



**NVTC WMATA COMMITTEE MEETING  
THURSDAY, OCTOBER 29, 2020  
Via Electronic Participation  
Public Streaming via Youtube**

**6:00 P.M.**

**AGENDA**

*NVTC is receiving public comment during the declared state of emergency. Persons wishing to provide written public comment should submit comments by 3:00 pm on October 29 via [NVTC's website](#). Comments will be provided to Committee Members prior to the October 29 meeting.*

1. Review of the September 17, 2020 NVTC WMATA Committee Meeting Summary
2. Presentation on 2020 Annual Report on the Performance and Condition of WMATA
3. Other Items of Jurisdictional Importance

**Members**

Canek Aguirre, Chairman  
Walter Alcorn  
Matt de Ferranti  
Matt Letourneau  
David Meyer  
Paul Smedberg  
David Snyder



**NVTC WMATA COMMITTEE  
MEETING SUMMARY  
Via Electronic Participation  
Public Streaming via YouTube  
September 17, 2020**

**NVTC WMATA Committee Members Present via Electronic Participation:**

Canek Aguirre, Chair  
Walter Alcorn  
Matt de Ferranti  
Matt Letourneau  
David Meyer  
Paul Smedberg  
David Snyder

**Other NVTC Commissioners Present via Electronic Participation:**

Katie Cristol  
Michael Turner

**Staff and Others Present via Electronic Participation:**

Kate Mattice, Executive Director  
Andrew D'huyvetter  
Allan Fye  
Greg Potts  
Zach Smith

Chairman Aguirre called the WMATA Committee meeting to order at 6:05 p.m. He explained that given the ongoing COVID-19 public health emergency, this meeting is being conducted electronically. This is possible because the governor signed into law on April 22, 2020 a legislative amendment to the budget bill to allow public bodies to meet electronically without a physical quorum present to discuss or transact the business statutorily required or necessary to continue operations of that public body. NVTC staff followed the procedures and guidelines in the legislation to give notice to the WMATA Committee, Commission, staff and the public.

Chairman Aguirre reviewed the procedures and instructions for the electronic meeting. The only visual component of the meeting is the presentation slides shown on Webex for WMATA Committee members and on YouTube livestream for the public.

Mr. D'huyvetter then called the roll and confirmed a quorum was present. He also updated the committee that no public comments were received prior to the meeting.

Chairman Aguirre asked for any changes to the July 16 WMATA Committee meeting summary. Committee members accepted the summary of the July 16 meeting with no changes.

#### Update on WMATA's FY 2021 and FY 2022 Budgets

Chairman Aguirre asked the Committee if there were any objections to re-ordering the first two agenda items from the materials that were sent the previous week because NVTC Chair Cristol had a conflict and wanted to be a part of the Committee's discussion on the 3% Cap Working Group. The Committee had no objections to re-ordering the agenda.

Mr. Smedberg and Mr. Letourneau presented an overview of a WMATA's updated FY 2021 operating budget and background on WMATA's FY 2022 Budget. Mr. Smedberg stated that WMATA's ridership and revenue are well below budget due to the continued effects of the COVID-19 pandemic. He then presented proposed WMATA Board to offset the operating budget gap for FY 2021. Mr. Letourneau discussed the impact of the updated FY 2021 operating budget on the startup timeline for Silver Line Phase 2. He then presented proposed WMATA management actions to offset the operating budget gap for FY 2021.

Mr. Turner asked for clarification on the effect of turnbacks on rail service. Mr. Letourneau responded with WMATA's proposed Metrorail service adjustments for the Red and Yellow Lines. Mr. Snyder discussed the potential negative impacts that increasing rail headways could have on rail ridership. Mr. Alcorn asked if the service changes would close the operating funding gap in FY 2021 or if additional actions will be necessary. Mr. Letourneau responded that the combination of management and Board actions will address the budget gap in FY 2021. Mr. Turner discussed the need for WMATA to develop a messaging and marketing plan that communicates WMATA's safety efforts. Mr. Snyder added that employers have a strong role in helping rebuild ridership. Mr. Smedberg responded that WMATA continues to develop strategies to bring riders back.

Mr. Smedberg presented a brief overview of how WMATA is preparing the FY 2022 budget. Mr. Letourneau added the FY 2022 budget discussion underscores the need for federal COVID-19 relief. Mr. De Ferranti asked if there were any proposals for additional federal COVID-19 relief. Mr. Smedberg responded that WMATA has engaged the region's federal delegation on additional federal funding and that there was a House bill that included COVID-19 relief funding for transit.

NVTC Chair Cristol joined the meeting at 6:41 p.m.

#### 3% Cap Working Group

NVTC Chair Cristol provided brief remarks on the 3% Cap Working Group's final report to the General Assembly and added that the Working Group will provide an additional companion report to the Commission in early 2021. Mr. Smith presented the working group's findings in the report to the General Assembly. Mr. de Ferranti asked if the fluctuations in the operating subsidies could be expected in the future. NVTC Chair Cristol responded that the legislative exclusions impact the overall subsidy payments. Mr. Smith added that, excluding the CARES Act

funding, the startup costs for Silver Line Phase 2 had a significant impact on the overall subsidy in FY 2021.

WMATA Committee members agreed to refer the report to the Commission.

#### Other Items of Jurisdictional Importance

The WMATA Committee members did not discuss any other items of jurisdictional importance. Chairman Aguirre reminded the committee that WMATA General Manager Paul Wiedefeld is expected to address the Commission at the October NVTC meeting.

The meeting adjourned at 7:06 p.m.

# 2020 Report on the Performance and Condition of the Washington Metropolitan Area Transit Authority

**NVTC Staff Draft Report for NVTC WMATA Committee Discussion  
(10/29/2020)**

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## Preface

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The Northern Virginia Transportation Commission (NVTC)<sup>1</sup> is charged with the funding and stewardship of the Washington Metropolitan Area Transit Authority (WMATA) on behalf of the jurisdictions of Arlington County, City of Alexandria, City of Falls Church, Fairfax County, City of Fairfax and Loudoun County. Founded in 1964, in part to represent the interests of the Commonwealth during the creation of Metrorail, NVTC continues to serve as Virginia's voice on the WMATA Board of Directors<sup>2</sup> through its appointments to the panel. NVTC also manages more than \$154 million in state assistance to WMATA on behalf of its jurisdictions. Finally, NVTC ensures that all its jurisdictions' voices are represented on the WMATA Board, conducts Northern Virginia's regional transit response program, coordinates regional transit fare collection efforts, and engages in regional transportation planning, data analysis, and reporting, which provides direct benefits to WMATA and the related Northern Virginia transit network.

This report fulfills the requirements of Section § 33.2-3402 of the Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, specifying that NVTC report annually on the performance and condition of WMATA, for both Metrorail and Metrobus. Per statute, the report addresses six elements:

- **Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations**
- **Use of the dedicated capital funds** authorized by the legislation to improve the safety and condition of the **rapid heavy rail** mass transportation system
- The **safety** and **reliability** of the **rapid heavy rail** mass transportation system and **bus** network
- The **financial performance** of WMATA related to the operations of the **rapid heavy rail** mass transportation system, including farebox recovery, service per rider, and cost per service hour
- The **financial performance** of WMATA related to the operations of the **bus** mass transportation system, including farebox recovery, service per rider, and cost per service hour
- **Ridership** of the **rapid heavy rail** mass transportation system and the **bus** mass transportation system

## Introduction

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On March 11, 2020 the World Health Organization declared the COVID-19 virus a universal pandemic, setting in motion a series of actions at all levels of government that have impacted transit systems and riders in a way not experienced in generations.<sup>3</sup> The executive actions imposed in the Commonwealth of Virginia, the State of Maryland and the District of Columbia – such as stay at home orders, mandatory business closures, social distancing requirements and office closures – resulted in a precipitous drop-off in both transit demand and ridership. Ridership for Northern Virginia’s two rail systems – Washington Metropolitan Area Transit Authority (WMATA) and Virginia Railway Express (VRE) – declined as much as 95% within weeks of the first orders. Metrobus and the six local transit providers across Northern Virginia, which complement the heavy rail systems, also saw significant drops in ridership.<sup>4</sup>

With the sudden and significant loss of fare revenue, the additional and unplanned expenses to ensure the safety and cleanliness of transit and the abrupt loss of revenue to local jurisdictions that support transit in Northern Virginia, transit systems face significant financial shortfalls that will likely last for years.

