



## BOARD OF DIRECTORS MEETING

Minutes of October 1, 2008

The regular monthly meeting was held in the Board Conference Room at 1 Aviation Circle, and was called to order by the Chairman at 10:08 a.m. Ten Directors were present during the meeting:

H.R. Crawford, Chairman  
James L. Banks  
Robert Clarke Brown  
William W. Cobey Jr.  
Anne Crossman

Leonard Manning  
Michael L. O'Reilly  
Mame Reiley  
Charles D. Snelling  
David Speck

The Secretary and the following Officers were present:

James E. Bennett, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief Operating Officer

I. MINUTES OF THE SEPTEMBER 3, 2008 ANNUAL BOARD MEETING AND THE SEPTEMBER 17, 2008 SPECIAL BOARD MEETING

The Chairman called for approval of the minutes of the September 3 Annual Board and September 17 Special Board Meetings, which were unanimously adopted.

II. COMMITTEE REPORTS

a. Audit Committee

Mr. O'Reilly reported that the Audit Committee met on September 3, 2008. The Office of Audit reported on its observations and recommendations for two major revenue producers at Reagan National. The Committee discussed three indirect cost reviews and construction support for the Local Disadvantaged Business Enterprise (LDBE) program.

b. Business Administration Committee

Mr. Manning reported that the Business Administration Committee met on September 17, 2008.

The Committee discussed the monthly contracting report. Mr. Baker reported that staff has the ability to track information by region and by LDBE, which will be included in future reports.

The proposed revisions to the Contracting Manual were not considered at the meeting. An internal meeting will be scheduled to address the Committee's concerns and will be included at a later date.

The Committee also discussed the pre-solicitation terms for the comprehensive custodial services contract.

c. Dulles Corridor Committee

Ms. Reiley reported that the Dulles Corridor Committee convened on September 17, 2008 and was provided an update on the Dulles Toll Road project and staffing needs.

At the morning's special joint meeting of the Dulles Corridor and Legal Committees, the Committees approved the resolution setting forth the interests of the Airports Authority in the Dulles Toll Road litigation. Ms. Reiley reported that she would offer a resolution later in the day's meeting.

d. Executive Committee

The Chairman reported that the Executive Committee Meeting met on September 16, 2008 to discuss the state of the Board's Travel and Expense Guidelines, and referred the draft Guidelines to the Business Administration Committee to consider and make a recommendation to the Board. The Executive Committee also discussed the structure of the Airports Authority as it relates to the Dulles Toll Road and its operation, as well as issues previously discussed at the September 3, 2008 Annual Board Meeting. Mr. Cobey would provide additional information in the Strategic Development Committee report about the organizational structure.

The Chairman also reported that he and Mr. Bennett met with Jim Oberstar on September 23 to discuss the "come see me provision." It was noted that Congress passed a six-month extension to a Federal Aviation Administration (FAA) bill (through March 31, 2009) providing Airport funding. Mr. Bennett would

address the details of the reauthorization bill in his report later in the day's meeting.

e. Finance Committee

Mr. Brown reported that the Finance Committee conducted meetings on a bi-weekly schedule - September 3, September 17 and October 1, 2008.

Mr. Brown reported that following the September 3 Annual Board meeting, a Special Finance Committee meeting was held to conduct a due diligence session with the underwriters and their counsel for the Series 2008B Bonds. Mr. Brown reported that he would offer a resolution for Board approval to supplement the Authorizing Resolution for the Series 2008B Bonds later in the day's meeting. An extensive session was held with the Airport Consultant to review its feasibility study, which is part of the offering materials for the bond deal. As a result of the economic changes in the airline industry, Mr. Brown noted that the current Airport Consultant report was significantly different than recent ones.

Due to a full agenda and the length of the meeting's discussions for the September 17 meeting, several agenda items, including the financial advisors' report for the Dulles Rail project, were deferred to the October meeting.

