



COMMONWEALTH of VIRGINIA

Office of the Governor

W. Sheppard Miller III
Secretary of Transportation

October 3, 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 July 1, 2017. This letter serves as an update on each of the initiatives discussed in Code for the quarter ending June 30, 2025.

1) Legal and organizational structure of WMATA

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

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

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

3) Labor costs and labor relations

FY26 Budget: On April 10, the WMATA Board of Directors approved the FY26 \$2.6 billion Operating and \$2.4 billion Capital Budget; and in May, the Approved Budget Book was published. Personnel expenses in the FY26 budget were \$1,755,708, 8.9% above FY25 levels, largely due to 184 new full-time equivalent positions, most of which are allocated to Operations

to support expanded bus and rail service. The Budget Book indicates that FY27 personnel expenses are expected to only increase an additional 1.7%.

Semi-Annual Talented Teams Report: Since the adoption of its Strategic Transformation Plan required by the Commonwealth, Metro has been issuing semi-annual reports on its Talented Teams strategic goal to attract, develop, and retain top talent where individuals feel valued, supported, and proud of their contribution. Highlights of the June report include that to respond to the biggest areas of concern in the most recent Talented Teams survey, Metro changed its return to office plan for desk staff from five days in the office to four days a week and is offering more leave upon hire. Over half of Metro's roughly 1,240 vacancies are among its non-represented and Local 2 (mostly administrative and professional staff) employees. The Human Capital team has also expanded recruitment efforts for critical roles, including bus mechanics and police officers.

ATU 689 Concerns: In a news release from May 27, Amalgamated Transit Union (ATU) Local 689, which represents over 15,000 workers, stated that WMATA is advancing a "dangerous plan" with their FY26 budget to eliminate certain station manager positions and replace them with automated systems. WMATA denied these claims and stated that the only change in the station manager position is at the Farragut North Station, where there will now be two station managers across three entrances instead of three after 9 p.m. and on weekends. The union also expressed concern about agency plans to transition over the next several decades to Level 4 Automatic Train Operation. Discussion on this topic will be ongoing.

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

Quarterly Pension Report: The Commonwealth reviewed WMATA's FY25 Quarter 2 Pension Report. The five pension plans had a collective value of \$6.2 billion as of the end of the quarter, which is a 0.7%, or \$45.4 million decrease from the combined value in the previous quarter. The one-year investment results in the pension plan range from 6.4 to 11.3% compared to a 25.0% increase for the S&P 500. DRPT and NVTC are seeking copies of the latest Collective Bargaining Agreements to better understand any changes to pensions and OPEB that may be responsive to prior recommendations but based on information that had been provided upon approval of the agreement, it did not appear that there were cost containment components in these areas.

On April 1, WMATA submitted its audited financial statement to the Commonwealth with information on FY24 pension and OPEB financials as required in Code. WMATA had \$1.7 billion in net pension liability and \$1.8 billion in net OPEB liability. In FY2024, net pension liability had increased by \$95.9 million primarily because of a \$484.3 million increase in interest expense, offset by a \$406.6 million increase in the fair value of pension investments. Net OPEB liability increased by \$58.2 million, primarily due to a \$66.9 million increase in interest expense offset by an increase in investment income of \$8.2 million for the OPEB plan.

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

Washington Metrorail Safety Commission (WMSC): On April 4, the WMSC issued a Notice of Non-Compliance for CAP C-0240 as WMATA indicated that it intended to pause submission of actionable items related to several open corrective action plans that relate to worker safety, including C-240, and subsequently missed several deadlines. WMATA has objected to the

redundancy and overreach of the WMSC's directives related to worker safety, which resulted in the WMSC issuing a subpoena for documents related to its Fitness for Duty Audit. No resolution to this dispute has been made.

