

Washington Metropolitan Area Transit Commission

Fifty-Seventh
Annual Report
Fiscal Year 2017
July 1, 2016 through June 30, 2017



**Washington Metropolitan Area
Transit Commission
8701 Georgia Avenue, Suite 808
Silver Spring, MD 20910-3700**

December 8, 2017

To: The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Lawrence J. Hogan, Jr.
Governor of Maryland

The Honorable Muriel Bowser
Mayor of the District of Columbia

This report has been prepared in accordance with Title II, Article XIV, Section 5, of the Washington Metropolitan Area Transit Regulation Compact, Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990), *amended by* Pub. L. No. 111-160, 124 Stat. 1124 (2010) (amending tit. I, art. III), (codified at VA. CODE ANN. § 33.2-3000 (2017); MD. CODE ANN. TRANSP. § 10-203 (2017); D.C. CODE § 9-1103.01 (2017)), which provides:

The Commission shall make an annual report for each fiscal year ending June 30, to the Governor of Virginia and the Governor of Maryland, and to the Mayor of the District of Columbia as soon as practicable after June 30, but no later than the first day of January of each year, which may contain, in addition to a report of the work performed under this Act, other information and recommendations concerning passenger transportation within the Metropolitan District as the Commission considers advisable.



William S. Morrow, Jr.
Executive Director

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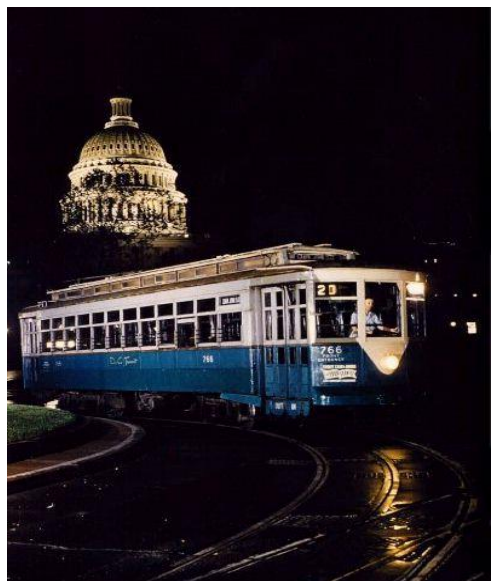
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Commission Staff:

- William S. Morrow, Jr., Executive Director
- Jeffrey M. Lehmann, General Counsel
- Samama Muhammad, IT Specialist
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- Christopher H. Aquino, Motor Carrier Safety Specialist
- Shanelle N. Hayes, Receptionist/Administrative Assistant

ABOUT THE COMMISSION

The Transit Commission has been licensing and regulating private-sector passenger carriers on a regional basis in the Washington Metropolitan Area since 1960 pursuant to the Washington Metropolitan Area Transit Regulation Compact, Pub. L.



Capital Transit Company Trolley - 1961

No. 86-794, § 1, 74 Stat. 1031 (1960), *as amended by* Pub. L. No. 87-767, 76 Stat. 764 (1962), Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990), *and* Pub. L. No. 111-160, 124 Stat. 1124 (2010)—an interstate agreement among the Commonwealth of Virginia, the State of Maryland, and the District of Columbia. Early in its history, the Commission primarily regulated mass transit bus and trolley operators.

That changed in 1973 when the Washington Metropolitan Area Transit Authority (WMATA) acquired the four mass transit bus companies operating in the area at that time. Today, carriers licensed by the Transit Commission include sightseeing, tour and charter bus operators; airport shuttle companies; wheelchair van operators (including those operating under the District of Columbia’s Medicaid program); and some sedan and limousine operators. The Commission also prescribes interstate taxicab rates for the Metropolitan Area.

In 1990, the signatories embraced economic deregulation in the Washington Metropolitan Area by amending the Compact to lower market entry barriers for carriers licensed by the Commission “while maintaining a regional approach to transportation and keeping those controls necessary for the security of the public.” This was accomplished chiefly by eliminating the need for hearings on applications for operating authority while preserving the Commission’s power to prescribe insurance and safety requirements.



Taxicab Queue at Ronald Reagan Washington National Airport

The 1990 amendments have succeeded in opening the Metropolitan District to competition as intended. Over 2,900 applicants have been conditionally granted WMATC operating authority since 1990. By comparison, only 176 carriers were granted WMATC operating authority in the Commission's first 30 years. While the Commission's mandate has evolved over the years, the Commission has remained a steadfast guardian of the public interest and is poised to carry out its mission well into the twenty-first century.

