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

MEMORANDUM

Date: August 31, 2007

To: TPB Technical Committee

From: Ronald F. Kirby
Director, Department of
Transportation Planning

Re: Revised Draft of TPB Letter to
FAMPO dated 8/31/07

Attached for review and discussion under Item 8 of the September 7 TPB Technical Meeting agenda is a revised 8/31/07 draft of the proposed TPB letter to FAMPO. Also enclosed is the 7/6/07 draft which was discussed at the July 6 Technical Committee meeting, and a set of comments on this draft from Al Harf of PRTC dated July 9. Additional attachments include an excerpt from the February 14, 2007 federal planning regulations (Section 450.324(j)) which is referenced in both the 7/6/07 draft and in Al Harf's comments; Nat Bottigheimer's email of June 21, 2007; a letter from Richard White of WMATA to Al Harf of PRTC dated September 19, 2002; and a WMATA Board resolution dated January 27, 2000.

The 8/31/07 draft is based on the 7/6/07 draft, with the following changes made in response to the discussion at the July 6 Technical Committee meeting and Al Harf's comments of July 9:

- The dates in paragraph two have been moved forward one month, with a TPB briefing now anticipated on October 17 and TPB action anticipated on November 14.

- An additional clause has been added to paragraph five regarding the potential impact of the 2000 Census data on urbanized area designations.

- The section of paragraph eight dealing with federal guidance on suballocation has been removed. Given the complexity of Al Harf's comments in attempting to interpret the relevant federal planning provision (Section 450-324(i) attached), I recommend that we remove this reference from the letter.

The reference is not a necessary element of the TPB response, and raises a number of complex questions of interpretation that we do not need to address in this context.

- Paragraph nine on quantifying the North Stafford contribution to the Washington urbanized area Section 5307 apportionment has been removed, and most of Al Harf's alternative language inserted in its place.

- A reference to FTA approval of the TIFIA loan guarantee has been added to the paragraph concerning the WMATA Board resolution #2000-08, following Al Harf's suggestion.

- The introductory sentence to the second to last paragraph on passengers residing outside the Compact area has been changed in an effort to provide a little of the "TLC" requested by Al Harf.

Hopefully we are closing in on a final draft that we can forward to the TPB in October!

Attachment

National Capital Region Transportation Planning Board

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DRAFT – 8/31/07

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 October 17 meeting, the TPB was briefed on these current procedures and the FAMPO policy statements. At its November 14 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.

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 believes that consideration of this question should be deferred until the 2010 census results are available, and does not intend to take any position on this question 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 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. 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 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

National Capital Region Transportation Planning Board

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DRAFT - 7/6/07

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

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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.

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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

From: Alfred Harf [mailto:aharf@omniride.com]
Sent: Monday, July 09, 2007 3:06 PM
To: TomBiesiadny@fairfaxcounty.gov
Cc: Ron Kirby; Betsy Massie
Subject: DRAFT Memos for NVTA Meeting
Importance: High

Tom:

I've looked at the two FAMPO communications and believe changes in the draft letter to Kelly are warranted. I know this is a TPB (not NVTA) letter and therefore it is not the NVTA's prerogative to change, but at the same time the NVTA's opinion on the matter is obviously important. So I'm making you as the NVTA Interim Technical Committee Chair and Ron Kirby aware at the same time.

The changes I'm suggesting are as follows:

- In the draft letter to Kelly, I still think some words of encouragement on the "2010 census" issue would go a long way towards easing these tensions, and such words can be added without compromising the interests of the current Washington UZA stakeholders. The draft memo to the NVTA says as much, "pointing to" the possibility of the 2010 census turning out in a way that separates the earnings without setting the precedent that everyone fears, but the letter to Kelly as now drafted misses the opportunity to assuage the other side. I'm thinking that words along the lines of "TPB has no objection to the idea of delineating separate urbanized areas in the event the 2010 census results in contiguous urbanized areas, though final determinations will have to await the census results".

