



October 5, 2012

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

Dear Secretary LaHood:

On behalf of the Metropolitan Washington Airports Authority (Airports Authority), and the Commonwealth of Virginia Counties of Fairfax and Loudoun, we appreciate your focus on building and restoring American transportation infrastructure to create livable communities and enable economic growth. The Dulles Corridor Metrorail Project (Project), a 23.1-mile extension of the Washington Metropolitan Area Transit Authority 106-mile Metrorail system, from Fairfax County to Dulles International Airport and beyond to Route 772 in eastern Loudoun County, is consistent with your vision of transportation projects that create jobs, expand transit capacity and make long-term sense in their communities.

The Project represents a broad-based investment by business, federal, state and local partners, with regional business partners participating in public-private partnerships, the federal government designating the Dulles Corridor right-of-way and providing \$900 million in New Starts program funding, the Commonwealth of Virginia contributing \$275 million, and the local funding partners of the Airports Authority, Fairfax and Loudoun Counties funding the remaining \$4.8 billion, or 80 percent, of the \$6.0 billion capital cost of the Project. This \$4.8 billion in funding will be derived from local Dulles Toll Road users, Airports users and county property taxpayers.

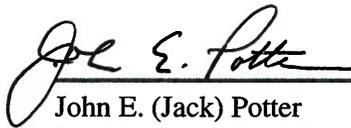
The \$4.8 billion is an extraordinary local commitment for a major project of national significance with widespread public benefits. To expedite completion and enhance the economic impact of the Project, the local funding partners of the Airports Authority, Fairfax and Loudoun Counties are seeking credit assistance under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. Every dollar of TIFIA credit assistance will expedite and facilitate Project completion by reducing financing risk, significantly lessening the potential burden on Dulles Toll Road users and County taxpayers, and mitigating potential traffic diversion to other roadways.

The requested TIFIA assistance will allow the Airports Authority and Fairfax and Loudoun Counties to provide their major contributions to the Project in a cost-effective way, enabling the local funding partners to deliver other critical transportation infrastructure improvements faster and sooner, rather than jeopardizing their transportation and capital programs for years to come. And it will allow the Airports Authority to better leverage the Dulles Toll Road revenues, thereby enabling a substantial reduction in projected toll rates.

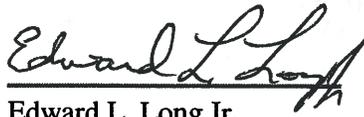
This joint TIFIA Letter of Interest reflects the long-standing partnership between Fairfax and Loudoun Counties and the Airports Authority to deliver the Project. We urge your support of this request for credit assistance for the Project through the TIFIA program, and alleviate the financial burden being placed on the local Dulles Toll Road users, Airports users and county property taxpayers.

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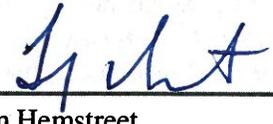
Sincerely,



John E. (Jack) Potter
President and Chief Executive Officer
Metropolitan Washington Airports Authority



Edward L. Long Jr.
County Executive
County of Fairfax, Virginia



Tim Hemstreet
County Administrator
County of Loudoun, Virginia



**METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY**



cc: The Honorable Robert McDonnell, Governor, Commonwealth of Virginia
The Honorable Sean Connaughton, Secretary of Transportation, VDOT
The Honorable Jim Webb, U.S. Senator for Virginia
The Honorable Mark Warner, U.S. Senator for Virginia
The Honorable James P. Moran, U.S. Congressman, 8th District of Virginia
The Honorable Frank Wolf, U.S. Congressman, 10th District of Virginia
The Honorable Gerald E. Connolly, U.S. Congressman, 11th District of Virginia



All projects wishing to apply for Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance must first submit a Letter of Interest using this revised form. Pursuant to the recently enacted Moving Ahead for Progress in the 21st Century Act (MAP-21), the application process, which includes the submission of Letters of Interest, will now be conducted on a rolling basis by the Department of Transportation (DOT). Applicants for Federal credit assistance for Federal Fiscal Years 2013 and 2014 (or any other credit assistance which may be available through the TIFIA program during these two fiscal years) must complete an acceptable Letter of Interest and meet all eligibility criteria to be permitted to submit a formal application.

Projects that previously submitted Letters of Interest for a prior fiscal year's funding, but have not been asked by DOT to submit an application as of July 27, 2012, must submit a new Letter of Interest. In the context of a public-private partnership, where multiple bidders may be competing for a concession such that the obligor has not yet been identified, the procuring agency must submit the project's Letter of Interest on behalf of the eventual obligor. DOT will not consider Letters of Interest from entities that have not obtained the legal rights to develop the project.

This revised Letter of Interest form reflects changes made to the TIFIA program by MAP-21. To be considered for TIFIA assistance, projects must submit a Letter of Interest that: (i) describes the project and the location, purpose, and cost of the project, (ii) outlines the proposed financial plan, including the requested credit assistance and the proposed obligor, (iii) provides a status of environmental review, and (iv) provides information regarding satisfaction of other eligibility requirements of the TIFIA credit program. Please reference the Notice of Funding Availability posted in Summer 2012 in the Federal Register. At this time, the TIFIA Program Guide is being updated. Please check the TIFIA website regularly to identify updated program guidance, Letter of Interest, and application materials. Applicants should refer to the TIFIA website often to ensure that the most up-to-date Letter of Interest form is used (file date is included in the footer).

DOT will review each Letter of Interest and may contact project sponsors for clarification of specific information included in the Letter of Interest. DOT will notify project sponsors if DOT determines that their projects are not eligible, or if DOT will not be able to continue reviewing their Letter of Interest until eligibility requirements are addressed. If DOT does not determine a project to be ineligible based on its initial review, DOT will request additional information to supplement the Letter of Interest and complete its eligibility determination. This information may include, among other things, more detailed descriptions of the project, applicant and its organizational structure, the project's readiness to proceed, the project's financial plan (including financial model), revenue feasibility studies, and financial commitments to the project from sources other than TIFIA. DOT will also request that the applicant provide a preliminary rating opinion letter at this time and the project sponsor will be required to submit a fee to continue the evaluation process. Once the fees have been received, DOT will engage an independent financial advisor to prepare a report and recommendation acceptable in form and substance to DOT. DOT may also engage an independent legal advisor to help complete its evaluation of a project's eligibility.

The increased demand on TIFIA's resources has led to the discontinuation of the practice of advancing the entire cost of financial and legal advisors engaged to assist DOT in determining a project's creditworthiness and overall eligibility and having those costs reimbursed to DOT after execution of a credit agreement. As such, upon request, project sponsors must pay fees in the amount of \$100,000 before DOT hires financial and/or legal advisors as part of the Letter of Interest review process. These fees are due upon request. Additional fees will be charged after the credit instrument is executed, including additional amounts required to fully cover TIFIA's financial and legal advisory services costs in connection with the evaluation and negotiation of the terms of TIFIA credit assistance for the project. By submitting this Letter of Interest, the applicant certifies that it will pay all required fees.

After concluding its review of each Letter of Interest and related information submitted by the project, along with the independent financial analysis report from DOT's independent financial advisor, DOT will permit sponsors of eligible projects to submit complete applications. DOT will conduct a rolling application process where project sponsors may submit Letters of Interest at any time and DOT will permit project sponsors to apply once a favorable eligibility determination is made.

