



**“The Washington Metro System:
Safety, Service and Stability”**

**Testimony of
Richard Sarles
General Manager
Washington Metropolitan Area Transit Authority**

**Before the
U.S. House of Representatives
Committee on Oversight and Government Reform**

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Mr. Chairman, Ranking Member Issa, and members of the Committee, thank you for the opportunity to testify before you today. I am Richard Sarles, General Manager of the Washington Metropolitan Area Transit Authority, known as WMATA or Metro.

I began my service as Metro's General Manager less than one month ago. My career in rail and public transportation has spanned 40 years, during which time I worked with the Port Authority of New York and New Jersey, Amtrak, and most recently, New Jersey Transit. My career choice was influenced by the fact that I grew up in a family without a car, so I used public transportation for everything through my college years.

I have used the Metro system many times, and have always been impressed by Metro's services and how well they are delivered. But Metro is no longer new, and with an aging system come certain challenges, many of which have been illuminated over the course of the last year. In my first few weeks at Metro, I have met with employees, customers, elected officials, and representatives of oversight agencies and reviewed the findings of oversight agencies. Based upon those meetings and findings, we have drafted a six-month action plan to move Metro forward in addressing

our greatest challenges, which I see as: safety, service reliability, and budget. These are the fundamental areas we will focus on while I am here, and I will address each of them in my testimony today.

Background

I know that many members of this Committee are very familiar with Metro and our unique relationship to the federal government, so I will provide just a short overview of the system for those members who may be new to the Committee.

The Metro system is the product of a partnership between the federal government and the jurisdictions in the National Capital Region. President Johnson's comment in a 1965 letter to Congress encapsulates the reason for this partnership:

The problem of mass transportation in the Washington area is critical. It is also a problem in which the federal government has a unique interest and responsibility... improved transportation in this area is essential for the continued and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, [and] for the orderly growth and development of the National Capital region.

WMATA was created in 1967 through an Interstate Compact between the Commonwealth of Virginia, the State of Maryland, and the District of Columbia, and

approved by the U.S. Congress. Metro is now the largest public transit provider in the Washington, D.C. metropolitan area and the second largest subway, sixth largest bus system, and the eighth largest paratransit system nationally. Sometimes known as "America's Transit System," Metro serves a population of over 3.5 million within a 1,500 square-mile area, as well as visitors to our nation's capital from across the country and around the world.

Not only is the Metro system critical to the economic vitality of this region, it continues to serve the federal government, as it was built to do. Half of all Metrorail stations are located at federal facilities, and 40 percent of peak ridership consists of federal employees. In fact, ten percent of Metro's ridership is from Metrorail stations that serve the U.S. Congress and the Pentagon. It is not surprising that in 2005, a "Blue Ribbon" report found that the federal government, the region's largest employer, is the "largest single beneficiary" of Metro.

Safety

As the Committee is aware, this region experienced an unprecedented tragedy on June 22 of last year, when two Metrorail trains collided on the Red Line north of the Fort Totten station. Nine people lost their lives and dozens of others were injured in an accident that has had ripple effects throughout the transit industry. The National Transportation Safety Board's (NTSB) investigation of the accident has focused on technological issues, not human error, as the key factor leading to the collision, and as a result, transit and rail providers across the country have been re-examining their

track signaling systems for signs of the same potential failure that caused the June 22 accident.

The NTSB's final report on the accident has not yet been issued, but Metro has already taken steps to improve safety on the rail system. We have been operating trains in manual mode since the accident, which will continue until the NTSB report is issued and any necessary repairs are completed. We have increased the frequency of computerized testing of track circuits, and we are holding the performance of those circuits to a higher standard than previously required. In addition, as recommended by the NTSB, we are working with a contractor to develop a real-time monitoring system which will provide an alert should a track circuit fail.

