

Testimony of Paul J. Wiedefeld, CEO & General Manager

Washington Metropolitan Area Transit Authority

Before

House Committee on Oversight and Government Reform Subcommittee on

Government Operations

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Good morning, Chairman Connolly, Ranking Member Hice, Members of the Subcommittee and Members of the National Capitol Region delegation. My name is Paul Wiedefeld, CEO & General Manager of the Washington Metropolitan Area Transit Authority (Metro). I appreciate the opportunity to be here today to update you on the many challenges Metro has experienced over the past year.

### **Covid-19**

Since the beginning of the pandemic nearly two years ago, Metro employees have provided safe and reliable service for the region's essential workers --- including healthcare workers, grocery store clerks, and first responders.

Keeping our employees and riders safe has been a top priority. From the beginning of the pandemic, we have provided top-to-bottom cleaning of every station, hand sanitizers for customers, and even before it was federally mandated, Metro required masks. Thus far we have distributed more than 2.7 million masks and counting.

The unprecedented Covid-19 pandemic has presented enormous challenges for Metro, including diminished ridership and fare revenue, and employees impacted by Covid infections and quarantine.

In December, Metro employees reported more than 1,000 Covid cases – more than any since the pandemic began. And in the first month of the year,

more than 1,500 employees were cleared to return to work following a Covid infection.

Metro does require employees to either vaccinate or test weekly—and we have 97 percent compliance. Employees who are non-compliant are put on unpaid leave for 30 days to get vaccinated or tested and then subject to termination if they fail to do so.

Considering these factors, we have worked to keep service reliable for customers amidst absenteeism. A recent shortage of available operators in January, as Omicron surged, did require us to scale back bus service. I'm pleased to report that enough bus operators have recovered and returned to work that we were able to restore weekday bus service on Monday, February 7<sup>th</sup>.

Across the country, transit ridership has been severely impacted by the Covid-19 Pandemic. Metrorail ridership currently stands at ~130,000 daily riders, 21 percent of pre-pandemic ridership, and bus at ~150,000 daily riders, 37 percent of pre-pandemic ridership. We had begun to see slight increase in post-pandemic ridership prior to the most recent Omicron surge, but that has disappeared.

As ridership levels dropped, so did the revenue needed to sustain operations. Up to this point, the Washington region has seen very limited return to work, including from the large federal workforce based here in the nation's capital – which historically made up about 40 percent of Metro's peak commute. Metrorail fares collected during the typical commuting hours, generate the largest share of revenue for Metro. With that ridership gone, we are seeing a more severe impact on revenues than our sister agencies in other regions.

Without the federal Covid relief funding, we would simply not have been able to operate through the pandemic. I want to thank you and our delegation for your leadership and the funding that enabled us to keep the National Capitol region running and keep more than 13,000 essential workers employed.

Looking forward, this challenge is not going away, as we know that people are changing the way they work, live and travel. Telework, changing business travel behavior, and leisure trips are changed for the long-term. It's both a threat to Metro's 40-year old financial operating model and an opportunity to redefine the system to meet the emerging travel demands of our nation's capital for residents and visitors.

In the near term, Metro's Board of Directors is required to pass a balanced budget and if trends persist, will face a looming deficit of \$500 million by the Summer of 2023, when WMATA's fiscal year 2024 budget begins.

Meanwhile, bus has emerged as the workhorse of the system – with the majority of riders and trips daily. To serve the market equitably, the Board will need to consider how to provide better service to the greatest number of customers and who is best positioned to define and serve micro markets within the region. With fewer commuters, rail service needs to serve off-peak and leisure travelers, while continuing to serve as a catalyst for development.

### **Capital Program Progress**

Even while facing these challenges, we knew that the low ridership presented an opportunity to advance one the largest capital programs in the U.S. transit industry—investing nearly \$2 billion each year. Six years ago, our capital investments were budgeted for \$1 billion per year, and we were only delivering on about 70 percent of that budget. This year, we will deliver over 90 percent of our capital budget.

