



Notice of Public Hearing

Washington Metropolitan Area Transit Authority

Docket B18-01: Proposed FY2019 Operating Budget and

Docket B18-02: Proposed FY2019 Capital Improvement Program and Federal FY2018 Grant Applications

Purpose

Notice is hereby given that a public hearing will be held by the Washington Metropolitan Area Transit Authority on the two dockets noted above as follows:

Hearing No. 617
Wednesday, January 31, 2018
Metro Headquarters Building
600 Fifth Street NW
Washington, DC 20001

Open House 5:30
Public Hearing 6 p.m.
Speaker registration is on-site only

Please note that this date is subject to Metro's inclement weather cancellation policy. In the event of a cancellation, Metro will post information about a new hearing on wmata.com.

The locations for all public hearings are wheelchair accessible. Any individual who requires special assistance such as a sign language interpreter or additional accommodation to participate in the public hearing, or who requires these materials in an alternate format, should contact Danise Peña at 202-962-2511 or TTY: 202-962-2033 as soon as possible in order for Metro to make necessary arrangements. For language assistance, such as an interpreter or information in another language, please call 202-962-2582 at least 48 hours prior to the public hearing date.

For more information please visit www.wmata.com/budget.

In accordance with Section 62 of the WMATA Compact, Metro will conduct a public hearing at the location listed in this notice. Information on the hearing will be provided in area libraries, in Metrorail stations, on Metrobus and MetroAccess vehicles, and online at www.wmata.com/budget.

HOW TO REGISTER TO SPEAK – All organizations or individuals desiring to be heard with respect to these two dockets will be afforded the opportunity to present their views and make supporting statements and to offer alternative proposals. Public officials will be allowed five minutes each to make their presentations. All others will be allowed three minutes each. Relinquishing of time by one speaker to another will not be permitted.

There will be no advance registration to speak. Those wishing to provide oral testimony will sign up to speak at the hearing, will be called to testify in the order they sign up, and can sign up to speak at any time prior to the close of the hearing. Elected public officials will be allowed to provide their testimony as soon as feasible after their registration. If you will not be able to stay to provide your testimony orally when your name is called, staff will provide you with multiple ways to submit your comments into the public record including the use of a digital recorder to record your oral comments.

Please note that all comments received are releasable to the public upon request, and may be posted on WMATA's website, without change, including any personal information provided.

HOW TO SUBMIT TESTIMONY NOT AT THE PUBLIC HEARING – Testimony may be submitted online about Metro's operating and capital budget at wmata.com/budget. Online submission will be available by 9 a.m. on Saturday, January 13, 2018 and will close on Monday, February 5, 2018 at 5 p.m. This is in addition to your ability to speak at a public hearing. For those without access to computers or internet, testimony may also be mailed to the Office of the Secretary, Washington Metropolitan Area Transit Authority, 600 Fifth Street, NW, Washington, DC 20001. All comments must be received by the Office of the Secretary by 5 p.m. on Monday, February 5, 2018 to be included in the public record. The comments received by the Office of the Secretary, along with the online submissions and public hearing comments, will be presented to the Board and will be part of the official public hearing record. Please note all statements are releasable to the public upon request, and may be posted on WMATA's website, without change, including any personal information provided.

For those who do not have access to computers or internet, note that copies of the dockets in their entirety are also available at area libraries or can be requested from Metro's Office of the Secretary by calling 202-962-2511.

The Metro Board has authorized an FY2019 budget public hearing, in accordance with the WMATA Compact and as required by the Federal Transit Administration (FTA). The proposed budget for FY2019 is described in detail in the dockets attached.

WMATA PROPOSAL FOR DOCKET B18-01: Proposed FY2019 Operating Budget

Overview

The General Manager's three priorities for Metro are safety, service reliability, and financial responsibility, with safety as the top priority. These priorities have guided the development of Metro's FY2019 proposed budget and informed every key decision. Metro must rebuild trust with both its riders and its funding jurisdictions, and this proposed budget provides the resources to achieve the priorities and continue the rebuilding effort.

The proposed operating budget for FY2019 is \$1.9 billion. The budget is funded with \$828 million of projected operating revenues, primarily from passenger fares, parking fees, and advertising revenues, and \$1,009 million of jurisdictional contributions. The budget assumes no fare increases, no service reductions, \$38 million of management actions to reduce expenses and increase business revenues, and a \$29 million increase in jurisdictional subsidy (three percent) compared to FY2018.

