



MEETING MATERIALS

**For NVTC WMATA Committee Meeting
September 18, 2019**



**NVTC WMATA COMMITTEE MEETING
WEDNESDAY, SEPTEMBER 18, 2019
NVTC Conference Room – Suite #230
2300 Wilson Blvd. – Arlington, VA 22201**

8:30 A.M. – 9:30 A.M.

AGENDA

1. Approval of the June 27, 2019 NVTC WMATA Committee Meeting Summary
2. 2019 Update to the Annual Report on the Performance and Condition of WMATA
 - a. Review of Strategies to Reduce Cost and Improve Efficiencies
 - b. Review of Uses of the WMATA Capital Fund
3. WMATA Committee and Board of Directors Items
4. Other Items of Jurisdictional Importance

Members

Cathy Hudgins (Chairman)
Matt Letourneau
Paul Smedberg
David Meyer
David Snyder
Christian Dorsey
Canek Aguirre



**NVTC WMATA COMMITTEE
MEETING SUMMARY
NVTC Conference Room, Suite #230
2300 Wilson Blvd. Arlington, Virginia
June 27, 2019**

NVTC WMATA Committee Members Present:

Cathy Hudgins, Chair
Christian Dorsey
David Meyer
Paul Smedberg
David Snyder

NVTC WMATA Committee Members Absent:

Canek Aguirre
Matt Letourneau

Others Present:

Kate Mattice, Executive Director
Andrew D'huyvetter
Matt Friedman
Allan Fye
Dinah Girma
Zach Smith

Bob Brown
Jon Capriel
Noelle Dominguez
Todd Horsley
Greg Potts
Tim Roseboom
Chris Ziemann

Chair Hudgins started the meeting at 5:09 P.M.

The committee accepted the minutes of the previous meeting. Mr. Meyer abstained.

Chair Hudgins provided an overview of the process and timeline for updating the annual Report on the Performance and Condition of WMATA. The report offers NVTC an opportunity to recommend policy positions on strategies for WMATA to pursue that would lower costs and improve efficiencies. NVTC staff will write the report over the summer and present an outline of the report to the Commission in September and a draft of the strategies section at the next WMATA Committee meeting in September. Ms. Mattice supported the chair's remarks and reiterated the importance of the committee's guidance in writing the report.

Mr. D'huyvetter began the work session and introduced Dinah Girma and Zach Smith, who shared their findings with the committee.

Ms. Girma compared fare policies for children at 15 peer agencies to WMATA. Most policies are based on a child's age and capped at two children. WMATA and most of the local jurisdictions have policies that are in line with those of other agencies. Ms. Girma then provided data on the income levels of Virginia Metrorail and Metrobus riders and what portion of those riders receive transit benefits.

Mr. Smith compared fare programs and policies for low-income riders at eight peer agencies. The administration, funding and reasons for implementation of low-income fare programs and policies vary across agencies. Mr. Smedberg asked if staff looked at student passes as a few local jurisdictions have implemented a kids ride free program. Mr. Smith responded that staff included information on student passes in the previous report but did not identify any new information for this presentation.

Mr. Snyder arrived at 5:21 P.M.

Chair Hudgins asked if staff reviewed previous WMATA studies on low-income fare passes. Past WMATA studies were not included in this update. However, Mr. D'huyvetter shared that the District of Columbia is working with WMATA to pilot a low-income fare pass program that WMATA will implement in the near-term. Mr. Snyder suggested creating more incentives for the private sector to provide more transit benefits to workers. The committee accepted staff recommendations to follow the pilot process and report back to the committee at the appropriate time.

Ms. Girma provided an overview of parking utilization at Metrorail stations in NVTC jurisdictions and how the calculations were derived. Mr. Smith presented a high-level of overview of ADA paratransit services offered in Northern Virginia as well as MetroAccess and the Abilities-Ride pilot.

Mr. Dorsey asked if the Abilities-ride and other initiatives are having a positive effect. Mr. Smith responded that WMATA estimates pilots like Abilities-ride will reduce costs on paratransit. Mr. Meyer mentioned that this is an issue all over the country and that the system is becoming more mature and that the issue is becoming more complex. Mr. Smedberg added that changing demographics have a role in the cost of paratransit. The committee directed staff to continue monitoring paratransit trends in Northern Virginia.

Mr. D'huyvetter reviewed a MWCOG study on the cost to provide bus service in the jurisdictions and intended to do a comparison. The results were inconclusive, and cost of service could not be compared easily. Mr. D'huyvetter reviewed the current schedule for the Bus Transformation Project Recommendations. Committee members agreed with the staff approach to include in the Strategies Chapter final recommendations from the Bus Transformation Project that are consistent with the letter sent by the Commission at the June Commission meeting.

NVTC staff recommended additional proposals to the committee to rebuild rail and bus ridership at the April meeting. Mr. Snyder suggested finding more data on what motivates drivers to decide between paying tolls and taking Metrorail. Mr. Meyer discussed increasing fare pass options for those who may not commute five days a week.

Mr. Smith provided an update of the recommendations made in the 2018 report, and Mr. D'huyvetter provided the timeline to develop the report to the committee. The committee discussed increasing non-fare revenues and debate the merits of maximizing advertising opportunities.

Mr. D'huyvetter gave an overview of the draft letter requesting uses of the WMATA Capital Fund. Mr. Smedberg asked if the level of reporting would satisfy the requirements for the report and DRPT. Staff from NVTC and DRPT responded that it would and that WMATA staff had agreed to the level of reporting.

Chair Hudgins asked DRPT Director Mitchell to provide an overview of the mechanics behind dedicated funding for WMATA in Virginia. Ms. Mitchell shared information on funding sources, auditing processes and reporting for the WMATA funding with the committee.

The meeting adjourned at 6:24 P.M.



August 26, 2019

VIA EMAIL & FIRST-CLASS MAIL

Katherine A. Mattice
Executive Director
Northern Virginia Transportation Commission
2300 Wilson Boulevard, Suite 230
Arlington, VA 22201

Dear Ms. Mattice:

As requested in your July 12, 2019 letter, we are pleased to provide information on the uses of the Commonwealth of Virginia's WMATA Capital Fund for FY2019 to enable the Northern Virginia Transportation Commission (NVTC) to complete its legislatively required Annual Report on the Performance and Condition of WMATA. The expenditures are broken down by WMATA's Capital Improvement Program categories in Enclosure 1.

These critical dedicated funding resources from the Commonwealth of Virginia will help to bring the system to a state of good repair. Please let us know if you have any questions or need additional information.

Sincerely,

Paul J. Wiedefeld
General Manager and
Chief Executive Officer

Enclosure

**Washington
Metropolitan Area
Transit Authority**

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Washington, DC 20001
202/962-1234

www.wmata.com

A District of Columbia,
Maryland and Virginia
Transit Partnership

Enclosure 1
FY2019 VA Dedicated Funding Expenditures by Program

CIP Category	CIP Program	\$ Millions
Railcar Investments	Railcar Acquisition	\$5.2
	Railcar Maintenance/Overhaul	5.9
	Railcar Maintenance Facilities	3.9
	Total	\$14.9
Rail Systems Investments	Propulsion	\$7.7
	Signals & Communications	2.2
	Total	\$9.9
Track and Structures Rehabilitation	Fixed Rail	\$0.6
	Structures	0.2
	Total	\$0.8
Stations and Passenger Facilities Investments	Platforms & Structures	\$21.4
	Vertical Transportation	0.2
	Station Systems	33.0
	Total	\$54.5
Bus and Paratransit Investments	Bus and Paratransit Acquisition	\$0.0
	Bus Maintenance/Overhaul	0.0
	Bus Maintenance Facilities	0.1
	Bus Passenger Facilities/Systems	2.5
	Total	\$2.6
Business Support Investments	IT	\$33.9
	MTPD	0.1
	Support Equipment/Services	4.6
	Total	\$38.6
Total Capital Programs		\$121.3

2019 Report on the Performance and Condition of WMATA

NORTHERN VIRGINIA TRANSPORTATION COMMISSION



DRAFT – Chapters 1 and 2
PREPARED FOR NVTC WMATA COMMITTEE
September 18, 2019

1. Strategies to Reduce the Growth in Costs and Improve Operational Efficiency

Overview

WMATA is an essential asset to the Commonwealth of Virginia. Along with the Virginia Railway Express commuter rail, it allows for an additional 85,000 households and 130,500 jobs that generate over \$600 million each year in sales and income tax revenues to the Commonwealth.¹ In 2018, the Commonwealth, the District of Columbia and the State of Maryland each passed legislation to provide dedicated capital funding to meet the agency's growing capital investment needs, address a state of good repair backlog, and to provide safe and reliable service. Securing dedicated funding from the three WMATA Compact signatories was as historic as when the three signatories and the federal government came together to form the transit authority in the 1960s.

