

PROGRESS REPORT

Fiscal Year 2020 Q2



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FY2020 Q2 at a Glance

In the second quarter of fiscal year (FY) 2020, Metro continued its progress on improving customer experience and making capital investments to rebuild Metro. Customers appear to be responding as Metrorail ridership through Q2 was up more than six percent over last year after adjusting for the impact of project-related station closures.

In October of 2019, Metro extended service to accommodate major regional events such as the Washington Nationals' championship baseball season and the 44th annual Marine Corps Marathon. Metro continued its support of the Nationals in November through extended service hours and by partnering with the team and Major League Baseball to produce a limited-edition SmarTrip card commemorating the team's first World Series Championship.

Also, in November, Metro completed a multi-year \$176 million capital investment that has delivered 145 new escalators for rail customers since 2011, with the final new escalator placed in service at Court House Station approximately a month ahead of schedule.

Metro's commitment to improve customer experience continued in December. Trip planning became easier thanks to Apple Maps adding support in Washington, DC for real-time transit information. Customers using Apple Maps now see detailed transit schedules, live departure and arrival times, the current location of Metro trains and buses, and system connections to help plan their journey based on data Metro makes available to developers at no charge.

Three Metrorail lines (Green, Orange and Blue) now have complete wireless coverage. Metro and the nation's leading wireless carriers - AT&T, Sprint, T-Mobile and Verizon Wireless - partnered to complete wireless service on the entire length of the Green Line and most of the Yellow Line by early December. To date, 80 of Metro's 100 miles of tunnel track have cellular and data service available for riders to talk, text and stream. The three remaining segments - the Red Line from Dupont Circle north to White Flint, the Yellow line from L'Enfant Plaza to the Potomac River portal, and the one-mile Silver Line tunnel in Tysons - are expected to be completed by June 2020. The cellular project enhances both safety and customer service - in the event of an emergency, customers and employees can communicate more easily with first responders while underground. Riders are also able to be more productive during their commute by enabling them to send emails and text messages, watch videos, read the news or catch up on social media.

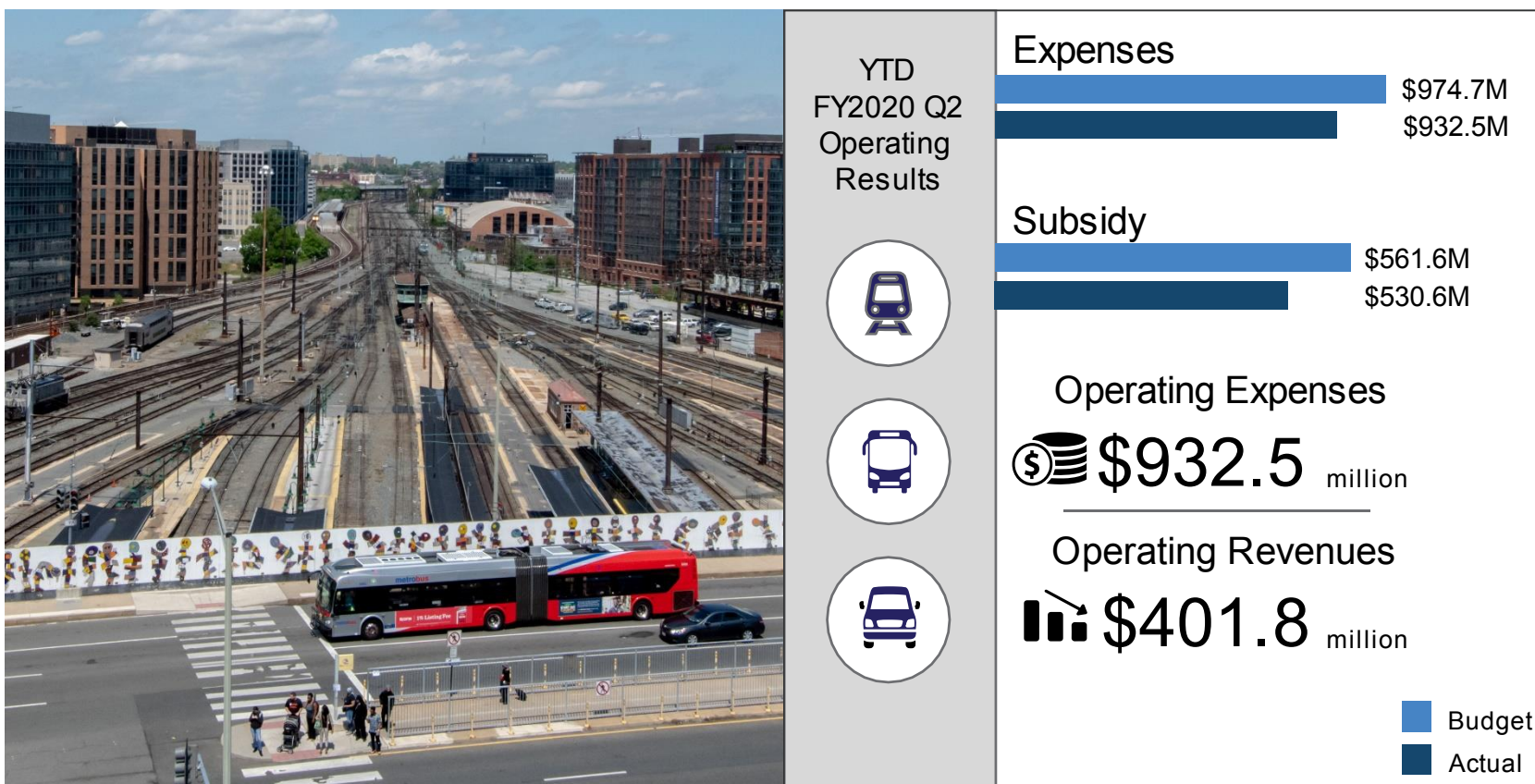
Finally, Metro's Board of Directors approved a new, four-year agreement with its largest union, Amalgamated Transit Union Local 689, which represents approximately 8,000 Metro employees. The agreement included an annual average wage increase, and for the first time in Metro's history, incentivized customer service with an additional wage increase when Metro's ridership improves two percent or more over the previous year. With the agreement in place, Metro will not seek to contract out operations or maintenance of the Silver Line extension and will bring operation of the Cinder Bed Road Bus Garage in house when the contract expires in 2021.

Note: All figures are preliminary, unaudited totals that exclude operating reimbursable projects.

Operating Results

Metro's net subsidy through Q2 of FY2020 totaled \$530.6 million, or \$31.0 million favorable to budget.

Metro's operating expenses through the second quarter were \$932.5 million or \$42.3 million less than budget. Operating revenues were \$401.8 million through Q2, funding 43 percent of operating expenses. Decreasing revenue from lower bus ridership and non-transit revenue was offset by savings from materials expenses and overhead costs allocated to capital projects.



Note: All figures are preliminary, unaudited totals that exclude operating reimbursable projects.

Ridership & Revenue

Ridership for all three modes was 156.8 million trips through Q2 of FY2020.

