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HOUSE BILL NO. 2596**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 2, 2009)

(Patron Prior to Substitute—Delegate Ebbin)

A BILL to amend and reenact § 3 of Chapter 2 of the Acts of Assembly of 1966, as amended by Chapter 21 of the Acts of Assembly, Extra Session, of 1969, Chapter 590 of the Acts of Assembly of 1970, Chapter 571 of the Acts of Assembly of 1972, Chapter 508 of the Acts of Assembly of 1973, Chapter 576 of the Acts of Assembly of 1974, Chapter 592 of the Acts of Assembly of 1977, Chapter 378 of the Acts of Assembly of 1981, Chapter 610 of the Acts of Assembly of 1984, Chapter 112 of the Acts of Assembly of 1987, Chapter 150 of the Acts of Assembly of 1995, and Chapter 736 of the Acts of Assembly of 1997, relating to the Washington Metropolitan Area Transit Authority; finance and governance.

Be it enacted by the General Assembly of Virginia:

1. That § 3 of Chapter 2 of the Acts of Assembly of 1966, as amended by Chapter 21 of the Acts of Assembly, Extra Session, of 1969, Chapter 590 of the Acts of Assembly of 1970, Chapter 571 of the Acts of Assembly of 1972, Chapter 508 of the Acts of Assembly of 1973, Chapter 576 of the Acts of Assembly of 1974, Chapter 592 of the Acts of Assembly of 1977, Chapter 378 of the Acts of Assembly of 1981, Chapter 610 of the Acts of Assembly of 1984, Chapter 112 of the Acts of Assembly of 1987, Chapter 150 of the Acts of Assembly of 1995, and Chapter 736 of the Acts of Assembly of 1997, is amended and reenacted as follows:

§ 3. Whereas, Maryland, Virginia and the District of Columbia heretofore have entered into the Washington Metropolitan Area Transit Regulation Compact (Virginia—Ch. 627, 1958 Acts of Assembly; Maryland—Ch. 613, Acts of General Assembly 1959; District of Columbia—Resolution of the Board of Commissioners adopted December 22, 1960), with the consent of the Congress (J.R., September 15, 1960, P.L., 86-794, 74 Stat.1031, as amended by 76 Stat. 764), as a first step toward the improvement of transit service in the metropolitan area of Washington, D.C.;

Whereas, in said Compact each of the Signatories pledged to each of the other signatory parties faithful cooperation in the solution and control of transit and traffic problems within said metropolitan area and, in order to effect such purposes, agreed to enact any necessary legislation to achieve the objectives of the Compact to the mutual benefit of the citizens living within said metropolitan area and for the advancement of the interests of the Signatories;

Whereas, it has been established by a decade of studies that a regional system of improved and expanded transit facilities, including grade-separated rail facilities in congested areas, is essential in said metropolitan area for the satisfactory movement of people and goods, the alleviation of present and future traffic congestion, the economic welfare and vitality of all parts of the area, the effectiveness of the departments and agencies of the federal government located within the area, the orderly growth and development of the District of Columbia and the Maryland and Virginia portions of the area, the comfort and convenience of the residents of and visitors to the area, and the preservation of the beauty and dignity of the Nation's Capital;

Whereas, the Congress has authorized Maryland, Virginia and the District of Columbia to negotiate a Compact for the establishment of an organization empowered to provide necessary transit facilities (P.L. 86-669, 74 Stat. 537) and in said legislation declared the policy, inter alia, that the development and administration of such transit facilities requires (1) cooperation among the federal, state and local government of the area, (2) financial participation by the federal government in the creation of major facilities that are beyond the financial capacity or borrowing powers of the private carriers, the District of Columbia and the local governments of the area, and (3) coordination of transit facilities with other public facilities and with the use of land, public and private;

Whereas, private transit companies should be utilized to the extent practicable in providing the regional transit facilities and services, consistent with the requirements of the public interest that the publicly and privately owned facilities be operated as a coordinated regional system without unnecessary duplicating services;

Whereas, adequate provision should be made for the protection of transit labor in the development and operation of the regional system;

Whereas, adequate provisions should be made to eliminate any requirement of additional authentication of manual signature of bonds guaranteed by the United States of America; and

Whereas, it is hereby determined that an Authority to be created by interstate compact between the District of Columbia, the State of Maryland and the Commonwealth of Virginia, is the most suitable form of organization to achieve the stated objectives;

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60 Now, therefore, the District of Columbia, the State of Maryland and the Commonwealth of Virginia,
61 hereinafter referred to as Signatories, do hereby amend the Washington Metropolitan Area Transit
62 Regulation Compact by adding thereto Title III, as hereinafter set forth, and do hereby covenant and
63 agree substantially, as follows:

64 Title III

65 Article I

66 Definitions

67 Definitions

68 1. As used in this Title, the following words and terms shall have the following meanings, unless the
69 context clearly requires a different meaning:

70 (a) "Board" means the Board of Directors of the Washington Metropolitan Area Transit Authority;

71 (b) "Director" means a member of the Board of Directors of the Washington Metropolitan Area
72 Transit Authority;

73 (c) "Private transit companies" and "private carriers" means corporations, persons, firms or
74 associations rendering transit service within the Zone pursuant to a certificate of public convenience and
75 necessity issued by the Washington Metropolitan Area Transit Commission or by a franchise granted by
76 the United States or any Signatory party to this Title;

77 (d) "Signatory" means the State of Maryland, the Commonwealth of Virginia and the District of
78 Columbia;

79 (e) "State" includes District of Columbia;

80 (f) "Transit facilities" means all real and personal property located in the Zone, necessary or useful in
81 rendering transit service between points within the Zone, by means of rail, bus, water or air and any
82 other mode of travel, including, without limitation, tracks, rights-of-way, bridges, tunnels, subways,
83 rolling stock for rail, motor vehicle, marine and air transportation, stations, terminals and ports, areas for
84 parking and all equipment, fixtures, buildings and structures and services incidental to or required in
85 connection with the performance of transit service;

86 (g) "Transit services" means the transportation of persons and their packages and baggage by means
87 of transit facilities between points within the Zone including the transportation of newspapers, express
88 and mail between such points, and charter service which originates within the Zone but does not include
89 taxicab service or individual ticket-sales sightseeing operations;

90 (h) "Transit Zone" or "Zone" means the Washington Metropolitan Area Transit Zone created and
91 described in Section 3 as well as any additional area that may be added pursuant to Section 83(a) of this
92 Compact; and

93 (i) "WMATC" means Washington Metropolitan Area Transit Commission.

94 Article II

95 Purpose and Functions

96 Purpose

97 2. The purpose of this Title is to create a regional instrumentality, as a common agency of each
98 Signatory party, empowered, in the manner hereinafter set forth, (1) to plan, develop, finance and cause
99 to be operated improved transit facilities, in coordination with transportation and general development
100 planning for the Zone, as part of a balanced regional system of transportation, utilizing to their best
101 advantage the various modes of transportation, (2) to coordinate the operation of the public and privately
102 owned or controlled transit facilities, to the fullest extent practicable, into a unified regional transit
103 system without unnecessary duplicating service, and (3) to serve such other regional purposes and to
104 perform such other regional functions as the Signatories may authorize by appropriate legislation.

105 Article III

106 Organization and Area

107 Washington Metropolitan Area Transit Zone

108 3. There is hereby created the Washington Metropolitan Area Transit Zone which shall embrace the
109 District of Columbia, the Cities of Alexandria, Falls Church and Fairfax and the Counties of Arlington,
110 Fairfax and Loudoun and political subdivisions of the Commonwealth of Virginia located within those
111 counties, and the counties of Montgomery and Prince George's in the State of Maryland and political
112 subdivisions of the State of Maryland located in said counties.

113 Washington Metropolitan Area Transit Authority

114 4. There is hereby created, as an instrumentality and agency of each of the Signatory parties hereto,
115 the Washington Metropolitan Area Transit Authority which shall be a body corporate and politic, and
116 which shall have the powers and duties granted herein and such additional powers as may hereafter be
117 conferred upon it pursuant to law.

118 Board Membership

119 5. (a) The Authority shall be governed by a Board of ~~six~~ eight Directors consisting of two Directors
120 for each Signatory *and two for the federal government (one of whom shall be a regular passenger and*
121 *customer of the bus or rail service of the Authority).* For Virginia, the Directors shall be appointed by

the Northern Virginia Transportation Commission; for the District of Columbia by the Council of the District of Columbia; ~~and~~ for Maryland, by the Washington Suburban Transit Commission; *and for the federal government, by the Administrator of General Services.* For Virginia and Maryland, the Directors shall be appointed from among the members of the appointing body, except as otherwise provided herein, and shall serve for a term coincident with their term on the appointing body. A ~~director~~ *Director for a Signatory* may be removed or suspended from office only as provided by the law of the Signatory from which he was appointed. The *nonfederal* appointing authorities shall also appoint an alternate for each Director. *In addition, the Administrator of General Services shall also appoint two nonvoting members who shall serve as the alternates for the federal Directors. An alternate Director, who* may act only in the absence of the Director for whom he has been appointed an alternate, except that, in the case of the District of Columbia where only one Director and his alternate are present, such alternate may act on behalf of the absent Director. Each alternate, *including the federal nonvoting Directors*, shall serve at the pleasure of the appointing authority. In the event of a vacancy in the office of Director or alternate, it shall be filled in the same manner as an original appointment.

(b) Before entering upon the duties of his office each Director and alternate director shall take and subscribe to the following oath (or affirmation) of office or any such other oath or affirmation, if any, as the Constitution or laws of the ~~Signatory~~ *Government* he represents shall provide:

"I....., hereby solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution and Laws of the state or political jurisdiction from which I was appointed as a Director (alternate director) of the Board of Washington Metropolitan Area Transit Authority and will faithfully discharge the duties of the office upon which I am about to enter."

Compensation of Directors and Alternates

6. Members of the Board and alternates shall serve without compensation but may be reimbursed for necessary expenses incurred as an incident to the performance of their duties.

Organization and Procedure

7. The Board shall provide for its own organization and procedure. It shall organize annually by the election of a Chairman and Vice-Chairman from among its members. Meetings of the Board shall be held as frequently as the Board deems that the proper performance of its duties requires and the Board shall keep minutes of its meetings. The Board shall adopt rules and regulations governing its meeting, minutes and transactions.

Quorum and Actions by the Board

8. (a) Four Directors or alternates consisting of at least one Director or alternate appointed from each Signatory, shall constitute a quorum and no action by the Board shall be effective unless a majority of the Board present and voting, which majority shall include at least one Director or alternate from each Signatory, concur therein; provided, however, that a plan of financing may be adopted or a mass transit plan adopted, altered, revised or amended by the unanimous vote of the Directors representing any two Signatories.