In addition to the June 22 accident, Metro has experienced a number of other incidents over the past year that require us to re-assess the way that we go about ensuring the safety of our customers and employees. Our internal assessments and findings regarding safety have been supplemented by external agencies' reports. In March 2010 the Federal Transit Administration issued ten recommendations to Metro, which focused on hazard analysis, internal communications and reporting, and implementation of our System Safety Program Plan. Also in March, Metro's Board of Directors received an oral report from former General Manager David Gunn, which assessed Metro's safety, financial situation, organization and management, and governance structure. In December 2009, the Tri-State Oversight Committee (TOC), the federally recognized state safety oversight agency for Metrorail, issued a report

entitled, "Rail Transit Special Safety Study – Roadway Worker Protection," which included eighteen recommendations related to Metro's training and procedures for workers on the tracks and in the track area. As I have mentioned, we are still awaiting the final report from the NTSB on the June 22 accident as well as reports on the November rail car collision at West Falls Church rail yard, the January 2010 track worker fatalities near Rockville station, and the February 2010 derailment near Farragut North.

These external reports have been and will be critically important in helping Metro identify where we need to improve with regard to safety. We have taken a number of actions in recent months to address their findings. The following are some of the key actions Metro has taken to improve safety in the areas of staffing, communications, track worker protection, and rail operations.

Staffing

The FTA audit and other assessments have identified lack of sufficient safety staff and expertise as an issue at Metro. To address that issue, Metro has hired a new Chief Safety Officer, James Dougherty, who began his duties on April 19. Mr. Dougherty brings 25 years of experience in transit safety, occupational safety and health, industrial hygiene and environmental protection, and he will report directly to me. In addition, we have filled six of 12 new positions in the safety department, and we expect to fill the remaining vacancies within 60 days. These new positions will help us to effectively investigate incidents/accidents, review and document safety policies

and procedures, ensure safety protocols are in place and implemented, and analyze safety trends. We are also arranging for needed training for our safety personnel with the Transportation Safety Institute, an arm of the U.S. Department of Transportation.

Communications

Lack of communications across and within departments has also been cited in various reports as a problem at Metro. We have recently begun several new communications initiatives. For example, to improve communication between the Safety Department and operational personnel, we now have safety officers assigned to each bus and rail division. These safety officers participate in regular meetings of the front-line staff in their division, as well as interacting on a daily basis with operations employees on safety-related matters.

In addition, my predecessor held six "Safety Action Report Out" meetings with 60 front-line superintendants to increase their awareness and accountability regarding safety. I intend to continue those meetings on a regular basis. We have also established a cross-departmental Safety Action Team tasked with finding ways to create a safer organization. The Team's first initiative is designed to further improve communications with front-line employees to ensure that safety-related information, as well as other messages, reaches all employees regardless of their work location.

Track Worker Protection

Employees who work on and around our track areas are exposed to dangerous situations each day they come to work. Protection of these workers must be robust and effective. Metro is committed to improving our current practices and has established a cross-departmental Roadway Worker Protection Work Group which includes representatives from several Metro departments, union representatives, and representatives from FTA and TOC. This group is creating a new roadway worker protection manual, developing a new roadway worker training plan, and will also test and evaluate new technologies and processes for use in the Metro system; these activities are expected to be complete by the Fall of 2010.

Metro's track environment shares certain characteristics with other transit and rail systems, and we have reached out to our peers to learn from them and share best practices. Metro conducted a workshop in January with peer transit agencies, FTA, TOC, and union representatives, and convened a roundtable discussion in April with the Federal Railroad Administration and inter-city rail operators. The results of these discussions will be reflected in the new manual and training regimen being developed by the Roadway Worker Protection Work Group.

Rail Operations

In addition to the operational changes implemented in response to the June 22 accident, discussed above, Metro is continuing to respond to earlier NTSB recommendations. We expect to award a contract in the near future to begin building

the cars to replace our oldest vehicles, the 1000 series cars, as the NTSB has recommended. In addition, we are continuing to add rollback protection for rail cars operating in manual mode, another NTSB recommendation. By the end of calendar year 2010, more than 800 of our cars will have such protection, and we are working to install it on the remaining 300 cars in our fleet with completion anticipated by the end of calendar year 2012.

