

NATIONAL PRESS CLUB LUNCHEON WITH
WMATA GENERAL MANAGER PAUL WIEDEFELD

SUBJECT: THE STATE OF WASHINGTON, DC, METRO

MODERATOR: THOMAS BURR OF THE NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB HOLEMAN LOUNGE, WASHINGTON, D.C.

TIME: 1:00 P.M.

DATE: WEDNESDAY, NOVEMBER 30, 2016

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THOMAS BURR: [sounds gavel] Welcome to the National Press Club. My name is Thomas Burr; I'm the Washington correspondent for the *Salt Lake Tribune* and the 109th President of the National Press Club. Our guest today is the General Manager of the Washington Metropolitan Area Transit Authority, Paul Wiedefeld. I would like to welcome our Public Radio and C-SPAN audiences, and I want to remind you that you can follow the action on Twitter using the hashtag #NPCLive. That's #NPCLive.

Now it's time to introduce our head table guests. I'd ask that each of you stand briefly as your name is announced. Please hold your applause until I have finished introducing the entire table.

From your right, David Sparkman, writer and editorial advisory board member for *Material Handling and Logistics* magazine; Diane Saenz, formerly of the *Washington Post* and a freelance writer; Rod Kuckro, a reporter at E&E News; Roger Berliner, council vice president at the Montgomery County Council and chairman of the board of the Council of Governments; Martin Di Caro, transportation reporter at WAMU and Fox 5, and the host of the *Metropolocalypse* podcast; Jack Evans, WMATA's board chair and DC Council member.

JACK EVANS: Don't I get to speak?

MR. BURR: Not now. [laughter] Politicians always want to speak. Kasia Klimasinska, breaking news reporter for Bloomberg News and the chair of the Press Club Speakers Committee. Skipping over our speaker for just a moment, Pat Host, the assistant managing editor at Defense Daily and the Press Club member who organized today's

luncheon. Thank you, Pat. Marcia Wiedefeld, the better half of our speaker today. [applause] Jesse Rifkin, Congressional analyst for GovTrack Insider; Steve Dutton, senior manager for global communications at Deloitte; and Carol Morgan, formerly of the Environmental Protection Agency.

Thank you, all. [applause]

One year into his job as the General Manager of the Washington Metropolitan Area Transit Authority, Paul Wiedefeld is entering a critical period that could make, or break, the system. Faced with a \$275 million spending deficit for 2017, Wiedefeld proposed a budget that includes fare hikes and service cuts. And, in the worst case scenario, some stations would be closed on weekends, predominantly in minority communities in Maryland. Metro has also proposed eliminating some bus routes and scaling back services.

Wiedefeld also continues to deal with safety and transportation issues, ranging from red light running to unreported speed restrictions. Metro has reduced speeds on many portions of the track without announcing them, because those portions of the track are so degraded that the Agency is concerned about derailment damage that could result at full speed.

Metro's also in the midst of SafeTrack emergency repair program, an effort designed to cram three years' worth of rehabilitation work into one year. SafeTrack has crimped the ability of suburban riders, especially in Northern Virginia, to use the system. Maintenance challenges, including broken elevators and escalators, creates more distress for passengers, especially for those in wheelchairs or on crutches. MetroAccess riders also continue to see drivers arrive late.

Metro asked jurisdictions to cover the budget deficit, but faced resistance from Maryland and Virginia. Leaders there are skeptical because previous repair and upgrade campaigns, conducted under the past Metro manager, did not result in system-wide improvements, despite the costs.

Please join me in giving a warm National Press Club welcome to Metro General manager, Paul Wiedefeld. [applause]

PAUL WIEDEFELD: Thank you so much. With an introduction like that, who needs friends? [laughter] Thank you, Tom, I appreciate it.

Thank you all for joining me today. I really do appreciate it. I did want to give a special recognition obviously to the chairman, Jack Evans. Michael Goldman is also here from our board. Jim Corcoran and Paul Smedberg, I believe, are also here. And I also just want to thank them obviously for their time and effort, but they have had to step to the plate on some very difficult issues for them. I know I brought a lot of heat to them, and I apologize for that. But I think they do understand what we're trying to do here, and they've shown me their support. So I do appreciate that.

I also want to recognize some of the regional leaders here. Roger Berliner, thank you so much, sir, for all the work that you've been doing at COG and, honestly, as your role as councilman in Montgomery County in supporting of Metro; I do appreciate that. And also, I did see Delegate Korman here from Montgomery County, and Councilwoman Toles from Prince George's County. Thank you so much for coming as well.

And then, I just want to make sure that Washington Board of Trade also gets recognized and all the work that Jim Dinegar's been doing, along with Wash COG as they've been working through some of the issues that we're dealing with in terms of funding and governance. So thank you so much.

Today does mark my one-year anniversary; actually, today is the day of my one-year anniversary to Metro. When I arrived, there were a number of hard truths for the Agency, for the customers and for our stakeholders to basically come to deal with. Little did I know at that time that those hard truths would become even harder and more numerous as the year went on.

But regardless of the challenge, our response has been the same, which is basically: We find the root cause. We own it. And we tackle it head on. And that's what we do. Above all, we want to be candid and straightforward with our customers and with the stakeholders. And I think we've done that, and we will continue to do that.

Fortunately for me, and our customers, we've been able to assemble a topflight team from around the country, from both the public and private sector. And it's kind of interesting. When I first started this job, I was getting all kinds of people who wanted to come work at Metro; so, all kinds of résumés. It tended to be people that were either running away from something or wanted a nice place to land for some other reason. And I wasn't getting the type of caliber that I think we needed. And I think over time, I think by the examples we were showing, I think the commitment of the board, it showed that we are serious about what we're trying to do here.

