



District of Columbia:

- Agrees with policy level bus and rail service improvements
- Welcomes extension of the Yellow Line to Fort Totten
- Continues to fund Cardozo High School's Electro Mechanical Program
- Continues to fund the Metro Matters Program as agreed to and appreciates release of the Annual Work Plan as called for
- Concurs with various route changes to improve service
- Welcomes new MetroAccess provider and continued service improvements, including efforts to achieve real-time vehicle tracking

Montgomery County:

- Commends the Board of Directors for developing a budget for the second year in a row without a fare increase
- Recommends a new focus on the need for post-Metro Matters capital funding
- Supports adoption of JCC budget recommendations
- Recommends elimination of Silver Spring turn-backs on the Red Line
- Supports the proposed bus and rail service changes
- Suggests the Board continue the current policy of free holiday parking
- Requests the Board review its TIIF and parking revenue policies with the intention of identifying ways to fund preventive maintenance



Prince George's County:

- Commends Board for increasing quality of transit services on both bus and rail
- Pleased to see new Hybrid buses in operation
- Excited to see culmination of county joint development projects
- Supports efforts to lock in diesel fuel prices
- Applauds efforts toward providing improved passenger information on real time basis
- Supports increase in staffing to improve bus service planning
- Supports funding for passenger surveys
- Anticipates future additional Metrobus service expansion

Maryland Department of Transportation:

- Welcomes initiatives to provide bus service improvements within 5.9% subsidy cap
- Commends WMATA staff for more realistic budgets and more transparency to the public
- Appreciates the intensive CIP review and update being completed
- Encourages continued budgeting with performance measures and benchmarks
- Recommends changes to employee contributions for health care
- Positive audit adjustments should be returned to jurisdictions
- Improve bus cost modeling and data collection, as part of WMATA's bus network evaluation



City of Alexandria:

- Encouraged by staff efforts to continually monitor system performance and make adjustments
- Commends staff efforts to improve revenue budgeting
- Recognizes there are areas of uncertainty in the budget, such as fuel and workers compensation
- Initially proposed subsidy must be maintained by identifying prioritized expense reduction options
- Requests that WMATA apply for various FTA grants for specific capital projects

Arlington County:

- Requests several bus adjustments and changes to reimbursable projects
- Agrees with need to update bus and rail passenger survey and increase staffing in the area of bus service planning
- Commits to funding the County's share of the Metro Matters Program
- Recommends Board focus on passenger-load management and continue reviewing system-wide allocation of rail cars
- Continue providing a biennial budget as well as continue the JCC budget review process
- Supports continuation of project development program with list of specific requests



Fairfax County:

- Commends budget proposal that does not include a passenger fare increase
- Commends adherence to jurisdictional funding levels in Metro Matters program
- Supports increase in bus service planners
- Requests more information on bus ridership, specifically by route and jurisdiction
- Reiterates importance of Dulles extension
- Requests a cost containment plan by September 1, 2006 to constrain FY2008 subsidy
- Requests continued work on development and publication of performance measures in the budget
- Retain the fare buy down on REX bus service on Richmond Highway



Jurisdictional Comment Letters

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF TRANSPORTATION



Office of the Director

May 31, 2006

Mr. Rick Harcum
Director of the Office of Management
and Budget Services
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001

Dear Mr. Harcum:

Thank you for transmitting to the District of Columbia the Washington Metropolitan Area Transit Authority (WMATA) proposed FY 2007 Operating and FY 2007-2012 Capital Improvement Budgets for our review and comment, prior to final consideration by the WMATA Board of Directors in June, 2006.

Operating Budget

The WMATA proposed FY 2007 Operating Budget is consistent with the District's appropriation for this purpose. WMATA's request for \$186.3 million, including \$10.3 million in debt service, plus reimbursable costs (see below), with a \$3.067 million audit adjustment in FY 2005, is within the District's FY 2007 revised consensus budget appropriation of \$198.48 million.

The District agrees with policy-level service improvements for bus overcrowding relief; bus priority corridors including Georgia Avenue and 7th Street; bus security posts; and increased services on four holidays. The District also welcomes policy initiatives for rail service (off-peak, non-seasonal) including the extension of the Yellow Line to Fort Totten.

FY 2007 budget continues funding for the Cardozo High School Electro-Mechanical Program. At current funding levels, \$.3 million, the high school technology program is expected to prepare DC students for employment into WMATA's Technical Skills Program, as well as entry-level employment requiring basic knowledge of electro-mechanical technology.

As part of the Metro Matters Funding Agreement (MMFA) signed in May 2004, the District has agreed to provide the sum of \$9.6 million to cover debt service

costs related to short-term commercial paper borrowing in support of capital projects. This payment is included in the District's operating subsidy based on agreements reached with WMATA as contained in the MMFA.

