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UNION STATION: A COMPREHENSIVE LOOK AT THE PRIVATE MANAGEMENT, THE PUBLIC SPACE, AND THE INTERMODAL SPACES PRESENT AND FUTURE

(110–155)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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July 18, 2008

SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Economic Development, Public Buildings, and Emergency Management

FROM: Subcommittee on Economic Development, Public Buildings, and Emergency Management Staff

SUBJECT: Hearing on "Union Station: A Comprehensive Look at the Private Management, the Public Space, and the Intermodal Spaces Present and Future"

PURPOSE OF THE HEARING

On Tuesday, July 22, 2008 at 10:00 a.m., in room 2167 Rayburn House Office Building, the Subcommittee on Economic Development, Public Buildings, and Emergency Management will examine the private management of Union Station, current intermodal transportation plans, as well as future intermodal transportation plans.

BACKGROUND

Union Station, a monumental gateway structure, was built on its current location as a result of a recommendation from the 1901 McMillen Commission Report. It was designed by the eminent architect Daniel H. Burnham and was completed in 1907. Burnham designed the building in the Beaux Arts style favored by himself and other proponents of the turn-on-the century "City Beautiful" movement. The federally owned building is seven hundred and sixty feet in length. The ceilings are ninety five feet high. The exterior is adorned with sculptures and three Romanesque archways. The commercially available space is approximately 213,000 square feet. Currently there are 130 shops in the building and approximately 90,000 persons pass through the building on a daily basis. The Union Station METRO stop is the busiest stop on the metro line.

Public Law 97-125, (S. 1192) "The Union Station Redevelopment Act of 1981," amended the National Visitor Center Facilities Act of 1968 to provide for the rehabilitation and completion of Union Station in Washington D.C. The house companion bill, H.R. 3927, was reported by the then

Public Works and Transportation Committee, Subcommittee on Public Buildings and Grounds, but failed to pass the House.

The senate bill shifted the responsibility for the Union Station project from the Department of Interior to the Department of Transportation. The bill authorized a one year study of the building's structure, and rail handling functions. Most importantly the study was to examine "the potential for privately financed commercial development and use". (Hearing Report 97-86 Dec 16, 1982, page 1). The bill further authorized the Secretary of Transportation to select a developer through competitive process for the commercial development of the building, and authorized the completion of the parking garage. The bill also authorized the Secretary of Transportation to buy the property from Washington Terminal Company and restore the building to its primary use of passenger transportation with less of an emphasis on use of the facility as a visitor center. Washington Terminal Company had first offered to sell the building to the federal government in 1958 but the offer was rejected. In order to save the building from demolition, in 1964 the building was designated a District of Columbia landmark.

The Department of Transportation established the Union Station Redevelopment Corporation (USRC), as a wholly owned government corporation, to meet the obligations of the legislation regarding development and the stated goal of "commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex". According to the charter the corporation's principal office shall be in the District of Columbia.

According to Senate Report 97-269, the idea of an intermodal center dates back to the mid 1960's to a 1967 report issued by the National Capitol Planning Commission (NCPC) which envisioned a station combining bus, intercity, and intracity rail components with local transportation modes. Further, the senate bill envisioned approximately 300,000 square feet dedicated to intermodal activities.

PRIOR LEGISLATIVE AND OVERSIGHT ACTIVITY

The Subcommittee has not held an oversight hearing specifically focused on Union Station. However, the subcommittee held two hearings, June 8, 2007 "What Visitors Can Expect at the Capitol Visitor Center: Transportation, Access, Security, and Visuals" and April 1, 2008, "A Growing Capitol Complex and Visitor Center: Needs for Transportation, Security, Greening, Energy, and Maintenance" at which intermodal plans at Union Station were explored.

On March 20, 2008, Chairman Oberstar, Ranking Member Mica, and Subcommittee Chair Norton sent a letter to Union Station Redevelopment Corporation President David Ball, expressing support for efforts to relocate the Washington, DC intercity bus terminal to Union Station.

On May 3, 1979, H.R. 3927 a bill to amend the National Visitor Center Facilities Act of 1968 was introduced. The bill failed to pass the House. On December 16, 1982 the Subcommittee on Buildings and Grounds held a hearing on the implementation of P.L. 97-125, The Union Station Redevelopment Act of 1981.

WITNESSES

David Ball
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Union Station Redevelopment Corporation

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Assistant General Manager
Jones Lang LaSalle, Inc.

David Leach
President and Chief Executive Officer
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Erin McCann
Private Photographer

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Director
District Department of Transportation

Thomas Wilbur
Senior Vice President
Akridge Corporation

UNION STATION: A COMPREHENSIVE HEARING ON THE PRIVATE MANAGEMENT, THE PUBLIC SPACE, AND THE INTERMODAL USES PRESENT AND FUTURE

Tuesday, July 22, 2008

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:10 a.m., in Room 2167, Rayburn House Office Building, Hon. Eleanor Holmes Norton [Chair of the Subcommittee] presiding.

Ms. NORTON. Good morning. I welcome today's witnesses to our Subcommittee hearing on public access, security and the future of the Union Station complex as an important intermodal center for all modes of transportation.

The current management structure at Union Station, the Union Station Redevelopment Corporation, or USRC, was created in 1981 at the direction of Congress, and Congress later competed the air rights that will expand the station's capacity to become a world-class intermodal and mixed use public-private facility.

Ownership of Union Station, as the bill report reiterated and made clear, ″shall remain with the Federal Government.″ However, we are unable to find evidence of congressional oversight of Union Station since its redevelopment. Now that there is a new congressional majority with Union Station under our jurisdiction, this hearing commences regular oversight.

Union Station began as a train facility for the Nation's Capital whose grand design was commissioned by Congress to produce a landmark building. However, as rail use declined in the 1950s, the station rapidly deteriorated, and a series of failed ideas, wasted Federal funds, cost overruns, major utility needs, mismanagement and litigation resulted.

In 1981, after portions of the roof collapsed during structural repairs, Union Station was closed to the public, forcing passengers to walk a third of a mile around a closed building to the replacement station. Congress stepped up later that year and spent purchase payments on Union Station to obtain earlier-planned Federal ownership from Baltimore and Penn Terminal Reality.

After $180 million public-private renovations, Union Station reopened to public applause in 1987, fully restored. The congressional authorization to purchase Union Station mandated the creation of

a management structure, the return of the station to its important rail beginnings, transition to an intermodal center, and the private investment that has resulted in the retail available there today.

Congress delegated to the Union Station Realty Corporation the authority and responsibility to order priorities and mediate the sectors in Union Station in order to safeguard the public interest. Like the District of Columbia itself, the Union Station completion contains a mix of Federal, local and private entities, but the overriding public interest had never been in doubt, to provide the public access to a federally owned facility, to expand modes of travel to and from the Nation's Capital, and to provide a secure environment.

The public interest was strengthened when in 1971 the Federal Government created Amtrak in response to the sustained decline of passenger rail, and today the Congress puts billions of dollars into Amtrak to sustain this valuable public resource. At least since 9/11, we have seen a sharp increase in riders using Amtrak, whose national headquarters is Union Station, making more rapid movement toward genuine intermodal status essential. However, we have not seen evidence that the Union Station Redevelopment Corporation understands the increasingly central role of national intermodal hubs today, yet gas prices are driving record numbers of Americans to use whatever ground transportation is available.

March 2008 showed a 4.3 percent drop in vehicle miles traveled, the sharpest drop for any month in U.S. highway history. In 2007, Americans' use of public transportation reached its highest levels in 50 years. What an extraordinary opportunity this is for the Union Station complex.

The House has just passed the first stand-alone transit legislation bill since Metro was created, just as Metro is bursting at the seams. This week, Metro had its highest ridership day in its history, and eight of its top 10 ridership days have occurred this year.

The House also authorized the Nation's first high speed rail a few weeks ago, and it will travel between the District and New York.

The Capitol Visitor Center is scheduled to open in December. This new attraction, which will bring many more visitors to Washington, is one of the reasons Congress has insisted on a true intermodal center at Union Station.

Today, Union Station covers 12 acres and has 2,200 parking spaces, 125 retail outlets, and provides access to Amtrak, the Washington Metropolitan Transit Authority, rail and bus, the Virginia Rail Express, the Maryland Rail Commuter Line, taxies, bicycle sharing, and other tourist-friendly transportation services.

Union Station is the busiest stop on the WMATA line, with over 30,000 daily riders using this stop. Because of congressional mandates and Federal funds, the intermodal center at Union Station will have new parking facilities for tour buses, new rail concourses, streetcars that connect Union Station to the neighborhood, and additional security improvements.

In the Balanced Budget Act of 1977, Congress directed GSA to dispose of the land over the railroad tracks at Union Station, and in 2002 the General Services Administration bid and sold 15 acres of air rights above the rail yard adjacent to Union Station. The result of the sale will be Burnham Place at Union Station, a 3 million

square foot mixed use development built above the rail yard just north of Union Station and scheduled to include expanded transportation capabilities, mixed use amenities, a hotel and the like.

The concept of Union Station as a modern intermodal center was detailed in a 1967 report by the National Capital Planning Commission, which envisioned combining intercity and intracity bus service with intercity rail transportation.

Congress has strongly supported the intermodal concept with funds in every transportation reauthorization bill since 1991 and in several annual appropriation bills. I secured $2.25 million for the study currently being conducted by the District of Columbia Department of Transportation on the Intermodal Transit Center at Union Station.

Four months ago, Chairman Jim Oberstar, Ranking Member John Mica, and I sent a letter to the USRC encouraging relocation of District's Greyhound Intercity Bus Terminal located several blocks to the north of Union Station. A state of the art intermodal center is by definition a facility that allows passengers to seamlessly choose and get access to all modes of ground transportation. Our letter reiterated the Transportation and Infrastructure Committee's continued work on intermodal development at Union Station.

I followed with another letter on May 2, 2008, to the USRC asking for access for additional intercity bus companies, some of which currently drop off and pick up passengers on already crowded District streets for lack of a space to drop their passengers. The response to our letter cited business relationships as a reason why MegaBus was not allowed to sublease a parking spot in the parking garage.

However, this is just the sort of arrangement that is needed to help Union Station more rapidly fulfill the congressional intermodal mandate while Burnham Place is being constructed and integrated over the next decade. This and other steps can be taken now to begin the process of converting what today is only a transportation hub to the world class intermodal center Congress has mandated. Nor did the response to our letter mention any other way to accommodate MegaBus or similar companies. Accommodation of low-cost intercity bus operators should not be only incorporated into USRC's business plan, but long ago should have been actively sought to increase the intermodal options available at Union Station.

Reported first amendment violations and denial of access by press and the public, as well as inconsistent messages by Union Station personnel, are especially troubling. In June, a photographer was detained by Union Station security personnel for taking noncommercial photographs. A real-time display of the confusion about access came when Channel 5 TV, a major television outlet here, was shut down by security personnel while interviewing the chief spokesman for Amtrak who was explaining that photography was allowed. Although management officials asserted that a ban on photography was not the policy, Channel 5, National Public Radio, tourists and a host of amateur photographers, have been shut down or given inconsistent directions on photography at Union Station.

The evidence of confusion and arbitrary actions by security personnel reflects the continuing absence of clarity concerning public access. Union Station's study appears to be a case study for the necessity of my bill, H.R. 3519, the Open Society with Security Act, to assure public safety while maintaining the highest level of free and open access to the public.

The Homeland Security Committee has already indicated an interest in moving H.R. 3519, and it has been referred to our Committee by the Parliamentarian. However, the Union Station Redevelopment Corporation and the Union Station Management Company are not alone responsible for the problems and issues that have been reported and have arisen at Union Station. For years, Congress has failed to provide the necessary oversight and guidance. As Congress continues to invest in its intermodal vision of Union Station, we have a responsibility to resume oversight of the entire complex.

We welcome today's witnesses and look forward to hearing their testimony.

I am pleased now to ask the Ranking Member of the Full Committee for any remarks he may have.

Mr. MICA. Thank you for recognizing me. I am, I guess, an ex officio Member of all the Subcommittees. I am not Sam Graves, even though I wish I was as young and handsome as him. I regret that he couldn't with us this morning.

I hadn't planned on being here, but I saw the topic and couldn't resist being with Ms. Norton and joining her in I think a very important oversight hearing on Union Station to look at the management, public space issues and intermodal access questions. I commend her for that.

Mr. Graves is not able to be with us because of connecting flight difficulties. Someone ought to do something about that in transportation, but that is the subject of another hearing. But I do have his statement which I would like entered into the record.

Ms. NORTON. So ordered.

Mr. MICA. Again, thank you for holding this hearing. I do have a statement which I will submit for the record. But I remember Union Station when I first came to Washington was as a staffer back in the seventies, that was before Ms. Norton was born. But actually I came back again, reoccurring in the early eighties as Chief of Staff in the Senate. I will never forget Union Station was an absolute disaster, birds flying around, water leaking into it, a failed attempt at making it a visitors center. It was absolutely beyond description.

It was through a public-private partnership and a substantial amount of public money, too, investment that we had, were able to complete, I think Elizabeth Dole was the Secretary of Transportation, an absolutely magnificent restoration and utilization of what has become a transportation hub, a commercial center of activity, restoration of a beautiful public building.

I am not going to get into who can photograph what. I will leave that to Ms. Norton. There has always been controversy about what could be exposed in Union Station dating back to, I think it was Gaudens, who did the statues. They had the nude males which they had to cover with the shields. Maybe now we have to keep the

press from uncovering our barest security secrets, but I will let you deal with that.

My interest today is that we do conduct adequate oversight of the private management in these public-private partnerships. I was saddened to see that it took the developer, is it Akridge Corporation, since 2006, when they planned to do additional rights—I am sorry, they planned to do additional development and secured air rights for a 3 million square foot mixed-use development which would be a great addition on a comprehensive intermodal station. What is stunning to me, as a former developer, it is 2008, 2 years I guess to get some of that resolved. I am sorry for the developer. Time costs money and we don't see the projects evolving. But maybe we will hear more about some of the trouble they encountered. I understand it has to do with some of the height of the air rights and the issues of how much footage you can get into that space, and certainly when we enter into an agreement with a developer, the deal has to make sense for the developer and the Federal Government and also comply with some of the restrictions.

Hopefully we won't get ourselves into that pickle and they can move forward with the intermodal terminal and this new addition.

As they develop that and as they make improvements at Union Station, one of my concerns, and Chairwoman Norton has also expressed it, it is an intermodal center and that all modes be accommodated at that location. She had written with my joining her our desire to see our national surface transportation carrier, most people don't realize this, but we do have one, it is a private company, its name is Greyhound, it is actually a private company that makes money and stays in business by returning a profit, and I think we should do everything we can to accommodate that carrier, whether it be Greyhound or if in the future it is succeeded by some other private transportation company or, if it has competition, whoever provides that surface transportation should be located in not just Union Station, but in any federally funded intermodal center in the United States.

The time to dump—the time that we dump people who use Greyhound or some other surface transportation at the edge of town or in some inconvenient location has passed. These are not Third World, third-class travelers. These are passengers who should be accommodated with intermodal surface connections, and we should not fund one dollar in public money for any intermodal center, whether it is Union Station or anywhere else, without making accommodations for these passengers.

They do it so cost-effectively and actually make a return on investment, which is amazing sometimes in the realm of government thinking. But the least we can do is make an accommodation for that service.

So I came here this morning to make a plea, not only at Union Station, but across the country. We do need to look at these public-private partnerships. I advocate working with the Chairwoman Norton. This is an incredible city to let Union Station, whether it was 1980 or we have examples of the old Post Office which has sat there for years and not been utilized to its maximum, whether it is the Federal Trade Commission building, the Apex building, or others. We can find solutions that work and accommodate our pub-

lic need, our public facility requirements, and also enhance this great city and other great cities in the process.

So, we need to look at these public-private partnerships and make certain that we help in making them go forward, that they are good deals for the taxpayer, good deals for the developer and investors who are our partners.

So those are a couple of the points that I wanted to make this morning. I am trying to see if there are any other points. I think I have angered maybe a few people. Maybe we upset a couple of folks with these radical ideas like good investment of taxpayer dollars and convenience for the traveling public. But, again, I can't do anything but compliment Ms. Norton for her time and effort in trying to make these things work and be more effective and responsive.

So I yield back.

Ms. NORTON. Well, I thank the Ranking Member, and I certainly thank the Ranking Member of the Full Committee for attending this Subcommittee hearing. But it does speak to his long involvement in the Union Station matter.

As I think his comments bear out, I remind the Committee that the intermodal concept of Union Station has been a perfectly bipartisan concept. When he was in the majority and I was in the minority, we were on the same page, and we will continue to be on the same page, particularly given the Federal funds that are increasingly necessary to achieve that vision.

I agree with the Ranking Member about how long it took to get the air rights. This was one of the most frustrating matters that I have been involved in since I have been in Congress. Obviously you have to let the parties negotiate, but Mr. LaTourette was the Chair. He and I and the Ranking Member, then Ranking Member Mr. Oberstar, met in order to press this forward. It was such a waste that it took so very long.

That is why you will see Congress impatient with getting on with the job of intermodal work and getting on with it well before Burnham Place sees the light of day. This could be made an intermodal transportation center now, right now, with what it has, if there was the vision to do so on the part of those in charge.

In order to simply lay the predicate, because I hate to ask witnesses about what somebody said when the people who said it are right here, so in order to lay the predicate for the first amendment part of this hearing, I have asked Erin McCann, who represents photographers who have been turned away, if she would testify precisely what her experience was.

TESTIMONY OF ERIN McCANN, PRIVATE PHOTOGRAPHER

Ms. MCCANN. Hello. Chairwoman Norton, Members of the Subcommittee, I would like to thank you for the opportunity to speak with you today. I have a short statement, and then I will be happy to answer any questions.

My name is Erin McCann, and I am an amateur photographer. I am also an active member of a group called DC Photo Rights, which exists to document and discuss incidents in which photographers have been harassed by security officers or police. These officers often mistakenly believe that taking pictures in public places

is illegal or requires a permit or is an indication that the person holding the camera is somehow a threat.

I have never been clear on why exactly a camera is considered threatening. In the aftermath of the 2005 transit bombings in London, for instance, officials appealed to the public for snapshots taken before and after the attacks in their search for clues.

An open photography policy can be a security team's best friend. It also liberates security and police from the task of investigating people like me, as I take photographs in the most obvious way possible. With a 10-inch lens on my camera, there is no disguising what I am doing.

In Washington, certain places have the reputation of being unfriendly to photographers. In the 4 years that I have been shooting in the city, Union Station has always been one of those places.

In February, I began a series of phone calls and e-mails to Amtrak and Jones Lang LaSalle Management to find out why. I have included with my written statement a timeline of my involvement and my frustrating search for answers. Often, my calls and e-mails have resulted in being given conflicting information, sometimes minutes apart by people in the exact same office.

The statement also includes details of some of the incidents in which photographers have been harassed, told incorrect policies by misinformed station officials, and in certain instances been threatened with arrest for daring to take a simple snapshot of a national treasure. In almost every incident, a guard or officer has wrongly told a photographer that Union Station is private property and photography is not allowed.

The reasons given for this fake policy vary. I was once told that my camera is too professional. Others have been told that the PATRIOT Act bans photography in train stations, a law that I am sure would come as a surprise to the organizers of the annual Amtrak station photography contest.

I have been stopped twice in the last 3 months while photographing in the public areas of Union Station. Both were after I received explicit assurances from Amtrak and Jones Lang LaSalle Management that photography is allowed.

The most recent incident was Friday when an Amtrak employee who refused to tell me her name or identify herself in any way said the building was private property and that all photography is prohibited.

For many tourists, Union Station is the first stop and the first impression of the Nation's Capital. For a family to be warned or even threatened upon arrival for simply taking photos in one of the city's beautiful public places is reprehensible.

My interest now is the same as it was in February when I first started asking questions: One, to understand what the photography policy is at Union Station; two, to assure that if there are restrictions on photography, they are clearly posted throughout the building; three, to make sure that those restrictions are fair, given the Station's unique ownership and its role as a major gateway for thousands of the city's visitors each year; and finally and most importantly, I want to make sure that the private guards, Amtrak police and everyone else in a position to interact with the public understands what the policy is.

Despite repeated assurances from the management of Amtrak and Jones Lang LaSalle, ill-informed station employees are still taking it upon themselves to interpret the policies as they see fit or to make up contradictory policies. Amtrak and Jones Lang LaSalle have so far been unable to communicate the policy to their security employees. I believe Washington, D.C.'s train station deserves smart, well-trained, high quality security, and my experience with its representatives so far has been exceedingly disappointing.

Curious about how other cities and stations handle photography, it took me 30 seconds on Google to come up with the policy at Grand Central Terminal at New York City. They post it right there on their Web site and they welcome photographers with open arms.

It has taken over 6 months and dozens of conversations, not to mention a congressional hearing, to understand the policy at Union Station, and we still have no guarantee that when new guards or officers are hired they too won't automatically assume that a camera is a threat.

My hope is that after today visitors to Union Station will be free to explore and photograph the building without being viewed as lawbreakers. Security officers and Amtrak employees should have more important things to do than investigate a tourist with a camera.

Thank you.

Ms. NORTON. Well, I am a Member of the Homeland Security Committee, and the notion that security guards in a facility like Union Station are busy keeping track of a photographer rather than trained the way the airlines are training people to spot those who may do us some damage is very distressing to hear. But what is most distressing is to hear that you were stopped twice, according to your testimony, in the last 3 months in public areas of the station.

Where were you?

Ms. MCCANN. The first incident was on, let me find my actual timeline here, was in the beginning—middle of May, May 14. This was after the NPR photographer was stopped and threatened with arrest.

Ms. NORTON. The NPR photographers, do you know about that?

Ms. MCCANN. Yes.

Ms. NORTON. Would you tell us about the NPR photographers?

Ms. MCCANN. Do you want me to do that first, and then tell you my incidents?

Ms. NORTON. Either way.

Ms. MCCANN. The NPR photographer, he was there as a private citizen. He just happens to work for NPR. He was using a tripod in the Great Hall. And as far as I have been able to tell from Jones Lang LaSalle, tripod use is actually prohibited.

But once that issue was cleared up, he had I think four separate security officers telling him conflicting statements about why exactly he couldn't take photos. One said that it was the tripod. One said it was the camera. Two or three of them threatened him with arrest. I have a summary of the incident on page 8 of my testimony, and it also includes a link to him.

Ms. NORTON. Were those threatening with arrest security officers or peace officers?

Ms. MCCANN. They were the ITC, the private security officers contracted by Jones Lang LaSalle. So I read his post and his account, and having spent several months and knowing at least as far as management told me that photography was allowed and knowing that security——

Ms. NORTON. How did management relay to you that photography was allowed? Was it in writing?

Ms. MCCANN. Yes. I got an e-mail from Joan Malkowski, who is the Vice President for Union Station, from Jones Lang LaSalle in I believe February. She said, ″In general, we do allow individuals to take pictures for their personal, noncommercial use. However, from time to time it is necessary to prohibit photography, depending on the situation.″ Then she went on to say that using a tripod or taking professional pictures without the express written permission of Union Station management is prohibited.

What happened was they posted these signs around the station forbidding tripod photography. My understanding is that security guards read those signs and interpreted them to mean that all photography was prohibited.

Ms. NORTON. The security officers read what signs?

Ms. MCCANN. Jones Lang LaSalle posted some prohibitions around the station. It was things like no running, no skateboarding. And at the very bottom of those things they prohibit in the station they include tripod photography or taking professional pictures. These signs went up after I first contacted Jones Lang LaSalle. I think they went up late March or early April. They are unclear on the rights of private photographers to take snapshots or artistic photos or anything at all. The only thing that they prohibited was professional photography.

Ms. NORTON. Are you talking about the list, the 18 prohibited uses?

Ms. MCCANN. Yes, and I think tripod photography you see there is 17 or 18 on that list.

Ms. NORTON. On that list, of course, it goes on to say ″Union Station reserves the right to prohibit photography of any kind, in their sole discretion.″

Ms. MCCANN. Yes. That is where the confusion comes in.

Ms. NORTON. The confusion, who wouldn't be confused about it are the courts of the United States of America. This is a public space, then you go from tripods, and, by the way, at our discretion, whenever we feel like it, we can just, without giving any indication of what kind of photography we are talking about? This is pathetic.

The timeline that you laid out I think sends the message to Union Station, you don't know who you are fooling with. These are very serious, educated people, and that is why I put her on. They are not simply reporting by hearsay. They have written evidence of their own. They have your written evidence and you are continuing to see these issues. Now, the next thing that is going to happen is a lawsuit.

Ms. MCCANN. May I tell you about my specific two incidents? The first came after the NPR photographer was stopped when I was standing there with my camera, this is the camera that I carry

around. It has a very large lens on it. It is not a professional camera. One of the guards who stopped me told me that my camera was too professional.

Ms. NORTON. What is a professional camera? You are a photographer. What is a professional camera?

Ms. MCCANN. I am unclear on that. I know at one point I asked, after a security guard told me my camera was too professional, I asked Joan Malkowski if they were going to distribute a list of specific cameras and lenses that were allowed and were not allowed if that was the argument they were going to make. And the guard that I spoke with that night, he was very polite, but he was confused. He had gotten conflicting information from me and from his superiors, and he just didn't know.

So, that night I told him that I had been talking with Joan Malkowski, and he tried to call her to get some background information. He couldn't get in touch with her. She already left for the day. He told me that because I could say her full name and had clearly had some sort of interaction with her, he would let me shoot that night. It was him and another guard. And I got the impression if I hadn't dropped her name, I know I would not have been allowed to take a photo that night. And I was very upset when I left, because it wasn't about me, it was about making sure this didn't happen to someone who hadn't spent 6 months e-mailing management to try to get an answer.

The most recent incident that I encountered was last Friday, and that was when I was standing in the Amtrak area, and a woman at the Amtrak security kiosk, as soon as I pulled my camera out at 6:45 in the morning, the woman at the Amtrak security kiosk told me I had to put it away.

She said Amtrak is private property. I was not allowed to take any photos anywhere in the building. She was speaking for the Amtrak area and the Jones Lang LaSalle area. She said no photography whatsoever anywhere in the building.

I asked her for her name. She was standing there with a name tag at the Amtrak security kiosk. She turned her name tag around and told me she did not have to give me her name. A police officer, a uniformed Amtrak security officer came up next to her, and took me aside and I chatted with him. I gave him some of the background.

He called his supervisor, who told him that yes, I am allowed to take photographs. I asked that officer what happens when I leave, somebody else comes up and the woman who refused to give her name interacts with another photographer or a family of tourists just arriving down from New York on the northeast regional train and are told to put their camera away?

This happens all the time. It depends on what guard is there, who is working, what their impression of the policy is, in Amtrak or the Jones Lang LaSalle area. They are just making it up on the spot.

Ms. NORTON. Your testimony concerning the guard, they are the outward and visible sign of an outrageously pathetic policy. They are carrying out a non-policy. They are doing whatever they feel like doing. It raises very serious questions about their training, and

all of this goes back to the management. People do what you tell them to do, what you train them to do.

Do you believe that there is any new signage in Union Station that clarifies the policy on photography or public access?

Ms. MCCANN. Absolutely not. Right now the signs, when you enter the buildings there are actually old signs that actually say ″no photography allowed.″ The Amtrak security officer I spoke with on Friday, he referred to them as the old signs. He also said that——

Ms. NORTON. He said what? I am sorry?

Ms. MCCANN. The signs on the outside of the door——

Ms. NORTON. How are those signs mounted?

Ms. MCCANN. I believe they are actually painted on the glass.

Ms. NORTON. So painted on the glass is the words ″Union Station is private property″?

Ms. MCCANN. I don't know if it actually says that. It does say photography is not allowed. But he told me that since he had been working there——

Ms. NORTON. Otherwise known as written in stone.

Ms. MCCANN. Right. He told me that when he first started working there, and his name tag said that he had been working there since 2007, that when he first started, that photography was not allowed anywhere in the station. His understanding was that it had been prohibited for a very long time and had only recently been allowed. So nobody quite knows when it was allowed and when it wasn't allowed. But the signs on the outside of the station do say prohibited and then the Jones Lang LaSalle signs that are put up say that it is private property, they reserve the right to restrict photography, no tripods, those signs.

So right now there is absolutely no clear indication anywhere in the building that photography is allowed. When a photographer is stopped and they are asked—and they ask, you know, where is this posted, security guards, at least the Jones Lang LaSalle ITC security guards generally refer to the posted signs saying ″we reserve the right to prohibit photography.″

Another photographer that I have spoken with in the last couple of weeks was stopped in the Amtrak area and was told that he—he was told that the whole building is private property and no photography allowed. He asked for a list of station rules and two Amtrak officers refused to give them to him and one referred to the no photography rule as being an unwritten rule.

So right now people are stopped and they have nowhere to go, because the management who are actually in the building and the people they will refer you to will tell you that no photography is allowed.

When I first started making calls to Amtrak, the first three or four people I spoke with told me photography wasn't allowed. It was after I sort of became very upset and made a pain of myself after learning about the Amtrak photography contest that I finally asked to be transferred to somebody in the corporate relations office who could explain it to me. She told me that it appeared that the security, the Union Station station manager and other people in the station were taking a policy set up for news photography and applying it for all photography.

What it is for news photography, if you wanted to do a news story and go down on the tracks and get photos or video of the train arriving, you do need an Amtrak escort as far as their policy is concerned. But, again, employees are seeing this policy for news or professional photographer and they are applying it to anybody with a camera.

Tourists have been stopped. I have been stopped. I don't really make a distinction between myself and a tourist. They don't know that I live in D.C. when they are telling me I can't photograph. Everybody there sort of makes up the policy on the spot.

Ms. NORTON. Ms. McCann, these intrusions into what would be considered even in many private facilities ordinary kinds of actions are particularly troubling to me as a public official and someone who had some experience as a lawyer in first amendment matters, who taught labor law where the notion of what is a public place and what is a private place comes up all the time, and where the courts have been clear about the importance of the first amendment. Of course, the first amendment could not be more important in a facility owned by the people of the United States of America.

I have put you on first because I thought that Union Station leaders should have the opportunity to hear directly and it should not be a matter of my hearsay, that they should hear directly the complaints that have come so they could respond. The reason I thought I had to do that is that Union Station has repeatedly said that it does not bar photography. So while I did not know what your testimony would say, the fact that you have taken the trouble to go through a timeline to indicate precisely when you or others encountered, and particularly you, because you have been real clear about your own experience, encountered these violations of policy, this is only fair so that Union Station, perhaps they don't know. In law we have a notion know or should have known, but perhaps they don't know. At this hearing, if they didn't know, they found out, and they found out I think thanks to you and to what is really very closely written and documented testimony.

Now, if it is not true, Union Station can come forward and say it is not true. But in any case, they are certainly going to have to respond.

As a Member of Congress who represents this city, I want to offer my apologies to the amateur photographers who have experienced this treatment in a facility that enjoys the patronage of the Congress of the United States through funding. We are having this hearing obviously not only because of your complaints, but because we haven't had a hearing on Union Station, and when you leave people on their own for decades then they develop their own policies. That ceased today.

I thank you very much, Ms. McCann, for your testimony.

Ms. MCCANN. Thank you.

Ms. NORTON. Could we ask the President of the Union Station Development Corporation to come forward, David Ball; the Assistant General Manager of Jones Lang LaSalle, Incorporated, Bryant Chambers; and the Counsel for the acquisition company, Ashkenazy Acquisition Corporation, Daniel Levy.

Why don't you begin, Mr. Ball?

TESTIMONY OF DAVID BALL, PRESIDENT, UNION STATION REDEVELOPMENT CORPORATION; BRYANT CHAMBERS, ASSISTANT GENERAL MANAGER, JONES LANG LaSALLE, INC.; AND DANIEL LEVY, COUNSEL FROM KRISS AND FEUERSTEIN L.L.P., ASHKENAZY ACQUISITION CORPORATION

Mr. BALL. Good morning, Chairwoman Norton, Ranking Members and Members of the Subcommittee. I am David Ball, President of Union Station Redevelopment Corporation, or USRC. I am very pleased to be here this morning on behalf of USRC to testify about management at Union Station, its intermodal uses, and other important matters concerning the care and custody of Washington's Union Station that has been entrusted with USRC. I also would thank Ms. McCann for her testimony this morning.

USRC is a small office and we serve as the trustees for this public building that is privately held.

First and foremost, Union Station is a train station and a retail success for Washington, D.C. It is Washington's intermodal transportation facility serving MARC, VRE, Amtrak, WMATA buses and Metrorail. On an average day, there are over 1,200 taxi pickups and most likely an equal number of taxi discharges at the station. About 12,000 tour buses a year park in the garage and over 32 million people a year go in and out of this station.

In 2005, USRC obtained a $38 million construction bank loan to expand the capacity of the parking garage. In expanding the garage, we are also created a separate area for rental cars that allowed USRC to create the bus decks for buses only.

USRC is required to accommodate several parking market segments in the garage due to existing contractual relationships. Part of what we need to do is make available 600 conveniently located spaces for the retail use to provide a parking validation program. We allowed the developer 75 spaces for rental car parking and established a fee structure that discourages long-term parking and encourages prompt turnaround. These policies coexist with the requirement to make parking available to Amtrak travelers. As to the parking garage that has a capacity of about 600 cars, it normally reaches capacity by 7:30 in the morning with Amtrak travelers.

Not unlike our station retail parking, whom we will hear from later today at USI, who is attempting to create the right mix of retail venues with their exciting redevelopment plans for the station, USRC must work to identify the users of the bus deck that will allow the station to maximize its intermodal transportation possibilities.

On the bus deck, we work to accommodate the local and out-of-state tour buses, the D.C. Circulator, FlexCars and WMATA. We are in the early discussions with Greyhound concerning their proposed tenancy at Union Station, the number of buses required, the passenger express services, any boarding-waiting area issues, along with security concerns at the station. Greyhound, USI, Amtrak and USRC all must reach an agreement on the use issues, as well as the economics of the deal.

We have had discussions with the team from the Capital District Center concerning parking Capitol Hill's tour buses at Union Sta-

tion to help facilities visitors to the Capitol building. We have also talked about running a shuttle bus from Union Station to the Hill.

At the city's request, we provide in and out services for tour buses that work with the city on a master plan for tour bus parking. We have had early discussions with Akridge on how best to maximize the use of the bus deck in their proposed Burnham development plans. The garage cannot accommodate everyone's needs, so we look forward to the results of the ITC study to help us charter the Union Station position as the city's intermodal transportation facility.

As noted in my written testimony, the success of Union Station is derived from the Union Station Redevelopment Act of 1981, which was signed into law by President Reagan. Former Chairman of the House and Transportation Infrastructure and former Secretary of Transportation Norm Mineta was the sponsor and champion of the bill in the House. Without his efforts, there would have been no redevelopment act and there would be no money to complete the parking garage and there would not be a redevelopment project. The Secretary of Transportation then, Elizabeth Hanford Dole, secured the needed funding from Amtrak and agreed to work with USRC to select a developer.

USRC is a nonprofit corporation and is governed by a board of directors that sets the policies for USRC. The current board consists of the Secretary of Transportation, the President of Amtrak, the Mayor of the City, the President of the Federal City Council, and the Federal Railroad Administrator.

We are proud of what this intermodal transportation center has done for Capitol Hill and the city as a whole. A short list of contributions to the city are we brought commercial and office development to the area, the restoration of the Union Station complex increased neighborhood real estate values, Union Station now accounts for over 5,000 permanent jobs. In 2004 Union Station generated $9.5 million worth of sales tax; in 2005, $9.9 million in sales tax; 2006, $10.6 million; and in 2007, about $10.7 million in sales tax for the city. Union Station is a revenue generator for the city.

In closing, I am compelled to let you all know about the proposed threat by the District of Columbia's Possessory Interest Tax to Washington's Union Station and its continued viability. In my written testimony, I provided information that I have given before the City Council on our concerns with the PIT.

I see my time is up. At this point Chairman Norton and Members of the Committee, I want to thank you again for the opportunity to speak before you today on behalf of Union Station. I would be pleased to answer any questions you may have.

Ms. NORTON. Thank you very much, Mr. Ball.

Mr. Chambers.

Mr. CHAMBERS. Good morning, Chairwoman Norton, Members of the Subcommittee. My name is Bryant Chambers. I am the Assistant General Manager for Jones Lang LaSalle at Union Station, and I would like to thank you for this opportunity to testify on behalf of them about the management of Union Station in particular.

Union Station is one the most successful public-private partnerships in the history of the United States. In 1985, the U.S. Government, acting through the Secretary of Transportation, leased the

property to Union Station Redevelopment Corporation, USRC, a nonprofit District of Columbia corporation formed to redevelop Union Station under a ground lease. In turn, USRC subleased Union Station to Union Station Invesco, LLC, known as USI.

In the United States, Jones Lang LaSalle Retail is the largest third party regional shopping center manager, with a 50 million square foot portfolio of more than 100 regional malls, strip centers, power centers, lifestyle centers, ground-up development projects, mixed use centers, and transportation terminals across 28 States.

Jones Lang LaSalle, the only real estate money management and service firm named in Forbes magazine's 400 best big companies for 3 consecutive years, has a portfolio of 1.2 billion square feet of property under management worldwide, including more than 10,000 retail locations on four continents.

