

D.C. METRO: UPDATE

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BEFORE THE
SUBCOMMITTEE ON
TRANSPORTATION AND PUBLIC ASSETS
AND THE
SUBCOMMITTEE ON
GOVERNMENT OPERATIONS
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
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D.C. METRO: UPDATE

Tuesday, July 21, 2015

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC
ASSETS, JOINT WITH THE SUBCOMMITTEE ON
GOVERNMENT OPERATIONS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittees met, pursuant to call, at 5:05 p.m., in Room 2154, Rayburn House Office Building, Hon. John L. Mica [chairman of the Subcommittee on Transportation and Public Assets] presiding.

Present from the Subcommittee on Transportation and Public Assets: Representatives Mica, Grothman, Massie, Duckworth, Watson Coleman, and DeSaulnier.

Present from the Subcommittee on Government Operations: Representatives Meadows, Massie, Buck, Carter, Connolly, Norton, Clay, and Plaskett.

Mr. MICA. Good afternoon. I would like to welcome everyone to the Committee on Government Oversight and Reform and the Subcommittee on Transportation and Public Assets. Very pleased to have you with us today.

And today we are focusing our subcommittee hearing on some of the operations of the D.C. Metro, also known as WMATA. We have a joint subcommittee hearing, and I am pleased to help chair this subcommittee hearing. And we have our ranking member on her way.

And the order of business is we will hear, first, opening statements, and we will go from side to side.

Without objection, the chair is authorized to declare a recess at any time during the hearing. But we do have votes at 6:30, so we will try to proceed, make this hearing as succinct and direct as possible.

But, again, welcome, everyone.

So, with that—welcome, again, Ranking Member. And we will get started this afternoon. I want to first open with my opening statement. Then we will turn to the others, and then we will go to our witnesses.

So, earlier this year, our committee held a hearing on the L'Enfant Plaza smoke incident that ended, unfortunately and most tragically, with the death of a passenger and more than 80 others injured.

Alarmingly, just last week, Secretary of Transportation Anthony Foxx held an urgent meeting with the region's top elected officials

to discuss urgent safety issues that deal with our rail line. Secretary Foxx had said, in calling the meeting, “Put simply, WMATA has not provided the level of safety that its riders and employees need and deserve.” That is not what I said; that is what he said.

So we meet here today not only to receive an update on the NTSB investigation into the incident but also to review what Metro has done to address some of the safety concerns raised by numerous Federal transportation agencies and some of the other pending issues that we have also been made aware of.

Since our February meeting, the NTSB has held a series of investigative hearings on issues surrounding the L’Enfant Plaza incident, including the state of Metro’s infrastructure, emergency response efforts, and its organizational structure.

Although the NTSB has yet to determine the exact cause of the January incident, it has revealed that some electrical connections associated with the power supply to the third rail were improperly constructed and installed without what they call sealing sleeves. In fact, I think some of us who went down there got to actually see the power connectors and where they had arced. And my guess, having been in some of the development business, is that water had seeped in, and the system had shorted out. We will hear from the experts in just a little bit on that matter.

The NTSB told the committee staff that there were, in fact, thousands of these connections along the Metro system that, in fact, lack proper sealing sleeves. That raises many questions about the safety of the system even as we are here meeting this afternoon. And that situation, as far as safety, is totally unacceptable.

Today’s hearing will also allow the committee to examine some other financial and organizational challenges that are facing Metro.

The Federal Transit Administration recently initiated and completed its first safety audit of the Metro system, which was done under the MAP-21 legislation. This safety audit identified organizational deficiencies and operational concerns that significantly limit Metro’s ability to recognize and resolve safety issues. We will also hear about that.

The FTA audit also found that Metro’s financial problems are even more alarming than some of us had expected. We will hear about that, too, today. FTA’s financial audit identified serious “material weaknesses”—that term, “material weaknesses,” is in quotes—and also “significant deficiencies”—that is also in quotes, not my term—in its financial management system.

Following this audit, FTA has tightened WMATA’s access to grant funds. And, unfortunately, we are going to hear about some misuse, abuse, and improper procedures dealing with grants and Federal funds.

Metro also administers five pension funds and has over a billion dollars in unfunded pension liability.

In addition to this extreme financial condition, the committee also has concerns that Metro’s inspector general lacks the proper—and should be complete independence. Metro’s IG reports directly to the Board; however, the IG lacks the authority to audit or investigate the Board. This is in contrast with Federal IGs, who have that authority. And I heard one anecdotal report that the Board took down, actually, a report that was somewhat critical and that

should have been made public. So we will look at the relationship between the Board and the IG.

We also hope to get an update on Metro's communications and interoperability issues. These problems contributed to the uncoordinated response at the L'Enfant Plaza. They still exist, and this is unacceptable, given the time we have had from that incident and the nearly 14 years since the terrorist attack on September 11, the various funds and timeframes that have been given to WMATA to make certain that our first responders and communications system do have interoperability and can keep us safe. Right now, the system, I would say, is unsafe for both passengers and employees, and proper action to correct that has not been taken.

One of the things that concerns me, too, is I sent to WMATA a letter—it wasn't just me; it was other Members of Congress—to the interim general manager. And we will ask about this. We had some specific concerns that we outlined, asking for specific responses to actions, and we still haven't gotten a response.

I got a response that they would be responding. In fact, they were going to meet with our folks, it says in their response to me, to give us the proper responses we asked for. "WMATA and wireless representatives are scheduled to meet again the week of July 13." That did not occur, that I know of, and we were supposed to get an update for our staffs on progress at that time, and we did not. So I am very concerned, again, about some of the things that have been promised and not delivered.

The D.C. Metro is one of the most important transit systems in the country. It not only serves millions of Federal employees and other daily commuters, but it also helps our constituents move throughout the capital when they come to visit—center of business and commerce, diplomacy. So many people use the system. And, again, we have many concerns, unanswered questions.

I do hope that today's hearing will help us answer questions that I have raised and that millions of their riders deserve answers to, and the taxpayers also, and, of course, most important, find out the status of the safety of the system.

So, with those comments, let me yield to our ranking member, Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

Chairman Mica, Chairman Meadows, and Ranking Member Connolly, thank you for holding this evening's joint hearing to examine WMATA's efforts to implement key safety recommendations developed in the aftermath of the January 12, 2015, incident that injured more than 80 passengers and, worse of all, led to the tragic death of Ms. Carol Glover.

Metro, as we all know, operates one of the Nation's most important transit systems. It is vital that we act decisively to restore confidence in Metro, which connects our Nation's capital and serves millions of tourists hailing from all 50 States and across the globe in addition to tens of thousands of career civil servants. As Ranking Member Connolly noted at the February hearing, when Metro doesn't function, the Federal Government has to shut down. It is that vital.

I also hope this committee's focus will extend beyond WMATA, as the challenges associated with the January 12 incident carry im-

portant safety lessons that extend far beyond the national capital region. For example, in my home State of Illinois, we are quite proud of the Chicago Transit Authority, which operates the second-largest public transportation system in the United States and boasts an average daily ridership of 1.7 million riders. Yet, just like WMATA, CTA faces the daunting task of maintaining efficient operations on a massive, aging system, all without sacrificing passenger safety and convenience.

As ranking member of the Transportation and Public Assets Subcommittee, I am particularly interested in examining the effectiveness of the Federal Transit Administration's efforts to improve mass transit safety.

It remains unclear why FTA did not effectively implement the now-prophetic 2007 NTSB recommendations that explicitly directed the FTA to inform all rail transit agencies about the circumstances of the July 11, 2000, incident in Chicago and urge them to examine and improve, as necessary, their ability to communicate with passengers and perform emergency evacuations from their tunnel systems, including the ability to identify the exact locations of a train, locate a specific call box, and to remove smoke from their tunnel systems. Remember, this happened 6 years prior to 2012.

The FTA had more than 7 years to ensure that all rail transit agencies were not only informed of the 2006 Chicago electrical arcing incident but, more importantly, took action to examine and improve their ability to communicate with passengers, locate stopped trains, and use ventilation systems to remove smoke from tunnels during arcing incidents.

The January 12 accident is a wake-up call to America's entire rail transit system that ignoring the NTSB recommendations can have deadly consequences for our constituents. We cannot—we must not—allow this to happen again.

I look forward to examining with NTSB Vice Chairman Dinh-Zarr what specific policy and oversight action Congress can take to ensure that Federal entities, such as the FTA, fully accept and effectively implement NTSB's safety recommendations.

While it is not possible to completely eliminate risk from a transit system that is full of unforeseen and uncontrollable factors, Congress can ensure rail systems across the country will learn from past mistakes in other parts of the Nation.

With that, I yield back. Thank you, Mr. Chairman.

Mr. MICA. I thank the gentlelady.

And we will recognize the chairman of the Subcommittee on Government Operations for his opening statement.

Mr. MEADOWS. Thank you, Mr. Chairman.

Thank each of you for being back with us.

As you know, in mid-February, we had a joint subcommittee hearing to discuss the safety of the Washington Metropolitan Area Transit Authority, better known as WMATA to most folks. As we look at this, one of the things that we hope to hear today are the improvements—where we have come from that particular time to where we are today; what is some of the progress that we can celebrate; what are some of the impediments that perhaps we can help alleviate so that the second-busiest rail system in the country can enjoy not only safe but reliable travel.

Over the last 6 months, I think the Metro has had more than 79 delays that have lasted 30 minutes or longer. This is more than they had over the same period for the last 2 years. So when you have that, it doesn't sound like we are making progress.

And from Metro riders all over Capitol Hill, we get to hear about it. In fact, someone in my own office told me about the experience of being stuck on the Metro for over 3 hours with smoke filling. It sounded like we were having this same kind of incident all over again, except this time it didn't relate in a death. But I don't know that we have learned a whole lot from where we have been, and I don't know how we can make it that much more of a priority.

So my encouragement to each of you is, as a board, we need to make sure that we get a general manager. To have 10 months go by without a general manager to operate this system is really inexcusable and certainly doesn't suggest that it is a priority.

With that being said, it is also puzzling to me how, with FTA coming in and finding lack of controls, financial issues, I guess is the best way to put it, how we could have an unqualified audit year after year and then all of a sudden have this pop up.

So I look forward, Ms. Lew, to hearing from you on why this continues to persist. How can we help?

Mr. Chairman, I know we are sensitive on time, so I would ask that my full written record be submitted to the record.

Mr. MICA. Without objection.

Mr. MICA. And we will leave the record open for a period of 10 days—without objection, so ordered—for additional statements and submissions.

Mr. MEADOWS. And I yield back.

Mr. MICA. Now to the ranking member of the Government Operations Subcommittee, my old buddy.

Miss you, Mr. Connolly, but I have Ms. Duckworth, who is—

Mr. CONNOLLY. She is a lot better looking.

Mr. MICA. Yeah, she is; there is no question about that.

The gentleman from Virginia is recognized.

Mr. CONNOLLY. I thank you, Mr. Chairman. And I thank the ranking member, Ms. Duckworth. And I thank my friend Mr. Meadows, the chairman of Government Ops.

And welcome to the panel.

First of all, let me ask unanimous consent that the full statement of our colleague Chris Van Hollen, who represents part of the national capital region and, obviously, represents a large chunk of Metro, be entered into the record.

Mr. MICA. Without objection, so ordered.

Mr. CONNOLLY. I thank the chair.

I also will enter into the record my full statement, and, in the interest of time, I will try to be very succinct.

I, as a longtime supporter, promoter of Metro, somebody who served on a local body here that paid the bills, somebody who staunchly supported creating a blue ribbon commission to have a dedicated source of revenue, somebody who appointed Fairfax County's representatives to the Metro Board, somebody who has fought any encroachment on our ability to have a viable, vibrant, up-and-running, functioning Metro, I think we have arrived to the

point where there are now three crises that have to be managed and can't be ignored.

There is a crisis in management leadership. All four reports coming out or in progress underscore that. You can't have temporary leadership forever. You can't have public bickering about one or the other in major attributes we expect to be combined in a leader. It can't be just a choice of, well, we want a fiscal manager who is a turnaround agent and apparently not somebody necessarily well-versed in operations, when we have all of the problems we have that clearly fall on the operations side. We need both. We need to be able to walk and chew gum at the same time, and we need leadership that can do the same.

We have a crisis, second crisis, frankly, in commuter and stakeholder confidence. After the drip, drip, drip of the last number of years, I think the commuting public has real questions about what is going on at Metro and not only how it is managed but, frankly, whether the people who serve Metro, in all capacities, have the competence to do so.

We had a tragic incident the other day of violence. I am old enough to remember our boasting about the fact we hadn't had a single crime in our Metro system. Now we have a murder on a car in front of the public. How in the world could that happen on a well-run Metro system in the Nation's capital?

To say nothing of the arcing incidents and the earlier incident Ms. Duckworth made reference to a number of years ago. I think we have real work to do to restore public and commuter confidence and stakeholder confidence up here and in the compact members.

And, finally, there is a crisis in safety. Is this a safe system? How in the world could some things be overlooked? Is it just a culture of a reaction so when something happens we respond to it, as opposed to a proactive culture that is integrated with safety concerns in everything we do and say; every time we have a meeting, that is on the agenda, implicitly and explicitly? If not, why not?

