



Washington Metropolitan Area Transit Authority

Update on WMATA

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WMATA Overview

- The Washington Metropolitan Area Transit Authority (WMATA) was created in 1967 by an Interstate Compact between VA, MD & DC
- WMATA began operation in 1976 and has three modes: Metrorail, Metrobus, MetroAccess
- Serves population area of over 3.9 million with a 1,500 square-mile radius
- Metro provides 1 million trips on an average weekday and over 300 million trips annually





Metro Keeps the Region and Virginia Working

- \$235B of real estate value within half-mile of rail stations
- Land value near Metrorail generates \$3.1B per year in jurisdiction tax revenues
- If there were no transit in the region, congestion would increase by 25%
- Recent NVTC study estimates Metrorail and VRE generate over \$600 million annually in Virginia state general fund revenues



* Source: Making the Case for Transit Study, 2011 and NVTC “Value of Metrorail and VRE to the Commonwealth of Virginia”, September 2017



WMATA and Region Must Address Challenges in Three Horizons

2019 and beyond

③ Larger-scale transformation

World-class US transit system across safety, operating, and financial performance

2017-2018
② Back2Good

New initiatives on customer experience, revenue, and accelerating capital investments

2016-2017
① Right the ship

Emergency actions to address crisis



Right the Ship

- Safety above service reinforced at all levels
 - One day shutdown in March 2016
 - SafeTrack: three years of safety backlog in one year
- Service reliability and customer service
 - 7000 Series railcars
 - 15 minute grace period on Metrorail
- Fiscal management
 - Reduced 800 positions and non-represented employee healthcare
 - Revised ethics and nepotism policies
 - Controls on absenteeism and workers' compensation





Getting Metro Back 2 Good

- First ever preventive maintenance program to maintain safety and reliability
- Customer offloads due to railcar issues down 45% this year
- Nearly 9 out of 10 customer trips arrived on time in October 2017 (compared to 7 out of 10 last fall)
- 468 new 7000 series delivered and in service, doubling the number of new trains in past year
- Completed on-time, clean financial audit for second year in a row
- Employee absenteeism down 16% since new policies put in place
- New Rush Hour Promise program



2019 and Beyond

- Metrorail is a \$40B regional asset that is critical to the economic vitality and future of the region
- Years of deferred maintenance combined with the aging of the system has impacted service reliability that requires major capital investment to address
- Operating expenses are growing at nearly twice the rate of revenues; requires significant changes in the business model
- To address these financial concerns, WMATA has released a comprehensive funding plan



GM Funding Plan: Capital

- Jurisdictional capital contributions capped at 3% annual growth
- \$15.5 billion in capital funds needed over the next 10 years
- Recommend the region establish a multi-year, stable revenue source generating \$500 million per year for capital
- Capital Trust Fund should be dedicated to capital investment
- Congress should reauthorize federal capital investment (PRIIA) in safety and reliability for WMATA at least at current level of \$150 million per year



GM Funding Plan: Operating

- Jurisdictional operating subsidies capped at 3% annual growth
- Preserve pension commitment to active employees and retirees, but provide a defined contribution plan for new hires
- Enhance flexibility to reduce costs with innovative approaches including competitive contracting of targeted functions
- Congress should amend the National Capital Area Interest Arbitration Standards Act (Wolf Act) to require arbitration process that considers financial condition of WMATA
- Create a “Rainy Day Fund” to incrementally provide 10% of the operating budget over 10 years



Cost of Inaction

- If WMATA does not receive a multi-year, stable revenue source for its capital budget and federal PRIIA legislation is not re-authorized:
 - No compromise for safety and reliability priorities
 - Leads to spiral of less service, higher fares, declining ridership
 - The economy in Northern Virginia region would no longer be able to rely on Metro as a key component in the regional transportation system



THANK YOU!

