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HOUSE BILL NO. 2596

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Privileges and Elections
on February 17, 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;

SENATE SUBSTITUTE

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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~~ Directors consisting of two Directors for
 120 each Signatory, *and two for the federal government commencing upon the enactment of the first*
 121 *appropriation for grants to the Authority authorized by Title VI of the Passenger Rail Investment and*

122 *Improvement Act of 2008, as amended, or any successor thereto, and ending upon the expiration of that*
 123 *authorization.* For Virginia, the Directors shall be appointed by the Northern Virginia Transportation
 124 Commission; for the District of Columbia by the Council of the District of Columbia; and for Maryland,
 125 by the Washington Suburban Transit Commission; *and for the federal government, by the Administrator*
 126 *of General Services.* For Virginia and Maryland, the Directors shall be appointed from among the
 127 members of the appointing body, except as otherwise provided herein, and shall serve for a term
 128 coincident with their term on the appointing body. *For the federal government, one of the Directors*
 129 *shall be a regular passenger and customer of the Authority.* A director may be removed or suspended
 130 from office only as provided by the law of the *Signatory jurisdiction* from which he was appointed. The
 131 appointing authorities shall also appoint an alternate for each Director, who may act only in the absence
 132 of the Director for whom he has been appointed an alternate, except that, in the case of the District of
 133 Columbia where only one Director and his alternate are present, such alternate may act on behalf of the
 134 absent Director. Each alternate shall serve at the pleasure of the appointing authority. In the event of a
 135 vacancy in the office of Director or alternate, it shall be filled in the same manner as an original
 136 appointment.

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

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

144 (c) *The federally appointed Directors and alternates may participate in Board deliberations and*
 145 *voting only during any federal fiscal year in which there is an appropriation for grants to the Authority*
 146 *in an amount of at least one hundred fifty million dollars (\$150,000,000) authorized by Title VI of the*
 147 *Passenger Rail Investment and Improvement Act of 2008, as amended. There shall cease to be federally*
 148 *appointed Directors and alternates upon the expiration of authorization for funding by the United States*
 149 *Congress for grants to the Authority in Title VI of the Passenger Rail Investment and Improvement Act*
 150 *of 2008, as amended.*

151 Compensation of Directors and Alternates

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

154 Organization and Procedure

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

160 Quorum and Actions by the Board

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

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

172 Officers

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

183 procedure and standards as the Board may determine.

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

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

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

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

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

202 Conflict of Interest

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

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

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

209 (3a.) offer money or any thing of value for or in consideration of obtaining an appointment,
210 promotion or privilege in his employment with the Authority.

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

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

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

217 Article IV

218 Pledge of Cooperation

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

221 Article V

222 General Powers

223 Enumeration

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

226 (a) Sue and be sued;

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

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

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

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

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

243 (g) Create and abolish offices, employments and positions (other than those specifically provided for
244 herein) as it deems necessary for the purposes of the Authority, and fix and provide for the qualification,

245 appointment, removal, term, tenure, compensation, pension and retirement rights of its officers and
246 employees without regard to the laws of any of the Signatories;

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

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

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

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

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

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

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

264 Article VI

265 Planning

266 Mass Transit Plan

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

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

281 Planning Process

282 14. (a) The mass transit plan, and any revisions, alterations or amendments thereof, shall be
283 coordinated, through the procedures hereinafter set forth, with

284 (1) other plans and programs affecting transportation in the Zone in order to achieve a balanced
285 system of transportation, utilizing each mode to its best advantage;

286 (2) the general plan or plans for the development of the Zone; and

287 (3) the development plans of the various political subdivisions embraced within the Zone.

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

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

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

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

306 Acts; and

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

316 Adoption of Mass Transit Plan

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

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

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

323 (3) the transportation agencies of the Signatories;

324 (4) the Washington Metropolitan Area Transit Commission;

325 (5) the Washington Metropolitan Council of Governments;

326 (6) the National Capital Planning Commission;

327 (7) the National Capital Regional Planning Council;

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

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

330 (10) the Maryland State Planning Department; and

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

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

342 Article VII

343 Financing

344 Policy

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

352 Plan of Financing

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

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

365 Commitments for Financial Participation

366 18. (a) Commitments on behalf of the portion of the Zone located in Virginia shall be by contract or
367 agreement by the Authority with the Northern Virginia Transportation District, or its component

368 governments, as authorized in the Transportation District Act of 1964 (Ch. 631, 1964 Virginia Acts of
 369 Assembly), to contribute to the capital required for the construction and/or acquisition of facilities
 370 specified in a mass transit plan adopted as provided in Article VI, or any alteration, revision or
 371 amendment thereof, and for meeting expenses and obligations in the operation of such facilities. No
 372 such contract or agreement, however, shall be entered into by the Authority with the Northern Virginia
 373 Transportation District unless said District has entered into the contracts or agreements with its member
 374 governments, as contemplated by § 1 (b) (4) of Article 4 of said Act, which contracts or agreements
 375 expressly provide that such contracts or agreements shall inure to the benefit of the Authority and shall
 376 be enforceable by the Authority in accordance with the provisions of § 2, Article 5 of said Act, and such
 377 contracts or agreements are acceptable to the Board. The General Assembly of Virginia hereby
 378 authorizes and designates the Authority as the agency to plan for and provide transit facilities and
 379 services for the area of Virginia encompassed within the Zone within the contemplation of Article 1, § 3
 380 (c) of said Act.