This is the Nation's capital. We serve the Federal Government. We serve the population of the region. We serve 12 million annual visitors who come here every year. What is it we think our responsibility is to that commuting public? How could we allow safety to deteriorate the way it seems to have deteriorated?

And I speak not as a critic of Metro but as an advocate for it. I want more resources, not fewer resources. Because I happen to believe, warts and all, Metro is one of the most significant regional agreements we have ever had. And it has some real limitations, not its own fault, but that which is within our control we need to account for ourselves.

So I am looking forward to this hearing, Mr. Chairman, and I come at it with a sense of real disappointment in events of the last few years and especially the last year. And I hope we can have some answers here today.

Thank you.

Mr. MICA. Well, thank you.

And while we normally limit the opening statements and we are pressed for time, I do think it is appropriate, with your indulgence, ranking members, that we allow Ms. Norton, if she wanted, to make a statement at this time.

Ms. NORTON. Very brief. And in light of members' times, I would appreciate your going to questions.

Mr. MICA. Okay. Well, thank you. Again, the District is such a principal in this, and we will allow plenty of time for questions.

Now let's recognize our panel of witnesses. I am pleased to welcome the Honorable Bella Dinh-Zarr, Vice Chairman of the National Transportation Safety Board; Mr. Jack Requa, and he is the interim general manager and chief executive officer of Washington Metropolitan Area Transit Authority; Mr. Dennis Anosike, and he is the chief financial officer of the Washington Metropolitan Area Transit Authority; and, also, Ms. Helen Lew, inspector general of the Washington Metropolitan Transit Authority.

Welcome.

This is an investigations and oversight panel of Congress, and our committee and subcommittee swear in all of our witnesses. So, if you would stand, please, and be sworn.

Raise your right hand.

Do you solemnly swear or affirm that the testimony you are about to give before this joint subcommittee hearing of Congress is the whole truth and nothing but the truth?

Let the record reflect the witnesses answered in the affirmative.

We do try to limit you to 5 minutes. If you have a lengthy submission, we will make it part of the record, or data that you would like included in the record.

So, with that, let me first recognize the Honorable Bella Dinh-Zarr. And she is vice chairman of the NTSB.

Welcome, and you are recognized.

WITNESS STATEMENTS

STATEMENT OF THE HON. T. BELLA DINH-ZARR

Ms. DINH-ZARR. Thank you, Mr. Chairman.

Good afternoon, Chairman Mica, Chairman Meadows, Ranking Member Duckworth, Ranking Member Connolly, and members of the subcommittees. Thank you for inviting me to testify today on behalf of the NTSB.

As you are all aware, the NTSB is conducting an investigation of the January 12 electrical arcing and smoke accident near WMATA's L'Enfant Plaza station. Before I begin, I would like to offer on behalf of the entire NTSB our deepest condolences to the victims of this tragic accident and to their families.

Since the subcommittee's last hearing on WMATA, at which NTSB also testified, we've learned that some electrical connections associated with the power supply to the third rail were improperly constructed and installed without sealing sleeves, which can allow moisture and contaminants to come into contact with high-voltage conductors. We identified this problem when we examined the electrical components from a smoke event that occurred in the tunnel near the Courthouse station on February 11.

We issued a recommendation to WMATA to promptly develop and implement a program to ensure that all power cable connector assemblies are constructed and installed in accordance with the engineering design specifications, which includes installation of these sealing sleeves.

It's important to note that we have yet to determine whether this deficiency was a cause or contributed to the January 12 accident, but this lack of sealing sleeves can increase the risk of electrical arcing.

This is NTSB's fourth recommendation to WMATA as a result of the accident. The three urgent recommendations we issued to WMATA in February concern ventilation, and details can be found in my written testimony.

As part of our investigation, as the chairman indicated, we held a 2-day public hearing to examine four issue areas, including the state of WMATA's infrastructure, emergency response efforts, WMATA's organizational culture, and the FTA and Tri-State Oversight Committee's efforts to address public transportation safety.

Witnesses from various parties provided insight on what happened, and relevant organizations, including the FRA, Montgomery County Fire and Rescue, Metro-North Railroad, and the U.K. Office of Rail Regulation, gave their outside perspective on the larger questions raised by the accident.

During the hearing, we focused on communication from the front-line employees to the top-level executives and across the different departments within WMATA. Interviews with the WMATA employees who were involved in the accident, taken together, demonstrated a lack of communication across the organizational units. We also heard testimony about communication challenges between local emergency responders and WMATA. Witnesses acknowledged that WMATA still has ongoing challenges in improving its safety culture.

The hearing also focused on the role of the Tri-State Oversight Committee, commonly called the TOC, and its ability to oversee WMATA's operations. We learned that the FTA does not have regulatory programs providing boots-on-the-ground inspectors to assure compliance. Also, we heard that the TOC has extremely limited resources and authority to oversee WMATA's daily operations as well as long-term improvement plans.

The L'Enfant Plaza accident highlights the NTSB's longstanding concerns regarding the safety of both the WMATA system and mass transit safety systems nationwide. Millions of people take mass transit every day. I am one of them. I care about the safety of public transportation as an NTSB board member and as a public health scientist but also because I depend on Metro every day to get around our Nation's capital.

The advantages of efficient mass transit can't be overstated, but mass transit also must be safe. This is why it is so important for WMATA and other mass transit agencies to identify, to prioritize, and to mitigate the safety risks that threaten their operations and, therefore, threaten the safety of the American public.

Our investigation is ongoing. We're analyzing information from our investigative hearing and the extensive factual materials that we've developed in the last 7 months. We anticipate that our investigation will be completed next year, and we'll certainly keep you informed as it moves forward.

Thank you for the opportunity to testify today, and I look forward to your questions.

[Prepared statement of Ms. Dinh-Zarr follows:]

For complete submitted testimony, please see the following website: <https://oversight.house.gov/hearing/d-c-metro-update/>

Mr. MICA. Thank you. And we will get to questions when we have heard from all of our panelists.

Now let's hear from the chief executive officer of Washington Metropolitan Area Transit Authority, Mr. Jack Requa.

STATEMENT OF JACK REQUA

Mr. REQUA. Thank you.

Chairman Mica, Chairman Meadows, Ranking Member Duckworth, Ranking Member Connolly, Congresswoman Norton, members of the subcommittee, thank you for the opportunity to testify today. My name is Jack Requa, and I am the interim general manager and chief executive officer of the Washington Metropolitan Area Transit Authority, known as Metro.

My testimony will focus on several topics, including safety actions that Metro has taken immediately after to address both the January 12 incident and the recently concluded safety management inspection by the Federal Transit Administration, and also the Board search for a permanent general manager and chief executive officer.

Regarding safety progress, last month the National Transportation Safety Board held its hearing on the January 12 incident near L'Enfant Plaza station. For the family of Ms. Glover and all of us at Metro, reliving the events of that day was difficult. However, the process is important to fully understand what happened in order to prevent it from happening again.

But I want to assure you that we are not waiting for the NTSB's final report to work on making the system safer. Work is already underway on 14 early actions to improve safety, emergency response, and the system's state of good repair. These actions were identified as part of Metro's own collaborative review with the NTSB, and it's important to note that these are not formal recommendations from the NTSB.

Additionally, we have embraced and already have taken steps to address the four recommendations issued by the NTSB since January 12. We have completed inspection of all of our vent shaft fans in the Metro rail system, and we have already started work to address the most recent NTSB recommendations dealing with the power cable assemblies. I believe that the addition of the installation of the sealing sleeves on the power cable junction points is an important safety initiative and improvement to our construction methodology.

I want to assure you that we will take whatever actions are needed to comply with any further recommendations of the NTSB when the final investigative report is released next year.

Additionally, we have responded early to the Federal Transit Administration's 30-day deadline of its safety management inspection. To summarize, the FTA identified 44 findings for Metro rail and 10 for Metrobus, with a total of 91 recommended corrective actions. The FTA's findings mirror Metro's own inventory of concerns and provide important recommendations for improving Metro rail and bus safety, many of which were already underway prior to the SMI.

While we recognize that we have much work ahead of us, it was reassuring that the FTA acknowledged numerous safety improvements completed by Metro over the last several years, which include initiating a first-of-its-kind, scientifically based fatigue management program for transit employees; establishing an enhanced roadway worker protection program; developing and carrying out a multiyear capital investment program to improve safety and reliability of equipment, infrastructure, and facilities; completing work to close out past NTSB safety recommendations; and developing an industry-leading program for confidential close-call reporting. The report also recognizes clear and substantial progress since 2009 and that the system is safe.

Addressing the issues identified in the FTA's safety management inspection is a top priority of Metro. As I mentioned, we've provided the FTA with our initial response on July 13. The next step is that we will meet with the FTA to review our initial comments, which will be followed by submission of a detailed plan to identify funding requirements within 90 days, in full compliance with the FTA.

We are transparent in our tracking and reporting of these corrective actions, with monthly reports made to the Board of Directors at public meetings. Mr. Anosike will provide information on the progress we have made, addressing the FTA financial management oversight audit. We have publicly reported on a monthly basis of our actions following FTA's financial management oversight report.

First, we submitted our final response to the FTA, as we committed to do so, on June 30th, providing documentation for all 65 FMO corrective action plan items. While work is ongoing, these completed action items address all 45 recommendations made in the FMO report.

With respect to one of the major recommendations, all 35 grants referenced in the FMO report have been reconciled, and necessary budget revisions have been submitted to the Federal Transit Administration. Eighteen of the 35 grants are now completely drawn and formally closed.

And, finally, I want to update the committee on the Board of Directors' search for a permanent general manager. With the management-gathered extensive feedback from the public, including riders, community advocates, business leaders, funders, and other stakeholders, the Board has restarted the search. The scope of the search has been expanded to include candidates with financial management experience and those outside the government and transit industry. The process is expected to be completed with a final selection this fall.

In conclusion, Metro's attention to safety has been—continues to be unwavering. While we have made progress, recent events remind us that we have more work ahead and must remain focused on not only continuing improving our systems and processes but on the investments and equipment, infrastructure, people, training, and tools that are necessary to deliver an even safer system daily.

Thank you for allowing me to testify today, and I look forward to answering your questions.

[Prepared statement of Mr. Requa follows:]

For complete submitted testimony, please see the following website: <https://oversight.house.gov/hearing/d-c-metro-update/>
Mr. MICA. Thank you.

And we will go next to the CFO for Metro, and that is Mr. Dennis Anosike.

You are welcome and recognized.

STATEMENT OF DENNIS ANOSIKE

Mr. ANOSIKE. Thank you, Chairman Mica, Chairman Meadows, Ranking Member Duckworth, Ranking Member Connolly, and members of the subcommittee. Thank you for the opportunity to testify today. My name is Dennis Anosike, and I serve as the chief financial officer for Metro.

I appreciate the invitation to come before you to provide a summary of where Metro is financially. Given the capital funding provided to Metro by the Federal Government, it is important that we provide you with clear updates on Metro's financial condition. The Federal funding that Metro receives each year is vitally important and represents about half of Metro's annual capital program, which is focused primarily on customer safety and service reliability.

I would like to begin with an update on the Federal Transit Administration's financial management oversight report, which was provided to Metro on June 10, 2014. The report identified 9 findings, 5 advisory comments, and a total of 45 recommendations.

In response to that report, Metro committed to 65 corrective action plans. And, as Mr. Requa just mentioned, we are happy to report that, as of June 30, Metro has completed and submitted all 65 CAPs to the FTA.

This significant milestone represents Metro's fulfillment of its commitment with respect to the FMO report. However, more work remains to be done, including completion of Metro's fiscal year 2014 financial statements audit, which is significantly delayed in part due to the deficiencies identified in the FMO report.

But, as we have addressed these challenges, Metro's financial condition is beginning to stabilize, with sufficient cash on hand to meet vendor obligations. This also follows recent extension of Metro's lines of credit as well as Federal grant reimbursements totaling \$375 million since the ECHO restriction was imposed almost 16 months ago. As a result, Metro has repaid approximately half of the short-term debt originally incurred to manage liquidity following the Federal grant drawdown restriction.

And, in the last 12 months, we have worked to improve operating efficiency and to revamp Metro's financial management. One significant action is the creation of the Office of Internal Control and Compliance, which is responsible for reviewing and monitoring financial monitoring controls throughout Metro.

This new office will provide objective assessments of Metro's compliance with financial monitoring controls, with a primary focus on applicable Federal rules and regulations necessary to ensure and preserve Metro's Federal grants eligibility. In the coming months, we will build on the current framework to further strengthen Metro's internal control processes and results.

And, finally, recent ridership and revenues of Metro has been flat due to factors including regional economic changes as well as the

reduction in the Federal Transit Benefit Program. This year, Metro has utilized internal efficiencies to offset the negative revenue impact without increasing fares or reducing service, and we expect to balance—or to end fiscal year 2015 with a balanced budget without additional contributions from our jurisdictional partners. Without Federal transit benefit equity, however, this will be much more difficult in the future.

I would like to end, Mr. Chairman, by emphasizing that fiscal responsibility, including adequate, accurate, and timely financial reporting, is our top priority.

Thank you again for the opportunity to testify here today, and I will be happy to respond to any questions.

[Prepared statement of Mr. Anosike follows:]

For complete submitted testimony, please see the following website: <https://oversight.house.gov/hearing/d-c-metro-update/>

Mr. MICA. Well, thank you.

