

GETTING METRO BACK2GOOD.

INTRODUCTION

Since taking the helm on November 30, 2015, General Manager and Chief Executive Officer (GM/CEO) Paul J. Wiedefeld has partnered with Metro's Board of Directors to restore public confidence by improving safety and security, making service more reliable, and getting Metro's financial house in order. On his first anniversary, Mr. Wiedefeld has laid out a path forward that builds on the progress underway in 2016 and further improves the safety and reliability of Metro's train and bus service in 2017.

WHAT IS BACK2GOOD?

Back2Good is Metro's plan for 2017 to improve safety, reduce delays caused by problems with the tracks and railcars, and provide a balanced budget based on what the region can afford. This will happen through programs that:

- Institute aggressive, new preventive maintenance efforts with the goal of cutting in half delays to trains caused by track problems
- Convert ALL 8-car trains to new 7000 Series cars
- Operate trains on schedule with fewer offloads by retiring the oldest and least reliable cars (1000 and 4000 Series cars) that are responsible for a third of all train delays; and conduct focused maintenance campaigns on the legacy fleet for the most problematic issues
- Visibly improve station cleaning and lighting
- Prevent "near misses" on Metrorail tracks that endanger workers and inspectors

YEAR ONE RECAP – 2016

Safety

Mr. Wiedefeld moved quickly to streamline Metro's senior management – cutting his executive team in half and recruiting high-caliber executives, including new safety and operations chiefs with more than three decades of experience in the NYC subway system.

"Safety Trumps Service" was communicated across the Authority through meetings with all employees, and accountability reforms were enacted governing nepotism and ethics, as well as designating all managers as "at-will" employees.

When the deteriorated condition of the tracks presented safety concerns, Mr. Wiedefeld shut down the system, launched the new SafeTrack emergency repair program to address the worst track conditions, and ordered layers of inspections and quality control measures that dramatically increased train speed restrictions, further protecting passengers and employees.

Service

Safer, cleaner, more reliable new trains are serving more customers, as delivery of new 7000 Series railcars from Kawasaki's Nebraska plant was accelerated from eight to 20 cars per month, and there are now 27, 7000 Series train sets in passenger service.

BACK2GOOD

Metro introduced a number of popular customer features, including an exit/entry grace period (more than 150,000 credits issued in first three months), a new website geared for mobile users, a station WiFi pilot, and began online customer service support through social media (responding to ~ 65% of @wmata mentions).

MyTripTime was launched in July, allowing customers to measure their daily commute experience based on when they tap in and out of the system. Rider commendations of rail service increased by 50% over last year, driven by positive customer interactions with employees. The Metro Volunteer Program (MVP) added 20 dedicated local volunteers to assist visitors in stations every weekend.

On the bus side, accessibility for all riders has improved, as the active fleet of 1,500 buses has been converted to 100% low-floor. For paratransit customers, a pilot program was developed called AbilitiesRide that will give riders more choice between public and private transportation carriers.

Financial Management

Metro ended Fiscal Year 2016 on budget, and received an on-time, “clean” audit with no new findings for the first time in three years. Also, for the first year in recent history, Metro’s capital program invested a billion dollars in the system, driven primarily by improved management and the accelerated delivery of new railcars.

Through the tough first quarter of Fiscal Year 2017, Metro has reduced the workforce by more than 500 on a path to reducing 1,000 positions, cut health care and back office expenses, and closed sales offices to reduce costs. Metro is also in the process of outsourcing certain functions, including select quality control work to increase operating efficiency and revenue.

MORE HARD TRUTHS

- SafeTrack must be replaced with aggressive maintenance that prevents track defects
- Weekend and late evening work needs to continue to address major repairs
- It’s not just tracks; it’s trains. Railcar mechanical failures cause 60 percent of train delays
- Earning new and returning riders requires better service, not better messaging
- Budget reality check: projections for the Fiscal Year 2018 operating budget reveal a gaping hole (\$290 million deficit)
- A true Metro turnaround will require regional support to address structural funding of operating and capital budgets for years to come

YEAR TWO PRIORITIES – 2017

Safety – Prevent near misses

- Red Signal overruns – new software onboard trains will prevent an inattentive train operator from passing a red signal by requiring the operator to perform multiple sequential actions before they can move their train. In addition, stations that have the highest frequency of red signal overruns are having their signals upgraded to LED bulbs to improve their visibility to operators and prevent overruns, which will be completed in early 2017.
- Enhance technology for roadway worker protections in hazardous areas.
- Complete work on schedule for installing the public radio system and activating cellular service in the tunnels as work is completed, with certain Blue/Orange and Red Line segments coming online in 2017.