At its September 17 meeting, Mr. Brown reported that the Finance Committee considered the rescoping and deferral of certain Capital Construction Program (CCP) projects as recommended by staff. Since the Airports Authority is issuing bonds that reflect a substantial reduction, management performed a review of the CCP and recommended reductions. Mr. Brown reported that both the Planning and Construction and Finance Committees reviewed and approved the recommendation on September 17 before recommending it to the Board. The Finance Committee asked staff to provide additional information concerning the cost of the deferred projects on an individualize basis, as well as to identify the cost center, and present it in the report.

Also on September 17, the Finance Committee dealt with amending the Bond Authorizing Resolution, originally approved at the September 3 Annual Board meeting, to add additional delegations with respect to the Airports Authority's outstanding swap agreements. Mr. Brown reported earlier at the day's Finance Committee meeting and reiterated a second time that the delegated authority would be used only to capitalize on market opportunities when time-sensitive issues do not conform within regularly-scheduled Finance Committee or Board meetings.

In this case, the delegation would be to the Chairman or Vice Chairman and the Chairman of the Finance Committee to approve the management of the Airports Authority's swaps, effective through January 31, 2009. Staff and the financial advisors will review options and present recommendations to the Finance Committee on how to manage the swaps portfolio.

A brief report was provided on the Airports Authority's financial results for August, which were positive.

Mr. Brown reported that a Special Finance Committee meeting was held earlier that day. The Committee ratified a decision made under the delegated authority with respect to the swaps to issue an extension notice to the Bank of Montreal and Wachovia to January 15, 2009 at a cost of approximately \$800,000. Mr. Brown reported that the Finance Committee's prior intent was to recommend that the bond deal be approved at the day's meeting, but because it has not been a good week economically, the Finance Committee has decided to postpone the deal indefinitely. He noted that the Committee would review market opportunities and consider options the following week.

Since the Board last authorized the bond deal, there have been additional changes in the market and additional concerns about credit, market access and the availability of credit in the market. Mr. Brown reported that there were concerns about the Airports Authority's difficulties with \$21 million in outstanding commercial paper notes. At the staff's recommendation, the Committee approved a resolution to recommend that the Board approve a bond issue of \$250 million to provide the Airports Authority with cash reserve to continue its construction program, as well as, some additional funding to possibly refund the small commercial paper notes. Mr. Brown noted that the supplemental bond resolution approved by the Finance Committee would also appoint co-managers. He explained that because the Committee's prior intent was to execute the bond deal with a floating rate, it had been necessary to only appoint two co-senior managers. Now that the deal would likely involve a fixed-rate financing and particularly with the larger size, Mr. Brown reported that it was necessary to appoint two additional co-managers. The resolution included the normal syndicate members and a substitution of JP Morgan for Bear Stearns. Mr. Brown noted that JP Morgan acquired Bear Stearns and Michael Lexton, a banker who has provided service to the Airports Authority for over a decade, is now employed by JP Morgan. Mr. Lexton requested that the Airports Authority substitute JP Morgan in its underwriting syndicate for Bear Stearns, and that the resolution be changed to reflect this request.

Mr. Brown reported that he was unsure when the bond deal would occur and that the finance team would continue to monitor the market. The Board had

delegated authority to the Chairman, Vice Chairman and the Chairman of the Finance Committee to proceed with the financing if opportunities presented themselves prior to the next scheduled Board meeting. Otherwise, the Committee would consider the issue at the next meeting. Mr. Brown reported that he would offer the resolution later in the day's meeting.

f. Legal Committee

In Mr. Latham's absence, Mr. O'Reilly reported that the Legal Committee met on September 17, 2008 and discussed pending litigation involving or affecting the Airports Authority, including the Toll Road law suit pending in Richmond Circuit Court. The Committee discussed law firms currently under contract with the Airports Authority and the roles and responsibilities of those firms.

The Committee also discussed amending the definition of "financial interest" in the Code of Ethics for Airports Authority employees. Mr. O'Reilly reported that he would offer a resolution on the amendment later in the day's meeting.

