

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

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

AGENDA

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

Recommended Action: Approval.

2. Preliminary NVTC Budget for FY 2007.

Each year NVTC forwards a preliminary budget to its jurisdictions with final action in the following February. This year NVTC staff has begun the transition to performance-based budgeting.

Recommended Action: Authorize staff to forward the preliminary FY 2007 budget to NVTC's jurisdictions for use in planning their own local budgets.

3. GEORGE Bus Project Evaluation.

Staff has completed a detailed evaluation which has undergone extensive review. Staff will highlight lessons learned in a presentation.

Recommended Action: Authorize staff to provide the report to project sponsors and to post it on NVTC's website.

4. VRE Items.

A. Report from the VRE Operations Board and VRE Chief Executive Officer--Information Item.

B. Policy on Terms of Entry--Discussion Item.

C. Policy on Delegation of Authority to the VRE Operations Board--Discussion Item.



- D. Referral of the Preliminary FY 2007 VRE Operating and Capital Budget to the Jurisdictions--Action Item/Resolution #1085.
- E. Option for Locomotive Fuel Supply--Action Item/Resolution #1086.
- F. Lease at Woodbridge VRE Station--Action Item/Resolution #1087.
- G. Contract for Septic Tank Services --Action Item/Resolution #1088.
- H. Contract for Railroad Equipment Jacks --Action Item/Resolution #1089.
- I. Contract Amendment for Fare Collection Equipment Maintenance—Action Item/Resolution #1090.
- J. Task Order for Engineering Services for Crossroads Yard--Action Item/Resolution #1091.
- K. May, 2005 Customer Opinion Survey Results--Information Item.

5. Northern Virginia 2030 Transportation Plan Update Survey Results.

Staff will highlight some of the significant results of this recent survey, with emphasis on public attitudes about the role of transit in specific corridors and how best to pay for improvements.

Discussion Item.

6. NVTC's New Look Website.

Staff will display recent improvements to NVTC's website at www.thinkoutsidethecar.org.

Information Item.

7. WMATA Items.

- A. Metro Board Digest for July and August, 2005.
- B. Northern Virginia Committee to Promote Dedicated Funding.
- C. New Bill for WMATA Funding.
- D. Testimony of GAO.
- E. Jurisdictional Veto of Funding for Metrobus 16H.
- F. Phase I Preliminary Engineering Cost Estimate for Dulles Metrorail.

Discussion Item.

8. Legislative Items.

- A. State (Including Northern Virginia Legislative Tour and VTA Draft Legislative Agenda).
- B. Federal (Including TEA-21 Reauthorization and Transportation Reform for the 21st Century).
- C. Northern Virginia's Economic Value to the Commonwealth of Virginia.

Information Item.

9. Regional Transportation Items.

- A. BWI SmartPark and BART Smart Parking Systems.
- B. HOV Enforcement Task Force.
- C. NVTC Correspondence.

Information Item.

10. NVTC Financial Reports for July, 2005.

Information Item.

11. Closed Session on Personnel Items (Section 2.2-3711.A. (1) of the Code of Virginia) followed by action on Resolution #1092.

MINUTES
NVTC COMMISSION MEETING – JULY 7, 2005
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Ferguson at 7:45 P.M.

Members Present

David Albo
Sharon Bulova
Gerald Connolly
Adam Ebbin
Paul Ferguson
Jay Fisette
Ludwig Gaines
Robin Gardner (Alternate, City of Falls Church)
Catherine M. Hudgins
Dana Kauffman
Elaine McConnell
Karen Rae
Scott Silverthorne
Paul C. Smedberg (Alternate, City of Alexandria)
Christopher Zimmerman

Members Absent

Eugene Delgaudio
Jeannemarie Devolites Davis
William D. Euille
Timothy Hugo
Gary A. Reese
David F. Snyder
Mary Margaret Whipple

Staff Present

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



Presentation by Richard White, WMATA's General Manager/CEO

Mr. White gave an overview of the increased security measures Metro is taking in light of the terrorist attacks on the London subway earlier in the day. He also talked about what has happened since the Washington Post articles about the Metro system have been released. The D.C. City Council conducted an oversight hearing which went well and Congressman Davis has scheduled an oversight hearing on July 27th. Mr. White gave an overview of the steps Metro has and is taking to make improvements to the system.

Mr. Kauffman announced that Metrorail ridership for the Fourth of July was 50 percent higher than last year. Overall, Metrorail ridership is up and ridership for June was the highest in Metro's history. Mr. White stated that Metrorail is averaging 730,000-740,000 passengers daily.

Ms. Bulova arrived at 7:55 P.M.

In response to a question from Mr. Connolly, Mr. White stated that the upcoming congressional hearing is expected to look at the question of the unique relationship between the federal government and Metro. Congressman Davis is trying to establish for the record that there is a strong nexus between Metro and the federal workforce.

Mr. Connolly asked how Metro's system is different than the London system. Mr. White replied that the London System has multiple rail lines with redundant service and can recover quicker than Metro, which has single failure points. Single failure points make the system vulnerable and provide greater risks of exposure. Restoration of service is a major issue.

Mr. Zimmerman observed that Metro may be less vulnerable compared to the London system in some areas. The danger from smoke inhalation is much greater for the London system. Mr. White agreed that Metro's ventilation system is considerably better. Metro has a more non-combustible system which is a definite advantage. Ms. McConnell stated that it is important to convey to the public that the Metro system has a safer kind of ventilation system than the London system. In response to a question from Mr. Gaines, Mr. White stated that passengers are being educated on what to look for and how to respond in the event of an emergency. Passengers can be the eyes and ears of the system. There is a lot of good information about emergency preparedness and safety on Metro's website. Also, WMATA has a tunnel training facility that has provided valuable emergency preparedness training for the region's police, fire and rescue personnel.

Commissioners Ebbin and Rae arrived at 8:02 P.M.

Mr. Smedberg asked about this region's communication between emergency preparedness groups and other agencies during today's heightened

alert. Mr. White gave an overview of the extensive process that began around 5:00 A.M. with many agencies.

Mr. Smedberg reported that parts of the London subway are expected to be reopened on Friday, one day after the incident. Mr. Fisette stated that the real vulnerability Metro faces is getting the system reopened after an emergency situation. Mr. White stated that connectivity is a key issue both for capacity and operational safety issues.

Mr. Zimmerman stated that any place where large numbers of people gather is vulnerable to terrorism. The reality is that we cannot make it 100 percent safe. Mr. White stated that Metro tries to make itself a less desirable target.

