



**Finance, Administration and Oversight Committee**

**Action Item III-A**

**December 13, 2007**

**Receive Public Hearing Staff Report on Fare  
and Parking Increase and Act on Fare Proposal**

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

Action  
 Information

MEAD Number:

Resolution:  
 Yes  No

**PURPOSE**

To present the Board of Directors with the Staff Report on the Public Hearings and to request approval of a resolution increasing fares and parking fees.

**DESCRIPTION**

Six public hearings were conducted between November 13 – 15, 2007 to solicit and obtain public comment on proposed fare increase for Metrobus, Metrorail and parking. The majority of those who testified were against any change to Metrobus, Metrorail fares and parking charges. The attached Staff Report presents the summary of the public hearing testimony and the comments received.

**IMPACT ON FUNDING**

Cost containment actions and increases in state and local government subsidy assistance will still leave a FY09 budget gap of about \$109 million. The proposed adjustments to fares and parking charges would begin on or about January 6, 2008, before the beginning of FY09, and the additional revenue would be reserved for use until July 2008. Collecting revenue over 18 months will moderate the magnitude of the fare changes as well as the financial impact on rail and bus customers.

**RECOMMENDATION**

It is recommended that the Board of Directors approve the resolution increasing fares and parking fees.

PRESENTED & ADOPTED:

SUBJECT: APPROVAL OF FARE INCREASES

PROPOSED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Washington Metropolitan Area Transit Authority (WMATA) provides Metrobus, Metrorail and MetroAccess services to the residents of the region; and

WHEREAS, These systems combine to provide about 1.3 million passenger trips daily; and

WHEREAS, The Washington metropolitan region has come to rely on the services of the Metrorail, Metrobus, and MetroAccess systems to provide safe and reliable service to respond to the mobility and accessibility travel needs of the region for work and discretionary activities; and

WHEREAS, The cost of Metrobus, Metrorail and MetroAccess services is funded in part by passenger revenues and in part by subsidies provided by the District of Columbia, the State of Maryland, local jurisdictions in Virginia and the Commonwealth of Virginia; and

WHEREAS, The General Manager's estimated FY09 operating budget for Metrobus, Metrorail and MetroAccess currently includes a \$109 million shortfall; and

WHEREAS, The General Manager has recommended that the budget shortfall be addressed through state and local government subsidy increases of 6.5 percent, and passenger revenue increases; and

WHEREAS, On October 25, 2007, the Board of Directors authorized public hearings on a proposed fare increase, in accordance with Section 62 of the WMATA Compact; and

WHEREAS, Six public hearings were conducted between November 13–15, 2007, to solicit public comment on the proposed fare increase; and

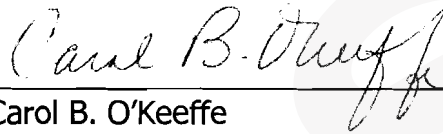
WHEREAS, The Board of Directors has considered the comments of the public as detailed in the Staff Report; now, therefore be it

*RESOLVED*, That the Board of Directors approves increases to the Metrobus, Metrorail and parking fees, as detailed in Attachment (A) to begin on or about January 6, 2008; and be it further

RESOLVED, That the Board of Directors directs staff to amend the WMATA Tariff on Metro Operations and the Subcontracting and Special Transit Service Tariff accordingly to implement this Resolution; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



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Carol B. O'Keeffe  
General Counsel

**ATTACHMENT A**  
**SCHEDULE OF FARE INCREASES**

PROPOSED

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

**I. METRORAIL**

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

**II. METROBUS**

1. Metrobus Fare Changes
  - a. Increase the cash boarding charge by \$0.10, from \$1.25 to \$1.35 all day. The boarding charge for fares paid by SmarTrip<sup>®</sup> remains at \$1.25.
2. Metrobus Express Service Fare Changes
  - a. Increase the cash boarding charge by \$0.10 from \$3.00 to \$3.10. The boarding charge for fares paid by SmarTrip<sup>®</sup> 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. After a one-year transition, the Rail-to-Bus discount will be valid for fares paid by SmarTrip<sup>®</sup> only, and
2. After a one-year transition, the free Bus-to-Bus transfer will be valid for fares paid by SmarTrip<sup>®</sup>, only

### **IV. METROACCESS**

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

### **V. FARE MEDIA - PASSES**

1. Changes to Metrorail Fare Media
  - a. Increase the price of the Metrorail One Day Pass from \$6.50 to \$7.80.
  - b. Increase the price of the Metrorail Weekly Short Trip Pass from \$22.00 to \$26.40.
  - c. Increase the price of the Metrorail Weekly Fast Pass from \$32.50 to \$39.00.
  - d. Increase the price of the Metrorail SmartStudent Pass from \$22.00 to \$26.00.
  - e. Increase the price of the Metrorail Transit Link Card on MARC and VRE from \$65.00 to \$80.00.
  - f. Increase the price of the Metrorail Transit Line Card on MTA from \$100.00 to \$135.00.
  - g. Increase the price of the charge of DC Student farecards from \$6.50 for 10 trips to \$8.00 for 10 trips.
  - h. Eliminate the Metro Passport.
2. 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. Eliminate the Regional Metrobus One Day Pass.
  - f. Eliminate regular Metrobus tokens.

