

McLean Citizens Association



McLeanCitizens.org

RESOLUTION

MCA Support for Reforming MWAA

July 11, 2012

Whereas, the McLean Citizens Association (MCA) re-affirms its support for extension of Metrorail to Dulles International Airport, but is growing increasingly concerned about the management and oversight by the Metropolitan Washington Airports Authority (MWAA) of the extension of the Metro Silver Line to Dulles Airport and about certain MWAA procedures and expenditures; and

Whereas, the MCA's concerns were heightened by recent controversies, including 1) the MWAA plan for an underground Metro station at the airport that would have significantly increased the cost of Phase 2 of the Silver Line, and 2) MWAA's recent acknowledgment of cost overruns on Phase 1 of the Silver Line, including \$150 million of cost overruns, which the MWAA Office of Finance and Office of Engineering acknowledged in their report of May 2, 2012, with 75% of the \$150 million to be paid by the tolls on the Dulles Toll Road (DTR); and

Whereas, Congressman Frank Wolf introduced a bill, HR 5322, to establish a permanent and independent Inspector General (IG) for MWAA, resulting in similar language being added to the Fiscal Year 2013 Transportation Appropriations bill, which was passed by the House Transportation Appropriations Subcommittee on June 5, 2012, and

Whereas, as a result of a March 2012 request of Congressman Wolf and Congressman Tom Latham, the Department of Transportation (DOT) IG initiated an audit of MWAA, including the review of multiple allegations of mismanagement and misconduct by MWAA, which was subsequently expanded to include concerns about project oversight of Phase 2 of the Silver Line; and

Whereas, on May 15, 2012, the DOT IG released an Interim Report of its audit, which noted that:

(1) MWAA was created by a Federal statute, the *Washington Metropolitan Airports Authority Act of 1986*, and that subsequently the U.S. Department of Transportation leased to MWAA the Federally-owned airports, Dulles International Airport and Ronald Reagan Washington National Airport;

(2) Although the two airports are Federally-owned, MWAA is unique in that it is not subject to Federal law nor to the laws of the participant jurisdictions, Virginia, Maryland, or the District of Columbia;

(3) MWAA is not subject to Federal ethics and procurement laws; and that MWAA's own ethics rules and procurement regulations are frequently ignored;

(4) almost two-thirds of almost 200 contracts of more than \$200,000 from 2009 to 2011 were not put out for bid through full and open competition; and that MWAA lacks effective internal controls over its own expenditures, which resulted in travel costs and dining expenses greatly in excess of reasonable and usual amounts; as well as other questionable expenses;

(5) MWAA has conducted three studies of "revenue-maximizing tolls" (*i.e.*, the toll that would generate the greatest toll receipts, after accounting for the reduction in the number of drivers who will not use the DTR because of increased tolls.) The study conducted in 2009 projected that the revenue-maximizing toll would be \$12 for 2023, which will increase the number of drivers who do not use the DTR and increase traffic congestion on alternate routes used by commuters who are unwilling to pay the increased tolls;

(6) the audit review is ongoing and includes the issue of MWAA's project oversight of the Silver Line Phase 2; and

Whereas, in summary, the McLean Citizens Association is concerned about inadequate and ignored ethics and procurement rules of MWAA and the potential such deficiencies, together with construction-cost overruns, have for increasing the costs of the Silver Line, with resulting increases in tolls to an unacceptable level and the unavoidable increased congestion on alternate routes through neighboring communities.

NOW, therefore, be it resolved, that MCA supports Federal legislation to require that MWAA, its Board of Directors, and employees, abide by Federal ethics and procurement standards and that the MWAA be subject to continuous oversight by a permanent and independent Inspector General.

Be it further resolved, that MCA urges the U.S. Department of Transportation to initiate forthwith an effort that ensures adequate oversight of the construction of Phase 1 and planning and construction of Phase 2 of the Silver Line; and that DOT ensures that MWAA's ethics, expense reimbursement, and procurement policies be strengthened and enforced.

*Approved by the MCA Board of Directors
July 11, 2012*