

The following items were handed out at the November 2, 2017 NVTC Meeting.



Washington Metropolitan Area Transit Authority

FY2019 Proposed Budget

Finance Committee
November 2, 2017



Metro continues to face structural challenges

Chronic Capital Underinvestment

- Reliant on unpredictable year-to-year local, state and federal contributions without dedicated revenue source
- Substantial deferred capital needs backlog associated with aging transit system
- Limited maintenance and rehabilitation opportunity due to “2-track” design and constrained work hours

Unsustainable Operating Model

- Labor-intensive operation – over 70% of operating budget funds personnel (wages & benefits)
- Substantial legacy commitments on wages, pension and health benefits
- MetroAccess demand and subsidy have grown rapidly as Metro has limited ability to control the costs of the mandated service
- No “Rainy Day” fund or contingency for unpredictable financial shocks



Keeping Metro Safe, Reliable and Affordable

To restore system to a State of Good Repair:

- Cap **annual jurisdictional capital contribution growth** at **3%**
- Invest **\$15.5 billion over next 10 years** for critical capital projects, increasing **average annual investment** to \$1.5 billion
- **Establish a multi-year, inflation-adjusted stable revenue source generating \$500 million per year to a Capital Trust Fund**
- Dedicate the Capital Trust Fund **exclusively** to capital investment, not day-to-day operations
- Secure Congressional **reauthorization for federal capital investment (PRIIA)** at least at current level of **\$1.5 billion over 10 years**

Stable, dedicated funding provides flexibility and long term financial sustainability



Creating a sustainable operating model

Requires WMATA and the region to:

- Cap **annual jurisdictional operating contribution growth** at **3%**
- Support flexibility to reduce cost through **innovation** and **competitive contracting**, where effective
- Amend the **National Capital Area Interest Arbitration Standards Act (Wolf Act)** to require consideration of WMATA's financial condition
- Initiate **new retirement program for new hires**
- Create a **Rainy Day Fund** to mitigate unforeseen obligations

Transforming Metro requires flexibility and long term financial sustainability



Back2Good

- Increased rate of capital investment – nearly \$1.2 billion invested in FY2017 – advancing safety, reliability and system preservation projects including SafeTrack
- Improving safety and reliability through track inspection and preventive maintenance program and new 7000 series railcars – 424 in service as of October 23
- Erased \$116 million FY2017 revenue shortfall through management actions including reducing the size of the Metro workforce by 800 positions, other cost savings, and prior year budget surpluses
- FY2018 budget balanced through management actions, service reductions, fare increases, and increased jurisdictional contributions

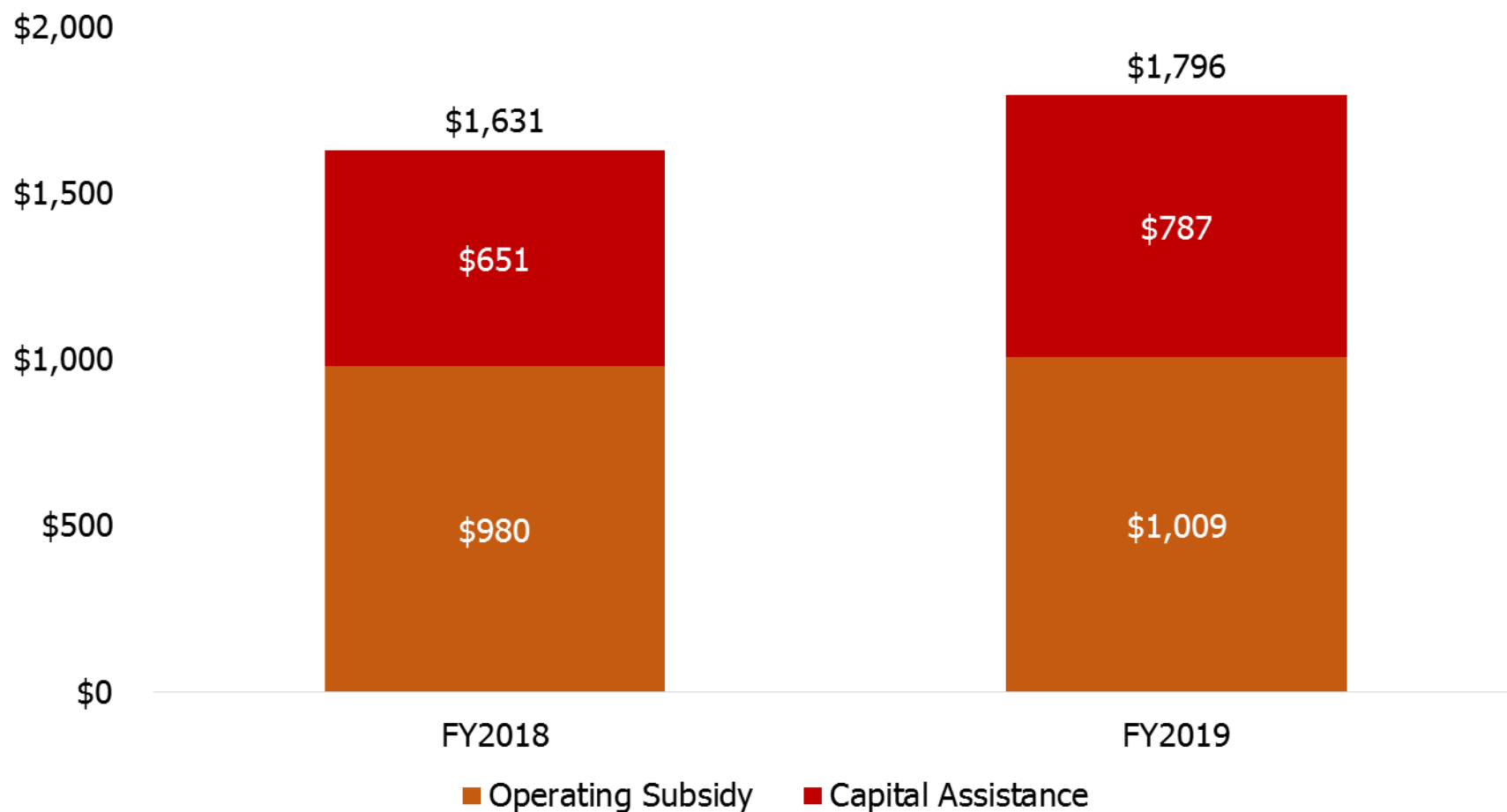


FY2019 Proposed Budget Priorities

- Fund safety, compliance and reliability improvements to drive ridership
- Deliver capital program investment to renew and preserve the system
- Encourage customers to ride through fare pass products
- No service reductions and no fare increases
- Fund legacy commitments, mandates and cost inflation while limiting operating subsidy growth to 3 percent (\$29 million)
- Implement Management Actions to improve efficiency and reduce cost, including outsourcing where effective