## **VI. PARKING**

1. Changes to Daily Parking Rates
  - a. Increase daily base parking rates by \$1.15 at Metro parking facilities.
  - b. Increase the New Carrollton County Garage base parking fee 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 special \$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. Changes to Monthly Reserved Parking Rates
  - a. Increase the monthly parking rate for reserved parking by \$10.00 from \$45.00 per month to \$55.00 per month.
  - b. Increase the amount of reserved parking spaces by 3,500 spaces.

## **VII. CONTRACT AND CHARTER RATES**

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



# **Staff Report on Fare Increase Public Hearings**

## Executive Summary

- Six public hearings were conducted November 13-15, 2007 to solicit and obtain public comment on proposed increases for parking rates and fees, as well as Metrobus, Metrorail and MetroAccess fares.
- A total of 422 people provided input on the fare increase, either by testifying at a public hearing or submitting their comments in writing.
- Those providing comments were from the following jurisdictions:
  - o Maryland – 42.7%
  - o Virginia – 24.4%
  - o District of Columbia – 15.2%
  - o Unidentified – 17.8%
- The fare policy proposed had support from 4.7 percent of those who provided comments, and 93.3 percent did not support the fare proposal in its current form. A small number of those who commented, 1.8 percent, were neutral to the increase.
- The top comments can be categorized as follows (Please note that the percentages will not total 100%, as people often commented on several different topics):
  - o Fare increase too high (47.2%)
  - o Current service doesn't merit an increase (45.7%)
  - o Speculation that the structure of this proposal will cause people to abandon Metro (26.3%)
  - o Lack of equity for parkers and long distance rail customers (23.7%)
  - o More money needed from jurisdictions, dedicated funding (17.5%)
  - o Understand the economic pressures behind the new fare proposal (14.9%)
  - o Lack of equity for rail riders and peak period riders, especially (14%)
  - o Lack of equity for low- and middle-income riders (13.5%)
  - o Metro should cut expenses (10.7%)
  - o Metro should earn more revenue from other sources (9%)
  - o Support for fare increase would be greater with improved service (8.8%)
  - o Opposition to increasing the number of reserved parking spaces (6.9%)
  - o Metered parking increase too high (3.6%)
  - o Support for flat fare and frequent user discounts (3.6%)
  - o Support for SmarTrip® incentive (3.1%)

## Introduction

The following report is a summary overview of the comments received by Metro staff and Board members at a series of public hearings covering the FY09 Fare Proposal. In addition, this Staff Summary Report reflects written comments received at each public

hearing, those mailed, faxed or e-mailed to Metro headquarters, and those received on comment cards handed out at public meetings.

The purpose of the public hearings is twofold. First, the public hearings satisfy the requirements of Section 62 of the Metro Compact and Federal Transit Administration statutes that require public hearings be held prior to implementing a fare increase or service reduction. Second, the hearings allow Metro to solicit and obtain public comment regarding the proposed fare increase and changes to parking rates and fees.

A series of six public hearings were conducted from November 13 to November 15, 2007. Two public hearings were held in each jurisdiction. A detailed list of hearing times and locations is provided in Appendix A, as is the specific fare proposal. The public was also informed that if approved, the fare proposal was expected to take effect in early 2008 - January 6, 2008, if possible. This is because collecting fares needed to sustain FY2009 operations over an 18-month period rather than a 12-month period would allow for a lower increase.

Formal notice of these hearings was made in The Washington Post. Advertisements were also placed in The Washington Informer, The City Paper, India This Week, Express India, El Tiempo Latino and the Washington Hispanic. In addition, notice was posted on Metro's Web site, on the Passenger Information Display Systems in all Metrorail stations, in our buses and trains and sent to area libraries in Arlington, Fairfax, Montgomery and Prince George's counties, the City of Alexandria and the District of Columbia.

Standard procedures were employed at each public hearing. Prior to the hearing, Metro staff was available to respond to questions on the fare proposal and on Metro operations in general. A series of documents were available describing the fare and service changes and the potential fares for a number of typical trips from the jurisdiction where the hearing was being conducted. Metro staff also offered a variety of service information to attendees prior to the start of the hearings during an "open house" period.

At the beginning of each hearing, the presiding Board member read a prepared statement outlining the public hearing process. Then, the Metro General Manager, Deputy General Manager or Chief of Staff read a statement that included an explanation of the fare proposal. Following this, pre-registered speakers were called to the podium to offer testimony. Following the testimony of pre-registered speakers, the presiding Board member called upon speakers in the order that they registered at the hearing. Public officials were given five minutes to speak, all others were allowed three minutes to make their comments. Additionally, all attendees were informed that Metro would accept written testimony until November 26, 2007.