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

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

396 Administrative Expenses

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

408 Acquisition of Facilities from Federal or Other Agencies

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

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

426 Temporary Borrowing

427 21. The Board may borrow, in anticipation of receipts, from any Signatory, the Washington Suburban
 428 Transit District, the Northern Virginia Transportation District, or any component government thereof, or

429 from any lending institution for any purposes of this Title, including administrative expenses. Such loans
430 shall be for a term not to exceed two years and at such rates on interest as shall be acceptable to the
431 Board. The Signatories and any such political subdivision or agency may, in its discretion, make such
432 loans from any available money.

433 Funding

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

438 Article VIII

439 Budget

440 Capital Budget

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

444 Current Expense Budget

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

450 Adoption and Distribution of Budgets

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

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

460 Payment

461 26. Subject to such review and approval as may be required by their budgetary or other applicable
462 processes, the federal government, the Government of the District of Columbia, the Washington
463 Suburban Transit District and the component governments of the Northern Virginia Transportation
464 District shall include in their respective budgets next to be adopted and appropriate or otherwise provide
465 the amounts certified to each of them as set forth in the budgets. *Payments upon a commitment of a*
466 *Signatory for the purpose of matching federal funds appropriated in any given year pursuant to the*
467 *authorization in Title VI of the Passenger Rail Investment and Improvement Act of 2008, as amended, or*
468 *any successor thereto, shall be from amounts derived from sources of funding that are earmarked or*
469 *required under the law of the Signatory to be used to match federal appropriations.*

470 Article IX

471 Revenue Bonds

472 Borrowing Power

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

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

482 Funds and Expenses

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

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

492 29. The Board shall have no power to pledge the credit of any Signatory party, political subdivision
 493 or agency thereof, or to impose any obligation for payment of the bonds upon any Signatory party,
 494 political subdivision or agency thereof, but may pledge the contracts of such governments and agencies;
 495 provided, however, that the bonds may be underwritten in whole or in part as to principal and interest
 496 by the United States, or by any political subdivision or agency of any Signatory; provided, further, that
 497 any bonds underwritten in whole or in part as to principal and interest by the United States shall not be
 498 issued without approval of the Secretary of the Treasury. Neither the Directors nor any person executing
 499 the bonds shall be liable personally on the bonds of the Authority or be subject to any personal liability
 500 or accountability by reason of the issuance thereof.

501 Funding and Refunding

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

512 Bonds; Authorization Generally

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

525 Bonds; Resolution and Indentures Generally

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

548 Maximum Maturity

549 33. No bond or its terms shall mature in more than fifty years from its own date and in the event
 550 any authorized issue is divided into two or more series or divisions, the maximum maturity date herein
 551 authorized shall be calculated from the date on the face of each bond separately, irrespective of the fact

552 that different dates may be prescribed for the bonds of each separate series or division of any authorized
553 issue.

554 Tax Exemption

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

558 Interest

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

561 Place of Payment

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

565 Execution

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

575 Holding Own Bonds

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

578 Sale

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

587 Negotiability

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

589 Bonds Eligible for Investment and Deposit

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

600 Validation Proceedings

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

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

610 Pledged Revenues

611 44. Bond redemption and interest payments shall, to the extent provided in the resolution or
612 indenture, constitute a first, direct and exclusive charge and lien on all revenues received from the use
613 and operation of the facility, and on any sinking or other funds created therefrom. All such revenues,

614 together with interest thereon, shall constitute a trust fund for the security and payment of such bonds
615 and except as and to the extent provided in the indenture with respect to the payment therefrom of
616 expenses for other purposes including administration, operation, maintenance, improvements or
617 extensions of the facilities or other purposes shall not be used or pledged for any other purpose so long
618 as such bonds, or any of them, are outstanding and unpaid.

619 Remedies

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

632 Article X

633 Equipment Trust Certificates

634 Power

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

642 Payments

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

650 Procedure

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

657 Agreements and Leases

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

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

668 Law Governing

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

673 Article XI

674 Operation of Facilities

675 Operation by Contract or Lease

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

678 The Operating Contract

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

681 (a) specify the services and functions to be performed by the Contractor;

682 (b) provide that the Contractor shall hire, supervise and control all personnel required to perform the
683 services and functions assumed by it under the operating contract and that all such personnel shall be
684 employees of the Contractor and not of the Authority;

685 (c) require the Contractor to assume the obligations of the labor contract or contracts of any transit
686 company which may be acquired by the Authority and assume the pension obligations of any such
687 transit company;

688 (d) require the Contractor to comply in all respects with the labor policy set forth in Article XIV of
689 this Title;

690 (e) provide that no transfer of ownership of the capital stock, securities or interests in any Contractor,
691 whose principal business in the operating contract, shall be made without written approval of the Board
692 and the certificates or other instruments representing such stock, securities or interests shall contain a
693 statement of this restriction;

694 (f) provide that the Board shall have the sole authority to determine the rates or fares to be charged,
695 the routes to be operated and the service to be furnished;

696 (g) specify the obligations and liabilities which are to be assumed by the Contractor and those which
697 are to be the responsibility of the Authority;

698 (h) provide for an annual audit of the books and accounts of the Contractor by an independent
699 certified public accountant to be selected by the Board and for such other audits, examinations and
700 investigations of the books and records, procedures and affairs of the Contractor at such times and in
701 such manner as the Board shall require, the cost of such audits, examinations and investigations to be
702 borne as agreed by the parties in the operating contracts; and

703 (i) provided that no operating contract shall be entered into for a term in excess of five years;
704 provided, that any such contract may be renewed for successive terms, each of which shall not exceed
705 five years. Any such operating contract shall be subject to termination by the Board for cause only.

