



January 6, 2017

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Katherine A. Mattice

Paul Wiedefeld

General Manager and Chief Executive Officer

Washington Metropolitan Area Transit Authority (WMATA)

600 Fifth Street, NW

Washington, D.C. 20001

Re: Proposed Fiscal Year 2018 Budget

Dear Mr. Wiedefeld:

On behalf of the Northern Virginia Transportation Commission, I write to convey comments and concerns regarding WMATA's proposed FY2018 budget. Our comments are more focused on the operating budget, as the capital budget was released later in the budget process and Capital Funding Agreement discussions are early and ongoing. Overall, NVTC agrees with the "shared sacrifice" approach to address WMATA's FY2018 operating funding needs but remains concerned by the rate of increase in jurisdictional subsidies after FY18 as proposed in the operating and capital budgets.

A safe and reliable Metrorail system is vital to the Northern Virginia economy as it provides hundreds of thousands of our constituents with access to jobs every day. It is in the interest of both of our agencies to ensure that Metrorail continues to provide service that allows businesses to thrive, as the tax revenues they generate support our jurisdictions' Metrorail subsidies. We believe that the proposed budget's emphasis on safety, reliability and service is designed to restore public confidence and bring riders back to the system.

Proposed FY2018 Operating Budget

NVTC acknowledges the need for the following components of the proposed FY2018 operating budget:

- A reasonable increase to jurisdictional subsidies for this budget year (recognizing that we remain concerned by the rate of increase in future budget years);
- Management and labor actions that control costs;
- Modest increases to Metrorail and Metrobus fares;
- Right-sizing Metrorail headways to align service with ridership; and,
- An incremental return to the WMATA Board policy of using no more than \$31 million in eligible Federal Transit Administration grant funds for preventive maintenance expenses.

The Commission also requests that WMATA make these additional considerations during the budget process:

- Minimize the decrease in regional Metrobus service and ensure that the route changes reflect public comment;
- Work directly with local jurisdictions to determine reductions of non-regional Metrobus service.

Proposed FY2018 Capital Budget and Capital Improvement Program

Given limited revenue sources and competing budget priorities, Northern Virginia is troubled by the rate of increase in jurisdictional subsidies after FY18 as proposed in the capital and operating budgets. In Northern Virginia, WMATA operating and capital funding directly competes with parks, schools, public safety, and other municipal priorities. A sustained increase in jurisdictional subsidies presents fiscal challenges. In light of those challenges, we encourage continued advocacy for the renewal of federal funding under the Passenger Rail Investment and Improvement Act and for additional support for capital and operating funding.

NVTC and its jurisdictions are invested in WMATA's success. As such, we must continue to ensure that the WMATA budget reflects and supports the priorities of safety, reliability and service. We look forward to working with you and WMATA's other funding jurisdictions to balance needs and resources as part of the FY18 budget process.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff McKay", with a stylized flourish at the end.

Jeffrey C. McKay  
NVTC Chairman