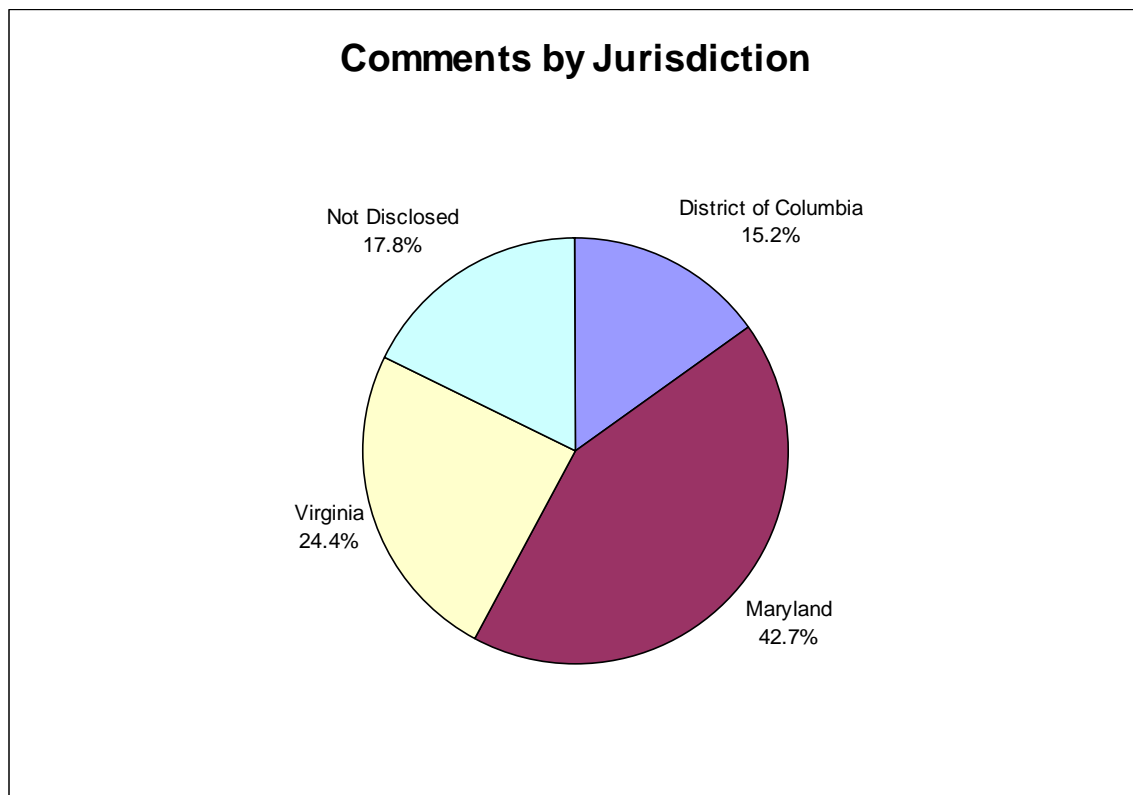
Metro received comments, either through testimony at a public hearing or in writing, from 422 people. Of these, 150 people testified at public hearings, and the remaining 272 provided written comments. In reviewing the report, it is important to remember that a single speaker may have addressed several different topics.

It is important to note, that these comments reflect only the comments of those who responded to the call for testimony. This is an analysis of qualitative data. The results should not be represented as an accurate gauge of the opinion of Metro customers in general.

### Public Comment on the FY09 Fare Proposal

#### General information

Of the 422 people who responded to the call for public comment on the FY2009 fare proposal, 42.7 percent of the respondents were from Maryland, 24.4 percent were from Virginia, 15.2 percent were from the District of Columbia, and 17.8 percent did not disclose where they lived.



A small percentage of the respondents, 4.7 percent, were in favor of the fare proposal. Of those who supported the fare proposal, 40 percent were from Virginia, 30 percent were from Maryland, 15 percent were from the District of Columbia, and 15 percent did not disclose where they lived.

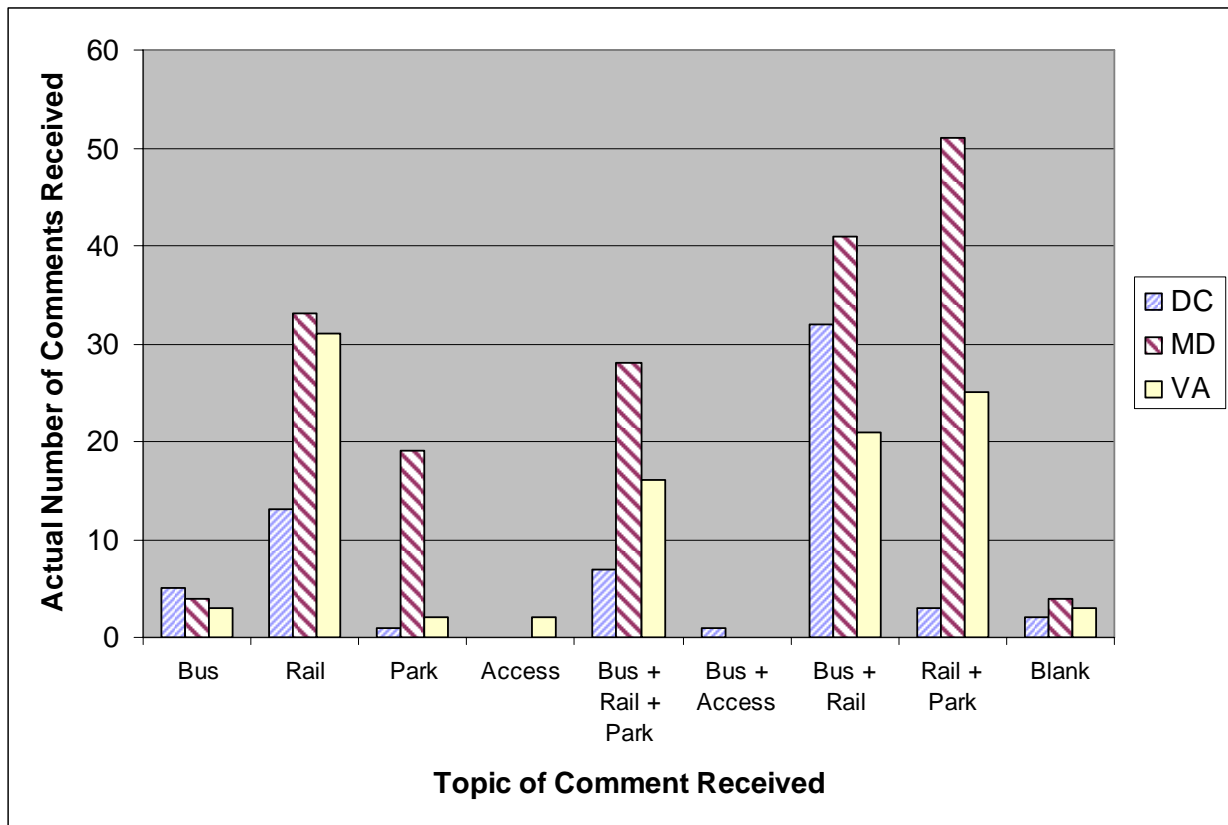
However, the vast majority of those who provided comment, 93.3 percent, were not in favor of the fare proposal as presented. Of those who did not support the fare proposal, 44 percent were from Maryland, 23.4 percent were from Virginia, 14.7 percent were from the District of Columbia and 17.9 percent did not disclose where they lived.

