

**MEETING SUMMARY
NVTC WMATA COMMITTEE
Via Electronic Participation
Public Streaming via YouTube
September 29, 2022**

NVTC WMATA Committee Members Present:

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

NVTC WMATA Committee Members Absent:

Paul Smedberg

Staff and Others Present:

Kate Mattice, Executive Director
Andrew D’huyvetter
Mathew Friedman
Allan Fye
Melissa Walker
Ronnetta Zack-Williams
Greg Potts (WMATA)
Allison Davis (WMATA)
Peter Cafiero (WMATA)

WMATA Committee Chair Alcorn called the meeting to order at 6:09 p.m. He noted that the meeting was an all-virtual public meeting under the Virginia Freedom of Information Act and NVTC’s Electronic Participation Policy. He also noted that the meeting was being live streamed for the public.

Chair Alcorn asked for any changes to the July 21, 2022 WMATA Committee Meeting Summary. Committee members accepted the summary of the July 21, 2022 meeting with no changes.

WMATA’s Bus Network Redesign

Chair Alcorn introduced WMATA’s Bus Network Redesign (BNR) project, which aims to transform the bus system across the region and was endorsed by NVTC in March 2020. He welcomed Allison Davis, the Vice President of Planning at WMATA, and Peter Cafiero, the Managing Director of

Inter-Modal Planning at WMATA to present the first phase of this project to the committee. Ms. Davis reviewed the project's background, purpose and scope.

Mr. Cafiero reviewed the desired outcomes of the BNR which consist of near-term service improvements, a recommended network for FY 2025, the future network beyond FY 2025, a defined role of Metrobus and a long-term sustainable funding model.

He also reviewed a timeline of the BNR which included the following steps:

- 1) The bus transformation project
- 2) Planning foundations
- 3) Developing alternatives networks
- 4) Recommending the final network
- 5) Implementing the better bus network

The Bus Transformation Project has been completed and the project team is currently on the planning foundations step, which will include public outreach over the next several weeks.

Ms. Davis noted that WMATA staff are currently meeting with various stakeholders to guide the BNR and the customer outreach will begin next week. She also mentioned the WMATA Board recently adopted Guiding Principles which the project team will use to guide its approach and decisions. Ms. Davis closed the presentation by explaining the next steps of the project which include outreach and engagement, finalizing project goals/objectives/metrics, completing and publishing existing conditions and market assessment findings and updating the Metro Board on the planning foundations findings.

Mr. Meyer joined at 6:20 p.m. and Mr. Letourneau joined at 6:30 p.m.

Committee members raised several discussion topics to Ms. Davis and Mr. Cafiero which included updating the method of payment for Metrobus, customer priorities and the reliability of bus service.

2022 Update of the Annual Report on the Performance and Condition of WMATA

Chair Alcorn introduced the update for the Annual Report on the Performance and Condition of WMATA, which is a legislative requirement for NVTC to produce annually. NVTC's By-Laws charge the NVTC WMATA Committee with providing staff with guidance on updates to the Annual Report. This will be the fifth annual report produced by NVTC and the committee will see a draft of key chapters at the next meeting in October.

Mr. D'huyvetter reviewed the structure of the 2022 Annual Report, as well as the process of streamlining chapters while incorporating feedback from the previous work sessions with the WMATA Committee. He presented the following updated list of strategies:

- 1) Rebuild customer confidence
- 2) Enforce fare payment uniformly across the system
- 3) Implement a simple and convenient fare structure
- 4) Increase non-fare revenues from real estate and advertising
- 5) Manage labor costs
- 6) Explore the implications of local transit agencies assuming the operation of Metrobus services in Northern Virginia
- 7) Examine and develop options for a new financial operating model for WMATA

Mr. D’huyvetter shared that the first five strategies are directed at WMATA, while the remaining two strategies are directed at NVTC to implement. The sixth strategy would direct NVTC to produce a policy document on the opportunities and challenges of Northern Virginia transit agencies taking full responsibility of bus operations and the seventh strategy would direct NVTC to explore options for a new financial operating model for WMATA by convening a working group with key stakeholders in Northern Virginia. Mr. D’huyvetter shared that staff will continue to work on these strategies and have a draft available for the committee to review at the October meeting.