Other DC specific projects funded as part of the FY 2007 budget include the \$0.7 million to cover the cost of one-half year of the annual operating cost of the DC Streetcar Project proposed to begin in the middle of FY 2007; \$0.3 million for continuation of the Tyson's Reverse commute bus service (until terminated); and \$1.0 million for Bus Rapid Transit along Georgia Avenue. The District concurs with the WMATA staff recommendation to terminate the Tyson's Reverse Commute bus service and other low-performing routes in the District to be replaced with alternative routes as part of bus service changes in FY 2007. Additionally, the District would welcome the inclusion of DC Circulator fare box receipts and contributions from DC Surface Transit, Inc. (DCST), as revenues in the final FY 2007 budget book. Revenues from these two sources could easily exceed \$1.5 million.

In addition, the District welcomes implementation of the new Metro Access contract with MV Transportation and continued improvement in service levels for FY 2007. Real-time vehicle tracking and productivity requirements of 1.2 trips per vehicle, if achieved, will result in better cost performance for Metro Access. The addition of tracking capabilities on all vehicles used under the program will enable implementation of uniform standards in all segments of the service.

FY 2007 Capital Improvement Program Budget

WMATA's proposed FY 2007 Capital Improvement Program (CIP) Budget is consistent with the District's appropriation for this purpose. The District's FY 2007 capital budget reflects the second full year of adoption of the expenditure basis accounting for capital projects under the six-year MMFA entered into between WMATA and the contributing jurisdictions.

The District also appreciates the release of the Annual Work Plan in conjunction with the CIP as called for in the MMFA agreement. We are happy to note that despite the change in revenue assumptions for federal discretionary funds, the jurisdictional capital subsidy remains unchanged. Our comments on the slow implementation of the FY 2006 work plan will be forthcoming under separate cover. The District's FY 2007 Capital Improvement Plan includes \$48.7 million for WMATA's Infrastructure Renewal Program (IRP) under the Metro Matters Program including \$1.1 million for project development

The District will continue to pursue implementation of the Streetcar Project starting in Anacostia. Collaboration with WMATA on this project will continue in specific areas moving on to full implementation in FY 2007. The District's 2007-2012 CIP for WMATA contains \$390.1 million for planning purposes.

Conclusion

I hope these comments will assist the WMATA Board in further consideration and approval of the proposed FY 2007 Operating and FY 2007-2012 Capital Improvement Budgets. Once again, thank you for the opportunity to comment. The District looks forward to working with you on the successful implementation of these budgets as they pertain to the District of Columbia.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michelle Pourciau".

Michelle Pourciau
Acting Director

cc: The Honorable Jim Graham
The Honorable Marion Barry
Mrs. Gladys Mack
Mr. Robert Bobb
Mr. Herbert Tillery
Ms. RoseMary Covington
Ms. Pamela Graham
Mr. Rumman Dastgir



DEPARTMENT OF PUBLIC WORKS
AND TRANSPORTATION

Douglas M. Duncan
County Executive

Arthur Holmes, Jr.
Director

June 1, 2006

Mr. Rick Harcum, Director
Office of Management and Budget Services
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001

Dear Mr. Harcum:

The WMATA Board of Directors has done a commendable job in developing the FY 07 operating budget without a fare increase for the second straight year. The budget also includes funds for additional bus service to relieve overcrowding and improve reliability, and places some of the new 6000 series rail cars into service later in the year. These are welcome additions to the budget after several years of austere budgets. Metrobus and Metrorail service levels must keep up with rising ridership resulting from higher fuel prices, population growth, and smart growth policies focusing growth at Metrorail stations. Together Metrorail, Metrobus along with our RideOn service provide an extensive public transportation network for our residents.

The FY 07 budget continues the Metro Matters program that provides for necessary capital improvements through year 2010. We must now begin to focus our attention on the capital funding needs after Metro Matters. Our attention must continue to focus on dedicated funding for Metro and support for the House Bill 3496, legislation to authorize \$1.5 billion in federal funds to be matched by an equal amount of dedicated local funding. Additional funding is critically needed because Metro Matters will only bring one-third of the Metrorail system up to eight-car trains while demand for service continues to grow. Even with the additional Series 6000 cars, the Red Line will again be at capacity by 2012. Red Line capacity is a critical issue in the orderly implementation of Smart Growth around the Metrorail stations and to accommodate both the future Corridor Cities Transitway and the Bi-County Transitway. The Compact jurisdictions must continue to diligently pursue funds for these capital needs.

