



MEMORANDUM

TO: Transportation Planning Board
FROM: Kanti Srikanth, TPB Staff Director
SUBJECT: COG Metro Strategy Group Update
DATE: December 14, 2017

Following up on its efforts to better understand WMATA's funding needs in 2015, the Transportation Planning Board (TPB) has partnered with COG on a comprehensive effort to secure sustained, predictable and dedicated funding for WMATA. Through the COG Board the region has adopted the goal of a fully restored, world class Metro system that is safe, efficiently managed in a fiscally responsible manner, and maintained in a state of good repair. During the current year the COG Board convened the Metro Strategy Group (MSG) to develop a regional plan to generate the additional capital funding needed to restore WMATA to a state of good repair.

COG METRO STRATEGY GROUP

The MSG has been meeting since January to develop strategies to secure a sustained source of new funding that is earmarked to WMATA and fully bondable at the highest possible financial rating. Members were drawn from the COG Board Executive Committee and the TPB Executive Committee along with a couple of other key perspectives. TPB Chairman Ms. Bridget Newton, second Vice Chairman Mr. Jay Fisette and TPB members Mr. Phil Mendelson and Mr. Martin Nohe serve on the Metro Strategy Group. The overall goal is to support introduction of funding legislation in the 2018 legislative sessions. The board was previously updated on the activities of the Metro Strategy Group in September.

COG BOARD RESOLUTION

On December 13, 2017 the COG Board adopted Resolution R64-2017, attached, on long-term dedicated funding and other actions supporting the restoration of Metro. The resolution calls for a long-term dedicated bondable reliable and sustainable funding solution of an additional \$500 million a year above FY2017 capital funding levels to fund WMATA's capital improvement program and state of good repair. In the short-term, it calls for full funding of WMATA's upcoming FY 2019 capital program and urges the federal government to renew its PRIIA funding commitment as well as provide new funding. The resolution also supports complementary governance and reform actions for WMATA, and offers to assist all parties in reaching agreement.

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002**

**RESOLUTION ON LONG-TERM DEDICATED FUNDING AND OTHER ACTIONS SUPPORTING RESTORATION
OF METRO**

WHEREAS, the Metropolitan Washington Council of Governments (COG) is comprised of 24 jurisdictions of the National Capital Region's local governments and their governing officials, plus area members of the Maryland and Virginia legislatures and the U.S. Senate and House of Representatives, and COG provides a focus for action on issues of regional concern; and

WHEREAS, the COG Board of Directors has identified restoring Metro as a top priority reflecting the critical role Metro plays in the success of region's economy, transportation, mobility, and overall quality of life; and

WHEREAS, the board established a Metro Strategy Group, with the primary mission of identifying dedicated funding necessary to support achievement of a fully restored, world class Metro system that is safe, efficiently managed, and maintained in a state of good repair; and

WHEREAS, the board established a Technical Panel of Chief Administrative Officers and jurisdictional financial experts that provided technical analysis on WMATA's long-term capital funding needs and the economic value of Metro, to assist the Metro Strategy Group in carrying out its mission; and

WHEREAS, in June 2017, the COG Board adopted attached Resolution R37-2017 supporting a set of principles to provide a focus for the regional actions needed to achieve these goals; and

WHEREAS, the principles emphasize the urgent need for local and state governments, the business community and other stakeholders to take unified actions to ensure that funding solutions and associated supporting actions are in place expeditiously; and

WHEREAS, a long-term dedicated bondable funding solution of an additional \$500 million a year above FY 2017 capital funding levels, implemented no later than July 1, 2019 (FY2020), is essential to implement WMATA's capital improvement program including \$15.5 billion required to achieve a state of good repair; and

WHEREAS, WMATA requires full funding for its FY 2019 capital program to ensure it can continue its state of good repair capital program and such funding should be provided either through long-term dedicated funding or if necessary, interim funding for not more than one year; and