Service – Reduce delays and offloads from track defects and railcar failures

- Cross the SafeTrack finish line in June and move to preventive maintenance. Metro's proposed preventive maintenance plan is the first of its kind for the agency and provides industry grade standards. Preventive maintenance is the "anti-SafeTrack" that prevents emergency conditions and will begin to cut infrastructure related delays to trains in half.
- Next: execute a "Get Well" plan for railcars. Accelerate the retirement of the oldest and most unreliable cars, commission a total of 50 new trains, implement targeted repair campaigns of defective components on the legacy fleet, and rebalance the rail yards to avoid missing terminal dispatches.
 - By the end of 2017, all 8-car trains will be 7000 Series consists
 - All 1000 Series cars will be retired before December 2017
 - Accelerate retirement of least reliable (4000 Series) cars – all 100 removed from service by end of 2017, subject to NTSB agreement
 - Released from the burden of bellying and operating with the least reliable cars, rebalance rail yards to have the right number of trains per line for the start of service every morning as well as the afternoon peak
 - Begin operating same series consists to improve train line performance
 - Complete component fixes on legacy fleet – 2000, 3000, 5000 and 6000 Series cars, including HVAC, propulsion systems, and pneumatic brakes to reduce train offloads
 - Finish replacing carpet with resilient flooring on 6000 Series cars

The Railcar Get Well Plan will reduce passenger offloads and cut delays due to train car issues by 25% in 2017.

- Make stations cleaner and brighter, and improve station management, to better serve customers
 - Instead of every four years, all 91 stations will be power washed, scrubbed, and polished annually – improving the surfaces commuters touch and walk on.
 - Each station will be assigned a "champion" among senior managers to work with station personnel to ensure internal coordination of timely repairs to equipment and systems.
 - Stations undergoing major renovations next year will also receive lighting upgrades that increases brightness and visibility on mezzanines and platforms.
- Adopt peer review recommendations to improve rail operations, including Rail Operations Control Center structural changes to streamline responsibilities, clarify duties, strengthen incident response, better manage station operations, and improve passenger information.
- Leverage Geographic Information System (GIS) technology to integrate real-time traffic data for bus operations.
- Begin testing a zero emission, battery powered bus that could become the bus fleet vehicle of the future.

Financial Management – Balance the budget and secure regional governance and funding solution

- Further reduce expenses by eliminating a total of 1,000 positions
- Outsource functions including certain quality assurance programs
- Decrease reliance on federal funds for maintenance
- Board approval of Reality Check Fiscal Year 2018 budget to fully fund annual requirements
- Secure regional support for PRIIA reauthorization to continue funding safety and reliability critical capital projects
- Deliver 90% of the capital program
- Institute the AbilitiesRide pilot program for Maryland paratransit customers to demonstrate whether customers select private transportation services for their subsidized trips, or continue to use MetroAccess. If successful, all trips subsidized by the program will cost Metro 66% less than comparable MetroAccess trips.

BACK2GOOD

Metro will also actively engage with stakeholders who have started conversations around governance and funding solutions.

Getting Back2Good

There are many metrics to measure transit performance. What matters most to Metro is what customers think.

Without compromising safety, Mr. Wiedefeld will begin holding all Metro employees accountable for improving the customer experience by the end of 2017.

Metro is also becoming more customer-focused in the assessment of service quality. The new approach looks at:

1. Actual travel times experienced by Metro riders using the MyTripTime tool -- showing whether travel time is reliable based on the amount of time it takes for customers to tap in and out of the system during their commutes.
2. A rating that goes deeper than customer satisfaction, reflecting how riders rate their experience on three factors: safety and security, reliability, and customer service.

Reflecting the challenges of the past year, the ratings for Fall 2016 are unsurprisingly low:

- MyTripTime - 68%
- Overall Experience - 70%

We'll be tracking this closely as the Back2Good initiatives move forward next year. Improved ratings by the end of 2017 will demonstrate that Metro is getting Back2Good.