2008, under a Permit and Operating Agreement with VDOT with a term of 50 years.

9. If toll rates increases occur, there is more interest in having the increase occur at the mainline toll plaza rather than at the entrance/exit ramps, so travelers are encouraged to use the DTR within the corridor for short trips.

Response. Since assuming responsibility for the DTR in 2008, the Airports Authority has only increased the ramp toll rates one time (from \$0.50 to \$0.75 in 2010). Under the toll rate adjustments presented during the public hearings, ramp toll rates would be increased by \$0.25 (to \$1.00) in 2013 and by \$0.50 (to \$1.50) in 2015.

C. Fairness of the Toll Increase

Comments in this topical area of the Report addressed the fairness of the proposed toll rate increases and, for various reasons, characterized the toll rate increases as unfair to the users of the DTR or others.

Three hundred nine (309) comments addressed this topic. The comments made the following points.

1. The original purpose of tolls on the DTR was to obtain funds needed to pay for the road's initial construction, subsequent widening and other Toll Road improvements. Once the cost of this construction, widening and other improvements was paid for, there should be no further assessment of tolls.

Response. The use of DTR revenues to fund rail mass transit and other non-DTR improvements in the Dulles Corridor has been the policy of the Commonwealth of Virginia for over two decades. More than 22 years ago, in September 1990, acting pursuant to legislation enacted by the General Assembly, the Commonwealth Transportation Board (CTB) directed the development of a "multi-modal transportation program ('Program'), including rail service as its transportation objective for the Dulles Corridor, . . . with the understanding that such a Program shall be funded to the extent possible by revenues derived from the Dulles Toll Road" and provided that "initially not less than 15% of [DTR] net surplus revenue shall be used or set aside for transit related improvements" in the corridor. In September 2001, the CTB directed that "beginning in Fiscal Year 2003 and continuing thereafter, no less than 85% of the net surplus revenues of the Dulles Toll Road shall be set aside for mass transportation initiatives in the

⁷ The "trip cost" is the amount paid by DTR customers who pass through the mainline toll plaza and an entrance or exit ramp where tolls are collected.

Dulles corridor" And in February 2005, the CTB approved an increase in the DTR toll rates, effective May 22, 2005, and "reaffirm[ed] that no less than 85 percent of existing surplus [DTR] net revenues shall be dedicated for mass transit and rail in the [Dulles] Corridor" It also directed "that all additional toll revenue generated from the May 22, 2005 toll adjustment shall be dedicated to the [Metrorail] Project." Between July 1, 2003, and the November 1, 2008, transfer of the DTR to the Airports Authority, VDOT allocated over \$138 million in DTR net surplus revenue, together with accumulated interest, for use by the Metrorail Project.

2. DTR users who will be unable to use, or who will choose not to use, the new Metrorail line should not be required to pay for its construction. No other part of the Washington, DC, Metrorail system was funded the way the Silver Line extension is being funded. The current Silver Line finance plan places a large financial burden on current DTR users, while others, such as those who use the Dulles Airport Access Highway or who enter and exit the DTR through areas that don't have a toll, will not be required to contribute to the funding of this extension project. Metrorail construction costs for the Tysons Corner area are the greatest, but the residents in that area are not being required to pay for the construction even though they will benefit from the Metrorail Project once it is completed.

Response. As earlier noted (see page 6), the current allocation of responsibility for funding construction of the Metrorail Project (including a specific allocation to the DTR) reflects policy decisions and agreements made at the federal, state and regional levels over many years and well before construction of the Project commenced in 2009. Moreover, as noted in the response to paragraph 1 of this section, use of DTR revenues to fund rail mass transit and other non-DTR improvements in the Dulles Corridor has been the policy of the Commonwealth of Virginia for over two decades. Nonetheless, the Airports Authority and its funding partners recognize that every effort needs to be made to secure other sources of funding for the Metrorail Project in order to minimize future DTR increases, and this effort is actively being made.

3. People who use the DTR, including residents and businesses of Fairfax and Loudoun Counties, should not be required to contribute so substantially to the construction of the Metrorail Project, when people living throughout the metropolitan area will contribute nothing, but will benefit from the Project. DTR drivers should not need to pay for the "privilege" of riding on a road; they can drive through many states without paying a toll. The increases in toll rates will, at some point, cause the tolls to be so high that the toll road will only be available to the well-to-do.

Response. Use of DTR revenues as a source of funding for rail mass transit in the Dulles Corridor is not a new concept; it has been the policy of the Commonwealth for over 20 years. The amount of such funding should of course be reasonable and, toward this end, the Airports Authority, along with Fairfax and Loudoun Counties, is working to obtain additional funding and financing for the Metrorail project from federal and state sources.

4. Businesses in the DTR corridor will see an increase in the value of their business and property as a result of the Metrorail Project, and therefore should be contributing to the Project's cost. If this were done, there could be a decrease in the major contribution now being required of DTR commuters.

Response. Many real property owners in the Dulles Corridor whose property value is likely to be affected by the Metrorail Project are contributing to the project's construction. As already noted, Fairfax County will fund the majority of its contribution to the Metrorail Project (approximately \$900 million) from tax revenues generated by a special tax levied on certain commercial and industrial property in the county. The county established a tax district for Phase 1 in 2004, and has collected approximately \$195 million in tax revenues through August 2012. A tax district for Phase 2 was established by the county in December 2009, and a special tax will be levied on commercial and industrial property in that district. Loudoun County is also planning to fund the majority of its contribution to the Metrorail Project (approximately \$269 million) from tax revenues generated by a special tax assessed against properties in the tax districts it intends to establish. One of those districts is expected to include real property that the Airports Authority's leases from the federal government; thus, businesses leasing any such property from the Authority will be subject to this special tax.

5. All revenue that is derived from the DTR should only be used for maintenance and upkeep of the actual toll road.

Response. All DTR revenues are retained and invested within the Dulles Corridor. In addition to funding construction of the Metrorail Project, toll revenues will be used to (1) make improvements to interchanges and other facilities, (2) upgrade toll collection and management systems, (3) construct flyovers, (4) upgrade traffic management infrastructure, (5) improve the toll plazas, and (6) improve and replace noise walls.

6. The public hearing open house meetings served no purpose as the Authority will do what they want. The format of the public hearing process should include an opportunity for individuals to speak in an open forum and to hear others' comments.

Response. Federal and state agencies throughout the country routinely utilize the "open forum" format when conducting regulatory public hearings. This format was successfully used during the regulatory hearings conducted in 2009 on the then-proposed DTR toll rate increases. Staff believes this format remained appropriate in 2012 given the three-fold purpose established for the hearings: (1) to inform the public of the proposed toll rate increases, the amount of revenues that the proposed increases would produce, and the uses to which those increased revenues would be put; (2) to provide attendees the opportunity to engage in one-on-one conversations with staff members in these information areas; and (3) to provide an opportunity for attendees to present their views, verbally or in writing, on the proposed increases.

D. Operational Issues with the Toll Increase

Comments in this topical area of the Report urged that that additional revenue produced from the toll rate increases be used for purposes other than, or in addition to, the Metrorail Project, and suggested variations in the ways in which the toll rate increases might be applied.

Sixty-two (62) comments addressed this topic. The comments made the following points.

1. Before revenues from the DTR are set aside for the Metrorail Project they should be used to upgrade the DTR, such as improved toll booth operations. The construction of exits is sub-par and causes large backups on the roads. Leaving the exit ramps, the traffic lights are often not synchronized. The DTR's mainline toll plazas and certain entrance/exit ramps (e.g., at the I-495 North and South interchanges and Route 7) are challenging and need improvement. There should be a toll ramp at Route 123. No improvements to the DTR have been seen despite the ever-increasing tolls. There have been no upgrades that justify the increased cost to use the road.

Response. The Airports Authority is committed to ensuring that adequate resources are available to efficiently and safely operate and maintain the Dulles Toll Road. The 2012 budget for the Authority's Dulles Corridor Enterprise Fund continued funding of a Renewal and Replacement Program (R&R) and Capital Improvement Program (CIP) for the DTR and Dulles Corridor. Approximately \$6.2 million is budgeted in 2012 for the R&R program and \$163.5 million for the CIP. Approximately \$100 million of the proceeds generated from the sale of DTR revenue bonds has been allocated to fund CIP projects designed to improve the physical condition of the DTR and to reduce traffic congestion on the toll road and in the Dulles Corridor.

The 2012 budget provides for a wide range of DTR improvements that are included in the R&R program and the CIP. The R&R includes roadway and pavement repairs, improvements to signage and lighting, the rehabilitation of bridges and bridge structures, and repairs to roadside facilities (e.g., guardrails and traffic barriers). The CIP includes sound wall replacement and construction, improvements to interchanges and bridges, upgrades to the electronic toll collection system, improvements to signage and lighting, and improvements to optimize the efficiency of toll plaza operations.

2. The traffic is bad on the DTR, and increasing the toll rates to help fund the Metrorail Project has the potential to make it worse due to the growth in development that will occur as a result of the new Metrorail stations. Therefore, new DTR revenue should first be used to improve DTR traffic conditions. The ongoing construction of Phase 1 of the Metrorail Project makes traveling the DTR difficult. If traffic conditions were better on the DTR, the increased tolls would be more tolerable.

Response. The Airports Authority is evaluating potential options to optimize DTR toll plaza operations and investigating the application of "intelligent transportation systems" technologies to enhance safety and mobility. In addition, the Airports Authority has budgeted \$12.5 million to the development and implementation of a transportation management plan (TMP) managed by VDOT to mitigate the congestion effects of construction of Phase 1. The TMP strategies include programs to promote carpooling, vanpooling, alternative work hours, telecommuting, and parking management and improvements such as intersection widening, signalization improvements, and re-routing traffic through other intersections.

3. The toll rate increases should be limited to peak-direction rush hour commuters, rather than be applied to all users at all times of the day. Alternatively, fees for using the toll road should be based on distance-tolling; toll road users should not pay for the entire length of the road when they only need to travel to one exit. Additional revenue could be derived by assessing different toll rates at different times of the day and week, by

adopting peak and non-peak period pricing, by going to all-electronic tolling, and/or by imposing a toll on currently un-tolled locations. This additional revenue would reduce the burden of the proposed toll rate increases on some DTR users. Further, the toll rate increases should be different for different drivers based on the location from which they begin their trip, with the smallest increase being assessed to drivers who are most distant from the first phase of the Metrorail Project since they are least likely to benefit from it.

Response. The Airports Authority is considering these and other potential enhancements to DTR toll collection policies. Under its agreements with the Commonwealth of Virginia, the Airports Authority is required to apply the same toll rates to persons using the DTR under “similar conditions,” but the agreements do allow for different rates based upon vehicle type, weight and number of axles, the time of day or day of week of the travel, and traffic congestion and other traffic conditions.

4. The Authority should consider using all electronic toll collection and video tolling to save operating costs, to lessen the need for toll increases, and to improve traffic flow. Eliminate exact change booths at toll plazas. The Authority also should consider having one dedicated lane for E-ZPass users at each entrance/exit ramp to avoid long lines at the toll booths

Response. Approximately 77% of current DTR customers use E-ZPass. The Airports Authority is evaluating potential options that will provide additional incentives for DTR customers to become E-ZPass users.

5. The toll rate increases should only be applied to cash-paying DTR users and those who speed since these individuals add more cost to the toll road than E-ZPass users and those who obey the law.

Response. As noted earlier, the Airports Authority is evaluating ways to give additional incentives to DTR drivers to use E-ZPass. Fines are imposed on DTR users who violate the law by speeding or failing to pay tolls. The Airports Authority is unable to assess higher tolls on persons who violate the law in this manner.

6. DTR users now face not only the toll rate increases proposed by the Authority, but also the new E-ZPass monthly maintenance fee. This fee is not justified; if it was not needed before, it should not be needed now.

Response. The Airports Authority has no control over this new fee. E-ZPass Virginia is operated by VDOT. This past July, VDOT announced that starting September 1, 2012, new E-ZPass customers will pay a monthly fee of 50 cents for a standard transponder or \$1.00 for “Flex” transponders that can be used on the 495 Express Lanes. Current E-ZPass customers will not pay a monthly fee until they need a new or replacement transponder.

7. There needs to be bus connectivity and more parking at Metrorail stations to allow local residents to use the metro.

Response. The Federal Transit Administration has awarded \$350,000 to the Northern

Virginia Transportation Commission to study a range of transit solutions along Route 7 from the King Street Metro station in Alexandria to Tysons Corner in Fairfax County. The study will specifically focus on ways of linking bus transit along this corridor to the Silver Line.

E. Tax Character of the Toll Increase

Comments in this topical area of the Report argued that DTR toll rate increases to fund the Metrorail Project are, in effect, a tax upon the users of the DTR, should be imposed as a tax in a legally valid manner, and should be imposed upon a different and wider group of individuals.

Sixty-one (61) comments addressed this topic. The comments made the following points.

1. The toll rates being proposed are a hidden tax, unfairly imposed on a limited group of individuals (the DTR users), rather than on all taxpayers of the area whose tax dollars typically fund transportation projects. To raise the toll rates is "Taxation without Representation."
2. Because the proposed DTR toll rate increases constitute a tax and because the Airports Authority is unable to assess taxes, the Airports Authority lacks the power to increase the toll rates.

Response. The Airports Authority believes that it is authorized to set toll rates on the DTR, and that the tolls it has and will continue to establish for use of the toll road do not constitute "tax."

The argument that tolls set on the DTR by the Airports Authority constitute a "tax" which the Airports Authority may not lawfully impose has been addressed over the past four years in a number of lawsuits. The argument was first presented in a lawsuit decided in October 2008 by the Circuit Court for the City of Richmond. In that case, plaintiffs presented a variety of claims that challenged the authority of VDOT to transfer the DTR to the Airports Authority. One claim asserted that any DTR tolls set by the Airports Authority would be invalid because they would constitute a "tax" which, under Virginia Law, may only be imposed by an elected body, which is the Authority Board of Directors is not. The Richmond Circuit Court rejected the claim, along with others, and dismissed the suit. A similar claim was rejected by a federal district court in Virginia, in another lawsuit, in 2010.

In April 2011, two users of the DTR filed a lawsuit in federal district court in Virginia against the Airports Authority claiming that the setting of tolls by the Airports Authority violates various rights and privileges they enjoy under the United States Constitution. The district court dismissed the plaintiffs' complaint in July 2011. Although the court determined that plaintiffs lacked standing to bring any of their claims, it went on to address each of the claims on the merits. In particular, the court ruled that the setting of tolls by the Airports Authority, including at levels required to help finance the Metrorail Project, does not violate any provisions of the federal constitution. This district court decision is currently on appeal.

F. Noise Wall Program and the Toll Increase

Three (3) comments focused on the Noise Wall Program. The comments made the following point.

1. The Authority should use increased DTR revenue to assist communities affected by increased noise levels on the toll road. Sufficient additional toll revenues need to be collected to bridge the gap between what these communities qualify for under the Authority's noise policy and its "cost effectiveness" requirement and what is needed to construct a noise wall. At the Wiehle station, the Authority should consider whether a noise abatement wall needs to be included in the plans to limit the noise that may exist.

Response. When it assumed responsibility for the operation of the Dulles Toll Road, the Airports Authority committed to assessing the existing sound walls and developing a policy for their repair and replacement, along with the construction of new walls. The Authority has adopted such a policy which includes a one-time provision for evaluating areas along the toll road that did not qualify for noise walls under Virginia guidelines when the road was constructed in the early 1980s and was widened in the 1990s. The evaluation of these areas began in 2010 and included noise monitoring along the toll road, an extensive noise modeling analysis, and public meetings with residents in the affected communities. The policy was modified in 2012 to conform to changes in the federal noise regulations and in relevant Virginia policy and guidelines, and resulted in a plan for the repair and replacement of certain existing sound walls and for the construction of new walls.

Repair work began this year on approximately 4.2 miles of existing walls at an estimated cost of \$2.4 million. The sound walls at Wolftrap Meadows and the Bluffs of Wolf Trap are scheduled to be replaced at an estimated cost of \$11.4 million. Design of the replacement wall at Wolftrap Meadows will begin in 2013, and construction is expected to continue through 2014. The replacement wall at the Bluffs of Wolf Trap is planned for a 2014 start with completion in 2015.

The construction of new sound walls, at an estimated cost of \$13 million, will begin in 2013. Five areas have been determine eligible for these new walls: Worldgate Condominiums; McLean Hamlet; Odricks Corner; Dulles Greene Apartments; and Courtyard by Marriott and Summerfield Suites. The Airports Authority will soon begin the process of obtaining property owners' concurrence with these new walls. Once concurrence is received, the Authority will initiate design of the walls.

G. Support of the Toll Increase

Comments in this topical area of the Report generally supported the DTR toll rate increases. The comments recognized that the increases were necessary to the funding of the Metrorail Project, which was viewed as a positive addition to the transportation infrastructure of Northern Virginia, and in particular, of the Dulles Corridor

Sixteen (16) comments addressed this topic. The comments made the following points.

1. Increasing the DTR toll rates to provide funds to finance the Metrorail Project is an appropriate use of toll revenue. The Metrorail Project will significantly improve the Dulles Corridor, and it is important that the Project be completed.

2. The toll rate increases are appropriate because the revenue they will produce will, in addition to helping fund the Metrorail Project, be used to pay for improvements to the DTR.
3. However, the Authority should continue to pursue additional federal and state funding and low cost financing to offset the toll increases.

Response. As earlier noted, the Airports Authority and its funding partners understand the need to minimize future DTR toll rate increases and are actively pursuing additional funding and financing for the Metrorail Project at the federal and state level.

CONCLUSION

Over 550 public comments were submitted on the proposed DTR toll rate adjustments. The comments were, almost without exception, thoughtful and articulate. They focused on legitimate issues that are presented by the proposed adjustments, and provided reasonable arguments and viewpoints on those issues. The vast majority of the comments opposed the rate changes and argued, for a variety of reasons, that the changes, in whole or at least in part, should not be adopted.

While no doubt sincerely held, the views expressed in these comments stand in contrast to the multiple public policies and decisions regarding the financing of a rail line in the Dulles Corridor dating back to the early 1990s. The views also stand in conflict with obligations the Airports Authority assumed in 2008 under agreements with the Commonwealth of Virginia when it accepted the responsibility to operate the Dulles Toll Road – including the obligation to finance the Dulles Corridor Metrorail Project using revenues from the DTR and to accomplish this, in significant part, by setting toll rates at the levels required to produce those revenues. In a major sense, therefore, the comments are directed more to the multiple policy determinations made years ago than to the present decision whether to adjust DTR toll rates. In the staff's view, the comments as a whole have not provided a basis for the Airports Authority to decline to adjust DTR toll rates to the levels required in enable it to fulfill its obligation to operate and maintain the toll road and to finance the Metrorail Project.

Staff, therefore, recommends that the Finance and Dulles Corridor Committees:

1. Approve and recommend to the Board of Directors the adoption of a regulatory amendment to adjust the toll rates on the Dulles Toll Road; and
2. Recommend that the toll rates be adjusted in one of the following ways (both of which are shown in the proposed regulatory amendments in Attachment A):
 - (A) Option A: that the rates be adjusted in each of the next three years (2013, 2014 and 2015), effective on January 1 of each such year, to the levels for these years set out in the toll rate schedule recommendation of the Dulles Corridor Advisory Committee (DCAC), or

- (B) Option B: that the rates be adjusted in each of the next two years (2013 and 2104), effective on January 1 of each such year, to the levels for these years set out in the toll rate schedule recommendation of the DCAC, and that the Airports Authority expressly reserve the option, which may be exercised no later than June 30, 2013, to further adjust the toll rates, effective January 1, 2015, to levels no higher than the rates for that year set out in the DCAC toll rate schedule recommendation.

Prepared by

Office of Finance
Office of General Counsel

November 2012

Attachments

ATTACHMENT A

**PROPOSED AMENDMENTS TO SECTION 10.1 OF
AIRPORTS AUTHORITY REGULATION
("TOLLS FOR USE OF THE DULLES TOLL ROAD")
IMPLEMENTING TOLL RATE ADJUSTMENTS OPTIONS A AND B**

TOLL RATES ADJUSTMENT – OPTION A

PART 10 - DULLES TOLL ROAD

§ 10.1. (Effective January 1, 2013.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.50 \$1.75	\$0.75 \$1.00
3-axle	\$1.75 \$3.50	\$1.00 \$2.00
4-axle	\$2.00 \$4.50	\$1.25 \$2.50
5-axle	\$2.25 \$5.25	\$1.50 \$3.00
6 or more axles	\$2.50 \$6.25	\$1.75 \$3.50

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

§ 10.1. (Effective January 1, 2014.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.75 \$2.50	\$1.00
3-axle	\$3.50 \$5.00	\$2.00
4-axle	\$4.50 \$6.25	\$2.50
5-axle	\$5.25 \$7.50	\$3.00
6 or more axles	\$6.25 \$8.75	\$3.50

(Option A - Continued)

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

§ 10.1. (Effective January 1, 2015.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$2.50 \$3.00	\$1.00 \$1.50
3-axle	\$5.00 \$6.00	\$2.00 \$3.00
4-axle	\$6.25 \$7.50	\$2.50 \$3.75
5-axle	\$7.50 \$9.00	\$3.00 \$4.50
6 or more axles	\$8.75 \$10.50	\$3.50 \$5.25

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

TOLL RATES ADJUSTMENT – OPTION B

PART 10 - DULLES TOLL ROAD

§ 10.1. (Effective January 1, 2013.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.50 \$1.75	\$0.75 \$1.00
3-axle	\$1.75 \$3.50	\$1.00 \$2.00
4-axle	\$2.00 \$4.50	\$1.25 \$2.50
5-axle	\$2.25 \$5.25	\$1.50 \$3.00
6 or more axles	\$2.50 \$6.25	\$1.75 \$3.50

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

§ 10.1. (Effective January 1, 2014.) Tolls for Use of the Dulles Toll Road. (See note following this section)

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.75 \$2.50	\$1.00
3-axle	\$3.50 \$5.00	\$2.00
4-axle	\$4.50 \$6.25	\$2.50
5-axle	\$5.25 \$7.50	\$3.00
6 or more axles	\$6.25 \$8.75	\$3.50

(Option B – Continued)

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

Note: In Resolution 12-XXX, adopted November 14, 2012, the Airports Authority has reserved the option, which may be exercised no later than June 30, 2013, to adjust the toll rates, effective January 1, 2015, to levels no higher than the rates set out in the following table.

