

MDOT RESPONSE TO DLS ANALYSIS

DLS Budget Analysis Comments

Proposed Budget

WMATA should brief the committees on its proposal to transfer operations of certain bus routes to local jurisdictions including identification of routes to be transferred to Maryland jurisdictions, the current annual cost of operations for each of the routes proposed for the transfer, and the estimated financial impacts on each jurisdiction from assuming operation of the transferred routes (Page 9).

WMATA Response:

WMATA's initial budget proposal suggested a regional evaluation of the routes most suited for operation by Metrobus and the transfer of more local routes to local transit providers. Working with the Board of Directors and funding jurisdictions, WMATA has determined that the planning, coordination and funding changes necessary to make route transfers possible cannot be completed in time for transfers to occur in FY 2016.

The opportunity remains, however, to explore transferring certain routes in FY 2017 or later. Within Maryland, the initial proposal included 14 routes with an estimated combined annual operating cost of \$14.2 million. Planning and coordination to identify the best possible candidates for transfer is currently underway with consideration of the vehicles, maintenance capacity and operating funding necessary to operate these routes. MDOT plans to work with local providers to provide grant funding to cover the costs of any route takeovers, so long as the takeovers result in budget savings to MDOT. MDOT does not plan to support shifts in service that would adversely impact local jurisdictions.

The goal of this effort is to provide a list of possible route transfers to the WMATA Board of Directors in June 2015. The Board could then conduct public hearings in the fall of 2015 to gather input from riders. Candidate routes would be clearly identified in public hearing materials and a public hearing report would be presented to the Board for consideration before taking any action on route shifts. The earliest anticipated date for any of these shifts would be the beginning of FY 2017.

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WMATA Six-year Capital Program

WMATA should detail the efforts it has made, if any, to secure federal participation in funding Metro 2025 projects. WMATA should also brief the committees on the progress it is making in addressing the issues noted above related to safety and state of good repair and restoring sound financial management (Page 16).

WMATA Response:

WMATA will seek any available federal funding to advance projects within the Metro 2025 Initiative. Under the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21), core capacity projects will be eligible for funding within Section 5309, the section that has provided funding for major transit projects across the country. WMATA has reviewed the guidance from the Federal Transit Administration regarding eligibility for core capacity funding, and is reviewing the projects within the Metro 2025 Initiative to identify those which would be most competitive for receiving a federal award. WMATA is focusing on improvements to core stations at which improved vertical circulation could increase passenger flow and reduce excessive crowding on station platforms.

Regarding safety and state of good repair investments, WMATA has invested federal Passenger Rail Investment and Improvement Act (PRIIA) and federal formula funding, with matching funds from Maryland and our other contributing jurisdictions to support a \$5 billion, multi-year capital program that is making long-deferred safety and state of good repair improvements to the system. This ranges from upgrades to our tracks, structures and signal systems, to the design of state-of-the-art railcars coming this year that will exceed the latest safety standards.

We have developed industry-leading safety programs, including an award-winning railroad worker training program, and the first Close Call program on a major transit property to encourage confidential reporting of safety hazards. We have also begun implementing the first Fatigue Management System of any transit property, leading the industry in combining worker wellness programs and hours of service standards that we, at Metro, are establishing as a policy matter. Dedication and commitment to safety throughout the organization has resulted in the reduction of employee injuries for four straight years.

Metro has closed 25 of 29 recommendations stemming from the 2009 Fort Totten accident. We have closed every FTA safety recommendation, and received a favorable system safety review from FTA in 2012. This year the FTA will be conducting another safety review and WMATA will actively participate with them to facilitate their work.

In terms of restoring sound financial management, WMATA's financial situation has vastly improved since the FTA's Financial Management Oversight Report was issued last year. Federal reimbursements to WMATA have increased –\$72 million in reimbursements have been received

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from FTA since January 1, based on proper documentation provided by WMATA. Additionally, new federal funding has been awarded -- three federal grants for a total of \$585 million in the last two months. This will soon be more than \$700 million with an expected award of a fourth grant in March.

The President's budget expresses further confidence in WMATA's progress as the Administration would no longer require any further FMO certifications after October 1.

