

Partnering with Virginia on Express Lanes



Express Lanes network in Virginia

495 Express Lanes

395 Express Lanes

95 Express Lanes

A leading developer, operator and long-term concessionaire of toll roads since its establishment in 1996, Transurban's vision is to strengthen communities through transport and we partner with governments to meet the long-term transportation needs of communities. Transurban has built a solid track record of financing, delivering and operating sustainable, innovative and efficient toll road projects in Australia and the U.S.

In Northern Virginia, Transurban partnered with the Commonwealth of Virginia to deliver and manage a network of Express Lanes to unlock gridlock in one of the nation's most congested corridors. Without the ability to build its way out of congestion, Virginia looked to a solution that would get I-95 and I-495 moving again while also advancing key policy and community objectives.

Delivered on-time and on-budget, the 495 and 95 Express Lanes projects provided \$3 billion in transportation improvements to the region and delivered real time savings to travelers. But the benefits go beyond the Express Lanes. The projects met key policy objectives that protected taxpayers, bolstered HOV and transit in this critical corridor, enhanced the infrastructure and throughput surrounding the Express Lanes and benefited the Virginia local communities.

95 Express Lanes
Fredericksburg Extension

*Nearly eight in 10
area drivers think the
Express Lanes benefit
the region.*



Driving economic growth through partnership

Transurban partnered with Virginia to deliver sustainable transportation solutions that strengthen communities and support the economy.

- \$6.3B generated in economic activity and 28,000 jobs supported during construction¹
- \$775 million in DBE/SWaM contracts to date
- Financing approach enabled Virginia to leverage private capital to translate a \$492 million public investment into \$3 billion worth of transportation improvements
- The Commonwealth's direct return on its investment is 29 times for the 495 Express Lanes and 110 times for the 95 Express Lanes
- Both projects delivered safely on-time and on-budget
- Key risks transferred to private sector, protecting taxpayers



Improving mobility in the region

The 495 and 95 Express Lanes projects earned bipartisan support to deliver faster, more reliable travel options on some of the area's most congested corridors.

- Served nearly 5 million customers since opening
- Average time savings during a daily peak period commute of 23 minutes on the 495 Express Lanes and 58 minutes on the 95 Express Lanes²
- 3.5 hours maximum time savings for one trip on the 95 Express Lanes (Springfield to Stafford)
- Improved travel times on the regular lanes on I-495 and I-95 during rush hour since the Express Lanes opened



Creating choices for travelers

The Express Lanes give travelers choices of how to move through the region. Travelers can pay a toll or access a reliable toll-free travel option via carpool or bus.

- 495 Express Lanes introduced HOV benefits to the Virginia side of the Capital Beltway for the first time
- Average of 37,500 weekday carpool trips and 844 weekday bus trips across the network—carpool and bus trips steadily increasing over time
- Customers benefit from the ability to choose how to use the Lanes—about one in five toll-paying customers who travel the Express Lanes at least once a week during rush hour also occasionally carpool on the Lanes



Investing in the community

As a long-term operator, we strive to be good neighbors and active members in the communities in which we operate.

- Community grant programs support local community projects, neighborhoods and non-profit organizations
- More than \$720,000 awarded in community grants
- Annual participation in local community events
- Active member of 28 local and industry organizations
- Employee volunteering programs



Focusing on customers

We focus daily on how to ensure a good customer experience. Transurban puts customers first, on and off the road network, through:

- Delivering on the promise of a faster, safer and more reliable trip
- A mobile app to plan travel and receive alerts
- Web and mobile tools to allow customers to quickly pay for missed trips
- Treating drivers with unpaid travel fairly by providing ways to avoid fees
- Providing a single customer service center to resolve issues
- Education programs to ensure customers know how to safely use the Express Lanes and E-ZPass



Prioritizing safety

Transurban places the highest priority on safety for travelers and workers.

- Reduction in accidents on 95 HOV Lanes since conversion to Express Lanes
- Dedicated incident management systems that quickly identify issues on the Lanes and notify incident response crews
- 24/7 control room monitoring of the roads
- Less than 10 minutes average response time for dedicated Express Assist incident response vehicles
- Anti-distracted driving programs to promote safe driving behavior
- Strong delivery safety record with more than 13 million hours worked with only two lost-time incidents



Extending the benefits of the Express Lanes network

Transurban is growing the Express Lanes network to bring benefits throughout the region.


