

A photograph of a crowded Washington Metropolitan Area Transit Authority (WMATA) train platform. A silver train is stopped at the platform, and a large number of people are boarding. In the foreground, several fare gates with the 'Grosvenor' logo are visible, with people passing through them. The scene is busy and captures a typical moment of public transit use.

Washington Metropolitan Area Transit Authority

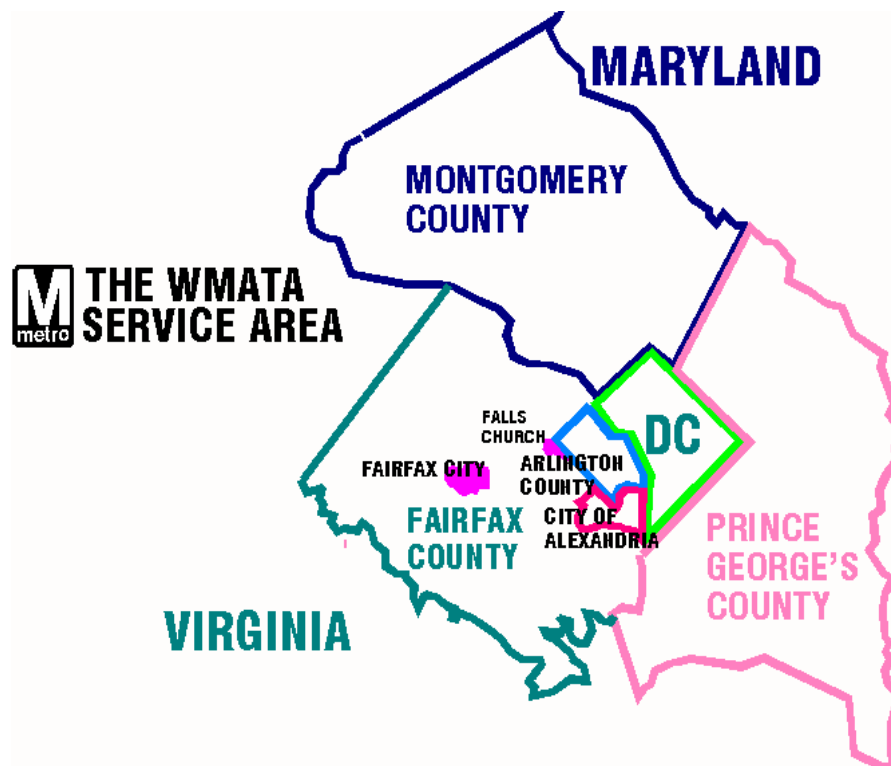
Blue Ribbon Panel on WMATA Funding

*Metropolitan Council of
Governments
October 7, 2004*

*Richard A. White
General Manager/CEO*

Background

- Created by Congress in 1967 by Interstate Compact
- Multi-jurisdictional: DC, MD, VA
- Federal and regional partnership
- Regional governance
- 12 Board Members
 - 4 from each jurisdiction
 - 2 voting, 2 alternates
- Approximately 10,000 employees
- 1.1 million daily trips
 - Second-largest rail system
 - Sixth-largest bus system
 - Significant ridership growth rates



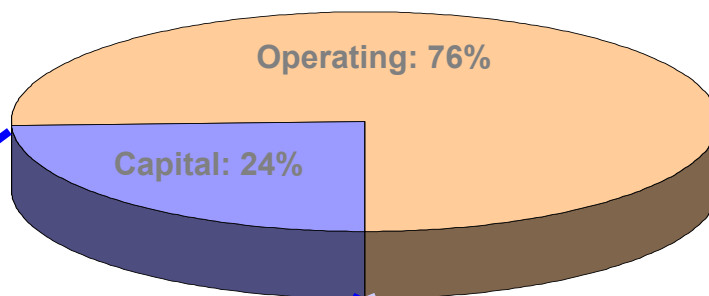
Introduction

- How is Metro funded and what does the public get for its money?
- What is happening at Metro right now?
- What does the future look like and what are Metro's long-term needs?