Section § 33.2-1526. of the Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, requires WMATA to constrain the growth of its operating subsidy.² For Virginia, the cities of Alexandria, Falls Church, and Fairfax as well as the counties of Arlington, Fairfax and Loudoun (with the start of Silver Line Metrorail Phase 2) are ultimately responsible for paying WMATA's capital and operating obligations. These jurisdictions have a vested interest in ensuring that WMATA reduces the growth in operating cost so that its annual operating subsidies increase in line with legislative requirements.

NVTC identified strategies to reduce WMATA's growth in costs and improve operational efficiencies in its initial *Report on the Annual Performance and Condition of the Washington Metropolitan Area Transit Authority* in 2018.³ WMATA has since made progress toward stabilizing its operating costs and improving efficiency in ways that reflect many of NVTC's earlier strategies that will be discussed later in this chapter.

In addition to NVTC's earlier strategies, this chapter identifies new strategies that WMATA could implement to advance the agency's efforts to reduce costs and improve efficiency. These are also specific strategies that WMATA can act on in the short-term, either through the WMATA Board of Directors or the General Manager/CEO. The annual budget development process presents an

opportune time for consideration of these strategies because WMATA identifies efficiencies or other initiatives needed to limit the amount paid by the WMATA funding jurisdictions when preparing the budget. Initiatives in WMATA's budget process must take into account fiscal constraints, public hearing requirements, and equity concerns.

NVTC worked in close coordination with its local jurisdictions to provide WMATA with additional strategies that include a mix of approaches to grow ridership and revenue, control costs, and improve efficiencies. This year, NVTC recommends the following strategies to control costs, improve efficiency and enhance the customer experience while WMATA addresses a state of good repair backlog:

1. Maximize Use of Eight-Car Trains
2. Improve Weekend Rail Service
3. Develop Parking Pass Products
4. Optimize Parking Facilities
5. Expand and Enhance Fare Pass Products

In addition, NVTC continues to recommend strategies that were included in its 2018 Report. This chapter includes a summary of these previously recommended strategies as well as an appendix noting the status of WMATA actions on each. The recommendations in the 2018 Report were carried forward and restructured into the following strategies:

6. Rebuild Ridership and Improve Operational Efficiency of Metrorail and Metrobus
7. Increase Non-Fare Revenues
8. Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services

Strategy 1: Maximize Use of Eight-Car Trains

NVTC proposes that WMATA run all eight-car trains during peak service to maximize capacity of the current Metrorail system. Operating eight-car trains during the peak periods allows the system to carry more riders per hour through the system's core, especially where the Blue, Orange, and Silver lines merge at Rosslyn Station and face capacity constraints.⁴

WMATA should consider deploying eight-car trains in a phased approach to lines with the most demand during peak hours to achieve operating efficiencies and grow ridership in a cost-effective manner in the short-term. Improvements to peak hour service could encourage continued peak period ridership. Between FY2017 and FY2018, Metrorail ridership was down overall at 1.5

percent, but weekday ridership showed a slight increase at 0.7 percent with some railcars experiencing crowded conditions.⁵ For instance, Orange Line trains at Court House Station in the direction of New Carrollton and Silver Line trains at Rosslyn in the direction of Largo Town Center were near or over capacity during the AM peak period from April – June 2019.⁶ Crowded railcars negatively impact ridership because customers have a lower tolerance for crowded conditions and may choose to ride the system less if they expect crowded conditions.⁷ Moreover, WMATA's continued investments in rebuilding track infrastructure, traction power upgrades and railcar storage facilities make this strategy feasible within the short-term.⁸

Strategy 2: Improve Weekend Rail Service

NVTC proposes that WMATA examine additional solutions to better balance maintenance activities and the impacts of service disruptions on weekend ridership. Preventative maintenance and capital project work during operating hours on Metrorail are often accompanied by track-work related disruptions and increased wait times for trains or additional transfers for trains, which has a negative impact on service. WMATA measures service levels by tracking on-time performance.⁹ Weekend Metrorail on-time performance was significantly lower than weekday on-time performance in the third quarter of FY 2019, at 79 percent and 89 percent respectively.¹⁰ Maintaining high-quality service on weekends will generate revenue by retaining and attracting riders lost on weekends as WMATA continues to improve the safety and reliability of the system.

WMATA has implemented a strong preventative maintenance program, in addition to an expanded capital improvement program. The combined focus on preventative maintenance and capital renewal has resulted in rail performance and reliability improvements but it has also resulted in disruptions to weekend service leading to declining ridership on weekends.¹¹ Between FY2017 and FY2018, overall Metrorail ridership declined by 1.5 percent.¹² However, WMATA separates weekend and weekday ridership in its performance reports, and the data show that weekday ridership was relatively stable at 0.7 percent, while weekend ridership was down 3.3 percent during this time period illustrating the effect that weekend service has on overall ridership figures.¹³

WMATA established guidelines to minimize customer impacts as it rebuilds 20 outdoor station platforms during the Platform Improvement Project.¹⁴ The guidelines include strategies to communicate disruptions to customers and retain riders during major shutdowns and ways to execute work more efficiently.¹⁵ WMATA should consider developing customer-focused service standards and operating procedures for planned weekend service disruptions in order to

minimize disruptions to service while maintaining preventative maintenance programs and capital investments.

Strategy 3: Develop Parking Pass Products

NVTC proposes that WMATA develop a subscription-based parking pass for transit riders to increase revenues at Metrorail stations with parking facilities. A subscription-based parking pass would expand customers' options for how they pay for parking, as well as encourage more trips from suburban stations because users could receive a small discount by pre-paying for parking for the month. WMATA currently offers a subscription-based transit pass to ride Metrobus and Metrorail at a discounted rate. With a subscription-based parking pass, a transit user could purchase this pass product for unlimited use of Metrorail parking facilities as a transit rider within a fixed period of time.¹⁶

A subscription-based parking pass could curb revenue losses from events outside of WMATA's control, such as a federal government shutdown or weather-related events. WMATA estimated a loss of nearly \$400,000 a day in fare and parking revenue during the 34-day federal government shutdown.¹⁷ The Virginia Railway Express (VRE) also saw ridership decline nearly 20 percent during the federal government shutdown. However, revenue declined only 10 percent because the system offers subscription passes that riders can pre-purchase.¹⁸

Strategy 4: Optimize Parking Facilities

NVTC proposes that WMATA assess and consider reducing parking rates at additional underutilized WMATA-owned Metrorail parking facilities.¹⁹ Parking utilization directly correlates to ridership trends at Metrorail stations.²⁰ Providing incentives to more transit users who park can, in turn, generate revenue from both the parking fees and rider fares.

WMATA manages more than 60,000 parking spaces at 44 Metrorail stations throughout the region, yielding over \$43 million in annual operating revenue.²¹ At certain Metrorail parking facilities in Virginia, a portion of the parking fees collected goes directly to local Virginia jurisdictions.^{22,23} Currently, the system has both underutilized parking facilities and facilities that are at or over capacity during the weekday. In December 2018, the WMATA Board lowered the parking rate at West Falls Church and Landover Metrorail Stations to \$3 a day, following a successful pilot at those stations. The data showed a 27 percent increase in parking utilization as a result of the lower rate, and the pilot project was made permanent.²⁴ The pilot encouraged

existing transit riders to ride the system more frequently and resulted in an overall increase in ridership and net revenue.²⁵ NVTC supports WMATA's efforts to work with local jurisdictions to use parking policy to encourage riders to park at underutilized stations to optimize revenue from parking facilities and the fare box.

Strategy 5: Expand and Enhance Fare Pass Products

NVTC proposes that WMATA perform a study to identify fare pass products that address unmet market demand and make purchasing them easier to understand. WMATA operates in an increasingly competitive market and one way to make WMATA more competitive is to offer fare pass products that make it easier and more affordable to use the system.

