



COALITION FOR SMARTER GROWTH

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Testimony to the COG/BOT Commission on WMATA Governance

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Thank you for inviting me to speak to you today. First I would like to congratulate two elected officials here who won big elections on Tuesday. Second, I would like to thank the Board of Trade for the key role they played in winning the 10 year capital funding commitments from the federal government and the states. Lastly, I would like to commend COG for its HUD regional sustainability grant proposal, its "Region Forward" report and Compact, and its Climate Report. David Robertson, COG's Executive Director, deserves special credit for his collaborative work with all stakeholders to generate new levels of consensus in support of sustainable and equitable development in the region.

As you know I have been very critical of how this panel was established and by its failure to include rider representatives and members of non-business stakeholder groups, therefore my appearance should not be seen as endorsement of the panel. It is a great loss to this panel not to be able to tap into some of the great expertise that we now find among the riders and whose intelligent and creative analysis you can see in outlets such as Greater Greater Washington.

In addition, those of us invited to speak today are at a significant disadvantage in not having had the opportunity to hear or review the testimony of others you have had before the panel. I really don't know what to say about the rather thin minutes of your meetings. As a military veteran and also as someone who has participated for 14 years in local, regional, and state government, I am deeply disappointed by the closed nature of this committee. At the core of good governance in the modern era are transparency, inclusiveness, and constructive participation.

I am further concerned that most of the research resources that are posted are dominated by examples of appointed, non-elected boards or cases where regional Boards of Trade appear to have played a role in pushing a shift from elected boards to appointed boards. This is certainly the case in Vancouver and Toronto.

I. What is your overall view on the effectiveness of WMATA's governance?

It is very good, but not excellent. They have a core group of very committed officials, although I'm not happy about those who miss too many meetings as has been reported this year.

Northern Virginia's elected representatives have stood out on the WMATA Board of Directors for their commitment to the success of Metro, to transparency to the public, and to funding transit service to limit or eliminate service cuts. During the debate over fare hikes and service cuts, it was much harder to get the attention of the appointed officials and even going straight to the Maryland Governor did not result in as quick a response as we received from the local elected officials.

Because our local elected officials at WMATA are also responsible for local land use decisions, they

have ensured that transit and land use are linked, helping to create billions of dollars of transit-oriented development and tax revenues for the state of Virginia.

I would like to offer an important aside: this week a TPB report demonstrated that land use – mixed-use, mixed-income, walkable/bikeable and transit-oriented centers – did much more to reduce VMT, per capita VMT and pollution, while maximizing walk, bike and transit trips. In contrast, a \$52 billion, 1650 mile toll lane scenario increased driving trip lengths and overall VMT, significantly increased CO2 emissions and harmful NOx and particulate pollution, and indicated it would contribute to additional sprawl.

I am joined by many others in arguing that the primary problem faced by our Metro system and by the WMATA Board has been years of chronic underfunding – affecting preventative maintenance and replacement of its aging infrastructure. When you have to battle for funding and simultaneously try to address accumulating breakdowns in the system, it is naturally a challenge for the governing body and it also makes it difficult to do long range planning.

There is a real challenge for DC since it must serve as both a state and a local government, while trying to strengthen a tax base which in earlier decades was undermined by suburban flight. For the local Virginia representatives their contribution has to compete with other general service needs.

Meanwhile, in our view, the state of Virginia has never provided adequate support for transit capital and operating needs, while local taxpayers and riders have provided the lion's share of funding for our transit needs including Metro. The add-on taxes were sought and won by northern Virginia Senators and Delegates and draw from our taxpayers and drivers, not from the general state coffers. The combination of fares paid by riders, local gas taxes, and local property tax support for Metro is significantly more than has been provided by the state. I think the NVTC estimate is that local fares, property taxes, parking fees, and the add-on gas taxes paid over 70% of the funding contributed from Virginia. In the case of our major new transit capital project, Dulles Rail, virtually the entire cost is funded by the federal government, local property taxes and locally paid tolls, not by the state.

You simply cannot separate WMATA governance from the funding sources or from long-term planning issues. What worries me about the Vancouver story is that it appears to be an effort to grab control by British Columbia officials in order to fund major transit extensions using tax revenues from the more urban jurisdictions instead of investing in enhanced transit where it would be most effective. The powerplay took place after their transit board had resisted a particular extension due to cost and impact on other priorities.