And because of that, we were able to attract some very high-flight people. So I wanted to thank them. I see Joe Leader here, and Pat as well, who's our safety officer and our COO. And numerous others are here as well. So thank you so much for all you do. And they buy in to, obviously my three priorities, which are safety, service, reliability and fiscal management. And they've been doing a very good job to date. And I know they will in the future.

As I look back over the last year, I believe the board and the management team and the employees have a lot to be proud of, regardless of what Tommy just said. I really do. First and foremost, and it's been my number one top priority, is the safety culture is taking root at Metro. It is. I've seen it. It started, to be frank, when we shut the system down for the blizzard. And particularly frontline people were coming up to me and saying, Finally someone gets it. They understand the risk we put ourselves at the risk we're putting our customers at when we try to put our service in 24 inches of snow. It just does not make sense from a safety perspective.

Clearly, that point was further driven home in March, a week after I spoke here, I think, last time, when we shut down the system for the cable inspection. And again, I think that reinforced obviously to the customers, to our employees, and to the stakeholders that we do take safety as seriously as we should, and we will going forward.

Shortly after that, in late spring, we announced the SafeTrack program. Again, a very heavy lift. It is amazing to me to see the transformation that is occurring out there on the system. I know that you don't see it or feel it as much, but the reality is, literally the amount of work that we've done, it's just unbelievable, the quality of work that's been done. I like to put it this way, if I knew November 30th of '15 what I know today, I would have started the program November 30th of '15. And I know that we've had hiccups along the way, but believe me, those are extremely minor compared to what we were up against and what we're doing out there.

So I want to give our employees— again, they've been working through 100-degree days and in tremendous heat, and now they'll go into winter to do the work. They've been working literally 24/7 for weeks at a time. We were very fortunate to bring on Laura Mason — I see her — to run that program. Again, another topflight person that we were able to bring in to do that.

One of the things I've heard repeatedly— in fact I heard it this morning when I was out and met some people that were going down actually under the Potomac to inspect some of the tracks down there. And what they've said to me repeatedly is, We can do this work. We just need the time to get out there and do this and get this right. And we've been doing this piecemeal for years, if not decades. And this is not the way to do it, and they know it. And they know what it is right and they know what is wrong. And it's basically if you were painting a big office building, if you had to go in and paint half of a wall every night and then shut down and restart the next day, it just doesn't make sense. And that's the same way they feel — Just let me get out there and do the work and we'll correct it, and we can move on. So I'm very pleased with everything that they've been doing on that with the SafeTrack.

We've replaced all the Orange boots in our system. That's been an issue over the years. We've done that in all the underground systems, and we're wrapping up on the aboveground, which is much less of an issue. We've replaced all the porcelain insulators, which was an issue for us historically in terms of arcing insulators. We have done that.

The biggest thing that I've seen is our employees now are bringing up the issues, which is exactly what you want in a safety culture. So some of the speed restrictions you've seen, they're not coming from management. They're coming from the line people out on the system. And that's exactly where they could be coming from. Just about two or three weeks ago, we had a gentleman in our engineering field that basically raised an issue with the 4000-Series. And there was a certain test that we were not doing that we should have been doing for years, apparently. And he raised that issue; he literally raised it by one. By rush hour that day, we had pulled all those cars off the line. And that is exactly what we should be doing if we take safety serious. And we do.

Also, I've gotten literally hundreds of suggestions from employees, and they're reporting issues. And again, that is exactly what we want to see from our employees. I've personally met with just about every employee in some manner or another. I meet with all new employees. And I stress the safety culture and I put it to them in the most simplest terms I can think of, which is I ask them: Just think of the most vulnerable person in your life, the most vulnerable person in your life, whether it's your child, whether it's your parent, whether it's your partner, it doesn't matter who it is. Your job is to keep that person safe. And you come to work every day and that's the way you should be thinking. And I think that is— I *know* that's the way that they think. And we will continue that.

In terms of service reliability and customer service, the second priority for the team, we've accelerated the delivery of the 7000-Series cars. Last year this time, we were getting eight cars a month. We've gotten that up to 20 a month, working very closely with our team in Kawasaki to do that. That has now put 27 trains out into the field. And that deals with lots of issues. Obviously, they're a much better product. It deals with lighting. It deals with the communication system. It also gets the 1000-Series off the line sooner, and they are the least safe vehicles that we have, and also the oldest; some of those being 40 years old.

We also instituted a grace period for our customers. Historically, we would basically charge a customer if they got on the system and there was some issue on the system. When they left and take the ride, they'd have to pay us. So we put a 15-minute grace period so if there's an issue, they can make the choice to get out of the system and not have to pay.

We've introduced a concept called "my trip time." And what that is, if you haven't done it, it's a great little product we put out there. You can register your smart card, if you have a smart card, and you can monitor your trip from whatever destination that you may have. So if you go from Union Station up to Woodley Park, for instance, we basically time what that should take you from the minute you tap in to walk down to the platform, you take the average of what the train should be there, and the time to walk, and when you tap out. And now you can monitor what was your actual experience compared to what it should be. So that is a great product, and I'll talk more about that in a minute.

We did introduce a new website that was particularly geared to mobile users and much more friendly to our customers in general. And we did that as a beta test and will go live with that in December. We also have been testing wifi at our stations.

And we've also introduced a concept that is very popular in the aviation community, which is basically volunteers to help customers get through the system. So we have 20 what we call Metro volunteer program MVPs. And they come out every weekend, basically, and help customers, particularly visitors to the region, just walk them through the system, how to deal with the fare bucks machine and things like that. So a very good program that was put in place, and we'll continue to build on that.

The third priority that I think we can all be proud of, of things that we've achieved, and some that I'm not necessarily proud of, but needed to be done, and that is on the fiscal

side. A big priority of mine is to increase accountability across the board. It starts with me, but every employee that works at Metro. One of the first things that I had to do was to educate those non-represented employees, those employees not represented by labor unions that they were at-will employees, that they were in managed positions, and they needed to perform to that level.

