



NOTICE OF PUBLIC HEARINGS

- 1. PROPOSED FARE ADJUSTMENTS ON METRORAIL, METROBUS AND METROACCESS**
- 2. PROPOSED ADJUSTMENTS TO PARKING RATES AND FEES**
- 3. PROPOSED ADJUSTMENTS TO THE RESERVED PARKING PROGRAM**

Docket No.
B07-3

Persons wishing to testify are requested to furnish at least five days prior to the proposed date of appearance the name, address, telephone number and organization affiliation, if any, to: Office of the Secretary, Washington Metropolitan Area Transit Authority, 600 Fifth Street, NW, Washington, D.C. 20001. Alternatively, you may fax this information to 202-962-1133. Please submit only one speaker's name per letter. Lists of individual speakers will not be accepted. Others present at the hearing may be heard after those persons who have registered have spoken. Public officials will be heard first and will be allowed five minutes each to make their presentations. All other speakers will be allowed three minutes each. Relinquishing of time by one speaker to another will not be permitted.

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
 NOTICE OF PUBLIC HEARINGS ON PROPOSED METROBUS
 METRORAIL AND METROACCESS FARE CHANGES, CHANGES TO
 PARKING RATES AND FEES, AND ADJUSTMENTS TO THE
 RESERVED PARKING PROGRAM**

Notice is hereby given that six public hearings will be held by the Washington Metropolitan Area Transit Authority (WMATA), on proposed Metrobus and Metrorail fare changes, and changes to the parking and reserved parking programs. The hearings will be held as follows:

Hearing No. 525 <u>Tues., November 13, 2007</u> Bechtel Conference Center 1801 Alexander Bell Drive Reston, VA 20191	Hearing No. 526 <u>Wed., November 14, 2007</u> Jackson Graham Building 600 Fifth St. NW Washington, D.C. 20001	Hearing No. 527 <u>Wed., November 14, 2007</u> Montgomery County Council Building 100 Maryland Avenue Rockville, MD 20850
Hearing No. 528 <u>Thurs., November 15, 2007</u> St. Luke's Center 4923 East Capitol Street, SE Washington, D.C. 20019	Hearing No. 529 <u>Thurs., November 15, 2007</u> Arlington County Government #1 Courthouse Plaza 2100 Clarendon Blvd., Rm. 307 Arlington, VA 22201	Hearing No. 530 <u>Thurs., November 15, 2007</u> Prince George's Sports & Learning Complex – Town Hall Room 8001 Sheriff Rd. Landover, MD 20785

All hearings are scheduled to begin at 7 p.m. An Open House will be conducted prior to each hearing at 6:30 p.m.

The locations of these hearings are wheelchair accessible. Any individual who requires special assistance such as a sign language interpreter or additional accommodation to participate in the public hearing, or who requires these materials in an alternate format, should contact Ms. Danise Peña at 202-962-2511 or TTY: 202-638-3780 by Wednesday, November 7, 2007 in order for WMATA to make the necessary arrangements.

The Washington Metropolitan Area Transit Authority (WMATA), in accordance with Section 62 of the WMATA Compact and Federal Transit Administration regulations, is conducting a series of public hearings to solicit public comment on: 1) proposed adjustments to Metrobus and Metrorail fares; 2) proposed adjustments to parking rates and fees, and proposed adjustments to the reserved parking program. These changes would begin on or about January 6, 2008. WMATA is proposing to implement the fare adjustment in early 2008, before the beginning of FY09, and the additional revenue would be reserved for use until July 2008, which is the official start of FY09. Collecting the required revenue over 18 months, as opposed to the traditional 12 months, tends to moderate the magnitude of the fare changes as well as the financial impact on rail and bus patrons.

BACKGROUND

WMATA's Metrobus, Metrorail and MetroAccess services are a vital element of the region's transportation network. These systems provide the region with accessibility and a mobility option for commuter trips, social-recreational trips and, in many cases, a lifeline to medical services and facilities. On an average weekday, members of the Washington regional community take nearly 1.3 million trips on these systems. Almost half of the people who use the Metrorail system to commute to work are federal employees, and more than 50 federal facilities are served by the Metrorail system alone.

Metro provides exceptional value to customers, and Metro and the jurisdictions have kept fare increases below the inflation rate for more than a decade. Metro fares have increased approximately 14% for bus and 23% for rail since 1995, while the inflation rate has grown more than 38%. Even with fare increases, customers still will not pay the full cost of their transportation. In addition, Metro came in more than \$100 million under budget since 1998, and returned the additional revenue to funding jurisdictions.