The Committee also met in a joint meeting with the Dulles Corridor Committee earlier that morning and approved the resolution setting forth the interests of the Airports Authority in the Dulles Toll Road litigation. As Ms. Reiley reported, she would offer a resolution later in the day's meeting.

g. Planning and Construction Committee

In Mr. Epstein's absence, Mr. Snelling reported that the Planning and Construction Committee met on September 17, 2008 to discuss management's request to defer and modify certain construction items. After extensive discussion, the Planning and Construction Committee recommended the paper be amended to reflect (a) individual deferred project costs and (b) the inclusion of the staff recommendation paper as part of the final resolution. As Mr. Brown reported, the recommendation was unanimously adopted at the September 17, 2008 special Board of Directors meeting.

h. Public Safety Committee

Mr. Banks reported that the Public Safety Committee met on September 17, 2008 to receive an update on the security master plan. The Technical Evaluation Committee evaluated the proposals and recommended proceeding with NASS of Rockville, Maryland to perform the update.

i. Strategic Development Committee

Mr. Cobey reported that the Strategic Development Committee met on September 17, 2008.

The Committee first met in executive session and heard an update on the air service development program. Of particular note is the recent filing by LAN International Airlines to start Dulles/Lima, Peru service. Service is expected to commence by the end of this year.

The Committee discussed staff recommendations to establish a Sister Airport Program and an Arts and Archives Program. Mr. Cobey reported that the Committee voted to recommend the programs to the Board and that he would offer resolutions later in the day's meeting. He noted that funding for both programs would be reviewed annually as part of the Airports Authority's budget process.

Lastly, Mr. Bennett updated the Committee on the Airports Authority's Corporate Statement of Functions. Mr. Cobey reported that it has been 10 years since the last comprehensive review of the management and organizational structure of the Airports Authority. Mr. Bennett stated it is now time to start this process again, particularly in light of the Toll Road. Staff is preparing a scope of work, which will be brought back to the Committee in November.

Mr. Cobey noted that summary minutes of the September 17 meeting were located under Tab B-2.

The Chairman believed that it was inappropriate for Directors to agree to accept the minutes and committee reports only to decide after the meetings that additional information should be provided or that changes needed to be made. He, therefore, asked Directors if there were any concerns with the proposed minutes or committee reports, which were just presented. Having heard none, the entire Board voted to accept the minutes and committee reports, as presented.

III. INFORMATION ITEMS

a. President's Report

FAA Reauthorization Bill. Mr. Bennett reported that the Chairman was modest about the results of the September 23 meeting with Chairman Oberstar. Shortly after that meeting, the House of Representatives approved an interim FAA reauthorization bill. Mr. Bennett noted that on September 30 the President

signed the interim FAA reauthorization bill and other continuing resolutions funding several federal programs. The bill provides for a six-month extension of the FAA Act through March 2009 and authorizes approximately \$1.5 billion for the Airport Improvement Program. Because of the resolution, the Airports Authority will be able to draw down on the Letter of Intent (LOI) under the fourth runway program. Shortly after the start of the federal fiscal year on October 1, the Airports Authority should receive its approximate \$20 million annual draw on the LOI. Mr. Bennett reported that staff was working on a reimbursement for land acquired as part of the fourth runway project and noted that the Airports Authority may possibly receive more resources now that the bill has been signed.

Mr. Bennett reported that the come see me provision included in the FAA Act, addressed at the recent meeting with Chairman Oberstar, was part of the FAA reauthorization extension. Airports Authority staff would continue to work with Congress in an attempt to permanently remove the provision from all future FAA reauthorization issues.

With the election of a new Congress, as well as a new administration beginning in January 2009, it would be highly unlikely that the newly-elected President would have the Secretary of Transportation or FAA Administrator in position to compose a comprehensive bill by March 2009, at which time the six-month FAA reauthorization bill would expire. Therefore, Mr. Bennett speculated that the industry would likely return to Congress to request another six-month extension to the FAA reauthorization bill.