Rail ridership through Q2 was 92.5 million trips – up 6.5 million (eight percent) from prior year. The rail variance to budget of 6.8 million trips includes approximately 4.4 million trips from organic ridership growth, in addition to 1.2 million in lower-than-planned losses from the Blue/Yellow Line shutdown and 1.2 million more from the cancellation of a shutdown east of Eastern Market station. Bus ridership, using automated passenger counts (APC), totaled 63.2 million trips through Q2, marginally lower than prior year and four percent below budget. Total ridership on MetroAccess through the second quarter was 1.2 million trips, two percent below prior year.



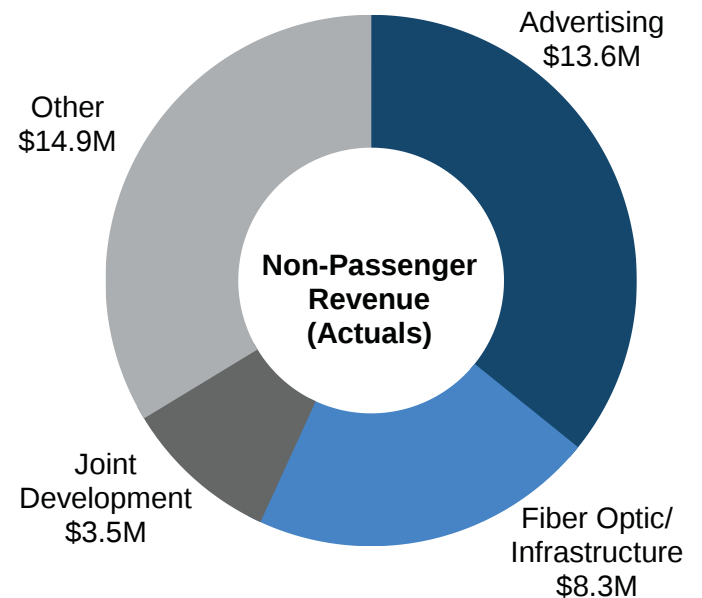
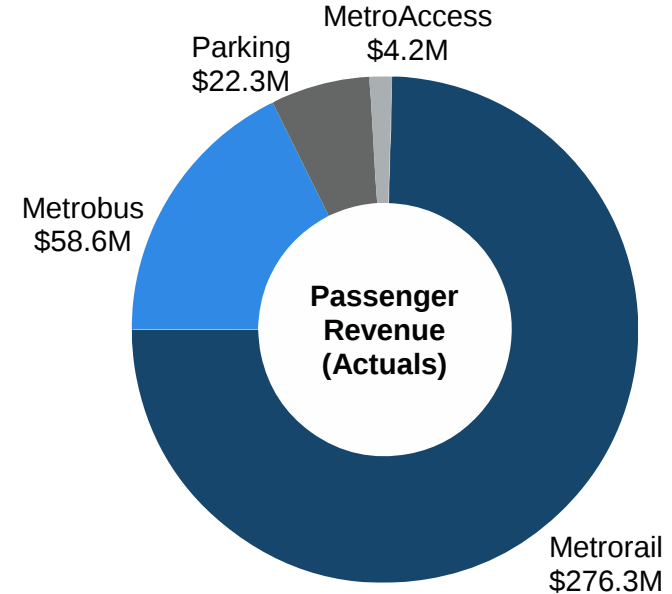
Ridership*				
	Q2 YTD Budget		Q2 YTD Actual	
	85.7	million trips	92.5	million trips
	65.6	million trips	63.2	million trips
	1.2	million trips	1.2	million trips

* Bus totals include shuttles to accommodate rail station shutdowns and other track work. In previous years, bus ridership was reported using farebox (AFC) totals, excluding shuttles. In FY2018 the FTA approved the reporting of APC data, which uses onboard sensors to count passengers boarding the vehicles.

Note: All figures are preliminary, unaudited totals that exclude operating reimbursable projects.

- Passenger revenue through Q2 totaled \$361.5 million, \$3.2 million (one percent) below budget, including:
 - Metrorail passenger revenue of \$276.3 million was \$10.3 million (four percent) above budget.
 - Metrobus passenger revenue of \$58.6 million was \$12.2 million (17 percent) below budget.
 - MetroAccess passenger revenue of \$4.2 million was \$0.6 million (13 percent) below budget.
 - Parking revenue of \$22.3 million was \$0.7 million (three percent) below budget.
- Non-passenger revenue through Q2 totaled \$40.3 million, \$8.1 million (17 percent) below budget, including:
 - Advertising revenue of \$13.6 million
 - Fiber optic/infrastructure revenue of \$8.3 million
 - Joint development revenue of \$3.5 million
 - Other non-passenger revenue of \$14.9 million, below budget by \$7.3 million. This category includes planned reimbursements from the capital budget for revenue losses from major capital projects, as well as interest on investments and other miscellaneous items.

Note: All figures are preliminary, unaudited totals that exclude operating reimbursable projects.



Operating Expenses

FY2020 operating expenses through Q2 were \$932.5 million – favorable to budget by \$42.3 million due to savings in Salaries & Wages, Services, and Materials expenses and a larger-than-planned capital cost allocation.

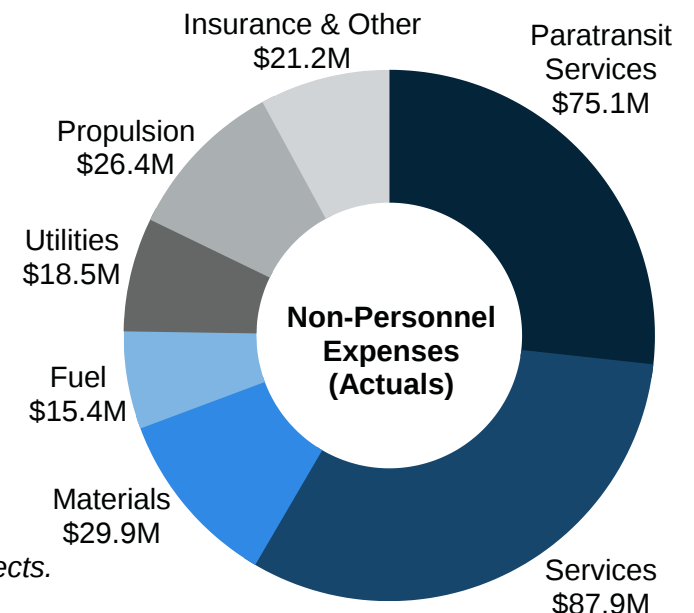
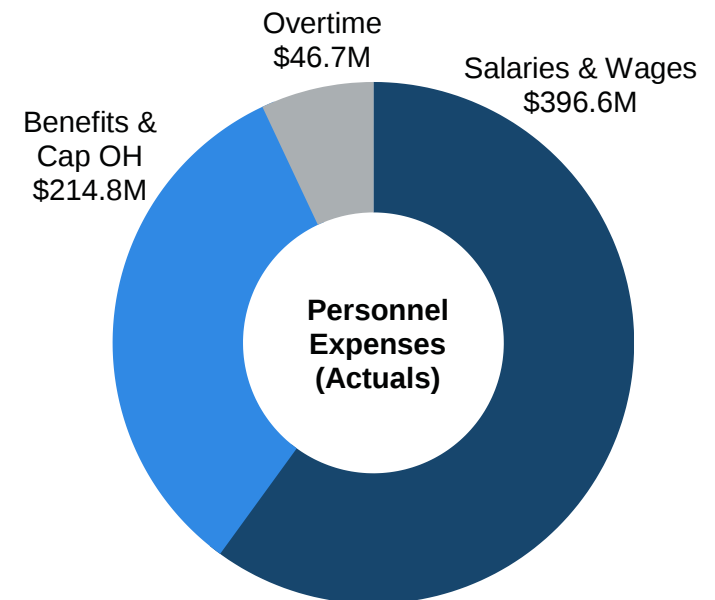
Personnel Expenses

- FY2020 personnel expenses through Q2 (including salaries/wages, overtime, fringe benefits and capital overhead) were \$658.1 million – favorable to budget by less than one percent.
- Salary and wage expenses accounted for \$396.6 million of this total, below budget by \$28.6 million (seven percent) due to vacancies.
- Overtime expenses were \$46.7 million, over budget by \$9.2 million, \$6.0 million of which was in Bus.
- Fringe benefits and capital overhead (OH) were \$15.9 million over budget due to increased investments in the CIP, offset by other health and retirement expenses.

