



**NVTC LEGISLATIVE AND POLICY COMMITTEE MEETING
THURSDAY, JANUARY 3, 2019**

**Please Note Location: NVTC Office Suite #620
2300 Wilson Blvd, Arlington, VA 22201**

5:30 P.M.

AGENDA

1. Summary of the October 4, 2018 Legislative and Policy Committee Meeting
2. Update on the Upcoming 2019 General Assembly Session
3. 2019 Congressional Outlook

Members:

Katie Cristol, Chair
Cathy Hudgins
David Meyer
Matt Letourneau
Dave Snyder

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**NVTC LEGISLATIVE AND POLICY COMMITTEE
MEETING SUMMARY
NVTC Conference Room
2300 Wilson Blvd, Suite 620 – Arlington, Virginia
October 4, 2018**

NVTC Legislative and Policy Committee Members Present:

Katie Cristol, Chair
David Meyer
Matt Letourneau
Paul Smedberg
Dave Snyder

NVTC Legislative and Policy Committee Members Absent:

Cathy Hudgins
Jennifer Wexton

Staff and Others Present:

Kate Mattice	Mike Longhi
Andrew D'huyvetter	Greg Potts
Aimee Perron-Seibert	Noelle Dominguez
Karen Finucan Clarkson	Sarah Taylor
Joey de St. Aubin	Pat Carrol
Jae Watkins	Tim Roseboom
Penny Newquist	Joe Swartz

Committee Chair Katie Cristol called the meeting to order at 5:38 P.M.

Ms. Mattice provided an update on the Transit Service Delivery Advisory Committee (TSDAC). Ms. Mattice outlined recent proposals from the Department of Rail and Public Transportation and updated the committee on the process and timeline.

Ms. Cristol introduced the draft 2019 NVTC Legislative and Policy Agenda.

Ms. Mattice and Ms. Perron-Siebert provided an overview of the draft state legislative and policy agenda. The main focuses of the agenda are to preserve dedicated funding for WMATA and VRE and to address the pending statewide transit capital shortfall.

The committee discussed potential legislative actions and positions in response to the recent U.S. Supreme Court's decision on the collection of taxes on internet sales.

Mr. Meyer arrived at 5:46 P.M.

The committee discussed legislative strategy for the upcoming 2019 General Assembly Session, including how to provide clear legislative direction to NVTC staff on any transportation or transportation funding issues or opportunities that may present themselves during the Session.

Mr. Letourneau arrived at 6:06 P.M.

Ms. Mattice reviewed the draft federal 2019 legislative program. The primary components include the reauthorization of dedicated federal funding for WMATA, ensuring labor arbitration commitments reflect budget realities, continuing the commitment to commuter tax benefits, fully funding federal surface transportation programs, a fix for the highway trust fund, and ensuring that any infrastructure package has a strong transit component.

Ms. Mattice also updated the committee on the upcoming NVTC-PRTC Joint Legislative Briefing to be held on December 10th in Springfield.

Mr. Meyer left the meeting at 6:18 P.M.

Ms. Cristol reviewed the meeting summary from the March 1, 2018 Legislative and Policy Committee meeting. The committee approved the summary and there were no corrections.

The meeting adjourned at 6:20 P.M.

Northern Virginia's economic growth and global competitiveness are directly tied to the region's transit network. With nearly 60 percent of jobs within a quarter-mile of a rail station or bus stop, Northern Virginia is among the nation's most transit-accessible areas.

High-quality transit not only brings economic benefits to Northern Virginia but to the entire Commonwealth. The high-capacity service offered by the Washington Metropolitan Area Transit

Authority's (WMATA) Metrorail and the Virginia Railway Express (VRE) provides more than \$600 million per year to the Commonwealth of Virginia in sales and income tax revenues¹. This reflects a more than 250 percent return on investment to the Commonwealth for its support of these transit systems.



Each work day, 550,000 Northern Virginians commute via transit, saving the region 35.5 million hours of congestion-related traffic delays annually. VRE riders, nearly 19,000 daily, take the equivalent of two lanes of traffic – one each on I-66 and I-95 – off the highways during rush hour. With six bus systems extending from Loudoun

County to the City of Alexandria and commuter- and fixed-rail systems, Northern Virginia continues to explore ways to better connect businesses, residents and visitors.