- 395 Express Lanes
 - Extension of the Express Lanes 8 miles north on I-395 to the D.C. line—currently under construction
 - A \$15M annual investment in transit over the life of the 395 Express Lanes project
 - Project will also improve access to the Pentagon and enhance the I-395 regular lanes
 - Anticipated opening in late 2019
- Currently developing with Virginia the 95 Express Lanes Fredericksburg Extension project to extend the 95 Express Lanes 10 miles south to the Fredericksburg area


¹ Dr. Stephen Fuller, George Mason University, *Economic Impact of Construction Outlays for the 95 Express Lanes on the Commonwealth of Virginia, the Washington Metropolitan Area, and the Local Jurisdictions*, August 2012; *Economic Impact of Construction Outlays for the Capital Beltway HOT Lanes*, November 2008


² September 2017 quarter


How the Express Lanes work

Different travel modes on the Express Lanes

 **Single occupancy drivers** use an E-ZPass to pay tolls

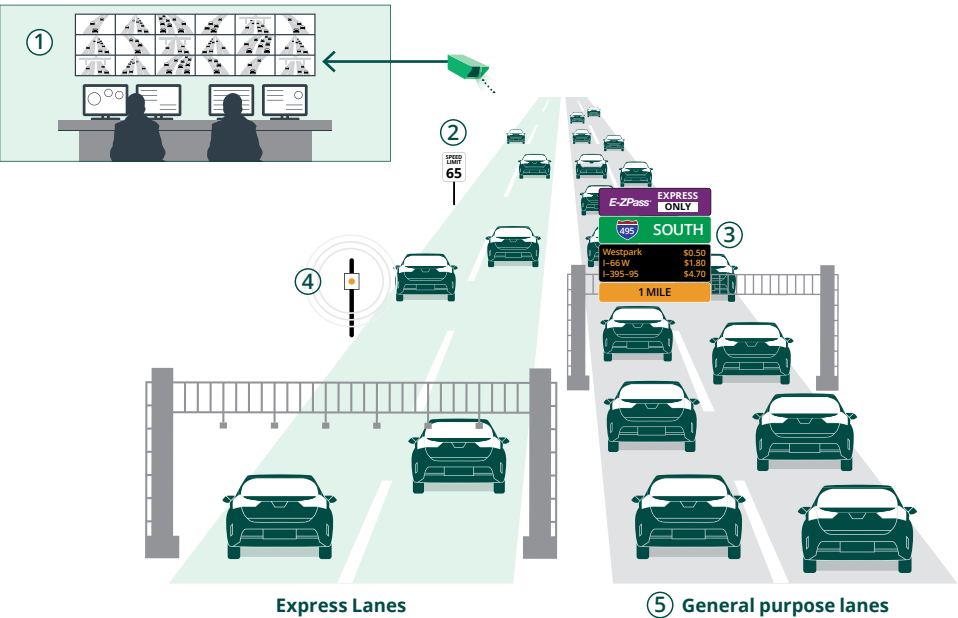
 **HOV-3 carpoolers** use an E-ZPass Flex to travel toll-free

 **Buses** travel toll-free

 **Motorcycles** travel toll-free

The Express Lanes network includes 40 miles of free-flowing managed toll lanes. To keep the Express Lanes moving and providing customers with reliable service at highway speeds, even during rush hour periods, Transurban uses dynamic pricing to manage the traffic flow based on real-time traffic conditions. As traffic increases, the toll is raised to manage demand and maintain free-flowing travel in the Express Lanes. The Express Lanes are toll-free for HOV-3 carpools, buses and motorcycles.

Pricing on Transurban Express Lanes



1 Express Lanes Operations Center

The Express Lanes are monitored 24 hours a day, and the tolling process has internal oversight to provide checks and balances.

2 Managing traffic

The Express Lanes use dynamic tolling to manage demand and keep free-flowing conditions. The toll price goes up and down depending on real-time traffic to keep the Lanes moving at the contractually required minimum average speeds of 55 mph on the 95 Express Lanes and 45 mph on the 495 Express Lanes.

3 Toll prices

Toll prices are displayed on variable message signs in advance of Express Lanes entry points, allowing drivers to decide

whether they would like to use the Lanes based on the current rates. Customers can also review real-time toll prices on the Express Lanes website and free mobile app.

4 On road technology

Sensors are located every 1/3 of a mile along the Express Lanes corridor and measure traffic volume and speed to calculate density. Roadside equipment monitors traffic and toll prices are updated as often as every 10 minutes to adjust to changes in real-time traffic conditions.

