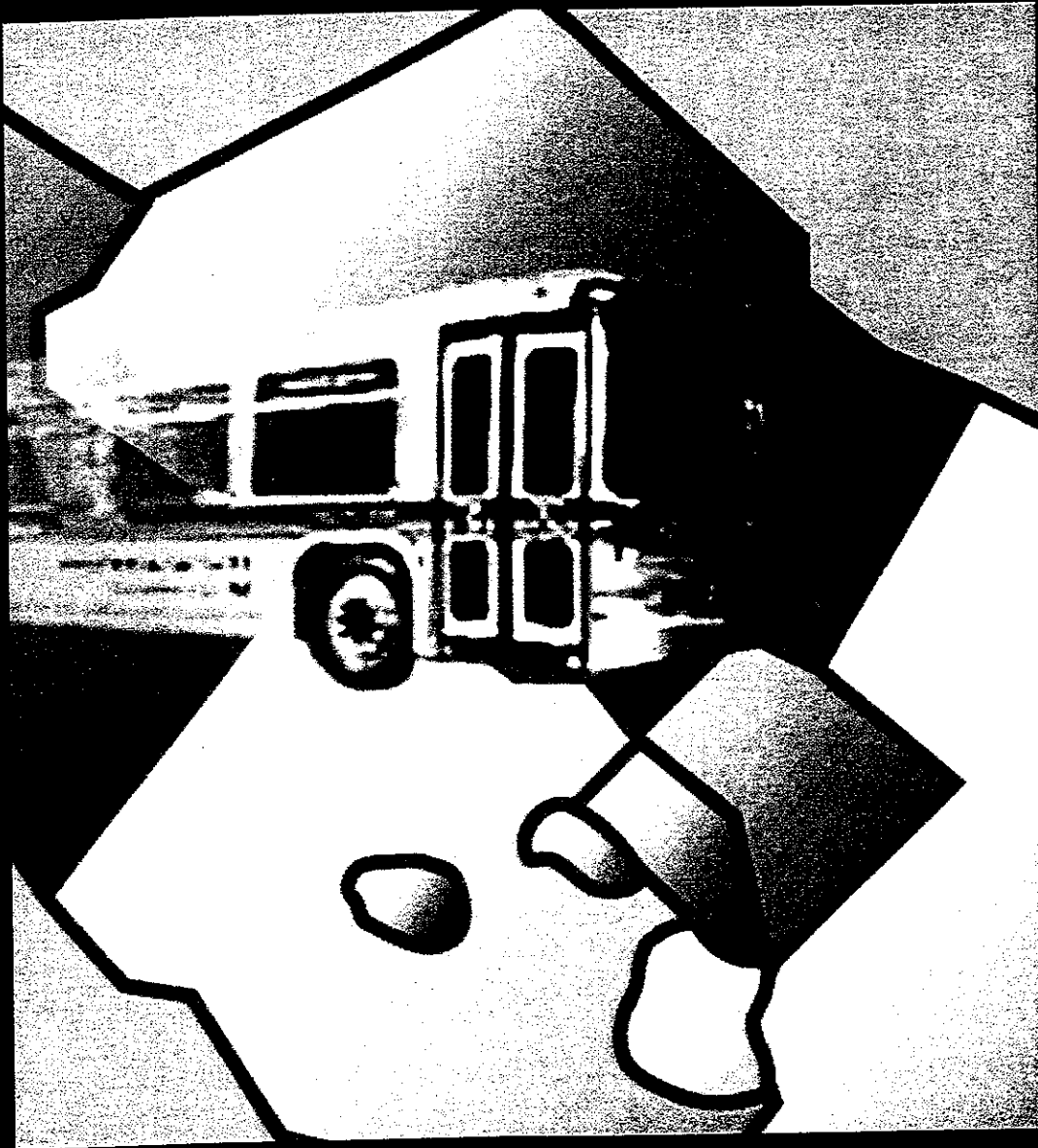


Report of the Regional Mobility Panel to the Committees on Appropriations of the United States House of Representatives and the United States Senate



Commissioned by the Washington Metropolitan Area Transit Authority
With the assistance of KPMG Peat Marwick LLP

In association with ■ Manuel Padron & Associates
■ OS&A Research & Strategy
■ Maryland Marketing Source, Inc.
■ Sharp & Co., Inc.

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Maryland Secretary of Transportation

Report of the
Regional Mobility Panel
on the
Current and Future
Bus Transportation Needs
for the
Washington Region

Volume 1

September, 1997

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I. Preface

The Interstate Compact Agreement establishing the Washington Metropolitan Area Transit Authority (WMATA) 30 years ago by the U.S. Congress, the States of Maryland and Virginia and the District of Columbia envisioned a regionally coordinated bus and rail system for the Washington, DC metropolitan area. While the regional rail system is well on its way toward completion, the regional bus system has evolved as a set of separate operations with policy decisions on fares and services largely determined by local jurisdictions. This condition began in 1973 as WMATA assumed the operation of bus services that were primarily provided by four major bus private bus operators whose financial viability began to erode in the late 1960's/early 1970's. Since that time, the WMATA bus system has functioned as a contract operation serving at the discretion of local jurisdictions. Over time the situation has resulted in inconsistent fares and services, and in routes remaining largely unaltered in the face of dramatic changes in population and employment centers. Further, several jurisdictions have opted to establish their own bus systems.

Rather than face continued fragmentation of the regional bus system, the Regional Mobility Panel, a group of local

elected officials and community leaders from throughout the Washington, DC area appointed by the WMATA Board of Directors to address this issue, has drafted a plan to strengthen and stabilize the regional bus system serving the national capital region.

Through a process of information gathering, community outreach and decision meetings, the Panel concluded that a stable regional bus system is necessary if the Washington area is to maintain and enhance its economic vitality. Under the integrated regional bus system proposed by the Panel, for the first time there will be an ongoing commitment by local jurisdictions to a set of truly regional bus services planned and operated by WMATA, in consultation with local jurisdictions. These bus services will be coordinated and integrated with a set of non-regional bus services planned and provided through decisions by local jurisdictions in a manner similar to the way all bus services are handled today. WMATA will be able to operate these services at the discretion of local jurisdictions.

A new benefits-based subsidy allocation formula for regional bus routes is recommended to address inequities and inefficiencies in the existing formula. The shortcomings of the existing formula impact proper business decisions, and

encourage participants to abandon the regional system. The revised formula is similar to the existing and regionally accepted formula for the Metrorail system, and it will be updated periodically to remain current and equitable.

The Panel also established a subcommittee to assess the magnitude of the need to fully fund the WMATA bus and rail Capital Improvement Program. The Panel will reconvene within six months to recommend a course of action designed to ensure reliable, predictable and adequate funding for this purpose. The Panel recommends a five-year transition period to the new integrated bus system, along with a strong commitment that implementation of the plan will not result in any layoffs of WMATA unionized operating employees. No bus subsidy increases or bus fare increases will occur through FY 2002. The transition plan will also include strategies to improve bus service through coordinated and market-based service planning; fare simplification and integration; and comprehensive marketing and customer information services. These strategies are designed to make the region's bus services more "user friendly" and customer oriented, with the goal of providing incentives to increase ridership.

II. Executive Summary

II.1. INTRODUCTION

Public transportation in the Washington metropolitan area provides more than 1,000,000 passenger trips each day and about 18% of the region's commuter travel needs. Approximately 43% of these trips are made on buses operated by the Washington Metropolitan Area Transit Authority (WMATA) and eight local transit systems in the region. Bus services in the Washington area fill the critical roles of taking passengers to and from the regional Metrorail system, and providing access to markets not served by the rail system. A well coordinated and growing bus system is necessary if the region is to sustain the economic growth it has experienced over the last 20 years.

During the past 25 years, the population of the Washington region has increased by more than 40%. However, the extent and quality of bus service serving these citizens has not kept pace. In fact, there is less bus service in the region today than existed 15 years ago, and, increasingly, that service is uncoordinated and not responsive to today's changing needs and travel markets. Under today's structure, even the Metrobus system is only nominally regional in nature, as its services are governed by policies set by individual jurisdictions, including passenger fares, bus routing and bus schedules.

Further, there is real discontent with the way in which local jurisdictions pay for bus service operated by WMATA. A formula for allocating these costs to local jurisdictions was adopted over 20 years ago and is still in use despite wide-spread agreement that it needs to be updated and modified.

In summary, bus service in the Washington metropolitan area does not serve the taxpayers and the fare payers as well as it can and should. When the states of Maryland and Virginia, the District of Columbia, and the United States Congress ratified the Compact establishing WMATA in 1967, they charged WMATA with developing and "...causing to be operated a unified or officially coordinated transit system for the region." Such a system does not exist today. With this report, approved by the Regional Mobility Panel and adopted by the WMATA Board of Directors, the Washington metropolitan area is establishing the framework for a regionally coordinated bus system that will fulfill the charge established thirty years ago in the WMATA Compact, and will serve a greater role in providing for the mobility needs of the metropolitan area.