(b) The actions of the Board shall be expressed by motion or resolution. Actions dealing solely with internal management of the Authority shall become effective when directed by the Board, but no other action shall become effective prior to the expiration of thirty days following its adoption; provided, however, that the Board may provide for the acceleration of any action upon a finding that such acceleration is required for the proper and timely performance of its functions.

Officers

9. (a) The officers of the Authority, none of whom shall be members of the Board, shall consist of a general manager, a secretary, a treasurer, a comptroller, *an inspector general*, and a general counsel and such other officers as the Board may provide. Except for the office of general manager, *inspector general*, and comptroller, the Board may consolidate any of such other offices in one person. All such officers shall be appointed and may be removed by the Board, shall serve at the pleasure of the Board and shall perform such duties and functions as the Board shall specify. The Board shall fix and determine the compensation to be paid to all officers and, except for the general manager who shall be a full-time employee, all other officers may be hired on a full-time or part-time basis and may be compensated on a salary or fee basis, as the Board may determine. All employees and such officers as the Board may designate shall be appointed and removed by the general manager under such rules of procedure and standards as the Board may determine.

(b) The general manager shall be the chief administrative officer of the Authority and, subject to policy direction by the Board, shall be responsible for all activities of the Authority.

(c) The treasurer shall be the custodian of the funds of the Authority, shall keep an account of all receipts and disbursements and shall make payments only upon warrants duly and regularly signed by the Chairman or Vice-Chairman of the Board, or other person authorized by the Board to do so, and by the secretary or general manager; provided, however, that the Board may provide that warrants not exceeding such amounts or for such purposes as may from time to time be specified by the Board may

183 be signed by the general manager or by persons designated by him.

184 (d) *The inspector general shall report to the Board and head the Office of the Inspector General, an*
185 *independent and objective unit of the Authority that conducts and supervises audits, program*
186 *evaluations, and investigations relating to Authority activities; promotes economy, efficiency, and*
187 *effectiveness in Authority activities; detects and prevents fraud and abuse in Authority activities; and*
188 *keeps the Board fully and currently informed about deficiencies in Authority activities as well as the*
189 *necessity for and progress of corrective action.*

190 (e) An oath of office in the form set out in § 5 (b) of this Article shall be taken, subscribed and filed
191 with the Board by all appointed officers.

192 (e)(f) Each Director, officer and employee specified by the Board shall give such bond in such form
193 and amount as the Board may require, the premium for which shall be paid by the Authority.

194 Conflict of Interest

195 10. (a) No Director, officer or employee shall:

196 (1) be financially interested, either directly or indirectly, in any contract, sale, purchase, lease or
197 transfer of real or personal property to which the Board or the Authority is a party;

198 (2) in connection with services performed within the scope of his official duties, solicit or accept
199 money or any other thing of value in addition to the compensation or expenses paid to him by the
200 Authority;

201 (3a.) offer money or any thing of value for or in consideration of obtaining an appointment,
202 promotion or privilege in his employment with the Authority.

203 (b) Any Director, officer or employee who shall willfully violate any provision of this section shall,
204 in the discretion of the Board, forfeit his office or employment.

205 (c) Any contract or agreement made in contravention of this section may be declared void by the
206 Board.

207 (d) Nothing in this section shall be construed to abrogate or limit the applicability of any federal or
208 state law which may be violated by any action prescribed by this section.

209 Article IV

210 Pledge of Cooperation

211 11. Each Signatory pledges to each other faithful cooperation in the achievement of the purposes and
212 objects of this Title.

213 Article V

214 General Powers

215 Enumeration

216 12. In addition to the powers and duties elsewhere described in this Title, and except as limited in
217 this Title, the Authority may:

218 (a) Sue and be sued;

219 (b) Adopt and use a corporate seal and alter the same at pleasure;

220 (c) Adopt, amend, and repeal rules and regulations respecting the exercise of the powers conferred by
221 this Title;

222 (d) Construct, acquire, own, operate, maintain, control, sell and convey real and personal property
223 and any interest therein by contract, purchase, condemnation, lease, license, mortgage or otherwise but
224 all of said property shall be located in the Zone and shall be necessary or useful in rendering transit
225 service or in activities incidental thereto;

226 (e) Receive and accept such payments, appropriations, grants, gifts, loans, advances and other funds,
227 properties and services as may be transferred or made available to it by any Signatory party, any
228 political subdivision or agency thereof, by the United States, or by any agency thereof, or by any other
229 public or private corporation or individual, and enter into agreements to make reimbursement for all or
230 any part thereof;

231 (f) Enter into and perform contracts, leases and agreements with any person, firm or corporation or
232 with any political subdivision or agency of any Signatory party or with the federal government, or any
233 agency thereof, including, but not limited to, contracts or agreements to furnish transit facilities and
234 service;

235 (g) Create and abolish offices, employments and positions (other than those specifically provided for
236 herein) as it deems necessary for the purposes of the Authority, and fix and provide for the qualification,
237 appointment, removal, term, tenure, compensation, pension and retirement rights of its officers and
238 employees without regard to the laws of any of the Signatories;

239 (h) Establish, in its discretion, a personnel system based on merit and fitness and, subject to
240 eligibility, participate in the pension and retirement plans of any Signatory, or political subdivision or
241 agency thereof, upon terms and conditions mutually acceptable;

242 (i) Contract for or employ any professional services;

243 (j) Control and regulate the use of facilities owned or controlled by the Authority, the service to be
244 rendered and the fares and charges to be made therefor;

(k) Hold public hearings and conduct investigations relating to any matter affecting transportation in the Zone with which the Authority is concerned and, in connection therewith, subpoena witnesses, papers, records and documents; or delegate such authority to any officer. Each Director may administer oaths or affirmations in any proceeding or investigation;

(l) Make or participate in studies of all phases and forms of transportation, including transportation vehicle research and development techniques and methods for determining traffic projections, demand motivations, and fiscal research and publicize and make available the results of such studies and other information relating to transportation;

(m) Exercise, subject to the limitations and restrictions herein imposed, all powers reasonably necessary or essential to the declared objects and purposes of this Title; and

(n) Establish regulations providing for public access to Board records.

Article VI

Planning

Mass Transit Plan

13. (a) The Board shall develop and adopt, and may from time to time review and revise, a mass transit plan for the immediate and long-range needs of the Zone. The mass transit plan shall include one or more plans designating (1) the transit facilities to be provided by the Authority, including the locations of terminals, stations, platforms, parking facilities and the character and nature thereof; (2) the design and location of such facilities; (3) whether such facilities are to be constructed or acquired by lease, purchase or condemnation; (4) a timetable for the provision of such facilities; (5) the anticipated capital cost; (6) estimated operating expenses and revenues relating thereto; and (7) the various other factors and considerations, which, in the opinion of the Board, justify and require the projects therein proposed. Such plan shall specify the type of equipment to be utilized, the areas to be served, the routes and schedules of service expected to be provided and probable fares and charges therefor.

(b) In preparing the mass transit plan, and in any review or revision thereof, the Board shall make full utilization of all data, studies, reports and information available from the National Capital Transportation Agency and from any other agencies of the federal government, and from Signatories and the political subdivisions thereof.

Planning Process

14. (a) The mass transit plan, and any revisions, alterations or amendments thereof, shall be coordinated, through the procedures hereinafter set forth, with (1) other plans and programs affecting transportation in the Zone in order to achieve a balanced system of transportation, utilizing each mode to its best advantage; (2) the general plan or plans for the development of the Zone; and (3) the development plans of the various political subdivisions embraced within the Zone.

(b) It shall be the duty and responsibility of each member of the Board to serve as liaison between the Board and the body which appointed him to the Board. To provide a framework for regional participation in the planning process, the Board shall create technical committees concerned with planning and collection and analyses of data relative to decision-making in the transportation planning process and the Mayor and Council of the District of Columbia, the component governments of the Northern Virginia Transportation District and the Washington Suburban Transit District shall appoint representatives to such technical committees and otherwise cooperate with the Board in the formulation of a mass transit plan, or in revisions, alterations or amendments thereof.

(c) The Board, in the preparation, revision, alteration or amendment of a mass transit plan, shall

(1) consider data with respect to current and prospective conditions in the Zone, including, without limitation, land use, population, economic factors affecting development plans, goals or objectives for the development of the Zone and the separate political subdivisions, transit demands to be generated by such development, travel patterns, existing and proposed transportation and transit facilities, impact of transit plans on the dislocation of families and businesses, preservation of the beauty and dignity of the Nation's Capital, factors affecting environmental amenities and aesthetics and financial resources;

(2) cooperate with and participate in any continuous, comprehensive transportation planning process cooperatively established by the highway agencies of the Signatories and the local political subdivisions in the Zone to meet the planning standards now or hereafter prescribed by the Federal-Aid Highway Acts; and

(3) to the extent not inconsistent with or duplicative of the planning process specified in subdivision (2) of this subsection (c), cooperate with the National Capital Planning Commission, the National Capital Regional Planning Council, the Washington Metropolitan Council of Governments, the Washington Metropolitan Area Transit Commission, the highway agencies of the Signatories, the Maryland-National Capital Park and Planning Commission, the Northern Virginia Regional Planning and Economic Development Commission, the Maryland State Planning Department and the Commission of Fine Arts. Such cooperation shall include the creation, as necessary, of technical committees composed of personnel, appointed by such agencies, concerned with planning and collection and analysis of data

306 relative to decision-making in the transportation planning process.

307 Adoption of Mass Transit Plan

308 15. (a) Before a mass transit plan is adopted, altered, revised or amended, the Board shall transmit
309 such proposed plan, alteration, revision or amendment for comment to the following and to such other
310 agencies as the Board shall determine:

311 (1) the Mayor and Council of the District of Columbia, the Northern Virginia Transportation
312 Commission and the Washington Suburban Transit Commission;

313 (2) the governing bodies of the counties and cities embraced within the Zone;

314 (3) the transportation agencies of the Signatories;

315 (4) the Washington Metropolitan Area Transit Commission;

316 (5) the Washington Metropolitan Council of Governments;

317 (6) the National Capital Planning Commission;

318 (7) the National Capital Regional Planning Council;

319 (8) the Maryland-National Capital Park and Planning Commission;

320 (9) the Northern Virginia Regional Planning and Economic Development Commission;

321 (10) the Maryland State Planning Department; and

322 (11) the private transit companies operating in the Zone and the Labor Unions representing the
323 employees of such companies and employees of contractors providing services under operating contracts.

324 (b) A copy of the proposed mass transit plan, amendment or revision, shall be kept at the office of
325 the Board and shall be available for public inspection. Information with respect thereto shall be released
326 to the public. After thirty days' notice published once a week for two successive weeks in one or more
327 newspapers of general circulation within the Zone, a public hearing shall be held with respect to the
328 proposed plan, alteration, revision or amendment. The thirty days' notice shall begin to run on the first
329 day the notice appears in any such newspaper. The Board shall consider the evidence submitted and
330 statements and comments made at such hearing and may make any changes in the proposed plan,
331 amendment or revision which it deems appropriate and such changes may be made without further
332 hearing.