5 General purpose lanes

Traffic on the regular lanes can also affect the toll price.

Ensuring a good customer experience

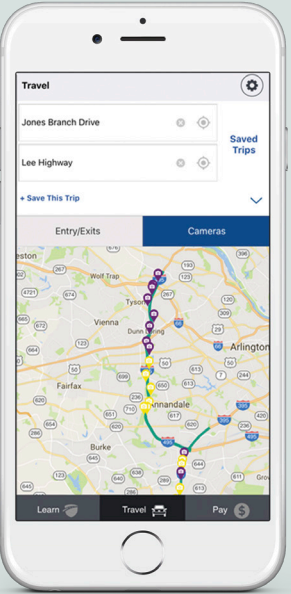
Transurban has an ongoing focus on customers, and we continually work to ensure a good customer experience, on and off the road.

As a partner with Virginia, we continue to focus daily on how to ensure a safe, positive customer experience. We anticipate and prepare for community concerns and work with our government partners to make certain that community interests are recognized and addressed. We make sure customers are prepared and know how to use the road, and know where to get help when they need it.

Transurban puts customers first, on and off the road network, through:

- Delivering on the promise of a faster, safer and more reliable trip for toll-paying, transit and carpooling customers;
- Transparency on toll prices and trip times through online and mobile tools;
- Treating drivers with unpaid travel fairly by providing multiple ways to pay missed tolls and avoid fees, and through our First-Time Forgiveness Program;
- Providing a single customer service center across the Express Lanes network to answer questions or resolve issues;
- Education campaigns to ensure customers know how to safely use the Express Lanes and their E-ZPass or E-ZPass Flex; and,
- Creating new ways for customers to pay as technology advances and customer preferences evolve.

Transurban puts customers first



 **One Mobile App**

To check real-time 495 and 95 pricing, see on-road cameras, pay tolls, and sign up for alerts

 **One Customer Service Center**

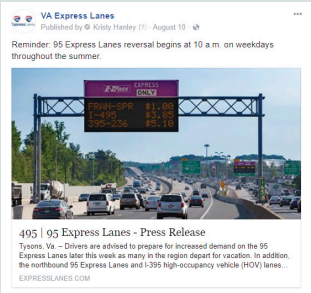
To address inquiries and pay tolls

 **One Website**

For more information about the lanes, how to use them, real-time pricing, and pay missed tolls

 **One Invoice**

For multiple trips within the Express Lanes network



Express Lanes WinterTravel Tips



Traffic has increased in the region during this winter season. We want to make sure you have a safe and reliable trip with the Express Lanes. Drivers traveling the I-95 and I-495 corridors during rush hour periods are advised to follow these tips for a smoother trip.



Avoid the peak travel time on the Express Lanes to skip the highest tolls.

- Toll rates reach their highest on the Express Lanes between 7 to 8 a.m. and 5 and 6 p.m. during the peak of rush hour.
- By traveling an hour earlier or later, drivers can shave between 33 and 60 percent off the peak period toll price.



Check the Express Lanes mobile app to see current travel conditions before hitting the road.

- Review current toll prices and live traffic cameras on the Express Lanes mobile app. Toll price alerts can be delivered directly via SMS text message or email.
- The app is free to download and available for iPhone and Android devices.



Explore carpool and transit options to travel toll-free on the Express Lanes.

- Traveling by bus or carpool with an E-ZPass Flex costs nothing on the Express Lanes. A growing option of ridesharing mobile apps and organizations has made it easier to connect with other commuters to carpool.
- Visit ExpressLanes.com for links to carpooling organizations and transit options.



Don't drive distracted.

- Distracted driving is a leading cause of regional incidents. Even minor fender-benders sitting in the shoulder cause rubbernecking slowdowns. Texting behind the wheel is like driving blindfolded across an entire football field.
- Join the Phones Down. Touchdown. campaign with quarterback Kirk Cousins and take the pledge to drive distraction-free at PhonesDownTouchdown.com

Understanding customers and their behavior on the Express Lanes

Express Lanes receive strong satisfaction rates.