Of the respondents, 1.8 percent were neutral to or did not comment on the proposal. Of these, 37.5 percent were from the District of Columbia, 37.5 percent were from Virginia, 12.5 percent were from Maryland, and 12.5 percent did not disclose where they lived.

Testimony and comment covered several broad categories, as described below:

- Comments specific to rail service – 24.4%
- Comments on bus and rail service – 24.4%
- Comments on rail service and parking – 20.9%
- Comments on the overall proposal – 14.5%
- Comments specific to parking – 6.6%
- Comments unrelated to the proposal – 4.7%
- Comments specific to bus service – 3.8%
- Comments specific to MetroAccess – .5%
- Comments on bus and MetroAccess service – .2%

The graph below is provided to give a visual of what broad categories were of greatest interest to those who commented from each jurisdiction.



### Support for the fare proposal

As stated above, 4.7 percent of respondents supported the fare increase, and 93.3 percent of respondents did not. Interestingly, respondents supportive of the increase shared many of the opinions of those who opposed the fare proposal. These included:

- a call for better bus and rail service (i.e. less crowding, more frequent service)
- a call for bus and off-peak riders to share more of the costs of the system
- a call for larger contributions from the jurisdictions or dedicated funding

Additionally, there was one suggestion that there be a peak period surcharge and one suggestion that Metro allocate reserved spaces through an auction from supporters of the proposal.

### Opinions and Concerns of Customers

What follows is a breakdown of the opinions and concerns of all those responding. Charts showing the breakdown of opinions and concerns by jurisdiction are available in Appendix B.

## **Understanding of economic pressures**

Out of all who provided comments, 14.9 percent stated that they understood that a fare increase was needed, though most of them did not support the fare increase for various reasons.

## **Magnitude of Increase**

Among the respondents, 47.2 percent voiced the opinion that the fare increase proposed was too high, and many elaborated on their objection. A recurring theme forwarded by 26.3 percent of those commenting was speculation that the structure of the fare proposal would cause people to abandon Metro, either using other transit options or driving their personal vehicles. Their concern was the added traffic congestion and pollution in the region.

A small group said that they would prefer gradual increases over time, rather than sudden sharp increases. This group represented 3.6 percent of all those providing comment.

## **Equity for rail, suburban and long distance commuters**

Many of those who commented felt that the fare proposal as structured was inequitable.

Those who felt the fare proposal called for too much money from riders who must park and/or travel long distances via Metro represented 23.7 percent of all who provided comments. Those who thought the proposal placed too large a burden on rail travelers, especially peak period riders, represented 14 percent. Several commented that the difference in the fare recovery ratio between rail and bus fares was too far apart. One commenter even stated that he felt the proposal would, in effect, force lower income riders to stop using the rail system.

Additionally, 6.9 percent voiced their opposition to expanding the number of reserved parking spaces. They felt that increasing the number of spaces would make it even more difficult for long-distance commuters to use the system and would force them to drive.

Sharing these concerns, Montgomery County Executive Ike Leggett suggested that the increase for parking should be reduced to 50 cents and that the maximum fare should also only increase by 50 cents. This suggestion was echoed by several other Maryland elected officials.

There was also a small group, 3.6 percent of all who commented; who felt the metered parking increase was too high.

A small group, though, felt that the fare proposal structure was equitable to suburban and long distance riders. On this side of the debate, 1.2 percent of customers who

commented felt that the increase was fair to long distance riders because of the distance traveled and because they are able to get seats on the trains because they board early in the trip. A very small number of people, less than 1 percent in each case, felt that reserved parking should be expanded, that reserved parking rules need to be better enforced, that the hours for reserved parking should be expanded, and that Metro should charge for parking on weekends.