333 Article VII

334 Financing

335 Policy

336 16. With due regard for the policy of Congress for financing a mass transit plan for the Zone set
337 forth in Section 204 (g) of the National Capital Transportation Act of 1960 (74 Stat. 537), it is hereby
338 declared to be the policy of this Title that, as far as possible, the payment of all costs shall be borne by
339 the persons using or benefiting from the Authority's facilities and services and any remaining costs shall
340 be equitably shared among the federal, District of Columbia and participating local governments in the
341 Zone. The allocation among such governments of such remaining cost shall be determined by agreement
342 among them and shall be provided in the manner hereinafter specified.

343 Plan of Financing

344 17. (a) The Authority, in conformance with said policy, shall prepare and adopt a plan for financing
345 the construction, acquisition and operation of facilities specified in a mass transit plan adopted pursuant
346 to Article VI hereof, or in any alteration, revision or amendment thereof. Such plan of financing shall
347 specify the facilities to be constructed or acquired, the cost thereof, the principal amount of revenue
348 bonds, equipment trust certificates and other evidences of debt proposed to be issued, the principal terms
349 and provisions of all loans and underlying agreements and indentures, estimated operating expenses and
350 revenues and the proposed allocation among the federal, District of Columbia and participating local
351 governments of the remaining costs and deficits, if any, and such other information as the Commission
352 may consider appropriate.

353 (b) Such plan of financing shall constitute a proposal to the interested governments for financial
354 participation and shall not impose any obligation on any government and such obligations shall be
355 created only as provided in § 18 of this Article VII.

356 Commitments for Financial Participation

357 18. (a) Commitments on behalf of the portion of the Zone located in Virginia shall be by contract or
358 agreement by the Authority with the Northern Virginia Transportation District, or its component
359 governments, as authorized in the Transportation District Act of 1964 (Ch. 631, 1964 Virginia Acts of
360 Assembly), to contribute to the capital required for the construction and/or acquisition of facilities
361 specified in a mass transit plan adopted as provided in Article VI, or any alteration, revision or
362 amendment thereof, and for meeting expenses and obligations in the operation of such facilities. No
363 such contract or agreement, however, shall be entered into by the Authority with the Northern Virginia
364 Transportation District unless said District has entered into the contracts or agreements with its member
365 governments, as contemplated by § 1 (b) (4) of Article 4 of said Act, which contracts or agreements
366 expressly provide that such contracts or agreements shall inure to the benefit of the Authority and shall
367 be enforceable by the Authority in accordance with the provisions of § 2, Article 5 of said Act, and such

contracts or agreements are acceptable to the Board. The General Assembly of Virginia hereby authorizes and designates the Authority as the agency to plan for and provide transit facilities and services for the area of Virginia encompassed within the Zone within the contemplation of Article 1, § 3 (c) of said Act.

(b) Commitments on behalf of the portion of the Zone located in Maryland shall be by contract or agreement by the Authority with the Washington Suburban Transit District, pursuant to which the Authority undertakes to provide transit facilities and service in consideration for the agreement by said District to contribute to the capital required for the construction and/or acquisition of facilities specified in a mass transit plan adopted as provided in Article VI, or in any alteration, revision or amendment thereof, and for meeting expenses and obligations incurred in the operation of such facilities.

(c) With respect to the federal government, the commitment or obligation to render financial assistance shall be created by appropriation or in such other manner, or by such other legislation, as the Congress shall determine. Commitments by the District of Columbia shall be by contract or agreement between the governing body of the District of Columbia and the Authority, pursuant to which the Authority undertakes, subject to the provisions of § 20 hereof, to provide transit facilities and service in consideration for the undertaking by the District of Columbia to contribute to the capital required for the construction and/or acquisition of facilities specified in a mass transit plan adopted as provided in Article VI, or in any alteration, revision or amendment thereof, and for meeting expenses and obligations incurred in the operation of such facilities.

(d) (1) *All payments made by the local Signatory governments for the Authority for the purpose of matching federal funds appropriated in any given year as authorized under Title VI, § 601, P. L. 110-432 regarding funding of capital and preventive maintenance projects of the Authority shall be made from amounts derived from dedicated funding sources.*

(2) *For purposes of this paragraph (d), a "dedicated funding source" means any source of funding that is earmarked or required under state or local law to be used to match federal appropriations authorized under Title VI, § 601, P. L. 110-432 for payments to the Authority.*

Administrative Expenses

19. Prior to the time the Authority has receipts from appropriations and contracts or agreements as provided in § 18 of this Article VII, the expenses of the Authority for administration and for preparation of a mass transit and financing plan, including all engineering, financial, legal and other services required in connection therewith, shall, to the extent funds for such expenses are not provided through grants by the federal government, be borne by the District of Columbia, by the Washington Suburban Transit District and the component governments of the Northern Virginia Transportation District. Such expenses shall be allocated among such governments on the basis of population as reflected by the latest available population statistics of the Bureau of the Census; provided, however, that upon the request of any director the Board shall make the allocation upon estimates of population acceptable to the Board. The allocations shall be made by the Board and shall be included in the annual current expense budget prepared by the Board.

Acquisition of Facilities from Federal or Other Agencies

20. (a) The Authority is authorized to acquire by purchase, lease or grant or in any manner other than condemnation, from the federal government or any agency thereof, from the District of Columbia, Maryland or Virginia, or any political subdivision or agency thereof, any transit and related facilities, including real and personal property and all other assets, located within the Zone, whether in operation or under construction. Such acquisition shall be made upon such terms and conditions as may be agreed upon and subject to such authorization or approval by the Congress and the governing body of the District of Columbia, as may be required; provided, however, that if such acquisition imposes or may impose any further or additional obligation or liability upon the Washington Suburban Transit District, the Northern Virginia Transportation District, or any component government thereof, under any contract with the Authority, the Authority shall not make the acquisition until any such affected contract has been appropriately amended.

(b) For such purpose, the Authority is authorized to assume all liabilities and contracts relating thereto, to assume responsibility as primary obligor, endorser or guarantor on any outstanding revenue bonds, equipment trust certificates or other form of indebtedness authorized in this Act issued by such predecessor agency or agencies and, in connection therewith, to become a party to, and assume the obligations of, any indenture or loan agreement underlying or issued in connection with any outstanding securities or debts.

Temporary Borrowing

21. The Board may borrow, in anticipation of receipts, from any Signatory, the Washington Suburban Transit District, the Northern Virginia Transportation District, or any component government thereof, or from any lending institution for any purposes of this Title, including administrative expenses. Such loans shall be for a term not to exceed two years and at such rates on interest as shall be acceptable to the

429 Board. The Signatories and any such political subdivision or agency may, in its discretion, make such
430 loans from any available money.

431 Funding

432 22. The Board shall not construct or acquire any of the transit facilities specified in a mass transit
433 plan adopted pursuant to the provisions of Article VI of this Title, or in any alteration, revision or
434 amendment thereof, nor make any commitments or incur any obligations with respect thereto until funds
435 are available therefor.

436 Article VIII

437 Budget

438 Capital Budget

439 23. The Board shall annually adopt a capital budget, including all capital projects it proposes to
440 undertake or continue during the budget period, containing a statement of the estimated cost of each
441 project and the method of financing thereof.

442 Current Expense Budget

443 24. The Board shall annually adopt a current expense budget for each fiscal year. Such budget shall
444 include the Board's estimated expenditures for administration, operation, maintenance and repairs, debt
445 service requirements and payments to be made into any funds required to be maintained. The total of
446 such expenses shall be balanced by the Board's estimated revenues and receipts from all sources,
447 excluding funds included in the capital budget or otherwise earmarked for other purposes.

448 Adoption and Distribution of Budgets

449 25. (a) Following the adoption by the Board of annual capital and current expense budgets, the
450 general manager shall transmit certified copies of such budgets to the principal budget officer of the
451 federal government, the District of Columbia, the Washington Suburban Transit District and of the
452 component governments of the Northern Virginia Transportation Commission at such time and in such
453 manner as may be required under their respective budgetary procedures.

454 (b) Each budget shall indicate the amounts, if any, required from the federal government, the
455 government of the District of Columbia, the Washington Suburban Transit District and the component
456 governments of the Northern Virginia Transportation District, determined in accordance with the
457 commitments made pursuant to Article VII, § 18 of this Title, to balance each of said budgets.

458 Payment

459 26. Subject to such review and approval as may be required by their budgetary or other applicable
460 processes, the federal government, the Government of the District of Columbia, the Washington
461 Suburban Transit District and the component governments of the Northern Virginia Transportation
462 District shall include in their respective budgets next to be adopted and appropriate or otherwise provide
463 the amounts certified to each of them as set forth in the budgets.

464 Article IX

465 Revenue Bonds

466 Borrowing Power

467 27. The Authority may borrow money for any of the purposes of this Title, may issue its negotiable
468 bonds and other evidences of indebtedness in respect thereto and may mortgage or pledge its properties,
469 revenues and contracts as security therefor.

470 All such bonds and evidences of indebtedness shall be payable solely out of the properties and
471 revenues of the Authority. The bonds and other obligations of the Authority, except as may be otherwise
472 provided in the indenture under which they were issued, shall be direct and general obligations of the
473 Authority and the full faith and credit of the Authority are hereby pledged for the prompt payment of
474 the debt service thereon and for the fulfillment of all other undertakings of the Authority assumed by it
475 to or for the benefit of the holders thereof.

476 Funds and Expenses

477 28. The purposes of this Title shall include, without limitation, all costs of any project or facility or
478 any part thereof, including interest during a period of construction and for a period not to exceed two
479 years thereafter and any incidental expenses (legal, engineering, fiscal, financial, consultant and other
480 expenses) connected with issuing and disposing of the bonds; all amounts required for the creation of an
481 operating fund, construction fund, reserve fund, sinking fund, or other special fund; all other expenses
482 connected with administration, the planning, design, acquisition, construction, completion, improvement
483 or reconstruction of any facility or any part thereof; and reimbursement of advances by the Board or by
484 others for such purposes and for working capital.

485 Credit Excluded; Officers, State, Political Subdivisions and Agencies

486 29. The Board shall have no power to pledge the credit of any Signatory party, political subdivision
487 or agency thereof, or to impose any obligation for payment of the bonds upon any Signatory party,
488 political subdivision or agency thereof, but may pledge the contracts of such governments and agencies;
489 provided, however, that the bonds may be underwritten in whole or in part as to principal and interest
490 by the United States, or by any political subdivision or agency of any Signatory; provided, further, that

any bonds underwritten in whole or in part as to principal and interest by the United States shall not be issued without approval of the Secretary of the Treasury. Neither the Directors nor any person executing the bonds shall be liable personally on the bonds of the Authority or be subject to any personal liability or accountability by reason of the issuance thereof.