706 Compensation for Contractor

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

719 Selection of Contractor

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

726 Article XII

727 Coordination of Private and Public Facilities

728 Declaration of Policy

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

733 Implementation of Policy

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

735 (a) The Authority—

736 (1) except as herein provided, shall not, directly or through a Contractor, perform transit service by

737 bus or similar motor vehicles;

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

741 (3) shall enter into agreements with the private carriers to establish and maintain, subject to approval
742 by WMATC, through routes and joint fares and provide for the division thereof, or, in the absence of
743 such agreements, establish and maintain through routes and joint fares in accordance with orders issued
744 by WMATC directed to the private carriers when the terms and conditions for such through service and
745 joint fares are acceptable to it.

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

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

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

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

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

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

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

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

783 Rights of Private Carriers Unaffected

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

790 Financial Assistance to Private Carriers

791 58. (a) The Board may accept grants from and enter into loan agreements with the Housing and
792 Home Finance Administrator, pursuant to the provisions of the Urban Mass Transportation Act of 1964
793 (78 Stat. 302), or with any successor agency or under any law of similar purport, for the purpose of
794 rendering financial assistance to private carriers.

795 (b) An application by the Board for any such grant or loan shall be based on and supported by a
796 report from WMATC setting forth for each private carrier to be assisted (1) the equipment and facilities
797 to be acquired, constructed, reconstructed, or improved, (2) the service proposed to be rendered by such

798 equipment and facilities, (3) the improvement in service expected from such facilities and equipment, (4)
799 how the use of such facilities and equipment will be coordinated with the transit facilities owned by the
800 Authority, (5) the ability of the affected private carrier to repay any such loans or grants and (6)
801 recommended terms for any such loans or grants.

802 (c) Any equipment or facilities acquired, constructed, reconstructed or improved with the proceeds of
803 such grants or loans shall be owned by the Authority and may be made available to private carriers only
804 by lease or other agreement which contain provisions acceptable to the Housing and Home Finance
805 Administrator assuring that the Authority will have satisfactory continuing control over the use of such
806 facilities and equipment.

807 Article XIII

808 Jurisdiction; Rates and Service

809 Washington Metropolitan Area Transit Commission

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

813 Public Facilities

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

820 Standards

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

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

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

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

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

833 Hearings

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

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

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

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

858 Reference of Matters to WMATC

859 63. To facilitate the attainment of the public policy objectives for operation of the publicly and

860 privately owned or controlled transit facilities as stated in Article XII, § 55, prior to the hearings
861 provided for by § 62 hereof—

862 (a) The Board shall refer to WMATC for its consideration and recommendations, any matter which
863 the Board considers may affect the operation of the publicly and privately owned or controlled transit
864 facilities as a coordinated regional transit system and any matter for which the Board has called a
865 hearing, pursuant to § 62 of this Article XIII, except that temporary or emergency changes in matters
866 affecting service shall not be referred; and

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

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

875 Article XIV
876 Labor Policy
877 Construction

878 64. The Board shall take such action as may be necessary to insure that all laborers and mechanics
879 employed by contractors or subcontractors in the construction, alteration or repair, including painting and
880 decorating, of projects, buildings and works which are undertaken by the Authority or are financially
881 assisted by it, shall be paid wages at rates not less than those prevailing on similar construction in the
882 locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended
883 (40 U.S.C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than
884 one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight
885 hours in any workday or forty hours in any workweek, as the case may be. A provision stating the
886 minimum wages thus determined and the requirement that overtime be paid as above provided shall be
887 set out in each project advertisement for bids and in each bid proposal form and shall be made a part of
888 the contract covering the project, which contract shall be deemed to be a contract of the character
889 specified in § 103 of the Contract Work Hours Standards Act (76 Stat. 357), as now or as may hereafter
890 be in effect. The Secretary of Labor shall have, with respect to the administration and enforcement of
891 the labor standards specified in this provision, the supervisory, investigatory and other authority and
892 functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C.
893 133z-15), and § 2 of the Act of June thirteen, nineteen hundred thirty-four, as amended (48 Stat. 948, as
894 amended; 40 U.S.C. 276 (c)). The requirements of this section shall also be applicable with respect to
895 the employment of laborers and mechanics in the construction, alteration or repair, including painting
896 and decorating, of the transit facilities owned or controlled by the Authority where such activities are
897 performed by a contractor pursuant to agreement with the operator of such facilities.

