

Workgroup on the Reorganization of the Maryland Transit Administration (MTA)

Meeting #2 Minutes

1. Attendance:
 1. MTA Administrator Holly Arnold
 2. Maryland Department of Transportation (MDOT) Acting Secretary Samantha Biddle
 3. Delegate Mark Edelson, House Appropriations Committee
 4. Mike Kelly, Baltimore Regional Transportation Board (BRTB)
 5. Delegate Marc Korman, Chair, House Environment and Transportation Committee
 6. Jon Laria, Chair, Baltimore Regional Transit Commission (BRTC)
 7. Senator Cory McCray, Senate Budget and Taxation Committee
 8. Wesley “Wes” Mitchell, MTA Rider
 9. Sameer Sidh, MTA Rider, Chair
2. Call to Order
 1. Chair Sidh called the meeting to order.
 2. Chair Sidh made a motion to adopt the draft minutes for Meeting #1. Mr. Kelly seconded the motion. There was no discussion, and the **minutes were adopted unanimously**.
 3. Chair Sidh discussed the upcoming meeting schedule and acknowledged several Workgroup members have requested updates. Mr. Sean Winkler, MDOT, provided upcoming dates during the weeks of October 27 and November 17. Staff will follow up with the Workgroup members to schedule Meetings #4 and #5.
3. Briefings
 1. Mr. T. Patrick Tracy, House Environment and Transportation Committee, provided an overview and history of the State Railroad Administration (SRA).
 - i. Delegate Korman asked if the State Railroad Administration also included freight assets like the state-owned Eastern Shore lines. Administrator Arnold confirmed MTA owns the Eastern Shore lines today, but the Secretary’s Office provides day-to-day project management of them.
 - ii. Delegate Edelson asked why SRA ultimately got folded back into the MTA. Mr. Tracy noted that the bill folding the SRA into the MTA was requested by MDOT as a departmental bill. At the time, MDOT noted that combining the agencies would enhance efficiency, fare integration, service quality, and facilitate better statewide transit planning. Mr. Tracy

also noted that association of Maryland Amtrak commuters opposed the bill at the time due to concerns about transparency and accountability. Delegate Edelson noted it sounded like those concerns had been addressed in the legislative process at the time.

- iii. Mr. Kelly asked if there was any reference to the federal transportation bill or law at the time in the bill's record. Mr. Tracy noted neither the bill nor any supporting documentation mentioned federal surface transportation authorization at the time.
 - iv. Chair Sidh asked if the duties presented of the SRA are now the duties of MTA. Administrator Arnold confirmed the MTA fulfills the previous duties of the SRA today.
 - v. Delegate Korman noted that contracted parties may change. Administrator Arnold noted MTA competitively bids their MARC related contracts.
 - vi. **Chair Sidh and Senator McCray requested the legislative history and fiscal notes be circulated to the Workgroup.**
2. Mr. Winkler provided an overview of governance boards within MDOT.
- i. Delegate Korman asked if executive personnel authority and oversight rested with the Governor or with the various boards and commissions themselves. Acting Secretary Biddle noted that the various authorizing statutes provide the respective powers.
 - ii. Mr. Laria asked if the summary slide MDOT presented represents the main functions and powers the Workgroup should consider. Delegate Korman noted the legislation that created the Baltimore Regional Transit Commission as a potential answer. Administrator Arnold and Acting Secretary Biddle noted that these duties reflected boards and commissions within the MDOT system. Chair Sidh noted that the summary chart is helpful in providing a comparison of their oversight functions.
 - iii. Mr. Laria noted that MDTA Board is least like the others presented and suggested the Workgroup look to that Board as a potential model.
 - iv. Delegate Edelson suggested that the WMATA Board would also be a helpful comparison for the Workgroup.
 - v. Mr. Mitchell noted that the local representation column in the chart did not indicate any level of local financial commitment to MDOT or the Transportation Trust Fund.
3. Ms. Elizabeth Gordon, Assistant Deputy Administrator for Planning & Programming, MTA, provided a briefing on MTA's federal funding, requirements, and federal agency relationships.
- i. Delegate Edelson asked Ms. Gordon if she could speak to a hypothetical scenario in which MTA was separated into multiple entities. He asked to focus on personnel, decision making, and core competency considerations. Ms. Gordon responded noting that separating MTA could create redundancies and personnel funding challenges if additional

resources are not provided. She also mentioned the State would have to examine the Federal Transit Administration State Safety Oversight function. Administrator Arnold added that the staffing and administrative pieces are the major challenges. It would not necessarily be a productive use of state resources to set up two procurement teams, two human resource teams, and other potentially duplicate teams. She also noted there are advantages to having a unified statewide transit planning team and federal funding flexibility that is enabled by having one designated funding recipient.