Metro's primary FY2019 budget challenge is declining passenger revenue as ridership continues to decrease. Bus and rail ridership and revenue through the first quarter of FY2018 were below budget, and this trend is projected to continue throughout the fiscal year. Total estimated ridership in FY2019 for rail and bus is four percent below the FY2018 budget, and FY2019 rail and bus revenues are projected to be \$25 million below FY2018.

While Metro estimates that some of the riders who reduced their trips on Metro due to SafeTrack will return, the overall trends are still challenging, and it will take time to rebuild customer trust and confidence in Metro. Rail ridership in FY2019 is expected to equal FY2018 ridership, but below the FY2018 budget.

Metrobus is not experiencing the same stabilization. Consistent with regional and national trends, bus ridership in FY2018 is projected to be below both last year's actual performance and the FY2018 budget. Further, Metrobus FY2018 revenue is lower than estimated. Therefore, the FY2019 revenue projection has been lowered based on the FY2018 year-end forecast. Improving the customer experience – particularly on-time performance – is critical to reversing current trends.

To stay within the three percent subsidy growth cap, the budget funds legacy commitments, mandates, and inflationary costs. Additional management actions include

\$25 million in base cost reductions, \$5 million in overtime cost controls, and an \$8 million increase in non-transit revenues.

Proposed FY2019 Operating Budget

	FY2018	FY2019	Growth	
			\$	%
REVENUE				
Passenger Revenue	\$756	\$736	(\$20)	-2.6%
Other Revenue	\$90	\$92	\$3	2.8%
Total Revenue	\$845	\$828	(\$17)	-2.0%
EXPENSES				
Labor and Benefits	\$1,308	\$1,306	(\$2)	-0.2%
Non-Labor	\$518	\$532	\$14	2.7%
Total Expenses	\$1,825	\$1,837	\$12	0.7%
SUBSIDY	\$980	\$1,009	\$29	3.0%

WMATA PROPOSAL FOR DOCKET B18-02: Proposed FY2019 Capital Improvement Program and Federal FY2018 Grant Applications

WMATA intends to apply for Federal Fiscal Year 2018 grants under the *Fixing America's Surface Transportation (FAST) Act* and the *Passenger Rail Investment and Improvement Act of 2008 (PRIIA)* to support ongoing capital investments. These applications will be filed under the provisions of FAST (P.L. 114-94) and PRIIA (P.L. 110-432).

Based on preliminary information provided by the Federal Transit Administration (FTA), the Washington DC Metropolitan Region expects to receive approximately \$360 million in FTA formula funding under the FAST Act in Federal FY2018. This regional funding is distributed between WMATA, the Potomac and Rappahannock Transportation Commission (PRTC), and the Maryland Transit Administration (MTA) subject to a pre-existing agreement. Under this agreement, in Federal FY2017, WMATA received approximately 86 percent of the total FTA formula funding for the region. If WMATA's funding share remains consistent with the prior year, WMATA will receive approximately \$310 million in federal funding.

Additionally, WMATA estimates \$148.5 million will be available to the agency through the PRIIA program in Federal FY2018. This funding partnership between the federal government and the District of Columbia, Maryland, and Virginia, which has been in effect since 2009 and is authorized for ten years, provides critical resources to WMATA

for safety improvements, railcar purchases, and other important state of good repair investments.

In accordance with Board policy, WMATA intends to apply for these grant funds within four weeks of the Board's adoption of the capital budget, which is currently scheduled for March 2018. WMATA also intends to submit the final Program of Projects to the National Capital Region Transportation Planning Board (TPB) as input to the updated Transportation Improvement Program (TIP) for the Washington Metropolitan area.

WMATA FY2019 CAPITAL IMPROVEMENT PROGRAM

WMATA's proposed FY2019 Capital Investment Plan is \$1.28 billion which is focused on safety improvements, the rebuilding of the Metro system, and improving the effectiveness of the current rail and bus network. The vast majority of the planned investment advances the safety, rehabilitation, and replacement of Metro's infrastructure, facilities, equipment, systems, railcars, buses, and paratransit vehicles.