Non-Personnel Expenses

- Non-personnel expenses totaled \$274.4 million through Q2, \$38.8 million (12 percent) below budget.
- Services were \$10.0 million favorable due to delays in contract awards that are expected during Q3/Q4.
- Paratransit services were one percent favorable to budget, in line with ridership.
- Materials & Supplies were \$23.4 million favorable with lower than budgeted expenses for inventory writeoffs and other supplies.
- Fuel expenses were below budget through Q2 while propulsion power and utilities were above budget; the three combined were marginally favorable.
- Insurance and other expenses were favorable to budget by a combined \$3.9 million.

Note: All figures are preliminary, unaudited totals that exclude operating reimbursable projects.



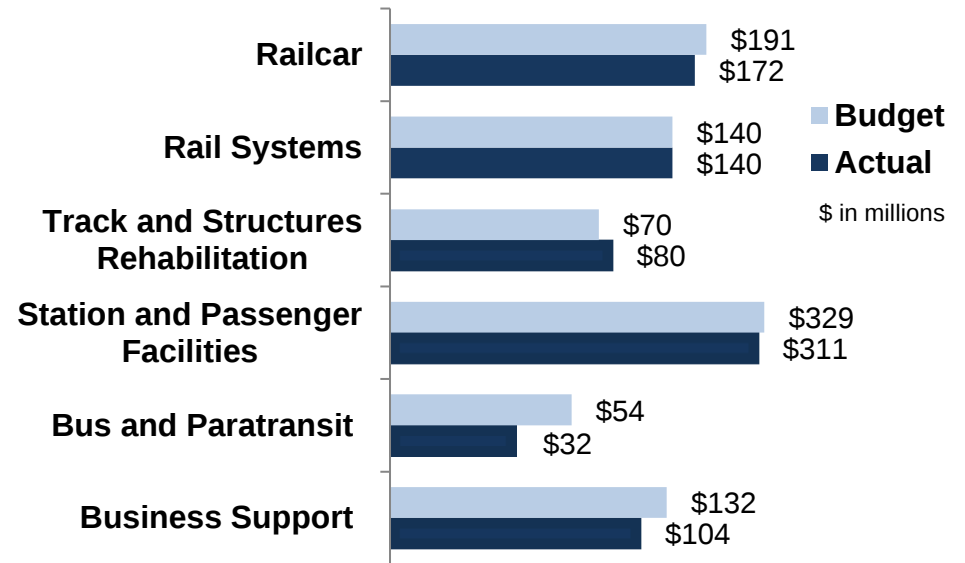
Capital Programs

Metro invested \$838.4 million through Q2 in the Capital Improvement Program, 48.2% of the FY2020 budget.

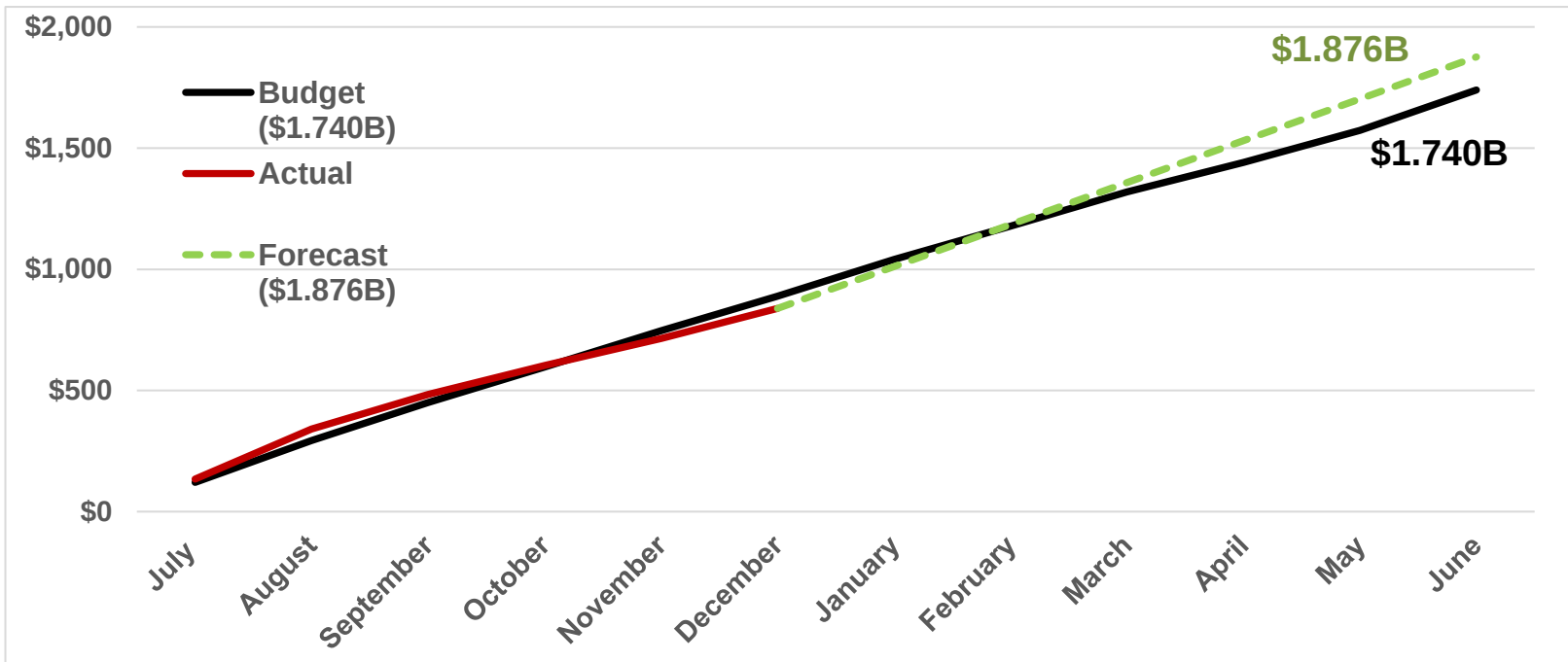
In the second quarter of FY2020, Metro continued the aggressive delivery of capital projects to improve the safety and reliability of the transit system. Through the second quarter investment was \$838.4 million. The chart to the right shows budget and actual expenditures by program category through Q2.

The chart below shows capital expenditures by month compared to budget for FY2020.

