



COMMONWEALTH of VIRGINIA

Office of the Governor

Aubrey L. Layne, Jr.
Secretary of Transportation

October 2, 2017

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

The Honorable Ronald A. Villanueva
Chairman, House Transportation Committee
Post Office Box 61005
Virginia Beach, Virginia 23466

Dear Senator Carrico & Delegate Villanueva:

Pursuant to language contained in House Bill 2136 and Senate Bill 1251 creating the Washington Metrorail Safety Commission:

The Secretary of Transportation, in coordination with the Northern Virginia Transportation Commission, shall engage his counterparts in Maryland and Washington, D.C., and the appropriate officials in the federal government for the purpose of 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). In doing so, the Secretary shall develop, propose, and seek agreement on reforms related to the following: (i) the legal and organizational structure of WMATA; (ii) the composition and qualifications of the WMATA Board of Directors and the length of terms of its members; (iii) labor costs and labor relations; (iv) measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits; (v) measures necessary to better ensure the safety of riders and employees, including safety in the event of a homeland security emergency in the national capital area; and (vi) financial and operational improvements necessary to ensure that WMATA's performance is at least as efficient as its closest comparable transit systems in the United States. The Secretary shall report to and consult quarterly beginning June 30, 2017, with the Chairmen of the House and Senate Transportation Committees regarding activity taken in accordance with this enactment.

This letter provides the second quarterly update on the McAuliffe Administration's efforts to fulfill these requirements.

Earlier this spring Governor McAuliffe announced that former United States Secretary of Transportation Ray LaHood would lead the Commonwealth's objective, top-down review of WMATA. As part of his work on this review on May 4, 2017, Secretary LaHood addressed the NVTC Governance Committee, outlining his process towards reaching consensus on WMATA reform issues, specifically urging all NVTC jurisdictions to reach a concurrence on how to proceed. Secretary LaHood indicated that he would address NVTC again in early September.

Without question, we are fortunate to have someone like Secretary LaHood lead this effort by bringing his bi-partisan and consensus building experience to the issue. Secretary LaHood's review will:

- Undertake a strategic assessment of WMATA reviewing Board governance, labor policies, and its long-term financial stability;
- Benchmark WMATA organizational conditions relative to comparable transit systems that are at least 35 years old with 35 or more mile of rail transit across the country on key issues over time;
- Develop recommendations for potential WMATA reforms, including mitigating growth in annual operating costs and sustainable funding; and
- Identify recommended executive and legislative actions.

Additionally, Secretary LaHood has solicited feedback and attempted to forge a common path forward by meeting with elected officials in Maryland and the District of Columbia as well as state and locally elected officials in Northern Virginia.

Secretary LaHood's efforts will culminate with a final report in November 2017 containing recommendations that may include changes to WMATA's governance, management, costs, and funding. These items may make changes to the WMATA Compact, which would need approval by Congress and the Virginia General Assembly as well as the legislative bodies in Maryland and the District of Columbia.

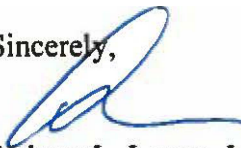
Unfortunately, WMATA today has significant problems that hinder its ability to serve the region's residents and businesses. This did not happen overnight. It is the result of decades of decisions. The future success of Metro must be shared among the very jurisdictions whose citizens and businesses rely on a safe mass transit system to keep the economy of Northern

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Virginia and Metro Washington strong for generations to come. Regardless of the final recommendations, I am encouraged that our partners in Maryland and the District of Columbia, along with the local jurisdictions who contribute significant tax payer funds to Metro, are coming to the table with Secretary LaHood to engage in our efforts. Our combined efforts, with your support in the coming months, will allow Virginia and other jurisdictions to consider the kind of reforms that will be necessary to move WMATA forward.

If you have any questions or comments, please do not hesitate to contact DRPT staff or my office. I look forward to providing you with an update on our work in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Aubrey L. Layne, Jr.', with a stylized flourish at the end.

Aubrey L. Layne, Jr.