

Joint WMATA Governance Review Task Force

Sponsored by the Greater Washington Board of Trade and the Metropolitan Washington Council of Governments

May 23, 2011

Dear Members of the WMATA Board:

We are writing on behalf of the Joint WMATA Governance Review Task Force, organized by the Greater Washington Board of Trade and the Metropolitan Washington Council of Governments in 2010 to examine opportunities for governance reform at WMATA. On April 28, the WMATA Board invited comment by the Task Force, other stakeholders and the public on its efforts to respond to the Task Force's recommendations.

The Joint WMATA Governance Review Task Force has noted many positive steps taken by the WMATA Board to improve the agency's governance since the release of our report, *Moving Metro Forward*, in November 2010. The Task Force applauds the actions you have taken that correspond to some of our key recommendations—defining the General Manager as Chief Executive Officer and giving the position clear authority and autonomy to oversee WMATA's day-to-day management, ending the custom of rotating the office of Chair annually among the three jurisdictions, and creating a Governance Committee to strengthen governance and improve accountability. We welcome the invitation for input on your proposed bylaws and procedures and would like to submit the following comments.

- We are pleased that Article II of the bylaws defines the Board's responsibilities and Article III of the bylaws defines the Chair's responsibilities, which include representing the Board as its primary spokesperson. The lack of clearly delineated responsibilities among WMATA's governing entities was a major finding in our report. We had also found the role of the Chair is not structured to provide strong leadership to the WMATA Board.
- We are pleased that Article XII of the bylaws formalizes WMATA's committee structure by including the standing committees in the bylaws. The Task Force had found that an unstable committee structure, which could be changed year to year by new Board Chairs, did not encourage effective decision-making.
- We are pleased that Article XII of the bylaws gives the Governance Committee the responsibility for overseeing a Board member orientation program. The Task Force had found that WMATA lacked an orientation process for Board members to prepare them for their role and responsibilities, develop a better understanding of the system, and build cohesion. We hope that part of this orientation program will include an annual retreat or conference to bring together Board members and management as well as elected officials and stakeholders. WMATA once held an event like this but it was discontinued.

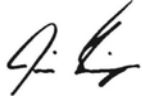
The Task Force would also like to address three concerns with the proposed bylaws.

- In our report, we found WMATA’s use of alternate members to be highly unusual for a transit board and in conflict with the WMATA Compact, which explicitly states that alternates should act only in the absence of their jurisdictions’ members. We urged the Board to restore the alternate members to their intended role—they should participate in WMATA’s governance only when primary members are absent. The Governance Committee has rejected this recommendation, instead formalizing the role of the alternates as equal “Board Members” in Article I of the bylaws. We understand that this is because the Governance Committee believes the Board needs alternates in addition to its eight principal members to perform its role effectively. The Task Force maintains, however, that the ultimate means of addressing this issue is through a Compact change to eliminate alternates and increase the number of principal members from two to three for each appointing authority.
- We found the threat of using the veto has acted as an impediment to making the best regional decisions and urged the Board to adopt a policy to limit its use to matters relating to the budget or system expansion. We believe that Article VIII of the bylaws and the Board procedures move WMATA in the right direction on this issue by including a new process to attempt to resolve disputes prior to invoking the veto. However, we believe the Governance Committee should include a policy to limit its use to the budget and system expansion per our recommendation. The Task Force also maintains that the Signatories should determine the appropriate role of the veto and give serious consideration to eliminating it entirely through a Compact change.
- We noted the inclusion of the Second Vice Chair position in Article III of the bylaws, which seems to be a holdover from WMATA’s past when it rotated the Chair among jurisdictions. During our research, the only agencies that identified a Second Vice Chair were ones with a jurisdictional rotation. While we believe WMATA has moved beyond this custom, we also see no reason to include this position in the bylaws.

Finally, the Task Force is pleased that the WMATA Board is coordinating with the tri-state Governance Work Group as it prepares a report for the Governors of Maryland and Virginia and the Mayor of the District of Columbia, which will address some our other key recommendations, including the Board appointment process and the jurisdictional veto.

Thank you for your consideration of our comments. We look forward to continued partnership to help improve WMATA’s governance and ensure the system’s success in the coming decades.

Sincerely,



James C. Dinegar, President
Greater Washington Board of Trade



David J. Robertson, Executive Director
Metropolitan Washington Council of Governments

Cc: Vincent C. Gray, Mayor, District of Columbia
Martin O’Malley, Governor, Maryland
Robert F. McDonnell, Governor, Virginia