



**“RAIL MODERNIZATION: GETTING TRANSIT
FUNDING BACK ON TRACK”**

**Testimony of
John B. Catoe, Jr.
General Manager, WMATA**

**Before the
Subcommittee on Housing, Transportation,
and Community Development
of the
Senate Committee on Banking, Housing,
and Urban Affairs**

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Washington Metropolitan Area Transit Authority
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Mr. Chairman, Ranking Member Vitter, and members of the Subcommittee, thank you for the opportunity to testify before you today. I am John Catoe, General Manager of the Washington Metropolitan Area Transit Authority, known as WMATA, or Metro. My testimony today will provide an overview of Metro's capital needs over the next ten years and make several recommendations about ways that the federal government can help rail transit systems meet their future infrastructure needs.

Before I address those topics, I want to take a moment to thank the Chairman for his leadership on an issue that has arisen as a result of the economic downturn with regard to transit agencies' leaseback arrangements with banks and other financial institutions (known as "LILOs"). These arrangements were endorsed by the Federal Transit Administration as an innovative financing mechanism to help transit agencies meet their capital needs, and I encourage the Congress to swiftly enact Chairman Menendez's legislation, S. 1341, to protect transit agencies from having to make windfall payments to the banks.

I also want to commend the Chairman and members of this Subcommittee for their leadership on the issue of transportation and climate change. The hearing that Chairman Menendez convened last month on this topic clearly showed that unless we find a way to reduce the growing number of vehicle miles we travel every year, emissions will increase faster than they can be offset by simply using cleaner fuels and

vehicles. I encourage Congress to include funding for transit projects in the climate change bill currently being developed and to create incentives for sensible transit-oriented development policies around those projects in order to reduce transportation sector emissions. In this way, we could further leverage the benefits that public transportation provides to all of us. Transit takes cars off the road, reducing congestion and fuel consumption and improving air quality. As we here in the National Capital Region know well, public transportation systems also stimulate economic growth that generates and sustains employment. Transit makes a significant contribution to Americans' quality of life, and it is essential that there be sufficient investment in our existing transit infrastructure to allow transit agencies to continue to provide the service that our nation needs and deserves.

Background on Metro

The Washington Metropolitan Area Transit Authority was created in 1967 as an Interstate Compact agency through enactment of legislation by the U.S. Congress, and by the Commonwealth of Virginia, the State of Maryland, and the District of Columbia. Metro is the largest public transit provider in the Washington, D.C. metropolitan area and the second largest subway and sixth largest bus system nationally. "America's Transit System" serves a population of over 3.5 million within a 1,500 square-mile area as well as visitors to our nation's capital from across the country and around the world. During Metro's most recent fiscal year (July 1, 2008 – June 30, 2009), we provided on average 748,000 rail trips, 446,000 bus trips, and 7,000 paratransit trips every weekday. The Metrorail system operates a fleet of 1100 rail cars on a 106-mile system, with 86

stations, and the Metrobus system operates a fleet of more than 1500 buses serving more than 12,000 bus stops along 340 routes in the District of Columbia, Maryland and Virginia. The Metro system is critical to the vitality of the region and one that is used every day by federal workers, who make up about 40 percent of Metrorail's rush hour riders.

During fiscal year 2009 the Metro system provided nearly 360 million trips, about 223 million of which were on the rail system, 134 million on Metrobuses and over 2 million with the MetroAccess paratransit service. Over the last three years (FY2007-2009) ridership on the rail system has grown by 15 million annual passenger trips (a 7% increase) and ridership on Metrobuses has grown by 2 million annual passenger trips (a 2% increase). MetroAccess ridership has been growing as well, and is up by 43% since 2007.

Metro's Capital Needs

While ridership is at an all-time high, the Metro system is feeling its age. To use an analogy that any homeowner can relate to: our crowded house is 33 years old, and our needs go far beyond a spring cleaning and a fresh coat of paint. We have a wet basement, rusting pipes, cracked tiles, old wiring and the equivalent of a 1976 model car in a 100-year-old garage. If we are to help meet the future transportation needs of this region, including the federal government, we must begin to address these issues today.