FY05 Total Budget/Sources

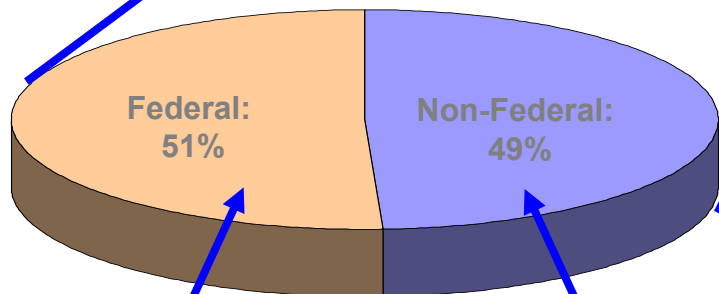
Metro funding

Total Budget: \$1.3B



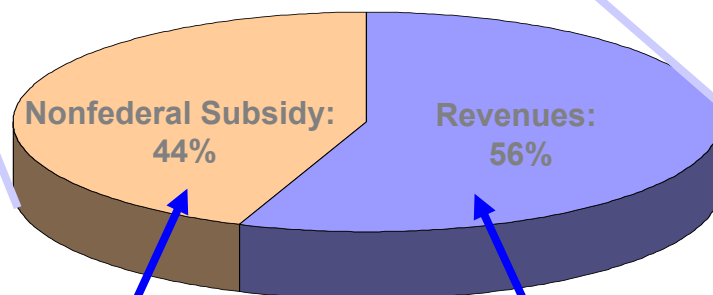
Capital Budget: \$314M

Operating Budget: \$972M



Total: \$159

Total: \$155
 DC: \$52
 MD: \$64
 VA: \$39



Total: \$430
 DC: \$164
 MD: \$161
 VA: \$105

Total: \$542

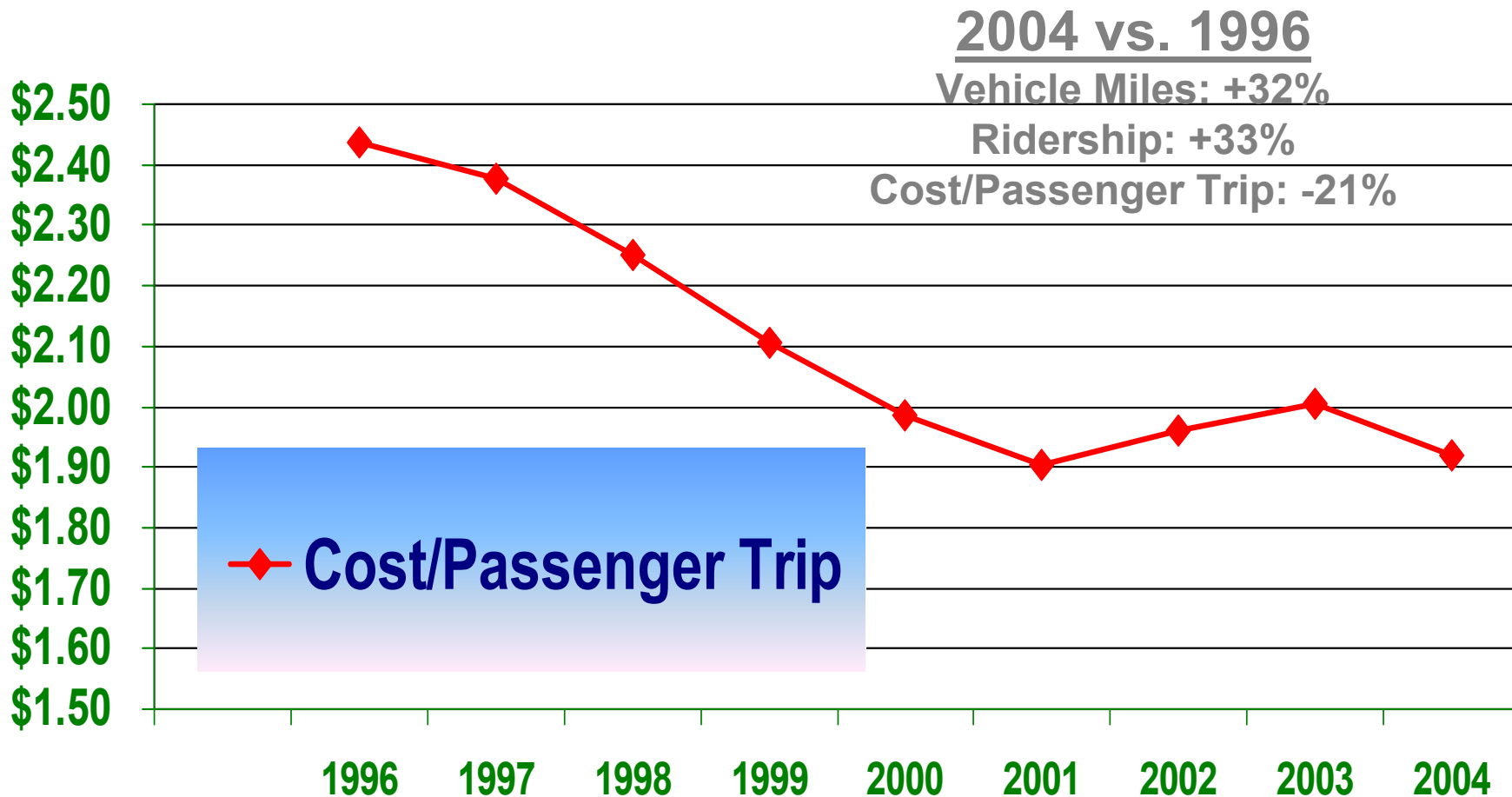
\$ Millions

Federal Share = \$159M, or 12% of Total Budget

*Excludes Reimbursable Operating Projects.

Doing more with less

Metro funding/Productivity



Inflation Adjusted (1996 \$)

Bringing Value to the Region

Metro funding/Public benefit

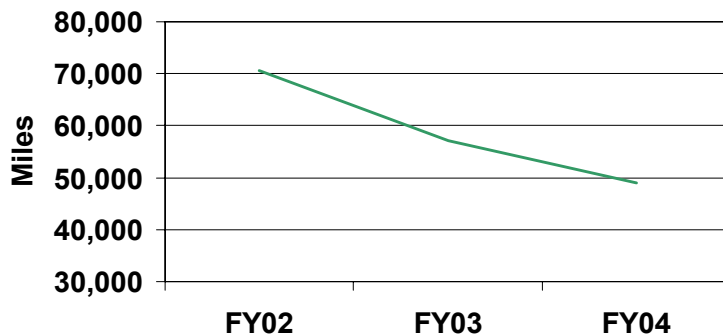
- Metro removes more than 10 tons of pollutants from the region's air
- Over 350,000 cars removed from streets and highways
 - 80 million gallons of gasoline saved
 - Equivalent capacity of 1,400 lane miles, or 11.5% of the region's lane-miles
- Approximately \$25 billion in development near Metro Stations
- More than 300 federal agencies and employment centers located near Metro Stations
 - 47% of peak riders are federal employees
- Average Washington commuter spends 67 hours in congestion (3rd worst in the nation)*
 - Would be 102 hours (50% higher) without the region's public transportation system*
- Public transportation cuts Washington commuting costs by \$1.2 billion per year (vs. \$2.3B congestion cost) and saves 35 hours of delay per commuter (about half)*



