

**NVTC COMMISSION MEETING
THURSDAY, MAY 5, 2005
NVTC CONFERENCE ROOM
8:00 PM**

NOTE: A light buffet supper will be available for commissioners and staff starting at 7:30p.m.

AGENDA

1. Minutes of NVTC Meeting of April 7, 2005.

Recommended Action: Approval.

2. VRE Items.

- A. Report from the VRE Operations Board (with minutes of the meeting of April 15, 2005) and from VRE's CEO--Information Item.
- B. Contract Award for New Railcars--Action Item/Resolution #1071.
- C. Contract Award for Railcar Financing--Action Item/Resolution #1072.
- D. Authorization to Modify VRE's Fare Structure--Action Item/Resolution #1073.

3. WMATA Items.

- A. Metro Board Digest for April, 2005
- B. Public Information Strategy for Sustainable Funding.
- C. WMATA FY 2006 Budget.
- D. SmarTrip Update.
- E. Town Meeting.

Recommended Action: Approve comments on WMATA's FY 2006 budget.

4. Transit Improvements in Pentagon Reservation Master Plan.

The National Capital Planning Commission is considering this plan. The plan includes many improvements that will greatly benefit public transit operators and HOV users.

Recommended Action: Approve a letter to NRTC's congressional delegation in support of the plan.

5. Legislative Items.

- A. State, including the Virginia Transit Association spring conference.
- B. Federal, including Amtrak reform.

Discussion Item.

6. Regional Transportation Items.

- A. Bike to Work Day (May 20, 2005) and Clean Commute Day (May 6, 2005)
- B. Heritage Foundation Uses VRE as an Example of Burdensome Transit.
- C. Smart Parking Demonstration.
- D. Reality Check Follow-up.
- E. Virginia Department of Rail and Public Transportation Overview.
- F. Understanding the Communications and Information Needs of Elected Officials for Transportation Planning and Operations.

G. High Gas Prices Increase Transit Ridership.

Discussion Item.

7. Update on NVTC Correspondence.

- A. NVTC Letter Regarding Telework.
- B. Exhibit Showing Lack of Funds to Match Federal Grants.
- C. Response to NVTC's Letter on HOV Enforcement.
- D. NVTC Letter to Congressional Delegation on Study of Federal Subsidies for Passenger Transportation.
- E. NVTC Letter to Jurisdictions Regarding NVTC Alternates.

Information Item.

8. NVTC Financial Reports for March, 2005.

Information Item.



AGENDA ITEM #1

MINUTES

**NVTC COMMISSION MEETING – APRIL 7, 2005
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA**

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Ferguson at 8:01 P.M.

Members Present

David Albo
Sharon Bulova
Gerald Connolly
William D. Euille
Eugene Delgaudio
Paul Ferguson
Ludwig Gaines
Catherine M. Hudgins
Dana Kauffman
Elaine McConnell
Karen Rae
Scott Silverthorne
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

Jeannemarie Devolites Davis
Adam Ebbin
Jay Fisette
Timothy Hugo
Gary A. Reese
David F. Snyder

Staff Present

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



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Public Comment

Chairman Ferguson stated that there has been a request from a citizen to comment on NVTC's mission. Ken Reid, executive director of LOWER, (Landowners Workgroup for Economic Rapidtransit and also Landowners Opposing Wasteful Expenditures on Rail), handed out copies of his statement to commissioners. He explained that his organization supports market-based transportation solutions in the Dulles Corridor and Northern Virginia, specifically express toll lanes, on which rapid express buses and carpools can operate in addition to single-occupant vehicles. They oppose the extension of Metrorail to Tysons Corner and beyond because it necessitates \$700 million or more in taxes and higher tolls from Northern Virginia residents and it will not alleviate congestion.

Mr. Reid expressed his concern that NVTC and its mission has become more of an advocacy group—specifically for WMATA—instead of being an overseer of the public's money. He stated that the Commonwealth of Virginia's stated purpose of establishing NVTC in 1964 was to facilitate "planning and developing a transportation system for Northern Virginia and for the safety, comfort and convenience of its citizens and for the economical utilization of public funds." The commission should be focusing on the last part of that purpose.

Mr. Silverthorne arrived at 8:05 P.M.

Mr. Reid stated that LOWER was unaware of what NVTC staff was doing until Mr. Taube wrote a diatribe about a report LOWER released in October. NVTC's goals also include "distribute periodic transit nuggets with information about transit's success in a catchy format that can be posted on websites and used by transit advocates in educating the public," as well as a goal to "provide draft letters on NVTC's website for the use of citizens wishing to support NVTC's legislative and policy positions. Provide links to other groups supporting these positions." Mr. Reid stated that he is not aware of any other agency that engages in this kind of propagandizing and the commission is not exercising proper oversight.

Mr. Reid urged NVTC to focus more energy on WMATA's bloated budget and its inability to control its union costs. NVTC seems to do some very good oversight of VRE expenditures. It would be helpful for NVTC to spend more time seeing where the region's money is being spent at WMATA, especially since four cents on the gallon is going into mass transit.

Oath of Office for a New Commissioner

Chairman Ferguson administered the oath of office to Eugene Delgaudio, who was appointed to NVTC by the Loudoun County Board of Supervisors. Commissioners welcomed him to NVTC.

Minutes of NVTC Meeting of March 3, 2004

Mr. Zimmerman moved, with a second by Mr. Gaines, to approve the minutes. The vote in favor was cast by commissioners Delgaudio, Euille, Ferguson, Gaines, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Whipple and Zimmerman.

VRE Items

Report from the VRE Operations Board. The minutes of the March 18th Operations Board meeting were provided. Mrs. McConnell explained that it seems that Stafford County is not going to contribute its VRE subsidy increase. Mr. Zehner stated that Stafford County has not yet voted on its budget. Mrs. McConnell reported that Fauquier and Spotsylvania counties are considering joining PRTC and VRE.

VRE Subsidies Versus Ridership by Jurisdiction. The report shows that 821 Spotsylvania County residents ride VRE based on the October, 2004 survey, making this the fourth largest jurisdiction in terms of ridership. Spotsylvania County pays no subsidy. The report also shows ridership for the other jurisdictions.

Manassas Park Platform Extension. Mrs. McConnell stated that Resolution #1070 would authorize VRE's CEO to award a contract to NV Enterprises, Inc. to construct a platform extension at the Manassas Park VRE station. The total contract value would not exceed \$859,848, which includes a 15 percent contingency. Grant funds are available in VRE's approved CIP.

Mrs. McConnell moved, with a second by Mr. Zimmerman, to approve the resolution (copy attached). The vote in favor was cast by commissioners Delgaudio, Euille, Ferguson, Gaines, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Whipple and Zimmerman.

Mr. Albo arrived at 8:11 P.M.

Performance Budgeting at NVTC

Mr. Taube gave a presentation on NVTC performance measures. He stated that the process includes a survey of commissioners, incorporating additional measures into the NVTC budget for FY 2007 and a year-end review. He stated that NVTC already has measures in place to some extent with its annual workprogram, which includes goals and objectives. Twice a year, staff formally reports to the commission on the progress that has been made. Mr. Taube then reviewed performance measures NVTC could implement.

Mrs. Bulova joined the discussion at 8:16 P.M.

Mrs. Whipple stated that staff's work is a good start for a topic that has some merit. She suggested staff continue to work on these documents and include limited performance measures by starting simply. As NVTC gains experience and sees how useful the measures can be, then more performance measures can be added.

Senator Whipple moved, with a second by Mr. Euille, to generally approve the direction staff is taking to move forward on performance measures. Delegate Albo suggested picking one part of the budget to do first that is more easily measured. Mr. Taube suggested financial management. Senator Whipple agreed to include Delegate Albo's suggestion as a friendly amendment to her motion. Mr. Delgaudio agreed that it is important to start with small bites.

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

NVTC By-Laws Change to Permit Alternates

Chairman Ferguson stated that this proposal was discussed at the March 3rd NVTC meeting. He explained that this came about because NVTC has had a quorum issue in the past, not necessarily the number of commissioners but having a majority of jurisdictions present. There are three jurisdictions that have only one commissioner appointed to NVTC. By changing the By-laws, it would give the jurisdictions an option to name an alternate from their Board of Supervisors or City Council. In response to a question from Mr. Euille, Chairman Ferguson stated that an alternate must be an elected official.

Mr. Euille moved, with a second by Mr. Gaines, to approve the changes to NVTC's By-Laws. The vote in favor was cast by commissioners Albo, Bulova, Euille, Ferguson, Gaines, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Whipple and Zimmerman. Mr. Delgaudio voted in opposition to the motion.

Public Information Strategy to Promote Sustainable Funding for WMATA

Mr. Taube reported that at its March 3rd meeting, NVTC discussed the need for an effective strategy to educate the public about WMATA's strong performance and need for sustainable funding. He gave a presentation on ten different ideas on how to do this. He stated that it is important to agree on a central message, such as:

Metro is a success. It is a great investment. It may have some problems, but it remains the best system in the country. Fix the problems, don't destroy the system. Let's not ruin a good thing by pinching pennies while legitimate needs go unfunded.

Chairman Ferguson noted that an important statistic is that 64 percent of WMATA funding shares come from the local/regional/fares. Mr. Kauffman stated Metro has found that of those people in Northern Virginia commuting to the core area, about one-third use transit.

Mr. Connolly arrived at 8:37 P.M.

Mr. Euille stated that NVTC should move in this direction as presented by staff, but commissioners should take some time and review it. Therefore, he suggested not taking any action until the next commission meeting.

Mr. Kauffman stated that he provided this report to WMATA communications staff and they will add their comments. He passed out a synopsis of what Metro has been doing over the last few months and he encouraged commissioners to use this information when they are dealing with the public. Mr. Connolly observed that WMATA has added 12 new rail stations in nine years and completed the last 13.5

miles of the original 103-mile Metrorail system ten months ahead of schedule and \$330 million under budget.

Mr. Delgaudio asked staff to report back to the commission on how much it would cost to implement these NVTC initiatives outlined in the report.

Legislative Items

State Legislation. Mr. Taube reported that for FY 2005 NVTC should expect \$81.4 million from the state for WMATA, VRE and local bus systems. These state formula programs for FY 2006 would increase almost \$10 million for a total of \$91.2 million. There are some other FY 2006 programs that will provide substantial funding, including \$40 million for Metrorail railcar purchases, \$2 million in local bus capital, \$20 million for VRE railcars and \$5.9 million for track leases. Approximately \$20 million of FY 2006 Metro Matters program costs are to be funded by the VTA 2000 Metro Railcar program previously contracted with DRPT.

Mr. Connolly asked if the \$20 million for VRE railcars and \$20 million for Metrorail cars from the state free up capital otherwise would have been spent for these purchases. Ms. Rae answered that it is additional funding. Mr. Connolly observed that these procurements will enhance capacity but will not free up additional capital for ongoing funding commitments. Mr. Euille acknowledged the work of the General Assembly and VDRPT for this funding. Senator Whipple stated one of the compelling arguments for funding for Metro railcars was that there is so much demand for Metro and the current railcars are full. As soon as the new railcars are put into service, they will be utilized. Mrs. Hudgins stated that it's not just peak hours that railcars are crowded, especially on the Orange Line.

Delegate Albo suggested that NVTC should try to get the House Appropriations Committee members to tour Northern Virginia and experience congestion firsthand. Mr. Connolly stated that in the past when legislators have experienced congestion in this region, it has made a difference.

Federal Legislation. Mr. Taube announced that the House has acted on its TEA-21 reauthorization. VRE has a \$100 million earmark (\$50 million federal share). One problem with the House's reauthorization (HR3) is a prohibition on additional value pricing projects that would appear to threaten public-private transportation proposals in this region. Since this region is looking to use HOT lanes and other capacity enhancements, it would be a shame to rule this out. The commission is asked to authorize its chairman to write to NVTC's U.S. Senators to express concern about this provision in HR3 and to urge them not to enact the same clause in the Senate version. The Senate is expected to vote soon on its version of TEA-21.

Mr. Connolly moved, with a second by Mr. Zimmerman, to authorize Chairman Ferguson to send the letter.

Mr. Delgaudio stated that he is in favor of HOT lanes. He asked what was the intent of the House to include this provision. Mr. Taube stated that he can't speak definitively to the intent but speculated that it was those that believe that toll lanes in general are not a good idea for federally funded facilities, including the trucking

industry. Mr. Connolly offered to hand deliver Senator Warner's letter, since he will be meeting with him on Friday.

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

Ms. Rae stated that there are upcoming issues with Amtrak. She offered to funnel information to NVTC concerning this issue.

CTB Testimony. Mr. Taube stated that CTB will conduct a statewide public hearing on the proposed six-year transportation program on April 19th. Updated comments were provided for commission review. Ms. Rae suggested staff check with Chip Badger concerning the FY 2006 62 percent match, which will drop back below 30 percent in FY 2007. Senator Whipple stated that an important statistic is that since FY 2001, payments for transit in Northern Virginia using local funds have grown by 41 percent while state aid grew by only 15 percent. She stated that local governments are making an extraordinary effort.

On a motion by Mr. Connolly and a second by Mr. Zimmerman, the commission unanimously authorized Chairman Ferguson to present the testimony before the Commonwealth Transportation Board. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Delgaudio, Euille, Ferguson, Gaines, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Whipple and Zimmerman.

WMATA Items

Research on Railcar Seating Configurations. The WMATA Board has approved the installation of video cameras to study how passengers move around in Metrorail cars. This information will be studied before WMATA experiments with various seating configurations to expand passenger capacity and improve passenger comfort.

Financial Performance as of January, 2005. WMATA's cost recovery was 53 percent for January, bringing the fiscal year to date percentage to 58.6 percent versus a budget target of 56.5 percent. Rail recovered 71.5 percent in January and bus recovered 30.6 percent. WMATA's revenue trend suggests a favorable \$8 million variance by the end of the year.

Regional Transportation Items

Federal Subsidies to Passenger Transportation. Mr. Taube reported that the Bureau of Transportation Statistics of the USDOT has published a report that compares federal subsidies to various modes and concludes that public transit received the greatest amount of net federal subsidy from 1990 (\$5.09 billion annually) to 2002 (\$7.31 billion annually). However, the report only focuses on the federal side of spending. Also, the use of each mode is expressed in thousands of passenger miles. Transit in general is used for short-distance trips and is at a disadvantage

when passenger-miles are used for comparisons. Airlines are just the opposite. In response to a question from Senator Whipple, Mr. Taube stated that the definition of modes is suspect since school buses are lumped with transit. Mr. Zimmerman observed that school buses don't charge fares.

Mr. Connolly stated that it might be useful for staff to catalog the methodology concerns and send those concerns to Northern Virginia's congressional delegation. Chairman Ferguson directed staff to draft a letter for his signature. There were no objections.

Traffic Congestion and Reliability. Cambridge Systematics has prepared a report for the Federal Highway Administration that summarizes recent trends in congestion and highlights the role of unreliable travel times. When the report was written in 2002, the I-495 intersection with I-95 at the Springfield Interchange was ranked as the 15th worst in the U.S. with 15,035,000 annual persons hours of delay.

Performance-Based Measures in Transit Funding Allocation. Mr. Taube reported that the Transportation Research Board's TCRP Synthesis 56 was released in late 2004. The research was performed by Cambridge Systematics and examined changes since the last report in 1994. The report shows that only four states use performance measured to allocate transit funds.

Fairfax County Transportation Summit. Mrs. McConnell stated that the Fairfax County Board of Supervisors convened a transportation summit on March 11th. It was a success with over 200 people attending. Ms. Rae expressed her opinion that it was an excellent forum. Mr. Connolly agreed and thanked Mrs. McConnell for taking the lead in organizing the summit. He stated that one of the most dramatic charts handed out was a simple bar chart that showed by 2014, Virginia--without an infusion of new revenues--will no longer have the capacity to match federal funds. By 2018, no money is left for any new construction and it will all go to maintenance. This is information that needs to be shared with the General Assembly. Mr. Connolly asked Ms. Rae to provide copies of Mary Lynne Tischer's summit presentation for NVTC's next meeting.

Healthy Returns: The Economic Impact of Public Investment in Surface Transportation. Mr. Taube stated that APTA has released this March, 2005 report by Robert J. Shapiro and Kevin A. Hassett. The report concludes that surface transportation produces \$4 in direct benefits for each \$1 in direct costs.

Update on NVTC Correspondence

Corridor Traffic Counting to Determine Mode Shares. Mr. Taube reported that \$67,000 is included in TPB's draft FY 2006 workprogram for this pilot project. In response to a question from Senator Whipple, Mr. Taube stated that these funds will provide for counting on one screen-line in one corridor. If it is successful, NVTC will go after more funding for additional work.

Mr. Taube stated that NVTC wants to do additional counting to provide a more accurate look at the entire corridor and include Metrorail as well as parallel facilities. The I-66 corridor would be a good example. Mr. Taube went on to give a PowerPoint presentation on the results of recent VDOT counts on HOV facilities.

Concern for CMAQ/RSTP Rescissions. NVTC received a response from VDOT stating that they did not rescind any CMAQ or Regional STP funds. Back in November VDOT received advance notification of a possible increase in federal funds for the current fiscal year. The decision was made not to budget these additional funds because it seemed uncertain. The \$31 million comes from this unbudgeted amount and reductions were made to the largest categories of Interstate Maintenance, National Highway System, Surface Transportation Program, and Minimum Guarantee.

Teleworking

Mr. Connolly asked if NVTC has addressed any issues involving telework. Mr. Taube stated that he can't recall addressing this issue but it is within NVTC's mission. Mr. Connolly stated that he and Delegate Jim Scott had been meeting with Whitt Clement, the former Secretary of Transportation, to encourage the Governor to implement measures to promote telework. They have received surprising resistance. The state has been urged to form a statewide telework council. It may not matter in more rural areas of the state, but it matters enormously in Northern Virginia. He stated that he would appreciate NVTC's assistance in sending a letter to the Governor and the new Secretary of Transportation to encourage them to implement this legislation.

Mr. Connolly moved, with a second by Mrs. Hudgins, to authorize its chairman to send a letter to the Governor and the new Secretary of Transportation.

Chairman Ferguson suggested inviting the new Secretary of Transportation to meet with the commission. Mr. Connolly stated that both an invitation and letter would be good. Senator Whipple observed that some thought on planning an agenda would need to be looked at if the Secretary is invited. There were no objections to inviting the Secretary to a future meeting. Mr. Connolly urged commissioners to submit agenda ideas for this meeting.

The commission then voted on the motion, including the suggestions made, and it passed. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Delgaudio, Euille, Ferguson, Gaines, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Whipple and Zimmerman.

FY 2004 Northern Virginia Transit Performance Data

NVTC staff completed updates of performance information collected from Northern Virginia's nine transit systems. These tables are available on NVTC's website. On-time performance remains strong and ridership is up on every system except PRTC's OmniLink and Metrobus, which is plagued with some questionable data during the changeover to new fareboxes. There were no questions.

FY 2005 Budget Funding Sources for Northern Virginia Transit

These tables show funding shares for WMATA, local bus systems and VRE as of FY 2005. For FY 2005, \$468.1 million is budgeted for transit, with state funds providing 20.4 percent, federal funds providing 15.5 percent and local/.regional/fares covering the remaining 64 percent. There were no questions from commissioners.

NVTC Financial Reports for February, 2005

Commissioners were provided with the financial reports and there were no questions.

Adjournment

Without objection, Chairman Ferguson adjourned the meeting at 9:27 P.M.

Approved this 5th day of May, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer

NVTC

Northern Virginia Transportation Commission

RESOLUTION #1070

SUBJECT: Manassas Park Platform Extension.

WHEREAS: On April 3, 2003, the commissions approved an agreement with the city of Manassas Park to remove the resident parking restriction from the Manassas Park VRE station;

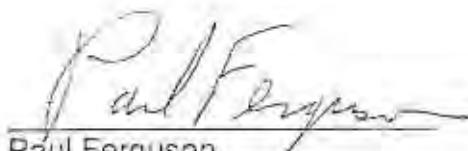
WHEREAS: A temporary platform was constructed in July of 2003 as part of this agreement;

WHEREAS: The agreement also included an obligation for VRE to replace the temporary platform with a permanent platform by April of 2005; and

WHEREAS: Bids were opened on March 7, 2005 and, after review of the bids, staff recommended award to the lowest bidder, N.V. Enterprises, Inc.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to N.V. Enterprises, Inc. to construct a platform extension at the Manassas Park VRE station with a total contract value not to exceed \$859,848, including a 15 percent contingency.

Approved this 7th day of April, 2005.



Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM #2

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: April 28, 2005
SUBJECT: VRE Items.

- A. Report from the VRE Operations Board (with minutes of the meeting of April 15, 2005) and from VRE's CEO—Information Item.
- B. Contract Award for New Railcars--Action Item/Resolution #1071.
- C. Contract Award for Railcar Financing--Action Item/Resolution #1072.
- D. Authorization to Modify VRE's Fare Structure--Action Item/Resolution #1073.



Report from the VRE Operations Board and VRE CEO

The minutes are attached from the April 15, 2005 meeting of the VRE Operations Board together with the report of VRE's CEO. Ridership and on-time performance reports are also attached.



CHIEF EXECUTIVE OFFICER'S REPORT

April 2005

DEMAND CONTINUES TO GROW

Ridership continues to regularly exceed 15,000 trips per day. Monthly ridership for March 2005 averaged 15,320. This number is reflective of a continuing problem facing VRE; over half of the trains operating during the peak period are over capacity.

In broader terms, VRE carried more than 352,000 passengers during March. That number is one of the highest ever one-month totals for VRE. In March, we operated trains with over 16,000 daily riders on four days and over 15,000 daily riders on fourteen days. This growth comes in a month when many of the regional schools have spring break, so Monday and Friday ridership was lighter than usual.

MONTHLY REVIEW OF RIDERSHIP	AVERAGE DAILY RIDERS
VRE March 2005 Average Daily Riders	15,320
VRE March 2004 Average Daily Riders	15,095
PERCENTAGE INCREASE	1.5%

ON-TIME PERFORMANCE

On-time performance in March 2005 rose slightly over that of March 2004, and is up strongly over numbers from the last quarter that had us in the high 80th percentile. In fact, March 2005's on-time performance might be one of the best we've had – with a base average of 93%. As a point of reference, we had only 50 delays during the month. To illustrate the significance of this, we ran 713 trains in March and of those, 663 were on-time.

The chart below shows that the Manassas line posted a very strong 96% on-time rating for the month, which is a 1% improvement over February 2005. The real improvement, however, came on the Fredericksburg line, where on-time performance jumped up to 90%, which is a 9% improvement over last month.

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE March 2005 Fredericksburg OTP Average	90%
VRE March 2005 Manassas OTP Average	96%
VRE MAR 2005 OVERALL ON-TIME PERFORMANCE	93%

A review of delays shows that we still have some work to do as we continue to see reoccurring problems in two primary areas - train interference and mechanical issues.

REASON	TOTALS	PERCENT
Signal/Switch Failure	4	8%
Slow Orders	3	6%
M/W	0	0%
Train Interference	15	30%
AMTRAK	2	13%
Freight	7	47%
VRE	6	40%
Mechanical Failure	7	14%
Late Turn	1	2%
PAX Handling	2	4%
Weather	0	0%
Crew Related	0	0%
Other	18	36%
TOTAL	50	100%

VRE CONCLUDES PUBLIC HEARINGS

On March 29th VRE completed our last public hearing regarding the proposed fare and subsidy increase. This year we held six public hearings and had 37 riders attend. This number is down from the year before, where we saw approximately 100 riders attend the hearings. A summary of the riders' comments will be provided as part of Action Item 9-D.

SOUNDERS TO RETURN TO SEATTLE

On March 11, 2005, VRE received notice from Sound Transit that one train set (5 trailers and 1 cab car) must be returned by May 1, 2005. The letter also advised that a second set (consisting of one locomotive, one cab car and five trailers) must also be returned by August 1, 2005.

VRE will replace the first train set with a consist of Gallery cars from among the first ten arriving directly from Chicago Metra. The second set will be replaced with Galleries being re-qualified at the Kawasaki plant in New York.

"MEET THE MANAGEMENT" BEGINS

On April 6th we kicked off our annual "Meet the Management" series with our first event at Union Station. While there were a variety of questions and concerns raised, the primary issue was needing more seats, more parking, more service and better on-time performance.

As we've done in the past, we will visit the majority of stations between now and June; then take a brief hiatus for the summer. The remaining stations will then be visited in September and October. This year, as was done last year, senior managers from Norfolk Southern and CSX have accepted our invitation to join us at the Meet the Management events at Crystal City and L'Enfant, respectively.

I have long believed that these events are a great way for our managers and staff to interact with the passengers one-on-one and listen to concerns and suggestions. And at the same time, it puts a human face on VRE for our riders.

APTA COMMUTER RAIL CONFERENCE

I attended the Commuter Rail Conference in Los Angeles this month and found widespread support for legislative remedies to the existing federal language relating to liability insurance caps. Based on the dialogue during the CEO Task Force meeting, APTA staff will prepare a policy position for consideration before the full Executive Committee.

FY 2006 APPROPRIATIONS SUBMISSIONS

With the continuing limited progress of a new Reauthorization bill, we have sought to secure additional federal revenue for various VRE capital needs this fiscal year. This process started several months ago when VRE once again worked for inclusion in the President's budget. Our intent was that by being designated in the President's bill, VRE could help itself in the appropriations conference committee process.

We have submitted funding requests with Senator Warner and Senator Allen for \$5 million for locomotives, \$1.5 million for railroad capacity assessment, and about \$1 million for parking improvements. Additionally, a separate request through DHS will be made for additional security funding to complete the implementation of the VRE security system.

As for the House, because of new parameters placed on member submissions by House leadership in the Appropriations Committee, VRE will have a much more difficult task in securing funding at the levels supported in the Senate. We will seek to pull together a coalition of the Northern Virginia delegation to parallel the funding requests put forward by the Senate.

LIAIBILITY CAP LEGISLATIVE REFORM

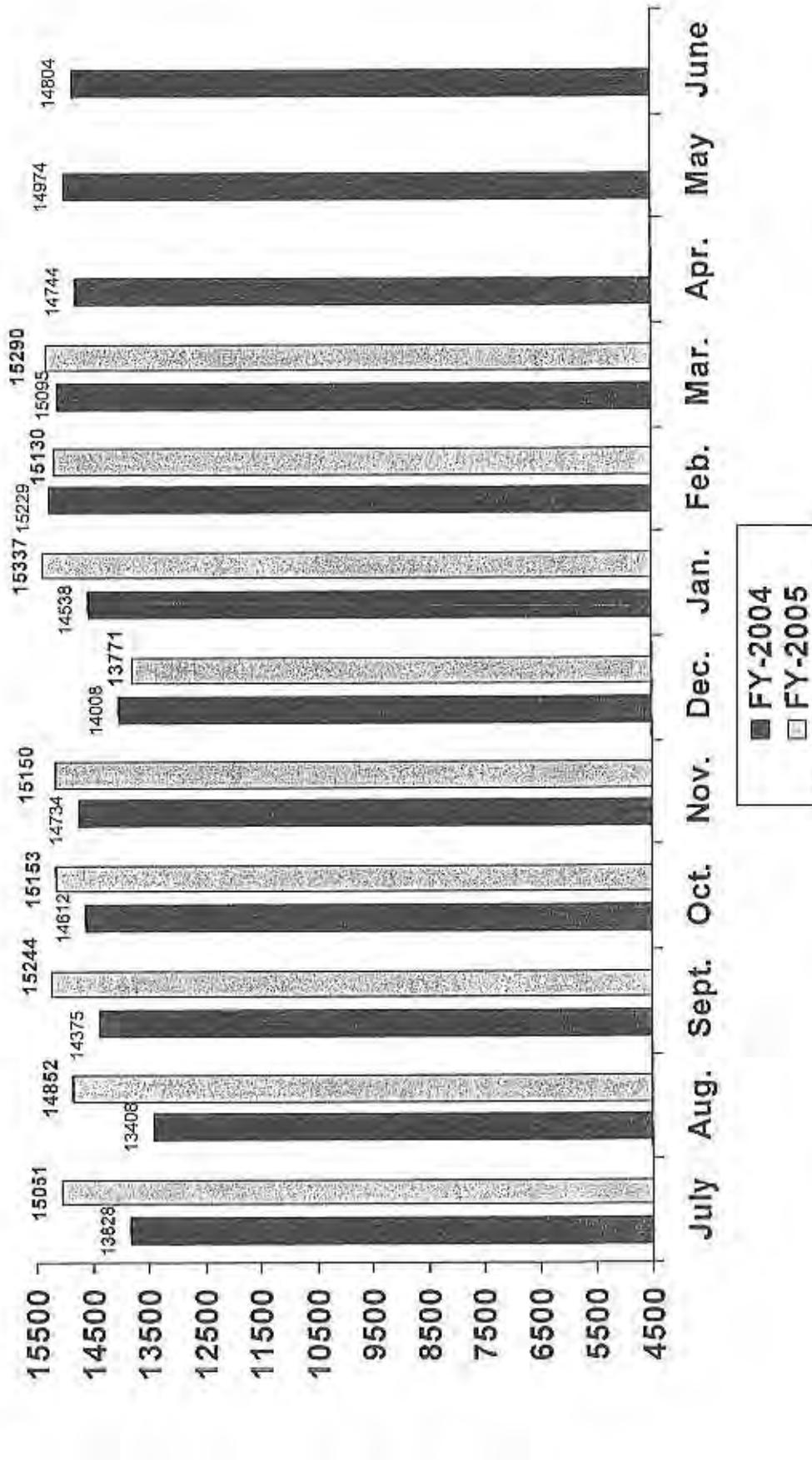
Prompted by the success we found during this most recent Virginia General Assembly session, I advocated bringing this issue to the federal level again through the amendment of Title 49 of the United States Code which would modify the liability insurance cap - helping not only VRE but also other commuter railroads and the freight industry.

I arranged for a face-to-face meeting with Congressman LaTourette, Chairman of the Subcommittee on Railroads for the House Transportation and Infrastructure Committee. Industry representatives had met previously with Chairman LaTourette during the previous session to broach this issue with him, so I felt that the timing was right given the ongoing debate about the future of Amtrak and the dialogue about the need for expanded passenger rail service in the US.

The Chairman met with representatives from VRE, VDRPT, APTA and AASPR. We each briefed him on the need for and the advantages of the reform. He clearly noted the benefit that could be had with a constructive change to the Code, but emphasized that this could only be done if there was collective unified support for the initiative.

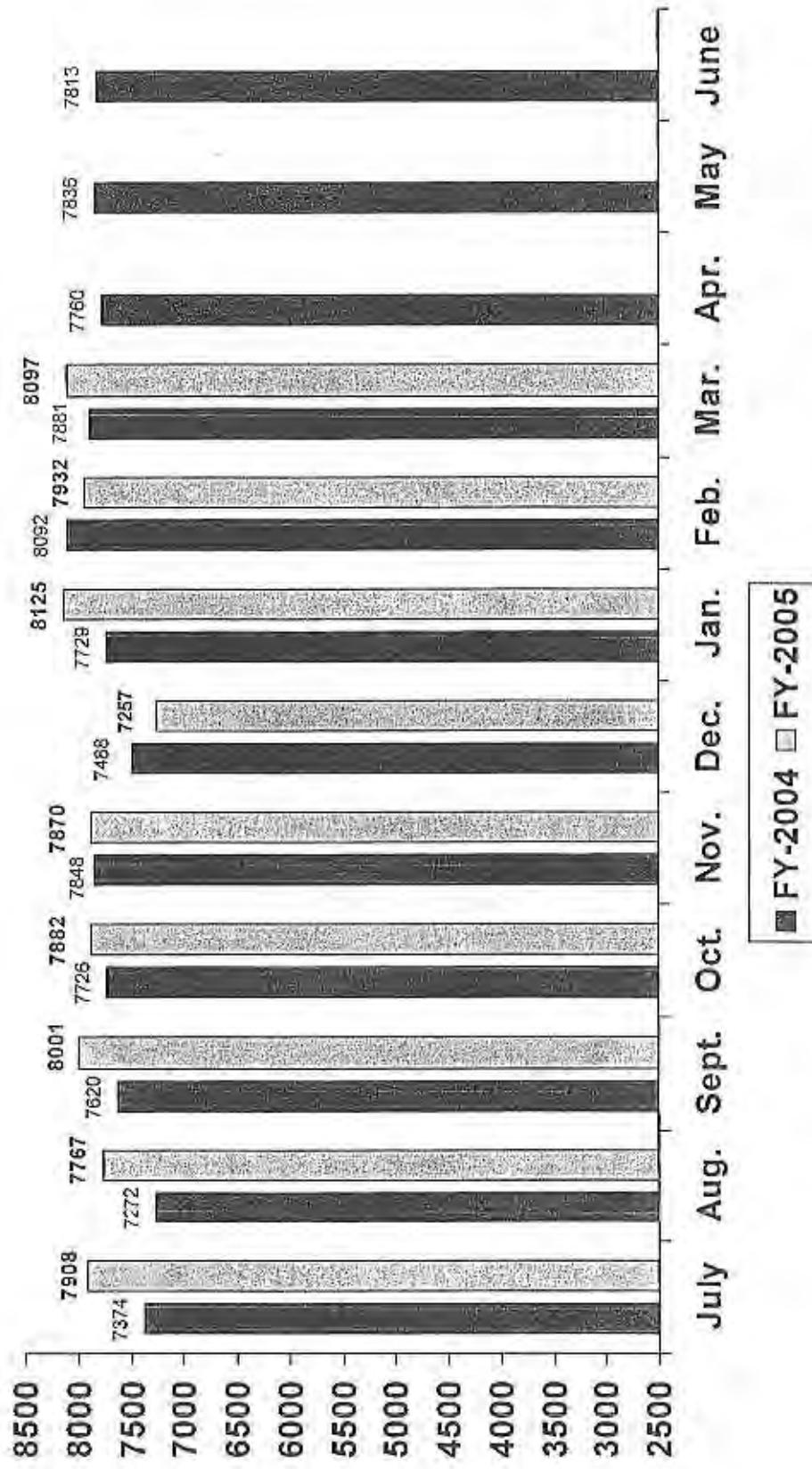
With that, he asked for VRE to share with him information about our loss payout history, as well as similar industry-wide data. We are in the process of collecting that national data for his review. Additionally, the Commonwealth and several national associations have once again reached out to the freight railroads to gain support for this legislative reform. I will keep the Board apprised of further developments as they occur.

VRE Total Average Daily Ridership



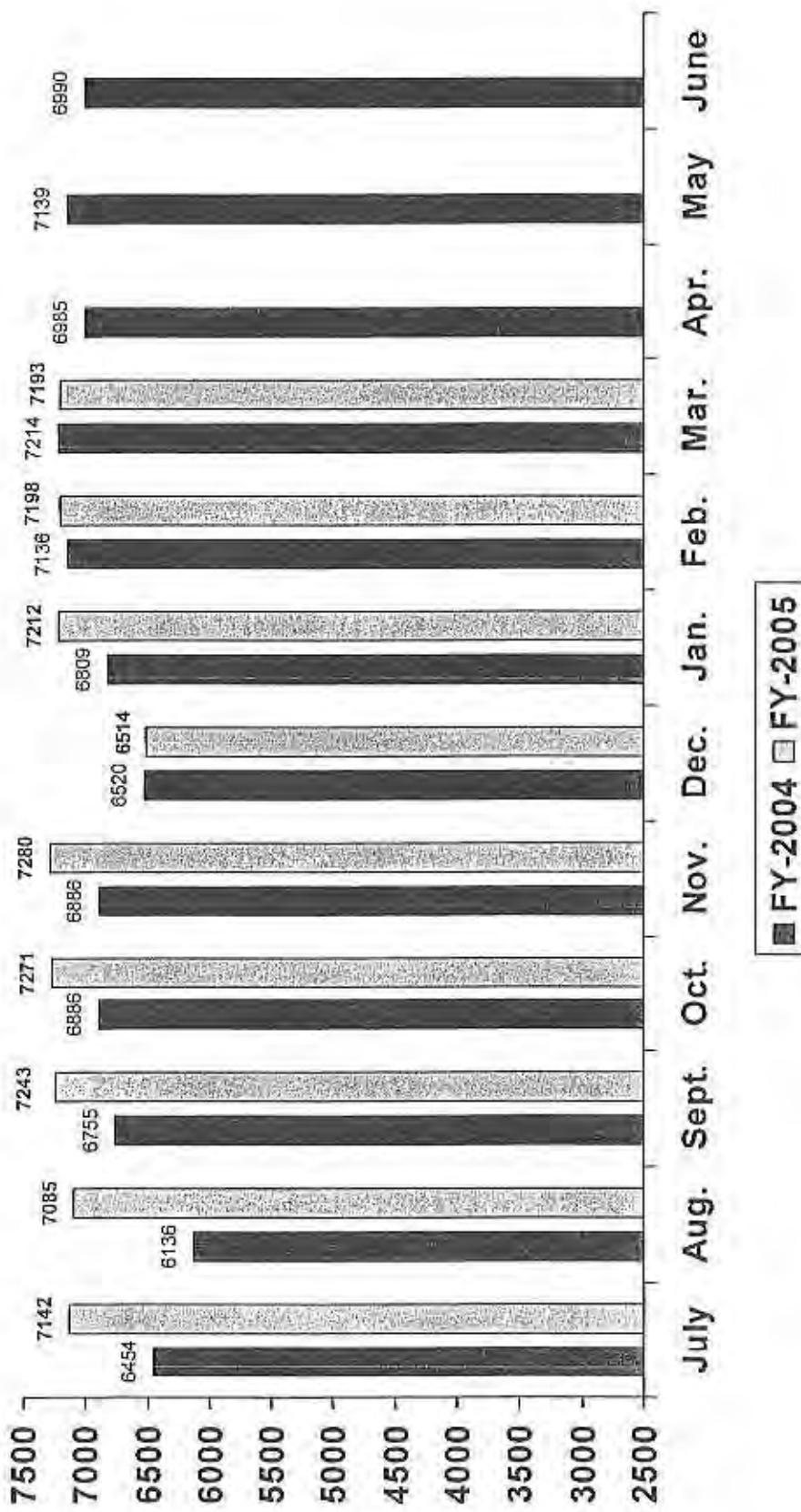
*December 2004 numbers are lower than 2003. Because of the CSX derailment in 2003, the number of days calculated led to a higher than usual number for December.

VRE Average Daily Ridership Fredericksburg Line



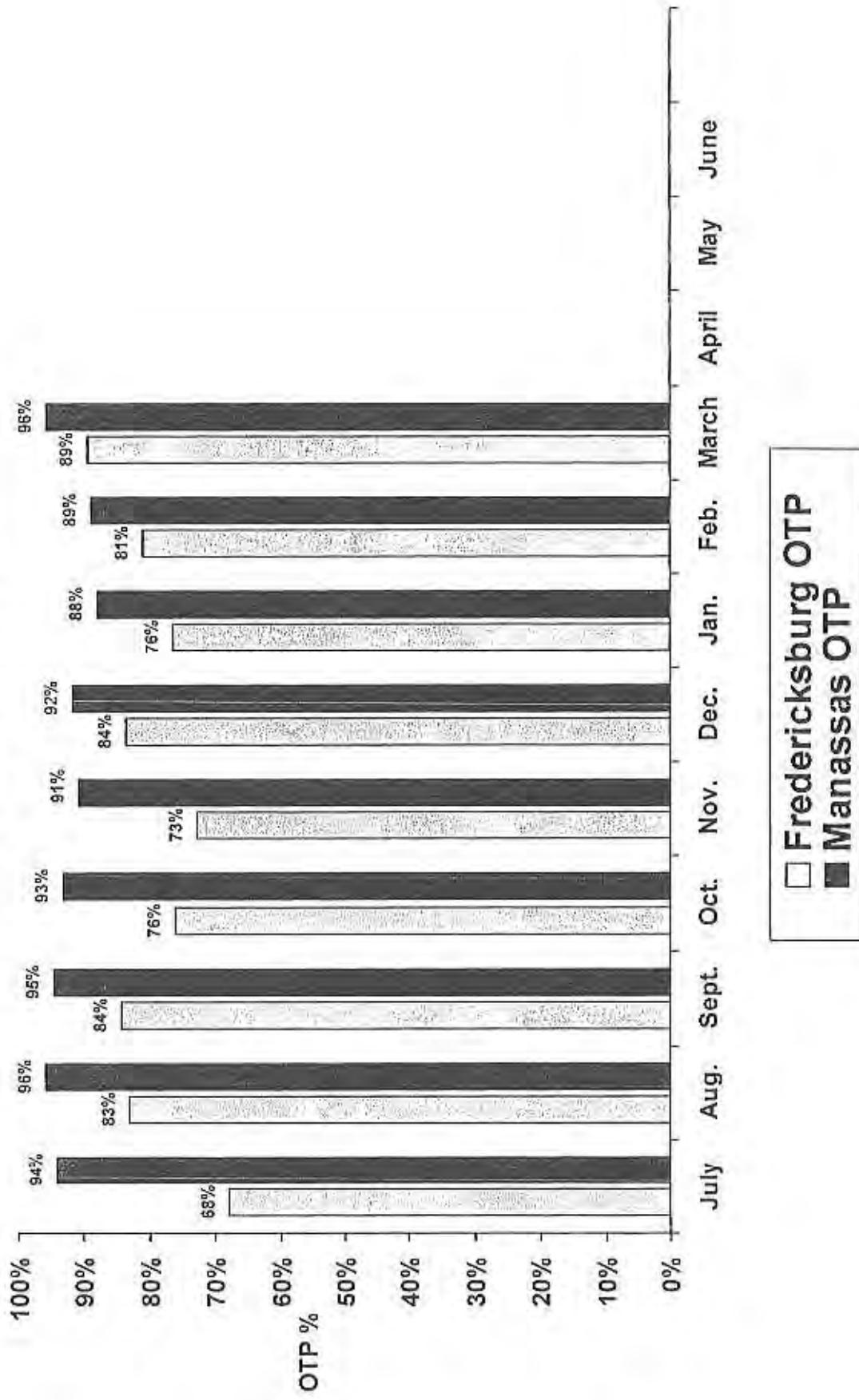
*December 2004 numbers are lower than 2003. Because of the CSX derailment in 2003, the number of days calculated led to a higher than usual number for December.

VRE Average Daily Ridership Manassas Line



*December 2004 numbers are lower than 2003. Because of the CSX derailment in 2003, the number of days calculated led to a higher than usual number for December.

