

National Capital Region Transportation Planning Board

777 North Capitol Street, N.E., Suite 300, Washington, D.C. 20002-4290, (202) 962-3310 Fax: (202) 962-3202

DRAFT - 7/6/07

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 July 6 and September 7 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 September 19 meeting, the TPB was briefed on these current procedures and the FAMPO policy statements. At its October 17 meeting, the TPB 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 FTA formula funds to VRE. The TPB believes that this practice is working well and should continue.

Draft 7/6/07

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 does not intend to take any position on this issue 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 recommends that FAMPO proceed in accordance with the following guidance provided by 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.”

Based upon this federal guidance, the TPB recommends that FAMPO participate in the TPB planning and programming process with regard to projects and programs serving the needs of northern Stafford County. Such participation in the TPB process would give FAMPO the opportunity to propose projects that are eligible for Section 5307 funds for possible inclusion in the Washington region's long range plan and transportation improvement program (TIP). The TPB believes that there are opportunities to identify eligible capital projects that could benefit the residents of northern Stafford County and provide better connections to the Washington region -- such as bus and parking facilities at Metrorail stations, and commuter park and ride lots.

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 practices and funding commitments that should be kept in mind. Regarding the current allocation of 5307 funds, the Washington urbanized area sub-allocates the funds to WMATA and other regional operators who contribute to the region's total fixed-guideway route miles, including MTA and VRE rail service, and PRTC. The Washington urbanized area does not sub-allocate the funds based on population. Recent federal guidance on Metropolitan Planning (Federal Register, Feb. 14, 2007) confirms that sub-allocation based on a population formula is inconsistent with MPO planning principles.

The FY2007 apportionment of Section 5307 funds is based on the 2005 National Transit Database. The service provided by Fredericksburg Regional Transit (FRED) was not listed under the Washington urbanized area in the 2005 National Transit Database and is not yet counted in the Washington urbanized area totals for either fixed-guideway route miles or bus revenue and passenger miles. Should FRED service be counted towards the region's apportionment, it may be possible to better quantify the Stafford County contribution to the region's 5307 apportionment.

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 TIFIA loan guarantee used for railcar rehabilitation is still required until the current program ends in 2010.)

Finally, it should be noted that WMATA provides service to many passengers who reside outside of the WMATA Compact jurisdictions. Compact members pay the local subsidy for operating and capital expenses generated by residents living outside of the WMATA service area. 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 make approximately 3,700 trips daily on Metrorail. WMATA estimates that Compact jurisdictions are currently paying approximately \$590,000 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

Ron Kirby

From: Nat Bottigheimer [nbottigheimer@wmata.com]
Sent: Thursday, June 21, 2007 5:22 PM
To: Ron Kirby
Cc: Carol B. O'Keeffe; Phillip T. Staub; Shiva K. Pant; Thomas Harrington; Wendy Jia
Subject: Thoughts on FAMPO letter

Ron--

Thanks for sharing your proposed letter to FAMPO from Catherine Hudgins. We have a number of observations and comments that we'd like share regarding this letter and regarding the 2000 WMATA Board Resolution about which you'd asked.

