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HOUSE BILL NO. 1278

Offered January 20, 2016

A *BILL to amend and reenact § 33.2-3100 of the Code of Virginia, relating to composition of the Washington Metropolitan Area Transit Authority Compact of 1966.*

Patrons—Levine and LeMunyon

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That § 33.2-3100 of the Code of Virginia is amended and reenacted as follows:

§ 33.2-3100. Washington Metropolitan Area Transit Authority Compact of 1966.

§ 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;

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

Title III

Article I Definitions

Definitions

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

INTRODUCED

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

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

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

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

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

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

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

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

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

83 Article II Purpose and Functions

84 Purpose

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

93 Article III Organization and Area

94 Washington Metropolitan Area Transit Zone

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

100 Washington Metropolitan Area Transit Authority

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

105 Board Membership

106 5. (a) The Authority shall be governed by a Board of eight Directors consisting of two Directors for
107 each Signatory and two for the federal government (one of whom shall be a regular passenger and
108 customer of the bus or rail service of the Authority). For Virginia, the Directors shall be appointed by
109 the Northern Virginia Transportation Commission; for the District of Columbia by the Council of the
110 District of Columbia; for Maryland, by the Washington Suburban Transit Commission; and for the
111 federal government, by the ~~Administrator of General Services~~ *Secretary of the United States Department*
112 *of Transportation*. For Virginia and Maryland, the Directors shall be appointed from among the
113 members of the appointing body, except as otherwise provided herein, and shall serve for a term
114 coincident with their term on the appointing body. A Director for a Signatory may be removed or
115 suspended from office only as provided by the law of the Signatory from which he was appointed. The
116 nonfederal appointing authorities shall also appoint an alternate for each Director. In addition, the
117 ~~Administrator of General Services~~ *Secretary of the United States Department of Transportation* shall
118 also appoint two nonvoting members who shall serve as the alternates for the federal Directors. An
119 alternate Director may act only in the absence of the Director for whom he has been appointed an
120 alternate, except that, in the case of the District of Columbia where only one Director and his alternate

121 are present, such alternate may act on behalf of the absent Director. Each alternate, including the federal
 122 nonvoting Directors, shall serve at the pleasure of the appointing authority. In the event of a vacancy in
 123 the office of Director or alternate, it shall be filled in the same manner as an original appointment.

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

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

131 Compensation of Directors and Alternates

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

134 Organization and Procedure

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

140 Quorum and Actions by the Board

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

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

152 Officers

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

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

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

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

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

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

182 Conflict of Interest

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

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

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

189 (3a.) offer money or any thing of value for or in consideration of obtaining an appointment,
190 promotion or privilege in his employment with the Authority.

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

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

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

197 Article IV Pledge of Cooperation

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

200 Article V General Powers

201 Enumeration

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

204 (a) Sue and be sued;

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

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

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

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

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

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

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

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

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

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

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

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

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

242 Article VI Planning

243 Mass Transit Plan

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

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

258 Planning Process

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

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

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

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

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

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

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

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

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

293 Adoption of Mass Transit Plan

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

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

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

300 (3) the transportation agencies of the Signatories;

301 (4) the Washington Metropolitan Area Transit Commission;

302 (5) the Washington Metropolitan Council of Governments;

303 (6) the National Capital Planning Commission;

304 (7) the National Capital Regional Planning Council;

305 (8) the Maryland-National Capital Park and Planning Commission;
306 (9) the Northern Virginia Regional Planning and Economic Development Commission;
307 (10) the Maryland State Planning Department; and
308 (11) the private transit companies operating in the Zone and the Labor Unions representing the
309 employees of such companies and employees of contractors providing services under operating contracts.

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

319 Article VII Financing
320 Policy

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

328 Plan of Financing

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

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

341 Commitments for Financial Participation

342 18. (a) Commitments on behalf of the portion of the Zone located in Virginia shall be by contract or
343 agreement by the Authority with the Northern Virginia Transportation District, or its component
344 governments, as authorized in the Transportation District Act of 1964 (Ch. 631, 1964 Virginia Acts of
345 Assembly), to contribute to the capital required for the construction and/or acquisition of facilities
346 specified in a mass transit plan adopted as provided in Article VI, or any alteration, revision or
347 amendment thereof, and for meeting expenses and obligations in the operation of such facilities. No
348 such contract or agreement, however, shall be entered into by the Authority with the Northern Virginia
349 Transportation District unless said District has entered into the contracts or agreements with its member
350 governments, as contemplated by § 1 (b)(4) of Article 4 of said Act, which contracts or agreements
351 expressly provide that such contracts or agreements shall inure to the benefit of the Authority and shall
352 be enforceable by the Authority in accordance with the provisions of § 2, Article 5 of said Act, and such
353 contracts or agreements are acceptable to the Board. The General Assembly of Virginia hereby
354 authorizes and designates the Authority as the agency to plan for and provide transit facilities and
355 services for the area of Virginia encompassed within the Zone within the contemplation of Article 1, § 3
356 (c) of said Act.

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

363 (c) With respect to the federal government, the commitment or obligation to render financial
364 assistance shall be created by appropriation or in such other manner, or by such other legislation, as the
365 Congress shall determine. Commitments by the District of Columbia shall be by contract or agreement
366 between the governing body of the District of Columbia and the Authority, pursuant to which the

367 Authority undertakes, subject to the provisions of § 20 hereof, to provide transit facilities and service in
 368 consideration for the undertaking by the District of Columbia to contribute to the capital required for the
 369 construction and/or acquisition of facilities specified in a mass transit plan adopted as provided in
 370 Article VI, or in any alteration, revision or amendment thereof, and for meeting expenses and
 371 obligations incurred in the operation of such facilities.