898 Equipment and Supplies

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

902 Operations

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

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

916 (c) In case of any labor dispute involving the Authority and such employees where collective
917 bargaining does not result in agreement, either party may declare that an impasse has been reached
918 between the parties and may, by written notification to the other party and to the Federal Mediation and
919 Conciliation Service, request the Service to appoint a mediator for the purpose of assisting them in
920 reconciling their differences and resolving the controversy on terms which are mutually acceptable.

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

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

969 (e) Whenever the Authority acquires existing transit facilities from a public or privately owned utility
970 either in proceeding by eminent domain or otherwise, the Authority shall assume and observe all
971 existing labor contracts and pension obligations. When the Authority acquires an existing transportation
972 system, all employees who are necessary for the operation thereof by the Authority shall be transferred
973 to and appointed as employees of the Authority, subject to all the rights and benefits of this Title. These
974 employees shall be given seniority credit and sick leave, vacation, insurance and pension credits in
975 accordance with the records or labor agreements from the acquired transportation system. Members and
976 beneficiaries of any pension or retirement system or other benefits established by the acquired
977 transportation system shall continue to have rights, privileges, benefits, obligations and status with
978 respect to such established system. The Authority shall assume the obligations of any transportation
979 system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and
980 welfare and pension or retirement provisions for employees. It shall assume the provisions of any
981 collective bargaining agreement between such acquired transportation system and the representatives of
982 its employees. The Authority and the employees, through their representatives for collective bargaining

983 purposes, shall take whatever action may be necessary to have pension trust funds presently under the
984 joint control of the acquired transportation system and the participating employees through their
985 representative transferred to the trust fund to be established, maintained and administered jointly by the
986 Authority and the participating employees through their representatives. No employee of any acquired
987 transportation system who is transferred to a position with the Authority shall by reason of such transfer
988 be placed in any worse position with respect to workmen's compensation, pension, seniority, wages, sick
989 leave, vacation, health and welfare insurance or any other benefits, than he enjoyed as an employee of
990 such acquired transportation system.

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

995 Article XV
996 Relocation Assistance

997 Relocation Program and Payments

998 67. Section 7 of the Urban Mass Transportation Act of 1964, and as the same may from time to time
999 be amended, and all regulations promulgated thereunder, are hereby made applicable to individuals,
1000 families, business concerns and nonprofit organizations displaced from real property by actions of the
1001 Authority without regard to whether financial assistance is sought by or extended to the Authority under
1002 any provision of that Act; provided, however, that in the event real property is acquired for the
1003 Authority by an agency of the federal government, or by a State or local agency or instrumentality, the
1004 Authority is authorized to reimburse the acquiring agency for relocation payments made by it.

1005 Relocation of Public or Public Utility Facilities

1006 68. Notwithstanding the provisions of § 67 of this Article XV, any highway or other public facility
1007 or any facilities of a public utility company which will be dislocated by reason of a project deemed
1008 necessary by the Board to effectuate the authorized purposes of this Title shall be relocated if such
1009 facilities are devoted to a public use, and the reasonable cost of relocation, if substitute facilities are
1010 necessary, shall be paid by the Board from any of its moneys.

1011 Article XVI

1012 General Provisions

1013 Creation and Administration of Funds

1014 69. (a) The Board may provide for the creation and administration of such funds as may be required.
1015 The funds shall be disbursed in accordance with rules established by the Board and all payments from
1016 any fund shall be reported to the Board. Moneys and such funds and other moneys of the Authority
1017 shall be deposited, as directed by the Board, in any branch or subsidiary of any state or national bank
1018 which has operations within the Zone, and having a total paid-in capital of at least one million dollars
1019 (\$1,000,000). The trust department of any such state or national bank may be designated as a depository
1020 to receive any securities acquired or owned by the Authority. The restriction with respect to paid-in
1021 capital may be waived for any such bank which agrees to pledge federal securities to protect the funds
1022 and securities of the Authority in such amounts and pursuant to such arrangements as may be acceptable
1023 to the Board.

1024 (b) Any moneys of the Authority may, in the discretion of the Board and subject to any agreement
1025 or covenant between the Authority and the holders of any of its obligations limiting or restricting classes
1026 of investments, be invested in: (i) Direct obligations of or obligations guaranteed by the United States of
1027 America; (ii) Bonds, debentures, notes or other evidences of indebtedness issued by agencies of the
1028 United States of America, including but not limited to the following: Bank for Cooperatives; Federal
1029 Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States;
1030 Federal Land Banks, Federal National Mortgage Association; Student Loan Marketing Association;
1031 Government National Mortgage Association; Tennessee Valley Authority; or United States Postal
1032 Service; (iii) Securities that qualify as lawful investments and may be accepted as security for fiduciary,
1033 trust and public funds under the control of the United States or any officer or officers thereof, or
1034 securities eligible as collateral for deposits of moneys of the United States, including United States
1035 Treasury tax and loan accounts; (iv) Domestic and Eurodollar certificates of deposit; and (v) Bonds,
1036 debentures, notes or other evidences of indebtedness issued by a domestic corporation, such as a
1037 corporation organized under the laws of one of the states of the United States, provided that such
1038 obligations are nonconvertible and at the time of their purchase are rated in the highest rating categories
1039 by a nationally recognized bond rating agency.

