



Washington Metropolitan Area Transit Authority

# Keeping Metro Safe, Reliable and Affordable

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May 25, 2017



# 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





# Metro Keeps the Region and Virginia Working

- \$235B of real estate value within half-mile of rail stations
- Proximity to rail increases property values by 7-9%
- 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%, costing over \$1.5 billion annually





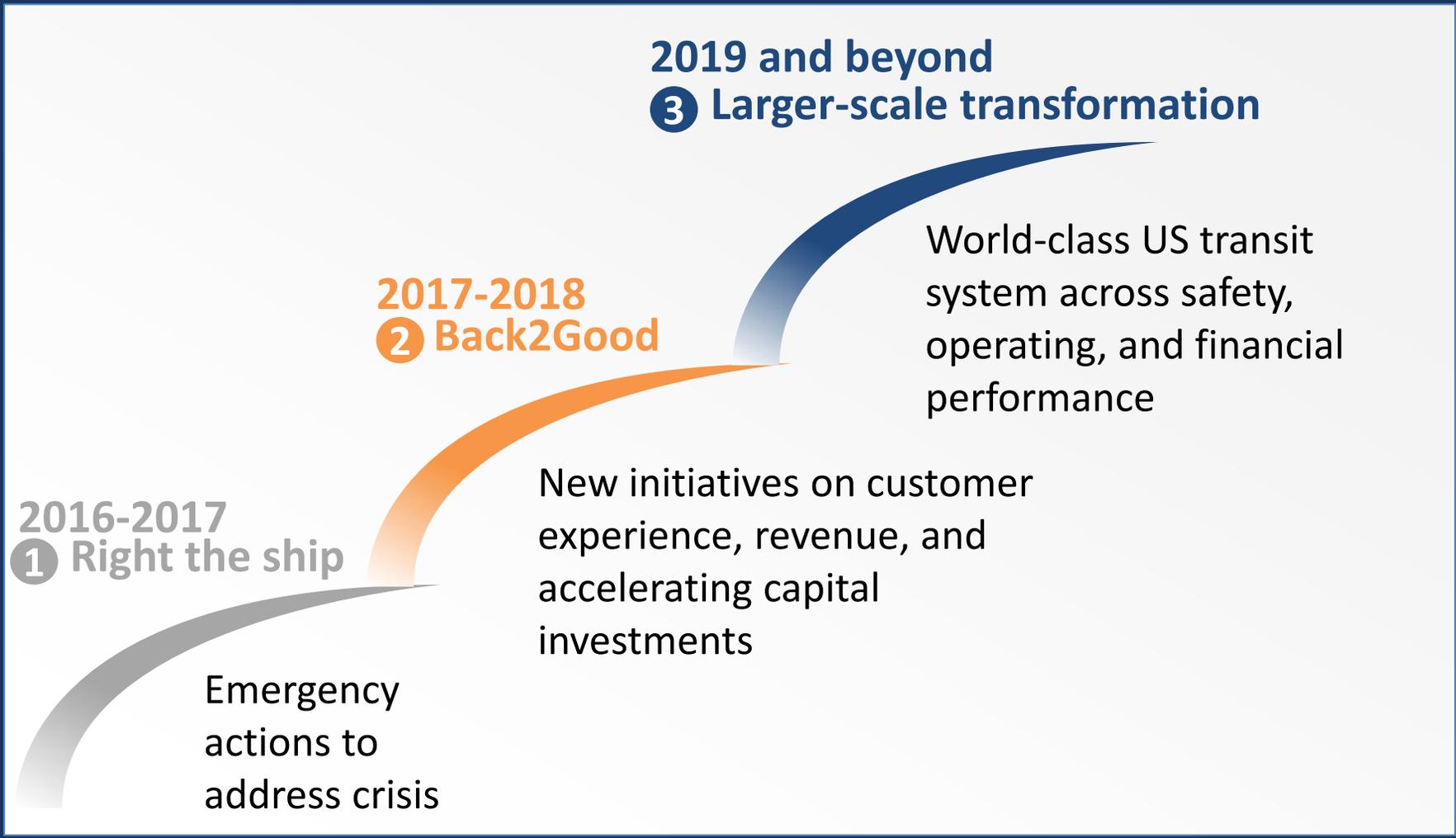
# Metro's Value to Virginia

Metro provides over 320,000 trips to Virginians on a typical weekday

- Metrorail
  - 260,000 average weekday trips to Virginians
- Metrobus
  - 64,000 average weekday trips to Virginians
- MetroAccess
  - 1,200 paratransit customers in Virginia on an average weekday



# WMATA and Region Must Address Challenges in Three Horizons





# Right the Ship

- Safety above service reinforced at all levels
  - One day shutdown in March 2016
  - Launch of SafeTrack in June 2016
- Service reliability and customer service
  - 7000 Series railcars
  - 15 minute grace period on Metrorail
- Fiscal management
  - Accountability—“at will’ employees—terminations
  - Revised ethics and nepotism policies
  - 800 position eliminated
  - Containing absenteeism, overtime, workers’ compensation
  - Timely audits
  - Capital program delivery





## Back2Good

- Railcars and Track Infrastructure
  - More 7000 Series, retiring 1000/4000 series
  - Railcar “get well” program
    - Railcar offloads down 50% in Q1 of 2017
  - SafeTrack will have refurbished 20 percent of all track
  - Preventive Maintenance and Inspection Program
- Customer Service Improvements
  - Escalator availability at 95%
  - Cell phone coverage in tunnels
  - Wifi at 30 underground stations by end of 2017
  - Station cleaning/painting
  - Improvements in customer announcements



# 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 and requires significant changes in the business model
- To address these financial concerns, WMATA has released a comprehensive funding plan



# Capital Budget

- Jurisdictional capital contributions should be 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



# Operating Budget

- Jurisdictional operating subsidies should be 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



# THANK YOU!

