

**NVTC COMMISSION MEETING
THURSDAY, DECEMBER 1, 2005
NVTC CONFERENCE ROOM
8:00 PM**

NOTE: A buffet supper will be available for attendees before the meeting.

AGENDA

1. Minutes of the NVTC Meeting of November 3, 2005.

Recommended Action: Approval.

2. VRE Items.

- A. Report from the VRE Operations Board (with minutes of the meeting of November 18) and from VRE's Chief Executive Officer--Information Item.
- B. Extend Operating Agreement with CSXT--Action Item/Resolution #2002.
- C. Extend Operating Agreement with Norfolk Southern--Action Item/Resolution #2003.
- D. Changes to VRE Delegated Authority-- Action Item/Resolution #2004.

3. NVTC's Legislative Agenda for 2006.

NVTC's Legislative Committee will recommend an agenda of state and federal legislative actions.

Recommended Action: Approve the NVTC agenda recommended by the Legislative Committee and VRE's legislative agenda recommended by the VRE Operations Board.



4. NVTC's Senior Mobility Study Phase 1 Report.

Staff will present the findings to date of this year-long NVTC study. The draft final report of Phase 1 is nearing completion and has been reviewed by the multi-jurisdiction/agency technical committee. Phase 2 will begin soon.

Presentation Item.

5. The Case for Increased Funding of Public Transportation in Northern Virginia.

Staff will present material that has been prepared to inform members of the General Assembly.

Presentation Item.

6. WMATA Items.

A. Metro Board Digest for November, 2005.

B. Sale of Land at Vienna Metrorail Station.

Discussion Item.

7. Regional Transportation Items.

A. FY 2005 Transit Ridership Media Coverage.

B. NVTA 2030 Transportation Plan Update Public Hearing.

C. Hydrogen Fuel Injection Technology.

D. New Study on Federal Telework.

Information Item.

8. NVTC Financial Reports for October, 2005.

Information Item.

9. Notice of Public Hearing on NVTC's 2006 Work Program and Meeting Schedule.

NVTC will conduct a public hearing at its business meeting of January 5, 2006 on its proposed 2006 Work Program and Meeting Schedule.

Information Item.

10. Notice of Appointment of a Nominating Committee for 2006 NVTC Officers.

Chairman Ferguson has appointed the NVTC Executive Committee to serve as a nominating committee. The proposed slate of officers will be reported on NVTC's website and mailed to commission members prior to the NVTC meeting of January 5, 2006.

Information Item.

MINUTES

NVTC COMMISSION MEETING – NOVEMBER 3, 2005 NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Ferguson at 8:14 P.M.

Members Present

Sharon Bulova
Gerald Connolly
Adam Ebbin
William D. Euille
Paul Ferguson
Jay Fisette
Catherine M. Hudgins
Dana Kauffman
Elaine McConnell
Karen Rae
Scott Silverthorne
David F. Snyder
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

David Albo
Eugene Delgaudio
Jeannemarie Devolites Davis
Ludwig Gaines
Gary A. Reese

Staff Present

Rhonda Gilchrest
Scott Kalkwarf
Jana Lynott
Stephen Maclsaac (VRE)
Adam McGavock
Kala Quintana
Elizabeth Rodgers
Jennifer Straub (VRE)
Richard K. Taube
Dale Zehner (VRE)



Minutes of NVTC Meeting of September 1, 2005

On a motion by Mr. Connolly and a second by Mr. Zimmerman, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fisetta, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder and Zimmerman.

Northern Virginia Transportation Plan Update Survey

Ms. Lynott gave a presentation on the results of the telephone survey of 1,263 Northern Virginia adults. Respondents preferred road projects in some corridors but when asked in general about their preferred types of transportation improvements, 74 percent of all respondents picked transit as first (50 percent) or second (24 percent) most important, while roads and highways received much lower rankings (28 percent first and 23 percent second). These relative rankings held steady over all jurisdictions. While 66 percent of transit users ranked transit as their top priority, almost half (48 percent) of non-transit users also picked transit first.

Senator Whipple arrived at 8:18 P.M.

Ms. Lynott stated that for those survey respondents using the Route 7/Dulles Corridor, 71 percent said that extending Metrorail to Dulles was their highest priority or second highest priority (60 percent highest, 11 percent second highest). In response to a question from Mr. Connolly, Ms. Lynott stated that 358 Route 7/Dulles corridor users were questioned and by far the extension of Metrorail to Dulles project stood out in popularity compared to other projects in other corridors. She also reported that respondents reported their willingness to pay to construct the improvements they favored in the corridors in which they traveled. For those who chose extending Metrorail to Dulles as the highest priority project, 195 out of the 336 respondents said that they would be willing to pay on average \$2.10 per day for these improvements. Mr. Connolly observed that the survey shows that the Dulles project is very popular and people are actually willing to pay more for these improvements.

Ms. Lynott stated that the survey shows that transit is popular in all jurisdictions in the region. Mr. Connolly stated that this is important data to convey to the General Assembly. Chairman Ferguson suggested that staff compile a one-page summary for commissioners for use when they visit General Assembly members. Ms. Lynott stated that the full report has been sent to every General Assembly member. Chairman Ferguson stated that they might be more likely to read a one-page sheet. Ms. Lynott suggested reformatting the press release for this purpose. Mr. Fisetta cautioned that the press release shouldn't be misleading and suggested rewording the last sentence. Senator Whipple stated that she also provided copies of the report to the Senate Finance Committee.

Mr. Connolly observed that the results of the survey are a wonderful validation that the public supports transit. Chairman Ferguson suggested a press conference with an invitation to the Governor-elect to participate. Delegate Ebbin suggested timing it to the Governor's budget presentation or when news is slow, maybe between Christmas and New Years, to get better news coverage. Mr. Kauffman suggested providing the information to the START Senate Committee, as well as its House committee counterpart and the Northern Virginia General Assembly delegation. Mr. Connolly suggested that a small delegation of NVTC commissioners meet with editors of some of the newspapers, including the Washington Post, the Washington Times, and the Connection newspapers. Mr. Snyder suggested that the press conference combine this issue with dedicated funding for Metro.

Ms. Lynott then reviewed the NVTAlliance Survey of 500 Northern Virginia residents. The survey in some respects confirmed the findings of the NVT survey, but it also raised some questions with the way the survey questions were asked.

VRE Items

Report from the VRE Operations Board. Ms. Bulova urged commissioners to read the minutes of the September 16th and October 21st Operations Board meetings. Mr. Zehner reported that VRE's cumulative ridership for FY 2006 is down 1.4 percent compared to FY 2005. VRE staff attributes this decline in ridership mainly to the lack of on-time performance on the Fredericksburg line. Completion of the recent CSXT tie replacement project and other track improvements should ultimately help with on-time performance along this corridor.

In response to a question from Mr. Connolly, Mr. Zehner stated it is estimated that the increased cost of diesel fuel will be \$1 million over what VRE had budgeted for the fiscal year. Ms. Bulova explained that the Operations Board had lengthy discussions of ways to cover these costs, including a fare increase, increased jurisdictional subsidies, and other cost savings. Mr. Zehner has proposed several cost savings measures, including cutting back on some maintenance at stations, eliminating service on the day after Thanksgiving, and eliminating the late morning train on the Manassas line that has very low ridership. Ms. McConnell observed that Mr. Zehner did a good job of cutting costs that did not affect the majority of VRE riders.

Draft Gainesville-Haymarket Implementation Plan. Ms. Bulova explained that the VRE Operations Board recommends commission approval of Resolution #1093, which would authorize submission of the report prepared by Parsons Brinckerhoff to the Virginia Department of Rail and Public Transportation. DRPT in turn must submit the final report to the General Assembly by December 1, 2005. Also, VRE staff would be authorized to seek state Rail Enhancement

funding for a feasibility study to identify right-of-way needs, provide more detailed cost projections and complete ridership forecasts.

Ms. Bulova explained that the Operations Board debated the extent to which it should endorse or support the plan. The upper limit of estimated costs is \$281 million and that does not include any right-of-way for possible track improvements or concessions to freight railroads that may be needed. Further, there are \$50-60 million annually of unfunded VRE core needs. Ultimately the Board agreed on the language contained in Resolution #1093.

Ms. Bulova moved, with a second by Ms. McConnell, to approve Resolution #1093.

In response to a question from Mr. Connolly, Ms. Bulova explained that the action doesn't commit the commission to doing the extension, but allows the application to be submitted to the Rail Enhancement Fund to receive funding to do a feasibility study. Mr. Connolly expressed his concern on the impact of current passengers from an extension of service. He is reluctant to extend the system if current passengers now have trouble accessing the system because the trains are filling up in the outer jurisdictions. He asked that the study look at what an extension would do to ridership. Chairman Ferguson suggested that the study also look at skip stop trains. Mr. Zehner stated that these issues could be studied during the feasibility study and he reminded commissioners that the VRE Operations Board has made no decision on an extension.

Ms. Rae asked for a friendly amendment that the study be submitted without the word "draft." There were no objections.

The commission then voted unanimously to approve the resolution (copy attached). The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fiset, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Option for Locomotive Fuel Supply at Crossroads Yard. Ms. Bulova stated that the VRE Operations Board recommends commission approval of Resolution #1094. This resolution would authorize VRE's Chief Executive Officer to exercise the first option year of a contract with Quarles Petroleum for an amount not to exceed \$2,020,000 for fuel delivery. This amount reflects VRE staff's estimate of future costs during the option year.

On a motion by Ms. Bulova and a second by Mr. Connolly, the commission unanimously approved Resolution #1095 (copy attached). The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fiset, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

VRE Consent Agenda. Ms. Bulova moved, with a second by Mr. Connolly, the following consent agenda items:

- Resolution #1095: Contract for Mystery Shopper Services
- Resolution #1096: Option for Facilities Maintenance
- Resolution #1097: System Safety Program Planning
- Resolution #1098: Task Order for General and Administrative Services
- Resolution #1099: Task Order for Warehouse Management
- Resolution #2000: Renewal of VRE Line of Credit

The commission then voted on Resolutions #1095 - #2000 and they were approved. (Copies of the resolutions are attached.) The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Enhancement Application for Preliminary Engineering of Third CSXT Track. Ms. Bulova reported that the VRE Operations Board recommends commission approval of Resolution #2001, which would authorize VRE's CEO to submit an application for \$2.5 million to the Rail Enhancement Program for preliminary engineering and environmental analysis of 11.4 miles of a third track on CSXT's line. A 30 percent match is required which VRE expects to receive from the private sector.

Ms. Bulova moved, with a second by Mr. Connolly, to approve Resolution #2001 (copy attached). The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Award of Contract for GPS-Phone Automated Vehicle Locator System

Mr. Taube reported that NVTC has received \$199,500 from DRPT to develop a software program to automatically locate transit vehicles via GPS enabled cell phones mounted onboard. Customers would then have real time access to bus arrival information via an interactive voice response system. In response to NVTC's Request for Proposals, IBI Group provided a responsive and responsible proposal.

Mr. Connolly moved, with a second by Senator Whipple, to authorize staff to award a contract and give notice to proceed to IBI Group to develop and test the software program. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Authorization to Execute Sub-Grant Agreements with the Northern Virginia Regional Commission (NVRC) and Sole Source Consulting Agreement Amendments

Mr. Taube explained that NVRC is administering on behalf of VDOT two grant awards for NVTC projects. One is Phase 2 of the Senior Mobility Project for \$150,000. The second is corridor analysis for NVTA's 2030 transportation plan update for \$40,000. The commission is asked to authorize its executive director to execute two sub-grant agreements with NVRC. These agreements specify the terms and conditions by which NVRC will pass through the grant funds to NVTC from VDOT. Further, the commission is asked to authorize its executive director to negotiate and execute contract amendments with the consulting teams currently working on these respective projects. For the senior mobility study the group is WB&A/KFH and for the corridor analysis it is BMI-SG.

In response to a question from Mr. Snyder concerning these sole source contracts, Mr. Taube stated that both of these projects involve extending the work that is ongoing and given the close integration of the respective new scopes of work with the ongoing projects and the very tight completion schedules (December, 2006 and February, 2006), awarding these additional tasks on a sole source basis to the firms currently under contract is, in the opinion of staff, the only practical and practicable alternative.

Senator Whipple moved, with a second by Mr. Connolly, to authorize NVTC's executive director to execute the sub-grant agreements with NVRC and to execute contract amendments with WB&A/KFH and BMI-SG.

Mr. Snyder asked that before the contracts are awarded, staff receive an opinion from legal counsel concerning these sole source procurements. There were no objections to this friendly amendment.

The commission then voted on the amended motion and it passed. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fisette, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

NVTC Statement for the November 10th CTB Hearing

Chairman Ferguson reported that since he is unable to attend Mr. Connolly has agreed to present NVTC's testimony at the CTB hearing on November 10, 2005. Mr. Snyder requested that the testimony include the analysis of what a typical job in Northern Virginia throws off in terms of state sales and income taxes, to make the point that money invested in this region makes significant fiscal impacts in other parts of the state. Ms. Rae suggested including testimony concerning senior issues, including the Senior Mobility Study.

Mr. Snyder moved, with a second by Ms. Bulova, to authorize Mr. Connolly to present a statement on behalf of the commission at the CTB hearing. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fiset, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Request for Proposals for NVTC Copier Lease and Service

Mr. Taube stated that the five-year lease for NVTC's copier expires at the end of this calendar year. Staff requests commission authorization for staff to issue a RFP for lease of another copier together with a service contract and an option for color copying. After the proposals have been evaluated, staff will return to the commission at its December meeting for approval of the proposed contract.

Mr. Connolly moved to give the executive director the authority to evaluate the proposals and sign a contract so that this doesn't have to come back to the commission. Ms. McConnell seconded.

The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fiset, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

WMATA Items

Dedicated Funding Campaign. On October 3, 2005, a regional summit on dedicated funding for WMATA was held. Through the summit, WMATA aims to work toward regional consensus about dedicated funding and build on the momentum begun last year to identify dedicated funding options for Metro.

In the meantime, NVTC and NVTA have formed a joint committee to propose recommendations for action in Virginia. Mr. Connolly provided a summary of what was discussed at tonight's Executive Committee meeting with NVTA representatives including Senator Mims and Margaret Vanderhye. It was decided that the initial position would be to endorse a half-cent sales tax, half of which would be dedicated to Metro and the other half for other transportation projects. Senator Mims has offered his help on this legislation for the next General Assembly session.

Mr. Euille moved, with a second by Mr. Connolly, to support the joint committee's recommendations. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Euille, Ferguson, Fiset, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Snyder, Whipple and Zimmerman.

Vienna Metrorail Station. Mr. Connolly commended Mr. Kauffman and the other NVTC Metro Board members on the success of the hearing on the transfer of land at the Vienna Metrorail station.

Metrorail Seating. Mr. Kauffman reported that Metro will be conducting a pilot test project where seating will be reconfigured on 16 railcars three different ways. WMATA will seek customer feedback on each configuration. In response to a question from Ms. Rae, Mr. Zimmerman explained that it is a capacity issue as well as a customer comfort issue that is driving this pilot test project.

Legislative Items

Chairman Ferguson reviewed the success of the legislative tour of Northern Virginia sponsored by NVTC, VTA and PRTC. Several members of the General Assembly attended. Senator Whipple stated that Senator Hawkins, chairman of the START Committee, has expressed his willingness to come and do a similar tour and she suggested having a Senate Finance Committee transportation staff person come as well. Chairman Ferguson suggested doing it again in December. Mr. Connolly observed that there is no substitute for experiencing this region's traffic congestion firsthand.

Mr. Taube reported that NVTC's Legislative Committee, chaired by Mr. Connolly, is scheduled to meet on November 15th to develop NVTC's draft 2006 state and federal legislative agenda.

Mr. Taube also announced that Governor Warner has created the Commission on Transportation in Urbanized Areas to report by December 31, 2005 on recommendations for better integration of planning and transit options in Virginia's urbanized areas. Mr. Zimmerman is one on the 17 members of the committee. Mr. Connolly stated that he has been asked to join the committee. In response to a question from Ms. Hudgins, Mr. Zimmerman explained that the committee will look at the obstacles to good urban transportation, energy savings in relation to urban transportation, and land use.

Senator Whipple stated that she attended the VACO Transportation Committee where Secretary of Transportation Pierce Homer spoke about how in Virginia there has always been the commitment on the highway side that maintenance has to be funded first before new highway projects can be funded. Maintenance is eating up more and more funding. This commitment should also apply to transit, so that when buses need to be purchased, they are considered replacement and equate to maintenance on the highway side. She stated that this could be a helpful way to present it to the General Assembly.

Regional Transportation Items

FY 2005 Transit Ridership in Northern Virginia. NVTC staff has compiled FY 2005 transit ridership with the help of transit system staffs. The results are very encouraging with transit ridership growing. For example, local systems (excluding WMATA) have topped the 20 million annual passenger mark for the first time.

HOV Enforcement Task Force. Mr. Taube reported that the State Police had a successful enforcement campaign back in April, 2005. It was found that a large percentage of those cars pulled over were unmarked law enforcement vehicles.

Telework Response. Mr. Taube stated that Secretary of Transportation Homer has responded to NVTC's suggestions for telework. Secretary Homer stated that NVTC should consider serving as a "telecommuting board" for Northern Virginia. Mr. Connolly observed that it is hoped that the new governor will make telework a higher priority for the next administration. Ms. Rae stated that DRPT is looking at ways to implement teleworking for state employees in the Northern Virginia and Hampton Roads areas.

Coordination of Local Transit Systems in Northern Virginia's Public Transit Network. NVTC staff prepared this document in response to a request from a member of the General Assembly relayed through VTA explaining how all the transit systems work together to make up the regional system. Mr. Snyder asked staff to call together the local operators to coordinate their systems and make sure that all duplication of service is eliminated. For example, there could be better coordination between the GEORGE bus system, the ART system and Metrobus. Ms. Rae stated that NVTC may want to provide more details on how the different transit systems coordinate and provide it to Delegate Wardrup.

Columbia Pike Transit Alternative Analysis. This is a cooperative project between Arlington and Fairfax counties. A modified streetcar is recommended. Next, a financial capacity analysis and engineering review will occur in preparation for preliminary engineering and environmental review. Mr. Snyder asked for a more detailed presentation on this item at a future meeting.

NVTC Financial Reports for August and September 2005

The financial reports were provided to commissioners and there were no questions or comments.

NVTC Commissioner Resignation

Chairman Ferguson announced that Delegate Hugo has asked to be removed from NVTC in a letter to Speaker Howell dated June 16, 2005. No replacement has been appointed yet.

Adjournment

On a motion by Mr. Silverthorne and a second by Mr. Connolly, the commission unanimously voted to adjourn. Chairman Ferguson adjourned the meeting at 9:40 P.M.

Approved this 1st day of December, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer

NVTC Northern Virginia Transportation Commission

RESOLUTION #1093

SUBJECT: Gainesville-Haymarket Implementation Plan.

WHEREAS: In 2005, the General Assembly tasked DRPT with developing an implementation plan for the VRE Gainesville-Haymarket extension;

WHEREAS: Based on discussions with DRPT, the VRE Operations Board approved a task order for Parsons Brinckerhoff to undertake this plan to be provided to DRPT;

WHEREAS: The intent of the plan was to outline the necessary railroad infrastructure improvements and identify potential sources of funding for these improvements;

WHEREAS: Comments have been sought from the stakeholders and local staff; and

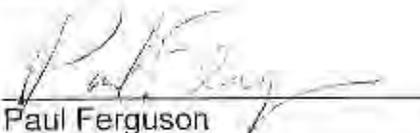
WHEREAS: The VRE Operations Board has recommended this action.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission supports completion of a full study for the Gainesville-Haymarket Implementation Plan, authorizes transmission of the plan to DRPT, and authorizes staff to apply for state Rail Enhancement funding for a full feasibility study.

Approved this 3rd day of November, 2005.



David F. Snyder
Secretary-Treasurer



Paul Ferguson
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #1094

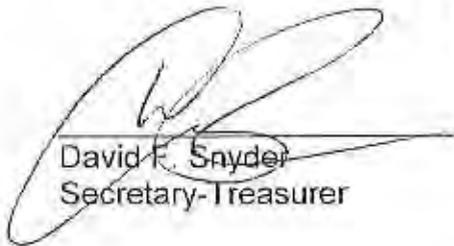
SUBJECT: Option for Locomotive Fuel Supply at Crossroads Yard.

WHEREAS: VRE awarded a contract for the provision of fuel to Quarles petroleum of Fredericksburg, Virginia in 2004; and

WHEREAS: The first year of this contract has been successfully completed.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to exercise the first option year with Quarles Petroleum of Fredericksburg, Virginia for the delivery of diesel fuel to the Crossroads Yard for VRE's locomotive fleet in an amount not to exceed \$2,020,000 for a period of no more than one year.

Approved this 3rd day of November, 2005.



David F. Snyder
Secretary-Treasurer



Paul Ferguson
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #1095

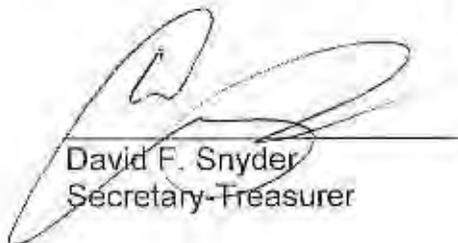
SUBJECT: Contract for Mystery Shopper Services.

WHEREAS: VRE is initiating a mystery shopper service to objectively evaluate all aspects of VRE service; and

WHEREAS: VRE advertised and received two responsive proposals for mystery shopper services.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to award the first year of a contract to Person to Person Quality/ADI Consulting of Alexandria for mystery shopper services at a price not to exceed \$394,800 over five years, with VRE's CEO to exercise up to four subsequent option years.

Approved this 3rd day of November, 2005.



David F. Snyder
Secretary-Treasurer



Paul Ferguson
Chairman



NVTC

Northern Virginia Transportation Commission

NVTC

RESOLUTION #1096

SUBJECT: Option for Facilities Maintenance.

WHEREAS: In June and July of 2004, the VRE Operations Board and commissions approved a five year facilities maintenance contract;

WHEREAS: The current base year of the contract will expire on October 31, 2005 and the next year option must be exercised; and

WHEREAS: An authorization of \$2,500,000 for the first option year is requested based on an increase in general station work expenses and additional maintenance responsibilities being added to the contract.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to exercise a one-year option on the facilities maintenance contract with NV Enterprises Inc. for an amount not to exceed \$2,500,000.

Approved this 3rd day of November, 2005.


David F. Snyder
Secretary-Treasurer


Paul Ferguson
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #1097

SUBJECT: System Safety Program Planning

WHEREAS: VRE's existing safety consultant contract expired at the end of 2004;

WHEREAS: These services are essential to meet FRA/APTA standards; and

WHEREAS: A RFP has been issued for VRE safety consultant services over a period of five-years, including a base year plus four one-year renewable options.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to enter into a contract with Kensington Consulting LLC of Kensington, Maryland for system safety program planning in an amount not to exceed \$375,000 for a period of no more than five years (a base year plus four, one-year options to be exercised at the discretion of VRE's CEO).

Approved this 3rd day of November, 2005.



David F. Snyder
Secretary-Treasurer



Paul Ferguson
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #1098

SUBJECT: Task Order for General and Administrative Services.

WHEREAS: VRE is utilizing general and administrative task order funds for engineering oversight for the new cab cars due to longer than anticipated negotiations on a separate contract for railcar oversight;

WHEREAS: Other components of the task order call for equipment failure evaluation, monthly progress reports, and other administrative services to ensure quality service to VRE; and

WHEREAS: Based upon pending work, this task order must be increased to provide coverage through the end of fiscal year 2006.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to increase the task order with STV, Inc. by \$395,000 for general and administrative service to a new total for FY 2006 of \$833,103.

Approved this 3rd day of November, 2005.



Paul Ferguson
Chairman



David F. Snyder
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #1099

SUBJECT: Task Order for Warehouse Management.

WHEREAS: Parts must be stored at VRE's outlying yards so that work can be completed on the equipment overnight;

WHEREAS: In mid-2004, VRE leased a warehouse for this purpose;

WHEREAS: This warehouse became not only a materials organization and storage facility, but a shipping, receiving, and purchasing location as well; and

WHEREAS: Amtrak originally intended to assume these responsibilities but has since opted not to do so.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to increase the task order with STV, Inc. by \$100,000 for management and operation of VRE's warehouse for a total amount not to exceed \$500,000 for FY 2006.

Approved this 3rd day of November, 2005.



Paul Ferguson
Chairman



David F. Snyder
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #2000

SUBJECT: Renewal of VRE Line of Credit.

WHEREAS: VRE's banking services contract with SunTrust Bank provides for a line of credit not to exceed \$1,000,000; and

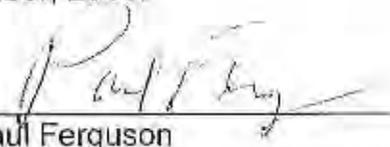
WHEREAS: This line of credit must be renewed on an annual basis.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to renew the line of credit with SunTrust Bank for an additional year.

Approved this 3rd day of November, 2005.



David F. Snyder
Secretary-Treasurer



Paul Ferguson
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2001

- SUBJECT:** Rail Enhancement Application for CSXT Third Track.
- WHEREAS:** DRPT has requested applications for funding using the recently established Rail Enhancement Fund;
- WHEREAS:** Various investigations and studies have documented the need and location for a third main line track in the Washington to Richmond corridor;
- WHEREAS:** The proposed VRE application to the Rail Enhancement Fund for a third track study would permit the design, preliminary engineering, and permitting for a 11.4 mile section;
- WHEREAS:** A third track would reduce delays due to conflicts between freight and passenger trains in the proposed corridor;
- WHEREAS:** The proposed section of third track is required for building a future Cherry Hill VRE station; and
- WHEREAS:** Improvements must be approved by the Corridor Task Force under the terms of a MOU between the commissions, DRPT and CSXT.

NOW, THEREFORE BE IT RESOLVED that, subject to CSXT committing to increased VRE passenger operations in return for the specified corridor improvements, the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to submit a \$2.5 million funding request to the Rail Enhancement Program as year one of a multi-year project totaling an estimated \$72 million for the preliminary engineering and environmental analysis of a third track on the CSX RF&P subdivision.

Approved this 3rd day of November, 2005.


Paul Ferguson
Chairman


David F. Snyder
Secretary-Treasurer



MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: November 23, 2005
SUBJECT: VRE Items

- A. Report from the VRE Operations Board (including minutes of the Board meeting of November 18, 2005) and from VRE's CEO--Information Item.
- B. Extend Operating Agreement with CSXT--Action Item/Resolution #2002.
- C. Extend Operating Agreement with Norfolk Southern--Action Item/Resolution #2003.
- D. Changes to VRE's Delegated Authority--Action Item/Resolution #2004.



Report from the VRE Operations Board and VRE's Chief Executive Officer

Minutes are attached from the VRE Operations Board meeting of November 18, 2005. Also attached is the report of VRE's Chief Executive Officer, including ridership and on-time performance data.

Rail Enhancement Fund allocations look very favorable for VRE based on DRPT's rankings of 36 projects. For FY 2006, DRPT placed VRE's \$0.7 million Gainesville-Haymarket study and \$2.5 million engineering for a third track from Powell's Creek to Arkendale in Tier 1. The remainder of the third track project (\$47.7 million) was spread over three years (FY 2007-9) and placed in Tier II. The Rail Advisory Board, chaired by Sharon Bulova, will issue its recommendations on November 30, 2005.



CHIEF EXECUTIVE OFFICER'S REPORT

November 2005

QUOTE OF THE MONTH

"To love what you do and feel that it matters – how could anything be more fun?"

-Katharine Graham-

RIDERSHIP

Average daily ridership in October was 14,974. This represents a slight overall decrease of 1.3% from the previous fiscal year. This can be attributed to the continued volatility on the Fredericksburg line, which ridership has dropped more than 3% during the extended CSX tie replacement work. On the other hand, the Manassas line continues to grow - rising almost 1.5%.

ANNUAL RIDERSHIP OVERVIEW	ANNUAL RIDERSHIP
VRE FY 2006 Passenger Totals	1,249,048
VRE FY 2005 Passenger Totals	1,265,985
PERCENTAGE CHANGE	-1.3%

As discussed below, the CSX tie replacement program has been suspended and Train #313 is back in service. The reinsertion of #313, alone, should add to the daily ridership numbers and begin to reverse this trend.

ON-TIME PERFORMANCE

VRE continues to face difficult challenges with on-time performance, in particular on the Fredericksburg line. System wide, on-time performance averaged 74.7% during the month of October, with the Fredericksburg line averaging 55.2% and the Manassas line averaging 88.1%.

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE October Fredericksburg OTP Average	55.2%
VRE October Manassas OTP Average	88.1%
VRE OCTOBER OVERALL OTP AVERAGE	74.7%

The tie replacement project was ongoing during the month of October and most of the delays on the Fredericksburg line are directly attributable to posted slow orders and train interference. However, CSX also experienced a number of other unrelated signal, switch and train problems that slowed VRE service on the Fredericksburg side. The combination of these factors accounted for the majority of delays as shown on the chart below.

October Train Delays	REASON	TOTALS	PERCENT
	Signal/Switch Failure	16	10%
	Slow Orders	43	28%
	M/W	7	4.5%
	Train Interference	61	40%
	AMTRAK	17	11%
	Freight	36	24%
	VRE	8	5%
	Mechanical Failure	12	8%
	Late Turn	2	1%
	PAX Handling	9	6%
	Weather	0	0%
	Crew Related	3	2%
Other	1	.5%	
TOTAL	154	100%	

UPDATE ON CSX TRACK WORK

The CSX tie replacement project has run beyond its originally scheduled completion date of November 2, with about 20% of the project remaining. Work was suspended November 3rd as the tie replacement gangs were previously committed to another project. Another “tie team” will be assigned to our service area and will begin work on Sunday, November 27th. They are expected to complete work on track 3 between Arkendale and Fredericksburg and remain on-site for approximately three weeks. As the majority of the tie gang’s work will be on the opposite track from what VRE uses, their presence may cause minor delays, but should not cause any significant disruptions to service.

On Monday, November 7, the FRC program returned to the 30-minute threshold and Train #313 returned to regular service.

ON-LINE FORUM

On Wednesday, November 2, VRE hosted another on-line forum with our riders. During that one-hour session, more than 200 questions were received and 47 questions were answered. The

questions covered a variety of issues, but the majority dealt with the change in service levels and the lack of on time performance. These monthly chats continue to increase in popularity and we will continue to hold them monthly.

The entire November 2nd forum is posted on our web site, along with archives from previous forums.

QUANTICO BRIDGE UPDATE

Construction of the Quantico Bridge is currently 35% complete. In order to minimize disruption of train traffic, VRE is currently coordinating between CSX and the bridge General Contractor (Abernathy Construction) regarding the scheduled track work to begin late next year. To date, the project is on schedule and budget.