THE COMMISSIONERS

The Compact provides for the appointment of three Commissioners, one from each signatory. The Virginia member is appointed by Virginia's governor from the Virginia Department of Motor Vehicles, the Maryland member is appointed by the Governor of Maryland from the Maryland Public Service Commission, and the District of Columbia member is appointed by the District's mayor from a District of Columbia agency with oversight of matters relating to the Commission. The following WMATC Commissioners held office in FY2017 and/or at the time of this report.



Honorable Richard D. Holcomb (Virginia) (Chairman)
(Term Began July 21, 2010)

Richard D. Holcomb was the WMATC member from the Commonwealth of Virginia in FY2017 and as of the date of this report. Chairman Holcomb was appointed to WMATC on July 21, 2010, by Governor Robert F. McDonnell, and reappointed on May 23, 2014, by Governor Terry McAuliffe. He served as WMATC Chairman from October 14, 2016, to December 8, 2017.

In his capacity as Commissioner of the Virginia Department of Motor Vehicles (VADMV), he manages a state agency with a budget of over \$240 million and a statewide workforce of over 2,000 employees. He oversees the collection of approximately \$2.6 billion dollars in revenue annually, which funds a significant portion of the state's new roads, and highway construction and maintenance.

Chairman Holcomb also serves as the Governor's Highway Safety Representative. In addition, he is chairman of the Virginia Motor Vehicle Dealer Board and serves as Treasurer of the American Association of Motor Vehicle Administrators (AAMVA) International Board of Directors. He served as Chairman of the AAMVA Board in 2015-2016.

This is Chairman Holcomb's second stint as the head of VADMV, which serves more than eight million customers each year and provides an impressive selection of service options to the citizens of the Commonwealth. Prior to his 2010 appointment by Governor McDonnell, Chairman Holcomb was appointed VADMV Commissioner in 1994 by Governor George F. Allen and reappointed by Governor James S. Gilmore in 1998.

During his initial seven-year tenure as Commissioner at VADMV, Chairman Holcomb revolutionized the agency to provide the ultimate in customer service, surpassing public and private sector service organizations. Under his leadership, Virginia became the first state in the world to offer secure online driver's license renewals.

During his most recent term as VADMV Commissioner, he has launched the robust DMV 2 Go program. Five customer service centers on wheels provide all VADMV transactions at convenient locations such as military bases, corporate and government complexes, and senior communities.

Chairman Holcomb also believes that our dedicated military members who have given so much for our nation deserve every effort we can make to provide opportunities for their futures. He conceived the Troops to TrucksSM initiative, which provides testing, training, and potential career opportunities for military members after service. This outreach effort, recognized by the White House, is a collaboration between VADMV, Virginia military installations, and private transportation industry groups. The program helps provide employment opportunities to our military as truck or bus drivers, or in other transportation-related jobs after service.

Chairman Holcomb is a former General Counsel and Senior Vice President for Law and Regulatory Affairs for the American Trucking Associations, the national trade association for the trucking industry. In this capacity, he managed the in-house staff of attorneys and outside counsel on an array of complex legal matters such as corporate compliance, tax, employment law, election law, patents, copyrights, trademarks and anti-trust. He advanced the association's interests through the court system, protected the association from legal action, managed legal defense through the interpretation of legal documents, and advised ATA leadership on legal and regulatory matters.

Chairman Holcomb has served as Chief of Staff to Congressmen Craig T. James, D. French Slaughter Jr., and John Linder. In addition, he served as Deputy General Counsel to the 1992 Bush-Quayle Committee, Legal Counsel to the National

Republican Congressional Committee, and General Counsel to the U.S. Senate Judiciary Subcommittee on Security and Terrorism.

Chairman Holcomb holds an undergraduate degree in political science from Hampden-Sydney College and a Juris Doctorate degree from the University of Richmond School of Law. He is also a graduate of Virginia Commonwealth University's Virginia Executive Institute.



**Honorable Michael T. Richard (Maryland)
(Term Began May 2, 2016)**

Michael T. Richard was the WMATC member from Maryland in FY2017 and as of the date of this report. He was appointed to WMATC on May 2, 2016, by Governor Lawrence J. Hogan, Jr.

Commissioner Richard has served as a member of the Maryland Public Service Commission since January 2016. Prior to that, he served as Deputy Chief of Staff to Governor Hogan, advising the Governor on a portfolio of issues and helping to manage cabinet agencies that included Agriculture, Energy, Environment, Lottery and Gaming, Natural Resources and Transportation.

