



NVTC LEGISLATIVE AND POLICY COMMITTEE MEETING

THURSDAY, NOVEMBER 14, 2019

Please note different location:

**NVTC Suite #230 - Large Conference Room
2300 Wilson Blvd., Arlington, VA 22201**

5:00 P.M.

AGENDA

1. Summary of the September 18, 2019 Legislative and Policy Committee Meeting
2. Proposed NVTC 2020 Legislative and Policy Agenda
3. Update on 2020 General Assembly Session

Members:

David Meyer, Chair
Canek Aguirre
Adam Ebbin
Libby Garvey
Matt Letourneau
Jeff McKay
Dave Snyder

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**NVTC LEGISLATIVE AND POLICY COMMITTEE
MEETING SUMMARY
NVTC Conference Room – Suite #230
2300 Wilson Blvd, Arlington, Virginia
September 18, 2019**

NVTC Legislative and Policy Committee Members Present:

David Meyer, Chair
Canek Aguirre
David Snyder
Adam Ebbin

NVTC Legislative and Policy Committee Members Absent:

Matt Letourneau
Jeff McKay
Libby Garvey

Staff and Other Present:

Kate Mattice, Executive Director
Matt Cheng
Allan Fye
Zachary Smith
Alex Thorup
Bob Brown

Pat Carroll
Penny Newquist
Greg Potts
Chloe Ritter
Tim Roseboom
Joe Swartz

Chairman Meyer called the meeting to order at 9:40 A.M. The February 7th Legislative and Policy Committee Meeting Summary was adopted with a vote of approval by Mr. Meyer and Mr. Aguirre. Mr. Snyder and Senator Ebbin abstained.

Ms. Mattice introduced the upcoming legislative schedule and anticipated actions for the NVTC Legislative and Policy Committee. On November 14th the committee is scheduled to meet to discuss the proposed NVTC 2020 Legislative and Policy Agenda, which will be forwarded for adoption at the December 5th Commission meeting. There was discussion on whether the timing of Commission adoption would allow sufficient time to communicate NVTC's legislative priorities to Virginia General Assembly members. Mr. Thorup stated that with the governor's budget and November elections, adoption by the Commission in December would be sufficient time.

Ms. Mattice continued briefing committee members on the background and development of the proposed NVTC 2020 Legislative and Policy Agenda, including process details about what items were carried over from last year, and how input from legislative staff informed any new changes.

Mr. Smith briefed committee members on the proposed 2020 NVTC legislative and policy priorities, which are divided into two sections: state legislative and federal legislative priorities. The state priorities are as follows:

- 1) Identify long-term, sustainable transit funding
- 2) Restore funding for NVTA
- 3) Preserve NVTC's programs
- 4) Preserve dedicated funding for transit
- 5) Implement technical fixes to the WMATA dedicated funding bill
- 6) Support access to employment through transit
- 7) Reinstitute the business deduction for transit commuter benefits

Mr. Aguirre inquired about the status of NVTA funding restoration (priority #2) to which Ms. Mattice replied that NVTC will follow NVTA's and other local state delegation's lead on policy position to restore NVTA funds. Senator Ebbin expressed interest in coordinating this effort with the development of the governor's budget.

Senator Ebbin also inquired about the status of preserving dedicated funding for transit, including details about the solidity of revenue streams for transportation. Mr. Snyder expressed interest in hearing more details about how the Commonwealth intends to leverage local revenues to pay for regional megaprojects such as the Long Bridge and the Rosslyn Metrorail connection. He also expressed concern about increased obligations on local and state governments to enforce environmental standards for transportation to meet or exceed current air quality standards.

Senator Ebbin expressed support for the implementation of technical fixes to the WMATA dedicated funding bill (priority #5) which will allow better collection of necessary performance metrics. Chairman Meyer encouraged staff to gather more data on supporting access to employment through transit priorities and the financial value of reinstituting the business tax deductions for the commuter benefit, state versus federal.