We also introduced a much stricter ethics and nepotism policy. We have had issues in that area, so we've set the boundaries for very clear for people to understand.

And unfortunately, I've had to do a number of terminations, either for professional conduct or work rules not being followed. And I don't like to do that, obviously, to impact someone's livelihood, but we all have to be held to a certain standard. And we're going to enforce that.

We've also had to deal with the budget realities. So for last year, or this current budget yet, unfortunately I've had to eliminate 500 positions; again, not a proud moment, but an action that needed to be done from a management perspective. And I'm proposing another 500 in the upcoming budget.

I've also reduced the health costs, some of the payments that we've been making for particularly the non-represented employees. Again, not necessarily the nicest things to do, but things that, again, just given the budget realities that we're up against, that we have to do.

And then, we have to focus on the core mission that we do. So we spent some effort on that. I'll just give one example. The reason we shut down the sales office – one of them is at Metro, if you're familiar with that one, we had five of them that we closed – it was a leftover almost of a different era, of how we used to buy tickets. And we were serving .003% of our passengers. So we've eliminated that function. And I think we have to do that across the board; we have to continue to look for things that just aren't core to our mission.

Our capital program: Basically, we had been projecting to spend about 1.2 billion a year on our capital budget. We were spending about 65% of that. That is not good for our jurisdictions because they are making financial commitments and decisions, expecting us to spend through those dollars and we haven't been doing that. Last year, we did come in at 85%. And in the current budget that I proposed last December, I basically reduced that to 950 million for the board to consider, but with one caveat; that is, if I can get this back in shape, we will come back for an amendment. And so, we did that about two weeks ago and we're now back up to \$1.2 billion.

And then finally, we did have a clean audit this year, an audit without new findings this year. And we had it on time. It's the first time in three years that we have done that. And I want to thank the chairman and Jim Corcoran for helping with that. [applause]

So these are just some of the things. But believe me, we have a very long way to go to turn Metro around. But I know we are on the rise.

One of the most rewarding aspects of this job, though, has been to meet people like you and other people and the passion that they bring for the system and for this region. And particularly the employees. So I've asked a number of my employees to come in, and these are the station managers, the people that run the ROC, the rail operations center, the bus operations center. I see my favorite custodian here from Union Station. Thank you for coming in today. [applause]

A number of these people have received recognition by our customers, but I've gotten to know them. Sometimes they see me seeing them, sometimes they don't. But they're always professional. They bring a certain pride to this organization. And it's the pride that we want to build on, and we will continue to build on.

So again, thank you for all you do. [applause]

Now turning to next year. The big message here is, I want our customers to know that I get it, that you get it, that we get it at Metro. That basically, very simply put, the safety of the system is a given. The customers, that's not something they want to focus on; that should just be a basic given and we know that. What they want is they want the trains to run on time and they want the buses to run on time. That's what they want. And that's what we're going to focus in '17 going forward.

It's interesting. We have talked to a number of our customers, both through surveys and obviously through other means. And what they say to me is that (a) a lot of them remember when it was a great system; they know it can get back there. But they're saying, Don't blow smoke. Just get it back to good first and then we'll go the next level. And they recognize that; they know what we're up against.

So in '17, we will be doing a number of efforts to get us back to good around three things. One, we'll obviously continue on the safety side of the house. We're going to put a much greater emphasis on customer experience, particularly with regards to reducing the number of delays due to track issues, the delays due to car issues, and then we're going to improve their environment, particularly in the stations.

Bus, we're also doing things like that, but what we're hearing from the public is particularly focused on the rail. So that's what we will be doing.

Finally, we also want to establish a number of customer-driven metrics around basically our basic performance and hearing from them what their point of view is on how we do it. And then I want to use that as the management tool for accountability. And you'll find more of that in the Back to Good, the details. But I just want to highlight a little bit more on each of those:

In terms of safety, again, it's always our number one priority. Tom mentioned that we have had an issue with red lights, for instance, red signal overruns. And we're moving with Pat's guidance to new technology to prevent them from happening. We're going to restrict our speeds on our cars so that they cannot do that, and/or over run speeds in general.

We're also addressing near misses of either our workers or inspectors that are on the line, creating technology that basically alerts those inspectors and those people on the line of an oncoming train. And more importantly, it alerts the operator of the train that there's someone on the track around the bend in front of them. So we will be doing that.

One that is very important for our customers is they want more telephone access in the system, cell phone access. We all now are linked to these things. And the minute that something, you don't feel comfortable, you turn to it. And unfortunately you can't do that if you're in between some of our stations. So by the end of the year, we will have the Red Line, the east side of the Red Line totally done so that you can do that. And the east side of the Blue Line and Silver Line from basically Metro Center east so that you can do that. And we'll continue to chip away at that issue for our customers.

In terms of customer service experience and improvements, to do that, basically we do have to focus on two major things, and that's the track-related issues and the issues with our cars. When SafeTrack ends in the end of this fiscal year, basically we will have, for the aboveground system, a system in a state of good repair. We haven't been there in a decade-plus, is the reality. We still have issues underground. If anyone's been from Dupont Circle up to Medical Center, you know of the moisture issues we have there. That's a longer-term issue. But we will have the aboveground system at a state of good repair.

And as we do that, and as we do the preventive maintenance that we will be doing, I proposed it in a certain way, but we have to do that preventive so we don't slip backwards. We anticipate cutting the number of unplanned customer delays due to track issues alone by 50%. So let me just repeat: We'll reduce the number of track delays, unplanned track delays by 50% as we continue to focus on the SafeTrack and then the preventive maintenance.

