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**HOUSE BILL NO. 2167**

Offered January 20, 1999

*A BILL to amend and reenact § 3, as amended, of Chapter 627 of the Acts of Assembly of 1958, which created the Washington Metropolitan Area Transit Regulation Compact, the amended section providing generally for the disclosure of records of the Washington Metropolitan Area Transit Authority.*

Patron—Marshall

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That § 3, as amended, of Chapter 627 of the Acts of Assembly of 1958 is amended and reenacted as follows:**

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

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

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

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

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

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

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

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

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

INTRODUCED

HB2167

60 Definitions

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

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

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

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

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

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

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

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

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

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

87 Article II

88 Purpose and Functions

89 Purpose

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

98 Article III

99 Organization and Area

100 Washington Metropolitan Area Transit Zone

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

106 Washington Metropolitan Area Transit Authority

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

111 Board Membership

112 5. (a) The Authority shall be governed by a Board of six Directors consisting of two Directors for  
113 each Signatory. For Virginia, the Directors shall be appointed by the Northern Virginia Transportation  
114 Commission; for the District of Columbia by the Council of the District of Columbia; and for Maryland,  
115 by the Washington Suburban Transit Commission. For Virginia and Maryland, the Directors shall be  
116 appointed from among the members of the appointing body, except as otherwise provided herein, and  
117 shall serve for a term coincident with their term on the appointing body. A director may be removed or  
118 suspended from office only as provided by the law of the Signatory from which he was appointed. The  
119 appointing authorities shall also appoint an alternate for each Director, who may act only in the absence  
120 of the Director for whom he has been appointed an alternate, except that, in the case of the District of  
121 Columbia where only one Director and his alternate are present, such alternate may act on behalf of the

122 absent Director. Each alternate shall serve at the pleasure of the appointing authority. In the event of a  
123 vacancy in the office of Director or alternate, it shall be filled in the same manner as an original  
124 appointment.

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

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

132 Compensation of Directors and Alternates

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

135 Organization and Procedure

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

141 Quorum and Actions by the Board

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

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

153 Officers

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

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

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

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

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

177 Conflict of Interest

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

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

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

183 Authority;

184 (3a.) offer money or any thing of value for or in consideration of obtaining an appointment,  
185 promotion or privilege in his employment with the Authority.

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

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

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

192 Article IV

193 Pledge of Cooperation

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

196 Article V  
197 General Powers

198 Enumeration

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

201 (a) Sue and be sued;

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

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

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

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

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

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

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

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

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

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

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

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

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

239 12.1. *Records of the Board shall be deemed official public records and shall be subject to the*  
240 *provisions of the respective Freedom of Information statutes of each Signatory.*

241 Article VI  
242 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  
 320 Financing

321 Policy

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

329 Plan of Financing

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

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

342 Commitments for Financial Participation

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

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

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

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

#### 373 Administrative Expenses

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

#### 385 Acquisition of Facilities from Federal or Other Agencies

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

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

#### 403 Temporary Borrowing

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

#### 410 Funding

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

### 415 Article VIII

#### 416 Budget

##### 417 Capital Budget

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

##### 421 Current Expense Budget

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

##### 427 Adoption and Distribution of Budgets

428 25. (a) Following the adoption by the Board of annual capital and current expense budgets, the

429 general manager shall transmit certified copies of such budgets to the principal budget officer of the  
 430 federal government, the District of Columbia, the Washington Suburban Transit District and of the  
 431 component governments of the Northern Virginia Transportation Commission at such time and in such  
 432 manner as may be required under their respective budgetary procedures.

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

437 Payment

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

#### 443 Article IX

#### 444 Revenue Bonds

445 Borrowing Power

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

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

455 Funds and Expenses

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

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

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

474 Funding and Refunding

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

485 Bonds; Authorization Generally

486 31. Bonds and other indebtedness of the Authority shall be authorized by resolution of the Board.  
 487 The validity of the authorization and issuance of any bonds by the Authority shall not be dependent  
 488 upon nor affected in any way by: (i) the disposition of bond proceeds by the Board or by contract,  
 489 commitment or action taken with respect to such proceeds; or (ii) the failure to complete any part of the  
 490 project for which bonds are authorized to be issued. The Authority may issue bonds in one or more



491 series and may provide for one or more consolidated bond issues, in such principal amounts and with  
 492 such terms and provisions as the Board may deem necessary. The bonds may be secured by a pledge of  
 493 all or any part of the property, revenues and franchises under its control. Bonds may be issued by the  
 494 Authority in such amount, with such maturities and in such denominations and form or forms, whether  
 495 coupon or registered, as to principal alone or as to both principal and interest, as may be determined by  
 496 the Board. The Board may provide for redemption of bonds prior to maturity on such notice and at such  
 497 time or times and with such redemption provisions, including premiums, as the Board may determine.