FY 2006 BUDGET

As discussed at the last Operations Board meeting, cuts to the FY 2006 budget were required in lieu of a fare increase to offset rising fuel costs. The elimination of Manassas Trains #323 and #334 will take effect November 28, 2005. This service change is a cost-cutting measure that will reduce VRE's FY 2006 Operating costs by just over \$425,000. Service on the Friday after Thanksgiving is also being eliminated beginning this year, which will save VRE approximately \$32,000 annually. Other cuts include: terminating the lease of an older Amtrak locomotive; moving some railcar maintenance to outlying yards (saving \$396,000 this year and \$600,000 next year); and reducing afternoon station cleanings in order to save \$53,000 this year and \$80,000 next year. Passengers have been notified of these cutbacks, as well as the reason why they are necessary.

VANDALISM AT BURKE CENTRE

Some time after revenue service on Friday, November 4th, the Burke Centre VRE Station was severely vandalized. All three TVM's sustained physical damage, including broken screens and damaged MKV 's (the machinery that accepts the tickets). The platform and poster frames were "tagged" with spray paint and the glass wind panels were shattered. Two private vehicles parked at the station were also vandalized. The Fairfax County police are conducting an investigation and VRE is cooperating with them fully to help apprehend the individuals responsible for this malicious action.



VIRGINIA RAIL ENHANCEMENT FUND

VRE submitted two applications to the Rail Advisory Board for consideration at their November 3rd meeting in Richmond. One application was for the preliminary engineering of the Gainesville-Haymarket extension and the other is for the third track on the Fredericksburg line from Powells Creek to Arkendale. Both submissions received a positive review before the Board, and both applications will be forwarded to Director Rae and her staff to consider for inclusion on the final recommendation list that will go to the Commonwealth Transportation Board in December.

LEELAND STATION PARKING EXPANSION

On November 14th, Stafford County, in conjunction with Leeland Station LLC, will officially open a temporary parking lot at the Leeland Road VRE Station. The lot will accommodate 156 additional parking spaces. The lot was completely donated by Leeland Station LLC, so it certainly helps to preserve Stafford County taxpayers dollars for other uses in the community.

SMARTCARD UPDATE

Both Cubic and Scheidt Bachmann have signed the non-disclosure agreement. This is a huge accomplishment that brings VRE one step closer to an integrated farecard. Discussions on next steps are scheduled to begin before the holidays.

CSX MEETING ON PERFORMANCE

On November 4TH , VRE hosted a meeting with CSX officials to address a multitude of issues about performance on the Fredericksburg line. Jay Westbrook, along with the Division Superintendents that work VRE's track were attendance. The meeting included discussion of on-time performance, the pending conclusion of tie replacement work, the upcoming work by CSX forces on the Quantico Bridge, the design and status of the third track at L'Enfant and other miscellaneous issues of common interest. The meeting was very productive and is a testament to our continued good relations with CSX.

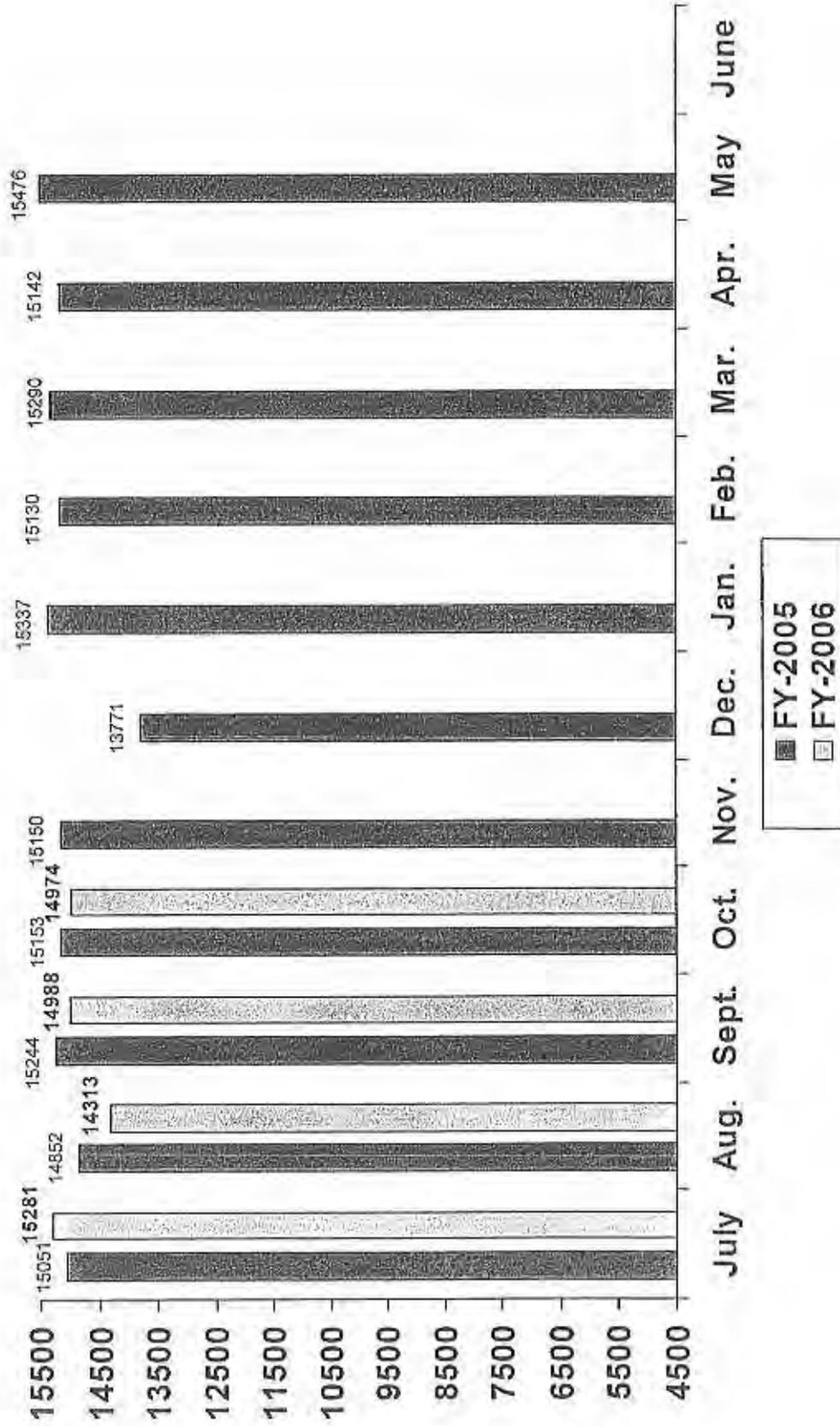
BROOKE PARKING UTILIZATION

In September, Brooke's parking lot was re-stripped to increase the number of spaces by 40%. This increase of 120 spaces has caused parking utilization at Brooke to drop from 96% to 85% overall. While VRE has hoping that this expansion would relieve some stress from the Leeland lot, it has not come to fruition as Leeland usage remains at 96%.

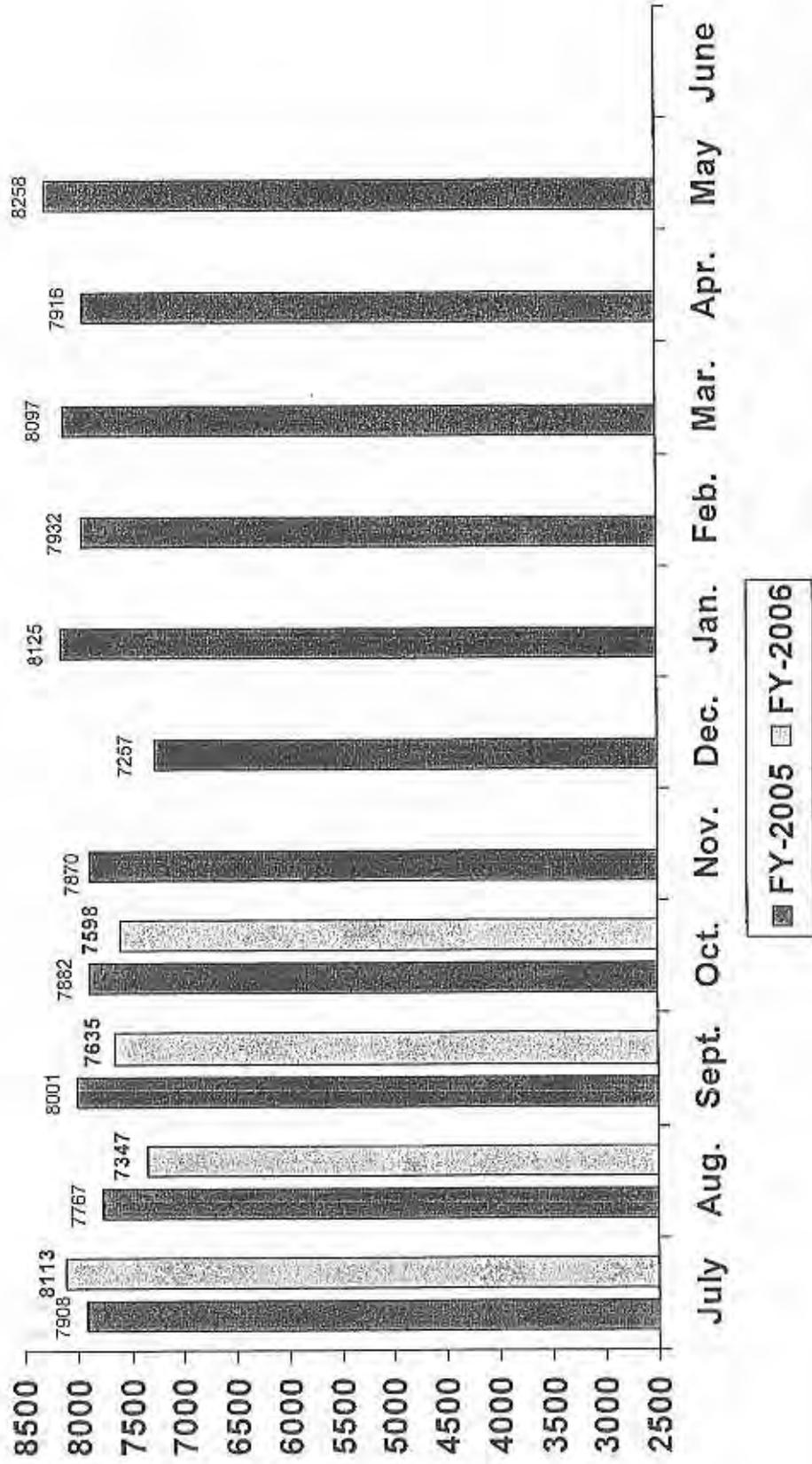
CHANGES MADE TO AMTRAK TOP MANAGEMENT

On November 9th, Amtrak's Chairman, David Laney, Esq., announced that the Amtrak Board of Directors released David Gunn as President and CEO. Chief Engineer David Hughes was named as Acting President and CEO. The Board will conduct a search to find a "leader who can more aggressively tackle the company's significant financial, management and operational challenges."

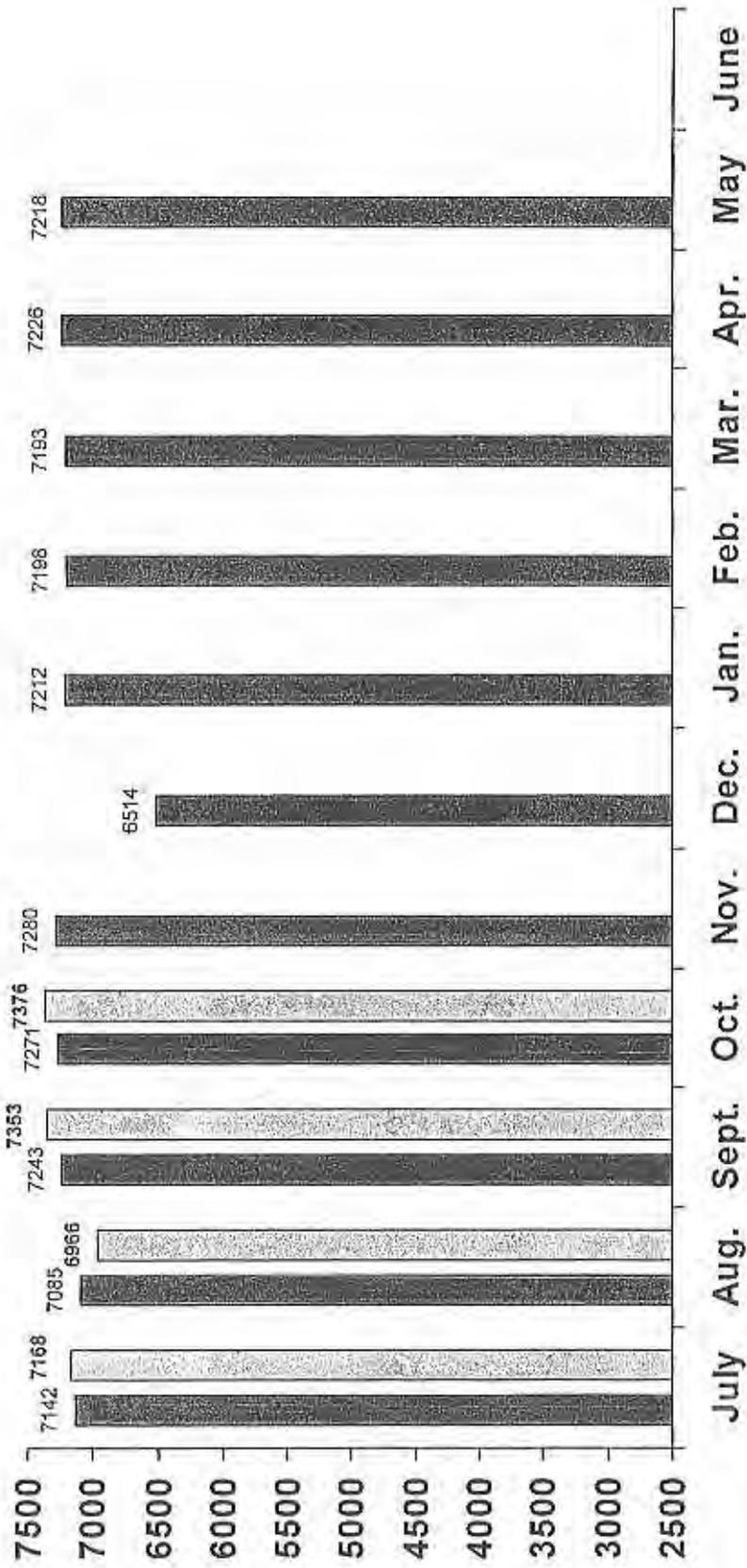
VRE Total Average Daily Ridership



VRE Average Daily Ridership Fredericksburg Line



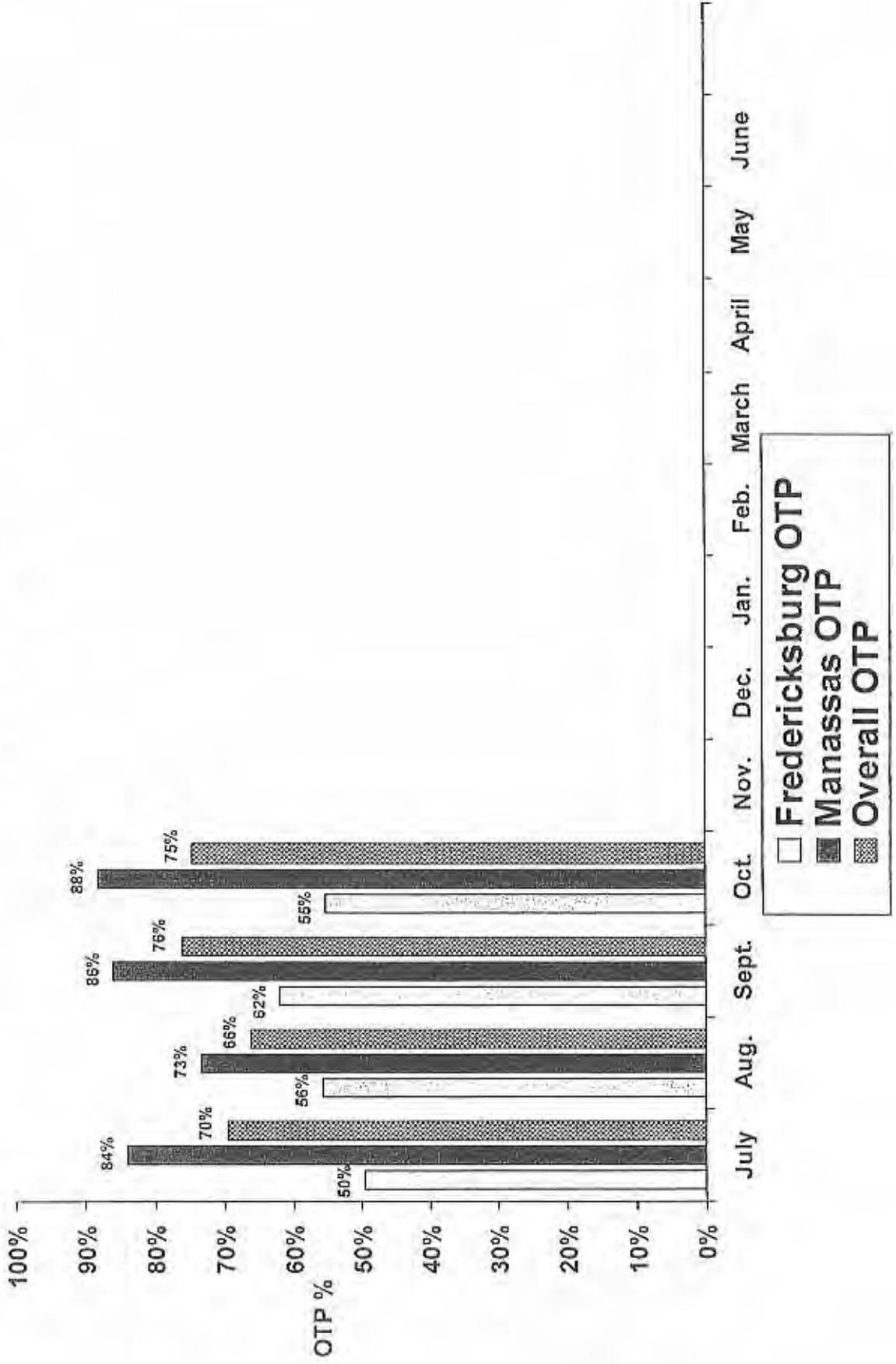
VRE Average Daily Ridership Manassas Line



FY-2005
 FY-2006

Average On-Time Performance

FY-2006



AGENDA ITEM 9-B
INFORMATION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 18, 2005

RE: PRESENTATION ON VRE LOCOMOTIVE FLEET

BACKGROUND:

Last month, VRE recommended terminating a locomotive lease as a cost-saving option. Some concern was expressed over losing a locomotive due to some of VRE's recent delays being caused by locomotive failures. In response to this concern, additional information on VRE's locomotive fleet and overhaul strategies is being provided.

SUMMARY:

VRE currently has 21 locomotives in its fleet. A lease with Amtrak is being terminated on December 31, 2005, and two Sounder locomotives must be returned to Seattle on or near July 2006 and December 2007. At that time VRE's fleet will consist of 18 locomotives, all owned by VRE.

VRE's daily operations currently require 14 locomotives. Normally, a system would carry two additional locomotives as shop spares. However, VRE carries up to six shop spares due to the age of VRE's fleet. There have only been three catastrophic failures in the past two years. All other enroute failures were corrected with minor repairs. All three of the heavy failures were related to failures of power assemblies (pistons, etc.).

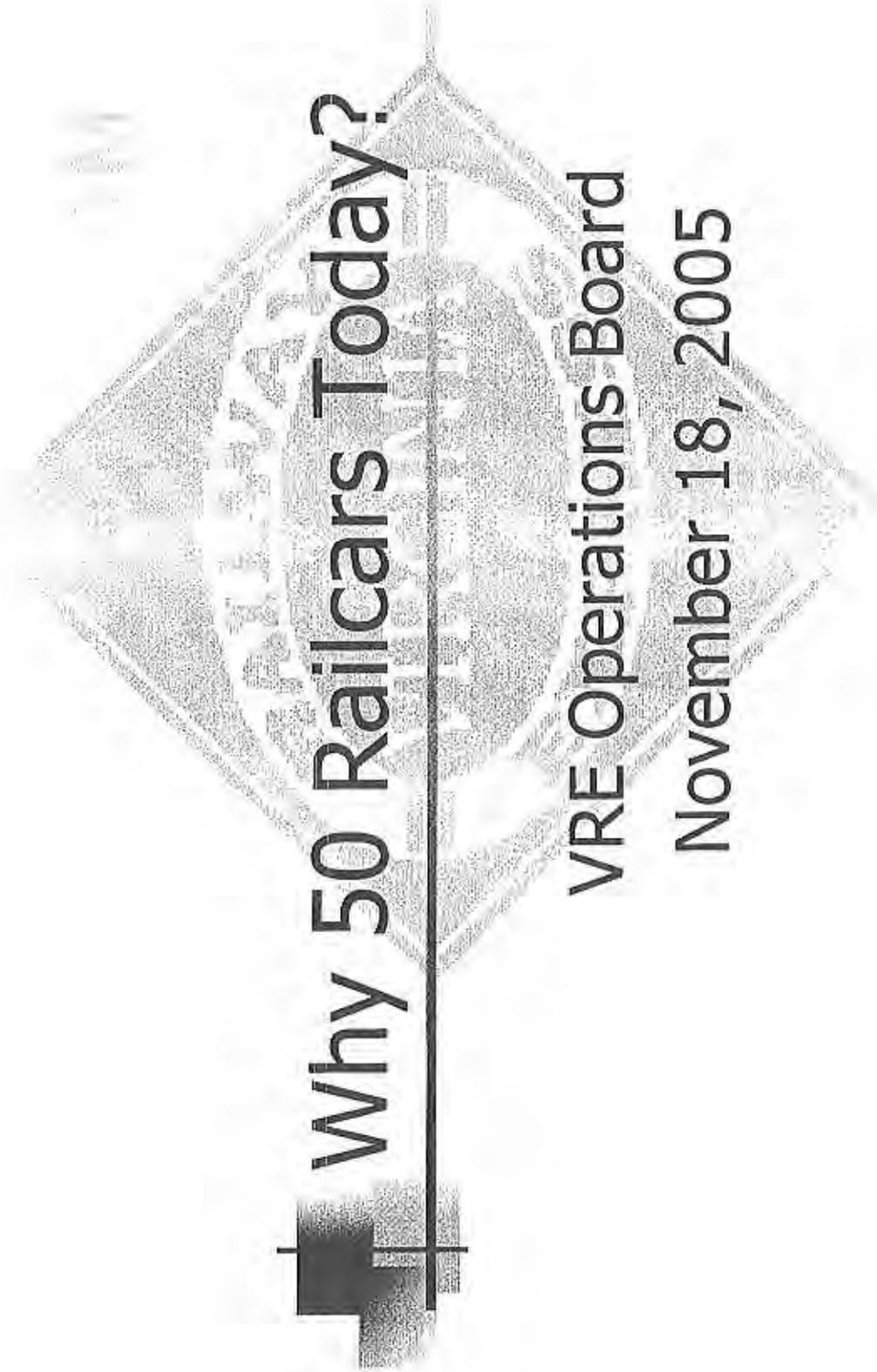
VRE is beginning a program to rebuild the “top deck” (replacing all power assemblies and performing other upgrades) on the 13 units not yet addressed. This program will remove one rotating locomotive from service for approximately 2 ½ years. Once this overhaul program is complete, the shop spare ratio for VRE’s locomotive fleet will be reduced to four, bringing the total locomotive requirement to 18. The table below summarizes VRE’s locomotive plan for the next two years.

	Locomotives Needed for Service	Protects	Shop Spares	Locomotives in Fleet	Total Needed
11/05	11	3	6	21	20
12/05	11	3	6	20	20
7/06	11	3	5	19	19
12/07	12	3	4	18	18

While this approach does not prevent failures in other major component systems of VRE’s locomotives, it does address the most likely failures. Increasing the rebuild program would involve mid-life rebuilds costing approximately \$500,000 per unit. The present approach is estimated at approximately \$150,000 per unit. VRE recommends the more modest approach because neither the horsepower nor the HEP capacities of the current fleet meet VRE’s projected demands.

Locomotive Type	Number of Units	Horsepower to Rail ¹	HEP Capacity	Top Deck Performed
GP-39	10	2300	425 kw	3-units
GP-40	5	3000	425 kw	0
F-40 ²	4	2300	800 kw	3-units
F-59 ³	2	3000	725 kw	New

1. Horsepower to Rail: the F-40’s have power-take-off type HEPs which divert approx 700 HP, reducing the effective HP from 3000 to 2300.
2. One currently leased from Amtrak - lease ending 12/31/05 and three leased from Rail World.
3. Two leased from Sound Transit – lease ending 7/1/06 and 12/31/07.



Why 50 Railcars Today?

VRE Operations Board

November 18, 2005

Purpose

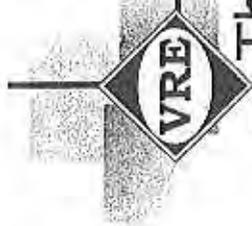


- Why the 50 railcars?
 - Timing and cost – very competitive
 - Cannot duplicate in the near future
 - Have present and future need - will need more cars in 2010-2012 timeframe as Metras are retired
- Financing Options – combination of state and debt funding
 - Funding from state - \$20M, would like \$40M
 - Very favorable FRA debt financing



Price and Timing

- Cost per car between \$2 and \$1.7 million - lower than our original estimate.
 - Kawasaki averaged \$2.2 million.
 - Taking advantage of economies of scale.
 - Are NOT assured same price at less than 50 cars.
- Delivery schedule meets our needs.
 - Must return Sounders December 2007.
 - Metra Galleries begin to become unusable around 2010.
 - Allows us to accomplish "UP, OUT, ADD."



Realistic Fleet Assumptions

- The 45 Metra Galleries are an inexpensive stop-gap
 - Not intended to be long-term solution - cost more to operate
 - Must have a plan to retire as early as possible
 - Even with the Metras we are tight – only a 10 percent spare ratio.
- We will reach 40 trains as MOU projects complete (2011)
 - This schedule can be adjusted depending on budgeting and operational constraints.
 - Four new locomotives are necessary to operate 40 trains.
- We are lengthening trains as much as possible to maximize capacity.
- Even with UP, OUT, ADD scenario, cannot meet demand.
 - Gap between capacity and demand grows in the out-years.



Fleet Plan – 40 Trains

Fiscal Year Fleet Plan - 40 Trains										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Planned Trains	32	32	34	36	38	40	40	40	40	40
Locomotives**	21	19	18	19	21	22	22	22	22	22
Consists	11	11	12	13	14	15	15	15	15	15
8-car	2	3	3	5	5	5	5	6	7	8
6-car	2	7	7	8	9	10	10	9	8	7
5-car	5	0	0	0	0	0	0	0	0	0
4-car	2	1	2	0	0	0	0	0	0	0
Railcars Needed*	67	77	81	97	103	110	110	112	114	117
Maersa	12	7	0	0	0	0	0	0	0	0
Kawasaki	13	13	13	13	13	13	13	13	13	13
Sounder	11	11	11	0	0	0	0	0	0	0
Old Galleries	31	45	45	35	30	25	20	15	10	0
11 Cab Cars	0	0	11	11	11	11	11	11	11	11
50-Car Option	0	0	0	42	50	50	50	50	50	50
Total Railcars	67	76	80	101	104	99	94	89	84	74



Fleet Plan - 32 Trains

Fleet Plan - 32 Trains											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Planned Trains	32	32	32	32	32	32	32	32	32	32	32
Locomotives	21	19	18	18	19	19	19	19	19	19	19
Consists	11	11	11	11	11	11	11	11	11	11	13
8-car	2	2	3	5	5	5	5	6	6	6	7
6-car	2	7	7	6	6	6	6	5	5	5	6
5-car	5	2	1	0	0	0	0	0	0	0	0
4-car	2	0	0	0	0	0	0	0	0	0	0
Total Needed	67	75	78	84	84	84	84	86	86	86	101
Maersa	12	7	0	0	0	0	0	0	0	0	0
Kawasaki	13	13	13	13	13	13	13	13	13	13	13
Souder	11	11	11	0	0	0	0	0	0	0	0
Old Galleries	31	45	45	35	30	25	20	15	10	10	0
11 Cab Cars	0	0	11	11	11	11	11	11	11	11	11
50-Car Option	0	0	0	42	50	50	50	50	50	50	50
Total Railcars w/out 50	67	76	80	59	54	49	44	39	34	24	24
Total Railcars w/50	67	76	80	101	104	99	94	89	84	74	74



Cost of 50 Car Option

Per Car Cost for 50-Railcar Option				
	Cab Car (10)	Trailer with Toilet (20)	Trailer w/out Toilet (20)	Total Cost for 50 Railcars
Construction	\$1,900,750	\$1,693,945	\$1,656,647	\$86,019,340
Construction Oversight	\$42,976	\$42,976	\$42,976	\$2,148,814
Costs and Contingency	\$88,168	\$88,168	\$88,168	\$4,408,408
Total	\$2,031,894	\$1,825,089	\$1,787,791	\$92,576,612



Four Financing Options

1. \$20 million from state
 - Subsidy increase of \$2 million/year for 25 years
2. \$40 million from state
 - Subsidy increase of \$1 million/year for 25 years
3. \$58.5 million from state
 - Additional \$38.7 from Governor's Commission on Transportation in Urbanized Areas
 - Subsidy Increase of \$0.04 million/year for 25 years
4. \$40 million from state & sell Kawasaki coaches
 - No subsidy increase
 - Has implications for 2011 fleet requirements



Financing Options

Summary of Financing Options						
Financing Option	State Funds	FRA Loan Amount	Total	Annual Debt Service		
				Federal Formula Amt.	Add'l State Amt.	Subsidy Increase
1	\$20M	\$72.5M	\$5.45M	\$2.50M	\$.89M	\$2.07M
2	\$40M	\$52.5M	\$3.95M	\$2.50M	\$.43M	\$1.01M
3	\$58.8M	\$41.7M	\$2.56M	\$2.5M	\$0.02M	\$0.04M
4	\$40M	\$52.5M	\$3.95M	\$3.95M*	0	0

* Includes \$1.9 million annually that was previously devoted to debt service on the Kawasaki cars.



FRA Loan Program

- RRIF – Railroad Rehabilitation & Improvement Financing Program – increased with TEA-LU
- VRE qualifies for RRIF loan.
- Rate is treasury borrowing rate – 4.91%
- 25 year pay back.
- No penalty for prepayments.
- Favorably compares to tax free debt financing.

Summary

The logo for the Valley Railroad Express (VRE) is a diamond-shaped emblem with the letters "VRE" inside.

- By 2015 ALL of the new cars replace either a Sounder or a Metra Gallery
 - In fact, we are six cars short.
- Need the 50 railcars PLUS an additional buy in the 2011 timeframe to reasonably grow the service to meet demand.
- Will know more about state funding in the next few weeks.



