

Metro Financial Planning: FY2025 Service and Fares Update

Riders' Advisory Council
November 1, 2023



Executive Summary



Current Ridership

Metro's service improvements and fare policies are working:

- **Ridership and customer satisfaction are increasing**
- Customers benefitting from FY2024 service changes
- Metro Lift providing reduced fares for thousands of customers



FY2025 Operating

Metro must plan for both severe service cuts and targeted cuts/fare increases:

- Severe **service cuts would devastate ridership**, set back the region, and still leave a future budget gap
- Targeted service cuts – including six-car trains, turnbacks, and bus route cuts – and fare increases **can shrink the gap, but not close it**
- Additional **investment is needed to avoid severe cuts** and transit death spiral



Capital Outlook

Great progress on state of good repair, but capital program is at risk without further investment:


- Capital deficit projected for FY2028 with increased preventive maintenance transfers
- **Priority investments are at risk**, including state of good repair, the rail fleet of the future and zero-emission buses
- Inflation eroded the value of Metro's capital funding over time



Service and Fare Update

Strategically Aligned Fare and Service Policy

Your Metro STP Goals



Service excellence

Deliver safe, reliable, convenient, equitable, accessible, and enjoyable service for customers.




Talented teams

Attract, develop, and retain top talent where individuals feel valued, supported, and proud of their contribution.



Regional opportunity and partnership

Design transit service to move more people and equitably connect a growing region.



Sustainability

Manage resources responsibly to achieve a sustainable operating, capital, and environmental model.

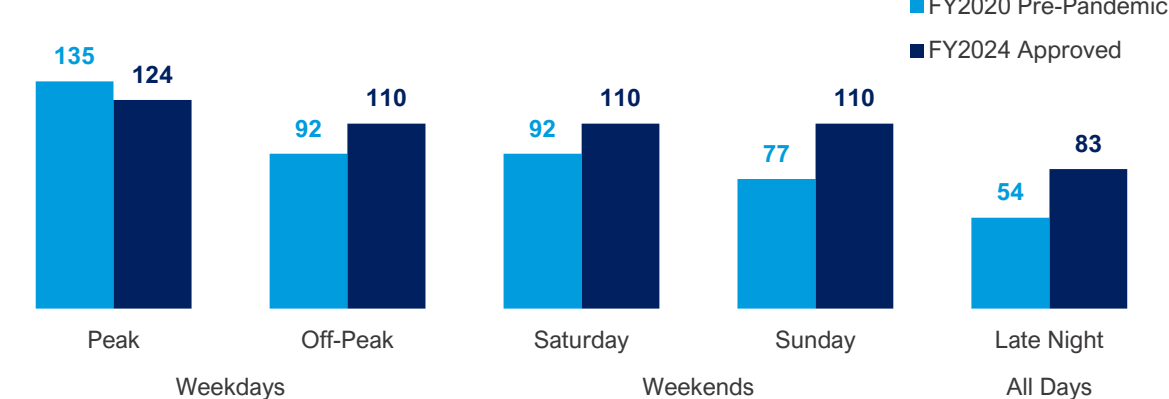
Related Metrics

- Ridership
- Rail Frequent Service
- Bus Frequent Service
- Crowding
- Destination Access
- Percent of Transit Mode Share
- Reduced Fare Program Enrollment
- Fare Evasion

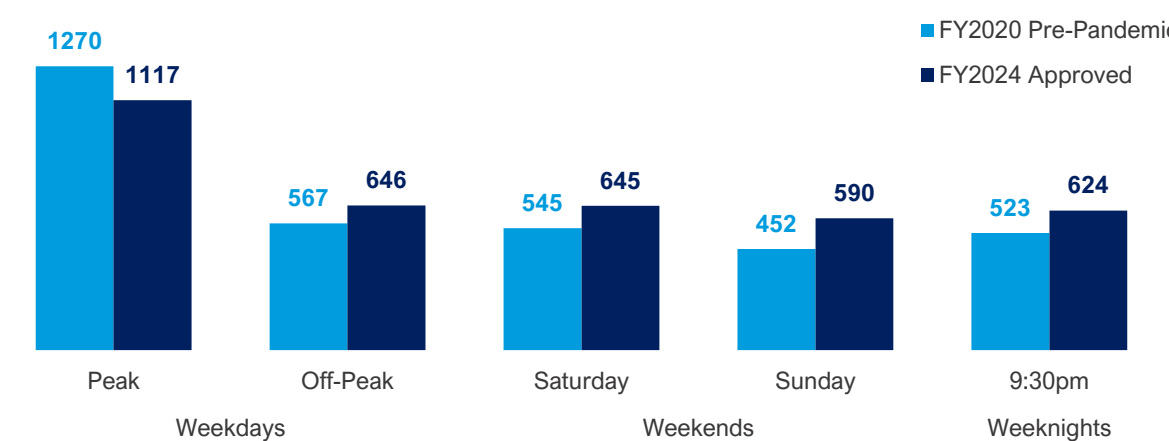
Metro is Adapting to How Customers Travel

Frequent service all day better meets customers' needs throughout the week

Trains in Service



Buses in Service



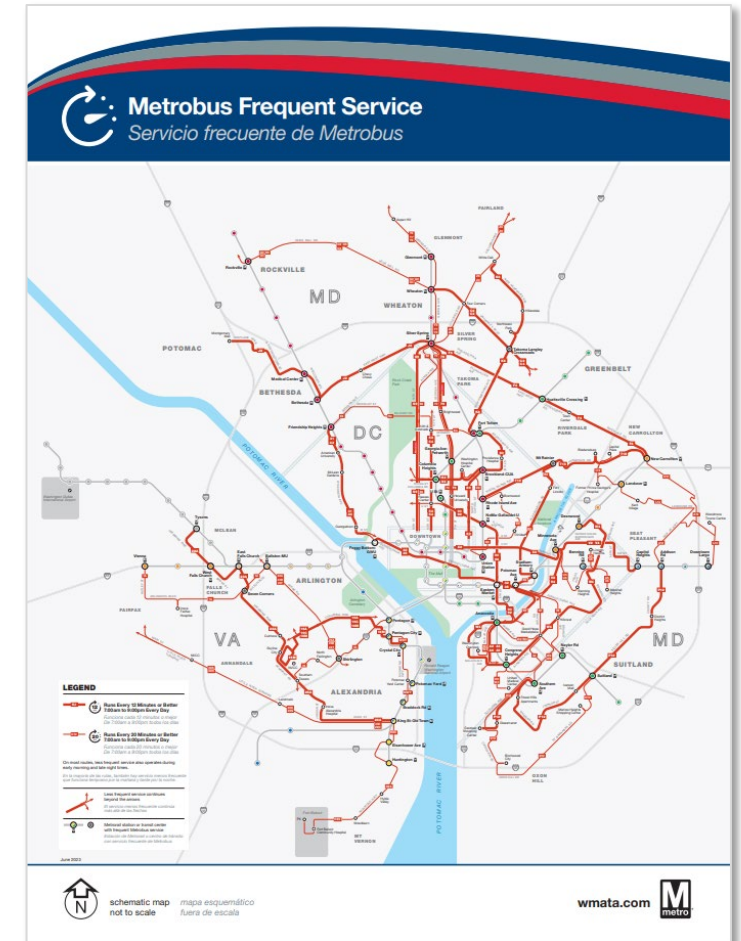
Adapted Bus Service to Grow Ridership & Gain Efficiency

Discontinued some peak-only and low productivity services

- Launched frequent service network*
 - 21 bus lines with 12 minutes or better service
 - 16 bus lines with 20 minutes or better service
- Growing off-peak and weekend ridership
 - Bus ridership **90% of pre-pandemic overall; 105% of pre-pandemic on weekends****
- Discontinued service includes:
 - Higher cost overlay service during peak hours providing additional one-seat rides to areas retaining bus coverage
 - Elimination of lower productivity routes

*7am to 9pm, 7 days a week

**September 2023 ridership compared to September 2019



Optimization Example: Green and Yellow Line

37% of trips use the Yellow or Green Line – most benefit from increased all day service

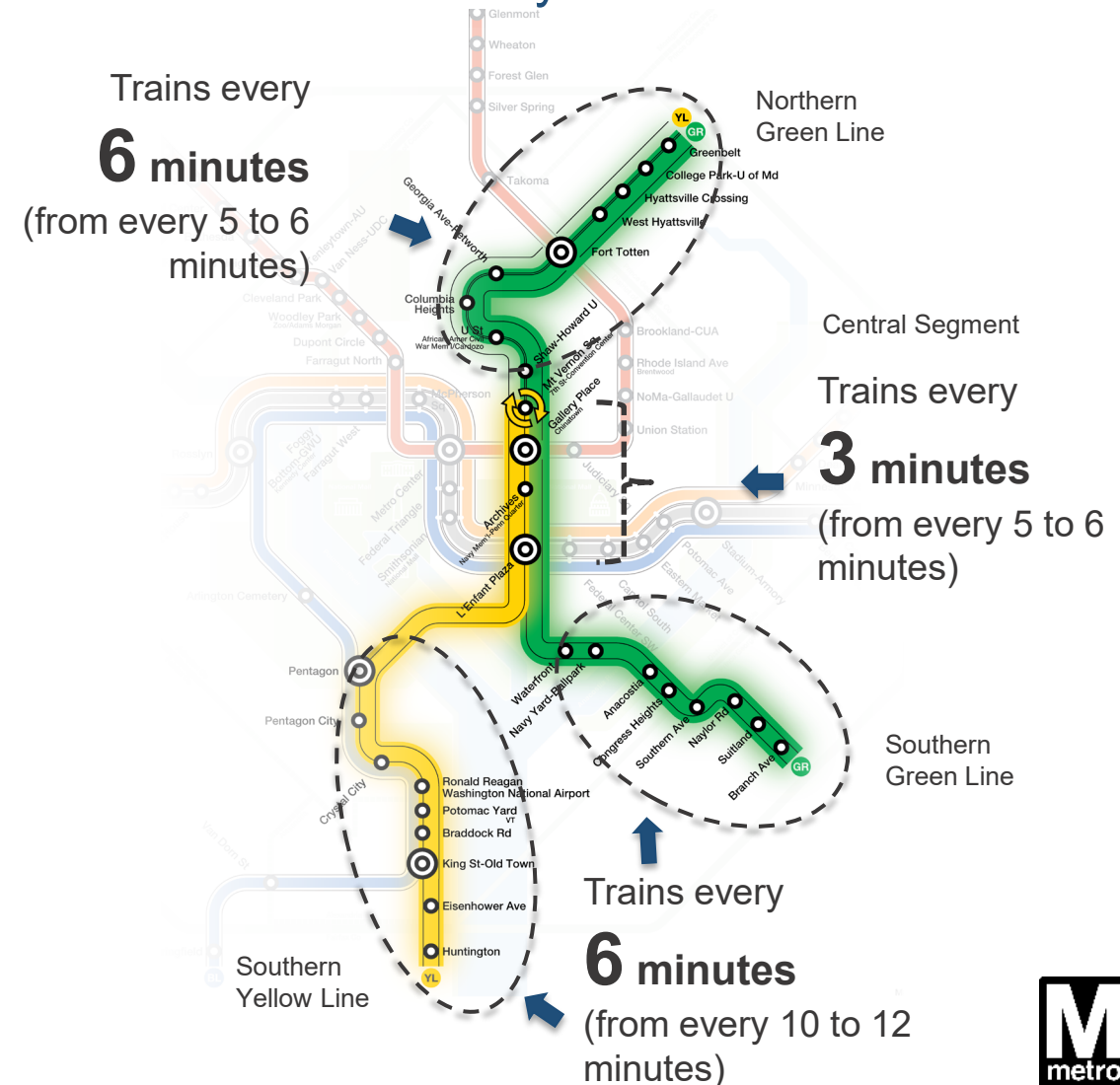
Ridership growing across full system, especially by customers making transfers between lines with shorter wait times

97% of Green/Yellow trips benefit from similar or higher all-day frequency

- 59% are to or from the central part of the system
- 28% are within the same end of a line
- 7% are between northern and southern Green Line, benefitting from better all day Green Line service
- 3% are between southern Yellow Line and southern Green Line, with shorter transfers at L'Enfant Plaza

Just 3% of Green/Yellow trips have a new required transfer at Mt Vernon Sq

- Less than projected impact (5%)



Modernizing Fare Technology and Policy

FY2021



- Mobile SmarTrip launched

FY2022



- Free rail-bus transfers (\$2 discount)
- Weekend \$2 flat Metrorail fares
- Lower 7-Day Regional Bus Pass Price (\$15 to \$12)

FY2023



- Late-night \$2 flat Metrorail fares
- Decreased monthly unlimited pass price (price of 32 trips, previously 36)

FY2024



- Eliminated Metrorail peak and off-peak fare differences, standardized mileage charge
- Aligned Metrorail and Metrobus base fare
- Reduced Fare Program for Customers in SNAP
- Capped MetroAccess Fares at \$4

Over 5,000 Approved Metro Lift Program Enrollees

Metro Lift enrollment **launched June 20**

- 70% of customers have enrolled online
- In-person enrollment driven by pop-up events at Social/Human Service offices, grocery stores, Metrorail stations and bus bays