- First, and overall, we agree with the statement made in the TPB response letter that FAMPO should participate in the TPB planning and programming process to identify transportation projects that are eligible for the 5307 funds. The FTA guidance indicates that the MPO decision-making process is the proper venue to identify the priority needs of the region. For example, the 2006 Update to CLRP Financial Plan 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.
- The 2000 Board resolution is a statement of WMATA policy reflecting that the region's jurisdictions had agreed to an approach on allocation of the 5307 funds and that only designated recipients would receive these funds. Any changes to the allocation of those funds would require a negotiated agreement between the region's jurisdictions. The TIFIA loan guarantee used for railcar rehabilitation is still required until the program is discontinued in 2010.
- Regarding the current allocation of 5307 funds, the Washington urbanized area sub-allocates the funds to WMATA and other regional operators who contribute to the region's total fixed-guideway route miles, including MTA and VRE rail service, and PRTC, which operates service on the I-95 HOV lanes. The Washington urbanized area does not sub-allocate the funds based on population. Recent federal guidance on Metropolitan Planning (Feb. 14, 2007) confirms that sub-allocation based on a population formula is inconsistent with MPO planning principles.
- The FY2007 apportionment of Section 5307 funds is based on the 2005 National Transit Database. FRED service was not listed under the Washington urbanized area in the 2005 National Transit Database and is not yet counted in the Washington urbanized area totals for either fixed-guideway route miles or bus revenue and passenger miles. Should FRED service be counted towards the region's apportionment, such as if FRED begins operating transit service on the I-95 HOV lanes, we can better quantify the Stafford County contribution to the region's apportionment. (Note: Based on current PRTC calculations, FRED would only get credit for fixed-guideway miles for service added on the section of I-95 HOV lanes south of the PRTC service area).
- There are certainly opportunities to identify eligible capital projects that could benefit the residents of northern Stafford County and provide better connections to the Washington region -- such as bus and parking facilities at Metrorail stations, commuter park and ride lots, etc. -- and it is certainly appropriate for Stafford County representatives to participate in the TPB process to advocate for these as priorities.
- Finally, it's worth noting that WMATA provides service to many passengers who reside outside of the WMATA Compact jurisdictions. Compact members pay the local subsidy for operating and capital expenses generated by residents living outside of the WMATA service area. 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 make approximately 3,700 trips daily on Metrorail. WMATA estimates that Compact jurisdictions are currently paying approximately \$590,000 annually to subsidize the fares of FAMPO region riders.

Please feel free to contact me or Tom Harrington to discuss these issues further if you wish.

Best wishes,

Nat Bottigheimer

Nat Bottigheimer
AGM, Planning and Joint Development
Washington Metropolitan Area Transit Authority 600 Fif th Street, NW Washington, DC 20001
(202) 962-2730

June 1, 2007

Item #4

National Capital Region Transportation Planning Board

777 North Capitol Street, N.E., Suite 300, Washington, D.C. 20002-4290, (202) 962-3310 Fax: (202) 962-3202

DRAFT - 4/25/07

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
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Draft 4/25/07

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Sincerely

Catherine Hudgins
Chair, National Capital Region
Transportation Planning Board

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September 19, 2002



Mr. Alfred Harf
Executive Director
Potomac and Rappahannock Transportation Commission (PRTC)
14700 Potomac Mills Road
Second Floor
Woodbridge, VA 22192

RE: Solicitation Number-PRTC 080502

Dear Mr. Harf:

The Washington Metropolitan Area Transit Authority (WMATA) appreciates the relationship it has had with the Potomac and Rappahannock Transportation Commission (PRTC) in providing services under contract since July 1998. As our contract nears completion, we have taken a comprehensive look at the current Request For Proposal (RFP) for the next contract period. Based on our evaluation of the current service and the changes that would be required to meet the requirements of the new RFP, WMATA will not be submitting a proposal in response to the RFP.

WMATA reviews each RFP in the region and makes a determination whether the transportation expertise WMATA provides can logically and efficiently be extended to the entity desiring contract services. WMATA has and has not bid on contracts, and has bid and not won contracts. WMATA's review of the PRTC RFP has concluded that our approach and resources for providing service are not consistent with your request. The major issues we have with the RFP are:

1. WMATA may not be able to maintain a financial firewall between the contract and WMATA's budget with the contract potentially lasting ten years, solely at PRTC's discretion;
2. WMATA is investing in the newest technology for business systems and will need to operate on those systems as part of WMATA. Operating on a second and separate system, as required in PRTC's proposal, will likely cause confusion and inefficiencies;
3. WMATA has had conversations with our union regarding restructuring the PRTC operation to drastically reduce turnover. However, a renegotiation would take time and most likely would not result in the requested turnover rate desired by PRTC;