1040 Annual Independent Audit

1041 70. (a) As soon as practical after the closing of the fiscal year, an audit shall be made of the
1042 financial accounts of the Authority. The audit shall be made by qualified certified public accountants
1043 selected by the Board, who shall have no personal interest direct or indirect in the financial affairs of

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1044 the Authority or any of its officers or employees. The report of audit shall be prepared in accordance
1045 with generally accepted auditing principles and shall be filed with the Chairman and other officers as the
1046 Board shall direct. Copies of the report shall be distributed to each Director, to the Congress, to the
1047 Mayor and Council of the District of Columbia, to the Governors of Virginia and Maryland, to the
1048 Washington Suburban Transit Commission, to the Northern Virginia Transportation Commission and to
1049 the governing bodies of the political subdivisions located within the Zone which are parties to
1050 commitments for participation in the financing of the Authority and shall be made available for public
1051 distribution.

1052 (b) The financial transactions of the Board shall be subject to audit by the United States General
1053 Accounting Office in accordance with the principles and procedures applicable to commercial corporate
1054 transactions and under such rules and regulations as may be prescribed by the Comptroller General of
1055 the United States. The audit shall be conducted at the place or places where the accounts of the Board
1056 are kept.

1057 (c) Any Director, officer or employee who shall refuse to give all required assistance and information
1058 to the accountants selected by the Board or who shall refuse to submit to them for examination such
1059 books, documents, records, files, accounts, papers, things or property as may be requested shall, in the
1060 discretion of the Board, forfeit his office.

1061 Reports

1062 71. The Board shall make and publish an annual report on its programs, operations, and finances,
1063 which shall be distributed in the same manner provided by § 70 of this Article XVI for the report of
1064 annual audit. It may also prepare, publish and distribute such other public reports and informational
1065 materials as it may deem necessary or desirable.

1066 Insurance

1067 72. The Board may self-insure or purchase insurance and pay the premiums therefor against loss or
1068 damage to any of its properties; against liability for injury to persons or property; and against loss of
1069 revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the
1070 Board may determine, subject to the requirements of any agreement arising out of insurance of bonds or
1071 other obligations by the Authority.

1072 Contracting and Purchasing

1073 73. (a) (1) Except as provided in subsections (b), (c), and (f) of this section, and except in the case
1074 of procurement procedures otherwise expressly authorized by statute, the Authority in conducting a
1075 procurement of property, services, or construction shall:

1076 (A) obtain full and open competition through the use of competitive procedures in accordance with
1077 the requirements of this Section; and

1078 (B) use the competitive procedure or combination of competitive procedures that is best suited under
1079 the circumstances of the procurement.

1080 (2) In determining the competitive procedure appropriate under the circumstances, the Authority
1081 shall:

1082 (A) solicit sealed bids if:

1083 (i) time permits the solicitation, submission, and evaluation of sealed bids;

1084 (ii) the award will be made on the basis of price and other price-related factors;

1085 (iii) it is not necessary to conduct discussions with the responding sources about their bids; and

1086 (iv) there is a reasonable expectation of receiving more than one sealed bid; or

1087 (B) request competitive proposals if sealed bids are not appropriate under clause (A) of this
1088 paragraph.

1089 (b) The Authority may provide for the procurement of property, services, or construction covered by
1090 this Section using competitive procedures but excluding a particular source in order to establish or
1091 maintain an alternative source or sources of supply for that property, service, or construction if the
1092 Authority determines that excluding the source would increase or maintain competition and would likely
1093 result in reduced overall costs for procurement of property, services, or construction.

1094 (c) The Authority may use procedures other than competitive procedures if:

1095 (1) the property, services, or construction needed by the Authority is available from only one
1096 responsible source and no other type of property, services, or construction will satisfy the needs of the
1097 Authority; or

1098 (2) the Authority's need for the property, services, or construction is of such an unusual and
1099 compelling urgency that the Authority would be seriously injured unless the Authority limits the number
1100 of sources from which it solicits bids or proposals; or

1101 (3) the Authority determines that it is necessary in the public interest to use procedures other than
1102 competitive procedures in the particular procurement; or

1103 (4) the property or services needed can be obtained through federal or other governmental sources at
1104 reasonable prices.

1105 (d) For the purpose of applying subsection (c) (1) of this Section:

1106 (1) in the case of a contract for property, services, or construction to be awarded on the basis of
1107 acceptance of an unsolicited proposal, the property, services, or construction shall be deemed to be
1108 available from only one responsible source if the source has submitted an unsolicited proposal that
1109 demonstrates a concept:

1110 (A) that is unique and innovative or, in the case of a service, for which the source demonstrates a
1111 unique capability to provide the service; and

1112 (B) the substance of which is not otherwise available to the Authority and does not resemble the
1113 substance of a pending competitive procurement.

1114 (2) in the case of a follow-on contract for the continued development or production of a major
1115 system or highly specialized equipment or the continued provision of highly specialized services, the
1116 property, services, or construction may be deemed to be available from only the original source and may
1117 be procured through procedures other than competitive procedures if it is likely that award to a source
1118 other than the original source would result in:

1119 (A) substantial duplication of cost to the Authority that is not expected to be recovered through
1120 competition; or

1121 (B) unacceptable delays in fulfilling the Authority's needs.

1122 (e) If the Authority uses procedures other than competitive procedures to procure property, services,
1123 or construction under subsection (c) (2) of this Section, the Authority shall request offers from as many
1124 potential sources as is practicable under the circumstances.