Average On-Time Performance FY-2005





**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

ELAINE MCCONNELL
CHAIRMAN

**MAUREEN S.
CADDIGAN**
VICE CHAIRMAN

DANA KAUFFMAN
SECRETARY

ROBERT GIBBONS
TREASURER

HILDA BARG

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DOUG WALDRON

**CHRISTOPHER
ZIMMERMAN**

DALE ZEHNER
CHIEF EXECUTIVE
OFFICER

MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
APRIL 15, 2005**

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

MEMBERS ABSENT	JURISDICTION
John D. Jenkins (PRTC)	Prince William County

ALTERNATES PRESENT	JURISDICTION
Hilda Barg	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	
George Billmyer – citizen Erica Cobb – VRE Raynetta Cross – VRE Steve Edwards – Sup. McConnell's office Anna Gotthardt – VRE Edie Gross – Free Lance Star Alfred Harf – PRTC staff Mike Lake – Fairfax DOT Wendy Lemieux – VRE Bob Liebbrandt – Prince William County	Steve MacIsaac – VRE counsel Betsy Massie – PRTC staff Sirel Mouchantaf – VRE Dick Peacock – citizen Mark Roeber – VRE Jennifer Straub – VRE Rick Taube – NVTC staff Carl Winstead – Fairfax County 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 9:34 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

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

Minutes of the March 18, 2005, VRE Operations Board Meeting – 4

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

Chairman's Remarks – 5

Chairman McConnell explained that she had a telephone conversation with Mr. Pash, Chairman of the Stafford County Board of Supervisors, about the issue of Stafford County's VRE subsidy. She stated she feels from the conversation that they aren't going to change their position. They feel like they have the support of their people and will continue to withhold the subsidy increase. They aren't going to change their position.

[Mr. Covington arrived at 9:36 A.M.]

Chief Executive Officer's Report – 6

Mr. Zehner stated that ridership as of April 2005 is at 3 million passenger trips for this year, which is about 110,000 more trips than last year at this time. The growth rate is about seven percent and is higher than the national average. On-time performance for March was 93 percent overall, with the Manassas Line at 96 percent and the Fredericksburg Line at 90 percent.

[Mr. Zimmerman joined the meeting at 9:38 A.M.]

Mr. Zehner announced that the grand reopening of the Quantico Station is scheduled for April 27th from 5:30 to 7:30 P.M. He encouraged Board members to attend.

Mr. Zehner stated that VRE staff and Mr. MacIsaac met last week with Congressman LaTourette, Chairman of the Subcommittee for Railroads of the House Transportation Infrastructure Committee to discuss the issue of a liability insurance cap. Representatives from VDRPT, SPRC and APTA were also at the meeting. In response to a question from Ms. Barg, Mr. Zehner explained that VRE currently has its liability

insurance at \$250 million. Congressman LaTourette asked for information from VRE about its loss history. Staff will provide him with this information and will keep the Board updated on this issue.

Mr. Zehner stated that on March 11th, VRE received notice from Sound Transit that one train set (five trailers and 1 cab car) must be returned by May 1, 2005. VRE will replace the first train set with a consist of Gallery cars from among the first ten arriving directly from Chicago Metra. A second set must also be returned by August 1, 2005, which will be replaced with Gallery cars being requalified at the Kawasaki plant in New York.

[Ms. Bulova arrived at 9:40 A.M.]

Last week Mr. Harf and Mr. Zehner attended the Fauquier Transportation Summit to answer questions about Fauquier County joining PRTC and VRE. The Chairman of the Fauquier Board is expected to request that a resolution authorizing the county to join PRTC be prepared for County Board consideration. This would probably happen in May or June.

Mr. Zehner also announced that staff has held "Meet the Management" events at Union Station and L'Enfant. CSX representatives were at L'Enfant and Norfolk Southern representatives will be attending the Crystal City event. Another on-line forum was held on April 6th and the next one is scheduled for May 4th.

VRE Riders' Comments – 7

Mr. Billmyer stated that he is glad to see VRE is planning to order more Gallery railcars and that hopefully there will be more following. He stated that Tri-Rail is planning on pulling away from CSX dispatching down in Jacksonville, Florida and doing it's own dispatching locally.

Mr. Billmyer suggested that VRE lengthen the delay time for passengers to receive Free Ride Certificates. He suggested instead of 30 minutes, it be either 60 or 90 minutes.

Mr. Billmyer expressed his opinion that VRE needs to have a simple validation machine. There should be separate validation devices; don't penalize the ten-trip ticket customer. He stated that ticket machine use is going to increase with the Amtrak step-up ticket, so it will be important to have a separate ticket validator. He stated that it is more logical to have a step-up ten ride ticket and a regular ten-ride ticket so that passengers on any given day can use whichever ticket they want. They shouldn't have to have two separate tickets. He is glad to see that VRE is considering a step-up ticket for weekend Amtrak service. VRE should have a ten-ride Amtrak step-up weekend ticket.

Mr. Billmyer stated that VRE is giving the impression that there are two types of passengers—loyal people buying monthly ticket and non-loyal people buying ten-trip

tickets, even though they may ride three or four days a week because of their work schedule. Chairman McConnell asked staff to address this issue at the next meeting.

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

Dick Peacock explained that since there is transportation gridlock in Northern Virginia, it is important to look at those areas with spare capacity. The very last rush hour train on the Manassas Line still has capacity and VRE needs to find ways to encourage people to take this train. He suggested working with local restaurants to provide incentives or holding an informal lottery for free tickets. Mr. Peacock also observed that VRE has reverse flow trains and suggested VRE allow Metro riders to have a one-way ride from Union Station to Alexandria on the reverse flow trains. This is another area that VRE has spare capacity. Dana Kauffman asked Mr. Peacock to send him an e-mail concerning this subject.

Authorization to Issue a Task Order to Parsons Brinkerhoff, Inc. for the Gainesville-Haymarket Implementation Plan – 8A

Mr. Zehner explained that the Operations Board is being asked to authorize him to issue a task order to Parsons Brinkerhoff, Inc. (PB), VRE's general engineering consultant, to draft a Gainesville-Haymarket implementation plan. The task order is being requested at \$45,455, plus a 10 percent contingency, for a total of \$50,000. Resolution #8A-04-2005 would accomplish this.

Mr. Zehner explained that the proposed plan is an important first step that will permit the Operations Board and other affected stakeholders to determine if the benefits of the extension outweigh impacts to the current system. The scope of work includes cooperation with stakeholders such as VDRPT, Norfolk Southern, Prince William County, and private developers. The expected 10 to 20 page document will sketch out the plan, including identifying key issues, a rough timeline for build-out, providing decision-making milestones, and itemizing potential funding sources.

Mr. Zehner stated that the \$50,000 cost of the plan could be made up of remaining funds of a state grant that was provided to VRE in FY 2003 to study VRE service in the I-66 corridor. Mr. Tobias reported that Ms. Rae indicated that VRE could use these remaining funds (\$25,000) for this purpose. The cost of the study could also come from donations from private partners. VRE has already received pledges of \$55,000 from various firms, including \$25,000 from Norfolk Southern, \$25,000 from Brookfield Developers, and \$5,000 from Micro Technology. Clear Channel Communications, which owns Nissan Pavilion, and Clark Construction have also expressed interest in contributing. The money from donations could also be used to cover the cost of the entire study.

Mr. Covington moved, with a second by Ms. Bulova, to approve Resolution #8A-04-2005.

Mr. Gibbons stated that it is important to make sure Mr. Covington is involved in the process.

Mr. Tobias stated that the report is due to the General Assembly on December 1, 2005, but VDRPT would like to have it by early November to put it into final format.

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

Authorization to Execute a Right of Entry Agreement with Norfolk Southern Railroad for a Platform Extension at VRE's Manassas Park Station – 8B

Mr. Zehner explained that in order to access the site to construct the Manassas Park platform, Norfolk Southern requires that VRE sign a right of entry agreement, which insures that VRE acquires insurance and pays for railroad flagging services. The total cost to VRE is estimated at \$50,000. Resolution #8B-04-2005 would authorize VRE's CEO to execute a right of entry agreement with Norfolk Southern Railroad. Mr. Zehner stated that the platform should be completed by August 2005.

Ms. Barg moved to approve the resolution. Ms. Bulova seconded the motion and it passed. The vote in favor was cast by Board members Barg, Bulova, Caddigan, Gibbons, Kauffman, McConnell and Tobias.

Authorization to Award a Contract to Sumitomo Corporation of America for the Production of New Two-Level Passenger Railcars – 8C

Mr. Zehner explained that the VRE Operations Board is being asked to approve Resolution #8C-04-2005 which would recommend that the Commissions authorize VRE's CEO to enter into a contract with Sumitomo Corporation of America for the production of 11 new cab cars in an amount not to exceed \$25,035,000.

Mr. Zehner stated that following a competitive procurement process in which four railcar builders were represented at a prebid meeting; one proposal was received from Sumitomo. Negotiations with Sumitomo are underway and only include a short list of issues that need to be resolved. VRE posted a Notice of Intent to Award on April 1st. Because negotiations are still underway, VRE is requesting authorization to award the contract in an amount not to exceed the total amount requested for lease financing. The exact contract amount should be known by the Commission meetings on May 5th.

Mr. Zehner explained that procurement regulations include a 10-day period for firms to submit protests from the date of the Notice of Intent to Award. Last night (4/14/05) VRE received a protest from Kawasaki. Mr. MacIsaac stated that he has looked at the

protest, which is in regard to the schedule. He recommended that the Board proceed and he will look at this issue in-depth before the May 5th Commission meetings.

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

Authorization to Award a Contract for the Financing of New Two-Level Passenger Railcars –8D

Mr. Zehner stated that the VRE Operations Board is being asked to recommend that the Commissions authorize VRE's CEO to enter into a contract with BTM Capital Corporation/Corridor Capital, LLC from Boston, MA, or the next lowest responsive and responsible bidder, for the financing of 11 new cab cars in an amount not to exceed \$25,035,000.

Mr. Zehner explained that lease financing is an accepted method of capital financing which uses the equipment purchased as the security for the lease. This method has been used by VRE for other capital improvements, including the original fare collection system (1991), two locomotives (1995), the TRIP system (1998), and the Fare Collection II system (2000). The lease period for this equipment will be for 20 years and VRE will have ownership of the cars at the end of this period. Partial or full payment is allowed at any time during the lease term without penalty. All transaction costs and costs of purchasing and monitoring construction of the cars will be included in the amount financed.

In response to a question from Mr. Gibbons, Mr. Zehner stated that following a competitive process, two bids were received and evaluated on April 14th. BTM Capital Corporation/Corridor Capital, LLC was the lowest responsive and responsible bidder with an all-in-cost interest rate of 4.68 percent. Annual debt service payments cannot be calculated until the contract value with the car manufacturer is finalized. However, all scenarios realize annual payments below the budgeted amount of \$2.2 million per year. Final information on the new car contract is expected to be available for the May Commission meetings for their approval.

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

Authorization to Amend a Task Order Under GEC IV to DMJM + Harris for the Review and Analysis of Access Provisions to Washington Union Terminal – 8E

Mr. Zehner explained that Resolution #8E-04-2005 would authorize the CEO to amend a task order with DMJM + Harris in the amount of \$32,907, for a total task order value of \$134,098, for the review and analysis of access provisions to Washington Union Terminal, as well as support during negotiations with Amtrak.

Mr. Zehner stated that Amtrak has agreed to negotiate a long-term (30-year) agreement with VRE for access to facilities at Washington Union Terminal and for mid-day storage. Based on VRE's technical response to the original proposal, Amtrak has offered a modified cost allocation methodology and updated the basis for its actual costs, for the purpose of calculating the VRE access and storage fee. Due to the complexity and fluidity of the discussions with Amtrak, it is necessary to extend the task order through the remaining negotiations. VRE staff proposes to expand the scope to include consultant attendance at the VRE-Amtrak negotiation sessions, as well as continued access fee proposal modifications based on discussions with Amtrak.

Ms. Barg moved, with a second by Ms. Bulova, to approve Resolution #8E-04-2005. The vote in favor was cast by Board members Barg, Bulova, Caddigan, Gibbons, Kauffman, McConnell and Tobias.

Authorization to Modify VRE's Fare Structure – 8F

Mr. Zehner explained that the Operations Board is being asked to approve Resolution #8F-04-2005 which would recommend that the Commissions authorize VRE's CEO to institute the following changes to the VRE fare structure effective June 27, 2005:

1. Increase the base fare and the zone increment by 2.75 percent.
2. Increase the monthly and TLC ticket discount from 33 percent to 34 percent.
3. Amend the ticket discount structure to decrease the ten-trip ticket discount from ten to eight percent.
4. Create a \$2 step-up ticket for VRE passengers using Amtrak trains.
5. Amend the Zone 8 fare by up to 5.56 percent if the full subsidy amount is not provided by Stafford County.

Mr. Zehner stated that the public comment period ran from March 2nd to April 1, 2005, with six public hearings. More than 300 e-mails, faxes, and letters were received and a total of 37 people attended the public hearings. The majority of the comments related to the changes to the ten-trip ticket and the potential supplemental increase to the Zone 8 fares.

Mr. Gibbons stated that the majority of the comments received down in Stafford County had to do with doing away with the Free Ride Certificate (FRC). A lot of riders in his area think that VRE is too generous with the amount of time for the delays. Mr. Gibbons

stated that Mr. Billmyer had a good suggestion of extending the 30-minute delay for FRC's to 60 or 90 minutes. It costs VRE approximately \$100,000 per year to provide the FRC's. He stated that customers feel that there is a lot of free loading going on.

Mr. Zehner stated that of the total 300 comments, only 11 concerned FRC's. The Budget Committee has looked at this issue. There's a customer service aspect involved, as well as a financial issue. Subsequently, no change is being recommended until the seven major railroad infrastructure projects on the Fredericksburg Line are completed, at which time overall on-time reliability should improve.

Mr. Zehner stated that staff is also looking at the issue of fare evasion. VRE has taken teams of people onto trains and looked at every ticket. On a Manassas Line train, there was only one ticket that was not validated properly out of 800 tickets. Staff will return back to the Budget Committee when the fare evasion study is complete.

Ms. Barg asked staff to explain how riders qualify for FRC's. Mr. Zehner explained that if a train is late to its destination by more than 30 minutes for any reason, riders get a Free Ride Certificate. Ms. Barg stated that this is a lot of money and that the Board needs to look at this issue, especially with the financial challenges VRE is facing. Mr. Zehner stated that FRC's are a customer service amenity. Ms. Caddigan agreed that it is a lot of money and should be discussed. Mr. Kauffman commented that the decision to eliminate FRC's needs to be tied into something else besides 'it's a lot of money'. If Metro found a way to spend only \$100,000 to get its reputation back, Metro would do it in a heartbeat. VRE's reputation has been built up over the years, but it's amazing how fast it can be lost.

Ms. Lemieux stated that part of the customer service survey in May 2005 will ask riders the question, "If Free Ride Certificates were eliminated, how would you feel if it would mitigate a future fare increase?" Riders' comments should give VRE a look at how the customer feels about FRC's.

Mr. Gibbons stated that he wasn't going on record to remove the FRC's, but to say that 30-minute delays are too generous and the time should be extended. Mr. Greenup observed that timing is everything and with the fare increase and service complaints, it needs to be looked at, but it would not be in VRE's best interest to act on this now.

Mr. Tobias reminded Board members that the upcoming improvements to the Fredericksburg Line will have a negative impact on on-time performance during construction and will cause some delays. After all the work is completed, on-time performance should significantly improve.

Chairman McConnell asked if other rail systems provide this type of incentive to their riders. Mr. Zehner stated that VRE was one of the first systems to do it. There may be some systems that provide a similar incentive.

Mr. Zehner explained that if Stafford County agrees to pay its subsidy increase, it would result in the normal fare increase. If they don't, the fares in Zone 8 would increase 5.56 percent. Stafford is having a public hearing on Tuesday, April 19th. Stafford County is expected to vote on its budget by the end of April. Mr. Zehner stated that when this action goes before the Commission at their May 5th meetings, it should be known what action Stafford County has taken. Chairman McConnell stated that she is disappointed to know that the Stafford County subsidy issue is still unresolved.

Mr. Greenup observed that Fredericksburg is in Zone 9, so riders wouldn't be subject to the additional increase. He expressed his concern that if Zone 8 fares increase by 5.56 percent, those riders currently going to Leeland Road may go down to Fredericksburg. Fredericksburg already has major parking problems.

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

Authorization to Modify Fredericksburg Parking – 8G

Mr. Zehner stated that VRE received a letter on March 25th from the City of Fredericksburg regarding parking at the VRE station. Due to increasing crowding at this station, the City has requested that additional parking be made available to riders from VRE's participating jurisdictions. Pursuant to their request, Lot C will be limited to riders from VRE member jurisdictions beginning May 1, 2005. Unlike the majority of parking facilities in VRE's system, this lot is one of three lots in Fredericksburg with no federal and state interest. The lot is located on Princess Anne Street and has 38 spaces. The City will police the lot and deal with violators. Resolution #8G-04-2005 would authorize VRE's CEO to limit the use of Lot C to riders from VRE member jurisdictions.

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

Crossroad Land Acquisition – 9A

Mr. Zehner explained that VRE has recently been solicited by the owner of several acres of land adjacent to the Crossroads Yard. Through preliminary discussions, the owner has proposed that VRE enter into an option agreement for future land acquisition. This option would allow VRE to acquire land for the expansion of the Crossroads Yard. Obtaining the option would not lock VRE into purchasing the land, but would preserve VRE's interest in the property until VRE is in a position to move forward with its long-term plans for the yard. Mr. Zehner stated that he hopes to bring the option agreement to the Board at its next meeting for consideration.

Presentation on VRE's New Train Talk Service – 9B

Ms. Lemieux stated that VRE is currently upgrading its passenger information system, known as Train Talk. She provided an overview of the new system. She also stated that VRE's website is also being updated, which will include a feature that will allow individuals to design a customized commute itinerary to get them from point A to point B. Mr. Harf asked if the system will provide access to other forms of transportation if VRE is not running service at the requested time. Ms. Lemieux stated that other systems aren't included at this time, but it will give VRE's next scheduled time.

In response to a question from Mr. Gibbons, Ms. Lemieux stated that this doesn't tie in with the "511" system. It is her understanding that on "511" you can't get customized commuting information and you can only receive conditions of commute. Mr. Gibbons suggested checking with APTA concerning this.

In response to another question from Mr. Gibbons, Ms. Lemieux state that the new Train Talk system costs \$50,000 and the website enhancements are less than \$10,000.

Other VRE Business

In response to a question from Mr. Gibbons, Mr. Tobias explained that the rail enhancement fund is funded by a tax on vehicle rentals and it will vary in the amount of money available for rail enhancements each year. DMV does a projection every year that is very accurate. \$23 million is included in this year's budget for rail enhancements.

Mr. Gibbons stated that on May 19th the Senate is setting up a new Blue Ribbon Committee for transportation initiatives for the next legislative session. Members will be appointed to the committee. He stated that he would like VRE to request representation on this committee.

Mr. Gibbons also stated that Steve Baril, who is running for Attorney General, came out with a Marshal Plan for the funding of transportation in Virginia. Mr. Gibbons offered to provide Board members with a copy of this plan. He stated that whether one agrees with his politics or not, the plan has some merit.

Adjournment

Without objection, Chairman McConnell adjourned the meeting at 10:40 A.M.

Approved this 20th day of May, 2005.

Elaine McConnell
Chairman

Dana Kauffman
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the April 15, 2005, Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

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Boards: Ready for rail?

April 27, 2005 1:10 am

By EDIE GROSS

Spotsylvania and Caroline eye VRE

Spotsylvania County officials have debated for nearly 13 years whether to join the Virginia Railway Express.

That's twice as long as it took to build the entire transcontinental railroad.

The VRE effort gained some momentum last night when supervisors voted to ask the Potomac and Rappahannock Transportation Commission, which co-owns VRE, for a draft membership agreement that they could look over.

The original resolution would have directed staff to begin "exploratory conversations" with VRE officials, but Supervisor Gary Jackson called that language "squishy" and said the county needed to get on with the business of making a decision.

"[We need] something we could execute and move forward with if we decide that's something we want to do," Jackson said.

The measure passed 5-1, with VRE opponent Emmitt Marshall voting against it. Supervisor T.C. Waddy, who has been ill, was absent.

Supervisors said they would further study how much their initial capital investments would cost and maybe look into partnering with Caroline County since it, too, is considering joining the commuter rail service.

Spotsylvania's board also agreed to hold a public hearing should it decide to pursue PRTC membership.

Membership would give the county the option of building its own rail station, a say in VRE's operational decisions, and the potential to latch onto a commuter bus program like Prince William's popular OmniRide.

A citizen survey released last month revealed overwhelming support for tax-funded rail and bus operations in Spotsylvania.

Seventy percent of the 843 county residents polled by the University of Virginia's Center for Survey Research said they favored a tax-supported train service. And 66 percent felt the same way about commuter buses.



[A Virginia Railway Express train sits in the Northern Virginia commuter line's train yard in Spotsylvania County.](#)
[Click for larger photo and to order reprints](#)

Pressure to join VRE has also come from outside the county.

More than 1,000 Spotsylvania residents already ride VRE trains, although their county does not financially support the operation. Those residents fill train-station parking lots in Fredericksburg and Stafford, irritating residents there.

Fredericksburg recently banned non-VRE members--essentially Spotsylvania residents--from parking in a second lot, and plans to pursue similar restrictions in a third lot.

Stafford, irked that its neighbors to the south pay nothing to support VRE, refused to increase its commuter-rail subsidy next year. The move means that ticket prices for passengers who board at either of Stafford's two stations will increase twice as much as elsewhere to make up for the shortfall.

Joining PRTC--which co-owns VRE with the Northern Virginia Transportation Commission--would give Spotsylvania a say in the commuter service's operations and allow it to levy a 2 percent gasoline tax, which could generate about \$2.6 million a year.

Spotsylvania would use approximately \$541,400 of that to support VRE and PRTC each year. The rest could be used for other county transportation needs, including roads and buses.

The county also has the option of "contracting" with VRE for its services rather than joining the commission. Supervisors, however, didn't seem interested in that since they wouldn't have a voice in VRE affairs and they wouldn't have access to the gas tax under that scenario.

That tax is an issue in Caroline County, as well. Last night, supervisors there heard from PRTC Executive Director Al Harf, who told them the county could bring in more than \$900,000 a year from the 2 percent fuel tax.

Only \$65,000 of that would go toward PRTC administrative costs and the VRE subsidy, leaving a big chunk of money for local transportation projects.

The board seemed pleased about the surplus, but wanted to study how the gas tax would affect business at the Carmel Church truck stops, whose clients would pay most of the fuel tax.

Caroline Supervisor Maxie Rozell said a truck stop owner told him a 2 percent gas tax would destroy his business and make tractor-trailers more likely to fill up their diesel tanks in North Carolina.

Supervisor Wayne Acors said he wants to see if that's a valid claim.

The fuel tax revenue would go a long way toward building projects the county needs at a time when state road money is dwindling, Acors said, urging the board to decide which direction to take within the next 60 days.

In Spotsylvania, VRE Chief Executive Officer Dale Zehner told supervisors that it might take two or three years to build a train station in the county.

But if Spotsylvania joined PRTC, it could begin collecting the gas tax--and spending the money on local transportation projects--immediately.

In 2003, VRE estimated it would cost Spotsylvania about \$11.5 million to build a basic train station, pave a 1,000-space parking lot and add some railroad equipment to the storage yard near Lee's Hill, an obvious spot for the station.

That cost is probably closer to \$12.7 million in today's dollars, VRE officials estimate.

Also, the parking lot, originally estimated at \$5 million, could cost considerably more than that if it's closer to Interstate 95 where land is more expensive.

VRE officials have emphasized the availability of state and federal dollars for some of these projects. In addition, Tricord Inc., which hopes to develop a 1,500-home subdivision near New Post, has proffered \$6 million toward a train station.

Zehner also recommended a more in-depth study to determine exactly how much the projects would cost. That study would run about \$120,000 and take six to eight months to complete.

It's worth it to know if building a train station is even affordable, said Supervisor Bob Hagan.

"No sense picking out a dress if we don't have a date," he said.

Staff writer Emily Battle contributed to this report.

To reach EDIE GROSS: 540/374-5428 egross@freelancestar.com

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Traffic jam fix?

March 16, 2005 1:10 am

By GEORGE WHITEHURST

Tricord sweetens New Post proffer pot

Nothing makes traffic-weary Spotsylvanians' hearts race like a proposal to uncork the county's bottlenecks.

That's just what Tricord Inc. is offering as it tries to persuade Lee's Hill area residents to support its New Post development.

The Spotsylvania-based developer is offering \$19 million worth of transportation improvements, which Tricord says will save residents about 15 minutes a day they now spend sitting in traffic.

Tricord's cash would pay for a new flyover ramp connecting southbound U.S. 1 and the U.S. 17 Bypass.

Tricord also is pledging to help finance the four-laning of the 17 Bypass from the Interstate 95 bridge to the main entrance of Lee's Hill (Old Dominion Parkway) as well as make the bridge over I-95 four lanes. A continuous right-turn lane would be built off I-95 at Exit 126, taking motorists directly to Southpoint Parkway.

Should Spotsylvania County join the Virginia Railway Express, Tricord will put up \$6 million for a new commuter rail station off the 17 Bypass.

It's all part of a \$52.4 million cash-and-incentive package the company is offering to win rezoning of 417 acres of land at the intersection of Routes 2 and 17 near Belvedere Plantation. Even slow-growth advocates who attended a company presentation Monday night came away impressed.

The site, known as Nottingham Farm, was used as a sand and gravel mine until recently and is zoned for industrial use. The New Post Driving Range sits on part of the tract that would be developed.

The proposed New Post community--originally dubbed Nottingham--would contain 1,548 homes, plus 120,000 square feet of retail and office space. It also will boast 145 acres of open space and a riverfront park along the Rappahannock River.

Doug Jones, Tricord's chief operating officer, noted proudly that the county's proffer guidelines call for just over \$28.9 million in cash and infrastructure improvements for a project the size of New Post.

By almost doubling the proffers, Jones argues that Tricord is looking out for the county that is home to many of the 150

people and work for Tricord and its affiliated companies.

"We believe we're doing the right thing not only to make the project successful, but to make the community in a broader sense successful," he said during a Monday interview with reporters.

Jones estimates New Post would be built over a seven-year period, with about 225 homes built per year. The housing units would range in cost from an estimated \$160,000 to \$750,000.

The town-style development would resemble portions of downtown Fredericksburg.

Jones has pitched the pedestrian-friendly "traditional neighborhood design" as a way to get cars off Spotsylvania roads, because New Post residents could shop and perhaps even work within walking distance of their homes.

As Spotsylvania's property values have sailed upward, community leaders have bemoaned a lack of affordable housing for young professionals, blue-collar workers and even county employees.

Tricord addresses that concern by pledging that 10 percent of the New Post homes will be reserved for county employees with household incomes of below \$62,510. The company also will contribute \$6,500 for each such home to an affordable housing trust fund to be run by the county.

Tricord also is offering \$21.7 million in cash for schools and \$6.1 million for the county's fledgling Purchase of Development Rights Program. The PDR program aims to preserve open space, rural areas, family farms and historic spots.

Even community activists who often oppose large-scale subdivisions like the New Post design and Tricord's proffer package.

Jones and other company officials unveiled their updated proposal at a Monday night community meeting at the Liberty Lanes bowling alley in Massaponax. About 75 people attended.

"This is controversial because it's a lot of homes but it's not growth per se that's the problem, it's the cost of growth," said Merl Witt, who heads the Committee of 500. "The costs to the school system, the cost of traffic, the cost of sprawl and the loss of open space. They've made a good start at mitigating all three of those areas."

Slow-growth proponent Dorothy Miller gushed over Tricord's plan.

"I think basically it seems like a really interesting, intelligent approach," she said. "It was hard to find fault with it."

Diane Kuechler, who unsuccessfully fought the Lee's Parke subdivision, particularly liked Tricord's affordable housing offer and the proposed flyover ramp connecting U.S. 1 and the U.S. 17 Bypass.

But she worries that taxpayers may get stuck with a bill if cost overruns plague the road improvements.

Jones said yesterday that Tricord is relying on state and county cost estimates.

"Rather than make the mistake that some of our predecessors have and put our own estimates on what it would cost, we went right to the horse's mouth and asked VDOT," he said.

He also expressed hope that other developers will chip in for various transportation improvements, given the commonwealth's chronic shortage of transportation money.

The transportation proffers, plus the attention to affordable housing pleases Lee Hill District Supervisor Vince Onorato, whose district includes New Post.

"I looked at their transportation proffers very favorably," he said. "It improves the traffic situation in the Massaponax area that is only going to get worse without it getting fixed by somebody. Since VDOT doesn't have the funds to do it, this seems like a great way of getting it done."

Tricord submitted a rezoning request to the county last year, but asked for a delay in order to obtain more community input on its proffer package.

Now that revisions largely are complete, the company will submit a revised proffer package to the Planning Department.

The Spotsylvania Planning Commission is scheduled to hold a public hearing on New Post at its April 20 meeting.

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Supervisors to take closer look at Gainesville development

By Chad Umble

cumble@potomacnews.com

Wednesday, March 16, 2005

Brentswood, a development that could bring 6,800 new houses to the Gainesville area and fund major transportation improvements, passed an important test Tuesday as Prince William County supervisors decided to continue studying the plan.

By 5 to 3, the Prince William Board of County Supervisors voted to initiate further discussion of the proposed 1500-acre development near Linton Hall Road and Interstate 66. The development would be built over 20 years and include a mix of houses, retail areas and office space.

Key to the affirmative vote were promises from Brentswood developer Brookfield Homes to pay for a major reconstruction of the road system around the development and to carve out space within it for a possible Virginia Railway Express station.

The road improvements would include widening the I-66/U.S. 29 and I-66/Va. 234 interchanges and constructing an overpass from the Va. 234/I-66 interchange into the development that would pass over a railroad line. Costs for these improvements could reach \$245 million.

"They are putting on the table the potential to address what is the worst regional transportation bottleneck we have in western Prince William County," board chairman Sean T. Connaughton, R-at-large, said.

The area is "coming to a screeching halt" because of traffic and supervisors should study Brookfield Homes' proposal since the Virginia Department of Transportation is not able to pay for the needed road improvements, Connaughton said.

Supervisor Maureen S. Caddigan, R-Dumfries, Supervisor John T. Stirrup, R-Gainesville, and Supervisor Corey A. Stewart, R-Occoquan voted against the proposal.

The development would create "a traffic nightmare" and was not worth further study, Stewart said.

County planners had recommended against proceeding with more study of the development, concluding that the transportation improvements would not offset the traffic coming from Brentswood.

However Connaughton said the possibility for making area road improvements was too important to not at least study.

"The issue is, when you look at the potential to essentially rebuild the transportation structure out here in a real time period and actually see it done ... (it) is something I don't think we can turn our back on," Connaughton said.

The county's planning staff will now study the Brentswood proposal further, and then send it to the Prince William County Planning Commission. From there, the proposal will come back to the board of county supervisors for a public hearing and possible final approval.

The Brentswood development proposal was one of seven proposed amendments to the county's Comprehensive

Plan that supervisors considered Tuesday.

In addition to Brentswood, supervisors voted to initiate further study of four proposals. They are:

- Potomac Center, a high-end shopping center near the Dale Boulevard exit of Interstate 95;
- Walker Station, a 358-residential unit complex near the Manassas Park VRE station;
- Beatty Property, a 60-home development near Hoadly Road and Dale Boulevard; and
- JAM Property, a 110-residential unit north of Manassas Park.

Supervisors voted against conducting further study of Avendale, a 365-home development along Vint Hill Road; and VanNordstrand Property, a 15-home development north of Haymarket in the Rural Crescent.

Two other proposals in the Rural Crescent, Classic Lakes and Liberty Oaks, were withdrawn.<< />

This story can be found at: http://www.potomacnews.com/servlet/Satellite?pagename=WPN/MGArticle/WPN_BasicArticle&c=MGArticle&cid=1031781602098&path

[Go Back](#)

Contract Award for New Railcars

The VRE Operations Board recommends approval of Resolution #1071. This resolution provides a contract award to Sumitomo Corporation of America for 11 new cab cars. The price is not yet determined and will be provided on a blue sheet at the commission meeting. Sumitomo was the only firm to respond to VRE's request for proposals. These are stainless steel, two-level gallery type railcars with 125-seats per car, similar to VRE's existing gallery cars from Metra in Chicago. With notice to proceed in May, 2005, the new cars could be in service in 2006. Lease financing of these 11 railcars is provided in the next item (#2C).

The contract award also includes an option for 50 additional railcars that would need to be exercised by April 28,2006.



RESOLUTION #1071

SUBJECT: Contract Award for New Railcars.

WHEREAS: On October 29, 2004, a Request for Proposals was issued by VRE for the purchase of 11 new cab cars with an option to purchase 50 additional passenger cars;

WHEREAS: Proposals were due on December 30, 2004; and

WHEREAS: One proposal was received from Sumitomo Corporation of America for 11 two-level, balcony-style, gallery cab-control passenger cars plus the option for 50 railcars.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to enter into a contract with Sumitomo Corporation of America for the production of 11 new cab cars in an amount not to exceed \$_____.

Approved this 5th day of May, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: APRIL 15, 2005
RE: AUTHORIZATION TO AWARD A CONTRACT TO SUMITOMO CORPORATION OF AMERICA FOR THE PRODUCTION OF NEW TWO-LEVEL PASSENGER RAIL CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to enter into a contract with Sumitomo Corporation of America (Sumitomo) for the production of eleven new cab cars in an amount not to exceed **\$25,035,000.**

BACKGROUND:

In April of 2004, the VRE Operations Board authorized the Chief Executive Officer to issue a Request for Proposals for the purchase of new passenger rail cars. The RFP was issued on October 29, 2004, and proposals were due on January 3, 2005.

Following a competitive procurement process in which four passenger rail car builders were represented, one proposal was received from Sumitomo. This proposal was for two-level, balcony-style, gallery cab-control passenger cars with 125 seats per car. These cars are currently being manufactured for Chicago METRA and are similar to the Gallery equipment VRE acquired from METRA and currently has in service. One notable difference is that the new cars have stainless steel bodies and the existing cars have carbon steel bodies. Stainless

steel bodies are not only rust resistant, but are easier to maintain. Each cab car is designed with wheel chair lifts on each side of the car, an ADA toilet and bike racks.

Negotiations with Sumitomo are underway and only include a short list of issues that need to be resolved. A Notice of Intent to Award was posted on April 1, 2005, and no protests were received. Because negotiations are still underway, VRE is requesting authorization to award the contract in an amount not to exceed the total amount requested for lease financing. The exact contract amount should be known by the Commission meetings on May 5th and can be acted on at that time.

Following Operations Board and Commission approval, a Notice to Proceed will be given in May. These eleven cab cars are scheduled to be in service in 2006.

This proposal also included a fixed-price option for 10 additional cab cars, 20 trailers with ADA toilets and lifts, and 20 trailers without toilets. VRE has the opportunity to exercise this option by April 28, 2006, and would return to the Board with a separate recommendation for award. VRE is currently developing a funding plan that would allow the execution of this option. A detailed analysis would also be provided at that time regarding the number of cars needed and impact on operations.

FISCAL IMPACT:

Lease financing is being used to pay for this equipment and awarded through Action Item 8-D. Finance payments are included in VRE's Capital Improvement Program (CIP) as part of the Capital Fleet Expansion project. Funding is made up of federal formula grants beginning with FY 2004. The local match is provided for using state and local funds.

Contract Award for Railcar Financing

The VRE Operations Board recommends approval of Resolution #1072. The resolution provides lease financing for the purchase of 11 two-level railcars from Sumitomo Corporation. The winning bidder for the 20-year lease will be provided on a blue sheet at the commission meeting. Grant funds will be used to cover the lease payments, which are secured by a lien on the 11 railcars.



RESOLUTION #1072

SUBJECT: Contract Award for Railcar Financing.

WHEREAS: At Its September 17, 2004 meeting, the VRE Operations Board authorized the Chief Executive Officer to solicit proposals for equipment financing for 11 cab cars;

WHEREAS: An invitation for bid was posted on the VRE website on March 14, 2005, and bids were received on April 14, 2005; and

WHEREAS: Lease financing is an accepted method of capital financing which uses the equipment purchased as the security for the lease.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to enter into a contract with _____ for the financing of 11 new cab cars in an amount not to exceed \$_____.

Approved this 5th day of May, 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: APRIL 15, 2005
RE: AUTHORIZATION TO AWARD A CONTRACT FOR THE FINANCING OF NEW TWO-LEVEL PASSENGER RAIL CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to enter into a contract with BTM Capital Corporation/Corridor Capital, LLC from Boston, MA, or the next lowest responsive and responsible bidder, for the financing of eleven new cab cars in an amount not to exceed \$25,035,000.

BACKGROUND:

At its September 17, 2004, meeting, the Operations Board authorized the Chief Executive Officer to solicit proposals for equipment financing for eleven cab cars with an option for financing fifty additional rail cars. The authorization allowed VRE staff to work with VRE's financial advisor, Public Financial Management (PFM), to develop the appropriate financing method for the purchase of the cars. The intention was to ensure that funds would be in place to meet the progress payments of the manufacturer for the purchase of the initial eleven cars. The decision was, therefore, made to issue an IFB for lease financing of the rail cars.

Lease financing is an accepted method of capital financing which uses the equipment purchased as the security for the lease. This method has been used by VRE for other capital improvements, including the original fare collection system (1991), two locomotives (1995), the Train Information Provider (TRIP)

system (1998) and the Fare Collection II system (2000). The lease period for this equipment will be for 20 years and VRE will have ownership of the cars at the end of this period. Partial or full prepayment is allowed at any time during the lease term without penalty. All transaction costs and costs of purchasing and monitoring construction of the cars will be included in the amount financed.

The provider of the lease financing was selected through a competitive process. An IFB was posted on the VRE website on March 14, 2005, and all providers who had expressed an interest in the financing were notified. Responsible bidders were defined as those who have served as principals in at least five similar transactions.

Two bids were received and evaluated on April 14, 2005, with the assistance of PFM. BTM Capital Corporation/Corridor Capital, LLC was the lowest responsive and responsible bidder with an all-in-cost interest rate of 4.68%. Annual debt service payments cannot be calculated until the contract value with the car manufacturer is finalized. However, all scenarios realize annual payments below the budgeted amount of \$2.2 million per year. Final information on the new car contract is expected to be available by the Commission meetings on May 5th.

FISCAL IMPACT:

Funding for this project is included in VRE's Capital Improvement Program (CIP) as part of the Capital Fleet Expansion project. Funding is made up of federal formula grants beginning with FY 2004 and extending out through the end of the lease term. This funding plan is being recommended based on FTA's issuance of a Letter of No Prejudice (LONP) which allows the allocation of future funds to this project. The local match is provided for using state and local funds.

Authorization to Modify VRE's Fare Structure

The VRE Operations Board recommends approval of Resolution #1073. Consistent with the approved FY 2006 VRE budget and following six public hearings, this resolution authorizes several changes in VRE's fare structure effective June 27, 2005 to:

- 1) Increase the base fare and zone increment by 2.75%;
- 2) Increase the monthly and TLC ticket discount to 34%;
- 3) Decrease the 10-trip ticket discount to 8%;
- 4) Create a \$2 step-up ticket for VRE passengers using Amtrak; and
- 5) Increase the Zone 8 fare by 5.56% if Stafford County does not pay its full subsidy.



RESOLUTION #1073

SUBJECT: Authorization to Modify VRE's Fare Structure.

WHEREAS: As part of the FY 2006 VRE budget, VRE must increase revenue nearly \$1 million to cover increased operating costs;

WHEREAS: In addition to voting to increase the jurisdictional subsidy, the commissions also authorized a fare increase of 2.75% on which public hearings were held; and

WHEREAS: Passengers and interested parties commented via e-mail, letter, fax, and in person at six public hearings.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to institute the following changes to the VRE fare structure effective June 27, 2005:

- 1) Increase the base fare and zone increment by 2.75%;
- 2) Increase the monthly and TLC ticket discount to 34%;
- 3) Decrease the 10-trip ticket discount to 8%;
- 4) Create a \$2 step-up ticket for VRE passengers using Amtrak; and
- 5) Increase the Zone 8 fare by 5.56% if Stafford County does not pay its full subsidy.

Approved this 5th day of May, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



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AGENDA ITEM 8-F
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: APRIL 15, 2005
RE: AUTHORIZATION TO MODIFY VRE'S FARE STRUCTURE

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to institute the following changes to the VRE fare structure effective June 27, 2005:

1. Increase the base fare and the zone increment 2.75%
2. Increase the monthly and TLC ticket discount from 33% to 34%
3. Amend the ticket discount structure to decrease the 10-trip ticket discount from 10% to 8%
4. Create a \$2 step-up ticket for VRE passengers using Amtrak trains
5. Amend the Zone 8 fare by up to 5.56% if the full subsidy amount is not provided by Stafford County

BACKGROUND:

As part of the FY 2006 VRE budget, VRE must increase revenue nearly \$1 million to cover increased operating costs. In addition to voting to increase the jurisdictional subsidy, the Operations Board also authorized a fare increase of 2.75%. Subsequently, a public comment period commenced on March 2 and ended on April 1, 2005. Passengers and interested parties commented via e-mail, letter, fax, and in person at any of six public hearings. More than 300 e-mails, faxes, and letters were received during the process and a total of 37 people attended the public hearings. The majority of the comments were related to

changes to the ten-ride tickets and the potential supplemental increase to the Zone 8 fares. A summary of the comments received is shown below:

Issue	Type of Comment	Number of Comments
Raising the fares	Positive	69
Raising the fares	Negative	106
Reducing the discount on the ten-trip ticket from 10% to 8%	Positive	2
Reducing the discount on the ten-trip ticket from 10% to 8%	Negative	118
Adding a \$2 step-up fare for utilization of Amtrak	Positive	30
Adding a \$2 step-up fare for utilization of Amtrak	Negative	26
Stafford should agree to pay subsidy increase of 90K	Yes	15
Stafford should agree to pay subsidy increase of 90K	No	14
Zone 8 should increase additionally to cover Stafford shortage	Yes	7
Zone 8 should increase additionally to cover Stafford shortage	No	30
Service/Equipment should increase/improve if VRE raises fares		76
Conductors should check tickets better to reduce need for fare increase		22
Spotsylvania needs to come on board		66

The recommended changes are as follows:

Recommendation 1: Increase both the base fare and the zone increment 2.75%.

Original recommendation: The original proposal included an increase in both the base fare and the zone increment by 2.75%.

General summary of comments: Passengers were mixed on the need to raise fares. While many acknowledged the need to increase fares, others pointed out that this is the 3rd fare increase in three years. Comments also focused on decreasing the discount rate on ten-trip tickets.

Final recommendation: A fare increase is necessary for VRE to meet its operating and capital budget for FY 2006. As such, staff recommends that the fare increase be implemented.

Recommendation 2: Increase in the monthly and TLC ticket discount from 33% to 34%

6. *Original recommendation:* The original proposal was to increase the monthly and TLC ticket discount from 33% to 34%.

General summary of comments: There was little reaction to this proposal. A handful of comments showed approval for the change.