Slots and Perimeter Rule. Mr. Bennett reported that past discussions were had regarding the FAA's desire to auction slots at the New York airports. He explained that FAA would like to remove an allocated amount of slots each year from the airlines and place them on the "open market" for auction purposes. Mr. Bennett noted that slots had become available at Newark Airport and FAA expressed its intent to auction those slots. The airlines, Port Authority of New York and New Jersey, as well as consumer groups, protested the proposed auction alleging that FAA did not have the legal authority to auction the slots. At Congress's request, the General Accountability Office conducted an investigation and issued an opinion on September 30 that FAA does not have the legal authority to auction slots. Further, if FAA were to proceed with the auction, it would probably be in violation of various statutory prohibitions against that type of activity. Mr. Bennett reported that because Reagan National has a slot program, the issue would be monitored closely. If the slot auctions were implemented in the New York area, it could possibly occur at other airports.

Dulles Metrorail Update. Mr. Bennett reported that the Federal Transit Administration (FTA) did give its approval to allow the Airports Authority to move

into final design for the project. The Airports Authority has met the requirements necessary to obtain the \$159 million final design grant from FTA so the grant is now available to the project. Mr. Bennett noted that the final design grant funds can be used for: right-of-way acquisitions, reimbursement of third party engineering costs, utility relocations and continuing final design work, project administration, maintenance of traffic efforts associated with the project, and engineering and design of rail cars. Mr. Bennett reported that construction is underway and progress on the utility relocations is visible at Route 7 in the Tysons Corner area. He noted that the relocation activity would soon migrate to Route 123.

Construction Update. At Reagan National, Mr. Bennett reported that Phase 1 of the parking garage expansion has been completed and work would soon begin on the next phase to add a new deck to the garage. He also reported that the Aircraft Rescue and Firefighting Facility (ARFF) will become operational later in the month.

At Dulles, Mr. Bennett reported that the Airports Authority is awaiting the final report of the fourth runway, but all indications are that it passed the FAA flight test. FAA certification inspections have also been performed to ensure that the runway's physical construction and layout meet the safety requirements of the federal regulations. Mr. Bennett reported that the fourth runway was on schedule to go operational in November 2008. FAA will dedicate three runways on the same day across the country -- Dulles, Chicago O'Hare and Seattle-Tacoma International Airports. DOT is planning a ceremony for the runway dedication and will provide the details when final. Mr. Bennett noted that the ceremonies will be planned to enable the FAA Administrator to participate.

Also at Dulles, Mr. Bennett noted that associated with the completion of the fourth runway, another ARFF station has been developed and will soon be operational to serve the new runway. Employees of the National Weather Service have taken occupancy of their new facility. On Concourse B at Dulles, the temporary construction walls, near the planned location of the west automated people mover (APM) station, have been removed. Mr. Bennett noted that the space is very impressive and serves as a vivid reminder that the APM system at Dulles will be operational in approximately a year.

Privatization Issues. Mr. Bennett reported that for the past several years the city of Chicago has been working on a proposal to privatize Chicago Midway Airport. He noted that articles in the day's press reported that the city of Chicago has accepted a proposal for the privatization of the airport valued at \$2.52 billion. Midway Investment Development Company, comprised of the John Hancock Life Insurance Company, the Citicorp Infrastructure Investors and YVR Airports

Services, would advance the city of Chicago a \$2.52 billion payment for a 99-year lease to operate and develop Chicago Midway Airport. The company's proposal to enter into a 25-year lease with the airlines, cap the rates and charges at the outset of the lease agreement and will freeze the rates and charges at the 2008 level for six years.

Airlines Update. Mr. Bennett reported that United Airlines would begin daily service from Dulles to Dubai on October 26, 2008. The Airports Authority is extremely pleased with the new service, especially in light of the industry downturn.

b. Executive Vice President's Report

Ms. McKeough reported that the U.S. aviation industry experienced a 6 percent decline in domestic passenger activity levels in August 2008; both Reagan National and Dulles performed better than the industry's benchmark.