**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

**ELAINE MCCONNELL
CHAIRMAN**

**MAUREEN S.
CADDIGAN
VICE CHAIRMAN**

**DANA KAUFFMAN
SECRETARY**

**ROBERT GIBBONS
TREASURER**

HILDA BARG

SHARON BULOVA

WALLY COVINGTON

WILLIAM GREENUP

JOHN D. JENKINS

KAREN RAE

DOUG WALDRON

**CHRISTOPHER
ZIMMERMAN**

**DALE ZEHNER
CHIEF EXECUTIVE
OFFICER**

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Alexandria, VA 22314-2730
(703) 684 - 1001
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Web Site: www.vre.org

MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
NOVEMBER 18, 2005**

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Robert Gibbons (PRTC)**	Stafford County
John D. Jenkins (PRTC)	Prince William County
Dana Kauffman (NVTC)**	Fairfax County
Elaine McConnell (NVTC)	Fairfax County
Alan Tobias	VDRPT

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Wally Covington (PRTC)	Prince William County
William Greenup (PRTC)	City of Fredericksburg/VHSRDC
Christopher Zimmerman (NVTC)**	Arlington County

ALTERNATES ABSENT	JURISDICTION
Doug Waldron (PRTC)	City of Manassas

STAFF AND GENERAL PUBLIC	
Tamara Ashby – VRE	April Maguigad – VRE
George Billmyer – citizen	Betsy Massie – PRTC staff
Don Chism – VRE	Ian Newberg – Cubic
Steve Edwards – Sup. McConnell's office	Dick Peacock – citizen
Ann King – VRE	Mark Roeber – VRE
Mike Lake – Fairfax DOT	Jennifer Straub – VRE
Bob Liebbrandt – Prince William County	Rick Taube – NVTC staff
Steve Maclsaac – VRE counsel	Dale Zehner – VRE

** Delineates arrival following the commencement of the Board meeting. Notation of exact arrival time is included in the body of the minutes.

Chairman McConnell called the meeting to order at 9:33 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Ms. Caddigan moved, with a second by Ms. Bulova, to approve the agenda. The vote in favor was cast by Board Members Barg, Bulova, Caddigan, Jenkins, McConnell and Tobias.

Minutes of the October 21, 2005, VRE Operations Board Meeting – 4

Ms. Bulova moved, with a second by Ms. Caddigan, to approve the minutes. The vote in favor to approve the minutes was cast by Board Members Barg, Bulova, Caddigan, Jenkins, McConnell and Tobias.

Chairman's Remarks – 5

Chairman McConnell stated that she had nothing to report at this time.

Chief Executive Officer's Report – 6

Mr. Zehner reported that VRE's on-time performance on the Fredericksburg line slightly improved to 72 percent, with the Manassas line at 90 percent. The CSXT tie replacement project work was suspended November 3rd as the tie replacement gangs were committed to another project. Another tie team will be assigned to VRE's service area and will begin work on November 27th. As the majority of the tie work will be done on the opposite track from what VRE uses, their presence may cause minor delays, but should not cause any significant service disruptions.

Mr. Zehner reported that VRE submitted two Rail Enhancement Fund applications to the Rail Advisory Board for consideration at their November 3rd meeting. Both submissions received a positive review before the Board and a final vote will be made on November 30th with the final recommendation list forwarded to the Commonwealth Transportation Board in December.

[Mr. Gibbons arrived at 9:37 A.M.]

Mr. Zehner explained that the Burke Centre VRE station was severely vandalized sometime after revenue service on Friday, November 4, 2005. All three TVM's sustained physical damage, platform and poster frames were "tagged" with spray paint and the glass wind panels were shattered, as well as two private vehicles parked at the station were also vandalized. Fairfax County police are conducting an investigation and

VRE is cooperating with them fully to help apprehend the individuals responsible. Ms. Bulova stated that the police don't think it was gang related and commented that there was also vandalism at Woodson High School and Frost Elementary School.

Mr. Zehner reported that the Governor's Commission on Transportation in Urbanized Areas has completed its draft final report to be transmitted to the Governor's office. Included in the recommendations is \$38.7 million for railcars for VRE. Mr. Gibbons asked for a copy of the report so that the BRAC recommendations will be consistent with this report.

Mr. Zehner stated that for the VRE annual report, staff would like to do a group picture of the Operations Board for the publication. A photographer will be present at the next meeting.

Mr. Zehner announced that on November 8th Spotsylvania County voters passed a \$144 million transportation referendum, which is both for roads and a VRE station. The County Board still needs to vote to join PRTC and there still seems to be some County Board members opposed to the two percent gasoline tax.

VRE Riders' Comments – 7

Mr. Billmyer stated that he was glad to hear the good news about Spotsylvania County voting for the referendum. In Texas a \$20 billion, 20-year Proposition 1 was passed for the diversion of freight and passenger rail from Austin to San Antonio with Union Pacific Railroad. Mr. Billmyer expressed his opinion that CSXT is a big negative. Ridership on the Fredericksburg line is down while the demand for service is up. He was sad to see VRE eliminate some service instead of instituting a fare increase or finding another way to come up with the funds. This "nitpicking" of service is bad for the passengers. For the day after Thanksgiving, it doesn't have to be all or nothing. VRE could run some trains because people are able to adjust their schedules on these types of days. He suggested running a "H" holiday schedule with two trains. He also stated that Virginia needs to begin thinking ahead and should look at a freight bypass. With the cost of fuel, it may make sense to electrify some of the rail lines, such as the Richmond rail line.

[Mr. Kauffman arrived at 9:48 A.M.]

Dick Peacock expressed his opinion that CSXT is not being very grateful when the Commonwealth has allocated \$66-67 million in track improvements along the Washington-Richmond corridor. CSXT needs to put more funds into maintenance, which will benefit both passenger and freight rail. In response to a question from Mr. Peacock, Mr. Zehner stated that there is not an estimate yet of the damage done at the Burke Centre station. Mr. Peacock stated that he was also pleased to hear about Spotsylvania's referendum. Hopefully this will encourage the County Board to join PRTC.

Authorization to Extend an Amended Operating/Access Agreement with CSXT—8A

Mr. Zehner explained that the VRE Operations Board is being asked to recommend that the Commissions authorize him to execute an extension of the existing Amended Operating/Access Agreement with CSXT to July 31, 2006. Resolution #8A-11-2005 would accomplish this. A further extension is being requested at this time to provide sufficient time to complete negotiation of a new agreement. Since June 2005, numerous negotiation sessions have been held with CSXT representatives on the terms of a new, long-term agreement. Preliminary agreement has been reached in a number of areas, including the term of the agreement, change in method of calculating the annual escalation, incentive agreement for improved on-time performance, additional CSXT supervision in the VRE operating territory, and approval of infrastructure improvements at VRE facilities. There still is no agreement on the level of liability coverage. CSXT continues to insist on including \$500 million in liability and terrorism coverage in the new agreement. Currently, VRE has \$250 million in coverage. VRE continues to pursue state and federal legislation to cap commuter rail liability at \$200 million.

Ms. Caddigan moved, with a second by Ms. Barg, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Kauffman, McConnell and Tobias.

Authorization to Extend an Amended Operating/Access Agreement with Norfolk Southern – 8B

Mr. Zehner stated that Resolution #8B-11-2005 would recommend that the Commissions authorize VRE's CEO to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to July 31, 2006. Following detailed negotiation sessions with Norfolk Southern representatives, an agreement in principle was reached on all contract items with the exception of liability coverage. The Operations Board and Commissions approved these items at their June and July, 2005 meetings, respectively, and authorized execution of a new agreement that conformed to each of those items. Subsequent to the Commissions' action, however, it became clear that an agreement on the level of liability coverage could not be reached and the contract could not be executed. Norfolk Southern also insists on including \$500 million in liability and terrorism coverage. An extension of the current agreement is needed while this issue is resolved.

Chairman McConnell stated that over the years she has observed that CSXT does not like bad publicity and she suggested talking to a reporter about a news article on how much taxpayer money is going into improving CSXT's system. Mr. Gibbons stated that Norfolk Southern is looking for help from the legislature for funds to extend rail service to the Midwest, so the General Assembly could have some leverage. Ms. Bulova observed that the threat of a news story may be enough and she suggested contacting

CSXT about VRE's concern over the unreasonable demand for \$500 million in liability and terrorism coverage.

[Mr. Zimmerman joined the discussion at 10:02 A.M.]

Mr. Gibbons moved, with a second by Ms. Barg, to approve Resolution #8B-11-2005. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Kauffman, McConnell and Tobias.

Authorization to Issue Request for Proposals for Warehouse Management Services – 8C

Mr. Zehner reported that Resolution #8C-11-2005 would authorize the Chief Executive Officer to issue a RFP for management services for the VRE warehouse in Manassas. This warehouse serves as the central parts location for all of VRE's fleet and requires shipping, receiving, inventory control, purchasing, and reporting functions. The use of VRE's MEC to manage this facility is temporary and authorization is requested to issue a competitive solicitation for these services. The contract will be structured as a three-year contract with two, one-year options. Funding is available in the FY 2006 Operations Budget.

On a motion by Ms. Barg, and a second by Ms. Caddigan, the Board unanimously approved the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Kauffman, McConnell and Tobias.

Authorization to Recommend Changes to VRE Delegated Authority to Commissions – 8D

Mr. Zehner explained that at the September 1, 2005, NVTC meeting, a discussion took place in which the current authority of the Commissions relative to the VRE Operations Board was considered. A recommendation was made to have staff propose a method of streamlining and clarifying the oversight of VRE in order to allow the Commissions to focus on higher-level policy matters. He stated that Mr. Taube prepared a paper that outlined the various options discussed using a phased transition plan toward delegating increased levels of responsibility to the VRE Operations Board within the constraints of the existing VRE Master Agreement. He asked Mr. Taube to provide a review of the proposed changes.

Mr. Taube explained that the proposed changes would be a phased approach where the financial level of delegation would be increased, as long as the spending is included in the approved budgets and six-year financial plans. After a year, the Board and Commissions would look at the effectiveness of these changes and, if successful, more authority could be delegated. There would be some responsibilities not delegated that would remain at the Commission level.

Ms. Bulova moved, with a second by Ms. Caddigan, to forward these recommendations to the Commissions included in Resolution #8D-11-2005.

Ms. Bulova suggested that the Operations Board could submit to the Commissions VRE's annual objectives and guidelines for the CEO, even if they aren't doing the annual performance review. Mr. Jenkins questioned that if the Board is doing the performance evaluation, why send the objectives and goals to the Commissions. Ms. Bulova replied that she sees the performance objectives of the CEO closely tied to the VRE workplan. Mr. Jenkins stated that he doesn't mind sending the workplan, but not listed as performance objectives. Ms. Caddigan agreed with Mr. Jenkins that the performance evaluation should be separate and distinct from the Commissions. Ms. Bulova stated that she is not suggesting an evaluation process but sharing what the CEO's goals and objectives are for VRE. Mr. Zimmerman stated that he likes the progressive approach where it can be evaluated at each step. He stated that as a NVTTC Commissioner he wants to know the overall goals of VRE, but it's the Operations Board responsibility to make sure that the CEO is doing his job and meeting these goals. Board members agreed to send the goals and objectives of VRE as an organization as an information item to the Commissions.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Kauffman, McConnell and Tobias.

Presentation on New VRE Railcars –9A

Mr. Zehner reported that VRE placed an order for 11 cab cars, with an option for 50 more. The 11 cab cars are scheduled for delivery next year. He gave a slide presentation of what the cars will look like, including interior views of the cars. Mr. Kauffman stated that he hopes that the region will apply for air quality credit with the new bike racks on the cab cars.

Mr. Zehner then gave a presentation of the 50-railcar option. The total cost for 50 railcars is estimated at \$92,576,612. He reviewed financing options. Mr. Jenkins stated that now is the time to inform the governor-elect of VRE's need for railcar funding. Mr. Zehner has proposed that the governor-elect be invited to board a VRE train and ride the train to the Broad Run station, which is close to where the public hearing will be held on November 29th. Mr. Gibbons stated that VRE should also pursue asking the Department of Defense for funding for VRE service as a result of BRAC, because VRE will become a major component of transporting the additional people. Mr. Zimmerman observed that the Governor's Commission on Transportation in Urbanized Areas recommended funding for VRE. It's a hook that can be used to communicate formally and informally to encourage that funding get into the governor-elect's budget. Mr. Zehner suggested sending a letter to the governor-elect about VRE's funding needs.

Presentation on VRE Locomotive Fleet – 9B

Mr. Zehner stated that the Board was provided with a written summary of the VRE locomotive fleet, as requested by Mr. Gibbons. Mr. Kauffman observed that VRE's strategic plan calls for phasing out VRE's locomotives for more powerful locomotives. Mr. Zehner stated that a more powerful locomotive would be needed to pull longer train consists and that is the type of locomotive that VRE will purchase. Mr. Gibbons stated that now is the time to look at electrification of locomotives. Chairman McConnell asked staff to provide this information at the next meeting.

Closed Session – 11

Ms. Bulova moved, with a second by Ms. Caddigan, the following motion:

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A(7) of the Code of Virginia), the VRE Operations Board authorizes discussion in Closed Session concerning one legal matter relating to the terms and conditions for inclusion of new participating jurisdictions in the Master Agreement for Commuter Rail.

The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Kauffman, McConnell and Tobias. The Board entered into Closed Session at 10:55 A.M. Mr. Jenkins left the meeting during the Closed Session and did not return. The Operations Board returned to Open Session at 11:35 P.M.

Ms. Bulova moved, with a second by Ms. Caddigan, the following certification:

The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Barg, Caddigan, Gibbons, Kauffman, McConnell and Tobias.

Adjournment

Without objection, Chairman McConnell adjourned the meeting at 11:36 A.M.

Approved this 16th day of December 2005.

Elaine McConnell
Chairman

Dana Kauffman
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the November 18, 2005, Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

Extend Operating Agreement with CSXT

The VRE Operations Board recommends approval of Resolution #2002. This resolution authorizes VRE's CEO to execute an extension to the existing operating agreement with CSXT to July 31, 2006. Other terms and conditions will remain unchanged. The current agreement expires December 31, 2005.

RESOLUTION #2002

SUBJECT: Extend Operating Agreement with CSXT.

WHEREAS: The commissions currently have an Operating/Access Agreement with CSXT relating to VRE operations in the Fredericksburg to Washington corridor, with the agreement extension ending on December 31, 2005;

WHEREAS: Staff is currently engaged in discussions with CSXT concerning a new agreement and does not anticipate conclusion of these discussions prior to the expiration;

WHEREAS: A proposal to extend the existing agreement to July 31, 2006, without any changes, is expected from CSXT;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the liability issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2006 and FY 2007 budgets to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the Operating/Access Agreement with CSXT through July 31, 2006.

Approved this 1st day of December, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 18, 2005

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH CSXT

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with CSXT to July 31, 2006.

BACKGROUND:

The VRE has an Operating/Access Agreement with CSXT related to VRE operations in the Fredericksburg to Washington corridor. That agreement, entered into in 1994, has been amended and extended several times, most recently this past June 2005, with an agreed upon extension to December 31, 2005. A further extension is being requested at this time to provide sufficient time to complete negotiation of a new agreement.

Since June 2005, numerous negotiation sessions have been held with CSXT representatives on the terms of a new, long-term agreement. Preliminary agreement was achieved in a number of areas to include:

- Term of the agreement
- Change in method of calculating the annual escalation
- Incentive agreement for improved on time performance
- Additional CSXT supervision in the VRE operating territory
- Approval of infrastructure improvements at VRE facilities

Progress has slowed, however, due to a failure to reach an agreement on the level of liability coverage. CSXT continues to insist on including \$500 million in liability and terrorism coverage in the new agreement. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while this issue is resolved. In the meantime, VRE continues to pursue state and federal legislation to cap commuter rail liability at \$200 million.

FISCAL IMPACT:

Funding for CSXT track access fees have been budgeted in the FY 2006 and FY 2007 budgets.

Extend Operating Agreement with Norfolk Southern

The VRE Operations Board recommends approval of Resolution #2003. This resolution authorizes VRE's CEO to execute an extension to the existing operating agreement with Norfolk Southern to July 31, 2006. Other terms and conditions will remain unchanged. The current agreement expires December 31, 2005.

RESOLUTION #2003

SUBJECT: Extend Operating Agreement with Norfolk Southern.

WHEREAS: The commissions currently have an Operating/Access Agreement with Norfolk Southern related to VRE operations in the Manassas to Washington corridor, with the agreement extension ending on December 31, 2005;

WHEREAS: A proposal to extend the existing agreement to July 31, 2006, without any changes, is expected from Norfolk Southern;

WHEREAS: The purpose of this extension is to allow time to negotiate and resolve the liability issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2006 and FY 2007 budgets to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the Operating/Access Agreement with Norfolk Southern through July 31, 2006.

Approved this 1st day of December, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 18, 2005

SUBJECT: AUTHORIZATION TO EXTEND AMENDED OPERATING/ACCESS AGREEMENT WITH NORFOLK SOUTHERN

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute an extension of the existing Amended Operating/Access Agreement with Norfolk Southern to July 31, 2006.

BACKGROUND:

VRE has an Operating/Access Agreement with Norfolk Southern (NS) relating to VRE operations in the Manassas to Washington corridor. That agreement, entered into in 1999, has been amended and extended several times, most recently this past June, 2005 with an agreed upon extension to December 31, 2005. A further extension is being requested at this time to provide sufficient time to complete negotiations of a new agreement.

Following detailed negotiation sessions with Norfolk Southern representatives, an agreement in principle was reached on all the following contract items with the exception of liability coverage. The Operations Board and Commissions approved these terms at their June and July, 2005 meetings respectively, and authorized execution of a new agreement that conformed to each of those items.

Item	Current Contract	New Contract	Notes
Term	5 years	5 years with five 1 year automatic renewals	After fifth year either party can request changes at end of each year with 90 days notice
Escalator	4%/ year	AAR Index	Should reduce annual increase in base cost and per train mile charge
Incentive	None	Up to \$15K per month or \$50 per train	Incentive paid per table below
Liability coverage	\$250M (no terrorism)	Want \$500M with terrorism	VRE not able fund or obtain \$500M in coverage – \$250M with terrorism is maximum VRE will offer

Subsequent to the Commissions' action, however, it became clear that an agreement on the level of liability coverage could not be reached and the contract could not be executed. Norfolk Southern insists on including \$500 million in liability and terrorism coverage in the new agreement. Currently, VRE has \$250 million in coverage. An extension of the current agreement is needed while this issue is resolved. In the meantime, VRE continues to pursue state and federal legislation to cap commuter rail liability at \$200 million.

FISCAL IMPACT:

Funding for the Norfolk Southern track access fees have been budgeted in the FY 2006 and FY 2007 budgets.

Changes to VRE's Delegated Authority

The VRE Operations Board recommends approval of Resolution #2004. This resolution adopts a plan of action for a phased increase in the delegated authority to the VRE Operations Board from the commissions. The plan is described in the attachment. It requires no changes in VRE's Master Agreement.

RESOLUTION #2004

SUBJECT: Changes to VRE's Delegated Authority.

WHEREAS: The VRE Operations Board has duties described in the VRE Master Agreement as well as duties delegated to the Board from the commissions;

WHEREAS: At the request of NVTC, the Board examined alternative plans to revise the delegated authority in order to streamline and clarify VRE oversight, allow the commissions to focus on higher-level policy matters and provide more responsibility to the commissions' representatives on the Operations Board; and

WHEREAS: The VRE Operations Board is recommending a phased transition to increased levels of delegation with a careful evaluation of effectiveness before each subsequent step, all within the structure of the existing VRE Master Agreement.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby adopts the Recommended Policy on a Phased Transition to Full Delegation of Authority from the Commissions to the VRE Operations Board dated November 18, 2005.

Approved this 1st day of December, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-D
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 18, 2005

**RE: AUTHORIZATION TO RECOMMEND CHANGES TO VRE DELEGATED
AUTHORITY TO COMMISSIONS**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions approve the proposed changes to VRE delegated authority.

BACKGROUND:

At the NVTC meeting on September 1, 2005, a discussion took place in which the current authority of the Commissions relative to the VRE Operations Board was considered. A recommendation was made to have staff propose a method of streamlining and clarifying the oversight of VRE in order to allow the Commissions to focus on higher-level policy matters.

Since that time, a paper was prepared that outlines the various options discussed using a phased transition plan to delegating increased levels of responsibility to the VRE Operations Board within the constraints of the existing VRE Master Agreement. VRE and Commission staffs developed the following proposal for action.

Proposed Changes to VRE Delegated Authority

Year 1:

- 1) Increase financial delegation of Operations Board to \$500,000 from \$200,000.
- 2) Allow the Operations Board to determine the discretionary spending authority of VRE's CEO.
- 3) Allow the VRE Operations Board to determine the level of compensation of VRE's CEO within the confines of VRE's approved budget.
- 4) Strengthen the role of the Audit and Finance Committee regarding VRE operating and capital budget guidelines, formulation, and oversight.
- 5) At year-end, report to the Commissions on the effectiveness of these changes and request authority to implement the proposed Year 2 changes.

Year 2:

- 1) Increase financial delegation of Operations Board to \$1 million from \$500,000.
- 2) At year-end, report to the Commissions on the effectiveness of these changes and request authority to implement the proposed Year 3 changes.

Year 3:

- 1) Allow the VRE Operations Board full authority on spending if the amount is included in the annual budgets and six-year financial plans.
- 2) Allow the VRE Operations Board to execute railroad, insurance and all other contractual agreements, not excluded by the Master Agreement, provided the required funding does not exceed the amounts in the annual budgets and six-year financial plans.
- 3) Delegate approval of tariffs (fares) if consistent with annual budgets and six-year financial plans.

Responsibilities not delegated:

- 1) Employment decisions (recruitment and termination) regarding the Chief Executive Officer (CEO).
- 2) Statewide and federal grant applications.
- 3) Approval of legislative agendas.
- 4) Approval of strategic plan.
- 5) Other major policies such as terms for new entrants.
- 6) Other actions reserved for the Commissions by the Master Agreement such as approving annual budgets/six-year financial plans.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: November 23, 2005
SUBJECT: NVTC's Legislative Agenda for 2006

NVTC's Legislative Committee met on November 15th and is recommending for approval by the commission the attached state and federal agenda of legislative actions for 2006. NVTC's Legislative Committee consists of the following members:

- Gerald Connolly, Chairman
- Eugene Delgaudio
- William Euille
- Paul Ferguson
- Gary Reese
- Scott Silverthorne
- David Snyder
- Mary Margaret Whipple

Several other legislative agendas are attached for your information, including those of VTA, PRTC and NVTA. Also attached for detailed review is a document supporting the recommendation of a quarter-cent sales tax dedicated to WMATA.

The American Public Transportation Association reports that five of seven referendums on transit and transportation funding passed on November 8th, providing for \$8.5 billion in revenues. This is the third consecutive year with approval rates above 80%. More details are available on the website of the Center for Transportation Excellence (www.cfte.org).



NVTC 2006 LEGISLATIVE AGENDA

--December 1, 2005—

Recommended by NVTC's Legislative Committee



The Crisis in Transit Funding

A two-page listing of NVTC's legislative proposals is provided as Attachment 1.

NVTC joins the Virginia Municipal League, Virginia Association of Counties, Virginia Transit Association, Northern Virginia Transportation Authority, and many individual jurisdictions in calling upon the Governor and the General Assembly to make transportation the primary focus of the 2006 session of the General Assembly and to significantly increase transportation funding. Given the failure of the General Assembly to increase transportation revenues significantly since 1986 and the consequent decline in transportation funding, the commonwealth is experiencing disinvestment in its transportation infrastructure. Absent a major infusion of new and sustained investment in transportation NVTC fears a congestion and mobility crisis that will strangle economic growth and profoundly and negatively affect the quality of life of all our citizens.

Moving people (rather than vehicles) efficiently and safely should be the primary objective of the commonwealth's transportation policies and programs. State and regional studies show that transit investments must double to maintain the ability of our current transit systems to move people efficiently and safely and maintain transit's mode share.

A recent scientific survey in Northern Virginia showed conclusively that more than 85 percent are willing to pay more to expand public transportation services and relieve crowding on Metro and VRE. Currently local sources pay two-thirds of transit costs while the commonwealth pays only 20 percent. Despite the 95 percent statutory target for state transit formula assistance, the commonwealth provides a declining share. Since FY 2001, in Northern Virginia local general funds devoted to transit have grown by two thirds. NVTC's five jurisdictions supporting WMATA now pay 10 times more per capita from local sources for transit than any other transportation district in the entire commonwealth. More help is needed now from the commonwealth.

If NVTC's legislative proposals are enacted and the commonwealth meets its own 95% transit funding statutory target in FY 2007 and each succeeding year, this region's transit systems will accomplish such improvements as 90 additional Metro railcars to almost double the percentage of 8-car trains and postpone for several years the unmanageable congestion that Metro would otherwise experience; the Fairfax Connector would add new Richmond Highway corridor bus service as well as cross-country service and expanded park and ride facilities; Alexandria's DASH would acquire 20 buses, increase service, provide real-time transit information to riders and boost ridership by 20%; Arlington's ART would add up to 50,000 riders a day with streetcars through Columbia Pike, Crystal City and Potomac Yard together with a new station entrance at Ballston Metrorail and technological innovations in customer service; Loudoun County Transit could expand reverse commute service between West Falls Church Metrorail and eastern Loudoun job centers with seven new buses to boost

ridership and VRE could purchase 50 new railcars adding 2,000 new riders each day.

State Legislative Actions Required to Increase and Safeguard Funding

State Funding:

1. Provide significant increases in statewide transportation funding from stable, reliable and permanent sources to meet current transit needs and provide for the growth identified in VTrans 2025. Recognize that Northern Virginia has a major portion of statewide transit ridership and provides a very significant share of the commonwealth's financial resources by ensuring that this region receives its fair share.
2. Use state bonds as a tool to help resolve the transportation funding crisis. The commonwealth's self-imposed debt ceiling is much more conservative than many local governments in Virginia that also have earned the top bond rating. State tax revenues resulting from the economic growth created by investments in public transit will help to cover debt service.
3. Meet the commonwealth's statutory goal of funding 95 percent of eligible transit capital and operating costs (net of fares and federal assistance) from the Mass Transit Fund (MTF). For FY 2007 alone, this would require about \$200 million annually statewide in new funds, to build, operate and maintain the limited transit projects and constrained transit systems included in the CTB's six-year program. This is more than double the current level of state funding from the MTF.
4. After meeting the commonwealth's 95% target for formula assistance, proposals to increase other statewide transportation revenues should ensure that transit receives at least its current share (e.g., transit now receives 14.7 percent of the Mass Transit Fund and NVTC and VRE typically receive about 70 percent of that amount). Meeting Virginia's 95% transit formula assistance target and ensuring a fair share for transit of additional state revenues together will have the effect of elevating the commonwealth's emphasis on maintaining and replacing transit infrastructure to match the priority already placed on highway maintenance.
5. Local governments now fund a large share of transit costs and carefully monitor performance. Although more funds are needed in the current state transit assistance programs administered by the Virginia Department of Rail and Public Transportation, NVTC does not favor any changes in the allocation formulas themselves or in already stringent state audit requirements for these funds.
6. NVTC favors securing the funds in the Transportation Trust Fund by adopting a constitutional amendment to prevent diversion of transportation

funds to other uses.

7. VRE requires \$50 million to fully fund the federal match requirement for new railcars. Ideally these funds would come from new transit revenue sources that will not serve to reduce further the state's transit capital matching ratio. In addition, \$95 million would pay Virginia's share of 130 railcars for Metro. Another \$3.5 million would assist Loudoun County in purchasing additional buses. If one-time 100 percent state funding is provided, NVTC favors the proposal of the Governor's Commission on Transportation in Urbanized Areas which called for \$116 million for Northern Virginia transit projects, including partial funding for those listed here.

Regional Funding:

1. The Blue Ribbon Panel on Metro Funding has called for dedicated funding for WMATA. Representative Tom Davis III has introduced a bill to provide \$1.5 billion in federal funding over 10 years but it must be matched from dedicated state/local sources. NVTC urges the General Assembly to provide for a steady and predictable stream of revenue to secure these federal funds. Local surveys show that a sales tax increase is the preferred source. NVTC calls upon the General Assembly to increase the state sales and use tax by a quarter-cent in NVTC's five jurisdictions supporting Metro, subject to an affirmative vote by local governing bodies representing at least 90 percent of the population of the five jurisdictions supporting Metro in which the tax will be levied. Once these local actions have been taken and the tax is in effect, the legislation should state that the tax can only be eliminated by action of the local governing bodies representing at least 90 percent of the population of those five jurisdictions. The proceeds of the quarter-cent tax should be returned to NVTC to be held in trust for Metro subsidy payments entirely on a point-of-sale basis. The commonwealth should be required to maintain its level of funding effort to this region to ensure that the new tax results in a net increase in available funding. Funds received by NVTC from the new tax in excess of Metro's need might be available to reduce the future burden on local property taxes.
2. The Virginia Senate has approved for two straight sessions an increase in NVTC's existing two percent motor fuels tax to four percent. The House has not agreed. NVTC's gas tax proceeds are dedicated to Metro (except in Loudoun County which doesn't contribute to Metro) and, if increased, would help local governments meet their existing Metro obligations while the proposed new sales tax would cover unfunded shortfalls. NVTC favors an increase in this motor fuels user fee to four percent with the proviso that local property tax rates must be reduced from their current levels by the amount of this tax in the year that the increased gas tax rate goes into effect. This same requirement was imposed in the original legislation implementing the two percent tax in FY 1981.

Other State Legislative Actions

1. As an incentive to promote transit-oriented development, NVTC supports legislation that would allow local jurisdictions located in clean air non-attainment areas to permit the voluntary transfer of development rights from lower density areas into districts well served by transit even when changes in zoning are not involved.
2. Recognizing the synergy between public transit and expanded commuter and intercity passenger rail services, NVTC favors requirements that would provide access to sources of state funding for freight railroads only if the private railroads provide matching funds, allow access for public passenger rail service on reasonable terms and agree to complete projects entrusted to them on time and on budget.
3. To assist VRE and its freight rail partners, amend Title 56 of the Virginia Code to fully limit rail passenger liability to no more than \$200 million per occurrence. VRE currently pays about \$3 million annually for insurance that provides \$250 million of protection. Its freight railroad partners are seeking \$500 million in coverage. The cap would help to mitigate their concerns.
4. NVTC supports legislative action that will safeguard the effectiveness of HOV lanes serving this region. More funding to the State Police for better enforcement, including the use of new technologies (such as photo enforcement and infra-red detection of occupants), appears to be a key to maintaining free-flowing traffic in these important lanes.
5. The General Assembly should enact further legislation supporting telework, including establishing a Telework Council. The commonwealth should also expand programs of free and discounted transit passes for its own employees to build on success in Northern Virginia and take full advantage of federal tax incentives.
6. Strengthen the multi-modal office under the Secretary of Transportation and appoint employees from that office to represent the commonwealth on Metropolitan Planning Organizations to achieve a better balance in planning and programming among modes. Retain DRPT as an independent department as the transition occurs to a true multi-modal approach.
7. Promote access management initiatives by requiring VDOT to consider alternatives for ensuring transit, pedestrian and bicycle access in those instances in which it is empowered to review developments.