For the FY 07 operating budget, we support adopting many of the Jurisdictional Coordinating Committee (JCC) recommendations to improve the technical tools and budget development process used by the Board. These recommendations include an increase in bus service planning staffing (three positions), support for conducting bus and rail passenger surveys in FY 07, and the need to manage all customer information including printed materials, signage, maps, service branding, and information displays.



Office of the Director

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Located one block west of the Rockville Metro Station

Letter to Mr. Rick Harcum
June 1, 2006
Page 2 of 3

Montgomery County recommends the following items for consideration in the FY 07 operating budget. First is the elimination of the Metrorail turnbacks at Silver Spring during the off-peak periods including midday, evenings and weekends. Today only one-half of the trains on the Red Line travel all the way to Shady Grove and Glenmont. Based on recent Board actions, the off-peak turnbacks at Grosvenor will be eliminated on January 2007 for an eighteen month demonstration period. We are pleased with this action, but request that the Silver Spring turnback also be included in the demonstration. Adding this service supports midday, evening, and weekend ridership to the District and benefits the entire region. Overall elimination of the turnbacks is an important customer service improvement and should be supported.

The WMATA Board has taken to public hearing a proposal to charge for parking on four holidays and to increase the level of transit service from holiday schedule to weekday schedule. We support the service changes, but we oppose changing the parking policy of charging on holidays. We urge the Board to consider leaving the parking policy for free holiday parking.

We again recommend that WMATA begin to plan and engineer the security component of Metro Matters with non-federal funding. This action will move the implementation of the back-up operations center hopefully before a crisis occurs that shuts down a portion of the Metrorail system. We recommend additional redundancy in the system. WMATA should consider disaggregating some of the back-up facilities versus building a single facility. The WMATA Board should review the current back-up planning and investigate the feasibility of a decentralized approach.

We request that the WMATA Board review its policies on TIIF program and on surplus parking revenues. The TIIF program funding is generated by joint development projects and from the sale of surplus land. There are instances where the joint development agreements do not cover the costs of critical infrastructure needed to have a successful project. The unfunded or under funded components may include pedestrian access improvements, public amenities, additional parking, additional bus bays, or improved signage and public information. We recommend that the Board consider reinvesting a portion of the WMATA project revenue to fund this critical infrastructure. The amount of reinvestment should be limited to a percentage of the WMATA revenue. WMATA should consider establishing a parking enterprise account that funds the operating and preventive maintenance of the parking program. The Board should allocate the budget parking surplus to preventive maintenance to provide some catch-up resources. The Board should reprogram the current FY 06 surplus parking revenue for preventive maintenance.

We look forward to working with WMATA on several important capital projects. These include the Silver Spring Transit Center, a second Glenmont Garage, the Viers Mill bus priority corridor, and the new south entrance for the Bethesda Station. We also are working to implement the regional SmarTrip program and the bus shelter signage program.

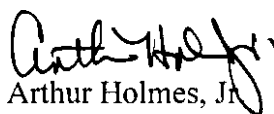
Letter to Mr. Rick Harcum

June 1, 2006

Page 3 of 3

It is important that we strive to provide the best, most efficient and reliable public transit service to maintain our high quality of living and to provide viable transit alternatives to the single occupant vehicle and for the transit dependent population. The WMATA Board has drafted a budget proposal that maintains and preserves transit service while offering for the first time in several years bus and rail service expansions with no increase in passenger fares. Montgomery County looks forward to working with the WMATA Board and staff to address the issues raised in this letter and other issues facing our region's transportation system.

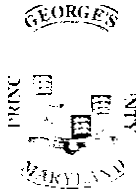
Sincerely,



Arthur Holmes, Jr.
Director

AH:tt

cc: Mr. Dan Tangherlini
Mr. H. Charles Woodruff II
Mr. Gordon Linton
Mr. Robert Smith
Mr. Charles Scott



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE



Jack B. Johnson
County Executive

May 31, 2006

The Honorable Jim Graham
Chair, WMATA Board Budget Committee
600 Fifth Street, NW
Washington, DC 20001

Dear Councilman Graham:

Thank you for your letter of April 28, 2006 transmitting the Washington Metropolitan Area Transit Authority's (WMATA) FY 2007 Operating Budget and the FY 2007-2012 Capital Improvement Program (CIP). The proposed \$1.788 billion combined budget will commit Maryland to \$184 million in subsidy expenditures of which \$98 million will be allocated for WMATA operations and projects in Prince George's County. We are pleased to have the opportunity to review and comment on these documents.

Prince George's County has seen Metrorail and Metrobus ridership grow at a rapid pace over the past fiscal year. Likewise, our residents' commitment to supporting public transportation in the region continues to increase. Metrorail ridership at our most recently opened Blue Line station has grown by over 15% in just one year and parking utilization at most stations remains near 100%. The Board is to be commended for its efforts at increasing the quality of transit service, both on buses and rail, though much remains to be done in order to meet the high expectations we all share for the system as a whole. We were pleased to see many of the new hybrid buses operating on Prince George's County routes as of this spring, as requested in last year's comments.