On June 6, NVTC sent a letter to the WMSC in support of third-party arbitration, and not the use of fines, to resolve conflicts between the WMSC and WMATA. Maryland's Washington Suburban Transit Commission and the DC Council's Office and Chief Administrator also submitted similar letters to the WMSC, as the WMSC was in the process of updating its Program Standard. The Program Standard, required by the FTA, is slated to be approved in the Fall.

As of July 1, WMATA has approximately 82 open CAPS. The WMSC released 15 inspection reports this quarter. It's 2024 annual report was adopted in June.

Rail Safety Initiatives: Six months after launching [Automatic Train Operation](#) (ATO) on the Red Line, the entire Metrorail system began operating in ATO starting June 15.

This development marks the first full return to ATO since 2009. The date was decided after rigorous internal training and testing and concurrence from WMSC. Since its December 2024 implementation, there have been no red signal violations for trains operating in ATO.

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

Bus Efficiencies: On June 29, WMATA implemented the Bus Network Redesign, which provides 7% more scheduled service for customers for the same cost; uses 3% fewer bus vehicle miles operated due to a substantial reduction in the amount of travel to and from the beginning and end of bus routes; and results in a 4% decrease in the peak bus vehicle requirement, resulting in a smaller, more efficient fleet. The average resident gains access to at least 5% more key destinations (e.g. hospitals, groceries, entertainment) within 60 minutes during the day/week with the new network and it could attract nearly 13,000 more daily weekday trips. Metro's jurisdictional partners worked closely with Metro staff to ensure that necessary stop changes were made to support the new network.

Rail Efficiencies: Along with the return to ATO, Metro also returned to the original speed of the system, up to 75 mph. Several outer portions of the Blue, Orange, and Silver lines experienced speed increases from 55 mph to 65 or 75 mph in some stretches. Starting June 22, Metro reduced end-to-end travel times by about 3 minutes on all three lines. The Yellow and Green Lines, which began using ATO in May, also experienced decreased travel times of one-two minutes due to the changing speeds. Based on analysis of several months of successful ATO operation in passenger service, end-to-end Red Line travel times have been reduced by a total of eight minutes. In the FY26 Budget, Metro is also better matching service with demand, by alternating termini of the Silver Line between Largo and New Carrollton and providing additional peak capacity at certain bottlenecks. Metro is also ending service on weekends one hour later and opening one hour earlier to better match service at peer agencies.

DMVMoves: The DMVMoves Task Force, made up of elected and senior officials from Metropolitan Washington Council of Governments state and local jurisdictions and the WMATA Board met on May 16, its fourth meeting. The Task Force discussed and decided against pursuing a bus priority fund, though members recognized the importance of bus priority

measures across the region to realize customer benefits and better manage operating costs. The Task Force also achieved a general agreement that each jurisdiction would determine how to fund the capital funding gap. The Task Force also received an update on measures to create efficiencies across the various transit providers in Northern Virginia.

Financial Update: The Commonwealth reviewed WMATA's FY25 Q3 Quarterly Financial Progress Report. Third quarter total ridership was eight percent higher than the prior year. Relative to budget, passenger revenue was favorable by \$43.7 million or 15.3 percent. Excluding federal relief, total operating revenues reached \$420.7 million, which was favorable to budget by \$61.0 million, while operating expenses of \$1,830.5 million were \$61.4 million unfavorable to budget due to the timing of transferring preventive maintenance expenses to the capital budget. WMATA received total federal relief funds of \$123.4 million, which offset increased expenses. Through the third quarter of FY25, \$1,281.2 million was invested in the capital program to improve system safety, reliability, and customer satisfaction.

FY25 Year End Projections: As of the June 26 WMATA Board meeting, Metro's FY25 year-end forecast projects a \$28 million surplus, driven by strong passenger revenue recovery. Total revenue is expected to reach \$580 million, or \$92 million above budget, due to higher ridership and fare revenue. Gross expenses are projected at \$2,464 million, which is \$7 million over budget. Metrorail ridership has increased faster than all its peers this year.

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", written in a cursive style.

W. Sheppard Miller III