Not an every day toll road

- 17% use daily or weekly
- 83% use between a few days a month or just a few times a year

Top reasons for using the Lanes

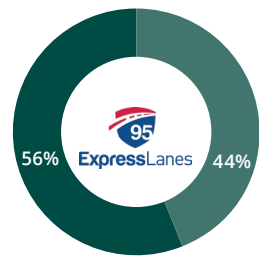
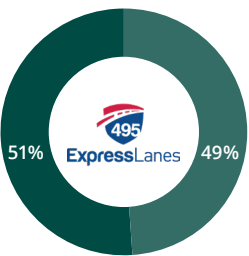
- Commuting to/from work
- Appointments
- Visit friends and family
- Travel for vacation

Frequent customer snapshot

- 90% are between ages 18 to 45
- 60% have children
- ~50% have household income under \$100,000

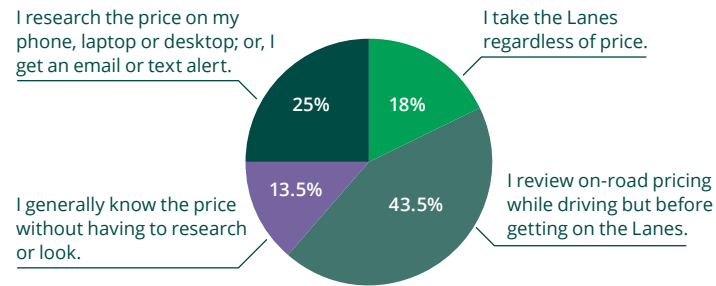
Customers vary in decision making

Travelers nearly split on planning to take the Lanes or taking due to running late



- Running late
- Planned to take the Lanes

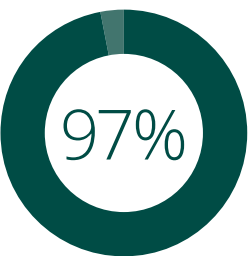
Travelers use different tools to assess the cost



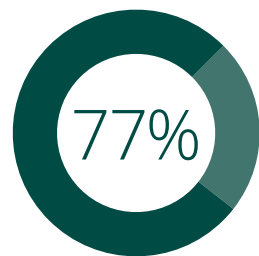
Before deciding to get on the Express Lanes, about six in 10 customers check traffic apps or sites—such as the Express mobile app—prior to at least half of their trips.

Frequent customers paying for fewer tolls

“I pay for all or most of my tolls on the 95 Express Lanes”?



Fall 2015

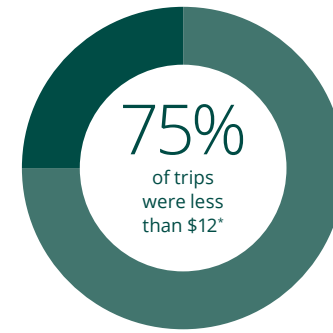
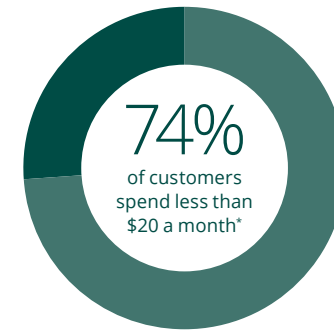
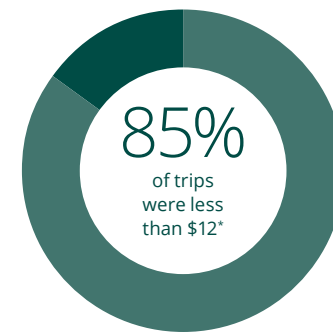
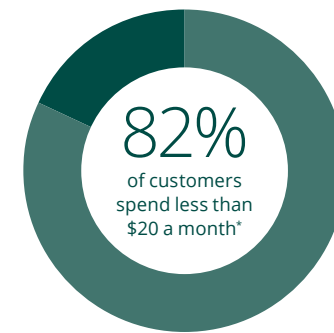


Summer 2017

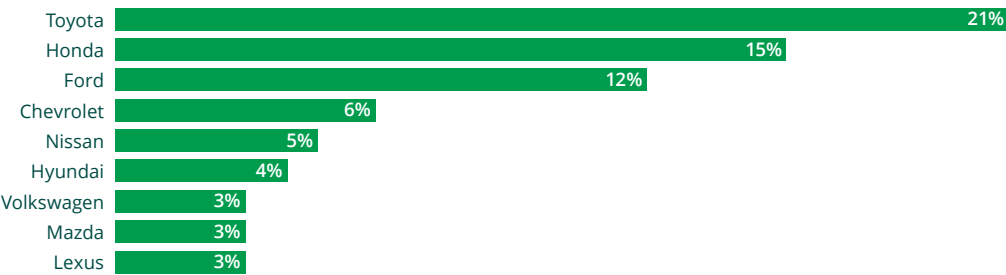
By Summer 2017, approximately 23% of 95 rush hour customers travel with an E-ZPass funded by their employer, are reimbursed the cost of tolls related to business travel or claim toll expenses as tax deductions.