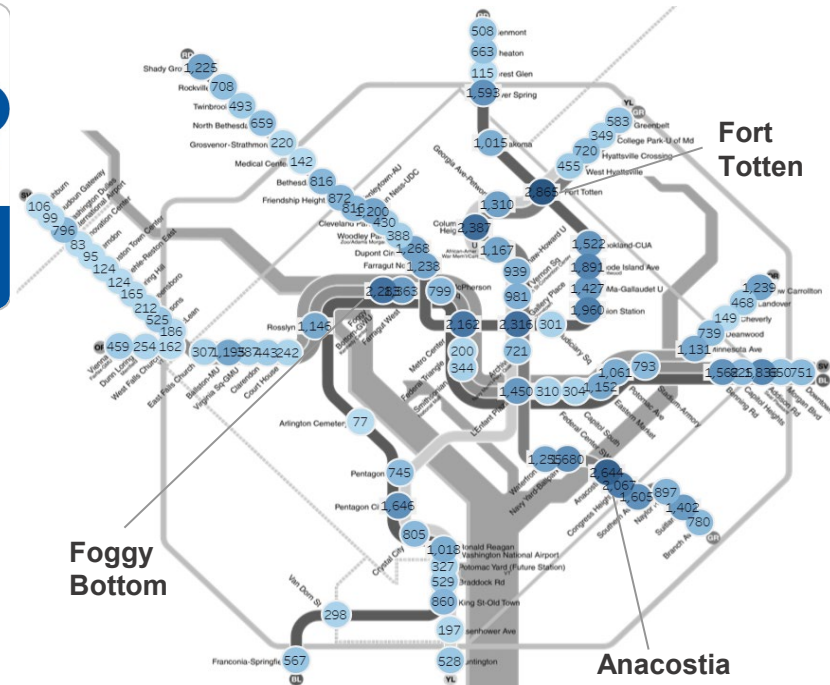
Over **130,000** trips taken to date

- Used at all 98 rail stations and on 150 bus routes

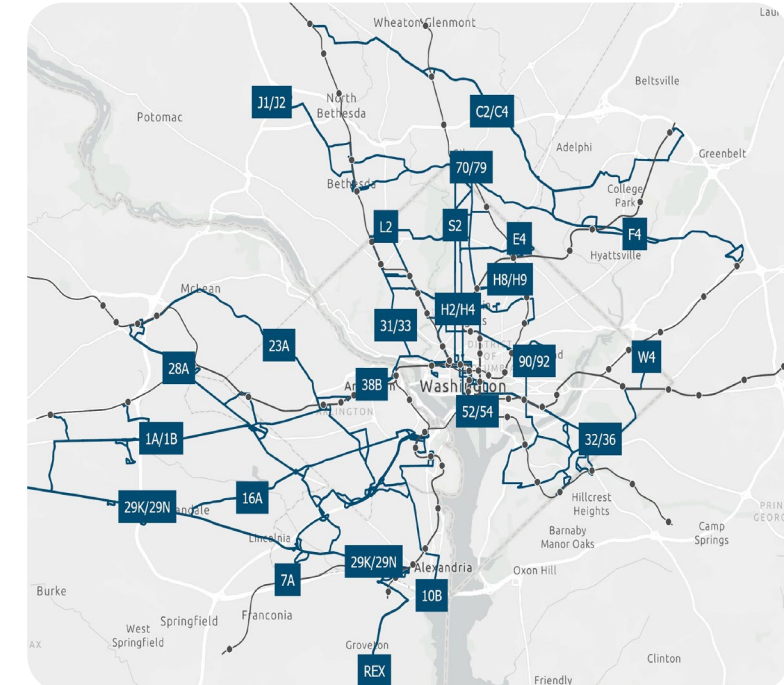
Pop-up Events



Top Rail Stations

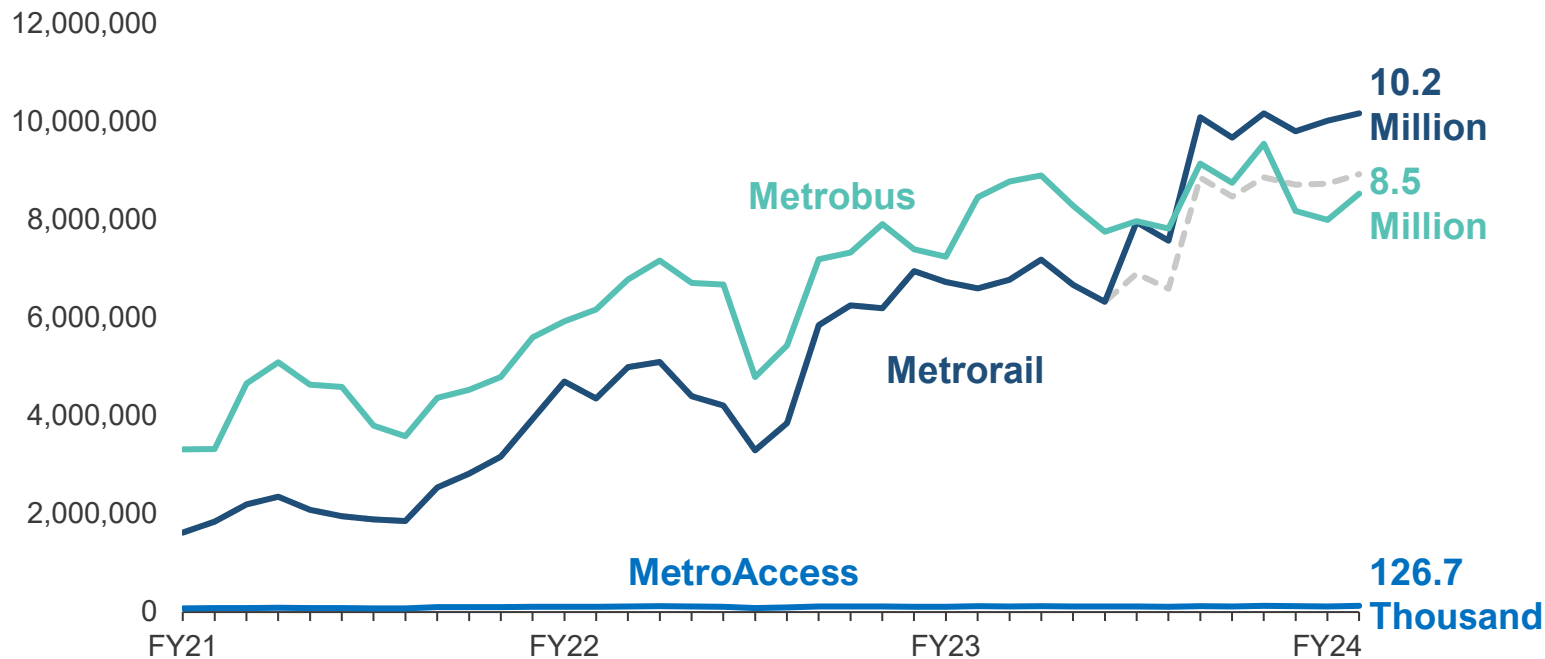


Top 25 Bus Routes



Ridership is Growing

Monthly Ridership



Source: Bus Ridership from Automatic Passenger Counters (APCs). Rail Ridership from taps until January 2023, when Metro began using faregate sensors to count total entries, including non-tap ridership.

Metrorail

- Ridership at **59%** of pre-pandemic levels overall – **54%** on weekdays, **87%** on weekends

Metrobus

- Ridership at **90%** of pre-pandemic levels overall – **87%** on weekdays, **105%** on weekends

MetroAccess

- Ridership recovered to **62%** of pre-pandemic levels
- Serving a higher share of trips through convenient, lower cost Abilities-Ride program

Note: September 2023 total ridership compared with September 2019

Reducing Fare Evasion

Reducing fare evasion addresses a top customer concern, increases system safety and security, and recovers revenue

System Investment



- Retrofitted faregates with higher barriers have reduced measured fare evasion by approximately 70%
- 11 stations have been retrofitted to date, 87 remaining stations to be completed by Summer 2024

Enforcement

A yellow sign with the Metro logo and text: "Please pay your fare before riding. POSSIBLE FINES: Washington DC - \$50, Maryland - Up to \$100, Virginia - Up to \$100. If you don't pay your fare, Metro Transit Police could issue you a fine. Visit wmata.com or call 202-637-7000 for information on where to buy a SmartTrip card or to learn about programs that can help if you can't afford the fare. SCAN TO GET OUR APP. M metro".

- Restarted fare evasion enforcement in November 2022, over 4,200 citations/enforcement actions in 2023
- Supporting jurisdictional efforts to close loopholes, e.g., Metro Safety Amendment Act of 2023

Fare Policy



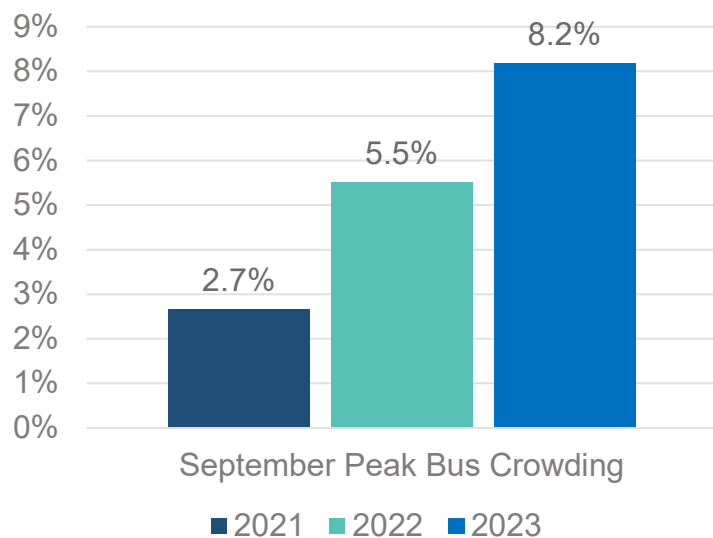
- Reduced fare program for customers enrolled in SNAP launched in June 2023
- Free bus to rail transfers launched in 2021 provide credit for fare paid on transfer

Buses are Getting Crowded

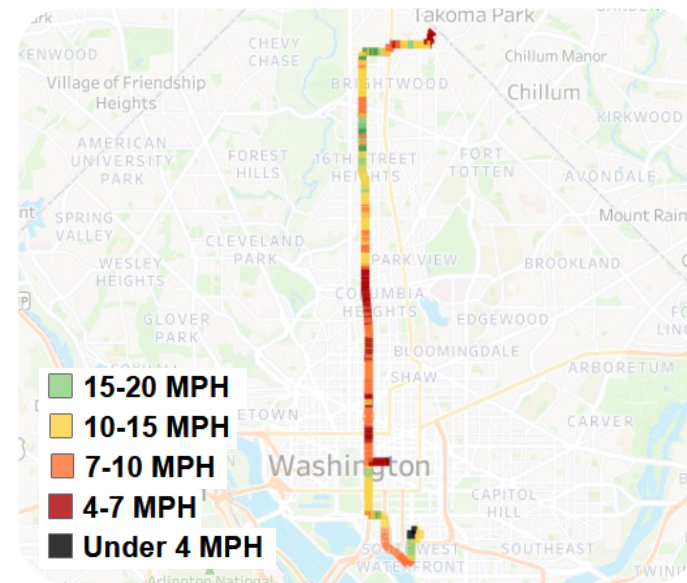
As customers return, crowding is increasing. More customers are experiencing uncomfortable conditions or are unable to board.

Example: 21.6% of the 54's (14th Street Line) peak passenger-minutes were in crowded conditions in Sept. 2023; made worse by congestion

Percent of Metrobus Passenger-Minutes in Crowded Conditions, Peak Service



Crowding is defined as 100% of seated capacity on most routes and 120% on Metro's busiest routes.

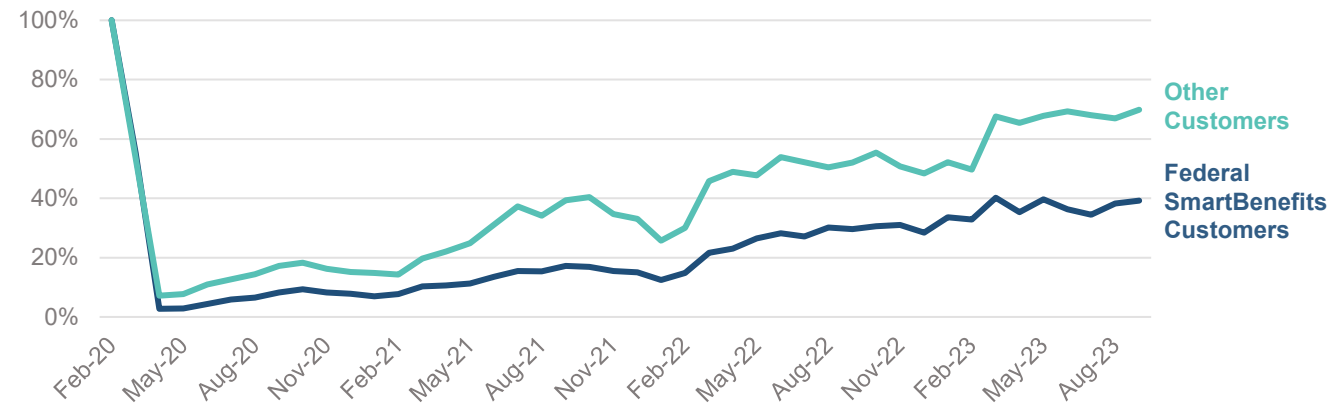


*Includes Bus Speeds on the 52/54 on weekdays in September 2023. Average speed of 6.9 mph in congestion.

