

TESTIMONY of RICHARD SARLES
Before the Council of the District of Columbia's Committee on Economic
Development
February 19, 2014

Good Morning, Chairperson Bowser and members of the Committee on Economic Development. I am Richard Sarles, General Manager and CEO of the Washington Metropolitan Area Transit Authority (WMATA), commonly referred to as Metro. I appreciate the opportunity to appear before you today to update you on the progress we have made and Metro's long-term strategic plan – Momentum.

WE'RE REBUILDING TO GET BACK TO A STATE OF GOOD REPAIR

During the past year, we continued our focus on safety, state of good repair, financial stability and improving customer service. We are reestablishing quality service that is reliable and convenient, while earning the trust of the riding and non –riding public again. Restoring reliable and convenient service foundation for our transit system is a vital step as the region prepares for the growth in population and jobs in the years ahead. And in a critical step to guide Metro's vision for the future, in June 2013, the WMATA Board approved the *Momentum* strategic plan. This plan looks beyond today's trends and lays out near-term goals for 2025 along with steps that Metro must take to prepare for future growth. I will talk more about the strategic plan later in my testimony.

As you know, Metro is underway with an aggressive \$5 billion dollar, six year capital program, known as Metro Forward, to rebuild the system. The results of Metro Forward are everywhere:

- Over 200 new or rehabilitated buses are being put in service.
- Over 45 escalators have been rebuilt or replaced – Dupont Circle, Foggy Bottom.

- Many stations have been rehabilitated or improved – Takoma, Judiciary Square, Union Station
- Nearly 500 new MetroAccess vehicles have been put in service.
- The first of the new 7000 series rail cars have been received and are currently being tested.

Let me also provide you some examples of our progress here in the District.

- Station lighting has been improved at Judiciary Square (entire station), and the mezzanines at Gallery Place/Metro Center
- Station repairs have been completed at Judiciary Square and Union Station
- Platforms have been rehabilitated at Minnesota Avenue and Deanwood stations
- Escalators at Dupont Circle, Foggy Bottom and Van Ness/UDC have been replaced
- We've launched new PCN Limited stop Metro Extra Service on A9 (Martin Luther King Jr. Ave), and began weekend service on 79 (Georgia Avenue
- Metrobus service has been enhanced on the S2,4, 9 (16th Street lines)
- Extra a.m. and p.m. service has been added on the 30's line
- And service has been increased on Route 74 midday and frequencies added in the evening

In the coming months, customers will begin to see:

- An expansion of service, including more bus priority lines, and of course, the introduction of Silver Line service into Northern Virginia
- More escalator and elevator replacements across all five lines.
- Full station rehabilitations and improved lighting at all of our underground stations
- A pilot of a new electronic payment program to replace the existing fare collection systems for Metrorail, Metro-operated parking facilities, Metrobus and MetroAccess services.

SAFETY

I want to assure you and our customers that safety continues to be our highest priority. We are making steady progress towards a safer system for riders and employees. Over the last four years, Metro has improved safety through its massive rebuilding program focused on dozens of safety projects.

As a result of Metro's new safety culture and greater shared responsibility for vigilance, Metro has now closed 21 of 29 National Transportation Safety Board (NTSB) recommendations. Of the remaining eight recommendations, three have been submitted to the National Transportation Safety Board (NTSB) for closure. The remaining five recommendations involve longer-duration projects - such as replacement of Metro's entire 1000-series fleet with the new 7000-series.

In 2013 Crime rates showed areas of improvement, but we remain vigilant in combating other areas that still need to be addressed. Through an increase in patrols of parking structures, supplemented by efforts of our jurisdictional partners, the parking crime rate decreased in 2013, and fell below the level in 2012 for 10 months out of the year.

The crime rate on bus and rail increased in 2013, driven by a spike in thefts of bikes and smartphones over the late spring and summer months. In response, our MTPD focused several efforts to counter this trend, including crime suppression and prevention teams in stations and aboard trains, as well as a concerted multimedia public information and awareness campaign targeting thefts of bikes and portable electronic devices.

