



COMMONWEALTH of VIRGINIA

Office of the Governor

W. Sheppard Miller III
Secretary of Transportation

June 26, 2025

The Honorable Lamont Bagby, Chair
Senate Transportation Committee
P.O. Box 396
Richmond, VA 23218

The Honorable Karrie Delaney, Chair
House Transportation Committee
P.O. Box 231023
Centreville, Virginia 20120

Dear Senator Bagby and Delegate Delaney:

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), and the Federal government on a list of six necessary reforms of the Washington Metropolitan Area Transit Authority (WMATA) to support a viable transit system. This requirement began on June 30, 2017. This letter serves as the update on each of the initiatives discussed in Code for the quarter ending March 31, 2025.

1) Legal and organizational structure of WMATA

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. No changes to the legal and organizational structure of WMATA occurred during the quarter.

2) 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. No changes to the composition of the WMATA Board of Directors or the length of their terms occurred during the quarter.

3) Labor costs and labor relations

Fraternal Order of Police Collective Bargaining Agreement (CBA): On January 30, the WMATA Board approved the Fraternal Order of Police/Metro Transit Police Labor Committee, Inc. CBA, which included modest changes to the existing CBA to support recruitment sustaining efforts and additional operation efficiencies. The five-year net cost impact was estimated at \$7 million, exclusive of the General Wage increases.

4) Measures necessary to resolve WMATA's unfunded pension liability and other postemployment benefits

Quarterly Pension Report: The Commonwealth reviewed WMATA's FY2025 Quarter 1 Pension Report. The five pension plans had a collective value of \$6.2 billion as of the end of the quarter, which is a 4.5 percent, or \$268.8 million, increase from the combined value in the previous quarter. The one-year investment results by pension plan range from 17.7 to 21.2 percent compared to a 36.4 percent increase for the S&P 500. No specific actions from MD, DC, VA, and the U.S. Government occurred related to pension plans this quarter.

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

Washington Metrorail Safety Commission (WMSC): On January 29, the Washington Metrorail Safety Commission (WMSC) issued an Audit of Emergency Management and Life Safety Programs for Metrorail. While the WMSC noted that WMATA has made systemic improvements since the 2021 audit, the WMSC issued five findings requiring Metrorail to develop corrective action plans (CAPs) within 30 days. Although WMATA was given the opportunity to weigh in on the report and provide written feedback, this feedback is not typically included in WMSC reports. Findings include:

1. Metrorail does not have a reliable communication system for operations or emergencies.
2. Metrorail Emergency Trip Stations (ETS) located throughout the system are not treated as fire life safety assets.

3. Metrorail fire and life safety inspections do not identify and resolve deficiencies with fire life safety equipment and assets within stations.
4. Metrorail is using emergency radio operations channel 6 although the channel is not ready for use.
5. Metrorail is not contacting jurisdictional emergency services immediately upon identification of fire and smoke on the Metrorail system

The WMSC has published 22 adopted inspection reports on its website from the first quarter of 2025.

U.S. DOT Correspondence: In a March 19 letter to United States Secretary of Transportation Sean Duffy, which was a response to Secretary Duffy's letter to WMATA on March 6 requesting information on WMATA's efforts to improve the safety and security of the Metro system, WMATA General Manager Randy Clarke highlighted an array of initiatives that Metro and the Metropolitan Transit Police Department have been undertaking in partnership with the local jurisdictions to decrease crimes to the lowest in seven years, reduce fare evasion, and modernize its monitoring capabilities.

Banning Policy: On March 27, the WMATA Board unanimously voted to approve a banning policy for repeat and egregious offenders to provide an additional tool for Metro to use to reduce crime against riders and employees. Beginning June 2, the banning policy will allow WMATA to implement longer bans on people arrested for sex crimes or assaults on Metro employees and customers.

6) 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

FY2026 Revised Budget: On March 27, WMATA staff presented a revised draft FY2026 budget to the WMATA Board's Finance and Capital Committee. The draft budget was revised at the request of and in coordination with some of its member jurisdictions largely due to regional budget challenges, particularly in Maryland and the District of Columbia. The revised draft budget identified additional bus scheduling efficiencies, new savings by reducing staff at five Metrorail stations, deferring the rollout of Yellow Line service to Greenbelt (in Maryland) from July until December, and additional savings from increased modernization investments. The March 27 revision reduced WMATA's draft FY2026 operating budget by \$18.5 million from the previous revision that was released in February, which had incorporated an improved ridership and revenue outlook from the original December 2024 budget proposal and that had reduced the anticipated preventive maintenance transfer to the operating budget. The revised draft capital

budget also incorporated \$443 million in expected added capacity from reduced FY2025 spending and the reduction in preventive maintenance costs.

DMVMoves: The *DMVMoves* Task Force, made up of elected and senior officials from Metropolitan Washington Council of Governments (COG) state and local jurisdictions and the WMATA Board met on March 24, its fourth meeting. The Task Force discussed a revised long-term funding scenario for WMATA that included a significant investment in modernizing the signal system to enable the achievement of significant operating efficiencies through automation, as well as a target State of Good Repair (SGR) backlog of \$2 billion, down from \$4 billion today, and a peak of \$7 billion in 2016. The target SGR figure is based on comparable systems and is in the context of other governmental asset SGR levels, while the signal system investment is looking at peer systems internationally. *DMVMoves* has also focused on better coordinating transit in the region, across all DC, Maryland and Virginia providers, to achieve efficiencies for operators and to streamline the public experience.

Financial Update: The Commonwealth reviewed WMATA's FY2025 Q2 Quarterly Financial Progress Report. Second quarter total ridership was eight percent higher than the prior year. Relative to budget, passenger revenue was favorable by \$22.3 million or 11.6 percent. Excluding federal relief, total operating revenues reached \$277.5 million, which was favorable to budget by \$37.2 million, while operating expenses of \$1,240.1 million were \$28.5 million unfavorable to budget. Metro received total federal relief funds of \$119.3 million, which offset increased expenses. Through the second quarter of FY2025, \$835 million was invested in the capital program to improve system safety, reliability, and customer satisfaction.

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', with a stylized flourish at the end.

W. Sheppard Miller III