

NATIONAL CAPITAL TRANSPORTATION AMENDMENTS ACT
 OF 2005

APRIL 26, 2006.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. TOM DAVIS of Virginia, from the Committee on Government
 Reform, submitted the following

R E P O R T

[To accompany H.R. 3496]

[Including cost estimate of the Congressional Budget Office]

The Committee on Government Reform, to whom was referred the bill (H.R. 3496) to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for maintaining and improving the transit system of the Washington Metropolitan Area Transit Authority, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Committee Statement and Views	6
Section-by-Section	7
Explanation of Amendments	9
Committee Consideration	9
Rollcall Votes	10
Application of Law to the Legislative Branch	10
Statement of Oversight Findings and Recommendations of the Committee	10
Statement of General Performance Goals and Objectives	10
Constitutional Authority Statement	10
Federal Advisory Committee Act	10
Unfunded Mandate Statement	10
Committee Estimate	10
Budget Authority and Congressional Budget Office Cost Estimate	11
Changes in Existing Law Made by the Bill as Reported	12

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; FINDINGS.

(a) **SHORT TITLE.**—This Act may be cited as the “National Capital Transportation Amendments Act of 2005”.

(b) **FINDINGS.**—Congress finds as follows:

(1) Metro, the public transit system of the Washington metropolitan area, is essential for the continued and effective performance of the functions of the Federal Government, and for the orderly movement of people during major events and times of regional or national emergency.

(2) On 3 occasions, Congress has authorized appropriations for the construction and capital improvement needs of the Metrorail system.

(3) Additional funding is required to protect these previous Federal investments and ensure the continued functionality and viability of the original 103-mile Metrorail system.

SEC. 2. FEDERAL CONTRIBUTION FOR CAPITAL PROJECTS FOR WASHINGTON METROPOLITAN AREA TRANSIT SYSTEM.

The National Capital Transportation Act of 1969 (sec. 9–1111.01 et seq., D.C. Official Code) is amended by adding at the end the following new section:

“AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBUTION FOR CAPITAL AND
PREVENTIVE MAINTENANCE PROJECTS

“SEC. 18. (a) **AUTHORIZATION.**—Subject to the succeeding provisions of this section, the Secretary of Transportation is authorized to make grants to the Transit Authority, in addition to the contributions authorized under sections 3, 14, and 17, for the purpose of financing in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Board of Directors of the Transit Authority.

(b) **USE OF FUNDS.**—The Federal grants made pursuant to the authorization under this section shall be subject to the following limitations and conditions:

(1) The work for which such Federal grants are authorized shall be subject to the provisions of the Compact (consistent with the amendments to the Compact described in subsection (d)).

(2) Each such Federal grant shall be for 50 percent of the net project cost of the project involved, and shall be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Consistent with the terms of the amendment to the Compact described in subsection (d)(1), any funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.

(c) **APPLICABILITY OF REQUIREMENTS FOR MASS TRANSPORTATION CAPITAL PROJECTS RECEIVING FUNDS UNDER FEDERAL TRANSPORTATION LAW.**—Except as specifically provided in this section, the use of any amounts appropriated pursuant to the authorization under this section shall be subject to the requirements applicable to capital projects for which funds are provided under chapter 53 of title 49, United States Code, except to the extent that the Secretary of Transportation determines that the requirements are inconsistent with the purposes of this section.

(d) **AMENDMENTS TO COMPACT.**—No amounts may be provided to the Transit Authority pursuant to the authorization under this section until the Transit Authority notifies the Secretary of Transportation that each of the following amendments to the Compact (and any further amendments which may be required to implement such amendments) have taken effect:

(1) An amendment requiring all payments made by the local signatory governments for the Transit Authority and for the cost of operating and maintaining the adopted regional system are made from amounts derived from dedicated funding sources. For purposes of this paragraph, a ‘dedicated funding source’ is any source of funding which is earmarked and required under State or local law to be used for payments to the Transit Authority.

(2) An amendment establishing the Office of the Inspector General of the Transit Authority in accordance with section 3 of the National Capital Transportation Amendments Act of 2005.

