

2005 BUDGET



RESOLUTION NO. 04-29

2005 Budget

RESOLVED, That the 2005 Budget, as presented to the Finance Committee on November 17, 2004, is hereby adopted, effective as of January 1, 2005;

2. That there is hereby made available for expenditure in 2005 for the care, operation, maintenance, construction, improvement, and protection of Ronald Reagan Washington National and Washington Dulles International Airports a total of \$966,706,700, consisting of:

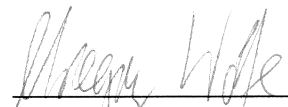
- (i) \$407,805,600 for the Operation and Maintenance Program, including \$170,734,000 for debt service;
- (ii) \$34,491,100 for the Capital, Operating and Maintenance Investment Program;
- (iii) \$524,410,000 for the Capital Construction Program;

3. That projects identified in the Budget in the amount of \$29,602,100 for the Capital, Operating and Maintenance Investment Program and \$371,939,000 for the Capital Construction Program are hereby authorized;

4. That the President and Chief Executive Officer is authorized to modify or adjust expenditures under the Budget in a manner consistent with the 2005 Budget within the levels approved for each of the above three programs; and

5. That this Resolution provides funding for expenditures for (a.) capital projects authorized in this Budget, (b.) other programs or projects authorized by Resolution, or (c.) otherwise approved in accordance with delegations to the executive staff.

Adopted December 1, 2004



Gregory Wolfe, Secretary

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 BUDGET

JANUARY 1 - DECEMBER 31, 2005

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November 24, 2004

Mr. Norman M. Glasgow, Jr.
Chairman, Board of Directors
Metropolitan Washington Airports Authority

Dear Mr. Glasgow:

The recommended 2005 Budget for the Metropolitan Washington Airports Authority (Authority) for the period January 1 through December 31, 2005 is presented for the Board's consideration and adoption. The 2005 Budget was presented to the Finance Committee on November 17, 2004. The 2005 Budget consists of three programs: the Operation and Maintenance Program (O&M), the annual financial plan for operating Ronald Reagan Washington National (Reagan National) and Washington Dulles International Airports (Dulles); the Capital, Operating and Maintenance Investment Program (COMIP), the Authority's plan for accomplishing repair work at the Airports, equipment, planning, improvements, snow program, and operational initiatives; and the Capital Construction Program (CCP), the plan for the design and construction of major improvements and initiatives at both Airports.

The Washington region continues to benefit from strengthening economic activity and continues to be one of the strongest economies in the nation. This year both our Airports have experienced a tremendous growth in activity, with record enplanements expected at both Airports. The budget for the past several years has been pragmatic, yet quite restrictive in supporting our operations. The 2005 Budget will alleviate some of these restrictions while minimizing the increase to airline rates and charges.

In 2005, enplanements are projected to grow 3.0 percent at Reagan National. The domestic enplanement growth rate is projected to grow 13.7 percent in 2005 at Dulles Airport, with international enplanements projected to grow 5.9 percent. Dulles 2005 enplanements' assumptions include a full year of Independence Air operation and the air service market response. As of September 2004, year-to-date passenger activity has increased 13.2 percent at Reagan National and 26.5 percent at Dulles. At Dulles, monthly average aircraft operations are 31.5 percent higher than a year ago. Given the growth in the activity at Dulles and the long lead time required to develop terminal facilities and associated aprons, expenditures are included in 2005 for certain *d2* Capital Construction Program projects that were deferred in prior years, including the Tier 2 Concourse and associated facilities and the Concourse B 12 gate Expansion and Basement, and various new CCP projects.

Security and passenger conveyance issues are in the forefront of our planning activities. Transportation Security Administration (TSA) costs are included in the O&M Budget with a portion offset by revenues. The COMIP and CCP both include security related projects.

The budget document contains considerable detail about our programs. Please note that the *Budget in Brief* section immediately following this letter describes significant highlights in our 2005 program.

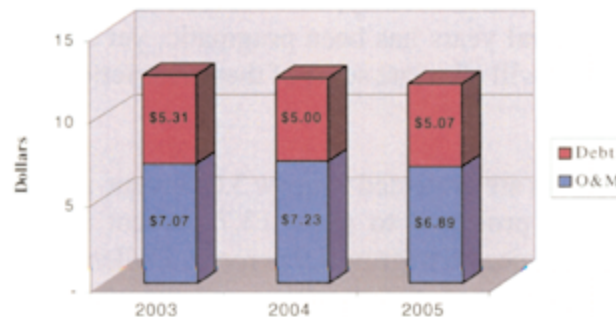
OPERATING REVENUES

Operating revenues of \$473.8 million for 2005 reflect a \$61.6 million or 14.9 percent increase over 2004. The increase in revenues is principally related to the expected increase in activity levels at both Airports. Operating revenues received from the Airlines are on a cost recovery basis. Concession revenue changes are directly correlated to enplanement projections.

AIRLINE COST AND NET REMAINING REVENUE

Net remaining revenue (NRR) is expected to increase from \$61.4 million in 2004 Budget to \$72.2 million in 2005. Actual 2004 net remaining revenue is estimated at \$91.5 million, exceeding the 2004 Budget due to the higher than projected increase in concession revenue. Under the Airport Use Agreement and Premises Lease, NRR is allocated between the Authority and the Signatory Airlines according to an established formula. The Signatory Airlines' share of NRR (transfers) included in the 2005 operating revenue is \$55.1 million.

Cost Per Enplanement Comparison by Year



	2003	2004	2005	2005 % Inc. Over 2004
Debt	\$ 5.31	\$ 5.00	\$ 5.07	1.4%
O&M	\$ 7.07	\$ 7.23	\$ 6.89	-4.7%
Total	\$ 12.38	\$ 12.23	\$ 11.96	-2.2%

This chart compares debt service and O&M expenses. The decrease in the cost per enplanement is due to the increase in enplanements.

OPERATION AND MAINTENANCE PROGRAM (O&M)

The 2005 operating expenses total \$237.1 million. Excluding debt service, this is a 11.4 percent increase over 2004. This increase includes funding for the new Government Accounting Standards Board (GASB) 43 and 45 requirements concerning post employment benefits and the United busing to Concourse G. Excluding these requirements, the budget increase is 6.5 percent.

Beginning in 2007, GASB 43 and 45 require healthcare and life insurance to be accrued during an employee's work career. Early implementation of the GASB 43 and 45 in 2005 will result in a \$6.5 million increase in health insurance expenses. The Authority, as with many businesses, continues to be challenged with rising healthcare costs, with our share of health and life insurance premium payments increasing by \$1.0 million in 2005. This is a combination of rate increases and anticipated new hires.

Salary increases for employees in 2005 are based on the Performance Management Partnership (PMP) Program. The PMP Program establishes specific goals and measurements for work units and individuals and encourages productive communication between supervisors and employees. PMP evaluates employees based on merit, with salary adjustments based on merit and competitive market component conditions. The 2005 O&M Budget includes a total of \$3.5 million for incumbent staff increases for the PMP Program for the performance period January 1 through December 31, 2004, reflecting an average increase of 4.0 percent.

A staffing increase of twenty-six positions from 1,284 to 1,310 is included in 2005. In Public Safety, a total of six new firefighters are included to support increased operations at Dulles. In the Police Department, two K-9 Handlers and one trainer are also included. Five positions, including a Deputy Chief Financial Officer are recommended for the Office of Finance, based on the management study conducted in 2004. An Assistant Chief Counsel position is included for the Office of General Counsel. A total of ten new positions are included for Dulles including four ramp control/mobile lounge dispatchers, four physical security agents, one Engineering Project Coordinator, and one Computerized Maintenance Management System (CMMS) Administrator. Finally, the conversion of an Equal Opportunity Technician position from a temporary to permanent position is included for the Office of Business Administration.

Additionally, with the growth in activity and the increased demand on our facilities and resources, personnel compensation also includes funding to fill various positions that had been subject to the hiring freeze since 2001.

The 2005 Budget also includes a total of \$3.8 million for United's busing operations to Concourse G at Dulles. These costs are fully recoverable through the passenger conveyance cost center. The Budget also includes \$500 thousand for the maintenance of Concourse G at Dulles if the ownership is transferred over to the Authority in 2005 per the agreement between United and the Authority. Other increases in expenses provide for information technology, communications support, utilities, custodial and maintenance.

Debt service has increased in certain cost centers as projects are completed. Included in debt service are principal and interest payments on bonds, and fees associated with the Commercial Paper (CP) Programs and Auction Rate Notes.

The 2005 O&M Budget provides sufficient funding levels to operate and maintain the Airports.

CAPITAL, OPERATING AND MAINTENANCE INVESTMENT PROGRAM (COMIP)

The 2005 COMIP Budget for new projects totals \$29.6 million and provides for repair work at the Airports, equipment, planning, improvements, snow program and operational initiatives. The Authority's share of net remaining revenue will be used to fund the 2005 Program. Descriptions of COMIP projects are included on pages 113-125.

CAPITAL CONSTRUCTION PROGRAM (CCP)

The 2005 CCP new program authorization totals \$371.9 million. CCP expenditures during 2005 from both the new program and the prior year balances are estimated at \$524.4 million for both Airports. The CCP is funded from bond proceeds, passenger facility charges (PFCs) and grants. The Authority has sufficient proceeds on hand to fund the CCP until Spring 2005, assuring that a minimum of three months of bond funds or commercial paper availability is always on hand.

The CCP includes \$21.8 million for Enterprise Resource Planning. The Enterprise Resource Planning will involve the integration of our major business systems such as finance, procurement, and human resources. The system will integrate software applications that support the core business operation and functions and provide a comprehensive approach to our operations, improve our efficiency, and allow the Authority to better adapt to changing technological conditions. The initial phase of the project will develop requirements with phased implementation over the next several years. This project will require the commitment of much of the organization and will be financed with taxable commercial paper or bonds.

At Reagan National, projects include building a new fire station at \$9.8 million. This facility will replace the existing facility which is no longer functionally efficient. Additionally, there is \$3 million to study and potentially design expanded parking alternatives at the Airport.

The introduction of the new large aircraft A-380 at Dulles with the ability to accommodate 550 passengers on two full decks will require concourse modifications and preliminary engineering relating to the airfield modifications at \$6.1 million. Planning and design of the eastern portion of the Tier 3 Concourse, including the fit out of the shell of the Automated People Mover Station is included for \$47.5 million.

The 2005 Program also includes additional funding of \$45 million at Reagan National and \$122.8 million at Dulles for building modifications to accommodate in-line baggage screening. We anticipate an agreement with TSA for federal reimbursement for up to 75 percent of these costs.

Additionally, we believe that it is necessary to re-start certain projects in the *d2* program, including the Tier 2 Concourse and associated facilities and Concourse B 12 gate Expansion and Basement, that had been deferred by management in order to position the Authority for the future in terms of having both adequate and quality facilities. A complete list of projects and funding sources is included on pages 147 through 166 in the Capital Construction Program section.

AIR CARRIER UPDATE

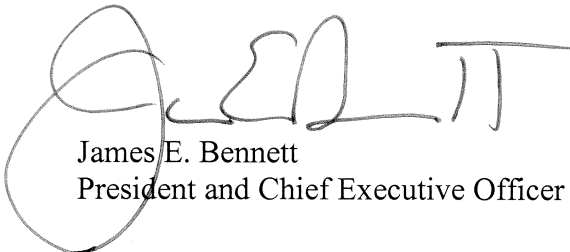
Although United and US Airways are in bankruptcy proceedings with the outcomes unknown, we believe in the strategic importance of the Washington region and expect the air service market to continue to be vibrant and expanding. The air carrier industry continues to face high operating costs, intense competition continues between legacy and low-cost carriers, and other uncertainties, including a change to the business model of the business. The Authority will continue to pursue the important goal of maintaining and enhancing the diversity of the region's air service and providing quality facilities.

SUMMARY

The choices the Authority has made over the last several years, including the discipline of restricting our operating expenses, has assisted us in maintaining and building our financial strength. The Budget presented herein reflects a realistic approach to our operating and capital requirements necessary to support the increased activity and the future needs at our Airports. We will continue our prudent approach to monitoring the Authority's financial performance throughout the year and, if necessary, adapt to changing circumstances to ensure our continued financial strength.

As we look ahead, we continue to ask for your support to ensure that the Authority remains ready to respond to challenges and opportunities. We will, of course, be pleased to provide assistance to the Board as it reviews this proposed budget.

Sincerely,



James E. Bennett
President and Chief Executive Officer

BUDGET IN BRIEF

BUDGET PROGRAMS

The 2005 Budget for the Metropolitan Washington Airports Authority (Authority) will cover the period from January 1 through December 31, 2005. The 2005 Budget presented herein is made up of three separate programs: the Operation and Maintenance Program, the Capital, Operating and Maintenance Investment Program, and the Capital Construction Program.

Operation and Maintenance Program (O&M). The O&M Program provides for the day-to-day operation and maintenance of Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles) (collectively, the Airports) including those functions performed centrally. Included in this program are operating expenses and debt service. Expenses are identified separately for Consolidated Functions, Reagan National, and Dulles. The expenses for the Police and Fire Departments are included in the expenses for Reagan National and Dulles. The Authority receives revenues from airlines, airport tenants, and concessionaires (including parking and rental cars) to fund the O&M Program. Revenues and interest income generated in excess of operating expenses and debt service are referred to as net remaining revenue (NRR), a percentage of which is shared with the Signatory Airlines.

Capital, Operating and Maintenance Investment Program (COMIP). The COMIP provides for repair work at the Airports, equipment and projects, snow removal, planning, improvements, and operating initiatives. The Authority's share of NRR is the primary source of funding for COMIP projects in accordance with the Airport Use Agreement and Premises Lease (Agreement), and may be supplemented by grants and Passenger Facility Charges (PFCs).

Capital Construction Program (CCP). The CCP is the plan for the design and construction of major improvements and initiatives at both Airports. The CCP is funded from bond proceeds, PFCs and grants.

2005 Program Authority:

➔ Operation and Maintenance Program	\$407,805,600
➔ Capital, Operating and Maintenance Investment Program	\$ 29,602,100
➔ Capital Construction Program	\$371,939,000

Funding Sources:

➔ Operating Accounts	\$407,805,600
➔ Net Remaining Revenue	\$ 28,046,000
➔ Bonds/Grants/PFCs	\$373,495,100

BUDGET IN BRIEF

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING REVENUES AND INTEREST INCOME

➔ Operating Revenues*

• Rents**	\$184,428,000
• Landing Fees**	91,922,000
• Tenant Equipment Charges**	3,386,000
• Concessions	144,640,000
• Security Fees	1,276,000
• International Arrival Building Fees**	11,147,000
• Passenger Conveyance**	25,499,000
• Utilities	6,444,000
• Other Revenues	<u>5,025,000</u>
Total Operating Revenues	\$ 473,767,000

* Revenue projections for airline supported areas are based on current expense estimates and are generated on a cost recovery basis.

** Includes estimated transfers, which are the Signatory Airlines' share of net remaining revenue for each year applied as credits in the calculation of signatory airline rates, rentals, fees, and charges for the next year. Transfers are anticipated to increase by \$26,803,000 or 94.8 percent from \$28,280,000 in 2004 to \$55,083,000 in 2005.

➔ **Interest Income** **\$ 10,098,000**

➔ Operating revenue received from the Airlines is on a cost recovery basis.

➔ Enplanements at Reagan National are projected to increase over 2004 estimates and reflect recovery to pre-September 2001 levels.

➔ Enplanements at Dulles are projected to increase over 2004 estimates primarily due to increased Independence Air operations and competitive responses from other carriers. International air service also continues to grow based on the relatively large international air carrier base, diversity of international market services, and the international presence in the region.

➔ Concession revenue at Dulles, primarily parking, will increase in 2005 as passenger traffic increases. In addition, it is anticipated that other concession revenues will increase as activity levels increase at both Airports.

BUDGET IN BRIEF

2005 OPERATION AND MAINTENANCE PROGRAM (O&M)

- ➔ The O&M Program provides for the day-to-day operation and maintenance of Reagan National and Dulles including those functions performed centrally. Included in this program are operating expenses, debt service, as well as equipment and facility projects (capital and noncapital) expenditures.

• Operating Expenses	\$ 237,071,600
• Debt Service	<u>\$ 170,734,000</u>
Total O&M Program	\$ 407,805,600

- ➔ The Authority's NRR is projected to increase by 17.6 percent over the 2004 Budget. Operating revenues are projected to increase by 14.9 percent and total operating expenses are projected to increase by 13.5 percent in 2005. The overall increase in total operating expenses is a result of operating expenses increasing by 11.4 percent and debt service increasing by 16.6 percent.
- ➔ Highlights of the 2005 operating expenses to support continuing operations and to maintain facilities include the following:
 - Staffing will increase by 26 positions, from 1,284 to 1,310. In the Office of Public Safety, a total of six new firefighters are included to support increased operations at Dulles. In the Police Department, two K-9 Handlers and one trainer are also included. Five positions, including a Deputy Chief Financial Officer are recommended for the Office of Finance, based on the management study conducted in 2004. An Assistant Chief Counsel position is included for the Office of General Counsel. A total of ten new positions are included for Dulles includes four ramp control/mobile lounge dispatchers, four physical security agents, one Engineering Project Coordinator and one Computerized Maintenance Management System (CMMS) Administrator. Finally, conversion of an Equal Opportunity Technician from a temporary to permanent position is included for the Office of Business Administration;
 - With the growth in passengers and the increased demand placed on our facilities and resources, personnel compensation also includes funding to fill various positions that had been subject to the hiring freeze in 2001;
 - The Performance Management Partnership (PMP) program adds approximately \$3,500,000 to personnel compensation for incumbent staff raises reflecting an average increase of 4.0 percent;

BUDGET IN BRIEF

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

- Early implementation of the Government Accounting Standards Board (GASB) 43 and 45 in 2005 will increase health insurance expenses by \$6,500,000. Beginning in 2007, GASB 43 and 45 require healthcare and life insurance to be accrued during an employee's work career;
- The Authority's share of health and life insurance premium payments will increase in 2005 by \$1,021,500 which is a combination of rate increases and anticipated new hires;
- Maintenance of facilities, including the terminals, concourses, and buildings, is accomplished with a balance of both in-house and contractual personnel;
- Security and safety requirements such as airport access control systems, police overtime and costs for the guard services have been included;
- It is anticipated that the total estimated expense of \$1,275,775 for law enforcement support of the Transportation Security Administration (TSA) will be partially offset by revenues;
- An increase of \$625,000 is included to fund the Air Service Development Cooperative Marketing Program;
- Contract escalation costs for outsourcing the information systems services, 800MHz radio equipment maintenance, and custodial services are included;
- A total of \$3,840,000 for United's busing operation to Concourse G at Dulles is included. These costs are fully recoverable through the passenger conveyance cost center;
- The Budget includes \$500,000 for the maintenance of Concourse G at Dulles if the ownership is transferred over to the Authority in 2005, per the agreement between United and the Authority;
- The utility increases are due to rate and consumption increases experienced in 2004 and expected to continue in 2005. In particular, the District of Columbia Water and Sewer Authority (WASA) sewerage prices have significantly increased;
- At Dulles, custodial and contractual costs such as airport mechanical systems, refuse collection, snow removal and landside asphalt pavement repairs are estimated to increase due to contractual obligations, passenger growth, and facility expansion;

BUDGET IN BRIEF

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

- Insurance and risk management costs are estimated to increase by \$200,000 or 2.6 percent over 2004;
- The net cost for Telecommunications will increase by \$216,500 over 2004 for a total of \$2,309,800. This increase in cost is a result of reduced pay phone revenues;
- The net cost for the Washington Flyer Ground Transportation System is \$243,800;
- In 2005, the net cost projected for the Vastera Office Building at Dulles is \$308,700; and
- The Smithsonian Air and Space Museum Steven F. Udvar-Hazy Center opened in December 2003. The Smithsonian will reimburse the Authority for a portion of the cost of services provided by the Authority.

BUDGET IN BRIEF

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 CAPITAL, OPERATING AND MAINTENANCE INVESTMENT PROGRAM (COMIP)

➔ The COMIP provides for repair work at the Airports, including airfield and roadway rehabilitation, utility system repairs, rehabilitation of buildings and snow removal, in addition to Authority operational initiatives. Offsetting the new \$29,602,100 in authority is \$4,405,000 in reprogrammed unexpended funds and \$1,556,100 in federal grants.

• Net Remaining Revenue (NRR)	\$ 28,046,000
• Federal Grants	<u>1,556,100</u>
	\$ 29,602,100

➔ New program authority for the COMIP in 2005:

- At Reagan National, the \$13,304,400 program provides for:
 - ▶ \$3,800,000 for various building repairs and improvements;
 - ▶ \$2,925,500 for utility systems;
 - ▶ \$2,310,000 to complete various commercial, communications and environmental projects;
 - ▶ \$1,898,000 for capital equipment and facility projects;
 - ▶ \$690,000 for airfield related improvements;
 - ▶ \$710,900 for security project;
 - ▶ \$500,000 for parking;
 - ▶ \$270,000 for police retirement contribution; and
 - ▶ \$200,000 for the snow removal program.

- At Dulles, the \$16,297,700 program provides for:
 - ▶ \$5,217,500 for utility systems;
 - ▶ \$2,740,000 for capital equipment and facility projects;
 - ▶ \$2,500,000 to airfield related improvements;
 - ▶ \$2,075,000 to complete various commercial and environmental projects;
 - ▶ \$1,500,000 for the snow removal program;
 - ▶ \$845,200 for security project;
 - ▶ \$500,000 for various building repairs and improvements;
 - ▶ \$400,000 for parking facilities;
 - ▶ \$270,000 for police retirement contribution; and
 - ▶ \$250,000 to rehabilitate roads.

➔ The projected 2005 COMIP expenditures are \$34,491,100 for both the new program and previously approved projects.

BUDGET IN BRIEF

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 CAPITAL CONSTRUCTION PROGRAM (CCP)

➔ The CCP new program authority provides for major expansion of facilities at Dulles and modernization of facilities at Reagan National.

• **Bonds/Grants/PFCs** **\$ 371,939,000**

➔ New program authority for the CCP in 2005:

- At Reagan National, the \$125,837,000 new program authority provides for:
 - ▶ Increased funding for Building Modifications to Accommodate Inline Baggage Screening
 - ▶ Research and Design of Alternative Parking Facilities
 - ▶ Airport Rescue and Fire Fighting Facility
 - ▶ Enterprise Resource Program
 - ▶ Increased funding for Consolidated Communications Center
 - ▶ Increased funding for Terminal A Building Rehabilitation

- At Dulles, the \$274,444,000 new program authority provides for:
 - ▶ Increased funding for Building Modifications to Accommodate Inline Baggage Screening
 - ▶ Concourse Modifications for Airbus A-380
 - ▶ Airfield Modifications for Airbus A-380 Preliminary Engineering
 - ▶ Tier 3 East Apron Design
 - ▶ Jet Fuel Pipeline Extension and Related Facilities
 - ▶ Access Highway Rehabilitation
 - ▶ Stallion Branch Sanitary Sewer
 - ▶ Airport AOA Security Cameras
 - ▶ Main Terminal Expansion Joint Replacement
 - ▶ Tier 3 East Concourse/APM Station Design
 - ▶ Taxiway G Design
 - ▶ Enterprise Resource Program
 - ▶ Increased funding for Site Development for Commercial Hangars
 - ▶ Relocate/Expand Airfield Electrical Vaults
 - ▶ Stand By Power - Terminal Buildings
 - ▶ Increased funding for Environmental Assessment for the new Runways

➔ The projected 2005 CCP expenditures are \$524,410,000, for both the new program and previously approved projects.

BUDGET IN BRIEF

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

- The total CCP includes \$244,500,000 for the projects that were previously authorized in *d2* and deferred by management. These projects include:
 - Concourse B 12 Gate Expansion
 - Concourse B 12 Gate Basement
 - Tier 2 Apron Expansion and additional Taxiway E Bypass
 - Site Development for Commercial Hangers
 - Cargo Building 7 Phase III
 - Expansion of Cargo Apron
 - Cargo 7 Site Utilities
 - Main Lot Exit Plaza Expansion
 - Tier 2 Concourse Design
 - Walkback Tunnel Tier 1 to Tier 2 Design
 - Automated People Mover System Tier 1 to Tier 2 Design
 - Tier 2 Apron Paving Design
 - Hydrant Fueling for Tier 2 and Tier 3 Design
 - Concourse C/D Demolition and Apron Taxiway Restoration Design
 - South Utility Building Design
 - Utility Tunnel Design

- The Authority has sufficient proceeds to fund projects in the CCP until early Summer 2005 and anticipates additional bonds will be issued in Spring 2005 to further finance projects in the CCP.

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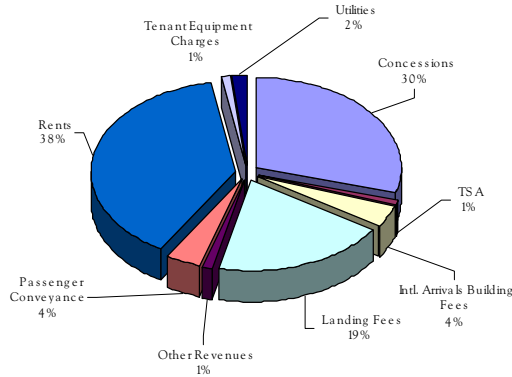
BUDGET IN BRIEF

2005 BUDGET

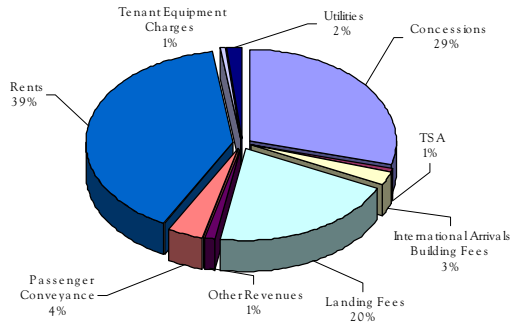
➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Operating Revenues*

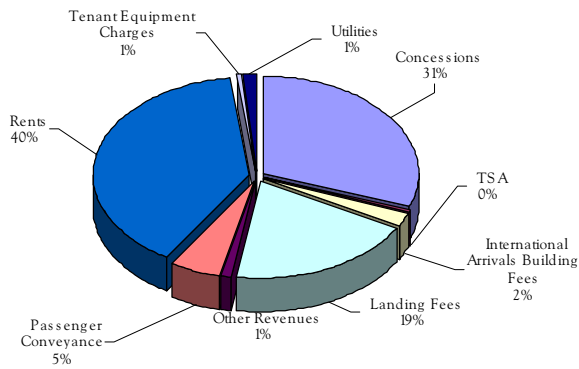
2003 Actual - \$382.9 Million



2004 Budget - \$412.2 Million



2005 Budget - \$473.8 Million



* Includes Transfers

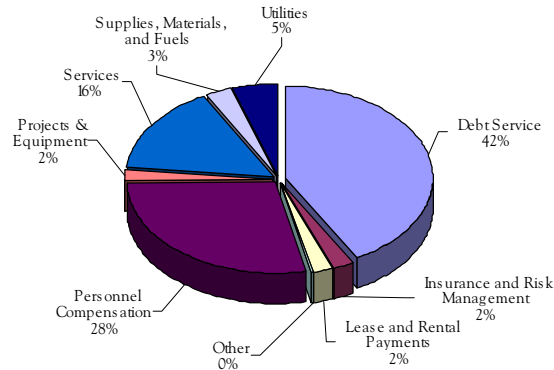
BUDGET IN BRIEF

2005 BUDGET

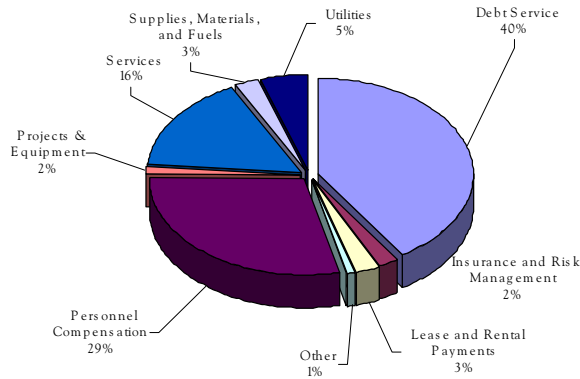
➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Total Operating Expenses & Debt Service

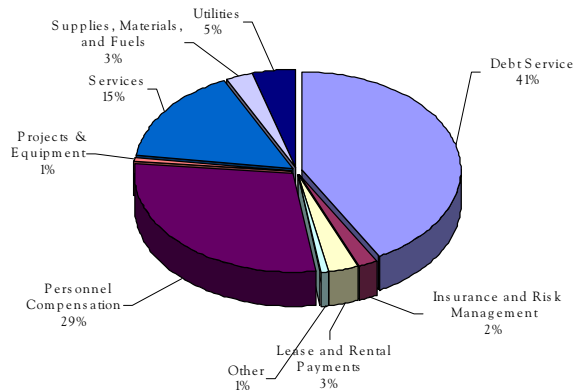
2003 Actual - \$338.1 Million



2004 Budget - \$358.3 Million



2005 Budget - \$407.8 Million



PURPOSE, MISSION, AND GOALS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

PURPOSE

The Authority is an independent agency, established by the Commonwealth of Virginia and the District of Columbia, whose purpose is to plan, provide, and actively manage world-class access to the global aviation system in a way that anticipates and serves the needs of the National Capital area.

MISSION

The Authority's mission is to develop, promote, and operate safely Reagan National and Dulles Airports, continually striving to improve our efficiency, customer orientation, and the level of air service offered at Reagan National and Dulles Airports. We will be the best managed Airports in the United States.

VALUES

1. Service Orientation
2. Excellence
3. Integrity
4. Openness to Change
5. Respect for Individuals

GOALS

In support of its mission, the Authority has established seven goals to guide its operation:

1. Have a strong customer service focus;
2. Attract, motivate, and retain a high quality, diverse workforce;
3. Provide quality facilities to our customers;
4. Maintain financial strength;
5. Integrate with the world around us;
6. Keep the Authority aligned with the changing aviation industry; and
7. Reflect the diversity of the region in the Authority contracting programs.

STRATEGIC INITIATIVES

The Authority has developed a set of Strategic Initiatives to guide Offices in setting priorities and allocating resources. The Strategic Initiatives align with the Performance Management Partnership Program and Performance Dashboard Scorecard focus areas. Each Office develops Action Plans that align to these Strategic Initiatives.

PURPOSE, MISSION, AND GOALS

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➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The Action Plans will be incorporated into the Authority's annual Business Plan. The Business Plan is approved annually by the Board of Directors (Board) and reviewed quarterly by the various committees of the Board. The Business Plan is also provided to public audiences.

The Authority will carry out the following Strategic Initiatives:

1. Safety, security and risk reduction is essential.
2. Maintain financial strength, efficiency, and accountability.
3. Maintain competitive airline rates and charges.
4. Obsess over customer service.
5. Improve workforce planning.
6. Be recognized as a fair marketplace.
7. Initiate and incorporate industry changes.
8. Process quality work on time.
9. Integrate business practices, processes, and technology.

FINANCIAL POLICIES

FINANCIAL PLANS

Budgeting is an essential element of the financial planning, control, and evaluation process of the Authority. The O&M Program is the Authority's annual financial plan for operating the Airports. The COMIP is the Authority's plan for accomplishing repair work at the Airports, equipment and projects, snow removal, planning, improvements, and operating initiatives. The CCP is the Authority's plan for the design and construction of major improvements and initiatives at the Airports.

BASIS OF BUDGETING

The basis of budgeting is the same as the basis of accounting with both prepared on a full accrual basis, except that the Budget conforms with the applicable provisions of the Agreement, which provides for cost recovery for the operation of the Airports. Additionally, the Agreement provides for directly expensing O&M capital equipment and facility projects and recovering the bond-financed capital improvements through debt service.

REPORTING

Periodic financial reports are prepared to enable the Offices to manage their fiscal programs and enable the Budget Department to monitor and control the budget. Summary financial reports are presented to the President and Chief Executive Officer and the Board within 20 days after the end of each monthly reporting period.

Each Vice President is responsible for the execution of their annual budget. In January, of each year, a letter is sent to all Vice Presidents requesting them to prepare quarterly financial plans based on their annual budget. During the budget year, quarterly reviews are submitted by the Vice Presidents to the Office of Finance at which time financial status is carefully reviewed.

BUDGET PREPARATION & AMENDMENT PROCESS

2005 BUDGET

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BUDGET OVERVIEW

Revenue estimates are developed after reviewing passenger activity, airline operations, aircraft landed weight forecast, and projected operating expenses. Airlines pay rates and charges based on forecasts and analyses of historical trends, leases, contracts, and other agreements. Airline rates and charges are based on full cost recovery through an allocation of direct and indirect expenses to cost centers of the Authority. Actual costs are reconciled through the settlement process with the Airlines. Under the Agreement, the Signatory Airlines' share of NRR for each year is applied as credits, referred to as "transfers," in the calculation of the Signatory Airlines rental rates, fees, and charges for the year following the year in which they are earned. Terminal building rental rates at both Airports are calculated by allocating expenses over the rentable square footage in the terminal buildings. Airlines are then charged for the space they occupy. Non-airline rents, including hangars, airmail facilities, and fueling systems, are based on cost recovery.

The Authority's budget process begins nine months prior to the beginning of the budget year with a request for Offices to submit planning requirements for the next five years, with the primary emphasis on the next budget year. The focus of the O&M planning process is to address new initiatives and significant changes or modifications to operating and maintenance requirements.

Following the review of the planning issue papers by the President, Executive Vice President and the Office of Finance, a series of meetings are held to gain additional information about proposed items. The O&M planning process is completed by June of the current year; and Offices are advised of the status of planning issues in the budget preparation instructions.

The Office of Engineering annually prepares the capital facility requirements, which are similarly reviewed and included in the COMIP and CCP Budgets.

BUDGET PREPARATION PROCESS

Budget instructions and formats are issued in June with submissions due from each Office in July. The Office of Finance reviews the submissions, determines the impact of requested funding levels on airline rates and charges, and submits recommendations to the President and Executive Vice President. Meetings are held to give the Offices the opportunity to provide clarification and further justification of their submissions.

A workshop is held with the Board in September; and their guidance is incorporated in the proposed Budget. After funding levels for the 2005 Budget are established, the Airlines are consulted on the proposed Budget. Draft copies of the proposed Budget are submitted to the Board at the October Finance Committee meeting.

BUDGET PREPARATION & AMENDMENT PROCESS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The recommended Budget is presented to the Finance Committee at the November meeting. The Budget is presented to the Board for adoption at its December meeting. Eight affirmative votes are required.

Official notice of next years' rates and charges is sent to the Airlines in December.

BUDGET EXECUTION

Financial statements comparing actuals to budget are reported monthly to the President, Executive Vice President, Finance Committee and other Authority management, which enables prudent management control of the budget. The President is authorized to modify or adjust expenditures in the Budget consistent within the levels approved for each program.

AMENDMENT PROCESS

At any time during the year, the President may recommend to the Board amendments to the adopted Budget. Budget amendments considered by the Finance Committee are submitted to the Board for adoption.

BUDGET CALENDAR FOR 2005

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Unless otherwise stated, the Budget Department is responsible for the following:

January

- 2005 Year Begins
- 2004 Year-End Close
- 2005 Financial Plan sent to Offices

February/March

- Request to Offices for 2005-2009 O&M Program Planning Process
- Evaluation of 2004 Budget Performance
- 2004 Airline Rates and Charges Settlement

April/May

- 2005 First Quarter Review prepared by Offices
- 2006 Budget Policy Guidelines prepared
- 2005-2009 O&M Program Planning Process responses prepared by Offices

June

- Preliminary 2006 Activity Level Forecast developed
- 2006 Budget Preparation Handbook distributed to Offices

July/August

- 2005 Second Quarter Review prepared by Offices
- Responses received from 2006 Budget Estimates
- President confer with Offices on 2006 Budget Submissions

September

- Airline Committee 2006 Budget Briefing
- Board Budget Workshop
- Analysis of Preliminary 2006 budgets prepared
- 2006 Activity Level Forecasts finalized
- President's 2006 Budget recommendations to Office of Finance

October

- 2005 Third Quarter Review prepared by Offices
- Office of Finance reviews 2006 Budget submissions with President
- 2006 Draft Budget submitted to Finance Committee for review

BUDGET CALENDAR FOR 2005

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

November

- Preliminary 2006 Airline Rates and Charges developed
- 2006 Proposed Budget presented to Finance Committee for action
- 2006 Proposed Budget submitted to Board for action

December

- 2006 Budget adopted by Board
- 2006 Rates and Charges sent to Airlines

ORGANIZATIONAL STRUCTURE

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The Authority was created by the District of Columbia Regional Airports Authority Act of 1985, as amended, and Ch. 598, Virginia Acts of Assembly of 1985, as amended, for the purpose of operating, maintaining, and improving Reagan National and Dulles. The Metropolitan Washington Airports Act of 1986 authorized the Secretary of Transportation to lease Reagan National and Dulles to the Authority. The Authority is a public body, politic and corporate, and is independent of the District of Columbia, the Commonwealth of Virginia, and the federal government.

The Authority initially operated the Airports under a 50-year lease agreement with the U.S. Department of Transportation ending June 6, 2037. On June 17, 2003, the Federal Lease was amended to extend the term to June 6, 2067. The impetus for the formation of the Authority as an independent government was the need for substantial capital improvements at the Airports. Operating responsibility was transferred to the Authority on June 7, 1987. The Authority's CCP, initiated in 1988, provides for major expansion of facilities at Dulles and facilities modernization at Reagan National.

THE BOARD

The Authority is governed by a 13-member Board, five appointed by the Governor of Virginia, three appointed by the Mayor of the District of Columbia, two appointed by the Governor of Maryland, and three appointed by the President of the United States. The Board members serve six-year terms which are staggered. The officers of the Board are the Chairman, Vice Chairman, and Secretary. These officers are elected annually by members of the Board.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The executive direction and overall management of the Authority is the responsibility of the President and Chief Executive Officer. The President and Chief Executive Officer plans and directs all of the programs and activities of the Authority, subject to policy direction and guidance provided by the Board.

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

The operation of the Authority, including the support elements necessary to deliver high quality customer service, is provided by the Executive Vice President and Chief Operating Officer. In the absence of the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer acts with the full authority of the President and Chief Executive Officer.

ORGANIZATIONAL STRUCTURE

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→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

OFFICE OF GENERAL COUNSEL

The Office of General Counsel provides advice and a full range of legal services in areas that are essential to the formulation of policies as well as the day-to-day operation of the Airports, and serves as the primary point of contact with any special counsel that may be employed by the Authority on a regular or ad hoc basis.

OFFICE OF AUDIT

With guidance from the Board's Audit Committee, the Office of Audit develops and implements the audit plan for the Authority; evaluates internal controls and recommends improvements to management, reporting results to the Audit Committee and the President and Chief Executive Officer; and manages the activities of external auditors who perform the annual audit of the Authority's financial statements and related activities.

OFFICE OF AIR SERVICE PLANNING AND DEVELOPMENT

The Office of Air Service Planning and Development formulates and executes strategies and actions to maintain and improve the region's passenger and cargo air service through the development and execution of Comprehensive and Annual Air Service Plans. The Office conducts baseline research, develops projections and recommends strategic actions in airline, air cargo, and aviation areas as well as demographic and travel trends focusing on longer-range opportunities to enhance the Airport's competitive position within and access to the global aviation system. The Office conducts internal and external outreach activities designed to influence and educate target audiences about the positive economic impacts of air service to the region. The Office advises the President and Chief Executive Officer on a wide variety of aviation issues including creative approaches to activities with potential long-range benefits to the Authority and its customers. The Office supports other Authority offices, as requested, in developing policies, positions and implementation plans regarding passenger, cargo, and industry related issues.

OFFICE OF COMMUNICATIONS

The Office of Communications is responsible for internal and external communication policies and strategies, including legislative initiatives and all communications programs with community groups, governmental organizations, and the news media on matters related to operation of the Airports. The Office maintains a community outreach program designed to achieve community participation in appropriate areas of Airport decision-making. Other activities include publication of the Annual Report, support for the Authority's marketing and advertising program including the Washington Flyer Magazine, and coordinating aircraft noise abatement and related environmental activities.

ORGANIZATIONAL STRUCTURE

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

OFFICE OF FINANCE

The Office of Finance is responsible for formulating and executing the annual and long-term budget activities, airline rate setting, financing strategies, cash and debt management, investment activities, commercial banking relations, operation of the accounting system and the issuance of financial reports, and revenue and disbursement management.

OFFICE OF ENGINEERING

The Office of Engineering formulates and manages all matters relating to engineering, planning, design, and construction at the Airports; administers the COMIP and the CCP; and provides day-to-day oversight and management of the activities of the program management contractor who is assisting the Authority in accomplishing the CCP.

OFFICE OF BUSINESS ADMINISTRATION

The Office of Business Administration directs Authority programs in the areas of equal opportunity, concession contracting and administration, lease of Authority space and land, procurement of material and services, property management, and risk management; and coordinates and recommends overall Authority policies regarding airline operations, including administration of the Authority's Agreement and related business activities that support the Authority. The office also manages the Vastera Office Building at Dulles.

OFFICE OF HUMAN RESOURCES

The Office of Human Resources develops and manages a full range of human resource programs including personnel services; policy, compensation and benefit programs; and organization development and training to support the Authority's management and staff. The Office also represents the Authority's management in labor-related issues.

OFFICE OF INFORMATION AND TELECOMMUNICATIONS SYSTEMS

The Office of Information and Telecommunications Systems develops, operates, and maintains the automated systems and telecommunication systems that support Authority operations and manages the Authority's radio communications systems with special emphasis on Authority operations, maintenance, police, and fire/crash/rescue functions.

ORGANIZATIONAL STRUCTURE

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RONALD REAGAN WASHINGTON NATIONAL AIRPORT AND WASHINGTON DULLES INTERNATIONAL AIRPORT

Since the organization structure at both Airports is similar, a single definition is included for both.

Airport Managers

The Airport Managers for each respective Airport are responsible for directing a range of operational, maintenance, construction, commercial and business management, and for directing on-site administrative activities occurring at each Airport.

Operations Departments

The Operations Departments are responsible for providing 24-hour-a-day monitoring, guidance, and control of facilities at each Airport to ensure the safe, efficient, secure, and continuous operational use of airport runways, taxiways, terminal buildings, and other areas, and, at Dulles, ramp control and Mobile Lounge operations. In addition, the Operations Departments develop and implement the airport security plans in accordance with FAA requirements.

Engineering and Maintenance Departments

The Engineering and Maintenance Departments are responsible for providing day-to-day oversight, management, and quality control for both Authority and tenant-financed construction projects; developing and managing repair and preventive maintenance programs related to the terminals, service buildings, hangars, airfields, roadways, grounds, and plant facilities; providing operation and maintenance of Airport facilities for provision and distribution of electrical energy, water, heat, and air-conditioning; and for snow removal operations.

Airport Administration Departments

The Airport Administration Departments are responsible for managing on-airport air carrier and air cargo activities including gates, ticket counters, baggage areas, and other in-terminal space arrangements; coordinating necessary changes to the Authority's Agreement and Premises Lease with the Business Administration Office; and managing contracts that provide to travelers parking and ground transportation services. The Washington Flyer ground transportation system is managed at Dulles. The Airport Administration Departments also administer fiscal and personnel programs; manage personal property assets; procure and warehouse supplies, materials, and equipment; and perform other administrative support functions for the Airports.

ORGANIZATIONAL STRUCTURE

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→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

OFFICE OF PUBLIC SAFETY

The Office of Public Safety has primary responsibility for assuring public safety and security at the two Airports and directs and supervises the activities of the Police and Fire Departments.

Police Department

The Police Department directs law enforcement functions within the property boundaries of the Airports, including investigating crimes, controlling automotive and pedestrian traffic, and assisting in enforcement of FAA Civil Aviation Security Regulations.

Fire Department

The Fire Department is responsible for the overall fire protection, prevention, and suppression programs for the Airports; directing activities associated with the operation of fire, crash, search and rescue, and related emergency equipment; and directing programs to provide emergency first-aid treatment and advanced life support systems at the Airports.

Public Safety Administration Department

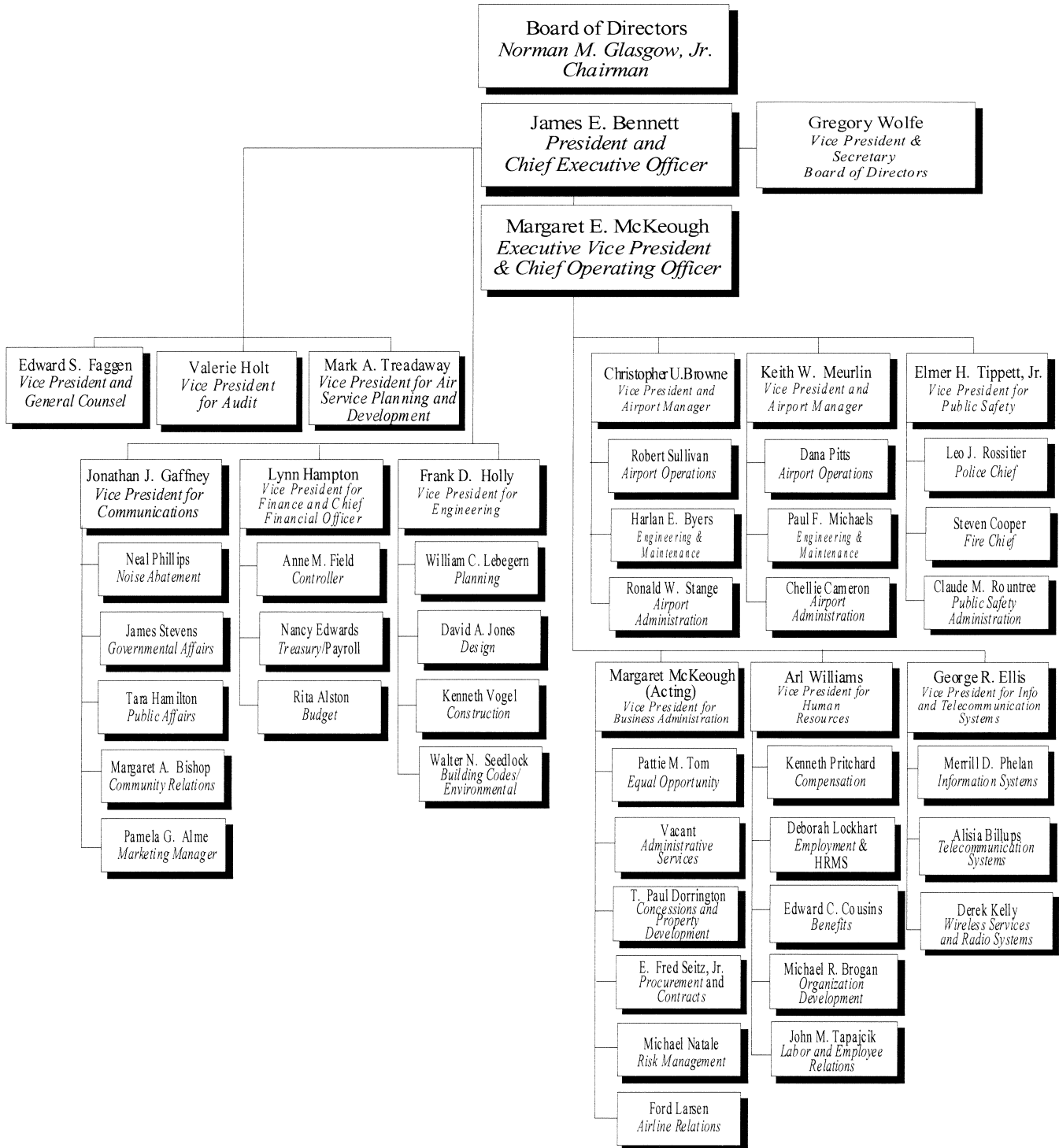
The Public Safety Administration Department administers fiscal and personnel programs; manages personal property assets; procures supplies, materials, and equipment; and performs other administrative support functions for the Office of Public Safety.