498 Bonds; Resolution and Indentures Generally

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

521 Maximum Maturity

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

527 Tax Exemption

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

531 Interest

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

534 Place of Payment

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

538 Execution

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

548 Holding Own Bonds

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

551 Sale

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

#### 560 Negotiability

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

#### 562 Bonds Eligible for Investment and Deposit

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

#### 573 Validation Proceedings

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

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

#### 583 Pledged Revenues

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

#### 592 Remedies

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

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## Article X

### Equipment Trust Certificates

#### Power

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

614 Lessor".

615 Payments

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

623 Procedure

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

630 Agreements and Leases

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

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

641 Law Governing

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

646 Article XI  
647 Operation of Facilities

648 Operation by Contract or Lease

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

651 The Operating Contract

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

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

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

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

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

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

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

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

671 (h) provide for an annual audit of the books and accounts of the Contractor by an independent  
672 certified public accountant to be selected by the Board and for such other audits, examinations and  
673 investigations of the books and records, procedures and affairs of the Contractor at such times and in  
674 such manner as the Board shall require, the cost of such audits, examinations and investigations to be

675 borne as agreed by the parties in the operating contracts; and

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

679 Compensation for Contractor

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

692 Selection of Contractor

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

## 699 Article XII

### 700 Coordination of Private and Public Facilities

701 Declaration of Policy

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

706 Implementation of Policy

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

708 (a) The Authority—

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

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

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

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

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

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

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

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

733 (c) WMATC shall not authorize or require a private carrier to render any service, including the  
734 establishment or continuation of a joint fare for a through route service with the Authority which is  
735 based on a division thereof between the Authority and private carrier which does not provide a  
736 reasonable return to the private carrier, unless the carrier is currently earning a reasonable return on its

737 operation as a whole in performing transportation subject to the jurisdiction of WMATC. In determining  
738 the issue of reasonable return, WMATC shall take into account any income attributable to the carrier, or  
739 to any corporation, firm or association owned in whole or in part by the carrier, from the Authority  
740 whether by way of payment for services or otherwise.

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

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

756 Rights of Private Carriers Unaffected

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

763 Financial Assistance to Private Carriers

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

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

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

780 Article XIII

781 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

#### 849 Labor Policy

#### 850 Construction

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

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

871 Equipment and Supplies

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

875 Operations

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

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

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

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

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

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

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

968 Article XV  
 969 Relocation Assistance

970 Relocation Program and Payments

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

978 Relocation of Public or Public Utility Facilities

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



983 necessary, shall be paid by the Board from any of its moneys.

984 Article XVI

985 General Provisions

986 Creation and Administration of Funds

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

997 (b) Any moneys of the Authority may, in the discretion of the Board and subject to any agreement  
998 or covenant between the Authority and the holders of any of its obligations limiting or restricting classes  
999 of investments, be invested in: (i) Direct obligations of or obligations guaranteed by the United States of  
1000 America; (ii) Bonds, debentures, notes or other evidences of indebtedness issued by agencies of the  
1001 United States of America, including but not limited to the following: Bank for Cooperatives; Federal  
1002 Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States;  
1003 Federal Land Banks, Federal National Mortgage Association; Student Loan Marketing Association;  
1004 Government National Mortgage Association; Tennessee Valley Authority; or United States Postal  
1005 Service; (iii) Securities that qualify as lawful investments and may be accepted as security for fiduciary,  
1006 trust and public funds under the control of the United States or any officer or officers thereof, or  
1007 securities eligible as collateral for deposits of moneys of the United States, including United States  
1008 Treasury tax and loan accounts; (iv) Domestic and Eurodollar certificates of deposit; and (v) Bonds,  
1009 debentures, notes or other evidences of indebtedness issued by a domestic corporation, such as a  
1010 corporation organized under the laws of one of the states of the United States, provided that such  
1011 obligations are nonconvertible and at the time of their purchase are rated in the highest rating categories  
1012 by a nationally recognized bond rating agency.