Mr. Smith then detailed the federal legislative priorities:

- 1) Reauthorize dedicated federal funding for WMATA
- 2) Ensure labor arbitration commitments reflect budget realities
- 3) Reauthorize the FAST ACT and fix the Highway Trust Fund
- 4) Support transit in any congressional infrastructure package
- 5) Identify federal funding for Long Bridge
- 6) Restore federal funding credit for transit on HOT lanes
- 7) Preserve tax benefit for transit commuters

Committee members discussed reauthorization of the FAST Act and stressed the inclusion of sustainable transit funding. Mr. Snyder asked if there was potential for a value of transit study that assesses the impact of economic activity generated by transit to federal tax revenue. Committee members also discussed strategies to communicate with federal legislators about value of transit beyond the Northern Virginia region.

Ms. Mattice detailed next steps on the legislative priorities including formatting each issue into a legislative document and accompanying handout materials that can be distributed to Commission members, lawmakers and other partners. Ms. Mattice also reminded members and staff of the December 9th Joint NVTC-PRTC Joint Legislative Briefing at the Embassy Suites in Springfield from 8:30 A.M to 11:00 A.M. Ms. Mattice also announced there is a briefing at George Mason University for newly elected officials on November 14th and NVTA and NVTC staff will be presenting at this meeting.

The committee meeting ended at 10:30 A.M.

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2020 LEGISLATIVE AND POLICY AGENDA

Northern Virginia's economic growth and global competitiveness are directly tied to the region's transit network. With more than 847,000 jobs located within a quarter mile of a rail station or bus stop, Northern Virginia is among the nation's most transit-accessible areas.

846K
NoVa jobs are
within ¼ mile of
transit

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 revenues. This reflects a more than 250% return on investment to the Commonwealth for its support of these transit systems.

>35M

Hours of congestion-related traffic delays SAVED because of transit service in Northern Virginia

Each workday, 275,000 Northern Virginians ride transit, saving the region 35.5 million hours of congestion-related traffic delays annually. VRE riders, 20,000 each day, 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.

Transit Systems that Serve NVTC's Communities



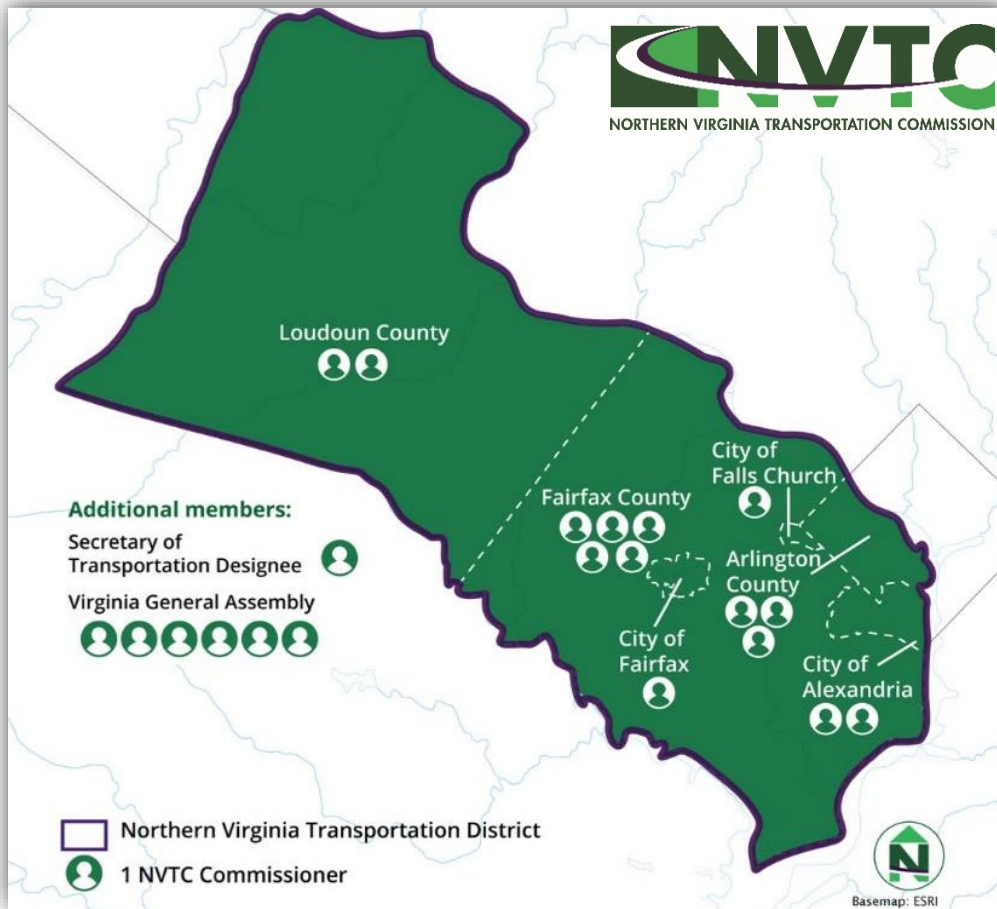
State Legislative Priorities:

1. Preserve Dedicated Funding for Transit
2. Restore Northern Virginia's Regional Multimodal Funding
3. Secure State Funding for Long Bridge
4. Identify Long-Term, Sustainable Transit Funding
5. Support Access to Employment through Transit
6. Create a Virginia Business Tax Deduction for Transit Commuter Benefits
7. Preserve NVTC's Role as the Transit Commission for Northern Virginia
8. Implement a Technical Fix to the WMATA Dedicated Funding Bill

Federal Legislative Priorities:

1. Reauthorize Dedicated Federal Funding for WMATA
2. Support Transit in any Congressional Infrastructure Package
3. Reauthorize the FAST Act and Fix the Highway Trust Fund
4. Secure Federal Funding for Long Bridge
5. Restore the Federal Funding Credit for Transit on HOT Lanes
6. Ensure Labor Arbitration Commitments Reflect Budget Realities
7. Preserve Tax Benefits for Transit Commuters

NVTC is the Transit Commission for Northern Virginia



NVTC manages
\$300M/year
in Northern
Virginia transit
funding

Funds and provides oversight of WMATA and Virginia Railway Express

Manages state and regional funding for six local bus systems

Administers Commuter Choice
(I-66 Inside the Beltway + I-395/95 Express Lanes)

Facilitates regional transit coordination



2020 STATE LEGISLATIVE AGENDA

1. Preserve Dedicated Funding for Transit

NVTC supports preserving transit's revenue sources and dedicated funding for WMATA and VRE. The 2018 General Assembly made significant changes to WMATA's funding allocation. The General Assembly created the WMATA Capital Fund, which provides approximately \$154 million in dedicated capital funding to WMATA annually, and the Commuter Rail Operating and Capital (C-ROC) Fund which provides \$15 million to VRE annually. The General Assembly should not consider legislation that could affect these important funding streams.

>\$600M
in revenues to Virginia
generated each year because of
Northern Virginia's transit network

2. Restore Northern Virginia's Regional Multimodal Funding

NVTC supports restoring funding to the Northern Virginia Transportation Authority (NVTA) to address critical transportation challenges and support economic development in the region. NVTA lost a total of \$102 million annually as a result of the WMATA Capital Fund of 2018. The 2019 General Assembly Session provided \$20 million annually for NVTA until 2023 as part of the I-81 Corridor Improvement Funding Package. However, restoring the remaining \$82 million is necessary to continue to invest in transit and multimodal projects that will reduce congestion and grow the region's economy.

3. Secure State Funding for Long Bridge

NVTC supports the Commonwealth's efforts to plan and secure funding for the Long Bridge Project which would greatly support the expansion of passenger rail, including VRE services. An expanded Long Bridge is projected to achieve \$17 million in time savings for rail users and between \$24 – \$59 million for road users per year by 2040. As the only rail crossing between Virginia and cities along the Northeast Corridor, Long Bridge is vital to the future of mobility and economic growth in Northern Virginia and throughout the Commonwealth.

4. Identify Long-Term, Sustainable Transit Funding

NVTC proposes identifying sustainable, long-term state transit capital and operating funding. Stagnant growth in gas tax revenues, dwindling capital project revenue bonds and necessary maintenance and operating costs, should urge the Commonwealth to identify additional revenue streams to expand transit or incentivize ridership for the future.