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

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

379 Administrative Expenses

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

391 Acquisition of Facilities from Federal or Other Agencies

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

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

409 Temporary Borrowing

410 21. The Board may borrow, in anticipation of receipts, from any Signatory, the Washington Suburban
 411 Transit District, the Northern Virginia Transportation District, or any component government thereof, or
 412 from any lending institution for any purposes of this Title, including administrative expenses. Such loans
 413 shall be for a term not to exceed two years and at such rates on interest as shall be acceptable to the
 414 Board. The Signatories and any such political subdivision or agency may, in its discretion, make such
 415 loans from any available money.

416 Funding

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

421 Article VIII Budget

422 Capital Budget

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

426 Current Expense Budget

427 24. The Board shall annually adopt a current expense budget for each fiscal year. Such budget shall

428 include the Board's estimated expenditures for administration, operation, maintenance and repairs, debt
429 service requirements and payments to be made into any funds required to be maintained. The total of
430 such expenses shall be balanced by the Board's estimated revenues and receipts from all sources,
431 excluding funds included in the capital budget or otherwise earmarked for other purposes.

432 Adoption and Distribution of Budgets

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

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

442 Payment

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

448 Article IX Revenue Bonds

449 Borrowing Power

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

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

459 Funds and Expenses

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

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

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

478 Funding and Refunding

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

489 Bonds; Authorization Generally

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

502 Bonds; Resolution and Indentures Generally

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

525 Maximum Maturity

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

531 Tax Exemption

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

535 Interest

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

538 Place of Payment

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

542 Execution

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

551 coupons.

552 Holding Own Bonds

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

555 Sale

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

564 Negotiability

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

566 Bonds Eligible for Investment and Deposit

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

577 Validation Proceedings

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

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

587 Pledged Revenues

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

596 Remedies

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

609 Article X Equipment Trust Certificates

610 Power

611 46. The Board shall have power to execute agreements, leases and equipment trust certificates with
612 respect to the purchase of facilities or equipment such as cars, trolley buses and motor buses, or other

613 craft, in the form customarily used in such cases and appropriate to effect such purchase, and may
614 dispose of such equipment trust certificates in such manner as it may determine to be for the best
615 interests of the Authority. Each vehicle covered by an equipment trust certificate shall have the name of
616 the owner and lessor plainly marked upon both sides thereof, followed by the words "Owner and
617 Lessor".

618 Payments

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

626 Procedure

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

633 Agreements and Leases

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

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

644 Law Governing

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

649 Article XI Operation of Facilities

650 Operation by Contract or Lease

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

653 The Operating Contract

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

- 656 (a) specify the services and functions to be performed by the Contractor;
- 657 (b) provide that the Contractor shall hire, supervise and control all personnel required to perform the
658 services and functions assumed by it under the operating contract and that all such personnel shall be
659 employees of the Contractor and not of the Authority;
- 660 (c) require the Contractor to assume the obligations of the labor contract or contracts of any transit
661 company which may be acquired by the Authority and assume the pension obligations of any such
662 transit company;
- 663 (d) require the Contractor to comply in all respects with the labor policy set forth in Article XIV of
664 this Title;
- 665 (e) provide that no transfer of ownership of the capital stock, securities or interests in any Contractor,
666 whose principal business in the operating contract, shall be made without written approval of the Board
667 and the certificates or other instruments representing such stock, securities or interests shall contain a
668 statement of this restriction;
- 669 (f) provide that the Board shall have the sole authority to determine the rates or fares to be charged,
670 the routes to be operated and the service to be furnished;
- 671 (g) specify the obligations and liabilities which are to be assumed by the Contractor and those which
672 are to be the responsibility of the Authority;
- 673 (h) provide for an annual audit of the books and accounts of the Contractor by an independent

674 certified public accountant to be selected by the Board and for such other audits, examinations and
675 investigations of the books and records, procedures and affairs of the Contractor at such times and in
676 such manner as the Board shall require, the cost of such audits, examinations and investigations to be
677 borne as agreed by the parties in the operating contracts; and

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

681 Compensation for Contractor

682 53. Compensation to the Contractor under the operating contract may, in the discretion of the Board,
683 be in the form of (1) a fee paid by the Board to the Contractor for services, (2) a payment by the
684 Contractor to the Board for the right to operate the system, or (3) such other arrangement as the Board
685 may prescribe; provided, however, that the compensation shall bear a reasonable relationship to the
686 benefits to the Authority and to the estimated costs the Authority would incur in directly performing the
687 functions and duties delegated under the operating contract; and provided, further that no such contract
688 shall create any right in the Contractor (1) to make or change any rate or fare or alter or change the
689 service specified in the contract to be provided or (2) to seek judicial relief by any form of original
690 action, review or other proceeding from any rate or fare or service prescribed by the Board. Any
691 assertion, or attempted assertion, by the Contractor of the right to make or change any rate or fare or
692 service prescribed by the Board shall constitute cause for termination of the operating contract. The
693 operating contract may provide incentives for efficient and economical management.