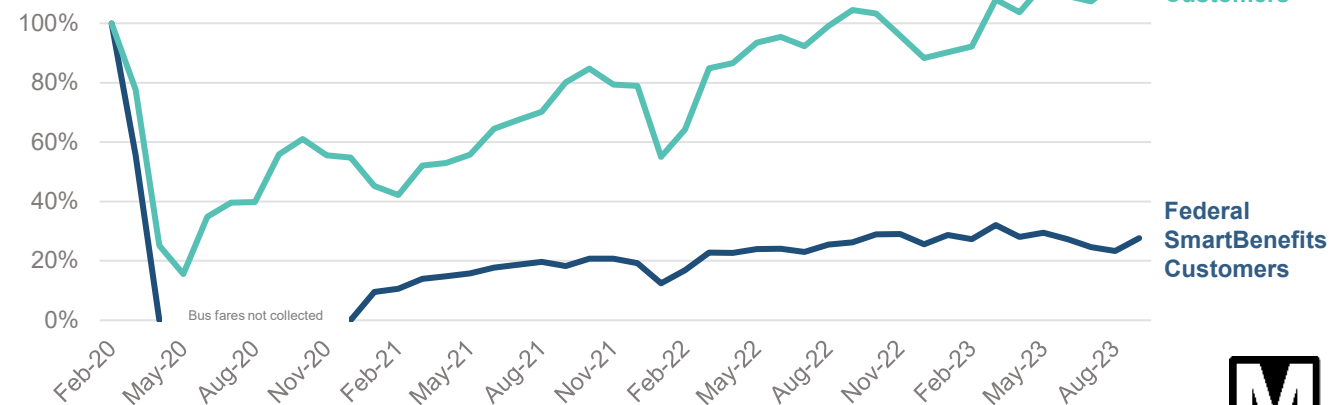
Federal Employees Slower To Return

- Federal employee ridership increasing but slower than other customers
- Estimated federal employee share of total ridership now 6% compared to 12% pre-pandemic
 - Rail: 11% currently compared to 17% pre-pandemic
 - Bus: 1% currently compared to 5% pre-pandemic
- 92,000 fewer federal employee trips on an average weekday

Metrorail Percent of February 2020 Ridership



Metrobus Percent of February 2020 Ridership



FY2025: Key Decisions

Fares and Service



Fares



Service Levels



Concepts for today's discussion:

1. Severe service cuts to close budget gap
2. Targeted service efficiencies, incremental cuts & fare changes

Ways Metro Can Reduce Deficit



FY2023-2024 Financial Management:

Closely manage operating expenses to maximize potential carryover



Internal Efficiencies:

Opportunities to further reduce operating costs and increase productivity in FY2025 and beyond



Preventive Maintenance:

Costs for operating maintenance that can be reimbursed by the capital budget subject to FTA approval



Federal Revenue Recovery:

Potential replacement for Federal SmartBenefits revenue

A severe budget cut reduces Metro's capacity to operate and maintain a quality system

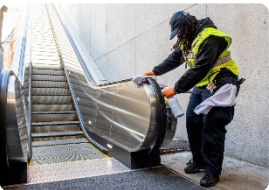
Metro's costs primarily driven by system footprint and quality delivered to customers

Work that does not vary directly based on service levels:



Operations & Maintenance

Bus Garages | Railyards | Track |
Structures | Stations | Signals |
Escalators/Elevators | Fare Collection |
Maintenance Equipment and Vehicles



Police & Security



Administrative Support

Management | IT | Communications
Human Resources | Planning |
Finance



Dirtier Trains & Stations



Reduced Elevator & Escalator Availability



Decreased Reliability



Reduced Police Presence/Patrols



More administrative & compliance risk



Degraded Customer Service

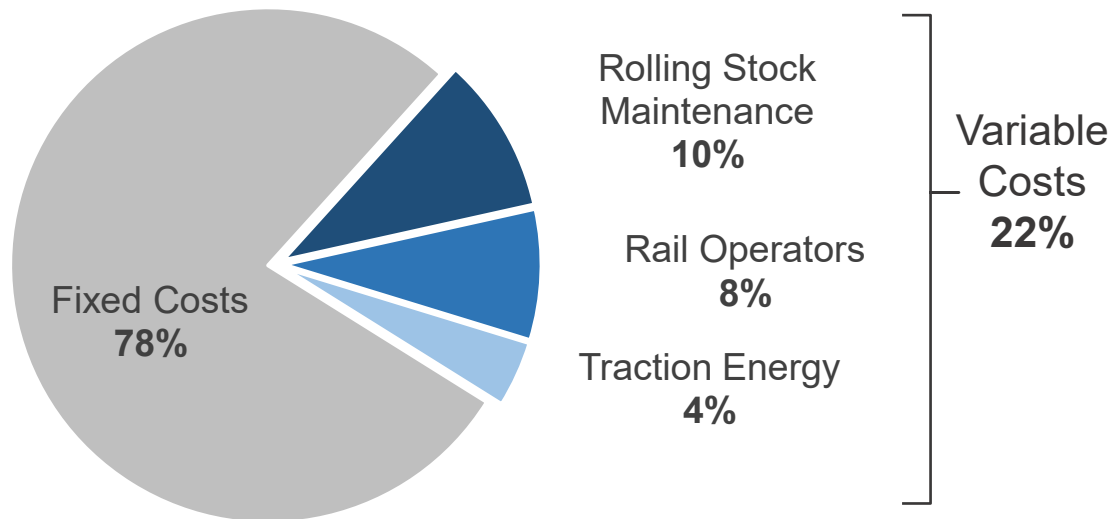
Challenging Math of Service Reductions

Fixed vs. Variable Cost Structure

Closing the budget gap with service cuts alone is not feasible:
most Metrorail costs do not vary with service levels

FY2023 Metrorail Costs

Share of \$1.3B Rail Operating Budget



- Metrorail costs are primarily operating and maintaining system assets
- As a result, modifying service levels has relatively small budget impact
 - For example, FY2024 budget includes 11% more rail service for 1.4% incremental operating expense increase
 - Conversely, service cuts contribute relatively small direct savings

Severe Service Cut Concepts: Rail and Bus

To dramatically reduce costs and staffing, the size of the system must shrink

How do you shrink the size of the system?

Severe service cut scenarios must use some combination of these types of options, depending on the total size of the cut

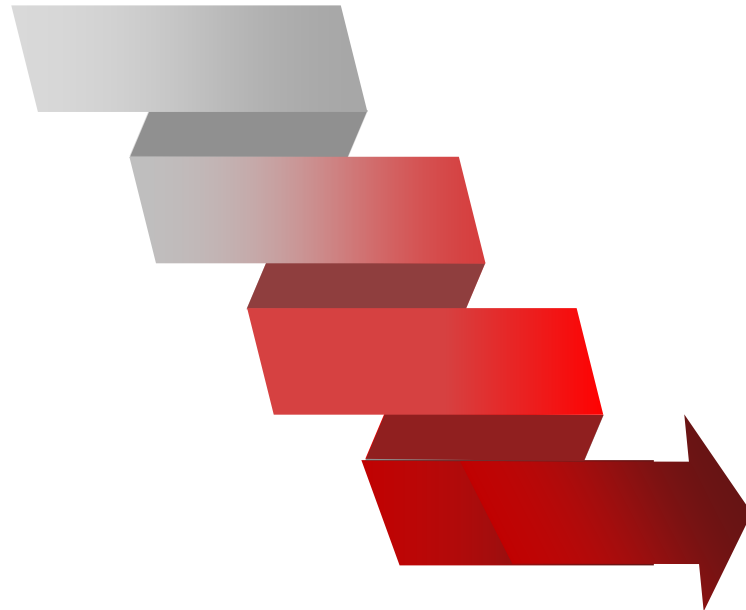
Category	Potential Rail Service Cuts	Potential Bus Service Cuts
Reduce Hours of Operation	Close entire system at 9pm, 7 days a week	Stop all bus service at midnight
	Close entire rail system on Sat. or Sun.	Stop all bus service at 9pm
Reduce Service	Reduce peak service to 20 min on all lines	Cut all bus routes except for the 37 lines on the Frequent Service Network
	Reduce off-peak service to every 30 min	Reduce service on the Frequent Service Network while maintaining some service on 30-40 more lines
	Service pattern changes & turnbacks	Cut all remaining peak-only commuter routes
		Truncate all routes with a possible rail connection
Close Facilities	Close 20 to 25 stations full time or weekends	Close 2 of Metro's 9 bus garages
	Close railyards	

Severe Cuts Trigger the Transit Death Spiral

More congestion, more pollution, and reduced economic competitiveness and quality-of-life

Large service cuts hurt customers and the region...

- Cutting service makes system less useful, reducing ridership
- Lower ridership will decrease revenue
- **Budget gap remains for future years**



...and will limit Metro's ability to deliver service in the future

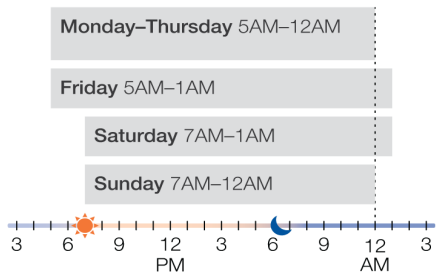
- Layoffs reduce Metro's capability to deliver service
- Lost capacity will limit Metro's service for years
- **Even with restored funding, Metro's service will be limited for years to come**

Service Optimization Concepts for FY2025

Agile Metrorail Service

Maximize the value of the network and service delivered by most efficiently using available resources:

- Analyze duration of peak periods to adapt to how and when customers travel
- Analyze 4-, 6-, 8-car train service
- Analyze hours of operation and multi-station entrance needs



LN	CAR	DEST	MIN
BL	4	Franconia	2
OR	6	Vienna	7
SV	4	Ashburn	12

Better Bus Network Redesign

as called for in the 2017 LaHood Study

The Year One Network is transformative bus service

- Reallocates resources and meets regional goals for bus service by adapting the network to how customers travel now
- Constrained to FY2024 service levels and is the first step to implement the visionary network
- Is equitable



Board Policy Guides Rail Service & Investment Planning

Metrorail Service Standards

- Set minimum frequencies for rail service & standards for passenger loading

Eight-Car Trains

- Provide higher capacity and a predictable customer experience: more seats for customers, enable use of entire station platform

Metrorail System Design

- Station design: 600' platforms
- Railcar design: 7000-series configuration
- Infrastructure constraints



“Train Length – Metrorail will strive to operate 100% eight-car trains”
- Board Resolution 2021-44

Considerations for Service Delivery

Good, frequent service is key to generating ridership

- Frequent service in the core
- Efficient transfers
- Reliable, on-time departures at end of lines

Examine opportunities to **operate efficiently while maintaining good service** and limiting customer impacts

Lower
Customer
Impacts



Higher
Customer
Impacts

Shorter trains

- Maintains service frequency
- Saves on traction power
- Fewer railcars need to be maintained for daily service

Adjust hours of service

- Reduce operating hours/costs
- Opening and closing times and peak service periods

Service reductions

- Longer headways
- Turnbacks
- Closed stations/entrances

Potential Targeted Service Cut Concepts

Concept	Category	Potential Service Adjustments	
A	Peak Span	A1	Limit peak service to 7-9am and 4-6pm
		A2	Limit peak service to 6-9am and 3-6pm
B	Entrances	B1	Reduce staffing at some station entrances
		B2	10 entrances closed or unstaffed
C	Headways	C1	Decrease OR Line peak service to every 10 min
		C2	Decrease OR Line off-peak service to every 12 min
		C3	Decrease GR and YL Line weekend service to every 8 min
D	Train Length	D1	100% 6-car trains on BL, YL, and SV
E	Service Patterns	E1	RD line turnbacks (Grosvenor and Silver Spring) – every other train
		E2	SV line turnbacks (Stadium-Armory) – all trains
		E3	BL line turnbacks (Stadium-Armory) – all trains
		E4	BL line turnbacks (Arlington Cemetery) – all trains
		E5	SV line turnbacks (Wiehle Ave) – every other train
F	Hours of Operation	F1	Close 1 hour earlier (12am) on Fri and Sat nights
G	Bus Services	G1	Eliminate lowest productivity lines

Adapt Peaks to When the Most Customers are Riding

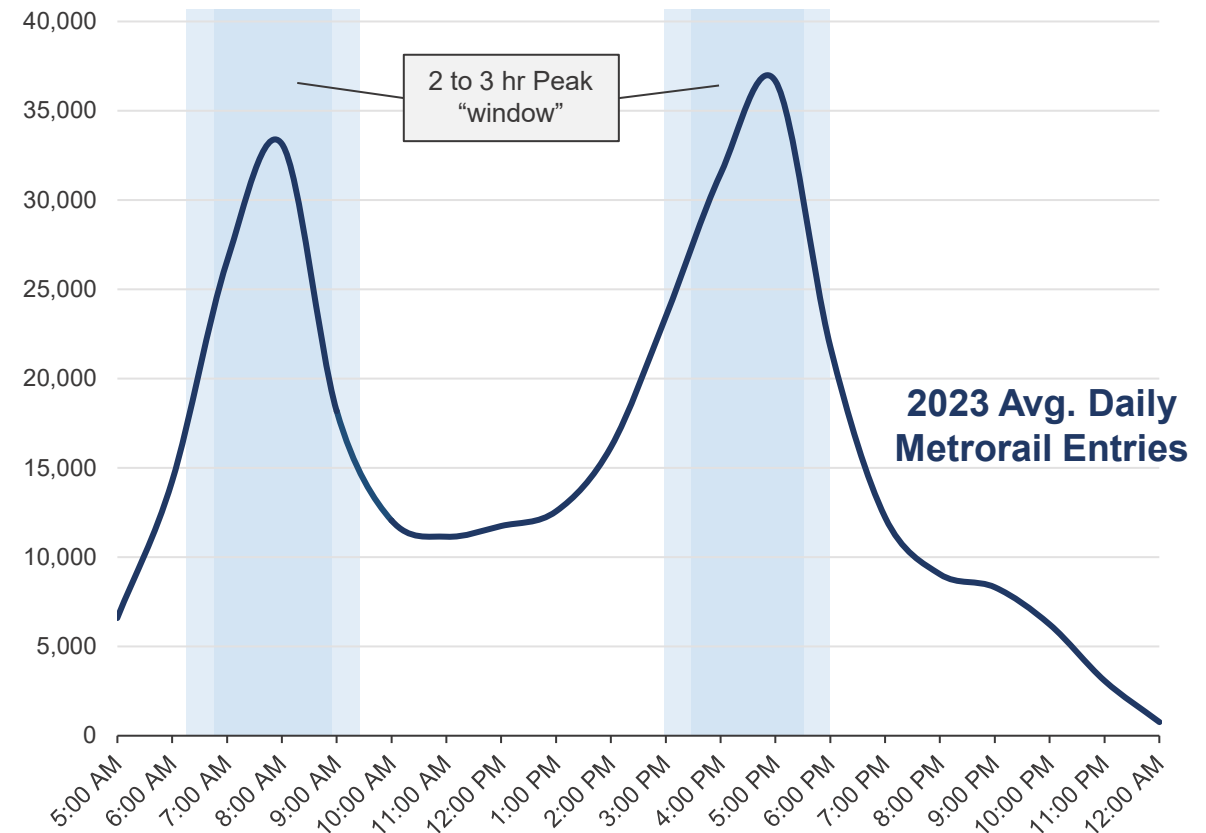


Concepts:

- Adjust the duration of peak service to match customer demand
 - Pre-pandemic: 4 to 5 hours
 - Concept: 2 to 3 hours

Key Considerations:

- Flexibility to adapt service to match ridership trends
 - No more peak/off-peak fares
 - Lower passenger loads
 - Better service all day until 9:30pm



Estimated Net Savings (\$M)

(2 to 3.5)

Reduce Staffing at Some Station Entrances

B

Concept:

- Reduce staffing at some station mezzanines and entrances where there is now redundancy during low demand periods, such as nights and weekends

Key Considerations:

- Accessibility & elevator locations
- Destination access, bus transfers
- Opportunity to utilize new video surveillance capabilities

Example of station entrances that could be unstaffed during low-use time periods

Station	Line	Entrance	After 9 pm	Weekend
Farragut North	RD	SW corner of Conn. Ave and L St. NW	X	X
Farragut West	BL OR SV	17 th and Eye St. NW	X	X
Judiciary Sq.	RD	4 th and D St. NW	X	X
L'Enfant Plaza	BL OR SV GR YL	7 th and D St. SW	X	X
Smithsonian	BL OR SV	National Mall	X	

Estimated Net Savings (\$M)

B1 (0.5)
Limited
Night/Weekend

B2 (5)
10 entrances fully
closed/no staffing

Change Service Headways

Delay or roll back FY2024 Service Optimization

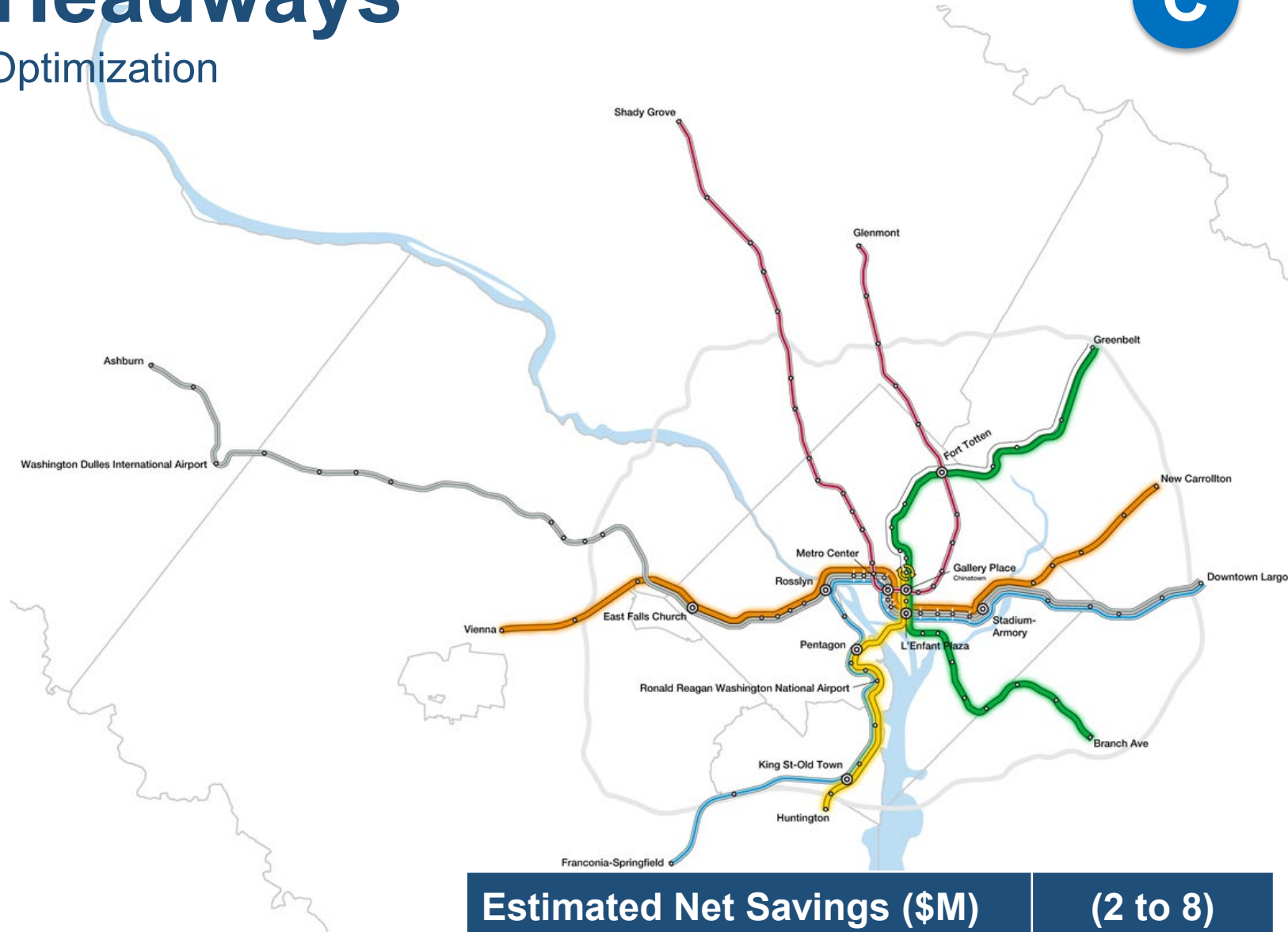


Concepts:

- Delay FY2024 Service Optimization elements yet to be implemented:
 - Orange Line peak service
 - Green and Yellow line weekend service (weekday all day 6 minute service starts in December service pick)
- Roll back FY2024 Service changes already implemented

Key Considerations:

- Growing ridership; potential crowding
- Equity impacts



Estimated Net Savings (\$M)

(2 to 8)



4-, 6-, and 8-car Trains

Use shorter trains to reduce railcar miles & traction power costs

Concept:

- Use shorter trains to reduce railcar miles and traction power costs without reducing service

LN	CAR	DEST	MIN
BL	4	Franconia	2
OR	6	Vienna	7
SV	4	Ashburn	12

**Two Approaches
for Operating
Shorter Trains:**

‘Cut’ trains at mid-day or late night:

Metro previously reduced train lengths mid-day and late night – last in FY2011

- Adds costs: requires more operators and deadhead time
- Limited savings: Can only reduce car miles during limited hours of the day

Run shorter trains all day long:

Metro currently operates a mix of 6-car and 8-car trains all day

- Operate one or more lines with all 6-car trains; Simple, consistent operations, optimize yards for service
- Decrease peak vehicle and fleet size requirement, reducing maintenance demands and costs

Estimated Net Savings (\$M) **(up to 8)**



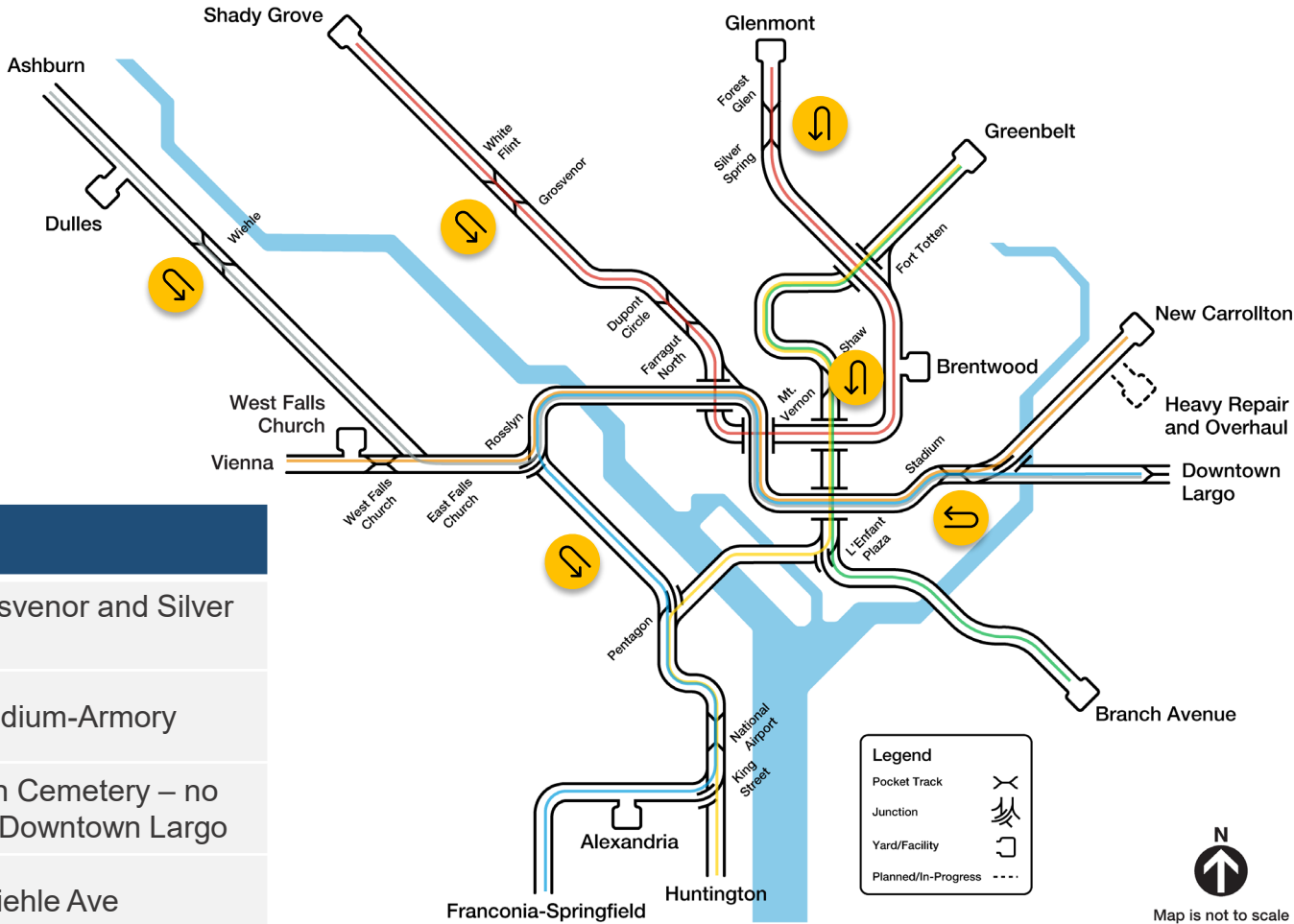
Service Patterns & Turnbacks

Use Metrorail’s infrastructure to reduce railcar miles

Concept: Turn back trains to reduce railcar miles while preserving service in the core

Key Considerations: limited locations to turn trains; risks to service delivery; service frequency reductions beyond the turnbacks

Concept	Line	Potential Turnbacks
E1	RD	Half of all Red Line trains turn at Grosvenor and Silver Spring
E2 & E3	BL or SV	Blue <u>OR</u> Silver Line trains turn at Stadium-Armory
E4	BL	Blue Line trains terminate at Arlington Cemetery – no service between Arlington Cem. and Downtown Largo
E5	SV	Half of all Silver Line trains turn at Wiehle Ave



Close Earlier on Friday and Saturday Nights

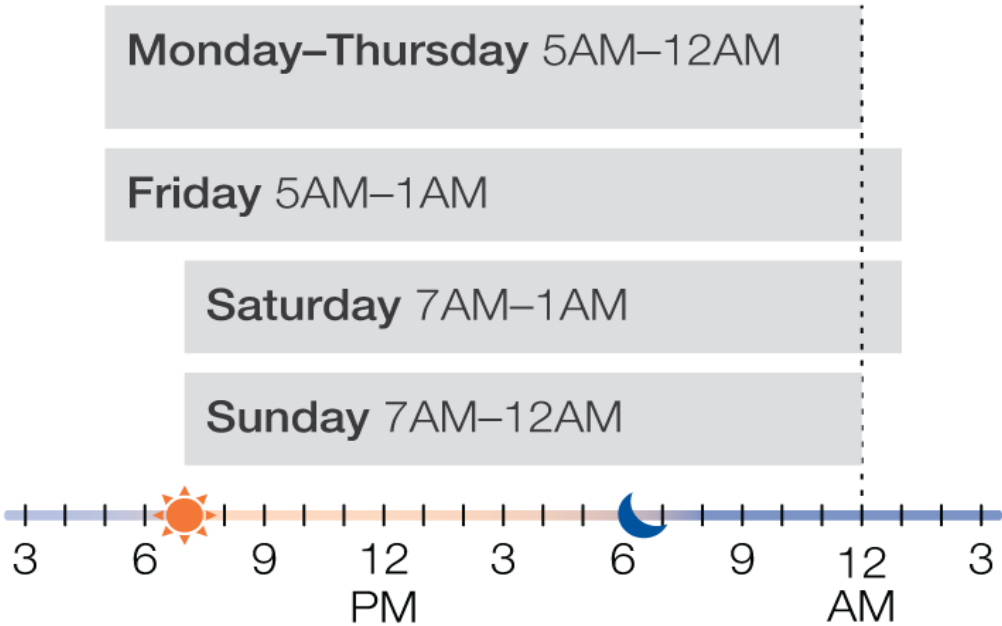


Concept: Adjust Metro’s hours of operation

Key Considerations: Equity impacts, operating cost savings, service for special events

Concept	Change in Weekly Hours of Service
Close Earlier: 12am 7 days a week	-2

Current Metrorail Hours of Operation



Estimated Net Savings (\$M)	(3)
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Potential Bus Optimization & Reductions



Service Adjustment Concepts:

- Better Bus Network Redesign Year 1 Network
 - Assumes same level of resources as FY2024
 - Eliminates remaining low-performing routes (e.g. 3Y)
- Cut or Eliminate lowest performing lines
- Shorten routes where rail connection possible, requiring more transfers
 - Shorten routes to avoid costly high-congestion areas
- Consolidate limited stop and regular local services
- Examine routes with complementary services provided by other bus operators