### **Equity for lower- and middle-income riders**

Those who thought the proposal placed a large financial burden on low- and middle-income customers represented 13.5 percent of all respondents. Many of them stated that the idea that suburban riders had higher incomes was false. These riders said they moved to outlying areas because they couldn't afford to live in the District of Columbia. Additionally, there were some riders who traveled long distances from the District to jobs in the suburbs and they felt the proposal hurt them as well.

### **Sources of funding/Metro business practices**

Another topic addressed in testimony was where the money to balance the budget should come from. Those supporting dedicated funding and more jurisdictional financial support represented 17.5 percent. A little over 9 percent felt that Metro should earn more revenue from advertising and from allowing other cell phone service providers access to the rail system. Those who stated that Metro should cut expenses or believed that its management was wasteful represented 10.7 percent. Among other ideas put forward were to generate more money from fines and from joint development projects.

### **Service**

A large number of those who provided comment, 45.7%, stated that current Metro service doesn't merit a fare increase. Among the complaints from these customers were:

- Unreliable bus and rail service
- Overcrowding on bus and rail
- Poor customer service
- Out-of-service escalators and elevators
- Difficulty understanding the public address system
- Poor communication about delays
- Rowdy youth on board Metro vehicles

Interestingly, 8.8 percent of customers who submitted comments said that they could support an increase if service was better.

### **SmarTrip® incentive**

Among respondents, 3.1 percent voiced support for the aspects of the proposal that would promote expanded SmarTrip® use among customers. Under the fare proposal, SmarTrip® users would receive free bus-to-bus and rail-to-bus transfers, and their bus



boarding charge would remain \$1.25, while the cash bus boarding charge would increase to \$1.35.

Close to 2 percent of respondents voiced objection to this aspect of the fare policy, saying the limited availability of locations to buy and recharge the cards was detrimental to the policy.

### **Bus Tokens, Transfers and SmartStudent Pass**

A small group of respondents, 1.2 percent, asked that paper bus transfers not be eliminated, and 1.4 percent asked that tokens not be eliminated. One speaker also asked that the SmartStudent Pass price remain unchanged. His point was that when this pass was implemented the price was determined to be the cost of four weekly flash passes. This speaker also felt that in the future District of Columbia school tokens should be replaced with less expensive paper SmarTrip® cards when they are available.

### **Flat fare**

A small number of people, 3.6 percent, discussed their desire for either a flat fare and discounts for SmarTrip® and frequent users of Metro.

### **Timing of fare increase**

About 1 percent of those who provided comments felt that it was premature to be discussing a fare increase or that the fares for FY09 shouldn't be collected over 18 months, as proposed. Among these customers was the feeling that there should not be public hearings on a fare increase until a budget for FY09 was presented. There was also a feeling that projected ridership growth was too conservative, and that the budget shortfall may not be as large as projected. Among these respondents, there was also the opinion that collecting FY09 fares over an 18-month period would be like asking people to pay for service they haven't received.

### **Decision making by non-elected Board**

A little over 1 percent of those responding, 1.4 percent, felt that it was inappropriate to allow a Board of appointed officials to make decisions on fare increases. They argued that the fares were a form of taxation, and that only elected officials should have that authority.

# APPENDIX A: DOCKET B07-3

# **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:

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

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](mailto: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.

APPENDIX B:  
COMMENTS BY JURISDICTION

**The following charts break down, by jurisdiction, the major categories of opinions and concerns captured in testimony. (Allow for minor rounding errors.)**

Fare increase too high (199 of all respondents)

District of Columbia:	9.5%
Maryland:	51.2%
Virginia:	23.6%
Undisclosed:	15.5%

Current service doesn't merit an increase (193 of all respondents)

District of Columbia:	12.9%
Maryland:	41.5%
Virginia:	24.8%
Undisclosed:	20.7%

The structure of proposal will cause people to abandon Metro (111 of all respondents)

District of Columbia:	6.3%
Maryland:	53.1%
Virginia:	26.1%
Undisclosed:	14.4%

Lack of equity for parkers and long distance rail customers (100 of all respondents)

District of Columbia:	10%
Maryland:	53%
Virginia:	26%
Undisclosed:	11%

More money needed from jurisdictions, dedicated funding (74 of all respondents)

District of Columbia:	20.2%
Maryland:	39.1%
Virginia:	31%
Undisclosed:	9.4%

Understand the economic pressures behind the new fare proposal (63 of all respondents)

District of Columbia:	11%
Maryland:	42.8%
Virginia:	23.8%
Undisclosed:	22.2%

Lack of equity for rail riders and peak period riders, especially (59 of all respondents)

District of Columbia: 13.6%  
Maryland: 44.1%  
Virginia: 30.5%  
Undisclosed: 11.9%

Lack of equity for low- and middle-income riders (57 of all respondents)

District of Columbia: 33.3%  
Maryland: 45.6%  
Virginia: 17.5%  
Undisclosed: 3.5%

Metro should cut expenses (45 of all respondents)

District of Columbia: 22.2%  
Maryland: 37.7%  
Virginia: 24.4%  
Undisclosed: 15%

Metro should earn more revenue from other sources (40 of all respondents)