Final Recommendation: Staff recommends that the change in fare structure for monthly and TLC tickets be implemented.

Recommendation 3: Change the ticket discount structure to decrease the 10-trip ticket discount from 10% to 8%

Original recommendation: The proposal recommended that the structure change from a 10% discount to an 8% discount.

General summary of comments: This change generated the majority of the comments. Riders, especially those on alternate work schedules, were vehemently opposed to this change. The general consensus is that VRE is “discriminating” against those who don’t work daily by making the ten-ride ticket less attractive and improving the attractiveness of the monthly ticket. Riders felt strongly that they should not be penalized for working less days per month.

Final Recommendation: Staff understands the sentiments of the riders who feel slighted by the ongoing changes to the ten-ride ticket. However, continuing to improve the discount on the monthly ticket and moving more riders to passes will ultimately save VRE money. Consequently, staff recommends that the following change in the discount structure be implemented.

Ticket Type	Current Discount	New Discount	Average Fare Increase
Monthly	33%	34%	1.20%
10-Trip	10%	8%	5.00%
5-Day Pass	20%	20%	2.75%

Recommendation 4: Create a \$2 step-up ticket for VRE passengers using Amtrak trains

Original recommendation: Create a separate \$2 step up ticket that riders of Amtrak trains would be required to purchase and validate prior to boarding VRE cross-honor Amtrak trains.

General summary of comments: Surprisingly, given the number of people significantly opposed to this recommendation in 2004, the comments were minimal. There was general opposition to this idea from riders at Amtrak served stations. However, there were an almost equal number of riders from non-Amtrak served stations that were completely in favor of this proposal.

Final Recommendation: Staff recommends that this proposal move forward and the step up fee be implemented.

Recommendation 4: If Stafford County does not meet its subsidy obligation, VRE has authorization to make-up the deficit by increasing fares in Zone 8

Original recommendation: Amend the Zone 8 fare by up to 5.56% if the full subsidy amount is not provided by Stafford County

General Summary of Comments: The majority of the comments on this proposal came from Stafford County residents who, not surprisingly, were against an additional increase. Riders felt that they were being punished for Spotsylvania not being a member of VRE and that Stafford residents were being unfairly targeted because their elected officials were taking a stand against Spotsylvania.

Final Recommendation: Should Stafford County not fully fund its portion of the VRE Budget, staff recommends that the fares in Zone 8 be increased to cover the deficit.

FISCAL IMPACT:

Funding for the marketing of the proposed changes is included in the FY 2004 operating budget. It is anticipated that the marketing costs will not exceed \$10,000, and that the fare changes will generate \$525,000 in additional fare revenue in FY 2006.

NVTC

Northern Virginia Transportation Commission

AGENDA ITEM #3

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube

DATE: April 28, 2005

SUBJECT: WMATA Items

A. Metro Board Digest for April, 2005.

A copy is attached for your information.

B. Public Information Strategy for Sustainable Funding.

NVTC's staff materials discussed at the April 7th commission meeting have been provided to Metro staff for review. Their reactions will be shared with the commission for further discussion of the materials.

C. WMATA FY 2006 Budget.

Together with local transportation staff, NVTC staff is helping to review the draft FY 2006 budget. Comments have been requested by WMATA. The attached letter would convey NVTC's comments. Following discussion, the commission is asked to authorize its chairman to forward the comments to WMATA.

D. SmarTrip Update.

The one millionth Metro SmarTrip card will be sold this month, with 80% being sold at dispensing machines in stations. On Metrobus, 14.2% of March boardings used SmarTrip, with up to 88% on some routes. Only one percent of boarding passengers added value (an average of \$5.80). In March, the Regional Customer Center handled 14,532 telephone calls, up over 1,300 from February, 2005.

Attached for your information are two related articles. One summarizes the status of SmarTrip in the region. Another describes the continued evolution of smart cards in Hong Kong, known as the Octopus card. Almost seven million cards are in use there with eight million daily transactions. The Octopus card can be used for non-transit purchases at 100 companies including many chains. About 14% of the total dollar volume is for non-transit uses. About a half million customers have the



automatic reload feature that restores value up to about \$32 US each day.

E. Metro Town Meeting

On April 12, 2005 WMATA conducted a town meeting at George Mason High School attended by more than 100 persons. Officials responded to several dozen questions. An article from the Washington Post describing the meeting is attached for your information.

(A)



April 21, 2005

MEMORANDUM FOR: Chairman and Members of the Board
SUBJECT: April Board Digest

Fans Take Metro Out To The Ballgame

When the Washington Nationals took the field for their first regular home game last Thursday night, Metro helped to ensure that the team's fans got to RFK Stadium for the opening pitch and home after the final out. Metrorail carried 27,325 people to the game—roughly 60 percent of the stadium attendance. On April 14, Stadium-Armory station saw large crowds, and Eastern Market and Potomac Ave stations also saw higher-than-normal crowds. Rail ridership for the day totaled 766,184 trips—the fourth highest ridership day in Metrorail history.

Prior to the sold-out 7 p.m. game, Metro ran full rush hour service with six-car trains on all lines beginning at 3 p.m. To move large numbers of customers quickly and safely after the game, we ran 17 eight-car trains on the Blue, Orange, Red and Green lines.

In preparing for the Nationals' home opener, we worked closely with the Nationals and the DC Sports & Entertainment Commission to encourage fans to ride Metrorail and Metrobus to and from games. In addition to the ramped up rail service, we reminded customers that Metrobus routes 96, 97, B2 and D6 serve RFK Stadium. We also produced a walking guide brochure and increased the signage at Stadium-Armory station to make it easier for customers to find their way out of the station and into the stadium.

Additional station managers, operational employees, maintenance personnel and Transit Police staffed the Stadium-Armory Metrorail station and other key stations to help with customer questions, directions on which trains to board, and crowd control.

Washington
Metropolitan Area
Transit Authority

600 Fifth Street, NW
Washington, DC 20004
(202) 962-0200

Ex Metro
and AMTRAK
Stations
Served by
Buses
Faster
Green and
Yellow Lines

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Chairman and Members of the Board

Page 2

We also made a special effort to remind customers to have enough value on their cards to pay for their rides and parking through train and system announcements. Additionally, Metro volunteers pitched in at terminal stations to help with farecards and SmarTrip cards, and staff at Stadium-Armory sold SmarTrip cards by hand to alleviate lines at the fare vendors. Metro volunteers wore Washington Nationals baseball caps and T-shirts saying, "Thanks For Taking Us Out to the Ball Game" so that could be easily identified.

Springtime Metrorail Ridership Hits New Highs

Spring temperatures, the cherry blossoms and a strong start to the tourist season has pushed Metrorail ridership to record levels. Through April 14, weekday rail ridership averaged 719,368, compared with 673,819 a year ago, and 682,644 in March 2005. Thus far in April, Metrorail hit the top 25 high ridership chart on six occasions: April 1, 5, 6, 7, 8 and 14.

Weekend ridership skyrocketed as well, particularly over April 9 and 10 when the system carried more than 900,000 customer trips. A normal weekend sees 400,000 to 500,000 trips. On April 9, Metrorail reached its fifth highest Saturday ridership day ever with 568,474 trips taken by passengers, most of them in town to attend cherry blossom events. On Sunday, April 10th, Metrorail recorded 332,778 passenger trips.

Through careful and thoughtful planning, including the decision to place extra equipment, operations and maintenance personnel throughout the system, Metro was able to take record numbers and customers safely and conveniently to their destinations. This included the decision to run 18 eight-car trains over the April 9-10 weekend to move customers more efficiently. We operated 10 eight-car trains on the Blue and Orange lines, five eight-car trains on the Red Line and three eight-car trains on the Green Line.

Throughout the Cherry Blossom Festival and as we do for other major events in the region, Metro placed extra station managers, rail supervisors and Transit Police throughout the rail system to help with questions, directions and crowd control.

Chairman and Members of the Board
Page 3

Transit Police Officers Complete Conflict Management Training

Earlier this month, MTPD wrapped up its mandatory conflict management training seminars selected to help officers build healthy relationships, improve communications and understand how to work more effectively with customers. All 380 officers completed a one-day seminar that was offered between mid-February and early April.

The class, "Conflict Management," gives Transit Police an additional communication tool to use as they interact and communicate with customers, coworkers and supervisors. MTPD officers are in highly visible locations throughout the region and have to be able to analyze situations quickly to ensure the safety of the system and our customers. Through role-playing scenarios, group activities, and verbal and written exercises, the course examined the officers' personal attributes and how their personalities and communication styles come into play as they patrol bus and rail facilities, and complete all of their policing duties.

Elderly and Disabled Transportation Advisory Committee To Host Annual Meeting on May 2

Metro's Elderly and Disabled Transportation Advisory Committee (E&D) will host its annual meeting on May 2 in the Jackson Graham Building, lobby level Meeting room from 5:30 p.m. to 7:30 p.m. To start the meeting, I will discuss the state of accessibility at WMATA and the progress made during the year, and respond to questions asked by E&D members.

The E&D was established in 1978 to advise WMATA on accessibility and service issues of interest to persons with disabilities and seniors. The committee appoints its members, sets its own agenda and meets the first Monday of each month. Meetings are open to the public and sign language interpreters for the hearing impaired are present. The members of the E&D are drawn from all areas of the WMATA service region and represent different disabilities and age groups.

Metro ADA Programs Office Hosts Metro is Accessible Train the Travel Trainers Workshop

The Office of ADA Programs sponsored its third Metro is Accessible Train the Travel Trainers Workshop on Wednesday, April 6, for 45 attendees from 22 external organizations. Participants included representatives from

Chairman and Members of the Board

Page 4

The District of Columbia, Arlington and Alexandria City Public Schools, D.C. Center for Independent Living, Fairfax County Cooperative Employment Program, Head Injury Rehabilitation and Referral Services, Inc., Maryland Division of Rehabilitation Services, The ARC of Prince George's County and the Federal Transit Administration.

The workshop is designed to inform and orient travel trainers to the accessibility features of Metrobus and Metrorail, and promote the reduced fare program for people with disabilities. The workshop aims to increase ridership on the fixed-route Metrobus and Metrorail systems by people with disabilities.

In addition to a series of presentations, the workshop gave participants the opportunity to examine an accessible low-floor ramp Metrobus with the stop announcement system and board a Metrorail trains with stops at Gallery PI-Chinatown and Judiciary Square stations.

The Office of ADA Programs will conduct follow-up meetings with the participating individuals and organizations to develop ongoing relationships in order to enhance accessible public transportation services for people with disabilities in the region. Through the Metro is Accessible outreach initiative, the Office of ADA Programs provides free Speakers Bureau presentations, free individual and group Metro system orientations, free trip planning assistance, and additional supports to help people with disabilities learn how to use Metrorail and Metrobus.

Metro and WETA Partner In Arts and Transit Promotion

Metro has partnered with WETA TV 26 to promote transit on the *Around Town* program.

Around Town profiles cultural offerings in the Greater Washington area and will air nightly before the 7 p.m. program, weeknights before the 11 p.m. program and Thursdays during every primetime break. As part of the partnership, the program will highlight event venues that are accessible by Metrobus and Metrorail.

Metro will receive opening and closing credit listings on all *Around Town* programs starting May 31 and running through January 31, 2006. Promotional credits (Take Metrobus or Metrorail and/or *Around Town* is brought to you by Metro) will air a minimum of eight times each week. In addition, one segment each week will feature using Metro to get to the

Chairman and Members of the Board

Page 5

event venue highlighted in the program. We also plan to include promotional messages on our Web site about the program and link to WETA's Web site.

Metro Off-Peak Ad Campaign Wins Award, Starts New Run

WMATA's "Metro Wherever You Go" advertising campaign has won an Award of Excellence in the Transportation Marketing & Communications Association's 2005 Tranny Awards Program. A record 207 entries were judged for this major transportation industry advertising award, representing the best in marketing and communications among transportation and logistics organizations throughout North America. The WMATA campaign, which won its award in the single advertisement category, originally ran from March through June 2004 and was recently updated for 2005 with new ads that continue the "Metro Wherever You Go" slogan. The ads combine the slogan with striking juxtaposition of photographs depicting off peak" locations with superimposed Metro seats in the scene. Both the 2004 and the 2005 campaigns were designed to promote new ridership during off-peak hours, when Metrorail and Metrobus have excess capacity.

Upcoming Events

April 22

Metro 2005 Student Poster Contest, "Take Pride in Your Ride," deadline, 6 p.m.

April 27

WMATA Administrative Professionals Annual Meeting, Jackson Graham Building, Meeting Room, 8:30 a.m.

April 30

Metrobus Roadeo, Landover Division, 8 a.m.

Metrorail Rodeo, Branch Avenue Rail Yard, 8 a.m.

May 5

Public hearing on WMATA Dedicated Funding Issues, D.C. Committee on Public Works and Environment, Wilson Building, Room 500, 9 a.m.

May 6

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

Chairman and Members of the Board

Page 6

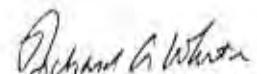
May 14-18

APTA Bus and Paratransit Conference, Columbus, Ohio

May 20

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

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



Richard A. White

General Manager and Chief Executive Officer

B AGENDA ITEM #6

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube and Kala Quintana
DATE: April 1, 2005
SUBJECT: Public Information Strategy to Promote Sustainable Funding for WMATA

At its March 3, 2005 meeting, NVTC Commissioners discussed the need for an effective strategy to educate the public about WMATA's strong performance and need for sustainable funding. This is especially important in light of continuing attacks from some of the media at the same time the recommendations of the Blue Ribbon Panel are being considered.

After discussion, the commission as asked to provide direction to staff about pursuing a strategy to assist Metro.

Ten ideas that may be worth pursuing are:

- 1) With NVTC's Metro Board members, educate NVTC's board members and local elected officials and staff about Metro's performance and coordinate a strategy that establishes a consistent message with short, medium and long-term objectives. For example, in the short term, all NVTC board members should be armed with facts to respond to expected media criticism of WMATA in the next few days. By summer, NVTC can supply information to the business community and other supporters of the Blue Ribbon Panel's recommendations to boost the prospects of dedicated Metro funding through region-wide summits and other means. By the fall elections and looking toward the next General Assembly session, NVTC can work to ensure that all General Assembly and gubernatorial candidates have the facts about Metro and that its need for sustainable funding is recognized as a crucial campaign issue.



- 2) Agree on a central message such as "Metro is a success. It is a great investment. It may have some problems, but it remains the best system in the country. Fix the problems, don't destroy the system. Let's not ruin a good thing by pinching pennies while legitimate needs go unfunded."
- 3) For the benefit of Northern Virginia voters as well as statewide General Assembly members, emphasize economic data that show the relationship between WMATA and Northern Virginia's economic strength, as well as the effect on the commonwealth's tax returns resulting from new jobs created in this region.
- 4) Frame the issues properly so that the public understands that WMATA is successful—perhaps so much so that it is now a victim of that success through overcrowding and the need for enhanced maintenance and more rolling stock. Metro is not a failure; rather, it is this region's most significant collective achievement. Get the good news out to the public, such as the fact that APTA's peer review panel declared WMATA to be the best in the country and the "apple of the transit industry's eye," while media reports focused instead on the panel's recommendations for a few revised WMATA procedures. Focus the public's attention on the "glass half full" and maintain the region's positive feelings for Metro. Metro provides a service that goes unrecognized when it functions effectively and typically reaches the public's attention only when something goes wrong. NVTC should work to raise public awareness of its steady success.
- 5) NVTC board members and others would benefit from concise information sheets, perhaps in a Q&A format, to be prepared for media and constituent inquiries and to allow proactive outreach on behalf of WMATA. Keep the information simple and relate it to a central message.
- 6) Invite influential members of the General Assembly to visit Northern Virginia to meet with elected officials and transit managers and experience first-hand the pain of this region's crushing congestion and the enormous contributions made to regional mobility by our transit systems. Be sure that reporters and editorial writers also experience transit first-hand.
- 7) Develop tools that other Metro supporters can use, such as posters depicting the chaos that would result if WMATA were forced by its detractors to lose its effectiveness; web-pages with quick look-up facts about WMATA and immediate responses to criticism (e.g. WMATA's "Straight Scoop"); congestion diaries that document the pain of traffic congestion and the role that a reliable Metro system plays in easing the burdens; and open letters to the public from Metro explaining its policies, reporting on performance and appealing for support (perhaps run free by the media as a public service).

- 8) Work with the region's transit system and local government Public Information Officers and utilize MWCOG's PIO group to expand NVTC's campaign and coordinate with Metro.
- 9) Build on the very positive feelings the public has for Metro as reflected in the January, 2005 Washington Post poll. Help the public realize specifically why it has such positive feelings, by responding to critics with facts that will correct the record.
- 10) Broaden the positive message about transit to include NVTC's other systems which haven't been tarred with media accusations. Focus on community newspapers that don't have an anti-Metro agenda. Don't let all the media jump on an anti-Metro bandwagon.



Northern Virginia Transportation Commission

Thinking Outside the Car Since 1964

AGENDA ITEM #6

PUBLIC INFORMATION
STRATEGY TO PROMOTE
SUSTAINABLE FUNDING FOR
WMATA



ORDER OF DISCUSSION

- Review 10 ideas for NVTC to help WMATA and review some draft NVTC products.
- Discuss additional ideas from board members.
- Direct staff to undertake a strategy.



TEN IDEAS

- 1) Utilize a consistent message
 - a) Short Term - provide information to board members and the public to respond to hostile media.
 - b) Summer, 2005 - provide information to the business community to promote the success of a regionwide summit on dedicated Metro funding.
 - c) Fall, 2005 - provide information to candidates and the public for elections and next General Assembly session.



TEN IDEAS cont'd

2) Agree on a central message:

- Metro is a success.
- Metro is an excellent investment.
- Metro may have some problems but it remains the best system in the country.
- We need to fix the problems, not destroy the system.
- We need to share in the solution to Metro's challenges.
- Let's look to the future, not ruin a good thing and hurt ourselves by failing to fund legitimate needs.



TEN IDEAS cont'd

- 3) Emphasize economic data showing Metro's contribution to Northern Virginia's prosperity and the entire commonwealth's tax returns.

See NVTC's draft "The Economic Case for Increased Investment by the Commonwealth in Northern Virginia's Public Transit Systems."

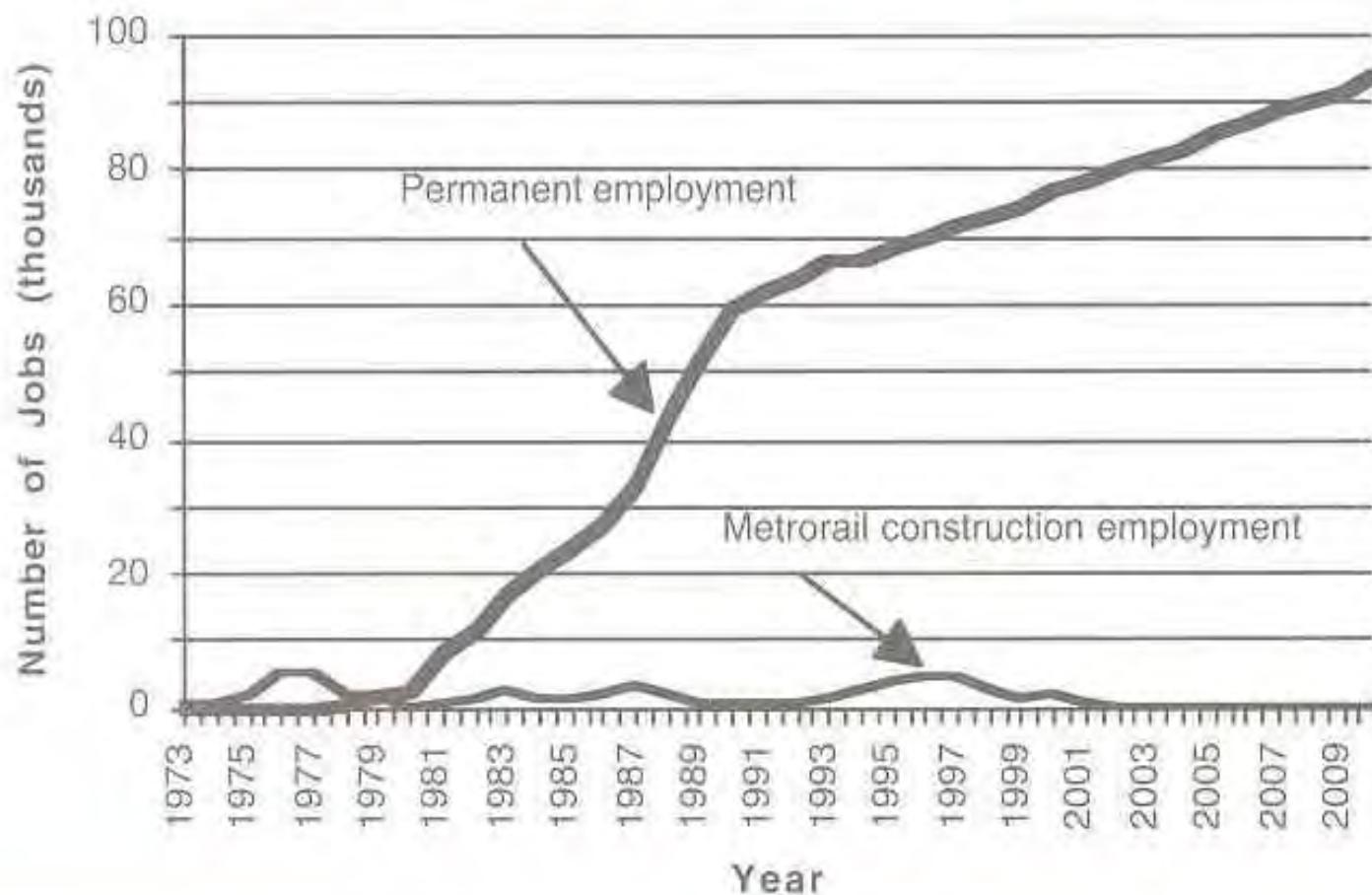


The Economic Case:

- The central message:

Public transit boosts Northern Virginia's economy, which generates state taxes to benefit the entire commonwealth.
- KPMG Study for NVTC:
 - 12.4% actual annual state rate of return on its Metrorail investments (1978-1994)
 - 19.2% projected (1995-2010)
- Consider value capture funding with transit-induced jobs (90,000 created by Metrorail alone), as is already being done with land. Use transit "profits" to invest more in transit.

Metrorail Generated Jobs





TEN IDEAS cont'd

- 4) Frame issues to focus on Metro's success and its role as the Washington Metropolitan region's most significant collective achievement.
 - Report that "Metro is the best system in the country," based on recent APTA peer review.
 - See NVTC's March 7th "Close to Home" submission on Metro cost containment and performance.



APTA PEER REVIEW

Washington Times, The (DC)

Panel names Metro nation's best

February 25, 2005

Section: METROPOLITAN

Page: B02

Tarron Lively, THE WASHINGTON TIMES

An international review **panel** yesterday called **Metro** the **best** rail system in the country, but said the agency could ease overcrowding and improve service by running longer trains.

The **panel** also said aging equipment and a rapidly increasing ridership are pushing the agency to its limits.

"The system is under tremendous stress," said Michael Mulhern, general manager of the Massachusetts Bay Transportation Authority. Mr. Mulhern led the American Public Transportation Association's **panel**, comprised of six top officers from transit systems in London, Toronto, New York, Boston, Atlanta and Philadelphia.

The **panel** reviewed **Metro**'s rail operations and briefed board members yesterday with its results.

"It's dealing with normal life-cycle issues. The problem is, [Metro] is dealing with these issues at a time of intense demand."



CLOSE TO HOME SUBMISSION:

In support of Metro performance, NVTC Chairman Ferguson wrote:

- 1) Are Metro salaries too high? No, they are in line with other large transit systems, at an average of \$20 per hour, compared to \$21 nationwide and \$22 in Boston. Of 57 transit agencies negotiating contracts in 2004, Metro ranked 12th from the bottom with a 1.5% annual wage increase.
- 2) Why should auto drivers pay for others to use transit? Transit is heavily used. With 60% of people traveling on I-66 by transit in peak periods, space is cleared on other facilities for single occupant autos. Clean air benefits everyone.
- 3) Why don't transit users pay more? Metrorail maximum fares are the second highest in the U.S. and it recovers among the highest proportion of its operating costs (almost 75%).



TEN IDEAS cont'd

- 5) Provide concise information sheets in a question and answer format for board members and others.

Two examples are provided.



Q & A SAMPLES

Question: Why are Metro employees paid so much? I have heard that some Metrorail operators earn over \$100,000 annually. Isn't that too much?

Answer: First of all this is an extreme example and the train operators in question are senior operators with many years of experience on the job.

Second, Metro operators on average are paid less than operators in other major cities like New York. WMATA's overall salaries/wages are less than the average of other large transit systems and WMATA's most recent contract provided annual raises of only 1.5 percent

Third, Metro operators transport hundreds of thousands of passengers daily, getting them safely from one destination to another. Metro employs highly skilled and trained operators to do this work. And the bottom line is -- you get what you pay for.

Finally, on that same note, if Metro pays operators well, Metro will retain them, thus saving money in recruiting and training new operators. An experienced operator is a safer operator.



Q & A SAMPLES cont'd

Question: The Washington Post repeats references to a train collision on the Red Line, tunnel fires and operators abandoning their trains. Is Metro safe? What is Metro doing about safety?

Answer: Metro is safe. Metro's safety performance is strong and improving overall. In the most recent month, the rail passenger injury rate per million passenger miles was 0.02, down from 0.03 in the previous year. Metro is among the safest systems in the country. Compared to the rest of the transit industry, the most recent National Transit Database shows WMATA meets the FY 2001 0.04 average for the top seven rail transit systems.

The fact is that Metro riders have a better chance of getting to and from work without risk of injury or death than a commuter driving in his or her own vehicle. That speaks directly to the professionalism of Metro's drivers and operators.

Yes, accidents do happen, but WMATA takes immediate action and they learn from them and ensure that every operator benefits from that experience, thus decreasing the likelihood of that type of incident in the future.



TEN IDEAS cont'd

- 6) Invite influential General Assembly members and media representatives to experience first-hand Northern Virginia's congestion and Metro's vital role in easing it.

See NVTC's "Funding Public Transit in Northern Virginia," which has been prepared to brief such guests.



FUNDING PUBLIC TRANSIT

In describing the complex world of transit finance, NVTC's presentation explains that:

- 1) Transit operating and capital expenditures in Northern Virginia in FY 2005 were \$468 million for 125 million annual passenger trips on nine separate transit systems.
- 2) Funding shares were:
 - State: 20%
 - Feds: 16%
 - Local/Regional/Fares: 64%
- 3) Unfunded transit needs here approach \$1 to \$1.5 billion annually.
- 4) The commonwealth paid \$100 million less to NVTC in FY 2005 for transit than the maximum permitted by statute.



TEN IDEAS cont'd

7) Develop new tools:

a) Posters depicting chaos without Metro
(see attached).

What would you do without METRO?



These people found out the hard way.

If you could decide the future of your commute...



**which
would
you
choose?**



You don't need a crystal ball to tell you that a future without dedicated transportation funding is bleak.

We need a dedicated funding source for transportation in Virginia.
Together we can decide on a better future for all of us.

Visit www.thinkoutsidethecar.org and call your legislator today.





TEN IDEAS cont'd

- b) Web-pages for quick look-up facts and responses to sudden issues (see attached).



NVTC

Northern Virginia Transportation Commission



Thinking Outside the Car Since 1964



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March 28, 2005

NVTC's next commission meeting April 7, 2005.

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WEB-BASED RESPONSE

- Sample of “Straight Scoop”



The screenshot shows the homepage of the Washington Metropolitan Area Transit Authority (WMATA) website. The header features the WMATA logo and the text "Washington Metropolitan Area Transit Authority". A search bar is located in the top right corner. Below the header, a black banner displays the message "ALERTS: There are no service alerts at this time". To the right of the banner are links for "All Advisories" and "Elevator Status". The main navigation menu includes links for "Home", "Maps & stations", "Schedules & fares", "Alerts & advisories", "Accessibility", "How to travel", and "About us". The "About us" menu is expanded, showing sub-links for "Board of Directors", "Metro at a glance", "News", "Events", "Renewal & expansion", "Community involvement", "Jobs", "Business opportunities", "Employer fare programs", "Metro gifts", and "Contact us". The main content area features a section titled "The straight scoop: Metro's view to some media stories" which lists several news items from various sources. To the right of this section is an advertisement for "Buy SmarTrip" with the tagline "faster, safer, easier". At the bottom of the page are links for "Press releases | Press room", "Questions or comments?", "Contact Metro" (with a phone icon), and an "e-mail" link.



WEB-BASED RESPONSE

Metro's view to some media stories



The Examiner story of March 21, 2005 by Steve Eldridge

Headline:

Transportation Just Isn't Pretty - Sprawl & Crawl

Article:

In his recent column, Mr. Eldridge noted that MARTA (Atlanta's mass transit system) is placing 15-inch flat screen TV's into 230 of its subway cars. The CEO of the Rail Network, the company that MARTA is working with, said other transit agencies will follow with a similar program. According to Mr. Eldridge, "maybe some should tell Mr. Lane that Metro's Board has already turned resounding thumbs down to any scheme that creates visual or audio clutter in the stations or in the cars. Even still, it WOULD be kind of cool, wouldn't it?"

The straight scoop:

The Metro Board of Directors did not give a "resounding thumbs down" to such a project. In fact, the Board approved a pilot program in May 2004, to help Metro generate \$5 to \$15 million per year in advertising initiatives.

The Metro Board approved the following non-passenger revenue initiatives: the placement of ATM's in free areas of select Metrorail stations; a tunnel advertising program; and a video display pilot program on Metrorail and Metrobus.

Under the pilot program, targeted to begin this fall, video monitors would be installed on two six-car trains and 25 Metrobuses that will rotate throughout the system. The video monitors would display news, weather, sports, Metro information and advertisements. While it has not yet been determined, customers may listen to a broadcast through an open caption, or through a closed audio component with a personal listening device.

The pilot program, will run for up to 24 months and upon its conclusion, Metro will assess the operational performance and customer acceptance of the system. If successful, the video display system will be expanded throughout the bus and rail fleet.



TEN IDEAS cont'd

c) Congestion diaries (see attached).



Transit Journal

March 23, 2005-August 5, 2005

Wednesday, March 23, 2005

Dear Journal,

Today was an extremely frustrating morning. I spent 20 minutes in the VRE parking lot. I usually arrive at 6:00 am, catching the 6:15 am train, and there are always some parking spaces left. Over the past few months the parking situation has been increasingly worse. And today was the day I've been dreading. There were no empty spaces. And since there are no other nearby lots, I had to drive. It took me another 20 minutes because traffic was bad. I had to pay \$20 to park.

I enjoy taking VRE and find it to be an enjoyable way to commute to work. But I do not find it worth going through the experience I had this morning.

- Kathy





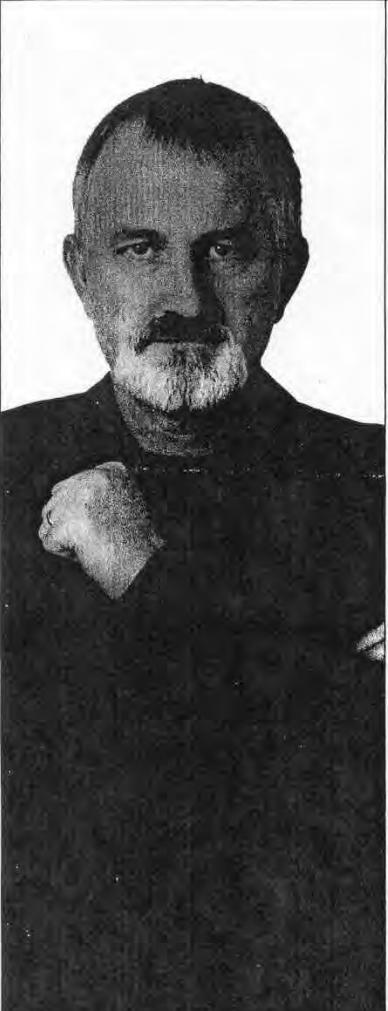
TEN IDEAS cont'd

- d) Open Letters to the public, submitted for free publication as a public service (see sample).

Yesterday,

you didn't get what you deserve from your United Way.

REC'D AUG 31 2004



After more than 20 years running businesses and nonprofits, I know that if someone's not buying, don't blame the customer—reinvent the product.

Today, we're doing that:

- New leadership.
- A new Board next month.
- A tough forensic audit of our past.
- Reorganization in January.
- New bylaws.
- An Ethics Officer.
- No more than 10 cents of your dollar will go to running United Way.
- Tighter financial controls and internal policies.

We guarantee there will be no smarter way to empower our region than the United Way. That's a promise! With United Way as your partner, your dollar has power—for real outcomes you can see. This United Way will help pinpoint pressing needs in your community. More, we'll help mobilize everything—our community funds, nonprofits, businesses, volunteers and governments—to meet those needs head-on.

Widespread regional budget cuts will slash more than \$100 million in health and human services in 2003. This will affect us all and touch every corner of our region—from where we do business, to the environment in which we raise our kids. Unless everyone gives, fewer dollars will be on hand to support urgently needed services. So, no matter how you give or who you choose to support, put your community first.

Despite your frustration at the problems of the past (which you may read more about), our region badly needs this United Way. With a strong United Way leading, we can live in a community where we face and solve our problems together, with passion and intelligence.

I challenge you to help turn this United Way into an engine of empowerment for **tomorrow**. We'll look outward in hope, not downward in pity. This United Way is moving forward. **Join us!**

Robert Egger
Interim Executive Vice President



of the National Capital Area
www.unitedwaynca.org

full page
Washington Post 1/2/03



TEN IDEAS cont'd

- 8) Work with the region's Public Information Officers (PIO's) to expand NVTC's campaign and coordinate with Metro, perhaps using the PIO group at MWCOG as the host.
- Provide NVTC's positive information on Metro to local jurisdictions and transit systems for dissemination via their e-mail and other distribution lists.



TEN IDEAS cont'd

- 9) Continue to build on the positive grassroots support and feelings of the public for Metro as reflected in the January, 2005 Washington Post survey.

See NVTC abstract of Post survey.

Washington Post Survey (2/13/05)

- 1,003 adult residents of the D.C. Metro area (374 Virginia residents)
- Metro excellent or good at:
 - Reliability (88%)
 - Comfort (84%)
 - Value (77%)
 - Getting where they want to go (74%)
 - Convenience to home (49%)
 - Convenience to work (45%)
- 58% support new way to fund Metro
- 70% support Metrorail to Dulles at \$4 billion
- 48% support higher gas taxes for transportation (52% in VA)



TEN IDEAS cont'd

10) Broaden the positive transit message to include all of NVTC's other transit systems and the services they offer.

- Focus on community newspapers that don't have an anti-Metro agenda.
- Don't allow the media to jump on the anti-Metro bandwagon.



DISCUSSION AND ADDITIONAL IDEAS?

- What questions are you hearing from constituents and riders about Metro's performance?
- Which of the above ideas do you believe offer the best opportunity for NVTC to be helpful?
- Are there additional actions NVTC should take?



FOLLOW UP AT SUBSEQUENT MEETINGS

- Devise Strategy - April 7, 2005
- Discuss with Senior WMATA Management - May 5, 2005
- Discuss Blue Ribbon Commission Recommendations with Rudy Penner- June 2, 2005
- Review Progress and Refine Strategy - July 7, 2005



NVTC

Northern Virginia Transportation Commission

May 5, 2005

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Del. Gary A. Reese

Executive Director

Richard K. Taube

Mr. Richard White
Chief Executive Officer
WMATA
600 Fifth Street, N.W.
Washington, DC 20001

Dear Mr. White:

At its meeting on May 5th the Northern Virginia Transportation Commission considered the draft WMATA operating budget for FY 2006. We list below our specific comments for your consideration. We do wish to emphasize that NVTC supports the recommendations of the Blue Ribbon Panel on Metro Funding. We are prepared to work with WMATA to obtain sustainable dedicated funding. We are also aware of the findings of the recent APTA peer review that identified WMATA as the best in country, despite the many challenges of aging equipment and growing ridership. Our comments are intended to help WMATA perform even better in the future.

NVTC staff participated in the budget review by WMATA's Jurisdictional Coordinating Committee. While the recommendations of that group will not be available until later this month, we expect that many of our comments will match those of the J.C.C. staff group.

Our comments are:

- 1) Reduce areas of budget uncertainty to the extent possible, such as fuel prices. With \$1.40 per gallon of diesel fuel budgeted, actual prices at today's level could generate a shortfall of about \$8 million. Metro should initiate a swap to stabilize the price of diesel fuel.
- 2) Metro Access will have a new operating contract and Metro has assumed cost savings in its budget. Metro should include a contingency in its budget in the event that these assumed savings do not materialize.

- 3) Metro has incurred large overtime expenses in recent years due to unexpected incidents (flooding control center, fire, collision). Metro should average overtime expenses over the past three years or so and add an inflation factor in order to budget for such unexpected events during FY 2006;
- 4) Initiate zero-based budgeting as recommended by Maryland representatives, but do so for only one area (e.g. customer service) on a trial basis, beginning in FY 2007;
- 5) Local staff requires performance data to monitor Metro's progress. Standardized performance goals and indicators should be published in the budget book so individual jurisdiction staff doesn't have to contact various Metro staff (and possibly get varying responses). Further, other data are needed by NVTC to complete its state grant applications in a timely manner and these should appear in the budget book. We understand that the J.C.C. staff review will include an appendix with a list of additional requested data;
- 6) Include more long-term forecasted information to help local jurisdictions anticipate future obligations;
- 7) Provide more information on Metrorail ridership (currently Metro staff only estimates ridership and NVTC and others aren't able to use actual figures to examine Metro's performance). Metrorail Automated Passenger Counting equipment should be providing reliable data. Metro should determine whether more technicians and/or better driver training are needed;
- 8) Metro should evaluate whether bus ridership (which is variable relative to rail ridership) needs more ride checking resources to be deployed. NVTC requests Metro's support for a new TPB/VDOT program. This will require additional Metrorail ridership data at screenline counting stations to accomplish corridor-specific traffic counts for mode share estimates;
- 9) Provide a more open planning process for rail service adjustments to permit informed public comment (e.g. on rerouting Blue Line trains via the Yellow Line to free capacity for the Orange Line), while also considering the needs of future riders who may not be represented at public hearings;
- 10) Provide more information on the allocation and performance of the rail and bus fleets based on seasonal configurations and other factors;
- 11) Support stable fares for FY 2006;

- 12) Establish a process for regular future staff budget reviews to avoid the need to assemble future review groups at the last minute; and
- 13) Support multi-year (at least two) budgeting.

Feel free to contact me with any questions.

Sincerely,

Paul Ferguson
Chairman

cc: NVTC Jurisdiction CAO's



March 25, 2005

Mr. Richard K. Taube
Executive Director
Northern Virginia Transportation
Commission
4350 North Fairfax Drive, Suite 720
Arlington, Virginia 22203

Dear Mr. Taube:

The Budget Committee of the Washington Metropolitan Area Transit Authority Board of Directors has directed that the proposed WMATA fiscal 2006 Operating and fiscal 2006-2011 Capital Improvement Program (CIP) budgets be sent to our funding partners for review and comment before final consideration of the budgets by the Board in June. The Budget Committee has worked with staff to review and refine these budgets, which represent a comprehensive approach to addressing operating expenses for next year, and to lay out the Metro's six-year capital program, consistent with the Metro Matters agreement signed last year.

As proposed by the Board Budget Committee, the fiscal 2006 Operating and Capital Budgets total \$1,565.5M and include the following elements: Operating Budget, \$1,012.9M, not including debt service of \$27.5M; Capital Improvement Program, \$519.7M; and Reimbursable Operating Projects, \$5.4M.

This letter summarizes the budgets and associated issues. An executive overview of the budgets, designed to facilitate communication with the public in explaining the makeup and driving factors in these budgets, is enclosed. Additional materials are also enclosed to allow you and your staff an opportunity for deeper review. The enclosures are listed at the close of this letter.

Operating Budget

The Operating Budget includes \$1,012.9M of expense, offset by \$578.6M of revenue, resulting in an operating subsidy of \$434.3M, not including \$27.5M in debt service on refinanced construction bonds. The Budget Committee and WMATA staff have worked diligently to control costs and subsidy growth in fiscal 2006 without increasing fares or fees. The fiscal 2006 subsidy is increased by \$32.2M or 8% compared to fiscal 2005. Strong revenue growth occurring in the current fiscal year is now being projected to continue into next year. This revenue, together with some service adjustments, has reduced the projected fiscal 2006 subsidy by \$9.5 million, or 2.4% less than the original proposal made in December 2004. Understanding the fiscal constraints upon our funding partners, we have cut costs between fiscal 2002

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Metropolitan Area
Transit Authority

WMATA
Washington, D.C. 20007
(202) 638-5000

WMATA
Metropolitan
Area Transit Authority
Washington, D.C.
(202) 638-5000

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(202) 638-5000

and 2006 totaling \$86M. In fact, as shown on the attached executive overview, when adjusted for inflation and service changes, the cost of operating Metro today is actually lower than it was in fiscal 2000.

The operational difficulties that we encountered during 2004 coupled with the demand for increased service have placed enormous strains on the transit system. This year's budget was developed to allow WMATA to recommit and refocus on a "back to basics" philosophy for the existing bus and rail system which emphasizes safety, reliability improvements, cleanliness and enhanced customer service for the 1.2 million passenger trips taken on the system daily. To assist in this effort, over \$10 million beyond the base budget has been included for a series of new initiatives to support the "back to basics" focus, funded from additional non-passenger revenue, with no effect on subsidies. These initiatives include additional track inspectors, platform supervisors to improve passenger flow in crowded locations, and station managers to assist customers; more frequent bus, rail car and station cleaning and a return of trash cans to station platforms, and increased staffing of customer service functions to improve responsiveness and outreach. We have classified the fiscal 2006 budget into three categories:

- Base Service Support - the costs associated with continuing the existing levels of transit service
 - Provide general transit service with 350 bus routes and nearly 1500 vehicles, and a 106 mile rail system serving 86 stations with over 1000 rail cars, with projected total passenger trips of nearly 350 million.
 - Provide MetroAccess paratransit service of nearly 1.5M passenger trips
- Service Expansion - accommodate system and demand growth
 - Open new parking garages at West Falls Church, New Carrollton and College Park.
 - Cover the costs of a full year of service on the new Largo extension and the New York Avenue station
 - Operational cost of adding 25 buses and 62 new rail cars to reduce crowding
 - Enhance system security by increasing the police force to protect customers, employees, and the general public.
- Service Quality Enhancement – emphasize the basics of safety, customer service, reliability, and cleanliness
 - Add inspection crews to identify track issues before they become problems.
 - Increase rail station personnel to assist customers.
 - Install 300 explosion-resistant trash cans and expand cleaning program for the rail system.