And we will recognize last Helen Lew, the inspector general of Metro.

Welcome, and you are recognized.

STATEMENT OF HELEN LEW

Ms. LEW. Good afternoon, Chairman Mica, Chairman Meadows, Ranking Member Duckworth, Ranking Member Connolly, and members of the subcommittees. I would like to thank you for the opportunity to testify today.

I am the first inspector general appointed by the WMATA Board of Directors. Our office was authorized by a Board resolution in 2006, and I began my tenure in May 2007. I report to the Board and, as such, am independent of management.

We conduct audits, investigations, and evaluations of WMATA activities to promote economy and efficiency and to prevent and detect fraud, waste, and abuse. We also have an oversight role over the annual financial statements audit and the Single Audit of major Federal programs. These audits are performed by an external audit firm.

I will now highlight our work, both completed and planned, on rail safety and emergency responsiveness at WMATA.

Regarding rail safety, OIG performed a controlled self-assessment of employee safety in WMATA's Office of Track and Structure Systems Maintenance in 2010. The objectives of the CSA were: one, examine the effectiveness of safety internal controls from the employees' perspective; and, two, find solutions that will help eliminate or reduce preventable rail-related accidents.

The results indicated employees did not believe WMATA provided them a safe working environment. The issues brought to OIG's attention during the CSA fell into three categories: One, the work environment was not safe; two, training was not adequate; and, three, communications were not effective.

We made 19 specific recommendations to management. These have all been closed out, and we have not performed any followup work since the CSA was conducted.

On the subject of emergency responsiveness, OIG has issued several reports that identified internal control weaknesses in WMATA's rail system.

For example, we issued an alert memo in August 2010 to management identifying a serious internal control weakness in WMATA's accounting for keys to mission-critical areas. In an April 2013 audit report, we identify a matter of concern relating to the need to update the Metrorail Emergency Response Maps located in selected Metro stations. In September 2014, we issued an audit report noting access to train service rooms were not adequately controlled.

While management concurred with the aforementioned findings and recommendations, they remain open as of June 30, 2015.

On a separate but related note, the Federal Transit Administration recently issued a safety management inspection report, which identified some of the same concerns and issues we identified in our CSA and our audits. These include inadequate Rail Operations Control Center staffing and procedures, ineffective training, systemwide management issues, and emergency preparedness.

OIG has received safety-related complaints and allegations via the OIG Hotline. Since our inception in 2007, we have issued 11 reports of investigation involving rail safety. Our investigations did not substantiate any of these complaints. We currently have five ongoing safety-related cases.

We initially planned to conduct two safety-related performance evaluations, specifically on WMATA's Safety Management System and WMATA's Rail Car Preventive Maintenance Program. These have been deferred as a result of the FTA safety management inspection and the NTSB investigation of the L'Enfant Plaza incident in January of this year.

In summary, OIG has identified areas for improving rail safety and emergency responsiveness at WMATA. While WMATA has made progress in these areas, more work is needed.

I would like to really reiterate something we stated in our CSA, which I believe still holds true today. It is critical top management at WMATA provide support and demonstrate commitment to establishing a safety culture that listens to its employees and, if warranted, acts on safety concerns in the most expedient manner possible. Top management also needs to carry out and enforce applicable safety laws, regulations, and WMATA safety policies and procedures.

This concludes my prepared testimony, and I'll be glad to answer any questions you and the members of the subcommittee may have.

[Prepared statement of Ms. Lew follows:]

For complete submitted testimony, please see the following website: <https://oversight.house.gov/hearing/d-c-metro-update/>

Mr. MICA. Well, thank you.

And we will get right to questions.

First of all, to the NTSB representative, it appears and you have cited in your testimony that it may be possible that the accident was caused by not having these sealed sleeves and that water could have penetrated, shorted, arced. Is that sort of your preliminary finding?

Ms. DINH-ZARR. We actually don't issue any preliminary findings, but—

Mr. MICA. But you—

Ms. DINH-ZARR. —that's a possible cause.

Mr. MICA. But you also—did you alert WMATA about this issue?

Ms. DINH-ZARR. Yes. So, whenever we find any concerns, safety concerns—

Mr. MICA. I know. I mean, I am not—

Ms. DINH-ZARR. —we immediately issue—

Mr. MICA. —I am not—

Ms. DINH-ZARR. —we immediately issue—

Mr. MICA. —that technical. I went down and looked at it. A very large wire connector.

Ms. DINH-ZARR. Thanks for coming and seeing our labs.

Mr. MICA. Yeah. And every Member should get down there and see what is going on. It is great work.

But it doesn't take a rocket scientist to see that it somehow shorted out. I assumed, at the time I looked at it, it might have been water into that. That will arc, and you could have smoke and whatever happened there. I don't want to conclude that that is that, but that is a safety issue. It appears that the covering was destroyed and possibly penetrated by water.

There are a thousand of these connections, I understand, in the system. Have they all been inspected, Mr. Requa?

Mr. REQUA. Yes, Mr. Chairman. Following the comments by the NTSB, we inspected all of the connections within the system. We've prioritized those that we feel need to be addressed in a priority order. We are taking actions in that—

Mr. MICA. The other thing that would concern me is if they are in water. I mean, I think these sat in water. And I don't know the condition, if they inspected them to see they were in—if they are sitting in water, the likelihood of it penetrating this somewhat possibly defective casing would be a concern to me.

So they have been inspected?

Mr. REQUA. They have been inspected.

Mr. MICA. Okay.

And has anything been done about the seals?

Mr. REQUA. The seals are being installed. In fact, on the Silver Line extension that opened just about a year ago, these sealing boots were incorporated into that construction program.

Mr. MICA. And the fans—also we had problems with the fans.

Mr. REQUA. Fans have been fully—

Mr. MICA. Okay.

The other major concern is, they just showed me a tweet or something of one of the stations, with people packed in there like sardines.

Now, if you have an incident in the station, some years ago we did install communications so cell phones and communications worked in the station. But it has taken years, and we still don't have them in the tunnels. That is where this accident occurred. They could not communicate in the tunnels.

That is still the case, isn't it?

Mr. REQUA. From a cell-phone standpoint, there still are the—

Mr. MICA. But there was still inoperability and lack of ability to connect communications from the train. The power went down, I guess, and—but there was lack of communications.

Mr. REQUA. There was no issue with communications between the train operator and our control center, with our employees or

with our Metro Transit Police. There were issues with the first responders.

Mr. MICA. But does that situation still exist?

Mr. REQUA. Immediately after the event, we found the solution and fixed the problems with the District's fire department for their radio system that does now work—

Mr. MICA. So cell—you don't have cell service in—

Mr. REQUA. In the tunnel.

Mr. MICA. —in the tunnel.

Mr. REQUA. That's correct.

Mr. MICA. But you do have emergency service that will work.

Mr. REQUA. Yes.

Mr. MICA. Okay.

The first thing we have to be concerned about is the thousands of people that are there. We are fortunate that was a limited—I mean, that there weren't 80 deaths. It is horrible to have one. But our responsibility—and we have put a heck of a lot of money, probably more than any other system in the country, Federal money, into the system. And I actually don't have a problem with it if it is well-managed and -spent.

Okay. Do we have an agreement with the cellular companies how to proceed to do the installing in the tunnels?

Mr. REQUA. We've been negotiating—

Mr. MICA. Do we have an agreement?

Mr. REQUA. No.

Mr. MICA. Okay. We don't have an agreement.

And not only did I write you, we had a whole bunch of Members write you and asking again that we move forward with that. We have had at least one meeting, and then I was told in your response there would be a meeting on the 13th. That didn't take place?

Mr. REQUA. No. The meetings have been going on on a weekly basis.

Mr. MICA. But there was no meeting on the 13th.

Mr. REQUA. There was a meeting last Friday. That was the last meeting.

Mr. MICA. Well, there was no report to our staff.

Did our staff get a report?

And I was told that we would get a report.

Mr. REQUA. I believe there was a verbal report.

Mr. MICA. We are not being kept up-to-date. We don't have an agreement. I want an agreement. I am really just tired of this. And the cellular companies have been jerked around.

I was in the cellular business. I will go down there and connect the damn thing. I don't know if I could do that. But I am telling you, it is not that complicated. They pay for most of it. It is access that I have heard is part of the problem. But we want an agreement.

The final couple of questions here.

Mr. CONNOLLY. Would my friend yield for a second on that?

Mr. MICA. Yes.

Mr. CONNOLLY. Just to reinforce your point, it is my understanding that, in some cases, access has been denied the would-be providers for clearly what are ancillary reasons, including the

washing of windows on railcars. And I am thinking, well, who prioritizes what?

And, clearly, having access on the ground, it seems to me, for customers, especially when there is any kind of an incident, would be a priority over washing windows on cars.

Mr. MICA. Well, again—

Mr. CONNOLLY. I thank my friend for yielding.

Mr. MICA. —I have begun to take some steps in Appropriations and other measures—and I have a lot of support, even from some of the Members from the affected jurisdiction. But if we don't get some agreement to get this done and something in writing by the time I get back in September, I guarantee you the fur will fly. And I will have a lot of support for that. Again, I just don't know what other means to use.

Finally, I have become very concerned with the FTA financial management oversight review. And this is just what it says here. It criticized Metro for handling Federal funds, such as improperly awarding millions in no-bid contracts, charging expenses improperly to Federal grants, and skirting contract rules.

Does the financial officer wish to respond to these criticisms?

Mr. ANOSIKE. Chairman Mica, those observations were accurate, as reported by the FTA. Since last year, with the release of that report, we have taken steps to address those at several levels.

At the policy level, there is a new set of policies that guide both the award of contracts as well as with respect to grants applications and management.

Mr. MICA. Okay. And you have told me that you responded to a number of those criticisms. Do we have that in writing?

Mr. ANOSIKE. I can—

Mr. MICA. Can you—can you—

Mr. ANOSIKE. It was provided in writing to FTA, but we can—

Mr. MICA. Can you provide it to us? I would like it to appear, what you—your response for these criticisms.

Mr. ANOSIKE. We will do so.

Mr. MICA. I want to give the other members time.

Finally, let me say, the other thing is I am a strong advocate of the private sector. If this nonsense continues, in the lack of management, the ability to get expensive management in place, I will work and I think I can get support to require that the operations and management be put up for bid and that it be given to an operating company. There are management companies that can operate transit systems and take it out of the hands of Metro. They would still control it, pick the operator, but I am fed up with the whole mess.

Let me yield now to the ranking member, Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

I would like to take a Federal view at this.

Ms. Dinh-Zarr, I noted at the outset of this hearing that I believe that the implications of the January 12 incident extend far beyond the national capital region and carry critical lessons for mass transit agencies across the country. As NTSB itself recognized in its 2015 Most Wanted List, making mass transit safer is a national challenge facing all major transit systems, be it WMATA or CTA or the Metropolitan Transit Authority.

And that is why I am so concerned about your testimony this evening, where you noted that during NTSB's recent investigative hearing that you learned that FTA does not have regulatory programs providing boots-on-the-ground inspectors to assure compliance, similar to how the FRA and the United Kingdom assures safe transportation.

In other words, post-MAP-21, FTA appears to possess robust regulatory authority on paper to ensure transit agencies implement important public safety reforms, yet it appears to lack the resources and programs to actually exercise such authority in practice.

I am especially concerned because, as the NTSB noted at our previous joint hearing, the NTSB is an investigator and not a regulator. You cannot make anyone do anything, to paraphrase Chairman Hart. Thus, it appears we have a critical gap right now between a strong investigator and a regulator that has much room for improvement.

My question to you is, what specific policy or oversight actions do you believe Congress should take to ensure that FTA actually engages in compliance with true boots-on-the-ground inspection programs?

Ms. DINH-ZARR. Thank you, Ranking Member Duckworth, for—and acknowledging our Most Wanted List, as well. That's actually my issue, is make mass transit safer. So we appreciate that. And, as you can see, we take that very seriously.

As we stated in our response in proposed rulemaking, the NTSB is very encouraged by the increased safety authority that's been given to the FTA by the wisdom of Congress through MAP-21. But FTA obviously has more work to do in implementing this authority.

So I think our role at the NTSB is to make these safety recommendations, and we hope that you will, as Congress, as a committee, continue to authorize as you see fit those—you know, the authority to allow FTA to implement those safety recommendations as they come along.

So we are in the business of looking at safety from each accident that happens, preventing it from happening again, giving you those in order to better inform you on how you feel, in your wisdom as Congress, to give the authority to FTA to act.

Ms. DUCKWORTH. You're being very politically correct in your answer, and I appreciate that. I think we still have—

Mr. CONNOLLY. Especially that wisdom part.

Ms. DUCKWORTH. Yeah.

Well, I think you see from this panel, from the folks who are sitting up here, that we have a real passion to fix this, and we're frustrated. We see that you're coming up with—you're part of a very strong investigative agency. And yet there's much room for the regulators, much room for improvement there. And we're willing to do something about this, and if we need to did that, we will.

But it gets frustrating for me to know that in 2007 there was a known problem, that an incident happened in Chicago, and yet for 7 years—in 2006—for 7 years nothing was done and we knew what the lessons were.

And I am also a regular commuter on the Metro myself. When I worked at VA, I commuted every day back and forth. We can talk about elevators some other time, a personal, personal pet peeve.