Cars is a whole 'nother issue. The issue is, either we don't dispatch the cars, or the ones we dispatch break down, which is even worse for our customers. And so, we're going to improve that. And here's how we're going to do that: One, we will be doubling the amount of 7000-Series cars that we have today into the system. That will basically represent about a third of our fleet during the peak periods. And that is a much better product. You've already seen some of that; most of you have probably experienced those as they've come on line. So we will be doubling that.

All eight-car trains will be 7000-Series by the end of '17 as well. We will be eliminating both the 1000- and the 4000-Series out of the fleet by the end of '17. Those are the most difficult ones to keep maintained and to keep running. In addition, Joe and his team have created a get-well plan, which he's going to talk a little bit more about at the board tomorrow in detail. But just to give you highlights: basically, it's to deal with the core issues of propulsion, braking, doors issue which cause offloadings and things of that sort, which drive people nuts. And we understand that.

So with that program, combined with the 7000 and the get-well program, we anticipate cutting unplanned customer delays to train car issues by 25% by '17. And we'll continue to improve on that.

Although unrelated to service reliability, another issue, again as I mentioned, is just the customer experience. So we're going to do a number of things on the station front. Right now, we clean stations on a cycle of once every four years. So we will be moving forward to all 91 stations annually. So we'll be starting that in '17. We are replacing our PA system. [laughter] We will be using a voice-to-text technology to do that, so you're not dealing with the different voice tones that we have coming out of the rail operations center and they can type in what the issue is and it comes across as a consistent issue.

Once we do that, it'll be kind of interesting. Then we'll see how bad our speakers really are. But rather than spend a lot of money on speakers, let's find out. Now we have a constant, and now we can go after that. So we'll be doing that in '17.

As I mentioned earlier, we will be eliminating the 1000s and the 4000s. But just to put that in perspective, every evening, imagine this whole fleet coming in, your jockeying this entire fleet. You've got to move the 1000s and the 4000s into the belly; they can't lead car, and the 4000s can't even be the rear of the car. And then you've got all these maintenance, either planned maintenance or unplanned maintenance you have to do on cars. So literally every night they have to jockey that entire mix. It's like three levels of chess that they have to do.

So what we're going to do is move to basically, after we move the 1000s and 4000s out, we use the same consist. So it'll be all 2000s together, all 3000s together, all 5000s, all 6000s. And what that does, that helps with the communication. Because part of the communication issue you have on the train is when you mix them. They don't work, the different technologies. So we'll be doing that.

And then finally, I will be assigning a senior member of my train to be a champion for a number of stations and to be held responsible for the overall condition of those stations, to cut across some of the stovepipes that do exist sometimes in an organization like this.

Finally, in terms of another initiative, another focus for us in '17, is what we're calling customer service metrics. Today, we use a number of metrics to sort of assess where we are. Some are for the board and some are internal. My favorite ones are mean distance between failures and mean distance between delays. I still don't know what they mean. It's a term that they keep explaining every time I hear it, and it needs to be repeated because it's just not in English to me.

So what we will be moving forward with is, I'm mentioned earlier, "my trip time." What we want to do there basically is create an app that allows you, similar to Waze or to Google, for instance, where you know what your trip is, and what's the real time it's taken to take that trip. And then you can assess, is there something going on, do I want to do

something else? Whatever, you'd have a feel for it. Or you can let people know what is going on.

So we are reaching out, and today I'm actually asking. We have a lot of technology people in this region. We're asking for their assistance to partner with us. We have a program in place, but we have a lot of smart people here that have gotten very engaged with the system, so I want to tap in to their talent and hope they will come forward and help us with that as we do that.

I can tell you right now, our score for that, if you go and look at your score, in effect we're hitting it about 68% of the time. So the trip is taking you five minutes and we're only doing that 68% of the time. So that is not good, and that's why we want that as the metric that we now can judge ourselves and the customer can judge how well we're performing.

We're also launching a new customer experience rating metric. We'll be doing that later today. Right now, we do quarterly surveys of our employees, scientific, a real survey that gives us a good sense of what's going on. But we have 34 factors. So we've reduced those to three, and we've combined a number of these things. And they're going to be around service reliability – what's important to the customer, to me – service reliability, customer service and their personal safety and security.

So service reliability – was the train within a reasonable amount of time there or not? Was the bus there or not? Customer service – how did our station managers, how did the bus operators, how do they interact with our customers. And obviously, personal safety – both in terms of police, in terms of just the feeling that they feel comfortable in our system.

So we will be doing that. We have been doing that. So we've created the first mockup of that based on the data we have. And again, the scores are not anywhere near where we need to be. They report our service reliability at 60%, our customer service at 79% – that you for employees that do that – and our personal safety and security at 70%. So we're going to combine that into one number, which basically gets us at, in effect, 70%. And that's going to be the metric that we use and that the customers are giving us to judge ourselves, rather than us coming up with some technical thing that is internal and just to our mindset.

So you will see that coming in '17. And we'll measure our progress the same way customers measure their experience. And all this is, again, sort of this getting back to good concept that I talked about.

So let me wrap up, because I see lots of questions coming in [laughter], with a few final points before I open it up for questions.

First, the safety improvements, the customer experience, you can find all that, more detail on that on our website with the Back to Good tagline, so you can see what some of the things we're talking about there in more detail.

Second, I am confident over the next year that we will improve the experience for our customers, and we're going to know it because they're going to tell us what their experience

is. It's not going to be us telling them; literally we're going to have data that shows that. And we're going to hold our people accountable for moving those numbers.

And then, third, from the riders, from the business community and all the jurisdictions, I just have profound appreciation for the support you've given me over the last year through some difficult times and some difficult choices and news I've had to bring to you. But I give you my full commitment that I will work as hard as I can to bring the system both back to good and to greatness as soon as I can.

So with that, I'd be glad to take any questions. [applause]

MR. BURR: Thank you, sir. And as you can guess, we do have a lot of questions, and we're going to try to get to as many as we can. But I wanted to start by asking you to briefly talk to us about some of the tough decisions you've had to make this year, specifically shutting down the entire system in March.