Funding and Refunding

30. Whenever the Board deems it expedient, it may fund and refund the bonds and other obligations of the Authority whether or not such bonds and obligations have matured. It may provide for the issuance, sale or exchange of refunding bonds for the purpose of redeeming or retiring any bonds (including the payment of any premium, duplicate interest or cash adjustment required in connection therewith) issued by the Authority or issued by any other issuing body, the proceeds of the sale of which have been applied to any facility acquired by the Authority or which are payable out of the revenues of any facility acquired by the Authority. Bonds may be issued partly to refund bonds and other obligations then outstanding, and partly for any other purpose of the Authority. All provisions of this Title applicable to the issuance of bonds are applicable to refunding bonds and to the issuance, sale or exchange thereof.

Bonds; Authorization Generally

31. Bonds and other indebtedness of the Authority shall be authorized by resolution of the Board. The validity of the authorization and issuance of any bonds by the Authority shall not be dependent upon nor affected in any way by: (i) the disposition of bond proceeds by the Board or by contract, commitment or action taken with respect to such proceeds; or (ii) the failure to complete any part of the project for which bonds are authorized to be issued. The Authority may issue bonds in one or more series and may provide for one or more consolidated bond issues, in such principal amounts and with such terms and provisions as the Board may deem necessary. The bonds may be secured by a pledge of all or any part of the property, revenues and franchises under its control. Bonds may be issued by the Authority in such amount, with such maturities and in such denominations and form or forms, whether coupon or registered, as to principal alone or as to both principal and interest, as may be determined by the Board. The Board may provide for redemption of bonds prior to maturity on such notice and at such time or times and with such redemption provisions, including premiums, as the Board may determine.

Bonds; Resolution and Indentures Generally

32. The Board may determine and enter into indentures or adopt resolutions providing for the principal amount, date or dates, maturities, interest rate, or rates, denominations, form, registration, transfer, interchange and other provisions of bonds and coupons and the terms and conditions upon which the same shall be executed, issued, secured, sold, paid, redeemed, funded and refunded. The resolution of the Board authorizing any bond or any indenture so authorized under which the bonds are issued may include all such covenants and other provisions not inconsistent with the provisions of this Title, other than any restriction on the regulatory powers vested in the Board by this Title, as the Board may deem necessary or desirable for the issue, payment, security, protection or marketing of the bonds, including without limitation covenants and other provisions as to the rates or amounts of fees, rents and other charges to be charged or made for use of the facilities; the use, pledge, custody, securing, application and disposition of such revenues, of the proceeds of the bonds, and of any other moneys or contracts of the Authority; the operation, maintenance, repair and reconstruction of the facilities and the amounts which may be expended therefor; the sale, lease or other disposition of the facilities; the insuring of the facilities and of the revenues derived therefrom; the construction or other acquisition of other facilities; the issuance of additional bonds or other indebtedness; the rights of the bondholders and of any trustee for the bondholders upon default by the Authority or otherwise; and the modification of the provisions of the indenture and of the bonds. Reference on the face of the bonds to such resolution or indenture by its date of adoption or the apparent date on the face thereof is sufficient to incorporate all of the provisions thereof and of this Title into the body of the bonds and their appurtenant coupons. Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all of the provisions of the indenture and of this Title and is bound thereby.

Maximum Maturity

33. No bond or its terms shall mature in more than fifty years from its own date and in the event any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

Tax Exemption

34. All bonds and all other evidences of debt issued by the Authority under the provisions of this Title and the interest thereon shall at all times be free and exempt from all taxation by or under authority of any Signatory parties, except for transfer, inheritance and estate taxes.

552 Interest

553 35. Bonds shall bear interest at such rate or rates as may be determined by the Board, payable
554 annually or semiannually.

555 Place of Payment

556 36. The Board may provide for the payment of the principal and interest of bonds at any place or
557 places within or without the Signatory states, and in any specified lawful coin or currency of the United
558 States of America.

559 Execution

560 37. The Board may provide for the execution and authentication of bonds by the manual,
561 lithographed or printed facsimile signature of members of the Board, and by additional authentication by
562 a trustee or fiscal agent appointed by the Board; provided, however, that one of such signatures shall be
563 manual; and provided, further, that no such additional authentication or manual signatures need be
564 required in the case of bonds guaranteed by the United States of America. If any of the members whose
565 signatures or countersignatures appear upon the bonds or coupons cease to be members before the
566 delivery of the bonds or coupons, their signatures or countersignatures are nevertheless valid and of the
567 same force and effect as if the members had remained in office until the delivery of the bonds and
568 coupons.

569 Holding Own Bonds

570 38. The Board shall have power out of any funds available therefor to purchase its bonds and may
571 hold, cancel or resell such bonds.

572 Sale

573 39. The Board may fix terms and conditions for the sale or other disposition of any authorized issue
574 of bonds. The Board may sell bonds at less than their par or face value but no issue of bonds may be
575 sold at an aggregate price below the par or face value thereof if such sale would result in a net interest
576 cost to the Authority calculated upon the entire issue so sold in excess of the applicable rate determined
577 by the Board, payable semiannually, computed with relation to the absolute maturity of the bonds
578 according to standard tables of bond values, deducting the amount of any premium to be paid on the
579 redemption of any bonds prior to maturity. All bonds issued and sold pursuant to this Title may be sold
580 in such manner, either at public or private sale, as the Board shall determine.

581 Negotiability

582 40. All bonds issued under the provisions of this Title are negotiable instruments.

583 Bonds Eligible for Investment and Deposit

584 41. Bonds issued under the provisions of this Title are hereby made securities in which all public
585 officers and public agencies of the Signatories and their political subdivisions and all banks, trust
586 companies, savings and loan associations, investment companies and others carrying on a banking
587 business, all insurance companies and insurance associations and others carrying on an insurance
588 business, all administrators, executors, guardians, trustees and other fiduciaries, and all other persons
589 may legally and properly invest funds, including capital in their control or belonging to them. Such
590 bonds are hereby made securities which may properly and legally be deposited with and received by any
591 officer of any Signatory, or of any agency or political subdivision of any Signatory, for any purpose for
592 which the deposit of bonds or other obligations of such Signatory is now or may hereafter be authorized
593 by law.

594 Validation Proceedings

595 42. Prior to the issuance of any bonds, the Board may institute a special proceeding to determine the
596 legality of proceedings to issue the bonds and their validity under the laws of any of the Signatory
597 parties. Such proceeding shall be instituted and prosecuted in rem and the final judgment rendered
598 therein shall be conclusive against all persons whomsoever and against each of the Signatory parties.

599 43. No indenture need be recorded or filed in any public office, other than the office of the Board.
600 The pledge of revenues provided in any indenture shall take effect forthwith as provided therein and
601 irrespective of the date of receipt of such revenues by the Board or the indenture trustee. Such pledge
602 shall be effective as provided in the indenture without physical delivery of the revenues to the Board or
603 to the indenture trustee.

604 Pledged Revenues

605 44. Bond redemption and interest payments shall, to the extent provided in the resolution or
606 indenture, constitute a first, direct and exclusive charge and lien on all revenues received from the use
607 and operation of the facility, and on any sinking or other funds created therefrom. All such revenues,
608 together with interest thereon, shall constitute a trust fund for the security and payment of such bonds
609 and except as and to the extent provided in the indenture with respect to the payment therefrom of
610 expenses for other purposes including administration, operation, maintenance, improvements or
611 extensions of the facilities or other purposes shall not be used or pledged for any other purpose so long
612 as such bonds, or any of them, are outstanding and unpaid.

613 Remedies

45. The holder of any bond may for the equal benefit and protection of all holders of bonds similarly situated: (1) by mandamus or other appropriate proceedings require and compel the performance of any of the duties imposed upon the Board or assumed by it, its officers, agents or employees under the provisions of any indenture, in connection with the acquisition, construction, operation, maintenance, repair, reconstruction or insurance of the facilities, or in connection with the collection, deposit, investment, application and disbursement of the revenues derived from the operation and use of the facilities, or in connection with the deposit, investment and disbursement of the proceeds received from the sale of bonds; or (2) by action or suit in a court of competent jurisdiction of any Signatory party require the Authority to account as if it were the trustee of an express trust, or enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the bonds. The enumeration of such rights and remedies does not, however, exclude the exercise or prosecution of any other rights or remedies available to the holders of bonds.

Article X

Equipment Trust Certificates

Power

46. The Board shall have power to execute agreements, leases and equipment trust certificates with respect to the purchase of facilities or equipment such as cars, trolley buses and motor buses, or other craft, in the form customarily used in such cases and appropriate to effect such purchase, and may dispose of such equipment trust certificates in such manner as it may determine to be for the best interests of the Authority. Each vehicle covered by an equipment trust certificate shall have the name of the owner and lessor plainly marked upon both sides thereof, followed by the words "Owner and Lessor".

Payments

47. All moneys required to be paid by the Authority under the provisions of such agreements, leases and equipment trust certificates shall be payable solely from the revenue to be derived from the operation of the transit system or from such grants, loans, appropriations or other revenues, as may be available to the Board under the provisions of this Title. Payment for such facilities or equipment, or rentals thereof, may be made in installments, and the deferred installments may be evidenced by equipment trust certificates as aforesaid, and title to such facilities or equipment may not vest in the Authority until the equipment trust certificates are paid.

Procedure

48. The agreement to purchase facilities or equipment by the Board may direct the vendor to sell and assign the equipment to a bank or trust company, duly authorized to transact business in any of the Signatory states, or to the Housing and Home Finance Administrator, as trustee, lessor or vendor, for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the facilities and equipment to one or more designated officers of the Board and may authorize the trustee simultaneously therewith to execute and deliver a lease of the facilities or equipment to the Board.

Agreements and Leases

49. The agreements and leases shall be duly acknowledged before some person authorized by law to take acknowledgments of deeds and in the form required for acknowledgment of deeds and such agreements, leases, and equipment trust certificates shall be authorized by resolution of the Board and shall contain such covenants, conditions and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from the revenues to be derived from the operation of the transit system and other funds.

The covenants, conditions and provisions of the agreements, leases and equipment trust certificates shall not conflict with any of the provisions of any resolution or trust agreement securing the payment of bonds or other obligations of the Authority then outstanding or conflict with or be in derogation of the rights of the holders of any such bonds or other obligations.

Law Governing

50. The equipment trust certificates issued hereunder shall be governed by Laws of the District of Columbia and for this purpose the chief place of business of the Authority shall be considered to be the District of Columbia. The filing of any documents required or permitted to be filed shall be governed by the Laws of the District of Columbia.

Article XI

Operation of Facilities

Operation by Contract or Lease

51. Any facilities and properties owned or controlled by the Authority may be operated by the Authority directly or by others pursuant to contract or lease as the Board may determine.

