



**Chair**  
Hon. Matt de Ferranti

March 5, 2024

**Vice-Chair**  
Hon. David Snyder

Paul Smedberg  
Chair, Board of Directors  
Washington Metropolitan Area Transit Authority (WMATA)  
300 7<sup>th</sup> Street, SW  
Washington, D.C. 20024

**Secretary-Treasurer**  
Hon. Sarah Bagley

**City of Alexandria**  
Hon. Canek Aguirre  
Hon. Sarah Bagley

**Arlington County**  
Hon. Matt de Ferranti  
Hon. Libby Garvey  
Hon. Takis Karantonis

Re: Comments on Proposed Fiscal Year 2025 WMATA Budget  
(Docket B24-01 and B24-02)

Dear Chair Smedberg:

**Fairfax County**  
Hon. Walter L. Alcorn  
Hon. James N. Bierman, Jr.  
Hon. Dalia A. Palchik  
Hon. Daniel G. Storck  
Hon. James R. Walkinshaw

On behalf of the Northern Virginia Transportation Commission (NVTC) WMATA Committee, I write to convey our comments regarding WMATA's proposed FY 2025 Operating Budget and FY 2025-2030 Capital Improvement Program. We support WMATA's efforts in producing a revised FY 2025 proposed budget proposal that provides frequent, reliable service, includes moderate fare increases and contains \$113 million in cost savings to minimize the financial burden on funding jurisdictions. However, we are concerned that the additional subsidy amounts by Virginia, Maryland and the District of Columbia are inconsistent with traditional subsidy allocation formulae, and NVTC does not support creating a new subsidy allocation methodology this late in the budget process.

**City of Fairfax**  
Hon. Catherine Read

**City of Falls Church**  
Hon. David F. Snyder

**Loudoun County**  
Hon. Juli Briskman  
Hon. Matt Letourneau

### **Shared Sacrifice to Fund WMATA in the Short-Term**

**Commonwealth of Virginia**  
Hon. Paul C. Smedberg

**Virginia General Assembly**

**Senate**  
Hon. Adam Ebbin  
*vacant*

**House of Delegates**  
*vacant*  
*vacant*  
*vacant*  
*vacant*

**Finding a short-term solution for the next two years requires shared sacrifice from riders, workers and our funding jurisdictions** who are facing their own post-pandemic structural funding challenges, similar to what WMATA experienced over the last few years. As NVTC jurisdictions grapple with declining commercial office assessments and their own budget gaps, they are considering significant property tax increases, demonstrating our ongoing shared commitment with the Commonwealth to fund WMATA.

### **Focus on a Long-Term, Sustainable Funding Solution**

**Executive Director**  
Katherine A. Mattice

NVTC recognizes the importance of maintaining world-class transit in Northern Virginia and remains committed to a sustainable, cost-effective WMATA system. Not only does WMATA provide access to employment centers, support regional environmental goals and enhance the quality of life of our region's residents, our

[Value of Northern Virginia Transit to the Commonwealth](#) estimated that Metrorail accounts for approximately \$1 billion in statewide economic impact each year. In Virginia, funding WMATA is a joint partnership between NVTC localities and the Commonwealth. As Virginia, Maryland and the District of Columbia have made promising progress towards identifying additional funding to close the FY 2025 operating budget gap, **NVTC and the region must remain focused on a long-term, sustainable funding solution for WMATA and other transit providers in Northern Virginia.** We are pleased that WMATA may be able to avoid the draconian service cuts, station closures and layoffs outlined in the General Manager's original proposed budget in December 2023 that would have imperiled WMATA's ongoing ridership recovery and brought the region to a halt.

### **NVTC Supports WMATA's Efforts to Strategically Reduce Service, Optimize Fares and Control Costs in the Revised FY 2025 Proposed Budget**

To make the revised FY 2025 proposed budget (introduced February 8, 2024) a reality, NVTC continues to work with partners in Virginia to rebaseline the 3% cap and seek additional state aid to help close the budget gap in FY 2025 and FY 2026. NVTC is also generally supportive of the targeted Metrorail service cuts, moderate fare increases and strengthened fare enforcement outlined in the revised FY 2025 proposed budget.

