



Finance Committee

Action Item III-A

May 12, 2016

Temporary Fare Reductions During Emergencies

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201737

Resolution:
☒ Yes ☐ No

TITLE:

Temporary Fare Reductions During Emergencies

PRESENTATION SUMMARY:

To request Board authorization for the General Manager/Chief Executive Officer (GM/CEO) to temporarily reduce or waive fares in cases of emergency, with a requirement to provide notification to the Board of such action as soon as practicable after the event.

PURPOSE:

To request Board authorization for the General Manager/Chief Executive Officer (GM/CEO) to temporarily reduce or waive fares in cases of emergency, with a requirement to provide notification to the Board of such action as soon as practicable after the event.

DESCRIPTION:

Key Highlights:

- Section 22 ("Temporary Reduction of Fares") of the WMATA Tariff authorizes the GM/CEO to temporarily reduce fares during emergencies.
- This proposed action authorizes the GM/CEO to implement temporary fare reductions or waivers without prior Board approval, but requires that the Board be notified of such actions -- including the estimated impact of the fare reduction on operating revenues -- as soon as is practicable after the event.

Background and History:

Section 22 ("Temporary Reduction of Fares") of the WMATA Tariff authorizes the GM/CEO to temporarily reduce fares during a declared emergency, including "an event occasioned by nature." The GM/CEO must seek Board approval for any temporary lowering of fares other than a reduction of fares from peak to off-peak.

Metro recently experienced two emergency situations in which the GM/CEO determined that transit fares and parking fees should be waived:

- The Metrorail and Metrobus systems were closed on January 23 and 24, 2016, as a result of the blizzard 'Jonas.' Limited service resumed on January 25, and Metrorail and Metrobus fares, as well as fees at Metro parking facilities, were waived on that day.
- Metrorail faregates were opened at certain Blue/Orange/Silver Line stations on

March 14, 2016, as a result of the cable fire at McPherson Square, and fees at Metro parking facilities were waived during the subsequent Metrorail system shutdown on March 16, 2016.

Both fare waivers were subsequently approved by the Board of Directors.

Discussion:

This proposed action will authorize the GM/CEO to reduce or waive any otherwise applicable fare or fee when faced with emergency conditions, for a period not to exceed 48 hours, and will require that the Board of Directors be notified of any such decision by the GM/CEO -- including the estimated impact of the fare reduction on operating revenues -- as soon as practicable after the event.

FUNDING IMPACT:

Update to GM/CEO authority has no immediate funding impact. Total passenger fare and parking fee revenue on a typical weekday is \$2.7 to \$2.8 million.	
Project Manager:	Thomas J. Webster
Project Department/Office:	CFO/OMBS

TIMELINE:

Previous Actions	February 25, 2016 - Board approval of fare/fee waiver following blizzard March 24, 2016 - Board approval of faregate opening and parking fee waiver resulting from McPherson Square cable fire
Anticipated actions after presentation	N/A

RECOMMENDATION:

Authorize General Manager/Chief Executive Officer (GM/CEO) to temporarily reduce or waive fares in cases of emergency, with a requirement to provide notification to the Board of such action as soon as practicable after the event.



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Purpose

- Requesting Board authorization for GM/CEO to temporarily reduce or waive fares or fees in cases of emergency, with a requirement to provide notification to the Board as soon as practicable



Streamline GM/CEO Authority for Temporary Fare Reductions

- WMATA Tariff authorizes GM/CEO to impose temporary fare reductions in response to emergencies
- Board approval is required for any change other than reducing peak to off-peak
- Propose to allow GM/CEO to impose any temporary reductions or waivers (up to 48 hours) and then to notify Board
- Notification will include estimated impact on operating revenues



Recommendation

- Authorize GM/CEO to temporarily reduce or waive fares or fees in cases of emergency, with a requirement to provide notification to the Board as soon as practicable

SUBJECT: APPROVAL OF THE GENERAL MANAGER/CHIEF EXECUTIVE OFFICER'S
AUTHORITY TO REDUCE OR WAIVE FARES DURING EMERGENCIES

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Resolution 2003-58 and Section 22 of the Washington Metropolitan Area Transit Authority Tariff ("Temporary Reduction of Fares") authorizes the General Manager/Chief Executive Officer (GM/CEO) or his designee to temporarily reduce fares during a declared emergency, for a period not to exceed 48 hours; and

WHEREAS, This authorization requires Board of Directors' approval of any temporary fare reduction other than reducing fares from peak to off-peak; and

WHEREAS, Recent experiences have shown that at times it is appropriate for the GM/CEO or his designee to temporarily waive all fares and reduce or waive parking fees; now, therefore be it

RESOLVED, That the GM/CEO is authorized to reduce or waive any otherwise applicable fare or fee when faced with emergency conditions, for a period not to exceed 48 hours, and that the Board of Directors shall be notified of any such decision by the GM/CEO, including the estimated impact of the fare reduction on operating revenues, as soon as practicable after the event; and be it further

RESOLVED, That the GM/CEO will revise the Tariff as necessary to reflect these changes in policy; and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with § 8(b) of the WMATA Compact.

Reviewed as to form and legal sufficiency,



Mark R. Pohl
Acting General Counsel