Maintaining an efficient organization is central to Metro's mission. Metro is a lean organization, and made personnel cuts and program changes that avoided a fare increase in the summer of 2007. These changes are also yielding savings of over \$38 million each year into the future. In addition, Metro will continue to improve service in

FY08 and beyond, by adding rail cars, making bus service more efficient, and improving communications with customers.

However, Metro now finds itself in the unenviable position of having insufficient revenues and public subsidy to balance its FY09 operating budget. The ability to fully fund the operations, maintenance and rehabilitation needs of Metrobus, Metrorail and MetroAccess services becomes increasingly more difficult, due to the financial constraints of the states and jurisdictions that support WMATA. Passenger revenues will have to increase in order to maintain service.

FY09 OPERATING BUDGET REQUIREMENTS

The WMATA operating budget is composed of the costs to operate and maintain the Metrobus, Metrorail and MetroAccess systems. For FY09, a funding shortfall of \$109 million has been forecast and WMATA must ask for a fare increase to cover this deficit. Ideally, the fare increase to cover this deficit will begin in early calendar year 2008, and the additional revenue would be reserved for use until July 2008. A fare increase that begins in early 2008 would amount to less of an increase for patrons, while waiting until July 2008 to implement the fare increase would amount to a higher percentage increase in fares.

WMATA's current operating budget is affected by three major cost drivers: a one time funding source from FY08 has been used up, increasing personnel expenses and growth in the costs for energy. Since 1995, the cost of fuel and electricity has grown faster than the rate of inflation, with fuel and electricity growing by 340 and 30 percent, respectively. This growth was not passed on to Metro's customers. All these budget elements, plus nominal inflation on the general cost of goods and services have resulted in cost growth that exceeds revenue growth.

For FY09, with no fare increase, passenger revenue is expected to grow by approximately \$8 million. This is based on an assumption of a 1% growth in bus and rail ridership. Expenses, however, driven by increases in the factors listed above, are expected to increase \$81 million. Added to the \$81 million is \$40 million from a one-time-only funding source which was used to balance the FY08 budget. The result is a \$121 million funding increase needed for next year just to keep the system running and

to provide the same level of service as in FY08. In addition to base budget increases there is a forecasted need of \$20 million for new and expanded service in FY09.

WMATA has historically recovered about 55 percent of its operating costs on Metrobus and Metrorail from passenger fares and non-passenger revenue and 45 percent from state and local government subsidies. The state and local governments have indicated that the amount of subsidy increase that their budgets can absorb could be up to 6.5 percent. While this is a significant increase in government subsidy, it is not sufficient to address the total funding shortfall. WMATA is addressing the shortage of operating revenue by taking aggressive action to contain costs without reducing the current levels of service and without comprising safety and security, and significant operating budget reductions for the agency have resulted.

Cost containment actions and increases in state and local government subsidy assistance will still leave a budget gap of about \$109 million. In order to close this gap without reducing service, WMATA proposes to increase passenger fares, parking rates and fees and increase reserved parking fees. After considerable discussion regarding operating budgets, cost adjustments, the level of state and local government subsidy, and the impact of fare adjustments on various markets and residents of the region, the Board of Directors of WMATA decided to take a \$109 million fare adjustment package to public hearing. The elements of this proposed fare adjustment are contained in Attachment A.

PUBLIC COMMENT

The WMATA Board of Directors requests public comment on these proposals for FY09 fare adjustments and adjustments in FY09 parking rates and the reserved parking program. Public comment can be made on these proposals or other proposals the public may deem appropriate. Public comment and statements will be accepted on this docket through November 25, 2007 to the Office of the Secretary, WMATA, 600 Fifth Street NW, Washington D.C. 20001. Alternatively, you may send an e-mail to public-hearing-testimony@wmata.com. Please reference the Hearing and/or Docket Number shown on the front of this document in your submission. The WMATA Board of Directors will review the public record and receive a staff report on the public hearings prior to acting on any of the proposals contained in this docket.

