

Washington Metropolitan Area Transit Commission

Fifty-Ninth
Annual Report
Fiscal Year 2019
July 1, 2018 through June 30, 2019



**Washington Metropolitan Area
Transit Commission
1010 Wayne Avenue, Suite 1240
Silver Spring, MD 20910-5624**

December 17, 2019

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 (2019); MD. CODE ANN. TRANSP. § 10-203 (2019); D.C. CODE § 9-1103.01 (2019)), 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
Executive Director

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as of June 30, 2019

Commissioners

Honorable Jeff Marootian Chairman
Honorable Richard D. Holcomb Vice Chairman
Honorable Michael T. Richard Commissioner

Staff

J. Lehmann Executive Director/General Counsel
R. Bodden Office Manager
C. Aquino Motor Carrier Safety Specialist
S. Hayes Compliance Specialist
S. Muhammad IT Specialist
T. Crowe Receptionist

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 3,100 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 FY2019.



Honorable Jeff Marootian, Chairman

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 Chairman of WMATC on December 14, 2018.

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, 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. Chairman Marootian 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.

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, Vice Chairman

Richard D. Holcomb was appointed as the Virginia member 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.

Vice Chairman 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 Vice Chairman 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, Vice Chairman 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, Vice Chairman 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, eight 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, Vice Chairman 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.

Vice Chairman 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.

Vice Chairman 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.

Vice Chairman 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.

Vice Chairman 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 Michael T. Richard, Commissioner

Michael T. Richard was appointed as the Maryland member to WMATC on May 2, 2016, by Governor Lawrence J. Hogan, Jr., and served as WMATC Chairman from December 8, 2017 to December 14, 2018.

Commissioner 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.

Commissioner 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, Commissioner Richard was hired by Westinghouse Electric Company as Director of Government and International Affairs. He rejoined Maryland state government in 2015.

Commissioner 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).

Commissioner 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.



Pictured from left to right: Commissioner Richard, Vice Chairman Holcomb, and Chairman Marootian.

DEVELOPMENTS & ACCOMPLISHMENTS

NEW OFFICE LOCATION

The Commission moved its office from 8701 Georgia Avenue, Suite 808, Silver Spring, Maryland, 20910, to 1010 Wayne Avenue, Suite 1240, Silver Spring, Maryland, 20910, in FY2019. The new office is larger and offers a safer location for staff to conduct vehicle inspections. It is within close walking distance of a major commuter hub (Washington Metro rail station, Maryland Area Regional Commuter Train station, the Paul S. Sarbanes Transit Center, and a future Purple Line stop), near the intersection of major roads (Georgia Avenue, Colesville Road, and 16th Street, N.W.), and close to the Capital Beltway, while still centrally located within the Metropolitan District.

FORMAL PROCEEDINGS

The Commission accepted 207 applications to obtain, transfer, amend, or terminate WMATC operating authority in FY2019, down from the 267 accepted in FY2018. The Commission also initiated 163 formal investigations of carrier compliance with WMATC rules and regulations in FY2019, down from 172 in FY2018.

In total, the Commission issued 529 orders in 370 formal proceedings in FY2019, as compared to 634 orders in 439 formal proceedings in FY2018.

Among these proceedings, the Commission initiated and completed an interstate taxicab ratemaking proceeding in FY2019, approving an increase in the per-trip surcharge from \$2.65 to \$3.00 for each interstate passenger trip that begins or ends at Dulles Airport and is conducted in a Washington Flyer taxicab. In re *Petition for Amendment of Interstate Charges for Washington Flyer Taxicabs*, Case No. MP-2018-121, Order No. 18,156 (May 9, 2019).

INFORMAL PROCEEDINGS

Commission staff processed 9 informal complaints against WMATC carriers in FY2019. This compares to 10 such complaints in FY2018. Commission staff processed 21 interstate taxicab complaints in FY2019, up from 12 such complaints in FY2018.

Commission staff also initiated 4 informal investigations in FY2019, which typically involve minor or technical violations committed by WMATC carriers. This is down substantially from 38 informal investigations initiated in FY2018, largely as a result of vacancies in key staff positions that occurred in FY2019.

CARRIER CERTIFICATES & VEHICLES

The Commission issued 83 certificates of authority in FY2019, including 3 by reason of amendment. This compares to 81 issued in FY2018. The Commission revoked 81 certificates of authority in FY2019. Most were revoked for willful failure to comply with the Commission's insurance requirements. The Commission terminated another 30 certificates of authority in FY2019 upon request by the carriers.

The Commission reinstated 7 certificates of authority in FY2019. The number of carriers holding a certificate of authority at the close of FY2019 stood at 552—down from 576 at the close of FY2018, 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 FY2019 stood at 5,569 as of June 30, 2019. This compares to 5,337 vehicles operated under WMATC authority as of June 30, 2018.

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 FY2018 and FY2019 are as follows.

	Total Budget	
	<u>FY2018</u>	<u>FY2019</u>
Salaries	\$565,000	\$581,000
Benefits	156,000	168,000
Rent	92,000	103,000
Other	78,000	90,000
Total	<u><u>\$891,000</u></u>	<u><u>\$942,000</u></u>

	Allocated Budget	
	<u>FY2018</u>	<u>FY2019</u>
DC	\$143,095	\$152,981
MD	415,117	438,218
VA	332,788	350,801
Total	<u><u>\$891,000</u></u>	<u><u>\$942,000</u></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.