Washington
Metropolitan Area
Transit Authority

600 Fifth Street, NW
Washington, D.C. 20001
202/962-1234

By Metrolink:
Judiciary Square-Red Line
Geffery Place-Chinatown
Red, Green and
Yellow Lines

A District of Columbia,
Maryland and Virginia
Transit Partnership

RECEIVED 25 2002

White to Hart
September 19, 2002

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4. Operationally and philosophically, WMATA cannot agree to PRTC dispatching all of our operators; and
5. The powertrain replacement program still includes significant flexibility for PRTC to request replacements and WMATA is unsure as to how to be responsive to your request and still protect our interests.

On a related matter, WMATA will continue to allocate FTA Section 5307 funds to PRTC based upon the bus miles operated outside of the WMATA transit zone, as is currently done. Even though WMATA has chosen not to respond to the RFP, the Board of Directors feels that it is proper to continue the division of these funds between PRTC and WMATA in the manner outlined above.

The WMATA-PRTC relationship will have been in place for five years at the end of our contract. Even though WMATA is not bidding on this new contract, it does extend the offer, in the event PRTC is not satisfied with responses to the RFP, to re-establish discussion of a long-term intergovernmental agreement for the continuation of services following our current contract. This offer is made with the understanding that the terms and conditions of an agreement would need to be modified from the current RFP to better match WMATA's capabilities to manage the PRTC operation.

Sincerely,


Richard A. White
Chief Executive Officer

cc: Virginia Board Members
PRTC Board Chairman

PRESENTED & ADOPTED: JANUARY 27, 2000
SUBJECT: REGIONAL ALLOCATION OF FEDERAL TRANSIT FUNDS (§5307)

#2000-08
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, the Washington Metropolitan Area Transit Authority (WMATA) is the designated recipient in the Washington Metropolitan Area for Section 5307 funds under the Federal Transit Act, as amended; and

WHEREAS, the WMATA Board of Directors in June 1999 approved the fiscal year 2000-2005 Capital Improvement Program (CIP) which increases the required annual funding from \$185 million per year in fiscal 2000 to \$265 million per year in fiscal 2005; and

WHEREAS, it is anticipated that Section 5307 transit capital assistance funds will cover \$485.2 million of the \$1.26 billion fiscal 2000-2005 WMATA CIP funding level, or over 38% of the total; and

WHEREAS, the WMATA Board of Directors in September 1999 approved participation in the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) provision of the Transportation Equity Act for the 21st Century (TEA-21), which will allow the use of a loan guarantee to accelerate critically-needed capital projects including completing the rehabilitation of the Rohr Metrorail cars; rehabilitation of the Breda 2000 and 3000 series rail cars; a comprehensive radio system; new bus fareboxes; and an accelerated escalator rehabilitation and replacement program; and

WHEREAS, the WMATA submission for the TIFIA loan guarantee assumes \$848 million in federal Section 5307 funds and any substantial reduction in available funding could affect the ability of WMATA to finance these projects under TIFIA.

NOW, THEREFORE BE IT RESOLVED that the WMATA Board of Directors hereby approves the following policy for the purpose of approving requests for Section 5307 capital transit assistance in the Washington Metropolitan Area:

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; and

Resolution #2000-08

January 27, 2000

BE IT FURTHER RESOLVED that this resolution replaces Resolution #94 - 58; and

BE IT FURTHER RESOLVED that this resolution shall be effective immediately.

Reviewed as to form and legal sufficiency.

Cheryl C. Burke
General Counsel

Motion by Mrs. Hanley, seconded by Mr. Trotter, and unanimously approved.
Ayes: 6 - Mrs. Mack, Mr. Trotter, Mr. Zimmerman, Mr. Graham, Mr. Barnett and Mrs. Hanley