II.2. SUMMARY

In response to report language in the 1997 Appropriations Act for the U. S. Department of

Transportation concerning the financial and service implications resulting from the increasing fragmentation of regional bus systems, WMATA was directed to commission a study on this issue and to propose solutions. The WMATA Board of Directors appointed a group of business, government, labor and citizen leaders, designated as the Regional Mobility Panel, to examine the current condition of bus service in the Washington metropolitan area and to identify ways of improving it. The Regional Mobility Panel met seven times between February and September 1997 to review issues regarding the regional bus system, and to develop recommendations intended to stabilize and enhance the network of bus services in the Washington area.

The panel found the following conditions affecting bus service in the Washington region:

- **Diffusion of responsibility:** the share of bus service in the Washington area provided by the regional bus transit system (Metrobus) has declined from 99% in 1977 to 74% in 1996 as a result of several local jurisdictions initiating locally based and operated bus systems, and as a result of Metrobus service reductions, which have been necessitated by both the opening of the Metrorail system and budgetary constraints of some local jurisdictions.

- **Bus service has not matched population growth:** the amount of bus service provided in the Washington area (both regional and local) has not grown to keep pace with the population and employment expansion that has taken place over the last 25 years.

- **High Metrobus costs:** the cost of operating the Metrobus system (exclusive of capital cost considerations) is mid-range when compared to other large metropolitan systems but is higher than the cost of operating locally provided bus services. This is due to negotiated labor provisions which are tied to national trends, the characteristics of metropolitan bus services designed primarily to meet commute oriented travel patterns and the decline in Metrobus service levels that has limited WMATA's ability to hire new employees at negotiated, competitive entry level wages.

- **Outdated cost allocation formula:** the methodology for allocating Metrobus subsidies to local jurisdictions is based on outdated and inequitable criteria that provides incentives for reducing Metrobus services and disincentives for remaining in a regional bus system, prevents management from engaging in sound business planning, and has led to a situation where transit policy for regional bus services, including fares and service levels, are set by

individual jurisdictions rather than regionally.

❑ Uncoordinated and inadequately planned service: the lack of integration among bus systems in the Washington area, the absence of a regional approach to bus service planning and policy, and the declining level of bus service in the Washington region are not compatible with the continued expansion of the Washington region and the changing employment and population growth patterns that have occurred and will occur over the next 20 years. Bus services offer the potential to flexibly meet the needs of a changing marketplace while playing an important role in providing feeder services to the extensive Metrorail system and the markets it serves.

❑ Service fragmentation: In the absence of a comprehensive regional transit service plan, it is likely that the shift away from regionally operated bus service will continue to accelerate and will result in further service fragmentation.

In response to these findings, the Panel recommends that the region adopt and implement a comprehensive program designed to reinvigorate bus service throughout the region. The basic thrust of these recommendations is to establish a regionally coordinated bus transportation system that

defines the roles and responsibilities of the various bus transit providers in the overall regional bus system. The elements of the program are:

❑ A clear market-based delineation between bus routes that are "regional" and "non-regional" in nature based on appropriate criteria that define the two different markets.

❑ The establishment of a new, benefit-based regional bus subsidy allocation formula that will equitably distribute subsidies for the regional bus system to local jurisdictions, that provides incentives for sound business planning, decision making and ridership growth, and that will be updated on a periodic basis.

❑ An aggressive program of cost controls by the regional carrier (WMATA) that will hold the average bus fare and local subsidy levels constant through 2002. This will be made possible by a regional bus service plan that will provide long-term service stability and predictability.

❑ An agreement that no WMATA unionized operating personnel will be laid off as a result of any changes in the regional service plan.

❑ A new delineation of bus service planning responsibilities where WMATA, in consultation with all jurisdictions, will be responsible for planning regional bus services, and local

jurisdictions, in consultation with WMATA, will be responsible for planning non-regional bus services.

❑ A program to develop a simplified and integrated passenger fare system, to build an integrated customer service network and to enhance regional transit service marketing.

❑ A stabilization of regional bus service levels, and a regional effort to plan for new services in under-served and unserved areas of the region to meet current and future transportation requirements.

❑ An agreement from local jurisdictions to make a long-term financial commitment to participate in the regional Metrobus system in accordance with the regional service plan, the new subsidy allocation formula and an agreed upon transition and action plan.

❑ A recognition that a healthy bus system is dependent upon a fully funded capital rehabilitation and replacement program, and that this requirement needs to be addressed by the region as part of a broader review of the funding requirements for the WMATA bus and rail capital improvement program, as well as that of the region's other public transit systems.

II.3. PRINCIPLES

This overall program is incorporated in a series of principles adopted by the Panel entitled "Principles for Coordinated Bus Service in the Washington Metropolitan Area¹". They are:

- 1 REGIONAL BUS SYSTEM
The Regional Mobility Panel has defined an integrated regional bus system that is to be planned, funded and operated in a manner similar to the approach that has long existed for the successful Metrorail system. Under the current system, services operated by Metrobus are only nominally regional, as policy decisions on fares and services are largely determined by local jurisdictions.

Under the integrated regional bus system proposed by the Panel, for the first time there will be an ongoing commitment by local jurisdictions to a set of truly regional bus services planned and operated by WMATA in consultation with local jurisdictions. These bus services will be coordinated and integrated with a set of non-regional bus services planned and provided through decisions by local jurisdictions.

- 2 REGIONAL SERVICE PLAN
In the defined bus system, regional and non-regional bus routes are distinguished to serve properly markets in the Washington metropolitan area. The new regional service plan ensures predictability and stability of the existing bus services and fosters the development of new bus services. This includes criteria that will generally define regional routes and non-regional routes for both the present and the future, while acknowledging the services already provided by local jurisdictions.

- 3 NEW REGIONAL BUS SUBSIDY ALLOCATION FORMULA
A new benefit-based subsidy allocation formula for regional bus routes should be adopted to address inequities and inefficiencies in the existing formula. The revised formula should be keyed to the existing and regionally accepted formula for the Metrorail system, and should be updated periodically to remain current and equitable.

- 4 WMATA SERVICE AND FINANCIAL COMMITMENT
WMATA commits to maintain constant average regional bus fares and to maintain bus subsidy levels through aggressive cost controls, and pledges to advance service improvement strategies under the Service and Productivity Enhancement Program for the five year period FY 1998-2002.

- 5 FIVE-YEAR TRANSITION PLAN
A five-year transition period to the regional and non-regional bus system structure should be adopted, based on staged implementation, which assumes no layoffs of WMATA unionized operating employees. The transition plan should include strategies to improve bus service through coordination of service planning; the establishment of service quality standards, defined jointly by WMATA and local jurisdictions; fare simplification and integration; comprehensive marketing and customer information services; and market-driven service planning.

.....
¹See Volume 2, Technical Appendices for the complete text.
.....

6 REGIONAL FINANCIAL AGREEMENT

Local jurisdictions and WMATA should enter into an interjurisdictional financial agreement to participate in the regional bus system in accordance with the regional service plan, new subsidy allocation formula and five-year transition plan.

7 LONG-TERM FUNDING STRATEGY

The Regional Mobility Panel agrees that there is a need to define the magnitude of the funding requirements for the WMATA bus and rail Capital Improvement Program, and acknowledges its responsibility to address and resolve the issue. It agrees to reconvene upon receipt of the recommendations of the Transit Funding Subcommittee, and to meet and confer during a six-month period resulting in a final course of action designed to ensure a reliable, predictable and adequate amount of funding for this purpose. The region together will pursue, support and implement necessary actions in the District of Columbia, Maryland, Virginia and the U.S. Congress during the five-year transition period to fully fund the annual needs of the CIP, as determined by the Panel.

II.4. RESULTS

These principles form the basis for creation of the coordinated regional bus system envisioned when the region and Congress established WMATA over 30 years ago. Implementation of the various principles agreed to by the Regional Mobility Panel will take commitment and cooperation. The results are well worth the effort:

- ☐ Bus service will be planned and operated systematically, rather than as a series of uncoordinated routes

- ☐ WMATA will be able to address the issue of the cost of service under a service plan that ensures stability and predictability

- ☐ Local jurisdictions will be able to better plan for transit expenditures

- ☐ WMATA and local jurisdictions will be able to carry out capital improvements in a more orderly manner, making service more reliable for customers

- ☐ Transit riders will benefit from customer-responsive service, a better coordinated regional transit system and service improvements meeting today's needs and tomorrow's expectations.

The Regional Mobility Panel strongly urges the adoption of these principles in order to ensure the continued strength and financial viability

of the Washington metropolitan area and its transit services. The Panel believes that through renewed regional cooperation and adherence to these principles, the costs of regional bus services will stabilize and eventually decline, while at the same time ensuring the strategic growth of new bus services to properly serve the growing Washington region.