WHEREAS, the region urges the federal government to renew its PRIIA funding commitment as well as providing new matching funds at a level commensurate with the increases in state and local funding required for WMATA's long-term safety, reliability and state of good repair and needs to take responsibility for WMATA's capital expenditures and increase their contributions beyond PRIIA funding; and

WHEREAS, establishing new funding sources will require coordinated state-level engagement together with the federal government given the essential roles of the District of Columbia, the State of Maryland, the Commonwealth of Virginia, and the United States in WMATA funding

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

1. The board supports identification and enactment by the District of Columbia, Maryland and Virginia of long-term dedicated bondable, reliable, and sustainable funding that, together with the federal government, collectively provides \$500 million per year of additional funding beyond FY2017 levels of commitment, and that grows with the economy, implemented by no later than July 1, 2019 (FY 2020) to support WMATA's capital funding requirements.
2. The board supports fully funding WMATA's capital funding needs for the fiscal year beginning July 1, 2018 (FY 2019) on a one-year interim basis should long-term dedicated funding not be in place. The board expects that any temporary short-term capital funding allocation be done in accordance with the current WMATA capital funding formula.
3. The board urges the federal government to reauthorize its existing funding commitments for FY 2019 (PRIIA and transit formula grants) and by no later than July 1, 2019 (FY 2020) to increase its funding commitment by \$125 million per year to support WMATA's long-term capital funding requirements.
4. New long-term funding should be allocated through equal $\frac{1}{4}$ shares of the \$500 million annual increased contribution, with the federal government allocating its $\frac{1}{4}$ in addition to the local shares.
5. The board feels it is essential that complementary governance and reform actions are taken resulting in enhancement of WMATA's management and operational efficiency, thereby enabling best utilization of new dedicated funding.
6. The board offers to assist all parties with reaching agreement on actions 1 through 5 through direct dialogue, facilitation and decision support as requested.

The board directs the Executive Director, or his designee, to communicate this resolution to the executive and legislative leadership in the District of Columbia, Maryland, Virginia, as well as the federal government including the regional Congressional delegation, urging their expeditious and timely actions.

I HEREBY CERTIFY THAT the foregoing resolution was adopted by the COG Board of Directors on December 13, 2017.

**Laura Ambrosio
COG Communications Specialist**

NATIONAL CAPITAL REGION TRANSPORTATION PLANNING BOARD
777 North Capitol Street, N.E.
Washington, D.C. 20002

**RESOLUTION SUPPORTING THE WMATA GENERAL MANAGER/CEO'S KEEPING METRO SAFE,
RELIABLE, AND AFFORDABLE PLAN AND ENDORSING COG BOARD OF DIRECTORS STATEMENT OF
PRINCIPLES ON METRO TO ASSIST WITH DEVELOPING A REGIONAL STRATEGY TO FACILITATE
ACHIEVEMENT OF THE REGION'S GOALS FOR METRO**

WHEREAS, the National Capital Region Transportation Planning Board (TPB), which is the metropolitan planning organization (MPO) for the Washington Region, has the responsibility under the provisions of the Fixing America's Surface Transportation (FAST) Act for developing and carrying out a continuing, cooperative and comprehensive transportation planning process for the Metropolitan Area; and

WHEREAS, the Federal Planning Regulations of the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) implementing the FAST Act, which became effective June 27, 2016, requires the TPB to develop a long range transportation plan (CLRP) and a Transportation Improvement Program (TIP); and

WHEREAS, the TPB's long range transportation plan CLRP contains the programs and projects that the region's transportation agencies have committed to fund, build and operate through 2040 and the TIP reflects the planned funding obligations for the projects and programs for a six-year period; and

WHEREAS, one of the Goals and Priorities the TPB has adopted is to ensure a state of good repair of the region's transportation infrastructure, and its CLRP and TIP assumes that the existing and planned transportation infrastructure will be maintained in a state of good repair; and