ORGANIZATIONAL STRUCTURE

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ORGANIZATION CHART



FINANCIAL OVERVIEW

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AIRPORT USE AGREEMENT AND PREMISES LEASE

To provide the financial stability necessary to accomplish the contractual Capital Development Program (CDP) portion of the CCP, the Authority entered into a long-term airline agreement with substantially identical terms with a majority of the airlines serving Reagan National and Dulles effective January 1, 1990. The Airport Use Agreement and Premises Lease (Agreement) is for a term of 25 years, subject to cancellation rights by the Authority after 15 years. The Agreement will expire on September 30, 2014, but may be terminated by the Authority effective at midnight December 31, 2004, or on September 30 of any year thereafter on 180 days notice to the Signatory Airlines. The Authority has decided not to exercise those rights in 2004, but may exercise those rights in a future year. The Agreement provides for the use and occupancy of facilities at the Airports and establishes the rates and charges, including landing fees and terminal rents to be paid by the Signatory Airlines. It continues a long history of a close working relationship between the Airlines and the Airports by keeping the cost of the CCP within certain limits and giving the Airlines an interest in the positive financial performance of the Authority.

The Agreement is a compensatory agreement to the extent that the costs are allocated to specified cost centers and the users of those centers are responsible for paying the costs. The Signatory Airlines support specific cost centers: Airfield, terminal, and equipment (e.g., loading bridges, baggage conveyors and devices) cost centers. The Signatory Airlines agree to pay fees that allow the Authority to recover the total cost requirement of the airline supported cost centers. The fees are established annually and are based on projected activity and costs. The Authority is responsible for the other cost centers such as the ground transportation cost center. The Agreement also has residual rate making features that are designed to ensure that the Authority's debt service and related coverage obligations will be met. The Agreement is compensatory in nature but has certain residual features and may, therefore, be considered a hybrid.

The Agreement also provides that the Authority will share its revenue, after certain expenses, referred to as NRR, with the Signatory Airlines. The Signatory Airlines' share of NRR is used to lower airline rates and charges in the year following the year that the NRR is earned. The Authority uses its share of NRR to fund its COMIP.

The Agreement achieves several key Authority objectives:

- To ensure that the needs of the traveling public and the Metropolitan Washington community are met through the exercise of the Authority's proprietary control of the Airports' facilities;
- To establish a sound economic basis for the CCP and the financing for that program;
- To provide for adequate discretionary funds for the Authority to meet its obligations that go beyond the CCP; and

FINANCIAL OVERVIEW

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➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

- To establish a business relationship between the Authority and the Airlines to provide incentives for cooperation on revenue-producing initiatives at the Airports.

The Agreement provides a number of important benefits to the Signatory Airlines, including:

- Direct lease of premises at the Airports to support their air transportation activities;
- Participation in the financial performance of the Authority through the sharing of the Authority's NRR each year;
- Right to conduct certain additional activities at the Airports (i.e., in-flight food catering) in support of airline operations; and
- An active role in the execution of the CCP, including Authority recognition of the Metropolitan Washington Airlines Committee (MWAC) as the technical representative of the airline community for the CCP.

SIGNATORY AIRLINE COST PER ENPLANEMENT

A benchmark used throughout the airport industry to measure the financial performance of airports is the signatory airline cost per enplaned passenger. Since airport operators primarily build, operate, and maintain physical facilities (terminals, hangars, runways, roadways, etc.), the airline cost per enplaned passenger is generally higher for airports with recent major construction and/or underutilized facilities. Because the Authority has been expanding facilities at Dulles and modernizing Reagan National, fees and charges paid by the Airlines to the Authority have increased over recent years to service the debt issued to finance these improvements, but are projected to decrease due to increased enplanements.

The Signatory Airline cost per enplanement for 2003 through 2005:

SIGNATORY AIRLINE COST PER ENPLANEMENT	ACTUAL 2003	BUDGET 2004	BUDGET 2005
Reagan National Airport	\$11.29	\$12.44	\$11.07
Dulles Airport	\$13.30	\$14.64	\$12.54
Combined Airports	\$12.38	\$13.62	\$11.96

FINANCIAL OVERVIEW

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The modernization of facilities at Reagan National has resulted in improved operating efficiency and passenger convenience. The Authority has completed most of the capital projects at Reagan National, including two new interconnected terminals designated Terminal B/C and structured parking garages. Although terminal space available to the Airlines and concession operators has substantially increased, the total number of air carrier gates remains at 44.

Major elements of the CCP completed at Dulles include a new International Arrivals Building, expansion of the Main Terminal, Midfield Concourse B, Regional Airline Midfield Concourse A, Daily Garages 1 and 2, various improvements to the airfield, land acquisition for a future runway, and expansion and renovation of the mobile lounge system. The Authority approved an expanded capital program in 2000 that focuses on Dulles and is referred to as the Dulles Development (*d*²) program. After the events of September 11, 2001, the Authority reexamined plans for the CCP, and in particular, future development at Dulles. As a result, the start dates of several projects were delayed and, in some cases, projects were deferred until the Authority determines that demand and circumstances warrant reactivation of those projects. In addition, new projects were added to the CCP. This revised CCP, including the original *d*² projects and the new projects, less the deferred projects, is referred to as the "2001-2011 CCP." As part of a routine review that occurred when the design of the three largest projects in the 2001-2011 CCP was approximately 60 percent complete, in June 2003, the Authority made certain additional adjustments to its plans including scaling back certain projects, deferring others, eliminating some entirely and activating some projects that previously were deferred.

In 2004, the Authority added several new projects to the 2001-2011 CCP including new regional terminal facilities at both Airports, building modifications to better accommodate in-line baggage screening at both Airports, and the rehabilitation of Concourses C and D and certain mobile lounges at Dulles. The cost of the new projects is estimated at \$345 million. The 2005 new program authorization totals \$371.9 million.

Because of operating constraints at Reagan National, much of the future growth in aviation activity for the Washington metropolitan area will occur at Dulles.

FEDERAL GRANTS

The Authority receives both entitlement and discretionary grants for eligible projects from the Federal Aviation Administration (FAA) Airport Improvement Program (AIP). Entitlement funds are determined by a formula according to enplanements at each Airport. These grants are permitted to be used by the Authority at either Airport. The Authority applies for discretionary grants from the FAA annually through a multi-year Letter of Intent (LOI) process. The issuance of an LOI is subject to receipt of Congressional appropriations and is not a binding commitment of funds by the FAA. For planning purposes, the amounts in the approved LOI's from the FAA are used by the Authority as the estimate of federal discretionary grants to be received.

FINANCIAL OVERVIEW

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➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The Authority has also received other federal grants including those from Federal Emergency Management Agency (FEMA) and the Homeland Security Grant Program.

COMMONWEALTH OF VIRGINIA GRANTS

The Commonwealth of Virginia provides grants to Virginia airport sponsors through the aviation portion of the Transportation Trust Fund. The Authority will receive 60 percent of any new money, if any, available for allocation by the Virginia Aviation Board, up to a maximum of \$2 million annually. These funds are used as an additional source of funding for capital equipment and projects.

PASSENGER FACILITY CHARGES

The Aviation Safety and Capacity Expansion Act of 1990, enacted November 5, 1990, enables airports to impose a PFC on enplaning passengers. The Authority applied for and was granted permission to collect a \$3.00 PFC beginning November 1, 1993, at Reagan National and January 1, 1994, at Dulles. Federal legislation that was approved in April 2000 allowed an increase from \$3.00 per passenger to a maximum collection of \$4.50. The Authority gained approval for the \$4.50 rate in May 2001. An airport must apply to the FAA, by submitting an application, for the authority to impose and use the PFCs collected for specific FAA-approved projects. The PFC funds collected are used to finance the projects described in the Authority's approved PFC applications.

The Authority recently gained approval for its third PFC application in the amount of \$93 million for projects at Dulles. Currently, there is a total of \$723.6 million PFC authorization with associated amendments, \$356.7 million for Reagan National and \$366.9 million for Dulles. Costs for construction and financing of these projects are included in the total PFC authorization amount. The Authority expects to submit its fourth application to the FAA in the first quarter of 2005. The Authority intends to submit applications in the future for authorization to use PFC revenues for other eligible capital projects.

As of December 31, 2003, the Authority had collected \$214.4 million (including interest earned) for Reagan National and \$215.9 million (including interest earned) for Dulles. In 2004, the Authority expects to collect a total of \$62.6 million in PFCs.

IMPACT OF THE CCP ON THE O&M PROGRAM

The most significant impact of the CCP on the O&M Program is in the areas of personnel costs and debt service. An estimated 30 employees of the Authority, including engineers, contract specialists, safety inspectors, accounting technicians, auditors, and clerical employees, provide direct support to the CCP. These employees are funded from the O&M Program, and the cost of providing this support in 2005 is estimated at \$1,623,765. Debt service is estimated at \$170,734,000 in 2005 or 41.9 percent of the total O&M Program.

FINANCIAL OVERVIEW

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To minimize the impact of the CCP on the O&M Program, the Authority has contracted with Parsons Management Consultants (PMC) to help manage and provide technical support for the CCP. PMC has an authorized staff level of approximately 234 full-time employees which may increase as the program proceeds. Office space has been made available for PMC's staff at various locations at Dulles. PMC's costs for support of the CCP are included as project costs and are not charged to the O&M Program. PMC also provides support for some projects in the COMIP and limited support for the O&M Program. All PMC costs are charged to the appropriate project.

OPERATING REVENUES

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Operating revenues are estimated to increase from \$412,184,000 in 2004 to \$473,767,000 in 2005, an increase of \$61,583,000 or 14.9 percent. Several important revenue impacts are reflected in this increase:

METHODOLOGY

Revenue estimates for 2005 were developed after reviewing passenger activity, airline operations, aircraft landing weight forecasts and projected operating expenses. Airlines pay rates and charges based on forecasts and analyses of historical trends; leases, contracts, and other agreements are also considered in these analyses. Airline rates and charges are based on full cost recovery through an allocation of direct and indirect expenses to cost centers of the Authority.

Under the Agreement, the Signatory Airlines' rental fees and charges are reduced by their share of net NRR. The Airlines' share of NRR, referred to as transfers, is credited in the year following the year it is earned.

RENTS

Under the terms of the Agreement, terminal building rental rates at both of the Airports are calculated by allocating expenses over the rentable square footage in the terminal buildings. Airlines are then charged for the space they occupy.

Non-airline rents, including hangars, airmail facilities, cargo facilities, and fueling systems, are based on cost recovery. At Dulles, rents for some cargo facilities are set by specific lease provisions. In 2005, rental revenues are projected to increase by \$157,000 at Reagan National and increase by \$19,789,000 at Dulles. This is a total increase of \$19,946,000, an increase from \$164,482,000 in 2004 to \$184,428,000 in 2005.

LANDING FEES

Under the Agreement, the Signatory Airlines pay landing fees at a rate calculated annually to recover the total costs less transfers of each Airport's airfield cost center. Carriers that are not signatories to the Agreement are required to pay 125 percent of the compensatory rate, i.e., the cost recovery rate before application of transfers. Other operators are charged the compensatory rate. Landing fees do not apply to aircraft operating in government service. Landing fees are projected to decrease by \$74,000 at Reagan National and increase by \$8,322,000 at Dulles. This is a total net increase of \$8,248,000, from \$83,674,000 in 2004 to \$91,922,000 in 2005.

TENANT EQUIPMENT CHARGES

The Airlines design and construct the fit-out of their individual exclusive space in the terminal facilities at both of the Airports. The Authority has agreed to reimburse participating Signatory Airlines for these costs. The Authority, in turn, will recover these costs from the Airlines over a period of years through tenant

OPERATING REVENUES

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→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

equipment charges. Revenues from tenant equipment charges are projected to increase by \$208,000 at Reagan National and decrease by \$59,000 at Dulles in 2005. This is a total net increase of \$149,000 from \$3,237,000 to \$3,386,000.

CONCESSIONS

Concession revenues are a major portion of the Authority's operating revenues. These revenues are derived from contracts with concessionaires that generally obligate the concessionaire to pay a percentage of gross revenues to the Authority with an annual minimum amount. Typically these contracts extend for a period of three to five years, although some contracts extend over substantially longer periods. The Authority awards concession contracts on the basis of competitive procedures. Major concessions include rental cars, public parking, food and beverage, retail stores, and newsstands. Concession revenue estimates are based on a review of each concessionaire's recent performance, adjusted for passenger activity forecasts and other known variables. Concession revenues in 2005 are projected to increase by \$3,835,000 at Reagan National and increase by \$20,061,000 at Dulles, resulting in a total increase of \$23,896,000, from \$120,744,000 in 2004 to \$144,640,000 in 2005.

CONCESSION REVENUE PER ENPLANEMENT	ACTUAL 2003	ESTIMATE 2004	BUDGET 2005
Reagan National Airport			
Landside	\$5.11	\$5.18	\$5.23
Terminal	.84	.96	1.19
Other	<u>.30</u>	<u>.32</u>	<u>.33</u>
Total	\$6.25	\$6.46	\$6.75
Dulles Airport			
Landside	\$3.89	\$3.91	\$4.73
Terminal	1.01	1.09	1.20
Other	<u>1.17</u>	<u>1.22</u>	<u>1.22</u>
Total	\$6.07	\$6.22	\$7.15
Combined Airports	\$6.16	\$6.32	\$6.99

SECURITY FEES

The Transportation Security Administration (TSA) is responsible for providing passenger screening at departure gates. TSA reimburses the Authority for providing police coverage in support of passenger screening activities. The 2004 budget estimate for TSA reflected an estimated contractual agreement amount. The 2005 budget estimate reflects the negotiated contractual amount. Revenues from security fees in 2005 for both Airports are projected to decrease by \$967,000 from \$2,243,000 to \$1,276,000.

OPERATING REVENUES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

INTERNATIONAL ARRIVALS BUILDING FEES

International Arrival Building (IAB) fees at Dulles are calculated by dividing estimated total recoverable costs by estimated total deplaned passengers for the year. Each airline is charged the resulting cost per deplaned passenger based on actual monthly deplaned passengers. The Concourse C International Arrivals Facility was built by United Airlines. The Authority reimbursed United Airlines for its costs in October 1997, and the costs of the Concourse C International Arrivals Facility are being recovered through a separate fee. Authority revenues from IAB fees from both facilities are projected to increase from \$10,335,000 in 2004 to \$11,147,000 in 2005, a total increase of \$812,000.

PASSENGER CONVEYANCE FEES

Mobile Lounges and Plane-Mates are used for transporting passengers between the Dulles Main Terminal and Midfield Concourses A, B, C, and D, the IAB, or directly to the aircraft. Buses are used to transport regional airline passengers directly to the aircraft. A separate fee to recover costs, less transfers, is charged to the Signatory Airlines based on their proportionate share of enplaning passengers. The United busing operation costs are fully recovered through the passenger conveyance fees. Passenger conveyance fees are projected to increase by \$9,314,000 in 2005, from \$16,185,000 to \$25,499,000.

UTILITIES

Utility sales are estimated to increase by \$144,000 from \$6,300,000 in 2004 to \$6,444,000 in 2005.

OTHER REVENUES

Other Revenues consist of miscellaneous fees and collections, such as the sale of employee parking decals, taxi cab permit fees, and the sale of surplus property and equipment. These revenues are projected to decrease by \$499,000 at Reagan National and increase by \$540,000 at Dulles in 2005, for a total net increase of \$41,000 from \$4,984,000 to \$5,025,000.

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COMPARISON 2004 & 2005 OPERATING REVENUES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

COMPARISON OF 2004 AND 2005 OPERATING REVENUES (dollars in thousands)

	2004	2005	% CHANGE
REAGAN NATIONAL AIRPORT			
Rents	\$70,671	\$69,566	-1.6%
Rent Transfers	6,532	7,794	19.3%
Landing Fees	32,308	31,626	-2.1%
Landing Fee Transfers	2,098	2,706	29.0%
Tenant Equipment Charges	1,552	1,775	14.4%
Tenant Equipment Transfers	415	400	-3.6%
Concessions	51,215	55,050	7.5%
TSA Security Fees	856	880	2.8%
Utilities	1,651	1,776	7.6%
Other Revenues	1,922	1,423	-26.0%
TOTAL OPERATING REVENUES	\$169,220	\$172,996	2.2%
DULLES AIRPORT			
Rents	\$77,618	\$84,325	8.6%
Rent Transfers	9,661	22,743	135.4%
Landing Fees	43,239	44,105	2.0%
Landing Fee Transfers	6,029	13,485	123.7%
Tenant Equipment Charges	1,035	979	-5.4%
Tenant Equipment Transfers	235	232	-1.3%
Concessions	69,529	89,590	28.9%
TSA Security Fees	1,387	396	-71.4%
International Arrivals Building Fees	8,768	8,124	-7.3%
International Arrivals Building Fee Transfers	1,567	3,023	92.9%
Passenger Conveyance	14,442	20,799	44.0%
Passenger Conveyance Transfers	1,743	4,700	169.7%
Utilities	4,649	4,668	0.4%
Other Revenues	3,062	3,602	17.6%
TOTAL OPERATING REVENUES	\$242,964	\$300,771	23.8%
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY			
Rents	\$148,289	\$153,891	3.8%
Rent Transfers	16,193	30,537	88.6%
Landing Fees	75,547	75,731	0.2%
Landing Fee Transfers	8,127	16,191	99.2%
Tenant Equipment Charges	2,587	2,754	6.5%
Tenant Equipment Transfers	650	632	-2.8%
Concessions	120,744	144,640	19.8%
TSA Security Fees	2,243	1,276	-43.1%
International Arrivals Building Fees	8,768	8,124	-7.3%
International Arrivals Building Fee Transfers	1,567	3,023	92.9%
Passenger Conveyance	14,442	20,799	44.0%
Passenger Conveyance Transfers	1,743	4,700	169.7%
Utilities	6,300	6,444	2.3%
Other Revenues	4,984	5,025	0.8%
TOTAL OPERATING REVENUES	\$412,184	\$473,767	14.9%

COMPARISON 2004 & 2005 OPERATING REVENUES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

COMPARISON OF 2004 AND 2005 CONCESSION REVENUES

(dollars in thousands)

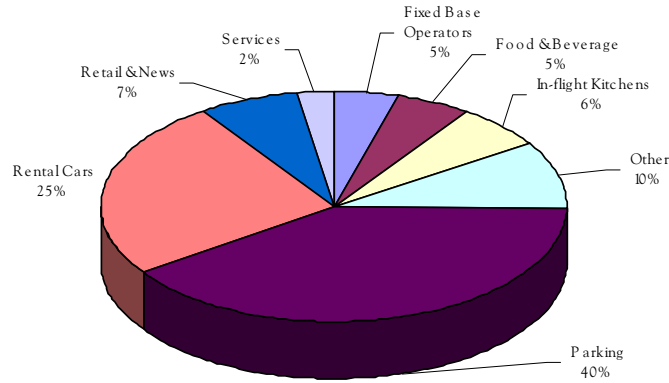
	2004	2005	% CHANGE
REAGAN NATIONAL AIRPORT			
Rental Cars	\$15,911	\$16,700	5.0%
In-flight Kitchens	875	804	-8.1%
Parking	25,169	25,950	3.1%
Fixed Base Operators	0	0	0.0%
Food & Beverage	2,578	3,032	17.6%
Retail & News	3,053	3,990	30.7%
Services	1,956	2,656	35.8%
Other	1,674	1,918	14.6%
TOTAL CONCESSION REVENUES	\$51,215	\$55,050	7.5%
DULLES AIRPORT			
Rental Cars	\$11,616	\$13,687	17.8%
In-flight Kitchens	4,911	5,056	3.0%
Parking	32,087	45,600	42.1%
Fixed Base Operators	4,387	4,692	7.0%
Food & Beverage	3,342	4,624	38.4%
Retail & News	5,050	5,424	7.4%
Services	3,775	4,968	31.6%
Other	4,361	5,539	27.0%
TOTAL CONCESSION REVENUES	\$69,529	\$89,590	28.9%
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY			
Rental Cars	\$27,527	\$30,387	10.4%
In-flight Kitchens	5,786	5,860	1.3%
Parking	57,256	71,550	25.0%
Fixed Base Operators	4,387	4,692	7.0%
Food & Beverage	5,920	7,656	29.3%
Retail & News	8,103	9,414	16.2%
Services	5,731	7,624	33.0%
Other	6,035	7,457	23.6%
TOTAL CONCESSION REVENUES	\$120,744	\$144,640	19.8%

COMPARISON 2003, 2004, 2005 CONCESSION REVENUES

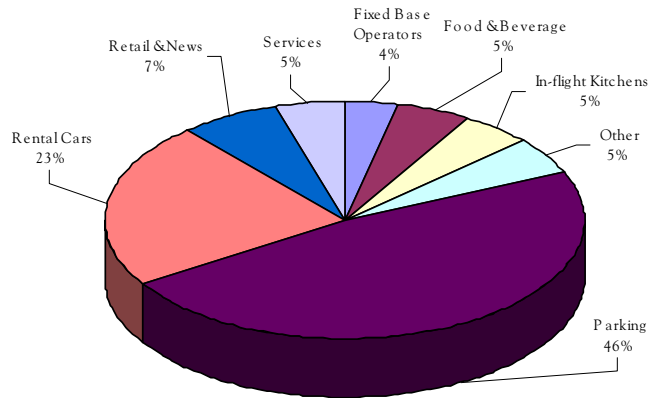
2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

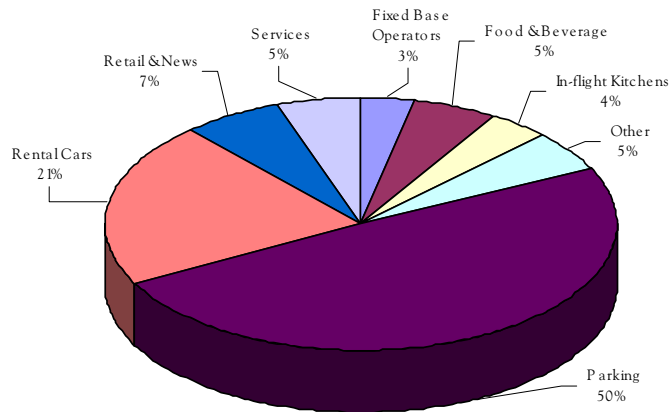
2003 Actuals - \$113.2 Million



2004 Budget - \$120.7 Million



2005 Budget - \$144.6 Million



STATEMENT OF OPERATIONS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The Authority financial statements are prepared on an accrual basis in accordance with *Generally Accepted Accounting Principles (GAAP)*. For budget and rate setting purposes, however, expenses included in the Statement of Operations have been modified to conform with the provisions of the Agreement as follows:

- Capital equipment and capital facility projects included in the O&M Program are treated as operating expenses and are recovered in full in the year purchased;
- Investment in COMIP is recovered by amortizing projects using a tax exempt interest rate;
- The bond-financed CCP is recovered through annual debt service; and
- A 2005 GAAP Budget presentation is included on page 51.

OPERATING REVENUES

Operating revenues are described in detail on pages 38 through 44.

OPERATING EXPENSES

Airport operating expenses include Consolidated Functions expenses that are allocated between the Airports, except for air service development, Washington Flyer Ground Transportation, and the Vastera Office Building, which are allocated to Dulles. For the Office of Public Safety, the headquarters staff expenses are allocated between the Airports, and each Airport's police and fire expenses are included by Airport.

NET REVENUES

In 2005, Reagan National is expected to have net revenues of \$87,223,000 and Dulles net revenues of \$149,473,000, for combined net revenues of \$236,695,000.

DEBT SERVICE

The Agreement provides that the actual debt service for the bond-financed CCP is recovered annually. COMIP projects that were funded from bonds are recovered through debt service. While projects financed from bonds are being constructed, the interest is capitalized and funded from the bond proceeds. Included in the Statement of Operations is that portion of debt service recovered through rates and charges. Capitalized interest is excluded.

Bond Principal Payments. Bond principal payments for cost recovery purposes will increase by \$1,289,000, from \$59,370,000 in 2004 to \$60,659,000 in 2005.

STATEMENT OF OPERATIONS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Interest Expense. Interest expense will increase by \$22,995,000 from \$87,080,000 in 2004 to \$110,075,000 in 2005. Included in this amount are the Commercial Paper (CP) Program interest expenses, the fees associated with the liquidity facilities and the swap transaction payments. Excluded from interest expense is interest accruing in the lease payment reserve account, which is considered part of the lease payment for the Airports to the federal government. Also excluded is capitalized interest.

<u>2005 DEBT SERVICE</u>	<u>STATEMENT OF OPERATIONS (p. 48)</u>	<u>BOND DEBT SERVICE (p. 60)</u>
Principal	\$ 60,659,370	\$ 61,919,118 *
Interest	<u>110,075,146</u>	<u>132,979,673 **</u>
Total Debt Service	\$170,734,516	\$ 194,898,791
* Includes \$125,500 for interest earned on principal accounts which is directly applied to debt service payments, and for commercial paper.		
** Includes \$185,800 for interest earned on interest accounts which is directly applied to interest payments, capitalized interest of \$18,468,727 for senior debt, commercial paper interest of \$6,375,000 and \$7,926,264 for estimated swap payments.		

RESERVE REQUIREMENTS

In accordance with the Agreement and the Master Indenture, the increases in the Operation and Maintenance Reserve and the Emergency Repair and Rehabilitation Reserve are funded from airline rates and charges.

NONOPERATING REVENUE

Interest Income. An estimated \$10,098,000 in interest will be earned during 2005. Interest income will decrease by \$2,412,000 in 2005, from \$12,510,000 in 2004. Not included as interest income is the \$7,580 in interest accruing in the federal lease payment reserve account which is payable to the U. S. Treasury on the semiannual lease payment dates; it is considered a part of the federal lease payment for the Airports. Also excluded is interest earned on bond funds.

Forward Interest Rate Swaps. Since July 31, 2001, the forward floating-to-fixed interest rate swaps have fluctuated in value by over \$35,700,000. As of September 30, 2004, the fair value of the swaps was an unrealized loss of approximately \$21,800,000. The Authority's Total Assets are adjusted by the current unrealized amount monthly. It is reasonable to expect that since the current value of the swaps is tied to changes in prevailing interest rates, this unrealized gain or loss will fluctuate significantly over the life of the transaction. Neither the unrealized gain nor unrealized loss affects the rates and charges to the Airlines.

STATEMENT OF OPERATIONS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

NET REMAINING REVENUE

The NRR is budgeted at \$61,387,000 for 2004 and \$72,201,000 for 2005. Under the Agreement, NRR is allocated between the Authority and the Airlines according to an established formula. The Airlines' share, included in the 2005 operating revenues as transfers, is \$55,083,000.

NET INCOME

As presented in the 2005 Statement of Operations by Airport GAAP like presentation on page 51, the net income for Reagan National is \$11,338,000 and \$51,238,000 for Dulles, for a combined net income of \$62,576,000.

STATEMENT OF OPERATIONS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

<i>(dollars in thousands)</i>	ACTUAL 2003	BUDGET 2004	BUDGET 2005
OPERATING REVENUES			
Rents	\$127,639	\$148,289	\$153,891
Rent Transfers	20,752	16,193	30,537
Landing Fees	67,637	75,547	75,731
Landing Fee Transfers	6,662	8,127	16,191
Tenant Equipment Charges	2,977	2,587	2,754
Tenant Equipment Transfers	657	650	632
Concessions	113,173	120,744	144,640
TSA Security Fees	2,632	2,243	1,276
International Arrivals Building Fees	12,769	8,768	8,124
International Arrivals Building Transfers	2,254	1,567	3,023
Passenger Conveyance	12,478	14,442	20,799
Passenger Conveyance Transfers	2,137	1,743	4,700
Utilities	6,507	6,300	6,444
Other Revenues	4,584	4,984	5,025
TOTAL OPERATING REVENUES	\$382,858	\$412,184	\$473,767
OPERATING EXPENSES			
Personnel Compensation	\$75,682	\$80,389	\$85,137
Employee Benefits	19,290	23,080	32,050
Travel	779	851	898
Lease and Rental Payments	7,416	9,097	12,939
Utilities	16,559	17,521	18,676
Telecommunications	896	2,093	2,310
Vastara Office Building	(732)	224	309
Washington Flyer Ground Transportation	234	573	244
Washington Flyer Magazine	184	0	0
Services	53,104	57,475	63,007
Supplies, Materials, and Fuels	9,458	9,854	10,951
Insurance and Risk Management	7,152	7,770	7,970
Noncapital Equipment	1,934	1,537	1,569
Noncapital Facility Projects	208	931	1,014
Capital Equipment	1,122	755	0
Capital Facility Projects	2,999	650	0
TOTAL OPERATING EXPENSES	\$196,285	\$212,800	\$237,072
NET REVENUES	\$186,573	\$199,384	\$236,695
DEBT SERVICE			
Bond Principal Payments	(51,875)	(59,370)	(60,659)
Interest Expense	(89,953)	(87,080)	(110,075)
RESERVE REQUIREMENTS	(198)	(4,057)	(3,858)
NONOPERATING REVENUE			
Interest Income	8,727	12,510	10,098
NET REMAINING REVENUE	\$53,274	\$61,387	\$72,201

STATEMENT OF OPERATIONS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2004 STATEMENT OF OPERATIONS BY AIRPORT

(dollars in thousands)

	REAGAN NATIONAL	DULLES	TOTAL
OPERATING REVENUES			
Rents	\$70,671	\$77,618	\$148,289
Rent Transfers	6,532	9,661	16,193
Landing Fees	32,308	43,239	75,547
Landing Fee Transfers	2,098	6,029	8,127
Tenant Equipment Charges	1,552	1,035	2,587
Tenant Equipment Transfers	415	235	650
Concessions	51,215	69,529	120,744
TSA Security Fees	856	1,387	2,243
International Arrivals Building Fees	0	8,768	8,768
International Arrivals Building Fee Transfers	0	1,567	1,567
Passenger Conveyance	0	14,442	14,442
Passenger Conveyance Transfers	0	1,743	1,743
Utilities	1,651	4,649	6,300
Other Revenues	1,922	3,062	4,984
TOTAL OPERATING REVENUES	\$169,220	\$242,964	\$412,184
OPERATING EXPENSES			
Personnel Compensation	\$34,437	\$45,952	\$80,389
Employee Benefits	9,561	13,520	23,080
Travel	426	425	851
Lease and Rental Payments	2,294	6,803	9,097
Utilities	5,490	12,032	17,521
Telecommunications	1,047	1,047	2,093
Vastara Office Building	0	224	224
Washington Flyer Ground Transportation	0	573	573
Washington Flyer Magazine	0	0	0
Services	22,706	34,769	57,475
Supplies, Materials, and Fuels	3,698	6,156	9,854
Insurance and Risk Management	3,885	3,885	7,770
Noncapital Equipment	707	830	1,537
Noncapital Facility Projects	910	20	931
Capital Equipment	53	703	755
Capital Facility Projects	68	583	650
TOTAL OPERATING EXPENSES	\$85,281	\$127,519	\$212,800
NET REVENUES	\$83,938	\$115,442	\$199,384
DEBT SERVICE			
Bond Principal Payments	(28,543)	(30,827)	(59,370)
Interest Expense	(41,864)	(45,216)	(87,080)
RESERVE REQUIREMENTS	(1,707)	(2,350)	(4,057)
NONOPERATING REVENUE			
Interest Income	5,374	7,136	12,510
NET REMAINING REVENUE	\$17,198	\$44,185	\$61,387

STATEMENT OF OPERATIONS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 STATEMENT OF OPERATIONS BY AIRPORT

(dollars in thousands)

	REAGAN NATIONAL	DULLES	TOTAL
OPERATING REVENUES			
Rents	\$69,566	\$84,325	\$153,891
Rent Transfers	7,794	22,743	30,537
Landing Fees	31,626	44,105	75,731
Landing Fee Transfers	2,706	13,485	16,191
Tenant Equipment Charges	1,775	979	2,754
Tenant Equipment Transfers	400	232	632
Concessions	55,050	89,590	144,640
TSA Security Fees	880	396	1,276
International Arrivals Building Fees	0	8,124	8,124
International Arrivals Building Fee Transfers	0	3,023	3,023
Passenger Conveyance	0	20,799	20,799
Passenger Conveyance Transfers	0	4,700	4,700
Utilities	1,776	4,668	6,444
Other Revenues	1,423	3,602	5,025
TOTAL OPERATING REVENUES	\$172,996	\$300,771	\$473,767
OPERATING EXPENSES			
Personnel Compensation	\$33,741	\$51,395	\$85,137
Employee Benefits	12,726	19,324	32,050
Travel	377	521	898
Lease and Rental Payments	1,946	10,993	12,939
Utilities	5,648	13,028	18,676
Telecommunications	924	1,386	2,310
Vastara Office Building	0	309	309
Washington Flyer Ground Transportation	0	244	244
Washington Flyer Magazine	0	0	0
Services	21,442	41,565	63,007
Supplies, Materials, and Fuels	4,078	6,872	10,951
Insurance and Risk Management	3,188	4,782	7,970
Noncapital Equipment	690	879	1,569
Noncapital Facility Projects	1,014	0	1,014
Capital Equipment	0	0	0
Capital Facility Projects	0	0	0
TOTAL OPERATING EXPENSES	\$85,773	\$151,298	\$237,072
NET REVENUES	\$87,223	\$149,473	\$236,695
DEBT SERVICE			
Bond Principal Payments	(25,304)	(35,355)	(60,659)
Interest Expense	(45,918)	(64,157)	(110,075)
RESERVE REQUIREMENTS	(1,512)	(2,346)	(3,858)
NONOPERATING REVENUE *			
Interest Income	4,009	6,089	10,098
NET REMAINING REVENUE	\$18,498	\$53,704	\$72,201

*Changes in the fair value of the Forward Interest Rate Swaps are reflected as non-operating revenue and are recorded as unrealized gains or losses on the Statements of Revenues, Expenses and Changes in Net Assets. This is reported in the Authority's monthly and annual Financial Statements and is not reflected within the Operating Accounts or Interest Income. Neither the unrealized gain nor unrealized loss affects the rates and charges to the airlines.

STATEMENT OF OPERATIONS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 STATEMENT OF OPERATIONS BY AIRPORT GAAP PRESENTATION (dollars in thousands)

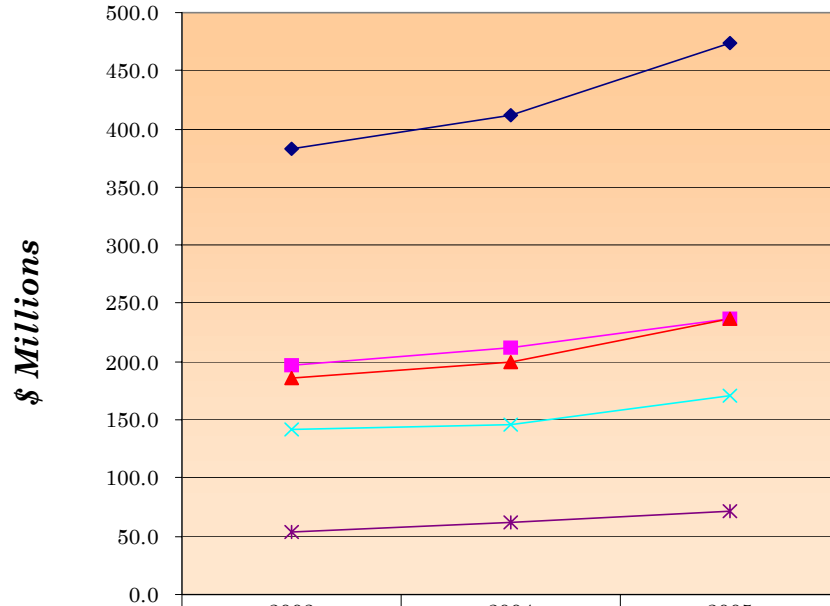
	REAGAN NATIONAL	DULLES	TOTAL
OPERATING REVENUES			
Rents	\$69,565	\$84,325	\$153,890
Landing Fees	31,626	44,105	75,731
Tenant Equipment Charges	1,775	979	2,754
Concessions	66,181	109,123	175,304
TSA Security Fees	880	396	1,276
International Arrivals Building Fees	0	8,124	8,124
Passenger Conveyance	0	20,799	20,799
Vastara Building	0	1,911	1,911
Telecom	1,618	1,618	3,236
Washington Flyer Ground Transportation	0	1,496	1,496
Washington Flyer Magazine	388	388	775
Utilities	1,776	4,668	6,444
Other Revenues	1,423	3,602	5,025
TOTAL OPERATING REVENUES	175,232	281,534	456,765
OPERATING EXPENSES			
Personnel Compensation	33,741	51,395	85,136
Employee Benefits	12,726	19,324	32,050
Travel	377	521	898
Lease and Rental Payments	1,946	10,993	12,939
Utilities	5,648	13,028	18,676
Telecommunications	2,773	2,773	5,546
Vastara Office Building	0	2,219	2,219
Washington Flyer Ground Transportation	0	1,536	1,536
Washington Flyer Magazine	388	388	775
Services	33,706	63,666	97,372
Supplies, Materials, and Fuels	4,078	6,872	10,950
Insurance and Risk Management	3,188	4,782	7,970
Noncapital Equipment	690	879	1,569
Noncapital Facility Projects	1,014	0	1,014
Depreciation	56,197	72,102	128,299
TOTAL OPERATING EXPENSES	156,472	250,477	406,949
NET OPERATING INCOME	18,760	31,056	49,816
DEBT SERVICE			
Interest Expense	(45,918)	(64,157)	(110,075)
	(45,918)	(64,157)	(110,075)
NONOPERATING REVENUE			
PFC Revenue	32,599	47,368	79,967
State Grant Revenue	0	1,700	1,700
Federal - Grant Revenue (Pay/Go & AIP)	1,888	29,182	31,070
Interest Income	4,009	6,089	10,098
NET INCOME	\$11,338	\$51,238	\$62,576

STATEMENT OF OPERATIONS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

FINANCIAL TRENDS



	2003	2004	2005
◆ Total Revenues	382.9	412.2	473.8
■ Operating Expenses	196.3	212.8	237.1
▲ Net Revenues	186.6	199.4	236.7
× Debt Service	141.8	146.5	170.7
* Net Remaining Revenue	53.3	61.4	72.2

DEBT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The Authority uses debt financing to fund a major portion of its capital program for Reagan National and Dulles.

AIRPORT SYSTEM REVENUE BONDS

Subordinate Bonds

To provide for the initial stages of the CCP, in 1988, and other capital financing needs while negotiations with the Airlines on the Agreement were underway, five series of subordinated bonds backed by major financial institutions were issued for \$263,410,000. These subordinate bonds have either been refunded or the debt retired. Since October 1998, no subordinate bonds have been outstanding.

Senior Bonds

A Senior Master Indenture (Master Indenture) was created in 1990 for the Authority. A Supplemental Indenture is required before a series of Bonds is issued. The Master Indenture was amended effective September 1, 2001, to in part, change the definition of Annual Debt Service to accommodate the issuance of secured commercial paper, to permit the Authority to release certain revenues from the definition of revenues, and to expand the list of permitted investments to include innovative investment vehicles designed to increase the return on the Authority investments. A total of \$3,956,090,000 of senior bonds, excluding the CP, has been issued by the Authority on fifteen separate occasions including senior debt of: \$246,000,000 in February 1990; \$300,000,000 in March 1992; \$113,690,000 in March 1993; \$500,000,000 in June 1994; \$250,000,000 in May 1997; \$100,000,000 in October 1997; \$300,000,000 in July 1998; \$100,000,000 in April 1999; \$300,000,000 in April 2001; \$250,000,000 in June 2002; \$372,970,000 in August 2002; \$431,700,000 in October 2003; \$250,000,000 in May 2004; \$97,730,000 in July 2004; and \$344,000,000 in August 2004.

The proceeds of the Bond issues are being used to finance a portion of the costs of the Authority's CCP. Portions of both the Series 1993A and Series 1993B Bonds were used (a) to refund the Authority's Series 1988B subordinate, variable rate Bonds, and (b) to finance the costs of certain services, parking, office, and other facilities at Reagan National that are used by rental car companies serving the Airport. Portions of the Series 1997C Bonds were used to retire the Authority's Series 1989A Subordinate Bonds. Portions of the Series 1998B Bonds were used to retire the Authority's Series 1988A Subordinate Bonds. The proceeds of the Series 1999A Bonds were used to refund the Authority's Series 1997C Senior Bonds. The proceeds from the Series 2002C Bonds were used to refund the Authority's Series 1992A Bonds. Portions of the Series 2003A Bonds were used to refund the Authority's CP B BANs. The proceeds of the Series 2003B Bonds were used to refund a majority of the Authority's Series 1993A Bonds. Proceeds from the Series 2003C Bonds were used to refund all of the Series 1993B Bonds and provide reimbursement for the Vastara Office Building at Dulles. The proceeds of the Series 2004A Bonds were used to refund the remaining Series 1993A Bonds. The proceeds of the Series 2004C-1, Series 2004C-2 and Series 2004D Bonds were used to refund the Authority's Series 1994A Bonds.

DEBT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The Authority anticipates the issuance of senior bonds over the next year to fund projects in the CCP and refund outstanding debt when advantageous.

Commercial Paper Program

The Authority authorized a CP Program in an aggregate principal amount not to exceed \$500,000,000 outstanding at any time. The Authority has issued its Series A-B Bond Anticipation Notes (BANs) in an aggregate principal amount of \$250,000,000 and its Series One CP Notes in an aggregate principal amount of \$100,000,000.

Series A and B BANs

The Series A BANs are supported by liquidity facility agreements with Westdeutsche Landesbank for \$150,000,000 and the Series B BANs were supported with Landesbank Baden-Württemberg for \$100,000,000. In November 2000, \$170,000,000 was drawn down on the Series A-B BANs. Of this amount, \$130,000,000 was used to refund a portion of the Series 1990A Bonds excluding the 2018 and 2019 maturities which were called in October 2000. The remaining \$40,000,000 was used to refund the 2018 maturity of the Series 1990A Bonds which were refunded in April 2001. In October 2003, the Authority refunded its Series B BANs with a portion of the Series 2003A Bonds. The Series B BANs may not be reissued. The Authority expects to redeem the Series A BANs by April 2005.

Series One CP Notes

The Series One CP Notes were issued as of March 1, 2002. The Series One CP Notes are secured by certain pledged funds including Net Revenues on a parity with the Bonds. They are further secured by an irrevocable direct pay letter of credit issued by JPMorgan Chase Bank. Proceeds of the Series 2002D Bonds were used to refund \$100,000,000 of the outstanding Series One CP Notes. The Authority retains the ability, however, to issue up to \$100,000,000 of new Series One CP Notes. In November 2004, the Authority extended the irrevocable direct pay letter of credit for the Series One CP Notes for an additional three years expiring in March 2008. In addition, the amount of the Notes increased from \$100,000,000 to \$150,000,000.

Forward Interest Rate Swaps

Proceeds of the Series 2002C Bonds were applied to refund \$259,830,000 of the Authority's Series 1992A Bonds that were subject to optional redemption on October 1, 2002. On July 31, 2001, the Authority entered into two forward floating-to-fixed interest rate swap agreements with Lehman Brothers Special Financing Inc. (LBSF) and Merrill Lynch Capital Services, Inc. (MLCS) which have notional amounts of \$161.2 million and \$80.6 million, respectively. The purpose of the swap agreements was to lock in prevailing fixed interest rates in contemplation of the refunding of the Series 1992A Bonds. Each swap agreement provides

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for payments to or from the counter-parties equal to the difference between the fixed rates payable by the Authority under the respective swap agreements and 72% of one month U.S. dollar LIBOR payable by the counter-parties. Such payments commenced on August 29, 2002. The Authority's swap agreements apply to the payments due on a portion of the variable rate Series 2002C Bonds issued to refund the Series 1992A Bonds, thereby effectively converting the floating rate on such portion of the Series 2002C Bonds to fixed rate obligations.

Since July 31, 2001, the forward floating-to-fixed interest rate swaps have fluctuated in value by over \$35,700,000. As of September 30, 2004, the fair value of the swaps was an unrealized loss of approximately \$21,800,000 million. The Authority's Total Assets are adjusted by the current unrealized amount monthly. It is reasonable to expect that since the current value of the swaps is tied to changes in prevailing interest rates this unrealized gain or loss will fluctuate significantly over the life of the transaction. Neither the unrealized gain nor unrealized loss affects the rates and charges to the Airlines.

On January 6, 2004, the Authority entered into three forward floating-to-fixed interest rate swap agreements (collectively, the 2004 Swap Agreements) with LBSF, MLCS and Bear Stearns Financial Products Inc. (BSFP), respectively. The 2004 Swap Agreements were designed to manage the Authority's debt program by locking in prevailing fixed interest rates in contemplation of the refunding in August 2004 of a portion of the Authority's outstanding Series 1994A Bonds maturing in the years 2009 to 2019. The 2004 Swap Agreements have notional amounts of \$113,950,000 (LBSF), and \$56,970,000 (each of MLCS and BSFP). Each 2004 Swap Agreement provides for certain payments to or from the counterparties equal to the difference between the fixed rates (3.64113 percent to both LBSF and MLCS and 3.65193 percent to BSFP) payable by the Authority and 72 percent of the U.S. dollar LIBOR-BBA payable by LBSF, MLCS and BSFP. Such payments were expected to commence October 1, 2004, unless the Swaps were terminated. In August 2004, the 2004 Swaps were terminated. Proceeds from the Series 2004D Bonds were applied to refund \$218,855,000 of the Authority's Series 1994A Bonds that were subject to optional redemption on October 1, 2004.

Bond Ratings

The uninsured fixed rate bonds are rated long-term "Aa3" by Moody's, "A+" by S&P, and "AA-" by Fitch Ratings. The insured fixed rate bonds are rated "Aaa" by Moody's, "AAA" by S&P, and "AAA" by Fitch Ratings.

On April 14, 2004, Moody's affirmed the Authority's "Aa3" rating and changed the outlook to "Stable." On July 30, 2004, Moody's reaffirmed its rating. On that same day, S&P affirmed the Authority to "A+" with "Stable Outlook." On August 2, 2004, Fitch Ratings affirmed the Authority's "AA-" rating with outlook "Stable."

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The insured variable rate bonds (Series 2002C) have been assigned a long-term rating of “Aaa” and a short-term rate of “VMIG 1” by Moody’s, a long-term rate of “AAA” and short-term rate of “A-1+” by S&P, and long-term rate of “AAA” and a short-term rate of “F1+” by Fitch Ratings.

The CP Programs are rated “P-1” short term by Moody’s, “A-1+” short term by S&P, and “F1+” short term by Fitch Ratings.

Insurance

Both series of 1993 Bonds were insured by Municipal Bond Investors Assurance Corporation (MBIA). All but \$29,125,000 of the Series 1994A Bonds (those maturing in the year 2021) were insured by MBIA. All but \$24,140,000 of the Series 1997A (those maturing in the years 2013 through 2023) and \$134,505,000 of the Series 1997B Bonds (those maturing in the years 2012 through 2023) are insured by Financial Guaranty Insurance Company (FGIC). All \$19,795,000 of the Series 1998A Bonds are uninsured; \$46,305,000 of the Series 1998B Bonds (those maturing in the years 2002 through 2007) are uninsured. All Series 1999A Bonds are insured by FGIC. All but \$4,200,000 of the Series 2001A (those maturing in the year 2002) and \$485,000 of the Series 2001B Bonds (those maturing in the years 2002 through 2003) are insured by MBIA. All \$250,000,000 of the Series 2002A-B Bonds are insured by FGIC. All \$372,970,000 of the Series 2002C-D Bonds are insured by Financial Security Assurance (FSA). All \$185,000,000 of the Series 2003A Bonds are insured by FGIC. All but \$12,440,000 (those maturing in the years 2004 through 2009) of the Series 2003B Bonds are insured by FGIC. All but \$7,600,000 (those maturing in the years 2004 through 2007) of the Series 2003C Bonds are insured by FGIC. All \$150,000,000 of the Series 2003D Bonds are insured by XL Capital Assurance. All \$13,600,000 of the Series 2004A Bonds are insured by MBIA. All \$250,000,000 of the Series 2004B Bonds are insured by FSA. All of the \$97,730,000 Series 2004C-1 Bonds are insured by FSA. All but \$11,885,000 (those maturing in 2005) of \$111,545,000 of the Series 2004C-2 Bonds are insured by FSA. All but \$20,570,000 (those maturing in 2005) of the \$218,855,000 of the Series 2004D Bonds are insured by MBIA.