Pass products increase ridership, revenue and loyalty to a transit system.²⁶ Analysis of SmarTrip card data shows three primary groups of riders: core customers, day trippers, and visitors; but only 10 percent of these primary riders have fare passes, creating an opportunity for WMATA to benefit by increasing fare pass utilization among these groups.²⁷ WMATA recently took advantage of this opportunity in the approved FY2020 budget by enhancing its fare pass products. The changes reduced the cost of purchasing a pass, added unlimited Metrobus to the rail passes, making bus and rail more price competitive with other transportation modes, and added a 3-day pass option.²⁸ Riders have responded positively to fare pass products and making them easier to afford and understand will increase ridership and generate more revenue in the long-run.²⁹ A comprehensive fare pass study could identify more markets for WMATA's fare pass products to attract riders and ensure the agency captures the most revenue from its fare pass program.

NVTC supports WMATA's efforts to increase adoption of its pass products among its primary riders, and the agency should consider other markets like families with children. For example, the Southeastern Pennsylvania Transit Authority (SEPTA) offers a family independence pass.³⁰ The \$30 one-day family pass covers 10 trips on all SEPTA transit service and regional rail for up to two adults and three youth under the age of 18. WMATA's child-fare policy allows up to two children under five-years-old to ride free with an adult paying full fare, while children five and older pay the adult full fare. WMATA could explore pass products to capitalize on the number of families with children, tourists, and others that travel across the region to attend events by Metrorail and Metrobus to grow ridership and generate additional revenue.

WMATA is also developing a mobile fare payment platform to allow Smartrip card users to

manage their travel fares, payments and passes through their smart phones.³¹ Introducing new pass products on WMATA's future mobile app would make it easier for customers to access and understand the pass products that are available as well as reduce cash-handling costs and delays due to cash transactions.³² NVTC sees an opportunity to increase the adoption of pass products by offering them on WMATA's forthcoming mobile app.

Strategies Presented in NVTC's 2018 Report

NVTC submitted its initial report on the Performance and Condition of the Washington Metropolitan Area Transit Authority in 2018, which included many strategies that WMATA could implement to control the growth of its operating subsidy and make the system more efficient. To date, WMATA has implemented several strategies. However, it's important to revisit each strategy and assess WMATA's progress in responding to them because without changes to WMATA's operating model, operating cost increases are predicted to outpace revenue growth according to WMATA's 2019 adopted strategic plan.³³

The following strategies are a combination of short-term efforts planned for implementation under WMATA's "Keeping Metro Safe, Reliable and Affordable" strategic plan and the approved FY2019 WMATA budget as well as long-term strategies that may be outside of WMATA's purview and require structural or legislative changes:

6. Rebuild ridership and improve operational efficiency of Metrorail and Metrobus
7. Increase non-fare revenues
8. Control cost escalation and enhance efficiency of the workforce and contracted services

Appendix A provides additional information on WMATA's response to the strategies identified in 2018.

Strategy 6: Rebuild Ridership and Improve Operational Efficiency of Metrorail and Metrobus

Rebuilding ridership improves WMATA's farebox revenues and enhances the efficiency of Metrorail and Metrobus. WMATA's research found that at least 30 percent of ridership losses in 2013 - 2016 were due to declining customer on-time performance and the state of good repair backlog at the time.³⁴ Since then, WMATA implemented an intensive rebuilding effort to rehabilitate its aging infrastructure, which resulted in a \$2.1 billion reduction of its state of good

repair backlog.³⁵ Dedicated funding from Virginia, Maryland and Washington, D.C. allows WMATA to make even more investments in its capital improvement program to correct years of underinvestment, further reduce the state of good repair backlog and increase reliability.

The most visible expenditure of FY2019 capital funds was the first phase of the Platform Improvement Project. In May 2019, WMATA shutdown six stations on the Blue and Yellow Lines south of Ronald Reagan Washington National Airport for full platform reconstruction and station improvements. The \$200 million in capital funding spent to repair Metrorail stations in Virginia is a significant step toward improving the reliability and efficiency of the system overall.³⁶

WMATA spent over \$1.5 billion on capital projects in FY2019, nearly doubling the \$714 million investment made four years prior in FY2015.³⁷ The largest capital investments in FY2019 were to upgrade track infrastructure and purchase 7000-series railcars.³⁸ The delivery of 7000-series railcars dramatically improved railcar reliability, doubling the distance trains traveled without delays in FY2019 from FY2018.³⁹ WMATA is already seeing positive returns as it ramps up its capital investment and reduces its state of good repair backlog. For instance, more than 88 percent of Metrorail customers were on time during FY2019, and Metrorail rider offloads declined by 41 percent from FY2018 – FY2019.⁴⁰ NVTC supports WMATA's continued investment in its capital program to increase the reliability, safety, and performance of the system and rebuild ridership.

WMATA expanded partnerships with the business community in FY2019 to provide easier access to transit for employees, visitors and students. Expanding transit options for students reduces their transportation costs and attracts future generations to transit. WMATA benefits from the diverse revenue stream and leveraging excess service capacity during the off-peak periods.⁴¹ In FY2016, WMATA developed the University Pass program (UPass) to provide students of participating higher education institutions unlimited rides on Metrobus and Metrorail at a discounted price.⁴² The UPass program expanded to 12 colleges and Universities in FY2019 and WMATA and jurisdictional staff are exploring expanding the program to include local transit providers.⁴³ The WMATA Board also approved an extension of the Fairfax County Free Student Bus Program Pilot which generated 32,000 Metrobus trips in FY2019.⁴⁴

NVTC supports WMATA's engagement with local jurisdictions to explore and implement pilot programs that increase the reliability and speed of Metrobus. NVTC proposed the development and implementation of a regional interoperable off-vehicle fare collection system in its "Northern Virginia Regional Fare Collection Strategic Plan" and as a long-term strategy for WMATA to increase ridership and revenue.⁴⁵ Research at WMATA and other transit agencies shows that

speeding up the boarding process can shorten passenger travel time, increase ridership and reduce operating costs.⁴⁶ WMATA will enhance headway-based route scheduling and explore additional no-cash fare and all-door boarding initiatives in FY2020.⁴⁷ WMATA also partnered with the District of Columbia's Department of Transportation to install "queue jump" technology to speed bus trips and keep service on time. The "bus only" traffic signals at six intersections in D.C. allows buses to proceed through the intersections before the standard traffic signals turn green.⁴⁸ NVTC supports WMATA's efforts to make buses faster, safer and more reliable to optimize revenue.

WMATA is evaluating other ways to improve the ridership and efficiency of Metrobus. This past year WMATA used capital funds to expand and rebuild bus garages to find operational efficiencies and plan for future ridership growth. In addition, the agency is discussing its recent recommendations on the Washington Area Bus Transformation Project with stakeholders.

Strategy 7: Increase Non-Fare Revenues

The projected \$814 million of FY2020 WMATA operating revenues is funded in part with \$98 million in non-fare revenue. Declining ridership has an outsized effect on the operating budget since most of the operating revenue is derived from passenger fares. The FY2020 budget includes several customer-focused initiatives meant to reverse ridership losses and attract more riders to the system, but increasing fare revenues alone is not enough to keep pace with growing costs.⁴⁹

To contain growth in annual operating subsidies, NVTC supports WMATA's initiatives and efforts to increase and/or optimize its non-fare revenues. WMATA is doing this by streamlining its parking programs, advancing its joint development program and increasing advertising sales to leverage the value of its assets. WMATA's advertising revenues were once the lowest among its peer transit agencies. In 2015, WMATA piloted digital advertising in Metrorail stations and subsequently implemented and expanded the program to generate revenue. In the FY2020 budget, WMATA expects a six percent increase in advertising sales that will result in \$27.7 million in revenue.⁵⁰

In FY2019, the WMATA Board approved amendments to WMATA's parking policies to improve how WMATA manages its parking facilities and to take advantage of opportunities for additional revenue. The changes expanded the hours for revenue collection to capture non-riders⁵¹; allow WMATA to charge for parking when there is a regional event on weekends and federal holidays; and allow WMATA to charge non-riders a special fee to park at Metrorail stations during special events.⁵² NVTC supports WMATA's efforts to generate parking revenue from non-riders,

prioritize parking for transit riders⁵³ of all modes and enact policies that increase parking utilization. WMATA anticipates collecting nearly \$47 million in parking revenue in FY2020 as a result of its parking policies.⁵⁴

NVTC sees continued opportunities for WMATA to pursue joint development projects on underutilized property to increase non-fare revenues. Joint development is a type of public-private partnership in which real estate developers co-locate private real estate near transit. WMATA has one of the most active joint development programs, completing more than 30 projects since 1975 to generate revenue for the system.⁵⁵ Increased development near Metrorail stations generates ridership and revenue for the system and has enabled WMATA to attract high-quality development near Metrorail stations.