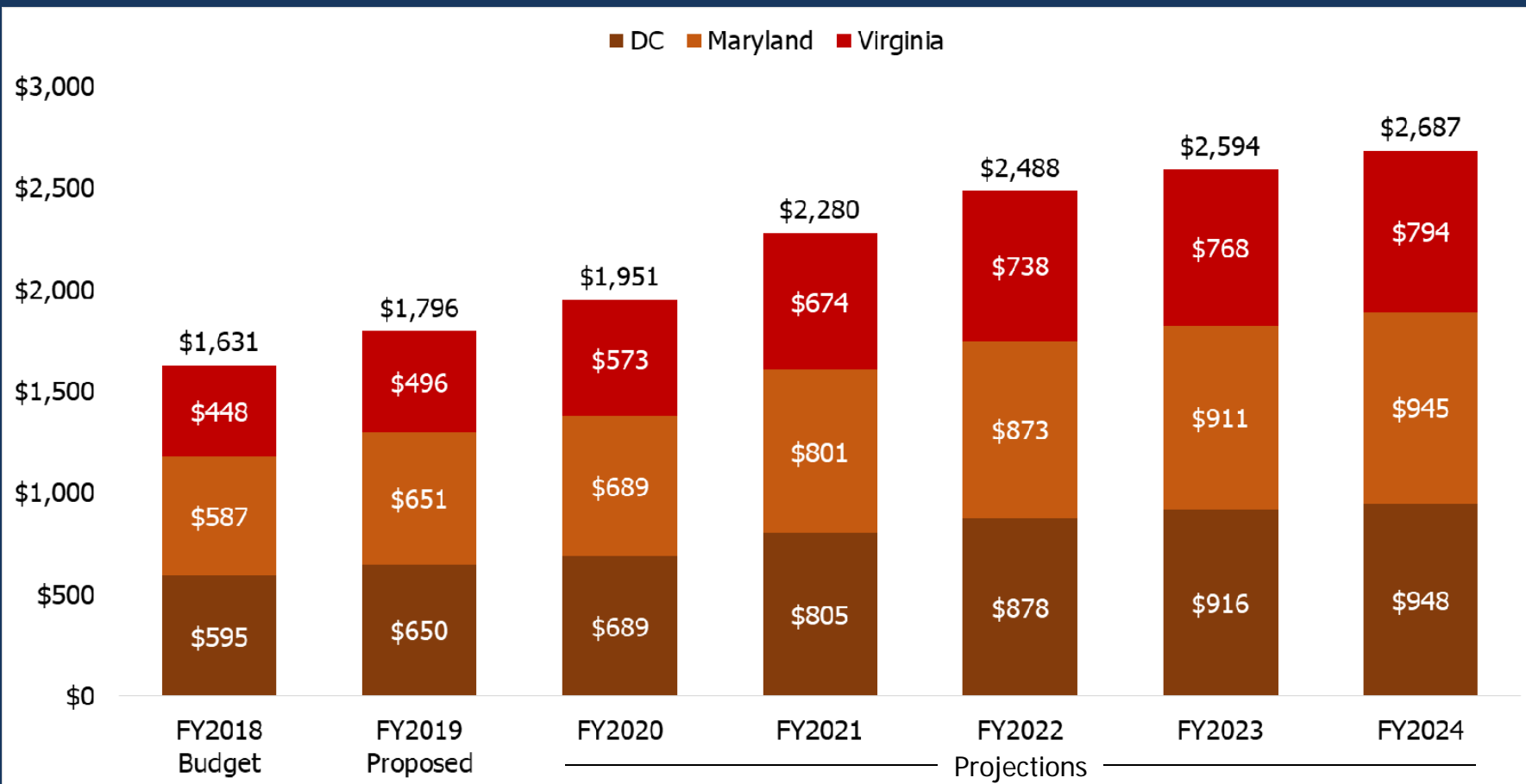


FY2019 Jurisdictional Operating and Capital Funding - \$165 million increase





FY2019-2024 Jurisdictional Capital and Operating Funding Outlook



Without dedicated revenue, PRIIA reauthorization, and structural reforms, the annual jurisdictional capital and operating funding requirement will increase by more than \$1 billion in six years



FY2019 Capital Budget

Note: Due to rounding, numbers and percentages presented throughout this document may not sum to the totals.



Proposed Capital Budget and Six-Year Plan

FY2019 Proposed Capital Budget:

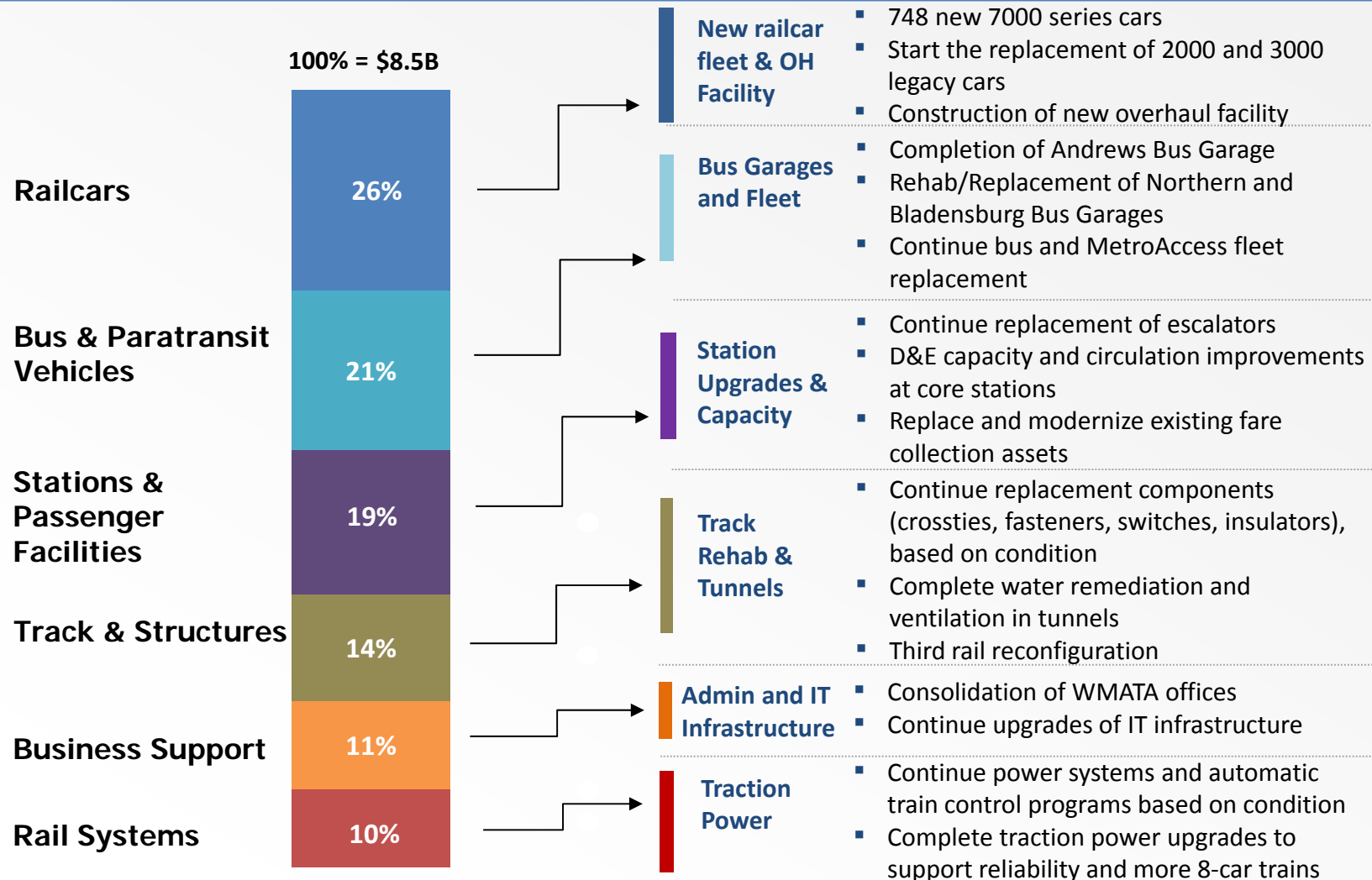
- Planned investment of \$1.28 billion
- Over 85 percent of planned investment already underway

