



COMMONWEALTH of VIRGINIA

Office of the Governor

Shannon Valentine
Secretary of Transportation

January 30, 2020

The Honorable Dave W. Marsden, Chairman
Senate Transportation Committee
Post Office Box 10889
Burke, Virginia 22009

The Honorable Delores McQuinn, Chairman
House Transportation Committee
Post Office Box 406
Richmond, Virginia 23218

Dear Senator Marsden and Delegate McQuinn,

Virginia Code § 33.2-3102 requires the Secretary of Transportation to provide a quarterly update on Virginia's efforts to work with its counterparts in Maryland and the District of Columbia, as well as the Northern Virginia Transportation Commission (NVTC), on necessary reforms of the Washington Area Metropolitan Transit Authority (WMATA) to support a viable transit system. This letter serves as the update for the quarter ending December 31, 2019.

- I) **Legal and organizational structure of WMATA**
- II) **Composition and qualifications of the WMATA Board of Directors and the length of terms of its members**

Chapter 429 of the 2018 Acts of Assembly directed the Secretary of Transportation to conduct a review of the WMATA Board of Directors (Board) membership provisions to determine whether the criteria used for membership eligibility serves the Commonwealth's best interests, and to determine whether any changes to such representation can be made without an amendment to the WMATA Compact. A copy of this report can be found on DRPT's website. DRPT determined that existing requirements in the *Code of Virginia* regarding Commonwealth representation on the Board sufficiently serves the best interest of the state.

In accordance with Enactment Clause 7 of Chapters 854 and 856 of the 2018 Virginia Acts of Assembly, the WMATA Board amended its bylaws to clarify roles of alternate directors, including prohibiting their participation in official actions when primary Board members are present. As required by the Commonwealth Transportation Board (CTB) policy, WMATA provided certification to DRPT on June 28, 2019, that it adhered to this requirement during Fiscal Year 2019. DRPT subsequently reported to the CTB that WMATA demonstrated that it met the requirements of the statute and CTB policy and that no enforcement actions are needed. The CTB approved this recommendation at its October 2019 meeting.

III) Labor costs and labor relations

The WMATA Board approved a four-year Amalgamated Transit Union (ATU) Local 689 collective bargaining agreement on December 20, 2019. ATU 689 represents 8,000 bus and train operators, station managers, and maintenance and support staff. The agreement covers Fiscal Years 2021-2024 and provides a 2.4 percent annual wage increase with a one percent increase if WMATA achieves two percent ridership growth. The total cost of the agreement is \$150 million over four years and stays within the legislatively mandated three percent cap on subsidy increase as required by Virginia law and CTB policy.

As part of the agreement, WMATA has also agreed not to contract operations or maintenance for the Silver Line Phase 2, as well as to bring the Cinder Bed operation in house when the contract expires in 2021. ATU 689 also represents TransDev employees at the Cinder Bed Road garage in Fairfax County. Metrobus operators at this division went on strike October 24, 2019; and WMATA had been operating a reduced schedule out of this garage.

IV) Measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits

The WMATA Board held a special meeting in October 2019 to approve an Indemnification Agreement with the District of Columbia to pave the way for the execution of the dedicated Funding Agreement with DC.

Paul Wiedefeld, WMATA General Manager, has proposed a total Fiscal Year 2021 budget of \$3.8 billion, including \$2.0 billion for operating expenses and \$1.8 billion for capital program investments. The Fiscal Year 2021 budget proposal includes a base operating budget within the legislatively mandated three percent cap on Virginia subsidy growth plus \$8.6 million in allowed exclusions. His proposal includes:

- a modest fare increase;
- restoration of some late night service;
- improved weekend Metrorail and Metrobus service frequencies;
- improved customer service;
- increased non-fare revenue (i.e. station commercialization and/or naming rights);
- enhanced fare options; and
- reduction of less productive bus routes and right-sizing service on several high frequency routes.

Silver Line Phase 2 operations are not included in the Fiscal Year 2021 budget proposal. WMATA will amend the Fiscal Year 2021 budget to include Silver Line Phase 2 operations when there is more certainty about the start of revenue service.

V) Measures Necessary to Better Ensure the Safety of Riders and Employees

On March 18, 2019, the Federal Transit Administration (FTA) announced the certification of the Washington Metrorail Safety Commission (MSC) State Safety Oversight Program. With this certification, independent responsibility for direct safety oversight of the WMATA Metrorail system immediately transferred from the FTA to the Commission.

On December 27, 2019, WMATA General Manager Paul Wiedefeld requested the MSC conduct a “more extensive pre-revenue service review” of “several material and unresolved performance and construction deficiencies” documented in three previous letters. WMATA has indicated that defective rail ties and concrete panels will become safety, as well as maintenance, issues if not replaced before accepting the project. All parties remain optimistic that revenue service will begin sometime in the second half of 2020.

WMATA has announced its plans for Metrorail platform replacement work during the summer of 2020. A program similar to the 2019 Platform Improvement Program (PIP) will be implemented between the Memorial Day and Labor Day holidays (approximately May 26 - September 7, 2020), which will require a seasonal closure of the above-ground stations on the western end of the Orange Line in Virginia. The Virginia Metrorail stations that will be impacted, to varying degrees, this summer are East Falls Church, West Falls Church, Dunn Loring, and Vienna.

VI) Financial and operational improvements necessary to ensure that WMATA’s performance is at least as efficient as its closest comparable transit system in the United States

WMATA completed a yearlong Bus Transformation Project in December 2019. The strategies, recommendations, and action plan were presented to the Safety and Operations Committee on December 12, 2019. Staff is seeking board action in January 2020 and is presenting to local and regional boards and commissions in early 2020. The study was recommended by the Review of Operating, Governance and Financial Conditions at WMATA completed by former U.S. Transportation Secretary Ray LaHood in 2017. The action plan recommends a number of strategies to improve the financial performance of WMATA, including making fares easier to pay, introducing new passes, increasing bus ridership, giving buses priority on roadways to increase operating speeds, and reviewing WMATA’s cost allocation model and service definitions.

WMATA is also continuing work on the Blue/Orange/Silver Capacity and Reliability Study. Initial alternatives to address congestion in the Rosslyn tunnel were released in early December 2019. Public meetings were also held in December 2019, and the alternatives were developed with input from technical and stakeholder committees and extensive passenger surveying during the summer. The six concepts include operational turnbacks, a second Rosslyn station, rerouting Blue and Silver Line trains, creating a downtown loop, and several options for a separated Blue or Silver Line. The study is also looking at investments to improve reliability such as shortening signal blocks, upgrading communications equipment, building passing tracks, and returning to Automatic Train Operation (ATO). WMATA anticipates completing the study in late 2020.

Thank you for your continued support of WMATA. Please let me know if you have any questions or comments.

With warmest regards,

A handwritten signature in black ink, appearing to read "Shannon Valentine", with a large, stylized loop at the end.

Shannon Valentine