We were very excited to see in the past year the culmination of many years of County and WMATA efforts: the approval of joint development projects at Prince George's Plaza, New Carrollton, and West Hyattsville Metrorail Stations. The projects coming to these stations represent only the beginning of greater mixed-use, high-quality developments at Metrorail stations countywide. These joint development projects are an excellent representation of my Administration's Livable Communities Initiative and we pledge to continue our partnership with WMATA to move approved and future projects ahead to completion.

Last year we supported the exploration of locking in diesel fuel prices in order to reduce risk and uncertainty in the operating budget. The Board decided not to take action on this item while diesel prices continued to rise. We continue to support efforts by the WMATA finance staff to explore approaches to lock in the price of fuel at a fixed rate, which would reduce the possibility of requiring additional subsidy payments to balance the FY2007 budget.

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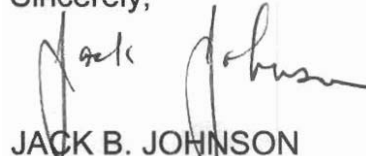
The Honorable Jim Graham
May 31, 2006
Page Two

The WMATA Board Chair, Gladys Mack, has proclaimed this year to be "The Year of the Bus." A renewed focus on Metrobus service and its effectiveness in serving passenger demand is needed, and we applaud WMATA efforts toward providing improved information to passengers on a real time basis. Technology improvements on buses and fareboxes are resulting in ever increasing amounts of data on bus service and ridership, but there are difficulties in processing this passenger and service data in a meaningful way to policy makers and bus service planners. Therefore, we support additional staffing required to ensure that this valuable data is utilized to the fullest extent possible within WMATA and that it is shared effectively with planning staff in each jurisdiction. We also support funding for passenger surveys to take place in the upcoming fiscal year, so that we can continue to operate a system serving our riders in the most cost-efficient manner.

Forthcoming development pressures within Prince George's County will necessitate, in the near future, additional funding allocations for Metrobus route expansion and route service improvements. Our County's Five-Year Transit Service and Operations Plan, anticipated for completion this year, will address new bus service needs for many of these large developments alongside improvements to bus service in areas already served by transit. Additional funding must be envisioned to address these unmet needs for transit service.

Prince George's County fully supports WMATA's FY 2007 Operating and Capital Budgets while noting the above concerns. We also support and express appreciation toward the State of Maryland and the Maryland Department of Transportation for funding their portion of the regional subsidy requirement for FY2007. Again, thank you for the opportunity to review the budget and work with our regional and State partners on improving transportation services for our citizens and residents.

Sincerely,



JACK B. JOHNSON
County Executive

cc: The Honorable Robert L. Ehrlich, Jr., Governor, State of Maryland
Robert Flanagan, Maryland Secretary of Transportation
Charles Deegan, WMATA Board Member
Marcell Solomon, WMATA Board Member
Rick Harcum, Director, WMATA Office of Management and Budget



Maryland Department of Transportation
The Secretary's Office

Robert L. Ehrlich, Jr.
Governor

Michael S. Steele
Lt. Governor

Robert L. Flanagan
Secretary

James F. Ports, Jr.
Deputy Secretary

June 1, 2006

Mr. Rick Harcum
Director, Office of Management and Budget Services
Washington Metropolitan Area Transit Authority
600 5th Street, NW
Washington, DC 20001

Dear Mr. Harcum:

Thank you for the opportunity to comment on the Washington Metropolitan Area Transit Authority's (WMATA's) proposed FY07 operating budget. I appreciate the hard work of staff and the Budget Committee to address the challenges of the system.

The increase in ridership creates new opportunities and demands for WMATA. As the FY07 Operating Budget is finalized, I welcome the initiatives to provide bus service improvements and over-crowding relief, while also keeping the growth of the jurisdictional subsidies at 5.9%, as directed by the WMATA Board.

Let me also commend WMATA staff for its efforts to project a more realistic budget forecast and for making the entire budget process more transparent to the public. I understand that the capital budget is undergoing intensive review and updating. I look forward to the opportunity to review a revised FY07 Metro Matters Annual Work Plan, in conjunction with WMATA's FY 2007-2012 Capital Improvement Program, by October 2006.