The Operating Contract

52. Without limitation upon the right of the Board to prescribe such additional terms and provisions as it may deem necessary and appropriate, the operating contract shall:

675 (a) specify the services and functions to be performed by the Contractor;
676 (b) provide that the Contractor shall hire, supervise and control all personnel required to perform the
677 services and functions assumed by it under the operating contract and that all such personnel shall be
678 employees of the Contractor and not of the Authority;
679 (c) require the Contractor to assume the obligations of the labor contract or contracts of any transit
680 company which may be acquired by the Authority and assume the pension obligations of any such
681 transit company;
682 (d) require the Contractor to comply in all respects with the labor policy set forth in Article XIV of
683 this Title;
684 (e) provide that no transfer of ownership of the capital stock, securities or interests in any Contractor,
685 whose principal business in the operating contract, shall be made without written approval of the Board
686 and the certificates or other instruments representing such stock, securities or interests shall contain a
687 statement of this restriction;
688 (f) provide that the Board shall have the sole authority to determine the rates or fares to be charged,
689 the routes to be operated and the service to be furnished;
690 (g) specify the obligations and liabilities which are to be assumed by the Contractor and those which
691 are to be the responsibility of the Authority;
692 (h) provide for an annual audit of the books and accounts of the Contractor by an independent
693 certified public accountant to be selected by the Board and for such other audits, examinations and
694 investigations of the books and records, procedures and affairs of the Contractor at such times and in
695 such manner as the Board shall require, the cost of such audits, examinations and investigations to be
696 borne as agreed by the parties in the operating contracts; and
697 (i) provided that no operating contract shall be entered into for a term in excess of five years;
698 provided, that any such contract may be renewed for successive terms, each of which shall not exceed
699 five years. Any such operating contract shall be subject to termination by the Board for cause only.

700 Compensation for Contractor

701 53. Compensation to the Contractor under the operating contract may, in the discretion of the Board,
702 be in the form of (1) a fee paid by the Board to the Contractor for services, (2) a payment by the
703 Contractor to the Board for the right to operate the system, or (3) such other arrangement as the Board
704 may prescribe; provided, however, that the compensation shall bear a reasonable relationship to the
705 benefits to the Authority and to the estimated costs the Authority would incur in directly performing the
706 functions and duties delegated under the operating contract; and provided, further that no such contract
707 shall create any right in the Contractor (1) to make or change any rate or fare or alter or change the
708 service specified in the contract to be provided or (2) to seek judicial relief by any form of original
709 action, review or other proceeding from any rate or fare or service prescribed by the Board. Any
710 assertion, or attempted assertion, by the Contractor of the right to make or change any rate or fare or
711 service prescribed by the Board shall constitute cause for termination of the operating contract. The
712 operating contract may provide incentives for efficient and economical management.

713 Selection of Contractor

714 54. The Board shall enter into an operating contract only after formal advertisement and negotiations
715 with all interested and qualified parties, including private transit companies rendering transit service
716 within the Zone; provided, however, that, if the Authority acquires transit facilities from any agency of
717 the federal or District of Columbia governments, in accordance with the provisions of Article VII, § 20
718 of this Title, the Authority shall assume the obligations of any operating contract which the transferor
719 agency may have entered into.

720 Article XII

721 Coordination of Private and Public Facilities

722 Declaration of Policy

723 55. It is hereby declared that the interest of the public in efficient and economical transit service and
724 in the financial well-being of the Authority and of the private transit companies requires that the public
725 and private segments of the regional transit system be operated, to the fullest extent possible, as a
726 coordinated system without unnecessary duplicating service.

727 Implementation of Policy

728 56. In order to carry out the legislative policy set forth in § 55 of this Article XII

729 (a) The Authority—

730 (1) except as herein provided, shall not, directly or through a Contractor, perform transit service by
731 bus or similar motor vehicles;

732 (2) shall, in cooperation with the private carriers and WMATC coordinate to the fullest extent
733 practicable, the schedules for service performed by its facilities with the schedules for service performed
734 by private carriers; and

735 (3) shall enter into agreements with the private carriers to establish and maintain, subject to approval
736 by WMATC, through routes and joint fares and provide for the division thereof, or, in the absence of

such agreements, establish and maintain through routes and joint fares in accordance with orders issued by WMATC directed to the private carriers when the terms and conditions for such through service and joint fares are acceptable to it.

(b) The WMATC, upon application, complaint, or upon its own motion, shall—

(1) direct private carriers to coordinate their schedules for service with the schedules for service performed by facilities owned or controlled by the Authority;

(2) direct private carriers to improve or extend any existing services or provide additional service over additional routes;

(3) authorize a private carrier, pursuant to agreement between said carrier and the Authority, to establish and maintain through routes and joint fares for transportation to be rendered with facilities owned or controlled by the Authority if, after hearing held upon reasonable notice, WMATC finds that such through routes and joint fares are required by the public interest; and

(4) in the absence of such an agreement with the Authority, direct a private carrier to establish and maintain through routes and joint fares with the Authority, if, after hearing held upon reasonable notice, WMATC finds that such through service and joint fares are required by the public interest; provided, however, that no such order, rule or regulation of WMATC shall be construed to require the Authority to establish and maintain any through route and joint fare.

(c) WMATC shall not authorize or require a private carrier to render any service, including the establishment or continuation of a joint fare for a through route service with the Authority which is based on a division thereof between the Authority and private carrier which does not provide a reasonable return to the private carrier, unless the carrier is currently earning a reasonable return on its operation as a whole in performing transportation subject to the jurisdiction of WMATC. In determining the issue of reasonable return, WMATC shall take into account any income attributable to the carrier, or to any corporation, firm or association owned in whole or in part by the carrier, from the Authority whether by way of payment for services or otherwise.

(d) If the WMATC is unable, through the exercise of its regulatory powers over the private carriers granted in subsection (b) hereof or otherwise, to bring about the requisite coordination of operations and service between the private carriers and the Authority, the Authority may in the situations specified in subsection (b) hereof, cause such transit service to be rendered by its Contractor by bus or other motor vehicle, as it shall deem necessary to effectuate the policy set forth in § 55 hereof. In any such situation, the Authority, in order to encourage private carriers to render bus service to the fullest extent practicable, may, pursuant to agreement, make reasonable subsidy payments to any private carrier.

(e) The Authority may acquire the capital stock or the transit facilities of any private transit company and may perform transit service, including service by bus or similar motor vehicle, with transit facilities so acquired, or with transit facilities acquired pursuant to Article VII, § 20. Upon acquisition of the capital stock or the transit facilities of any private transit company, the Authority shall undertake the acquisition, as soon as possible, of the capital stock or the transit facilities of each of the other private transit companies within the Zone requesting such acquisition. Lack of such request, however, shall not be construed to preclude the Authority from acquiring the capital stock or the transit facilities of any such company pursuant to § 82 of Article XVI.

Rights of Private Carriers Unaffected

57. Nothing in this title shall restrict or limit such rights and remedies, if any, that any private carrier may have against the Authority arising out of acts done or actions taken by the Authority hereunder. In the event any court of competent jurisdiction shall determine that the Authority has unlawfully infringed any rights of any private carrier or otherwise caused or permitted any private carrier to suffer legally cognizable injury, damages or harm and shall award a judgment therefor, such judgment shall constitute a lien against any and all of the assets and properties of the Authority.

Financial Assistance to Private Carriers

58. (a) The Board may accept grants from and enter into loan agreements with the Housing and Home Finance Administrator, pursuant to the provisions of the Urban Mass Transportation Act of 1964 (78 Stat. 302), or with any successor agency or under any law of similar purport, for the purpose of rendering financial assistance to private carriers.

(b) An application by the Board for any such grant or loan shall be based on and supported by a report from WMATC setting forth for each private carrier to be assisted (1) the equipment and facilities to be acquired, constructed, reconstructed, or improved, (2) the service proposed to be rendered by such equipment and facilities, (3) the improvement in service expected from such facilities and equipment, (4) how the use of such facilities and equipment will be coordinated with the transit facilities owned by the Authority, (5) the ability of the affected private carrier to repay any such loans or grants and (6) recommended terms for any such loans or grants.

(c) Any equipment or facilities acquired, constructed, reconstructed or improved with the proceeds of such grants or loans shall be owned by the Authority and may be made available to private carriers only

798 by lease or other agreement which contain provisions acceptable to the Housing and Home Finance
799 Administrator assuring that the Authority will have satisfactory continuing control over the use of such
800 facilities and equipment.

801 Article XIII

802 Jurisdiction; Rates and Service

803 Washington Metropolitan Area Transit Commission

804 59. Except as provided herein, this Title shall not affect the functions and jurisdiction of WMATC,
805 as granted by Titles I and II of this Compact, over the transportation therein specified and the persons
806 engaged therein and the Authority shall have no jurisdiction with respect thereto.

807 Public Facilities

808 60. Service performed by transit facilities owned or controlled by the Authority, and the rates and
809 fares to be charged for such service, shall be subject to the sole and exclusive jurisdiction of the Board
810 and, notwithstanding any other provision in this Compact contained, WMATC shall have no authority
811 with respect thereto, or with respect to any contractor in connection with the operation by it of transit
812 facilities owned or controlled by the Authority. The determinations of the Board with respect to such
813 matters shall not be subject to judicial review nor to the processes to any court.

814 Standards

815 61. Insofar as practicable, and consistent with the provision of adequate service at reasonable fares,
816 the rates and fares and service shall be fixed by the Board so as to result in revenues which will:

817 (a) pay the operating expenses and provide for repairs, maintenance and depreciation of the transit
818 system owned or controlled by the Authority;

819 (b) provide for payment of all principal and interest on outstanding revenue bonds and other
820 obligations and for payment of all amounts to sinking funds and other funds as may be required by the
821 terms of any indenture of loan agreement;

822 (c) provide for the purchase, lease or acquisition of rolling stock, including provisions for interest,
823 sinking funds, reserve funds, or other funds required for the payment of any obligations incurred by the
824 Authority for the acquisition of rolling stock; and

825 (d) provide funds for any purpose the Board deems necessary and desirable to carry out the purposes
826 of this title.

827 Hearings

828 62. (a) The Board shall not raise any fare or rate, nor implement a major service reduction, except
829 after holding a public hearing with respect thereto.

830 (b) Any Signatory, any political subdivision thereof, any agency of the federal government and any
831 person, firm or association served by or using the transit facilities of the Authority and any private
832 carrier may file a request with the Board for a hearing with respect to any rates or charges made by the
833 Board or any service rendered with the facilities owned or controlled by the Authority. Such request
834 shall be in writing, shall state the matter on which a hearing is requested and shall set forth clearly the
835 matters and things on which the request relies. As promptly as possible after such a request is filed, the
836 Board, or such officer or employee as it may designate, shall confer with the protestant with respect to
837 the matters complained of. After such conference, the Board, if it deems the matter meritorious and of
838 general significance, may call a hearing with respect to such request.

