

Case Study of the Washington Metropolitan Area Transit Authority

RONALD F. KIRBY

The Washington Metropolitan Area Transit Authority (WMATA) was formed in 1967 through a congressionally approved interstate compact. The compact called for policy guidance for WMATA to be provided by elected officials and their appointees from Maryland, Virginia, and the District of Columbia. WMATA's initial mission was to plan, finance, and construct a rapid rail transit system for the Washington metropolitan area. Subsequently, WMATA was given responsibility for operating the rail system and for acquiring and operating the four local privately operated bus systems. Since 1973, WMATA has operated integrated "Metrorail" and "Metrobus" systems.

From the inception of this integrated rail and bus system, local officials have followed a policy of making rail and bus services complement, not compete with, each other. The objective has been to avoid subsidizing both bus and rail services along the same route and to have buses provide feeder service to rail lines wherever possible. Consequently, every time a new rail segment opens, many nearby bus routes are modified to serve the new stations.

At present, WMATA owns and operates virtually the entire regional transit system. Apart from a few privately operated commuter bus services, there are no other truly regional transit services in the Washington metropolitan area. Some local jurisdictions have established their own local bus services, but those services are generally designed to complement and supplement the WMATA bus and rail services. The evolution of these services and their present and future impacts on WMATA will be discussed in a later section.

WMATA policy is established by a board of directors made up of two directors and two alternates from each of three jurisdictions—the District of

Columbia, Maryland, and Virginia. The Virginia members are appointed to the WMATA board by the Northern Virginia Transportation Commission. The District of Columbia members are named by the mayor and city council, and the Maryland members are appointed by the Washington Suburban Transit Commission. Most of the board members are elected officials in their own jurisdictions, but a few are private citizens appointed by the jurisdictions.

CURRENT SIZE AND STATUS OF WMATA

In its approved fiscal year 1988 budget, WMATA shows gross operating costs of \$506 million, of which \$34 million are capitalized construction management, grant administration, and start-up costs. The remaining \$472 million in noncapitalized operating costs are covered by \$249 million in passenger and other revenues and \$223 million in public operating assistance. The latter \$223 million is made up of \$18 million in federal operating assistance and \$205 million in state and local funds. (Federal operating assistance thus constitutes only 4 percent of total noncapitalized operating costs.) The FY 1988 budget includes \$352 million in capital expenditures, of which \$313 million are devoted to Metrorail construction. The remaining \$39 million are devoted to capital improvements for Metrobus and rail reliability. The federal government is providing 80 percent (or \$250 million) of the Metrorail construction funding and also just under 80 percent of the Metrobus and rail reliability capital funding through the Section 9 formula program. Total construction funding for the Metrorail system is shown at \$7.355 billion from the start of construction in December 1969 through the end of FY 1989. It is projected that an additional \$2.026 billion will be required for fiscal years 1989 through 1997 to complete the 103-mile system.

The FY 1988 budget calls for a bus fleet of 1,590 buses, with a scheduled maximum of 1,383 (87 percent of the total). A total of 49 million scheduled bus miles will be operated, and 138.5 million passengers will be carried. Operating cost is expected to be \$4.95 per bus mile and \$1.79 per passenger. The average passenger fare will be \$0.59, or 33 percent of the operating cost per passenger. (The average passenger fare of \$0.59 is below the base fare of \$0.80 because of rail-to-bus transfer arrangements.) The remaining 67 percent is to be made up of other revenues (4 percent) and operating assistance (63 percent).

In FY 1988, WMATA will have a total rail car fleet of 548, with a scheduled maximum of 456. The agency will operate 35 million rail car miles of service over 70 one-way route miles, serving 64 stations. A total of 135 million passengers will be carried at an average operating cost of \$1.65 per passenger and an average passenger fare of \$1.06. Passenger revenue is expected to be 64 percent of operating cost, with other revenue contributing a further 7

percent and operating assistance making up the remaining 29 percent. WMATA has budgeted in FY 1988 for a total of 8,427 staff-years of which 4,406 will be devoted to bus operations, 3,367 to rail operations, and the remaining 654 to the bus and rail capital programs.

THE CHANGING TRANSIT ENVIRONMENT IN THE WASHINGTON METROPOLITAN REGION

When it assumed ownership and operation of the four former private bus companies in the Washington area in 1973, WMATA operated virtually all of the public transit service in the region. Since that time, however, local governments in Montgomery County, Maryland; and Alexandria, Fairfax County, and Fairfax City, Virginia, have initiated their own bus services and, in most cases, reduced somewhat the amount of WMATA bus service in their jurisdictions. The following descriptions of these local bus systems are drawn from WMATA's Regional/Local Bus Study completed in November 1986.