1125 (f)(1) To promote efficiency and economy in contracting, the Authority may use simplified
1126 acquisition procedures for purchases of property, services and construction.

1127 (2) For the purposes of this subsection, simplified acquisition procedures may be used for purchases
1128 for an amount that does not exceed the simplified acquisition threshold adopted by the federal
1129 government.

1130 (3) A proposed purchase or contract for an amount above the simplified acquisition threshold may
1131 not be divided into several purchases or contracts for lesser amounts in order to use the procedures
1132 under paragraph (1) of this subsection.

1133 (4) In using simplified acquisition procedures, the Authority shall promote competition to the
1134 maximum extent practicable.

1135 (g) The Board shall adopt policies and procedures to implement this Section. The policies and
1136 procedures shall provide for publication of notice of procurements and other actions designed to secure
1137 competition where competitive procedures are used.

1138 (h) The Authority in its discretion may reject any and all bids or proposals received in response to a
1139 solicitation.

1140 Rights-of-Way

1141 74. The Board is authorized to locate, construct and maintain any of its transit and related facilities
1142 in, upon, over, under or across any streets, highways, freeways, bridges and any other vehicular
1143 facilities, subject to the applicable laws governing such use of such facilities by public agencies. In the
1144 absence of such laws, such use of such facilities by the Board shall be subject to such reasonable
1145 conditions as the highway department or other affected agency of a Signatory party may require;
1146 provided, however, that the Board shall not construct or operate transit or related facilities upon, over, or
1147 across any parkways or park lands without the consent of, and except upon the terms and conditions
1148 required by, the agency having jurisdiction with respect to such parkways and park lands, but may
1149 construct or operate such facilities in a subway under such parkways or park lands upon such reasonable
1150 terms and conditions as may be specified by the agency having jurisdiction with respect thereto.

1151 Compliance with Laws, Regulations and Ordinances

1152 75. The Board shall comply with all laws, ordinances and regulations of the Signatories and political
1153 subdivisions and agencies thereof with respect to use of streets, highways and all other vehicular
1154 facilities, traffic control and regulation, zoning, signs and buildings.

1155 Police Security

1156 76. (a) The Authority is authorized to establish and maintain a regular police force, to be known as
1157 the Metro Transit Police, to provide protection for its patrons, personnel, and Transit facilities. The
1158 Metro Transit Police shall have the powers and duties and shall be subject to the limitations set forth in
1159 this section. It shall be composed of both uniformed and plain clothes personnel and shall be charged
1160 with the duty of enforcing the laws of the Signatories, and the laws, ordinances, and regulations of the
1161 political subdivisions thereof in the Transit Zone, and the rules and regulations of the Authority. The
1162 jurisdiction of the Metro Transit Police shall include all the Transit facilities (including bus stops)
1163 owned, controlled, or operated by the Authority, but this restriction shall not limit the power of the
1164 Metro Transit Police to make arrests in the Transit Zone for violations committed upon, to, or against
1165 such Transit facilities committed from within or outside such Transit facilities while in hot or close
1166 pursuit, or to execute traffic citations and criminal process in accordance with subsection (c) below. The

1167 members of the Metro Transit Police shall have concurrent jurisdiction in the performance of their duties
1168 with the duly constituted law-enforcement agencies of the Signatories and of the political subdivisions
1169 thereof in which any Transit facility of the Authority is located or in which the Authority operates any
1170 Transit service. On-duty Metro Transit Police officers are authorized to make arrests off of Transit
1171 facilities within the Transit Zone when immediate action is necessary to protect the health, safety,
1172 welfare or property of an individual from actual or threatened harm or from an unlawful act. Nothing
1173 contained in this section shall either relieve any Signatory or political subdivision or agency thereof
1174 from its duty to provide police, fire, and other public safety service and protection, or limit, restrict, or
1175 interfere with the jurisdiction of or the performance of duties by the existing police, fire, and other
1176 public safety agencies. For purposes of this section, "bus stop" means that area within 150 feet of a
1177 MetroBus bus stop sign, excluding the interior of any building not owned, controlled or operated by the
1178 Washington Metropolitan Area Transit Authority.

1179 (b) A member of the Metro Transit Police shall have same powers, including the power of arrest,
1180 and shall be subject to the same limitations, including regulatory limitations, in the performance of his
1181 duties as a member of the duly constituted police force of the political subdivision in which the Metro
1182 Transit Police member is engaged in the performance of his duties. A member of the Metro Transit
1183 Police is authorized to carry and use only such weapons, including handguns, as are issued by the
1184 Authority. A member of the Metro Transit Police is subject to such additional limitations in the use of
1185 weapons as are imposed on the duly constituted police force for the political subdivision in which he is
1186 engaged in the performance of his duties.

1187 (c) Members of the Metro Transit Police shall have power to execute on the Transit facilities owned,
1188 controlled, or operated by the Authority any traffic citation or any criminal process issued by any court
1189 of any Signatory or of any political subdivision of a Signatory, for any felony, misdemeanor, or other
1190 offense against the laws, ordinances, rules, or regulations specified in subsection (a). With respect to
1191 offenses committed upon, to, or against the Transit facilities owned, controlled, or operated by the
1192 Authority, the Metro Transit Police shall have power to execute criminal process within the Transit
1193 Zone.