A Board dominated by appointees from the states here could do something similar. In fact we have already seen this. Virginia managed to pull the Dulles Rail project from WMATA and then proceeded to transfer it and public toll revenues to the appointed and much less accountable MWAA. The additional operating costs are expected to strain the system, and DC believes it is paying too much through the formula to support service on that long extension. Particularly for Phase II, if the ridership per linear mile is much less than denser areas of the region it could add to the cost burdens on the system. The Toronto report talked about how suburban extensions had undermined the finances of their transit system.

In fact, I am concerned that with dominant control by the states through appointees, we could have many periods where less urban or less metropolitan oriented Governors will not adequately fund the system or will pursue unsustainable extensions rather than supporting the core system and linking denser land use to the system.

Moreover, I will be honest in saying that appointed boards are almost always dominated by corporate leaders, and major campaign donors who do not represent the perspectives of all stakeholders.

2. How would you characterize the Board's involvement in management and operational issues (including safety and customer service) – too much, too little, or just about right? If you believe they are not at the right level of involvement, what solutions would you propose?

I don't spend enough time at the Board meetings to give you a definitive answer, but I can share a few thoughts.

Because many of the board members from DC and Virginia are local elected officials they hear from their constituents who are riders about customer service and other issues. They naturally want to seek answers from the staff. I think that they should be involved in watch-dogging customer service, which most of us feel can be improved.

Operational performance also receives attention from constituent riders and it is appropriate for the Board to ask questions about that performance.

On the other hand, I see the value of potentially having a professional technical board below the elected board with oversight of maintenance and operational issues. Many of these issues might be better addressed at this level and not have to rise to the elected board level.

Some of us are concerned that long-term policy issues are not receiving enough attention, in part because the Board has had to be so focused on funding challenges and the concerns they are hearing about service breakdowns. Some have said that the budget process is broken and that policy debates and parochial issues underlie the budget debates and drag the budget process out. Having more secure and dedicated funding and a commitments that extend up to six years out, would allow for more certainty in planning, maintenance and service, ease and shorten the annual budget debates and allow more time for the Board to address significant policy issues.

3. How would you characterize the overall relationship between the WMATA Board and the organization's senior management (including the General Manager)? How can the nature of that relationship be improved?

I don't feel I am fully qualified to answer this question. We have partner groups who have spent much more time observing the Board's interactions with the General Manager than I have.

I would say that the most important thing the Board can do is to hire a very strong manager – not just a manager but a leader who inspires and motivates the agency staff. That would mean having the Board give the General Manager some room to maneuver. But the Board should also set specific goals and standards that it would like to see met, such as in customer service, in communications to the Board and the public, and in safety.

I mentioned previously that I have been particularly concerned about the revelations of a lack of an open safety culture within WMATA staff and operations. I am pleased to see that the Board is establishing a dedicated safety committee but so much comes down to leadership and installation of a culture of safety.

As a former Naval Aviator, I can state that squadrons needed to achieve the daily mission while also ensuring the highest standards of safety. Safety cultures are critically important, with everyone

playing a role and having a responsibility to identify and report safety risks, procedural problems and the like. Nothing could get a Commanding Officer fired faster than a breakdown in the safety culture. Strong safety cultures can be established and maintained through good leadership but include empowerment of all members of the team.

As a matter of fact, focusing on issues like the safety culture within the agency would seem far more critical than a focus on the Board. Other issues worthy of commissioned research are whether the best maintenance systems and procedures are in place.

4. What are the ideal qualifications of Board members? How effective is the current WMATA Board member selection process in ensuring that these qualifications are present? Are there alternative methods of member selection that should be explored?

A.

Elected

Those who serve should represent the jurisdictions that provide the funding

Should be Metrorail and Metrobus riders

Ideally they would have a mix of expertise – finance/budgeting; operations etc.

Be those who have the time to dedicate to the role

B.

I believe that in some but not all cases, the local elected boards select their members with the strongest interest and experience with transit issues.

C.