Express Lanes are an option for all

The vast majority of customers spend more on a single tank of gas than they do on tolls throughout an entire month. Most trips on the Express Lanes cost less than a lunch out at a fast casual restaurant.



Car brands of Express Lanes customers



Sources:
Survey of 1,700 drivers in the Washington, D.C. metro area conducted by KRC Research in September 2015
Survey of 1,705 drivers in the Washington, D.C. metro area conducted by KRC Research in May 2017
On-road data from Q2, Q3 and Q4 in 2017
www.franchisehelp.com/industry-reports/fast-casual-industry-report

Positive feedback from customers

80% of drivers who pay a toll on occasion agree the Lanes are a “good option when I need it.”

“I own a small maid service and pay for all my employees to use the Express Lanes. We are like cleaning superheroes now, flying from one home to the next, no stress, staying on schedule, it’s a breeze.”

Sarah P.
Owner, SparkleClean Maid Service, Alexandria, VA

“My commute would take over an hour. Now it takes 25 minutes. I use that time with my family.”

Luis B.
Woodbridge, VA

“I’ll pay the money to drive at a steady pace.”

Tabetha F.

Putting safety and customers first

Focusing on the customer experience is a critical component to Transurban successfully delivering value to the region’s travelers.

Not only do we focus on customers having a good experience on the road, but we will continue to provide excellent service to our customers off the road, including:

- Fair policies and procedures to support all travelers;
- Ongoing educational efforts and messaging about proper E-ZPass use and account management;
- Convenient tools to help alert customers to unpaid trips and quickly pay to avoid invoices such as the ability to sign up for alerts when a toll is missed and the ability to pay those missed tolls online or on the Express Lanes mobile app;
- The First-Time Forgiveness Program to help customers who make a mistake be able to avoid fees; the program includes

a self-imposed court fee cap, was put into place in fall 2014 and ultimately became the model for new Virginia legislation governing unpaid toll enforcement;

- Partnering with the Commonwealth to establish an E-ZPass notification system for customers with pending violations;
- Providing additional training for Customer Service Center representatives to ensure customers are treated fairly; and,
- Providing direct Transurban contact to elected officials responding to constituent inquiries.
- A single customer service center across all Transurban-managed Express Lanes to support customers when they have inquiries or issues.

It is our continued goal to work with our customers and the Commonwealth by providing regular communications and programs to avoid any confusion regarding the E-ZPass management issues and ensure we continue to provide a safe, faster and more predictable driving experience for travelers in Northern Virginia.



Prioritizing safety

At Transurban, safety is our top priority. We continually focus on safety projects for all drivers and workers. By embedding a “safety first” approach into our culture, Transurban supports a healthy and safe environment for local communities, road users, employees and contractors. Our comprehensive safety programs encompass stakeholders throughout the region.

To keep our customers safe, the Express Lanes have dedicated incident management systems, such as closed-circuit surveillance cameras, traffic sensors and video-based incident detection that quickly identify incidents on the lanes and notify the incident response crews. The incident response crews, known as Express Assist, have an average response rate of less than 10 minutes and are available 24 hours a day. Although the number of trips along the I-95 corridor has increased, recent statistics

indicate that accidents per 100 million miles traveled were actually reduced from 2015 (56) to 2016 (42).

Additionally, Transurban has launched multiple customer-focused safety campaigns in the region to educate drivers and promote safe driving behaviors.



Safe driving campaigns

- Anti-distracted driving campaign on 495 and 95 Express Lanes work zones
- Delivered annual research findings on distracted driving in Express Lanes work zones in Virginia
- More than 1,000 regional businesses pledged to address distracted driving among their employees
- Re-launching campaign for 395 Express Lanes project construction

Strengthening communities

Transurban prioritizes customer and community interests, and we are committed to having a positive, lasting effect on local communities in the region. We have actively worked with various stakeholders over the past 12 years during planning, construction, and commencement of operations to make sure our customers are satisfied. We maintain our commitment to the community by proactively addressing concerns, bolstering awareness and education and working with impacted communities throughout our project corridors.