Recognizing this fact, Metro staff recently conducted a detailed capital needs inventory for the period between FY2011 and FY2020, and determined that the

agency's future capital needs in that period total more than \$11 billion. The inventory addresses only the existing Metro system; it does not include the costs of any extensions of the current system. Almost two-thirds of the needs are focused on Metro's aging infrastructure and are necessary to maintain the system's safety and performance; the remaining third are focused on investments necessary to increase the carrying capacity of the existing system in order to meet future ridership growth and improve the customer's experience.

According to the capital needs inventory, Metro will need more than \$7 billion over the next ten years to maintain and improve the current bus, rail and paratransit systems in a state of good repair and to deliver safe and reliable service. These needs include repairing leaking tunnels and crumbling platforms, upgrading our tracks and associated infrastructure, fixing escalators, replacing about 100 buses every year, replacing very old bus facilities (including one that is 100 years old), and updating critical software. Metro also needs to replace more than a quarter of its rail car fleet, including cars that are more than 30 years old and near the end of their lifecycle.

Almost \$4 billion would be targeted to meeting the growing ridership demands and improving the customer's experience on Metro's bus, rail and paratransit system during the next decade. Between FY2010 and FY2020, Metrorail ridership is expected to grow 22 percent to nearly 1 million trips per day, and Metrobus ridership is expected to grow 9 percent to over half a million trips per day. To serve even more riders with better quality service, Metro is proposing service enhancements in a number of priority corridors that would increase bus ridership by roughly 20 percent by 2020. Metro needs power and control system upgrades and additional rail cars to run longer trains on all

lines during rush and non-rush hours, more than 300 new buses, and additional MetroAccess vehicles to move these new riders. Demand for this service to transport people with disabilities who are unable to take Metrorail or Metrobus is expected to double to roughly 4.5 million trips per year by 2020.

Safety and Reliability

As the members of the Subcommittee are no doubt aware, Metro experienced a tragic accident on June 22, 2009, when two Red Line trains collided outside of our Fort Totten Metrorail station. I and all Metro employees are terribly saddened by the loss of life and the injuries that occurred on that day. While Metro is a transportation provider, safety is at the foundation of everything we do. We have always taken our responsibility for safety seriously, and we will not rest until we know the cause of the accident and have addressed it.

While the investigation of the accident is still on-going by the National Transportation Safety Board and no root cause has yet been identified, the accident has re-focused attention on the state of rail infrastructure around the country. Given that heavy rail systems move millions of people each day, this is a topic of vital importance, and I appreciate this Subcommittee's attention to it.

Metro recently co-hosted a roundtable with the Federal Transit Administration which brought together representatives from transit agencies around the country to discuss the importance of, and the challenges related to, keeping rail systems in a state of good repair. Also, as you are aware, the Federal Transit Administration issued a report earlier this year identifying a significant backlog of state of good repair needs at

the seven largest heavy rail transit systems, including Metro. Both the roundtable and the study made clear that there is ample demand from many transit systems for additional federal support to sustain the safety and reliability of their systems.

People outside the rail business may not realize just how much work is involved in keeping a rail system running smoothly. It takes a lot of effort to maintain a system with over 200 miles of track, 86 rail stations, and 1100 rail cars, not to mention 1500 buses and all of the associated facilities and infrastructure. Let me give you an example. Metro's Board of Directors recently approved a contract to rehabilitate a segment of the Red Line, our oldest line. Typical work to be performed under the contract -- which does not include maintenance or rehabilitation on the tracks or bridges themselves -- includes:

- Traction power work
- Automatic train control and communications upgrades
- Track fastener replacement
- Tunnel lighting replacement
- Tunnel ventilation and fire stand pipe rehabilitation
- Platform slab and tile replacement
- Platform canopy roof replacements
- Station vault repairs
- Air conditioning and ventilation equipment rehabilitation and replacement
- Elevator and escalator rehabilitation and replacement

These activities may not be exciting to hear about, nor will they generate ribbon-cuttings or groundbreakings. But without them, service and safety will suffer. There will be more delays due to failing infrastructure, and that means lost time for our customers, and lost productivity for our region. The work we do every day on rehabilitation and replacement of our rail assets and infrastructure is the foundation upon which this region's mobility rests.

Federal Transit Programs

With that background, I would like to take this opportunity to make some observations about the federal transit program, how it works today, and how it could be improved to better meet the needs of heavy rail transit systems such as Metro.

As a rail system that is over 30 years old, Metro's largest capital cost is maintaining that system in a state of good repair. As I said earlier, almost two-thirds of our capital needs over the next 10 years are focused on maintaining the safety of our system and the reliability and quality of our service. The primary factor that limits our ability to fully meet these needs is, not surprisingly, money.

The federal formula programs from which Metro receives an allocation (the Section 5307 Urbanized Area Formula and the Section 5309 Fixed Guideway Modernization Formula) have worked well and have helped to support Metro's efforts to maintain the safety and reliability of our system. However, as the system continues to age, we need additional support from the federal government to ensure that needed rehabilitation and replacements can take place. In order to continue maintaining and improving our infrastructure, we will need an increase in the overall size of the federal transit program or in the share of the program directed toward replacement and rehabilitation of existing assets.

The federal government is not being asked to stand alone with regard to investment in public transportation. These federal dollars would be matched by local sources, including contributions from the state and local governments in the communities we serve. Speaking for Metro, our local funding partners have stepped up to the plate time and time again. Between now and next July, they will contribute \$574

million, or about 41% of total operating cost for the rail, bus and paratransit systems.

They will contribute another \$188 million, or about 36% of capital program costs, so that we may complete on-going projects within the next twelve months. But they cannot do it alone, particularly in these challenging economic times.

The funding provided by the federal government is critical to our ability to keep our systems running safely and reliably. If we do not receive sufficient funds now, service, as well as safety, will decline, leaving millions of Americans with few or no transportation options.

Increasing Ridership/Capacity Issues

I also want to bring to the Subcommittee's attention an issue that many transit agencies are facing, ironically as a result of our own success. As more people are riding transit -- to avoid traffic congestion, reduce fuel consumption, or for other reasons -- extraordinary demands are being placed upon our transit systems. Metro is already reaching capacity on many parts of our rail system. Our growing ridership is stressing our downtown stations and crowding our rail cars. As ridership continues to grow, conditions will become even worse. To visualize the future, one need only reflect on the crowding that Metro experienced on Inauguration Day, January 20, 2009, when we provided approximately 1.2 million trips on the rail system. As extraordinary as that effort seemed at the time, the record number of riders we carried on Inauguration Day could be the ridership we must move during a typical workday by 2020.

To meet that demand, we are looking at expanding the rail fleet by 220 new cars so that we can run longer trains; adding more than 300 new buses; and connecting key

rail stations with pedestrian tunnels that will significantly reduce congestion in the downtown core and save our customers travel time. Of course, in order to run more cars on the existing system, we will also need to replace power and control systems to handle longer trains and shorter headways, as well as expand our rail maintenance facilities to accommodate the additional cars.

These are capital investments on an existing transit system to upgrade, expand or increase the capability of the system to accommodate a demonstrated growth in ridership. These investments are needs beyond what can be funded from existing formula programs. In fact, the current structure of the federal transit program does not provide funding for major capacity investments such as these. The bread-and-butter formula programs provide a predictable annual stream that helps us keep up with our routine capital needs. The New Starts program funds new service. Other programs meet other targeted purposes such as access to jobs and access for the disabled. All of these are extremely important, and should be continued and enhanced in the next authorization bill. However, there is no program at the federal level to provide funds for a significant capital investment such as would be required to expand capacity on an existing system, such as purchasing additional rail cars and making the upgrades in power and maintenance facilities to accommodate them. As the Subcommittee considers ways to meet the infrastructure needs of transit systems, I encourage you to develop a source of funding at the federal level for large-scale capital investments to expand capacity on existing systems so that we may meet future ridership demand.

Conclusion

I appreciate the Subcommittee's interest in the state of America's heavy rail infrastructure. There is a strong federal interest in increasing the level of funding directed toward transit infrastructure needs. In 2008, Americans took 10.7 billion trips on public transportation. Public transportation helps to meet national goals such as environmental quality, economic growth, and reduced dependence on foreign oil.

We at Metro are committed to doing whatever is needed to ensure that our system is as safe as it can be and to providing the best possible service, now and in the future. We strongly urge the Congress to provide a higher level of investment in rail infrastructure to ensure that we can keep our system performing safely and reliably. Thank you for the opportunity to testify today, and I look forward to answering any questions you may have.