Mr. Connolly suggested that when Mr. White represents WMATA at the congressional hearings, he publicly bring to the committee's attention the fact that the Post derided the tunnel training facility as non-essential.

Minutes of NVTC Meeting of June 2, 2005

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

Presentation: 511 in the Washington D.C. Metropolitan Area

Chairman Ferguson reported that the consultants were not able to attend the meeting to give the presentation. Mr. Taube stated that there are still some decisions that need to be made about this system. Virginia 511 was implemented throughout the commonwealth on February 16, 2005. However, many Northern Virginia residents don't work in Northern Virginia and head to D.C. and Maryland, where there is no 511 service available. In order to serve Virginia residents it is important that the system serve the Metropolitan D.C. area as well. PBS&J is the consulting firm, hired by VDOT, that is in charge of the 511 implementation in Virginia and is leading the team that will bring it to the D.C. metro area.

State Aid Contract for FY 2006

Mr. Taube stated that each year NVTC submits a standard contract to DRPT for state aid. A total of \$93.7 million for NVTC and VRE in combined standard capital and operating assistance for FY 2006 is expected (compared to \$81.4 million in FY 2005). The funding shortfall is expected to be smaller this year (\$75 million compared to \$100 million last year). Unfortunately, the future

looks dismal. For FY 2007, total statewide assistance from state funded programs in that year is forecast to be cut almost in half, leaving a capital matching ratio of only 25 percent (versus 63 percent in FY 2006 and a maximum statutory target of 95 percent).

Mr. Connolly moved, with a second by Mr. Gaines, to authorize the executive director to execute the contract on behalf of the commission. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Request for Proposals for Transit Automated Vehicle Locator (AVL) Cell Phone Project

Mr. Taube reported that NVTC has received \$199,500 from DRPT to develop a software program to automatically locate transit vehicles via GPS enabled cell phones mounted onboard. Customers will then access real-time bus arrival information via an interactive voice response system. Many transit systems have experimented with AVL systems with varying success, but this inexpensive and simple system has widespread potential for application, especially among smaller transit systems that might not otherwise be able to afford such a system.

Mr. Taube explained that the commission is being asked to authorize staff to issue a RFP for a consultant to help develop and test the required software. At a later NVTC meeting, an award of contract will be presented for commission action.

Mr. Connolly moved, with a second by Mr. Gaines, to authorize staff to issue the RFP. The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Telework Initiatives

Mr. Taube reminded commissioners that Secretary of Transportation Pierce Homer invited NVTC to submit ideas for statewide telework initiatives. Ms. Quintana gave an overview of the history and challenges of telework, as well as 17 recommendations for commissioners to consider. Mr. Connolly stated that it is important to include the concept of institutionalized telework, which means involving Human Resources Departments to formally include it in personnel policies. It is also important to define telework (how many days a week) and be consistent. Telework usually means at least one day a week.

Mr. Connolly reported that 5,000 of the 12,000 Fairfax County employees are eligible to telework and the county will meet its goal of 20 percent by the end of the year with 1,000 employees teleworking at least once a week.

Ms. Rae stated that one of the problems of getting accurate information on the number of people teleworking is because those teleworkers who aren't part of a formal telework program aren't tracked.

Mr. Albo joined the discussion at 8:37 P.M.

Ms. Hudgins stated that it can be difficult to telework at remote centers because of computer firewalls. Mr. Connolly also observed that many employees in this region do classified work.

Chairman Ferguson suggested that commissioners and jurisdictional staff review the recommendations and submit any comments to NVTC over the next few weeks. Mr. Connolly stated that it would be beneficial to send the final recommendations to the Virginia gubernatorial candidates.

Mr. Connolly moved, with a second by Ms. Bulova, to send the final version of the recommendations to Secretary Homer as well as the Virginia gubernatorial candidates. Ms. Rae suggested also sending the recommendations to CTB members, especially the urban members.

Ms. McConnell stated that it would be helpful to prioritize the recommendations and to encourage someone at the state level to champion the recommendations.

Mr. Smedberg requested a friendly amendment to include with recommendation #7 systematic inconsistencies with technological hurdles. Mr. Connolly agreed to include this friendly amendment in his main motion.

Mr. Zimmerman noted that the recommendations could be sent as "recommendations put together by NVTC staff." Chairman Ferguson stated that the recommendations should come from the commission. Mr. Zimmerman stated that he doesn't completely agree with recommendation #17. Mr. Connolly agreed. Mr. Fisette stated that the document is lengthy and suggested paring it down to 10-12 recommendations.

Mr. Connolly observed that currently there are 310,000 people in the Washington Metropolitan region that telework at least one day a week. There are an additional 420,000 workers that are eligible to telework but don't. If everyone who was eligible to telework (730,000) did so, there would be a noticeable difference on the roads and air quality. Telework is a serious issue for this region. Mr. Kauffman noted that it is interesting that there are approximately 730,000 daily Metrorail passengers.

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

Legislative Items

Mr. Taube stated that a draft letter has been prepared to send to DRPT Director Karen Rae regarding the draft program policy goals for the new state Rail Enhancement Fund (with \$23 million of funding annually). The Rail Advisory Board will meet in July for the first time and in September, CTB will adopt the policies, goals and evaluation process for the program.

On a motion by Mr. Zimmerman and a second by Mr. Gaines, the commission unanimously authorized staff to send the letter. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Mr. Kauffman stated that with the recent BRAC relocation recommendations, there may be some interest in more transportation studies if there are significant movements of people to new work locations. He asked if Rail Enhancement Funds could be used for this purpose. Ms. Rae replied that the Rail Enhancement Fund is directed at intercity and freight rail.

Amendment to the NVTC Employees' Pension Plan

Mr. Taube explained that NVTC's pension consultant recently notified the commission of the need to adopt an amendment to this plan effective June 30, 2005. The amendment directs the NVTC pension plan administrator to roll over into an IRA account balances exceeding \$1,000 that the NVTC pension participants, when they leave the plan, do not elect to be paid directly as a lump sum or rolled over into another eligible account. This change is made to conform to new IRS regulations. In order to meet the deadline, the NVTC pension plan trustees executed the change, contingent on ratification by the full commission.