(3) An amendment expanding the Board of Directors of the Transit Authority to include 4 additional Directors appointed by the Administrator of General Services, of whom 2 shall be nonvoting and 2 shall be voting, and requiring one of the voting members so appointed to be a regular passenger and customer of the bus or rail service of the Transit Authority.

(e) **AMOUNT.**—There are authorized to be appropriated to the Secretary of Transportation for grants under this section an aggregate amount not to exceed \$1,500,000,000 to be available in increments over 10 fiscal years beginning in fiscal year 2007, or until expended.

“(f) AVAILABILITY.—Amounts appropriated pursuant to the authorization under this section—

“(1) shall remain available until expended; and

“(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under chapter 53 of title 49, United States Code, or any other provision of law.”.

SEC. 3. WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY INSPECTOR GENERAL.

(a) ESTABLISHMENT OF OFFICE.—

(1) IN GENERAL.—The Washington Metropolitan Area Transit Authority (hereafter referred to as the “Transit Authority”) shall establish in the Transit Authority the Office of the Inspector General (hereafter in this section referred to as the “Office”), headed by the Inspector General of the Transit Authority (hereafter in this section referred to as the “Inspector General”).

(2) DEFINITION.—In paragraph (1), the “Washington Metropolitan Area Transit Authority” means the Authority established under Article III of the Washington Metropolitan Area Transit Authority Compact (Public Law 89–774).

(b) INSPECTOR GENERAL.—

(1) APPOINTMENT.—The Inspector General shall be appointed by the vote of a majority of the Board of Directors of the Transit Authority, and shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations, as well as familiarity or experience with the operation of transit systems.

(2) TERM OF SERVICE.—The Inspector General shall serve for a term of 5 years, and an individual serving as Inspector General may be reappointed for not more than 2 additional terms.

(3) REMOVAL.—The Inspector General may be removed from office prior to the expiration of his term only by the unanimous vote of all of the members of the Board of Directors of the Transit Authority, and the Board shall communicate the reasons for any such removal to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

(c) DUTIES.—

(1) APPLICABILITY OF DUTIES OF INSPECTOR GENERAL OF EXECUTIVE BRANCH ESTABLISHMENT.—The Inspector General shall carry out the same duties and responsibilities with respect to the Transit Authority as an Inspector General of an establishment carries out with respect to an establishment under section 4 of the Inspector General Act of 1978 (5 U.S.C. App. 4), under the same terms and conditions which apply under such section.

(2) CONDUCTING ANNUAL AUDIT OF FINANCIAL STATEMENTS.—The Inspector General shall be responsible for conducting the annual audit of the financial accounts of the Transit Authority, either directly or by contract with an independent external auditor selected by the Inspector General.

(3) REPORTS.—

(A) SEMIANNUAL REPORTS TO TRANSIT AUTHORITY.—The Inspector General shall prepare and submit semiannual reports summarizing the activities of the Office in the same manner, and in accordance with the same deadlines, terms, and conditions, as an Inspector General of an establishment under section 5 of the Inspector General Act of 1978 (5 U.S.C. App. 5). For purposes of applying section 5 of such Act to the Inspector General, the Board of Directors of the Transit Authority shall be considered the head of the establishment, except that the Inspector General shall transmit to the General Manager of the Transit Authority a copy of any report submitted to the Board pursuant to this paragraph.

(B) ANNUAL REPORTS TO LOCAL SIGNATORY GOVERNMENTS AND CONGRESS.—Not later than January 15 of each year, the Inspector General shall prepare and submit a report summarizing the activities of the Office during the previous year, and shall submit such reports to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

(4) INVESTIGATIONS OF COMPLAINTS OF EMPLOYEES AND MEMBERS.—

(A) AUTHORITY.—The Inspector General may receive and investigate complaints or information from an employee or member of the Transit Authority concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds,

abuse of authority, or a substantial and specific danger to the public health and safety.

(B) NONDISCLOSURE.—The Inspector General shall not, after receipt of a complaint or information from an employee or member, disclose the identity of the employee or member without the consent of the employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

(C) PROHIBITING RETALIATION.—An employee or member of the Transit Authority who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee or member as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

(5) INDEPENDENCE IN CARRYING OUT DUTIES.—Neither the Board of Directors of the Transit Authority, the General Manager of the Transit Authority, nor any other member or employee of the Transit Authority may prevent or prohibit the Inspector General from carrying out any of the duties or responsibilities assigned to the Inspector General under this section.