In 1986, Jones Lang LaSalle was awarded the development management of Union Station. As a result, over 120 stores, restaurants and a cinema were constructed, providing over 213,000 square feet of retail space to Union Station.

Today at Union Station, and since the grand opening in 1988, Jones Lang LaSalle has managed the asset for our clients. In 2007, the leasehold interest was purchased by Union Station Invesco, LLC, who retained Jones Lang LaSalle's management services. Our role as a management firm includes client accounting, financial services, skilled management and marketing services.

In general, we oversee all contractor services at Union Station. That includes security, cleaning and repairs, and maintenance. Public events at Union Station are coordinated through our office as well. We establish annual capital plans for building improvements and repairs throughout the Station and execute these plans when approved by ownership, USI and USRC. In addition, tenant coordination for build-outs and remodels is the responsibility of our management team.

Union Station is the national headquarters for Amtrak, as earlier stated, and Amtrak leases 106,200 square feet of office space and 63,800 square feet of operation space for waiting rooms and customer services and ticket services.

Also, Union Station is the hub for the MARC train, which is the Maryland Rail Commuter Train, and the VRE, the Virginia Railway Express, and the most heavily traveled stop on the Metro system.

There are now over 130 merchants in Union Station. The property enjoys high sales performance and is one of the most visited sites in Washington, D.C. Over 32 million visitors pass through Union Station annually. Union Station serves as the venue for special events, including inaugural balls, art exhibits, concerts and other events that draw patrons to the Station.

In 2007, Union Station restaurant operators and merchants contributed approximately $10,631,100 in sales tax to the District of Columbia. USI, through management agreements and contracts for cleaning and security services, employs approximately 124 employees.

Union Station ownership has cooperated with the city on transportation and logistics, and city Metro buses will drop off and pick up passengers in front of Union Station when the Columbus Plaza

is complete. Also, a bicycle center will be located at the Station and the city will pay no rent for the premises due to the service it provides the citizens and patrons.

We actively participate as members of the Capitol Hill Business Improvement District, and the General Manager serves on the Board of Directors as an executive committee member.

Union Station is an active member in the Capitol Hill Merchants Association, and Union Station is a member of the Guild of Professional Tour Guides of Washington, DC.

We participate in the annual ″ask me about Washington″ function in conjunction with the D.C. Chamber of Commerce. We assist the Mayor's office, working with the D.C. Film Commission, to increase awareness of Washington, D.C. and Union Station through films such as ″Along Came a Spider″ and ″Wedding Crashers.″

Union Station is an active member of the Washington Convention and Tourism Corporation, recently rebranded Destination D.C., to ensure that millions of regional, domestic and international tourists know about the cultural diversity and wealth of shopping and dining opportunities the city affords them.

At this time, I am available for any questions that you may have.

Ms. NORTON. Thank you very much, Mr. Chambers.

Mr. Levy.

Mr. LEVY. Chairwoman Norton and the Members of the Subcommittee, I thank you for the opportunity to speak before you today on behalf of Union Station Invesco, LLC, relating to the team behind Union Station Invesco, the operation and management of Union Station, its plans for the future of Union Station, and assessment of District of Columbia's Possessory Interest Tax on Union Station and its likely effects.

Union Station Invesco, LLC, an entity of Ben Ashkenazy, was the recent purchaser of the leasehold interest in Union Station. With over 20 years of experience in real estate and as chairman and CEO of Ashkenazy Acquisition Corp, he leads the company's vision, and under his stewardship the firm has developed into one of the leading real estate investors and operators in the United States.

Headquartered in New York City, Ashkenazy Acquisition Corporation is a private real estate investment firm focusing on retail and office assets. With more than 70 properties, AAC has superior performance history in purchasing and managing premier assets. AAC has acquired over 13 million square feet of retail, office and residential properties located throughout the United States and Canada, some of which have been included in my written testimony.

Bryant spoke to the specifics of the ownership structure, so, very generally, on January 25, 2007, Union Station Invesco acquired the leasehold interest from Union Station Venture II, LLC. Prior to the date of closing, AAC was selected as purchaser by USV and was approved by the USRC to acquire the leasehold interests.

USI leases and operates certain parts of Union Station, and in turn has multiple retail sub-subleases with individual owners of over 120 stores and restaurants occupying Union Station, as well as a sub-sublease with Amtrak for offices and railroad operations.

Jones Lang LaSalle is currently engaged by USI to serve as development manager and property agent. Jones Lang LaSalle has been involved with Union Station for the past 20 years and has been largely responsible for the revitalization of Union Station.

Union Station is not only a historical landmark but an architectural gem. One of USI's goals is to enhance the functionality of the station while keeping the original concept of a major intermodal transportation hub. The project will reorganize pedestrian traffic flows to make the station more navigable and ease congestion. Directional signage and information screens will be added throughout the station.

Attached is Exhibit A to my written testimony and, as I will address, are some of initiatives USI intends to undertake.

With the proposed addition of Greyhound Lines, Inc. Union Station will further diversify the transportation option to its visitors. Greyhound cuing would be accessed by a new mezzanine deck directly connected to the parking garage along with rental cars and other travel services. All Greyhound amenities would be on the same level. The train concourse will be structured to intuitively streamline the congestion around waiting areas, cue areas and walkways.

In conjunction with the District of Columbia Department of Transportation, a new bicycle transit center will be installed at the west end of the property. The new bicycle center is being built to provide convenience and access to commuters and visitors alike wishing to travel within the city by bicycle.

USI and its architects continually work with the USRC, Amtrak and Akridge to improve Union Station and for the addition of Burnham Place, which will be developed utilizing the air rights located over the train tracks at Union Station.

Additional improvements being undertaken in conjunction with Amtrak and the USRC are the installation of security bollards around the perimeter of the premises.

Finally USRC is in agreement with the National Park Service, District of Columbia, and USRC for the enhancements to be made to Columbus Plaza adjacent to Union Station. At part of the overall improvement project, city metro buses will have a convenient location front and center for passengers boarding and drop-off.

As David briefly mentioned in his written testimony, I also feel compelled to briefly discuss and call to your attention the possessory interest tax. The District of Columbia's possessory interest tax legislation is the largest threat to the future success of Union Station and has the potential to unwind two decades of revitalization. The success of Union Station as an intermodal transportation facility is based on a careful and strategic balance of budgeting for ever-growing costs of maintaining, securing and operating the century old national landmark, preserving the crucial tenant mix at Union Station and the cost to improve Union Station as an intermodal transportation facility. USI has been working with the District of Columbia City Council and has appealed to the Board of Real Property Assessment and Appeals to save Union Station from the inevitable downward spiral it may experience as a result of the PIT assessment.

However, fearing the worse and without some kind of relief it is unlikely that USI will be able to pay that amount together with all of the other increased operating costs, security costs and improvements that are required to maintain and improve Union Station as an intermodal transportation facility.

Chairwoman Norton and the Members of the Subcommittee, I thank you again for the opportunity to speak before you and would be happy to answer any questions you may have.

Ms. NORTON. While it is fresh in your mind, let me ask each of you to respond to the testimony of Ms. McCann.

What is your reaction to her testimony?

Mr. Ball.

Mr. BALL. I guess basically I am just embarrassed that we don't have a standard policy that people in general understand how to go through the process. I don't think it is a hard policy to identify. I do know, over the years, we have gone back and forth in terms of what is required for a person to take pictures. After 9/11, we have gone through different reiterations of how security should be done while people are taking pictures. It seems like a very simple matter. I talked to Joan Malkowski. She believes that she has given out the right answer.

Ms. NORTON. I am sorry, who?

Mr. BALL. Joan Malkowski, the vice president of Jones Lang LaSalle, the general manager whom Ms. McCann spoke about in her statement.

Ms. NORTON. So if you get to the right official, you might be okay.

Mr. BALL. Yeah, you might be okay.

As in any building, like I said, there is over 5,000 people that work in the station in the course of a business day, and you may get many different answers on any issue at a given time.

But that is not an excuse. If there are signs up there that are old or whatever, those signs need to be replaced. And I think, I have talked to Bryant, I don't think that it is a hard policy to sort of figure out exactly what is required. I don't set that policy, but I am very certain that, between Bryant and Daniel, they can probably get a clear answer, and each may go to a Web page and find out what information you need. At that point, I will leave it to these gentlemen.

Ms. NORTON. Well, first of all, Mr. Levy, you are counsel, is that right?

Mr. LEVY. That is correct.

Ms. NORTON. Has this matter ever been, the matter of photography, ever been formally presented to you, and what is your legal opinion, sir?

Mr. LEVY. It has never been formally presented to me as an issue.

Ms. NORTON. So what are you there for?

Mr. LEVY. Excuse me?

Ms. NORTON. What are you there for? You are the counsel.

Mr. LEVY. Why am I here?

Ms. NORTON. You are listed as counsel.

Mr. LEVY. That is correct.

Ms. NORTON. If not to you, then to whom?

Are you a lawyer, Mr. Ball.

Mr. BALL. No, Ms. Norton I am not.

Ms. NORTON. Are you a lawyer Mr. Chambers?

Mr. CHAMBERS. No, Chairwoman.

Ms. NORTON. Mr. Levy.

Mr. LEVY. If you are asking for my legal opinion, I can give you my legal opinion. My legal opinion is that, yes, the building is owned by the Federal Government. However, they conveyed a leasehold interest to Union Station and in turn—to the USRC, and in turn the USRC conveyed a leasehold interest to us.

Ms. NORTON. So your testimony is that because we leased the building—you may want to finish that sentence. Because the Federal Government leased, who owns the building, leased it to a private party, fill in the blank, sir.

Mr. LEVY. I am not entirely sure what you are asking me.

Ms. NORTON. Well, you know——

Mr. LEVY. Are you asking me whether it is a public or private building?

Ms. NORTON. Well, Mr. Levy, you are the counsel. You say you have never been consulted on this policy. Don't you see why there is confusion here?

Mr. LEVY. I mean, I would just like to call your attention to the fact that we recently acquired the leasehold interest in Union Station.

Ms. NORTON. When did you acquire the leasehold?

Mr. LEVY. In January of last year.

Ms. NORTON. How long have you been counsel?

Mr. LEVY. Since about that time.

Ms. NORTON. Did you hear Ms. McCann speak of very recent contradictory guidance and incidents brought to the attention of management? Is that enough time for you to have moved forward with a policy?

Mr. LEVY. It is certainly a problem that needs to be addressed.

Ms. NORTON. Mr. Chambers.

Mr. CHAMBERS. I would actually like to address several of the comments that were made in the testimony.

As someone more on the ground, I think I have a little bit more comprehensive information that may make this—we—actually, I was aware of the e-mails that were being sent back and forth by Mrs. McCann. And she is correct in stating that there was confusion. And I also speak on behalf of IPC Security that we hired to provide the security for the building. She is right in stating that there was confusion and that there were standards that were improperly, if not inconsistently, enforced throughout the building.

I have actually taken proactive steps to combat those issues in the station. Number one, I would like to state that I was not aware of her most recent issues that she has had with the Amtrak security. I am not able to speak on behalf of Amtrak security, but for the purpose of this meeting, that will be followed up. We actually sit, Mr. Ball and I sit on a committee with all the stakeholders in the building.

Ms. NORTON. And of course, Amtrak is on the same board——

Mr. CHAMBERS. Yes, that is correct.

Ms. NORTON. —with everybody else?

Mr. CHAMBERS. So I will personally follow up the issue with them.

Ms. NORTON. I am not trying to——

Mr. CHAMBERS. Now, in——

Ms. NORTON. Go ahead.

Mr. CHAMBERS. In reference to the standard being unclear, I have actually redrafted the standard, which is why I am probably a little bit more qualified to address that to make it more clear, to make it understood, that photography is most certainly welcome inside the building.

Ms. NORTON. Mr. Chambers, you indicated you were not a lawyer?

Mr. CHAMBERS. That is correct.

Ms. NORTON. Mr. Levy is a lawyer. I am not sure Mr. Levy would feel competent to draft a policy. And I say this only because this is a public-private facility. I don't know if you are aware of the NLRB cases, but the case law is replete with mall cases, for example, where First Amendment rights were upheld in what looks to be entirely private space, sir, unions being allowed to picket and the First Amendment being cited as well as the National Labor Relations Act. So the reason I bring this to your attention—in fact, let me say what I appreciate. See, what I didn't appreciate was reiteration of the policy that, well, we let cameras in here, what is wrong with these fools, when in fact we continue to get reports. That is what I didn't appreciate.

All I ask those who come before us to do is to indicate that they will in fact respond accordingly. That is really—I am not asking you to go through the process here now. So I am going to ask the three of you together to get at least the outline of—this is a difficult issue, but not nearly as difficult as you think—get the outlines of the policy for photography in Union Station where it will be posted. I am going ask you to give that to outside counsel, meaning somebody who has perhaps practiced before the Supreme Court or before the Federal Courts and is familiar with the unbroken line of cases about; one, public access, and two, First Amendment rights.

This is quite a special field that, Mr. Levy, I don't expect you to be an expert in every field of law, but I do expect that any legal opinion will exercise a presumption in favor of public access, which includes photographers. I am not even going to get into commercial versus noncommercial types of cameras because that is so pathetic that I don't think it deserves elaboration. There are narrow instances, the operative word is narrow, in which you can forbid property in a space leased by the United States Government. And if you don't believe me, sue me. But we are not going to sit here and have complaints come back and forth about this. And I ask you to, 30 days, get us the outlines of a policy; within 60 days, get us a policy. We want to know where the policy will be posted, and let me move on, because photography was not meant to be the centerpiece of this at all. It is just the piece that most indicates that there may be problems at Union Station and that oversight is necessary.

Mr. Ball, who is on the board of the corporation, the managing corporation?

Mr. BALL. For USRC, it is the U.S. Secretary of Transportation, Ms. Peters; President of Amtrak, Mr. Kummant is on board; Mayor of the City; President of Federal City Council represented by Edmond Cronin, who is President of the Washington Real Estate Investment Trust; and the Federal Railroad Administrator. We have a five-board member panel—five-board panel.

Ms. NORTON. What was the last one?

Mr. BALL. Administrator of the Federal Railroad Administration.

Ms. NORTON. Mr. Ball, you have just given the names of—was it five people?

Mr. BALL. Yes.

Ms. NORTON. Four of whom are public officials.

Mr. Levy, I ask you to keep that in mind when you cite the leasehold. The board is governed almost exclusively by public officials in this legislation long before I got here reinforcing congressional intent about this facility. We are very appreciative of the public-private nature of this facility. But, of course, I think most of us would have difficulties with this notice at Union Station that Channel 5 delivered to us: Union Station is private property. The following depicts the rules of conduct for Union Station.

Who is responsible for drafting this document, Mr. Levy?

Mr. LEVY. I think it preceded our purchase of Union Station.

Ms. NORTON. Have you—when you take over a business, you don't look at all their documents, particularly when the business is governed by Federal law, to see if you are in compliance?

Mr. LEVY. We do, however this isn't your typical shopping mall.

Ms. NORTON. This is what?

Mr. LEVY. This is not your typical shopping mall or commercial property where you have——

Ms. NORTON. All the more reason for you to look closely at your obligation.

Mr. LEVY. I agree.

Ms. NORTON. You just heard me list four out of the five members being public officials. Why do you think Congress did that?

Mr. Levy, the notion that this isn't an ordinary shopping mall, I also commend you to the ordinary shopping malls in which the courts, including the Supreme Courts, have said, you have got to let people picket in there and exercise their First Amendment rights in there. So you needn't cite this public-private partnership when the law has even allowed, in many circumstances, not all, but many circumstances, the exercise of First Amendment rights in private mall spaces. That is why I say you need outside counsel on this important issue.

Mr.—all three of you, perhaps. I don't know who can best answer this question. What is the long-term plan for Union Station? We understand that you are changing the mix of retail there, that there is, if anything, a wholesale makeover going on. The Committee is interested in the details of the makeover.

Mr. BALL. Ms. Norton, I will start out.

Union Station has probably had the same type of retail in it since it has opened up for the last 20 years. It is a customary practice in the shopping center business that every couple years, 15, 20 years, you sort of do a look at your inventory, look at the type of retail you have.

Ms. NORTON. I will just say, you are absolutely right that the——

Mr. BALL. And make it competitive——

Ms. NORTON. You are absolutely right that—and we welcome anything you might do.

Mr. BALL. So if you take a look at what has happened on 7th Street, even up in Chevy Chase, it is time for a remix to make a different set of—to revitalize the station a little bit, so——

Ms. NORTON. We don't object. You understand the basis for my question. I am asking you for details, far from saying there should not be changes. I am saying we are unaware of the changes, and therefore I am asking you for details concerning the change.

Mr. BALL. Okay. Then I will probably need to let him speak because I can only paint a broad picture. I can talk about Union Station as a whole, in general. I can talk about the things we are trying to do in terms of the parking garage. The leasing responsibility goes over to USI. Our responsibility at USRC is to look at their plans and get them to through the Commissioner of Fine Arts. But if you want a detailed response, then I will have to leave that to the developer.

Ms. NORTON. Mr. Chambers.

Mr. CHAMBERS. Yes, ma'am.

Ms. NORTON. Have you any response to the details of the makeover?

Mr. CHAMBERS. We actually, as a management company, do not handle the leasing. I would have to defer to Mr. Levy.

Ms. NORTON. All right. Let us pass the buck down to Mr. Levy.

Mr. LEVY. Are you asking with respect to tenants or with respect to all types of improvements?

Ms. NORTON. Sir, I can only ask you a general question, because I have no idea what kind of makeover is intended, nor am I objecting to it. Mr. Ball was exactly right. I am a Washingtonian. They can't make over 7th Street fast enough for me. So that is not my issue. In fact, I have no issue. I seek information.

Mr. LEVY. Although unfinalized, the idea is to create a state-of-the-art intermodal transportation facility. One of those ideas—and if you look at—I don't know if you have my written testimony before you, but the back pamphlet, Exhibit A, will delineate some of those ideas. The main grasp of the improvements are to improve our congestion problem in Union Station, make the station more navigable. And if you would like to turn to it, if you have it, I am happy to go through some of them, or if you have any specific questions, I can fill them in.

Ms. NORTON. If you would summarize because those are interesting. And we are very pleased to have these pictures for the record. But some of these pictures go to things that can only be done when Akridge & Company get in there. And you are undertaking a makeover now, aren't you?

Mr. BALL. Well, Ms.——

Ms. NORTON. Are you about to change in some ways the existing facility? That is what I am talking about. I am not talking about the facility somewhere down the line.

Mr. BALL. I am not certain what you may have in your hand now, but I do know what I have seen so far of the plans shows

some grand space in the station, the possibility of working with Amtrak because Amtrak has the area——

Ms. NORTON. So the new glass store fronts, for example, added to the back mezzanines.

Mr. BALL. Right, those mezzanines, yes, those are some of the things that they talk about.

Ms. NORTON. Will that bring more retail, more stores?

Mr. BALL. It actually will help circulation more. So it is not so much about getting more square footage. It is about having people move from one part of the building to the other.

Ms. NORTON. You can do that before——

Mr. BALL. Well, Akridge is a separate issue. And their work is what their work is. We can still move in the station independently of their work, but we have talked to them because there will be some places where there can be an opportunity to have a joint connection between the two.

Ms. NORTON. Well, you have at the bottom Mr. Ashkenazy—I mean, the Ashkenazy Corporation. Please forgive me, I think I have called the corporation several different kinds of things. It says lower level looking up to street level, new retail spaces replace existing movie theater.

Mr. BALL. Right. Well, movie theaters are basically losing money. They don't work in Union Station.

Ms. NORTON. For themselves, or for——

Mr. BALL. Well, for the station in general. They don't pull the same type of crowd, because they don't pull the same type of crowd; you have the same number of people shopping the stores.

Ms. NORTON. So, in other words, we are not going to go to the movies at Union Station anymore. That I have no Federal jurisdiction over.

Mr. BALL. I am a native Washingtonian, and I don't go there often either to the movies.

Ms. NORTON. Well, I do go because I live on Capitol Hill. So you don't intend to have other—you are going to have other retail there?

Mr. BALL. I think for the developer, they are actually trying to figure out what is the best mix, what actually works at Union Station. How do you bring people back to Union Station?

Ms. NORTON. Do you have a consultant doing that sir?

Mr. BALL. I don't have the consultant. That is the USI folks that have the retail responsibility.

Ms. NORTON. Who?

Mr. BALL. Ashkenazy.

Ms. NORTON. Mr. Levy, who is doing this work?

Mr. LEVY. What is that?

Ms. NORTON. Obviously, you are doing some kind of market survey?

Mr. LEVY. That is right. And we do that in-house. That is what our business is, to evaluate——

Ms. NORTON. So what have you determined thus far?

Mr. LEVY. Well, thus far, what David spoke about, the feeders are underutilized and——

Ms. NORTON. So what kind of retail do you think, for example, in the basement might increase the utilization?

Mr. LEVY. I don't think the idea is to replace the tenant. I think, obviously, working with the Commission of Fine Arts it is to create a walkway that would allow more light in to our food court and maybe upgrade the food court and make it more inviting than it is right now.

Ms. NORTON. So you do anticipate food courts, food down where you have food now?

Mr. LEVY. Yeah. We do anticipate—yes, we do anticipate having that food court. The only change there would perhaps be creating a walkway downstairs under the center cafe.

Ms. NORTON. But the movie theaters wouldn't be there, so what would replace the movie theaters?

Mr. LEVY. Stairways, a walkway downstairs.

Ms. NORTON. Oh, goodness. So you are willing to give up whatever attraction they have and to simply replace it with infrastructure?

Mr. LEVY. Because the plus side after creating that kind of traffic may encourage our retailers and our food courts.

Ms. NORTON. Well, it is your business, so you must know what you are doing. But are you going to have the same food courts down there?

Mr. LEVY. Perhaps.

Ms. NORTON. I am going to go to the Ranking Member.

Mr. MICA. Thank you.

I have a few questions, and then you may have additional questions you seek answers for.

Let me just get in time and space on the redevelopment project. Everything is in place to move forward with the additional development, the 3 million square feet, is that correct? Would Mr. Levy or Mr. Ball?

Mr. BALL. That is a completely different project. What I believe you are referring to is the Akridge project——

Mr. MICA. Where is that?

Mr. BALL. That is over top the air rights. That is between the Union Station parking garage and the FCC building.

Mr. MICA. Is everything in place for that?

Mr. BALL. I can't answer that question. That is Mr. Levy.

Mr. MICA. You are not involved. You are just involved in the current management?

Mr. LEVY. Correct.

Mr. BALL. And these are actually physically separated parts that the developers have to work together to determine how best to connect in certain areas, how best to get the right synergy between the two projects. They are separate entities, but we do communicate with the development partners.

Mr. MICA. It is going to be part and parcel though to the existing station?

Mr. BALL. It will be connected because we have negotiated access between the two properties, so they will——

Mr. MICA. Is that the property that would have the Greyhound facility?

Mr. BALL. Currently Greyhound has had discussions with USRC as well as USI. Greyhound would like their presence to be inside of Union Station. The Ashkenazy Group has taken a look and has

identified the possibility of creating a mezzanine space in what is Amtrak's current waiting area, a mezzanine space above the Amtrak's waiting area to house a Greyhound ticket counter there.

Mr. MICA. So it is not in then this new 3 million square foot addition, or is it? Would it be? We don't know?

Mr. BALL. That is the best answer, yeah. We have identified the possibility of it being within Union Station. Again, you know, they can park buses in the Union Station parking garage. They could possibly have a ticket counter within the station.

Mr. MICA. I couldn't imagine a 3 million square foot addition to not be interconnected to the current Amtrak facility. But you are saying there will be that connection, right?

Mr. BALL. They are separate entities, correct, yeah.

Mr. MICA. I know that, but the question——

Mr. BALL. It is almost like if you are a city block and you have two office buildings side by side. They may have a connected atrium; they may not. At this point, I think the plans, some are still fluid. And both developers, the Akridge developer as well as the Ashkenazy developer, have talked.

Mr. MICA. Again, it will enhance the Amtrak project to be interconnected with the new project. Wouldn't it be a benefit to both?

Mr. BALL. I am not a developer. Yes, it could be.

Mr. MICA. Pardon?

Mr. BALL. Yes, it could be.

Well, some deals with, in terms of when you take a look at the property, some of the elevations don't line up. There are different elevations in terms of where access points are, physical impediments inside. So those are some engineering details that really need to be taken a look at. In concept, everything seems to be very good.

Mr. MICA. Well, again, to me, it would—the air space is being—who is granting the air space lease? Is that you all or the Federal Government or who, Amtrak?

Mr. BALL. Federal Government, if I understand your question right. Akridge has purchased air rights from the Federal Government.

Mr. MICA. I can't imagine anyone allowing a development of that not to be accessible to your existing——

Mr. BALL. There is a connection between the Akridge air space and the Union Station project.

Mr. MICA. Well, again, to me, in our interest, I mean—and we are giving—if the Federal Government has title to this property, why you wouldn't have a new 3 million square foot complex interconnected or inter accessible that would make it accessible to both, I just can't imagine that. But I guess every day you get surprised around here.

The improvements that you are talking about at Union Station, first of all, okay, you are operating the station, right, Mr. Levy?

Mr. LEVY. Well, yes, we are managing and operating, along with JLL.

Mr. MICA. Okay. And the corporation stills owns it, and they are the people that are actually doing the administration of the leases, et cetera, deciding future uses?

Mr. LEVY. Yes.

Mr. MICA. The current Union Station development corporation, are they showing a profit or annual—what is their bottom line at the end of the last few years?

Mr. BALL. USRC is a nonprofit corporation.

Mr. MICA. I know, but you either make money or you lose money.

Mr. BALL. No, we make money by the lease structure.

Mr. MICA. You do?

Mr. BALL. Yes, we do.

Mr. MICA. Is that the money you are pouring back into these improvements that have been described, that the Chair showed for new ticket counters, for the bike racks, for the food courts, are you pouring that money back in?

Mr. BALL. No, we are not. I mean, the way the lease is structured——

Mr. MICA. They do it.

Mr. BALL. Yes, they do it. We have some capital responsibilities as USRC. We have the responsibility to make certain that the historical integrity of the building is maintained.

Mr. MICA. So you are doing the bike stuff and all of that?

Mr. BALL. The bike stuff is being done by the District of Columbia Government with some financial support by USRC.

Mr. MICA. I am a has-been developer, but I looked at your bike racks there, and it looks like a nice—I can't tell whether that is glass or some sort of awning cover.

Mr. LEVY. It is glass enclosed.

Mr. MICA. Yeah, that will look like crap in a little while. I would go back and—you have a historic building, and if you build a bike rack, build something that goes with the building that doesn't look like it is going to look like a dust bin. Forget—well, just again, I think you could do something a little bit more conducive to the space.

The food courts, has anybody here eaten down in the food courts lately? Okay. Let me tell you my last experience. I went down to the food court. I was going to catch like a train. I got there. I got there real early, so I go down to have some lunch in the food court rather than eat off—I would say I got panhandled at least four times downstairs. The food is pretty good. It was——

Ms. NORTON. They were too busy with photographers.

Mr. MICA. Now, if they would stop harassing the photographers and get a little bit of order. I mean, I even offered to buy the people lunch. They didn't want it. They just want the cash because they are going to go buy drugs or whatever. But you guys run the place. Stop the panhandlers down where people are trying to—what?

Mr. BALL. I mean, that is a very serious point.

Mr. MICA. I am telling you, I am a Member of Congress sitting there. They panhandled the living hell out of me. I haven't been back since because it was an unpleasant experience.

Mr. BALL. We work on that. That is even tougher than the——

Mr. MICA. What?

Mr. BALL. That is an even tougher issue than the photographers.

Ms. NORTON. Why is it tougher? I am sorry, were you——

Mr. MICA. No, I yield.

Mr. BALL. No, just in terms of they, the panhandlers, are also citizens, you know. And you know, it is a delicate issue just to work

with them in terms of, you know, you just can't kick them out. That is not allowed.

Ms. NORTON. Well, wait a minute. You can kick photographers out, but you can't kick the panhandlers out.

Mr. BALL. I follow you. I will stop.

Ms. NORTON. I will go back to the Ranking Member in a second, but I have to make the distinction.

Mr. Levy is very quick to cite to me the private facility notion. But when it comes to panhandlers on this, quote, private facility, then of course you have problems kicking them out, and I must say, with some risk to your own bottom line since you don't get Mr. Mica going again. But the distinction is this. In the streets of D.C., we cannot stop people from panhandling. That is entirely public. I just want to know if your answer to the Ranking Member is that you don't have the legal authority to do so or you haven't figured out how to do it; which?

Mr. LEVY. You know—go ahead.

Mr. CHAMBERS. As far as, just to take you through the procedure, because this is an ongoing issue that we have inside the station, where our security will address—you know, we do prohibit panhandling, as you called it, solicitation, inside the building. The challenge that we face is our security firm does not have arresting powers. Not that you can necessarily arrest somebody for doing such. But we reprimand an individual for soliciting; tell them to stop.

Mr. MICA. I have got a suggestion for you.

Now, anyone who has been on Capitol Hill, if you go over here to, is it First and C, in front of the Capitol Hill Club where you come up out of the metro station. Do you know where that intersection is?

Mr. CHAMBERS. Correct.

Mr. MICA. There is an officer there. His name is Officer Thompson. And anybody who is familiar with Capitol Hill, you don't jaywalk at that corner. You don't get out of order in any way because Officer—you do not even cross when the light doesn't have the little people sign on it because Officer Thompson enforces the law very strictly. I heard he is going to retire the end of this year. You ought to sure as hell interview him about going over to Union Station and enforcing some of the rules for folks that are trying to have a—would you take your family there?

Mr. CHAMBERS. I have.

Mr. MICA. I won't even go back because of the harassment I experienced. You are talking about shedding a little light on Union Station. I am talking about just getting some order. In fact, maybe you could have a bus service bring them over and take them down to the cafeteria here in the Hart Building and let them panhandle among the Members of Congress and the staff that eat in the Rayburn cafeteria. I have got a whole host of suggestions.

But again, you know, I am busting your chops a bit. But I really would like to see the place succeed. It has succeeded well. The same thing I guess probably happened with the movie theaters. I would never go to a movie theater because of the harassment there.

Mr. CHAMBERS. That is more along the lines of just other opportunities to go in the city in better theaters, quite frankly.

Mr. MICA. Maybe it is difficult because it is down in the——

Mr. CHAMBERS. Yeah, I mean, if you go to any theater nowadays with the stadium city, it is not something that is doable within our premises.

Mr. MICA. Well, the other thing, I can't express enough encouragement for, again, co-locating all transit, including the private carriers, in any reconfiguration, whether it is a new extended facility that is connected adjacently or the existing facility if there is a rehab. So just a couple of points and a little bit of harassment. I will yield back.

Ms. NORTON. Thank you very much for that real-life example. I haven't had quite that experience.

Mr. MICA. Could I invite you to lunch over there some time? I am serious. I will take you down there. We will do it. We won't tell them when we are coming. And then I will get that photographer, wherever she is. She can come and take a picture of us and then our friends that we acquired to panhandle.

Thank you.

Ms. NORTON. Well, we are having a little fun at your expense. But we sit here also to assist you and to help you in any way you want to.

I must say, Mr. Chambers, when I heard you say you had no arrest power, that is right, because security guards don't have arrest power, I couldn't help but think about photographers who were threatened with arrest by your security guards. I couldn't help but think of that example——

Mr. CHAMBERS. Yes, ma'am.

Ms. NORTON. As you gave us for the excuse of not getting panhandlers out.

Let me be clear, we were not suggesting that people who are hungry be arrested. That was not what we had in mind. Normally, this kind of problem, because you say it has been a chronic problem——

Mr. CHAMBERS. For the Hill in general.

Ms. NORTON. —would cause a corporation to do would be to get some advice from people who know something about homeless people about how to proceed.

Mr. CHAMBERS. We do.

Ms. NORTON. So you have a chronic problem. Who does your advice come from, sir?

Mr. CHAMBERS. We actually have from the Capitol Hill bid. They actually have a homeless ambassador who deals specifically with these folks. And they advise us, and they also advise the members that are homeless where they can find shelter.

Ms. NORTON. You need somebody who has—these people feed people.

Mr. CHAMBERS. Correct.

Ms. NORTON. And we love it that they feed people.

That is not the kind of advice you need. You need advice about how to in fact get panhandlers off the property short of arrest. I recognize about the limits of arrest, and I wish you wouldn't cite or tell your security guards that they don't have arrest power. You bother me with your security guards, because somebody is going to sue this corporation, Mr. Levy, for the way in which these security

guards are performing. Who is in charge of training security guards at Union Station?

Mr. CHAMBERS. It is actually the training is handled internally by the company that we hire. They actually have a training program that they go through. It is required by their corporation, IPC.

Ms. NORTON. Well, have you had enough evidence here today that your security guards are poorly trained?

Mr. LEVY. I think it merits a discussion with IPC, and we are going to have a discussion with them.

Ms. NORTON. Well, I am going to ask you to submit within 30 days a plan for retraining each and every security guard now at Union Station and for indicating what the training program will be for new security guards. I suggest you get an outside consultant who knows something about how to train security guards. We don't want—after this hearing, we expect these problems to go away. Let me ask—let me ask this question. I was asking about the makeover, and understanding that, just as we applauded the arrival of businesses, you would want to look again, but it looks like basically you are doing changes in infrastructure.

Are you planning to change any of the tenants who are there, particularly long-term tenants?

Mr. LEVY. No plans have been finalized. We are still in the midst of coming up with that final plan. I don't want to kind of divert attention, but we are dealing with the possessory interest tax right now, which can be determinative what our future plans are.

Ms. NORTON. What can be determinative?

Mr. LEVY. The possessory interest tax.

Ms. NORTON. What does that have to do with tenancy of people who have been there for some period of time?

Mr. LEVY. Because we have to have enough money to run the station.

Ms. NORTON. Well, you mean the people who have been there for some period of time won't pay what it takes as part of their leases? I don't understand that.

Mr. LEVY. Well, in determining——

Ms. NORTON. We are not getting into the business of the District of Columbia here, so you can put that aside. We don't overturn what the District of Columbia does. And I am asking you a question that has nothing to do with that. I am simply trying to find out what is your policy with respect to long-term tenants?

Mr. LEVY. And my answer is that it is still being finalized. We still haven't come up with a final plan as to the long-term leasing goals of Union Station.

Ms. NORTON. Mr. Levy, I have received a letter from a colleague that he sent on June 16th, writing on behalf of B. Smith's Restaurant. This is a well-known restaurant located in Union Station for some years. And other Members of the Congressional Black Caucus approached me with respect to B. Smith in particular. The concern was, you can lease to who you want to, we understand that, but the concern was that if you have a business and you see a makeover going on, the absence of notice with no opportunity to prepare for possible relocation would be not in the interest of anybody concerned. It would be very poor business practice. That is why I am asking you. And you told me you didn't expect big

changes in the basement. Do you expect big changes anywhere else in the restaurant? Because by not even responding to letters—you did not even respond. Mr. Ashkenazy did not even respond to a letter of June 16th from Congress Member Elijah Cummings, who has brought this matter to the attention of the 43-member Congressional Black Caucus. So it just escalated simply because there was no response. There was July 16th, what date is this, a letter from Alan Sills to B. Smith Restaurant. Letters were followed up with several telephone calls. Would you tell us whether those phone calls have helped this particular restaurant understand how it should proceed?

Mr. LEVY. I can tell you what our ordinary course of business is. We frequently receive requests—I believe that was a request for a renewal, is that correct, renewal of lease?

Ms. NORTON. I am not even aware. I suppose so.

Mr. LEVY. I don't have it in front of me, so I will just assume that that is what it is. And I know that our company——

Ms. NORTON. Extension of their lease currently ends in 2009.

Mr. LEVY. Right. May 31, 2009.

Ms. NORTON. For an additional term.

Mr. LEVY. And we frequently get those types of requests, and they are answered in the ordinary course of business.

Ms. NORTON. Well, this wasn't answered in the ordinary course of business.

Mr. LEVY. Well, we typically don't negotiate.

Ms. NORTON. This is 2008, and it is almost gone.

Mr. LEVY. I understand.

Ms. NORTON. This is a major restaurant. If it is going to have to move, don't you think they deserve some notice? How much notice do you think they should have?

Mr. LEVY. Well, I can tell you for certain that we will give them whatever notice they are entitled to under their lease, and whatever notice we can provide them outside of their lease. I know that it is not only our practice; That it is common real estate——

Ms. NORTON. Do the movie theaters have notice that they will no longer be in the building?

Mr. LEVY. Those plans are not finalized, ma'am.

Ms. NORTON. But you just told me about them.

Mr. LEVY. They are things that we are working on in order——

Ms. NORTON. Well, just a moment. We just heard that you do not intend to have movie theaters there. I am simply raising questions of fair notice to people who do business under your management. And frankly, it reflects on the Government of the United States if in fact people are not treated with normal business practice. That is why I am trying to find out, since I now know that the movie theaters won't be there, they don't even know it.

Mr. LEVY. What is that?