Mr. Zimmerman moved, with a second by Ms. McConnell, to ratify this action. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Change Order to NVTC Contract with Cubic Transportation Systems, Inc. for Additional Tasks Relating to PRTC AVL Integration

Mr. Taube stated that at the request of PRTC, staff has negotiated a change order to NVTC's contract with Cubic Transportation Systems to integrate PRTC's existing Auto Vehicle Locator (AVL) system with the SmarTrip fareboxes, scheduled for installation in the fall of 2005. The \$58,000 cost of this change order would be paid entirely by PRTC, as specified in their commitment letter of July 6, 2005. PRTC is also committed to a 10 percent contingency.

Mr. Gaines moved, with a second by Mr. Fisette, to authorize NVTC's executive director to execute the proposed change order. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

VRE Items

Report from the VRE Operations Board and VRE's CEO. Ms. Bulova commended the minutes of the June 17, 2005 VRE Operations Board meeting to commissioners.

VRE Railcar Construction Engineering/Inspection Contract Award. Ms. Bulova explained that the VRE Operations Board recommends approval of Resolution #1076, which would authorize award of a contract to STV, Inc. to provide construction engineering and inspection services through the warranty period on the 11 new Sumitomo railcars (and the 50 option cars if they are purchased). The amount of the contract would not exceed \$3,399,400, which includes a 15 percent contingency. Funds are available in VRE's approved CIP using a 2003 federal grant.

Ms. Bulova moved, with a second by Mr. Zimmerman, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Exterior Railcar/Locomotive Cleaning Contract Award. Ms. Bulova stated that the VRE Operations Board recommends approval of Resolution #1077. This resolution would award a contract to East Coast Power Washing L.L.C. for exterior cleaning of VRE's rolling stock, in an amount not to exceed \$621,770 for the three years of the contract. Funds are available in VRE's operating budget.

On a motion by Ms. Bulova and a second by Mr. Gaines, the commission unanimously approved Resolution #1077 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Interior Railcar Cleaning Contract Award. Ms. Bulova reported that the VRE Operations Board recommends approval of Resolution #1078, which would approve a contract to Service Master Preferred Services for detailed interior rail cleaning in an amount not to exceed \$1,011,606 for the three years of the contract. Funds are available in VRE's operating budget.

Ms. Bulova moved, with a second by Ms. McConnell, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetto, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Lease for Space in VRE's Quantico Station. Ms. Bulova explained that the VRE Operations Board recommends approval of Resolution #1079, which would authorize VRE's CEO to interview, select and execute a lease agreement for operation of concession and ticket sales at the Quantico VRE station, subject to review by VRE's legal counsel. Negotiations are not completed, although procurement was initiated June 3, 2005.

On a motion by Ms. Bulova and a second by Ms. McConnell, the commission unanimously approved Resolution #1079 (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetto, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Lease for Space in VRE's Woodbridge Station. Ms. Bulova reported that the VRE Operations Board recommends approval of Resolution #1080, which would authorize VRE's CEO to interview, select and enter into a lease agreement for operation of concessions in VRE's Woodbridge station, subject to review by VRE's legal counsel.

Ms. Bulova, moved, with a second by Mr. Zimmerman, to approve the resolution. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetto, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Amended Task Order to STV, Inc. for General Fleet Maintenance. Ms. Bulova stated that Resolution #1081 would authorize a task order to STV, Inc. under the mechanical engineering contract for general fleet maintenance in the amount of \$769,493 (including a five percent contingency). This is expected to cover a continuation of required work through December 31, 2005. Funding is available in VRE's operating budget.

Ms. Bulova moved, with a second by Ms. McConnell, to approve the resolution. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisetto, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Contract Amendment with Mitchell Humphrey for Training. Ms. Bulova reported that the VRE Operations Board recommends approval of Resolution #1082, which would authorize a contract amendment with Mitchell Humphrey for \$20,000 to provide advanced training in the integrated financial management software system installed in May, 2005. The amendment increases the contract value to \$370,000. Funds from federal grants are available in VRE's approved CIP.

Ms. Bulova moved, with a second by Ms. McConnell, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Extension of Operating/Access Agreement with CSXT. Ms. Bulova stated that the VRE Operations Board recommends approval of Resolution #1083, which would authorize an extension of the 1994 agreement with CSXT to a new expiration date of December 31, 2005. CSXT has not requested changes in the terms of this extension, although the negotiation of a long-term renewal is deadlocked over insurance and liability issues.

Ms. Bulova moved, with a second by Mr. Gaines, to approve the resolution (copy attached). The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fiset, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

VRE's 2004 Annual Report. Commissioners received a copy of the annual report.

Other VRE Business. Ms. Rae stated that the VRE Operations Board has in the past used a consent agenda format for standard action items. She asked if NVTC could do the same for some of the VRE action items. Mr. Taube stated that VRE adopted a policy that states exactly which items can be eligible for the consent agenda. He offered to look into this issue for NVTC.

Closed Session. Ms. Bulova moved, with a second by Chairman Ferguson, to approve the following motion:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A (1), (7) and (30) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in closed session concerning one legal matter relating to the terms and conditions of an operating agreement with Norfolk Southern, one personnel matter concerning the VRE CEO's employment contract and one legal matter pertaining to the terms and conditions for inclusion of new participating jurisdictions in the Master Agreement for Commuter Rail.

The vote in favor was cast by commissioners Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman. (Mr. Albo was not present for the vote but did participate in the Closed Session.) The commission entered into Closed Session at 9:00 P.M. and returned to Open Session at 9:43 P.M. Ms. Bulova moved, with a second by Mr. Silverthorne, the following certification:

The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded closed session:

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

The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Ms. Bulova moved, with a second by Ms. McConnell, to approve Resolution #1084, which would authorize an extension to the agreement with Norfolk Southern. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Mr. Albo moved that NVTC staff should return with information and recommendations regarding new participating jurisdictions in VRE sharing in the capital costs borne by existing participating jurisdictions from the start of the VRE projects. Mr. Connolly seconded. The vote in favor was cast by commissioners Albo, Bulova, Connolly, Ebbin, Ferguson, Fisette, Gaines, Gardner, Hudgins, Kauffman, McConnell, Rae, Silverthorne, Smedberg and Zimmerman.

Chairman Ferguson reported that the commission discussed one other item during closed session regarding a personnel item but was unable to come to a consensus, so action will be deferred until the September meeting.

Chairman Ferguson suggested deferring the rest of the agenda items until the next meeting. There were no objections. He adjourned the meeting at 9:45 P.M.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



RESOLUTION #1076

SUBJECT: VRE Railcar Construction Engineering/Inspection Contract Award.

