

**Prepared Testimony of
MetroRiders.Org
Before Metro Funding Panel
Metropolitan Washington Council of Governments
Washington, D.C.
October 19, 2004**

New Transit Riders Group. I am Jack Corbett, a director of MetroRiders.Org. MetroRiders.Org is a newly organized transit users group formed to help improve Metrorail, Metrobus, and other transit systems serving the Washington, D.C., area. Even though our web page is still being refined, some 300 people have already logged on and completed our “2004 Survey on Metro Services.” Although our organization has not yet been publicly launched, we didn’t want to miss this opportunity to provide input to your Panel’s important deliberations.

First, we offer your Panel our very best wishes in recommending dedicated funding sources for the Washington Metropolitan Area Transit Authority’s (WMATA) deficits. The obstacles to success – multi-jurisdictional differences, fiscal stringencies, legal complexities – are truly daunting. But we are optimistic: a year ago few would have predicted that WMATA’s Contributing Jurisdictions would approve the six-year \$3.3 billion “Metro Matters” funding agreement. The decision earlier this month to move ahead with that agreement will allow WMATA to catch up on the deferred purchase of new Metro rail cars and buses.

We assume that your primary mission will involve recommending sources of revenue that the jurisdictions can impose and dedicate to WMATA’s financial self-sufficiency. Secondly, you may recommend levels of needed revenue. That necessarily leads to a discussion of funding efforts by the Contributing Jurisdictions, and by the direct users of WMATA’s transit services (Metrorail, Metrobus, MetroAccess).

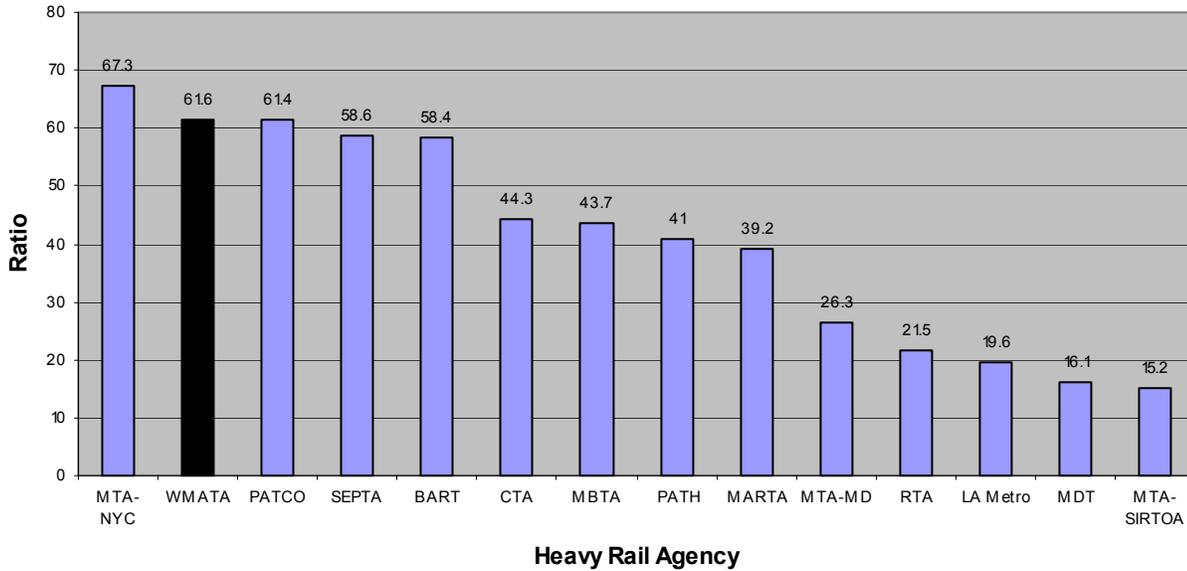
Transit riders want you to know up front that WMATA’s financial needs cannot be met by recommending a higher level of cost recovery from Metro users. State and local governments, and the Federal Government, must find ways to contribute their fair share, as transit users have already done.

What Share of Metro’s Operating Costs Should be Recovered from Direct Users?

As you know from The Brookings Institution’s *Washington’s Metro: Deficits by Design* report, Metrorail riders already pay a higher share of rail system operating costs (62% in 2002) than any system other than New York (Figure 1).

Figure 1.

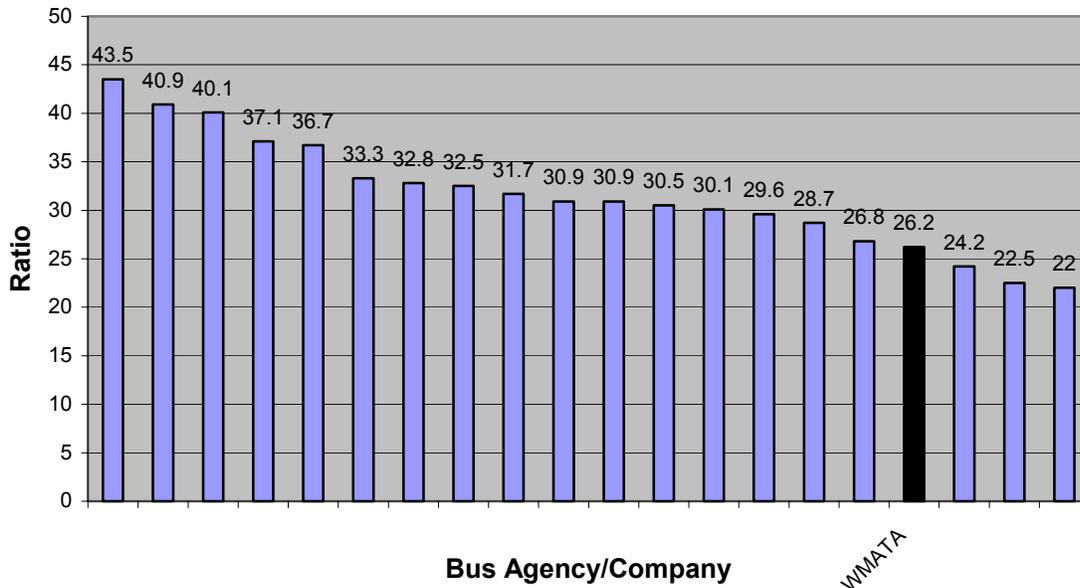
Fare Revenues Per Total Operating Expenses (Recovery Ratio),
All U.S. Heavy Rail Systems, 2002



Metrobus fares recovered 26% of bus operating costs in 2002 (Figure 2). MetroAccess, the paratransit system, recovers about 6% of its costs. Since WMATA's most recent fare hike, month-to-month rail and bus revenues have been exceeding expectations.

Figure 2.

Fare Revenues Per Total Operating Expenses (Recovery Ratio),
Top-20 Bus Systems, 2002



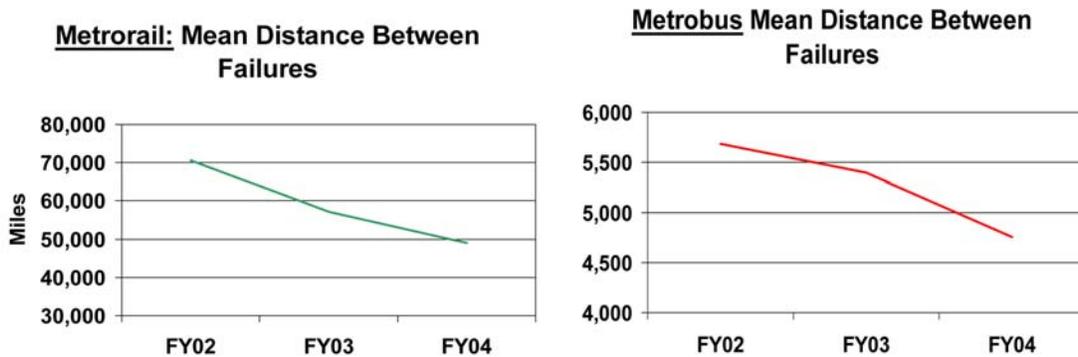
Source: The Brookings Institution, *Washington's Metro: Deficit by Design* (June 2004), p. 5

Overall, WMATA estimates that fares and fees from direct users historically cover about 55% of system operating costs. This is a very high recovery ratio compared to other U.S. metropolitan

areas. State and local subsidies provide the remaining 45% share and they, plus the Federal Government, generate the capital funds needed for the system.

Metro system riders should not be hit with another fare increase soon. Two back-to-back annual fare hikes in 2003 and 2004 have caused considerable resentment among riders, particularly when the quality of rail and bus service has, by WMATA’s own calculations, been declining so sharply (Figure 3).

Figure 3.



Source: WMATA, Report to Blue Ribbon Panel on WMATA Funding (October 7, 2004), p. 7.

Many Metrorail trains are chronically overcrowded; escalators and elevators don’t work; Metrorail cars and Metrobuses too often break down, causing riders to be late for work or getting home. The just-negotiated Metro Matters Agreement will not provide more system capacity for three years.

Assuming your recommendations will take time to implement, what level of Metro fares and fees should you include in your calculations for future years? WMATA considered adopting a long-term fare policy as part of its 2004 fare package but didn’t do so. ***MetroRiders.Org believes that the current revenue level from Metrorail and Metrobus operations plus annual increases not exceeding the Consumer Price Index (CPI) (currently about 2.3%) should be the ceiling for Metro riders to contribute.*** This amount of system revenue increase should be shaped so that a minimum number of riders will be lost (elasticity) and so that the transit needs of those least able to pay higher costs can be accommodated.

Community as a Whole Benefits from Public Transit. Why not higher fares? We believe that public transit is an essential government service that benefits everyone. Because of this, all of the region’s governments, on behalf of their citizens, should pay their fair share for Metro rail and bus. The region’s economy, environment, and residents benefit tremendously from Metro. These governments can provide their share by approving such dedicated sources of tax or fee revenues as your Panel may recommend and by continuing to supplement Metro’s annual operating budgets as needed.

Much of the benefits of public transit in our metropolitan areas accrues to those who don’t use Metrorail and Metrobus. These non-riders should be asked to contribute in proportion to the benefits they receive before Metro fares are increased again. WMATA CEO Richard A. White

outlined some of these “externalities” in his presentation at your Panel’s first meeting. Transit lessens the region’s air quality problem by ten tons of pollutants annually – benefiting everyone in the area. Commuters on area roads would spend an extra 35 hours annually in traffic if Metro riders drove rather than using public transit. How much of the \$25 billion commercial development that has occurred around Metro stations reflects the higher property values paid for easy access to public transit?