Thanks to Congress’ passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act in March 2020, Northern Virginia jurisdictions that fund WMATA, VRE and local transit systems were able to receive short-term financial relief. However, WMATA, the largest recipient of CARES Act funding, projects those funds will be depleted by January 2021 even as WMATA continues to implement enhanced safety measures to respond to the COVID-19 pandemic.<sup>5</sup> If Congress provides no additional federal funding, WMATA anticipates potential layoffs, Metrorail and Metrobus service cuts and additional cost saving measures.<sup>6</sup>

In addition, on March 17, 2020 the Commonwealth Transportation Board (CTB) provided emergency funding to maintain critical local transit service in Northern Virginia and across the Commonwealth.<sup>7</sup> The Commonwealth continues to adapt to the challenging budget implications created by the public health emergency. The General Assembly passed an amendment to the 2020 – 2022 Budget that would allow CTB the flexibility to use transit capital and special funds for operating purposes, minimizing the impacts of the COVID-19 pandemic on local transit operators.<sup>8</sup>

The impact of the COVID-19 pandemic will be felt in the transit industry for several years to come. NVTC will continue to work with WMATA, as well as local transit operators and VRE, to safely get riders back on transit.<sup>9</sup>

## How has WMATA responded to the COVID-19 pandemic?

### **Pandemic Flu Plan**

On January 29, 2020 WMATA activated its Pandemic Task Force, an agency-wide team of senior-level officials from key departments.<sup>10</sup> The task force initiated WMATA’s pre-existing Pandemic Flu Plan. The plan has four phases. The initial phase focuses on monitoring and preparedness, and Phase 2 ensures WMATA’s readiness to respond quickly in the event of an



outbreak in the region. WMATA moved to Phase 3 of its Pandemic Flu Plan on March 13 and implemented emergency service changes and made other adjustments to protect employees and customers. WMATA implemented the following measures to protect the health and safety of the public and frontline employees<sup>11</sup>:

- Daily cleaning and disinfecting of trains, buses and stations with mopping, wiping down high-touch surfaces or using electrostatic foggers
- Regular deep cleaning of stations
- Requiring all employees and customers to wear face coverings
- Implemented plexiglass barriers where appropriate
- Reconfigured office spaces to allow for proper physical distancing and implemented telework when possible
- Ensured handwashing facilities and/or hand sanitizer are available to employees
- Created a system for employees to report exposure to the COVID-19 virus
- Immediate disinfection of a train, bus or station once Metro receives a report of bodily fluids or an ill customer on the system
- Rear-door boarding and waived fares to provide a buffer between customers and Metrobus Operators. WMATA anticipates returning to front-door boarding and fare collection on Metrobus in January 2021
- Prior to the pandemic buses were equipped with Bus Operator safety shields to provide a physical barrier separating the Operator's compartment from customers

Phase 4 of the Pandemic Flu Plan is WMATA's return to normal operations after the situation is under control.

### **Recovery Plan**

In May, WMATA released details of its COVID-19 recovery plan, which outlines a flexible blueprint for ramping up service.<sup>12</sup> The phases of the plan coincide with the relaxing of stay-at-home policies, return to workplaces and the widespread availability of testing, treatment and a vaccine, among other scenarios.<sup>13</sup>

- Stabilization Phase (May - August 2020): The stabilization service plan was implemented in May and adjusted in June to improve Metrobus route efficiency and reduce crowding. During this phase, Metrorail and Metrobus service represented 35% of normal peak service while implementing enhanced cleaning protocols for the COVID-19 pandemic.
- Managed Re-Entry Phase (Implemented August 2020): The managed re-entry phase was implemented in August as local governments began to lift some COVID-19 pandemic restrictions. During this phase, Metrorail returned to regular opening times, closing at 11 p.m. each night with near-normal peak and off-peak service. WMATA restored Metrobus service to nearly 73% of pre-pandemic levels on weekdays, 87% on Saturdays and 86% on Sundays. WMATA currently anticipates being in the managed re-entry phase of the recovery plan for the remainder of 2020. In order to address expected budget gaps, following a public input period, the WMATA Board is

anticipated to make additional adjustments to rail and bus service that will take effect in December 2020.

- Recovery Phase (Expected 2021): The recovery phase is the return of pre-pandemic service levels when social distancing and other supplemental safety measures are no longer necessary. The U.S. Centers for Disease Control and Prevention (CDC) guidance suggests that this phase is likely to occur in 2021.

## **Impact of the COVID-19 pandemic on WMATA's Capital Improvement Plan**

Regional stay-at-home policies and federal guidance confirmed that construction activities were considered "essential services" during the COVID-19 pandemic. This designation allowed WMATA to leverage periods of low ridership to advance projects within its capital improvement program. In doing so WMATA was able to combine the schedules of its two biggest capital priorities in Virginia: rebuilding Metrorail station platforms and connecting Silver Line Phase 2 to the existing rail network.

WMATA worked with its contractors to revise construction safety protocols to incorporate the CDC guidance for hand and tool washing, social distancing and wearing face coverings at project sites. The 2020 Platform Improvement Project to reconstruct platforms at four Orange Line stations combined schedules with a separate project of the Metropolitan Washington Airports Authority (MWAA) to connect Phases 1 and 2 of the Silver Line which necessitated the additional closure of the five existing Silver Line Stations.<sup>14</sup> Due to work proceeding faster than the original schedule, WMATA returned Silver Line service and reopened six Fairfax County Metrorail stations weeks earlier than originally planned. In August 2020, WMATA also began reconstructing the platform at Ronald Reagan Washington National Airport Station, which was previously scheduled to begin in fall 2022 or spring 2023.<sup>15</sup>

## **What does the COVID-19 pandemic mean for the 2020 report?**

Initial impacts of the COVID-19 pandemic on WMATA's condition and performance are included in this report. However, it is important to provide context and inform readers that this and future reports will show the impacts of the COVID-19 pandemic. Below is an overview of the impact of the COVID-19 pandemic on different sections of the 2020 report:

### Strategies to Reduce the Growth in Costs and Improve Operational Efficiencies (Chapter 1)

In the 2018 and 2019 NVTC reports to the General Assembly, the Commission made several policy and program recommendations that will help WMATA improve efficiency, increase ridership, and increase revenue. The previous recommendations still stand and will help WMATA meet these goals.

The public health emergency has drastically impacted ridership and forced WMATA to either delay a number of policy initiatives or defer these initiatives to a future year when the policy would be more appropriate for the circumstances (i.e. post-pandemic). NVTC will continue to pursue the implementation of past recommendations by working with WMATA and determining a reasonable, feasible time for implementation. However, the current magnitude

of the financial crisis brought about by the COVID-19 pandemic is immense and requires solutions beyond policy recommendations.

#### Use of Dedicated Capital Funds (Chapter 2)

The COVID-19 pandemic impacted WMATA's capital improvement program. Due to a significant drop in ridership due to stay at home orders and overall reduced demand due to the pandemic, WMATA has been able to accelerate several aspects of the FY 2020 capital program. For example, the 2020 platform improvement work on the Orange Line was accelerated and some stations were re-opened several weeks sooner than planned; the work necessary to integrate Phase 2 of the Silver Line into the existing system was accelerated and reconstruction of the platforms at Reagan Washington National Airport Station was started two years earlier than planned.

#### Safety, Reliability, Financial and Ridership Performance Data (Chapters 3 - 5)

A large portion of this report is dedicated to tracking the key safety, reliability, financial and ridership metrics shown in chapters three to five. Data included in the report (Table 1) come from the National Transit Database and WMATA Metro Performance Reports (MPR). Some data points have a lag of 12 to 18 months, meaning that most of the data (except for reliability metrics) provided in the 2020 report will not reflect the impact of the COVID-19 pandemic.