694 Selection of Contractor

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

701 Article XII Coordination of Private and Public Facilities

702 Declaration of Policy

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

707 Implementation of Policy

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

709 (a) The Authority—

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

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

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

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

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

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

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

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

734 (c) WMATC shall not authorize or require a private carrier to render any service, including the
735 establishment or continuation of a joint fare for a through route service with the Authority which is

736 based on a division thereof between the Authority and private carrier which does not provide a
 737 reasonable return to the private carrier, unless the carrier is currently earning a reasonable return on its
 738 operation as a whole in performing transportation subject to the jurisdiction of WMATC. In determining
 739 the issue of reasonable return, WMATC shall take into account any income attributable to the carrier, or
 740 to any corporation, firm or association owned in whole or in part by the carrier, from the Authority
 741 whether by way of payment for services or otherwise.

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

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

757 Rights of Private Carriers Unaffected

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

764 Financial Assistance to Private Carriers

765 58. (a) The Board may accept grants from and enter into loan agreements with the Housing and
 766 Home Finance Administrator, pursuant to the provisions of the Urban Mass Transportation Act of 1964
 767 (78 Stat. 302), or with any successor agency or under any law of similar purport, for the purpose of
 768 rendering financial assistance to private carriers.

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

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

781 Article XIII Jurisdiction; Rates and Service

782 Washington Metropolitan Area Transit Commission

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

786 Public Facilities

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

793 Standards

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

796 (a) pay the operating expenses and provide for repairs, maintenance and depreciation of the transit

797 system owned or controlled by the Authority;

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

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

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

806 Hearings

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

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

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

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

831 Reference of Matters to WMATC

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

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

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

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

848 Article XIV Labor Policy

849 Construction

850 64. The Board shall take such action as may be necessary to insure that all laborers and mechanics
851 employed by contractors or subcontractors in the construction, alteration or repair, including painting and
852 decorating, of projects, buildings and works which are undertaken by the Authority or are financially
853 assisted by it, shall be paid wages at rates not less than those prevailing on similar construction in the
854 locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended
855 (40 U.S.C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than
856 one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight
857 hours in any workday or forty hours in any workweek, as the case may be. A provision stating the
858 minimum wages thus determined and the requirement that overtime be paid as above provided shall be

859 set out in each project advertisement for bids and in each bid proposal form and shall be made a part of
 860 the contract covering the project, which contract shall be deemed to be a contract of the character
 861 specified in § 103 of the Contract Work Hours Standards Act (76 Stat. 357), as now or as may hereafter
 862 be in effect. The Secretary of Labor shall have, with respect to the administration and enforcement of
 863 the labor standards specified in this provision, the supervisory, investigatory and other authority and
 864 functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267,5 U.S.C.
 865 133z-15), and § 2 of the Act of June thirteen, nineteen hundred thirty-four, as amended (48 Stat. 948, as
 866 amended; 40 U.S.C. 276 (c)). The requirements of this section shall also be applicable with respect to
 867 the employment of laborers and mechanics in the construction, alteration or repair, including painting
 868 and decorating, of the transit facilities owned or controlled by the Authority where such activities are
 869 performed by a contractor pursuant to agreement with the operator of such facilities.

870 Equipment and Supplies

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

874 Operations

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

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

888 (c) In case of any labor dispute involving the Authority and such employees where collective
 889 bargaining does not result in agreement, either party may declare that an impasse has been reached
 890 between the parties and may, by written notification to the other party and to the Federal Mediation and
 891 Conciliation Service, request the Service to appoint a mediator for the purpose of assisting them in
 892 reconciling their differences and resolving the controversy on terms which are mutually acceptable.
 893 Within five days of the receipt of the request the Federal Mediation and Conciliation Service shall
 894 appoint a mediator in accordance with its rules and procedures for such appointment. The mediator shall
 895 meet with the parties forthwith, either jointly or separately, and shall take such steps as he or she deems
 896 appropriate to persuade the parties to resolve their differences and effect a mutually acceptable
 897 agreement. The mediator shall not, however, make findings of fact or recommend terms of settlement.
 898 Each party shall pay one-half of the expenses of such mediator. If the mediator is unable to effect
 899 settlement of the controversy within fifteen days after his or her appointment, the Authority shall submit
 900 such dispute to fact finding by a board composed of three persons, one appointed by the Authority, one
 901 appointed by the labor organization representing the employees, and a third member to be agreed upon
 902 by the labor organization and the Authority. The member agreed upon by the labor organization and the
 903 Authority shall act as chairman of the board. The determination of the majority of the fact finding board
 904 thus established shall be advisory as to all matters in dispute. If after a period of ten days from the date
 905 of the appointment of the two persons representing the Authority and the labor organization, the third
 906 person has not been selected, then either of the two persons may request the Federal Mediation and
 907 Conciliation Service to furnish a list of five persons from which the third person shall be selected;
 908 provided, however, that the list shall not include the name of the person who served as mediator unless
 909 inclusion of his or her name is mutually agreed to by both parties. The persons appointed by the
 910 Authority and the labor organization, promptly after the receipt of such list shall determine by lot the
 911 order of elimination, and thereafter each shall in that order alternately eliminate one name until only one
 912 name remains. The remaining person on the list shall be the third member of the fact finding board. The
 913 term "labor dispute" shall be broadly construed and shall include any controversy concerning wages,
 914 salaries, hours, working conditions, or benefits including health and welfare, sick leave, insurance or
 915 pension or retirement provisions but not limited thereto, and including any controversy concerning any
 916 differences or questions that may arise between the parties including but not limited to the making or
 917 maintaining of collective bargaining agreements, the terms to be included in such agreements, and the
 918 interpretation or application of such collective bargaining agreements. Each party shall pay one-half of
 919 the expenses of such fact finding. Under no circumstances may the parties resort to binding arbitration

920 after the date of enactment of this act or the expiration date of any contract requiring binding arbitration,
921 whichever is later. This prohibition against binding arbitration shall not be interpreted to preclude such
922 arbitration of individual employee grievances.