The social benefits of rail transit in the United States have been monetized in a recently published study. While rail subsidies from Federal, state and local governments approximate \$12.5 billion annually, the economic benefits are five times as great – an estimated \$67.7 billion¹ – and much of that benefit accrues to non-transit users. Road congestion, as you know, is not linear. Every extra vehicle increases traffic congestion and delay disproportionately; commuters who drive benefit from public investment that keeps today’s transit users off the roads.

Another Opportunity for Public Comment. Your Panel’s schedule doesn’t envision any public comment opportunity beyond the time provided today -- and your deliberations haven’t really begun. MetroRiders.Org urges you to allow public comment on your draft report so that your ultimate audience – the public officials who must decide whether to dedicate sources of funding for Metro – will recognize that you have considered all views.

MetroRiders.Org is grateful for the opportunity to participate in this Panel’s discussions.

¹ **Table 1. Rail Transit Monetized Benefits**

Cost Savings	Billions
Congestion cost savings	\$19.4
Consumer transportation cost savings	\$22.6
Roadway Cost Savings	\$8.0
Destination Parking Cost Savings	\$7.3
Residential Parking Cost Savings	\$4.8
Accident cost savings	\$5.6
<i>Totals</i>	\$67.7

Source: Todd Litman, Rail Transit in America: A Comprehensive Evaluation of Benefits (Oct. 11, 2004) http://apta.com/research/info/online/rail_transit.cfm.

WASHINGTON REGIONAL NETWORK FOR LIVABLE COMMUNITIES

4000 ALBEMARLE ST, NW, SUITE 305, WASHINGTON, D.C. 20016
PHONE: 202/244-1105 FAX: 202/244-4225
EMAIL: staff@washingtonregion.net
WEB: www.washingtonregion.net

WMATA Funding Panel
Tuesday, October 19, 2004

Comments by Cheryl Cort
Executive Director
Washington Regional Network for Livable Communities

Thank you for the opportunity to speak to you tonight. The Washington Regional Network for Livable Communities' (WRN) is a private non-profit education and advocacy organization. Our goal is to create and sustain a network of diverse, walkable communities linked by quality transit, laced with parks, and surrounded by greenbelts, with the District of Columbia as the hub of the region.

First, we want to express our thanks to the Transportation Planning Board for giving this transportation funding crisis priority. We believe WMATA's chronic funding problems are the region's top transportation issue. We appreciate that the business community is giving more attention to this issue by co-sponsoring panels such as this, and is acknowledging the central role of WMATA in our region's economic vitality. Given the continued conflict over so much emphasis placed on finding billions for building sprawl-inducing highways, it is gratifying to come together in a forum where we can agree on making transit the top funding priority for our region's transportation system.

Public Accountability

Regarding securing increased and more reliable funding for WMATA's current and future needs, we ask that the panel first recognize the public's view of WMATA at this juncture. We concur with comments made by panel members: the public will not support increased funding for WMATA unless it believes WMATA is more accountable. As part of any funding measures, we urge the panel to recommend much greater public access and accountability for the transit agency. We recommend two measures in particular:

- a. Riders Advisory Committee: Appointed by member jurisdictions, a Riders Advisory Committee could serve to monitor, evaluate, understand and provide feedback and education on WMATA's performance and needs. This group needs to have high visibility and access to information about WMATA's programs, activities, and budgets. A broadly representative and accessible Riders Advisory Committee is an important way for WMATA to improve its image as an

impenetrable quasi-governmental, quasi-military bureaucracy that is many times removed from public accountability.

- b. Elected WMATA Board members: The most effective way to open up WMATA to public accountability and ensure that the public feel like stakeholders is to add elected Board member positions. We suggest adding an elected board member for each state – Virginia, D.C. and Maryland. Transit agencies with elected boards are much more accessible to the public and create direct lines of communication between the stakeholders and the Board running the service.

Dedicated funding from a three state region

Regarding more secure and/or new funding – we want to emphasize that any new sources should not take away from existing commitments. We are strongly opposed to any measures that would undermine existing funding commitments to WMATA. A new funding source should not replace existing government commitments, and the funding of transit through the state of Maryland Transportation Trust Fund should never be undermined by any proposal to address the Washington region’s need for more secure and increased support. In general we commend the thoughtful analysis of the Brookings Report on Metro’s deficits by design and ask the panel to re-read this important assessment.

1. Taxes and fees that give the right signals: gas tax, parking tax, congestion tolling.

We support dedicating a portion of new fees or taxes in each state. In particular, we support a regional parking tax or fee, as previously discussed by the Transportation Planning Board. This tax or fee would benefit the region by reducing driving and air pollution, and generate revenues for providing better transportation choices by improving the transit system. We support the Clean Air Compliance fee proposed by D.C. Councilmember Phil Mendelson, and ask that this proposal be used as a model for the region. Instead of taxing parking spaces that are already taxed, the Clean Air fee would assess a fee on free commercial parking, which is currently not taxed.

2. Other revenue sources that deserve careful consideration are payroll tax, sales tax, land value tax.

A payroll tax would be a productive tax and could be politically acceptable if it is solely dedicated to funding WMATA. A payroll tax could be progressive by exempting low-wage workers. The large revenue potential of this tax deserves serious consideration.

Regarding a land value tax, the financing paid by commercial property owners of the New York Avenue Metro station with one third of the total construction cost demonstrates that a land value tax is a largely untapped revenue source. Since land values depend on the quality of WMATA’s service, and since nearby landowners benefit disproportionately from this public investment, they should be asked to share more of the cost for not only building, but maintaining the quality of service.

3. A Federal commitment is needed above current funding levels. Given the Washington area's unique relationship with the federal government workforce, special funding should be provided above existing formulas and commitments.

Fare Policy and Metro Parking Fees

We ask that Metro's fare and parking policies be given some discussion as part of this panel. We believe that public transit is an essential government service that benefits everyone and that all of the region's local, state and federal governments should pay their fair share for it. The region's economy, environment, and residents benefit tremendously from Metro bus and rail; people shifting from driving alone to transit which helps alleviate traffic congestion and air pollution.

Local, state and federal governments should cover increased capital and operating costs, and not place more of the burden on Metro bus and rail riders. Fare increases are self-defeating – undermining the public purpose of transit. We should be encouraging more people to ride transit by holding down or rolling back fares. More transit riders benefit everyone. More vehicle trips harm everyone with increased pollution, congestion and emergency services costs. Variable congestion pricing of roadways, area roadway charges and increases parking fees are all important measures for recovering the negative impact of driving, and encouraging transit ridership. Metro could better manage of its parking resources by setting parking charges at market rates. Revenues from market rate pricing can support station access for a larger number of transit riders through better feeder bus service, bicycle facilities and walk access. Market rate parking helps allocate scarce and costly parking for those who value and need it most, while generating more resources to ensure that transit riders have better options for getting to the station – and are not required to own a car in order to ride transit.

Conclusion

We strongly endorse dedicating existing and new revenue sources to WMATA. We hope this panel will validate that WMATA's funding crisis is our top funding transportation priority and should take precedence over other regional transportation investments. Securing great commitment from elected leaders and the public for WMATA's funding needs will only be possible when we create mechanisms of public accountability for WMATA and bring stakeholders into a working relationship with the transit agency.

Statement before the WMATA Funding Panel
Harold E. Foster, AAG, AICP – Acting Executive Director

Good Evening.

I am Harold Foster and I am here under a couple of hats this evening. Principally I am here as acting executive officer of the **Américas Institute**, which is a community-based planning and environmental justice organization that is working on alternative strategic transit-oriented development and neighborhood options for the District of Columbia.

Under another hat I am a certified urban planner who worked in the District Government for 20 years in what was then the DC Office of Mass Transit. We were the City's oversight, policy analysis and planning agency for WMATA, as well as the support staff for the four District representatives on the WMATA board of directors.

As what you might call a veteran of the Metro wars here in DC, I am happy to note that, in Thomas Downs and Judge Matthew Watson, you on this panel have two of the three ablest representatives that the District ever had the sense enough to appoint to the WMATA board. I dare say that our jobs as WMATA overseers, and even those of WMATA staff themselves, were easier because we knew that we both had to report to someone like Tom Downs or Judge Watson on the board downtown.

And, in fact, we're here tonight to talk about WMATA oversight.

Back in those days of the Metro wars – which is what they were for us here in those days in City government – we used to say that someone had to decide what WMATA was to be when it grew up.

Well. Here we are and “Junior” still hasn't settled down to be a productive and mature member of the metropolitan Washington community. Why? Because Junior's “parents” – the District, Maryland and Virginia – haven't invested wisely – yet – in Junior's growth and development. And now the taxpayers, residents and citizens of the region will have to hurry through a sort of bail bond proceeding – which is what we're here for tonight – to rescue Junior before WMATA becomes the regional public service and public finance equivalent of a juvenile delinquent. Some of the problem was unforeseeable and, inevitably, the result of things that couldn't be realistically predicted back in 1967 when WMATA was founded. Or even in 1976 when Metrorail opened to the public.

But. A lot of the problem – particularly the fiscal and long-term financial problem – could have been foreseen, and forestalled, back then. As early as 1986 and 1987 then-UMTA administrator Ralph Stanley predicted that WMATA was riding for a fall since it didn't have – and couldn't seem to secure – a stable, predictable and secure **and regional** source of funding for critical capital and operational needs.

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At bottom, WMATA's minimum mission – if you will – is to do three things:

1. **Operate and maintain** the **Metrorail** system
2. **Operate and maintain** the **Metrobus** system, which – I should note here – is still the **only** transit bus system here in town and, in fact, still transportation **ten** District citizens for every **seven** DC residents who ride the subway system
3. **Plan, design and construct** the **infrastructure** needed to ensure that the system – **however** we finally agree to define that term – continues to provide affordable, multi-modal (well, bi-modal anyway) transit service throughout this metropolitan region.

Now. Over the years WMATA have taken on other roles and responsibilities. To give you one example: in point of historical fact, it got into the regional transit bus business the way MacCauley said Britain acquired its empire: in a fit of absence of mind.

So, before we can talk about how much money the region will have to cough up to stabilize WMATA, we have to have a lengthy, and perhaps rather torturous, discussion about **what** – in both the short- and long-term – WMATA actually exist to do and to be. And **then** we can talk about how much it will cost us to have WMATA be a productive, contributing – but, for all that, a critically important – member of this region's public service community.