Six Year Plan:

- Proposed \$8.5 billion six-year investment based on ongoing projects and prioritized system preservation and renewal needs from Capital Needs Inventory
- Federal funding assumptions: PRIIA funding ends after FY2020; federal formula funding continues for next six-years at current levels
- Includes funding for development and evaluation of projects including: Bladensburg and Northern bus garages rehab/replacement, new railcar overhaul facility, tunnel water mitigation and ventilation systems, and core station passenger circulation improvements

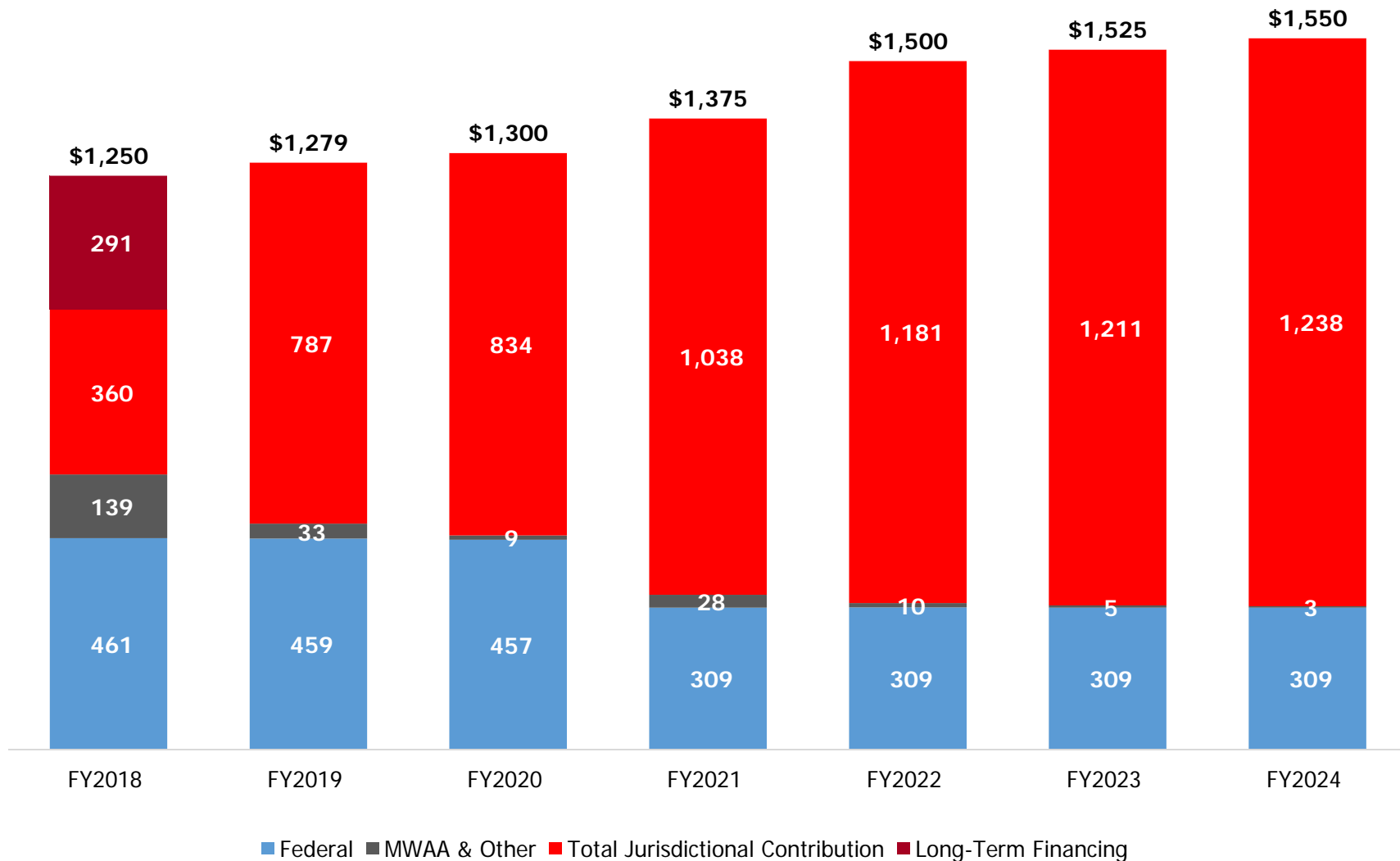


FY2019-2024 Investment by Asset Category





FY2019-2024 Capital Need without Dedicated Revenue / PRIIA Reauthorization



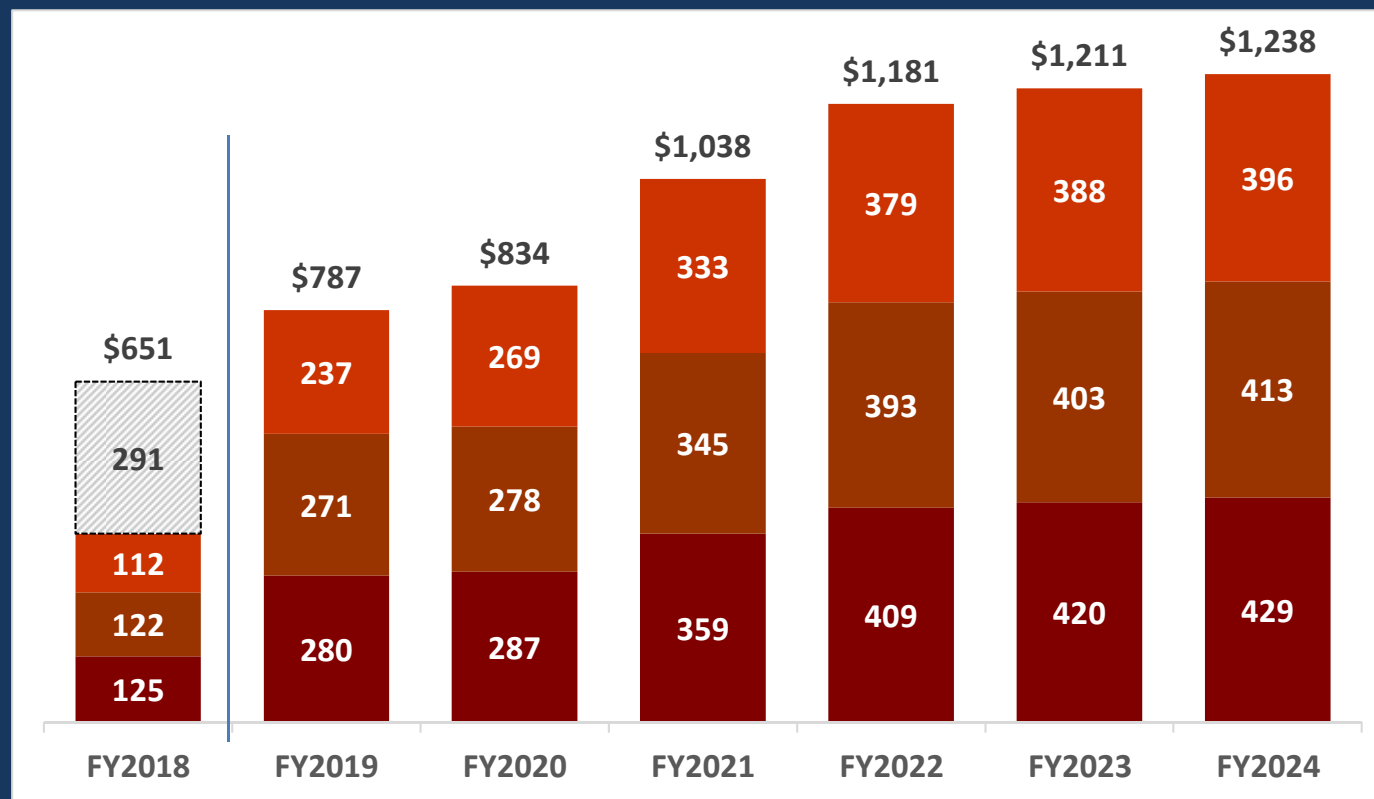
Note: Projections assume PRIIA ends after FY2020.



FY2019-2024 Jurisdictional Capital Funding Requirement without Dedicated Revenue / PRIIA Reauthorization

Estimated annual capital contribution need by jurisdiction \$M

Total 6-year requirement without dedicated revenue & PRIIA, \$M



VA

\$2,002

MD

\$2,103

DC

\$2,184

Notes: FY2018 includes \$291M of Long Term Financing. Projections assume PRIIA ends after FY2020.



FY2019 – FY2024 Proposed Investment Summary

Investment Category (\$M)	FY2019 Proposed	6 Year Proposed
Railcars	\$441	\$2,171
Rail Systems	\$184	\$852
Track & Structures	\$134	\$1,196
Stations & Passenger Facilities	\$243	\$1,580
Bus & Paratransit Vehicles	\$192	\$1,757
Business Support	\$84	\$973
TOTAL	\$1,279	\$8,530



Railcars

Program (\$M)	FY2019 Proposed	6 Year Proposed
Acquisition	\$289	\$765
Maintenance/Overhaul	\$116	\$721
Maintenance Facilities	\$35	\$686
Total	\$441	\$2,171

FY2019 Key Deliverables

- Acquisition of 164 new 7000 series railcars
- Continue railcar preventive maintenance and rehabilitation activities
- Continue using local funding for parts for railcar rehabilitation