The table on page 60 provides details on each of the Authority’s bond series.

Future Bonds

The Authority anticipates issuing additional senior bonds to fund projects in the CCP and also to refund certain outstanding Bonds. The Authority annually, with periodic updates, prepares a Plan of Finance that is presented to the Finance Committee. The Authority has sufficient proceeds to adequately fund projects in the CCP until Summer 2005. Through 2008, the Authority expects to issue up to \$1.4 billion in additional bonds.

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PASSENGER FACILITY CHARGES AND LINE OF CREDIT AGREEMENT

The Authority was granted permission by the FAA to collect a \$3 PFC beginning November 1, 1993, at Reagan National and January 1, 1994, at Dulles, and to use PFC funds collected to finance the projects described in the Authority's approved PFC applications. In February 2001, the Authority received FAA approval to increase PFC collection authority from \$3.00 to \$4.50 on each qualified enplaning passenger. A portion of PFC revenues is being used to finance certain CCP projects previously expected to be financed through the issuance of bonds. The Authority also used PFC revenues to fund a portion of Midfield Concourse B at Dulles. To provide needed liquidity to fund these capital projects, the Authority issued its Flexible Term PFC Revenue Notes in a commercial paper mode in which the interest rate is reset for periods of one to 270 days. The PFC Notes were authorized in a maximum principal amount of \$255 million and were purchased by the Bank of America. The Bank of America, along with several other banks, also provides a letter of credit to secure the payment of principal and interest on the PFC notes.

LONG-TERM DEBT MANAGEMENT GUIDELINES

The Authority has established these guidelines for managing its long-term debt.

1. All reasonable financing alternatives before undertaking debt financing, including PFCs and grants will be explored.
2. Pay-as-you-go financing of capital improvements will be utilized where feasible.
3. Long-term debt will not be used to fund current noncapital operations.
4. Debt issues will be structured based on the attributes of the types of projects financed, market conditions at the time of debt issue, and the policy direction provided by the Finance Committee.
5. Bonds will be paid back in a period not exceeding the expected life of those projects. The exceptions to this requirement are the traditional costs of marketing and other costs of issuing debt, capitalized interest for design and construction of capital projects, and small component parts that are attached to major equipment purchases.
6. Refunding existing debt will be considered when the total present value cost (including debt issuance costs of the refunding debt) is less than the present value cost of the existing debt.
7. Financial advisors will be retained for advice on debt structuring.
8. Good communication will be maintained with bond rating agencies about the Authority's financial condition.

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9. Annually the Business Plan will include the Plan of Finance. Monthly updates will be submitted to the Finance Committee.
10. A procedure providing continuing disclosure will be followed, including filing certain annual financial information and operating data with all Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and with any Virginia qualifying State Information Depository (SID) and certain event notices with the Municipal Securities Rulemaking Board and any SID.

DEBT SERVICE COVERAGE

The Master Indenture includes a rate covenant provision specifying the Authority will fix and adjust fees and other charges for use of the Authority, including services rendered by the Authority pursuant to the Agreement calculated to be at least sufficient to produce net revenues to provide for the larger of the following: (1) amounts needed for making required deposits to various accounts in the fiscal year or (2) an amount not less than 125 percent of the annual debt service with respect to Bonds.

The debt service coverage for 2003 through 2005 is as follows:

<u>DEBT SERVICE COVERAGE</u>	<u>ACTUAL 2003</u>	<u>ESTIMATE 2004</u>	<u>BUDGET 2005</u>
Reagan National Airport	1.25x	1.36x	1.31x
Dulles Airport	1.56x	1.98x	1.59x
Combined Airports	1.41x	1.69x	1.47x

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SUMMARY OF BONDED DEBT BY ISSUE

Airport Revenue Bonds	Date of Issue	Maturity	Bonds Outstanding 1/1/2005	2004 Debt Service	2005 Debt Service
Senior Debt:					
Series 1993A	² 03/01/93	1993-2022	\$0	\$2,025,386	\$0
Series 1994A	¹ 06/01/94	1996-2024	0	24,628,382	0
Series 1997A	² 05/15/97	1998-2023	34,850,000	2,965,296	2,965,152
Series 1997B	¹ 05/15/97	1998-2023	180,805,000	15,696,446	15,694,438
Series 1998A	² 06/15/98	1999-2028	18,580,000	1,337,070	1,336,261
Series 1998B	¹ 06/15/98	1999-2028	241,715,000	20,087,650	20,082,921
Series 1999A	¹ 05/05/99	2000-2027	94,050,000	5,997,394	5,997,904
Series 2001A	¹ 04/04/01	2002-2031	272,950,000	19,125,118	19,124,408
Series 2001B	² 04/01/01	2002-2031	13,095,000	885,835	885,763
Series 2002A	¹ 06/04/02	2003-2032	215,435,000	14,910,002	14,907,834
Series 2002B	² 06/04/02	2003-2032	26,945,000	1,821,439	1,821,626
Series 2002C	¹ 08/28/02	2003-2021	248,545,000	20,611,723	20,773,458
Series 2002D	¹ 08/28/02	2003-2032	104,115,000	6,990,638	6,991,888
Series 2003A	¹ 09/11/03	2004-2033	181,915,000	12,012,431	12,013,369
Series 2003B	² 09/11/03	2004-2019	43,800,000	2,609,530	4,092,905
Series 2003C	³ 09/11/03	2004-2023	50,725,000	4,482,496	4,485,281
Series 2003D	¹ 09/16/03	2004-2033	147,775,000	4,696,134	8,194,236
Series 2004A	² 08/26/04	2006-2022	13,600,000	223,643	661,726
Series 2004B	¹ 05/18/04	2027-2034	250,000,000	7,745,326	12,503,665
Series 2004C-1	¹ 07/07/04	2006-2021	97,730,000	2,361,808	8,125,250
Series 2004C-2	¹ 08/12/04	2005-2024	111,545,000	5,170,578	14,452,825
Series 2004D	¹ 08/26/04	2005-2019	218,855,000	3,903,477	11,360,015
			<u>\$2,567,030,000</u>	<u>\$180,287,802</u>	<u>\$186,470,923</u>
Commercial Paper:					
Series A	04/26/00	2001-2005	\$150,000,000	\$5,212,673	\$8,427,868
Series One	⁴ 03/11/02	2002-2008	0	0	0
			<u>\$150,000,000</u>	<u>\$5,212,673</u>	<u>\$8,427,868</u>
TOTAL			<u>\$2,717,030,000</u>	<u>\$185,500,475</u>	<u>\$194,898,791</u>

¹ Tax Exempt - Federal, but subject to AMT, Tax Exempt Virginia and D.C.

² Tax Exempt - Federal, Virginia and D.C.

³ Taxable - Federal, Tax Exempt Virginia and D.C.

⁴ Series One refunded in total on 11/01/02. Extended to 2008 and increased amount to \$150M on November 10, 2004.

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LONG-TERM DEBT SCHEDULE - AIRPORT REVENUE BONDS

Year	Commercial Paper Debt		Senior Debt (Long Term)		Total Debt Service
	Principal	Interest	Principal	Interest	
2005	\$2,052,868	\$6,375,000	\$59,866,250	\$126,604,673	\$194,898,791
2006	2,166,802	6,375,000	63,083,750	123,807,319	195,432,871
2007	2,615,967	6,375,000	66,042,500	120,912,352	195,945,819
2008	2,802,489	6,375,000	69,172,500	117,810,842	196,160,831
2009	140,361,873	6,375,000	72,343,750	114,554,384	333,635,007
2010	0	0	75,878,750	111,127,933	187,006,683
2011	0	0	79,606,250	107,474,821	187,081,071
2012	0	0	83,483,750	103,674,062	187,157,812
2013	0	0	87,735,000	99,536,125	187,271,125
2014	0	0	92,132,500	95,196,311	187,328,811
2015	0	0	96,806,250	91,618,104	188,424,354
2016	0	0	101,955,000	85,604,067	187,559,067
2017	0	0	107,167,500	80,499,795	187,667,295
2018	0	0	110,536,250	75,035,415	185,571,665
2019	0	0	110,021,250	69,588,072	179,609,322
2020	0	0	117,098,750	64,529,191	181,627,941
2021	0	0	118,251,250	58,462,169	176,713,419
2022	0	0	107,215,000	52,327,915	159,542,915
2023	0	0	104,717,500	46,687,703	151,405,203
2024	0	0	96,835,000	41,312,748	138,147,748
2025	0	0	64,462,500	36,467,888	100,930,388
2026	0	0	74,000,000	33,264,020	107,264,020
2027	0	0	94,298,750	29,451,894	123,750,644
2028	0	0	88,806,250	24,708,651	113,514,901
2029	0	0	84,016,250	20,295,024	104,311,274
2030	0	0	88,292,500	16,128,622	104,421,122
2031	0	0	87,777,500	11,759,904	99,537,404
2032	0	0	71,307,500	7,420,035	78,727,535
2033	0	0	51,585,000	3,911,319	55,496,319
2034	0	0	27,776,250	1,388,813	29,165,063
TOTAL	\$149,999,999	\$31,875,000	\$2,552,271,250	\$1,971,160,171	\$4,705,306,420

FUND BALANCE AND ESTIMATED CASH FLOW

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

<i>(dollars in thousands)</i>	2003 ACTUAL	2004 ESTIMATE	2005 ESTIMATE
OPERATING ACCOUNTS			
1/1 Balance Unrestricted	\$48,871	\$48,871	\$48,871
Operating Revenues including Transfers	387,311	443,616	473,767
Airports share of NRR for operating expense	12,324	4,654	4,600
Interest Earnings	1,945	3,100	3,500
Total	401,580	451,370	481,867
Disbursements:			
Operating Expenses, Net	(199,604)	(202,550)	(237,072)
Transfers to Debt Service Accounts	(141,829)	(141,666)	(170,735)
Transfers to Authority Capital Fund	(53,274)	(97,825)	(64,777)
Transfers to Sinking Fund and Other Reserves	(5,922)	(7,674)	(4,486)
Transfers to Reserves/Restricted	(951)	(1,654)	(4,797)
Total Disbursements	(401,581)	(451,369)	(481,867)
12/31 Total Unrestricted	48,871	48,871	48,871
Reserves/Restricted:			
Operation and Maintenance	33,061	34,715	39,512
Emergency Repair and Rehabilitation	4,170	5,413	5,467
Lease Obligation	341	341	341
12/31 Total Restricted	37,572	40,469	45,320
12/31 Balance Unrestricted and Restricted Operating Funds	<u>\$86,442</u>	<u>\$89,340</u>	<u>\$94,192</u>
1/1 Balance (Actually COMIP Fund)	\$73,096	\$85,255	\$80,588
Receipts:			
Transfers from Operating Fund	57,944	53,274	97,825
Grants	1,000	2,032	2,000
Federal Grants	1,328	100	0
Total Receipts	60,272	55,406	99,825
Total Available	133,369	140,661	180,413
Disbursements:			
Projects	(20,432)	(17,839)	(32,835)
Airline Share of Net Remaining Revenue	(27,682)	(42,234)	(55,083)
Total Disbursements	(48,114)	(60,073)	(87,918)
12/31 Balance	<u>\$85,255</u>	<u>\$80,588</u>	<u>\$92,495</u>

FUND BALANCE AND ESTIMATED CASH FLOW

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

<i>(dollars in thousands)</i>	2003 ACTUAL	2004 ESTIMATE	2005 ESTIMATE
CONSTRUCTION ACCOUNTS			
1/1 Balance	\$184,370	\$184,323	\$304,950
Receipts:			
Commercial Paper	0	56,000	0
Bond Proceeds	431,700	691,730	286,799
Interest Earnings	3,951	6,644	6,598
Grants	14,378	28,025	32,770
Passenger Facility Charges	58,438	76,665	79,967
Passenger Facility Charges Financing	17,500	0	0
Total Receipts	525,967	859,064	406,134
Disbursements:			
Projects-in-Process	(275,397)	(219,589)	(505,055)
Payments to PFC Line of Credit	(1,138)	(3,000)	(3,000)
Payments to Cost of Issuance, Discount etc	(12,047)	(1,973)	(9,000)
Estimated Capitalized interest payments	(34,025)	(43,022)	(18,469)
Payment to DSR	(24,222)	(18,644)	(25,000)
Transfers to Debt Service - Refunding	(179,184)	(452,209)	0
Total Disbursements	(526,014)	(738,437)	(560,524)
12/31 Balance	\$184,323	\$304,950	\$150,560
DEBT SERVICE ACCOUNTS			
Debt Service Reserve:			
1/1 Balance	\$123,897	\$122,663	\$169,169
Less Refunded Bonds Debt Service Reserve	(24,259)	22,246	0
Bond Proceeds	23,024	24,260	25,000
12/31 Debt Service Reserve Balance	122,663	169,169	194,169
Debt Service Interest:			
1/1 Balance	23,807	35,118	78,388
Transfers from Operating Accounts	141,829	141,914	110,075
Transfers from Construction Accounts	34,025	43,022	18,469
Total Debt Service P & I	199,661	220,054	206,932
Disbursements:			
Principal and Interest Payments	(164,543)	(141,666)	(170,735)
Total Disbursements	(164,543)	(141,666)	(170,735)
12/31 Debt Service Interest Balance	\$35,118	\$78,388	\$36,197

PROFORMA BALANCE SHEET

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Statement of Net Assets (dollars in thousands)	2003 ACTUAL	2004 PRO FORMA	2005 PRO FORMA
ASSETS			
Current Assets			
Cash and cash equivalents	\$35,682	\$11,711	\$4,437
Investments	106,326	82,425	31,232
Accounts Receivable, net	19,295	23,293	25,680
Inventory	1,890	1,800	1,890
Prepaid Expenses and other current assets	3,642	3,642	4,006
Total Unrestricted Assets	<u>\$166,835</u>	<u>\$122,871</u>	<u>\$67,245</u>
Restricted Assets			
Cash and Cash equivalents, restricted	238,607	284,908	107,958
Passenger facility charges, cash, restricted	14,797	53,694	55,305
Passenger facility charges, receivables, restricted	8,589	12,895	13,282
Investments, restricted	20,832	57,621	21,834
Total Restricted Assets	<u>\$282,825</u>	<u>\$409,118</u>	<u>\$198,379</u>
Total Current Assets	449,660	531,989	265,624
Non-Current Assets			
Capital Assets:			
Land	49,067	105,032	105,032
Construction in progress	619,051	784,652	758,828
Buildings, systems and equipment	2,894,632	3,073,501	3,645,834
Less: accumulated depreciation	(818,686)	(937,305)	(946,329)
Capital Assets, net	2,744,064	3,025,880	3,563,365
Long-term investments	50,511	9,103	9,558
Long-term investments, restricted	144,682	190,766	236,850
Other long-term assets	2,045	1,937	1,829
Net Pension Asset	2,115	1,751	1,355
Bond issuance cost, net	34,791	41,820	38,484
Total Non-current Assets	<u>2,978,208</u>	<u>3,271,257</u>	<u>3,851,441</u>
Total Assets	<u>\$3,427,868</u>	<u>\$3,803,246</u>	<u>\$4,117,065</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Payable from unrestricted			
Accounts payable and accrued expenses	25,332	26,599	27,929
Operating lease obligations	341	341	341
Total Unrestricted	<u>25,673</u>	<u>26,940</u>	<u>28,270</u>
Current liabilities payable from restricted assets:			
Accounts payable and accrued expenses	48,829	51,270	53,834
Accrued interest payable	27,798	32,404	31,036
Bonds payable	56,105	46,755	61,755
Total Restricted	<u>132,732</u>	<u>130,429</u>	<u>146,625</u>
Total Current Liabilities	\$158,405	\$157,369	\$174,895
Non-Current Liabilities			
Payable from unrestricted :			
Other liabilities	5,542	5,157	5,420
Payable from restricted :			
Other liabilities	210	0	0
Bank Participation notes	187,700	187,700	187,700
Commercial Paper notes	150,000	206,000	206,000
Bonds Payable, net	2,271,063	2,481,988	2,715,442
Total restricted	<u>2,608,973</u>	<u>2,875,688</u>	<u>3,109,142</u>
Total non-current liabilities	2,614,515	2,880,845	3,114,562
Total Liabilities	2,772,920	3,038,214	3,289,457
Net Assets			
Invested in capital assets, net of related debt	428,498	186,202	201,432
Restricted	36,158	340,403	368,246
Unrestricted	190,292	238,427	257,929
Total Net Assets	<u>654,948</u>	<u>765,032</u>	<u>827,608</u>
Total Liabilities and Net Assets	<u>\$3,427,868</u>	<u>\$3,803,246</u>	<u>\$4,117,065</u>

AIRPORT ACTIVITY FORECASTS

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➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

Reagan National was opened for service in 1941. It is located on approximately 860 acres along the Potomac River in Arlington County, Virginia, approximately three miles from Washington, D.C. It has three interconnected terminals, three runways and 44 air carrier gates. As of the end of September 2004, Reagan National was served by 25 airlines. US Airways is the largest carrier in terms of numbers of flights and enplanements.

The major/national airlines typically operate large jet aircraft in the higher density and/or longer-haul markets, and the regional/commuter airlines operate smaller aircraft in the shorter-haul markets. At Reagan National, scheduled service is provided by seven of the nation's eight major airlines which represent the largest group of airlines in terms of total revenues. These airlines are America West, American, Continental, Delta, Northwest, United, and US Airways. Southwest is the only major airline not currently providing service at Reagan National. As of the end of September 2004, daily nonstop service was provided from Reagan National to 64 cities nationwide as well as Nassau, Bermuda, and two cities in Canada. Approximately 92 percent of total passengers at Reagan National are from origin and destination (O&D) flights.

Reagan National serves primarily short-and medium-haul markets, as a result of U.S. Department of Transportation (USDOT) regulations. Reagan National is controlled by the High Density Rule and one of two airports controlled by the Perimeter Rule, which generally limits non-stop flights at Reagan National to a radius of 1,250 statute miles. The High Density Rule imposes limits on the number of flights scheduled at Reagan National through the assignment of hourly operating slots. All slots are assigned by the FAA. Air carriers are required to use each slot a significant percent of the time or the slots may be withdrawn by the FAA. However, airlines are permitted to buy, sell, or lease these operating slots.

From time to time, the USDOT pursuant to legislation has made available a limited number of additional slots (each of which can be used for either a flight arrival or departure) at Reagan National. In July 2000, the USDOT awarded 24 new slots, of these 12 could operate nonstop flights between the Airport and points beyond the 1,250 mile perimeter. And again in April 2004, the USDOT awarded 22 additional slots, of these 12 could operate nonstop flights to airports beyond the 1,250 mile perimeter.

Enplanements at Reagan National increased in 2003 by 9.6 percent from 2002. Enplanements are expected to increase 12.1 percent in 2004 and then increase by 3.0 percent in 2005. Reagan National's expected increases in enplanements over 2004 reflect the Airport's recovery of traffic to pre-September 2001 levels. Enplanements are spread over a large air carrier base, with 13 carriers (Air Tran, Alaska, American, America West, ATA, Continental, Delta, Frontier, Midwest, Northwest, Spirit, United, and US Airways, including the Delta and US Airway Shuttles).

AIRPORT ACTIVITY FORECASTS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

WASHINGTON DULLES INTERNATIONAL AIRPORT

Dulles was opened for service in 1962. It is located on approximately 12,000 acres (exclusive of the Dulles Access Highway) in Fairfax and Loudoun Counties, Virginia, approximately 26 miles west of Washington, D.C. In addition to a main terminal, it has five midfield concourses (A, B, C, D and G), three runways and approximately 120 aircraft gates. As of the end of September 2004, Dulles was served by 46 airlines, including 13 major/national airlines, 11 regional/commuter airlines, 18 foreign flag carriers and four all-cargo carriers. Dulles serves long, medium and short-haul markets. United maintains a major domestic hub and European international gateway operation at Dulles. Scheduled service is provided by seven of the nation's eight major airlines. These airlines are America West, American, Delta, Continental, Northwest, United, and US Airways. Southwest is the only major airline not currently providing service at Dulles. As of the end of September 2004, daily nonstop service was provided from Dulles to 74 cities nationwide and to 25 international nonstop destinations.

Dulles is not constrained by perimeter restrictions as Reagan National is, with numerous long-haul markets being served with nonstop flights. Most of the international carriers and all of the all-cargo carriers flights operate at Dulles.

Total enplanements decreased in 2003 by 1.7 percent from 2002. Enplanements are expected to increase 33.6 percent in 2004 and increase by 12.1 percent in 2005. United accounted for 39.5 percent of enplanements at Dulles in 2004. Largely because of United, total connecting traffic (domestic and international) at Dulles is approximately 32.0 percent of enplanements for 2004, with the remaining 68.0 percent of enplanements representing O&D traffic.

Domestic enplanements make up nearly 77 percent of the Airport total, with international traffic comprising the remainder. Domestic enplanements decreased in 2003 by 1.9 percent from 2002 and are expected to increase by 39.3 percent in 2004 and increase by 13.7 percent in 2005.

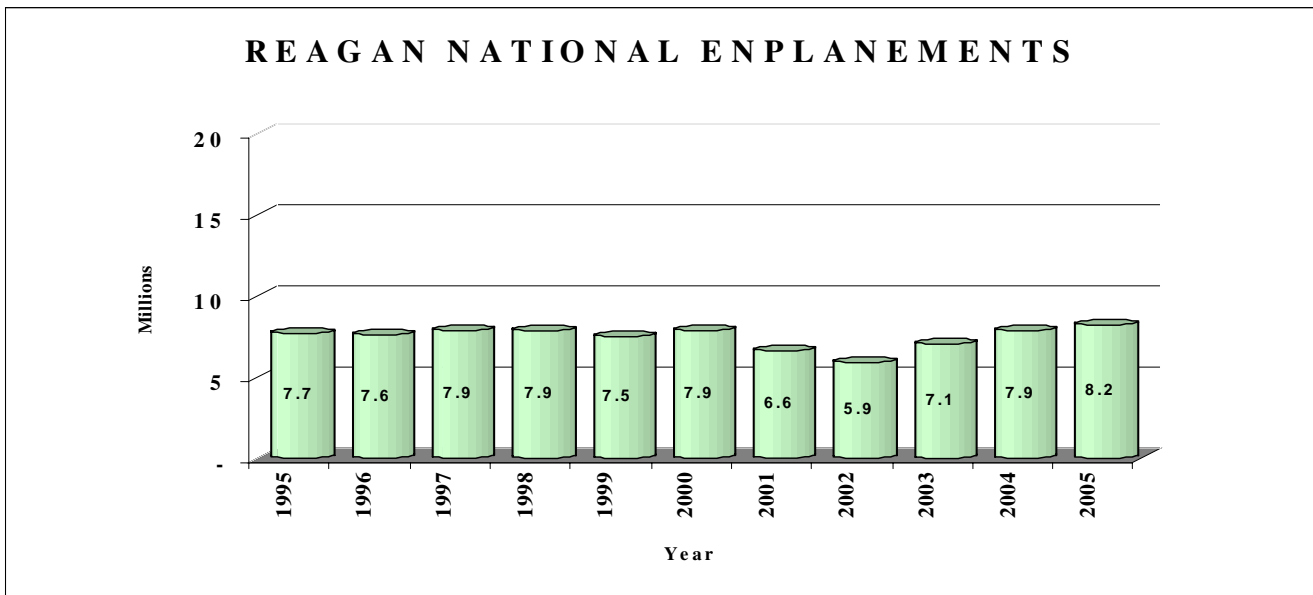
International enplanements decreased by 1.1 percent in 2003 and are expected to increase 15.2 percent in 2004 and increase by 5.9 percent in 2005. United and British Airways are the largest international air carriers with 41.6 percent and 8.9 percent, respectively, of total Dulles international passengers during 2004.

The volume of air cargo handled at Dulles fell in 2002 and 2003 because of the general downturn in the industry as a result of a weakened economy and the aftermath of the events of September 11, 2001. The volume of air cargo has increased slightly in 2004 and is forecast to increase in 2005 as the attraction for wide-body international flights will continue to generate belly capacity for cargo.

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AIRPORT ACTIVITY FORECASTS

Reagan National is primarily an O&D passenger airport with less than ten percent of the passengers transferring to other flights. Reagan National had experienced flat passenger traffic, then enplanements dropped in 2001 and 2002 primarily due to the events of September 11, 2001, and restrictions at the Airport that were not lifted until April 2002. The enplanement increases in 2003 and 2004 result from a combination of the rebounding from the events of September 11, 2001, the recovery of the overall economy and additional slots awarded in 2004. The 2005 projections reflect the recovery of traffic to pre-September 2001 levels.

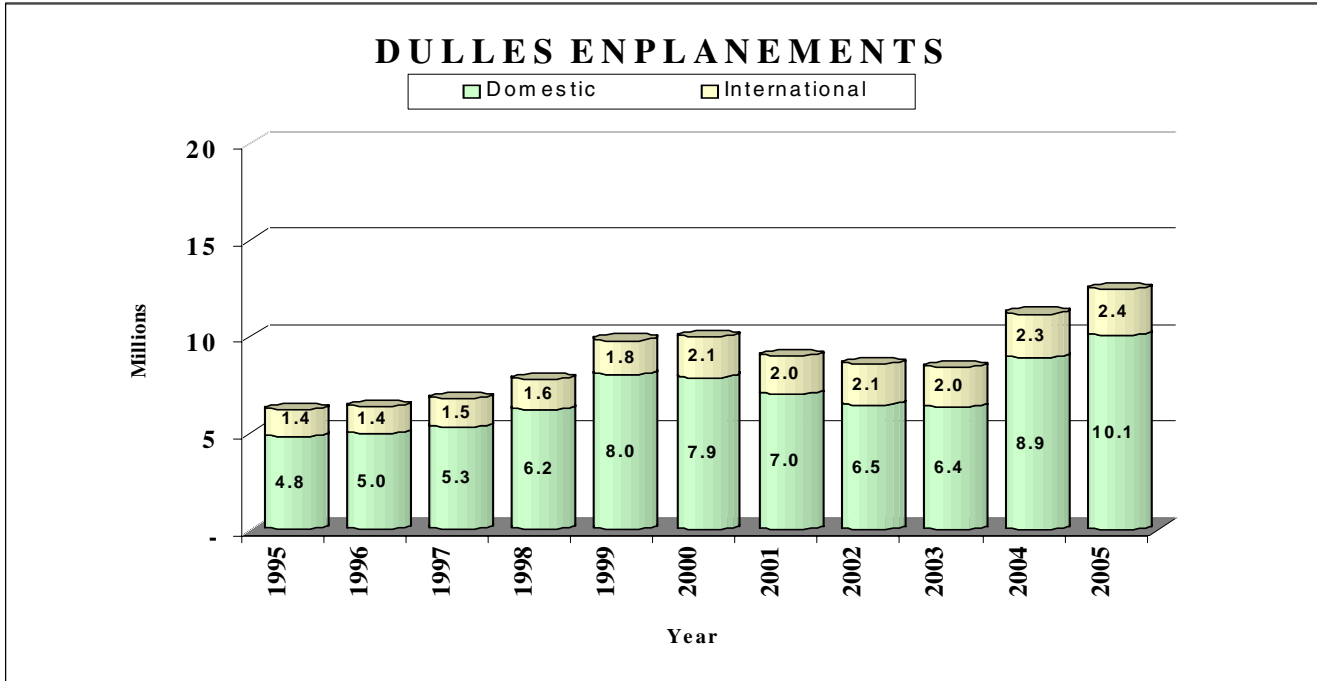


Enplanement levels at Reagan National increased 9.6 percent in 2003. Enplanement levels are expected to increase by 12.1 percent during 2004 and increase by 3.0 percent in 2005.

	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Budget</u>
Reagan National Enplanements	7,068,524	7,923,024	8,160,174

AIRPORT ACTIVITY FORECASTS

Dulles had been on a strong growth pattern in enplanements prior to the combination of events of September 11, 2001 and general downturn in the economy. Dulles growth in 2004 and 2005 is based on increased Independence Air operations and competitive responses from other carriers. International growth is based on relatively large international air carrier bases, diversity of international market services and the international presence in the region.

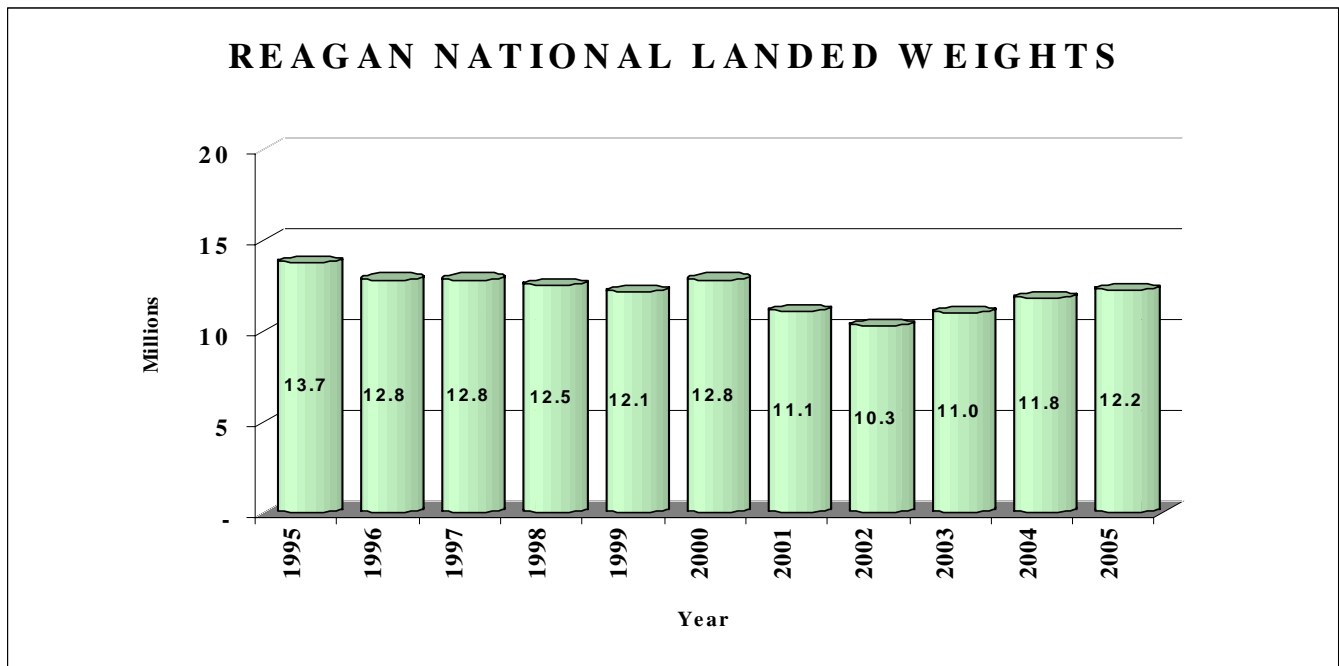


Enplanement levels at Dulles decreased by 1.7 percent in 2003 and are estimated to increase by 33.6 percent in 2004 and increase by 12.1 percent in 2005. An increase in domestic enplanements is estimated at 39.3 percent in 2004 followed by an increase of 13.7 percent in 2005. International enplanements are anticipated to increase by 15.2 percent in 2004 and then increase by 5.9 percent in 2005.

	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Budget</u>
Dulles Domestic Enplanements	6,371,646	8,877,638	10,097,649
Dulles International Enplanements	1,994,840	2,297,242	2,433,635
Total Dulles Enplanements	8,366,486	11,174,880	12,531,284

AIRPORT ACTIVITY FORECASTS

In the aftermath of the downward trend of the economy, the events of September 11, 2001, the decline in high-yield air travel, and the financial crisis in the airline industry, the carriers' serving Reagan National made changes in their service levels. They replaced many of their narrow-body jets with regional jets. The outcome was a significant drop in the average number of seats per flight from 110 in 2001 to 90 in 2003. Beginning in 2004, as traffic recovers and load factors increase, it is anticipated that carriers will gradually increase the size of aircraft used.

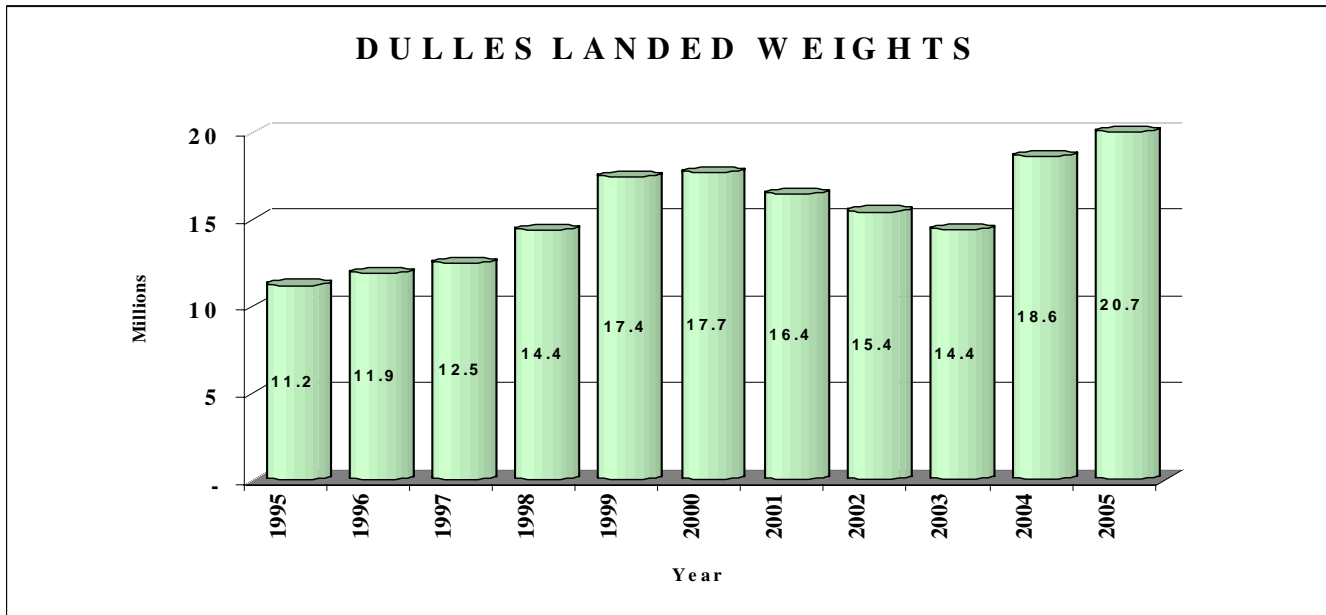


Landed weight levels at Reagan National are expected to increase by 7.3 percent in 2004 and 3.4 percent in 2005.

	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Estimate</u>	<u>2005</u> <u>Budget</u>
Reagan National Landed Weight	11,013,583	11,817,788	12,216,449

AIRPORT ACTIVITY FORECASTS

It is anticipated that passenger carriers at Dulles will operate at a somewhat higher load factor and the average number of seats per flight will gradually increase, on the basis that most carriers will be seeking to reduce seat-mile costs as they face increasing pricing pressures from the growing number of low-fare carriers at the Airport.



Landed weight levels at Dulles are expected to increase by 29.7 percent in 2004 and 11.2 percent in 2005.

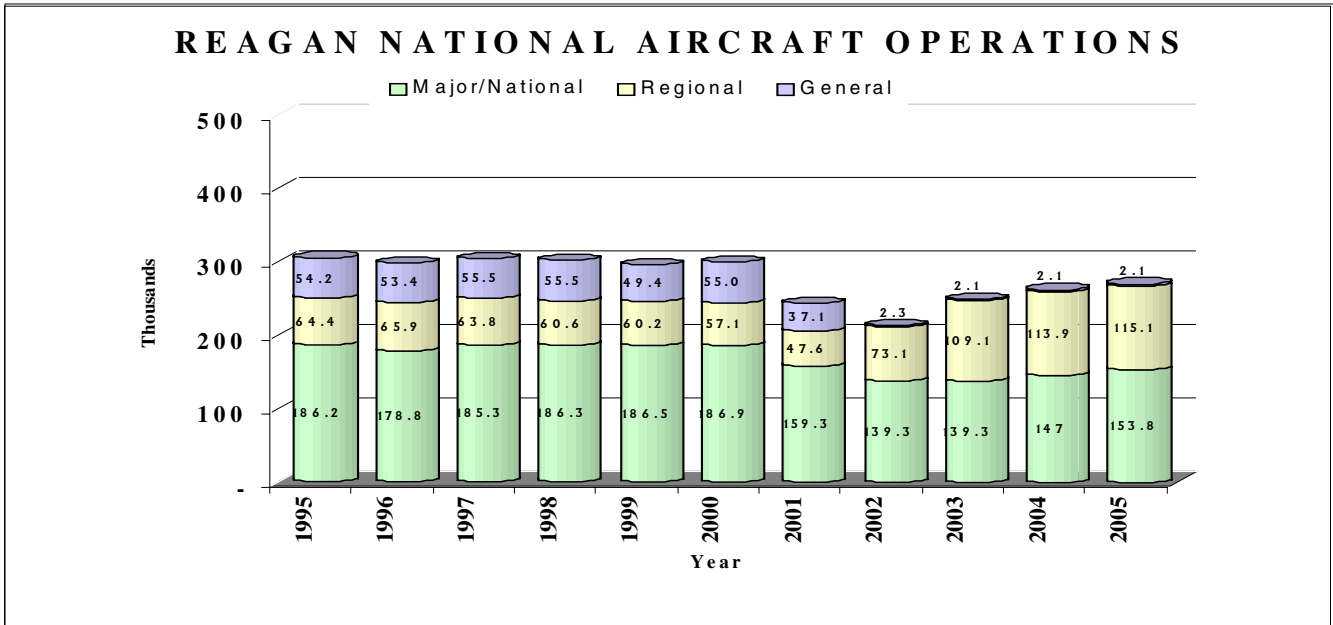
	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Budget</u>
Dulles Landed Weight	14,352,669	18,610,565	20,695,676

AIRPORT ACTIVITY FORECASTS

2005 BUDGET

✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Reagan National is subject to Federal regulations that impose limits on the number of flight schedules and on the stage-length of such flights. In 2000, 24 additional slots were awarded and in 2004 an additional 22 slots were awarded by the USDOT. The Authority restricts the hours that certain aircraft may operate at Reagan National. No general aviation aircraft activity has been included in the 2005 estimates.



Aircraft operations are projected to increase by approximately 5.5 percent in 2004 and increase by 2.5 percent in 2005.

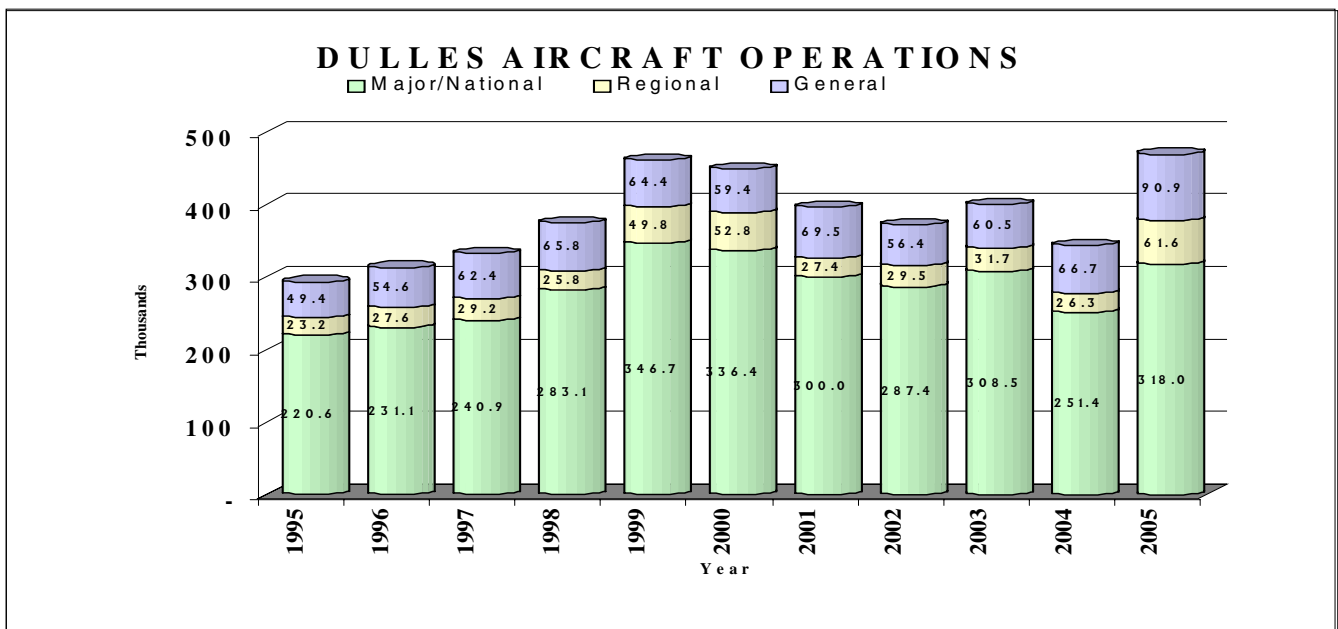
	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Budget</u>
Reagan National Aircraft Operations	250,802	264,512	271,042

AIRPORT ACTIVITY FORECASTS

2005 BUDGET

✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Dulles experienced steady growth in the 1990s, ending the decade with a significant surge in passenger traffic. Operations increased steadily from 1991 to 2000. This rapid growth was the result of US Airways introducing its lower-fare MetroJet service in 1999, the competitive fare responses of the other airlines, and the traffic stimulation that followed. Operations were reduced in 2001 in the face of a declining economy, the events of September 11, 2001, and the exit of MetroJet. Dulles accommodated the air traffic displaced from Reagan National in the fall of 2001, but the restoration of normal operations at Reagan National in 2002 was one of the factors that led to a further decline in 2002 traffic at Dulles. Passenger flight operations have increased in 2003 and 2004 as new service was added at Dulles, in particular the operations from Independence Air.



Aircraft operations at Dulles are expected to increase by approximately 11.5 percent in 2004 and increase by 25.8 percent in 2005.

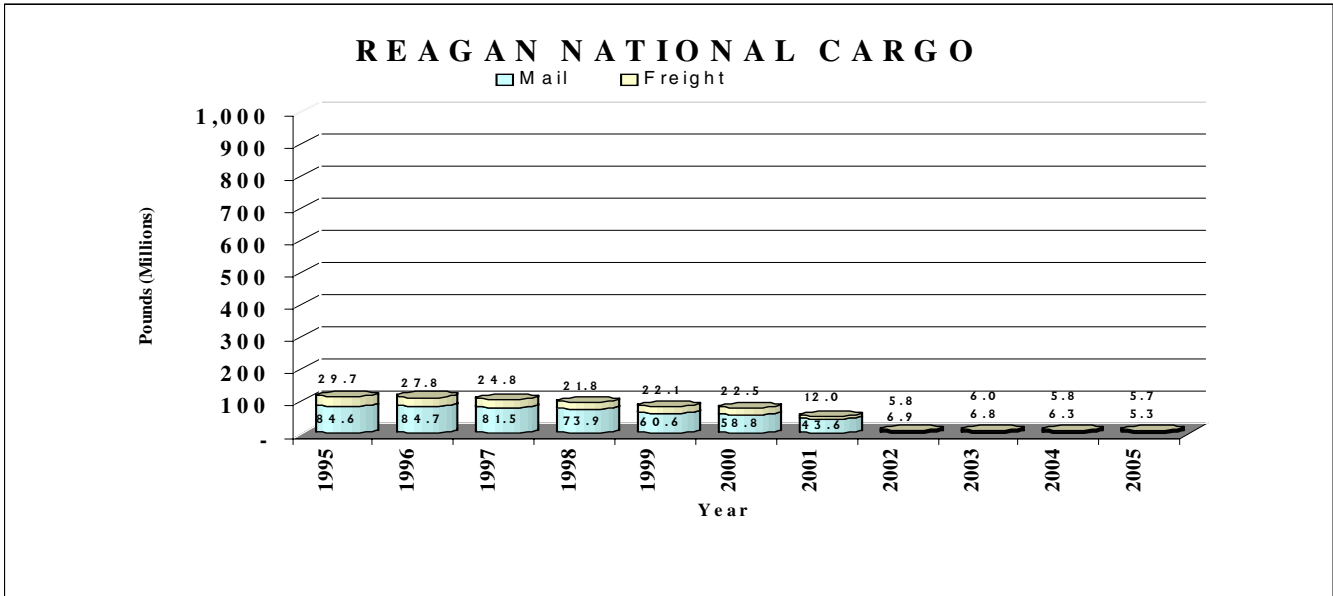
	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Budget</u>
Dulles Aircraft Operations	335,397	373,847	470,438

AIRPORT ACTIVITY FORECASTS

2005 BUDGET

✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Permanent air cargo facilities were completed at Reagan National in December 1993 at the south end of the Airport. Cargo facilities are relatively limited at Reagan National. Renovation and expansion of the Airmail Facility was completed in June 1996. The events of September 11, 2001, including the Anthrax situation at the postal facilities, have dramatically affected the cargo at Reagan National.



Cargo, which includes freight and mail, is expected to decrease by 12.1 percent in 2004 and decrease by 1.5 percent in 2005.

	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Estimate</u>	<u>2005</u> <u>Budget</u>
Reagan National Mail (lbs.)	6,769,285	5,343,809	5,290,371
Reagan National Freight (lbs.)	<u>5,963,088</u>	<u>5,847,128</u>	<u>5,730,185</u>
Total National Cargo (lbs.)	12,732,373	11,190,937	11,020,556

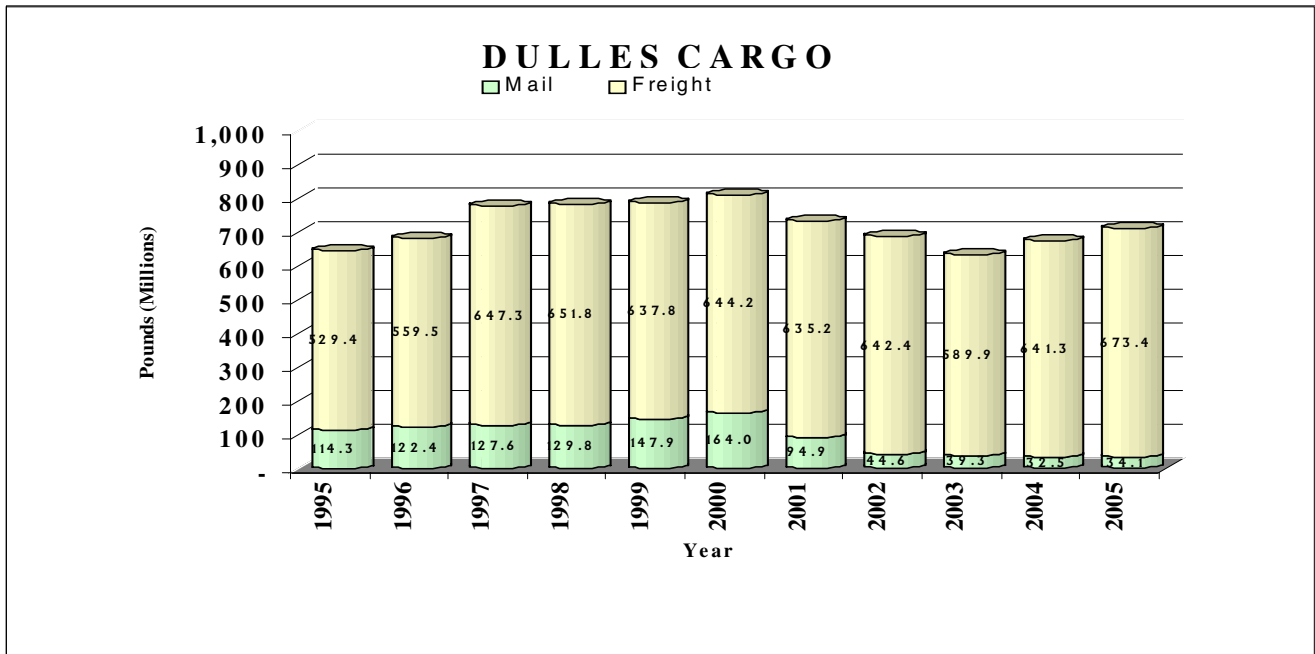
AIRPORT ACTIVITY FORECASTS

2005 BUDGET

✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The cargo complex at Dulles has tripled the capacity of the Airport's cargo facilities since 1993. Cargo Building 6 facility opened in October 1999, and Phase II extension of the building was completed in July 2001. Cargo is a key element in international air transportation.