If we start with the three fundamental responsibilities I just mentioned – and no doubt others here will offer other ideas throughout this panel's sitting – we should perhaps agree that these are the three basic legs of the stool, if you will. And, as such, they should be **the only** things that a regionally agreed-upon, regionally administered funding source should support.

Other things, such as joint development, specialized transportation services and perhaps even some or all of its rather troubled regional commuter parking program, should be “de-regionalized” and provided to each jurisdiction in the mix that that jurisdiction wants and at a cost that that jurisdiction – or its “parent” state – is willing to pay for. This will probably mean creating or spinning off a “business subsidiary” of the core activities that I just named above, which would remain under direct control of the WMATA board and management. The model here might be something like the **TTI** adjunct that **Toronto Transit** created some years ago.

For 20 years I observed that it was almost like pulling an elephant's tooth just to get all the local jurisdictions, three States (I count my native DC as a future State) and the federal government to agree to pay to build the blessed thing. I somehow doubt that this long overdue, and now urgent, discussion will get very far, never mind produce a viable formula and protocol to fund WMATA as the

Statement before the WMATA Funding Panel
Harold E. Foster, AAG, AICP – Acting Executive Director

region-wide priority it should be, if we don't pare it down to the operational basics that this entire region will be expected – and will be willing – to pay for.

We shouldn't fool ourselves here. WMATA need so much money, for so many critical things in such a short period of time that we can't afford a long soul-searching disquisition on how WMATA ideally should have been stable-funded in the first place. Hindsight is always 20—20; Monday morning quarterbacks never throw a single interception. But it is too late to re-design the battleship Arizona: it is already sitting at the bottom of Pearl Harbor.

So. I would recommend that:

First: you conduct many more of these public comment sessions around the region. Get the citizens' – that is the **taxpayers'** – collective sense of what **they** see as the three or four most fundamental things – the core business, if you will – that (1) only WMATA can do or (2) WMATA can do more efficiently and effectively for this entire region.

Second, we need to talk about how to reconstruct WMATA around those three of four elemental responsibilities.

Third, parallel with that process, we need to determine which jurisdictions – or which regional or sub-regional agencies – will absorb or take over those ex-WMATA functions that didn't make the cut, necessary though they may be

Fourth, and **only** then, should we sit around the regional kitchen table with a calculator and tote up the bill for the new, truly regional mass transportation system we just created. That, I submit, is how we get Junior out on bail on a promise of good behaviour.

I welcome this process and thank this panel for this opportunity to be heard. And I am particularly glad to see Tom Downs and Judge Watson here to look after the City's interests, which they have demonstrated they can do superbly **and** still be imminently fair to the rest of the region. And I look forward to this effort.

We can still save Junior and make him a good public service citizen. But time is running a little short and you know how quickly these juveniles can go to the bad these days. I don't think this region can afford that: it is already **\$10 billion** too late.

Thank you.

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**TALKING POINTS
FOR
WMATA FUNDING PANEL**

By:
George Maurer
Senior Planner, Chesapeake Bay Foundation
On behalf of the CBF Maryland Office and the Maryland Transit Coalition

General Point: Right problem (WMATA needs more funding), right solutions (generally the types of funding solutions on the table), but wrong scale (regional dedicated funding).

Specific Points

Maryland Should Continue to Fund WMATA

- The state of Maryland should continue to fund WMATA through the state's transportation trust fund. It is appropriate for the state take responsibility for satisfying Maryland's obligations for funding WMATA for a number of reasons:
 - A shortfall in transportation funding exists statewide and is not unique to WMATA. Funding needs for other transit systems exist in the state, most notably in the Baltimore region. All of the state's transit systems and regions should benefit from new revenue sources, not just one of them.
 - As a funding source Maryland's Transportation Trust Fund offers a degree of stability and flexibility that no regional source of funding for transit can match.
 - A gas tax and congestion tolls are state revenue sources.
 - Significant numbers of users of the WMATA system reside in counties that are not considered a part of the Washington region, such as Howard and Anne Arundel Counties.
 - The WMATA system has implications for several significant state interests:
 - * WMATA directly and significantly reduces traffic congestion on state highways
 - * WMATA directly and significantly reduces air pollution that affects state residents beyond the Washington, D.C. region
 - * WMATA provides interstate service and connections to interstate facilities, such as Amtrak and Reagan International Airport

Choose Revenue Sources That Increase Transit Ridership

- Derive new revenue from one or a combination of several transportation user-fee related sources such as a gas tax increase, congestion tolls, and parking taxes.
- By acting as a disincentive for driving and as an incentive for using transit, such revenue sources yield multiple benefits that a sales tax or payroll tax cannot:
 - They increase WMATA ridership and hence increase WMATA revenue
 - They reduce auto trips and hence reduce traffic congestion
 - They reduce auto exhaust and hence improve air quality

Allow Public Comment on Draft Report

- Funding WMATA is an issue that affects everyone in the Washington region and in the state of Maryland.
- Unfortunately, the panel lacks representation by the broad range of public interests with a stake in transit and in transportation in general.
- It is additionally unfortunate that the panel's schedule does not afford the public with an opportunity to comment on the panel's draft report.
- The panel should permit public testimony on the panel's draft report and should allocate sufficient time to consider the public's comments on the draft. Accordingly the panel should add a meeting to its schedule devoted to public testimony and panel discussion on the testimony prior to the panel's last meeting when it will approve the final report.

**Statement by Tim Nutter
To the Metro Funding Blue Ribbon Panel**

**Alliance Supports Regional Transit Funding Mechanism
Calls for Comparable Mechanism for Roads**

The Northern Virginia Transportation Alliance has long listed meeting WMATA's maintenance and operating needs as a top priority. The Alliance endorses the concept and need for a dedicated regional funding source and applauds this panel's efforts.

The region's steadfast commitment to funding and building 103 miles of Metrorail and other planned public transit system elements has produced the nation's second most heavily utilized system. Only New York City moves a higher percent of trips by public transit, and our region's success has been achieved in a metropolis with a fraction of New York City's density.

Funding Metro's fundamental operational and maintenance needs is critical to maintaining and building upon current ridership levels.

It also is important to put the region's overall transportation needs in perspective and to recognize that, as impressive as transit ridership numbers are and as alarming as the lack of funding to meet critical needs is, these numbers and needs pale in relationship of those affixed to the road and bridge network.

Nearly nine of every ten daily trips in our region, including almost 50% of mass transit trips, depend upon an urban road network which is one of the nation's smallest and third most heavily congested. Peak period crowding projected on public transit in the near future has been a fixture of the road network for well over a decade and occurs over much longer periods each day – weekends included.

In contrast to our planned public transit network, a substantial portion of the planned freeway network (1500 lane miles and seven Potomac River bridges) has never been built.

The Alliance wants to make it very clear that it supports this panel's work and hopes its recommendations result in constructive action.

At the same time the Alliance continues to be alarmed that no comparable panel or sense of urgency exists to address the extraordinary funding needs for our highway network upon which not only quality of life depends daily, but which life itself will depend for millions in the event of a major terrorist attack.

It's said that squeaky wheels get the grease – and squeaky wheels are but one of Metro's maintenance needs.

But the lack of a sense of urgency by area officials to find serious regional funding solutions for the highway and Potomac River bridge network upon which 90% of daily travel depends is appalling.



"Pork out of politics and tolls off the Toll Road!"



L O W E R

Land Owners Workgroup for Economic Rapidtransit Landowners Opposing Wasteful Expenditures on Rail

12007 Sunrise Valley Drive, Suite 400
Reston, Virginia 20191

**Public Comments
WMATA Funding Panel
October 19, 2004**

**Submitted by
Ken Reid, LOWER
Reston, VA**

LOWER represents commercial property owners in the Dulles Corridor and Tysons Corner in Fairfax County. We oppose the wasteful extension of rail to Dulles Airport, particularly in light of the fact that the existing Metro rail and bus system needs billions in repairs.

We are concerned about the one-day's notice of this meeting and we wonder if this was done deliberately so mostly Metro proponents could come here and rant and rave about how Metro needs "more money."

We believe Metro needs to be put on a diet and oppose any dedicated funding source for Metro until it reforms its own internal mismanagement of funds.

Metro is a bloated, mismanaged, legacy black hole, which is paying its transit union workers salaries that exceed what some school teachers make in Fairfax County.

Metro continues to shovel millions into public relations, marketing, communications, "work force diversity programs" and continues to keep some 180 persons in its construction division on payroll instead of contracting that out -- as it should be doing with its operators and maintenance personnel. It keeps asking for fare increases instead of making hard decisions about its payroll and benefits.

Metro still has not recovered at least \$1 million stolen from its parking lots and it fails to provide good service -- notably, going to a non-rush schedule after the recent Redskins game, and the operator who abandoned a train full of passengers when her shift changed.

We fear that a dedicated revenue source from local and state taxes will force local governments to rob money from highways to pay for transit, which is now servicing only 12.9% of all commuters into the D.C. region and 3.8% of all trips (commuting and non-commuting).

We believe that highways -- which carry some 96% of all trips -- have a easily breached funding source that is abused by politicians for mass transit boondoggles and is cut whenever states have budget crises. Today, the D.C. area's funding plan is 50% transit.

We also believe a dedicated funding source is unwarranted given new data we have just received from consultant Wendell Cox showing how little Metro does for alleviating congestion or mobility in the greater D.C. area.

According to that study, which we released today, Metro's share of transit ridership has actually declined 29 percent since 1970.

Mr. Cox determined that Metro's so-called "record ridership" really represents trips, not actual physical human beings going to work, and is mostly former bus riders and carpools. For example, in Fairfax County, only 41,000 residents board at Metro's five stations, yet Gerry Connolly and the Fairfax Board of Supervisors want voters Nov. 2 to approve \$110 million for Metro's capital improvements but only \$50 million for highways -- which carry 89% of commuters in this county.

In conclusion, Metro needs to go to competitive tendering and get its union costs under control before asking us for more money. It needs to shelve the Dulles Rail project until the existing rail and bus system can be preserved. And, we need to support better funding for highways and new lanes for buses and carpools, which will provide much cheaper mobility for the region.

Below are some statistics to chew on. Thank you.

- According to WMATA, Metrorail cost at least \$24 billion to build, in 2004 dollars.
- Construction costs for the proposed Dulles extension are nearly \$170 million per mile, more than 10 times the amount of some competing systems.
- Operating costs continue to climb and, as recently noted by the District, these costs sometimes are covered at the expense of other important programs.