But it concerns me that we had a loss of life here that maybe didn't need to happen, and for sure it didn't need to happen. I'm a pilot and we say that aviation regulation is often written in blood, the blood of pilots and passengers. And I think that we're getting to that place with the mass transit system, and that bothers me and scares me that that's where we're headed.

So I'll work with my colleagues and both our ranking members to see what else we can do. But the fact of the matter is, if we know that there are problems and we know what the fixes are, but no one is implementing them, and there's no way to verify and have boots on the ground to inspect and make sure that we're putting these solutions in place, then we have a real problem here. I think it goes even beyond the lack of leadership and the reliance on interim leadership. So we may have to do something here.

I thank the chairman, and I yield back.

Mr. MICA. Thank you, Ms. Duckworth.

Mr. Grothman, our vice chairman, you're recognized.

Mr. GROTHMAN. Sure. I have a question for Ms. Lew.

And I don't mean to put you on the spot, because it was Congress who kind of created your position and put you in the position you are, but I hope you can answer these as honest as possible.

Does your work plan have to be approved by the Board in the first place, is that correct?

Ms. LEW. Yes, our work plan is—I do a work plan every year and we submit it to the Board for approval.

Mr. GROTHMAN. And can you do any of your work without approval of the Board?

Ms. LEW. I'm sorry, what?

Mr. GROTHMAN. Are you able to conduct any of your work without approval of the Board?

Ms. LEW. Yeah, there are times that we do an audit that may not be listed, but because it's urgent and needs to be done, those cases we let the Board know that.

Mr. GROTHMAN. Okay. Do you feel that your need for Board approval on your work plan, does that stifle your independence at all?

Ms. LEW. No, it doesn't.

Mr. GROTHMAN. Okay. It's true that before your audits have to be published and released the Board must sign off on them?

Ms. LEW. What the Board does is that before I can post a report on the Web site, it must be reviewed by the Board, accepted by the Board in order to be posted.

Mr. GROTHMAN. Have you ever had any work that hasn't accepted by the Board in which they request you make some changes to your reports?

Ms. LEW. This requirement went into effect I think early this year—I'm sorry, late last year. There has not been a report that we have submitted to the Board for posting that they have denied it.

Mr. GROTHMAN. Okay. It's a relatively new thing—

Ms. LEW. It was some time late last year. I can provide you the exact date later.

Mr. GROTHMAN. One report, three reports, five reports, how many reports have you done since the new rules? About.

Ms. LEW. I don't have the exact count. I can get that for you too.

Mr. GROTHMAN. I mean, is it lots? Ten?

Ms. LEW. One thing I need to let you know is that we don't suggest to the Board that every report we do is post, and I want to explain that. We do not post on our Web site attestations that we do—and attestations are where we review the pricing information of contract proposals or claims and modification—because those reports contain proprietary information, so we will not post those on the Web site.

We also do not post investigative reports on the Web site. We also for performance audits—and much of this is in the performance area—performance audits or performance evaluation, if they contain sensitive proprietary information or security information, we will also not post them on the—

Mr. GROTHMAN. Okay, thanks.

In October of 2013, initially the audit of nMomentum, I think, was on the Web site and then removed. Do you care to comment on that or why it was removed?

Ms. LEW. It was removed because the contractor/subcontractor had problems with the report and the information that was contained in the report. So they hired a legal firm to let our management know that. And as part of the settlement of that, the report was taken down and a memo was put up.

Mr. GROTHMAN. Okay. Just in general, as we deal with the overall Board here, do you think your office should have the authority to investigate the Board itself?

Ms. LEW. That's not for me to determine.

Mr. GROTHMAN. Okay, maybe it was an unfair question.

Ms. LEW. Well, let me—see, I come from a Federal IG background, and I think what I'd like to do is point out the difference between a Federal IG and a transit authority IG here.

A Federal IG doesn't report to a Board, they coordinate and inform the Cabinet secretary their findings. They can investigate a Cabinet member. They also have a counsel that advises that IG. And also, as you know, because I know IGs have come before this committee, they will report to the Board on what they find. So they themselves are the last resort. They don't have a boss.

I was created by a Board resolution, as I mentioned, and the Board resolution says I am independent of management, but I report to the Board. So it's the Board that determines my role and responsibilities.

Mr. GROTHMAN. Okay, I'll give you one more follow-up. I really appreciate the inspector general, and they are always—when we have people testify I always have such a high opinion of them. Obviously you as a creation of Congress are a little bit different breed here, as you pointed out. Do you think your office would be at all more effective if you were set up more like the Federal IG.

Ms. LEW. Well, our office—the Board resolution that created us models—we model after a Federal IG, but we don't do everything that a Federal IG does, because we are not a Federal IG.

Mr. GROTHMAN. Okay. Do you a counsel?

Ms. LEW. I don't have an individual that has the counsel title.

Mr. GROTHMAN. Okay. Did you have one?

Ms. LEW. I did. The title was taken.

Mr. GROTHMAN. Was taken away, do you know—

Ms. LEW. And the reason why the former general counsel took the title away, the former counsel felt she is the counsel for the authority, and I don't disagree with that. She felt that certain employees or individuals that we may call in for an investigation may see my assistant IG for investigation, misinterpret that when she wears that hat that she has client-attorney privileges. And because of that, they may think that when they share something with her it stays with her. But oftentimes when my assistant IG for investigations interacts with an employee or contractor or whatever, they are wearing the assistant IG for investigation hat, but not all people understand that clearly.

Mr. MICA. Thank you.

Mr. GROTHMAN. Okay. Thank you for letting me go over.

Mr. MICA. Thank you.

And Mr. Connolly.

Mr. CONNOLLY. Thank you, Mr. Chairman.

Mr. Requa, in delineating what you were looking for in a general manager you seemed to emphasize financial management. I didn't hear the same emphasis on operations and safety. Was there some reason for that or—

Mr. REQUA. The selection of the—

Mr. CONNOLLY. Please speak into the mic, we can't hear you.

Mr. REQUA. The selection of the new general manager is the responsibility of the Board. So I'm just reporting on what they have issued as their direction going forward in the next selection process.

Mr. CONNOLLY. So are you telling us the Board has decided to put financial management above operations as a priority or a characteristic in candidates?

Mr. REQUA. I'm not saying that. My understanding is that they are looking for somebody with a strong financial background, somebody that has management experience that does not necessarily have to be in transit or in government.

Mr. CONNOLLY. You are aware of the fact that was a dispute among the Compact members. I mean, there's no secret about that.

Mr. REQUA. I understand that, yes.

Mr. CONNOLLY. And are you telling us that dispute got resolved in favor of financial management over operations?

Mr. REQUA. I think that's a better question for our Board of Directors.

Mr. CONNOLLY. Well, Mr. Chairman, I would ask unanimous consent that we receive a statement of clarification from the Board of Directors of Metro. I mean, after everything we're talking about, after four studies going on, the idea that somebody—that we wouldn't put operations as central to the mission of a new general manager boggles the mind.

I ask unanimous consent, Mr. Chairman.

Mr. MICA. I'd be glad to work with the gentleman on both sides of the aisle to put that request forward.

Mr. CONNOLLY. I thank the chair.

Dr. Dinh-Zarr, in the NTSB interviews following the January 12 accident there was reference to a lot of siloing, that the right hand didn't seem to know what the left hand was doing all too often within Metro. Do you want to expand just a little bit about what you meant by that, and any sense of that improving? By the way, what could be wrong with that?

Ms. DINH-ZARR. Thank you, sir. Thank you for that question.

So in our hearing, so I'm preventing—presenting the factual information, because obviously the deliberation as a mandate from Congress must be done in a sunshine meeting, which we will have at the end of the investigation. But as your staff and you probably saw, there was repeated reference to insular forms of communication, so there wasn't a lot of communication between different departments within WMATA. That was stated by several witnesses, as well as through the interviews.

Mr. CONNOLLY. And can that affect safety?

Ms. DINH-ZARR. So again, we wait for the deliberations for the ultimate public Board meeting. But during the hearing we did find that there was miscommunication because of this lack of communication between. So we asked questions about when—I personally asked a question about a smoke alarm and there were different answers from different departments about different issues.

So as you can see, when there are different responses to a fairly factual question, it shows that there is a lack of communication, which can affect safety.

Mr. CONNOLLY. But that lack of communication is directly related to a management structure, how Metro is organized. If you've got silos not talking to each other, that's not just a matter of communication. Communication in a sense is a byproduct of the management structure of the organization.

Ms. DINH-ZARR. That's what we're investigating.

Mr. CONNOLLY. Yeah.

The Tri-State Oversight Committee, when we were briefed by the FTA on its study, it cited the Tri-State Oversight Committee as a new oversight structure that will also be a player in oversight of Metro and its management and the safety issues.

Have you reviewed the structure of the Tri-State Oversight Committee? And have you any views about what kind of role it could play in a positive way?

Ms. DINH-ZARR. So the Tri-State Oversight Committee, which they call the TOC, is being restructured. We did—we had a witness who was the current chairperson of that testify at our hearing, our public hearing. And apparently, it is being completely reorganized. But they did express as witnesses that they had very little authority currently. So I think that in the restructuring they are planning to see if they can have greater authority for oversight.

There wasn't—this is public record, so this was in the interviews—there wasn't much oversight or authority that the TOC was doing, according to the witness.

Mr. CONNOLLY. Let me just end by one editorial on that. I think sometimes it is forgotten how Metro actually is organized and paid for. We have three Compact members, but in Virginia, unlike Maryland, the localities pay the bills, the localities pay the subsidies, not the State of Virginia. And yet, time and time again

when Virginia is represented, it's out of Richmond, appointed by the Governor. He can have all the appointees he wants if he'll pay the bills. But it's Fairfax and Arlington and Alexandria that pay the bills.

It is very frustrating on the Virginia side of the river sometimes that this is not always taken into account. Whereas in Maryland, Annapolis pays the bills. And that's fine, great. And of course the Federal Government doesn't provide you any subsidies—I mean, operating subsidies.

And so we really do need to get the structure right if we're going to have meaningful oversight, that the stakeholders on the Virginia side are up here, not down in Richmond.

Thank you. My time is up, Mr. Chairman.

Mr. MICA. Thank you, Mr. Connolly.

Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman, and I thank you for this joint hearing.

I just want to indicate that the region has lost no time, both after the smoking incident and the financial concerns, and I appreciate that our committee has lost no time. But I do want to go on record as saying that in all those hearings and meetings there has been no evidence that Metro itself is unsafe, and I do not think that that is the message we should send concerning Metro because of deficiencies that have been found.

I do say this, that if Congress cuts \$50 million from its capital funding, much of which will go to the 7000 series cars, which came into play in the 2009 incident, then we can be assured that we are moving toward unsafety.

Mr. Anosike, you've been subject to a number of studies. One was of course a GAO study. And as I understand it, the GAO has found that WMATA was on track to address its remaining recommendations and that by June 30 it expected it all to be done. Have you addressed those recommendations? Did you address those by June 30?

Mr. ANOSIKE. Yes, Congresswoman Norton, we did include those in our June 30 submission statement.

Ms. NORTON. Well, that's the predicate to this question. I must say to you that I'm interested in WMATA doing better. I'm not interested in punishing WMATA to the point that there is a Federal—that there is a fare hike.

Now, the Federal Transit Administration is not here, Mr. Requa and Mr. Anosike, but what they have done is to take Metro back for good reason to the 20th century and had it do its reports, its financials by hand. And I understand it's done that for at least a year. WMATA concurred in the FTA recommendations. But it's had to seek additional lines of credit.

At the last hearing I asked if there would be a fare hike, and the Board chair who was here said he was doing everything he could to see that there would not be a fare hike.

Now, if WMATA has met the GAO recommendations as of June 30, if for a year it has been doing its financials, because those were not in order, manually, has WMATA asked to be relieved of this manual reimbursement process, which obviously is going to mean more short-term loans and more interest and the rest? Have you

asked to be relieved of that? And don't you think you've done enough to be relieved of it? Both of you, I ask that question.

Mr. ANOSIKE. As we understand the process, once WMATA submitted its compliance items to FTA, FTA then will embark on the process of validation. We have been working aggressively with FTA to undertake that exercise.

Ms. NORTON. Mr. Anosike, the only thing that the GAO found that WMATA had not done among its recommendations was it had not established the policy and related procedures for conducting periodic assessments of its financial management risks.

Now, you testified—I'm looking at page—it's the last page, it has no number—that you say that Metro has created an Office of Internal Control and Compliance. Why isn't that the office that is responsible for what the GAO wants, a policy—to establish policy and related procedures for conducting periodic assessments of financial management, et cetera? Why isn't that the office?

Mr. ANOSIKE. That indeed is the office. What GAO is suggesting is that there ought to be additional structures around the internal compliance process. And I believe our response to the GAO is that we will be doing that. As part of my testimony, I indicated that in the coming months we will undertake that exercise to comply with the GAO's recommendations.

Ms. NORTON. Well, I believe you have complied in establishing the office and in meeting all the GAO's recommendations.

And I have to tell you, I am not—I'm not among the members up here beating WMATA across the head and shoulders. I have seen improvements. I think it ought to be given credit for improvements.