The boxes below expand as needed to facilitate provision of a sufficient amount of detail to demonstrate to DOT the project's satisfaction of all eligibility criteria. If you have questions regarding completing this form, please contact the TIFIA program office at (202)366-1059. Please complete all applicable information using this Letter of Interest form and attach this request via email to TIFIAcredit@dot.gov.



A) Describe the Project, Location, Purpose, and Cost of the Project.

1. Describe the project:

The Metropolitan Washington Airports Authority (Airports Authority), in cooperation with Fairfax County, Loudoun County, and the Commonwealth of Virginia (the funding partners) and the Washington Metropolitan Area Transit Authority (WMATA), is constructing a 23.1-mile extension of WMATA's 106-mile Metrorail system from Fairfax County, Virginia, to Dulles International Airport, and beyond the airport to Route 772 in eastern Loudoun County, Virginia (Dulles Metrorail Project or Project).

The Project will connect the major activity centers of the Dulles Corridor (including Tysons Corner, Reston and the Dulles International Airport), provide additional capacity for users in the downtown Washington, DC core of the Metrorail system, offer a viable alternative to automobile travel in an extremely congested corridor, encourage future transit-oriented development, assist in meeting the region's air quality goals, and serve diverse populations.

2. Describe the project location:

The Project will run from a location on the current Metrorail Orange Line near the West Falls Church Station in Fairfax County to Dulles International Airport, then beyond the airport to Route 772 in Loudoun County. The Project is being constructed in two Phases – Phase 1 diverges from the existing Metrorail Orange line near the current West Falls Church station to Wiehle Avenue in Reston, Virginia. Phase 2 continues from Wiehle Avenue in Fairfax County to Route 772 in eastern Loudoun County.

WMATA will be responsible for the operation and maintenance of the Project upon completion of the construction of each of the two phases and WMATA's acceptance of each phase into the Metrorail System. The Project will function as a new and separate Metrorail line, the Silver Line, operating between the Route 772 station and the Stadium-Armory station in Washington, DC, and will provide additional service for users of the Metrorail Orange and Blue Lines.

3. Describe the project's purpose, including quantitative and qualitative details on public benefits the project will achieve:

The purpose of the Project is to provide high-quality, high-capacity transit service in the Dulles Corridor. Many of the major roadways in the corridor are currently at level-of-service E and F during peak periods. The extension of Metrorail through the Dulles Corridor will help address the limitations of the existing roadway network and transportation system in the corridor, and between the corridor and downtown Washington, DC. The Project offers a wide range of transportation and mobility benefits, which include travel time savings between the corridor and the region's core and suburban activity centers, improved mobility for transit-dependent riders and reverse commuters, support for air quality and energy conservation goals, future transit-oriented development and job growth, and an improved overall quality of life.

National and Regional Significance

The Project will provide high-quality, high-capacity transit service between Washington DC, the nation's capital, and several of the largest activity centers in the Washington metropolitan area, including Tysons Corner, the Reston-Herndon area, and various emerging activity centers in eastern Loudoun County. Tysons Corner (the "downtown" of Fairfax County) is larger, in both geographic size and employment, than many of the central business districts in major U.S. cities including Miami, San Diego, and St. Louis, and is the largest suburban business district in the country. The Reston-Herndon area is Virginia's second largest employment concentration.



The Project will also provide an important intermodal connection of the region's Metrorail system to Dulles International Airport, a major employment center and an international hub for air service to major cities around the world. In 2011, there were 11.6 million enplanements at Dulles International Airport.

Livability

The Project is a catalyst for transit-oriented development in the Dulles Corridor. The local governments along the alignment are creating and have approved land use plans for development at and near stations that will enhance quality of life by minimizing the reliance on personal vehicles for mobility and providing options for pedestrians and bicyclists. In June 2010, for example, the Fairfax County Board of Supervisors adopted a new Comprehensive Plan for the Tysons Corner Urban Center that is designed to take advantage of the four new Metro stations that will open in 2013. The Tysons Plan received the 2011 Daniel Burnham Award from the American Planning Association. This prestigious award is granted to only one urban plan in the nation each year for advancing the science and art of planning. It is anticipated that by 2050, Tysons will be transformed into a walkable, vibrant, urban center, with over 100,000 residents and 200,000 jobs.

The Project also incorporates facilities and amenities that will encourage and support bicyclists and pedestrians. The Project will improve regional access to the Washington and Old Dominion Trail, a popular trail for bicyclists. Through WMATA's "Bike-on-Rail" policy, Metrorail stations will serve as convenient bike/transit transfer points for passengers choosing to split their trip between bicycle and rail. Sidewalks, landscaping, bus shelters, fencing, bike lockers, and public art elements have been incorporated into the designs at each of the stations.

Safety

Expanding the Metrorail system into the Dulles Corridor will provide greater flexibility in formulating regional homeland security strategies and evacuation plans. As was demonstrated on September 11, 2001, the Metrorail system played a major role in evacuating hundreds of thousands of government and private sector employees from downtown Washington after the attack on the Pentagon.

The Project will be consistent with Metrorail's existing railcar, facility and operational safety standards. Safety features include safety zones under the platform to allow passengers who fall onto the track to avoid the train, hotlines from central control to police and fire departments, automated smoke exhaust systems in tunnels, call boxes, passenger information displays on platforms, and cellular phone service.

In addition, the Airports Authority, in cooperation with the Commonwealth and the local governments, will implement roadway modifications to Route 7 and Spring Hill Road concurrently with the Project to increase traveler safety and efficiency throughout the corridor. The Route 7 roadway modifications include elimination of the service roads and provision of an additional (fourth) lane to accommodate both through and right-turning traffic into adjacent properties. Route 7 will be constructed with dedicated turning lanes which will reduce congestion and improve safety for motorists.

The Airports Authority will also implement concurrent roadway improvements along the Dulles International Airport Access Highway (DIAAH) that will improve safety and access for airport users. These include additional roadway crossovers to permit authorized (primarily emergency) vehicles to travel directly between the DIAAH and the adjacent Dulles Toll Road (DTR). Currently, these roadways are separated by a physical barrier, with a few places where crossing between the roadways is permitted.

State of Good Repair

The Project is focused on minimizing life-cycle costs and activities. Throughout the design process, WMATA, the Airports Authority, and their consultants have worked together to design a system that will seamlessly integrate into WMATA's existing operations and will also incorporate the latest innovations in transit planning and design.

The Project includes the construction of improvements to an existing WMATA West Falls Church service and inspection shop and yard facilities and the purchase of 128 railcars and spare parts. The railcars will be fully



compatible with WMATA's existing system. The expansion of the existing yard and shop will provide WMATA with additional railcar maintenance and storage facilities necessary to support Dulles Corridor operations

WMATA will be responsible for the Project's long-term operations as well as major rehabilitation and replacement work. The WMATA Compact Jurisdictions fund an annual contribution for operations and maintenance based on proportional allocation formulas. WMATA's capital budget requirements are driven by three key factors: regular levels of capital reinvestment, system expansion, and rolling stock rehabilitation (system expansion and rolling stock rehabilitation do not occur on a stable annual basis). WMATA is investing \$5.1 billion over six years in more than 125 capital improvement projects to advance safety and the state of good repair needs on the system. WMATA's Capital Improvement Program (WMCIP) provides a blueprint of annually planned work and associated cost, and addresses the following nine categories of WMATA's physical asset requirements: Vehicles/Vehicle Parts, Rail System Infrastructure Rehabilitation, Maintenance Facilities, Systems and Technology, Track and Structure, Passenger Facilities, Maintenance Equipment, Other Facilities and Project Management and Support. The Capital Funding Agreement (CFA) that established the base WMCIP (FY2011-2016) allows for a six-year rolling capital program. The six-year WMCIP that was developed for FY2012-2017 represents \$5.1 billion in planned expenditures.