It also is important to recognize that Metrorail has significant limitations. For example:

- since rail construction began, traffic in the Washington region has continued to grow more congested, becoming one of the worst in the nation;
- Between 1970 and 2000, the percentage of commuters riding transit to work declined from 15.3 percent to 10.9 percent; and
- The percentage of single occupant vehicles commuting to the urban core has increased, not decreased, since Metrorail construction.

Some recommendations:

- WMATA must go to competitive tendering for its bus and rail operators and maintenance staff. It must reign in unionized costs and fluff, like P.R. It is now costing about \$70 an hour to operate a Metrobus, versus \$50 for the Fairfax Connector. It is absurd that Metro costs more for providing low service.
- Ensuring that future expansions do not add to Metro's operating deficit. Rail to Dulles, for example, will add \$110 million per year in new subsidies. How will we pay for this? Adding deficits of this magnitude, at a time when the system is in financial crisis, seems reckless, at best.

- Ensuring more realistic cost projections. For example, the capital costs of rail to Dulles have been estimated at \$4 billion. Yet, we recently learned in the Washington Post that, to make the Dulles extension function properly, a new Potomac River crossing could be needed. In 2001, WMATA estimated that this crossing would cost \$6 billion, yet none of these costs are included in the Dulles plan.
- Ensuring more accountability. Skepticism about WMATA's ability to manage and operate the existing system appears to be at an all time high. Yet, there is little if any apparent accountability. WMATA is even exempt from the Freedom of Information Act, making it very difficult to understand what is happening within the agency. Reforms are needed to make sure WMATA's operations are more transparent and accountable, giving the public confidence that it is being well managed. This will increase the likelihood of public support for future funding needs.
- Openness to new technologies. There are new technologies, like bus rapid transit, that promise even greater mobility benefits than rail, yet at a small fraction of the cost. To date, however, there has been significant reluctance to consider these technologies. Going forward, we must put a higher premium on providing mobility options quickly and in a more cost-effective manner, thus breaking the cycle of mounting operational and maintenance costs that do not result in congestion relief.

Submitted by Ken Reid, LOWER, kreid@fdainfo.com 703/779-8777

**Public Comments
WMATA Funding Panel
October 19, 2004**

**Submitted by
Bill Vincent
Breakthrough Technologies Institute
Washington, DC**

As a daily Orange line rider and an advocate for transit, I want to thank you for your efforts. There is no question that WMATA bus and rail service provides tremendous benefits and that we must find ways to support it.

There are many options you could recommend, from enhanced revenues from sales taxes or tolls, to revising the subsidy formula under the Compact. Rather than make recommendations on funding sources, I would like to address a more fundamental issue: ensuring that future investments provide real mobility options and make the existing Metro system more affordable and sustainable.

Metro's financial crisis should be a wake up call. Providing Metrorail service is extremely expensive, requiring a long-term and sustained commitment to system maintenance and upgrades.

Although Metrorail provides the region with many benefits, it is important to recognize that these benefits come at a significant cost.

- According to WMATA, Metrorail cost at least \$24 billion to build, in 2004 dollars.
- Construction costs for the proposed Dulles extension are nearly \$170 million per mile, more than ten times the amount of some competing systems.
- Operating costs continue to climb and, as recently noted by the District, these costs sometimes are covered at the expense of other important programs.

It also is important to recognize that Metrorail has significant limitations. For example:

- since rail construction began, traffic in the Washington region has continued to grow more congested, becoming one of the worst in the nation;
- Between 1970 and 2000, the percentage of commuters riding transit to work declined from 15.3 percent to 10.9 percent; and
- The percentage of single occupant vehicles commuting to the urban core has increased, not decreased, since Metrorail construction.

This is not to say that Metrorail is a bad thing. Quite the contrary, it is a good thing. Metrorail serves an important role in our region's transportation network. However, it is very clear that Metrorail does not and cannot provide a viable and long-term strategy for significantly reducing the region's congestion problems.

It's time for new strategies and new thinking. We need a hard and objective look at regional transportation needs and at new ways of meeting those needs. In developing funding options for Metro's future, please consider the following principles as potential conditions for those funding options.

Fix it First. The most important priority should be to optimize the existing system. Eight-car trains are a good first step, but there is much more that can be done, particularly to maximize capacity in the non-peak direction. Metro Matters seems to be a step in the right direction. However, system expansion should be considered only after the existing system is maximized.

Sustainability and Affordability. Without significant changes within WMATA and within the transportation planning process, your efforts may be wasted, because by 2010 we will be facing this fiscal crisis again. According to WMATA: "The Metro Matters agreement buys approximately six years before more problems reoccur and does not cover security issues."

To help prevent future financial crises, there are several recommendations you could make as part of a new funding package for WMATA. These include:

- Ensuring that future expansions do not add to Metro's operating deficit. Rail to Dulles, for example, will add \$110 million per year in new subsidies. How will we pay for this? Adding deficits of this magnitude, at a time when the system is in financial crisis, seems reckless, at best.
- Ensuring more realistic cost projections. For example, the capital costs of rail to Dulles have been estimated at \$4 billion. Yet, we recently learned in the Washington Post that, to make the Dulles extension function properly, a new Potomac River crossing is necessary. In 2001, WMATA estimated that this crossing would cost \$6 billion, yet none of these costs are included in the Dulles plan.
- Ensuring more accountability. Skepticism about WMATA's ability to manage and operate the existing system appears to be at an all time high. Yet, there is little if any apparent accountability. WMATA is even exempt from the Freedom of Information Act, making it very difficult to understand what is happening within the agency. Reforms are needed to make sure WMATA's operations are more transparent and accountable, giving the public confidence

that it is being well managed. This will increase the likelihood of public support for future funding needs.

- Openness to new technologies. There are new technologies, like bus rapid transit, that promise even greater mobility benefits than rail, yet at a small fraction of the cost. To date, however, there has been significant reluctance to consider these technologies. Going forward, we must put a higher premium on providing mobility options quickly and in a more cost-effective manner, thus breaking the cycle of mounting operational and maintenance costs that do not result in congestion relief.

Putting Customers First. Most people in our region can choose whether to ride transit. Thus, our transit system must try to earn their business, every day, all day. WMATA appears to be falling short of this standard. The examples are many, including:

- leaving thousands of football fans stranded after urging them to ride Metro;
- showing no remorse for throwing a pregnant woman to the ground for allegedly talking too loud on a cell phone;
- failing to have enough Smart Cards available after requiring all parking customers to use Smart Cards;
- failing to repair escalators and other facilities in a timely manner;
- failing to provide many bus customers with even the simplest of shelters; and
- arresting people for chewing candy bars and eating a French fries.

Clearly, there is much that can be done to improve the culture at WMATA and make it more customer-focused.

In conclusion, I strongly support new funding to ensure that the existing system is sustainable and affordable. I am strongly opposed, however, to providing this funding without taking the steps necessary to help prevent future financial crises, to ensure greater accountability and transparency, and to ensure that future transit dollars are spent on projects that have a real chance of improving regional congestion.

Thank you. I am sorry that I could not attend the meeting tonight. My contact information is:

Telephone: 202 785-4222 extension 30

Email: vincent@fuelcells.org

From: Jer [jer@cftc.org]

Sent: Wednesday, October 20, 2004 1:38 PM

To: La Shawn Barber

Subject: Please forward to Metro Funding Panel

Lashone(sic?), thank you for forwarding this to the Metro Funding Panelists.

Hello Panelists!

Thank you very much for volunteering your time to this very pressing issue. I also appreciate the opportunity you allowed the general public to comment last night on ideas to help relieve Metro's current crisis. In my professional capacity, I track public transportation ballot initiatives from across the country. I mainly focus on public transit campaign tactics and helping local communities succeed at the ballot box. I am attaching a list of the 52 public transportation ballot initiatives on the ballot this year, along with brief descriptions. More information about transit initiatives, ballot language, and tactics is available at www.cfte.org

I believe Nuria was right on last night when she brought up the PTP in Miami. I know the former CEO of Miami Dade Transit, Danny Alvarez, who was instrumental in getting it passed. The formation of the Citizen's Independent Transportation Trust has sweeping powers, which is critical. I am cautiously optimistic that more than lip service will be given to this idea here. Here's some of the powers given in Miami:

The powers and responsibilities of the CITT include the following:

1. To monitor, oversee, review, audit, and investigate implementation of the transportation and transit projects listed in the PTP and all other projects funded in whole or in part with surtax proceeds
2. To ensure compliance with any limitations imposed in the levy on the expenditure of the surtax proceeds, including but not limited to:
 - o any requirement with regard to maintenance of effort on the current general fund support for Miami-Dade Transit
 - o any limitation that no more than 5% of surtax proceeds to be expended on administrative costs, exclusive of project management and oversight for projects funded by the surtax
 - o any limitation that surtax proceeds only be expended for transportation and transit purposes specified
 - o any limitation that the County Commission may not delete or materially change any County project listed in the PTP nor add any project without initially being reviewed by the CITT, which shall forward a recommendation thereon to the County Commission. The County Commission may either accept or reject the CITT recommendation. If the County Commission rejects the recommendation, the matter shall be referred back to the CITT for its reconsideration and issuance of a reconsidered recommendation to the County Commission. The County Commission may approve, change or reject the CITT reconsidered recommendation. A two-thirds vote of the Commission membership shall be required to take action other than as contained in the reconsidered recommendation of the CITT. The list of County projects in the PTP may be changed as a result of the Metropolitan Planning Organization (MPO) process as mandated by federal and state law.
3. To ensure compliance with any applicable federal and state requirements

4. To require monthly reports from the Manager, County agencies and instrumentalities regarding the implementation of the projects funded by surtax proceeds
5. To file a report, including any recommendations, with the Mayor and the County Commission on a quarterly basis regarding the implementation of the projects funded by surtax proceeds

www.miamidade.gov/CITT/powers.asp

www.co.miami-dade.fl.us/govaction/matter.asp?matter=022197&file=false&yearFolder=Y2002

www.miamidade.gov/CITT/citt_selection_process.asp

I might add that the Miami CITT is not unique. Accountability and oversight has been going mainstream in many transit initiatives:

Phoenix

www.yeson400.com/accountability/index.asp

Denver has a Citizen Oversight Committee

www.fastracks.org/faqs.cfm

Hope this helps!