14 Lowest Performing Lines

17B,M	1C	26A
17G,K	18G,J	W14
2B	3FY	18P
22A,F / 28F	Z7	8W
11Y	P18	

Productivity analysis based on a combination of operating cost and utilization

Estimated Net Savings (\$M)	(10)
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Potential Targeted Service Cut Concepts

Concept	Category	Potential Targeted Service Reductions		Ridership Change (M)	Trips Positively Impacted	Trips Negatively Impacted	Estimated Net Savings (\$M)	Preliminary Equity Scan: Potential Finding
A	Peak Span	A1	Limit peak service to 7-9am and 4-6pm	(0.8)	0	20.1	(3.5)	No
		A2	Limit peak service to 6-9am and 3-6pm	(0.3)	0	8.6	(2)	No
B	Entrances	B1	Reduce staffing at some station entrances	-	0	-	(0.5)	n/a
		B2	10 entrances closed or unstaffed	-	0	-	(5)	n/a
C	Headways	C1	Decrease OR Line peak service to every 10 min	-	-	4.6	(3)	No
		C2	Decrease OR Line off-peak service to every 12 min	-	-	7.8	(2)	No
		C3	Decrease GR and YL Line weekend service to every 8 min	(0.6)	0	9.9	(3)	Yes
D	Train Length	D1	100% 6-car trains on BL, YL, and SV	n/a	n/a	n/a	(8)	n/a
E	Service Patterns	E1	RD line turnbacks (Grosvenor and Silver Spring)	(1.3)	0	10.9	(2)	No
		E2	SV line turnbacks (Stadium-Armory)	(0.5)	0	4.1	(4)	Yes
		E3	BL line turnbacks (Stadium-Armory)	(0.5)	0	3.9	(4)	Yes
		E4	BL line turnbacks (Arlington Cemetery)	(3.0)	0	34.6	(7)	No
		E5	SV line turnbacks (Wiehle-Reston East)	(1.2)	0	28.0	(2)	No
F	Hours of Operation	F1	Close 1 hr earlier (12am) on Fri and Sat nights	(0.2)	0	0.2	(3)	No
		G1	Eliminate lowest productivity lines	(1.4)	0	1.4	(10)	No
G	Bus Services							
Potential Savings Range:								(25) to (30)

PRELIMINARY ESTIMATES

Potential Targeted Service Improvement Concepts

Concept	Category	Potential Service Improvements		Ridership Change (M)	Trips Positively Impacted (M)	Trips Negatively Impacted (M)	Estimated Net Cost (\$M)	Preliminary Equity Scan: Potential Finding
F	Hours of Operation	F2	Close 1 hr later (2am) on Fri and Sat nights, or	0.2	0.2	0	3	No
		F3	Open 1 hr earlier (6am) on Sat and Sun mornings	0.2	0.2	0	3	No
G	Bus Services	G2	Capacity increases on crowded routes	0.5	8.4	0	10	No
		G3	Airport overnight service	0.1 to 0.2	0.1 to 0.2	0	1.5 to 3	Yes*
		Potential Cost Range:						14.5 to 16
Better Bus Network Redesign		Year 1 Network						Resource Neutral
Automatic Train Operation		Improved train run times and reliability from automatic door and trains operations						(5 to 10)

**Implementation will likely include other network changes, which could offset impacts*

PRELIMINARY ESTIMATES

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY



MetroAccess

- 36,500 customers enrolled in MetroAccess, 1.39 million MetroAccess trips taken in FY2023
 - Approximately 20% of customers who use MetroAccess account for around 70% of the trips; 53% of enrolled customers took a trip in FY2023
 - Metro also coordinated 566,000 Abilities-Ride trips (free to customers)
- 9.5% of trips¹ are trips beyond the legally required service area²
 - Taken by approximately 5,100 customers



Current MetroAccess Policy	Cost of Providing
Trips Outside the ADA Service Area	\$14.2M
Free Abilities-Ride	\$3.6M
\$4 Fare Cap ³	\$2.0M
Total	\$19.8M

FY2023 average cost per trip of \$87⁴

1. 70 percent of which are taken by customers who traveled outside the defined ADA service area and hours between July 1, 2009 and June 30, 2010 (Board Resolution 2010-31)

2. Within ¼ of a mile of fixed-route bus service and rail stations throughout the same hours as fixed route service

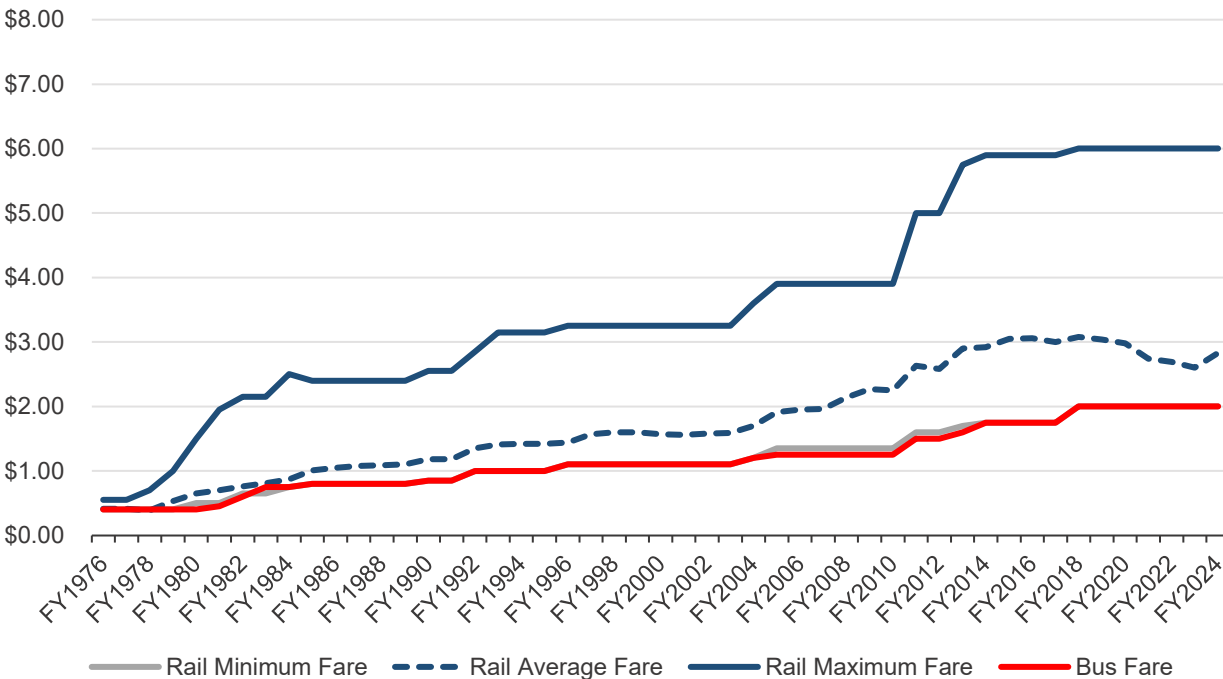
3. Federal regulations permit paratransit fares up to twice the fare for the comparable fixed-route trip

4. Includes Abilities-Ride trips and expenses

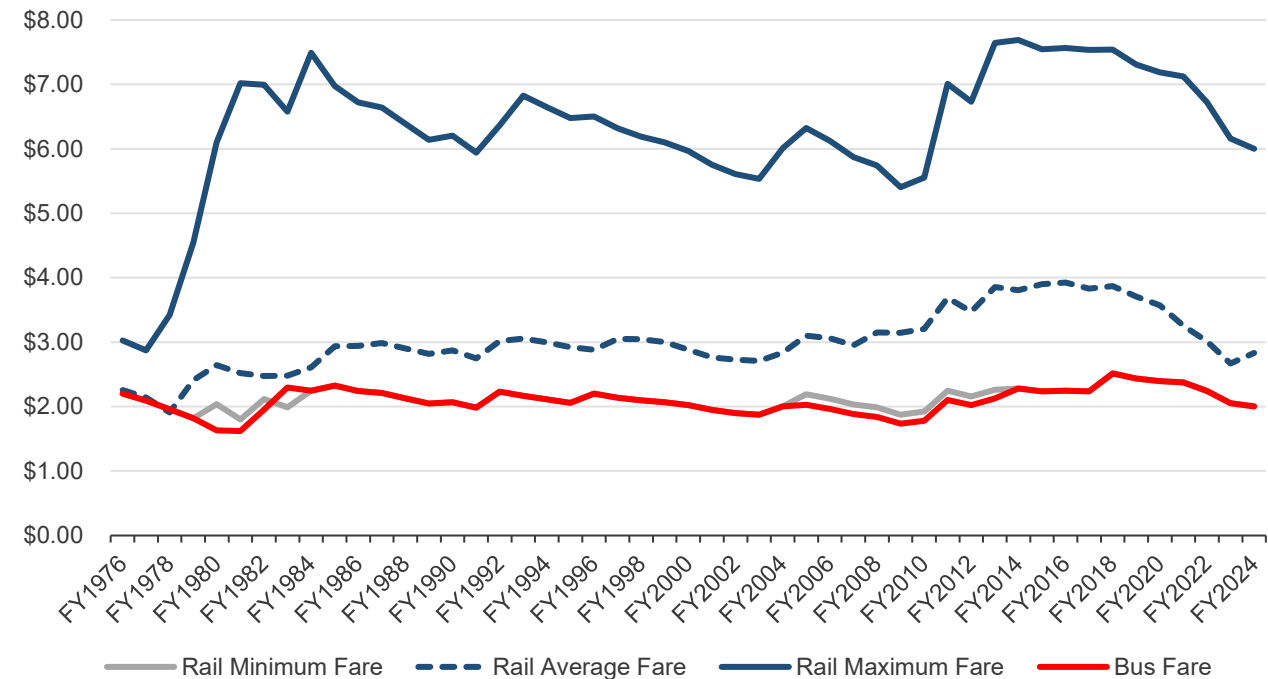
Metro Fares and Inflation

- Inflation adjusted, bus and rail minimum fares have historically remained around \$2
- The nominal average rail fare increased slightly with max rail fare increases and decreased after \$2 weekend fares and bus-rail transfers implemented

Metro Fares (nominal dollars)



Metro Fares (shown in July 2023 dollar amounts)



Source: Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

Potential Fare Increase Scenarios

- Fare increases expected to result in a net revenue increase but reduce ridership
 - Diminishing revenue returns for fare increases as more customers get priced out of the system
 - Ridership impacts from fare changes build over time

FY2025 Fare Increase Concept	Bus/Rail Base Fare (incl. night/weekend)	Rail Max Fare	Ridership Impact (Million)	Revenue Impact (Million)	Change from estimated FY2025 Ridership	Change from estimated FY2025 Fare Revenue
FY2024 Structure Change	\$2.00	\$6.00				
5% Increase	\$2.10	\$6.30	-4.7	\$12.9	-2%	3%
10% Increase	\$2.20	\$6.60	-9.4	\$24.3	-4%	6%
12.5% Increase	\$2.25	\$6.75	-11.6	\$28.5	-5%	7%
25% Increase	\$2.50	\$7.50	-23.4	\$54.1	-10%	13%
37.5% Increase	\$2.75	\$8.25	-35.0	\$72.6	-16%	17%
50% Increase	\$3.00	\$9.00	-46.8	\$86.9	-21%	20%