.....
III. Congressional
Mandate and
Regional
Mobility Panel
Charter

III.1. JOINT COMMITTEE
REPORT: SEPTEMBER, 1996

The Joint Appropriations Committee of the U.S. House and Senate, upon the request of Representative Frank Wolf of Virginia, included the following provision in their report on the 1997 Transportation Appropriations Act:

The conferees are concerned that throughout the United States rising costs and fragmentation of regional bus systems may have significant financial and service implications. Nowhere is this more evident than in the national capital region. Accordingly, within the \$3,000,000 appropriated for transportation planning, research, and development activities, the conferees direct the Secretary of Transportation to make available sufficient resources to the Washington Metropolitan Area Transit Authority to commission an independent study to analyze how to meet current and future bus transportation needs for the greater Washington metropolitan region through the year 2020. The report is to be submitted to both the House and Senate Committees on Appropriations by September 30, 1997.²

.....
²104 H. Rpt. 785, "Making Appropriations for the Department of Transportation And Related Agencies for the Fiscal Year Ending September 30, 1997, and for Other Purposes;" September 16, 1996 (Joint Explanatory Statement Of The Committee Of Conference: Amendment No. 2).
.....

III.2. REGIONAL MOBILITY
CONFERENCE: JANUARY,
1997

In response to this Congressional directive and in recognition that the time was appropriate for a full examination of the region's transit condition, WMATA convened a Regional Mobility Investment Conference of leaders of the region in January 1997. Over 150 elected officials, representing local, state, and Congressional interests, and business and community leaders took part in the conference. The Conference adopted the following action clauses in a resolution which was the basis for fulfilling the mandate of the Congressional appropriations report:

NOW, THEREFORE, BE IT RESOLVED that the conference participants here recommit to develop an action plan to address WMATA's role in meeting the region's current and future mobility needs; and

BE IT FURTHER RESOLVED that a Regional Mobility Panel composed of local government officials, business leaders, and citizen representatives shall be established by the WMATA Board of Directors to examine the funding needs of the Metro system and to propose and seek a predictable and reliable financing mechanism to meet those needs; and

BE IT FURTHER RESOLVED that the Regional Mobility Panel shall also assess the current and

future bus transportation needs for the Washington metropolitan region, shall review the structure, form of funding, and role of Metrobus, and shall determine how to deliver cost-effective, efficient, and coordinated bus service to the region.³

Immediately following the conference, the WMATA Board of Directors moved to formally establish the Regional Mobility Panel. A broad-based committee of elected, business, labor leaders and citizen/rider representatives was appointed and charged with overseeing the independent study of bus transit in the region as mandated by the Congress, and with developing a future financial plan for Metro.

III.3. REGIONAL MOBILITY PANEL CHARTER: FEBRUARY, 1997

At its first meeting on February 11, 1997, the Panel adopted by consensus the following charter:

- Assess the current and future bus transportation needs for the Washington metropolitan region; review the structure, form of funding, and the role of Metrobus; and determine how to deliver cost-effective, efficient and coordinated bus service to the region.

- Develop an action plan to address WMATA's role in meeting the region's current and future mobility needs.

- Examine the funding needs of the Metro system and to propose and seek predictable and reliable financing mechanisms to meet these needs.

.....
³Complete text of the resolution is found
in the Technical Appendix.
.....

IV. Panel Structure and Process

IV.1. PANEL STRUCTURE

The Regional Mobility Panel listed on the title page of this report was appointed by the WMATA Board of Directors. It

included chief government officials, the business community, labor, and citizen representatives.

The Panel met approximately monthly beginning on

TABLE I

MEETING DATE	PANEL DECISION POINTS
February 11	<ul style="list-style-type: none"> General discussion of Panel objectives, working arrangements and study issues Adopt Panel work plan and establish meeting schedule Approve Technical Committee Review Regional Bus Study work plan with consultant
April 8	<ul style="list-style-type: none"> Approve criteria to evaluate strategies for developing a coordinated regional bus service Agree to alternative strategies to be studied for service delivery, organization and institutional arrangements, allocation, and support functions
May 20	<ul style="list-style-type: none"> Overview of current allocation procedure and sources of funding Review initial assessment of solutions and refinement of strategies for coordinated regional bus service Review implementation activities Review regional transit funding strategies from other major metropolitan areas
June 17	<ul style="list-style-type: none"> Approve the strategy for coordinated regional bus service and institutional framework In light of the regional bus strategy, review analysis of funding requirements for bus and rail services Discussion of funding options
July 22	<ul style="list-style-type: none"> Discuss criteria for applying strategy for coordinated regional bus service and institutional framework on a route-by-route basis Review alternative bus subsidy allocation methods
September 9	<ul style="list-style-type: none"> Review and comment on draft final report to Congress Agree to action plan for a coordinated regional transit service Further discussion on a regional funding strategy
September 26	<ul style="list-style-type: none"> Approve final report to Congress on bus study Adopt resolution endorsing final report Next steps: developing an action plan for future mobility needs, including a strategy to fully fund the annual needs of the WMATA CIP

February 11, 1997 according to the schedule set out in the following table. It approved this report at its seventh meeting on September 26, 1997. Between meetings of the Panel, a Technical Committee composed primarily of staff supporting the respective Panel members met to review the progress of the study, to discuss various options under consideration, and to prepare advice to their respective principals on the Panel.

The Panel took action by consensus throughout its proceedings, with the exception of the acceptance of the final report, which was accepted by vote. A majority of the Panel members were present at each meeting. The Panel did not adopt any rules of order but consented to the rule of the chair. Minutes of each of the Panel meetings are contained in the Technical Appendix.

IV.2. PUBLIC INVOLVEMENT PROCESS

The Panel oversaw a comprehensive public involvement program to ensure responsiveness to fundamental public interests and accountability for its decisions. Citizen members of the panel were appointed by the WMATA Board and participated actively in the Panel proceedings, including the development and implementation of the Panel's public involvement program, as described below:

- an allotment of time at the beginning of each meeting for public comments; members of the public addressed the Panel regularly at these times

- taped interviews by various Panel members about the Panel's activities for broadcast on cable stations throughout the region

- regular press contact through news releases and media/press briefings by the Panel Chairman

The most substantive elements of the public involvement program were stakeholder interviews, a series of public forums held throughout the region and a public opinion survey.

IV.2.1 STAKEHOLDER INTERVIEWS

Over 40 interviews were conducted with individual government, labor, civic, consumer, and business representatives throughout the region. Interviews ranged from an hour to four hours long. Interviewees were asked their views about current bus service effectiveness and efficiency, future needs, funding methods, and possible institutional structures.

Themes that were frequently voiced during the interviews included:

- the process for allocating subsidies among local govern-

ments is "broken," and needs to be fixed

- Metrobus operating costs are higher than local jurisdiction systems

- bus service generally has a low profile and public image; "Metro" means Metrorail to most people

- service reductions in recent years have frustrated Metro's efforts to realize the benefit of lower entry level wage provisions negotiated in recent labor contracts

- customers want and need more coordinated public information and a more integrated fare system

- better regional bus planning and service, particularly for suburb-to-suburb markets, is needed

- although a new funding source for transit might benefit the region in the long run, concerns about cost levels and institutional issues undermine interest in addressing the issue as an immediate priority

- the status quo is not an acceptable condition

IV.2.2 PUBLIC FORUMS

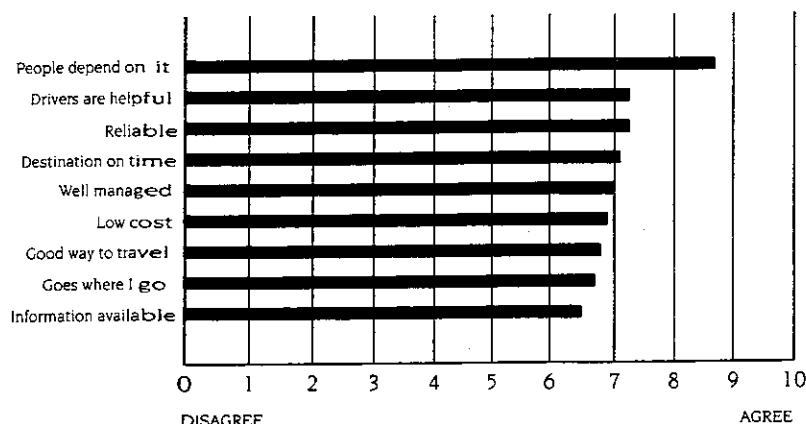
The Regional Mobility Panel, as part of its public participation process and to disseminate information on the study, convened three sets of public forums. Each set of forums included individual meetings in the District of Columbia, Maryland and Virginia.

The first set of forums were conducted in early June 1997. The forums attracted more than three hundred participants. The major themes identified by the public participants focused on the need to maintain a regional bus system, a need for a dedicated source of funds for transit, a need for new inter-jurisdictional service to meet current travel needs, improvements to current bus service levels, and the ability to modify transit services as travel demands change in the future. In addition, many concerns were raised regarding the possibility of "privatizing" bus services as a result of the study. Some participants felt that "privatizing" bus service would lead to an overall degradation of service through reductions of bus service, increases in fares and a lack of public input.