Jeremy Gunderson

Center For Transportation Excellence

4000 Albemarle St. NW

Suite 303

Washington, DC 20016

202-244-2405

jer@cfe.org

www.cfe.org

PUBLIC TRANSPORTATION BALLOT INITIATIVES – 2004

(CURRENT AS OF 10/19/04)

STATE	CITY	SUBJECT	DATE/COMMENT
AK	Anchorage	Proposition 11 asks voters whether Anchorage should issue up to \$1.57 million in general obligation bonds to pay for public transportation improvements.	ON BALLOT 04/06/04 DEFEATED 52% TO 48%
AZ	Phoenix	Maricopa County officials have a scheduled a 1/2 cent sales tax extension and a \$16 billion regional transportation plan on the May ballot. Phoenix's light rail system would also be funded with these two initiatives. The state legislature has pushed this vote back to November. Maricopa 2020 website: www.maricopa2020.com	ON BALLOT 11/04
AR	Jonesboro	The North East Arkansas Transit Authority board unanimously approved a motion to request that the Craighead County Quorum Court place a referendum on November's general election ballot to create and support through funding a Jonesboro-Craighead County transit system for a 3-year trial period.	DELAYED UNTIL 2005
CA	Bay Area	Under SB 916 of 2003, residents of seven Bay Area counties would vote in March 2004 to raise bridge tolls by \$1 to spend an estimated \$125 million a year for transit, planning and roads. The Bay Area's priorities include a \$50 million fourth hole in the Caldecott Tunnel, \$36 million to expand ferry service and \$50 million for a new five-lane span for the Benicia-Martinez bridge. Funds would also strengthen Bay Area Rapid Transit underground tunnels, renovate the TransBay Terminal in San Francisco and study Bay Area access to a proposed high-speed rail system in California. The measure needs majority approval of voters in seven counties with state-owned toll bridges to pass. That includes Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara and Solano counties. Yes on Measure 2 website: www.measure2.org	ON BALLOT 3/2/2004 APPROVED 56% TO 44% How Bay Area voted on Measure 2 County: YES NO Alameda 54% to 46% Contra Costa 51% to 49% Marin 64% to 36% San Francisco 69% to 31% San Mateo 55% to 45% Santa Clara 59% to 41% Solano 41% to 59%
CA	Bay Area	Voters in San Francisco, Alameda and Contra Costa counties will vote in November on a \$980 million bond issue to pay for earthquake safety modifications to BART. The same measure lost by 2.2 percentage points in 2002.	ON BALLOT 11/04
CA	Statewide	Initiative No. SB 1856 would authorize \$10 billion in bonds for a high-speed rail system between L.A. and San Francisco. It would also tackle other public transportation needs. The bipartisan measure passed in the legislature and was referred to the voters for approval.	DELAYED UNTIL 11/06
CA	Contra Costa County	Contra Costa County Transportation Authority is pushing for a renewal of Measure C, the countywide half-cent sales tax, set to expire in 2009. The measure has funded highway and transit projects since 1989. The new Measure C would raise \$1.6 billion in transportation funding through 2029 and update the "Growth Management Program" initiated by the first Measure C. A decision will be made in August on whether or not to place it on the November ballot. CCTA Measure C website	ON BALLOT 11/04
CA	Sacramento County	Sacramento County Transportation Authority officials have proposed extending Measure A, the existing half-cent transportation sales tax, which is set to expire	ON BALLOT 11/04

		in 2009. If approved, the extension would raise \$4.7 billion for road and transit improvements	
CA	San Mateo County	The San Mateo County Transportation Authority has adopted an expenditure plan for the reauthorization of Measure A, a half-cent transportation sales tax, which will net approximately \$1.5 billion over 25 years. Transit projects will receive 30%. A local group, Citizens for Better Transit, has opposed the expenditure plan and is considering adding a competing ballot initiative.	ON BALLOT 11/04
CA	Solano County	The Solano County Transportation Improvement Authority is advancing its plans for a separate, countywide tax that would raise an estimated \$1.43 billion during the next 30 years. A daunting, two-thirds approval, however, would be required to pass the tax measure. www.solanotraffic.org	ON BALLOT 11/04
CA	Sonoma County	This November, Sonoma County voters will be asked to approve a sales tax hike that could raise \$470 million over 20 years to relieve the traffic congestion on Highway 101 and local streets. The spending plan for Measure M, the Traffic Relief Act for Sonoma County, also funds bike and pedestrian projects and continues work on a North Bay passenger rail line.	ON BALLOT 11/04
CA	Sonoma and Marin Counties	The Sonoma-Marin Area Rail Transit board is considering adding a quarter-cent sales tax on the November ballot to fund commuter rail	DELAYED UNTIL 2006
CA	Santa Cruz County	The widening of Highway 1 and the construction of a 31-mile rail trail along the old Union-Pacific Rail line are now linked together on a November transportation ballot initiative. Residents of Santa Cruz County will be asked to pay a half-cent sales tax to raise \$530 million for the new projects as well as a passenger train station in Pajaro and a tourist trolley to run between Aptos and Capitola.	ON BALLOT 11/04
CA	Orange County	Worried that the CenterLine light-rail project does not have enough congressional support to win federal funding, Orange County transit leaders have begun discussing whether the \$1 billion proposal should be put to a countywide vote in November	DELAYED
CA	San Bernadino County	A plan to spend \$6 billion in local transportation money over the next 30 years was approved by the county's transportation agency, SANBAG, paving the way for a November ballot. According to the plan, nearly \$362 million would be allocated for a MetroLink extension to Redlands and a Gold Line extension to Montclair. Other improvements include \$180 million for bus and rapid transit. Measure I Central	ON BALLOT 11/04
CA	Marin County	Marin's Congestion Management Agency has called for a Marin-specific half-cent sales tax increase that would generate an estimated \$275 million over 20 years. Funds would be dedicated to expanding the local bus system, improving road maintenance and widening Highway 101 through the heart of the county. Marin County Sales Tax Expenditure Plan website	ON BALLOT 11/04
CA	Ventura County	Ventura County supervisors voted 4 to 1 to place a 1/2 cent sales tax increase measure on the November ballot to pay for road and transit improvements. Ventura County is the largest county in the state without its own transportation tax. 1/2 Cent Sales Tax Information	ON BALLOT 11/04
CA	San Diego	San Diego's regional planning agency, SANDAG, has produced a \$9.5 billion draft Expenditure plan for the TransNet program, a half-cent sales tax extension that funds transit and highway projects throughout the region, set to expire in 2008. The extension would provide funding through 2028. TransNet website	ON BALLOT 11/2/04
CO	Denver	The Regional Transportation District is moving forward with their \$4.7 billion FasTracks transit expansion plan which calls for construction of new light-rail or commuter-rail lines from central Denver to Lakewood/Golden, Arvada, Boulder/Longmont, north Adams County and Denver International Airport, as well as along I-225 in Aurora. Fastracks Yes website: www.fastracks.org	ON BALLOT 11/04
CO	Garfield County	Garfield County commissioners agreed to put a question on the November ballot asking voters outside [Aspen] city limits to decide if Garfield County	ON BALLOT 11/04

		should join the Roaring Fork Transit Authority.	
CO	El Paso County	County commissioners have proposed and approved a plan to form The Rural Transportation Authority which would serve Colorado Springs, Manitou Springs, Green Mountain Falls and unincorporated El Paso County if approved by voters. It would be funded with a 1-cent sales tax increase, with 55 cents of the tax expiring after 10 years. Fifty-five percent of the funding is set to go for road construction, 35 percent toward maintenance and 10 percent to transit. Roadway and maintenance money will be apportioned to the cities and county based on population.	ON BALLOT 11/04
CO	Aspen	Facing a 50% service cut, and for the second time in four years, the Roaring Fork Transit Authority plans to approach voters to bail it out of a financial jam. RFTA's board of directors voted 6-1 to seek a sales tax increase from the towns and counties throughout the Roaring Fork Valley, the size of the increase yet to be determined, although the total amount collected cannot exceed one cent in any jurisdiction.	ON BALLOT 11/04
FL	Statewide	A repeal provision to develop and operate a high-speed ground transportation system in the state.	ON BALLOT 11/04
FL	Miami Beach	Miami Beach voters will be able to weigh in on a nonbinding question to determine whether BayLink, the light-rail trolley system that would move people around South Beach and connect to downtown Miami, should be built.	ON BALLOT 11/04
FL	Broward County	To improve Broward's mass transit options, the county hopes to develop a program with the Metropolitan Planning Organization that would pay for transit partly through an expanded impact fee.	MONITOR PROGRESS
KY	Lexington	LexTran's new general manager, Terry Garcia Cruz, wants to put a 5 mill property or occupational tax on the November ballot, which would be the agency's first dedicated funding source, and would allow for necessary service expansions.	ON BALLOT 11/04
IN	Indianapolis	A 1% food and beverage tax to fund transit projects has been proposed by IndyGo. Monitor development.	DELAYED UNTIL 2005
MI	Van Buren County	The Van Buren Public Transit system, at risk of complete service elimination, has operated without a dedicated funding source. The county board has recommended a county levy of up to a quarter-mill for the November 2 election. If passed, the levy would raise an estimated \$513,853 per year	DELAYED UNTIL 2005
MI	Port Huron	Residents in Fort Gratiot, Port Huron and Port Huron Township will vote on renewing a four-year property tax that funds bus services run by Blue Water Area Transit.	ON BALLOT 5/4/04 APPROVED 69% TO 31%
MI	Saginaw	The City of Saginaw has approved the proposed ballot language for the renewal of 3 mills for the Saginaw Transit Authority Regional Services (STARS)	ON BALLOT 3/2/04 DEFEATED BY 200 VOTES
MI	Flint	The MTA (Flint) is proposing a new tax, 0.3 mills would pay to support existing services, and 0.1 mills would finance additional service, including additional vehicles on the road and expansion of night hours on fixed routes. The tax would raise \$3.8 million in new money.	ON BALLOT 8/3/04 APPROVED 54% TO 46%
MI	Lansing	The Capital Area Transportation Authority is calling for a .0322 millage increase, a total of 2.22 mills on property for five years. If approved, the millage would bring approximately \$12.1 million annually.	ON BALLOT 8/3/04 APPROVED 60% TO 40%
MI	Ludington and Scotville	The Ludington Mass Transit Millage renewal request is for 0.75 mills for Ludington residents and 1.3 mills for Scotville residents. The renewal is for 5 years. The November ballot will include a two-county transportation proposal for all residents of Mason and Oceana counties. All residents would pay 0.6 mills for the service. If that proposal passes in November, it will over-ride this Primary ballot request.	ON BALLOT 8/3/04 APPROVED 71% TO 29%
MI	Marquette	The Marquette County Transit Authority is calling for an additional .2 mill on an	ON BALLOT 8/3/04

