

CONGRESSIONAL TESTIMONY

Washington Metro Area Transit Authority: Reckoning with Dysfunction

Testimony before the
Subcommittee on Government Operations
of the **Committee on Oversight and Reform**

U.S. House of Representatives

February 9, 2022

David Ditch
Policy Analyst
The Heritage Foundation

My name is David Ditch. I am a Policy Analyst at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Each year, Americans pay trillions of dollars in taxes to fund government services. Elected officials have a profound obligation to conduct regular oversight and hold agencies accountable to the public for how they perform their duties. For a daily Metrorail commuter like myself, this hearing is a welcome opportunity to examine an agency that requires substantial reforms.

The Washington Metro Area Transit Authority (WMATA) has provided bus and rail service to the Washington, DC, metropolitan area since

the mid-1970s. In the intervening decades, the transit system has received tens of billions in state, local, and federal subsidies for maintaining and expanding operations.

In the wake of both the COVID-19 pandemic and recent revelations about serious safety lapses, it is prudent to take stock of WMATA's past performance as well as of its long-term outlook, and to discuss what (if anything) can be done to address the longstanding shortcomings.

As a transit agency, WMATA should benefit from population growth and service expansion. The Washington, DC, metro area grew by 12 percent from 2010 to 2020, outpacing the national average.¹ The first phase of the Silver Line began operation in 2014, connecting the

¹ U.S. Census Bureau, "Metropolitan and Micropolitan Statistical Areas Totals: 2010–2020,"

<https://www.census.gov/programs-surveys/popest/technical->

fast-growing Tysons Corner area of Virginia to the rail system.

Despite these developments, WMATA ridership continued to decline, with Metrorail suffering a 13 percent drop in average daily riders between 2010 and 2019.² Then, due to the COVID-19 pandemic, ridership plummeted by 72 percent from 2019 to 2020, and an additional 23 percent in 2021.³ While COVID-19 case rates are currently declining, it is unclear when—or if—the pandemic’s impact on transit ridership will abate.

While the pandemic is not something that WMATA could or can control, there were numerous safety incidents and related problems in recent years for which WMATA does bear responsibility.

- On June 22, 2009, a train collision resulted in nine deaths.
- On January 12, 2015, electrical arcing caused smoke to inundate a train in L’Enfant Plaza, leading to the death of a passenger and the hospitalization of dozens more.
- Years of deferred and improperly performed maintenance culminated in the 2016 SafeTrack initiative.⁴ While necessary at the time, the initiative

[documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-totals-metro-and-micro-statistical-areas.html](https://www.wmata.com/initiatives/ridership-portal/Rail-Data-Portal.cfm) (accessed February 2, 2022).

² Washington Metropolitan Area Transit Authority, “Rail Ridership Data Viewer,” <https://www.wmata.com/initiatives/ridership-portal/Rail-Data-Portal.cfm> (accessed February 2, 2022).

³ Ibid.

⁴ Baruch Feigenbaum, “Washington Metro Troubles Show Inherent Flaws in Public Transit Management,” Reason Foundation, May 9, 2016, <https://reason.org/commentary/washington-metro-troubles-show-inher/> (accessed February 2, 2022).

forced considerable service reductions throughout the Metrorail system, leading to a marked decline in ridership that remained after SafeTrack ended.

- On October 12, 2021, a Metrorail train derailed near Arlington Cemetery. The derailment was traced to a wheelset problem in the 7000 series, which had been identified as early as 2017.⁵ This is egregious for two reasons. First, the issue should have been addressed systematically at the first sign of problems rather than allowing potentially unsafe trains to operate for years. Second, it speaks to a flawed procurement process for the 7000 series rail cars, which cost \$1.47 billion to purchase.⁶ There is still no firm timetable for the 7000 series returning to operation, which means a prolonged period of limited service and long delays throughout the Metrorail system.

Safety on a transit system should also extend to safety from crime. Since ridership on Metrorail dropped by 78 percent between 2019 and 2021, one would expect a related reduction in crime. However, overall crime on the WMATA system fell by 47 percent from 2019 to 2021, Metrorail crime incidents fell by a similar 48 percent, and aggravated assaults *increased* by 41 percent.⁷ This means that there has been a

⁵ Justin George, Ian Duncan and Lori Aratani, “Wheel Assembly on Metro Rail Cars Had Failed Repeatedly, NTSB Says; Reduced Service Expected All Week,” *The Washington Post*, October 18, 2021, <https://www.washingtonpost.com/transportation/2021/10/18/metro-ntsb-investigation-safety/> (accessed February 2, 2022).