WMATA updated its joint development guidelines in FY2019 to give the agency more flexibility to administer the program, and the agency solicited real estate developers to begin joint development projects at its Huntington, Greenbelt, Deanwood, West Falls Church and Capitol Heights Metrorail stations.⁵⁶ Operating revenue from joint development projects is expected to increase by 13 percent in FY2020 compared to FY2019 to generate \$11.1 million.⁵⁷

WMATA is pursuing other real estate investment strategies to generate revenue and improve efficiencies. In FY2019, WMATA put its downtown D.C. headquarters on the market for development under a long-term ground lease, relocating staff from its headquarters to three offices in Virginia, Maryland and Washington, D.C. and decreasing the number of buildings it owns from 10 to seven. Strategically locating its facilities can help reduce operating costs in the long-term and is part of an overall office consolidation strategy approved by the WMATA Board in July 2018 to save the agency \$130 million over 20 years in capital and operating expenses.

WMATA continues to explore nontraditional revenue streams to optimize the value of its Metrorail facilities. In FY2019, WMATA updated its use regulations to authorize the sale of food and drink on WMATA property outside of Metrorail stations' paid areas and streamlined its approval process to increase opportunities for commercial uses on WMATA-owned property to generate revenue.⁵⁸ WMATA also negotiated the sale of surplus properties in FY2019 near the Anacostia Metrorail Station⁵⁹ and at sites near transit stations in Silver Spring, Maryland⁶⁰ and College Park, Maryland⁶¹ for nearly \$12 million in revenue⁶².

Strategy 8: Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services

WMATA shifted from a reactive to a preventative maintenance program that replaced around-the-clock single tracking and unscheduled line-segment shutdowns with a better coordinated and scheduled maintenance cycle. The preventative maintenance program targets specific issues and maximizes the limited amount of non-operational track time available to perform these activities. For example, WMATA increased the size of its overnight crews and deployed them in more places throughout the system to improve work efficiency as they fix parts of the system in the poorest condition.

The Platform Improvement Project is another example of how WMATA is working to optimize work efficiencies. The project is scheduled to be completed over a three-year period to reconstruct 20 outdoor Metrorail stations to address structural deficiencies and improve passenger safety. Closing stations to provide around the clock access for workers will reduce the overall the project duration by 94 percent, whereas only making repairs when the system is closed would take up to 30 years to complete.⁶³ Dedicated capital funding also allowed WMATA to accelerate the delivery of the capital program in FY2019 and FY2020, including an expanded scope of track and infrastructure work that fully utilizes planned service outages during the shutdown of six Metrorail stations as part of the Platform Improvement Project.⁶⁴ Performing maintenance work in a cost-effective and efficient manner substantially reduces the time to rehabilitate each station and minimizes impacts to commuters.

Implementing cost and work efficiencies is only part of the solution to maintaining WMATA's operating subsidy growth. The "Keeping Metro Safe, Reliable and Affordable" strategic plan identified labor costs as nearly 70 percent of WMATA's total operating expenditures.⁶⁵ NVTC adopted its *Principles for WMATA Reform in 2017* and supports WMATA's efforts to implement cost-saving strategies.⁶⁶

WMATA will need to address its \$900 million unfunded pension liability and \$2.1 billion unfunded Other Post-Employment Benefits (OPEB) liability, which includes non-pension costs for retiree medical and prescription drug coverage, and life insurance.⁶⁷ The WMATA Board reviewed options to reduce healthcare program and future pension program costs in FY2019. The proposed options identified ways to potentially save one percent of payroll costs for new hires and reduce WMATA's subsidy for retiree healthcare costs by 15 percent or more.⁶⁸ However, additional work

with other stakeholders is needed to implement and achieve a solution to WMATA's retiree pension and health benefits challenges.

NVTC also supports adequate funding for WMATA's Office of the Inspector General (OIG). OIG is tackling issues to improve WMATA's performance and accountability and needs to have enough resources to fulfill its mission. In FY2019, OIG issued 11 performance audits/evaluations identifying \$19.4 million that could be used more efficiently and created the Inspections, Evaluations and Special Projects unit to react quickly to concerns.

NVTC sees long-term potential to reduce the growth in costs and improve operational efficiency by enhancing employee performance management and incentivizing the workforce and contractors to deliver innovative solutions.

Additional Strategies

WMATA is evaluating new approaches, business models and technologies to address its operating costs and operational efficiencies. WMATA is committed to improving the safety and reliability of the Metrorail system and the Metrobus fleet to grow ridership and generate a return on the investment that NVTC jurisdictions and the Commonwealth make each year. NVTC will continue to monitor what strategies WMATA incorporates to reduce costs and improve efficiencies.

Appendix A: Status of Actions on 2018 NVTC Strategies

Rebuild Ridership and Improve Operational Efficiency of Metrorail and Metrobus	
Strategy	FY2019 Update
Pursue capital investments that increase the reliability of the system	<ul style="list-style-type: none"> More than 88 percent of Metrorail customers were on time during FY2019, a significant increase from FY2017 when on-time performance was only 70 percent.⁶⁹ WMATA reduced train offloads by 41 percent from FY2018 – FY2019.⁷⁰ WMATA invested over \$1.5 billion in capital projects in FY2019, which nearly doubled the \$714 million capital investment the agency made in FY2015.⁷¹ WMATA is rebuilding and expanding bus garages and maintenance facilities to address state of good repair needs, improve bus efficiencies, and plan for future ridership growth. WMATA opened two new bus garages at Cinder Bed Road in Virginia and Andrews Federal Center in Maryland and the WMATA Board approved a public hearing to on reconstructing the Bladensburg Bus Garage to accommodate articulated buses for high-ridership routes and store and repair new buses the agency is procuring.⁷² WMATA has scaled up its level of capital investment and reduced its state of good repair backlog from \$7.1 billion to \$5 billion.⁷³ The largest decreases were in vehicles and track and structures where substantial investments were made, including the delivery of 7000 series railcars, which improved railcar reliability, doubling the distance trains travel between delays in FY2019 from FY2018.⁷⁴ WMATA shutdown six Metrorail stations to perform platform reconstruction and other work for \$200 million in capital funds.⁷⁵ WMATA created a new scheduled maintenance system (SMS) for railcars to reduce delays caused by railcar problems, reduce offloads and promote more efficient maintenance of railcars. To facilitate SMS, the WMATA Board delegated authority to the GM/CEO to consolidate heavy maintenance functions at Greenbelt and Brentwood rail yards and acquire property for a new rail yard to perform heavy rail maintenance.⁷⁶ WMATA is conducting a study of the Blue, Orange and Silver Line trains identifying options to improve reliability, meet future ridership demand and better serve customers.⁷⁷
Implement new fare-pass products to promote more frequent rail and bus ridership and increase customer satisfaction	<ul style="list-style-type: none"> For FY2020, WMATA reduced the price of three existing rail passes, added a 3-Day pass and added free Metrobus rides to all rail pass products.⁷⁸
Pursue partnerships with the business community and other partners to	<ul style="list-style-type: none"> The UPass program expanded to 12 colleges and Universities in FY2019.⁷⁹

provide easier access to transit for employees and visitors	<ul style="list-style-type: none"> The WMATA Board approved an extension of the Fairfax County Free Student Bus Program Pilot which generated \$64,000 in FY2019.⁸⁰
Engage with jurisdictions to implement and explore pilot programs and other efforts to increase the reliability and speed of Metrobus operations	<ul style="list-style-type: none"> In FY2019, WMATA ended the MetroExtra Route 79 cash-free pilot in June 2019 without making the change permanent and will enhance headway-based route scheduling and explore additional no-cash fare and all-door boarding initiatives in the FY2020 budget.^{81 82} WMATA partnered with DDOT to install "queue jump" technology to speed bus trips and keep service on time. The "bus only" traffic signals at six intersections in D.C. allow buses to proceed through the intersections before the standard traffic signals turn green.⁸³
Conduct a comprehensive analysis of WMATA's bus network (Washington Area Bus Transformation Project) and implement recommendations where appropriate	<ul style="list-style-type: none"> The Bus Transformation Project team released its Strategy Summary document in September 2019, which will be followed by an Action Plan later in the fall. NVTC continues to engage with jurisdictions to identify recommendations that could be supported in future annual reports.⁸⁴
Develop a fare system that can enable the region to implement an interoperable off-vehicle fare collection system on high capacity bus routes	<ul style="list-style-type: none"> WMATA continues to make investments in new technologies including modernization of bus facilities and improved bus travel times through streamlined fare collection and traffic signal prioritization.⁸⁵