839 (c) The Board shall give at least fifteen days' notice for all public hearings. The notice shall be given
840 by publication in a newspaper of daily circulation throughout the Transit Zone and such notice shall be
841 published once a week for two successive weeks. The notice period shall start with the first day of
842 publication. Notices of public hearings shall be posted in accordance with regulations promulgated by
843 the Board.

844 (d) Prior to calling a hearing on any matter specified in this section, the Board shall prepare and file
845 at its main office and keep open for public inspection its report relating to the proposed action to be
846 considered at such hearing. Upon receipt by the Board of any report submitted by WMATC, in
847 connection with a matter set for hearing, pursuant to the provisions of § 63 of this Article XIII, the
848 Board shall file such report at its main office and make it available for public inspection. For hearings
849 called by the Board pursuant to paragraph (b), above, the Board also shall cause to be lodged and kept
850 open for public inspection the written request upon which the hearing is granted and all documents filed
851 in support thereof.

852 Reference of Matters to WMATC

853 63. To facilitate the attainment of the public policy objectives for operation of the publicly and
854 privately owned or controlled transit facilities as stated in Article XII, § 55, prior to the hearings
855 provided for by § 62 hereof—

856 (a) The Board shall refer to WMATC for its consideration and recommendations, any matter which
857 the Board considers may affect the operation of the publicly and privately owned or controlled transit
858 facilities as a coordinated regional transit system and any matter for which the Board has called a
859 hearing, pursuant to § 62 of this Article XIII, except that temporary or emergency changes in matters

affecting service shall not be referred; and

(b) WMATC, upon such reference of any matter to it, shall give the referred matter preference over any other matters pending before it and shall, as expeditiously as practicable, prepare and transmit its report thereon to the Board. The Board may request WMATC to reconsider any part of its report or to make any supplemental reports it deems necessary. All of such reports shall be advisory only.

(c) Any report submitted by WMATC to the Board shall consider, without limitation, the probable effect of the matter or proposal upon the operation of the publicly and privately owned or controlled transit facilities as a coordinated regional system, passenger movements, fare structures, service and the impact on the revenues of both the public and private facilities.

Article XIV

Labor Policy

Construction

64. The Board shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating, of projects, buildings and works which are undertaken by the Authority or are financially assisted by it, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in any workweek, as the case may be. A provision stating the minimum wages thus determined and the requirement that overtime be paid as above provided shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project, which contract shall be deemed to be a contract of the character specified in § 103 of the Contract Work Hours Standards Act (76 Stat. 357), as now or as may hereafter be in effect. The Secretary of Labor shall have, with respect to the administration and enforcement of the labor standards specified in this provision, the supervisory, investigatory and other authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133z-15), and § 2 of the Act of June thirteen, nineteen hundred thirty-four, as amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)). The requirements of this section shall also be applicable with respect to the employment of laborers and mechanics in the construction, alteration or repair, including painting and decorating, of the transit facilities owned or controlled by the Authority where such activities are performed by a contractor pursuant to agreement with the operator of such facilities.

Equipment and Supplies

65. Contracts for the manufacture or furnishing of materials, supplies, articles and equipment shall be subject to the provisions of the Walsh-Healey Public Contracts Act (41 U.S.C. 35 et seq.), as now or as may hereafter be in effect.

Operations

66. (a) The rights, benefits, and other employee protective conditions and remedies of § 13 (c) of the Federal Transit Act, as amended (49 U.S.C. Section 5333 (b)), as determined by the Secretary of Labor, shall apply to Washington Metropolitan Area Transit Authority employees otherwise covered by the Act. The Authority shall extend to employees whose positions are adversely affected by the expenditure of federal funds obtained by WMATA pursuant to congressional appropriations, the rights, benefits, and other employee protective conditions and remedies of section 13 (c) of the Federal Transit Act, as amended (49 U.S.C. § 5333(b)).

(b) The Authority shall deal with and enter into written contracts with employees as defined in § 152 of Title 29, United States Code, through accredited representatives of such employees or representatives of any labor organization authorized to act for such employees concerning wages, salaries, hours, working conditions, and pension or retirement provisions. Each such contract entered into after the effective date of this act shall prohibit the contracting employees from engaging in any strike or an employer from engaging in any lockout.

(c) In case of any labor dispute involving the Authority and such employees where collective bargaining does not result in agreement, either party may declare that an impasse has been reached between the parties and may, by written notification to the other party and to the Federal Mediation and Conciliation Service, request the Service to appoint a mediator for the purpose of assisting them in reconciling their differences and resolving the controversy on terms which are mutually acceptable. Within five days of the receipt of the request the Federal Mediation and Conciliation Service shall appoint a mediator in accordance with its rules and procedures for such appointment. The mediator shall meet with the parties forthwith, either jointly or separately, and shall take such steps as he or she deems appropriate to persuade the parties to resolve their differences and effect a mutually acceptable agreement. The mediator shall not, however, make findings of fact or recommend terms of settlement. Each party shall pay one-half of the expenses of such mediator. If the mediator is unable to effect

921 settlement of the controversy within fifteen days after his or her appointment, the Authority shall submit
922 such dispute to fact finding by a board composed of three persons, one appointed by the Authority, one
923 appointed by the labor organization representing the employees, and a third member to be agreed upon
924 by the labor organization and the Authority. The member agreed upon by the labor organization and the
925 Authority shall act as chairman of the board. The determination of the majority of the fact finding board
926 thus established shall be advisory as to all matters in dispute. If after a period of ten days from the date
927 of the appointment of the two persons representing the Authority and the labor organization, the third
928 person has not been selected, then either of the two persons may request the Federal Mediation and
929 Conciliation Service to furnish a list of five persons from which the third person shall be selected;
930 provided, however, that the list shall not include the name of the person who served as mediator unless
931 inclusion of his or her name is mutually agreed to by both parties. The persons appointed by the
932 Authority and the labor organization, promptly after the receipt of such list shall determine by lot the
933 order of elimination, and thereafter each shall in that order alternately eliminate one name until only one
934 name remains. The remaining person on the list shall be the third member of the fact finding board. The
935 term "labor dispute" shall be broadly construed and shall include any controversy concerning wages,
936 salaries, hours, working conditions, or benefits including health and welfare, sick leave, insurance or
937 pension or retirement provisions but not limited thereto, and including any controversy concerning any
938 differences or questions that may arise between the parties including but not limited to the making or
939 maintaining of collective bargaining agreements, the terms to be included in such agreements, and the
940 interpretation or application of such collective bargaining agreements. Each party shall pay one-half of
941 the expenses of such fact finding. Under no circumstances may the parties resort to binding arbitration
942 after the date of enactment of this act or the expiration date of any contract requiring binding arbitration,
943 whichever is later. This prohibition against binding arbitration shall not be interpreted to preclude such
944 arbitration of individual employee grievances.

945 (d) The Authority is hereby authorized and empowered to establish and maintain a system of
946 pensions and retirement benefits for such officers and employees of the Authority as may be designated
947 or described by resolution of the Authority; to fix the terms of and restrictions on admission to such
948 system and the classifications therein; to provide that persons eligible for admission in such pension
949 system shall not be eligible for admission to, or receive any benefits from, any other pension system
950 (except Social Security benefits), which is financed or funded, in whole or in part, directly or indirectly
951 by funds paid or appropriated by the Authority to such other pension system, and to provide in
952 connection with such pension system, a system of benefits payable to the beneficiaries and dependents
953 of any participant in such pension system after the death of such participant (whether accidental or
954 otherwise, whether occurring in the actual performance of duty or otherwise, or both) subject to such
955 exceptions, conditions, restrictions and classifications as may be provided by resolution of the Authority.
956 Such pension system shall be financed or funded by such means and in such manner as may be
957 determined by the Authority to be economically feasible. Unless the Authority shall otherwise determine,
958 no officer or employee of the Authority and no beneficiary or dependent of any such officer or
959 employee shall be eligible to receive any pension or retirement or other benefits both from or under any
960 such pension system and from or under any pension or retirement system established by an acquired
961 transportation system or established or provided for, by or under the provisions of any collective
962 bargaining agreement between the Authority and the representatives of its employees.

963 (e) Whenever the Authority acquires existing transit facilities from a public or privately owned utility
964 either in proceeding by eminent domain or otherwise, the Authority shall assume and observe all
965 existing labor contracts and pension obligations. When the Authority acquires an existing transportation
966 system, all employees who are necessary for the operation thereof by the Authority shall be transferred
967 to and appointed as employees of the Authority, subject to all the rights and benefits of this Title. These
968 employees shall be given seniority credit and sick leave, vacation, insurance and pension credits in
969 accordance with the records or labor agreements from the acquired transportation system. Members and
970 beneficiaries of any pension or retirement system or other benefits established by the acquired
971 transportation system shall continue to have rights, privileges, benefits, obligations and status with
972 respect to such established system. The Authority shall assume the obligations of any transportation
973 system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and
974 welfare and pension or retirement provisions for employees. It shall assume the provisions of any
975 collective bargaining agreement between such acquired transportation system and the representatives of
976 its employees. The Authority and the employees, through their representatives for collective bargaining
977 purposes, shall take whatever action may be necessary to have pension trust funds presently under the
978 joint control of the acquired transportation system and the participating employees through their
979 representative transferred to the trust fund to be established, maintained and administered jointly by the
980 Authority and the participating employees through their representatives. No employee of any acquired
981 transportation system who is transferred to a position with the Authority shall by reason of such transfer
982 be placed in any worse position with respect to workmen's compensation, pension, seniority, wages, sick

leave, vacation, health and welfare insurance or any other benefits, than he enjoyed as an employee of such acquired transportation system.

(f) The Authority shall not require any person, as a condition of employment or continuation of employment, to join any labor union or labor organization. The Authority shall not require any person, as a condition of employment or continuation of employment, to pay any dues, fees, or other charges of any kind to any labor union or labor organization.

Article XV

Relocation Assistance

Relocation Program and Payments

67. Section 7 of the Urban Mass Transportation Act of 1964, and as the same may from time to time be amended, and all regulations promulgated thereunder, are hereby made applicable to individuals, families, business concerns and nonprofit organizations displaced from real property by actions of the Authority without regard to whether financial assistance is sought by or extended to the Authority under any provision of that Act; provided, however, that in the event real property is acquired for the Authority by an agency of the federal government, or by a State or local agency or instrumentality, the Authority is authorized to reimburse the acquiring agency for relocation payments made by it.

Relocation of Public or Public Utility Facilities

68. Notwithstanding the provisions of § 67 of this Article XV, any highway or other public facility or any facilities of a public utility company which will be dislocated by reason of a project deemed necessary by the Board to effectuate the authorized purposes of this Title shall be relocated if such facilities are devoted to a public use, and the reasonable cost of relocation, if substitute facilities are necessary, shall be paid by the Board from any of its moneys.