But I have to ask you why you are allowing—both you, Mr. Requa, and Mr. Anosike—why you are allowing short-term borrowing instead of going back and saying: Look, we've been on this for a year. We've been submitting these reports manually. If we did this the way we used to—we've been in compliance. You're costing us money and it could mean a fare hike. And if you want to see some people who are going to be mad, they are going to ask you why didn't you take action to make sure that there would be no fare hike.

Is there going to be a fare hike?

Mr. REQUA. Metro is working constantly with the FTA to be responsive to their requests, submitting invoices. We are getting funding back—

Ms. NORTON. Have you been asked to be relieved of this manual submission?

Mr. REQUA. I don't know that we've actually asked that question—

Ms. NORTON. Don't you think it would be appropriate to do so since you've been in compliance now for over a year? Are you prepared to say that there will be no fare hike, no increase in fare for Metro?

Mr. REQUA. The fiscal year 2016 budget has no fare hike included in it or service cuts.

Ms. NORTON. Well, thank you very much. I'm sure the public would be very pleased to hear that, because with short-term bor-

rowing going on, interest accruing, I'm not sure that was altogether clear.

Thank you very much, Mr. Chairman.

Mr. MICA. I thank the gentlelady.

Mr. DeSaulnier.

Mr. CONNOLLY. Mr. Chairman, would you just allow me to clarify something before.

Mr. MICA. On the gentleman's time? And actually you have time remaining, you had 2 minutes you didn't—

Mr. DESAULNIER. I would be happy to yield.

Mr. MICA. We won't take any of your time. I give him that time.

Mr. CONNOLLY. I thank my friend.

I just want to—in Mr. Requa's testimony, written testimony, so there was no understanding, essentially it says: No transit experience necessary. Here's what it says with respect to the search for a general manager: "The scope of the search will include candidates with extensive financial management experience and will not require that the candidates have government or transit industry experience." A real confidence-building measure from Congress' point of view.

I thank the chair.

Mr. MICA. Thank the gentleman.

Mr. DeSaulnier.

Mr. DESAULNIER. Thank you, Mr. Chairman.

Ms. Lew, you mentioned in your comments that you found systemwide management problems. Is that correct?

Ms. LEW. That was in the FTA.

Mr. DESAULNIER. Would you comment a little bit more? In your work did you find similar problems? And could you elaborate a little bit if you have?

And I ask this in the context, if my memory serves me right, the last hearing we talked a lot, Mr. Requa, about the safety culture at the organization. And I'd like to associate myself with the comments by the ranking member. The similarity in this organization to the Bay Area Rapid Transit District in my district is somewhat similar. And the NTSB has done an investigation on an unfortunate situation where two of our employees were killed when they were on the line.

So when you have a safety culture and when there's comments from FTA, Ms. Lew and Mr. Requa, maybe you could elaborate on, but when you look at systemwide management problems, as much as you've done really good work apparently on the corrective actions, you've got something much more difficult when you've got a safety culture and systemwide management problems.

Ms. LEW. Okay, let me address your question. What I was trying to say is that when we did the CSA back in 2010, we identified three categories. We mentioned that the work environment was not safe, training was not adequate—

Mr. DESAULNIER. Not enough training.

Ms. LEW. —and communications. The FTA identified eight categories. Five of those categories were areas that identify same issues and concerns that we had identified in the CSA.

Now, you specifically asked about the category relating to systemwide maintenance issues.

Mr. DESAULNIER. No, maybe I misunderstood. Management problems. Was it maintenance?

Ms. LEW. No, it was maintenance. Yeah, it was maintenance.

Mr. DESAULNIER. Okay. I stand corrected.

Mr. Requa, maybe you could go to the safety culture. And also in the last hearing, at least I took from that, that the relationship between management and rank and file was not as good as it should be and morale was a problem. Could you maybe go into that a little bit and see if we've corrected some of those issues and what action the board's taken?

Mr. REQUA. Since the incident on the Red Line in 2009 a number of safety actions have take place. The Board of Directors created a safety committee itself, so that the Board has a monthly meeting on safety. Management has created safety meetings in each of our facilities from our local standpoint that report to a departmental standpoint to an executive management meeting once a month where the general manager and all of his executive staff meet to address any safety concerns.

We do surveys of our employees as to how comfortable they are in reporting safety concerns. Unfortunately, we're at 80 percent, and we want it to be 100 percent. As a result, during the last years not only does the IG have a hotline that employees can report concerns anonymously, so does safety, so does the general manager's office. And recently we created a close call process so that rail employees can report their concerns to an independent agency that does a review and then addresses the concerns with management and corrections are made.

So we've taken a number of steps, but we still have more to go because we still want all of our employees to feel confident that they can report to a management person and get a response. And we continue in every effort that we can to improve that morale and condition of feeling comfortable that they can report.

Mr. DESAULNIER. Doctor, in your comments about trying to make the entire transit system in the United States safer, do you feel as if the FTA has enough statutory authority to accomplish what I take from your testimony you feel very strongly about currently or do they need additional statutory authority?

Ms. DINH-ZARR. Thank you, Congressman.

We're very appreciative and encouraged by the authority that MAP-21 has given to FTA. And we are working with FTA, and we continue to issue them safety recommendations as needed to monitor the safety of systems throughout the Nation. But our role is really to issue those, and we leave that to you to decide what type of authority that they can have in order to have greater or lesser oversight as you see fit.

Mr. DESAULNIER. I'll try another panelist then.

Mr. Requa, do you think they have enough authority to help you and lessons learned in other parts of country or lessons learned here that they can carry to other parts of the country in terms of best practices when it comes to safety culture?

Mr. REQUA. I'm not sure that I can speak to the authority that they have, but it certainly is informative for us to work with agencies outside of WMATA, either the Federal agencies or other transit agencies, so that we can benefit from the progress that others

have made in the areas of safety and other areas. And so we appreciate the opportunity to work with those agencies.

Mr. DESAULNIER. Thank you, Mr. Chairman. I yield back.

Mr. MICA. Thank you.

And recognize Mrs. Watson Coleman.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman. Thank you very much. I'm sorry, I was late, so some of my questioning may be a little bit naive here. A couple of questions.

The position that is being recruited is the chief operating officer, the CEO, general manager, what is that?

Mr. REQUA. General manager/chief executive officer.

Mrs. WATSON COLEMAN. That's one person?

Mr. REQUA. That's one person.

Mrs. WATSON COLEMAN. And that's the individual that the Board is seeking to find that has strong financial experience, but not transit operational experience?

Mr. REQUA. I think it is worded such that the person does not have to have transit or governmental experience. Doesn't mean that they can't have it.

Mrs. WATSON COLEMAN. How long have you been with the Transit Authority?

Mr. REQUA. 1998.

Mrs. WATSON COLEMAN. Do you think that that's a unique—that there are unique skills that are necessary and experiences necessary associated with running a transit authority versus running a—anything else, a Dairy Queen?

Mr. REQUA. My experience over the years has been that usually the lead person has transit experience, but our Board of Directors feel that—again, I think the Board is better to address this question, but they have agreed on a modification to a scope of work for the new person.

Mrs. WATSON COLEMAN. It seems that they may have decided upon a direction in which to go, but not necessarily having information necessary to go in that direction, and need to be cautioned about what kind of leadership any transit authority, not just this one, but any kind of transit or any transit authority.

I worked with the Transportation Department in the State of New Jersey and worked with New Jersey Transit and worked with sort of other entities, and there was always this need for this specialized, high-level experience and training in the industry in order to be considered at the very top of the industry.

I wanted to ask you about TOC. I don't know who to ask, though. I want to know what is supposed to be the role and responsibility of TOC. Because there was a mentioning in one of my readings that TOC is—it's not clear as to what's supposed to do, it's not clear on the range of authority.

Doctor, you indicated that TOC was indeed restructuring. And it says that TOC is not certified. So what would it be certified to and by whom? So what is its function, role, authority? What's TOC?

Ms. DINH-ZARR. Yes, Congresswoman. I'll take a stab at it.

That's the oversight. And the reason it's the TOC is because in other places it would just be the State safety oversight program, but here because there's three jurisdictions.

Mrs. WATSON COLEMAN. Right.

Ms. DINH-ZARR. So they are the ones authorized to have the oversight, and then they work together with FTA in order to—in our case, for our investigative hearing, to look at the safety efforts?

Mrs. WATSON COLEMAN. So what does that mean to have oversight, just to observe?

Ms. DINH-ZARR. It varies State by State.

Mrs. WATSON COLEMAN. Okay. And so their reorganization is to try to establish more than just observation, but some authority in some way?

Ms. DINH-ZARR. That we don't know yet, we don't know what the new organization.

Mrs. WATSON COLEMAN. I'm not sure where I read this, but it was mentioned that TOC has not been certified. And I was wondering what that meant. By whom? For what? Does anyone have an answer to that question?

Ms. DINH-ZARR. Our experts here say that FTA would certify TOC.

Mrs. WATSON COLEMAN. Certify it to what? Certify what?

Ms. DINH-ZARR. In order to be an oversight program. But they have not been certified program yet. And perhaps that's the reason they are reorganizing. But that's actually part of our investigation, is to find out exactly what TOC is doing and how that affects safety.

Mrs. WATSON COLEMAN. And what it should be doing, and how it can be helpful, and what does the certification mean, and how does that relate.

Ms. NORTON. Would the gentlelady yield on that? Every State is starting up these agencies. I'm sure not any agency has been certified yet, because they had to begin from the beginning. There was no jurisdiction on the part of metros across the country, safety jurisdiction at all. And so all across the country they are in startup mode, and I'm not sure that any of them are ready for primetime yet.

Ms. DINH-ZARR. And Delegate Holmes Norton is correct that some have not been certified. But California, for example, has been certified. So there have been TOC equivalents, other State safety oversight, that have been certified.

Mrs. WATSON COLEMAN. I got a notice here that TOC had actually applied in 2013, but it still lacks its certification. Who is not doing their job?

Ms. DINH-ZARR. That's one of the elements of our investigation.

Mrs. WATSON COLEMAN. Okay. When you find out it would be helpful to share that with us.

Mrs. WATSON COLEMAN. Thank you.

Thank you, Mr. Chairman.

Mr. MICA. Well, we do have people that we don't feel are doing their job and there are still links missing. I feel a lit bit more reassured that at least some of the inspection has been completed on these power connectors. When I saw that cable, that it arced, it gave me great concern. And at least we have their word that those inspections have been complete.

I am still very concerned that communications are lacking. There are some improvements, but lacking for the average passenger once

they get out of the station and into the tunnel. So we still have that concern.

And then today we have concerns raised by the FTA financial management oversight review of the mismanagement and some of the inappropriate expenditures of public funds. A great deal of that funding for capital improvements actually comes from Congress. It's one of the biggest—we're one of the biggest contributors.

And I have no problem giving the District of Columbia, our national capital, the money to have the finest, most efficient service, but they also have to be accountable. So in the record they will submit their responses to those criticisms.

Mr. MICA. But we want to make certain that this system is safe and well run and financially responsible, and we'll work with everyone to do that. And I say, if that doesn't happen or we don't feel that'll happen, two things can happen. We will come back and we will revisit the funding, because Members, that's the only handle that we have. And then secondly, we'll look—I'll look at possibly imposing a requirement that the management and operations be put up for tender and that we get the best deal for the taxpayers and the best system possible.

So did you want to put that up?

They've been tweeting me since I finished my remarks of some of the—this is live from—which is it, which station? L'Enfant.

But millions of passengers every week, and we've had almost a million in a day use our system, and it should be well run, efficient, and safe. And we'll make certain that it is in that order.

We do leave the record open, we'll leave it open for an additional 10 days. There will be additional questions. I have unanswered questions from Members of Congress who wrote WMATA, and we expect answers to those in the next 10 days, and any other questions that are addressed to the panelists.

Mr. MICA. I thank you for coming today.

I thank the members for participating.

There being no further business before the subcommittee, the joint session of the two subcommittees is adjourned.

[Whereupon, at 6:40 p.m., the subcommittees were adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

**Chris Van Hollen (MD-08) Statement on the Committee on Oversight and Government Reform
Subcommittee on Transportation and Public Assets and
Subcommittee on Government Operations Hearing,
D.C. Metro: Update
July 21, 2015**

Chairman Mica, Chairman Meadows, Ranking Member Duckworth, and Ranking Member Connolly, thank you for holding this oversight hearing on WMATA. The federal government is a key partner in this region's transportation system and we have an obligation to conduct rigorous oversight.

As a Member who represents part of the DC metropolitan region, my constituents rely heavily on WMATA rail, bus, and paratransit services. Maryland riders average 130 million trips throughout the system. I hear regular frustration about delays on the Red Line, out-of-service escalators, and poor communication with riders. Even worse, we have seen tragic deaths, both of passengers and WMATA employees.

In 2008, I was part of an effort, along with Minority Whip Steny Hoyer, then-Ranking Member of the Oversight Committee Tom Davis, and others from the Washington DC region to attach an amendment to what eventually passed Congress as the Railroad Safety Improvement Act to provide \$1.5 billion in capital and maintenance funding over ten years. It was a critical investment in the safety and reliability of the system. Maryland, the District of Columbia, and Virginia were required to provide matching funds as part of this legislation.