- The last paragraph on page two of the draft letter to Kelly resorts to the use of tortured logic in arguing (in effect) that federal planning guidance frowns on sub-allocation based on population factors but doesn't when the sub-allocation is based on service and usage statistics. The facts are that the referenced federal guidance does not make a distinction along these lines – it frowns on sub-allocation in general such that the current sub-allocation practice has to be defended on the grounds that it is a reasonable proxy for need. So rather than trying to discredit the sub-allocation practice on the basis of one factor and sanction it based on others, I think it would be better to say something to the effect that "recent federal guidance affirms that sub-allocation is not prescribed. Indeed, unless sub-allocation is a reasonable proxy for need, federal guidance frowns on the use of sub-allocation. In keeping with this guidance, the Washington D.C. urbanized area does sub-allocate based on…….., and does not sub-allocate based on ….., because the region's stakeholders have come to agree that these practices are a reasonable proxy for need".

  Note, too, that the reference to "fixed guideway route miles" in this paragraph as now written is inappropriate since, strictly speaking, the sub-allocation is based on a variety of NTD statistics including but not limited to route miles, with the added stipulation that route miles inside the Compact area are retained by WMATA even if WMATA is not operating on those route miles. So a more apt reference to the sub-allocation practice would be "…who contribute to the region's Section 5307 earnings based on service and ridership statistics".

- The first paragraph on page three of the draft letter to Kelly muddles the issue. I've redrafted the paragraph to make the point clearer: "It is also important to bear in mind that 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 "tagged" 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 for correct reporting going forward. In so doing, the north Stafford County contribution to the urbanized area earnings can be easily quantified."

  Note, too, that the reference to fixed guideway route miles in this same paragraph is incorrect since there are no route miles that the Washington D.C. urbanized area is failing to realize in the apportionment. Bottigheimer appears to be under the misimpression that there are some route miles south of the PRTC service area that are not now being counted – as you know, there are no such route miles, so the "route mile" reference needs to be stripped out.

- In the paragraph of the draft letter to Kelly discussing the TIFIA loan, it would be more powerful if it could be said that FTA countenanced this in approving the TIFIA loan. Can that be said -- I think FTA was the approving party?

- The next-to-the-last paragraph in the draft Kelly letter would benefit from a bit of "TLC" language. I would open that paragraph as follows: "Finally, I would be remiss if I didn't conclude by observing that WMATA provides service……", and I would conclude that paragraph by saying "These are factual observations to sensitize you about the perceptions the other stakeholders participating in the TPB planning process have".

Al Harf

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public transportation (as defined by title 49 U.S.C. Chapter 53). In addition, for illustrative purposes, the financial plan may (but is not required to) include additional projects that would be included in the TIP if reasonable additional resources beyond those identified in the financial plan were to become available. Starting [Insert date 270 days after effective date], revenue and cost estimates for the TIP must use an inflation rate(s) to reflect ''year of expenditure dollars,'' based on reasonable financial principles and information, developed cooperatively by the MPO, State(s), and public transportation operator(s).

(i) The TIP shall include a project, or a phase of a project, only if full funding can reasonably be anticipated to be available for the project within the time period contemplated for completion of the project. In nonattainment and maintenance areas, projects included in the first two years of the TIP shall be limited to those for which funds are available or committed. For the TIP, financial constraint shall be demonstrated and maintained by year and shall include sufficient financial information to demonstrate which projects are to be implemented using current and/or reasonably available revenues, while federally supported facilities are being adequately operated and maintained. In the case of proposed funding sources, strategies for ensuring their availability shall be identified in the financial plan consistent with paragraph (h) of this section. In nonattainment and maintenance areas, the TIP shall give priority to eligible TCMs identified in the approved SIP in accordance with the EPA transportation conformity regulation (40 CFR part 93) and shall provide for their timely implementation.

(j) Procedures or agreements that distribute suballocated Surface Transportation Program funds or funds under 49 U.S.C. 5307 to individual jurisdictions or modes within the MPA by pre-determined percentages or formulas are inconsistent with the legislative provisions that require the MPO, in cooperation with the State and the public transportation operator, to develop a prioritized and financially constrained TIP and shall not be used unless they can be clearly shown to be based on considerations required to be addressed as part of the metropolitan transportation planning process.