The proposed FY2019 program will be funded through investments from the federal government, state and local governments, and other sources. The proposed program assumes federal sources make up \$459 million of the \$1.28 billion funding plan. The remaining portion of the program is funded with \$787 million of state and local investment (including match to federal funds, and direct local contributions), \$27 million from the Metropolitan Washington Airports Authority (MWAA), and \$5 million for jurisdictional projects.

The Capital Improvement Program consists of the following six major investment categories:

- **Railcars**, which includes acquisition of new vehicles, maintenance and overhaul activities on existing vehicles to ensure safe and reliable operation, and construction and rehabilitation on railcar maintenance facilities;
- **Rail Systems**, which includes investment in propulsion (including tie-breaker stations, traction power substations, power cables, and transformers) and signals and communications systems (including radio systems and underground wireless infrastructure);
- **Track & Structures**, which includes fixed rail (e.g., running rail, switches, fasteners, crossties, etc.), structures (e.g., tunnels and bridges), and track maintenance equipment;
- **Stations & Passenger Facilities**, which includes platforms and other structures, vertical transportation (elevators and escalators), fare collection systems, station systems, and parking facilities;
- **Bus & Paratransit**, which includes bus acquisition, bus overhaul and maintenance activities to ensure safe and reliable operation, bus maintenance facilities, bus passenger facilities, and replacement of paratransit vehicles; and
- **Business Support**, which includes information technology (IT), Metro Transit Police (MTPD) investments, and other support and equipment services.

**Proposed FY2019 Capital Investment
By Program Area**

<i>(Dollars in Millions)</i>	FY2019 Proposed
Railcar Acquisition	289.0
Railcar Maintenance/Overhaul	116.5
Railcar Maintenance Facilities	30.5
Railcar Investments	\$436.0
Propulsion	65.9
Signals & Communications	118.6
Rail Systems Investments	\$184.5
Fixed Rail	97.7
Structures	36.3
Track and Structures Rehabilitation Investments	\$134.0
Platforms & Structures	110.0
Vertical Transportation	60.4
Station Systems	77.7
Stations and Passenger Facilities Investments	\$248.2
Bus & Paratransit Acquisition	94.6
Bus Maintenance/Overhaul	60.9
Bus Maintenance Facilities	31.9
Bus Passenger Facilities/Systems	4.6
Bus and Paratransit Investments	\$192.0
IT	55.3
MTPD	1.0
Support Equipment/Services	28.1
Business Support Investments	\$84.4
Total Capital Program	\$1,279.1

FY2019 Proposed Capital Funding Sources

Source	Amount (Millions)
Federal Grants	\$459.3
State & Local Investments	
District of Columbia	\$279.7
Maryland	\$270.7
Virginia	\$236.6
Metropolitan Washington Airports Authority (MWAA)	\$27.5
Jurisdictional Reimbursable Projects	\$5.3
Grand Total	\$1,279.1

Consideration will be given to the special needs of people with disabilities and seniors in implementing projects. All projects conform to the comprehensive land use and transportation plans in the Washington Metropolitan area. No significant adverse environmental effects are anticipated as a result of these projects.

In accordance with FTA regulation 49 CFR Part 604, WMATA conducts bus subcontracting service incidental to its mass transportation services only where permitted by exceptions contained in those regulations. WMATA's subcontract operations are self-supporting with rates established to return all operational costs whether direct or indirect. Services and charges are published in the Subcontracting and Special Transit Service Tariff #17 of the Washington Metropolitan Area Transit Authority, effective March 1, 2008, as amended by Board Resolution 2008-56 adopted on November 20, 2008. Copies of the Tariff and Bus Subcontracting Cost Allocation Plan are available for public inspection from WMATA's Department of Bus Services.

REFERENCE MATERIAL AVAILABLE FOR REVIEW – The proposed WMATA FY2019 Capital Improvement Program is included in the WMATA FY2019 Proposed Budget, which is available online at wmata.com/budget.

The FY2019 Proposed Budget is also available for inspection through February 5, 2018, between the hours of 9 a.m. and 4:30 p.m., Monday - Friday except holidays, at the Office of the Secretary, Washington Metropolitan Area Transit Authority, 600 Fifth Street, NW, Washington, DC 20001.

This public notice of the public hearing and the time established for public review and comments on the Program of Projects satisfies the MAP-21 public participation requirements. The program of projects outlined in the FY2019 Proposed Budget will be the final program of projects unless modified prior to final approval by the WMATA Board of Directors.