NVTC supports the strategic service reductions to Metrorail as a way to efficiently deliver frequent service for riders and better reflect current post-pandemic ridership patterns. We urge WMATA to continue to find efficiencies in where and when to deliver service while continuing to maintain and grow ridership as customers return to the system as we have seen in recent ridership growth on the Silver Line. We are eager to learn more about the Year One Redesigned Metrobus network which will reallocate existing resources to deliver more value to the region. With Metrorail fare evasion rates of 5% in Virginia, 14% in DC, and 19% in Maryland from January 1, 2023, to June 30, 2023, NVTC supports WMATA's efforts to reduce fare evasion with the installation of system-wide high-barrier faregates and increased fare enforcement. Reducing fare evasion is important to the safety and security of the WMATA system in addition to increasing fare revenues. We encourage similar attention to fare evasion on the Metrobus system.

NVTC supports the proposed 12.5% fare increase with up to 25% fare increases on late nights and weekends to adjust fares to reflect inflation and as a means to recover additional revenue while still maintaining a healthy ridership recovery. We encourage WMATA and the region to enroll eligible riders in Metro Lift, WMATA's low-income fare pass. Even as fares increase, Metro Lift will provide eligible riders in need with 50% discounted rides. The revised proposed FY 2025 budget offers fare increases that successfully balance the needs of short and long-distance riders. However, in any future fare policy decisions on Metrorail fares and parking fees, we urge WMATA to avoid overburdening long-distance riders as they have not returned to Metrorail as quickly as other riders.

We commend WMATA for identifying **\$113 million in FY 2025 capital and operating budget cost savings measures** to complement the \$308 million in cumulative operating budget cost savings between FY 2018 and FY 2024. WMATA must continue to identify administrative and operating efficiencies and mechanisms to control costs across all modes and to also identify efficiencies in its capital program.

NVTC supports the FY 2025-2030 Capital Improvement Program’s (CIP) focus on addressing critical state of good repair needs and supports the proposed FY 2025 preventive maintenance (PM) transfer to help fully fund the operating budget; however, **we urgently remind WMATA and the region this funding lever should not be utilized in perpetuity** since it would accelerate the exhaustion point of dedicated capital funding bond capacity and threaten longer-term state-of-good-repair and modernization needs in the capital program. Even though this exhaustion point is several years away, we recognize that the current capital program and CIP is funding constrained and **a long-term solution for capital is needed.**

### **Maintain the Current, Board-Approved Subsidy Allocation Formula for FY 2025**

In the context of this year’s budget and the short-term work we are engaged in, NVTC is concerned that the additional subsidy amounts proposed by the District of Columbia are not consistent with the traditional WMATA Board approved subsidy allocation formulae and **NVTC does not support creating a new subsidy allocation methodology this late in the budget process.**

With the pending rebaselining of the 3% operating cap, our jurisdictions expect WMATA to calculate the FY 2025 operating subsidy using the traditional subsidy allocation formulae which would provide a detailed breakdown of the subsidy by mode (Metrorail, Metrobus, and MetroAccess). NVTC localities offer a wealth of supplemental bus and paratransit services that reduce their need for Metrobus and MetroAccess services, and having an accurate accounting of their subsidy obligations to WMATA by mode is critical for them to important policy decisions around costs and service of their local systems.

NVTC looks forward to engaging with WMATA and the region to update the WMATA Board approved subsidy allocation formulae for use in future budgets. Indeed, if the region is to be successful in redesigning the Metrobus network, a new Metrobus subsidy allocation formula is fundamental to that effort.

### **NVTC Remains Committed to a Long-Term, Sustainable Funding Solution for Transit in Northern Virginia**

While securing short-term (FY 2025) funding is critical, NVTC and the region must accelerate our collective efforts toward developing a long-term, sustainable funding solution for WMATA; in Virginia, that solution must include VRE and the other transit agencies in Northern Virginia who are also facing post-pandemic structural financial challenges. The work of NVTC’s Metro Funding and Reform Working Group and the Metro Funding, Reform, and Accountability recommendations in NVTC’s [2023 Report on the Performance and Condition of WMATA](#) provide the background, technical support and direction to find these solutions. The Virginia General Assembly is considering legislation that would create a Joint House of Delegates and Senate subcommittee to study and potentially recommend a dedicated funding package for WMATA and Northern Virginia transit agencies. This effort by the General Assembly represents a critical path towards finding those solutions. NVTC and its partner jurisdictions are committed to WMATA’s success and its role as a transit leader in the region.

NVTC also encourages the Federal government to accelerate its return to office efforts while ensuring that the return is spread across the entire workweek. WMATA, VRE and our local transit systems move

the Federal workforce, and those riders are vital role to the ongoing financial health and success of transit in Northern Virginia. Please do not hesitate to contact me or NVTC Executive Director Kate Mattice if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Alcorn". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Walter Alcorn  
Chair, WMATA Committee