Through FY2017, WMATA plans to invest almost \$900 million in recommendations made by the National Transportation Safety Board (NTSB), including replacement of the 1000 Series railcars, replacement of track circuits, replacement of power cables, installation of onboard event recorders, cable insulation testing, and removing the unnecessary Metrorail wayside maintenance communication system in order to eliminate its potential for interfering with the proper functioning of the train control system.

Funds to support the WMCIP come from three primary sources: federal appropriations, state and local contributions, and long and short-term borrowing. Federal appropriations include two Federal Transit Administration formula grants and dedicated federal funds. The dedicated federal funds were approved under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008 (P.L. 110-432, sometimes known as the "dedicated funding bill"). It authorized \$1.5 billion over ten years for Metro's capital and preventive maintenance projects, to be matched dollar-for-dollar by the Metro Compact Jurisdictions. The Appropriations Act placed certain conditions on the use of those funds, requiring that Metro place the highest priority on "investments that will improve the safety of the system, including but not limited to fixing the track signal system, replacing the 1000 series rail cars, installing guarded turnouts, buying equipment for wayside worker protection, and installing rollback protection on cars that are not equipped with this safety feature."

The Project also includes significant improvements to the local roadway network, most importantly through the heavily traveled Tysons Corner area. The Route 7 improvements, as well as those to Spring Hill Road, will create new or significantly-reconstructed roadway segments, which will reduce the amount of routine maintenance that will be required by Fairfax County.

4. Provide the estimated capital cost of the project:

The total estimated cost to design and construct the Dulles Metrorail Project is \$5.999 billion. The capital cost estimate for Phase 1 is \$2.906 billion (including approximately \$208 million of related, non-federally-funded capital improvements); the 100 percent preliminary engineering cost estimate for Phase 2 is \$3.093 billion.

The Phase 1 capital cost is based on preliminary engineering drawings, an executed design-build contract for Phase 1, and procurement of certain systems and equipment. The Phase 1 project costs were finalized following an extensive risk assessment process and approved by the Federal Transit Administration (FTA) as part of its oversight under a Full Funding Grant Agreement (FFGA) executed in March 2009. The current forecast for Phase 1 capital cost includes an additional \$150 million for change orders, scope growth and cost increases in allowance items expected through Phase 1 substantial completion in 2013; the federally-funded scope of work remains within the FFGA budget. Approximately 79 percent of Phase 1 construction is complete as of August 2012.

The Phase 2 capital cost is based on preliminary engineering drawings and cost estimates that were completed on March 6, 2012. As required under the Funding Agreement among the local funding partners, both Fairfax



County and Loudoun County have confirmed their financial participation in Phase 2 of the Project based on these estimates.

The \$3.093 billion Phase 2 capital cost is the product of a series of substantial engineering and design analyses undertaken by the Airports Authority and the Project partners over the 18-month period following the release of the preliminary Phase 2 cost estimate of \$3.83 billion in September 2010. That cost estimate was based on a project scope that included a two-mile tunnel with an underground station at Dulles International Airport, which was the Locally Preferred Alternative in the FTA's November 2006 Record of Decision. The Airports Authority Board of Directors directed staff to conduct further engineering studies to consider alternative alignments and station locations for the Dulles Airport Metrorail Station and selected a revised tunnel and station design in April 2011 that reduced Phase 2 costs by approximately \$330 million.

In June 2011, Secretary of Transportation Ray LaHood convened the first of several meetings among representatives of key project stakeholders for the purpose of establishing a common, agreed-upon scope, design, and finance plan for Phase 2, and further reducing the amount of funds that will need to be derived from the operation of the DTR (DTR Funds). The discussions resulted in a Memorandum of Agreement (MOA) among DOT, the Airports Authority, the Commonwealth of Virginia, Fairfax County, Loudoun County, and WMATA that set forth the mutual understandings, expectations and commitments concerning the completion of the Project. Key provisions of the MOA that helped to reduce the Phase 2 baseline cost estimate to \$2.689 billion include:

- Moving the Metrorail station at Dulles International Airport to an area adjacent to an existing parking garage with an aerial alignment, climate-controlled waiting areas, and protective windscreens along the platform level;
- Reducing the size and scope of Metrorail yard and shop facilities at Dulles International Airport;
- Reducing the size of station canopies at Phase 2 stations and where possible, using steel structures in lieu of concrete, in accordance with WMATA standards.

In addition, Fairfax County and Loudoun County agreed to use their best efforts to secure funding for the design and construction of the Route 28 station and five parking garages. The estimated \$404 million cost of those additional Phase 2 project components is shown separately in the table below.

The \$5.999 billion total project capital cost does not include financing costs or certain other necessary expenses related to the rail project. The Airports Authority and the funding partners will work with USDOT in examining these additional costs and determining the extent of additional eligibility for TIFIA purposes.

DULLES METRORAIL PROJECT — ESTIMATED CAPITAL COSTS (\$ Millions)

| SCOPE AND FTA COST CATEGORIES | PHASE 1 | PHASE 2 | TOTAL |
|--|-----------------|-----------------|-----------------|
| Guideway and Track Elements | \$ 631 | \$ 576 | \$ 1,207 |
| Stations and Parking | 355 | 297 | 652 |
| Support Facilities: Yards and Shops | 42 | 243 | 285 |
| Sitework and Utilities | 287 | 249 | 536 |
| Train Systems | 273 | 303 | 576 |
| Right-of-Way and Property Acquisition | 65 | 38 | 103 |
| Rail Cars and Support Vehicles | 217 | 221 | 438 |
| Design and Engineering Services | 793 | 629 | 1,422 |
| Unallocated Contingency | 36 | 134 | 170 |
| Baseline Project Cost Estimates | \$ 2,697 | \$ 2,689 | \$ 5,388 |
| Phase 1 Related Capital Improvements | 208 | - | 208 |
| Phase 2 County Elements | - | 404 | 404 |
| TOTAL PROJECT CAPITAL COST | \$ 2,906 | \$ 3,093 | \$ 5,999 |

Totals may not add due to rounding.



5. Provide the design features, development schedule, and other relevant descriptions of the project:

Design Features:

The Project includes eleven new stations – four in Tysons Corner, four in Fairfax County, one at Dulles International Airport and two in Loudoun County.

The Project also includes the procurement of 128 new railcars, as well as additional and/or expansion of parking garages along the alignment, expansion of the existing West Falls Church maintenance yard and construction of a new maintenance yard at Dulles International Airport, traction power substations, tie-breaker stations, a communications system, crossovers, Kiss & Ride facilities, entrance pavilions, pedestrian bridges, real estate acquisition, utility relocation, environmental mitigation efforts and startup and testing for revenue service.