Commissioner Richard worked for more than 10 years at the Nuclear Energy Institute as Legislative Programs Director and Congressional Information Program Director. He then served in Governor Robert Ehrlich's administration as Deputy Secretary of Appointments and as Director of the Maryland Energy Administration.

In 2005, he was appointed to a post at the U.S. Department of Energy—first serving as Executive Director of the Secretary of Energy Advisory Board and later as Deputy Assistant Secretary for Congressional and Intergovernmental Affairs where his issues included nuclear energy, radioactive waste management, and legacy environmental remediation.

In 2008, Commissioner Richard was hired by Westinghouse Electric Company as Director of Government and International Affairs. He rejoined Maryland state government in 2015.

Commissioner Richard earned his B.A. from Brigham Young University in Provo, Utah, and an M.B.A. from the University of Maryland, College Park. He attended a French language program at L'Université Laval in Québec City, Canada. Commissioner Richard lives in Fort Washington, Maryland.



**Honorable Jeff Marootian (District of Columbia)
(Term Began August 4, 2017)**

Jeff Marootian became the WMATC member from the District of Columbia on August 4, 2017, when he was appointed to WMATC by Mayor Muriel Bowser.

Commissioner Marootian is the Interim Director of the District Department of Transportation (DDOT). He joined DDOT from the U.S. Department of Transportation (USDOT), where he served under Transportation Secretary Anthony Foxx from 2013 to 2017. He was appointed by President Barack Obama to serve as the White House Liaison from 2013 to 2015 where he worked alongside the heads of the federal regulatory agencies to promote President Obama's transportation agenda.

In 2015, Commissioner Marootian was promoted to serve as USDOT's Assistant Secretary for Administration. In that capacity, he oversaw the management functions of the 55,000-employee agency including human resources, facilities, procurement, and security. He was also USDOT's Chief Sustainability Officer. Commissioner Marootian previously worked at DDOT from 2008 through 2011 as the Customer Service Officer, responsible for public engagement activities and relationships with Advisory Neighborhood Commissioners and other city officials. He also was a Capital City Fellow at DDOT in 2004.

Commissioner Marootian has both a Bachelor of Arts and Master of Public Administration from The George Washington University and has lived in the District of Columbia for 20 years.



**Honorable Leif A. Dormsjo (District of Columbia)
(Term January 2, 2015 to August 4, 2017)**

Leif A. Dormsjo was the WMATC member from the District of Columbia in FY2017. Commissioner Dormsjo was appointed to WMATC on May 18, 2015, by Mayor Muriel Bowser, effective *nunc pro tunc* as of January 2, 2015. He was elected Vice-Chairman of WMATC in October 2016 and served in that capacity for the remainder of his term.

Commissioner Dormsjo served as Director of the District Department of Transportation (DDOT) from 2015 to 2017. Besides serving as DDOT Director, he

also served on the Board of Directors of the Washington Metropolitan Area Transit Authority.

Commissioner Dormsjo previously served as Deputy Secretary of the Maryland Department of Transportation (MDOT) from 2012 to 2015. In this capacity, he oversaw a \$4.8 billion annual budget as the Chief Operating Officer for the 10,000-employee department comprising the Baltimore/Washington International Thurgood Marshall Airport, the Port of Baltimore, the Maryland Motor Vehicle Administration, the Maryland Transit Administration, and the Maryland State Highway Administration.

Prior to that, he served as Senior Advisor to the Maryland Transportation Secretary. In that role, he focused on advancing real estate, infrastructure and transit-oriented development projects. He led MDOT's public-private partnership program, overseeing the Seagirt Marine Terminal, I-95 Travel Plazas, and Purple Line Light Rail projects.

Commissioner Dormsjo served as the Secretary's Chief of Staff from 2007 to 2010. He has significant experience in public-sector management, having served as the Chief of Staff for the Baltimore Department of Transportation as well as the Deputy Director of the CitiStat Program in the Baltimore Mayor's Office.

He received a bachelor's degree from Wesleyan University and a master's degree in public policy from Harvard University's Kennedy School of Government, with a concentration in transportation policy and urban affairs. During his graduate school study, he was selected to work with the Boston Public School System as a Rappaport Public Service Fellow. Early in his career, he interned with United States Senator Bill Bradley.