Federal Legislative Actions

1. In enacting SAFETEA-LU, Congress recognized only some of the needs of WMATA as described in its Metro Matters campaign. Within the six-year horizon of that reauthorization, WMATA has documented needs for maintenance and rehabilitation as well as new railcars, buses and system improvements. WMATA has executed funding agreements with its local governments that require at least \$260 million in federal funding plus \$144 million for Homeland Security. In its new bill, Congress provided only about \$100 million. VRE also has documented needs for rail cars, locomotives, parking and platforms totaling almost \$200 million. Congress did not earmark any of these funds for VRE. NVTC urges Congress to appropriate funds to fully meet the needs of WMATA and VRE.
2. NVTC supports the objective of providing \$1.5 billion in federal funding for WMATA to be matched by dedicated state/local funding, as contained in HR 3496, the bill introduced by Representative Davis.
3. NVTC supports significant increases in security funding for local and regional transportation agencies in the Metropolitan Washington area.
4. This region's Metrochek program provides a strong incentive to use transit with tax-free, employer-provided transit benefits available up to \$105 per month. NVTC supports bills that would raise the monthly benefit levels to match those of parking (increasing with inflation to \$200).
5. NVTC supports federal restructuring and funding of Amtrak that will create a financially healthy enterprise. Any such restructuring should guarantee access to Amtrak facilities for commuter rail systems (especially Union Station for VRE) and maintain the ability of Amtrak to serve as a contract commuter rail operator at local option. NVTC does not favor plans that would require increased state funding for Amtrak to meet federal mandates.
6. NVTC favors federal legislation that would broaden the cap on commuter rail liability at a level no greater than \$200 million per occurrence. The current \$200 million cap applies only to rail passengers. Many freight railroads providing access to commuter rail systems are now demanding \$500 million in insurance. This change in the federal cap would protect public transit systems providing commuter rail service from the expense of unnecessary and excessive levels of insurance and in some cases allow access to freight facilities where it is now denied.

Attachment 1

NVTC 2006 Legislative Agenda

State Funding

1. Increase stable, reliable and permanent state funding for transit.
2. Use state bonded indebtedness as a tool to help resolve the transportation funding crisis.
3. Meet the commonwealth's statutory goal of funding 95% of eligible transit costs from the Mass Transit Fund. For FY 2007 alone, this would require an additional \$200 million (double the current level).
4. Ensure transit receives at least 14.7% of any new transportation revenues (transit's current share of the TTF). Meeting the 95% state transit formula assistance target and ensuring a fair share of new state transportation revenues for transit will have the effect of elevating the state priority placed on transit maintenance to match that placed on highway maintenance.
5. Maintain DRPT's existing transit allocation formulas and audit requirements.
6. Secure the TTF by adopting a constitutional amendment to prevent diversion of funds.
7. Provide \$50 million for VRE railcars and other one-time funding for Metro railcars, Loudoun County buses and other transit improvements as recommended by the Governor's Commission on Transportation in Urbanized Areas.

Regional Funding

1. Provide for a dedicated funding source for WMATA to secure \$1.5 billion of new federal funds. Dedicate to WMATA an increase in the state sales and use tax of a quarter-cent, subject to an affirmative vote by local governing bodies representing at least 90% of the population of the five jurisdictions supporting Metro in which the tax will be levied. Once the tax is in effect, the legislation should state that the tax can only be eliminated by action of local governing bodies representing at least 90% of the population of those five jurisdictions. Funds will be held in trust by NVTC. The commonwealth should be required to maintain its own level of transit funding effort.
2. Increase NVTC's 2% motor fuels tax to 4% to pay for existing Metro obligations (the sales tax would pay for currently unfunded obligations). As was the case in the 1980 2% legislation, provide a reduction in the property tax rate in the first year.

Other State Actions

1. Provide incentives to promote transit-oriented development.
2. Provide access to funding for freight railroads only if they provide matching funds, allow access to public passenger rail service on reasonable terms and agree to complete projects on time and on budget.
3. Amend Title 56 of the Virginia Code to fully limit passenger rail liability to no more than \$200 million per occurrence.
4. Safeguard the effectiveness of HOV lanes through improved enforcement.
5. Support telework including establishing a Telework Council.
6. Strengthen the multi-modal office under the Secretary of Transportation and retain DRPT as the transition occurs to a true multi-modal approach.
7. Promote access management initiatives by requiring VDOT to consider alternatives for ensuring transit, pedestrian and bicycle access.

Federal

1. Appropriate sufficient funds to fully meet the needs of WMATA and VRE.
2. Provide \$1.5 billion for WMATA.
3. Increase security funding for local and regional transportation agencies in this region.
4. Raise the tax-free transit benefits (Metrochek) to match that available for parking (up to \$200 monthly).
5. Do not require increased state funding for a restructured Amtrak and preserve access to Amtrak facilities by commuter rail systems such as VRE.
6. Broaden the cap on commuter rail liability at a level no greater than \$200 million per occurrence.

**PROPOSED VIRGINIA LEGISLATION TO PROVIDE A
DEDICATED SOURCE OF FUNDING FOR WMATA**

Report of a Joint Committee of the
Northern Virginia Transportation Commission and
Northern Virginia Transportation Authority

DRAFT: November 15, 2005

Revised: November 16, 2005

RECOMMENDATIONS

The joint NVTC/NVTA committee is recommending legislation to be enacted at the 2006 Virginia General Assembly to dedicate to WMATA a quarter-cent increase in the sales and use tax in the five local jurisdictions financially supporting WMATA (Alexandria, Arlington, Fairfax (city), Fairfax County and Falls Church). For the tax to take effect, an affirmative vote would be needed by local governing bodies representing at least 90 percent of the population of these five jurisdictions. This action will provide over \$55 million annually to meet Virginia's share of the unfunded needs documented by the Blue Ribbon Panel. Details of the legislative proposal are listed in Attachment 1.

BACKGROUND

The Metro Blue Ribbon Panel confirmed in January, 2005 that a shortfall exists of required funding to support Metro of about \$300 million per year for FY 2008 through 2015. The Panel recommended a uniform regional sales tax of a quarter cent to be paired with an equal contribution from the federal government. The Panel called for the tax proceeds to be contributed to Metro based on point of sale, (which would result in 47.0% from Virginia, 19.0% from D.C. and 34.0% from Maryland. Current (FY2006) subsidy responsibilities for Metro have a significantly different allocation, with 25.6% for Virginia, 37.0% for D.C. and 37.4% for Maryland.

The Panel identified an additional shortfall of Metro Access funding of \$100 million annually but recommended that this funding issue should be deferred to another panel. Also, the Panel assumed local subsidies would grow at 5.3% annually, thereby continuing pressure on local property tax payers, even if Metro's cost recovery ratio was maintained at 57%.

Several regional groups have endorsed the need for a dedicated source of funding for WMATA documented in the Panel's report (MWCOG, TPB, NVTA, NVTC), while not necessarily agreeing to every detail. The jurisdictions are considering implementation of such a dedicated source of funding from either new or existing revenue sources. Representative Tom Davis has introduced a bill (HR 3496) that would provide \$1.5 billion of federal funding over 10 years, but only if all non-federal subsidies are dedicated, including a 50% match for the new federal funds. Currently only NVTC's two percent motor fuels tax is dedicated to Metro yielding about \$25 million annually.

NVTA and NVTC have formed a joint committee to recommend the approach that should be followed in Virginia to achieve a dedicated funding source for WMATA and qualify for the anticipated \$1.5 billion of new federal funding. Members of the committee are listed in Attachment 2.

LEGISLATIVE PROPOSAL

Recent NVTA and other survey evidence suggests that residents are willing to pay significant amounts for better transportation, especially public transit. (See Attachment 3).

Accordingly, the following statutory change is recommended for action in the 2006 Virginia General Assembly session:

Increase the state sales and use tax by a quarter-cent in NVTC's five jurisdictions supporting Metro, subject to an affirmative vote by local governing bodies representing at least 90 percent of the population of the five jurisdictions supporting Metro in which the tax will be levied. Once these local actions have been taken and the tax is in effect, the legislation should state that the tax can only be eliminated by action of local governing bodies representing at least 90 percent of the population of those five jurisdictions. The proceeds should be dedicated to Metro and held in trust by NVTC on a point of sale basis. The commonwealth should be required to maintain its financial level of effort to ensure that the new tax revenues result in a net increase in available transit funding in Northern Virginia.

YIELD OF NEW TAX VERSUS METRO'S NEED

As shown in Attachment 4, the Blue Ribbon Panel confirmed a \$300 million average annual shortfall from FY 2008 through 2015, of which Virginia's current formula share would be \$38.4 million at 25.6% of the \$150 million non-federal amount.

As can be seen in Attachment 5, the yield of a dedicated quarter cent sales tax within NVTC's five Metro jurisdictions is \$55.0 million as of FY 2005. The difference between the yield (\$55.0 million) and the need (\$38.4 million) is \$16.6 million. Some of these funds in excess of Metro's needs might provide the opportunity to reduce the future burden on local property taxes.

BENEFITS OF THE PROPOSAL

1. Takes advantage of the likely emphasis on transportation in the 2006 General Assembly and the likely desire of the new Governor to act promptly and responsibly to solve the transportation funding crisis.
2. Can be integrated into broader legislative proposals to do more to solve the crisis (e.g. \$200 million is needed in FY 2007 and each year thereafter statewide to permit the commonwealth to meet its target of

covering 95% of eligible public transit costs and restore equity among state transit and highway maintenance policies).

3. Is consistent with survey evidence that there is a transportation crisis, that taxes must be raised to pay for improvements, that individuals are willing to pay hundreds of dollars a year for these improvements and that a sales tax is the preferred method among citizens of paying for transportation improvements.
4. Ensures that tax proceeds stay in this region and are not diverted to other uses.
5. Qualifies the region for \$1.5 billion in new federal funding if the federal legislation passes and if Maryland and D.C. act to provide their shares.
6. Produces measurable improvements in Metro performance (e.g. eight-car trains in 75% of the system).
7. Provides the opportunity to reduce the future burden on local property taxes.
8. Can easily be expanded to include Loudoun County and PRTC jurisdictions if they wish to participate, although in those jurisdictions the 1/4 –cent for Metro could instead go to NVTA and/or to NVTC for other eligible public transit investments (e.g. Loudoun County Transit, VRE, Omni Ride, Omni Link).
9. The proposal is easy to understand, simple to administer and should not require an expensive referendum while ensuring accountability to voters through required local government action.

NEXT STEPS

The committee recommends that patrons be identified and Legislative Services be asked to draft a bill (using Attachment 1) to meet the pre-filing deadline of December 14, 2005. In the meantime, actions to endorse the committee's report will be requested at NVTC (December 1st) and NVTA (December 8th). At meetings with local legislative delegations (e.g. Alexandria November 22nd, Fairfax County December 7th), legislators should be briefed and their active support requested. This position should be reported to the Senate START study on December 16th.

The advice of General Assembly patrons should be received regarding the best strategy for success. Variables to consider include:

- Involvement of Governor-Elect Kaine.
- Involvement of Senate and House leadership.
- Role of Representative Davis in generating support.
- Coordination with other Metro jurisdictions (D.C., MD).
- Whether or not to promote the bill openly and actively with the media and public.

Attachment 1

RECOMMENDED LEGISLATION TO CREATE A QUARTER-CENT SALES TAX DEDICATED TO WMATA

- At the 2006 Virginia General Assembly session, act to dedicate a quarter-cent sales and use tax in the five jurisdictions financially supporting WMATA (Alexandria, Arlington, Fairfax (city), Fairfax County and Falls Church).
- Require affirmative action by the local governing bodies representing at least 90 percent of the population of the five jurisdictions supporting Metro in which the tax will be levied. Once these local actions have been taken and the tax is in effect, the legislation should state the tax can only be eliminated by action of local governing bodies representing at least 90 percent of the population of those five jurisdictions.
- Direct the proceeds to the Northern Virginia Transportation Commission to be held in trust on a point-of-sale basis for those five local governments to use for payments to WMATA, as is done with the proceeds of a two percent motor fuels tax provided to NVTC since FY 1981.
- Require the commonwealth to maintain its financial level of effort to ensure that the new tax revenues result in a net increase in available transit funding in Northern Virginia.
- The anticipated yield of the quarter-cent sales tax (as of FY 2004) is at least \$51.5 million annually. The need documented by the Blue Ribbon Panel is \$38.4 million annually. Therefore, some of the difference in excess of Metro's needs might be available reduce the future burden on local property taxes.

Attachment 2

COMMITTEE MEMBERS

<u>NAME</u>	<u>TITLE</u>	<u>AFFILIATION</u>
Gerald Connolly	Chairman, Fairfax County Board of Supervisors	Vice-Chairman, NVTC
William Euille	Mayor, City of Alexandria	NVTC Executive Committee and NVTA Member WMATA Board Alternate
Paul Ferguson	Member, Arlington County Board	Chairman, NVTC
Dana Kauffman	Member, Fairfax County Board of Supervisors, Lee District	NVTC Executive Committee Chairman, WMATA Board
William Mims	Senator, Virginia 33 rd District	NVTA Member
David Snyder	Member, City of Falls Church Council	Secretary-Treasurer, NVTC Chairman, NVTA
Margaret Vanderhye	Citizen	Member, NVTA
Mary Margaret Whipple	Senator, Virginia 31st District	NVTC Executive Committee
Christopher Zimmerman	Member, Arlington County Board	NVTC Executive Committee Vice-Chairman, NVTA WMATA Board Member

Attachment 3

NORTHERN VIRGINIA RESIDENTS ARE FRUSTRATED WITH TRAFFIC AND WILLING TO PAY MORE FOR PUBLIC TRANSIT IMPROVEMENTS

- Background:
The Northern Virginia Transportation Authority is preparing a 2030 transportation plan with citizen input. The Authority surveyed 1,263 Northern Virginia adults in April and May, 2005. The survey had an overall margin of error of $\pm 2.5\%$ and allowed detailed examination of attitudes in each jurisdiction. The results were very encouraging regarding support and willingness to pay for public transit improvements throughout the region.
- Frustration:
Three-fourths of outer suburb residents are frustrated with their commuting trips and three-fifths are frustrated in the inner suburbs and core of the region.
- Preferred Projects:
Commuters often selected public transit improvements as their first or second priority in corridors in which they actually travel. Examples include Metrorail in the Dulles Corridor (71% first or second priority); Metrorail from Dunn Loring to Maryland through Tysons Corner (74%); and Metrorail along I-66 to Centreville (52%).
- Preference for Transit:
Overall, 74% picked transit as their first (50%) or second (24%) most important priority, with roads ranked next with only 51%. Surprisingly this preference for transit held steady over all jurisdictions. While 66% of transit users ranked transit as their top priority, almost half (48%) of non-transit users also picked transit first.
- Willingness to Pay for Transit Benefits:
Overall, persons traveling in each corridor would pay \$2.06 per day for top priority transit projects but only \$1.46 for highways. In virtually every corridor commuters were willing to pay more for transit. Examples include \$2.10 per day for Metrorail to Dulles; \$1.84 for priority buses on the Fairfax County Parkway; \$2.13 for express buses on the Beltway; \$2.12 for extending Metrorail to Centreville along I-66; and \$2.30 for extending VRE to Haymarket.
- Paying for Expanded Transit and Reduced Crowding on Metro and VRE:
Over a fifth of respondents would pay \$3 or more per day (well over a thousand dollars a year). Another two-fifths would pay between \$1 and \$3 per day. Only 15% would be unwilling to pay anything. This is equivalent

to a 60-cent gas tax per gallon (assuming 12,000 miles traveled per year at 20 miles per gallon).

- Acceptable Funding Methods:

Respondents were asked to choose between three options, each of which raised \$175 million annually. A half-cent sales tax was the overwhelming top choice with 46%, versus 23% for an income tax increase and 20% for a gas tax increase. Combining first and second choices, the sales tax share was 72%, versus 57% for the income tax and 39% for the gas tax. Almost as many respondents favor using highway tolls for transit improvements (70%) as for highway improvements, a result that held across all jurisdictions.

- Survey Implications:

The survey shows conclusively that there is strong support for transportation improvements in general and transit in particular and that residents in all jurisdictions are willing to pay to relieve their frustrations with traffic.

- For Further Information:

Refer to NVTA's website www.novaregion.org for details on the survey and to NVTC's website www.thinkoutsidethecar.org for information about transit funding and service.

Attachment 4

YIELD OF STATE SALES TAX
BY JURISDICTION
-- FY 2005 --

<u>Jurisdiction</u>	<u>1/4 cent</u>
Alexandria	\$ 5,907,412
Arlington	7,745,581
Fairfax (City)	2,828,953
Fairfax County	37,566,835
Falls Church	965,884
WMATA Subtotal	<u>\$ 55,014,665</u>

Source: Virginia Department of Taxation.

Attachment 5

APPROXIMATE ANNUAL WMATA SHORTFALL SUBSIDY SHARES
BY JURISDICTIONS
-- \$ millions --

	Blue Ribbon Panel	
	<u>\$M</u>	<u>%</u>
Federal	150.0	50.0%
Non-Federal	<u>150.0</u>	<u>50.0%</u>
Total	<u><u>300.0</u></u>	<u><u>100.0%</u></u>
Non-Federal		
MD	56.1	37.4%
DC	55.5	37.0%
VA	<u>38.4</u>	<u>25.6%</u>
Total Non-Federal	<u><u>150.0</u></u>	<u><u>100.0%</u></u>

Source: Blue Ribbon Panel Report.

AGENDA ITEM 9-A
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 18, 2005

RE: APPROVAL OF VRE'S 2006 LEGISLATIVE AGENDA

RECOMMENDATION:

The Operations Board is being asked to forward VRE's 2006 Legislative Agenda to the Commissions for approval.

BACKGROUND:

Beginning in 2001, VRE has sought discretionary funding for capital projects that address critical needs within the VRE system. These funds supplement standard federal formula funding we receive from the Federal Transit Administration. On the state level, VRE, in concert with the local jurisdictions and the Department of Rail and Public Transportation, has taken a more active role in advocating its needs with the Governor, the General Assembly, the Secretary of Transportation, the Commissioner, and the Commonwealth Transportation Board.

Based on a review of the prior federal and state legislative sessions, VRE staff is recommending the following positions in order for VRE to take advantage of possible funding.

Federal Level

1. Capital Requests - with the passage of SAFETEA-LU, VRE will pursue federal funding for capital projects, focusing on railcars. VRE will ask Congress to provide a minimum of \$46 million over the next five years to help fully fund the acquisition of fifty new high capacity railcars. This action is consistent with Governor Warner's submission to Congress and is further reinforced by the Virginia General Assembly appropriating \$25 million (\$20 million state share) to VRE for match last year. This request would constitute \$8 million annually for the first four years and a final appropriation of \$6 million for the fifth year.

VRE will also seek authorization for the following projects, listed in priority order, and included in the VRE Strategic Plan:

- Tier-II Locomotive Acquisition - \$41 million
- Parking Expansion Projects - \$30 million
- Mid-day Storage Facility - \$10 million
- Platform Extensions/Additions - \$20 million

2. Liability Insurance Caps - VRE continues to pursue amending Title 49, United States Code to cap liability insurance for commuter rail operations. Given the continued pressure by our host railroads for greater levels of liability insurance (CSX previously sought a \$500 million per incident liability insurance requirement as an element of a new access agreement) VRE must seek a remedy for the omission of commuter rail in the federal language. VRE is hoping to establish a \$200 million cap.

Over the year, VRE has worked with APTA (American Public Transportation Association) to poll the industry about this legislation and current insurance requirements. This work was the first step requested by Congressman Steve LaTourette, Chairman, House Transportation and Infrastructure Subcommittee on Railroads.

3. Homeland Security - last fiscal year, VRE partnered with WMATA, VDRPT and MTA to secure a National Capitol Region grant from the Department of Homeland Security (DHS). This fiscal year, DHS has allocated another \$1.2 million to VRE to further improve our system against threats. VRE will continue to work with the Northern Virginia Congressional delegation and corresponding transportation partners to secure another \$1.2 million in FY 2006.

Virginia Legislative Session

1. **Capital Requests** - Last year VRE received \$25 million from the state, taking the first steps to securing the money necessary for the acquisition of the 50 new high capacity railcars. This year VRE will ask the Virginia General Assembly to provide \$25 million to fully fund the federal match requirement. The total cost of the railcars is \$92.5 million, with a 50-50 match requirement. Initial conversations with the Senate ProTemp and the House Speaker have been well received and VRE has alerted VDRPT of our desire to seek additional state funding so that the agency can assist in the process.

The following issues are also likely to develop and be supported by VRE in the General Assembly during the next session:

- Maintaining assistance made available by the state for the rail access fees.
- Protecting capital improvement monies set aside for the Richmond - Washington rail corridor (Arkendale complete, and Quantico bridge well underway).
- Furthering capital assistance for the next phase of the VRE Strategic Plan.

2. **State Liability Insurance Caps** - last session VRE worked with CSX and NS to bring legislation up in the House to create language amending Title 56, Virginia Code to limit passenger rail transportation liability. The request is not only supported by the railroads, but also the Commonwealth's Department of Risk Management and the Department of Rail and Public Transportation. Though we received considerable interest in the House during the last session, the bill ultimately was passed-by indefinitely by the Committee for Courts of Justice.

VRE has communicated with keys staffers in the House and Senate about reintroducing corresponding measures in the House and Senate this term. As with the federal liability cap, VRE is hoping to establish a \$200 million limit.

3. **Rail Enhancement Funds** - VRE will promote applications submitted to VDRPT for studies of expansion of commuter rail service to Gainesville-Haymarket and adding capacity on the Fredericksburg line through a third rail.

4. **General Points of Interest** - given the current budgetary and political situation in the Commonwealth, VRE will continue to advance VRE issues and financial needs with the Office of the Governor, the General Assembly, and the Virginia Department of Rail and Public Transportation to keep both branches of the Commonwealth's government informed of the funding requirements necessary to maintain the current quality of service. Issues to advocate include:

- Promoting increased allocations of transportation flex funds for transit.
- Fully funding the state matching ratio for transit capital projects at 95%.

FISCAL IMPACT:

There is no funding requirement necessary to implement the FY 2006 VRE Legislative Program. Based on the success of federal and/or state appropriations, some local match may be required in the future.

Virginia Transit Association

Legislative Agenda for the 2006 General Assembly Session

APPROVED: November 14, 2005

Goals and Principles

A one-page list of VTA's legislative proposals is provided as Attachment 1. VTA offers the following nine goals/principles to guide the General Assembly as it considers actions to meet the crisis in transportation funding:

1. Focus on the mobility of people and goods, not vehicles.
2. Improve multi-modal planning and programming.
3. Achieve equity and balance among transportation modes.
4. Preserve the environment and conserve fuel.
5. Improve the quality of life of in Virginia.
6. Offer choices to travelers.
7. Maximize the effectiveness of existing transportation infrastructure.
8. Keep previous transportation funding commitments and provide a stable, reliable and predictable stream of funding for the future.
9. Provide effective transit links between regional activity centers.
10. Facilitate more efficient land use patterns and promote economic development.

The Immediate and Continuing Need for More State Transit Funding

The Virginia General Assembly has established a statutory target for financial assistance to the commonwealth's public transit systems of 95 percent of eligible expenses not covered by fares or federal funding. This target is not as generous as the state share provided for highways and also excludes important transit expenses such as operator wages. But of greatest concern is the commonwealth's failure to provide sufficient funding to meet this target. In most years, the state's share has been in the range of 30 to 40 percent for capital and less than 30 percent for fuels, tires, maintenance and administration. To meet the target, the funds flowing to transit formula assistance programs in the Transportation Trust Fund would need to double.

For FY 2006, the General Assembly enacted several one-time funding initiatives that provided a boost to transit. As a result, for the first time ever the capital-matching ratio reached 62 percent from 38 percent in FY2005. But for FY 2007, unless permanent sustainable funding is added by the General Assembly, this ratio will plummet to its all-time low of 25 percent. An additional \$200 million

is needed in FY 2007 to meet transit systems current needs and allow the General Assembly to meet its own target. Additional funding is needed to meet future growth.

If adequate funding could be assured, transit systems could serve Virginia's citizens using more new buses and rail cars and offer increased frequency of service. Indeed, with the additional \$200 million necessary to meet the General Assembly's own statutory target for FY 2007 alone, transit systems could acquire 500 new buses each seating 45 passengers. Even if those buses only made one full trip in the morning and one in the afternoon, 45,000 cars would be removed from Virginia's congested urban highways each day.

If the Commonwealth Met Its Transit Funding Target

With their shares of the \$200 million of additional transit assistance needed in FY 2007 and each succeeding year to meet the commonwealth's target of 95% of eligible transit costs, transit systems could accomplish the following:

In Northern Virginia:

- WMATA: Virginia's share of 90 additional railcars could be added (assuming 50/50 federal funding), which would permit Metrorail to almost double the percentage of 8-car trains to about 60% from 33%. This would postpone for several years the unmanageable congestion that Metro would otherwise experience.
- The Fairfax Connector would add new service in the Richmond Highway corridor. The county would also add cross-county service and expanded park-and-ride facilities.
- Alexandria Transit Company (DASH) could purchase 20 new buses to increase service levels and frequencies on high ridership routes, add new routes to new development areas, and provide real time transit information to riders, boosting ridership 20%.
- In Arlington County, over 12 million new riders annually (or nearly 50,000 per day) could ease their daily travel through funding that would: construct and support streetcar projects through Columbia Pike, Crystal City and Potomac Yard; complete a new western entrance to the popular Ballston Metro station; expand both Metrobus and ART service to meet customer demand; and expand application of technology to improve customer service and reliability and efficiency of operations.

- Virginia Railway Express (VRE) could purchase 50 additional rail cars to replace an aging fleet and ensure adequate personnel to operate and maintain those new cars, adding up to 2,000 new riders each day.
- Loudoun County Transit could expand reverse commute service between the West Falls Church Metrorail station and job centers in eastern Loudoun County to add 10% to its current ridership.
- In Prince William County, the Potomac and Rappahannock Transportation Commission (PRTC) plans to expand and improve existing service between suburban areas and activity centers with 15 new buses, increasing ridership 20%.

In Central Virginia:

- In Richmond, the Greater Richmond Transit Company (GRTC) could increase service and expand “smart bus” technology, providing more information to passengers and GRTC crew. GRTC could also streamline exiting paratransit service.
- JAUNT could expand service in Albemarle, Fluvanna, Louisa, and Nelson counties to ensure all citizens needing their service for transportation to jobs can receive it. Additionally, JAUNT could expand to Buckingham and Gordonsville where citizens have requested bus service.
- In Lynchburg, the Greater Lynchburg Transit Company (GLTC) could increase the frequency of service to 30 instead of 60-minute intervals, on nearly all bus routes. Additionally, GLTC could expand hours providing better service to currently served employment and retail centers and add new service to business and commercial corridors in surrounding counties as well as jobs at the Lynchpin Industrial Park.

In Southwest Virginia:

- The Greater Roanoke Transit Company could expand service hours and areas, providing residents greater access to shopping and job opportunities. Roanoke Transit could also expand regional transportation alternatives.
- To better serve its riders, Four County Transit could immediately expand hours of operation, connect with two other close-by rural operators, and provide more options for citizens with disabilities, which is a popular service provided by Four County.

- Blacksburg Transit could purchase additional buses and add employees to operate and maintain the new vehicles and expand service to harder to reach areas surrounding Blacksburg.

In Tidewater:

- Hampton Roads Transit could increase the frequency of current service, as well as add new service, and acquire new vehicles to accommodate increasing demand.
- Williamsburg Area Transport could continue existing service to Mooretown in York County, which is proving to be a popular route but is operating with only a one-year demonstration grant.

Throughout the Commonwealth:

With approximately \$200 million more in funding each year all Virginians could benefit. Not only would current riders benefit through greater service options but also all residents profit from increased transit ridership because it conserves energy resources, improves mobility especially for people who do not drive, promotes better land use, improves air quality, and reduces congestion.

VTRANS 2025 Transit Needs Estimates

The existing shortfalls (e.g. \$200 million for FY 2007) are based on the severely financially constrained choices of local transit operators who cannot fully exploit their markets since they cannot count on a regular and predictable flow of state funds. VTrans 2025, the commonwealth’s multimodal statewide surface transportation plan, shows total public transit capital needs from 2005-2025 in three scenarios that are somewhat less strictly constrained. The middle scenario includes the entire Dulles Rail project and assumes conservatively that transit grows only as fast as vehicle miles traveled so as to maintain its current market share.

Considering revenues reasonably expected to be available (largely by extrapolating historical trends) from federal, state and local sources, the unfunded portion of the transit needs in the middle scenario is shown in VTrans 2025 to be \$8.6 billion over the period, or \$411 million annually. Operating shortfalls total \$9.6 billion (\$455 million annually). The combined statewide shortfall reported in VTrans 2025 is a stunning \$18.2 billion, or \$866 million annually.

The time is overdue to act to address this funding crisis. Statewide transit ridership since 1986, the last time transportation user fees were increased in Virginia, has grown 71 percent (to 168 million from 98 million passenger trips). Without \$200 to \$866 million in additional annual state assistance, transit can’t continue to serve its existing passengers or expand into new markets to help our

communities meet congestion and clean air challenges, save fuel, provide job access, enhance mobility, and boost economic growth. Further, with substantial increases in federal funding for transit anticipated from SAFETEA-LU, local sponsors need an immediate infusion of state dollars to match these federal grants and avoid leaving federal aid on the table.

VTA's Legislative Proposals to Increase and Safeguard Funding for Public Transit

Given the enormous and growing state transit funding assistance deficit, VTA favors legislative proposals that will identify new stable and reliable revenues to fill the gap entirely and permanently for existing programs and those new services identified in VTrans 2025. The following proposals are those that VTA believes should be accomplished as the new Governor and General Assembly enter the 2006 session.

1. Increase stable, reliable and permanent funding sources for the Transportation Trust Fund (TTF) to meet transportation needs in VTRANS 2025, especially transit needs projections.
2. Meet the commonwealth's statutory target for transit formula assistance of 95% of eligible costs to provide a stable and predictable state share. This will require at least \$200 million in new revenues for FY 2007 and each year thereafter to meet current needs. This is especially necessary as transit systems are struggling to cope with ridership growth and sky-high and unanticipated fuel costs.
3. Provide equity among modes by boosting transit funding, particularly for maintaining and replacing transit infrastructure to match the priority already placed on highway maintenance by the commonwealth. Any new transportation revenues should guarantee at least transit's current share of TTF revenues (14.7 percent). Additional flexing of federal highway funds to transit should be considered.
4. In response to the recommendations of the Blue Ribbon Panel on Dedicated Funding for WMATA, provide for Virginia's share of the required dedicated state/local funding in order to qualify for \$1.5 billion of federal assistance (such as may be provided under legislation proposed by Representative Tom Davis).
5. In addition to increasing statewide sources of funding, permit and encourage regional and local efforts to acquire new and increased revenue sources for transit. For example, NVTC is seeking to increase its regional motor fuels tax and other transportation commissions may also seek to increase or implement such taxes to support transit.

6. Local governments now fund a large share of transit costs and carefully monitor performance. Although more state funds are needed, the DRPT transit assistance allocation formulas and stringent state audit requirements should be retained in their present form.
7. Protect TTF revenues by creating a true trust fund that can't be raided.

