



The newly completed Pinners Point Interchange in Portsmouth removes a majority of traffic from the historic Port Norfolk neighborhood, provides a more direct route for the industrial traffic to the Portsmouth Marine Terminal, and ensures easier access to the Midtown Tunnel, the busiest two-lane highway in Virginia.

Other construction milestones:

Route 29 Madison Heights Bypass - VDOT completed the final phases of the 13-mile bypass, which passes through Amherst and Campbell counties and Lynchburg. The bypass eases traffic congestion along the old Route 29 corridor through Madison Heights.

Route 17 - The new 12-mile stretch opened in Chesapeake, which better serves increasing traffic volumes heading to and from North Carolina and the Outer Banks.

Route 58 - Construction is completed on improving a three-mile segment in the Meadows of Dan area. This is the first segment of a Public-Private Transportation Act project to be completed in a rural area of Virginia.

OVERVIEW

For a second year in a row, the men and women of VDOT have raised the bar on performance with delivering construction contracts on time and on budget. Through the first half of FY06, we delivered 82 percent of construction contracts on time and 88 percent within budget, continued improvement compared to last year's numbers.

For the entire fiscal year, we set a goal to complete 65 percent of construction contracts on time and 80 percent within budget. These goals have been met for projects completed in the first half of the fiscal year, and we forecast that the annual goals will be achieved.

As we moved forward during the second quarter with better performance, VDOT completed some major projects that benefit the environment, safety, mobility and economic development. In the Hampton Roads region, we completed Pinners Point and Route 17. In the Lynchburg area, we finished the Madison Heights Bypass. In southwestern Virginia, we celebrated the opening of a new

segment of Route 58 around the Meadows of Dan. We continued to make steady progress on the Springfield Interchange and the Woodrow Wilson Bridge projects in Northern Virginia.

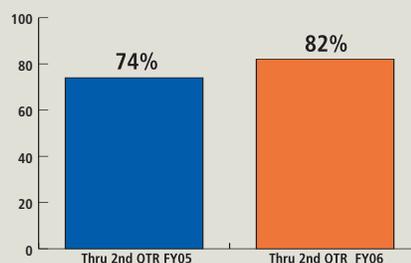
VDOT also entered into negotiations with the private sector group, Fluor-Transurban, to improve 56 miles of I-95/395 from Northern Virginia to the Fredericksburg region. Entering into negotiations sets the stage for a possible partnership between VDOT and the private sector to improve transportation in one of the most congested areas of the country.

VDOT looks forward to the second half of FY06 by sustaining our solid performance and operating the business of transportation more efficiently. We will continue our relentless focus to meet the bottom line – delivering high-quality projects, safely, on time and on budget.

Gregory A. Whirley
Acting Commissioner

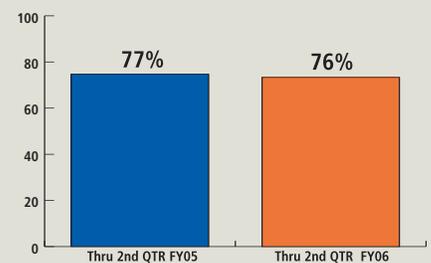
SCHEDULED PROJECTS PLAN-TO-ACTUAL PERFORMANCE

CONSTRUCTION ON-TIME PERFORMANCE



121 construction contracts were scheduled to be completed by the end of the second quarter of FY06. Of those, 99 (82%) were completed on time.

MAINTENANCE ON-TIME PERFORMANCE



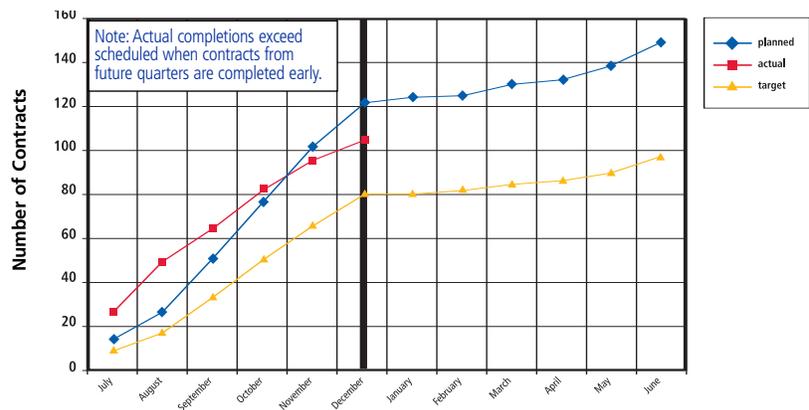
72 maintenance contracts were scheduled to be completed by the end of the second quarter of FY06. Of those, 55 (76%) were completed on time.