- Complete repairs at Shady Grove and Branch Ave rail yards; rehab railcar lifts

6 Year Highlights

- 748 new 7000 series railcars in service
- 1000, 4000, and 5000 fleets replaced
- Start replacement of 2000/3000 fleets
- Focused investment in existing railcar fleet to improve safety and reliability
- Construction of new overhaul facility



Rail Systems

Program (\$M)	FY2019 Proposed	6 Year Proposed
Propulsion	\$66	\$452
Signals & Communications	\$119	\$401
Total	\$184	\$852

FY2019 Key Deliverables

- Complete underground installation of radio infrastructure on Blue/Orange Line
- Install 16 power quality meters, and replace 6 transformers
- Install 7 tie-breaker stations and 5 traction power sub-stations
- Track circuit replacement
- Pilot wayside-worker protection system

6 Year Highlights

- Complete pilot of wayside-worker protection system
- Complete replacement of track circuits
- Continue traction power upgrades to support reliability and more 8-car trains
- Continue power system and automatic train control programs based on condition



Track & Structures

Program (\$M)	FY2019 Proposed	6 Year Proposed
Fixed Rail	\$100	\$814
Structures	\$34	\$382
Total	\$134	\$1,196

FY2019 Key Deliverables

- Replace 12 switches and 13 miles of running rail
- 23,500 direct fixation fasteners
- Remove and replace 13,000 crossties
- Replace 14,000 insulators
- Repair, mitigate, and eliminate tunnel leaks; rehabilitate 70,000 linear feet of drainage

6 Year Highlights

- Maintain track in a state of good repair with annual program to replace components including crossties, fasteners, switches, and insulators based on condition
- Complete water remediation and ventilation in tunnels
- Start bridge rehabilitation program
- Third rail reconfiguration



Stations & Passenger Facilities

Program (\$M)	FY2019 Proposed	6 Year Proposed
Platforms & Structures	\$105	\$671
Vertical Transportation	\$60	\$335
Station Systems	\$78	\$574
Total	\$243	\$1,580