MR. WIEDEFELD: Sure. That decision can be thought of two ways. In some ways, it was clearly the most difficult decision that I've ever had to make in my career, spanning some 35 years. But it was also one of the easiest decisions. The difficult part of the decision was understanding the impact I was going to have on people that rely on us to get around, that literally have no other option. So that was extremely difficult. Clearly, the impact it would have on the economy and the region and, to be frank, even our reputation in the nation and the world crossed my mind.

All those were factors. And I took a little break, to be frank, before I made that final decision. I spent some time with my wife. Spoke to some other colleagues of mine that I had confidence in. And then it became the easiest decision I've ever made because it got down to who's the most vulnerable person in your life. It got down to that. And I could not get beyond that in terms of I couldn't get data. Not that people were hiding data; we just didn't know what we had.

So then it became a very easy decision from that perspective. It was a decision that had to be made very quickly. And in hindsight, I wish I had lots of time to warn people, but again when you have something like that standing in front of you, I think it's much wiser to go that way.

MR. BURR: Why did Metro underestimate the severity of the original SafeTrack needs?

MR. WIEDEFELD: I think it's a combination of issues there. I think one is, over time, there's been competing needs for— eventually our business comes down to time and money. So you need time to do work, and as some of that time has slipped away, that's impacted us. So in 1998, we had 25% more time than we do pre-SafeTrack to do maintenance, over time, that is done. And for lots of reasons, lots of good reasons; I'm not saying they're bad reasons, but it's just a fact.

And then the other is dollars. It takes dollars to do this work.

So I think the combination of those, over time, which then fed a culture of accepting what was out there, which then permeated throughout the entire organization. And that's exactly what we're wrestling to turn around.

MR. BURR: Briefly if you could talk to me a minute about how you're managing the prioritization of selecting the capital projects for WMATA and strategic initiatives.

MR. WIEDEFELD: Sure. Again, the first call was safety-related. Then very close to that is, what can we do for the customers. To the 7000 does both. Basically, it does away with the 1000-Series, which the NTSB said "you need to get those off the property as quickly as you can," which we are doing. But then it also provides a much better product.

So that is generally how we will continue to do this. The needs, like any major organization, whether it's road or education, the needs are always much larger than you ever have the dollars for. So you have to prioritize it around some of your core values of both the Agency and more importantly the region and the customers. And to me, it's safety and then it's the customer experience.

MR. BURR: So you've talked about 2017 a lot here, but Metro riders know, they hear these numbers and then it's three years down the road they actually see it. How many years do you actually think it's going to take to get through a lot of these goals you have?

MR. WIEDEFELD: I think we all have to realize we do have a 40-year-old system. It's aging by the minute. So there will be other issues that come along; there's just no doubt about that. But I think we can get to a state where basically we create where we were, very close to it, and then we maintain it. But it will take, again, time and money to do that. So I think at the end of the day, that is a regional decision that we have to make. But I'm not going to be shy about bringing it up.

MR. BURR: A question from the audience. The person wants to know, clearly previous Metro management failed to keep Metro in good condition. Has anyone been held accountable for that prior work, or non-work?

MR. WIEDEFELD: I think, without being too flippant, there have been a lot of very smart people that have come and run this Agency. People that have run major properties around the country, major organizations. They didn't all of a sudden get stupid here. So there are some unique challenges here that are there.

So I don't think you can point to any particular manager and say, Well, that manager had done something different. I think they dealt with what they had in front of them, just as I am.

But we are holding people responsible. And part of it is, to be frank, it has been management, and not only the executive management, but middle management. We've lost

touch with our frontline employees and basically getting them to buy in to what we're doing, listening to them.

So it's a combination of that. So there are times when, unfortunately, I've had to let people go. And there will be times unfortunately in the future we will do that. But that's not the goal. The goal is to get them to perform, all of us to perform at a higher level. And that'll be our focus.

MR. BURR: I'm curious. If you knew then what you know now, would you have taken this job? [laughter]

MR. WIEDEFELD: I look at my wife. [laughter] Yes, close your ears. No, this has been the greatest job that I've ever had the opportunity to do, both in terms of the people that I'm interacting with, in terms of the challenges that we're up against, in terms of what it means. To basically be able to touch, in effect, over a million people or a million passengers a day, that's a pretty unique opportunity. You don't get many of those in your lifetime.

MR. BURR: Let's talk about some of the plans you've made. In your worst case scenario you laid out previously, why were a majority of the proposed station closings east of the Anacostia River?

MR. WIEDEFELD: Sure. Just so you know, we did not propose that. What we did is, as any business, if you had a franchise of dry cleaners and you're looking at your numbers at the end of the year, one of the first things you would do is look at the numbers. And you would look at the lowest performing numbers. So that's what we did. We looked at it across the system, whether bus routes, whether stations. And so we looked at some of these stations, how often are they used and are there times that maybe we could shut some of those down for a portion of the time.

So we didn't apply that layer of analysis because it wasn't done that way. It was just to illustrate as you work through some of these things, that's one way to cut it. It was not what we recommended. But I think it was important for people to understand these are tough decisions that we're starting to wrestle with.

So one example, and I won't get into some of the ones in some of the communities you just mentioned, but Judiciary Square on a Saturday or Sunday. You're a block-and-a-half away from Gallery Place. Does it make sense to staff that for all the hours, or police that? Could we live with someone walking a block?

So those are the types of things we've got to wrestle with as we go forward, just given the financial realities we're under.

MR. BURR: Certainly there's a perspective though that a business has to provide something different than what a government has to provide. A business makes decisions on where profit is, but government has to serve the neediest of its citizens.