Transurban is dedicated to supporting and engaging customers and the local community by:

- Working closely with stakeholders and community members to fully understand their concerns;
- Providing for the safety of drivers and staff through public affairs campaigns aimed at improving safe work zones, reducing distracted driving, and preparing drivers for the opening of the Express Lanes; and,
- Continuous support through local community grant programs.

Virginia is home to many of the nation's military and veterans. Committed to veterans, Transurban is a certified Virginia Values Veterans company, supporting housing and other programs throughout the Commonwealth.

Active member of 28 organizations, including local and regional chambers of commerce, such as the Fredericksburg Chamber, and industry organizations dedicated to intelligent infrastructure best practices.

Donated \$720,00 to 161 organizations in Northern Virginia through our community grant programs.

Hosted, presented or participated in **more than 3,000 community events, public meetings and employer briefings,** through our Express Lanes outreach.

Supported our nation's veterans through the **New Hope Housing program,** most recently with a grant that helped to veterans transition into permanent housing.

Positive feedback from stakeholders

“The Carpenter’s Shelter clinic helps people that are uninsured and homeless get the medical care they need despite their circumstances. Because of support from the 395 Express Lanes Community Grant program, we were able to supply our clinic for the entire year and we have seen people get healthy and then rehoused. Thank you Transurban for your generous support.”

Shannon Steen
Executive Director Carpenter Shelter

“Transurban’s Express Lanes are great for Virginia’s economy and workers. The Express Lanes projects created thousands of jobs during construction and put hundreds of businesses to work. Transurban’s partnership with the Commonwealth exemplifies the commitment that is needed to create jobs and generate economic growth.”

Dennis L. Martire
Vice President and Mid-Atlantic Regional Manager
Laborers’ International Union of North America

“Transurban’s Express Lanes have greatly benefited the Northern Virginia region by increasing mobility and reducing congestion, creating jobs, and making our region more economically competitive.”

Senator Dave Marsden
37th Senate District



Investing in the future

Investing in innovation

Transurban is continually looking to the future of the transportation industry, and remains involved with new and emerging technologies. We have tailored our innovation and technology initiatives to support the Commonwealth's vision and strategic objectives, including:

- Working with the Commonwealth on a connected and autonomous vehicle (CAV) Express Lanes test bed;
- Entered into a memorandum of understanding with the Commissioner of Highways, VDOT and FHWA to study how connected and autonomous vehicles (CAVs) may improve safety and mobility;
- Leading deployment of state-of-the-art technology, including HOV management, work zones, and motorcycle safety;
- Alternative approaches such as engagement of start-ups via innovation challenges and direct investment in research;
- Mobile products to enhance the customer's experience on the Lanes;

- Industry leadership and participation to support innovation and research; and,
- Low cost operational solution to safely reduce gate hits.

Preparing for the future

Transurban has partnered with the Virginia Tech Transportation Institute for an initiative designed to inform practices and policies related to connected and automated vehicles. Through this program, the Virginia Automated Corridors Initiative pilot program, we are exploring the practical application of emerging technologies and gaining a better understanding of how these vehicles can improve safety and customer experiences on our roads. The program has already conducted real-world trials on the Express Lanes. In Australia, Transurban joined the Australian Driverless Vehicle Initiative (ADVI) to enhance our understanding of the latest international connected and automated vehicle developments. Additionally, we are currently conducting an automated vehicle trial in Victoria.



Proactive approach to sustainability

Through Transurban's ongoing commitment to sustainability, we aim to deliver lasting benefits to the environment, our clients and the communities we serve. We focus on identifying and implementing initiatives that align with the three pillars of our sustainability strategy:

- Be good neighbours
- Use less
- Think long term

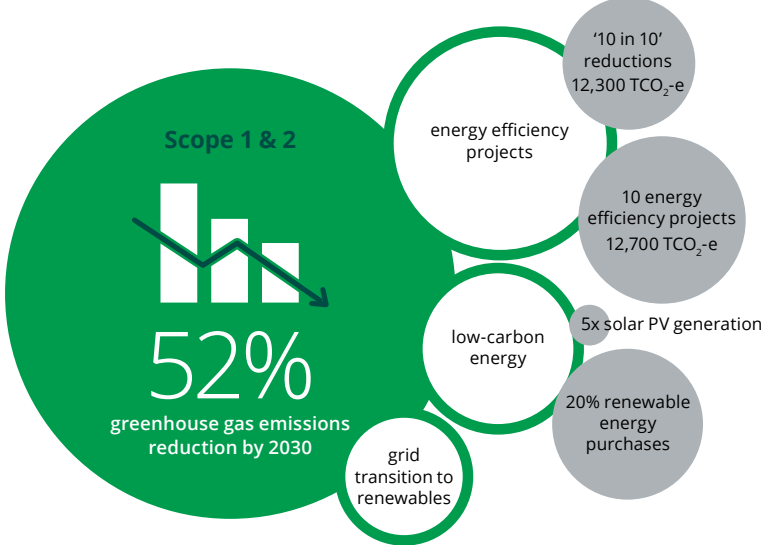
These extend beyond our sustainability program and are fundamental to our day-to-day business activities as well as our long-term objectives.

Minimizing environmental impacts

Transurban is focused on minimizing the social and environmental impacts of operating our roads, offices and construction projects. In simple terms, that means we challenge ourselves to 'use less.' Transurban

measures and sets targets for our greenhouse gas (GHG) emissions and performs risk assessments on our assets to mitigate the impact of climate change. In FY17, we took the significant step of establishing a science-

based greenhouse gas emissions reduction target aligned with global efforts to mitigate climate change. Transurban has set a target to achieve a 52% reduction in Scope 1 and 2 emissions by 2030, compared to 2016 levels.



Fredericksburg Extension

The Fredericksburg Extension Project (Fred Ex) will extend the existing reversible 95 Express Lanes south by 10 miles in the I-95 median. The Project corridor extends from the current southern end of the 95 Express Lanes near Route 610 (Exit 143 - Garrisonville Road) in Stafford County south to the vicinity of Route 17 (Exit 133 - Warrenton Road). The Project will have two reversible lanes and two full-size shoulders. The Fred Ex Project includes construction of new ramps for access to Quantico and Old Courthouse Road (VDOT Park & Ride), with the addition of seven new bridges.



As a component of the initial 95 Express Lanes concept from 2011, Fred Ex also advances the Commonwealth's vision of the Atlantic Gateway and, specifically, the 95 Express Lanes in Virginia which, together with the 395 Express Lanes, will provide reliable, uninterrupted travel for 50 miles in one of the most congested corridors in the nation. Traffic data company, INRIX, recently rated the Fred Ex portion of I-95 the "worst traffic hot spot" in the United States and estimates that delays in the area will cost drivers approximately \$2.3 billion over the next 10 years if conditions do not improve. Researchers observed nearly 1,400 traffic jams along the corridor over a two-month period, with a 33-minute delay on average, stretching nearly 6.5 miles.

Extending the Express Lanes 10 miles south will provide much needed relief from the existing bottlenecks along the I-95 corridor, improving reliability for commuters and freight, enhancing road safety, and setting up the regional economy for future growth.

"Not only will the FredEx project create jobs and economic development through its design and construction but by unlocking the congestion in the region Virginia will increase opportunities for existing businesses to grow as well as improve our ability to attract new companies."

Senator Minority Leader, Dick Saslaw
Virginia State Senate, District 35

For the Northern Virginia and Fredericksburg regions to continue to be economically viable we must continue to find innovative ways to improve the transportation network. The FredEx project is the logical next step to provide viable transportation choices and unlock the congestion that plagues our region.

Joe Wilson
CEO, PermaTreat Pest Control

"I am committed to ensuring that the Fredericksburg region remains one of the best places in the Commonwealth to grow up, get a job or start a business, and raise a family. In order to maintain that status, we must work together to unlock the congestion in our region and that is why I support the extension of the Express Lanes south to Fredericksburg."

Speaker Bill Howell
Virginia House of Delegates, District 28

In order for our region, and the Commonwealth as a whole, to remain economically competitive it is imperative that we get people in this region moving again. The Fredericksburg extension (FredEX) of the I-95 Express Lanes is a great solution to this problem. FredEx will reduce congestion, increase traffic safety, and create jobs.

Senator Bryce Reeves,
Virginia State Senate, District 17

"Transportation is not only important to the economic vitality of our region but to the quality of life for all of us who call the Fredericksburg area home. Extending the I-95 Express Lanes south to Fredericksburg will create billions in economic development and improve the quality of life for millions in the region for years to come."

Charles McDaniel
Chairman Hilldrup Companies Inc.



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