- Increase staffing of customer service functions to improve responsiveness and outreach

Please note that fiscal 2007 budget information is included. This material is presented for planning purposes.

Capital Improvement Program (CIP)

The adoption of the six year Metro Matters Funding Agreement between WMATA and the contributing jurisdictions last fall marks a significant development in WMATA's ability to meet the twin challenges of an aging infrastructure and growing ridership. The financial commitment of the contributing jurisdictions to WMATA's CIP, as embodied in the Metro Matters program, along with expanded federal funding, will ensure that WMATA continues to play its unique and important role in the vitality of the national capital region. We must be mindful, however, that the Metro Matters Agreement is an interim "solution" that buys us some time, while long term funding issues are addressed.

Traditionally the WMATA CIP has been presented as a moving six-year plan consisting of three parts: the Infrastructure Renewal Program (IRP), the System Access/Capacity Program (SAP), and the System Expansion Program (SEP). The Metro Matters Funding Agreement introduces important changes to the CIP.

The Metro Matters Funding Agreement requires the preparation of an annual work plan, in conjunction with the CIP process, for all projects and activities in the Metro Matters Program. This annual work plan for fiscal 06 has been approved by the WMATA Board and has been submitted to the jurisdictions as required by that agreement.

Metro Matters is implemented on an expenditure basis, rather than on the traditional obligation basis. Note that reimbursable projects found in the SAP and SEP are not included in the Metro Matters Program and therefore remain on an obligation basis.

For ease of understanding, the fiscal 2006-2011 CIP is presented in two parts: (a) the Metro Matters Program, which includes Metro Matters programming for fiscal 2006 through fiscal 2010, and residual expenditures for fiscal 2011; and (b) the Beyond Metro Matters Program, which includes the SAP, SEP, and new programming for the IRP in fiscal 2011. The Metro Matters Program included in the fiscal 2006-2011 CIP is \$3,065.0 million. The Beyond Metro Matters Program included in the fiscal 2006-2011 CIP is \$210.7 million; for a total fiscal 2006-2011 CIP of \$3,275.7 million.

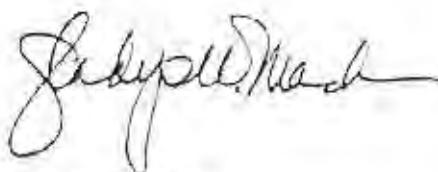
Conclusion

We continue to deal with aging infrastructure, increasing demand for service, heightened concern about security, and need for greater focus on customer service at a time when it is critical for the Authority to contribute significantly to serving the transportation needs of our region. Our objective in developing the proposed budget is to use the resources available as effectively as possible to deliver the greatest return to our passengers and to the region for the investment. You may rest assured that the Authority Board of Directors and staff take our responsibility as custodians of this system with the greatest professional seriousness.

According to the Brookings Institution, WMATA is the only major transit system in the country that does not have a significant source of dedicated funding, which prevents long-range financial planning and constrains funding to the lowest common denominator of the funding jurisdictions' ability to support the system. It called this structural funding problem "deficits by design," indicating that the structure leads to deficits and financial crises. Earlier this year, the Blue Ribbon Panel on Metro Funding, sponsored by the Council of Governments, the Greater Washington Board of Trade, and the Federal City Council, recommended that a dedicated regional funding solution for Metro be adopted by the jurisdictions in the Metro service area, and that the Federal government become an active participant in covering Metro's costs. We hope that these reports will encourage governments at the Federal, state and local levels to join in collectively addressing Metro's funding needs.

On behalf of the Budget Committee of the Board of Directors, I appreciate the opportunity to provide you with the proposed WMATA Operating Budget for fiscal 2006 and the Capital Improvement Program Budget for fiscal 2006 to 2011. The Jurisdictional Coordinating Committee is reviewing this budget proposal and will report its conclusions to the Budget Committee at its May 12 meeting. I look forward to receiving your comments by May 27. The comments will be reviewed at the Budget Committee meeting on June 9, and the Board of Directors is scheduled to take final action on the budgets on June 16. Thank you for your consideration of this budget request, and for your continued support of WMATA.

Sincerely,



Gladys W. Mack
Chair, Board Budget Committee

Materials enclosed

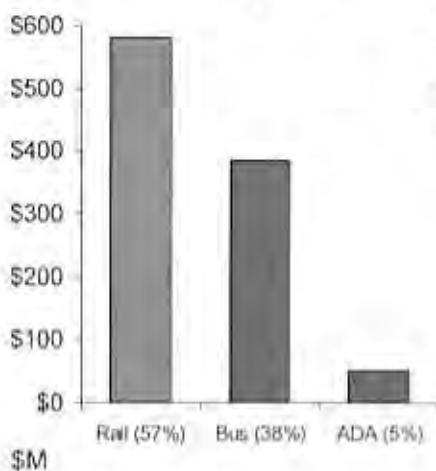
- Executive overview of the budgets
- Original budget proposals by the CEO presented in December 2004
- Published Proposed Fiscal 2006 Annual Budget based on the December proposal
- FY2006 Operating Budget Proposal revision summary presented in March 2005
- FY2006 Reimbursable Operating Projects
- Published FY 2006-2011 Capital Budget including FY2006 Metro Matters Annual Work Plan dated March 2005
- Jurisdictional subsidies

Executive Overview

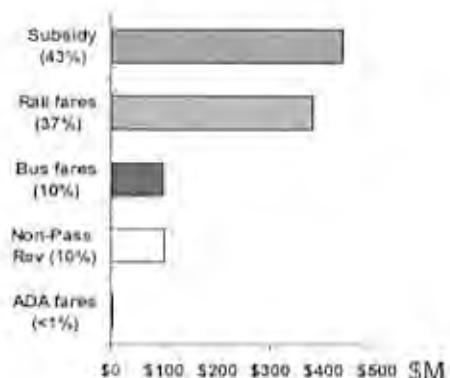
METRO'S FY06 OPERATING BUDGET

What \$1Billion Buys

How the \$1B is spent



- Nearly 350 million passenger trips will be taken on the bus and rail system annually
- Almost 120 million miles are traveled by Metro vehicles each year

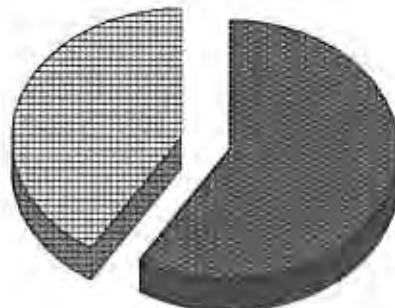


Where the \$1B comes from



Expense Increases: \$69.2M
\$10.2=Service Quality
\$14.9M=Service Expansion
\$44.1=Inflation/Base Growth

funded by...

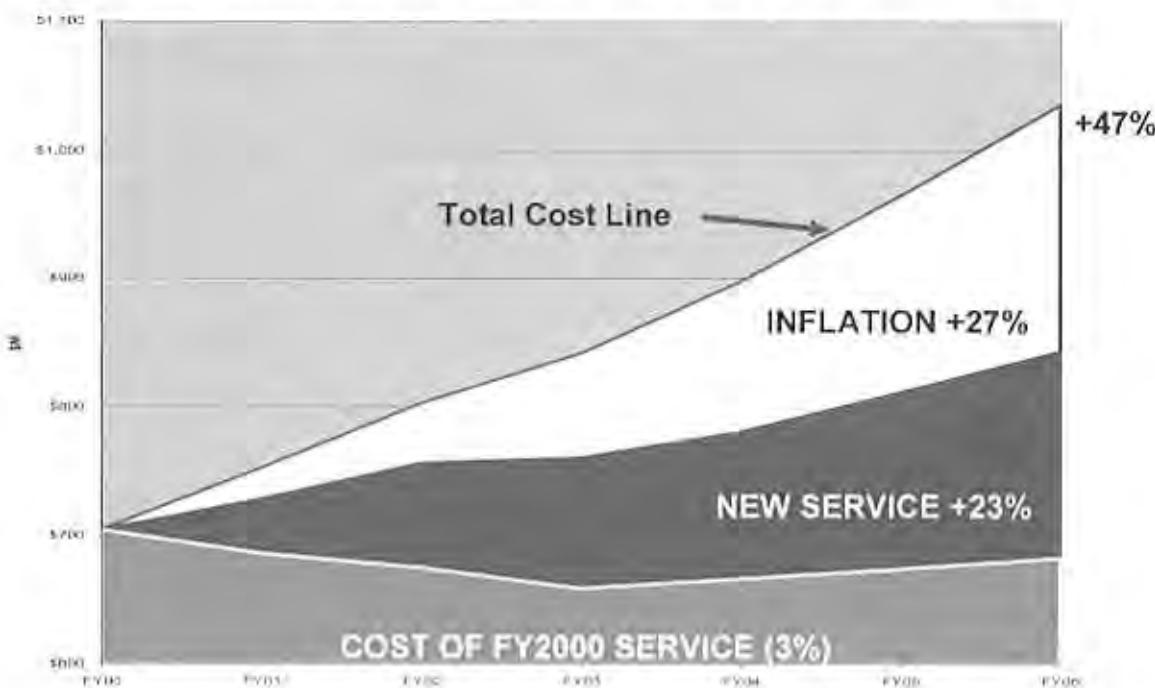


Revenue Increases: \$37.0M
\$10.2=Service Quality
\$4.8M=Service Expansion
\$22.0=Inflation/Base Growth

Subsidy Increases: \$32.2M
\$10.1M=Service Expansion
\$22.1=Inflation

Nearly 40% of the proposed budget increase supports expanded or enhanced service

Since FY2000, METRO expenses have grown over \$300M, but...



When adjusted for inflation and service increases, Metro actually costs LESS in its proposed budget than it did in FY2000

The revenue growth of \$37.0M (or 6.8%) and the expense increase of \$69.2M (or 7.3%) are due to three factors which are detailed below. Without a fare increase, revenue cannot increase at a rate great enough to match expense growth, resulting in a \$32.2M (or 8.0%) subsidy increase.

	FY05 Amended Budget	FY06 Inflation Base Growth	FY06 Service Expansion	FY06 Service Quality	FY06 Total Proposed Budget	Change
Revenue	\$541.5	\$22.0	\$4.8	\$10.2	\$578.5	6.8%
Expense	\$943.7	\$44.1	\$14.9	\$10.2	\$1,012.9	7.3%
Subsidy	<u>\$402.2</u>	<u>\$22.1</u>	<u>\$10.1</u>	<u>\$0.0</u>	<u>\$434.4</u>	<u>8.0%</u>



Inflation/Base Growth

Service Expansion

Service Quality

An examination of each of these areas follows

Key elements of the Inflation/Base Growth budget and general info

- Metro serves an area of ~1500 square miles
 - Metrorail is a 106 mile, 86 station system
 - Metrobus has 350 routes with over 12,000 stops
 - MetroAccess provides nearly 1.5M trips
- Rail service
 - 198M passenger trips projected in FY06
 - up from 193M in FY05
 - 68M miles of service projected in FY06
 - up from 66M in FY05
- Bus Service
 - 149M passenger trips projected in FY06
 - up from 148M in FY05
 - 48M miles of service projected in FY06
 - the same as FY05
- Over 1000 rail cars in service in FY06
- Nearly 1500 bus vehicles in service

	FY05-06 Change
Passenger	\$16.3
Non-Passenger	\$5.7
Revenue Growth	\$22.0
Payroll	\$16.3
Pension	\$8.0
Fuel&Power	\$5.8
Health Insurance	\$4.6
Claims	\$5.0
Miscellaneous	\$4.4
Expense Growth	\$44.1

Expense growth is driven by extra-ordinary increases in health, pension, fuel costs, and claims expenses. After adjusting for these expenses, Metro's base inflation is less than 2.5% - comparable to general inflation throughout the U.S.

Key elements of the Service Expansion budget

- Full year of the Largo extension and NY Avenue rail operations, as compared to a half year in FY05
- New Parking Garages at West Falls Church, New Carrollton and College Park
- 25 additional buses in service to help reduce crowding
- 62 new rail cars to help reduce crowding
- Increases in the police force as well as general security programs to enhance protection of customers, employees, and the general public
- Better information at over 6,500 bus stops
- Ability to use SmarTrip on local bus systems, as well as Metrobus, Metrorail, and parking to enhance customers convenience by providing one fare payment mechanism for all systems

	FY05-06 Change
Largo, NYAve, Ext Hours full-yr	\$3.8
New Parking Garages	\$1.0
Revenue Growth	\$4.8
Largo, NYAve, Ext. Hours Ann'l.	\$6.7
Bus Overcrowding Annualization	\$2.6
6000 Series Rail Cars (base buy)	\$3.0
Police & Security	\$1.0
Regional SmarTrip	\$1.1
Bus Stop Info Program	\$0.5
Expense Growth	\$14.9

Key elements of the Service Quality budget

- Additional inspection crews to identify track problems before they become failures that cause delays
- More resources to improve station lighting
- Increases in rail station personnel to aid customers and improve station traffic flow
- Expansion of cleaning programs to improve appearance and reduce litter in the system
- Placement of 300 explosion-resistant trash cans in the rail system
- More customer service agents to address passenger information needs

	FY05-06 Change
Passenger	\$0.0
Non-Passenger	\$10.2
Revenue Growth	\$10.2
Safety	\$1.0
Reliability	\$4.5
Cleanliness	\$2.5
Customer Service	\$2.2
Expense Growth	\$10.2

Each expansion of Metro has brought jobs, economic development, convenience and opportunity.

Excellent rail and bus service have established a quality standard. In a recent survey, 95 out of 100 customers would recommend Metro to a friend.

People are flocking to Metro in increasing numbers to enjoy its convenience and avoid traffic.

670,000 passenger trips on Metrorail daily – up 20% from five years ago.

Collectively, the popularity and demand for increased service have placed strains on the system. Our response in this budget year is one of balance – supporting the existing system, accommodating demand growth, and a rededication to Safety, Reliability, Cleanliness, and Customer Service.

Inflation/Base Growth

Service Expansion

Service Quality

METRO'S FY06 CAPITAL BUDGET

Metro Matters is a funding partnership between WMATA and the contributing jurisdictions to increase funding in order to meet baseline capital needs.

Beyond Metro Matters includes those capital projects which are paid for either individually or collectively by the jurisdictions. This includes funds for WMATA's continuing support for the Dulles Corridor Project.

FY 2006 Capital Budget

(in millions)

Metro Matters Program

Infrastructure Renewal Program (IRP)	\$ 213.7
Rail Cars and Facilities	219.2
Buses and Facilities	26.6
Credit Facility	2.0
Debt Service	12.2
Subtotal	\$ 473.7
Security Program	38.5
Subtotal: Metro Matters	\$ 512.2

Beyond Metro Matters

System Access/Capacity Program (SAP)	
Bus Enhancements	1.0
System Expansion Program (SEP)	
Project Development	2.0
Dulles Corridor Technical Support	4.5
Subtotal: SEP	\$ 6.5
Subtotal: Beyond Metro Matters	\$ 7.5

Total \$ 519.7

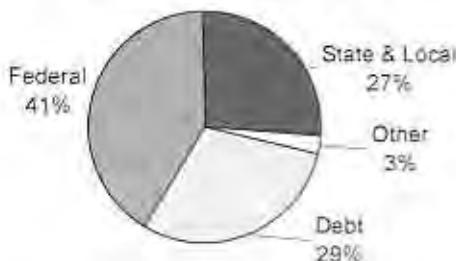
IRP provides funds necessary for maintaining the Metrorail and Metrobus infrastructure. This includes stations, tunnels, tracks, rail yards, maintenance shops, elevators, escalators, and power and train control systems. This work provides for a safe, clean, and efficient transit system.

Rail Car Program includes purchasing 120 new rail cars over the next three years, and making necessary improvements to three rail yards and power systems.

Bus Program will purchase up to 185 buses over the next five years, construct a new bus garage, and make improvements to customer facilities.

Security Program is contingent on future federal security funds, and will provide for necessary security improvements to the operations control center.

FY 2006 Capital Budget: Source of Funds



Note that most capital projects require two to five years to complete and that the funding for FY 2006 is only a portion of the total project cost.

D

With Buses On Board, WMATA's *Smart-Card* System Is Ready to Go Regional



Equipping its buses with smart-card readers was the final step for the Washington Metropolitan Area Transit Authority (WMATA) to achieve a fully smart-card-capable system. The rail and parking operations already were linked by smart cards.

This milestone marks the beginning of a planned regional smart-card system that will link 16 other transit agencies in Maryland and Virginia.

Buses get smart

In August 2004, WMATA completed equipping its fleet of nearly 1,500 buses with new fareboxes that accept its SmarTrip smart cards. Because its Metrobus service extends into parts of Maryland and Virginia, this makes it the first U.S. smart-card system linking transit services in two states to the same card.

In six months, smart card use on buses reached 11.5%, just 3.5% shy of WMATA's first-year goal. Integrating smart cards on its bus fleet also boosted card sales, which is nearing the millionth card mark.

By Janna Starcic, Senior Editor

This is also the first deployment of an integrated smart-card reader with a standard cash-collecting farebox, says Booz Allen Hamilton's Steve King, a consultant on the project. GFI Genfare developed and manufactured the fareboxes that equip the buses. "Our Odyssey farebox

makes it convenient for passengers to pay with either cash or smart cards," says Kim Green, GFI's vice president of sales and marketing. The first of the SmarTrip fareboxes was installed in fall 2001 for a nine-month test. These new systems allow customers to touch their SmarTrip card to the designated space, and the farebox deducts the correct fare.

Customers can add value to their cards by touching the Add-Value button on the top of the farebox and depositing the desired amount of money. If cash is used, paper bills are inserted in a validator and coins

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Circle 209 on METRO Action Card

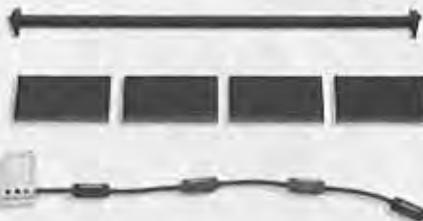


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In addition to accepting smart cards, Metrobus fareboxes still accept magnetic cards, cash, tokens and tickets.

are deposited in the opening directly beneath. Bus customers can still pay for fares with cash (except pennies), passes, tokens or tickets. The new fareboxes recognize if a customer is transferring from the rail system and will credit the proper discount.

Reader technology

The smart-card reading component, Tri-Reader, developed by Cubic Transportation Systems, enables all ISO 14443-compliant cards and WMATA's SmarTrip card (Cubic's GO Card) to be used interchangeably.

Under the ISO standard, a type A card is a memory card and a type B card is a processor-based card. "Prior to the ISO standard, Cubic developed its GO Card, and a number of other companies developed similar card technologies," says Roger Kuite, Cubic's director of technical marketing. "So in order to protect [WMATA's] expenditures in smart-card technology, we developed the Tri-Reader, which allows us to read our proprietary card as well as the two ISO standard versions."

Under a current contract, Cubic will expand its Tri-Reader technology into WMATA's rail system, as the rail and parking systems are equipped with the original GO Card technology. "We will begin the upgrade in 2006," says Roger Crow, Cubic's director of programs. The agency launched the use of smart cards on its rail and parking services in

1999. Each card, at a cost of \$5, is given a serial number, which allows customers who have registered cards to replace lost or stolen cards with the original stored value.

Additional benefits of a smart-card system lie in the amount of information that can be stored relative to the magnetic card. "You can only store some 130 bytes of information on a magnetic card, but smart cards have at least 1,000, if not 4,000 bytes worth of information," Kuite says.

Because of the enhanced storage capability, the cards can contain a more complex cryptographic engine to prevent fraud. "So where you can duplicate the information off of a magnetic card, it is very difficult to even get access to data on a smart card," Kuite says.

Selling like candy

When WMATA launched the new fare collection system on its rail and parking services in 1999, it took the typical multimedia marketing approach, but found that the ultimate promotion was seeing the card in use. "We quickly set up demonstrations at rail stations and people bought [the cards] like candy," says Murray Bond, WMATA's director of SmarTrip operations. Sales of the smart card reached more than 68,000 in the system's first fiscal year. In 2004, sales reached more than 100,000, which can be partially attributed to WMATA shifting to a

smart-card payment-only system for parking services in June. System-wide card sales since the 1999 launch to Dec. 31, 2004, totaled nearly 837,000.

Smart-card penetration on the Metrobus fleet since the August 2004 installation has reached 11.5%. "Our goal for the first year is 15%, so we are well on our way," Bond says. Use on individual routes varies from 1% or 2% to 80%, with smart-card use the highest on Metro's express service.

WMATA still sells paper magnetic tickets, passes and tokens. "Until we can introduce an economically feasible, what we call a limited-use card, for some of our customers who don't want to pay the \$5 for the smart card, we can't limit them," Bond says.

Despite offering alternative forms of fare media, WMATA eventually sees itself moving toward installation of a completely smart-card system, which will help the agency realize significant operating and capital cost savings. "We, and virtually every other transit system, spend a lot of money lugging money around," he says.

An immediate benefit of moving to a smart card-only system was seen with the agency's parking service. When WMATA went to a cashless parking program, accepting smart cards only, it purchased simple electronic machines for an estimated cost of \$7,500 apiece, while the original machines required a lot of maintenance and cost nearly \$100,000 apiece.

In addition to using the smart card for fare payment, WMATA is involved in a pilot program integrating SmarTrip with a credit card. "We've teamed up with Citibank, and they've produced a Citibank MasterCard embedded with our SmarTrip [technology]," Bond says. In November 2004, Citibank mailed out approximately 8,000 integrated cards to its customers living in the region, and is expected to mail out additional cards to non-Citibank customers this spring.

WMATA is still working with Citibank and will begin tracking the card usage. "The pilot program is [designed] to test the market in terms of what customers think of them," Bond

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Circle 396 on METRO Action Card

says. "From our standpoint, the chip is a piece of real estate that we want to leverage as best we can in terms of generating new revenue flows."

WMATA is also working with the District of Columbia, which will introduce to its employees a special hybrid card featuring two smart chips. "One [chip] will serve as the employee's ID and building access, and the other will be the Metro chip," Bond says. The agency has had similar

pilot programs with federal agencies and is in talks with additional banks and retailers about testing different cards.

"You will have a lot of additional smart cards in the field, once the [SmarTrip program] goes regional," says Ian Newberg, Cubic's director of sales and marketing. "You'll have the inertia behind it to entice these kinds of additional applications because there will be a business case to do so."

Going regional with partners

Equipping the Metrobus fleet with smart-card readers was part of a larger plan for a regional smart-card system. While WMATA pursued new fareboxes in 2001, the agency was involved in discussions with other transit systems nearby, which led to a partnership for a regional SmarTrip program. "Our regional partners designated Metro to manage contractors to get the regional program up and running," Bond says. "We are now progressing toward final design, and we hope to have the first phase of the regional system up by late summer."

This year, the following transit systems will begin testing and incorporating the SmarTrip fare payment technology — in Maryland: Annapolis Transit, Baltimore MTA and MARC, Corridor Transit Corp., Frederick Transit, Harford County Transportation Services, Howard County Transit, Ride On and TheBus; in northern Virginia: ART, CUE, DASH, Fairfax Connector, Loudon County Transit, PRTC OmniRide and VRE.

Cubic will provide an integrated solution to bring all of the regional central computers into one data network concentrator that funnels data up to the clearinghouse, Cubic's Crow says.

Concord, Calif.-based ERG Transit Systems will handle central clearinghouse and settlement for the regional system, as well as heading the regional customer service center. ERG took over customer service functions for WMATA's SmarTrip program in June 2004. The regional customer service center, subcontracted to Northrop Grumman Corp., is responsible for mailing out new cards, taking care of existing customers and resolving any issues.

The clearinghouse will use captured information from Cubic's hardware for financial processing and transactions. "The clearinghouse will decide how much money is owed to each participating agency and instructions will be sent to their bank accounts to transfer monies from one agency to another," says Michael Laezza, ERG's vice president of sales.

According to Laezza, customer service functions take place in Washington, D.C., while the clearinghouse processing engine, which can process 40 million transactions a day, is in Concord, Calif. ■



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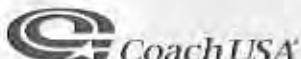
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Circle 313 on METRO Action Card

Can Octopus Extend Its Reach?

There is a lot of talk these days from the likes of Visa, MasterCard and American Express about adding contactless chips and antennas to payment cards, so consumers can pay with a wave past a reader or a gentle tap. The idea is that this will be faster and more convenient than inserting a conventional card.

Presentations on contactless cards inevitably point to the Octopus card as a prime example of a successful contactless payment system. And it's no wonder. It is estimated that 95% of Hong Kong's 7 million residents below the age of 65 carry an Octopus Card, and they use those cards 8 million times a day, making purchases totaling US\$2.2 billion per year. Counting tourists and residents who hold duplicate cards, some 11 million Octopus cards have been issued since the product was launched in 1997.

What's particularly interesting about Octopus is that it has expanded well beyond its original use as a city-wide mass transit card, and now is accepted by 108 merchants, representing some 3,000 retail locations, plus at vending machines and parking meters. That's what makes it a model for the contactless payment schemes that the major credit card companies are contemplating.

However, what may not be so obvious from afar is that Octopus

remains a long way from being universally accepted as a way to pay, either by consumers or merchants in Hong Kong.

"Almost everybody has a card, and there are many places to use the card," Sammy Kam, technical director for Octopus Cards Ltd., the operator of the Hong Kong system, told a conference last month in Tokyo organized by the Asia Pacific Smart Card Association. "But they've gotten used to paying cash for purchases for a long time, so it will take some time for them to change their behavior."

To be sure, changing the behavior of millions of consumers is a big challenge. But if you talk to consumers and retailers in Hong Kong about Octopus, you find there are several reasons Octopus is not more widely used for purchases. Their comments suggest that any introduction of contactless payment devices, or any new way to pay, requires a sustained effort to ensure widespread merchant acceptance. Otherwise, many consumers will stick to their old ways.

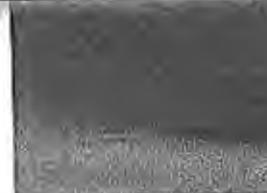
More Locations

That's not to say that some Hong Kong residents are not big fans of the Octopus card. They just wish they could use it more often outside of transit.

For instance, Nalha, a 35-year-old Filipino midwife stopping at



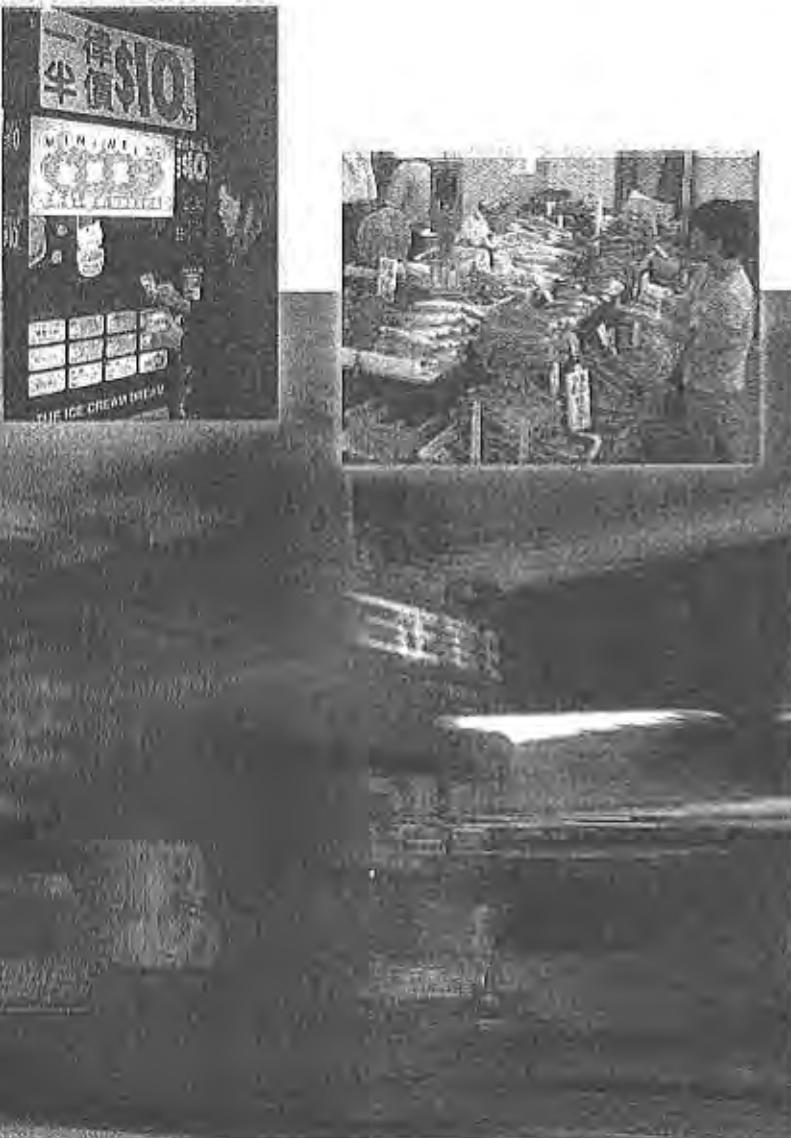
Octopus cards are accepted at more than 3,000 retail locations, plus thousands more parking meters and vending machines. Still, the card is mostly used for coffee, newspapers and other very small purchases.



a McDonald's restaurant, said she finds the Octopus card very convenient. She liked the rewards program that gave her a point for every Hong Kong dollar she spent with the card. But she wishes the cards were accepted at more locations, including the Marks & Spencer department stores.

A restaurateur named Andy had a similar comment. "I like using the Octopus card better than coins, and I wish that Starbucks would accept the card in all of their shops."

Said Ringo, a 28-year-old customer service representative, "I currently use the card only for transport so I do not have to use coins. I would prefer that the Octopus card would



cover much more than restaurants and coffee shops." If he could spend more with the Octopus card, he says, he could use it at such locations as electronics and furniture stores. That's made more difficult, because cardholders can only load up to HK\$999 (US\$128) on their cards.

Two German business travelers were familiar with the Octopus card and found it convenient. "For HK\$150 (US\$19.23), I can travel on the airport express train to the city and still have value remaining on the card for other purposes," one said. (Adults pay HK\$150 for an Octopus card, including a \$50 refundable deposit and \$100 in value automatically

placed on the card; however, Octopus Cards recently imposed a \$7 fee for anyone returning the card for a refund within three months of purchase.)

The dozen individuals included in this unscientific survey used the card outside of transit on average two to four times a day, spending a total of less than HK\$50, mostly buying coffee, newspapers or fast food.

Most said they would not use the card for purchases above HK\$200 (US\$25). In fact, according to Octopus Cards, the average nontransit purchase for all cardholders is HK\$16 (US\$2), indicating the card is mostly used for very small purchases.

Only three respondents had signed up for the personalized versions with their names on the cards, even though cardholders can seek reimbursement if that card is lost or stolen, and they report the loss promptly. The anonymous cards are like cash—lose it and you're out of luck.

Automatic Reload

And only one of those three had signed up for the Automatic Add Value Service that tops up a card whenever the balance dips below zero.

This service is designed to make the card more convenient, since cardholders do not have to stand in line at an ATM or Octopus-accepting terminal to reload value. Linked with a local bank account, the service tops up a card to a maximum of HK\$250 per day. There is no daily spending limit.

Overall, 500,000 out of 3 million personalized Octopus cardholders have signed up for the reload feature. Cardholders without the automatic top-up service must reload in person, in increments of HK\$50 up to HK\$1,000 at an Octopus terminal or designated ATM.

Nonetheless, nontransit spending is still no more than 14% of the total dollar volume of Octopus transactions, disappointing given the effort put into promoting nontransit uses of the card.

Octopus has made progress in signing up retailers to accept the card for payment. Of the more than 100 nontransit merchants or establishments that accept the card, there are several chains. These include such convenience stores as 7-Eleven, Circle K and Daily Stop, fast food restaurants Café de Coral, and more than 200 McDonald's outlets. The card is also



Many designs | Octopus cards are offered with different designs, in an effort to appeal to a wide range of Hong Kong's consumers.

accepted at many bakeries, cinemas, supermarkets, department stores, pay phones, parking garages, and at 5,800 vending machines and 17,000 parking meters.

Vending machines that take Octopus can speed up transactions and reduce wait times for consumers, says VitaSoy, a vending machine operator.

Other Views

But other merchants have not signed up to take the card. "We do not feel it is highly demanded by the customers," says a representative of City Super Ltd. "They usually pay by cash and credit card."

A spokesperson for the Jardine Restaurant Group, which includes Pizza Hut, says with transaction amounts for Pizza Hut averaging close to HK\$200 for dinner and delivery, "consumers prefer using a credit card than Octopus."

For higher-value purchases, security may be an issue. When paying with an Octopus card, the consumer merely waves or taps the contactless card on a reader, and the

reader responds by flashing a green light if the account has a positive balance. It also beeps to show that the card has been read. Reading the card takes three-tenths of a second, Octopus Card says, and, of course, the consumer does not have to sign a receipt or enter a PIN code.

That makes the transaction quick and convenient. But it does little to verify that the card is not lost or stolen. In most countries that use contact smart cards for credit and debit payment, entry of a PIN is required to prove that the consumer is the legitimate cardholder. Octopus, as a prepaid e-pass, does not require this level of security.

Merchant Fees

Then there are the merchant fees, said to be nearly 1%, although Octopus and the merchants contracted decline to provide the exact amount. And there is one final factor that may be significant in a market like Hong Kong where there are many thousands of owner-operated shops. Small mer-

MORE
acceptance locations would boost the use of Octopus outside of transit. But some merchants do not want to pay the transaction fees. And cash is easier to hide from the tax collector than card transactions.



Time to pay? | In Hong Kong, you can do it by waving your Octopus watch past a payment terminal.

chants the world over typically prefer to be paid in cash.

All these obstacles will face Visa, MasterCard, American Express and JCB as they introduce their contactless payment

products. Although these products will not be an e-purse like the Octopus card, many of the issues are the same. And those companies will not have one big advantage Octopus

enjoys in Hong Kong. Practically everyone carries the card for paying transit fares.

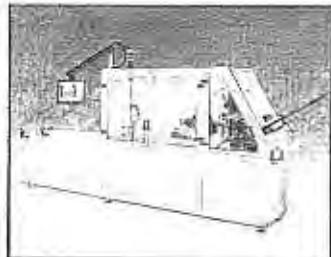
If use of Octopus for nontransit transactions is growing slowly

even with that edge, says Greg Pote, executive director of the Asia Pacific Smart Card Association, "you can imagine how difficult it is for banks and credit card companies." **CT**

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DESIGNER OCTOPUS

Octopus cards come in a variety of shapes, colors, and sizes, and they are not just cards anymore either.

Even if you want a plastic card, a variety of colors, patterns, and designs are available - such as fireworks over a panoramic Hong Kong skyline. Cartoon characters add fun to cards designed for children.

Consumers can include their names and, if they choose, their photos on a personalized Octopus card for HK\$100.

There is even a special card for tourists, called the Airport Express Tourist Octopus. The price ranges from HK\$220 to HK\$300 and includes travel to and from the airport on an express train.

Octopus has talked in the past about offering the payment application on mobile handsets, although a full-fledged mobile-commerce service has never made it to market. The company has introduced a few phone covers. It also offers a variety of wrist watches, pocket watches and watch key chains. All come with an Octopus chip and antenna built-in; commuters just tap their wrist and go. □

Riders Focus on Bus Service at Metro Town Meeting in Va.

By Steven Glassman
Washington Post Staff Writer

Riders wanted to know when a proposed rail line to Dulles International Airport would open, when new buses would come to South Arlington and why there was no location in Virginia to get fare card refunds.

Catherine Hudgins, who represents Fairfax County on the Metro board, said the first part of the new rail line is scheduled for completion by 2011. The new buses should arrive in South Arlington in the fall, she said.

On the Farecard question, Metro officials said passengers can mail them in for refunds. Although the session was within walking distance of the West Falls Church Metrorail station, a majority of the Metro officials

city of the public's complaints focused on Metro's bus system. Riders, some of whom had come from the District to attend, complained about buses that arrive too early or too late and drivers who are rude.

Mary Hall of Southeast Washington had a common complaint. Bus drivers talk on their cell phones while on the road.

T. have personally reported four bus drivers who were using a cell phone while driving the bus. One driver ran a stop sign," she said in her question. "What is Metro currently doing to address this issue?" Metro Chief Executive Richard A. White responded that drivers are not allowed to talk on cell phones

while driving and that the practice is a "serious disciplinary issue." He said he is willing to fire drivers for using the phones.

White was put on the spot by one questioner who wanted to know how much money he makes. White was silent for a few moments, then said that his base salary is \$250,000 and that he receives a \$42,000 living allowance.

Others wanted to know about proposals to remove seats from rail cars to enhance capacity, an idea Metro plans to test. And Celia Patterson of Falls Church hit on an old complaint: "Eating on trains should be better policed."

The meeting was the second Metro has held and the first in Virginia.

2004 that included a station fire and a train crash. Metro officials vowed a back-to-basics approach focusing on riders. Those plans include assigning a manager for each rail line, shaking up upper management and creating more direct avenues for riders to speak with top managers, such as regular online chats on Metro's Web site, www.metrotransit.org.

T. Dana Kaufman, Metro's board chairman, who also represents Fairfax, said the meeting was a "change to bear from our customers. For any customer service organization, part of the basic approach to life is listening, observing and keeping in touch with the people we serve."

Last night's forum was preceded by an hour-long open house, where

customers could see exhibits on how Metro works and talk to agency officials.

By Steve Kornblatt
Post Staff Writer

APRIL 13, 2005
C. B. &

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AGENDA ITEM #4

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube

DATE: April 28, 2005

SUBJECT: Transit Improvements in Pentagon Reservation Master Plan

The attached plan contains a set of improvements to the Pentagon area that should be of substantial benefit to the many transit system, transit customers and HOV users that move to and through that center. The National Capital Planning Commission is considering the Plan on May 5th.

The commission is asked to authorize its chairman to send the attached draft letter to the Virginia congressional delegation alerting them to this document and the desirable improvements recommended therein. The letter requests their assistance in monitoring progress and possibly securing funding to help accelerate some of the transit improvements if this region agrees at some point in the future on such a course of action.

The Pentagon serves as one of busiest transit centers in the region. Up to 425 buses of five regional systems carrying 8,650 passenger trips serve this center during the afternoon peak period, with 22,360 bus passenger trips throughout an average weekday. Another 30,200 Metrorail passenger trips begin or end at the Pentagon each weekday. Improvements in transit access will have significant benefits.





NVTC

Northern Virginia Transportation Commission

Chairman
Hon. Paul Ferguson

May 5, 2005

Vice Chairman
Hon. Gerald E. Connolly

Secretary/Treasurer
Hon. David F. Snyder

Commissioners:

City of Alexandria
Hon. William D. Euille
Hon. Jay Fisette
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**Virginia Department of Rail
and Public Transportation**
Karen Rae

Virginia General Assembly
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Sen. Mary Margaret Whipple
Del. David B. Albo
Del. Adam P. Ebbin
Del. Timothy D. Hugo
Del. Gary A. Reese

Executive Director
Richard K. Taube

[To Virginia Congressional Delegation]

Dear _____:

At its meeting on May 5th the Northern Virginia Transportation Commission considered the draft Pentagon Reservation Master Plan. We understand this plan is due for consideration today by the National Capital Planning Commission.

NVTC finds many aspects of the Plan to be very desirable as access to this major transit center will be improved for our region's bus systems as well as High Occupancy Vehicles. Specifically, NVTC favors the following improvements listed in the Plan:

- Access improvements via Eads and Fern Street;
- Access controls and traffic management changes;
- Relocate/consolidate slug lines;
- Four story parking deck in the south parking area to allow the north parking area to be converted to park and recreation;
- Pedestrian access above roadways;
- Additional HOV entrance ramp southbound from Columbia Pike.

NVTC respectfully requests (assuming NCPC acts favorably as expected) that you support these changes and the funding that will accomplish them. Although the Pentagon renovation program would be expected to pay from its own budget, our region may wish to identify seed money (such as

[NVCD Member]
May 5, 2005
Page 2

RSTP or other discretionary federal funds) to accelerate some of the transit improvements. We hope you will work with us to monitor progress and lend encouragement as these improvements are considered.

The Pentagon serves as one of busiest transit centers in the region. Up to 425 buses of five regional systems carrying 8,650 passenger trips serve this center during the afternoon peak period, with 22,360 bus passenger trips throughout an average weekday. Another 30,200 Metorail passenger trips begin or end at the Pentagon each weekday. Improvements in transit access will have significant benefits.

Please feel free to contact me with any questions.

Sincerely,

Paul Ferguson
Chairman

cc: Virginia Congressional Delegation

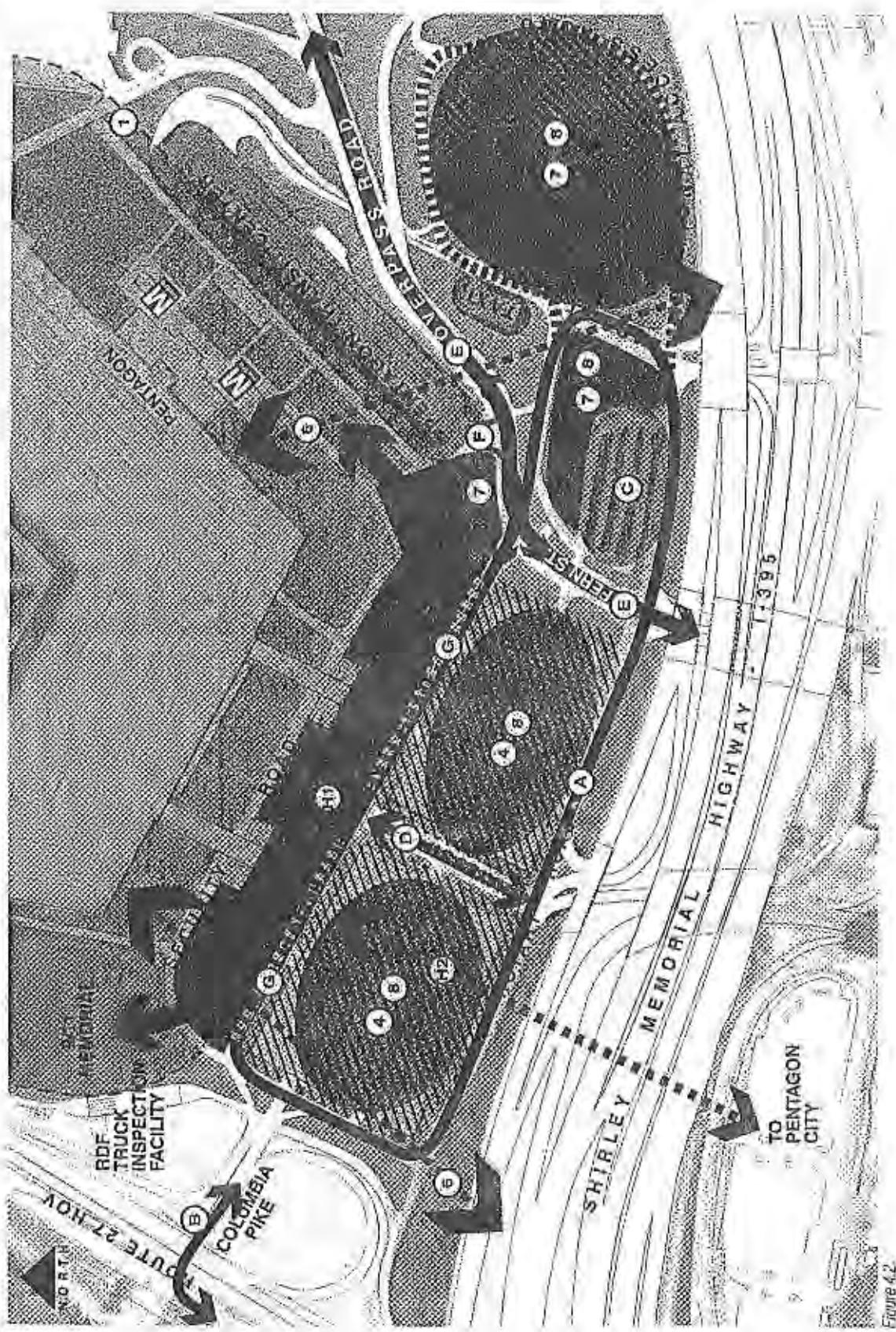
PENTAGON RESERVATION
MASTER PLAN

Prepared by:
Smith Group Inc.
Washington, D.C.