(d) POWERS.—

(1) IN GENERAL.—The Inspector General may exercise the same authorities with respect to the Transit Authority as an Inspector General of an establishment may exercise with respect to an establishment under section 6(a) of the Inspector General Act of 1978 (5 U.S.C. App. 6(a)), other than paragraphs (7), (8), and (9) of such section.

(2) STAFF.—

(A) ASSISTANT INSPECTOR GENERALS AND OTHER STAFF.—The Inspector General shall appoint and fix the pay of—

(i) an Assistant Inspector General for Audits, who shall be responsible for coordinating the activities of the Inspector General relating to audits;

(ii) an Assistant Inspector General for Investigations, who shall be responsible for coordinating the activities of the Inspector General relating to investigations; and

(iii) such other personnel as the Inspector General considers appropriate.

(B) INDEPENDENCE IN APPOINTING STAFF.—No individual may carry out any of the duties or responsibilities of the Office unless the individual is appointed by the Inspector General, or provides services procured by the Inspector General, pursuant to this paragraph. Nothing in this subparagraph may be construed to prohibit the Inspector General from entering into a contract or other arrangement for the provision of services under this section.

(C) APPLICABILITY OF TRANSIT SYSTEM PERSONNEL RULES.—None of the regulations governing the appointment and pay of employees of the Transit System shall apply with respect to the appointment and compensation of the personnel of the Office, except to the extent agreed to by the Inspector General. Nothing in the previous sentence may be construed to affect subparagraphs (A) through (B).

(3) EQUIPMENT AND SUPPLIES.—The General Manager of the Transit Authority shall provide the Office with appropriate and adequate office space, together with such equipment, supplies, and communications facilities and services as may be necessary for the operation of the Office, and shall provide necessary maintenance services for such office space and the equipment and facilities located therein.

(e) TRANSFER OF FUNCTIONS.—To the extent that any office or entity in the Transit Authority prior to the appointment of the first Inspector General under this section carried out any of the duties and responsibilities assigned to the Inspector General under this section, the functions of such office or entity shall be transferred to the Office upon the appointment of the first Inspector General under this section.

SEC. 4. RESTRICTIONS ON DISPOSITION OF CERTAIN PROPERTIES.

(a) PROHIBITION ON DISPOSITION OF CERTAIN PROPERTY.—

(1) IN GENERAL.—The Washington Metropolitan Area Transit Authority (hereafter in this section referred to as the “Transit Authority”) may not sell, lease, or otherwise convey or dispose of the property described in paragraph (2) unless the Transit Authority meets each of the following conditions:

(A) The Transit Authority has held a separate, additional public hearing after October 20, 2005, regarding the disposition of the property at which members of the general public had the opportunity to comment.

(B) The Transit Authority has submitted a report to the Committee on Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on the costs and benefits associated with the disposition of the property, the impact of the disposition on parking facilities available at the Vienna Metrorail station, and the effect of the disposition on the capacity of the Vienna Metrorail station and the entire Metrorail system.

(2) PROPERTY DESCRIBED.—The property described in this subsection consists of approximately 3.75 acres located in Fairfax County, Virginia, and is contained in all or part of the following parcels on the Fairfax County tax map:

- (A) Parcel 48—1((1)), 90 Portion.
- (B) Parcel 48—1((1)), 91B Portion.
- (C) Parcel 48—1((6)), 7A.
- (D) Parcel 48—1((6)), 8B.
- (E) Parcel 48—1((24)), 38A.

(b) CONDITIONS FOR DISPOSITION OF CERTAIN PROPERTY.—

(1) IN GENERAL.—The Transit Authority may not sell, lease, or otherwise convey or dispose of the property described in paragraph (2) unless the Transit Authority meets each of the following conditions:

(A) The Transit Authority has met with the Mayor and members of the Council of the City of Takoma Park, Maryland, and community representatives to discuss each of the following issues related to the disposition of such property:

(i) The movement of buses and other vehicles, pedestrians, and bicycles to and from the Takoma Park Metrorail station.

(ii) The provision of bus bays, based on recommendations of the Transit Authority and the Maryland Transit Administration's Ride-On program.

