



NVTC WMATA Committee Meeting

September 16, 2021

Meeting materials available at www.novatransit.org

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

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

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

Chapter 1: Strategies to the Reduce the Growth in Costs

Overarching Strategies	Proposed Recommendations for 2021 Report
1) Rebuild Metrorail & Metrobus Ridership	<ul style="list-style-type: none"> Utilize federal coronavirus relief 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
	<ul style="list-style-type: none"> Implement fare and parking policy changes that improve revenue and ridership, remove barriers to access, and retain newly returning riders
	<ul style="list-style-type: none"> Communicate and encourage a safe return to transit
	<ul style="list-style-type: none"> Improve weekend rail service
	<ul style="list-style-type: none"> Develop the next generation of fare collection technology and support strategic fare collection initiatives
	<ul style="list-style-type: none"> Pursue partnerships with the business community and other stakeholders to provide easier access to transit for employees and visitors
	<ul style="list-style-type: none"> Implement efforts on bus and rail to decrease fare evasion

Chapter 1: Strategies to the Reduce the Growth in Costs

Overarching Strategies	Proposed Recommendations for 2021 Report
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

Overarching Strategies	Proposed Recommendations for 2021 Report
4) Control Cost Escalation and Enhance Efficiency of the Workforce and Contracted Services	<ul style="list-style-type: none"> Adequately fund WMATA's Office of the Inspector General (OIG)
	<ul style="list-style-type: none"> Improve productivity through strengthened management of employee absenteeism, overtime, and worker's compensation and incentivize the workforce and contractors to deliver innovative solutions
	<ul style="list-style-type: none"> Use the 3% cap on annual growth in operating subsidies as a tool during labor negotiations and annual budget development
	<ul style="list-style-type: none"> Seek amendments to the federal Wolf Act to require arbitrators in WMATA contract mediations to consider WMATA's fiscal condition in all cases
	<ul style="list-style-type: none"> Identify and evaluate options to address unfunded OPEB liabilities

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

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**

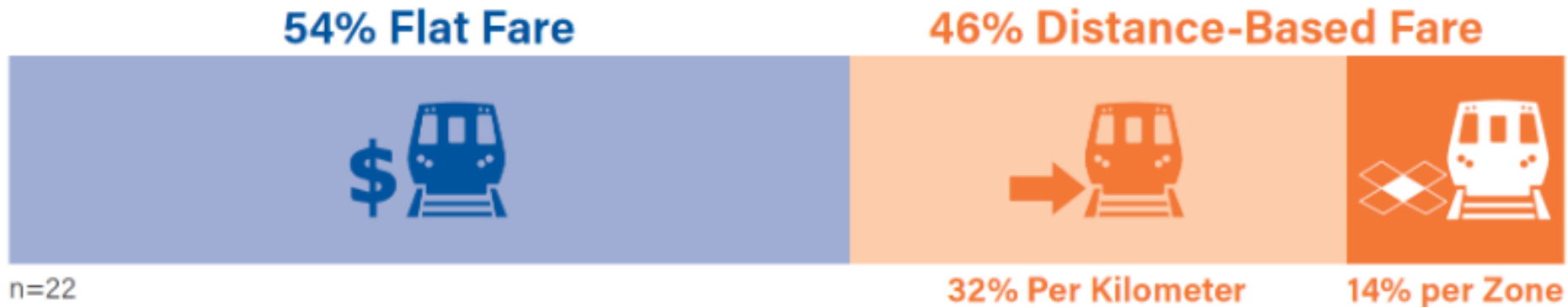
- Several jurisdictions have programs where they cover the cost to ride for students. Includes DC Kids Ride Free program, Montgomery County students, select Fairfax County students.

- **SmartBenefits**

- WMATA's employer benefits program

WMATA's research and findings

Comparison of Fare Structures of International Metros in Community of Metros (CoMET)



- 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

Fare Concepts

Potential concepts to develop for consideration

Pricing	Targeted Discounts	Fare Structure	Passes
<ul style="list-style-type: none"> ▪ Changes to fare levels ▪ Parking fees ▪ MetroAccess 	<ul style="list-style-type: none"> ▪ Fare discounts by qualification or to encourage certain ridership patterns <ul style="list-style-type: none"> • Low income • Available capacity 	<ul style="list-style-type: none"> ▪ Changes to the structure of fares <ul style="list-style-type: none"> • Distance-based tiers • Zones • Flat rates • Fare capping • Parking ▪ Technology ▪ Regional Coordination 	<ul style="list-style-type: none"> ▪ Updates to short-term and monthly pass products