923 (d) The Authority is hereby authorized and empowered to establish and maintain a system of
924 pensions and retirement benefits for such officers and employees of the Authority as may be designated
925 or described by resolution of the Authority; to fix the terms of and restrictions on admission to such
926 system and the classifications therein; to provide that persons eligible for admission in such pension
927 system shall not be eligible for admission to, or receive any benefits from, any other pension system
928 (except Social Security benefits), which is financed or funded, in whole or in part, directly or indirectly
929 by funds paid or appropriated by the Authority to such other pension system, and to provide in
930 connection with such pension system, a system of benefits payable to the beneficiaries and dependents
931 of any participant in such pension system after the death of such participant (whether accidental or
932 otherwise, whether occurring in the actual performance of duty or otherwise, or both) subject to such
933 exceptions, conditions, restrictions and classifications as may be provided by resolution of the Authority.
934 Such pension system shall be financed or funded by such means and in such manner as may be
935 determined by the Authority to be economically feasible. Unless the Authority shall otherwise determine,
936 no officer or employee of the Authority and no beneficiary or dependent of any such officer or
937 employee shall be eligible to receive any pension or retirement or other benefits both from or under any
938 such pension system and from or under any pension or retirement system established by an acquired
939 transportation system or established or provided for, by or under the provisions of any collective
940 bargaining agreement between the Authority and the representatives of its employees.

941 (e) Whenever the Authority acquires existing transit facilities from a public or privately owned utility
942 either in proceeding by eminent domain or otherwise, the Authority shall assume and observe all
943 existing labor contracts and pension obligations. When the Authority acquires an existing transportation
944 system, all employees who are necessary for the operation thereof by the Authority shall be transferred
945 to and appointed as employees of the Authority, subject to all the rights and benefits of this Title. These
946 employees shall be given seniority credit and sick leave, vacation, insurance and pension credits in
947 accordance with the records or labor agreements from the acquired transportation system. Members and
948 beneficiaries of any pension or retirement system or other benefits established by the acquired
949 transportation system shall continue to have rights, privileges, benefits, obligations and status with
950 respect to such established system. The Authority shall assume the obligations of any transportation
951 system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and
952 welfare and pension or retirement provisions for employees. It shall assume the provisions of any
953 collective bargaining agreement between such acquired transportation system and the representatives of
954 its employees. The Authority and the employees, through their representatives for collective bargaining
955 purposes, shall take whatever action may be necessary to have pension trust funds presently under the
956 joint control of the acquired transportation system and the participating employees through their
957 representative transferred to the trust fund to be established, maintained and administered jointly by the
958 Authority and the participating employees through their representatives. No employee of any acquired
959 transportation system who is transferred to a position with the Authority shall by reason of such transfer
960 be placed in any worse position with respect to workmen's compensation, pension, seniority, wages, sick
961 leave, vacation, health and welfare insurance or any other benefits, than he enjoyed as an employee of
962 such acquired transportation system.

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

967 Article XV Relocation Assistance
968 Relocation Program and Payments

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

976 Relocation of Public or Public Utility Facilities

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

982 Article XVI General Provisions

983 Creation and Administration of Funds

984 69. (a) The Board may provide for the creation and administration of such funds as may be required.
 985 The funds shall be disbursed in accordance with rules established by the Board and all payments from
 986 any fund shall be reported to the Board. Moneys and such funds and other moneys of the Authority
 987 shall be deposited, as directed by the Board, in any branch or subsidiary of any state or national bank
 988 which has operations within the Zone, and having a total paid-in capital of at least one million dollars
 989 (\$1,000,000). The trust department of any such state or national bank may be designated as a depository
 990 to receive any securities acquired or owned by the Authority. The restriction with respect to paid-in
 991 capital may be waived for any such bank which agrees to pledge federal securities to protect the funds
 992 and securities of the Authority in such amounts and pursuant to such arrangements as may be acceptable
 993 to the Board.

994 (b) Any moneys of the Authority may, in the discretion of the Board and subject to any agreement
 995 or covenant between the Authority and the holders of any of its obligations limiting or restricting classes
 996 of investments, be invested in: (i) Direct obligations of or obligations guaranteed by the United States of
 997 America; (ii) Bonds, debentures, notes or other evidences of indebtedness issued by agencies of the
 998 United States of America, including but not limited to the following: Bank for Cooperatives; Federal
 999 Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States;
 1000 Federal Land Banks, Federal National Mortgage Association; Student Loan Marketing Association;
 1001 Government National Mortgage Association; Tennessee Valley Authority; or United States Postal
 1002 Service; (iii) Securities that qualify as lawful investments and may be accepted as security for fiduciary,
 1003 trust and public funds under the control of the United States or any officer or officers thereof, or
 1004 securities eligible as collateral for deposits of moneys of the United States, including United States
 1005 Treasury tax and loan accounts; (iv) Domestic and Eurodollar certificates of deposit; and (v) Bonds,
 1006 debentures, notes or other evidences of indebtedness issued by a domestic corporation, such as a
 1007 corporation organized under the laws of one of the states of the United States, provided that such
 1008 obligations are nonconvertible and at the time of their purchase are rated in the highest rating categories
 1009 by a nationally recognized bond rating agency.