Increase Non-Fare Revenues	
Strategy	FY2019 Update
Leverage value for assets WMATA owns by maximizing advertising revenues and optimizing parking revenues	<ul style="list-style-type: none"> The WMATA Board approved amendments to WMATA's parking policies that:⁸⁶ <ul style="list-style-type: none"> Expanded the hours for revenue collection to capture non-riders. Allows WMATA to charge for parking during regional events on weekends and federal holidays. Allows WMATA to charge non-riders a special fee to park at Metrorail stations during major events. WMATA estimates a nine percent increase in parking revenue in the FY2020 budget compared to FY2018.⁸⁷ WMATA expects a six percent increase in advertising sales in FY2020 generating \$27.7 million in revenue.⁸⁸
Explore nontraditional revenue streams to optimize value of Metrorail facilities	<ul style="list-style-type: none"> WMATA negotiated the sale of surplus properties near Anacostia Metrorail Station⁸⁹, Silver Spring, Maryland⁹⁰ and College Park, Maryland⁹¹ for nearly \$12 million in revenue. WMATA updated its use regulations to authorize the sale of food and drink on WMATA property outside of Metrorail Stations' paid areas and streamlined its approval process to increase opportunities for commercial uses on WMATA-owned property to generate revenue.⁹²

Pursue joint development opportunities on underutilized assets	<ul style="list-style-type: none"> WMATA issued solicitations for joint development projects at Huntington, Greenbelt, and Deanwood, West Falls Church and Capitol Heights Metrorail Stations.⁹³ Operating revenue from joint development projects is expected to increase by 13 percent in FY2020 to generate \$11.1 million.⁹⁴
Pursue a real estate strategy that generates operating efficiencies	<ul style="list-style-type: none"> WMATA will ground-lease its existing headquarters and move office staff to three new buildings in Virginia, Washington, D.C., and Maryland and decrease the number of office buildings from 10 to seven saving an estimated \$130 million over the next 20 years.⁹⁵

Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services	
Strategy	FY2019 Update
Adequately fund WMATA's Office of the Inspector General	<ul style="list-style-type: none"> WMATA increased funding for the OIG by 32 percent and added two staff positions within department for FY2020.⁹⁶ OIG issued 11 performance audits/evaluations identifying \$19.4 million that could be used more efficiently in FY2019.⁹⁷
Improve productivity through strengthened management of employee absenteeism and overtime	<ul style="list-style-type: none"> The Chief Operating Officer's Office will assist operational departments in meeting manpower requirements through oversight of absenteeism policy and provide long-term absence management support.⁹⁸
Improve management of use of worker's compensation	<ul style="list-style-type: none"> Ongoing.
Continue to enhance workforce productivity through human resource policies	<ul style="list-style-type: none"> Ongoing.
Incentivize the workforce and contractors to deliver innovative solutions	<ul style="list-style-type: none"> WMATA awarded a contract for the maintenance and operation of buses at the Cinder Bed Road bus facility in Lorton, VA. WMATA estimates the contract will potentially save the agency nearly \$15 million over a five-year period.⁹⁹ In 2019, WMATA released an RFP to operate the Silver Line extension.¹⁰⁰
Provide greater authority to the WMATA General Manager and Board of Directors to make operational decisions that improve the system's cost effectiveness, without jeopardizing safety	<ul style="list-style-type: none"> The WMATA Board delegated authority to the GM/CEO to determine when a regional event requires peak-period levels of service for Metrorail and to implement peak-period fares on Metrorail during those times.¹⁰¹
Include the 3 percent cap on annual operating subsidies as a mandatory factor in establishing labor costs through collective bargaining of subsequent arbitration	<ul style="list-style-type: none"> Ongoing.
Amend the federal Wolf Act to require arbitrators in WMATA contract	<ul style="list-style-type: none"> WMATA included reforming the Wolf Act in its strategic plan.¹⁰²

mediations to consider these fiscal restrictions in all cases	
Identify and evaluate options to address unfunded OPEB liabilities	<ul style="list-style-type: none"> The WMATA Board reviewed options to reduce healthcare program costs future pension and future pension program costs in FY2019. The proposed options identified ways to potentially save one percent of payroll costs for new hires and reduce WMATA's subsidy for retiree healthcare costs by 15 percent or more. However, additional work with other stakeholders is needed to implement and achieve a solution to WMATA's retiree pension and health benefits challenges.¹⁰³

Additional Strategies	
Strategy	FY2019 Update
Implement efforts on bus and rail to decrease fare evasion	<ul style="list-style-type: none"> WMATA continues to secure emergency fare gates at Metrorail stations to decrease fare evasion.¹⁰⁴
Develop the next generation of fare collection technology	<ul style="list-style-type: none"> In FY2020, WMATA will begin developing technical requirements for the fare gates and continue power and communications infrastructure upgrades in preparation to overhaul the fare gate system.¹⁰⁵

¹ NVTC. The Value of Metrorail and Virginia Railway Express to the Commonwealth of Virginia. September 2017. <<http://www.novatransit.org/the-value-of-metrorail-and-vre-to-the-commonwealth-of-virginia/>>

² Commonwealth of Virginia. "Use of the Commonwealth Mass Transit Fund." 2018. <law.lis.virginia.gov/vacode/title33.2/chapter15/section33.2-1526.1/>

³ NVTC. Report on the Performance and Condition of the Washington Metropolitan Area Transit Authority. November 2018. <www.novatransit.org/wmata/annual-report-on-wmata/>

⁴ WMATA. "Eight-Car Trains During Peak Periods." Pg. 55. March 2014. <www.wmata.com/initiatives/strategic-plans/upload/1Metro-2025-Longest-Possible-Trains-Secure.pdf>

⁵ WMATA. "FY2018 Metro Performance Report." Pg. 7. September 2018.

⁶ WMATA. "FY 2019 Metro Performance Report." Pg. 12. September 2019. <wmata.com/about/records/scorecard/upload/Q4FY19-Metro-Performance-Report.pdf>

⁷ National Center for Transit Research. "Crowding in Public Transport." Pg. 107. 2013. <www.ncctr.usf.edu/wp-content/uploads/2013/07/jpt_16.2.pdf>

⁸ WMATA. "FY2020 Approved Budget." Pg. 87. July 1, 2019.

⁹ Government Accountability Office (GAO). "Improved Planning of Future Rehabilitation Projects Could Prevent Limitations Identified with SafeTrack." March 2017 <www.gao.gov/assets/690/683347.pdf>

¹⁰ WMATA. "Q3 FY2019 Metro Performance Report." Pg. 1. April 2019.

¹¹ WMATA. "FY2020 Approved Budget." Pg.3. July 1, 2019.

¹² WMATA. "Q4 FY2018 Metro Performance Report." Pg.7. December 2018.

¹³ Ibid.

¹⁴ WMATA. "Major Outage Guidelines to Minimize Customer Impacts." Pg. 30. December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/4A-FY2020-Station-Platforms-Project.pdf>

¹⁵ Ibid.

¹⁶ A transit rider means a person who uses a WMATA fare product to pay fare on Metrorail within a two-hour (2) period between the origination of the transit trip and exiting the Park & Ride by paying parking rates with the same fare product.

¹⁷ The Office of Senator Ben Cardin (MD). "Letter to U.S. Senate Regarding the Impacts of the Partial Federal Government Shutdown."