1013 Annual Independent Audit

1014 70. (a) As soon as practical after the closing of the fiscal year, an audit shall be made of the  
1015 financial accounts of the Authority. The audit shall be made by qualified certified public accountants  
1016 selected by the Board, who shall have no personal interest direct or indirect in the financial affairs of  
1017 the Authority or any of its officers or employees. The report of audit shall be prepared in accordance  
1018 with generally accepted auditing principles and shall be filed with the Chairman and other officers as the  
1019 Board shall direct. Copies of the report shall be distributed to each Director, to the Congress, to the  
1020 Mayor and Council of the District of Columbia, to the Governors of Virginia and Maryland, to the  
1021 Washington Suburban Transit Commission, to the Northern Virginia Transportation Commission and to  
1022 the governing bodies of the political subdivisions located within the Zone which are parties to  
1023 commitments for participation in the financing of the Authority and shall be made available for public  
1024 distribution. *The audit shall be approved by the State Auditor of Public Accounts.*

1025 (b) The financial transactions of the Board shall be subject to audit by the United States General  
1026 Accounting Office in accordance with the principles and procedures applicable to commercial corporate  
1027 transactions and under such rules and regulations as may be prescribed by the Comptroller General of  
1028 the United States. The audit shall be conducted at the place or places where the accounts of the Board  
1029 are kept.

1030 (c) Any Director, officer or employee who shall refuse to give all required assistance and information  
1031 to the accountants selected by the Board or who shall refuse to submit to them for examination such  
1032 books, documents, records, files, accounts, papers, things or property as may be requested shall, in the  
1033 discretion of the Board, forfeit his office.

1034 Reports

1035 71. The Board shall make and publish an annual report on its programs, operations, and finances,  
1036 which shall be distributed in the same manner provided by § 70 of this Article XVI for the report of  
1037 annual audit. It may also prepare, publish and distribute such other public reports and informational  
1038 materials as it may deem necessary or desirable.

1039 Insurance

1040 72. The Board may self-insure or purchase insurance and pay the premiums therefor against loss or  
1041 damage to any of its properties; against liability for injury to persons or property; and against loss of  
1042 revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the  
1043 Board may determine, subject to the requirements of any agreement arising out of insurance of bonds or

1044 other obligations by the Authority.

1045 Contracting and Purchasing

1046 73. (a) (1) Except as provided in subsections (b), (c), and (f) of this section, and except in the case  
1047 of procurement procedures otherwise expressly authorized by statute, the Authority in conducting a  
1048 procurement of property, services, or construction shall:

1049 (A) obtain full and open competition through the use of competitive procedures in accordance with  
1050 the requirements of this Section; and

1051 (B) use the competitive procedure or combination of competitive procedures that is best suited under  
1052 the circumstances of the procurement.

1053 (2) In determining the competitive procedure appropriate under the circumstances, the Authority  
1054 shall:

1055 (A) solicit sealed bids if:

1056 (i) time permits the solicitation, submission, and evaluation of sealed bids;

1057 (ii) the award will be made on the basis of price and other price-related factors;

1058 (iii) it is not necessary to conduct discussions with the responding sources about their bids; and

1059 (iv) there is a reasonable expectation of receiving more than one sealed bid; or

1060 (B) request competitive proposals if sealed bids are not appropriate under clause (A) of this  
1061 paragraph.

1062 (b) The Authority may provide for the procurement of property, services, or construction covered by  
1063 this Section using competitive procedures but excluding a particular source in order to establish or  
1064 maintain an alternative source or sources of supply for that property, service, or construction if the  
1065 Authority determines that excluding the source would increase or maintain competition and would likely  
1066 result in reduced overall costs for procurement of property, services, or construction.

1067 (c) The Authority may use procedures other than competitive procedures if:

1068 (1) the property, services, or construction needed by the Authority is available from only one  
1069 responsible source and no other type of property, services, or construction will satisfy the needs of the  
1070 Authority; or

1071 (2) the Authority's need for the property, services, or construction is of such an unusual and  
1072 compelling urgency that the Authority would be seriously injured unless the Authority limits the number  
1073 of sources from which it solicits bids or proposals; or

1074 (3) the Authority determines that it is necessary in the public interest to use procedures other than  
1075 competitive procedures in the particular procurement; or

1076 (4) the property or services needed can be obtained through federal or other governmental sources at  
1077 reasonable prices.