FY2019 Key Deliverables

- Replace 15 escalators, rehabilitate 16 escalators, rehabilitate 13 elevators
- Drainage improvements at 8 locations
- Replace station chillers and cooling towers
- D&E Gallery Place station capacity and circulation
- Begin platforms rehabilitation

6 Year Highlights

- Continue reinvestment in elevators and escalators
- Rehabilitation of parking facilities
- Station lighting renewal
- Gallery Place capacity and circulation improvements
- Grosvenor garage expansion
- D&E L'Enfant Plaza station capacity improvements



Bus & Paratransit

Program (\$M)	FY2019 Proposed	6 Year Proposed
Bus & Paratransit Acquisition	\$95	\$695
Bus Overhaul & Maintenance	\$61	\$389
Bus Maintenance Facilities	\$32	\$346
Bus Passenger Facilities	\$5	\$327
Total	\$192	\$1,757

FY2019 Key Deliverables

- 100 replacement CNG buses
- Continue bus rehabilitation and repair
- 225 Paratransit vans
- Complete construction of Andrews Federal Bus Garage
- D&E bus garage rehab/replacement

6 Year Highlights

- Sustain bus and paratransit fleet through annual replacement and rehabilitation
- Rehab/Replacement of Bladensburg and Northern bus garages
- Evaluation of construction of new bus garages



Business Support

Program (\$M)	FY2019 Proposed	6 Year Proposed
IT	\$55	\$341
MTPD	\$1	\$8
Support Equipment & Services	\$28	\$624
Total	\$84	\$973

FY2019 Key Deliverables

- Continue roof rehabilitations and replacements
- Begin development of financial system upgrade
- Modernize work order system

6 Year Highlights

- Rehabilitate and repair facility roofs across Metro system
- Consolidation of WMATA office facilities
- Complete financial system upgrade
- Continue investment in hardware and required software improvements to support business operations



FY2019 Operating Budget

Note: Due to rounding, numbers and percentages presented throughout this document may not sum to the totals.



FY2019 Proposed Operating Budget

(\$ in millions)	FY2018 Budget	FY2019 Proposed	\$ Change	% Change
Revenue	\$845	\$828	(\$17)	(2.0%)
Expense	\$1,825	\$1,837	\$12	0.7%
Subsidy	\$980	\$1,009	\$29	3.0%



FY2019 Subsidy Growth Constrained to 3 percent

(\$ in millions)		Subsidy Impact
FY2018 Approved Subsidy		\$980
Ridership Decline	Metrorail and Metrobus	\$25
	Subtotal	\$25
Legacy Commitments, Mandates and Inflation	Contractually obligated wage steps	\$7
	Health Care and Pension	\$9
	Paratransit	\$11
	Energy Costs	\$7
	Inflation: Materials, Supplies & Services	\$8
	Subtotal	\$42
Management Actions to Reduce Cost and Generate More Revenue	Control Overtime Costs	(\$5)
	Baseline Reductions and Efficiencies	(\$25)
	Increase parking revenue	(\$6)
	Increase advertising revenue	(\$2)
	Subtotal	(\$38)
FY2019 Jurisdictional Subsidy	FY2019 Proposed Subsidy	\$1,009
	Subsidy Increase (3%)	\$29



Management Actions and Initiatives to Reduce Cost and Generate Revenue

➤ **Management Actions already implemented:**

- ✓ Reduced 800 positions and non-represented employee healthcare
- ✓ Implemented controls on absenteeism & workers' compensation
- ✓ Launched Abilities-Ride
- ✓ Enhanced advertising
- ✓ Fair Fare Collection – increase enforcement

➤ **Additional Management Actions to reduce cost and generate more revenue:**

- ✓ Cost efficiencies and reductions - \$25 million
- ✓ Control overtime expense – \$5 million
- ✓ Increase parking revenue opportunities - \$6 million
- ✓ Expand advertising - \$2 million
- ✓ Advance structural reforms - TBD



Potential additions could force increased contributions from the jurisdictions above 3 percent cap

FY2019 Proposed Budget Does Not Include:

- Silver Line Phase 2
- Increases in rail and bus service -
 - State of Good Operations or other bus service proposals requiring additional subsidy
 - Requests for increased rail service frequency
- Increased funding request from Office of the Inspector General
- Wage increases for FY2019 or prior years
- Reduction in FTA grant funding of vehicle preventive maintenance (remains at \$60 million)
- Additional funding for contributions to OPEB trust
- Rainy day fund



Budget Risks

- Ridership uncertainty due to changes in trip-making and transportation market (telework, alternate modes, gas prices, etc.)
- Outcome of collective bargaining
- Significant paratransit ridership growth
- Pension and OPEB liabilities
- Safety needs and additional system inspection and maintenance efforts
- Federal uncertainty – PRIIA reauthorization, formula program funding, transit benefit, federal employment and contracting levels

