



# COMMONWEALTH of VIRGINIA

Office of the Governor

Shannon Valentine  
Secretary of Transportation

August 21, 2018

The Honorable Charles W. Carrico  
Chairman, Senate Transportation Committee  
Post Office Box 1100  
Galax, Virginia 24333

The Honorable David E. Yancey  
Chairman, House Transportation Committee  
Post Office Box 1163  
Newport News, Virginia 23601

Dear Chairman Carrico and Chairman Yancey:

Chapter 696 of the 2017 Virginia Acts of Assembly requires the Secretary of Transportation to report to and consult quarterly with the Chairmen of the House and Senate Transportation Committees regarding Virginia's efforts to work with its counterparts in Maryland and the District of Columbia on "revising the Washington Metropolitan Area Transit Authority Compact of 1966, and implementing other reforms necessary to ensure the near-term and long-term viability of the Washington Area Metropolitan Transit Authority (WMATA)." This letter serves as the update for the quarter ending June 30, 2018.

Chapter 854 of the 2018 Acts of Assembly includes provisions related to specific reforms, including changes to the WMATA Board of Directors' membership, Northern Virginia Transportation Commission (NVTC) oversight and annual reporting, withholding provisions by the Commonwealth Transportation Board (CTB), and a requirement for a WMATA strategic plan. Over the last several months, these entities have taken action to enact these provisions.

### **WMATA Bylaws Changes**

At its June 28, 2018, meeting, the WMATA Board of Directors made changes to its bylaws to comply with provisions in Chapter 854 of the 2018 Acts of Assembly. Specifically, the Board limited the role of its alternate directors in official meetings to participation in the absence of a principal director only. The Board's committees will be composed exclusively of directors; alternates may be invited to make presentations at the committees. These changes went into effect immediately and are intended to empower the eight principal members to oversee the entire system.

### **NVTC Governance Changes**

To comply with the governance reforms, the NVTC passed a resolution at its July 5, 2018, meeting confirming the principal members and alternates on the Board moving forward. James Corcoran and Christian Dorsey will serve as the principal members, while Catherine Hudgins and Paul Smedberg will serve as alternates. Additionally, NVTC authorized the executive director to execute a contract to support the development of the Commission's annual report to the General Assembly on the performance and condition of WMATA. This report is due annually on November 1<sup>st</sup>.

### **Commonwealth Transportation Board Guidelines**

The General Assembly also provided the CTB with a role in WMATA oversight. At its June 19, 2018, meeting, the CTB considered a number of draft implementation policies to further clarify the criteria it will use should the Board determine that the WMATA Board of Directors is in non-compliance with specific reform provisions. The CTB shall withhold a certain percentage of dedicated state funds in the following instances:

- 20 percent if WMATA does not limit the role of its alternate directors in official meetings to participation in the absence of a principal director only.
- 35 percent if WMATA's operating subsidies for Virginia increase more than three percent from the prior year. The following exclusions exist: any service, equipment, or facility that is required by any applicable law, rule, or regulation; any capital project approved by the WMATA Board before or after the effective date of the legislation; and any payment/obligation resulting from a legal dispute or proceeding.
- 20 percent if WMATA does not adopt a strategic plan within 36 months and hold a public hearing on the strategic plan in Northern Virginia.
- 20 percent if WMATA fails to adopt annually a capital improvement program that covers a six-year period and hosts a public hearing on it by July 1<sup>st</sup> of each year in an NVTC jurisdiction.

DRPT has formally requested the NVTC Board adopt by resolution an endorsement of these policies.

### **WMATA Bus Transformation Study**

The WMATA Governance Study completed last year by former USDOT Secretary Ray LaHood noted that WMATA's extensive bus services may be placing large demands on the agency's operating budget. As part of its strategic plan requirement, WMATA is undergoing a bus transformation study.

The project will be a regionally-developed mobility strategy to define the roles of buses and their operators, advance innovations, and create a plan to advance these goals. WMATA has outlined five goals for this project: i) meeting customer expectations and demands; ii) adapting to changing technology and mobility landscape; iii) addressing a sub-optimal cost structure; iv) defining regional agency roles and responsibilities; and v) refreshing the approach to determine

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who pays for bus services. Public involvement is key as WMATA will conduct focus groups, surveys, and public workshops.

The CTB, NVTC, and WMATA have already taken significant steps forward to improve WMATA's efficiency. My office and DRPT staff are committed to working with these entities to continue making positive steps in the future. Additionally, you should expect to receive comprehensive findings later this year in our report required under Chapter 429 of the Virginia Acts of Assembly and patroned by Delegate Mark Keam.

If you have any questions or comments, please do not hesitate to contact me.

With warmest regards,



The Honorable Shannon Valentine  
Secretary of Transportation

cc: The Honorable Mark L. Keam, Virginia House of Delegates