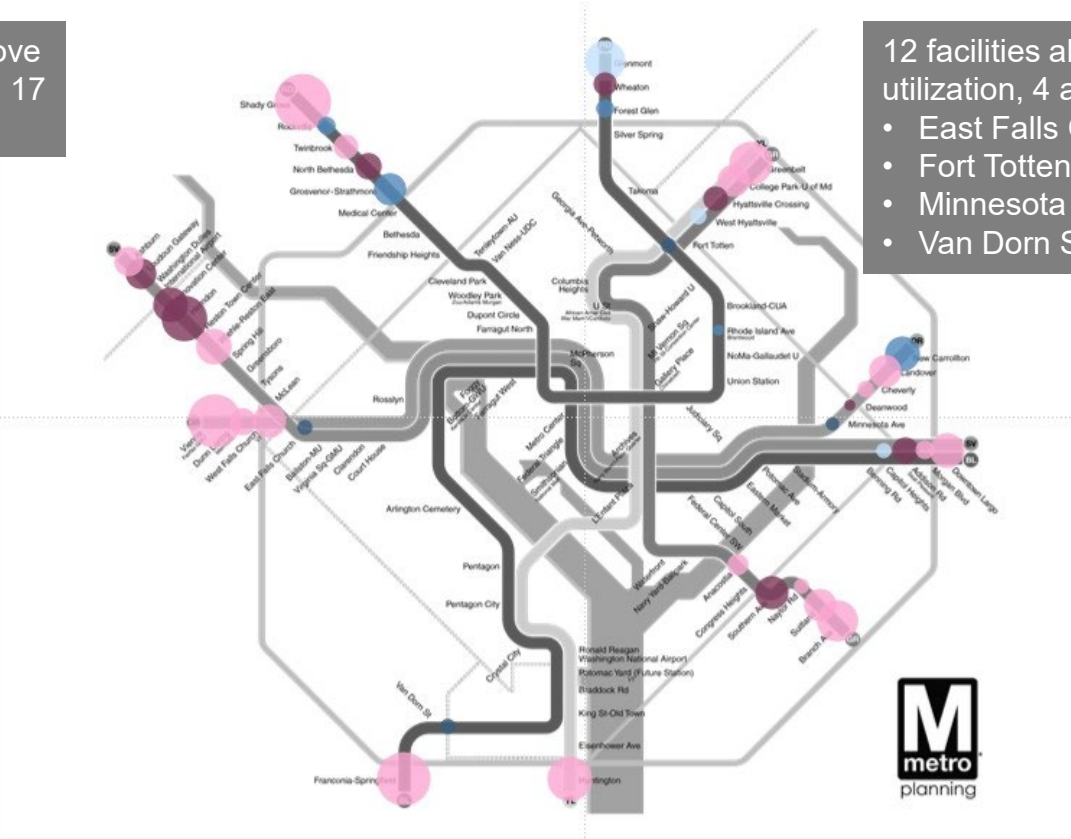
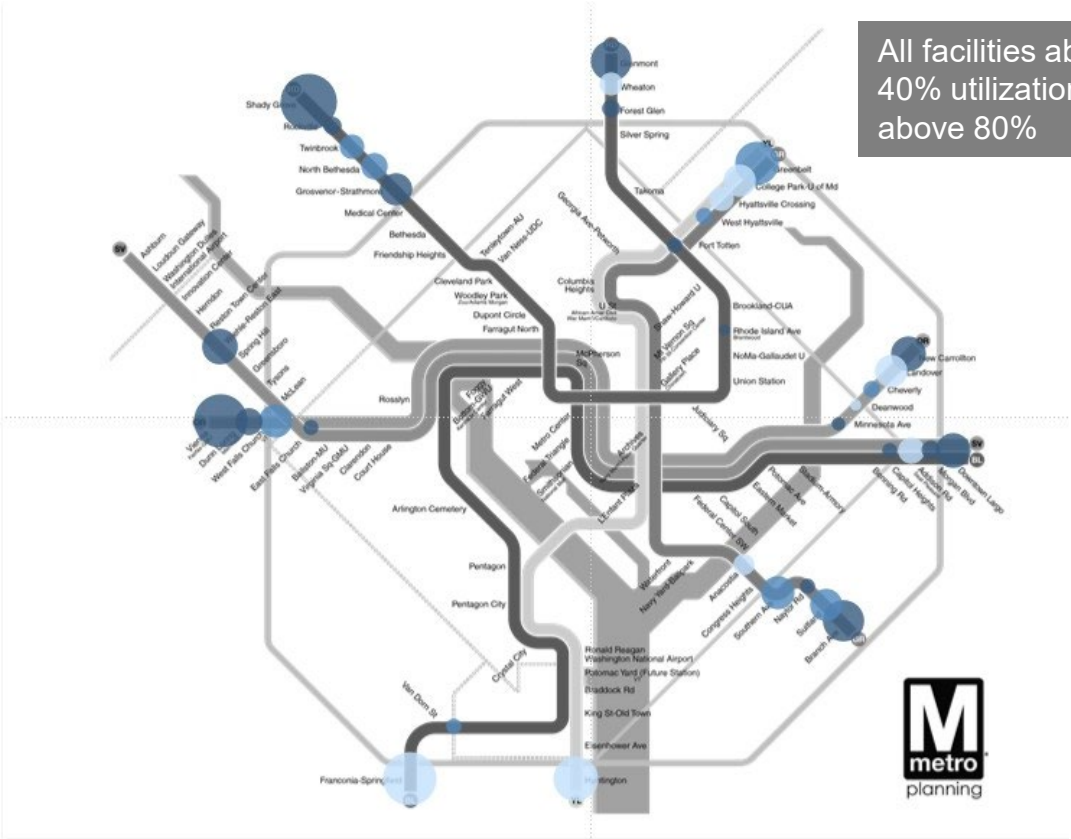
Notes: All concepts apply a proportional increase to all fares at all periods, including rail late night and weekend flat fare, through the base/max fares and the mileage charge. The monthly pass multiplier remains 32 and price of other passes scale by increase percentage. MetroAccess fares remain twice the equivalent fixed route fare and the current \$4 fare cap would scale proportionally with any increase. Preliminary Title VI scans do not indicate a finding of potential disparate impact or disproportionate burden.

Parking Utilization

Average utilization down from 74% pre-pandemic to 22%, daily transactions down 60%

Average Wednesday, September 2019

Average Wednesday, September 2023



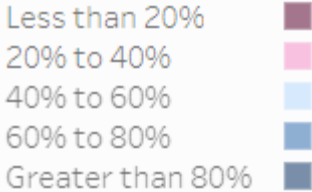
Summary	Total Transactions	Avg Daily Transactions	Showing Data Through: 9/25/2019
	193,020	48,255	

Summary	Total Transactions	Avg Daily Transactions	Showing Data Through: 9/27/2023
	87,748	21,937	

Note: The size of the circles represent the maximum parking capacity of the lots at each station.

- 12 facilities above 40% utilization, 4 above 80%:
- East Falls Church
 - Fort Totten
 - Minnesota Ave
 - Van Dorn St

Avg Capacity Utilization



Parking Concepts

P1 Increase rates in lockstep with fares

- Applies fare increase percentage to parking rates resulting in equitable impact on all customers
- Could further deter park-and-ride customers from using Metro

FY2025 Parking Rate Adjustment	Rail Ridership Impact (Million)	Rail+Park Revenue Impact (Million)	Change from estimated FY2025 Ridership	Change from estimated FY2025 Revenue
5% Increase	-0.0	\$0.7	-0.0%	0.3%
10% Increase	-0.1	\$1.2	-0.1%	0.5%
12.5% Increase	-0.1	\$1.5	-0.1%	0.7%
25% Increase	-0.1	\$3.1	-0.1%	1.3%
37.5% Increase	-0.2	\$4.5	-0.2%	2.0%
50% Increase	-0.3	\$5.9	-0.2%	2.6%

P2 Adjust rates based on current utilization

- Increase rates at highly utilized stations (over 80%), maintain rates at medium utilized stations (40 to 80%), and decrease rates at low utilized stations (under 40%)
- Targeted approach to increase access to transit while disincentivizing crowding at facilities

Note: Rider rates are comprised of Board-approved base fares and jurisdictional surcharges and range from \$0 to \$5.20. Non-rider rates range from \$0 to \$15, to be standardized at \$10 in FY2025.

FY2025 Potential Scenarios

\$ in Millions

Operating Budget: Illustrative Concepts					
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
	Standard PM No service cuts Most add'l Subsidy	Max PM No service cuts Some add'l Subsidy	Max PM Targeted service cuts Least add'l Subsidy	Max PM ^C Major (~33%) svc. cuts No add'l subsidy	Standard PM Severe (~60%) svc. cuts No add'l subsidy
FY2025 Deficit	\$750	\$750	\$750	\$750	\$750
One-Time Savings + Cost Efficiencies	- \$145	- \$145	- \$145	- \$145	- \$145
FY24 Revenue Adjustment ^A	+ \$45	+ \$45	+ \$45	+ \$45	+ \$45
Preventive Maintenance Transfer Options ^B	- \$0	- \$285	- \$285	- \$220	- \$0
Fare Increase ^D	- \$0	- \$0	- \$25	- \$25	- \$25
Service Cuts ^D	- \$0	- \$0	- \$25	- \$405	- \$625
Additional Subsidy to Balance Budget^E	\$650	\$365	\$315	\$0	\$0
Potential Inflation Reduction	- \$23	- \$23	- \$23	- \$23	- \$23
Potential Federal SmartBenefits Replacement	- \$50	- \$50	- \$50	- \$50	- \$50
	\$577	\$292	\$242	Service cut relief	
FTE Impact ^D	-	-	-175	-2,900	-4,700

A. \$45M Revenue Forecast Adjustment - includes \$65M average fare and trip adjustment (rev. decrease) offset by \$20M fare evasion recovery (rev. increase)

B. Additional PM transfer above \$60M annual base amount

Note: Totals may not sum due to independent rounding

C. Maximum PM transfer reduced due to cuts to eligible maintenance activity

D. 10 to 12.5% increase; does not include parking.

E. Amount above annual 3 percent growth cap from FY2024-2025

Customer Impacts of FY2025 Scenarios

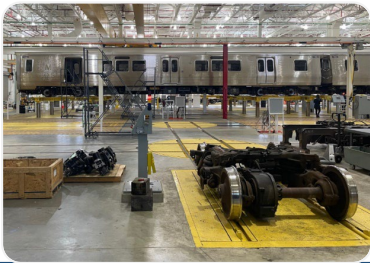
Operational Reduction: Illustrative Service Concepts

	Scenario 1 Standard PM No service cuts Most add'l Subsidy	Scenario 2 Max PM No service cuts Some add'l Subsidy	Scenario 3 Max PM Targeted service cuts Least add'l Subsidy	Scenario 4 Max PM ^C Major (~33%) service cuts No add'l subsidy	Scenario 5 Standard PM Severe (~60%) service cuts No add'l subsidy
Metrorail	124 trains 5 to 12 minutes Midnight or 1 am closing	124 trains 5 to 12 minutes Midnight or 1 am closing	112 to 120 trains Targeted service cuts Shorter peak periods Turnbacks Six-car trains	75 to 90 trains 10-15 min peak 20-30 min off-peak Early closing ~33% cut	50 to 60 trains 20-30 mins all day 9:30 PM closing ~60% cut
Metrobus	134 bus lines 21 lines: 12 min or better all day Systemwide: varies	134 bus lines 21 lines: 12 min or better all day Systemwide: varies	Cut 10 bus lines	Cut 50 bus lines Cut frequency on busy lines ~33% cut	Cut 80 to 95 bus lines 20 to 30 minutes 9:30 PM closing ~60% cut
MetroAccess	Full service	Full service	Full service	No service beyond regulatory requirements	No service beyond regulatory requirements
Fares	No fare increase	No fare increase	Higher fares	Higher fares	Higher fares

Implications of Capital Funding Deficit

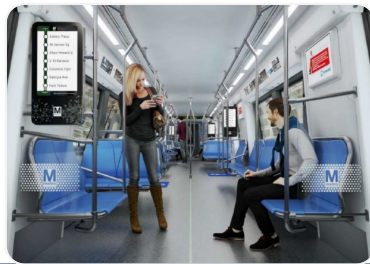
- Increased state of good repair backlog
- Declining reliability, worsening customer experience and increased safety risk
- Limited modernization and enhancements and no expansion

Impact of Deferring Major Capital Investments:



Heavy Repair & Overhaul Facility

- Fleet performance and reliability reduced
- Inefficiency increases ongoing operating budget costs
- Deferral adds complexity for operations and maintenance; continuing a decentralized approach in outdated, constrained facilities



8000-Series Fleet of the Future

- If legacy fleets remain in service longer, reduces reliability and efficiency
- Delaying purchase option could be aligned with decrease in fleet size, limiting flexibility to increase rail service and reduces capacity



Zero-Emission Buses & Facilities

- If legacy buses remain in service longer, reduced reliability & environmental impacts
- Adds complexity to facility transition; limits flexibility
- Extends goal to achieve zero-emission bus fleet by 2042
- Potential smaller bus fleet and less peak service



Signaling Improvements

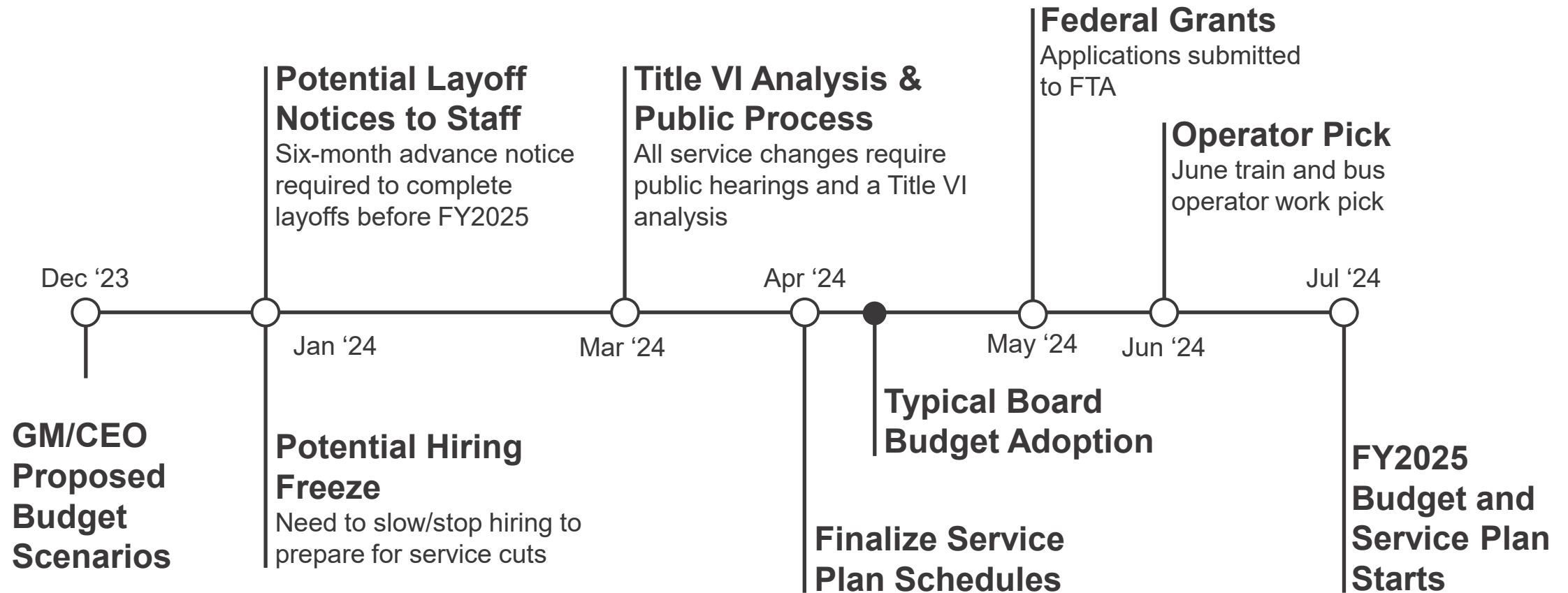
- Deferring Next-Gen Automation and Signaling forces use of older assets with parts that are no longer available



B/O/S Corridor Improvements

- Limits Metro's ability to increase capacity on busy sections of the system, run more frequent service, and support regional growth

FY2025 Budget Timeline



Appendix



FY2024 Budget Implementation Status

	Rail	Bus	Fares
Complete	<ul style="list-style-type: none"> ✓ GR/YL service pattern ✓ 6 min GR/YL peak headways ✓ 8 min GR/YL all day service ✓ 10 min OR all day service <p>Operating 89% of budgeted weekday service</p>	<ul style="list-style-type: none"> ✓ Restored Service: 11Y ✓ Increased Frequency: B2 ✓ Restructured Routes: 16M, L12 	<ul style="list-style-type: none"> ✓ Simplified Metrorail Fare Structure ✓ Metro Lift Income Qualified Fare Program ✓ MetroAccess \$4 Fare Cap
In Progress	<ul style="list-style-type: none"> <input type="checkbox"/> 6 min GR/YL all day service weekday all day 6 min starts in December <input type="checkbox"/> 7.5 min OR peak service <input type="checkbox"/> Full peak periods <input type="checkbox"/> All 8-car trains 	<ul style="list-style-type: none"> <input type="checkbox"/> 24-hour bus network in DC expected December 2023 	<ul style="list-style-type: none"> <input type="checkbox"/> Senior SmarTrip Card Fee Waiver expected December 2023

Preliminary FY2025 Ridership and Revenue Scenario

	Forecast as of Oct. 2023	FY2023 Actual	FY2024 Budget	FY2025 75% Scenario
Trips (in M)	Rail	88.8	116.5	123.5
	Bus	102.5	105.6	112.3
	Access	1.4	1.5	1.5
	Total	192.7	223.7	237.3
Passenger Revenue (\$ in M)	Rail	\$231.5	\$330.8	\$355.0
	Bus	\$55.9	\$67.9	\$72.1
	Access	\$4.6	\$4.9	\$5.4
	Total	\$292.0	\$403.5	\$432.5
Average Fare	Rail	\$2.61	\$2.84	\$2.87
	Bus	\$0.55	\$0.64	\$0.64
	Access	\$3.27	\$3.17	\$3.51

FY2025 Scenario assumes a total ridership recovers to approximately 75 percent of pre-pandemic levels and represents a 6 percent increase above FY2024 budgeted levels.