	County	existing .4 mill (total .6 mill) ad valorem property tax. If approved, the tax would yield approximately \$836,000 annually.	APPROVED 65% TO 35%
MI	Lake County	To provide funding for the Yates Dial-A-Ride program that serves all of Lake County, the proposal calls for a .4 mill over 5 years, and would raise \$165,000 annually	ON BALLOT 8/3/04 APPROVED 56% TO 44%
MI	Midland County	This millage renewal calls for .15 mill over a period of 5 years for the provision of county-wide public transportation services, and is expected to raise approximately \$512,443 annually.	ON BALLOT 8/3/04 APPROVED 70% TO 30%
MI	Shiawassee County	The Shiawassee Area Transportation Agency is calling for a first-time millage in the amount of .225 mills over a 2 year period. If approved, the millage would generate approximately \$56,000 a year.	ON BALLOT 8/3/04 APPROVED 62% TO 38%
MI	Charlevoix County	This proposal will permit the County of Charlevoix to restore the .25 mill, previously approved by the electors for the purpose of providing funds for the operation of the County Transit System. The millage is for a period of 4 years and would raise \$396,755 annually.	ON BALLOT 8/3/04 APPROVED 65% TO 35%
MI	Gogebic County	This millage renewal proposal would fund Gogebic County Transit for 4 years at a rate of .33 mills. If approved, it would raise approximately \$122,010 annually.	ON BALLOT 8/3/04 APPROVED 77% TO 23%
MI	Tuscola County	This millage renewal proposal would fund public bus transportation services in Almer Township and Indianfields Township for 4 years. At a rate of 1 mill, the approved proposal would raise approximately \$190,000 for both townships.	ON BALLOT 8/3/04 APPROVED 61% TO 39%
MI	Manistee County	This proposal would fund Dial-A-Ride services in Manistee County for 6 years with a .33 millage. Estimated annual revenue, if approved, would be \$276,794.	ON BALLOT 8/3/04 FAILED 45% TO 55%
MI	Kalamazoo	City commissioners have approved placing a 1-mill property tax renewal for Metro Transit on the Nov. 2 general election ballot. If approved, the levy will raise a projected \$1.56 million. The owner of a home with a market value of \$100,000 and taxable value of \$50,000 would pay \$50 in property taxes.	ON BALLOT 11/04
MO	Branson	Voters in Branson will be able to decide in August whether to extend a 1/2% retail sales tax that is set to expire in November 2005. The tax will fund roads and public transportation.	ON BALLOT 8/04 APPROVED 81% TO 19%
MT	Flathead County	County commissioners in October voted unanimously to put a \$1 million tax levy request on the June 2004 primary election ballot. The tax would bring approximately \$106,000 annually for Eagle Transit, which when matched with federal dollars, would total about \$212,000 annually.	ON BALLOT 6/8/04 APPROVED 62% TO 38%
OH	Hamilton	In early December the Hamilton City Council voted to place a 0.5-mill property tax on the March 2 ballot for continued transit services. The levy would generate about \$449,000 a year for the city's general fund, but council members have said the funds would be used solely for transit operations.	ON BALLOT 3/2/04 DEFEATED 69% TO 31%
OR	Bend	Interim City Manager Ron Garzini has proposed establishing an independent transit district funded in part with a new property tax of roughly 29 cents per \$1000 assessed value. The proposal needs approval from Deschutes County Commissioners before it can go to Bend voters.	ON BALLOT 11/04
SC	Charleston	After the Supreme Court overruled the 2002 transit tax that voters approved due to ballot language errors, the county wide 1/2¢ sales tax to fund transit, greenspace, and roads is again on the ballot	ON BALLOT 11/04
TX	Austin	Capital Metro is considering asking voters in November to consider a commuter rail starter line, utilizing an existing railroad track that it owns. The proposal would call for diesel-powered trains to run from Leander to downtown Austin, at a cost of less than \$100 million.	ON BALLOT 11/04
TX	Balcones Heights	Balcones Heights residents will cast ballots to decide whether to stay with VIA Metropolitan Transit, and they will also decide whether to create an economic development corporation with the estimated \$540,000 in sales tax funds that now go to VIA	ON BALLOT 9/11/04 APPROVED 82% TO 18%

TX	San Antonio	VIA Metropolitan Transit is considering asking voters in November to raise the transportation sales tax 3/8cent to increase services.	ON BALLOT 11/04
TX	Richland Hills	In December 2002, the City Council voted to hold a special election to decide whether the city should remain with the Fort Worth Transportation Authority, aka the "T." Keep the "T" Website	ON BALLOT 2/7/04 APPROVED 67% TO 33%
VA	Arlington County	Arlington County has a proposal to issue \$18.5 million in bonds to finance, together with other available funds, the cost of construction, acquisition, and rehabilitation of Metro facilities by the Washington Metropolitan Area Transit Authority	ON BALLOT 11/04
VA	Fairfax County	The Fairfax County Board of Supervisors on June 21 agreed to let residents vote Nov. 2 on more than \$300 million worth of bonds for transportation, human services, parks and libraries. The board proposed issuing \$165 million worth of bonds for transportation projects. Two-thirds of those moneys – \$110 million – would go to the Washington Metropolitan Area Transit Authority for infrastructure renewal, improved system access and system expansion.	ON BALLOT 11/04
WA	Vancouver	Voters will decide, probably in September, whether to double a 0.3 percent transit sales tax to stave off deep cuts in Clark County's bus system. C-Tran's board of directors voted unanimously to put a ballot measure before voters that would increase frequency and duration of bus service in Clark County and continue commuter routes to Portland that would otherwise be cut.	ON BALLOT 11/04
WA	Spokane	After voters turned down a 3mil tax to fund transit in 2002, Spokane Transit Authority is facing a 45% service reduction. Board members decided in February to place a 3mill tax on an upcoming ballot May 18.	ON BALLOT 5/18/04 APPROVED 69% TO 31%
WA	Everett	City officials are discussing whether to ask voters to approve a sales tax increase for financially strapped Everett Transit. The agency cut service 14 percent last year, and the City Council last week reviewed a public-transit plan that forecasts further reductions in 2005.	APPROVED 56% TO 44%
WA	Seattle	I-83, to kill the Seattle Monorail project, just made it onto the November ballot after a state Court of Appeals overturned an earlier ruling.	ON BALLOT 11/04
WA	King County	The Metropolitan King County Council has placed two advisory measures on the Nov. 2 ballot. One asks voters if they support developing a package of congestion-relief and safety projects and placing it on the ballot in November 2005. The other asks how they'd like to pay for it.	ON BALLOT 11/04
WV	Parkersburg	The Mid-Ohio Valley Transit Authority is seeking a renewal levy as it works to expand its routes. The agency is asking for \$1.595 million a year over five years, an increase from the \$1.25 million, two-year levy now in effect.	ON BALLOT 11/04

**STATEMENT OF THE SIERRA CLUB, DC CHAPTER
BEFORE THE
WMATA FUNDING PANEL**

October 19, 2004

Chairman Penner and members of the panel, thank you for the opportunity to testify on the issue of creating a dedicated source of revenue for the Washington Metropolitan Area Transit Authority (Metro). The Sierra Club is the nation's oldest grassroots environmental organization, with over 700,000 members.

The business community's interest is vital to successfully addressing this issue and we appreciate your service on this panel. However, we are disappointed that this panel does not include environmentalists, transit advocates, or any representatives of the riding public. Metro's future is of great concern to a wide range of stakeholders in the Washington region, and we expect that these other stakeholders will be given the opportunity to play a role in this process, beyond simply giving testimony.

Among our nation's large transit agencies, Metro is one of the nation's few transit agencies that does not benefit from a dedicated source of revenue. Our region's highways benefit from various dedicated trust funds and it is time that we provide similar support for what is arguably our metropolitan area's most valuable infrastructure resource.

A Dedicated Source of Revenue

The DC Chapter of the Sierra Club supports the creation of a dedicated source of revenue for Metro. Many metropolitan areas use a sales tax to fund transit, while others levy special assessments on commercial property located near transit stations. Each funding mechanism has its strengths and weaknesses. In general, a dedicated source of funding for Metro should not only meet the goal of providing Metro with enough money to cover its capital and operating costs, but should also meet the goal of encouraging increased Metro ridership in order to reduce highway congestion and help our metropolitan area meet clean air goals.

Though the Sierra Club is not yet prepared to endorse anyone funding mechanism, we urge the panel to consider a regional parking tax similar to legislation proposed by DC Councilmember Phil Mendelson. This legislation would impose a \$1 per day fee on each employer-provided free parking space

and close a loophole whereby much of the employer-provided parking in the city escapes existing taxes since those taxes only cover cash transactions and do not cover parking provided as part of a lease or through another contract.

DC parking taxes have not changed in more than 25 years, and many suburban jurisdictions have no tax on parking. Given our metropolitan area's gridlock and air pollution and the service that Metro provides to many employment hubs, the Sierra Club finds this situation troubling. Taxing parking would provide revenue for Metro while also discouraging driving, helping our metropolitan area address its congestion and air quality problems.

Metro's Funding Crisis

As we all know, Metro is facing a crisis. The system's infrastructure is 'aging rapidly while ridership continues to grow. Breakdowns are more frequent, trains and buses are increasingly crowded, elevators and escalators are often out of service, and much of the bus fleet is well past its recommended service life. Based on reports from Metro managers and the experience of other transit agencies, these problems are likely to spiral out of control, threatening the region with gridlock and even poorer air quality. Given the enormous mobility and environmental benefits that Metro provides our metropolitan area, this crisis must be addressed.

And given Metro's extraordinary needs, we should all insist that any new funding mechanism not undermine existing commitments to the Metro system. A dedicated funding source should provide not only stability, but also generate the revenue necessary to keep up with ridership growth and maintain a world-class transit system. To put it plainly, a funding source that is revenue-neutral would simply rearrange the deck chairs on the Titanic.

The Sierra Club also notes that the federal government benefits greatly from Metro, and ought to provide higher levels of funding commensurate with those benefits.

Metro Benefits Everyone

A proposal for dedicated Metro funding should not unduly burden users of the system and should instead reflect that everyone benefits from our regional transit system. For example, the Texas Transportation Institute's annual study of congestion, valued the benefits that Metro provides in terms of congestion savings to the region at \$1.2 billion, considerably more than the agency's annual operating budget.