The second set of public forums were held in mid-July 1997. These forums attracted more than four hundred-fifty participants. Participation was about one-quarter public and three-quarters Metrobus employees. The public reiterat-

TABLE 2

PUBLIC IMPRESSIONS OF BUS SERVICE



- people depend on bus service
- people generally have a favorable impression of bus service
- the availability of public information needs improvement
- the region needs more and improved bus service

ed many of the themes identified at the first set of forums and strongly requested the Regional Mobility Panel to address their concerns in any decision about the region's bus services. Metrobus employees expressed their concerns about the impact this study would have on their livelihoods and their families. They stated that Metrobus employees are dedicated to providing quality service to the public and have demonstrated this during many weather and service emergencies experienced in past years.

They also pointed out that they have provided many concessions to management in past labor negotiations to improve productivity and to control costs.

A public information session was conducted on September 23, 1997 prior to the Panel's adoption of this report. The final set of public forums has been scheduled for mid-October 1997 to focus on the recommendations of the Regional Mobility Panel and to continue discussions regarding funding of the region's transit services.

IV.2.3 PUBLIC OPINION SURVEY

The Panel commissioned a public opinion survey designed to gauge public attitudes about mobility in the region.⁴ Over 1000 citizens throughout the region took part in this survey.

⁴A complete presentation of the survey is contained in the Technical Appendix Section IV.3

Key findings are:

- the public has a positive view of current bus and transit service

- the public believes shared responsibility between Metro and local governments for providing bus service is appropriate

- the existing service provider (whether regional or local) is generally favored

- Metrobus was perceived as the service provider that would:

- best respond to the region's future needs

- be least likely to increase government spending

In addition to this survey, the union representing Metrobus employees also commissioned independent public opinion surveys. As reported to the Regional Mobility Panel by union representatives, the results of the surveys show strong public support for regional bus service and Metrobus and a need to expand the region's bus system.

V. Background

V.1. SERVICE

Table 3 examines the trend in the combined level of WMATA, Montgomery County, Fairfax County and the City of Alexandria bus services in the region.⁵ The trend in the regional total shows that total WMATA plus local bus service reached a peak in 1992 after a gradual increase from 1984. Since 1992, total regional bus service has declined; although local bus service levels have grown, WMATA bus service has been greatly reduced. This was primarily due to financial pressures on local governments, particularly in Fairfax County and the District of Columbia. Consequently, in 1977, when only Montgomery County was operating a separate bus service, WMATA provided 99 percent of the region's bus service miles; but by 1996, WMATA operated only 74 percent of the region's service.⁶

Although all WMATA bus service is provided directly by WMATA through its own employees, it should be noted that not all of the service provided by the local jurisdictions

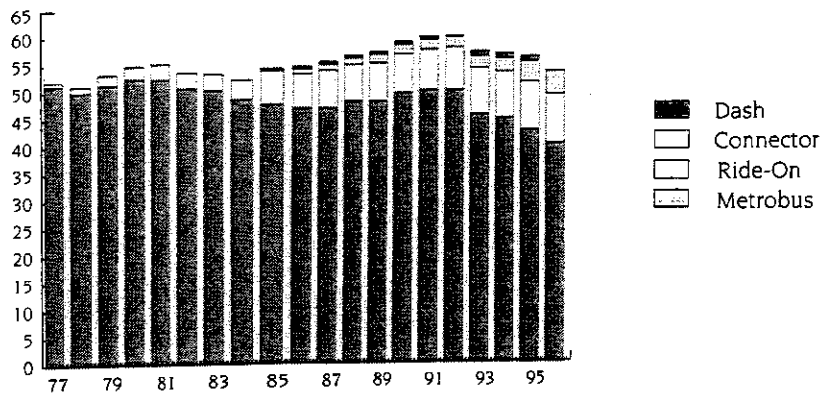
⁵City of Fairfax CUE service and Prince George's County Bus service were also operated during this period; they accounted for smaller mileage figures and do not appear in the exhibit.

⁶A more detailed presentation of the trends in local jurisdiction bus service is presented in section V.1 of the Technical Appendix.

TABLE 3

BUS SERVICE LEVELS: 1977-98

(MILLIONS OF BUS MILES PER YEAR)



■ today's level of service is the same as '81 despite more than 40% regional growth

■ Metrobus operated 99% of service in '77; 74% today

is provided in this manner. For example, the City of Fairfax (CUE) provides all of its service directly with its own employees, as WMATA does, while Fairfax County provides all of its service ("Connector") through competitively procured contracts, but holds title to the vehicles. Montgomery and Prince George's County provide service ("Ride-On" and "the Bus", respectively) on some routes with their own employees and vehicles, and on other routes through a contract with a private owner/operator. Throughout its discussions, the Panel seldom distinguished between directly operated and privately

contracted service; rather, the Panel addressed the distinction between service planned and provided through a regional entity such as WMATA and service planned and provided through a local jurisdiction.

As discussed above, total bus service levels have

remained relatively constant since 1977. The charts on the following pages show how the size of the region, in terms of population and employment, has expanded. This growth in population and employment is expected to continue over the next twenty years as the two maps on the following pages illustrate. While the number of jobs located outside the central business district will increase by a higher percentage than in the central business district, the total number and concentration of jobs will continue to remain higher in the traditional central business district core area of the region.

Table 4 presents total daily person trips to employment in (1) central jurisdictions (Washington, D.C., Arlington County

TABLE 4

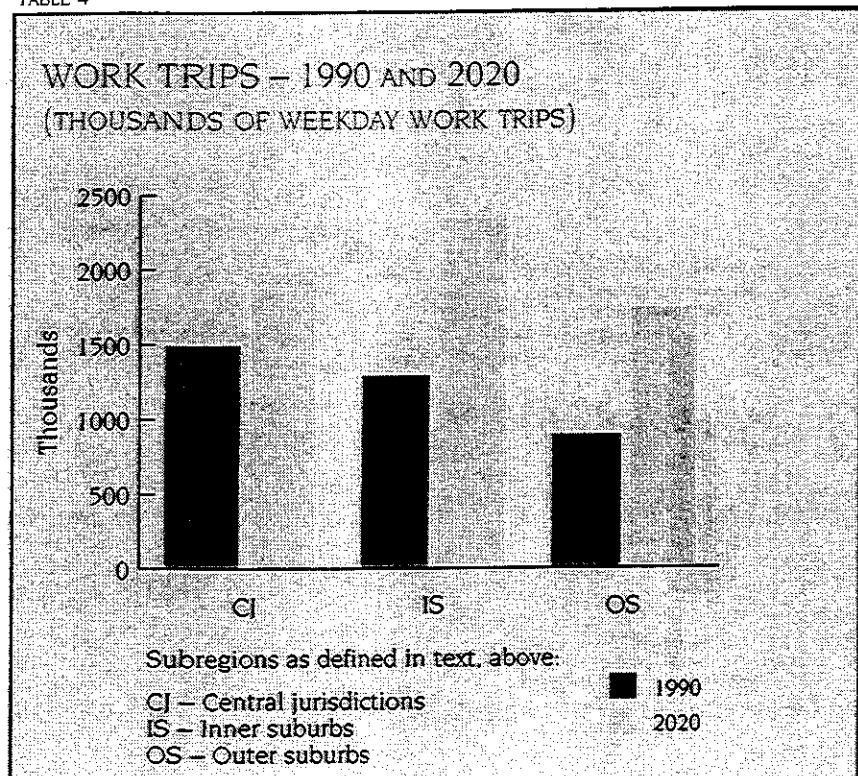
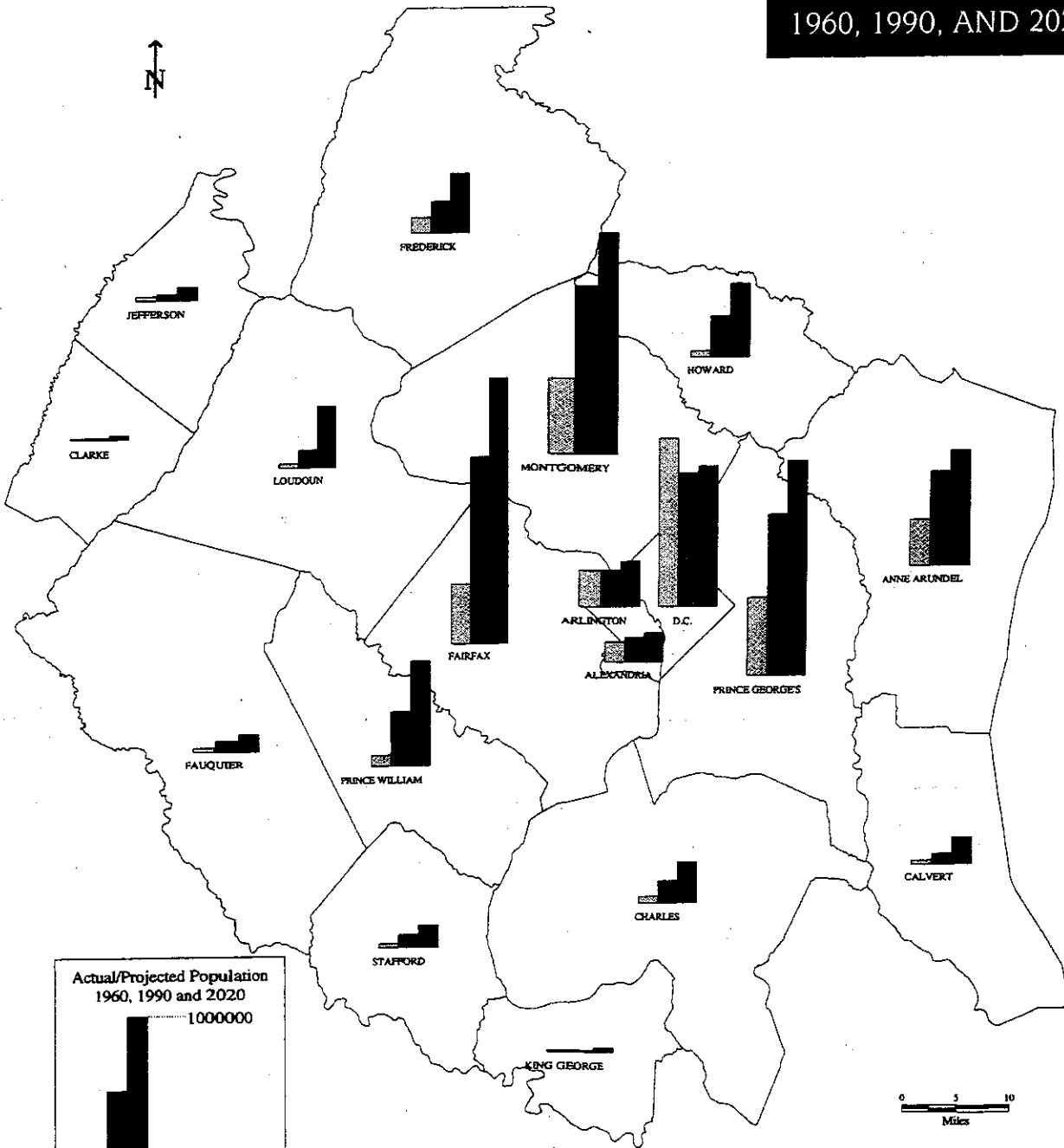
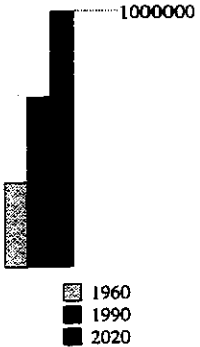