WHEREAS: VRE has a contract with Sumitomo Corporation of America for the manufacture of 11 passenger rail cars with an option for 50 more;

WHEREAS: VRE requires the services of engineering professionals to oversee the manufacturing contract to insure compliance with specifications;

WHEREAS: A professional engineering firm was identified through a competitive process; and

WHEREAS: Funds for this contract are available through VRE's Capital Improvement Program (CIP) as part of the capital fleet expansion project from a FY 2003 federal grant and local match provided from state and local funds.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to STV Inc. for the provision of construction engineering and inspection services through the warranty period of such cars for an amount not to exceed \$3,399,400 (which includes a 15 percent contingency).

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer





RESOLUTION #1077

SUBJECT: Exterior Rail Car/Locomotive Cleaning Contract Award.

WHEREAS: Amtrak's train washing efforts for VRE's fleet are inadequate;

WHEREAS: For the past year VRE has supplemented those efforts through the services of a power washing contractor; and

WHEREAS: A competitive solicitation was issued on May 13, 2005.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to East Coast Power Washing L.L.C. for the exterior cleaning of VRE's locomotive and rail car fleet in an amount not to exceed \$621,770 (which includes 10 percent contingency) for the three years of the contract.

Approved this 7th day of July, 2005


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer





RESOLUTION #1078

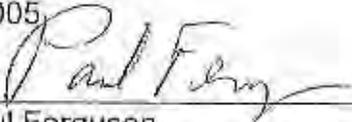
SUBJECT: Interior Rail Car Cleaning Contract Award.

WHEREAS: In addition to daily cleaning for VRE's car fleet, a more comprehensive and detailed cleaning must also be undertaken twice per year which focuses on areas such as corner locations, walls, arm rests, light fixtures and seat pedestals; and

WHEREAS: A competitive solicitation was issued on May 13, 2005.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to Servicemaster Preferred Services for the periodic, detailed interior cleaning of VRE's rail car fleet in an amount not to exceed \$1,011,606 (which includes a 10 percent contingency) for the three years of the contract.

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer





RESOLUTION #1079

SUBJECT: Lease for Space in VRE's Quantico Station.

WHEREAS: The enclosed vendor space inside the Quantico VRE station has recently become renovated and available for lease; and

WHEREAS: A competitive procurement was completed in January 2005, in which no potential users of the space submitted proposals. Since that time, however, three proposals have come forward and VRE initiated another competitive procurement, but it may not be complete by July 7th.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to interview, select, and enter into a lease agreement for the operation of concession and ticket sales at the Quantico VRE station, subject to review by VRE's legal counsel.

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #1080

SUBJECT: Lease for Space in VRE's Woodbridge Station.

WHEREAS: The enclosed vendor space inside the Woodbridge VRE station has recently become available for lease; and

WHEREAS: To ensure competition, a request for interest was published on June 3, 2005.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to interview, select, and enter into a lease agreement for the operation of concessions at the VRE Woodbridge station, subject to review by VRE's legal counsel.

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #1081

SUBJECT: Amended Task Order to STV, Inc. for General Fleet Maintenance.

WHEREAS: VRE currently performs the maintenance, periodic inspections and repairs in the Virginia yards on all of its Gallery cars and many other units of VRE's equipment fleet through its Mechanical Engineering Contractor, STV, Inc;

WHEREAS: Amtrak was scheduled to assume those duties through its own sub-contractor by the summer of 2005; and

WHEREAS: Amtrak is not yet prepared to take over the maintenance of VRE's car fleet in the Virginia yards.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend a task order under the Mechanical Engineering Consultant Contract with STV, Inc. for general fleet maintenance by \$769,493 including a five percent contingency.

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer





RESOLUTION #1082

SUBJECT: Contract Amendment with Mitchell Humphrey for Training.

WHEREAS: A VRE contract with Mitchell Humphrey currently exists for the purchase and implementation of integrated financial software; and

WHEREAS: Additional advanced training is needed.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend the existing contract with Mitchell Humphrey by \$20,000 for a total contract value of \$370,000 in order to provide the required advanced training.

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #1083

- SUBJECT:** Extension of Operating/Access Agreement with CSXT.
- WHEREAS:** The commissions currently have an operating/access agreement with CSXT relating to VRE operations in the Fredericksburg to Washington corridor, with said agreement ending on July 31, 2005;
- WHEREAS:** Staff is currently engaged in ongoing discussions with CSXT concerning a new agreement and does not anticipate conclusion of these discussions prior to the expiration of the operating access agreement;
- WHEREAS:** A proposal to extend the existing agreement to December 31, 2005 without any changes is expected from CSXT; and
- WHEREAS:** Necessary funding has been incorporated into the FY 2006 budget to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the operating/access agreement with CSXT through December 31, 2005.

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #1084

SUBJECT: Operating/Access Agreement with Norfolk Southern.

WHEREAS: The commissions currently have an operating/access agreement with Norfolk Southern relating to VRE operations in the Manassas to Washington corridor, with said agreement ending on July 31, 2005;

WHEREAS: Staff is currently engaged in discussions with Norfolk Southern concerning a new five year agreement;

WHEREAS: If agreement isn't reached on such a new five-year contract by July 31st, then a proposal to extend the existing agreement to December 31, 2005, without any changes, is expected from NS; and

WHEREAS: Necessary funding has been incorporated into the FY 2006 budget to allow VRE to continue its operations over Norfolk Southern tracks via such a contract extension or revised agreement.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute, with approval of legal counsel, an operating/access agreement with Norfolk Southern if all terms detailed in the attached table can be satisfactorily met prior to July 31, 2005; and

BE IF FURTHER RESOLVED that, if these terms cannot be met prior to July 31, 2005, the commission authorizes the VRE CEO to extend the terms of the current NS operating/access agreement through December 31, 2005

Approved this 7th day of July, 2005.


Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



PROPOSED CONTACT TERMS

Item	Proposed Contract	Notes
Term	5 years with five 1 year automatic renewals	After fifth year either party can request changes at end of each year with 90 days notice
Escalator	AAR Index	
Incentive	Up to \$15K per month or \$50 per train	
Insurance	\$250M of liability insurance with terrorism coverage	

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube and Scott Kalkwarf

DATE: August 25, 2005

SUBJECT: Preliminary NVTC Budget for FY 2007

The commission is asked to review the attached preliminary FY 2007 NVTC administrative budget and authorize staff to forward it to the commission's member jurisdictions for their budget preparation. Local staff reviewed this preliminary budget on August 16, 2005 and their comments have been incorporated. For example, they advised that only a few performance objectives be included from the lengthy list provided initially by NVTC staff. The commission will review this budget again in January, 2006 and take action in February, 2006.