Ridership and revenue forecast adjustments anticipated during the budget development process.

FY2025 Potential Scenarios

PRELIMINARY

\$ in Millions		Scenario A Historic PM	Scenario B FY2024 PM	Scenario C Max PM
FY2025 Deficit		\$750	\$750	\$750
FY2024 Forecast	Operational Efficiency FY23 – FY24 (one-time)	- \$95	- \$95	- \$95
	FY2024 Revenue Forecast Adjustment*	+ \$45	+ \$45	+ \$45
FY2025 Initiatives	Cost Efficiency Task Force (recurring)**	- \$50	- \$50	- \$50
	Preventive Maintenance Transfer Options	- \$0	- \$139	- \$285
	Total Preventive Maintenance	[\$60]	[\$199]	[\$345]
Revised FY2025 Deficit Forecast*		\$650	\$510	\$365
October Discussion	Potential Service Cuts	TBD	TBD	TBD
	Potential Fare Increases	TBD	TBD	TBD
	Potential Inflation Reduction	- \$23	- \$23	- \$23
	Potential Federal SmartBenefits Replacement	- \$50	- \$50	- \$50
	Potential Deficit w/ Federal Replacement	\$577	\$437	\$292

* \$45M Revenue Forecast Adjustment - includes \$65M average fare and trip adjustment (rev. decrease) offset by \$20M fare evasion recovery (rev. increase)

** Amount above annual 3 percent growth cap from FY2024-2025

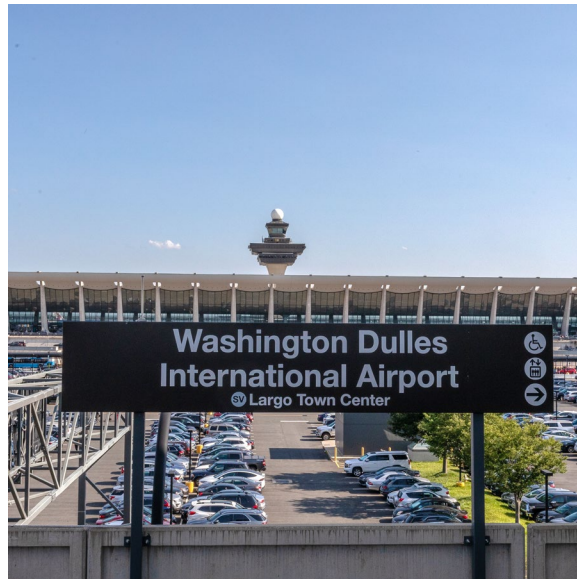
Note: Totals may not sum due to independent rounding



Capital Outlook

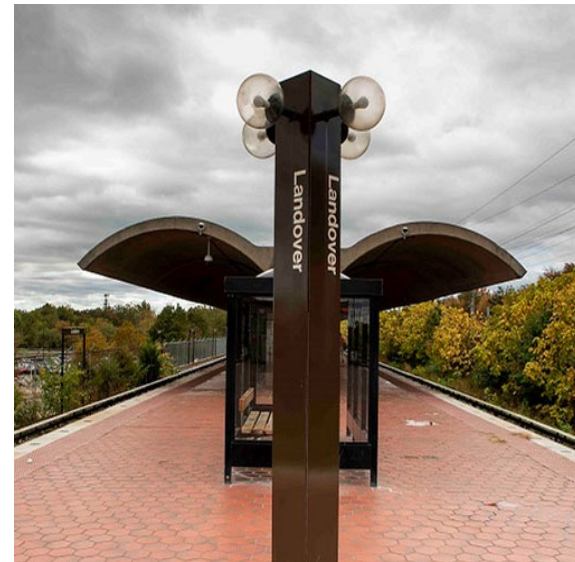
FY2023 Accomplishments – Major Projects

Potomac Yard Station



Silver Line Expansion

Station Platform Rehabilitation



Two Bus Garage Groundbreakings

Bladensburg and Northern Bus Garages

FY2023 Accomplishments – State of Good Repair

**Signaling Switch
Machine Replacement**

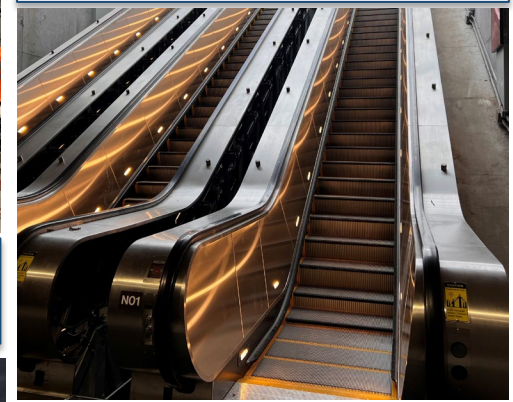


**Rail Replacement –
Orange Line**



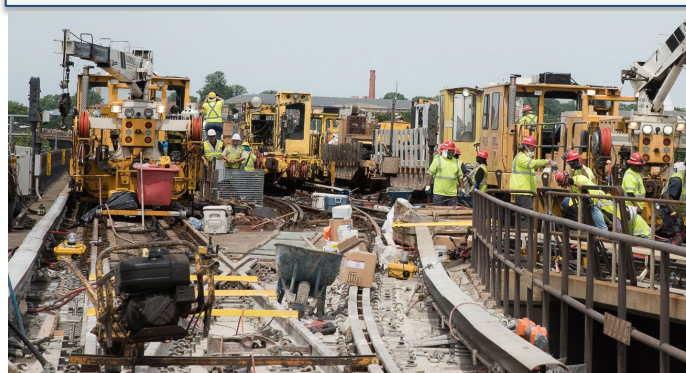
**Traction Power Substation
Replacement**

Escalator Replacement
Replaced 33 units in FY23



**Yellow Line
Tunnel Rehabilitation**

Track Rehabilitation



Tunnel Grouting

Bus Rehabilitation



FY2024 Ongoing Capital Initiatives

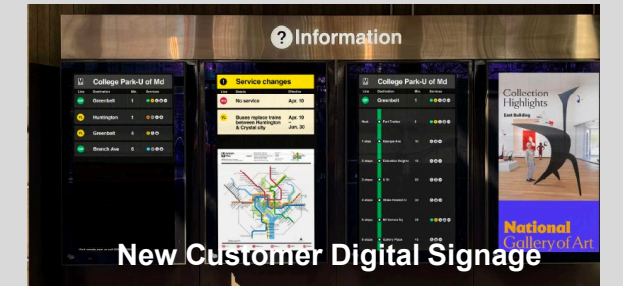
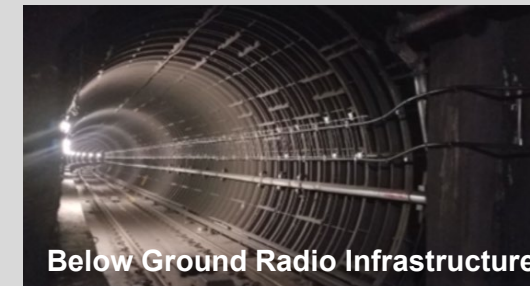
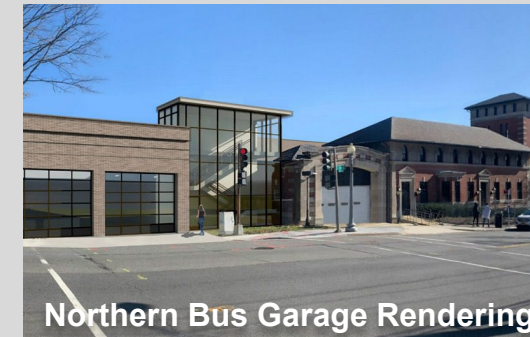
Advancing Underway Projects and Programs

State of Good Repair Investments

- Track Rehabilitation
- Railcar Replacement, Maintenance & Rehabilitation
- Bus Vehicle Replacement, Maintenance & Rehabilitation
- Northern Bus Garage
- Bladensburg Bus Garage
- Radio Replacement
- Fare Systems
- Power Infrastructure Upgrades
- Signaling System Replacement

Other Major Projects

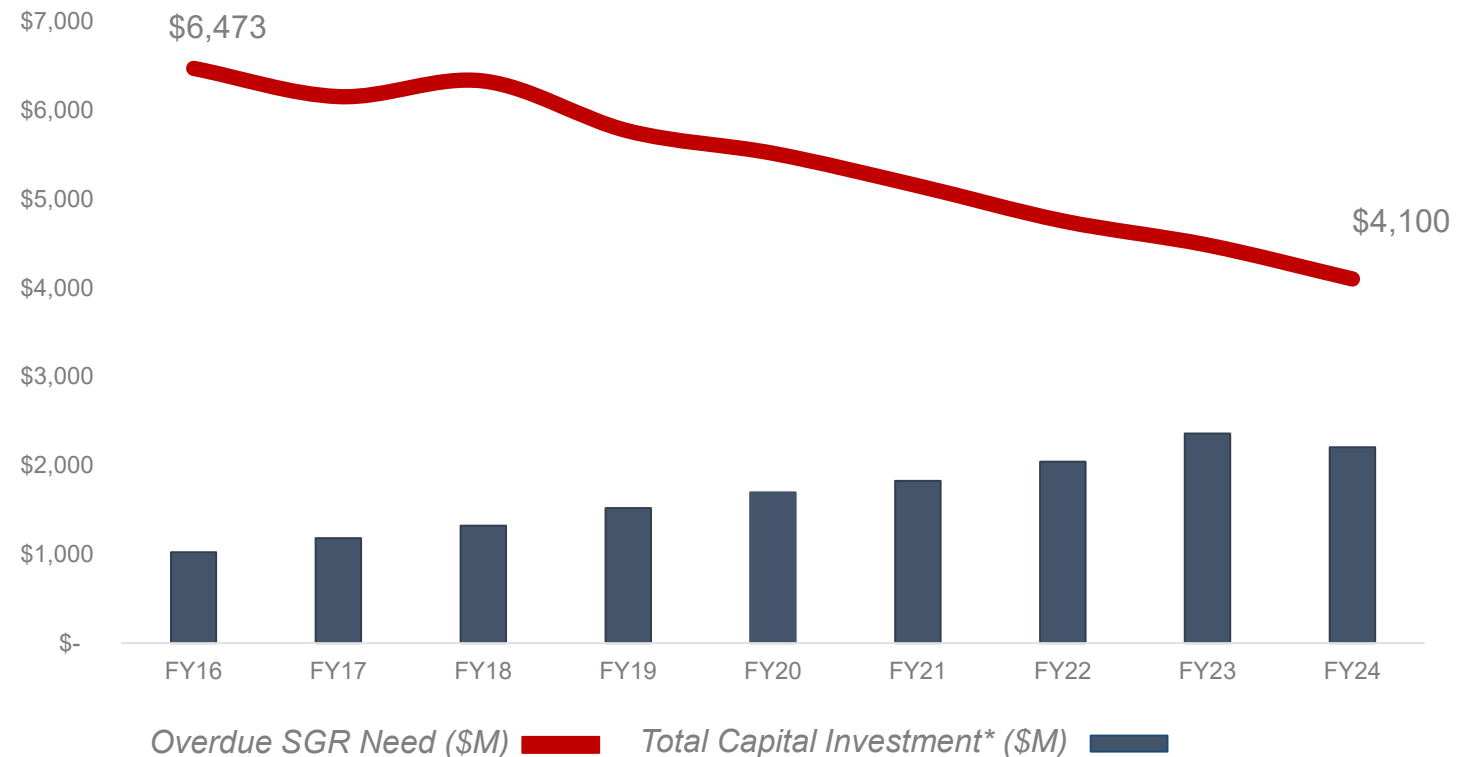
- Zero Emission Bus
- Upgrade Remote Power Control Capabilities
- New Customer Digital Signage and Infrastructure



Regional and Federal Investment in Metro is Restoring System to State of Good Repair