- ii. Delegate Korman asked about how other states handle designated recipients and noted Massachusetts has at least two. He also mentioned Washington and New York. He noted that Maryland's model seems unique. Administrator Arnold noted that the New York Metropolitan Transportation Authority serves as the designated recipient and each of its services is an operating entity, like Maryland.
- iii. **Mr. Laria requested a list of all FTA designated recipients.**
- iv. Chair Sidh asked how WMATA handles their FTA funding for the Washington urbanized area. Administrator Arnold noted that the MTA is the recipient of Washington area urbanized funds for the State of Maryland and that there are two additional recipients for the region – WMATA and the Potomac and Rappahannock Transportation Commission, on behalf of the Virginia Railway Express.
- v. Chair Sidh asked if New Starts projects were ever managed at the Secretary's Office (TSO). Administrator Arnold acknowledged that in 2012, the Office of Transit Development and Delivery was created at MTA to manage large projects, but to her knowledge they were not directly managed at TSO previously.
- vi. Mr. Laria asked if no functions were moved out of MTA, would a new board or governance structure change MTA's designated recipient status. Administrator Arnold noted that she did not expect there to be impacts to current FTA procedures with governance only changes.
- vii. Mr. Kelly noted that in some parts of the United States the Metropolitan Planning Organization (MPO) serves as the FTA designated recipient, though this would likely require additional resources at the Baltimore Regional Transportation Board to implement in Maryland.
- viii. Mr. Laria requested staff provide an analysis of the potential recipient and other federal changes that would be required based on the potential reorganization options. Chair Sidh and Workgroup staff noted that this would be presented in the Final Report.
- ix. Delegate Korman noted that a new entity could be created but not be the direct recipient until it was more formally stood up. This would create a transition period for the new organization to get up to speed. Suggested looking at Virginia as a potential model.

4. Ms. Kate Sylvester, Deputy Administrator and Chief Program Delivery Officer, MTA, provided a briefing on MTA's contractual relationship and potential considerations for the Workgroup.
 - i. Chair Sidh asked approximately how much of MTA's operating budget supports contracted services. Ms. Sylvester responded that approximately 40% of the operating budget supports contracted services.
 - ii. Delegate Edelson asked if WMATA faces a similar situation as MTA regarding uncapped liability. Administrator Arnold noted that she was not sure, but they are not an agency of the State of Maryland.
 - iii. Delegate Edelson asked where the \$500 million per incident cap comes from regarding rail operations. Administrator Arnold and Mr. Winkler noted the passenger rail liability cap is governed by federal statute and is also influenced by the broader insurance marketplace.
 - iv. Chair Sidh noted that he was aware that MARC was operated as a third-party contract but was unaware that there were 40 contracts associated with the MARC service. Ms. Sylvester noted that MARC operations is one contract, but there are additional services and contracts to support marketing, customer needs, and capital projects.
 - v. Mr. Mitchell asked if MTA could clarify the liability cap and why there is reluctance in the State currently to address this. Administrator Arnold and Mr. Laria noted that there is a feeling that the potential impact of an incident could be seen as being higher due to its involving transit vehicles and that MTA is the only entity in the State currently outside of the Maryland Tort Claims Act.
5. Other Business
 - i. Chair Sidh moved to other business.
 - ii. Mr. Mitchell asked if the Workgroup should discuss and develop a problem statement to help guide its work and its ultimate goals and objectives. Chair Sidh acknowledged the request and that there seems to be common themes and responses from Workgroup members emerging based on discussion. Suggested the Workgroup formally revisit this topic at a future meeting.
6. Adjournment.
 - i. Chair Sidh moved to adjourn the meeting. Mr. Laria seconded. **There was no discussion and the motion to adjourn carried unanimously.**