At Reagan National, approximately 1.6 million passengers utilized the Airport, a decrease of about 1.5 percent over August 2007.

At Dulles, approximately 2.2 million passengers were served, a decline of about 1.7 percent over August 2007. Ms. McKeough noted that domestic activity declined approximately 2 percent while international activity increased more than 2 percent compared to August 2007.

Ms. McKeough reported that eight months into the operating year, both Reagan National and Dulles experienced passenger activity declines, 3.6 percent and 2.4 percent, respectively. At Dulles, she noted that domestic activity declined 5 percent while international activity increased 7 percent.

Ms. McKeough also reported that cargo activity, including freight and mail, at Dulles decreased in August 2008; mail activity declined approximately 12 to 15 percent.

Given the industry's condition, Ms. McKeough noted that that August 2008 had been a good month for passenger traffic.

Ms. Reiley inquired how the statistics at Reagan National and Dulles compared nationally. Ms. McKeough responded that across the system, the decline in Dulles' and Reagan National's traffic is much less than other airports are experiencing. Mr. Snelling noted that he believed that Reagan National and Dulles were faring extremely well.

#### IV. NEW BUSINESS

- a. Recommendation to Approve the Supplementing Resolution No. 08-14 Which Amended and Restated Resolution No. 08-12 Authorizing the Series 2008B Airport System Revenue Bonds

Mr. Brown reported that another version of the proposed resolution had been distributed earlier, which was different than the one included in the materials for the day's meeting under Tab B-4. He asked that he be granted the discretion to provide additional clarity with respect the JP Morgan and Bear Stearns substitution to include more history in the final resolution. He noted that he would converse with counsel following the meeting. He moved the adoption of the proposed resolution, which now serves as the final version, inclusive of suggestions made by counsel and agreed to by the Chairman of the Finance Committee and other Directors.

Mr. Brown reported that the proposed resolution marked the third time a resolution has been considered related to the Series 2008B bond deal and giving discretions to Board Officers to manage the affairs revolving around the bond and swaps financing structure. In summary, the proposed resolution would: approve the JP Morgan substitution for Bear Stearns for the underwriting syndicate; appoint co-managers to include the normal underwriting syndicate members and substitute JP Morgan for Bear Stearns; increase the authorized size of the bond deal to \$250 million, with the same discretion delegated to Board Officers as specified earlier; and to refund outstanding Commercial Paper Two Notes totaling \$21 million.

Mr. Snelling reported that while he had no issues with Mr. Brown's request to make additional changes to the resolution, it has always concerned him when subsequent changes were made after the Board approved the action. Mr. Snelling suggested that the altered resolution be sent to Directors within 24 hours and Directors would then be given an opportunity to express concern. Mr. Cobey inquired whether Mr. Brown's suggested changes would only address the RESOLVED clauses, to which Mr. Brown responded positively.

WHEREAS, on September 3, 2008, the Board of Directors of the Metropolitan Washington Airports Authority ("Airports Authority") adopted Resolution No. 08-12 authorizing the issuance of Airport System Revenue Bonds, Series 2008B (the "Series 2008B Bonds") to finance certain capital improvements at Ronald Reagan Washington National Airport and Washington Dulles International Airport;

WHEREAS, on September 17, 2008, the Board of Directors adopted Resolution No. 08-14, which amended and restated Resolution No. 08-12;

WHEREAS, since the adoption of Resolution No. 08-14, a draw has been made on the Letter of Credit (as defined below) to pay a portion of the Airports Authority's outstanding Airport System Commercial Paper Notes, Series Two (the "CP Two Notes") when due;

WHEREAS, the Airports Authority is obligated to reimburse Landesbank Baden-Württemberg, acting through its New York Branch, individually and as agent, and WestLB AG, acting through its New York Branch (collectively, the "Banks"), for all draws under a letter of credit provided by the Banks (the "Letter of Credit"), and the Airports Authority desires to use a portion of the proceeds of the Series 2008B Bonds to pay its reimbursement obligation to the Banks and a portion of the outstanding CP Two Notes (the "Refunded CP Two Notes");