MR. WIEDEFELD: That's what we do. That's the business we're in. And the reality is that our financial structure reflects that. We only cover about 50% of our operating costs on the rail side, and we cover none of our capital, because that's what we're in; we're in the business of providing a public service. So we get all that. But I think also public servants need to come at it with a bit of a business sense, because at the end of the day, we are using other people's dollars to the tune of almost \$3 billion.

So I think it's my responsibility to make sure that I'm providing the best choices to the board and a basis for them to consider. Again, it's a policy decision that they have to weigh lots of things. But I think it's a disservice if I don't bring to them some of that to the table as well.

MR. BURR: There was a comment made by a councilman in the District – not the gentleman sitting next to me, but somebody else – about the Silver Line. Would you support canceling the Silver Line extension in Virginia and its suburbs if its suburbs don't contribute more money to Metro?

MR. WIEDEFELD: I'm not going to get into the specific comments, but I think it does raise the larger issue that we're all facing in this region. This is a \$40 billion capital investment that we have. It is key to the social fabric of this community. It's key to the economic development, both now and into the future. It is our alternative to traffic congestion. And it will only get worse as the population grows 20-25% in the next 20, 30 years.

So I think it does speak to, we need to, as a region, to come to grips with both the funding issues and some of the governance issues. And it's been kicked around for years, and I think just reinforces that.

I do not think we should stop the Silver Line. I think it's a great project. You can just go out there and see that's happening there. It's a great addition to the system. It is a regional project in nature. And that's what the system does. So I'm very supportive of it.

But I think it does speak to the larger issue that both the chairman and a number of people in the region have been wrestling with for a number of years, and particularly now.

MR. BURR: Speaking of the larger issue, do you believe that the WMATA Compact can be rewritten?

MR. WIEDEFELD: Again, I think that's a large policy issue that involves both the Congressional portion of our region, as well the local jurisdictions. And that's a tough one for them to work through. But again, there's been study upon study that has talked about the need to revisit that.

MR. BURR: This is for on the revenue side. New sources of revenue obviously are needed. Ticket fares, taxes, lump sum payments from jurisdictions nearby are not enough. What alternatives are you look at? And is there a possibility you could persuade some

jurisdictions to charge developers and commercial businesses that profit of being directly located near Metro stations?

MR. WIEDEFELD: To be frank, we don't need to look at them. They've been looked at before. I mean, the Washington Council of Governments has a number of studies that go through, whether it's sales tax or property tax or added value tax around development. So the numbers part is easy; we can do that in a half a day. We could generate the dollars on paper.

The real lift there obviously is getting the region to come to grips with it and make the hard decisions that they have to make. And that's complex obviously when you have four major players and you have some different agendas there. It was sort of rooted in the original Compact, so clearly that's I think something that you would want to consider as you go forward.

MR. BURR: Let's talk about the incoming administration for just a second. Now that Elaine Chao is going to be the transportation Secretary, do you foresee better chances for increased funding for the system?

MR. WIEDEFELD: I don't know. Unfortunately, I do not know her directly, so I'm looking forward to meeting her. But I think the larger issue there is both candidates ran on the need for major infrastructure investment. Any analysis that you would do would show that we would come pretty high up on that priority list.

So I will be very vocal in making that case, that, look, we have disinvested, like lots of other infrastructure in this country – you can think of airports and different things like that – but here we are in the nation's capital with all the visitors we have from around the world, and we have a system that we're not very proud of. And I think that's a disgrace.

MR. BURR: So you're not going to mandate that members of Congress have to take Metro or something to help? He's not answering that one. [laughter]

A couple union members in the audience wanted to know if there's an effort or will there be an effort to survey union members in a way that would be non-punitive to get their take on management.

MR. WIEDEFELD: Definitely. In fact, I know that our chief operating officer has met with the union organization. We have to break down that barrier, there's no doubt about it. I've been dealing with transit agencies for decades. And there is this culture of us/them between union members and management. And to me, I just think it just makes no sense. The reality is we're all together in this.

We're not a private business. We don't make money off of the workers. I don't get more money because of something. That's just not the way it works; that's not the model we have here. The model is, we're here together to deliver a product to our customers that

basically need something from a social service perspective in a lot of ways, and obviously from development perspective.

So I think we've got to look for opportunities to do that. It will take an effort on both of our parts. We have to step back from maybe some of the approach that we've been taking, but I expect also the union to step back from some of the approach they've been taking.

MR. BURR: Are you going to be able to forecast Metro ridership? Or could you talk to us about ridership over the next 12 to 15 months? And how does SafeTrack impact that rider level?

MR. WIEDEFELD: I can't predict numbers. What I can do is focus on what we control. When I was running BWI for a decade, we were going through things – SARS, if you remember, and the price of jet fuel and all these things that were driving the market crazy. And so, I said, Look, let's stop focusing on those issues. Let's focus on what we do. And what we did there was focus on, be the best easy-come-easy-go airport that we can be. And that's what we were going to do.

So that's the same thing we have to do here. Let us focus on what we do. I can't control the price of a gallon of gas. If it stays at two dollars, goes down to 1.50, goes up to five. But as those things change, the market changes. But what we can change is the delays that are caused by not maintaining, fixing and preventive maintenance on tracks. And we can fix the vehicles. So that's what we're going to focus on. And we're going to focus on our employees being more customer-centric.

MR. BURR: I don't know if you know the answer to this one, but I'm interested, what is the history of the fare for buses and subway in DC? And how does it compare to other jurisdictions like New York, LA?

MR. WIEDEFELD: I don't know the history. I'm sure there's quite a bit of history. Any time you talk fares, there is. But I think generally we are in the ballpark of the range, because you've got to look at– we've created a system that both charges for peak service and distance. And that's fairly unique in a lot of systems. But that was a policy decision made years ago. I know that the chairman has asked me to look at a flat rate. But there's a lot of dollars that move around on that, so that's a tough decision for the region to deal with, if they have to deal with that.