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$3.00	\$1.50
3-axle	\$6.00	\$3.00
4-axle	\$7.50	\$3.75
5-axle	\$9.00	\$4.50
6 or more axles	\$10.50	\$5.25

ATTACHMENT A-1
CURRENT SECTION 10.1
OF
AIRPORTS AUTHORITY REGULATION
(“TOLLS FOR USE OF THE DULLES TOLL ROAD”)

PART 10 - DULLES TOLL ROAD

§ 10.1. (Effective January 1, 2012.) Tolls for Use of the Dulles Toll Road.

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst– Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Tolls	
	Main Line Plaza	Ramps
2-axle	\$1.50	\$0.75
3-axle	\$1.75	\$1.00
4-axle	\$2.00	\$1.25
5-axle	\$2.25	\$1.50
6 or more axles	\$2.50	\$1.75

- (2) Except for persons those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

ATTACHMENT B

**PROPOSED DTR TOLL RATE ADJUSTMENTS
PRESENTED AT PUBLIC HEARINGS**

Toll Rates

Proposed Adjustments

Vehicle Class	Effective January 1, 2013	
	Mainline Plaza	Ramps
2-Axle	\$1.60	\$0.75
3-Axle	\$1.75	\$1.00
4-Axle	\$3.50	\$2.00
5-Axle	\$2.00	\$2.50
6 or more	\$4.50	\$3.00
	\$2.25	\$1.50
	\$6.25	\$1.75
	\$3.50	\$3.50

Vehicle Class	Effective January 1, 2014	
	Option A	Option B
	Mainline Plaza	Ramps
2-Axle	\$1.75	No change
3-Axle	\$2.50	\$1.00
4-Axle	\$5.00	\$2.00
5-Axle	\$6.25	\$2.50
6 or more	\$7.50	\$3.00
	\$8.75	\$3.50
	\$4.75	\$1.25
	\$3.50	\$2.50
	\$4.50	\$3.00
	\$6.25	\$3.75
	\$7.75	\$4.50

Vehicle Class	Effective January 1, 2015	
	Option A	Option B
	Mainline Plaza	Ramps
2-Axle	\$2.50	\$1.00
3-Axle	\$2.75	\$1.75
4-Axle	\$5.50	\$3.50
5-Axle	\$6.75	\$4.50
6 or more	\$8.25	\$5.25
	\$9.75	\$6.00
	\$2.25	\$3.00
	\$4.50	\$3.75
	\$6.75	\$4.50
	\$7.75	\$5.25
	\$10.50	\$5.25

Toll increases beyond 2015 will be analyzed based upon actual financial performance and potential receipt of any additional funding

ATTACHMENT C

REPORT ON PUBLIC COMMENTS

ON

PROPOSED AMENDMENT TO AIRPORTS AUTHORITY

REGULATION SETTING TOLL RATES ON DULLES TOLL ROAD



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

DULLES TOLL ROAD

Dulles Toll Road Proposed Toll Rate Increases

Report on Public Comments

October 2012

DRIVE TO RIDE

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DULLES TOLL ROAD PROPOSED TOLL RATE INCREASES REPORT ON PUBLIC COMMENTS OCTOBER 2012

INTRODUCTION

In early July 2012, the Metropolitan Washington Airports Authority (Airports Authority) initiated its regulatory amendment process in connection with a proposal to increase toll rates on the Dulles Toll Road (DTR) over the next three years.

Under the proposal, effective January 1, 2013, toll rates for two-axle vehicles¹ would increase by \$0.25 at the DTR mainline plaza (from the current \$1.50 to \$1.75) and by \$0.25 at the entrance/exit ramps (from the current \$0.75 to \$1.00). As to rate increases beginning in January 2014 and January 2015, the proposal set out two options.

Under Option A, beginning on January 1, 2014, toll rates would increase by \$.75 at the DTR mainline plaza (from \$1.75 to \$2.50) and, beginning on January 1, 2015, rates would increase by \$.25 at the DTR mainline plaza (from \$2.50 to \$2.75) and by \$.75 at the entrance/exit ramps (from \$1.00 to \$1.75). Under Option B, beginning on January 1, 2014, rates would increase by \$.50 at the mainline plaza (from \$1.75 to \$2.25) and by \$.25 at the entrance/exit ramps (from \$1.00 to \$1.25), and beginning January 1, 2015 rates would increase by \$.75 at the mainline plaza (from \$2.25 to \$3.00) and by \$.25 at the entrance/exit ramps (from \$1.25 to \$1.50).

Under both Option A and Option B, in 2015 the combined toll rate at the mainline plaza and the ramps would be the same (\$4.50).

Notification of Public Hearings

As part of this regulatory amendment process, the Airports Authority conducted three public hearings on the proposed toll rate increases. Notice of these hearings was provided in a variety of ways: advertisements in The Washington Post, El Tiempo Latino, Washington Examiner, Fairfax Times, Loudoun Times-Mirror, Connection Newspapers, Sun Gazette, Leesburg Today, and Ashburn Today;² a press release; public service announcements on local TV and radio stations; email announcements to transportation organizations with a request that they disseminate the announcements to their membership; and announcements on the Airports Authority's website (www.mwaa.com/tollroad).

¹ The proposed increased toll rates for motor vehicles with more than two axles are shown in the July 2012 proposed regulatory amendment which is set out in Appendix E. All toll rates stated in the paper are for two-axle vehicles.

² Altogether, 25 notices of the public hearings were published in newspapers with circulation in the Dulles Corridor.

The notices provided the location, dates, and time (5:00 PM to 8:00 PM) of the public hearings. They stated that there would be informational exhibits about the Dulles Metrorail Project, the cost and financing of the Dulles Metrorail Project, the Dulles Toll Road and potential improvements that may be made to the Toll Road, the revenue anticipated to be raised as a result of the proposed toll rate increases, and how this additional revenue would be spent. It also noted that representatives from the Airports Authority would be present to discuss these items. The notices indicated the hearings would be conducted using an open house format.

Public Hearings

The Airports Authority conducted three public hearings on different days over the course of two weeks and at different locations within the Dulles Corridor. The purpose of the hearings was twofold: (i) to inform members of the community about the proposed DTR toll rate increases and the primary uses to which the increased toll revenue would be put (primarily, to support the construction of the Dulles Corridor Metrorail Project (Metrorail Project) and DTR improvements), and (ii) to provide opportunities for attendees to submit comments on the proposed toll rate increases.

Each hearing included a number of stations with display boards. These boards provided information on the following topics:

- Dulles Toll Road Operations (e.g., service to customers and dedicated safety service patrols)
- Dulles Corridor Metrorail Project (e.g., Phase 1 and 2 maps, construction progress, and key events)
- Dulles Corridor Improvements 2010-2012 (e.g., projects in the planning or study stage, ongoing highway studies, and ongoing toll system planning)
- Dulles Corridor Noise Wall Program 2012-2013 (e.g., noise wall replacements and new noise walls)
- Dulles Corridor Metrorail Project Finance Plan and Proposed Toll Rate Adjustments (e.g., finance plan, current and anticipated debt service, proposed toll rate increases, use of toll revenue, current toll rates in the region, and toll mitigation strategies)

Representatives from the Airports Authority were available at each station to discuss this information with hearing participants.

One individual was available at each public hearing to record citizens' comments. Also, every participant was given a comment form that could be completed and dropped in a comment box at the hearing or returned by mail. There was also a specific comment form that requested comments on the noise wall program. In addition to these comment forms, copies of the display boards in an 8 ½" x 11" format and a set of "Frequently Asked Questions" were distributed to hearing participants.

Twenty days before the first hearing, the Authority's website was updated to include a video of the display boards with narration, the display boards, and an online comment form for people who were unable to attend a public hearing. A "Frequently Asked Questions" document was added later to the website to help inform the public about the proposed toll rate increases.

The first public hearing was held on September 6, 2012, at Stone Bridge High School in Ashburn. It was attended by 56 individuals, 15 of whom submitted comments (either in writing using the comment form, in a written letter, or orally to an individual with a recorder). The second hearing was held on September 12 at South Lakes High School in Reston. It was attended by 94 individuals, 30 of whom submitted comments. The final hearing was held on September 13 at Spring Hill Elementary School in McLean. It was attended by 45 individuals, nine of whom submitted comments.

In total, 195 individuals attended the three public hearings.³ Attendees submitted a total of 54 comments using various venues: comment form, letters, and/or oral statements given to an individual. Outside of the public hearings, the Airports Authority received 530 written comments, this included comment forms, letters, direct emails containing comments, and online comments that were submitted through the Authority's website www.mwaa.com/tollroad.

Public Comments

The formal period for commenting on the proposed DTR toll rate increases was from August 17 through September 16, 2012. During this period, a total of 567 individuals or entities submitted 584 comments. These included written comments on the comment form, letters, emails, oral statements provided during the hearings, and comments made online. In several cases, individuals commented on more than one occasion, using more than one medium.

Of the 584 comments, 56% were from residents of Fairfax County, 32% were from residents of Loudoun County, and the remaining individuals either gave a residence outside of these counties or did not indicate their residence. Eighty-nine percent of the comments were from individuals who currently use the DTR, while 40% of these DTR users indicated that they plan to use the new Metrorail line once it is operational. Thus, overall, 37% of the comments were from individuals who plan to use the Metrorail.

This report summarizes the comments submitted by members of the public on the proposed toll rate increases. The report is organized into seven sections. Each section addresses one of the major topics related to the proposed toll rate increases that have been raised or presented by the comments. These topics, along with the number of comments that addressed them, are as follows:

³ Included in this total number are 14 media representatives who attended the hearings.

<u>Topics</u>	<u>Number of Topics Addressed by Comments⁴</u>
Impacts of the Toll Increase	334
Alternatives to the Toll Increase	316
Fairness of the Toll Increase	309
Operational Issues with the Toll Increase	62
Tax Character of the Toll Increase	61
Noise Wall Program and the Toll Increase	3
Support of the Toll Increase	16

Each section of this report contains a summary of the comments that address the section's particular topic. Within each section, its topic is identified and the particular points made by the comments are summarized into the most often cited themes.

Five appendices are attached to this report. As explained below, Appendices A, B and C provide information about the submitted comments and the individuals making the comments. Appendix D contains comments from the Reston Citizens Association, which include graphics that could not be added to Appendix A. Appendix E contains the July 2012 proposed amendment to the Airports Authority's regulation that establishes toll rates on the DTR. By referring to Appendix A, Comments by ID Number, a reader of the report can learn the name of individuals who submitted the comments, review information relating to these individuals that may be helpful in evaluating their remarks, and see a verbatim statement of their comments.

Appendix A, Comments by ID Number, is organized in order of the identification numbers that have been assigned to all individuals submitting comments. The numbers were assigned on an as-received basis. For each identification number, Appendix A provides the following information with respect to the individual making the comment:

- The name of the individual (last name, first name)
- The city/town/area in which the individual resides
- The individual's answers to two questions: "Do you use the Dulles Toll Road?" and "Do you plan to use Metrorail in the Dulles Corridor?"
- The source or manner in which the individual submitted the comment (e.g., at a public hearing or online)
- The topic or topics addressed by the individual's comment
- The verbatim comment made by the individual

Appendix B, Commenter ID Number by Topic and Themes, is organized in the order of the topics in this report. For each topic, this appendix summarizes the main themes advanced by the comments and, in addition, gives the Commenter ID Numbers of the individuals submitting those

⁴ The number of topics in this column exceeds the number of comments because most comments addressed more than one topic.

comments. A reader of this report may review a particular topic in the report and its theme summaries, and then turn to Appendix A to read the verbatim comments of the commenting individuals, as well as other information about the individual.

Appendix C, Commenters Arranged by Last Name, is organized in the order of the last names of the individuals who have submitted comments, and provides the identification numbers assigned to these individuals. If the reader is interested in reviewing comments of a specific individual, the reader can find the individual's last name and Commenter ID number from Appendix C and then refer to Appendix A for the individual's verbatim comments.

Appendix D, Comment on Proposed Dulles Toll Road Toll Increases, Reston Citizens Association – Reston 2020 Committee, are the comments from the Reston Citizens Association. They are included as a separate Appendix because they contained numerous graphics, and due to the size and format, could not be included in Appendix A (Comments by ID Number). With the exception of the graphics, all of the text of the Reston Citizens Association's comments was included in Appendix A.

Appendix E, Airports Authority July 2012 Proposed Regulation Increasing Dulles Toll Road Toll Rates, contains the schedule of toll rate increases proposed in July 2012.

This report and the appendices are available on the Authority's website www.mwaa.com/tollroad.

SUMMARY OF COMMENTS

Section A. Impacts of the Toll Increase

Comments in this section addressed the impacts that the proposed DTR toll rate increases would, or could, have. Most comments were premised on the belief that the current toll rates are already too high and that the proposal to double the fees is not reasonable and will cause DTR ridership and revenue to decline. Some commenters indicated they would take alternate highway routes and thus increase congestion on these secondary roads. Others stated that making the rates even higher will have negative consequences for themselves, their families, and other toll road users, as well as the local economy. Some commenters indicated they would consider relocating. Others opposed the idea of the Metrorail Project rail itself, characterizing it as a waste of time and money, and stating that it will cause more harm than good.

Three hundred thirty four (334) comments addressed the topic of the Impacts of the Toll Increase. The comments made the following points:

1. These are difficult economic times (e.g., the economy is bad, people are not receiving salary increases, businesses are suffering, and the cost of living is rising), and the present DTR tolls are already too high. Making the tolls even higher at this time will have an adverse effect on local businesses and the personal finances of toll road users (including forcing workers and other local residents to move from the area). The increase will make

homes and businesses less appealing and will lower property values. Daily road-based transportation access along the Dulles Corridor will become excessively expensive, leading to Northern Virginia losing its ability to attract jobs and businesses. Combined with the Dulles Greenway, people in Loudoun County will be looking at a daily round trip cost of more than \$20.

2. A toll rate increase will not improve traffic, and neither will the addition of the new Metrorail line. The rate increase will cause many DTR users to take alternative routes and travel on neighborhood roads (e.g., Route 7, Georgetown Pike, Route 28, Route 50, I-66, and the Fairfax County Parkway), thus increasing congestion on those routes. This will result in more accidents, increased pollution, wasted gas, and increased road rage. Decreased DTR ridership will in turn bring in less money to fund the Metrorail Project. The rate increase will also cause other DTR users to travel, shop at local businesses, and visit certain areas less often. Shoppers from inside the Beltway will choose to not visit businesses in Reston and Loudoun due to the high tolls.
3. Previous actions by the Airports Authority Board and management give rise to doubts about the Authority's ability to efficiently operate the DTR and construct the Metrorail Project. The Airports Authority appears to be spending money without any responsibility, at the cost of the public, and has shown little concern for the cost of Silver Line (e.g., its proposal for a below ground station at Dulles, its requirement to use union labor, and its procurement processes).⁵

Section B. Alternatives to the Toll Increase

Comments in this section identified and addressed other ways that funds for the Metrorail Project could be raised. The comments urged that alternative means of financing the project should be pursued, either in lieu of toll rate increases or in order to reduce the size of the increases.

Three hundred sixteen (316) comments addressed this topic of Alternatives to the Toll Increase. The comments made the following points:

1. Federal, state and local taxes that have already been collected, and/or will continue to be collected, as well as other sources of funds (e.g., Fairfax County, Loudoun County, travelers to/from Dulles Airport, issuance of bonds) should be used to pay for the Dulles Metrorail Project. At the very least, these sources should be used to reduce any DTR toll rate increases that may be needed in the future. There is overwhelming agreement that the Federal government needs to contribute more toward the Metrorail Project (e.g., TIFIA loans and DOT grants), as does the Commonwealth of Virginia. The burden of funding the project should be placed on its beneficiaries. Since the Commonwealth will substantially benefit, in the form of higher taxes, from the project and the economic development impact it will have in Northern Virginia, the entire Commonwealth should be responsible

⁵ The comments also show that there is confusion in the public's mind as to the difference between MWAA and WMATA and the different roles each organization plays in the Metrorail Project.

for sharing the funding burden. Residents of Arlington, Alexandria, Falls Church, and the District of Columbia will most likely use the completed Metrorail project, and therefore these municipalities should contribute to the project's funding.

2. Users of the Dulles Airport Access Road and of facilities at Dulles Airport (e.g., taxis, airlines, passengers, rental cars, concessionaires, users of parking garages) should be required to pay a toll or surcharge/fee, with the resulting revenue being used to reduce any increases that may be needed in the DTR toll rates. New revenue could also be generated by the sale or lease of airport property and advertising, and in other ways, which could be used to help fund the Metrorail Project.
3. Commercial interests, especially those along the Dulles Corridor, which stand to benefit financially from the Dulles Metrorail Project, should be required to contribute to the project's construction costs. Commercial landowners will gain the most from increased land values, rents and development. Fairfax and Loudoun Counties will gain more taxes from development that will be prompted by the Metrorail Project, as will the Commonwealth, and all these governmental units should contribute more toward the project.
4. Tolls for E-ZPass users and cash customers should be redesigned, with a discount being provided to E-ZPass drivers and an increased toll charged to cash customers. Tolls should be reduced in order to increase the number of DTR users and DTR revenue. Local commuters and low-income users should be given a discounted rate. A break on the proposed rate increases should be given to drivers who use the toll road during non-rush hour/weekends. In addition, toll plazas should be built in other locations along the DTR. These alternatives would help offset the need for raising the tolls for DTR drivers.
5. A system on the Dulles Airport Access Road similar to the HOT/Express Lanes on I-495/95 should be constructed. Also, drivers of HOVs should be allowed to use the DTR for free.
6. Instead of increasing tolls on the DTR, funds for construction of the Metrorail Project could be obtained from raising Metrorail fares, increasing fares on upcoming Silver Line users, imposing a tax on the entire metropolitan area, enforcing the speed limit/HOV regulations on the DTR, and/or fining violators who illegally use the Dulles Airport Access Road as a turn-around. Other alternatives to lower the cost of the Metrorail Project and the amount of the toll increase include competitively bidding Phase 2 of the Metrorail Project so it will be less expensive, not building Phase 2 at all, or building light rail or using buses for Phase 2.
7. The Dulles Airport Access Road should be open to all drivers. This could result in DTR users supporting the proposed toll rate increases for they would feel that they would be getting something in return for the rate increases.

8. If toll rate increases are necessary, they should be imposed gradually, as opposed to doubling at once. Most likely, the tolls will never decrease, even after the Metrorail Project is built. It was not a good decision to have the Airports Authority take over responsibility for the DTR and Metrorail Project, the public was not consulted, and the Commonwealth of Virginia should take responsibility back.
9. If toll rates increases occur, there is more interest in having the increase occur at the mainline toll plaza rather than at the entrance/exit ramp, so travelers are encouraged to use the DTR within the corridor for short trips.

Section C. Fairness of the Toll Increase

Comments in this section addressed the fairness of the proposed toll rate increases and, for various reasons, characterized the toll rate increases as unfair to the users of the DTR or others.

Three hundred nine (309) comments addressed the topic of the Fairness of the Toll Increase. The comments made the following points:

1. The original purpose of tolls on the DTR was to obtain funds needed to pay for the road's initial construction, subsequent widening and other toll road improvements. Once the cost of this construction, widening and other improvements was paid for, there should be no further assessment of tolls.
2. DTR users who will be unable to use, or who will choose not to use, the new Metrorail line should not be required to pay for its construction. No other part of the Washington, DC Metrorail system was funded the way the Silver Line extension is being funded. The current Silver Line finance plan places a large financial burden on current DTR users, while others, such as those who use the Dulles Airport Access Road or who enter and exit the DTR through areas that don't have a toll, will not be required to contribute to the funding of this extension project. Metrorail construction costs for the Tysons Corner area are the greatest, but the residents in that area are not being required to pay for the construction even though they will benefit from Metrorail Project once it is completed.
3. People who use the DTR, including residents and businesses of Fairfax and Loudoun Counties, should not be required to contribute so substantially to the construction of the Metrorail Project, when people living throughout the metropolitan area will contribute nothing, but will benefit from the project. DTR drivers should not need to pay for the "privilege" of riding on a road; they can drive through many states without paying a toll. The increases in toll rates will, at some point, cause the tolls to be so high that the toll road will only be available to the well-to-do.
4. Businesses in the DTR corridor will see an increase in the value of their business and property as a result of the Metrorail Project, and therefore should be contributing to the project's cost. If this were done, there could be a decrease in the major contribution now being required of DTR commuters.

5. All revenue that is derived from the DTR should only be used for maintenance and upkeep of the actual toll road.
6. The public hearing open house meetings served no purpose since the Authority will do whatever it wants to do. The format of the public hearing process should have included an opportunity for individuals to speak in an open forum and to hear the comments of other speakers.

Section D. Operational Issues with the Toll Increase

Comments in this section urged that the additional revenue produced from the toll rate increases be used for purposes other than, or in addition to, the Metrorail Project, and suggested variations in the ways in which the toll rate increases might be applied.

Sixty-two (62) comments addressed the topic of Operational Issues with the Toll Increase. The comments made the following points.

1. Before revenues from the DTR are set aside for the Metrorail Project they should be used to upgrade the DTR, such as improved toll booth operations. The construction of exits is sub-par and causes large backups on the roads. Leaving the exit ramps, the traffic lights are often not synchronized. The DTR's mainline toll plazas and certain entrance/exit ramps (e.g., at the I-495 North and South interchanges and Route 7) are challenging and need improvement. There should be a toll ramp at Route 123. No improvements to the DTR have been seen despite the ever-increasing tolls. There have been no upgrades that justify the increased cost to use the road.
2. The traffic is bad on the DTR, and increasing the toll rates to help fund the Metrorail Project has the potential to make it worse due to the growth in development that will occur as a result of the new Metrorail stations. Therefore, new DTR revenue should first be used to improve DTR traffic conditions. The ongoing construction of Phase 1 of the Metrorail Project makes traveling the DTR difficult. If traffic conditions were better on the DTR, the increased tolls would be more tolerable.
3. The toll rate increases should be limited to peak-direction rush hour commuters, rather than be applied to all users at all times of the day. Alternatively, fees for using the toll road should be based on distance-tolling; toll road users should not pay for the entire length of the road when they only need to travel to one exit. Additional revenue could be derived by assessing different toll rates at different times of the day and week, by adopting peak and non-peak period pricing, by going to all-electronic tolling, and/or by imposing a toll on currently un-tolled locations. This additional revenue would reduce the burden of the proposed toll rate increases on some DTR users. Further, the toll rate increases should be different for different drivers based on the location from which they begin their trip, with the smallest increase being assessed to drivers who are most distant from the first phase of the Metrorail Project since they are least likely to benefit from it.