Regardless of how the benefits are quantified, Metro clearly benefit drivers via less congested highways, property owners via increased property values that arise from proximity to transit, and business owners by getting their employees to

work. And we all benefit from the cleaner air that results from over 1.2 million people choosing Metro over their cars each weekday.

No More Fare Increases

The Sierra Club feels that two consecutive fare increases have sufficiently addressed the effects of inflation, and no additional fare increases should be imposed at this time. Indeed, if Metro fares must reflect inflation, then, in fairness, state and local gas taxes should also be indexed for inflation. An increased burden on riders could reduce ridership and seriously undermine regional efforts to meet clean air goals.

Stronger Metro Accountability to Riders Needed The public and transit riders will be more accepting of a new revenue stream for Metro if steps are taken to increase Metro's accountability and improve its customer service.. Though not directly part of your panel's agenda, the Sierra Club would also like to recommend the creation of a Passenger Advisory Committee. Most of the nation's large transit agencies benefit from the guidance provided by such groups, and we believe that the creation of a Passenger Advisory Committee would complement the implementation of a dedicated source of revenue, helping to ensure that Metro focuses on how it can better serve customers.

Sierra Club volunteers have spent considerable time at Metro stations throughout the region educating customers about Metro's funding need. While most customers support giving Metro the resources it needs to succeed, many have added that increased accountability and improved service needs to be part of the solution.

A Dedicated Funding Source

Urgently Needed Metro's lack of dedicated funding presents our region with one of its most pressing challenges. Failure to meet this challenge will lead to deterioration of one our region's most valuable assets and threatens to paralyze our metropolitan area. Thank you again for the opportunity to testify on this important issue and for your work to address it.

Action Committee for Transit

www.actfortransit.org
www.innerpurpleline.org

1916 DWJdee Road, Rockville, MD 20850

STATEMENT

by

James W. Clarke, Vice President

Action Committee for Transit

before

The Committee on Metro Funding

October 19, 2004

Good evening, the Action Committee for Transit, the voice of the transit rider in Montgomery County, has a long history of working with WMATA on transit issues at the state and local level.

But first some general comments, while WMATA enjoys broad general support it has a reputation of being unresponsive to the concerns of its riders, both bus and rail. We are an organization of transit users yet at our monthly it is rare that there are not complaints about Metro. At every opportunity we continually raise the issue of WMATA's unresponsiveness to one our major concerns, the LACK OF INFORMATION, especially bus information. Better information, especially for Metro buses, must be a top priority.

In short if Metro wants continued public support it, as an agency, must become more responsive to the concerns of its users. When major "goof ups" occur such as the recent delays of trains carrying Redskins football fans home an apology from senior management is not enough.

Now, to the issue before this panel, Metro funding. If this panel is to make recommendations for the funding of Metro then it must represent all affected interests. Where are the representatives of the transit riders, the unions that represent Metro's workers, the smart growth advocates who work for development around Metro stations and the many other interest groups that support Metro?

We, in conjunction with other groups in Montgomery and Prince Georges counties, worked for a number of years to get the state of Maryland to assume full funding for the local share of Metro's operating expenses that prior to 1994 had been borne by Montgomery and Prince Georges Counties.

As one who was there when the Maryland General Assembly passed the legislation requiring the state of Maryland to assume the operating cost originally borne by Montgomery and Prince Georges Counties and as one who continually talks with Maryland Senators and Delegates from these two counties on transit issues I will tell you flat out that any regional tax to fund Metro that applies only to these two counties is dead on arrival. We have labored long and hard to make the

funding of regional transit systems a state responsibility in Maryland, and we intend to do all we can to keep the funding of Maryland's regional transit system, WMATA and MTA in the Baltimore area a state responsibility. The present MDOT Secretary has made it clear that any dedicated source of transit funding must apply to both the Baltimore and Washington regions. The Chairman of the Fairfax Board of Supervisors, Jerry Connelly, stated it best when he said each jurisdiction should come of with its own way to fund Metro.

We, ACT, urge you, this panel, to make the following recommendations:

- 1- Transportation funding at all levels, federal, state and local for both roads and transit has been inadequate.
- 2- Transit funding in Maryland MUST remain in the state's Transportation Trust Fund.
- 3- The state of Maryland should increase funding for transit by looking, on a statewide level, at the six funding sources recommended in the Brookings Institution report before you. These suggested sources are, increasing gasoline taxes, sales taxes, congestion charges, parking taxes, payroll taxes and a land value capture tax. Because of this regions severe congestion and air pollution problems we favor those fees or taxes that provide disincentives to auto travel and capture the value of the benefits of transit.
- 4- In the interest of equity MTA and MARC should charge for parking at their respective stations, as does WMATA.
- 5- The Federal government must "step up to the plate" and meet its responsibilities to help fund Metro, especially since 50% of rush hour commuters are federal employees and numerous federal agencies are at Metro stops. You should strongly urge the members of Congress that represent jurisdictions served by Metro to take the led in getting the necessary federal funds to meet Metro's needs.
- 6- The federal government, at locations served by Metro in Maryland, Virginia and the District of Columbia, should charge market rates for parking and use the money collected to provide the tax free \$100 per month transit benefit authorized in the IRS code.
- 7- As members of the business community you should all urge that all employers in the jurisdictions served by Metro stop providing free parking and start charging market rates for parking using the money raised to provide the transit benefit authorized by the IRS code to those employees who take transit or arrive at work by other than a single occupancy vehicle.

Unfortunately your present schedule does not allow the public an opportunity to comment on your final report. We request that you provide an opportunity for public comment on your final recommendations. Therefore we request that you add a meeting to your schedule devoted to public testimony and discussion of your final report prior to your last meeting where you will approve your final report.

We thank you for the opportunity to present our views.

Tuesday October 19, 2004

COG Meeting

Statement of James F. McGuirl
3416 P Street N.W.
Washington, D.C. 20007

For credit purposes WMATA (Metro) should be rated as of today B- for bond investment purposes and going nowhere but down. Short of a miracle, two years from now, their grade will be -- junk bond status. Why?

I. Poor management, waste, inefficiency and mismanagement of public monies. Millions of dollars have been squandered at the Jackson Graham Bldg in the past five years.

1. One million dollars spent on moving a library from the 2nd to the 1st floor; Contracting and paying for an imaging system; reconstruction of offices in the General Counsel's Office; increasing pay for lawyers who work an average of 10 hours per week and are paid in excess of \$100,000 per year, plus benefits.
2. Regular "achievement" bonuses to senior managers up to \$10,000 on a frequent basis, several times a year.
3. Other compensation irregularities for the benefit of senior managers.
4. Failure to conduct an independent outside audit by a real "non-friendly" auditor which would pick up wholesale irregularities.
5. Outrageously "generous" compensation for senior managers -- who based on their qualifications -- have no market for their skills outside of Metro.
6. Failure to maintain a budget or budget integrity where oversight is possible. METRO HAS NO BUDGET. A budget would be incriminating.
7. Offering a bribe of public monies to a departing employee to purchase her silence. The offeror of the bribe has been fired. However, it took a great effort to have the felon fired. The senior managers over the offeror whose approval of the bribe was necessary are still employer. The bribe of \$17,000 was refused by the

departing employee and the bribe -- which was in writing and on official Metro letterhead – was reported to the FBI and the United States Attorney for the District of Columbia.

8. Metro has many hard working and loyal employees - this includes some supervisors. Metro claims its problems, in part, stem from union contracts which they are tied into. This is not the cause of Metro problems ,or even a small part of the overall problem. The bus operators and train operators are essential to the life of Metro and most of these employees are dedicated, loyal and deserve their wages for their labors. It is the non-represented employees (about 2000+) where the bulk of the problems exist - - overpaid, deadwood, small fiefdoms with nothing to do.

9. A staggering amount of unnecessary travel to conferences and other meetings at great expense to the taxpayer for zero return.

10. If a David Gunn (now of Conrail, formerly head of Metro) came to Metro now , he or she could cut approximately five to eight million dollars per year - for the first two years without any impact on the riding public. The five to eight million dollar figure is a very conservative figure.

11. It appears that Metro lost the Dulles rail extension to a private concern mainly because of its failure to maintain fiscal integrity.

II. The Metro Board.

1. There are several members of the Board - especially one member from D.C., who have outlived their usefulness and constitute a hindrance to the operations of Metro.

2. Nine years ago, the Board offered the present General Manager a 12 year sweetheart contract if he would agree not to raise fares for the 12 year period. This meant that there could have been three modest fare increases, each 32 month apart over an eight year period. This would insure that much needed maintenance

could have been performed on a regular basis. How much is this loss worth - - estimate \$75,000,000 for three modes fare increases

3. The Board should be limited as far as term limits to provide for a permanent member serving one time as the Chairman of the Board and then resign. Politics is going to ruin Metro, if it does not do so by its own mismanagement.

4. This is taxpayer money that we are dealing with. It is not their money which they have legitimately earned by doing a good job.

James F. McGuirl



Washington Airports Task Force

Metro Funding Panel Hearing Comment by the Washington Airports Task Force October 19, 2004

Metro already has a Dedicated Source of Funding -the Fare Box. Before a second dedicated source is created; Metro should be freed from its mid-20th century constraints and allowed to restructure to meet the needs and conditions of the 21st century.

My name is Leo Schefer and I am speaking for the Washington Airports Task Force.

So that the Task Force's comments can be seen in context, I want to note that in response to Senator John Warner and Congressman Frank Wolf, at the end of 1997 we developed the blueprint that launched the current Dulles Corridor rail project. The following spring, we proposed a committee of stakeholders that became the Dulles Corridor Task Force. Under Kenny Klinge's leadership, that group created the project and moved it into the region's Constrained Long Range Plan in a period of just 19 months.

I was privileged to serve on the funding, technology and "way forward" committees of that working group.

The Dulles Corridor is a wealthy area. We believed then and believe now that the Dulles Corridor extension, if operated with the best 21st century business practice, could break even on its operating costs once the density has developed around its stations. We did not envision the extension as yet another subsidy burden for local taxpayers.

Metro's whole financial situation would change for the better if Metro's structure and operating practices were allowed to follow the best 21st century practice for "corporatized" government transportation agencies.

The Honorable Kate Hanley, with justifiable pride, notes that nearly 80% of the Metro rail operating cost is already covered by the fare box. So it is probable that a goal oriented operation under a restructured Metro could break even, freeing up the current subsidy money for investment in the system.