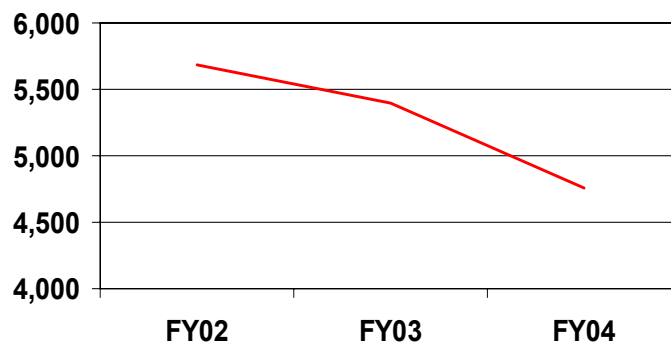
Service Performance is Declining

Current condition

Metrorail: Mean Distance Between Failures



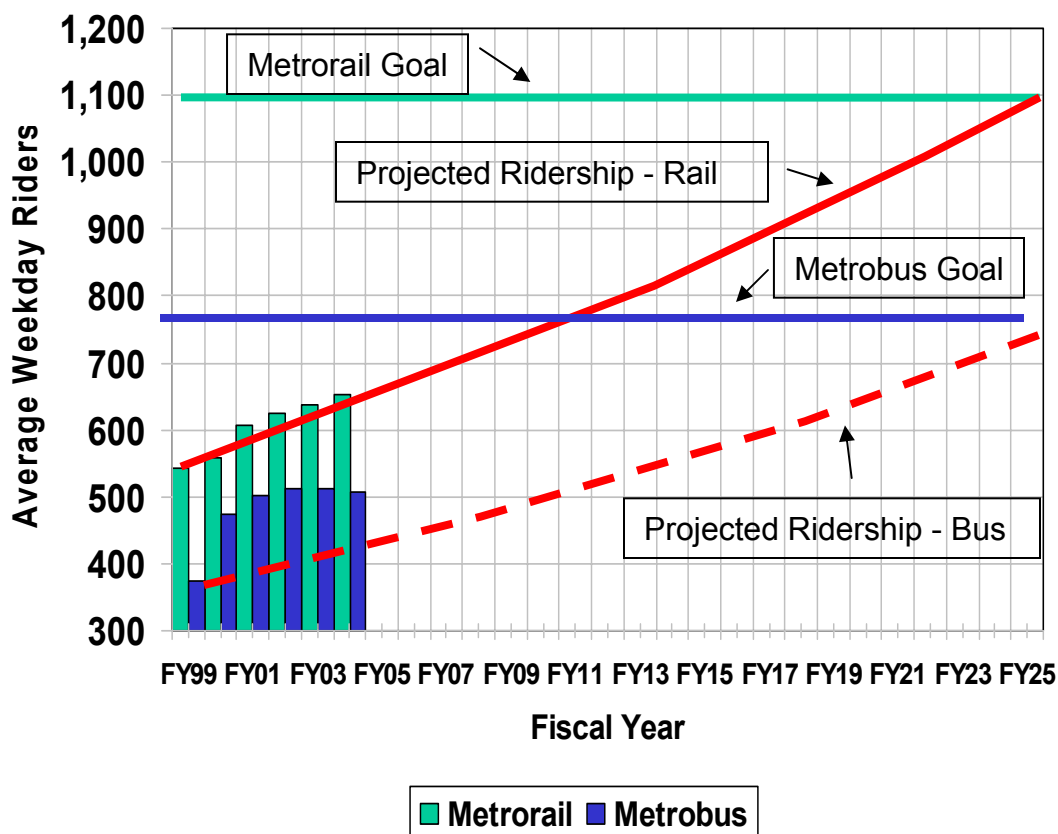
Metrobus Mean Distance Between Failures



Ridership is increasing

Current condition

Weekday Ridership Growth (in thousands)

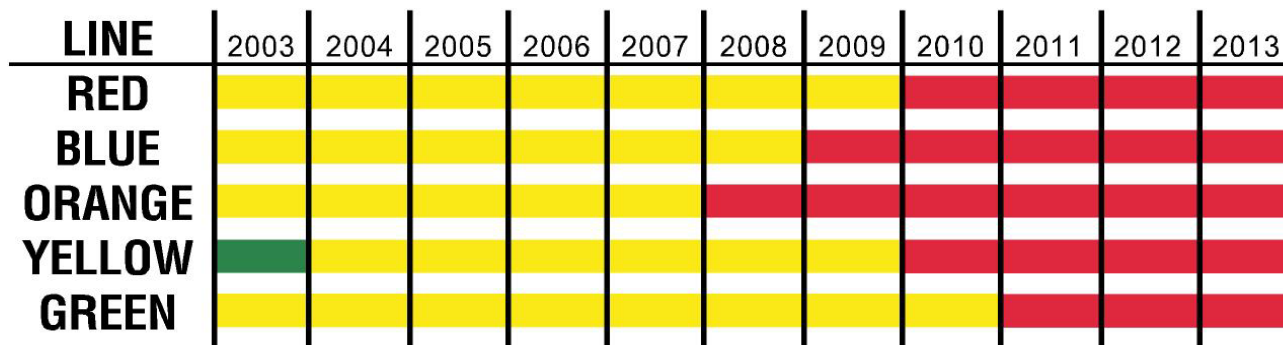


Overcrowding is worsening

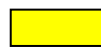
Current condition

Rail →

Using only
58% of design
capacity



Congested: 80-100 people
per car (10-30 standees)