**Table 1: Data Sources and Years Presented in this Report**

Report Category	Latest Year for which Data is Publicly Available	Data Source
Safety	Calendar Year 2019	NTD
Reliability	Fiscal Year 2020	MPR
Financial Performance	Fiscal Year 2019	NTD
Ridership	Fiscal Year 2019	NTD

In order to address this situation, each data chapter includes qualitative and quantitative data from sources not typically cited. This approach allows readers of this report to understand the impact that the pandemic has had on WMATA. Data in future reports will include the effects of COVID-19 pandemic.

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<sup>1</sup> The Northern Virginia Transportation Commission (NVTC) was established to manage and control the functions, affairs, and property of the Northern Virginia Transportation District, which was created by the 1964 Acts of

Assembly of the Commonwealth of Virginia, Chapter 630, and the Transportation District Act. The purpose of the Act is to facilitate “planning and developing a transportation system for Northern Virginia and for the safety, comfort and convenience of its citizens and for the economical utilization of public funds” The duties and powers of the Commission are set in Sections §§ 33.2-1900 through 33.2-1934 of the Virginia Code.

<sup>2</sup> The WMATA Board of Directors, established through an interstate Compact between Virginia, Maryland and the District of Columbia, determines agency policy and provides oversight for funding, operations, and the expansion of transit facilities.

<sup>3</sup> World Health Organization. “World Health Organization’s General Director’s Opening Remarks on COVID-19.” Pg. 1. March 11, 2020. <<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>>

<sup>4</sup> WMATA. “COVID-19 Recovery Planning Update.” Pg. 3. May 14, 2020. <<https://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-COVID-19-Recovery-Final.pdf>>

<sup>5</sup> U.S. Department of Transportation. “Fiscal Year 2020 CARES Act Supplemental Public Transportation Apportionments and Allocations.” Pg. 1. Accessed July 8, 2020. <<https://www.transit.dot.gov/cares-act-apportionments>>

<sup>6</sup> WMATA. “FY 2021 Budget Update and FY 2022 Budget Outlook.” Pg. 3 September 10, 2020. <<https://www.wmata.com/about/board/meetings/board-pdfs/upload/20200916-BOARD-3A-FY21-PH-Auth-and-Bus-Fare.pdf>>.

<sup>7</sup> Commonwealth Transportation Board. Pg. 1. March 17, 2020. <<http://www.drpt.virginia.gov/media/3071/ctb-resolution-transit-support-for-covid-19-response-and-impacts-march-2020-v3.pdf>>

<sup>8</sup> 2020 Acts of the General Assembly. “2020 – 2022 Budget.” pg. 165. October 16, 2020. <<https://budget.lis.virginia.gov/get/amendmentpdf/4260/>>

<sup>9</sup> NVTC has received a DRPT grant to support a “back to transit” marketing campaign that will focus on how to safely and confidently return riders to transit; this effort is anticipated to begin in early 2021 or as soon as practicable.

<sup>10</sup> WMATA. “Approval of Dedicated Bond Resolution and Issuance.” Pg. 197. April 23, 2020. <[https://www.wmata.com/about\\_metro/board\\_of\\_directors/board\\_docs/TransmittalDocs/041720\\_Board\\_Full\\_Pk\\_g\\_wo\\_Debt\\_Policy\\_2020-04-27.pdf](https://www.wmata.com/about_metro/board_of_directors/board_docs/TransmittalDocs/041720_Board_Full_Pk_g_wo_Debt_Policy_2020-04-27.pdf)>

<sup>11</sup> WMATA. “Enhanced Cleaning Protocols for COVID-19.” Pg. 1. Accessed September 10, 2020. <<https://www.wmata.com/service/covid19/covid19-cleaning.cfm>>.

<sup>12</sup> WMATA. “Metro’s gradual recovery plan promotes safety first, while ramping up regional mobility.” Pg. 1. May 11, 2020. <<https://www.wmata.com/about/news/covid-19-gradual-recovery-plan.cfm>>

<sup>13</sup> Ibid

<sup>14</sup> WMATA. “Silver Line service will return August 16, along with reopening of six stations in Fairfax County.” Pg. 1. June 24, 2020. <<https://www.wmata.com/about/news/Silver-Line-reopening.cfm>>

<sup>15</sup> WMATA. “Platform reconstruction at Reagan National Airport Station to begin August 7.” Pg. 1. July 23, 2020. <<https://wmata.com/service/rail/PlatformProject/Platform-reconstruction-at-Reagan-National-Airport-Station-to-begin-August-7.cfm>>

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

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§ 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. 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 costs so that its annual operating subsidies increase in line with legislative requirements.<sup>16</sup>

The COVID-19 pandemic threatens to undermine transit agencies across the county, including WMATA. Prior to the pandemic, WMATA reported promising ridership statistics, highlighting a boost in customer confidence for WMATA's reliability and on-time performance. The pandemic has caused dramatic declines in WMATA's ridership and revenue, which have created significant budget gaps. The strategies presented in this chapter will not single-handedly address WMATA's challenges during and after the pandemic, but they should be viewed as mid-term to long-term solutions that can aid in WMATA's pandemic recovery.

In previous annual reports on the performance and condition of WMATA, NVTC identified strategies to reduce WMATA's growth in costs and improve operational efficiencies. This chapter consolidates and restructures NVTC recommendations from previous reports into the following four categories:

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

Each category includes 1) **Recommended Strategies** that the Commission believes are actionable by WMATA (i.e. study or implement) and 2) documentation of **Ongoing Efforts at WMATA** that support previous NVTC recommendations that are constantly recurring and do not have a fixed point of completion.

These recommendations include a mix of short and long-term operating strategies to improve efficiency. Some strategies can be implemented by the WMATA Board of Directors or the WMATA General Manager/CEO and many strategies can be implemented during the annual budget process where WMATA considers fiscal constraints, public hearing requirements, and equity concerns. It is important to note that other recommendations may be outside of WMATA's purview and would require structural or legislative changes from other legislative bodies or agencies.

WMATA has made progress toward stabilizing its operating costs and improving efficiency in ways that reflect NVTC strategies. However, without changes to WMATA's operating model,



operating cost increases are predicted to outpace revenue growth according to WMATA's 2019 adopted strategic plan.<sup>17</sup>

## Strategy 1: Rebuild Metrorail & Metrobus Ridership

Over the past decade, overall WMATA ridership has declined and farebox recovery has decreased, so rebuilding Metrorail and Metrobus ridership is critical to improving the efficiency of the system and to controlling subsidy growth by increasing farebox revenue.

The following recommendations are intended to attract new riders or optimize revenues from existing riders. For many of these recommendations, WMATA has efforts underway in some form, but from the perspective of the Commission these efforts are not yet complete.

