



COMMONWEALTH of VIRGINIA

Office of the Governor

Shannon Valentine
Secretary of Transportation

June 9, 2021

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 Metropolitan Area Transit Authority (WMATA) to support a viable transit system. This letter serves as the update for the quarter ending March 31, 2021.

- 1) **Labor costs and labor relations**
- 2) **Measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits**
- 3) **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**

Fiscal Year 2021-22 Budgets: In December 2020, Congress allocated approximately \$830 million to the DC region in the \$900 billion federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). WMATA retained approximately \$610 million and used the same Board-approved distribution as the 2020 CARES Act funding to distribute the remaining funds to regional transit partners. The agency used \$95.6 million of its CRRSAA funding to help close a \$176.5 million deficit for Fiscal Year 2021. The funding allowed it to avoid layoffs, restore and save some Metrobus service, and avoid further planned cuts to Metrorail operating hours. The CRRSAA funding also reduced the projected Fiscal Year 2022 operating deficit to \$209.8 million.

In addition, the DC region will receive \$1.4 billion from the American Rescue Plan Act of 2021 (ARPA). WMATA is expected to retain approximately \$1 billion, and it is using \$193.4 million in ARPA funds in Fiscal Year 2022 to maintain current service levels. Federal funding also will

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keep Fiscal Year 2022 member operating subsidies flat at Fiscal Year 2021 levels. While some Virginia jurisdictions will see a slight increase, the overall change is negative 0.2 percent.

For Fiscal Year 2022, the WMATA Finance and Capital Committee will recommend approval of a \$2.1 billion operating budget and a \$2.6 billion capital budget to the full WMATA Board. This budget includes Silver Line Phase 2 revenue service beginning in January 2022 and the opening of the new Potomac Yard Metrorail station in Alexandria to revenue service in spring 2022.

As required, WMATA held its Virginia public hearing for the Budget in March. Board Chair and Commonwealth appointee Paul Smedberg and Alternate Director Walter Alcorn, of Fairfax County, hosted the event virtually. A total of 22,400 comments were received, and many were strongly against proposed Metrorail station closures and Metrobus route elimination and reduction proposals.

Lastly, the Board authorized an \$874 million bond sale for Series 2021A Dedicated Revenue bonds. Up to \$360 million will be issued in Fiscal Year 2021 and the remainder in Fiscal Year 2022. WMATA is proposing to use up to \$1.2 billion in debt funding in the proposed \$12.3 billion Fiscal Year 2022-2027 Capital Improvement Program.

Service: During the third quarter of Fiscal Year 2021, the agency reduced peak hour Metrorail frequencies. All lines are now operating at 12-minute headways all day except for the Red Line, which operates at six-minute headways. In contrast, WMATA increased Metrobus service levels in March. Both changes align transit service more closely to demand and were approved by the Board in late 2020 as part of the Fiscal Year 2021 budget amendment.

WMATA began a bus network redesign with DRPT staff participating at a February virtual meeting. WMATA is planning to start a 30-month evaluation process in the fall. The bus network redesign was one of the key recommendations from the LaHood Study, and DRPT staff are currently participating in drafting a scope of work with regional staff.

Finally, WMATA announced in March that it has selected Hitachi Rail Washington LLC to build the system's 8000-series railcars. Using the dedicated revenue streams from the WMATA Capital Fund, it has made a base order of 256 railcars with the option to order up to 800. Hitachi is searching for regional sites for an assembly plant and has committed to building a facility estimated to create 400 skilled trade jobs in the region.

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

COVID-19: WMATA reinstated fare collection and front-door boarding on buses on January 3 for the first time since spring 2020. Fare collection had been suspended due to the COVID-19 pandemic. As of January 2021, the agency had reported a total of 965 COVID cases among its employees, with 873 having recovered and returned to work.

Washington Metrorail Safety Commission: On January 25, the Washington Metrorail Safety Commission (WMSC) released an audit of WMATA structures. The major finding was that WMATA does not have basic load ratings, creating risk that structures could be overloaded. The

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WMSC audit requires WMATA to develop Corrective Action Plans in response to 12 audit findings, and WMATA has 45 days to respond to the WMSC.

At its March meeting, the Acting WMSC CEO noted that since it released the audit of the WMATA Rail Operations Control Center (ROCC), WMSC has continued to observe instances in which power restoration procedures were deliberately not followed by direction from ROCC managers. A meeting between the WMATA General Manager and the WMSC Acting CEO and WMSC Board Chair was scheduled to discuss this ongoing safety issue.

Platform Improvement Program: WMATA closed the Metrorail Station at Arlington National Cemetery on February 13 for refurbishment as part of the next phase of the Metrorail Platform Improvement Program. This is the last Metrorail station in Virginia in need of platform improvements. For this reason, the agency has suspended all Blue Line service through May 23.

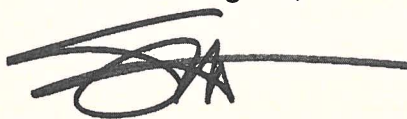
Yellow Line Bridge: WMATA announced plans for a major repair project to the Yellow Line Bridge spanning the Potomac River. The project will begin in fall 2022 and will necessitate a full closure of the Yellow Line for its duration. WMATA also will undertake other major repairs to Yellow Line infrastructure, and the entire project is estimated to take 28-42 months. WMATA has not yet announced how long the Yellow Line will be completely shut down. For Yellow Line passengers in Virginia, it will run supplemental Blue Line service from the Yellow Line only stations at Huntington and Eisenhower Avenue in Alexandria. DRPT will also work with the local transit agencies on supplemental mitigation efforts, similar to the actions taken for previous platform improvement program shutdowns on the Blue/Yellow and Orange Lines.

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

WMATA Board Membership: Chapter 429 of the 2018 Acts of Assembly directed the Secretary of Transportation to conduct a review of the WMATA Board of Directors 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. The Secretary, in consultation with DRPT, determined that existing requirements regarding Commonwealth representation on the Board sufficiently serves the best interest of the state.

As we emerge from the COVID-19 pandemic, we remain committed to the transparency, accountability, and safety of WMATA. As always, should you have any questions or recommendations, please do not hesitate to let me know.

With warmest regards,

A handwritten signature in black ink, appearing to read 'Shannon Valentine', with a long horizontal line extending to the right.

Shannon Valentine