1010 Annual Independent Audit

1011 70. (a) As soon as practical after the closing of the fiscal year, an audit shall be made of the
 1012 financial accounts of the Authority. The audit shall be made by qualified certified public accountants
 1013 selected by the Board, who shall have no personal interest direct or indirect in the financial affairs of
 1014 the Authority or any of its officers or employees. The report of audit shall be prepared in accordance
 1015 with generally accepted auditing principles and shall be filed with the Chairman and other officers as the
 1016 Board shall direct. Copies of the report shall be distributed to each Director, to the Congress, to the
 1017 Mayor and Council of the District of Columbia, to the Governors of Virginia and Maryland, to the
 1018 Washington Suburban Transit Commission, to the Northern Virginia Transportation Commission and to
 1019 the governing bodies of the political subdivisions located within the Zone which are parties to
 1020 commitments for participation in the financing of the Authority and shall be made available for public
 1021 distribution.

1022 (b) The financial transactions of the Board shall be subject to audit by the United States General
 1023 Accounting Office in accordance with the principles and procedures applicable to commercial corporate
 1024 transactions and under such rules and regulations as may be prescribed by the Comptroller General of
 1025 the United States. The audit shall be conducted at the place or places where the accounts of the Board
 1026 are kept.

1027 (c) Any Director, officer or employee who shall refuse to give all required assistance and information
 1028 to the accountants selected by the Board or who shall refuse to submit to them for examination such
 1029 books, documents, records, files, accounts, papers, things or property as may be requested shall, in the
 1030 discretion of the Board, forfeit his office.

1031 Reports

1032 71. The Board shall make and publish an annual report on its programs, operations, and finances,
 1033 which shall be distributed in the same manner provided by § 70 of this Article XVI for the report of
 1034 annual audit. It may also prepare, publish and distribute such other public reports and informational
 1035 materials as it may deem necessary or desirable.

1036 Insurance

1037 72. The Board may self-insure or purchase insurance and pay the premiums therefor against loss or
 1038 damage to any of its properties; against liability for injury to persons or property; and against loss of
 1039 revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the
 1040 Board may determine, subject to the requirements of any agreement arising out of insurance of bonds or
 1041 other obligations by the Authority.

1042 Contracting and Purchasing

1043 73. (a) (1) Except as provided in subsections (b), (c), and (f) of this section, and except in the case
1044 of procurement procedures otherwise expressly authorized by statute, the Authority in conducting a
1045 procurement of property, services, or construction shall:

1046 (A) obtain full and open competition through the use of competitive procedures in accordance with
1047 the requirements of this Section; and

1048 (B) use the competitive procedure or combination of competitive procedures that is best suited under
1049 the circumstances of the procurement.

1050 (2) In determining the competitive procedure appropriate under the circumstances, the Authority
1051 shall:

1052 (A) solicit sealed bids if:

1053 (i) time permits the solicitation, submission, and evaluation of sealed bids;

1054 (ii) the award will be made on the basis of price and other price-related factors;

1055 (iii) it is not necessary to conduct discussions with the responding sources about their bids; and

1056 (iv) there is a reasonable expectation of receiving more than one sealed bid; or

1057 (B) request competitive proposals if sealed bids are not appropriate under clause (A) of this
1058 paragraph.

1059 (b) The Authority may provide for the procurement of property, services, or construction covered by
1060 this Section using competitive procedures but excluding a particular source in order to establish or
1061 maintain an alternative source or sources of supply for that property, service, or construction if the
1062 Authority determines that excluding the source would increase or maintain competition and would likely
1063 result in reduced overall costs for procurement of property, services, or construction.

1064 (c) The Authority may use procedures other than competitive procedures if:

1065 (1) the property, services, or construction needed by the Authority is available from only one
1066 responsible source and no other type of property, services, or construction will satisfy the needs of the
1067 Authority; or

1068 (2) the Authority's need for the property, services, or construction is of such an unusual and
1069 compelling urgency that the Authority would be seriously injured unless the Authority limits the number
1070 of sources from which it solicits bids or proposals; or

1071 (3) the Authority determines that it is necessary in the public interest to use procedures other than
1072 competitive procedures in the particular procurement; or

1073 (4) the property or services needed can be obtained through federal or other governmental sources at
1074 reasonable prices.

1075 (d) For the purpose of applying subsection (c)(1) of this Section:

1076 (1) in the case of a contract for property, services, or construction to be awarded on the basis of
1077 acceptance of an unsolicited proposal, the property, services, or construction shall be deemed to be
1078 available from only one responsible source if the source has submitted an unsolicited proposal that
1079 demonstrates a concept:

1080 (A) that is unique and innovative or, in the case of a service, for which the source demonstrates a
1081 unique capability to provide the service; and

1082 (B) the substance of which is not otherwise available to the Authority and does not resemble the
1083 substance of a pending competitive procurement.