Additional VTA Legislative Requests

8. Provide incentives to facilitate transit-oriented development. An example is permitting voluntary transfer of development rights to areas well served by transit. Also, incentives should be provided for developers and employers to promote public transit and to engage in more concentrated development that is transit friendly.
9. Provide incentives (to individuals and major employers) to encourage ride-sharing, taking public transit and walking instead of using single-occupant vehicles. Also expand telework initiatives by establishing a statewide Telework Council, setting specific objectives for state employees and increasing incentives.
10. As high-occupancy toll (HOT) lanes are proposed, preserve the functionality of existing high-occupancy vehicle (HOV) lanes and integrate transit into the design of the lanes to ensure transit access and not impede transit use.
11. Strengthen the multi-modal office under the Secretary of Transportation and appoint employees from that office to represent the commonwealth on Metropolitan Planning Organizations to achieve a better balance in planning and programming among modes. Retain DRPT as an independent department as the transition occurs to a true multi-modal approach.
12. Promote access management initiatives that consider alternatives for preserving access as development decisions are made. Do the same for design of transportation facilities by promoting and ensuring transit, pedestrian and bicycle access through such measures as design of transit lanes and queue jumping opportunities as corridor improvements are considered.
13. With increased levels of federal funding available for homeland security, the commonwealth should give transit security a high priority in allocating funds at its disposal, recognizing that security is now a part of transit's core mission, including funding for security sweeps, explosive detecting dogs and training.

14. Recognizing the synergy between public transit and expanded commuter and intercity passenger rail services, and consistent with the recommendations of the Governor's Commission on Rail Enhancement for the 21st Century, the Virginia Transit Association favors requirements that would provide access to any such new sources of state funding for freight railroads only if the private railroads provide matching funds, allow access for public passenger rail service on reasonable terms and agree to complete projects entrusted to them on time and on budget.
15. To assist VRE and its freight rail partners and to facilitate intercity movement of passengers and freight by rail, amend Title 56 of the Virginia Code to fully limit rail passenger liability to no more than \$200 million per occurrence.

Attachment 1

Virginia Transit Association's Legislative Agenda for the 2006 General Assembly Session

1. Increase permanent funding sources for the Transportation Trust Fund to meet current and future VTRANS 2025 transit needs.
2. Meet the commonwealth's transit formula assistance target of 95% of eligible transit operating and capital costs for current needs (requires at least \$200 million annually).
3. Increase the state priority for maintaining transit investments to match that of highways and ensure at least 14.7% of any new transportation revenue is dedicated to transit.
4. Provide for a stable and reliable dedicated source of funding for WMATA.
5. Permit and encourage local efforts to fund transit, such as increasing NVTC's two percent motor fuels tax which is dedicated to WMATA.
6. Retain existing DRPT formulas and audit requirements.
7. Protect TTF revenues by creating a true trust fund.
8. Provide incentives for transit-oriented development.
9. Provide incentives for ridesharing, transit and walking instead of using single-occupant automobiles.
10. Preserve the functionality of High Occupancy Vehicle (HOV) lanes and integrate transit into HOT lane designs.
11. Strengthen the multi-modal office under the Secretary of Transportation while retaining DRPT as an independent department during the transition to a true multi-modal approach.
12. Promote access management initiatives and preserve access as development decisions are made.
13. Give transit security a high priority in allocating funds.
14. Provide funding for private freight railroads with the requirement that the railroads provide matching funds, allow access for public passenger rail service on reasonable terms and agree to complete projects on time and on budget.
15. Amend Title 56 of the Virginia Code to fully limit passenger rail liability to no more than \$200 million.

PRTC STATE LEGISLATIVE AGENDA –
2005/6 VIRGINIA GENERAL ASSEMBLY

1. Increase financial assistance for public transit to ease the burdens on local governments sponsoring such services and permit service expansion. While the infusion of increased, one-time funding for transit by the General Assembly in its 2004/5 session provided welcome relief, the percentage of eligible transit expenses covered by the state thanks to this one-time increase (which applies to the FY 2006 budget) still amounts to much less than the General Assembly's stated aim of funding 95% of such expenses (in FY 2006, the state share of eligible capital and operating expenses is 63% and 22%, respectively, and unless the General Assembly enacts a permanent increase in transit funding during the 2005/6 session, the percentage of existing transit expenses covered by the state is at risk of reverting to even lower levels in FY 2007 and beyond, let alone the costs of expanding transit services as the state's own long range plan and PRTC's/VRE's strategic plans call for).

To satisfy the "95%" aim for existing statewide transit services alone, state funding for transit would have to amount to approximately \$200 million per year more than the projected \$130 million of state funding for transit in FY 2007 in lieu of General Assembly action to increase funding availability (i.e., resulting in a total of \$330 million). Still higher levels of state funding are necessary for transit service expansion – for example, the "middle scenario" of the *VTRANS 2025 Plan* would require over \$900 million annually.

Every year that this problem is allowed to persist only compounds the problem, because transit needs are growing and local government sponsors are hard pressed to compensate for state funding limitations.

Accordingly, PRTC urges the General Assembly to:

- Restore sufficient permanent funding to the Transportation Trust Fund (TTF) to meet the General Assembly's "95%" aim. Recognizing that the amount needed to satisfy this aim depends upon how quickly transit services are expanded and further recognizing that the level of state assistance required by the *VTRANS 2025* middle scenario is dramatically higher than the prevailing state funding level, PRTC urges a permanent funding plan that ramps up state assistance beginning at a level required to cover 95% for the limited transit projects and eligible operating costs included in most recently adopted CTB six-year program (totaling an additional \$200 million) and rising thereafter to the level envisioned by the middle scenario in a reasonable period.

- Exploit opportunities that may be present to tap unallocated state budget funds for another one-time infusion of transit funding, so long as any such opportunities do not detract from the need for a permanent solution to this funding problem.
 - At least until the Commonwealth's 95 percent matching obligation is fulfilled, for new statewide transportation revenue sources not specifically assigned to transit, direct proceeds to the TTF (of which transit receives a 14.7 percent share) rather than directing such proceeds to the HMOF or new programs from which transit derives a smaller share.
 - Secure the funds in the TTF by adopting a constitutional amendment or other mechanism to prevent diversion of transportation funds to other uses. Similarly, require local governments to maintain their levels of effort as additional state funding is provided.
 - Insure that if local referendums on funding for multimodal projects are authorized, it be done within a unifying state program to avoid balkanization of projects and to insure that state funds are not reduced in those regions that raise more local revenue.
 - Give transit security a high priority in allocating funds the Commonwealth has at its disposal (thanks to the increased levels of federal funding available for homeland security), recognizing that security is now a part of transit's core mission, including funding for security sweeps, explosive detecting dogs and training.
2. Protect and enhance transit services in corridors where high occupancy toll lanes are pursued. Recognizing the growing interest in high occupancy toll (HOT) lanes and the use of the Public Private Transportation Act (PPTA) as means to complete transportation projects that otherwise could not be funded, PRTC urges (to the extent permitted by federal law) that:
- Transit operating and maintenance expenses be a priority use of toll revenues in excess of debt service;
 - Public transit vehicles be exempt from tolls;
 - Tolls be permitted to rise as high as market forces require to insure that the toll lanes flow unimpeded;

- Project scopes for toll-funded projects include adequate access for and provision of public transit services;
 - Any loss of federal formula grant funds (from the Federal Transit Administration; FTA) that results from converting HOV lanes to toll lanes be fully reimbursed from toll revenues;
 - Credits for tolls as match for federal grants be used for transit in addition to the CTB's current practice of matching highway grants; and
 - The General Assembly support statutory changes as may be required to deploy proven technology needed to enforce permitted use of HOT (and HOV) lanes, so violators don't impair the performance of the lanes.
3. Protect transit and HOV use of HOV lanes. The State's HOV Enforcement Task Force has documented deteriorated conditions in the I-395/I-95 HOV lanes because of the growing incidence of hybrid vehicles and continuing, significant presence of violators (despite stepped-up manual enforcement efforts and increases in fines authorized by the General Assembly previously). While enforcement efforts to curb violators have been stepped-up further and the numbers of hybrid vehicles using the HOV lanes may shrink in the future (because the new SAFETEA-LU legislation requires the Environmental Protection Agency (EPA) to define "low emission vehicles" that states may permit to use HOV lanes without meeting the HOV occupancy standard), it is not certain at this time whether these initiatives alone will resolve the problem and thus the Commission believes the General Assembly should allow the hybrid vehicle exemption to "sunset" in July 2006 as it is currently slated to do statutorily, unless: EPA's rule is published before the end of the General Assembly session; and the EPA rule, coupled with the results of stepped-up enforcement over the next few months, show clear evidence that conditions in the HOV lanes are likely to improve materially despite the continued presence of hybrid vehicles in the HOV lanes beyond July 2006 that the EPA rule defines as "exemption qualifying"¹.

¹ The Commission is aware that SAFETEA-LU defines for the first time a standard limiting states' discretion to exempt certain types of vehicles from the "vehicle occupancy" requirements normally applicable to HOV lane usage, but the standard is such that current conditions in the I-395 / I-95 HOV lanes would not compel the elimination of exemptions. In other words, there would need to be further deterioration in the HOV lanes before the standard is tripped, which the Commission believes is not in the public interest. The standard -- defined in Section 1121 of SAFETEA-LU -- follows:

(d) HOV Facility Management, Operation, Monitoring, and Enforcement-
(1) IN GENERAL- A State agency that allows vehicles to use a HOV facility under paragraph (4) or (5) of subsection (b) in a fiscal year shall certify to the Secretary that

4. Target financial resources authorized by the newly legislated Rail Enhancement Fund to protect the interests of passenger rail services. Recognizing that resources authorized by this Fund will be expended in privately owned, freight rail corridors and in keeping with the recommendations of the Governor's Commission on Rail Enhancement for the 21st Century, PRTC favors the targeting of these resources to projects in which the private railroads: provide matching funding; allow access for public passenger rail service on reasonable terms; and agree to complete projects funded by these resources on time and on budget.

the agency will carry out the following responsibilities with respect to the facility in the fiscal year:

(A) Establishing, managing, and supporting a performance monitoring, evaluation, and reporting program for the facility that provides for continuous monitoring, assessment, and reporting on the impacts that the vehicles may have on the operation of the facility and adjacent highways.

(B) Establishing, managing, and supporting an enforcement program that ensures that the facility is being operated in accordance with the requirements of this section.

(C) Limiting or discontinuing the use of the facility by the vehicles if the presence of the vehicles has degraded the operation of the facility.

(2) DEGRADED FACILITY-

(A) DEFINITION OF MINIMUM AVERAGE OPERATING SPEED- In this paragraph, the term 'minimum average operating speed' means--

(i) 45 miles per hour, in the case of a HOV facility with a speed limit of 50 miles per hour or greater; and

(ii) not more than 10 miles per hour below the speed limit, in the case of a HOV facility with a speed limit of less than 50 miles per hour.

(B) STANDARD FOR DETERMINING DEGRADED FACILITY- For purposes of paragraph (1), the operation of a HOV facility shall be considered to be degraded if vehicles operating on the facility are failing to maintain a minimum average operating speed 90 percent of the time over a consecutive 180-day period during morning or evening weekday peak hour periods (or both).

Summary of Governor's Commission on Transportation In Urbanized Areas November 14, 2005

The Commission used the meeting to discuss a list of projects to be submitted to the Governor for considerations during the preparation of his budget. In reviewing the list of projects submitted by Northern Virginia, Richmond, Hampton Road and a collection of smaller cities, including Lynchburg, Roanoke and Blacksburg, the Commission agreed on the following points:

- The projects should be one-time capital expenditures,
- The projects should support public transportation,
- The total list should be approximately \$200 million.

After discussion, the Commission agreed on a list of \$216.3 million in transit projects, divided as follows:

- \$116.0 million for Northern Virginia, including
 - \$ 73.1 million for Metrorail cars
 - \$ 38.7 million for VRE rail cars
 - \$ 2.7 million for Loudoun County buses
 - \$ 1.5 million for PRTC Omniride buses
- \$ 46.0 million for Hampton Roads projects
- \$ 46.0 million for Richmond projects
- \$ 4.0 million for Roanoke projects
- \$ 2.3 million for Lynchburg projects and
- \$ 2.0 million for Blacksburg projects.

The Northern Virginia projects were based on a list approved by the NVRTA on November 10, 2005. If you would like the detail on projects outside of Northern Virginia, please let me know.

The Commission also agreed that the funding would be 100 percent state, unless otherwise noted. (All of the Northern Virginia projects were submitted as 100 percent state funding). The recommended list will be sent to the Governor for consideration on Tuesday, November 15, 2005.

The Commission also established another meeting time of Wednesday, November 30 at 12:00 noon. At that time, they will discuss the two remaining questions in their original charge:

- What framework should the legislature establish in order to improve the quality of urban transportation?
- What are the legislative, regulatory, and incentive-based reforms necessary to improve urban transportation?

MEMORANDUM

Re: Transportation Funding

Gentlemen:

The Constitution of Virginia (Article X, Section 9) places a limit on general obligation bonds of 25% of 1.15 times the average annual taxes on income and retail sales over the past three fiscal years immediately preceding the authorization. That number is approximately \$9 billion. The important number, however, lies in the total cap that is 1.15 times the average annual tax revenues derived from tax revenues on income and retail sales for the three fiscal years immediately preceding the incurring of such debt. That number is \$34.5 billion!

This last number includes within its limitation certain revenue bonds, but does not include those revenue bonds set forth in Article X, Section 9 (c), and these involve revenue bonds wherein the revenue generated goes directly to that project. The limitation that the revenue must be enough to pay off the bonds does not appear to foreclose the concept of mixed bonding, or debt buy down.

Of course, in addition to general obligation bonds and revenue bonds there are various other ways to raise revenue for capital projects. Matching funds are offered by the Federal Government, and also by localities. Public/Private partnerships offer private capital. And, of course, there are the existing Transportation and Maintenance Trusts that receive revenue from fuel taxes, etc.

The one legal question that has not been decided is whether you can have a project that involves both general and revenue bond components. I know of nothing in the Constitution that forbids this, but bond counsel would know better. The concept of buying down a debt is well known to the financial community.

Is there a potential coalition out there? It is very clear that the Valley needs to expand I-81 by four lanes, and needs to dedicate these lanes to trucks. It is also clear that Southwest Virginia needs the Coalfields' Express to jump start economic development in the area. Southside Virginia needs to have Route 58 widened to four lanes along its entire length. And, of course, Tidewater needs a third crossing.

The expansion of Route 81 funded solely by tolls will limit its usefulness. A combination of general obligation bonds used to buy down the tolls required by a revenue bond could solve this problem.

The same situation could be used in Southwest Virginia, where a combination of tolls (some of which would be paid by out-of-state drivers) and general obligation bonds would make the Coalfields' Express project workable.

A similar situation could be used in the Third Crossing. A combination of tolls and General Obligation bonds might not be required in Southside.

And, Northern Virginia should place on the table the need for \$20 billion or more to fund the 20/30 plan, including transit.

As we know, general obligation bonds need not only the approval of the Legislature, but the approval of the voters. The right coalition, however, would guarantee approval by the voters. Revenue bonds, on the other hand, need only be approved by 2/3rds of the Legislature. The potential coalition is there.

There are two major, but not insurmountable obstacles. The first is the voluntarily imposed bond cap placed by the Legislature. This cap is significantly lower than the amounts described above, but it has no Constitutional foundation. If there ever was an issue that required waiving this artificial and voluntary cap, transportation is that issue. The second is the Commonwealth Transportation Board. Historically this group jealously guards the right to decide where to spend the transportation money, and this proposal clearly has a political component.

At the present time we have many proposals for public/private partnerships. The bottom line for these partnerships is that private concerns cannot get the same bond rating as Virginia. Any excess revenues generated, and we must assume that private concerns are not doing this out of the kindness of their hearts, would go to stockholders, not to other transportation projects. And, there remains the problem of maintenance.

All of the above said, how do you pay for these projects? Surely bonds must be repaid. Of course, there is no free lunch. But capital projects on the scale we are discussing invoke the economic principle of "priming the pump". Such projects enlarge the economy through a multiplier effect so that in the end you are paying for the projects out of growth over a long period of time (30 years). There is also the issue of fairness. Why should the people living in Virginia now pay all of the money required for a capital project that will serve Virginians for 30 years? .

Southwest Virginia with billions to spend on the new Coalfields' Express could finally no longer be a liability to Northern Virginia. The Coalfields' Express would be paid for by not only Virginia drivers, but also drivers from surrounding states. And, Northern Virginia itself is not exempt from the growth factor.

How to get started? The Governor should request an immediate opinion of the Attorney General concerning the combination of general obligation and revenue bonds. With a favorable finding, the Governor and the Legislature should in the coming legislative session form a commission and charge it with the following:

- a. Identify those projects statewide to fund.
- b. Identify the funding mechanism, e.g. a combination of general obligation and revenue bonds, for each project and include the funding mechanism in the report.
- c. Build the necessary coalitions.
- d. Report to the General Assembly in a limited debate/amendment format in a special session of the General Assembly for July, 2006.

The Commission should be given the powers to hold public hearings and executive sessions, to form subcommittees, and to issue subpoena. The Commission's membership should reflect both a professional and geographical balance.

With the approval of the 2/3rds necessary in the General Assembly, the general obligation bond portion of this proposal would go to the voters in the 2006 elections. I realize that this is an ambitious timeframe. But, there already are studies on the shelves describing the projects and their financial impacts. In the end all it takes is a Governor committed to make a difference and a Legislature willing to work with the Governor and within itself. This would truly be a test of leadership and bipartisanship, with the entire Commonwealth watching.

Just such a commission was rolled into last session's transportation resolution in the House of Delegates.

Thank you for your consideration.

Gary A. Reese, Delegate (67th District)
703-385-3400

Date: November 16, 2005.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube and Jana Lynott
DATE: November 23, 2005
SUBJECT: NVTC's Senior Mobility Study Phase 1 Report

NVTC staff has managed an ambitious year-long study of senior mobility issues with an emphasis on identifying transit service improvements that could better serve these individuals. NVTC staff focused on demographic analysis using Census data and GIS tools while consultants performed surveys, conducted focus groups and analyzed data. A large, multi-agency/jurisdiction technical committee met several times to provide guidance and expertise.

The draft report of Phase 1 of the study is now nearing completion. Staff will present the draft results and also provide a summary of plans for Phase 2 of the study, which will get underway soon and be complete by the end of calendar 2006.



MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube

DATE: November 23, 2005

SUBJECT: The Case for Increased Funding of Public Transportation in Northern Virginia

Staff has prepared some materials to assist in informing the Governor-Elect and General Assembly members about why they should support more funding for transit, especially in Northern Virginia. Commissioners are invited to comment on the materials (to be provided as a PowerPoint presentation) and how they could be improved to be most useful before and during the 2006 General Assembly session.





Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



THE CASE FOR INCREASED FUNDING OF PUBLIC TRANSPORTATION IN NORTHERN VIRGINIA

A PRESENTATION BY THE NORTHERN VIRGINIA
TRANSPORTATION COMMISSION

DRAFT: December 1, 2005



OVERVIEW OF IMPORTANT POINTS



- Transit is well used and popular with customers but requires more investment to maximize its potential and prevent it from becoming a victim of its own success.
- While effective public transit requires more public investment, the economic return clearly justifies the use of public funds.
- Despite very positive investment returns, unfunded transit needs for buses, railcars and parking are significant and growing.



OVERVIEW OF IMPORTANT POINTS



- Transit systems depend on each of their several funding partners to cover a fair share, including:
 - Transit riders.
 - Local governments.
 - Federal government.
 - State government.
- The first two partners are shouldering a staggering and growing burden while the last two need to do more.



OVERVIEW OF IMPORTANT POINTS



- There is an acute need for a new, sustainable, dedicated source of funding for Metro.
- Transit is very popular in recent polls and Northern Virginia residents are willing to pay substantially more to improve public transit.
- Each level of government as well as the private sector and the public needs to act now to create new transit funding sources. This will preserve the benefits of past investments and optimize transit's future contributions to economic and life style improvements in Northern Virginia.



NORTHERN VIRGINIA'S TRANSIT SYSTEMS



- The Metrorail and Metrobus systems provided almost 350 million passenger trips in FY 2005, or about 90 trips per person living in the Metro Transit Zone in the District of Columbia, suburban Maryland and Northern Virginia.
- Each weekday, 1.2 million passengers travel on the Metro system, including 40% of rush hour trips to the urban core (second only to New York City).
- In Northern Virginia, almost 110 million trips were taken on Metrorail and Metrobus in FY 2005, or almost 70 trips per capita.
- In addition, six local bus systems operating within NVTC's district added 18 million passenger trips, or over 10 trips per capita.
- In PRTC's bus service territory, another 2 million trips were taken in FY 2005, or 5 per capita.



NORTHERN VIRGINIA'S TRANSIT SYSTEMS



- In the NVTC and PRTC districts, VRE added 3.7 million trips, or about 2 trips per capita.
- Combined, 128.9 million transit passenger trips were taken in FY 2005 in the NVTC and PRTC districts, or 62 trips per person from the 2.1 million population in those two districts.
- The average person living in NVTC's district made more than three round trips by transit in every month.
- More transit trips were taken in the denser parts of the region with better transit service and more compact origins and destinations.
- Statewide about 24 transit trips are taken annually per capita. The NVTC and PRTC districts have almost three times that amount.

NORTHERN VIRGINIA JURISDICTIONS AND TRANSIT SERVICES

Jurisdiction	Population	Transit System	FY 2005 Annual Transit System Ridership	Rides Per Capita
WMATA Compact Metro Area	3,897,803	Metrorail	195,186,100	50.08
		Metrobus	153,392,300	39.35
		Subtotal	348,578,400	89.43
NVTC Jurisdictions	1,597,623	Metrorail	89,624,272	56.09
		Metrobus	19,314,871	12.09
		Subtotal	108,939,143	68.18
Alexandria	128,206	DASH	3,323,021	25.91
Arlington	186,117	ART	788,854	4.24
Fairfax County	1,003,157	Fairfax Connector	8,474,143	8.45
Fairfax (City)	22,062	CUE	1,068,492	48.43
Falls Church	10,781	GEORGE	70,000	6.49
Loudoun County	247,300	Loudoun Co. Transit	513,766	2.07
Subtotal NVTC	1,597,623		123,107,419	77.09
PRTC Bus Service Territory	394,042	Omni Ride	1,392,432	3.53
		Omni Link	694,366	1.76
		Subtotal	2,086,798	5.29
NVTC & PRTC	2,126,904	VRE	3,745,382	1.76
Grand Total NVTC & PRTC	2,126,904		128,939,599	60.62

Note: GEORGE ridership also included in WMATA totals. Excluded from totals to avoid double counting.



TRANSIT IS WELL USED IN NORTHERN VIRGINIA



**Northern Virginia Average Weekday and Annual Public Transit Passenger Trips,
FY 2004 - 2005**

System	Average Weekday Passenger Trips, FY 2004	Average Weekday Passenger Trips, FY 2005	Annual Passenger Trips, FY 2004	Annual Passenger Trips, FY 2005
Metrorail Virginia	294,258	299,345	87,817,948	89,624,272
Metrobus Virginia	65,381	65,638	19,190,908	19,314,871
Fairfax Connector	28,590	29,775	7,990,825	8,474,143
VRE	14,529	15,086	3,645,434	3,745,382
DASH	10,864	11,288	3,131,284	3,323,021
PRTC Omni Ride	5,185	5,460	1,251,316	1,392,432
PRTC Omni Link	2,450	2,616	604,586	694,366
CUE	3,438	3,739	985,500	1,068,492
ART	2,640	2,992	674,806	788,854
Loudoun County Transit	1,642	2,189	392,901	513,766
Total	428,977	438,128	125,685,507	128,939,599

Note: Ridership on WMATA reimbursable services such as GEORGE, REX, PikeRide, and TAGS is included in the Metrobus Virginia ridership figure.

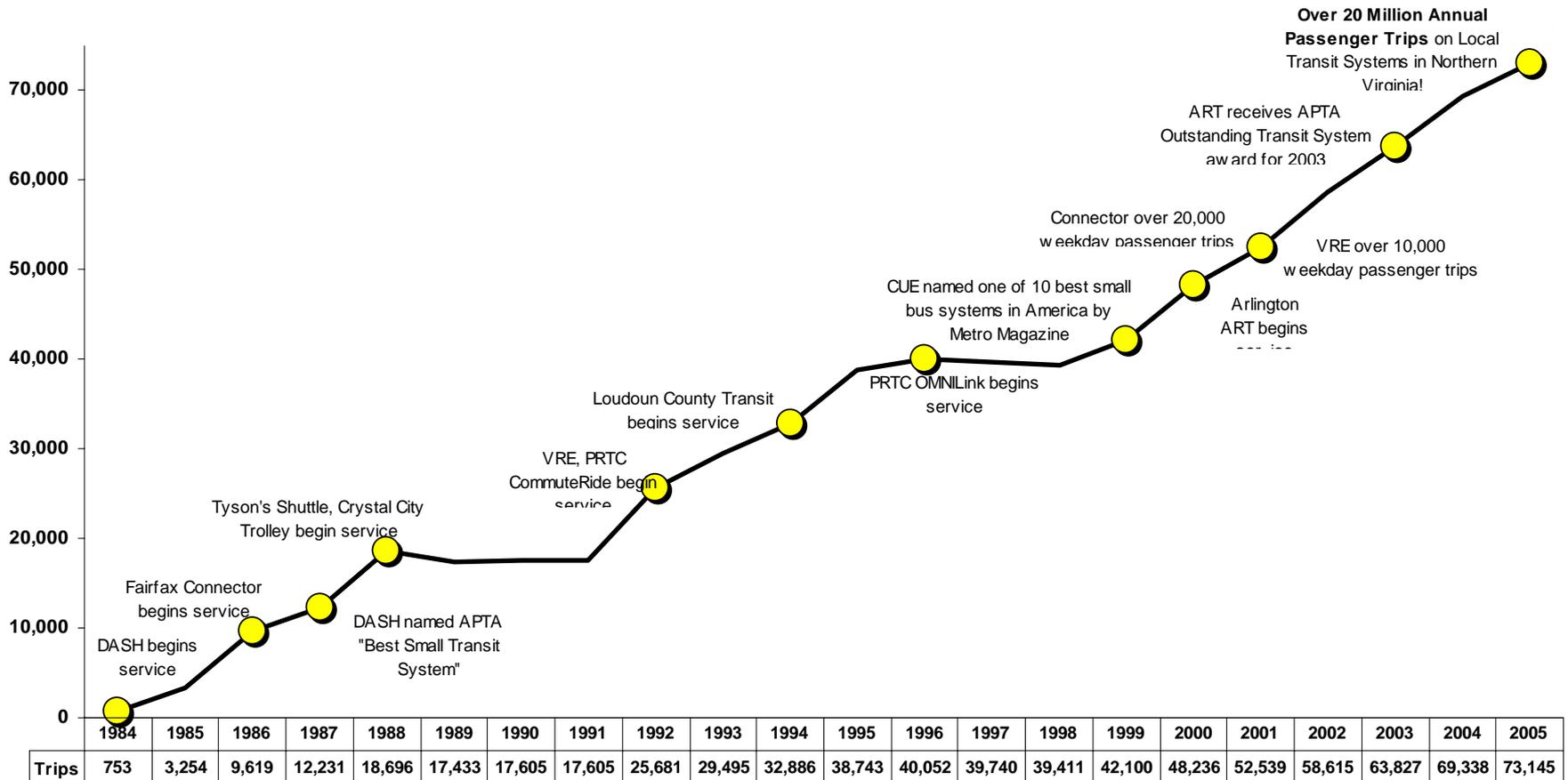
Source: NVTC.



GROWTH OF LOCAL TRANSIT SYSTEMS



Average Weekday Passenger Trips on Northern Virginia Transit Systems*, FY 1984-2005



* Northern Virginia Transit Systems for 2004 include DASH, Fairfax Connector, CUE, VRE, PRTC OmniRide and OmniLink, Loudoun County Transit, and Arlington Transit (ART). Previous years may include data from RIBS, Tyson's Shuttle, Crystal City Shuttle, and Loudoun County Commuter Service. WMATA MetroRail and MetroBus data not included. CUE began service in FY 81.



NORTHERN VIRGINIA'S TRANSIT RIDERSHIP RELATIVE TO THE ENTIRE COMMONWEALTH



- The Virginia Department of Rail and Public Transportation reports that statewide ridership has grown substantially in the past three years (5.5% from FY 2002 through FY 2004). Northern Virginia's transit ridership grew by 7.2% over that period. Northern Virginia's share remains at about 75 percent of the statewide total.
- Northern Virginia's transit systems are also very productive, carrying 75% of the statewide ridership with 66% of the 1615 transit vehicles, 57% of the 71 million revenue miles operated and 35% of the 6.5 million vehicle hours.

STATEWIDE AND NORTHERN VIRGINIA ANNUAL TRANSIT RIDERSHIP

Year	Statewide (millions)	Northern Virginia (millions)	NoVa Share (%)
FY 2002	159.0	117.3	73.8
FY 2003	161.0	121.6	75.5
FY 2004	167.8	125.7	74.9

Source: Virginia DRPT and NVTC. FY 2005 statewide ridership will be available in April, 2006.



TRANSIT SYSTEMS ARE GETTING CHOKED WITH RIDERS



- Without more railcars, VRE will have “unmanageable” congestion by 2007-08.
- Metro’s Orange Line in Virginia is already at capacity. By 2008, it could be unmanageably crowded (120+ people per car with 50+ standing).
- Incidents on Metrorail have illustrated that the region can’t get along without the equivalent capacity of 15 rush-hour freeway lanes provided by Metro.



PUBLIC TRANSIT INVESTMENTS PAY HEARTY DIVIDENDS



- While effective transit requires more public investment, the economic return clearly justifies the use of public funds.
- In FY 2005, total transit spending on the operating and capital cost of public transit systems was \$508 million in Northern Virginia. This is \$242 per person or \$3.94 per trip. Of this amount, fares covered over a third.
- But considering congestion savings of \$5.33 per transit trip, air quality improvement valued at \$3.68 per trip, fuel savings of \$1.05 per trip and induced economic activity of \$6.98 per trip, the net returns of transit investments were about \$17.05 per trip in FY 2005.
- Net returns for the overall population were \$1,047 per person. By spending \$242 per person, we earned \$1,289 per person in benefits.

**NORTHERN VIRGINIA ANNUAL TRANSIT BENEFITS
COMPARED TO EXPENDITURES
--FY 2005--**

	Per Person	Per Transit Trip	Total (millions)
Transit Expenditures	\$242	\$3.94	\$508
Population	-	-	2.1
Transit Trips	62	-	128.9
Congestion Savings ¹	\$328	\$5.33	\$689
Air Quality Improvement ²	\$226	\$3.68	\$474
Fuel Savings ³	\$65	\$1.05	\$135
Economic Activity ⁴	\$429	\$6.98	\$900
Net Benefits of Transit	\$1,047	\$17.05	\$2,198

Notes:

1 Texas Transportation Institute estimates \$667 per person congestion costs with transit lowering amount by a third from \$995.

2 Transit saved 8,322 tons in FY 2005 using APTA's per rider factor of 76 pounds per rider per year @ \$57,000 per ton using MWCOG's average median cost for reductions using transit TERMS.

3 Transit saved 60 million gallons in FY 2005 using APTA's per rider factor of 273 gallons per rider per year @ assumed \$2.25 per gallon.