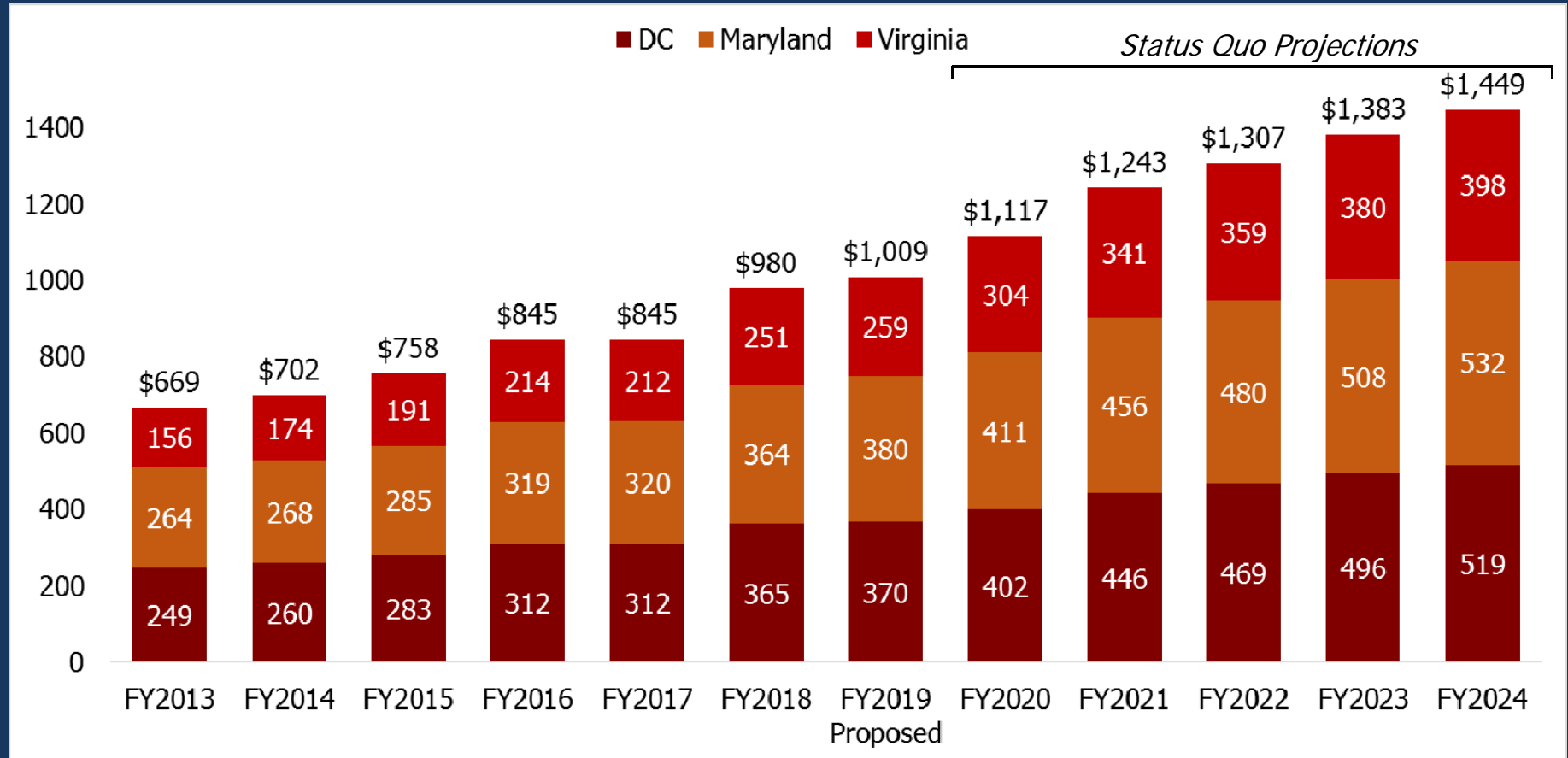


Rainy Day Fund

- With a Rainy Day Fund, jurisdictions are insulated from future financial shocks to Metro
- Recent unbudgeted events that impacted Metro include:
 - Federal government shut down
 - Papal visit
 - Safety mandates
 - Energy price volatility
 - Snow and other operational disruptions
- GM/CEO will propose guidelines for use of Rainy Day Fund
 - For emergencies, compliance mandates and unexpected market shifts; not for routine expenses or bargaining agreements



Structural reforms are required to constrain operating subsidy growth to 3% beyond FY2019



- ☐ Reform arbitration process
- ☐ New retirement plan for new hires
- ☐ Reset Bus Network
- ☐ Redesign paratransit delivery model
- ☐ Competitive contracting, where effective
- ☐ Consolidate pensions, healthcare



Next Steps

- **December:** Publication of Proposed Budget Document; Authorization for Public Hearing (for capital program and FTA grants)
- **December-February:** Budget deliberations
- **Jan-Feb:** Public outreach and public comment period
- **March:** Adoption of FY2019 Budget

Budget approval in March is recommended to ensure uninterrupted regional funding of the capital program and to allow for the timely application and award of FTA grants



Appendices

Note: Due to rounding, numbers and percentages presented throughout this document may not sum to the totals.



Proposed Capital Budget Funding Sources

Funding Source (\$M)	FY2018 Budget	FY2019 Proposed	Change
Federal Grants	\$461	\$459	(\$1)
Jurisdictional Match & SP	\$360	\$787	\$427
MWAA & Other	\$139	\$33	(\$106)
Long Term Financing	\$291	\$0	(\$291)
Total Funding	\$1,250	\$1,279	\$29



Proposed Jurisdictional Capital Contributions

Jurisdiction (\$M)	FY2018 Budget	FY2019 Proposed	Change
District of Columbia	\$230	\$280	\$49
Maryland	\$223	\$271	\$47
City of Alexandria	\$23	\$30	\$6
Arlington County	\$44	\$56	\$12
City of Fairfax	\$1	\$2	\$0
Fairfax County	\$76	\$96	\$21
City of Falls Church	\$1	\$2	\$0
Commonwealth of Virginia	\$51	\$51	\$0
Virginia Subtotal	\$197	\$237	\$40
Total Contribution	\$651	\$787	\$136

Note: Does not include debt strategy or contributions for debt service payments.



Impact of Ridership Declines

(in millions)	FY2017 Actual	FY2018 Budget	FY2018 Forecast	FY2019 Projection
REVENUE				
Rail	\$531	\$543	\$541	\$542
Bus	\$137	\$161	\$139	\$137
MetroAccess	\$10	\$10	\$10	\$10
Parking	\$41	\$42	\$40	\$47
Other Revenue	\$64	\$59	\$59	\$60
Reimbursables	\$35	\$31	\$31	\$32
Total Revenue	\$818	\$845	\$820	\$828
RIDERSHIP				
Rail	177	179	173	173
Bus	122	117	111	111
MetroAccess	2.4	2.4	2.4	2.4
Total Ridership	301	298	287	287



Expense Growth Drivers: Legacy Commitments, Mandates and Inflation

- Legacy commitments and inflation - \$31 million:
 - ✓ Contractually obligated longevity wage increases - \$7 million
 - ✓ Health care and pension - \$9 million
 - ✓ Materials, supplies and services - \$8 million
 - ✓ Fuel, propulsion power and electricity - \$7 million
- Paratransit - \$11 million:
 - ✓ Contract rate increases and ridership growth - \$11 million



FY2019 Proposed Operating Budget

	FY2018	FY2019	Growth	
			\$	%
REVENUE				
Rail	\$543	\$542	(\$1)	0%
Bus	\$161	\$137	(\$24)	-15%
Access	\$10	\$10	\$0	1%
Parking	\$42	\$47	\$5	11%
Advertising	\$24	\$26	\$2	8%
Other	\$35	\$34	(\$0)	-1%
Reimbursables	\$31	\$32	\$1	4%
Total Revenue	\$845	\$828	(\$17)	-2%
EXPENSES				
Labor	\$885	\$877	(\$8)	-1%
Fringes	\$423	\$429	\$6	1%
Services	\$294	\$305	\$11	4%
Materials & Supplies	\$101	\$105	\$4	4%
Fuel	\$33	\$33	\$0	0%
Utilities & Propulsion	\$88	\$94	\$6	7%
Other	\$42	\$42	\$0	0%
Capital Allocation	(\$40)	(\$47)	(\$7)	16%
Total Expenses	\$1,825	\$1,837	\$12	1%
SUBSIDY	\$980	\$1,009	\$29	3%