⁶ Alex Gangitano, “Members to D.C. Metro Manufacturer: Don’t Make Us Look Bad,” *Roll Call*, February 11, 2016, <https://rollcall.com/2016/02/11/members-to-d-c-metro-manufacturer-dont-make-us-look-bad/> (accessed February 2, 2022).

⁷ Washington Metropolitan Area Transit Authority, “Rail Ridership Data Viewer.”

substantial increase in crime victimization rate per passenger over the past two years.

We should not be surprised by WMATA's failure to properly police its system. A report by the WMATA Office of Inspector General revealed that Metro Transit Police failed to investigate over half of recorded complaints between 2010 and 2017.⁸ The DC city council decriminalized fare evasion in 2018,⁹ which reduces WMATA's revenue by millions of dollars per year¹⁰ and encourages a culture of lawlessness in the system while insulting riders who follow the rules and pay their fares.

This track record obviously does not inspire confidence among the public. Incredibly enough, it does appear to inspire confidence in a sufficient number of elected officials to provide an increasing amount of taxpayer subsidies.

WMATA spent years lobbying Maryland, Virginia, and the District of Columbia to provide a combined \$500 million in annual "dedicated" funding, which was finalized in 2018.¹¹ This is in addition to longstanding federal funding that is part of the annual appropriations process, along with formula-

based funding from the Highway Trust Fund's transit account. As of 2019, WMATA's funding consisted of 71 percent subsidies and only 29 percent system-generated revenue.¹²

In 2020 and 2021, Congress provided a combined \$67 billion in grants for transit systems across the country. While initial funding provided in the March 2020 CARES Act was somewhat understandable in light of the pandemic emergency, additional funds included in the December 2020 Coronavirus Response and Relief Act and the March 2021 American Rescue Plan went far beyond revenue losses sustained by transit agencies.¹³

In total, WMATA has received more than \$2 billion in stimulus funds, which is more than two and a half years of system-generated revenue. While self-generated revenue has fallen markedly since the onset of the pandemic, it has not dropped to zero, meaning that WMATA is in better financial condition now than when the virus first appeared.¹⁴

WMATA's financial windfall will be further enhanced by last year's Infrastructure

⁸ Washington Metropolitan Transit Authority Office of Inspector General, "Management Assistance Report (MAR-21-0001)," May 13, 2021, https://wmataoig.gov/wp-content/uploads/2021/07/MAR-21-0001-IG-Final_Redacted.pdf (accessed February 2, 2022).

⁹ Faiz Siddiqui, "D.C. Council Decriminalizes Metro Fare Evasion: 'I'm Sad that Metro's Losing Money, But I'm More Sad About What's Happening to Black People,'" *The Washington Post*, December 5, 2018, <https://www.washingtonpost.com/transportation/2018/12/05/dc-council-decriminalizes-metro-fare-evasion-giving-its-final-approval-contested-measure/> (accessed February 2, 2022).

¹⁰ Kathryn Zickuhr, "What Is the Impact of Fare Evasion in D.C.?" D.C. Policy Center, February 20, 2020, <https://www.dcpolicycenter.org/publications/fare-evasion-data/> (accessed February 2, 2022).

¹¹ Robert McCartney, "Metro Gets Third and Final 'Yes' as Maryland Commits to Its Full Share of

Dedicated Funding," *The Washington Post*, March 22, 2018, https://www.washingtonpost.com/local/trafficandcommuting/metro-gets-3rd-and-final-yes-as-maryland-commits-to-its-full-share-of-dedicated-funding/2018/03/22/ecd63946-2dfa-11e8-8ad6-fbc50284fce8_story.html (accessed February 2, 2022).

¹² David Ditch, "Public Transit: Bloated Compensation Highlights Excessive Subsidization," Heritage Foundation *Backgrounder* No. 3639, July 22, 2019, <https://www.heritage.org/transportation/report/public-transit-bloated-compensation-highlights-excessive-subsidization>.

¹³ *Ibid.*

¹⁴ *Ibid.*, and Committee for a Responsible Federal Budget, "COVID Money Tracker," <https://www.covidmoneytracker.org> (accessed February 2, 2022).

Investment and Jobs Act, which increases federal funding of urban transit.¹⁵

It is worth emphasizing that each of these funding increases has occurred despite WMATA's ongoing litany of failures. If the agency is repeatedly rewarded for poor performance, the public should not expect improvement any time soon.

