



U.S. Department  
of Transportation

**Federal Transit  
Administration**

Executive Director

1200 New Jersey Avenue, SE  
Washington, DC 20590

**FEB 10 2017**

The Honorable Larry Hogan  
Governor of Maryland  
Office of the Governor  
State House  
Annapolis, MD 21401

The Honorable Terry McAuliffe  
Governor of Virginia  
Office of the Governor  
State Capitol  
Richmond, VA 23219

The Honorable Muriel Bowser  
Mayor of District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue  
Washington, DC 20004

Dear Governor Hogan, Governor McAuliffe, and Mayor Bowser:

On February 8, 2016, the U.S. Department of Transportation (the Department) advised you that your respective jurisdictions may be subject to the withholding of up to five percent of the available Federal fiscal year 2017 Urbanized Area formula funds (formula funds) if you did not collectively establish a State Safety Oversight Program (SSOP) for the rail operations of the Washington Metropolitan Area Transit Authority (Metrorail), certified by the Federal Transit Administration (FTA), by February 9, 2017. A federally compliant SSOP has not been established. Therefore, as explained below, FTA is withholding the full five percent of your Urbanized Area formula funds until a certified SSOP for Metrorail is in place.

Federal law requires that states with federally-funded rail transit agencies establish a State Safety Oversight Agency (SSOA) responsible for safety oversight of those agencies pursuant to an SSOP. Currently, the SSOA responsible for conducting safety oversight of Metrorail is the Tri-State Oversight Committee (TOC).

On October 9, 2015, following a number of accidents and incidents and a demonstrated pattern of safety lapses involving Metrorail, FTA immediately assumed lead responsibility for safety oversight of Metrorail until the three jurisdictions replace the TOC with a fully compliant SSOA.

On February 8, 2016, the Department and FTA made a further finding under a provision of the recently-enacted Fixing America's Surface Transportation (FAST) Act that the TOC's SSOP was inadequate and that the TOC "is incapable of providing adequate safety oversight consistent with prevention of substantial risk of death or personal injury." FTA, therefore, would continue to administer the safety oversight of Metrorail.

Also, on February 8, 2016 the Department and FTA advised you that given the inadequacy of the TOC's SSOP, the two States and the District must create a new SSOP, which includes creation of a new SSOA, compliant with Federal requirements and certified as such by FTA, by February 9, 2017. As the Department and FTA explained at the time, under Federal public transportation safety law (49 U.S.C. § 5329(e)(8)(C)), failure to meet that deadline would put the three jurisdictions at risk of losing up to five percent of the annual Urbanized Area formula funds (49 U.S.C. § 5307) available throughout each jurisdiction.

Your jurisdictions recognized the need for a new Metrorail SSOA in a 2010 White Paper, and in 2012, Federal law significantly changed the requirements for SSOPs and SSOAs. However, the jurisdictions did not undertake meaningful efforts towards establishing a new SSOP and crafting supporting legislation until after FTA assumed the TOC's safety oversight responsibilities. In the meantime, because the jurisdictions did not fulfill the statutory safety responsibility, FTA has been forced to divert approximately \$6 million dollars a year from critical national transit safety programs to provide direct safety oversight of Metrorail.

The FTA staff has worked with Maryland, Virginia, and the District of Columbia to develop a federally compliant SSOP, but as of today, only the District of Columbia Council has passed the legislation necessary to make the new SSOP a reality. Even after Maryland and Virginia enact legislation, substantial work will remain in developing a federally compliant SSOP.

For these reasons, FTA is immediately withholding five percent of fiscal-year 2017 Urbanized Area formula funds to transit systems in Maryland, Virginia, and the District of Columbia. Under the current continuing budget resolution, which provides FTA funding through April 28, 2017, the amount to be withheld from all three jurisdictions totals approximately \$8.9 million. In the absence of a certified SSOP, future appropriations will also be subject to withholding, including additional funds for the remainder of fiscal year 2017.

Formula funds withheld will be associated with the following Urbanized Areas:

- Washington, D.C. (including Maryland (MD) and Virginia (VA) apportionments)
- Aberdeen-Bel Air South-Bel Air North, MD
- Baltimore, MD
- MD Statewide Apportionment - specific apportionment of funds allocated at the Governor's discretion to:
  - Cumberland, MD
  - Frederick, MD
  - Hagerstown, MD
  - Lexington Park-California-Chesapeake Ranch Estates, MD
  - Salisbury, MD

- Waldorf, MD
  - Westminster-Eldersburg, MD
- Richmond, VA
- Roanoke, VA
- Virginia Beach, VA
- VA Statewide Apportionment - specific apportionment of funds allocated at the Governor's discretion to:
  - Blacksburg, VA
  - Bristol, VA
  - Charlottesville, VA
  - Fredericksburg, VA
  - Harrisonburg, VA
  - Kingsport, TN (VA apportionment only)
  - Lynchburg, VA
  - Staunton-Waynesboro, VA
  - Williamsburg, VA
  - Winchester, VA

The individual fund recipients – formally, FTA “designated recipients” – in your jurisdictions will receive a letter with specific details regarding the withholding of funds. It is important to note that the formula funds are being withheld, not forfeited. The funds will once again be available when FTA certifies an SSOP for Metrorail.

