

TESTIMONY OF RICHARD SARLES

**Before the Council of the District of Columbia Committee on Economic
Development**

on

WMATA's FY2015 Budget

Wednesday, April 30, 2014

Good Morning, Chairperson Bowser and other members of the Committee on Economic Development. I am Richard Sarles, General Manager and Chief Executive Office of the Washington Metropolitan Area Transit Authority (WMATA). With me today is Jack Requa, Assistant General Manager, Bus Services.

Thank you for the opportunity to testify today on Metro's fiscal year 2015 budget. As you know, the operating budget was adopted by Metro's Board of Directors in March and the capital budget will be considered in May.

This year's budget invests three billion dollars in providing "safer, better and more" service for Metro customers. The budget continues to prioritize safety and we are placing a new, added emphasis on improving the Metro customer's day-to-day experience.

We are working to make improvements that customers will notice along every step of their journey with Metro. Let's take a look at what riders will see in the coming fiscal year.

In Fiscal Year 2015, the first of our **new 7000 series railcars** will go into service. The rail cars are being made in America, and offer a full slate of safety enhancements and "customer-driven" features such as electronic arrival displays; wider aisles; more comfortable seats; more space for wheelchairs; and an improved public address system for clearer announcements.

We're also improving our current fleet of railcars by replacing the carpet with **resilient flooring** on all 5000- and 6000-series cars. The new flooring is slip-resistant, easier to clean, and provides a modern look and feel to Metro rail cars.

As part of our goal to deliver quality service, we will continue to **improve the reliability and safety** of Metrorail through upgrades to our tracks. Well-

maintained tracks maximize customer satisfaction through convenient and comfortable rail service and minimize disruptions and service delays.

In addition, the Fiscal Year 2015 budget continues to invest in making safety improvements recommended by the National Transportation Safety Board. Of the 29 **NTSB recommendations** made to Metro, 21 have been closed and we are working to close the remaining eight.

Metrobus riders will benefit in Fiscal Year 2015 from 151 **new "low-floor" buses**. We're also planning to provide a mid-life overhaul for 100 buses, restoring them to "like-new" condition.

Other planned Metrobus improvements include:

- 46 new real-time arrival and customer information displays
- Accessibility improvements at 40 bus stops
- Nearly 3,000 new bus stop signs and more than 2,000 updated information cases

For MetroAccess riders, we're planning to purchase 150 **new MetroAccess vehicles** in Fiscal Year 2015 to replace the aging fleet, which should translate into fewer breakdowns and interruptions of service for riders.

And these new vehicles include innovative technologies that help prevent accidents—such as rear cameras, and lane position and overhead clearance alarms.

The Fiscal Year 2015 budget includes the first fiscal year of **Silver Line service**—connecting riders from Wiehle-Reston East in Virginia to Largo Town Center in Maryland, making all stops through downtown D.C. similar to the Orange and Blue Line service. We expect to have the line turned over to Metro in the coming weeks so that we can begin testing and, hopefully, have passengers aboard later this summer. When the Silver Line opens it will extend the Metrorail system for 11.4 miles with five new stations.

Metro is also working to better connect communities through the **Bus Priority Corridor Network**, which seeks to improve bus service and reliability. In

FY2015, we will focus on the following corridors in the District: 92 (U Street-Garfield Line); 30's (Pennsylvania Avenue Line); and S2, 4 (16th Street Line).

As part of this effort, we will work in Fiscal Year 2015 to give buses traffic signal priority on Georgia Avenue, Wisconsin Avenue and the Theodore Roosevelt Bridge to K Street, NW.

Metrorail stations will continued to see improvements during Fiscal Year 2015—from new escalators and brighter lights to complete station rehabilitation projects that restore the stations to a “like-new appearance.”

Our capital program continues to place a high priority on our **station escalators and elevators**. As a direct result of capital investments and improved preventive maintenance, Metro recently achieved 93 percent escalator availability, the highest level in five years. In the coming fiscal year, we are planning to install NEW escalators at Georgia Avenue-Petworth, Columbia Heights, Metro Center, Woodley Park, and Friendship Heights and rehabilitate escalators at Capitol South, Farragut West, Federal Triangle, Foggy Bottom, L'Enfant Plaza, McPherson Square, Smithsonian and Stadium Armory. In

addition, we will also issue a contract to rehabilitate several elevators in the District.

We are in the process of installing **brighter mezzanine lighting** in all underground Metrorail stations. Upgrades have been completed at four stations in the District (Gallery Place, Judiciary Square, Metro Center and Smithsonian), L'Enfant Plaza is under construction and every underground station in the District will have improved lighting by the end of 2015.

Platform rehabs are also underway, including the installation of slip-resistant tile and structural repairs. In Fiscal Year 2015, Metro will complete platform rehabs at Deanwood and Minnesota Avenue stations.

Twenty-three stations will undergo **rehabilitation projects**, which can be compared to the detailing of a car. That means we'll clean the concrete and architectural fixtures, rehab doors and railings, repair paver tiles and granite, paint, replace signs, and generally fix up the station from top to bottom. For example, we will replace the chillers at the Potomac Avenue and Metro Center stations, and upgrade signage at L'Enfant Plaza, Smithsonian and Federal Center.