FY2019 Operating Subsidy by Jurisdiction

(\$ in millions)	Metrorail	Metrobus	MetroAccess	FY2019 Proposed	FY2018 Approved	Variance	
						\$	%
District of Columbia	\$134.6	\$207.8	\$27.3	\$369.7	\$364.6	\$5.1	1.4%
Montgomery County	\$74.0	\$68.8	\$25.0	\$167.8	\$161.4	\$6.4	4.0%
Prince George's County	\$65.2	\$95.2	\$51.8	\$212.2	\$202.4	\$9.9	4.9%
Maryland Subtotal	\$139.2	\$164.0	\$76.8	\$380.0	\$363.7	\$16.3	4.5%
City of Alexandria	\$19.1	\$22.0	\$1.0	\$42.1	\$40.3	\$1.8	4.5%
Arlington County	\$37.9	\$34.1	\$0.8	\$72.8	\$70.9	\$1.9	2.7%
City of Fairfax	\$1.3	\$0.6	\$0.3	\$2.2	\$2.2	\$0.0	1.0%
Fairfax County	\$63.7	\$60.9	\$14.9	\$139.4	\$135.3	\$4.1	3.0%
City of Falls Church	\$1.0	\$1.6	\$0.1	\$2.7	\$2.7	\$0.1	2.3%
Virginia Subtotal	\$123.0	\$119.2	\$17.1	\$259.2	\$251.3	\$7.9	3.2%
Total Subsidy	\$396.7	\$491.0	\$121.2	\$1,008.9	\$979.5	\$29.4	3.0%

Notes: Does not include debt service. Subsidy allocation estimates are preliminary and will be updated during the budget process.



RESOLUTION #2345

- SUBJECT:** Authorize the Executive Director to Execute the Memorandum of Agreement Regarding the Annual Transit Investment from the 395 HOT Lanes
- WHEREAS:** The Interstate 95 (I-95) and 395 (I-395) corridor is a crucial, regional, multimodal corridor in Northern Virginia that connects people and businesses to economic opportunity across the region;
- WHEREAS:** On July 31, 2012, VDOT and 95 Express Lanes, LLC (the “Concessionaire”) entered into a comprehensive agreement (the “Comprehensive Agreement”) under which the Concessionaire developed and now operates approximately 29 miles of high-occupancy toll lanes (“HOT Lanes”) in the median of Interstate 95 between the Route 610 interchange (Garrisonville Road) and Turkeycock Run (the “Original 95 HOT Lanes”);
- WHEREAS:** The Original 95 HOT Lanes have been in operation since December 2014;
- WHEREAS:** On June 8, 2017, VDOT and the Concessionaire amended and restated the Comprehensive Agreement (the “ARCA”) to add in the median of Interstate 395 approximately eight miles of HOT Lanes between Turkeycock Run and the Washington D.C. Line (the “395 HOT Lanes”);
- WHEREAS:** After the Concessionaire has designed and built the 395 HOT Lanes, the Original 95 HOT Lanes and the 395 HOT Lanes will be operated and maintained by the Concessionaire under the ARCA as a continuous and unified 37-mile HOT Lane facility (the “I-95/I-395 Project”);
- WHEREAS:** Beginning upon service commencement of the 395 HOT Lanes, the ARCA requires the Concessionaire to pay to VDOT an annual transit investment (the “ATI”) from toll revenue attributable to the 395 HOT Lanes;
- WHEREAS:** The first-scheduled ATI payment is \$15,000,000 and each subsequent scheduled ATI payment escalates at 2.5 percent, as reflected in Exhibit A of the MOA;
- WHEREAS:** The parties desire to use the ATI funds for improvements along the “Corridor,” defined as the stretch of Interstates 95 and 395 along which the Concessionaire operates and maintains HOT Lanes, including Route 1, Virginia Railway Express, and other routes serving the Corridor;
- WHEREAS:** The goals of the I-95/I-395 Project are to: (1) move more people, (2) enhance transportation connectivity, (3) improve transit service, (4) reduce roadway congestion, and (5) increase travel options (collectively, (1), (2), (3), (4), and (5) collectively the “Improvement Goals”), all of which will benefit the users of the I-95/I-395 Project;

- WHEREAS:** To ensure that the investments funded by toll revenues benefit the toll payers and reflect the region's priorities, the Commonwealth proposes a partnership with the Northern Virginia Transportation Commission (NVTC), the Potomac and Rappahannock Transportation Commission (PRTC), the Virginia Department of Transportation (VDOT), and the Virginia Department of Rail and Public Transportation (DRPT);
- WHEREAS:** To fund projects designed to accomplish the Improvement Goals, VDOT desires to transfer periodically to DRPT, and DRPT desires to transfer periodically to NVTC and PRTC, the ATI funds received by VDOT under the ARCA;
- WHEREAS:** Such projects ("ATI-Funded Projects") would be funded in whole or in part from the ATI funds transferred from VDOT to DRPT, and the CTB desires to delegate to NVTC and PRTC the authority to select and administer the ATI-Funded Projects;
- WHEREAS:** NVTC and PRTC shall have the responsibility for component selection; financing and financial management; compliance, including evaluation, reporting, and quality assurance; and providing information to the public;
- WHEREAS:** NVTC and PRTC would establish a separate agreement regarding the project selection process and all selected projects would be subject to the approval of the Commonwealth Transportation Board; and
- WHEREAS:** This delegation to NVTC shall not constitute approval by NVTC of the Commonwealth's actions to impose tolling along the Facility.
- NOW, THEREFORE, BE IT RESOLVED** that the Northern Virginia Transportation Commission hereby authorizes the executive director to execute the attached Memorandum of Agreement Regarding the Annual Transit Investment from the 395 HOT Lanes subject to such further non-substantive modifications designed to correct typographical errors and clarify language as may be approved by the executive director in consultation with legal counsel.

Approved this 2nd day of November 2017.

Jeffrey C. McKay
Chairman

Matthew F. Letourneau
Secretary-Treasurer

Proposed edits to Draft MOA – Page 9 Line 191 Section B.II.C.6

6. Limit on Operating Costs. Neither NVTC nor PRTC may expend more than 50% of the ATI funds (as a percentage of the overall ATI funds transferred to either NVTC or PRTC, as applicable, during the preceding five-fiscal-year period) for operating costs. In addition, NVTC and PRTC may use the ATI funds (1) to pay operating costs for individual ATI-Funded Projects that are transit operations and are regional in nature because: (i) the service crosses jurisdictional boundaries and/or (ii) the service provides a direct connection to Metrorail or VRE commuter rail stations; and (2) to pay operating costs for all other individual ATI-Funded Projects only in the following maximum amounts: (i) up to 100% of operating costs for the first five years, (ii) up to 75% of operating costs for year six, (iii) up to 50% of operating costs for year seven, (iv) up to 25% of operating costs for year eight, and (v) 0% of operating costs after year eight.