**FY2020 Budget vs Actual
by Investment Category YTD**



\$ in Millions



Railcar Investments

Through Q2 of FY2020, Metro invested \$171.9 million in the Railcar category.

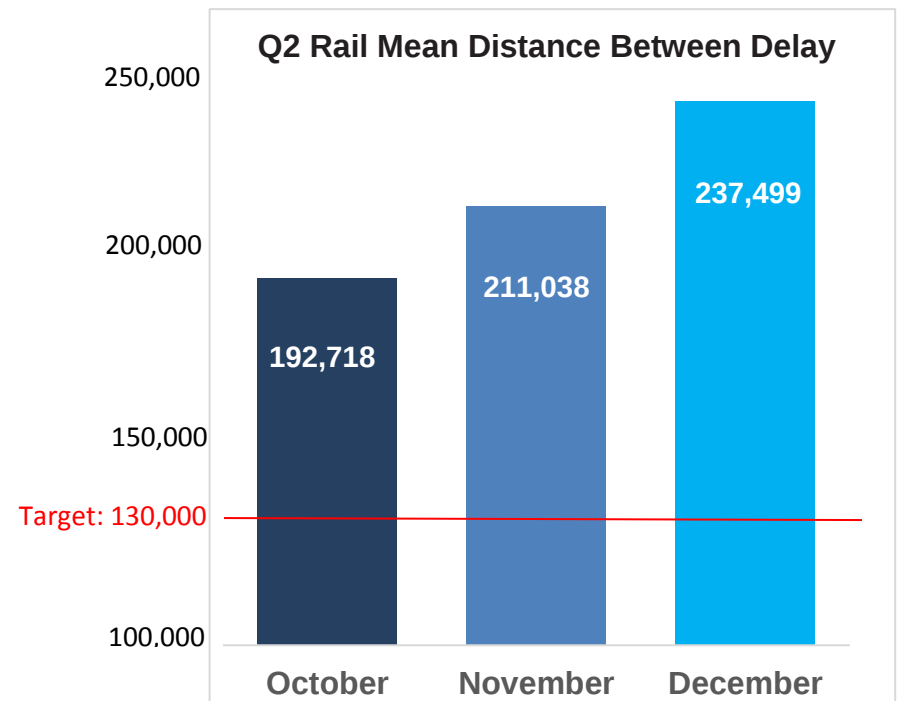
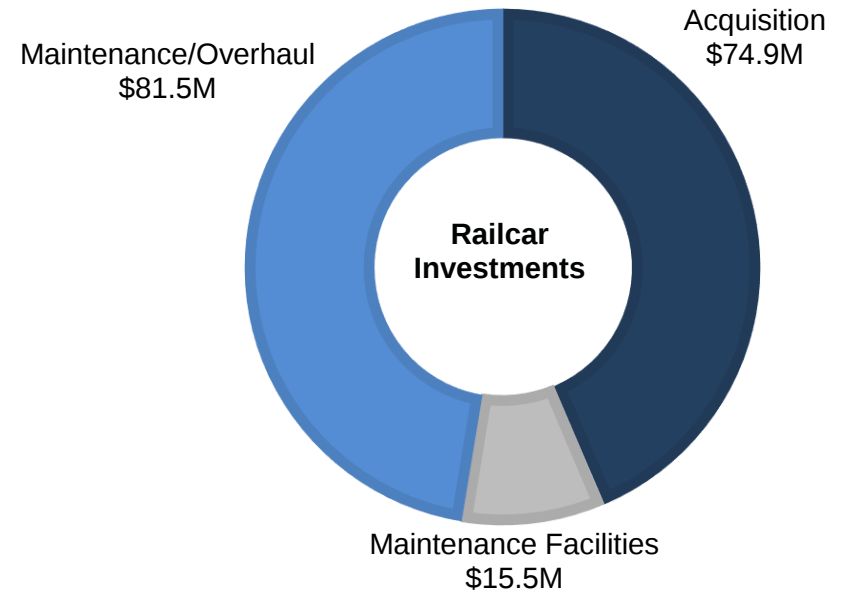
Railcar Acquisition

In Q2 of FY2020, Metro continued deliveries of 7000-Series railcars. Of the total 748 railcars ordered in the series, 724 had been conditionally accepted by the end of the second quarter. Estimated completion of delivery and conditional acceptance of all 748 cars is March/April 2020.

In Q2 Metro completed the vendor proposal evaluation process for 8000-Series Railcar requests for proposal (RFPs). The review team began the process to recommend a “short list” of vendors to submit “Best and Final Offers” for 8000-Series contract proposals.

Due largely to the reliability of the 7000-Series railcars, Metro has increased the performance standard of Mean Distance Between Delays (MDBD) for the fleet by over 44%, from 90,000 in FY2019 to 130,000 in FY2020.

Overall mean distance between delays through the second quarter of FY2020 was 201,677 miles. That compares favorably to Metro’s target of 130,000 miles, FY2019’s MDBD of 160,985 miles and the Q1 FY2020 MDBD of 191,584. For customers, this means fewer disruptions and offloads, making service more reliable.



Railcar Maintenance & Overhaul

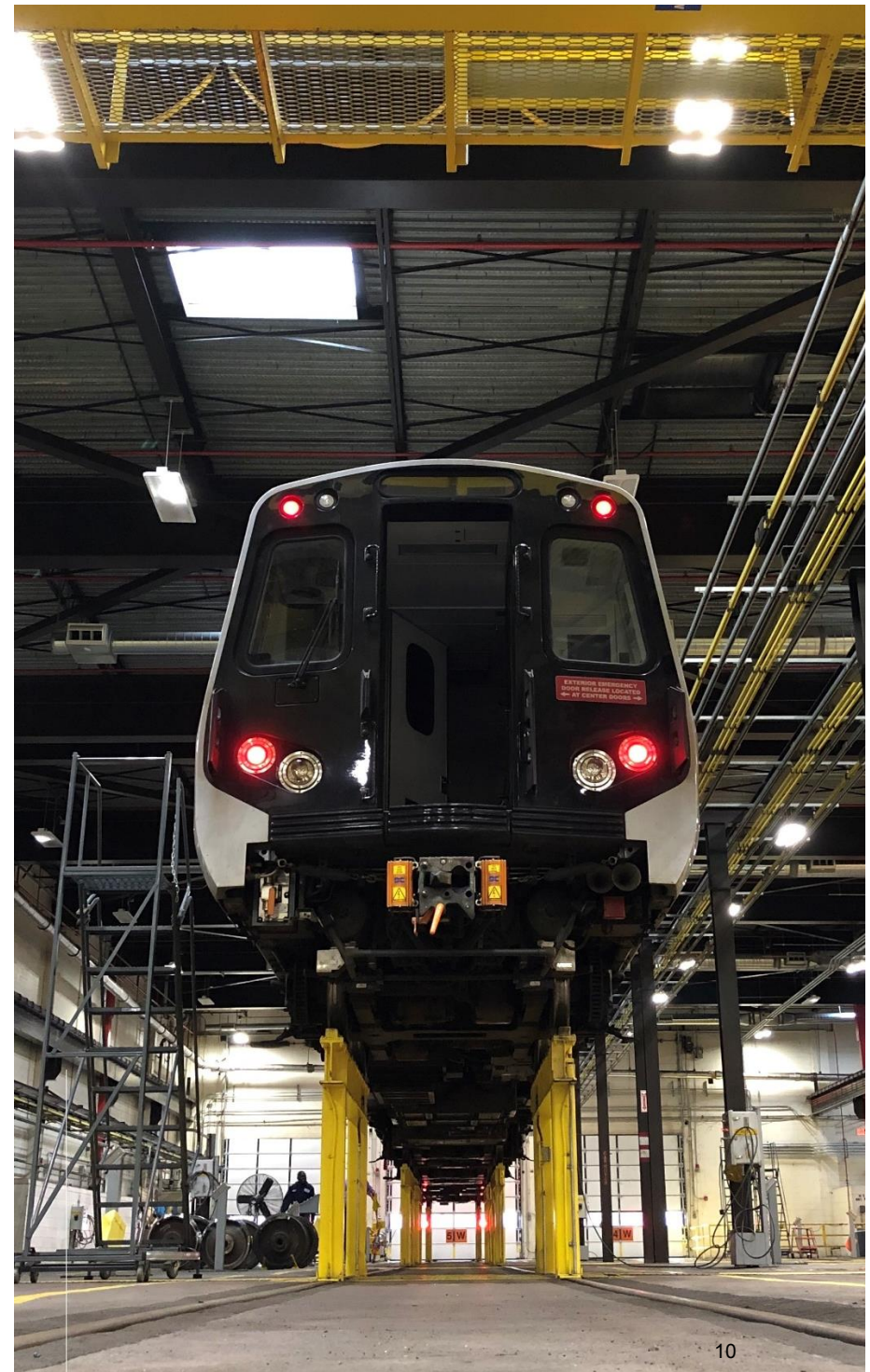
Metro's Scheduled Maintenance Service (SMS) program addresses 3000-Series air compressors, HVAC conversions, truck assemblies, and other components; as well as 6000-Series truck assemblies. Through Q2 Metro completed 34 of 90 rehabilitations scheduled in FY2020 for the 2000/3000-Series. Likewise, of the 104 planned rehabilitations for the 6000-Series, 48 were completed through the end of Q2.