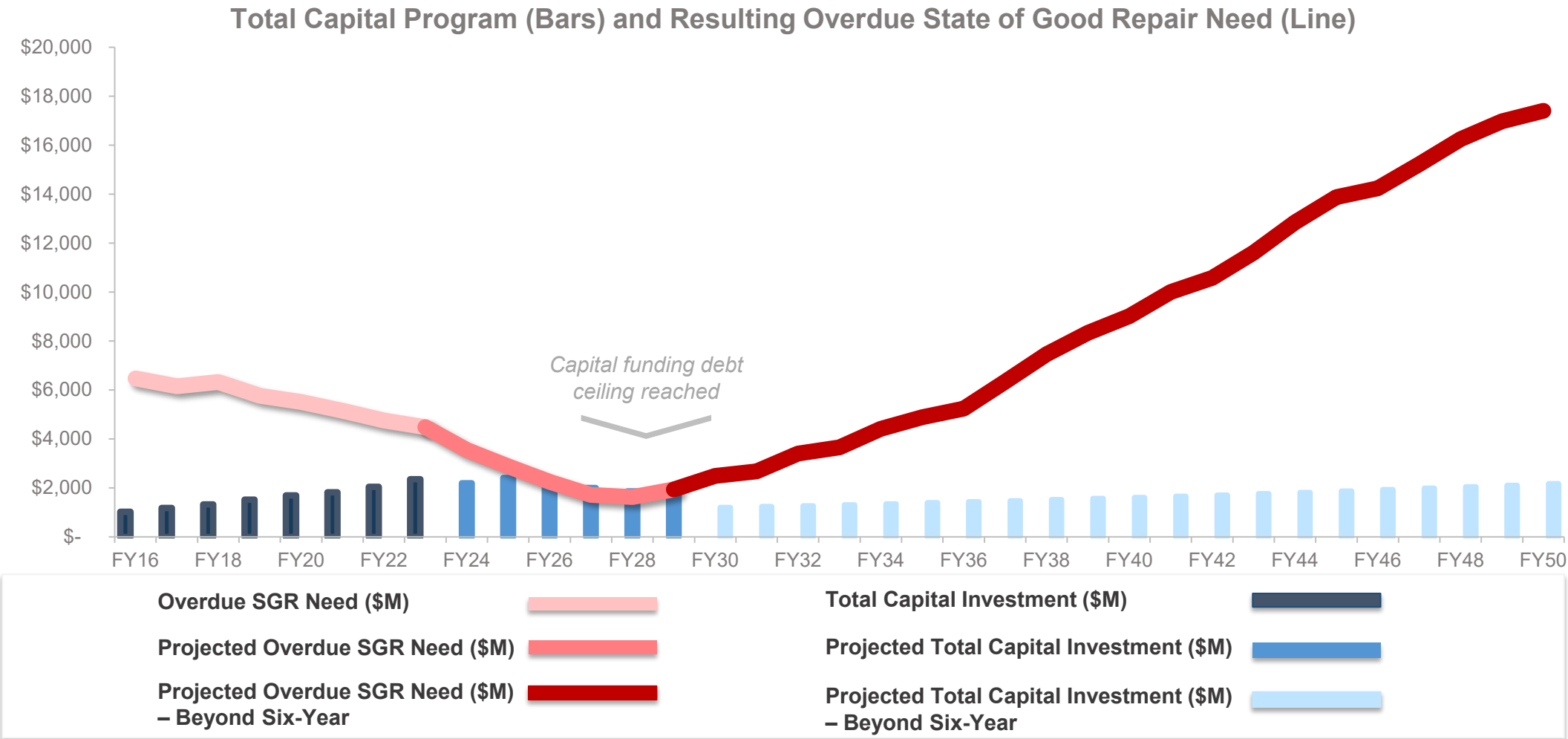
- Dedicated funding received in 2018 for State of Good Repair and important modernization projects
- Since then, Metro has made progress to reduce the backlog, seen through improved performance, reliability, and safety
 - Vehicles – 7000-series railcars, modern bus fleet
 - Key station components through Platform Rehabilitation projects
 - Track and structural components essential for safe and reliable operations

Overdue State of Good Repair Need (\$M) & Total Capital Investment



*Includes SGR and non-SGR spending

State of Good Repair Progress at Risk Without Increased Investment



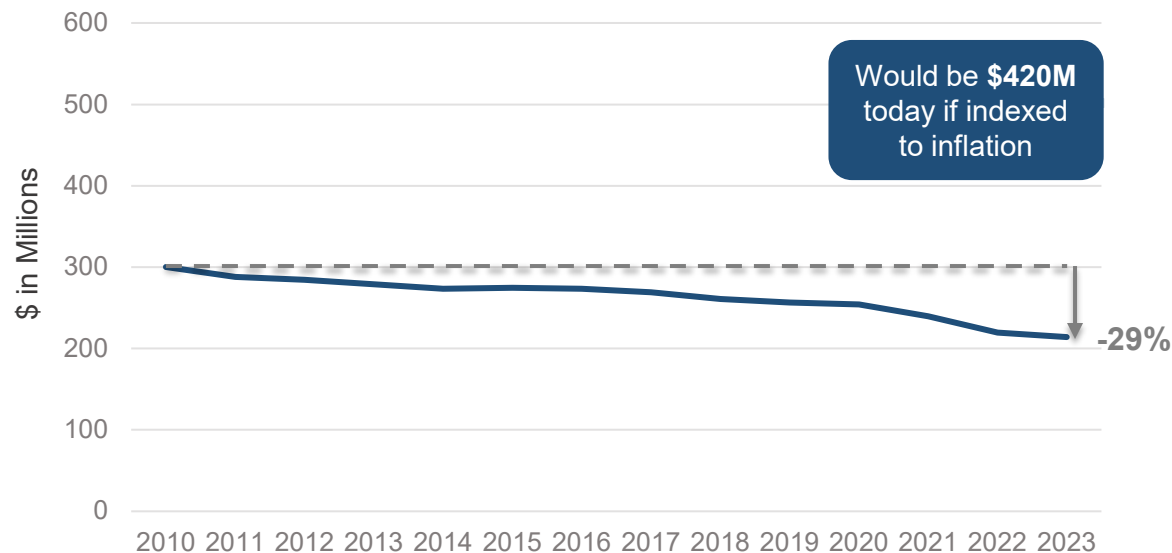
1. Data reflective of Proposed FY2024-FY2029 Capital Program
2. Assumes approx. \$1B SOGR investment from FY30 onwards, escalated at 3%
3. Estimate before additional PM transfers



Value of Capital Funding Has Eroded Over Time

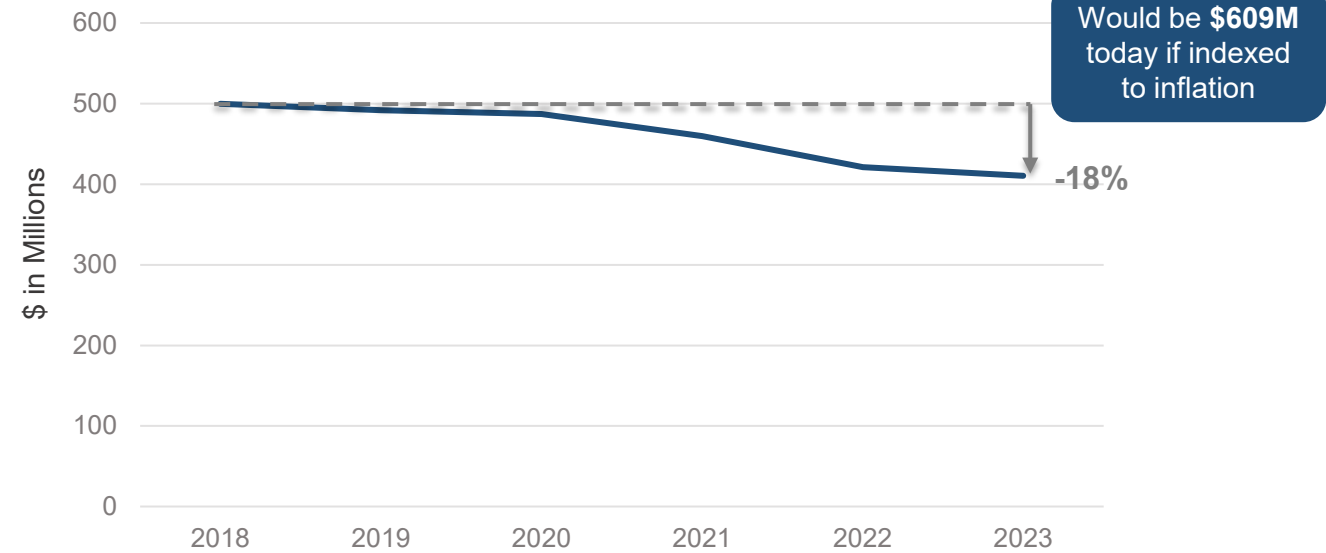
- PRIIA approved in 2010, Dedicated Funding agreements signed in April 2018
- Purchasing power of original PRIIA and Dedicated Funding levels has decreased by 29% and 18% respectively

\$300 million of original PRIIA worth \$214 million today



*Values shown in 2010 dollars

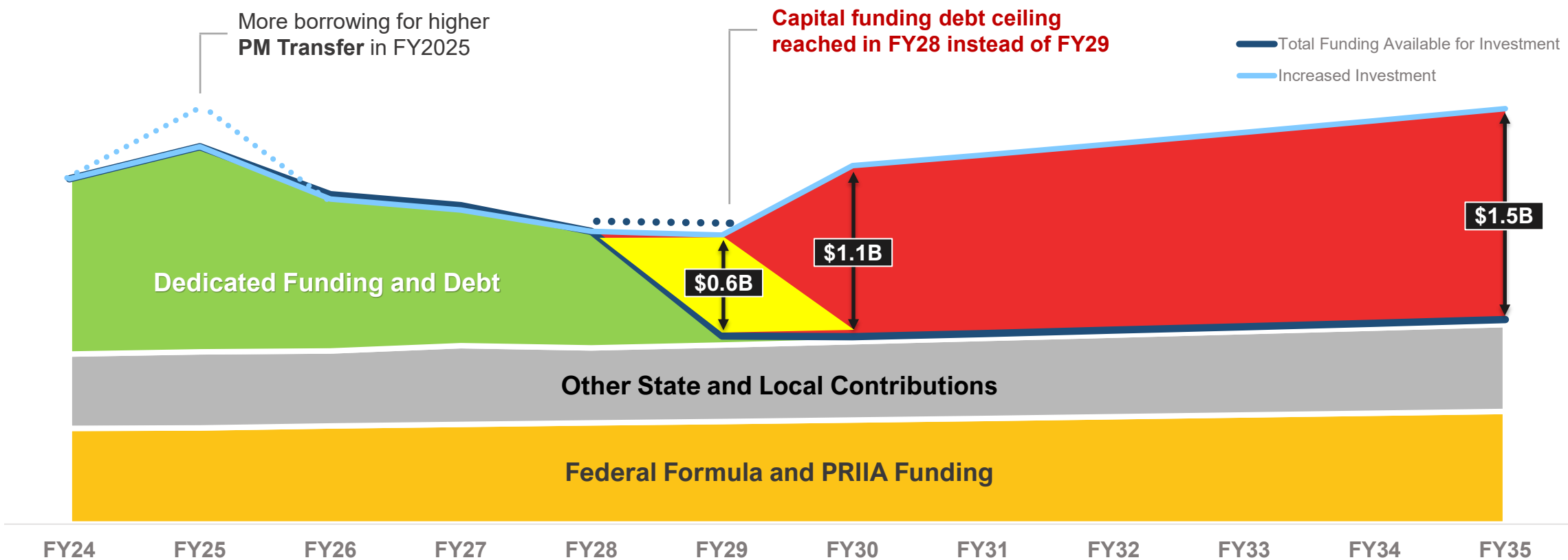
\$500 million of original Dedicated Funding worth \$410 million today



*Values shown in 2018 dollars

Together, PRIIA and Dedicated Funding would be worth an additional **\$229M** today if indexed to inflation

Increasing PM transfer will exhaust funding faster and decrease state of good repair investments



FY2025 Capital Program Preview

FY2025 - FY2030 Total Capital Program Need

\$17B

Financially unconstrained investment in state of good repair, modernization, and development of future investments to align with Your Metro Strategic Transformation Plan

Investments include:

- Zero-emission facilities and fleet
- Accelerate Metro railyard, signaling, and power modernization/expansion initiatives
- Increase 8000-Series railcar fleet
- Station infrastructure, including platform screen doors and digital modernization

FY2025 – FY2030 Draft Capital Program Capacity

\$11B

Financial capacity defers some state of good repair and modernization investments, delaying needed investment work (power & signaling systems, bridges, structures and tunnels).

Investments include:

- Continue currently funded investments and contract commitments
- Planning for Next-Generation Train Control and Blue/Orange/Silver Capacity improvements
- Acquire 8000-series railcars (replace 2000 and 3000 series fleets)

Pressure on Capital Program

- Additional preventive maintenance transfers could further reduce capital program capacity (by up to \$709M total)
 - FY2024: increased \$139M
 - FY2025: up to \$285M
 - FY2026: up to \$285M
- Projects further at-risk:
 - Heavy Rail and Overhaul Facility
 - 8000-series railcar purchase options and potentially reduce size of railcar fleet
 - Zero emission bus purchases and defer additional facility upgrades
 - Development of Next Generation Signals Upgrade (CBTC)
 - Development of Blue/Orange/Silver study improvements

Estimated \$11 billion Capital Funding Projected for FY2025-2030

Declining capacity for capital projects, state of good repair programs, and preventive maintenance transfers

\$ in millions	FY2025	Six-Year Total
Federal Grants	\$621	\$3,967
Jurisdiction Contributions	\$451	\$2,791
Reimbursable and Other	\$31	\$96
Dedicated Funding Pay-Go*	\$244	\$765
Dedicated Funding Debt	\$1,188	\$ 3,446
Total	\$2,535	\$11,065

*\$500 million annual Dedicated Funding less debt service costs

Notes:

- Assumes current IIJA funding increases 2% annually
- PRIIA continues through FY2030
- Jurisdictional Contributions (inflated 3% annually includes match for Federal Grants) and PRIIA match
- Dedicated Funding Debt Capacity Exhausted in FY28
 - Total Debt Capacity influenced by cost of borrowing, debt coverage ratios, and maintaining a consistent credit rating
 - Pay-Go funding of approximately \$85M annually after FY28