QUARTERLY NOTES

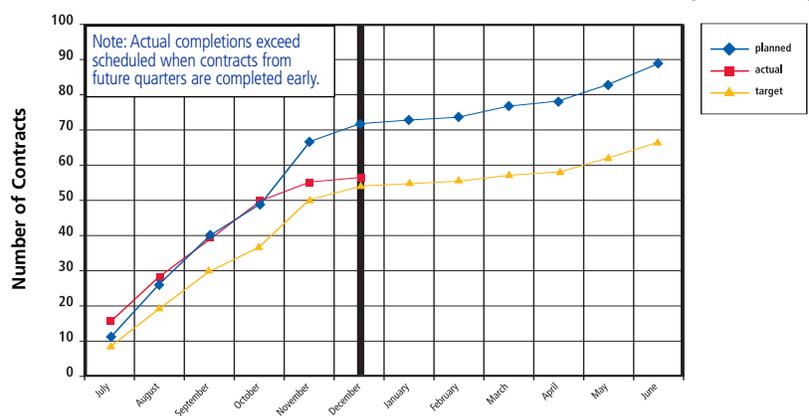
- Former Governor Mark R. Warner proposed \$625 million in new funding for transportation projects and programs over the next two years. The funding package is part of his final executive budget for the 2006 - 2008 biennium.
- A major milestone in planning the future of I-81 in Virginia was reached with the completion of the Tier 1 Draft Environmental Impact Statement. This document identifies the current problems on I-81, anticipated future conditions and a range of possible solutions to keep people and commerce moving safely and efficiently along the corridor. The study shows that needs are variable throughout the corridor and would require the addition of one lane in each direction in some locations and more lanes in other sections. The public is encouraged to review the document at www.I-81.org. Public hearings will be held later in FY06.
- VDOT began reviewing four conceptual proposals received under the Public-Private Transportation Act (PPTA) to operate the Dulles Toll Road in Northern Virginia. The proposals would pay VDOT approximately \$1 billion to operate, maintain and collect tolls on the Dulles Toll Road for 50 years. The groups propose capital improvements to the DTR roadways, structures, ramps and toll facilities.
- The Commonwealth Transportation Board approved a resolution to revise the PPTA guidelines. They require greater risk and cost-sharing by the private sector.
- 511 Virginia took its one millionth caller. VDOT has improved the travel information system by increasing the number of calls that can be taken at one time. The system has nearly doubled the available ports to take calls.
- VDOT signed a contract with TransCore to design and operate a new statewide customer service and data center for the Smart Tag/E-ZPass electronic toll system to be located in Clifton Forge. The facility will bring 60 new jobs to the area.

SECOND QUARTER PERFORMANCE

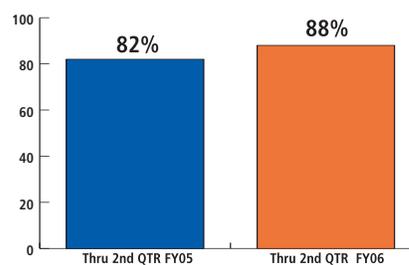
ALL FY06 CONSTRUCTION CONTRACTS COMPLETED (ON TIME)



ALL FY06 MAINTENANCE CONTRACTS COMPLETED (ON TIME)

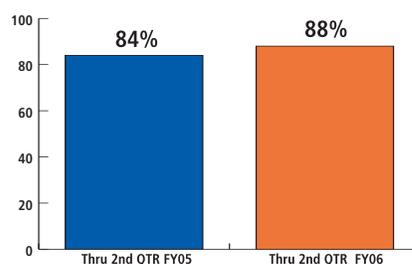


CONSTRUCTION CONTRACTS COMPLETED WITHIN BUDGET



116 contracts were completed by the end of the second quarter of FY06. Of those, 102 (88%) were within 110% of their contract award amounts.

MAINTENANCE CONTRACTS COMPLETED WITHIN BUDGET



67 contracts were completed by the end of the second quarter of FY06. Of those, 59 (88%) were within 110% of their contract award amounts.