1078 (d) For the purpose of applying subsection (c) (1) of this Section:

1079 (1) in the case of a contract for property, services, or construction to be awarded on the basis of  
1080 acceptance of an unsolicited proposal, the property, services, or construction shall be deemed to be  
1081 available from only one responsible source if the source has submitted an unsolicited proposal that  
1082 demonstrates a concept:

1083 (A) that is unique and innovative or, in the case of a service, for which the source demonstrates a  
1084 unique capability to provide the service; and

1085 (B) the substance of which is not otherwise available to the Authority and does not resemble the  
1086 substance of a pending competitive procurement.

1087 (2) in the case of a follow-on contract for the continued development or production of a major  
1088 system or highly specialized equipment or the continued provision of highly specialized services, the  
1089 property, services, or construction may be deemed to be available from only the original source and may  
1090 be procured through procedures other than competitive procedures if it is likely that award to a source  
1091 other than the original source would result in:

1092 (A) substantial duplication of cost to the Authority that is not expected to be recovered through  
1093 competition; or

1094 (B) unacceptable delays in fulfilling the Authority's needs.

1095 (e) If the Authority uses procedures other than competitive procedures to procure property, services,  
1096 or construction under subsection (c) (2) of this Section, the Authority shall request offers from as many  
1097 potential sources as is practicable under the circumstances.

1098 (f)(1) To promote efficiency and economy in contracting, the Authority may use simplified  
1099 acquisition procedures for purchases of property, services and construction.

1100 (2) For the purposes of this subsection, simplified acquisition procedures may be used for purchases  
1101 for an amount that does not exceed the simplified acquisition threshold adopted by the federal  
1102 government.

1103 (3) A proposed purchase or contract for an amount above the simplified acquisition threshold may  
1104 not be divided into several purchases or contracts for lesser amounts in order to use the procedures  
1105 under paragraph (1) of this subsection.

1106 (4) In using simplified acquisition procedures, the Authority shall promote competition to the  
1107 maximum extent practicable.

1108 (g) The Board shall adopt policies and procedures to implement this Section. The policies and  
1109 procedures shall provide for publication of notice of procurements and other actions designed to secure  
1110 competition where competitive procedures are used.

1111 (h) The Authority in its discretion may reject any and all bids or proposals received in response to a  
1112 solicitation.

1113 Rights-of-Way

1114 74. The Board is authorized to locate, construct and maintain any of its transit and related facilities  
1115 in, upon, over, under or across any streets, highways, freeways, bridges and any other vehicular  
1116 facilities, subject to the applicable laws governing such use of such facilities by public agencies. In the  
1117 absence of such laws, such use of such facilities by the Board shall be subject to such reasonable  
1118 conditions as the highway department or other affected agency of a Signatory party may require;  
1119 provided, however, that the Board shall not construct or operate transit or related facilities upon, over, or  
1120 across any parkways or park lands without the consent of, and except upon the terms and conditions  
1121 required by, the agency having jurisdiction with respect to such parkways and park lands, but may  
1122 construct or operate such facilities in a subway under such parkways or park lands upon such reasonable  
1123 terms and conditions as may be specified by the agency having jurisdiction with respect thereto.

1124 Compliance with Laws, Regulations and Ordinances

1125 75. The Board shall comply with all laws, ordinances and regulations of the Signatories and political  
1126 subdivisions and agencies thereof with respect to use of streets, highways and all other vehicular  
1127 facilities, traffic control and regulation, zoning, signs and buildings.