I recommend that the following measures be taken, as WMATA continues to improve its budget process:

- ***Efforts begun this year to include performance measures in the budget should be expanded.*** A budget process should not be a one-time balancing of expense, revenues and subsidies, but rather should be strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. The FY08 Proposed Budget should include preliminary analysis of the performance measures that were identified as the basis of the FY07 budget.
- ***Identify benchmarks and comparisons to the performance of peer systems.*** Specifically, these benchmarks and comparisons should include: farebox recovery rates for Metrobus, Metrorail, MetroAccess; operating expense per vehicle mile; operating expense per passenger trip; and passenger trip per vehicle mile. The Maryland General Assembly supports the development of productivity measurements, and these specific benchmarks and comparisons have been requested by the legislature's budget committees.

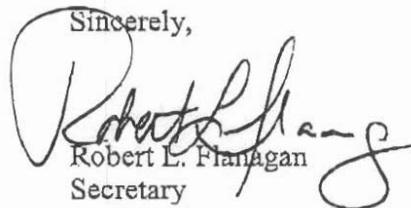
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Mr. Rick Harcum
Page Two

- ***Bring employee health care contributions in line with area governments.*** The WMATA "Benefit Cost Containment Workgroup" found that WMATA's healthcare benefit package has features that are more attractive than those offered by jurisdictional governments, including the employee contributions (0-15% for WMATA employees, 17-20% for jurisdictional governments). WMATA should develop a phased-in plan to create a healthcare benefit that is competitive and on par with area governments.
- ***Positive audit adjustments should be returned to the jurisdictions.*** As a subsidized agency of the jurisdictions, WMATA approves a budget of planned expenditures and estimated revenues. The jurisdictions provide an estimated subsidy. At the end of the year, the jurisdictions are credited with unused subsidies, through positive audit adjustments. Presently, WMATA is anticipating a positive variance for FY06, but is proposing to allocate a portion of these funds to expenses occurring beyond the current fiscal year. MDOT requests that the policy crediting jurisdictions with unused subsidies remain intact.
- ***Improve bus cost modeling and data collection, as part of WMATA's bus network evaluation.*** This is key to operating an efficient and effective service and is critical in justifying future bus procurements, as outlined in the Metro Matters agreement. MDOT supports the recommendation of the JCC to include additional staff for bus service planning and data collection. MDOT appreciates WMATA's efforts to follow through on this request.

Again, I thank you for your efforts and look forward to continuing to work with you, your fellow WMATA staff, and the WMATA Budget Committee. If you have any questions, please feel free to contact me. Or you may contact Mr. Charlie Scott, Director of Washington Area Transit Programs, Maryland Transit Administration. Mr. Scott may be reached at 301-565-9665 or cscott2@mtamaryland.com.

Sincerely,



Robert L. Flanagan
Secretary

cc: Mr. Charlie Deegan, WMATA Board of Directors
Mr. Gordon Linton, WMATA Board of Directors
Mr. Robert J. Smith, WMATA Board of Directors
Mr. Marcell Solomon, WMATA Board of Directors
Mr. Dan Tangherlini, WMATA Interim General Manager



OFFICE OF THE CITY MANAGER

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City Manager

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May 31, 2006

H. Charles Woodruff II
Deputy General Manager and Chief Financial Officer
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001

Dear Mr. Woodruff:

The following are the City of Alexandria's comments on the FY 2007 Proposed Operating and Capital Program.

Operating Budget

We compliment WMATA for the excellent public transportation services it is providing through its Metrorail, Metrobus, and Metro Access systems. We are very encouraged by staff's efforts to continuously monitor the system's performance and to adjust the operating budget consistent with these observations. Staff's efforts in finding that the system will produce more revenue than originally expected and thus require a lower increase in operating subsidy in FY 2007 than previously planned are certainly commendable.

Any budget document is based upon a number of factors, which are beyond the control of those developing budgets. Some areas in this budget seem to be major areas of uncertainty. The primary area of consideration is the rapidly rising cost of all fuels, but particularly diesel. Throughout the last year, these costs have rapidly increased. It is our understanding that the budget was developed with a much lower cost for diesel fuel than is currently the market price. Staff should seriously investigate means that can be used to mitigate this risk and provide this as an option in the budget. Of course, we do have an important caveat, in that we recognize that prices of diesel fuel do come down as well, so we wouldn't want WMATA to lock in to an excessively high price for fuel.

H. Charles Woodruff II

May 31, 2006

Page 2

Areas that continue to be a source of concern for us are the cost of bus parts, and the escalating cost of workers compensation. Some amount of money should be factored into the budget to account for this possible overage. Another area that is indicated in your budget materials as a major operating cost are personnel cost re-estimates. We would like WMATA to provide additional information about these expenses which we would like to see itemized, since it is the largest amount of money which is indicated to be a higher expense than originally proposed.