Under contract to:
Department of Defense
Washington Headquarters Services
Defense Facilities Directorate

January 10, 2005





CHI page 6

Major Circulation Improvements - South Parking Area

The following section describes in greater detail the key concepts and recommendations to improve the overall circulation on the reservation and specifically the South Parking area. The key concepts are illustrated in the adjacent South Parking Area Diagram, Figure 4.2.

A. Improve rotary road circulation

1. Move unscreened traffic outside security stand-off zone

Relocate North Rotary Road outside the security stand-off zone. This will locate all non-screened personnel and commercial vehicles and DoD shuttle buses outside the security perimeter and allow circulation in front of the Pentagon south entries. The relocation of North Rotary Road improves the bus traffic circulation in South Parking by providing alternate routes away from Eads Street.

2. Clearly define rotary road boundaries

To improve overall traffic performance and general orientation, more clearly define the rotary road vehicular system. Proposed improvements include distinct, separate lanes for pick-up and drop-off activities, added wayfinding and pedestrian crossing signage, surface material cues, and visibly defined edges with raised curbs, walkways, and landscaping.

3. Add signalized intersections

To enhance circulation control beyond the existing four-way stops currently in use, add signalized intersections synchronized with the traffic flow. The Master Plan recommends that a complete analysis and further signalization study be part of the design criteria and implementation of rotary road improvements and construction of the parking structures.

4. Reroute bus and vehicle traffic

To reduce bus and vehicle traffic at Eads Street, alternate routes for this traffic need to be provided. Specific recommendations include: allowing bus traffic to travel on Fern Street in lieu of Eads Street; rerouting bus traffic around the water retention pond area which allows buses entering the reservation to take a right without stopping at the intersection of Eads Street and South Rotary Road; adding a Pentagon Transit Center (PTC) exit for buses to allow bus traffic to travel on North Rotary Road toward Columbia Pike; adding an additional High Occupancy Vehicle (HOV) access allowing both buses and vehicles an alternative route in lieu of Eads Street; and finally, consolidating Ride-share facilities on the west side of Eads Street to allow ride-share vehicles to avoid the greater part of Eads Street except to access the HOV lane.

MAJOR CIRCULATION IMPROVEMENTS SOUTH PARKING AREA DIAGRAM

MAJOR CIRCULATION IMPROVEMENTS

- (A)** Improve rotary road circulation
- (B)** Add HOV access.
- (C)** Consolidate Public Transit functions
- (D)** Extend Hayes Street
- (E)** Align Fern Street and Overpass Road
- (F)** Add PTC Exit
- (G)** Provide ample drop-off and pick-up
- (H)** Improve pedestrian circulation with plaza
- (I)** Improve Pentagon City connection

KEY ELEMENTS

- (1)** Security perimeter
- (2)** Permanent Heliport (not in view)
- (3)** Motor Pool (not in view)
- (4)** Parking consolidation
- (5)** Vistas
- (6)** Landscape improvements
- (7)** Sustainable redevelopment strategies

- B. Add HOV access**
The Master Plan proposes an additional HOV access ramp for the southern Pentagon traffic at Columbia Pike and Route 27 as a supplement to the HOV access at Eads Street. The added HOV access would help relieve the congestion at Eads Street during the peak hours. Chapter 4.3 Circulation, 4.3.2 Key Elements, has detailed information and a diagram of the proposed HOV access at Route 27.

C. Consolidate Public Transit functions

The Master Plan proposes to separate ride-share functions from general parking and circulation areas into the Public Transportation Use area between Fern and Eads Streets. The consolidated ride-share facility will allow direct access to and from the HOV lanes and improve overall traffic efficiency in the South Parking area.

D. Extend Hayes Street

Hayes Street will be extended into the reservation and connect to North Rotary Road. Extending Hayes Street will provide additional routes within the loop system for bus and vehicle traffic and reduce congestion. The proposed extension is axial to the South bridges and the south Pentagon facade and will help strengthen the ceremonial entry on the south side.

E. Align Fern Street and Overpass Road

The Master Plan proposes to adjust Overpass Road to align with Fern Street at North Rotary Road. This modification will enhance circulation by eliminating one stop on North Rotary Road and improve bus and vehicular connections between Boundary Channel Drive and the South Parking area. The adjustment to Overpass Road will not impact the existing ramp on the South Parking side.

F. Add PTC exit

The Master Plan proposes to create a new exit from the Pentagon Transit Center (PTC) to allow bus travel on Fern Street, Overpass Road, and North Rotary Road. North Rotary Road provides important bus access to the HOV access ramp on Columbia Pike. The new exit is intended to redirect bus traffic away from the congestion on Eads Street.

G. Provide ample drop-off and pick-up

The Master Plan proposes to create a separate lane for multiple drop-off and pick-up functions on North Rotary Road. This lane is located on the north side of the road and is divided into two sections. The western section accommodates buses, including 9/11 Memorial tour buses and DaD

shuttle buses. During peak times, the four bus lanes can be used for Kiss and Ride functions. The eastern portion will serve Kiss and Ride vehicles and couriers.

H. ***Improve pedestrian circulation***

The Master Plan proposes two strategies to improve the overall pedestrian circulation and safety in the South Parking area:

H1. ***Create plaza***

The plan proposes a new pedestrian plaza between the Pentagon and North Rotary Road. This new plaza, located within the security stand-off zone, will accommodate high volume pedestrian traffic patterns between the Pentagon, the South Parking structures, the PTC, and the Ride-share facilities. The proposed plaza will serve pedestrians crossing North Rotary Road either above or below grade, as well as pedestrian circulation to the 9/11 Memorial and other memorial destinations west of the Pentagon. Chapter 4.3 Circulation, 4.3.5 Pedestrian Volume, has detailed information and diagrams on the pedestrian traffic volumes and patterns.

H2. ***Improve Pentagon City connection***

As surface parking is consolidated into parking structures, existing pedestrian walking paths linking the Pentagon, the parking structures, and Pentagon City will be improved. The south tunnel portion of the existing connection to Pentagon City is in particular need of upgrades. Improvements to the tunnel and other major pedestrian paths include enhancing the lighting, color-coding pedestrian routes for wayfinding, and installing high visibility signage.

LAND USE DIAGRAM



Figure 3

SECURITY DIAGRAM

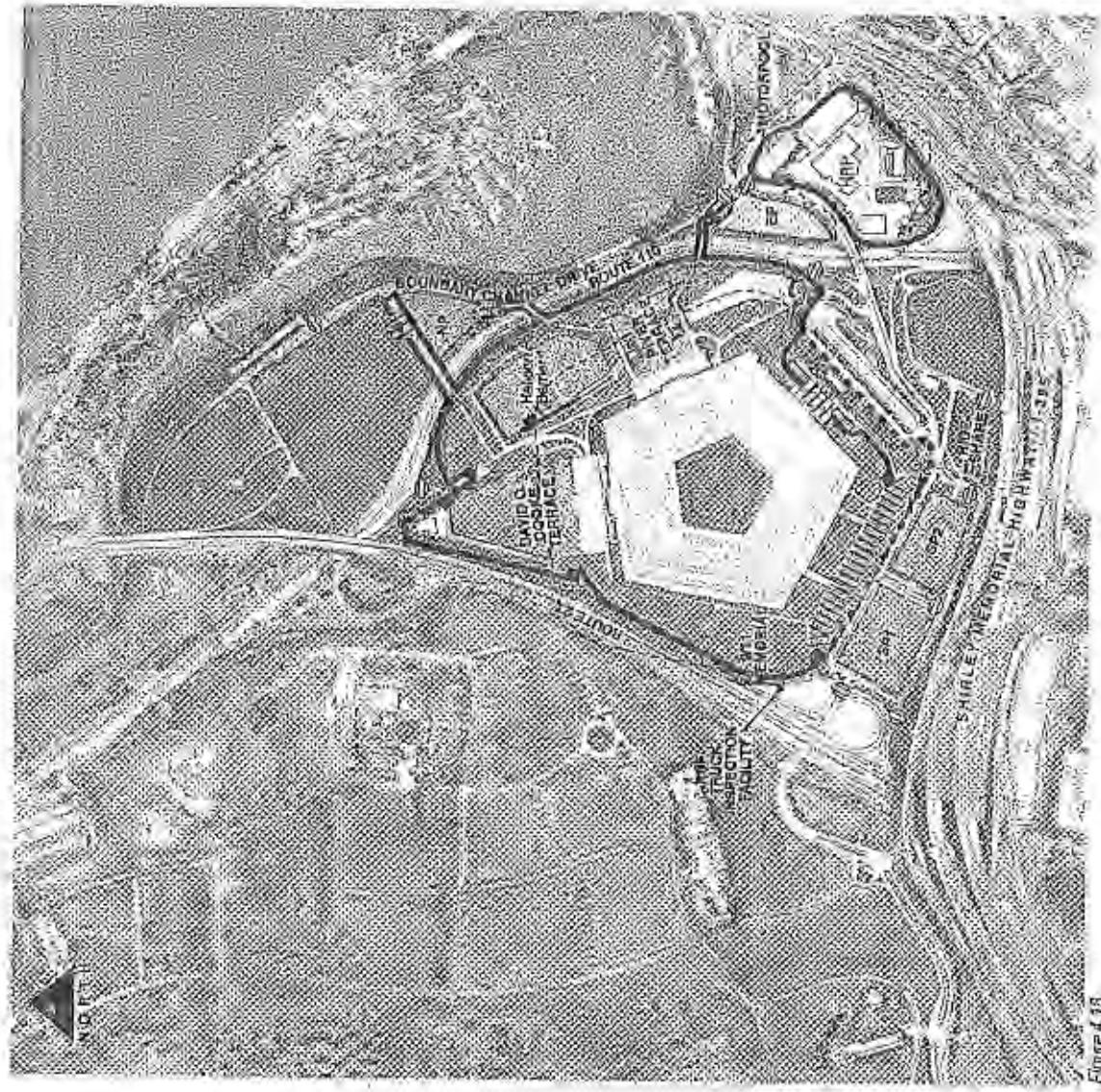


Figure 4.18.

4.3 CIRCULATION

4.3.1 INTRODUCTION

The Master Plan proposes significant improvements to the transportation systems (traffic, parking, transit, and pedestrian) on the Pentagon Reservation and addresses, to the extent possible, the current deficiencies. The Master Plan transportation goals are:

- Improve traffic circulation and wayfinding
- Consolidate parking within convenient walking distance
- Maintain the current parking ratio of 3 to 1
- Maintain a minimum of 7400 parking spaces during any phase of construction
- Accommodate security requirements
- Support new and consolidated functions
- Improve the interfaces with regional transportation systems
- Accommodate local plans for transit improvements

During the development of the Master Plan, scenarios were assessed using the Metropolitan Washington Council of Governments (MWCOG) Travel Demand Model Version 2.1, Release C. Within the Pentagon Reservation, a detailed micro-simulation model (using the CORSIM software package) was developed to test various scenarios and specific improvements.

Alternatives were evaluated by comparing operational performance of the existing conditions as described in Chapter 3 to a No-Build scenario. The No-Build scenario is described in the [Supplemental Document B.2 Transportation Technical Document](#). Key assumptions made for analytical purposes were as follows:

- The Pentagon Reservation's population will remain constant at 23,000.
- Growth in the area around the Pentagon (Crystal City, Pentagon City, Rosslyn, and Washington, DC) is projected by MWCOG to be relatively constrained. The MWCOG Cooperative Forecasts (Round 6.2A) were used to develop traffic projections. These forecasts will result in a growth of 5 to 10 percent in traffic volumes on surrounding roadways by the year 2025.
- The roadway network surrounding the Pentagon Reservation is expected to undergo little change by the year 2025. The Constrained Long Range Plan (CLRP) for the Metropolitan Washington Region presents the transportation improvements that are expected to be in place in the region by

2025. No major roadway improvements will be made to the roads surrounding the Pentagon Reservation. However, the CLRP identified changes to the operation of the HOV lanes and the Navy Annex FB2 Master Plan identified changes to Columbia Pike. The changes to the roadway network include:

- Columbia Pike, as per the Navy Annex FB2 Master Plan, may be realigned to provide more contiguous land for Arlington National Cemetery on the north side of the roadway. The number of lanes will remain at four; therefore, there will be no change in capacity.
- The ramps at the Route 27/Columbia Pike interchange, as per the Navy Annex FB2 Master Plan, may be reconfigured into a diamond configuration. The capacity of the interchange is expected to remain the same.
- The number of lanes on the HOV facility on I-395 will increase to three lanes. This process will involve only re-striping the facility, not widening the roadway. It is expected that this will occur by the year 2010, as per the current CLRP for the Metropolitan Washington Region.
- Transit operations by the various service providers, such as the Washington Metropolitan Area Transit Authority's (WMATA) Metrorail or the Fairfax CONNECTOR, are often reviewed for quality of service and adjustments are made to improve the services for transit riders. The facilities on the reservation are expected to remain as they are today.

There are several transit projects that are in the early stages of planning, which may impact the Pentagon Reservation in the long term. The first is the Crystal City – Potomac Yards Transit Study and the second is the Columbia Pike Transit Study. Although these studies have not progressed far through the regional planning process at this point, these projects envision some form of enhanced transit connections onto the Pentagon Reservation. As these proposed projects advance through the various levels of the planning process, the actual alignment and type of service (bus rapid transit or light rail) will become more defined. Construction and funding of these projects have not been included in the Constrained Long Range Plan (CLRP) for the region. Thus, neither project may be in place by the year 2025.

There are no changes envisioned to the pedestrian and bike paths surrounding the reservation, except for the realignment of the bike path currently on Southgate Road and along Arlington National Cemetery. The Master Plan completed for the Federal Building 2 (FB2) site presented several options for a new bike path as Columbia Pike is realigned.

- As the number of Pentagon employees and the total number of parking spaces will remain constant, it is expected that the total entry and exit rate at the Pentagon building will remain similar to what it is today.

Given the proposed changes to the reservation, the Master Plan recommends an updated Transportation Management Plan (TMP). The strategies and goals for a future TMP are included in the Supplemental Document B. Transportation Technical Document.

Key elements of the circulation plan and specific improvements to the transportation systems are highlighted in the following sections. For a more detailed discussion of the transportation systems and their analysis, refer to the Supplemental Documents, A. Environmental Assessment and B. Transportation Technical Document.

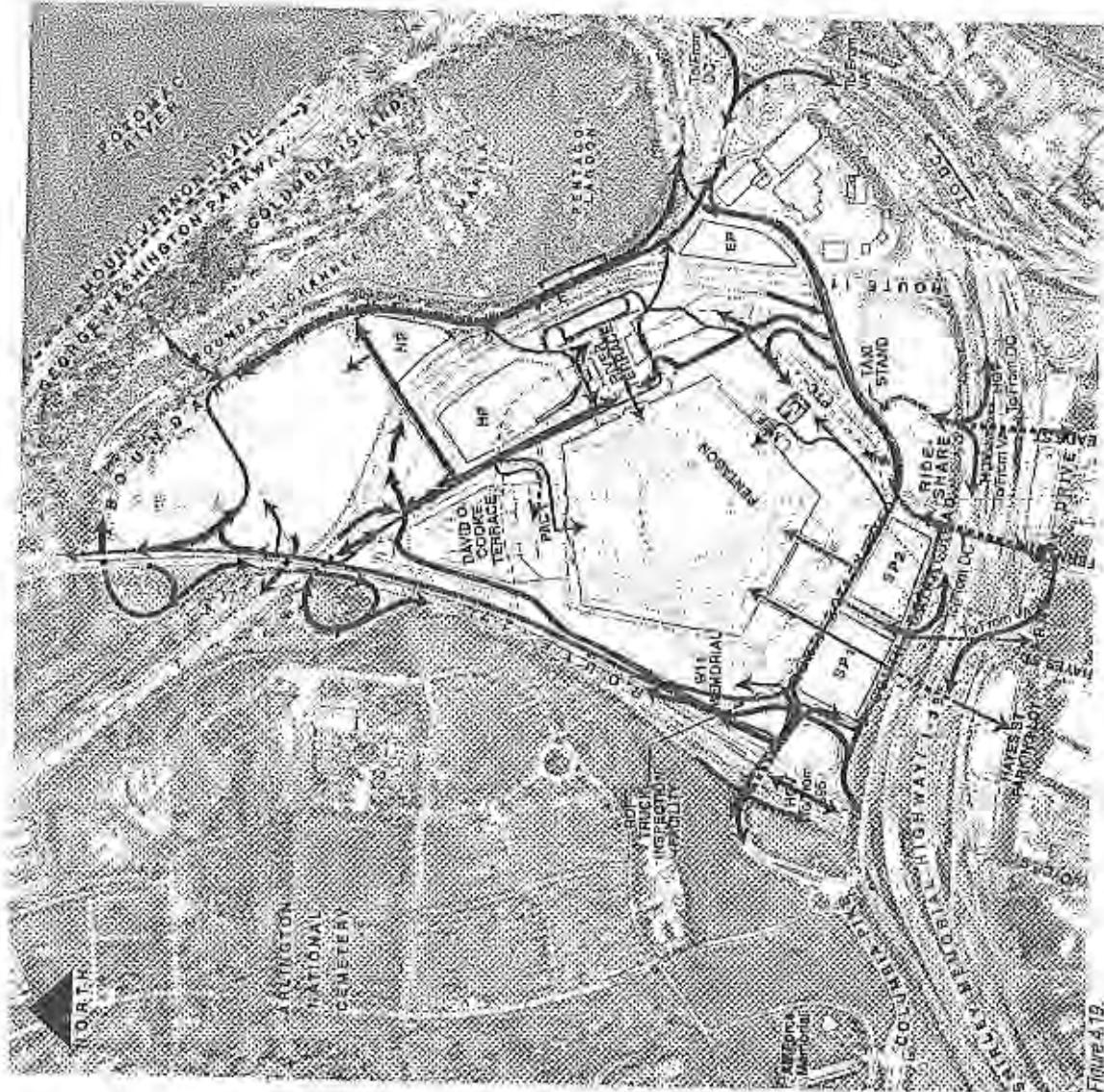
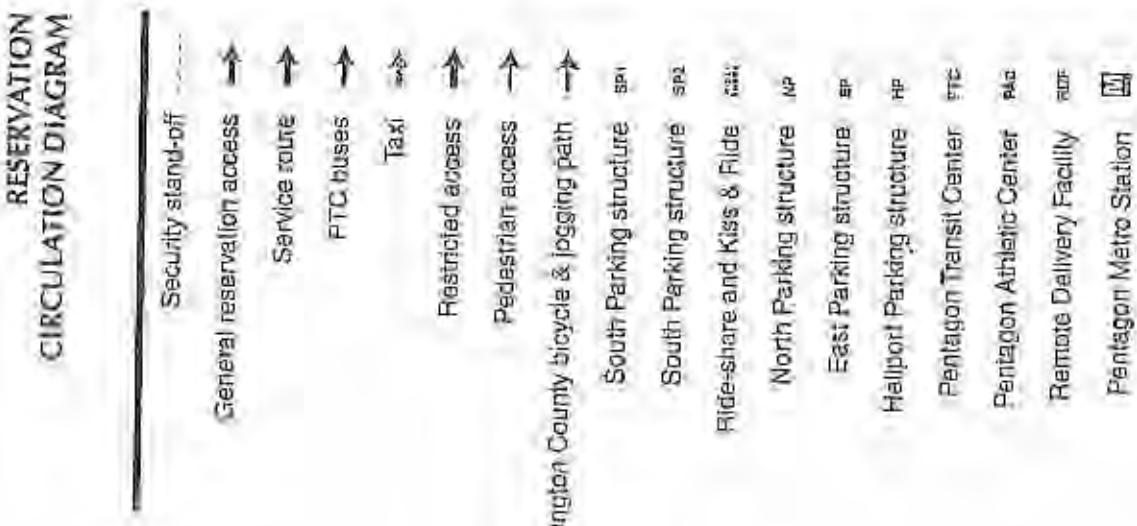


Figure 4.19.

4.3.2 KEY ELEMENTS

The Reservation Circulation Diagram, Figure 4.19, illustrates conceptually the circulation plan for the Pentagon Reservation. Moving 23,000 people on and off the Pentagon Reservation every day is a significant challenge. This challenge is exacerbated by the fact that the Pentagon Reservation is located in the midst of heavily congested regional transportation facilities. Traffic studies conducted during the development of the Master Plan were focused on creating an efficient internal transportation network and improving, to the extent possible, the interface with regional transportation facilities. Without emergency procedures being implemented on the regional facilities, it is estimated it will take just over three hours to empty the Pentagon Reservation based on the ability of the transportation facilities to accept traffic or people. This arrival/departure capacity balances well with typical work schedules and as a result, there should be relatively little internal congestion. Congestion on the regional road network will cause back-ups into the reservation at times.



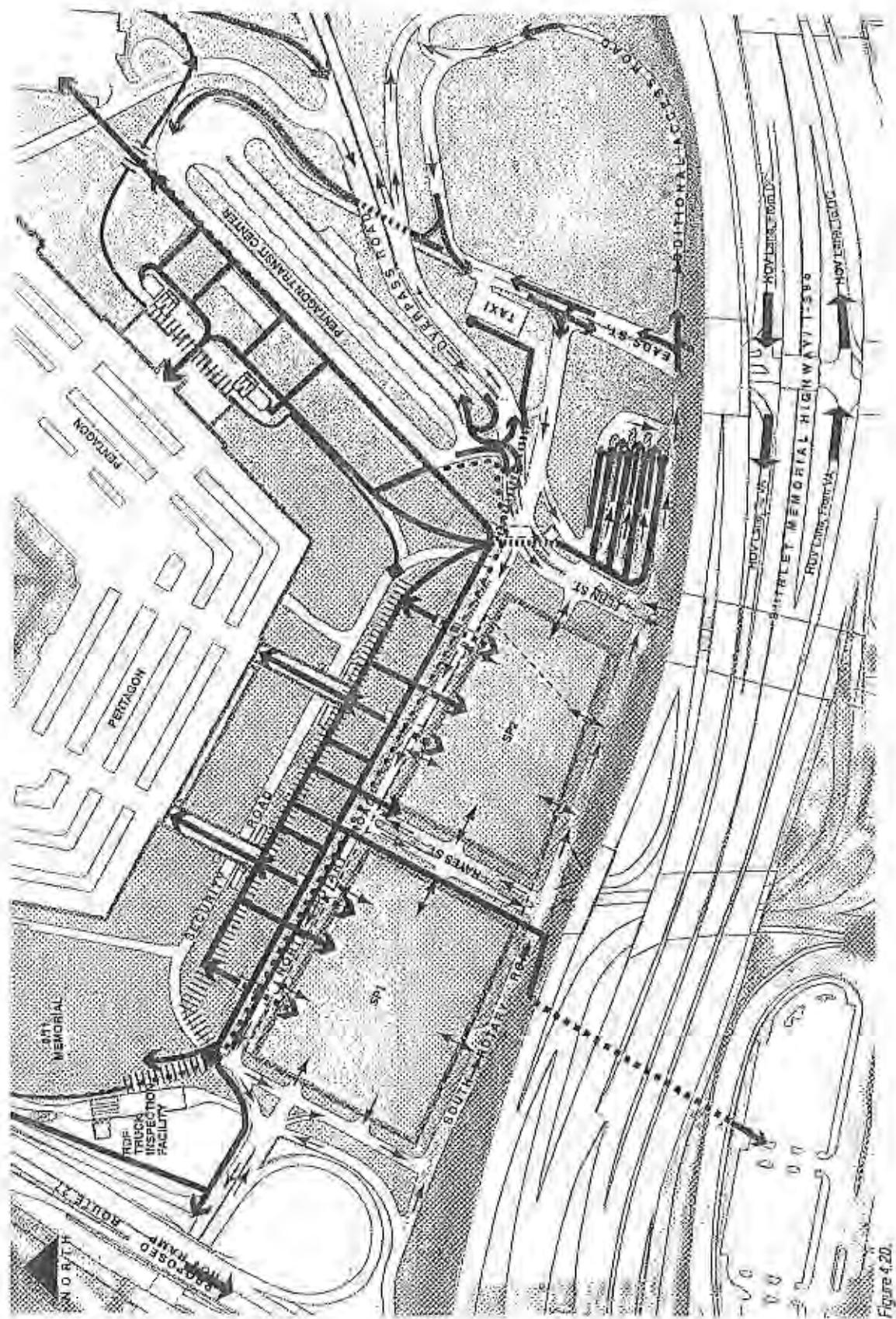


Figure 4.20.
page 12

STRUCTURATIONS
MASTODON

Circulation Improvements — South Parking Area

Many of the circulation improvements proposed for the Pentagon Reservation occur in the South Parking area. The adjacent South Parking Area Circulation Diagram, Figure 4.20, and the following explanations describe in more detail the key elements and circulation improvements proposed for this area.

Rotary Road System

The Master Plan proposes to improve the rotary road loop by establishing a defined two-lane, one-way rotary system outside of the security perimeter with minimum stops and multiple alternate routes. Hayes Street will be extended to North Rotary Road and will allow two-way traffic; thus, creating two one way loops that facilitate arrival and departure of vehicles from the two parking structures SP1 and SP2.

An ample drop-off and pick-up area will be provided along North Rotary Road. Geometric deficiencies have been addressed and space is provided for the appropriate turning lanes. The reopening of North Rotary to buses and the provision of access for buses to and from the Pentagon Transit Center (PTC) will restore flexibility to the local transit providers, allowing them to route buses to and from Fern Street and Columbia Pike. Re-routing the buses should improve schedule reliability and help to improve traffic operations at the intersection of Eads Street and South Rotary Road.

The improvements to the rotary road system provide flexibility to accommodate potential transit improvements including bus or Light Rail alternatives currently being studied by the Commonwealth of Virginia and the local jurisdictions.

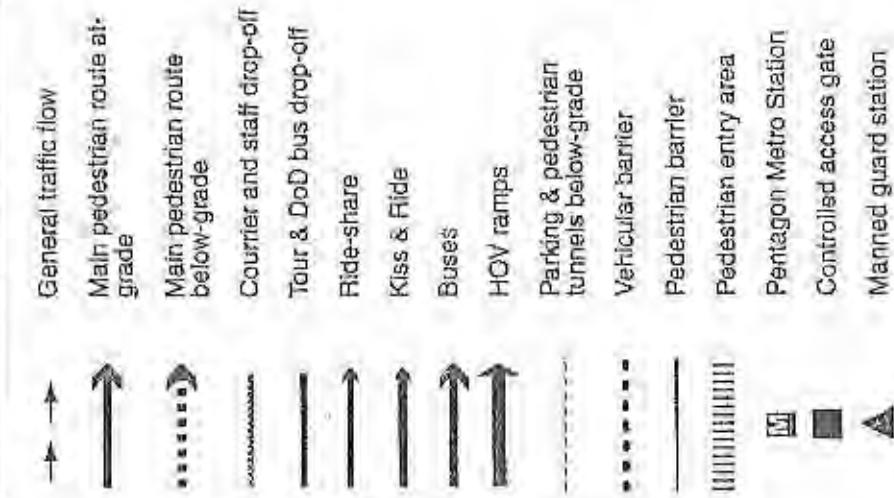
Pedestrian tunnels to and from the two parking structures in the South Parking area, under North Rotary Road, will minimize pedestrian conflicts.

Transit

To aid buses, a new entry/exit will be constructed at the southern end of the PTC. This access will provide an alternate path for buses serving the PTC and allow some buses to avoid the Eads/South Rotary intersection, thereby reducing their travel time. Currently, during the peak period, buses often experience 2 to 4 minutes of delay in exiting the Pentagon Reservation. With the proposed improvements, the delay will be cut in half. Realigning North Rotary Road will allow buses to directly access Columbia Pike from the reservation and avoid the congested Army-Navy Drive.

As the demand for buses increases at the PTC, the utilization of bus bays can be optimized to improve efficiency. This option will be the first choice to increase capacity before increasing the physical size of the PTC.

SOUTH PARKING AREA CIRCULATION DIAGRAM



There are several transit projects that are in the early stages of planning that may impact the Pentagon Reservation in the long term. The first is the "Crystal City - Potomac Yards Transit Study" and the second is the "Columbia Pike Transit Study". These studies envision some form of connection to the reservation. The Master Plan does not preclude these systems.

Added HOV Access

In conjunction with re-construction of the Columbia Pike and Route 27 interchange, it is proposed that a new HOV access to and from the south be provided. A reversible ramp from the mid-point of the Route 27 overpass will connect to the existing HOV lanes, as illustrated in the adjacent diagram, Figure 4.21. Based on projected traffic volumes, a signal is not warranted on Columbia Pike. In the morning, HOV lanes are flowing northbound and traffic destined to the Pentagon Reservation would exit on the ramp to a stop sign on Columbia Pike. In the evening, traffic exiting the Pentagon Reservation would make a left turn from Columbia Pike onto the ramp. Like all HOV ramps, the new ramp would be gate controlled and closed during some periods of the day. Currently, the existing HOV lane from Eads Street is approaching capacity and while it is assumed that the Pentagon population will remain constant, growth in the Pentagon City/Crystal City area will increase demand. A new HOV access ramp will relieve traffic pressures on the Eads Street HOV entrance lane by attracting carpoolers from within the Pentagon as well as Pentagon City.

An added benefit of a second HOV access will be the ability to evacuate the Pentagon Reservation faster in the event of an emergency. Under existing conditions, a relatively minor incident can cause significant delays. A second access point provides more alternate routes in an emergency.

The provision of a second HOV access also presents an opportunity to manage traffic flow by designating registered carpool parking in locations on the west side of South Parking proximate to the proposed HOV ramp.

Traffic circulation to and from the North Parking garage is via Overpass Road and Boundary Channel Drive. Overpass Road has been realigned to connect directly with Fern Street, eliminating one stop and the current "dog leg" configuration, which will improve traffic flow.

Ride-share

A designated Ride-share facility will be incorporated between Fern and Eads Streets to accommodate the significant informal carpooling that occurs on the Pentagon Reservation. Drivers from the surrounding areas (Pentagon City, Crystal City) enter the reservation via Fern Street and pick up passengers from three rows of pick-up areas with assigned destinations. The Master Plan proposes the exit from the Ride-

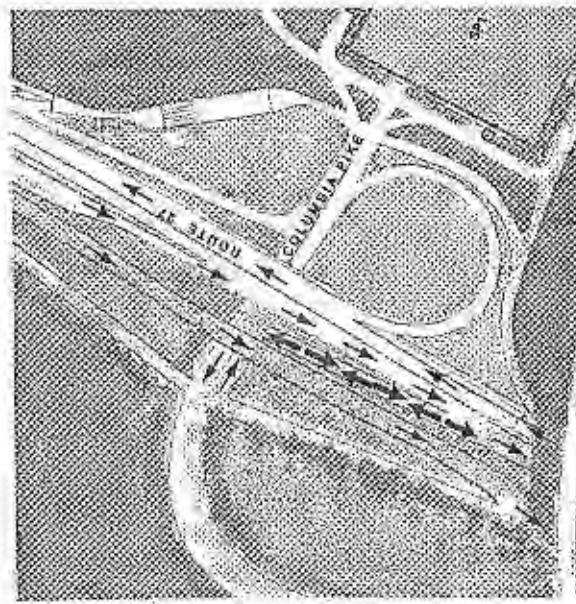


Figure 4.21. Diagram of additional HOV access ramp for the South Parking area of Route 27

share facility be signal-controlled, to ensure maximum efficiency. The provision of a designated Ride-share facility will separate Ride-share vehicles entering the Pentagon Reservation from those vehicles parked on site, to the extent possible, and minimizes the time off-site vehicles spend on the Pentagon Reservation.

Traffic Signals

Signals are recommended to improve traffic flow beyond the four-way stop signals currently in use. Three specific locations which would benefit from signalized intersections include: 1) the intersection of Eads Street and South Rotary Road, 2) the exit from the Ride-share facility, and 3) multiple pedestrian crossings at North Rotary Road. It is recommended that a complete signalization study and analysis be conducted as part of the design of the rotary road improvements and parking structures.

Pedestrians, Joggers, and Cyclists

The Master Plan proposes to relocate a walkway for pedestrians, joggers, and cyclists currently located east of Route 27 just north of the RDF Truck Inspection Facility. This portion of the existing trail is now located inside the secure area pedestrian and vehicle barrier. The new walkway will be relocated to the west of the RDF Truck Inspection Facility and outside the security barriers. The new sidewalk is intended to ensure that pedestrian access, from South Parking and Columbia Pike to the Route 27 pathway, and destinations north, is available even when the security barriers are closed.

RDF Inspection Times

The Truck Inspection Facility does the initial screening of truck deliveries destined to the Remote Delivery Facility (RDF). Truck arrival rate is high during the morning peak period and periodically causes congestion and back-ups on Columbia Pike, the access ramp from I-395, and North Rotary Road. The truck arrival schedule is frequently constrained and controlled by the operational process, within the Pentagon RDF, involving loading and unloading procedures. It is recommended that delivery times to the RDF be staggered throughout the day, whenever possible, to reduce the traffic congestion and truck back-ups. Operational procedures will need to be coordinated to create an effective, and practical, arrival schedule.

SOUTH RIVER TERRACE AREA
CIRCULATION DIAGRAM

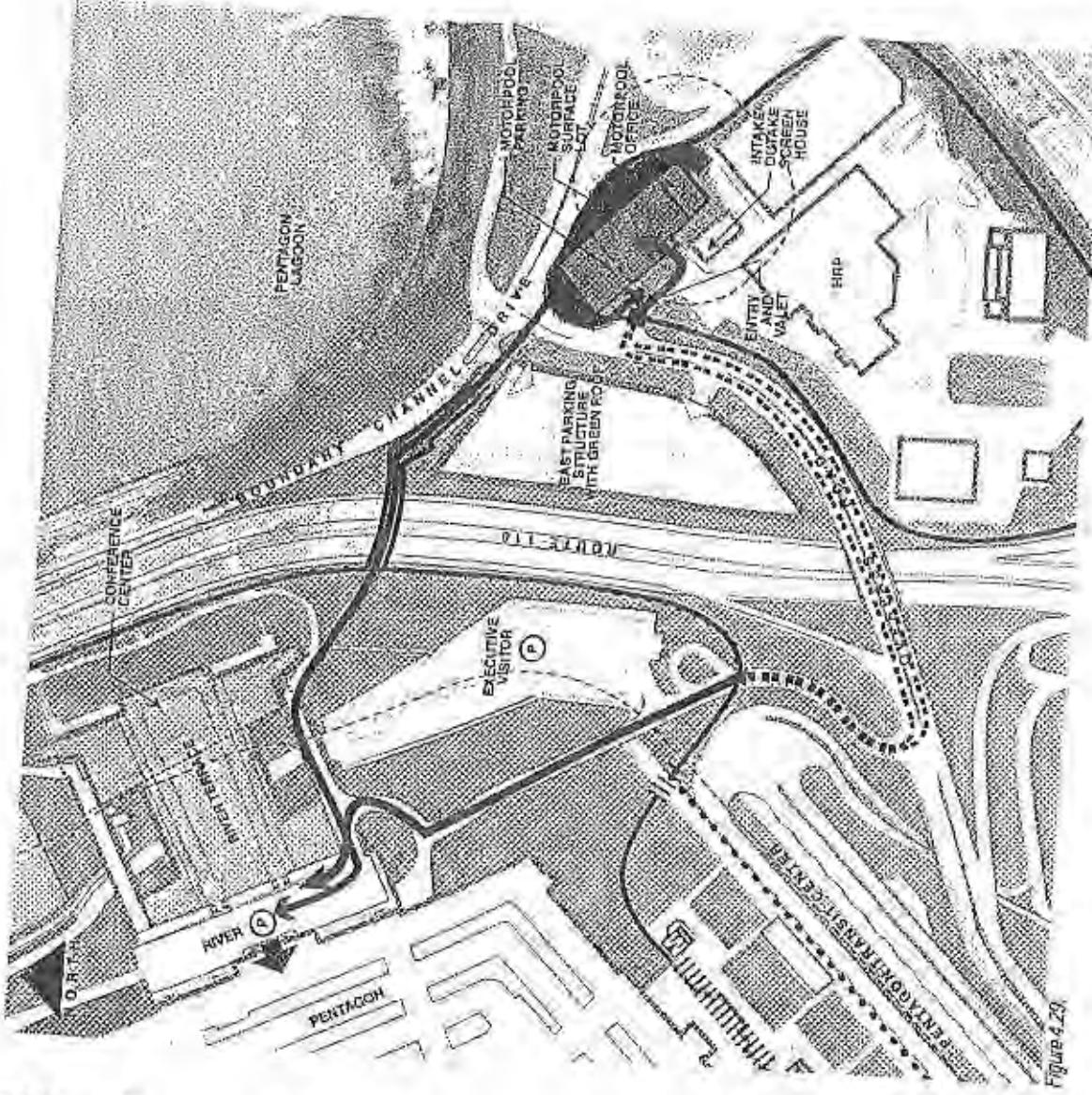


Figure 4.29

IMPLEMENTATION

The Master Plan proposes that implementation be phased in four construction sequences, of five years each. This section includes the description of the four sequences. The Existing Conditions 2004, before any Master Plan construction begins, are illustrated on the adjacent page, Figure C.1. Each of the four individual sequences is illustrated in cumulative illustrations on the following pages. The sequence order reflects the priority of construction in the Master Plan.

Sequence One 2006-2010

This sequence, Figure C.2, contains the highest priority elements of the Master Plan implementation. One of the highest priorities is the construction of the permanent Heliport, due to the substandard operational characteristics of the temporary location on the David O. Cocke Terrace. The Heliport will be constructed on the roof deck of a parking structure housing 1,400 vehicles, with one level on grade and one below grade. A second high priority item is the construction of a Motor Pool building. The Motor Pool is currently located in rental space that is operating on a limited lease extension. The Heliport parking and Motor Pool locations are unencumbered by other uses, which will allow work to proceed efficiently. Additionally, a parking structure, located in the North Parking area, will be constructed and will house 600 vehicles on two levels, with one level on grade and one below grade. These two parking structures, the Heliport and North Parking, will provide multilevel parking that allows existing surface parking to be taken out of service during subsequent phases. Two utility tunnels will be incorporated into this sequence, one will be built on the east side of the Pentagon in conjunction with the Heliport parking structure, and the other will be constructed adjacent to the 9/11 Memorial on the west side. The last element to be constructed, in this first sequence, will be a new High Occupancy Vehicle (HOV) access ramp at Route 27 and Columbia Pike. This new HOV access will provide an additional vehicle exit from the Reservation and allow bus public transportation buses to exit the reservation directly to Columbia Pike, both measures helping to alleviate congestion at Eads Street.

Sequence Two 2011-2015

This sequence, Figure C.3, focuses on improvements to the South Parking area, which will enhance vehicle and pedestrian circulation. The first three elements, of this sequence, should be constructed simultaneously because they are interrelated in function and placement. The first project is improvements to the rotary road network, which will further improve traffic flow in this busy area. The key improvements include: the addition of a designated Ride-share facility, and adjacent under-road pedestrian tunnel; the signalization of the rotary roads; the alignment of Overpass Road and Fern Street; the extension of Hayes street; the opening of bus access to North Rotary Road and Fern street; enhanced wayfinding

lighting and pedestrian streetscape; and the addition of a drop-off and pick-up lane. The next two projects, construction an underground utility tunnel and a formal South Parking Plaza with permanent security perimeter components, are integrated. The security perimeter, in this South Parking area, currently has temporary structures and accommodations in place. This sequence, also, includes the construction of the first, of two, South Parking structures. The parking structure houses 2,580 parking spaces, and includes a green roof, with two levels above grade and two levels below grade. This structure has a pair of pedestrian tunnels, which run under North Rotary Road, and will facilitate pedestrian traffic flow between the parking structure and the South Parking plaza. Additionally, the structure will include two below grade parking decks, which extend under the new Hayes Street, and will interconnect to the second South Parking structure, built in the subsequent sequence.

Sequence Three 2016-2020

This sequence, Figure C.4, includes the final element in the south parking area improvements, the second parking structure. This parking structure is very similar to the previous structure to be constructed in Sequence Two. It has a green roof and houses 2,000 parking spaces, including two levels above grade and two levels below grade. This structure will connect to the first parking structure at the two decks, under Hayes Street, built in Sequence Two.

Sequence Four 2021-2025

This final sequence, Figure C.5, includes the construction of the last parking structure on the reservation and the replacement of the largest surface parking lots with landscaping and recreation areas. The greening and landscaping will include the creation of a water retention pond located between the Pentagon Transit Center (PTC) and I-395, and the creation of open space and athletic fields in the former North Parking surface lots.

Completed Plan 2025

The final plan, Figure C.6, illustrates the completed implementation of the Master Plan estimated to be in the year 2025.

AGENDA ITEM #5

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: April 28, 2005
SUBJECT: Legislative Items

A. State.

The Virginia Transit Association will hold its spring meeting in Williamsburg May 9 and 10, 2005. A report will be provided at the commission's June 2nd meeting. A copy of the agenda is attached.