5. Support Access to Employment through Transit

NVTC supports appropriating a portion of surplus funds from Virginia's Temporary Assistance to Needy Families (TANF) program to provide low-income families with transit passes to access employment. The Virginia TANF program provides eligible families with financial support to meet their basic economic needs and will have a \$105.9 million surplus by the end of FY2020. The General Assembly should consider appropriating funds from TANF to develop a competitive grant program for public transportation systems to distribute free transit passes for TANF recipients and those with incomes at or below 200% of the federal poverty level to access employment.

6. Create a Virginia Business Tax Deduction for Transit Commuter Benefits

NVTC proposes allocating funding to allow Virginia employers to claim transit or transportation demand management (TDM) costs for employees as a business expense on state taxes. Changes to the federal Tax Cuts and Jobs Act of 2017 removed the ability for all employers to claim a business deduction for providing transit benefits for employees.

Prior to the federal legislation, employers could claim public transportation or transportation demand management expenses as a business expense. Allocating funds to allow Virginia employers to deduct transit or TDM benefits on their state taxes will make transit service more attractive to commuters who drive alone.

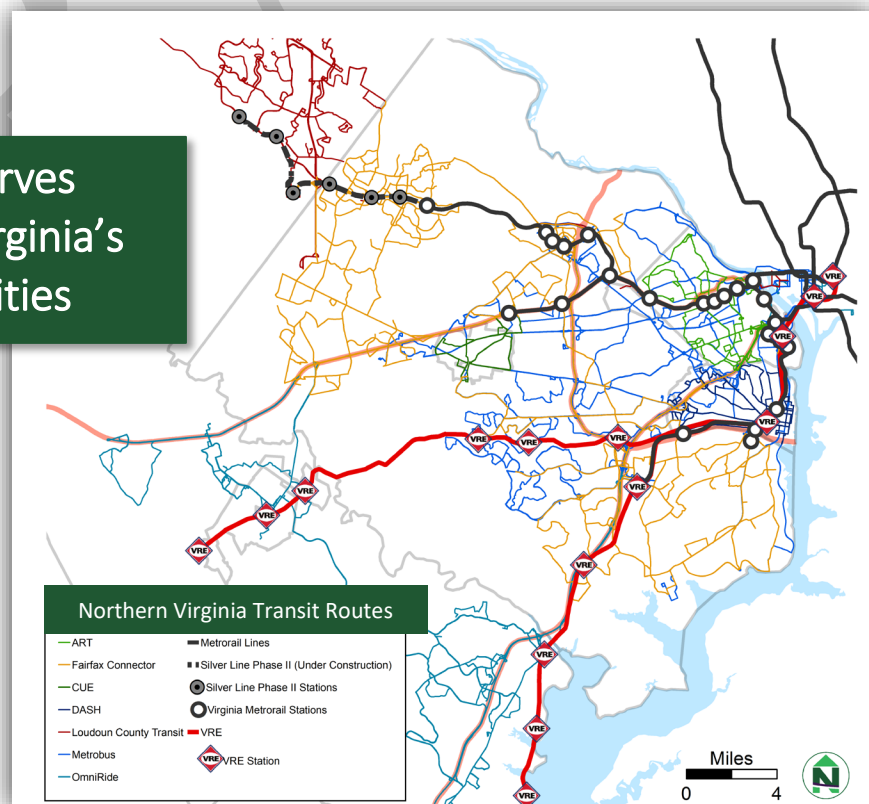
7. Preserve NVTC's Role as the Transit Commission for Northern Virginia

NVTC provides a venue and a model of policy coordination and program implementation that works in Northern Virginia and has the participation of its component jurisdictions and their elected leaders. As an experienced transit steward and regional partner to the Commonwealth, the General Assembly should continue to support NVTC's role in administering programs that promote transit and multimodal options that serve Northern Virginia.

8. Implement a Technical Fix to the WMATA Dedicated Funding Bill

NVTC proposes making a technical fix to Chapter 34 § 33.2-3403 of the Code of Virginia to move the due date of NVTC's *Annual Report on the Performance and Condition of WMATA* from November 1st to December 15th. As a condition of the dedicated capital funding for WMATA, NVTC reports annually to the Governor and General Assembly on WMATA's performance, uses of the dedicated capital funding, and strategies to control costs and improve operational efficiency. Currently, the deadline for the report November 1st, which occurs too early to include several of the latest performance data points and final audited financial data. Moving the date later by just six weeks will allow NVTC to include timely information to the Governor and General Assembly.