(iii) The enhancement of public green space on the property, based on the Central District Plan for Takoma DC.

(B) The Transit Authority will work with residents and elected officials of Takoma Park, Maryland, and the Takoma area of the District of Columbia throughout the planning phase of the development of such property.

(C) The Transit Authority has submitted a statement to the Committee on Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate certifying that the Transit Authority has met the conditions described in subparagraphs (A) and (B).

(2) PROPERTY DESCRIBED.—The property described in this paragraph consists of Lots 820, 821, 822, 823, 829, 831, 832, 833, 839, 840, 841, 845, 846, 847, 848, 849, 850, and 851 in Square 3352 and Lots 811, 812, and 813 in Square 3353 of the District of Columbia Real Property Assessment Database.

(c) RESTRICTIONS ON DEVELOPMENT OF CERTAIN PROPERTIES.—

(1) RESTRICTION.—The Transit Authority may not sell, lease, or otherwise convey any of the real property described in paragraph (2) other than in accordance with a development plan for the property which meets the following requirements:

(A) The plan shall require that any portion of the property used for residential purposes shall be used only for owner-occupied, multi-family dwellings.

(B) The plan must provide for the use of a portion of the property for commercial purposes.

(C) The plan shall be developed in consultation with appropriate representatives of the local governments and communities for the area in which the property is located.

(2) PROPERTY DESCRIBED.—The property described in this paragraph is any real property of the Transit Authority which is located within one mile of the Largo Town Center Metro Rail Station.

(d) NO EFFECT ON OTHER AUTHORITIES.—Except as specifically provided, nothing in this section may be construed to affect any law, rule, or regulation governing the development or disposition of real property of the Transit Authority.

SEC. 5. STUDY AND REPORT BY COMPTROLLER GENERAL.

(a) STUDY.—The Comptroller General shall conduct a study on the use of the funds provided under section 18 of the National Capital Transportation Act of 1969 (as added by this Act).

(b) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on the study conducted under subsection (a).

COMMITTEE STATEMENT AND VIEWS

PURPOSE AND SUMMARY

The National Capital Transportation Amendments Act of 2005, H.R. 3496, amends the National Capital Transportation Act of 1969 to authorize the Secretary of Transportation to provide additional funding through grants to the Washington Metropolitan Area Transit Authority (WMATA) to finance in part the capital and preventive maintenance projects included in the Capital Improvement Program.

H.R. 3496 also includes new, additional oversight and accountability mechanisms. Specifically, the bill establishes within WMATA the Office of Inspector General, adds federal members to the WMATA Board of Directors, and requires the Comptroller General of the U.S. Government Accountability Office to study and report to Congress on the use of funds provided under this Act.

BACKGROUND AND NEED FOR LEGISLATION

Metro bus and rail service plays an indispensable role in the day-to-day operations of the federal government. Tens of thousands of federal employees use the system each day, as do equally large numbers of private citizens conducting government related business. Metro is the primary means of conveyance for those attending events of national significance such as state funerals, presidential inaugurations, and issue-driven protests or gatherings. Finally, tourists from all over the country use Metro to visit sites around the nation's capital. Thus, Metro is a national asset in which all Americans have an interest.

Congress has long acknowledged the national interest in the Metro systems, having authorized on three separate occasions general revenues to construct the original 103-mile system. Federal interest in what became the Metro system began in the 1950's when Congress recognized the need to ensure federal workers and contractors had easy access to government offices and workplaces. The agreed upon solution was a rapid rail system. In 1960, President Eisenhower signed the National Capital Transportation Act, which provided for its development.

Throughout its existence, the federal nexus to Metro has remained strong. This sentiment is perhaps best illustrated by the following finding from the National Capital Transportation Amendments of 1979 (Stark-Harris), one of the legislative vehicles for funding construction of the system.

Congress finds that an improved transportation system for the National Capital region is essential for the continued and effective performance of the functions of the Government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital.

This remains the case today. The task of constructing the original system is complete; however, Metro's ridership is expected to double within the next twenty years. At the same time, the existing infrastructure is aging and will soon need to be replaced. Thus, significant investment will be required to maintain the viability of the system and keep pace with exponentially increasing demand. Without these investments, Metro service and reliability will decline precipitously.