Concurrently with Phase 1 construction, the Airports Authority will implement certain roadway improvements to Route 7 near Tysons Corner, Spring Hill Road in Fairfax County and certain improvements along the DIAAH that will improve safety and access for Dulles International Airport users. The DIAAH improvements include the design and construction of additional roadway crossovers to permit authorized (primarily emergency) vehicles to travel directly between the DIAAH and the DTR and additional improvements to facilitate the implementation of a future third lane in each direction on the DIAAH.

The Project is making use of the latest techniques and technologies both in construction and operations. The Dulles Corridor Silver Line will be the first line in the WMATA system to exclusively use Ethernet-based communications between and among the various stations and facilities and WMATA's Central Control. The new railcars will have innovations that include four-car sets instead of married pairs, use of stainless steel instead of aluminum, and the introduction of active graphics in the cars to provide passengers with real-time information. The four-car sets reduce costs and increase train capacity. The use of stainless steel increases the service life of the railcars and improves safety. The active graphics allow for communication of emergency and other service information that improves the transit experience. Finally, more sophisticated electronic signs will be installed in the stations to provide real-time emergency and passenger service information, public service announcements, and the opportunity for revenue-generating private advertising.

With regard to operations, the Project will incorporate automated train control and other advanced systems that support traction power substations, communications and security, and fare collection. Other technologies will be used to assist passengers, such as Smart Cards for collecting fares, multi-payment fare card vending machines, and internet and mobile device services.

Development Schedule:

Phase 1 of the Project is currently under construction and is therefore able to immediately make use of TIFIA credit assistance. The table below highlights key milestones in the project development schedule:

| | |
|----------------|---|
| July 2004: | Commenced Engineering |
| May 2008: | Commenced Final Design for Phase 1 |
| June 2008: | Commenced Utility Relocation for Phase 1 |
| March 2009: | FFGA Approved for Phase 1; NTP issued to Phase 1 Design-Build Contractors |
| Summer 2009: | Issued Request for Proposals for Phase 2 Preliminary Engineering |
| December 2009: | Commenced Phase 2 Preliminary Engineering |
| December 2011: | MOA approved for completion of the Project |
| February 2012: | Phase 2 Preliminary Engineering Complete |
| July 2012: | Initiated Design-Build Procurement for Phase 2 |
| October 2012 | Submit TIFIA Letter of Interest |
| October 2012*: | Complete additional Environmental Review and Approvals |
| January 2013* | Submit TIFIA Application |
| May 2013*: | Award Phase 2 Design-Build Contract |



| | |
|------------------------|--|
| <i>May 2013*</i> | <i>Execute TIFIA Agreement(s)</i> |
| <i>July 2013*:</i> | <i>Phase 1 Substantial Completion</i> |
| <i>December 2013*:</i> | <i>Begin Service to Wiehle Avenue Station</i> |
| <i>December 2018*:</i> | <i>Full Project Substantial Completion; Begin Service to Route 772 Station</i> |

** Estimated dates for future milestones are preliminary; subject to change.*

B) Outline the Proposed Financial Plan, including the Requested Credit Assistance.

1. Detail the plan of finance in sufficient detail to assist the DOT in its creditworthiness assessment:

As shown in the sources and uses table below, funding for the Project will be provided from several sources, including the federal government operating through the FTA, the Commonwealth, the Airports Authority (including using funds other than DTR revenues), and Fairfax and Loudoun Counties.

Together, the local funding partners are responsible for raising more than \$4.8 billion to fund 80 percent of the Project's total capital cost of \$6.0 billion (excluding financing costs and certain other related expenses):

- Fairfax County is responsible for raising \$1.137 billion (\$901 million under the Funding Agreement to cover 16.1% of the baseline costs plus another \$236 million to cover the Route 28 station and two parking facilities);
- Loudoun County is responsible for raising \$437 million (\$269 million under the Funding Agreement to cover 4.8% of the baseline costs plus another \$168 million to cover its three parking facilities); and
- The Airports Authority is responsible for raising \$3.25 billion (\$229 million under the Funding Agreement to cover 4.1% of the baseline costs plus an estimated \$3.021 billion to be derived from the Dulles Toll Road).

Fairfax County expects to fund the majority of its contribution from tax revenues generated by three special districts authorized to levy taxes on commercial and industrial zoned property. The Phase 1 tax district was established by the Fairfax County Board of Supervisors on February 23, 2004 and has collected \$186 million in tax revenues through August 2012. The County has also issued \$247 million of bonds secured by Phase 1 tax district revenues that have bond ratings of AA/Aa2/AA. The Phase 2 tax district was established by the Fairfax County Board of Supervisors on December 21, 2009 and has collected \$15.5 million in tax revenues through August 2012. In addition, Fairfax County expects to utilize a special countywide tax on commercial and industrial property of 11 cents per \$100 of assessed value to fund the estimated \$200 million County project costs not covered by the Phase 1 and Phase 2 tax districts. Fairfax County has also agreed to use its best efforts to secure approximately \$236 million of funding for Phase 2 related improvements – the design and construction of the parking facility at the Herndon-Monroe station, the parking facility at the Route 28 station and the Route 28 station itself.

Loudoun County has already appropriated \$160 million through the FY 2013 budget year, and is scheduled to appropriate additional funds for the balance of its share of the baseline costs. Loudoun County also has agreed to use its best efforts to secure approximately \$168 million of funding for Phase 2 related improvements – the design and construction of the parking facility at the Route 606 station and the two parking garages at the Route 772 station. Loudoun County anticipates that any of its Project debt issued through the TIFIA program will receive credit ratings in the AA category or higher, and investment grade ratings for the parking facilities.

The Airports Authority expects to fund its 4.1 percent share of the baseline costs (about \$229 million) from revenues derived from operation of the Airports. In addition, the Airports Authority estimates that DTR revenues will provide about \$3.0 billion of funding for the total capital cost of the Project. The Airports Authority seeks to finance a significant portion of this amount through TIFIA. Proceeds from debt issued by the Airports Authority in 2009-2010 have funded approximately \$1.1 billion of project costs. Approximately \$1.9 billion of additional DTR debt will need to be issued to complete construction. The proposed TIFIA loan will be a junior or subordinate lien obligation payable from net Dulles Toll Road revenues available after payment of annual operation and



maintenance expenses and scheduled debt service on the senior bonds. The current DTR debt issued by the Airports Authority on the subordinate lien is rated Baa2/BBB by Moody's and Standard & Poor's, respectively.

2. Detail the sources and uses of funds:

The table below shows the anticipated contributions from each funding source, subject to satisfaction of the terms and conditions of the various funding agreements, by phase and as a percentage of the current estimate for the subtotal cost of the Project that is subject to the agreement of the local funding partners.

