



COMMONWEALTH of VIRGINIA

Office of the Governor

Shannon Valentine
Secretary of Transportation

April 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 March 31, 2020.

- 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 is on the Virginia Department of Rail and Public Transportation (DRPT) 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.

Additionally, 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 in accordance with Enactment Clause 7 of Chapters 854 and 856 of the 2018 Acts of Assembly.

During this quarter, there were three changes to Virginia representation on the WMATA Board. Loudoun County Supervisor Matt Letourneau became a principal director replacing Arlington County Board Member Christian Dorsey, who resigned his membership on the WMATA Board and NVTC. Mr. Letourneau had previously been an alternate director. Also, Fairfax County Supervisor Walter Alcorn became an alternate director to Paul Smedberg, our Commonwealth appointee and WMATA Board Chair. Mr. Alcorn replaces Cathy Hudgins who did not seek re-election to the

Fairfax County Board in 2019. Lastly, NVTC appointed Alexandria Councilman Canek Aguirre as an alternate to Mr. Letourneau. NVTC approved all three appointments.

III) Labor costs and labor relations

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

As you are aware, the 2020 General Assembly passed House Bill 1586, sponsored by Delegate Watts, allowing WMATA to include service increases in its annual operating budget without those increases affecting the three percent subsidy growth cap included in Chapters 854 and 856 of the 2018 Acts of Assembly. Further, language added to the Governor's budget directs NVTC to convene a workgroup and report to the General Assembly on the effectiveness of the three percent cap. DRPT staff will provide assistance to the workgroup.

The WMATA Board held a special meeting on December 20, 2019, where it unanimously approved a contract for the Amalgamated Transit Union (ATU) Local 689, which is WMATA's largest bargaining unit representing 8,000 bus and train operators, station managers, and maintenance and support staff. The agreement covers Fiscal Years 2021 to 2024 and provides a 2.4 percent annual wage increases 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 three percent mandated subsidy increase as required by Virginia law and Commonwealth Transportation Board (CTB) policy.

At its February 27, 2020, meeting, the WMATA Board approved a debt management policy, which was a condition of the Maryland dedicated funding legislation. Virginia's Board members ensured that the policy specifically prohibits WMATA from using debt to pay pension obligations, which is generally recognized as poor fiscal management.

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 (WMSC) 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 WMSC.

On December 27, 2019, WMATA General Manager Paul Wiedefeld requested the WMSC conduct a "more extensive pre-revenue service review" of "several material and unresolved performance and construction deficiencies" on the Silver Line Phase 2 project. 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. In a January 16, 2020, correspondence, WMSC Chief Executive Officer David Mayer pointed out that the Commission is already conducting a "rigorous" pre-service review and that the Commission "is providing significant feedback and expertise to MWAA [Metropolitan Washington Airports Authority] and WMATA throughout the process." Further, he said that the Commission will "evaluate" the Safety and Security Certification Verification Report prior to the start of service. Lastly, he noted that while "the WMSC has no role in deciding whether WMATA takes delivery from MWAA," the Commission will play a role in "deciding whether WMATA's decision to open the line for passenger service is sound."

During this quarter, WMATA began implementing significant and necessary prevention and mitigation actions to protect the health and safety of employees and passengers in the wake of the COVID-19 pandemic. WMATA activated its pandemic task force in January 2020 and made an emergency purchase of masks, gloves, and disinfectant in February 2020. WMATA's pandemic task force is now operating at Phase 3, which is the highest response level. WMATA has implemented rigorous cleaning protocols for its vehicles, stations, and facilities and has ordered mandatory telework for all eligible non-operational employees. As the situation has evolved, WMATA has significantly reduced its service levels on Metrorail, Metrobus, and Metro Access and has discouraged travel on Metro for all but essential trips "to ensure that limited transit capacity is available for those who need it most and to allow for safe social distancing."