Montgomery County initiated its Ride-On bus system in April 1975 and has expanded it steadily ever since. Ride-On provides bus service within the county. Service is equally distributed between radial and nonradial routes and includes feeder services to all Metrorail stations in the county. Ride-On operates 165 thirty-passenger buses and 20 twenty-one passenger contract buses 7 days a week, from 5:00 a.m. to midnight on weekdays and from 7:00 a.m. to 11:00 p.m. on weekends. During FY 1987, Ride-On transported 10.3 million passengers with a work force of 361 staff-years and a \$16.7 million budget comprising \$15.5 million for Ride-On and \$1.2 million for contract routes. There was a \$4.7 million contribution from passenger and other revenues, and the remaining \$12 million was provided from state and county funds.

The city of Alexandria initiated its own neighborhood DASH bus service in March 1984. DASH operates 17 thirty-passenger buses and 2 thirty-five-passenger buses over four routes that serve the city and provide feeder service to Metrorail stations in the city and at the Pentagon. All four routes operate from 6:00 a.m. to 11:00 p.m. on weekdays, and from 7:00 a.m. to 11:30 p.m. on Saturdays; two routes operate from 8:00 a.m. to 7:00 p.m. on Sundays. The system carried 1.1 million passengers in FY 1987 with 44 employees, an operating cost of \$1.3 million, revenues of \$700,000, and a deficit of \$600,000 made up by the city of Alexandria.

Fairfax County introduced neighborhood feeder bus service, called the Fairfax Connector, to the Huntington Metrorail station in September 1985. The Fairfax Connector has a fleet of 37 thirty-passenger buses that operate 7 days a week on ten peak routes and seven off-peak routes. Service is operated from 5:45 a.m. to 11:30 p.m. on weekdays, from 6:30 a.m. to 11:00 p.m. on

Saturdays, and from 10:00 a.m. to 6:00 p.m. on Sundays. Between September 1985 and September 1986 the system carried 1 million passengers. During FY 1987, the Fairfax Connector had 65 employees, an operating budget of \$2.4 million, and an annualized capital expenditure of approximately \$500,000. Farebox revenues brought in \$560,000, and the county provided the remaining budget.

The county expects to expand this system to serve other Metrorail stations and additional travel within the county. It has approval for 17 new buses, though this is contingent on finding a second maintenance garage. Consequently, it may be 3 years before this expansion is fully operational.

Fairfax City operates its own small commuter bus system called CUE. The system operates 7 days a week between 5:45 a.m. and 11:30 p.m. CUE has nine 31-passenger buses and operates seven of them on seven routes in the rush hour and four of them on four routes in the off-peak period. The system carried 472,000 passengers in FY 1987 and had eight full-time employees and a number of part-time staff. The total operating cost was \$512,000. Revenues were \$180,000, and the City of Fairfax covered the deficit.

Other jurisdictions such as Falls Church and Prince George's County are also contemplating the introduction of their own bus services. The rationale for the development of these systems by local governments appears to involve three distinct elements:

- The long lead time involved in making modifications to WMATA Metrobus service;
- The ability to tailor local services to meet local objectives without having to consult other jurisdictions; and
- The savings achieved by the local government, principally through lower, nonunion wage rates, as a result of reducing the amount of Metrobus service operating in its jurisdiction.

Two points need to be made about the last of these elements. First, the local jurisdictions are developing (or planning to develop) both services that are different from the current Metrobus service and services that replace some existing Metrobus service. So the motivation is not only cost but also the introduction of new kinds of services.

Second, the jurisdictions are able to save only the variable costs of Metrobus services they cut back. These variable costs are currently allocated to the jurisdictions on the basis of platform miles and hours of service. Metrobus revenue is also allocated to the jurisdictions on the basis of ridership, and the net of allocated variable cost minus allocated revenue is the potential savings available from service cutbacks. (Fixed costs of Metrobus service are allocated to the jurisdictions on the basis of 1,975 peak-period buses serving the jurisdictions, an allocation that is not affected by service cutbacks in an individual jurisdiction.)

Most of the long-term population growth in the region is forecast to occur in (and beyond) the suburban jurisdictions that are currently developing their own bus systems. Consequently, growth in locally provided bus services has important implications for the future of WMATA's bus operations. Although the suburban systems are still relatively small, they could eventually reach a size that would force WMATA to reduce its bus operations significantly, perhaps by closing a major garage facility.

Another issue for WMATA is the rapid growth in rail ridership from jurisdictions outside the current WMATA compact area, including Anne Arundel, Charles, Frederick, and Howard counties in Maryland and Loudoun, Prince William, and Stafford counties in Virginia. Weekday Metrorail ridership from these counties (whose residents make no direct contributions to WMATA capital and operating costs other than farebox revenue) grew by 44 percent from 1986 to 1987, from 10,740 to 15,450, compared with a 9.3 percent increase in ridership within the WMATA compact area from 381,000 to 420,000. Combined with the approximately 22,000 daily travelers from elsewhere in the country, these trips from neighboring counties helped raise the percentage of Metrorail ridership from outside the WMATA compact area from 7.8 percent in 1986 to 8.2 percent in 1987.