Ongoing preventive maintenance on the rail fleet continued, helping Metrorail to meet the goal of keeping at least 98 percent of railcars in service.

Railcar Maintenance Facilities

In Q2 Metro completed the design of non-metallic handrails for the Alexandria Rail Yard Service and Inspection (S/I) Shop and continued development of the construction package for fabrication and installation. Additionally, Metro began installation of LED lighting improvements to the Alexandria S/I shop.

The final occupancy permits for Good Luck Road facility in Glen Dale, MD were secured in Q2 as expected. This facility will open up additional space for railcar maintenance and storage within individual rail yards.



Rail Systems

Metro invested \$139.6 million in Rail Systems through Q2 of FY2020.

Propulsion

In the 8-Car Train Power Upgrade project, Metro began installation of Tie Breaker Station equipment at the Yellow and Blue Line junction in Virginia. Metro also received equipment to begin the Traction Power Substation upgrade at Pentagon City, and installed 7520 linear feet of cabling.

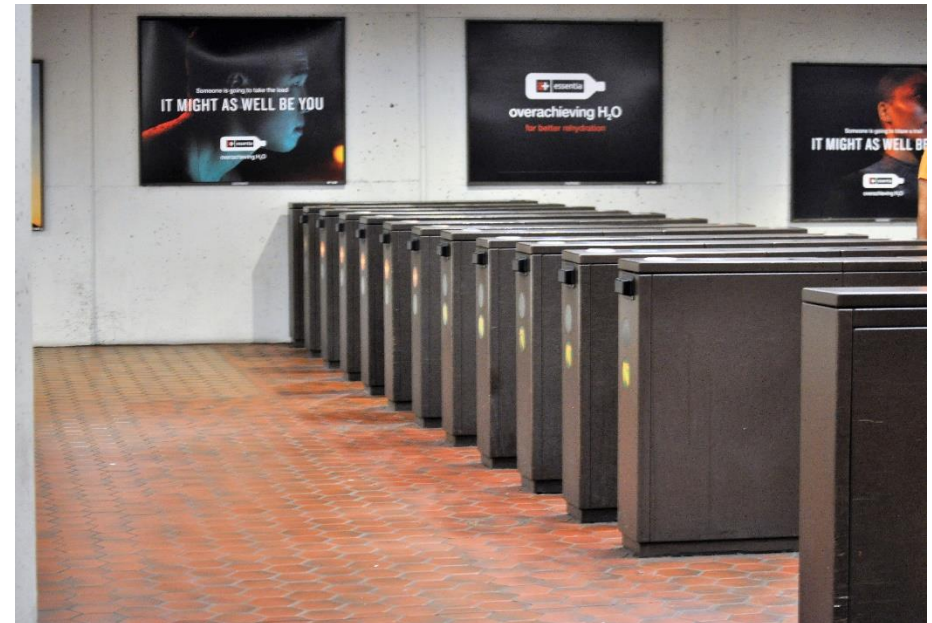
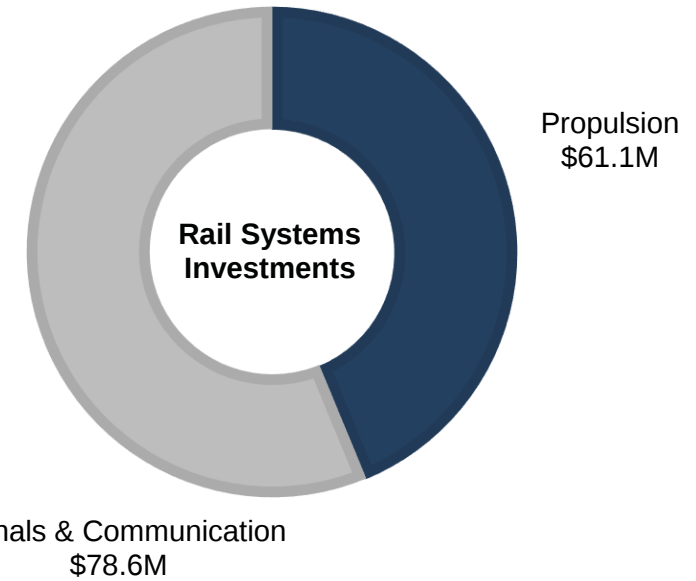
Mobilization and submittal reviews are currently underway for the second large scale Traction Power Substation and Tie Breaker Station equipment supply and installment contract. Traction Power Substation equipment replacement work is underway at Stadium Armory to provide a permanent fix for the fire incident in 2015. In Q2 a total of 541 cables were meggered and 9142 linear feet of cable was replaced.

In addition, construction began in Q2 on AC gear replacements at East Falls Church, Vienna, Silver Spring, and Gallery Place. Equipment will be delivered in Q3. Bid solicitation began in December for the next five locations to receive AC switchgear replacements. Contracts will be awarded at the end of January.

Signals & Communications

In Q2 the Radio Infrastructure Replacement project received 3,754 High Tier Police grade radios and completed cell phone coverage from Gallery Place to Southern Ave and from Suitland to Branch Ave.

In Q2 the Automatic Train Control SOGR project continued fabrication of the Alexandria Yard train control bungalows, installation and testing of power supplies at various locations, and training of the new Switch Machine Power Supplies Replacements.