We recognized the important role that WMATA plays in transporting federal employees to and from work and in providing service to our constituents visiting Washington, DC. That role isn't limited to funding – it means federal involvement in overseeing the system and ensuring the safety of its riders. There are now federal members on the WMATA Board of Directors and the current Chairman of the Board, Mort Downey, is a federally-appointed member. We also fought for an Inspector General to oversee the system.

Following the tragic Red Line accident in 2009, the DC regional delegation, along with this Committee, delivered the promised federal funding and conducted oversight of WMATA's efforts to respond to safety recommendations. According to the Federal Transit Administration's (FTA) Safety Inspection and the National Transportation Safety Board (NTSB), WMATA has made progress on a number of fronts. However, in the wake of additional reports in recent months about failure to properly install equipment, issues with safety training, and understaffing in the Rail Operations Control Center, I am deeply concerned that WMATA has failed to integrate systemic reform into its day-to-day operations. Moreover, WMATA has been operating without a permanent General Manager since January.

This is unacceptable. The Board must hire a capable leader for the system without further delay. WMATA must accelerate efforts to address the many recommendations that have been issued by the NTSB, the FTA, the Government Accountability Office, and its own Inspector General to ensure a safe and reliable system for riders. And Congress must continue to be an active partner in that process, both with resources and strong oversight to ensure that the job gets done.

Thank you again for holding this hearing. I am committed to working with you to see results for my constituents, our federal employees, and all riders.



April 14, 2015

Chairman
Hon. David Snyder

Vice Chairman
Hon. Jay Fisetle

Secretary/Treasurer
Hon. Jeffrey McKay

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Hon. William D. Euille
Hon. Paul C. Smedberg

Arlington County
Hon. Mary Hynes
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Hon. Jeffrey McKay

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Hon. Jeffrey C. Greenfield

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Commonwealth of Virginia
Hon. Jim Corcoran

Virginia General Assembly
Sen. Richard Black
Sen. Jennifer Wexton
Del. David LaRock
Del. James LeMunyon
Del. J. Randall Minchew
Del. Thomas D. Rust

Executive Director
Kelley Coyner

Mr. Jack Requa
Interim General Manager
Washington Metropolitan Area Transit Authority
600 5th Street, NW
Washington, DC 20001

Dear Mr. Requa:

On behalf of the Northern Virginia Transportation Commission (NVTC), I request that WMATA fulfill its responsibility to coordinate the development, implementation and procurement of the New Electronic Payments Program (NEPP) in a manner that fully integrates the region's transit systems in a cost-effective manner. Specifically, we ask that WMATA serve as the contract agent on behalf of regional systems and insist that WMATA provide us with information essential to the efficient and cost-effective implementation of NEPP. The success of NEPP depends not just on the implementation within WMATA's system but across transit systems region wide.

NVTC has been tasked to coordinate the development and implementation of NEPP on behalf of seven Northern Virginia transit systems and the Potomac and Rappahannock Transportation Commission (PRTC). These Northern Virginia Regional Partners include ART (Arlington County), CUE (City of Fairfax), DASH (City of Alexandria), Fairfax Connector (Fairfax County), Loudoun County Transit, OmniRide/OmniLink (PRTC), and the Virginia Railway Express (NVTC/PRTC).

For reasons detailed in the attachment to this letter, the Northern Virginia Regional Partners have serious concerns about the progression of the NEPP project to date. Requests for information – including technical specifications, lifecycle costs, projected benefits, and pricing data – have gone unanswered for many months. In the meantime, Accenture (WMATA's chosen vendor) has requested that each of the Regional Partners make contractual commitments without essential information and before WMATA has made its own commitment, which won't occur until the pilot test is complete.

WMATA must become actively engaged in the NEPP procurement for Regional Partners. Specifically, we request that WMATA act as contract agent on behalf of the regional entities. Under this arrangement, WMATA would:

- Ensure that the design, delivery and testing of the system and devices is consistent with the requirements of the regional entities and provides sufficient opportunity for regional participation in these processes;

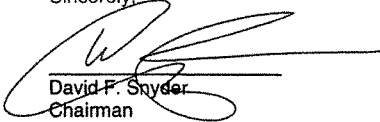
- Provide answers with respect to bus cash payment and loading, SmarTrip transition, ongoing operations and maintenance costs, transaction business rules, and support for regional fare policies.

As WMATA considers this request, we ask for a timeline for providing information on all aspects of the pilot and technical specification, pricing information, and other relevant terms in WMATA's contract with Accenture. Attached are additional details, including specific requests with respect to understanding the purpose and need, procurement, device selection, implementation schedule, and regional fare collection.

Our expectation is that you, as General Manager, will work with the Northern Virginia entities through NVTC on developing a cost-effective approach to procuring equipment and needed services to ensure a fully integrated payment system across all transit systems in the region.

Please feel free to contact me or NVTC's Executive Director Kelley Coyner to discuss next steps in resolving these issues. We are eager to work with you to ensure successful implementation of this key technology in a manner that serves taxpayers and riders alike.

Sincerely,



David P. Snyder
Chairman

Enclosure

cc: John D. Jenkins, Chairman,
Potomac and Rappahannock Transportation Commission

Attachment

The Northern Virginia Regional Partners have identified the following areas where there is a need for additional support and leadership from WMATA to help ensure the successful adoption, implementation and roll-out of a new electronic fare payment system across the entire region. Many of these issues were first raised with WMATA during the early stages of the NEPP procurement and they remain unanswered. We seek to work with you and your team to discuss each of these areas so that we make adjustments as necessary to enhance the prospects for successful implementation region wide.

1. Lifecycle Benefits and Costs

WMATA must provide its calculation and analysis of lifecycle benefits and costs of this electronic payments solution. This should include the data and estimates that WMATA used as well as details about the assumptions underlying these calculations and the risks accounted for in the analysis. The Regional Partners require this information in order to justify this investment.

2. NEPP Procurement

WMATA must provide technical assistance and participate with the Regional Partners in the negotiation of a contract for NEPP equipment and services. WMATA's engagement is necessary to guarantee that the region is buying both equipment and services that are compatible (and not duplicative) with the WMATA NEPP system. Currently, the procurement of NEPP devices and services for the Regional Partners (Virginia and Maryland) is being approached as a separate procurement. The Northern Virginia agencies are focused on the purchase of devices and the configuration of these devices to work with the WMATA system. If services are needed to integrate these devices with the WMATA system, then WMATA must be a full partner in the process. It is not in the best interest of WMATA or the Northern Virginia Regional Partners for the region to purchase equipment or services that impact the WMATA NEPP system without close coordination with WMATA.

3. NEPP Device Selection

WMATA must ensure the current equipment options identified in the WMATA contract are the ones that are developed and approved as part of the WMATA contract *and* that they are compatible with the specific needs of the Regional Partners. The WMATA contract identified specifications for several different bus equipment configurations and availability from multiple vendors. WMATA should be party to a regional approach to ensure the NEPP contractor designs, tests, and delivers the appropriate devices and that these devices can be purchased and configured as necessary to meet the needs of all of the Regional Partners.

4. Implementation Schedule

WMATA must develop a coordinated implementation schedule that allows regional decisions to be informed by the outcomes of WMATA's activities. The Northern Virginia Regional Partners should not enter into a contract with the NEPP contractor until WMATA has accepted the pilot and follow-on testing, has formally identified which equipment items will be purchased, and until a number of regional concerns have been addressed including those identified in this attachment. Currently, the NEPP contractor (Accenture) is insisting on regional agencies contract prematurely or quickly face steep escalation in pricing. WMATA must insist that Accenture not bypass completion and

acceptance of the pilot, final selection of NEPP equipment, and provision of technical specifications and pricing information.

5. Regional Fare Collection

WMATA must address questions related to major aspects of the regional fare collection system. These questions include specific concerns related to bus cash fare collection, bus cash loading, SmarTrip transition, ongoing operations and maintenance costs, transaction business rules, and support for regional fare policies that need to be addressed before the regional implementation of NEPP is to occur. These questions need to be addressed in order for Regional Partners to determine the scope, assumed risk, and overall cost of implementing NEPP that will be borne by each agency now and in the future. Further, the Regional Partners have a history of strong coordination on regional fare policies and transaction business rules that need to be followed in this instance. As WMATA scopes the implementation of NEPP, WMATA must provide details on these fare issues and include the Regional Partners in the negotiations to ensure the necessary central system capabilities are designed and tested as part of the WMATA contract with Accenture.

NEPP QUESTIONS AND ANSWERS – July 21, 2015 House Oversight Committee

1. Has WMATA completed the pilot project for the New Electronic Payment Program (NEPP)? If so, what are the findings with regard to fare readers at parking systems?

Answer: The pilot phase is not yet fully complete. The pilot phase for parking systems began August 24, 2015 and is scheduled to operate for 90 days. Staff estimates completion in late November 2015. After completion, WMATA will review the test data and determine if results support acceptance of the parking pilot phase.

2. The NEPP RFP calls for a fare system demonstration utilizing 3,000 regular rider participants, yet the pilot was conducted with only 400 regular rider participants or only 13% of the intended target. Does WMATA intend to conduct a full demonstration? If not, how does WMATA justify a significantly reduced sampling of riders?

Answer: Extensive additional testing of the system was performed to provide sufficient data for evaluation of the system. The pilot was designed to be a technical evaluation of the system transaction processing. Over 500,000 transactions were completed and evaluated as required by the contract. The customer input we received was very informative and overall very positive. We will continue to gather customer insights as we progress.

3. Were the required 480,000 transactions achieved during the contractually required 90 day test period? Please provide the total transaction count as well as a count from within the transactions achieved performed by WMATA through controlled or force non-customer transactions.

Answer: Over 540,000 transactions were completed during the test period. Allocation between testers and pilot users are:

Pilot Users	43,645	8%
Tester	500,756	92%

4. The NEPP cost projection is considerably over initial estimates (by about \$44.5 million, or 60% of WMATA's initial estimated capital cost). Please provide an explanation of projected cost increases and a full accounting of the \$109 million WMATA attributable expense. Are the increases a result of the findings of the recently executed pilot program? Please provide the Committee with any potential known and anticipated vendor cost increases during implementation phase.

Answer: The change in WMATA's updated program budget was mainly due to the omission of three factors: a) Increased cost estimate for replacing the fare system communication infrastructure in Metrorail upgrading the fare gate network to support internet based systems; b) Replacement fare box system – As the legacy system supports cash collection on buses (fare box system) and will no longer be operable with NEPP implementation, a replacement is needed to facilitate cash collection, verification and reconciliation; and c) The third major variance was internal WMATA overhead charged to all capital projects. The methodology of this allocation is changing and this amount will likely be reduced when recalculated to the new method. The changes in budget are not the result of the pilot program findings but items required, which were previously omitted. The system integrator cost is fixed for the scope of work currently specified for WMATA. This scope does not include integration work unique to the regional providers or equipment they would require.

5. Along with savings from the existing scheduled maintenance costs and projected additional ridership, the Net Present Value (NPV) for the NEPP was initially positive. However, it has been reported that the \$44.5 million cost increase has now placed the NEPP into a negative NPV situation. If true, what is the continued justification? Has WMATA considered less risky alternatives utilizing existing hardware?

Answer: Much of WMATA's Metrorail fare collection infrastructure is over 30 years old. Bus fare boxes are nearly fifteen years old. Like much of WMATA's key infrastructure, these systems are in need of replacement. Replacement is required not solely due to aging infrastructure but the complex operating systems need to be replaced to provide high levels of payment security for our customers and protection of their personally identifiable information as they make payments.

An open and competitive procurement for the NEPP was held with the top companies in the industry providing proposals. The benefits to the implementation of an account based, non-proprietary fare management system include opportunities to increase revenue and reduce costs which are not completely measurable in return on capital investment.

In 2015, the Transportation Research Board of the National Academies issued a Transit Cooperative Research Board report (www.tcrponline.org/PDFDocuments/tcrp_rpt_177.pdf) outlining the direction for future transit fare systems as specifically including significant attributes to be implemented with the NEPP:

Best Design Elements of Next Generation Fare Systems

- Unified payment strategy
- Regional transit, parking, bike share
- Account-based
- Secure central server, no information on card

Open-payments
 Most versatile, choices for customers
 Industry standards-based
 Non-proprietary, off the shelf solutions

While many new revenue and ridership benefits can be introduced through innovative fare products and programs, measurement of these benefits is challenging. New revenue opportunities beyond passenger revenue have not yet been included in the benefits calculations. Operational costs are expected to decrease over time with the new devices and reduced resources needed for repair, operation and media distribution.

6. WMATA's first year projection on Silver Line ridership was 30% off or 15,000 fewer riders than initially anticipated. Has WMATA re-evaluated the projected additional ridership as a result of NEPP? If not, why not?

Answer: Regardless of ridership projections, much like many other facets of Metro's aging infrastructure, the fare collection system for Metrorail, Metro-operated parking facilities, Metrobus and MetroAccess need to be replaced to maintain a state of good repair on these critical, customer facing systems.

7. How would a flat or negative ridership affect the NEPP NPV?

Answer: Passenger revenues, not ridership was a key variable in calculating the program NPV. If revenues were to decline, then the NPV calculation would be adversely impacted.

8. On April 14, 2015, the Northern Virginia Transportation Commission (NVTC) submitted a letter to Mr. Requa outlining specific regional partner concerns with NEPP. Please provide for the Committee any written response to NVTC from WMATA.