In Fiscal Year 2015, Metro is planning to improve the facilities where you park your **bicycles and cars**. Bicycle riders will see improvements at five stations in the District – Brookland, Dupont Circle, Takoma, NoMa and Stadium-Armory. These include new 'Bike & Ride' facilities, bike lockers and covered bike racks.

We will institute a number of parking improvements at DC stations in FY 2015 including: Park Mobile at Rhode Island Avenue, which allows customers to pay by credit card or Smartphone, and a car sharing program at Rhode Island Avenue, Anacostia, Potomac Avenue and Minnesota Avenue.

New LED lighting will be installed at all Metro-operated parking garages – improving lighting for customers and saving energy—including at three garages in the District: Anacostia, Minnesota Avenue and Rhode Island Avenue.

Metro will continue working to **improve employee engagement and recruitment**. Through these efforts, Metro can recruit the best employees to

serve our customers, develop their knowledge, skills and abilities, and prepare them for advancement within the Authority.

To ensure Metro operators, mechanics, and other safety-sensitive employees are always performing at their best, Metro is working to prevent and mitigate fatigue on the job. We have developed and will begin implementing a **Fatigue Risk Management System** in the coming Fiscal Year.

Finally, the Fiscal Year 2015 Budget makes a down payment on key projects in Metro's strategic plan, known as Momentum.

For riders, Momentum will mean more trains, reduced crowding, faster bus service, and brighter, safer, easier-to-navigate stations. For the region, Momentum will increase capacity throughout the system, enable future expansion, and remove vehicles from roadways.

In addition to some of the projects we've already discussed, this budget begins looking toward the future by investing in the power infrastructure needed to

operate more eight-car trains; the redesign of many high ridership stations, including Union Station, L'Enfant Plaza and Gallery Place; and a new electronic payment program that will provide a faster, more convenient, and more efficient way to pay.

Now that we've reviewed what's planned for the next year, let's take a look at the operating budget and proposed capital budget.

For Fiscal Year 2015, the budget includes \$1.1 billion for capital investments and \$1.7 billion to operate the system.

Metro has identified opportunities to achieve cost savings, including the use of smaller, more fuel efficient automobiles; energy reduction initiatives; improved administration of pension, healthcare and post-employment benefits; and other efforts that streamline business processes.

The projected operating expenses for Fiscal Year 2015 are \$105 million higher than the current fiscal year. The increase in expenses will be made up through a

balanced combination of ridership growth and cost sharing between the local jurisdictions and the fares paid by riders.

The majority of the capital budget is for ongoing safety and state of good repair, and \$191 million is proposed for capacity improvements and a down payment on Momentum.

The FY2015 operating budget includes modest fare changes for Metrorail, Metrobus and MetroAccess starting in July as follows:

- On Metrorail, fares will increase an average of 3 percent – or about 10 cents per trip. For a short trip during rush hour, fares will increase from \$2.10 to \$2.15. And the maximum Metrorail fare will increase from \$5.75 to \$5.90. A \$1 surcharge will continue to be applied for trips taken with a paper farecard.

On Metrobus, thanks to the strong advocacy of Councilmember Bowser, our bus fare will become \$1.75 for all customers, regardless of whether they pay with cash or SmarTrip. Today, fares are \$1.60 for SmarTrip and \$1.80 for cash. The fare on Express bus routes will increase from \$3.65 to \$4.

At all Metro-operated parking facilities, rates will increase by 10 cents. And selected stations in Prince Georges County will have an additional 50 cent surcharge, bringing the price of parking at those stations in line with the rest of the system.

Finally, MetroAccess fares will continue to be calculated as 2 times the cost of the equivalent bus or rail fare for the same trip. However, the maximum fare will be reduced from \$7 today to \$6.50.

These new fares will take effect on July 1, 2014 and are expected to generate net revenue of approximately \$28 million. The fare changes pass the equity analysis required by Title VI of the Civil Rights Act, ensuring that minority and low income populations are not disproportionately impacted by the fare changes.

Metro is continuing to advance its most aggressive program of capital investments since the construction of the system.

The proposed Fiscal Year 2015 Capital Improvement Program is a \$1.1 billion investment plan focused on safety improvements, the rebuilding of the Metro system, increasing system capacity and improving the effectiveness of the current rail and bus network.

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 to meet the transportation needs of District residents would not be possible without the steadfast support of the District of Columbia.

I applaud the joint capital commitment of \$75 million for Fiscal Year 2015 by Mayor Gray, Maryland Governor O'Malley and Virginia Governor McAuliffe – an important down payment towards Metro's "Momentum" strategic plan to reduce crowding and add system capacity. We were pleased to see that the Mayor's proposed FY2015 budget included full funding of the District's subsidy to Metro and the additional \$25 million capital commitment to the WMATA Momentum program. I also want to thank the Council of creating the Momentum Fund.

Once again, I want to thank you for the opportunity to be here today.

Chairperson Bowser - I applaud your continued support and advocacy with key stakeholders for Metro 2025. Your leadership and the Council's commitment to Metro are critical to our continued success. I would be pleased to answer your questions.