We continue to position Dulles as the cargo gateway to the entire east coast and increase all cargo service providers to the Far East, Middle East, and Europe. In 2005, some 718.6 million pounds of cargo, slightly higher than 2004, is projected to be processed through our Airports.



Cargo at Dulles is projected to increase by 7.1 percent in 2004 and then increase by 5.0 percent in 2005.

	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Budget</u>
Dulles Mail (lbs.)	39,325,617	32,520,113	34,146,119
Dulles Freight (lbs.)	589,875,823	641,344,983	673,412,232
Total Dulles Cargo (lbs.)	629,201,440	673,865,096	707,558,351

ACTIVITY INDICATORS

2005 BUDGET

✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

REAGAN NATIONAL AIRPORT	ACTUAL 2003	ESTIMATE 2004	BUDGET 2005
AIRPORT BUILDINGS (Square Feet)			
Terminals	1,436,384	1,436,384	1,436,384
Hangars	753,236	753,236	753,236
Other	222,003	222,003	222,003
UTILITIES			
Electricity (Kilowatts)	89,963	90,000	92,000
Natural Gas (Therms)	1,619,484	1,620,000	1,650,000
Water (Gallons)	222,812,800	223,000,000	225,000,000
Sewage (Gallons)	95,464,000	9,600,000	10,000,000
Fuel Oil for Heating (Gallons)	192,144	200,000	200,000
AIRFIELD (Square Feet)			
Runways	2,484,450	2,484,450	2,484,450
Taxiways	1,622,000	1,622,000	1,622,000
Ramps/Aprons	5,074,800	5,074,800	5,074,800
ROADWAYS (Lane Mileage)			
	20	20	20
PARKING			
Public Surfaced Spaces	2,338	2,338	2,338
Public Structured Spaces	5,232	5,232	5,232
Employee Surfaced Spaces	3,100	3,100	3,100
VEHICLES IN FLEET			
	323	338	338
<u>PUBLIC SAFETY, REAGAN NATIONAL</u>			
POLICE			
<i>Calls for Service:</i>			
Assistance to Other Agencies	355	360	360
Traffic Violations	4,262	5,000	6,000
Parking Violations	9,065	9,500	10,000
FIRE			
<i>Calls for Service:</i>			
Crash Fire Rescue	47	50	50
Structural Responses	426	700	750
Emergency Medical	1,308	1,400	1,500
Fire Prevention Inspections	337	350	375

ACTIVITY INDICATORS

2005 BUDGET

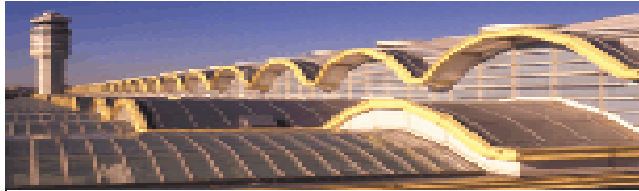
✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

DULLES AIRPORT	ACTUAL 2003	ESTIMATE 2004	BUDGET 2005
OPERATIONS			
Mobile Lounge Trips, (Shuttle Operations)	76,600	804,300	844,515
Plane-Mate Trips	29,000	30,450	31,972
AIRPORT BUILDINGS (Square Feet)			
Terminal/Concourse	2,503,879	2,627,605	2,638,805
Other	875,630	898,130	949,530
UTILITIES			
Electricity (Kilowatts)	180,420,293	192,469,700	199,911,366
Natural Gas (Millions of Cubic Feet)	405,339	410,940	389,060
Water (Gallons)	261,128,000	276,411,775	306,172,005
Sewage (Gallons)	264,510,390	237,832,769	264,538,350
Fuel Oil for Heating (Gallons)	14,000	17,500	18,025
AIRFIELD (Square Feet)			
Runways	5,025,000	5,025,000	5,025,000
Taxiways	11,771,985	11,803,835	11,803,835
Ramps/Aprons	11,656,905	11,576,684	11,576,684
Shoulders & Blast Pads	8,214,787	8,214,787	8,214,787
ROADWAYS (Lane Mileage)			
	195	209	209
PARKING			
Public Surfaced Spaces	16,898	16,898	16,898
Public Structured Spaces	8,325	8,325	8,325
Employee Surfaced Spaces	6,866	5,473	5,473
VEHICLES IN FLEET			
	502	522	530
<u>PUBLIC SAFETY, DULLES</u>			
POLICE			
<i>Calls for Service:</i>			
Assistance to Other Agencies	438	500	500
Traffic Violations	9,364	11,000	13,000
Parking Violations	6,598	7,000	8,000
FIRE			
<i>Calls for Service:</i>			
Crash Fire Rescue	222	250	300
Structural Responses	620	900	1,100
Emergency Medical	1,890	2,100	2,300
Fire Prevention Inspections	665	680	700

AIRPORT SNAPSHOTS

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



Ronald Reagan Washington National Airport Airline Service as of September 2004

Major/National Airlines

AirTran Airways
Alaska Airlines
America West Airlines
ATA Airlines
American Airlines
Continental
Delta Air Lines
Delta Shuttle
Frontier Airline
Midwest Airlines
Northwest Airlines
Spirit
United Airlines
US Airways*
US Airways Shuttle

Transborder Service

Air Canada

*U.S. carrier offering international services
** Includes transborder services

Date Opened: June 16, 1941
Distance from Downtown
DC: 4 miles/15 minutes
Size: 860 acres
Location: Arlington County,
Virginia
Parking Spaces: 10,876

Regional/Commuter Airlines

ASA (DL Connection)
American Eagle
Chautauqua (US Airways
Express)**
Colgan Air
Comair (DL Connection)
Continental Express
Mesa (US Airways Express)**
PSA**
Piedmont Airlines
Pinnacle
Trans States (American
Connection)

Fixed Base Operators

Signature Flight Support Services

Aircraft Gates/Parking Positions-44

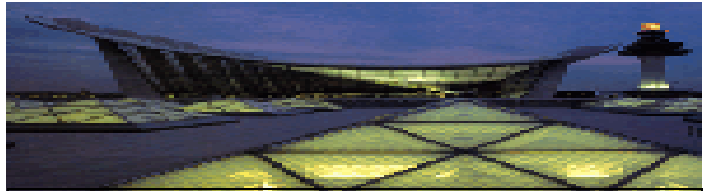
Length of Runways:

1/19 - 6,869 ft.

15/33 - 5,204 ft.

4/22 - 4,911 ft.

Non-stop destinations: 64 US Cities
Bermuda/2 Canadian Cities
Nassau



Washington Dulles International Airport Airline Service as of September 2004

Major/National Airlines

Alaska Airlines
AirTran Airways
American Airlines
America West Airlines
Continental Airlines
Delta Air Lines
Frontier
Independence Air
JetBlue Airways
Northwest Airlines
United Airlines*
US Airways

Transborder Service

Air Canada

Cargo Airlines

Airborne Express
ASTAR Air Cargo (DHL Airways)
FedEx
Kitty Hawk (Charter)
United Parcel Service

Fixed Base Operators

Piedmont Hawthorne
Aviation -Dulles
Signature Flight Support
Services

* U.S. carriers offering international services
** Includes Transborder services

Date Opened: November 19, 1962
Distance from Downtown
DC: 26 miles/30 minutes
Size: Approximately 12,000 acres
Location: Fairfax & Loudoun
Counties, Virginia
Parking Spaces: 30,530

Foreign Flag Carriers

Aeroflot Russian International Airlines
Air France
Alitalia
All Nippon Airways
Austrian Airlines
British Airways
bmi (British Midland Airlines)
BWIA (British West Indies Airways)
Ethiopian Airlines
KLM-Royal Dutch Airlines
Korean Air
LAB-Lloyd Aereo Boliviano
Lufthansa German Airlines
Scandinavian Airlines System
Saudi Arabian Airlines
TACA International Airlines
Virgin Atlantic Airways

Regional/Commuter Airlines

Air Wisconsin**
American Eagle
ASA (DL Connection)
Chautauqua (American Connection)
Chautauqua (United Express)
Colgan Air
Comair (DL Connection)
Continental Express
Mesa (United Express)
Mesa (US Airways Express)
Pinnacle
Shuttle America (United Express)
Trans States (United Express)

Aircraft Gates/Parking Positions: 120

Length of Runways:

1R/19L (North-South) - 11,500 ft.

1L/19R (North-South) - 11,500 ft.

12/30 (Crosswind) - 10,500 ft.

Non-stop destinations: 74 US Cities/
35 Foreign Cities

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

PROGRAM SUMMARY

The O&M Program provides funding for the daily operation of Reagan National and Dulles, including those functions performed centrally. The 2005 O&M Program level is \$407,805,600, which includes \$237,071,600 for operating expenses and \$170,734,000 for debt service.

As elements of the CCP are completed and brought on line, both operating and debt expenses are significantly impacted. Funding levels for the 2005 O&M Program were developed after reviewing revenue forecasts, the impact of funding increases on landing fees, rental rates, and other rates and charges, prior year actuals, our current program levels, new operating requirements, and the overall economic climate of the region and airline industry.

Staffing is proposed to increase by 26 positions, from 1,284 to 1,310 in 2005. In the Office of Public Safety, a total of six new firefighters are included to support increased operations at Dulles. In the Police Department, two K-9 Handlers and one trainer are also included. Five positions, including a Deputy Chief Financial Officer are recommended for the Office of Finance, based on the management study conducted in 2004. An Assistant Chief Counsel position has been included for the Office of General Counsel. A total of ten new positions for Dulles included four ramp control/mobile lounge dispatchers, four physical security agents, one Engineering Project Coordinator and one CMMS Administrator. Finally, conversion of an Equal Opportunity Technician from temporary to permanent position is included for the Office of Business Administration. With the growth in passengers and the increased demand placed on our facilities and resources, personnel compensation also includes funding to fill various positions that had been subject to the hiring freeze in 2001.

The Performance Management Partnership (PMP) Program was implemented on January 1, 2001. Salary increases reflecting PMP will be in the 2005 Budget for the period of performance January 1 through December 31, 2004. The 2005 Budget includes approximately \$3,500,000 for PMP for incumbent staff raises reflecting an average increase of 4.0 percent.

The Authority's share of health and life insurance costs will increase 75 percent in 2005. This increase is primarily due to early implementation of the Government Accounting Standards Board (GASB) 43 and 45 in 2005 which will result in a \$6,500,000 increase in health insurance costs. In addition, the Authority's share of health and life insurance premium payments will increase in 2005 by \$1,021,500 based on rate increases and anticipated new hires.

A total of \$3,840,000 for United's busing operation to Concourse G is included at Dulles. Also included is \$500,000 for maintenance of Concourse G at Dulles if ownership is transferred over to the Authority in 2005 per the agreement between United and the Authority.

The net cost is \$2,309,800 for Telecommunications, \$243,800 for the Washington Flyer Ground Transportation System and \$308,700 for the Vastera Office Building at Dulles.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Expenses are identified separately for Consolidated Functions, Reagan National and Dulles. The Consolidated Functions activity includes the Offices of the President and Chief Executive Officer, Executive Vice President and Chief Operating Officer, Legal, Audit, Air Service Planning and Development, Communications, Finance, Engineering, Business Administration, Human Resources, Information and Telecommunications Systems, and the central staff of Public Safety. Expenses for the Board of Directors are also included in the President and Chief Executive Officer's program, although these expenses are accounted for separately during budget execution. The expenses for the Police and Fire Departments are included in the expenses for Reagan National and Dulles.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

OPERATION AND MAINTENANCE PROGRAM

(dollars in thousands)

	ACTUAL 2003	BUDGET 2004	BUDGET 2005
OPERATING EXPENSES			
Personnel Compensation	\$75,682	\$80,389	\$85,137
Employee Benefits	19,290	23,080	32,050
Travel	779	851	898
Lease and Rental Payments	7,416	9,097	12,939
Utilities	16,559	17,521	18,676
Telecommunications	896	2,093	2,310
Vastara Office Building	(732)	224	309
Washington Flyer Ground Transportation	234	573	244
Washington Flyer Magazine	184	0	0
Services	53,104	57,475	63,007
Supplies, Materials, and Fuels	9,458	9,854	10,951
Insurance and Risk Management	7,152	7,770	7,970
Noncapital Equipment	1,934	1,537	1,569
Noncapital Facility Projects	208	931	1,014
Capital Equipment	1,122	755	0
Capital Facility Projects	2,999	650	0
Subtotal	\$196,285	\$212,800	\$237,072
DEBT SERVICE			
Bond Principal Payments	\$51,875	\$59,370	\$60,659
Interest Expense	89,953	87,080	110,075
Subtotal	\$141,828	\$146,450	\$170,734
TOTAL OPERATION AND MAINTENANCE PROGRAM	\$338,113	\$359,250	\$407,806

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2004 OPERATION AND MAINTENANCE PROGRAM BY ORGANIZATION

(dollars in thousands)

	CONSOLIDATED FUNCTIONS	REAGAN NATIONAL	DULLES	TOTAL
OPERATING EXPENSES				
Personnel Compensation	\$21,874	\$23,500	\$35,015	\$80,389
Employee Benefits	5,942	6,590	10,549	23,080
Travel	621	116	115	851
Lease and Rental Payments	4,463	63	4,571	9,097
Utilities	12	5,484	12,026	17,521
Telecommunications	2,093	0	0	2,093
Vastara Office Building	224	0	0	224
Washington Flyer Ground Transportation	0	0	573	573
Washington Flyer Magazine	0	0	0	0
Services	20,291	13,760	23,424	57,475
Supplies, Materials, and Fuels	1,360	3,018	5,476	9,854
Insurance and Risk Management	7,770	0	0	7,770
Noncapital Equipment	1,063	176	298	1,537
Noncapital Facility Projects	41	890	0	931
Capital Equipment	105	0	650	755
Capital Facility Projects	135	0	515	650
Subtotal	<u>\$65,993</u>	<u>\$53,596</u>	<u>\$93,211</u>	<u>\$212,800</u>
DEBT SERVICE				
Bond Principal Payments	\$0	\$28,543	\$30,827	\$59,370
Interest Expense	0	41,864	45,216	87,080
Subtotal	<u>\$0</u>	<u>\$70,407</u>	<u>\$76,043</u>	<u>\$146,450</u>
TOTAL OPERATION AND MAINTENANCE PROGRAM	<u>\$65,993</u>	<u>\$124,003</u>	<u>\$169,254</u>	<u>\$359,250</u>

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATION AND MAINTENANCE PROGRAM BY ORGANIZATION

(dollars in thousands)

	CONSOLIDATED FUNCTIONS	REAGAN NATIONAL	DULLES	TOTAL
OPERATING EXPENSES				
Personnel Compensation	\$23,278	\$24,430	\$37,428	\$85,137
Employee Benefits	8,443	9,349	14,258	32,050
Travel	664	112	123	898
Lease and Rental Payments	4,549	126	8,264	12,939
Utilities	12	5,643	13,021	18,676
Telecommunications	2,310	0	0	2,310
Vastara Office Building	309	0	0	309
Washington Flyer Ground Transportation	0	0	244	244
Washington Flyer Magazine	0	0	0	0
Services	23,291	13,326	26,391	63,007
Supplies, Materials, and Fuels	1,399	3,519	6,033	10,951
Insurance and Risk Management	7,970	0	0	7,970
Noncapital Equipment	1,039	274	256	1,569
Noncapital Facility Projects	0	1,014	0	1,014
Capital Equipment	0	0	0	0
Capital Facility Projects	0	0	0	0
Subtotal	\$73,263	\$57,791	\$106,017	\$237,072
DEBT SERVICE				
Bond Principal Payments	\$0	\$25,304	\$35,355	\$60,659
Interest Expense	0	45,918	64,157	110,075
Subtotal	\$0	\$71,222	\$99,512	\$170,734
TOTAL OPERATION AND MAINTENANCE PROGRAM	\$73,263	\$129,013	\$205,529	\$407,806

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

CONSOLIDATED FUNCTIONS

Operating Expenses	<u>2004</u>	<u>2005</u>	<u>Difference</u>
Permanent Positions	301	313	12
Personnel Compensation and Benefits	\$27,815,800	\$31,721,300	\$ 3,905,500
Other Operating Expenses	<u>38,177,600</u>	<u>41,542,000</u>	<u>3,364,400</u>
Total	<u>\$65,993,400</u>	<u>\$73,263,300</u>	<u>\$ 7,269,900</u>

The funding requirements for Consolidated Functions' operating expenses will increase by \$7,269,900 in 2005.

Personnel Compensation and Benefits Expenses \$3,905,500

- An increase \$1,354,400 includes funding for ten new positions, filling seven vacant positions, the PMP Program and annualization of 2005 positions filled for only a portion of 2004.
- An additional \$1,954,000 is a combination of the Authority's share of employee health and life insurance costs in 2005. Of this amount \$1,609,200 is for the early implementation of GASB 43 & 45 costs and \$331,700 is for premium rate increases and hiring of new positions.
- An increase of \$597,100 in retirement. This includes a slight increase in the Authority's contribution percentage, additional positions and annualization of 2005 positions filled for only a portion in 2004.

Other Operating Expenses \$3,364,400

- An increase of \$85,800 for other lease and rental payments, resulting in an increase in the Airport Lease payment to the Federal Government.
- An overall increase of \$3,082,400 for services, supplies and travel. Major items included are additional funding of \$625,000 for the Air Service Development Cooperative Marketing Program, \$385,000 for additional management support services and membership fees, \$200,000 for auditing fees, \$381,100 contract escalation costs associated with the information systems outsourcing contract, \$500,000 for quality assurance analysts for major software systems, and \$152,500 for radio maintenance.
- The net cost for Telecommunications is \$2,310,000, an increase of \$216,500.
- The net cost for the Vastera Building is \$308,700, an increase of \$85,200.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

- An increase of \$200,000 for insurance and risk management over 2004 budget of \$7,770,100, for a total requirement of \$7,970,100.

- A decrease of \$305,500 for non-capitalized equipment, capitalized equipment and facility projects.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

Operating Expenses	<u>2004</u>	<u>2005</u>	<u>Difference</u>
Permanent Positions	406	408	2
Personnel Compensation and Benefits	\$30,089,900	\$33,778,800	\$ 3,688,900
Other Operating Expenses	<u>23,506,200</u>	<u>24,012,600</u>	<u>506,400</u>
Total	<u>\$53,596,100</u>	<u>\$57,791,400</u>	<u>\$ 4,195,300</u>

The funding requirement for Reagan National’s operating expenses will increase by \$4,195,300 in 2005.

Personnel Compensation and Benefits Expenses \$3,688,900

- An increase of \$1,024,000 funds the PMP Program, filling eight vacant positions, the annualization in 2005 of positions filled for only a portion of 2004, additional funding for the ambassador program, and a slight increase in other personnel compensation such as holiday pay, Sunday pay, night differential and awards.
- A decrease of \$94,000 in overtime is a direct result of filling public safety positions and reducing public safety overtime.
- An increase of \$2,292,500 for the Authority’s share of employee health and life insurance. Of this amount \$1,908,500 is for the early implementation of GASB 43 and 45 costs and \$384,000 for premium rate increases.
- An increase of \$466,400 in 2005 for the Authority’s share of retirement contributions based on actuarial assumptions.

Other Operating Expenses \$506,400

- An increase of \$159,200 for utilities is anticipated based on utilization and rate increases.
- An overall increase of \$125,200 in services and supplies includes additional funding for the Metropool Program and miscellaneous electrical projects.
- An increase of \$222,000 for noncapital equipment and projects is included for 2005. A total of \$1,500,000 for capital equipment and facility projects are classified items in the COMIP budget.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Debt Service	<u>2004</u>	<u>2005</u>	<u>Difference</u>
Bond Principal Payments	\$ 28,543,000	\$ 25,304,000	(\$3,239,000)
Interest Expense	<u>41,864,000</u>	<u>45,918,000</u>	<u>4,054,000</u>
Total	<u>\$ 70,407,000</u>	<u>\$ 71,222,000</u>	<u>\$ 815,000</u>

Interest expense is for interest payments on bonds and excludes capitalized interest. Also included in this amount is funding for the liquidity enhancement fees associated with the Authority's CP Program.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

WASHINGTON DULLES INTERNATIONAL AIRPORT

Operating Expenses	<u>2004</u>	<u>2005</u>	<u>Difference</u>
Permanent Positions	561	588	27
Personnel Compensation and Benefits	\$45,563,400	\$ 51,685,900	\$ 6,122,500
Other Operating Expenses	<u>47,647,100</u>	<u>54,331,000</u>	<u>6,683,900</u>
Total	<u>\$93,210,500</u>	<u>\$106,016,900</u>	<u>\$ 12,806,400</u>

The funding requirement for Dulles' operating expenses will increase by \$12,806,400 in 2005.

Personnel Compensation and Benefits Expenses \$6,122,500

- An increase of \$2,445,500 funds the PMP Program, 16 new positions primarily to support the fire program and ramp control/dispatch, filling 16 vacant positions, the annualization in 2005 of positions filled for only a portion of 2004, additional funding for the ambassador program, and the increase in other personnel compensation costs such as Sunday pay, holiday pay, night differential and awards.
- A decrease of \$32,100 in overtime is a direct result of filling public safety positions and reducing public safety overtime.
- An increase of \$3,288,100 for the Authority's share of employee health and life insurance costs in 2005. Of this amount \$2,982,300 is for the early implementation of GASB 43 and 45 costs and \$305,800 is for premium rate increases and hiring of new personnel.
- An increase of \$421,000 for the Authority's share of retirement contributions based on actuarial assumptions.

Other Operating Expenses \$6,683,900

- An increase of \$3,700,600 in travel, lease and rental payments including the cost for the United busing operation.
- An increase of \$995,600 for utilities is due to rate and consumption increases experienced in 2004 and expected to continue in 2005. In particular, District of Columbia WASA sewerage prices have significantly increased.
- Net cost for the Washington Flyer ground transportation system from \$572,900 in 2004 to \$243,800 in 2005. The net cost decrease resulted from an increase in revenue.

OPERATION AND MAINTENANCE PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

- An increase of \$3,523,700 provides for additional \$700,000 for custodial services, \$979,000 for mechanical maintenance systems, \$1,169,000 for snow removal services and supplies and \$175,700 for landside pavement maintenance and miscellaneous services. In addition, \$500,000 is estimated for maintenance costs directly related to Concourse G.
- A decrease of \$1,206,900 for facility projects and equipment is realized as capital equipment and projects will be funded through the COMIP for \$2,250,000 in 2005.

Debt Service	<u>2004</u>	<u>2005</u>	<u>Difference</u>
Bond Principal Payments	\$ 30,827,000	\$ 35,355,000	\$ 4,528,000
Interest Expense	<u>45,216,000</u>	<u>64,157,000</u>	<u>18,941,000</u>
Total	<u>\$ 76,043,000</u>	<u>\$ 99,512,000</u>	<u>\$ 23,469,000</u>

Interest expense is for interest on bonds and excludes capitalized interest. Also included in this amount is funding for the liquidity enhancement fees associated with the Authority's CP Program.

2005 OPERATING EXPENSES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING EXPENSES FOR CONSOLIDATED FUNCTIONS

(dollars in thousands)

OPERATING EXPENSES	BOARD OF DIR. EXEC. OFFICES	LEGAL	AUDIT	AIR SERVICE PLNG. & DEV.	COMMUNICATIONS	FINANCE
PERSONNEL EXPENSES						
Full-time Permanent	\$1,062.4	\$744.5	\$501.0	\$581.0	\$869.9	\$2,356.8
Other than Full-time Permanent	34.8	0.0	0.0	25.9	37.9	0.0
Overtime	0.0	2.0	0.0	2.0	8.2	76.0
Other	14.3	6.0	12.0	9.0	6.0	25.0
Personnel Compensation	1,111.5	752.5	513.0	617.9	922.0	2,457.8
Health Insurance	188.6	87.1	90.5	136.6	160.5	389.8
Life Insurance	2.8	2.6	1.7	3.8	4.7	11.1
Retirement	207.4	97.0	92.6	129.6	181.5	398.8
Other	0.0	0.0	0.0	0.0	0.0	0.0
Employee Benefits	398.8	186.7	184.8	270.0	346.7	799.7
Total Personnel Expenses	1,510.3	939.2	697.8	887.9	1,268.7	3,257.5
TRAVEL	141.7	22.0	13.3	170.0	29.0	47.6
LEASE AND RENTAL PAYMENTS						
Airport Lease Payments	0.0	0.0	0.0	0.0	0.0	4,374.0
Other	0.0	1.0	0.0	0.0	0.0	0.0
Total Lease and Rental Payments	0.0	1.0	0.0	0.0	0.0	4,374.0
UTILITIES						
Electricity	0.0	0.0	0.0	0.0	11.5	0.0
Natural Gas	0.0	0.0	0.0	0.0	0.0	0.0
Water	0.0	0.0	0.0	0.0	0.0	0.0
Sewerage	0.0	0.0	0.0	0.0	0.0	0.0
Total Utilities	0.0	0.0	0.0	0.0	11.5	0.0
TELECOMMUNICATIONS						
VASTERA OFFICE BUILDING	0.0	0.0	0.0	0.0	0.0	0.0
WASHINGTON FLYER MAGAZINE	0.0	0.0	0.0	0.0	0.0	0.0
SERVICES						
Custodial Services	0.0	0.0	0.0	0.0	0.0	0.0
Contractual Services	467.1	2,178.1	1,451.7	2,481.8	1,524.8	1,468.5
Total Services	467.1	2,178.1	1,451.7	2,481.8	1,524.8	1,468.5
SUPPLIES, MATERIALS AND FUELS						
Fuels	0.0	0.0	0.0	0.0	0.0	0.0
Supplies and Materials	28.7	17.0	4.6	19.0	18.5	30.5
Total Supplies, Materials and Fuels	28.7	17.0	4.6	19.0	18.5	30.5
INSURANCE AND RISK MANAGEMENT						
NONCAPITAL EQUIPMENT	9.2	1.6	3.4	4.0	6.5	7.8
NONCAPITAL FACILITY PROJECTS						
CAPITAL EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL FACILITY PROJECTS						
TOTAL OPERATING EXPENSES	\$2,157.0	\$3,158.9	\$2,170.8	\$3,562.7	\$2,859.0	\$9,185.9

2005 OPERATING EXPENSES

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING EXPENSES FOR CONSOLIDATED FUNCTIONS

(dollars in thousands)

OPERATING EXPENSES	ENGINEERING	BUSINESS ADMINISTRATION	HUMAN RESOURCES	INFO. & TELECOM.	PUBLIC SAFETY	TOTAL
PERSONNEL EXPENSES						
Full-time Permanent	\$2,508.9	\$3,102.7	\$2,294.4	\$1,042.5	\$6,027.0	\$21,091.1
Other than Full-time Permanent	0.0	0.0	555.2	0.0	0.0	653.8
Overtime	20.0	21.0	30.0	45.0	862.3	1,066.5
Other	<u>24.0</u>	<u>25.0</u>	<u>18.0</u>	<u>15.0</u>	<u>312.7</u>	<u>467.0</u>
Personnel Compensation	2,552.9	3,148.7	2,897.6	1,102.5	7,202.0	23,278.4
Health Insurance	405.7	644.1	607.6	192.5	1,437.8	4,340.8
Life Insurance	11.8	18.2	18.5	5.2	40.6	121.0
Retirement	407.4	518.5	427.1	185.2	1,336.0	3,981.1
Other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Employee Benefits	824.9	1,180.8	1,053.2	382.9	2,814.4	8,442.9
Total Personnel Expenses	3,377.8	4,329.5	3,950.8	1,485.4	10,016.4	31,721.3
TRAVEL	75.5	59.2	21.0	21.7	63.1	664.1
LEASE AND RENTAL PAYMENTS						
Airport Lease Payments	0.0	0.0	0.0	0.0	0.0	4,374.0
Other	<u>0.0</u>	<u>56.5</u>	<u>47.1</u>	<u>39.9</u>	<u>30.7</u>	<u>175.2</u>
Total Lease and Rental Payments	0.0	56.5	47.1	39.9	30.7	4,549.2
UTILITIES						
Electricity	0.0	0.0	0.0	0.0	0.0	11.5
Natural Gas	0.0	0.0	0.0	0.0	0.0	0.0
Water	0.0	0.0	0.0	0.0	0.0	0.0
Sewerage	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Utilities	0.0	0.0	0.0	0.0	0.0	11.5
TELECOMMUNICATIONS	0.0	0.0	0.0	2,309.8	0.0	2,309.8
VASTERA OFFICE BUILDING	0.0	308.7	0.0	0.0	0.0	308.7
WASHINGTON FLYER MAGAZINE	0.0	0.0	0.0	0.0	0.0	0.0
SERVICES						
Custodial Services	0.0	0.0	0.0	0.0	0.0	0.0
Contractual Services	<u>459.5</u>	<u>1,381.8</u>	<u>1,804.5</u>	<u>9,917.4</u>	<u>155.5</u>	<u>23,290.7</u>
Total Services	459.5	1,381.8	1,804.5	9,917.4	155.5	23,290.7
SUPPLIES, MATERIALS AND FUELS						
Fuels	0.0	0.0	0.0	0.0	0.0	0.0
Supplies and Materials	<u>36.6</u>	<u>104.7</u>	<u>66.1</u>	<u>797.8</u>	<u>275.9</u>	<u>1,399.4</u>
Total Supplies, Materials and Fuels	36.6	104.7	66.1	797.8	275.9	1,399.4
INSURANCE AND RISK MANAGEMENT	0.0	7,970.1	0.0	0.0	0.0	7,970.1
NONCAPITAL EQUIPMENT	15.9	20.1	24.7	915.3	30.0	1,038.5
NONCAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	<u>\$3,965.3</u>	<u>\$14,230.6</u>	<u>\$5,914.2</u>	<u>\$15,487.3</u>	<u>\$10,571.6</u>	<u>\$73,263.3</u>

2005 OPERATING EXPENSES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING EXPENSES FOR REAGAN NATIONAL AIRPORT

(dollars in thousands)

<u>OPERATING EXPENSES</u>	<u>AIRPORT MANAGER</u>	<u>OPERATIONS</u>	<u>ENGINEERING & MAINTENANCE</u>	<u>AIRPORT ADMINISTRATION</u>	<u>TOTAL</u>
PERSONNEL EXPENSES					
Full-time Permanent	\$314.8	\$1,062.3	\$10,282.3	\$1,823.5	\$13,482.9
Other than Full-time Permanent	200.0	0.0	85.8	0.0	285.8
Overtime	1.0	76.4	459.8	33.2	570.4
Other	14.0	60.2	250.3	9.0	333.5
Personnel Compensation	529.8	1,198.9	11,078.2	1,865.7	14,672.6
Health Insurance	56.4	213.7	2,625.9	435.1	3,331.1
Life Insurance	1.7	6.3	76.5	12.2	96.7
Retirement	73.0	235.1	1,887.3	275.2	2,470.6
Other	0.0	0.0	2.6	0.0	2.6
Employee Benefits	131.1	455.1	4,592.3	722.5	5,901.0
Total Personnel Expenses	660.9	1,654.0	15,670.5	2,588.2	20,573.6
TRAVEL	9.6	14.2	48.9	26.9	99.6
LEASE AND RENTAL PAYMENTS					
Airport Lease Payments	0.0	0.0	0.0	0.0	0.0
Other	8.4	0.0	25.1	91.5	125.0
Total Lease and Rental Payments	8.4	0.0	25.1	91.5	125.0
UTILITIES					
Electricity	0.0	0.0	4,021.0	0.0	4,021.0
Natural Gas	0.0	0.0	1,034.4	0.0	1,034.4
Water	0.0	0.0	315.0	0.0	315.0
Sewerage	0.0	0.0	272.6	0.0	272.6
Total Utilities	0.0	0.0	5,643.0	0.0	5,643.0
TELECOMMUNICATIONS	0.0	0.0	0.0	0.0	0.0
VASTERA OFFICE BUILDING	0.0	0.0	0.0	0.0	0.0
WASHINGTON FLYER GROUND TRANSP	0.0	0.0	0.0	0.0	0.0
SERVICES					
Custodial Services	0.0	0.0	4,401.0	0.0	4,401.0
Contractual Services	257.5	1,234.5	5,563.6	1,692.0	8,747.6
Total Services	257.5	1,234.5	9,964.6	1,692.0	13,148.6
SUPPLIES, MATERIALS AND FUELS					
Fuels	0.0	0.0	489.1	2.5	491.6
Supplies and Materials	20.2	73.3	2,654.5	61.1	2,809.1
Total Supplies, Materials and Fuels	20.2	73.3	3,143.6	63.6	3,300.7
INSURANCE AND RISK MANAGEMENT	0.0	0.0	0.0	0.0	0.0
NONCAPITAL EQUIPMENT	35.0	45.5	117.2	46.5	244.2
NONCAPITAL FACILITY PROJECTS	0.0	0.0	1,013.5	0.0	1,013.5
CAPITAL EQUIPMENT	0.0	0.0	0.0	0.0	0.0
CAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	\$991.6	\$3,021.5	\$35,626.4	\$4,508.7	\$44,148.2

2005 OPERATING EXPENSES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING EXPENSES FOR DULLES AIRPORT

(dollars in thousands)

OPERATING EXPENSES	AIRPORT MANAGER	OPERATIONS	MOBILE LOUNGE RAMP CONTROL	ENGINEERING & MAINTENANCE	AIRPORT ADMINISTRATION	TOTAL
PERSONNEL EXPENSES						
Full-time Permanent	\$337.1	\$1,899.5	\$4,955.9	\$13,188.1	\$1,696.4	\$22,077.0
Other than Full-time Permanent	100.0	0.0	1,056.3	0.0	0.0	1,156.3
Overtime	3.2	164.4	912.0	1,436.8	51.0	2,567.4
Other	13.0	145.0	443.8	507.6	25.0	1,134.4
Personnel Compensation	453.3	2,208.9	7,368.0	15,132.5	1,772.4	26,935.1
Health Insurance	30.4	346.8	1,853.0	3,262.3	381.9	5,874.4
Life Insurance	0.8	10.6	39.7	108.5	11.0	170.6
Retirement	25.3	358.7	1,156.2	2,291.1	247.2	4,078.5
Other	0.0	0.0	0.0	2.9	0.0	2.9
Employee Benefits	56.5	716.1	3,048.9	5,664.8	640.1	10,126.4
Total Personnel Expenses	509.8	2,925.0	10,416.9	20,797.3	2,412.5	37,061.5
TRAVEL	8.0	35.0	0.0	27.1	29.0	99.1
LEASE AND RENTAL PAYMENTS						
Airport Lease Payments	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	103.5	8,145.4	8,248.9
Total Lease and Rental Payments	0.0	0.0	0.0	103.5	8,145.4	8,248.9
UTILITIES						
Electricity	0.0	0.0	0.0	8,893.8	0.0	8,893.8
Natural Gas	0.0	0.0	0.0	3,088.5	0.0	3,088.5
Water	0.0	0.0	0.0	542.5	0.0	542.5
Sewerage	0.0	0.0	0.0	496.6	0.0	496.6
Total Utilities	0.0	0.0	0.0	13,021.4	0.0	13,021.4
TELECOMMUNICATIONS	0.0	0.0	0.0	0.0	0.0	0.0
VASTERA OFFICE BUILDING	0.0	0.0	0.0	0.0	0.0	0.0
WASHINGTON FLYER GROUND TRANSP	0.0	0.0	0.0	0.0	243.8	243.8
SERVICES						
Custodial Services	0.0	0.0	0.0	8,124.1	0.0	8,124.1
Contractual Services	276.5	5,164.8	0.0	12,324.8	330.6	18,096.7
Total Services	276.5	5,164.8	0.0	20,448.9	330.6	26,220.8
SUPPLIES, MATERIALS AND FUELS						
Fuels	0.0	0.0	0.0	880.5	113.0	993.5
Supplies and Materials	29.0	125.9	49.0	4,329.0	135.5	4,668.4
Total Supplies, Materials and Fuels	29.0	125.9	49.0	5,209.5	248.5	5,661.9
INSURANCE AND RISK MANAGEMENT	0.0	0.0	0.0	0.0	0.0	0.0
NONCAPITAL EQUIPMENT	10.0	127.5	0.0	52.3	26.3	216.1
NONCAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	\$833.3	\$8,378.2	\$10,465.9	\$59,660.0	\$11,436.1	\$90,773.5

2005 OPERATING EXPENSES

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING EXPENSES FOR PUBLIC SAFETY

(dollars in thousands)

OPERATING EXPENSES	PSD	PSD	PSD	PSD
	CONSOLIDATED FUNCTIONS	REAGAN NATIONAL	DULLES	TOTAL
PERSONNEL EXPENSES				
Full-time Permanent	\$6,027.0	\$6,952.5	\$8,060.7	\$21,040.2
Other than Full-time Permanent	0.0	0.0	0.0	0.0
Overtime	862.3	2,180.5	1,765.3	4,808.1
Other	<u>312.7</u>	<u>624.4</u>	<u>667.0</u>	<u>1,604.1</u>
Personnel Compensation	7,202.0	9,757.4	10,493.0	27,452.4
Health Insurance	1,437.8	1,801.5	2,146.1	5,385.4
Life Insurance	40.6	52.5	62.3	155.4
Retirement	1,336.0	1,593.8	1,923.0	4,852.8
Other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Employee Benefits	2,814.4	3,447.8	4,131.4	10,393.6
Total Personnel Expenses	10,016.4	13,205.2	14,624.4	37,846.0
TRAVEL	63.1	11.9	23.5	98.5
LEASE AND RENTAL PAYMENTS				
Airport Lease Payments	0.0	0.0	0.0	0.0
Other	<u>30.7</u>	<u>1.0</u>	<u>14.8</u>	<u>46.5</u>
Total Lease and Rental Payments	30.7	1.0	14.8	46.5
UTILITIES				
Electricity	0.0	0.0	0.0	0.0
Natural Gas	0.0	0.0	0.0	0.0
Water	0.0	0.0	0.0	0.0
Sewerage	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Utilities	0.0	0.0	0.0	0.0
TELECOMMUNICATIONS	0.0	0.0	0.0	0.0
VASTERA OFFICE BUILDING	0.0	0.0	0.0	0.0
WASHINGTON FLYER GROUND TRANSP	0.0	0.0	0.0	0.0
SERVICES				
Custodial Services	0.0	0.0	0.0	0.0
Contractual Services	<u>155.5</u>	<u>177.3</u>	<u>169.9</u>	<u>502.7</u>
Total Services	155.5	177.3	169.9	502.7
SUPPLIES, MATERIALS AND FUELS				
Fuels	0.0	0.0	0.0	0.0
Supplies and Materials	<u>275.9</u>	<u>217.8</u>	<u>370.8</u>	<u>864.5</u>
Total Supplies, Materials and Fuels	275.9	217.8	370.8	864.5
INSURANCE AND RISK MANAGEMENT	0.0	0.0	0.0	0.0
NONCAPITAL EQUIPMENT	30.0	30.0	40.0	100.0
NONCAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0
CAPITAL EQUIPMENT	0.0	0.0	0.0	0.0
CAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	<u>\$10,571.6</u>	<u>\$13,643.2</u>	<u>\$15,243.4</u>	<u>\$39,458.2</u>

2005 OPERATING EXPENSES

2005 BUDGET

➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

2005 OPERATING EXPENSES SUMMARY BY ORGANIZATION (dollars in thousands)

OPERATING EXPENSES	CONSOLIDATED FUNCTIONS	REAGAN NATIONAL	DULLES	TOTAL
PERSONNEL EXPENSES				
Full-time Permanent	\$21,091.1	\$20,435.4	\$30,137.7	\$71,664.2
Other than Full-time Permanent	653.8	285.8	1,156.3	2,095.9
Overtime	1,066.5	2,750.9	4,332.7	8,150.1
Other	<u>467.0</u>	<u>957.9</u>	<u>1,801.4</u>	<u>3,226.3</u>
Personnel Compensation	23,278.4	24,430.0	37,428.1	85,136.5
Health Insurance	4,340.8	5,132.6	8,020.5	17,493.9
Life Insurance	121.0	149.2	232.9	503.1
Retirement	3,981.1	4,064.4	6,001.5	14,047.0
Other	<u>0.0</u>	<u>2.6</u>	<u>2.9</u>	<u>5.5</u>
Employee Benefits	8,442.9	9,348.8	14,257.8	32,049.5
Total Personnel Expenses	31,721.3	33,778.8	51,685.9	117,186.0
TRAVEL	664.1	111.5	122.6	898.2
LEASE AND RENTAL PAYMENTS				
Airport Lease Payments	4,374.0	0.0	0.0	4,374.0
Other	<u>175.2</u>	<u>126.0</u>	<u>8,263.7</u>	<u>8,564.9</u>
Total Lease and Rental Payments	4,549.2	126.0	8,263.7	12,938.9
UTILITIES				
Electricity	11.5	4,021.0	8,893.8	12,926.3
Natural Gas	0.0	1,034.4	3,088.5	4,122.9
Water	0.0	315.0	542.5	857.5
Sewerage	<u>0.0</u>	<u>272.6</u>	<u>496.6</u>	<u>769.2</u>
Total Utilities	11.5	5,643.0	13,021.4	18,675.9
TELECOMMUNICATIONS	2,309.8	0.0	0.0	2,309.8
VASTERA OFFICE BUILDING	308.7	0.0	0.0	308.7
WASHINGTON FLYER GROUND TRANSP	0.0	0.0	243.8	243.8
WASHINGTON FLYER MAGAZINE	0.0	0.0	0.0	0.0
SERVICES				
Custodial Services	0.0	4,401.0	8,124.1	12,525.1
Contractual Services	<u>23,290.7</u>	<u>8,924.9</u>	<u>18,266.6</u>	<u>50,482.2</u>
Total Services	23,290.7	13,325.9	26,390.7	63,007.3
SUPPLIES, MATERIALS AND FUELS				
Fuels	0.0	491.6	993.5	1,485.1
Supplies and Materials	<u>1,399.4</u>	<u>3,026.9</u>	<u>5,039.2</u>	<u>9,465.5</u>
Total Supplies, Materials and Fuels	1,399.4	3,518.5	6,032.7	10,950.6
INSURANCE AND RISK MANAGEMENT	7,970.1	0.0	0.0	7,970.1
NONCAPITAL EQUIPMENT	1,038.5	274.2	256.1	1,568.8
NONCAPITAL FACILITY PROJECTS	0.0	1,013.5	0.0	1,013.5
CAPITAL EQUIPMENT	0.0	0.0	0.0	0.0
CAPITAL FACILITY PROJECTS	0.0	0.0	0.0	0.0
TOTAL OPERATING EXPENSES	<u>\$73,263.3</u>	<u>\$57,791.4</u>	<u>\$106,016.9</u>	<u>\$237,071.6</u>

COMPARISON 2004 & 2005 OPERATING EXPENSES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

CONSOLIDATED FUNCTIONS (dollars in thousands)

OPERATING EXPENSES	2004	2005	% CHANGE
PERSONNEL EXPENSES			
Full-time Permanent	\$19,770.7	\$21,091.1	6.7%
Other than Full-time Permanent	599.1	653.8	9.1%
Overtime	1,093.2	1,066.5	-2.4%
Other	411.0	467.0	13.6%
Personnel Compensation	21,874.0	23,278.4	6.4%
Health Insurance	2,389.9	4,340.8	81.6%
Life Insurance	117.9	121.0	2.6%
Retirement	3,434.0	3,981.1	15.9%
Other	0.0	0.0	0.0%
Employee Benefits	5,941.8	8,442.9	42.1%
Total Personnel Expenses	27,815.8	31,721.3	14.0%
TRAVEL	620.7	664.1	7.0%
LEASE AND RENTAL PAYMENTS			
Airport Lease Payments	4,304.0	4,374.0	1.6%
Other	159.4	175.2	9.9%
Total Lease and Rental Payments	4,463.4	4,549.2	1.9%
UTILITIES			
Electricity	11.5	11.5	0.0%
Natural Gas	0.0	0.0	0.0%
Water	0.0	0.0	0.0%
Sewerage	0.0	0.0	0.0%
Total Utilities	11.5	11.5	0.0%
TELECOMMUNICATIONS	2,093.3	2,309.8	10.3%
VASTERA OFFICE BUILDING	223.5	308.7	38.1%
WASHINGTON FLYER MAGAZINE	0.0	0.0	0.0%
SERVICES			
Custodial Services	0.0	0.0	0.0%
Contractual Services	20,290.8	23,290.7	14.8%
Total Services	20,290.8	23,290.7	14.8%
SUPPLIES, MATERIALS AND FUELS			
Fuels	0.0	0.0	0.0%
Supplies and Materials	1,360.3	1,399.4	2.9%
Total Supplies, Materials and Fuels	1,360.3	1,399.4	2.9%
INSURANCE AND RISK MANAGEMENT	7,770.1	7,970.1	2.6%
NONCAPITAL EQUIPMENT	1,063.2	1,038.5	-2.3%
NONCAPITAL FACILITY PROJECTS	40.8	0.0	-100.0%
CAPITAL EQUIPMENT	105.0	0.0	-100.0%
CAPITAL FACILITY PROJECTS	135.0	0.0	-100.0%
TOTAL OPERATING EXPENSES	\$65,993.4	\$73,263.3	11.0%

COMPARISON 2004 & 2005 OPERATING EXPENSES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

(dollars in thousands)

OPERATING EXPENSES	2004	2005	% CHANGE
PERSONNEL EXPENSES			
Full-time Permanent	\$19,738.0	\$20,435.4	3.5%
Other than Full-time Permanent	82.1	285.8	248.1%
Overtime	2,844.9	2,750.9	-3.3%
Other	835.0	957.9	14.7%
Personnel Compensation	23,500.0	24,430.0	4.0%
Health Insurance	2,846.2	5,132.6	80.3%
Life Insurance	143.1	149.2	4.3%
Retirement	3,598.0	4,064.4	13.0%
Other	2.6	2.6	0.0%
Employee Benefits	6,589.9	9,348.8	41.9%
Total Personnel Expenses	30,089.9	33,778.8	12.3%
TRAVEL	115.8	111.5	-3.7%
LEASE AND RENTAL PAYMENTS			
Airport Lease Payments	0.0	0.0	0.0%
Other	62.7	126.0	101.0%
Total Lease and Rental Payments	62.7	126.0	101.0%
UTILITIES			
Electricity	3,903.9	4,021.0	3.0%
Natural Gas	1,072.5	1,034.4	-3.6%
Water	305.8	315.0	3.0%
Sewerage	201.6	272.6	35.2%
Total Utilities	5,483.8	5,643.0	2.9%
TELECOMMUNICATIONS	0.0	0.0	0.0%
VASTERA OFFICE BUILDING	0.0	0.0	0.0%
WASHINGTON FLYER GROUND TRANSPORTATION	0.0	0.0	0.0%
SERVICES			
Custodial Services	5,336.7	4,401.0	-17.5%
Contractual Services	8,423.6	8,924.9	6.0%
Total Services	13,760.3	13,325.9	-3.2%
SUPPLIES, MATERIALS AND FUELS			
Fuels	431.3	491.6	14.0%
Supplies and Materials	2,586.6	3,026.9	17.0%
Total Supplies, Materials and Fuels	3,017.9	3,518.5	16.6%
INSURANCE AND RISK MANAGEMENT	0.0	0.0	0.0%
NONCAPITAL EQUIPMENT	175.7	274.2	56.1%
NONCAPITAL FACILITY PROJECTS	890.0	1,013.5	13.9%
CAPITAL EQUIPMENT	0.0	0.0	0.0%
CAPITAL FACILITY PROJECTS	0.0	0.0	0.0%
TOTAL OPERATING EXPENSES	\$53,596.1	\$57,791.4	7.8%