(k) For the purpose of including projects funded under 49 U.S.C. 5309 in a TIP, the following approach shall be followed:

(1) The total Federal share of projects included in the first year of the TIP shall not exceed levels of funding committed to the MPA; and

(2) The total Federal share of projects included in the second, third, fourth, and/or subsequent years of the TIP may not exceed levels of funding committed, or reasonably expected to be available, to the MPA.

(l) As a management tool for monitoring progress in implementing the transportation plan, the TIP should:

(1) Identify the criteria and process for prioritizing implementation of transportation plan elements (including multimodal trade-offs) for inclusion in the TIP and any changes in priorities from previous TIPs;

(2) List major projects from the previous TIP that were implemented and identify any significant delays in the planned implementation of major projects; and

(3) In nonattainment and maintenance areas, describe the progress in implementing any required TCMs, in accordance with 40 CFR part 93.

(m) During a conformity lapse, MPOs may prepare an interim TIP as a basis for advancing projects that are eligible to proceed under a conformity lapse. An interim TIP consisting of eligible projects from, or consistent with, the most recent conforming metropolitan transportation plan and TIP may proceed immediately without revisiting the requirements of this section, subject to interagency consultation defined in 40 CFR part 93. An interim TIP containing eligible projects that are not from, or consistent with, the most recent conforming transportation plan and TIP must meet all the requirements of this section.

(n) Projects in any of the first four years of the TIP may be advanced in place of another project in the first four years of the TIP, subject to the project selection requirements of § 450.330. In addition, the TIP may be revised at any time under procedures agreed to by the State, MPO(s), and public transportation operator(s) consistent with the TIP development procedures established in this section, as well as the procedures for the MPO participation plan (see § 450.316(a)) and FHWA/FTA actions on the TIP (see § 450.328).

(o) In cases that the FHWA and the FTA find a TIP to be fiscally constrained and a revenue source is subsequently removed or substantially reduced (i.e., by legislative or administrative actions), the FHWA and the FTA will not withdraw the original determination of fiscal constraint. However, in such cases, the FHWA and the FTA will not act on an updated or amended TIP that does not reflect the changed revenue situation.

§ 450.326 TIP revisions and relationship to the STIP.

(a) An MPO may revise the TIP at any time under procedures agreed to by the cooperating parties consistent with the procedures established in this part for its development and approval. In nonattainment or maintenance areas for transportation-related pollutants, if a TIP amendment involves non-exempt projects (per 40 CFR part 93), or is replaced with an updated TIP, the MPO and the FHWA and the FTA must make a new conformity determination. In all areas, changes that affect fiscal constraint must take place by amendment of the TIP. Public participation procedures consistent with § 450.316(a) shall be utilized in revising the TIP, except that these procedures are not required for administrative modifications.

(b) After approval by the MPO and the Governor, the TIP shall be included without change, directly or by reference, in the STIP required under 23 U.S.C. 135. In nonattainment and maintenance areas, a conformity finding on the TIP must be made by the FHWA and the FTA before it is included in the STIP. A copy of the approved TIP shall be provided to the FHWA and the FTA.

(c) The State shall notify the MPO and Federal land management agencies when a TIP including projects under the jurisdiction of these agencies has been included in the STIP.

§ 450.328 TIP action by the FHWA and the FTA.

(a) The FHWA and the FTA shall jointly find that each metropolitan TIP is consistent with the metropolitan transportation plan produced by the continuing and comprehensive transportation process carried on cooperatively by the MPO(s), the State(s), and the public transportation operator(s) in accordance with 23 U.S.C. 134 and 49 U.S.C. 5303. This finding shall be based on the self-certification statement submitted by the State and MPO under § 450.334, a review of the metropolitan transportation plan by the FHWA and the FTA, and upon other reviews as deemed necessary by the FHWA and the FTA.

(b) In nonattainment and maintenance areas, the MPO, as well as the FHWA and the FTA, shall determine conformity of any updated or amended TIP, in accordance with 40 CFR part 93. After the FHWA and the FTA issue a conformity determination on the TIP, the TIP shall be incorporated, without change, into the STIP, directly or by reference.

(c) If the metropolitan transportation plan has not been updated in

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

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 Metrorail:
Judiciary Square-Red Line
Gallery Place-Chinatown
Red, Green and
Yellow Lines

A District of Columbia,
Maryland and Virginia
Transit Partnership

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

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

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.

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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