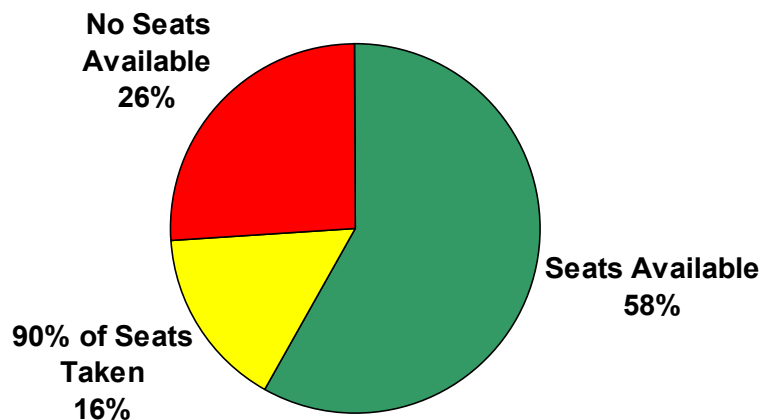
Highly Congested: 100-120 people
per car (30-50 standees)



Unmanageable: 120+ people
per car (> 50 standees)

Bus →

Metrobus Average Weekday Ridership Congestion



Deferring important investments

Current condition

Generally, significant elements of the WMATA system are sliding into a state of under-investment.

Examples:

- Delaying the replacement and rehabilitation of rail cars
- Delaying maintenance of tunnels and track rehabilitation
- Delaying the replacement of 270 buses

Impact:

- Rail cars stay in service longer than replacement guidelines recommend, become less reliable
- Water intrusion accelerates decay; increased likelihood of service disruptions
- Older buses stay on the road longer, breaking down more often and polluting more

60% of the Metrorail system is more than 20 years of age.

Capital priorities matter

Long-term needs

GAO

United States General Accounting Office

Report to the Committee on
Government Reform, Subcommittee on
the District of Columbia, House of
Representatives

July 2001

MASS TRANSIT

Many Management
Successes at WMATA,
but Capital Planning
Could Be Enhanced



GAO-01-744

July 2001 report from the U.S. Government Accountability Office concluded that Metro:

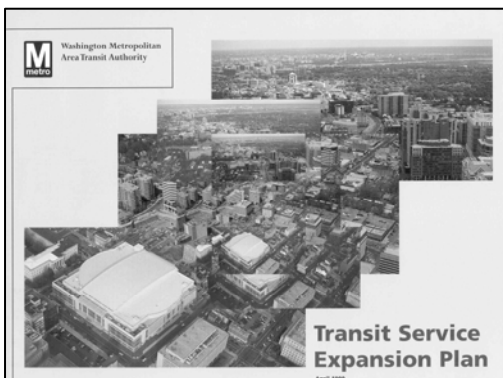
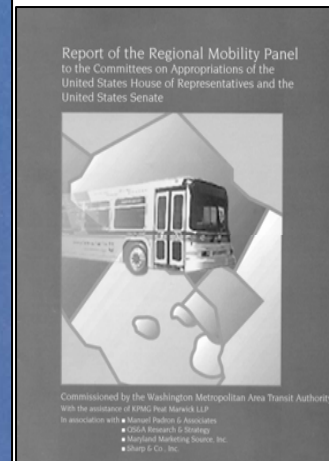
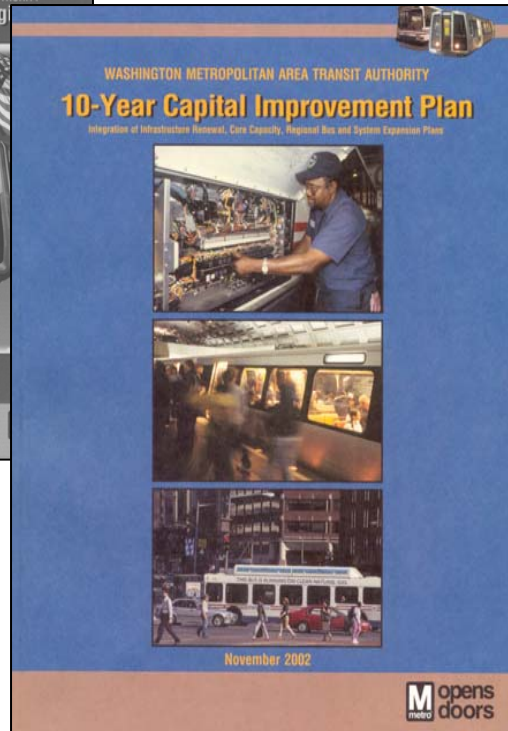
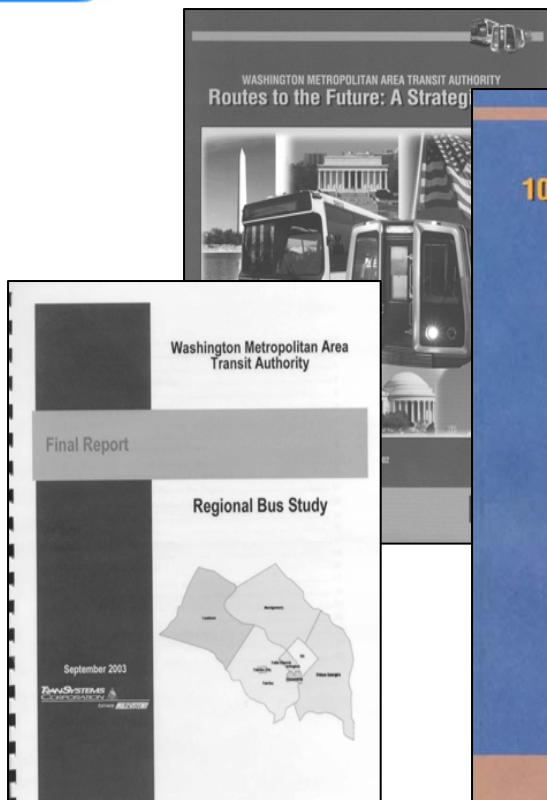
- Is “a victim of its own success.”
- Experiences “growing pains” from increased ridership.
- Suffers “aging pains” from an infrastructure that needs modernization.