COMPARISON 2004 & 2005 OPERATING EXPENSES

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

WASHINGTON DULLES INTERNATIONAL AIRPORT (dollars in thousands)

OPERATING EXPENSES	2004	2005	% CHANGE
PERSONNEL EXPENSES			
Full-time Permanent	\$28,057.3	\$30,137.7	7.4%
Other than Full-time Permanent	970.4	1,156.3	19.2%
Overtime	4,364.8	4,332.7	-0.7%
Other	1,622.2	1,801.4	11.0%
Personnel Compensation	35,014.7	37,428.1	6.9%
Health Insurance	4,736.8	8,020.5	69.3%
Life Insurance	228.5	232.9	1.9%
Retirement	5,580.6	6,001.5	7.5%
Other	2.8	2.9	3.6%
Employee Benefits	10,548.7	14,257.8	35.2%
Total Personnel Expenses	45,563.4	51,685.9	13.4%
TRAVEL	114.7	122.6	6.9%
LEASE AND RENTAL PAYMENTS			
Airport Lease Payments	0.0	0.0	0.0%
Other	4,571.0	8,263.7	80.8%
Total Lease and Rental Payments	4,571.0	8,263.7	80.8%
UTILITIES			
Electricity	8,225.7	8,893.8	8.1%
Natural Gas	2,984.0	3,088.5	3.5%
Water	551.9	542.5	-1.7%
Sewerage	264.2	496.6	88.0%
Total Utilities	12,025.8	13,021.4	8.3%
TELECOMMUNICATIONS	0.0	0.0	0.0%
VASTERA OFFICE BUILDING	0.0	0.0	0.0%
WASHINGTON FLYER GROUND TRANSPORTATION	572.9	243.8	-57.4%
SERVICES			
Custodial Services	7,502.0	8,124.1	8.3%
Contractual Services	15,922.1	18,266.6	14.7%
Total Services	23,424.1	26,390.7	12.7%
SUPPLIES, MATERIALS AND FUELS			
Fuels	1,416.1	993.5	-29.8%
Supplies and Materials	4,059.5	5,039.2	24.1%
Total Supplies, Materials and Fuels	5,475.6	6,032.7	10.2%
INSURANCE AND RISK MANAGEMENT	0.0	0.0	0.0%
NONCAPITAL EQUIPMENT	298.0	256.1	-14.1%
NONCAPITAL FACILITY PROJECTS	0.0	0.0	0.0%
CAPITAL EQUIPMENT	650.0	0.0	-100.0%
CAPITAL FACILITY PROJECTS	515.0	0.0	-100.0%
TOTAL OPERATING EXPENSES	\$93,210.5	\$106,016.9	13.7%

COMPARISON 2004 & 2005 OPERATING EXPENSES

2005 BUDGET

→METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY (dollars in thousands)

OPERATING EXPENSES	2004	2005	% CHANGE
PERSONNEL EXPENSES			
Full-time Permanent	\$67,566.0	\$71,664.2	6.1%
Other than Full-time Permanent	1,651.6	2,095.9	26.9%
Overtime	8,302.9	8,150.1	-1.8%
Other	2,868.2	3,226.3	12.5%
Personnel Compensation	80,388.7	85,136.5	5.9%
Health Insurance	9,972.9	17,493.9	75.4%
Life Insurance	489.5	503.1	2.8%
Retirement	12,612.6	14,047.0	11.4%
Other	5.4	5.5	1.9%
Employee Benefits	23,080.4	32,049.5	38.9%
Total Personnel Expenses	103,469.1	117,186.0	13.3%
TRAVEL	851.2	898.2	5.5%
LEASE AND RENTAL PAYMENTS			
Airport Lease Payments	4,304.0	4,374.0	1.6%
Other	4,793.1	8,564.9	78.7%
Total Lease and Rental Payments	9,097.1	12,938.9	42.2%
UTILITIES			
Electricity	12,141.1	12,926.3	6.5%
Natural Gas	4,056.5	4,122.9	1.6%
Water	857.7	857.5	0.0%
Sewerage	465.8	769.2	65.1%
Total Utilities	17,521.1	18,675.9	6.6%
TELECOMMUNICATIONS	2,093.3	2,309.8	10.3%
VASTERA OFFICE BUILDING	223.5	308.7	38.1%
WASHINGTON FLYER GROUND TRANSPORTATION	572.9	243.8	-57.4%
WASHINGTON FLYER MAGAZINE	0.0	0.0	0.0%
SERVICES			
Custodial Services	12,838.7	12,525.1	-2.4%
Contractual Services	44,636.5	50,482.2	13.1%
Total Services	57,475.2	63,007.3	9.6%
SUPPLIES, MATERIALS AND FUELS			
Fuels	1,847.4	1,485.1	-19.6%
Supplies and Materials	8,006.4	9,465.5	18.2%
Total Supplies, Materials and Fuels	9,853.8	10,950.6	11.1%
INSURANCE AND RISK MANAGEMENT	7,770.1	7,970.1	2.6%
NONCAPITAL EQUIPMENT	1,536.9	1,568.8	2.1%
NONCAPITAL FACILITY PROJECTS	930.8	1,013.5	8.9%
CAPITAL EQUIPMENT	755.0	0.0	-100.0%
CAPITAL FACILITY PROJECTS	650.0	0.0	-100.0%
TOTAL OPERATING EXPENSES	\$212,800.0	\$237,071.6	11.4%

NEW POSITIONS AND DESCRIPTIONS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

	<u>Organization Code</u>	<u>No. of Positions</u>
CONSOLIDATED FUNCTIONS		
Office of Finance		
TBD, S-19/S-20/S-21 (4)	MA-20	4
Deputy Chief Financial Officer, S-24	MA-20	<u>1</u>
		5
Office of General Counsel		
Assistant General Counsel, S-24	MA-70	<u>1</u>
Office of Business Administration		
Equal Opportunity Technician, S-17*	MA-410	<u>1</u>
	Total Consolidated Functions	7
WASHINGTON DULLES INTERNATIONAL AIRPORT		
Ramp Control/Mobile Lounge Dispatcher, S-19	MA-214	4
Engineering Project Coordinator (APM Specialist), S-20	MA-220	1
Physical Security Agent, S-12	MA-210	4
Computerized Maintenance Management System Administrator, S-20	MA-226	<u>1</u>
	Total Dulles	10
PUBLIC SAFETY		
K-9 Handler, P-10	MA-310	2
K-9 Trainer, P-12	MA-310	1
Firefighter, F-10	MA-322	3
Medic/Firefighter, F-13	MA-322	<u>3</u>
	Total Public Safety	9
TOTAL METROPOLITAN WASHINGTON AIRPORTS AUTHORITY		<u>26</u>

* Conversion of Full-Time Temporary Position to Full-Time Permanent

NEW POSITIONS AND DESCRIPTIONS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

CONSOLIDATED FUNCTIONS

OFFICE OF FINANCE

Deputy Chief Financial Officer, S-24: The Deputy Chief Financial Officer will provide management and operational assistance to the Chief Financial Officer and serve as the Chief Financial Officer in their absence.

To Be Determined, S-19/S-20/S-21 (4):

OFFICE OF GENERAL COUNSEL

Assistant General Counsel, S-24: The Assistant General Counsel will provide management and operational assistance to the General Counsel and serve as the General Counsel in their absence.

OFFICE OF BUSINESS ADMINISTRATION

Equal Opportunity Technician, S-17: The Equal Opportunity Technician is responsible for the maintenance of the Authority's EEO applicant and employee tracking database systems, and for preparation of statistical reports and the annual affirmative action plan updates on the Authority's employment diversity achievements. Additionally, provides EEO intake and investigative support. This is a conversion of a temporary position to a permanent position.

WASHINGTON DULLES INTERNATIONAL AIRPORT

Ramp Control/Mobile Lounge Dispatcher, S-19 (4): The Ramp Control/Mobile Lounge Dispatchers control traffic (aircraft and mobile lounge movements) on the airport ramps and all ground movement activities. These positions contribute to the airlines' on-time performance and airfield safety.

Engineering Project Coordinator (Automated People Mover (APM) Specialist), S-20: The Engineering Project Coordinator will serve as the Dulles Airport point of contact during the design-build of the APM. This position will monitor design and construction of the APM to ensure the highest quality maintenance and operation of the facility.

Physical Security Agent, S-12 (4): The Physical Security Agents are responsible for issuing airport identification cards, conducting background checks and fingerprinting for all employees and contractors.

Computerized Maintenance Management System (CMMS Administrator), S-20: The CMMS Administrator will administer the Dulles Engineering and Maintenance computerized maintenance management system. The administrator will monitor data input updated by field users for acceptable coding and naming standards, analyze and document data gaps from field survey efforts, assist with data

NEW POSITIONS AND DESCRIPTIONS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

updates as required, and provide analysis for and support activities to facilitate interfaces between CMMS and GIS, nPICS, Ceridian, and other programs, including IT department coordination. This position will also confirm document and log user-reported software bugs and test new vendor software releases and document issues.

PUBLIC SAFETY

K-9 Handler, P-10/11 (2): The K-9 Handlers conducts daily police patrols with an explosive detection canine. The K-9 Handlers will check unattended items, checks of aircrafts, and vehicles and proactively patrols terminals, parking areas and cargo as a deterrence to crime. K-9 Handlers care for the canine while off duty.

K-9 Trainer, P-12: The K-9 Trainer assists the K-9 Lieutenant with managing kennel canine operations of the Authority Police Department, including canine team training. The Trainer will also assist with maintaining training records, setting up training scenarios, and evaluating canine teams' progress.

Firefighter, F-10, (3): The additional firefighters will perform full performance level firefighter functions in fire prevention, suppression, rescue and emergency medical services at the basic life support level in airport, public roadway, and office and community settings. Duties will also include responding to all types of emergency situations and, under the direction of the Incident Commander, carry out assigned duties to mitigate the emergency. The firefighters also functions as the alarm room operator.

Medic/Firefighter, F-13 (3): The Medic/ Firefighters will perform full performance firefighter functions in fire prevention, suppression, rescue and emergency medical services at the advanced life support (ALS) level in airport, public roadway, office, and community settings. Additionally, the Medic/ Firefighters will respond to all types of emergency situations and, under the direction of the Incident Commander (or a physician in certain ALS situations), carry out assigned duties to mitigate the emergency. The medic/firefighter may on occasion function as the alarm room operator.

POSITION SUMMARY

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

	ORG CODE	2003 TOTAL POSITIONS	2004 TOTAL POSITIONS	2005 POSITIONS	2005 TOTAL POSITIONS
CONSOLIDATED FUNCTIONS					
Board of Directors	MA-BD	3	3		3
President and Chief Executive Officer	MA-1	4	4		4
Executive Vice President and Chief Operating Officer	MA-2	2	2		2
Office of Communications	MA-10	12	12		12
Office of Air Service Planning and Development	MA-40	9	9		9
Legal Office	MA-70	7	6	1	7
Office of Audit	MA-80	5	5		5
Office of Finance	MA-20	3	3	3	6
Accounting Department*	MA-22	16	16	1	17
Treasury Department	MA-24	3	5	1	6
Budget Department	MA-25	5	5	1	6
Office of Engineering	MA-30	4	5		5
Planning Department	MA-32	6	5		5
Design Department	MA-34	9	9		9
Construction Department	MA-36	5	5		5
Building Code and Environmental Department	MA-38	6	6		6
Office for Human Resources	MA-500	4	3		3
Staffing and Records Services	MA-510	5	8		8
Benefits Department	MA-520	12	5		5
Organizational Development and Training Department	MA-530	5	5		5
Compensation	MA-540	0	4		4
Labor and Employee Relations Department	MA-550	5	4		4
Office of Business Administration	MA-400	4	3		3
Equal Opportunity Programs Department**	MA-410	7	7	1	8
Administrative Support Department	MA-420	10	9		9
Concession and Property Development Department	MA-430	10	10		10
Procurement and Contracts Department	MA-440	13	13		13
Risk Management Department	MA-450	4	6		6
Office of Information Technology & Telecommunications	MA-600	2	2		2
Information Systems Department	MA-610	4	4		4
Telecommunications Department	MA-620	3	3		3
Wireless Services and Radio Systems Department	MA-630	3	3		3
		<u>190</u>	<u>189</u>	<u>8</u>	<u>197</u>
Total Consolidated Functions					
REAGAN NATIONAL AIRPORT					
Airport Manager	MA-100	4	4		4
Operations Department	MA-110	15	15		15
Engineering and Maintenance Department	MA-120	7	7		7
Engineering Division	MA-121	9	8		8
Structures and Grounds Division	MA-122	50	50		50
Electrical Division	MA-123	42	42		42
Utilities Division	MA-124	49	49		49
Equipment Maintenance Division	MA-125	20	20		20
Maintenance Engineering Division	MA-126	12	12		12
Terminal Service Center Division	MA-127	20	20		20
Resource Support Division	MA-128	10	11		11
Airport Administration Department	MA-130	2	2		2
Budget and Administration Division	MA-131	6	6		6
Contract Management Division	MA-132	5	5		5
Materials Management Division	MA-133	16	16		16
Leasing and Terminal Division	MA-135	2	2		2
		<u>269</u>	<u>269</u>	<u>0</u>	<u>269</u>
Total Reagan National Airport					

POSITION SUMMARY

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

	ORG CODE	2003 TOTAL POSITIONS	2004 TOTAL POSITIONS	2005 POSITIONS	2005 TOTAL POSITIONS
<i>DULLES AIRPORT</i>					
Airport Manager	MA-200	4	4		4
Operations Department*	MA-210	27	27	5	32
Ramp Control Division	MA-214	18	18	4	22
Mobile Lounge Division	MA-215	93	93		93
Engineering and Maintenance Department	MA-220	11	11	1	12
Structures and Grounds Division	MA-222	49	49		49
Utilities Services Division	MA-223	91	91		91
Engineering Division	MA-224	15	15		15
Equipment Maintenance Division*	MA-225	61	61	8	69
Maintenance Engineering Division*	MA-226	19	19	2	21
Airport Administration Department*	MA-230	3	4	1	5
Financial Management Division	MA-232	6	6		6
Contract Management Division	MA-236	4	4		4
Materials Management Division	MA-238	15	15		15
<i>Total Dulles Airport</i>		416	417	21	438
<i>PUBLIC SAFETY</i>					
Headquarters, Consolidated Functions	MA-300	2	2		2
Police Department, Headquarters	MA-310	67	67	3	70
Police Department, Communications	MA-310C	25	25		25
Fire Department, Headquarters*	MA-320	14	14	1	15
Public Safety Administration Department	MA-330	4	4		4
Reagan National					
Police Department	MA-311	88	88		88
Fire Department	MA-321	52	49		49
Dulles					
Police Department	MA-312	74	77		77
Fire Department*	MA-322	62	67	9	76
<i>Total Public Safety</i>		388	393	13	406
<i>Total Metropolitan Washington Airports Authority</i>		1,263	1,268	42	1,310

*Includes Overstaffed Position(s)

**Converting Temporary Position to a Permanent Position

**CAPITAL, OPERATING &
MAINTENANCE INVESTMENT
PROGRAM**

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

PROGRAM SUMMARY

The COMIP provides for repair work at Reagan National and Dulles, equipment and projects, snow removal, planning, improvements, and operational initiatives. The Authority's share of NRR is the primary source of funding for COMIP projects in accordance with the Agreement, and may be supplemented by grants.

2005 Funding Requirements

The new 2005 program authority for COMIP totals \$29,602,100 for both Airports. The COMIP authorization for 2005 is \$13,304,400 at Reagan National and \$16,297,700 at Dulles for a combined total of \$23,216,000. Offsetting the \$29,609,100 is \$4,405,000 in reprogrammed unexpended funds and \$1,556,100 in federal grants.

List of Projects

Projects are listed by Airport, grouped into major functional categories, and designated by funding source. The column titled "2005 Program" designates new funding for new and previously authorized projects.

Expenditures shown for 2004 and 2005 are estimated to include new and ongoing projects previously authorized.

Expenditure estimates for 2005 include only the impact of continuing with projects authorized in 2005 or in prior periods.

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

SUMMARY BY FUNDING SOURCE

DESCRIPTION	FUND	2005 Program	*Plan Expenditures	
			2004	2005
RONALD REAGAN WASHINGTON NATIONAL AIRPORT				
Capital Fund	60	\$12,593,500	\$7,079,000	\$12,804,500
Federal Grant	FG	710,900	16,000	1,710,900
Letter of Intent Discretionary Grant	LOI		165,000	
Total Ronald Reagan Washington National Airport		\$13,304,400	\$7,260,000	\$14,515,400
WASHINGTON DULLES INTERNATIONAL AIRPORT				
Capital Fund	60	\$15,452,500	\$10,678,000	\$18,130,500
Federal Grant	FG	845,200	16,000	1,845,200
Total Washington Dulles International Airport		\$16,297,700	\$10,694,000	\$19,975,700
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY				
Capital Fund	60	\$28,046,000	\$17,757,000	\$30,935,000
Federal Grant	FG	1,556,100	32,000	3,556,100
Letter of Intent Discretionary Grant	LOI		165,000	
Total Metropolitan Washington Airports Authority**		\$29,602,100	\$17,954,000	\$34,491,100

FUND: 60 - Capital Fund; FG - Federal Grant; and LOI - Letter of Intent Discretionary Grant

* Plan includes carry-over approved budget. **Offsetting the \$29,602,100 is \$4,405,000 in reprogrammed unexpended funds.

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

PROJ NUM	DESCRIPTION	FUND	2005 Program	*Plan Expenditures	
				2004	2005
<u>BUILDINGS</u>					
3000	Rehabilitate North Hangars	60		100,000	100,000
3018	North Metro Platform Canopies	60		134,000	
3033	Facility Repairs	60	1,500,000	150,000	1,204,000
3062	Repair Baggage Belt Systems	60		50,000	50,000
3066	Art Glass Replacement	60		200,000	99,000
3080	Terminal B/C Structural Paint	60	250,000		450,000
3081	Finance Office Renovation	60		100,000	
3088	Dredge North Boat House Channel	60	250,000		
3089	North Hangar Line Heat	60	250,000		250,000
3090	One Aviation Circle Office Renovation	60	500,000		300,000
3091	West Building Mechanical & Electrical MODs	60	500,000		200,000
4441	Expand Airport Rescue & Fire Fighting Facility (Des)	60		150,000	
4464	Replace Roofing	60	550,000	80,000	527,000
	Subtotal Buildings	60	3,800,000	964,000	3,180,000
<u>AIRFIELD FACILITIES</u>					
3011	Precision Lightning Warning System	60			180,000
3032	Relocate Navigational Aid	60		20,000	244,000
3092	Runway Safety Area (RSA) Evaluation Analysis	60	190,000		190,000
4405	Airfield Pavement Repairs	60	500,000	300,000	790,000
	Subtotal Airfield Facilities		690,000	320,000	1,404,000
<u>PARKING FACILITIES</u>					
3093	Frequent Parker Program	60	500,000		500,000
	Subtotal Parking Facilities		500,000		500,000
<u>UTILITY SYSTEMS</u>					
3005	Radio Communication Systems	60		30,000	131,000
3017	Telecommunications Equipment	60		36,000	96,000
3026	Replace MUFIDS	60		65,000	
3075	Steam Lines Repair	60		40,000	53,000
3082	Electronic Information Modification	60	1,550,000	100,000	1,204,000
4377	Replace Sanitary Sewer Lines	60		15,000	250,000
3094	Radios Life Cycle	60	1,050,000		1,000,000
3095	800 MHz Radios	60	118,000		118,000
3096	Radio System Security Initiative	60	107,500		107,500
3097	Federal Compliance Law	60	100,000		100,000
	Subtotal Utility Systems		2,925,500	286,000	3,059,500

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

PROJ NUM	DESCRIPTION	FUND	2005 Program	*Plan Expenditures	
				2004	2005
	<u>OTHER</u>				
3009	Automated Vehicle ID-Taxicabs	60		130,000	
3014	Commercial Program Investment	60	1,350,000	66,000	1,000,000
3037	Automatic External Defibrillator	60		65,000	
3039	Strategic IT Initiative	60		100,000	118,000
3040	Police Retirement Contribution	60	270,000	270,000	270,000
3060	Security Study and Infrastructure Improvements	60		3,500,000	1,000,000
3060	Security Study and Infrastructure Improvements	FG			1,000,000
3061	Capital Equipment & Facility Repair Projects	60	1,500,000		
3069-FG	Enterprise Security System (Planning & Predesign)	FG		16,000	
3073	Snow Removal Program	60	200,000	200,000	225,000
3083	Bus Maintenance UST Rehabilitation	60	500,000	50,000	750,000
3084	Public Safety Capital Equipment	60	204,000	178,000	
3085	IT Storage Area Network (SAN)	60		120,000	330,000
3098	Capital Equipment - Consolidated Functions	60	194,000		
3099	Common-Use-Self-Service Kiosks (CUSS) Study	60	100,000		100,000
3100	Vital Records Protection System Study	60	75,000		
3101	Homeland Security Hardening Protection	FG	710,900		710,900
4411	Environmental Compliance Program	60	285,000	200,000	488,000
	Subtotal Other		5,388,900	4,895,000	5,991,900
3036	Noise Abatement	60		530,000	80,000
	Noise Abatement	LOI		165,000	
	Subtotal Noise Abatement			695,000	80,000
	"All Other"	60		100,000	300,000
	Summary of Funding Source				
	Capital Fund **	60	12,593,500	7,079,000	12,804,500
	Federal Grant	FG	710,900	16,000	1,710,900
	Letter of Intent Discretionary Grant	LOI		165,000	
	Subtotal National Airport		\$13,304,400	\$7,260,000	\$14,515,400

FUND: 60 - Capital Fund; FG - Federal Grant; and LOI - Letter of Intent Discretionary Grant

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

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WASHINGTON DULLES INTERNATIONAL AIRPORT

PROJ NUM	DESCRIPTION	FUND	2005 Program	*Plan Expenditures	
				2004	2005
<u>ROADS</u>					
3590	Rehabilitate Access Highway Bridges	60		554,000	
3688	Rehabilitate/Repair Access Highway	60		207,000	476,000
3730	Landside Roadway Rehabilitation	60	250,000		250,000
	Subtotal Roads		250,000	761,000	726,000
<u>BUILDINGS</u>					
3597	Rehabilitate Cargo Buildings	60		50,000	
3690	Police Station Expansion	60			100,000
3707	Baggage Belt Rehabilitation	60	200,000		200,000
3708	Paint Spray Building Fire Suppression	60		30,000	170,000
3709	Carpet Replacement	60	100,000	200,000	100,000
3731	Reroof Buildings	60	200,000		200,000
4859	Commercial Space	60			100,000
	Subtotal Buildings		500,000	280,000	870,000
<u>AIRFIELD FACILITIES</u>					
3503	Aircraft Guidance System	60		65,000	190,000
3552	Precision Lightning Warning System	60		40,000	234,000
3594	Rehabilitate Mobile Lounge Road/Apron	60		50,000	100,000
3593	Airfield Pavement Repairs	60	2,200,000	2,000,000	2,200,000
3669	Airfield, Seal Runway, & Taxiway Asphalt Shoulders	60		50,000	243,000
3675	Runway 12/30 Repairs	60		37,000	604,000
3710	Airfield Storm Sewer Inlet Erosion Repairs	60			100,000
3732	Aircraft Apron & Shoulder Rehabilitation, Cargo 1	60	300,000		300,000
	Subtotal Airfield Facilities		2,500,000	2,242,000	3,971,000
<u>PARKING FACILITIES</u>					
3504	Computerized Parking Control System	60		200,000	400,000
3711	Public Parking Replacement Shuttle Buses	60			2,500,000
3733	Parking Lot Repairs	60	400,000		400,000
	Subtotal Parking Facilities		400,000	200,000	3,300,000
<u>UTILITY SYSTEMS</u>					
3509	Radio Communication Systems	60		30,000	376,000
3544	Sanitary Sewer System Rehabilitation	60	507,000		200,000
3546	Telecommunications Equipment	60		100,000	285,000
3549	Comprehensive Utility Survey Update	60	800,000		500,000
3577	Standby Power - Terminal Buildings	60		385,000	109,000
3600	Replace Natural Gas Meters	60		10,000	
3717	Water and Sewer Authority (WASA)	60	865,000	250,000	250,000
3734	800 MHz Radios	60	118,000		118,000
3735	Federal Compliance Law	60	100,000		100,000

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

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WASHINGTON DULLES INTERNATIONAL AIRPORT

PROJ NUM	DESCRIPTION	FUND	2005 Program	*Plan Expenditures	
				2004	2005
<u>CONTINUED - UTILITY SYSTEMS</u>					
3736	HVAC Renovations to Telephone/Weather Bldg	60	460,000		400,000
3737	Radios Life Cycle	60	1,050,000		1,000,000
3738	Radio System Security Initiative	60	107,500		107,500
3739	Telecom Cable Plant Improvements & Additions	60	660,000		
4887	Electrical Unit Substation Rehabilitation	60	550,000		300,000
4892	Replace Emergency Generators	60		408,000	
4893	Replace Electrical Feeder Laterals	60		100,000	811,000
	Subtotal Utility Systems		5,217,500	1,283,000	4,556,500
<u>OTHER</u>					
3547	Commercial Programs Investments	60	500,000		300,000
3605	Automatic External Defibrillator	60		100,000	
3606	Preconditioned Air Package for Concourse B	60			117,000
3607	Police Retirement Contribution	60	270,000	270,000	270,000
3677	Security Study and Infrastructure Improvements	60		2,500,000	2,000,000
3677-FG	Security Study and Infrastructure Improvements	FG			1,000,000
3678	Capital Equipment & Facility Repair Projects	60	2,250,000	586,000	344,000
3679	Global Positioning System Field Data	60	100,000	100,000	100,000
3691	Enterprise Security System (Plan & PreDesign)	FG		16,000	
3692	Geographic Information System Alternative Study	60		37,000	91,000
3698	Snow Removal Program	60	1,500,000	1,375,000	
3713	Public Safety Capital Equipment	60	296,000	77,000	
3714	Replacement Vehicles - MA 30 Engineering	60		40,000	
3715	National Air & Space Equipment	60		577,000	
3716	Public Seating	60			200,000
3740	Capital Equipment - Consolidated Functions	60	194,000		
3741	Common-Use-Self-Service Kiosks (CUSS) Study	60	100,000		100,000
3742	Vital Records Protection System Study	60	75,000		75,000
3743	Authority-Owned Jet Bridge Modifications	60	200,000		200,000
3745	Storage Area Network - SAN	60	410,000		410,000
3744	Homeland Security Hardening Protection	FG	845,200		845,200
4747	New Facility Start-Up	60	400,000	50,000	200,000
4866	Environmental Compliance Program	60	290,000	100,000	200,000
4897	Automated Vehicle ID-System Definition Study	60		100,000	100,000
	Subtotal Other		7,430,200	5,928,000	6,552,200
Summary of Funding Source					
	Capital Fund	60	15,452,500	10,678,000	18,130,500
	Federal Grant	FG	845,200	16,000	1,845,200
	Subtotal Dulles Airport		\$16,297,700	\$10,694,000	\$19,975,700
TOTAL CAPITAL MAINTENANCE & INVESTMENT PROGRAM			\$29,602,100	\$17,954,000	\$34,491,100

FUND: 60 - Capital Fund; FG - Federal Grant; and LOI - Letter of Intent Discretionary Grant

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

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The project amount shown with the project descriptions is the total current cost estimate for the project.

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

Buildings

Rehabilitate North Hangars, \$1,606,000. Portions of the second floor office area in Hangars 11 and 12 need to be modernized and rehabilitated. This project will provide heating/cooling distribution, elevator access to upper floors, new wall coverings, new floor coverings, office fit-out for Authority tenants, and other improvements. The finished office areas will be in compliance with the Americans with Disabilities Act and current building code regulations.

North Metro Platform Canopies, \$4,500,00. This project constructed canopies to protect travelers from inclement weather at the north Metro platform level.

Facility Repairs, \$790,000. This funding supports facility repairs in the Parking Garage A Structure, Taxi Holding Facility Structure, and other facilities. Repairs need to be made to concrete slabs, columns, beams, precast panels, expansion joints and retaining walls. Other repairs include improvements to the Electronic Room's ceiling and improvements to the terrazzo floor in Terminal B/C. These improvements will eliminate the need for more extensive and costly repairs in the future.

Repair Baggage Belt Systems, \$400,000. This project is part of a phased program to rehabilitate the baggage belt systems in the passenger terminals. New work includes replacement of motors, motor mount brackets and removing obstructions that interfere with preventative maintenance.

Art Glass Replacement, \$200,000. This project replaces a series of glass panels on the exterior curtain wall in "National Hall." An isolated number of art panels from the Terminal B/C Architectural Enhance Program have failed or are vulnerable to sudden failure; they have been removed and substituted with temporary windows. The project includes the re-manufacturing and replicating of the art glass in a safe form.

Terminal B/C Structural Paint, \$450,000. This project is a part of phased program to clean, rehabilitate, and re-paint steel at Terminal B/C. The exterior steel of Terminal B/C is an important part of the architecture at Reagan National and needs to be periodically cleaned and painted to maintain the Airport's appearance.

Finance Office Renovation, \$100,000. This project consists of renovating and reconfiguring the file room located in the Corporate Office Building, Office of Finance (Room 244.43) to accommodate additional office spaces and to replace the file cabinets with an efficient storage filing system.

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

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Dredge North Boat House Channel, \$250,000. The project will dredge the North Boat House channel to the main Potomac River channel to ensure that the boats have adequate depth to exit at low tide.

North Hangar Line Heat, \$250,000. This project will fund the purchase and installation of a boiler to supply heat to Hangar 11 and 12.

One Aviation Circle Office Renovation, \$500,000. This project will renovate various offices located in the corporate office building.

West Building Mechanical & Electrical Modifications, \$500,000. This project supports the necessary infrastructure rehabilitation in the West Building. The work includes the rehabilitation of the air-conditioning system, replac deteriorated roofing, and making other essential repairs to extend the useful life of the building by approximately 10 years.

Expand Airport Rescue and Fire Fighting Facility (Design), \$650,000. Design and construction of a new airport rescue and fire fighting facility to replace the existing facility, intersection improvements for vehicle access and demolition of the existing facility and conversion of its site for aircraft parking.

Replace Roofing, \$1,150,000. This project is part of a recurring program to repair and rehabilitate facility roofs that have reached the end of their useful life. New work will include the design of the boiler house roof and the final studies and design of repairs for the Terminal B/C roof.

Airfield Facilities

Precision Lightning Warning System, \$700,000. This system is a thunderstorm threat evaluation and lightning notification system. The system collects and processes lightning data then triggers a master and remote alarms via radios and communications links.

Relocate Navigational Aid, \$300,000. This project will relocate the Precision Approach Path Indicator (PAPI) from R/W 4 to R/W 1. This navigational aid will provide increased instrumentation for aircraft landing on the runway and enhance the level of safety during these operations.

Runway Safety Area (RSA) Evaluation Analysis, \$190,000. This project will evaluate the current conditions of the RSA for each runway in terms of soft ground, improper grades, infrangible objects or other items reviewed in Part 139 certification inspections and identify improvements needed to meet the RSA standard.

Airfield Pavement Repairs, \$400,000. Existing airfield pavements deteriorate due to aircraft traffic and weathering, thus, recurring repair and rehabilitation of airfield pavements are required to ensure these areas remain safe and structurally sound. Areas of concentration will be on Taxiway "Juliet," "Kilo," and Runway 1-19.

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

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Parking Facilities

Frequent Parker Program, \$500,000. This project is linked to the Authority's business plan for Smart Tag and EZ-Pass Utilization, by installing the necessary hardware and software to enable frequent customers to enter and exit the public parking facilities expeditiously.

Utility Systems

Radio Communication Systems, \$810,000. The 800MHz radio communications system requires equipment upgrades, software/hardware upgrades, and system support to function efficiently and reliably. This project will purchase control and diagnostic equipment, test equipment, battery management equipment, technical support, and other equipment and services.

Telecommunications Equipment, \$575,000. This project will rehabilitate existing telecommunication equipment across the Airport. Work includes replacement of aged telecommunication cable, improvements to the Airport Communication System, switch upgrades, airside gate telephone support, and other improvements.

Replace Multi-User Flight Information Display System (MUFIDS), \$500,000. This project is part of a phased program to replace flight information display monitors that have reached the end of their useful life. There are 125 CRT and LCD monitors in the Metro Station mezzanines and at various locations in Terminal B/C included in this program.

Steam Lines Repair, \$200,000. This project repairs the deteriorated underground steam lines between Hangar 2 and the East/West/Shops/Warehouse complex.

Electronic Information Systems Modifications, \$1,950,000. This project will provide upgrades to several electronic systems in Terminal B/C that are no longer supported by the manufacturer and are no longer under warranty. These systems include the COM-NET system used to operate the MUFIDS, public address system, and the master clock.

Replace Sanitary Sewer Lines - Terminal B/C, \$1,300,000. This project will improve the section of the sanitary sewer line from Terminal B/C to the manhole north of Terminal C. These improvements will reduce the potential of line blockages.

Radios Life Cycle, \$1,050,000. Key components of the 800MHz radio system (i.e., hardware and software) are reaching their useful life. This project will upgrade software and hardware components so that the system remains reliable. Additionally, the essential upgrade ensures the system will be covered by manufacturer support services.

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

800 MHz Radios, \$118,000. This project will purchase mobile and portable 800MHz radios to ensure that airport staff maintains communication while fulfilling their responsibilities in the workplace.

Radio System Security Initiative, \$107,500. This security system initiative provides encryption of radio communications to maintain privacy and enhance information security and enable the Radio Services and Wireless Systems department to address system alerts in a timely and efficient manner.

Federal Compliance Law, \$100,000. This project will ensure radio communication systems at the airports maintain compliance with Federal Communication Commission (FCC) regulations. Additionally, this project will purchase test equipment needed to comply with FCC and Office of(OSHA) regulations.

Other

Automated Vehicle ID - Taxicabs, \$250,000. This project will implement an automated vehicle identification system for taxicabs that will enable the Airport to establish an electronic credit/debit system. Equipment that will be purchased includes: computer hardware and software, identification readers, vehicle-mounted transponders, entrance/exit lane readers, and other equipment.

Commercial Program Investment, \$2,834,000. This project will fund commercial program initiatives that help increase the value of airport facilities. Some initiatives include: retail, food and beverage facility improvements, installation of commercial signage, architectural services to review concessionaires, and designs for store fronts and store layouts.

Noise Abatement, \$1,750,00. This project will provide a complete review of the Airports Noise Compatibility Program in accordance with the FAA Part 150 Program.

Automatic External Defibrillators, \$588,600. This project relates to the purchases and installations of automatic external defibrillators in various locations throughout the Airport. These defibrillators will be used in an emergency by trained personnel for analyzing the heartbeat of a person and delivering electric shock to restore the hearts normal rhythm after cardiac arrest.

Strategic Information Technology (IT) Initiative, \$772,000. This project funds various elements of the strategic review of the Authority's processes, which identifies and selects the appropriate information technology systems.

Police Retirement Contribution, \$1,080,000. Congressional legislation was enacted that allows police officers who currently participate in the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS) to switch to the more lucrative Law Enforcement Officers (LEO) Retirement System. The Authority will be obliged to pay \$2,700,000 to the LEO Retirement fund to compensate for the difference in annual agency contributions that would have been made if the employees

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

had been allowed to become participants in the LEO system at time of hire. This \$2,700,000 payment can be spread over five years.

Security Study & Infrastructure Improvements, \$11,500,000. This project will provide security-related facility enhancements and equipment based on a comprehensive study.

Capital Equipment and Facility Repair Projects, \$3,000,000. These funds will be used to purchase critical capital equipment and complete facility repair projects.

Enterprise Security System (Planning and Preliminary Design), \$100,000. This project involves the planning and initial design of the Enterprise Security System (ESS), which will be used to protect the Authority's data networks and applications. The ESS will include a system of technical monitoring, intrusion detection, and control tools to prevent unauthorized access to, and alteration or destruction of electronic files.

Snow Removal Program, \$1,063,400. This project provides partial funding for snow removal requirements, excluding personnel related costs, during extraordinary snow events.

Bus Maintenance Underground Storage Tanks (UST) Rehabilitation, \$900,000. The fuel delivery and control systems of the diesel and gasoline UST at the bus maintenance garage are exhibiting signs of corrosion and deterioration. This project will rehabilitate the piping, manhole structures, access pits, valve boxes, and overflow pits for these UST's in order to pre-empt safety risks and a contamination hazard, and to prevent a re-occurrence of the problem.

Public Safety Capital Equipment, \$382,000. This project funds various replacements of capital equipment for Public Safety's operation.

IT Storage Area Network (SAN), \$450,000. This project provides new equipment and installation for a SAN that will serve Reagan National. This equipment modernizes the medium for data storage, makes data retrieval more efficient, and allows for a reduction in building space dedicated to data storage compared to the area needed for older tape and disk technologies.

Capital Equipment – Consolidated Functions, \$194,000. This funding supports the replacement of the Authority vehicles and copier machines.

Check-in Kiosks (CUSS) Study, \$100,000. This project involves a study that will describe the benefits and liabilities of implementing a program to install Common-Use-Self-Service kiosk (CUSS). The study will also present available system providers, kiosk locations, and the cost of implementation to the Authority and airlines, and the ability to capture fees for services provided airlines by the kiosk.

CAPITAL, OPERATING & MAINTENANCE INVESTMENT PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Vital Records Protection System Study, \$75,000. This project funds a study that will develop guidelines for management and protection of vital records. The scope of work includes document retention, safeguards for living active documents, duplicate and archive vital documents for retrieval when needed.

Homeland Security Hardening Protection, \$710,900. This project provides for equipment, training, and exercises related to securing the Airports. This project is 100 percent grant funded.

Environmental Compliance Program, \$585,000. These funds will be used to continue an ongoing environmental management program. The statutory requirements, which are regulated by federal and state agencies, stipulate that the Authority permit, update, monitor and assess environmental impacts. The following compliance programs are included: water quality, deicing/anti-icing runoff, pollution prevention, underground/aboveground storage tanks, and air quality.

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Roads

Rehabilitate Access Highway Bridges, \$1,870,000. These funds will be used to repair the Access Highway Bridges. These repairs are identified in an inspection report prepared by the Federal Highways Administration. Repairs include joint/spall repair, painting, and other improvements that will enhance the integrity of the structures.

Rehabilitate/Repair Access Highway, \$1,500,000. This project provides preventive and corrective maintenance on the Dulles Access Highway. Work includes partial and full depth pavement repairs, crack sealing, seal coating, mill/overlay and other maintenance work.

Landside Roadway, Rehabilitation, \$250,000. This project will provide preventive and corrective maintenance on the landside roadway system. The project work includes the rehabilitation of Autopilot Drive, the resurfacing of the Cargo Area Parking Lots, and other maintenance work.

Buildings

Rehabilitate Cargo Buildings, \$200,000. This project will repair and rehabilitate Cargo Buildings 1, 2 and 3. The repairs will include improvements in the base building, mechanical/electrical equipment, exterior doors, stairs and siding, dock lifts, exterior painting, and other improvements.

Police Station Expansion, \$500,000. The events of September 11, 2001, triggered an expansion of the Authority's police force. Shifts at full strength exceed the capacity of the station. This project provides for an expansion and a reconfiguration of portions of the existing station house for larger squad and locker rooms, and a new court liaison office.

Baggage System Rehabilitation, \$600,000. This project provides the rehabilitation of baggage belt systems in the International Arrivals Buildings (IAB), followed as needed in later years by the rehabilitation of baggage systems in the Main Terminal. Additional funds added to rehabilitate the inbound claim devices 3 and 4 and conditions assessment for outbound belt devices on Kiosk 1 and 4.

Paint Spray Building Fire Suppression, \$200,000. Project entails the design and construction of a new water-based fire suppression system that is appropriate for the size of the facility and the activities that take place within the paint spray building.

Carpet Replacement, \$100,000. This project provides the cyclical replacement of carpet through spaces under the responsibility of the Authority. Immediate effort will concentrate on replacing carpets in three holdrooms in Concourse B.

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Reroof Buildings, \$200,000. This project will repair and rehabilitate United Airlines baggage collection facility roofs that have reached the end of their useful life: the work consists of roof replacement to extend the life of the facility.

Commercial Space, \$2,595,000. This is an incremental program to provide improvements in the Midfield Concourses and the Main Terminal for retail facilities, which is part of a commercial program investment initiative. The improvements include local video insertion capability, interactive video kiosks, installation and maintenance of retail merchandising units, tenant allocations, and other commercial program development.

Airfield Facilities

Aircraft Guidance System, \$550,000. The Federal Aviation Administration recently revised requirements for airfield surface movement guidance control. This project will enable the Airport to comply with certification by installing taxiway center-line lighting and other electrical/electronic aids on taxiways designated for aircraft movement during low visibility conditions.

Precision Lightning Warning System, \$1,100,000. This system is a thunderstorm threat evaluation and lightning notification system. The system collects and processes lightning data then triggers a master and remote alarms via radios and communications links.

Rehabilitate Mobile Lounge Road/Apron, \$1,000,000. The project comprises major work repairs and replacements of deteriorated pavement panels adjacent to the Main Terminal mobile lounge docking stations and access roads. The necessary repair or rehabilitation work ensures the safety and reliability of the roads and aprons for mobile lounges and plane-mates.

Airfield Pavement Repairs, \$1,840,000. This project supports the recurring airfield pavement repairs. Work includes joint resealing, spall repair, crack sealing, partial depth repairs, replacing concrete panel, and other major repair work. This year's work concentrates on resealing shoulders on Runway 1L/19R and associated high-speed taxiways, and joint replacement on Taxiways "Delta" and Echo."

Airfield, Seal Runway, and Taxiway Asphalt Shoulders, \$293,000. This project involves the repair and maintenance of airfield, seal runway, and taxiway asphalt shoulders.

Runway 12/30 Repairs, \$1,830,000. Runway 12/30 needs major repairs in order to maintain its operational condition. Repairs include limited panel replacement, repair of cracks and spall, joint sealing and other rehabilitation.

Airfield Storm Sewer Inlet Erosion Repairs, \$100,000. This project will fund a conditions investigation of the airfield storm sewer system and provide for limited critical work near Runway 12-30 coincident with its reconstruction.

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Aircraft Apron & Shoulder Rehabilitation, Cargo 1, \$300,000. This project will fund the replacement of shattered pavement panels and the rehabilitation of deteriorated apron shoulders in and around the ramp area at Cargo 1.

Parking Facilities

Computerized Parking Control System, \$5,591,000. This project supports the purchase and installations of computerized parking control system equipment that will enhance revenue control capabilities. The system upgrades the central processing units and servers, software, hardware, PC workstations, exit and entrance lane equipment, and provides other improvements. This is part of an incremental program to modernize the parking control system. Additional funding was reprogrammed from within COMIP to pay for “Pay and Go” machines in the Main Terminal, license plate recognition equipment, and associated concrete and conduit work.

Public Parking Replacement Shuttle Buses, \$2,500,000. This project will fund the purchase of approximately 10 passenger-carrying shuttle buses for public parking operation. These new buses will replace an aging fleet that needs more maintenance and repair and is approaching the end of its useful life.

Parking Lot Repairs, \$400,000. This project will provide preventive and corrective maintenance on all surface parking lots.

Utility Systems

Radio Communication Systems, \$1,167,000. The 800MHz radio communications system requires equipment upgrades, software/hardware upgrades, and system support so that the system can function efficiently and reliably. This project will purchase control and diagnostic equipment, test equipment, battery management equipment, technical support, and other equipment and services.

Sanitary Sewer System Rehabilitation, \$554,700. Some of the existing sanitary sewer lines and structures are more than 35 years old. This project will rehabilitate sections that are cracked, structurally unsound, or obstructed by debris. This project is part of a multi-year program to rehabilitate the Airport’s entire sanitary sewer system. The existing pipes have deteriorated allowing for more filtration, which leads to system blockage and sink holes. This project will replace 8,100 linear feet of pipe along Aviation and Autopilot Drives.

Telecommunications Equipment, \$675,000. This project will rehabilitate existing telecommunication equipment across the Airport. The project rehabilitation includes replacement of old telecommunication cable, cable testing, battery plant replacement, improvements to the Airport Communication System, removal of abandoned cable, and other improvements.

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Comprehensive Utility Survey Update, \$1,150,000. This project relates to a utility survey of the entire Airport. The survey will identify the location and type of all sewer, sanitary sewer, electrical, and water lines.

Standby Power, Terminal Buildings, \$400,000. This project will install new standby power generators and distribution equipment that will serve the Main Terminal and Concourses B, C and D. The standby power will have the capability of supporting airline functions, security gate check in, FIDS/BIDS, security doors, designated elevators, telephone systems and other loads.

Replace Natural Gas Meters, \$200,000. This project will provide the replacement, repair or recalibration of defective gas meters.

Water and Sewer Authority (WASA), \$865,000. District of Columbia's Water and Sewer Authority's (DC WASA) "Potomac Interceptor Users Rate Study" suggests that the Authority owes additional sums related to its use of the Potomac Interceptor. Existing Rates (last updated 1979) charged to customers by the DC WASA suggested to be substantially below the levels required to fully recover the Authority's costs for the service provided.

800MHz Radios, \$118,000. This project will purchase mobile and portable 800MHz radios to ensure that airport staff maintains communication while fulfilling their responsibilities in the workplace.

Federal Compliance Law, \$100,000. This project will ensure radio communication systems at the airports maintain compliance with FCC regulations. Additionally, this project will purchase test equipment needed to comply with FCC and OSHA regulations.

HVAC Renovations to Telephone/Weather Building, \$460,000. The renovation project provides an increased HVAC capacity to allow better cooling of computer, weather and airport communication systems. This building, which accommodates both Verizon and NOAA, was one of the first buildings built at Dulles and was not designed to handle the existing heat loads from the various electrical components.

Radios Life Cycle, \$1,050,000. Key components of the 800Mhz radio system (i.e., hardware and software) are reaching their useful life. This project will upgrade software and hardware components so that the system remains reliable. Additionally, the essential upgrade ensures the system will be covered by manufacturer support services.

Radio System Security Initiative, \$107,500. This security system initiative provides encryption of radio communications to maintain privacy and enhance information security and enable the Radio Services and Wireless Systems department to address system alerts in a timely and efficient manner.

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Telecom Cable Plant Improvements & Additions, \$660,000. This project will provide fiber optics to support the Airport Operations Department, Cargo Buildings 1 –5 and adjacent General Aviation facilities and remove old and abandoned telecommunication cable plant to provide area for new fiber optic runs.

Electrical Unit Substation Rehabilitation, \$750,000. This project encompasses the rehabilitation of the electrical unit substation located near the old fuel farm. The existing system is 42 years old and replacement parts are no longer made. This substation supplies the power to the facility that controls the flow of water onto the Airport and the Airport beacon.

