



COMMONWEALTH of VIRGINIA

Office of the Governor

Shannon Valentine
Secretary of Transportation

January 11, 2022

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 December 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 (FY) 2023 Budget: In December, the General Manager released his proposed FY23 operating and capital budgets of \$2.3 billion each and the \$12.4 billion Fiscal Years 2023-2028 Capital Improvement Plan (CIP). The total operating budget is \$2.3 billion excluding debt service, an 8.7 percent increase from the amended FY2022 budget, with an additional reimbursable projects budget of \$14.4 million. The operating budget proposes using \$715.8 million in federal relief and a total jurisdictional subsidy of \$1.19 billion. The capital budget also proposes spending \$2.3 billion in FY23.

Looking ahead, WMATA's FY24 budget projects a deficit of \$519.3 million when federal relief funding runs out, projected during FY24. WMATA expects to utilize approximately \$692 to \$705 million in federal relief funds in FY23 and anticipates up to \$160 million remaining for use in FY24. The budget maintains current bus service levels and rail would operate at 10-minute headways during peak hours, 12-minutes during midday hours, and 15-minutes in the evening. The total legislative exclusions are \$49.0 million, and the proposed budget honors the three percent operating subsidy growth as required

by Virginia law. Budget work sessions are scheduled for January and February 2022 and WMATA anticipates adopting the FY23 budget in March.

Service Levels: At its October meeting, the Board received a briefing on the Metrorail fleet and facilities plan and rail service standards. WMATA is projecting the need for all eight car trains and more frequent headways by 2030, and significant crowding by 2040 based on current ridership projections. Planned upgrades to traction power will allow WMATA to meet 2030 demand; however, unfunded core capacity (including at the expanded Rosslyn tunnel and second station) and terminal station upgrades will be required to operate projected 2040 service levels.

In October, WMATA staff informed the Board's Finance and Capital Committee that it now does not expect system ridership to return to pre-pandemic levels until FY25, and the FY23 budget is expected to have \$425.5 million less in fare revenues than the last pre-pandemic budget. System ridership remains 58% below pre-pandemic levels and operating revenue accounts for only 12% of expenses.

Silver Line: On November 4, the Metropolitan Washington Airports Authority (MWAA) announced that the main line rail infrastructure for the Silver Line Phase 2 Extension Project had reached Substantial Completion (SC). The rail yard subsequently reached SC on December 2. WMATA also began operational testing of the rail line in December, which is expected to last up to six months. Now that SC has been reached for both the main rail line and the rail yard, the WMATA Board will need to formally accept ownership of the project, which is expected in early 2022.

WMATA is responsible for setting the Operational Readiness Date (ORD), or day when simulating passenger service can begin. The project construction contractor, Capital Rail Constructors (CRC) is projecting a May 19, 2022, opening date for the Silver Line Phase 2 Extension Project; however, neither MWAA nor WMATA have agreed to that date. For planning purposes, the WMATA FY22 operating budget assumes revenue operation on January 1, 2022; however, it will be spring or summer 2022 before operations can begin.

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

6000 Series Railcars: WMATA began returning the 6000-series railcars to service in late September, following inspections and approval from the Washington Metrorail Safety Commission (WMSC). WMATA had publicly stated it intends to return all 6000-series railcars to service by the end of 2021. The 6000-series railcars were first put into Metrorail service in 2006 and are less than halfway through their 40-year useful life. The 6000 series railcars had been taken out of service for inspection following a decoupling incident in May 2021.

7000 Series Railcars: As of December 31, 2021, all 7000-series railcars remain out of service. After a derailment of a 7000-series railcar between Rosslyn and Arlington Cemetery, the National Transportation Safety Board (NTSB) initiated an investigation on October 13, joined by WMATA, WMSC, FTA, and the ATU. NTSB found that an axle on one of the 7000-series railcars in the derailment was out of compliance with 7000-series specifications for the wheel and axle assembly. Additional 7000-series railcar inspections conducted after the derailment found similar defects in 7000-series railcars not involved in the derailment. On October 17, the WMSC issued an order requiring WMATA to immediately remove all 7000-series railcars from revenue service, develop a plan to assess the cause and provide for the detection and prevention of wheel gauge anomalies, and implement a plan that provides for the safe return to revenue service of the 7000-series railcars

On November 4 WMATA submitted a return to service plan to the WMSC that required all active 7000-series railcars to be inspected every 7 days. The WMSC announced on December 14 that it had no objections to the WMATA return to service plan and WMATA immediately began reinserting some 7000-series railcars into revenue service. On December 23, WMATA announced that it was pausing its 7000-series railcar ramp up plan and beginning nightly inspections of all active 7000-series railcars. On December 27, the WMSC issued a new order to WMATA to again remove all 7000-series railcars from revenue service and required revisions to WMATA's return to service plan. The new WMSC order was issued after inspections found that at least 5 of the 40 7000-series railcars that had been returned to revenue service did not meet the criteria in the original approved return to service plan. The WMSC will need up to 14 days to review and approved WMATA's proposed revisions to the return to service plan.

WMATA is currently operating Metrorail service on a severely reduced schedule and will continue to do so for the foreseeable future. WMATA has returned some older 2000 and 3000-series railcars to service and has returned its 6000-series railcars to service, following inspections and approval from the WMSC after a decoupling incident in May 2021

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

Board Membership: The WMATA Board welcomed a new member from D.C. in November. Tracy Hadden Loh is a fellow at the Brookings Institute, a Greater Greater Washington contributor and a former Chair of the Transportation Planning Board Citizens Advisory Committee.

A new alternate Director from Maryland, Christopher Zappi, was sworn in on November 18. Mr. Zappi is currently a Director of Government and External Affairs at Amtrak. He previously managed a team responsible for improving on-time performance and developed a bid to operate the MARC Penn Line. He has a Bachelor of Arts in economics from Cornell and a Master of Business Administration from Yale.

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

With warmest regards,



Shannon Valentine