It has not been a big focus of mine right now, just given the other things that I have on my plate.

MR. BURR: Is there any legitimate talk of changing that from a distance-based fare to just a flat fee?

MR. WIEDEFELD: It arises, I think, probably on an annual basis.

MR. BURR: Another question from the audience. This person says they heard salaries among the highest in the country for Metro. How does the compensation for Metro workers compare with other systems?

MR. WIEDEFELD: Definitely you can pull out numbers and show cases where people are making very high money, there's no doubt about that. But when you think of our business, the transit industry, the way that the salaries – this is, I'm talking on the labor side of the house – the way that those salaries are negotiated, in effect you're negotiating across the country. So when we negotiate, we're being compared to San Francisco, LA, Chicago, New York. That's the way it works, and that's because when we get to binding arbitration, that's what comes to the table if we go to binding arbitration. So they can say, Well, look, here's where the other properties are. So we are in that framework.

Now, individually, through overtime, those numbers can go up quite a bit. So that's a different issue. And that to me is more of a management issue in terms of both the number of employees we have, how we are allocating the overtime, how we're allocating the service that drives overtime. So there's things there we can do to try to tamp that down as best we can, to spread it out more, which would bring down some of the individual salaries.

MR. BURR: Let's shift gears here a little bit. A lot of police got their new high visibility jackets. There seems to be, this questioner says, more police patrolling in the stations. How have the crime reports changed since that change?

MR. WIEDEFELD: The reality is, the crime in the system is extremely low. But god forbid you're the victim of a crime. And they get a lot of visibility. It's just natural; you're in a closed system, whether it's a car or one of the stations, and sometimes you're there with a few people. So I get it. I feel that as well. Anyone would. But I do know it's a very safe system and our police have done a fantastic job.

One of the first things that I did raise with our chief was, I had a moment of, not despair but frustration I guess, and I said to them, Chief, if we tried to camouflage our police officers better, I'm not sure we could do it. So we've got to do something about that, that's not acceptable. So he came out with that program. He's also moved a lot of people out from behind desks, for whatever reason, we had them there. So there is a much larger presence, and we'll continue that. But there will be spikes, there's no doubt about it. And there will be incidents, just like there are on the street of any community. But it plays out sometimes in our system.

MR. BURR: But do you believe it helped? Crime has gone down?

MR. WIEDEFELD: Well, the numbers are basically– yes, we have a goal and we're below that goal right now. But again, that will go up and down. Some communities we go through, we go through turf issues; all kinds of things play out in our system. But it's also interesting, we've had a number of cases where people run to our system for safety. So that's telling as well.

MR. BURR: What is Metro doing to reduce the bus bunching and improve the speed of bus boarding?

MR. WIEDEFELD: A number of things. On the bus bunching, as we all know, you get on some of these congested roadways and that's what happens. And it's not unique to here; it's in every transit system. So we're trying to do that in terms of allocating our resources a little differently. We monitor on the street to try to break that up.

In terms of boarding, we've attempted, several attempts to basically move to a smart card entrance. But there's certain parts of our community that just can't get there. They can't either afford to put a large amount of money on their smart cards, or they can't get to them conveniently because of where their neighborhood is. So that slows down the boarding because it takes time for people to put change in and stuff like that. Or load up their card.

So that's just a reality that we have right now.

MR. BURR: Are ridesharing companies like Uber or Lyft having any sort of impact on Metro's riders?

MR. WIEDEFELD: I don't have any data on that. But yes, I'm sure they do. Just as Bike Share has, just as some of the development has driven to better walking options. And again, those aren't things that I control. I think it's a plus. Because at the end of the day, people are going to make their trip however they do it and we will be part of that trip. We don't have to be the only trip they make all day, but we can be part of that. And I think that makes for a very healthy community. So we support it.

MR. BURR: Speaking of changes, there's been a lot of discussion around the future of mobility and how transportation will change. The idea of driverless cars is out there, for example. Do you have any thoughts on how these concepts might impact Metro in the future?

MR. WIEDEFELD: Right now, I'm not focusing on that. [laughter] I'm sure they will, but I think it'll be beyond my time.

MR. BURR: A questioner wants to know: When can we expect weeknight service to last past midnight like it used to before the hours were curtailed?

MR. WIEDEFELD: We have posed several options for the board to consider. One of those is actually to one a.m. on Friday and Saturday evenings. So we'll see what the board does with those recommendations.

MR. BURR: And would you spur and support an effort to have a rider representative on the WMATA board?

MR. WIEDEFELD: I think basically that's what the board members. I think they do reflect that. A number of them are riders. I'm a rider. So I think we get that. We do have riders advisory committee for general riders. We have one for the accessibility community.

They answer directly to the board as well. So we have that. Again, I think that's a board decision to do.

MR. BURR: Speaking of the board, would you support a requirement that WMATA board member and WMATA leadership ride the system on a weekly basis at a minimum?

MR. WIEDEFELD: Again, I think that's a decision for the board to make. I know they use the system. I talk to the members of the board. They do use the system. So I don't see where someone's coming to me and saying, I've never used the system, tell me what it's about. That's not what I find. In fact, I find the opposite. They come to me with the issues that they experience on the system.

MR. BURR: Another quick labor question: What is the status of labor negotiations with the Local 689, and what are some of the sticking points you're seeing with those negotiations?

MR. WIEDEFELD: Any labor negotiation gets down to three things at the end of the day. It gets down to the salary issues, the hourly rate issues, it gets down to benefits, pension, health benefits and things like that. And it gets to work rules. Every union I've ever dealt with, that's where it generally gets to.

So we're at the same place. Our contract was up the end of June, which is typical in the business. They can linger for two and three years before they're settled. So we will continue to meet with them. If we reach an impasse, we'll go to binding arbitration. But we're being positive and we'll continue to work that.

