

Transportation

Hopes run high for historic Metro deals in Maryland and Virginia, but crucial details remain unresolved

By **Robert McCartney** February 21 at 7:00 AM

Maryland Del. Maggie L. McIntosh was stunned. The veteran lawmaker, who chairs the powerful House Appropriations Committee, had just heard nearly 90 minutes of testimony in which people who typically disagree were all on the same side.

Corporate executives and union leaders. Chamber of commerce presidents and environmentalists. Civic leaders from both the Washington suburbs and Baltimore. All favored giving Metro more state money.

“I can’t believe there’s nobody opposing this bill,” McIntosh (D-Baltimore City) said at the end of a hearing in Annapolis last week.

The unanimity was a sign of the political momentum in Maryland, Virginia and the District propelling what would be a landmark deal to provide permanent, dedicated funding for the regional transit system.

Metro revenue and governance bills enjoyed favorable receptions in three key committee hearings in Annapolis. Maryland Gov. Larry Hogan (R) is resisting some key provisions, but his team is in active negotiations with Democratic lawmakers in hope of achieving progress.

In Richmond, both the full House and Senate passed separate bills that would give Metro earmarked funding. The District, which is strongly supportive of Metro, is expected to go along with whatever the states decide.

Crucial details remain to be decided. There is no consensus on how much money Metro would get, what management and labor reforms would be required, whether Northern Virginians’ taxes would increase, and whether an increased federal contribution must be part of the package.

And the Trump administration cast a shadow over the otherwise sunny outlook by saying it wants to reduce federal funding for Metro.

Still, the events in Maryland and Virginia made clear that Metro is closer than ever to gaining a significant, guaranteed stream of revenue. Since its founding in 1967, the agency has been the only major transit system in the nation to lack such financial support.

“The jurisdictions are aligning for the first time in 50 years,” said Maryland state Sen. Brian J. Feldman (D-Montgomery), chief sponsor of one of the funding bills.

Several factors account for the encouraging prospects. One is the nearly universal respect accorded Metro General Manager Paul J. Wiedefeld for the changes he has instituted regarding management, safety and reliability since taking over the system in late 2015.

“We have a new leader who has done a great job,” said Virginia Del. Timothy D. Hugo (Fairfax), chairman of the House Republican Caucus.

Another element is the growing acceptance among politicians outside the Washington region that Metro is vital to the area’s economy and thus to the prosperity of Virginia and Maryland.

“Metro is extremely important to the vibrancy of our commonwealth, just like the port is,” said Virginia Del. S. Chris Jones (R-Suffolk), referring to the harbors at Hampton Roads, which have received substantial state support.

That point has been driven home by Amazon.com’s desire to build its second North American headquarters on a site with good public transit. (Amazon founder and chief executive Jeffrey P. Bezos owns The Washington Post.) Northern Virginia, Montgomery County and the District are on the Seattle-based retail company’s shortlist of 20 locations for HQ2 and its 50,000 jobs.

“Surely we will not get the Amazon headquarters if we allow Metro to wither on the vine,” Del. Richard C. “Rip” Sullivan Jr. (D-Fairfax) said.

Finally, the region’s business leaders have forged an unusually large and strong alliance to lobby for increased Metro funding. In the latest sign of business support, six major companies joined the MetroNow coalition backing the campaign: Capital One, Marriott, Hilton, MedStar Health, Exelon and Washington Gas.

The companies and business groups also have joined with other civic organizations, including environmental groups such as the Coalition for Smarter Growth and the Southern Environmental Law Center.

“Our growing membership is showing its strength at the right time,” said MetroNow campaign manager Clare Flannery.

Despite the optimism, significant hurdles remain. Perhaps the biggest is Hogan’s insistence on limiting the increased funding to four years. Both bills in Virginia, as well as the Democratic-backed ones in Maryland, call for permanent dedicated funding.

Metro and its supporters say the distinction is important, because only a guaranteed stream of revenue will allow Metro to borrow on financial markets at favorable interest rates.

Hogan, however, opposes an open-ended pledge of funds.

“The governor’s plan is not a blank check,” spokesman Doug Mayer said. “He is not going to turn over unlimited funds to an agency that has been known more for its failures than its successes.”