Six-month Action Plan – Safety

While we have made progress with regard to safety, we still have work to do. We have established the following safety-related priorities for the next six months:

- **Fill remaining safety department vacancies and increase training.**
Specifically, we must continue to have front-line safety briefings while we develop more effective right-of-way training and identify other needed training for front-line staff. In addition, we have begun labor relations training for supervisors of represented employees, re-emphasizing the supervisors' role in safety; we intend to complete that training by the end of 2010.
- **Continue accelerated close-out of open safety-related audit findings.** With the approval of the TOC, Metro develops corrective action plans (CAPs) in response to findings from both external and internal audits and investigations. Metro has closed 190 CAPs since 2007, with the rate of closure increasing significantly in recent months. Currently 91 CAPs remain open (including CAPs that were recently added in response to the TOC's Roadway Worker Protection study and internal safety audits). I have communicated to Metro staff that

continuing to close CAPs promptly is a top priority. I am particularly focused on responding to the recommendations in the FTA audit; we have established a CAP for each of the ten recommendations, with expected completion within the next six months. (Please see attachment #1 for details.)

- **Develop incident tracking and safety management reporting system.** We are taking advantage of improvements in technology to develop a web-based tool to allow for communication of safety-related information and tracking across departments. Development is expected to be complete by the end of August 2010.
- **Encourage near-miss reporting, including anonymous hotline and strengthened whistleblower protection.** David Gunn's report cited Metro for having a "shoot-the-messenger" culture. I am taking steps to end that perception. Last week, I informed all employees of the existence of a safety hotline and safety email address through which they can report safety concerns, anonymously if desired. In addition, tomorrow the Metro Board is expected to approve a resolution to update Metro's whistleblower protection policy to encourage employees to raise safety-related concerns.
- **Complete new right-of-way worker protection manual and revisions to Metrorail Safety Rules and Procedures Handbook (MSRPH).** When rules are outdated or unclear, they tend to be ignored. During the next six months we intend to complete work on a new set of rules for right-of-way workers as well as an updated MSRPH, with rules and procedures that are clear, up-to-date, and effective.

- **Complete self-assessment of safety-related internal controls and initiate thorough assessment of safety culture.** We intend to complete further self-assessments in safety-related areas, the first of which is focused on internal controls. In addition, we have contacted the U.S. Department of Transportation, the AFL-CIO, and the American Public Transportation Association to seek their assistance in assembling a team of experts not only to review Metro's safety culture, but also to recommend specific measures to improve that culture and to provide assistance in implementing those recommendations. We intend to initiate this review within the next six months, while recognizing that organizational culture change is a long-term process.

Service Reliability

According to the *Washington Post*, "most riders give the [Metro] system high marks for comfort, reliability and generally the ability to take them where they want to go." ("In Survey, Metro Still Gets High Marks after a Year of Low Points," April 5, 2010). Still, we know that we need to do better. The quality of our customers' experience is the key to the continued success of our system. We are taking steps to improve the on-time performance of all of our modes -- Metrorail, Metrobus, and MetroAccess -- as well as the availability of our elevators and escalators which have a very direct impact on the quality of our customers' trips.

For Metrorail, we have evaluated ways of improving service reliability through schedule adjustments and are preparing to implement the first adjustment on the Red

Line. We have also implemented revised 30-, 60-, and 90-day training performance reviews for newly certified train operators to ensure that they are meeting our standards for safe operations and customer service and to provide us with an on-going source of review regarding the effectiveness of our training programs.

For Metrobus, we are in the process of replacing 148 older buses, with deliveries between March and September 2010. With newer vehicles we expect fewer equipment failures, leading to improved service delivery. We have also reorganized our bus transportation division, retrained operators and supervisors, and increased supervision of street operations to better monitor and address service reliability issues. We have implemented NextBus, which provides customers with real-time bus arrival information by phone or online, and have created a new on-line service disruption notification for bus customers. For MetroAccess drivers, we have developed a pilot training program conducted by classroom instructors utilizing techniques for adult learners and interactive video to achieve training consistency and improve performance.

With regard to vertical transportation (i.e. elevators and escalators), we are consolidating our command and maintenance centers to eliminate reporting layers and improve accountability, a process which we expect to have fully implemented by the end of June 2010. Also by June, we intend to have restructured our technicians' shifts to create rapid response teams with responsibility for maintenance and repair of vertical transportation in defined geographic areas.