WHEREAS, the TPB is aware of the challenges the Washington Metropolitan Area Transit Authority (WMATA) is facing in maintaining the regional metro rail system in a state of good repair befitting a world class Metro rail system that this region has had and deserves; and

WHEREAS, the TPB is aware that there currently is a gap between the funding needed to maintain the Metro rail system in a state of good repair and what funding is currently available; and

WHEREAS, the TPB has been engaged in understanding this challenge and working with the member jurisdictions of WMATA and this region through the Metropolitan Washington Council of Governments (COG) and WMATA; and

WHEREAS, staff of the TPB have participated in the Metro Technical Panel convened by COG to document the funding needs to operate the current Metrorail system in a safe and reliable manner and explore potential sources of any additional revenue the region may need to meet the safety and reliability funding needs of the Metrorail system; and

WHEREAS, staff of the TPB was briefed on the Technical Panel's interim and final reports in November of 2016 and in May of 2017; and

WHEREAS, the Metro Technical Panel's final report documents information on Metro's 10 year operating and capital funding gaps, the economic value of Metro, suggested metrics and benchmarks for Metro, and assessment of options for a future dedicated source of funding; and

WHEREAS, on April 19, 2017 WMATA's General Manager/CEO released his Keeping Metro Safe, Reliable, and Affordable Plan that documents Metrorail's 10-year funding needs for maintaining the Metrorail system in a state of good repair which is consistent with the COG Metro Technical Panel's final report; and

WHEREAS, the COG Board on June 14, 2017 adopted resolution R36-2017 supporting the WMATA General Manager/CEO's "Keeping Metro Safe, Reliable, and Affordable" Plan; and

WHEREAS, the COG Board on April 26, 2017 established a Metro Strategy Group to review the Metro Technical Panel's report and other information and prepare policy recommendations, for regional actions, that support achievement of the region's goals for long-term sustainment of Metro as a critical regional transportation system; and

WHEREAS, the Chairman of the TPB has been serving as member of the Metro Strategy Group along with other members of the TPB; and

WHEREAS, the Metro Strategy Group has developed a Statement of Principles on Metro to guide the path forward of its work which the COG Board adopted as resolution R37-2017 at its June 14, 2017 meeting; and

WHEREAS, the TPB finds the WMATA GM/CEO's "Keeping Metro Safe, Reliable, and Affordable" Plan consistent with the COG Metro Technical Panel's work that the TPB has supported; and

WHEREAS, the TPB finds the Metro Strategy Group's Statement of Principals consistent with the TPB's goal and priority to ensure Metrorail's state of good repair and safe and reliable service and the TPB's call for fully funding Metro state of good repair needs as assumed in its long-range transportation plan; and

NOW, THEREFORE, BE IT RESOLVED THAT the National Capital Region Transportation Planning Board endorses COG's resolutions R36-2017 and R37-2017 (attached).

Adopted by the Transportation Planning Board at its regular meeting on June 21, 2017

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002**

RESOLUTION SUPPORTING THE WMATA GENERAL MANAGER/CEO'S *KEEPING METRO SAFE, RELIABLE, AND AFFORDABLE PLAN*

WHEREAS, the Metropolitan Washington Council of Governments (COG) is comprised of 24 jurisdictions of the National Capital Region's local governments and their governing officials, plus area members of the Maryland and Virginia legislatures and the U.S. Senate and House of Representatives, and COG provides a focus for action on issues of regional concern; and

WHEREAS, the COG Board of Directors has identified restoring Metro as its top priority reflecting the critical role Metro plays in the success of region's economy, transportation mobility, and overall quality of life; and

WHEREAS, the region's leaders are unified in their desire to support the Washington Metropolitan Area Transit Authority's (WMATA's) ongoing initiatives to achieve a safe, reliable, efficiently managed system, maintained in a state of good repair; and

