

February 7, 2018

Chairman Jack Evans
Chair, Committee on Finance and Revenue
Council of the District of Columbia
1350 Pennsylvania Ave., N.W., Room 210
Washington D.C. 20004

Testimony by Stewart Schwartz regarding B22-0568 - Washington Metropolitan Area Transit Authority Dedicated Funding Act of 2017

Chairman Evans and members of the Committee -- thank you for the opportunity to testify and for your leadership on funding our regional Metro system and transit investments across the city. I speak today in strong support of the regional commitment of \$500 million in new long-term, dedicated, and bondable funding for WMATA allocated under the existing formula with \$154 million from Virginia, \$167 million from Maryland, and \$178 million from the District of Columbia. I'm joined in supporting this funding by the 22 non-profit organizations in the Fund it Fix it campaign. My organization, CSG, has also joined and serves on the Executive Committee of the MetroNow coalition in supporting funding and reform for WMATA to return the system to world-class status.

Metro is critical to this region and the city, to our economic competitiveness, to a functioning transportation network, for access to jobs, and for a sustainable future – reducing air and water pollution and greenhouse gas emissions. Without Metro, DC simply could not function. Access to transit – rail and bus – is critical to access to jobs and the ability to escape poverty. Metro is a competitive advantage in attracting Fortune 500 companies, and essential to retaining a significant proportion of federal government and contracting jobs. Metro, and other supportive transit and bicycle/pedestrian investments, along with parking reforms, has made it possible for DC to absorb 120,000 new residents in a decade. Metro makes possible the focusing of jobs and housing at suburban Metro stations which ensures DC residents can reach those jobs if they don't own a car.

We support each jurisdiction determining how best to structure their funding of their share, and do so because of the unique and complicated politics and transportation finance structures of each jurisdiction. Therefore we recommend that you amend the bill to remove the provision tying your bill to Maryland and Virginia also adopting “an equivalent increase of .75% sales tax”, and instead ensure each

compact member fulfills its obligation to the funding commitment under compact rules. Maryland will be allocating existing transportation trust fund dollars that are bondable, and Virginia is in intense negotiations to between the state and Northern Virginia on a number of different bondable sources.

We note that each source has pluses and minuses, including the sales tax. The sales tax has a simplicity and level of predictability, and captures revenue from tourists in addition to residents, but on the other hand is regressive. We note too that the .75% sales tax increase would have to be supplemented from other sources to fully fund DC's share under the current formula, so perhaps a balance of sources is possible to share the burden.

While we understand the DC Council Chairman's concern about the regional WMATA formula, seeking a change now, even just for the new capital funding, risks jeopardizing the funding in Virginia and Maryland. With so many other issues already hindering agreement in the two states – but particularly in Virginia, adding this issue would be the “straw that breaks the camel's back.”

In terms of reform, we urge you to work with your counterparts in Virginia and Maryland to reach consensus on a smaller board, without alternates, and with technical expertise (although this need not exclude elected officials with expertise), and to find ways to eliminate the jurisdictional veto. We also hope you will reach consensus with Virginia and Maryland on other issues to improve operational performance at WMATA so that Metro can return to providing frequent, reliable service, with reasonable fares. At the same time, we endorse the thoughtful comments of David Alpert, representing DCST, on the approach we should take regarding bus service.

The time period between now and the Virginia veto session on April 18 will be the critical period during which all three states must agree on the reform package.

Thank you.



Stewart Schwartz
Executive Director
Coalition for Smarter Growth