



A Century of Service

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**TECHNICAL COMMITTEE
 ITEM #10**

January 21, 2010

Mr. Ronald Kirby, Director
 National Capital Region Transportation Planning Board
 777 N Capitol Street N.E.
 Washington, DC 20002

RE: Federal Assistance for Commuter Bus Service from Fredericksburg to Washington, DC provided by Martz National Coach Works Inc. of VA

Mr. Kirby,

I am writing on behalf of Martz Group, d/b/a Martz National Coach Works Inc. of VA, to ask for your support for a proposal to direct FTA Section 5307 funding for Martz Group's Commuter services. We provide service from the Fredericksburg, VA area, to the Pentagon and to Washington, DC. We make numerous stops in the District.

We carry approximately 200,000 annual riders, and operate 500,000 annual revenue vehicle miles in this service. This service is a convenience to its commuter riders, and contributes to reduction of congestion and carbon footprint, and to air quality improvement. It is an example of "extreme commute" services. Studies have identified growing national trends of commuting over extremely long distances (and time). It is good public policy to direct as many of these commuters as possible to public transit.

However, Martz receives no state or federal assistance that could benefit its riders by maintaining the capital fleet, and by keeping fares at reasonable levels. Such funding may be available to other providers in the region.

Martz has been determined to be a commuter operator by FTA National Transportation Data Base. We are proposing to report to NTD. Our operations generate about \$250,000 in annual FTA Section 5307 funding, an amount that is expected to increase in future years by growth in the 5307 program. We estimate that these funds would be sufficient to replace the 12+ over-the-road coaches used in this service on a 12 year cycle. If we continue to report this data, it would generate additional 5307 allocations to the urbanized area, and would not reduce the funds to any other transit operation in the Region. This is a win-win proposal.

It is our understanding that 5307 funds made available to the Washington, DC Urbanized Area are split among WMATA, Maryland Mass Transit Administration, and PRTC, by agreement among these parties, to support WMATA, MARC, VRE, and various PRTC and FRED services outside the WMATA Compact area. Because our service is similar to the VRE and PRTC/FRED services outside the compact area, we have asked the signatories to the split letter to consider making the 5307 funding "earned" by the Martz service be made available to PRTC to support this service.



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 1-800-432-8069

Washington DC
 Maryland
 1-800-862-1400

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 1-800-282-8020



In turn, we ask that the TPB support a project in its TIP to benefit "Commuter Bus Service from the Fredericksburg Area." The TIP would need to direct these funds to a sub recipient that can apply for an FTA grant on Martz' behalf, and to contract with Martz to implement the project. The project could be bus procurement, Preventive Maintenance, or Capital Cost of Contracting, as described in the appropriate FTA circulars.

Martz has begun reporting to NTD for Report Year 2008. Its report was accepted by NTD. Therefore, the FFY 2010 5307 allocation will reflect its service. If you can support this proposal, we respectfully request that the TIP for 2010 be amended to identify a capital project for this service, or that these funds be set aside for a future TIP.

If this strategy is successful and of mutual benefit, as we believe it will be, there may be opportunities for additional 5307 funding to the Region to support other long distance commuter transit services.

Our consultant, Barry Hecht, has already spoken to you, or to a member of your staff, about this proposal. He is available to answer any additional questions that you have, and to identify the funds that the subject service generates. We are also prepared to meet with you to further explain this proposal. His contact information is on the attachment.

Thank you for considering this request.

Sincerely,



Craig Smith
CEO
Martz Group

Note: A substantially similar letter has been sent to TPB, to FAMPO, and to other parties to the Split Letter.

Contact Information for Barry Hecht

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National Capital Region Transportation Planning Board

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December 19, 2007

Honorable Matthew Kelly
Chairman
Fredericksburg Area
Metropolitan Planning Organization
P.O. Box 863
Fredericksburg, VA 22404

RE: Allocation and Sharing of Federal Transit Administration (FTA) Section 5307
Funds for the Washington Urbanized Area

Dear Chairman Kelly:

At its September 20, 2006 meeting, the National Capital Region Transportation Planning Board (TPB) received copies of five resolutions adopted on September 18, 2006 by the FAMPO Policy Committee stating FAMPO policies with respect to the allocation of federal Section 5307 formula transit funds for the Washington urbanized area. In this letter the TPB addresses the FAMPO policy statements in each of these resolutions, and outlines its responses and recommendations on each of the topics addressed in the resolutions.