Ms. NORTON. You just said we weren't sure whether the movie theaters will be there, but we just heard testimony that——

Mr. LEVY. Because the plans haven't been finalized. We can't tell them that they are not going to be there. Perhaps we will renew their lease.

Ms. NORTON. Don't you think you ought to have a meeting with the tenants?

Mr. Ball, you all may be confused about who is responsible, but do know that this Committee is going to hold that public corporation responsible. Don't you think that you would want to meet with the tenants or instruct Mr. Levy and company to meet with the tenants in order to keep Members of Congress from having to intervene into your affairs as I am having to do with respect to a private matter that normally would not be any concern of mine?

Mr. BALL. Yes, Madam Chairman, we will work on that.

Ms. NORTON. Would you conduct a meeting of you, you, the corporation, a meeting of all the tenants, so that they can have some understanding of what is occurring, and would you have someone from the managing corporation there so at least people can have their questions answered so far as they can be?

Mr. BALL. I will be glad to take that challenge.

Ms. NORTON. You see there has been contradictory testimony here today about how we are going to open it up, and there won't be movie theaters, but yeah, we haven't really made that decision yet. That is very poor business practice. And so I am going to ask within 30 days there be a meeting of all the tenants where all of you all are there and indicate to them with the greatest clarity you can what your intentions are to the extent that you have not, which is the easy throw-away answer, decided, tell them when you expect to decide.

These people are in business just like you are, Mr. Levy.

Mr. Ball.

Mr. BALL. The answer to your question is yes.

Ms. NORTON. Are you aware, or surely you are aware, of the policy of the United States Government with respect to small business and disadvantaged businesses, minority businesses, women-owned businesses and the like?

Mr. BALL. Yes, we are, yes.

Ms. NORTON. How many such businesses are there in Union Station?

Mr. BALL. I think the last count, I think it is maybe 40 or 55 small, disadvantaged businesses. I don't have the exact count.

Ms. NORTON. Most of them would be small businesses by definition. How many are minority-owned or female-owned businesses?

Mr. BALL. I think the number rests between 40 and 50.

Ms. NORTON. Well, the number reported to us is less than half a dozen.

Mr. Levy, do you have better figures? Maybe it is 40 to 50; maybe it is half a dozen.

Mr. LEVY. As of the end of the fourth quarter of 2007, I believe there were approximately 54, so I don't know where——

Ms. NORTON. Fifty-four minority- and women-owned, or women-owned businesses?

Mr. LEVY. That is correct.

Ms. NORTON. Give me examples.

Mr. LEVY. I am going defer to—I am just not all that familiar with the actual tenants there, so I am going to defer to Bryant just to kind of confirm this from the end of the quarter.

Mr. CHAMBERS. Some of the tenants we have listed here; Aurea is minority-owned.

Ms. NORTON. So you are confirming 54?

Mr. CHAMBERS. Well, I am looking.

Ms. NORTON. You don't have to read the roll.

Mr. LEVY. I just don't have the updated report with me.

Ms. NORTON. Is that how you made sure you were in compliance with Federal law on this matter, you reached out and brought in those tenants?

Was Mr. Levy and Ashkenazy aware that that is the policy of the United States Government, Mr. Ball.

Mr. BALL. Yes, we have had discussions—I have had a discussion with them on that issue.

Ms. NORTON. In the makeover, Mr. Levy, are you aware that that policy will be—that that is the policy of the Federal Government?

Mr. LEVY. Absolutely.

Ms. NORTON. Would—now, with this troika here I want to make sure I assign the right person.

Mr. Levy I guess is the—I want to get——

Mr. BALL. Ms. Norton——

Ms. NORTON. —submitted within 30 days—Mr. Chambers, you are the director manager of the property?

Mr. CHAMBERS. Yes, Third party.

Ms. NORTON. Submit to me names of minority- and women-owned businesses in Union Station and whatever evidence you have that they are in fact minority- or women-owned. I just need to know that, because we have got this—we have got this conflicting—and it is a very good time to look at it, anyway, if there is going to be new things at Union Station.

Mr. CHAMBERS. Okay.

Ms. NORTON. Buses.

Mr. Ball, are you aware of the intermodal mandate of the United States Congress for Union Station?

Mr. BALL. No. I havesome knowledge of intermodal. I know we do. But what you spoke of about directly, I don't have direct knowledge of it.

Ms. NORTON. Well, that makes me want to cry. So you are not aware that Congress, ever since 1967 when NCPC, National Capital Planning Commission, recommended to Congress that Union Station be made an intermodal facility and we have been embarking on that ever since?

Mr. BALL. I mean, that is what we work to. If you ask me about a specific bill or something, I can't——

Ms. NORTON. I never ask about bills. I am asking, are you aware of the congressional mandate that Union Station become a true intermodal facility?

Mr. BALL. Yes.

Ms. NORTON. Are you aware that it is not that now or anything close to it?

Mr. BALL. I know——

Ms. NORTON. The fact that you put by dint of where the subway stops and where the bus stops a number of things in the same location, an intermodal center does not make. Let me proceed with a detail then.

Mr. Ball, I believe you gave a rather short shrift, at least in a letter to me, about a proposal of a quite reputable intercity bus company to sublease spaces that were available in Union Station.

Here is another matter that comes to the Congress, that Congress has delegated to you, sir, and to the public officials that sit with you. And these people were told that there was something—that their business practice of not going through the right process. There was no indication of what process they should have used in order to give the people of this region access to low-cost bus travel in Union Station and to take these buses off of our streets or at least keep them from discharging people on the streets of the Nation's Capital for want of a place to leave them notwithstanding the fact that the Congress of the United States for 40 years has mandated an intermodal facility at Union Station. Why was either a sublease or some other way for this bus company to be located at Union Station, why was it refused?

Mr. BALL. On that issue, Ms. Norton, the company never even approached USRC on that issue.

Ms. NORTON. When I am going to sublease, I approach the people who are holding the lease. And if they never approached you, why didn't you say, we would be pleased to deal with them because we know the Congress means bus service to be in this facility?

Mr. BALL. That probably would have been the best answer. At this point, we will look at our policy, and I will work with the District to see how we can accommodate these type of buses that you mention.

Ms. NORTON. I appreciate that.

Mr. Ball, within 30 days, I ask you to be in touch with those bus companies to indicate that you are considering the access possibilities of those bus companies. This is extremely troubling to this Member of Congress. In my opening statement, I said the people are almost hitching a ride on anything they can find because of the gas prices. The notion that we are sitting here with an intermodal mandate and you are telling somebody, you used the wrong procedure, who told you it was the wrong procedure to sublease from the person who holds the lease? Did you, in fact—where does it say that in the lease hub? Was it Greyhound?

Mr. BALL. No. Actually, I didn't know that Megabus was coming into Union Station until I saw them on a Web page, a Web site that said what the services were going to be, so we had no idea.

Ms. NORTON. So once you saw they were coming to drop people off because they had a valid sublease, you then decided that that lease could not be recognized because you hadn't approved it?

Mr. BALL. They never had contacted us. We had no lease. We had no business communication whatsoever, Ms. Norton, none. It is like——

Ms. NORTON. They had communication or were in the process of engaging in communication with the lease holder.

Mr. Chambers, are you aware that Megabus was turned away?

Mr. CHAMBERS. I am not.

Ms. NORTON. What is the policy? Does the policy remain what it was, that you can't sublease from someone who holds a valid lease to spots at Union Station? Is that the policy?

Mr. BALL. The garage lease is separate than the station lease. The garage lease, we have 100 percent jurisdiction over what happens in our garage. Us being USRC. In the station, they do the retail leasing within the station.

Ms. NORTON. All right. Now, to get past the jurisdictional, and I ask Mr. Chambers, and you all, don't play those games with me.

I am holding you, Mr. Ball, before the Congress of the United States responsible for every question I ask. You may want to delegate these people and make sure they do their job. But four out of five people from there are us, and therefore I want to know what the policy is going to be on—you already told me you would open the policy, then you turned to the management. So passing the buck won't work before this Subcommittee.

Mr. BALL. No, I didn't pass the buck. I am saying clearly in the parking garage——

Ms. NORTON. Whose responsibility was it? You answered the letter, Mr. Ball.

Mr. BALL. In the parking garage, it is USRC responsibility.

Ms. NORTON. Huh?

Mr. BALL. Union Station Redevelopment Corporation is my responsibility in the parking garage.

Ms. NORTON. What responsibility do you have, Mr. Chambers, since you apparently have to do with the bus?

Mr. CHAMBERS. No. For the parking garage, we have none. And we also do not have——

Ms. NORTON. Who has responsibility for the parking garage?

Mr. CHAMBERS. I do. For the parking garage is USRC.

Ms. NORTON. Do you know what? This Committee has not in the past done what other Committees do, which is to swear people. Any testimony you give I have automatically taken to be true. But obviously, that wasn't true because you then turned to others to your right or left.

Mr. BALL. I am sorry, you misunderstand my answer. If you ask me again, I will answer it to the best of my ability. You are asking about who controls the parking garage. That is my office, Union Station Redevelopment Corporation.

Ms. NORTON. Why did the corporation, through your letter, respond that subleases could not be granted? Was there a legal base for your response?

Mr. BALL. Yes.

Ms. NORTON. Had you informed the lease holder that that would be the case? What was the policy reason for that response?

Mr. BALL. The policy reason was because the MegaBus incident should have come to our office in terms of creating——

Ms. NORTON. Well, why did you not instruct them to come to your office so you could then consider the matter yourself?

Mr. BALL. I made a mistake.

Ms. NORTON. That is all right then. All I ask is, within 30 days, be in touch with them. I am not instructing you to lease to them. In fact, who holds the lease, please? I don't know why this bus company wants to lease or sublease, but I ask two things: one, be in touch; and, two, submit to this Committee within 30 days what the sublease policy is. And if your policy is no subleases, you better have a very good reason why.

I can understand why in the public interest you would want to have some approval and some say-so, ultimately, if that is your view. This was a flat turndown with no indication as to why; and I do not know whether it is orally or in writing, that competition

with Greyhound was cited or Amtrak or something. The reason that sticks in my mind is that competition is precisely what the Congress of the United States is trying to promote in Union Station. That is the whole point, to say when you go there, based on your means and your wishes, you can travel anywhere, and no way will be denied to you.

I am going to tell you right now, how often does this corporation meet?

Mr. BALL. The board of directors, this year—we probably met at least three times this year. We are in the seventh month right now.

Ms. NORTON. Well, Mr. Ball, I also ask you to brief the board or their representatives, because this Committee wants to see some form of bus service in Union Station by the end of this year or be presented with a very good policy reason why not. I mean, good policy reasons are, you know, security, not reputable company.

By the way, before we write on behalf of a company, we investigate to make sure that we are dealing with a company that in fact is one we should be writing for. I will tell you one thing. I don't think these people would want to sublease to somebody who wouldn't pay their rent. This one was reputable. This one was. There may be others. Perhaps what you should do is a competition. But this would not have required that, because it was a sublease.

So, be on notice. When it comes to subleases, I don't know why that couldn't be done by the end of this year. I want to know how many bus spots are not being used at Union Station on a regular or daily basis.

Mr. BALL. Is that a question you want answered now?

Ms. NORTON. Yes, sir.

Mr. BALL. Okay. As I said I think in my written testimony, we park maybe 12,000 buses a year in Union Station. Between March and the end of June, we are probably at 100 percent occupancy all the time, from let's say 9:00 in the morning——

Ms. NORTON. This is very important. At 100 percent occupancy, people parking, what, by the day, by the hour?

Mr. BALL. Well, buses come in probably between like 10:00 in the morning until probably about 3:00 in the afternoon. Then they pick back up from maybe like 5:00 to 6:00.

Ms. NORTON. So they come to Union Station to let off people. Do they leave?

Mr. BALL. They park. In most cases, they do park their buses.

Ms. NORTON. The entire time.

Mr. BALL. The entire time.

Ms. NORTON. How much does that cost?

Mr. BALL. $20 between 7 a.m. and 7 p.m. $10 between 7 p.m. and 7 a.m. And if they want a reserved spot held, it is $50 for the reserved spot.

Ms. NORTON. When you say you are always full, I must say——

Mr. BALL. Again, I am really talking about this period, spring period, D.C.'s tour period. Between March and June, we are very packed. Then it picks up again between, let's say, September and, say, November. We pick back up again where the buses come again on a very frequent process. Other times, we aren't that busy.

So what we are really looking for is how to maximize using the bus space. We are looking forward to the information which comes

out from the ITC study just in terms of the different uses for the station. We look towards what Congress is doing in terms of the Capitol Hill Visitor Center, because we have had conversations with the Capitol Visitor Center in terms of—about their need to park 12 buses here.

Ms. NORTON. I can tell you right now, Mr. Ball, that plan is dead. Because the plan was to somehow have the buses park there and then pay $1 to get to the Congress of the United States. That plan went up in smoke. I have already had discussions with the Sergeant at Arms.

This is not your fault. This has nothing to do with you. But what killed it was that somehow buses which now come here to Botanic Gardens, leave and then go someplace, you have to provide place for them to go, that people get dropped off for free would then be sent to Union Station. We don't mind them coming to Union Station. We are pleased about that. But we have been assured—and I speak now for myself, for the Appropriations Subcommittee—that the Botanic Gardens route has also to remain there.

See, that is the kind of planning that has to go on. But that is something that was not within your entire sphere. And we also think we have come to a way where the District's own line that it runs can in fact still be useful without being completely taken off the line by the Congress of the United States.

It was the extra cost. It wasn't anything about Union Station. But the city couldn't tell us how many spaces, and we were very concerned by the fact that there is—how this would work with a bottleneck—you know, the framers did that—the bottleneck that the circle establishes. And having what they conceived of as a lot more tour buses to come up there right as we understand it, there will be some renovations on the outside of Union Station.

Mr. BALL. That is a project between USRC, the National Park Service and the District of Columbia Department of Transportation. So there are a lot of things in the hopper just in terms of how it works out.

Ms. NORTON. When is that construction going to begin?

Mr. BALL. Whenever we get to the NCPC and Commission of Fine Arts, that construction should begin.

Ms. NORTON. Do you have the money already for that construction?

Mr. BALL. USRC is doing a 20 percent match. In addition, the government does have the money I think from the Federal highway.

Ms. NORTON. Well, I live on Capitol Hill. In non-rush hours, I avoid that circle. I can't imagine why anybody in the transportation business would want to put more buses up there, and we are not going to do it.

But I need to know what your policy is and how you plan for buses to come and go in light of our interest in inner-city bus service. That is largely my concern and interest. Because I have no problem with tour buses coming up there now.

You may have to think this through once you get to the construction phase. Indeed, in that regard, there is an unfinished entrance at Union Station that would allow more direct access from H Street. I understand that it required $2 million more, but then

there was some problem with obtaining indemnification from Amtrak.

I am so confused by that. If that is all that is standing in the way, particularly given how that would relieve some of the traffic around the circle, I have to ask you, what is the problem with indemnification from Amtrak for want of a $2 million upgrade that would allow the unfinished entrance more directly from First and H Street?

Mr. BALL. I am not familiar with that issue. I do know——

Ms. NORTON. Excuse me, sir. Who would be?

Mr. BALL. I have never heard that, so I don't know.

Ms. NORTON. The tunnel that was never completed, Union Station——

Mr. BALL. That is a pedestrian tunnel. That would not accommodate—if we are referring to a segment that runs parallel to First Street——

Ms. NORTON. Let me indicate that Union Station Plaza Associates, whoever that is, has an office building near First and H Streets. They have proposed completing the tunnel for approximately $2 million.

Mr. BALL. That would be a pedestrian access. That would go from the north end of the Union Station Metro stop down to the existing H Street underpass.

Ms. NORTON. That would be very useful, because people could at least be dropped off there on foot.

Again, this goes to whether you are thinking through the intermodal——

Mr. BALL. No, we talked about many of those issues, and I didn't realize that is what you were talking about. So that is one item that has been looked at.

Ms. NORTON. All right, I just want to get your final testimony on that.

The indemnification from Amtrak issue is what apparently stopped the tunnel from going forward initially, because it was always planned and would already be there. Are you aware of what that issue is?

Mr. BALL. I am not aware of what that issue is.

Ms. NORTON. All right. Have Amtrak within 30 days submit to us what that issue is so we can understand that.

Is there a different security policy for retail, Mr. Levy, for Amtrak, for the parking garage? Who is in charge? Who is the master security czar who sees that security intersects? Because, as you indicate, there are different kinds of entities there.

Mr. CHAMBLISS. There is no czar, Chairwoman. There actually are different entities. You have the Amtrak side of the house, which houses Amtrak security and also Amtrak police. You have our management firm with the approval of USI that hires IPC Security to provide customer service and public safety just in the common area spaces.

Mr. BALL. There is one umbrella. We have what is called the Station Action Team, where Union Station Redevelopment Corporation, Amtrak and station development all meet and figure out security in the building, understand the conditions that go in the building every day. If there is a fire alarm which goes off, all three enti-

tles meet, if there is a problem in the station. So those things are discussed. There is one umbrella arm.

Ms. NORTON. They are under one roof, after all.

Mr. CHAMBERS. Yes. And we are all chairs on that.

Mr. BALL. Yes.

Ms. NORTON. Is that in writing?

Mr. BALL. Yes, it is.

Ms. NORTON. Well, I ask you——

Mr. BALL. It was not in my written testimony, but we do have a written—we can provide you with a copy of the station action plan.

Ms. NORTON. We would just like to study all this so we know what we are talking about.

Mr. CHAMBERS. Absolutely.

Ms. NORTON. So we would like whatever is in writing in 30 days.

Mr. CHAMBERS. Absolutely.

Ms. NORTON. Who wrote this thing, which begins, ″Union Station is private property.″

Mr. CHAMBERS. That precedes, I believe, all of us at this table.

Ms. NORTON. What?

Mr. CHAMBERS. I believe that precedes—that came—it is from the management office.

Mr. BALL. Ms. Norton, we will find out where it came from.

Mr. CHAMBERS. We will find out. That was established prior to us being here.

Ms. NORTON. Is it still in circulation?

Mr. CHAMBERS. It is still posted, but it is being revised, as I stated earlier in my testimony.

Ms. NORTON. Could I ask it be withdrawn immediately?

Mr. CHAMBERS. Yes.

Ms. NORTON. Ms. McCann testified that other intermodal facilities manage to put their policy right on the Web site. This embarrasses me here in the Nation's Capital. I ask that this be withdrawn, because it contains factual errors, including the factual error that is an insult to the government of the United States, ″Union Station is private property.″

Most of these would, of course, be the kinds of things you want, no smoking inside and so forth. But it is here that the tripod camera distinction is made, and it is here that the Union Station management reserves the right to prohibit photography of any kind in their sole discretion. This is why I asked Mr. Levy to give this matter to an outside counsel.

Mr. CHAMBERS. In the draft we do have, that has been stricken. When we do go out to outside counsel——

Ms. NORTON. We would be rather be helpful than critical. If you would submit to us before anything is published so we can have a look at it. I am asking that you need help in doing this, and this is no reflection on you.

Mr. CHAMBERS. Absolutely.

Would you like to also have the draft that is in place now, or do you want the final product?

Ms. NORTON. We would be glad to look at it, yes, sir, rather than have people come back here sending us letters. The confusion I am

most concerned about is, of course, the confusion with security guards, who are left really on their own.

Mr. Ball, the notion of a security guard turning around her name, I think that was an Amtrak security guard——

Mr. CHAMBERS. Correct.

Ms. NORTON. There are some policies with respect to security, behavior, courtesy, that are universal, and those things are being in writing. I don't blame somebody for being a little afraid if someone asks them a question about what their name is. If nobody has told them that has to be in place all the time and you have got to answer accordingly, then some people will try to protect themselves.

Well, they don't have to protect themselves, as far as I am concerned, because the fault lies with both of you, Mr. Chambers and Mr. Levy, and ultimately with Mr. Ball. And so I am expecting that in the revised training policy, such as it is—because I can't find in place any training policy at the moment—that this level of detail will be in the new policy so that this matter is off of our table.

Our concern is with the comprehensive intermodal concept and with making sure that private management in fact is in keeping with that, not with these details that we have been forced to spend considerable time with today.

What is the annual operating cost, Mr. Levy?

Mr. LEVIN. I don't have that figure with me.

Ms. NORTON. Mr. Ball would have that figure for the entire operation, would you not?

Mr. BALL. Yes, but I am more familiar with USRC's cost.

Ms. NORTON. We have no idea what we are doing here in Congress. We are giving money to an entity, and so we got to find out what we are doing.

Mr. CHAMBERS. We can provide that detail for you, along with all the other documentation we are submitting, to see to it that you have it.

Ms. NORTON. Thank you very much.

Before you leave, I want you to know that, as tough as our questioning is, it is always tough. As tough as it is, this Subcommittee has a reputation for being of assistance to agencies.

We had a very serious problem to occur with Federal Protective Service where we found a felon running a security matter. We found people not being served. But we had to bring it out.

This was a part of Homeland Security. We worked closely with the official in charge, the Assistant Secretary, and when they fixed this so the contractors were paid on time and they reordered the way they did contracting and they put out written material and they established a czar, we had a press conference with them. And this was a Republican administration. I asked the Assistant Secretary to stand with me, very unusual, with a Member of Congress, to say what the agency, not in my immediate control, had done, because I was so pleased with how they responded to tough questioning at our hearing.

Our view is, if you are going to be tough—and that is the only way you can find out anything in your questioning—then when the agency performs you have got to be equally generous in making sure that the public knows.

We had a press conference. We didn't just write them a letter, had a press conference. See what these people have done in the administration to fix this agency?

We are more than ready to do that with this federally owned facility and working in partnership with you.

Mr. Ball, you had something to say before you leave?

Mr. BALL. I am sorry. I didn't mean anything. Go ahead.

Ms. NORTON. You just seemed to be befuddled. That is all that was. Don't be befuddled. We gave that example just because it is the most recent example of how we follow up. Even though the questioning may reflect ″gotcha,″ we don't go ″gotcha.″ Look, let's get together. That was really ″let's get together and fix this.″

Mr. BALL. I can appreciate that. I think you raised some very valid points, and it gives me a chance to go back and look at the policies we have had in place for a period of time. So I appreciate that and welcome criticism, and we will respond to your questions.

I have been at Union Station for 20-plus years. I know back in 1984 we received $7 million for Amtrak, for the restoration of the station, and the city put $40 million in to rebuild the parking garage behind Union Station. But, since that, we haven't received any other Federal monies that have come into the station. So what we have done——

Ms. NORTON. That is why we set up a public-private partnership, because the monies received now will go into the intermodal notion. Union Station will and has indeed received funds, but it doesn't go into its operations. That public-private partnership is supposed to in fact make sure its operations sustain themselves.

Of course, we have to see what your books show us on that. We want to see whether or not you are operating in the black or not, and you need to submit that to this Committee. Don't expect us to subsidize this public-private partnership. That is the whole point. That doesn't mean we don't have the same kind of oversight we have over a Federal agency, and we intend total exercise it.

I want to thank all of you for your testimony. I want you to know that the Subcommittee, indeed, the Congress, has examples of the kinds of things we are talking about when we say submit something. If you would like examples or you would like guidance, the Subcommittee staff is prepared to offer you guidance on what we mean. We don't mean to just leave you out there saying find it the best way you can. The best way may be simply to submit something to us, to have the Subcommittee look at it. Then you go back, and it won't be we are handing down the law, it will be for our comment. Then we will ask for your comments. That is how we do business.

Thank you very much, all three of you.

Do you want to call the next witnesses?

David Leach, President and Chief Executive Officer of Greyhound; Emeka Moneme, the Director of our D.C. Department of Transportation; and Thomas Wilbur, Senior Vice President of Akridge.

Our apologies that you have waited so long. We are holding the first oversight hearing on the first comprehensive hearing on Union Station in memory, and that accounts for the many issues that were before us. Your testimony is very important to us.

Let's proceed with Mr. Moneme, the Department of Transportation, and then go to Mr. Leach and, finally, Mr. Wilbur.

TESTIMONY OF EMEKA MONEME, DIRECTOR, DISTRICT DEPARTMENT OF TRANSPORTATION; DAVID LEACH, PRESIDENT AND CHIEF EXECUTIVE OFFICER, GREYHOUND LINES, INC.; AND THOMAS WILBUR, SENIOR VICE PRESIDENT, AKRIDGE CORPORATION

Mr. MONEME. Good afternoon.

Chairman Norton, thank you for having me here to speak on behalf of Mayor Adrian Fenty.

Members of the Subcommittee, I am Emeka Moneme, Director of the District of Columbia Department of Transportation. We also referred to as DDOT. I thank you for this opportunity to join in the discussion on the current uses and future improvements of Union Station.

DDOT has been tasked with the responsibility of analyzing the feasibility of future development in and around Union Station specifically as it relates to the ability of the adjacent transportation system to accommodate that development. As such, my remarks will focus on the Union Station Intermodal Transportation Center Feasibility Study that DDOT is currently managing.

Before expounding on the feasibility study, let me offer a few thoughts on congestion and transportation options in the region.

Over the past 20 years, the District has witnessed a tremendous explosion of vehicle trips within and through the city. In a recent Texas Transportation Institute Study, Washington, D.C., was rated the second most congested city in the Nation. Unfortunately, this trend is expected to continue.

The Metropolitan Council of Governments forecasts that vehicle trips within and into the District will increase by approximately 32 percent by 2030. We have seen a similar trend in transit ridership with Metrorail breaking daily and monthly ridership records. At the current rate of ridership growth, Metrorail crowding will be unmanageable by 2013, unless capacity expanding investments are made. Finally, the Maryland Transit Administration also reports that most MARC commuter train lines are running near capacity, with some lines already at capacity.

In order to combat these alarming trends while allowing the city to continue to grow and provide for the millions of visitors to the Nation's Capital, the capacity to move people into and around the District must be expanded. The District is implementing a number of initiatives, including bicycle sharing, enhanced transit service, and a performance parking program to encourage the use of multiple non-vehicular options which will reduce the number of vehicle trips into and through the city. WMATA is moving forward on full utilization of eight-car trains in the coming years, and MTA plans to infuse over half a billion dollars into the MARC system over the next 25 years to procure rail cars and expand and modernize service.

More than ever, we are in need of a state-of-the-art, multi-modal transportation hub in our region to accommodate the billions of dollars in transit investments previously mentioned. The historic Union Station has served the region and the country well, but its

present infrastructure limitations restrict its ability to accommodate the current and future transit demand. As such, a new ITC is needed for the District and for the region to continue to thrive.

The feasibility study began in February of 2008. Its overarching purpose is to investigate how to make feasible the development of the Burnham Place development, design and construction of a new ITC at Union Station, including the proposed commercial and residential development.

The study area of the project encompasses an approximately 20-square-block site bounded by M Street to the north, Third Street to the east, Massachusetts Avenue to the south, and North Capitol Street to the west. In particular, the study is analyzing the impacts of creating enhanced access to the multiple modes of transportation at and around Union Station.

The study's analysis is considering the following areas: a baseline transportation improvement study, new rail passenger concourse, upgraded Amtrak passenger concourse, improved emergency access and egress to the station, improvements to the existing rail concourse, tour bus and commuter parking accommodations, the D.C. streetcar and integrating that system into the ITC, a pedestrian tunnel from Union Station to First Street Northeast, a new Metrorail entrance from the H Street bridge, a baseline environmental study, and then, finally, the interrogation of the Metropolitan Branch Trail to the facility and the possibility of an additional bicycle storage facility.

So there is much being considered in this study. It really is the first comprehensive study of the Union Station transportation network, and it will prompt us to conduct further detailed analysis and develop a framework for implementing the study's short-term and long-term recommendations.

DDOT has developed two advisory committees to educate the public and key stakeholders on the parameters of the study. A Community Leaders Committee was created, consisting of representatives from the local A&C commissions, resident councils, neighborhood associations and other community based organizations. A Technical Advisory Committee was also formed, comprised of over 20 business, government and quasi-governmental groups. Both groups were briefed on the study this spring. Collectively, the committees will comment on the study's technical analysis and offer timely feedback.

Since the early spring, the study team has provided briefings on the project to civic and citizen organizations upon request. Additional community meetings and a tour of the facility are planned for later this summer following their review of the draft report on the basic technical studies.

The data collection phase of the study began in mid-February and lasted through mid-June of this year. The data analysis phase immediately followed and lasted from mid-May through mid-July. Currently, we are preparing to begin formulating preliminary architectural concepts derived from the baseline studies and anticipate the study will be completed in the late fall of this year, where final recommendations will be unveiled.

In conclusion, DDOT welcomes the opportunity to lead this feasibility study. Its findings will inform and incent billions of dollars

of future development at Union Station. But, most importantly, it will create a path for major capital enhancements that will significantly improve and expand transportation options for millions of individuals traveling through and within our Nation's Capital.

DDOT will continue to work with the community and other partners to complete the study, and we will look forward to implementing its recommendations to ultimately create a world-class transportation hub at Union Station.

Thank you for the patience in reading the testimony. I will be happy to answer any questions you may have.

Ms. NORTON. Thank you very much, Mr. Moneme.

Next we go to Mr. Leach. Mr. Leach is the President of Greyhound.

Mr. LEACH. Madam Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss Greyhound's plans to relocate to Washington Union Station.

Greyhound is eager to move to Union Station and has been actively engaged in discussions focusing on making that happen. I greatly appreciate the strong support for that initiative shown by this Subcommittee and the Full Committee leadership.

Greyhound has been operating in its current terminal location at First and K Streets, Northeast, since 1987. There have been off and on discussions about Greyhound moving to Union Station ever since, but, up until recently, they have not been successful. Despite these setbacks, Greyhound has remained very interested in moving to Union Station.

We strongly believe in intermodal terminals and are now located in over 100 intermodal facilities nationwide. That number has been steadily increasing. These intermodal facilities greatly benefit the traveling public by allowing travelers to use public transportation, both local and intercity, to travel seamlessly from origin to destination.

The benefits to D.C. residents of Greyhound moving to Union Station are particularly striking. Over 50 percent of riders at Greyhound's current location get to Greyhound by local transit. This is so even though those riders who come by Metrorail have to walk three long blocks with their luggage from Union Station or almost the same distance from the new Florida Avenue Metro Station. These riders would benefit tremendously from being able to just ride up or down the escalators to get from Metro to Greyhound. Furthermore, this dramatically improved convenience would lead to increased usage of the Metro Greyhound connection at a time when the public is searching for affordable and convenient public transportation.

Fortunately, a series of circumstances are converging that provide a unique opportunity to finally make this move a reality. The Greyhound terminal lies at the heart of NoMa, the area north of Massachusetts Avenue that the D.C. Government has targeted as one of the most important elements for development in downtown. This means that both the city and Greyhound have a strong vested interest in moving the Greyhound operations to Union Station as soon as possible so that Greyhound can sell its property for redevelopment.

At the same time, the Ashkenazy Company, the new landlord at Union Station, has developed preliminary plans for renovation and expansion of Union Station's interior space. This will enable Greyhound to substantially reduce its Union Station footprint and the capital cost of its space. With the sale of its existing terminal, Greyhound will have the funds to build out its interior space, as well as construct limited facilities on the bus deck.

Finally, the support that the leadership of this Subcommittee and Committee has shown for Greyhound's move to Union Station have been very helpful. Your March 20, 2008, letter expressing strong support for the relocation was the catalyst for this action.

With all of these favorable developments, the parties have been meeting. I believe there is a common desire among the parties to make the move happen as soon as possible, but there are issues that need to be addressed.

Amtrak needs to get fully engaged. Although the plans have been drawn to separate the bus and rail ticketing and waiting functions on different levels, it is important that there be a dialogue with key Amtrak decisionmakers on these plans. I met with Mr. Kummant on this issue today, and we have agreed to work together on any security or passenger concerns that Amtrak may have.

The plans for the renovation and expansion of the interior area need to be finalized and approved. The financial terms of the project need to be negotiated and agreed to. This includes the level of Greyhound's capital contribution and its lease terms for the occupancy of the space.

Greyhound plans to pay for the build-out of this space, but the contribution needs to be amortized through its lease payments, and the lease terms must be consistent with Greyhound being able to continue to provide affordable transportation in an economically viable manner.

The timeline for completion of the project must be agreed to so that Greyhound can move forward with the sale of its current property.

The transfer date needs to fit with the projected move-in date at Union Station.

I believe that all these issues can be resolved. The project has a very high priority for Greyhound, and I commit to you that Greyhound will do everything in its power to make it succeed. I have been and will continue to be personally involved. I believe that other parties have a similar commitment, and I am confident that we can succeed.

Thank you for this opportunity to receive testify, and I am happy to answer any questions you might have.

Ms. NORTON. Thank you, Mr. Leach.

Ms. NORTON. Mr. Wilbur.

Mr. WILBUR. Madam Chairwoman, Members of the Committee, I am Tom Wilbur and I am a Vice President with Akridge, the Washington-based company that purchased the air rights adjacent to Union Station above the rail yards. Thank you very much for this opportunity to discuss our plans and ideas for this crown jewel in the Nation's inventory of grand historic buildings.

Today, I will provide an update on our project and describe some of the exciting improvements for the station and adjacent areas we

are studying. However, let me begin by expressing our enthusiasm and commitment to the long-term success of Union Station.

As a local development firm with more than 30 years of experience here, we have participated in the redevelopment of the city. From the Homer Building, which we completed in 1990, to Gallery Place in 2003 and now in the Southeast, Southwest and Northeast quadrants, where we have projects in our pipeline totaling more than 7 million square feet, we have seen the District of Columbia become a world-class city, a place with outstanding architecture and mixed use, 24-7 neighborhoods rivaling any major city in the world.

Our company's commitment to the civic, cultural and environmental health of our city is long-standing. In fact, our firm's founder, Chip Akridge, regrets that he is unable be here today, but commitments in his capacity as the Chairman of the Trust for the National Mall have taken him out of town.

Union Station is a unique resource which is representative of the renaissance of Washington, D.C. Because it is located at the intersection of the central business district, Capitol Hill, the Capitol complex and the merging NoMa and near northeast neighborhoods, our development, called Burnham Place, and Union Station serve as critical anchors for the development of the eastern portion of downtown Washington.

Union Station is the entry to the city for every walk of life, from the Wall Street banker arriving from New York to the legislator working on Capitol Hill to the Metro rider from Silver Spring to tourists from Phoenix, a commuter from Baltimore, or a student riding from Gallaudet by bicycle, all of these people converge and rely on Union Station.

Our project, named after Daniel Burnham, the architect who designed Union Station, provides an opportunity to reclaim the property over the tracks, currently a void which divides several important neighborhoods, and turn it into another great mixed-use neighborhood, bringing vibrant activity and economic benefits to the city. As a model, think of the Park Avenue air rights development at Grand Central Station in New York that occurred early last century.

A little history. As you know, in 1997, Congress mandated the fair market sale of the 15-acre Amtrak air rights parcel, with the proceeds to be deposited in the Federal Treasury. In 2002, the GSA conducted a competitive bid process and accepted our proposal. We closed on the property in 2006, and since that time we have been planning for a 3-million-square-foot mixed-use development. We also have been working with DDOT on plans to modernize and expand the intermodal transportation facilities at Union Station, as well as preserve options for future transportation modes.

Earlier this year, we engaged the architectural firm, Shalom Baranes Associates, to begin the planning and design of Burnham Place. Like Akridge, Shalom Baranes has played an integral role in shaping the development of the National Capital Region. Its list of newly designed and redeveloped buildings include the Warner Theater, American Red Cross National Headquarters, the John Wilson Building, International Spy Museum, and the Homer Building atop Metro Center, which houses Akridge's offices. The firm is

also currently working on the redevelopment of the Waterside Mall, Southeast Federal Center, the Old Convention Center site and expansion and redevelopment of GSA's National Headquarters.

Our early plans for Burnham Place indicate a number of potential uses such as first-class office, hotel, retail, entertainment, cultural and residential buildings. This project presents a rare opportunity for substantial downtown redevelopment without any displacement in a land-constrained city. These developments will also leverage significant public investments already made in the area, such as the construction of the New York Avenue Metro Station and D.C.'s Great Streets Initiative, which includes planned streetcar service on H Street, Northeast.

The strategic importance of Union Station is what attracted our firm to this development opportunity. Its centrality to the success of Washington is also what has motivated our partnership with DDOT and our desire to help facilitate public improvements for the station. A more efficient, pleasant and safe intermodal facility is critical for the City, the region and, indeed, the entire Nation. And the station has no shortage of critical needs and opportunities for improvements.

Originally used solely for intercity rail service, Union Station now serves over 100,000 passengers via 14 modes of transportation in addition to thousands of visitors and shoppers. Many station places are crowded, uncomfortable, and pose conflicts for those utilizing the station for different purposes. Akridge's development of the air rights presents a once-in-a-lifetime opportunity to address these challenges. Construction of our concrete deck and connection to the north end of the station provide an ideal time to concurrently undertake many important forms of modernization in the ITC.

Some of the ideas that we are looking at include a newly expanded Amtrak and VRE passenger concourse with upgrades to the existing waiting areas; a new pedestrian connection between H Street and the station to disperse the flow of people entering and leaving the building; a new emergency evacuation roadway between Columbus Circle and H Street; the creation of a facility to accommodate Greyhound buses; a new extension of the Metro tunnel pedestrian walkway to H Street; a pedestrian connection between NoMa and Burnham Place near First and Eye Streets, Northeast; and expanded parking facilities for tour and commuter buses.