Replace Emergency Generators, \$5,950,000. The existing generators are reaching the end of their useful life and do not have the capacity to serve the Airport's future growth. The new generators will have the capacity to serve the airfield, future runways/taxiways, the Tower, and other facilities.

Replace Electrical Feeder Laterals, \$1,450,000. The thirty year old electrical feeder laterals that provide service to twenty buildings adjacent to the North, East and West Service Roads will be replaced. These feeder laterals have been prone to failure and have disrupted electrical service.

Other

Commercial Program Investments, \$1,217,000. This project will fund commercial program initiatives that help increase the value of Airport facilities. Some of the initiatives include: retail, food and beverage facility improvements, installation of commercial signage, purchase of advertising dioramas, purchase of sit down pay phone booths, and other initiatives.

Automatic External Defibrillators, \$530,000. The automatic external defibrillators will be used in an emergency by trained personnel for analyzing the heartbeat of a person and delivering electric shock to restore the hearts normal rhythm after cardiac arrest.

Preconditioned Air Package for Concourse B, \$130,000. This project will furnish filtered pre-conditioned air to aircraft on the ramp area.

Police Retirement Contribution, \$1,080,000. Congressional legislation was enacted that allows police officers who currently participate in the CSRS and the FERS to switch to the more lucrative LEO Retirement System. The Authority will be obliged to pay \$2,700,000 to the LEO Retirement fund to compensate for the difference in annual agency contributions that would have been made if the employees had been allowed to become participants in the LEO system at time of hire. This \$2,700,000 payment can be spread over five years.

Security Study and Infrastructure Improvements, \$6,500,000. This project will provide security-related facility enhancements and equipment based on a comprehensive study, also funded as part of this project,

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that has reviewed and evaluated near- and long-term security related improvements and enhancements at the Airport.

Capital Equipment and Facility Repair Projects, \$3,750,000. These funds will be used to fund critical small projects and equipment.

Global Positioning System (GPS) Field Data, \$200,000. This project provides a collection of GPS data that will be used for future implementation of Geographical Information System databases.

Enterprise Security System (Planning and Preliminary Design), \$100,000. This project involves the planning and initial design of the ESS, which will be used to protect the Authority's data networks and applications. The ESS will include a system of technical monitoring, intrusion detection, and control tools to prevent unauthorized access to, and alteration or destruction of electronic files.

Geographic Information System (GIS) Alternatives Study, \$200,000. The project will provide a needs analysis and alternative study towards the development of an Authority-wide implementation plan for GIS. This effort will include the identification and technical details for the scope-of-application and related hardware, software, schedule, staffing, and cost requirements for effectively implementing an integrated Authority-wide GIS.

Snow Removal Program, \$7,094,600. This project provides partial funding for snow removal requirements, excluding personnel related costs, during extraordinary snow events.

Public Safety Capital Equipment, \$373,000. This project funds replacement and new capital equipment for Public Safety.

Replacement Vehicles - Engineering, \$40,000. This project purchases two replacement vehicles, which met the replacement criteria guidelines. The vehicles are fraught with ongoing mechanical problems, where the reliability and safety are questionable. An Authority inspector uses one replaced vehicle to perform code inspection requirements at building/site work areas. The other replacement vehicle is motor-pooled by MA-30 staff to perform varied Engineering duties between Reagan National and Dulles Airports.

National Air and Space Equipment, \$577,000. This funding supports the purchase of capital equipment (i.e., pumper truck and ambulance) for National Air and Space Museum.

Public Seating, \$200,000. This project relates to the operations growth that requires additional public seating. Funding supports the purchase of approximately 500 public seats for Concourse A.

Capital Equipment – Consolidated Functions, \$194,000. This funding supports the replacement of the Authority vehicles and copier machines.

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Common Use Self-Service (CUSS) Study, \$100,000. This project study will describe the benefits and liabilities of implementing a program to install common-use-self-service kiosks. Study will also present available system providers, kiosk locations, and the cost of implementation to the Authority and airlines, and the ability to capture fees for services provided airlines by the kiosk.

Vital Records Protection System Study, \$75,000. This project study will develop guidelines for management and protection of vital records. The scope of work includes document retention, safeguard of living active documents, duplicate and archive vital documents for retrieval when needed.

Authority-Owned Jet Bridge Modifications, \$200,000. This modification project will fund the purchase of 5 new jet-bridge kits. The jet bridge modifications allow for regional jet, narrow and wide body aircraft access to the terminal and allows for greater flexibility for airline gate changes.

Storage Area Network-SA, \$410,000. This project provides new equipment, which includes the installation of a storage area network (SAN) that will serve Dulles Airport. This equipment modernizes the medium for data storage, makes data retrieval more efficient, and allows for a reduction in building space dedicated to data storage compared to the area needed for older tape and disk technologies.

Homeland Security Hardening Project, \$845,200. This project provides for equipment, training, and exercises related to securing the Airports. This project is 100 percent grant funded.

New Facility Start-Up, \$1,410,000. These funds will provide the resources necessary to accomplish the integration of newly constructed facilities into existing operational systems.

Environmental Compliance Program, \$2,899,000. These funds will be used to continue an environmental management program in compliance with Federal and State regulatory and statutory requirements. The environmental compliance programs include water quality, deicing/anti-icing runoff, pollution prevention, underground/aboveground storage tanks, and air quality.

Automated Vehicle ID - System Definition Study, \$250,000. This study will identify operational expansions of the Dulles Concession Vehicle Monitoring operation. It will consider integrated operations with projects at Reagan National, the Fastoll program on the local highways, other Virginia Department of Transportation initiatives, and with the Federal Highway Administration's Intelligent Transportation Systems (ITS) study.

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PROGRAM SUMMARY

Master Plans

The Master Plan for Reagan National and Dulles, establishes the framework for the Capital Construction Program (CCP) and may be amended from time to time by the Authority. All major improvements to the Airports must be in accordance with the approved Master Plan for each Airport. The Master Plan for Dulles was adopted and approved by the FAA prior to the June 7, 1987, effective date of the federal lease and has been amended periodically. The Master Plan for Reagan National became effective on April 15, 1988, and has been amended periodically. All major elements of the Master Plan at Reagan National have been completed with the exception of the renovation of Terminal A. The Master Plan for Dulles contemplates construction of two additional runways, construction of permanent midfield concourses and an automated people-mover (APM) system, expansion of the Main Terminal, future mass transit along a right-of-way in the Dulles Access Highway corridor, expansion of automobile parking facilities, construction of additional roads on airport land and expansion of the capacity of the existing roads.

The Authority is required to consult with the National Capital Planning Commission before undertaking any development that would alter the skyline of Reagan National when viewed from the opposing shoreline of the Potomac River or from the George Washington Parkway. The Authority is also required to consult with the National Capital Planning Commission and the Federal Advisory Council on Historic Preservation before undertaking any major alteration to the exterior of the Main Terminal at Dulles. In addition, the Authority consults with the Advisory Council and the Virginia State Historic Preservation Office on projects that may affect historically significant properties at the Airports.

Capital Construction Program

Overview

The CCP initiated by the Authority in 1988 provides for planning, designing and constructing certain facilities at Reagan National and Dulles as contemplated by the Master Plans. Between 1988 and 2000, major capital projects completed under the CCP at Reagan National include: a new main terminal, three parking garages and an airport traffic control tower, and at Dulles include expansion and rehabilitation of the Main Terminal, construction of Concourses A and B, an international arrivals building and runway and road improvements. In 2000, as part of its CCP, the Authority approved an expanded capital program for Dulles, referred to as the *d*² program. The *d*² program, and certain other CCP projects at Reagan National and Dulles were expected to be completed between 2001 and 2006 and to total \$4.2 billion in inflated dollars.

In the aftermath of September 11, 2001, and in the face of the deteriorating financial condition of the airlines, the Authority re-examined plans for the CCP and its *d*² program component in the spring of 2002. As a result, the start dates of several projects were delayed and, in some cases, projects were deferred until

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the Authority determines that demand and circumstances warrant reactivation of those projects. In addition, three new projects were added to the CCP. The portion of the CCP that includes the original *d*² projects and the new projects, less the deferred projects, is referred to herein as the “2001-2011 CCP.” The estimated cost in inflated dollars of the 2001-2011 CCP was \$3.1 billion.

As part of a routine review of the 2001-2011 CCP that occurs whenever the design of 2001-2011 CCP projects is approximately 60 percent complete, the Authority commenced a review of the 2001-2011 CCP in January 2003, to determine if projects currently under design were aligned with the current budget. The Authority determined that the three largest projects currently under design were likely to exceed the Authority’s approved budget for the 2001-2011 CCP and that delays in the design of certain projects could jeopardize planned construction completion dates. As a result, the Authority made certain adjustments to the 2001-2011 CCP in June 2003. While the status, timing, phasing and costs of certain individual projects were adjusted, the total cost of the 2001-2011 CCP remained at the approved budget level of \$3.1 billion. Certain projects that had been deferred were included in the active 2001-2011 CCP (components of the east APM station at Tier 2 at Dulles) and some projects that had been active in the 2001-2011 CCP were moved to deferred status (Concourse B 12 gate west expansion and east T-gates Phase II) or were deleted from the 2001-2011 CCP entirely (Main Terminal east baggage basement Phase II, north public parking lot, east tug tunnels, and cargo apron 6 at Dulles).

In 2004, the Authority added several new projects to the 2001-2011 CCP including new regional terminal facilities at both Airports, building modifications to better accommodate in-line baggage screening at both Airports, and the rehabilitation of Concourses C and D and certain mobile lounges at Dulles. The cost of the new projects is estimated at \$345 million. The 2005 new program authorization totals \$371.9 million.

The 2005 CCP includes \$21.8 for Enterprise Resource Planning. The Enterprise Resource Planning will involve the integration of our major business systems including finance, procurement, and human resources. The system will integrate software applications that support the core business operation and functions and provide a comprehensive approach to our operations, improve our efficiency, and allow the Authority to better adapt to changing technological conditions. The initial phase of the project will develop requirements with phased implementation over the next several years. This project will require the commitment of much of the organization and will be financed with taxable commercial paper or bonds.

At Reagan National, projects include building a new airport fire station, at \$9.8 million. This facility will replace the existing facility which is no longer functionally efficient. Additionally, there is \$3 million to study and potentially design expanded parking alternatives at the Airport.

The introduction of the new large aircraft A380 at Dulles with the ability to accommodate 550 passengers on two full decks will require concourse modifications and preliminary engineering relating to the airfield modifications at \$6.1 million. Planning and design of the eastern portion of the Tier 3 Concourse, including the fit out of the shell of the APM Station is included for \$47.5 million.

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Additionally, we believe that is necessary to re-start certain projects in the d^2 program, including the Tier 2 Concourse and associated facilities and Concourse B 12 gate Expansion and Basement, that had been deferred by management in order to position the Authority for the future in terms of having both adequate and quality facilities.

Most of the projects in the 2001-2011 CCP are now expected to be completed by 2009, but a few are expected to extend to 2011. The Authority estimates the current cost of the 2001-2011 CCP is approximately \$3.8 billion in inflated dollars.

Actual completion of the projects included in the CCP is dependent on several factors including, but not limited to, the economy and the financial condition of airlines using the Airports, site conditions, the coordination of interrelated contracts, design and construction scheduling, availability of specialty contractors, supplies and equipment and the affect of these factors on ongoing operations.

Construction Progress to Date

Reagan National

Reagan National has three terminals. Terminal A is listed on the National Register of Historic Places and provides nine aircraft gates. The interconnected Terminals B/C opened on July 27, 1997, with 35 gates and approximately one million square feet of floor space spread over three levels. Terminals B/C have direct connections to the Metrorail public transit system and public parking garages through two enclosed pedestrian bridges. There are also three runways at Reagan National: 1/19 - 6,869 feet; 15/33 - 5,204 feet; and 4/22 - 4,911 feet. The runways and associated taxiways are capable of handling up to a Boeing 767-300 aircraft. National's historic Terminal A, which is scheduled to be rehabilitated, provides nine aircraft gates. The taxi parking structure, with space for 350 taxis, was opened in August 1990. Parking Garage A was opened in December 1991, and Parking Garage B and C opened in May 1996. An in-flight kitchen, financed with Special Facility Bonds, was built in 1992. The first three of four phases of roadway construction have been completed, as well as rehabilitation of former Hangar 7 for General Aviation facilities, a permanent new air cargo facility, a new fuel farm, utility relocations for Terminal B/C, the first phase of a dual parallel taxiway system, apron paving for General Aviation aircraft parking, and complete resurfacing and relighting of the main runway. The permanent rental car facility was completed in November 1994.

Parking facilities at Reagan National consist of two covered public garages with 5,228 spaces, 2,548 public surface parking spaces and 3,100 employee parking spaces.

Dulles

Dulles has a main terminal and three midfield concourses that are accessed via mobile lounges that transport passengers from the Main Terminal. Access to Dulles is provided via the Dulles Access

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Highway, a limited-access highway which is subject to the Authority's jurisdiction under the Federal Lease. Public transportation to Dulles is provided via limousine and taxi services, which are provided by concessionaires, and bus transportation provided by the Authority and the Washington Metropolitan Area Transit Authority. There currently are three runways: 1L/19R - 11,500 feet; 1R/19L - 11,500 feet; and 12/30 - 10,500 feet. The runways and associated taxiways are capable of handling up to Group V aircraft which is equivalent to a Boeing 747-400.

Projects completed at Dulles include an International Arrivals Building and related connector to the Main Terminal, the east and west extensions of the Main Terminal, and Midfield Concourse B. Other completed projects include an upgrade of the flight and baggage information display systems; approximately 30-acres of aircraft parking, with related service buildings and hydrant fueling systems; additional taxiways and airfield and taxiway improvements; modifications to the mobile lounge docking berths at Concourses C and D; a connector building between Concourses C and D; a temporary midfield extension; a commissary building; a Joint Police/Fire Station; a temporary baggage building; Regional Airline Midfield Concourse; Cargo Building 6; Airfield Rescue and Fire Facility Relocation; Walkback Tunnel; Parking Garage One; Parking Garage Two; utility extensions and replacements; and roadway and parking lot expansions and improvements.

The Project Elements of the CCP in 2005

At Reagan National, rehabilitation work will continue on the historical Terminal A. Design alternatives for building modifications to accommodate in-line Baggage Screening, and security enhancements, design of new Airport Rescue and Firefighting Facility and Research and Design of Alternative Parking Facilities are also scheduled for 2005.

At Dulles, rehabilitation work on the Main Terminal, including southeast baggage basement and construction of east extension baggage system will continue in 2005. The design of the Main Terminal APM station, Concourse C and D rehabilitation, and various ancillary projects will continue in 2005. Construction will continue on the T-Gate rehabilitation, New Airport Traffic Control Tower, and other projects scheduled for 2005 include various airfield, utility system upgrades, and security enhancements projects. Design will start on the Tier 3 East Concourse APM Station and Concourse modifications for Airbus A380.

2005 Funding Requirements

The requested CCP authorization for 2005 expenditures is \$19.4 million at Reagan National and \$505.1 million at Dulles for a combined total of \$524.4 million. Funding sources include bonds, commercial paper, PFCs, and grants. The 2005 expenditures are the amount of work we expect to be billed in 2005.

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List of Projects

Projects are listed by Airport, grouped into major functional cost center categories, and designated by funding source.

Expenditure estimates for 2005 include continuation of projects started in prior periods in addition to projects to be initiated in 2005. Expenditure estimates for 2006 include only the impact of continuing with projects authorized in 2005 or in prior periods. Completed projects reflect actual project costs, while continuing projects are presented in 2003 dollars. The 2004 expenditures do not include capitalized interest.

Funding sources indicated are subject to change. Bond issues are sized to complete work during certain periods of time, not necessarily to complete entire projects. Some of the larger projects that require several years to complete may require funding from several bond issues.

Project Descriptions

Descriptions of projects in previous budgets are repeated in this budget if the projects are still active in 2005. These descriptions, as well as descriptions of new projects authorized in prior years and the deferred projects, are included on pages 147 through 166. The project amount shown is the total current cost estimate for the project.

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SUMMARY BY FUNDING SOURCES/REQUIREMENTS

DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET AUTHORIZATION	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled	
							2004	2005	2006		2006 - 2011
RONALD REAGAN WASHINGTON NATIONAL AIRPORT											
Bonds											
Airport Improvement Program Grant	AIP		\$95,098,000	\$62,993,000	\$158,091,000	\$1,395,000	\$13,078,000	\$54,418,000	\$79,936,000	\$9,264,000	
FAA Security Grant	TSA		3,997,000	0	3,997,000	751,000	1,888,000	1,358,000	0	0	
PFC Second Application	PFC2		45,000,000	26,580,000	71,580,000	0	0	11,319,000	60,261,000	0	
PFC Future Application	Future PFC		12,992,000	0	12,992,000	8,603,000	4,389,000	0	0	0	
			39,847,000	0	39,847,000	0	0	0	39,847,000	0	
Total Ronald Reagan Washington National Airport			\$196,934,000	\$89,573,000	\$286,507,000	\$10,749,000	\$19,355,000	\$67,095,000	\$180,044,000	\$9,264,000	
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d2 PROGRAM (excluding all other CCP projects)											
Bonds											
Airport Improvement Program Grant	AIP	\$2,397,877,000	\$2,671,016,000	\$60,100,000	\$2,510,932,000	\$175,712,000	\$182,253,000	\$215,456,000	\$387,282,512	\$1,550,228,488	
Letter of Intent Discretionary Grant	LOI	86,364,000	87,208,000	0	73,834,000	10,972,000	20,009,000	22,316,000	13,551,000	6,986,000	
Commonwealth of Virginia State Grant	CVG	177,746,000	177,746,000	0	177,746,000	0	0	9,972,000	133,174,000	34,600,000	
PFC Second Application	PFC2	10,542,000	10,542,000	0	10,542,000	2,516,000	1,000,000	1,000,000	6,026,000	0	
PFC Third Application	PFC3	13,500,000	13,500,000	0	13,500,000	10,163,000	3,337,000	0	0	0	
PFC Fourth Application	PFC4	42,674,000	42,674,000	0	42,674,000	0	0	0	0	0	
PFC Future Application	Future PFC	673,900,000	673,900,000	0	670,096,000	1,093,000	182,368,000	251,388,000	235,247,000	0	
		16,195,000	16,195,000	0	16,195,000	0	5,840,000	8,969,000	1,386,000	0	
Subtotal		\$3,418,798,000	\$3,692,781,000	\$60,100,000	\$3,472,845,000	\$200,456,000	\$394,807,000	\$509,101,000	\$776,666,512	\$1,591,814,488	
CCP (excluding d2 Program)											
Series 1997A		\$0	\$1,518,000	\$126,805,000	\$323,794,000	\$72,337,000	\$91,468,000	\$77,404,000	\$82,585,000	\$0	
Airport Improvement Program Grant	AIP	0	0	6,375,000	30,065,000	2,856,000	9,173,000	6,213,000	11,823,000	0	
FAA Security Grant	TSA	0	0	89,086,000	169,037,000	0	0	40,257,000	128,780,000	0	
Letter of Intent Discretionary Grant	LOI	0	0	0	0	0	0	0	0	0	
PFC Second Application	PFC2	0	0	0	9,403,000	3,940,000	5,463,000	0	0	0	
PFC Third Application	PFC3	0	0	0	0	0	0	0	0	0	
PFC Fourth Application	PFC4	0	0	0	16,204,000	0	4,144,000	8,000,000	4,060,000	0	
Subtotal		\$0	\$1,518,000	\$222,266,000	\$548,503,000	\$79,133,000	\$110,248,000	\$131,874,000	\$227,248,000	\$0	
Total Washington Dulles International Airport		\$3,418,798,000	\$3,694,299,000	\$282,366,000	\$4,021,348,000	\$279,589,000	\$505,055,000	\$640,975,000	\$1,003,914,512	\$1,591,814,488	

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET

✈ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

SUMMARY BY FUNDING SOURCES/REQUIREMENTS

DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	#2 PROGRAM ORIGINAL BUDGET AUTHORIZATION	#2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled	
							2004	2005	2006		2006 - 2011
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY											
Bonds		\$2,397,877,000	\$2,672,534,000	\$2,742,919,000	\$249,898,000	\$2,992,817,000	\$249,444,000	\$286,799,000	\$347,278,000	\$549,803,512	\$1,559,492,488
Letter of Intent Discretionary Grant	LOI	177,746,000	177,746,000	177,746,000	0	177,746,000	0	0	9,972,000	133,174,000	34,600,000
Letter of Intent Discretionary Grant	TSA	0	0	124,951,000	115,666,000	240,617,000	0	0	51,576,000	189,041,000	0
Airport Improvement Program Grant	AIP	86,364,000	87,208,000	101,521,000	6,375,000	107,896,000	14,579,000	31,070,000	29,887,000	25,374,000	6,986,000
Commonwealth of Virginia State Grant	CVG	10,542,000	10,542,000	10,542,000	0	10,542,000	2,516,000	1,000,000	1,000,000	6,026,000	0
PFC Second Application	PFC2	13,500,000	13,500,000	35,895,000	0	35,895,000	22,706,000	13,189,000	0	0	0
PFC Third Application	PFC3	42,674,000	42,674,000	0	0	0	0	0	0	0	0
PFC Fourth Application	PFC4	673,900,000	673,900,000	686,300,000	0	686,300,000	1,093,000	186,512,000	259,388,000	239,307,000	0
PFC Future Application	Future PFC	16,195,000	16,195,000	56,042,000	0	56,042,000	0	5,840,000	8,969,000	41,233,000	0
Total Metropolitan Washington Airports Authority		\$3,418,798,000	\$3,694,299,000	\$3,935,916,000	\$371,939,000	\$4,307,855,000	\$290,338,000	\$524,410,000	\$708,070,000	\$1,183,958,512	\$1,601,078,488

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



RONALD REAGAN WASHINGTON NATIONAL AIRPORT

RED BK NUM DCA	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled
							2004	2005	2007 - 2011	
		ROADS								
800	3006	South Area Roads East Access	Bonds	\$354,000	\$0	\$354,000	\$0	\$0	\$0	\$354,000
809	3078	Landside Planning Study	Bonds	900,000	0	900,000	237,000	600,000	55,000	
		BUILDINGS								
600	3015	Consolidated Communication Center	Bonds	6,789,000	7,642,000	14,431,000	0	772,000	7,000,000	6,659,000
600	3019	Airport Security Enhancements, Ph II	AIP	3,997,000	0	3,997,000	751,000	1,888,000	1,358,000	0
600	3020	Hangar Office Redevelopment	Bonds	800,000	0	800,000	0	0	0	800,000
800	3072	Building Modifications to Accommodate Inline Baggage	Bonds	5,000,000	18,860,000	23,860,000	100,000	3,000,000	20,760,000	0
		Building Modifications to Accommodate Inline Baggage	TSA	45,000,000	26,580,000	71,580,000	0	0	11,319,000	60,261,000
		Total		50,000,000	45,440,000	95,440,000	100,000	3,000,000	32,079,000	60,261,000
820	3076	Airline Regional Facilities	Bonds	45,178,000	0	45,178,000	0	0	6,150,000	39,028,000
420		Airline Regional Facilities	Future PFC	39,847,000	0	39,847,000	0	0	0	39,847,000
		Total		85,025,000	0	85,025,000	0	0	6,150,000	78,875,000
093	4288	Convert Interim Terminal to Aircraft Hgr	Bonds	7,952,000	0	7,952,000	0	0	0	0
099	4294	FIDS Phase II (Des)	Bonds	126,000	0	126,000	0	0	0	126,000
100	4295& 4471	Graphic/Signage Phase II (Des)	Bonds	120,000	0	120,000	0	0	0	120,000
005	4388	Tenant Relocation	Bonds	9,418,000	0	9,418,000	30,000	500,000	500,000	8,388,000

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



RONALD REAGAN WASHINGTON NATIONAL AIRPORT

RED BK NUM DCA	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled	
							2004	2005	2006		
098	4458	Terminal A Building Rehabilitation	Bonds	362,000	12,303,000	12,665,000	133,000	1,971,000	8,500,000	2,061,000	
420		Terminal A Building Rehabilitation	PFC2	12,992,000	0	12,992,000	8,603,000	4,389,000	0	0	
		Total		13,354,000	12,303,000	25,657,000	8,736,000	6,360,000	8,500,000	2,061,000	
800	3086	Airport Rescue and Fire Fighting Facility	Bonds		9,788,000	9,788,000	0	1,500,000	6,500,000	1,788,000	
890	3077	AIRFIELD FACILITIES Airfield Planning and Programming	Bonds	850,000	0	850,000	212,000	600,000	38,000	0	
097	4292	Terminal A Apron Rehab (Des)	Bonds	580,000	0	580,000	118,000	0	462,000	0	
800	3042	PARKING FACILITIES Research Design of Alternative Parking Facilities	Bonds	321,000	3,000,000	3,321,000	321,000	3,000,000	0	0	
800	3013	UTILITY SYSTEMS Radio Program Enhancements	Bonds	464,000	0	464,000	0	0	0	464,000	
625	3021	Alternate Water Supply	Bonds	1,589,000	0	1,589,000	0	0	0	1,589,000	
625	3022	Connect North Hangars to Chilled Water	Bonds	958,000	0	958,000	0	0	0	0	958,000
600	4447	Communication F&E System	Bonds	726,000		726,000	0	0	0	726,000	
625	4489	Upgrade Airfield Storm Drainage Systems	Bonds	750,000	0	750,000	0	0	0	750,000	

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

RED BK NUM DCA	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled	
							2004	2005	2006		2007 - 2011
890	3079	OTHER Other Planning and Programming	Bonds	250,000	0	250,000	115,000	135,000	0	0	
003	4177	Asbestos Removal	Bonds	1,011,000	0	1,011,000	0	0	0	1,011,000	
004	4208	Contaminated Soils Removal/Disposal and Environmental Compliance	Bonds	3,467,000	0	3,467,000	0	0	0	3,467,000	
070	4267	Landscaping	Bonds	7,004,000	0	7,004,000	0	0	0	7,004,000	
800	3087	Enterprise Resource Program	Bonds		11,400,000	11,400,000	0	1,000,000	4,500,000	5,900,000	
		All Other	Bonds	129,000	0	129,000	129,000	0	0	0	
		All Other	PFC2	0	0	0	0	0	0	0	
		All Other	AIP	0	0	0	0	0	0	0	
		Total		129,000	0	129,000	129,000	0	0	0	
		Total National Airport		\$196,934,000	\$89,573,000	\$286,507,000	\$10,749,000	\$19,355,000	\$67,095,000	\$180,044,000	\$9,264,000

FUND: Bonds - All Bonds and Commercial Paper; AIP - Airport Improvement Program Grant; TSA - FAA Security Grant; PFC2 - 2nd Passenger Facility Charge; and Future PFC - Future Passenger Facility Charge

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				Unscheduled	
									2004	2005	2006	2007 - 2011		
		ROADS												
650	3511	Remote Employee Prkg Access Road	Bonds			\$1,204,000	\$0	\$1,204,000	\$0	\$0	\$1,204,000			
900	3532	North Area Roads Capacity Exp	Bonds			550,000	0	550,000	75,000	300,000	175,000	0		
153	3538	North Area Roads - Phase I	Bonds			202,000	0	202,000	167,000	35,000	0	0		
901	3602	North Area Roads - Phases II-V	Bonds	\$32,416,000	\$36,620,000	27,494,000	0	27,494,000	1,148,000	0	7,246,000	9,132,000		9,968,000
		North Area Roads - Phases II-V	PFC4	25,490,000	25,490,000	25,490,000	0	25,490,000	0	11,401,000	14,089,000	0		0
		Total		57,906,000	62,110,000	52,984,000	0	52,984,000	1,148,000	11,401,000	21,335,000	9,132,000		9,968,000
902	3613	Main Terminal Commercial Curb Exp	Bonds	6,300,000	6,697,000	2,641,000	0	2,641,000	0	150,000	1,282,000	1,209,000		
900	3663	Access Highway Widening Pre-Engineering Study	Bonds			780,000	0	780,000	100,000	600,000	80,000	0		
800	3718	Access Highway Rehabilitation	Bonds				2,125,000	2,125,000	0	2,125,000	0	0		
		Access Highway Rehabilitation	AIP				6,375,000	6,375,000	0	3,875,000	2,500,000	0		
		Total					8,500,000	8,500,000	0	6,000,000	2,500,000	0		
		BUILDINGS												
903	3513	T-Gate Rehabilitation	Bonds	14,421,000	16,071,000	3,649,000	0	3,649,000	1,671,000	1,978,000	0	0		
420		T-Gate Rehabilitation	PFC2	13,500,000	13,500,000	13,500,000	0	13,500,000	10,163,000	3,337,000	0	0		
		Total		27,921,000	29,571,000	17,149,000	0	17,149,000	11,834,000	5,315,000	0	0		
875	3528	FIDS Improvement (MUFIDS)	Bonds			1,028,000	0	1,028,000	27,000	1,001,000	0	0		
900	3533	Building Planning & Programming	Bonds			589,000	0	589,000	50,000	160,000	379,000	0		
156	3554	Rehab Main Terminal, East, Pkg. 7	Bonds			6,553,000	0	6,553,000	2,324,000	4,229,000	0	0		
156	3555	East Bag Basement Exp., Pkg. 8, Ph.I	Bonds		1,518,000	3,042,000	0	3,042,000	2,194,000	848,000	0	0		
904	3559	Security Mezzanine & MT People Mover Station, Pkg.6 (Includes Haul Road)	Bonds	129,470,000	156,406,000	114,544,000	0	114,544,000	38,833,000	3,000,000	5,250,000	67,461,000		
		Security Mezzanine & MT People Mover Station, Pkg.6 (Includes Haul Road)	PFC4	101,730,000	101,730,000	101,730,000	0	101,730,000	0	49,742,000	51,988,000	0		
		Total		231,200,000	258,136,000	216,274,000	0	216,274,000	38,833,000	52,742,000	57,238,000	67,461,000		

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled	
									2004	2005	2006		2007 - 2011
450	3580	Concourse B Exp. - 4 Gate Addition	PFC3	13,840,000	13,840,000	Completed		Completed					
905	3581	Concourse B West Expansion	Bonds	2,621,000	10,008,000	0	0	0	0	0	0	0	0
		Concourse B West Expansion Total	PFC4	81,779,000	81,779,000	81,330,000	0	81,330,000	93,000	3,592,000	28,028,000	49,617,000	0
				84,400,000	91,787,000	81,330,000	0	81,330,000	93,000	3,592,000	28,028,000	49,617,000	0
875	3582	Second Regional Concourse Pre. Des.	Bonds		1,000,000	1,000,000	0	1,000,000	0	600,000	400,000	0	0
906	3583	Tier 2 Concourse	Bonds	599,685,000	646,563,000	638,027,000	0	638,027,000	4,359,000	9,096,000	29,500,000	64,335,000	530,737,000
		Tier 2 Concourse (Temp. Con. to C)	Bonds	16,715,000	16,715,000	16,715,000	0	16,715,000	0	0	0	0	16,715,000
		Total		616,400,000	663,278,000	654,742,000	0	654,742,000	4,359,000	9,096,000	29,500,000	64,335,000	547,452,000
875	3584	People Mover Perf Specifications	Bonds	100,000	100,000	Completed		Completed					
917	3587	New Airport Traffic Control Tower/FAA Facilities	Bonds	3,876,000	7,269,000	15,886,000	0	15,886,000	0	0	5,286,000	10,600,000	
		New Airport Traffic Control Tower/FAA Facilities Total	AIP	38,124,000	38,124,000	38,124,000	0	38,124,000	10,972,000	18,807,000	8,345,000	0	0
911	3614	Tier 2 Baggage Equipment	Bonds	42,000,000	45,393,000	54,010,000	0	54,010,000	10,972,000	18,807,000	13,631,000	10,600,000	72,059,000
907	3615	People Mover - M.T. to Concourse B	Bonds	55,829,000	80,859,000	125,896,000	0	125,896,000	69,578,000	0	0	56,318,000	
		People Mover - M.T. to Concourse B	CVG	10,542,000	10,542,000	10,542,000	0	10,542,000	2,516,000	1,000,000	1,000,000	6,026,000	
		People Mover - M.T. to Concourse B Total	PFC4	256,229,000	256,229,000	256,229,000	0	256,229,000	72,094,000	66,435,000	100,941,000	153,197,000	
				322,600,000	347,630,000	392,667,000	0	392,667,000	10,972,000	18,807,000	13,631,000	10,600,000	72,059,000
908	3616	Concourse B Bldg. Adaptations for the People Mover (East/West)	Bonds	8,352,000	14,651,000	18,529,000	0	18,529,000	4,309,000	0	0	1,178,000	13,042,000
		Concourse B Bldg. Adaptations for the People Mover (East/West) Total	PFC4	74,448,000	74,448,000	74,448,000	0	74,448,000	0	13,545,000	22,000,000	38,903,000	0
909	3617	Concourse B Bldg. Adaptations for the IAB People Mover	Bonds	82,800,000	89,099,000	92,977,000	0	92,977,000	4,309,000	13,545,000	22,000,000	40,081,000	13,042,000
910	3618	Walkback Tunnel, Tier 1 to Tier 2	Bonds	34,600,000	39,714,000	35,518,000	0	35,518,000	600,000	986,000	664,000	0	39,110,000
		Walkback Tunnel, Tier 1 to Tier 2 Total	LOI	34,600,000	34,600,000	34,600,000	0	34,600,000	45,000	474,000	1,750,000	2,596,000	30,653,000
				69,200,000	74,314,000	70,118,000	0	70,118,000	45,000	474,000	1,750,000	2,596,000	65,253,000
912	3619	High Speed Conveyor Baggage System (M.T. to Tier 2)	Bonds	66,250,000	71,146,000	70,946,000	0	70,946,000	50,000	153,000	0	0	70,743,000

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				Unscheduled
									2004	2005	2006	2007 - 2011	
913	3620	IAB People Mover Stations, Tunnels and System	Bonds	209,353,000	224,997,000	216,919,000	0	216,919,000	49,000	934,000	0	0	215,936,000
		IAB People Mover Stations, Tunnels and System Total	PFC4	2,347,000	2,347,000	2,347,000	0	2,347,000	1,000,000	593,000	593,000	161,000	0
914	3621	People Mover - Tier 1 to 2	Bonds	145,592,000	164,754,000	132,992,000	0	132,992,000	11,545,000	0	0	24,536,000	96,911,000
		People Mover - Tier 1 to 2 Total	PFC4	114,864,000	114,864,000	114,864,000	0	114,864,000	0	24,402,000	34,749,000	55,713,000	0
				260,456,000	279,618,000	247,856,000	0	247,856,000	11,545,000	24,402,000	34,749,000	80,249,000	96,911,000
915	3622	People Mover - Tier 3 East Increment (non-service)	Bonds	84,553,000	91,560,000	74,763,000	0	74,763,000	12,044,000	9,581,000	18,575,000	34,563,000	
		People Mover - Tier 3 East Increment (non-service) Total	PFC4	12,246,000	12,246,000	12,246,000	0	12,246,000	0	12,246,000	0	0	
916	3623	People Mover - Maintenance Facility and Service Tunnel	Bonds	96,799,000	103,806,000	87,009,000	0	87,009,000	12,044,000	21,827,000	18,575,000	34,563,000	
				59,900,000	64,684,000	70,532,000	0	70,532,000	3,035,000	24,327,000	33,000,000	10,170,000	
918	3624	New Engineering and Maintenance Facility - Phase I	Bonds	5,000,000	5,357,000	4,132,000	0	4,132,000	0	0	259,000	0	3,873,000
919	3625	Maint. Equip. and Storage Warehouse	Bonds	2,881,000	3,094,000	3,094,000	0	3,094,000	0	0	0	0	3,094,000
920	3626	Baggage Conveyor Tunnels to Tier 2	Bonds	125,969,000	135,277,000	129,738,000	0	129,738,000	145,000	344,000	0	0	129,249,000
921	3627	Cargo Building 7	Bonds	15,777,000	16,943,000	16,659,000	0	16,659,000	0	750,000	2,750,000	884,000	12,275,000
875	3628	Sand/Salt Facility, Phase II	Bonds			1,438,000	0	1,438,000	0	147,000	1,000,000	291,000	
988	3680	East Bag Basement Expansion, Pkg. 8 (Phase II)	Bonds			846,000	0	846,000	300,000	546,000	0	0	
969	3681	Concourse B West Exp. Basement	Bonds			2,847,000	0	2,847,000	200,000	0	0	2,647,000	
		Concourse B West Exp. Basement Total	PFC4	16,204,000	16,204,000	16,204,000	0	16,204,000	0	4,144,000	8,000,000	4,060,000	
				19,051,000	19,051,000	19,051,000	0	19,051,000	200,000	4,144,000	8,000,000	6,707,000	
875	3686	Conveyor and Building Changes for Inline Baggage Screening	Bonds			22,537,000	33,797,000	56,334,000	1,223,000	5,575,000	15,739,000	33,797,000	
		Conveyor and Building Changes for Inline Baggage Screening Total	TSA	79,951,000	79,951,000	79,951,000	89,086,000	169,037,000	0	0	40,257,000	128,780,000	
				102,488,000	102,488,000	102,488,000	122,883,000	225,371,000	1,223,000	5,575,000	55,996,000	162,577,000	

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	#2 PROGRAM ORIGINAL BUDGET	#2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled
									2004	2005	2006	
875	3697	Concourse C/D Rehabilitation	Bonds			24,497,000	0	24,497,000	3,178,000	10,025,000	11,294,000	0
875	3706	Airline Commuter Facilities	Bonds			25,000,000	0	25,000,000	0	25,000,000	0	0
116	4708	Tenant Relocation	Bonds			3,443,000	0	3,443,000	136,000	861,000	800,000	1,646,000
119	4710	Graphics/Signage (Package 7)	Bonds			885,000	0	885,000	0	885,000	0	0
118	4720	FIDS/BIDS (Package 7)	Bonds			2,201,000	0	2,201,000	240,000	1,525,000	436,000	0
301	4816	Main Terminal East Baggage Tunnel	Bonds			1,027,000	0	1,027,000	1,027,000	0	0	0
155	4900	Rehab Main Terminal, West, Pkg. 7	Bonds			7,142,000	0	7,142,000	6,115,000	1,027,000	0	0
149	4938 & 4939	Terminal Ext. East, Basement Exp.	Bonds			1,626,000	0	1,626,000	332,000	1,294,000	0	0
850	4941	M. T. Southeast Baggage Basement	Bonds			1,736,000	0	1,736,000	1,736,000	0	0	0
450		M. T. Southeast Baggage Basement Total	PFC2			5,463,000	0	5,463,000	0	5,463,000	0	0
						7,199,000	0	7,199,000	1,736,000	5,463,000	0	0
820	4942	Walkback Tunnel (Airside)	Bonds			11,383,000	0	11,383,000	8,148,000	3,235,000	0	0
420		Walkback Tunnel (Airside) Total	PFC2			2,000,000	0	2,000,000	2,000,000	0	0	0
						13,383,000	0	13,383,000	10,148,000	3,235,000	0	0
800	3719	Tier 3 East Concourse/APM Station	Bonds				47,500,000	47,500,000	0	4,500,000	18,000,000	25,000,000
800	3720	Airport AOA Security Cameras	Bonds				5,780,000	5,780,000	0	750,000	2,750,000	2,280,000
800	3721	Main Terminal Exp Joint Replacement	Bonds				3,000,000	3,000,000	0	1,000,000	2,000,000	0
800	3722	Concourse Mods for Airbus A-380	Bonds				5,600,000	5,600,000	0	750,000	2,750,000	2,100,000
760	3540	AIRFIELD FACILITIES Aircraft Parking Apron VI	Bonds	15,200,000	15,200,000	Completed		Completed				
923	3541	Taxiway F	Bonds	7,262,000	11,440,000	4,295,000	0	4,295,000	3,213,000	350,000	732,000	0
		Taxiway F	PFC3	19,463,000	19,463,000	0	0	0	0	0	0	0
		Taxiway F	AIP	375,000	375,000	0	0	0	0	0	0	0
		Total		27,100,000	31,278,000	4,295,000	0	4,295,000	3,213,000	350,000	732,000	0

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				Unscheduled
									2004	2005	2006	2007 - 2011	
924	3542	Taxiway J Extension Taxiway J Extension Total	Bonds PFC3	8,200,000 8,200,000	8,200,000 8,200,000	1,028,000 0 1,028,000	0 0 0	1,028,000 0 1,028,000	316,000 0 316,000	355,000 0 355,000	357,000 0 357,000	0 0 0	
760	3569	Envi. Assessments for New Runways	Bonds			98,000	760,000	858,000	0	858,000	0	0	
925	3570	Fourth Runway and Assoc. Taxiways Fourth Runway and Assoc. Taxiways Total	Bonds LOI	72,654,000 143,146,000 215,800,000	89,382,000 143,146,000 232,528,000	68,114,000 143,146,000 211,260,000	0 0 0	68,114,000 143,146,000 211,260,000	4,595,000 0 4,595,000	11,657,000 0 11,657,000	51,862,000 0 61,834,000	0 133,174,000 133,174,000	
926	3571	Tier 2 Apron Paving Tier 2 Apron Paving Total	Bonds AIP	104,117,000 11,570,000 115,687,000	115,325,000 11,570,000 126,895,000	107,759,000 11,570,000 119,329,000	0 0 0	107,759,000 11,570,000 119,329,000	2,163,000 0 2,163,000	24,319,000 0 24,319,000	8,500,000 0 8,500,000	4,017,000 4,584,000 8,601,000	68,760,000 6,986,000 75,746,000
922	3629	Concourse B Apron Paving	Bonds	5,900,000	6,334,000	6,256,000	0	6,256,000	0	36,000	104,000	6,116,000	
927	3630	Tier 3 Apron Paving - Northeast Quadrant Tier 3 Apron Paving - Northeast Quadrant Total	Bonds AIP	4,680,000 10,000,000 14,680,000	5,676,000 10,000,000 15,676,000	3,859,000 0 3,859,000	0 0 0	3,859,000 0 3,859,000	3,022,000 0 3,022,000	827,000 0 827,000	10,000 0 10,000	0 0 0	
928	3631	Hydrant Fueling at T-Gates	Bonds	6,423,000	6,867,000	6,205,000	0	6,205,000	600,000	1,132,000	503,000	0	3,970,000
929	3632	Hydrant Fueling for Concourse B West Extension	Bonds	3,500,000	3,758,000	3,733,000	0	3,733,000	147,000	206,000	0	3,380,000	
930	3633	Hydrant Fueling for Tiers 2&3	Bonds	8,200,000	8,786,000	7,695,000	0	7,695,000	112,000	275,000	1,210,000	0	6,098,000
931	3634	Demolish Old C/D Concourses, Repave Apron and TW C/D	Bonds	66,500,000	71,414,000	71,414,000	0	71,414,000	0	0	2,800,000	1,192,000	67,422,000
932	3635	Airfield Pavement Panel Replacement Airfield Pavement Panel Replacement Total	Bonds AIP	25,524,000 4,476,000 30,000,000	27,638,000 4,476,000 32,114,000	12,695,000 4,476,000 17,171,000	0 0 0	12,695,000 4,476,000 17,171,000	284,000 0 284,000	3,245,000 0 3,245,000	3,524,000 4,476,000 8,000,000	1,684,000 0 1,684,000	3,958,000 0 3,958,000
933	3636	Cargo Building 6 Apron - Phase II Cargo Building 6 Apron - Phase II Total	Bonds AIP	1,610,000 2,990,000 4,600,000	1,868,000 2,990,000 4,858,000	6,000 0 6,000	0 0 0	6,000 0 6,000	0 0 0	3,000 0 3,000	3,000 0 3,000	0 0 0	

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES			Unscheduled
									2004	2005	2006	
934	3637	Cargo Building 7 Apron	AIP	7,425,000	8,269,000	8,260,000	0	8,260,000	0	1,002,000	4,500,000	2,758,000
		Cargo Building 7 Apron	Bonds	3,998,000	3,998,000	3,998,000	0	3,998,000	0	0	0	3,998,000
		Total		11,423,000	12,267,000	12,258,000	0	12,258,000	0	1,002,000	4,500,000	6,756,000
935	3638	Deicing Fluid Controls per Heightened Regulations	Bonds	23,000,000	24,436,000	8,808,000	0	8,808,000	15,000	3,000	0	8,790,000
875	3639	Relocate/Expand Airfield Electrical Vaults	Bonds			2,437,000	5,000,000	7,437,000	2,090,000	2,500,000	2,500,000	347,000
875	3640	Aircraft Guidance Systems - Phases I, II and III (SMGCS)	Bonds			585,000	0	585,000	585,000	0	0	0
		Aircraft Guidance Systems - Phases I, II and III (SMGCS)	AIP			4,425,000	0	4,425,000	1,700,000	2,500,000	225,000	0
		Total				5,010,000	0	5,010,000	2,285,000	2,500,000	225,000	0
875	3662	Runway 12/30 Reconstruction	Bonds			33,276,000	0	33,276,000	26,359,000	4,286,000	2,631,000	0
		Runway 12/30 Reconstruction	AIP			14,400,000	0	14,400,000	0	0	2,577,000	11,823,000
		Total				47,676,000	0	47,676,000	26,359,000	4,286,000	5,208,000	11,823,000
875	3703	Taxilane E Rehabilitation	AIP			3,600,000	0	3,600,000	700,000	2,039,000	861,000	0
875	3704	Taxiway Connector to General Aviation Ramp	AIP			650,000	0	650,000	56,000	544,000	50,000	0
140	4680	Deicing Fluid Collection & Disposal	Bonds			1,134,000	0	1,134,000	100,000	31,000	0	1,003,000
800	3723	Taxiway G Design	Bonds				2,500,000	2,500,000	0	150,000	1,600,000	750,000
800	3724	Tier 3 East Apron Design	Bonds				8,500,000	8,500,000	0	750,000	2,000,000	5,750,000
800	3725	Airfield Modifications for Airbus A-380	Bonds				500,000	500,000	0	400,000	100,000	0
942	3574	PARKING FACILITIES Main Lot Exit Plaza Expansion	Bonds	300,000	1,289,000	1,880,000	0	1,880,000	0	795,000	184,000	332,512
936	3641	Economy Public Parking: New Lot North of Horsepen Run	Bonds	18,100,000	19,113,000							
937	3642	Economy Public Parking: Relocation of Toll Plaza	Bonds	4,400,000	4,464,000							

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				
									2004	2005	2006	2007 - 2011	Unscheduled
938	3643	Employee Parking: South Lot Phase I	Bonds	11,000,000	11,813,000	11,694,000	0	11,694,000	0	170,000	50,000	0	11,474,000
939	3644	Employee Parking: North Lot Phase II	Bonds	3,605,000	3,872,000	3,176,000	0	3,176,000	34,000	3,142,000	0	0	0
940	3645	Cargo 7 Public/Employee Parking	Bonds	2,053,000	2,205,000	2,205,000	0	2,205,000	0	0	0	0	2,205,000
941	3646	Temporary Parking	Bonds	1,000,000	1,074,000	1,074,000	0	1,074,000	45,000	455,000	548,000	26,000	0
875	3518	UTILITY SYSTEMS Communication F&E and System Integration	Bonds			868,000	0	868,000	0	868,000	0	0	0
875	3520	Upgrade Utility Building/Substation Feeders	Bonds			2,350,000	0	2,350,000	1,541,000	809,000	0	0	0
875	3521	Upgrade Cooling/Heating System	Bonds			10,240,000	0	10,240,000	8,702,000	1,538,000	0	0	0
875	3522	North-South Telecommunications Ductbanks	Bonds			599,000	0	599,000	170,000	0	0	429,000	0
900	3536	Utility Systems Planning & Programming	Bonds			750,000	0	750,000	100,000	400,000	250,000	0	0
943	3575	Storm Water Management Facilities	Bonds	20,000,000	22,492,000	9,436,000	0	9,436,000	130,000	33,000	3,500,000	5,773,000	0
875	3576	Telecommunication Cable Conversion	Bonds			1,527,000	0	1,527,000	49,000	0	1,478,000	0	0
875	3577	Standby Power - Terminal Buildings (Des)	Bonds			23,000	600,000	623,000	0	323,000	300,000	0	0
944	3578	South Utility Building	Bonds	80,600,000	87,664,000	84,972,000	0	84,972,000	21,000	1,500,000	2,776,000	3,701,000	76,974,000
945	3579	Dedicated Fire Water Line	Bonds	9,300,000	10,493,000	9,151,000	0	9,151,000	689,000	595,000	4,000,000	3,867,000	0
947	3647	North Parking Area Utilities Extension	Bonds	1,500,000	1,611,000	1,609,000	0	1,609,000	0	636,000	973,000	0	0
948	3648	Rental Car Area Utilities Upgrades	Bonds	1,835,000	1,971,000	1,939,000	0	1,939,000	0	0	0	0	1,939,000
949	3649	Utility Tunnel - West Utility Building Tunnel	Bonds	68,189,000	73,607,000	88,862,000	0	88,862,000	6,123,000	16,783,000	8,341,000	7,003,000	50,612,000