In examining the set of operating budget assumptions, it is important to note that the City of Alexandria has not planned on providing a higher subsidy than was originally projected by WMATA. Our budget and those of our Northern Virginia counterparts are already adopted. Also, the prevailing practice that WMATA followed for several decades was that the requested local government subsidies in WMATA's approved budget did not increase above that included in WMATA's proposed budget. Thus, there cannot be a greater deficit over that indicated in the original budget document. Expenses should be brought down through some prioritized method to meet the budget guidelines.

In the Jurisdictional Coordinating Committee (JCC) staff review of the budget, two important items were addressed. One was increasing the number of service planners to accommodate the many demands encountered by WMATA. We were pleased to see this accomplished in the budget materials, without an increase in the budget. The other issue, which was also a major point of discussion in the JCC budget materials, is the need to perform origin-destination surveys for WMATA Metrorail and Metrobus. These should be accomplished as soon as practicable, since the home locations of many Metro patrons in Virginia may be from areas outside of the WMATA Compact, and this information would be very valuable in discussions with members of the Virginia General Assembly.

Capital Budget

The City of Alexandria budgeted the requested \$6,282,000 to fund our portion of Metro Matters for FY 2007.

This capital budget shows beyond Metro Matters entries for FY 2011 and FY 2012. It is a very important priority of the City of Alexandria to replace the existing Royal Street Bus garage. Through the intervention of our Congressman and Senators, we have acquired FTA Section 5309 earmark funds in FY 2006, which should be renewed in FY 2007, FY 2008, and FY 2009, since they have been identified in SAFETEA-LU. These funds are available to acquire a site and to design a facility. We have two separate earmarks in FY 2006 for \$95,179 and for \$680,130. We expect that these amounts will be available in FY 2007, FY 2008, and FY 2009. When the timing appears right, please submit applications for these funds to the Federal Transit Administration (FTA) in order that the process of replacing the Royal Street garage can begin. With a funds earmarked by SAFETEA-LU (\$3,101,236), and any residual amounts of money

H. Charles Woodruff II
May 31, 2006
Page 3

available from the Virginia Metrobus garage project in western Fairfax County, with expected substantial proceeds from the sale of the Royal Street property, and with other to-be-identified sources, we should be able to begin construction work in the next few years.

In addition to the SAFETEA-LU funds we have acquired for the Royal Street bus garage replacement, we have also acquired funds to design and partially fund the construction of a new north entrance at the Eisenhower Metro station. In FY 2006, we have \$475,893 and \$226,710 identified in SAFETEA-LU for this purpose. We expect that these amounts will be available in FY 2007, FY 2008, and FY 2009. Please submit applications for these Eisenhower Station funds to the Federal Transit Administration (FTA) in order that the process of designing and building a new station entrance at Eisenhower Avenue can begin.

Finally, WMATA, Arlington County, and Alexandria are currently in the process of developing environmental documents needed to build the Potomac Yard Transitway, Alexandria has also acquired funds to design and build some features of this facility such as station stops and amenities in a SAFETEA-LU earmark. In FY 2006, \$226,710 will be available for this purpose, with the same amounts expected to be available in FY 2007, FY 2008, and FY 2009. Please submit applications for these FTA funds in order that the design and building of portions of the facility can commence.

The one item that is unsure at this time is the status of the local match for these funds. Previous discussions in the Virginia General Assembly have indicated that the amounts of local match required by any SAFETEA-LU projects in their first year would be provided by the Commonwealth of Virginia. While this prospect may occur eventually, the current transportation stalemate in Richmond does not make prospects for these funds encouraging in the immediate future. Utilizing extra Metro Matters money available from the western Fairfax bus garage identified in Metro Matters may be another source of local funds. We are also exploring with your staff the possibility of using TIF funds to provide some of the match for these federal funds.

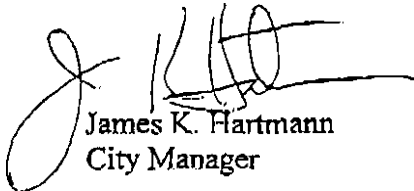
One item is still listed in Appendix A of the WMATA Capital Budget as a City of Alexandria SAP or SEP project for FY 2006 is the Huntington Parking Facility. As we have indicated before, this project is in Fairfax County, rather than the City of Alexandria.

For all of the applications to FTA for SAFETEA-LU grant monies, City staff would be available to assist WMATA staff with these grant applications.

H. Charles Woodruff II
May 31, 2006
Page 4

Thank you for the opportunity to comment on the WMATA budget. If you have any questions regarding our comments, please contact Tom Culpepper at 703-838-4966 or Jim Maslanka at 703-838-3800.