1084 (2) in the case of a follow-on contract for the continued development or production of a major
1085 system or highly specialized equipment or the continued provision of highly specialized services, the
1086 property, services, or construction may be deemed to be available from only the original source and may
1087 be procured through procedures other than competitive procedures if it is likely that award to a source
1088 other than the original source would result in:

1089 (A) substantial duplication of cost to the Authority that is not expected to be recovered through
1090 competition; or

1091 (B) unacceptable delays in fulfilling the Authority's needs.

1092 (e) If the Authority uses procedures other than competitive procedures to procure property, services,
1093 or construction under subsection (c)(2) of this Section, the Authority shall request offers from as many
1094 potential sources as is practicable under the circumstances.

1095 (f)(1) To promote efficiency and economy in contracting, the Authority may use simplified
1096 acquisition procedures for purchases of property, services and construction.

1097 (2) For the purposes of this subsection, simplified acquisition procedures may be used for purchases
1098 for an amount that does not exceed the simplified acquisition threshold adopted by the federal
1099 government.

1100 (3) A proposed purchase or contract for an amount above the simplified acquisition threshold may
1101 not be divided into several purchases or contracts for lesser amounts in order to use the procedures
1102 under paragraph (1) of this subsection.

1103 (4) In using simplified acquisition procedures, the Authority shall promote competition to the
1104 maximum extent practicable.

1105 (g) The Board shall adopt policies and procedures to implement this Section. The policies and
1106 procedures shall provide for publication of notice of procurements and other actions designed to secure
1107 competition where competitive procedures are used.

1108 (h) The Authority in its discretion may reject any and all bids or proposals received in response to a
1109 solicitation.

1110 Rights-of-Way

1111 74. The Board is authorized to locate, construct and maintain any of its transit and related facilities
1112 in, upon, over, under or across any streets, highways, freeways, bridges and any other vehicular
1113 facilities, subject to the applicable laws governing such use of such facilities by public agencies. In the
1114 absence of such laws, such use of such facilities by the Board shall be subject to such reasonable
1115 conditions as the highway department or other affected agency of a Signatory party may require;
1116 provided, however, that the Board shall not construct or operate transit or related facilities upon, over, or
1117 across any parkways or park lands without the consent of, and except upon the terms and conditions
1118 required by, the agency having jurisdiction with respect to such parkways and park lands, but may
1119 construct or operate such facilities in a subway under such parkways or park lands upon such reasonable
1120 terms and conditions as may be specified by the agency having jurisdiction with respect thereto.

1121 Compliance with Laws, Regulations and Ordinances

1122 75. The Board shall comply with all laws, ordinances and regulations of the Signatories and political
1123 subdivisions and agencies thereof with respect to use of streets, highways and all other vehicular
1124 facilities, traffic control and regulation, zoning, signs and buildings.

1125 Police Security

1126 76. (a) The Authority is authorized to establish and maintain a regular police force, to be known as
1127 the Metro Transit Police, to provide protection for its patrons, personnel, and Transit facilities. The
1128 Metro Transit Police shall have the powers and duties and shall be subject to the limitations set forth in
1129 this section. It shall be composed of both uniformed and plain clothes personnel and shall be charged
1130 with the duty of enforcing the laws of the Signatories, and the laws, ordinances, and regulations of the
1131 political subdivisions thereof in the Transit Zone, and the rules and regulations of the Authority. The
1132 jurisdiction of the Metro Transit Police shall include all the Transit facilities (including bus stops)
1133 owned, controlled, or operated by the Authority, but this restriction shall not limit the power of the
1134 Metro Transit Police to make arrests in the Transit Zone for violations committed upon, to, or against
1135 such Transit facilities committed from within or outside such Transit facilities while in hot or close
1136 pursuit, or to execute traffic citations and criminal process in accordance with subsection (c) below. The
1137 members of the Metro Transit Police shall have concurrent jurisdiction in the performance of their duties
1138 with the duly constituted law-enforcement agencies of the Signatories and of the political subdivisions
1139 thereof in which any Transit facility of the Authority is located or in which the Authority operates any
1140 Transit service. On-duty Metro Transit Police officers are authorized to make arrests off of Transit
1141 facilities within the Transit Zone when immediate action is necessary to protect the health, safety,
1142 welfare or property of an individual from actual or threatened harm or from an unlawful act. Nothing
1143 contained in this section shall either relieve any Signatory or political subdivision or agency thereof
1144 from its duty to provide police, fire, and other public safety service and protection, or limit, restrict, or
1145 interfere with the jurisdiction of or the performance of duties by the existing police, fire, and other
1146 public safety agencies. For purposes of this section, "bus stop" means that area within 150 feet of a
1147 MetroBus bus stop sign, excluding the interior of any building not owned, controlled or operated by the
1148 Washington Metropolitan Area Transit Authority.

1149 (b) A member of the Metro Transit Police shall have same powers, including the power of arrest,
1150 and shall be subject to the same limitations, including regulatory limitations, in the performance of his
1151 duties as a member of the duly constituted police force of the political subdivision in which the Metro
1152 Transit Police member is engaged in the performance of his duties. A member of the Metro Transit
1153 Police is authorized to carry and use only such weapons, including handguns, as are issued by the
1154 Authority. A member of the Metro Transit Police is subject to such additional limitations in the use of
1155 weapons as are imposed on the duly constituted police force for the political subdivision in which he is
1156 engaged in the performance of his duties.