Executing many of these ambitious ideas will require intensive collaboration and support from the stakeholders who have a vested interest in the operation and future of the station. Akridge is glad to have Amtrak, WMATA, MARC, VRE, DDOT, USRC, the Ashkenazy Acquisition Corporation and many others as key allies in this process; and we look forward to continuing these partnerships to study and execute these important projects.

Thank you again for this opportunity. That concludes my remarks. I would be glad to answer any questions the Committee might have.

Thank you.

Ms. NORTON. Thank you very much, Mr. Wilbur.

Mr. Moneme, I was pleased just to say a few words at the DDOT community outreach, I guess it was, in relationship to the intermodal transportation study you are embarking upon. I indicated, of course, to management and to the corporation that they should proceed on the intermodal concept well before we get this mega-facility built. Nevertheless, your work is centrally important.

Could I know, first, what is the expected time frame for the final report?

Mr. MONEME. Yes. We plan to have final recommendations September-October of this year.

Ms. NORTON. Very good. Do you have any estimates now on the cost for the intermodal center at Union Station?

Mr. MONEME. I don't believe we are that far along to actually have a sense of what the real costs would be. Hopefully, coming out of the recommendations in the study, we can begin then to put some cost estimates on the elements and the recommendations that come out of the study. We will probably have some detailed reports and technical reports to begin to flesh out the full costs of the elements.

Ms. NORTON. I have been relishing this description of what is being planned, much of it public infrastructure, and then I have been scratching my head to say how will we pay for this. And, of course, Mr. Wilbur knows I have been getting small amounts out toward the infrastructure, part of it. Congress is very serious about it, and the more public transportation becomes indispensable—is the only word for it—the more serious we got to get.

But have any of you given any notion to how one would put together a package that paid for the public portion of this matter?

Mr. MONEME. Well, I think there has been some thought given to how that might happen. I think in my testimony I did touch on some of the ways it is actually happening. Maryland, the State of Maryland, has already made a commitment to make improvements in the service coming from both the Penn and the Camden lines that come in and stop at Union Station.

Ms. NORTON. At Union Station, Mr. Moneme?

Mr. MONEME. Most of it is focused on their rolling stock for the majority of it, but I think there may be some improvements that we could commit both from them—the improvements for the D.C. streetcar are coming from D.C. local funds.

So there are contributions that are coming from people that are being serviced from Union Station. I think we can bundle those contributions together to get some sense of what public resources are being committed to the project. And then we can also look across the aisle to our private partner. We know there are going to be resources they will be making in making sure that Burnham Place comes off.

I do anticipate that there will be some gap there, and I think that is where it is probably anticipated that we will be talking to you and telling you a little bit about what that gap looks like, what we think makes the most sense to fund, or maybe how to fund that gap there.

Ms. NORTON. Yes. Because we are talking train concourses, grand design, which is exactly what we ought to be talking about. And, obviously, the Federal Government has to be in this and in

this substantially. I say this at the same time that we are on pay-go up here, and it is hard to eak out money.

Nevertheless, the reason that this is an intermodal system is the Federal Government, the District of Columbia and the private sector each have so much to gain from it. So, obviously, the more we are able to get elsewhere, such as from the reauthorization of the transportation funds for the District of Columbia as one source, the greater leverage I have in reminding Congress of its vested interest in this project.

Mr. Wilbur, how long did it take you to negotiate with Union Station for the details that finally freed you up to begin to work pursuant to the air rights?

Mr. WILBUR. We spent about 4 years, about 3-1/2 years, from the time that we won the bid for these air rights from GSA until we were able to close, which was spent—some planning was actually done during that period, but a lot of it was being able to take care of some technical issues with it, some title issues, so we could make sure exactly.

It was a pretty complex set of improvements throughout there, and defining exactly where those air rights would start and where they would end was quite a bit of work. But over that period of time we developed a great relationship I think with USRC, with the retail operator on the project, with the D.C. Government, and we basically got started on our planning at that point.

Since then, we spent a fair amount of time working on getting our team together. I would say it has been about 7 or 8 months now that we have been in deep levels of planning with this, with Shalom Baranes and with two different structural engineers.

One of the biggest issues that we have when you talk about costs, obviously, the project costs are something we have to make work, also, and the most crucial aspect of this is how to build the platform for this project over those tracks. The cost of that is the thing we are spending a considerable amount of time technically to figure out how that is going to work.

Ms. NORTON. You mean the platform for passengers?

Mr. WILBUR. Actually, this is a platform where our project would actually be elevated about 20 feet above the track level.

Ms. NORTON. You mean for the entire project?

Mr. WILBUR. For the entire project. So, basically, where we have our air rights, we have to penetrate all of our columns down in between the tracks and in some areas span over a number of tracks where the tracks start to converge.

Ms. NORTON. That is not unprecedented in this country, is it?

Mr. WILBUR. Excuse me?

Ms. NORTON. Building over such air rights, that is not unprecedented, is it?

Mr. WILBUR. No, it is actually the most common in areas like Chicago and New York.

Ms. NORTON. I have in mind Chicago in particular.

Mr. WILBUR. Lots of them in Chicago. I think it happens where people—particularly where you have areas where you could build very tall buildings and you have a lot of density, because the expense of building over the tracks is very expensive, and then if you

have more square footage that you can build up above, you can spread that over that construction.

Because, basically, the cost to build a platform for one or two or three stories is not that much different than it is for 20 or 30 stories. It is basically the construction techniques you have to work on by building this platform above operating railroad tracks.

Ms. NORTON. Well, let me just say for the record I am pleased that you have developed a good working relationship, as you testified, with the corporation. The Committee was frustrated by having to meet with the corporation simply to say we don't care what you decide. But, in our judgment, it took much too long to get to the point where you could proceed.

You see, we have gotten to the point where now the economy is in trouble. Actually, I think that is a good time to invest in infrastructure. But that was very bothersome for the Committee as we looked at the corporation. We knew that the Akridge company wanted to proceed quickly, and we also were mindful of the complexity. But there is impatience in this Subcommittee to proceed, and the Full Committee. The Full Committee Chairman has been the moving figure almost since he came to Congress, and he has been here almost since there has been a Congress, we laugh and tell him.

So this is a project of long-standing concern; and, even as I press for its realization, I am mindful that even under the best of circumstances we can't get the new intermodal center for years to come.

I want to ask all three of you whether you consider Union Station an intermodal system now and, if so, why, and, if not, what would you do to make it an intermodal center?

I haven't heard you from, Mr. Leach. Maybe you should be first.

Mr. LEACH. Well, I wouldn't consider it an intermodal because intercity bus isn't there. There are some charter operations, but we need Greyhound in that facility. We need other intercity bus operators in that facility.

Ms. NORTON. But Greyhound cannot go in there until the new facility is built, or could it go earlier?

Mr. LEACH. We believe it can go right now.

Ms. NORTON. Are you in discussions that might make that happen?

Mr. LEACH. We are currently working with the corporation on those efforts, yes.

Ms. NORTON. You indicate that Amtrak needs—looking at your testimony—needs to be fully engaged. You say, I am planning—I know that, because Greyhound has come to see us, knowing of our Federal interests. But you say, ″It is important that there be a dialogue with key Amtrak decisionmakers on these plans.″

Then you say, as if this had to be done by now, because there is a hearing, and you didn't mean this, but you just mean to tell us at least it is proceeding, that you meet with Mr. Kummant on this issue today.

Mr. LEACH. Yes. Actually, I had breakfast with him this morning.

Ms. NORTON. I need to know what you discussed, and I need you to know that the notion that this missing ingredient from the inter-

modal vision needed Amtrak and that a ″dialogue″ is beginning makes us believe that the intermodal may be very long—some long time in coming.

Have there been any discussions before today with Amtrak? Since you detail the involvement of Amtrak and the ticket counter and the rest in other parts of your testimony, was today the first time you had a dialogue with anybody from Amtrak?

Mr. LEACH. No, ma'am, there has been dialogue for approximately 5 or 6 months.

Ms. NORTON. Why do you say that it is important that there be a dialogue with key decisionmakers? Have these have been unkey decisionmakers?

Mr. LEACH. We have had difficulty in getting key decisions made from the folks at Amtrak. I have been assured by Mr. Kummant this morning that that would not be the case going forward and that we would get all of the appropriate concerns that Amtrak has with Greyhound being a part of Union Station.

Ms. NORTON. I don't mean to put you or Mr. Kummant on the spot here. I will tell you who is on the spot: moderate- and low-income people in the District of Columbia who are denied what you can easily get in any major city worth the name.

I have to ask Mr. Moneme, what happens? We have had complaints about people being dropped off and picked up. They made this sound like a one-horse town. Do you have any information on how these companies do business here, or are they simply deterred from doing business at all because there is no place to have any kind of passenger drop-off?

Mr. MONEME. If I could, I want to see if I can answer your first question about whether or not Union Station is an ITC, and then I will speak to the inner city.

By pure definition, I think that Union Station—and this is by USCOT definition, where two or more modes of transportation intersect, you have an ITC; and, by definition, we do have an ITC——

Ms. NORTON. We certainly don't have one. We already had that at the time that Union Station was constructed.

Mr. MONEME. Exactly.

Ms. NORTON. So you go to the lowest common denominator and then you have one. At the time, in 1981, they already had two or more, and yet Congress has been trying to say make yourself intermodal ever since then.

So, Mr. Moneme, I understand your pride in making sure that everybody knows there are places for some diverse sets, taxis, for that matter, but I do want you to understand that Congress would not be talking about making this an intermodal system if all you needed was a place for a couple of modes of transportation to rest and then to get up and leave. In that respect, there are places outside of Union Station that would qualify. Greyhound qualifies, because I can get a taxi there, and I can get a bus there.

So we need to press you towards pressing all concerned so that we have an intermodal facility where everybody can, in fact, find access, perhaps not the access we will have when Akridge is finished, but access to all modes of transportation in the Nation's Capital.

Mr. MONEME. I agree with that comment completely. And I think one of the things we are doing, even on a separate track from the investment that we will be seeing from Akridge on the development, is tying together all those modes of transportation there, making sure that there is appropriate signage for those that decide to bike to that location to find out where the other modes are, whether it would be commuter rail, whether it be Metrorail, whether it be taxi or, one day, eventually tying in inner-city buses.

So we agree with you. It needs to be more intermodal, I guess—if that is such a term—more intermodal, more tied together, more connected.

As for the inner-city bus issue, we are very, very well aware of it; and I think the city's position is it is obviously a very important part of our transportation network. It is transportation options for people across the board of all socio-economic—across the strata of socio-economics.

What we have been working on over the really last 7 weeks is we have heard the increased desire for more of those options to be identified and have a home or have a place in the city. We have heard from the business community that some of the locations downtown are not the most ideal for the operation of the downtown, the central business district. They do take up sidewalk space and impact people's ability to move around, but we also believe that they have a rightful place somewhere in the city.

So we are spending time learning more about the industry, not just I guess the names that you hear more about, the biggies, I guess you call them, the Greyhounds and whatnot. But there are other operators in the city getting started, and we feel they have a role to play in our service options available to people.

So we are identifying locations where it makes sense to congregate, provide space for them, so that both the day-to-day operation of the city can still function and so also people can get access, easy access, to those locations. We are hoping within a few, few short months, we will have a more clarified plan about how to organize.

Ms. NORTON. So you don't know where these folks are, really?

Mr. MONEME. We do. We do. We have surveyed.

Ms. NORTON. How many people are leaving people and picking them up where they can?

Mr. MONEME. Approximately 12 to 13 companies operate in the District of Columbia.

Ms. NORTON. They are competing with you, Mr. Leach, aren't they? Some of them can't possibly compete with you. They are not going to have ticket facilities, and I know in some ways accommodating them may mean more competition to you. But I would like to ask your view on these people who now don't have to even have any overhead whatsoever in order to compete with you. We are for keeping the fares low but not at the expense of traffic in the District of Columbia. So will you give us your view of this and where they should be located?

Mr. LEACH. Well, Madam Chairman, we have watched as these curbside operations have successfully grown the market. They haven't necessarily impacted Greyhound or Greyhound's network of routes. We have a lot of strength in the network. But city——

Ms. NORTON. In fact, you are making money here, unlike some of the modes we deal with on the Transportation Committee, isn't that so?

Mr. LEACH. That is correct.

Ms. NORTON. Unlike Amtrak, unlike the airlines, unlike WMATA, you are making money.

Mr. LEACH. That is correct. We have watched these curbside operations grow the market. So what we have done in response to that is launched our own curbside operation. In fact, we think we have the most superior of those curbside operators——

Ms. NORTON. How do you do it, Mr. Leach?

Mr. LEACH. —in Bolt Bus, which is a wholly-owned subsidiary of Greyhound. So we recognized the need for competition.

Ms. NORTON. Do they come to D.C., Mr. Leach?

Mr. LEACH. They do, absolutely.

Ms. NORTON. How do they manage to leave people? I don't blame you. I would not do otherwise if I were in business. But how do they manage to come here and leave passengers and take them away?

Mr. LEACH. We work on a pure Internet basis, so people have to buy tickets on the Internet. They get on on the curbside and they get off on the curbside. We operate in Boston-New York, New York-Philadelphia and New York-Washington.

Ms. NORTON. I am not going to make you incriminate yourself to the District of Columbia. They know how to get that information from you.

Mr. LEACH. We share it regularly.

Ms. NORTON. Those curbsides are in downtown Washington somewhere or other?

Mr. LEACH. Correct.

Ms. NORTON. How can you do anything else? There is a huge demand for that service. The service is being filled by people who are competing with you with none of the expenses you have. So you make your own subsidiary, adding to traffic in DC.

Mr. Moneme, you have done an admirable job in transportation, but, on this notion, I don't see how you could have let this go on this long. I am not suggesting that you had a way to get them into Union Station. I mean, Greyhound can't get in there until this construction takes place. But I don't know why you wouldn't have been pushing with everybody else to get them to have some kind of drop-off space there.

We are not asking for the tickets to be sold there. We are not asking for the accommodations that Greyhound will have to put up capital money to get. We are just asking for accommodations, frankly, to our residents and to regional residents who are in increasingly big trouble with this economy.

So I appreciate that you are working on the intermodal plan, but I want to ask you within 30 days to get us the names of all of these companies and your suggestions. We are willing to work with you on a temporary way to accommodate this. These people don't have to be let off in the most convenient spot in the city.

They are just glad to get here. They will get themselves a metro or some other way. Members of Congress complain daily about traffic downtown and try to get into our business. And I am left here

to push back. But I need the city to help, particularly with the drop-offs. You can't just get on there and say here is my fare. At least Greyhound can't. I don't even know about the rest of them. But the city, if they are coming into our city, has the capacity to demand certain kinds of information from that. If you can't get it they cross regional lines of the country and we can get it.

So we are willing to help you very much. But that is a big problem that we can get rid of with a little concentrated thinking. And I ask you in 30 days to at least give us your thinking on ways to do it. I mean things like possible destinations. They don't have to be the final ones. Whether or not—because on this I have no view whether or not what Mr. Leach does, which says, look, you have got to do it on line, is the only way to do it. Some of these are the poorest people in the world. They may not have any other way to do it. So either Mr. Leach's people are fairly upscale relative to many residents of the region. You may want to consult with Mr. Leach and his own subsidiary who will have some sense. But I ask you to proceed to do that within 30 days. Now, again, not a finished product, but to show us that you are starting on that.

Mr. MONEME. No, I appreciate your comments. That is very much what we had in mind. Actually, I can share with you some of the plan interactions we did have with the operators in several months, to actually sit down with all the operators and talk a little bit about what has been their experience, some of the concerns, many of them that you have raised already, that we have. The one thing that we have been very mindful of is we want to provide as many transportation options to the citizens of not just the D.C. Region, but frankly the entire East Coast that use this service. And we don't want to, as you said before, we don't want to discourage competition in any way, we want to actually be a catalyst for the benefit of our residents, so we have been trying to walk a fine line. And we appreciate being of assistance.

I think some of your questions and comments are very much on point, and we will be more than happy to share with you our thinking thus far.

Ms. NORTON. Thank you.

Mr. Wilbur, I know this is early to ask, but people in your business always try to make some—get some sense of where what they are doing is leading in terms of what those who will be there will need. I wonder if you have any sense of the expected increase in ridership once Burnham Place is completed and what connection you see between Burnham Place and the rest of the facility?

Mr. WILBUR. We have not had an economic study done at this time to evaluate your first question. I would say that the second question really——

Ms. NORTON. You do realize that some people are going to be—let us look at the mixed use part—are going to be moving precisely because you are so close to the transportation center?

Mr. WILBUR. Yes, I do. One thing I would like to say is that I think 25 years ago when I first came to Washington is when this plan for Union Station came about. And I think at the time it was really a visionary thing to be able to bring retail into that area. And I think it has been a very successful project in the sense of having the retail there. Obviously 25 years later we have a very

different Washington, D.C. than we had before. That was a very neglected area, it wasn't an area that was attracting much investment. And also in that time I think the advantages of mixed use development have become much more evident to people. Also, the word "smart growth" didn't even exist at that time, which was the idea of getting development and putting it around transportation hubs.

So I would say absolutely the thing that is really one of the main things missing in this ITC is the fact of having more mixed use development. And that is really what our development is going to bring. We have some challenges.

Ms. NORTON. And by that you mean what; would you describe what you might expect there?

Mr. WILBUR. First of all, maybe I could just tell you a little bit about the project. We are still very much in the planning phases, but kind of how this works, because there was some question on that in questions earlier, and I don't think that the folks who were there were quite able to do it because they don't really know what is happening there. But I think you have to think about, first of all, connections, which is really what this project is all about. We are very much connected to the Union Station. We are also connected to the H Street bridge. And the H Street bridge connects us to the neighborhoods. The elevation of this project, if you are going to go to it from inside Union Station, you would go up the escalators up to where the parking garage is at. And once you get up to that elevated area, that would really be our first floor of our building. And that is at about where the crown of the H Street bridge is. So again it is a little hard to visualize because we are probably about 25 feet above where the tracks are at. There would be access to our project both from H Street and to Union Station.

Ms. NORTON. Without going outside?

Mr. WILBUR. The opening between the H Street and Union Station, right now we are looking to have that space open to the sky with people walking through. But your experience going through that space is going to be superior architecture and it will be retail. Not retail of the type that Union Station has, but it will be just first floor retail that would be engaging to someone so that the walk that would take place, which is a pretty long walk, would be a pleasant one. And you would be able to get from H Street in the neighborhoods over to Union Station. And then of course from Union Station, you would be able to come up to our project also.

That area south of H Street, between H Street and the connection to Union Station, would have a platform above the first floor, where the first floor would be all retail, we would probably have three to four different buildings that would be built there that would be office and residential that would provide the density that would be able to support our construction of the slab. On the north side of H Street, originally when we were looking at this project we weren't quite sure we could build anything there, and now we are looking definitely to build there, and on the other side of H Street, north of H Street, we are looking at probably putting in a hotel, maybe a residential project, it could be some supplemental parking.

So we are looking at a very dense project. It is one that would be very connected to Union Station. It would add a tremendous

amount of daytime population as well as nighttime population and 7-day a week population for people who would not only use the transportation system, because the people who are going to be attracted to those properties are going to be those who buy into the economic and/or environmental advantages of using the public transportation system. So I think that is good.

The other aspect is you will have the people there that will provide more vibrancy for the area, which again makes it more of a people place because the transportation, the kind of energy that you get from that is one thing, but you have got to have the people there and you want them there basically 24/7.

So that is kind of our overall vision for the project, to take what right now has got a nice retail operation there. Fortunately Ashkenazy has taken over. They are going to put major capital improvements into the retail. They are going to retool that for a new retail environment today. And then basically we are going to make them into a mixed use project, because we are going to bring the other uses, the office, residential, some retail, but fairly minor amount of retail, and hospitality uses to the project. And then there could be some other things, some cultural uses, too.

But I think what we are going to be doing is making that link together seem like a single project, and I would say that that is similar to what we did at Gallery Place. Remember that we have a project that is next to the Verizon Center and we connected that project to the Verizon Center so we could get the synergies between it. We also had opening areas between the streets so the people could walk through so that there was good transportation patched through even whether it is on streets or even alley ways. And that is the way we want to have this project.

We don't have a city grid to deal with here. But we are going to do the best that we can to make it a more walkable neighborhood by combining our project in with Union Station.

Ms. NORTON. When you talk about H Street, a city as compact and small as D.C. Cannot afford that wasteland between North Capitol and maybe First Street or even beyond. And there it is, you know, nothing happening. Can't afford it, can't live with it, and we are going to find that out during this period when we are experiencing some financial difficulties. This has been very fortunate until now and will be more fortunate than the rest of the country. But even as I heard you speak with some innovation, I see possibilities when paying for this infrastructure, when you talk about all that is going to go on there, if there is a will I see a way to move forward given the amount of private expenditures that are planned and the vested interest that the private sector, especially commercial sector, has in its happening. And we have got to think that way or getting it done with large amounts of Federal funds and the like is going to not only delay it, but make it impossible.

Who is your major contact, Mr. Wilbur? Is it the corporation, the public corporation, or is it the management that run Union Station complex?

Mr. WILBUR. We work through USRC, but we are going to need to work closely with all the groups. That is Ashkenazy, we have had meetings with them, too, and they are excited about our plans.

Ms. NORTON. I am sure you are briefing everybody. I just want to make sure, who do you go to when you need to get something done by others and by the corporation itself?

Mr. WILBUR. David Ball would be our person to go to.

Ms. NORTON. Well, that is right. And that is why I told him the buck stops with him. He just can't pass it, because Congress created this public corporation with almost no private sector members precisely to be able to locate responsibility. So it is important that that is your understanding as well.

One final question, Mr. Moneme, not because I intended it, but somebody raised the bus notion. And you know that is my big disappointment with the District of Columbia, because for all the good work you have been doing in transportation this notion about people having to go to Union Station and then pay a buck to come see their Member of Congress, I have saved you from the perils of Members who if we had allowed that plan to go ahead would have left all your expectations in complete and total disarray.

I need you to come see me. I won't take the entire time. I have met with others. You have not been back to us. I will say that we want to use the Circulator. We think we have found a way to do it without charging people extra money. We do not believe that it is feasible to send the tour buses or the larger number of tour buses to Union Station. We will be using—we will continue to use to the greatest extent possible the Botanic Garden site. The golf carts are underused. They have, I think they said, two of six on the average are what are used. We are not satisfied given the fact that you have to go to the front with even the golf carts. We believe there is a way for the Circulator to come up Constitution Avenue, let people off at the corner.

We applaud your notion of public transportation. We decided not to rest on having another fight with the Senate on going to First Street. That is my biggest fight yet to be solved, because I think you had a good plan for that. I want you to know the task force is looking at better screening for the buses. They have been informed. You can screen all you want to. Those buses are not going into the Capitol Hill neighborhood. They will not go across First Street. I don't care if its safe enough to put babies in. We are not going to increase pollution in that section of Capitol Hill. That lower section of Capitol Hill is a very residential part of the District of Columbia.

So it is either the Circulator, which has to be innovative enough to get the dollars it hopes to get from rerouting people, or it is what we hope and are clear must be some other form of public transportation. I would be pleased to brief you on where we are. The Sergeant of Arms—in the absence of the District of Columbia in coming up with a plan that would not be instantly overturned by Congress, the Sergeant of Arms will be writing you about the plan that will be in place for at least tour buses coming to the Capitol of the United States. There was very deep concern in Congress about how long it was taking. And because we now have a plan that we think will be satisfactory to the District of Columbia we would like to sit down with you for any alternations you might suggest in it at your convenience.

Your testimony, gentlemen, has been as important as the testimony we heard before. You are the real engines that make this run. Mr. Leach, you are—I just have to thank you for keep pressing ahead in terms of what you outlined as what kinds of need you will have in terms of your capital costs and amortization. I mean anybody in business would understand that those are the kinds of things you do if you want something to happen.

Our concern about Greyhound and interbus travel is that we have seen no will, no will on the part of the corporation, or for that matter even the people who have something to gain economically, the management. Nothing happens, especially in a city like this, without will. You make things happen. And thus we are going to make happen intercity bus travel for residents of the District of Columbia. You are more indispensable than ever.

Mr. Moneme, you have a very tough mandate and you have acquitted it well. We are sorry about the problem that arose with respect to the—what do you call it—the Circulator. I always want to call it the commuter. The Circulator. But Members of Congress saw that as a way for the District of Columbia to fund the Circulator. If you want me to be clear, that is how Members perceived it. And I didn't have any answer to that because I saw piling up, as you know from your testimony, piling up the buses at Union Station. I thought it was a traffic hazard, not to mention the dollar that I knew would be the end of it.

Mr. Wilbur, long before you get a full fledged intermodal center up, I ask you, because you are in business, Akridge has been one of the most innovative developers in the city, to help the corporation and the management on the road to true intermodal. And the impatience that is reflected in me as a Subcommittee Chair about getting us quickly, more quickly to the grand visionary part of this, we are prepared to act on. It will take private sector funding innovation to help us do it if we want to get the infrastructure part completed. The likes of Akridge are in the business of figuring things out of this kind, and I ask you to continue what appears to be a very good relationship with the actors at Union Station complex, and especially to share with them some of that creativity that has made Akridge one of the leading developers in the region.

I thank Akridge here right on the record for what you are doing for the mall. The fact that Akridge, that Chip Akridge is heading the extraordinary effort to solicit half a billion dollars in funds for the National Mall is an indication of the success you have had in your business because that is not something Mr. Akridge would undertake without such success, or, if I may say so, that he would be asked to undertake by the public sector unless he had shown extraordinary success in his own business.

Thank you all for your testimony at this hearing, and please continue to communicate with Subcommittee staff and with my own staff to the extent that we can be helpful to any of you. Thank you very much. The hearing is adjourned.

[Whereupon, at 1:35 p.m., the Subcommittee was adjourned.]

Subcommittee on Economic Development, Public Buildings and Emergency Management

Hearing on "Union Station: A Comprehensive Look at the Private Management, the Public Space, and the Intermodal Spaces Present and Future"
Tuesday, July 22, 2007

Statement – Congressman Jason Altmire (PA-04)

Thank you, Chairwoman Norton, for calling today's hearing to discuss future plans for Union Station.

Constructed in the early 1900's, Union Station has acted as a valuable transportation hub for over a century. Today, Union Station remains as important as ever with approximately 90,000 individuals passing through its doors each day. It is apparent that this building has become, and will remain one of America's historic buildings.

To ensure that Union Station remains a vibrant intermodal transportation center, Congress created the Union Station Redevelopment Corporation and tasked it with overseeing commercial development within the station. The goal of this initiative was to utilize the building's commercial spaces to financially support the continued operation and maintenance of the entire facility.

I look forward to hearing from each of our witnesses today on the progress that has been made toward this goal, and additional steps that this committee can take in order to make it a reality.

Madam Chair, thank you again for holding this hearing today. I yield back my time.

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COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE
Subcommittee on Economic Development, Public Buildings,
& Emergency Management

July 22, 2008 – 10:00 a.m.
2167 Rayburn House Office Building

Opening Statement of Congressman Elijah E. Cummings

Madam Chair:

I thank you for calling today's hearing to give us the opportunity to examine the management of Washington's Union Station – which is truly a distinct landmark in our nation's capital and a vital intermodal transportation hub for the city of Washington. I also thank you for allowing me to submit this statement for the record.

Opened in 1907, Union Station features unique architectural elements drawn from a variety of styles that combine to create a structure of grandeur.

Unfortunately, this station fell into a state of disrepair after World War II when passenger rail traffic experienced a steep decline. The station was preserved only through an act of Congress that authorized the station's restoration and ensured it would serve a new generation as a transportation hub.

Union Station is now truly a crossroads for Washington, D.C., – and living in Baltimore and serving in Congress, I am often among the 90,000 people who visit the station everyday.

Recently, I was approached by the owners of B. Smith's Restaurant, Ms. B. Smith and Mr. Dan Gasby, who wanted to discuss their concern over the sale of the station's leasehold.

The current organizational structure of Union Station is complex. It is owned by the United States Department of Transportation and

controlled by the Union Station Redevelopment Corporation, a wholly owned government corporation. The station's leasehold was recently sold to Ashkenazy Acquisition Corporation, a firm located in New York, and the property is managed by Jones Lang LaSalle, Inc.

Ms. Smith and Mr. Gasby have heard rumors that Askenazy Acquisition Corporation has plans for the station that do not include B. Smith's restaurant or many of the other establishments currently located in the station.

In the course of my discussions with B. Smith and Dan Gasby, I also learned that though African Americans comprise 55 percent of Washington's population, they own only 5 of the more than 100 establishments in Union Station.

Ms. Smith and Mr. Gasby explained that their numerous attempts to contact Ashkenazy Acquisition Corporation to seek answers to their basic questions about the future of the Station and of their lease have gone unanswered. I then wrote to the Corporation myself to make an

inquiry on their behalf – and I similarly received no reply.

Next, I talked to my colleagues on the Transportation Committee – Ms. Holmes Norton, who not only chairs the Subcommittee on Economic Development, Public Buildings and Emergency Management but also of course represents Washington, DC, in the Congress; and Ms. Corrine Brown, who chairs the Subcommittee on Railroads, Pipelines and Hazardous Materials.

Today, we finally have the opportunity to understand what those in charge of Union Station plan for the next stage of the station's development.

I am glad to have this opportunity – but I am also deeply concerned that it has taken a Congressional hearing to finally receive responses from Ashkenazy Acquisition Corporation to the questions that I and the other Members here today have about the future of Washington's Union Station.

I also know that current leaseholders in the station are eager to know if future plans for Union Station include them – and I am concerned that they have apparently not received the answers they need to make plans for the future of their businesses.

Further, I am also keen to know the steps that will be taken to ensure that there is room for minority and women-owned businesses in Union Station. Union Station is part of the fabric of our nation's capitol, and it is important that its

businesses reflect the rich culture and diversity of the city in which it operates.

The Honorable Sam Graves, Ranking Republican Member

Subcommittee on Economic Development, Public Buildings and Emergency Management

Hearing on "Union Station: A Comprehensive Look at the Private Management, the Public Space, and the Intermodal Spaces Present and Future"

July 22, 2008

[WHEN RECOGNIZED]

Thank you, Chairwoman Norton, for holding this hearing on Union Station and the examination of its private management, public space, and intermodal uses.

When it opened a century ago, Union Station was a state-of-the-art train station. It was the largest train station in the world and was designed to serve as a gateway to the Nation's capital for those arriving by train.

However, as time passed, with more people traveling by air, train usage began to decline. By the 1960s, Union Station was deteriorating and, in 1968, a proposal was made to transform Union Station into a visitor's center. Unfortunately, the visitor's center project failed and, the building was closed.

In 1981, Congress passed the Union Station Redevelopment Act and transferred the rights to Union Station from the Department of Interior to the Department of Transportation. The Act directed the Department of Transportation to rehabilitate and redevelop Union Station as intermodal transportation terminal and as a commercial complex.

The bill provided DOT with authority to contract with a private developer and to explore the use of private financing to complete the rehabilitation. The Union Station Redevelopment Corporation was established to advance this public-private partnership.

Union Station was successfully reopened in 1988; however, the mandates of Congress under the 1981 Act have yet to be fully met.

I am pleased to see the success that public-private partnerships can have in redeveloping important buildings such as Union Station. Without such a partnership, Union Station as we know it today, would not have been possible.

And, additional development is also expected. In 2006, pursuant to a Congressional mandate, the air rights to the space over the train tracks, north of Union Station, were sold to Akridge Corporation. Akridge proposes a 3 million square foot mixed-use development to include a comprehensive intermodal transportation center.

This planned development will fit into the priorities for continuing the work at Union Station, and also help advance the goals of the local community in the revitalization of that area of the city.

While Union Station has become not only a train station and a vibrant commercial complex, the redevelopment has not yet become a fully intermodal transportation terminal.

With Amtrak, local public transit and regional rail lines, Union Station has yet to incorporate the Greyhound bus terminal. And, with proposals for a new high-speed rail service between Washington, DC and New York City, consideration must be given to accommodating this new mode of transportation.

In fact, the National Capital Planning Commission in the Federal Elements of the Comprehensive Plan for the National Capital proposed that the Federal government should increase the capacity for passenger rail service, including high-speed trains, in the Northeast Corridor to serve the District of Columbia.

While there has been continuous progress in re-developing and transforming Union Station to meet today's needs for transportation and commercial activity, it is important to ensure that the development includes making Union Station a true intermodal station, consistent with Congress' mandate in 1981 and with the Comprehensive Plan for the city.

I look forward to working with Chairwoman Norton on ensuring these projects move forward.

I want to thank our witnesses for being here today to discuss this important issue.

Thank you.

Statement of the Honorable John L. Mica

Oversight Hearing on "Union Station: A Comprehensive Look at the Private Management, the Public Space, and the Intermodal Spaces Present and Future"
Subcommittee on Economic Development, Public Buildings, and Emergency Management
Tuesday July 22, 2008

- Thank you, Chairwoman Norton, for holding this hearing on the private management and planned development of Union Station.

- A century ago, Union Station opened as the largest train station of its time and was considered the gateway to the Nation's capital for rail passengers.

- As time passed and ridership declined, Union Station fell into serious disrepair and the cost to rehabilitate it became a major obstacle.

- After a failed attempt to transform Union Station into a national visitor's center, Congress passed the Union Station Redevelopment Act of 1981.

- This Act transferred jurisdiction over the Station from the Department of Interior to the Department of Transportation and provided authority to contract with a private developer to rehabilitate and redevelop the historic structure.

- The Act envisioned leveraging private financing through a new public-private partnership to re-create Union Station primarily as an intermodal transportation terminal and, secondly, as a commercial complex.

- This partnership leveraged private funds to finance $160 million worth of renovations and resulted in the Union Station that we know today as a key transportation hub and a vibrant location with shops, restaurants and other businesses.

- Additional development is planned. Pursuant to congressional mandate, the air rights over the train tracks, north of Union Station, were sold to Akridge Corporation in 2006.

- Akridge proposes a 3 million-square-foot mixed-use development to include a comprehensive intermodal transportation center.

- This planned development will build upon the work done at Union Station and fit into the revitalization of that area of the city.

- Despite all the progress made so far transforming Union Station into a vibrant transportation and commercial development, the work has not yet fully included a comprehensive intermodal transportation terminal.

- While Amtrak, city transit, and regional rail lines service Union Station, the Greyhound bus terminal is still at a separate location.

- And, it is also unclear whether current plans include accommodations for a high-speed rail service between Washington, DC and New York City as proposed in the

House-passed Passenger Rail Investment and Improvement Act of 2008.

- In 2004, the National Capital Planning Commission clearly recommended that accommodations be made for a high-speed rail line in its update to the Federal Elements of the Comprehensive Plan for the National Capital.

- Union Station, however, is just one example out of many across the nation as to why a comprehensive national transportation plan is needed.

- Ensuring passengers can find both bus and rail services conveniently co-located and stations nation-wide are looking to the future to accommodate services like high-speed rail is of national interest.

- I look forward to hearing the witnesses today regarding Union Station and the progress being made on these and other important issues.

ELEANOR HOLMES NORTON
DISTRICT OF COLUMBIA

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
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UNION STATION: A COMPREHENSIVE HEARING ON THE PRIVATE MANAGEMENT, THE PUBLIC SPACE AND THE INTERMODAL USES PRESENT AND FUTURE
JULY 22, 2008

STATEMENT OF
THE HONORABLE ELEANOR HOLMES NORTON
CHAIR, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

I welcome today's witnesses to our subcommittee hearing on public access, management, security and the future of Union Station complex as an important intermodal center for all modes of land transportation. The current management structure at Union Station, the Union Station Redevelopment Corporation (USRC), was created in 1981 at the direction of Congress, and Congress later competed the air rights that will expand the station's capacity to become a world class intermodal and mixed use public-private facility. Ownership of Union Station, as the bill report made clear, "shall remain with the federal government." However, we are unable to find evidence of congressional oversight of Union Station since its redevelopment. Now that there is a new congressional majority with Union Station under our jurisdiction, this hearing commences regular oversight.

Union Station began as the train facility for the nations capital whose grand design was commissioned by Congress to produce a landmark building. However, as rail use declined in the 1950's, the station rapidly deteriorated and a series of failed ideas, wasted federal funds, cost overruns, major utility and roof needs, and mismanagement litigation resulted. In 1981, after portions of the roof collapsed during emergency structural repairs, Union Station was closed to the public, forcing passengers to walk a third of a mile around the closed building to the replacement station. Congress stepped up later that year and sped purchase payments on Union Station to obtain earlier planned federal ownership from Baltimore and Penn Terminal Realty. After a $180 million public-private renovation, Union Station reopened to public applause in 1987, fully restored. The Congressional authorization to purchase Union Station mandated the creation of a management structure, the return of the station to its important rail

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beginnings, transition to an intermodal center, and the private investment that has resulted in the retail available today.