WMATA now has a strong, experienced financial management team in place. The new organization includes a new office of compliance, and a professional grants management team led by a new CFO who previously served as CFO for the Chicago Transit Authority, and a Board Chairman who served for 12 years as CFO of the NY Metropolitan Transit Authority.

WMATA's external financial audit for FY14 has been delayed as we work with new auditors but is on track for completion in April. All creditors have been notified and none have raised an objection. WMATA also owes this audit to Maryland and all funding jurisdictions and will provide the audit upon its completion.

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DLS Budget Analysis Issues

1. Yellow Line Fatality Exposes Problems with Maintenance, Emergency Response, and Training

To the extent possible under federal regulations governing agency comments during an ongoing investigation, WMATA should comment on the factors which led to the smoke incident in the tunnel, problems associated with the response to the incident, and actions it has taken and plans to take to address the issues relating to the causes of the incident and problems related to the response to the incident (Page 19).

WMATA Response:

An investigation by the National Transportation Safety Board (NTSB) is now underway, and Metro is fully engaged and cooperating with the effort. We recognize that a complete and impartial review depends upon confidentiality, so we are following the ground rules laid out by the NTSB.

Metro has provided NTSB investigators with access to conduct several track walks and examine equipment, and we have submitted more than 680 documents containing 7,800 pages of information, including: 372 hours of surveillance video, 300 photographs, fire alarm records, equipment maintenance records, training and operations records, and passenger and witness statements.

The NTSB has issued its first recommendations to Metro and the entire industry, concerning training and inspection of tunnel ventilation systems. In line with those recommendations, Metro has already conducted a thorough test of our subway tunnel ventilation system and provided familiarization training for all 39 controllers at our Rail Operations Control Center. We are now in the process of developing additional protocols and training associated with tunnel fan use that are responsive to the NTSB recommendations.

As the NTSB continues its review; we are not waiting. Metro has identified and begun to implement 10 early safety actions. Metro has started installation of new signage on the outside of all railcars to clearly identify emergency doors and release handles for first responders who may not be familiar with Metro evacuation procedures. Metro train operators have been given independent authority to operate the air intake systems on their railcars, and the protocols for employees at our rail control center have been streamlined to prevent unnecessary distractions.

As another early action, Metro's Office of Emergency Management has created an enhanced schedule for full-scale emergency drills to be conducted over the next three years in all of the local jurisdictions. These drills will supplement our regular schedule of trainings, which already includes at least one full-scale drill a year. These drills bring multiple jurisdictions and law-enforcement agencies together to test response capabilities, build coordination and provide an opportunity to practice unified command in a real-life setting – and we believe that these additional drills can only further benefit the region.

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Metro is also working with the fire chiefs from all of the local jurisdictions, through the Metropolitan Washington Council of Government (COG) to establish formal radio testing and reporting protocol within the Metro system. Each jurisdiction has its own radio system operating inside Metrorail tunnels, independent of the system used by Metro employees. And while the jurisdictions are responsible for their own testing, there have historically been no formalized testing schedules or reporting requirements. WMATA and its regional partners are actively working to address those shortcomings.

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Operating Budget Recommended Actions

1. Adopt the following narrative: (Page 22).

Report on the January 2015 Yellow Line Train Incident: The budget committees request that once the National Transportation Safety Board (NTSB) has completed its investigation of, and issued its report on the January 2015 Yellow Line train incident, that the Washington Metropolitan Area Transit Authority (WMATA) provide a report (1) summarizing the NTSB findings and recommendations; and (2) detailing the corrective actions WMATA has taken and plans to take as a result of the incident and to respond to the NTSB recommendations. The report should be submitted to the committees 45 days after the NTSB investigation report is released.

WMATA Response:

WMATA concurs with the recommended narrative.

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Paygo Capital Budget Recommended Actions

- 1. Concur with the Governor's allowance.**

WMATA Response:

WMATA concurs with DLS's recommendation.