Mr. Alcorn suggested that the seventh strategy include looking at federal laws and policies and Mr. de Ferranti recommended further clarifying the language under strategy six to further define local transit agencies assuming the operation of Metrobus services in Northern Virginia. Mr. Fye followed up on Mr. Alcorn’s suggestion adding that the NVTC Legislative and Policy Committee recently had discussion on what the federal role (directly or indirectly) could be in reference to WMATA’s operating model, and Mr. D’huyvetter suggested including language around the role federal transit benefits play in the operating budget.

Mr. Snyder expressed concern that in discussing new funding for WMATA, the ability of the jurisdictions to afford continued subsidy increases would not be adequately considered and that a constrained budget from a jurisdictional subsidy perspective was an important factor. Mr. D’huyvetter clarified that the draft introduction to the annual report on the performance and condition of WMATA frames the current funding model as unsustainable from multiple perspective: 1) a long-term \$739 to \$924 million operating funding gap that is managed with service cuts is not sustainable for WMATA from a service perspective and 2) solving this gap with jurisdictional operating subsidies when our local governments have limited fiscal tools available is also not sustainable from a fiscal perspective.

Mr. Snyder asked what the origin was of local transit agencies assuming operations of Metrobus to which Mr. Alcorn added that Fairfax County is interested in exploring this topic as over the years the county has experienced increased subsidy and reduced service. Mr. Snyder also mentioned that independent of operator, we should strive for a bus system that is attractive to riders of all types of income and to individuals with other transportation options.

Mr. Letourneau expressed if there was a way to approach federal assistance through the lens of safety and security needs as opposed to a conventional transit operating subsidy. He also shared the WMATA’s BNR will inform how Northern Virginia proceeds with exploring assuming operations of Metrobus. Ms. Mattice mentioned the Legislative and Policy Committee meeting

discussion on the federal government supporting WMATA with operating funding was expanded to be broad and there is an opportunity to think creatively on this topic. Mr. Meyer added the meeting discussed two approaches in requesting assistance from the federal government:

- 1) Reiterate WMATA's role in supporting the operations of the federal government and as a transit hub for the federal workforce
- 2) Search for commonalities among large mass transit systems to build a consensus among members of Congress

WMATA's FY 2024 Budget Outlook

Mr. D'huyvetter reviewed the structural challenges of the FY 2024 operating budget which consist of customer revenue structure, cost structure and subsidy structure. He shared the operating budget gap for FY 2024 stands at \$187.4 million and beyond FY 2025 the gap continues to grow to \$924 million in FY 2029. WMATA staff are currently looking at the options to close the gap for FY 2024. Mr. D'huyvetter explained the timeline and next steps of the WMATA budget process.

Mr. Letourneau added that there will likely not be enough revenue generated from the options WMATA provided to close the gap. He mentioned fare increases are an option, but that still may not be enough. Mr. Letourneau also added that the conversation around increasing the preventive maintenance transfer will revolve around how much of maintenance should be in the operating versus capital budget. He emphasized that no matter the outcome of the Board's discussions, the same amount of maintenance work would be accomplished. Mr. Letourneau provided an overview of additional options provided to the Board by WMATA staff and commented that jurisdictions will have to decide to either provide WMATA with more money or reduce service/frequencies. He also mentioned the FY 2025 and beyond continues to grow and reiterated the conversation about a sustainable funding model for WMATA.

Mr. Snyder asked how other transit systems are funded to which Mr. Letourneau responded with a dedicated funding source, usually a tax, that flows straight to the transit agencies. He also mentioned that it is more challenging with WMATA because there are three jurisdictions. Mr. D'huyvetter added that NVTC staff has looked at peer transit agencies operating budgets and will present these findings at the October meeting.

Mr. Snyder asked for more details on the preventative maintenance transfer and fare/service optimization, while removing increasing subsidy as an option to close the gap to which Mr. Letourneau responded \$145 million would be needed. He mentioned the board and staff are looking at how other systems are handling the preventative maintenance. He also mentioned with fare and service optimization, it will be difficult to make big changes on bus because of the bus network redesign; however, WMATA staff is doing analysis on fare increases and other areas to fill knowledge gaps.

Chair Alcorn adjourned the meeting at 7:33 p.m.