



COMMONWEALTH of VIRGINIA

Office of the Governor

W. Sheppard Miller III
Secretary of Transportation

October 4, 2023

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, 2023.

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

WMATA Budget: At a special WMATA Board meeting on April 14, the WMATA Board approved the FY2024 operating and capital budgets. As proposed in December 2022, WMATA's FY2024 budget complies with the three percent cap in Virginia operating assistance as required by Virginia law. On June 30, 2023, WMATA General Manager Randy Clarke, submitted a letter to me stating that WMATA had adopted an FY 24 budget and FY 24-29 Capital Improvement Program (CIP) that is compliant with these statutory requirements. The Department of Rail and Public Transportation and the Office of Attorney General reviewed the budget documentation submitted by WMATA and confirmed WMATA's compliance to the Commonwealth Transportation Board in September.

Recognizing WMATA's ongoing budget challenges, most notably a looming FY2025 operating deficit totaling hundreds of millions of dollars, my staff and I are working closely with WMATA's management, Northern Virginia localities, and our regional partners to ensure the system's financial efficiency and sustainability going forward. I look forward to keeping you apprised of our progress in future updates.

Inspector General: During this quarter, WMATA's Office of Inspector General issued audits of the money train operation (collection and transportation of cash revenue) and pre-procurement process. The audit of the money train—a series of special cars and personnel that transport cash collected from fare vending machines—found several policies that could have led to theft and put employee safety at risk. It also identified \$1.7 million in revenue variances with insufficient documentation or explanations from three sampled months. Management agreed with the findings and is implementing corrective action. The WMATA Board accepted the audit on June 23. The procurement audit found that delays put WMATA at risk of not being able to procure mission-critical systems. It also found that internal purchase requisitions exceeded the award amounts by \$2.6 million within the 30 sampled procurements, amounts that could have been returned to the department budgets that placed the orders. Management agreed with the findings and is implementing corrective action. The WMATA Board accepted the audit on June 8.

NVTC Reporting: As required by state code (Section 33.2-3402 of the Code of Virginia), NVTC submitted WMATA's annual independent audit, single audit report, National Transit Database annual profile, and annual capital budget to the State Comptroller via email on June 30. NVTC received these documents from WMATA on June 29. The required documents are posted on NVTC's website.

Debt Management Policy: In April, the WMATA Board updated its debt management policy to increase the agency's line of credit to \$500 million from \$350 million. The increase provides WMATA the ability to maintain up to six weeks of liquidity in the event that a quarterly payment from a jurisdiction is delayed.

Joint Development: In June, the WMATA Board Finance and Capital Committee was updated on the joint development portfolio. Since 1978, WMATA's joint development program is estimated to have generated \$194 million in state and local tax revenue. WMATA's April 2022 10-year Strategic Plan is expected to generate \$340 million more in state and local tax revenue.

Measures Necessary to Better Ensure the Safety of Riders and Employees

Washington Metrorail Safety Commission (WMSC): The WMSC delivered its annual report to Governor Youngkin on June 30 as required by its Interstate Compact (P.L. 115-54). The report was adopted at the WMSC's June 13 meeting. This quarter, DRPT staff observed all WMSC meetings.

Public Safety Initiatives: This quarter WMATA announced that in August 2023, 315 Metro Transit Police Department (MTPD) officers will begin wearing body cameras in addition to the over 10,000 existing cameras already monitoring the transit system. Additionally, WMATA is staffing 25 Metrorail stations with two Special Police Officers (SPOs) every rush hour and has increased staffing at eight additional stations including Reagan National and Dulles airports. WMATA also hired four crisis intervention specialists in December 2022 and plans to hire six more.

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Metrobus Stops: On June 25, WMATA began a new policy of offering “courtesy” stops on Metrobus routes between 9 p.m. and 5 a.m. where drivers can let passengers off between bus stop signs if it is safe to do so. The policy is meant to increase passenger safety when exiting the bus under darkness and where there is a large distance between stops or residential streets or apartment buildings to not have bus stops signs near them.

Composition and qualifications of the WMATA Board of Directors and the length of terms of its members

Board Bylaws: On June 28, 2018, the WMATA Board adopted bylaws with governance changes required by the Virginia 2018 dedicated funding legislation. The bylaws are still in effect. The WMATA Board Secretary has certified that no violations of bylaws occurred during FY23 via letter to me on June 23.

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

With warmest regards,


W. Sheppard Miller, III