1128 Police Security

1129 76. (a) The Authority is authorized to establish and maintain a regular police force, to be known as  
1130 the Metro Transit Police, to provide protection for its patrons, personnel, and Transit facilities. The  
1131 Metro Transit Police shall have the powers and duties and shall be subject to the limitations set forth in  
1132 this section. It shall be composed of both uniformed and plain clothes personnel and shall be charged  
1133 with the duty of enforcing the laws of the Signatories, and the laws, ordinances, and regulations of the  
1134 political subdivisions thereof in the Transit Zone, and the rules and regulations of the Authority. The  
1135 jurisdiction of the Metro Transit Police shall include all the Transit facilities (including bus stops)  
1136 owned, controlled, or operated by the Authority, but this restriction shall not limit the power of the  
1137 Metro Transit Police to make arrests in the Transit Zone for violations committed upon, to, or against  
1138 such Transit facilities committed from within or outside such Transit facilities while in hot or close  
1139 pursuit, or to execute traffic citations and criminal process in accordance with subsection (c) below. The  
1140 members of the Metro Transit Police shall have concurrent jurisdiction in the performance of their duties  
1141 with the duly constituted law-enforcement agencies of the Signatories and of the political subdivisions  
1142 thereof in which any Transit facility of the Authority is located or in which the Authority operates any  
1143 Transit service. On-duty Metro Transit Police officers are authorized to make arrests off of Transit  
1144 facilities within the Transit Zone when immediate action is necessary to protect the health, safety,  
1145 welfare or property of an individual from actual or threatened harm or from an unlawful act. Nothing  
1146 contained in this section shall either relieve any Signatory or political subdivision or agency thereof  
1147 from its duty to provide police, fire, and other public safety service and protection, or limit, restrict, or  
1148 interfere with the jurisdiction of or the performance of duties by the existing police, fire, and other  
1149 public safety agencies. For purposes of this section, "bus stop" means that area within 150 feet of a  
1150 MetroBus bus stop sign, excluding the interior of any building not owned, controlled or operated by the  
1151 Washington Metropolitan Area Transit Authority.

1152 (b) A member of the Metro Transit Police shall have same powers, including the power of arrest,  
1153 and shall be subject to the same limitations, including regulatory limitations, in the performance of his  
1154 duties as a member of the duly constituted police force of the political subdivision in which the Metro  
1155 Transit Police member is engaged in the performance of his duties. A member of the Metro Transit  
1156 Police is authorized to carry and use only such weapons, including handguns, as are issued by the  
1157 Authority. A member of the Metro Transit Police is subject to such additional limitations in the use of  
1158 weapons as are imposed on the duly constituted police force for the political subdivision in which he is  
1159 engaged in the performance of his duties.

1160 (c) Members of the Metro Transit Police shall have power to execute on the Transit facilities owned,  
1161 controlled, or operated by the Authority any traffic citation or any criminal process issued by any court  
1162 of any Signatory or of any political subdivision of a Signatory, for any felony, misdemeanor, or other  
1163 offense against the laws, ordinances, rules, or regulations specified in subsection (a). With respect to  
1164 offenses committed upon, to, or against the Transit facilities owned, controlled, or operated by the  
1165 Authority, the Metro Transit Police shall have power to execute criminal process within the Transit  
1166 Zone.

1167 (d) Upon the apprehension or arrest of any person by a member of the Metro Transit Police pursuant  
 1168 to the provisions of subsection (b), the officer, as required by the law of the place of apprehension or  
 1169 arrest, shall either issue a summons or a citation against the person, book the person, or deliver the  
 1170 person to the duly constituted police or judicial officer of the Signatory or political subdivision where  
 1171 the apprehension or arrest is made, for disposition as required by law.

1172 (e) The Authority shall have the power to adopt rules and regulations for the safe, convenient, and  
 1173 orderly use of the Transit facilities owned, controlled, or operated by the Authority, including the  
 1174 payment and the manner of the payment of fares or charges therefor, the protection of the Transit  
 1175 facilities, the control of traffic and parking upon the Transit facilities, and the safety and protection of  
 1176 the riding public. In the event that any such rules and regulations contravene the laws, ordinances, rules,  
 1177 or regulations of a Signatory or any political subdivision thereof which are existing or subsequently  
 1178 enacted, these laws, ordinances, rules, or regulations of the Signatory or the political subdivision shall  
 1179 apply and the conflicting rule or regulation, or portion thereof, of the Authority shall be void within the  
 1180 jurisdiction of that Signatory or political subdivision. In all other respects the rules and regulations of  
 1181 the Authority shall be uniform throughout the Transit Zone. The rules and regulations established under  
 1182 this subsection shall be adopted by the Board following public hearings held in accordance with Section  
 1183 62 (c) and (d) of this Compact. The final regulation shall be published in a newspaper of general  
 1184 circulation within the Zone at least 15 days before its effective date. Any person violating any rule or  
 1185 regulation of the Authority shall be subject to arrest and, upon conviction by a court of competent  
 1186 jurisdiction, shall pay a fine of not more than two hundred fifty dollars (\$250) and costs. Criminal  
 1187 violations of any rule or regulation of the Authority shall be prosecuted by the Signatory or political  
 1188 subdivision in which the violation occurred, in the same manner by which violations of law, ordinances,  
 1189 rules and regulations of the Signatory or political subdivisions are prosecuted.

