

Washington Metropolitan Area Transit Commission

Fifty-Eighth
Annual Report
Fiscal Year 2018
July 1, 2017 through June 30, 2018



**Washington Metropolitan Area
Transit Commission
8701 Georgia Avenue, Suite 808
Silver Spring, MD 20910-3700**

December 14, 2018

To: The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Lawrence J. Hogan, Jr.
Governor of Maryland

The Honorable Muriel Bowser
Mayor of the District of Columbia

This report has been prepared in accordance with Title II, Article XIV, Section 5, of the Washington Metropolitan Area Transit Regulation Compact, Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990), *amended by* Pub. L. No. 111-160, 124 Stat. 1124 (2010) (amending tit. I, art. III), (codified at VA. CODE ANN. § 33.2-3000 (2018); MD. CODE ANN. TRANSP. § 10-203 (2018); D.C. CODE § 9-1103.01 (2018)), which provides:

The Commission shall make an annual report for each fiscal year ending June 30, to the Governor of Virginia and the Governor of Maryland, and to the Mayor of the District of Columbia as soon as practicable after June 30, but no later than the first day of January of each year, which may contain, in addition to a report of the work performed under this Act, other information and recommendations concerning passenger transportation within the Metropolitan District as the Commission considers advisable.



Jeffrey M. Lehmann
Acting Executive Director

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Commission Staff:

- Jeffrey M. Lehmann, Acting Executive Director/General Counsel
- Renee A. Bodden, Office Manager
- Christopher H. Aquino, Motor Carrier Safety Specialist
- Shanelle N. Hayes, Receptionist/Administrative Assistant
- Samama Muhammad, IT Specialist

IN MEMORIUM



William S. Morrow, Jr.
1952-2018

The Commission acknowledges 27 years of public service of William S. Morrow, Jr., who joined the Commission in 1991 as General Counsel and served as Executive Director from 2005-2018.

ABOUT THE COMMISSION

The Transit Commission has been licensing and regulating private-sector passenger carriers on a regional basis in the Washington Metropolitan Area since 1960 pursuant to the Washington Metropolitan Area Transit Regulation Compact, Pub. L.



Capital Transit Company Trolley - 1961

No. 86-794, § 1, 74 Stat. 1031 (1960), *as amended by* Pub. L. No. 87-767, 76 Stat. 764 (1962), Pub. L. No. 101-505, § 1, 104 Stat. 1300 (1990), *and* Pub. L. No. 111-160, 124 Stat. 1124 (2010)—an interstate agreement among the Commonwealth of Virginia, the State of Maryland, and the District of Columbia. Early in its history, the Commission primarily regulated mass transit bus and trolley operators.

That changed in 1973 when the Washington Metropolitan Area Transit Authority (WMATA) acquired the four mass transit bus companies operating in the area at that time. Today, carriers licensed by the Transit Commission include sightseeing, tour and charter bus operators; airport shuttle companies; wheelchair van operators (including those operating under the District of Columbia’s Medicaid program); and some sedan and limousine operators. The Commission also prescribes interstate taxicab rates for the Metropolitan Area.

In 1990, the signatories embraced economic deregulation in the Washington Metropolitan Area by amending the Compact to lower market entry barriers for carriers licensed by the Commission “while maintaining a regional approach to transportation and keeping those controls necessary for the security of the public.” This was accomplished chiefly by eliminating the need for hearings on applications for operating authority while preserving the Commission’s power to prescribe insurance and safety requirements.



Taxicab Queue at Ronald Reagan Washington National Airport

The 1990 amendments have succeeded in opening the Metropolitan District to competition as intended. Over 3,000 applicants have been conditionally granted WMATC operating authority since 1990. By comparison, only 176 carriers were granted WMATC operating authority in the Commission's first 30 years. While the Commission's mandate has evolved over the years, the Commission has remained a steadfast guardian of the public interest and is poised to carry out its mission well into the twenty-first century.

THE COMMISSIONERS

The Compact provides for the appointment of three Commissioners, one from each signatory. The Virginia member is appointed by the Governor of Virginia from the Virginia Department of Motor Vehicles, the Maryland member is appointed by the Governor of Maryland from the Maryland Public Service Commission, and the District of Columbia member is appointed by the Mayor of the District of Columbia from an agency with oversight of matters relating to the Commission. The following WMATC Commissioners held office in FY2018 and/or at the time of this report.



**Honorable Michael T. Richard (Maryland) (Chairman)
(Term Began May 2, 2016)**

Michael T. Richard was the WMATC member from Maryland in FY2018 and as of the date of this report. He was appointed to WMATC on May 2, 2016, by Governor Lawrence J. Hogan, Jr., and was elected Chairman of WMATC on December 8, 2017.

Chairman Richard has served as a member of the Maryland Public Service Commission since January 2016. Prior to that, he served as Deputy Chief of Staff to Governor Hogan, advising the Governor on a portfolio of issues and helping to manage cabinet agencies that included Agriculture, Energy, Environment, Lottery and Gaming, Natural Resources and Transportation.

Chairman Richard worked for more than 10 years at the Nuclear Energy Institute as Legislative Programs Director and Congressional Information Program Director. He then served in Governor Robert Ehrlich's administration as Deputy Secretary of Appointments and as Director of the Maryland Energy Administration.

In 2005, he was appointed to a post at the U.S. Department of Energy—first serving as Executive Director of the Secretary of Energy Advisory Board and later as

Deputy Assistant Secretary for Congressional and Intergovernmental Affairs where his issues included nuclear energy, radioactive waste management, and legacy environmental remediation. In 2008, Chairman Richard was hired by Westinghouse Electric Company as Director of Government and International Affairs. He rejoined Maryland state government in 2015.

Chairman Richard was elected President of the Organization of PJM States, Inc. (OPSI), and is a member of the Committee on Energy Resources and the Environment for the National Association of Regulatory Utility Commissioners (NARUC).

Chairman Richard earned his B.A. from Brigham Young University in Provo, Utah, and an M.B.A. from the University of Maryland, College Park. He attended a French language program at L'Université Laval in Québec City, Canada. Chairman Richard lives in Fort Washington, Maryland.



**Honorable Jeff Marootian (District of Columbia)
(Vice Chairman)
(Term Began August 4, 2017)**

Jeff Marootian became the WMATC member from the District of Columbia on August 4, 2017, when he was appointed to WMATC by Mayor Muriel Bowser. He was elected Vice Chairman of WMATC on December 8, 2017.

Vice Chairman Marootian is the Director of the District Department of Transportation (DDOT) where he has served since March 2017. He leads the agency in its mission to create a safe and sustainable transportation system for the District of Columbia and is responsible for delivering on Mayor Muriel Bowser's priorities to rebuild and modernize the city's public infrastructure; embrace innovation and technology to generate mobility options; and reduce traffic fatalities and serious injuries through a concerted Vision Zero strategy.

Prior to joining DDOT, Vice Chairman Marootian served as the White House Liaison and Assistant Secretary for Administration at the United States Department of Transportation (USDOT). He was a member of the leadership team whose achievements include launching the nationwide Smart Cities Challenge; advocating for and helping to secure passage of the FAST Act; and creating economic opportunity through transit and mobility initiatives in communities across the country. Jeff oversaw the 55,000-employee agency's business and management operations,

including workforce development and human resources, diversity, facilities, procurement and security. He was also USDOT's Chief Sustainability Officer and directed the implementation of President Obama's Executive Order on Climate Change and Sustainability and contributed to USDOT's strategy on electric and autonomous vehicles. He also played a key role in standing up the Build America Bureau to advance the use of public-private partnerships for infrastructure projects across the country.

Vice Chairman Marootian is an alumnus of the George Washington University where he also serves as an Adjunct Faculty member in the Trachtenberg School of Public Policy and Administration.



**Honorable Richard D. Holcomb (Virginia)
(Term Began July 21, 2010)**

Richard D. Holcomb was the WMATC member from the Commonwealth of Virginia in FY2018 and as of the date of this report. Commissioner Holcomb was appointed to WMATC on July 21, 2010, by Governor Robert F. McDonnell, reappointed on May 23, 2014, by Governor Terence R. McAuliffe, and reappointed again on January 15, 2018, by Governor Ralph S. Northam. He served as WMATC Chairman from October 14, 2016, to December 8, 2017.

In his capacity as Commissioner of the Virginia Department of Motor Vehicles (VADMV), he manages a state agency with a budget of over \$244 million and a statewide workforce of more than 2,000 employees. He oversees the collection of approximately \$2.8 billion in revenue annually, which funds a significant portion of the state's new roads, and highway construction and maintenance.

Commissioner Holcomb also serves as the Governor's Highway Safety Representative. In addition, he is chairman of the Virginia Motor Vehicle Dealer Board and a past chairman of the American Association of Motor Vehicle Administrators (AAMVA) international board of directors.

This is Commissioner Holcomb's second stint as the head of VADMV, which serves more than eight million customers each year and provides an impressive selection of service options to the citizens of the Commonwealth. Governor Northam is the fifth governor to entrust Commissioner Holcomb with the top post at VADMV. Prior to his 2010 appointment by Governor McDonnell, Commissioner

Holcomb was named VADMV Commissioner in 1994 by Governor George F. Allen and reappointed by Governor James S. Gilmore in 1998.

During his initial seven-year tenure as Commissioner at VADMV, Commissioner Holcomb revolutionized the agency to provide the ultimate in customer service, surpassing public and private sector service organizations. Under his leadership, Virginia became the first state in the world to offer secure online driver's license renewals.

During his most recent term as VADMV Commissioner, he has launched the robust DMV 2 Go mobile operations program. Four customer service centers on wheels provide all VADMV transactions at convenient locations such as military bases, corporate and government complexes, and senior communities. VADMV's mobile operations expanded in 2012 with the introduction of the DMV Connect program. A nationally-recognized program, six DMV Connect teams provide ID card services to incarcerated individuals prior to their release which contributes to Virginia's reduced recidivism rate. DMV Connect teams also serve customers at nursing homes and group homes.

A champion for customer service, Commissioner Holcomb's "one-stop shopping" philosophy led to the expansion of government services through partnerships with other Virginia agencies. VADMV customers can now apply for and receive Virginia vital records (e.g., birth, marriage, divorce, and death certificates), obtain E-ZPass transponders, purchase hunting and fishing licenses, and title and register boats at all VADMV customer service centers.

Commissioner Holcomb also believes that our dedicated military members who have given so much for our nation deserve every effort we can make to provide opportunities for their futures. He conceived the Troops to TrucksSM program, which provides testing, training, and potential career opportunities for military members after service. This outreach effort, recognized by the White House, is a collaboration between VADMV, Virginia military installations, and private transportation industry groups. The program helps provide employment opportunities to our military as truck or bus drivers, or in other transportation-related jobs after service.

Commissioner Holcomb formerly served as the General Counsel and Senior Vice President for Law and Regulatory Affairs for the American Trucking Associations, the national trade association for the trucking industry. In this capacity, he managed the in-house staff of attorneys and outside counsel on an array of complex legal matters such as corporate compliance, tax, employment law, election law, patents, copyrights, trademarks and anti-trust. He advanced the association's

interests through the court system, protected the association from legal action, managed legal defense through the interpretation of legal documents, and advised ATA leadership on legal and regulatory matters.

Commissioner Holcomb served as chief of staff to three members of Congress and as General Counsel to the U.S. Senate Judiciary Subcommittee on Security and Terrorism. He served as a law clerk for a federal judge and also worked in private practice.

Commissioner Holcomb holds an undergraduate degree in political science from Hampden-Sydney College and a Juris Doctorate degree from the University of Richmond School of Law. He is also a graduate of Virginia Commonwealth University's Virginia Executive Institute.



**Honorable Leif A. Dormsjo (District of Columbia)
(Term January 2, 2015 to August 4, 2017)**

Leif A. Dormsjo was the WMATC member from the District of Columbia at the beginning of FY2018. Commissioner Dormsjo was appointed to WMATC on May 18, 2015, by Mayor Muriel Bowser, effective *nunc pro tunc* as of January 2, 2015. He was elected Vice Chairman of WMATC in October 2016 and served in that capacity for the remainder of his term.

Commissioner Dormsjo served as Director of the District Department of Transportation (DDOT) from 2015 to 2017. Besides serving as DDOT Director, he also served on the Board of Directors of the Washington Metropolitan Area Transit Authority.

Commissioner Dormsjo previously served as Deputy Secretary of the Maryland Department of Transportation (MDOT) from 2012 to 2015. In this capacity, he oversaw a \$4.8 billion annual budget as the Chief Operating Officer for the 10,000-employee department comprising the Baltimore/Washington International Thurgood Marshall Airport, the Port of Baltimore, the Maryland Motor Vehicle Administration, the Maryland Transit Administration, and the Maryland State Highway Administration.

Prior to that, he served as Senior Advisor to the Maryland Transportation Secretary. In that role, he focused on advancing real estate, infrastructure and transit-oriented development projects. He led MDOT's public-private partnership program,

overseeing the Seagirt Marine Terminal, I-95 Travel Plazas, and Purple Line Light Rail projects.

Commissioner Dormsjo served as the Secretary's Chief of Staff from 2007 to 2010. He has significant experience in public-sector management, having served as the Chief of Staff for the Baltimore Department of Transportation as well as the Deputy Director of the CitiStat Program in the Baltimore Mayor's Office.

He received a bachelor's degree from Wesleyan University and a master's degree in public policy from Harvard University's Kennedy School of Government, with a concentration in transportation policy and urban affairs. During his graduate school study, he was selected to work with the Boston Public School System as a Rappaport Public Service Fellow. Early in his career, he interned with United States Senator Bill Bradley.



Pictured from left to right: Chairman Richard, Commissioner Holcomb, and Vice Chairman Marootian at the Washington Metropolitan Area Transit Commission meeting held December 8, 2017

DEVELOPMENTS & ACCOMPLISHMENTS

FORMAL PROCEEDINGS

The Commission accepted 267 applications to obtain, transfer, amend, or terminate WMATC operating authority in FY2018, up from the 229 accepted in FY2017. The Commission also initiated 172 formal investigations of carrier compliance with WMATC rules and regulations in FY2018, down from 178 in FY2017.

In total, the Commission issued 634 orders in 439 formal proceedings in FY2018, as compared to 616 orders in 407 formal proceedings in FY2017.

INFORMAL PROCEEDINGS

Commission staff processed 10 informal complaints against WMATC carriers in FY2018. This compares to 9 such complaints in FY2017. Commission staff processed 12 interstate taxicab complaints in FY2018, up slightly from 7 such complaints in FY2017.

Commission staff also initiated 38 informal investigations in FY2018, which typically involve minor or technical violations committed by WMATC carriers. This compares to 20 informal investigations initiated in FY2017.

CARRIER CERTIFICATES & VEHICLES

The Commission issued 81 certificates of authority in FY2018, including 2 by reason of transfer and 2 by reason of amendment. This compares to 96 issued in FY2017. The Commission revoked 78 certificates of authority in FY2018. Most were revoked for willful failure to comply with the Commission's insurance requirements. The Commission terminated another 37 certificates of authority in FY2018 upon request by the carriers.

The Commission reinstated 8 certificates of authority in FY2018. The number of carriers holding a certificate of authority at the close of FY2018 stood at 576—down from 606 at the close of FY2017, but still almost 6 times the 97 that held authority at the end of FY1990, before the barriers to entry were lowered beginning in 1991.

The number of carrier vehicles in service reported to WMATC in FY2018 stood at 5,337 as of June 30, 2018. This compares to 5,363 vehicles operated under WMATC authority as of June 30, 2017.

TRANSPORTATION NETWORK SERVICE

In 2015, the District of Columbia, the State of Maryland, and the Commonwealth of Virginia joined the growing list of states and localities that authorize a type of for-hire passenger transportation service whereby passengers are connected via a digital dispatch service with drivers operating vehicles without for-hire license plates. Such service is known as private-vehicle-for-hire service in the District of Columbia and as transportation network service in Maryland and Virginia. The Commission uses the term transportation network service, as well. In the Washington Metropolitan Area, Uber and Lyft have emerged as two prominent members of this industry.

In June 2016 the Commission amended the definition of bona fide taxicab service, set forth in WMATC Regulation No. 51-09, to specifically include transportation network service to the extent such service is conducted in vehicles with a seating capacity of 9 persons or less and affiliated with a transportation network company as defined by and duly authorized by Maryland or Virginia, or a private-vehicle-for-hire company as defined by and duly authorized by the District of Columbia. Transportation network service meeting this definition is exempt from the Commission's licensing requirements under Article XI, Section 3(f), of the Compact.

FINANCIAL INFORMATION

BUDGET

The Commission receives appropriations from the three Compact signatories: Virginia, Maryland, and the District of Columbia. The Commission allocates its expenses among the signatories in the proportion that the population of each signatory within the Metropolitan District bears to the total population of the Metropolitan District, based on the most recent census data available at the time the budget is proposed. Comparative budget numbers for FY2017 and FY2018 are as follows.

	Total Budget	
	<u>FY2017</u>	<u>FY2018</u>
Salaries	\$550,000	\$565,000
Benefits	160,000	156,000
Rent	89,000	92,000
Other	76,000	78,000
Total	<u>\$875,000</u>	<u>\$891,000</u>

Allocated Budget

	<u>FY2017</u>	<u>FY2018</u>
DC	\$139,038	\$143,095
MD	408,275	415,117
VA	327,688	332,788
Total	<u>\$875,000</u>	<u>\$891,000</u>

REVENUE

The Commission does not retain any of the fees, forfeitures, and other non-appropriations revenue that it collects. All such revenue is returned to the signatories according to the proportions used for allocating expenses. For FY2018, the Commission has to date returned \$174,050 in non-appropriations revenue to the signatories. This compares to \$201,716 in non-appropriations revenue returned for FY2017. After adjusting for the return of non-appropriated revenue, the net FY2017 and FY2018 allocated budgets, before return of unexpended appropriations, are as follows:

Net Allocated Budget

	<u>FY2017</u>	<u>FY2018</u>
DC	\$106,985	\$115,142
MD	314,154	334,027
VA	252,145	267,780
Total	<u>\$673,285</u>	<u>\$716,949</u>