Congress delegated to the Union Station Redevelopment Corporation the authority and responsibility to order priorities and mediate the sectors in Union Station in order to safeguard the public interest. Like the District of Columbia itself, the Union Station complex contains a mix of federal, local and private entities, but the overriding public interest has never been in doubt: to provide the public access to a federally owned facility, to expand modes of travel to and from the nation's capital city, and to provide a secure environment. The public interest was strengthened when, in 1971, the federal government created Amtrak in response to the sustained decline of passenger rail and today Congress puts billions of dollars into Amtrak to sustain this valuable public resource.

At least since 9/11 we have seen a sharp increase in riders using Amtrak, whose national headquarters is Union Station, making more rapid movement toward genuine intermodal status essential. However, we have not seen significant evidence that the Union Station Redevelopment Corporation understands the increasingly central role of national intermodal hubs today. Yet, gas prices are driving record numbers of Americans to use whatever ground transportation is available. March 2008 showed a 4.3% drop in vehicle miles travelled, the sharpest drop for any month in U.S. highway history. In 2007 Americans use of public transportation reached its highest levels in fifty years. The House just passed the first stand-alone transit legislation bill since Metro was created, just as Metro is bursting at the seams. This week Metro had its highest ridership day in its history, and eight of its top ten ridership days have occurred this years. The House also authorized the nation's first high speed rail and it will travel between the District of Columbia and New York. The Capitol Visitors Center is scheduled to open in December. This new attraction, which will bring many more visitors to Washington, is one of the reasons Congress has insisted on a true intermodal center at Union Station.

Today, Union Station covers 12 acres and has 2,200 parking spaces,125 retail outlets, and provides access to Amtrak, the Washington Metropolitan Transit Authority (WMATA) Rail and Bus, the Virginia Rail Express (VRE), the Maryland Rail Commuter (MARC) line, taxis, bicycle sharing, and other tourist friendly transportation services. Union Station is the busiest rail stop on the WMATA rail line with over 30,000 daily riders using this stop. Because of congressional mandates and federal funds, the Intermodal Center at Union Station, will have new parking facilities for tour buses, new rail concourses, streetcars that connect Union Station to the neighborhood, and additional security improvements. In the Balanced Budget Act of 1997 Congress directed GSA to dispose of the land over the railroad tracks at Union Station and, in 2002, the General Services Administration bid and sold 15 acres of air rights above the rail yard adjacent to Union Station. The result of the sale will be Burnham Place at Union Station, a 3 million square foot mixed-use development built above the rail yard just north of Union Station and scheduled to include expanded transportation capabilities, mixed use, amenities, and a hotel.

The concept of Union Station as a modern intermodal center was detailed in a 1967 report by the National Capital Planning Commission, which envisioned combining intercity and intracity bus service with intercity rail transportation, Congress has strongly supported the intermodal concept with funds in every transportation reauthorization bill since 1991 and in some annual appropriation bills. I secured $2.25 million dollars for the study currently being conducted by the District of Columbia Department of Transportation on the Intermodal Transit Center at Union Station. Four months ago Chairman Jim Oberstar, Ranking member John Mica and I sent a letter to the USRC encouraging relocation of the District's Greyhound intercity bus terminal, located several blocks to the north of Union Station, to Union Station. A state-of-the-art intermodal center is by definition a facility that allows passengers to seamlessly choose and get access to all modes of ground transportation. Our letter reiterated the Transportation and Infrastructure Committee's continued work on intermodal development at Union Station. I followed with another letter on May 2, 2008, to the USRC asking for access for additional intercity bus companies, some of which currently drop off and pick up passengers on already crowded District streets. The response cited business relationships as the reason why Megabus was not allowed to sub-lease a parking spot in the parking garage. However, this is just the sort of arrangement that is needed to help Union Station more rapidly fulfill the congressional intermodal mandate while Burnham Place is being constructed and integrated over the next decade. This and other steps can be taken now to begin the process of converting what today is only a public transportation hub to the world class intermodal center Congress has mandated. Nor did the response to our letter mention any other way to accommodate Megabus or similar companies. Accommodation of low-cost intercity bus operators should not only be incorporated into the USRC's business plan, but long ago should have been actively sought to increase the intermodal options available at Union Station.

Reported first amendment violations and denial of access by the press and public as well as inconsistent messages by Union Station personnel are especially troubling. In June, a photographer was detained by Union Station security personnel for taking non-commercial photographs. A real time display of the confusion about access came when Channel 5 TV, a major television outlet here was shut down by security personnel while interviewing the chief spokesmen for Amtrak, who was explaining that photography was allowed. Although management officials asserted that a ban on photography was not the policy, Channel 5, National Public Radio, tourists and a host of amateur photographers have been shut down or given inconsistent direction on photography at Union Station. The evidence of confusion and arbitrary actions by security personnel reflects the continuing absence of clarity concerning public access. Union Station appears to be a case study for the necessity for my bill, H.R. 3519, the Open Society with Security Act, to assure public safety while maintaining the highest level of free and open access to the public. The Homeland Security Committee has already indicated an interest in moving H.R. 3519, and it has been referred to out of committee by the parliamentarian.

However, the Union Station Redevelopment Corporation and the Union Station management company are not alone responsible for the problems and issues that have arisen at Union Station. For years, Congress has failed to provide the necessary oversight

and guidance. As Congress continues to invest in its intermodal vision of Union Station, we have a responsibility to resume oversight of the entire complex.

We welcome today's witnesses and look forward to hearing your testimony.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
JULY 22, 2008
UNION STATION: COMPREHENSIVE HEARING ON PRIVATE MANAGEMENT, PUBLIC SPACE, AND THE INTERMODAL USES PRESENT AND FUTURE.

Thank you, Chair Norton for your vigilant oversight on federal real estate matters in the District of Columbia. This magnificent building with 600,000 gross square feet including space for AMTRAK and its offices, and over one million square feet for parking is a jewel in the federal inventory. The building is strategically placed to take advantage of both the tourist market, and the office space market.

As you know this committee was very involved in passing the Union Station Redevelopment Act of 1981 and we have taken very seriously our stewardship of this great structure. Now that we have stabilized the building for the present I look forward to hearing about the future of the building and in particular the plans for the intermodal center.

UNION STATION REDEVELOPMENT CORPORATION

David S. Ball
President

WRITTEN STATEMENT OF DAVID S. BALL
PRESIDENT, UNION STATION REDEVELOPMENT CORPORATION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
U.S. HOUSE OF REPRESENTATIVES

July 22, 2008

Chairwoman Norton, Ranking Member Graves, and Members of the Subcommittee, I am very pleased to be here this morning on behalf of the Union Station Redevelopment Corporation, also known as USRC, to testify about the management of Union Station, intermodal uses of the station, and other important matters concerning the care and custody of Washington Union Station that have been entrusted to USRC. The testimony also provides important information concerning: (1) the historical background of the station and how the station was redeveloped; (2) the Union Station Redevelopment Act of 1981; (3) the governance of the Union Station Redevelopment Corporation and key elements of the project; and (4) the risk presented by the District of Columbia's possessory interest tax to the continued viability of Union Station.

History of Union Station

Union Station was designed in the Beaux Arts style by Daniel Burnham, one of America's foremost architects in his day and a leading proponent of the "City Beautiful" movement. The station is a National Landmark building and one of the largest rail stations in the world. Preservation of this architectural jewel is a central goal of the Union Station Redevelopment Act of 1981 and is at the heart of the Department of Transportation's efforts on this project.

The Union Station Redevelopment Corporation (USRC) is a nonprofit organization, established in the District of Columbia on April 14, 1983. USRC was formed in order to help the Secretary of Transportation, then Elizabeth Dole, with the complex task of restoring the Union Station complex.

When Union Station first opened during the early 20th century, it was a thriving transportation hub, but with the decline in rail travel; fewer and fewer travelers used the station. In 1964, Union Station was designated as a National Landmark and preserved from the wrecking ball. In the National Visitor Center Facilities Act of 1968, Congress directed that Union Station be converted into a National Visitor Center, with a garage and a replacement train station to be built behind it.

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After a troubled and controversial development period marred by cost overruns (*60 Minutes* and *The Washington Post* alleged cost overruns on the order of $180 million), the National Visitor Center opened in 1976. Most of its facilities ceased operation in 1978 (as it was largely unvisited) and it was closed in February of 1981 after extensive water damage resulted in the building being condemned as unfit for human habitation. The building was labeled a safety hazard and passengers now had to walk around the building to get to their trains.

The Union Station Redevelopment Act of 1981

On December 29, 1981, President Reagan signed the Union Station Redevelopment Act of 1981 into law (P.L. 97-125). The law provides:

> "Sec. 112. The Secretary of Transportation shall provide for the rehabilitation and redevelopment of the Union Station complex primarily as a multiple-use transportation terminal serving the Nation's Capital, and secondarily as a commercial complex, in accordance with the following goals:"(a) Preservation of the exterior facade and other historically and architecturally significant features of the Union Station building;"(b) Restoration and operation of a portion of the historic Union Station building as a rail passenger station, together with holding facilities for charter, transit, and intercity buses in the Union Station complex;"(c) ***Commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex***; and"(d) Withdrawal by the Federal Government from any active role in the operation and management of the Union Station complex as soon as practical and at the least possible Federal expense consistent with the goals set forth in subsections (a) through (c) of this section." (Emphasis added.)

Former Chairman of the House Committee on Transportation & Infrastructure and former Secretary of Transportation Norman Y. Mineta was the sponsor and champion of the bill in the House. Without his efforts, there would have been no Redevelopment Act, there would have been no money to complete the parking garage, and there would have been no redevelopment project. The Federal Railroad Administration (FRA) completed the market and engineering studies required by the Act that formed the foundation for the project. Secretary of Transportation and now Senator Elizabeth Hanford Dole secured the needed funding from Amtrak and agreed to work through USRC, in selecting a developer for the project.

USRC was created in response to a suggestion in the Senate Report on the Redevelopment Act to assist the Secretary of Transportation in carrying out the project and to provide a vehicle through which the principal stakeholders in Union Station could work together constructively to carry out this challenging and risky project for the benefit of the City and the Nation. An eminent real estate developer, Keith Kelly, was hired as USRC's first president.

USRC's first task, as charged by a cooperative agreement among FRA, Amtrak, and USRC, was to restore and renovate the historic Union Station. The second task was to identify a retail developer which the Secretary of Transportation was willing to officially designate as the developer for the commercial areas of the building. After the developer's designation was finalized, USRC was to negotiate a sublease with the developer that would provide for the developer to introduce the commercial activities into the station which would generate the revenues needed for the long-term upkeep of the historic building as provided by the Redevelopment Act.

Despite the fact that the station is a quick 5 minute walk from the US Capitol Building many developers feared (circa 1983) that Union Station was **too risky a venture** to undertake. The Station's location at the foot of the northwestern quadrant of Capitol Hill was a desolate underdeveloped section of the City. USRC received only 2 development proposals. However, as evidenced today, Union Station has enjoyed remarkable success since its Grand Opening on September 29, 1988, as America's premier Amtrak station and a unique specialty retail center.

Once USRC selected the developers and architect tasked with the station's restoration, plans were drawn up for what changes were to be made to both the interior and exterior. The exterior would remain almost unchanged, but the plans called for extreme changes to Union Station's interior, ranging from constructing new mezzanines for shops to restoring ornate wall stenciling and historic clocks. Union Station's basement, which had served as a parking lot, would have curving stairways, public tables, and a movie theater. Ground was broken for Union Station in August 1986. By February of 1988, USRC's progress had earned national attention. An article in *The Los Angeles Times* praised USRC for the manner by which it had financed and managed the restoration, for meeting its deadlines, and for not going over budget. On the eve of the reopening, *The Washington Post* stated that it had become "impossible not to be exhilarated by the sight of Union Station" and that the "breathtaking grandeur of Union Station had been brought back."

USRC retained **Harry Weese and Associates** to design the rehabilitation and renovation of Union Station, to assure its structural soundness, bring it up to modern building code standards, restore its historically significant features, make it accessible to the handicapped, and adapt it to the commercial uses proposed by the developer, Union Station Venture, without compromising the quality of the restoration. The restoration won a historic preservation award from President George H. W. Bush, as well as other significant awards.

Union Station Venture (USV) was selected as the developer and created an exciting festive retail center of unique size and scope for Union Station. The station includes over 100 merchants and restaurants, a 40-vendor food court, and nine cinemas, making Union Station one of the places in Washington to shop, dine, and be entertained under one roof with Metro access and easy automobile access to a secure, well-lit garage connected to the station by elevator and escalator. Union Station Venture sold 100% of its interest in the station to the current owner, Ben Ashkenazy, who holds the station through an entity called **USI.** Of course, the ambience of a first-class railroad station adds significantly to the attraction. Ashkenazy now proposes to update the retail presentation significantly to keep the station current and to add a fresh venue of amenities. That is typical of best practice among successful retail developers and it is time. The retail at Union Station has been substantially the same for 20 years. An example is that the cinema, which was a main attraction in 1988, has posted consistent sales declines in the last five years.

The District of Columbia completed the parking garage behind Union Station using $40 million of Interstate Highway funds. The original garage accommodated about 1,400 cars and a large number of buses. Tour buses are welcomed. The garage is well-lit and secure. Elevators and covered escalators connect all parking levels with the station. Because parking demand was straining the capacity of the garage, USRC has expanded the garage to accommodate about 2,194 cars on Levels 1 through 4, over 150 rental cars on the new mezzanine, and 98 buses on the Bus Deck. Shoppers, Amtrak passengers, office workers, and visitors find parking convenient and once more plentiful.

Union Station officially reopened on September 29, 1988 and by 1994 it was drawing more than 7 million visitors annually, making it DC's 2nd most popular tourist attraction behind the Air and Space Museum. By late 1997, USRC had turned Union Station, which had before been labeled a safety hazard, into the most popular tourist attraction in Washington, D.C. Today the station draws over 32 million visitors each year. USRC now focuses on the upkeep of Union Station and the garage. Union Station is constantly being updated, from expanding the garage to changing the configuration of Columbus Plaza in front to make it safer for vehicles and pedestrians. USRC is continually implementing plans for the benefit of the station itself as well as for the public.

The restoration of the Union Station complex was no small feat, and it has won numerous awards, including:

- 1989 ICSC Maxi Award for the Grand Opening of Union Station
- 1989 10th Annual Renovation Award for Adaptive Reuse Commercial Renovation
- 1989 Merit Award, Washington, D.C., Chapter, American Institute if Architects
- 1989 Building Design and Construction Reconstruction Project Award
- 1989 Environmental Design Award, Mayor's Office, Washington, D.C.

- 1990 CHAMPS (Capitol Hill Association of Merchants and Professionals) Daniel Carroll Award for rehabilitation and adaptive reuse of Union Station
- 1991 Retail Advertising Council First Place for "Switzerland at Union Station"
- 1991 Award for Excellence, Urban Land Institute
- 1992 Presidential Design Award, Federal Design Achievement Award
- 1993 Outstanding Project, American Society of Civil Engineers, National Capitol Section
- 1994 Brunel Award International Design Competition Commendation for Transformed or Renovated Large Stations
- 1995 Investors in America Award, Partners for Livable Communities

FRA bought Union Station subject to a first mortgage that had been used to help finance the ill-fated National Visitor Center. The mortgage has long ago been paid off. FRA got possession of Union Station at the beginning of the Union Station Redevelopment Project by taking an assignment from the Department of the Interior of a 25-year lease the National Park Service had entered into with the **private owners** of Union Station (real estate subsidiaries of CSX and the Penn Central estate). The lease provided for creation of the mortgage by those private owners. The lease also gave the Government an option to buy the station subject to the mortgage. Once we had successfully redeveloped Union Station, Congress authorized FRA to exercise the option and buy the station.

Union Station is a great success both as a transportation facility and as a commercial venture. Amtrak's ridership and Metro's rose sharply after Union Station reopened. MARC and VRE have prospered there, as well, to the point that the sheer number of passengers using Union Station at rush hour is severely straining the facility's capacity. The retail that was designed to support the redeveloped station is one of the most successful specialty retail centers in the Nation. Year after year, Union Station is second or third on the list of places visited by the most tourists (the Air & Space Museum is almost always first).

The parking garage is a major contributor to the success of the station because of its ability to accommodate thousands of tour busses each year.

> Senate Rep. 97-269, discussing Section 112 of the Redevelopment Act, states:
>
> ...The Committee does not intend that there should be a bus passenger station, in the normal sense, in the parking garage or anywhere else in the complex. Rather, there should be facilities simply to allow buses to stop briefly to discharge and load passengers. This includes charter, transit, and intercity buses. Because of the visitor-related nature of charter buses, such buses would also be allowed to park in the parking garage for a fee. Local transit (Metro) buses, of course, already use portions of the bus deck of the parking garage.

Revenue from the garage contributes to the financial strength of USRC and this revenue allows USRC to meet its contractual responsibility to maintain the historic elements of the station. The garage accommodates motor coach carriers, both local and out-of-state, WMATA busses, taxi cabs, the DC Circulator, Open Top Busses and several over size carriers and over 150 rental cars. In 2007 USRC completed an expansion of the parking garage by securing a $38 million construction loan from a commercial lending institution to increase capacity from 1,450 to 2,194.

We tally well over $205 million as having been invested in the station. That number consists of the $70 million initial investment by Amtrak, $40 million by the District, $60 million by USV, and $35 million by USRC. When the estimated $20 million worth of retail improvements proposed by USI is included total investment in the station is over $225 million.

Governance

The **Secretary of Transportation** is responsible under the Union Station Redevelopment Act of 1981 for (1) completing market and engineering studies before starting the project; (2) obtaining transfer of the lease of the station from the Department of the Interior; (3) providing for the rehabilitation and redevelopment of Union Station as a train station and a retail center in keeping with four goals: (a) preservation of the exterior facade and other historically and architecturally significant features of the building; (b) restoration and operation of part of the building as an Amtrak station; (c) commercial development to support the continued operation and maintenance of the building; and (d) withdrawal of the Federal Government from active operation and management of Union Station as soon as practicable and at least Federal expense; and (4) selecting a developer. The Secretary has managed the project through the **Federal Railroad Administration**.

Amtrak has provided $70 million to fund the rehabilitation and renovation of Union Station, which is Amtrak's premier station. Amtrak's corporate headquarters are also located in Union Station.

The **Union Station Redevelopment Corporation (USRC)** is a non-profit corporation created to assist the Secretary of Transportation in redeveloping Union Station. **Secretary Peters** is the Chairman of USRC's Board of Directors. **Alexander Kummant**, President of Amtrak, **Mayor Adrian Fenty** of the District of Columbia, **Edmund Cronin**, President of the Washington Real Estate Investment Trust and representing the President of the Federal City Council, and **Federal Railroad Administrator Joseph Boardman** are directors of USRC. I, David Ball, am the President of USRC.

USRC's oversight responsibilities for the entire station complex, as charged by its sublease from FRA and the cooperative agreement among FRA, Amtrak, and USRC, consist of:

- Managing the retail developer's sublease
- Managing the parking garage operator's contract
- Insuring proper maintenance of the unique historical features of Union Station
- Managing all capital improvements in the garage
- Protecting the Federal Government's and other stakeholders' interest in the property

Union Station Venture, a joint venture of the Connecticut state teachers' retirement fund, Williams Jackson Ewing, and Benjamin Thompson & Associates, was the original commercial developer of the project. USV recently sold its interest to a New York developer named **Ben Ashkenazy**, who holds the sublease to the station through an entity called **USI**.

Project Management

USRC is the nonprofit private sector corporation, originally entrusted with the task of ensuring that Union Station became a functioning rail station again, and that it's architectural and historic features be restored. Union Station is now the major intermodal transportation facility in Washington and is ready to increase its intermodal functions. Today, USRC's main goals include maintaining the historic station in the grandeur to which it was restored, ensuring that the station remains economically viable, overseeing and managing all capital improvements in the garage and protecting stakeholders' interest in the complex. USRC, as a non-profit entity, represents the public sector, and has allowed the federal government to remove itself from the railroad station management business as directed by Congress in the Union Station Redevelopment Act of 1981.

USRC has an oversight role in the management of the retail complex as outlined in the Sublease Agreement. The station and garage are owned in fee by the federal government (USDOT); and both are leased to USRC; USRC then subleases the station to USI; who in turn subleases the ticket counter/passenger waiting area along with office space to Amtrak. USI is responsible for all retail leases and the day to day management of the station. USRC does not sublease the garage but instead contracts for the management and operation of the garage. Reference Attachment I an Organizational Chart of the Union Station Complex.

USRC through consultation with the garage operator establishes policies and procedures for the garage. We are currently in discussions with Greyhound about tenancy at the station. Current talks center on a possible Greyhound ticket counter in the Station as a tenant of USI and Greyhound renting bus stalls from USRC. We have had discussions with the Capital Visitors Center (CVC) development team concerning

parking Capitol Hill destined tour buses in the garage and or running a shuttle from the garage to the Capitol to accommodate the many visitors.

The Bus Deck is striped to hold approximately 98+ buses however there are areas of the Bus Deck with restricted vehicle height clearances so that number can go up or down. During the Spring and Fall the deck operates daily at over a 100% capacity and requires hands on management to accommodate the parking of the numerous tour busses that enter and exit the garage. These tour busses share the deck with the DC Circulator, Greyline Tour Busses, FlexCar, Open Top Busses, and over sized carriers that pay a monthly fee to park. As part of the reconfiguration of Columbus Plaza we are obligated to provide WMATA with 10 free bus slips that will allow WMATA busses unencumbered access and egress so that route schedules can be maintained. We are also challenged with future demands whereby Greyhound may require 20 to 30 slips for operation along with the unknown requirements of the CVC. To accommodate these two entities alone will leave some folks fighting for more space.

As the ITC concept unfolds and the proposed Greyhound tenancy starts to take shape along with discussions with the CVC we will have a better handle on how USRC can maximize parking opportunities that provide the greatest benefit to the City.

Community and City Contributions

- Union Station improvements brought both commercial and office development to the area
- Restoration of the Union Station complex increased neighborhood real estate values
- Union Station now accounts for over 5,000 permanent jobs
- USRC is actively involved in both the Capitol Hill Business Improvement District and the North Capitol Neighborhood Development Corporation
- USRC works with the Washington Metropolitan Area Transit Authority to help accommodate bus schedules and routes
- USRC requires its contractors to have at least 30% minority participation
- In 2004 Union Station generated approximately $9,545,918 in sales tax; in 2005 $9,990,712 in sales tax; and in 2006 $10,684,389 was generated in sales tax. We estimate that sales tax for 2007 to be $10,736,621. Union Station as a revenue generator for the District carries its share of tax burdens.

To: Subcommittee on Economic Development, Public Buildings
and Emergency Management
July 22, 2008

Projects

Past

- $38 million garage expansion
  - Increased capacity from 1,440 car spaces to 2,194 spaces
  - Expansion joints were replaced/repaired
  - Deteriorating and delaminated concrete was replaced
  - Replacement/repair of reinforcing steel and tensioning cables
  - All exposed steel was fire-proofed
  - Entire 4th level of garage received a sealer coating
- Installation of hydraulic elevator providing service from the Bus Deck to the rental car Mezzanine Level

Present

- In discussions with the Capital Visitors Center project management team to develop a strategy for moving busses and people to and from the new center
- Installation of new traffic signal on the H Street Bridge
- Installation of a new elevator and the modernization of another to serve levels 1 through 4 in the garage
- Installation of a handicap accessible lift for access between the Bus Deck of the garage and the Concourse of Union Station
- Continued maintenance of the garage access ramps which were not included in the garage expansion project
- Working with Amtrak to install perimeter bollards at the station to improve security and mitigate any effects from a vehicle carrying explosives
- Columbus Plaza reconfiguration -- USRC, the National Park Services, and the District of Columbia's Department of Transportation are working together to reconfigure the layout of Columbus Plaza, in order to improve pedestrian and vehicle access

Future

- Replacement of all ten garage escalators – the escalators have been running 24 hours per day for the last 20 plus years
- Continued negotiations with Greyhound
- Working with Akridge on the development of Burnham Place
- Redefining USI redevelopment plans for submission to the Commission of Fine Arts

I am also compelled to let you know about threat posed by the District of Columbia's **Possessory Interest Tax (PIT)** to Washington Union Station's continued viability. I have attached my written testimony before the City Council's Committee on Finance and Revenue on this subject. USRC is working with the City Council to reduce the immediate and future negative financial impacts that the PIT is creating on the Station. This PIT, if not reduced or repealed, will reduce USRC's income by $1.5 million for tax year 2008 and will increase each successive year, eliminating the revenue that Congress intended to be used to maintain this National Landmark building

Thank you. I will be pleased to answer any questions you may have.

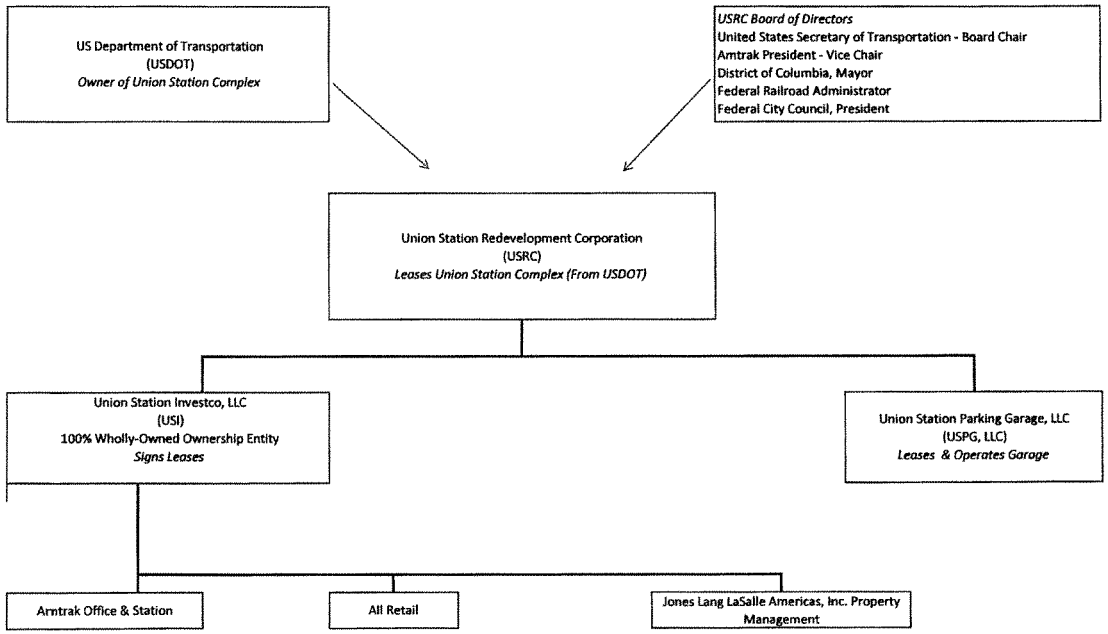
Attachment 1 – Organizational Chart of the Union Station Complex

Attachment 2-- D.S. Ball's Testimony before the Council of the District of Columbia Committee on Finance and Revenue, six pages plus an Attachment A of 3 pages

Attachment 1 -- Organizational Chart of the Union Station Complex

ORGANIZATIONAL CHART OF THE UNION STATION COMPLEX

17-Jul-08



Attachment 1

<u>Attachment 2</u>-- D.S. Ball's Testimony before the Council of the District of Columbia Committee on Finance and Revenue, six pages plus an Attachment A of 3 pages

Attachment 2

To: Council of the District of Columbia
Committee on Finance and Revenue
John A. Wilson Building,
1350 Pennsylvania Avenue, N.W. Washington, D.C. 20004

From: David S. Ball

RE: Bill 17-549, the "District of Columbia Possessory Tax Stabilization Act of 2007" and the Union Station Redevelopment Corporation's Request for Relief from Such Tax

Date: Friday, January 25, 2008

[The contents of this document, with the exception of minor additional comments and Attachment A, has previously been delivered to the City's Chief Financial Officer, Dr. Natwar Gandhi; the City Administrator, Dan Tangherlini; Deputy Mayor for Planning and Economic Development, Neil Albert; and Councilmembers Tommy Wells and Jack Evans]

Union Station Possessory Interest Tax

The possessory interest tax (PIT), as applied to Union Station, will "kill the goose that laid the golden eggs." Something must be done and we need your help. On behalf of the Union Station Redevelopment Corporation we thank you for the opportunity to present this testimony before the Committee on Finance and Revenue.

The Union Station Redevelopment Act of 1981 directed the Secretary of Transportation to redevelop Union Station as a train station and a commercial center and to rely upon private sector capital and entrepreneurism. The Union Station Redevelopment Corporation (USRC) a not-for-profit 501(c) 3 corporation was established by that act and carried out the redevelopment for the Secretary. Literally Congress, through the Act, directed USRC to enter into an agreement with a private developer to make the Station a self sustaining economic entity. USRC now serves as a trustee of this historic building and enforces the lease with the private sector while having the ultimate responsibility for the maintenance of major building systems and the preservation of the historic features of the building. Revenue USRC receives from the retail development is used for the capital maintenance of the building. Congress never intended for this National Landmark building to bear the brunt of a local tax that could undermine the very purpose of the Act. Furthermore the economics of the complex public-private real estate transaction was structured without this tax in view.

As the Sublease between Union Station Investco, LLC (USI), the Union Station leasehold owner, and USRC carries out the very exempt purposes of the legislation, it should be exempt from the PIT. The PIT was intended to capture tax revenue when portions of real property that are otherwise exempt from real property taxes are used for non-exempt purposes. That is not the use here.

Since the Station opened in 1988 USRC has returned 100% of its revenue from the retail development -- $35M -- plus an additional $12MM back into the Station for capital improvements and debt retirement. The additional monies are derived from the operation of the parking garage. It is estimated that a $10MM refurbishment of the physical plant will be required over the next several years.

The Sublease between USRC and USI provides that net profit from the Station is to be shared evenly between USRC and USI. Even with no PIT, USRC only receives about $2MM as its 50% profit participation from the Station. The proposed FY'08 PIT is almost $3MM. USRC will bear a minimum of 50% of the PIT, and USI has now claimed that a proper reading of the Sublease is that USRC bear the entire $3MM, resulting in a net loss to USRC of $1MM. If USI is correct in their reading then a tax obligation of $3MM will be the blow that kills the golden goose. USRC will not be able to fulfill its role of trustee of the building.

Union Station's Contributions to the District of Columbia

In order to continue to attract the large influx of tourists that has made Union Station one of the City's most visited and prized tourist attractions, USI is developing a marketing plan to bring 5 star restaurants to the Station and to re-tenant the existing movie theaters. This could necessitate an additional $15-17MM of private financing over the next 3 to 5 years. Without adequate funds, the Station may be forced to seek second tier tenants. Retail experts will advise that failure of urban shopping centers to continually redevelop themselves and to attract first tier tenants will lead to a center's demise. We only have to look down Pennsylvania Avenue to see prominent examples of this retail life cycle in the Old Post Office at the Pavilion and the Shops at National Place.

Or look down Seventh Street at the recently restore City Museum (Old Main Library) that had to close its newly restored doors to the public after little more than a year of operations because of poor attendance and its economic inability to cover basic operating cost let alone its physical plant upkeep. If one moves further south on Seventh Street the Gallery Place Project that came out of the ground as result of TIF's shows how major projects require some type of tax incentive to be successful. The City is benefitting from the restaurants and night life that Gallery Place and the Verizon Center have helped foster. However, Union Station received no such public funding but we are also an economic generator for the City.

Located between Union Station and Gallery Place is the National Building Museum which has great historic interior space but no economic appeal and as such does not draw the number of visitors that flock to Union Station. It is not an economic generator -- it has no retail and does not generate jobs -- but it is a beautiful building. Union Station is the economic model that makes urban non-TIF projects work. Union Station is more than a beautiful building because of what it means to the City. We seek tax relief so that we can continue to enhance development in Ward 2 that benefits the entire District.

Please note these contributions of Union Station to the District of Columbia:

- In 2004 Union Station generated approximately $9,545,918 in sales tax; in 2005 $9,990,712 in sales tax; and in 2006 $10,684,389 was generated in sales tax. We estimate that sales tax for 2007 to be $10,736,621. Union Station as a revenue generator for the District carries its share of tax burdens.
- Union Station accounts for over 5,000 permanent jobs.
- Union Station currently has 59 minority vendors, many in a Food Court successfully averaging sales of over $1000 per square foot. Again, generating substantial sales tax.
- Contractors engaged in construction at Union Station and the USRC parking garage have historically included over one-third (1/3) minority owned companies.
- USRC has committed to fund $1.6MM to the Columbus Circle reconfiguration project, which is not a part of Union Station.

The Possessory Interest Tax

The PIT, or the Union Station Tax, is far and away disproportionately falling on Union Station. Only approximately 180 possessory interests have been identified by the OTR.

Tax Year	Assessed Value	Union Station PIT	Entire City PIT	Percent of PIT paid by the Station to the PIT paid by all City Taxpayers
2004		$2,732		
2005		$480,543		
2006		$555,335		
2007	$41,828,790	$773,833	$4,288,363	18.045%
2008	$158,083,830	$2,924,551	$7,987,777	36.613%
Increase	$116,255,040	$2,150,718	$3,699,414	58.137

The PIT should not, by its own statutory terms, apply to Union Station. In any event, a portion of the PIT tax is an unlawful tax on the Amtrak lease. See 49 U.S.C. § 24301(k) (2006). Furthermore, the D.C. Code by its terms recognizes that the tax is not to be assessed where prohibited by legal constraints. See D.C. Code § 47-1005.01(c)(2).

The PIT has been disproportionately directed at Union Station. The PIT could destroy Union Station and as a matter of public policy we must not let that happen.

Other Economic Challenges Facing Union Station

The District has a longstanding and significant policy of encouraging retail growth in the City, including through the use of TIFs. After much difficulty in attracting retail users, Gallery Place was recently constructed within walking distance of Union Station using TIF financing. Its retail venues include a state-of-the-art movie theater, Urban Outfitters, Benetton, Washington Sports, Lucky Strikes bowling lanes, Clyde's Restaurant and several other eateries, enhancing a shopping, eating, and entertainment district anchored by Verizon Center and creating a critical retail mass along the Seventh Street corridor.

Since the opening of the theaters at Gallery Place, the cinema at the Station has experienced a substantial decrease in sales. Union Station management recently spent approximately $600,000 to refurbish the theater, but it continues to lose revenue and market share to theaters at Gallery Place and in Georgetown.

Union Station management anticipates that the theaters at Union Station will close in the near future due to loss of revenue, at which time this space will need to be reconfigured for an

alternate use, requiring significant capital from USRC. A preliminary study estimates that we will expend $1 million just to level the floor. Reconfiguration of utilities and mechanical systems are likely to cost in excess of an additional $1 million. Additional refurbishments will bring the total to close to $8 million just to prepare the space for retenanting.

USRC and USI have an escrow agreement that is exclusively for various capital costs and improvements to the Station. Over the last 14 years, USRC has contributed $6.5 million to this escrow fund and USI has contributed $5.5 million, for a total in excess of $12 million. In addition, USRC must cover any shortfall in the account, with estimated contributions in excess of several million dollars in the coming years.

Between 2007 and 2008 USRC/USI will spend over $1.0 million dollars replacing a major sewer line; a forty foot deep manhole; and a high pressure gas line that are located beneath the three traffic lanes between the front of Union Station and Columbus Plaza. Though these traffic lanes appear to be very much public space due to the perpetual use for taxi and Metro bus pickup and drop-off, along with the use by the general public this is a private roadway. The up keep of this publically conceived private road falls on the shoulders of USI and ultimately USRC. We understand our responsibility in maintaining this building and do not seek to shift this responsibility to the City. However, we do seek equitable treatment as it relates to how the Station is taxed compared to other major projects that have benefitted from various tax incentives.

As such the Union Station operation does not require extensive City services, and uses less such services than comparable large shopping malls. The Federally accredited Amtrak Police Department and private security handles the majority of emergency and non-emergency calls. Based on the facts that Union Station is a transportation hub, experiences high pedestrian traffic, is an historic landmark and its location near the Capitol, security costs are considerable (currently $1,200,000 per year paid by USRC exclusively) and have increased substantially in recent years. Note that USI pays separate costs for private security within the Station.

The bottom line is that Union Station has been very good for the District. In addition to enhancing the quality of life for District residents and generating the jobs and tax revenue identified above, it provides the District with (i) a premier tourist destination, retaining significant tourist dollars which easily could go to Virginia and Maryland, (ii) a unique and growing transportation hub, (iii) significant minority business opportunities, as well as (iv) contributions to the District's reconstruction of Columbus Circle and related capital improvements that are not a part of Union Station. A significant portion of Union Station revenues are poured back into the Station and the community. The PIT should not, by its statutory terms, apply to Union Station. In any event, a portion of the PIT tax is an unlawful tax on the Amtrak lease. If Union Station's PIT is not substantially eliminated, it will financially strangle the Station, possibly destroying and certainly diminishing one of the District's premier tourist venues.

The Bill before the Committee on Finance and Revenue seeks to freeze the PIT at the 2007 rate for the next three years. This is a good first step in providing the Station with immediate relief but even at this level, the cost to the Station is detrimental We really believe that the PIT program should be retired. We ask that the Committee give that serious thought. But we wanted you to be aware that the number one victim of this tax initiative is Union Station, which is the very "golden goose" that the District should want to protect above all other possessory interests in the City. This is the law of unintended consequences operating at its worst. Thank you for your consideration in reviewing our situation at Union Station.