1157 (c) Members of the Metro Transit Police shall have power to execute on the Transit facilities owned,
1158 controlled, or operated by the Authority any traffic citation or any criminal process issued by any court
1159 of any Signatory or of any political subdivision of a Signatory, for any felony, misdemeanor, or other
1160 offense against the laws, ordinances, rules, or regulations specified in subsection (a). With respect to
1161 offenses committed upon, to, or against the Transit facilities owned, controlled, or operated by the
1162 Authority, the Metro Transit Police shall have power to execute criminal process within the Transit
1163 Zone.

1164 (d) Upon the apprehension or arrest of any person by a member of the Metro Transit Police pursuant
1165 to the provisions of subsection (b), the officer, as required by the law of the place of apprehension or

1166 arrest, shall either issue a summons or a citation against the person, book the person, or deliver the
1167 person to the duly constituted police or judicial officer of the Signatory or political subdivision where
1168 the apprehension or arrest is made, for disposition as required by law.

1169 (e) The Authority shall have the power to adopt rules and regulations for the safe, convenient, and
1170 orderly use of the Transit facilities owned, controlled, or operated by the Authority, including the
1171 payment and the manner of the payment of fares or charges therefor, the protection of the Transit
1172 facilities, the control of traffic and parking upon the Transit facilities, and the safety and protection of
1173 the riding public. In the event that any such rules and regulations contravene the laws, ordinances, rules,
1174 or regulations of a Signatory or any political subdivision thereof which are existing or subsequently
1175 enacted, these laws, ordinances, rules, or regulations of the Signatory or the political subdivision shall
1176 apply and the conflicting rule or regulation, or portion thereof, of the Authority shall be void within the
1177 jurisdiction of that Signatory or political subdivision. In all other respects the rules and regulations of
1178 the Authority shall be uniform throughout the Transit Zone. The rules and regulations established under
1179 this subsection shall be adopted by the Board following public hearings held in accordance with Section
1180 62 (c) and (d) of this Compact. The final regulation shall be published in a newspaper of general
1181 circulation within the Zone at least 15 days before its effective date. Any person violating any rule or
1182 regulation of the Authority shall be subject to arrest and, upon conviction by a court of competent
1183 jurisdiction, shall pay a fine of not more than two hundred fifty dollars (\$250) and costs. Criminal
1184 violations of any rule or regulation of the Authority shall be prosecuted by the Signatory or political
1185 subdivision in which the violation occurred, in the same manner by which violations of law, ordinances,
1186 rules and regulations of the Signatory or political subdivisions are prosecuted.

1187 (f) With respect to members of the Metro Transit Police, the Authority shall:

1188 (1) Establish classifications based on the nature and scope of duties, and fix and provide for their
1189 qualification, appointment, removal, tenure, term, compensation, pension, and retirement benefits;

1190 (2) Provide for their training and, for this purpose, the Authority may enter into contracts or
1191 agreements with any public or private organization engaged in police training, and this training and the
1192 qualifications of the uniformed and plain clothes personnel shall at least equal the requirements of each
1193 Signatory and of the political subdivisions therein in the Transit Zone for their personnel performing
1194 comparable duties; and

1195 (3) Prescribe distinctive uniforms to be worn.

1196 (g) The Authority shall have the power to enter into agreements with the Signatories, the political
1197 subdivisions thereof in the Transit Zone, and public safety agencies located therein, including those of
1198 the Federal Government, for the delineation of the functions and responsibilities of the Metro Transit
1199 Police and the duly constituted police, fire, and other public safety agencies, and for mutual assistance.

1200 (h) Before entering upon the duties of office, each member of the Metro Transit Police shall take or
1201 subscribe to an oath or affirmation, before a person authorized to administer oaths, faithfully to perform
1202 the duties of that office.

1203 Exemption from Regulation

1204 77. Except as otherwise provided in this Title, any Transit service rendered by Transit facilities
1205 owned or controlled by the Authority and the Authority or any corporation, firm or association
1206 performing such transit service pursuant to an operating contract with the Authority, shall, in connection
1207 with the performance of such service, be exempt from all laws, rules, regulations and orders of the
1208 Signatories and of the United States otherwise applicable to such transit service and persons, except that
1209 laws, rules, regulations and orders relating to inspection of equipment and facilities, safety and testing
1210 shall remain in force and effect; provided, however, that the Board may promulgate regulations for the
1211 safety of the public and employees not inconsistent with the applicable laws, rules, regulations or orders
1212 of the Signatories and of the United States.

1213 Tax Exemption

1214 78. It is hereby declared that the creation of the Authority and the carrying out of the corporate
1215 purposes of the Authority is in all respects for the benefit of the people of the Signatory states and is
1216 for a public purpose and that the Authority and the Board will be performing an essential governmental
1217 function, including, without limitation, proprietary, governmental and other functions, in the exercise of
1218 the powers conferred by this Title. Accordingly, the Authority and the Board shall not be required to
1219 pay taxes or assessments upon any of the property acquired by it or under its jurisdiction, control,
1220 possession or supervision or upon its activities in the operation and maintenance of any Transit facilities
1221 or upon any revenues therefrom and the property and income derived therefrom shall be exempt from all
1222 federal, State, District of Columbia, municipal and local taxation. This exemption shall include, without
1223 limitation, all motor vehicle license fees, sales taxes and motor fuel taxes.