The bus crime rate increased in 2013, due to the same uptick in thefts of portable electronic devices that was seen on the rail system. An effort to increase the flexibility and

responsiveness of officers, and better serve the needs of customers on the Metrobus system, was a key driver behind a reorganization of the MTPD in 2013. This has allowed MTPD to allocate resources – including the use of on-board officers, as well as officers “trailing” buses – where they are most needed. I want to thank you again for your leadership in support of our efforts to improve the safety of our bus operators.

ON-TIME PERFORMANCE

Bus on-time performance improved each consecutive year since 2010 through 2012 by approximately one percentage point each year. Incremental improvement continued through the second quarter of CY2013. The improvement was attributed to a fleet technology upgrade that allowed for better tracking of bus locations which provide more accurate arrival times.

Rail on-time performance for 2013 was 92%, a full percentage point better than the prior year’s performance. Many concurrent efforts underpin this sustained improvement, including enhanced Train Operator training program. All the actions together have resulted in better, more reliable train operations, as well as swifter, more focused responses to service disruptions, allowing quicker restoration of normal service. Improvements to track and signal work in 2013, particularly the elimination of regularly scheduled mid-day track work, and the curtailing of evening track work, has allowed maintenance crews to perform critical system maintenance while maximizing quality service delivery.

Escalator availability for 2013 was 92.2%, more than 3% better than the prior year’s performance. In comparison to 2012, availability was better for every month in 2013. Metro will continue its escalator modernization program throughout 2014, as part of its program to fully replace more than 120 escalators by 2020.

CUSTOMER SERVICE

Approximately two years ago, Metro launched an Authority-wide Customer Service Action Plan designed to improve the day-to-day customer experience. More than 100 actions were implemented throughout Metro to improve customer service, ranging from changing communications practices to replacing and rehabilitating escalator, training station managers and improving bus schedules.

Research was conducted with customers and employees to define good customer service and with the research in hand and a better understanding of customer priorities; the Customer Service Action Plan was developed.

Let me share with you some examples of the customer service improvements that have been completed as part of the Customer Service Action Plan:

- Station managers now remain outside of the kiosk during rush hours
- SmarTrip® card dispensers are now available on every mezzanine and we've seen SmarTrip card accounts grow by 60% or 720,000 more riders than last year
- Nearly 75% of bus operators have completed "We Care" training
- Closed Circuit Televisions (CCTV) have been installed on all buses
- New bus stops signs have been installed and we've introduced new bus maps
- MetroAccess successfully implemented its new business model that includes higher performance standards and efficiency improvements.
- Metro Transit Police introduce a way to send them text messages and additional MTPD officers were hired to enhance bus security

Metro has made significant process improvements and clearly defined roles and responsibilities related to incident management and incident communications; including rapidly deploying managers and police to incidents that arise, and providing station managers with information technology tools that allow them to more quickly get information that they are then able to relay to riders. Some of the other improvements we have made include:

- A joint supervisory training program was developed for incident response employees, including Rail Transportation, Transit Police and Emergency Management staff.
- Kiosk screens, which have been installed at every station entrance to respond to rider feedback requesting advance notification of incidents prior to paying their fares.
- Expansion of MetroAlerts to include more than 75,000 customers.
- Extended Customer Service Call Center hours – now open until 7 pm on weekdays

In December, the Board of Directors adopted a Customer Value Summary Statement and Metro's Commitment to Customers to lay the groundwork for the Authority-wide customer care initiative.

OPERATING BUDGET

Metro delivered the FY2013 operating budget with a net positive year-end position of \$30.2 million. Total operating expenses were \$1,525.6 million, \$50.5 million less than budget. Total operating revenues were \$853.6 million, \$20.3 million or 2.3 percent below budget. Of that total, approximately \$6 million was due to rail and bus ridership losses from Hurricane Sandy and the unexpected Christmas Eve federal holiday granted by the President. Beyond those one-time events, reduced fare revenue on Metrorail, as a result of lower than projected ridership and the changes to the Federal Transit Benefit, were the primary drivers of the overall negative

revenue variance. For FY2013, Metrorail fare revenue was \$20.6 million below budget, while Metrobus fare revenue was \$0.3 million above budget, and MetroAccess fare revenue was \$0.6 million above budget. Parking revenue was below budget by \$3.0 million or 6.1 percent due to lower than projected utilization.