Attachment A

PROPOSED FARE ADJUSTMENTS FOR METRORAIL, METROBUS AND METROACCESS AND PROPOSED CHANGES IN PARKING RATES AND FEES

I. METRORAIL

1. Proposed Metrorail Peak Fare Changes
 - a. Increase the base boarding charge, which covers the first 3 composite miles from \$1.35 by up to \$0.30 for a maximum of \$1.65.
 - b. Increase the peak period mileage charge, covering travel over 3 composite miles and up to 6 composite miles from \$0.22/composite mile by up to \$0.05/composite mile for a maximum of \$0.27/composite mile.
 - c. Increase the peak period mileage charge, covering travel over 6 composite miles from \$0.195/composite mile by up to \$0.045/composite mile for a maximum of \$0.24/composite mile.
 - d. Increase the maximum peak period fare of \$3.90 by up to \$0.80 for a maximum of \$4.70.
 - e. Maintain the charge for Senior/Disabled trips at one half the regular fare.
2. Proposed Metrorail Off-Peak Fare Changes
 - a. No changes are proposed to Metrorail off-peak fares.

II. METROBUS

1. Proposed Metrobus Fare Changes
 - a. Increase the cash boarding charge of \$1.25 by up to \$0.10, for a maximum of \$1.35 all day. The boarding charge for SmarTrip® remains at \$1.25.
2. Proposed Metrobus Express Service Fare Changes
 - a. Increase the cash boarding charge of \$3.00 by up to \$0.10 for a maximum of \$3.10. The boarding charge for SmarTrip® remains at \$3.00.
3. Extend the Metrobus bus-to-bus transfer period from two to three hours.
4. Increase all special Metrobus fares by \$0.25.
5. The Senior and Disabled fare on Metrobus will not increase.

III. METRORAIL/METROBUS TRANSFERS

1. It is proposed that after a one-year transition, the Rail-to-Bus discount will be valid on SmarTrip® only, and
2. It is proposed that after a one-year transition, the free Bus-to-Bus transfer will be valid on SmarTrip®, only

IV. METROACCESS

1. No changes are proposed to MetroAccess fares
2. No changes are proposed to MetroAccess supplemental zone fares

V. FARE MEDIA - PASSES

1. Proposed Changes to Metrorail Fare Media
 - a. It is proposed to increase the price of the Metrorail One Day Pass from \$6.50 to \$7.80.
 - b. It is proposed to increase the price of the Metrorail Weekly Short Trip Pass from \$22.00 to \$26.40.
 - c. It is proposed to increase the price of the Metrorail Weekly Fast Pass from \$32.50 to \$39.00.
 - d. It is proposed to increase the price of the Metrorail SmartStudent Pass from \$22.00 to \$26.00.
 - e. It is proposed to increase the price of the Metrorail Transit Link Card on MARC and VRE from \$65.00 to \$80.00.
 - f. It is proposed to increase the price of the Metrorail Transit Line Card on MTA from \$100.00 to \$135.00.
 - g. It is proposed to increase the price of the charge of DC Student farecards from \$6.50 for 10 trips to \$8.00 for 10 trips.
 - h. It is proposed to eliminate the Metro Passport.
2. Proposed Changes to Metrobus Fare Media
 - a. The price of the Metrobus weekly flash pass remains the same.
 - b. The price of DC student tokens remains the same.
 - c. The price of the weekly Senior Flash Pass remains the same.

- d. The price of the weekly Disabled Flash Pass remains the same.
- e. It is proposed to eliminate the Regional Metrobus One Day Pass.
- f. It is proposed to eliminate regular Metrobus tokens.

VI. PARKING

1. Proposed Changes to Daily Parking Rates

- a. Increase daily parking rates by up to \$1.15 at Metro parking facilities.
- b. Increase the New Carrollton County Garage base parking fee by up to \$70.00 per month and increase the surcharge fee to \$15.00 per month.
- c. Increase the rate for Metro parking meters to \$1.00 for 60 minutes.
- d. Eliminate the \$25.00 Redskins game day parking fee at Morgan Blvd. and Largo Town Center Metrorail stations.
- e. Extend the non-Metro parking fee to all Metrorail stations.

2. Proposed Changes to Monthly Reserved Parking Rates

- a. Increase the monthly parking rate for reserved parking from \$45.00 by up to \$10.00 per month for a maximum of \$55.00/month.
- b. Increase the amount of reserved parking spaces by up to 3,500 spaces.

VII. CONTRACT AND CHARTER RATES

- 1. Increase Metrobus Contract and Charter rates by 20 percent.**