The public should also not expect the funding increase to be used prudently. WMATA's capital projects have a lengthy track record of exceeding projections on both cost and time.

The Silver Line extension in Virginia is the most prominent recent example. Its primary justification is to connect Dulles Airport to the Metrorail system. The first phase of the line, running through Tysons Corner, opened in 2014. The second phase, connecting to Dulles, is already years behind schedule, and both phases exceeded their cost estimates by hundreds of millions of dollars.¹⁶

Similarly, the opening of the new Potomac Yard Metro station, which has a staggering \$370 million price tag despite being built above ground, will be delayed from its original estimated opening of 2020 until at least late this year.¹⁷

A less expensive but more ridiculous example of wasteful spending by WMATA is three bicycle parking locations that cost a combined

\$5.9 million and took over five years to complete. That is \$19,400 per bicycle parking spot.¹⁸ While these three locations were completed shortly before the pandemic and thus have hardly been used, the structures are over-designed and would not have been cost-effective even if the projects had been completed more expeditiously or if the pandemic had never occurred.

Construction projects are only part of WMATA's portfolio of waste. Operations also cost far more than they should given the level of service provided to the public, and the predominant component of operational cost is labor.

As of 2021, WMATA's annual average compensation cost per employee was a staggering \$144,241. These costs far exceed regional averages for both economy-wide and transportation-sector compensation, by 31.5 percent and 121.1 percent, respectively.¹⁹

The WMATA collective bargaining agreement is filled with provisions that needlessly inflate labor costs:²⁰

- Employees can retire as early as age 50 if they have accumulated just 20 years of service.
- The pension plan has an aggressive assumption of a 7.5 percent return on investment, which encourages greater

¹⁵ Federal Transit Administration, "Bipartisan Infrastructure Law," <https://www.transit.dot.gov/BIL> (accessed February 2, 2022).

¹⁶ Lori Aratani, "Silver Line Extension Takes a Large Step Forward with Completion of Rail Yard at Dulles Airport," *The Washington Post*, December 1, 2021, <https://www.washingtonpost.com/transportation/2021/12/01/silver-line-rail-yard-completion/> (accessed February 2, 2022).

¹⁷ Jordan Pascale, "Metro Delaying New Potomac Yard Station Opening Because of Train Control System," National Public Radio, July 27, 2021, <https://www.npr.org/local/305/2021/07/27/1021>

[133008/metro-delaying-new-potomac-yard-station-opening-because-of-train-control-system](https://www.wmata.com/about/inspector-general/upload/Special-Project-Report-Bike-Parking-Facility-Bike-Ride-Construction-Project-Review.pdf) (accessed February 2, 2022).

¹⁸ Washington Metropolitan Transit Authority Office of Inspector General, "Bike Parking Facility (Bike & Ride) Construction Project Review," October 16, 2020, <https://www.wmata.com/about/inspector-general/upload/Special-Project-Report-Bike-Parking-Facility-Bike-Ride-Construction-Project-Review.pdf> (accessed February 2, 2022).

¹⁹ Ditch, "Public Transit: Bloated Compensation Highlights Excessive Subsidization."

²⁰ Ibid.

risk-taking and unrealistic benefit promises.

- There are strict work rules, such as limiting part-time employees to between 10 percent and 15 percent of the workforce at any given time. This makes WMATA's workforce less flexible and encourages the use of expensive overtime pay. In turn, that lack of flexibility can have dramatic effects on service in situations ranging from playoff games for DC sports teams²¹ to widespread COVID-19-related worker absences.²²

Collective bargaining agreements for employees of government agencies are inherently problematic due to the vast difference in incentive structures between the public and private sectors. Businesses pay for labor directly and must avoid unsustainably high compensation costs to ensure profitability. In contrast, governments pay for labor indirectly, since costs are ultimately borne by the public. Coupled with the highly organized and politically active nature of public-sector labor unions, incentives are aligned to ensure excessive labor costs in government agencies, such as WMATA.²³

More reasonable work rules and employee compensation levels would allow WMATA to operate with a smaller amount of subsidies, or to increase the service levels it provides the public, or a combination of the two. Without

labor reforms, WMATA increasingly appears to be a highly inefficient jobs program rather than a public service.

Even setting aside issues with how WMATA uses its funds, the outlook for future WMATA ridership is grim.

First, there is no way of knowing when life will return to normalcy when it comes to the direct and indirect effects of COVID-19. A combination of government mandates and public unease continues to discourage the day-to-day activities that feed the transit system. The pandemic has caused a profound demand shock from which WMATA might never recover.