District of Columbia: 12.5%  
Maryland: 27.5%  
Virginia: 37.5%  
Undisclosed: 22.5%

Support for fare increase would be greater with improved service (37 of all respondents)

District of Columbia: 19%  
Maryland: 29.7%  
Virginia: 27%  
Undisclosed: 24.3%

Opposition to increasing the number of reserved parking spaces (29 of all respondents)

District of Columbia: 0%  
Maryland: 51.7%  
Virginia: 27.5%  
Undisclosed: 20.6%

Metered parking increase too high (15 of all respondents)

District of Columbia: 0%  
Maryland: 93.3%  
Virginia: 0%  
Undisclosed: 6.7%

Support for flat fare and frequent user discounts (15 of all respondents)

District of Columbia: 20%  
Maryland: 53.3%  
Virginia: 13.3%  
Undisclosed: 13.3%

Support for gradual increases (15 of all respondents)

District of Columbia: 0%  
Maryland: 33.3%  
Virginia: 40%  
Undisclosed: 26.7%

Support for SmarTrip® incentive (13 of all respondents)

District of Columbia: 15.3%  
Maryland: 30.7%  
Virginia: 46.5%  
Undisclosed: 7.5%



# Receive Public Hearing Staff Report on Fare and Parking Increase and Act on Fare Proposal

*Presented to the Board of Directors:*

**Finance, Administration and Oversight Committee**

December 13, 2007

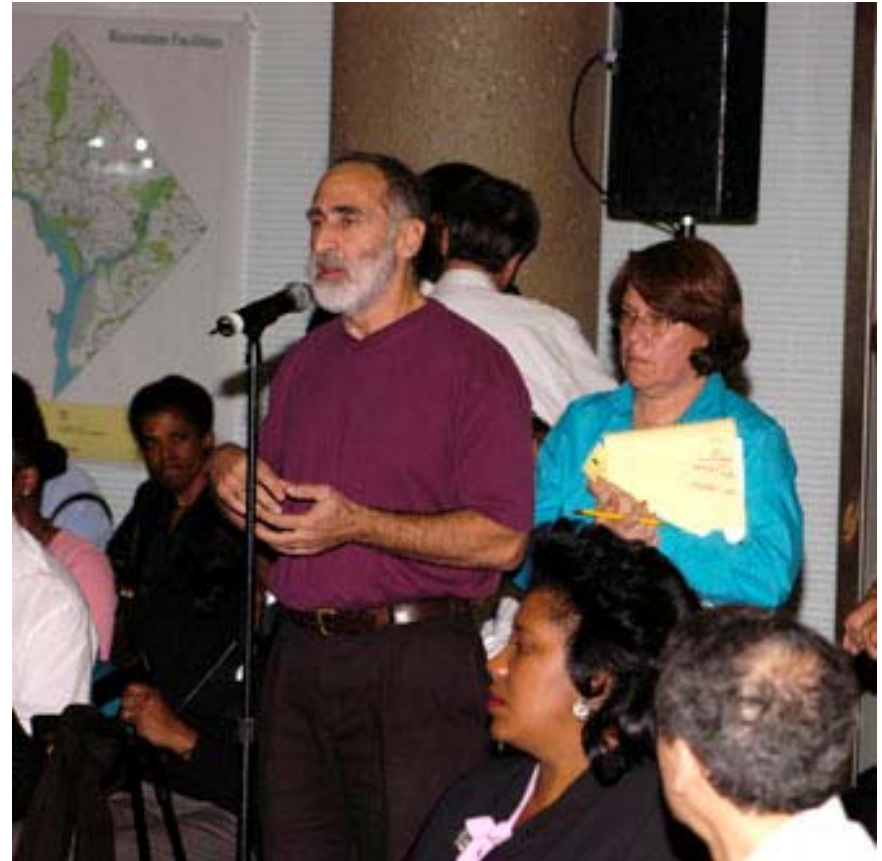




# Background

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- Six public hearings were held from November 13–15, two in each major jurisdiction
- Comments received from 422 people
- 150 people testified at the hearings
- 272 people provided written testimony

