**Suggested revenue stream: Increase peak-period fares and train frequency.**

In ongoing discussions over WMATA capital needs, funding, etc. there seems to be a possible solution that I’d like to get some more information on. My understanding is that while overall ridership is still down, rush-hour ridership is near historic highs. Here’s what I’d like to suggest:

* Decrease rush-hour headways on lines that are experiencing overcrowding to the old 6-minute, down from 8-minute.
* Increase rush-period fares to cover the increased costs.

I see multiple benefits to this.

* Rush-hour fare increases would seem to affect mostly those who are able to afford higher fares- folks with regular jobs and likely some sort of transit benefits
* Delays the need for traction power upgrades and other costly efforts necessary to provide all-8-car-train service
* Minimize customer reaction, since the fare increase would be directly attributable to providing improved service for those paying the higher fares.
* Negotiation for additional jurisdictional subsidies/funding would be helped if the “no fare increases” line is not there.

**Additional dedicated funding source:**

As an alternative to the regional sales tax or diversion of highway funding, we join others in favoring a system where station-area property is taxed to capture some of the advantages these properties gain from proximity to WMATA. This would capture revenues from [booming Metro-area development](https://www.washingtonpost.com/news/digger/wp/2016/11/04/developers-are-making-billions-off-of-metro-how-that-could-help-save-the-system/?utm_term=.11b4b09f4e45) and the federal government, and has recently been [endorsed by ATU Local 689 in their *WMATA: Fund it, Fix it, Make it Fair* position statement](http://www.atulocal689.org/uploads/4/1/1/4/41141827/fix_it_-_fund_it_-_make_it_fair_-__for_immediate_release.pdf). This type of a tax was [studied by the 2005 panel](http://www.mwcog.org/asset.aspx?id=pub-documents/9VpeWw20051109142424.pdf), revealing some interesting benefits.

*Access Fee—A per square foot charge on commercial and federal government property benefiting from the existence of Metro service, particularly Metrorail. Amounts attributable to federal property would be allocated against a proposed federal contribution towards WMATA needs…*

With respect to the property tax, it is noted that a tax on commercial property could serve well as a reasonable proxy for the relative benefits of Metro among the jurisdictions. It would be the easiest to apply administratively, since each of the jurisdictions has a property tax assessment and collection system in place. For their own reasons, each jurisdiction has the incentive to keep assessments up to date in an active real estate market. Extending this tax to federal and federally-mandated exempt property would require legislative action, but could be administered effectively. In addition, given the drivers of economic activity in this region, a good portion of the impact of this tax might well be “exported” to those corporations and institutions that benefit from their Washington outposts.

One of these sources could also be adopted to provide federal gap-closing revenues of $148 million annually. The property access fee would provide $148 million per year at a rate of $0.71 per square foot on all federal owned or leased space, as compared to the local fee of $0.52 per square foot. If this source were used for both federal and local revenue, equalizing the fee would probably be desirable.… With the exception of the access fee and the possibility of a charge on parking spaces under federal control, the other sources do not generate revenues attributable to a federal share, leaving the need for federal contribution to come from annual general fund appropriations….

In particular, the Panel notes that a proposed property access fee to be charged to federal facilities would generate significant revenues directly from those agencies and operations that benefit from Metro.