4. The Authority should consider using all electronic toll collection and video tolling to save operating costs, to lessen the need for toll increases, and to improve traffic flow. Eliminate exact change booths at toll plazas. The Authority also should consider having one dedicated lane for E-ZPass users at each entrance/exit ramp to avoid long lines at the toll booths.
5. The toll rate increases should only be applied to cash-paying DTR users and those who speed since these individuals add more cost to the toll road than E-ZPass users and those who obey the law.
6. DTR users now face not only the toll rate increases proposed by the Authority, but also the new E-ZPass monthly maintenance fee. This fee is not justified; if it was not needed before, it should not be needed now.

Section E. Tax Character of the Toll Increase

Comments in this section argued that DTR toll rate increases to fund the Metrorail Project are, in effect, a tax upon the users of the DTR, and that the increase should be called a tax, should be imposed as a tax in a legally valid manner, and should be imposed upon a different and wider group of individuals.

Sixty-one (61) comments addressed the topic of the Tax Character of the Toll Increase. The comments made the following points.

1. The toll rates being proposed are a hidden tax, unfairly imposed on a limited group of individuals (the DTR users), rather than on all taxpayers of the area whose tax dollars typically fund transportation projects. To raise the toll rates is "Taxation without Representation."
2. Because the proposed DTR toll rate increases constitute a tax and because the Airports Authority is unable to assess taxes, the Airports Authority lacks the power to increase the toll rates.

Section F. Noise Wall Program and the Toll Increase

Three (3) comments focused on the Noise Wall Program. The comments made the following points:

1. The Authority should use increased DTR revenue to assist communities affected by increased noise levels on the toll road. Sufficient additional toll revenues need to be collected to bridge the gap between what these communities qualify for under the Authority's noise policy and its "cost effectiveness" requirement and what is needed to construct a noise wall. At the Wiehle station, the Authority should consider whether a noise abatement wall needs to be included in the plans to limit the noise that may exist.

Section G. Support of the Toll Increase

Comments in this section generally supported the DTR toll rate increases. The comments recognized that the increases were necessary to fund the Metrorail project, which was viewed as a positive addition to the transportation infrastructure of Northern Virginia and, in particular, of the Dulles Corridor

Sixteen (16) comments reflected Support of the Toll Increase. The comments made the following points:

1. Increasing the DTR toll rates to provide funds to finance the Metrorail Project is an appropriate use of toll revenue. The Metrorail Project will significantly improve the Dulles Corridor, and it is important that the project be completed.
2. The toll rates increases are appropriate because the revenue they will produce will, in addition to helping fund the Metrorail Project, be used to pay for improvements to the DTR.
3. However, the Authority should continue to pursue additional federal and state funding and low cost financing to offset the toll increases.

APPENDIX A

COMMENTS ARRANGED BY ID NUMBER

(These comments can be accessed at
http://www.mwaa.com/file/2012_toll_comments_app_A.pdf)

Commenter ID Number by Topic and Themes: Appendix B

Topic	Comment Themes	Commenter ID Numbers
Impacts of the Toll Increase	These are difficult economic times (e.g., the economy is bad, people are not receiving salary increases, businesses are suffering, and the cost of living is rising), and the present DTR tolls are already too high. Making the tolls even higher at this time will have an adverse effect on local businesses and the personal finances of toll road users (including forcing workers and other local residents to move from the area). The increase makes homes and businesses less appealing and will lower property values. Daily road-based transportation access will be excessively expensive. Northern Virginia is losing its high rating in attracting jobs and businesses due to traffic and costs of commuting. Combined with the Dulles Greenway, people in Loudoun County are looking at daily trips of more than \$20 per/day. Some commenters assume the operator of the DTR is the same operator as the Dulles Greenway.	2, 4, 5, 7, 9, 10, 11, 12, 13, 16, 17, 18, 19, 26, 27, 28, 29, 33, 34, 38, 39, 40, 41, 43, 45, 46, 50, 51, 52, 53, 54, 56, 57, 58, 59, 60, 62, 63, 65, 69, 71, 73, 75, 80, 83, 86, 87, 88, 90, 92, 93, 94, 97, 100, 102, 103, 106, 107, 109, 112, 113, 115, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 131, 132, 133, 134, 138, 140, 142, 144, 149, 150, 152, 153, 155, 156, 157, 159, 160, 165, 166, 167, 168, 172, 177, 179, 180, 182, 184, 185, 186, 188, 193, 197, 198, 202, 204, 205, 207, 208, 210, 213, 214, 215, 218, 223, 225, 226, 229, 234, 235, 236, 238, 239, 240, 243, 247, 252, 253, 255, 256, 257, 262, 263, 264, 267, 272, 274, 275, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 289, 290, 291, 292, 293, 295, 301, 302, 304, 307, 309, 310, 311, 313, 314, 318, 319, 320, 322, 323, 324, 325, 326, 329, 330, 332, 333, 335, 338, 340, 343, 345, 355, 356, 359, 360, 362, 363, 366, 367, 371, 373, 374, 376, 379, 381, 383, 385, 386, 387, 390, 391, 392, 395, 398, 399, 403, 407, 409, 410, 411, 416, 417, 420, 421, 422, 423, 424, 429, 436, 440, 441, 442, 443, 444, 447, 448, 452, 456, 460, 462, 470, 471, 474, 477, 478, 488, 489, 491, 492, 493, 497, 500, 502, 504, 505, 506, 512, 515, 516, 521, 523, 528, 529, 530, 531, 533, 535, 539, 543, 551, 552, 556, 558, 560, 563, 568, 573, 577, 579, 581, 584, 585
	A toll rate increase will not improve traffic, and neither will the addition of the new Metrorail line. The rate increase will cause many DTR users to take alternative routes and neighborhood roads (e.g. Route 7, Georgetown Pike, Route 28, Route 50, I-66, and the Fairfax County Parkway), thus increasing congestion on those routes. This will result in more accidents, increased pollution, wasted gas, and increased road rage. Decreased DTR ridership will in turn bring in less money to fund Metrorail. The rate increase will also cause other DTR users to travel, shop at local businesses, and visit certain areas less often. Shoppers from inside the Beltway will choose to not visit businesses in Reston and Loudoun due to tolls.	1, 4, 5, 6, 7, 10, 11, 12, 15, 16, 17, 18, 26, 28, 33, 34, 35, 39, 40, 43, 46, 51, 53, 54, 56, 58, 63, 65, 67, 80, 87, 88, 90, 94, 97, 102, 103, 104, 107, 112, 113, 115, 119, 120, 121, 122, 123, 125, 127, 135, 138, 141, 142, 143, 149, 150, 151, 152, 153, 155, 156, 159, 166, 174, 177, 179, 180, 183, 184, 185, 193, 202, 204, 208, 209, 213, 218, 225, 229, 230, 235, 240, 243, 245, 247, 255, 256, 257, 262, 263, 266, 275, 278, 282, 283, 286, 287, 288, 293, 295, 301, 304, 307, 309, 311, 314, 319, 320, 322, 324, 325, 326, 327, 329, 332, 333, 340, 343, 345, 347, 353, 356, 357, 359, 360, 361, 362, 363, 365, 373, 376, 378, 385, 387, 390, 391, 395, 398, 399, 403, 404, 407, 410, 411, 413, 414, 420, 423, 427, 432, 433, 437, 442, 443, 444, 445, 447, 448, 449, 450, 452, 454, 456, 458, 459, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

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Topic	Comment Themes	Commenter ID Numbers
		462, 466, 470, 471, 476, 478, 481, 483, 485, 489, 491, 492, 493, 496, 497, 505, 512, 517, 519, 521, 523, 524, 526, 528, 531, 533, 534, 537, 539, 542, 543, 547, 548, 549, 556, 558, 563, 567, 573, 574, 579, 581, 582, 585
	Some people question previous MWAA Board actions and MWAA management decisions with respect to the impact of the toll increases. Commenters indicate that the MWAA Board is spending money without any responsibility and the public has to pay for it. MWAA has shown little concern for the cost of Silver Line (e.g. proposal for a below ground station, requirement to use union labor, procurement process, and other costs). There are questions about the ability to effectively manage construction of the extension. There is also some confusion in the public's mind of MWAA management/issues and WMATA's management/issues.	1, 4, 6, 18, 44, 69, 105, 121, 122, 127, 140, 143, 169, 229, 240, 245, 253, 255, 289, 301, 318, 333, 365, 367, 369, 381, 382, 385, 387, 392, 395, 399, 413, 417, 424, 428, 449, 476, 493, 505, 515, 516, 539, 548, 551 573
Alternatives to the Toll Increase	Federal, state and local taxes that have already been collected, and/or will continue to be collected, as well as other sources of funds (e.g., Fairfax County, Loudoun County, travelers to/from Dulles Airport, issuance of bonds) should be used to pay for the Dulles Metrorail Project. At the very least, they should be used to reduce any DTR toll rate increases that may be needed in the future. There is overwhelming agreement that the Federal government needs to contribute (TIFIA funds/grants) and the Commonwealth of Virginia needs to contribute more to Phase 2 of the Metrorail Project. Put the burden on the beneficiaries; the Commonwealth of Virginia benefits from the economic engine that is Northern Virginia, so the entire Commonwealth should be responsible for sharing the burden. Residents of Arlington, Alexandria, Falls Church, and DC will most likely use the Metrorail; make those municipalities pay for access.	1, 3, 10, 14, 15, 24, 25, 27, 33, 37, 52, 54, 56, 60, 61, 63, 64, 66, 73, 82, 87, 98, 100, 112, 116, 117, 120, 124, 131, 143, 147, 148, 149, 150, 151, 152, 153, 156, 165, 171, 172, 173, 175, 177, 178, 180, 181, 187, 191, 193, 194, 195, 198, 200, 202, 204, 205, 206, 208, 209, 210, 211, 212, 213, 216, 217, 219, 220, 221, 222, 224, 225, 227, 229, 236, 238, 239, 241, 243, 249, 250, 251, 262, 263, 270, 278, 292, 294, 297, 306, 312, 321, 323, 324, 328, 330, 333, 334, 337, 339, 340, 345, 349, 358, 368, 369, 377, 389, 404, 412, 416, 420, 425, 433, 434, 435, 437, 438, 442, 443, 448, 452, 454, 455, 456, 457, 460, 467, 472, 475, 479, 481, 482, 485, 486, 492, 498, 503, 504, 507, 508, 512, 519, 520, 526, 528, 529, 532, 533, 536, 539, 541, 543, 548, 549, 553, 556, 557, 559, 563, 564, 566, 570, 572, 585
	There is overwhelming support that users of the Dulles Airport Access Road and of facilities at Dulles Airport (e.g., taxis, airlines, passengers, rental cars, concessionaires, users of	10, 14, 21, 22, 42, 44, 48, 60, 67, 68, 70, 72, 80, 82, 87, 96, 114, 120, 126, 131, 134, 136, 137, 143, 144, 151, 155, 163, 171, 181, 191, 197, 205, 206, 208, 212, 218, 225, 236, 238,

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Topic	Comment Themes	Commenter ID Numbers
	parking garages) should be required to pay a toll or surcharge/fee, with the resulting revenue being used to reduce any increases that may be needed in the DTR toll rates. Revenue could also be generated by the sale or lease of airport property and advertising, etc. to help fund the Metrorail Project.	244, 250, 259, 263, 288, 291, 294, 296, 299, 315, 336, 348, 350, 352, 362, 367, 375, 377, 380, 383, 384, 394, 396, 404, 405, 408, 418, 420, 433, 453, 454, 459, 467, 476, 481, 482, 485, 486, 492, 505, 507, 508, 509, 511, 512, 516, 520, 522, 527, 537, 538, 539, 540, 543, 544, 547, 550, 554, 556, 559, 562, 564, 565, 567, 569, 582
	Commercial interests, especially those along the Dulles Corridor, which stand to benefit financially from the Dulles Metrorail Project, should be required to contribute to the project's costs. Commercial landowners will gain the most from increased land values, rents and development. Businesses and corporations should pay more of the increase. The Counties will gain more taxes from development, as will the Commonwealth.	14, 27, 36, 37, 52, 54, 59, 116, 120, 143, 184, 270, 306, 324, 395, 438, 449, 463, 482, 485, 529, 558, 574, 579, 585
	Tolls for E-ZPass users and cash customers should be redesigned, with a discount being provided to E-ZPass pass drivers and an increased toll charged to cash customers. Tolls should be reduced in order to increase the number of DTR users and DTR revenue. Local commuters and low-income users should be given a discounted rate. Give a break on the proposed rate increase to the toll road users during non-rush hour/weekends. In addition, toll plazas should be built in other locations along the DTR. These alternatives would help offset the need for raising the tolls for DTR drivers.	17, 46, 65, 67, 95, 101, 102, 134, 150, 156, 159, 164, 170, 174, 211, 254, 260, 283, 294, 307, 341, 387, 394, 407, 415, 428, 458, 463, 471, 492, 497, 507, 511, 526
	Create a system on the Dulles Airport Access Road similar to the HOT/Express Lanes on I-495/95; make DTR free for HOV users.	38, 111, 137, 174, 352, 492, 508, 522, 543, 577
	Funds for the Metrorail Project could be obtained from raising Metrorail fares, increasing fares on upcoming Silver Line users, imposing a tax on the entire metropolitan area, enforcing the speed limit/HOV regulations on the DTR, and/or fining violators who illegally use the Dulles Airport Access Road as a	1, 24, 26, 30, 32, 36, 37, 40, 44, 48, 55, 63, 67, 76, 78, 80, 82, 85, 94, 99, 104, 108, 112, 115, 128, 143, 147, 166, 171, 173, 183, 188, 194, 199, 207, 229, 261, 282, 312, 317, 321, 328, 360, 364, 366, 368, 375, 378, 380, 382, 384, 394, 402, 406, 415, 416, 418, 420, 426, 431, 437, 439, 449, 450, 454,

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Topic	Comment Themes	Commenter ID Numbers
	turn-around, instead of raising the toll rates on the DTR. Other alternatives to lower the cost of the Metrorail Project and the amount of the toll increase include: competitively bidding Phase 2 of the Metrorail Project so it will not be as expensive, not building Phase 2, or building light rail or using buses for Phase 2.	459, 466, 476, 478, 481, 494, 500, 503, 511, 516, 520, 522, 524, 525, 536, 537, 542, 543, 545, 547, 550, 551, 558, 565, 574, 579
	The Dulles Airport Access Road should be open to all drivers. This could result in DTR users supporting the proposed toll rate increases for they would feel that they would be getting something in return for the rate increases.	52, 62
	If toll rate increases are necessary, they should be gradual as opposed to doubling at once. Most likely, the tolls will never decrease, even after the Metrorail Project is built. It was not a good decision to have the Airports Authority take over responsibility for the DTR and Metrorail Project, the public was not consulted, and the Commonwealth of Virginia should take responsibility back.	52, 63, 108, 123, 154, 162, 229, 253, 293, 345, 359, 387, 423, 444, 455, 482, 494, 522, 539, 554, 556
	If tolls increase, there is more interest in having it increase at the mainline toll plaza rather than the toll ramp booths, so travelers are encouraged to use the DTR within the corridor for short trips.	7, 260, 308, 482
Fairness of the Toll Increase	The original purpose of tolls on the DTR was to obtain funds needed to pay for the road's initial construction, subsequent widening and other Toll Road improvements. Once the cost of this construction, widening and other improvements was paid for, there should be no further assessment of tolls.	3, 28, 66, 69, 72, 78, 83, 85, 120, 129, 132, 147, 150, 155, 167, 168, 178, 185, 209, 223, 229, 251, 255, 257, 259, 295, 311, 314, 344, 364, 387, 392, 413, 415, 445, 460, 461, 466, 485, 493, 503, 551, 552, 553, 555, 556, 561, 569, 583
	DTR users who will be unable to use, or who will choose not to use, the new Metrorail line should not be required to pay for its construction. No other Metrorail system was funded this way. The current proposal places a large financial burden on current DTR users, while others, such as those who use the Dulles	1, 2, 3, 8, 10, 14, 15, 20, 22, 23, 24, 25, 27, 28, 32, 35, 36, 37, 40, 42, 43, 44, 45, 48, 49, 50, 52, 53, 54, 55, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 72, 73, 76, 77, 78, 82, 83, 84, 89, 90, 91, 93, 96, 98, 99, 100, 101, 102, 103, 106, 108, 113, 114, 115, 117, 120, 121, 122, 123, 125, 128, 129, 131,

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Topic	Comment Themes	Commenter ID Numbers
	Airport Access Road, or who enter and exit the DTR through areas that don't have a toll, will continue to travel free of charge. Metrorail construction costs for Tysons Corner are the greatest and those residents are not paying for the increase but will benefit from Metrorail.	132, 136, 138, 143, 144, 145, 146, 148, 149, 150, 155, 157, 158, 165, 166, 167, 170, 171, 173, 174, 177, 178, 185, 187, 189, 190, 191, 194, 196, 197, 200, 201, 205, 206, 207, 208, 217, 219, 220, 221, 225, 228, 233, 235, 236, 237, 238, 239, 241, 242, 243, 249, 250, 251, 255, 256, 257, 258, 259, 261, 262, 265, 269, 270, 271, 274, 276, 277, 285, 287, 292, 294, 297, 298, 299, 301, 303, 305, 306, 311, 312, 314, 317, 318, 320, 321, 324, 328, 331, 332, 334, 336, 338, 343, 344, 349, 350, 352, 357, 358, 359, 360, 364, 367, 370, 372, 375, 376, 377, 378, 382, 383, 384, 385, 388, 391, 392, 393, 394, 396, 397, 399, 400, 401, 402, 404, 405, 412, 415, 416, 417, 419, 424, 428, 431, 432, 433, 438, 439, 442, 443, 444, 446, 448, 449, 450, 451, 453, 454, 457, 459, 460, 461, 463, 464, 466, 467, 469, 474, 475, 476, 478, 480, 481, 484, 485, 490, 491, 492, 493, 497, 499, 501, 503, 504, 509, 510, 518, 521, 523, 525, 527, 528, 530, 531, 533, 534, 537, 539, 541, 545, 547, 548, 550, 553, 555, 556, 558, 561, 573, 579, 583
	People who use the DTR including residents and businesses of Fairfax and Loudoun Counties, should not be required to contribute substantially to the construction of the Metrorail Project, which will benefit people throughout the metropolitan area who will contribute nothing. Drivers should not need to pay for the "privilege" of riding on a road; they can drive through many states without paying a toll. Some people feel the increases say the road is only for the well-to-do.	10, 15, 25, 32, 36, 40, 45, 48, 52, 53, 55, 60, 62, 82, 93, 101, 108, 112, 117, 120, 128, 149, 166, 170, 171, 183, 185, 188, 194, 195, 197, 206, 207, 208, 225, 235, 243, 249, 255, 259, 269, 270, 273, 274, 282, 288, 292, 294, 298, 305, 306, 317, 321, 331, 357, 360, 362, 367, 375, 377, 380, 383, 384, 388, 394, 396, 402, 431, 438, 442, 448, 454, 457, 460, 466, 485, 503, 504, 505, 521, 524, 539, 541, 544, 545, 552, 556, 558, 573, 579
	Businesses in the DTR corridor will see an increase in the value of their business and property as a result of the Metrorail Project, and should be contributing to the project's cost, thus decreasing the major contribution now being required of DTR commuters.	14, 27, 36, 52, 143, 270, 306, 312, 314, 324, 585
	All revenue that is derived from the DTR should only be used for maintenance and upkeep of the actual Toll Road.	44, 53, 67, 71, 90, 100, 147, 176, 219, 220, 241, 261, 271, 349, 364, 387, 415, 490, 515, 531, 540, 545, 548

Commenter ID Number by Topic and Themes: Appendix B

Topic	Comment Themes	Commenter ID Numbers
	The public hearing open house meetings served no purpose as the Authority will do what they want. The format of the public hearing process should include an opportunity for individuals to speak in an open forum and to hear others' comments.	62, 93, 121, 450, 544, 547, 572
Operational Issues with the Toll Increase	Before money is set aside for another project, the DTR would benefit from upgrades, such as improved toll booth operations. The construction of exits is sub-par and causes large backups on the roads. Leaving the exit ramps, the traffic lights are not synchronized. Toll plazas at DTR and the I-495 North and South interchanges, Route 7, and Springhill Road are challenging and need improvement. There should be a toll ramp at Route 123. No improvements have been seen to the DTR despite ever-increasing tolls. There have been no upgrades that justify the high costs.	40, 61, 71, 137, 161, 241, 244, 300, 307, 316, 327, 347, 365, 419, 444, 449, 468, 473, 482, 486, 575
	The traffic is bad on the DTR, and increasing the toll rates to help fund the Metrorail Project has the potential to make it worse due to the growth in development that will occur as a result of the new Metrorail stations. Therefore the new DTR revenue should first be used to improve DTR traffic conditions. The ongoing construction of Phase 1 of the Metrorail Project makes traveling the DTR difficult. If traffic were better, the increased tolls would be more tolerable.	17, 71, 81, 106, 130, 158, 257, 321, 326, 449, 465, 492
	The toll rate increases should be limited to peak-direction rush hour commuters, rather than be applied to all users at all times of the day. Fees should be based on distance-tolling; toll road users should not pay for the entire length of the road when they only need to go one exit. Additional revenue could be derived assessing different toll rates at different times of the day and week, peak and non-peak period pricing, electronic tolling, and/or by imposing a toll on currently un-tolled locations. This would reduce the burden of the proposed toll rate increases on some DTR users. The toll rate increases should be different for	17, 49, 135, 139, 146, 157, 206, 248, 267, 303, 340, 394, 415, 451, 469, 482, 492, 507, 511, 522, 567, 577, 578