Article XVI

General Provisions

Creation and Administration of Funds

69. (a) The Board may provide for the creation and administration of such funds as may be required. The funds shall be disbursed in accordance with rules established by the Board and all payments from any fund shall be reported to the Board. Moneys and such funds and other moneys of the Authority shall be deposited, as directed by the Board, in any branch or subsidiary of any state or national bank which has operations within the Zone, and having a total paid-in capital of at least one million dollars (\$1,000,000). The trust department of any such state or national bank may be designated as a depository to receive any securities acquired or owned by the Authority. The restriction with respect to paid-in capital may be waived for any such bank which agrees to pledge federal securities to protect the funds and securities of the Authority in such amounts and pursuant to such arrangements as may be acceptable to the Board.

(b) Any moneys of the Authority may, in the discretion of the Board and subject to any agreement or covenant between the Authority and the holders of any of its obligations limiting or restricting classes of investments, be invested in: (i) Direct obligations of or obligations guaranteed by the United States of America; (ii) Bonds, debentures, notes or other evidences of indebtedness issued by agencies of the United States of America, including but not limited to the following: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks, Federal National Mortgage Association; Student Loan Marketing Association; Government National Mortgage Association; Tennessee Valley Authority; or United States Postal Service; (iii) Securities that qualify as lawful investments and may be accepted as security for fiduciary, trust and public funds under the control of the United States or any officer or officers thereof, or securities eligible as collateral for deposits of moneys of the United States, including United States Treasury tax and loan accounts; (iv) Domestic and Eurodollar certificates of deposit; and (v) Bonds, debentures, notes or other evidences of indebtedness issued by a domestic corporation, such as a corporation organized under the laws of one of the states of the United States, provided that such obligations are nonconvertible and at the time of their purchase are rated in the highest rating categories by a nationally recognized bond rating agency.

Annual Independent Audit

70. (a) As soon as practical after the closing of the fiscal year, an audit shall be made of the financial accounts of the Authority. The audit shall be made by qualified certified public accountants selected by the Board, who shall have no personal interest direct or indirect in the financial affairs of the Authority or any of its officers or employees. The report of audit shall be prepared in accordance with generally accepted auditing principles and shall be filed with the Chairman and other officers as the Board shall direct. Copies of the report shall be distributed to each Director, to the Congress, to the Mayor and Council of the District of Columbia, to the Governors of Virginia and Maryland, to the Washington Suburban Transit Commission, to the Northern Virginia Transportation Commission and to the governing bodies of the political subdivisions located within the Zone which are parties to

1044 commitments for participation in the financing of the Authority and shall be made available for public
1045 distribution.

1046 (b) The financial transactions of the Board shall be subject to audit by the United States General
1047 Accounting Office in accordance with the principles and procedures applicable to commercial corporate
1048 transactions and under such rules and regulations as may be prescribed by the Comptroller General of
1049 the United States. The audit shall be conducted at the place or places where the accounts of the Board
1050 are kept.

1051 (c) Any Director, officer or employee who shall refuse to give all required assistance and information
1052 to the accountants selected by the Board or who shall refuse to submit to them for examination such
1053 books, documents, records, files, accounts, papers, things or property as may be requested shall, in the
1054 discretion of the Board, forfeit his office.

1055 Reports

1056 71. The Board shall make and publish an annual report on its programs, operations, and finances,
1057 which shall be distributed in the same manner provided by § 70 of this Article XVI for the report of
1058 annual audit. It may also prepare, publish and distribute such other public reports and informational
1059 materials as it may deem necessary or desirable.

1060 Insurance

1061 72. The Board may self-insure or purchase insurance and pay the premiums therefor against loss or
1062 damage to any of its properties; against liability for injury to persons or property; and against loss of
1063 revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the
1064 Board may determine, subject to the requirements of any agreement arising out of insurance of bonds or
1065 other obligations by the Authority.

1066 Contracting and Purchasing

1067 73. (a) (1) Except as provided in subsections (b), (c), and (f) of this section, and except in the case
1068 of procurement procedures otherwise expressly authorized by statute, the Authority in conducting a
1069 procurement of property, services, or construction shall:

1070 (A) obtain full and open competition through the use of competitive procedures in accordance with
1071 the requirements of this Section; and

1072 (B) use the competitive procedure or combination of competitive procedures that is best suited under
1073 the circumstances of the procurement.

1074 (2) In determining the competitive procedure appropriate under the circumstances, the Authority
1075 shall:

1076 (A) solicit sealed bids if:

1077 (i) time permits the solicitation, submission, and evaluation of sealed bids;

1078 (ii) the award will be made on the basis of price and other price-related factors;

1079 (iii) it is not necessary to conduct discussions with the responding sources about their bids; and

1080 (iv) there is a reasonable expectation of receiving more than one sealed bid; or

1081 (B) request competitive proposals if sealed bids are not appropriate under clause (A) of this
1082 paragraph.

1083 (b) The Authority may provide for the procurement of property, services, or construction covered by
1084 this Section using competitive procedures but excluding a particular source in order to establish or
1085 maintain an alternative source or sources of supply for that property, service, or construction if the
1086 Authority determines that excluding the source would increase or maintain competition and would likely
1087 result in reduced overall costs for procurement of property, services, or construction.

1088 (c) The Authority may use procedures other than competitive procedures if:

1089 (1) the property, services, or construction needed by the Authority is available from only one
1090 responsible source and no other type of property, services, or construction will satisfy the needs of the
1091 Authority; or

1092 (2) the Authority's need for the property, services, or construction is of such an unusual and
1093 compelling urgency that the Authority would be seriously injured unless the Authority limits the number
1094 of sources from which it solicits bids or proposals; or

1095 (3) the Authority determines that it is necessary in the public interest to use procedures other than
1096 competitive procedures in the particular procurement; or

1097 (4) the property or services needed can be obtained through federal or other governmental sources at
1098 reasonable prices.

1099 (d) For the purpose of applying subsection (c) (1) of this Section:

1100 (1) in the case of a contract for property, services, or construction to be awarded on the basis of
1101 acceptance of an unsolicited proposal, the property, services, or construction shall be deemed to be
1102 available from only one responsible source if the source has submitted an unsolicited proposal that
1103 demonstrates a concept:

1104 (A) that is unique and innovative or, in the case of a service, for which the source demonstrates a
1105 unique capability to provide the service; and

(B) the substance of which is not otherwise available to the Authority and does not resemble the substance of a pending competitive procurement.

(2) in the case of a follow-on contract for the continued development or production of a major system or highly specialized equipment or the continued provision of highly specialized services, the property, services, or construction may be deemed to be available from only the original source and may be procured through procedures other than competitive procedures if it is likely that award to a source other than the original source would result in:

(A) substantial duplication of cost to the Authority that is not expected to be recovered through competition; or

(B) unacceptable delays in fulfilling the Authority's needs.

(e) If the Authority uses procedures other than competitive procedures to procure property, services, or construction under subsection (c) (2) of this Section, the Authority shall request offers from as many potential sources as is practicable under the circumstances.

(f)(1) To promote efficiency and economy in contracting, the Authority may use simplified acquisition procedures for purchases of property, services and construction.

(2) For the purposes of this subsection, simplified acquisition procedures may be used for purchases for an amount that does not exceed the simplified acquisition threshold adopted by the federal government.

(3) A proposed purchase or contract for an amount above the simplified acquisition threshold may not be divided into several purchases or contracts for lesser amounts in order to use the procedures under paragraph (1) of this subsection.

(4) In using simplified acquisition procedures, the Authority shall promote competition to the maximum extent practicable.

(g) The Board shall adopt policies and procedures to implement this Section. The policies and procedures shall provide for publication of notice of procurements and other actions designed to secure competition where competitive procedures are used.

(h) The Authority in its discretion may reject any and all bids or proposals received in response to a solicitation.

Rights-of-Way

74. The Board is authorized to locate, construct and maintain any of its transit and related facilities in, upon, over, under or across any streets, highways, freeways, bridges and any other vehicular facilities, subject to the applicable laws governing such use of such facilities by public agencies. In the absence of such laws, such use of such facilities by the Board shall be subject to such reasonable conditions as the highway department or other affected agency of a Signatory party may require; provided, however, that the Board shall not construct or operate transit or related facilities upon, over, or across any parkways or park lands without the consent of, and except upon the terms and conditions required by, the agency having jurisdiction with respect to such parkways and park lands, but may construct or operate such facilities in a subway under such parkways or park lands upon such reasonable terms and conditions as may be specified by the agency having jurisdiction with respect thereto.

Compliance with Laws, Regulations and Ordinances

75. The Board shall comply with all laws, ordinances and regulations of the Signatories and political subdivisions and agencies thereof with respect to use of streets, highways and all other vehicular facilities, traffic control and regulation, zoning, signs and buildings.

Police Security

76. (a) The Authority is authorized to establish and maintain a regular police force, to be known as the Metro Transit Police, to provide protection for its patrons, personnel, and Transit facilities. The Metro Transit Police shall have the powers and duties and shall be subject to the limitations set forth in this section. It shall be composed of both uniformed and plain clothes personnel and shall be charged with the duty of enforcing the laws of the Signatories, and the laws, ordinances, and regulations of the political subdivisions thereof in the Transit Zone, and the rules and regulations of the Authority. The jurisdiction of the Metro Transit Police shall include all the Transit facilities (including bus stops) owned, controlled, or operated by the Authority, but this restriction shall not limit the power of the Metro Transit Police to make arrests in the Transit Zone for violations committed upon, to, or against such Transit facilities committed from within or outside such Transit facilities while in hot or close pursuit, or to execute traffic citations and criminal process in accordance with subsection (c) below. The members of the Metro Transit Police shall have concurrent jurisdiction in the performance of their duties with the duly constituted law-enforcement agencies of the Signatories and of the political subdivisions thereof in which any Transit facility of the Authority is located or in which the Authority operates any Transit service. On-duty Metro Transit Police officers are authorized to make arrests off of Transit facilities within the Transit Zone when immediate action is necessary to protect the health, safety, welfare or property of an individual from actual or threatened harm or from an unlawful act. Nothing

1167 contained in this section shall either relieve any Signatory or political subdivision or agency thereof
1168 from its duty to provide police, fire, and other public safety service and protection, or limit, restrict, or
1169 interfere with the jurisdiction of or the performance of duties by the existing police, fire, and other
1170 public safety agencies. For purposes of this section, "bus stop" means that area within 150 feet of a
1171 MetroBus bus stop sign, excluding the interior of any building not owned, controlled or operated by the
1172 Washington Metropolitan Area Transit Authority.