1190 (f) With respect to members of the Metro Transit Police, the Authority shall:

1191 (1) Establish classifications based on the nature and scope of duties, and fix and provide for their  
 1192 qualification, appointment, removal, tenure, term, compensation, pension, and retirement benefits;

1193 (2) Provide for their training and, for this purpose, the Authority may enter into contracts or  
 1194 agreements with any public or private organization engaged in police training, and this training and the  
 1195 qualifications of the uniformed and plain clothes personnel shall at least equal the requirements of each  
 1196 Signatory and of the political subdivisions therein in the Transit Zone for their personnel performing  
 1197 comparable duties; and

1198 (3) Prescribe distinctive uniforms to be worn.

1199 (g) The Authority shall have the power to enter into agreements with the Signatories, the political  
 1200 subdivisions thereof in the Transit Zone, and public safety agencies located therein, including those of  
 1201 the Federal Government, for the delineation of the functions and responsibilities of the Metro Transit  
 1202 Police and the duly constituted police, fire, and other public safety agencies, and for mutual assistance.

1203 (h) Before entering upon the duties of office, each member of the Metro Transit Police shall take or  
 1204 subscribe to an oath or affirmation, before a person authorized to administer oaths, faithfully to perform  
 1205 the duties of that office.

#### 1206 Exemption from Regulation

1207 77. Except as otherwise provided in this Title, any Transit service rendered by Transit facilities  
 1208 owned or controlled by the Authority and the Authority or any corporation, firm or association  
 1209 performing such transit service pursuant to an operating contract with the Authority, shall, in connection  
 1210 with the performance of such service, be exempt from all laws, rules, regulations and orders of the  
 1211 Signatories and of the United States otherwise applicable to such transit service and persons, except that  
 1212 laws, rules, regulations and orders relating to inspection of equipment and facilities, safety and testing  
 1213 shall remain in force and effect; provided, however, that the Board may promulgate regulations for the  
 1214 safety of the public and employees not inconsistent with the applicable laws, rules, regulations or orders  
 1215 of the Signatories and of the United States.

#### 1216 Tax Exemption

1217 78. It is hereby declared that the creation of the Authority and the carrying out of the corporate  
 1218 purposes of the Authority is in all respects for the benefit of the people of the Signatory states and is  
 1219 for a public purpose and that the Authority and the Board will be performing an essential governmental  
 1220 function, including, without limitation, proprietary, governmental and other functions, in the exercise of  
 1221 the powers conferred by this Title. Accordingly, the Authority and the Board shall not be required to  
 1222 pay taxes or assessments upon any of the property acquired by it or under its jurisdiction, control,  
 1223 possession or supervision or upon its activities in the operation and maintenance of any Transit facilities  
 1224 or upon any revenues therefrom and the property and income derived therefrom shall be exempt from all  
 1225 federal, State, District of Columbia, municipal and local taxation. This exemption shall include, without  
 1226 limitation, all motor vehicle license fees, sales taxes and motor fuel taxes.

#### 1227 Reduced Fares

1228 79. The District of Columbia, the Northern Virginia Transportation District, the Washington

1229 Suburban Transit District and the component governments thereof, may enter into contracts or  
 1230 agreements with the Authority to make equitable payments for fares lower than those established by the  
 1231 Authority pursuant to the provisions of Article XIII hereof for any specified class or category of riders.

1232 Liability for Contracts and Torts

1233 80. The Authority shall be liable for its contracts and for its torts and those of its Directors, officers,  
 1234 employees and agents committed in the conduct of any proprietary function, in accordance with the law  
 1235 of the applicable Signatory (including rules on conflict of laws), but shall not be liable for any torts  
 1236 occurring in the performance of a governmental function. The exclusive remedy for such breach of  
 1237 contracts and torts for which the Authority shall be liable, as herein provided, shall be by suit against  
 1238 the Authority. Nothing contained in this Title shall be construed as a waiver by the District of  
 1239 Columbia, Maryland, Virginia and the counties and cities within the Zone of any immunity from suit.

1240 Jurisdiction of Courts

1241 81. The United States District Courts shall have original jurisdiction, concurrent with the courts of  
 1242 Maryland, Virginia and the District of Columbia, of all actions brought by or against the Authority and  
 1243 to enforce subpoenas issued under this Title. Any such action initiated in a State or District of Columbia  
 1244 Court shall be removable to the appropriate United States District Court in the manner provided by Act  
 1245 of June 25, 1948, as amended (28 U.S.C. 1446).