The Washington Metropolitan Area Transit Commission meeting on October 14, 2016

DEVELOPMENTS & ACCOMPLISHMENTS

FORMAL PROCEEDINGS

The Commission accepted 229 applications to obtain, transfer, amend, or terminate WMATC operating authority in FY2017, down from the 277 accepted in FY2016. The Commission also initiated 178 formal investigations of carrier compliance with WMATC rules and regulations in FY2017, down from 218 in FY2016.

In total, the Commission issued 616 orders in 407 formal proceedings in FY2017, as compared to 740 orders in 495 formal proceedings in FY2016.

INFORMAL PROCEEDINGS

Commission staff processed 9 informal complaints against WMATC carriers in FY2017. This compares to 12 such complaints in FY2016. Commission staff processed 7 interstate taxicab complaints in FY2017, up slightly from 6 such complaints in FY2016.

Commission staff also initiated 20 informal investigations in FY2017, which typically involve minor or technical violations committed by WMATC carriers. This compares to 26 informal investigations initiated in FY2016.

CARRIER CERTIFICATES & VEHICLES

The Commission issued 96 certificates of authority in FY2017, including 6 by reason of transfer and 3 by reason of amendment. This compares to 109 issued in FY2016. The Commission revoked 99 certificates of authority in FY2017. Most were revoked for willful failure to comply with the Commission's insurance requirements. The Commission terminated another 28 certificates of authority in FY2017 upon request by the carriers.

The Commission reinstated 25 certificates of authority in FY2017. The number of carriers holding a certificate of authority at the close of FY2017 stood at 606—down from 621 at the close of FY2016, but still more than 6 times the 97 that held authority at the end of FY1990, before the barriers to entry were lowered beginning in 1991.

The number of carrier vehicles in service reported to WMATC in FY2017 stood at 5,363 as of June 30, 2017. This compares to 5,348 vehicles operated under WMATC authority as of June 30, 2016.

TRANSPORTATION NETWORK SERVICE

In 2015, the District of Columbia, the State of Maryland, and the Commonwealth of Virginia joined the growing list of states and localities that authorize a type of for-hire passenger transportation service whereby passengers are connected via a digital dispatch service with drivers operating vehicles without for-hire license plates. Such service is known as private-vehicle-for-hire service in the District of Columbia and as transportation network service in Maryland and Virginia. The Commission uses the term transportation network service, as well. In the Washington Metropolitan Area, Uber and Lyft have emerged as two prominent members of this nascent industry.

In June 2016, after considering comments received during a 45-day notice and comment period, the Commission amended the definition of bona fide taxicab service, set forth in WMATC Regulation No. 51-09, to specifically include transportation network service to the extent such service is conducted in vehicles with a seating capacity of 9 persons or less and affiliated with a transportation network company as defined by and duly authorized by Maryland or Virginia, or a private-vehicle-for-hire company as defined by and duly authorized by the District of Columbia. Transportation network service meeting this definition is exempt from the Commission’s licensing requirements under Article XI, Section 3(f), of the Compact.

FINANCIAL INFORMATION

BUDGET

The Commission receives appropriations from the three Compact signatories: Virginia, Maryland, and the District of Columbia. The Commission allocates its expenses among the signatories in the proportion that the population of each signatory within the Metropolitan District bears to the total population of the Metropolitan District, based on the most recent census data available at the time the budget is proposed. Comparative budget numbers for FY2016 and FY2017 are as follows.

	Total Budget	
	<u>FY2016</u>	<u>FY2017</u>
Salaries	\$535,500	\$550,000
Benefits	152,000	160,000
Rent	86,000	89,000
Other	46,500	76,000
Total	<u>\$820,000</u>	<u>\$875,000</u>

Allocated Budget

	<u>FY2016</u>	<u>FY2017</u>
DC	\$129,396	\$139,038
MD	381,792	408,275
VA	308,812	327,687
Total	<u>\$820,000</u>	<u>\$875,000</u>

REVENUE

The Commission does not retain any of the fees, forfeitures, and other non-appropriations revenue that it collects. All such revenue is returned to the signatories according to the proportions used for allocating expenses. For FY2017, the Commission received \$202,133 in non-appropriations revenue for return to the signatories. This compares to \$299,789 in non-appropriations revenue returned for FY2016. After adjusting for the return of non-appropriated revenue, the net FY2016 and FY2017 allocated budgets, before return of unexpended appropriations, are as follows:

Net Allocated Budget

	<u>FY2016</u>	<u>FY2017</u>
DC	\$82,089	\$106,918
MD	242,210	313,960
VA	195,912	251,989
Total	<u>\$520,211</u>	<u>\$672,867</u>