\$600 M
in revenues to Virginia

Transit Systems that Serve NVTC's Communities



State Legislative Priorities:

- ✓ Identify Future Revenues to Address Statewide Transit Capital Shortfall
- ✓ Restore Regional Transportation Revenues
- ✓ Preserve the Dedicated Funding for WMATA and VRE

Federal Legislative Priorities:

- ✓ Reauthorize Federal Funding for WMATA
- ✓ Ensure Labor Arbitration Commitments Reflect Budget Realities
- ✓ Incorporate Transit in a Federal Infrastructure Package
- ✓ Reauthorize the Federal Transit Program and Fully Fund the Mass Transit Account
- ✓ Continue the Commitment to Commuter Tax Benefits

¹ NVTC, The Value of Metrorail and the Virginia Railway Express to the Commonwealth of Virginia, September 2017

1. Identify Future Revenues to Address Statewide Transit Capital Shortfall

NVTC supports a statewide solution to stem the future loss in revenues that fund transit capital statewide. An urgent and immediate threat to transit systems across the state will begin when the Commonwealth Transportation Board allocates the last revenues received from the 2007 Transportation Capital Project Revenue Bonds. These bond proceeds have been a key element in Virginia's funding for transit capital, representing 40 percent of the available revenue for transit capital investments across the state.

This loss of funding will be disastrous for Northern Virginia transit providers, affecting the reliability and service performance of our transit systems. With less state financial support, funding for transit will need to compete with core local services. The loss of state funds will affect all transit providers in Northern Virginia, including the six local bus systems and VRE commuter rail.

The transit shortfall will affect systems throughout the Commonwealth. More than 41 transit agencies across the state rely on these funds to maintain safe and reliable transit operations. In areas with limited local resources, a loss of more than 20 percent in state transit capital funding will be devastating.

This year, NVTC will work with fellow stakeholders to identify options for long-term, sustainable funding for the Commonwealth's transportation needs. These are imperative if we are to avoid the collapse of Virginia's transit capital program and, with it, transit operations.

2. Restore Regional Transportation Revenues

NVTC supports efforts in the future to restore regional (70%) revenues and local (30%) distribution revenues available to the Northern Virginia Transportation Authority (NVTA) repealed as a result of HB 1539/SB 856 (2018). NVTA is the entity in Northern Virginia responsible for allocating regional revenues for transportation projects – including transit projects - that reduce congestion. Due to the loss of 70% revenue funds, several regional transit projects or projects that increase improve access to transit received partial or no funding in NVTA's FY2018-2023 Six Year Program, including the City of Alexandria's West End Transitway, Fairfax County's Frontier Drive Extension, and Arlington County's Ballston Metrorail Station West Entrance and improvements to the Crystal City Metro Station. In addition, NVTC jurisdictions saw a marked reduction in their 30% revenues, which, in many cases, support transit operations. NVTC supports restoration of these funds as they are instrumental for multimodal regional and local transportation projects across Northern Virginia.

Internet Sales Revenue for Transit?

A critical factor this session could be changes in tax law and how Virginia could collect taxes on internet sales after the US Supreme Court's decision in the Wayfair case.

In 2013, the General Assembly had explicitly earmarked funds stemming from the passage of any federal Marketplace Fairness Act for transportation and transit.

While that is not what has happened, if the spirit of the intent remains, a portion of the new funds coming to Virginia should still be dedicated to transportation, including statewide transit capital.

3. Preserve the Dedicated Funding for WMATA and VRE

WMATA: In 2018, the General Assembly, the Governor and the Northern Virginia region collaborated on a dedicated funding and reform package to ensure that WMATA's transit service would continue to serve as the backbone of the Washington, D.C. region's transportation network. All three jurisdictions – Virginia, Maryland and the District of Columbia – were able to dedicate the revenues that WMATA identified as essential for it to begin chipping away at decades of the aging system's unfunded capital needs. NVTC, in its expanded oversight

role, will continue to work with its local jurisdictions, the Governor and the General Assembly as funds become available to ensure strong stewardship, appropriate oversight, annual reporting, and future cost-saving strategies.

VRE: A second, critical part of the 2018 transit funding bill was regional dedicated funding for VRE. A new fund, the Commuter Rail Operating and Capital Fund (C-ROC), was created and \$15 million dollars annually will be deposited into the Fund from the new floor on the regional gas tax.

The C-ROC was modeled after Virginia's Intercity Passenger Rail Operating and Capital fund (IPROC) and designed to meet the financial needs that VRE identified in its long-term financial plan. In creating the C-ROC and dedicating funds, the legislature acknowledged that VRE is a critical piece of the Northern Virginia transportation system.