EXPECTED SOURCES AND USES OF FUNDS (\$Thousands)

| Funding Source | Phase 1 | Phase 2 | Total | % of Subtotal |
|--|---------------------|---------------------|---------------------|----------------------|
| Airports Authority – DTR Funding (1) | \$1,353,985 | \$1,667,026 | \$3,021,011 | 54.0% |
| Airports Authority Funds | - | 229,383 | 229,383 | 4.1% |
| FTA (2) | 900,000 | - | 900,000 | 16.1% |
| Commonwealth of Virginia (3) | 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% |
| <i>subtotal</i> | \$ 2,905,685 | \$ 2,689,000 | \$ 5,594,685 | 100.0% |
| Additional Funding that may be Secured by the Counties | - | 404,000 | 404,000 | |
| TOTAL SOURCES OF FUNDS | \$2,905,685 | \$3,093,000 | \$5,998,685 | |
| Baseline Project Cost | 2,697,277 | 2,689,000 | 5,386,277 | |
| Phase 1 Related Capital Improvements | 208,408 | - | 208,408 | |
| Phase 2 County-Funded Elements | - | 404,000 | 404,000 | |
| ESTIMATED TOTAL PROJECT COST (4) | \$2,905,685 | \$3,093,000 | \$5,998,685 | |

(1) The Airports Authority's contribution to the Project from DTR Revenues is not limited by amount or percentage of Project costs. The amount represents the expected net proceeds from debt secured by DTR Revenues.

(2) The FTA's New Starts commitment under the FFGA is limited to \$900 million.

(3) \$75 million of the Commonwealth's contribution consists of a re-programming of its FHWA STP funds to FTA 5307 funds. The \$275 million total does not include \$150 million that will be provided by the Commonwealth to pay interest on DTR revenue bonds.

(4) The \$2.689 billion preliminary baseline cost estimate for Phase 2 assumes Fairfax and Loudoun Counties are successful in securing approximately \$404 million of funding for the Route 28 station and five parking garages (Phase 2 county-funded elements).

3. Type of credit assistance:

The local funding partners are seeking direct loans – the Fairfax County loan, the Loudoun County loan, and the Airports Authority loans – to expedite completion and enhance the economic impact of the Project.

4. Amount of credit assistance sought from DOT:

The local funding partners are seeking total TIFIA loan assistance of approximately \$2.94 billion to be applied to eligible project costs. Allocation of the TIFIA proceeds among the local funding partners should generally reflect the relative size of the funding commitments from each source. The local funding partners will determine the precise allocation of TIFIA assistance after USDOT has established the total TIFIA amount for the Project. It



is anticipated that the majority of the TIFIA credit assistance will be used to monetize toll road revenues to help mitigate toll road rate increases.

5. Provide a rationale for the amount of TIFIA credit assistance requested, as a percentage of reasonably anticipated eligible project costs (e.g., a project sponsor can demonstrate that traditional sources of financing are not available at feasible rates without the TIFIA assistance, or that the costs of traditional financing options would constrain the sponsor's ability to deliver the project, or that delivery of the project through traditional financing approaches would constrain the sponsor's ability to deliver a group of related projects, or a full capital program):

The local funding partners have committed to fund \$4.8 billion, or 80 percent, of the \$6.0 billion capital cost of the Project (excluding financing costs and certain other related expenses). This funding will be derived from local DTR users, Airports users and property taxpayers. The Airports Authority must increase DTR toll rates sharply in order to meet the \$3.0 billion DTR funding share. And it must raise another \$229 million from non-DTR sources (Airports users) to meet its local share of baseline costs. Likewise, Fairfax County and Loudoun County must establish special tax districts and potentially provide appropriation backstops for nearly \$1.6 billion of combined funding. These are extraordinary local commitments for a major project of national significance with widespread public benefits.

Every dollar of TIFIA credit assistance that can be obtained not only expedites and facilitates project completion by reducing financing risk; it significantly lessens the potential burden on Dulles Toll Road users and County taxpayers and mitigates potential traffic diversion to other roadways. The requested TIFIA assistance will enable the Counties to provide their major contributions in a cost-effective way, and allow them to pursue other critical infrastructure improvements at the same time, rather than cannibalizing their transportation programs for years to come. TIFIA credit assistance will also enable the Airports Authority to better leverage the DTR revenues with minimal reliance on relatively expensive capital appreciation bonds and subordinate current interest bonds, thereby enabling an approximate 30 percent reduction in projected toll rates.

The \$2.94 billion TIFIA request is 49 percent of the total project capital cost of \$6.0 billion. Additional federal participation in this major infrastructure project that will support the regional economy and enhance access to the international gateway to the nation's capital is critical.

6. Explain the flexibility in the financial plan to finance the project with a reduced percentage of TIFIA credit assistance:

It will take approximately 5½ years to complete construction of the Project. TIFIA credit assistance will generate the greatest benefit from increased financial flexibility and reduced pressure on toll rates if received early, but if sufficient TIFIA credit assistance is not available in FY2013 and FY2014, the project sponsors will pursue additional assistance in future years. Of the total requested TIFIA assistance of \$2.94 billion, the funding partners currently anticipate being able to draw down loan proceeds of up to \$700 million in 2013 and up to \$800 million in 2014 to help pay for eligible project costs. Therefore, the Project could receive an initial TIFIA commitment of \$1.5 billion over the next two years and still realize significant subsidy benefits in terms of mitigating toll rate increases and supporting the regional economy. The Project could make use of future-year contingent commitments of additional assistance through the master credit agreement authorized in MAP-21.

7. Description of revenue source(s) pledged to repayment:

Fairfax County expects to repay its TIFIA loan primarily with revenues generated by the special tax districts authorized to levy assessments on commercial and industrial zoned property in the County.

Loudoun County will issue appropriation-backed debt to support the TIFIA financing.

The Airports Authority will secure its primary TIFIA loan by DTR revenues available after payment of DTR's operation and maintenance expenses and the scheduled debt service payments on outstanding bonds with



priority in the flow of funds. The Airports Authority has the exclusive right to establish, charge and collect tolls and other user fees for the use of the DTR. No consent or approval from any entity is required to be obtained by the Airports Authority to establish, increase or otherwise change any toll rate. Consistent with the intent of the MOA, the TIFIA credit assistance will reduce the amount of funding that will need to be derived from the operations of the DTR for debt service (i.e., the requested TIFIA assistance will allow the Project to be completed with significantly lower toll rates.)

The Airports Authority expects to secure a second TIFIA loan, which will be used to help finance its 4.1% local share of baseline Project costs (\$229 million), with Airports-related revenues.

8. Address the status of any revenue feasibility studies:

In April 2012, CDM Smith Inc., formerly Wilbur Smith Associates, completed a Working Draft of an updated Comprehensive Traffic and Revenue Study for the Dulles Toll Road. The study provides detailed information about the performance of the DTR and outlines the basic assumptions and key inputs to the travel demand model that CDM Smith used to develop annual traffic and toll revenue estimates for the DTR over a 40-year forecast horizon.

Key components of the CDM Smith work effort were calibrating the travel demand model with existing travel data, confirming how much travelers in the DTR corridor may be willing to pay in order to save time, and conducting an independent evaluation of the socioeconomic forecasts. The model also incorporates the most recently approved future transportation improvement plans including the I-495 Express Lanes and the Dulles Metrorail Project.

C) Status of Environmental Review.

1. Summarize the status of the project's environmental review:

An Amended Record of Decision was issued on November 17, 2006, for the entire 23.1 mile long Project.

Additional environmental review and approvals associated with the modification of the station design and alignment at Dulles International Airport, including an agreement with the Virginia Department of Historic Resources, are expected to be completed by October 2012. A new Amended Record of Decision will be issued to address the revised alignment and other design refinements for Phase 2.

2. Discuss whether the project has received a Categorical Exclusion, Finding of No Significant Impact, or Record of Decision or whether a draft Environmental Impact Statement has been circulated:

An Amended Record of Decision was issued on November 17, 2006, for the entire 23.1 mile long Project.