<www.cardin.senate.gov/imo/media/doc/PJW%20Response%20to%20Senate%20Delegation%20Letter%20on%20Shutdown%2001-17-19%20.pdf>

¹⁸ Northern Virginia Transportation Commission (NVTC). "VRE CEO Report." April 4, 2019.

<www.novatransit.org/uploads/meetings/2019/Apr2019kit.pdf>

¹⁹ WMATA controls the following parking facilities in Virginia: East Falls Church, West Falls Church, Dunn-Loring, Vienna, Van Dorn, Huntington, Franconia-Springfield. Fairfax County controls the parking facilities at Wiehle-Reston Station. Fairfax and Loudoun Counties will control the parking facilities in their respective jurisdictions that are part of the Silver Line Phase II project.

²⁰ WMATA. "FY2020 Approved Budget." Pg.10. July 1, 2019.

²¹ WMATA. "Acceptance of Public Hearing Staff Report and Approval of Changes to Parking Reforms." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/11B-FIN-Parking-Programs-FINALIZED.pdf>; WMATA. "Q4 FY 2018 Financial Report." September 2018.

²² Any approved Jurisdictional Surcharge is allocated to the jurisdictional reserve operating account in the full amount of surcharge fees collected in each jurisdiction to fund capital improvements to WMATA parking facilities located in the respective jurisdiction.

²³ WMATA. "Tariff 39 on Metro Rates and Fares." July 1, 2019. <www.wmata.com/about/records/public_docs/upload/Tariff-39-on-Rates-Fares-Annotated-Final-6-28-19.pdf>

²⁴ WMATA. "Acceptance of Public Hearing Staff Report and Approval of Changes to Parking Programs." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/11B-FIN-Parking-Programs-FINALIZED.pdf>

²⁵ Ibid.

²⁶ WMATA. "FY 2020 Budget Work Session." Pg. 8-46. November 15, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-FY2020-Budget-Work-Session-w-Memo-Rev.pdf>

²⁷ Ibid.

²⁸ Ibid.

²⁹ WMATA. "FY2020 Approved Budget." Pg. 10. July 1, 2019.

³⁰ Southeastern Pennsylvania Transportation Authority (SEPTA). "Independence Pass." <www.septa.org/fares/pass/independence.html>

³¹ WMATA. "Metro Moves to Become Mobile Ready." April 10, 2018. <www.wmata.com/about/news/mobile-ready.cfm>

³² WMATA. "Acceptance of Public Hearing Staff Report and Approval of Changes to Parking Programs." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/11B-FIN-Parking-Programs-FINALIZED.pdf>

³³ WMATA. "Keeping Metro Safe, Reliable and Affordable." Pg. 14. January 2019. <www.wmata.com/initiatives/strategic-plans/upload/KMSRA-Strategic-Plan-Jan-2019.pdf>

³⁴ WMATA. "Understanding Rail and Bus Ridership." Pg. 3. October 12, 2017. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Understanding-Ridership-TO-POST.pdf>

³⁵ WMATA. "Quarterly Capital Plan Execution Update." Pg. 2. May 23, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Quarterly-Capital-Update.pdf>

³⁶ Alexandria Times. "WMATA Provides Final Month Metro Platform Update." August 14, 2019. <www.alextimes.com/wp-content/uploads/2019/08/08_15_2019-Alex_Times_WEB.pdf>

³⁷ WMATA. "Q4 FY2019 Metro Performance Report." Pg. 1. September 2019.

³⁸ WMATA. "FY2019 Year End Financial Report." Pg. 9. September 2019.

³⁹ Ibid.

⁴⁰ WMATA. "Q3 FY2019 Metro Performance Report." Pg. 1. April 2019.

⁴¹ WMATA. "Extension of University Pass Pilot Program." Pg. 1 March 23, 2017.

<www.wmata.com/about/board/meetings/board-pdfs/upload/10A-CON-201858-UPass-Extension-FINALIZED.pdf>

⁴² WMATA. "U-Pass Program." <www.wmata.com/fares/u-pass/>

⁴³ WMATA. "University Pass Pilot Program." Pg. 5. April 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/11A-FIN-UPass-Adoption-FINALIZED.pdf>

- ⁴⁴ WMATA. Fairfax County Student Bus Pass Program Pilot Extension. Pg. 2 July 25, 2019. <wmata.com/about/board/meetings/board-pdfs/upload/11B-CON-Ffx-County-Student-Bus-Pass-Pilot-Extension-FINALIZED.pdf>
- ⁴⁵ NVTC. Regional Fare Collection Program. Pg. 4. June 7, 2018. <www.novatransit.org/uploads/Projects/Fare/Fare%20Collection%20Strategic%20Plan%20Presentation%20June2018.pdf>
- ⁴⁶ WMATA. "Cash Free Bus Pilot." May 24, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/10B-SSD-Cash-Free-Bus-Pilot-FINALIZED.pdf>
- ⁴⁷ WMATA. "FY2020 Approved Budget." P.26. July 1, 2019.
- ⁴⁸ WMATA. "At six DC intersections, bus customers now get a jump on traffic." March 19, 2019. <www.wmata.com/about/news/At-six-DC-intersections-bus-customers-now-get-a-jump-on-traffic.cfm>
- ⁴⁹ WMATA. "Keeping Metro Safe, Reliable and Affordable." Pg. 17. January 2019. <www.wmata.com/initiatives/strategic-plans/upload/KMSRA-Strategic-Plan-Jan-2019.pdf>
- ⁵⁰ Ibid.
- ⁵¹ The WMATA Board approved parking policy changes in December 2018 that also amended WMATA's parking policies to exempt riders of metrobus and local transit systems operating in the WMATA Transit Zone from non-rider fees when it is technologically and operationally feasible.
- ⁵² WMATA. "Parking Programs." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/11B-FIN-Parking-Programs-FINALIZED.pdf>
- ⁵³ A transit rider means a person who uses a WMATA fare product to pay fare on Metrorail within a two-hour (2) period between the origination of the transit trip and exiting the Park & Ride by paying parking rates with the same fare product.
- ⁵⁴ WMATA. "FY2020 Approved Budget." Pg.7. July 1, 2019.
- ⁵⁵ WMATA. "Update to Metro's Joint Development Policies. April 12, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Joint-Development-Policies.pdf>
- ⁵⁶ Ibid.
- ⁵⁷ WMATA. "FY2020 Approved Budget." Pg.7. July 1, 2019.
- ⁵⁸ WMATA. "Use Regulations Update." October 23, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/10A-FIN-Use-Regs-Update-FINALIZED.pdf>
- ⁵⁹ WMATA. "Sale of Property Exceeding \$1 million at Anacostia." January 1, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/10B-CON-Anacostia-Excess-Property-Sale-FINALIZED.pdf>
- ⁶⁰ WMATA. "Sale of Excess Property to Montgomery County." June 27, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/11A-202046-Sale-of-Excess-Property-to-Mont-County-FINALIZED.pdf>
- ⁶¹ WMATA. "Sale of Property at Albion Road in College Park." July 25, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/11A-CON-Sale-of-Property-at-Albion-Road-FINALIZED.pdf>
- ⁶² Proceeds from joint development and land sales that were originally purchased with local funds may be applied as operating revenue per the Board policy. Proceeds from specific land sales originally purchased in part with federal funds are required to be reinvested in the capital program as directed by FTA Circular 5010.1E.
- ⁶³ WMATA. "Station Platform Reconstruction Capital Project." Pg. 11. May 10, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/3B-Station-Platform-Recon.pdf>
- ⁶⁴ WMATA. "FY2019 and FY2020 Budget Amendments." Pg. 2. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-FY2019-and-FY2020-Budget-Amendments.pdf>
- ⁶⁵ WMATA. "Keeping Metro Safe, Reliable and Affordable." Pg. 15. January 2019. <www.wmata.com/initiatives/strategic-plans/upload/KMSRA-Strategic-Plan-Jan-2019.pdf>
- ⁶⁶ NVTC. "Resolution 2342: NVTC Principles for WMATA Reform." September 2017. <www.novatransit.org/uploads/LinkedDocs/2017/Resolution%202342%20NVTC%20Principles%20on%20WMATA%20Reform%20-%20As%20Amended%209-7-17.pdf>
- ⁶⁷ WMATA. "Pension and OPEB Update." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Pension-and-OPEB-Overview.pdf>
- ⁶⁸ WMATA. "Pension and OPEB Update." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Pension-and-OPEB-Overview.pdf>
- ⁶⁹ Ibid.
- ⁷⁰ WMATA. "Q4 FY2019 Performance Report." September 9, 2019.