1246 Condemnation

1247 82. (a) The Authority shall have the power to acquire by condemnation, whenever in its opinion it is  
 1248 necessary or advantageous to the Authority to do so, any real or personal property, or any interest  
 1249 therein, necessary or useful for the transit system authorized herein, except property owned by the  
 1250 United States, by a Signatory, or any political subdivision thereof, whenever such property cannot be  
 1251 acquired by negotiated purchase at a price satisfactory to the Authority.

1252 (b) Proceedings for the condemnation of property in the District of Columbia shall be instituted and  
 1253 maintained under the Act of December 23, 1963 (77 Stat. 577-581, D.C. Code 1961, Supp. IV, Sections  
 1254 1351-1368). Proceedings for the condemnation of property located elsewhere within the Zone shall be  
 1255 instituted and maintained, if applicable, pursuant to the provisions of the Act of August 1, 1888, as  
 1256 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.  
 1257 1358 and 1403) or any other applicable act; provided, however, that if there is no applicable federal law,  
 1258 condemnation proceedings shall be in accordance with the provisions of the state law of the Signatory in  
 1259 which the property is located governing condemnation by the highway agency of such state. Whenever  
 1260 the words "real property," "realty," "land," "easement," "right-of-way," or words of similar meaning are  
 1261 used in any applicable federal or state law relating to procedure, jurisdiction and venue, they shall be  
 1262 deemed, for the purposes of this Title, to include any personal property authorized to be acquired  
 1263 hereunder.

1264 (c) Any award or compensation for the taking of property pursuant to this Title shall be paid by the  
 1265 Authority, and none of the Signatory parties nor any other agency, instrumentality or political  
 1266 subdivision thereof shall be liable for such award or compensation.

1267 Enlargement and Withdrawal; Duration

1268 83. (a) When advised in writing by the Northern Virginia Transportation Commission or the  
 1269 Washington Suburban Transit Commission that the geographical area embraced therein has been  
 1270 enlarged, the Board, upon such terms and conditions as it may deem appropriate, shall by resolution  
 1271 enlarge the Zone to embrace the additional area.

1272 (b) The duration of this Title shall be perpetual but any Signatory thereto may withdraw therefrom  
 1273 upon two years' written notice to the Board.

1274 (c) The withdrawal of any Signatory shall not relieve such Signatory, any transportation district,  
 1275 county or city or other political subdivision thereof from any obligation to the Authority, or inuring to  
 1276 the benefit of the Authority, created by contract or otherwise.

1277 Amendments and Supplements

1278 84. Amendments and supplements to this Title to implement the purposes thereof may be adopted by  
 1279 legislative action of any of the Signatory parties concurred in by all of the others. When one Signatory  
 1280 adopts an amendment or supplement to an existing Section of the Compact, that amendment or  
 1281 supplement shall not be immediately effective, and the previously enacted provision or provisions shall  
 1282 remain in effect in each jurisdiction until the amendment or supplement is approved by the other  
 1283 Signatories and is consented to by Congress.

1284 Construction and Severability

1285 85. The provisions of this Title and of the agreements thereunder shall be severable and if any  
 1286 phrase, clause, sentence or provision of this Title or any such agreement is declared to be  
 1287 unconstitutional or the applicability thereof to any Signatory party, political subdivision or agency  
 1288 thereof is held invalid, the constitutionality of the remainder of this Title or any such agreement and the  
 1289 applicability thereof to any other Signatory party, political subdivision or agency thereof or circumstance

**1290** shall not be affected thereby. It is the legislative intent that the provisions of this Title be reasonably  
**1291** and liberally construed.

**1292** Effective Date; Execution

**1293** 86. This Title shall be adopted by the Signatories in the manner provided by law therefor and shall  
**1294** be signed and sealed in four duplicate original copies. One such copy shall be filed with the Secretary  
**1295** of State of each of the Signatory parties or in accordance with laws of the State in which the filing is  
**1296** made, and one copy shall be filed and retained in the archives of the Authority upon its organization.  
**1297** This Title shall become effective ninety days after the enactment of concurring legislation by or on  
**1298** behalf of the District of Columbia, Maryland and Virginia and consent thereto by the Congress and all  
**1299** other acts or actions have been taken, including the signing and execution of the Title by the Governors  
**1300** of Maryland and Virginia and the Mayor and Council of the District of Columbia.