MR. BURR: An audience member wants to know why the 7000-Series trains, the new trains seem to be breaking down at a higher rate than the older cars.

MR. WIEDEFELD: That's not factually correct. There are some issues. If you need to have a new fleet, you're going to go through issues. But the performance of those are basically on contract. There's one element that is not, that we're working with them. But by and large, they are.

We've had issues. We had some software issues with the air conditioning, which we figured out. We had some issues where— think of that car versus a 1000; think of how loose a 1000-Series is. It's bouncing all over the place, right? These aren't. These are very tight and very sophisticated cars. So we were having issues literally with the power shoe hitting the third rail because it's not flopping around; it's new.

So we'll work through all those, but that is a very good product.

MR. BURR: Why do the Yellow trains continue to stop at U Street at rush hour and not continue through?

MR. WIEDEFELD: Dan will have to help me out on this. I don't know all the details on this. It's basically to make sure that we can get them back and forth, to keep that level of service for the rest. If we keep taking them further, it basically reduces the overall availability of the service.

MR. BURR: Another question from the audience: Why do the info boards at every Metro station often display incomplete or inaccurate information?

MR. WIEDEFELD: I'm not sure what you're referring to there.

MR. BURR: I think they're talking about "Green Line train in seven minutes" when it's actually nine minutes or 12 minutes.

MR. WIEDEFELD: Oh, right, that's a good one. Because I think people— we now are so used to GPS just telling us almost instantaneously. That's not what we have here. It's a model that models and predicts what it will be. It does not monitor the actual movement of the train. So that's the issue there. So we are moving towards that. We're looking at whether we can get the 7000s something on those. When we get the cell phone coverage or that ability in the tunnels, that will give us an opportunity to get real data information. But right now, it's— I can't remember the mathematical term, but it's basically a mathematical equation that's predicting it.

MR. BURR: I didn't actually know that. You taught me something. What aspects of Metro's operations are you open to privatizing, in addition to MetroAccess?

MR. WIEDEFELD: I think, again, privatization isn't a bad word, it's not a good word; it's just another tool in the tool box. So if there's opportunities where we can produce a better product cheaper, then we should look into that. And so, I will do that regardless of where that leads. It's not to do at the expense of labor. In fact, I can't do that under federal law. But I think as, again, a \$3 billion business, we have to constantly think of other ways that we can do things.

MR. BURR: Would you support encouraging murals or other art projects on subway walls or in subway stations? For example, the Moscow subway is often looked at as very beautiful with chandeliers, paintings, murals.

MR. WIEDEFELD: I guess I do have a bias there. I think we do have iconic stations. I think, now, they're not clean; it's one of the things we want to do this upcoming year. But you can show that photo anywhere in the world and you know it's DC, it's the DC Metro. And I think it is a jewel for us. I was recently in Barcelona, and they've got signs and flashing lights and boards everywhere, selling me everything. And it's a different product. And I think the concept was good. Now, we've obviously tweaked that a little bit; we've put in some electronic signage down there and advertising. But I think it's a delicate balance because I think we really do have quite a system there.

MR. BURR: Another question from the audience: What are the chief obstacles to making Metrorail's operating schedule consistent?

MR. WIEDEFELD: It's the two things we're going to be focusing on – getting the track to perform so we don't have to get out there and basically disrupt the service while something's going on. And the other is to make sure that once (a) that we put a car out, and once it's out it does not break down.

MR. BURR: And do you think free transportation, such as the Charm City buses in Baltimore or the trolley down King Street in Alexandria will come to DC?

MR. WIEDEFELD: Don't know. I'm sorry, I haven't been focusing on that part.

MR. BURR: You have the trolley of course on H Street, but that's not part of Metro.

MR. WIEDEFELD: That's right. [laughter] I've got my own issues, thank you.

MR. BURR: Getting down towards the end of the questions, but I want to ask this one, too. Why does Metro continue to focus SafeTrack work in the suburbs when the bulk of the use of Metro is in the downtown core?

MR. WIEDEFELD: That's a great question. Because what we've been doing with SafeTrack is dealing with basically ties, wooden ties, that are 20 and 30 years old in some cases, that literally, when I went out there and saw some of those ties, I could pull the spike out of the rail. And so, that's why we've been focusing on that. It's a much different system in the tunnels. Basically it's either on a slab or it's on concrete so the wear and tear is totally different there. There are issues there, as I mentioned, the Red Line, there are floating slabs that we have that at some point will need work, for instance. But primarily we've been focusing on those ties because they were the most dangerous for us going forward.

MR. BURR: Before I ask the last question, a quick reminder: The National Press Club is the world's leading professional organization for journalists, and we fight for a free press worldwide. For more information about the Club, please visit our website at *press.org*. That's *press.org*.

I'd also like to remind you about some upcoming programs. Tomorrow, the Press Club will host a forum on What the Press Got Right and Wrong in this year's election coverage with *Washington Post* media columnist Margaret Sullivan, Hillary Clinton campaign reporter Abby Phillips of the *Washington Post*, Republican National Committee's chief strategist Sean Spicer, NBC national correspondent Peter Alexander, and former Bill Clinton White House press secretary and Commission on the Presidential Debates co-chair Mike McCurry.

On Friday, we'll have James Murren, the CEO and chairman of MGM.

I'd also like to now present our guest with a National Press Club mug. I believe you have a set of these now. [laughter]

MR. WIEDEFELD: Thank you so much. Appreciate it. [applause]

MR. BURR: One last question. And this is kind of a tough one. In 2008, Metro came out with special SmarTrip cards highlight the inauguration of the nation's 44th President, Barack Obama. Will Metro do the same for our 45th President, Donald Trump?

MR. WIEDEFELD: We will. We'll work with the transition team and see what we come up with.

MR. BURR: There you go. Thank you, sir. [applause] We are adjourned. [sounds gavel]

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