Six-month Action Plan – Service Reliability

I have established the following priorities for the next six months:

- **Increase training for front-line employees and supervisors.** Specifically, we intend to provide additional training to all station managers with a renewed emphasis on customer service, as well as complete training that we have already begun related to the reorganization of our bus department, designed to improve management of operators, reduce accidents, and improve service.
- **Create transparent performance tracking & reporting systems.** New performance measurement tools are currently under development, including web-based dashboards, a monthly vital signs report of key performance indicators, and an annual performance report to assess what is working well, what is not, and why. By the end of June 2010 we expect to release many of these new tools publicly to foster increased accountability and transparency.
- **Revise inspection and maintenance procedures to accommodate changes in operations.** As in the area of safety, our rules and procedures for inspections and maintenance need to be clear and relevant for our current operating environment. With changes in place related to manual operation and restricted speeds, our new vertical transportation command center, etc., we must start revising our related procedures accordingly.
- **Pilot Metrorail schedule adjustment on Red Line.** As I mentioned earlier, we intend to adjust schedules on the Red Line to improve service reliability and the quality of the customers' experience. The new schedules will reflect reality and

allow for more time for customers to board and alight the trains at our busiest stations, and will involve more 8-car trains running to the ends of the line, which will maintain our passenger throughput capacity for the Red Line as a whole.

- **Initiate external assessment of elevator/escalator maintenance and repair programs.** We intend to contract with outside experts to conduct a review of these programs in order to assess their efficiency and effectiveness and make recommendations for additional improvements.
- **Continually re-emphasize safety and state of good repair as top priorities.** Maintenance of vehicles, track, structures, signals, and other infrastructure in a state of good repair has a direct impact on the safety and reliability of the Metro system, as it does for every transit agency in the country. If the condition of the Metro system is allowed to degenerate further, issues related to service reliability will continue to increase. The most effective action we can take to improve reliability is to improve the physical condition of our system.

Budget

Now let me turn to a topic which is integrally related to our ability to improve service reliability – Metro’s budget and current funding constraints. Chairman Benjamin’s testimony provides some background on Metro’s funding sources and outlines some of the challenges that we face over the long-term. I would like to focus this part of my testimony on the specific fiscal challenge facing Metro in the upcoming fiscal year, which begins July 1, 2010.

Metro's proposed fiscal year 2011 budget totals \$2.1 billion. That total is composed of Metro's operating budget, which supports the daily delivery of transit service (including personnel costs, fuel and propulsion costs, etc.), and the capital budget, which funds investments in the vehicles, equipment, facilities, and infrastructure of the transit system. Sources of funding for those needs include state and local funds; federal funds (primarily for capital costs); passenger fares and parking revenues, and other sources (such as advertising and fiber optic revenue). Passenger fares cover about half of the cost of Metro's operations; broken out by mode, they cover more than 70% of Metrorail operations, about 30% of Metrobus operations, and 5% of MetroAccess operations.

OPERATING BUDGET

Fiscal year 2011 is likely the most difficult year, financially speaking, that Metro has ever had to face. The economic slowdown is having a continued impact on Metro, as it is across the country. For the transit industry as a whole, the economic slowdown has meant that ridership and revenue are down, while costs continue to go up.

For Metro, the austere economic times are a major contributor to the projected 8% decline in revenues from fiscal year 2010 to fiscal year 2011, if no fare increase is implemented. Despite the encouraging ridership numbers that Metro has experienced in the last few weeks, Metrorail ridership for fiscal year 2011 is projected to be just 2% above the FY 2009 levels, and on Metrobus, ridership growth over 2009 levels is only

projected to be 1.5%. These projections are primarily due to continued high unemployment in the region combined with reduced spending by consumers. Lower Metrorail ridership has resulted in less revenue coming in from Metro parking facilities as well.