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Topic	Comment Themes	Commenter ID Numbers
	different drivers based on the location from which they begin their trip, with the smallest increase being assessed to drivers who are most distant from the first phase of the Metrorail Project, since they are least likely to benefit from it.	
	Consider using all electronic tolling collection and video tolling to save costs, to lessen the toll increase, and to improve traffic flow. Eliminate exact change booths at toll plazas; convert to E-ZPass. Have one dedicated lane for E-ZPass users at each toll plaza to avoid long lines at the toll booths.	372, 430, 449, 482, 501, 520, 522, 575, 576
	The toll rate increases should only be applied to cash-paying DTR users and those who speed since these individuals add more cost to the toll road than EZ-Pass users and those who obey the law.	17, 108, 471, 507
	The E-ZPass monthly maintenance fee is not justified; if it was not needed before, then it should not be needed now.	245, 268, 366
	There needs to be bus connectivity and more parking at Metrorail stations to allow local residents to use the metro.	27, 89, 154, 399
Tax Character of the Toll Increase	The toll rate increases are a hidden tax, unfairly imposed on a limited group of individuals (the DTR users), rather than on all taxpayers of the area whose tax dollars typically fund transportation projects. To raise the toll rates is "Taxation without Representation."	3, 18, 47, 52, 63, 64, 69, 72, 83, 100, 104, 107, 120, 138, 144, 145, 148, 149, 166, 178, 184, 203, 211, 217, 220, 221, 225, 226, 230, 232, 255, 299, 312, 317, 331, 340, 342, 347, 358, 365, 384, 401, 438, 442, 457, 460, 467, 472, 493, 509, 523, 527, 539, 541, 546, 552, 560, 566, 574, 584
	Because the proposed DTR toll rate increases constitute a tax and because the Airports Authority is unable to assess taxes, the Airports Authority lacks the power to increase the toll rates.	72, 107, 514, 546
Noise Wall Program and the Toll Increase	Focus on those affected by increased noise levels. Sufficient toll revenues need to be collected to bridge the gap between what the Symphony Meadows community qualifies for in terms of cost effectiveness and what is needed to construct a noise wall.	484, 487, 571

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Topic	Comment Themes	Commenter ID Numbers
	At the Wiehle station, consider whether a noise abatement wall needs to be included in the plans to limit the noise that may exist.	
Support of the Toll Increase	Increasing the DTR toll rates to provide funds to finance the Metrorail Project is an appropriate use of toll revenue. However, MWAA should continue to pursue additional federal and state funding and low cost financing to offset the toll increases and fund the Metrorail Project. The toll rates increases are appropriate because the revenue they will produce will, in addition to help fund the Metrorail Project, be used to pay for improvements to the DTR. The Metrorail Project will significantly improve the Dulles Corridor and it is important that the project be completed.	30, 74, 79, 110, 137, 192, 231, 351, 354, 434, 495, 498, 508, 520, 532, 557

Commenters Arranged by Last Name: Appendix C

Last Name	First Name	ID
	Ralph	336
	Joseph	80
		232
	Hai	35
	Jesse	245
		421
	Jodi	3
		543
	KN	338
	Hima	29
	Venkata	133
	Anne	366
	George	116
	Jesse	246
Abelson	Elyssa	533
Aceto	Joanne	470
Ackerman	Rona	198
Adams	Melinda	146
Adams	Daria	298
Adinolfi	Frank	182
Adya	Kaushik	489
Affeld	Kelly	278
Agarwal	Nirmal	234
Agresta	Marita	496
Aiello	Mike	322
Alvarez	Michelle	56
Anderson	Mahlon G.	573
Anderson	Mahlon G.	301
Andraos	Jackie	451
Andrei	Victor	313
Andreu	Cody	335
Anthony	Robert	270
Anthony	Jane	208
Armstrong	Andrew	60
Ashdown	Joan	461
Ata	John	195
Atlas	Wini	273

Last Name	First Name	ID
Axelrod	Margaret	316
Bacher	Pam	193
Backus	John	450
Baer	Carla	219
Baker	John	532
Baldwin	Rebecca	525
Ballard	J	349
Bank	Ronald	484
Barden	Heather	164
Barker	James	4
Battcock	Mary	285
Beahm	Brian	540
Beck	Mary Cichello	485
Beffel	Susan	222
Belinsky	Sherryl	355
Bennett	Deborah	378
Bennett	Keith	276
Benon		513
Benson	Carol	331
Bergeaux	Jean-Paul	202
Bernard	Kitty	529
Bibbee	Mark	364
Bishop	Paul D	66
Blackerby	Scott	514
Blankespoor	Gil	274
Blessing	Ralph	408
Blue	Laura	306
Bogle	Jane H	410
BonGiovanni	Edward	566
Borton	Christopher	445
Bossi	Andrew	79
Bowen	Frank	515
Bowen	Christopher	76
Boyer	Kay	506
Bradley	Steve	302
Brown	K	324
Bruce	Carol	33
Bruhns	Robert E.	536

Last Name	First Name	ID
Brvenik	Angie	106
Buffington	Tony	440
Burgess	Linda	117
Burke	Walt	383
Burns	Thomas	369
Burr	Sidney	181
Busko	Steve	63
C	Jim	380
Cai	Jeffrey	556
Callahan	Nora	578
Callen	Douglas	92
Canis	Bill	559
Capelutto	Peter	511
Carbaugh	Cory	315
Carpenter	Alexis	191
Carrick	Stephen	363
Casey	Sharon	269
Cash	Michael	132
Cassidy	James	542
Cates	Diane	390
Cavanaugh	Brian	565
Chadderton	Jane	483
Chan	Virginia	337
Chase	Linda	180
Chertoff	Leonard	47
Chirhart	John	509
Choinski	Scott	531
Ciullo	Robert	40
Clark	Dan	108
Clarke	Charles	422
Clinton	Curtis	516
Coe	Shannah	128
Collins	Mike	244
Collins	Lori	289
Conaway	John	82
Connell	David	385
Cranmer	Thomas	558
Cranmer	Thomas	579

Last Name	First Name	ID
Curley	Stewart	448
Curry	Liz	518
Cutler	Chris	48
Damodaran	Yuvi	488
Darling	Bonnie	468
Darrow	Andrew	538
Das	Shamik	112
David	Leslie	215
Davies	Daniel	240
Davies	Daniel	266
Davies	Daniel	432
Deam	John	571
Dean	James	330
Demuth	Paul	34
Desrosiers	Martha	205
Dhingra	Raj	87
Dickinson	David	1
Diedrich	Roger	572
Dillard	Pamela	462
DiPalma	Robert	365
DiPalma	Robert F.	574
Dobkin	Robert	570
doolittle	john	135
Dowsett		549
Drew		523
Drissel	Anne	185
Dukovich	John	176
Durham		553
Eaton	Michael	568
Eckert	Chris	6
Edelheit	Jeffrey	304
Eden	Harry	395
Endler	Danielle	67
Enright	Bob	134
Epp	Michael	220
Epstein	Alicia	329
Esch	Teresa	30
Everingham	Bill	299

Last Name	First Name	ID
Ewart	Caroline	59
Fairfield	Jeffrey	498
Fattu	Nicholas	384
Fee	Lisa	534
Felea	Marcel	91
Femano	Cynthia	527
Fenner	Robin	480
Fernandez	Rhode	368
Ferreira	Barbara	464
Ferro	Timothy	166
Fisher	Kris	442
Flemming	Anjanette	149
Foster	Robert	115
Foster	William	263
Fowler	Kay	354
Fowler	Kerry	186
Fox	John	252
Fox	Wendy	295
Foye	Christopher B.	156
Franciosi	Frank	357
Freeman	Kathryn	71
Fringer	John	561
Fringer	John	555
Fujishiro	K. Kenneth	341
Gadiano	Christina	460
Gage	Judith	19
Galito	Jose	411
Gallagher	Maria	61
Gallagher	Jim	77
Galloway	Richard	308
Gamboa	Natalie	179
Ganster	Helen	248
Gartenberg	Ehud	583
Garver	David	375
Gates	Mary	171
Gawchik	Paul	32
George	Nathan	453
Gibbs	Stephen	458

Last Name	First Name	ID
Gilman	Aaron	396
Glakas	Barbara	564
Gluck	Yvette	259
Goldman	Joel	327
Gonzalez	Jennifer	320
Gordon	Leila	151
Gottschalk		545
Graham	William	95
Grant	Michael	492
Gray	Elaine	340
Grazer	Anita	557
Green	Katriina	196
Gregory	Blake	379
Grieder	Christopher M	173
Grimard	Scott	310
Gritz	Mark	398
Gupta	Narender	392
Guthrie	Caroline	102
Gutshall	Mike	401
Hall	Larry	476
Hall	Don	199
Hamilton	Richard	519
Haneline	Gary	262
Hansen	Martin	147
Hardy	Matt	169
Harkins	Patrick	114
Harrington	Phillip	122
Harris	Marna	503
Harvey	Ricki	242
Harvey	Bill	272
Harvey	Ricki	237
Haskell	Paul	53
Hass	Arthur E	303
Hassebrook	Linda	172
Hauer	Julie	517
Haught	Michele	309
Hayford	Maggie	55
Hays	Dennis	510

Last Name	First Name	ID
Hedley	Jack	430
Hendrickson	Jordan	412
Hendry	John	391
Hessler	Nathan	275
Hewitt	Janet	238
Hickner	Sarah	290
Hines	Kris	142
Hjort	Howard	264
Hobus	Cindey	569
Hobus		551
Hoffman	R	58
Hoffman	James	2
Holland	T. J.	101
Holstad	Terry	5
Holt	Kenneth	443
Homren	Wayne	296
Howard	Tony	434
Hsieh	Sharon	466
Hubbard	Garrett	560
Hubbard	Garrett	145
Huber	Andrea	150
Huber	Jesse	563
Huddy	Margaret T	201
Hullenbaugh	Karen	51
Husch	Nancy	11
Ingrao	Mark S.	482
Irving	Melanie	189
Isaacson	David	42
Jackino	David	90
Jackson	Rob	582
Jacobson	Norm	209
Jacobson	Michael	62
Jaggi	Vik	124
Jeffery	Robert	107
Jeffrey	Robert	546
Jhangiani	Anka	239
Jocham	Garry	409
Johns	Bill	41

Last Name	First Name	ID
johnson	Dirk	382
Johnson	Joseph	113
Johnson	Barry	37
Johnston-Greenberg	Marcia	505
Jones	Douglas B.	168
Jones	Tarn	345
Jordan	Jonathan	394
Jordan	Jonathan	387
Joshi	Ajay	377
Jowen	Luanne	463
Junker	Monika	104
Jusino	Edward	111
Kakayadi	Raja	158
Kalvar	Kirk	441
Kaplon	Diane	325
Karawa	Shawnda	121
Karle	Nate	473
Keller	Sarah	343
Kelly	Robert E.	522
Kelmelis	Kathleen	93
Kent	Robin	192
Kerr	Cheryl	131
Kerr	Richard	157
Kessler	Bob	291
Kessler	Nancy	575
Khanna	Vivek (Vic)	328
Kidder	Ralph	288
Kiessling	Brenda	526
Kim	Kevin	317
Kim	Jacqueline	13
kitzmiller	Daniel	188
Klinker	Mike	359
Knight	Mary	96
Knight	Scott	491
Knight	Margaret	250
Knox	Richard	431
Krauss	George	353
Krutz	Mark	478

Last Name	First Name	ID
Kuempel	Peter	284
Kumar	Shilpa Vinod	144
Kushin	George	225
Kushner	David	16
Kyriacou	Niki	57
LaFrance	Anita	227
Lam	Barbara	530
Lambkin	Glen	323
Lannon	Beth	129
Lanthier	Melissa	204
LaRock	David	155
LaRock	John	429
Lee	Katherine	74
Lehman	Jeff	154
Letts	Laura	367
Lewandowski	Thomas	437
Lind	Denise	177
Lindell	Charlotte	576
Linderman	Will	162
Lombardi	William	212
Long	Bill	414
Lopez	Mario	160
Loulis	Carol	348
Luther	Sandra Brinton	504
M	Julie	457
M	Sasank	148
MacDonald	A. Collin	100
Macdonald	Margaret	419
MacLean	Abby	143
Magnani	Tom	361
Mahrer	Neil	170
Malcolm	Mark	7
Marshall	Jeff	261
Martin	Michael	444
Masters	Arielle	260
Mautone	David	23
Mazzenga	Nick	339
McClellan	Richard and Susie	103

Last Name	First Name	ID
McClellan	Joseph	334
McCollim	Ana & Gary	474
McDaniel	Gina	187
McDonough	Brian	247
McGaffick	Carrie	17
McIntyre	Rich	213
McIntyre	Shane	52
McKinnon	Anne Marie	253
McKnight	Matthew	137
McSorley	Michelle	75
McSorley	Kevin	73
Mdonnel		446
Mercer	John	318
Messina	Kathy	241
Meyer	Karl	221
Mihalik	Mary	184
Milberg	Roberta	10
Miller	Genevieve	236
Miller	Howard	406
Minchew	J. Randall	481
Minchew	Randy	454
Minchew	J. Randall	433
Minor	James	459
Miranda	Rox	416
Mistry	Neeпа	68
Mitchell	Terry	512
Mohn	Ingrid	217
Monaco	Nadine	255
Morris	Giles	251
Morris	David	427
Moskitis	Matthew	332
Movva	Vijay	475
Muchnick	Allen	405
Muir	Joanne	216
Munson	Charles and Rebecca	356
Murray	Kent	467
Myers	Mike	152
Nagaraj	Vinod	207

Last Name	First Name	ID
Nagle	Regina	110
Nakajima	Kento	98
Nalewanski	Loren	500
Nasta	Laurie	120
Neely	Nancy	218
Nelson	Wally	12
Nelson	Meredith	389
Nelson	Andrew	139
Ngo	Nina	452
Nicoson	Zpatricia	508
Norman	Jim	537
Nuss	Michael	243
Nylund	Joel	388
Odell	James	279
Odell	Pamela	281
Odell	Leslie	280
Olinger	Van	69
Omland	Leanne	347
Orlando	George	400
Orlans	Nicholas	211
Orth	Ron	294
Pack	Blair	374
Palladino	A	404
Paradkar	Raj	402
Parcell	Malcolm	541
Park	Alan	140
Parnes	Jeffrey	554
Parnes	Jeff	486
Partyka	Kevin	206
Paulson	David L.	447
Pederson	N. Diane	585
Pederson		552
Peele	Samantha	456
Pereira	Dennis	283
Petrine	Tammi	493
Pinkstaff	Brent	119
Plum	Kenneth R.	435
Podolsky	Robert	393

Last Name	First Name	ID
Poe	David R.	399
Pohanka	Geoffrey P	229
Pohanka	Geoff	581
Poulos	Bill	524
Prajapati	Mehul	226
Pries	David	136
Prieur	Felix	22
Pritchard	Cathy	89
Prochnow	Mary	123
Pruitt	Tonya	305
Pugsley	Ray	230
Puymbroeck	Rudolf Van	249
Queen	Amadna	287
R	Thirumal	161
Radadiya	Piyush	425
Ramani	Gayathri	86
Rambo	Doug	26
Rao	Venkat	265
Reif	Aron	407
Renfro	Charles	455
Rhoads	Kate	9
Richter	Carolyn	235
Rios		544
Riso	Gerald	70
Rizzo	John	38
Robbins	Bruce	94
Robinson	Ann	319
Roche	Cate	397
Rodgers	Rick	370
Roe	David A.	282
Roeder	Yvonne	224
Roger	Richard	584
Rogers	David	254
Rolser		547
Romeo	Jeff	372
Roncal	Cathy	14
Root	Kristin	97
Rose	Joyce	167

Last Name	First Name	ID
Rosenberg	Burt	490
Rosenberg		548
Rosenberg	Burt	44
Ross	Joel	362
Roth	James	81
Rountree	Andrew	231
Roy	Kenneth Bridger	20
Rrao	Priya	465
Ruehl	Dan	312
Ruffin	Evelyn	200
Runkle	Beatriz	521
Ruskin	Ann Marie	501
Saad	Najwa	27
Sabbatino	Pete	428
Salas	Charles	21
Sambrano	Enrique	423
Sammons	Matthew	88
Sanders	Bill	258
Sandford	Sheila	314
Schefer	Leo	520
Schmuckatella	Joe	28
Schnabel	Steve	326
Schneider	Alyssa	83
Schneider	Alyssa	418
Schulman	Robin	256
Schultz	Mary Beth	297
Seidenberg	Zach	174
Seifert	Kaitlin	386
Sell	Mark	426
Senska	Matthew	350
Seskes	Joshua	138
Shang	Cynthia	528
Shareghi	Khosro	233
Shaw-Fuller	Julia	371
Shearer	Steven	163
Shekhar	Vidhu	126
Sherman	Michael	78
Shirley	Richard	197

Last Name	First Name	ID
Shuster	Doug	567
Siemer	Katherine	494
Singaperumal	Barathan	228
Sipe	JD	502
Skolnik	Richard	194
Slye	Kimberley K	165
Smiley	Joe	153
Smith	Eric	84
Smith	Brian	64
Smith	David	18
Smith	John	507
Smith	Tom	118
Smith	Charles	311
Smith	John	130
Smith	Tyler	141
Smith	Sandra	257
Solomon	Steven	449
Sorapuru	Jeanine	479
Spano	Wesley	125
Srivastava	Shaina	214
Stakes	Sharon	267
Stassinis	Steve	539
Stokes	Aubrey	72
Stover	Scott	36
Stowers	Hilary Tarkington	292
Strohecker	Sarah	344
Sultan	Martin B.	376
Sutter	Brandon	373
Swan	David	178
Sweeney	Patricia	413
Szymanski	Ted	469
Szymanski	James	472
Tagliaferri	Linda	420
Tahmasebi	Rod	381
Tang	Joe	321
Tanjore	Nandakumar	31
Tarr	Marsha	277
Taylor	Mary	46

Last Name	First Name	ID
Thompson	Cheryl	550
Thompson	Cheryl Ann	562
Tolbert, Sr.	Thomas	333
Topp	Eric	415
Toth	Greg	49
Trevithick	Perry	8
Trost	William	159
Tschida	Jacquelyn	65
Unknown		577
Unknown		580
Urban	Stephen	293
Vermillion	Michael	43
Vollbrecht	John	403
Vorimo	Pasi	424
Walker	James C.	24
Walkinshaw	Jim	436
Walther	Phil	203
Waltrip	James	286
Ward	Colleen	85
Watson	Charles	105
Wayland	Daniel	183
Wegleitner	Tom	439
Weiner	Jan	25
Weis	John	15
White	John	417
White	Patricia	39
Whitlock	TommyLee	190
Wichlacz	Casimer	175
Wieland	Paul	499
Wiley	David	487
Williams	Sparkle L	535
Williams	Pat	50
Wilshere	T	352
Wiseman	Lori	210
Withers	Janice	438
Wittelstein	Rosalie	54
Wood	Carolyn	358
Woodlock	Jim	307

Last Name	First Name	ID
Worsham	Liz	351
Wright	George	497
Wu	Gene	127
Wyant	Barbara	223
Yang	Li-Ming	268
Yap	Michael W. L.	300
Yarosh	Mark	99
Yauss	William	342
Yedulla	Nandini	477
York	Rachel	109
Yu	Joshua	471
Zajac	Andrew	271
Zank	Arleen	45
Zawacki	Joan	495
Zega	Sam	360

Comment on Proposed Dulles Toll Road Toll Increases

Reston Citizens Association
Reston 2020 Committee
September 16, 2012

Summary

The proposed increases in Dulles Toll Road tolls and the forecast toll increases are grossly inequitable and will have serious adverse economic and tax revenue effects on the Dulles Corridor.

For regular Fairfax County toll road users, the proposed toll increases exceed the gains in forecasts of median household income growth over the period of the proposed rate increase through 2015 and beyond. Through mid-century, forecast toll increases will consume half of all real gains in household income of regular Fairfax users of the toll road.

If implemented, the toll hikes will force more than 40,000 vehicle trips off the toll road on to nearby state and local roads by 2015, including 10,000-15,000 trips in Reston, compounding congestion and adding to air pollution. By mid-century, more than 110,000 weekday vehicle trips per day will divert to local roads, adding to state and local road maintenance and improvement requirements. That could mean an extra 25,000-30,000 trips on Reston's streets, including more than 15,000 by Restonians.

Ultimately, the massive increase in tolls will slow the economic and tax revenue growth the construction of the Silver Line is meant to stimulate. While it is difficult to discern the short-term effects of the high tolls versus federal spending cutbacks and slow economic growth in limiting economic growth and tax revenues, it is clear they will have a long term impact.

- For example, Fairfax residential property taxes may grow some seven percent per year less than expected in 2050 as a result of the slowing single-family housing demand along the Dulles Corridor.*
- In the same way, developers will see higher vacancy rates and lower than expected rents as companies look elsewhere for more accommodating space for their businesses and their employees.*

We suspect that these combined impacts will undermine future County tax revenue flows by 5-10% from their potential without higher tolls as people and businesses chose to locate elsewhere, possibly outside the County or even the state. None of these adverse revenue impacts consider the additional \$15-\$20 billion in additional infrastructure costs, including financing, the County will face—and will require additional taxes on residents and businesses.

If, as the Reston Citizens Association has proposed, toll road users pay 25% of the Silver Line's construction costs plus the operations and maintenance costs for the toll road, their tolls would rise not higher than \$2.85 by 2015 in contrast with the \$4.50 toll MWA proposes. Longer term, tolls would peak at about \$8.00 circa 2040 versus the \$18.75 peak in 2048 forecast by CDMS. In inflation-adjusted terms, the peak future toll under RCA's 25% proposal would be about \$4.00 in 2012 dollars at 2.5% inflation. That is a toll rate Restonians and other toll road users can tolerate without causing serious

harm to household spending, gross diversions of traffic to local roads, or substantial losses in Fairfax County and state tax revenues.

8/16/2012 RCA Reston 2020 Committee		
Dulles Toll Road users would pay no more than \$2.85 full one-way toll in 2015 if they were paying 25% of Metro construction costs.		
Proposed DTR Tolls & 25% Share Through 2015		
Year	RCA Tolls @ 25% Share	MWAA Proposed Tolls
2012	\$2.25	\$2.25
2013	\$2.60	\$2.75
2014	\$2.75	\$3.50
2015	\$2.85	\$4.50

We welcome and strongly support MWAA's efforts as well as those of its financial partners—Fairfax and Loudoun counties—to find alternative financing sources and reduce the burden on toll road users.

- While we doubt the federal government will provide TIFIA financing given its record of rejecting Silver Line construction funding proposals, we urge MWAA and its partners to move forward vigorously.*
- We believe that the state of Virginia needs the prospective growth associated with the Silver Line to sustain future tax revenues. We believe that state contributions of about \$130 million per year would bring down toll road users' share of the cost to 25 percent.*
- In the absence of major new funding sources, we believe the "funding partners" need to re-negotiate their secret deal that stuck toll road users with three-quarters of all unfunded costs. We envision their shares of the cost rising as toll road users' share remains at 25 percent.*

We have a Silver Line construction financing crisis. MWAA and its "funding partners" must show leadership in bringing toll increases down to a level bearable by most toll road users, including absorbing more of the burden themselves.