Transit Serves
Northern Virginia's
Communities





2020 FEDERAL LEGISLATIVE AGENDA

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% of the 35 million public transportation trips taken each day directly impacts the U.S. economy.

In Northern Virginia, federal funding and financing for public transportation supports capital investments in WMATA and VRE, major transit capital expansion such as the Silver Line and Potomac Yard Metro Station and could serve as funding sources for future bus rapid transit lines and commuter rail services. 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 supports reauthorizing federal dedicated funding for WMATA. In 2008, Congress passed the Passenger Rail Investment and Improvement Act (PRIIA), which authorized dedicated funding of \$1.5 billion over 10 years to WMATA for needed capital and safety improvements. With these important federal funds, WMATA has been able to address key state of good repair needs such as replacement railcars, IT upgrades, and station platform rehabilitation. WMATA is a \$40 billion asset to our region, providing critical evacuation support during a homeland security emergency, serving as the commuting backbone for the federal government, and moving tourists throughout the National Capital region. These federal funds continue to be an important investment in sustaining and improvement WMATA's regional transit network.

2. Support Transit in any Congressional Infrastructure Package

NVTC supports a strong transit component in any infrastructure package considered by Congress. Since 2017, the President and Congress have discussed a \$1 trillion package to restore and renew infrastructure across the nation. Federal investment in public transit should be a priority in those discussions.

3. Reauthorize the FAST Act and Fix the Highway Trust Fund

NVTC proposes reauthorizing the surface transportation bill funded by dedicated, sustainable revenues to ensure major transit investment programs are adequately funded. 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 set to expire at the end of FY2020. The next surface transportation bill should support major transit state of good repair investments as well as expansion projects. Further, NVTC supports Congressional efforts to address the long-term sustainability of the Mass Transit Account of the Highway Trust Fund (HTF). The HTF shortfall must be addressed to best meet the needs of transit today and in the future.

4. Secure Federal Funding for Long Bridge

NVTC supports federal funding for the Long Bridge project which would greatly support the expansion of passenger rail, including VRE services. The Long Bridge corridor plays an essential role in the Washington Metropolitan region, the east coast transportation network, and the national railroad network. Currently, Long Bridge is a chokepoint at 98% capacity, with 76 VRE, Amtrak and CSX trains crossing it daily, growing to 192 total trains by 2040. The federal government should invest in expansion of the Long Bridge connections to facilitate the movement of people and goods along this corridor of local, regional and national significance.

5. Restore the Federal Funding Credit for Transit on HOT Lanes

NVTC proposes amending FTA guidance to allow transit agencies to report directional route miles on High Occupancy Toll (HOT) Lanes to the National Transit Database (NTD). When highway agencies convert High Occupancy Vehicle Lanes to HOT Lanes, local transit agencies can no longer report directional miles to NTD once the new toll lanes are operational. These miles convert into funding credit under FTA's High Intensity Motor Bus Program (49 U.S.C. Section 5337). FTA's current policy negatively affects those Northern Virginia transit providers that run along I-66 Inside the Beltway and I-95 Express Lanes, where WMATA, Fairfax Connector and OmniRide are already losing \$2 million/year in federal funding credit. As more HOT lanes such as the I-395/95 Express Lanes and the I-66 Outside the Beltway come online, these providers will lose additional federal funding credit.

6. Ensure Labor Arbitration Commitments Reflect Budget Realities

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.

7. Preserve Tax Benefits for Transit Commuters

NVTC supports restoring employer-provided transit benefits as a tax-deductible business expense. Nearly 90% of VRE passenger and 65% of WMATA's Virginia riders rely on the commuter tax benefit. Changes to the federal Tax Cuts and Jobs Act of 2017 removed the ability for all employers to claim a business deduction for providing transit benefits for employees. NVTC further encourages federal programs that support the use of carpools, vanpools, rideshare, bike share and TDM as effective tools to manage congestion.