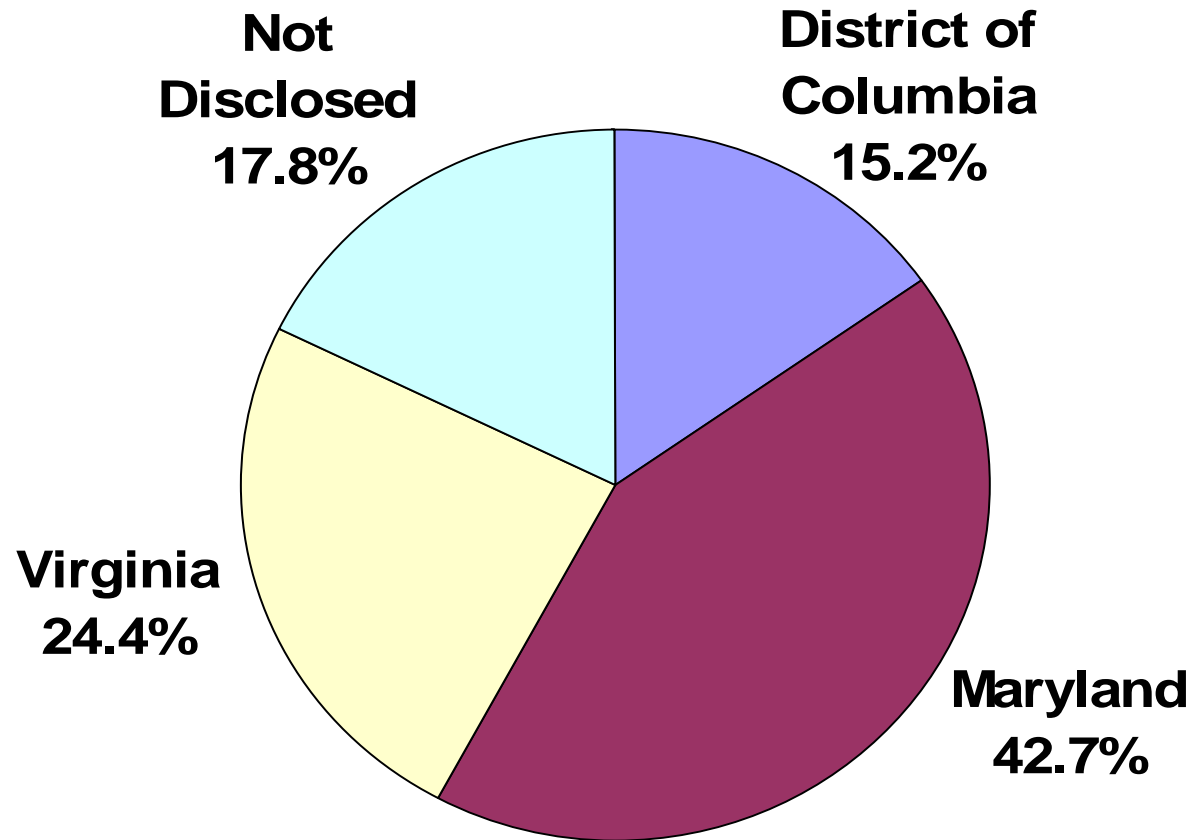






# Comments by Jurisdiction

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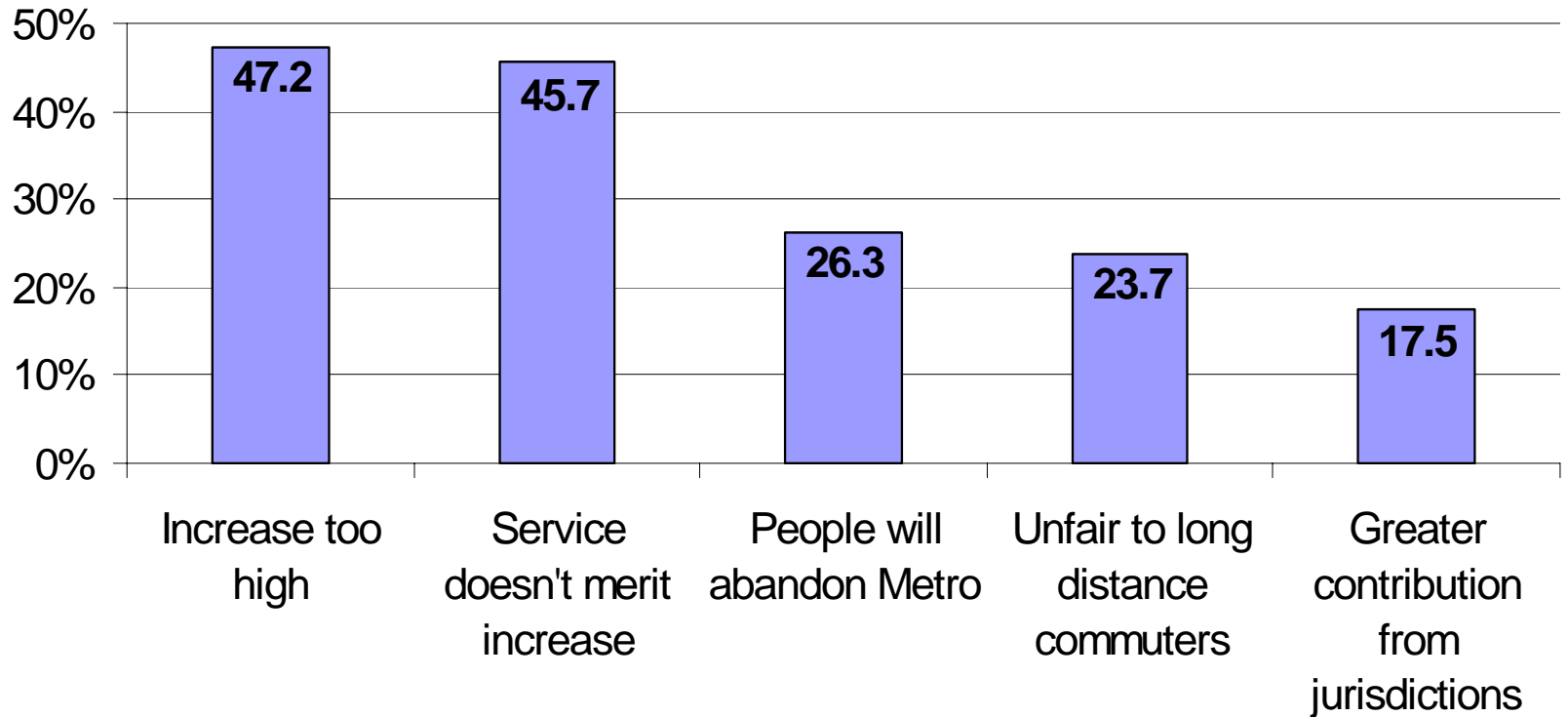