The Washington Metro area is one of the wealthiest in the nation ¹. Operated as a non-profit governmental corporation, Metro's services:

- Could be refined to provide a more attractive alternative to the automobile in terms of trip time, comfort and convenience for its relatively wealthy suburban customers.

¹ Average household effective buying income: Fairfax \$82,664; Montgomery \$75,623; Arlington \$69,803; Alexandria \$65,070; Prince Georges \$52,356; District of Columbia \$50,619; USA average \$48,800.

Source: Demographics USA 2003

- Optimize revenue from concessions. Airports use concessions to stimulate significant revenue from their passenger flow. Metro may well be able to benefit in similar ways from its much larger customer base.
- Generate revenue from air rights above stations where market forces would sustain such developments. Task Force studies on air rights in the Dulles Corridor concluded that in select circumstances, air rights were commercially viable today, and a single, relatively modest air rights development could generate several million dollars a year in new ridership revenue, and in new taxes for the local government.

The Washington Metro rail system offers high operating standards, but is structured against a 1950's philosophy of using transit as a social service.

Transit can and should open up jobs throughout the region to lower income households and provide those households with lower cost mobility.

- For the system as a whole, service standards and fares should reflect the nature of the market being served.
- This social need can be accomplished without artificially low fares for the entire rail system.
- Jurisdictions wishing to subsidize fares for whatever reason could issue fare coupons to their constituents.

People do not like sitting in traffic.

Give them a viable, competitive alternative and they will pay for it. The evidence is in the patronage of our toll roads and in market research conducted by the Dulles Corridor Rail Association. Their research clearly shows that commuters with average household incomes of up to \$200,000 a year would use Dulles Corridor rail given good standards of convenience and service. This result contradicts the national transit norm that correlates transit ridership to low incomes.

To produce a convincing case for a second dedicated funding source, the Commission will need to examine Metro's structure.

In looking at Metro's funding, I would urge the Commission to review the work of the Holton Commission, which led to the creation of the Metropolitan Washington Airports Authority. I would also recommend that you interview the architects of the adopted solution and look at the results achieved over the last 17 years.

We are but a moving point in time.

We only have to look back 20 years to realize how rapid is our region's rate of change. As you deliberate, please try and envisage what this region could be like in 30 or 40 years. Arlington planned for Metro rail 16 years before it began serving the County. Any new dedicated funding source should be applied in the context of a restructured Metro as well as dense land use around stations or the money may well be wasted.

A vast majority of the region's residents, including those who use Metro, are, and will be, dependent on the automobile for some or all of their trips.

The solution is not roads or transit; it is both. But while some will be able to use transit, all will need to use the roads. We all need to realize that excellent though the Metro rail system is operationally, it is only cost effective where we have high levels of mixed-use density within walking distance of the stations.

Our current transit systems are based upon 19th century concepts, which predate the automobile.

In the 19th century, transit gave people the ability to live further from their work and enabled cities to expand. In the last century, the automobile gave us a new level of personal mobility -the freedom to travel where and when we want without the constraints of a transit system's schedules and routes. Society is not going to put the clock back. We need to be looking for new, innovative forms of transit. New systems can, for example:

- Provide transit benefits in smaller packages for lower density areas.
- Provide transit on demand 24 hours a day.
- Increase the service appeal of our existing transit.
- Make the automobile a personal transit vehicle when it is on the freeway, thus expanding the capacity of existing highway lanes at relatively low cost.

The technologies to do these things exist.

Any additional dedicated funding for Metro should require that a small percentage be invested in new ideas.

The question is whether we as a region will leverage new thinking and lead, or just extrapolate conventional thinking, and thus decline. The output of your Commission could provide this region with the strategic lever to help it toward a more mobile and vibrant future.

These thoughts evolved from the Task Force's efforts to jumpstart rail in the Dulles Corridor. Some may think them radical, but we appreciate the opportunity to share them with you.

Thank you.

Metropolitan Washington Council of Governments
Comments before the Metro Funding Panel
Tuesday, October 19,2004

Presented by Kingdon Gould III
Chairman, Downtown Business Improvement District

Thank you Chairman Penner and other members of this panel on Metro funding for giving me the opportunity to discuss the importance of this issue to the future of the region as well as downtown Washington. I am Kingdon Gould III, Vice President of Gould Property Company. We have real estate and other business interests in Maryland, Virginia and DC. I am also Chairman of the Downtown Business Improvement District and President of the Penn Quarter Association. Happily, Penn Quarter will now be added to the National Archives/Navy Memorial metro station.

Let me begin. We wholeheartedly embrace a comprehensive approach to ensuring that Metro not only maintains its present commitment to regional mobility but can also grow as the Metropolitan area grows. We are encouraged by the recent progress made by Metro's regional funding partners towards the purchase of additional rail cars. Operating 8-car trains is a step in the right direction but there is much to do to secure this region's investment in Metro.

Transit has helped make possible the growth and transition of Washington DC's economy. The growth and dynamism of our commercial office market is presently

the strongest in the country. Because of Metro rail services, as well as bus services, we have the second highest modal split of any city in the United States, after New York, with over 33% of our workers choosing to use public transportation. Metro increasingly serves many other users in the downtown besides commuters. Taking Metro to cultural and sporting events in Downtown DC is part of the experience that increasing numbers of residents are choosing.

But the continuing growth of the economy of downtown Washington and therefore the region is threatened if Metro rail services cannot be expanded in the next few years. I'd like to share with you some of the growth trends that are presently taking place in the region in downtown DC and reflect on their importance to our fiscal health and then look at the adverse impacts on future growth that may result if we fail to invest in Metro.

In the last five years the Washington metropolitan area has enjoyed the strongest job creation in the country. The forecast for metropolitan job growth as well as growth in gross regional product is projected to continue well into the future. Based on research commissioned by the Downtown BID from the George Mason University Center for Regional Analysis, it is estimated that our area's gross regional product will increase by \$192 million in the next 17 years (a 66% increase) and employment will grow by 1.2 million jobs (an increase of 35%).

I'd like to share with you the impact of this economic climate for the District of Columbia. The June 2004 Downtown BID and Greater Downtown DC Development Summary reported that more than 151 projects which are presently in construction or are being planned in the downtown total almost \$13.5 billion

in development. No other city in the United States is enjoying this kind of investment. This investment means commercial property tax benefits to the city.

But this kind of development means more people traveling to the downtown. The number of workers in downtown (the Downtown BID, central business district, and the West End) is growing, from roughly 340,000 today to 400,000 over the next 10-15 years. The number of people attending events and activities in the Downtown BID is expected to more than double from 6 million in 2003 to 13 million by 2010. This means sales taxes and income taxes for the city as well.

The growth of the downtown will continue to have benefits in terms of taxes and jobs to the city well into the future. All this new development is helping us to create a new downtown which is also growing in the number of restaurants and retail establishments that will generate even greater levels of growth at a faster pace than any of us would have expected.

But this rosy picture has a large cloud looming in the horizon that threatens its vibrancy. This cloud is the deterioration of Metro service as it struggles and fails to meet the demands of this regional economic activity. Inadequate transit service will become a deterrent to our region's growth and its associated benefits to our local economy. We will lose our competitive advantage. The fiscal health of the region will be diminished along with its ability to meet critical needs of residents.

Thank you for the opportunity to present to you today.

Statement by:

Tom Metcalf
email: thmetcalf@mac.com

WMATA Funding Panel, COG
October 19, 2004

I would like to thank this panel for the opportunity to speak on an issue of such tremendous importance to our region.

The Council of Governments has directed you to review, among other things, "The current and future financial needs of WMATA," and report, among other things, on "recommendations" that "might be financially... workable." The definition of the "future financial needs" of Metro is left up to you, and I ask you to consider these ideas when creating your concept of Metro funding.

To begin with, you should address both capital and operating expenses. Funding on both the operating and capital sides has been precarious and both need dedicated and reliable funds. Two years ago last month, WMATA released a 10-year, \$12B Capital Improvement Plan. This plan was broken into three components: those expenditures needed to preserve the system as it is, those needed to keep up with projected demand of the current services, and those needed to expand the system.

As you seek to define WMATA's financial needs, keep all three of these goals in mind. We need to grow the system: we need ridership growth, we need service growth, and we need new service. On the capital side, you should look at least to fund the full \$12B Capital Improvement Plan, which, I might add, is itself a scaled-down version of prior planning efforts.

On the operating side, you must make sure that this expanded system can keep running. The Texas Transportation Institute recently calculated that the annual savings that Metro brings to drivers through traffic congestion avoidance is \$1.2B. Calculations like this are difficult, but even if this calculation is off by a factor of 2, and the benefit to drivers is only \$600M, that's still approximately 40% more than the current state, local, and federal contributions to Metro's operating budget. This is one way to quantify the fact that Metro benefits everyone in the region, not simply those who ride. Thus it is entirely appropriate that everyone in the region should contribute to the operating budget of the system.

Of all the funding mechanisms that are on the table, I urge you to look carefully at parking. The real estate around Metro stations, in particular, is quite valuable. It has and has the potential for the region's most exciting, efficient, and lucrative developments. Whether owned by Metro or other landowners, the cost to a driver for storing a vehicle in such locations should reflect the opportunity cost of that space. We should especially look at parking provided at no cost and with no cash-out options to employees of the federal government and other employers located near Metrorail stations.

I have been a volunteer with some of the groups that have testified this evening with their efforts to build public support for Metro Matters and improve transit in the region. I have seen that the people of this region want a world-class transit system. But there's also a lot of distrust of Metro and resentment over the disingenuousness with which Metro apologizes for delays and responds to complaints. I'm not here to gripe about Metro, but in order to sell any plan to the public, Metro needs more credibility. Although this is not directly a part of your mission, you need to find a way to address it.

The suggestions for direct involvement, such as a riders' advisory board or elected directors, are good and would be steps in the right direction. I would like to suggest something additional. As inspiration, we can look to Apple Computer, when in February of 1979 it eliminated typewriters throughout the company, reasoning that it should set an example for the rest of the business world and use its own products. Or one can look to one of the first things that David Gunn, a former Metro General Manager, did when he took over Amtrak in May of 2002, which was to get rid of the chauffeur-driven car that previous Amtrak presidents used. Gunn, in fact, rides Metro, and so should everyone who is responsible for running the system. If Metro's directors don't ride Metro to their board meetings, then something's wrong; if Metro's employees, all the way up to the highest level management don't regularly ride Metro to work, then something's wrong. Most of the riding public feels there's something wrong with Metro, and you should seek to correct that.

I thank you for your time.