1194 (d) Upon the apprehension or arrest of any person by a member of the Metro Transit Police pursuant
1195 to the provisions of subsection (b), the officer, as required by the law of the place of apprehension or
1196 arrest, shall either issue a summons or a citation against the person, book the person, or deliver the
1197 person to the duly constituted police or judicial officer of the Signatory or political subdivision where
1198 the apprehension or arrest is made, for disposition as required by law.

1199 (e) The Authority shall have the power to adopt rules and regulations for the safe, convenient, and
1200 orderly use of the Transit facilities owned, controlled, or operated by the Authority, including the
1201 payment and the manner of the payment of fares or charges therefor, the protection of the Transit
1202 facilities, the control of traffic and parking upon the Transit facilities, and the safety and protection of
1203 the riding public. In the event that any such rules and regulations contravene the laws, ordinances, rules,
1204 or regulations of a Signatory or any political subdivision thereof which are existing or subsequently
1205 enacted, these laws, ordinances, rules, or regulations of the Signatory or the political subdivision shall
1206 apply and the conflicting rule or regulation, or portion thereof, of the Authority shall be void within the
1207 jurisdiction of that Signatory or political subdivision. In all other respects the rules and regulations of
1208 the Authority shall be uniform throughout the Transit Zone. The rules and regulations established under
1209 this subsection shall be adopted by the Board following public hearings held in accordance with Section
1210 62 (c) and (d) of this Compact. The final regulation shall be published in a newspaper of general
1211 circulation within the Zone at least 15 days before its effective date. Any person violating any rule or
1212 regulation of the Authority shall be subject to arrest and, upon conviction by a court of competent
1213 jurisdiction, shall pay a fine of not more than two hundred fifty dollars (\$250) and costs. Criminal
1214 violations of any rule or regulation of the Authority shall be prosecuted by the Signatory or political
1215 subdivision in which the violation occurred, in the same manner by which violations of law, ordinances,
1216 rules and regulations of the Signatory or political subdivisions are prosecuted.

1217 (f) With respect to members of the Metro Transit Police, the Authority shall:

1218 (1) Establish classifications based on the nature and scope of duties, and fix and provide for their
1219 qualification, appointment, removal, tenure, term, compensation, pension, and retirement benefits;

1220 (2) Provide for their training and, for this purpose, the Authority may enter into contracts or
1221 agreements with any public or private organization engaged in police training, and this training and the
1222 qualifications of the uniformed and plain clothes personnel shall at least equal the requirements of each
1223 Signatory and of the political subdivisions therein in the Transit Zone for their personnel performing
1224 comparable duties; and

1225 (3) Prescribe distinctive uniforms to be worn.

1226 (g) The Authority shall have the power to enter into agreements with the Signatories, the political
1227 subdivisions thereof in the Transit Zone, and public safety agencies located therein, including those of
1228 the Federal Government, for the delineation of the functions and responsibilities of the Metro Transit

1229 Police and the duly constituted police, fire, and other public safety agencies, and for mutual assistance.
1230 (h) Before entering upon the duties of office, each member of the Metro Transit Police shall take or
1231 subscribe to an oath or affirmation, before a person authorized to administer oaths, faithfully to perform
1232 the duties of that office.

1233 Exemption from Regulation

1234 77. Except as otherwise provided in this Title, any Transit service rendered by Transit facilities
1235 owned or controlled by the Authority and the Authority or any corporation, firm or association
1236 performing such transit service pursuant to an operating contract with the Authority, shall, in connection
1237 with the performance of such service, be exempt from all laws, rules, regulations and orders of the
1238 Signatories and of the United States otherwise applicable to such transit service and persons, except that
1239 laws, rules, regulations and orders relating to inspection of equipment and facilities, safety and testing
1240 shall remain in force and effect; provided, however, that the Board may promulgate regulations for the
1241 safety of the public and employees not inconsistent with the applicable laws, rules, regulations or orders
1242 of the Signatories and of the United States.

1243 Tax Exemption

1244 78. It is hereby declared that the creation of the Authority and the carrying out of the corporate
1245 purposes of the Authority is in all respects for the benefit of the people of the Signatory states and is
1246 for a public purpose and that the Authority and the Board will be performing an essential governmental
1247 function, including, without limitation, proprietary, governmental and other functions, in the exercise of
1248 the powers conferred by this Title. Accordingly, the Authority and the Board shall not be required to
1249 pay taxes or assessments upon any of the property acquired by it or under its jurisdiction, control,
1250 possession or supervision or upon its activities in the operation and maintenance of any Transit facilities
1251 or upon any revenues therefrom and the property and income derived therefrom shall be exempt from all
1252 federal, State, District of Columbia, municipal and local taxation. This exemption shall include, without
1253 limitation, all motor vehicle license fees, sales taxes and motor fuel taxes.

1254 Reduced Fares

1255 79. The District of Columbia, the Northern Virginia Transportation District, the Washington
1256 Suburban Transit District and the component governments thereof, may enter into contracts or
1257 agreements with the Authority to make equitable payments for fares lower than those established by the
1258 Authority pursuant to the provisions of Article XIII hereof for any specified class or category of riders.