### Recommendations by NVTC

Recommended Strategies to Rebuild Metrorail & Metrobus Ridership	
<b>Communicate and encourage a safe return to transit</b>	<ul style="list-style-type: none"> <li>Continue to highlight and promote enhanced safety efforts during the pandemic</li> <li>Develop a long-term, post-pandemic marketing and communications strategy to rebuild ridership</li> </ul>
<b>Improve weekend rail service</b>	<ul style="list-style-type: none"> <li>Examine additional solutions to better balance maintenance activities and the impacts of service disruptions on weekend ridership</li> <li>Develop customer-focused service standards and operating procedures for planned weekend service disruptions in order to minimize disruptions to service</li> </ul>
<b>Optimize parking facilities</b>	<ul style="list-style-type: none"> <li>Assess and consider reducing parking rates at additional, underutilized WMATA-owned Metrorail parking facilities</li> <li>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</li> </ul>
<b>Develop, expand and enhance fare pass and other parking pass products to promote more frequent rail and bus ridership and increase customer satisfaction</b>	<ul style="list-style-type: none"> <li>Perform a study to identify fare pass products that address unmet market demand (ex. family passes) and make purchasing them easier to understand through improved marketing</li> <li>Develop a subscription-based parking pass for transit riders to increase revenues at Metrorail stations with parking facilities</li> </ul>
<b>Develop the next generation of fare collection technology and support strategic fare collection initiatives</b>	<ul style="list-style-type: none"> <li>Promote usage and expansion of mobile fare payment, which WMATA introduced in September 2020<sup>18</sup></li> <li>Coordinate fare collection modernization efforts and other initiatives such as all-door boarding or off-vehicle fare collection with NVTC's implementation of the priorities and actions outlined in the Northern Virginia Fare Collection Strategic Plan</li> </ul>

*Communicate and encourage a safe return to transit*

WMATA has taken critical measures to safeguard riders and employees during the pandemic through free mask distribution, contactless fare payment with the new mobile app and aiming to provide enough service for social distancing. However, concerns surrounding the safety of the system remain as potential riders may still be unaware of WMATA's efforts to enhance safety. To respond to those concerns, WMATA developed a communications strategy that began in the fall of 2020 to reassure customers that returning to transit is safe.<sup>19</sup> NVTC is committed to supporting WMATA, as well as VRE and local transit operators in Northern Virginia, with efforts to get riders back on transit. Leveraging a DRPT grant, NVTC will launch a complementary "back to transit" marketing campaign in early 2021 to encourage the public to safely and confidently return to transit.

WMATA expects a gradual recovery and even indicated a potential scenario in which ridership could remain low after the introduction of a vaccine due to low acceptance and fear among the public.<sup>20</sup> Because the long-term impacts of the COVID-19 pandemic on riders' perception of transit are unknown, WMATA must identify strategic and innovative methods to attract and retain riders after the COVID-19 pandemic subsides. While NVTC supports WMATA's ongoing efforts to allay riders' concerns and attract ridership during the pandemic, NVTC also encourages WMATA to develop a long-term, post-pandemic marketing and communications strategy to rebuild both ridership and confidence in transit.

*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 service disruptions, increased wait times for trains, or additional transfers, all of which have a negative impact on service and weekend ridership.<sup>21</sup> Capital improvement projects and rehabilitation work are critical to bringing the system to and maintaining a state of good repair. NVTC encourages WMATA to consider developing customer-focused service standards and operating procedures for planned weekend service disruptions in order to minimize impacts on riders. These could be similar to the guidelines WMATA established as part of its Platform Improvement Project, which included strategies to communicate disruptions to customers, retain riders during major shutdowns and ways to execute work more efficiently.<sup>22 23</sup>

*Optimize parking facilities*

WMATA manages nearly 60,000 parking spaces at 44 Metrorail stations throughout the region and, prior to the COVID-19 pandemic, had both underutilized parking facilities and facilities that are at or over capacity during the weekday. NVTC proposes that WMATA assess and consider reducing parking rates at additional, underutilized WMATA-owned Metrorail parking facilities.<sup>24</sup> Parking utilization directly correlates to ridership at Metrorail stations and generates

revenue from both the parking fees and rider fares.<sup>25</sup> WMATA successfully piloted and ultimately made permanent a lower parking rate of \$3 at the West Falls church and Landover Metrorail Stations.<sup>26</sup> The pilot encouraged existing transit riders to ride the system more frequently and resulted in an overall increase in ridership and net revenue.<sup>27</sup> 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.

*Develop, expand and enhance fare pass and other parking pass products to promote more frequent rail and bus ridership and increase customer satisfaction*

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.<sup>28</sup> WMATA currently offers a suite of fare pass products which range from a one-day to monthly unlimited passes. Analysis of SmarTrip card data shows three primary groups of riders: core customers, day trippers, and visitors; but only 10% of these primary riders have fare passes, creating an opportunity for WMATA to benefit by increasing fare pass utilization among these groups.<sup>29</sup> Riders have responded positively to fare pass products and making them easier to afford and understand, which will increase ridership and generate more revenue in the long-run.<sup>30</sup>

NVTC proposes that WMATA perform a study to identify fare pass products that address unmet market demand and make purchasing them easier to understand. A comprehensive fare pass study could identify more markets (ex. monthly parkers, teleworkers, those on flexible work schedules and/or families with children) for WMATA's fare pass products to attract riders and ensure the agency captures the most revenue from its fare pass program. The recent introduction of a mobile payment app also offers the opportunity to increase the adoption of pass products by providing a convenient platform to buy, manage and market passes.

NVTC proposes that WMATA develop a subscription-based parking pass for transit riders. This 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.<sup>31</sup> As part of its COVID-19 Recovery Plan, WMATA proposed the concept of a more flexible pass for riders who also have some level of teleworking.<sup>32</sup>



*Develop the next generation of fare collection technology and support strategic fare collection initiatives*

In September 2020, WMATA launched the SmarTrip® app on iPhone and Apple Watch. The app allows transit users to add a SmarTrip card to iPhone and Apple Watch and to hold their device near the card reader to pay anywhere SmarTrip is accepted. The app can be used at all 91 Metrorail stations in DC, Maryland and Virginia; at all Metro parking garages and lots; on all Metrobus routes; and on all regional bus providers, including ART, DASH, Fairfax Connector, CUE, Ride On, TheBus, Circulator, Loudoun County Transit and OmniRide. The app will be also be made available for Google and Android devices later. During the pandemic, the mobile app has the added benefit of enhancing customer safety by offering a touchless method of interaction with faregates and fareboxes. NVTC supports WMATA efforts in developing a mobile payment app and encourages WMATA to promote the continued expansion, enhancement, and use of mobile payment.

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.<sup>33</sup> As part of its Northern Virginia Regional Fare Collection Strategic Plan, NVTC supports efforts to increase bus speeds and increase ridership and revenue through strategies like off-vehicle payment and on-board fare inspection.<sup>34</sup> WMATA's fare collection modernization efforts are a key component to unlocking this potential across the region and NVTC encourages WMATA to coordinate their efforts with the priorities and actions outlined in NVTC's *Northern Virginia Fare Collection Strategic Plan* and to continue to engage with regional partners.

### **Ongoing Efforts at WMATA that Support Previous NVTC Recommendations**

WMATA has made rebuilding Metrorail and Metrobus ridership a key component of its annual budget process and its strategic plan. There are numerous ongoing efforts that document WMATA's efforts to implement NVTC recommendations to rebuild ridership.

<b>Ongoing Efforts at WMATA to Rebuild Metrorail &amp; Metrobus Ridership</b>	
<b>Pursue capital investments that increase the reliability of the system</b>	<ul style="list-style-type: none"> <li>• WMATA has scaled up its level of capital investment and reduced its state of good repair backlog from \$7.1 billion to \$5 billion.<sup>35</sup> 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 FY 2019 from FY 2018.<sup>36</sup></li> <li>• For FY 2020, 90% of Metrorail customers were on time, compared to 88% in FY 2019.</li> <li>• WMATA shutdown four Orange Line Metrorail stations to perform platform reconstruction during the summer of 2020.</li> <li>• WMATA completed acquisition of its final 748<sup>th</sup> 7000- Series railcar in February 2020. <sup>37</sup> In Q3 2020 WMATA initiated</li> </ul>

<b>Ongoing Efforts at WMATA to Rebuild Metrorail &amp; Metrobus Ridership</b>	
	evaluation of final proposals for its 8000 Series next generation railcar due for award in FY 2021.
<b>Pursue partnerships with the business community and other partners to provide easier access to transit for employees and visitors</b>	<ul style="list-style-type: none"> <li>The WMATA Board approved an extension of the Fairfax County Free Student Bus Program Pilot, where Fairfax County reimburses WMATA for eligible rides taken by students on Metrobus.<sup>38</sup></li> <li>WMATA also entered a fare buy down agreement for students in Montgomery County.<sup>39</sup></li> </ul>
<b>Implement efforts on bus and rail to decrease fare evasion</b>	<ul style="list-style-type: none"> <li>WMATA secured emergency fare gates at Metrorail stations to decrease fare evasion.<sup>40</sup></li> <li>WMATA is installing electronic gate sensors and other technology to better track and record fare evasion.<sup>41</sup></li> <li>The WMATA Board approved a low-income fare pilot program with the District of Columbia, where the District will reimburse WMATA for rides taken by low-income riders who are enrolled in the pilot program.<sup>42</sup></li> </ul>