**GAO recommended that the Authority
prioritize its capital planning.**

Metro's capital plans

Long-term needs

There is a solid foundation of regional planning and infrastructure assessment.



**WMATA Twenty Year
Capital Improvement Program**
Frederic R. Harris, Inc.
March, 1999



HARRIS

Core Capacity Study

Planning and Development Committee
September 27, 2001

Prioritizing Capital Plans

Long-term needs

- 10- year (FY04-17) Capital Improvement Program (CIP) = \$12.2B

Minus

- \$6B of system expansion

Equals

- \$6.2B of unfunded need for refurbishment and capacity improvements

Minus

- \$3.3B funded through “Metro Matters” Funding Agreement



Beyond six year Metro Matters horizon, \$2.9B in basic capital needs remain unfunded



10-Year Capital Plan vs. Metro Matters

Long-term needs

	<i>10-Year CIP (FY 2004 – 2013)</i>	<i>Metro Matters (FY 2005 – 2010)</i>
Increase in bus capacity	460 buses	185 buses
Bus ridership growth	46%	18%
Increase in rail capacity	300 cars	120 cars
Rail ridership growth	38%	15%
8-car trains	75%	33%
Accommodates demand until	2018	2012

- Metro Matters is only a six-year commitment
- Does not fully fund critical rehabilitation needs
- Only a small portion of needed capacity improvements is funded
- Buys approximately four years of time before the same problem reoccurs

Why is dedicated funding needed?

Conclusion

- According to the Brookings Institution report, WMATA will inevitably face recurring “deficits by design”
- Due to chronic funding shortfalls in operating and capital budget
- Metro is deferring necessary capital investments that keep existing assets in a “state of good repair” and has insufficient capacity
- Metro’s service performance has been steadily declining in part because of funding inadequacies
- The region will suffer if Metro continues to remain on ‘life support’

Appendix



Current sources of Metro funding

Appendix

Operating

Capital

DC	General Fund	General Obligation Bonds
MD	State Transportation Trust Fund	State Transportation Trust Fund
VA	Local Govt. General Fund	Local Govt. General Obligation Bonds
	State Transportation Trust Fund	State Transportation Trust Fund
Federal	none	General Funds
		Mass Transit Account of Highway Trust Fund



\$M

Metro management has cut costs.

Five-year Cost Containment

	FY02-04B	FY05B	FY06E	5-yr Total
General Administrative (Hiring Freeze, Mgmt Position Cuts, Early Retirement, Benefits)	\$18.7	\$15.9	\$0.0	\$34.6
Insurance & Claims Reserves	\$6.3	\$3.0	\$0.0	\$9.3
Contract Services	\$6.5	\$6.5	\$0.0	\$13.0
Utility Costs (Fuel/Power/Utilities/Labor)	\$11.0	\$4.4	\$0.0	\$15.4
Operational Costs	\$6.6	\$2.7	\$4.3	\$13.6
Total Cost Actions	<u>\$49.1</u>	<u>\$32.5</u>	<u>\$4.3</u>	<u>\$85.9</u>