Track & Structures Investments

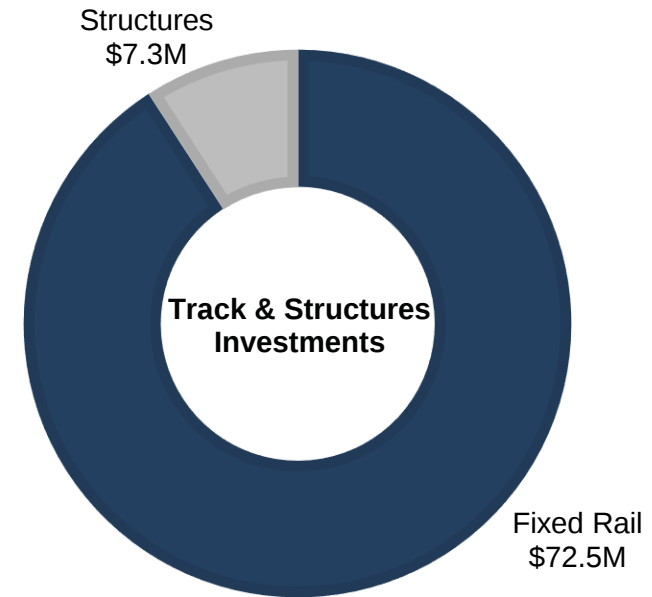
Through Q2 of FY2020, Metro invested \$79.8 million in the Track & Structures investment category.

Fixed Rail

- Welded 313 joints
- Replaced 3,428 crossties
- Replaced 19,004 fasteners
- Replaced 5.0 miles of running rail
- Replaced 1,585 insulators
- Tamped 13.5 miles of track
- Rehabilitated 2 turnouts
- Stabilized 730 linear feet of track

Structures

- Replaced 1,216 signs
- Rehabilitated 20,716 linear feet of grout pads
- Restored 11,117 square feet of concrete
- Replaced 2,992 linear feet of deck joints
- Mitigated 1,273 leaks
- Completed 56,921 linear feet drain rodding
- Cleaned 490,418 linear feet of track bed



Stations & Passenger Facilities Investments

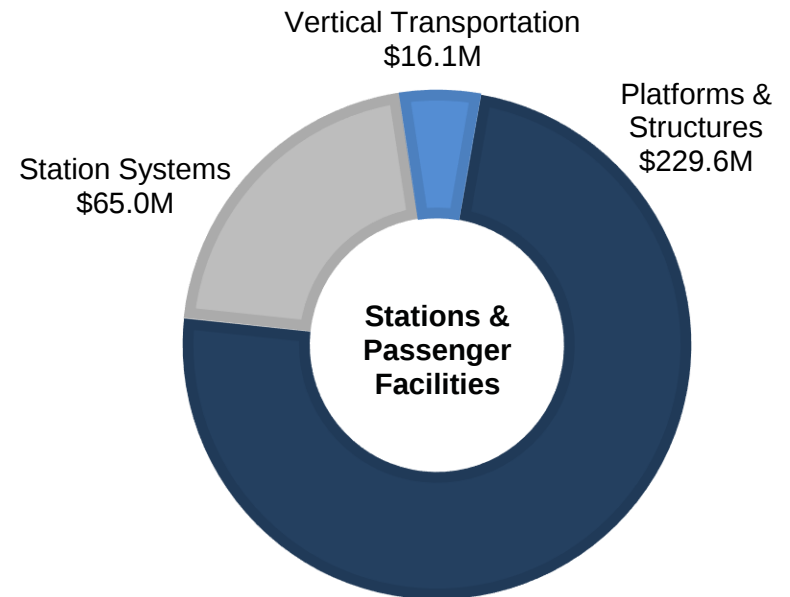
In the Stations & Passenger Facilities category, Metro invested \$310.8 million through Q2 of FY2020.

Platforms & Structures

Metro awarded a contract on December 23rd, 2019 to begin design and construction for Phase 2 of the Platform Rehabilitation program. This phase will address rehabilitation of the platform concrete, pavers, and granite edges, as well as 36 other station systems including information displays, lighting, signage, bathrooms, public address, and fire systems at East Falls Church, West Falls Church, Dunn Loring, and Vienna. The summer shutdown will begin on Memorial Day weekend 2020 and continue until Labor Day.

Metro also completed station lighting improvements at the following rail stations:

- Metro Center
- Woodley Park
- Cleveland Park
- Gallery Place
- L'Enfant Plaza
- McPherson Square
- Farragut West
- Federal Center
- Pentagon
- Pentagon City
- Crystal City
- Benning Road
- Capital Heights
- Georgia Avenue
- Ft. Totten
- Shaw-Howard University
- Medical Center



WMATA invested \$16.1 million to replace and improve the system's escalator and elevator infrastructure through Q2 of FY2020.

Vertical Transportation

Overall elevator availability in Q2 of FY2020 averaged 97 percent, meeting Metro's target.

Elevator Rehabilitation – Two elevators underwent rehabilitation in Q2 including one unit each at Wheaton and Largo Town Center. Seven more elevators are scheduled for rehabilitation in FY2020 at locations including Vienna, Greenbelt Rail Yard and Southern Ave. Ten additional elevators will be rehabilitated in FY2021 at locations still under evaluation.

Escalator availability in Q2 averaged 95 percent, above Metro's target and the Q1 average.

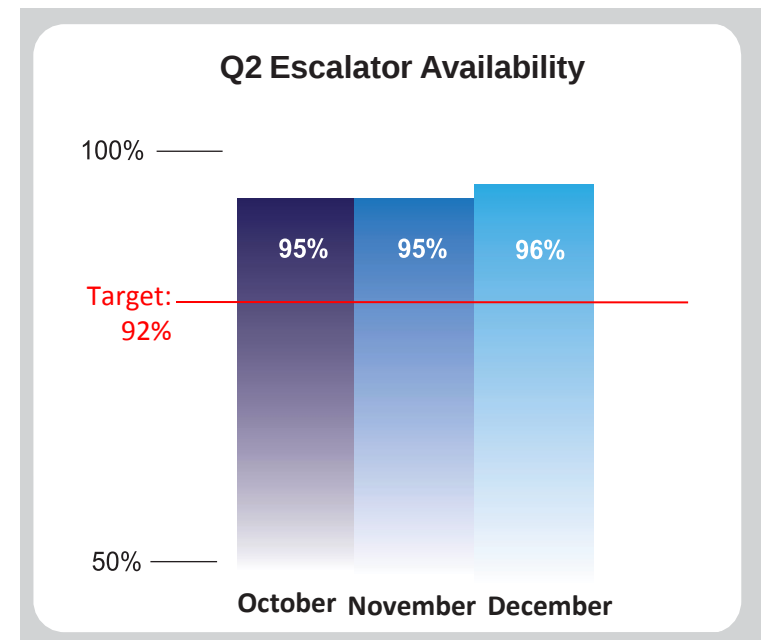
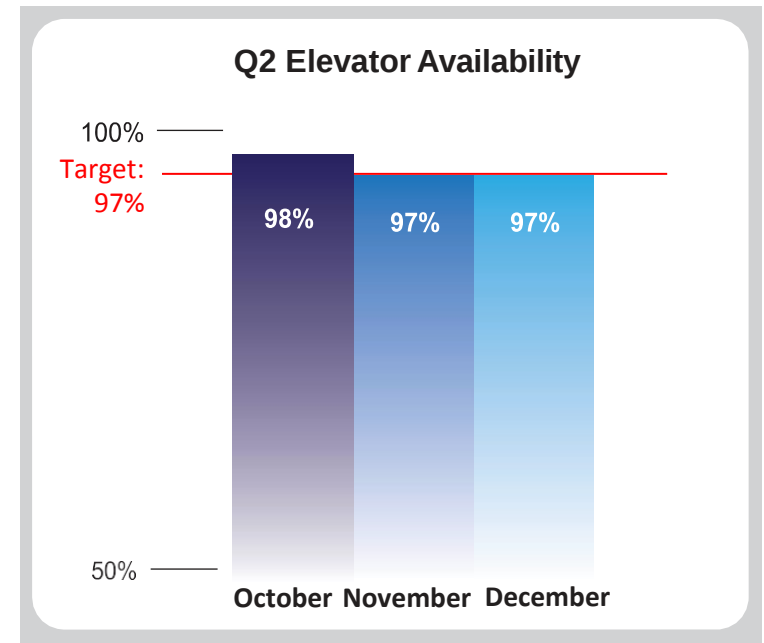
Escalator Rehabilitation – In Q2, Metro received design submittals for escalator rehabilitations and anticipates selecting eight units to be completed in the current fiscal year.