WHEREAS, there has been presented to the Board of Directors the form of the Refunding Agreement (the "CP Two Refunding Agreement") between the Airports Authority and Manufacturers and Traders Trust Company (the "Trustee") relating to the refunding of the Refunded CP Two Notes that the Airports Authority proposes to execute in connection with the Refunded CP Two Notes, a copy of which has been filed in the records of the Airports Authority;

WHEREAS, the Airports Authority desires to select firms to provide underwriting services in connection with the issuance and sale of the Series 2008B Bonds;

WHEREAS, Bear Stearns & Co., Inc. ("Bear Stearns") has been acquired by J.P. Morgan Securities, Inc. ("J.P. Morgan") and several of the Bear Stearns bankers who have previously provided underwriting services to the Airports Authority now are providing underwriting services at J.P. Morgan, and J.P. Morgan has requested that it be included in the underwriting syndicate for the issuance of the Airports Authority's bonds; and

WHEREAS, in light of current conditions in the financial markets, the Airports Authority desires to increase the aggregate principal amount of Series 2008B Bonds authorized to be issued;

NOW, THEREFORE, IT IS RESOLVED

1. That the Airports Authority Representatives are authorized and directed to jointly determine, after the Series 2008B Bonds have been priced in the market, the amount, if any, of the outstanding CP Two Notes to be refunded with proceeds from the Series 2008B Bonds pursuant to the CP Two Refunding Agreement, and that the Chairman or the Vice Chairman is authorized to execute, by manual or facsimile signature, the CP Two Refunding Agreement and to take any further action as the officer may consider necessary or desirable in connection with the refunding of the Refunded CP Two Notes;
2. That any authorization provided in this Resolution to execute a document shall include authorization to deliver the document to the other parties thereto;
3. That any other acts of the Chairman or the Vice Chairman, the President and Chief Executive Officer, the Vice President for Finance and Chief Financial Officer or any other officer of the Airports Authority that are in conformity with the purposes, intent and conditions of this Resolution and in furtherance of the refunding of the Refunded CP Two Notes are hereby authorized;
4. That J.P. Morgan be added to the syndicate of underwriters in substitution of Bear Stearns;
5. That underwriting services will be provided by the following firms in connection with the Series 2008B Bonds: the co-senior managers will be Seibert Brandford Shank & Co., L.L.C. and Morgan Stanley; and the co-managers will be Banc of America Securities LLC, Morgan Keegan & Company, Inc., Merrill Lynch & Company, Citigroup Global Markets Inc., J.P. Morgan and Loop Capital Markets, LLC;
6. That the approval by the Airports Authority Representatives of the Official Statement, in preliminary form, dated September 25, 2008, that was distributed prior to the date of this Resolution and that lists co-managers for the Series 2008B Bonds is affirmed and ratified;
7. That the Series 2008B Bonds may be issued in an aggregate principal amount not to exceed \$250,000,000;
8. That, to the extent there is any conflict between the provisions of this Resolution and those of Resolution No. 08-14, the provisions of this Resolution shall prevail, and that Resolution No. 08-14 is otherwise ratified and confirmed; and

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

b. Amendment to the Definition of “Financial Interest” in the Code of Ethics for Employees

Mr. O’Reilly moved the adoption of the following resolution to change the threshold for financial interests from \$10,000 to \$50,000, which was unanimously adopted:

WHEREAS, the Code of Ethics for Employees of the Airports Authority (Employee Code of Ethics) bars an employee’s participation in any Authority transaction with or affecting a business entity when the employee has a “Financial Interest” in that business entity;

WHEREAS, the Employee Code of Ethics defines, in part, a “Financial Interest” in a business entity on the basis of an employee’s ownership interest in the entity, and defines that ownership interest as “exceed[ing] 3 percent (3%) of the total equity of the business or [having] a fair market value greater than \$10,000 . . .”;