D) Information Regarding Satisfaction of TIFIA Eligibility Requirements.

Please demonstrate the following:

1. Creditworthiness:

a. Ability to satisfy applicable creditworthiness standards:

Both Fairfax County and Loudoun County will ensure that their TIFIA loans receive credit ratings, even if that requires appropriations to supplement the respective revenue streams securing the TIFIA loan.

The Airports Authority's TIFIA loan that is secured by net toll revenues generated by the DTR will be on par with or subordinate to outstanding toll revenue bonds that have investment grade credit ratings. The Airports



Authority issued \$963 million of DTR Revenue Bonds in August 2009 on two separate liens — first senior and second senior — that are rated A2/A and Baa1/BBB+ respectively. A second bond issuance in May 2010, totaling \$342.6 million, was comprised of second senior and subordinate debt which is rated Baa2/BBB. In August 2011, the Airports Authority issued \$300 million of Dulles Toll Road Second Senior Lien Commercial Paper Notes which can be drawn to provide short-term construction funding. The commercial paper notes are rated “P-1” by Moody’s and “A-1+” by S&P based upon the availability of the credit facility with JPMorgan Chase Bank, N.A. It is anticipated that any TIFIA debt would be placed on the subordinate lien or the junior (fourth) lien. The Airports Authority’s other TIFIA loan will be secured with Airports-related revenues.

b. Rate covenant, if applicable:

The Airports Authority’s TIFIA debt will be subject to a rate covenant, pursuant to the bond indenture.

c. Adequate coverage requirements to ensure repayment:

The Airports Authority’s TIFIA debt will be subject to coverage requirements established for the relevant lien(s), pursuant to the bond indenture.

d. Ability to obtain two investment grade ratings on senior debt: two ratings on the TIFIA debt (investment grade if senior); if project costs are less than \$75 million only one rating on the senior debt and the TIFIA debt are needed):

As noted above, the Airports Authority has received investment grade ratings on the outstanding DTR bonds issued in 2009 and 2010, and will obtain the necessary ratings on the proposed TIFIA debt. Fairfax and Loudoun counties are prepared to obtain both preliminary rating opinion letters and credit ratings on their proposed TIFIA loans.

2. Foster partnerships that attract public and private investment for the project:

The Project is unusual for a transit project in that most of the capital cost will be funded from user fees or beneficiary charges. Approximately \$3 billion (over 50 percent of the total Project cost) will be financed through DTR revenue bonds purchased by private investors (including DTR revenue monetization through the requested TIFIA assistance). Another \$930 million is expected to be generated by commercial and industrial property owners through special tax districts formed in Fairfax County. Loudoun County projects generating \$577 million through its planned special service tax districts, which will include commercial and residential units. The tax districts represent an innovative way to foster private participation in transit projects by monetizing the expected development benefits. In addition, the Airports Authority anticipates utilizing revenues derived from the operations of the Airports to fund approximately \$229 million of Project improvements at Dulles International Airport. Together, direct users of the DTR and the beneficiaries of the Project in the special tax districts will contribute over \$4.5 billion, or 75 percent, of the total capital funding.

Fairfax County worked with a private development team to fund the Wiehle Avenue Station Parking Project, which includes 2,300 public parking spaces, 10 bus bays, 46 kiss-and-ride spaces and ancillary facilities. Annual ground rents paid by the developer of the site are expected to increase from \$1.1 million in 2015 to approximately \$5.3 million by 2034. Fairfax and Loudoun Counties may pursue similar public-private partnerships to fund the Route 28 station and the Phase 2 parking garages.

It is also important to note that private sector resources are being leveraged through a design-build project delivery approach that shifts significant development risks to the contracting team. The Airports Authority has executed a design-build contract for Phase 1, and anticipates using a similar approach for several components of Phase 2. The design-build procurement methodology proposed for Phase 2 was largely chosen to yield the highest possible level of competition by the most qualified teams who submit a technical plan with the greatest chance of successful completion.

The Project is part of a more than 50-year planning effort to extend the Washington region’s Metrorail system into the Dulles Corridor. In the 1950s, when Dulles International Airport was being planned and developed,



planners knew that a link from the airport to the nation's capital, and the subway system, would be essential to accommodate the anticipated growth and development of one of the world's most modern airports. The Dulles Corridor was identified in the regional master plans that supported highways, such as I-66 and I-270, as well as the Metrorail system. The 40-foot median of the Dulles Connector Road and the DIAAH was preserved for future rail by the Federal Aviation Administration (FAA) in 1962. In the 1990s, a Major Investment Study of the corridor identified rail in the Dulles Corridor as a major transportation resource and critical link to the ever-growing employment and population base in Northern Virginia.

The Project will improve long-term efficiency, reliability and cost-competitiveness in the movement of workers and goods. It will have a significant economic impact on the region, providing increased employment from construction activities and promoting transit-oriented developments at and around stations. The introduction of Metrorail into Tysons Corner and Reston-Herndon as well as service to Dulles International Airport and Loudoun County will allow much better access to major employment centers in the region. In particular, the Project will provide economically disadvantaged residents in the Washington metropolitan area with additional public transportation options to a larger potential base of employment.

3. Enable the project to proceed at an earlier date or reduced lifecycle costs (including debt service costs):

TIFIA credit assistance will expedite completion of the Project by reducing financing uncertainty and interest expense. By utilizing TIFIA's cash flow subordination and flexible payment features, the local funding partners can leverage DTR revenues, special tax district revenues, and Airports-related revenues in a more efficient and cost-effective way. TIFIA credit assistance will provide significant savings by eliminating negative arbitrage on bond proceeds during the construction period, reducing potential interest expense, and minimizing transaction costs. In addition, the ability to prepay TIFIA assistance without limitation or expense would provide beneficial flexibility in financing subsequent extensions and improvements.

4. Reduce the Contribution of Federal Grant Assistance for the Project:

TIFIA credit assistance may enable the local funding partners to complete the Project without resort to any additional federal grants by enhancing the amount of funding that can be raised by leveraging non-federal resources, including the DTR. Under the plan of finance, over 70 percent of the Project's capital cost will be funded from user fees or beneficiary charges collected by special tax districts. The federal grant contribution of \$900 million (secured through the FFGA that was executed in March 2009) represents only 15 percent of the \$5.999 billion estimated total Project cost. No federal grant assistance is currently anticipated to help fund the \$3.093 billion estimated cost of Phase 2.

5. Construction contracting process can commence no more than 90 days from execution of a TIFIA credit instrument:

Construction for Phase 1 of the Project, which is underway and expected to be substantially complete by August 2013, is substantively on time, and its federally-funded scope of work is forecast to remain within its FFGA budget.

The construction contracting process for Phase 2 has already begun. On July 12, 2012, the Airports Authority issued a Request for Qualifications Information to solicit qualifications statements from potential bidders for Phase 2. Statements of Qualifications will be gathered from prospective bidders and a "short list" of no more than five teams will be developed. Next, a Request for Proposals seeking both technical and price proposals will be issued to the short-listed teams. The contract will then be awarded to the team that meets the technical requirements and has the lowest price. It is currently estimated that a contract could be awarded as soon as May 2013 and that construction of Phase 2 could be completed approximately 5½ years after the contract is awarded.