The preliminary budget for FY 2007 would increase total expenditures by 3.2 percent to \$1,140,750 over FY 2006. However, the total local and state share would fall by 1.3 percent to \$900,750, because other sources of revenue would increase. Total local contributions have been held steady for the past several years at \$310,000 to maintain local levels of effort (the local share could be as low as five percent) and the same policy would apply for FY 2007. Accordingly, the state contribution would fall by \$11,435 and this amount will be available to the jurisdictions to support their transit programs, since state contributions to NVTC are taken off the top of state aid received by NVTC.

To allocate the \$310,000 local share among NVTC's jurisdictions, the FY 2006 subsidy allocation model is used. It determines the amounts based on the relative shares of financial assistance to be received from NVTC in that year. This approach is required by state statute.

During FY 2005, a positive budget variance was achieved. This was primarily due to the departure of a senior planner with the position remaining unfilled (the position was not budgeted in FY 2006). Other categories of significant spending reductions included travel and office supplies. Excess revenues over budget were achieved in project billings for administrative expenses and interest. These experiences have been taken into account in adjusting the budget line items for FY 2007.



The “unobligated” fund balance at the end of FY 2005 was \$255,000. Of this amount, \$109,000 was previously budgeted as revenue for FY 2006. This leaves \$144,000 to be budgeted as revenue for FY 2007.

The commission has asked staff to initiate performance budgeting by beginning with one of the commission’s primary functions as a pilot. Accordingly, NVTC’s financial management function has been selected.

NVTC staff briefed the commission on the theory and practice of performance budgeting in April, 2005. To recap, the process begins with goals. NVTC has seven that are listed in its 2005 workprogram as approved in January, 2005. That same document includes 20 objectives that are measurable out of 62 workprogram activities. Types of measures to determine success in achieving goals and objectives include:

- 1) Input--budget or actual expenditures per employee.
- 2) Output--amount of accomplishment.
- 3) Efficiency--cost per unit of accomplishment.
- 4) Service quality--degree of satisfaction, accuracy or timeliness.
- 5) Outcome--percent of objective achieved.

For the NVTC FY 2007 preliminary budget, NVTC staff initially proposed 21 such measures and reported on the extent to which these measures were achieved in FY 2005. Based on local staff comments, this number has been trimmed to 12. This performance material is attached as an appendix to the budget.



PRELIMINARY BUDGET

**FISCAL YEAR
2007**

(July 1, 2006 – June 30, 2007)

September 1, 2005

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BUDGETED FISCAL YEAR 2007 REVENUE
PRELIMINARY**

	FY 2005 Actual	Approved Budget FY 2006	Preliminary Budget FY 2007	FY 2007-2006 Budget Increase (Decrease)	Percentage Change
1 Commonwealth of Virginia	\$ 658,150	\$ 602,185	\$ 590,750	\$ (11,435)	-1.9%
2 Alexandria	49,918	47,780	42,408	(5,372)	-11.2%
3 Arlington	72,236	73,323	66,091	(7,232)	-9.9%
4 City of Fairfax	6,301	6,196	7,174	978	15.8%
5 Fairfax County	166,577	164,683	174,674	9,991	6.1%
6 Falls Church	2,602	3,197	3,581	384	12.0%
7 Loudoun	12,366	14,821	16,073	1,252	8.4%
Total Local Jurisdictions	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>	<u>0.0%</u>
8 Total Commonwealth of Virginia and Local Jurisdictions (Note 1)	968,150	912,185	900,750	(11,435)	-1.3%
9 Interest Earned	9,373	4,000	8,000	4,000	100.0%
10 Project Chargebacks (Note 2)	90,000	80,000	88,000	8,000	10.0%
11 Project Grant Billings	22,496	-	-	-	0.0%
12 Appropriated Surplus (Note 3)	(119,825)	109,000	144,000	35,000	32.1%
Total Revenue	<u>\$ 970,194</u>	<u>\$ 1,105,185</u>	<u>\$ 1,140,750</u>	<u>\$ 35,565</u>	<u>3.2%</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF FISCAL YEAR 2007 EXPENDITURES
PRELIMINARY**

	FY 2005 Actual	Approved Budget FY 2006	Preliminary Budget FY 2007	FY07 - FY06 Budget Increase (Decrease)	Percentage Change
<u>Personnel Costs</u>					
1 Salaries (Note 4)	\$ 565,339	\$ 582,384	\$ 649,150	\$ 66,766	11.5%
2 Intern	-	30,000	-	(30,000)	N/A
3 Temporary Employee Services	-	1,000	1,000	-	0.0%
Total Personnel Costs	565,339	613,384	650,150	36,766	6.0%
<u>Benefits</u>					
Employer's Contributions					
4 FICA	38,663	40,869	45,700	4,831	11.8%
5 Group Health Insurance (Note 5)	56,760	92,749	70,500	(22,249)	-24.0%
6 Retirement (Note 6)	45,672	48,800	49,500	700	1.4%
7 Workmans & Unemployment Compensation	5,800	3,000	4,250	1,250	41.7%
8 Life Insurance	3,169	3,150	3,500	350	11.1%
9 Long Term Disability Insurance	2,751	3,902	4,400	498	12.8%
Total Benefit Costs	152,815	192,470	177,850	(14,620)	-7.6%
<u>Administrative Costs</u>					
10 Commissioners Per Diem (Note 7)	12,050	13,800	21,700	7,900	57.2%
Rents:					
11 Office Rent (Note 8)	150,563	156,681	162,900	6,219	4.0%
12 Parking / Metrochek	10,165	10,800	11,500	700	6.5%
Insurance:					
13 Public Official Bonds	4,221	3,850	4,900	1,050	27.3%
14 Liability and Property	2,882	2,000	3,200	1,200	60.0%
	1,339	1,850	1,700	(150)	-8.1%
Travel:					
15 Conference Registration	1,994	2,000	2,000	-	0.0%
16 Conference Travel	2,139	5,000	5,000	-	0.0%
17 Local Meetings & Related Expenses (Note 9)	11,009	12,000	12,200	200	1.7%
18 Training & Professional Development (Note 10)	532	4,000	3,750	(250)	-6.3%
Communication:					
19 Postage	7,681	12,500	10,600	(1,900)	-15.2%
20 Telephone - LD	2,655	6,000	4,600	(1,400)	-23.3%
21 Telephone - Local	888	1,500	1,300	(200)	-13.3%
	4,138	5,000	4,700	(300)	-6.0%
Publications & Supplies					
22 Office Supplies	18,258	29,100	29,800	700	2.4%
23 Duplication and Paper (Note 11)	3,315	5,000	4,300	(700)	-14.0%
24 Public Information (Note 12)	13,438	14,100	15,500	1,400	9.9%
	1,505	10,000	10,000	-	0.0%
Operations:					
25 Furniture and Equipment (Capital) (Note 13)	15,815	23,500	23,800	300	1.3%
26 Repairs and Maintenance	5,599	8,000	7,800	(200)	-2.5%
27 Computer Operations (Note 14)	260	1,000	1,000	-	0.0%
	9,956	14,500	15,000	500	3.4%
Other General and Administrative					
28 Subscriptions	5,388	6,400	6,400	-	0.0%
29 Memberships	31	500	400	(100)	-20.0%
30 Fees and Miscellaneous	1,412	1,300	1,400	100	7.7%
31 Advertising (Personnel/Procurement) (Note 15)	2,833	2,600	2,800	200	7.7%
	1,112	2,000	1,800	(200)	-10.0%
Total Administrative Costs	239,815	279,631	294,550	14,919	5.3%
<u>Contracting Services</u>					
32 Auditing (Note 16)	12,225	17,700	16,200	(1,500)	-8.5%
33 Consultants - Technical	-	1,000	1,000	-	0.0%
34 Legal	-	1,000	1,000	-	0.0%
Total Contract Services	12,225	19,700	18,200	(1,500)	-7.6%
Total Operating Program	\$ 970,194	\$ 1,105,185	\$ 1,140,750	\$ 35,565	3.2%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Explanatory Notes to
Preliminary Fiscal Year 2007 Budget