Escalator Replacement – One escalator was replaced in Q2 at Courthouse station.

Station Systems benefited from \$65.0 million in investments through Q2 of FY2020.

In the Fare Collection program, Metro finalized the conceptual design of the new faregates that will be deployed throughout the system. Metro also progressed on development of the new mobile payment program, along with web enhancements to the SmartBenefits program.

Metro also completed station lighting enhancements at Georgia Avenue, Ft. Totten, Shaw-Howard University and Medical Center stations.



Bus & Paratransit Investments

FY2020 expenditures through Q2 in the Bus & Paratransit Investment category were \$32.5 million.

Bus & Paratransit Acquisition

In Q2 one 40-foot Clean Diesel bus was delivered with 60 more scheduled for delivery through the remainder of FY2020. These vehicles will enable Metro to achieve emissions reductions and fuel savings as they replace buses that have reached the end of their useful life.

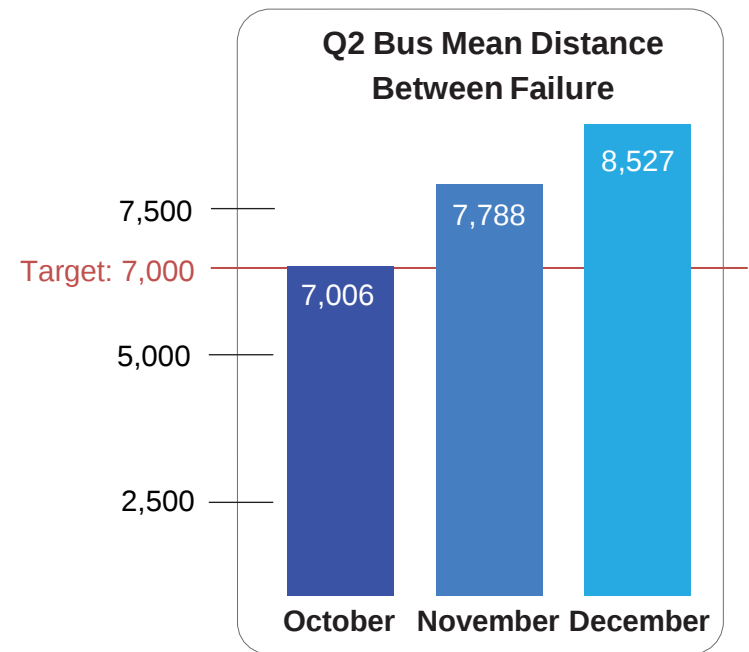
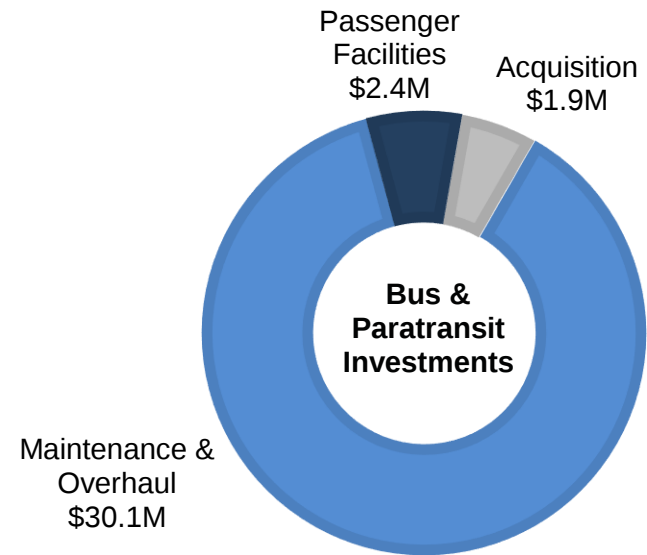
Metro plans to order 175 sedans (not vans) for Paratransit service in FY2020, with an RFP currently underway. Deliveries should begin by early Q4 and should be complete by early Q2 FY2021.

Bus Maintenance & Overhaul

WMATA's bus maintenance and overhaul investments are focused on maintaining reliability and the safe operating condition of the equipment and achieving the maximum useful life of the assets.

In Q2, 25 buses were rehabilitated, including replacement of ESS Systems and rebuilding the engine assemblies. Thirty transmissions and 25 fare boxes were also rehabilitated in the second quarter. In total this fiscal year, Metro will rehabilitate 100 buses, rebuild 120 transmissions, and rebuild 105 fareboxes.

WMATA's bus fleet failed to meet Metro's Mean Distance Between Failure (MDBF) target (7,000 miles) on average through Q2, travelling an average of 6,769 miles between service interruptions in the first half of the year. However, MDBF performance improved in each month of Q2, including a December MDBF of 8,527 miles. Legacy diesel fuel buses, all planned for replacement, have the worst reliability in the fleet and are driving down overall fleet reliability.



Bus Maintenance Facilities

In Q2 Metro completed the installation of Clever devices for vehicle locator systems at Andrews Federal Center. IT infrastructure work for additional data drops and CCTV tie-in will conclude the project, which is expected to be closed out by Q4 FY2020.

Also in Q2, Metro completed 30 percent design for the new compressed natural gas facility at Shepherd Parkway.

The off-site bus parking lot at Bladensburg Bus Garage was completed in Q2 in preparation of facility demolition to make way for construction of the new bus garage facility.



In Q2, the reassignment of Northern Bus Garage buses to other divisions began in preparation of demolition to the facility to make way for the construction of the new bus garage facility.

Bus Passenger Facilities & Systems

Metro installed 63 Customer Information Electronic Display Signs (CIEDS) at Metrobus stops for real-time bus arrivals.

In Q2, Final designs for the Chevy Chase Bus Loop were completed to finalize contract package for bids.

Bus Maintenance & Overhaul (FY2020 Work Plan)



100

Bus rehabilitations & engine assemblies



101

Energy storage systems replaced

120

Transmission assemblies rebuilt

300

Operator shields installed to protect bus operators

Business Support Investments

WMATA invested \$103.9 million through Q2 of FY2020 in the Business Support Investment category.