The \$1.5 billion authorized by this legislation would finance a fifty percent federal share of the cost for needed capital and renewal projects. Specifically, these funds would allow for the purchase of new rail cars and buses, thereby allowing the system to operate at full capacity during peak hours. They would also allow for station and facility rehabilitation, tunnel repairs and pedestrian station connections. In sum, these federal funds would allow for the maximization and preservation of the original Metro system.

SECTION-BY-SECTION

Section 1. Short title; findings

This section would designate the title of the bill as the "National Capital Transportation Amendments Act of 2005". This section also includes congressional findings.

Section 2. Federal contribution for capital projects for Washington Metropolitan Area Transit System

This section would amend the National Capital Transportation Act of 1969 by adding the following new section 18:

"Section 18. (a) This subsection would authorize the Secretary of Transportation to make grants to the Transit Authority for the purpose of financing in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Board of Directors of the Transit Authority.

"(b) This subsection would subject any grants made to the Transit Authority by the Secretary pursuant to this section to the Compact, and it would specify that the federal government is to pay for half of the net project cost of the relevant project (with local funds covering the remaining cost, except that local funds cannot include other Federal funds or general operating revenue).

"(c) This subsection would clarify that any funds authorized by this legislation would be subject to certain requirements that normally govern transit grants. Such requirements are found in Chapter 53 of Title 49, and include planning and contracting requirements.

"(d) This subsection would require the Transit Authority to notify the Secretary of Transportation that all local signatory governments to the Compact have identified dedicated funding sources to pay the local government share of Metro expenses, an Inspector General for Metro has been established, and an amendment to expand the Board of Directors of the Transit Authority was adopted, before the Secretary is authorized to provide funds to the Transit Authority.

"(e) This subsection would authorize the transfer of certain offices and entities to the Office of the Inspector General upon the appointment of the first Inspector General under this section."

Section 3. Washington Metropolitan Area Transit Authority Inspector General

This section would require WMATA to establish an Office of Inspector General, headed by an Inspector General (IG). The Inspector General would have to be appointed by the vote of a majority of the Board of Directors of the Transit Authority, and appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations, as well as familiarity or experience with the operation of transit systems. The IG would serve for a term of 5 years; an individual serving as Inspector General would not be able to be reappointed for more than 2 additional terms. The IG would be removable from office prior to the expiration of his term only by the unanimous vote of all of the members of the Board of Directors of the Transit Authority, and the Board would have to communicate the reasons for any such removal to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

The duties of the Inspector General would include: the same duties and responsibilities with respect to the Transit Authority as an Inspector General of an establishment carries out with respect to an establishment under section 4 of the Inspector General Act of 1978 (5 U.S.C. App. 4), under the same terms and conditions which apply under such section; conducting the annual audit of the financial accounts of the Transit Authority, either directly or by contract with an independent external auditor selected by the Inspector General; semiannual reports to the transit authority and annual reports to local signatory governments and Congress; and investigations of complaints of employees and members. Neither the Board of Directors of the Transit Authority, the General Manager of the Transit Authority, nor any other member or employee of the Transit Authority would be able to prevent or prohibit the Inspector General from carrying out any of the duties or responsibilities assigned to the Inspector General under this section.

The IG would be authorized to appoint and fix the pay of an Assistant Inspector General for Audits (who would be responsible for coordinating the activities of the Inspector General relating to audits), an Assistant Inspector General for Investigations (who would be responsible for coordinating the activities of the Inspector General relating to investigations), and such other personnel as the Inspector General considered appropriate. No individual would be able to carry out any of the duties or responsibilities of the Office unless the individual was appointed by the Inspector General or provided services procured by the Inspector General, pursuant to this paragraph. This section would further clarify that the personnel of the IG office would not be subject to the appointment and pay regulations of the Transit Authority unless the IG chose to subject staff to such regulations.

This section would further specify that the General Manager of the Transit Authority shall provide the Office of Inspector General with appropriate and adequate office space, together with such equipment, supplies, and communications facilities and services as

may be necessary for the operation of the Office, and shall provide necessary maintenance services for such office space and the equipment and facilities located therein.