1. Commonwealth of Virginia and Local Jurisdictional Contributions

Each NVTC jurisdiction is assigned a share of the local portion of NVTC's administrative budget based on its share of revenue received by NVTC on behalf of jurisdictions from all sources in the previous year. This procedure is required by state statute and results in changes in contributions from one year to another that vary for each jurisdiction depending on relative shares of revenue received. The allocation in this FY 07 budget is based on the FY 06 Subsidy Allocation Model.

2. Project Chargebacks

This line consists primarily of charges for NVTC staff support for the VRE project and reimbursed from VRE's budget.

3. Appropriated Surplus

Included as a source of revenue in the FY 07 budget is a projected excess accumulated surplus that is available to offset the proposed operating budget expenses. This surplus is in excess of the commission's anticipated minimum operating requirements.

4. Salaries

Salaries for fiscal year 2007 are budgeted to include merit increases for the existing staff. Step increases for merit incentive raises are included up to 5%, but no cost of living adjustments are provided. Each 1% of merit increases costs approximately \$6,500. Merit increases within the budget amount are awarded at the discretion of the executive director. The FY 07 budget includes nine regular staff positions, which is one more position than the FY 06 approved budget. The additional position is the result of converting an internship to a regular position.

5. Group Health Insurance

During the fourth quarter of FY 2005, the health insurance renewal rates experienced a significant decrease due primarily to a downward shift in the group age band. Prior experience over the past several years however indicates cost increases of as much as 31 percent annually. The FY 2007 budget includes a provision for increasing rates while using the present actual rates as the base.

6. Retirement

Employer pension contributions show a slight increase from the FY 06 budget due primarily to anticipated salary increases. The calculations for the target benefit plan are based on actuarial formulas using the salaries projected for FY 07.

7. Commissioners' Per Diem

The FY 2007 budget is based upon the regular meeting schedule, and includes per diems at the statutory rate of \$200 for senators and delegates, and \$50 for all other commissioners.

8. Office Rent

The administrative office lease was renewed during fiscal year 2001 for the period January 2001 through December 2010. Rent expense is budgeted based upon the fixed costs of the lease, with a provision for increases in common area expenses due to rising costs.

9. Local Meetings and Related Expenses

NVTC hosts numerous regional meetings for the benefit of member jurisdictions. Costs of accommodating numerous meetings are the largest component of this line item, which also includes the costs of NVTC staff traveling to meetings elsewhere in the region.

10. Training and Professional Development

Actual expenditures fluctuate with the changing needs of staff. While FY 05 expenditures were well below the budgeted level, a provision is maintained in the FY 07 budget for future staff training.

11. Duplication and Paper

Duplication costs are budgeted based upon a five year fixed price contract entered into during FY 2001. Because the contract expires in December 2005, a provision has been included in the FY 2007 budget for increased costs. The duplication expense of paper and staples which are not included in the contract have been budgeted based upon estimated usage levels.

12. Public Information

Public information includes the cost of various public outreach projects. For FY 06 and FY 07 an increase has been provided as a result of the expiration of NVTC's marketing grant.

13. Furniture and Equipment

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware. It is expected that during FY 07, computer hardware will need to be replaced or upgraded to support the operations of the commission.

14. Computer Operating Expense

Computer operating expenses include outside network consulting and services, software upgrades and supplies, and web hosting fees.

15. Advertising (Personnel/Procurement)

The FY 07 budget includes a provision for personnel and procurement advertising. An average of prior year costs was used to develop the budgeted amount as this category fluctuates from year to year.

16. Auditing

The FY 07 budget includes auditing fees according to the five-year contract with the present auditors plus a small contingency for additional services. A net decrease from FY 06 to FY 07 is the result of the bi-annual pension plan audit included in FY 06, offset by contracted cost increases.

APPENDIX

**PERFORMANCE BUDGET FOR NVTC'S
FINANCIAL MANAGEMENT FUNCTION**

DRAFT: September 1, 2005

For this first step in converting to full performance budgeting, a special pro-forma fund has been created to include the costs and revenues attributable to NVTC's financial management function. NVTC's Director of Finance and Administration and Assistant Financial Officer devote 100 percent of their efforts to this function. NVTC's Executive Director allocates a quarter of his time to this work. While NVTC's two secretaries and two senior planners/project managers spend about five percent each on invoice processing and grant billing procedures, those activities will be considered in the future as part of a "project management" function.

Regarding other expenses, it is assumed that a corresponding share of all other budget line items are attributable to this function. The same assumption is made for revenues. The attached Table 1 lists the derived costs and revenues for the commission's financial management function for FY 2007.