Very truly yours,

David S. Ball

Attachment

Attachment A to D.S. Ball's Testimony before the Council of the District of Columbia Committee on Finance and Revenue, 3 pages

ATTACHMENT A

to January 25, 2008 Testimony of David Ball,
President of Union Station Redevelopment Corporation in favor of Proposed
"District of Columbia Possessory Tax Stabilization Act of 2007

The District of Columbia government has used a variety of economic development tools to provide special financial incentives to selected private developers and property owners in the District of Columbia committed to creating and maintaining retail opportunities in eligible areas. One of its most frequently used tools is Tax Increment Financing (or TIF) which, under the District's formulation, relies heavily on sales tax (100 percent available) and less so on property tax (only 25-40 percent available).

For example, the District has provided or will provide Tax Increment Financing in conjunction with the development of the **Southwest Waterfront** (up to $200 million in Tax Increment Financing (TIF) plus Payment-In-Lieu-of-Taxes (PILOT) financing), **Gallery Place** ($75 million in TIF), the **Mandarin Oriental Hotel** ($46 million in TIF), the **International Spy Museum** ($6.9 million in TIF), **Embassy Suites Hotel** ($10 million in TIF), **Capitol Hill Towers** ($10 million in TIF), **Rhode Island Place** ($4 million in TIF), **Washington Gateway** ($10 million in TIF), **DC USA** ($42 million in TIF), **Skyland** ($26 million in TIF), and the **Downtown Retail TIF**. In the aggregate, that's nearly $430 million in TIF funding.

To promote private sector development or revitalization in priority areas, the District has used other selective economic tools benefiting just certain property owners. Under special legislation that amended D.C. Code Section 42, the Council has selectively exempted or deferred from the District's recordation tax up to a maximum of $11 million worth of deeds that convey, grant, or assign title to or a security or economic interest in just two private sector developments: the Gallery Place and the Mandarin Oriental Hotel. The Council granted the former project a recordation tax waiver worth a maximum of $7 million while it granted the latter a deferment of recordation taxes not to exceed $4 million.

As another example, the Council enacted the Supermarket Exemption Act (Act 13-365) on June 26, 2000 which provides supermarket owners with exemptions from certain District taxes. Under this Act, the owner of a qualified supermarket in a priority development area is exempt not only from sales taxes on the purchase of building materials and equipment for construction or substantial rehabilitation of a qualified supermarket; but is also exempt from the payment of license fees and personal property taxes levied on the supermarket for 10 years.

While it is true that under any TIF-financed development future property and sales taxes that will be generated from the project are used to repay the TIF bonds, it is also true that

once earmarked for a TIF project, the subsequent TIF-restricted tax revenues do not go into the District's General Revenue Fund and are not then available to support other general purpose District projects - they are solely used to amortize the TIF bonds. Despite this special benefit accorded to only certain private developers, USRC nonetheless concurs with the underlying intention of Tax Increment Financing and such other special financial treatment – to promote the revitalization of high priority development areas by enabling the private developer to finance otherwise hard-to-finance improvements, infrastructure, or utilities that will serve the private development or to provide the District's match for federal economic development programs.

As senior staff from the Office of the Deputy Mayor for Planning and Economic Development have stated publicly, "used effectively, TIF will help stimulate development and increase job growth substantially District-wide, resulting in increased tax revenues." TIF projects have, in the aggregate, created more than 5,000 new construction and permanent jobs for the District and established new retail, new cultural and entertainment venues, and new tourist destinations. During his tenure as Special Assistant at the Office of the Deputy Mayor for Planning and Economic Development, Michael Jasso has said that one of the goals of the ODMPED "is to figure out the best use of [TIF] to create investment and revitalization."

USRC encourages the Council re-evaluate its use of another statutory tool, the Possessory Interest Tax. As presently applied, it is one that will ultimately prove to be harmful to Union Station Redevelopment Corporation, the Union Station area, and other District businesses and other urban areas in the District in need of revitalization or continuing financial investment solely from the private sector.

Nearly unrecognizable when compared to its former condition, the redeveloped Union Station facility of today is a urban neighborhood hub destination for retail, restaurant and entertainment-based activities. Due to nearly $50 million in capital investment in our facility and with more capital improvements under contemplation, Union Station is now a major destination for locals and tourists alike. Similar to other large-scale TIF projects, Union Station generates substantial revenue for the District from sales taxes. For example, in 2004 Union Station generated approximately $9,545,918 in sales tax; in 2005 $9,990,712 in sales tax; and in 2006 $10,684,389 in sales tax. Union Station as a revenue generator for the District therefore carries its share of tax burdens. In addition, Union Station accounts for over 5,000 permanent jobs (equal to the number of construction and permanent jobs created by <u>all</u> of the District's TIF projects <u>combined to date</u>), and has 59 minority vendors, many in a Food Court successfully averaging sales of over $1000 per square foot, and again, all of which generate substantial sales tax. In addition, contractors engaged in construction at Union Station and the USRC parking garage have historically included over one-third (1/3) minority-owned companies. Last, USRC has committed to fund $1.6 million to the Columbus Circle reconfiguration project, which is not a part of

ATTACHMENT A
-3-

Union Station. Like the District's other TIF projects, Union Station is a large-scale multi-retail project rather than a lot of different, smaller retail projects at separate sites that don't and can't qualify for economic revitalization tools.

Based on the foregoing data, it is hopefully clear to the Council that Union Station is deserving of economic treatment similar to, or at least no worse than, that accorded Gallery Place, the Mandarin Oriental Hotel, Skyland, and the District's other TIF and specially-supported projects. Such equitable treatment will enable our facility's revitalization to continue unimpeded and will provide sufficient incentive for the private sector to invest further funds in our vitally important capital improvements.

Even if one disregards the above comparisons to TIF and other specially-supported private investments in the District, USRC urges the Council nonetheless to study the effects of stabilizing, reducing, or even eliminating the unintended adverse consequences of its Possessory Interest Tax upon Union Station's retail areas and future private sector funding of further capital improvements. Such an evaluation would clearly be in keeping with the Council's goal of promoting or continuing the investment in or revitalization of certain urban areas.

If the Council undertakes that study, USRC believes that the Council will discover that such stabilization or reduction will, at a very minimal cost to the District's tax revenues, result in even greater tangible and intangible benefits accruing to the District by stimulating the retail development at the District's premier intermodal transportation hub and by permitting USRC and its subtenant to maintain and actively promote its retail areas, as is the intention of the federal legislation that created USRC. Each successful retailer at, and the continued overall resurgence and economic revitalization of, Union Station can only enhance the tax base of the District and its appeal as a dynamic, economically vibrant city.

USRC therefore believes that, as an existing stand-alone urban project or when compared to other TIF and other specially -supported revitalization efforts in the District, Union Station deserves the Council's re-consideration of this Possessory Interest Tax that has had, and will have, a material adverse affect upon Union Station. More specifically, the Council is urged today to study how to refine (or possibly eliminate) a tax structure that unintentionally undermines the Council's general goal of sustained or increased investment in and the continuing revitalization of preferred urban improvements as well as contravening the intent of similar federal legislation designed specifically for Union Station.

End of Attachment A

UNION STATION REDEVELOPMENT CORPORATION

David S. Ball
President

MEMORANDUM

To: To the Subcommittee on Economic Development,
Public Buildings and Emergency Management
Committee on Transportation and Infrastructure

From: David S. Ball

RE: Responses to Questions for the Record
From the Union Station Redevelopment Corporation,
Union Station Investco, LLC, & Jones Lang LaSalle
Concerning the July 22, 2008 Hearing on
"Union Station: A Comprehensive Hearing on the
Private Management, the Public Space and
The Intermodal Uses Present and Future"

Date: August 28, 2008

On July 22, 2008 the Union Station Redevelopment Corporation (USRC), Union Station Investco, LLC (USI), and Jones Lang LaSalle (JLL) were invited to and gave testimony before the Subcommittee on Economic Development, Public Buildings and Emergency Management concerning "Union Station: A Comprehensive Hearing on the Private Management, the Public Space and the Intermodal Uses Present and Future". As a follow up to the hearing we received Questions for Record from the Committee that required our response. This document is the response to the Questions for the Record.

USRC has an oversight role in the management of the complex as outlined in the Sublease Agreement. The station and the garage are owned in fee by the federal government (USDOT); and both are leased to USRC: USRC then subleases the station to USI; who in turn subleases the ticket counter/passenger waiting area along with office space to Amtrak. USI is responsible for all retail leases. JLL serves as USI's property manager and is responsible for the day to day management of the station. USRC does not sublease the garage but instead contracts for the management and operation of the garage.

For ease of reading we have included each question prior to the response.

10 G Street NE • Suite 504 • Washington, DC 20002 • (202) 222-0271 • Fax: (202) 222-0280
dball@usrcdc.com

Question: Within 30 days USRC meet with tenants so they can understand what is occurring in Union Station with a long term plan – indicate with clarity to which you can when you expect to decide changes to leases.

Response: USRC does not have contractual relationships with any of the Union Station tenants. USRC has sublet the station to USI and it is USI that contracts with each retail tenant. However, USRC collaborated with USI to set up meetings with 55 tenants who are currently on a month to month lease or whose leases will be expiring between now and September 30, 2009 along with several tenants whose leases are entering option years. The tenants are:

Aditi	Life on Capitol Hill	Optical Images
Aerosoles	Lost City ArtII/East Hall	Cookie Café
Aurea	Nine West Collection	Harley-Davidson of Washington
Capitol Art	Out of Left Field	Sunglass Hut
Claire's Accessories	Pendleton Woolens	Wachovia Bank ATM's
Destination Washington, DC	Paradise Smoothies	America Restaurant
East Street Café	Station Grill	J & A Jewelers
Echo Gallery	Taxco Sterling	Pizzeria Uno
Express/Victoria Secret	US Mint	Candy Crate
Frank 'N Stein	Vaccaro's Pastry	Train Station Vending
Gourmet Station	Vittorio's	B. Smith's Restaurant
The Great Zimbabwe	Union Station Shoe Shine	Great Steak & Fry
Head & Hats	Chevy Chase ATM	Thomas Cook
Heydari's	Café Renee	Godiva Chocolatier
Kabuki Sushi	Foot Locker	Au Bon Pain
Kalyan	Adams Bank	Center Cafe
Kashmir Imports	Appalachian Spring	Flamer's
Larry's Cookies	Fantom Comics	Phoenix Theaters
Columbus Club		

The purpose of the meetings will be to discuss their tenancy at the station. A copy of the typical letter follows this page.

UNION STATION
Management Office
2W/40 Massachusetts Avenue, NE
Washington, DC 20002-4225
(202) 289-1908

August 20, 2008

VIA CERTIFIED MAIL/HAND DELIVERY
B. Smith's Restaurant Group
Ms. Barbara Smith
Suite 4082
1120 Avenue of the Americas
New York, New York 10036-6226

RE: B. Smith's Restaurant
Union Station

Dear Ms. Smith:

We hope this letter finds you well and hope you are enjoying your summer.

As you are aware, your lease agreement with Union Station Investco, LLC will expire May 31, 2009.

Within the next few weeks, a representative of our leasing staff will contact you to in order to arrange for a convenient time for you to meet regarding your tenancy at Union Station.

We look forward to our upcoming meeting together. As always, should you have any questions regarding your lease, or any other matter at Union Station, please call the Union Station Management Office at (202) 289-1908.

Regards,

Barry Lustig
Senior Vice President, Leasing & Development
Ashkenazy Acquisitions Corporation

cc: David Ball

Question: Within 30 days submit the sublease policy with full justification

Response: Tenants cannot sublet or assign any of their leased premises without Landlord approval; this is standard practice in the real estate industry. This policy allows the landlord, or in this case USRC, to protect its interest if the lessee was to sublease to an entity which provided a negative service; operated a business that was detrimental to the public safety; or allowed the lessee to sublease at a higher rental amount than the Lessor received. The majority of leases or license agreements that relate to the garage are instruments between the USRC licensed garage operator and service or vendor contractors. The garage operator acts as USRC's agent and vets all subcontracts and sublease arrangements for USRC's review and approval/disapproval. The only direct contract USRC has as it relates to the garage is for the service and maintenance of the ten escalators and three elevators.

Question: Within 30 days USRC must be in touch with curbside bus companies to discuss access to Union Station parking.

Response: On August 20, 2008 USRC sent a letter to the following 12 curbside bus companies requesting that the companies contact USRC so that we could gauge their interest in accessing the Union Station garage.

Destiny Tours d/b/a DC2NY	New Today Bus Corp.
Bolt Bus/Greyhound Bus Lines	New Century Travel, Inc.
New Oriental Tour, d/b/a Eastern Travel, Inc.	Monroe Bus Corp, d/b/a Washington Deluxe
QT Transport, Inc.	Apex Bus NY, Inc.
MegaBus Northeast LLC	Tony Bus Express Line, Inc. d/b/a Tony Coach
Premium Bus Lines	Washington Deluxe

A copy of the letter follows this page.

UNION STATION REDEVELOPMENT CORPORATION

David S. Ball
President

August 20, 2008

QT Transport Inc.
8025 Mims St
Lorton, VA 22079

Dear Sir or Madam,

Please be advised that the Union Station Redevelopment Corporation (USRC) is in the process of reviewing how space is allocated on the garage bus deck at Washington's Union Station Bus/Car Parking Facility. Currently there are various bus types that park and use the bus deck. We are interested in understanding your concerns and space requirements. We plan on piggybacking on the study that the District Department of Transportation is undertaking on intercity bus operators and curbside pickup.

In the District's July 31 letter that invited the intercity carriers to an August 11 meeting to discuss proposed curbside pickup regulations you were also given a questionnaire to complete. Would you be willing to share that information with USRC? As note, I did attend that meeting and know that some operators view specific details of their operations as proprietary and may not want to release it. Whatever can be provided will be a benefit to us and would help USRC in revising space allocation on the bus deck. .

Please contact me or Ms. Nzinga Baker, nbaker@usrcdc.com, upon receipt of this letter so that we can gauge your interest in the garage. We look forward to hearing from you at your earliest convenience and we will see you at the District's next meeting.

Sincerely,

David S. Ball

10 G Street NE • Suite 504 • Washington, DC 20002 • (202) 222-0271 • Fax: (202) 222-0280
dball@usrcdc.com

Question: Within 30 days have Amtrak submit their understanding of indemnification issue for pedestrian access for tunnel to 1st and H Streets started by WMATA.

Response: Some years ago, WMATA was seeking to complete the pedestrian access tunnel from its First Street, NE kiosk area to the area beneath the H Street overpass at First Street, NE. Amtrak raised concerns related to a commissary structure above the proposed tunnel area. As negotiations about how to accommodate the commissary structure were proceeding, the attorney representing Amtrak died. It was several years before the attorney was replaced and negotiations between WMATA and Amtrak were not resumed.

DDOT remains interested in completing this tunnel and is investigating this concept as part of its evaluation of proposed transportation facilities associated with the development of "Burnham Place." Amtrak controls the use of the tunnel that used to carry H Street beneath the railroad tracks. Therefore, Amtrak would have to consent to the completion of this tunnel.

Amtrak would expect to review and approve design and construction documents to assure that the tunnel extension is structurally sound; that the methods of construction are acceptable; and that there is protection during the construction phase. It is presumed that Amtrak and its subsidiary, Washington Terminal Company, would also want to be indemnified for any injuries or property damage resulting from the construction or use of the tunnel and for any deficiencies which would affect their ability to use reserved surface rights.

Finally, USRC needed to construct a fire suppression water pump in this area as part of its recent garage expansion effort. DDOT required USRC to agree to conditions that this pump would not interfere with the completion of this tunnel or with the creation of a new access from the H Street Overpass to the Metrorail Station. Please reference the November 1, 2005 letter from the then District of Columbia's Director of Transportation, Daniel Tangherlini, which follows on the next page.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DISTRICT DEPARTMENT OF TRANSPORTATION

① non-water sys
② gov't to use

Office of the Director

November 1, 2005

Mr. David Gunn, President
Nat. Railroad Passenger Corporation.
60 Massachusetts Avenue, NE
Washington, DC 20002

Mr. David Ball, President
Union Station Redevelopment Corporation
10 G Street, NE, Suite 504
Washington, DC 20002

Dear Gentlemen:

The Union Station Redevelopment Corporation ("USRC"), as part of its plan to expand the garage behind Union Station, requests permission to build a fire pump room under H Street between 1st Street, NE and 2nd Street, NE below the railroad tracks ("the H Street right-of-way"). USRC states that this fire pump room is necessary to meet building code requirements for fire suppression in the expanded garage.

On behalf of the Mayor, I am providing the District of Columbia's ("District") approval of USRC's request to build a fire pump room subject to conditions stated below:

- Amtrak must approve of USRC's use of the H Street right-of-way to build the fire pump room;
- The fire pump room shall not prevent or impede Amtrak's access to the structural elements of the bridges supporting its tracks for the purposes of inspection or repair;
- The fire pump room shall not prevent or impede DDOT's access to the structural supports for the H Street Bridge for the purposes of inspection and repair;
- The fire pump room shall not be affixed to structural elements of the H Street Bridge;
- The fire pump room shall not prevent or inhibit the extension of a Metrorail pedestrian tunnel to H Street at First Street, NE. Preliminary plans for this tunnel extension have been developed. This tunnel would serve as an additional entrance to the Union Station Metrorail station;
- The fire pump room shall not interfere with an easement belonging to the Washington Metropolitan Area Transit Authority ("WMATA") that runs from an area adjacent to the deck of the H Street Bridge down to the WMATA track level. In the future, this easement could serve as the location for an entrance to the Union Station Metrorail Station from the Bridge, the bus deck of the Union Station garage and any future adjacent development;

4429

- USRC shall obtain a Right-of-Way Occupancy Permit from DDOT to construct the fire pump room; and
- USRC shall indemnify the District against any claims arising out of the existence of the fire pump room, including any damage caused to the H Street Bridge or its supports, as a result of the construction, operation or maintenance of the fire pump room. As evidence of such indemnification, USRC shall furnish to DDOT a public liability insurance policy made out in the name of, and for the sole benefit of the DISTRICT OF COLUMBIA, A MUNICIPAL CORPORATION, and its officers and employees, covering all use of public space by the permit. **USRC shall be liable for all damages, regardless of insurance.** However, at a minimum, coverage shall be in the following amounts:

$500,000.00	Each individual
$1,000,000.00	Each accident
$500,000.00	Property damage

OVERVIEW:

In the 1970s, the District sought to move H Street from running underneath the railroad tracks behind Union Station to a bridge running over those tracks. The bridge design required the use of air rights above the tracks owned by the Washington Terminal Company ("WTC"), one of Amtrak's predecessors. In lieu of a monetary purchase, the District granted WTC the right to use the H Street right-of-way beneath the railroad tracks in exchange for the District's use of the air rights above the tracks owned by WTC. This exchange was memorialized in "DC Formal Agreement No. HT 7402" dated February 11, 1974 ("Agreement").

In the Agreement, in Article I, Sections 6 and 7, the District agreed as follows:

- To seal off the east and west portals of the U Street underpass and provide means for vehicular access in the east and west portals
- After sealing off the east and west portals of the underpass, relinquish to the WTC, for its use, custody and care, except the space utilized by the substructure constructed for the Project, the existing underpass structure in toto and the space enclosed therein resulting from sealing off the portals; however, the District reserves the right to inspect maintain, repair, and renew the District's facilities.

For its part, WTC agreed as follows in Article II, Section 9:

- To not store, nor permit to be stored, any flammable or explosive materials beneath WTC's structure and Highway facilities; nor construct nor cause to be constructed, any permanent facility, structure or fixture under the highway structure without the prior written approval of the District.

As such, subject to the conditions listed above, the District consents to the construction of a fire pump room in the H Street right-of-way to facilitate fire suppression in the Union Station Garage.

Sincerely,

Daniel Tangherlini
Director

cc: Mayor Anthony A. Williams

Question: Within 30 days submit a written action study plan.

Response: The Station Action Plan is a working document for Washington Union Station stakeholders to coordinate and combine their actions to effectively deter, detect, and if necessary, mitigate the effects of an incident at the station. The plan evolved out of a need to protect the facility; a requirement that all stakeholders have a voice in how their individual interest would be protected; and who and what entity would be in charge of situation management. The stakeholders are USRC, USI, JLL, various departments of Amtrak, local police and law enforcement agencies along with nearby building tenants. Monthly meetings are held but the members come together when situations dictate an immediately coordinated response.

We regard the plan as highly sensitive and would look forward to a meeting with a member of your security team to discuss the plan in detail.

Question: Within 30 days get outline of future photography policy to subcommittee as well as where you will place it, 60 days for final policy, consult outside counsel – must have a presumption in favor of public access.

Response: The draft of the future photography policy for the retail and Amtrak areas of Union Station managed by Jones Lang LaSalle is as follows:

"Photography is welcome in the public areas of Union Station. However, the use of Camera Tripods and/or Photography associated with the press or news media requires prior written approval from the Union Station Management Office.

It is Amtrak policy to permit photography including news video in the public areas of Amtrak's portion of Washington Union Station. This area is generally defined as the Amtrak ticket counters northward to the train departure gates. Amtrak's Corporate Communications' Department must arrange escorts for news media wishing access to train platforms. "

This policy is a part of the Union Station rules and regulations that will be posted at each entrance of the station once the new policy has been reviewed and approved by outside counsel.

Please see the Amtrak General Order concerning photography on the following page.

GENERAL ORDER

GO#:	07-09		New Subject:
EFFECTIVE:	September 11, 2007		Amends:
EXPIRES		X	Rescinds: GO 06-04

SUBJECT: PHOTOGRAPHY AND VIDEOTAPING ON AMTRAK PROPERTY OG 950

This directive has been reissued to clarify Amtrak's Policy on Photography and Videography.

- **Officers shall review the current policy in its entirety.**
- **Commanders will ensure that all members of their commands sign an acknowledgment of the General Order 07-09 on the Department Training Roster.**
- **Supervisors will ensure that the directive is reviewed at Roll Calls for five (5) consecutive days and all shifts.**

SECTION I: Background

The current environment in the United States and around the world requires extraordinary diligence and vigilance to effectively detect, deter, and prevent acts of terrorism.

Intelligence reports and studies of terrorist profiles warn us of overt and covert methodologies utilized by terrorists to survey (mark) potential targets for terrorist attacks. Surveillance strategies are multifaceted. They include casual walk-through of facilities and equipment to observe and record various activities among other characteristics. Sketchings or drawings of facilities, along with detailed note taking are indicators associated with target surveillance/marking.

Characteristics of target marking, according to terrorist profiles studies, also include photography and video recording activities. The photographing and video recording of trains, stations, and infrastructure locations (i e., bridges overhead electrification systems), is common around railroad operations.

We have formerly associated this kind of activity with rail fans, tourists, professional or amateur photographers, and the news media.

However, in today's environment, it is not prudent to assume that the photographing and/or video recording of our stations, trains, passengers, and right-of ways are always innocent acts we can attribute to tourists or curiosity seekers. Instead, we must conduct an appropriate inquiry and/or investigation to determine if these activities are innocent or an attempt to collect intelligence for illicit reasons.

SECTION II: Purpose.

This policy is to provide guidance and instruction regarding actions to be taken in response to photographing and video recording of Amtrak property deemed suspicious by the observing/reporting person(s).

APPROVAL:	TITLE:	PAGE:
John J. O Connor	Chief of Patrol	1 OF 3

GENERAL ORDER 07-09	TITLE/SUBJECT: PHOTOGRAPHY AND VIDEOTAPING ON AMTRAK PROPERTY OG 950

SECTION III: Policy.

It is the policy of Amtrak that the taking of photographs and/or videos is permissible within public access areas on Amtrak property.

In emergency and/or under special circumstances, i.e., declared Security Threat Levels and actions deemed suspicious by observing/reporting persons. Photographers and videographers may be approached and questioned to determine if further action is necessary.

Photography and video recording within restricted areas is prohibited, individuals found in a restricted area will be subject to investigation and possible arrest and seizure of photography and/or video recording equipment.

SECTION IV: Definitions.

A. **Public Area.** An area open to general public access and occupancy (station areas and platforms for ticketed passengers only) that is not otherwise posted or restricted by posted signs or locking devices. Signage, building design and physical barriers, i.e. fencing, bollards, etc., may also distinguish a public area from a restricted area.

B. **Restricted Area.** A restricted area is any area not open to or occupied by the public, or is open to or occupied by the public on a limited basis. Signage, building design and physical barriers, i.e. fencing, bollards, etc., may also distinguish a restricted area from a public area.

Restricted areas include but are not limited to the following:

1. Platforms (ticketed passengers are exempt)
2. Crew and Employee Work Areas
3. Maintenance Facilities
4. Unoccupied Trains and Engines
5. Office Areas
6. Employee Elevators
7. Baggage/Delivery Areas
8. Commissaries
9. Right of Way and Track Areas

SECTION V: Procedural Guidelines.

A. **Suspicious Activity.** The following steps should be taken in response to observations and/or reports of activity regarding photographing and/or video recording on Amtrak Property.

1. Responding units will observe all conditions, events, and remarks. They will be alert for any signs of suspicious activity as they approach the scene.
2. Subject(s) will be approached and advised that an inquiry is being conducted for security reasons. The officer will obtain identification and the reason for the subject's presence in the area. Each officer conducting such an inquiry will radio pertinent information to the National Communications Center.
3. Any inquiries that lead to an ejection, detention, and/or an arrest will require the submission of a Field Interview Worksheet and Investigation Worksheet as appropriate.

4. Photography and/or video recording equipment will only be seized pursuant to an arrest, and only as evidence to support an appropriate charge (ex. individual arrested for trespassing has recordings or pictures from areas that demonstrate the trespass).

5. Officers may request that an individual consent to release of a recording, film or picture. Any consent must be knowing and voluntary.

6. Any seizure of photographic or video recording equipment, video tape, DVD, or film, etc., related to an arrest, must be reviewed and seizure approved by the duty supervisor and Watch Commander.

7. Nothing in this General Order limits or expands the statutory and constitutional authority of police officers to initiate and pursue investigations, perform a pat down or frisk based upon reasonable suspicion, and/or conduct searches based upon probable cause or any recognized exception to the probable cause requirement.

B. **Enforcement Actions.**

1. Individuals found in restricted areas without permission or authority will be subject to arrest and/or citation for trespassing. An arrest and/or citation situation will require the notification and response of the local supervisor, when available, for guidance and direction as necessary. In the absence of a local supervisor or Police manager, notify the NCC for further guidance from the Watch Commander.

2. Any equipment, including cameras and video recording devices, in possession of an individual arrested pursuant to photographing and video recording incidents will be handled in accordance with the Police Operations Directives (POD). Where the equipment will not be held as evidence, follow guidelines contained in POD 6-2 006.04. Where the equipment will be held as evidence, follow guidelines contained in POD 6-3.

C. **Notifications**

1. The duty supervisor of the NCC or Watch Commander shall ensure that the Inspector, Counter-Terrorism and Intelligence is notified immediately of any incident related to this policy where a police officer conducts an inquiry or investigation, detains an individual, or makes an arrest.

D. **Exemptions.**

1. **Commercial and Special Photography:** Prior arrangements must be made with Amtrak's Real Estate Department at (215) 349-1612 for approval.

2. **News Photography:** Members of the news media presenting valid press credentials are permitted to film (print and video photography) at Amtrak's stations; however, in major stations, Boston, New York, Philadelphia, Washington, DC, Chicago, and Los Angeles only at station level and not at the platform level.

   The Media Relations Department should be contacted at (202) 906-3860. As a courtesy, Media Relations Representatives will frequently issue a letter or accompany news media in the Northeast, Chicago, and California regions.

Question: Within 30 days submit a plan to re-train security guards on photography policy, and a training plan for new guards.

Response: On June 12th, 2008 the Assistant General Manager (AGM) from Jones Lang LaSalle along with the Director of Public Safety from IPC Security (IPC) met with each officer on staff with IPC to conduct retraining on the station photography policy.

The training commenced with the AGM asking the supervisors from all three shifts to explain the photography policy, as they understood it, to everyone present. Following the explanations, the Director and AGM briefed each officer present on the exact policy.

The training session continued by giving various officers practical scenarios for handling issues related to the photography policy. Training concluded with a question-and-answer session that allowed each officer to ask questions about the policy in order to completely dispel all confusion surrounding the standard. This retraining allowed the entire team to acquire a clear understanding of the photography policy in order to avoid improper enforcement in the future.

Training on the station's rules and regulations continues to this day. Every officer receives training twice weekly that is directly related to the rules and regulations of Union Station. New officers are trained on the Union Station rules and regulations as part of the new-hire processing procedure. IPC now provides specific instruction related to the photography policy that must be fully understood by each new officer before they are permitted to patrol the property.

Question: Withdraw immediately the policy that states Union Station is private property.

Response: Union Station is leased and operated by private ownership. The Rules of Conduct for Union Station are found on the following page.

UNION STATION
Management Office
2W/40 Massachusetts Avenue, NE
Washington, DC 20002-4225
(202) 289-1908

Union Station is leased and operated by private ownership. The following depicts the Rules of Conduct for Union Station.

I. PROHIBITED USES:
No person(s) in Union Station shall:

1) Block free movement of another person or persons into and out of a store or any other Station entrance/exit, sit or lie on the floor, occupy more than one seat, lie on benches, or block vertical transportation such as staircases, elevators and escalators;

2) Solicit or panhandle, handbill, leaflet, demonstrate or petition on Union Station premises

3) No smoking except in designated restaurant areas. After January 1, 2007, no smoking inside Union Station's Building or the Union Station Parking Garage.

4) Create any unreasonable noise by any means. Use of radios and other sound-producing devices must be accomplished by means of headphones or earphones and must be inaudible to others.

5) Drink any alcoholic beverage or possess any opened or unsealed container of alcoholic beverage, except in premises or areas allowing the sale or consumption of alcoholic beverages. (Note that customers will carry alcohol purchased at Union Wine and Liquor throughout the building until they finish their shopping)

6) Use of any controlled substance

7) Enter or remain in the Station, or on the trains, or by Station entrances while his or her ability to function safely in the environment of the Station or train is impaired by the consumption of alcohol or by the taking of any controlled substance.

8) Endanger the safety of others, engage in fighting, assault another person or persons or threaten another person with such conduct

9) Bring inflated balloons, signs, laser pointers or wear masks or make up to disguise identity in Union Station

10) Vandalize, injure, deface, alter, write upon, destroy, remove, tamper or interfere with, in any way, the effectiveness or accessibility of any real or personal property or equipment owned or under the jurisdiction of Union Station Management, Amtrak, Union Station Merchants or invitees of the Station.

UNION STATION
Management Office
2W/40 Massachusetts Avenue, NE
Washington, DC 20002-4225
(202) 289-1908

11) Enter or attempt to enter any area to which public access is limited or otherwise restricted by any means, including, but not limited to barricades, fencing, doors and signs, or enter or leave the Station or the trains except by designated entrance ways or exits

12) Skateboard, roller skate, ride a bicycle, scooter, segue or other self-propelled vehicle or device, other than by a physically disabled person, on or through any part of the Station or the trains

13) Cook, light a fire, or otherwise create a fire except pursuant to a license granted by Union Station Management

14) Utilize strollers or delivery carts on the escalators

15) Dispense commercial merchandise with or without charge, or carry on any other commercial activity, except pursuant to the terms of any lease or license agreement granted by Union Station Management

16) Offer or agree to carry bags for hire or flag taxicabs for hire

17) Photography is welcome in the public areas of Union Station. However, the use of Camera Tripods and/or Photography associated with the press or news media requires prior written approval from the Union Station Management Office.

    It is Amtrak policy to permit photography including news video in the public areas of Amtrak's portion of Washington Union Station. This area is generally defined as the Amtrak ticket counters northward to the train departure gates. Amtrak's Corporate Communications' Department must arrange escorts for news media wishing access to train platforms.

Question: Within 30 days, submit the operating costs of Union Station.

Response: Since Union Station is operated as a private business enterprise, our budgets are proprietary information. However, we would be pleased to provide you with an overview in a private setting.

Question: Submit current draft of private policy sheet to subcommittee with detailed policy for security guard conduct

Response: Please review the JLL source document that reads Article 6. Duties and Responsibilities on the following page.

ARTICLE 6. **DUTIES AND RESPONSIBILITIES**

Contractor shall provide the following security services at the Property, in accordance with policies and procedures established from time to time by Client and/or Manager:

a. Monitor life safety equipment at the Property.

b. Respond to all alarm conditions and any other indications of suspicious activities.

c. Monitor access to and enforce all access control procedures, including identification of personnel and control of entry and exits to the Property and vital areas in accordance with Client's expectations.

d. Use reasonable effort to deter, and when only absolutely necessary, detain persons observed attempting to gain or gaining unauthorized access to the Property.

e. Enforce control over removal of any property and documents of Client, Manager or tenants of the Property in accordance with established procedures.

f. Respond to suspicious incidents whether discovered by Client, Manager or Contractor and take reports on items reported stolen or damaged from the Property. When necessary and deemed appropriate, follow incidents to their conclusion, including court appearances.

g. Cooperate with and assist law enforcement agencies in connection with federal, state or local crimes committed against Client, Manager, any tenant or visitor to the Property or committed at the Property.

h. Maintain the scene of a crime to protect possible evidence in accordance with established procedures.

i. Respond to and provide assistance in security related situations (including fires, accidents, internal disorders and attempts of sabotage or other criminal acts), in conformance with common sense and good judgment and in keeping with Client's and Manager's policies and procedures.

j. Perform any other security services as may be set forth in Contractor's special orders from time to time agreed to by Client and Contractor, including the Best Practices Manual, attached hereto as Exhibit B.

Contractor shall at all times comply with all applicable laws, regulations, ordinances, rules, orders and decrees of any federal, state or local governmental authority having jurisdiction over Contractor and over the Property. Contractor shall become and remain informed of all such applicable laws and regulations. Contractor shall notify Client in writing if Contractor is served with notice of violation of any such applicable law or regulation which relates to performance of its services hereunder or if any litigation or similar proceeding is commenced against Contractor which could lead to revocation of any necessary licenses or otherwise affect performance of Contractor's services hereunder.

Contractor shall provide all necessary training, and arrange for all necessary certifications, of its security personnel in the skills necessary for performance of Contractor's obligations hereunder.

Contractor shall not engage in any of the following activities:

A. Key control or duplication of any keys.

B. Searching of any tenant space or of tenants and tenant employees, or questioning tenants with respect to any matters, unless directed to do so by Manager's on-site General Manager.

C. Entering into any agreements to provide services to Property tenants without the prior written consent of Client and Manager.

ARTICLE 7. **STANDARDS OF PERFORMANCE**

As a condition of this Agreement the following standards will be required of Contractor. All personnel assigned to this account will:

a. Demonstrate compliance with federal, state and local laws governing U.S. residency or registry for employment eligibility (e.g. submission of proper documentation confirming U.S. citizenship or legal alien status and/or INS Form I-9).

b. Possess proof of having met the requirements from the District of Columbia for Private Security Guards.

c. Possess a high school diploma, GED or equivalent.

d. Demonstrate the ability to read and write in English equivalent to a high school graduate.

e. Have the ability to verbally communicate in English; particularly in emergency situations requiring clear and definitive articulation to assure confidence, control and safety of those involved.

f. Undergo periodic training as agreed to from time to time by Client and Contractor.

g. Not have been convicted of any misdemeanor or felony within 7 years of the personnel's assignment to this account.

In addition, Contractor shall:

a. Not assign, reassign, promote or transfer any supervisor or manager within or away from the account without Client's prior review.

b. Cause all staffing to be in compliance with established EEO standards for the affected geographic areas.

c. Require that all assigned personnel pass a comprehensive pre-employment and background/reference check.

d. Provide annual emergency procedures testing of its assigned personnel to familiarize such personnel with Client's emergency procedures plans.

ARTICLE 8. **STAFFING AND ASSOCIATED PENALTIES**

I. **OVERTIME**

Client shall compensate Contractor for overtime work of Contractor's employees at the rate set forth in Exhibit A, provided that Client shall have approved such overtime in advance, and provided further that Contractor shall have actually paid overtime to Contractor's personnel that have worked overtime.

II. **OVERFILLS**

Client shall not be required to compensate Contractor for any Overfill. For purposes of this Agreement, an "Overfill" shall be deemed to occur when Contractor supplies (i) more employees, (ii) individual employees for longer periods of time, or (iii) employees of a higher level, than required under the schedule mutually agreed upon by Client and Contractor.

III. **SHORTFILLS**

For purposes of this Agreement, a "Shortfill" shall be deemed to occur when Contractor supplies unqualified personnel to perform security services under this Agreement. Client shall have the right to reject any employee of Contractor whom Client deems is not qualified. Contractor shall not be compensated for overtime paid to Contractor's employees who are used in the event of a Shortfill.