Sincerely,



James K. Hartmann
City Manager

cc: The Honorable William D. Euille, Mayor
Mark Jinks, Deputy City Manager
Bruce Johnson, Director, Office of Management and Budget
Richard J. Baier, Director, T&ES
Tom Culpepper, Deputy Director, T&ES
Jim Maslanka, Chief of Transit Services, T&ES



OFFICE OF THE COUNTY MANAGER

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May 30, 2006

Mr. H. Charles Woodruff II
Deputy General Manager and Chief Financial Officer
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001

RE: WMATA Budget Committee FY 2007 Budget Proposal

Dear Mr. Woodruff:

Thank you for the opportunity to comment on the Washington Metropolitan Area Transit Authority (WMATA) proposed FY 2007 Operation and Capital Improvement Program Budgets. This letter provides Arlington's comments on these proposals and on transit services in our region and itemizes specific Arlington-related requests.

On April 22, 2006, the Arlington County Board, in its adoption of the FY2007 County budget, approved subsidy commitments to WMATA operating programs to accommodate the requested **\$30,540,295** including non-regional Route 22B, but excluding the debt service of **\$2,740,200**. Additionally Arlington will provide funding to continue the reimbursable operating projects of the Metrobus 9S, Columbia Pike and Rosslyn Station dedicated supervisors, Pike Ride operator training and maintenance of Columbia Pike Ride transit priority signals in the amount of **\$689,000**. Arlington also is requesting several service adjustments, the incorporation of Metrobus 3Y from reimbursable to regional service, and new reimbursable projects that combine to reduce the FY 2007 operating subsidy by **\$76,800** that will be detailed further in this letter.

Arlington is prepared also to commit capital funding to meet the County's share of the Metro Matters Program for:

- Infrastructure Replacement Program (IRP) up to **\$12,572,000** billings to the County;
- System Access and Capacity Program (SAP) providing **\$150,000** to continue the reimbursable Arlington Capital Projects Program Administration; and
- System Expansion Program (SEP) contribution of **\$324,730** to the FY 07 Project Development Program to support requested project work.

Comments on the Operating Budget

Arlington requests that Metrobus services be adjusted as per the following to accomplish a reduction in the proposed total subsidy for the year of \$76,800. Service adjustments include:

1. Pike Ride program:
 - a. Add 2 afternoon trips to 16Y to address demands;
 - b. Add 2 reverse flow peak hour trips to 16W;
 - c. Continue weekday 16H trips to Crystal City Metrobus Station;
 - d. Extend weekday 16H trips to Blair Road upon completion of the slip ramp turn-around;
 - e. Provide \$5,000 funding for a reimbursable operating project to maintain signal priority equipment installed on 34 buses;
 - f. Provide a \$15,000 program of reimbursable operator training tailored to Pike Ride requirements; and
 - g. Continue unique Pike Ride brand identification on the new CNG buses and joint marketing of the service.
2. Reduce late night weekend bus services to their regular weekday ending times where continuation cannot be warranted by passenger demand.
3. Expand Metrobus 9S Crystal City-Potomac Yard service as new development opens in Potomac Yard. (Land Bay F is proposed for completion late Fall '06).
4. Convert Metrobus 24P Saturday service to ART operation.
5. Complete the development and implementation of a restructured service plan for Route 25AFGJPR and 25B to provide more reliable, productive and cost efficient service.
6. Complete demonstration period for Metrobus 3Y and incorporate it in the regional service program.

Lastly, Arlington agrees with WMATA staff recommendation to use FY06 Operating Budget surplus funds to conduct a Metrobus passenger survey to update subsidy allocation formulas. Arlington also supports the Jurisdictional Coordinating Committee's recommendation to increase the number of Metrobus planners to sufficiently analyze existing service and plan for potential service expansions.

In addition to efforts to improve rail service reliability, the Board must focus on passenger-load management and maintain a continuing process of reviewing system-wide rail car allocation. Additionally, as plans are made for meeting future demands, it is critical that there be a planning process open to the public for evaluating the proposed merits of rerouting Blue and Orange trains.

Comments on the Capital Program Budget

Arlington supports continuation of the Project Development Program and has submitted a list of requested projects for consideration in the FY 2007 Work Plan. Arlington also requests a number of design and construction projects for consideration under the System Access Program. Plans, studies and construction projects identified for the FY07 Work Plan support work in Rosslyn, Ballston, Crystal City, Clarendon, East Falls Church, Pentagon City, Shirlington and Columbia Pike:

Project Development Program

- Rosslyn Station – Station area access improvement plan in conjunction with new development - \$190,000 available from FY06
- Crystal City and Potomac Yard Corridor – Complete technical studies and environmental documentation of proposed transit improvements and complete design of stations B & C – remaining funds from \$983,679 grant from FY06
- East Falls Church Station – Joint development vision plan - \$50,000 in FY07 (plus \$50,000 available from FY06 for a total budget of \$100,000)
- Columbia Pike Streetcar Technical Studies - \$200,000 in FY07