To the extent that any office or entity in the Transit Authority prior to the appointment of the first Inspector General under this section carried out any of the duties and responsibilities assigned to the Inspector General under this section, the functions of such office or entity would be transferred to the Office upon the appointment of the first Inspector General under this section.

Section 4. Restriction on disposition of certain properties

This section would prohibit the sale or lease of certain WMATA property unless WMATA met several conditions identified in the legislation.

Section 5. Study and report by Comptroller General

This section would require the Government Accountability Office to conduct a study on the use of the funds authorized pursuant to this legislation and to submit a report to Congress on such study within three years of the enactment of the legislation.

EXPLANATION OF AMENDMENTS

The provisions of the substitute amendment are explained in the descriptive portions of this report.

COMMITTEE CONSIDERATION

On Friday, February 18, 2005, the Committee on Government Reform held a hearing on the Washington Metropolitan Area Transit Authority (WMATA). The Committee examined WMATA's expressed needs as well as its operational and management performance. The Committee heard testimony from Richard A. White, Chief Executive Officer, Washington Metropolitan Area Transit Authority; Dana Kauffman, Chairman of the Board, Washington Metropolitan Area Transit Authority; William Millar, President, American Public Transportation Association; Mortimer L. Downey, Chairman of the Board, PB Consult; John J. Corbett, Jr., Co-founder, Metroriders.org.

On Thursday, July 28, 2005, the Committee on Government Reform held a second hearing on the Washington Metropolitan Area Transit Authority. The hearing objective was to examine the role of the federal government in helping WMATA address its funding challenges and management operations. The Committee invited Katherine Siggerud, Director, Physical Infrastructure Issues, GAO; Richard White, Chief Executive Officer, Washington Metropolitan Area Transit Authority; Dana Kauffman, Chairman of the Board, Washington Metropolitan Area Transit Authority; William Millar, President, American Public Transportation Association; Robert Puentes, Fellow, Metropolitan Policy, Brookings Institute; and Pauline Schneider, Partner, Hunton and Williams; Member, Federal City Council to testify before the Committee.

On October 20, 2005, the Committee met in open session and ordered reported favorably the bill, H.R. 3496, as amended, by voice vote, a quorum being present.

ROLLCALL VOTES

No rollcall votes were held.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill authorizes federal funds for the Washington Metropolitan Area Transportation Authority and creates an Inspector General for the Authority. As such this bill does not relate to employment or access to public services and accommodations.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress to enact the law proposed by H.R. 3496. Article I, Section 8, Clause 18 of the Constitution of the United States grants the Congress the power to enact this law.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) requires a statement whether the provisions of the reported include unfunded mandates. In compliance with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 3496. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the

Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3496 from the Director of Congressional Budget Office:

H.R. 3496—National Capital Transportation Amendments Act of 2005

Summary: H.R. 3496 would authorize the appropriation of \$1.5 billion for grants to the Washington Metropolitan Area Transit Authority (WMATA) for capital and preventive maintenance projects. Assuming appropriation of the amount specified in the bill, CBO estimates that implementing H.R. 3496 would cost \$310 million over the 2008–2010 period and another \$1,190 million after 2010.

H.R. 3496 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs to WMATA would not exceed the threshold established in UMRA (\$62 million in 2005, adjusted annually for inflation). Other costs to WMATA, the District of Columbia, Maryland, and Virginia would result from complying with conditions of federal assistance. H.R. 3496 contains no new private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3496 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By fiscal year, in millions of dollars—				
	2006	2007	2008	2009	2010
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	0	0	150	150	150
Estimated Outlays	0	0	50	100	160

Basis of estimate: For this estimate, CBO assumes that H.R. 3496 will be enacted in fiscal year 2006 and that the authorized amount will be appropriated in equal installments over a 10-year period, beginning in 2008.

H.R. 3496 would authorize the Secretary of Transportation to make grants to WMATA to cover 50 percent of the cost of capital and preventive maintenance projects listed in the Capital Improvement Program approved by the transit authority’s board of directors. For those grants, the bill would authorize the appropriation of \$1.5 billion to the Secretary.

Before receiving the grants, WMATA would need to create an Office of Inspector General, add four members to its board of directors, and amend the compact among the governments supporting WMATA to require those governments to create sources of funding

dedicated solely to the transit authority. CBO estimates that those changes would delay the award of grants until 2008.