Over the past several months, TPB staff has reviewed the current procedures for allocating FTA Section 5307 formula funds within the Washington urbanized area, and has consulted with senior staff at FAMPO and other organizations potentially affected by the programming of the funds, including the Washington Metropolitan Area Transit Authority (WMATA), the Potomac and Rappahannock Transportation Commission (PRTC), the Northern Virginia Transportation Commission (NVTC), the Northern Virginia Transportation Authority (NVTA), the Virginia Department of Rail and Public Transportation (VDRPT), and the District of Columbia, Maryland, and Virginia Departments of Transportation. At its November 2 and December 7, 2007 meetings, the TPB Technical Committee was briefed on the current procedures for allocating FTA Section 5307 funds in the Washington urbanized area, the FAMPO policy statements, and proposed procedures for the allocation and sharing of these funds in the future. At its December 19, 2007 meeting, the TPB was briefed on these current procedures and the FAMPO policy statements, and approved sending this letter to FAMPO for its consideration and further discussion.

Regarding FAMPO Resolution FY 06-32b on VRE generated funds, the TPB is in agreement with FAMPO's policy position, which conforms to current practice for allocating Section 5307 and Section 5309 FTA formula funds to VRE. The TPB believes that this practice is working well and should continue.

FAMPO Resolution FY 06-32c addresses Section 5307 funds which are apportioned among small urbanized areas in the Commonwealth of Virginia by the Virginia Department of Rail and Public Transportation (VDRPT). These small urbanized area funds are in a separate category from the Section 5307 funds apportioned by the FTA formula for the Washington urbanized area, and the TPB does not intend to take any position on the apportionment of these small urbanized area funds.

Regarding FAMPO Resolution FY 06-32d with respect to the designation of urbanized areas as a result of the 2010 Census, the TPB acknowledges FAMPO's belief that the Washington and Fredericksburg urbanized areas should remain separate following the 2010 Census, with the boundary on the Prince William/Stafford County line. The TPB would be willing to discuss this question once the 2010 census results are available, but does not intend to take a position at this time.

Regarding FAMPO Resolutions FY 06-32a and FY 06-32e on the portions of FTA Section 5307 funds for the Washington urbanized area that are based on population, population density, and bus service factors, the TPB notes that FAMPO received the following guidance from the FHWA and FTA in an August 9, 2004 letter to Mr. Henry Connors, Jr., Chairman of FAMPO:

"TPB, along with the FTA designated recipients in the Washington D.C. urbanized area determine how Federal transit funds are spent in that urbanized area, which encompasses northern Stafford County. Therefore, FAMPO may wish to participate in the TPB planning process, as projects and programs serving the needs of northern Stafford County are eligible for a portion of the Federal funds apportioned to the Washington D.C. urbanized area."

Should FAMPO wish to participate in the TPB planning and programming process to identify transportation projects that are eligible for the 5307 funds, there are a number of considerations with respect to current funding commitments that should be kept in mind.

First, the bus service and related ridership in North Stafford contributes to the Washington urbanized area Section 5307 apportionment only if the north Stafford service and ridership statistics are reported as part of the National Transit Database (NTD) clearly identified as Washington D.C. urbanized area statistics, which did not happen in 2005. Consequently, the FY 2007 apportionment of Section 5307 funds does not account for the existence of bus service in north Stafford, an omission that has been brought to the Fredericksburg Regional Transit System's (FRED) attention. Correct reporting of these statistics in the future will make it possible to quantify the north Stafford County contribution to the Washington urbanized area Section 5307 apportionment.

Second, the 2006 Update to Constrained Long Range Plan (CLRP) Financial Plan for the Washington region brought the region's jurisdictions together to address funding sources for highway and transit needs, including the use of 5307 funds for transit capital improvement priorities. One current commitment of 5307 funding reflected in the 2006 CLRP update is specified in WMATA Board resolution #2000-08, adopted on January 27, 2000. This resolution states that in order to support WMATA's ability to finance projects under a TIFIA loan guarantee, "transit systems shall receive funds only if WMATA, as the designated recipient, has allocated to them Section 5307 funds directly attributable to their transit operations in the Washington urbanized area as of January 1, 2000." Any changes to the allocation of those funds would require a negotiated agreement between the region's jurisdictions. (The terms of this TIFIA loan guarantee were approved by the Federal Transit Administration (FTA), and the loan guarantee used for railcar rehabilitation is still required until the current program ends in 2010.)

Finally, I would like to bring to your attention a point made by several TPB member jurisdictions during the development of this letter. WMATA provides service to many passengers who reside outside of the WMATA Compact jurisdictions, and Compact members pay the local subsidy for operating and capital expenses generated by those passengers. Any decrease in the federal capital funds available to WMATA would require an increase in capital contributions from the local Compact jurisdictions. In 2007, residents of the FAMPO region made approximately 3,900 trips daily on Metrorail. WMATA estimates that Compact jurisdictions are currently paying approximately \$600,000 annually to subsidize the fares of FAMPO region riders.

The TPB looks forward to receiving comments from FAMPO on these recommendations on the allocation and sharing of FTA Section 5307 funds for the Washington urbanized area. Please contact Ronald Kirby, staff director for the TPB, at (202) 962-3310 if you have any questions regarding this proposal.

Sincerely,



Catherine Hudgins
Chair, National Capital Region
Transportation Planning Board