- ⁷¹ WMATA. "Amend FY19 and FY20 Budgets." Pg. 3. June 27, 2019. www.wmata.com/about/board/meetings/board-pdfs/upload/10A-FIN-FY2019-and-FY2020-Budget-Amendments-FINALIZED.pdf; WMATA. "Q4 FY2015 Financial Report." Pg. 18. September 2015
- ⁷² WMATA. "FY2020 Approved Budget." Pg. 67. July 1, 2019.; WMATA. "Public Hearing for Bladensburg Bus Garage Project." July 25, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/9A-FIN-Bladensburg-PH-Auth-FINALIZED.pdf>
- ⁷³ WMATA. "Quarterly Capital Plan Execution Update." Pg. 2. May 23, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Quarterly-Capital-Update.pdf>
- ⁷⁴ WMATA. "Q4 FY2019 Metro Performance Report." Pg. 6. September 2019.
- ⁷⁵ Alexandria Times. "WMATA Provides Final Month Metro Platform Update." August 14, 2019. <www.alextimes.com/wp-content/uploads/2019/08/08_15_2019-Alex_Times_WEB.pdf>
- ⁷⁶ WMATA. "Rail Heavy Repair and Overhaul Facility." May 23, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/10A-1-HRO-Approvals-MEAD.pdf>
- ⁷⁷ WMATA. "About the Study." <www.wmata.com/initiatives/plans/BOS-Study.cfm>
- ⁷⁸ WMATA. "Adopt FY2020 Operating Budget and FY2020 – 2025 CIP." March 28, 2019. Pg. 3 <www.wmata.com/about/board/meetings/board-pdfs/upload/10B-FY2020-Budget-Adoption-FINALIZED.pdf>
- ⁷⁹ WMATA. "U-Pass Program." <www.wmata.com/fares/u-pass/>
- ⁸⁰ WMATA. Fairfax County Student Bus Pass Program Pilot Extension. Pg. 2 July 25, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/11B-CON-Ffx-County-Student-Bus-Pass-Pilot-Extension-FINALIZED.pdf>
- ⁸¹ WMATA. "Metro opens new Andrews Bus Garage, ends cash-free pilot effective with bus service changes June 23." June 21, 2019. <www.wmata.com/about/news/June-2019-Bus-Service-Changes.cfm>
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- ⁸⁵ WMATA. "FY2020 Approved Budget." Pg. i. July 1, 2019.
- ⁸⁶ WMATA. "Parking Programs." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/11B-FIN-Parking-Programs-FINALIZED.pdf>
- ⁸⁷ WMATA. "FY2020 Approved Budget." Pg.7. July 1, 2019.
- ⁸⁸ Ibid.
- ⁸⁹ WMATA. "Sale of Property Exceeding \$1 million at Anacostia." January 1, 2019. <www.wmata.com/about/board/meetings/board-pdfs/upload/10B-CON-Anacostia-Excess-Property-Sale-FINALIZED.pdf>
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- ⁹³ WMATA. "FY2020 Approved Budget." Pg. 5. July 1, 2019.
- ⁹⁴ WMATA. "FY2020 Approved Budget." Pg.7. July 1, 2019.
- ⁹⁵ WMATA. "FY2020 Approved Budget." Pg.23. July 1, 2019.
- ⁹⁶ WMATA. "FY2020 Approved Budget." Pg.20. July 1, 2019.
- ⁹⁷ WMATA. "FY2020 Approved Budget." Pg.21. July 1, 2019.
- ⁹⁸ WMATA. "FY2020 Approved Budget." Pg.75. July 1, 2019.
- ⁹⁹ WMATA. "In move to control costs, Metro awards contract for new bus facility in Virginia." <www.wmata.com/about/news/cinder-bed-contract.cfm>
- ¹⁰⁰ WMATA. "Metro announces contracting opportunity for Silver Line extension in effort to control future expense growth" September 18, 2018. <www.wmata.com/about/news/Silver-Line-Contracting-Opportunity-Release.cfm>
- ¹⁰¹ WMATA. "Peak Fares for Regional Events." Pg. 8 <www.wmata.com/about/board/meetings/board-pdfs/upload/3C-Peak-Fares-for-Regional-Events.pdf>
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¹⁰³ WMATA. "Pension and OPEB Update." December 13, 2018. <www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Pension-and-OPEB-Overview.pdf>

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¹⁰⁵ WMATA. "FY2020 Approved Budget." Pg.92. July 1, 2019.

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2. Use of Dedicated Capital Funds

The Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, authorizes the Washington Metropolitan Area Transit Authority Capital Fund (WMATA Capital Fund) to provide Virginia's portion of WMATA's \$500 million in regional dedicated capital funding. The legislation allows WMATA to use the WMATA Capital Fund for any capital purpose and requires NVTC to include in this report the uses of funds from the WMATA Capital Fund from the prior fiscal year. The Commonwealth authorized the use of \$121.3 million in revenues to be disbursed to WMATA in FY2019 from the WMATA Capital Fund.¹⁰⁶ The following table shows the actual expenditures of the Fund for FY2019 by Capital Improvement Plan (CIP) Program. WMATA provides additional information on progress made in the overall capital program during FY2019 in the Quarter 4 FY2019 Financial Report.¹⁰⁷

Table 2: FY2019 Expenditures from the WMATA Capital Fund by CIP Program

CIP Category	CIP Program	FY2019 Actual Expenditures (millions) ¹⁰⁸
Railcar Investments	Railcar Acquisition	\$5.2
	Railcar Maintenance/Overhaul	\$5.9
	Railcar Maintenance facilities	\$3.9
	Total	\$14.9
Rail Systems Investments	Propulsion	\$7.7
	Signals & Communication	\$2.2
	Total	\$9.9
Track and Structures Rehabilitation Improvements	Fixed Rail	\$0.6
	Structures	\$0.2
	Total	\$0.8
Stations and Passenger Facilities Investments	Platforms & Structures	\$21.4
	Vertical Transportation	\$0.2
	Station Systems	\$33.0
	Total	\$54.5
Bus and Paratransit Investments	Bus and Paratransit Acquisition	\$0.0
	Bus Maintenance/Overhaul	\$0.0
	Bus Maintenance Facilities	\$0.1
	Bus Passenger Facilities/Investments	\$2.5
	Total	\$2.6
Business Support Investments	Information Technology	\$33.9
	Metro Transit Police Department	\$0.1
	Support Equipment/Services	\$4.6
	Total	\$38.6
Total Capital Programs		\$121.3¹⁰⁹

¹⁰⁶ The Department of Rail and Public Transportation sent a letter on June 7, 2018 informing WMATA of the Commonwealth of Virginia's authorization of the use of funds from the "Washington Metropolitan Area Transit Authority Capital Fund."

¹⁰⁷ WMATA. "Quarter 4 FY2019 Financial Report." September 2019. <www.wmata.com/about/records/upload/FY2019-Q4-Management-Report_FINAL.pdf>

¹⁰⁸ Due to the timing of the publication of this report, these expenditures are preliminary and do not represent final audited expenditures.

¹⁰⁹ Totals may not add due to rounding.

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MEETING HANDOUTS

**For NVTC WMATA Committee Meeting
September 18, 2019**

Update on the 2019 Annual Report on the Performance and Condition of WMATA

NVTC WMATA COMMITTEE

SEPTEMBER 18, 2019

Safety

NTD Category	Safety Event	CY2017 Frequency		CY2018 Frequency	
		MetroRail	MetroBus	MetroRail	MetroBus
Events	Collision	2	165	4	176
	Derailment	5	N/A	5	N/A
	Security Event	45	38	52	51
	Fire	101	8	63	1
Fatalities	Fatality	2	0	6	0
Injuries	Injury	323	505	350	351

Source: National Transit Database - Form S&S-40 and S&S-50

Reliability

For Metrorail, the 2019 Report on WMATA uses Customer On-Time Performance (OTP), whereas the 2018 Report used Train OTP.