*Pursue capital investments that increase the reliability of the system*

Continuing state of good repair investments is critical to maintain system reliability, maintaining current riders, and attracting new riders. WMATA's research found that at least 30% of ridership losses in 2013 to 2016 were due to declining customer on-time performance and the state of good repair backlog at the time.<sup>43</sup> 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.<sup>44</sup> 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 FY 2020 capital funds was the second phase of the Platform Improvement Project. In May 2020, WMATA closed four stations on the Orange Line for full platform reconstruction and station improvements. WMATA also closed the Silver Line during the Summer of 2020 to expedite the Silver Line Phase 2 tie in and simplify rail operations to improve construction efficiency and safety during the pandemic. Including the reconstruction of Metrorail stations in Virginia, WMATA invested over \$480 million in capital funding on platforms and structures in FY 2020.<sup>45</sup>

WMATA spent over \$1.7 billion on capital projects in FY 2020, a significant increase in capital spending and more than double the \$714 million investment made five years prior in FY 2015.<sup>46</sup> The largest capital investments in FY 2020 were upgrading station and passenger facilities and completing the purchase of 7000-series railcars.<sup>47</sup> The delivery of 7000-series railcars dramatically improved railcar reliability, increasing the distance trains traveled without delays by 44% from FY 2019 to FY 2020.<sup>48</sup> 7000-series railcars accounted for 65% of all

Metrorail car service in FY 2020.<sup>49</sup> 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% of Metrorail customers were on time during FY 2019, and Metrorail rider offloads declined by nearly 13% from FY 2019 – FY 2020.<sup>50</sup> In Q3 FY 2020, WMATA initiated a Request for Proposals for future 8000-series railcars. The contract award is anticipated to be finalized Q3 of FY 2021.<sup>51</sup> NVTC supports WMATA's continued investment in its capital program to increase the reliability, safety and performance of the system and rebuild ridership.

*Implement efforts on bus and rail to decrease fare evasion*

WMATA estimates that, pre-pandemic, fare evasion on bus and rail costs the agency approximately \$40 million on an annual basis.<sup>52</sup> In addition to foregone fare revenue, this results in lower ridership counts which skews ridership metrics and reduces potential federal formula funding. Each state or local jurisdiction, not WMATA, makes the applicable laws surrounding fare evasion. WMATA has taken several steps to better measure fare evasion and is working to install electronic gate sensors and other technology to provide better data on occurrences. WMATA finalized the design of new faregates designated to be introduced in Q1 of FY 2021.<sup>53</sup> The WMATA Board also approved a low-income fare pass pilot with the District of Columbia, which would administer the program and reimburse WMATA for trips taken by eligible riders<sup>54</sup>. The program, which would be funded and managed by the District, aims to lower the cost of transit for residents who are recipients of social assistance. The results of the pilot will be studied for impacts on ridership and fare evasion.<sup>55</sup> Implementation of the pilot is currently on hold due to the pandemic.<sup>56</sup> During the pandemic, WMATA has made Metrobus fare free in order to enhance the safety of bus operators.

## Strategy 2: Improve the Operational Efficiency of Metrorail and Metrobus

While rebuilding ridership improves farebox recovery and contributes to improving efficiency, there are several areas where WMATA can deliver its service more efficiently. Some of these efforts are within WMATA's control, while many efforts – especially with Metrobus – require extensive coordination and support from local and state agencies. Improving operational efficiency yields costs savings for the agency and can also benefit customers. Since labor costs are approximately 70% of total operating costs, these recommendations focus on strategies that impact the non-labor portion of the operating budget (approximately 30%) and yield the most productivity and capacity out of existing service.<sup>57</sup>

## Recommendations by NVTC

Recommended Strategies to Improve the Operational Efficiency of Metrorail and Metrobus	
<b>Adapt rail service to match demand during the pandemic and subsequent recovery period</b>	<ul style="list-style-type: none"> <li>• Monitor rail ridership to adapt rail service to match demand while maintaining an equitable, baseline level of service across all Metrorail lines</li> <li>• As ridership rebuilds, run additional eight-car trains to meet demand during peak service to maximize capacity of the current Metrorail system, promote social distancing during the pandemic, and achieve cost-effective operating efficiencies</li> </ul>
<b>Leverage the expertise of local and regional partners to improve the efficiency of the bus network</b>	<ul style="list-style-type: none"> <li>• Work with local and state partners to improve the efficiency of the bus network, support implementation of bus priority projects, improve bus speeds, and optimize transit networks</li> <li>• Engage NVTC, our jurisdictions, and transit operators before advancing or implementing Bus Transformation Project recommendations that will enhance bus service</li> </ul>

### *Adapt rail service to match demand during the pandemic and subsequent recovery period*

During the COVID-19 pandemic, WMATA elected to run more eight-car train sets to assist riders in social distancing.<sup>58</sup> Installation of traction power upgrades to enable all eight-car operations continued in FY 2020 with additional work planned in FY 2021. NVTC recommends that WMATA monitor rail ridership and adapt rail service to match demand while maintaining an equitable, baseline level of service across all Metrorail lines. Post-pandemic, NVTC proposes that WMATA run all eight-car trains in a phased approach on lines with the most demand during peak hours to achieve operating efficiencies and grow ridership in a cost-effective manner.

### *Leverage the expertise of local and regional partners to advance Bus Transformation Project Strategy recommendations in Northern Virginia that improve the efficiency of the bus network*

NVTC encourages WMATA to leverage the expertise of local and regional partners to advance Bus Transformation Project strategy recommendations in Northern Virginia that improve the efficiency of the bus network, advance bus priority projects, improve bus speeds, and optimize transit networks. The Bus Transformation Project is a multi-stakeholder effort led by WMATA staff that provides a set of strategies and recommendations to transform the region's bus network to provide frequent and convenient bus service, give buses priority on roadways, create excellent customer service and establish ongoing stewardship to transform the bus

network regionally while enabling local action.<sup>59</sup> NVTC endorsed the Bus Transformation Project's vision, goals, and strategy and encouraged WMATA to include local jurisdictions and transit providers in the incorporation of the recommendations into policy and regional coordination activities and in the implementation of the action plan.<sup>60</sup>

### Ongoing Efforts at WMATA that Support Previous NVTC Recommendations

WMATA has several ongoing programs and efforts that can yield efficiencies for both Metrobus and Metrorail. WMATA is actively pursuing capital investments that increase the reliability and efficiency of the system. NVTC also encourages WMATA to engage with state and local jurisdictions to implement and explore pilot programs and other efforts that can increase the speed and reliability of Metrobus operations.

Ongoing Efforts at WMATA to Improve the Operational Efficiency of Metrorail and Metrobus	
<b>Pursue capital investments that increase the reliability and efficiency of the system</b>	<ul style="list-style-type: none"> <li>WMATA is rebuilding and expanding bus garages and maintenance facilities to address state of good repair needs, improve bus efficiency, and plan for future ridership growth. In FY 2020, WMATA took steps to acquire property to advance the reconstruction of the Bladensburg Bus Garage. The new facility will accommodate articulated buses for high-ridership routes, store and repair new buses, and improve operational efficiency.<sup>61</sup></li> <li>WMATA invested \$114.4 million in rail traction power upgrades in FY 2020 and completed installation of equipment at Van Dorn and King street. WMATA will move to phase 2 of traction power upgrades in FY 2021.<sup>62</sup></li> </ul>
<b>Engage with jurisdictions to implement and explore pilot programs and other efforts to increase the reliability and speed of Metrobus operations</b>	<ul style="list-style-type: none"> <li>WMATA and DDOT piloted both permanent and temporary floating bus stops. Floating bus stops have raised platforms that allow bus stops to pick up passengers without pulling out of travel lanes. These facilities help increase bus speeds and decrease conflicts with bicycles.<sup>63</sup></li> </ul>

### Strategy 3: Increase Non-Fare Revenue

Non-fare revenues are those revenues derived by WMATA from sources other than fares, such as parking, joint development, advertising and other sources. However, the pandemic has dramatically reduced ridership and thereby reduced traditional non-fare revenue collections in WMATA's FY 2021 budget. While this immediate revenue shortfall is outside of WMATA's control, strong non-fare revenue policies will help with the post-pandemic recovery.