- 1) I prefer an all elected body for the Board but I'm not sure we should change the current format that has 2 voting members from each of the jurisdictions – VA, MD, DC and FED. If we make a change, I recommend consideration of direct election of three rider representatives (addition of at least one at-large rider representative from each jurisdiction (MD, DC, VA)). These representatives could be paid at the scale equivalent to elected officials, but because they would have more time, they could provide more dedicated time to governance issues – chairing key committees for example. Note that riders – through fares provide 87% of rail operating costs and 37% of bus for a 60% average -- the equivalent of \$700 million to \$800 million per year.
- 2) Another option is a larger hybrid board than we have today, amending the current board to add one elected official from Montgomery and one from Prince George's provided it is tied to the addition of local funding. If the State of Maryland continues to provide the significant share of Md funding, it would keep its one appointed voting seat. This would make 3 seats for Maryland. And in Virginia, the state could add one seat. Meanwhile DC would be given one seat to maintain equality. Perhaps in this case we add one regionally elected rider representative to the two Federal officials.
- 3) Another option is the dual board: a policy board with a separate technically oriented, operations and safety board. The policy board would decide long range plans, fares, budgets and service patterns. The oversight board would monitor the operations, maintenance and safety of the agency and perhaps have the power to intervene. Having sufficient staff to support the two boards would be important.

5. How do you assess the pros and cons of the presence of elected officials on the WMATA Board?

Northern Virginia's representatives have stood out on the WMATA Board of Directors for their commitment to the success of Metro, to transparency to the public, and to funding transit service. Because our local elected officials at WMATA are also responsible for local land use decisions, they have ensured that transit and land use are linked, helping to create billions of dollars of transit-oriented development and tax revenues for the state of Virginia. Local elected officials are closer to and more accountable to their constituents, who are also often Metro riders.

Appointees do not share that accountability, and while the Governors are elected officials they are geographically and hierarchically more removed from the voters and riders. Through hard-earned experience, I can certainly say that the appointed state Secretaries of Transportation, no matter of which party and which state do not have to be responsive to public input like local elected officials.

Jim, I hope you don't mind, but our meeting during the summer offered an important insight which I wish to share. When I spoke of local official accessibility, you disagreed and noted that you could pick up the phone and talk to the Governor whenever needed and could get a quick response. Exactly I said, the Board of Trade and Chambers of Commerce and other major corporate leaders have that option, other stakeholder and civic groups do not.

When I was last before you I listed a number of names that the general public had never heard of – the members of the Metropolitan Washington Airport Authority. I see that current or past representatives of MWAA have had two opportunities to testify to you and that information on their history is featured in the research you have collected. Today, MWAA now not only controls airport ticket tax revenues, but also millions of dollars per year in Dulles Toll Road revenues. Where and when they meet is not immediately apparent from their website. Their board doesn't receive 1/10th of the media attention that the WMATA Board does -- attention that increases accountability and ensures more open decision-making.

Pros and Cons of an Elected Board:

Pro:

Accountable

Accessible

Responsive

Link land use and transportation

Riders

The longest serving ones have achieved high levels of expertise

Con:

Parochial issues can intervene – suburban parking and fees vs. bus fares for lower income riders

Less time because of local responsibilities and a lot on their plates, but private business leaders or state officials can be equally busy

Not guaranteed to be transit or finance experts but this criteria could be specified as preferred for the local appointees

Risk of looking at smaller short term issues instead of long term policy issues

Risk of thinking locally rather than regionally

In the end, the Board's challenges can simply be a question of personalities. We have good examples of bodies where officials work well together and have built up trust.

6. What are your views on the impact of the “veto” (the requirement that the majority vote on any issue include at least one Director or alternate from each signatory) on the Board’s decision-making process?

I believe that the veto is important in our three state region to avoid having one of the three lose out on a critical issue. Whether it should be available for all issues, or only for certain types of budget or service issues, I can’t say for sure, but restricting its use to certain issues may be appropriate. I would argue that the veto is most important for protecting DC, based on the experience in too many regions of the country where the core city has been disempowered and ganged up on by the suburbs.

Final General Comment:

We are protective of the role of local elected officials and the degree of independence of both the WMATA Board and the NVTC from the power of the state DOT’s. WMATA and NVTC vigorously defend transit, in comparison to the decisions on state transportation priorities that are still dominated by the state DOT’s and whose priorities are handed to the TPB to staple together. I believe that Toronto may have established a combined policy and planning board, while devolving transit oversight to an appointed board. But until we can be sure that a consolidated regional board wouldn’t dilute support for transit, and that it will be fully committed to a sustainable network of transit-oriented centers, we don’t think we are ready to move to a consolidated policy board.

Another alternative that the Board of Trade and other Chambers of Commerce have periodically talked about is a consolidated regional transportation authority headed by appointed officials. We are concerned about this as well – we feel it would take power from elected officials, reduce public transparency and accountability, and focus on building projects rather than on implementing integrated land use and transportation solutions.

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