System Access and Capacity Program

(FY07 budget change* – dollars in millions)

- Ballston-MU Station West Entrance Phases 3 and 4 - \$9.0
- Clarendon Station Improvements – (\$.5)
- Crystal City Pedestrian Canopy - \$.075
- Crystal City-Potomac Yard Busway - \$2.5
- Rosslyn Station Access Improvements - \$.350
- Shirlington Bus Station - \$1.4
- Columbia Pike Super Stops - \$2.0
- Pentagon City Station West Entrance Elevator - \$3.0
- Columbia Pike Streetcar NEPA & PE - \$1.5

***funds contingent upon County Board approval**

Conclusion

Arlington supports WMATA continuing to provide a biennial budget context in future budget development. The Jurisdictional Coordinating Committee staff budget review is also supported as it provides an important opportunity to enhance education, allows review of technical details, and coordination of services with local budgets. WMATA is also encouraged to provide the details for all allocation formulas and inputs in the adopted budget book (rail, bus, paratransit, capital) and that the budget books be distributed directly to jurisdictions (hard copy or CD).

Arlington remains committed to meeting its obligations to fund and support regional transit services, whether rail, bus or paratransit, during FY2007. We appreciate the

work and attention of the WMATA Board and staff in preparing the FY2007 Operating and Capital Budgets and the opportunity to provide our comments for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Carlee". The signature is fluid and cursive, with the first name "Ron" being more prominent than the last name "Carlee".

Ron Carlee
County Manager

cc: Chris Zimmerman, Chairman, Arlington County Board
Members, Arlington County Board
Ken Chandler, Deputy County Manager and Acting Director, DES
Barbara Donnellan, Deputy County Manager
Dennis Leach, Director, Division of Transportation, DES
Mark Kellogg, Transportation Planning Chief, DES
Gus Vega, Senior Financial Analyst, DMF



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

June 6, 2006

Mr. Rick Harcum, Director
Office of Management and Budget Services
Washington Metropolitan Area Transit Authority
600 Fifth Street, N.W.
Washington, D.C. 20001

Dear Mr. Harcum:

In response to the referral of the Washington Metropolitan Area Transit Authority (WMATA) Proposed FY 2007 Operating Budget and Capital Improvement Program to the County for comment, the Fairfax County Board of Supervisors reviewed the proposed budgets on June 5, 2006, and endorsed the comments summarized below. The Board of Supervisors:

- Commend WMATA for a budget proposal that does not include a passenger fare increase for FY 2007.
- Commend WMATA for adhering to the jurisdictional funding levels included in the Metro Matters capital funding agreement between WMATA and the local jurisdictions, and request that WMATA continue to provide high level capital program oversight and report quarterly on the status of the capital program.
- Support the increase in bus service planners at WMATA. This staff increase was recommended by the Jurisdictional Coordinating Committee (JCC), and the County agrees with the need for more service planners to improve the efficiency and coverage of bus service throughout the region.
- Request that WMATA provide more information on Metrobus ridership. Specifically, ridership by route and jurisdiction is needed to better plan and adjust bus service throughout Fairfax County.
- Reiterate the importance of extending rail to Dulles International Airport as a regional project, similar to the Blue line extension to Largo and the New York Avenue Station project. WMATA should continue to work with the County to implement this extension of rail service to Dulles.
- Request that WMATA provide a cost containment plan to the County on or before September 1, 2006, that will reduce the cost and subsidy increase from the FY 2007 to the FY 2008 budget. The FY 2007 cost increase of the 9.3

Fairfax County Department of
Transportation
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Suite 1034
Fairfax, VA 22035-5500
Phone: (703) 324-1100 TTY: (703)



Mr. Rick Harcum

June 6, 2006

Page 2 of 2

percent and subsidy increase of 6.7 percent are higher than the County guidelines for FY 2007.

- Recommend that WMATA work with the jurisdictions to develop performance goals for the Authority, and publish performance indicators in the annual budget.
- Request that WMATA retain the bus fare buy down from \$1.25 to \$1.00 on the REX bus service operating on Richmond Highway during FY 2007.

Thank you for the opportunity to review and comment on the WMATA Proposed FY 2007 Operating Budget and Capital Improvement Program. Please contact Todd Wigglesworth at (703) 324-1167, if you have any questions or concerns.

Sincerely,



Katharine D. Ichter

Director

KDI/TWW

cc: Gerry Connolly, Chairman, Fairfax County Board of Supervisors
Dana Kauffman, Fairfax County Board of Supervisors
Catherine Hudgins, Fairfax County Board of Supervisors
Anthony H. Griffin, County Executive
Robert A. Stalzer, Deputy County Executive