E) Project Participants.

1. Name of Applicant/Borrower:

The Airports Authority will be the applicant on behalf of the local funding partners. As contemplated in the MOA, the single joint application may support multiple loans to individual partners (e.g., a Fairfax County loan, a Loudoun County loan, and Airports Authority loans backed by toll road and aviation-related revenues.

2. Overall Organizational Structure:

Organizational Structure:

The Airports Authority is the public agency charged with development of the Project; however, the Project is being advanced under an innovative multi-jurisdictional partnership that also includes Fairfax County, Loudoun County, WMATA, the Commonwealth of Virginia, and the FTA. The following discussion outlines the roles and contributions of each entity:

The Airports Authority

The Airports Authority was created in 1985 by the District of Columbia (the District) and the Commonwealth with the consent of the Congress of the United States. It is responsible for both operations and capital improvements at Ronald Reagan National Airport (National Airport) and Dulles International Airport. The Airports Authority's two-airport system provides domestic and international air service for the mid-Atlantic region, with more than 1,525 employees in an organizational structure that includes central administration, airport management and operations, and police and fire departments. The Airports Authority is not taxpayer-funded but is self-supporting, using aircraft landing fees, rents and revenues from airlines and concessions to fund operating expenses at both Airports.

Since its inception, the Airports Authority has made significant capital investments at both National Airport and Dulles International Airport. It has expended approximately \$4.0 billion of the \$5.1 billion total estimated cost of the current Aviation Capital Construction Program (CCP), which was initiated in 2001 and is expected to be completed by the end of 2014. The CCP is funded from bond proceeds, Passenger Facility Charges (PFCs) and grants.

On November 1, 2008, the Airports Authority assumed responsibility for operating the DTR under a Permit and Operating Agreement with the Virginia Department of Transportation (VDOT) for a 50-year term. The DTR is an eight-lane (four in each direction) tolled roadway that is approximately 13.4 miles in length and operates generally between I-495 and Virginia Route 28 in eastern Loudoun County, Virginia. It was constructed by VDOT and opened to traffic in October 1984. The DTR provides access to well-established and growing activity centers in the Northern Virginia region, such as Tysons Corner, the Reston-Herndon area, Dulles International Airport and eastern Loudoun County. The Airports Authority is expected to fund approximately \$3 billion of the total costs of the Project through the issuance of DTR Revenue Bonds.

In addition, the Airports Authority has agreed to fund 4.1 percent of the Project baseline costs (total Project capital cost excluding the Phase 2 related improvements), or approximately \$229 million based on current estimates (see table in section B2), from sources other than the DTR. This contribution is expected to be made from revenues derived from operation of the Airports, including PFCs imposed upon users of the Airports.

Fairfax County

The Project has been Fairfax County's highest transportation priority since 1999, and the County has embarked on several activities to improve land use within Tysons Corner and at all stations proposed to be constructed in the County. In 2005, Fairfax County initiated a major study of changes required to its Comprehensive Plan to transform Tysons Corner—the region's largest employment center outside of Washington, DC, and the largest retail center on the east coast outside of New York City—into a more urban, pedestrian-friendly environment



with transit-supportive land use. Fairfax County engaged an internationally renowned land use and transportation consultant to assist its staff and a citizen task force in the effort to reshape Tysons Corner. This multi-year effort resulted in recommendations by the County's Planning Commission to outline a funding plan for the \$3.1 billion of infrastructure improvements over the next 30 years.

Fairfax County has agreed to fund 16.1 percent of the Project baseline costs (total Project capital cost excluding the Phase 2 related improvements), or approximately \$901 million based on current estimates (see table in section B2). Fairfax County expects to fund the majority of its contribution from tax revenues generated by three special districts authorized to levy taxes on commercial and industrial zoned property. The Phase 1 tax district was established by the Fairfax County Board of Supervisors on February 23, 2004 and has collected \$186 million in tax revenues through August 2012. The County has also issued \$247 million of bonds secured by Phase 1 tax district revenues that have bond ratings of AA/Aa2/AA. The Phase 2 tax district was established by the Fairfax County Board of Supervisors on December 21, 2009 and has collected \$15.5 million in tax revenues through August 2012. In addition, Fairfax County expects to utilize a special countywide tax on commercial and industrial property of 11 cents per \$100 of assessed value to fund the estimated \$200 million County project costs not covered by the Phase 1 and Phase 2 tax districts.

Fairfax County has also agreed to use its best efforts to secure approximately \$236 million of funding for Phase 2 related improvements – the design and construction of the parking facility at the Herndon-Monroe station, the parking facility at the Route 28 station and the Route 28 station itself.

Loudoun County

The Project is one of Loudoun County's major transportation projects. It will provide enhanced access to Dulles International Airport and offer convenient commuting opportunities for Loudoun residents who work in Fairfax County, Washington DC and other jurisdictions in the area. The Project also will benefit employees who travel "reverse commutes" from neighboring jurisdictions to employment centers in Loudoun County.

On July 3, 2012, the Loudoun County Board of Supervisors opted into Phase 2 of the Project. Loudoun County has agreed to fund 4.8 percent of the Project baseline costs (total Project capital cost excluding the Phase 2 related improvements), or approximately \$269 million based on current estimates (see table in section B2). Loudoun County will issue appropriation backed debt to support the TIFIA financing. Tax revenues generated by special service districts, which are scheduled to be established by January 1, 2013, and revenues from other increases in local taxes will support the debt service. The County has already appropriated \$160 million through the FY 2013 budget year.

Loudoun County has also agreed to use its best efforts to secure approximately \$168 million of funding for Phase 2 related improvements – the design and construction of the parking facility at the Route 606 station and the two parking garages at the Route 772 station.

WMATA

Upon completion of construction of each phase of the Project, and its acceptance by WMATA into the Metrorail System, WMATA will become the owner and operator of the completed phase and will bear sole responsibility for its operations and maintenance.

WMATA has been actively involved in the project development effort, including preliminary engineering and environmental permitting. Throughout final design, construction, safety certification, and pre-revenue start-up, WMATA is serving as the technical advisor to the Airports Authority and will assist with design reviews, testing, and start-up acceptance. WMATA is not responsible for funding any of the capital costs of the Project prior to acceptance of the completed project.

Commonwealth of Virginia

The Virginia Department of Rail and Public Transportation (DRPT), whose responsibilities include the funding of rail and public transportation services in the Commonwealth, managed the Project from its inception until it



assigned the Comprehensive Agreement to the Airports Authority under the Assignment and Assumption Agreement in June 2008. DRPT continues to provide input into the Project's design and construction, and to serve as a liaison to other Commonwealth agencies.

The Commonwealth provided \$75 million in funding under the Virginia Transportation Act 2000 to support the planning and preliminary engineering of both phases of the Project as matching funds to FTA funds. These funds were expended between 2004 and 2007. In addition, the Commonwealth has committed \$200 million to the Project, including \$125 million of Commonwealth Transportation Board (CTB) proceeds and \$75 million from its Surface Transportation Program funds. Through FY 2011, pursuant to the request of VDOT, the Federal Highway Administration (FHWA) has transferred \$75 million of these STP funds to FTA, to be administered through the Section 5307 Grant Program, and FTA has obligated the transferred funds for Phase 1.

