

Washington Metropolitan Area Transit Commission

Sixty-Fourth
Annual Report
Fiscal Year 2024
July 1, 2023 through June 30, 2024



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

September 17, 2024

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 (2024); MD. CODE ANN. TRANSP. § 10-203 (2024); D.C. CODE § 9-1103.01 (2024)), 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, 2024

Commissioners

Honorable Gerald F. Lackey Chairman
Honorable Sharon Kershbaum Vice Chairman
Honorable Michael T. Richard Commissioner

Staff

J. Lehmann Executive Director/General Counsel
W. Aluoch Assistant General Counsel
J. Brown 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 3,600 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 2024.



Honorable Gerald F. Lackey, Chairman

Dr. Gerald F. Lackey was appointed as the WMATC member from the Commonwealth of Virginia on June 29, 2023, by Governor Glenn Youngkin. He was elected Chairman of WMATC on September 29, 2023.

Chairman 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, Chairman 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, Chairman 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.

Chairman 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.

Chairman 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.



Honorable Sharon Kershbaum, Vice Chairman

Sharon Kershbaum was appointed as the District of Columbia member to WMATC on April 8, 2024, by Mayor Muriel Bowser.

Vice Chairman Kershbaum is the Acting Director of the District Department of Transportation (DDOT). She is a seasoned public sector administrator with extensive local and federal operations experience. Prior to DDOT, Vice Chairman Kershbaum worked as the Chief Operating Officer of the DC Department of Human Services. She previously served at the US Department of Treasury as the Deputy Assistant Secretary for Management and Budget, and also worked for the District Government during the Fenty Administration as a “CapStat” Program Manager in the City Administrator’s Office as well as the Deputy Chief Procurement Officer. Vice Chairman Kershbaum worked at Fannie Mae as Chief of Staff and Director in its Community Lending Division and for the City of Philadelphia as a Deputy Budget Director. She also served as Executive Director of Operation Understanding, a youth leadership development program with a mission to foster harmony and understanding between the African-American and Jewish communities in Philadelphia.

Vice Chairman Kershbaum has served as a Fellow with the National Academy of Public Administration since 2016. She received her MBA from the Wharton School at the University of Pennsylvania and her BA from the University of Pennsylvania.



Honorable Michael T. Richard, Commissioner

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.

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 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 and the Committee on Critical Infrastructure 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. Commissioner Richard lives in Fort Washington, Maryland.



**Honorable Everett Lott, Vice-Chairman
(Term February 10, 2021 to September 29, 2023)**

Everett Lott was the WMATC member from the District of Columbia at the beginning of FY 2024. He was appointed to WMATC on February 10, 2021, by Mayor Muriel Bowser. His term ended September 29, 2023.

Commissioner 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, Commissioner 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. Commissioner 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.

DEVELOPMENTS & ACCOMPLISHMENTS

FORMAL PROCEEDINGS

The Commission accepted 260 applications to obtain, transfer, amend, or terminate WMATC operating authority in FY 2024, a slight increase from the 257 accepted in FY 2023. The Commission also initiated 123 formal investigations of carrier compliance with WMATC rules and regulations in FY 2024, a notable increase from 89 in FY 2023.

In total, 383 new formal proceedings were commenced in FY 2024, up from 346 formal proceedings in FY 2023. The Commission issued 548 orders in formal proceedings in FY 2024, as compared to 455 orders in FY 2023.

INFORMAL PROCEEDINGS

Commission staff received eight informal complaints against carriers in FY 2024. This compares to two such complaints received in FY 2023. Commission staff processed 6 taxicab complaints in FY 2024, down from 10 such complaints in FY 2023.

Commission staff also initiated 17 informal investigations in FY 2024, which typically involve minor violations committed by WMATC carriers.

CARRIER CERTIFICATES & VEHICLES

The Commission issued 104 certificates of authority in FY 2024, including 1 by reason of transfer. This compares to 82 issued in FY 2023. The Commission revoked 46 certificates of authority in FY 2024. Most were revoked for willful failure to comply with the Commission's insurance requirements. The Commission terminated another 29 certificates of authority in FY 2024 upon request by the carriers.

The Commission reinstated nine certificates of authority in FY 2024. The number of carriers holding a certificate of authority at the close of FY 2024 stood at 460, up from 423 at the close of FY 2023, and almost 5 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 4,600 as of June 30, 2024. This compares to 4,324 vehicles operated under WMATC authority as of June 30, 2023.

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 2023 and FY 2024 are as follows.

	Total Budget	
	<u>FY 2023</u>	<u>FY 2024</u>
Salaries	\$616,000	\$675,000
Benefits	190,000	170,000
Rent	122,000	127,000
Other	96,000	104,000
Total	<u>\$1,024,000</u>	<u>\$1,076,000</u>

	Allocated Budget	
	<u>FY 2023</u>	<u>FY 2024</u>
DC	\$163,978	\$169,787
MD	482,571	509,357
VA	377,451	396,856
Total	<u>\$1,024,000</u>	<u>\$1,076,000</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.