Answer: Response to NVTC is attached.



May 8, 2015

Mr. David F. Snyder
Chairman
Northern Virginia Transportation Commission
2300 Wilson Boulevard, Suite 620
Arlington, VA 22201

Dear Mr. Snyder:

Thank you for your recent letter regarding the New Electronic Payments Program (NEPP). We appreciate your sharing your concerns with us, and I will respond to them item by item.

We have been actively working with the Northern Virginia Transportation Commission (NVTC) and the Northern Virginia Regional Partners on the NEPP program since the fall of 2012, have provided briefings to the NVTC Commissioners and staff, and continue to provide updates to all regional providers through bi-weekly regional conference calls and quarterly in-person meetings.

Initially, Metro's NEPP efforts were focused on developing and implementing a successful pilot, which would become the model for both Metro and the regional transit implementation. Now that the pilot is in full swing, Metro is able to expand its focus, establish a target schedule for Metro rollout, and continue planning for the regional implementation. Metro staff plans to provide a detailed report to its Board of Directors on the results of the NEPP pilot in July 2015.

1. Lifecycle Benefits and Costs

We are currently updating the program analysis, which will include a current view of the expected costs, benefits, and alternatives considered with the risk factors. On March 27, we reported at the Regional Partners meeting attended by representatives from Virginia, Maryland, and the District that we expect to deliver this analysis by July 2015 and share all relevant information at that time.

2. NEPP Procurement

We agree that close coordination among our partners is necessary to ensure a successful NEPP program. The current contract calls for NVTC and the other regional providers to establish separate procurements with Accenture and that approach will likely continue for agency-specific

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Transit Authority

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Washington, DC 20001
202/962-1234

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Mr. David F. Snyder
Page 2

equipment and services. The direct procurement of specific devices and certain services is similar to methods used previously during the SmarTrip® implementation. However, we will look for opportunities to consolidate project management, development, integration, testing, and other areas applicable to Metro and all participating agencies.

As we continue to coordinate the NEPP within the region, Metro is working through our internal procurement department, Accenture, and the regional partners to establish non-disclosure agreements so that participants may freely discuss contractual and technical aspects of the program.

Metro has discussed this change in direction with NVTC and other providers, and we will work with our partners to ensure a successful launch for the region — including reviewing the process for revising the roles to provide additional support to Northern Virginia and other participating agencies. Metro has begun discussing with Accenture the relevant financial costs for providing additional support to its partners and will explore options further with its procurement and legal departments. We will provide updates to NVTC and our Regional partners as these changes progress.

3. NEPP Device Selection

As noted in item two above, Metro would support changes in strategy to ensure that the needs of regional partners are appropriately addressed. Ideas discussed to date include the following:

- Creating a regional lab as was done with SmarTrip®, to enable coordinated and thorough regional testing.
- Focusing on the equipment that is applicable only to the regional partners. Metro will work with the partners to ensure that the equipment selection results in a NEPP solution that is compatible with the regional NEPP program.

4. Implementation Schedule

The detailed implementation schedule for Metro's initial revenue service release is currently in development and Metro will coordinate implementation with the regional providers as planned, to develop a regional rollout approach that is agreeable to all participants. This integration planning will be developed with Regional Partner involvement to ensure concerns are addressed and issues are sufficiently resolved to enable well informed contractual discussions and decisions. This work can continue during the upcoming regional provider meetings in May.

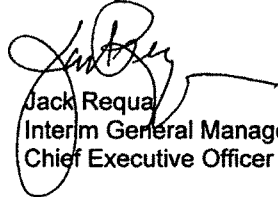
Mr. David F. Snyder
Page 3

5. Regional Fare Collection

The system specifications include requirements for support of all fare policies, business rules, and transaction volumes for the entire region. The system is designed to integrate all providers and present seamless travel to customers as it occurs today. We are currently analyzing the best way to serve cash customers as the current specification for Metro does not include adding value with cash via the farebox. Metro will continue to accept cash fares on buses. Once this analysis is concluded, the results will be shared with the Regional Partners to assist them with their decision regarding the methods to best serve their cash customers. This report on cash customers is expected in July and then will be shared with regional providers, which we anticipate will also be in July. The discussions of a new cash collection system are planned to begin this month.

Thank you for expressing your concerns and I hope this has addressed them satisfactorily. We look forward to further collaboration with NVTC.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Requa", is written over the typed name and title.

Jack Requa
Interim General Manager and
Chief Executive Officer



October 8, 2015

The Honorable Jason Chaffetz
Committee on Oversight and Government Reform
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chaffetz:

This is in response to your letter, dated September 29, 2015, that contained additional questions to me from the Committee on Oversight and Government Reform on July 21, 2015, at the joint Subcommittee hearing entitled, "D.C. Metro: Update."

Your questions and our answers are as follow:

1. What was the report that you submitted to the Board for posting that the Board denied? When did you submit the report to the Board? When did the Board deny it?

Answer: The Washington Metropolitan Area Transit Authority's (WMATA) Board of Directors did not deny any of the Office of Inspector General's (OIG) requests to post a performance audit/evaluation report to WMATA's website, including the Semiannual reports.

I believe the report the Chairman may be referring to in his question is a report, entitled *Review of nMomentum Corporation Contracts and Task Orders*. As a clarification, this report was posted on WMATA's website in August 2013. nMomentum, a contractor, threatened litigation over what it viewed to be false and defamatory statements in the report. In Board Resolution No. 2013-23 dated October 10, 2013, the Board retracted the report and directed the Inspector General not to further disseminate the report. The Board further directed the General Counsel to execute a Settlement Agreement with nMomentum.

2. Under the new guidelines or rules that the Inspector General submit reports to the Board for approval, how many reports have you conducted?

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By Metro:
Judiciary Square-Red Line
Gallery Place-Chinatown
Red, Green and
Yellow Lines

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The Honorable Jason Chaffetz
Page 2

Answer: On September 24, 2014, the Board approved revisions to Board procedures regarding audit report review and acceptance, see Attachment. Since then, OIG has submitted three performance audit/evaluation reports and two Semiannual reports to the Board for acceptance to post on WMATA's website; all five reports have been posted. It should be noted the OIG does not make requests to the Board to post reports that contain proprietary or security/sensitive information in them.

I hope I have satisfactorily addressed your request. If you have any additional questions, please contact me on (202) 962-2515 or at hlew@wmata.com.

Sincerely,

A handwritten signature in black ink that reads "Helen Lew". The signature is written in a cursive, flowing style.

Helen Lew
Inspector General

Enclosure

cc: The Honorable Elijah Cummings

PRESENTED AND ADOPTED: September 24, 2014

**SUBJECT: APPROVAL OF REVISIONS TO BOARD PROCEDURES REGARDING
COMMITTEE CHAIRS AND AUDIT REPORT REVIEW AND ACCEPTANCE**

2014-49

**RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, The Washington Metropolitan Area Transit Authority (WMATA) Board of Directors is committed to continuously improving the governance of the Authority; and

WHEREAS, Pursuant to Resolution 2014-09, the Board of Directors approved revised Procedures of the WMATA Board of Directors (Procedures); and

WHEREAS, In order for the Board of Directors to fully utilize the expertise of both its Principal Members and Alternate Members in policy-making and oversight, the Governance Committee has recommended that the provision regarding Board Committee formation, Procedures Section VII, part A(1) be revised as follows:

1. With the exception of the Executive Committee, Committee membership is proposed by the Board Chair and voted on at the annual Board organizational meeting, which generally occurs at the regularly scheduled February Board meeting. Committee membership may be adjusted if necessary through Board action. Each Committee shall be chaired by a Principal Board Member. However, the Board Chair may, with Board approval, appoint an Alternate Member as a Committee Chair. A list of Committee Chairs, Vice Chairs and membership along with a tentative schedule of meetings is shown in Attachment 1; and

WHEREAS, Pursuant to Resolution 2014-38, the Board of Directors approved revised Bylaws to improve WMATA's finance and administrative functions, including the requirement that the Audits and Investigations Committee, "resolves disagreements between external auditors, WMATA's Office of Inspector General and WMATA management"; and

WHEREAS, The Governance Committee has recommended adding a part C to Procedures Section VII in order to describe the process for the Audits and Investigations Committee to review and accept Inspector General audit reports, including resolving disagreements, as follows:

Motioned by Mr. Dyke, seconded by Mrs. Hudgins

Ayes: 7 – Mr. Downs, Mr. Downey, Mrs. Hudgins, Mr. Dyke, Ms. Bowser, Mr. Acosta and Mr. Goldman


C. Audits and Investigations Committee Review and Acceptance of Audit Reports

1. The Inspector General ("IG") shall submit each final draft report, resulting from a performance audit/evaluation, to the Audits and Investigations ("A&I") Committee for review, with informational copies to all other Board members as required by the Board's Bylaws. The report shall include management's response to the IG's findings and recommendations.
2. If the A&I Committee determines that the IG's findings and recommendations and management's response are in conflict, the Committee will conduct a review of the report during a meeting held in accordance with the Board's Bylaws within 30 days after the issuance of the final draft report to the CEO or designated management representative. The IG, the CEO or designated management representative and the General Counsel will be present and participate in the review as appropriate under the circumstances. If the A&I Committee is unable to resolve the conflict during the review, it will forward the issue for consideration of the full Board at its next regularly scheduled meeting and the Board will direct a resolution of the conflict.
3. When the A&I Committee determines that there is no conflict remaining between the IG's findings and recommendations and management's response, it will accept the report as final and the report and corrective action plan shall be deemed approved. Acceptance of the final report constitutes the Board's authorization to post the report on the WMATA website provided that the IG first confers with the General Counsel and confirms that any private or confidential information has been redacted in accordance with applicable law and WMATA policy; now, therefore be it

RESOLVED, That the Board of Directors approves the attached revised Procedures of the Washington Metropolitan Area Transit Board of Directors to permit Alternate Members to Chair Committee upon Board approval and to describe the process for the Audits and Investigations Committee to review and accept Inspector General Audit Reports; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,


Kathryn H.S. Pett
General Counsel

WMATA File Structure No.:
2.1.5 Board Procedures

Procedures of the Washington Metropolitan Area Transit Authority Board of Directors

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Washington Metropolitan Area Transit Authority Board of Directors

Procedures

I. Board Communication with CEO and Agency Officers (Bylaws Article V)

A. Board Member Requests

All requests to staff by Board Members are directed to the General Manager and Chief Executive Officer (CEO), General Counsel, Inspector General or Board Secretary. Copies of requests shall be provided to the Board Secretary who shall inform all Board Members of the requests. The appropriate officer will provide a timely response. For complex requests, an interim response should be provided and include a timetable for a full response. Should the response require significant resources, the CEO may request to discuss how to proceed at the next meeting of the Board or its appropriate Committee. All responses to Board Member requests are distributed to all Board Members.

B. Communication with General Counsel

1. The General Counsel has a dotted-line reporting relationship with the Board, with primary reporting to the CEO. Notwithstanding this formal reporting relationship, the Board seeks regular and open communication with the General Counsel.

2. The General Counsel may request a meeting with the Board or appropriate Committee whenever there is an issue that requires immediate consideration. In addition, each quarter the General Counsel will, in executive session: a) advise the Board on matters as appropriate; b) Provide status of major litigation and high-profile issues; c) discuss upcoming challenges and opportunities; d) present any other matters appropriate for executive session.

3. The Board of Directors or any of its Committees may request a meeting with the General Counsel at any time.

II. Jurisdictional Coordinating Committee (Bylaws Article VI)

A. Reporting Responsibility

The CEO will make appropriate staff available to present and discuss issues on the Jurisdictional Coordinating Committee (JCC) agenda. Issues may be brought to the JCC in one of three ways: 1) by request of the CEO, 2) by request of the Board through the CEO, or 3) by members of the JCC, or WMATA staff, with approval of the JCC.

B. Organization

The JCC shall organize itself to accomplish the goals established in the Board Bylaws.

III. Communication with the Public (Bylaws Articles VII & VIII.E)

A. Responding to Written Communication from Customers and Stakeholders

The Board holds the CEO responsible and accountable for the administration and operation of WMATA. While the Board welcomes communication from the public regarding policy, suggestions for improvement, or agency oversight, communicating with the Board is not a means to undermine the CEO's responsibilities or accountability.

Board Members will ensure that all communications they receive that require staff assistance are shared with the full Board and the CEO. Board Members shall exercise discretion in providing personal answers to policy-oriented communications, and will provide any such answers to the rest of the Board and to management. All other customer communications shall be submitted to the CEO for an appropriate response. The CEO shall assure that all agency responses are shared with the full Board.

B. Public Comment at Board and Committee Meetings

Oral and written comments are welcome and receive equal consideration. Written comments may be submitted electronically, and the WMATA website will describe a convenient and accessible method for electronic submission. Persons unable to submit electronic comments may bring a copy of their comments to the Board Secretary. All comments on Board and Committee agenda items received prior to noon on the Wednesday before a meeting will be forwarded to the Board or Committee Members for their information and consideration in advance of the meeting. The Office of the Secretary will administer the Public Comment procedures, and will maximize the benefits of technology and other available methods to ensure the earliest possible notice regarding issues on which comments will be received, that commenting is convenient, and that comments are promptly shared with the Board.