1173 (b) A member of the Metro Transit Police shall have same powers, including the power of arrest,
1174 and shall be subject to the same limitations, including regulatory limitations, in the performance of his
1175 duties as a member of the duly constituted police force of the political subdivision in which the Metro
1176 Transit Police member is engaged in the performance of his duties. A member of the Metro Transit
1177 Police is authorized to carry and use only such weapons, including handguns, as are issued by the
1178 Authority. A member of the Metro Transit Police is subject to such additional limitations in the use of
1179 weapons as are imposed on the duly constituted police force for the political subdivision in which he is
1180 engaged in the performance of his duties.

1181 (c) Members of the Metro Transit Police shall have power to execute on the Transit facilities owned,
1182 controlled, or operated by the Authority any traffic citation or any criminal process issued by any court
1183 of any Signatory or of any political subdivision of a Signatory, for any felony, misdemeanor, or other
1184 offense against the laws, ordinances, rules, or regulations specified in subsection (a). With respect to
1185 offenses committed upon, to, or against the Transit facilities owned, controlled, or operated by the
1186 Authority, the Metro Transit Police shall have power to execute criminal process within the Transit
1187 Zone.

1188 (d) Upon the apprehension or arrest of any person by a member of the Metro Transit Police pursuant
1189 to the provisions of subsection (b), the officer, as required by the law of the place of apprehension or
1190 arrest, shall either issue a summons or a citation against the person, book the person, or deliver the
1191 person to the duly constituted police or judicial officer of the Signatory or political subdivision where
1192 the apprehension or arrest is made, for disposition as required by law.

1193 (e) The Authority shall have the power to adopt rules and regulations for the safe, convenient, and
1194 orderly use of the Transit facilities owned, controlled, or operated by the Authority, including the
1195 payment and the manner of the payment of fares or charges therefor, the protection of the Transit
1196 facilities, the control of traffic and parking upon the Transit facilities, and the safety and protection of
1197 the riding public. In the event that any such rules and regulations contravene the laws, ordinances, rules,
1198 or regulations of a Signatory or any political subdivision thereof which are existing or subsequently
1199 enacted, these laws, ordinances, rules, or regulations of the Signatory or the political subdivision shall
1200 apply and the conflicting rule or regulation, or portion thereof, of the Authority shall be void within the
1201 jurisdiction of that Signatory or political subdivision. In all other respects the rules and regulations of
1202 the Authority shall be uniform throughout the Transit Zone. The rules and regulations established under
1203 this subsection shall be adopted by the Board following public hearings held in accordance with Section
1204 62 (c) and (d) of this Compact. The final regulation shall be published in a newspaper of general
1205 circulation within the Zone at least 15 days before its effective date. Any person violating any rule or
1206 regulation of the Authority shall be subject to arrest and, upon conviction by a court of competent
1207 jurisdiction, shall pay a fine of not more than two hundred fifty dollars (\$250) and costs. Criminal
1208 violations of any rule or regulation of the Authority shall be prosecuted by the Signatory or political
1209 subdivision in which the violation occurred, in the same manner by which violations of law, ordinances,
1210 rules and regulations of the Signatory or political subdivisions are prosecuted.

1211 (f) With respect to members of the Metro Transit Police, the Authority shall:

1212 (1) Establish classifications based on the nature and scope of duties, and fix and provide for their
1213 qualification, appointment, removal, tenure, term, compensation, pension, and retirement benefits;

1214 (2) Provide for their training and, for this purpose, the Authority may enter into contracts or
1215 agreements with any public or private organization engaged in police training, and this training and the
1216 qualifications of the uniformed and plain clothes personnel shall at least equal the requirements of each
1217 Signatory and of the political subdivisions therein in the Transit Zone for their personnel performing
1218 comparable duties; and

1219 (3) Prescribe distinctive uniforms to be worn.

1220 (g) The Authority shall have the power to enter into agreements with the Signatories, the political
1221 subdivisions thereof in the Transit Zone, and public safety agencies located therein, including those of
1222 the Federal Government, for the delineation of the functions and responsibilities of the Metro Transit
1223 Police and the duly constituted police, fire, and other public safety agencies, and for mutual assistance.

1224 (h) Before entering upon the duties of office, each member of the Metro Transit Police shall take or
1225 subscribe to an oath or affirmation, before a person authorized to administer oaths, faithfully to perform
1226 the duties of that office.

1227 Exemption from Regulation

1228 77. Except as otherwise provided in this Title, any Transit service rendered by Transit facilities

owned or controlled by the Authority and the Authority or any corporation, firm or association performing such transit service pursuant to an operating contract with the Authority, shall, in connection with the performance of such service, be exempt from all laws, rules, regulations and orders of the Signatories and of the United States otherwise applicable to such transit service and persons, except that laws, rules, regulations and orders relating to inspection of equipment and facilities, safety and testing shall remain in force and effect; provided, however, that the Board may promulgate regulations for the safety of the public and employees not inconsistent with the applicable laws, rules, regulations or orders of the Signatories and of the United States.

Tax Exemption

78. It is hereby declared that the creation of the Authority and the carrying out of the corporate purposes of the Authority is in all respects for the benefit of the people of the Signatory states and is for a public purpose and that the Authority and the Board will be performing an essential governmental function, including, without limitation, proprietary, governmental and other functions, in the exercise of the powers conferred by this Title. Accordingly, the Authority and the Board shall not be required to pay taxes or assessments upon any of the property acquired by it or under its jurisdiction, control, possession or supervision or upon its activities in the operation and maintenance of any Transit facilities or upon any revenues therefrom and the property and income derived therefrom shall be exempt from all federal, State, District of Columbia, municipal and local taxation. This exemption shall include, without limitation, all motor vehicle license fees, sales taxes and motor fuel taxes.

Reduced Fares

79. The District of Columbia, the Northern Virginia Transportation District, the Washington Suburban Transit District and the component governments thereof, may enter into contracts or agreements with the Authority to make equitable payments for fares lower than those established by the Authority pursuant to the provisions of Article XIII hereof for any specified class or category of riders.

Liability for Contracts and Torts

80. The Authority shall be liable for its contracts and for its torts and those of its Directors, officers, employees and agents committed in the conduct of any proprietary function, in accordance with the law of the applicable Signatory (including rules on conflict of laws), but shall not be liable for any torts occurring in the performance of a governmental function. The exclusive remedy for such breach of contracts and torts for which the Authority shall be liable, as herein provided, shall be by suit against the Authority. Nothing contained in this Title shall be construed as a waiver by the District of Columbia, Maryland, Virginia and the counties and cities within the Zone of any immunity from suit.

Jurisdiction of Courts

81. The United States District Courts shall have original jurisdiction, concurrent with the courts of Maryland, Virginia and the District of Columbia, of all actions brought by or against the Authority and to enforce subpoenas issued under this Title. Any such action initiated in a State or District of Columbia Court shall be removable to the appropriate United States District Court in the manner provided by Act of June 25, 1948, as amended (28 U.S.C. 1446).

Condemnation

82. (a) The Authority shall have the power to acquire by condemnation, whenever in its opinion it is necessary or advantageous to the Authority to do so, any real or personal property, or any interest therein, necessary or useful for the transit system authorized herein, except property owned by the United States, by a Signatory, or any political subdivision thereof, whenever such property cannot be acquired by negotiated purchase at a price satisfactory to the Authority.

(b) Proceedings for the condemnation of property in the District of Columbia shall be instituted and maintained under the Act of December 23, 1963 (77 Stat. 577-581, D.C. Code 1961, Supp. IV, Sections 1351-1368). Proceedings for the condemnation of property located elsewhere within the Zone shall be instituted and maintained, if applicable, pursuant to the provisions of the Act of August 1, 1888, as amended (25 Stat. 357, 40 U.S.C. 257) and the Act of June 25, 1948 (62 Stat. 935 and 937, 28 U.S.C. 1358 and 1403) or any other applicable act; provided, however, that if there is no applicable federal law, condemnation proceedings shall be in accordance with the provisions of the state law of the Signatory in which the property is located governing condemnation by the highway agency of such state. Whenever the words "real property," "realty," "land," "easement," "right-of-way," or words of similar meaning are used in any applicable federal or state law relating to procedure, jurisdiction and venue, they shall be deemed, for the purposes of this Title, to include any personal property authorized to be acquired hereunder.

(c) Any award or compensation for the taking of property pursuant to this Title shall be paid by the Authority, and none of the Signatory parties nor any other agency, instrumentality or political subdivision thereof shall be liable for such award or compensation.

Enlargement and Withdrawal; Duration

83. (a) When advised in writing by the Northern Virginia Transportation Commission or the

1290 Washington Suburban Transit Commission that the geographical area embraced therein has been
1291 enlarged, the Board, upon such terms and conditions as it may deem appropriate, shall by resolution
1292 enlarge the Zone to embrace the additional area.

1293 (b) The duration of this Title shall be perpetual but any Signatory thereto may withdraw therefrom
1294 upon two years' written notice to the Board.

1295 (c) The withdrawal of any Signatory shall not relieve such Signatory, any transportation district,
1296 county or city or other political subdivision thereof from any obligation to the Authority, or inuring to
1297 the benefit of the Authority, created by contract or otherwise.

1298 Amendments and Supplements

1299 84. Amendments and supplements to this Title to implement the purposes thereof may be adopted by
1300 legislative action of any of the Signatory parties concurred in by all of the others. When one Signatory
1301 adopts an amendment or supplement to an existing Section of the Compact, that amendment or
1302 supplement shall not be immediately effective, and the previously enacted provision or provisions shall
1303 remain in effect in each jurisdiction until the amendment or supplement is approved by the other
1304 Signatories and is consented to by Congress.

1305 Construction and Severability

1306 85. The provisions of this Title and of the agreements thereunder shall be severable and if any
1307 phrase, clause, sentence or provision of this Title or any such agreement is declared to be
1308 unconstitutional or the applicability thereof to any Signatory party, political subdivision or agency
1309 thereof is held invalid, the constitutionality of the remainder of this Title or any such agreement and the
1310 applicability thereof to any other Signatory party, political subdivision or agency thereof or circumstance
1311 shall not be affected thereby. It is the legislative intent that the provisions of this Title be reasonably
1312 and liberally construed.

1313 Effective Date; Execution

1314 86. This Title shall be adopted by the Signatories in the manner provided by law therefor and shall
1315 be signed and sealed in four duplicate original copies. One such copy shall be filed with the Secretary
1316 of State of each of the Signatory parties or in accordance with laws of the State in which the filing is
1317 made, and one copy shall be filed and retained in the archives of the Authority upon its organization.
1318 This Title shall become effective ninety days after the enactment of concurring legislation by or on
1319 behalf of the District of Columbia, Maryland and Virginia and consent thereto by the Congress and all
1320 other acts or actions have been taken, including the signing and execution of the Title by the Governors
1321 of Maryland and Virginia and the Mayor and Council of the District of Columbia.