In fiscal year 2011, Metro's proposed budget would include growth in expenses of 3%, assuming full implementation of proposed cost-reducing measures (without such measures, Metro's expenses would increase by 8.3%). Major cost drivers include the rise in health care cost (which is in line with national trends), market losses in pension values, the increasing demand for MetroAccess service, and liability insurance and claims associated with the June 22 accident.

Although expenses are increasing significantly in some areas, other costs are being held flat or nearly flat. For example, Metro has managed to contain costs for fuel and electricity, supplies, and utilities through an energy "swap" program, which locks in lower pricing for diesel fuel and electricity for months at a time. In addition, over the last three years Metro has cut its administrative budget substantially, including the elimination of more than 600 positions.

The imbalance between projected revenues and expenses has created a \$189 million gap in our fiscal year 2011 operating budget, if jurisdictional subsidies (which cover about half of our operating costs) are held constant at FY2010 levels. In order to close that gap, Metro's proposed budget includes further layoffs, fare increases, and

service reductions. Metro held six public hearings around the region from March 22 through April 1, 2010, at which 1,842 people either testified or provided written comments on those proposals. We also received 3,633 completed on-line questionnaires. Overall, the message that we got from the public was: do not cut service; get a larger contribution from the federal government and the local governments; and raise fares if you have to.

Tomorrow, the Board will begin considering how to close the budget gap. Without knowing what they will decide, it is fair to say that balancing Metro's FY2011 budget will require hard choices. As we clearly heard at the public hearings, when we raise fares or reduce service, we have a direct impact on the people we serve every day, on their ability to get to jobs, school, medical services, and recreational opportunities. The economic downturn has affected everyone in this nation, and unfortunately Metro is not immune.

CAPITAL PROGRAM

Over the last six years, Metro has funded its capital program through a multi-year agreement with our jurisdictional partners, known as Metro Matters, which expires June 30, 2010. The stable funding stream provided by Metro Matters allowed us to, among other things, purchase 667 new Metrobuses to reduce the age of our fleet from over 10 years to under 8 years; and purchase 122 Metrorail cars, expand rail yard maintenance and storage facilities, and upgrade power systems to run 8-car trains.

Metro is currently working with our jurisdictional partners to negotiate a funding framework to succeed Metro Matters. That funding framework is intended to help Metro address some portion of the more than \$11 billion in capital needs that we have identified over the next ten years. The sources of funding anticipated to be reflected in the agreement include federal formula funds provided by any extension or successor legislation to the Safe, Accountable, Flexible, Efficient Surface Transportation Act: A Legacy for Users (SAFETEA-LU); federal dedicated funding appropriated pursuant to the Passenger Rail Investment and Improvement Act of 2008; state and local match for those federal funds; and additional state and local contributions.

However, due in part to national economic conditions and in part to declining revenues in the federal Highway Trust Fund, both federal and state/local sources of funding for capital projects are severely constrained. These constraints have required Metro to limit our capital investment for the next six years to only the most critical, "must-do" safety and system maintenance projects, even with the new dedicated funding authorization. "Must-do" projects include, for example, replacement of the 1000 series rail cars; replacement of our oldest buses; rehabilitation of the oldest segment of our rail line, and replacement and/or rehabilitation of decades-old bus facilities. "Must do" projects do not include other investments that should be made, such as investments to address crowding (more frequent bus service; more 8-car trains); more elevators/escalators in core stations; and system and fleet expansion to accommodate projected growth in demand over the next several decades.

Six-month Action Plan – Budget

Over the next six months, we intend to accomplish the following objectives related to Metro's budget:

- **Educate policymakers, customers, and members of the public about their role in funding Metro.** In order to begin the type of regional conversation that I believe must take place about Metro's financial future, we must ensure that everyone shares a common understanding of how Metro is funded. For example, a common misperception is that Metro makes a profit on its operations. I can assure you, it does not, nor does any other U.S. transit system that I am aware of.
- **Implement Board-approved FY2011 budget.** As I have discussed, the budget will include job cuts and likely some combination of fare increases and service reductions in order to fill the \$189M projected gap. Successful implementation of such changes will require timely and effective customer communication as well as operational changes such as reprogramming of farecard readers.
- **Manage transition from Metro Matters capital funding agreement to next capital funding agreement, currently being negotiated.** I want to note that the National Transportation Safety Board is expected to issue its final report on the June 22, 2009 Red Line collision shortly before or during fiscal year 2011, and that report may contain recommendations that will have a cost associated with their implementation. Metro is committed to responding to those recommendations and that response may affect our ability to undertake some of

the projects that have been planned for the next six years, absent additional funding.