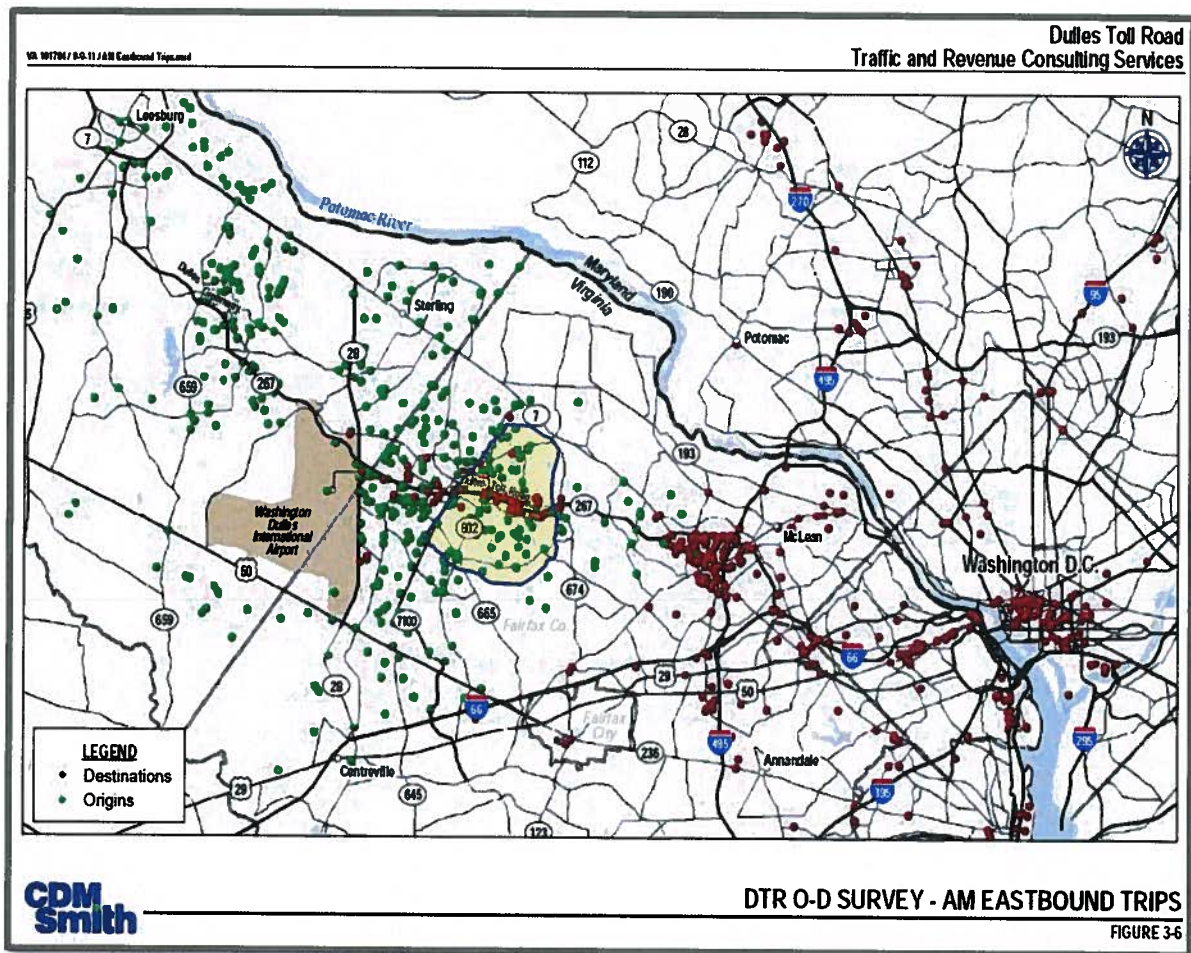
We will support you any way we can in reducing toll hikes so they cover 25% of the costs of the Silver Line's construction. That begins by rejecting the proposed toll increases through 2015 and adopting the more limited increases proposed above.

Comment on Proposed Dulles Toll Road Toll Increases

September 16, 2012

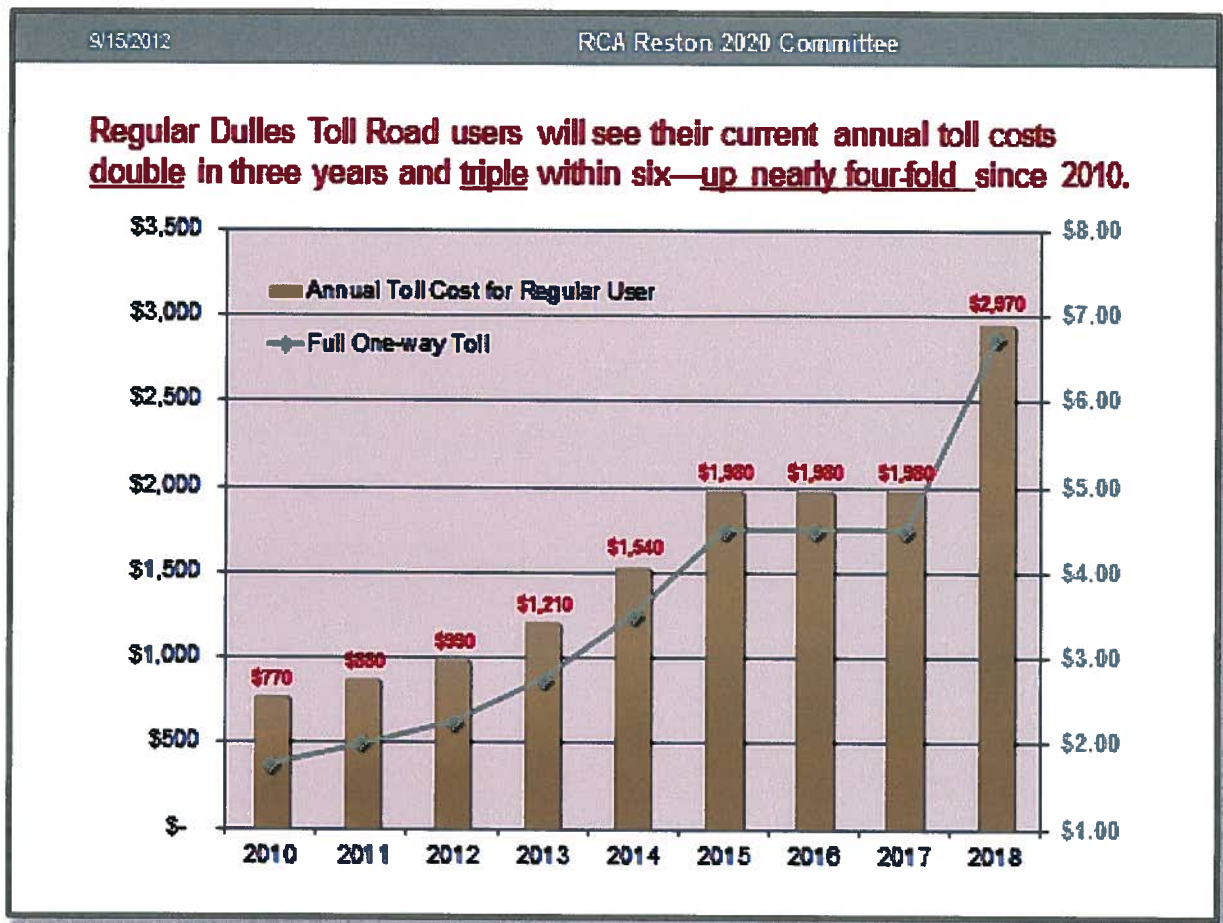
Impacts on Fairfax and Reston Households

At 45.3%, Fairfax County residents comprise the largest share of Dulles Toll Road users (followed by those from Loudoun County—27.3%) according to data collected by traffic and revenue forecaster CDM Smith (CDMS 2012). As suggested by the highlighted map below of DTR trip origins (green dots) from that report, Restonians account for about one-third of that Fairfax County traffic, or roughly 15%. Along with the neighboring Town of Herndon, they comprise the highest community source of morning toll road trips. In short, the people of Reston have a major financial stake in decisions made by the MWA Board of Directors concerning the Dulles Toll Road.

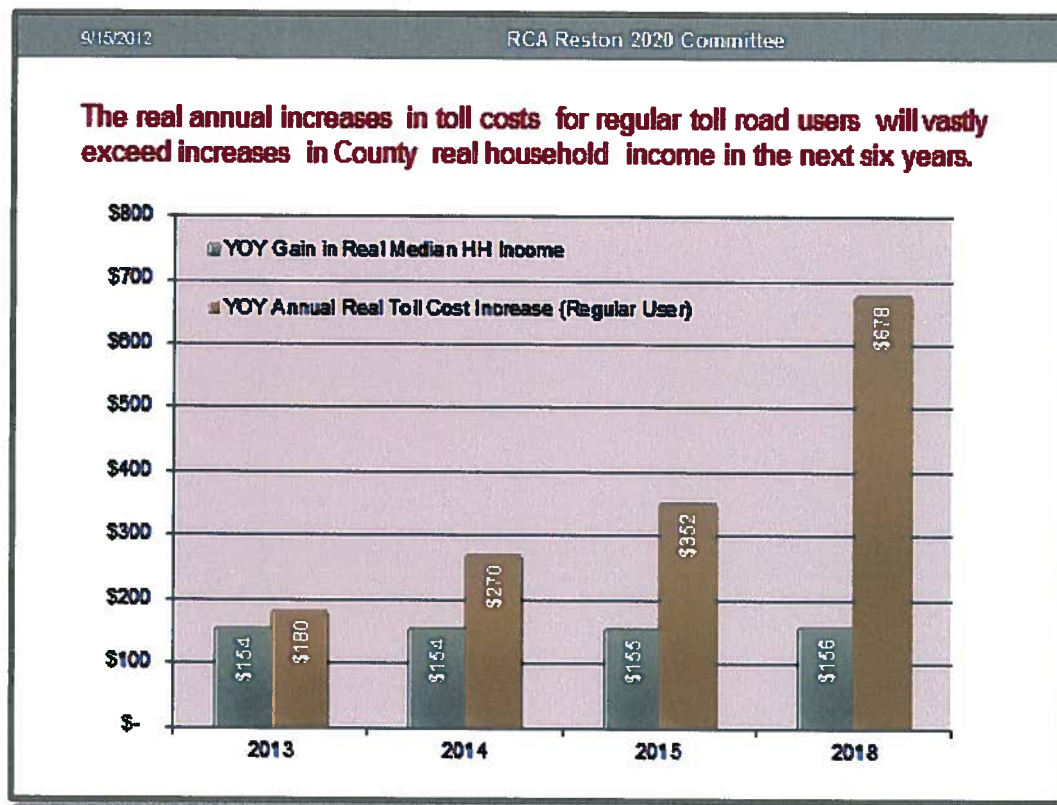


Drivers in Reston households who use the toll road regularly will be hard hit by the toll increases MWA proposes or is forecast to levy over the next six years. These regular toll road users will see their toll costs double from \$990 per year to 1,980 per year in 2015, and triple to \$2,970 per year in 2018. By the

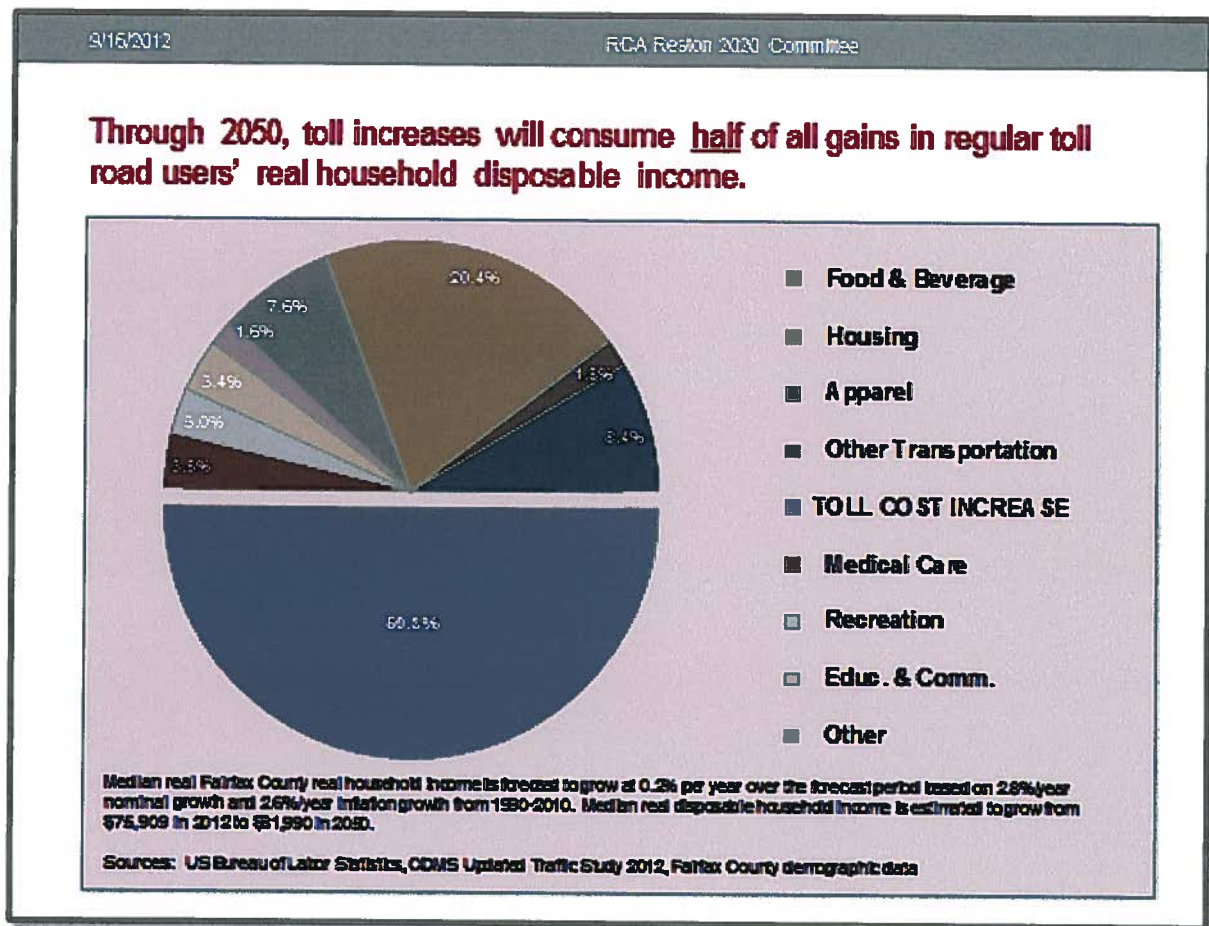
end of the decade, annual toll costs for a regular toll road user are forecast to nearly quadruple those experienced in 2010.



In fact, the proposed toll increases over the next three years and the forecast toll increase in 2018 will exceed the expected growth in real County disposable household income. As shown below, the increase inflation-adjusted toll costs for the regular toll road user will double the expected annual growth in disposable income in 2015 and quadruple that growth in 2018. In short, Restonians who use the toll road regularly can expect to be worse off financially than they are now despite annual increases in income. They will have less to spend on mortgages and rents, shopping, dining, college for their children, and their own health care, among other lost uses of funds.



The impact of abusive toll increases on regular toll road user households will continue through at least 2050 if MWAA follows through in implementing the tolls forecast by CDMS. Toll increases will consume one-half of the increase in the inflation-adjusted median disposable household income of regular Fairfax County toll road users. The obvious consequence of this impact on toll road users will be a reduction by half in household spending growth for all other purposes.



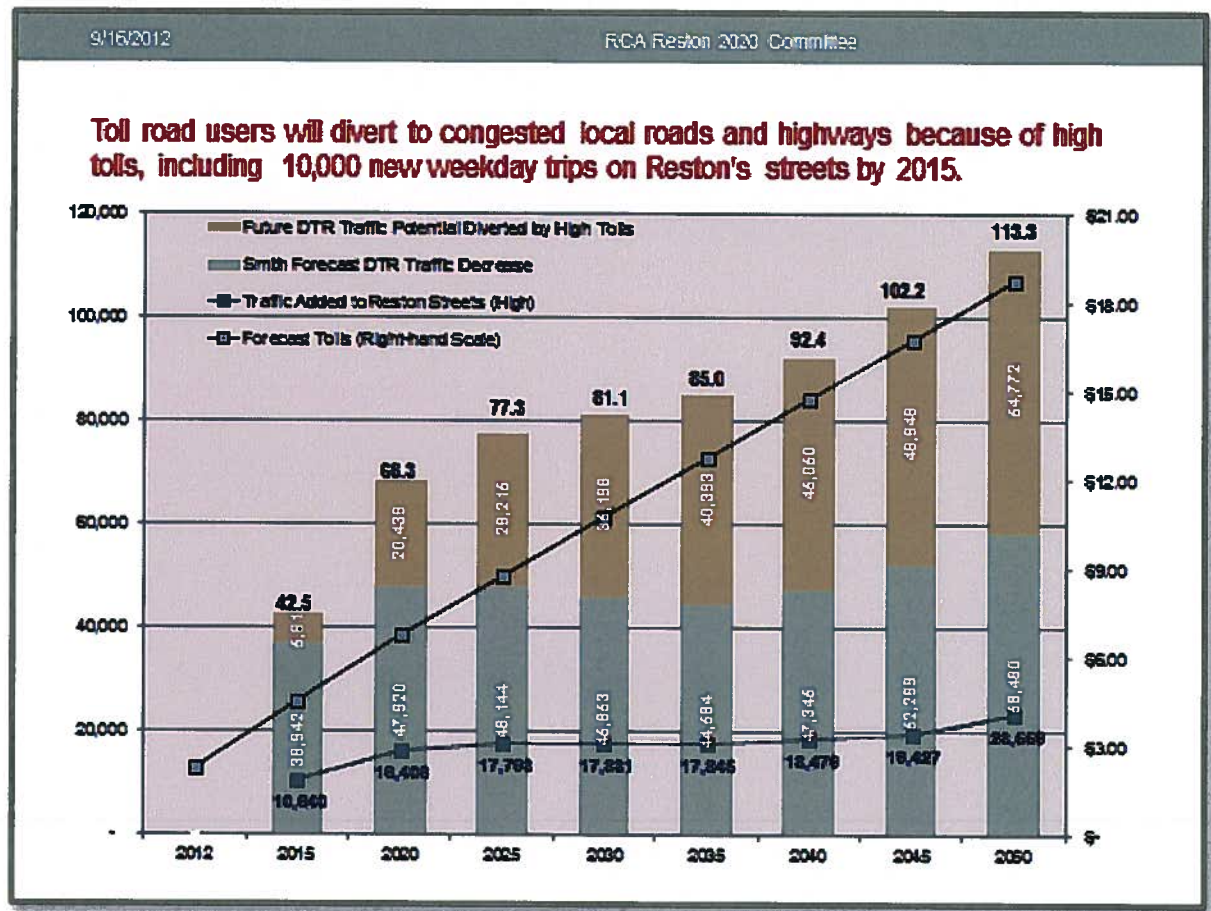
Driving Impacts

For many users, the toll increases will drive them to use alternative travel routes. The impacts of the toll increases are reflected in CDMS' analysis.

- While the CDMS study focuses on annual transactions, the changes in transactions in transactions can be calculated as a percent and applied to CDMS' DTR traffic survey in 2011 showing weekday traffic at 220,000 trips per weekday (see Figure 2-4: DTR 2011 Weekday Traffic Profile). With forecast transactions declining sharply when tolls double in 2015, we anticipate about 42,000 current toll road trips will divert to local area roads. Of those, about 6,000 diverted weekday trips will be by Restonians, and trips from other points to or through Reston will add 4,000-5,000 trips to Reston's streets.
- At the same time, the potential "primary market" for the DTR as defined by Renaissance Planning Group (RPG) in the CDMS 2012 study will increase as population and jobs increase over time. Using RPG's average annual jobs and population growth figures, and discounting them by 25% for the availability of other transportation options—including Metro—or not making a trip,

we expect an additional 5,600 trips will be added to local roads by 2015 if the proposed toll increases are approved.

- As shown below, these numbers grow to more than 110,000 diverted vehicle trips in 2050 if CDMS' forecast is accurate. The total daily traffic diverted from the DTR in 2050 by high tolls comprises one-third of the DTR's market volume potential (assuming lane capacity) at constant toll levels. For Reston, that could mean an additional 18,000-24,000 trips added to its streets each weekday, including 9,000 by Restonians.



The added traffic on the areas' state and local roads will see travel times and state and county road maintenance and improvements costs skyrocket at a time when the Washington Metro area has one of the worst commutes in the country and county and state road maintenance and improvement funds are extremely limited.

Economic and Fiscal Impacts

The impact of the high tolls, both as proposed through 2015 and forecast through mid-century, on economic growth and public tax revenues is more difficult to assess quantitatively, but it is certain.

Although the sums are relatively small, state and Fairfax County sales tax revenues will be directly affected by the requirement that residents spend their money on tolls rather than meeting other demands for goods. The additional money spent on tolls over the next three years resulting from implementation of the proposed toll increase is \$220 million. The diversion of those funds will have at least a small impact in the next three years, and a more significant impact longer term.

- That's a prospective loss of up to \$5 million in state sales tax revenues and more than \$1 million for Fairfax County at current tax rates.
- As tolls escalate through mid-century and *if* sales tax rates remain constant, Virginia will lose more than \$600 million in sales tax revenues and Fairfax County's losses will climb to \$150 million or more as toll road users pour \$17 billion into tolls.

Although these sales tax losses are small in relation to total state and county revenues, the increased tolls will affect state income tax and county property tax revenues as well. The key to those impacts is the adverse impact the tolls will have on residential demand growth in the Dulles Corridor. The high tolls will certainly deter families with children who are seeking a single-family home—the dwelling type with by far the highest valuation in Fairfax County—from moving to the Dulles Corridor. Moreover, the reduced demand growth will mean lower market appreciation for new and existing single-family homes. Although we can not definitely assess the impacts of these combined factors reducing home valuations for county property taxes, from the graph below showing a range of potential impacts, it appears they would lead to an eight percent slowing in prospective County residential real estate market growth and County property valuations—all other things being equal—with a likely loss of about \$150-\$250 million in tax receipts in 2010 dollars (more than a half-billion 2050 dollars), although that loss could be much higher.

9/16/2012 RCA Reston 2020 Committee

High tolls are likely to cost the county about \$200 million in residential property taxes in 2050—roughly 8% of forecast property tax revenues.