Assuming appropriation of the \$1.5 billion authorized under H.R. 3496, CBO estimates that implementing the bill would cost \$310 million over the 2008–2010 period and another \$1,190 million after 2010. That estimate of outlays is based on historical spending patterns of grants to WMATA.

Estimated impact on State, local, and tribal governments: H.R. 3496 contains intergovernmental mandates as defined in UMRA because it would require WMATA to meet several requirements before selling or developing certain properties that it owns. CBO estimates that complying with the requirements themselves would not be costly but that the land affected by the provisions is valued at about \$15 million. Even if the requirements would prevent WMATA from selling the land, the cost of the mandates would not exceed the threshold established in UMRA (\$62 million in 2005, adjusted annually for inflation).

As a condition of receiving \$1.5 billion over 10 years for certain capital and preventative maintenance projects, the bill would require WMATA to create an Office of Inspector General and to expand the Board of Directors. Also as a condition of receiving those grants, the District of Columbia, Maryland, and Virginia would be required to earmark funds to support WMATA and to match the federal assistance.

Estimated impact on the private sector: H.R. 3496 contains no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal costs: Rachel Milberg; impact on State, local, and tribal governments: Sarah Puro; impact on the private sector: Paige Piper/Bach.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

NATIONAL CAPITAL TRANSPORTATION ACT OF 1969

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AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBUTION FOR CAPITAL AND PREVENTIVE MAINTENANCE PROJECTS

SEC. 18. (a) AUTHORIZATION.—Subject to the succeeding provisions of this section, the Secretary of Transportation is authorized to make grants to the Transit Authority, in addition to the contributions authorized under sections 3, 14, and 17, for the purpose of financing in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Board of Directors of the Transit Authority.

(b) USE OF FUNDS.—The Federal grants made pursuant to the authorization under this section shall be subject to the following limitations and conditions:

(1) *The work for which such Federal grants are authorized shall be subject to the provisions of the Compact (consistent with the amendments to the Compact described in subsection (d)).*

(2) *Each such Federal grant shall be for 50 percent of the net project cost of the project involved, and shall be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Consistent with the terms of the amendment to the Compact described in subsection (d)(1), any funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.*

(c) **APPLICABILITY OF REQUIREMENTS FOR MASS TRANSPORTATION CAPITAL PROJECTS RECEIVING FUNDS UNDER FEDERAL TRANSPORTATION LAW.**—*Except as specifically provided in this section, the use of any amounts appropriated pursuant to the authorization under this section shall be subject to the requirements applicable to capital projects for which funds are provided under chapter 53 of title 49, United States Code, except to the extent that the Secretary of Transportation determines that the requirements are inconsistent with the purposes of this section.*

(d) **AMENDMENTS TO COMPACT.**—*No amounts may be provided to the Transit Authority pursuant to the authorization under this section until the Transit Authority notifies the Secretary of Transportation that each of the following amendments to the Compact (and any further amendments which may be required to implement such amendments) have taken effect:*

(1) *An amendment requiring all payments made by the local signatory governments for the Transit Authority and for the cost of operating and maintaining the adopted regional system are made from amounts derived from dedicated funding sources. For purposes of this paragraph, a “dedicated funding source” is any source of funding which is earmarked and required under State or local law to be used for payments to the Transit Authority.*

(2) *An amendment establishing the Office of the Inspector General of the Transit Authority in accordance with section 3 of the National Capital Transportation Amendments Act of 2005.*

(3) *An amendment expanding the Board of Directors of the Transit Authority to include 4 additional Directors appointed by the Administrator of General Services, of whom 2 shall be nonvoting and 2 shall be voting, and requiring one of the voting members so appointed to be a regular passenger and customer of the bus or rail service of the Transit Authority.*

(e) **AMOUNT.**—*There are authorized to be appropriated to the Secretary of Transportation for grants under this section an aggregate amount not to exceed \$1,500,000,000 to be available in increments over 10 fiscal years beginning in fiscal year 2007, or until expended.*

(f) **AVAILABILITY.**—*Amounts appropriated pursuant to the authorization under this section—*

(1) *shall remain available until expended; and*

(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under chapter 53 of title 49, United States Code, or any other provision of law.