IV. **SHORTFALLS**

For purposes of this Agreement, a "Shortfall" shall occur when the required services hereunder are not performed at any post or work site, including by way of example and not of limitation, the late arrival or early departure for any reason of Contractor's employees from a given post or work site, or the absence without a replacement of Contractor's employee from a post or work site for any portion of his shift. Contractor shall not receive overtime compensation for any of Contractor's employees used to fill a Shortfall. Client shall have the right to fill any vacancy resulting from a Shortfall at Contractor's expense.

Written Statement of Bryant P. Chambers
Assistant General Manager, Union Station
JONES LANG LASALLE RETAIL
UNION STATION
40 MASSACHUSETTS AVENUE, N.E.
WASHINGTON, D.C. 20002
Tel: 202 289 1908
Before The
Subcommittee on Economic Development, Public Buildings and Emergency Management
Committee on Transportation and Infrastructure,
U.S. House of Representatives

July 22, 2008

Chairwoman Norton, Ranking Member Graves, and Members of the Subcommittee, I am pleased to be here this morning to testify about the management of Union Station.

Background

Union Station is one of the most successful public/private partnerships in the history of the United States. In 1985, the U.S. Government, acting through the Secretary of Transportation, leased the property to Union Station Redevelopment Corporation (USRC), a non profit District of Columbia corporation formed to redevelop Union Station under a ground lease. In turn, USRC subleased Union Station to Union Station Investco, LLC (USI).

In the United States, Jones Lang LaSalle Retail is the largest third-party regional shopping center manager with a 50-million-square-foot portfolio of more than 100 regional malls, strip centers, power centers, lifestyle centers, ground-up development projects, mixed-use centers and transportation terminals across 28 states. Jones Lang LaSalle (NYSE: JLL), the only real estate money management and services firm named to Forbes magazines "400 Best Big Companies" for three consecutive years, has a portfolio of 1.2 billion square feet of property under management worldwide, including more than 10,000 retail locations on four continents.

In 1986, Jones Lang LaSalle was awarded the development management of Union Station. As a result, over 120 stores, restaurants and a cinema were constructed, providing over 213,000 square feet of retail space to Union Station.

Subcommittee on Economic Development, Public Buildings
And Emergency Management
July 22, 2008

Union Station Today

Since the grand opening of Union Station in 1988, Jones Lang LaSalle has managed the asset for our clients. In 2007, the leasehold interest was purchased by Union Station Investco, LLC who retained Jones Lang LaSalle's management services. Our role as a management firm includes client accounting, financial services, skilled management and marketing services.

In general, we oversee all contracted services at Union Station that includes security, cleaning and repairs and maintenance. Public events at Union Station are coordinated through our office. We establish the annual capital plans for building improvements and repairs throughout the station and execute these plans when approved by Ownership and USRC. In addition, tenant coordination for build-outs and remodels are the responsibility of the management team.

Union Station is the national headquarters for Amtrak. Amtrak leases 106,200 square feet of office space and 63,800 square feet of operations space for waiting rooms and customer service and ticket services. Also, Union Station is a hub for the Maryland Rail Commuter Train (MARC), Virginia Railway Express (VRE) and the most heavily traveled stop on the Metro System.

There are over 130 merchants in Union Station today. The property enjoys high sales performance and is one of the most visited sites in Washington, D.C. Over 32 million visitors pass through Union Station annually.

Union Station serves as a venue for special events including inaugural balls, art exhibits, concerts and other events that draw patrons into the Station.

In 2007, Union Station restaurant operators and merchants contributed approximately $10,631,100 in sales tax to the District of Columbia. USI, through management agreements and contracts for cleaning and security services employs approximately 124 employees.

Subcommittee on Economic Development, Public Buildings
And Emergency Management
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Community Contributions

Union Station Ownership has cooperated with the City on transportation logistics and City Metro buses will drop off and pick up passengers in front of Union Station when the Columbus Plaza reconfiguration is complete. Also, a bicycle center will be located at the Station and the City will pay no rent for the premises due to the service it provides to citizens and visitors.

We actively participate as members of the Capitol Hill Business Improvement District and the General Manager serves on the Board of Directors and as an Executive Committee Member.

Union Station is an active member of the Capitol Hill Merchants Association (CHAMPS). For many years, the Marketing Directors served on the Board of Directors.

Union Station is a member of the Guild of Professional Tour Guides of Washington, D.C.

We participate in the annual "Ask Me About Washington" function in conjunction with the D.C. Chamber of Commerce.

We assist the Mayor's Office working with the D.C. Film Commission to increase awareness of Washington, D.C. and Union Station through films such as Along Came A Spider and Wedding Crashers.

Union Station is an active member of the Washington Convention and Tourism Corporation, recently re-branded as Destination D.C. to ensure that millions of regional, domestic and international tourists know about the cultural diversity and the wealth of shopping and dining opportunities the City affords them.

Thank you. I am pleased to answer any questions you may have.

TESTIMONY OF DAVID LEACH

PRESIDENT AND CEO
GREYHOUND LINES, INC.
350 NORTH ST. PAUL STREET
DALLAS, TX 75201
(972) 789-7373

BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

Of The

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

On

WASHINGTON UNION STATION: INTERMODAL USES PRESENT AND FUTURE

July 22, 2008

Madame Chair and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss Greyhound's potential plans to relocate to Washington Union Station. Greyhound is eager to move its Washington intercity bus operations to Union Station and has been actively engaged in discussions focused on making that happen. I greatly appreciate the strong support for that initiative shown by Chair Norton and Chairman Oberstar and Ranking Member Mica of the full Committee.

Greyhound has been operating at its current terminal location at 1st and K Streets, NE since 1987 when it acquired Trailways, which built the terminal in 1983. Even before the terminal was built, there were discussions about relocating the Greyhound and Trailways intercity bus operations to Union Station as part of Union Station's restoration in the early 1980s. Those discussions have continued off and on over the years, but have never been successful. The primary reasons for the lack of success were the lack of funding to make the needed changes to accommodate a bus station and the inability to agree on a rent structure and space allocation that would enable Greyhound to operate at Union Station in an economically viable manner.

Despite these setbacks, Greyhound has remained very interested in moving to Union Station. We strongly believe in intermodal terminals and are now co-located with other forms of transportation in over 100 intermodal facilities nationwide. That number has been steadily increasing. These intermodal facilities greatly benefit the traveling public by allowing travelers to use public transportation, both local and intercity, to travel seamlessly from origin to destination.

The benefits to the residents of the District of Columbia of Greyhound moving to Union Station are particularly striking. Over 50% of riders at Greyhound's current location get to Greyhound by local transit, either rail or bus. This is so even though those riders who come by Metrorail have to walk three long blocks with their luggage from Union Station or almost the same distance from the new Florida Avenue Metro Station. These riders would benefit tremendously from being able to just ride up or down the escalators to get from Metro to Greyhound. Furthermore, this dramatically improved convenience is likely to lead to increased usage of the Metro-Greyhound connection at a time when the public is searching for affordable and convenient public transportation.

Fortunately, a series of circumstances are converging that provide a unique opportunity to finally move Greyhound's operations to Union Station. When Greyhound first moved to its present location in the 80s, we were pioneers in a neighborhood that was almost entirely lacking in commercial, retail, or residential vitality. Now this neighborhood, known as "NoMa" for north of Massachusetts Avenue, has become a hotbed of new commercial activity and the Washington D.C. City Government has targeted it as one of the most important areas for development in downtown. The Greyhound terminal lies right at the heart of NoMa.

This means that the City has a strong vested interest in moving the Greyhound operations to Union Station so that its property can be redeveloped. The City has always been supportive of Greyhound moving to Union Station because of the public transportation benefits the move would bring, but now they are actively working to make that a reality. It also means that Greyhound has a much greater interest in moving to Union Station sooner rather than later, so that we can sell our present location at a time when it is highly desirable for redevelopment.

At the same time, the Ashkanazy Company, the new landlord at Union Station, has developed preliminary plans for a renovation and expansion of Union Station's interior space, which will enable Greyhound to have its ticket selling facility inside the building, rather than in a freestanding building on the bus deck. This substantially reduces Greyhound's "footprint" and the capital costs of the Greyhound space. Greyhound expects that with the sale of its existing terminal, Greyhound will have the funds to build out its interior space, as well as to construct limited facilities on the bus deck. Also, the fact that there will be no freestanding terminal on the bus deck enables Greyhound to structure its bus loading and waiting areas in a manner that will enable Union Station management to preserve significant space for charter and tour bus parking on the bus deck.

Finally, the support that the leadership of this Subcommittee and Committee has shown for Greyhound's move to Union Station has been very helpful. In a March 20, 2008 letter to David Ball, the President of the Union Station Redevelopment Corporation, Chairperson Norton, Chairman Oberstar, and Ranking Member Mica expressed strong support for the relocation of the Greyhound terminal to Union Station. The letter cited the unique opportunity that existed, and urged all parties to work together to make the move happen, noting that "this transfer will enhance Union Station's role as a true

intermodal transportation center and will serve as an outstanding example for the rest of the country". The letter, copies of which went to Mayor Fenty, Alexander Kummant, Amtrak's President and CEO, and myself, was a catalyst for action.

With all of these favorable developments, the parties have been meeting, and I think it is fair to say that there is a common desire among most of the parties to make the move happen as soon as possible. But there are issues that need to be addressed, as follows:

Amtrak needs to be fully engaged. Although the plans have been drawn to basically separate the bus and rail ticketing and waiting functions on different levels, it is important that there be a dialogue with key Amtrak decisionmakers on these plans. I am planning to meet with Mr. Kummant on this issue today.

The plans for the renovation and expansion of the interior area need to be finalized and approved.

The financial terms of the project need to be negotiated and agreed to. This includes the level of Greyhound's capital contribution and its lease terms for the occupancy of the space. Greyhound plans to pay for the build out of its space, but that contribution needs to be amortized through reduction of its lease payments, and the lease terms must be consistent with Greyhound being able to continue to provide affordable transportation in an economically viable manner.

A timeline for completion of the project must be agreed to so that Greyhound can move forward with the sale of its current property with a transfer date that fits with its projected move in date at Union Station.

I believe that all of these issues can be resolved. This project is a very high priority for Greyhound, and I commit to you that Greyhound will do everything in its power to make it succeed. I have been and will continue to be personally involved. I believe that the other parties have a similar commitment, and if so, I am confident we can succeed.

Thank you for this opportunity to testify. I am happy to answer any questions you might have.

WRITTEN STATEMENT OF DANIEL LEVY
COUNSEL TO UNION STATION INVESTCO LLC
BEFORE THE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
U.S. HOUSE OF REPESENTATIVES

JULY 22, 2008

Chairwoman Norton, Ranking Member Graves and the Members of the Subcommittee, I thank you for the opportunity to speak before you today on behalf of Union Station Investco LLC (USI) regarding the team behind Union Station Investco LLC, the operation and management of Union Station, its plans for the future of Union Station and assessment of the District of Columbia's possessory interest tax on Union Station and its likely effects.

Union Station Investco LLC

Union Station Investco LLC, as entity of Ben Ashkenazy, was the recent purchaser of the leasehold interest in Union Station. With over 20 years of experience in real estate and as Chairman and Chief Executive Officer of Ashkenazy Acquisition Corp, he leads the company's vision and under his stewardship the firm has developed into one of the leading real estate investors and operators in the United States. Mr. Ashkenazy has concluded real estate transactions valued over $5 billion throughout his career.

Headquartered in New York City, Ashkenazy Acquisition Corporation (AAC) is a private, real estate investment firm, focusing on retail and office assets. AAC is an experienced team of in-house, seasoned professionals. With more than seventy properties, AAC has a superior performance history in purchasing and managing premier assets. AAC has acquired over 13 million square feet of retail, office and residential properties, located throughout the United States and Canada, some of which have been listed below.

Selected Portfolio Assets:

650 Madison Avenue (600,000 sq. ft. / Retail, Office) *New York, New York*	**Barney's New York** (440,000 sq. ft. / Retail) *Madison Avenue, New York* *Beverly Hills, California* *Chicago, Illinois*
Monmouth Mall (1,500,000 sq. ft. / Retail) *Eatontown, New Jersey*	**Rivercenter Mall** (1,000,000 sq. ft / Retail) *San Antonio, Texas*
Shops at 69th Street (800,000 sq ft / Retail) *Philadelphia Metro, Pennsylvania*	**Eastland Center** (1,400,000 sq ft / Retail) *Detroit Metro, Michigan*
700 North Michigan Avenue (310,000 sq ft / Retail) *Chicago, Illinois*	**Douglaston Plaza** (300,000 sq ft / Retail) *Douglaston, New York*
1346 Chestnut Street (285,000 sq ft / Retail & Condo) *Philadelphia, Pennsylvania*	**Bay Harbour Shopping Center** (300,000 sq ft / Retail) *Long Island, New York*
Cross County Mall (263,568 sq ft / Retail) *Yonkers, New York*	**Toms River Shopping Center** (240,000 sq ft / Retail) *Toms River, New Jersey*
Lafayette Square Mall (1,214,000 sq ft / Retail) *Indianapolis, Indiana*	**The Shops at Grand Avenue** (425,000 sq ft / Retail) *Milwaukee, Wisconsin*
Hechinger Mall (190,000 sq ft / Retail) *Washington DC*	**The Pepsi Forum** (340,000 sq ft / Retail) *Montreal, Canada*
Washington Bridge Plaza (50,000 sq ft / Retail) *Fort Lee, New Jersey*	**145 East 57th Street** (60,000 sq ft / Retail) *New York, New York*
Cross Bronx Shopping Center (133,368 sf / Retail) *Bronx, New York*	**616 Collins Avenue** (15,000 sq ft / Retail) *South Beach, Florida*

The Purchase of Leasehold Interest

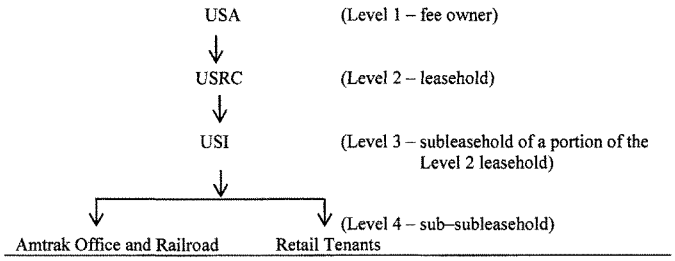
On January 25, 2007, Union Station Investco LLC acquired the leasehold interest for Union Station in Washington D.C. The leasehold interest was acquired from Union Station Venture II, LLC (USV), a group of institutional and private-equity investors. Prior to the date of closing, AAC was selected as the purchaser by USV and was approved by the USRC to acquire the leasehold interest.

Union Station is a well-established asset with more than 120 stores and restaurants and is one of the most productive retail properties in the country. The office portion of the property is 100% occupied by Amtrak's corporate offices.

USI purchased the leasehold interest in Union Station with the intent to advance the initial goals of its predecessors and the creators of this vibrant intermodal transportation facility, a living and working museum.

Structure of Union Station Leasehold Interests

USI currently holds a leasehold interest in Union Station pursuant to that certain Sublease Agreement dated October 31, 1985 by and between Union Station Redevelopment Corporation (USRC) as sublessor and USI as successor in interest to USV as sublessee. USRC derives its leasehold interest from the Federal Government pursuant to that certain Agreement dated October 31, 1985, between the United States of America as lessor and USRC as lessee as per the following chart:



As shown above, USI leases and operates certain parts of Union Station and in turn has multiple retail sub-subleases with the individual owners of the various stores and restaurants occupying Union Station as well as a sub-sublease with Amtrak for offices and railroad operations.

Jones Lang LaSalle (JLL) is currently engaged by USI to serve as development manager and property agent. JLL has been involved with Union Station for the past 20 years, and has been largely responsible for the revitalization of Union Station.

Future of Union Station

Union Station it is not only a historic landmark but an architectural gem. One of USI's goals is to enhance the functionality of the station while keeping with the original concept of a major intermodal transportation hub. The project will reorganize pedestrian traffic flows to make the station more navigable and ease congestion. Directional signage and information screens will be added throughout the station. Attached as Exhibit "A" and described below are some of the initiatives USI intends to undertake.

Current Bus and Tour Operators and Greyhound Lines, Inc.

Union Station encourages tour bus traffic to Union Station and the Union Station Parking Garage provides over 98 spaces for bus parking. Union Station is one of a few locations that can provide this service. Additionally, several tour operators (Old Town Trolley, DC Ducks and TourMobile) utilize Union Station as pick up and drop off points for passengers.

With the proposed addition of Greyhound Lines, Inc., Union Station will further diversify the transportation options to its visitors. Greyhound queuing would be accessed by a new mezzanine deck directly connected to the parking garage along with rental cars and other travel services. Thus all Greyhound amenities would be on the same level. The Train Concourse will be restructured to intuitively streamline the congestion around waiting areas, queue areas and walkways.

Cutting Edge Bicycle Transit Center

In conjunction with The District of Columbia Department of Transportation (DDOT) a Bicycle Transit Center will be installed at the west end of the property at no rent to the city. The new bicycle center is being built to provide convenience and access to commuters and visitors alike wishing to travel within the city by bike.

Improvements to Access and Circulation

Access from the street level will be expanded to improve pedestrian circulation on all floors to open up and create greater connection to the lower and mezzanine levels. To ease navigation challenges and eliminate dead ends a corridor near the termination of the train and shopping concourses will be added to improve all access.

USI is working with Amtrak to make improvements which would include dividing and reorienting the ticket counters. This would direct traffic through the Main Hall and train platform gates and remove the ticket queues from blocking traffic. Also, passengers would now be able to view their gates without obstruction. There will be a direct sight line and better pedestrian access from the Main Hall entrance to the train terminal by improving access to the gates and waiting areas.

Burnham Place and Columbus Plaza Developments

USI and its architects continually work with the USRC, Amtrak and Akridge to improve Union Station and for the addition of Burnham Place which will be developed utilizing the air rights located over the train tracks at Union Station. Improvements to Union Station include the installation of bollards around the perimeter of the premises.

Finally, USI is in agreement with the National Park Service, District of Columbia and USRC for the enhancements to be made to Columbus Plaza adjacent to Union Station. As part of the overall improvement project, City Metro buses will have a convenient location, front and center, for passenger boarding and drop off.

Possessory Interest Tax

The District of Columbia's Possessory Interest tax legislation (PIT) is the greatest threat to the future success of Union Station and has the potential to unwind two decades of revitalization.

Over a relatively short period of time, Union Station has been transformed from a dilapidated building condemned as unfit for human habitation to a major transportation hub, retail center and tourist destination catering to the residents of the District of Columbia, tourists and commuters from both the DC area and across America.

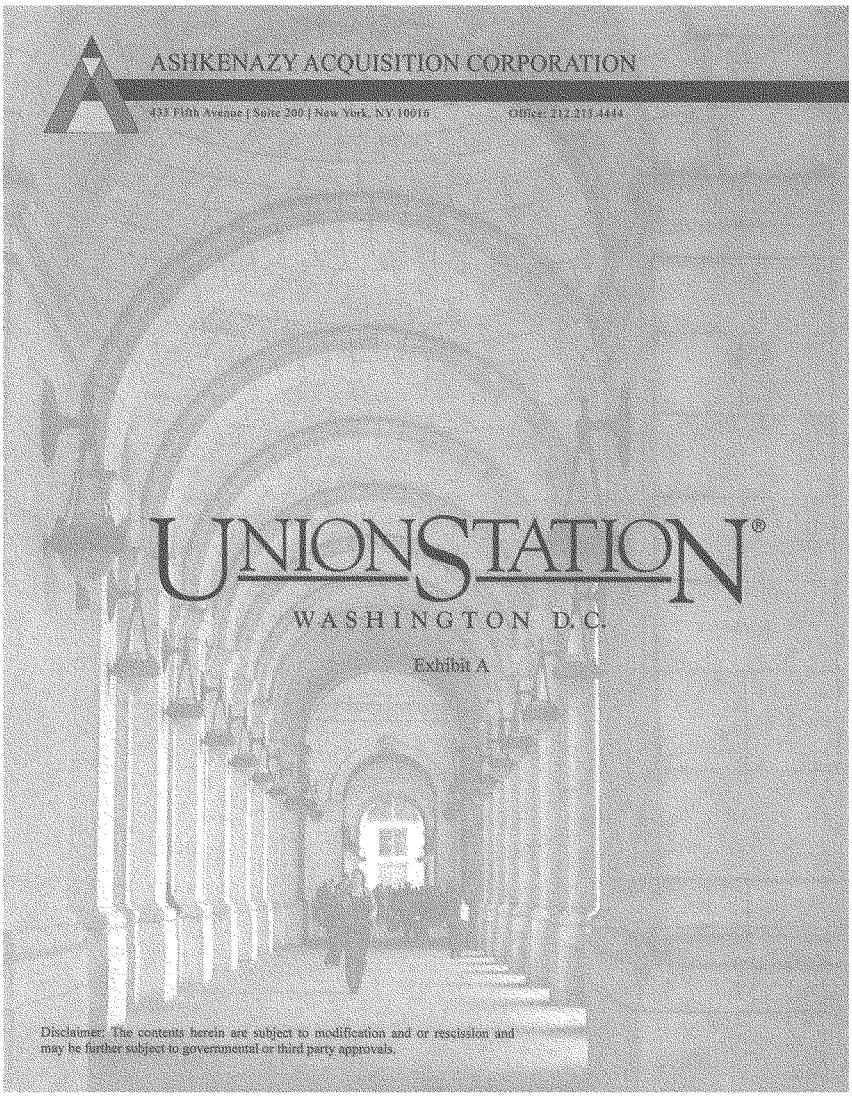
The success of Union Station as an intermodal transportation facility is based on a careful and strategic balance of (1) budgeting for the ever growing costs of maintaining, securing and operating the century old National Landmark, (2) preserving the crucial tenant mix at Union Station and (3) the costs to improve Union Station as an intermodal transportation facility.

USI has been working with the District of Columbia City Council and has appealed to the BRPAA to save Union Station from the inevitable downwards spiral it may experience as a result of the PIT assessment. However, fearing the worst and without some kind of relief, it is unlikely that USI will be able to pay that amount together with all of the other increased operating costs, security costs and improvements that are required to maintain and improve Union Station as intermodal transportation facility.

***

Chairwoman Norton, Ranking Member Graves and the Members of the Subcommittee, I thank you again for the opportunity to speak before you today on behalf of Union Station Investco LLC.

EXHIBIT A


ASHKENAZY ACQUISITION CORPORATION
433 Fifth Avenue | Suite 200 | New York, NY 10016
Office: 212.213.4444
UNIONSTATION®
WASHINGTON D.C.
Exhibit A
Disclaimer: The contents herein are subject to modification and or rescission and may be further subject to governmental or third party approvals.

UNIONSTATION
WASHINGTON D.C.

Project Objective

Union Station Investco, LLC (USI) purchased the leasehold interest of Union Station on January 25, 2007. Everyone who has been to Union Station knows it is not only a historic landmark but an architectural gem. One of USI's goals is to enhance the functionality of the station while keeping with the original concept of a major transportation hub. The project will reorganize pedestrian traffic flows to make the station more navigable and ease congestion. Directional signage and information screens will be added throughout the station.

In conjunction with The District of Columbia Department of Transportation (DDOT) a Bicycle Transit Center will be installed at the west end of the property at no rent to the city. The new bicycle center is being built to provide convenience and access to commuters and visitors alike wishing to travel within the city by bike. Union Station encourages tour bus traffic to Union Station and the Union Station Parking Garage provides over 98 spaces for bus parking. Union Station is one of a few locations that can provide this service. Also, several tour operators (Old Town Trolley, DC Ducks and TourMobile) pick up and drop off passengers at Union Station. USI is in agreement with the National Park Service, District of Columbia and USRC for the enhancements to be made to Columbus Plaza adjacent to Union Station. As part of the overall improvement project, City Metro buses will have a convenient location, front and center, for passenger boarding and drop off.

With the proposed addition of Greyhound Lines, Inc., USI will enhance this intermodal transportation center. Greyhound queuing would be accessed by a new mezzanine deck directly connected to the parking garage along with rental cars and other travel services. Thus all Greyhound amenities would be on the same level. The Train Concourse will be restructured to intuitively streamline the congestion around waiting areas, queue areas and walkways.

Access from the street level will be expanded to improve pedestrian circulation on all floors to open up and create greater connection to the lower and mezzanine levels. To ease navigation challenges and eliminate dead ends, a corridor near the termination of the train and shopping concourses will be added to improve all access.

USI is working with Amtrak to make improvements which would include dividing and reorienting the ticket counters. This would direct traffic through the Main Hall and train platform gates and remove the ticket queues from blocking traffic. Also, passengers would now be able to view their gates without obstruction. There will be a direct sight line and better pedestrian access from the Main Hall entrance to the train terminal by improving access to the gates and waiting areas.

USI and our architects continually work with Union Station Redevelopment Corporation (USRC), Amtrak and Akridge to improve Union Station and for the addition of Burnham Place which will be developed in the air rights located over the train tracks at Union Station.

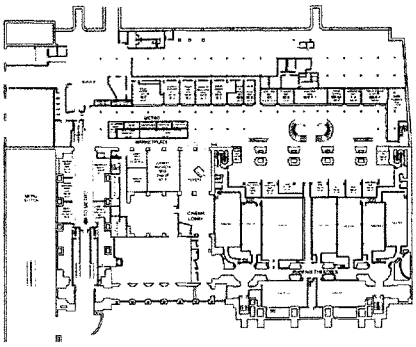
In summary, USI is excited to have the opportunity to work with all stakeholders of Union Station to improve exterior and interior vehicle and pedestrian circulation and enhance the intermodal capabilities of the project.

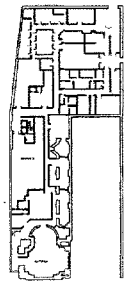
UNIONSTATION
WASHINGTON D.C.

Lower Level (Existing)

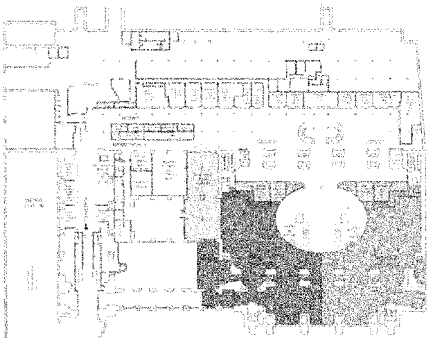
EXISTING CONDITIONS

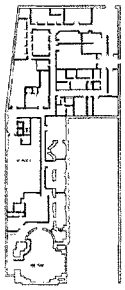
- The subterranean movie theatre is underutilized and suffers low attendance
- Lower Level is poorly connected to the Main Hall or Street Level entrances





Lower Level (Proposed)





PROPOSED SOLUTION

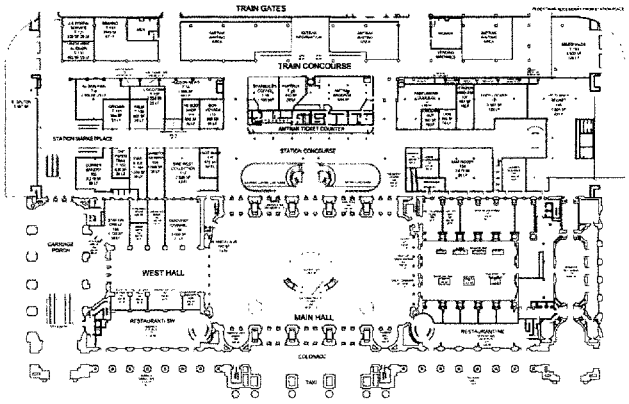
- Overhaul the existing Food Court to update and freshen its appearance
- Increase visibility and connection between the Lower Level and Main Hall by creating new stair access and adjacent opening to above.

UNION STATION
WASHINGTON D.C.

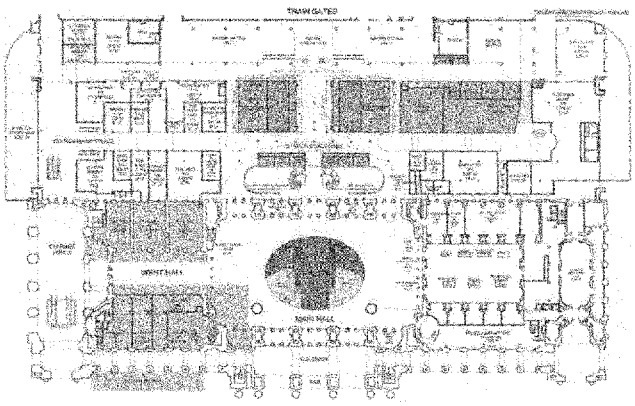
EXISTING CONDITIONS

- Heavy congestion around Train Concourse and Amtrak Ticket Counter
- Amtrak ticket counter queues extend into the major thoroughfare, clogging traffic
- Traffic entering from the Station Place entrance (upper right hand corner) must wind past crowded lines and waiting areas to reach the exit
- Train Concourse is laid out haphazardly, navigation is difficult, tracks are not easy to locate
- Train Concourse is difficult to find when entering through the Main Hall.

Street Level (Existing)



Street Level (Proposed)



PROPOSED SOLUTIONS

- Amtrak ticket counter is divided and reoriented, improving traffic circulation and removing the existing ticket queues which now block traffic.
- The Center Café is enlarged, pulling natural light through its glass structure to the lower level from above and creating a friendlier environment.
- By splitting the ticket counter and raising the Main Hall Café, passengers exiting the Train Concourse will have a clear line of vision through the Main Hall to the Front Entrance
- A new hallway is cut near the Station Place entrance to allow traffic access to the Station Concourse thus eliminating the dead end corridor.

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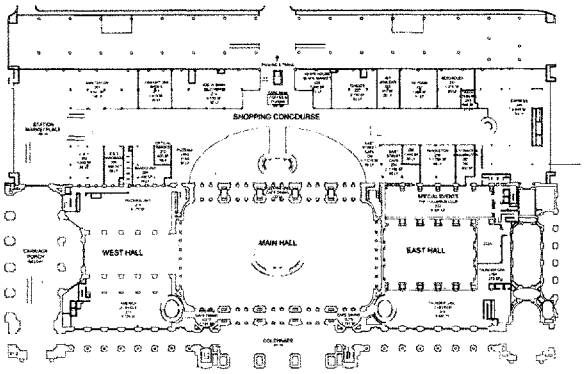
Graphics by

UNION STATION
WASHINGTON D.C.

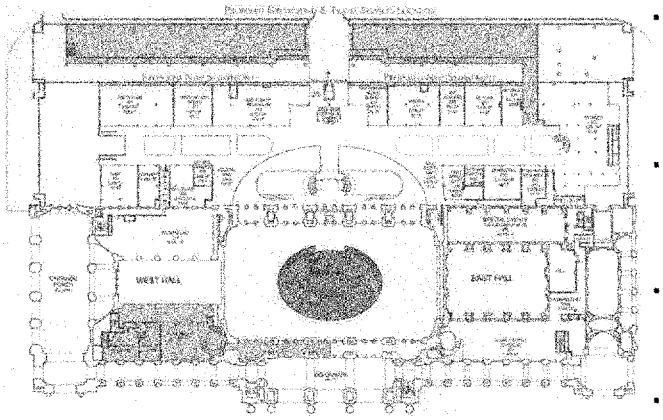
Mezzanine (Existing)

EXISTING CONDITIONS

- The back of the Mezzanine Level retail stores abut the open space above the Amtrak Waiting Area. To look up from the waiting area, it is not apparent that there are stores on the Mezzanine Level. The wall is aesthetically unappealing, and misses an opportunity to create visibility of retail located on the mezzanine level.



Mezzanine (Proposed)



PROPOSED SOLUTIONS

- New construction to add additional square footage above the Amtrak Waiting Area for Travel Services, ie Greyhound and car rental counters, etc.
- New Travel Services area to be connected to the garage, with direct access to Greyhound bus service and rental car fleets
- Separation of Amtrak from new Travel Services area will ensure that the Train Concourse remains navigable
- Storefront glass will be added to the back of the retail shops facing the new walkway

ASHKENAZY ACQUISITION CORPORATION

Graphics by

Statement of Erin McCann
644 Massachusetts Ave NE Apt. 401
Washington, DC, 20002
202.680.4433

Before Subcommittee on Economic Development, Public Buildings, and Emergency Management
Union Station: A Comprehensive Hearing on the Private Management, the Public Space, and the Intermodal Uses Present and Future

July 22, 2008

Chairwoman Norton, members of the subcommittee, I'd like to thank you for the opportunity to speak to you today. I have a short statement, and then I'll be happy to answer your questions.

My name is Erin McCann and I am an amateur photographer. I am also an active member of a group called DC Photo Rights, which exists to document and discuss incidents in which photographers have been harassed by security officers or police. These officers often mistakenly believe that taking pictures in public places is illegal, or requires a permit, or is an indication that the person holding the camera is somehow a threat.

I've never been clear on why, exactly, a camera is considered threatening. In the aftermath of the 2005 transit bombings in London, for instance, officials appealed to the public for snapshots taken before and after the attacks in their search for clues. An open photography policy can be a security team's best friend. It also liberates security employees from the task of investigating people like me as I take photographs in the most obvious way possible. With a 10-inch lens on my camera, there is no disguising what I am doing.

In Washington, certain places have the reputation of being unfriendly to photographers. In the four years that I've been shooting in the city, Union Station has always been one of those places. In February, I began a series of phone calls and e-mails to Amtrak and Jones Lang LaSalle management to find out why.

I've included with my written statement a timeline of my involvement and my frustrating search for answers. Often, my calls and e-mails have resulted in being given conflicting information, sometimes minutes apart by people in the same office. The statement also includes details of some of the incidents in which photographers have been harassed, told incorrect policies by misinformed station officials, and, in certain instances, been threatened with arrest for daring to take a simple snapshot of a national treasure.

In almost every incident, a guard or officer has wrongly told a photographer that Union Station is private property and photography is not allowed. The reasons given for this fake policy vary. I was once told that my camera is "too professional." Others have been told that the Patriot Act bans photography in train stations, a law that I'm sure would come as a surprise to the organizers of the annual Amtrak station photography contest.

I have been stopped twice in the last three months while photographing in the public areas of Union Station. Both were after I received explicit assurances from Amtrak and Jones Lang LaSalle management that photography is allowed. The most recent incident was last Friday, when an Amtrak employee—who refused to tell me her name—said the building was private property and that all photography is prohibited.

For many tourists, Union Station is a first stop and first impression of the nation's captial. For a family to be warned or even threatened upon arrival simply for taking photos of one of the city's beautiful public places is reprehensible.

My interest now is the same as it was in February when I first started asking questions:

1) To understand what the photography policy is at Union Station.

2) To assure that if there are restrictions on photography that they are clearly posted throughout the building.

3) To make sure those restrictions are fair, given the station's unique ownership and its role as a major gateway for thousands of the city's visitors each year.

4) And, finally and most importantly, I want to be sure that the private guards, Amtrak police and everyone else in a position to interact with the public understand what the policy is. Despite repeated assurances from the management of Amtrak and Jones Lang LaSalle, ill-informed station employees are still taking it upon themselves to interpret the policy as they see fit or to make up contradictory policies. Amtrak and Jones Lang LaSalle have so far been unable to communicate this policy to their security employees. I believe Washington D.C.'s train station deserves smart, well-trained, high-quality security, and my experience with its representatives so far has been exceedingly disappointing.

Curious about how other cities and stations handle photography, it took me 30 seconds on Google to come up with the policy at Grand Central Terminal in New York City. They post it right there on their Web site, and they welcome photographers with open arms. It's taken over six months and dozens of conversations—not to mention a congressional hearing—to understand the photo policy at Union Station. And still we have no guarantee that when new guards or officers are hired, they, too, won't automatically assume that a camera is a threat.

My hope is that after today, visitors to Union Station will be free to explore and photograph the building without being viewed as law-breakers. Security officers and Amtrak employees should have more important things to investigate than a tourist with a camera.

Thank you.

Timeline of my experiences with Union Station photography
Erin McCann

Feb. 10, 2008:

After reading yet another story about a photographer told to put a camera away, I e-mail public addresses for a handful of Jones Lang LaSalle managers asking for information on their policy for the building. One of them forwards my e-mail to Joan Malkowski, vice president for Union Station.

Feb. 14, 2008:

Joan Malkowski sends me the following e-mail:

"In general, we do allow individuals to take pictures for their personal (not commercial) use. However, from time to time, it is necessary to prohibit photography, depending on the situation. I hope this answers your question.
Joan Malkowski

Prohibited:

Use a camera tripod or take professional pictures in Union Station without the express written permission of Union Station Management. Union Station Management reserves the right to prohibit photography of any kind in their sole discretion except as described in the next paragraph

It is Amtrak policy to permit photography including news video in the public areas of Amtrak's portion of Washington Union Station. This area is generally defined as the Amtrak ticket counters northward to the train departure gates. Amtrak's Corporate Communications' Department must arrange escorts for news media wishing access to train platforms"

I write back, thanking her for the information. I ask if she can make sure station guards understand the policy, and she tells me they are in the process of handing out pocket cards for guards to refer to.

Feb. 25, 2008:

I write back to Malkowski asking for clarification on a few points, including whether photography is allowed in the great hall and the food court. I also ask about the lease and whether it includes the right to regulate photography.

I do not receive a reply.