Customer OTP (Metrorail):

- Measures percentage of customers who complete a journey on time. Focuses on the customer experience and includes weekends.
- Based on SmarTrip tap in and tap out data

Train OTP (Metrorail):

- Measures train adherence to weekday headways
- Does not include weekends

Reliability

On-Time Performance by Mode

Mode of Transit	FY2017 On-Time Performance	FY2018 On-Time Performance	FY2019 On-Time Performance
Metrorail	70%	87%	88%
Metrobus	76%	78%	Unavailable*

- **Metrorail On-Time Performance**
 - FY2019 meets target of 88%, planned track work did lower OTP
- **Metrobus On-Time Performance**
 - FY2017 and FY2018: Adherence to Schedule method
 - FY2019: Pilot Key Performance Indicator results unavailable.

*Beginning in July 2018, Metrobus began piloting a new calculation for Bus OTP. The new calculation introduces a headway-based measure for routes 70, 79, X2, 90, 92, 16Y, and Metroway and modifies the schedule-based OTP to include all timepoints [previously excluded all last timepoints]. Data quality errors were identified that impact monitoring and reporting and compromise performance results. Work has been completed to replace defective equipment and correct the problem. Reporting will resume in the Q1FY2020 Metro Performance Report.

Source: [Metro Performance Report](#) (FY19)

Reliability

Equipment Reliability by Mode Miles

	Reliability Metric Used	FY2017	FY2018	FY2019
Metrorail	Mean Distance between Delays (MDBD)	79,656	92,657	160,985
Metrobus	Mean Distance between Failures (MDBF)	8,283	6,925	6,335

- **Metrorail:**
 - 7000-series now 57% of the fleet and are the top performers. WMATA retired all 5000-series cars in FY2019.
- **Metrobus:**
 - Declining performance of the hybrid bus fleet drove this overall decline.

Source: [Metro Performance Report](#) (FY19)

Financial Performance

Metrorail Farebox Recovery

Financial Performance Metric	Calculation	FY2017 Revenue to Expense Ratio	FY2018 Revenue to Expense Ratio
Farebox Recovery	$\frac{\text{Fare Revenue}}{\text{Operating Expenses}}$	52.6%	- - *

Metrobus Farebox Recovery

Financial Performance Metric	Calculation	FY2017 Revenue to Expense Ratio	FY2018 Revenue to Expense Ratio
Farebox Recovery	$\frac{\text{Fare Revenue}}{\text{Operating Expenses}}$	20.4%	- - *

Source: National Transit Database – Form F-10 & F-30

***Staff will update in October 2019**

Financial Performance

Metrorail Service per Rider

Financial Performance Metric	Calculation	2017 Performance	2018 Performance	Units
Metrorail Service per Rider	$\frac{\text{Vehicle Revenue Hours}}{\text{Trips}} * 10,000$	141.32	--*	Hours per 10,000 Trips

Metrobus Service per Rider

Financial Performance Metric	Calculation	2017 Performance	2018 Performance	Units
Metrobus Service per Rider	$\frac{\text{Vehicle Revenue Hours}}{\text{Trips}} * 10,000$	320.73	--*	Hours per 10,000 Trips

Source: National Transit Database – Form S-10

***Staff will update in October 2019**

Financial Performance

Cost per Metrorail Service Hour

Financial Performance Metric	Calculation	2017 Performance	2018 Performance	Units
Cost per Metrorail Service Hour	$\frac{\text{Operating Expenses}}{\text{Vehicle Revenue Hours}}$	\$309.37	--*	\$Expenses per Hour

Cost per Metrobus Service Hour

Financial Performance Metric	Calculation	2017 Performance	2018 Performance	Units
Cost per Metrobus Service Hour	$\frac{\text{Operating Expenses}}{\text{Vehicle Revenue Hours}}$	\$159.82	--*	\$Expenses per Hour

Source: National Transit Database – Form S-10 & F-30

***Staff will update in October 2019**

Metrorail & Metrobus Ridership

Unlinked Passenger Trips

Mode of Transit	FY2017 Total Trips	FY2018 Total Trips
Metrorail	227,053,037	- -*
Metrobus	123,124,352	- -*

Passenger Miles Traveled

Mode of Transit	FY2017 Total Trips	FY2018 Total Trips
Metrorail	1,326,262,650	- -*
Metrobus	369,020,804	- -*

Source: National Transit Database – Form S-10

***Staff will update in October 2019**

Strategies to Reduce the Growth in Costs and Improve Operational Efficiency

New Strategies in the 2019 Report

Strategy 1: Maximize Use of Eight-Car Trains

Strategy 2: Improve Weekend Rail Service

Strategy 3: Develop Parking Pass Products

Strategy 4: Optimize Parking Facilities

Strategy 5: Expand and Enhance Fare Products

*: Efforts underway by WMATA

Strategies to Reduce the Growth in Costs and Improve Operational Efficiency

Update on Strategies in the 2018 Report

Strategy 6: Rebuild Ridership and Improve Efficiency
of Metrorail and Metrobus

Strategy 7: Increase Non-Fare Revenues

Strategy 8: Control Cost Escalation and Enhance
Efficiency of the Workforce and Contracted Services

Additional Strategies

*: Efforts underway by WMATA

Strategies to Reduce the Growth in Costs and Improve Operational Efficiency

What we heard from individual Jurisdictional Staff

What we heard from Commissioners

Recommend that staff and the WMATA Committee consider recent Staff and Commissioner feedback in 2020 Report Update

Strategies to Reduce the Growth in Costs and Improve Operational Efficiency

Approach to Bus Transformation Project (BTP) Final Strategies

- Final Strategies were released after substantial report completion and call for jurisdictional staff comments
- BTP status is acknowledged in updates to previous strategies
- Staff will review the recommendations and development of the action plan for consideration of inclusion in 2020 update of the report

Strategies to Reduce the Growth in Costs and Improve Operational Efficiency

Discussion Questions for Committee Feedback

- Comments and feedback for New Strategies
- Comments on Updates to Strategies in 2018 Report
- Affirmation of approach to BTP

*: Efforts underway by WMATA

Uses of the Fund (FY2019 Expenditures by CIP Program)

CIP Category	CIP Program	\$ Millions
Railcar Investments	Railcar Acquisition	\$5.2
	Railcar Maintenance/Overhaul	\$5.9
	Railcar Maintenance facilities	\$3.9
Rail Systems Investments	Propulsion	\$7.7
	Signals & Communication	\$2.2
Track and Structures Rehabilitation Improvements	Fixed Rail	\$0.6
	Structures	\$0.2
Stations and Passenger Facilities Investments	Platforms & Structures	\$21.4
	Vertical Transportation	\$0.2
	Station Systems	\$33.0
Bus and Paratransit Investments	Bus and Paratransit Acquisition	\$0.0
	Bus Maintenance/Overhaul	\$0.0
	Bus Maintenance Facilities	\$0.1
	Bus Passenger Facilities/Investments	\$2.5
Business Support Investments	Information Technology	\$33.9
	Metro Transit Police Department	\$0.1
	Support Equipment/Services	\$4.6

Total = \$121.3

Notes: Data provided by WMATA. Totals may not add due to rounding. Due to the timing of the publication of this report, these expenditures are preliminary and do not represent final audited expenditures.

WMATA FY19 Capital Program Highlights

Railcar Investments

- By the end of the 4th quarter, 680 of the planned 748, 7000-Series railcars conditionally accepted
- Through Q4, 104 scheduled railcar rehabilitations completed (3000-Series)

Rail System Investments

- Progress continued on capacity updates to traction power system on the Orange and Blue Lines

Track and Structures Rehabilitation and Improvements

- Replaced crossties, insulators, and third rail. Renewed fasteners, tamped track, eliminated open rail joints and rehabilitated structure components, grout pads, and drains

WMATA FY19 Capital Program Highlights

Stations and Passenger Facilities Investments

- Platform Improvement Project started on six stations south of the airport.
- Replaced 22 escalators during FY2019

Bus and Paratransit Investments

- 112 buses delivered and accepted and 100 schedule bus rehabilitations completed. Completed construction of Andrews Federal Center bus facility.

Business Support Investments

- Purchased new headquarters building at L'Enfant Plaza.
- Invested in data centers and information technology infrastructure

Next Steps

- October 3 Commission Meeting
 - Staff will provide a full report (all chapters)
 - Staff will ask for authorization to send the report the Governor and General Assembly by November 1
 - Staff will update the report with key data released by NTD in October
- Annual Report update will begin again in 2020