Safety is the Department's highest priority, and while FTA has engaged in robust safety oversight of Metrorail, that oversight is temporary and is ultimately a State and District responsibility. The future safety of the system requires that Virginia, Maryland, and the District of Columbia complete their work on a federally compliant SSOP without further delay. FTA staff members will continue to work diligently with your staff to ensure that a federally-compliant SSOP is in place as soon as possible, after which the withheld formula funds will be released.

Sincerely,



Matthew J. Welbes

cc: Phil Mendelson, Chairman, Council of the District of Columbia; Thomas V. (Mike) Miller, President, Maryland Senate; J.B. Jennings, Minority Leader, Maryland Senate; Michael Busch, Speaker, Maryland House of Delegates; Nicholas R. Kipke, Minority Leader, Maryland House of Delegates; Thomas K. Norment, Jr., Majority Leader, Virginia State Senate; Richard L. Saslaw, Minority Leader, Virginia State Senate; William J. Howell, Speaker, Virginia House of Delegates; David J. Toscano, Minority Leader, Virginia House of Delegates

Enclosure: Funding Allocation Chart

FTA funds withheld from DC-MD-VA due to the absence of a State Safety Oversight Program

Amounts based on Further Continuing and Security Assistance Appropriations Act, 2017 (Pub. L. 114–254) for the period from October 1, 2016 through April 28, 2017. When a full year of funding is appropriated, additional funds could be withheld.

State	Urbanized Area	Designated Recipients	Urbanized Area Grant Program Apportionment	Amount Withheld (5%)	Amount available to Urbanized Areas after withholding		Notes
DC	Washington, DC-VA-MD	Washington Metropolitan Area Transit Authority (WMATA); Maryland Transit Administration (MTA); Potomac and Rappahannock Transportation Commission (PRTC)	\$104,189,761	\$5,209,488	\$98,980,273		The funds are apportioned by FTA to the entire urbanized area. The three designated recipients listed have a local agreement that determines the amount each recipient will receive.
MD	Baltimore, MD	Maryland Transit Administration (MTA)	\$38,258,909	\$1,912,945	\$36,345,964		
MD	Aberdeen-Bel Air South-Bel Air North, MD	Maryland Transit Administration (MTA)	\$1,811,535	\$90,577	\$1,720,958		
MD	MD Statewide Apportionment	Maryland Transit Administration (MTA)	\$7,135,068	\$356,753	\$6,778,314		The small urbanized areas in Maryland are listed below.
VA	Virginia Beach, VA	Hampton Roads Transit (HRT)	\$10,117,669	\$505,883	\$9,611,786		
VA	Richmond, VA	Greater Richmond Transit Company (GRTC) and the City of Petersburg	\$6,744,437	\$337,222	\$6,407,215		The funds are apportioned by FTA to the entire urbanized area. The two designated recipients listed have a local agreement that determines the amount each recipient will receive.
VA	Roanoke, VA	Greater Roanoke Transit Company (GRTC)	\$1,546,929	\$77,346	\$1,469,583		
VA	VA Statewide Apportionment	Virginia Department of Rail and Public Transportation (VDRPT)	\$8,114,504	\$405,725	\$7,708,779		The small urbanized areas in Virginia are listed below.
TOTAL			\$177,918,812	\$8,895,941	\$169,022,871		

Statewide Apportionment Detail Information

Urbanized Areas in Maryland Statewide Apportionment		\$7,135,068	\$356,753	\$6,778,314	The state governor determines how the statewide apportionment is distributed among the urbanized areas listed. These are urbanized areas with population greater than 50,000 and less than 200,000.
Cumberland, MD-WV-PA Frederick, MD Hagerstown, MD-WV-PA Lexington Park-California-Chesapeake Ranch Estates, MD	Salisbury, MD-DE Waldorf, MD Westminster-Eldersburg, MD				
Urbanized Areas in Virginia Statewide Apportionment		\$8,114,504	\$405,725	\$7,708,779	The state governor determines how the statewide apportionment is distributed among the urbanized areas listed. These are urbanized areas with population greater than 50,000 and less than 200,000.
Blacksburg, VA Bristol-Bristol, TN-VA Charlottesville, VA Fredericksburg, VA Harrisonburg, VA	Kingsport, TN-VA Lynchburg, VA Staunton-Waynesboro, VA Williamsburg, VA Winchester, VA				