Potential Fairfax County Tax Revenue Losses from Excessive DTR Tolls in 2050, Millions of 2010 Dollars

% Reduction in Tax Revenue Per Household from Reduced Appreciation	% Reduction in the Expected Growth of Households in 2050			
	0%	3%	5%	8%
0%	-0-	\$86	\$143	\$229
3%	\$86	\$169	\$225	\$308
5%	\$143	\$225	\$279	\$361
8%	\$229	\$308	\$361	\$440

County residential property tax revenues for 2050 are projected to be \$2,605.4 million in 2010 dollars, up from \$2,030.9 million in 2010. The revenue impact assumes residential property taxes remain at the current millage rate (\$1.075 /\$1,000 assessed value). General property appreciation is expected to grow at the rate of inflation, hence, there is no real increase in the median home value by type.

Sources: Fairfax County 2013 Adopted Budget Plan, Trends and Demographics, and County demographic information.

We appreciate that this model of future residential property tax revenues is a simple one. We are even less able to forecast the impact of the high tolls on commercial real estate tax revenues as well as the variety of other tax streams that serve the county. We would expect that station-area commercial office and retail buildings will see significant growth in valuations, but that is quite likely to come at the expense of commercial real estate and businesses not in the station area.

Overall, we would expect something near a neutral result for business-related county tax revenue streams, not the large increases County officials are apparently expecting. Those who can benefit commercially from being near the stations will; those that cannot will see valuations erode. New businesses may avoid the Dulles Corridor based on their assessment that their employee and customer base will primarily be drivers, not transit users. Indeed, some may well choose to establish their business in other jurisdictions, even other states, all together to avoid the issue of the DTR's high tolls, a decision that could affect state income tax streams as well as county business-related tax receipts.

We suspect that these combined impacts will undermine future County tax revenue flows by 5-10% from their potential without higher taxes as people and businesses choose to other locations, possibly outside the County, to locate. The impact of high tolls on state revenues will likely also be adverse for the same reasons, but at a lesser rate.

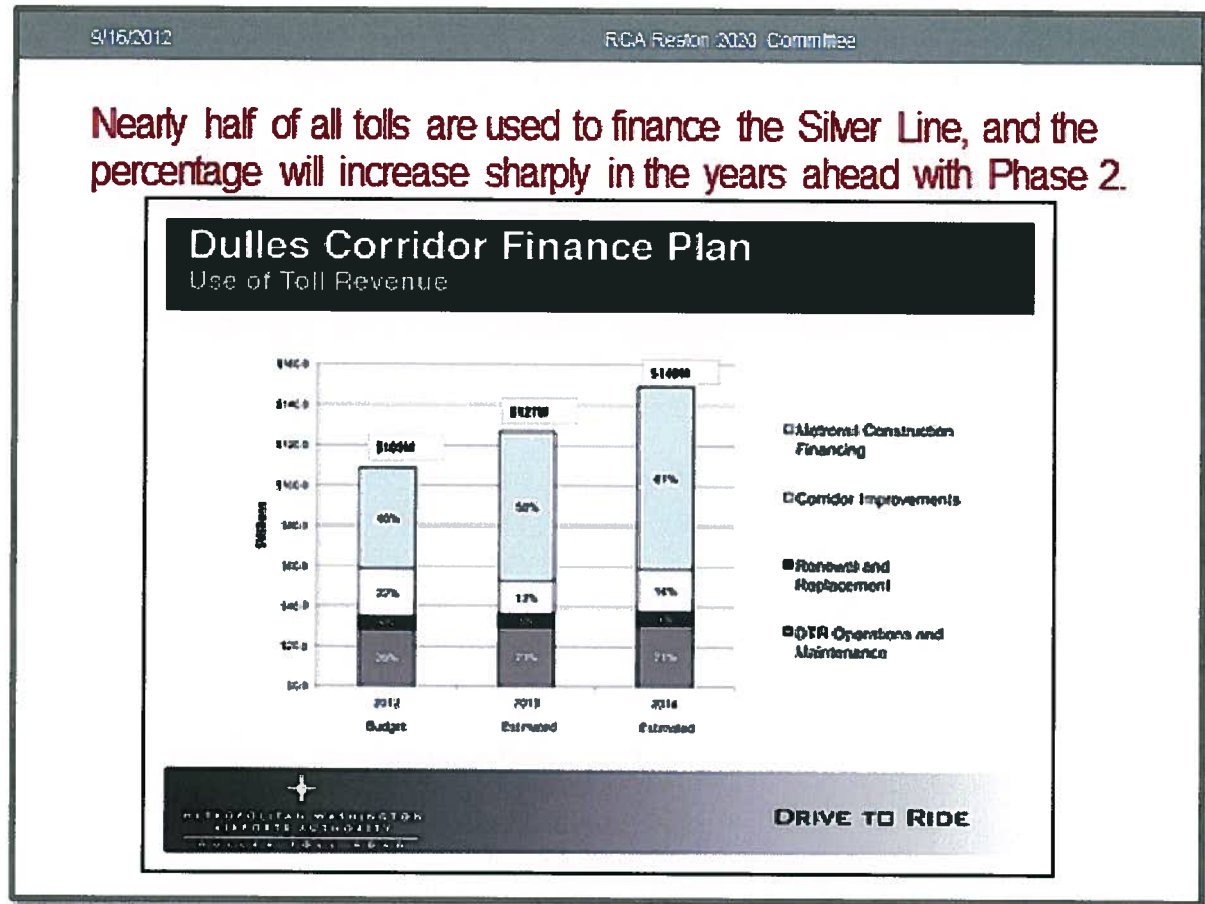
None of the above addresses the huge infrastructure costs accompanying the building of the Silver Line that only aggravates the impact of the DTR toll increases. For example, we already know that the transportation infrastructure in Tysons will cost \$3 billion in 2012 dollars over the next 40 years. That's \$5.5 billion in future dollars and doesn't include another \$3 billion or more in financing costs. In addition, the county and Tysons business expect to pay more than \$400 million for the construction of the stations there. That nine billion dollars in new costs will be funded largely by local taxes through arrangements with Tysons businesses and increases in county property taxes. Similar, if possibly smaller expenses are linked to Phase 2 Silver Line construction, including a special business tax district, needed infrastructure in Reston, and the County's agreement to build the Rt. 28 station and garage.

The sum of the added infrastructure development costs related to the coming of the Silver Line will quite likely exceed the \$17 billion in financing toll road users are forecast to pay. Yet those costs will be spread over the 400,000 County households and 100,000 businesses as well as the developers who stand most to profit from the Silver Line's development. In contrast, the 90,000 and declining Fairfax County toll road users are being asked to carry the \$17 billion financial burden of a rail transit line they are not using through tolls that will double in three years under the current proposal, triple in six, and climb eight-fold by mid-century if MWAA continues to rely on tolls to finance over half of Metrorail's construction cost.

Understanding the Options

If MWAA were not now spending nearly half of those toll dollars on financing for Phase 1 of the Metrorail line, the full cost of a one-way toll would not need to exceed \$1.25—the full one-way toll in 2009—and annual costs for a regular toll road user would not exceed \$550. Future growth in the toll would be subject only to inflation and reach about \$3.35 in 2050. As it stands now, toll road users are forecast to face tolls of \$18.75 in 2050, more than \$15 of which will go toward paying off Metrorail construction debt. In short, regular toll road users are already paying a heavy premium to finance

Metrorail that promises only to get worse if toll road users are to pay for 54% of the construction of the Silver Line as planned.



We believe that toll road users should not be required to pay more than one-quarter of the cost of constructing the Silver Line. As outlined in the 2004 FEIS, Virginia and toll road users combined were expected to pay only 22.8% of the rail line's cost. We believe paying 25% of the line's cost is a sufficient premium to encourage those who can to use public transit while not driving excessive numbers of drivers to congested alternative routes. It is also consistent with the intent with the FEIS that launched the construction effort.

If, as the Reston Citizens Association has proposed, toll road users pay 25% of the Silver Line's construction costs plus the operations and maintenance costs for the toll road, their tolls would rise not higher than \$2.85 by 2015 in contrast with the \$4.50 toll MWAA proposes. Longer term, it would peak at about \$8.00 circa 2040 versus the \$18.75 peak in 2048 forecast by CDMS. In inflation-adjusted terms, the peak future toll would, under the 25% proposal, would be about \$4.00 in 2012 dollars at 2.5% inflation. That is a toll rate Restonians and other toll road users can tolerate without causing serious harm to household spending, gross diversions of traffic to local roads, or substantial losses in Fairfax County and state tax revenues.

9/16/2012 RCA Reston 2020 Committee

Dulles Toll Road users would pay no more than \$2.85 full one-way toll in 2015 if they were paying 25% of Metro construction costs.

Proposed DTR Tolls & 25% Share Through 2015

<u>Year</u>	<u>RCA Tolls @ 25% Share</u>	<u>MWAA Proposed Tolls</u>
2012	\$2.25	\$2.25
2013	\$2.60	\$2.75
2014	\$2.75	\$3.50
2015	\$2.85	\$4.50

We welcome and strongly support MWAA's efforts as well as those of its financial partners—Fairfax and Loudoun counties—to find alternative financing sources and reduce the burden on toll road users. The major sources of alternative funding are federal TIFIA financing—with much lower rates and deferred payment options—and Virginia transportation funding grants.

- Although we are skeptical that MWAA will receive federal TIFIA funding, we strongly encourage MWAA to pursue it relentlessly. Previous MWAA TIFIA loan applications have not met US Department of Transportation funding thresholds and, even with additional TIFA funds, we doubt this result will change. The Federal Transit Administration (FTA) told Virginia in 2009 that it would not provide any additional money beyond the \$900 million it granted then to build the Silver Line because it was not cost-effective. We expect FTA will continue to use cost-benefit analyses, not financial need, as a core criterion in assessing MWAA's next TIFIA loan application.
- In contrast, Virginia needs the Silver Line to succeed so that the potential accompanying economic growth will generate much-needed state and county tax revenues. While we doubt that large sums will be forthcoming in any single fiscal year, our calculations indicate a continuing state contribution of about \$130 million per year through 2050 to buy down the revenue bonds would reduce toll road users' share of construction costs to 25%.

There are also a number of other smaller sources of revenue that MWAA must pursue, including the following:

- Tolling the Dulles International Airport Access Highway (DIAAH), a limited access HOT lane to the airport.
- Assuming financial responsibility for the construction of the Metro station at Dulles airport, just as the counties have agreed to absorb those costs in their jurisdictions.

- Using aviation-related funds, including new charges, for Metrorail construction since a key goal of the construction is to bring passengers and employees to the airport.

Nonetheless, MWAA and its financial partners also need to re-think their financial agreement that sticks toll road users with over half of construction costs, including \$17 billion in financing over four decades, on a declining number of toll road users. In contrast, in the 2004 Final Environmental Impact Statement (FEIS), the agreed on course was for the combination of Virginia state funds *and* DTR revenues to pay only 22.8% of the line's construction cost. In a spectacularly unethical secret agreement in 2007 (now being challenged in federal court), MWAA, Fairfax, and Loudoun agreed to keep their respective shares of Silver Line construction costs constant while shifting all the burden of missing state and federal funding to toll road users, even as the line's construction costs skyrocketed. This must be fixed in the absence of substantial alternative funding. In our view, the so-call "funding partners" should assume the costs of Silver Line construction not covered by a 25% share from toll road users and federal and state contributions.

9/16/2012 RCA Reston 2020 Committee

Dulles Toll Road users would pay no more than \$2.85 full one-way toll in 2015 if they were paying 25% of Metro construction costs.

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2012	\$2.25	\$2.25
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2014	\$2.75	\$3.50
2015	\$2.85	\$4.50

In the absence of alternative funding arrangements, including the option of a revised "funding partners" agreement, we believe work on Phase 2 should not proceed because of the gross inequity and adverse economic consequences of the current arrangement. Stopping construction temporarily until other funding sources or arrangements are found would drive the funding partners to act aggressively. For the time being, they are only taking basic steps to find new funding sources since they do not face substantial financial burdens under their secret deal.

We sincerely hope that the latter course of action is unnecessary, but we believe it is an essential option to spur the hunt for new funding. We are deeply concerned about the adverse impact of the drastic toll hikes envisioned for the DTR in both the short and longer term for Restonians, the County, and beyond.

We have a Metrorail financing crisis. MWAA and its "funding partners" must show leadership in bringing toll increases down to a level bearable by most toll road users, including absorbing more of the burden themselves.

We will support you any way we can in reducing toll hikes so they cover 25% of the costs of the Silver Line's construction. That begins by rejecting the proposed toll increases through 2015 and adopting the more limited increases proposed above.

**PROPOSED AMENDMENT TO SECTION 10.1
OF THE REGULATIONS OF THE
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY**

§ 10.1. (Effective January 1, 2013) Tolls for Use of the Dulles Toll Road

- (1) The tolls applicable to the Dulles Toll Road (also known as the Omer L. Hirst–Adelard L. Brault Expressway) shall be as follows:

Vehicle Class	Main Line Plaza *		Ramps *	
2-Axle	\$1.50	\$1.75	\$0.75	\$1.00
3-Axle	\$1.75	\$2.00	\$1.00	\$1.25
4-Axle	\$2.00	\$2.25	\$1.25	\$1.50
5-Axle	\$2.25	\$2.50	\$1.50	\$1.75
6 or more axles	\$2.50	\$2.75	\$1.75	\$2.00

- (2) Except for persons permitted free use of toll facilities under Virginia Code §33.1-252, it shall be unlawful for any persons operating a vehicle to use the Dulles Toll Road without payment of the tolls set forth in this section.

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5-Axle	\$2.50	\$3.25	\$1.75
6 or more axles	\$2.75	\$3.50	\$2.00

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5-Axle	\$3.25	\$3.50	\$1.75	\$2.50
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ATTACHMENT D
SUPPLEMENTAL MATERIALS



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Supplementary Materials

Finance and Operating Considerations for Establishing Toll Rates on the Dulles Toll Road

November 9, 2012



Outline

- Key Events in Development of Dulles Rail
- MWAA's Responsibilities Under the Permit & Operating Agreement
- Dulles Toll Road (DTR) Operating Profile
- Allocation of Dulles Metrorail Project Costs
- Dulles Corridor Advisory Committee Toll Rate Recommendations
- Estimated Impact of Proposed Rates on Transactions and Revenue
- Questions & Analysis
 - Trip Cost Comparisons
 - Toll Pricing and Collection Strategies
 - TIFIA Program, Status, and Impact on Tolls
 - Additional Funding Concepts



Key Events in the Development of Dulles Rail

- 1964 Master Plan for Dulles International Airport recommends reserving the median of the Dulles International Airport Access Highway for a future transit line
- 1984 VDOT opens Dulles Toll Road on Airports land (*under easements granted by Federal Government and others later given by the Airports Authority*)
- 1990 The Commonwealth Transportation Board (CTB) directs that at least 15% of surplus net revenues from the Dulles Toll Road be used for transit related improvements in the Dulles Corridor
- 1996 Virginia Department of Rail and Public Transportation (DRPT) completes Major Investment Study for Dulles Corridor that identifies Metro-like rail to Route 772 in Loudoun County as the preferred alternative
- 2000 WMATA Board of Directors establishes policy that any Metrorail extension must be funded with local, state and federal funds
- CTB allocates 85% of the net surplus revenues of the Dulles Toll Road to mass transportation initiatives in the Dulles Corridor



Key Events, *continued*

- 2002 Draft EIS is completed and CTB selects the Metrorail Alternative as the Locally Preferred Alternative (LPA) after extensive public review and comment
- FTA suggests constructing the Dulles Corridor Metrorail Project in phases due to federal funding limitations
- 2004 CTB approves the revision to the LPA to incorporate elements required for phased construction and the design changes in the Supplemental Draft EIS
- FTA approves DRPT request to enter Preliminary Engineering (PE) for Phase 1 to Wiehle Avenue
- DRPT signs a Public-Private Transportation Act Comprehensive Agreement with Dulles Transit Partners LLC to engineer, design and construct the Rail Project
- Final EIS is approved



Key Events, *continued*

- | | |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2005 | CTB votes to implement first toll increase on the Dulles Toll Road to generate revenue for the Rail Project |
| | DRPT receives the Record of Decision from FTA which concludes the environmental review process |
| | VDOT receives five PPTA proposals from private consortiums to operate the Dulles Toll Road |
| | Airports Authority submits alternative “public-public” partnership proposal to guarantee that all DTR toll revenue is invested in transportation improvements within the Dulles Corridor |
| 2006 | MOU between Airports Authority and Commonwealth of Virginia leads to Master Transfer Agreement and Permit and Operating Agreement |
| 2007 | Agreement to Fund Capital Costs of Metrorail among Loudoun, Fairfax, and Airports Authority is signed (with 90-day review period for Phase 2) |



Key Events, continued

- 2008 DTR transferred to the Airports Authority (*Permit and Operating Agreement*)
- 2009 Full Funding Grant Agreement is signed awarding \$900 million to the Airports Authority for Phase 1
- Airports Authority sets DTR toll rates for 2010, 2011, and 2012 after consultation with Dulles Corridor Advisory Committee and public forums
- Airports Authority commissions first investment grade traffic and revenue study by Wilbur Smith (VDOT's former DTR consultant), establishes the toll road credit (*separate and distinct from airports system*), and issues first Toll Road Revenue Bonds (\$963 million)
- 2010 Authority commissions update to 2009 traffic and revenue study, and issues second series of Dulles Toll Road Revenue Bonds (\$343 million)



Key Events, *continued*

- | | |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2011 | Memorandum of Agreement among US DOT, Virginia, Fairfax, Loudoun, WMATA, and the Airports Authority sets forth mutual understandings and commitments for Phase 2 |
| 2012 | Airports Authority completes Preliminary Engineering on Phase 2 |
| | Fairfax and Loudoun Opt-in for Phase 2 |
| | New investment grade traffic and revenue <i>draft</i> study is completed in anticipation of 2012 toll setting process and next bond issue |
| | MWAA Issues RFQI for Phase 2, Short Lists Firms, and Issues RFP |



Airports Authority's Responsibilities Under the Permit and Operating Agreement

- Operate, maintain, and improve the Dulles Toll Road for a 50-year term
- Segregate toll revenues from other MWAA revenues
- Design, build, and participate in financing the Metrorail Project
- Design, build, and finance the other capital improvements to the Dulles Corridor with VDOT and regional plan approval
- In order to generate required revenue to meet responsibilities set forth above, set toll rates after public consultation

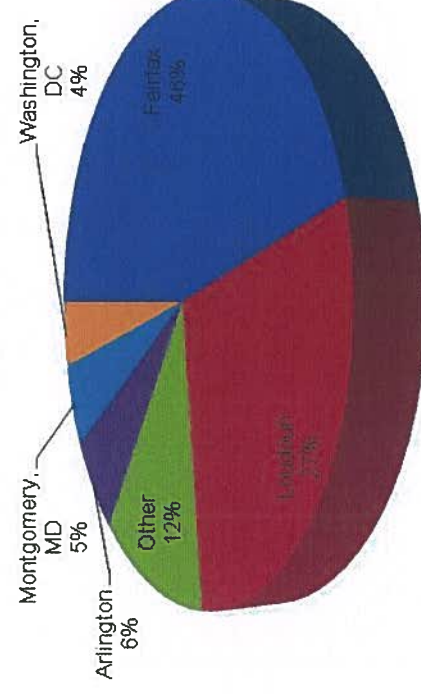
The Airports Authority is fully committed to financing and constructing the Rail Project in a fiscally responsible manner that minimizes required toll rate increases



Dulles Toll Road's Operating Profile

- 13.4 mile, eight-lane limited access highway situated on VA State Route 267
 - Eastern terminus is inside the Capital Beltway (Interstate 495) and western terminus is the Dulles Greenway
- Predominantly commuter roadway with significant volume in both directions
- Strong base demand – mature toll facility, solid economy of DC region
- Traffic & Revenue Study confirms feasibility and future revenue growth potential
 - Increasingly congested network alternatives
 - Low per-mile toll rates versus value

DTR User Base by Residence





Dulles Toll Road's Operating Profile, *continued*

- 1 Mainline (Eastbound/Westbound) with 9 Ramp Plazas (Eastbound/Westbound)
- Toll collection supported by Transcore – 18 year old system with limited hardware and software capabilities
- Back office operations, including processing E-ZPass transactions and violation collections, are contracted to VDOT
- Axle-based pricing, with rates based on point of entry at plaza locations
 - 97% of vehicles are 2-axles (cars); 3% of vehicles are more than 2-axles (trucks)
- Approximately 75-80% of payments are electronic; 20-25% cash

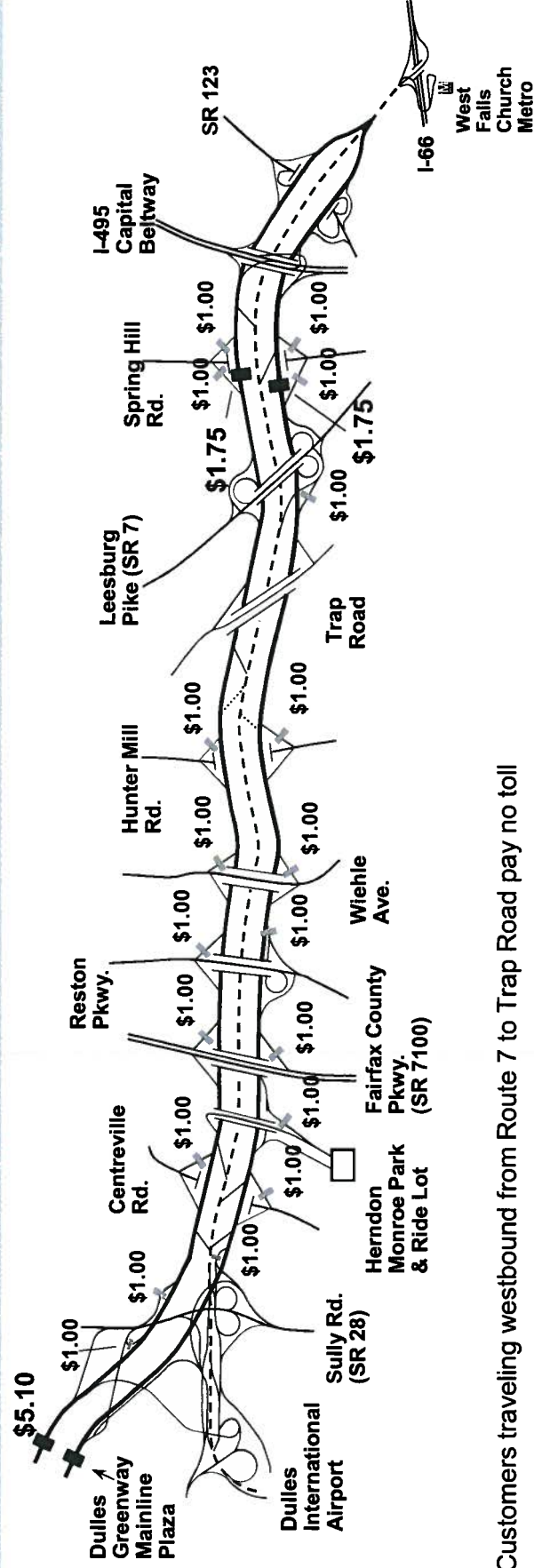


METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Dulles Toll Road's Operating Profile, *continued*