WMATA'S RESPONSE TO THE CHANGING ENVIRONMENT

The changes discussed in the previous section have received a great deal of consideration and analysis at WMATA, as evidenced, for example, by the staff Regional/Local Bus Study completed in November 1986. Although no explicit policy or "strategic plan" has been adopted by the WMATA board to respond to these changes, a number of implicit policy positions appear to have emerged in WMATA's actions to date. These positions are discussed in turn.

1. WMATA is giving high priority to the completion of the 103-mile rail system.

Although a 103-mile rail system has been adopted in the Long-Range Plan for the Washington Metropolitan Region, WMATA is currently operating only 70 miles of that system and has funding authorization for only an additional 19 miles. The remaining 14 miles are as yet unfunded and will require new federal legislation if the current 80 percent federal contribution is to continue until completion of the system.

WMATA has no dedicated sources of state and local funding. Rail construction funding contributions from the local jurisdictions are determined by a rather complicated formula based on their share of the full 103-mile system. Failure to complete the full system would leave some imbalances between the financial contributions and the amount of completed rail system within the

various jurisdictions. Rail operating deficits are allocated according to three benefit factors, with one-third assigned to each: ridership by jurisdictional residence, stations per jurisdiction, and urban area population/population density per jurisdiction. Both the bus and the rail allocation formulas are currently being reexamined.

Extensions to the 103-mile rail system are possible in the future, and some are already under consideration. However, completion of the currently adopted 103 miles remains a major challenge that is understandably being given top priority by the WMATA board and staff.

2. WMATA is devoting considerable effort to the expansion of parking capacity at its suburban rail stations. Parking lots at many of the suburban stations are currently filling up before the end of the morning peak hour. This limits the number of potential passengers on the rail system. In line with its primary emphasis on the success of the Metrorail system, WMATA has taken a number of steps to improve access to stations. A key component of this plan is to expand the amount of parking available.

WMATA is effectively in the parking business: it operates 20,000 spaces at present, has funding to bring this total to 30,000, and is working to have 20,000 additional spaces provided. WMATA charges for use of these parking spaces, and revenues go to the rail system. (Bay Area Rapid Transit in San Francisco operates more parking spaces than WMATA, but without charge.) WMATA has been urging local governments to help increase parking capacity at Metrorail stations in their jurisdictions.

3. WMATA considers its bus services complementary to the rail system and prefers not to provide bus services along rail routes.

Unlike San Francisco, where bus and rail services are operated by independent agencies, WMATA is able to closely coordinate its bus and rail services because it has direct control over both. Successful operation and ultimate completion of the rail system are top priorities for WMATA, so the Metrobus system is designed first and foremost to be supportive of that goal. This policy has been endorsed by the region's local governments, including those that operate their own bus systems.

4. WMATA cannot prevent local jurisdictions from cutting back on Metrobus services and establishing their own local bus systems. The allocation formulas for assigning the costs and revenues of Metrobus services to the participating jurisdictions give those jurisdictions the option of cutting back certain Metrobus services and avoiding the associated variable costs. (They cannot, however, avoid the fixed costs, nor can they take direct advantage of any savings in capital costs resulting from cutbacks in Metrobus.) To a large degree, therefore, WMATA is placed in the position of being a contract bus operator, as indicated in the following statement by the general manager (letter to Carol W. DeLong, Chairman, Transportation Planning Board, from

Carmen E. Turner, General Manager, Washington Metropolitan Transit Authority, June 17, 1987):

It should be noted that it is the local jurisdictions throughout the region which determine the type and amount of (bus) service to be operated within their boundaries and which carrier, whether WMATA, local jurisdiction bus service, or contract carrier, shall provide the service. In essence, local jurisdictions contract with WMATA to provide a certain amount of bus service.

Consequently, there is little WMATA can do to halt or even retard the tendency of local jurisdictions to provide their own services. (The Regional/Local Bus Study did recommend, however, actions to address two of the three major concerns that lead to local services. Efforts were proposed to streamline the process for approving service changes, and greater efforts were recommended to control costs. The study also recommended a stronger coordinating role for WMATA in regional bus services.) In practice, WMATA has accepted local decisions to introduce local bus systems without major objection and has worked to integrate the new services into the regional bus and rail system.

5. In the long run, WMATA's role in bus service provision could decline substantially as newly expanding suburban communities (both within and outside the compact area) expand their own systems. The WMATA board and staff are undoubtedly aware of this possibility. However, instead of trying to forestall the further expansion of local bus services, WMATA appears to be focusing its resources on the regional Metrorail system and on maintaining and improving its complementary Metrobus system. WMATA is also trying to coordinate the steadily expanding intrajurisdictional bus services provided by local governments.

Overall, WMATA's response to the changing transit environment appears to be consistent with and supportive of regional transportation policies and priorities. Total transit ridership is increasing steadily, and opportunities are gradually being provided for greater diversification of transit services and operating arrangements throughout the region.

Ronald F. Kirby is Director, Department of Transportation Planning, National Capital Region Transportation Planning Board, Metropolitan Washington Council of Governments. He was previously Director of Transportation Programs at the Urban Institute, Washington, D.C., and worked with Planning and Research Associates, McLean, Virginia.