4 APTA's factor is \$6 in activity per \$1 of transit investment. Only the approximate capital portion of the \$508 million transit expenditure is considered "investment" (\$150 million).

Source: NVTC estimates using APTA factors.



PUBLIC TRANSIT INVESTMENTS PAY HEARTY DIVIDENDS

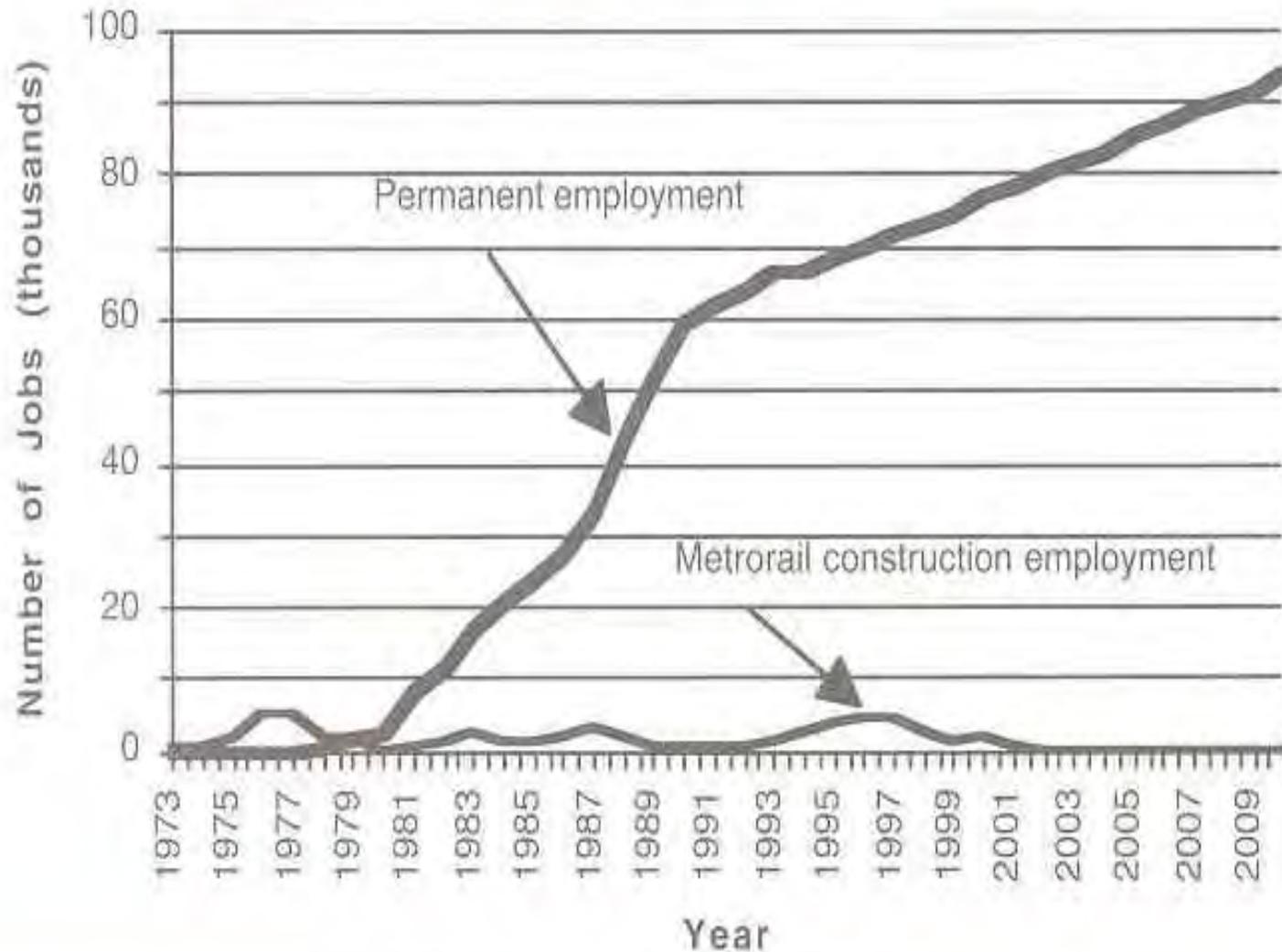


- NVTC has sponsored two detailed consulting studies of the returns earned by the Commonwealth of Virginia on its investments in Metrorail from 1985 through 2010.
- KPMG Peat Marwick determined that through increased tax collections resulting from induced economic activity (jobs, new construction, hotels, other businesses), Virginia is forecast to earn a stunning 19.2% each year.
- Metrorail will create 90,000 permanent professional jobs yielding \$1.2 billion of state tax revenues in excess of investments.

- The vital message:

Public transit boosts Northern Virginia's economy, which generates state taxes to benefit the entire commonwealth.

Metrorail Generated Jobs





STATE TAX YIELDS OF JOBS IN NORTHERN VIRGINIA



- Jobs in NVTC and PRTC jurisdictions total about a million in the 2000 U.S. Census, or almost a third of the statewide total. A more recent proxy is the number of persons filing income tax returns for the 2002 tax year, which totals 1.1 million in NVTC and 0.3 million in PRTC compared to the statewide total of 4.5 million.
- As of FY 2004, sales taxes paid totaled \$1.1 billion in NVTC's jurisdictions and \$1.4 billion including PRTC jurisdictions, compared to \$3.9 billion statewide.
- Income taxes paid in NVTC's jurisdictions in 2002 totaled \$2.4 billion, or \$2.9 billion including PRTC, compared to \$6.4 billion statewide.
- Combined, state sales and income taxes paid per job per year was about \$3,400 in NVTC's jurisdictions and \$2,500 in PRTC, compared to \$2,300 statewide. NVTC's per job tax total is almost 50 percent greater than the average state job.



STATE TAX YIELDS OF JOBS IN NORTHERN VIRGINIA



Jurisdictions	Jobs* (2002)		Sales Taxes (FY 2004)		Income Taxes (2002)		Total Taxes Per Worker	
	#	%	\$Millions	%	\$Millions	%	\$	%
Alexandria	77,190	2.3	99,390	2.6	200,221	3.1	3,249	140.1
Arlington	134,937	3.4	131,310	3.4	317,818	4.9	3,328	144.3
Fairfax (City)	16,110	0.4	46,798	1.2	27,537	0.4	4,614	200.0
Fairfax	663,048	14.6	633,732	16.3	1,579,801	24.5	3,338	144.7
Falls Church	9,455	0.2	15,220	0.4	20,749	0.3	3,804	164.9
Loudoun	138,351	2.9	180,400	4.6	297,572	4.6	3,455	150.0
Total NVTC	1,054,123	23.8	1,106,848	28.4	2,443,698	38.0	3,368	146.0
Prince William	189,836	4.2	179,010	4.6	288,234	4.5	2,461	106.7
Stafford	60,058	1.3	35,255	0.9	90,115	1.4	2,087	90.5
Fredericksburg	12,549	0.3	51,220	1.3	17,758	0.3	5,497	238.3
Manassas	22,934	0.5	28,999	0.7	31,858	0.5	2,654	115.0
Manassas Park	6,885	0.2	7,379	0.2	8,052	0.1	2,241	97.2
Total PRTC	292,262	6.4	301,863	7.8	436,018	6.8	2,525	109.4
NVTC and PRTC	1,346,385	30.2	1,408,711	36.2	2,879,716	44.7	3,185	138.1
Total State	4,479,098	100.0	3,895,553	100.0	6,437,587	100.0	2,307	100.0

*A proxy, persons filing income tax returns for 2002.

Note: Percentages are all compared to the state totals.



NORTHERN VIRGINIA TAXPAYERS BEAR A MUCH HEAVIER BURDEN THAN ANY OTHER URBAN AREA IN VIRGINIA



- Northern Virginia's local governments make a disproportionate effort to raise funds from many sources available to them. With 20.5% of the population of Virginia, NVTC's six member governments raise 28.4% of the state's sales tax revenues, 41.3% of the recordation tax, 38.0% of the income tax, 41.9% of the real estate levies with only 38.0% of the fair market value of real estate, and 34.9% of the tangible personal property levies.



LEVEL OF EFFORT



<u>Category</u>	<u>NVTC's Six Jurisdictions % of State</u>
Population	20.5%
Sales Tax Collected	28.4%
Recordation Tax	41.3%
Income Tax	38.0%
Fair Market Value Real Estate	38.0%
Real Estate Levies	41.9%
Tangible Personal Property Levies	34.9%

Source: Virginia Department of Taxation Website
Various calendar years 2000-2004.



IF NORTHERN VIRGINIA WERE A STATE



- Northern Virginia comprises:
 - 27% of Virginia's population.
 - 21% of vehicle miles traveled.
 - 70% of transit ridership.
 - 38% of personal income taxes.
 - 49% of state recordation taxes.
 - 9% of statewide roadway lane miles.
- By 2030, Northern Virginia is projected to increase its population by 43% (versus statewide growth of 31%). Jobs in Northern Virginia will grow by 61%. Housing will not keep pace. That means more traveling back and forth to reach work and much greater traffic congestion.
- If Northern Virginia were a state, it would rank first in personal income per capita and the rest of Virginia would rank 39th, versus the current ranking of 10.



IF NORTHERN VIRGINIA WERE A STATE



	<u>RANK BY</u> <u>PERSONAL INCOME</u>	<u>RANK BY</u> <u>PERSONAL INCOME PER CAPITA</u>
Virginia with NoVa	12	10
Virginia without NoVa	21	39
NoVa as a State	31	1



UNFUNDED TRANSIT NEEDS ARE SIGNIFICANT AND GROWING IN NORTHERN VIRGINIA



- VTRANS 2025, an ambitious multi-modal statewide transportation needs assessment, determined that average annual expenditures for transit statewide would have to total \$1.7 billion just to maintain transit's market share.
- Half of that amount (\$834 million annually) is currently unfunded.
- In Northern Virginia, the projected transit needs are at least \$1 billion annually and as much as \$1.5 billion.

**NORTHERN VIRGINIA AND STATEWIDE CURRENT AND
PROJECTED PUBLIC TRANSIT NEEDS
(AVERAGE ANNUAL FOR FY 2005-2010)**

-\$millions-

Transit Needs	<u>Northern Virginia</u>	<u>Statewide</u>
Capital		
Current ₁	\$152	\$217
Projected ₂	\$459-\$911	\$747
Operating		
Current ₁	\$347	\$470
Projected ₂	\$633	\$925
Total		
Current ₁	\$499	\$687
Projected ₂	\$1,092-\$1,544	\$1,672

Sources:

1. CTB Six-Year Transportation Program (FY 2005-2010) and DRPT Spreadsheets.
2. Rail,Public Transportation and TDM Six-Year Plan and Program, Cambridge Systematics, Inc for DRPT (March, 2004)--Scenario 2 (also MWC0G's Time to Act) for \$911 million NOVA capital needs estimate).



SHARES OF THE NORTHERN VIRGINIA AND STATEWIDE TRANSIT FUNDING BURDEN



- What is local effort to fund transit? Here it is defined as funding provided by local taxpayers via payments to local and regional agencies (e.g. local property tax, NVTC 2% gas tax) user fees (e.g. transit fares and tolls), as well as bond proceeds with debt service supported by such payments (e.g. telecommunication and recordation fees).
- This excludes taxes for transportation paid directly by local residents to state and federal governments (e.g. 17.5-cents per gallon state gas tax, half-cent state sales tax, 18.4-cents per gallon federal gas tax).
- For FY 2005, local sources covered 56% of total transit costs statewide but 63% in Northern Virginia. Statewide the state paid 19% while it paid 20% in Northern Virginia. Statewide the federal government added 25% but only 17% in Northern Virginia.
- Compared to all transit systems in Virginia (approximately 50), local sources in Northern Virginia covered 7 percentage points more and federal sources added 8 percentage points less.
- It should be noted that the \$322 million of spending on transit in Northern Virginia from local sources excludes as much as \$50 million not counted in standard NVTC/DRPT data. The additional funds are from proffers, special taxation districts and tolls.

VIRGINIA STATEWIDE AND NORTHERN VIRGINIA TRANSIT FUNDING SHARES --FY2005--

Jurisdiction	Statewide	Northern VA
Local:	56%	63%
General Funds + Gas Tax:	27%	29%
Fares:	29%	34%
State:	19%	20%
Federal:	25%	17%
Total:	100%=\$700 million	100%=\$508 million

Source: DRPT and NVTC. Northern Virginia includes NVTC, PRTC and VRE.



TOTAL TRANSIT SPENDING IN NORTHERN VIRGINIA IS INCREASING



- For FY 2005, spending on transit operations and capital improvements totaled \$508 million, up from \$450 million in FY 2004.
- Statewide transit spending at about 50 separate systems (including eight in Northern Virginia) is also increasing (reaching \$808 million in FY 2006), but Northern Virginia's transit spending is growing faster.
- From FY 2003 through FY 2006, statewide transit expenditures grew by 43% while Northern Virginia's spending on transit grew by 51%.
- Consequently, Northern Virginia's transit expenditures have grown to 75% of the statewide total in FY 2006. Northern Virginia receives only about 70% of the commonwealth's transit formula assistance.

TOTAL SPENDING ON PUBLIC TRANSIT

--\$millions--

	FY 2003	FY 2004	FY2005	FY2006	% FY 2006/2003
Statewide	564	620	700	808	43%
Northern Virginia	400	450	508	606	51%

Source: DRPT. Northern Virginia includes NVTC, PRTC and VRE.



PUBLIC TRANSIT DEPENDS ON EACH FUNDING PARTNER PAYING ITS FAIR SHARE



- How the transit funding partners measure up in their comparative levels of effort to support Northern Virginia transit systems:
 - Riders pay their fair share, with significant fare increases continuing in the last few years.
 - Transit systems are very efficient with among the highest farebox cost recovery ratios in the nation and low costs per passenger-mile. WMATA especially is heavily audited and acting quickly to respond to peer suggestions for improvement.



PUBLIC TRANSIT DEPENDS ON EACH FUNDING PARTNER PAYING ITS FAIR SHARE



- Local governments and hence local taxpayers in Northern Virginia pay more than their fair shares and have a much higher per capita burden than anywhere else in the commonwealth. Local sources include general funds (property tax), gas tax, tolls, bonds, special tax districts and proffers/transportation management plans.
- The federal government needs to do more and a pending bill would provide \$1.5 billion over the next decade.
- The Commonwealth of Virginia should do much more since it fails to meet its own statutory targets. Thus, it jeopardizes its own economic well being by penalizing its most productive region.



NORTHERN VIRGINIA TAXPAYERS BEAR A MUCH HEAVIER BURDEN THAN ANY OTHER URBAN AREA IN VIRGINIA



- The most recent estimate for FY 2001 by the Virginia Department of Rail and Public Transportation showed per capita transit funding using standard local sources of \$126 per person in Northern Virginia.
- This was more than four times greater than any other urban area of Virginia.
- NVTC's estimates for FY 2005 confirm that this discrepancy still exists and has grown considerably.
- For NVTC's five jurisdictions contributing to WMATA, the per capita local effort--including fares, gas tax and general funds--is over \$208 for FY 2005. Including Loudoun County, PRTC and the entire Northern Virginia Transportation District, the amount is \$161.
- The next largest transportation district in terms of per capita local transit effort is Richmond at \$20. Hampton Roads is \$16. Thus, Northern Virginia has a local effort at least eight times as great as any other transportation district. NVTC's five WMATA jurisdictions have a local effort 10 times greater.

**PER CAPITA LOCAL FUNDING OF PUBLIC
TRANSIT IN VIRGINIA
--FY 2005--**

Jurisdiction	Population	Local Funding Sources (\$millions)	\$Per Capita
Alexandria	128,206	44.6	347.88
Arlington	186,117	77.4	415.87
Fairfax (city)	22,062	4.1	185.84
Fairfax County	1,003,781	152.3	151.82
Falls Church	10,781	2.7	250.44
Subtotal NVTC (including 1/2 VRE)	1,350,323	281.1	208.17
Northern Virginia District	1,975,199	318.7	161.37
Bristol District	360,761	2.1	5.70
Culpeper District	347,523	4.1	11.74
Fredericksburg District	429,840	1.4	3.28
Hampton Roads District	1,762,212	28.5	16.19
Lynchburg District	379,743	2.3	6.15
Richmond	1,173,005	23.7	20.18
Salem District	737,815	5.7	7.77
Staunton District	490,717	2.3	4.65

Note: U.S. Census 2004 estimated. Local funding includes operating revenue (fares), gas tax revenue and local general funds. Per capita gas tax for NVTC (excluding Loudoun) equals \$15.18.



COMMONWEALTH OF VIRGINIA'S ROLE IN TRANSIT FUNDING



- While state aid for public transit is an important component of the Northern Virginia total (about 20%) Virginia should do much more to meet its obligations.
- Virginia fails to meet its own statutory targets for its formula assistance (95% of transit costs not covered by fares or federal aid) and by doing so jeopardizes its own economic well being by penalizing its most productive region.
- Metrorail cost about \$10 billion to build. It would cost \$24 billion in current dollars. It provides equivalent capacity to 1,400 freeway lane miles.
- Of the \$10 billion, state governments in Maryland paid 9% and Virginia paid 3%. Northern Virginia's local governments paid 4%, Maryland's paid nothing. The federal government paid almost 70%.

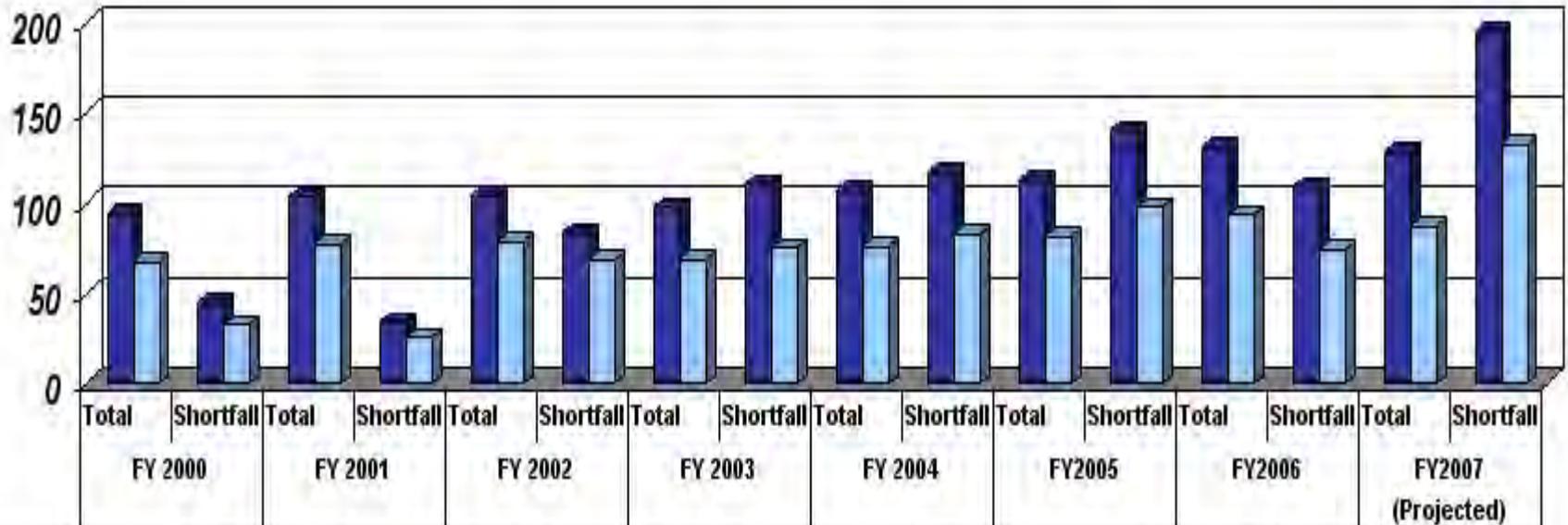


COMMONWEALTH OF VIRGINIA'S ROLE IN TRANSIT FUNDING



- For FY 2005, if the commonwealth had provided sufficient formula funding to meet its 95% target, NVTC and VRE would have received an extra \$98 million (versus the \$81 million actually received). Statewide an extra \$140 million was needed to meet the 95% target over and above the \$113 million in formula funding actually provided.
- These shortfalls are growing substantially (except for a short-term “fix” in FY 2006 that will be undone in FY 2007 without General Assembly action). For example, the statewide shortfall grew 313% between FY 2001 and 2005, while NVTC’s shortfall grew 285%.
- For FY 2007, almost \$200 million more would be needed to meet the state statutory target of 95 percent of non-federal transit subsidies. The capital matching share is projected to be only 25% versus 63% in FY 2006 and 38% in FY 2005.
- The future continues to be bleak without new state funding, with forecast transit capital matching ratios only climbing slightly from FY 2007 to reach 42% by FY 2011.

STATE TRANSIT FORMULA FUNDING AMOUNTS AND SHORTFALLS --\$millions--



	FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		FY2005		FY2006		FY2007 (Projected)	
	Total	Shortfall	Total	Shortfall	Total	Shortfall	Total	Shortfall								
■ Statewide	94.3	45.1	103.3	34.0	104.5	83.8	97.8	110.9	106.8	116.7	112.6	140.3	131.1	109.2	128.7	195.3
□ NVTC and VRE	67.5	32.4	77.4	25.4	78.6	68.8	68.7	75.4	75.7	82.8	81.4	97.7	93.7	74.7	87.3	132.6

Notes: Northern Virginia is NVTC and VRE. Excludes PRTC.

Source: DRPT and NVTC.



THE COMMONWEALTH'S FUNDING OF TRANSIT IS FALLING FURTHER BEHIND LOCAL SOURCES



- Since FY 2001, state aid to transit for NVTC and VRE has grown to \$81 million in FY 2005 from \$77 million, or 5.2%.
- At the same time, local sources grew by \$102 million, or 52%, consisting of fare revenues (51% growth), gas taxes (19%) and local general funds (66%).
- Thus, total local transit assistance grew 10 times as fast as state formula assistance.
- In FY 2006, state aid to NVTC and VRE jumped dramatically to over \$150 million due to one-time allocations (e.g. \$40 million for WMATA railcars and \$20 million for VRE railcars). Even so, total local sources of funding for transit held steady at almost \$300 million, the same level as FY 2005. The extra state assistance did not relieve the local burden and in FY 2007 state aid is forecast to plummet to FY 2003 levels.

GROWTH OF LOCAL TRANSIT FUNDING FOR NVTC AND VRE VERSUS STATE AID

--\$millions and percent--

	FY 2001	FY 2002	FY 2003	FY 2004	FY2005	Percent Change FY 2005-2001
State Aid	77	79	69	76	81	5.2%
Local General Fund	56	72	80	78	93	66%
Gas Tax	21	19	21	22	25	19%
Fares	120	132	137	159	181	51%
Subtotal Local	197	223	238	259	299	52%



NVTA PUBLIC OPINION SURVEY (APRIL-MAY 2005)

–1,263 adult respondents–



- Respondents often selected specific transit improvements as their first or second choice in corridors in which they actually travel (e.g. Dulles rail, Metrorail to Centreville along I-66).
- Transit improvements in general were ranked first or second by 74%, much higher than roads (61%).
- The mean willingness to pay for transit was \$2.06 per day versus \$1.46 for highways. Over a fifth would pay \$3 or more per day (well over a thousand dollars a year) to expand transit and reduce crowding. Another 38% would pay \$1 to \$3 each day.
- A dollar a day is roughly equivalent to a gas tax of 61-cents per gallon at 12,000 miles per year and 20 miles per gallon.
- This reported willingness to pay even \$1 per day is a very significant finding.



NVTA PUBLIC OPINION SURVEY (APRIL-MAY 2005)

–1,263 adult respondents–



Options to raise \$175 million annually:

1) Increase sales tax ½ cent:

First choice: 46%

Second choice: 36%

Total: 72%

2) Increase income tax \$25 per \$10,000 taxable income:

First choice: 23%

Second choice: 34%

Total: 57%

3) Increase gas tax 17.5 cents per gallon:

First choice: 20%

Second choice: 19%

Total: 39%

METRORAIL REACHING CAPACITY



What would you do without METRO?



These people found out the hard way.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: November 23, 2005
SUBJECT: WMATA Items.

A. Metro Board Digest for November, 2005

A copy is attached for your information.

B. Sale of Land at Vienna Metrorail Station.

The attached item describes the decision by the WMATA Board on November 17th to sell a controversial 3.75-acre parcel of land at the station to Pulte Home Corporation for \$6.5 million plus \$9 million in improvements to WMATA property and a nearby road. The decision followed a recent public hearing on the sale conducted by WMATA.



November 17, 2005

MEMORANDUM FOR: Chairman and Members of the Board

SUBJECT: November Board Digest

Web Site Offers Two New Consumer-Driven Features

Two features recently added to the WMATA Web site help customers find their way to-and-from, and around Metrorail stations, and help them learn whether it costs more to commute by car or by Metro. Customers seem to appreciate both new online tools, requesting the Metrorail street map 2,223 times on an average day and the Metro savings calculator an average of 807 times each day.

The Metrorail street map, found in the "Maps and stations" section on the Web site, shows the location of all Metrorail stations and lines. The online map enables users to see where Metrorail stations are relative to major streets and landmarks. It is similar to the neighborhood maps posted in Metrorail stations. The map allows visitors to pan and zoom, to and from the entire service area down to the streets immediately surrounding individual stations. In addition, the online maps allow visitors to toggle between street map and satellite photo views. Web users can find a station of interest and click on the Metrorail station icon to find the station's name and address and link to a detailed page of station information. The station pages provide information on parking, first and last train departure times, fares and travel times to other stations, elevator/escalator status, car-sharing and more.

The Metro savings calculator enables users to calculate the cost of driving and compare it with the cost of riding Metrorail and/or Metrobus. Customers input the number of days per month they commute, parking costs and miles driven per day to figure out the cost of driving. To calculate the cost of commuting by Metro, they indicate their departure and arrival stations, whether they park at the station, and the number of miles they drive to the station. The calculator is in a new "Commuter

Chairman and Members of the Board

Page 2

tips” area of the Web site that contains time and money-saving commuting advice.

Urban Institute Partners With MTPD to Reduce Auto Crimes

The Metro Transit Police Department and the Urban Institute (UI), a Washington-based non-partisan nonprofit research group, have teamed up on a two-year research project aimed at reducing car crimes in Metro parking facilities. The research is funded completely by a grant to UI from the National Institute of Justice of the U.S. Department of Justice. UI researchers and the Metro Transit Police, are analyzing crimes in 50 of Metro’s parking facilities and noting their physical and environmental design to possibly identify areas of vulnerability for crime. From this information they will develop prevention strategies to help further reduce auto crimes.

From January through September 2005, there were 114 reports of motor vehicle thefts in Metro parking lots and 58 attempted motor vehicle thefts, compared with 145 auto thefts and 72 attempts in the same period of 2004. On an average weekday, more than 50,000 vehicles park in Metro’s parking facilities.

MTPD has a dedicated Auto Theft Unit that focuses on reducing parking lot crime. Members of the team work varied hours and shifts and use a variety of tactics, including plain clothes officers, officers on bicycles or motorcycles, and K-9 teams. The Auto Theft Unit also regularly shares information with regional police departments.

Rail System Safety Audit Underway

From November 7-18, we are participating in a voluntary safety review program by the American Public Transportation Association (APTA). Every three years, APTA rail safety auditors evaluate WMATA's System Safety Program Plan. The review looks at safety elements including emergency response planning and training, and security planning. APTA will provide a preliminary and final report with recommendations and best industry practices.

Robert Miles and Bladensburg Maintenance Team Win Metrobus Rodeo

Landover Division's Robert Miles won his 17th Metrobus Roadeo on Saturday, Oct. 22, competing against 19 Metrobus operators. The team from the Bladensburg heavy overhaul facility—Truc Hoang, William Morgan and Locksley McKenzie—won its second consecutive maintenance competition.

To win the operator competition, Miles drove his Metrobus on a course with 11 obstacles that cover every conceivable maneuver that a bus operator would encounter on a street. Miles demonstrated his excellent driving skills, and scored points for personal appearance, smoothness of operation and safety. In the operator competition, Landover's Kenneth Lee took second place and Arlington's Ronald Curry finished third.

In the maintenance competition, three mechanical teams searched for planted defects on a bus and troubleshot parts, including engine parts, air conditioning units and air brakes. The team that identified the greatest number of defects in the shortest period of time won the competition. The second place mechanics team from the Montgomery division included Leonard Makowski, John Epps, Jr. and Michael Harris. Taking third place, was a split team from the Arlington, Four Mile Run and Bladensburg garages, which included Oscar Hilliard, John Curry and Patrick Glenn.

The first place operator and maintenance teams will travel to Anaheim, CA, and represent Metro at the International Bus Roadeo in May 2006. This smaller Metrobus Roadeo was held in order to prepare participants for the international competition, which was moved to the spring to coincide with APTA's annual bus and paratransit conference. The next full-scale Metrobus Roadeo will take place next fall.

Employee Forums Held At Metrobus Facilities

I will be wrapping up a series of Employee Forums at all the Metrobus facilities by the end of the month with visits scheduled at the Northern, Western and Montgomery divisions on November 21, and the Southeast and Southern Avenue divisions on November 30. The Employee Forums have given me the opportunity to update employees about the urgent priorities of the Authority, hear their concerns and answer questions.

New Carrollton Metrorail Station Parking Garage Opened October 29

Chairman and Members of the Board

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A new eight-level parking structure with 1,850 spaces opened October 29 at the New Carrollton Metrorail station. A ceremonial ribbon cutting took place on Tuesday, November 8, with Board member Charles Deegan joined by Maryland Secretary of Planning Audrey Scott, Department of Transportation Deputy Secretary James F. Ports, Jr., and Prince George's County officials.

The new parking facility will eventually replace the existing parking structure as part of future joint development at the New Carrollton station. Funding for the construction of the \$22.6 million parking structure came from bond proceeds, temporary parking funds and parking surcharges. The weekday rate at the New Carrollton facility is \$3.50 if the vehicle owner takes a Metrorail trip using the same SmarTrip card to pay for the rail trip and parking. For non-Metrorail riders, the daily parking fee is \$7.50.

Upcoming Events

November 18

Dulles Corridor Steering Committee meeting, 8 a.m.

Metro LunchTalk Online, chat session at metroopensdoors.com, noon.

December 2

Metro LunchTalk Online, chat session at metroopensdoors.com, noon.

December 14

Annual Employee Awards Program, National Transportation Safety Board auditorium, 429 L'Enfant Plaza, 1 p.m.

If you have any questions, please let me know. Thank you.

Richard A. White
General Manager and Chief Executive Officer



(Board Copy)
Washington Metropolitan Area Transit Authority
METRO ELECTRONIC ACTION DOCUMENT

IDENTIFICATION			
MEAD ID:	96596	ACTION:	Initiate & Award
AWARD VALUE:	(Not yet awarded)	CONTRACT: (Proposed)	
FUND SOURCES: (View)	Operating Funds	CONTRACTOR:	
LAST MODIFIED:	10/06/2005		

DESCRIPTION	
SUBJECT:	Sale of WMATA property to Pulte Home Corporation at the Vienna/Fairfax-GMU Metrorail Station.
PURPOSE:	To obtain Real Estate Committee and Board approval of a Term Sheet with the Pulte Home Corporation as purchaser and to negotiate and execute an agreement of sale which provides for the conveyance of approximately 3.75 acres of WMATA property at the Vienna/Fairfax-GMU Metrorail Station and for the approval of conveyance of approximately 7.08 acres of WMATA property, comprising Saintsbury Drive, to Fairfax County for acceptance into the Virginia Department of Transportation road system. WMATA Parcel No. VK196/K007.