1. Public Comment at Board Meetings

The Board of Directors of the Washington Metropolitan Area Transit Authority (WMATA) shall provide an opportunity for members of the community to provide comments during its monthly Board meetings. Comments shall be limited to matters that pertain to WMATA or other transportation issues. The Board Chair shall have discretion to waive or modify any of the following Procedures for Public Comment.

The public comment period shall follow the approval of minutes on the agenda, and generally shall be no more than 20 minutes.

2. Public Comment at Committee Meetings

Committee Chairs may designate items on their agendas on which written and oral comments will be received. The agenda released to the public will clearly identify all items on which comments will be received. Comments shall be limited to matters germane to designated items. Committee Chairs shall have discretion to waive or modify any of the following Procedures for Public Comment.

The public comment period shall follow the approval of minutes, and shall be for the period of time set by the Committee Chair, generally no more than 20 minutes.

C. Procedures for Public Comment

1. Any person wishing to make comments during the public comment period shall sign a speakers' list prior to the commencement of the meeting. The speakers list will be available at least 15 minutes before the scheduled start of the meeting, and it will be closed once the meeting begins. Persons who have not signed up prior to the start of the meeting will not be permitted to provide public comment. The Office of the Secretary shall be responsible for ensuring that members of the public have properly signed up for the public comment period, and will ascertain the topic to be discussed consistent with these guidelines.

2. Speakers shall identify themselves in writing on a sign-up sheet by providing their name, address, signature, and the subject matter and/or agenda item to which their comments pertain.

3. Comments related to individual employee personnel issues, claims against the Authority or disputes concerning the award or administration of specific contracts will not be allowed in this forum, as there are other avenues to pursue these matters.

4. At the public comment period, each person will be limited to a time not to exceed two minutes. The Chair shall have discretion to modify the allotted time for

speakers, and shall do so before the start of public comment. WMATA staff is responsible for ensuring the time limit for each speaker is not exceeded.

5. Public comments will be made in the order in which individuals signed up, and are to be directed to the Board or Committee as a whole. The public comment period is intended to provide an opportunity to hear members of the community. Board Members may refer matters that arise to the CEO for investigation and/or follow-up.

6. The Chair will moderate the comment period. The Board reserves the right to ban from public comment persons who engage in a consistent pattern of disruptive behavior at WMATA meetings. This may include use of slurs, derogatory comments, or any other conduct, whether physical, verbal or written directed at another person or based upon another person's race, color, origin, sex, religion, sexual orientation, disability or age.

7. Should the time allotted be used before all those who signed up have provided public comment, those who did not have an opportunity to speak will be transferred to the next meeting. At the next meeting, their names will be placed at the beginning of public comment order, and be permitted to speak in the order they appeared on the original list.

IV. Board and Committee Meetings (Bylaws Articles VIII, IX and XII)

A. Agenda Development and Distribution

The final Board and Committee agendas and any supporting documents are ordinarily distributed to the Board Members on the Friday in advance of the meeting (or Thursday if that Friday is a holiday), including executive sessions of the Board. Any subsequent changes to the previously submitted agenda or other Board material shall be clearly highlighted and documented. Changes proposed by the CEO to the agenda or materials after the Friday distribution shall be shared, to the extent possible, with the Board Members and the public in advance of the Board meeting.

The final agenda will be made available to the public at the same time it is distributed to Board Members. Other materials distributed to the Board Members for Board or Committee meetings shall be made available to the public, by posting on the WMATA website by 10 a.m. on the Monday before the Board meeting (or Tuesday if that Monday is a holiday), except where unavoidable circumstances prevent advance publication or where the subject of the materials requires discussion in executive session as provided in the Bylaws, Article X.

B. Board Meeting Agenda

The following Items shall ordinarily appear on each agenda in the order listed:

1. Call to Order
2. Approval of Agenda
3. Approval of Board Minutes
4. Public Comment
5. Report by Board-Established Advisory Bodies (In total, up to 5 minutes)
6. Report by the Chair
7. Report by General Manager/Chief Executive Officer
8. Reports by Board Committees (Committee recommendations for Board action, if so referred by the Committees)
9. Consent Items
10. Other Actions
11. Reports by Jurisdictions

Any of the above Items may be deleted or additional Items included at the discretion of the Board Chair when preparing an agenda. Additions or deletions to a published agenda must be approved by the Board.

A voting Board Member may move parts of, or the entire, Consent Items or Other Actions agenda Items as single actions.

C. Limiting Jurisdictional Vetoes

In accordance with the Bylaws, every Board Member will, whenever possible, provide advance notice to the Chair whenever he or she intends to exercise a jurisdictional veto. The Chair will facilitate the resolution of such disputes in order to limit jurisdictional vetoes.

V. Record of Board and Committee Meetings (Bylaws Article IX)

Minutes of Board and Committee meetings shall be filed in hard copy and posted on the WMATA website, including:

1. the kind of meeting (e.g. Board, Committee or special);
2. the date and time of the meeting;
3. the names of the Members present;
4. a listing of all actions considered by the Board, identifying the mover and seconder;
5. the votes on each side of each action, and the disposition of the action;

6. explanatory material for each action, such as a resolution, if passed, and staff information material, such as a Board Action Information Summary (BAIS); and
7. the time of adjournment.

The Board Secretary shall be responsible for the posting and filing of all written and audio records of Board meetings and audio records of Committee meetings, except for executive sessions pursuant to the Bylaws, and shall prepare an index to audio records to assist in locating discussions of specific actions taken by the Board, and shall organize resolutions in such a manner to be readily accessible. Committee Coordinators shall be responsible for posting and filing of all written records of Committee meetings, except for executive sessions pursuant to the Bylaws.

VI. Executive (Closed) Sessions (Bylaws Article X)

A. Prior to any executive session, the Board will be provided any supporting materials that are available.

B. The Committee Chairs may schedule executive sessions in advance, or a Committee may vote to meet in executive session on the day of the meeting for the purpose of discussing any topic authorized under the Bylaws Article X.A, "Matters Appropriate for Executive Session." The Committee will reasonably identify each matter to be discussed in executive session, and reference the topic in Bylaws Article X.A that authorizes the executive session. At the conclusion of each executive session, the Board or Committee shall reconvene in an open meeting to certify by an affirmative vote that only those matters identified prior to convening the executive session and only matters authorized by Bylaws Article X were heard, considered or discussed in the preceding executive session.

VII. Board Committees (Bylaws Article XII)

A. Formation

1. With the exception of the Executive Committee, Committee membership is proposed by the Board Chair and voted on at the annual Board organizational meeting, which generally occurs at the regularly scheduled February Board meeting. Committee membership may be adjusted if necessary through Board action. Each Committee shall be chaired by a Principal Board Member. However, the Board Chair may, with Board approval, appoint an Alternate Member as a Committee Chair. A list of Committee Chairs, Vice Chairs and membership along with a tentative schedule of meetings is shown in Attachment 1.

2. When proposing Committee membership, the Chair will seek to ensure that, to the extent possible, Committee members have or can avail themselves to expertise germane to each Committee's areas of responsibility. Thus, to the extent

available from appointed Board Members, at least one member of the Audits and Investigations Committee will have expertise in financial matters.

3. Committee Chairs, with the concurrence of the Committee members, may establish special, ad hoc or subcommittees consistent with the Committee's responsibilities, which shall operate consistently with the Bylaws, including the Articles regarding executive sessions and conduct of committee meetings.

B. Committee Agendas

The Chairs of Board Committees shall determine the need for a meeting and develop the agenda for the Committee meetings. Committee Chairs should consult with their Vice-Chair when planning meetings. To the extent possible, items will be presented to only one Committee, per the Committee responsibilities defined in Bylaws Article XII.

C. Audits and Investigations Committee Review and Acceptance of Audit Reports

1. The Inspector General ("IG") shall submit each final draft report, resulting from a performance audit/evaluation, to the Audits and Investigations ("A&I") Committee for review, with informational copies to all other Board members as required by the Board's Bylaws. The report shall include management's response to the IG's findings and recommendations.

2. If the A&I Committee determines that the IG's findings and recommendations and management's response are in conflict, the Committee will conduct a review of the report during a meeting held in accordance with the Board's Bylaws within 30 days after the issuance of the final draft report to the CEO or designated management representative. The IG, the CEO or designated management representative and the General Counsel will be present and participate in the review as appropriate under the circumstances. If the A&I Committee is unable to resolve the conflict during the review, it will forward the issue for consideration of the full Board at its next regularly scheduled meeting and the Board will direct a resolution of the conflict.

3. When the A&I Committee determines that there is no conflict remaining between the IG's findings and recommendations and management's response, it will accept the report as final and the report and corrective action plan shall be deemed approved. Acceptance of the final report constitutes the Board's authorization to post the report on the WMATA website provided that the IG first confers with the General Counsel and confirms that any private or confidential information has been redacted in accordance with applicable law and WMATA policy.

VIII. Public Hearings (Bylaws Article XIII)

In most cases, the hearing officer for Board-Authorized Public Hearings will be a Board Member. However, the Board Chair may delegate to the Board Secretary or another WMATA officer/executive the authority to conduct public hearings in the absence of a Board Member, to ensure proper public review of WMATA activities. In an emergency resulting in the unexpected absence of a public hearing officer, the staff presenting the proposed action may conduct the hearing.

IX. Board Established Advisory Bodies (Bylaws Article XIV)

A. Accessibility Advisory Committee

AAC requests via Bylaws Article XIV for WMATA staff information shall be made through the Department of Access Services (ACCS). The Assistant General Manager, ACCS shall notify the WMATA Board Chair and the AAC Chair in the event that an AAC request is not fulfilled.

B. Riders' Advisory Council

RAC requests via Bylaws Article XIV for WMATA staff information shall be made through the Office of Board Secretary. The Board Secretary shall notify the WMATA Board Chair and the RAC Chair in the event that a RAC request is not fulfilled.

X. Process to Amend These Procedures (Bylaws Article XVI)

A majority vote of the Board, consistent with Compact § 8(a), in a meeting for which advance notice has been given as a regularly-scheduled agenda item, can amend these procedures.

ATTACHMENT 1

MEETING SCHEDULE

First session of the month:

1. Beginning at 9 am, up to two of the following Committees:
 Audits and Investigations, if needed
 Planning, Program Development and Real Estate, if needed
 Governance Committee, if needed
2. Customer Service and Operations
3. Finance and Administration
4. Governance Committee, if all 3 Committees meet on same day (A&I, PPDRE, Gov)

Second session of the month:

1. 9 am – Safety and Security Committee
2. 10 am – Board Executive Session
3. 11 am – Board Meeting
4. 1 pm – 2025 Committee, if needed

COMMITTEE ASSIGNMENTS

Effective September 24, 2014

SAFETY AND SECURITY COMMITTEE (eight members, two each from Maryland, Virginia, the District of Columbia and the federal government)

Mortimer Downey - Chair
 Michael Goldman - Vice Chair
 James Dyke
 Tom Downs
 Anthony Giancola
 Tom Bulger
 William Euille
 Kathryn Porter

FINANCE & ADMINISTRATION COMMITTEE (committee-of-the-whole)

Marcel Acosta - Chair
 Mortimer Downey - Vice Chair

AUDITS AND INVESTIGATIONS COMMITTEE* (four members, one each from Maryland, Virginia, the District of Columbia and the federal government)

Alvin Nichols - Chair
Anthony Giancola- Vice Chair
Matthew Brown
William Euille

CUSTOMER SERVICE & OPERATIONS COMMITTEE* (eight members, one each from Maryland, Virginia, the District of Columbia and the federal government)

Catherine Hudgins - Chair
Tom Bulger - Vice Chair
Marcel Acosta
Kathryn Porter

PLANNING, PROGRAM DEVELOPMENT AND REAL ESTATE COMMITTEE* (four members, one each from Maryland, Virginia, the District of Columbia and the federal government)

Muriel Bowser - Chair
Artis Hampshire-Cowan - Vice Chair
Marcel Acosta
Mary Hynes

2025 COMMITTEE (committee-of-the-whole)

Mary Hynes - Chair
Tony Giancola - Vice Chair

GOVERNANCE COMMITTEE* (four members, one each from Maryland, Virginia, the District of Columbia and the federal government)

James Dyke - Chair
Artis Hampshire-Cowan - Vice Chair
Mortimer Downey
Muriel Bowser

* In the event that a member from Maryland, Virginia, the District of Columbia or the federal government is unable to attend a Committee meeting, the member may designate another member from that jurisdiction to vote in his or her stead.

2014 Metro Board Calendar

JANUARY 2014							FEBRUARY 2014							MARCH 2014						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		21	24	25	26	27	28		23	24	25	26	27	28	29
														30	31					
APRIL 2014							MAY 2014							JUNE 2014						
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27	28	29	30				25	26	27	28	29	30	31	29	30					
JULY 2014							AUGUST 2014							SEPTEMBER 2014						
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27	28	29	30	31			24	25	26	27	28	29	30	28	29	30	31			
							31													
OCTOBER 2014							NOVEMBER 2014							DECEMBER 2014						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4							1		1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
							30													

Blue – Committee Days
Blue w/ Red Border – Committee/Board Days

Green – APTA Board/Board Support Conf. (Cleveland)
Purple – APTA Annual (Houston)