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				Unscheduled
									2004	2005	2006	2007 - 2011	
950	3650	South Electrical Substation and Distribution Center	Bonds	6,900,000	7,548,000	15,355,000	0	15,355,000	2,512,000	7,054,000	1,533,000	4,256,000	
951	3651	South Area Utility Trunk Lines	Bonds	9,500,000	10,200,000	9,138,000	0	9,138,000	640,000	2,568,000	1,089,000	4,841,000	
952	3652	South Area Utility Dist. and Tie-ins	Bonds	1,000,000	1,074,000	930,000	0	930,000	3,000	400,000	171,000	356,000	
953	3653	Public Utility Taps - Fees and Coordination	Bonds	2,000,000	2,148,000	2,148,000	0	2,148,000	0	0	500,000	1,648,000	
954	3654	Expanded Water Storage	Bonds	3,800,000	4,081,000	4,080,000	0	4,080,000	0	0	0	0	4,080,000
955	3655	Special Sys. - Tie-ins and Upgrades	Bonds	13,378,000	13,656,000	11,922,000	0	11,922,000	336,000	498,000	2,444,000	8,644,000	
956	3656	Cargo 7 Site Utilities	Bonds	700,000	752,000	752,000	0	752,000	0	0	700,000	52,000	
875	3705	General Aviation Utilities	Bonds			1,000,000	0	1,000,000	50,000	789,000	161,000	0	
946	4851	Radio Program Upgrades	Bonds	1,334,000	2,336,000	1,450,000	0	1,450,000	800,000	650,000	0	0	
850	4949	New ARFF Station Utilities	Bonds			509,000	0	509,000	111,000	398,000	0	0	
		New ARFF Station Utilities	Alp			615,000	0	615,000	400,000	215,000	0	0	
		Total				1,124,000	0	1,124,000	511,000	613,000	0	0	
800	3726	Jet Fuel Pipeline Ext & Related Projects	Bonds			6,143,000	6,143,000	6,143,000	0	1,000,000	3,500,000	1,643,000	
800	3727	Stallion Branch Sanitary Trunk Line	Bonds			5,000,000	5,000,000	5,000,000	0	3,000,000	2,000,000	0	
957	3657	LAND Site Development for Commercial Hangars	Bonds	13,338,000	15,033,000	15,033,000	48,700,000	63,733,000	200,000	48,067,000	2,544,000	12,922,000	
		Site Development for Commercial Hangars	Future PFC	9,600,000	9,600,000	9,600,000	0	9,600,000	0	4,144,000	5,456,000	0	
		Total		22,938,000	24,633,000	24,633,000	48,700,000	73,333,000	200,000	52,211,000	8,000,000	12,922,000	
958	3658	Right-of-Way Easements for Capital Expansion	Bonds	1,000,000	1,074,000	1,074,000	0	1,074,000	0	500,000	574,000	0	

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET

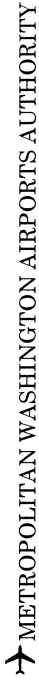


WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				Unscheduled	
									2004	2005	2006	2007 - 2011		
		OTHER												
875	3523	Rental Car Site Planning and Design Standards	Bonds			380,000	0	380,000	100,000	0	0	280,000		
900	3537	Other Planning and Programming	Bonds	5,000,000	5,530,000	2,173,000	0	2,173,000	875,000	1,000,000	298,000	0		
875	3543	Mobile Lounge Rehab., Phases III&IV	Bonds			14,103,000	0	14,103,000	3,272,000	6,000,000	4,831,000	0		
900	3580	Aerial Topographic Survey	Bonds	300,000	300,000	377,000	0	377,000	2,000	2,000	294,000	79,000		
960	3582	Comprehensive Airport Security System Study	Bonds		842,000	1,381,000	0	1,381,000	0	0	0	1,381,000		
		Comprehensive Airport Security System Study	AIP	11,404,000	11,404,000	11,404,000	0	11,404,000	0	200,000	4,995,000	6,209,000		
		Total		11,404,000	12,246,000	12,785,000	0	12,785,000	0	200,000	4,995,000	7,590,000		
961	3583	Wetlands Mitigation Program	Bonds	10,167,000	12,715,000	418,000	0	418,000	418,000	0	0	0		
		Wetlands Mitigation Program	PFC3	1,171,000	1,171,000	0	0	0	0	0	0	0		
		Wetlands Mitigation Program	PFC4	4,767,000	4,767,000	1,412,000	0	1,412,000	0	1,412,000	0	0		
		Wetlands Mitigation Program	Future PFC	6,595,000	6,595,000	6,595,000	0	6,595,000	0	1,696,000	3,513,000	1,386,000		
		Total		22,700,000	25,248,000	8,425,000	0	8,425,000	418,000	3,108,000	3,513,000	1,386,000		
962	3659	Asbestos Removal-Beyond Stages I & II	Bonds	2,600,000	2,793,000	2,796,000	0	2,796,000	100,000	407,000	526,000	370,000	1,393,000	
963	3660	Contaminated Soils Removal/Disposal Beyond Stages I and II	Bonds	7,700,000	8,269,000	8,077,000	0	8,077,000	465,000	600,000	449,000	368,000	6,195,000	
965	3661	Airport Landscape Renovations and Expansions - Phase I	Bonds	1,000,000	1,074,000	1,074,000	0	1,074,000	0	0	0	859,000	215,000	
966	3662	Temporary Facilities for Phasing	Bonds	8,100,000	8,797,000	8,750,000	0	8,750,000	6,000	500,000	2,000,000	6,244,000		
967	3663	Contractor Staging Area	Bonds	7,000,000	7,364,000	1,055,000	0	1,055,000	407,000	289,000	359,000	0		
112	4649	Asbestos Removal	Bonds			590,000	0	590,000	490,000	100,000	0	0		
113	4673	Contaminated Soils Removal/Disposal and Environmental Compliance	Bonds			4,168,000	0	4,168,000	250,000	250,000	250,000	3,418,000		
964	4884	Permanent Sign System	Bonds	7,200,000	8,591,000	8,840,000	0	8,840,000	28,000	375,000	1,936,000	6,501,000		

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET



WASHINGTON DULLES INTERNATIONAL AIRPORT

RED BK NUM IAD	PROJ NUM	DESCRIPTION	FUNDING SOURCE/ REQUIREMENT	d2 PROGRAM ORIGINAL BUDGET	d2 PROGRAM ORIGINAL BUDGET ESCALATED	CARRYOVER	2005 NEW PROGRAM	2004-2011 TOTAL EXPENDITURES	EXPENDITURES				Unscheduled
									2004	2005	2006	2007 - 2011	
800	3728	Enterprise Resource Program	Bonds				11,400,000	11,400,000	0	1,000,000	4,500,000	5,900,000	
		All Other	Bonds			796,000	0	796,000	796,000	0	0	0	
		All Other	PFC2			1,940,000	0	1,940,000	1,940,000	0	0	0	
		All Other	AIP			0	0	0	0	0	0	0	
		Total				2,736,000	0	2,736,000	2,736,000	0	0	0	
		Total Dulles International Airport		\$3,418,798,000	\$3,694,299,000	\$3,738,982,000	\$282,366,000	\$4,021,348,000	\$279,589,000	\$505,055,000	\$640,975,000	\$1,003,914,512	\$1,591,814,488
		TOTAL CAPITAL CONSTRUCTION PROGRAM		\$3,418,798,000	\$3,694,299,000	\$3,935,916,000	\$371,939,000	\$4,307,855,000	\$290,338,000	\$524,410,000	\$708,070,000	\$1,183,958,512	\$1,601,078,488

FUND: Bonds - All Bonds and Commercial Paper; AIP - Airport Improvement Program Grant; LOI - Letter of Intent; TSA - FAA Security Grant; CVG - Commonwealth of Virginia State Grant; PFC2 - 2nd Passenger Facility Charge; PFC3 - 3rd Passenger Facility Charge; PFC4 - 4th Passenger Facility Charge; and Future PFC - Future Passenger Facility Charge

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

The project amount shown with the project descriptions is the total current cost estimate for the project.

RONALD REAGAN WASHINGTON NATIONAL AIRPORT

Roads

South Area Roads East Access, \$1,800,000. To facilitate restoration of airfield operating areas, the access road to the Crew Lot will be relocated away from the runway safety area. Work includes construction of a new road and drainage, lighting and other improvements.

Landside Planning Study, \$900,000. This project is a continuation of planning efforts at Reagan National and is a revision of Phase VI Roads for the Airport.

Buildings

Consolidated Communication Center, \$6,800,000. This project includes a study, design, and construction of an expanded consolidated communications center at Reagan National. The center, located on the first floor of Hangar 5, will be expanded and reconfigured to include fire and police positions covering both Reagan National and Dulles operations. Additional space for radio equipment and personnel will also be provided. Building-wide rehabilitations of aged Hangar 5 utility systems such as plumbing, electrical and HVAC are also planned.

Airport Security Enhancements, Phase II, \$8,080,000. This project constructs facilities and installs equipment for airport security improvements at the Airport.

Hangar Office Redevelopment (Design), \$800,000. Modernization and rehabilitation designs will be developed for a portion of the leased office areas along the north and south hangar lines. The scope of work will include, but is not limited to, upgrading the heating/cooling distribution system, additional elevators, and new wall and floor coverings. The finished office areas will be compliant with the Americans with Disability Act and current building code regulations.

Building Modifications to Accommodate Inline Baggage Screening, \$95,440,000. Due to changes in security requirements at airports, and specifically for checking baggage, this project will modify the building structure and space allocation required to accommodate the automated baggage screening systems. This project provides for the design and construction of those changes to building infrastructure.

Airline Regional Facilities, \$85,025,000. This project involves the construction of a new 10-Gate Regional Concourse in the northern area of the Airport. The concourse will be connected to the North Pier of Terminal C by an underground pedestrian tunnel with moving walkways. Access to aircraft will be through passenger boarding bridges connected to the concourse.

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Convert Interim Terminal to Aircraft Hangar, \$11,127,000. Following the de-commissioning of Hangar 11 as the Interim Terminal, the portion of the structure external to Hangar 11 will be demolished and the interior of Hangar 11 will be converted back to an aircraft maintenance hangar.

Flight Information Display System (FIDS), Phase II (Design), \$137,000. The FIDS will be designed for inclusion in the rehabilitated Terminal A.

Graphics/Signage, Phase II (Design), \$166,000. Location and directional signs with graphics will be designed for the rehabilitated Terminal A.

Tenant Relocation, \$10,101,000. During the course of the CCP at Reagan National, costs related to relocation, construction of temporary facilities, modifications to existing facilities, or other actions required to facilitate construction phasing will be incurred by, or imposed on, air carriers and other Airport tenants. A portion of these costs will be reimbursed by the Authority.

Terminal A Building Rehabilitation, \$37,724,000. The existing historic Terminal A will be restored and rehabilitated to improve air carrier and commuter aircraft accommodations. Work will include demolition of additions to the original terminal, installation of new loading bridges, reconfiguration and/or relocation of ticketing and baggage claim areas, rehabilitation of the heating/cooling systems for compatibility with the Airport's new boiler/chiller system, and other related improvements.

Airport Rescue and Fire Fighting Facility, \$9,788,000. Design and construction of a new airport rescue and fire fighting facility to replace the existing facility, intersection improvements for vehicle access and demolition of the existing facility and conversion of its site for aircraft parking.

Airfield Facilities

Airfield Planning and Programming, \$850,000. This project provides funding for all ranges of airfield planning, programming and other airfield studies required to support airfield capital projects.

Terminal A Apron Rehabilitation, \$1,127,000. The rehabilitation of Terminal A will result in the relocation of airline gates, which will require reconstruction of the apron area. The apron will be sized to accommodate both air carrier and commuter parking positions.

Parking Facilities

Research and Design of Alternative Parking Facilities, \$3,400,000. The Design Department will examine alternatives to increasing parking at the Airport, including adding an additional level to any or all of Public Parking Garages A, B, and C. The study results and other considerations will be evaluated to determine if the Authority should proceed with a full design and construction project.

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Utility Systems

Radio Program Enhancements, \$1,375,000. This project will provide enhancements to the 800MHz radio system. The following is included: new tower site selection and construction, additional talk channels, purchase of elite dispatch consoles, system management terminal and software, and other improvements.

Alternate Water Supply, \$2,500,000. This project designs and constructs a new secondary water supply line from Crystal City to the Airport. This project will also design the rehabilitation of the existing 50 year old water line running from Crystal City to the North Water Pump Station.

Connect North Hangars to Chilled Water, \$1,160,000. This project will connect Hangars 11 and 12 to the chilled water cooling system provided by the Boiler/Chiller Plant. It is part of an incremental program to improve the cooling system for all hangars.

Communication Facilities and Equipment System Integration, \$2,585,000. Communication facilities, equipment, and system integration are needed to support the Airport's communications requirements. These include ductbanks, switches, connectivity for data transmission, premises distribution systems, and other equipment as identified by the Authority's comprehensive communications plan.

Upgrade Airfield Storm Drainage Systems, \$750,000. This project will provide designs for drainage improvements in the southern area of the Airport.

Other

Other Planning and Programming, \$250,000. This project provides funding for all ranges of facility planning, project programming and other project studies as needed.

Asbestos Removal, \$7,711,000. When asbestos is identified, an abatement contract is awarded for its removal, drawing on this funding allocation.

Contaminated Soils Removal/Disposal and Environmental Compliance, \$12,659,000. Soils suspected of being contaminated will be sampled and analyzed. If contamination is found, remediation actions may involve disposal of the soil at a state-permitted treatment facility or through on-site re-processing and treatment. Testing and remediation expenses are drawn against this funding allocation. The project also addresses any remedial environmental compliance action required.

Landscaping, \$9,051,000. A task order landscape architect will be retained to validate the landscaping standards, and prepare landscaping plans for areas not incorporated in other CCP projects.

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Enterprise Resource Program, \$11,400,000. An Authority-wide Enterprise Resource Planning System will provide a comprehensive integrated system encompassing core administration functional areas and link business processes, integrates data, and share data information across applications and with users.

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Roads

Remote Employee Parking Access Road, \$2,300,000. A two-lane road just north of the Greenway will be constructed to provide access to Airport property north of the Greenway. Also included is the purchase of right-of-way and the extension of Pacific Boulevard south to Authority property.

North Area Roads Capacity Expansion Planning and Programming, \$550,000. This project provides for the general planning and programming of road improvement projects. Expenditures under the d² Program will establish detailed concepts to guide the expansion of public roads in the North Area, especially between Route 28 and the Terminal.

North Area Roads - Phase 1, \$4,807,000. This project will design the extension and widening of Aviation Drive, Rudder Road, Ariane Way, and Cargo Drive at various locations.

North Area Roads – Phases II through V, \$61,117,000. This project originally authorized in the 2000 Budget for the extension and widening of various local airport roads in the North Area (Phase I) is expanded as a multi-year project. Significant among projects in Phases II through V are those related to transforming the Entrance Road between Route 28 and Saarinen Circle into a dual-divided highway with improved interchanges and other grade-separations. Local roads also will be improved in conjunction with work on the parking garages, the redevelopment of rental car areas, and the extension of economy parking into North Area parcels that are currently undeveloped.

Main Terminal Commercial Curb Expansion, \$2,641,000. The Commercial Vehicle Curb will be improved by widening the sidewalks and existing roads, and by the possible addition of a third commercial roadway. The project will be coordinated with, and allow for, maintenance of traffic during construction of the landside pedestrian tunnel and, possibly, during advance work on the regional rail system's Dulles Airport Station.

Access Highway Widening Pre-Engineering Study, \$780,000. The Dulles Access Highway has reserved rights-of-way to accommodate its widening from four-lanes to six-lanes. Staff will develop critical details about the widening, especially on the evolution of the slip ramps to routes through or over the adjacent Toll Road, in order to make informed decisions during the design of Dulles Rail in the median.

Access Highway Rehabilitation, \$8,500,000. This project will provide for milling and overlay of all four lanes of the access highway from Route 28 to Route 123, exclusive of sections recently rehabilitated.

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Buildings

T-Gate Rehabilitation, \$33,258,000. The existing T-Gates at the base of the tower were constructed as temporary facilities and will be demolished in phases owing to the construction of various APM and baggage basement projects. Included in this project are the demolition of existing facilities and construction of new passenger holdrooms, restrooms, concessions, airline support space, a new ground vehicle dock area for shuttles to the regional terminal, and other improvements.

Flight Identification Display and Baggage Identification Display (FIDS/BIDS) Improvement (MUFIDS), \$8,032,000. This project provides major upgrades of the FIDS/BIDS systems in the Main Terminal and C and D Concourse. Work includes replacement and upgrade of domestic and international bag claim identification signs, and FIDS monitors, controls, and casework.

Building Planning and Programming, \$660,000. Studies are required to support capital building projects. Efforts are expected to include siting and programming for an Engineering and Maintenance Complex, concept support and programming for the development of a Tier 2 Concourse, and other facilities.

Rehabilitate Main Terminal, East, Package 7, \$32,323,000. This project will renovate the Main Terminal concourse and baggage levels. The interior fit out will match the east and west extensions including new ticketing kiosks with ticket counters on the concourse level and new baggage claim devices on the ground level.

East Bag Basement Expansion - Phase I, Pkg. 8, \$22,697,000. Package 8 includes the first phase of a two-level extension to the east end of the Main Terminal at the bag claim level and basement levels. This project includes baggage handling equipment to serve claim devices at the east end of the terminal and space for additional future baggage equipment needs.

Security Mezzanine and Main Terminal People Mover Station, Package 6, \$279,957,000. This project will provide the funds for design and construction of the security mezzanines and Main Terminal APM. Also included is the renovation of the South Finger/Tower Area which will provide improved connections between the T-Gates, Walkback Tunnel, and the APM.

Concourse B (Tier 1) Expansion - 4 Gate Addition, \$40,295,000. A 440-foot addition to the west side of Concourse B will be constructed. The addition will provide holdroom, concession, restroom, and other associated facilities to accommodate three 747 aircraft or as many as seven smaller narrow body aircraft.

Concourse B (Tier 1) West Expansion, \$103,880,000. This project will provide for a westward extension and the completion of existing Concourse B.

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Second Regional Concourse - Preliminary Design, \$1,000,000. This project provides a preliminary design for a concourse facility to accommodate regional aircraft, including loading bridges. Initial activities will include concept definition, site investigations, subsurface testing and surveying.

Tier 2 Concourse, \$678,278,000. Tier 2 will be a 44-gate, three-level structure with a full basement, apron, and concourse that replaces Concourse C and D. Included in the project is a sterile mezzanine corridor with moving sidewalks will be available through approximately one-half of the Tier 2 gates to move international connecting passengers to a Federal Inspection Services hall. A ramp control tower is also an element of this building.

New Airport Traffic Control Tower (ATCT)/FAA Facilities, \$62,450,000. The existing ATCT was part of the original 1960's construction of the Airport. Due to the age and condition of the facility and the visibility of a new runway, an ATCT facility at a new location is being constructed. This project will also include site and infrastructure improvements, a support building with vehicular parking and access, utilities, and FAA control and communications requirements. The FAA has also requested that the new ATCT be the catalyst for a major overhaul and replacement of the power and control wiring and cabling between the tower and various lighting, navigation, and communication facilities on the airfield. Costs incurred on these projects will be recovered from the FAA under a "reimbursable program" agreement that, effectively, has FAA repaying the related Authority-issued bonds.

Tier 2 Baggage Equipment, \$72,112,000. A zoned baggage distribution system in the basement of Tier 2 will receive and sort bags from the high speed conveyor system from the Main Terminal. An on-line sortation system will be included. This project is deferred.

People Mover - Main Terminal to Concourse B (concourse stations, tunnels, system equipment, tug tunnels), \$423,240,000. This project allows for the construction of the dual-track People Mover system between the Main Terminal station (to be built in Package 6) and two new stations on Concourses A and B. The concourse stations will be located at the 1/4 points of the Tiers to minimize walking distances to the station. Each station is 200' long by 160' wide by 35' high and will have a center platform for boarding the People Mover train in each direction and two side platforms for exiting the train to the concourse level of the tier. Escalators, elevators and stairs constructed as part of the building will provide the connection between the concourse level of the tier and the station. Each station will be environmentally conditioned with heating and cooling and will be well lit. Between the stations will be two 16' by 18' clear space People Mover tunnels, each containing the People Mover train guideway, a workmans' walkway and a fresh air supply and exhaust system. Adjacent to each People Mover train tunnel is a tunnel with a 24' by 18' clear space for emergency egress from the train tunnel and drive ways for baggage tugs and carts to serve the tiers.

Concourse B (Tier 1) Building Adaptations for the People Mover (East/West), \$93,116,000. This project will complete Concourse B above the People Mover after the mobile lounge roads are closed. Vertical circulation and concession space will be included.

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Concourse B (Tier 1) Building Adaptations for the International Arrivals Building (IAB) People-Mover, \$41,452,000. This project will construct an IAB People Mover interface and Sterile Corridor for international arrival passengers to move to the IAB People Mover station via a sterile corridor. Construction on this project is deferred.

Walkback Tunnel, Tier 1 to Tier 2, \$74,314,000. This project will continue the pedestrian tunnel from Tier 1 to Tier 2. The tunnel provides an alternative means, other than the People Mover System, of reaching Tier 2. The tunnel will contain moving walkways in each direction, signage, lighting, a fresh air system and fire protection within a finished tunnel. The vertical circulation module to the concourse level of Tier 2 will contain two elevators, two sets of escalators and a stairway. Construction on this project is deferred.

High-Speed Conveyor Baggage System (Main Terminal to Tier 2), \$71,146,000. An automated baggage handling equipment system between the Main Terminal and Tier 2 will be built. Additionally, modifications will be made to the existing baggage equipment in the Main Terminal. The equipment will include a tilt-tray outbound baggage system, a baggage make up system, a baggage transfer system, and a terminating inbound baggage system. This project is deferred.

International Arrivals Building People Mover Stations, Tunnels and System, \$225,238,000. Arriving international passengers at Dulles are required to be separated from domestic passengers until undergoing processing to enter the United States. Passengers with destinations terminating at Dulles are checked and cleared at the IAB adjacent to the Main Terminal. The dual-track IAB People Mover System will convey international arrivals passengers with final destinations at the Airport from Tiers 1 and 2 to the IAB. Stations will be located at the center of the Tiers. The IAB People Mover System will replace the mobile lounge system as the principal means of transportation to the IAB. Construction on this project is deferred.

People Mover – Tier 1 to Tier 2 Increment (stations, tunnel and system equipment), \$272,954,000. The dual track system will convey air passengers along the east and west alignments from Tier 1 to Tier 2 for aircraft boarding and return to the Main Terminal. People Mover stations will be located at the 1/4 points of the Tiers to minimize walking distances to the station. Each station is 200' long by 160' wide by 35' high and will have a center platform for boarding the People Mover train in each direction and two side platforms for exiting the train to the concourse level of the tier. Escalators, elevators and stairs constructed as part of the building will provide the connection between the concourse level of the tier and the station. Each station will be environmentally conditioned with heating and cooling and will be well lighted. Between the stations will be two 16' by 18' clear space People Mover tunnels, each containing the People Mover train guideway, a workmans' walkway and a fresh air supply and exhaust system. Adjacent to each People Mover train tunnel is a 24' by 18' clear space for emergency egress from the train tunnel and drive ways for baggage tugs and carts to serve the tiers. Portions of this project are deferred.

People Mover - Tier 3 East Increment (non-service), \$102,892,000. This segment of the People Mover tunnel will be constructed to the future site of Tier 3 in advance of the Tier 3 Concourse to allow vehicle access to the People Mover Maintenance Facility.

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People Mover - Maintenance Facility and Service Tunnel, \$84,591,000. Maintenance of the People Mover equipment will be conducted in a permanent special facility that will be located south of Tier 3. This project will construct the People Mover Vehicle Maintenance Facility to serve the initial increment of the People Mover System. The facility will contain an area for maintaining and storing the 40-car fleet, specialty equipment needed for maintenance, and the means to introduce newly delivered people mover cars to the system. The maintenance facility is planned to have nine bays. It will be connected to the operational right-of-way via a tunnel segment (estimated as a part of this project) linking to the Tier 3 vicinity.

New Engineering and Maintenance Facility – Phase I, \$5,350,000. This project will be the first phase of design of a new maintenance campus. The project will begin a relocation of existing maintenance facilities to an area of the Airport away from the Main Terminal. Portions of this project are deferred.

Maintenance Equipment and Storage Warehouse, \$3,094,000. This project allows for the redevelopment of the temporary bag building in the south area as a maintenance equipment and storage warehouse. Work includes the dismantling, relocation, and site utilities. This project is deferred.

Baggage Conveyor Tunnels to Tier 2, \$135,277,000. The baggage tunnel will provide a right-of-way for moving baggage from the central sorting facility in the Main Terminal to Tiers 1 and 2. Baggage movement below grade will also eliminate vehicle and aircraft conflicts (tunnels for baggage carts are included with the people mover project). Construction on this project is deferred.

Cargo Building 7, \$16,943,000. This project constructs Air Cargo Building 7 north of Cargo Building 6. The building will include loading docks, a truck maneuvering area and automobile parking. Dependent on tenant interest and ultimate building configuration, a final, third portion of Cargo Building 6, approximately 27,000 square feet, may be constructed. Portions of this project are deferred.

Sand/Salt Facility, Phase II, \$1,500,000. This project will construct a snow removal truck support garage and heavy truck washing facility. These facilities will be co-located with the existing Sand/Salt Facility.

East Bag Basement Expansion - Phase II, Package 8, \$13,559,000. The Main Terminal east baggage basement will be expanded to provide additional baggage basement facilities to accommodate baggage security screening equipment. This basement area will serve ticket counter kiosks 2, 3 and 4.

Concourse B (Tier 1) West Expansion Basement, \$19,063,000. The baggage basement will provide additional baggage basement facilities to accommodate baggage security screening equipment. This basement area will serve ticket counter kiosk 1 of the Main Terminal.

Conveyor and Building Changes for Inline Baggage Screening (Design), \$2,500,000. Airports must make building and conveyor adjustments for new explosive detection equipment that will be furnished by the Transportation Security Administration (TSA). These funds will provide the designs for a permanent

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system in a configuration satisfactory to both TSA and the Authority.

Building Modifications to Accommodate Inline Baggage Screening, \$100,000,000. Due to changes in security requirements at airports, and specifically for checking baggage, there are significant changes to the building structure and space allocation required to accommodate the automated baggage screening systems. This project provides for the design and construction of those changes to building infrastructure.

Concourse C/D Rehabilitation, \$25,500,000. This project involves the design and rehabilitation of Concourse C/D to effectively extend the useful operating life for an additional 10 years. The project includes two phases: Phase 1 - Design and replacement rooftop air conditioning units; and Phase 2 - Design and construction for general facility refurbishments including exterior and interior repairs and upgrades; electrical upgrades associated with Phase 1 work; Plumbing upgrades and repairs; Fire Protection upgrades; and modifications to the Baggage Conveying system.

Airline Regional Facilities, \$25,000,000. This project modifies existing infrastructure for passenger boarding at Concourse C/D and adds infrastructure to support the development of regional aircraft parking at Hold Apron VI. This project will construct an apron level passenger waiting area facility and a vertical circulation connector building at Concourse C/D. Bus operations will transport passengers from the passenger waiting area at Concourse C/D to Aircraft Parking Apron VI for passenger boarding.

Tenant Relocation, \$4,900,000. During the course of the CCP at Dulles, costs related to relocation, construction of temporary facilities, modifications to existing facilities, or other actions required to facilitate construction phasing will be incurred by, or imposed on, air carriers and other Airport tenants. A portion of these costs will be reimbursed by the Authority.

Graphics/Signage (Package 7), \$3,526,000. Graphic and signage installation is an ongoing effort scheduled to coincide with the construction sequencing of the Main Terminal expansion and rehabilitation.

Flight Information Display System/Baggage Information Display System (FIDS/BIDS) (Package 7), \$3,509,000. The FIDS/BIDS installation is an ongoing effort scheduled to coincide with the construction sequencing of the Main Terminal expansion and rehabilitation.

Main Terminal East Baggage Tunnel, \$10,985,000. Construction of a concrete tunnel along the south side of the original Main Terminal building is required to provide inbound conveyor access to the building. This tunnel will house inbound baggage conveyors en route to new claim devices located in the east side of the original terminal building.

Rehabilitate Main Terminal, West, Package 7, \$22,683,000. This project will renovate the Main Terminal concourse and baggage levels. The interior fit-out will match the east and west extensions including new ticketing kiosks with ticket counters on the concourse level and new sloped plate baggage claim devices on the ground level.

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Terminal Extension East, Basement Expansion, \$22,293,000. To replace the Temporary Baggage Building, the east basement of the Main Terminal East Extension will be expanded and configured for baggage make-up. Phase II is for installation of baggage equipment for the outbound baggage system and includes six baggage makeup devices.

Main Terminal Southeast Baggage Basement, \$47,345,000. A new baggage basement will be constructed southeast of the Main Terminal. The new baggage basement will provide inbound and outbound baggage systems, automation equipment, and Common Use Terminal Equipment (CUTE) at the ticketing level. The new baggage basement will provide the original Main Terminal building with a level of service that is consistent with the recently completed east and west extensions.

Walkback Tunnel (Airside), \$78,670,000. A pedestrian tunnel with moving walkways will be constructed between the Main Terminal and Midfield Concourse B. This will enhance the level of service for passengers moving between Concourse B and the Main Terminal.

Tier 3 East Concourse/APM Station-Design, \$47,500,000. This project provides for planning and design of the eastern portion of the Tier 3 Concourse, including the fit-out of the shell of the APM station being constructed.

Airport AOA Security Cameras, \$5,780,000. Security cameras on doors leading to the AOA to provide increased surveillance and control of the secure area are needed. This project will provide for the design and installation.

Main Terminal Expansion Joint Replacement, \$3,000,000. To eliminate water infiltration into the Terminal, replacement of the horizontal and vertical expansion joints at the Main Terminal is necessary.

Concourse Modifications for Airbus A-380, \$5,600,000. Two gates, associated loading bridges, and other ground support equipment on the B Concourse require modification to accommodate upper deck boarding of the A-380 aircraft. This project provides for design and construction.

Airfield Facilities

Aircraft Parking Apron VI, \$23,034,000. This project includes design and construction of an aircraft apron north of proposed Taxiways E and F, and east of Taxiway Z. The apron will accommodate approximately four wide-body aircraft.

Taxiway F, \$35,879,000. The Taxiway F project accommodates a full air carrier taxiway crossing from Taxiway K on the east side of the airfield to Taxiway Y on the west side, as well as portions of a future parallel Taxiway E and a fillet widening on Taxiway K3. Taxiway F, located between the proposed Tier 2 and a future Tier 3, will provide aircraft access to these new buildings and their associated aprons. The

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taxiway also provides unimpeded cross-field access between the east and west sides of the airfield thus improving the ground flow of aircraft into and from the aircraft gates at all tiers and reducing aircraft delays. The taxiway will be sufficiently widened to allow future construction of aircraft aprons on either side to proceed without interruption of traffic on the taxiway.

Taxiway J Extension, \$9,372,000. The departure end and hold apron of Runway 1R are currently accessed by a single parallel Taxiway K. To add redundancy and improve circulation, Taxiway J will be extended approximately 4300' to the south as a second link to the Runway 1R hold apron. The additional access will enhance ground sortation and queuing for air traffic controllers as they maneuver aircraft to the runway threshold, thus improving the rate of aircraft departures. The project will also connect the ARFF roadway to the extended Taxiway J. Connector taxiway stubs will also be constructed for future Taxiways G and H.

Environmental Assessments for New Runways, \$2,260,000. This funding will provide for an environmental assessment or environmental impact study, required by Federal law, for the fourth and fifth runways.

Fourth Runway and Associated Taxiways, \$215,269,000. Aircraft operations have been approaching the nominal capacity of the Dulles airfield system and further growth will cause increasing delays in aircraft departures. The addition of a new runway will alleviate airfield congestion and accommodate traffic growth. This project will provide for the design and construction of a fourth Dulles runway. The project also will include a taxiway parallel to the runway as well as taxiway connections to the existing runway/taxiway system. The runway will be 10,000' or more in length, 150' wide, with 35' shoulders on each side, four highspeed exit taxiways, and entrance/exit taxiways from each threshold. The runway will be equipped with an instrument landing system and associated lighting systems.

Tier 2 Apron Paving, \$126,675,000. This project will construct aircraft apron paving, drainage, and fuel hydrants associated with Tier 2. This project absorbs and includes funds from the former project, "Aircraft Parking Apron VII." A mobile lounge road connection to the Main Terminal may also be included. Portions of this project are deferred.

Concourse B (Tier 1) Apron Paving, \$6,259,000. This project provides for apron paving associated with the completion of the Concourse B West Extension and the mobile lounge road.

Tier 3 Apron Paving -- Northwest Quadrant, \$15,590,000. This project provides for construction of an air carrier apron to serve the northwest side of Tier 3 from the south face of Taxiway F to the north face of Tier 3. An apron and a mobile lounge road will also be constructed. Aircraft will be parked on the constructed apron and passengers conveyed to Tier 3 via mobile lounge service.

Hydrant Fueling at T-Gates, \$6,848,000. This project will provide fuel lines and fuel hydrant pits for 14 gate positions.

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Hydrant Fueling for Concourse B (Tier 1) West Extension, \$3,734,000. This project will relocate 24 fuel pits to accommodate the 12-gate western expansion of Concourse B.

Hydrant Fueling for Tier 2 and 3, \$8,776,000. This project will construct jet fuel distribution lines north of Tier 2, connecting to existing fuel lines to form a loop. A loop of new fuel distribution lines will be provided around Tier 3. Portions of this project are deferred.

Demolish Old C/D Concourses, Repave Apron and T/W C/D, \$71,414,000. The construction of Tier 2 will require the demolition of existing Concourse C/D which is a two-level (4000' by 90') structure without a basement. The existing pavement surrounding Concourse C/D will be demolished and replaced with air carrier pavement and all abandoned underground utilities removed. Pavement surrounding Concourse C/D will be reconstructed to form a complete apron and taxiway network between Tier 1 and Tier 2. Provision for snow handling and melting will be evaluated; cost effective solutions will be incorporated. Construction on this project is deferred.

Airfield Pavement Panel Replacement, \$26,935,000. This project will reconstruct airfield panels which have deteriorated, replacing them with new pavement of higher aircraft load-carrying capability. A priority of pavement panels to be repaired or replaced will be set annually.

Cargo Building 6 Apron - Phase II, \$29,000. The project will construct additional air carrier apron parking for cargo aircraft opposite Cargo Building 6. Cargo Building 6 will have apron access along the entire length of the airside portion of the building. The new apron will be 410' by 560' in size.

Cargo Building 7 Apron, \$12,267,000. The project will construct additional air carrier apron parking for cargo aircraft opposite Cargo Building 7. The proposed Cargo Building 7 will have apron access along the entire length of the airside portion of the building. The new apron will be 410' by 800' in size.

Deicing Fluid Controls per Heightened Regulations, \$8,928,000. This project provides funds to design and begin a phased construction of a facility or system to collect and dispose of aircraft deicing fluid. The project will employ strategies to capture and recover or reduce concentrations of deicing fluid after application to aircraft. An increased environmental concern and closer Federal attention to deicing operations has heightened the awareness and desire to control deicing fluids.

Relocate/Expand Airfield Electrical Vaults - Phase I, \$2,775,000. Airfield electrical requirements have increased due to the expansion of the airfield facilities. This project is part of a program to relocate or expand the three airfield electric vaults. Included will be the expansion of Vault 1 to provide electrical capacity needed for the growing demand associated with future airfield runway, taxiway and apron projects.

Aircraft Guidance Systems - Phase I, II and III (SMGCS), \$5,175,000. Based on revised Federal Aviation Administration requirements for airfield surface movement guidance control, this project will construct

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elevated guard lights at selected runway/taxiway crossings and install other electronic aids on taxiways designated for aircraft movement during low visibility conditions.

Runway 12/30 Reconstruction, \$49,708,000. This project will replace the original 1962 pavement portions of Dulles crosswind runway which have carried well beyond a normal service life and are showing distresses that are best remedied by a complete replacement of the pavement. In the process, additional drainage features and strength improvements will be added, which will accommodate aircraft much heavier than those estimated in the original design.

Taxilane E Rehabilitation, \$3,600,000. Taxilane E serves gates on the southern face of Concourse C/D. The taxilane will need pavement rehabilitation to maintain its service life for the immediate future. This project provides for limited full depth reconstruction, linear crack repair, partial depth spall repair, and maintenance of air traffic.

Taxiway Connector to General Aviation Ramp, \$650,000. This project provides for the construction of a 200 ft by 75 ft wide taxilane with 25ft wide shoulders to support the development of the General Aviation facility in the Northeastern side area of the Airport.

Deicing Fluid Collection & Disposal, \$2,331,000. This project provides funds to design and/or construct a facility or system to collect and dispose of aircraft deicing fluid. This project will employ strategies to capture and recover or reduce concentrations of deicing fluid after application to aircraft. Different strategies may be applied to airfield and aircraft gate areas based on concentrations of deicing within the stormwater runoff.

Taxiway G-Design, \$2,500,000. This project provides for planning and design of the cross field Taxiway G to serve the south side of the Tier 3 site.

Tier 3 East Apron Design, \$8,500,000. This project will design a portion of the future Tier 3 apron and associate drainage and hydrant fueling to be used as aircraft hardstand area until needed for the future Tier 3 Concourse.

Airfield Modifications for Airbus A-380 Preliminary Engineering, \$500,000. In preparation of Airbus A-380. Preliminary engineering study of the structural strength of runway and taxiway shoulders and location of edge lights and signage in anticipation of A-380 operations.

Parking Facilities

Main Lot Exit Plaza Expansion, \$2,189,000. This project provides approximately four additional exit plaza booths and revenue control equipment in the Main Lot Exit Plaza. This project will also introduce a regional electronic fare payment system and administrative space for a pay-on-foot (pre-pay) customer service.

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Economy Public Parking: New Lot North of Horsepen Run, \$19,113,000. This project will construct approximately 4,500 spaces north of Horsepen Run. This will be the first phase of parking at this site and will connect to the Green Lot Economy parking.

Economy Public Parking: Relocation of Toll Plaza, \$4,464,000. This project will construct a parking lot entrance lanes with ticket dispensing machines and exit lanes with cashier booths. The toll plaza will include an express exit lane. A single story administration building for parking lot accounting, administration, and parking lot personnel will be constructed.

Employee Parking South Lot: Phase I, \$11,813,000. This project replaces an existing employee parking lot to be displaced by the construction of aircraft parking ramp for Tier 2. The parking lot is expandable for continued growth in Airport employees. Construction on this project is deferred.

Employee Parking North Lot: Phase II, \$3,872,000. This project will expand the North Employee Parking Lot by approximately 1,000 parking spaces.

Cargo 7 Public/Employee Parking, \$2,205,000. This project will extend Air Freight Lane north beyond the proposed Cargo 7 and provide automobile parking for Cargo 7. This project is deferred.

Temporary Parking, \$1,074,000. This project will redevelop existing parking/storage areas for public parking.

Utility Systems

Communication Facilities and Equipment System Integration, \$3,580,000. Communication facilities, equipment, and system integration are needed to support the Airport's communications requirements. This includes implementation of a digital network video security system, purchase of controllers, video camera connectivity and transmission, and other equipment as identified by our comprehensive communications plan. Additionally, communication connectivity will be provided to the North and South Remote Employee Lots and the Airside Walkback Tunnel.

Upgrade Utility Building/Substation Feeders, \$9,750,000. The capacity of the Airport's primary electrical feeders, which extend from the Rte 28 substation to the Utility Building, need to be upgraded in order to serve increased electrical loads. The increased electrical loads are due to the development of several new facilities at the Airport. This project will construct a feeder, conduit, switchgear, and other electrical improvements.

Upgrade Cooling/Heating System, \$71,114,000. The capacity of the Airport's heating and cooling systems need to be upgraded in order to serve newly constructed facilities. This project will construct additional chillers, ice harvesters, high temperature hot water heaters and associated pumps, piping, and distribution equipment.

CAPITAL CONSTRUCTION PROGRAM

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→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

North-South Telecommunications Ductbanks, \$3,550,000. The existing direct-buried telecommunication cables extending from the midfield area to the south area of the Airport do not have capacity to serve additional facilities in the south area. This project will construct a ductbank that will provide additional fiber and copper capacity as well as accommodate existing direct-buried telecommunication cables.

Utility Systems Planning & Programming, \$750,000. These funds will be used to conduct studies as required to support capital utility projects including, a stormwater management plan, and a south area utility building program criteria document.

Storm Water Management Facilities, \$9,597,000. As additional impervious surface (paving) is added to the Airport, stormwater flowing from these areas must be detained and released to off-airport sites at a rate which does not exceed that which occurred before the paving. This project will construct three new storm water management facilities, one north and two south of the Main Terminal. The facilities are necessary to accommodate new development south of the Main Terminal and to relieve the existing Horsepen Dam storm water facility in the north.

Telecommunications Cable Conversion, \$2,330,000. This project will convert GTE dial tone service to the Airport Communication System as described in the settlement agreement. Funds will be used to install new circuit cards and sonet equipment in Cargo Buildings 1 through 6, Hawthorne's Hangar, Concourses C and D.

Standby Power - Terminal Buildings (Design), \$800,000. This project will install new standby power generators that will serve the Main Terminal and concourses. The standby power will have the capability of supporting airline functions, security gate check in, FIDS/BIDS, security doors, designated elevators, telephone systems and other loads.

South Utility Building, \$90,969,000. The existing utility building adjacent to the Main Terminal does not have the capacity to serve Tier 2 or the area to expand capacity. Phase I of the project will construct a 252,000 sq. ft. building to serve Tier 2, and fit out the facility with 10 chillers, 10 cooling towers, and 3 boilers. The building will have a basement, ground floor, a partial third floor mezzanine, and a three stop elevator. Portions of this project are deferred.

Dedicated Fire Water Line, \$10,917,000. This project will create a fire water system with a storage tank of 6 million gallons, a pump facility (15,000 gallons per minute) to maintain water pressure at the South Utility Building and a fire water distribution system on the Airport. A 24" loop line will be provided around Concourse B and the Main Terminal.

North Parking Area Utilities Extension, \$1,611,000. This project will extend utilities north from Rudder Road across the flood plain to the proposed economy parking lot north of the flood plain.

CAPITAL CONSTRUCTION PROGRAM

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Rental Car Area Utilities Upgrades, \$1,938,000. This project will extend utilities to the proposed consolidated rental car facility. This project is deferred.

Utility Tunnel - West, \$95,704,000. Tier 2 and all future tiers south of Tier 2 will be supplied with heating and cooling from the new South Utility Building. The utility tunnel will contain the heating and cooling piping for Tier 2 and future tiers. A workman's walkway will be included in the tunnel along with a fresh air circulation system, lighting and a fire suppression system. A similar tunnel will be constructed between the existing North Utility Building and Concourses A and B. Portions of this project are deferred.

South Electrical Substation and Distribution Center, \$15,675,000. A new electrical substation with a separate supply from Virginia Power is required to meet the demand of new development south of Concourse B.

South Area Utility Trunk Line, \$9,464,000. This project will provide utility service to new facilities in the south area of the Airport. Sewer, water and gas lines will be extended from near the new ARFF station to the new south utility plant and then north near taxiway J to just east of Tier 2. Tier 2 and subsequent development will then connect to these lines for utility service.

South Area Utility Distribution and Tie-ins, \$1,068,000. This project will connect the existing south area Authority buildings to utility lines which are proposed as part of the new ARFF station.

Public Utility Taps - Fees and Coordination, \$2,148,000. This allowance will cover connection fees associated with new service provided by local utilities.

Expanded Water Storage, \$4,081,000. This project will provide a new domestic water system for the development south of Concourse B. The water supply at the new ARFF station will supply the two million gallon storage facility and pump facility at the South Utility Building. This water will be distributed to new facilities via a water line parallel to Taxiway J terminating at Tier 2. This project is deferred.

Special Systems - Tie-ins and Upgrades, \$13,656,000. Communication facilities, equipment, and system integration are needed to support the Airport's communications requirements. This includes construction of ductbanks, purchase of switches, connectivity for data transmission, premises distribution systems, and other equipment as identified by our comprehensive communications plan.

Cargo 7 Site Utilities, \$752,000. Utilities including water, sewer, power, and communications will be extended north from Cargo 6 to Cargo 7 within the Air Freight Lane right-of-way.

General Aviation Utilities, \$1,000,000. The development of new General Aviation facilities will require modifications/additions to the utility systems.

CAPITAL CONSTRUCTION PROGRAM

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→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Radio Program Upgrades, \$7,429,000. This project will provide enhancements to the 800MHz radio system. The following are included: new tower site selection and construction, additional talk channels, purchase of elite dispatch consoles, system management terminal and software, and other improvements.

New Aircraft Rescue and Fire Fighting (ARFF) Station Utilities, \$8,250,000. This project will construct utility service, including water, sanitary sewer, and natural gas to the new airfield ARFF station. Additionally, utility capacity for future south area development will be provided.

Jet Fuel Pipeline Extension and Related Facilities, \$6,143,000. To accommodate the extension of a jet fuel pipeline to the Airport to increase the supply and storage of jet fuel, planning, design and construction of on-airport facilities are required.

Stallion Branch Sanitary Trunkline, \$5,000,000. A sanitary sewer line is required to connect the recently completed and future facilities south of the Airport to the existing Potomac Interceptor. This project will provide for both design and construction.

Land

Site Development for Commercial Hangars, \$73,333,000. This funding provides for clearing, grading, site utilities, and site access in undeveloped areas. These areas are remote from current development. Included is an allowance for property enhancements.

Right-of-Way Easements for Capital Expansion, \$1,074,000. This allowance is to acquire right-of-way easements associated with the extension of utility lines to connect to local utility providers.

Other

Rental Car Site Planning and Design Standards, \$500,000. A rental car development program will be created and design standards established for new projects including parking decks, customer service areas, and ready lot facilities.

Other Planning and Programming, \$5,680,000. The planning and programming phase of a project implementation process will define the major elements of the project; provide a refined project cost; coordinate the project with users, airport operators, Federal and other regulatory agencies; prepare budget items; and prepare a document to summarize the information to begin the project design phase. Planning and programming will be accomplished for the following categories of projects: airfield, building, road, utility, and parking.

Mobile Lounge Rehabilitation, Phases III & IV, \$16,700,000. This project covers rehabilitation necessary to keep the fleet operating and safe for another six to ten years until the People Mover System is

CAPITAL CONSTRUCTION PROGRAM

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

operational. Elements include replacement engines and axles as well as brake modifications for the Plane-Mates. Emergency egress improvements will also be included.