NVTC supports WMATA's ongoing efforts to increase non-fare revenues since it provides WMATA with additional resources to maintain service, diversify funding sources and control cost growth.



## Ongoing Efforts at WMATA that Support Previous NVTC Recommendations

Ongoing Efforts at WMATA to Increase Non-Fare Revenues	
<b>Leverage value for assets WMATA owns by maximizing advertising revenues and optimizing parking revenues</b>	<ul style="list-style-type: none"> <li>• WMATA estimates \$20 million in parking revenue in FY 2021. However, parking revenues have declined due to the pandemic.<sup>64</sup></li> <li>• WMATA generated \$25.9 million in advertising sales in FY 2020 and, prior to the COVID-19 pandemic, WMATA expected to generate \$33 million in FY 2021.<sup>65</sup></li> <li>• WMATA executed an agreement to lock in 25% more advertising revenue for the next 10 years.<sup>66</sup></li> </ul>
<b>Explore nontraditional revenue streams to optimize the value of Metrorail facilities</b>	<ul style="list-style-type: none"> <li>• In Q4 of FY 2020 WMATA negotiated the sale of surplus properties for \$8.76 million in revenue.<sup>67</sup></li> </ul>
<b>Pursue joint development opportunities on underutilized assets</b>	<ul style="list-style-type: none"> <li>• WMATA issued solicitations for joint development projects at New Carrollton, West Hyattsville Stations and the Jackson Graham Headquarters building in Washington, D.C.<sup>68</sup></li> <li>• WMATA initiated negotiations for a joint development ground lease for three million square feet of mixed-use development at West Falls Church.<sup>69</sup></li> <li>• The WMATA Board approved a joint development agreement with a master developer at Huntington Station, which allow plans for the site to be considered in Fairfax County's Comprehensive Planning process and coordinated with the Richmond Highway Bus Rapid Transit project.<sup>70</sup></li> <li>• Operating revenue from joint development projects is expected to increase by 3% in FY 2021 to generate \$11.4 million.<sup>71</sup></li> </ul>
<b>Pursue a real estate and sustainability strategy for WMATA facilities that generates operating efficiencies</b>	<ul style="list-style-type: none"> <li>• WMATA selected a developer to ground lease its existing headquarters as part of WMATA's strategy to 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.<sup>72</sup></li> <li>• WMATA signed a solar lease agreement for parking facilities at four stations that will provide annual lease revenue of up to \$50 million over 25 years.<sup>73</sup></li> </ul>

*Leverage value for assets WMATA owns by maximizing advertising revenues and optimizing parking revenues*

With 91 rail stations and nearly 60,000 parking spaces, WMATA has a large physical footprint across the region. WMATA is actively leveraging the value of these facilities by increasing advertising revenues. 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 FY 2021

budget, WMATA expects a 21% increase in advertising sales that will result in \$33.3 million in revenue.<sup>74</sup> WMATA finalized a new 10-year contract valued at \$336 million which includes funding for new digital screens and advertising technology investments.<sup>75</sup>

In FY 2019, the WMATA Board approved a number of new parking policies to take advantage of opportunities for additional revenue.<sup>76</sup> WMATA continues to advance its parking program, but parking revenues have declined significantly in the FY 2021 budget due to the pandemic and subsequent declines in rail ridership.<sup>78</sup>

*Pursue joint development opportunities on underutilized assets*

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 an active joint development programs, completing more than 30 projects since 1975 to generate revenue for the system.<sup>79</sup> 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 FY 2019 to give the agency more flexibility to administer the program, and during FY 2020 the authority began joint development projects solicitations at its New Carrollton and Huntington Metrorail stations.<sup>80</sup> WMATA is also in final negotiations for a ground lease at West Falls Church that would bring 3 million square feet of mixed use development adjacent to the Metrorail station.<sup>81</sup> All WMATA joint development projects are expected to generate \$11.4 million in operating revenue in FY 2021.<sup>82</sup>

*Pursue a real estate and sustainability strategy for WMATA facilities that generates operating efficiencies*

WMATA is pursuing other real estate investment strategies to generate revenue and improve efficiencies. In FY 2020, the WMATA Board approved a joint development agreement as part of an initiative to redevelop its downtown D.C. headquarters under a long-term ground lease.<sup>83</sup> WMATA will relocate staff from its current headquarters to three offices in Virginia, Maryland and Washington, D.C., which will decrease the number of buildings it owns from 10 to seven. WMATA will complete design and planning for its satellite offices in FY 2021. 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 is also making progress in its sustainability efforts, which yields both efficiencies and opportunities for additional revenue. WMATA implemented a station lighting improvement program which upgrades platform lighting and reduces energy use by 60% and saves \$25,000

on an annual basis per station.<sup>84</sup> WMATA signed a 12-megawatt solar lease agreement in June 2020, which is anticipated to provide enough power for about 1,200 single family homes for one year.<sup>85</sup> This agreement will improve the parking facilities at four Metrorail stations in the District of Columbia and Prince George's County and provide annual lease revenue to WMATA.<sup>86</sup>

## Strategy 4: Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services

Implementing cost and work efficiencies is only part of the solution to controlling cost escalation in WMATA's operating subsidy growth. The "Keeping Metro Safe, Reliable and Affordable" strategic plan identified labor costs as nearly 70% of WMATA's total operating expenditures.<sup>87</sup> NVTC adopted its *Principles for WMATA Reform* in 2017 and supports WMATA's efforts to implement cost-saving strategies.<sup>88</sup> As most employees at WMATA are covered by multi-year collective bargaining agreements, there are opportunities to control cost escalation in these negotiations. While most of these strategies are outside of WMATA's direct control, many of these strategies recommend that WMATA seek certain actions or conditions of external parties.

### Ongoing Efforts at WMATA that Support Previous NVTC Recommendations

Ongoing Efforts at WMATA to Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services	
<b>Adequately fund WMATA's Office of the Inspector General</b>	<ul style="list-style-type: none"> <li>WMATA increased funding for the OIG by 6.3% and added four staff positions within the department for FY 2021.<sup>89</sup></li> <li>OIG issued 8 performance audits/evaluations identifying \$70.6 million that could be used more efficiently in FY 2020.<sup>90</sup></li> </ul>
<b>Improve productivity through strengthened management of employee absenteeism, overtime, and worker's compensation</b>	<ul style="list-style-type: none"> <li>The Chief Operating Officer's Office assists operational departments in meeting manpower requirements through oversight of absenteeism policy and provide long-term absence management support.<sup>91</sup></li> </ul>
<b>Incentivize the workforce and contractors to deliver innovative solutions</b>	<ul style="list-style-type: none"> <li>With its shift towards a planned maintenance program, WMATA has better coordinated its rail outages to boost the efficiency of work crews and reduce the overall impact to the customer.</li> <li>WMATA agreed to a new four-year collective bargaining agreement with the largest union, Amalgamated Transit Union 689. This agreement includes, for the first time in WMATA's history, the first performance-based pay increase.<sup>92</sup></li> </ul>
<b>Use the 3% cap on annual growth in operating subsidies as</b>	<ul style="list-style-type: none"> <li>WMATA should continue to examine spending during the annual budget development process to adhere to the 3% cap on annual growth in operating subsidies</li> </ul>