2019 FEDERAL LEGISLATIVE PROGRAM

Facilitating efficient surface transportation, including public transportation, has long been recognized as a federal responsibility and is critical to U.S. global economic competitiveness. According to the American Public Transportation Association, 87 percent of the 35 million public transportation trips taken each day directly impacts the U.S. economy because Americans ride public transit to work or spend money at retail businesses and entertainment venues.

In Northern Virginia, federal funding for public transportation supports capital investments in WMATA and VRE, as do allocations made by the Commonwealth and local jurisdictions. Also, the tax benefits provided to large employers – most notably the federal government – play a key role in supporting commuters who utilize transit, which benefits all the transit providers in our region.

1. Reauthorize Dedicated Federal Funding for WMATA

NVTC strongly supports continued dedicated federal funding of WMATA, to support critical safety and state of good repair projects, that matches or exceeds the current 10-year commitment under the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

WMATA is critical to the federal government. More than half of Metrorail stations serve federal facilities and approximately 40 percent of morning peak-period customers are federal employees. Further, WMATA enables special events in the Washington metropolitan region, such as festivals, sporting events, and inaugurations. Metrorail also allows for the evacuation of more than 120,000 people per hour during an emergency.

In 2008, Congress authorized a total of \$1.5 billion over 10 years to WMATA under PRIIA, leveraged by an equal match of funds from Virginia, Maryland and the District of Columbia. These funds have been crucial in supporting the major maintenance and capital rehabilitation activities that were necessary to restore the safety and reliability of the aging transit system.

2. Ensure Labor Arbitration Commitments Reflect Budget Realities

To control costs at WMATA, NVTC endorses an amendment to the federal Wolf Act (National Capital Area Interest Arbitration Standards Act of 1995, Pub L. 104-50) to require arbitrators in WMATA contract mediations to consider fiscal restrictions, such as the three percent cap in growth of annual operating subsidies, in all cases. Currently, the Wolf Act permits but does not mandate arbitration awards based upon financial condition.

Strengthening this language would allow management to keep labor costs aligned with the financial condition of the transit agency and its funding jurisdictions.

3. Incorporate Transit in Federal Infrastructure Package

Since 2017, the President and Congress have discussed a \$1 trillion package to restore and renew infrastructure across the nation. Should Congress take up consideration of an infrastructure package, NVTC supports a strong transit component.

4. Reauthorize the Federal Transit Program and Fully Fund the Mass Transit Account

The Fixing America's Surface Transportation (FAST) Act of 2015 provides \$61.1 billion over five fiscal years for programs administered by the Federal Transit Administration (FTA) and is authorized through 2020. NVTC supports Congressional reauthorization of the FAST Act in a timely manner to provide certainty and stability of federal funds to transit agencies in Northern Virginia, including WMATA and VRE.

The law, which will expire at the end of FY2020, currently authorizes up to \$12.6 billion nationwide per year for federal transit programs. It funds important transit programs that are used by systems in Northern Virginia, including Urbanized Area Formula Grants, grants for the Enhanced Mobility of Seniors & Individuals with Disabilities, Bus and Bus Facilities Grants Program, discretionary grant programs, and State of Good Repair Formula Grants. It also authorizes the Capital Investment Grants program, which supports new major transit expansion activities such as future bus rapid transit routes within Northern Virginia.

The legislation also authorizes the Transportation Infrastructure Finance and Innovation Act (TIFIA) and the Railroad Rehabilitation and Improvement Financing programs, as well as the multimodal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Program (CMAQ), all used on programs and projects currently active in Northern Virginia.

Close to 80 percent of the FTA's funds comes from the Mass Transit Account of the Highway Trust Fund, with resources derived primarily from federal gas tax revenues. Congress has not increased the federal gas tax since 1993, leading to a projected shortfall of the Highway Trust Fund (HTF) in the coming years. As solvency of the HTF is critical to funding a federal transportation authorization bill, NVTC supports Congressional efforts to address the long-term sustainability of the HTF.

5. Continue Commitment to Commuter Tax Benefits

Nearly 90 percent of VRE passengers and 65 percent of Metro's Virginia riders rely on the commuter tax benefit, the tax relief program that was restored in 2015 to serve employees of federal agencies and private sector companies across the country. NVTC supports continuation of transit commuter benefits that are on par with the tax incentive provided for parking. Commuter tax benefits make transit service more attractive to commuters who currently drive alone. Further, NVTC encourages federal programs that support the use of carpools, vanpools, rideshare, bike share, and transportation demand management (TDM) as effective tools to eliminate traffic congestion.



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