Committee Meeting Agenda

1. Review May 20, 2021 Meeting Summary
2. Update on the 2021 Annual Report on the Performance and Condition of WMATA
3. Discussion on WMATA Fare Policy
4. WMATA’s Blue/Orange/Silver Capacity and Reliability Study
5. Other NVTC Program Updates
Agenda Item #2: Annual Report on the Performance and Condition of WMATA

• Proposed 2021 Strategies to reduce the growth in costs and improve efficiencies
• Other report updates
• Key dates and next steps
## Structure of the Report

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Data Source or Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface &amp; Introduction</td>
<td>Information on COVID-19 related impacts &amp; recovery</td>
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<tr>
<td><strong>1</strong></td>
<td>Strategies to Reduce the Growth in Costs and Improve Operational Efficiency</td>
<td>Policy Recommendations by the Commission</td>
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<tr>
<td><strong>2</strong></td>
<td>Use of Dedicated Capital Funds</td>
<td>WMATA</td>
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<td><strong>3</strong></td>
<td>Safety &amp; Reliability</td>
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<td><strong>4</strong></td>
<td>Metrorail Financial Performance</td>
<td>National Transit Database (NTD) and Metro Performance Reports</td>
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<tr>
<td><strong>5</strong></td>
<td>Metrobus Financial Performance</td>
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<tr>
<td><strong>6</strong></td>
<td>Metrorail &amp; Metrobus Ridership</td>
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Strategies to Reduce the Growth in Costs and Improve Efficiencies at WMATA

This topic is spelled out in state code:

Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations

**NVTC Recommendations fall into four categories:**

1) Rebuild Metrorail & Metrobus Ridership
2) Improve the Operational Efficiency of Metrorail & Metrobus
3) Increase Non-Fare Revenues
4) Control Cost Escalation and Enhance the Efficiency of the Workforce and Contracted Services
Rebuilding Metrorail & Metrobus Ridership

Proposed by staff at May Committee meeting as **major themes** to rebuild ridership for 2021 Report

- Utilize **American Rescue Plan Act** aid to prevent layoffs, sustain and improve service levels throughout a **multi-year recovery period**, and position WMATA for a sustainable long-term ridership and revenue recovery when the aid expires

- **Adapt Rail & Bus Service** to reflect new travel patterns and attract riders during the recovery period

- **Implement Fare Policy** changes that improve revenue and ridership, remove barriers to access, and retain newly returning riders

- Communicate and encourage a **safe return to transit**

NVTC staff have carried over, updated, and consolidated previous report recommendations for current conditions in 2021
## Overarching Strategies

### Proposed Recommendations for 2021 Report

<table>
<thead>
<tr>
<th>1) Rebuild Metrorail &amp; Metrobus Ridership</th>
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<tbody>
<tr>
<td>• Utilize <strong>federal coronavirus relief</strong> aid to prevent layoffs, sustain and improve service levels throughout a multi-year recovery period, and position WMATA for a sustainable long-term ridership and revenue recovery</td>
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<td>• Implement <strong>fare and parking policy changes</strong> that improve revenue and ridership, remove barriers to access, and retain newly returning riders</td>
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<td>• Communicate and encourage a <strong>safe return to transit</strong></td>
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<td>• Improve <strong>weekend rail service</strong></td>
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<td>• Develop the next generation of <strong>fare collection technology</strong> and support strategic fare collection initiatives</td>
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<td>• Pursue <strong>partnerships with the business community</strong> and other stakeholders to provide easier access to transit for employees and visitors</td>
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<td>• Implement efforts on bus and rail to <strong>decrease fare evasion</strong></td>
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## Chapter 1: Strategies to the Reduce the Growth in Costs

<table>
<thead>
<tr>
<th>Overarching Strategies</th>
<th>Proposed Recommendations for 2021 Report</th>
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</table>
| 2) Improve the Operational Efficiency of Metrorail and Metrobus | • Adapt rail service to anticipate demand during the pandemic and subsequent recovery period  
• Leverage the expertise of local and regional partners to improve the efficiency of the bus network  
• Pursue capital investments that increase the reliability and efficiency of the system  
• Explore and evaluate opportunities to improve bus efficiency through zero or low emission technologies |
| 3) Increase non-fare revenues | • Leverage value for assets WMATA owns by maximizing advertising revenues and optimizing parking revenues  
• Pursue joint development opportunities on underutilized assets  
• Pursue a real estate and sustainability strategy for WMATA facilities that generates operating efficiencies |
Chapter 1: Strategies to the Reduce the Growth in Costs

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<td><strong>4) Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services</strong></td>
<td>• Adequately fund WMATA’s Office of the Inspector General (OIG)</td>
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<td>• Improve productivity through strengthened management of employee absenteeism, overtime, and worker’s compensation and incentivize the workforce and contractors to deliver innovative solutions</td>
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<td>• Use the <strong>3% cap on annual growth in operating subsidies</strong> as a tool during labor negotiations and annual budget development</td>
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<td>• Seek amendments to the <strong>federal Wolf Act</strong> to require arbitrators in WMATA contract mediations to consider WMATA’s fiscal condition in all cases</td>
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<td>• Identify and evaluate options to address <strong>unfunded OPEB liabilities</strong></td>
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Chapter 1: Strategies to the Reduce the Growth in Costs

Discussion Questions:

1) Are these the right recommendations for the 2021 Report?
2) Are there any recommendations to add?
Key Dates & Next Steps

