



COMMONWEALTH of VIRGINIA

Office of the Governor

W. Sheppard Miller III
Secretary of Transportation

January 15, 2026

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 the update on each of the initiatives discussed in Code for the quarter ending September 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.

Of note, effective July 1, NVTC appointee to the WMATA Board, Matt Letourneau, stepped down. NVTC appointed WMATA Board Alternate and Fairfax County Supervisor, Walter Alcorn, to succeed him as Primary Director and Arlington County Board Member, Matt DeFerranti, as an Alternate Board Member.

The Commonwealth's appointee to the WMATA Board, Paul Smedberg, will complete his final term on the Board on January 5, based on NVTC maximum term limits.

3) Labor costs and labor relations

Collective Bargaining Agreements: The WMATA Board approved the Local 2 Office and Professional Employees' International Union Collective Bargaining Agreement on September 25. The settlement agreement covers basic economic terms for contractual years, July 1, 2025, to June 30, 2029, as well as wage increases, improved recruiting and retention efforts, and additional operational efficiencies. The agreement states that Local 2 will not receive a general wage increase for the first contract year (July 1, 2025, to June 30, 2026). Instead, Local 2 will receive a one-time ratification bonus of \$1,500 for each active on the roll covered employee, a 4.0% general wage increase effective July 1, 2026, a 3.75% general wage increase effective July 1, 2027, and a 3.75% general wage increase effective July 1, 2028. The four-year net financial impact of the agreement reflects an estimated cost impact of \$13.7 million, excluding General Wage Increases.

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

Quarterly Pension Report: The Commonwealth reviewed WMATA's FY25 Q2 Pension Report. The five pension plans had a collective value of \$6.1 billion as of the end of the quarter, which is a 0.6 percent (\$37.1 million) decrease from the combined value in the previous quarter.

As part of DMVMoves, WMATA projected operating subsidy growth would not need to exceed three percent per year, which included an assessment of long-term pension and OPEB requirements.

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

Washington Metrorail Safety Commission (WMSC): On August 4, the WMSC published a Special Study of the Safety Impacts of WMATA's Radio Band and Infrastructure Replacement Project. The study recommends that WMATA leadership continue its focus on prioritizing completion of the radio modernization project to improve radio communications at Metrorail because of the identified safety concerns associated with nonfunctioning radio coverage. The 700-megahertz spectrum project is projected to be completed in 2027.

On August 27, the WMSC released an Audit of Metrorail's Control Center and Rail Operations. The WMSC identified nine findings that require Metrorail to develop corrective action plans (CAPs). Findings included insufficient staffing, certification records, and refresher training. The WMSC is also issuing three recommendations that Metrorail must address.

On September 15, the WMSC issued an updated 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-0240, and subsequently missed several deadlines. WMATA 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. Previously, the notice included two actionable related to this CAP but has now been expanded to include two additional actionable items related to missed deadlines.

On September 16, the WMSC adopted an updated program standard that considered some input from WMATA and jurisdictional partners, particularly regarding an update the appeals process. Lastly, on September 27, the WMSC issued an order related to the Roadway Worker Protection Program (RWP).

As of September 1, WMATA has approximately 75 open CAPs, about seven fewer than last quarter. The WMSC released 22 inspection reports this quarter.

Agency Safety Plan: On September 25, the WMATA Board adopted the updated Agency Safety Plan, as required by FTA and approved by the WMSC.

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

WMATA Operations Analysis: In September, WMATA commenced its Operations Analysis, funded with \$500,000 in Virginia General Assembly General Funds as part of the \$60.2 million provided to address the increased Virginia subsidy. Guidehouse, as the consultant on the project, reports to the Commonwealth's designee on the WMATA Board, Paul Smedberg with support from the WMATA Board Officer. DRPT staff participate in weekly meetings. The bulk of the work is expected to be completed by early January, with the consultants available for presentations in January and February. The intended outcome is a clear implementation roadmap for improving the authority's operational and financial health and sustainability and includes stakeholder interviews, document reviews, peer benchmarking, an evaluation of cost efficiencies, and recommendations.

Financial Update: The Commonwealth reviewed WMATA's FY25 Q4 Quarterly Financial Progress Report. Fourth quarter total ridership was nine percent higher than the prior year. Relative to budget, passenger revenue was favorable by \$74.7 million or 19.3 percent. Excluding federal relief, total operating revenues reached \$594.0 million, which was favorable to budget by \$106.4 million, while operating expenses of \$2.53 billion were \$14.3 million unfavorable to budget. WMATA received total federal relief funds of \$123.4 million, which offset increased expenses. Through the third quarter of FY25, \$1,840.2 million was invested in the capital program to improve system safety, reliability, and customer satisfaction, 79% of budget.

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

With warmest regards,



W. Sheppard Miller III