Ongoing Efforts at WMATA to Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services	
<b>a tool during labor negotiations and annual budget development</b>	<ul style="list-style-type: none"> <li>WMATA agreed to a new four-year collective bargaining agreement with ATU Local 689. The agreement covers a broad range of issues and enables WMATA to operate within its legally required 3% subsidy growth cap.<sup>93</sup></li> <li>For the first time, this agreement provides WMATA with the ability to fill train operator and station manager vacancies by direct, external hire. Previously these positions had to be recruited from WMATA bus operators.<sup>94</sup></li> </ul>
<b>Seek amendments to the federal Wolf Act to require arbitrators in WMATA contract mediations to consider these fiscal restrictions in all cases</b>	<ul style="list-style-type: none"> <li>WMATA included reforming the Wolf Act in its strategic plan.<sup>95</sup></li> </ul>
<b>Identify and evaluate options to address unfunded OPEB liabilities</b>	<ul style="list-style-type: none"> <li>In the latest four-year collective bargaining agreement with ATU Local 689, WMATA will set up a trust funded by 1% of active members gross payroll for the purpose of funding post-retirement health care benefits for active members of the plan hired on or after January 2, 2010.<sup>96</sup></li> </ul>

*Incentivize the workforce and contractors to deliver innovative solutions*

As WMATA has shifted from a reactive to a preventative maintenance program, it has 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 project duration by 94%, whereas only making repairs when the system is closed would take up to 30 years to complete.<sup>97</sup>

*Use the 3% cap on annual growth in operating subsidies as a management tool during labor negotiations and annual budget development*

NVTC recently formed a working group to review the impact of Virginia's three percent cap on the growth in operating assistance payments to WMATA. The working group's report found that while the cap has only been in place for two budget cycles, it appears to be a useful tool for WMATA to use in managing the growth in Virginia's operating subsidies. When negotiating

through collective bargaining, NVTC encourages WMATA to include the 3% cap on annual operating subsidies in management's negotiating position and to seek greater authority for WMATA to make operational decisions that improve the systems cost effectiveness.

In December 2019, WMATA reached a negotiated agreement on a new four-year collective bargaining agreement with its largest union, ATU local 689. The legislatively imposed 3% cap was a key fiscal limitation cited by WMATA in the negotiations.<sup>98</sup> This agreement includes, for the first time in WMATA's history, the first performance-based pay increase. In years where WMATA's ridership improves by 2% or more over the previous year, there are provisions in the contract for an additional 1% wage increase.<sup>99 100</sup> The collective bargaining agreement also provided WMATA the ability to fill train operator and station manager vacancies by direct external hire. 30% of train operator and station manager vacancies (and 100% of new train operator and station manager vacancies in the first year of Silver Line Phase 2 service) can be filled by direct, external hires. Under all previous labor contracts throughout WMATA's history, station managers and train operators could only be hired from the existing pool of bus operators.

*Identify and evaluate options to address unfunded OPEB liabilities*

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.<sup>101</sup> In the latest four-year collective bargaining agreement with ATU Local 689, WMATA will set up a trust funded by 1% of active members gross payroll for the purpose of funding post-retirement health care benefits for active members of the plan hired on or after January 1, 2010.<sup>102</sup>

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<sup>16</sup> Commonwealth of Virginia. "Use of the Commonwealth Mass Transit Fund." 2018.

<[law.lis.virginia.gov/vacode/title33.2/chapter15/section33.2-1526.1/](http://law.lis.virginia.gov/vacode/title33.2/chapter15/section33.2-1526.1/)>

<sup>17</sup> WMATA. "Keeping Metro Safe, Reliable and Affordable." Pg. 14. January 2019.

<[www.wmata.com/initiatives/strategic-plans/upload/KMSRA-Strategic-Plan-Jan-2019.pdf](http://www.wmata.com/initiatives/strategic-plans/upload/KMSRA-Strategic-Plan-Jan-2019.pdf)>

<sup>18</sup> WMATA. "SmartTrip now available on iPhone and Apple Watch." September 1, 2020.

<<https://www.wmata.com/about/news/SmartTrip-now-available-on-iPhone-and-Apple-Watch.cfm>>

<sup>19</sup> WMATA. "FY 2021 Budget Update and FY 2022 Outlook." Pg. 16. September 10, 2020.

<<https://www.wmata.com/about/board/meetings/board-pdfs/upload/3B-Action-Item-FY21-and-FY22-Budgets-v6-2.pdf>>

<sup>20</sup> Ibid.

<sup>21</sup> WMATA. "FY 2020 Approved Budget." Pg.3. July 1, 2019.

<[www.wmata.com/about/records/public\\_docs/upload/FY 2020-Budget-Book-061219-FINAL-from-WEB-updated-20190828.pdf](http://www.wmata.com/about/records/public_docs/upload/FY%2020-Budget-Book-061219-FINAL-from-WEB-updated-20190828.pdf)>

<sup>22</sup> WMATA. "Major Outage Guidelines to Minimize Customer Impacts." Pg. 30. December 13, 2018.

<[www.wmata.com/about/board/meetings/board-pdfs/upload/4A-FY 2020-Station-Platforms-Project.pdf](http://www.wmata.com/about/board/meetings/board-pdfs/upload/4A-FY%2020-Station-Platforms-Project.pdf)>

<sup>23</sup> Ibid.

<sup>24</sup> 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 2 project.

<sup>25</sup> WMATA. "FY 2020 Approved Budget." Pg.10. July 1, 2019.

<[www.wmata.com/about/records/public\\_docs/upload/FY2020-Budget-Book-061219-FINAL-from-WEB-updated-20190828.pdf](http://www.wmata.com/about/records/public_docs/upload/FY2020-Budget-Book-061219-FINAL-from-WEB-updated-20190828.pdf)>

<sup>26</sup> 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](http://www.wmata.com/about/board/meetings/board-pdfs/upload/11B-FIN-Parking-Programs-FINALIZED.pdf)>

<sup>27</sup> Ibid.

<sup>28</sup> 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](http://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-FY2020-Budget-Work-Session-w-Memo-Rev.pdf)>

<sup>29</sup> Ibid.

<sup>30</sup> WMATA. "FY 2020 Approved Budget." Pg. 10. July 1, 2019.

<sup>31</sup> Per WMATA's Parking Policy: a transit rider is 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.

<sup>32</sup> WMATA. "COVID 19 Recovery Plan." May 14, 2020. <<https://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-COVID-19-Recovery-Final.pdf>>

<sup>33</sup> 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](http://www.wmata.com/about/board/meetings/board-pdfs/upload/10B-SSD-Cash-Free-Bus-Pilot-FINALIZED.pdf)>

<sup>34</sup> NVTC. Regional Fare Collection Program. Pg. 4. June 7, 2018.

<[www.novatransit.org/uploads/Projects/Fare/Fare%20Collection%20Strategic%20Plan%20Presentation%20June 2018.pdf](http://www.novatransit.org/uploads/Projects/Fare/Fare%20Collection%20Strategic%20Plan%20Presentation%20June%202018.pdf)>

<sup>35</sup> 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](http://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Quarterly-Capital-Update.pdf)>

<sup>36</sup> WMATA. "Q4 FY 2019 Metro Performance Report." Pg. 6. September 2019.

<sup>37</sup> WMATA. "Capital Improvement Program Update." Pg. 12. September 12, 2019

<<https://www.wmata.com/about/board/meetings/board-pdfs/upload/3A-Capital-Improvement-Program-Update.pdf>>

<sup>38</sup> WMATA. Fairfax County Student Bus Pass Program Pilot Extension. Pg. 2. July 23, 2020. < <https://www.wmata.com/about/board/meetings/board-pdfs/upload/20200723-BOARD-12B-Fairfax-Student-Bus-Pass-FINALIZED.pdf>>

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## 2. Use of Dedicated Capital Funds

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Chapter 854 of the 2018 Virginia Acts of Assembly authorizes the Commonwealth to disburse \$154 million in revenues to the Washington Metropolitan Area Transit Authority Capital Fund (WMATA Capital Fund)<sup>103</sup> in FY 2020, Virginia's portion of WMATA's \$500 million/year in regional dedicated capital funding. The State of Maryland and the District of Columbia provided the remaining portion of the regional dedicated capital funding.