In another potential obstacle, the total contributions agreed upon by the three jurisdictions may fall short of the additional \$500 million a year in dedicated funding that Wiedefeld says is necessary to ensure reliability and safety.

Metro and its backers want each jurisdiction to contribute its share based on an existing Metro funding formula, which is based on population, number of stations and similar factors. Under it, Maryland would contribute \$167 million, Virginia \$154 million and the District \$179 million.

However, the bills being considered in Maryland would provide \$125 million. Business groups and others are pushing hard to raise that to \$167 million, but it’s not clear whether they will be successful.

In Virginia, a key issue is tax increases. The House approved a bill offering \$105 million a year — with no tax increases. The Senate’s version provides the full share of \$154 million but includes new taxes on hotel stays and real estate transactions in Northern Virginia.

Virginia House leadership has ruled out tax increases, although there may be support for setting a floor for regional wholesale gasoline taxes. That could yield \$17 million or more for Metro, on top of the \$105 million, for a total of \$122 million.

The District is considering dedicating three-quarters of a penny per dollar of its sales tax to help meet its obligation to Metro. It has given up seeking a regionwide sales tax to support the transit agency because of opposition from Virginia and Maryland. But D.C. Council Chairman Phil Mendelson (D) has objected that the proposed regional funding formula is unfair to the city.

Wiedefeld said it is crucial to get the full \$500 million from the three jurisdictions, because the White House has signaled it wants to reduce the federal government’s contributions.

“The key message is we’ve got to stick to the \$500 million across the board,” Wiedefeld said. “We may need to backfill” to make up for a lower federal subsidy, he said.

The Trump administration last week proposed reducing the federal subsidy to Metro from \$150 million to \$120 million in the next fiscal year. The White House budget office also said federal support to the transit agency needs to be “lessened” over the “long term”; the federal subsidy program for Metro is set to expire after 2019.

Given the federal government’s position, another possible stumbling block is Hogan’s insistence that Maryland would contribute more money for Metro only if the federal government increases its contribution. Democrats, business groups and other Metro supporters see that as unrealistic.

Hogan’s spokesman defended the governor’s position while noting that negotiations are continuing.

“It is bare bones common-sense that we put pressure on the federal government to pay their fair share,” Mayer said. “What’s really important is the governor has been leading on the issue . . . and he’s going to continue to do that.”

A key player in procuring federal funding is Rep. Barbara Comstock (Va.), the only Republican to represent a congressional jurisdiction that includes a Metro station. She said Friday she is “confident” that Congress will restore the full \$150 million for Metro for the next fiscal year.

Asked about extending and increasing the federal subsidy in later years, as she has proposed in her own Metro bill, Comstock said only that changes would be necessary to have a chance of succeeding.

“I think if we have the reforms, it’s going to be a lot easier for me to make that case,” Comstock said.

Such changes should include restructuring the board to make it more “businesslike,” and saving money on pension and overtime costs, she said.

A requirement for governance and labor revisions as a condition for getting extra money is also an issue in the state legislatures, especially Virginia.

The House bill in Richmond would shrink the 16-member Metro board to a “reform board” of four or five members at first, and later create an eight-member board. It also calls for limiting the agency’s annual growth in operating costs to 2 percent and adopting a “right-to-work” provision for any Metro projects solely within Virginia.

The less-restrictive Senate bill calls for effectively shrinking the Metro board to eight by restricting the participation of the eight alternate members. It backs Wiedefeld’s commitment to 3 percent annual growth in the operating budget and does not include the labor provision.

In Maryland, proposed governance changes include requiring the state secretary of transportation or their representative to serve as a Metro board member, and to strengthen the role of the Metro inspector general.

It will be a daunting task to work out these differences in Annapolis and Richmond in the relatively short time allotted. Virginia lawmakers must resolve the differences between their two competing bills by the scheduled close of the General Assembly session March 10.


Maryland has more time — its session lasts until April 9 — but its legislation cannot conflict with what Virginia approves if the deal is to work. The D.C. Council meets year round, so its calendar is not an issue.

Nonetheless, the progress has lifted the hopes of Metro and its backers that dedicated funding is on the way.

“Clearly there’s a sense that something has got to happen,” Wiedefeld said.

 **59 Comments**

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