TABLE 5

**ACTUAL/PROJECTED
POPULATION
1960, 1990, AND 2020**



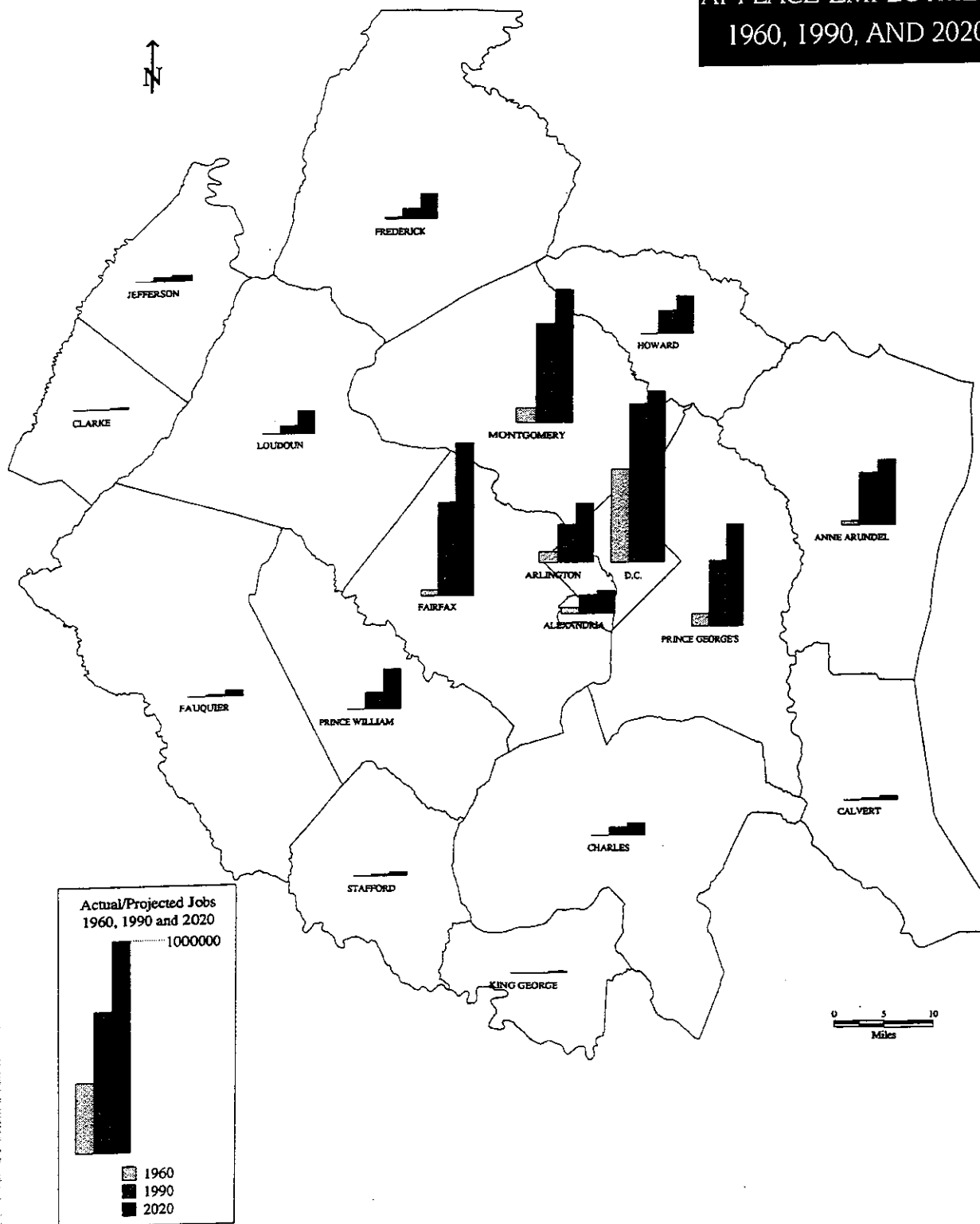
Actual/Projected Population
1960, 1990 and 2020



Source: MWCOG

TABLE 6

**ACTUAL/PROJECTED
AT-PLACE EMPLOYMENT
1960, 1990, AND 2020**



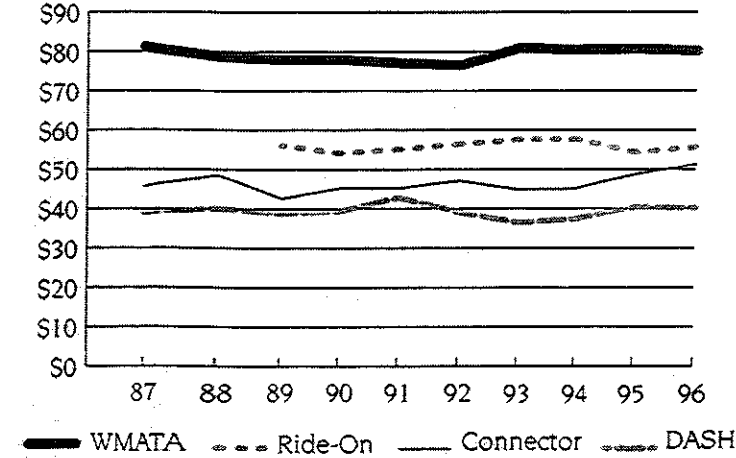
and the City of Alexandria), (2) inner suburbs (Montgomery County, Prince George's County, Fairfax County, City of Fairfax and City of Falls Church) and (3) outer suburbs (Loudoun, Prince William, Calvert, Charles, Frederick and Stafford Counties). Work trips to the central jurisdictions are expected to grow by 137 percent between 1990 and 2020. Work trips to the inner suburbs are expected to grow by 178 percent, while the highest rate of growth (206 percent) is expected in the outer suburbs. However, the central jurisdictions, WMATA's core service area, will still exceed the outer suburbs in total work trips. To maintain the economic viability of the region, the Panel emphasized the need for a cost-effective means of providing bus transportation that could serve not only the central jurisdictions, but also be flexible and responsive to meet the changing marketplace of the inner and outer suburbs.

V.2. Cost

Table 7 illustrates the relative unit costs of the major bus operators in the region. The local jurisdictions operate service at lower cost rates than WMATA, and there is no significant trend in the difference between the cost levels.

The Panel discussed data showing that WMATA's operating costs were similar to major

TABLE 7
OPERATING EXPENSE PER REVENUE BUS HOUR
REGIONAL AND LOCAL OPERATORS
(CONSTANT 1996 DOLLARS)



metropolitan peers, and that a similar differential distinguished metropolitan system from suburban system cost levels in other metropolitan areas.⁷

The Panel reviewed data that focused on the following factors as contributing to the difference in cost levels between WMATA and the local jurisdictions:

- Wage rates
- Fringe benefits
- Work rules
- Service profile
- Wage progression

The Panel reviewed data illustrating the contrast in wages between Metrobus and local jurisdiction operations. As

.....
⁷Data comparing metropolitan and suburban operator cost rates are presented in the Technical Appendix.
.....