1259 Liability for Contracts and Torts

1260 80. The Authority shall be liable for its contracts and for its torts and those of its Directors, officers,
1261 employees and agents committed in the conduct of any proprietary function, in accordance with the law
1262 of the applicable Signatory (including rules on conflict of laws), but shall not be liable for any torts
1263 occurring in the performance of a governmental function. The exclusive remedy for such breach of
1264 contracts and torts for which the Authority shall be liable, as herein provided, shall be by suit against
1265 the Authority. Nothing contained in this Title shall be construed as a waiver by the District of
1266 Columbia, Maryland, Virginia and the counties and cities within the Zone of any immunity from suit.

1267 Jurisdiction of Courts

1268 81. The United States District Courts shall have original jurisdiction, concurrent with the courts of
1269 Maryland, Virginia and the District of Columbia, of all actions brought by or against the Authority and
1270 to enforce subpoenas issued under this Title. Any such action initiated in a State or District of Columbia
1271 Court shall be removable to the appropriate United States District Court in the manner provided by Act
1272 of June 25, 1948, as amended (28 U.S.C. 1446).

1273 Condemnation

1274 82. (a) The Authority shall have the power to acquire by condemnation, whenever in its opinion it is
1275 necessary or advantageous to the Authority to do so, any real or personal property, or any interest
1276 therein, necessary or useful for the transit system authorized herein, except property owned by the
1277 United States, by a Signatory, or any political subdivision thereof, whenever such property cannot be
1278 acquired by negotiated purchase at a price satisfactory to the Authority.

1279 (b) Proceedings for the condemnation of property in the District of Columbia shall be instituted and
1280 maintained under the Act of December 23, 1963 (77 Stat. 577-581, D.C. Code 1961, Supp. IV, Sections
1281 1351-1368). Proceedings for the condemnation of property located elsewhere within the Zone shall be
1282 instituted and maintained, if applicable, pursuant to the provisions of the Act of August 1, 1888, as
1283 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.
1284 1358 and 1403) or any other applicable act; provided, however, that if there is no applicable federal law,
1285 condemnation proceedings shall be in accordance with the provisions of the state law of the Signatory in
1286 which the property is located governing condemnation by the highway agency of such state. Whenever
1287 the words "real property," "realty," "land," "easement," "right-of-way," or words of similar meaning are
1288 used in any applicable federal or state law relating to procedure, jurisdiction and venue, they shall be
1289 deemed, for the purposes of this Title, to include any personal property authorized to be acquired

1290 hereunder.

1291 (c) Any award or compensation for the taking of property pursuant to this Title shall be paid by the
1292 Authority, and none of the Signatory parties nor any other agency, instrumentality or political
1293 subdivision thereof shall be liable for such award or compensation.

1294 Enlargement and Withdrawal; Duration

1295 83. (a) When advised in writing by the Northern Virginia Transportation Commission or the
1296 Washington Suburban Transit Commission that the geographical area embraced therein has been
1297 enlarged, the Board, upon such terms and conditions as it may deem appropriate, shall by resolution
1298 enlarge the Zone to embrace the additional area.

1299 (b) The duration of this Title shall be perpetual but any Signatory thereto may withdraw therefrom
1300 upon two years' written notice to the Board.

1301 (c) The withdrawal of any Signatory shall not relieve such Signatory, any transportation district,
1302 county or city or other political subdivision thereof from any obligation to the Authority, or inuring to
1303 the benefit of the Authority, created by contract or otherwise.

1304 Amendments and Supplements

1305 84. Amendments and supplements to this Title to implement the purposes thereof may be adopted by
1306 legislative action of any of the Signatory parties concurred in by all of the others. When one Signatory
1307 adopts an amendment or supplement to an existing Section of the Compact, that amendment or
1308 supplement shall not be immediately effective, and the previously enacted provision or provisions shall
1309 remain in effect in each jurisdiction until the amendment or supplement is approved by the other
1310 Signatories and is consented to by Congress.

1311 Construction and Severability

1312 85. The provisions of this Title and of the agreements thereunder shall be severable and if any
1313 phrase, clause, sentence or provision of this Title or any such agreement is declared to be
1314 unconstitutional or the applicability thereof to any Signatory party, political subdivision or agency
1315 thereof is held invalid, the constitutionality of the remainder of this Title or any such agreement and the
1316 applicability thereof to any other Signatory party, political subdivision or agency thereof or circumstance
1317 shall not be affected thereby. It is the legislative intent that the provisions of this Title be reasonably
1318 and liberally construed.

1319 Effective Date; Execution

1320 86. This Title shall be adopted by the Signatories in the manner provided by law therefor and shall
1321 be signed and sealed in four duplicate original copies. One such copy shall be filed with the Secretary
1322 of State of each of the Signatory parties or in accordance with laws of the State in which the filing is
1323 made, and one copy shall be filed and retained in the archives of the Authority upon its organization.
1324 This Title shall become effective ninety days after the enactment of concurring legislation by or on
1325 behalf of the District of Columbia, Maryland and Virginia and consent thereto by the Congress and all
1326 other acts or actions have been taken, including the signing and execution of the Title by the Governors
1327 of Maryland and Virginia and the Mayor and Council of the District of Columbia.