Sometime after this, signs appear in Union Station quoting the policy Malkowski provided me. I take a photo of the sign on April 6. Since then, it has been viewed nearly 1,000 times on the photo-sharing site Flickr.com, often by people who search for the keywords "Union Station" "security" and "harassment."

March 31, 2008:

I e-mail Malkowski asking for clarification on the signs that have appeared. Because of the confusing wording on the signs, which say nothing about personal photography, guards have begun to misread their intent and apply the restrictions to anyone with a camera.

I do not receive a reply.

March 31, 2008:

Photographer Joel Lawson encounters an Amtrak staffer telling a family they cannot take a photo in the Amtrak area of the station. When Lawson tries to explain that the Amtrak employee is in error, he is shut down. The employee tells Lawson and the family that

Amtrak policy prohibits photography anywhere in the station. Lawson's attempts to explain that the employee is wrong are met with anger from the employee.

April 1, 2008:

I call Amtrak customer relations and speak with an employee who puts me on hold while he in turn speaks with the Union Station station manager. The manager tells him that no photography is permitted in the Amtrak areas of Union Station without prior permission and a permit from the station manager. The customer relations person has no information regarding how one might apply for this permit or the rationale for it, but he does manage to say "9/11" about 15 times in a 10-minute conversation. He suggested I write to John Wojcreciechowski at the Office of Customer Relations.

It is necessary to point out here that this attitude is not unique to Union Station. Photographers and rail fans around the country regularly encounter Amtrak employees who tell them it is illegal to photograph trains and stations. I encounted one such incident myself in Harrisburg, Pa., in June.

April 2-3, 2008:

I discover Amtrak sponsors an annual photography contest and solicits submissions of its trains and stations. I leave a message for Amtrak's corporate/media relations line—the number associated with the contest—asking for clarification of what the original customer service employee told me in light of the photography contest information.

Media relations calls me back and tells me the station manager is correct and that photography is prohibited. I become upset and ask to speak to someone else in the office. The employee transfers me to Corinna Romero, who is the first Amtrak employee to tell me photography is allowed in Union Station. We chat about the absurdity of Amtrak sponsoring a photo contest if photography is not allowed, and she tells me it seems as though the station manager of Union Station and his employees are taking the media policy (which does require some contact with the station manager) to the Nth degree.

Romero said she would send an e-mail to the station manager so that he is clear on the policy and asking him to clarify it for his employees as well.

April 4, 2008:

Dcist.com writes a post about ongoing photography issues at Union Station. (http://dcist.com/2008/04/03/union_station_l.php)

April 20, 2008:

I e-mail Malkowski and other Jones Lang LaSalle employees asking for further clarification of the policy. That e-mail reads, in part:

The written policy quoted above is unclear on the rights of tourists to take personal photographs. Union Station guards also are not applying it uniformly. In the last few months, photographers and tourists have been told, in person by Union Station guards, all of the following contradictory statements:

1) All photography is prohibited in the building.
2) Photography is allowed anywhere in the building.
3) Photography is only allowed in the great hall.

I am speaking only of nonprofessional photography, without a tripod or any other equipment. None of these photos are used for any commercial purposes whatsoever. ...

I, along with other amateur photographers passing through your beautiful building, would like the following:

1) A clear statement regarding the photo policy at Union Station.
2) To know what areas of the building the policy applies to. If I stand in an Amtrak area (where photography is allowed) and take a photograph pointed toward one of your areas,

will a guard tell me I am violating the policy? What about if I stand by the DC Metro (where photography is allowed) and look toward the interior of Union Station? And what about the exterior of the building?
3) For Union Station security guards to be informed of this policy and how it applies to tourists and amateur photographers.

April 21, 2008:

Malkowski replies with the following statement:

We have spoken with our Director of Public Safety about your concerns in reference to the standards not being reinforced uniformly. He is meeting with his officers to review the photography policy to ensure the policy will be enforced correctly.

To answer your question regarding where in Union Station you may take photos, you may take photos of all the public areas you have mentioned below. However, if you are standing in the Amtrak premises, you will be subject to their policy.

May 13, 2008:

Photographer Andy Carvin writes a blog post in which he says he was threatened with arrest for using a tripod in the great hall.

Though Carvin is violating posted policy by using a tripod, the first guard who approached him merely asks what he was doing before saying "Okay" and walking away. Carvin moves to another location in the hall. When the guard returns, she tells Carvin to stop photographing and leave. According to Carvin's account, "She said that this is a private space, and we didn't have permission from management to take pictures." Carvin asks to speak to a supervisor. Another guard arrives and tells Carvin to leave or face arrest. Carvin again asks to speak to a supervisor. A third guard arrives and, along with the first guard, demands Carvin delete all the photos he's taken.

Absent a court order, security officials and police are not empowered with the authority to make such a demand.

Carvin writes: "Throughout the conversation, which I should point out was conducted in a cordial, but firm tone, we received mixed messages from the security guards. One told us the problem was that we were using a tripod, while another insisted it was because we had 'that thing' on top of our tripod. They then changed the story again, and said that journalists couldn't take pictures without permission from management, and that Union Station is a private space run by a private company, not a public space. They never gave us an answer as to why we were first allowed to take photos in the first location, but could not do the same here."

As Carvin packs up his gear, Robert H. Mangiante, assistant director of IPC International Corporation, arrives on the scene. He tells Carvin Union Station is a private space and that no photography is allowed without prior approval. He again threatens Carvin with arrest if he does not leave.

Carvin's post (http://www.andycarvin.com/archives/2008/05/almost_arrested_for_taking_photos_at_uni.html) is repeated on several other blogs and generates nearly 1,000 comments across the Internet. Many of them are from other photographers relating similar run-ins at Union Station.

May 14, 2008:

After reading Carvin's account, I take my camera to Union Station. I enter through the food court on the lower level and stand in front of a guard as I take photos. She says nothing. I switch lenses and go upstairs. When standing about five steps north of the great hall, where two big staircases meet, I am stopped by a very polite but very firm Officer Beasely.

I engage him in conversation, asking why he thinks I cannot photograph there. I explain my communication with Malkowski, and he tries to contact her. Another guard comes over to watch, and the two step away from me to confer. Malkowski has left for the day, and Beasely, feeling sympathetic, tells me that because I "know" Malkowski and can say her full name, he will let me shoot that evening.

Beasely tells me several things as he tries to prohibit me from using my camera at Union Station: 1) Photographers are only allowed to shoot in the great hall; and 2) Because I am using a "professional camera," my rights as a photographer are not the same as the rights afforded to the hundreds of tourists who shoot inside Union Station each day. While I do use a lens that could be considered high-end for a hobbyist, I do not have a "professional" camera.

Beasely also tells me he has received no additional training this year regarding the photography policy of Union Station. This is three weeks after Malkowski told me she spoke to their director of public safety regarding re-training.

May 15, 2008:

I e-mail the incident to Washington Post columnist Marc Fisher, who replies that he is aware of the ongoing issue and is already at work on a piece.

May 16, 2008:

Malkowski replies that she has looked into the issue. She says "Thx...we had a mtg/w officers & hopefully everyone understands policy...it was obvious there was confusion."

May 20, 2008:

Marc Fisher's piece runs on Washingtonpost.com (http://blog.washingtonpost.com/rawfisher/2008/05/union_station_photo_follies.html)

May 30, 2008:

A Fox 5 crew is interviewing Amtrak's chief spokesman for a story on the harassment of photographers when an ITC security guard interrupts and shuts down the interview. The Amtrak spokesman had just finished telling the Fox 5 reporter that photography is allowed in Union Station. They are standing in the Amtrak area of the station.

When pressed for details, the guard tells Fox 5 that they are violating policy but that he cannot tell them what the policy is. The video of this incident is posted online and quickly spreads across the Internet. Dozens of security, photography and rail enthusiast sites link to it, and hundreds of people comment on it. (http://www.myfoxdc.com/myfox/pages/Home/Detail?contentId=6664418&version=2&locale=EN-US&layoutCode=VSTY&pageId=1.1.1&sflg=1)

July 12, 2008:

Another photographer is told by two Amtrak police officers, a customer service employee and a woman at the security kiosk that Amtrak is private property and that it is illegal to take photos in the station.

July 13, 2008:

Around 7 p.m., I begin shooting in full view of several Amtrak employees. One looks at me strangely, but he does not tell me to stop. After about 30 minutes, I approach the customer service counter to talk to another employee. I ask him about his understanding of the photography policy, and as two other employees look on, he tells me that photography is allowed in the station. He says it is not allowed on the platform (though, for the first time, he specifies an exception for groups of people and families taking pictures of themselves as they board trains).

July 17, 2008:

Another photographer is told by a woman at the Amtrak security kiosk and a man at the customer service desk that the Patriot Act prohibits photography at the station. The

photographer asks both for a list of station rules, and neither is able to provide one. The man tells the photographer that all Amtrak employees are required to report people taking pictures to the police immediately.

July 18, 2008:

At 6:45 a.m., I take out my camera in front of the security kiosk in the Amtrak area. There is a woman behind the booth and a man leaning against it. Both are dressed professionally; neither is in a security uniform. The woman tells me to stop taking photos. She says Amtrak is private property and that I am not allowed to take photos anywhere in the station. She says the rules are posted at all entrances and that I need to stop photographing immediately.

I put my camera down, and I ask for her name. She will not give me her name. She starts telling me the Amtrak customer service 800 number so I can speak to her supervisor.

I again ask for her name.

"I don't have to give you my name," she says, as she looks down to make sure her nametag is not visible.

"You're standing here as an Amtrak employee at the security booth, telling me Amtrak policy. Why can't I have your name?" I ask.

"I'm not in uniform. I don't have to give you my name."

By now there's a uniformed officer there. She says he would say the exact same thing to me, so I look at him. He takes me aside, away from the woman at the security counter.

I tell him who I am and what I'm doing. I give him some background on the calls I made earlier this year and the policy as I understand it.

Officer M. Chikar and I chat about security while he calls his supervisor. The supervisor tells him I am allowed to photograph. Chikar tells me Union Station is private property, but that yes, I am allowed to take photos. I ask Chikar what will happen when another photographer encounters the original woman at the security counter. He looks at her, and he says, "I'll take care of that."

I leave, assuming that Chikar has explained to the woman that photography is allowed under the Amtrak policy. Whether she will believe him is unclear.

Testimony of Emeka Moneme, Director
District of Columbia Department of Transportation

Before the House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings
and Emergency Management

July 22, 2008

Good morning Chairwoman Norton and members of the Subcommittee. I am Emeka Moneme, Director of the District of Columbia Department of Transportation or DDOT. I thank you for the opportunity to join this discussion on the current uses and future improvements of Union Station. DDOT has been tasked with the responsibility of analyzing the feasibility of future development in and around Union Station, specifically as it relates to the ability of the adjacent transportation system to accommodate it. As so, my remarks will focus on the Union Station Intermodal Transportation Center Feasibility Study DDOT is currently managing.

Transportation Needs in the Nation's Capital

Before expounding on the Feasibility Study, let me offer a few thoughts on congestion and transportation options in the region. Over the past 20 years, the District has witnessed a tremendous explosion of vehicle trips within and through the city. In a recent Texas Transportation Institute study, Washington, DC was rated the second most congested city in the nation. Unfortunately, this trend is expected to continue. The Metropolitan Washington Council of Governments forecasts that vehicle trips within and into the District will increase by approximately 32% by 2030. We have seen a similar trend in transit ridership with Metrorail recently breaking daily and monthly ridership records. At the current rate of ridership growth, Metrorail crowding will be unmanageable by 2013, unless capacity expanding investments are

made. Finally, the Maryland Transit Administration also reports that most MARC commuter train lines are running near capacity with some lines already at capacity.

In order to combat these alarming trends, while allowing the city to continue to grow and provide for the millions of visitors to the Nation's Capital; the capacity to move people into and around the District must be expanded. The District is implementing a number of initiatives, including bicycle sharing, enhanced transit service and a Performance Parking program to encourage the use of multiple non-vehicular transportation options which will reduce the number of vehicle trips into the city. WMATA is moving toward full utilization of 8-car trains in the coming years and the Maryland Transit Administration plans to infuse over $570 million into the MARC system over the next 25 years to procure rail cars and expand and modernize service.

More than ever before, we are in need of a state-of-the art, multi-modal transportation hub in our region to accommodate the billions of dollars in transit investments previously mentioned. The historic Union Station has served the region and the country well but its present infrastructure limitations restrict its ability to accommodate current and future transit demand. As such, a new Union Station Intermodal Transportation Center is needed for the District and the region to continue thrive.

Feasibility Study

The feasibility study began in February 2008. Its overarching purpose is to investigate the feasibility of the development, design and construction of a new Intermodal Transportation Center at Union Station including the proposed Burham Place commercial and residential development. The study area of the project encompasses an approximately 20- square block site bounded by M Street to the north; 3rd Street to the east; Massachusetts Avenue to the south; and North Capitol Street to the west.

Components of Study

In particular, the study is analyzing the impacts of creating enhanced access to multiple modes of transportation at and around Union Station. The study's analysis is considering the following areas:

1. Baseline Transportation Improvement Studies
2. New Rail Passenger Concourse
3. Upgraded Amtrak passenger concourse
4. Improved Emergency Access and Egress
5. Improvements to the Existing Rail Concourse
6. Tour Bus and Commuter Parking Accommodations
7. DC Streetcar Integration
8. Pedestrian Tunnel from Union Station to 1st Street, NE
9. New Metrorail Entrance from the H Street Bridge
10. Baseline Environmental Requirements Study
11. Integration of the Metropolitan Branch Trail to the facility and the possibility of an additional bicycle storage facility

The findings of this comprehensive study of the Union Station transportation network will prompt us to conduct further detailed analysis and develop a framework for implementing the study's short, mid and long-term recommendations.

Stakeholder Input

DDOT developed two advisory committees to educate the public and key stakeholders on the parameters of the study. A Community Leaders Committee was created consisting of representatives from Advisory Neighborhood Commissions, Resident Councils, Neighborhood Associations and other community-based organizations. A Technical Advisory Committee was

also formed comprised of over 20 business, government and quasi-governmental groups. Both groups were briefed on the study this spring. Collectively, the committees will comment on the study's technical analysis and offer timely feedback. Since the early spring, the study team has provided briefings on the project to civic and citizen organizations upon request. Additional community meetings and a tour of the facility are planned for later this summer following their review of the draft report on the baseline technical studies.

Timeline

The data collection phase of the study began in mid-February and lasted through mid-June of this year. The data analysis phase immediately followed and lasted from mid-May through mid-July. Currently, we are preparing to begin formulating preliminary architectural concepts derived from the baseline studies and anticipate that the study will be completed in the late fall of this year where final recommendations will be unveiled.

Conclusion

In conclusion, DDOT welcomes the opportunity to lead this feasibility study. Its findings will inform and incent billions of dollars of future development at Union Station but, most importantly, it will create a path for major capital enhancements that significantly improve and expand transportation options for millions of individuals traveling through and within our Nation's capital. DDOT will continue to work with the community and other partners to complete the study and we look forward to implementing its recommendations to ultimately create a world-class transportation hub at Union Station. I thank you for your time; I would be happy to answer any questions.

Akridge

Testimony before the Transportation & Infrastructure Committee
Subcommittee on Economic Development, Public Buildings & Emergency Management
by Thomas Wilbur
Senior Vice President
Akridge
July 22, 2008

Madame Chairwoman and members of the Committee, my name is Tom Wilbur and I am a Senior Vice President with Akridge, the Washington, DC-based company that purchased the air rights adjacent to Union Station above the rail yards for development. Thank you very much for this opportunity to discuss our plans and ideas for this "crown jewel" in the nation's inventory of grand historic buildings.

Today, I will provide an update on our project and describe some of the exciting improvements for the station and adjacent areas we are studying.

However, let me begin by expressing our enthusiasm and commitment to the long-term success of Union Station. As a local development firm with more than 30 years of experience here, we have participated in the redevelopment of the City. From The Homer Building, which we completed in 1990, to Gallery Place in 2003 and now the Southeast, Southwest and Northeast quadrants where we have projects in the pipeline totaling more than seven million square feet, we have seen the District of Columbia become a world class city—a place with outstanding architecture and mixed-use, 24/7 neighborhoods rivaling any major city in the world. Our company's commitment to the civic, cultural and environmental health of our City is long-standing. In fact, our firm's founder, Chip Akridge, regrets that he is unable to be here today, but commitments in his capacity as Chairman of the Trust for the National Mall have taken him to the west coast.

Union Station is a unique resource which is representative of the renaissance of Washington, D.C.. Because it is located at the intersection of the Central Business District, Capitol Hill, the Capitol Complex and emerging NoMa and Near Northeast neighborhoods, our development, called Burnham Place, and Union Station serve as critical anchors for the development of the eastern portion of downtown Washington.

Union Station is the entry to the city for every walk of life. From the Wall Street banker arriving from New York to the legislator working on Capitol Hill; The Metro-rider from Silver Spring, tourist from Phoenix, commuter from Baltimore or student riding from Gallaudet by bicycle – all of these people converge at and rely upon Union Station.

Our project, named after Daniel Burnham, the architect who designed Union Station, provides an opportunity to reclaim the property over the tracks—currently a void which divides several important neighborhoods—and turn it into another great, mixed use neighborhood bringing vibrant activity and economic benefits to the City. As a model, think of the Park Avenue air rights development at Grand Central Station in New York.

A little history: as you know, in 1997, Congress mandated the fair market sale of the 15-acre Amtrak air rights parcel, with the proceeds to be deposited into the Federal treasury. In 2002, the General Services Administration conducted a competitive bid process and accepted our proposal. We closed on the property in 2006 and since that time have been planning for a three-million-square-foot mixed use development. We have also been working closely with the District Department of Transportation on plans to modernize and expand the intermodal transportation facilities at Union Station, as well as to preserve options for future transportation modes.

Early this year, we engaged the architectural firm, Shalom Baranes Associates, to begin the planning and design of Burnham Place. Like Akridge, Shalom Baranes has played an integral role in shaping the development of the National Capital Region. Its list of newly-designed and redeveloped buildings include the Warner Theater, American Red Cross National Headquarters, the John A. Wilson Building, International Spy Museum, and the Homer Building atop Metro Center, which houses Akridge's offices. The firm is also currently working on the redevelopment of the Waterside Mall, the Southeast Federal Center, the Old Convention Center site, and the expansion and redevelopment of GSA's National Headquarters.

Our early plans for Burnham Place indicate a number of potential uses such as first class office, hotel, retail, entertainment, cultural and residential buildings. This project presents a rare opportunity for substantial downtown redevelopment without any displacement in a land-constrained city. These developments will also leverage significant public investments already committed to this area such as the construction of the New York Avenue Metro Station and DC's Great Streets Initiative which includes planned streetcar service on H Street NE.

The strategic importance of Union Station is what attracted our firm to this development opportunity. Its centrality to the success of Washington is also what has motivated our partnership with DDOT and our desire to help facilitate public improvements for the station. A more efficient, pleasant and safe intermodal facility is critical for the City, the region and, indeed, the entire nation. And the station has no shortage of critical needs and opportunities for improvements.

Originally used solely for intercity rail service, Union Station now serves over 100,000 passengers per day via 14 modes of transportation in addition to thousands of visitors and shoppers. Many station spaces are crowded, uncomfortable, and inefficient and pose conflicts for those utilizing the station for different purposes. Akridge's development of the air rights presents a once-in-a-lifetime opportunity to address these challenges. The construction of our concrete deck and connection to the north end of the station provide an ideal time to concurrently undertake many important forms of modernization for this ITC.

Some of the ideas we are studying along with DDOT to improve and enhance the station include:

- A newly expanded Amtrak and VRE passenger concourse with upgrades to the existing waiting areas
- A new pedestrian connection between H Street and the Station to disperse the flow of people entering and leaving the building

- A new emergency evacuation roadway between Columbus Circle and H Street
- The creation of a facility to accommodate Greyhound Buses
- A northern extension of the Metro tunnel pedestrian walkway to H Street
- A pedestrian connection between NoMa and Burnham Place near First and Eye Streets NE
- And, expanded parking facilities for tour and commuter buses

Executing many of these ambitious ideas will require intensive collaboration and support from the stakeholders who have a vested interest in the operation and future of the station. Akridge is glad to have Amtrak, WMATA, MARC, VRE, DDOT, USRC, the Ashkenazy Acquisition Corporation and many others as key allies in this process, and we look forward to continuing these partnerships to study and execute these important projects.

Thank you once again for this opportunity. That concludes my remarks, and I would be glad to answer any questions the Committee might have.

United States House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings and Emergency Management

Hearing on

Washington Union Station: Intermodal Uses Present and Future

July 22, 2008

Testimony of

Peter J. Pantuso, President and CEO, American Bus Association

700 13th Street, N.W.
Suite 575
Washington, D.C. 20004
202.218-7229

Madame Chairman and members of the Subcommittee, my name is Peter J. Pantuso, and I serve as the President and Chief Executive Officer of the American Bus Association (ABA). The ABA and its 3800 members would like to thank you Madam Chairman for your leadership in convening this hearing and we very much appreciate the opportunity to submit testimony on this important matter. It is the ABA's view that if properly designed and planned, Washington's Union Station is the future of transportation in the Nation's Capitol and will indeed serve as the blueprint for meeting the nation's transportation needs of the next generation. The new Union Station represents a unique opportunity to change the paradigm and to get it right for the next thirty years.

Certainly for the ABA, the wise use of this opportunity is vital. The ABA is the national trade association for the private-over-the-road bus industry. ABA's motorcoach operator members represent sixty-five percent of all motorcoaches on the road and provide transportation and related services for the American public. Our members operate 40-45 foot touring style coaches with baggage bays under a passenger compartment. Nearly all of the operator members provide charter and tour, commuter bus, airport shuttle and regularly scheduled bus service. The American motorcoach industry is large and diverse and provides service to over 600 million U.S. passengers annually, a number equal to the number of passengers carried by U. S. airlines. Our operator members are large and small, provide local, regional and national services' and are saddled with a myriad of operational challenges. But one challenge all of ABA's operator members face is that of finding places to park, rest their drivers and safely load and unload the families, school groups and senior citizens we bring to their destinations. As you are aware, that challenge is particularly acute in Washington, D.C.

Designating Union Station as an intermodal hub would certainly ease these challenges. ABA has in mind an intermodal facility that is welcoming to all modes of transportation. There are intermodal facilities around that country that bring intercity buses together with commuter buses, charter and tour buses, Amtrak, light-rail, and local transit buses. Commuters use park and ride lots to connect to buses and trains in order to access urban centers. One example of such a facility is South Street Station in Boston. There visitors, workers, tourists or students arrive on a mode on one level of the Station and leave on another. The benefits of this facility include less congestion, increased travel options and less pollution. Surely, this result is superior to balkanizing

transportation modes in different facilities and neighborhoods; putting some intercity buses in a building several blocks away from Union Station, segregating others at L'Enfant Plaza and forcing the charter and tour buses to drive the streets searching for parking to the detriment of traffic or crowding areas of the city night and day while waiting to board visitors to the District of Columbia.

One thing is clear. The rise in gasoline prices has focused new attention on the inimitable opportunity buses provide as an affordable transportation alternative. The scheduled service and commuter operator members of ABA tell of increases in the number of riders. The lines of people in Chinatown awaiting a so-called "curbside operator" grow ever longer. New and reputable curbside operators have recently begun operations in D.C. and are flourishing. If current projections are correct, the number of charter and tour motorcoaches coming into the city will probably set a new record by the end of the year. The need for a seamless intermodal transportation system, affordable and available to all has never been greater and with a plan for a new intermodal Union Station we have the opportunity to fully address this need.

But while ABA applauds the plans for a truly intermodal facility, we must caution that not every facility that calls itself "intermodal" provides the kinds of transportation options and services required of a truly integrated transportation hub. For that reason we would be remiss if we did not give the Committee some appreciation of what is needed in any real intermodal facility.

First, there is a need to involve the entire motorcoach industry in any planning of an intermodal facility. Indeed, inclusive planning is the key to this venture. Motorcoach involvement must be an early part of the process and not an afterthought. There have

been other opportunities from truly intermodal facilities that have been wasted because buses were excluded from the planning process. ABA members have long experience on what motorcoaches must have to be a part of an intermodal facility, what works and what does not, and our experience should be used to enhance the design, planning and operation of the facility.

Second, there is the need for motorcoach parking. Destination DC, the city's tourism office, estimates that at the peak of the visitors' season, generally the spring, the District is the destination of up to 1000 motorcoaches every day. In addition, 125 commuter buses enter into the Nation's capitol every work day from northern Virginia and suburban Maryland and the same number leave D.C. at the end of the day. Finally, there are as many as 75 scheduled service runs just between New York City and Washington every day. While we understand that parking for a thousand motorcoaches a day is unrealistic, there must be some appreciation of the fact that some measure of sufficient bus parking is vital. Moreover, a motorcoach parking facility would aid in the safety and security of the Capitol as buses would be in one place and could be inspected there, if needed, by the police or the federal safety agencies. Parking at the facility provides a safe and reliable place for buses to embark and disembark its passengers and a facility that has access to other modes of transportation, entertainment and shopping. This intermodal facility, with its safe and reliable bus parking, will certainly aid those workers, students and visitors who come to the District every day, once a year or once in a lifetime.

Third, there must be some provision made for the motorcoach drivers' comfort. These drivers have a great responsibility, the safe transportation of the 600 million

passengers they carry, and while the safety rating of the private bus industry is second to none (an average of twenty fatalities a year for the last decade), we are mindful that even one fatality is too many. Drivers who are well rested are just as important to the industry's safety as drivers who are skilled and caring. Other cities have incorporated driver rest areas into intermodal facilities and the new Union Station intermodal facility should be required to do likewise.

Fourth, ABA suggests that the new intermodal facility take advantage of technology to install and operate an advanced registration system for charter and tour buses bound for D.C. What ABA envisions is a system in which charter and tour bus companies could reserve parking spaces in advance of their trips. A reservation system could reduce congestion at the peak visitors' season, reduce pollution and enhance the visitors' D.C. experience and, as noted above, aid in the safety and security of the passengers and the people of the Nation's Capitol.

The above is just a partial list of what the new Union Station intermodal facility should include. No doubt other ideas and solutions will reveal themselves if the planning process is fair, inclusive and starts from the premise that a truly intermodal facility will represent a win for all concerned. What is certain is that we have a chance, a once in a generation chance, to provide a truly intermodal facility that will enhance transportation in and around the Nation's Capitol. It will aid in providing a seamless transportation network linking all modes and reducing congestion, pollution and confusion. In these efforts, we can and must succeed.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF TRANSPORTATION
* * *

Office of the Director

September 3, 2008

Congresswoman Eleanor Holmes Norton
2136 Rayburn House Office Building
Washington, D.C. 20510

Dear Congresswoman Norton:

The District Department of Transportation (DDOT) is pleased to provide an update of our ongoing initiatives to accommodate intercity bus operations in the District of Columbia. DDOT is exploring all available options to plan and implement short- and long-term accommodations for this emerging industry. Over the past two months we have conducted three intercity bus owner/operator meetings in an effort to gather necessary data to develop both short- and long-term plans to accommodate intercity bus operations. Please find attached a list of bus companies that are currently providing regularly scheduled intercity bus service in the District.

We have also provided the list of intercity bus owners/operators to the Union Station Redevelopment Corporation (USRC) and look forward to further collaboration with them and with all governmental stakeholders. We will continue to work closely with the USRC to ensure that intercity bus operators are fully aware of the Intermodal Transit Center at Union Station as a long-term option for loading/unloading of passengers and layover requirements.

We anticipate completing new proposed intercity bus regulations for the short-term accommodation of buses sometime in November, with an implementation timeframe in January 2009. As we progress through our timeline, we will provide your office with regular updates.

Thank you and please contact Billy Terry of my staff at (202) 478-1457 with any questions.

Sincerely,

Frank Scales, Jr.
Interim Director

2000 14th Street, N.W., Washington, D.C. 20009 (202) 673-6813

Intercity Bus Companies & Contact Information

Legal Name/ Carrier Type/ Contact Name	Address/ Telephone Number
Apex Bus NY Inc (Motor Carrier) Pao Hua Yu, Owner Alen Zou, Manager sales@apexbus.com	13 Allen St, 1st Flr, NYC 10002 (240) 476-4589
BoltBus David Hall, General Manager davidh@greyhound.com	350 N St. Paul Street, Dallas, TX 75201 (972) 789-7160 (972) 387-1874-fax
Destiny Tours d/b/a DC2NY Asi Ohana – info@dc2ny.com Eddie Soto – esoto@destinytoursdc.com Richard Green -Richard.green@marriot.com Edgar Vasquez – evasquez@destinytoursdc.com	15432 Duckling Pl, Woodbridge, VA 22191 (703) 680-6495
Eastern Bus (*See New Oriental Tour*)	
MegaBus Northeast LLC (Motor Carrier) Bryony Chamberlain	349 First St, Elizabeth, NJ 07206 (908) 354-3330
Monroe Bus Corp d/b/a Washington Deluxe Herman Freund	4 Quickway Rd, Monroe, NY 10950 (718) 782-8700
New Century Travel Inc (Motor Private Carrier) Qi Sheng Zhang, President Mei-Ying Gao, VP Rian Hinler – Contact Person	55-57 N 11th St, Philadelphia, PA 19107 (215) 627-2666
New Oriental Tour Inc d/b/a Eastern Travel, Inc. (NYDC Express) (motor carrier) Daniel Wang Aiminwang66@hotmail.com	481 Eighth Ave, Ste 722, New York, NY 10001-1820 (212) 868-5724
New Today Bus Corp (Motor Carrier) Pao Hua Yu, Owner Alen Zou, Manager sales@apexbus.com	13 Allen St, 1st Flr, New York, NY 10002 (240) 476-4589
Premium Bus Inc (Motor carrier) unofficially d/b/a MVP Bus Anthony Cheng, Owner sales@apexbus.com	610 I Street, NW, Washington, DC 20001 (703) 623-8881
QT Transport Inc (Motor Carrier) Provides weekend service for Washington Deluxe Also operate DC Trails (Tour Bus)	8025 Mims St, Lorton, VA 22079 (703) 339-6828
Tony Bus Express Line Inc d/b/a Tony Coach Zhen Bin Weng, President	17608 Garland Groh Blvd, Hagerstown, MD 21740 (917) 656-4221
Washington Deluxe Betty Ungar, President	76 Morton Street, Brooklyn NY 11211 347-739-0805, 866-287-6930

BEFORE THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT OF THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

HEARING ON WASHINGTON UNION STATION: INTERMODAL USES PRESENT AND FUTURE

JULY 22, 2006

TESTIMONY OF DON CARMICHEAL
VICE PRESIDENT, MEGABUS NORTHEAST, LLC

My name is Don Carmichael. I am Vice President of Megabus Northeast LLC, a subsidiary of Coach USA, Inc. Coach USA is one of the largest owners of interstate bus companies in the United States, and is in turn owned by Stagecoach Group plc. Stagecoach is a large transportation company based in Scotland that owns bus and rail operators in the United States, United Kingdom and elsewhere.

I am thankful for the opportunity to offer this testimony about intercity bus operations at Washington's Union Station since this is an issue of importance to our company. We applaud the Subcommittee for addressing the utilization of Union Station as an intermodal facility that would serve intercity bus companies and their passengers. Before telling you more about our views on that issue, let me offer you some background on Megabus.

Megabus is an interstate motor common carrier of passengers that operates pursuant to a certificate issued to it by the Federal Motor Carrier Safety Administration, an arm of the U.S. Department of Transportation. That certificate authorizes Megabus to provide scheduled intercity motor passenger carrier service between several cities, including between Washington, DC and New York City. Megabus provides safe, scheduled service throughout the day and evening between Washington, DC and New York City, operating modern 55-seat motorcoaches. Megabus sells virtually all of its tickets through its website at Megabus.com. By virtue of the cost savings associated with internet sales and other low cost elements, Megabus is able to offer very affordable high quality transportation, with ticket prices ranging between $1/trip and $21/trip, depending on seat availability and how far in advance the ticket is purchased relative to the date of travel. While it has only been operating the Washington-New York route since late May 2008, Megabus has already proven to be highly popular with area riders.

Megabus has been operating a service similar to its frequent Washington-New York scheduled service for some time through an affiliated company, also operating under the Megabus trade name, between Chicago and several Midwestern cities. Megabus also operates scheduled bus service to other Northeastern and Middle Atlantic cities from its New York base of operations.

Once Megabus decided earlier this year to expand its services into the Northeast and Middle Atlantic areas, it began looking for appropriate locations for a bus stop in Washington, DC, one of the new points that it was going to serve from a new base of operations in New York

City. Union Station ranked very high on the list of desirable points for the pickup and discharge of our intercity passengers. The reasons are probably obvious. The Station has excellent connections to local transportation, including Metrorail, Metrobus, taxis, and commuter rail, as well as a large parking lot where passengers can leave the cars during intercity travel. In addition, our partner in providing Megabus service on the NYC-DC route, Martz Transportation, was already using the bus facilities on the top floor of the Union Station parking facility for its tour services and had some extra docking space there that could accommodate the double-decker buses we plan to introduce on this route.

After determining in April 2008 that Union Station was our preferred stop and believing initially that we could sublet space at the facility through Martz, we were subsequently advised that we would need permission to use the facility directly from the Union Station Redevelopment Corporation. We thereupon set up a meeting with Mr. David Ball. Unfortunately, at that meeting we were told that we could not utilize Union Station because Greyhound was in discussions to do so and, we understand, USRC did not want a competitor of Greyhound or Amtrak using the Station.

We were obviously very concerned about being turned down in our request to use Union Station, particularly after learning that a bus competitor of Megabus was working with USRC to achieve such access. We decided to contact both the District of Columbia Department of Transportation (DDOT) and Chairperson Norton's office to discuss the situation as we knew of the interest of this Subcommittee in Union Station. We understand that Chairperson Norton wrote to Mr. Ball about this matter in early May 2008 to encourage him to allow Megabus and other intercity operators to use Union Station as their stopping point in the District. To date, however, this has not been permitted.

Megabus is currently using the corner of 11th and G Streets in Washington, DC as its pickup/discharge point in the District, the same stop as a Greyhound-owned competitor, Bolt Bus, that provides a similar intercity service. Megabus has also applied to DDOT for permission to use a stop at L'Enfant Plaza that DDOT identified in a proposed rule issued in June 2008 as the appropriate stopping point for intercity buses serving the District. However, we understand that recently DDOT has put that rulemaking initiative, and permitting for the proposed L'Enfant Plaza stop location, on hold while it reassess where and how many stops should be permitted in the District. Megabus has commented to DDOT that more than one such intercity bus stop should be designated in the District, and that Union Station should be among them.

While we have been operating successfully for several months now at the 11th and G stop, we remain of the view that Union Station offers a uniquely suitable location for intercity bus service of the sort offered by Megabus and other curbside operators. We are thus pleased to see that Chairperson Norton has asked USRC to meet within the forthcoming weeks with curbside bus operators to discuss access to Union Station. We hope that this will be a first step in the direction of bringing this service to the Station and look forward to being invited to such a meeting. In that connection, we wholeheartedly support the development of an Intermodal Transportation Center at Union Station, as I understand has been envisioned by the leadership of this Subcommittee.

We encourage USRC and DDOT, which we understand sits on the USRC Board, to manage the bus facility at the Station in the manner that will offer the most competitive advantages for the areas residents and visitors. In that regard, we offer the following thoughts:

First, no single bus company should be allowed to serve as the gatekeeper for other bus companies wishing to use Union Station. In a handful of other cities, Greyhound has been leased all of the bus areas of public terminals, forcing other bus companies such as Megabus to sublease from Greyhound if they wish to achieve access to those terminals. This situation allows one competitor to control the opportunity of another to have access to a key facility, a situation fraught with anti-competitive and anti-consumer potential. The gatekeeper of access to Union Station should be a neutral entity such as DDOT, not an entity involved in the bus industry. At the same time, we are not adverse to any move of Greyhound's services from its current terminal to Union Station.

Second, there should be a clear and open procedure to achieve access to the Station. There should also be explicit and publicized standards for such access. These standards should be applied in a non-discriminatory fashion, again by a neutral entity.

Third, carriers should not be required to pay for facilities that they do not need. The needs of a curbside operator like Megabus are different from (and lesser than) those of a network carrier like Greyhound. As a curbside-type, Internet sales only operator, Megabus does not need waiting rooms or ticketing facilities and should not have to pay for such facilities at the Station. In short, the Station should offer a menu of options to carriers taking into account different needs for different types of carrier operations.

Fourth, while the Station should be open to carriers, it should be used primarily to serve as an operating terminal for passengers being transported, rather than as a bus parking facility. While Megabus understands the importance of providing parking areas for motorcoaches, Union Station is best designed as a centralized facility at which passengers, including intercity passengers, can interconnect between different operators and different modes of transportation. Therefore, parking should be permitted only to the extent that it does not impede the use of the Station for the pickup and discharge of passengers.

Union Station is a vital transportation center for the Washington area. We again applaud the work of this Subcommittee in ensuring that the Station is opened for use by intercity buses, together with the other types of buses and rail uses to which the Station is already dedicated.

Thank you for the opportunity to provide this testimony.

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