Aerial Topographic Survey, \$1,050,000. This project will purchase aerial topographic mapping of the entire Airport.

Comprehensive Airport Security System Study, \$13,446,000. This project will replace the closed circuit television system and the identification control system.

Wetlands Mitigation Program, \$26,248,000. Wetlands are a valuable feature of the ecology as defined by State and Federal laws and regulations. Wetlands taken during construction must be mitigated by replacement in kind or in a greater amount. This project will identify wetlands on Airport property and determine the impact to wetlands by the construction project.

Asbestos Removal - Beyond Stage I & II \$2,793,000. Asbestos is known to exist throughout Dulles' facilities constructed prior to 1976. When asbestos is identified by the asbestos consultant, an abatement contract will be awarded for its removal.

Contaminated Soils Removal/Disposal - Beyond Stage I & II, \$8,258,000. When a contractor encounters soil suspected of being contaminated, samples will be taken and analyzed. If contamination is found, the general procedure is to dispose of the soil at a state permitted treatment facility or accomplish on-site remediation.

Airport Landscape Renovations and Expansions - Phase I, \$1,074,000. This project will replace existing landscaped areas that were disturbed during construction as well as creating new landscaping areas.

Temporary Facilities for Phasing, \$8,750,000. This project makes provisions for events which require that temporary facilities be provided to maintain airline and airport operations.

Contractor Staging Area, \$7,324,000. The CCP contains a significant number of major construction projects to be accomplished in the prescribed time. Several major projects are being undertaken within the same time period. Each construction contractor will require an area to store material necessary for the project completion as well as the administrative support areas required for project management. A semi-permanent contractor staging area of approximately 60 acres partially paved, lighted and fenced is necessary to support construction contractor activity.

Asbestos Removal, \$3,010,000. Asbestos is known to exist throughout Dulles' facilities constructed prior to 1976. When asbestos is identified by the asbestos consultant, an abatement contract will be awarded for its removal.

CAPITAL CONSTRUCTION PROGRAM

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Contaminated Soils Removal/Disposal and Environmental Compliance, \$4,868,000. When a contractor encounters soil suspected of being contaminated, samples will be taken and analyzed. If contamination is found, the general procedure is to dispose of the soil at a state permitted treatment facility or accomplish on-site remediation. The project also addresses any remedial environmental compliance action required.

Permanent Sign System, \$9,391,000. During the construction period of this program, new cargo facilities, public parking lots and roadways signage will be installed at the Airport. Wayfinding to the new facilities will be improved by replacing the existing sign system to list for new destinations and to account for the increasing complexity of the Airport. Signage within the Main Terminal and Tiers will also be changed to reflect improvements to the passenger boarding facilities.

Enterprise Resource Program, \$11,400,000. An Authority-wide Enterprise Resource Planning System will provide a comprehensive integrated system encompassing core administration functional areas and link business processes, integrates data, and share data information across applications and with users.

BUDGET BY COST CENTERS

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➔ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Cost Centers are those areas or functions of activities established by the Authority at each Airport where revenues or expenses are attributed. The cost centers are governed by the Airport Use Agreement and Premises Lease. Cost Centers are either direct or indirect.

Direct cost centers are used to accumulate all elements comprising the total requirement allocable or attributable to the area under the Authority's accounting system. Direct cost centers are airfield, terminal, aviation, ground transportation, non-aviation, equipment, international arrivals, buildings, airside operations building, cargo, aviation, and passenger conveyance system.

Indirect cost centers are those functional areas and related facilities other than direct cost centers where costs are accumulated net of direct reimbursement, allowable or attributable to under the Authority's accounting system and which are subsequently allocated to the direct cost centers. Indirect cost centers include maintenance, public safety, system and services, and administrative. Airlines rates and charges are based on cost center requirements.

The total requirement budget is provided for certain cost centers.

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Airfield

	2004*	2005
Signatory Landing Fee (Net Stlmnt)		\$31,540,398
Nonsignatory Landing Fees		0
General Aviation		85,928
Transfers		2,705,594
Other Rents		0
Concessions		5,220
Utilities		90,891
Other Revenues		28,500
TOTAL REVENUES PLUS TRANSFER		\$34,456,530
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$2,328,759	\$2,284,178
Other Services	1,347,101	1,377,555
Supplies & Materials	391,215	445,941
Miscellaneous	973,634	698,788
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		1,848,163
Public Safety		6,066,126
Administration		7,843,169
Systems & Services		570,294
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$5,040,709	\$21,134,213
NET REVENUES		\$13,322,317
O&M Reserve Requirement Increment		356,033
Debt Service		9,064,090
Federal Lease Payment		447,040
NET CASH FLOW		\$3,455,154

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Terminal A

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$4,575,194
Transfers		463,842
Security Reimb (Net Settlement)		0
Other Rents		379,500
Concessions		967,036
Utilities		276,699
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$6,662,271
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$491,979	\$623,757
Other Services	1,239,065	921,174
Supplies & Materials	136,206	154,955
Miscellaneous	704,310	620,962
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		892,404
Public Safety		671,005
Administration		2,435,373
Systems & Services		242,728
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$2,571,560	\$6,562,358
NET REVENUES		\$99,912
O&M Reserve Requirement Increment		110,551
Debt Service		910,419
Federal Lease Payment		138,810
NET CASH FLOW		(\$1,059,868)

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Terminal B & C

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$56,370,974
Transfers		7,330,045
Security Reimb (Net Settlement)		0
Other Rents		232,500
Concessions		9,330,506
TSA Security Fees		879,800
Utilities		727,407
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$74,871,231
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$1,981,050	\$1,765,409
Other Services	5,763,120	5,491,507
Supplies & Materials	277,223	284,323
Miscellaneous	1,336,889	1,814,934
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		3,597,601
Public Safety		4,335,173
Administration		12,012,273
Systems & Services		3,946,869
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$9,358,282	\$33,248,089
Washington Flyer Magazine Subsidy		0
NET REVENUES		\$41,623,142
O&M Reserve Requirement Increment		545,285
Debt Service		34,622,491
Federal Lease Payment		684,668
NET CASH FLOW		\$5,770,698

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Ground Transportation

	2004*	2005
Other Rents		\$103,500
Concessions		43,932,500
Utilities		161,105
Other Revenues		1,264,812
DSRF Investment Earnings		2,160,607
P&I Investment Earnings		367,571
O&M Fund Investment Earnings		1,365,215
TOTAL REVENUES		\$49,355,310
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$1,075,150	\$733,877
Other Services	1,681,012	1,318,880
Supplies & Materials	246,244	199,109
Miscellaneous	496,505	944,812
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		1,229,175
Public Safety		2,121,125
Administration		5,127,775
Systems & Services		2,142,554
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$3,498,911	\$13,817,310
Washington Flyer Ground Trans Subsidy		0
NET REVENUES		\$35,538,001
O&M Reserve Requirement Increment		232,770
Debt Service		18,079,987
Federal Lease Payment		292,270
NET CASH FLOW		\$16,932,974

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Aviation

	2004*	2005
Other Rents		\$7,904,100
Concessions		819,603
Utilities		520,096
Other Revenues		0
TOTAL REVENUES		\$9,243,799
<i><u>O&M Expenses (Direct):</u></i>		
Payroll & Employee Benefits	\$212,637	\$195,635
Other Services	582	187,921
Supplies & Materials	16,526	9,110
Miscellaneous	126,181	319,703
Capital Expenditures	0	0
<i><u>O&M Expenses (Indirect):</u></i>		
Maintenance		273,918
Public Safety		2,504,081
Administration		3,217,717
Systems & Services		1,962,380
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$355,926	\$8,670,466
NET REVENUES		\$573,333
O&M Reserve Requirement Increment		146,065
Debt Service		6,704,766
Federal Lease Payment		183,401
NET CASH FLOW		(\$6,460,899)

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Nonaviation

	2004*	2005
Other Rents		\$0
Concessions		0
Utilities		0
Other Revenues		125,000
TOTAL REVENUES		\$125,000
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$4,368	\$3,154
Other Services	1,885	2,600
Supplies & Materials	1,746	1,013
Miscellaneous	175,198	140
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		2,656
Public Safety		0
Administration		59,843
Systems & Services		91,847
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$183,196	\$161,254
NET REVENUES		(\$36,254)
O&M Reserve Requirement Increment		2,717
Debt Service		76,316
Federal Lease Payment		3,411
NET CASH FLOW		(\$118,698)

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Ronald Reagan Washington National Airport
Budget by Cost Center
Tenant Equipment**

	2004*	2005
Equipment Charges		\$1,774,966
Transfers		400,194
TOTAL REVENUES		\$2,175,160
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	0	\$0
Other Services	0	0
Supplies & Materials	0	0
Miscellaneous	1,073	0
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		0
Public Safety		0
Administration		0
Systems & Services		0
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$1,073	\$0
NET REVENUES		\$2,175,160
O&M Reserve Requirement Increment		0
Debt Service		1,740,128
NET CASH FLOW		\$435,032

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Maintenance

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$5,525,106	\$6,014,136
Other Services	232,672	599,883
Supplies & Materials	980,672	1,084,248
Miscellaneous	(13,548)	145,651
Capital Expenditures	0	0
TOTAL O&M EXPENSES	\$6,724,902	\$7,843,918

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Public Safety

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$14,215,666	\$15,091,203
Other Services	2,815,377	229,344
Supplies & Materials	318,973	344,596
Miscellaneous	189,699	32,368
Capital Expenditures	0	0
TOTAL O&M EXPENSES	\$17,539,716	\$15,697,510

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Administration

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$16,912,178	\$18,337,775
Other Services	9,010,886	10,574,874
Supplies & Materials	361,226	900,427
Miscellaneous	2,034,108	883,074
Capital Expenditures	52,500	0
TOTAL O&M EXPENSES	\$28,370,897	\$30,696,150

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Ronald Reagan Washington National Airport Budget by Cost Center Systems & Services

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$1,250,907	\$1,388,195
Other Services	6,536,300	6,571,520
Supplies & Materials	614,855	338,491
Miscellaneous	968,069	654,537
Capital Expenditures	47,352	3,928
TOTAL O&M EXPENSES	\$9,417,483	\$8,956,671

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Airfield

	2004*	2005
Signatory Landing Fee (Net Stlmnt)		\$38,599,951
Signatory Apron Fees		2,872,110
Nonsignatory Landing Fees		615,291
General Aviation		2,017,295
Transfers		13,485,222
Other Rents		0
Concessions		129,480
Utilities		41,463
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$57,760,812
Less: Rental Credits		0
ADJUSTED REVENUES		\$57,760,812
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$3,597,001	\$3,525,616
Other Services	4,656,115	5,765,643
Supplies & Materials	1,280,540	1,294,762
Miscellaneous	1,031,164	1,548,949
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		4,132,445
Public Safety		8,582,685
Administration		10,269,177
Systems & Services		338,020
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$10,564,820	\$35,457,296
NET REVENUES		\$22,303,516
O&M Reserve Requirement Increment		691,980
Debt Service		14,940,203
Federal Lease Payment		736,823
NET CASH FLOW		\$5,934,510

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Concourse C&D

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$11,409,544
Transfers		4,427,344
Security Reimb (Net Settlement)		0
Other Rents		714,000
Concessions		6,334,824
Utilities		145,755
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$23,031,467
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$804,664	\$690,694
Other Services	2,328,955	2,829,398
Supplies & Materials	101,591	153,700
Miscellaneous	757,346	471,490
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		1,411,635
Public Safety		1,904,808
Administration		3,462,077
Systems & Services		1,030,018
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$3,992,555	\$11,953,820
NET REVENUES		\$11,077,647
O&M Reserve Requirement Increment		233,289
Debt Service		4,108,288
Federal Lease Payment		248,407
NET CASH FLOW		\$6,487,663

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Concourse B

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$8,279,800
Transfers		1,675,090
Security Reimb (Net Settlement)		0
Other Rents		0
Concessions		3,278,500
Utilities		93,023
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$13,326,413
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$675,577	\$730,626
Other Services	2,137,185	2,820,205
Supplies & Materials	79,603	141,981
Miscellaneous	770,795	770,610
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		1,519,975
Public Safety		745,338
Administration		3,058,715
Systems & Services		773,646
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$3,663,160	\$10,561,096
NET REVENUES		\$2,765,317
O&M Reserve Requirement Increment		206,109
Debt Service		2,591,695
Federal Lease Payment		219,466
NET CASH FLOW		(\$251,952)

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Main Terminal

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$46,754,965
Demolished Ops Fee		0
Base of Tower Fee		0
Midfield Connector Fee		0
Transfers		14,369,811
Security Reimb (Net Settlement)		0
Other Rents		182,950
Concessions		6,078,000
TSA Security Fees		395,975
Utilities		89,967
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$67,871,668
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$1,561,127	\$1,019,357
Other Services	5,743,109	5,633,998
Supplies & Materials	201,340	342,454
Miscellaneous	672,366	1,638,384
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		2,940,290
Public Safety		2,208,659
Administration		6,829,804
Systems & Services		3,364,897
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$8,177,942	\$23,977,843
Washington Flyer Magazine Subsidy		0
NET REVENUES		\$43,893,825
O&M Reserve Requirement Increment		460,220
Debt Service		35,940,347
Federal Lease Payment		490,045
NET CASH FLOW		\$7,003,212

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Washington Dulles International Airport
Budget by Cost Center
Airside Operations Building**

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$195,310
Transfers		67,739
Other Rents		0
Concessions		0
Utilities		32,362
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$295,411
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$0	\$0
Other Services	0	0
Supplies & Materials	0	0
Miscellaneous	10,657	0
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		0
Public Safety		51,160
Administration		40,332
Systems & Services		47,765
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$10,657	\$139,257
NET REVENUES		\$156,154
O&M Reserve Requirement Increment		2,718
Debt Service		120,417
Federal Lease Payment		2,894
NET CASH FLOW		\$30,126

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center International Arrivals Building

	2004*	2005
Signatory IAB Fees		\$8,123,716
Transfers		3,022,846
Other Rents		0
Concessions		0
Utilities		0
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$11,146,562
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$195,831	\$265,272
Other Services	1,306,349	1,123,956
Supplies & Materials	7,683	2,739
Miscellaneous	47,191	286,955
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		571,741
Public Safety		374,843
Administration		1,244,652
Systems & Services		427,362
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$1,557,054	\$4,297,520
NET REVENUES		\$6,849,042
O&M Reserve Requirement Increment		83,870
Debt Service		5,333,287
Federal Lease Payment		89,305
NET CASH FLOW		\$1,342,581

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Concourse C IAB

	2004*	2005
Signatory IAB Fees		\$2,599,457
Transfers		1,405,402
Other Rents		0
Concessions		0
Utilities		0
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$4,004,859
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$75,360	\$64,054
Other Services	218,115	262,396
Supplies & Materials	9,514	14,254
Miscellaneous	70,928	43,726
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		130,914
Public Safety		1,121,661
Administration		900,617
Systems & Services		572,018
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$373,916	\$3,109,641
NET REVENUES		\$895,219
O&M Reserve Requirement Increment		60,687
Debt Service		1,156,617
Federal Lease Payment		64,620
NET CASH FLOW		(\$386,706)

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Concourse A

	2004*	2005
Signatory Terminal Rntls (Net Stlmnt)		\$2,266,188
Transfers		765,793
Security Reimb (Net Settlement)		0
Other Rents		0
Concessions		507,535
Utilities		6,496
Other Revenues		0
TOTAL REVENUES PLUS TRANSFER		\$3,546,012
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$21,462	\$155,697
Other Services	898,985	974,642
Supplies & Materials	4,389	14,850
Miscellaneous	43,307	110,199
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		427,510
Public Safety		9,262
Administration		719,106
Systems & Services		71,654
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$968,144	\$2,482,922
NET REVENUES		\$1,063,091
O&M Reserve Requirement Increment		48,456
Debt Service		493,168
Federal Lease Payment		51,597
NET CASH FLOW		\$469,870

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Ground Transportation

	2004*	2005
Other Rents		\$764,096
Concessions		60,237,410
Utilities		318,846
Other Revenues		3,294,000
DSRF Investment Earnings		3,344,056
P&I Investment Earnings		445,093
O&M Fund Investment Earnings		2,414,785
TOTAL REVENUES		\$70,818,286
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$1,242,402	\$531,341
Other Services	1,664,281	1,502,901
Supplies & Materials	530,185	487,257
Miscellaneous	3,184,106	4,881,030
Capital Expenditures	225,000	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		2,520,859
Public Safety		1,256,942
Administration		5,344,618
Systems & Services		1,928,889
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$6,845,973	\$18,453,836
Ground Transportation Subsidy		243,800
NET REVENUES		\$52,120,650
O&M Reserve Requirement Increment		360,142
Debt Service		18,157,709
Federal Lease Payment		383,481
NET CASH FLOW		\$33,219,316

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Aviation

	2004*	2005
Other Rents		\$6,087,000
Concessions		9,808,444
Utilities		1,849,422
Other Revenues		0
TOTAL REVENUES		\$17,744,866
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$41,878	\$29,432
Other Services	0	0
Supplies & Materials	0	0
Miscellaneous	52,127	264,440
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		100,075
Public Safety		1,172,864
Administration		2,247,648
Systems & Services		3,946,193
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$94,005	\$7,760,652
NET REVENUES		\$9,984,214
O&M Reserve Requirement Increment		151,456
Debt Service		6,391,517
Federal Lease Payment		161,271
NET CASH FLOW		\$3,279,970

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Nonaviation

	2004*	2005
Other Rents		\$540,000
Concessions		2,188,860
Utilities		1,280,214
Other Revenues		307,500
TOTAL REVENUES		\$4,316,574
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$24,045	\$48,901
Other Services	6,354	5,887
Supplies & Materials	3,005	1,717
Miscellaneous	255,753	80,509
Capital Expenditures	200,000	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		46,659
Public Safety		1,514,044
Administration		1,690,811
Systems & Services		2,449,484
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$489,156	\$5,838,013
NET REVENUES		(\$1,521,439)
O&M Reserve Requirement Increment		113,934
Debt Service		3,435,447
Federal Lease Payment		121,317
NET CASH FLOW		(\$5,192,137)

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Cargo

	2004*	2005
Other Rents		\$3,067,500
Concessions		807,000
Utilities		806,692
Other Revenues		0
TOTAL REVENUES		\$4,681,192
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$11,298	\$69,515
Other Services	24,256	18,165
Supplies & Materials	14	0
Miscellaneous	41,038	102,907
Capital Expenditures	180,000	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		64,902
Public Safety		413,285
Administration		688,746
Systems & Services		1,020,574
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$256,607	\$2,378,094
NET REVENUES		\$2,303,098
O&M Reserve Requirement Increment		46,411
Debt Service		1,660,517
Federal Lease Payment		49,418
NET CASH FLOW		\$546,752

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Passenger Conveyance

	2004*	2005
Signatory Revenue (Net Settlement)		\$20,798,566
Passenger Conveyance Transfers		4,700,219
Mobile Lounge Fees		0
TOTAL REVENUES		\$25,498,785
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$9,527,138	\$10,882,394
Other Services	924,924	5,706,709
Supplies & Materials	1,740,182	1,769,897
Miscellaneous	408,870	2,814,109
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		0
Public Safety		0
Administration		0
Systems & Services		0
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$12,601,115	\$21,173,109
NET REVENUES		\$4,325,676
O&M Reserve Requirement Increment		0
Debt Service		2,596,748
Federal Lease Payment		0
Repayment to Virginia		0
NET CASH FLOW		\$1,728,928

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Tenant Equipment

	2004*	2005
Equipment Charges		\$980,564
Transfers		231,882
TOTAL REVENUES		\$1,212,446
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$0	\$0
Other Services	0	0
Supplies & Materials	0	0
Miscellaneous	0	0
Capital Expenditures	0	0
<i>O&M Expenses (Indirect):</i>		
Maintenance		0
Public Safety		0
Administration		0
Systems & Services		0
Tenant Equipment		N/A
TOTAL O&M EXPENSES	\$0	\$0
NET REVENUES		\$1,212,446
O&M Reserve Requirement Increment		0
Debt Service		969,957
Direct Subordinate Debt Service		0
Direct Senior Bond Debt Service		969,957
NET CASH FLOW		\$242,489

*2004 Total O&M Expenses does not include Indirect O&M Expenses

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Maintenance

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$6,036,428	\$10,232,152
Other Services	772,497	2,240,136
Supplies & Materials	897,119	1,214,269
Miscellaneous	90,266	228,340
Capital Expenditures	560,000	0
TOTAL O&M EXPENSES	\$8,356,310	\$13,914,896

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Public Safety

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$16,766,453	\$18,127,634
Other Services	5,311,296	366,392
Supplies & Materials	383,755	551,968
Miscellaneous	251,883	309,559
Capital Expenditures	0	0
TOTAL O&M EXPENSES	\$22,713,387	\$19,355,553

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Administration

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$18,040,990	\$23,338,796
Other Services	9,724,925	11,271,294
Supplies & Materials	729,141	727,439
Miscellaneous	2,299,376	1,239,004
Capital Expenditures	187,500	0
TOTAL O&M EXPENSES	\$30,981,933	\$36,576,532

BUDGET BY COST CENTERS

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Washington Dulles International Airport Budget by Cost Center Systems & Services

	2004	2005
<i>O&M Expenses (Direct):</i>		
Payroll & Employee Benefits	\$849,094	\$1,011,954
Other Services	13,078,300	14,414,180
Supplies & Materials	409,187	358,829
Miscellaneous	185,777	155,055
Capital Expenditures	36,236	38,758
TOTAL O&M EXPENSES	\$14,558,594	\$15,978,775

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2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AIR OPERATIONS AREA — The secured areas of each Airport utilized by aircraft, including runways, taxiways, and ramps.

AIRLINE COST PER ENPLANEMENT — For each Airport, the total annual cost of fees and charges paid by the Signatory Airlines to the Authority divided by the total signatory enplanements.

AIRPORT COMMUNICATIONS SYSTEM — The Authority owns the Airport Communications System (ACS) at both Reagan National and Dulles. The ACS consists of more than 12,000 lines used by the Authority and numerous airport tenants. In an average month, more than 800,000 calls are processed through the ACS, including more than 180,000 minutes of domestic long distance calls. Tenants are invoiced for the services they receive, based on a proportionate share of the operating cost of the ACS. The tenants are also invoiced for any local or long distance costs they incur. operates and maintains the ACS for the Authority. The Authority budgets in the O&M Program for the net cost of the ACS.

AIRPORT IMPROVEMENT PROGRAM (AIP) — See “Federal Grants.”

AIRPORT TRAFFIC CONTROL TOWER (ATCT) — A terminal facility which, through the use of air/ground communications, visual signaling, and other devices, provides air traffic control services to airborne aircraft operating in the vicinity of an airport and to aircraft operating on the airport airfield.

AIRPORT USE AGREEMENT AND PREMISES LEASE — The Authority and the major airlines serving Reagan National and Dulles entered into an agreement effective January 1, 1990, that defines their operating and financial relationship for the next 25 years. The Agreement includes the concurrence of the Airlines in the CCP and continues a close working relationship between the Air Carriers and the Airports. Fees and charges paid by the airlines are used along with other income from the Airports to service the debt issued to finance the CCP. The Agreement and Premises Lease is also referred to as the “Agreement” or simply as “the Agreement.”

AIRPORTS — Refers to Ronald Reagan Washington National and Washington Dulles International Airports, the two Airports operated by the Authority.

AUCTION RATE SECURITIES (ARS) — Floating-rate tax-exempt bonds where the rate is periodically reset by a dutch auction.

THE AUTHORITY — Refers to the Metropolitan Washington Airports Authority.

BOARD OF DIRECTORS — The Board of Directors (Board) of the Authority consists of 13 members, five appointed by the Governor of Virginia, three appointed by the Mayor of the District of Columbia, two appointed by the Governor of Maryland, and three appointed by the President of the United States. Board members serve six-year terms, which are staggered.

GLOSSARY

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

BOND — A certificate of debt issued by the Authority pursuant to the Master Indenture and a Supplemental Indenture securing payment of the original investment plus interest by a specified future date.

BOND ANTICIPATION NOTE — A short-term borrowing that is retired with proceeds of a bond sale.

BUDGET AMENDMENT — Recommendations from the President to amend the adopted budget are submitted to the Finance Committee. Budget Amendments approved by the Finance Committee are submitted to the Board for adoption.

CAPITAL CONSTRUCTION PROGRAM (CCP) — The CCP (including the contractual CDP and Dulles Development (d²) Program provides for major expansion of facilities at Dulles and facilities modernization at Reagan National.

CAPITAL DEVELOPMENT PROGRAM (CDP) — The CDP contractually provides for major expansion of facilities at Dulles and facilities modernization at Reagan National as defined by the Agreement.

CAPITAL, OPERATING AND MAINTENANCE INVESTMENT PROGRAM (COMIP) — The COMIP (formerly the Capital Maintenance and Investment Program, and previously before, the Repair and Rehabilitation Program) provides for repair work at the Airports, equipment, planning, improvements and operational initiatives. The COMIP is funded from the Authority's share of net remaining revenue and is recovered through depreciation. Any COMIP type projects funded from bonds are recovered through debt service.

CARGO — This refers to mail and freight at both Airports.

COMMERCIAL PAPER — Commercial Paper (CP) is a short-term promissory note issued for periods up to 270 days, with maturities commonly at 30, 60 and 90 days. The Authority currently has two CP programs.

COMMERCIAL PAPER PROGRAM—The Authority has a CP Program with authorization to issue up to \$500 million. The CP program is supported by two liquidity facility agreements; Westdeutsche Landesbank for \$150 million and JPMorgan Chase for \$150 million. The CP Series A BANs were issued as bond anticipation notes, secured by a covenant to retire the notes with senior-lien bonds.

COMMONWEALTH OF VIRGINIA GRANTS — The Commonwealth of Virginia through the aviation portion of the Transportation Trust Fund provides grants to Virginia airport sponsors. The Authority will receive 60 percent of any new money available for allocation by the Virginia Aviation Board, up to a maximum of \$2 million annually. These funds will be used as an additional source of funding for capital equipment and projects.

GLOSSARY

COMMUTER AIRLINE — An airline that operates aircraft with a maximum of 60 seats with an operating frequency of at least five scheduled round trips per week between two or more points. See also “Major Airline,” “National Airline” and “Regional Airline.”

COMPENSATORY RATE — A rate based on cost recovery, which excludes application of transfers for signatory airlines of the Agreement.

CONCESSIONS — The Authority contracts with private firms for many of the services provided to Airport users, including public parking facilities, rental cars, in-flight kitchens, fixed base operators, food and beverage facilities, newsstands, and retail stores. The concessionaires are generally required to pay a percentage of gross revenues to the Authority with an annual minimum amount. Revenues from concessions comprise a significant portion of the Authority’s operating revenues.

CONCOURSE B — A midfield passenger terminal at Dulles that opened in February 1998 and was expanded in the Spring 2003, to a total of 550,000 square feet to serve 20 aircraft positions for international and domestic airliners. See “Midfield Concourses.”

CONCOURSE C and D — A temporary midfield passenger terminal at Dulles opened in 1985 (D) and 1986 (C) to serve 22 aircraft positions. United is the main tenant in these concourses. See “Midfield Concourses.”

CONCOURSE C INTERNATIONAL ARRIVALS FACILITY — See “International Arrivals Facility.”

CONNECTING PASSENGER — A passenger who transfers from one flight to another en route to a final destination.

COST CENTER — An area of the Airports to which a revenue or expense is attributed, e.g., airfield, terminal, public parking, rental cars, etc.

DEBT SERVICE — Principal and interest payments on bonds. The bond financed portions of the CCP are recovered through debt service, instead of depreciation. See “Statement of Operations” for further clarification.

DEBT SERVICE COVERAGE — An amount equal to 125 percent of the portion of Debt Service attributable to bonds, plus other such amounts as may be established by any financial agreement.

DEPLANING PASSENGER — Any revenue passenger disembarking at the Airports, including any passenger who will board another aircraft (i.e., connecting passenger).

DEPRECIATION — Includes the annual amount charged by the Authority to recover its investment in capital equipment and capital facility projects acquired by the Authority during the period from June 7,

GLOSSARY

2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

1987, through September 30, 1989, and to recover its investment in COMIP projects funded from revenues. See “Statement of Operations” for further clarification.

DISCRETIONARY GRANTS — See “Federal Grants.”

d² PROGRAM — In August 2000, the Board approved a \$3.4 billion Budget Amendment to authorize new capital projects at Dulles including: construction of one of the remaining two parallel runways, including associated taxiway and apron improvements; development of new and expanded terminal facilities, including a Tier 2 Concourse and completion of the Concourse B (Tier 1); construction of a People Mover System from the Main Terminal to each of the Tiers; development of a sterile International People Mover System; construction of a new air traffic control tower; development of new support facilities and utilities; and various roadway and parking improvements to support increased annual growth.

DULLES ACCESS HIGHWAY — A 17-mile, four-lane divided highway reserved for use by Airport traffic, connecting Dulles with Interstate Route 66. The Commonwealth of Virginia has constructed a multi-lane, divided toll road for non-airport users flanking both sides of the Dulles Access Highway.

DULLES GREENWAY — The Dulles Greenway is a 14-mile, four-lane, privately-operated toll road that extends the state-operated Dulles toll road to Leesburg, Virginia. The Authority granted easement to developers to build a 2½ mile segment of the Dulles Greenway on Dulles property.

EARLY PROGRAM — Those projects of the CCP funded from the proceeds of subordinated bonds issued prior to January 1, 1990.

EMERGENCY (R&R) RESERVE — The reserve required by the Master Indenture for emergency repair and rehabilitation of the Airports.

ENCUMBRANCES — Equipment that is awarded by December 31, 2003 but not delivered and facility projects that are awarded but not completed are defined as encumbrances. Budget authorization for encumbrances outstanding at year-end does not lapse. Encumbrances are reported as budgeted expenditures in the year expended and appear as expenditures on the Statement of Operations under the designation “Prior Year Encumbrances.”

ENPLANING PASSENGER — Any revenue passenger boarding at the Airports, including any passenger that previously disembarked from another aircraft (i.e., connecting passenger).

ENTITLEMENT GRANTS — See “Federal Grants.”

GLOSSARY

FEDERAL AVIATION ADMINISTRATION (FAA) — The FAA is a component of the Department of Transportation and, within the airspace of the United States, promotes air safety, regulates air commerce, controls the use of navigable airspace, develops and operates air navigation facilities, develops and operates the air traffic control system, and administers federal grants for development of public-use airports. The FAA operated the Airports prior to their transfer to the Authority on June 7, 1987. The Authority coordinates with the FAA on numerous aviation programs including air security and noise abatement. The federal grants received by the Authority are administered by the FAA.

FEDERAL GRANTS — FAA's Airport Improvement Program provides both entitlement and discretionary grants for eligible airport projects. Entitlement funds are determined by a formula according to enplanements at individual airports. These grants are permitted to be used by the Authority at either or both Airports. The Authority applies for discretionary grants from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a Letter of Intent is subject to receipt of Congressional appropriations for grants to airports, and does not itself constitute a binding commitment of funds by the FAA. For planning purposes, the amounts in approved LOI from FAA are used by the Authority as the estimate of federal discretionary grants to be received. The Authority has also received other federal grants including those from the Federal Emergency Management Agency (FEMA) and the Homeland Security Grant Program.

FEDERAL LEASE — Congress authorized the Secretary of Transportation to lease the Airports to the Authority by the Metropolitan Washington Airports Act of 1986. The lease was signed on March 2, 1987, and operating responsibility for the Airports was transferred to the Authority on June 7, 1987, for an initial term of 50 years ending June 6, 2037. The Lease was amended effective June 17, 2003, to extend the terms to June 6, 2067.

FISCAL YEAR — The Authority formally changed its Fiscal Year from an annual period ending September 30th to an annual period ending December 31st, effective January 1, 1997. Historical aviation activity is presented on a calendar year basis.

FIXED BASE OPERATORS (FBOs) — Those commercial businesses at the Airports authorized by the Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation, but does not include the fueling agent.

FUELING AGENT — The agent selected to operate and maintain the fueling system for each Airport and deliver fuel through the fueling system.

FUELING SYSTEM — At each Airport, the Authority-owned hydrant fueling system and the Authority-owned fuel farm.

GENERAL AVIATION — An operator of private or corporate aircraft not used in the common carriage of passengers, cargo, or freight, and an operation of aircraft as a non-scheduled air taxi.

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2005 BUDGET

→ METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

GRANTS — See “Federal Grants,” and “Commonwealth of Virginia Grants.”

HUBBING — A practice whereby the Airlines schedule large numbers of flights to arrive at an airport within a short time and to depart shortly thereafter, thus maximizing connecting passenger traffic.

INTEREST RATE SWAP — An agreement between two parties to exchange future flows of interest payments. One party agrees to pay the other a fixed rate; the other pays the first party an adjustable rate usually tied to a short-term index.

INTERIM TERMINAL — The temporary terminal facilities built in a hangar at the north end of Reagan National. The Interim Terminal began operations in July 1989 and remained operational as a passenger terminal facility until Terminal B and C opened in July 1997.

INTERNATIONAL ARRIVALS BUILDING — Dulles has two international clearance facilities: one located at the Main Terminal and a second facility at the Midfield Concourse C. These facilities are used for processing international deplaned passengers by the U.S. Customs and Immigration Services. The Main Terminal International Arrivals Building (IAB) was opened in 1991 and subsequently enlarged in 1993 because of growth in international activity. The Concourse C International Arrivals Facility was opened in 1996. See also “International Arrivals Facility.”

INTERNATIONAL ARRIVALS FACILITY — In 1996 United opened a second international arrivals facility in the Midfield Concourse C so transferring international passengers (those not ending their journey at Dulles) could clear U.S. Customs without being transported back and forth to the Main Terminal International Arrivals Building (IAB). Since opening, the Concourse C International Arrivals Facility has primarily served United and Lufthansa connection passengers. All terminating international passengers, including United’s, continue to use the Main Terminal IAB. In late 1997, the Authority bought out United’s investment in the Concourse C International Arrivals Facility to better control airline access to the facility. See also “International Arrivals Building.”

LANDED WEIGHT — Refers to the maximum gross certificated landed weight in one thousand pound units, as stated in the airlines’ flight operations manual. Landed weight is used to calculate landing fees for both airline and General Aviation aircraft operated at the Airports.

LANDING FEES — Fees for payment for the use of the airfield for both airline and General Aviation aircraft, calculated based on airfield costs and recovered based on aircraft landed weight. A separate fee structure is developed for each Airport.

LETTER OF INTENT — See “Federal Grants.”

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LOCAL DISADVANTAGED BUSINESS ENTERPRISE (LDBE) PROGRAM — The Authority is committed to full participation in its contracting programs by minority, women-owned, disadvantaged, and small and local business enterprises. The LDBE Program was adopted by the Board at the June 6, 1990 Board meeting and replaced earlier outreach programs. The LDBE Program aggressively seeks increased participation of minority and women-owned business enterprises in the Authority's contracting opportunities and includes a preference for local disadvantaged businesses in selected Authority contracts.

LONG-TERM DISABILITY PROGRAM — The Authority has established a Long-Term Disability Program for employees hired after the June 7, 1987, transfer of the Airports. The program provides disability benefits until age 65 or older, depending on the age of the employee at the time of disability.

MAIN TERMINAL — At Reagan National, refers to the historic Terminal A. At Dulles, refers to the terminal building designed by the late Eero Saarinen, with subsequent additions, served by an upper level roadway for departing passengers and a lower level roadway for arriving passengers.

MAJOR AIRLINE — An airline with gross operating revenues during any calendar year of more than \$1 billion. See also "Commuter Airline," "National Airline," and "Regional Airline."

MASTER INDENTURE — The Master Indenture of Trust dated February 1, 1990 as amended and restated Master Indenture of Trust dated September 1, 2001, securing the Authority's Airport System Revenue Bonds.

MASTER PLAN — For Reagan National, refers to the plan that became effective on April 15, 1988, after adoption by the Board of Directors and submission to its Board of Review, and for Dulles, refers to the plan for which the Authority assumed responsibility under the federal lease, including any amendments to either plan.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY — The Authority operates Reagan National and Dulles under an 80-year lease agreement with the U.S. Department of Transportation. Congress authorized the lease of the Airports, formerly operated by the Federal Aviation Administration, in October 1986. The lease of the Airports to the Authority by the federal government was signed on March 2, 1987, and operating responsibility for the Airports was transferred to the Authority on June 7, 1987.

MIDFIELD CONCOURSES — Two remote temporary midfield concourses, Midfield Concourses B and C/D, were built at Dulles by the Airlines, one at each end of the jet ramp, to accommodate growth in activity until replaced by permanent facilities. A permanent midfield concourse, Midfield Concourse B, built by the Authority and opened in February 1998, was funded from PFCs and Authority net remaining revenue. A Regional Airline Midfield Concourse connected to Concourse B opened in April 1999 to accommodate both turboprop and jet regional/commuter aircraft. Mobile Lounges and Plane-Mates are used to shuttle passengers between the Midfield Concourses and the Main Terminal.

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MIDFIELD CONNECTOR — An enclosed 760-foot walkway with moving sidewalks constructed by United to enable connecting passengers to move between Midfield Concourses C and D at Dulles.

MOBILE LOUNGE — A vehicle for transporting passengers between and among the Dulles terminals, concourses, and aircraft. Developed specifically for use at Dulles, these vehicles can carry up to 102 passengers, with 71 seated. One end of the lounge mates with the terminal building, the other is equipped with a passenger bridge to connect with aircraft. A total of 21 Mobile Lounges were built, of which 19 are still operational. This fleet has been supplemented with 31 second-generation passenger conveyance vehicles. See “Plane-Mates.”

NATIONAL AIRLINE — An airline with gross operating revenues of between \$100 million and \$1 billion during any calendar year. See also “Commuter Airline,” “Major Airline,” and “Regional Airline.”

NET REMAINING REVENUE (NRR) — For any fiscal year, the total of revenues and transfers less (a) operation and maintenance expenses, including the federal lease payment; (b) debt service; (c) the amount of rental credits given to certain scheduled air carriers as set forth in the surviving agreements; and (d) required deposits to maintain the operation and maintenance reserve and the COMIP reserve. Under the Agreement, NRR is further adjusted by deducting depreciation and airline subordinated debt service coverage. The resulting balance is then divided between the Authority and the Signatory Airlines.

DAILY GARAGES 1 and 2 — To accommodate current daily parking demand at Dulles, the Authority constructed two public parking garages, the formerly known “North Parking Garage and West Parking Garage” that flank the main parking oval in front of the Main Terminal. An underground pedestrian connector was constructed between the Main Terminal and the Daily Garage 1 to provide passengers with a safe and convenient way to cross the terminal roadways and surface parking lot. The connector includes moving sidewalks and climate control. These garages provide approximately 8,550 public parking spaces.

NORTH TERMINAL — At Reagan National, refers to the terminal previously located north of Terminal A, which was connected to Terminal A via the North Concourse and was served by the lower level roadway. The North Terminal was demolished to make way for Terminal B and C.

OPERATING EXPENSES — The Authority’s financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP). For budget purposes, however, operating expenses have been modified to conform with the provisions of the Agreement. Under the terms of this Agreement, beginning on October 1, 1989, capital equipment and capital facility projects funded from the O&M Program are treated as operating expenses. Previously acquired capital equipment and capital facility projects continue to be recovered through depreciation. The bond-financed portion of the CCP and the bond-financed pension liability are recovered through debt service. The COMIP is recovered through depreciation and funded from the Authority’s share of net remaining revenue. Any maintenance-type projects funded from bonds are recovered through debt service.

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OPERATING INCOME — Operating revenues less operating expenses equal operating income. Although the Authority’s financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP), for budget purposes, operating revenues and operating expenses are defined under the terms of the Agreement. See the definitions of “Operating Revenues” and “Operating Expenses” for clarification.

OPERATING REVENUES — The Authority’s financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP). For budget purposes, however, operating revenues have been modified to conform with the provisions of the Agreement. Under the terms of this Agreement, transfers are applied as credits in the calculation of signatory airline rates for rentals, fees, and charges for the next year. Transfers are the signatory airlines’ share of net remaining revenue for each year.

OPERATION AND MAINTENANCE (O&M) PROGRAM — The O&M Program provides for the day-to-day operation and maintenance of the Airports, including those functions performed by the Consolidated Functions staff for both Airports. The O&M Program includes operating expenses and debt service.

OPERATION AND MAINTENANCE (O&M) RESERVE — The two-month cash reserve for operation and maintenance expenses required by the Master Indenture.

ORIGINATION AND DESTINATION (O&D) PASSENGER — A passenger who is beginning or ending air travel at a particular airport, as compared to a connecting passenger who is transferring from one flight to another en route to a final destination.

PARKING GARAGE A — A three and one-half level public parking facility at Reagan National with approximately 2,000 parking spaces, Parking Garage A is the principal parking facility for Terminal A. It is also used by the rental car operators. A pedestrian tunnel was constructed between Parking Garage A and Terminal A to provide passengers with safe and convenient access between the two facilities.

PARKING GARAGE B/C — A four and one-half level public parking facility at Reagan National with approximately 4,400 spaces, Parking Garage B and C is the principal parking facility for Terminal B and C. Pedestrian bridges connect Parking Garage B and C to both Terminal B and C and the Metro Station..

PASSENGER CONVEYANCES — The Dulles Mobile Lounges/Plane-Mates or other ground transportation devices, including any underground people mover system provided by the Authority, for the movement of passengers between and among terminals, concourses, and aircraft at Dulles.

PASSENGER FACILITY CHARGES — The Aviation Safety and Capacity Expansion Act of 1990, enacted November 5, 1990, and amended in February 2001, enables airports to impose a Passenger Facility Charge (PFC) of \$1, \$2, \$3, \$4 or \$4.50 on enplaning passengers. PFCs can be used for any projects

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determined by the FAA to be eligible, primarily those projects that are eligible for Airport Improvement Program grants. The Authority began collecting PFCs in November 1993 at Reagan National and January 1994 at Dulles. In February 2001, the Authority received FAA approval to increase PFC collection authority from \$3.00 to \$4.50 on each qualified enplaning passenger. PFCs collected by the Authority replace federal entitlement grants received in an amount equal to 75 percent of the total federal entitlement grant to which each Airport is entitled.

PENSION LIABILITY — Under the provisions of the transfer legislation, the Authority was required to pay to the U.S. Civil Service Retirement and Disability Fund (1) the actual added costs incurred by the Fund due to discontinued service retirements and (2) the estimated future unfunded liability of employees who transferred to the Authority and remained under the U.S. Civil Service Retirement System. Series 1988C and Series 1988D Bonds issued for \$24,505,000 were used to pay the pension liability. For cost recovery purposes, this amount was recovered through debt service. These bonds were retired October 1, 1998.

PLANE-MATE — A second generation passenger conveyance vehicle used to supplement the Mobile Lounge fleet at Dulles. Plane-Mates are also used at several other airports throughout the world and have a passenger capacity of 150, with 94 seated. Designed for the newer wide-bodied jets, the body of the Plane-Mate elevates on electrically driven ball screw jacks to connect with terminals, concourses, and aircraft. A total of 31 Plane-Mates operate at Dulles.

PREMISES — Areas of the Airports leased by airlines pursuant to the Agreement.

PRIOR YEAR ENCUMBRANCES — See “Encumbrances.”

REGIONAL AIRLINE — An airline with gross operating revenues during any calendar year of less than \$100 million that operates aircraft with a capacity of more than 60 seats. See also “Commuter Airline,” “Major Airline,” and “National Airline.”

REGIONAL AIRLINE MIDFIELD CONCOURSE A — The 36-gate Regional Airline Midfield Concourse A opened in April 1999. It is located east of Concourse B and includes passenger access to Concourse B. Primary passenger access is provided by Mobile Lounges and Plane-Mates from the Main Terminal. It accommodates both turboprop and jet regional/commuter aircraft. The Concourse includes passenger holdrooms, restrooms, concession space, and airline support space. See also “Midfield Concourses.”

REVENUES — See “Operating Revenues.”

SECURITY FEES — Fees paid by the Transportation Security Administration to the Authority for its costs associated with FAA-required police coverage for passenger screening at departure gates.

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SENIOR BONDS — Any bonds or other financing instrument or obligation issued pursuant to the Master Indenture.

SIGNATORY AIRLINE — A scheduled air carrier that has executed the Agreement effective during the period from January 1, 1990, through September 30, 2014.

SOUTH DEVELOPMENT AREA — The South Development Area is an 85-acre complex in the southwest corner of Reagan National. Included in the plan for the South Development Area are various airline/tenant support buildings, the airmail facility, remote public parking lots, the new fuel farm, various maintenance and equipment storage buildings, and the industrial waste treatment plant.

STATEMENT OF OPERATIONS — The Authority's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP). For budget purposes, however, the Statement of Operations has been modified to conform with the provisions of the Agreement. Depreciation includes the annual amount charged by the Authority to recover its investment in capital equipment and capital facility projects acquired by the Authority during the period from June 7, 1987, through September 30, 1989, and to recover its investment in COMIP projects funded from revenues. Capital equipment and capital facility projects acquired by the Authority after October 1, 1989, are treated as operating expenses and are recovered in full in the year purchased. The bond financed CCP and the bond-financed pension liability are recovered through debt service.

SUBORDINATE BONDS — The Authority's General Airport Subordinate Revenue Bonds issued pursuant to the subordinated indenture dated March 1, 1988.

TELECOMMUNICATIONS SYSTEM — See "Airport Communications System."

TERMINAL A — At Reagan National, refers to the historic Main Terminal.

TERMINAL B and C — This terminal at Reagan National was built north of Terminal A and is served by a new dual-level roadway. A number of facilities, including the old North Terminal, were demolished to make way for the new terminal. Terminal B and C has the capacity to handle approximately two-thirds of the Airport's passengers. The first 25 gates of the Terminal B and C were opened in July 1997 and the remaining 10 gates opened in August 1998.

TERMINAL RADAR APPROACH CONTROL (TRACON) — An FAA air traffic control facility using radar and air/ground communications to provide approach control services to aircraft arriving, departing, or transiting the airspace controlled by the facility.

TOTAL PASSENGERS — The total of all enplaning passengers and all deplaning passengers. A connecting passenger is counted as both a deplaning passenger and an enplaning passenger.

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TRANSFERS — The Signatory Airlines' share of net remaining revenue for each year. Transfers are applied as credits in the calculation of signatory airline rates for rentals, fees, and charges in the next year.

TRANSPORTATION SECURITY ADMINISTRATION (TSA) — As part of the Aviation Security Act passed in November 2001, TSA handles passenger security screening at all U.S. Airports.

U.S. IMPLICIT PRICE DEFLATOR INDEX — Refers to the most recently issued year-to-year U.S. Gross National Product (GNP) Implicit Price Deflator Index, issued by the United States Department of Commerce.

VASTERA OFFICE BUILDING — The Authority purchased this building in 2000 to accommodate the construction of the public parking garage at Dulles. This building was formally referred to as the Fairchild Office Building.

WASHINGTON FLYER GROUND TRANSPORTATION — The Washington Flyer ground transportation system is operated by the Authority, which provides bus/van service between the two Airports, from Dulles to downtown Washington and to the West Falls Church Metro Station. The service operates at a loss, with the difference between revenues and expenses included as operating expenses in the O&M Program.

WASHINGTON FLYER MAGAZINE — The Authority publishes bimonthly the Washington Flyer Magazine, which is distributed without charge at the Airports. The purpose of the magazine is to provide information and help to the users of the Airports and to promote and market the use of the Airports to the frequent traveler in and out of the Washington Metropolitan Area. The Washington Flyer Magazine has become one of the Authority's primary marketing, communications, and public relations tools, reaching more than 180,000 readers each issue.

WRAP-UP INSURANCE — Traditionally, contractors purchase insurance coverage which is included in their bids. The wrap-up insurance approach removes the obligation for purchasing insurance from the individual contractors. The Authority, using the wrap-up insurance approach, is purchasing the insurance for the CCP in one package.



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