Second, the pandemic has greatly increased the prevalence of remote work. The greater Washington region, which has an above-average concentration of remote-capable jobs,²⁴ will almost certainly experience a long-term reduction in daily commuting. Since the Metrorail network is predicated on facilitating commutes from the suburbs to downtown office buildings, a sustained drop in commuting would further undercut ridership.

Third, the Washington region is much less dense than transit-intensive cities, such as New York, London, and Tokyo. This is primarily due to anti-development regulations in the city, including the antiquated building-height limit enacted in 1910,²⁵ and widespread residential

²¹ Ibid.

²² Ian Duncan, "Metro Reduces Bus Service as It Faces Wave of Coronavirus Infections," *The Washington Post*, January 4, 2022, <https://www.washingtonpost.com/transportation/2022/01/04/metro-bus-schedule-reduction-covid/> (accessed February 2, 2022).

²³ Ditch, "Public Transit: Bloated Compensation Highlights Excessive Subsidization."

²⁴ Ernst & Young, "Remote Work in the Capital Region: Implications for the Region and Inclusive Recovery," February 2021, [https://greaterwashingtonpartnership.com/wp-](https://greaterwashingtonpartnership.com/wp-content/uploads/2021/02/Remote-work-in-the-Capital-Region-Report_Final.pdf)

[content/uploads/2021/02/Remote-work-in-the-Capital-Region-Report_Final.pdf](https://greaterwashingtonpartnership.com/wp-content/uploads/2021/02/Remote-work-in-the-Capital-Region-Report_Final.pdf) (accessed February 2, 2022).

²⁵ Stephen Hudson, "DC's Height Restrictions Are Contentious. Here's What We Could Learn from Cities Around the World," Greater Greater Washington, August 15, 2020, <https://ggwash.org/view/78750/dcs-height-restrictions-are-contentious-heres-what-we-could-learn-from-cities-around-the-world> (accessed February 2, 2022).

zoning restrictions.²⁶ More development within the city would reduce housing costs, reduce suburban sprawl and the perceived need to expand the rail network ever further outward, increase demand for bus service, and enhance economic growth. However, the city would need many decades of rapid growth to reach the density needed to sustain a high-cost transit network, and there is no reason to believe that sufficient development reforms are imminent or even forthcoming.

In the context of these fundamental realities, officials responsible for governing WMATA should seek reforms as soon as possible, including:

- Aligning worker compensation closer with market rates and loosening overly strict work rules that needlessly drive up costs.
- Shifting resources away from constructing new assets, and increasing the focus on maintenance and service frequency.
- Examining the potential of privatizing some, or all, of WMATA's operations, which would create the type of incentives for improvement and economization that the system currently lacks.²⁷

The degree of dysfunction and flawed fundamentals that permeate WMATA might not be fully addressed even if each of these measures is properly implemented. In turn, reforms are difficult to implement due to WMATA's awkward governing structure. More drastic measures might be necessary to

address the region's transportation needs in a way that makes sense for the public.

Thank you.

²⁶ Jenny Schuetz, "Restrictive Zoning Is Impeding DC's Goal to Build More Housing," Brookings Institution, October 8, 2019, <https://www.brookings.edu/blog/the-avenue/2019/10/08/restrictive-zoning-is-impeding-dcs-goal-to-build-more-housing/> (accessed February 2, 2022).

²⁷ Austill Stuart, "Washington Metro's Latest Issues Are a Symptom of Poor Life Cycle Management and Procurement," Reason Foundation *Commentary*, November 10, 2021, <https://reason.org/commentary/washington-metros-latest-issues-are-a-symptom-of-poor-life-cycle-management-and-procurement/> (accessed February 2, 2022).

The Heritage Foundation is a public policy, research, and educational organization recognized as exempt under section 501(c)(3) of the Internal Revenue Code. It is privately supported and receives no funds from any government at any level, nor does it perform any government or other contract work.

The Heritage Foundation is the most broadly supported think tank in the United States.

During 2020, it had hundreds of thousands of individual, foundation, and corporate supporters representing every state in the U.S. Its 2020 operating income came from the following sources:

Individuals 66%

Foundations 18%

Corporations 2%

Program revenue and other income 14%

The top five corporate givers provided The Heritage Foundation with 1% of its 2020 income. The Heritage Foundation's books are audited annually by the national accounting firm of RSM US, LLP.