



# COMMONWEALTH of VIRGINIA

## Office of the Governor

W. Sheppard Miller III  
Secretary of Transportation

August 19, 2022

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

The Honorable Terry L. Austin, Chairman  
House Transportation Committee  
Post Office Box 400  
Buchanan, Virginia 24066

Dear Senator Marsden and Delegate Austin,

*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 June 30, 2022.

As part of these efforts, I am directed to provide an update on the following topics: labor costs and labor relations; measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits; 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; measures necessary to better ensure the safety of riders and employees; the legal and organizational structure of WMATA; and the composition and qualifications of the WMATA Board of Directors and the length of terms of its members.

Fiscal Year 2023 Budget: WMATA's FY23 budget, effective July 1, complies with the statutory three percent cap on the annual growth of the Virginia operating subsidy. I have received documentation for \$49 million in legislative exclusions above the three percent cap via a letter dated June 30 from interim General Manager Andy Off.

The Virginia Department of Rail and Public Transportation (DRPT) will review the information received from WMATA and will present the results of its analysis, along with its recommendations related to the withholding of funding, if applicable, to the Commonwealth Transportation Board in September.

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Pension Plans: WMATA contributed \$207.6 million to its five combined pension plans in FY22, which are valued at over \$6 billion and increased by \$286 million in the first half of FY22.

Ten-Year Station Development Plan: In April, WMATA released a ten-year plan highlighting development opportunities that could generate up to \$40 million in fare revenue and \$50 million in lease revenue.

7000 Series Railcars: WMATA submitted a plan to return 64 railcars (eight trains) to service with daily inspections to the Washington Metrorail Safety Commission (WMSC) on May 19, which had no objections. WMATA has been successful in completing daily inspections, which are required for their operation by the WMSC, on the maximum 64 railcars.

Rail Operator Re-certifications: WMATA has completed recertifying 183 of the 317 rail operators whose safety certifications lapsed during the COVID-19 pandemic.

Like many, I am concerned about the overall long-term direction of WMATA. I have directed DRPT Director Jennifer DeBruhl to review the *Code of Virginia* and the Commonwealth Transportation Board policy and work with the other stakeholders to the Compact to ensure that the Commonwealth and others have appropriate and thorough oversight of WMATA. As part of this review, I have asked for legislative proposals that Governor Youngkin can consider as part of his 2023 legislative agenda.

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

With warmest regards,

A handwritten signature in black ink, appearing to read "W. Sheppard Miller, III". The signature is fluid and cursive, with the first name "W." and the last name "Miller" being the most prominent parts.

W. Sheppard Miller, III