Information Technology

In its HR Human Capital Module project, Metro completed quality assurance, user acceptance testing and the website redesign draft for final review session for an EMT briefing at year end. The module will link employee performance to Metro's key business objectives and reward the highest level of performance, thus keeping the workforce focused on the most impactful activities that provide value to the organization.

Metro began the systems testing phase of the Hyperion project, which includes system integration and user acceptance testing.



Support Equipment & Services

The largest project in the Support Equipment & Services category is the Office Consolidation Strategy that will enable Metro to downsize from ten current office buildings throughout the region to seven. Metro continues to advance design and regulatory approval for the DC and VA office building locations for completion in Q3 of FY2020. Pre-construction activities such as crane construction and ordering materials are currently underway at the L'Enfant Plaza site, and construction will ramp up in March 2020. Metro also continued the development of a joint development contract package for the MD office building.

In Q2, design work continued for additional digital advertising displays at the following stations in DC, VA and MD:

- NoMa-Gallaudet U
- Farragut North
- Gallery Place
- L'Enfant Plaza
- Metro Center
- Union Station
- Navy Yard-Ballpark.
- Crystal City,
- Pentagon City
- Ballston
- Rosslyn
- Ronald Reagan Washington National Airport
- Bethesda

Appendix I: Operating Financials and Ridership

Fiscal Year 2020 – Q2 Year-to-Date (\$ in Millions)

			Variance	
	Budget	Actual	\$	%
Passenger Revenue	\$364.7	\$361.5	(\$3.2)	-0.9%
Non-Passenger Revenue	48.4	40.3	(8.1)	-16.7%
Total Revenue	\$413.1	\$401.8	(\$11.3)	-2.7%
Personnel	\$661.6	\$658.1	\$3.5	0.5%
Non-Personnel	313.1	274.4	38.8	12.4%
Total Expenses	\$974.7	\$932.5	\$42.3	4.3%
Net Subsidy	\$561.6	\$530.6	\$31.0	5.5%
Cost Recovery Ratio	42%	43%		

Note: excludes reimbursables

Fiscal Year 2020 – Q2 Year-to-Date (in Millions)

	FY2019	FY2020		Variance	
Ridership	Actual	Budget	Actual	Prior Year	Budget
Metrorail	85.9	85.7	92.5	7.6%	7.9%
Metrobus*	63.4	65.6	63.2	-0.3%	-3.7%
MetroAccess	1.2	1.2	1.2	-2.0%	-1.5%
All Modes	150.5	152.5	156.8	4.2%	2.8%

* Bus totals include shuttles to accommodate rail station shutdowns and other track work. In previous years, bus ridership was reported using farebox (AFC) totals, excluding shuttles. In FY2018 the FTA approved the reporting of APC data, which uses onboard sensors to count passengers boarding the vehicles.

Appendix II: Capital Project Financials by Investment Category

Fiscal Year 2020 – Q2 Year-to-Date (\$ in Millions)

Program	Approved Budget	YTD Q2 Actuals	December 2019 Annual Forecast	YTD % of Forecast Expended
Railcar Acquisition	\$160.1	\$ 74.9	\$ 158.9	47%
Railcar Maintenance/Overhaul	116.6	81.5	121.2	67%
Railcar Maintenance Facilities	87.8	15.5	79.2	20%
Railcar Investments	\$ 364.5	\$ 171.9	\$ 359.4	48%
Propulsion	124.6	61.1	128.9	47%
Signals & Communications	114.2	78.6	126.0	62%
Rail Systems Investments	\$ 238.8	\$ 139.6	\$ 254.9	55%
Fixed Rail	139.9	72.5	133.7	54%
Structures	21.7	7.3	15.2	48%
Track and Structures Rehabilitation Investments	\$ 161.6	\$ 79.8	\$ 148.9	54%
Platforms & Structures	388.7	229.6	521.6	44%
Vertical Transportation	35.7	16.1	37.3	43%
Station Systems	102.5	65.0	113.4	57%
Stations and Passenger Facilities Investments	\$ 526.9	\$ 310.8	\$ 672.3	46%
Bus and Paratransit Acquisition	82.2	1.9	82.2	2%
Bus Maintenance/Overhaul	54.6	30.1	55.9	54%
Bus Maintenance Facilities	28.5	(1.9)	21.8	-9%
Bus Passenger Facilities/Systems	11.0	2.4	10.0	24%
Bus and Paratransit Investments	\$ 176.3	\$ 32.5	\$ 169.8	19%
IT	85.7	38.7	81.6	47%
MTPD	2.6	0.5	1.4	32%
Support Equipment/Services	183.4	64.7	187.8	34%
Business Support Investments	\$ 271.7	\$ 103.9	\$ 270.9	38%
Total Capital Programs	\$ 1,739.8	\$ 838.4	\$ 1,876.2	45%

Appendix III: Weekday Parking Facility Usage

Fiscal Year 2020 – Q2 Year-to-Date

Station	Lot Capacity	YTD Paid Utilization (% of Capacity)	Variance, Year-Over-Year (% Change in Utilization)
Montgomery County			
Grosvenor-Strathmore	1,694	94%	1%
White Flint	1,020	67%	10%
Twinbrook	1,097	58%	-1%
Rockville	524	95%	-1%
Shady Grove	5,745	78%	3%
Glenmont	2,998	83%	6%
Wheaton	977	39%	8%
Forest Glen	596	94%	5%
Montgomery County Total	14,651	77%	4%
Prince George's County			
New Carrollton	2,349	84%	7%
Landover	1,185	75%	32%
Cheverly	500	63%	2%
Addison Road-Seat Pleasant	1,268	50%	4%
Capitol Heights	372	87%	2%
Greenbelt	3,399	67%	1%
College Park-U of Md	1,290	68%	9%
Prince George's Plaza	1,068	48%	-1%
West Hyattsville	453	75%	10%
Southern Avenue	1,980	58%	5%
Naylor Road	368	98%	1%
Suitland	1,890	62%	8%
Branch Avenue	3,072	100%	8%
Morgan Boulevard	608	93%	4%
Largo Town Center	1,950	87%	2%
Prince George's County Total	21,752	74%	7%
Maryland Total	36,403	75%	5%

Appendix III: Weekday Parking Facility Usage

State/Lot Region	Lot Capacity	YTD Paid Utilization (% of Capacity)	Variance, Year-Over-Year (% Change in Utilization)
<i>District of Columbia</i>			
Deanwood	194	44%	8%
Minnesota Ave	333	84%	-1%
Rhode Island Ave-Brentwood	221	100%	9%
Fort Totten	408	109%	1%
Anacostia	808	39%	-6%
District of Columbia Total	1,964	71%	2%
<i>Northern Virginia</i>			0%
Huntington	2,732	54%	-21%
West Falls Church-VT/UVA	2,009	63%	5%
Dunn Loring-Merrifield	1,964	48%	2%
Vienna/Fairfax-GMU	4,719	78%	2%
Franconia-Springfield	5,069	47%	-8%
Van Dorn Street	361	83%	-17%
East Falls Church	422	115%	-1%
Wiehle-Reston East	2,300	96%	-2%
Northern Virginia Total	19,576	61%	-6%
System Total	57,943	71%	2%