Current and Proposed Pricing "mimics" distance based pricing

% of Trips	Trip Type	Customer Pays*	DTR Toll Collected	
			2012	2013 (Proposed)
9.6%	Short Local	A single ramp toll	\$0.75	\$1.00
19.9%	Long Local	Two ramp tolls	\$1.50	\$2.00
58.9%	Short Through	A ramp toll and the mainline plaza toll	\$2.25	\$2.75
11.7%	Long Through	DTR mainline plaza toll and the Greenway's mainline plaza toll (a portion of which is remitted to DTR)	\$2.25	\$2.75



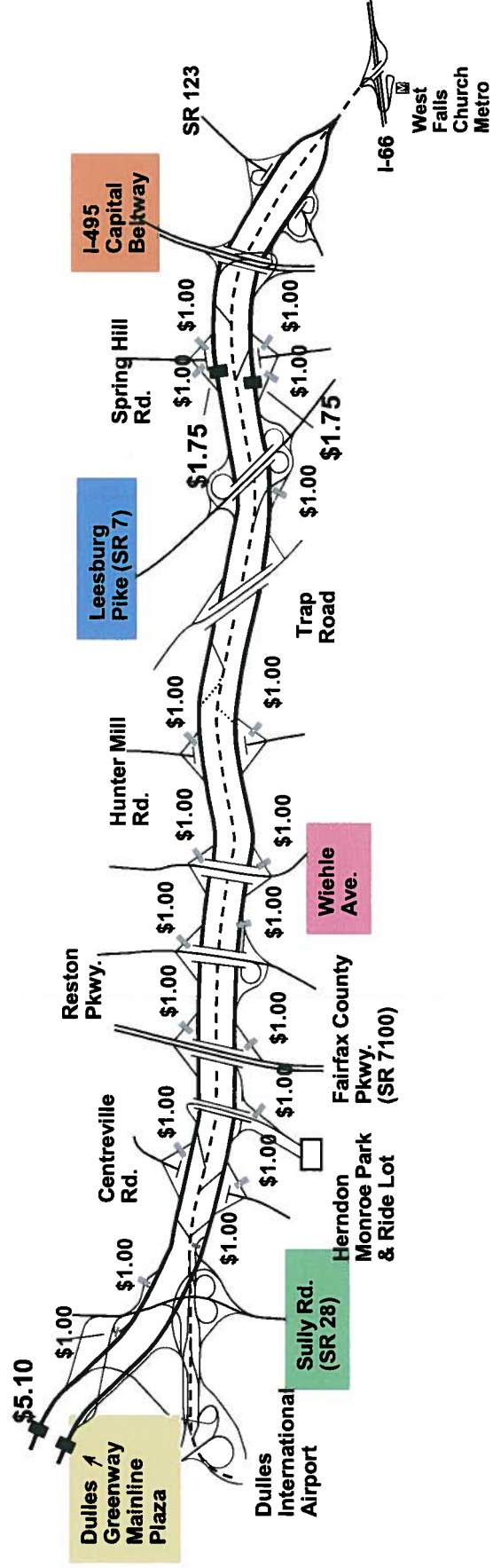


METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Good Correlation with Distance Based Tolling

Comparing current tolling configuration to pure distance based pricing (assuming 21¢ / mi)

Trip Type	Example Trip	Distance (Miles)	Axle-Based		Distance-Based	
			Customer Pays	DTR Toll	Customer Pays	DTR Toll
Short Local	Sully Rd to Wiehle Ave	5.1	Single ramp toll	\$1.00	5.1 mi x \$0.21	\$1.07
Long Local	Sully Rd to Leesburg Pike	10.4	Two ramp tolls	\$2.00	10.4 mi x \$0.21	\$2.18
Short Through	Sully Rd to I-495	12.6	Ramp toll + Mainline	\$2.75	12.6 mi x \$0.21	\$2.65
Long Through	Dulles Greenway to I-495	13.4	Mainline + DTR portion of Greenway toll	\$2.75	13.4 mi x \$0.21	\$2.81





Allocation of Dulles Metrorail Project Costs

SOURCES OF CAPITAL FUNDS (Thousands YOE Dollars)	PHASE 1 Total	PHASE 2 Total	TOTAL PROJECT Total	% of Total
Federal	\$ 900,000	\$ -	\$ 900,000	16.1%
Commonwealth of Virginia	251,700	23,300	\$ 275,000	4.9%
Fairfax County	400,000	500,746	900,746	16.1%
Loudoun County	-	268,545	268,545	4.8%
MWAA (Aviation Funds)	-	229,383	229,383	4.1%
MWAA (Dulles Toll Road)	\$ 1,353,995	\$ 1,667,026	\$ 3,021,021	54.0%
TOTAL SOURCES OF FUNDS	\$ 2,905,695	\$ 2,689,000	\$ 5,594,695	100.0%
	= Contribution is fixed amount			
	= Contribution is fixed percentage of total cost			
	= Contribution is not fixed - amount and percentage of total cost can change.			

- Allocation based on 100% Preliminary Engineering Estimate for Phase 2. Assumes Fairfax secures \$236 million for the Route 28 station and two parking garages, and Loudoun secures \$168 million for three parking garages.
- Allocation assumes \$150 million to be provided by the Commonwealth of Virginia will be used to pay interest on Dulles Toll Road revenue bonds, not direct project costs.



Recommendations from the Dulles Corridor Advisory Committee

- Implement toll increase effective January 1, 2013, as proposed
- Implement **Option A** of the proposed toll rate increases effective January 1, 2014

<i>Effective January 1, 2013</i>		
Vehicle Class	Mainline Plaza	Ramps
2-Axle	\$1.50	\$0.75
3-Axle	\$1.75	\$1.00
4-Axle	\$2.00	\$1.25
5-Axle	\$2.25	\$1.50
6 or more	\$2.50	\$1.75

<i>Effective January 1, 2014</i>			
Vehicle Class	<i>Option A</i>		<i>Option B</i>
	Mainline Plaza	Ramps	
2-Axle	\$1.75	No change	\$1.00
3-Axle	\$3.50	No change	\$2.00
4-Axle	\$4.50	No change	\$2.50
5-Axle	\$6.25	No change	\$3.00
6 or more	\$8.75	No change	\$3.75



Recommendations from the Dulles Corridor Advisory Committee, continued

- Implement **Option B** of the proposed toll rate increases effective January 1, 2015, and consider a possible **third option** that would increase the Main Plaza toll by an additional \$.25 and decrease the Ramp toll by \$.25.

Effective January 1, 2015				
Vehicle Class	Option A		Option B	
	Mainline Plaza	Ramps	Mainline Plaza	Ramps
2-Axle	\$2.50 \$2.75	\$1.00 \$1.75	\$2.25 \$3.00	\$1.25 \$1.50
3-Axle	\$5.00 \$5.50	\$2.00 \$3.50	\$4.50 \$6.00	\$2.50 \$3.00
4-Axle	\$6.25 \$6.75	\$2.50 \$4.50	\$5.75 \$7.50	\$3.00 \$3.75
5-Axle	\$7.50 \$8.25	\$3.00 \$5.25	\$6.75 \$9.00	\$3.75 \$4.50
6 or more	\$8.75 \$9.75	\$3.50 \$6.00	\$7.75 \$10.50	\$4.50 \$5.25



Estimated Impact of Proposed Rates on Traffic and Revenue

calendar year	Total Transactions	% <i>growth</i>	Mainline Toll Rate	PV @3%	Ramp Toll Rate	PV @3%	Trip Cost	PV @3%	GROSS TOLL REVENUE	% <i>growth</i>
2012	99,911,000		<u>\$1.50</u>	\$1.50	<u>\$0.75</u>	\$0.75	<u>\$2.25</u>	\$2.25	\$103,508,000	
2013	96,075,000	-3.8%	<u>\$1.75</u>	\$1.70	<u>\$1.00</u>	\$0.97	<u>\$2.75</u>	\$2.67	\$127,542,000	23.2%
2014	92,808,000	-3.4%	<u>\$2.50</u>	\$2.36	<u>\$1.00</u>	\$0.94	<u>\$3.50</u>	\$3.30	\$149,395,000	17.1%
2015	86,868,000	-6.4%	<u>\$3.00</u>	\$2.75	<u>\$1.50</u>	\$1.37	<u>\$4.50</u>	\$4.12	\$192,292,000	28.7%

- The reduction in annual toll transactions reflects the assumed DTR toll rate increases and other factors in the regional traffic model, such as the opening of the 495 Express Lanes in late 2012
- According to CDM Smith, most diversion from DTR to competing routes, such as Route 7 and Route 50, is likely to occur during off-peak travel periods and weekends
 - Increased carpooling or transit use and drivers consolidating or reducing discretionary trips will also reduce toll transactions

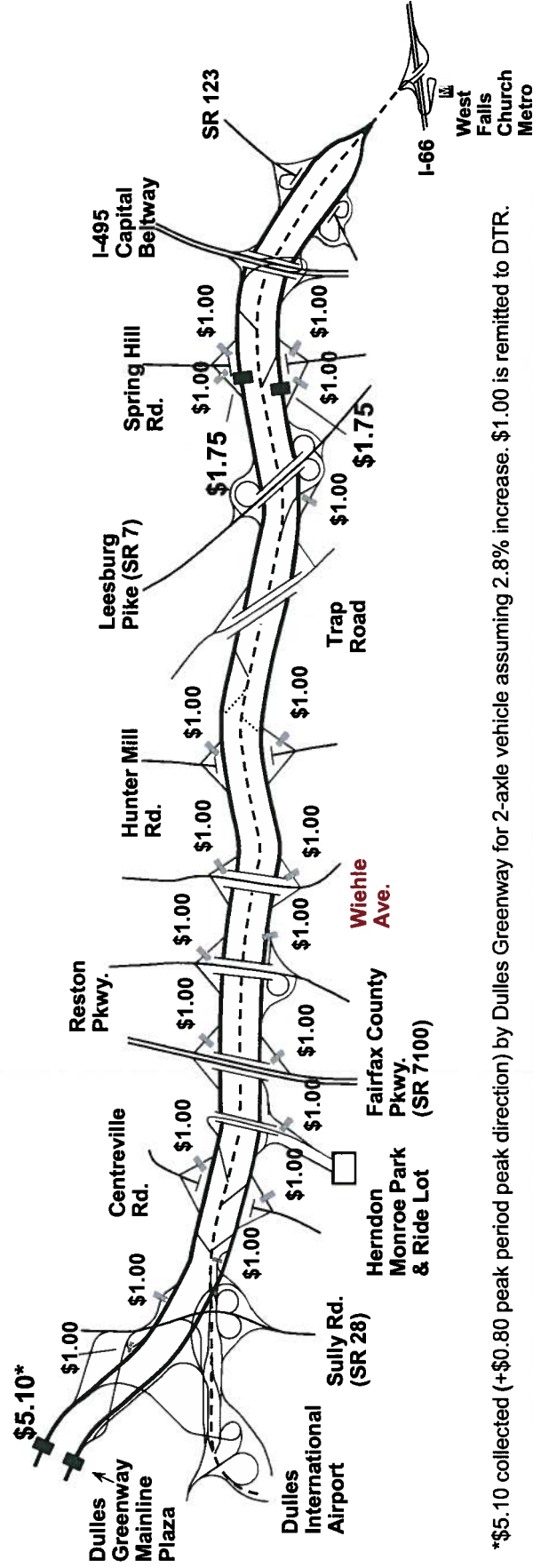


Questions & Analysis

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Potential Trip Cost on DTR vs. Metrorail



DTR Trip Type	2013 Toll
Local Single Ramp	\$1.00
Local Two Ramps	\$2.00
Short Through	\$2.75
Long Through	\$2.75 + Greenway

Phase 1 Metrorail Fares From Wiehle Avenue to:	Peak	Non-Peak
Spring Hill	\$2.95	\$2.05
Greensboro	\$3.10	\$2.05
Tysons Corner	\$3.30	\$2.05
McLean	\$3.50	\$2.75
East Falls Church	\$4.65	\$3.50
Estimated, 2013 Current Fare Structure; Excludes Parking Fees		



Metrorail & DTR – Different Markets, Objectives

- Dulles Toll Road serves a very diverse set of travel patterns and journey purposes
 - Shown to be mostly incompatible with future Metrorail service
- Dulles Metrorail's stated function is to accommodate new growth in the corridor
 - Provides a foundation for new housing and employment in Dulles Corridor
- Prior analysis has shown insignificant net diversion from DTR to Metrorail
 - Ridership Study (2004), Current and Previous Regional Travel Models (MWCOC)
- Current T&R Study has undertaken extensive toll sensitivity tests to review diversion impact
 - Insignificant diversion from DTR to Metrorail
 - Vast majority of toll diversion is off-peak and to competing highway network
- Any diversion to rail above that predicted would tend to reduced traffic and attract others to DTR that currently avoid it due to congestion
- Commercial objectives differ: WMATA O&M Only; MWAA DTR O&M+ Metrorail Financing



Current Toll Rates in the Region

DULLES TOLL ROAD (13.4 miles)

	2 Axles	3 Axles	4 Axles	5 Axles	6 or More Axles
Mainline Toll Plaza	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50
Ramps	\$0.75	\$1.00	\$1.25	\$1.50	\$1.75
Cost per Mile	\$0.17	\$0.21	\$0.24	\$0.28	\$0.32

DULLES GREENWAY (14.0 miles)

	2	3	4	5	6+
Mainline Toll Plaza					
BASE TOLL	\$4.00	\$8.00	\$10.00	\$12.00	\$14.00
CONGESTION MANAGEMENT (MAXIMUM) TOLL	\$4.80	\$9.60	\$12.00	\$14.40	\$16.80
Cost per Mile	\$0.34	\$0.69	\$0.86	\$1.03	\$1.20

MARYLAND INTERCOUNTY CONNECTOR (16.0 miles)

Interstate 370 to Interstate 95	2	3	4	5	6+
PEAK	\$4.00	\$12.00	\$18.00	\$24.00	\$30.00
OFFPEAK	\$3.20	\$9.60	\$14.40	\$19.20	\$24.00
OVERNIGHT	\$1.60	\$4.80	\$7.20	\$9.60	\$12.00
Cost per Mile (Peak)	\$0.25	\$0.75	\$1.13	\$1.50	\$1.88

495 EXPRESS LANES

The 495 Express Lanes are scheduled to open in December 2012. Project sponsors expect the cost of average trip to be between \$5.00 and \$6.00.

Toll Rates for 2013 and beyond are not yet publicly available for all regional roads



Multi-Axle Cost Comparisons

2012

DULLES GREENWAY (14 miles)					
	2 Axles	3 Axles	4 Axles	5 Axles	6 or More Axles
2012 Base Toll Rate	\$4.00	\$8.00	\$10.00	\$12.00	\$14.00
2012 Congestion Management Toll Rate	\$4.80	\$9.60	\$12.00	\$14.40	\$16.80
base rate per mile	\$0.29	\$0.57	\$0.71	\$0.86	\$1.00
congestion rate per mile	\$0.34	\$0.69	\$0.86	\$1.03	\$1.20
multiple of 2-axle rate	1.0	2.0	2.5	3.0	3.5

2012

DULLES TOLL ROAD (13.4 miles)					
	2 Axles	3 Axles	4 Axles	5 Axles	6 or More Axles
2012 Mainline Toll Rate	\$1.50	\$1.75	\$2.00	\$2.25	\$2.50
2012 Ramp Toll Rate	\$0.75	\$1.00	\$1.25	\$1.50	\$1.75
2012 Trip Cost	\$2.25	\$2.75	\$3.25	\$3.75	\$4.25
rate per mile	\$0.17	\$0.21	\$0.24	\$0.28	\$0.32
multiple of 2-axle rate	1.0	1.2	1.4	1.7	1.9

2013

	2 Axles	3 Axles	4 Axles	5 Axles	6 or More Axles
2013 Mainline Toll Rate	\$1.75	\$3.50	\$4.50	\$5.25	\$6.25
2013 Ramp Toll Rate	\$1.00	\$2.00	\$2.50	\$3.00	\$3.50
2013 Trip Cost	\$2.75	\$5.50	\$7.00	\$8.25	\$9.75
rate per mile	\$0.21	\$0.41	\$0.52	\$0.62	\$0.73
multiple of 2-axle rate	1.0	2.0	2.5	3.0	3.5
percentage increase over 2012	122%	200%	215%	220%	229%

2013 Multi-axle pricing for DTR was modeled in relation to the Greenway's 2-Axle multiple



Pricing Strategies

Pricing Strategies do not change the total revenue that must be collected; it may only result in a different distribution among users

Strategy	Description	Implementable with Current DTR System?	Challenges	Estimated Level of Effort to Implement
Axle-Based Pricing	Flat toll rate is charged for vehicles that have 2 axles, and a higher rate is charged for each additional axle	N/A	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None – this is the current strategy on DTR
Differential Pricing	E-ZPass customers are charged a different (typically lower rate) than cash customers	Yes	<ul style="list-style-type: none"> Minor software changes required Strategy was not proposed in public hearings 	<ul style="list-style-type: none"> Cost: \$50,000 for software modifications Schedule: 3-4 months Can not be accomplished by January 1, 2013 rate increase Can be considered for future toll increases with public comment



Pricing Strategies

Strategy	Description	Implementable with Current DTR System?	Challenges	Estimated Level of Effort to Implement
Congestion Pricing	Different rate structures are set for peak and non-peak travel hours. Pricing can be set for various hours of the day (time of day pricing) or can be dynamic which changes based on the speed and density of the lanes and corridor	Time of Day Pricing: Yes	<u>Time of Day Pricing</u> <ul style="list-style-type: none"> • Minor software changes • New Host Computer • Signage 	<u>Time of Day Pricing</u> <ul style="list-style-type: none"> • Cost: \$1.5-\$2.0 million for host computer, signs and software modifications. • Schedule: 12 months
		Dynamic Pricing: No	<u>Dynamic Pricing</u> <ul style="list-style-type: none"> • New Revenue Collection software system • New Host Computer • Signage 	<u>Dynamic Pricing</u> <ul style="list-style-type: none"> • Cost: \$14-\$19 million for new software, Host Computer; and signage. • Schedule: 18-24



Pricing Strategies

Strategy	Description	Implementable with Current DTR System?	Challenges	Estimated Level of Effort to Implement
Distance-Based Pricing	Toll rate is based on distance a customer travels; toll detection equipment needed at all entry and exit points	No	<ul style="list-style-type: none"> • New Revenue Collection Software System required • New Host Computer • New toll collection sites to include: gantries, readers, antennas, hardware, booths, fiber etc. at all entry points on the system • Possible plaza modification • Signage 	<ul style="list-style-type: none"> • Cost: \$35-\$45 million for Revenue Collection Software system, Host Computer, new toll collection sites, and signage • Schedule: 24-36 months
Frequent User Discount	Rate discounts (typically tiered) are applied when customers reach certain levels of use	No	<ul style="list-style-type: none"> • VDOT operated CSC will not support; must create DTR mini CSC • Labor intensive; would require additional personnel to manage the program • Frequent customer data base would be required to be developed • Individual checks would need to be written to each customer 	<ul style="list-style-type: none"> • Cost : \$200K to operate program • Schedule: 12-18 months

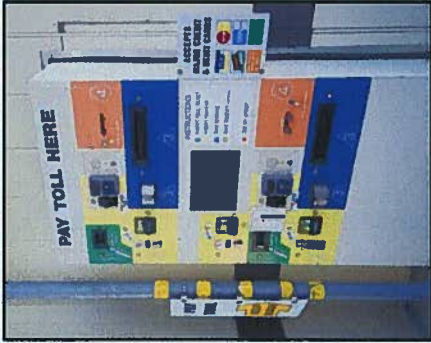


Toll Collection Methodologies

Strategy	Description	Implementable with Current DTR System?	Challenges	Estimated Level of Effort to Implement
<p>Hybrid Toll Collection System (Full service, Exact change Lanes and Electronic) w/ Dedicated E-ZPass Only Lanes</p>  <p>Current DTR System</p>	<ul style="list-style-type: none"> Uses toll attendants to collect cash, coin machines for exact change and electronic tolling at all lanes Limited number of dedicated E-ZPass Only lanes 	N/A	<ul style="list-style-type: none"> Current Revenue Toll Collection System must be replaced Current disadvantages include: <ul style="list-style-type: none"> Increased back office costs Some cash operational costs Increased violation rates Out-of-State violations are difficult to collect Existing coin machines will need to be replaced 	<ul style="list-style-type: none"> Cost : \$13-\$18 million for revenue collection system, and new coin machines Schedule: 12-18 months



Toll Collection Methodologies, continued

Strategy	Description	Implementable with Current DTR System?	Challenges	Estimated Level of Effort to Implement
Automated and Electronic Non-Attended System 	<ul style="list-style-type: none"> Cash, credit and debit card payment are collected by Automated Electronic Payment Machines (ATPMs); no toll attendants Electronic tolls are collected via E-ZPass 	No - With new ATPMs	<ul style="list-style-type: none"> Current Revenue Toll Collection System must be replaced New ATPM machines need to be installed in place of booths New Host Computer required ATPM maintenance and cash collection operation costs Increase in back office costs Increased violations 	<ul style="list-style-type: none"> Cost: \$13-\$18 million for new revenue collection system, Host computer and ATPMs Schedule: 20-24 months

Similar to the Greenway credit card system and Airport "Pay-n-Go" system



Toll Collection Methodologies, *continued*

Strategy	Description	Implementable with Current DTR System?	Challenges	Estimated Level of Effort to Implement
All Electronic Toll Collection (AET) 	<ul style="list-style-type: none"> • Electronic payment only; no cash is collected • All customers must have a valid transponder 	No - With new Toll Collection Software and major capital expenditures	<ul style="list-style-type: none"> • Current Revenue Toll Collection System must be replaced • All new Gantry System at all tolling points • Removal of old equipment, booths, and pavement reconstruction • This type of system does not serve 20% of the current cash paying customers • Increase in violations • Increased violation processing costs 	<ul style="list-style-type: none"> • Cost: \$50-\$75 million • Schedule: 3-4 years



Federal (TIFIA) Loan – Summary Update

- The USDOT can provide low-interest, flexible-payment loans for major surface transportation projects through its Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance program.
- Since inception in 1999 (14 years), USDOT has provided TIFIA financing totaling \$10.1 billion for 29 projects across the country (annual lending capacity was about \$1 billion per year).
- The recent federal surface transportation legislation (“MAP-21” enacted July 2012) greatly expanded the funding capacity of the TIFIA program such that it can support an estimated \$17 billion of project lending over the next two years (FFY 2013-2014).
- On October 5, 2012, the Airports Authority, Fairfax County and Loudoun County jointly submitted a Letter of Interest to USDOT for the Dulles Corridor Metrorail Project, seeking the maximum amount of TIFIA assistance possible under the MAP-21 legislation → \$2.9 billion (49% of the total project cost of \$6.0 billion).