Also attached is an article quoting Virginia Secretary of Transportation Pierce Homer reporting the transportation revenue forecast for FY 2006. For example, gas tax revenues may grow only 1.5 percent. That 17.5-cents per gallon tax provides about 40 percent of state transportation revenue.

B. Federal.

An amendment to S732 (the Senate's TEA-21 reauthorization bill) sponsored by Senator Charles Schumer has been passed by the Senate Finance Committee. It would increase the monthly tax free transit benefit to \$155 from \$105.

The Senate is expected to take up S732 soon and there may be an effort on the floor to boost overall authorization levels (currently \$51.6 billion for transit through FY 2009).

Several bills have been introduced to address Amtrak's future. One is from the Bush Administration, which proposed a FY 2006 appropriation for Amtrak of zero. In addition, HR 1630 would authorize \$6 billion for

Amtrak over three years and HR 1631 would authorize \$60 billion for high speed rail and other rail projects, using primarily tax credits and loans.



Amtrak's board has itself proposed a set of strategic reform initiatives and has requested FY 2006 funding of \$1.8 billion. Among the initiatives suggested by the Amtrak board are:

- 1) New management controls including zero-based budgeting;
- 2) Planning and reporting by business line, including infrastructure management, Northeast Corridor operations, state corridor operations, national long distance operations and ancillary business (including commuter rail);
- 3) Advancing competition and privatization, including a demonstration by Amtrak;
- 4) Operating improvements by Amtrak, including financial and on-time performance improvements;
- 5) A shift in how Amtrak is funded to a greater reliance on states paying full costs, utilizing a new federal grant program with a 20 percent non-federal match. The federal government would pay the entire cost of upgrading the Northeast Corridor. Others owning parts of the Northeast Corridor would return them to Amtrak to provide unified management of the corridor.

If these reforms are implemented, Amtrak predicts its annual federal funding needs will fall to \$800 million by FY 2011. Of course, that does not account for the proposed new federal capital 80/20 program for the states. It assumes \$30 million more each year paid to Amtrak by commuter rail systems using the Northeast Corridor. It also assumes \$130 million more each year paid by the states for Amtrak corridor and long distance operations.

Monday, May 9th, 2005

8:00-9:00 am	Registration-Richmond Hall	
	Continental Breakfast: Sponsored by Digital Recorders, Inc.	
8:30-12:00 am	Vendor Set-up- McClellan Redoubt	
9:00-1:00 pm	NTI Training Session: Driver Fatigue Toolbox for Transit Operators <i>Joy Jung, Consultant, National Transit Institute</i>	
12:30-1:30 pm	Buffet Lunch: Sponsored by Ametek Rotron	
1:30-2:00 pm	Department of Rail and Public Transportation Update <i>Karen Rae, Director</i>	
2:00-2:30 pm	FTA Update <i>Susan Berinsky, Regional Administrator</i>	
2:30-2:45 pm	Break: Sponsored by	
3:45-3:45 pm	Demographic Changes and Implications for Virginia's Cities, Towns and Urban Counties <i>Robert Puente, Fellow, Metropolitan Policy Program, The Brookings Institution</i>	
3:45-4:15 pm	General Assembly Transportation Studies <i>Neil Menkes, Analyst Senate Finance Committee</i>	
4:30-5:00	Helping People Move beyond the Solo Commute <i>Michael Nolan, Director of Market Development, NURIDE</i>	
5:00-6:00	Vendor Expo and Reception: Sponsored by Washington Group International	
7:00-10:00 pm	Dinner, Shield's Tavern Colonial Williamsburg: Sponsored by Sonny Merryman, Inc.	

Tuesday, May 10th, 2005

7:30-8:30 am	Continental Breakfast: Sponsored by Gillig Corporation	
8:00-8:30 am	Small System Operations Meeting	
8:30-9:15 am	VTA Board Meeting	
9:30-10:00 am	Virginian's for Better Transportation <i>Richard Daugherty, Virginia Roadbuilders Association</i>	
10:00-10:15 am	Break: Sponsored by	
10:15-11:15 am	Lt. Governor Timothy Kaine (Invited) <i>Democratic Candidate for Governor</i>	
11:15-12:00 am	Transit and Land Use: What's Happening in Charlotte? <i>Ron Tober, General Manager, Charlotte Transit Sen, Russell Potts</i> <i>Independent Candidate for Governor</i>	
12:00-12:30	2005 Awards Luncheon: Sponsored by First Transit	
	Adjourn	
		<ul style="list-style-type: none">• All meetings and sessions will be conducted in the General Emory's Redoubt• All meals breaks and social engagements will be held in General McClellan Redoubt unless otherwise indicated

Note: The Hon. Jerry Kilgore, the Republican Candidate for Governor, declined with regrets due to scheduling conflicts.

(A)

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Transit board advancing on plan

But it is not counting on the motor-fuels tax to raise large amounts of revenue

BY PETER BACQUE
TIMES-DISPATCH STAFF WRITER

Apr 21, 2005

Virginia's strong economy is unlikely to produce more road-tax revenue for the coming fiscal year, the state secretary of transportation said yesterday.

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The largest single source -- about 40 percent -- of state-generated transportation money comes from the 17.5-cent motor-fuels tax.

This year, Virginia expects to raise \$859 million from the tax. That's 1.5 percent more than the tax produced last year, but inflation is running at 2.4 percent.

"I would not count on significant amounts of

new revenue," Transportation Secretary Pierce R. Homer told the Commonwealth Transportation Board yesterday.

While the state's general fund revenues are growing 10.3 percent in the waning 2005 fiscal year, special-use levies, such as the motor-fuels tax, are less-responsive to the economy and thus comparatively flat, he said.

The Transportation Board is moving toward settling on the 2006-2011 state transportation-improvement plan, which outlines possible allocations for \$7.8 billion in funding over the six years beginning in July. It includes just 78 new projects among a total of 1,829. Of the new projects, only about two dozen will see construction work start.

"The amount available for new construction and transit programs continues to shrink every year," Homer said, "because of growing highway maintenance needs."

Though the six-year plan includes \$848 million in additional money next year

springing from Gov. Mark R. Warner's budget recommendations and the 2005 General Assembly's actions, "This is a one-time appropriation," Homer said.

The money may not show up in future Virginia budgets, he said.

The single-largest amount of the new money, \$256 million, will be used to finish paying for highways that have already been built, the transportation secretary said.

In central Virginia, the plan includes a number of pressing projects:

- Rebuilding the Huguenot Bridge in Richmond and Henrico County, \$44 million.
- Widening U.S. 360 to six lanes in Chesterfield County from Winterpark to Swift Creek, \$13.9 million.
- Doing the engineering planning and buying the right of way to widen U.S. 33 from state Route 623 in Hanover to Henrico, \$37.5 million.
- Rebuilding Barrett's Ferry Bridge on state Route 5 connecting Charles City and James City counties across the Chickahominy River, \$31 million.
- Widening U.S. 360 in Hanover County, \$10.5 million.

"Keep in mind this is a working draft, and [it] will change," said Tamara Neale, spokeswoman for the Virginia Department of Transportation.

In the next month, the state Department of Taxation will update its official revenue estimates to reflect the legislature's actions, and the Transportation Board will adjust the six-year plan to fit the estimates.

The board will adopt the plan in June.

Contact Peter Bacqué at (804) 649-6813 or pbacque@timesdispatch.com

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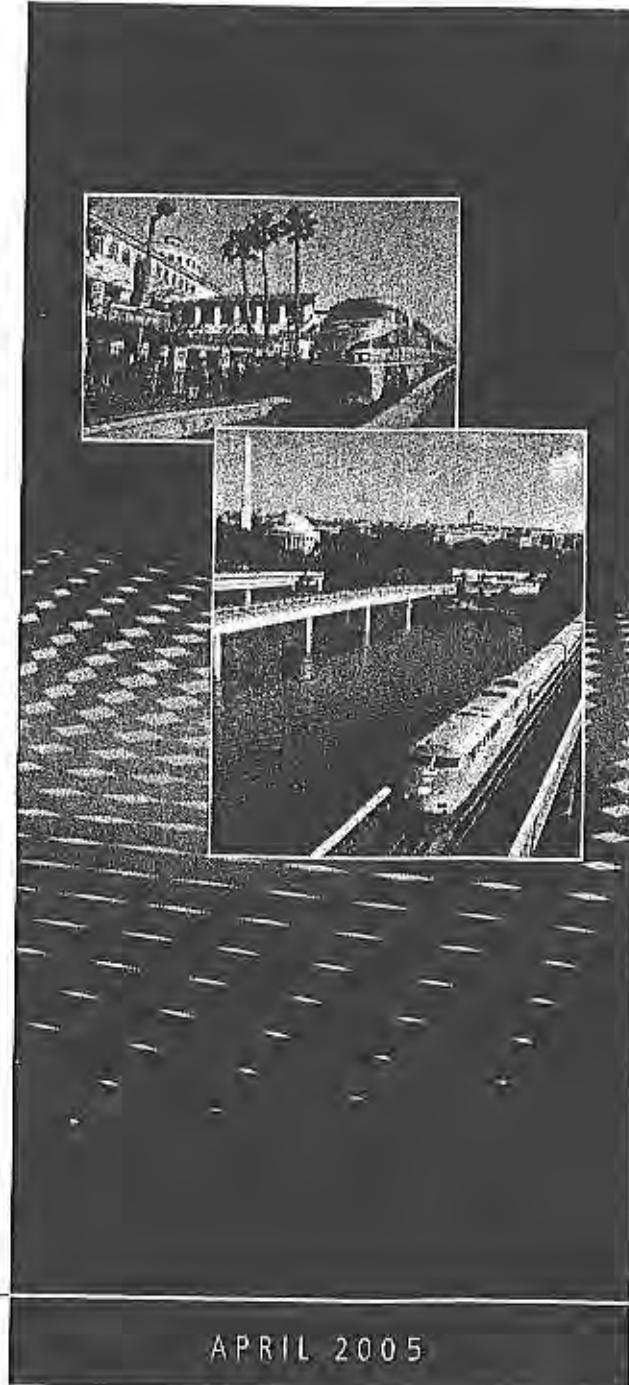
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B

Amtrak Strategic Reform Initiatives and FY06 Grant Request

REBUILDING AMERICA'S
PASSENGER RAIL SYSTEM



APRIL 2005



Overview

Nearly all Amtrak[®] reform proposals recognize that intercity passenger rail can make a valuable contribution in meeting several key transportation policy objectives, including providing:

- An alternative consumer travel choice to the automobile, bus and air;
- Additional capacity with opportunity for growth and intermodal connection;
- Redundancy to other modes for security purposes;
- An important link in rural areas where transportation alternatives are limited;
- A stimulus to economic development and commercial activity; and
- An environmentally sound, energy efficient and disability friendly alternative to other transportation modes.

The reform proposals also recognize that these policy goals can be realized only if the debate over Amtrak is separated from the subject of intercity passenger rail service. While Amtrak is likely to remain the principal steward of the nation's passenger rail system in the near term, the key question facing policy-makers is the role of passenger rail in the nation's transportation network, not simply Amtrak's role in it. As passenger rail develops, Amtrak's role needs to shift dramatically – with states becoming the principal consumers of passenger rail service and Amtrak evolving into one of a number of providers in an increasingly competitive market.

Long-Term Objectives

While the reforms within Amtrak are essential, the future viability of passenger rail hinges first on a defined mission, including adequate and predictable capital funding, and over the longer term on the emergence of competition and private sector alternatives to Amtrak.

Specifically, Amtrak's Board and management envision the development of an intercity passenger rail system over the next decade that advances the following objectives:

- Development of passenger rail corridors based on a federal-state capital matching program, with states serving as the developers and "purchasers" of competitively bid corridor services;
- Return of the Northeast Corridor infrastructure to a state of good repair and operational reliability, with all users gradually assuming financial responsibility for their proportionate share of operating and capital needs;

Key objectives over the next decade are: the development of corridors through a federal-state capital matching program; return of the NEC infrastructure to a state of good repair; establishment of performance measures for long distance routes; and the introduction of competition.

[®] Amtrak is a registered service mark of the National Railroad Passenger Corporation

- Continuation and possible addition/elimination of certain national long distance routes based on established performance thresholds, with a phase-in period to allow for performance improvements and state participation where needed to meet thresholds; and
- Emergence of markets for competition and private commercial participation in all passenger rail functions and services, including outsourcing of selected functions and competition among operators for corridor routes.

Amtrak's focus is delivering superior service, while serving as a catalyst for change and preparing for competition.

Amtrak's vision for its own role over the coming years is to:

- Deliver superior service – including continued excellence in operational safety and security, and infrastructure/asset management, while becoming more market and customer oriented;
- Serve as a catalyst for change – helping the nation's intercity passenger rail system achieve the long-term objectives described above; and
- Evolve into one of a number of competitors for passenger rail services and routes, all positioned on equal competitive footing.

Summary of Initiatives

Amtrak's strategic initiatives represent a package of reforms that will fundamentally transform the pattern of passenger rail service development and delivery throughout the U.S. It begins with actions already initiated by Amtrak, both structural and operational; ultimate realization of the reforms, however, will depend on federal and state action.

Amtrak Structural Initiatives

The key structural steps Amtrak is taking are grounded in a series of building blocks (further detailed in Section I):

- 1) Management controls. Reinforce what has recently been accomplished – stability and management control. Over the last two years, Amtrak has made substantial structural and operating changes that have resulted in increased organizational stability, expense control, and an effective program of capital reinvestment. This restructuring effort has:
 - Cut layers of management, clarified lines of authority and enhanced accountability;
 - Provided regular performance reporting and accurate GAAP-based accounting;
 - Instituted zero-based budgeting and controls; and
 - Focused the company on core passenger rail operations and rebuilding of assets.

Amtrak's Board and management believe strongly that next steps must reinforce and capitalize on the progress to date.

Amtrak must capitalize on the stability and management control it has instituted over the last two years; begin planning and reporting by business line; and identify activities and functions that lend themselves to competition and private sector involvement.

2) Planning and reporting by business line. Building on recent accounting improvements, provide transparency along business lines to facilitate management and policy decisions. Specifically, Amtrak will begin to focus planning activities, policy development, financial accounting, and reporting and management along five distinct lines:

- Infrastructure management (Amtrak-owned);
- NEC operations;
- State corridor operations;
- National long distance operations; and
- Ancillary businesses (non-core).

In addition, system support overhead functions will be accounted for separately during a transition, and allocated back to the business lines over a five-year phase in period beginning in FY07. Debt service and system security will initially remain separate and unallocated.

Such a structure will bring a new focus not only to the costs of each business line, but to the mission, goals and market opportunities associated with each. Amtrak further plans to align management accountability with performance – including on-time performance and customer service – for each business line and individual route.

3) Advancing competition and privatization. Identify activities and functions that lend themselves to competition and privatization in order to foster competition and commercial activity. Amtrak's ultimate goal is a vibrant passenger rail system with a competitive supply industry and multiple service delivery options, within which Amtrak becomes one of several alternative providers/suppliers. Amtrak will support this objective by:

- Developing activity-based analytical capabilities that clarify the unit costs of individual business activities;
- Enhancing Amtrak's competitive position by an ongoing comprehensive review and implementation of operating efficiencies, including more aggressive revenue enhancement and expense reduction measures (see operating initiatives below); these include outsourcing additional services where a commercial advantage and/or added efficiencies might exist;
- Experimenting with the outsourcing of management of selected shared facilities to third-party managers; and
- Beginning to facilitate competition for routes, functions and individual services.¹

¹ The establishment of a level footing for competition, which will ultimately require legislative assistance, requires making available to alternative operators (selected by states through competitive bidding) certain rights and assets currently available only to Amtrak, and ensuring more modernized labor flexibility.

Amtrak has begun taking a series of operating actions designed to increase revenues, lower costs, reduce the federal funding requirement for Amtrak, and ultimately position the company for competition.

A key focus will be on improved customer service and on-time performance.

Amtrak Operating Initiatives

In conjunction with these structural initiatives, Amtrak has begun taking a series of operating actions designed to increase revenues, lower costs, reduce the federal funding requirement for Amtrak, and ultimately position the company for competition. Section II summarizes these initiatives for each of the five business lines. Generally, these initiatives fall into three categories:

- 1) Financial performance enhancement. Over the last two years, Amtrak has focused on delivering service in as cost-effective a manner as possible, reducing non-essential positions and expenses while maintaining or adding service and increasing ridership and revenue. The next phase of these efforts is to identify additional opportunities for revenue enhancement and savings, including:
 - Aggressively pursuing opportunities to increase revenues through innovative service, marketing and pricing strategies;
 - Selecting functions and services where there are opportunities to reduce cost or improve service through outsourcing or modified service levels (e.g., food service);
 - Seeking work rule changes that will enhance operational flexibility and efficiency while maintaining service quality;
 - Continuing efforts to improve equipment utilization and scheduling to enhance load factors and reduce costs; and
 - Targeting technology investments that will improve productivity, help diagnose problems, reduce asset failures, and provide better real-time information for managers.
- 2) Customer service and on-time performance improvements. Amtrak has historically suffered from uneven customer service and has recently seen a deterioration in on-time performance throughout the system. In order to address these issues, Amtrak is focusing on:
 - Working closely with the freight railroads to address growing congestion and bottlenecks on routes carrying the majority of Amtrak trains, starting with an experimental performance incentive program currently being tested on routes operated by four of the six major host railroads;
 - On Amtrak-owned NEC infrastructure, implementing performance audits (particularly focused on dispatch systems), and working with other users to alleviate congestion on key segments;
 - Attracting, developing and managing a highly skilled, service-oriented workforce, with particular attention to front line employees who interact with customers; and
 - Outsourcing selected services where there are opportunities for improved customer service at comparable or lower cost.
- 3) Operating and capital funding responsibilities. There are several areas in which the intercity (and commuter) passenger rail system has relied on the federal government (through Amtrak) for funding support. Amtrak envisions a system in the future in which the federal government's role is limited primarily to a capital funding

match program for corridors at levels sufficient to maintain and develop viable corridor services, and to funding of operating and equipment costs for a long distance network comprised of trains meeting minimum financial performance/public benefit targets. In brief, this will require a phased-in role over the next five years for states and NEC commuter authorities as follows:

- **State corridors.** States will transition to covering fully-allocated operating losses (excluding interest and depreciation), plus an equipment capital charge, on all short distance corridor trains – over a four year period starting in FY08 and completed by FY11. Amtrak envisions the federal government enacting a federal capital match comparable to other modes (80-20) that becomes effective no later than FY08 in order for this operating transition to be effective; it is likely that Amtrak will have to reevaluate its transition policy in the event that there is not a federal capital match program in effect by FY08.
- **NEC infrastructure.** The federal government would pay the cost of bringing the corridor up to a state of good repair. NEC commuter railroads would pay at their current negotiated rates for operating access and capital through FY06. By the end of a five year transition period starting in FY07, the commuter railroads will be responsible for paying their full proportionate share of operating access and annual "life cycle replacement" capital costs necessary to maintain a reliable infrastructure on an ongoing basis.² They would also continue to be responsible for the full cost of capacity improvements required as a result of growth in commuter traffic. Following the transition period (FY11), NEC intercity train operations would also be required to cover its full proportionate share of access and annual life cycle replacement costs – with capital costs matched on the same basis as state corridors (80-20).

By FY11, states would pay fully allocated operating costs and an equipment charge on all short distance corridors – supported by a federal capital match program; and NEC commuter authorities would pay full proportionate operating and capital costs.

Legislative Initiatives

In order to develop the full potential of rail and the opportunity for a competitive passenger rail market, as described in Section III, the public sector will have to provide the "glue" for these building blocks through:

- 1) **Federal funding.** These initiatives hinge on the establishment of an adequate, reliable long-term federal funding commitment for intercity passenger rail. This funding would include:
 - A federal capital match for state supported passenger rail capital investment comparable to the statutory match provided for other modes (generally 80-20);
 - 100 percent of funding necessary to return the Northeast Corridor to a state of good repair; and ongoing capital funding on the same matching basis as for other corridors to maintain reliability (after accounting for commuter and freight funding proportionate to their use of the infrastructure); and

The federal government's primary role is to establish a funding match commitment for intercity passenger rail and a stable platform for competition, while the role of the states is to assume the initiative in corridor development and operation.

² Requires statutory or regulatory change.

- Limited continuing operating and capital funding for national long distance services that meet performance thresholds, and for system security.
- 2) State leadership in corridors.** States would assume a lead role in developing and managing corridors including:
- Overseeing development of qualified corridors using the federal-state capital match;
 - Directing competitive procurement of corridor services; and
 - Managing corridor operations, including phased in responsibility for full operating funding.
- 3) Federal platform for competition.** In order to ensure a level footing for competition within the passenger rail service industries and eliminate disincentives to entry by new competition, federal legislation is needed to:
- Ensure that certain rights and assets historically held by Amtrak – including the right to operating access to the rail network at incremental cost and to access legacy rolling stock – are made available to any qualified competitor (including Amtrak) that is selected by a participating state.^{3,4}
 - Provide that all operators of intercity passenger rail will be subject to the same laws and regulations regarding their labor agreements, and that (as in other industries) labor agreements of Amtrak and other intercity passenger rail operators shall terminate when they expire rather than being indefinitely extended.⁵
 - Enable DOT to designate an entity to oversee the transition to a competitive environment; the entity would be responsible for distributing federal funds, providing selected equipment/assets and statutory operating rights (including right to access at incremental cost) to states, and other tasks essential to ensuring a market favorable to open competition.

This legislative agenda to promote competition is complex and requires added flexibility on the part of many stakeholders; it should be undertaken only in conjunction with the enactment of a federal match funding structure for passenger rail capital sufficient to attract long-term state and private investment and the implementation of a commercially viable labor framework.

³ Amtrak could take interim steps to facilitate this future transfer of rights and assets by organizationally separating the rights and assets from operation; since such action would be useful only in serving to facilitate competition, it would conversely serve no effective purpose until federal legislation is enacted that creates the framework for competition, including notably the establishment of a funding source for passenger rail and the removal of statutory impediments to competition.

⁴ There are several alternatives to directly granting operating rights to other qualified operators; Amtrak could retain the statutory rights to access and contract those rights – including, if desired, qualified train operating employees – to either participating states or state-selected operators.

⁵ Amtrak proposes that this provision be applied only to Amtrak or other future operators of intercity passenger rail services, not to the freight rail industry.

Implementation Planning

This document outlines the steps needed to further develop intercity passenger rail. In order to ensure success, a detailed implementation plan containing business plans, budgets, policies, milestone goals, and timetables for each line of business will be necessary; future progress reports and plan updates will also be needed. Individual initiatives will be adjusted if they fail to meet specific service or financial goals contained in the final implementation plan.

Amtrak recognizes that developing a detailed implementation plan and associated transition steps will require the input of a range of stakeholders, including Congress, the Administration, states, freight railroads, commuter authorities and rail labor. Amtrak commits to working with these stakeholders, through a set of "steering" or advisory groups and in conjunction with policy-makers, in developing reauthorization legislation and securing funding.

The ultimate success of any set of initiatives depends upon a detailed implementation plan, and Amtrak intends to develop such a plan with formal stakeholder input.

April 24, 2005

Acela, Built to Be Rail's Savior, Bedevils Amtrak at Every Turn

By JAMES DAO

This article was reported by James Dao, Matthew L. Wald and Don Phillips and written by Mr. Dao.

WASHINGTON, April 23 - It was called the American Flyer, and its goals were ambitious: to speed train travel between Northeastern cities, steal customers from air shuttles, provide the model for a nationwide fast rail system and help its deficit-prone parent, Amtrak, earn a profit.

"These trains will enable Amtrak to carry its customers into the 21st century aboard 21st-century trains," said Thomas M. Downs, Amtrak's president, at a 1996 ceremony announcing a \$611 million contract for the new trains.

Today that train is called the Acela, and instead of being Amtrak's savior, it has become a frustrating burden. On Wednesday, the company announced plans to sideline all 20 Acelas until summer to replace cracked brakes. It was the third major disruption of the high-speed service since it came on line in 2001.

The tale of the Acela is in many ways the story of Amtrak itself, where political pressures, tight budgets, contested regulations and design changes turned a high-speed train into something slower, more expensive and less reliable than what Amtrak had promised.

A reconstruction of Acela's history involving dozens of interviews and a review of court documents and other records shows that Amtrak was under intense pressure to deliver its new train as quickly as possible. And that rush to do something bigger and more complicated than the railroad had ever done led to a series of missteps that many experts believe contributed to the problems that have plagued the Acela to this day.

"There is an old saying in the acquisition world: you want it bad, you get it bad," said Tom Till, who led the Amtrak Reform Council, a group created by Congress to study the railroad's problems. "That's exactly what happened with Acela."

Before the first train was built, the Federal Railroad Administration required it to meet crash safety standards that senior Amtrak officials considered too strict. That forced the manufacturers, Bombardier Inc. of Canada and GEC Alstom of France, to make the trains twice as heavy as European models. Workers dubbed the trains "le cochon" - the pig.

Some experts have speculated that the added weight contributed to a series of problems, including the latest one, with Acela's wheels, brakes and shock-absorbing assemblies. Federal regulators are still investigating the cause of those problems.

During construction, Amtrak also discovered that the coaches were four inches too wide to use their full tilting mechanisms, which allowed the trains to speed around curves. As a result, trip times were slower.

Once the first trains were delivered, Amtrak - which had counted on the Acela to wean it off federal subsidies - pushed

the trains into service without extensive testing.

"The company at that time, as it always is, was under intense pressure to produce results and revenue," said George Warrington, Amtrak's president from 1998 to 2002 and now executive director of New Jersey Transit.

All told, Amtrak ordered 9,000 engineering changes that increased costs, delayed production - just selecting draperies for the windows took two years - and added thousands of pounds of weight, the French-Canadian consortium said in a lawsuit filed in 2001. Amtrak argued that the manufacturers produced shoddy equipment and an outdated interior design, all behind schedule. The litigation was settled out of court in 2004.

The design problems, breakdowns, production delays and litigation have caused some rail experts to question why Amtrak selected a bid that involved an essentially new design.

One reason, current and former Amtrak officials say, was that the ideal off-the-shelf train did not exist. But another reason was money: the French-Canadian consortium offered the lowest bid and best financing deal, one heavily subsidized by the Canadian government. And cutting costs was paramount to Amtrak.

"They didn't have the cash," said Amtrak's president, David Gunn, who took office after the contract was negotiated and the trains had begun running. "There wouldn't be anything if they hadn't done it this way."

Despite its many problems, Acela remains Amtrak's most successful service. Until last week, it was generating about \$300 million a year, enough to cover its operating costs. Ridership had been increasing, and surveys showed passengers liked its quiet coaches and plush amenities.

But even Mr. Gunn has said openly that the train was poorly conceived and badly built, and he has vowed never to buy another one.

"If you're buying equipment, you want evolutionary change, not revolutionary change," he said this week. "For us, this was revolutionary."

With Amtrak running annual deficits of over \$1 billion, the Bush administration has called for ending federal subsidies and breaking the company up through bankruptcy. Some Amtrak supporters in Congress worry that their efforts to maintain federal support for the railroad has been weakened by the Acela's continuing problems.

"For those of us who care about Amtrak, the Acela mess couldn't come at a worse time," said Senator Charles E. Schumer, Democrat of New York. "It makes our job harder to fight for it."

Search for a Fast Train

A high-speed rail system had long been the dream of Amtrak officials. W. Graham Claytor Jr., Amtrak's president from 1982 to 1993, envisioned a system of sleek trains that would be tested on the corridor between Boston and Washington, adapted to the Midwest and the South, and eventually run down the spine of the California coast.

Inspired by the successes of Japan's bullet train and high-speed networks across France, Germany and Spain, Congress also became involved. In 1976, and again in 1992, it authorized billions of dollars to improve the railbeds and electrical systems along the Northeast Corridor. And it set a goal that Amtrak must provide Boston-to-New York service in under three hours.

It was more than an arbitrary benchmark. Marketing experts said that travelers would consistently choose to fly, even with the added costs and inconveniences of traveling to airports and waiting for flights, over train rides lasting longer

than three hours. And bankers demanded that Amtrak reduce its train times to receive financing.

"Literally," said Joseph Vranich, the author of a book about Amtrak, "minutes matter."

To reach that goal, Amtrak repaired bridges, replaced wooden ties with concrete ones and electrified the track from New Haven to Boston. But it did not have the billions of dollars required for changes that would allow trains to travel over 150 miles an hour consistently: constructing straighter tracks and replacing aging overhead electric lines.

Instead, they focused on acquiring a new train to replace Amtrak's aging fleet of Metroliners, which were built in the 1960's.

In 1992, Amtrak began testing two European trains between Washington and New York: the Intercity Express, or ICE train, from Germany and the X2000 from Sweden. Some Amtrak officials thought the X2000 was well suited for the Northeast Corridor because of a tilting mechanism that reduced centrifugal force on passengers when the train sped around curves. The line between Boston and New York is among the most winding in the country.

But the Swedish company decided not to bid on the contract because it did not want to make the changes required by federal regulators to adapt its lightweight European train to America, said a former senior Amtrak official who asked not to be identified because he has taken another job in the transportation industry.

At the same time, the new Republican majority in Congress was pressing Amtrak to become self-sufficient. The railroad's board was looking for a high-speed train that could help achieve that goal by attracting new riders without costing too much. Bombardier-Alstom's bid seemed to promise all that.

The companies proposed adapting the fast French TGV train, which Alstom had designed, with tilt technology. They pledged to assemble the cars with American workers in Plattsburgh, N.Y., and Barre, Vt. They agreed to maintain the trains for a relatively low price. And they offered, with the assistance of the Canadian government, a generous package of loans worth more than \$600 million to help Amtrak buy the trains, a virtual no-money-down deal.

"We were under the gun" to cut costs, said Tommy G. Thompson, who was chairman of the Amtrak board from 1998 through 2001. "The Acela was a vehicle by which we thought we could reach self-sufficiency."

But, he added, "We had problems with Bombardier from the get-go."

When Amtrak began seeking bids for a new train, it hoped to avoid creating "some customized product that looked like a Defense Department project," Mr. Downs, the former Amtrak chairman, said in an interview. "But it didn't work that way."

Instead, in Bombardier-Alstom, Amtrak had chosen a company that had to design an almost entirely new train. In addition, Amtrak and the Federal Railroad Administration, which oversees the railroad, began issuing thousands of design demands. Some were trivial, ranging from wall coverings to door chimes. But others were not.

'High-Velocity Bank Vault'

Unlike European and Japanese high-speed trains, most of which run on dedicated lines, Amtrak shares the Northeast Corridor with bulky, slow freight trains. The railroad agency has long required that passenger trains be heavier than European ones to withstand crashes.

Bombardier knew its new train would have to meet those requirements, a spokeswoman said. But Mr. Downs said he asked the rail agency to ease that standard for the new high-speed trains, to no avail.

"They decided they wanted to make this the safest train in the world," he said. "All my engineers thought the rules were nuts."

He dubbed the Acela "the high-velocity bank vault."

Railroad Administration officials contend that Amtrak did not object to the safety requirements.

The result was that the new train weighed more than double the French TGV train on which it was based. The added weight did not slow the new train down, as it ran up to 170 miles an hour in tests.

But several former Amtrak officials say the suspension system on the Acela may have been designed for a lighter train. "Heavier trains are harder to get started, and they are harder to stop," said Mr. Downs, noting the brake problems.

When asked if the problems were the result of marrying a European underbody to an American car, Robert D. Jameson, the acting federal railroad administrator, said that the cause was still under investigation.

"To the extent you take something built for another purpose and associate with the car bodies on these trailers and power cars, and they're not compatible, then potentially you have problems," Mr. Jameson said.

While the trains were being assembled, Amtrak discovered an embarrassing error, one that would provide fodder for late-night talk shows. Engineers realized that the car bodies were four inches too wide for their tilt systems to work properly.

If two Acela trains were going around a curve in opposite directions, and the tilt system on one broke, the trains could brush against each other. Limiting their tilt meant the trains would have to run at slower speeds around bends, but Amtrak said it would still meet its goals for trip times.

The consortium blamed Amtrak for making a sudden change in its safety requirements. But David J. Carol, Amtrak's vice president of high-speed rail, said at the time that "Bombardier has never been particularly candid with us about how this happened."

Consortium officials also complained about excessive meddling by Amtrak on the interior design. But a former Amtrak official, who asked that his name be withheld because he did not want to be publicly involved in the dispute, said railroad officials believed that the interior was being given short shrift, even though the train was supposed to attract sophisticated customers.

"It looked like a commuter car from the 1970's," the official said of the manufacturer's original plan.

Even Amtrak's initial \$16 million marketing campaign for the new train drew criticism.

In the summer of 1999, the company announced that it had dropped "American Flyer" in favor of Acela, a fusion of "acceleration" and "excellence" devised by a New York consultant. (When he became Amtrak president, Mr. Gunn ridiculed the train's name, often opening speeches with a joke: "What is Acela? It's the room under the first floor.")

Rather than emphasizing the train's speed or convenience, the first advertisements featured dreamlike images with offbeat captions. Some riders told The Philadelphia Inquirer that one advertisement, picturing a man with an overcoat around his head and the words, "Depart from your inhibitions," made them think of a flasher.

The campaign was intended to build excitement for Acela's scheduled arrival in late 1999. But it ended well before the train's inaugural run, which was delayed for a year because testing uncovered cracked bolts and a tendency of the

wheels to oscillate on the rails, a dangerous condition known as "truck hunting."

When the Acela finally made its first trip from Washington's Union Station on Dec. 12, 2000, Secretary of Transportation Rodney E. Slater said it would "transform transportation along the Northeast Corridor" and "serve as an engine for economic growth."

The train arrived in Boston 6 hours 43 minutes later, just 12 minutes late.

Today, Acela is capable of reaching 150 m.p.h., but travels that fast only on an 18-mile stretch in Rhode Island and a 10-mile stretch in Massachusetts. It has not achieved Congress's goal of a three-hour trip from Boston to New York, typically making the run in 3 hours 20 minutes. And about a quarter of the time the trains are late, recent Amtrak statistics show.

Now, with the train out of service, frustrations are at a boiling point on the Metroliners that Amtrak has deployed to replace the Acelas. On the jam-packed "Vermonter" that pulled out of Union Station on Friday afternoon, dozens of passengers were left standing in the aisles, sprawled across luggage and pushed against walls. By the time it reached New York, the bar car was out of wine, and the train was an hour behind.

"It's been horrible, horrible, horrible," said Debbie Sugiyama, 37. "But they had no problem taking our tickets and our money."

Trouble in Washington

Amtrak officials are confident that customers will flock back to the Acela once it returns to service, whenever that may be. Less certain is the railroad's future on Capitol Hill.

Created by Congress to be a for-profit private corporation, Amtrak is also required to provide a minimum level of intercity passenger service - even if that means maintaining unprofitable lines.

Senator Kay Bailey Hutchison, Republican of Texas, underscored that conflicting mandate this past week. Defending Amtrak's money-losing long-distance trains, which serve her state, Ms. Hutchinson said, "My motto for passenger rails is 'national or nothing!'"

While Amtrak has some bipartisan support in Congress, it is also strongly disliked by a significant block of conservative lawmakers who view it as a poorly managed drain on the treasury and want it privatized.

Neither side can prevail, but they can fight to a stalemate. And the result is often that Amtrak receives enough to survive, but never quite enough to meet its needs for new equipment and better railways.

"The basic problem with Amtrak is that it has been on a starvation budget for 20 years," said Representative Jerrold Nadler, Democrat of New York.

The standoff in Congress makes it less likely that President Bush's proposal for radically restructuring the passenger rail system will gain traction on Capitol Hill. Representative John L. Mica, Republican of Florida, who strongly supports privatizing the railroad, said he is not optimistic about change.

"At some point, Congress and people in the Northeast Corridor are going to have to wake up and look at some serious alternatives to Amtrak," he said. "But maybe it hasn't gotten quite bad enough yet."

James Dao and Matthew L. Wald reported for this article from Washington, and Don Phillips from Paris. Anne E.

Kornblut contributed reporting from Washington.

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Executive Director
Richard K. Taube

April 8, 2005

Honorable John Warner
United States Senate
225 Russell Senate Office Building
Washington, DC 20510-4601

Dear Senator Warner:

At its meeting on April 7, 2005, the Northern Virginia Transportation Commission discussed the status of the federal transportation reauthorization bill. While the commission is generally pleased with HR-3 as passed by the House of Representatives, one aspect of this bill is particularly troubling.

HR-3 proposes to alter current federal law with regard to value pricing and tolling. Virginia and many other states view value pricing (also referred to as "congestion pricing") and tolling as an important supplemental source of transportation funding and method for managing transportation demand. Several large projects in Virginia include I-395/95 and I-495 here in Northern Virginia and I-81. Thus, the Commission strongly supports changes to federal law that would give states greater latitude to use these tools, but HR-3 as drafted does just the opposite by capping the number of such projects nationwide.

In Sections 1209, 1603, and 1604 of HR-3 as approved by the House, the total number of projects allowed by these sections would be limited to 25, three, and three, respectively. Previously approved pilot projects count against these caps, and the total number of projects approved to date exceeds what HR-3 would allow.

In short, if these unfortunate provisions of HR-3 are enacted by the Senate, states (including Virginia) would be prevented from starting new congestion pricing/tolling projects for the duration of the act. This would have profound, negative implications for Virginia and other states

entertaining new congestion pricing/tolling projects by , preventing what promises to be a very potent funding and demand management strategy.

I urge you and your colleagues representing the many states that view congestion pricing/tolling as a vital tool to enact a reauthorization bill that does not contain the limitations that are imposed by HR-3. Last year's Senate reauthorization bill (S1072) did not contain these limits and could serve as a useful starting point.

Please feel free to contact me with any questions.

Sincerely,



Paul Ferguson
Chairman

cc: Virginia Congressional Delegation

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: April 28, 2005
SUBJECT: Regional Transportation Items

A. Bike to Work Day and Clean Commute Day.

On Friday, May 20th, the Washington Area Bicyclist Association and Commuter Connections will again sponsor the annual Bike to Work day. This annual regional event has gone nationwide by uniting with several other cities. In the Washington D.C area, 18 different "pit stops" will be provided with breakfasts, giveaways, entertainment, speakers and prize drawings. There will also be 19 commuter convoys led by experienced bicycle commuters.

Please contact Jana Lynott of NVTC's staff for further details.

On May 6th the American Lung Association of Virginia and several other partners are sponsoring the statewide Clean Commute Day. Commuters are encouraged to walk, bike, carpool, take transit or use an alternative fuel vehicle as well as teleworking on that day. In this area there will be local events in Arlington and Loudoun counties. For more information go to www.cleancommuteva.org.

B. Heritage Foundation Uses VRE as an Example of Burdensome Transit.

A copy of the web memo published by the Heritage Foundation is attached, as is a response provided by NVTC staff to the media.

C. Smart Parking Demonstration.

The attached article from Metro magazine describes a field trial in California by an eight-member public-private partnership that used variable message signs to lure highway drivers onto transit with real-time updates of the number of parking



spaces available at nearby BART stations. People can also reserve spaces up to two weeks in advance via Internet, phone, and PDA.

D. Reality Check Follow-up.

The Smart Growth Alliance and Urban Land Institute are offering a summary report and video to communicate the findings of this regionwide planning exercise and to explore the desire for education and technical support at the jurisdictional level. Several commissioners participated in this event and if commissioners have any interest, NVTC staff could arrange a briefing.

E. Virginia Department of Rail and Public Transportation's Overview

DRPT has released a comprehensive short report that explains its purpose, accomplishments for 2004 and ongoing studies and projects for each of its four divisions—rail; public transportation; administration and capital projects; and fiscal management and information technology. Pie charts show sources and uses of funds for the FY 2005 budget.

One table is of particular interest as it shows the target 95 percent state share of transit capital expenses compared to actual shares from 1995 through 2005. Actual shares fall short of 95 percent, ranging from 30 to 56 percent.

Copies of the full report are available from DRPT by contacting Babette.Golding@drpt.virginia.gov.

F. Understanding the Communications and Information Needs of Elected Officials for Transportation Planning and Operations.

In a January 5, 2005 report to the Federal Highway Administration, John Mason has presented an informative guide for federal officials wishing to communicate effectively with local elected and appointed officials. A copy is attached for your information. Several Northern Virginia experts were quoted in the report, including Kenny Klinge, Gerry Connolly, Jane Woods, Tom Rust, John Milliken and Pierce Homer. Of the many excellent suggestions in the report several are listed next:

- Most local elected officials are focused on problem solving and the existing federal transportation planning process reinforces that approach;
- Give priority to those officials who are most knowledgeable and function as key decision makers;
- Use associations and advocacy groups as conduits;
- Federal environmental and public participation regulations slow down projects and give greater leverage to “not in my backyard” advocates;

- Modern media coverage that emphasizes public sector shortcomings exacerbates public antipathy to taxes of almost any type;
- Local elected officials must manage public expectations given unlimited public demand for unfettered mobility and very limited support for increased tax revenues;
- To be effective most multi-jurisdictional boards strive for consensus, which usually means dividing project opportunities versus working for a holistic , systems approach;
- Local officials want to hear the downside of every issue and its cost implications or potential conflicts, so proposals should list cons as well as pros, not overstate expected results, and include operating and maintenance costs;
- Proposals should ideally be structured to show visible short-term results that are understandable to the public as reflecting progress toward a goal.

G. High Gas Prices Increase Transit Ridership.

The attached article supports greater transit ridership as gas prices rise, even though APTA's research has been inconclusive.



MEDIA RELEASE

For Immediate Release

Contact: Kala Quintana
April 19, 2005
703/ 524-3322 ext 104
kala@nvtc.org

THE NORTHERN VIRGINIA TRANSPORTATION COMMISSION RESPONDS TO THE HERITAGE FOUNDATION ON THE BENEFITS OF VRE

NVTC ENCOURAGES AUTHOR TO 'GO BACK TO THE DRAWING BOARD' FOR REALISTIC SOLUTIONS TO OUR REGION'S TRAFFIC CONGESTION PROBLEMS

Arlington, VA -- Under the things that make you go "Hmmmm?" category: The Heritage Foundation has published a web memo calling for governments to stop funding public transit and instead to lease each of the 7,800 average daily riders of the Virginia Railway Express a new mid-sized car.

In web memo (#717) published on The Heritage Foundation's web site (www.heritage.org) on April 11, 2005 Mr. Ronald Utt, Ph. D proposes this as one solution to our region's traffic congestion challenges --instead of funding a popular and viable congestion easing alternative like the Virginia Railway Express.

The following response to Dr. Utt by NVTC staff examines his short sighted approach and provides hard facts in rebuttal.

The Heritage Foundation Erroneously Uses VRE as an Example of Burdensome Transit

The Heritage Foundation has published a monograph by Ronald D. Utt, Ph.D. titled "Getting Urban Transit Systems Focused on Cost and Service." The Virginia Railway Express is used as an example of rail passenger transportation and what Dr.Utt characterizes as a "19th century technology [that] doesn't measure up to 21st century needs." He calls for government officials to cut service and raise fares to put an end to transit's burden on taxpayers.