WHEREAS, the Code of Ethical Responsibilities for Members of the Airports Authority’s Board of Directors bars Board member participation in Authority transactions and decisions when a member has a “Direct Financial Interest” in a business entity that may be affected by the transaction or decision, and defines that interest, in part, to include an ownership interest in the business entity that “(1) has a current market value of \$50,000 or more, [or] (2) consists of securities of any kind that constitute ownership of three percent or more of the total equity of the [business entity] . . .”;

WHEREAS, the Legal Committee has recommended to the Board that the definition of “Financial Interest” in the Employee Code of Ethics be brought more in line with the definition of “Direct Financial Interest” in the Code of Ethical Responsibilities for Board members by increasing the value of an ownership interest in a business entity that will constitute a “Financial Interest” from \$10,000 to \$50,000;

WHEREAS, the Board has concluded that the Legal Committee’s recommended amendment to the Employee Code of Ethics is in the interest of the Airports Authority, and has determined to accept the Committee’s recommendation;

NOW, THEREFORE, BE IT RESOLVED

1. That section 5.a.(1) (a) of the Employee Code of Ethics, which defines, in part, the definition of "Financial Interest" in a business be amended to read as follows:

"Ownership. Interest (e.g., shares of stock) in a business that exceeds 3 percent (3%) of the total equity of the business or has a fair market value greater than \$50,000."

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

The final resolution filed in the Board of Directors Office includes a copy of the Airports Authority's Code of Ethics for Employees.

c. Establishment of a Sister Airport Program at both Airports

Mr. Cobey moved the adoption of the following Resolution:

WHEREAS, there have been advances and developments in the global aviation community in all aspects of the airport industry, including technology, design, operations, customer service, security and public safety;

WHEREAS, the establishment of the Sister Airport Program would support the Airports Authority's explicit purpose as reflected in its mission statement "to manage world-class access to the global aviation system";

WHEREAS, through the Sister Airport Program, the Airports Authority will pursue the program objectives (identified in Attachment 1 of the staff recommendation paper);

NOW, THEREFORE, BE IT RESOLVED

1. That the Airports Authority create sister airport relationships for Reagan National and Dulles International Airports, with airports in different regions of the world to include programs of interest to the Airports Authority such as security, operations, technology, concession management and revenue enhancement initiatives, customer service, firefighting techniques, noise abatement procedures and environmental protection;

2. That once airports have been vetted, the Strategic Development Committee will review staff recommendations and propose acceptable recommendations to the Board;

3. That a formal agreement, including the obligations and duties of each of the parties, with the partnered airports be executed;
4. That the terms and details of each sister program airport relationship are negotiated by staff and approved by the Board; and
5. That the resolution shall be effective upon its adoption.

Mr. Brown expressed his concerns about the Sister Airport Program and the Art and Archival Programs at the September 17, 2008 Strategic Development Committee. He noted that while he supports both programs, he did not believe it was the appropriate time to establish new programs, particularly in light of the severe fiscal situation. Mr. Brown stated that the programs were discretionary, would add costs, and would not add to the Airports Authority's core interests. He would, therefore, vote against the establishment of the Sister Airport Program and the Arts and Archival Programs.

The Chairman indicated his support for the Programs and believes they are important. Mr. Brown reiterated that he supported the Programs, but that he did not believe it was an appropriate time to initiate them. Mrs. Crossman noted that while she understood Mr. Brown's financial concerns, she thought that the Sister Airport Program may provide an opportunity for the Airports Authority to share information, exchange ideas and gain knowledge of significant initiatives. She believed that small costs paid today for the Sister Airport Program may save money in the future due to gains earned from learning information from other airports. Ms. Reiley reaffirmed Mrs. Crossman's comments. Mr. Snelling reported that the Airports Authority spent a considerable amount of money on other worldwide airport-associated efforts that produced positive results, and he considered the Sister Airport Program entirely supportive of that effort.