TIFIA Loan – Status & Next Steps

- The USDOT is reviewing the LOI request submitted last month; once it determines basic program eligibility, it will seek additional project details – especially regarding the plan of finance. This initial LOI review process may take several weeks.
- Once USDOT has concluded the LOI review process, it will invite the funding partners to submit a formal application. The application review and approval process may take several weeks.
- Once the TIFIA application has been approved, the funding partners will negotiate loan agreements with the USDOT. The loan negotiation process may take a few months.
- The Airports Authority hopes to be in a position to finalize its TIFIA loan backed by DTR revenues and achieve financial close by the summer of 2013, coinciding with the ramp up of construction on Phase 2 of the Dulles Corridor Metrorail Project.



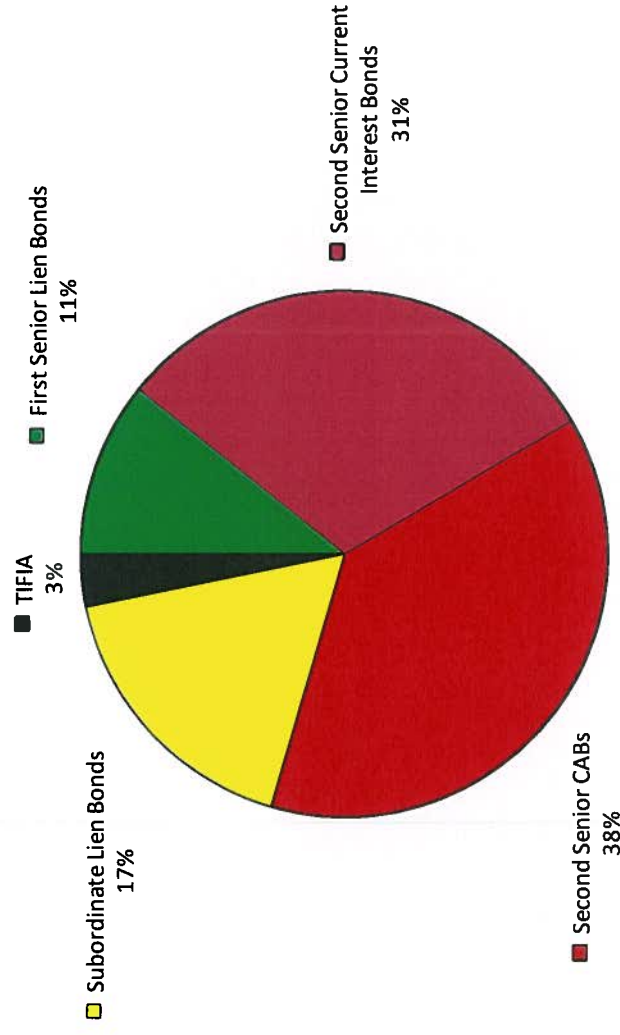
TIFIA Loan – Financial Benefit

- The financial benefit of TIFIA assistance is very significant – comparable even to that of grant funding – because of the “savings” relative to alternative borrowing approaches:
 - The current TIFIA loan interest rate is under 3.0%, which is less than half of the average interest rates that might be required to sell subordinate tax-exempt project debt through the capital markets.
 - TIFIA loan repayments can be structured with lower pro forma debt service coverage than is required for tax-exempt bonds (1.10x versus 1.50x for second senior bonds and 1.30x for subordinate lien bonds).
 - The flexible amortization features of TIFIA loans reduce the need to use capital appreciation bonds (CABs), which are expensive and difficult to refinance.



Without additional TIFIA, a significant amount of CABs will be issued to moderate toll rate increases

Potential DTR Bonding with \$110 Million of TIFIA *



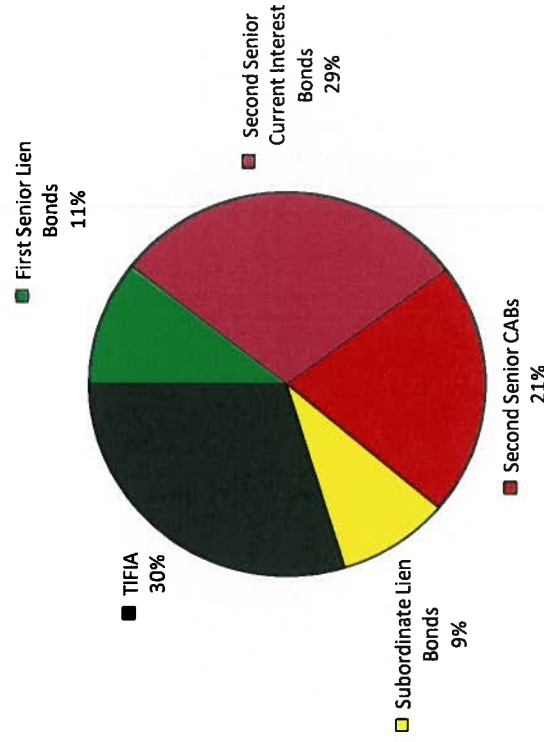
* Hypothetical financing scenario that assumes sufficient MOA budget authority remains after the Counties finance the Route 28 station and Phase 2 parking garages to support a \$110 million TIFIA Loan secured by DTR revenues. Assumed debt issuance includes required reserves and issuance costs.

HYPOTHETICAL SCENARIO - ALL NUMBERS ARE PRELIMINARY AND SUBJECT TO CHANGE

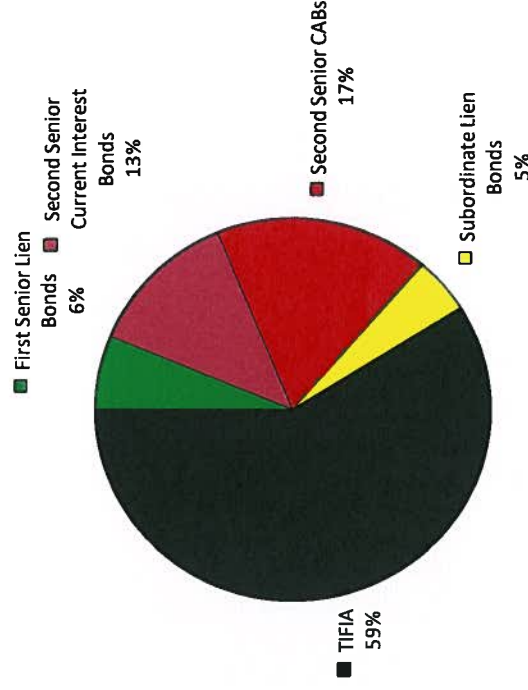


TIFIA assistance will facilitate project completion by reducing the need to issue high-cost CABs

Potential DTR Bonding with \$1.033 Billion of TIFIA *



Potential DTR Bonding with \$1.875 Billion of TIFIA *



* Hypothetical financing scenarios based on two different assumptions for the total amount of TIFIA credit assistance secured by the Airports Authority with FY2013 and MOA budget authority. Assumed debt issuance includes required reserves and issuance costs.

HYPOTHETICAL SCENARIOS - ALL NUMBERS ARE PRELIMINARY AND SUBJECT TO CHANGE



TIFIA Impact on Toll Rates

- Preliminary financial analysis indicates that using a TIFIA loan of at least \$1 billion to help monetize DTR revenues could reduce projected toll rates by an average of about 25-30% over the 25-year period following project completion (2018-2043).
- A TIFIA loan of \$1.9 billion, which would cover all anticipated remaining DTR-backed debt to be issued, could reduce projected toll rates by an estimated 30-35%.



Projected DTR Toll Rates with various levels of TIFIA assistance

POTENTIAL COST OF A FULL TRIP ON THE DULLES TOLL ROAD *					
(Mainline plaza toll plus one ramp transaction)					
	\$110 Million of TIFIA	Present Value at 3.00%	\$1.033 Billion of TIFIA	Present Value at 3.00%	\$1.875 Billion of TIFIA
		3.00%		3.00%	3.00%
2012	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
2013	\$2.75	\$2.67	\$2.75	\$2.67	\$2.67
2014	\$3.50	\$3.30	\$3.50	\$3.30	\$3.30
2015	\$4.50	\$4.12	\$3.50	\$3.20	\$3.20
2016	\$4.50	\$4.00	\$3.75	\$3.33	\$3.33
2017	\$4.50	\$3.88	\$3.75	\$3.23	\$3.23
2018	\$6.75	\$5.65	\$4.00	\$3.35	\$3.14
2019	\$6.75	\$5.49	\$5.50	\$4.47	\$4.07
2023	\$8.75	\$6.32	\$6.75	\$4.88	\$4.52
2028	\$10.75	\$6.70	\$8.00	\$4.99	\$4.67
2033	\$12.75	\$6.85	\$9.50	\$5.11	\$4.70
2038	\$14.75	\$6.84	\$10.75	\$4.98	\$4.64
2043	\$16.75	\$6.70	\$12.00	\$4.80	\$4.50

* Order-of-magnitude estimates developed for discussion purposes. The estimates reflect numerous assumptions, including no future debt restructurings.



Potential Sources of Additional Funding or Financing

Several potential sources of additional funding or financing assistance have been identified and evaluated over the past three years. Many of the options are not under the control of the Airports Authority and/or present significant legal issues.

For discussion purposes, the options are divided into the following categories:

- Options involving the Airports Authority ¹
- Options involving Metrorail Fares
- Options involving Fairfax and Loudoun Counties ²
- Options involving the Commonwealth of Virginia ²
- Options involving Federal Assistance

¹ May be subject to limitations in the current use and lease agreement with the airlines.

² Any benefits generated may reduce the contribution from funding partners instead of reducing DTR toll rates.



Concepts Involving the Airports Authority

Toll the Dulles Airport Access Highway

Concept

- The Access highway for IAD was constructed by the federal government in 1962. Use is restricted to those on airport business.
- By charging a toll on the [approximately 40,000 to 70,000] daily users, the Airports Authority could generate funding for the Rail Project and reduce potential DTR toll evasion.

Challenges

- Airport business consideration - Imposes additional cost on employees and others travelling to and from IAD which is currently suffering declining domestic enplanements.
- Requires multi-year planning and implementation; significant infrastructure investment; involves implementation complications with multiple access points.
- Federal transfer act prohibits allowing use of Highway by persons other than users of Airport; but does not prohibit charging of tolls.
- Use of Access Highway toll revenues to cover costs of construction of Metrorail facilities would need to meet a number of legal conditions within:
 1. "Aviation Enterprise" indenture governing bonds issued for aviation purposes.
 2. "Aviation Enterprise" use and lease agreement which governs the Authority's relationship with airlines.
 3. U.S. D.O.T. regulations governing the use by airports of airport revenue.
 4. Federal transfer act, federal lease and VA-DC Compact.



Concepts Involving the Airports Authority

Airport Passenger Facility Charges

Concept

- The FAA's federal passenger facility charge (PFC) program allows the collection of PFCs of up to \$4.50 for enplaned (boarding) passenger. Airports can use PFCs to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.

Challenges

- The current maximum level of \$4.50 is committed through 2038 at IAD and through 2022 at DCA.
- The Airports Authority is already committed to funding its 4.1% share of baseline project costs (about \$230 M) with existing PFC capacity, to the extent determined eligible by FAA.
- Utilizing existing PFC capacity competes with other aviation investment needs at DCA and IAD.
- Increasing the PFC level above the current \$4.50 maximum would require federal legislation (subject to FAA reauthorization in FFY 2016).
- PFCs can only be used for Exclusive airport purposes by definition, and therefore are not eligible for use beyond that already planned.



Concept Involving Metrorail

Fare Surcharge on Silver Line Metro

Concept

- Charge users of the Silver Line and/or the Metrorail station at IAD a separate fee or surcharge in addition to the regular fare.

Challenges

- WMATA Board policy since 2000 is that all engineering and constructions costs of extending the Metro system are to be funded by the jurisdiction(s) in which the extension is located.
- To generate construction funding, debt would have to be issued against this new untested revenue stream. Amounts might be too small or uncertain to affect projected toll rates, particularly prior to the 2018 opening of Phase 2.



Concepts Involving Fairfax and Loudoun Counties

Rebate Taxes on Dulles Airport Concessions

Concept

- Recoup previously collected sales taxes or collect future sales taxes on concessions at IAD that currently are received by the counties and use them for the Rail Project.

Challenge

- Raises potential County policy concerns (setting of precedent, revenue impact).

Use Loudoun Tax District Revenue from Dulles and Route 606 Stations

Concept

- Dedicate a portion of the property taxes the County will collect on real estate development around the Dulles and Route 606 stations, which are on airport property, to the Rail Project.

Challenges

- These revenues are anticipated to be used by the County to help pay its share of Rail Project costs.
- To generate construction funding, debt would have to be issued against this new untested revenue stream. Amounts might be too small or uncertain to affect projected toll rates, particularly prior to the 2018 opening of Phase 2.



Concepts Involving Fairfax and Loudoun Counties

Fairfax Guarantee to Fund Route 28 Station

Concept

- Fairfax has pledged to use its best efforts to secure alternative funding for the Route 28 station (estimated cost is \$89 M).

Challenge

- Requires sufficient County resources to fund the station cost. If not successful, the station cost moves back into the Rail Project cost, and the DTR revenues would have to fund 75 percent of the additional cost (about \$67 M).

Surcharge on Silver Line Parking Garages

Concept

- This is another potential way to generate revenue from Silver Line users.

Challenges

- These revenues are anticipated to be used by the Counties to help pay for construction of the necessary parking garages.
- Raises issues with WMATA policies regarding parking charges in Metrorail facilities.



Concepts Involving Commonwealth of Virginia

Additional State Grants

Concept

- Grant funding from the Commonwealth could be used to reduce near-term toll increases and projected long-term toll rates.

Challenges

- At least \$500 million is needed to reduce projected annual toll rates by one dollar.
- Given the limited funding potentially available in the current transportation improvement program, this might require approval by the Virginia General Assembly.

VA Backstop or Moral Obligation Pledge for DTR Debt

Concept

- A Commonwealth pledge to provide funds to repay DTR debt if toll revenue is not sufficient would allow bonds to be marketed at significantly lower interest rates.

Challenges

- State credit enhancement on \$500 million of DTR debt sufficient to achieve Aa/AA credit ratings might reduce projected annual toll rates by about 30 to 60 cents.
- Raises potential Virginia policy concerns (setting of precedent, assessment of risk and fiscal impact, avoidance of credit rating impact).
- Might require Virginia legislative approval.



Concepts Involving Commonwealth of Virginia

Extend Term of DTR Permit & Operating Agreement

Concept

- Extending the period of time to recover investment in the Rail Project from 50 years (2058) to 75 years (2083) would facilitate the refinancing of future debt and enable reductions in future (long-term) toll rates.

Challenges

- The term of the DTR Permit and Operating Agreement would have to be re-negotiated with VDOT.
- An extension beyond the year 2067 would also require an extension of the Airports Authority's Federal Lease.

Commonwealth Assumption of DTR Debt and Toll Setting Responsibility

Concept

- Return the Dulles Toll Road and the responsibility for funding and completing the Rail Project to the Commonwealth.

Challenges

- Such a transfer would not result in lower toll rates per se, unless the Commonwealth also provided additional grant funding and/or credit enhancement of the project debt.
- This process could delay completion of Phase 2.



Concepts Involving Commonwealth of Virginia

Rebate of VA Sales Tax on Concessions at DCA and IAD

Concept	Challenges
<ul style="list-style-type: none">• Recoup previously collected sales taxes or collect future sales taxes on concessions at both airports.	<ul style="list-style-type: none">• Raises potential Virginia policy concerns (setting of precedent, revenue impact).• Requires VA legislative approval.

Contractor Exemption from VA Sales Tax

Concept	Challenge
<ul style="list-style-type: none">• Enables pass through of Airports Authority sales tax exemption to DTP and other/future project contractors, lowering project cost.	<ul style="list-style-type: none">• Probably requires a legislative solution (initial Phase 1 attempt via administrative ruling was unsuccessful).

Sales Tax Surcharge on Concessions at DCA and IAD

Concept	Challenges
<ul style="list-style-type: none">• Generate additional revenue from concession activity.	<ul style="list-style-type: none">• This could be seen as violating the principle of "Main Street" pricing for airport retailers.• Requires VA legislative approval.• Business consideration, which could negatively impact airport revenues.



Concepts Involving Federal Assistance

Federal (TIFIA Program) Loan Assistance

Concept

- Securing federal credit assistance lowers the cost of borrowing and provides significant flexibility in structuring and repaying the debt.
- Replacing expensive capital appreciation and subordinate lien bonds with low interest / flexible payment loans from the Federal Government can provide a very significant financial benefit – roughly equivalent to that of a grant.
- Federal transportation loan programs – such as the “TIFIA” program for surface transportation and the “RRIF” program for railroad projects – are discretionary programs with limited resources:

- Project sponsors must submit applications to USDOT.
- If determined to be eligible and ready, project sponsors must negotiate loan agreements with USDOT.
- In the case of TIFIA, the amount of program funding available may constrain the amount of credit assistance that can be provided to successful project applicants.

Challenges

- Securing approval to consider all Rail Project costs (including Phase 1) as eligible for TIFIA credit assistance.
- Securing the maximum permitted size of the TIFIA loan as a percentage of total eligible project costs. USDOT now has the legal authority to award TIFIA loans in amounts up to 49% of the total eligible project costs, but has stated that it likely will not make TIFIA loans greater than 33% of eligible costs unless there is a compelling reason.



Concepts Involving Federal Assistance

Federal (RRIF Program) Loan Assistance

Concept	Challenge
<ul style="list-style-type: none"> Access the RRIF credit assistance program (instead of or in addition to the TIFIA program) to obtain the desired federal low interest / flexible payment loan. 	<ul style="list-style-type: none"> The Rail Project is not eligible for RRIF, which is authorized for railroad projects. Accessing this program would require federal legislation to expand RRIF eligibility to include airport/intermodal connections that are not subject to FRA oversight. Such legislative action would be unlikely to be considered until the federal surface transportation legislation ("MAP-21") is due for reauthorization in FFY 2015.



Concepts Involving Federal Assistance

Additional Federal Grants

Concept

- The Rail Project received a \$900 million discretionary grant through FTA's Capital Investment Grants ("New Starts") program for Phase 1. At the time, Phase 2 was determined to be ineligible due to perceived lack of cost effectiveness (low ridership direct benefits relative to high costs).
- Seek federal grant assistance for Phase 2, as recent modifications to the assessment of cost effectiveness might enable Phase 2 eligibility to be reconsidered.

Challenges

- Direct federal project grants are few in number and small in size, generally, and are likely to remain so in the current / foreseeable fiscal environment.
- While the FTA's New Starts program provides potentially large awards for transit projects, funding is limited (less than \$2 billion per year nationwide), competition is stiff, and the process to obtain a Full Funding Grant Agreement (FFGA) is lengthy and cumbersome.
- Even with recent program modifications, Phase 2 eligibility for federal grant assistance is problematic, and seeking New Starts program funding would result in significant schedule delays.



Concepts Involving Federal Assistance

Qualified Tax Credit Bonds

Concept

- Seek a tax code measure establishing a new category of Qualified Tax Credit Bonds enabling sponsors of eligible surface transportation projects to issue bonds with deeply subsidized interest costs.
- The financial benefit of this type of tax incentive could be significant – possibly equivalent to a 50% grant (or more).

Challenges

- Requires tax legislation; there are a few such programs for other sectors (e.g., school construction, renewable energy, environmental remediation projects) but none exists for transportation infrastructure. The tax expenditures (foregone revenues) resulting from the tax credits might have to be paid for with spending cuts.
- This is probably a legislative “long shot” in the current fiscal environment.



Summary of Potential Alternative Sources

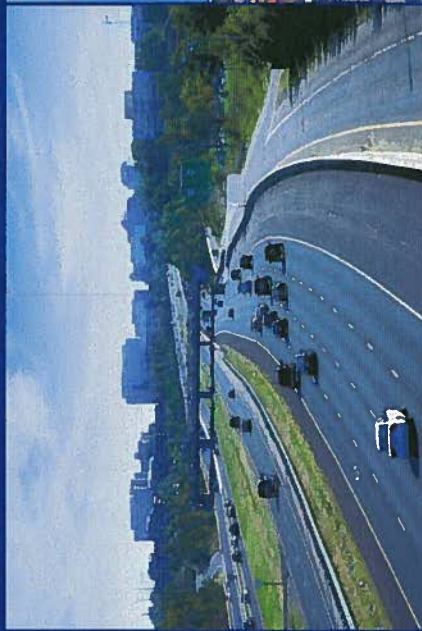
Potentially Significant Impact on Tolls	Likely Minimal Impact on Tolls
<ul style="list-style-type: none"> • Federal (TIFIA) Loan of at least \$1 billion • Qualified Tax Credit Bonds of at least \$1 billion • State grant of at least \$500 million • Commonwealth backstop or guarantee on at least \$500 million of DTR debt 	<ul style="list-style-type: none"> • Toll the Dulles Airport Access Highway • Airport Passenger Facility Charges • Fare Surcharge on Silver Line Metro • Rebate County Share of Taxes on IAD Concessions • Loudoun Tax District Revenue from Airport Station • Fairfax Guarantee to Fund Route 28 Station • Surcharge on Silver Line Parking Garages • Extend Term of DTR Permit & Operating Agreement • Commonwealth Assumption of DTR Debt and Toll Setting • State Sales Tax Surcharge on Airport Concessions • Rebate of State Sales Taxes on Airport Concessions • Rebate / Waiver of Sales Tax on Dulles Rail Contracts



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY