

Washington Metropolitan Area Transit Commission

Sixty-Third
Annual Report
Fiscal Year 2023
July 1, 2022 through June 30, 2023



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

October 11, 2023

To: The Honorable Glenn Youngkin
Governor of Virginia

The Honorable Wes Moore
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 (2023); MD. CODE ANN. TRANSP. § 10-203 (2023); D.C. CODE § 9-1103.01 (2023)), 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, 2023

Commissioners

Honorable Michael T. Richard..... Chairman
Honorable Everett Lott..... Vice Chairman
Honorable Gerald F. LackeyCommissioner

Staff

J. LehmannExecutive Director/General Counsel
J. BrownOffice Manager
C. Aquino Motor Carrier Safety Specialist
S. HayesCompliance 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 3,500 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 during FY 2023.



Honorable Michael T. Richard, Chairman

Michael T. Richard was first appointed as the Maryland member to WMATC on May 2, 2016, by Governor Lawrence J. Hogan, Jr., and was reappointed on June 15, 2021. He was elected Chairman of WMATC on December 20, 2021, a position in which he previously served from December 8, 2017 to December 14, 2018.

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 is a past President of the Organization of PJM States, Inc. (OPSI) and currently serves as its Treasurer, 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 Everett Lott, Vice Chairman

Everett Lott was appointed as the WMATC member from the District of Columbia on February 10, 2021, by Mayor Muriel Bowser. He was elected Vice Chairman of WMATC on December 20, 2021. His term ended September 29, 2023.

Vice Chairman Lott was the Director of the District Department of Transportation (DDOT). Appointed to that position in January 2021, he was chiefly responsible for equitably delivering a safe, sustainable, and reliable multimodal transportation network for all residents and visitors of the District of Columbia. He brought more than 30 years of experience in administration, including budget and finance, grants, human resources, labor and employee relations, and facilities management.

Prior to joining DDOT, Vice Chairman Lott was appointed to the Senior Executive Service at USDOT and served as an executive with both the Federal Highway Administration and the Pipelines and Hazardous Materials Safety Administration. He served in other executive-level positions with the Health Resources and Services Administration and the United States Peace Corps. Vice Chairman Lott is an alumnus of Texas Tech University, where he completed his undergraduate and master's degrees. He is also a graduate of the Federal Executive Institute's Leadership for a Democratic

Society and has completed additional graduate studies at Harvard University's Kennedy School of Government. Vice Chairman Lott resides in Washington, DC.



Honorable Gerald F. Lackey, Commissioner

Dr. Gerald F. Lackey is the current WMATC member from the Commonwealth of Virginia. He was appointed to WMATC on June 29, 2023, by Governor Glenn Youngkin.

Dr. Lackey is the Commissioner of the Virginia Department of Motor Vehicles. He has more than 15 years of experience in collaborating with government agencies, customer groups, and Fortune 500 companies to develop winning strategies, optimize business processes, and deliver on strategic growth initiatives.

In his most recent role as VP of Business Optimization at GAF, the world's largest roofing manufacturer, Dr. Lackey led strategic growth projects and productivity efficiencies across the company. During his time at GAF, he built broad networks within the building materials manufacturing, distribution, and installation industry.

Prior to GAF, Dr. Lackey had deep relationships with manufacturing companies and energy-related public sector agencies as an Associate Partner at McKinsey & Company. His business acumen and transformation skills shine through his ability to identify winning strategies and mobilize people to turn them into value for customers and citizens. Some of these include launching a new paper and packaging company post an acquisition of equals, making significant and sustainable cost reductions in an international packaging company, establishing a lean operation program for a North American oil company, and driving an organizational transformation at a multi-state public utility.

Dr. Lackey's experience driving agile product development teams, designing lean shared service organizations, and leading strategic growth initiatives have made him a force multiplier in several organizations. He leads with a clear vision, strong passion, and inquisitive approach that brings out the best in those around him. He is deeply experienced in designing, planning, and executing complex value creation work streams with the input and oversight of boards, C-suits, and external partners.

Dr. Lackey received his bachelor's degree in Sociology and Spanish from Duke University and acquired his Ph.D. in Social Psychology from the University of North Carolina at Chapel Hill.

DEVELOPMENTS & ACCOMPLISHMENTS

FORMAL PROCEEDINGS

The Commission accepted 257 applications to obtain, transfer, amend, or terminate WMATC operating authority in FY 2023, a notable increase from the 174 accepted in FY 2022. The Commission also initiated 89 formal investigations of carrier compliance with WMATC rules and regulations in FY 2023, down slightly from 90 in FY 2022.

In total, 346 new formal proceedings were commenced in FY 2023, up from 264 formal proceedings in FY 2022. The Commission issued 455 orders in formal proceedings in FY 2023, as compared to 396 orders in FY 2022.

INFORMAL PROCEEDINGS

Commission staff received two informal complaints against carriers in FY 2023. This compares to four such complaints received in FY 2022. Commission staff processed 10 taxicab complaints in FY 2023, up from 3 such complaints in FY 2022.

Commission staff also initiated seven informal investigations in FY 2023, which typically involve minor violations committed by WMATC carriers.

CARRIER CERTIFICATES & VEHICLES

The Commission issued 82 certificates of authority in FY 2023, including 2 by reason of transfer and 4 by reason of amendment. This compares to 53 issued in FY 2022. The Commission revoked 21 certificates of authority in FY 2023. Most were revoked for willful failure to comply with the Commission's insurance requirements. The Commission terminated another 14 certificates of authority in FY 2023 upon request by the carriers.

The Commission reinstated three certificates of authority in FY 2023. The number of carriers holding a certificate of authority at the close of FY 2023 stood at 423, up from 379 at the close of FY 2022, and more than 4 times the 97 that held authority at the end of FY 1990, before the barriers to entry were lowered beginning in 1991.

The number of carrier vehicles in service reported to WMATC stood at 4,324 as of June 30, 2023. This compares to 4,351 vehicles operated under WMATC authority as of June 30, 2022.

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 FY 2022 and FY 2023 are as follows.

	Total Budget	
	<u>FY 2022</u>	<u>FY 2023</u>
Salaries	\$587,000	\$616,000
Benefits	189,000	190,000
Rent	118,000	122,000
Other	107,000	96,000
Total	<u>\$1,001,000</u>	<u>\$1,024,000</u>

	Allocated Budget	
	<u>FY 2022</u>	<u>FY 2023</u>
DC	\$166,266	\$163,978
MD	461,861	482,571
VA	372,873	377,451
Total	<u>\$1,001,000</u>	<u>\$1,024,000</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.

