



Washington Metropolitan Area Transit Authority

Keeping Metro Safe, Reliable & Affordable

An Action Plan to Meet
Regional Transit Needs





Metro is critical to the region

Drives economic growth in the region



Increases property value near Metro stations (by 7-9%).



Provides easy access to jobs (54% of jobs are within 0.5 mile of a Metro station).

Improves quality of life and mobility of residents

Supports over 1 million trips every single day (~20% of mode share in the region).

Enables 2.3 million trips by transit dependents per year.



Moves employees of 277 federal agencies (~1/3 peak A.M. commuters).

Promotes environmental sustainability



Improves air quality by reducing auto use, avoiding emission of 260 tons of VOCs, 22 tons of particulate matter, and 500K tons of CO2.



Attracts new residents by making region affordable

Allows ~20% of rail and 53% of bus riders to live a car-free lifestyle.



Saves households a combined \$705 million in yearly time savings, irrespective of their Metro usage.



WMATA and region must address Metro's challenges over three horizons





Right the Ship (2016-2017)

- **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 (2017-2018)

BACK2GOOD

Update Published: June 8, 2017



RAILCARS

- **1000- and 4000-series gone six months ahead of schedule:** By the end of this month, all of Metro's oldest and least reliable railcars – the 1000- and 4000-series cars – will be off the tracks permanently
- **More new trains carrying passengers:** 43 new 7000-series trains in service at the end of May
 - 7000-series railcars perform 2x better than rest of the fleet
 - First regularly scheduled 7000-series train coming to the Silver Line in June



SERVICE RELIABILITY

- **MyTripTime shows lengthy delays are infrequent:** In May, 91% of all rail trips resulted in customers arriving within 5 minutes of schedule
- **Fewer unscheduled delays:** The number of unscheduled delays in the first 5 months of 2017 is down 23% compared with the same period in 2016
 - Delays caused by railcar problems down 41%
 - Delays caused by track problems down 3%

For more information on WMATA's plan for 2017, visit wmata.com/back2good



SAFETY

- **SafeTrack program to be completed on June 25:** Intensive maintenance effort renewing 1/3 of the system's track in just over one year
 - **Before SafeTrack:** 22% of all wooden ties in the system were defective
 - **Now:** just 2%
 - **Before SafeTrack:** nearly 350 temporary gauge rods needed to hold track in place
 - **Now:** just 19



STATION IMPROVEMENTS

- **New escalators going in:** With the completion of a major escalator project at Woodley Park Station, Metro has now replaced 75 escalators since 2011 and refurbished another 150 to like-new condition



FINANCIAL MANAGEMENT

- **Improved workforce accountability:** New management policies have resulted in 20% reduction in sick leave and leave without pay taken in April 2017, compared with previous year



Metro faces structural funding challenges

Chronic Capital Underinvestment

- Reliant on unpredictable year-to-year annual local, state and federal investments, with only one more year of committed capital funding.
- Substantial deferred capital backlog (\$25 billion unfunded needs).
- Historic focus on system expansion, rather than asset maintenance.
- Large maintenance costs associated with an aging transit system.
- Limited maintenance and rehabilitation opportunity due to “2-track” design and constrained work hours.
- One of the only major U.S. transit systems without dedicated funding.

Unsustainable Operating Model

- Structural operating funding deficit (\$290 million in FY2018).
- Labor-intensive operation – over 70% of operating budget funds personnel (wages & benefits).
- Substantial legacy commitments on wages, pension and health benefits.
- Operating costs rising at nearly 2Xs the rate of non-subsidy revenues.
- No “Rainy Day” or contingency fund.



Keeping Metro Safe, Reliable and Affordable: Capital

➤ To provide a safe and reliable system:

- Increase jurisdictional capital contributions with a 3% annual growth gap
- Invest **\$15.5 billion over the next ten years for critical capital projects**, increasing the average annual investment to \$1.5 billion
- **Establish a multi-year, stable revenue source generating \$500 million per year for a new Capital Trust Fund**
- Dedicate the Capital Trust Fund strictly to capital investment.
- Secure Congressional **reauthorization of federal capital investment (PRIIA) at least at the current level of \$1.5 billion over 10 years**

These recommendations do not require changes to the WMATA compact.



Keeping Metro Safe, Reliable and Affordable: Operating

- **To improve Metro's business model and address affordability:**
 - Cap current jurisdictional **operating subsidies at 3% annual growth**, achieved through aggressive cost containment
 - Preserve pension commitment to active employees and retirees, but provide a **defined contribution plan for new hires**
 - Support enhanced **flexibility to reduce costs** with innovative approaches and **competitive contracting** of targeted functions, where permitted
 - **Create a Rainy Day Fund** to incrementally provide 10% of the operating budget over 10 years
 - Congress should **amend the National Capital Area Interest Arbitration Standards Act** (the Wolf Act) to require an arbitration process that considers the financial condition of WMATA

These recommendations do not require changes to the WMATA compact.



Action Items

Metro cannot complete this transformation on its own – success in our safety, reliability, and financial responsibility depends on Board, regional, community and business, and federal support:

- ✓ Board, jurisdictions, business members build support for at least a \$500 million annual Capital Trust fund
- ✓ Jurisdictions establish a stable, multi-year revenue stream to support a \$500 million annual Capital Trust fund investment
- ✓ Congress reauthorizes the federal PRIIA investment at the current level of \$1.5 billion over ten years
- ✓ Congress amends the federal Wolf Act to ensure that arbitration considers Metro's financial conditions