ORIGINATION					
INITIATOR			DEPARTMENTAL APPROVAL		
ROLLIN BURNS JR on 06/16/2005			Approved by SALPEAS , PANAGIOTIS 06/24/2005		
PHONE:	--	OFFICE:	LAND	DEPT:	Secretary and Chief of St

COORDINATION (ROUTING)		
OFFICE	NAME	ACTION/DATE
LAND (7310)	MALASKY, GARY	Approved 06/21/2005
LAND (7310)	MALASKY, GARY	Approved 06/21/2005
(1120)	BARTLETT, HAROLD	Approved w/ Comments 06/21/2005
COOB (3211)	REQUA, JOHN	Approved 06/22/2005
(4110)	SALPEAS, PANAGIOTIS	Approved 06/24/2005
PLNT (3151)	GILLUM JR, PAUL	Re-assigned 06/28/2005
PLNT (3151)	GILLUM JR, PAUL	Re-assigned 06/28/2005
PRMT (7410)	JACKSON, LUCY	Approved 06/23/2005
(3311)	FEIL, STEVE	Approved 06/23/2005
BPPD (8310)	WASHINGTON, JOEL	Approved 06/22/2005
COUN (1410)	O'KEEFFE, CAROL	Approved 06/28/2005
COUN (1410)	O'KEEFFE, CAROL	Re-assigned 06/28/2005

FINAL APPROVALS	
OFFICE	NAME/ACTION
BEMR	Approved w/ Comments for by HAROLD BARTLETT on 06/21/2005
PLN_DEV_CMTE	Approved for by PANAGIOTIS SALPEAS on 06/24/2005
BEMR	Approved for by HAROLD BARTLETT on 06/29/2005
GM	Approved for GMGR by GMGR CEO on 10/12/2005
BOARD	BOARD WMATA (Not Yet Approved)



Washington Metropolitan Area Transit Authority
METRO ELECTRONIC ACTION DOCUMENT

NARRATIVE

BACKGROUND

In February 1976, WMATA acquired approximately 15 acres of land for the construction of the south side of the Vienna/Fairfax-GMU Metrorail Station.

The Pulte Home Corporation owns or controls most of the land (53 acres) to the south of the station. Pulte proposes to purchase 3.75 acres of WMATA property which will be assembled with Pulte's land in a proposed transit oriented development adjacent to the Metrorail Station.

WMATA joined in an "out of turn" Comprehensive Plan Amendment allowing the transit oriented development. WMATA also joined in a rezoning application which is now pending before Fairfax County.

Pulte, WMATA, Fairfax County and the Virginia Department of Transportation (VDOT) have participated in ongoing meetings during the last 18 months (approximately) and have reached a consensus on a conceptual plan for improvements to the Vienna/Fairfax-GMU Metrorail Station access road (Saintsbury Drive) and station facilities. The proposed improvements, which will be paid for by Pulte and will be constructed after approval of its rezoning application, include the following:

Saintsbury Drive:

- 1) Widening of Saintsbury Drive from 3-lane undivided to 4-lane divided road;
- 2) Two roundabouts, one at the east bus loop and one at the west bus loop to improve bus access and traffic circulation;
- 3) Relocation of 75 metered parking spaces on the reconstructed Saintsbury Drive from which WMATA will collect revenue;
- 4) Three new and/or modified traffic signals;
- 5) A raised pedestrian crossing between the Developer's proposed main pedestrian plaza and the Vienna/Fairfax-GMU Metrorail Station;
- 6) Reconstruction will result in a net loss of 17 metered parking spaces. There are currently 120 metered spaces. Staff has determined that the loss of 17 spaces does not represent a material modification to existing facilities and services, and that no compact hearing is required;
- 7) Conveyance of WMATA owned portion of Saintsbury Drive (7.08 acres) to VDOT thereby relieving WMATA of maintenance and repair expenses and future liability.

Vienna/Fairfax-GMU Metrorail Station Facilities (south side):

- 1) Reconfiguration of the entrance and exit points to and from WMATA's southeast parking lots to improve traffic operations along Saintsbury Drive;
- 2) One new bus bay, reconfiguration of existing bus bays, and additional layover spaces;
- 3) A continuous canopy over all twelve (12) bus bays;
- 4) Reconstructed bus platforms and sidewalks;
- 5) Bus shelters, including benches, and conduits for the Intelligent Transportation System (ITS);
- 6) Bus supervisor kiosk;
- 7) Bus signage including pylons for placement of route maps and schedules;
- 8) Accommodation of Greyhound kiosk to be installed by others at a location approved by Fairfax County;
- 9) Signage and graphics, bicycle racks, trash receptacles, vehicular and pedestrian scale lighting, conduits for emergency phones to be connected to WMATA's GETS system;
- 10) Landscaping, drainage, and utilities.

Pulte's improvements to Saintsbury Drive and to WMATA's facilities are estimated to cost approximately \$9.0 million. In addition, Pulte will purchase WMATA's 3.75-acre parcel at WMATA's appraised fair market

value of \$6.5 million. The fair market value was determined by a contract fee appraisal--William R. O'Neill, MAI, September 13, 2004.

ALTERNATIVE

Do not approve the sale of the property to Pulte. WMATA retains ownership of the 3.75-acre property forgoing \$9.0 million in improvements to its access road and Metrorail station facilities and \$6.5 million in cash. WMATA also retains the maintenance and repair responsibility and ownership liability for its portions of Saintsbury Drive. In this case, WMATA will still have to serve future uses of the 53 acres without benefit of third party paid improvements.

IMPACT ON FUNDING

This is a revenue generating action. Proceeds from the sale will be deposited in the Transit Infrastructure Investment Fund (TIIF) to be used in accordance with FTA Circular 5010.1C.

RECOMMENDATION

That the Real Estate Committee and Board approve the execution of a Term Sheet with the Pulte Home Corporation as purchaser and the negotiation and execution of an agreement of sale which provides for the conveyance of approximately 3.75 acres of WMATA property at the Vienna/Fairfax-GMU Metrorail Station and approve the conveyance of approximately 7.08 acres of WMATA property, comprising Saintsbury Drive, to Fairfax County for acceptance into the Virginia Department of Transportation road system. WMATA Parcel No. VK196/K007..

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube, Adam McGavock, Kala Quintana and Jana Lynott

DATE: November 23, 2005

SUBJECT: Regional Transportation Items

A. FY 2005 Transit Ridership in Northern Virginia

NVTC staff reported at the November 3rd commission meeting on FY 2005 transit ridership. The media widely reported these results. Examples of the media coverage are attached for your information.

B. NVTA 2030 Transportation Plan Update Public Hearing.

On December 6th, NVTA will conduct the hearing. NVTC staff has had a lead role in planning and coordinating the event.

C. Hydrogen Fuel Injection Technology.

By now, nearly everyone has heard about fuel cell technology, and the promise of clean-burning and inexpensive hydrogen propulsion technologies. However, fuel cell technology is in its infancy, and even the most optimistic fuel cell proponents do not expect to see widespread fuel cell deployment for at least another fifteen years.

The Canadian Hydrogen Energy Company (CHEC) has developed an innovative new way to use hydrogen power, and you don't have to wait ten years to see it work. In fact, several large trucking companies are using the CHEC system to save fuel, increase horsepower, and reduce harmful emissions right now.

The CHEC system is known as Hydrogen Fuel Injection, and instead of using hydrogen to create electricity (as a fuel cell does) the HFI system uses electricity to create hydrogen. The bolt-on, aftermarket system utilizes a small tank of distilled water, and uses the engine alternator to provide the necessary electricity to catalyze hydrogen molecules. These hydrogen molecules are then injected into the diesel engine's



combustion chamber, where they mix with the diesel fuel. The addition of hydrogen improves the efficiency with which the diesel fuel burns, because hydrogen burns much faster and at a much higher temperature. This means that the engine uses less fuel. CHEC guarantees a minimum of ten percent reduction in fuel usage with their HFI system.

There are also significant environmental benefits. According to Canada's Environmental Technology Verification Program, HFI systems have been shown to reduce particulate emissions by 50 percent, and reduce NOx emissions (a major contributor to harmful air pollution) by 14 percent.

The HFI units are fairly small, and range in price from \$4,000 to \$14,000, depending on the size of the engine in which it will be installed.

NVTC staff is investigating the possibility of implementing a demonstration of HFI technology on local buses, since we are not aware of any use of the technology yet in the transit industry.

D. New Study on Federal Telework.

The attachment describes a new study by the Telework Exchange that shows the average federal employee spends 245 hours each year commuting to/from work. If all federal workers teleworked two days per week, 98 hours annually of commuting time would be saved per worker or 73.7 million hours in total. Commuting costs would be reduced by \$3.3 billion. About 2.7 million tons of air pollutants would be eliminated.



RADIO NETWORK

1500 AM | 620 AM | 107.7 FM
wtopnews.com



Mass Transit Mania: For Va. Commuters, It's Standing Room Only

Updated: Monday, Nov. 7, 2005 - 6:21 AM

By HEATHER GREENFIELD
Associated Press Writer

ARLINGTON, Va. (AP) - More northern Virginia residents are taking a stand for public transportation - literally.

Morning commutes aboard the Virginia Railway Express are often standing room only as that system reaches capacity. Many bus routes are that crowded now, too.

It's no wonder. Overall public transportation ridership grew last year to 128 million trips for northern Virginia residents - up 3.3 million from a year earlier. The figure from the Northern Virginia Transportation Commission includes VRE, Metro and eight local bus systems.

While public transit usage increased nationwide, the jump in northern Virginia was nearly double the national average.

"It's a stunning statistic," Fairfax County Board of Supervisors Chairman Gerald E. Connolly said. "With enough resources, we could significantly expand that." He said gridlock is the reason people are turning to mass transit.

In neighboring Loudoun County, Cheyenne Cashin of Sterling is careful to be at her bus station 10 minutes early to make sure she gets one of the 55 reclining seats for her 45 minute trip to the Washington, D.C., law firm where she works. Ridership on the Loudoun County bus system grew 31 percent last year and has nearly doubled since 2003.

"I just don't want to fight the traffic. It's just too much stress. I like having my time to read or take a nap," said Cashin, a bus rider since the late 1980s, before Loudoun County took over the program.

Arlington County's ART bus service saw ridership grow with 116,000 more trips. The Fairfax Connector buses had half a million more passenger trips.

The only service that didn't grow dramatically was VRE, which officials warn is at capacity.

"You can't get more rail cars until you get more money," said Rick Taube, executive director of the NVTC. "The Virginia General Assembly says it would like to pay 95 percent of the public transportation costs not covered by the federal government or fares.

"To meet its own target, the state of Virginia should be providing twice as much for transit as they do," Taube said.

Instead of paying 95 percent of the uncovered costs, Taube said the state typically pays closer to 40 percent. He noted state funding jumped to 63 percent for fiscal 2006, but would fall to 25 percent by 2007 if the legislature does not act.

"It puts us on a little bit of a roller coaster and makes it impossible for transportation systems to plan," Taube said.

Because of the high stakes in the next legislative session, NVTC board members have a careful eye on Tuesday, when all 100 seats in the House of Delegates are up for election.

"If we can elect some more transit-friendly delegates that will be a help," Connolly said. "Now, 14 percent of transportation funding in the state goes to transit. That needs to be expanded."

NVTC chairman Paul Ferguson said he hopes to see half the money go to transit, but realistically they know that is unlikely.

"There is talk of expansion for VRE," Ferguson said. "It would make sense to put money into that."

Last session, Loudoun County received state funds to add seven buses to its fleet of 24 by next summer. Transportation planner Sharon Affinito said they will be used to expand commuter service to the south Dulles area.

Loudoun transit officials say the average rider travels 38 miles one way to destinations in D.C. and the Pentagon.

For traffic congestion, that means the savings of more than 16 million miles of car driving - the equivalent of 70 trips to the moon. And for the region's air it is a savings of 14 tons of nitrous oxide emissions per year.

The hope is numbers like this will persuade the legislature to invest more this session. Connolly's wish list includes a commitment to rail to Dulles and secure funding for Metro.

The NVTC notes public transit growth next year will likely be even higher. These latest numbers were through June 30 - before the spike in gas prices this summer after Hurricane Katrina.

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More riders using public transportation

*By Christy Goodman
Examiner Staff Writer*

Public transportation - not including Metro - has moved 3.3 million more people in Northern Virginia this fiscal year compared with last year, according to the Northern Virginia Transportation Commission.

Some 129 million trips were taken between July 1, 2004, and June 30, 2005, according to NVTC, which manages and allocates state funds to public transportation systems in Northern Virginia.

"A lot of our local systems are doing their fair share to move people around Northern Virginia," said Kala Quintana of NVTC. "We are helping to reduce our dependence on foreign oil, contributing to clean air quality and relieving congestion."

NVTC, which was shorted \$98 million in state funds in fiscal year 2005, is calling on the upcoming General Assembly and new governor "to stand up to the plate," Quintana said.

"The local systems are tapped out," she said. "We are having to turn back to the commonwealth and ask them to be a good partner and get Northern Virginia out of traffic and gridlock."

cgoodman@dcexaminer.com



NVTC NEWS RELEASE

FOR IMMEDIATE RELEASE

November 1, 2005

FOR FURTHER INFORMATION:

Kala Quintana (703) 524-3322 x104

Transit Ridership Soars to Over 128 Million Annual Passenger Trips in Northern Virginia for FY2005

Seven local transit systems responsible for over 20 million of those trips. All transit systems need a stronger funding commitment from state and federal partners.

Arlington, VA – Transit is becoming a victim of its own success. The Northern Virginia Transportation Commission (NVTC) has compiled a comprehensive listing of average weekday and annual public transportation trips for FY 2005 in Northern Virginia. And the numbers look good, REALLY good.

In FY2005, passenger trips on eight public transit systems in Northern Virginia increased by nearly 3.3 million trips compared to FY2004, or an increase of approximately 2.5 percent. Since FY 2005 concluded on June 30, 2005 this does not include the extra transit trips resulting from recent spikes in gas prices.

Throughout FY2005, Metrorail broke one record after another carrying an ever increasing load of passengers. The Virginia Railway Express (VRE), which has more than doubled its ridership since FY 1998, is virtually at capacity carrying nearly 16,000 passengers daily.

Local transit systems carrying more riders than ever

Traffic gridlock and high motor fuel prices are forcing area residents to reassess their transportation choices. As a result, all Northern Virginia transit systems continue to show solid gains.

LC Transit (Loudoun County) leads the region in gains with an increase in passenger trips of 31 percent. Due in part to the tremendous growth in Loudoun County and the high cost of fuel, Loudoun County residents are flocking to the system which is functioning at near capacity. Many routes are over crowded and passengers sometimes stand for the entire length of the 45 minute ride into Rosslyn, VA. LC Transit alone exceeded 500,000 passenger trips in FY 2005.

Fairfax Connector (Fairfax County) increased ridership by nearly 500,000 passenger trips -- a six percent increase. The Connector celebrated its 20th birthday in late September, 2005 having grown from 10 routes and 33 buses to 57 routes and 107 buses and 8.5 million passenger trips.

Arlington County's ART bus system saw an increase of nearly 116,000 passenger trips -- a 17 percent increase.

For FY2005, the transit systems serving Northern Virginia carried nearly 129 million passengers. Most of these trips occur in the most heavily congested commuting corridors during peak commuting hours, which is why transit makes such significant contributions to air quality, energy conservation and traffic relief while creating economic value around key station locations.

On a typical weekday in FY2005, transit systems were responsible for over 438,000 passenger trips in Northern Virginia -- up 2.5 percent from nearly 429,000 in FY 2004.

Nationwide, the **American Public Transportation Association** reports that transit ridership was up around the country in FY 2005, growing by 1.3% -- but overall the growth in ridership does not match the gains realized in Northern Virginia.

Northern Virginians are willing to pay for transportation improvements

The **Northern Virginia Transportation Authority (NVTA)** sponsored a survey of 1,263 area residents earlier this year. Survey results indicated that nearly two-thirds of Northern Virginians are frustrated with their commutes -- with nine out of ten citing "traffic" as the reason.

Eighty-five percent of survey respondents indicated that are willing to pay for transportation improvements. This included the expansion of public transportation to reduce crowding on Metro and VRE. When asked how to pay for such improvements respondents preferred an increase in the sales tax.

Dedicated funding for transit still an issue

Despite the increasing popularity of transit and the benefits to citizens in Northern Virginia, the Northern Virginia Transportation Commission and its jurisdictions must struggle to obtain sufficient funding from its state and federal partners.

State and federal governments are counting on transit to reduce toxic emissions (such as Nitrous Oxide (NOx) which affects air quality) by getting more cars off the road and more passengers onto transit. However, they are not providing enough funding to keep up with demand and compete successfully against single-occupant automobiles.

This is a critical time for Northern Virginia's transit systems. The commonwealth has failed to meet its statutory objectives to help fund transit -- falling \$98 million short in payments to NVTC in FY2005 alone. The General Assembly has convened House and Senate committees to study the transportation funding issue carefully and should consider various tax restructuring and budget proposals.

At the federal level, WMATA has alerted Congress that it needs federal funds to rebuild existing facilities and acquire more railcars and buses. Rep. Tom Davis has introduced a bill (H.R. 3496) that would provide \$1.5 billion in federal funding over 10 years --- provided that Northern Virginia, Maryland and DC can come up with the necessary dedicated funding match.

For more information about how to contact the General Assembly and Congress to urge more funding for public transit, to review NVTC's transit ridership report in more detail, or for a link to the NVTA Survey results, go to www.thinkoutsidethecar.org.

For more information on the data used for this press release go to: <http://www.thinkoutsidethecar.org/transit.asp> and click on the link titled "Coordination of Local Transit Systems in Northern Virginia's Public Transit Network."

NVTC is *the* leading source of information about public transportation issues in Northern Virginia. For more information contact the commission at 703/ 524-3322 or visit our website at www.thinkoutsidethecar.org.

NVTC



Truckers Choose Hydrogen Power

PRINT EMAIL COMMENTS & RAUES

By Stephen Leahy | Also by this reporter

02:00 AM Nov. 15, 2005 PT

Hundreds of semitrailer trucks zipping along North American highways are now powered in part by hydrogen. These 18-wheelers make hydrogen as they go, eliminating the need for high-pressure, cryogenic storage tanks or hydrogen filling stations, which, by the way, don't yet exist.

These truckers aren't just do-gooders. They like Canadian Hydrogen Energy's Hydrogen Fuel Injection, or HFI, system because it lets them save fuel, get more horsepower and, as a bonus, cause less pollution.

"We're saving \$700 a month per truck on fuel," said Sherwin Fast, president of Great Plains Trucking in Salinas, Kansas. The company tried the HFI system on four trucks and has ordered 25 more.

"Drivers like the increased power and noticed there is a lot less black smoke coming out of the stacks," said Fast.

HFI is a bolt-on, aftermarket part that injects small amounts of hydrogen into the engine air intake, said Canadian Hydrogen Energy's Steve Gilchrist. Fuel efficiency and horsepower are improved because hydrogen burns faster and hotter than diesel, dramatically boosting combustion efficiency.

"You get more work from the same amount of fuel," said Gilchrist.

This is not a new idea. The Jet Propulsion Laboratory at the California Institute of Technology published research on the uses of hydrogen as a combustion-enhancing agent in the early 1970s. But the ability to make hydrogen on the go is novel.

The sticking point for hydrogen has always been getting it. Unlike crude oil, natural gas, wind or solar energy, hydrogen doesn't exist freely in nature. It costs \$5 a gallon to make hydrogen from natural gas.

But the HFI system uses electricity from an engine's alternator to power the electrolysis of water to produce hydrogen as needed from small amounts of distilled water.

"That's a big advantage and a bit of a novelty," said Venki Raman, an expert on hydrogen-energy applications who started Protium Energy Technologies.

HFI's manufacturer guarantees 10 percent fuel savings, which likely won't interest car

companies or consumers, Raman said. But a reduction of pollution emissions could spur broader use.

Trucks with the HFI system produce half the amount of particulates -- microscopic, unburned bits of diesel. The system also reduces nitrogen-oxide emissions, which are major contributors to harmful air pollution, by up to 14 percent, according to Canada's Environmental Technology Verification Program.

The HFI units are relatively small and cost between \$4,000 and \$14,000, depending on the size of the vehicle.

"It looks like a good transition technology to hydrogen fuel cells, which are still at least 15 years away from commercialization," said Raman.

It will take at least until 2040 before fuel cells begin to reduce greenhouse gas emissions, according to the National Hydrogen Association, Gilchrist pointed out.

"We vehemently disagree with governments picking the fuel cell as the single path to a cleaner environment," he said.

Gilchrist recently argued just this point in meetings with California officials, who are considering buying prototype fuel-cell vehicles that will cost more than \$1 million each. That money could buy many HFI systems, which would provide "300 times" the air-pollution reductions of one fuel-cell vehicle, he said.

III

Rants & Raves

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▶ **The alternator uses fuel too...I wonder what the...** *terryhealy0 on 11/16/05 2:08 GMT*

▶ **This sounds like a slight variant of propane...** *davidelang on 11/16/05 11:06 GMT*

▶ **it makes you wonder if electrolysis could be...** *chugs1984 on 11/16/05 4:37 GMT*

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Generators	46 cent per gallon	Make Your Own	prices?
Gas generator	Diesel	Biodiesel	Dyno-tabs
produces	Not Biodiesel. No	From used cooking oil.	increases fuel
hydrogen	conversions.	Free book	economy
gas for GCs.	Revolutionary New	contains full details and	& power for better



GOVERNMENT TECHNOLOGY

Government Technology

Telework Exchange Reveals New Federal Government Telework Study

News Staff Nov 21, 2005

Last week, the Telework Exchange, an online community focused on eliminating telework gridlock in the Federal government, announced the results of its telework awareness study -- Telework Exchange "No Free Ride."

The study shows that Federal employees spend an average of 245 hours of their life commuting each year. By teleworking two days per week this average Federal employee would get 98 hours of their life back. If all eligible Federal employees telework two days per week they would realize 73.7 million hours collectively back in their lives each year. With average savings of an hour per day, full-time teleworkers can earn an MBA 35 percent faster, read 25 books in a year, clean out 83 closets, or train for a marathon with the time saved by not commuting.

Commuting Time and Fuel Costs Raise Concerns -- Telework Savings are Significant

The financial and environmental commuting costs, and related telework savings, are also tremendous. According to study responses, the average Federal employee, who commutes five days a week, disperses eight tons of pollutants into the environment and spends \$10,580 commuting to and from work annually. On average, this spending consists of 16 percent of their after-tax income. Survey responses indicate that if all eligible Federal employees telework two days per week, the Federal workforce would realize collective savings of \$3.3 billion and 2.7 million tons of pollutants not dispersed into the environment each year.

Telework Barriers Remain

While Federal employees are interested in teleworking, barriers remain. Of Federal employees interested but not presently teleworking, only five percent can name their agency's telework coordinator. In addition, 56 percent report their agency has a telework plan, but only 21 percent believe they can readily access that plan. According to Office of Personnel Management, close to 100 percent of agencies have a telework plan.

"The findings of the 'No Free Ride' study clearly indicate the need for improved access to telework programs and continued telework education in the Federal government," said Stephen W.T. O'Keeffe, executive director of the Telework Exchange.

The Telework Exchange "No Free Ride Study" is based on a survey of approximately 3,500 Federal government employees registered to the Telework Exchange Web Site. The study is based on the Telework Exchange's Web site registrants' non-personal commuting and teleworking information.

News Staff

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Quarles
DATE: November, 2005
SUBJECT: NVTC Financial Reports for October, 2005.

The reports are attached for your information.

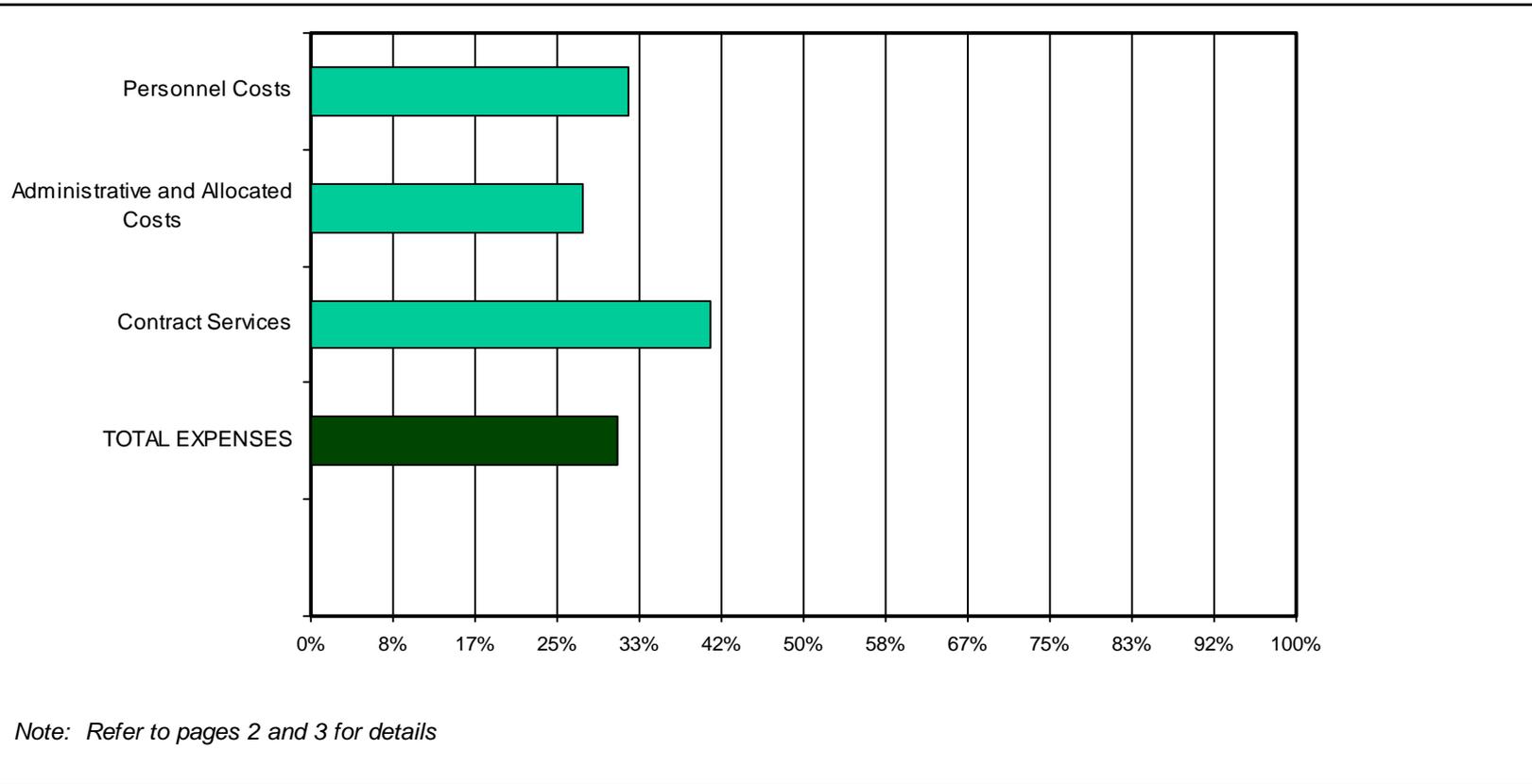


Northern Virginia Transportation Commission

Financial Reports

October, 2005

Percentage of FY 2006 NVTC Administrative Budget Used
October, 2005
(Target 33.33% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
October, 2005

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<u>Personnel Costs</u>					
Salaries	\$ 49,528.26	\$ 215,537.49	\$ 612,384.00	\$ 396,846.51	64.8%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	49,528.26	215,537.49	613,384.00	397,846.51	64.9%
<u>Benefits</u>					
Employer's Contributions:					
FICA	4,250.30	14,226.67	40,869.00	26,642.33	65.2%
Group Health Insurance	2,620.10	12,534.47	92,749.00	80,214.53	86.5%
Retirement	3,673.00	14,692.00	48,800.00	34,108.00	69.9%
Workmans & Unemployment Compensation	-	885.00	3,000.00	2,115.00	70.5%
Life Insurance	273.72	1,094.88	3,150.00	2,055.12	65.2%
Long Term Disability Insurance	241.76	1,002.13	3,902.00	2,899.87	74.3%
Total Benefit Costs	11,058.88	44,435.15	192,470.00	148,034.85	76.9%
<u>Administrative Costs</u>					
Commissioners Per Diem	500.00	4,000.00	13,800.00	9,800.00	71.0%
<i>Rents:</i>					
Office Rent	13,962.18	55,424.52	167,481.00	112,056.48	66.9%
Parking	1,210.00	4,295.00	10,800.00	6,505.00	60.2%
<i>Insurance:</i>					
Public Official Bonds	225.80	594.20	3,850.00	3,255.80	84.6%
Liability and Property	-	300.00	2,000.00	1,700.00	85.0%
	225.80	294.20	1,850.00	1,555.80	84.1%
<i>Travel:</i>					
Conference Registration	19.14	2,490.92	23,000.00	20,509.08	89.2%
Conference Travel	-	-	2,000.00	2,000.00	100.0%
Local Meetings & Related Expenses	-	15.00	5,000.00	4,985.00	99.7%
Training & Professional Development	19.14	2,340.92	12,000.00	9,659.08	80.5%
	-	135.00	4,000.00	3,865.00	96.6%
<i>Communication:</i>					
Postage	1,588.10	3,822.52	12,500.00	8,677.48	69.4%
Telephone - LD	1,236.20	1,971.29	6,000.00	4,028.71	67.1%
Telephone - Local	-	371.32	1,500.00	1,128.68	75.2%
	351.90	1,479.91	5,000.00	3,520.09	70.4%
<i>Publications & Supplies</i>					
Office Supplies	1,214.02	4,758.64	29,100.00	24,341.36	83.6%
Duplication	170.36	735.62	5,000.00	4,264.38	85.3%
Public Information	1,043.66	4,023.02	14,100.00	10,076.98	71.5%
	-	-	10,000.00	10,000.00	100.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
October, 2005

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	711.23	2,576.23	23,500.00	20,923.77	89.0%
Furniture and Equipment	-	-	8,000.00	8,000.00	100.0%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	711.23	2,576.23	14,500.00	11,923.77	82.2%
<i>Other General and Administrative</i>	721.44	3,451.99	6,400.00	2,948.01	46.1%
Subscriptions	-	-	500.00	500.00	100.0%
Memberships	-	1,607.00	1,300.00	(307.00)	-23.6%
Fees and Miscellaneous	228.44	904.09	2,600.00	1,695.91	65.2%
Advertising (Personnel/Procurement)	493.00	940.90	2,000.00	1,059.10	53.0%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	<u>18,941.91</u>	<u>77,119.02</u>	<u>279,631.00</u>	<u>202,511.98</u>	<u>72.4%</u>
	<u>Contracting Services</u>				
Auditing	-	8,000.00	17,700.00	9,700.00	54.8%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	<u>-</u>	<u>8,000.00</u>	<u>19,700.00</u>	<u>11,700.00</u>	<u>59.4%</u>
 Total Gross G&A Expenses	<u><u>\$ 79,529.05</u></u>	<u><u>\$ 345,091.66</u></u>	<u><u>\$ 1,105,185.00</u></u>	<u><u>\$ 760,093.34</u></u>	<u><u>68.8%</u></u>