In 2012, the Commonwealth appropriated, and the CTB has allocated, an additional contribution of \$150 million toward the Project. A grant agreement for these funds is expected to be executed by the end of 2012. In addition, the Commonwealth will consider extending the 50-year term of the Permit and Operating Agreement with the Airports Authority, if it is determined that doing so is in the best interest of the Commonwealth and will further mitigate toll increases to be imposed on the DTR users to help fund construction of the Project.

Federal Transit Administration

The FTA provides discretionary grants to state and local governments for the development of new and improved transit facilities and services. WMATA received \$32 million of Section 5309 New Starts funding in 2000 for National Environmental Policy Act (NEPA) environmental work for the Project. VDRPT received \$4.52 million in Section 5309 New Starts funding in 2004 for completion of environment work for the Project. These two prior grants, for a total of \$36.52 million, are not included in the FFGA executed on March 10, 2009.

In 2004, VDRPT received \$54.4 million in Section 5309 New Starts funding for preliminary engineering for the Project. The Airports Authority was granted an additional \$159 million for final design and engineering in June 2008. In 2009, the FFGA committed an additional \$686.6 million in Section 5309 funding for a total FFGA commitment of \$900.0 million.

Appropriations of New Starts funding totaling \$611.11 million have been obligated for the Project through FY 2012. That amount includes \$77.26 million of Capital Investment Grant (New Starts) funds provided under the American Recovery and Reinvestment Act in 2009 and \$19.8 million in additional FY 2010 New Starts resources allocated by FTA.

3. If applicable, detail how the project meets MAP-21's definition of a rural infrastructure project (a surface transportation infrastructure project located in any area other than a city with a population of more than 250,000 inhabitants in the city limits):

The Dulles Corridor is primarily suburban, but the Project (including the Phase 2 related improvements being undertaken by the Counties) may meet the MAP-21 definition of a rural infrastructure project because there is no city in the area with a population of more than 250,000.

4. What entity (i.e., public-sector agency/authority or private-sector company) will serve as the applicant?

The Metropolitan Washington Airports Authority (Airports Authority) will submit a single joint TIFIA application for the Project on behalf of the local funding partners.

5. Will the applicant and the borrower be the same entity? Who are the members of the project team?



The Airports Authority will be the borrower of DTR-backed and Airports-backed TIFIA debt. The local funding partners are flexible about the borrowing entity for the County tax-backed TIFIA debt. It may be more efficient for Fairfax County and Loudoun County to borrow directly from USDOT for their portions of the TIFIA assistance, as contemplated by the MOA. The other key project partners include the Commonwealth of Virginia, the Washington Metropolitan Area Transit Authority, and the USDOT (via the Federal Transit Administration).

6. *Project Website or Applicant/Borrower Website:*
Information on the Project is posted on www.dullesmetro.com and www.mwaa.com

F) Other Information.

Briefly discuss any other issues that may affect the development and financing of the project, such as community support, pending legislation or litigation:

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. The court determined that plaintiffs lacked "prudential" standing to bring any of their claims, but went on to address each of the claims on the merits. The court concluded as to each claim that it failed, as a matter of law, to state a valid claim as to which the court could grant any relief, and more generally ruled that the setting of tolls by the Airports Authority at levels required to help finance the Project does not violate the federal constitution. Following the district court's decision, plaintiffs filed an appeal in the United States Court of Appeals for the Federal Circuit. Briefing has been completed and oral arguments were held on October 2, 2012.

G) Inclusion in Transportation Plans and Programs.

Is the project consistent with the State Transportation Plan and, if applicable, the metropolitan plan?
 No Yes Not applicable

Please briefly elaborate:

The Project is included in the 2011 Approved Constrained Long-Range Plan (CLRP), and the Approved FY2011-FY2016 Transportation Improvement Program adopted by the Metropolitan Washington Council of Governments (MWCOC) Transportation Planning Board. FHWA and FTA have reviewed and concurred in that conformity determination for the CLRP. The Project is also included in the Commonwealth's approved Statewide Transportation Improvement Program for FY2011-2016.

H) Readiness to Apply.

Is the project prepared to submit an application within a short timeframe after receiving an invitation from DOT?
 No Yes Unsure

Yes. The local funding partners are prepared to submit a TIFIA application for credit assistance.

What factors could impact this timetable or the applicant's ability to provide all required information?



The local funding partners anticipate that preliminary rating opinion letters and subsequent credit ratings could be obtained relatively quickly, given the rating agencies' familiarity with the Project and its credit strengths.

I) Additional Information.

Please provide any other additional information necessary:

The strengths of the Project have been highlighted in the responses to the questions above. If any additional information would be helpful, please do not hesitate to contact the Airports Authority.

J) Key Contact Person.

Identify a key contact person with whom all communication should flow:

Name: (Ms.) Luz Cofresi-Howe
Title: Deputy Project Director for Finance
Metropolitan Washington Airports Authority
Street Address: 1 Aviation Circle, Suite 230
City/State: Washington, DC 20001
Phone: 703.572.0507
Fax: 703.572.0510
E-mail: luz.cofresi-howe@mwa.com

K) Additional information requested.

DUNS: 116203001799

Project Location:

State: Virginia County: Fairfax and Loudoun Counties City: N/A

Congressional Districts Impacted by the Project: VA-8th District, VA-10th District, VA-11th District

Type of Jurisdiction (e.g., rural, urban): primarily suburban

Fees. The increased demand on TIFIA's resources has led to the discontinuation of the practice of advancing the entire cost of financial and legal advisors engaged to assist DOT in determining a projects creditworthiness and overall eligibility and having those costs reimbursed to DOT after execution of a credit agreement. As such, upon request, project sponsors must pay fees in the amount of \$100,000 before DOT hires financial and/or legal advisors as part of the Letter of Interest review process. These fees are due upon request. Additional fees will be charged after the credit instrument is executed, including additional amounts required to fully cover TIFIA's financial and legal advisory services costs in connection with the evaluation and negotiation of the terms of TIFIA credit assistance for the project. For projects that enter credit negotiations, the undersigned further certifies a transaction fee will be paid at closing or, in the event no final credit agreement is reached, upon invoicing by the DOT, in the amount equal to the actual costs incurred by the DOT in procuring the assistance of outside financial advisors and legal counsel. This fee is due whether or not the loan closes.

Debarment. The undersigned certifies that it is not currently, nor has it been in the preceding three years: 1) debarred, suspended or declared ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; 3) voluntarily excluded from participation in a Federal transaction; or 4) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment & Suspension Regulations: 49 C.F.R. Part 29).

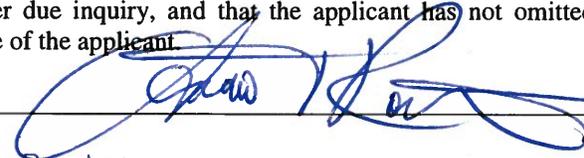
Default/Delinquency. The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.



Fiscal Years 2013 & 2014 Letter of Interest Form

Signature: By submitting this Letter of Interest, the undersigned certifies that the facts stated herein are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Submitted by:



Applicant/Borrower Name

Andrew Rountree

Title

Vice President and Chief Financial Officer

Organization

Metropolitan Washington Airports Authority

Date

October 5, 2012

Please attach any relevant documents (e.g., maps, organization charts, etc.).

Attachment

A. Project Map



Dulles Corridor Metrorail Project

