

WHEREAS, the Secretary of the United States Department of Transportation is authorized, pursuant to Public Law 92-349 to guarantee, on behalf of the United States Government, transit revenue bonds issued by the Washington Metropolitan Area Transit Authority; and

WHEREAS, the Secretary, as a condition of the sale of these bonds pursuant to the provisions of Public Law 92-349, must determine that their sale represents an acceptable risk to the United States; and

WHEREAS, it is recognized that studies prepared in 1971 conclude that metro rail system revenue projections are sufficient to support the short and long range operating cost and debt service requirements of the Washington Metropolitan Area Transit Authority; and

WHEREAS, in order to provide the Secretary with further evidence of its ability to meet service requirements on Authority bonds, the Board of Directors of the Washington Metropolitan Area Transit Authority passed a resolution on June 21, 1973, attached hereto and made a part hereof, in which it agreed to assure that necessary revenues will be made available through subsidies, fare adjustments, or a combination thereof, sufficient to pay the principal and interest on its obligations in fulfillment of its contract with the Secretary and further agreed to continue to pursue a course of action designed to assure the continued validity of its financial plan; and

WHEREAS, in order to encourage the Secretary to continue guaranteeing on behalf of the United States, bonds issued by the Washington Metropolitan Area Transit Authority, the City Council of the City of Alexandria is willing to provide certain additional assurances, as hereinafter set forth:

NOW, THEREFORE, be it resolved by the City Council of the City of Alexandria, Virginia, that:

The Council concurs in and supports the aforesaid resolution adopted by the Board of Directors of the Washington Metropolitan Area Transit Authority on June 21, 1973, and pledges that it will continue to support a Metro rate structure and financing plan that is designed adequately to fund operating costs and debt service requirements of the Washington Metropolitan Area Transit Authority; and

In the event that the Alexandria City Council, by majority vote, affirmatively approves a Metro rate structure or fare policy, with knowledge that implementation of such rate structure or fare policy will produce insufficient revenues to enable the Washington Metropolitan Area Transit Authority to meet the projected operating costs and debt service requirements of its rail rapid transit system, then and in that event, the Alexandria City Council pledges that it will in good faith endeavor, to the extent permitted by the law of the State of Virginia, to provide additional financial assistance to the WMATA to assist it in meeting its obligations under its rail rapid transit revenue bonds. Such additional financial assistance shall be proportionate to the loss of revenue, directly attributable to rail rapid transit users who are residents of the City of Alexandria, that results from the approval by this Council of such rate structure or policy.

BE IT FURTHER RESOLVED that since the establishment of sound management and fiscal policies are dependent upon the development of budget and financial plans for bus and metro rail operations, the Washington Metropolitan Area Transit Authority is requested to prepare a comprehensive study including but not limited to: (a) the formulation of various short and long range integrated bus and rail fare structures and the impact of these alternative revenue programs on associated mass transit service levels; (b) the fiscal implications of alternative financing plans identifying where appropriate anticipated operating and debt service deficits and related subsidy requirements; (c) an indepth analysis of present and proposed fare stabilization policies; and (d) and review of present policy and alternative formulae with respect to the allocation of bus and rail capital contributions and operating deficits; and

BE IT FURTHER RESOLVED that in order to permit a thorough analysis of the financial data and the need to establish a fiscal policy prior to the WMATA summer bond program, the foregoing study must be completed and transmitted to the mass transit participating jurisdictions well in advance of the marketing of the Series E Bond issue.

Adopted December 15, 1973

RESOLUTION

ADOPTED BY WMATA

WHEREAS, the Authority has requested the Secretary of the United States Department of Transportation to guarantee its bonds in the amount of \$150 million proposed for sale as its Series C issue on July 11, 1973.

WHEREAS, the Secretary, as a condition of the sale of these bonds pursuant to the provisions of Public Law 92-349, must determine that their sale represents an acceptable risk to the United States,

WHEREAS, the current bus fare stabilization could have a significant adverse impact upon the Metro financial plan if extended without adequate provision for a fare subsidy,

WHEREAS, the ultimate fare structure has yet to be determined by the Board of Directors,

WHEREAS, the Board of Directors has initiated action for the allocation of bus operating deficits among the participating local governments,

WHEREAS, the Board of Directors under the provisions of law has the authority to adjust fares,

BE IT RESOLVED, that the Board of Directors of the Washington Metropolitan Area Transit Authority shall assure that necessary revenues are available through subsidies, fare adjustments, or a combination thereof, sufficient to pay the principal and interest on its obligations in fulfillment of its contract with the Secretary of Transportation of the United States,

BE IT FURTHER RESOLVED, that the Board will continue to pursue a course of action designed to assure the continued validity of its financial plan and, at the same time, to encourage maximization of the potential of both bus and rail mass transit patronage as a key element in the development of the community objectives sought for the National Capital region.