Dr. Utt repeats several assertions typically used by critics of public transit:

Do transit systems not cover their costs from farebox revenue and therefore require government subsidies that burden taxpayers?

The truth is, as with any other investments, what matters is the return on government investment in transit. Transit investments benefit transit users and the population at large, because transit usage eases traffic congestion, reduces air pollution, conserves energy and acts as an economic stimulus. That's why USDOT in its reports to Congress uses a methodology that considers mobility, location efficiency and congestion relief and concludes that transit benefits exceed costs by over \$12 per trip. The Texas Transportation Institute reported that annual congestion costs are \$1.2 billion lower in the Washington, D.C. area because of its existing transit system. NVTC's consultants found the rate of return on the investments by the Commonwealth of Virginia in Metrorail is over 19% annually in additional state tax revenues. And the 428,977 weekday transit trips in Northern Virginia save 8,150 tons of air pollutants and 59 million gallons of motor fuel each year.

Looking only at farebox revenues to determine whether transit is a wise investment is like ignoring interest on a bank account in months including the letter "r." Disregarding a significant portion of the economic return is not a useful way to guide future investments.

Is transit ridership a small share of total urban passenger trips?

Measuring transit usage as a percentage of a region's overall trip-making masks the fact that transit is not available to many travelers in the region. Statistics like this suffer the additional distortion of including travel in off-peak hours, when surplus roadway capacity is present and transit often is not. When measured in peak travel times in corridors in which transit investments have been made, transit ridership comprises significant shares of passenger trips. For example, Metrorail and transit buses carry over 60 percent of morning peak traffic along I-66 inside the Beltway in Northern Virginia.

Are transit subsidies paid unfairly from taxes, including fuel taxes on motorists, truckers and private bus companies?

As mentioned, the benefits of transit are derived by users and non-users. These benefits include space on existing highways made available when commuters choose to use transit, cleaner air, and reduced reliance on foreign oil. Taxpayers share the costs of public schools whether or not they have children attending those schools, because society gains from an educated citizenry just as it does from options for mobility created by transit investments.

Is it true that for VRE, a passenger at the most distant station paying \$7.29 per trip is subsidized by \$10.50? Does each of the 7,800 daily VRE passengers require an annual taxpayer subsidy of \$4,481? Does it follow that “At that annual cost, taxpayers could lease or buy on credit a new mid-priced car for every VRE rider, and the government would still have millions of dollars left over for schools or tax relief?”

An informed Wall Street Journal reader has previously responded to Heritage Foundation claims along these lines:

A lease for a new mid-size car at \$3,600 annually for 7,800 people is \$28 million (of course, not the same 7,800 people ride each day). Each lessee would pay about an additional \$2,800 for operating costs (\$22 million), including fuel, maintenance and insurance. Peak hour space on I-66 and I-95 is needed to accommodate these extra cars. That's \$20 million per mile (\$100 million for interchanges) for the average VRE trip length of 35-miles, or \$900 million assuming only two interchanges and ignoring the fact that many riders travel as far as 55-miles on VRE. How about annual highway maintenance costs for the additional lanes?

When they arrive downtown at work, the additional influx of leased cars must be parked. That's another \$94 million for structures at about \$12,000 per space, plus the significant loss of tax revenue for local governments forced to convert commercial property to parking. Assume a million square feet of new parking at a value differential of \$45 per square foot and the resulting tax revenue loss is \$45 million annually. That can blow a large hole in local school budgets.

Adding the costs of Dr. Utt's automobile option, we would need well over a billion dollars for new roads and parking, plus annual operating/lease/maintenance costs exceeding \$50 million, plus annual government revenue loss of \$45 million. The VRE budget that Dr. Utt deplores requires government subsidies of \$36 million annually. Which is the better economic choice?

Should VRE end any plans to expand service, put out its operations for competitive bid, cut service and raise fares to reduce ridership in order to cover any operating deficit that remains?

By investing in new maintenance facilities and negotiating for access to Washington Union Terminal, VRE is readying itself for competitive bids to operate its system. But by

pursuing Dr. Utt's other policy prescriptions, VRE would sacrifice the strong economic benefits enjoyed by its customers and those who prefer to keep driving.

Finally, in addition to the errors in economic and policy analysis listed above, Dr. Utt's monograph is marred by factual errors as well. For example, "the nation's capital and its surrounding jurisdictions" have not "refused to enact a new sales tax" to fund WMATA. Only Northern Virginia voters rejected a proposed sales tax increase for transportation, primarily highways. Also, "many of the local governments" funding VRE did not reject its proposed FY 2006 budget. In fact, only Stafford County has so far refused to budget a \$90,000 portion of its subsidy. Finally, Dr. Utt alleges WMATA has turned to Congress for a billion dollar bailout. In fact, a Blue Ribbon Commission of government and business leaders has recommended that the federal government begin to pay a portion of the costs imposed on the system by the significant share of Metro customers working for federal agencies.

Dr. Utt concludes "VRE's managers are not necessarily the problem. No doubt they are doing as well they can in applying a 19th century technology to 21st century needs." He also concedes that "in the world of local transit, VRE is considered an efficient system...." But he does not address why he believes rail transit isn't appropriate for today's world other than to identify the obvious fact that farebox revenues don't cover direct rail transit operating and capital costs. His suggested remedy, leasing autos for all VRE customers, is economically wasteful while simply cutting back VRE service drastically also would dump more cars onto already packed highways.

With transportation dollars in short supply, decisions about what to fund are important ones requiring thoughtful analysis. Dr. Utt's proposals need to go back to the drawing board.

NVTC is the leading source of information about public transportation issues in Northern Virginia. NVTC is a regional agency with the mission of managing traffic congestion, restoring clean air, boosting the economy and improving the quality of life for all of Northern Virginia's citizens through effective public transit and ridesharing networks. NVTC includes the counties of Arlington, Fairfax and Loudoun and the cities of Alexandria, Fairfax and Falls Church covering over 1,000 square miles with a population of 1.5 million. The agency manages over \$100 million of state and federal grant funds each year for public transit and serves as a forum for its board of 20 state and local elected officials to resolve issues involving public transit and ridesharing. Information about NVTC is available at www.thinkoutsidethecar.org or call 703-524-3322.

NVTC

Web Memo



Published by The Heritage Foundation

www.heritage.org[\[back to web version\]](#)

Getting Urban Transit Systems Focused on Cost and Service

by Ronald D. Utt, Ph. D.
WebMemo #717

April 11, 2005 | [Printer-friendly format](#) | [Email](#)

Despite multi-billion dollar subsidies and frequent fare increases, many of America's urban transit systems face widening operating deficits, and some are near the brink of financial collapse. The problem is that 19th century train technology doesn't measure up to 21st century needs. Local officials financing such money-losing transit systems should cut service and raise prices to put an end to transit's burden on taxpayers. And Congress should put an end to federal subsidies for new transit systems.

Urban transit is in bad financial shape. When the nation's capital and its surrounding jurisdictions refused to enact a new sales tax to fund the Washington Metropolitan Area Transit Agency, WMATA turned to Congress with a request for a billion dollar bailout—something it is not likely to get. In the Philadelphia area, the Southeastern Pennsylvania Transportation Authority recently turned to the government of Pennsylvania for an additional \$90 million subsidy to cover its expected deficit. Both systems had already raised fares recently—Washington twice in two years.

In New York City, the MTA raised fares 33 percent in 2003 but still expects next year's deficit to reach \$1.3 billion, an estimate the State's Comptroller says is understated. He expects MTA's deficit to come in nearer \$1.7 billion. In California, San Francisco's MUNI plans to raise fares and cut back service, while the Santa Clara County system has cut back service by 21 percent despite benefiting from a dedicated sales tax of one-half percent levied in the service area. And deficits are beginning to emerge at Los Angeles County's MTA despite a dedicated regional sales tax of one percent.

While the effect of fare increases on riders has been the focus of the debate over transit's fiscal health, the real burden of transit falls on the federal, state, and local taxpayers who subsidize the widening gap between fares and costs. At the federal level, the highway trust fund provides subsidies of approximately \$9 billion per year to local transit systems. Billions more come from state governments, usually from state-levied fuel taxes on motorists, truckers, and private bus companies, while local governments supplement these revenues with a variety of other taxes.

Despite decades of generous subsidies, urban transit ridership is less than 2 percent of the overall urban passenger market and less than 5 percent of the commuter market. Because more than 40 percent of U.S. transit ridership takes place within the New York City area, excluding New York reduces transit's national urban market share to just one percent.

The Virginia Railway Express, a commuter rail system operating in the Virginia suburbs of Washington, D.C., illustrates the great expense of transit. Operating 31 trains per work day over two lines and serving an estimated 7,800 daily commuters in 8 municipalities, VRE's operating and capital costs for next year are expected to exceed its combined fare revenues and existing subsidies from federal, state, and local governments. VRE raised fares last year and has proposed another fare increase for mid-2005. But despite increased ridership and higher fares, VRE still expects its escalating costs to leave a deficit, and it asked the eight local governments in its service area to increase their combined annual subsidies by a half of a million dollars per year.

Many of the local governments rejected the request and are urging VRE to look elsewhere for deficit relief. And well they should: Expressed on a per rider basis, when a passenger at the most distant station on the line buys his or her \$7.29 ticket (at the discounted ten-pass rate), taxpayers kick in another \$10.50 to finance that ride. And because morning riders return in the evening, each passenger embarking imposes a daily cost of \$21.00 on taxpayers. Counting new capital spending plans, VRE's FY 2006 budget will require \$35.5 million in taxpayer subsidies on top of the \$19.9 million it expects to receive from fares.

Put differently, each of VRE's 7,800 passengers will require a taxpayer subsidy of \$4,481 per year to keep the system going and growing. At that annual cost, taxpayers could lease or buy on credit a new mid-priced car for every VRE rider, and the government would still have millions of dollars left over for schools or tax relief.

As costly as the VRE is to operate, by commuter rail standards it is considered one of the more efficient based upon its fare-box recovery rate. In late 2003, for example, Maryland canceled five bus routes whose fares covered only 5 to 22 percent of operating costs. VRE's 41 percent recovery rate, relative to operating and current costs, rises to 58 percent when based on narrowly defined operating costs. This is about the national average for heavy rail systems. New York City did best with a 67 percent recovery rate, while the worst system could cover only 16 percent of its costs with fares.

It follows, then, that VRE's managers are not necessarily the problem. No doubt they are doing as well as they can in applying a 19th century technology to 21st century needs—a costly proposition no matter the details.

Another part of VRE's problem is that it is dependent upon one of America's least effective "businesses"—Amtrak—to operate and maintain its daily rail service under a multi-million dollar contract. As other commuter lines have discovered, Amtrak is one of the most expensive operators in the country, and several commuter rail systems—notably in Boston and Los Angeles—have saved millions of dollars by dumping Amtrak for private operators. VRE has been exploring this option for years. One alleged obstacle is that Amtrak's would deny VRE access to Union Station if VRE went with a private operator.

While VRE's management should take every opportunity to hold down costs, the economics of rail transportation are such that efficiency alone will not be enough to offset high costs and major deficits. But there is a way out for elected officials whose constituents face the prospect of paying ever-higher subsidies for this marginally important mode of transportation.

The first step is for local officials to put an end to any plans to expand service by adding more trains and stations. More trains mean higher losses and larger subsidies. In the example of the VRE, its proposed budget reveals that merely freezing service and canceling its capital wish list would reduce the annual passenger subsidy to \$3,558.

The second step is to put its operations out to competitive bid to cut operating costs. Though a necessary step, even these savings will not be enough for VRE to reach the break-even point, such are its losses today.

The third step is to raise fares to cover the operating deficit that remains. No longer burdened with the goal of increasing ridership, VRE could afford to raise fares to reflect its premium service. In comparison to driving, commuter rail allows users to sleep, read, work, watch a DVD, or just watch the countryside pass by. These are valuable benefits, and a core of commuters would be happy to pay for them. And those who disagree will seek alternatives.

As a final step, with declining ridership, VRE could save millions of dollars by canceling some scheduled routes. Between raising fares and reducing costs, VRE could quickly reach the break-even point. At this point, VRE will have achieved financial independence, built a discerning customer base, and freed more than 99 percent of adults in the area who don't ride VRE from the burden of subsidizing those who do.

These same steps would work in other communities and cities where costly commuter rail is running

in the red and pleading for higher subsidies.

Federal policy could be improved to help states and local communities avoid the expensive long-term commitment of commuter and light rail. Of the \$8.4 billion that the federal government proposes to spend on transit subsidies in FY 2006, \$1.5 billion is dedicated to "new starts," including a new "small starts" program. Seduced by federal money and visions of new trolley cars, impressionable mayors and county supervisors condemn their communities to paying substantial annual subsidies in perpetuity. Ending the new starts program and redirecting the \$1.5 billion to expand road capacity will help communities to avoid this temptation and provide citizens with the transportation choices they are more likely to use.

And federal law has an impact, as well. The Senate-passed transportation bill (S. 248) would reduce federally mandated transit worker severance pay protection from 6 to 4 years. The legislation also would encourage state and local transportation organizations to hire private sector planners and operators. The House transportation bill (H.R. 3) omits these improvements, meaning that the final bill's provisions will have to be worked out in conference.

In the world of local transit, the Virginia Rail Express is considered an efficient system, despite its reliance on subsidies large enough to buy each of its passengers a mid-size car. The truth is that for almost all cities and communities, the economics of rail-based transit just don't make sense. State and local governments should accept this and free their constituents from transit's burdensome subsidies. And the federal government should put an end to policies that make the problem worse.

Ronald D. Utt, Ph.D., is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.

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How 'smart parking' can help to ease traffic congestion

By Joey Campbell, Managing Editor

If commuters stuck in traffic knew that parking was available at nearby public transit stations, would they consider abandoning the road in favor of trains or buses? That was the fundamental question asked by a San Francisco Bay Area partnership before it launched a "smart parking" pilot project aimed at thinning out highway congestion and increasing transit usage.

On Dec. 7, 2004, a field trial was initiated at the Rockridge Bay Area Rapid Transit (BART) station near a busy stretch of California Highway 24. Eight public and private entities came together to develop the pilot, which involves flashing road signs that display real-time updates of the number of parking spaces available at the station.

The system also allows people to reserve spaces or track availability by Internet, phone, cell phone and PDA up to two weeks in advance of a trip. Project officials say early returns are positive, and plans for expansion may soon be underway.

"Ultimately, the vision for this project is the possibility to expand and enhance, or replicate the successes in other locations," says **Susan Shaheen**, the project's principal investigator and research scientist for California Partners for Advanced Transit to Highways (PATH) at the University of California, Berkeley.

Technology and cooperation

Along with researchers at PATH, officials from the California Department of Transportation (Caltrans) and BART are also supervising the pilot's progress. Caltrans has contributed \$500,000 to the project, while several private-sector businesses have also offered technology and financial backing.



An eight-member public-private partnership developed a "smart parking" pilot project that uses road signs to lure drivers off the road and onto transit.

The project uses sensors that count the number of vehicles entering and exiting the Rockridge transit station. Information collected by these sensors is relayed to a central reservation system, which keeps a master tally of available parking spaces. The computer then relays this real-time information to the message signs on the road.

Quixote Corp., a Chicago-based provider of transportation safety products, provided hardware, software, sensors and signs to the pilot. Intel, Microsoft and Verizon Wireless made technology contributions. Another private stakeholder, ParkingCarmaTM in Emeryville, Calif., integrated all the various technologies and now operates the central reservation Website.

Mike Verly, public relations officer for Quixote, says businesses were eager to contribute expertise either for free or at reduced cost because everyone wanted to see if it could work.

'A learning experience'

Since the Dec. 7, 2004, launch, more than 400 commuters have used the smart parking service, and more than 100 have completed research

surveys, with most of them offering positive feedback.

Lester Yoshida, vice president of intelligent transportation systems for Quixote, says this type of program offers multiple benefits. "It has applicability to public transportation, especially along congested corridors, so that drivers can choose to have the flexibility to make decisions whether to drive or ride transit," he says. The project also proves that public transit agencies and departments of transportation can work together to solve congestion problems, he adds.

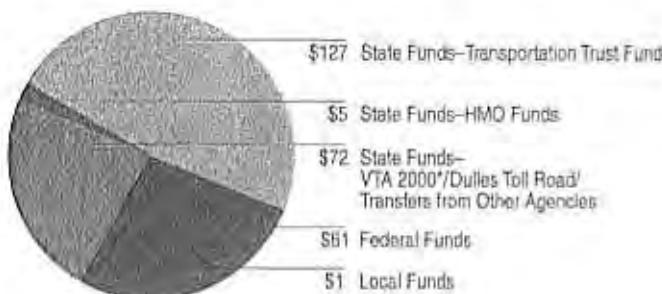
Despite the initial successes, Shaheen says it's important to remember that the project is only a test, with much research and investigation remaining. "It's definitely a learning experience," she says.

A complete evaluation of the pilot will document travel and economic effects through an advanced monitoring program that includes real-time data collection, observational analyses, online survey instruments, focus groups and interviews with users over a one-year period.

E

Where DRPT Funds Come From:

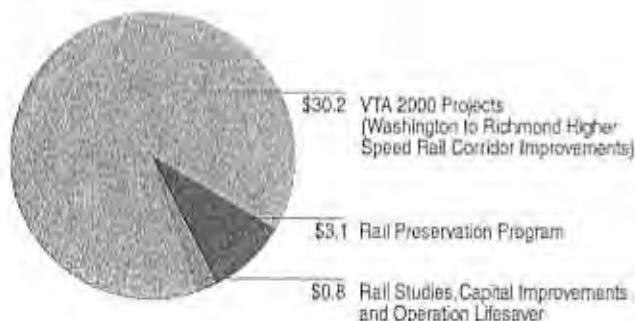
Total: \$266 million



*Virginia Transportation Act of 2000

How DRPT Rail Program Funds Are Invested:

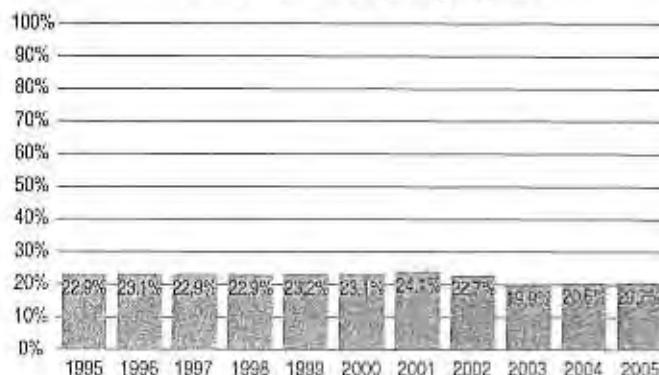
Total: \$34 million



Rail Industrial Access projects are funded through the Industrial Access Program (administered by VDOT).

Percentage of Total Public Transportation Providers Operating Expenses Funded by DRPT

State Share of Total Operating Expenses



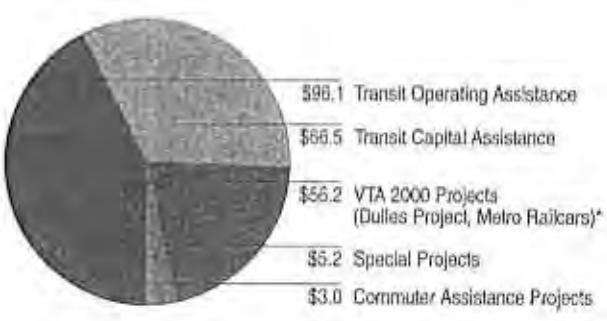
How DRPT Total Funds Are Invested:

Total: \$266 million



How DRPT Public Transportation Program Funds Are Invested:

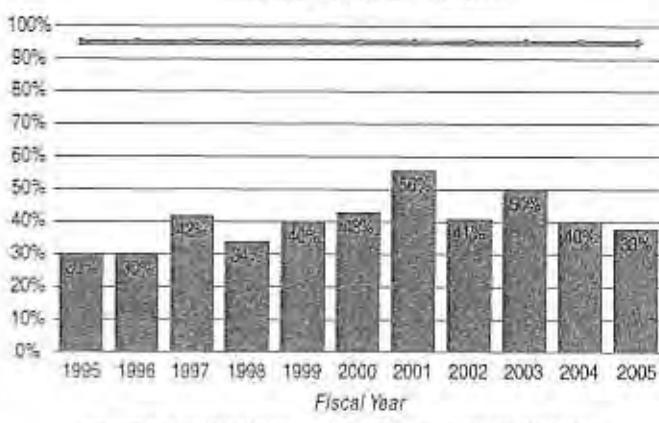
Total: \$227 million



*Includes Dulles Toll Road surplus revenues for Dulles Project

Percentage of Total Public Transportation Providers Capital Expenses Funded by DRPT

State Share of Capital Expenses



■ Actual State Share ■ Maximum Eligible State Share



Understanding the Communications and Information Needs of Elected Officials for Transportation Planning and Operations

There are over 100,000 State and local elected officials in the United States, ranging from governors to village selectmen. There are tens of thousands of appointed officials who are key to the transportation perspective of the elected officials. The challenge is how to communicate to State and local decision-makers emerging transportation planning and operations concepts. The premise of this paper is that effective communications must be built on knowing who the players are, understanding the context in which they operate, and identifying some principles to consider when designing outreach strategies.

State and Local Transportation Decision-Makers

- **State level.** Elected officials include governors and State legislators. Appointed officials typically include secretaries of transportation, commissioners, and often some form of State transportation board.
- **Local level.** Mayors (or whatever the chief local elected official may be called) range from "strong" mayors in major cities where they are the chief executive officers to "weak" mayors in most cities and towns that operate on a "council-manager" form of governance. In these cases, the city or town manager is usually the CEO. Additionally, there will be a council of some sort. Appointed officials typically include a director of transportation or public works.

Environment in Which Elected Officials Operate

Elected officials...

- represent constituencies

"I am elected from a place, by its people. My job is to speak up for their interests and concerns. It's that simple."

- John G. Milliken, former member of Arlington Board and Secretary of Transportation (Virginia)

- must be sensitive to fulfilling the promises or commitments made in their campaign
- are sensitive to the process, tend to abide by the 'rules of the road' for their organization

"The chair of the legislative committee has great power. The chair controls the agenda, the testimony, and the amount of time allotted to the issue. Committee members defer to the chair and it is rare the chair does not prevail."

- Thomas D. Rust, Member, House of Delegates, Virginia

- are dependent on staff
- live in an arena of competing imperatives – economic development vs environmental and quality of life issues, the "American dream" vs sprawl, social needs vs school needs vs transportation needs, and so on

F

"Local elected officials must manage public expectations about transportation. We walk a fine line between almost unlimited public demand for unfettered mobility on the one hand, and very limited public support for increased tax revenue with which to finance these improvements on the other. In addition, achieving a public consensus about best solutions to congestion is riven with the challenges of NIMBY-ism, smart growth resistance, and roads vs. transit debate. It is a painful conundrum."
- Gerry Connolly, Chairman, Fairfax County Board of Supervisors, Virginia

- tend to be respectful of colleagues' turf
- recognize that inter-personal relationships are usually the key to getting things done
- have some particular area of interest – affordable housing, social services, education, etc.
- have limited time in which to address any specific issue
- like to be given credit and recognition for successful projects, programs or solutions
- are extremely sensitive to fiscal constraints; virtually all decry the growing shortfalls
- prefer "plain speak"

"Have you often asked yourself, 'Who were those guys and what did they say?' The most frustrating part of an elected official's job is to listen to a presentation by a group of engineers, planners, or other highly technical individuals, who use their own language, often filled with acronyms, technical terms, and other professional forms of communication. These dynamics tend to create an environment that can prevent elected officials from taking a proverbial leap of faith to acceptance."

- Randall Morris, Commissioner of Seminole County, Florida

And, finally, elected officials like to get re-elected.

Communicating with Elected Officials

Political reasons why elected officials get involved

- Issue is of particular interest to elected official's party or constituency group
- Involvement affords opportunity to become a leader with legislative body
- Engagement may afford opportunity for alignment(s)
- Issue may be high visibility, has potential for media coverage
- Constituents will perceive elected official is doing important work

Personal reasons why elected official may become involved

- Keen personal interest
- Desire to tackle tough or relevant challenge
- Enhanced knowledge of an issue
- Response to concerns raised by personal friend, political advisor, or family

Factors that affect decision-makers decisions:

- Merits/Content of a recommendation – germane and relevant
- How the issue is framed – framed in a manner that is relevant to elected official and his/her role
- Timing of proposal – need time for reflection and consultation with others
- Reality check – a recognition of the reality in which the specific official operates
- Form of message – what form selected, information must be concise and easily absorbed
- Who delivers the message – absolutely critical. Peers in whom the elected/appointed official has confidence are often the best messenger.

Outreach Principles to Consider

- Understand and appreciate the environment in which elected officials operate

"Three key points need to be made in any communication: 1) What action do you want me to take? 2) Why should I support this action? And 3) How does it impact my constituents?"

- Sarah Siwek, President of Sarah J. Siwek and Associates

- Identify the key leaders and champions relevant to the issue being pursued
- Appreciate that elected/appointed officials are heavily influenced by peers
- Express issues and recommendations in a manner that will be relevant and understood by elected officials

"First, do your research. To communicate effectively with elected officials, start by identifying why they should care. Understand their perspectives and the issues in the area they represent. Maybe they have congestion of a major arterial in their district. Perhaps safety is a key concern for their community. By making clear connections to the issues they face, elected officials will be more likely to respond positively."

- Anne Canby, President, Surface Transportation Policy Project

- Consider how local elected officials can leverage funds

"What impresses members of the General Assembly is how you can leverage public funds."

- Whittington W. Clement, Secretary of Transportation, Virginia

- Design a path that may include key advisory staff and/or the associations within which the elected official operates
- Don't wait until an issue is critical to establish a relationship with key decision-makers. It is important to have ongoing, credible relationships
- Recognize that key staff members influence both substance and the process

"Working with gatekeepers is necessary and crucial to securing the desired support from elected officials."

- Sarah Siwek, President of Sarah J. Siwek and Associates

- Be realistic and forthright
- Appreciate the need for short term products or deliverables
- Listen to them!

Understanding the Communications and Information Needs of Elected Officials for Transportation Planning and Operations

January 5, 2005

Prepared for:



Federal Highway Administration
Office of Planning, Environment
and Realty and the
Office of Operations

Prepared by:

John Mason



Science Applications International Corporation
1710 SAIC Drive
McLean, VA 22102

Table of Contents

Introduction.....	2
Purpose.....	2
Scope.....	2
Key Themes.....	2
Definitions	3
Background and Rationale for Interest	3
Approach.....	4
A Few Caveats.....	5
Organization of Paper.....	5
State and Local Elected Officials and Their Transportation Interests.....	6
Environment in Which Elected Officials Operate.....	9
Communicating with Elected Officials	13
Outreach Principles to Consider	16
Appendix 1. Key Transportation Decisionmakers	19
Appendix 2. Communicating with Elected/Appointed Officials.....	23
Appendix 3. Glossary.....	26
Appendix 4. List of Elected/Appointed Officials Who Have Reviewed Paper.....	31



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Gas prices prompt mass transit use

CLEVELAND, Ohio (AP) -- High gasoline prices are turning some drivers into riders, say public transit authorities in several states.

It's a trend that Joe Calabrese, general manager of the Greater Cleveland Regional Transit Authority, expects to continue as long as a gallon of gas remains about \$2.

"I know there are people on the bus today that weren't on the bus three years ago," he said.

It's the same story for the South Florida Regional Transportation Authority, which operates 72 miles of rail lines between Miami and West Palm Beach, mostly serving business commuters and students.

"We get to know our people," spokeswoman Bonnie Arnold said. "It's just a recurring comment that gas prices have gotten out of hand. Once it goes over \$2 we do see an increase down here."

The American Public Transportation Association says no data is available to support whether there's a similar trend nationally. A study on the subject conducted by the Washington-based organization was inconclusive.

However, in an Associated Press-AOL poll conducted last Monday through Wednesday, 58 percent of Americans said they have reduced the amount of driving they do as a result of recent increases in energy prices. The telephone survey of 1,000 adults had a sampling error margin of plus or minus 3 percentage points.

Calabrese acknowledges he has only anecdotal evidence, but says a 1.5 percent passenger increase in 2003 and 3.7 percent last year supports his claim. It's only the second back-to-back increase in 25 years -- the last one in 1996-97 was the result of a new rail line.

Also, RTA had a 5 percent surge in ridership in the first quarter of 2005, when gas prices really started to climb.

While declining unemployment has increased the use of public transportation in Denver, the Denver Regional Transportation District is confident that gas prices have influenced the recent uptick, spokesman Scott Reed said.

"It's pretty clear the spike in gas prices resulted in a corresponding increase in ridership," Reed said.

More passengers have been using its bus and rail lines for the past year with 5 percent increases in December, January and February, Reed said.

Owen King, 54, has been taking the bus to work in Cleveland for 10 years and knows that recently there's been a little less elbow room.

"I've seen more people than usual and overheard conversations where people are saying gas is out of sight and there's no end in sight," King said.

RTA is trying to grab even more commuters with a radio and billboard advertising campaign urging motorists to "Join the gas protest sit-in" by taking a seat on buses or trains.

But transit authorities still have to pay the same high fuel prices their riders are looking to avoid.

"We're hoping the ridership increase at least offsets costs that we will be incurring," Calabrese said.

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Find this article at:

<http://www.cnn.com/2005/US/04/23/fleeing.the.pump.ap/index.html>

Check the box to include the list of links referenced in the article.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: April 28, 2005
SUBJECT: Update on NVTC Correspondence

A. NVTC Letter Regarding Telework.

A copy of Chairman Ferguson's letter to Governor Warner is attached.

B. Exhibit Showing Lack of Funds to Match Federal Grants.

At the request of the commission, excerpts are attached from the presentation of VDOT's Mary Lynn Tischer to the March 14th Fairfax County Transportation Summit.

C. Response to NVTC's Letter on HOV Enforcement.

Secretaries Pierce Homer and John Marshall have replied to NVTC's letter. A copy is attached.

D. NVTC Letter to Congressional Delegation on Study of Federal Subsidies to Passenger Transportation.

A copy of Chairman Ferguson's letter is attached for your information.

E. NVTC Letter to Jurisdictions Regarding NVTC Alternates.

A copy of a letter is attached that was sent by Chairman Ferguson to each NVTC member jurisdiction describing the commission's By-Laws change to allow alternates.





NVTC

Northern Virginia Transportation Commission

(A)

Chairman
Hon. Paul Ferguson

April 19, 2005

Vice Chairman
Hon. Gerald E. Connolly

Secretary/Treasurer
Hon. David F. Snyder

Commissioners:

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Hon. William D. Euille
Hon. Ludwig Gaines

Arlington County
Hon. Paul Ferguson
Hon. Jay Fisette
Hon. Christopher Zimmerman

Fairfax County
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Hon. Catherine Hudgins
Hon. Dana Kauffman
Hon. Elaine McConnell

City of Fairfax
Hon. Scott Silverthorne

City of Falls Church
Hon. David F. Snyder

Loudoun County
Hon. Eugene Delgaudio

**Virginia Department of Rail
and Public Transportation**
Karen Rae

Virginia General Assembly
Sen. Jeannemarie Devolles Davis
Sen. Mary Margaret Whipple
Del. David B. Albo
Del. Adam P. Ebbin
Del. Timothy D. Hugo
Del. Gary A. Reese

Executive Director
Richard K. Taybe

Honorable Mark Warner
Governor of Virginia
State Capitol, 3rd floor
Richmond, VA 23219

Dear Governor Warner:

At its meeting of April 7, 2005, the Northern Virginia Transportation Commission considered the benefits of an active telework policy in which decentralized workplaces and alternative work schedules are encouraged as a means to reduce traffic congestion and help clean our air.

As you know, the 2005 Virginia General Assembly considered but failed to create a Telework Council with 15 members to be appointed by the Governor. Nonetheless, each state agency head is required to include specific budget requests for information technology, software and other equipment needed to increase opportunities for telecommuting and participation in alternate work locations.

We respectfully ask you to increase your efforts to promote teleworking by state employees, especially in Northern Virginia. This would also set a good example for private employers.

We are prepared to provide whatever assistance we can to help you achieve that objective. Please feel free to contact me with any questions about our request.

Sincerely,

Paul Ferguson
Chairman

cc: Secretary Pierce Homer

State

Mary Lynn Tischer
March 14, 2005

Fairfax Summit: View from the

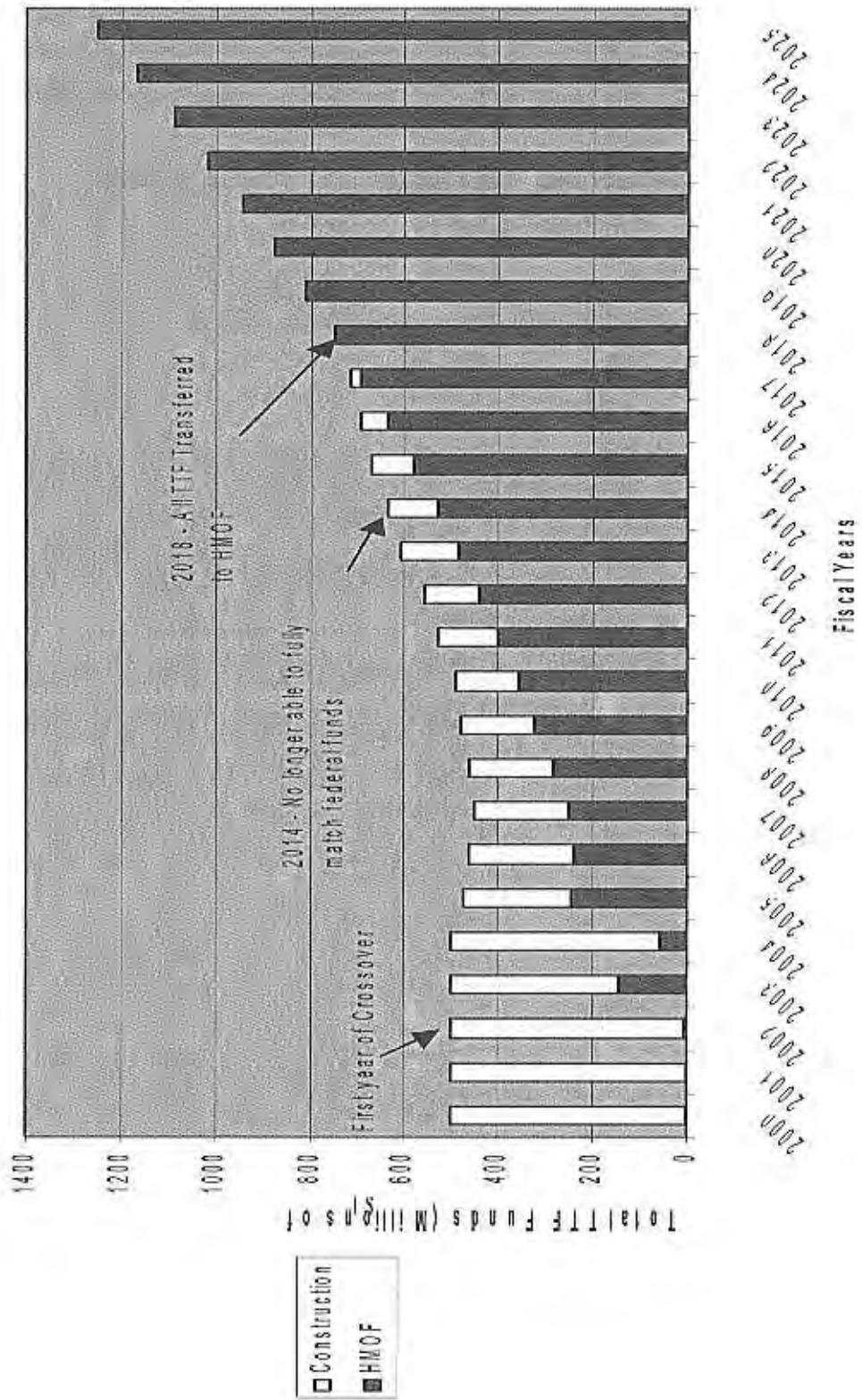
Transportation Finance: Estimate 20 Year Needs & Revenues

- ~\$203 billion in needs
- ~ \$95 B in revenues

Transportation Finance Highway Takeovers

Total Estimated 20-Year Highway Revenues	\$71.7
Debt Service	-3.4
Maintenance	-38.7
Administration and Other Activities	-18.9
Highway Projects in the Six-Year Program	\$ 5.3
Cost to Complete Programmed Highway Projects	8.2
Total Needed to Complete Six-Year Program	\$13.5
Total Available for Construction Over 20 Years	\$10.7
Estimated Shortfall	\$ 2.8

Cross-over of TTF Revenues from Construction to the HMO



Transportation Finance

Chart **assumes:**

- Assumes TTF funds are shifted to pay for maintenance – beginning in 2002
 - Virginia will not be able to match all federal \$ after 2014, therefore, total pot shrinks
 - By 2018, all TTF \$ has been shifted: therefore NO construction
 - Beginning in 2018, federal funds increasingly used for maintenance--only 1/3 of primary, secondary and urban roads are eligible for federal funding (20% of secondary & urban)

Transportation Finance

- Amount needed to keep the Trust Fund whole:

-\$925M per year

Pending Issues

- Rail Fund Criteria
- Private Partnership Fund Criteria
- Local Partnership Program Guidance
- Auto Insurance Taxes—whether continue in future
- Constitutional Amendment
- Legislative Funding Studies



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COMMONWEALTH of VIRGINIA
Office of the Governor

Mark R. Warner
Governor

April 7, 2005

RECEIVED

Mr. Paul Ferguson, Chairman
Northern Virginia Transportation Commission
4350 N. Fairfax Drive, Suite 720
Arlington, Virginia 22203

APR 12 2005

Dear Mr. Ferguson:

Thank you for your letter concerning the HOV lanes on I-95/I-395 in Northern Virginia.

The Virginia Department of Transportation is examining various scenarios to improve operations on the facility and the recommendations of the HOV Enforcement Task Force. Although increasing police presence and increasing fines and penalties for HOV violations have made considerable progress, enforcement continues to be an issue on all HOV lanes. The HOV Enforcement Task Force will continue to meet to address this issue as well as to develop long term strategies for HOV operations.

We appreciate the input and support of the Northern Virginia Transportation Commission, and hope that your staff will continue to participate in the HOV Enforcement Task Force.

I hope this information is helpful. Again, thank you for writing.

Sincerely,

A handwritten signature in black ink that reads "Pierce Homer".
Pierce R. Homer
Secretary of Transportation

Sincerely,

A handwritten signature in black ink that reads "John W. Marshall".
John W. Marshall
Secretary of Public Safety

Copy: Mr. Philip A. Shuey



NVTC

Northern Virginia Transportation Commission

(C)

Chairman
Hon. Paul Ferguson

Vice Chairman
Hon. Gerald E. Connolly

Secretary/Treasurer
Hon. David F. Snyder

Commissioners:

City of Alexandria
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**Virginia Department of Rail
and Public Transportation**
Karen Rae

Virginia General Assembly
Sen. Jeannemarie Devolites Davis
Sen. Mary Margaret Whipple
Del. David B. Albo
Del. Adam P. Ebbin
Del. Timothy D. Hugo
Del. Gary A. Reese

Executive Director
Richard K. Taube

March 10, 2005

Honorable Whittington W. Clement
Secretary of Transportation
202 N. Ninth St., Room 523
Richmond, VA 23219

Honorable John. W. Marshall
Secretary of Public Safety
202 N. Ninth St., Room 613
Richmond, VA 23219

Dear Secretary Clement and Secretary Marshall:

At its meeting of March 3, 2005, the Northern Virginia Transportation Commission reviewed the findings and recommendations of the HOV Enforcement Task Force that you created. We also carefully examined the February 25, 2005 letter from VDOT Commissioner Shucet to FHWA Division Administrator Fonseca-Martinez on this subject. Further, we examined data on HOV capacity, violations and hybrid vehicle use.

NVTC believes that the increased use of hybrid vehicles is very good for this region, creating cleaner air and fuel savings. Our citizens are doing the right thing by switching to these vehicles and they should not be penalized for their own success. We noted that a recent Washington Post survey of this region's commuters found that 55% of Virginia's respondents favored allowing hybrid vehicles on HOV lanes.

In examining the data included in Commissioner Shucet's letter, we observed that violators comprised more vehicles than hybrids at virtually all times and locations on the HOV lanes. This suggests to us that the top priority must be immediate enforcement while the growth of hybrids is monitored and suggestions for altering hybrid access are evaluated.

As a result of our discussion we wish to share these additional comments:

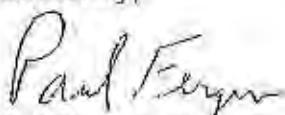
- 1) Since the HOV lanes are already at or near

capacity, the immediate development of a performance monitoring system and remedial plan to address this issue is required, and the elements listed in Commissioner Shucet's letter provide an excellent mix, starting with better enforcement. We do note, however, that given present trends, waiting until this summer to agree on an action plan may be too late.

- 2) Regarding the HOV exemption for hybrid vehicles, we note that the present exemption expires on July 1, 2006 and the Virginia General Assembly did not act during this session to change the exemption, nor did your task force recommend that it do so. Nonetheless, the growth of such vehicles on the HOV lanes is occurring at a startling rate and may require some remedial action, as long as it is not punitive and includes enhanced enforcement of HOV violations.

The Northern Virginia Transportation Commission has been active in monitoring the use of the Shirley Highway HOV lanes from the beginning and serves as an advocate for HOV use in general. Current trends point to even more congestion on the HOV lanes. This is a very serious threat. We are anxious to assist you in whatever way you request in developing an action plan to ensure that our HOV lanes continue to function effectively, without unduly penalizing hybrid drivers.

Sincerely,



Paul Ferguson
Chairman

cc: Philip A. Shucet



NVTC

Northern Virginia Transportation Commission

D

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Vice Chairman
Hon. Gerald E. Connolly

Secretary/Treasurer
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**Virginia Department of Rail
and Public Transportation**
Karen Rae

Virginia General Assembly
Sen. Jeannemarie Devoltes Davis
Sen. Mary Margaret Whipple
Del. David B. Albo
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Del. Timothy D. Hugo
Del. Gary A. Reese

Executive Director
Richard K. Taube

April 19, 2005

Senator George Allen
United States Senate
204 Russell Senate Office Building
Washington, DC 20510-4601

Dear Senator Allen:

At its meeting of April 7, 2005, the Northern Virginia Transportation Commission considered a December, 2004 report from the Bureau of Transportation Statistics titled Federal Subsidies to Passenger Transportation. We found reason to dispute many of the principal findings of this report that have been widely communicated in Northern Virginia.