Table 2 lists 12 performance measures by category, with results for FY 2005 actual. Each year more results will be calculated to provide a historical record and establish favorable (or unfavorable) trends.

TABLE 1

**Northern Virginia Transportation Commission
Pro Forma Financial Management Fund**

	FY 2005 <u>Actual</u>	FY 2006 <u>Approved Budget</u>	FY 2007 <u>Preliminary Budget</u>
<u>Expenditures</u>			
Personnel ¹	\$178,500	\$186,400	\$195,200
Benefits ²	\$47,700	\$57,300	\$52,100
Administrative Costs ³	\$75,700	\$89,500	\$86,200
Contracting Services ¹	\$12,200	\$18,300	\$16,800
Total	\$314,100	\$351,500	\$350,300
<u>Revenues</u>			
Total ⁵	\$314,100	\$351,500	\$350,300

Notes:

1. Includes all salaries of the Director of Finance and Administration and the Assistant Controller and a quarter of the salary of the Executive Director.
2. Includes benefits of the above three positions.
3. Includes the same share of administrative costs as of salaries/benefits.
4. Includes the entire cost of NVTC auditors.
5. Assumes the same share of revenues as of expenses.

TABLE 2

**NVTC PERFORMANCE BUDGET MEASURES
--Financial Management Function--**

<u>Performance Measure</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Budget</u>	<u>FY 2007 Proposed</u>
Input:			
1. Maintain tight budget controls to keep NVTC's total local contributions to NVTC's budget to no more than \$310,000 annually.	Yes \$310,000	Yes \$310,000	Yes \$310,000
2. Effectively manage trust fund assets at a ratio of at least \$35 million per full time equivalent financial management employee.	Yes \$38M		
Output:			
3. Produce acceptable state aid grant applications for WMATA, local bus systems and VRE each year (totaling at least \$140 million) by the state deadline (currently February 1 st).	Yes \$161M		
4. Produce a preliminary allocation of anticipated fiscal year revenues and expenses (totaling at least \$80 million) for each NVTC jurisdiction by June 1 st of each year using NVTC's subsidy allocation model and complete the final projection by September 1 st .	Yes \$97M	Yes \$112M	

	FY 2005 <u>Actual</u>	FY 2006 <u>Budget</u>	FY 2007 <u>Proposed</u>
--	--------------------------	--------------------------	----------------------------

Efficiency:

- | | | | |
|---|-----------------|--------------|--|
| 5. Effectively manage trust fund assets and grant revenues contracted at an administrative cost ratio of no more than \$0.005 per \$1 of assets and revenues. | Yes
\$0.004 | | |
| 6. By careful monitoring of Department of Taxation expenses and proactive work with the department's field auditors, seek to maintain the ratio of administrative costs passed through to NVTC at or below 0.3 percent of total motor fuel tax revenues (currently approaching \$30 million annually) credited to NVTC. | Yes
0.2% | | |
| 7. Effectively manage NVTC's employee flexible benefits program in house at an annual savings of at least \$100 per employee compared to outside management. | NA | Yes
\$118 | |
| 8. Co-own at least \$168 million of VRE assets at a management fee to VRE of no more than \$0.0005 per dollar of assets. | Yes
\$0.0005 | | |

Service Quality:

- | | | | |
|--|-----|--|--|
| 9. In each annual audit, no subsidy allocation or trust fund audit adjustments required by auditors as well as no material deficiencies in internal controls and no related material management letter comments. | Yes | | |
|--|-----|--|--|

	FY 2005 <u>Actual</u>	FY 2006 <u>Budget</u>	FY 2007 <u>Proposed</u>
--	--------------------------	--------------------------	----------------------------

10. All trust fund grant reimbursement requests from jurisdictions with proper documentation processed within five working days in order to maximize investment earnings and cash flow.	Yes		
---	-----	--	--

Outcome:

11. 100% timely subsidy payments to WMATA on behalf of jurisdictions to avoid any late payment penalties.	Yes		
---	-----	--	--

12. Working with NVTC's jurisdictions, achieve 100% of grant funds billed with no material lapsed funds returned to granting agencies.	Yes	\$689 lapsed to close out two grants	
--	-----	--------------------------------------	--



Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



AGENDA ITEM #2

NVTC'S PRELIMINARY FY 2007 ADMINISTRATIVE BUDGET

-September 1, 2005-



REQUESTED ACTION



Authorize staff to forward the preliminary NVTC budget to local jurisdictions for planning their own FY 2007 budgets.

Final action at NVTC will occur in February, 2006.



TOTAL EXPENSES

FY 2005 Actual	FY 2006 Budget	FY 2007 Preliminary Budget	%Change FY2007/2006
\$970,194	\$1,105,185	\$1,140,750	3.2%



COST DRIVERS



Personnel: Up 6.0%--Convert intern to full time position.

Benefits: Down 7.6%--Savings on health insurance.

Commissioners Per Diem: Up 57.2%--General Assembly members receive raise to \$200 from \$50 per meeting.



TOTAL REVENUES



	FY 2005 Actual	FY 2006 Budget	FY 2007 Preliminary Budget	%Change FY2007/2006
Commonwealth	\$658,150	\$602,185	\$590,750	-1.9%
Local Jurisdictions	\$310,000	\$310,000	\$310,000	0
Other (Interest, Projects)	\$121,869	\$84,000	\$96,000	14.3%
Appropriated Surplus	(\$119,825)	\$109,000	\$144,000	32.1%
Total	\$970,194	\$1,105,185	\$1,140,750	3.2%



PERFORMANCE BUDGETING FOR NVTC FINANCIAL MANAGEMENT FUNCTION

Categories of Measures:

- 1) **Input**--budget or actual expenditures per employee.
- 2) **Output**--amount of accomplishment.
- 3) **Efficiency**--cost per unit of accomplishment.
- 4) **Service quality**--degree of satisfaction, accuracy or timeliness.
- 5) **Outcome**--percent of objective achieved.