- Metrobus costs are higher reflecting a typical metropolitan operator labor contract
- all operators have controlled costs over time
- most metropolitan operators with suburban counterparts have similar cost relationships

shown in table 8, even though starting wage rates are similar, the Metrobus wage progression and high tenure result in a higher average wage than is paid to local service operators.

The WMATA labor contract work restrictions and pay provisions are particularly costly for service that requires large numbers of operators for short

TABLE 8

BUS OPERATOR WAGE RATES AND TENURE

System	Average \$/Hour	Starting \$/Hour	Average Tenure
WMATA (689)	\$18.35	\$11.34	15.6 years
Ride-On	\$14.98	\$11.38	6.6 years
Dash	\$12.93	\$10.64	4.5 years
Connector (Newington)	\$11.51	\$10.13	
Connector (Herndon)	\$9.77	\$9.20	

Source: WMATA survey, October, 1996

- WMATA labor contract based on national labor trends
- operator seniority results in higher average wages in older systems

lengths of time in the morning and evening rush hours, and relatively fewer operators in the midday and evenings. The Panel devoted considerable attention to the daily service profile, specifically, the ratio of the number of buses required for peak rush hour service to

the number of buses required in the midday base (the peak-to-base-ratio). Because of the commuter oriented nature of the Washington region's travel market and changing travel patterns, the Washington region has an unusually high peak-to-base ratio (2.85:1) compared to a 2.0:1, which is typical for the transit industry. This reduces the productivity of the fleet and of operator labor.

Finally, the Panel noted the effect of Metrobus service reductions. The Metrobus work

force is paid based on the length of time employed, and any reduction in work force (through attrition or through lay-off policies) separates only the newest, lowest paid employees. Contraction in service or reduction in force have the effect of increasing the average hourly cost of labor, the largest component of Metrobus costs. Conversely, stabilizing or growing the Metrobus system could result in a reduced unit labor cost.

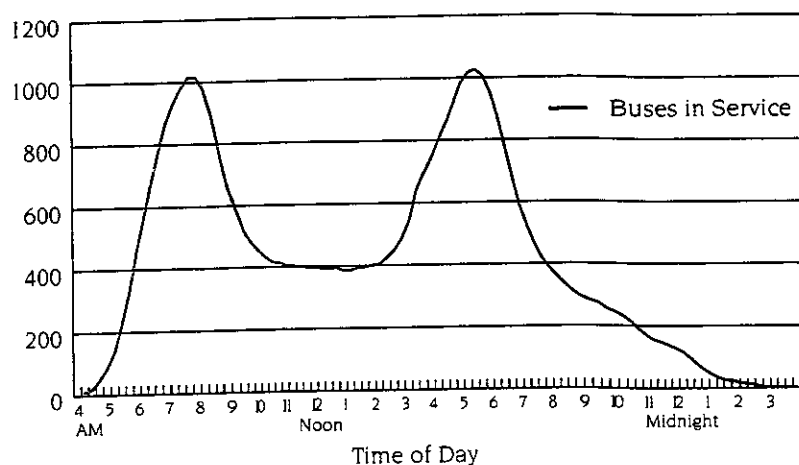
V.3. ALLOCATION OF METROBUS COSTS

Financial responsibilities for Metrobus are shared by the member jurisdictions. The funding required from each jurisdiction is computed as the difference between revenues and costs allocated to the jurisdiction. The method used to allocate subsidy requirements to the respective jurisdictions has not changed in 20 years, although service characteristics have changed substantially. The operating deficit allocated to the jurisdictions in FY1997 was

17

TABLE 9

WMATA BUS SERVICE PROFILE



The high service profile is caused by:

- commuter based market
- highest female work force participation rate in U.S.
- highest rate of 2-income households in U.S.

approximately \$180 million.

The Panel reached the following findings concerning the current formula:

■ **Outdated Information:**

The current formula relies on outdated information, such as the distribution of 1975 peak period buses to allocate certain costs

■ **Business Planning:** The current formula reduces management's ability to implement system cost saving or fare simplification actions because these actions may result in cost increases or revenue reductions in some jurisdictions

■ **Artificial Financial Incentives/Disincentives:** Under the current formula, jurisdictions that reduce bus service save more than the resulting system cost savings and jurisdictions that increase bus service pay more than the resulting system cost increases

■ **Cost Shifting:** As bus service is reduced in any one jurisdiction, the unit costs for all remaining bus service increases resulting in cost increases in jurisdictions that do not change their service

■ **Revenue Allocation:** The current practice of separately allocating revenues to Metrobus routes has had the affect of slanting Metrobus fare policies to suit revenue objectives of each local jurisdiction, resulting in complex and inconsistent fare structures

One of the themes of the stakeholder interviews was that the allocation problems needed to be remedied. The fragmentation of the bus system was often attributed in part to the allocation process, as it was seen as having an accelerating effect on the interest in substituting locally operated service for Metrobus. The consensus to change the formula emerged early in the Panel's discussions.

V.4. SERVICE INTEGRATION AND COORDINATION

The Panel also recognized a need to address service coordination from a regional perspective. In addition to the need for service across jurisdictional boundaries, the Panel was concerned about the general increase in sideways movements, or circumferential travel patterns, in contrast to the traditional radial patterns oriented to the central business district. Recognizing that the Metrorail system serves primarily the traditional radial travel patterns, the Panel was concerned about the capacity of the regional bus system to provide transit service for these emerging markets. The Panel shared the concerns of riders about the user-friendliness and quality of the bus services offered in the region as a whole, including ease of customer access to information and clarity of the multi-operator fare structure. In addition, a cohesive marketing

strategy is needed to increase the public's awareness of the region's public transit services.

Many of the public forum speakers noted that fare simplification and the availability of information was important to them. The stakeholder interviews also established the general support for fare integration and coordinated marketing of bus service. The Panel reached consensus that fare simplification and coordinated customer information need to be included in the bus service improvement programs.

V.5. FUNDING

The subsidy for the region's transit services is funded primarily from local and state government general funds or funds dedicated to transportation purposes; Federal operating subsidies have been and are projected to continue to decline.

The Panel reviewed data about how the largest metropolitan areas fund their transit operating programs. The Washington area stood out because of the lack of ongoing funding dedicated to transit. Other areas rely on a variety of dedicated funding sources, of which a retail sales tax is the most common.

The current situation is the Washington metropolitan area leaves transit in annual competitions for funding in some of the local jurisdictions. In some

instances, transit competes against other state and local responsibilities for shrinking general fund dollars. WMATA cannot establish budget priorities or anticipate the results of each jurisdiction's budget decisions.

For this reason, the Regional Mobility Investment Conference identified, in its resolution, the need to develop a

strategy for stable, reliable, predictable and adequate funding for transit services. To take the next steps forward, the Chairman of the Regional Mobility Panel appointed a funding subcommittee to evaluate overall regional transit funding needs, to formulate strategies for meeting the needs, and to report back to the Regional Mobility Panel.

- most major metropolitan areas have dedicated funds for transit
- most prevalent is the retail sales tax
- the national capital region has minimal dedicated funding

TABLE 10

DEDICATED FUNDING FOR MAJOR METROPOLITAN SYSTEMS

	Sales Tax	Gasoline Tax	Income Tax	Property Tax	Tolls	Other Taxes	Other Dedicated Funds	Total Dedicated Funds
Dallas	99%							99%
San Jose	97%							97%
San Francisco BART	84%			11%				95%
Denver	94%							94%
Portland						91%		91%
Seattle	49%			42%				91%
Atlanta	90%							90%
Cleveland	89%	1%						89%
Orange County	84%			5%				89%
Los Angeles	81%	4%				4%		89%
Houston	84%							84%
Chicago Commuter Rail	75%							75%
Minnesota-St. Paul		0%		70%				70%
Oakland	31%			31%				62%
New York City Transit	11%	15%	15%		7%	13%	1%	61%
New York LIRR					22%	36%		59%
Chicago	54%							54%
New York Metro-North					9%	34%		43%
San Francisco Muni			23%		1%		3%	27%
New Jersey							25%	25%
Philadelphia						23%		23%
Pittsburgh							18%	18%
Washington, DC		4%						4%

V.6. CRITICAL ISSUES

After reviewing the service, cost, cost allocation, service integration, and funding background of today's bus services in the Washington region, the Panel identified the following critical issues:

- the share of bus service in the Washington area provided by the regional bus transit system (Metrobus) has declined from 99% in 1977 to 74% in 1996 as a result of several local jurisdictions initiating locally based and operated bus systems, and as a result of Metrobus service reductions, which have been necessitated by both the opening of the Metrorail system and budgetary constraints of some local jurisdictions.

- in the absence of a comprehensive regional transit service plan, it is likely that the shift away from regionally operated bus service will continue to accelerate and will result in further service fragmentation.

- the amount of bus service provided in the Washington area (both regional and local) has not grown to keep pace with population and employment growth that has taken place over the last 25 years.

