



Testimony of  
The Honorable Jack Evans  
Chairman of the Board  
Washington Metropolitan Area Transit Authority  
Before a joint hearing of the Subcommittee on Transportation and Public Assets and the  
Subcommittee on Government Operations under the Committee on Oversight and  
Government Reform  
U.S. House of Representatives  
Wednesday, April 13, 2016

Good Afternoon, I am Jack Evans, Chairman of the Board of the Washington Metropolitan Area Transit Authority. I also represent Ward 2 on the District of Columbia City Council. Thank you for the opportunity to appear before the Subcommittees today.

In the summer of 1976, I was an intern in the Judge Advocate General's office at the Pentagon in Washington, DC and rode on the brand new "DC Metro" system. For a kid of my generation, it was something straight out of *The Jetsons*. The system was new, shiny, and a futuristic look as public transportation. Today, this same system feels more like *The Flintstones* than a grand vision of the future.

Many years after that first ride on the Metro, I was elected to the DC Council in 1991. As part of my role on the DC Council, I served on the Board of Directors of the Washington Metropolitan Area Transit Authority (WMATA) from 1993-1999, including two terms as Chair. When I left the Board in 1999, Metro was the shining example of regional cooperation. We had undertaken the "fast-track" building program to work on multiple lines at once and complete the original 101-mile system. Building the Metrorail system was a partnership between D.C., Maryland, Virginia, and the federal government, with \$6.4 billion of the \$9.4 billion in total construction costs coming from the federal government, and the rest split among the state, local, and District governments.

When I rejoined the Board last January, I was surprised by what I found. The finances and operations had deteriorated. The day before I was sworn in to the Board, the District's CFO Jeff DeWitt alerted me to the terrible condition of Metro's finances. At that point, our FY14 audit was already 4 months late, on its way to being 9 months late; we had more than \$150 million in FTA grants outstanding for over 2 years because Metro hadn't properly signed timesheets; we were heavily reliant on short-term debt financing and our lines of credit were quickly expiring.

On the operations side, I rejoined the Board on Thursday January 8, 2015. On that Monday, January 12<sup>th</sup>, we experienced the tragic smoke incident at the L'Enfant Station that resulted in the death of Carol Glover and injuries to many others. After that accident, it became clear that the safety and improved operations of the system that had been the primary focus of the past 5 years of capital improvements were much worse than when I left the Board in 1999.

So where are we today? Our financial house is in better shape. Our FY14 audit was finished, and our FY15 audit was undertaken rapidly after the '14 audit was finished, albeit, still 3 months late. We finally received those long delayed FTA grants and have been able to reduce our dependency on short-term financing. The Metro CFO and his team are working with the FTA to get off of restricted drawdown and get back to the regular electronic system of grant submission.

On the operations side, General Manager Paul Wiedefeld is undertaking a complete review and developing a plan to fix Metro. As he said, that plan to address our deferred maintenance is still in development, but the need is more certain. Metro needs approximately \$25 billion over the next 10 years to run the system, address the critical safety issues identified by the National Transportation Safety Board and the Federal Transit Administration, and catch up on deferred maintenance. The agency also faces a \$2.5 billion unfunded pension liability that it has no plan or ability to address.

I want to make very clear. I don't own Metro. Paul doesn't own Metro. The system, its problems, the daily – and long term – inconveniences, and potential solutions don't belong to any single person or government agency. Paul and the Board of Directors are in place to assess the multitude of problems and present possible solutions to the region, but remember, the entire region – the governments, businesses, and citizens of the District, Maryland, and Virginia, as well as the Federal Government – own Metro.

I've put the region on notice, that we need to come together to create a dedicated funding source for Metro that produces approximately \$1 billion per year. Whether it's a sales tax, property tax near Metro stations, gas tax, or a mix, a dedicated funding source is something that should have been set up before a single piece of track was laid. A 2005 report made such a call for dedicated funding, and besides a DC bill that would have dedicated 0.5% of our sales tax to Metro, no action was taken. That's a failure of the region and something we need to remedy as soon as possible.

More relevant to today's hearing, the federal government, an equal partner in governing the system with 4 board members, should contribute \$300 million per year to the operating budget just like D.C., Maryland, and Virginia. They paid two-thirds of the cost to build the system and benefit more than most from an efficient transit system for their workers in the region.

These additional funds are necessary to operate the system safely. However, money alone doesn't fix a problem. That's why I'm encouraged that we have Paul on board. He's the kind of leader that will give us an honest assessment of the problems and roll up his sleeves to lead the recovery.

I've chaired of the District's Finance Committee since 1999 and worked tirelessly to ensure the resurgence of Washington, D.C. Much like the partnership I built with Mayor Williams to rebuild the District's financial base, we're building a team at Metro and are getting our house in order.

For our next fiscal year, 2018, WMATA will be facing an approximately \$150 million operating budget shortfall. Our 2017 budget, which we passed last month and will begin on July 1, 2016, was balanced with \$100 million of one time money. Additionally, our main labor contract is expiring this summer. The WMATA compact requires all labor contracts that are not agreed to by management and the union to go to binding arbitrary which could result in an increase of at least \$50 million in our labor costs for fiscal year 2018.

Given Metro's recent performance and continued loss of ridership, I do not support raising fares or cutting service. So this \$150 million must come from the jurisdictions.

Metro has essentially two sources of operating funds: \$900 million from the state and local governments and \$900 million from the fare box.

Metro's problems are similar to those faced by transit agencies, highway networks, and other infrastructure system across the country. After winning World War II, my parent's generation built our nation's infrastructure. Our generation took that infrastructure and has allowed it to go to wreck and ruin. It's not a legacy I want to leave behind. We should leave the system better than we found it.

For years, we've failed to act and it's left us with unpopular decisions and difficult options. However, if we fail to act now, and fail to adopt a regional funding source for Metro that produces \$1 billion per year and fail to secure a federal contribution on the operating side of \$300 million per year, Metro will remain a system that's maybe safe, somewhat reliable, and mediocre instead of the world class system that the National Capital region deserves.



**Jack Evans**, Chair, was appointed to the Metro Board of Directors as the Principal Director, representing the District of Columbia, in January 2015. Mr. Evans has served on the Council of the District of Columbia (Ward 2) since 1991. At the Council, Jack serves as Chair of the Council's Committee on Finance and Revenue, which oversees the District's finances and tax policy. He also serves on the Committee on Transportation and the Environment and the Committee on the Judiciary. Evans previously served as the Council's representative to the Board of Directors of WMATA from 1992-1999 (Board Chair, 1994 and 1997) and the Metropolitan Washington Council of Governments/COG (Board Chair, 1995). He received an economics degree with honors (cum laude) from the Wharton School at the University of Pennsylvania in 1975, and a law degree from the University of Pittsburgh School of Law in 1978.