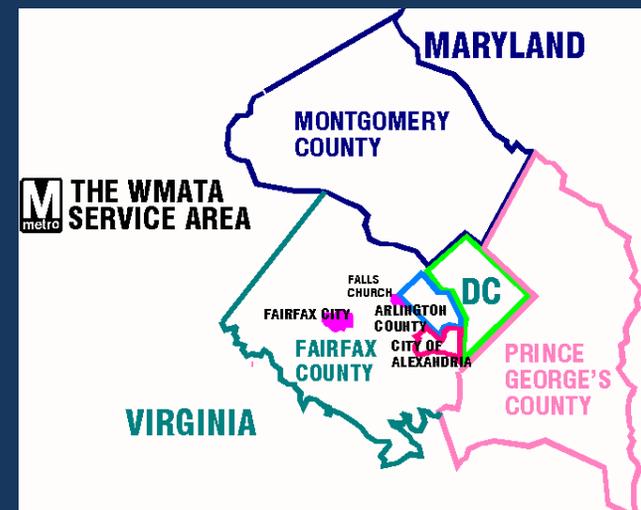
Washington Metropolitan Area Transit Authority

WMATA FY2016 Overview



Background

- Created in 1967 by interstate compact
- Multi-jurisdictional: DC, MD, VA
- Federal and regional partnership
- 16 Board Members
 - 4 from each jurisdiction and 4 federal members
 - 8 voting, 8 alternates
- Metro maintains the 2nd largest heavy rail system, 6th largest bus system and 5th largest paratransit system in the nation





Key Performance Measures

CY2014 vs. CY2013

Bus On-Time Performance	G
Rail On-Time Performance	R
Bus Fleet Reliability	R
Rail Fleet Reliability	G
Escalator Availability	G
Elevator Availability	G
Customer Injury Rate	R
Employee Injury Rate	G
Crime Rate	G
Customer Satisfaction	G



Selected Key Performance Measures

Metrobus *On-Time?* G

- Bus on-time performance
 - 78% in 2014
 - 2% better than 2012
- Actions that improved results
 - Better Bus initiatives
 - Stronger workforce planning





Selected Key Performance Measures

Metrorail *On-Time?*



- Rail on-time performance
Down one point to 91%
 - Extreme weather
 - Cascading effect of delays
 - Learning new service



sv silver line



Selected Key Performance Measures

Escalators & Elevators

G

G

- System-wide availability
 - Escalators **93.1%**
 - Elevators **96.9%**
- Prior investments paying off
 - Training, staffing levels, parts, unit replacements
- Prioritized Maintenance
 - Safety
 - Customer usage
 - Efficiency





Selected Key Performance Measures

Customer Injuries R

The Injury Rate worsened very slightly
1.96 vs. 1.92 injuries per million customers

Six more customer injuries
in 2014 compared to 2013





Selected Key Performance Measures

Employee Injuries G

- Better than last year
- Better than target
- **Actions Delivering Results:**
 - Safety Committees
 - Close Call Reporting
 - Root Cause Analysis