- **Initiate a discussion with regional and federal stakeholders on Metro's long-term fiscal outlook to identify both challenges and solutions.** The basic challenge is this: the Metro system must be brought into a state of good repair. Unless there is a renewed commitment to this goal, the system will continue to degrade.

Conclusion

Mr. Chairman, six months from now, I intend to deliver to Metro's Board of Directors an interim performance assessment, along with recommendations for further improvement, in each of the areas I addressed above: safety, service reliability, and budget. But you do not have to wait until then to track our progress. Metro is developing products that will allow the public to see how we are doing on a more frequent basis. We expect to launch shortly a monthly "Vital Signs" report, which will initially track operational performance and identify trends, with the goal of expanding the range of performance metrics to other areas in the future. We also plan to issue an annual performance report, beginning this September. Metro is committed to improving transparency and communication with our customers and other stakeholders, including Congress.

Thank you for the opportunity to testify today. I would be happy to respond to any questions.

Attachment #1

WMATA Response to Recommendations in the March 4, 2010 Federal Transit Administration Safety Audit

Recommendation	Actions Taken	Next Steps	Completion Date
#1 Conduct assessment to identify resources and expertise necessary for Safety Dept. to carry out activities specified in System Safety Program Plan and Safety Rules and Procedures Manual	Developed statement of work for contractor support	Initiate and award contract, with Board approval	Final Report, including identified needs and recommendations by end of August 2010
#2 Use results of assessment to ensure adequate staffing levels and expertise within Safety Department	Included in statement of work under #1	Initiate and award contract, with Board approval	Issuance of Safety Dept. staffing & recruitment plan by end of August 2010
#3 Increase Safety Dept.'s access to operating & maintenance information and reports to ensure this information is being analyzed for potential impacts on safety	Established Interdepartmental Safety Working Group, now receiving monthly reports on operations/maintenance	Review process for information-sharing and quality of information shared	Formalize process by end of August 2010
#4 Develop internal process to require communication of safety-related info. across depts., including impacts of budget reductions & resource constraints on performance of safety-related maintenance activities/requirements	Initiated development of web-based tool	Develop process for identifying and evaluating maintenance-related safety issues	Complete development by end of August 2010
#5 Define and implement the process for the top Safety Department position to communicate safety priorities to the GM in a timely and consistent manner	Chief Safety Officer (CSO) now reports directly to General Manager	Continue weekly CSO meetings and reports to GM; revise System Safety Program Plan to reflect relationship	Completed by end of April 2010
#6 Identify technical skills required to perform system-wide hazard analysis; if needed, provide training as soon as practicable	Included in statement of work under #1	Initiate and award contract, with Board approval	Contractor to issue needs assessment & training plan by end of August 2010
#7 Update the System Safety Program Plan to develop a hazard management process that ensures all departments participate in an on-going manner	Interdepartmental Safety Working Group has met to design a new process	Confirm design of new process with contractor support	Completed by end of September 2010
#8 Institute process to ensure changes in operating rules are analyzed for safety impacts before system-wide implementation	Outreach to peer transit agencies for model forms and processes has begun	Continue outreach to peer agencies and consultation with union; revise rule book	MetroRail Safety Rules and Procedures Handbook revisions completed by end of September 2010
#9 Finalize right-of-way protection rules; develop training to implement new rules. Ensure all ROW employees & contractors receive training before accessing ROW.	Roadway Worker Protection Working Group established; new manual has been drafted; workshop and roundtable held	Finalize new manual; finalize new training program	Roll out of new training program in October 2010
#10 Implement configuration management program described in System Safety Program Plan	Included in statement of work under #1	Initiate and award contract, with Board approval	Create action plan & training program by end of September 2010