These investments are reducing the state of good repair backlog:

- In 2016, we had a backlog totaling \$7.1 billion
- By 2027, that backlog will total \$3.2 billion – reduced by more than half
- And through additional investment, we expect to have it reduced to \$1.2 billion by 2031

All these improvements – repairing our tracks, rebuilding stations and facilities, and even designing and building new electric bus facilities – create thousands of jobs at a time when they are most needed. Importantly, they

also directly result in better service, with train delays cut by more than half due to repairs and preventive maintenance

In addition to the capital program, we are working with Washington Metropolitan Airport Authority (MWAA) in preparation for the launch of the second phase of the Silver Line, connecting Metro to Dulles Airport and beyond to Loudoun County. We are also looking forward to opening a new, infill station, Potomac Yard in Alexandria.

As part of our capital program, Metro is engaging in zero-emission bus fleet planning to support the region's emission and sustainability goals, control operating costs, and improve the customer experience.

Thanks to the hard work of our delegation, the Infrastructure Investment and Jobs Act (IIJA) included the reauthorization of our Passenger Rail Investment and Improvement Act (PRIIA) funding. Those dollars are being invested in the system and will continue to be used to address safety and state of good repair needs consistent with the statute.

## **7000 Series Railcars**

I want to take a few minutes to update the subcommittee on the 7000 series railcars.

I want to assure you that the safety of our customers and employees is a core value at Metro. We are working closely with the Washington Metrorail Safety Commission (WMSC), National Transportation Safety Board (NTSB), and the Federal Transit Administration (FTA) as we continue efforts to safely return the 7000-series railcars to revenue service and determine the root causes of the October derailment.

All of us have a vested interest in understanding the root causes of this incident and ensuring changes are implemented to assure the safety of the Metro system and the public transit industry in general. First and foremost.

On January 13<sup>th</sup>, I announced that we would hold the 7000-series trains out of service for another 90 days to allow our engineering and mechanical experts time to focus on root cause analysis and acquire technology to

measure 7000-series wheelsets. We took this action to ensure that all possible issues are explored and, if needed, addressed prior to returning the cars to service.

Metro also moved to swiftly contract the Transportation Technology Center, Inc (TTCI), a wholly owned subsidiary of the Association of American Railroads that is widely regarded as a global leader in rail research and root cause investigation.

During this 90-day period, we are also focused on component replacements and overhauls that enable us to return 6000-series railcars to service to increase the availability of newer cars in the fleet and improve reliability for our customers.

On the issue of the back-to-back inspections of the wheelsets, we have taken a number of steps to improve that process and, as part of the 90-day pause, we are procuring new digital technology to assist with the measurements.

Along with the digital technology we are:

- Improving reliability processes (improving Maximo and automated systems)
- Accelerating the implementation of Quality Management Systems (QMS) in the mechanical organization
- Developing a safety critical component dashboard to monitor systems with potential safety impacts
- Accelerating the integration of machine vision and artificial intelligence (AI) into our maintenance paradigm

Current service is consistent with demand – but without a sustainable process to inspect and service the 7000 series railcars based on mitigating or correcting the root causes of the derailment, there could be long term effects on the ability to ramp up service as ridership increases.

We understand that it has been a difficult period for those who rely on transit in the region, and we appreciate our customers who have stayed with us and thank them for their continued patience as we work to increase service as quickly as we can, as safely as we can.

## Future of Metro

On January 19<sup>th</sup>, I notified the WMATA Board of Directors that I would be retiring in six months. My six years at Metro have been incredibly rewarding and my greatest professional challenge.

Metro is at a pivotal moment and must begin to address the critical questions that will determine the future of public transit in the Nation's Capital.

There is understandably a focus right now on the shortfall in the Metro's operating budget starting next Summer. Simply put --- The Pre-Pandemic financial model for Metro is no longer sustainable. Given the changes in ridership and revenues that have been the backbone of Metro's operating budget the current funding model is broken.

However, the issues that need to be addressed are not limited to the financial. The Region needs to have a thoughtful assessment of what the system should be going forward. The Region should look at this moment as an opportunity to create a system that (1) meets the changing travel patterns, (2) meets the needs of the **entire** community --- including addressing the disparity between the quality and service level bus riders receive versus rail riders, and (3) optimizes the use of new and emerging technologies.

Input will be needed from all stakeholders, and I am confident that Metro's Board of Directors will find a new General Manager who is ready to face these challenges and make the time commitment that will be needed to chart a new path and lead Metro forward.