Save the Date!

***Monday, December 4, 2017 from 9-11 a.m.
Hilton Springfield, 6550 Loisdale Road, Springfield, VA***

Join NVTC & PRTC Commissioners for an overview of federal and state issues affecting transit in Northern Virginia

Featuring

Paul Wiedefeld
GM/CEO of WMATA

Doug Allen
CEO of VRE

Jennifer Mitchell
Director of DRPT

and leaders from the Northern Virginia business community



Join Virginia's WMATA Board Members for a Discussion of the Challenges & Opportunities in **Getting Metro Back on Track**

Forum is open to the public and accessible via Metrorail

Thursday, November 16, 2017 at 7 p.m.
Navy League Building
2300 Wilson Boulevard
Arlington, VA

This forum, which includes a presentation and question/answer session, is sponsored by the Northern Virginia Transportation Commission. Learn more about NVTC and the upcoming forum at www.novatransit.org.

Virginia is betting more people will turn to transit when I-66 tolling begins

By **Luz Lazo** October 28

The Interstate 66 toll lanes will change the way people travel in one of the region's most congested corridors. Virginia is betting the shift to the new system, set to open in December, will be so dramatic that it will push more commuters to try transit.

The rush-hour, peak-direction, high-occupancy toll (HOT) lanes will kick off a makeover of nearly 10 miles of highway from Route 29 in Rosslyn to Interstate 495. The goal of the multibillion-dollar transformation is to move more people in fewer cars.

A roadway expansion and toll lanes on another 22.5-mile stretch from the Beltway to Gainesville will follow.

When tolling begins, every vehicle, except motorcycles, will need an E-ZPass transponder to use the new HOT lanes. Solo drivers who are willing to pay will be able to use the lanes during the morning and afternoon rush hours, a change in a decades-long restriction to keep the peak-direction lanes open only to cars with two or more occupants. Tolls will fluctuate based on congestion. The lanes will continue to be free for carpoolers who have a toll transponder set to HOV.

"This tolling operation is going to be set up. It is not a question of 'if' anymore, it will happen," said Fairfax County Supervisor Jeffrey C. McKay (D-Lee).

"It will change people's commuting patterns, said McKay, who is chair of the Northern Virginia Transportation Commission. "And now is the time to consider an alternative, to test it, to time it and to make sure you have the route that best works for you."

The state's goal is to encourage more carpooling, and even better, move them to transit. About 41 percent of morning rush-hour commuters in the corridor — not just on I-66 — are on transit, according to the commission. A fraction are on local and commuter buses and on Virginia Railway Express commuter trains, whose Manassas line service started in 1992.

The biggest share of transit commuters use Metro. The Orange Line became a vital mode of transportation for residents in the corridor when it was extended just over nine miles to Vienna, opening four stations along I-66 in 1986.

Three decades later, the tolling system yields another defining moment for commuters.

“For the first time, really since Metro came to I-66, people should probably take the time to consider transit and whether it can improve their commutes and bottom-line financially,” McKay said.

The state has spent \$10 million to improve public transportation in and around the I-66 corridor, including expanding transit capacity. The effort includes new bus routes that will take commuters from as far as Gainesville to the Pentagon via I-66, and from Fairfax to Foggy Bottom.

These investments, officials say, will boost capacity to carry an additional 5,000 people on transit through the corridor when tolling begins. The projects range from additional rush-hour trips on bus routes that parallel I-66, to bus stop improvements in Arlington, to a new 250-space park-and-ride in Loudoun County.

But will the changes be enough to persuade drivers to give up their cars?

Some motorists say the available options, chiefly Metro, aren't reliable enough for the state to make a strong case for transit. Bus service is limited in neighborhoods — particularly in the outer suburbs where residents often have to drive to a park-and-ride facility to catch a bus. Commuter buses are mostly intended to serve the rush-hour, peak-direction crowd, making them inconvenient for those with unpredictable work schedules or irregular hours.

Still, transportation officials are hoping the variable tolling — which based on experience with the I-495 express lanes means tolls could top \$30 — will discourage solo driving and encourage commuters to try transit or carpooling.

“Congestion is so bad and the potential prices will be such that people will seek out these options,” said Stewart Schwartz, executive director of the Coalition for Smarter Growth. “But people need to know these options are available.”

A portion of the I-66 toll revenue will go to supporting more carpooling and more commuter bus service.

In Fairfax, a new express bus line will provide a one-seat ride for 400 people to commute from the county Government Center park-and-ride to the State Department in Foggy Bottom each morning and the same number back to Fairfax in the evenings. The county is proposing to launch another bus line along I-66 after tolling begins.

In Prince William, a new bus route from Gainesville to the Pentagon launched in December in preparation for the changes in the corridor. Ridership has not picked up, with only about 200 passenger trips daily, with many of them riders who switched from other routes. But officials say they expect ridership to grow as the tolling begins.

The transition also could boost the corridor's slugging culture. Slug lines, or instant carpooling, is a Washington area commuting tradition in which drivers who want to use HOV lanes stop to pick up passengers along the way. Thousands of people slug in the I-95 corridor, but the practice is not as well developed in the I-66 corridor.

“This is an opportunity for people to reassess how they are commuting,” said Tom Biesiadny, director of Fairfax County Department of Transportation.

A second round of projects is in the works for the area, according to the Northern Virginia Transportation Commission, which is managing the transit investments.

Under a 40-year agreement with the state, the commission may provide funds to operate new or enhanced service for up to eight years. The goal is to increase capacity of transit in the corridor to get cars off the interstate.

The key now, McKay said, is to get commuters to think about whether they want to adjust their routine before the tolling actually starts. Past experiences has shown that changing people’s driving patterns isn’t easy.

“Most people aren’t going to even give the research that is necessary to even weigh the pros and cons of that until tolling starts and hits their pocket,” McKay said. When they do, he said, they have to find robust, convenient and affordable transit options.

“Some people will look at this only once and if the transit service doesn’t meet their needs, they will probably just suck it up and keep driving.”

Luz Lazo writes about transportation and development. She has recently written about the challenges of bus commuting, Metro’s dark stations, and the impact of sequestration on air travel. [!\[\]\(c694a3ff3b077d76910920a6a1593ab4_img.jpg\) Follow @luzcita](#)