- the cost of operating the Metrobus system (exclusive of capital cost considerations) is mid-range when compared to other large metropolitan sys-

tems but is higher than the cost of operating locally provided bus services. This is due to negotiated labor provisions which are tied to national trends, the characteristics of metropolitan bus services designed primarily to meet commute oriented travel patterns, and the decline in Metrobus service levels that has limited WMATA's ability to hire new employees at negotiated, competitive entry level wages.

- the methodology for allocating Metrobus subsidies to local jurisdictions is based on outdated and inequitable criteria that provide incentives for substituting Metrobus services and disincentives for remaining in a regional bus system, prevents management from engaging in sound business planning, and has led to a situation where transit policy for regional bus services, including fares and service levels, are set by individual jurisdictions rather than regionally.

- the lack of integration among bus systems in the Washington area, the absence of a regional approach to bus service planning and policy, and the declining level of bus service in the Washington region are not compatible with the continued expansion of the Washington region and the changing employment and population growth patterns that have occurred and will occur again over the next 20

years. Bus services offer the potential to flexibly meet the needs of a changing marketplace while playing an important role in providing feeder services to the extensive Metrorail system and the markets it serves.

- reliance on the separate state and local budget appropriations processes of WMATA's funding partners from year-to-year, in an era of declining Federal assistance, is reducing the efficiency and effectiveness of the regional transit system; the region must develop a long term strategy for providing adequate, predictable and reliable funding for transit.

VI. Recommendations

Based on its review of the background information and discussion and analysis of the critical issues, broad consensus emerged from the Regional Mobility Panel on the following points:

- there is a fundamental need to maintain a regional bus system, most essentially for interjurisdictional travel, but also for intra-jurisdictional bus service

- criteria need to be established to clearly delineate regional and non-regional services based on travel markets

- the method of allocating regional bus subsidies needs to be based on the benefits received and needs to be more equitable

- a regional transit service plan and planning function needs to be established to respond to the region's changing travel patterns

- the regional transit service plan will not result in the layoff of WMATA unionized operating personnel

- adequate, predictable, and reliable funding is needed for the regional transit system

Building upon this consensus, the Regional Mobility Panel makes the following recommendations to the signato-

ries and member jurisdictions of the WMATA Compact and to the WMATA Board of Directors:

REGIONAL BUS SYSTEM

- The Regional Mobility Panel has defined an integrated regional bus system that is to be planned, funded and operated in a manner similar to the approach that has long existed for the successful Metrorail system. Under the current system, services operated by Metrobus are only nominally regional, as policy decisions on fares and services are largely determined by local jurisdictions.

Under the integrated regional bus system proposed by the Panel, for the first time there will be an ongoing commitment by local jurisdictions to a set of truly regional bus services planned and operated by WMATA in consultation with local jurisdictions. These bus services will be coordinated and integrated with a set of non-regional bus services planned and provided through decisions by local jurisdictions.

REGIONAL SERVICE PLAN

- In the defined bus system, regional and non-regional bus routes are distinguished to serve properly markets in the Washington metropolitan area. The new regional service plan ensures predictability and stability of the existing bus services and fosters the develop-

ment of new bus services. This includes criteria that will generally define regional routes and non-regional routes for both the present and the future, while acknowledging the services already provided by local jurisdictions.

NEW REGIONAL BUS SUBSIDY ALLOCATION FORMULA

- A new benefit-based subsidy allocation formula for regional bus routes should be adopted to address inequities and inefficiencies in the existing formula. The revised formula should be keyed to the existing and regionally accepted formula for the Metrorail system, and should be updated periodically to remain current and equitable.

WMATA SERVICE AND FINANCIAL COMMITMENT

- A commitment is being made to a pledge of constant average regional bus fares and maintaining bus subsidy levels through aggressive cost controls, and a pledge for advancing service improvement strategies under the Service and Productivity Enhancement Program for the five year period FY 1998-2002.

FIVE-YEAR TRANSITION PLAN

■ A five-year transition period to the regional and non-regional bus system structure should be adopted, and based on a staged implementation, assuming no layoffs of WMATA unionized operating employees. The transition plan should include strategies to improve bus service through coordinated service planning; the establishment of service quality standards, defined jointly by WMATA and local jurisdictions; fare simplification and integration; comprehensive marketing and customer information services; and market-driven service planning.

REGIONAL FINANCIAL AGREEMENT

■ Local jurisdictions and WMATA should enter into an interjurisdictional financial agreement to participate in the regional bus system in accordance with the regional service plan, new subsidy allocation formula and five-year transition plan. The Regional Mobility Panel will identify the funding requirements for the WMATA bus and rail Capital Improvement Program, and acknowledges its responsibility to address and resolve the issue.

LONG-TERM FUNDING STRATEGY

■ The Regional Mobility Panel agrees that there is a need to define the magnitude of the funding requirements for the WMATA bus and rail Capital Improvement Program, and acknowledges its responsibility to address and resolve the issue. It agrees to reconvene upon receipt of the recommendations of the Transit Funding Subcommittee, and to meet and confer during a six-month period resulting in a final course of action designed to ensure a reliable, predictable and adequate amount of funding for this purpose. The region together will pursue, support and implement necessary actions in the District of Columbia, Maryland, Virginia, and the U.S. Congress during the five-year transition period to fully fund the annual needs of the CIP, as determined by the Panel

VI.1. REGIONAL SERVICE PLAN

Based on principles established by the Regional Mobility Panel, criteria were developed that recognize the distinction between regional and non-regional bus routes and various service markets. Regional bus routes generally provide transportation between jurisdictions. Regional bus routes also may include bus routes that serve major activity centers, that operate on major arterial

streets and carry high volumes of ridership within one or in multiple jurisdictions.

Existing Metrobus service was evaluated to determine which bus routes meet these criteria; bus routes currently operated by local jurisdictions were 'grandfathered' into the non-regional category. WMATA will have responsibility for operating regional bus routes. Local jurisdictions will have responsibility for determining how non-regional bus routes will be provided. WMATA intends to work aggressively with the local jurisdictions to provide service on non-regional bus routes.

The following are the specific criteria used by the Regional Mobility Panel to disaggregate current Metrobus routes into regional and non-regional categories. The criteria will also be used for determining appropriate future bus route assignments for the region, and may result in a different distribution of service between regional and non-regional categories.

INTERJURISDICTIONAL

A route is automatically a regional route if it:

- crosses a jurisdictional (independent city, county, state) boundary; and
- penetrates at least two jurisdictions by more than one-half mile in each; and
- operates open door

(allows boarding and alighting) over at least a portion of the line in two or more jurisdictions.

If a route does not qualify as regional under the interjurisdictional definition, then it must meet at least two of the following three criteria to be regional:

ARTERIAL STREETS

- operates for a considerable distance on an arterial street and a substantial portion (usually a majority) of riders use stops on the arterial street. Routes which operate for a short distance on an arterial incidental to their service areas are not included.

REGIONAL ACTIVITY CENTER

- serves one or more regional activity centers. A conservative definition of regional activity centers was used, including only those where there is virtually universal agreement as to their regional character.⁸ (Routes which feed Metrorail stations but which do not directly serve any regional activity center were not considered to be regional).

⁸A list of regional activity centers is included in the Technical Appendices.

COST EFFECTIVENESS

- annual boardings per annual platform hour greater than 30 applied consistently in all jurisdictions.

The application of the criteria to the bus service currently operated by WMATA results in the following:

- For WMATA operated bus service:

73.6% of WMATA bus service is designated as regional bus service to be planned and operated by WMATA as a regional system.

26.4% of WMATA bus service is designated as non-regional service to be operated as it is today - local jurisdictions plan the service and can choose the operator (either Metrobus, local jurisdiction operation or contract services)

- For all bus service in the region:

53.3% is designated regional service

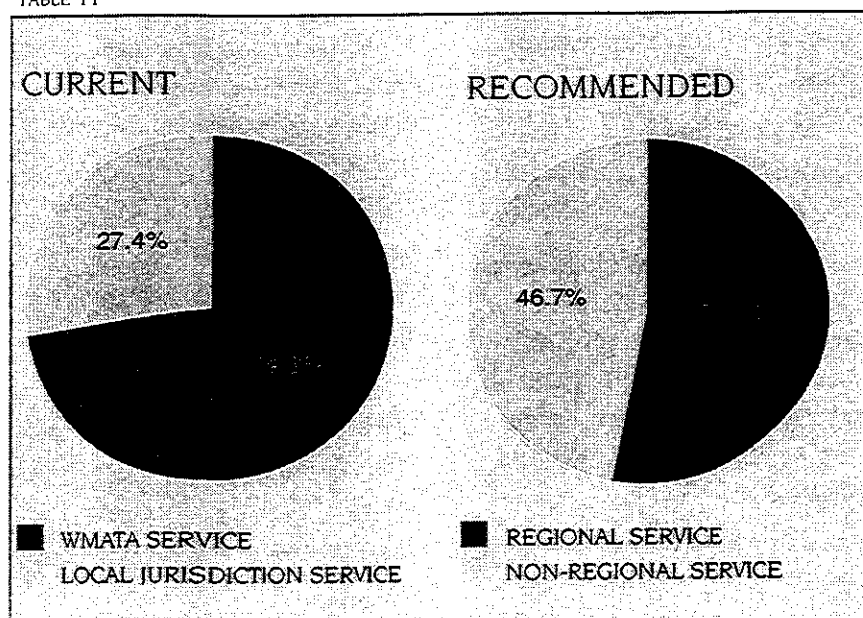
46.7% is designated non-regional service