1224 Reduced Fares

1225 79. The District of Columbia, the Northern Virginia Transportation District, the Washington
1226 Suburban Transit District and the component governments thereof, may enter into contracts or
1227 agreements with the Authority to make equitable payments for fares lower than those established by the

1228 Authority pursuant to the provisions of Article XIII hereof for any specified class or category of riders.

1229 Liability for Contracts and Torts

1230 80. The Authority shall be liable for its contracts and for its torts and those of its Directors, officers,
1231 employees and agents committed in the conduct of any proprietary function, in accordance with the law
1232 of the applicable Signatory (including rules on conflict of laws), but shall not be liable for any torts
1233 occurring in the performance of a governmental function. The exclusive remedy for such breach of
1234 contracts and torts for which the Authority shall be liable, as herein provided, shall be by suit against
1235 the Authority. Nothing contained in this Title shall be construed as a waiver by the District of
1236 Columbia, Maryland, Virginia and the counties and cities within the Zone of any immunity from suit.

1237 Jurisdiction of Courts

1238 81. The United States District Courts shall have original jurisdiction, concurrent with the courts of
1239 Maryland, Virginia and the District of Columbia, of all actions brought by or against the Authority and
1240 to enforce subpoenas issued under this Title. Any such action initiated in a State or District of Columbia
1241 Court shall be removable to the appropriate United States District Court in the manner provided by Act
1242 of June 25, 1948, as amended (28 U.S.C. 1446).

1243 Condemnation

1244 82. (a) The Authority shall have the power to acquire by condemnation, whenever in its opinion it is
1245 necessary or advantageous to the Authority to do so, any real or personal property, or any interest
1246 therein, necessary or useful for the transit system authorized herein, except property owned by the
1247 United States, by a Signatory, or any political subdivision thereof, whenever such property cannot be
1248 acquired by negotiated purchase at a price satisfactory to the Authority.

1249 (b) Proceedings for the condemnation of property in the District of Columbia shall be instituted and
1250 maintained under the Act of December 23, 1963 (77 Stat. 577-581, D.C. Code 1961, Supp. IV, Sections
1251 1351-1368). Proceedings for the condemnation of property located elsewhere within the Zone shall be
1252 instituted and maintained, if applicable, pursuant to the provisions of the Act of August 1, 1888, as
1253 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.
1254 1358 and 1403) or any other applicable act; provided, however, that if there is no applicable federal law,
1255 condemnation proceedings shall be in accordance with the provisions of the state law of the Signatory in
1256 which the property is located governing condemnation by the highway agency of such state. Whenever
1257 the words "real property," "realty," "land," "easement," "right-of-way," or words of similar meaning are
1258 used in any applicable federal or state law relating to procedure, jurisdiction and venue, they shall be
1259 deemed, for the purposes of this Title, to include any personal property authorized to be acquired
1260 hereunder.

1261 (c) Any award or compensation for the taking of property pursuant to this Title shall be paid by the
1262 Authority, and none of the Signatory parties nor any other agency, instrumentality or political
1263 subdivision thereof shall be liable for such award or compensation.

1264 Enlargement and Withdrawal; Duration

1265 83. (a) When advised in writing by the Northern Virginia Transportation Commission or the
1266 Washington Suburban Transit Commission that the geographical area embraced therein has been
1267 enlarged, the Board, upon such terms and conditions as it may deem appropriate, shall by resolution
1268 enlarge the Zone to embrace the additional area.

1269 (b) The duration of this Title shall be perpetual but any Signatory thereto may withdraw therefrom
1270 upon two years' written notice to the Board.

1271 (c) The withdrawal of any Signatory shall not relieve such Signatory, any transportation district,
1272 county or city or other political subdivision thereof from any obligation to the Authority, or inuring to
1273 the benefit of the Authority, created by contract or otherwise.

1274 Amendments and Supplements

1275 84. Amendments and supplements to this Title to implement the purposes thereof may be adopted by
1276 legislative action of any of the Signatory parties concurred in by all of the others. When one Signatory
1277 adopts an amendment or supplement to an existing Section of the Compact, that amendment or
1278 supplement shall not be immediately effective, and the previously enacted provision or provisions shall
1279 remain in effect in each jurisdiction until the amendment or supplement is approved by the other
1280 Signatories and is consented to by Congress.

1281 Construction and Severability

1282 85. The provisions of this Title and of the agreements thereunder shall be severable and if any
1283 phrase, clause, sentence or provision of this Title or any such agreement is declared to be
1284 unconstitutional or the applicability thereof to any Signatory party, political subdivision or agency
1285 thereof is held invalid, the constitutionality of the remainder of this Title or any such agreement and the
1286 applicability thereof to any other Signatory party, political subdivision or agency thereof or circumstance
1287 shall not be affected thereby. It is the legislative intent that the provisions of this Title be reasonably
1288 and liberally construed.

1289 Effective Date; Execution

1290 86. This Title shall be adopted by the Signatories in the manner provided by law therefor and shall
1291 be signed and sealed in four duplicate original copies. One such copy shall be filed with the Secretary
1292 of State of each of the Signatory parties or in accordance with laws of the State in which the filing is
1293 made, and one copy shall be filed and retained in the archives of the Authority upon its organization.
1294 This Title shall become effective ninety days after the enactment of concurring legislation by or on
1295 behalf of the District of Columbia, Maryland and Virginia and consent thereto by the Congress and all
1296 other acts or actions have been taken, including the signing and execution of the Title by the Governors
1297 of Maryland and Virginia and the Mayor and Council of the District of Columbia.
1298 **2. That an emergency exists and this act is in force from its passage.**