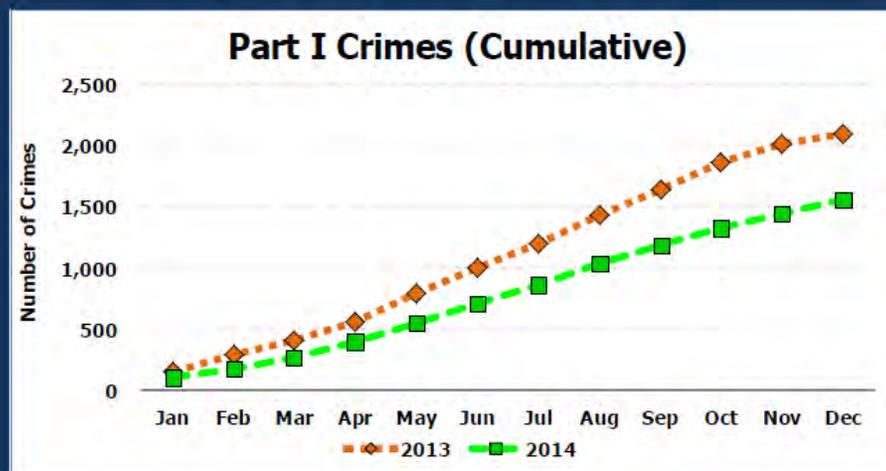




Selected Key Performance Measures

Crime Rate G

Five Year Low
Crime down 27%



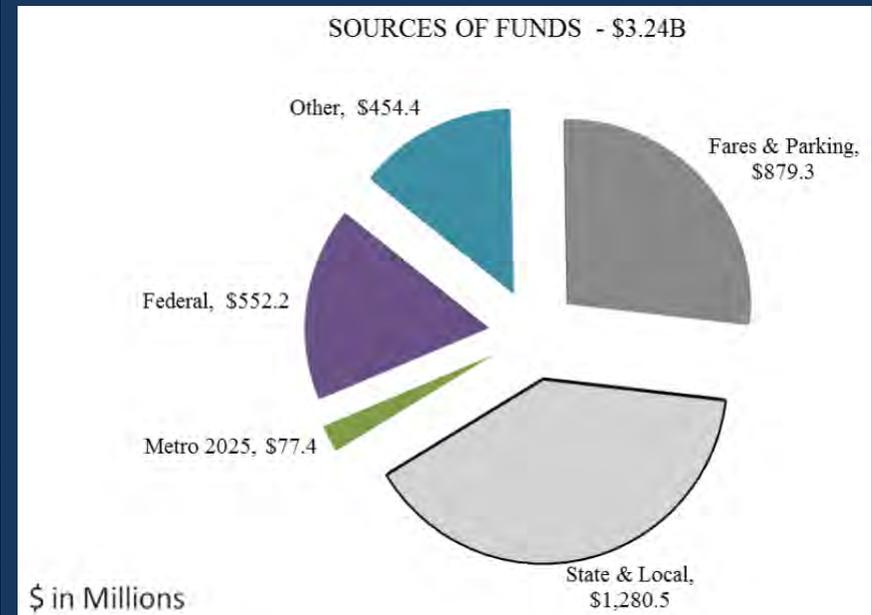


FY 2016 Proposed budget - Sources of funds

Summary of Funding by Program and Source

(Dollars in Millions)	FY2015 <u>Approved</u>	FY2016 <u>Proposed</u>
Operating Budget		
• Passenger Fares & Parking	\$ 896.2	\$ 879.3
• State and Local Funds	778.1	882.9
• Business Revenues	43.0	45.0
• Other Sources	6.8	7.0
Subtotal	\$ 1,745.4	\$ 1,814.2
Reimbursable Budget		
• State and Local Funds	\$ 22.4	\$ 27.1
• Other Sources	129.3	88.9
Subtotal	\$ 151.8	\$ 116.0
Capital Budget		
• Federal Formula/Other Grants ¹	\$ 302.9	\$ 402.2
• Federal Dedicated Funds (PRIIA)	168.8	150.0
• Federal ARRA and Safety & Security	0.2	-
• State and Local Funds	379.7	370.5
• Metro 2025 Investment	75.0	77.4
• Other Sources	20.5	30.8
• Planned Long-Term Financing		282.8
Subtotal	\$ 947.2	\$ 1,313.7
Total	\$ 2,844.4	\$ 3,243.8

¹ Although used to support the operating budget, federal preventive maintenance funding is included with capital budget funding sources.





FY 2016 Proposed budget - *Uses of funds*

Summary of Expenditures by Program

(Dollars in Millions)

	FY2015 <u>Approved</u> ¹	FY2016 <u>Proposed</u>
Operating Budget		
• Metrobus	\$ 618.5	\$ 637.2
• Metrorail	1,022.6	1,065.6
• MetroAccess	113.7	120.8
Subtotal	\$ 1,754.8	\$ 1,823.7
• Debt Service	\$ 21.3	\$ 21.2
• Preventive Maintenance	(30.7)	(30.7)
Subtotal	\$ 1,745.4	\$ 1,814.2
Reimbursable Budget		
• Operating Reimbursable Projects	\$ 54.0	\$ 46.6
• Capital Reimbursable Projects ⁽²⁾	97.8	69.4
Subtotal	\$ 151.8	\$ 116.0
Capital Budget		
• Capital Improvement Program	\$ 947.0	\$ 1,313.7
• Safety & Security Program ⁽³⁾	0.2	-
Subtotal	\$ 947.2	\$ 1,313.7
Total	\$ 2,844.4	\$ 3,243.9