WHEREAS, the *Keeping Metro Safe, Reliable, and Affordable Plan* ("Plan") released by the WMATA General Manager/CEO on April 19, 2017 provides a sound strategy for furthering the region's goals for a safe, reliable, and efficient system, building on the success of the *SafeTrack* program and the *Back2Good* initiative; and

WHEREAS, the board recognizes that achievement of the goals in the General Manager/CEO's Plan and the ultimate return of Metro to a world class transit system urgently requires identification of a long-term, sustainable funding solution and the board, supported by its Metro Strategy Group, is actively engaged in seeking regional consensus on funding solution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The board supports the direction and spirit of the General Manager/CEO's *Keeping Metro Safe, Reliable, and Affordable Plan* as a constructive framework for improving Metro and looks forward to ongoing collaboration and coordination with WMATA to help achieve the region's vision for a fully restored, world class Metro system efficiently managed in a state of good repair.

I HEREBY CERTIFY THAT the foregoing resolution was adopted by the COG Board of Directors on June 14, 2017.

**Laura Ambrosio
COG Communications Specialist**

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002**

RESOLUTION ADOPTING THE COG BOARD OF DIRECTORS STATEMENT OF PRINCIPLES ON METRO

WHEREAS, the Metropolitan Washington Council of Governments (COG) is comprised of 24 jurisdictions of the National Capital Region's local governments and their governing officials, plus area members of the Maryland and Virginia legislatures and the U.S. Senate and House of Representatives, and COG provides a focus for action on issues of regional concern; and

WHEREAS, the COG Board of Directors has identified restoring Metro as its top priority reflecting the critical role Metro plays in the success of region's economy, transportation mobility, and overall quality of life; and

WHEREAS, the board established a Metro Strategy Group to assist with developing a regional strategy to facilitate achievement of the region's goals for Metro of a fully restored, world class system that is safe, efficiently managed, and maintained in a state of good repair; and

WHEREAS, the Metro Strategy Group recommends the board adopt a series of principles to provide a focus for the regional actions needed to achieve these goals; and

WHEREAS, the recommended principles emphasize the urgent need for local and state governments, the business community and other stakeholders to take unified actions to ensure that funding solutions and associated supporting actions are in place by July, 2018; and

WHEREAS, the principles further emphasize the critical role of the federal government to support America's transit system.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

The board adopts the following *Statement of Principles on Metro* to guide the path forward throughout 2017.

I HEREBY CERTIFY THAT the foregoing resolution was adopted by the COG Board of Directors on June 14, 2017.

**Laura Ambrosio
COG Communications Specialist**



**COG Board of Directors
Statement of Principles on Metro
June 14, 2017**

1. The region adopts the goal of a fully restored, world class Metro system that is safe, efficiently managed in a fiscally responsible manner, and maintained in a state of good repair.
2. Bridging the gap in WMATA's long-term capital needs is the funding priority.
3. The optimal way to address WMATA's capital funding gap for state of good repair and critical capital needs is through a dedicated funding source or sources that are earmarked to WMATA, fully bondable at the highest possible financial rating, and enhances WMATA's overall financial standing.
4. WMATA's operating and maintenance funding needs should be addressed through application of management best practices and reforms, as well as funds derived from increased ridership, before determining if there is a need for additional funding to fill any remaining gap in operating and maintenance funding needs.
5. Local and state contributions for capital subsidies, as well as operating and maintenance subsidies, should be predictable with an annual growth rate of not more than three percent.
6. The local jurisdictions, the states, the business community and additional stakeholders will collaborate to accomplish these goals by the start of WMATA's Fiscal Year 2019.
7. Enhancement and reform of WMATA's governance and operations may be accomplished through agreements, policies, and legislative actions that optimally would be accomplished without reopening the WMATA compact at this time.
8. We call on the federal government to recognize its fiscal responsibility to America's transit system and the federal workforce utilizing the Metrorail system.