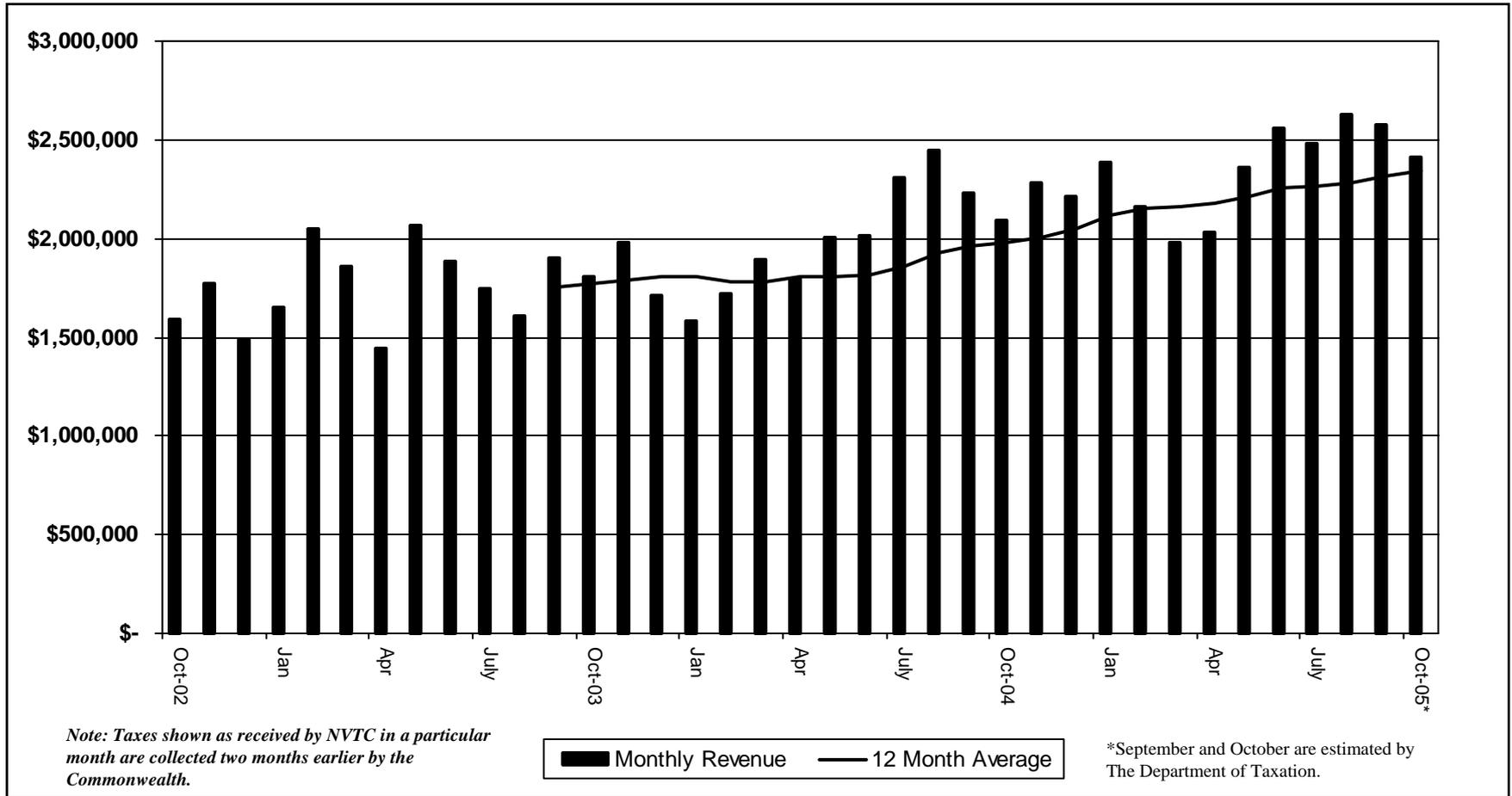
**NVTC
RECEIPTS and DISBURSEMENTS
October, 2005**

Date	Payer/ Payee	Purpose	Wachovia	Wachovia	VA LGIP	
			(Checking)	(Savings)	G&A / Project	Trusts
RECEIPTS						
5	Arlington County	G&A contribution		\$ 18,330.75		
6	Loudoun County	G&A contribution			\$ 3,705.25	
7	City of Alexandria	G&A contribution		11,945.00		
11	DRPT	Capital grant receipt				7,803.00
11	DRPT	Capital grant receipt				147,933.00
12	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt				2,408,960.96
18	DRPT	FTM/Admin grant receipt			602,185.00	4,398,419.00
31	Banks	October investment income		176.28	2,193.42	180,674.40
			<u>-</u>	<u>30,452.03</u>	<u>608,083.67</u>	<u>7,143,790.36</u>
DISBURSEMENTS						
1-31	Various	NVTC project and administration	(84,226.44)			
3	WMATA	Bus operating				(9,037,617.00)
3	WMATA	Paratransit operating				(1,120,119.00)
3	WMATA	Rail operating				(6,284,142.00)
3	WMATA	Metro Matters capital				(802,876.00)
3	WMATA	Beyond Metro Matters capital				(185,180.00)
3	WMATA	Debt service				(1,853,125.00)
3	WMATA	Rail capital - VTA funds				(1,239,997.00)
3	WMATA	Metro Matters capital - VTA funds				(5,850,574.00)
6	Loudoun County	Other operating				(3,705.25)
31	Wachovia Bank	October service fees	(31.87)	(15.00)		
			<u>(84,258.31)</u>	<u>(15.00)</u>	<u>-</u>	<u>(26,377,335.25)</u>
TRANSFERS						
14	Transfer	From LGIP to checking	28,000.00		(28,000.00)	
28	Transfer	From LGIP to checking	157,700.00		(157,700.00)	
			<u>185,700.00</u>	<u>-</u>	<u>(185,700.00)</u>	<u>-</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ 101,441.69</u>	<u>\$ 30,437.03</u>	<u>\$ 422,383.67</u>	<u>\$ (19,233,544.89)</u>

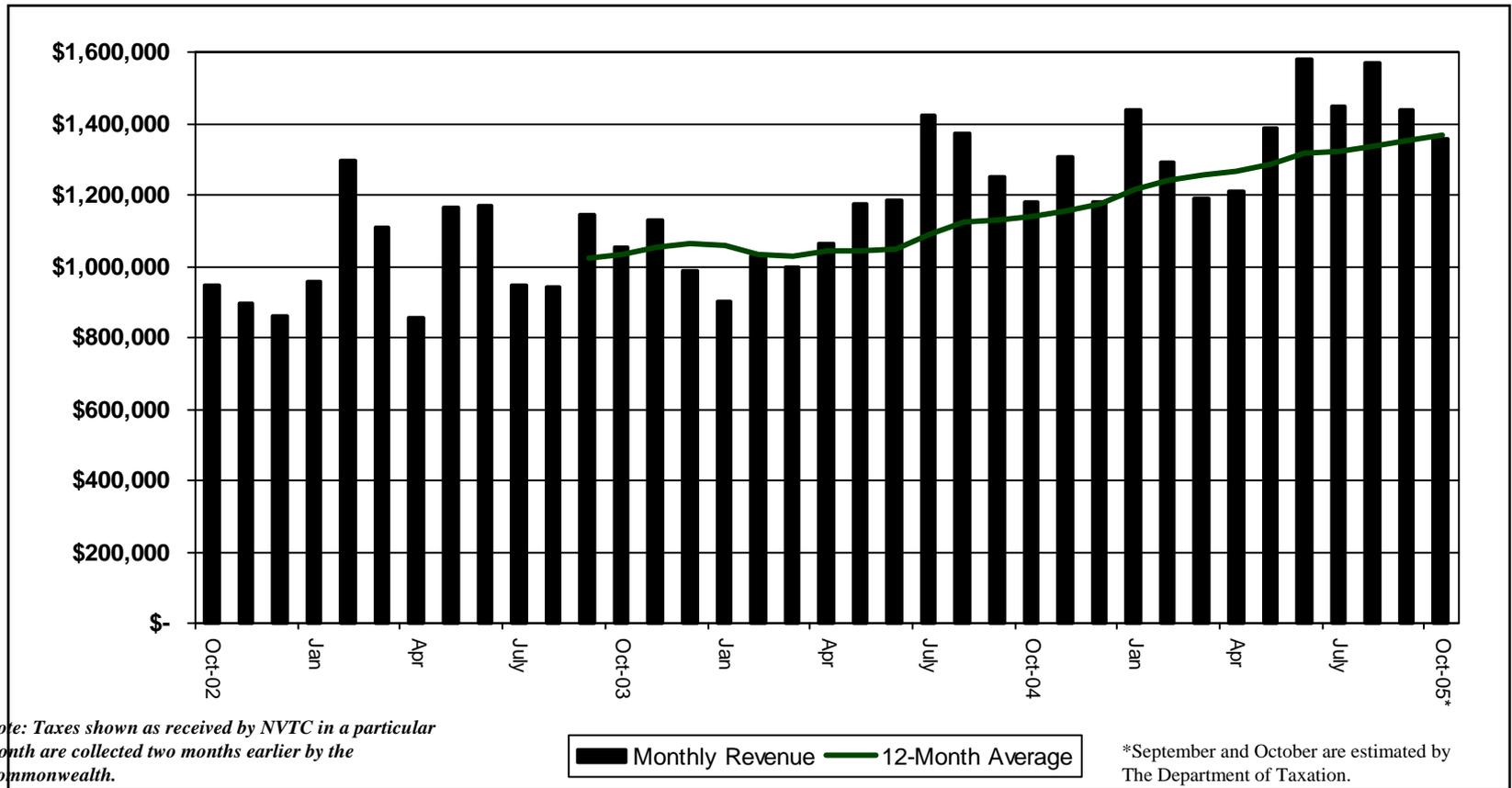
**NVTC
INVESTMENT REPORT
October, 2005**

<u>Type</u>	<u>Rate</u>	<u>Balance 9/30/05</u>	<u>Increase (Decrease)</u>	<u>Balance 10/31/05</u>	<u>NVTC G&A/Project</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun Trust Fund</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 59,492.12	\$ 101,441.69	\$ 160,933.81	\$ 160,933.81	\$ -	\$ -
Wachovia: NVTC Savings	2.96%	46,985.67	30,437.03	77,422.70	77,422.70	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	3.71%	78,869,786.64	(18,811,161.22)	60,058,625.42	861,820.95	40,653,325.17	18,543,479.30
		<u>\$ 78,976,264.43</u>	<u>\$ (18,256,898.83)</u>	<u>\$ 60,296,981.93</u>	<u>\$ 1,100,177.46</u>	<u>\$ 40,653,325.17</u>	<u>\$ 18,543,479.30</u>

NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2003-2006



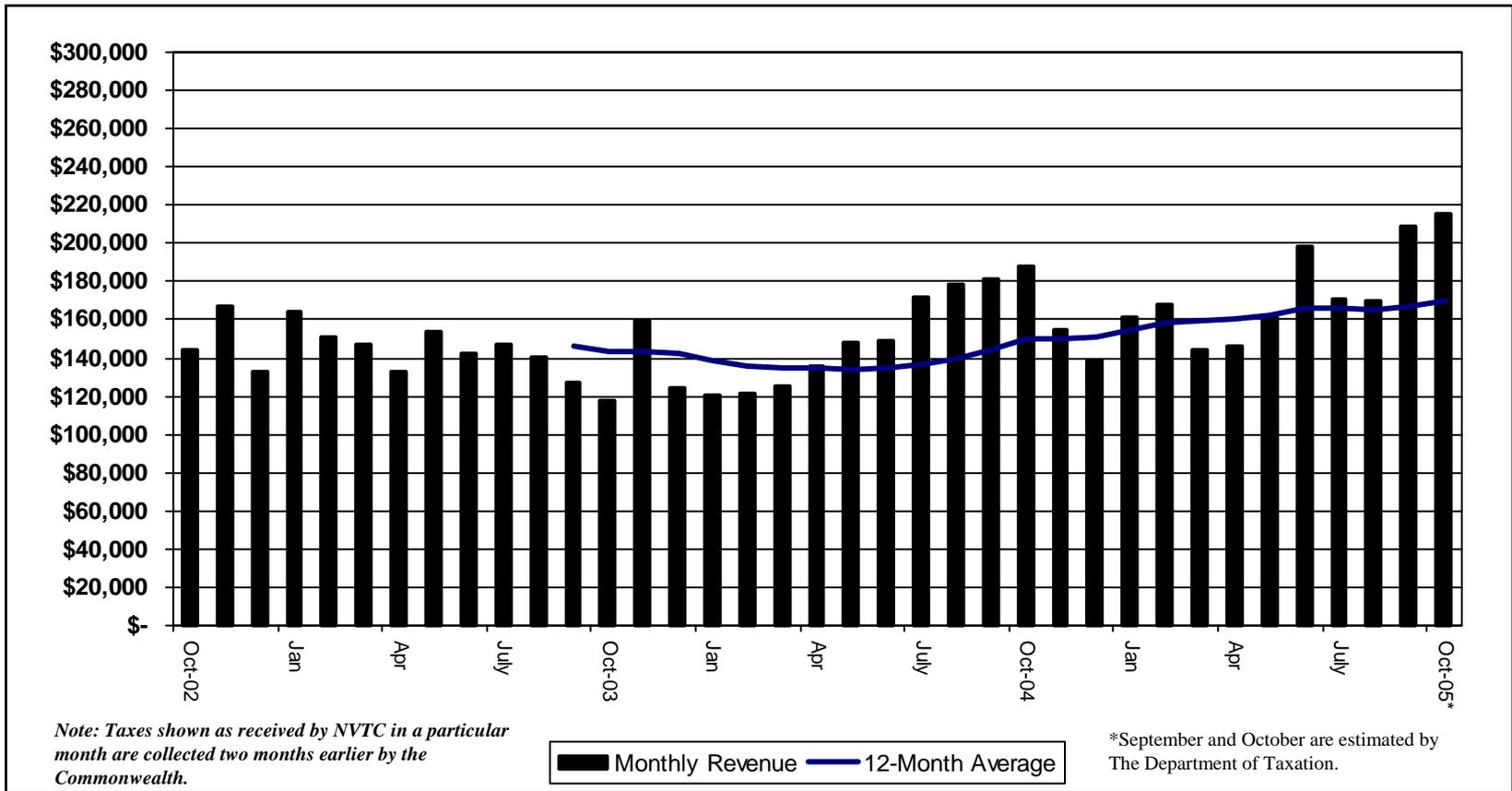
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2003-2006



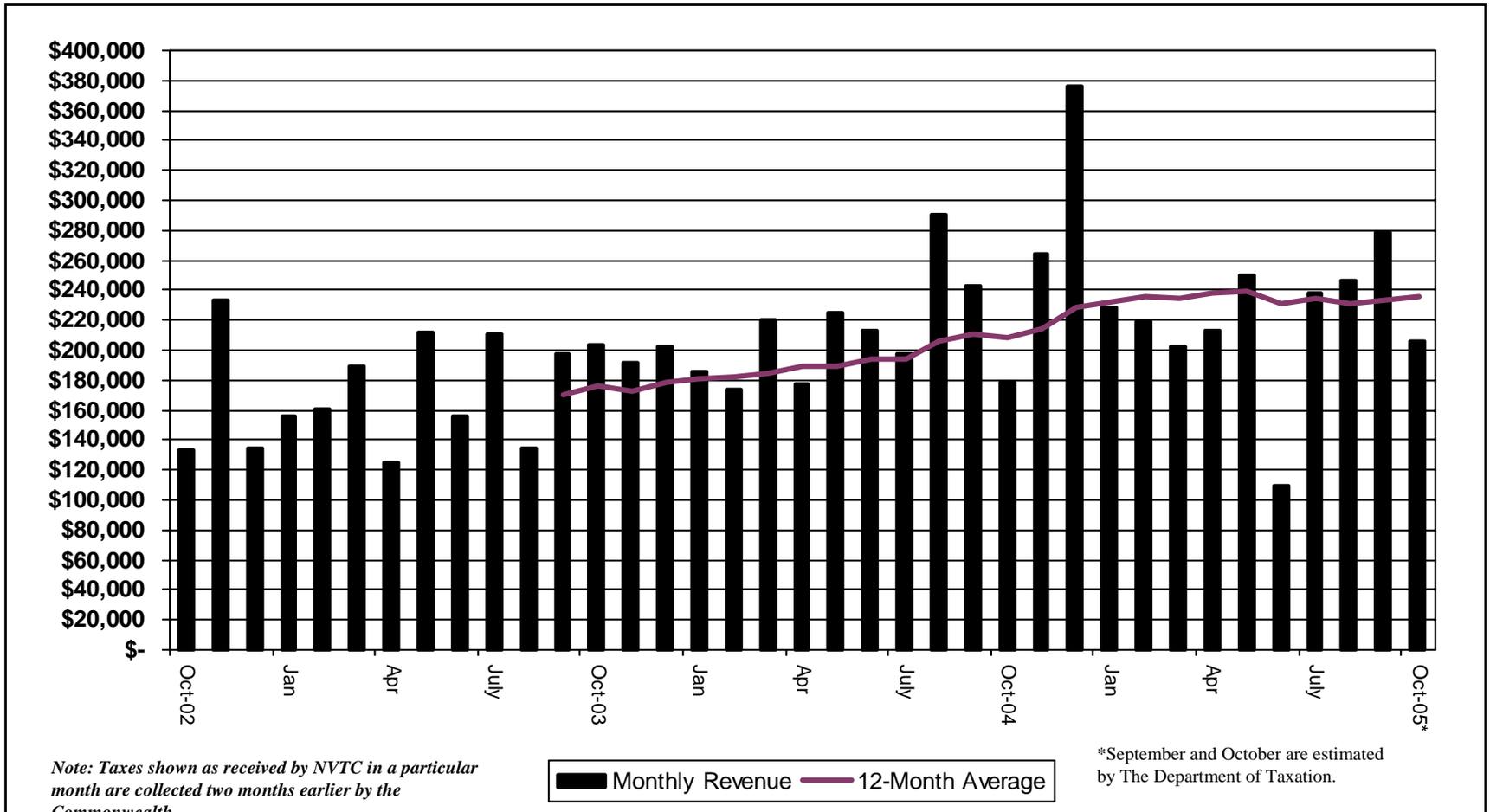
Note: Taxes shown as received by NVTC in a particular month are collected two months earlier by the Commonwealth.

*September and October are estimated by The Department of Taxation.

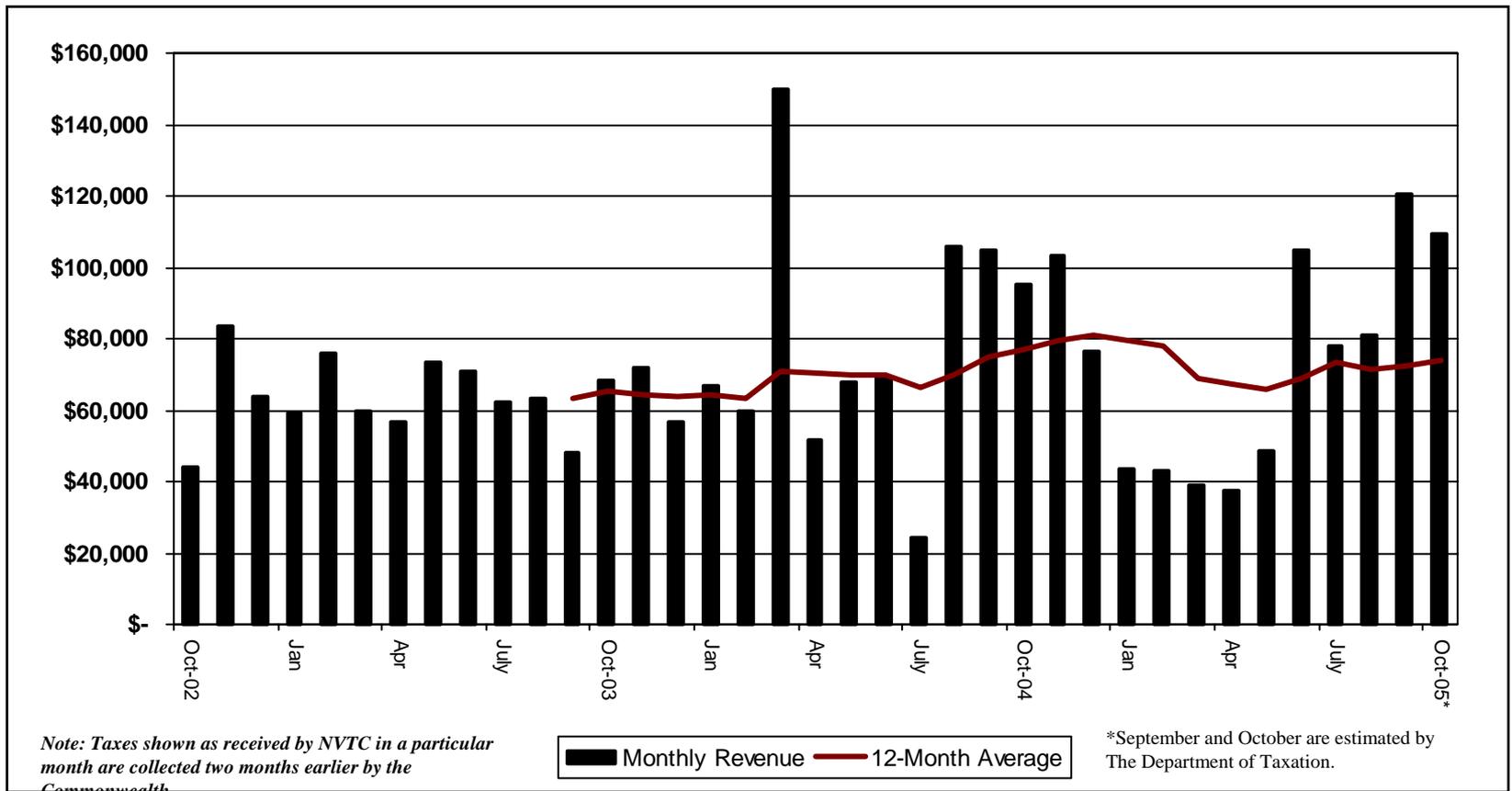
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2003-2006



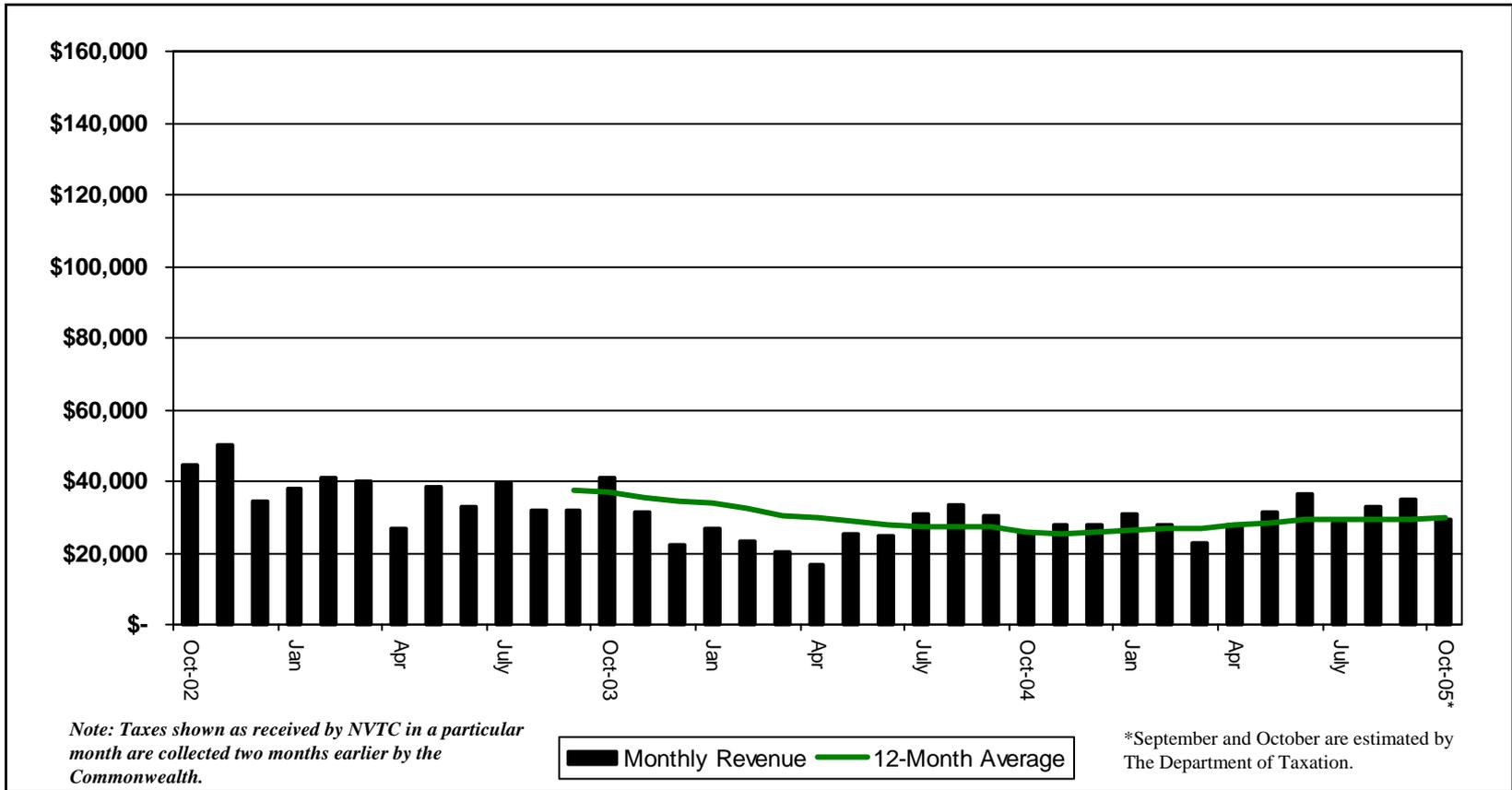
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2003-2006



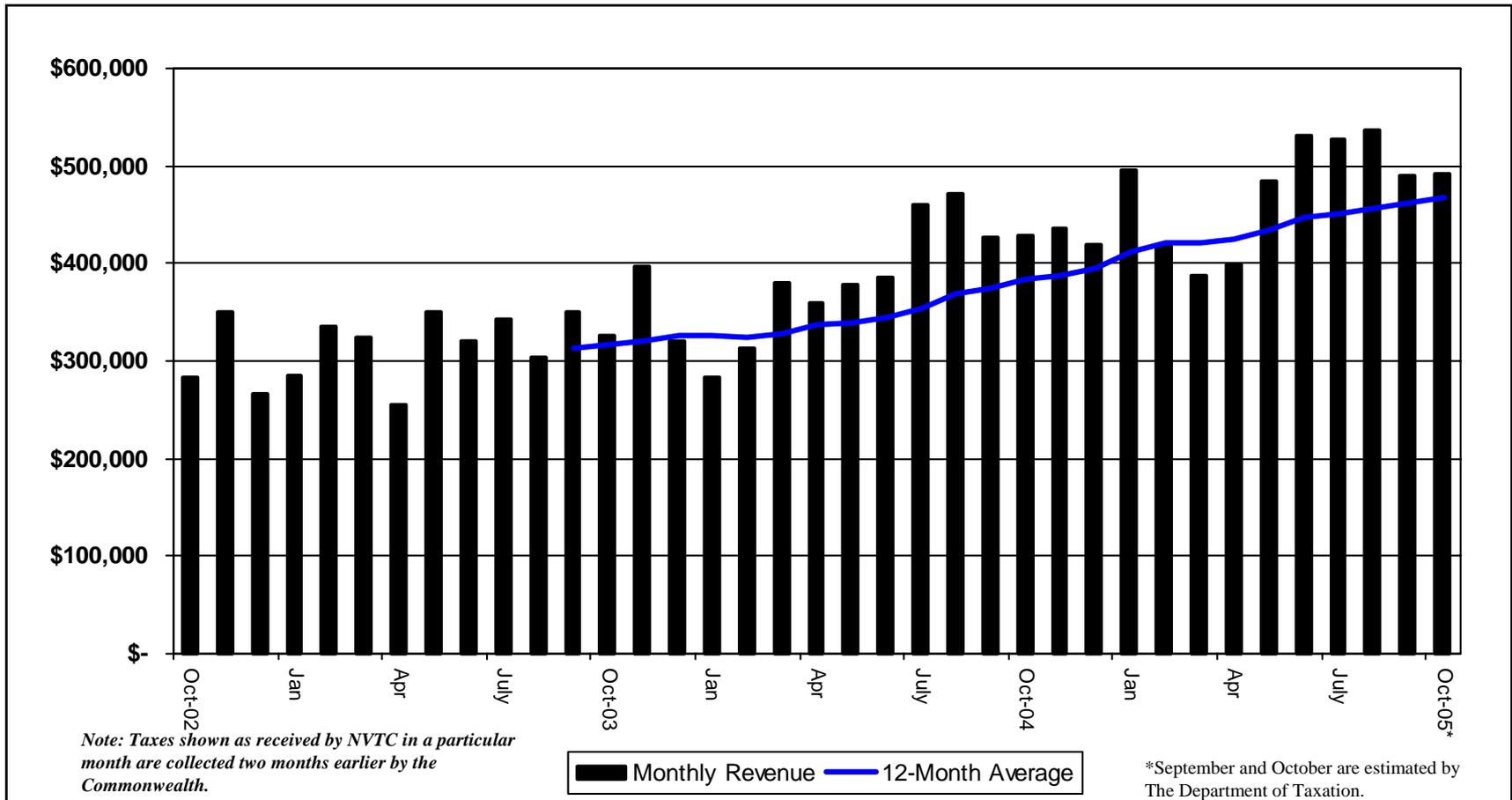
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2003-2006



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2003-2006



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2003-2006



MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: November 23, 2005
SUBJECT: Notice of Public Hearing on NVTC's 2006 Work Program and Meeting Schedule

NVTC will conduct a public hearing at its business meeting of January 5, 2006 on its proposed 2006 Work Program and Meeting Schedule. The hearing will follow a recap by staff of progress on the commission's 2005 Work Program. Jurisdictional staff will review the draft 2006 Work Program at a scheduled meeting on December 20th. The initial draft will be posted in early December on NVTC's website for public review.



MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Richard K. Taube

DATE: November 23, 2005

SUBJECT: Notice of Appointment of a Nominating Committee for 2006 NVTC Officers

Chairman Ferguson has appointed the NVTC Executive Committee to serve as a nominating committee. The proposed slate of officers will be reported on NVTC's website and mailed to commissioners prior to the NVTC meeting of January 5, 2006.