At a time when our regional transit system is struggling to identify a sustainable dedicated funding source, this report may mislead some citizens and we wanted to bring our concerns to your attention. Many of these are explicitly acknowledged by the authors of the report:

- 1) The authors report that transit is the most heavily federally subsidized form of transportation and that highway users actually paid more to the federal government than the federal government paid out for highways. The fact is that the federal government is only one of many funding partners for each transportation mode. The portion of expenditures derived by each level of government from user fees varies greatly by mode and year. For example, in sharp contrast to the federal government, local governments typically derive only about six percent of their 27 percent share of highway expenditures from user fees. To suggest, based only on the federal perspective, that highways are unsubsidized is inaccurate.
- 2) Transit is generally used for relatively short trips while airlines are used for long trips. Choosing to

express the subsidy outcome per 1000 passenger miles yields a much more favorable result for airlines versus public transit than if passenger trips were used instead.

- 3) Tallies of expenditures/subsidies for each mode may be inconsistent, since tax credits are considered federal expenditures for Amtrak but oil-related subsidies benefiting fuel-intensive modes, accelerated depreciation and other tax benefits for auto manufacturers and users are not counted against highways. Airline security and pension costs do not seem to be included either.
- 4) Of primary significance is the fact that U.S. DOT's own published methodology for computing costs and benefits of public transit was not used in this case. The methodology is described in: 1999 Status of The Nation's Highways, Bridges and Transit: Conditions and Performance--Report to Congress (2000). By considering gains from mobility (\$6.44 per trip), location efficiency (\$9.82) and congestion relief (\$3.07), public transit's net benefits far exceed costs of about \$7.10 per trip.

We wanted to bring our concerns to your attention so that you would be prepared to respond appropriately to your constituents. Please feel free to contact me with any questions.

Sincerely,



Paul Ferguson
Chairman

cc: Northern Virginia Congressional Delegation



U.S. Department
of Transportation



Bureau of
Transportation Statistics

Federal Subsidies to Passenger Transportation

December 2004

Federal Subsidies to Passenger Transportation

Executive Summary

Recent work in the private sector and current policy debates have refocused attention on Federal subsidies to passenger transportation modes. To provide the Department of Transportation with an independent analysis of this issue, BTS developed data on federal transportation revenues, expenditures, and net subsidies, by mode. Subsidy, for the purpose of this analysis, represents a simple accounting calculation of the net flow of funds to or from the federal government for individual transportation modes. The excess of expenditures over revenues is the net subsidy. To show the amount of subsidy relative to the level of use of transportation infrastructure, we normalized the data by dividing the absolute net subsidy values by passenger-miles.

Figure 1. Net Federal Subsidies to Passenger Transportation by Mode: FY 1990-2003

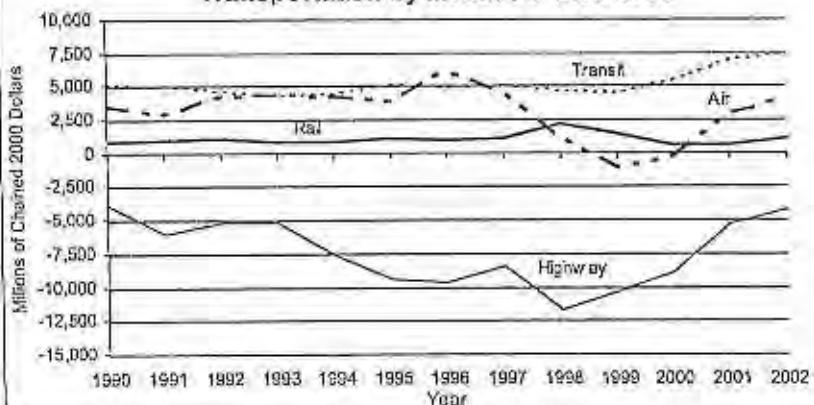
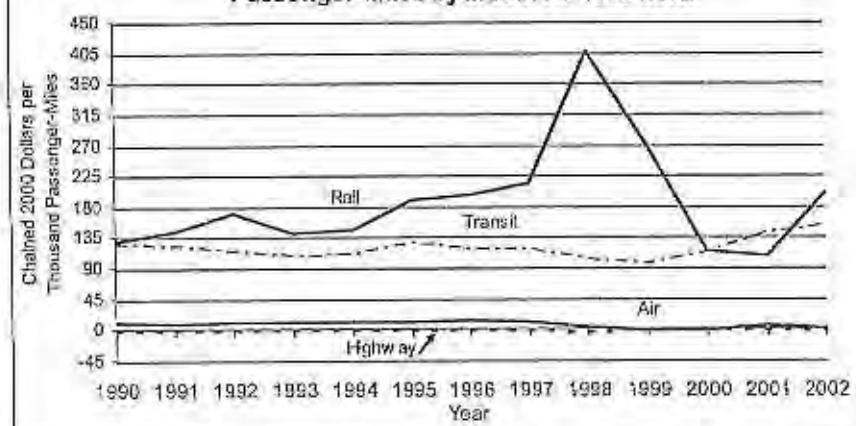


Figure 2. Net Federal Subsidies per Thousand Passenger-Miles by Mode: FY 1990-2002



Highways

- Users of the highway passenger transportation system paid significantly greater amounts of money to the federal government than their allocated costs in 1994-2000. This was a result of the increase in the deficit reduction motor fuel tax rates

between October 1993 and September 1997, and the increase in Highway Trust Fund fuel tax rates starting in October 1997

- School and transit buses received positive net federal subsidies over the 1990-2002 period, but autos, motorcycles, pickups and vans, and intercity buses paid more than their allocated cost to the federal government.
- On average, highway users paid \$1.91 per thousand passenger-miles to the federal government over their highway allocated cost during 1990-2002 (Figure 2).

Passenger Rail

- The net federal subsidy to passenger railroads was the third largest, except for the years 1998-2000 (Figure 1), when it was second. The Taxpayer Relief Act of 1997 provided Amtrak with a tax credit in the amount of \$2.18 billion in current dollars that caused the net federal subsidy to increase dramatically in 1998 and 1999.
- Passenger rail received the largest subsidy per thousand passenger-miles, averaging \$186.35 per thousand passenger-miles during 1990-2002 (Figure 2).

Transit

- Between 1990 and 2002, transit received the largest amount of net federal subsidy, increasing from \$5.09 billion to \$7.31 billion (Figure 1), an increase of 3% per year. Next to passenger rail, transit received the next highest net federal subsidy per thousand passenger-miles for the period, averaging \$118.26 in year 2000 chained dollars (Figure 2).

Air

- After transit, air transportation received the second largest net federal subsidy, except for the period from 1998 to 2000 (Figure 1), when rail was second. Subsidies declined in 1998-2000 as a result of the increase in federal receipts from aviation users associated with the Taxpayer Relief Act of 1997, which increased existing aviation excise tax rates and introduced new taxes as of October 1, 1997.
- Net federal subsidy per thousand passenger-miles for air increased between 1990 and 1996 and then declined from 1997 to 2000, before rising again in 2001 and 2002 (Figure 2). The decline during 1997-2000 was caused by the increase in federal receipts from aviation users as a result of the increase in the existing excise tax rates and the introduction of new taxes in 1997, which preceded increases in expenditures.



NVTC

Northern Virginia Transportation Commission

E

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Del. Timothy D. Hugo
Del. Gary A. Reese

Executive Director
Richard K. Taube

April 18, 2005

Mr. James Hartmann
City Manager
City of Alexandria
301 King Street, Rm 3500, P.O. Box 178, City Hall
Alexandria, VA 22314

Dear Mr. Hartmann:

At its April 7, 2005 meeting, the Northern Virginia Transportation Commission amended its By-Laws to permit the appointment by local governments of alternates for NVTC commissioners. This change is permitted by Section 15.2-4507 of the Virginia Code.

The reason for the change is to make it easier to meet NVTC's statutory quorum requirements. NVTC must typically have 11 commissioners present from at least four jurisdictions. But three of NVTC's six jurisdictions currently appoint only one commissioner each. If all three of these individuals miss an NVTC meeting, there can be no quorum.

The new approach gives your local government the option to appoint one or more alternates to NVTC from among the elected officials serving on your board or council. Where there is more than one individual serving on NVTC from a jurisdiction, it is not necessary for you to specify which specific commissioner each alternate is representing.

There can be no alternates for NVTC's General Assembly members and the local government alternates must be local elected officials. If you choose to appoint one or more NVTC alternates, kindly communicate the results of your action to NVTC in writing. In the meantime, feel free to contact me with any questions.

Sincerely,

Paul Ferguson
Chairman

NVTC
Northern Virginia Transportation Commission

AGENDA ITEM #8

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: April 28, 2005
SUBJECT: NVTC Financial Reports for March, 2005

The financial reports are attached for your information.

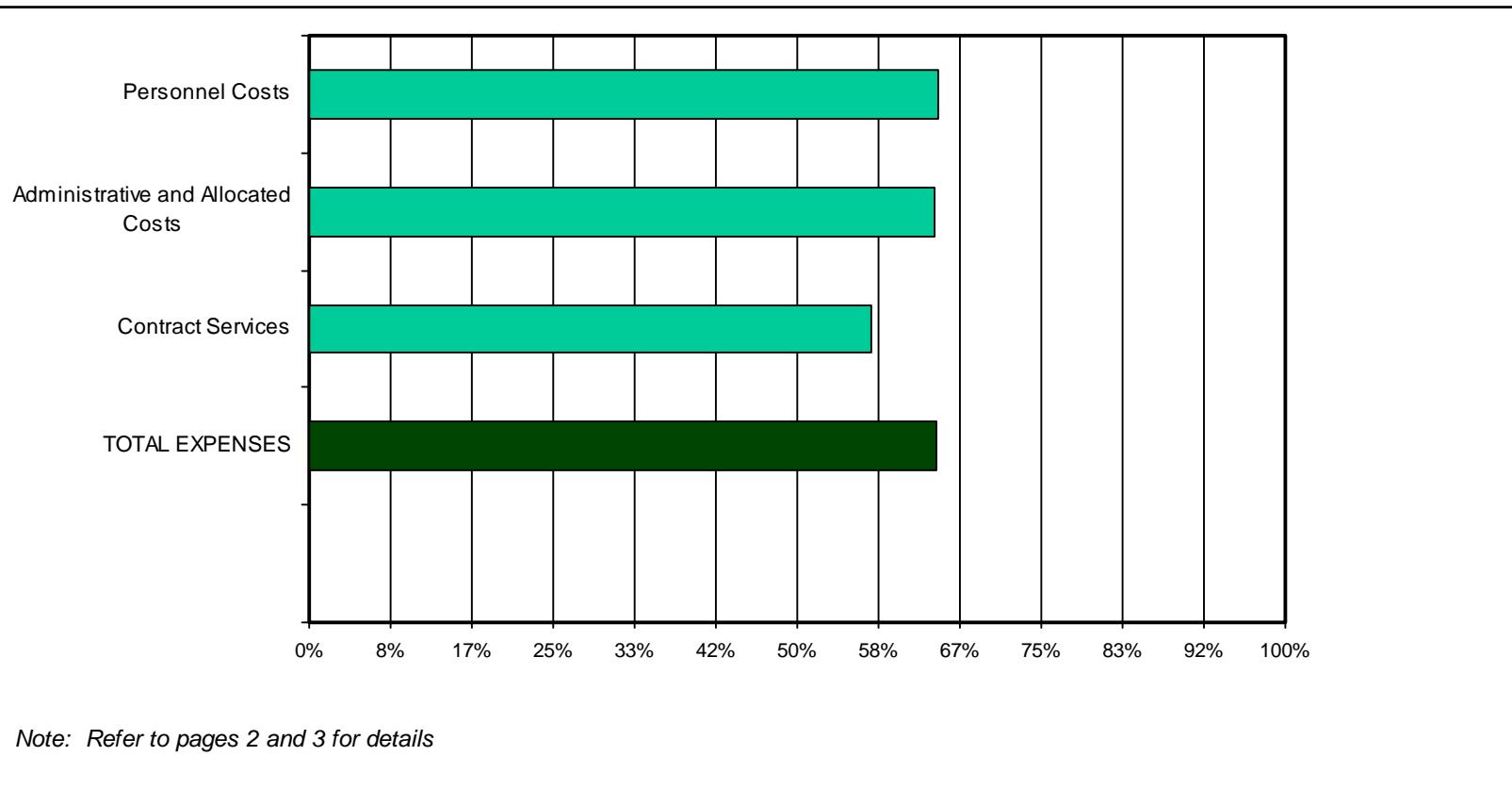


4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports
March, 2005

Percentage of FY 2005 NVTC Administrative Budget Used
March, 2005
(Target 75% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
March, 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	\$ 44,635.68	\$ 406,887.47	\$ 625,800.00	\$ 218,912.53	35.0%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	<u>44,635.68</u>	<u>406,887.47</u>	<u>626,800.00</u>	<u>219,912.53</u>	<u>35.1%</u>
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,151.26	27,570.10	44,900.00	17,329.90	38.6%
Group Health Insurance	4,813.42	45,863.70	77,000.00	31,136.30	40.4%
Retirement	3,673.00	34,649.10	52,500.00	17,850.90	34.0%
Workmans & Unemployment Compensation	366.46	3,421.28	2,000.00	(1,421.28)	-71.1%
Life Insurance	273.72	2,360.06	3,300.00	939.94	28.5%
Long Term Disability Insurance	231.16	2,047.23	3,450.00	1,402.77	40.7%
Total Benefit Costs	<u>12,509.02</u>	<u>115,911.47</u>	<u>183,150.00</u>	<u>67,238.53</u>	<u>36.7%</u>
<u>Administrative Costs</u>					
Commissioners Per Diem	1,050.00	8,750.00	15,250.00	6,500.00	42.6%
<i>Rents:</i>					
Office Rent	14,851.95	119,935.57	160,000.00	40,064.43	25.0%
Parking	13,856.95	112,255.57	148,500.00	36,244.43	24.4%
	995.00	7,680.00	11,500.00	3,820.00	33.2%
<i>Insurance:</i>					
Public Official Bonds	878.80	3,452.20	3,850.00	397.80	10.3%
Liability and Property	-	2,182.00	2,000.00	(182.00)	-9.1%
	878.80	1,270.20	1,850.00	579.80	31.3%
<i>Travel:</i>					
Conference Registration	981.72	9,006.71	25,000.00	15,993.29	64.0%
Conference Travel	300.00	1,295.00	3,000.00	1,705.00	56.8%
Local Meetings & Related Expenses	-	427.13	5,500.00	5,072.87	92.2%
Training & Professional Development	533.02	7,040.88	12,000.00	4,959.12	41.3%
	148.70	243.70	4,500.00	4,256.30	94.6%
<i>Communication:</i>					
Postage	1,026.24	6,149.93	13,800.00	7,650.07	55.4%
Telephone - LD	600.00	2,402.42	7,000.00	4,597.58	65.7%
Telephone - Local	74.59	621.06	1,800.00	1,178.94	65.5%
	351.65	3,126.45	5,000.00	1,873.55	37.5%
<i>Publications & Supplies</i>					
Office Supplies	1,486.37	13,207.41	24,500.00	11,292.59	46.1%
Duplication	193.50	2,512.30	5,300.00	2,787.70	52.6%
Public Information	792.87	9,552.81	13,200.00	3,647.19	27.6%
	500.00	1,142.30	6,000.00	4,857.70	81.0%

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

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
<i>Operations:</i>					
Furniture and Equipment	1,857.39	9,498.48	23,500.00	14,001.52	59.6%
Repairs and Maintenance	837.44	3,177.19	8,000.00	4,822.81	60.3%
Computers	-	31.00	1,000.00	969.00	96.9%
	1,019.95	6,290.29	14,500.00	8,209.71	56.6%
<i>Other General and Administrative</i>					
Subscriptions	212.19	4,510.68	6,300.00	1,917.66	30.4%
Memberships	-	31.13	500.00	468.87	93.8%
Fees and Miscellaneous	-	1,362.00	1,200.00	(162.00)	-13.5%
Advertising (Personnel/Procurement)	212.19	1,876.89	2,300.00	423.11	18.4%
40th Anniversary	-	1,112.32	2,300.00	1,187.68	51.6%
Total Administrative Costs	<u>22,344.66</u>	<u>174,510.98</u>	<u>272,200.00</u>	<u>97,817.36</u>	<u>35.9%</u>
<i>Contracting Services</i>					
Auditing	-	9,225.00	14,000.00	4,775.00	34.1%
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>9,225.00</u>	<u>16,000.00</u>	<u>6,775.00</u>	<u>42.3%</u>
Total Gross G&A Expenses	<u><u>\$ 79,489.36</u></u>	<u><u>\$ 706,534.92</u></u>	<u><u>\$ 1,098,150.00</u></u>	<u><u>\$ 391,743.42</u></u>	<u><u>35.7%</u></u>

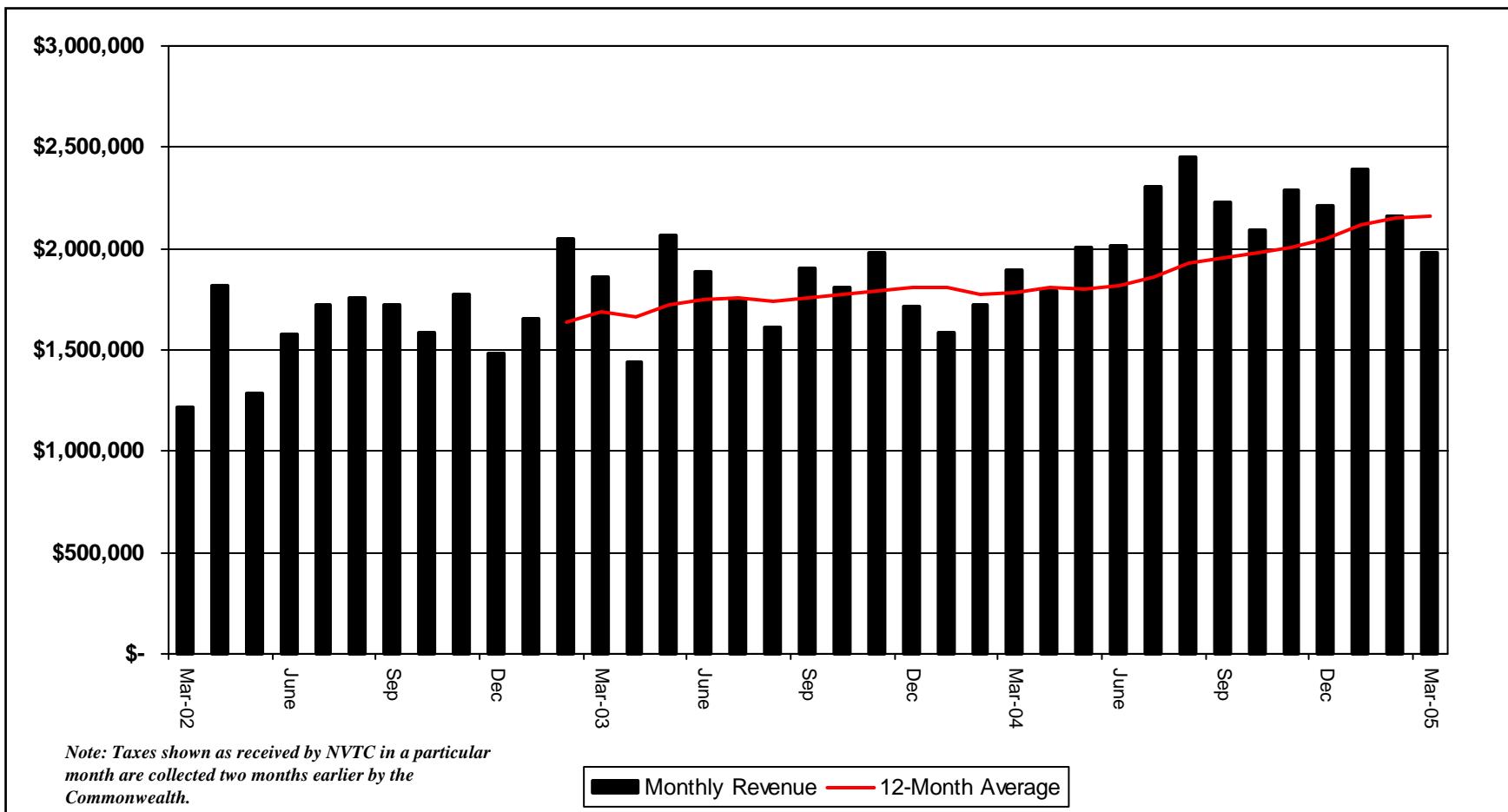
NVTC
RECEIPTS and DISBURSEMENTS
March, 2005

Date	Payer/ Payee	Purpose	Wachovia (Checking)	Wachovia (Savings)	VA LGIP	VA SNAP
RECEIPTS						
8	DRPT	Capital grant receipt			\$ 7,803.00	
10	Dept of Taxation	Motor Vehicle Fuels Sales tax receipt			1,979,733.50	
14	Staff	Expense reimbursement	40.79			
15	VRE	Reimbursement for staff support		7,826.38		
15	FTA	Falls Church bus grant receipt			7,327.00	
17	DRPT	FTM/Admin grant receipt			4,460,949.00	
18	Fairfax County	Farebox procurement advance			222,060.00	
22	DRPT	Capital grant receipt			7,803.00	
22	DRPT	2030 Plan update grant receipts			66,783.00	
22	DRPT	Falls Church bus grant receipt			14,563.00	
29	Staff	Expense reimbursement	16.64			
29	PRTC	Farebox procurement advance		2,273.00		
31	Banks	March investment income		307.58	140,588.64	
			<hr/>	<hr/>	<hr/>	<hr/>
			-	10,464.39	6,907,610.14	-
DISBURSEMENTS						
1-31	Various	NVTC project and administration	(72,532.30)			
23	George Hoyt	Bus Data consulting	(7,506.92)			
23	BMI	2030 Plan update consulting	(50,109.06)			
23	BMI	2030 Plan update consulting	(16,674.04)			
31	Wachovia Bank	March service fees	(64.16)			
			<hr/>	<hr/>	<hr/>	<hr/>
			(146,886.48)	-	-	-
TRANSFERS						
2	Transfer	From savings to checking	71,059.00	(71,059.00)		
2	Transfer	From checking to LGIP	(71,059.00)		71,059.00	
4	Transfer	From LGIP to checking	28,000.00		(28,000.00)	
18	Transfer	From LGIP to checking	30,000.00		(30,000.00)	
18	Transfer	From LGIP to checking	7,506.92		(7,506.92)	
22	Transfer	From LGIP to checking	66,783.00		(66,783.00)	
31	Transfer	From savings to checking	2,273.00	(2,273.00)		
31	Transfer	From LGIP to checking	48,000.00		(48,000.00)	
31	Transfer	From checking to LGIP	(2,273.00)		2,273.00	
			<hr/>	<hr/>	<hr/>	<hr/>
			180,289.92	(73,332.00)	(106,957.92)	-
NET INCREASE (DECREASE) FOR MONTH						
			<hr/>	<hr/>	<hr/>	<hr/>
			\$ 33,403.44	\$ (62,867.61)	\$ 6,800,652.22	\$ -

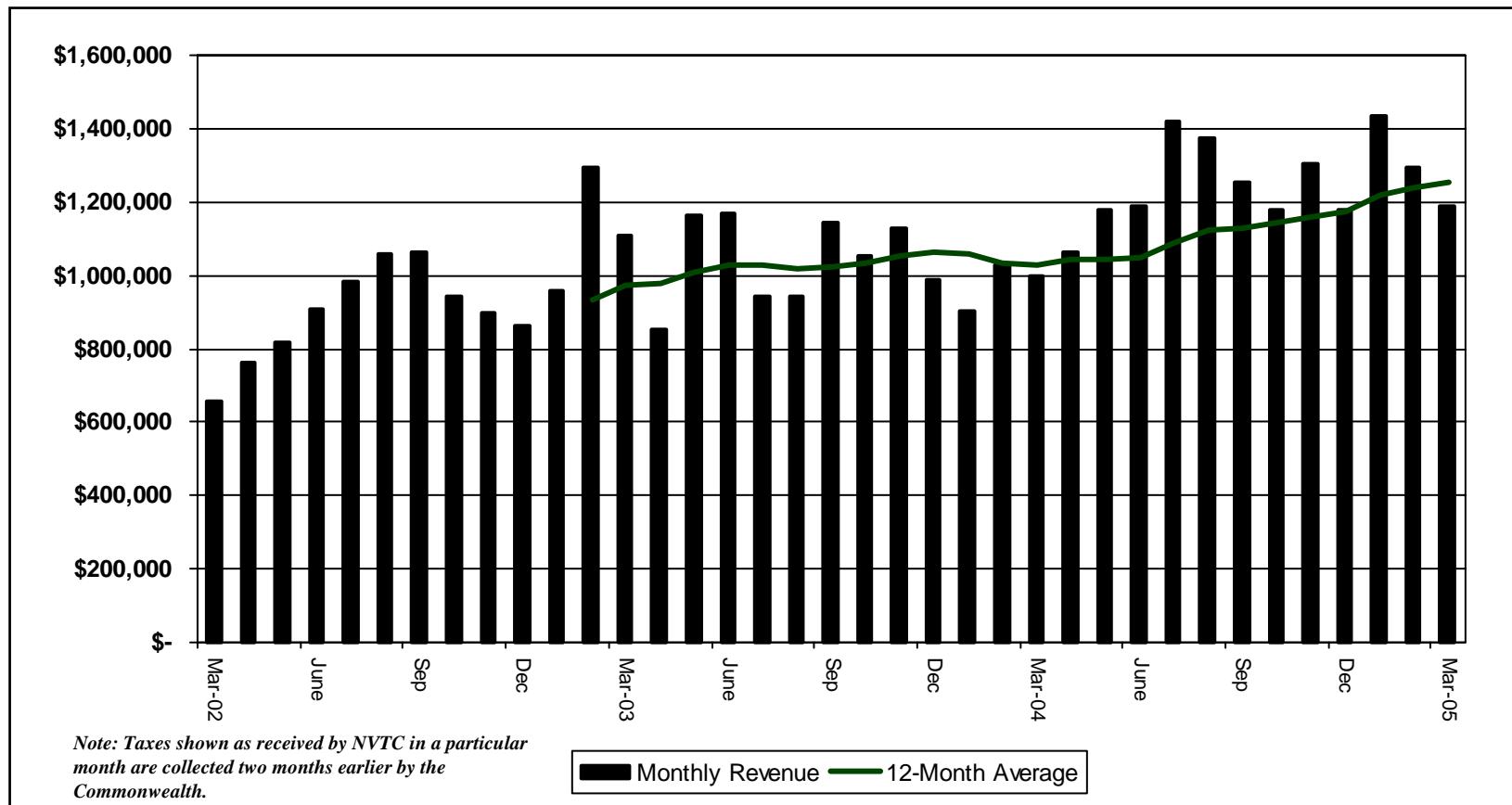
NVTC
INVESTMENT REPORT
March, 2005

Type	Rate	Balance 1/31/2005	Increase (Decrease)	Balance 2/28/2005	NVTC G & A	Jurisdictions Trust Fund	Loudoun County
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 4,054.96	\$ 33,403.44	\$ 37,458.40	\$ 37,458.40	\$ -	\$ -
Wachovia: NVTC Savings	1.89%	257,881.20	(62,867.61)	195,013.59	195,013.59	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	2.50%	62,560,771.45	6,800,652.22	69,361,423.67	678,918.28	53,898,504.23	14,784,001.16
		<u>\$ 46,380,968.96</u>	<u>\$ 6,771,188.05</u>	<u>\$ 69,593,895.66</u>	<u>\$ 911,390.27</u>	<u>\$ 53,898,504.23</u>	<u>\$ 14,784,001.16</u>

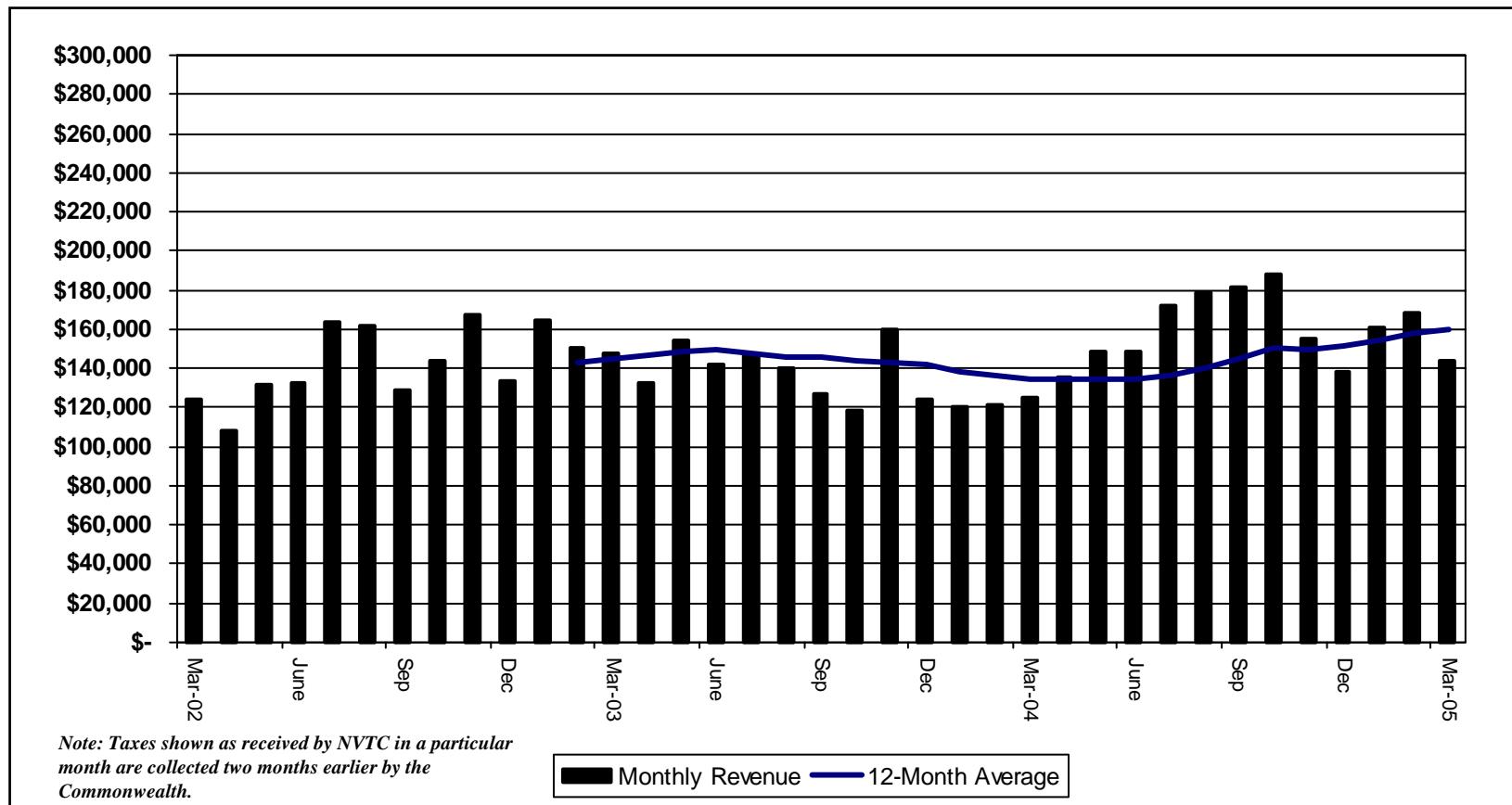
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2002-2005



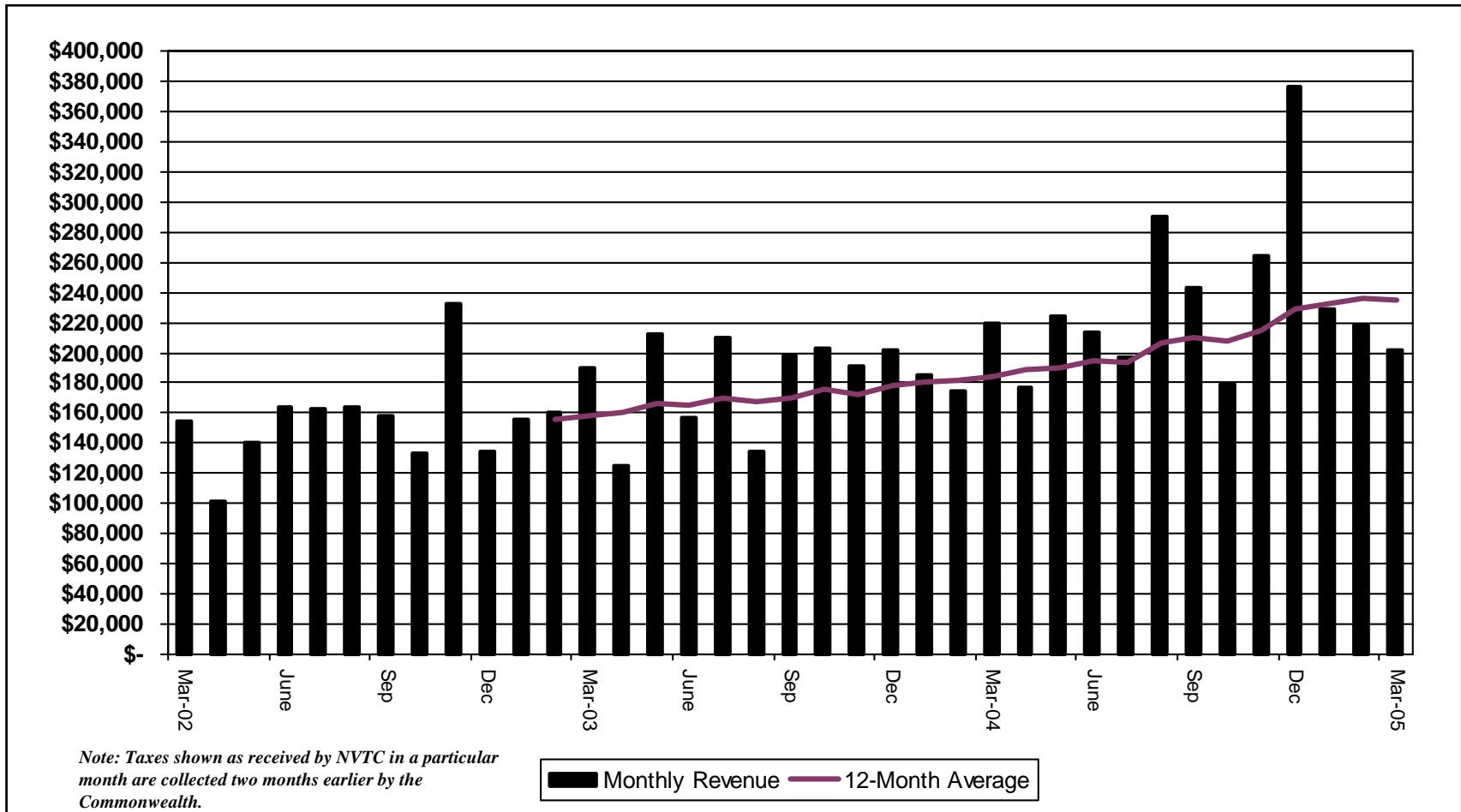
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2002-2005



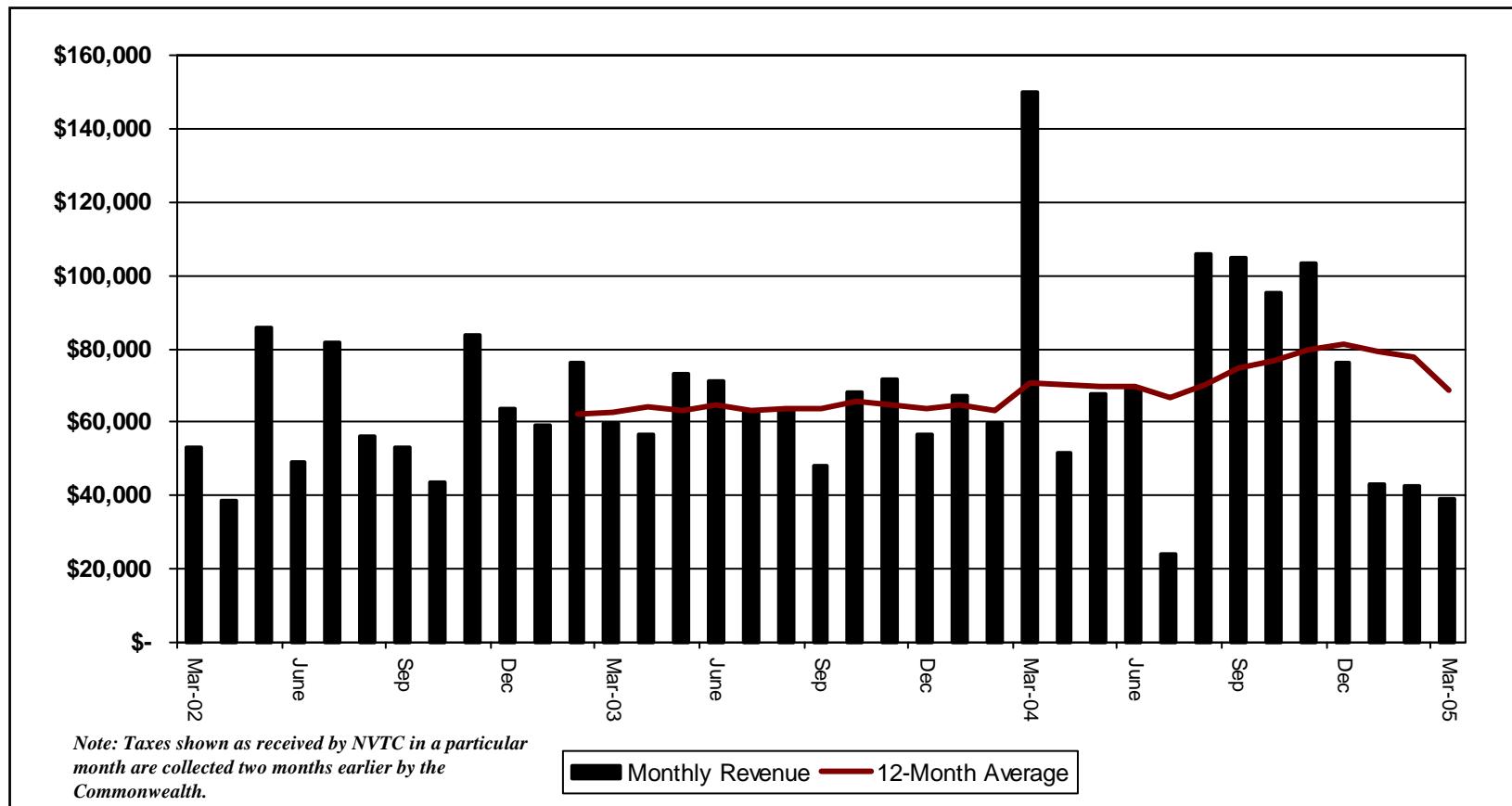
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2002-2005



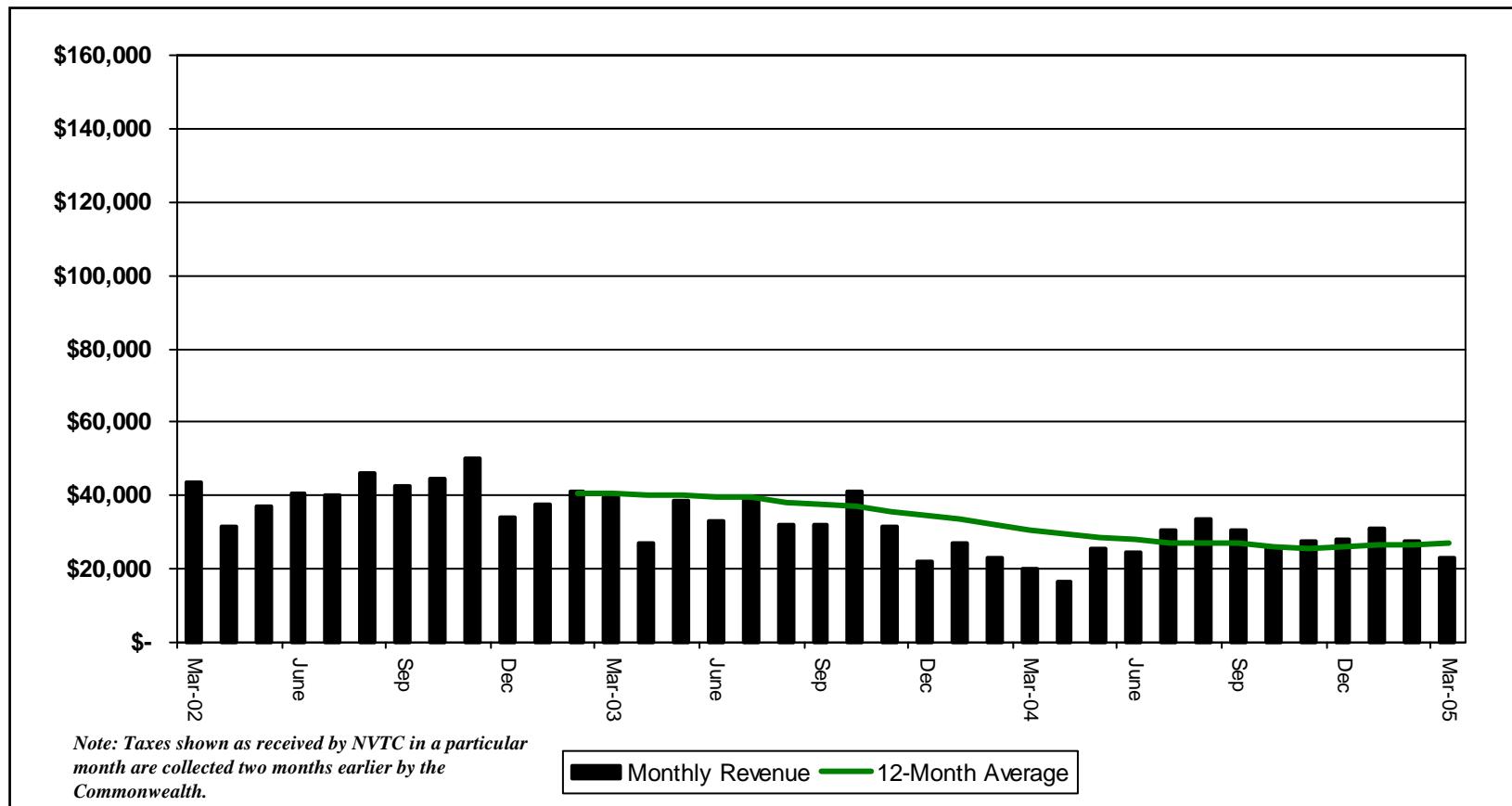
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2002-2005