Discussion Questions

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

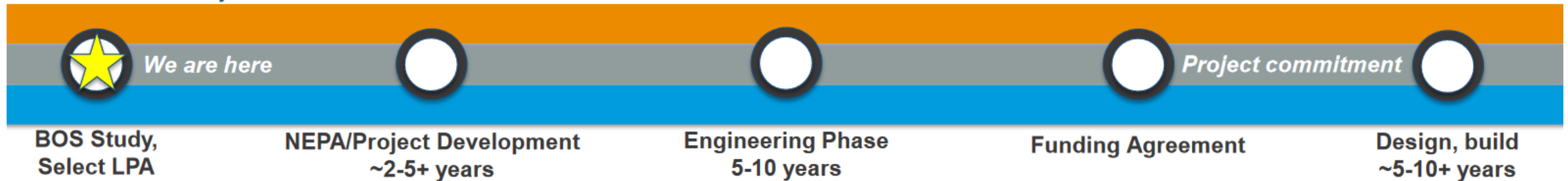
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Agenda Item #4:
WMATA's
Blue/Orange/Silver
Reliability & Capacity
Study

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)

Review BOS Study Presentation



Agenda Item #5:

Other NVTC Program Updates

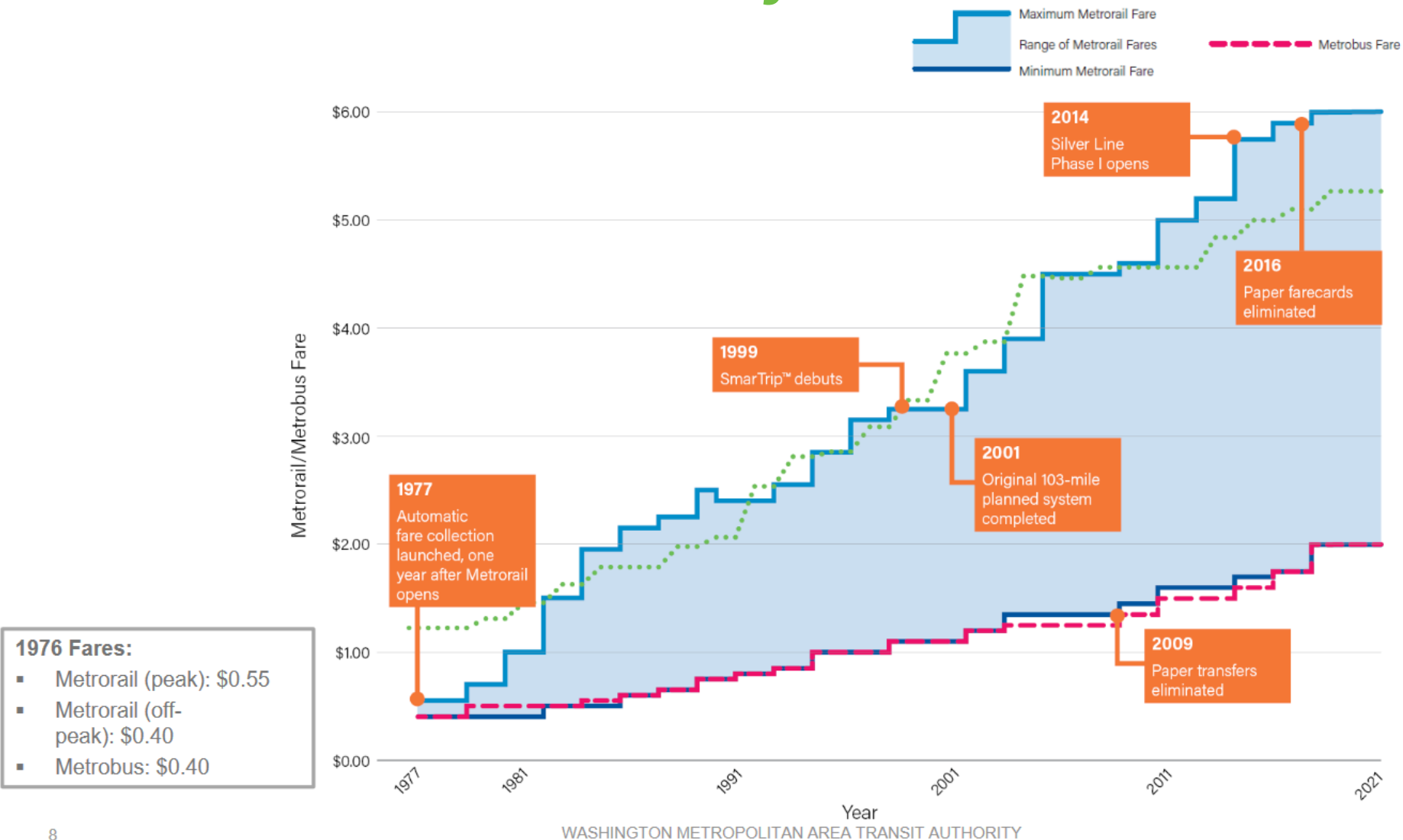
Thank You.



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APPENDIX SLIDES

Metrorail & Metrobus Fare History



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

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