VI.2. NEW REGIONAL BUS SUBSIDY ALLOCATION FORMULA

The regional system should be funded using a regional, benefit based allocation of subsidy. The Regional Mobility Panel had the following goals for a new bus subsidy allocation formula:

- Develop an easy to understand formula
- Rely on information that can be periodically updated
- Develop a formula that allows WMATA to make rational business decisions
- Develop a formula that reduces incentives to eliminate

TABLE 11



service and increases incentives for ridership growth

- Develop a formula that is similar to the regionally accepted Metrorail allocation process

Accordingly, the Panel considered several formulas that would:

- Allocate Metrobus subsidy regionally
- Use data that could be periodically updated
- Allocate subsidy based on benefits received in each jurisdiction

The Panel recommends that the required subsidy for regional bus service be allocated according to the following factors:

- population and population density in each jurisdiction (25%),
- average weekday bus riders by jurisdiction of residence (15%),
- Revenue miles of bus operation in each jurisdiction (35%),
- Revenue hours of bus operation in each jurisdiction (25%).

The recommendation is to convert to the new formula for regional services in FY 1999, (i.e., beginning July 1, 1998) with annual transition limits applied between FY 1999 and FY 2002.

The Panel recognized that the ridership allocation factor

creates an apparent disincentive to increase ridership. The Panel recommends that the weighting factor for ridership be lower than that of other factors, and that a ridership incentive factor continue to be considered for subsidy allocation purposes.⁹

VI.3. WMATA SERVICE AND FINANCIAL COMMITMENT

The Panel embraced and committed to WMATA's pledge of constant average regional bus fares and maintaining bus subsidy levels through aggressive cost controls. This commitment is for the five year period FY 1998–2002, and includes a pledge for advancing service improvement strategies in unserved and under-served portions of the region. It is further detailed below:

METROBUS SUBSIDIES:

- No increase in subsidies for regional service or for WMATA-provided non-regional bus service through FY 2002
- WMATA will strive to provide non-regional services at rates that are competitive with the local market
- Constraints on subsidies are exclusive of any unfunded federal mandates, reductions in

.....
⁹Examples of mechanisms for a ridership incentive are presented in the Technical Appendix.
.....

federal operating assistance or mitigating emergency circumstances

METROBUS PASSENGER FARES

- No increase in the average passenger fare through FY 2002
- Local jurisdictions can maintain fare incentives through buy-down programs
- Propose and implement fare simplification and integration to introduce a consistent fare policy on bus service in the region

REGIONAL CUSTOMER SERVICE

- Maintain baseline level of regional bus service with appropriate changes related to Metrorail openings
- Develop a comprehensive and integrated regional customer service and marketing program

- Plan new service initiatives targeted toward meeting the current and future transportation needs of under-served and unserved markets, subject to the availability of funding

REGIONAL BUS SERVICE PLANNING:

WMATA and local governments jointly establish a coordinated service planning process that embraces:

■ Service quality standards (such as: service reliability, cleanliness, convenience, etc.) for regional and non-regional bus services

■ Coordination of regional and non-regional route service modifications

Consistent with these standards, a cooperative, consultative and coordinated planning process will be established among WMATA, the local jurisdictions, and local bus service operators. WMATA plans and operates the regional bus system through a consultative process with local jurisdictions, where decisions are based on need and cost. Local jurisdictions plan non-regional services that are coordinated with regional services to the extent practicable.

VI.4. FIVE YEAR TRANSITION PLAN

The Regional Mobility Panel recommends implementation through a five year transition plan with progress reviews scheduled in years three and five. The details of this plan are presented in the table on pages 26 and 27.

VI.5. REGIONAL FINANCIAL AGREEMENT

The Regional Mobility Panel recommends that local jurisdictions and WMATA enter into an interjurisdictional financial

agreement including a long-term financial commitment to participate in the regional bus system in accordance with the regional service plan, new subsidy allocation formula and five-year transition plan. The principles of the interjurisdictional financial agreement for funding and maintaining the regional bus system are presented below.

■ The parties agree to an interjurisdictional financial agreement to participate in the regional Metrobus system. The initial term of the commitment is for five years. They further agree to review the structure and extent of the regional bus system every two years to determine its adequacy as part of the five year continuing commitment term. Any adjustments to the regional bus system will be approved by the WMATA Board, subject to funding limits in agreements with local jurisdictions.

■ Subject to appropriation, local jurisdictions commit to funding the costs of operating the regional bus service at specified levels.

■ By May 1 of each year, local jurisdictions notify WMATA of the commitment to fund the operating subsidy for regional bus services for the following year.

■ WMATA commits to the continuing operation of regional bus service at or above the

established levels for regional services for the period FY 1998 through FY 2002. Thereafter, regional bus service levels are determined by standards established and approved funding levels. All parties agree to maximize efforts designed to increase ridership.

■ WMATA commits to maintaining average bus fares at or below the levels presently in effect for the period FY 1998 through FY 2002.

■ This agreement is subject to participation by all WMATA member jurisdictions.

■ WMATA's ability to fulfill its commitments is subject to continuation of Federal operating assistance, no new Federal mandates affecting costs or service, and mitigating emergency circumstances

■ This Agreement commits the region to pursue, support and implement necessary action in the District of Columbia, Maryland, Virginia and the U.S. Congress during the five-year transition period to fully fund the annual needs of the WMATA Capital Improvement Program, as determined by the Regional Mobility Panel.

TABLE 12

TRANSITION PLAN

FARES & CUSTOMER INFORMATION	BUS SERVICE	Year One – FY 98 (7/1/97 – 6/30/98)	Year Two – FY 99 (7/1/98 – 6/30/99)	Year Three – FY 00 (7/1/99 – 6/30/00)	Year Four – FY 01 (7/1/00 – 6/30/01)	Year Five – FY 02 (7/1/01 – 6/30/02)
		Service quality standards & guidelines for regional & non-regional transit services cooperatively developed between WMATA & local jurisdictions. WMATA convenes a panel of the region's bus/transit managers to coordinate all bus services in the region				
		Local plans developed in consultation with WMATA for non-regional services, including determinations for use of WMATA as a contract operator for non-regional services. Begin negotiating new contractual relationship between WMATA & individual local jurisdictions for non-regional services operated by Metrobus	Non-regional service plans begin (up to 25% of redesignated non-regional service may be operated by local governments). Any jurisdiction assuming operation of Metrobus non-regional routes must agree to maintain service standards	Non-regional plans continued (up to 50% of redesignated non-regional service may be operated by local governments)	Non-regional service plans continued (up to 75% of total non-regional service may be operated by local governments)	Non-regional service plan complete (up to 100% of total non-regional service may be operated by local governments)
		New "experimental" regional services examined for possible early implementation. Regional service planning will be done by WMATA in consultation with all jurisdictions	Service plan developed by WMATA for underserved & unserved markets	New service initiatives implemented (as funding permits)		
			Fare simplification/integration plan developed by WMATA in cooperation with local jurisdictions	New simplified & integrated fare structure implemented		
			Comprehensive & integrated regional customer information & marketing program developed by WMATA	Implementation of the comprehensive & integrated regional customer information & marketing program		

	Year One – FY 98 (7/1/97 – 6/30/98)	Year Two – FY 99 (7/1/98 – 6/30/99)	Year Three – FY 00 (7/1/99 – 6/30/00)	Year Four – FY 01 (7/1/00 – 6/30/01)	Year Five – FY 02 (7/1/01 – 6/30/02)
SUBSIDY ALLOCATION ↓ PLAN OVERSIGHT ↓		Conversion to a new subsidy allocation formula with annual transition limits to ensure that neither the regional bus subsidy nor any individual jurisdiction is affected by any change that might occur on non-regional services except to that jurisdiction proposing the change			
		All non-regional services funded separately by being moved into a new & distinct accounting format for subsidy purposes			
	Regional Mobility Panel approves Concept Plan & recommends final report to the WMATA Board. The WMATA Board authorizes the submission of the final report to Congress				
	WMATA finalizes detailed Transition Plan, in coordination with local jurisdictions		Initial review of accomplishments toward cost containment goal & updated review of regional transit service plan		Final review of accomplishments toward cost containment goal (end of FY 2002) & updated review of regional transit service plan

Notes:

1. Decisions on non-regional service may occur beyond the five-year timeframe if required or desired by local jurisdictions
2. The concept of an incentive factor for the subsidy allocation formula will continue to be refined and pursued during the time frame
3. Updated reviews of the regional transit service plan to occur every two years



RIDE ON



THE BUS
Prince George's County Transit