Virginia's legislation allows WMATA to use the WMATA Capital Fund for any capital purpose across the system. As required by law, NVTC must include the uses of funds from the WMATA Capital Fund from the prior fiscal year in this report. Table 2 shows the actual expenditures of the Fund for FY 2020 by Capital Improvement Plan (CIP) Program. WMATA provides additional information on progress made in the overall capital program during FY 2020 in WMATA's Quarter 4 FY 2020 Financial Report.<sup>104</sup>

Dedicated capital funding from the Commonwealth of Virginia, State of Maryland and the District of Columbia strengthens WMATA's ability to embark on large, multi-year capital investments designed to address significant state of good repair needs. Virginia's dedicated funding supports WMATA's capital investments and project delivery across the system. WMATA uses several sources to fund its capital program including federal funding, regional dedicated funding, state and local contributions and other sources.

In FY 2020, WMATA invested a record \$1.709 billion in its capital budget.<sup>105</sup> This is more than double the \$714 million capital investment made five years prior in FY 2015 and represents an aggressive delivery of capital projects to improve the safety and reliability of transit system.<sup>106</sup> The following expenditures and descriptions of work accomplished by capital investment category and program area are provided in WMATA's FY 2020 Financial Report.<sup>107</sup> This report is provided to the WMATA Board and the public and also provides preliminary, unaudited total expenditures for FY 2020.

In the **stations and passenger facilities investments category**, WMATA invested \$624.8 million in FY 2020. This work included testing of new faregates and finalization of software development of WMATA's new mobile app, which was introduced in September 2020. Additional work included the replacement of eight escalators, rehabilitation of 10 elevators and the installation of track bed lighting. WMATA also embarked on phase 2 of the [Platform Improvement Project \(PIP\)](#). The PIP is a four-year project to repair and reconstruct platforms at 20 outdoor Metrorail stations. The second phase of the PIP rehabilitated platforms at four outdoor stations at East Falls Church, West Falls Church, Dunn Loring, and Vienna Metrorail Stations, which required a shutdown of rail service on the Orange and Silver Lines west of

Ballston during the summer of 2020. With 24-hour access to the project sites, workers completed additional work beyond platform reconstruction. This work included platform shoring, installation of platform floor tiles, skylight installation, concrete crack repairs, CCTV camera installation, electrical conduit wiring, fire alarm wiring and fire standpipe installation at all stations. As of September 2020, all four stations were rebuilt and reopened to the public with features such as slip resistant tiles, new platform shelters with charging stations, additional passenger information display screens, and additional LED lighting.

In FY 2020, **railcar investments** totaled \$336.4 million. As of the end of the fourth quarter, all the planned 748 7000-series railcars were conditionally accepted by WMATA. WMATA continues to work with the manufacturer and sub-contractors on various outstanding modifications for software upgrades, railcar door wiring and training for railcar maintenance. The 7000-series railcars represent over 58% of WMATA's rail fleet and have driven year over year improvements in WMATA's rail fleet reliability. WMATA also installed LED lighting improvements to the Alexandria Service and Inspection shop, continued ongoing preventive maintenance of the rail fleet, and completed 74 rehabilitations scheduled for the 2000/3000 series railcars and 84 planned rehabilitations for the 6000 series. Railcar rehabilitation encountered program delivery delays due social distancing measures associated with the COVID-19 pandemic.

**Rail systems investments** totaled \$249.8 million in FY 2020. WMATA continued to install fiber cable as part of the Radio Infrastructure Replacement Project. When the project is completed in FY 2021, cellular carriers will be able to provide wireless service on all remaining underground portions of the Metrorail system. WMATA also completed installation of tie breaker station equipment at Van Dorn Street and King Street stations and continued to install equipment at other stations. WMATA also began the installation of traction power substation equipment at Pentagon City and completed 20 switch replacements.

In FY 2020, WMATA expended \$127.7 million in **Track and Structures Investments**. The track and structures rehabilitation program helps ensure a safe and reliable rail system through comprehensive inspection, maintenance and rehabilitation to enhance the conditions of the tracks, guideways and structures. WMATA replaced crossties, insulators, and third rail and renewed direction fixation fasteners, tamped track and eliminated open rail joints. WMATA also rehabilitated structural components, deck joints, concrete, and grout pads that support the track structure, replaced illegible roadway track signs, repaired leaks, rehabilitated drains and cleaned track beds.

WMATA expended \$130.5 million on **Bus and Paratransit Investments** in FY 2020. This included the delivery of 89 new buses. WMATA also completed 80 bus rehabilitations, replaced 69 energy storage systems and 212 fare boxes, rebuilt 125 transmission assemblies



and 75 engine assemblies and installed 300 operator shields to protect bus operators. WMATA also awarded contracts and continued to construct off-site parking that will allow for the replacement of the Bladensburg bus maintenance and operations facility.

**Business Support Investments** totaled \$239.4 million in FY 2020. As part of its office consolidation strategy, WMATA advanced design, planning work, and construction for its new headquarters facility and additional office locations in Virginia and Maryland. WMATA also advanced work on roof rehabilitation at two maintenance facilities and continued planning for the construction of a new data center to replace the existing data center at the Jackson Graham building. WMATA also invested in data centers and data infrastructure, network and communications, customer electronic communications and outreach, management software, rail operations software and bus and rail asset management software. Overall, these projects support WMATA's business and financial control functions, enhance data protection and expand the capacity and scalability of WMATA's data infrastructure.

The FY 2020 Capital Budget demonstrates WMATA's focus on safety and state of good repair. Virginia's dedicated capital funding, in addition to other capital funding provided by the Federal government, the District of Columbia, the State of Maryland, the Commonwealth of Virginia, the cities of Fairfax, Falls Church, and Alexandria and the counties of Arlington and Fairfax, is a vital source of funds for WMATA's capital budget. Virginia's dedicated capital funding contributed to the above accomplishments by CIP program.

The following table shows the actual expenditures of Virginia's WMATA Capital Fund for FY 2020 by Capital Improvement Plan (CIP) Program. WMATA provides additional information in the FY 2020 Financial Report.

**Table 2: FY 2020 Expenditures from the Virginia WMATA Capital Fund by CIP Program**

CIP Category	CIP Program	FY 2020 Actual Expenditures (millions) <sup>108</sup> (Totals may not add due to rounding)
<b>Railcar Investments</b>	Railcar Acquisition	\$2.9
	Railcar Maintenance/Overhaul	\$7.7
	Railcar Maintenance facilities	\$21.5
	<b>Total</b>	<b>\$32.1</b>
<b>Rail Systems Investments</b>	Propulsion	\$12.5
	Signals & Communication	\$16.2
	<b>Total</b>	<b>\$28.7</b>
<b>Track and Structures Rehabilitation Improvements</b>	Fixed Rail	\$11.4
	Structures	\$4.0
	<b>Total</b>	<b>\$15.4</b>
<b>Stations and Passenger Facilities Investments</b>	Platforms & Structures	\$11.3
	Vertical Transportation	\$3.4
	Station Systems	\$20.9
	<b>Total</b>	<b>\$35.6</b>
<b>Bus and Paratransit Investments</b>	Bus and Paratransit Acquisition <sup>109</sup>	\$0.0
	Bus Maintenance/Overhaul	\$0.4
	Bus Maintenance Facilities	\$7.8
	Bus Passenger Facilities/Investments	\$1.3
	<b>Total</b>	<b>\$9.6</b>
<b>Business Support Investments</b>	Information Technology	\$12.8
	Metro Transit Police Department <sup>110</sup>	\$0.0
	Support Equipment/Services	\$20.2
	<b>Total</b>	<b>\$33.0</b>
<b>Total Capital Programs</b>		<b>\$154.3</b>

Source: WMATA<sup>111</sup>

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

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<sup>109</sup> Figure is rounded. Expenditures from Virginia's dedicated capital funding for Bus and Paratransit acquisition totaled \$7,706 in FY 2020

<sup>110</sup> Figure is rounded. Expenditures from Virginia's dedicated capital funding for MTPD totaled \$49,188 in FY 2020

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