Total Metro ridership for FY2013 was below budget by 7.2 million (2.0 percent) and below FY2012 totals by 9.5 million (2.7 percent). Nearly all of the FY2013 underrun was attributable to lower ridership on Metrorail. Metrobus ridership finished the year with ridership above budget and only slightly below the previous year (and would have been slightly above if not for Hurricane Sandy).

PLANNING FOR THE FUTURE

We know that rebuilding alone will not prepare us for the future of Metro. Over the next three decades the region is expected to add half a million people and almost 100,000 new jobs. We know that all of these jobs and households – if they come – will push the system beyond its capacity, and right now we simply do not have the system that all of this growth will require. Based on regional models, Metrorail ridership will grow from just under 800,000 trips per day in 2012 to almost 900,000 per day this decade. Based on similar models, Metrobus will see ridership grow from approximately 450,000 trips per day in 2012 to almost 500,000 trips per day this decade.

In short, the region's vision for future growth and economic vitality are at risk. If we don't make a secure recommitment to the region's mass transit network, the unprecedented growth the District has seen may falter and we will be at a competitive disadvantage.

That's why the WMATA Board adopted *Momentum* – a strategic plan to continue rebuilding Metro inside and out and also to build a transit system that will keep the region competitive for decades to come.

To prepare for the region's future growth, a \$6.5 billion investment will be necessary, approximately \$6.1 billion more than planned in Metro's current capital budget from FY 2014 - 2019. To support both continued rebuilding and the Metro 2025 program, both federal and regional investment levels must be sustained and an additional \$6.1 billion contribution is vital.

If the current federal investment remains the same, each jurisdiction would need to increase its annual average contribution from an average of about \$120 million in FY2014 to \$170 million in FY2015, \$280 million from FY 2016 through 2020, and \$360 million from 2021 through 2025. I want to once again acknowledge the early support the Council has shown for Momentum through the creation of the Momentum fund in last year's budget.

BENEFITS OF MOMENTUM TO THE DISTRICT OF COLUMBIA

Momentum supports the District of Columbia's vibrant economy and rapidly growing population.

Here are a few examples:

- Less congestion on District streets -Metro 2025 will result in 135,000 fewer cars on the roads each day, 59% of which would have created traffic jams and air pollution
- Neighborhood preservation – 8 car trains with 35% more capacity can carry 35,000 more passengers per hour in the District
- Downtown vitality – more people will be able to access downtown by transit and eliminate need to build 29,000 parking spaces at a cost of \$590 million

- Faster buses – District residents, 40% of whom take transit to work today, will enjoy faster bus service
- Savings to District Transit Riders – Metro 2025 enables District residents to own 4,600 fewer cars
- Savings to District Drivers – District residents who do drive will save over \$10 million per year because of reduced congestion on the roads
- Crowding relief to District Metrorail riders – By expanding capacity, Metro 2025 reduces the number of riders experiencing crowded conditions from 26% to 9%
- Economic competitiveness – Metro 2025 allows the District to continue to compete for new jobs and residents by offering better transit services.
- DC recognizes \$178 million per year in additional property tax revenues because property within ½ mile of Metrorail is valued at a premium
- Makes Metro more efficient – The investments in Momentum will provide more transit service for every dollar invested by the District.

A major component of Metro 2025 is moving to 100% 8-car trains. System wide rail capacity during peak hours would **increase** 35,000/hour with 100% 8-car trains. The decision to invest in 8-car trains needs to be made soon in order for Metro to take advantage of an option to purchase additional 7000 railcars for the longer trains. If the option is not exercised by August of 2015, not only will future cars be more expensive, it will also take an additional five years to procure new cars, which is the typical design and manufacturing cycle for railcars.

The momentum to rebuild, sustain, and grow Metro to support the region requires the support of all stakeholders. Our accomplishments to date, and the ability to continue service the transportation needs of District residents, would not be possible without the steadfast support of

the District of Columbia. I want to extend my special thanks to the Council for creating the Momentum Fund.

Once again, I want to thank you for the opportunity to be here today. Your leadership and the Council's support of Metro are critical to our continued success. I would be pleased to answer your questions.