• **October 21: NVTC WMATA Committee Meeting**
  • Draft Strategies chapter for review
  • Presentation of Available funding and performance data

• **November 4: Commission Meeting**
  • Information Item: Annual report update

• **December 2: Commission Meeting**
  • Authorize the Executive Director to submit the Report

• **December 15: Annual Report due to the Governor and General Assembly**
Agenda Item #3: WMATA Fare Policy Discussion

- Background & Purpose
- Current Fare Policy and Structure
- Fare Concepts
- Discussion & Next Steps
Background & Purpose

• Considering the effects of the pandemic, the WMATA Board has indicated an interest in revisiting WMATA’s fare policy and fare structure
  • The pandemic has upended WMATA’s traditional ridership and financial model (i.e. reliance on peak hour fares and traditional commuting patterns)
  • WMATA has largely had the same fare structure since it’s inception
• At the May NVTC WMATA Committee meeting, VA WMATA Board members previewed this process and have asked staff to seek Committee, Commission, and staff feedback throughout the process
Current Fare Policy

- **Metrorail**
  - Weekday: Distance Based, varies by time of day
    - Peak: $2.25 - $6.00
    - Off-Peak: $2.00 - $3.85
    - Weekend: $2.00

- **Metrobus**
  - Regular bus service: $2.00
  - Commuter bus routes: $4.25
  - Airport routes: $7.50

- **Parking**
  - Varies from $4.45 to $5.20 for transit riders

- **Transfers**
  - Transfers are discounted $2.00

Source: [WMATA's July 29 Presentation to the Finance and Capital Committee](#)
Current Fare Policy

• **Passes**
  • WMATA offers many rail and bus passes that are priced to offer value. Notable passes include the 1-, 3-, and 7-day unlimited pass and the Monthly unlimited pass.

• **Discounted Fares**
  • WMATA offers reduced fares for seniors and disabled riders

• **Student programs**
  • Several jurisdictions have programs where they cover the cost to ride for students. Includes DC Kids Ride Free program, Montgomery County students, select Fairfax County students.

• **SmartBenefits**
  • WMATA’s employer benefits program

Source: [WMATA’s July 29 Presentation to the Finance and Capital Committee](#)
WMATA’s research and findings

- Metrorail has a higher farebox recovery and lower bus farebox recovery than peer domestic agencies
- Changes to fares generally affect revenue more than ridership
- Bus riders are typically more price sensitive than rail riders

Source: WMATA’s July 29 Presentation to the Finance and Capital Committee
Fare Concepts

Potential concepts to develop for consideration

### Pricing
- Changes to fare levels
- Parking fees
- MetroAccess

### Targeted Discounts
- Fare discounts by qualification or to encourage certain ridership patterns
  - Low income
  - Available capacity

### Fare Structure
- Changes to the structure of fares
  - Distance-based tiers
  - Zones
  - Flat rates
  - Fare capping
  - Parking

### Passes
- Updates to short-term and monthly pass products

Source: [WMATA's July 29 Presentation to the Finance and Capital Committee](#)
## Discussion Questions

1) Are there any **fare structure concepts** you want to encourage the WMATA Board to explore?

<table>
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<tr>
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<th>Fare Structure</th>
<th>Passes</th>
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<td>▪ Technology</td>
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<td>▪ Regional Coordination</td>
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Agenda Item #4:

WMATA’s Blue/Orange/Silver Reliability & Capacity Study
BOS Study Next Steps

- Briefings to elected officials and boards – Fall 2021 (tentative)
- Third round of public engagement – Fall 2021 (tentative)
- Board selection of solution – 2022 (tentative)

Source: WMATA's September 9 presentation to the Finance and Capital Committee
Agenda Item #5:
Other NVTC Program Updates
Thank You.
APPENDIX SLIDES
Metrorail & Metrobus Fare History

1976 Fares:
- Metrorail (peak): $0.55
- Metrorail (off-peak): $0.40
- Metrobus: $0.40

1977: Automatic fare collection launched, one year after Metrorail opens
1999: SmarTrip® debuts
2001: Original 103-mile planned system completed
2009: Paper transfers eliminated
2014: Silver Line Phase I opens
2016: Paper farecards eliminated

Source: WMATA's July 29 Presentation to the Finance and Capital Committee
WMATA’s Fare Policy Principles

Current Principles (adopted in 2010)

• Ensure and enhance customer satisfaction
• Establish a mechanism to allow customers to determine their fares easily
• Optimize the use of existing capacity
• Establish equitable fares and ensure compliance with federal regulations
• Facilitate movement between modes and operators throughout the region
• Encourage the use of cost-effective media
• Generate adequate revenue while maximizing ridership

Source: WMATA's July 29 Presentation to the Finance and Capital Committee
WMATA’s Fare Policy Principles

Draft Fare Policy Principles for WMATA Board Consideration

- **Customer Focused**: Adopt customer-focused fare policies and systems to position Metro as an attractive choice in a competitive transit market
- **Simple and Convenient**: Make it simple, intuitive, and convenient for customers to purchase fares and take transit
- **Equitable**: Maintain equitable fares and practices that promote broad access to regional mobility
- **Seamless**: Create a seamless customer experience across modes and operators to promote regional mobility
- **Built to Drive Ridership**: Maximize ridership while ensuring adequate revenue and cost efficiency to sustain service

Source: [WMATA’s July 29 Presentation to the Finance and Capital Committee](link)