

WMATA Governance, Operations and Financial Review

April 2017

WMATA

- Nation's 5th largest transit system
- Formed via Interstate Compact between VA, MD and DC with Congressional approval
- Large backlog of deferred rail maintenance
- Ridership declines due to reduced reliability and SafeTrack service disruptions
 - (Ridership is also falling in other cities although not as much)
- Unlike other major transit systems, no dedicated non-federal funding source
- \$150 million/year special federal capital funds since 2009; expires in 2018

VA Legislative Mandate

- *“objective review of the operating, governance and financial conditions at WMATA”*
 - Legal and organizational structure
 - Composition of board; qualifications of members; length of terms
 - Labor costs, including employee benefits
 - Options to lower costs and improve efficiency
- Compare WMATA to other transit systems at least 35 years old with 35 or more miles of rail
- Request participation of DC and Maryland
- MD legislature considering similar mandate; specific focus on dedicated funding

Review

- Gov. McAuliffe recruited former USDOT Sec. Ray LaHood to oversee review
- Benchmark WMATA against other large transit systems on costs, revenue, management, governance, etc
- LaHood will consult officials in the region to look for a path forward

Recommendations

- Sec. LaHood asked to make recommendations
- May involve changes to board, management, costs, funding
- Implementation of recommendations could be through changes to Interstate Compact or other means
- Changes to Compact require Act of Congress
- Legislative mandate to report back to VA General Assembly by November 15, 2017

Questions?