# Specific Opinions and Concerns

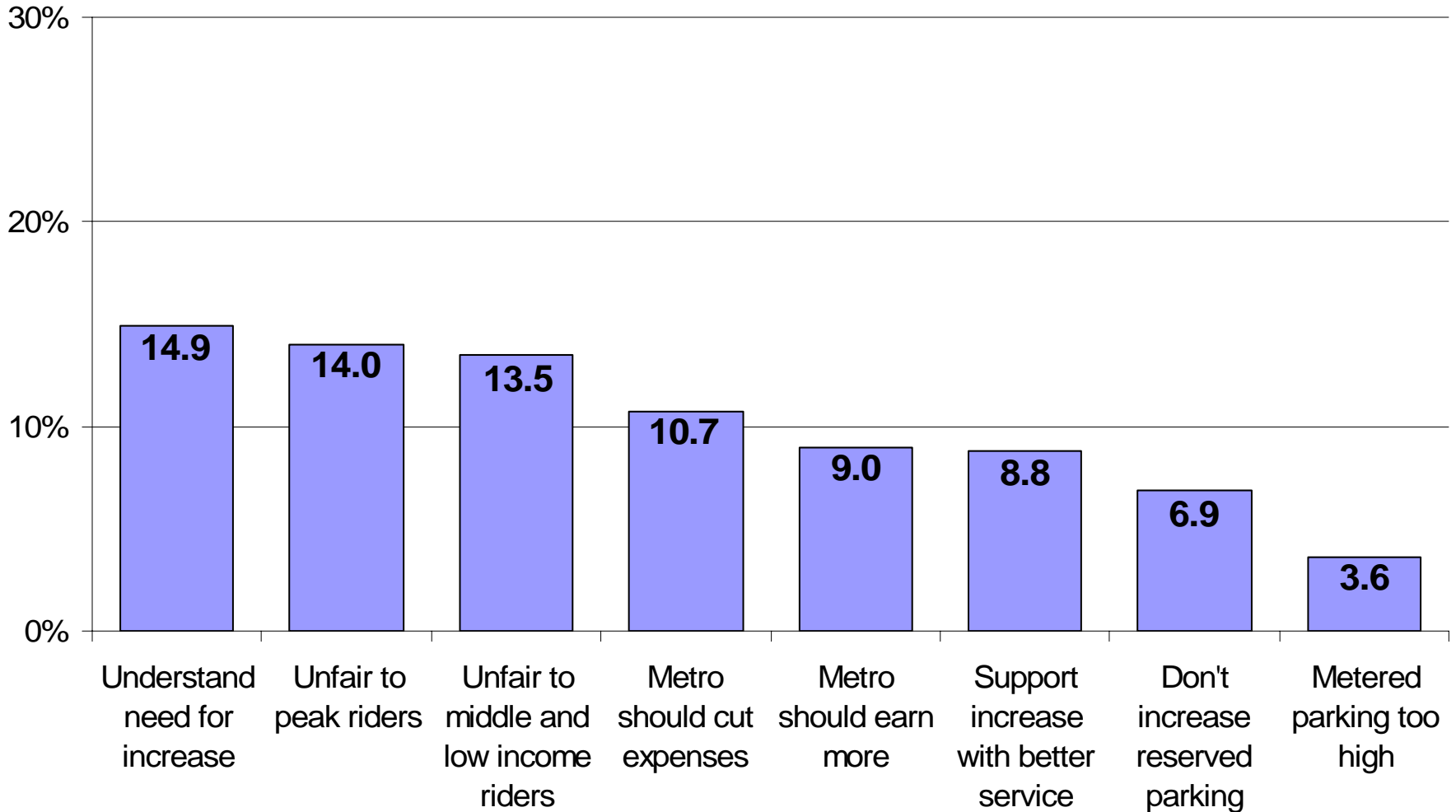
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## Top Response Categories





# Specific Opinions and Concerns (Cont'd)





# Proposed Fare Increases

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- \$109 million needed\*
- Rail increases:
  - Up to 30¢ on boarding charge
  - Modest tier increases
  - Up to 80¢ maximum peak fare increase
  - Up to \$1.15 increase for parking
- No changes to off-peak rail fares
- Assumes a 6.5% subsidy increase of \$33 million
- A calculated flat fare on rail in FY09 would be \$2.50, at all times



# Proposed Fare Increases (Cont'd)

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- Bus increases:
  - Up to 10¢ on cash boarding charge
  - No increase if using SmarTrip®
  - After a one-year transition, rail-to-bus discount and bus-to-bus transfers valid on SmarTrip® only
- No changes to MetroAccess fares



# Recommendation

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- Recommend that the Board of Directors approve a resolution amending the Metro tariff and increase Metrorail, Metrobus and parking fees to generate \$109 million in additional revenue