The resolution was thereupon adopted, with Mr. Brown voting nay.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper and its attachment, which includes the policy statement, program objectives and program implementation.

d. Establishment of Formal Arts and Archival Program

Mr. Cobey moved the adoption of the following Resolution:

WHEREAS, the Airports Authority Arts Program seeks to use the arts as a vehicle to welcome people to the Washington, DC region;

WHEREAS, the Airports Authority has been engaged in the Arts on an ad-hoc basis for more than 10 years;

WHEREAS, efforts are underway to expand the Historic Terminal A exhibit to include the recognition of former Airports Authority leaders' accomplishments and the 2008 commemoration of Black History Month at both Airports;

WHEREAS, the Airports Authority has only part-time resources to maintain documents and records of historical significance, with documents and records stored in various Airports Authority offices and at off-site locations;

WHEREAS, the 2008 Business Plan identified the need to develop a more formal program for arts and archives;

WHEREAS, the Airports Authority has retained CitiArts to prepare Policy and Guidelines, and to develop an Arts and Archives master plan;

NOW, THEREFORE, BE IT RESOLVED

1. That the Airports Authority establish a formal Arts Program and an Archival Program, and that the funding for these Programs be reviewed annually as part of the Airports Authority's annual budget process, as referenced in the Art Program Policy and Guidelines (Attachments 1 and 2 of the staff recommendation paper);
2. That the Board approve the Programs' guidelines, policies and procedures and be kept apprised of the Programs through periodic and annual reports; and
3. That this resolution shall be effective upon its adoption.

Ms. Reiley complimented the Strategic Development Committee and noted that the Arts and Archival Programs had been an initiative she recommended as Chairman. She recalled that she was extremely impressed with Denver Airport's art collection. Ms. Reiley believed the Airports Authority has a wonderful arts program, noting in particular, allowing many grade school students to present and display their artwork annually at both Airports. She believed that it was important to have an art program that reflects the Airports Authority's status in the airport community internationally. She strongly supported the Arts and Archival Programs and congratulated the Strategic Development Committee.

Ms. Reiley stated that she understood Mr. Brown's fiscal concern. She noted that some of the best art was created during similar economic times. Ms. Reiley encouraged other Directors to support the Arts and Archival Programs. Mr. Snelling reported that Reagan National and Dulles Airports were two of the nation's most important airports; they are where foreign visitors formed their first impressions. He spoke about the beauty of the terminal buildings and stated that he believed that the Programs, which he supported, served genuine cultural significance. Mr. Brown reaffirmed that he, too, supported the arts and noted that his wife was an art historian. He noted that when Ms. Reiley served as Chairman and initiated the arts program, he was the Chairman of the Strategic Development Committee and fully supported the program. Mr. Brown reiterated that his only concern about the Programs was the timing of them.

The resolution was thereupon adopted, with Mr. Brown voting nay.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper and the Arts Program Policy and Guidelines (Attachment 1) and the Arts and Archival Program Policy and Guidelines (Attachment 2).

- e. Expressing the Interests of the Metropolitan Washington Airports Authority in Agreements with the Commonwealth of Virginia Relating to Operation of the Dulles Toll Road and Construction of the Dulles Corridor Metrorail Project

Ms. Reiley requested that the Committee waive its forty-eight hour advance notice to consider the proposed resolution, and the Committee concurred.

Ms. Reiley then moved the adoption of the following Resolution, which was unanimously adopted:

WHEREAS, Washington Dulles International Airport ("Dulles Airport") and the Dulles International Airport Access Highway ("Dulles Access Highway") were built by the United States Federal Aviation Administration and were opened to the public in 1962;

WHEREAS, the Dulles Access Highway was planned, designed and built as a dedicated Dulles Airport access highway with sufficient right-of-way to accommodate the growth of traffic to and from Dulles Airport and for the eventual construction of another road to carry non-Airport traffic in the Dulles Corridor;