As of the end of the quarter, Metrorail was operating on 20-minute headways on weekdays and 30-minute headways on weekends. WMATA has been actively tracking employees and contractors who have tested positive for COVID-19. Also, WMATA closed stations for midday cleanings three times during the week of March 23, 2020, when passengers displaying symptoms, or employees or contractors who tested positive, used the station. In addition, 19 Metrorail stations remain closed, including eight in Virginia, and passengers are not allowed to ride on the first and last railcars of every train to protect train operators.

Metrobus service is operating on a modified Sunday schedule on weekdays with further reductions to service on weekends. WMATA has implemented rear door-only boarding on Metrobus to avoid crowding at the farebox, limited passenger access to bus operators, and suspended fare collection on all Metrobus service. Metro Access has canceled all subscription trips and is not currently booking new subscription trips. Metro Access trips are limited to only the most essential trips. WMATA is actively discouraging customers from taking transit for non-essential trips. Due to these actions, Metrorail ridership was down 92% as of March 27, 2020.

At its March 12, 2020, meeting, the WMATA Safety and Operations Committee received an update on the rail preventive maintenance (PM) program, bus, and paratransit safety initiatives. The PM update was provided in anticipation of WMATA extending Metrorail operating hours and reducing the overnight maintenance window. WMATA has made significant progress in the PM program, which is reflected in increased on-time performance and productivity of work crews. WMATA has closed 47 of 64 Corrective Action Plans with seven more submitted and under review. The WMSC is aware of this report and the proposal to increase late night service hours in WMATA's proposed FY 2021 budget.

On its bus and paratransit services, WMATA has several data-driven initiatives to increase safety, reduce operator assaults, construct safer bus stops, and reduce customer and employee injuries. WMATA has completed a pilot collision avoidance system partially funded by DRPT at the Four Mile Run garage in Arlington. The pilot yielded a 25 percent reduction in warnings attributed to safer driving and is being considered system wide.

During the first quarter, WMATA also has announced its plans for Metrorail platform replacement work during summer 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) that 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, in summer 2020 are East Falls Church, West Falls Church, Dunn Loring, and Vienna (During the second quarter of the year, WMATA has announced additional stations closures during Summer 2020, which I will discuss in the next quarterly update). DRPT is supportive of this program, which utilizes dedicated funding from the WMATA Capital Fund, and is funding mitigation efforts to provide local transportation alternatives during the closure. A full update on the safety enhancements from this program as well as other rail safety initiatives is scheduled during the next quarter.

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 released its proposed FY 2021 capital and operating budget and held public hearings this quarter. The required Virginia public hearing was held on February 24, 2020. The budget includes funding for the start of Silver Line Phase 2 revenue operations during FY 2021 and several initiatives to improve service and increase ridership. The budget also complies with the legislative requirements and CTB policy related to the three percent cap on Virginia operating subsidy increases.

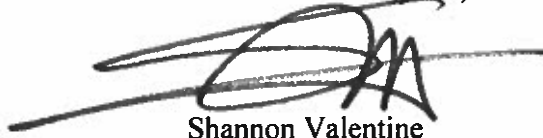
In January 2020, WMATA announced a ten-year deal worth at least \$336 million for in-station advertising with OUTLOOK Media, Inc. The deal guarantees a 25 percent increase in revenue and will be used to maintain service and keep fares low. The deal has two five-year options and is estimated at more \$800 million over 20 years.

At its January 16, 2020, meeting, the WMATA Board endorsed the vision, goals, and early implementation of nine recommendations of Bus Transformation Project (BTP). One of the recommendations, restructuring the bus network, was specifically suggested in the LaHood Report and is strongly endorsed by DRPT. The BTP also recommended operational improvements to improve travel times for buses, including the prioritization of bus-only lanes across the region.

At its February 27, 2020, meeting, the WMATA Board approved a joint development agreement for its downtown headquarters at 600 Fifth Street NW, commonly known as the Jackson Graham Building. The Authority will retain ownership of the land and lease the property to a developer for 99 years with annual payments to WMATA. The building is valued at up to \$132 million. The terms of the deal were not publicly disclosed.

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 stylized, overlapping flourish above the name.

Shannon Valentine