



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000

David S. Ekern, P.E.
COMMISSIONER

September 5, 2007

Memorandum

To: Commissioner David S. Ekern

From: Malcolm T. Kerley, P.E., Chief Engineer
Barbara W. Reese, Deputy Secretary of Transportation

Subject: Recommended Business Terms for the Capital Beltway High Occupancy Toll Lanes Comprehensive Agreement

Handwritten signatures of Malcolm T. Kerley and Barbara W. Reese in blue ink.

As we have discussed, the negotiation team for the Capital Beltway High Occupancy Toll (HOT) Lanes completed its work on August 31, 2007. Our joint recommendation is that you approve the negotiated business terms and our work to finalize all agreements and documents in the coming weeks.

As background, for the first time and within the same basic footprint of the existing Beltway, dedicated high occupancy vehicle (HOV) and transit lanes will be available once the Project is complete. The Capital Beltway is the only major corridor in Northern Virginia that has no dedicated transit or HOV services. Furthermore, the construction of this Project represents the first capacity enhancements to the Capital Beltway in a generation, addresses growing congestion in the corridor, and improves the safety and performance of the entire Beltway.

The negotiated business terms achieve the Commonwealth's public policy goals regarding projects developed, constructed and operated under the Public-Private Transportation Act. Furthermore, the business terms address the June 2004 findings of the PPTA Advisory Panel as well as recent public policy issues outlined by the Chairman of the U.S. House of Representatives Transportation and Infrastructure Committee.

The remainder of this memorandum outlines the key recommended business terms.