PRO FORMA FINANCIAL MANAGEMENT FUND



	FY 2007 Preliminary <u>Budget</u>
Personnel:	\$195,200
Benefits:	\$52,100
Administrative Costs:	\$86,200
Contracted Services:	<u>\$16,800</u>
Total	\$350,300

[31% of NVTC's total budget]



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005

Target Measure for FY 2007

Measure Applied to Actual FY 2005

Input:

- | | |
|---|------------------|
| 1. Maintain tight budget controls to keep NVTC's total local contributions to NVTC's budget to no more than \$310,000 annually. | Yes
\$310,000 |
| 2. Effectively manage trust fund assets at a ratio of at least \$35 million per full time equivalent financial management employee. | Yes
\$38M |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005

Target Measure for FY 2007

Measure Applied to Actual FY 2005

Output:

- | | |
|--|---------------|
| 3. Produce acceptable state aid grant applications for WMATA, local bus systems and VRE each year (totaling at least \$140 million) by the state deadline (currently February 1 st). | Yes
\$161M |
| 4. Produce a preliminary allocation of anticipated fiscal year revenues and expenses (totaling at least \$80 million) for each NVTC jurisdiction by June 1 st of each year using NVTC's subsidy allocation model and complete the final projection by September 1 st . | Yes
\$97M |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005

Target Measure for FY 2007

Measure Applied to Actual FY 2005

Efficiency:

- | | |
|---|----------------|
| 5. Effectively manage trust fund assets and grant revenues contracted at an administrative cost ratio of no more than \$0.005 per \$1 of assets and revenues. | Yes
\$0.004 |
| 6. By careful monitoring of Department of Taxation expenses and proactive work with the department's field auditors, seek to maintain the ratio of administrative costs passed through to NVTC at or below 0.3 percent of total motor fuel tax revenues (currently approaching \$30 million annually) credited to NVTC. | Yes
0.2% |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005

Target Measure for FY 2007

Measure Applied to Actual FY 2005

Efficiency:

- | | |
|--|-----------------|
| 7. Effectively manage NVTC's employee flexible benefits program in house at an annual savings of at least \$100 per employee compared to outside management. | NA |
| 8. Co-own at least \$168 million of VRE assets at a management fee to VRE of no more than \$0.0005 per dollar of assets. | Yes
\$0.0005 |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005

Target Measure for FY 2007

Measure Applied to Actual FY 2005

Service Quality:

- | | |
|--|-----|
| 9. In each annual audit, no subsidy allocation or trust fund audit adjustments required by auditors as well as no material deficiencies in internal controls and no related material management letter comments. | Yes |
| 10. All trust fund grant reimbursement requests from jurisdictions with proper documentation processed within five working days in order to maximize investment earnings and cash flow. | Yes |



NVTC PERFORMANCE MEASURES FOR FY 2007 AND ACTUAL EXPERIENCE FOR FY 2005

Target Measure for FY 2007

Measure Applied to Actual FY 2005

Outcome:

- | | |
|--|---|
| 11. 100% timely subsidy payments to WMATA on behalf of jurisdictions to avoid any late payment penalties. | Yes |
| 12. Working with NVTC's jurisdictions, achieve 100% of grant funds billed with no material lapsed funds returned to granting agencies. | Yes
\$689 lapsed to close out two grants |

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube and Adam McGavock
DATE: June 30, 2005
SUBJECT: GEORGE Bus Project Evaluation

Staff will present the results of the project evaluation, which is included in an 84-page report that has been extensively reviewed. After discussion, the commission will be asked to authorize staff to provide the report to project funding partners and to post it on NVTC's website.

NVTC managed the project, which began with the formation of a steering committee in February, 1997. NVTC raised \$2.7 million over the succeeding years from a variety of public and private sponsors. Ultimately four clean-diesel, low floor, 30-passenger buses began to serve Falls Church in January, 2003 and the city has been entirely responsible for paying WMATA to operate the buses since April, 2005.

The complete evaluation report is available from staff on request. It describes ridership, routes, service changes, the history of the project, evaluation of the performance of several technologies tested, customer responses and lessons learned. Appendices include schedules, route maps, surveys and funding details.

The goals and objectives of the project were:

- Demonstrate innovative technologies (including electric buses, hybrid-electric buses, DNOx exhaust gas filtration system, automated passenger counters, automated voice enunciators, electronic display signs, automatic vehicle monitoring system);
- Improve transit service for Falls Church residents;
- Reduce automobile vehicle miles and trips;
- Provide measurable clean air benefits; and
- Provide better links to the regional Metrorail system.

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Northern Virginia Transportation Commission

NVTC



Thinking Outside the Car Since 1964

FINAL PROJECT EVALUATION

FALLS CHURCH BUS PROJECT



IS HERE!





WHAT IS GEORGE?



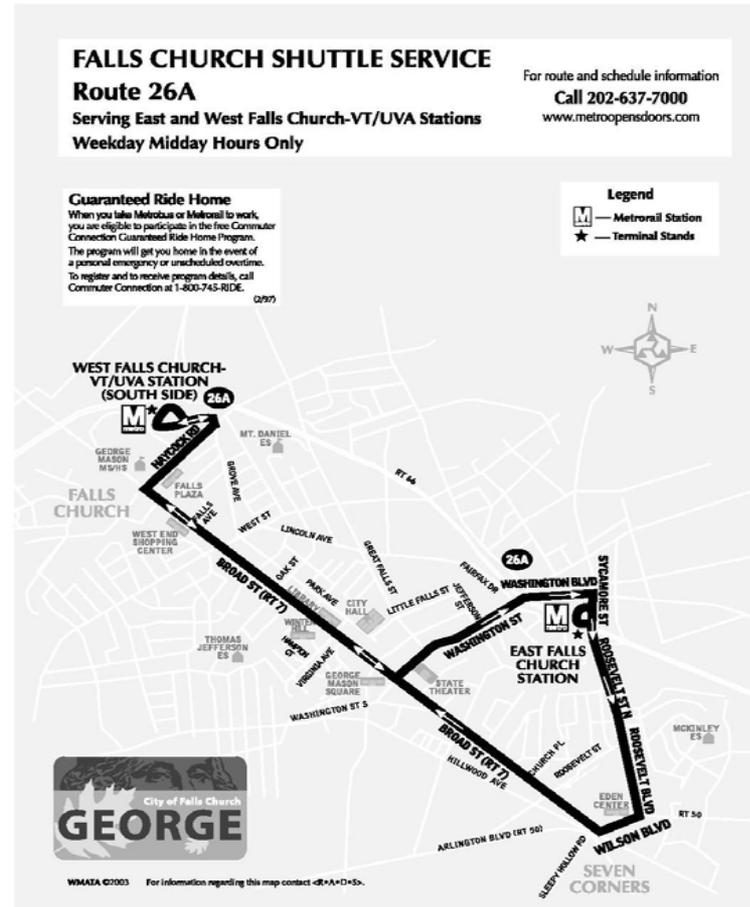
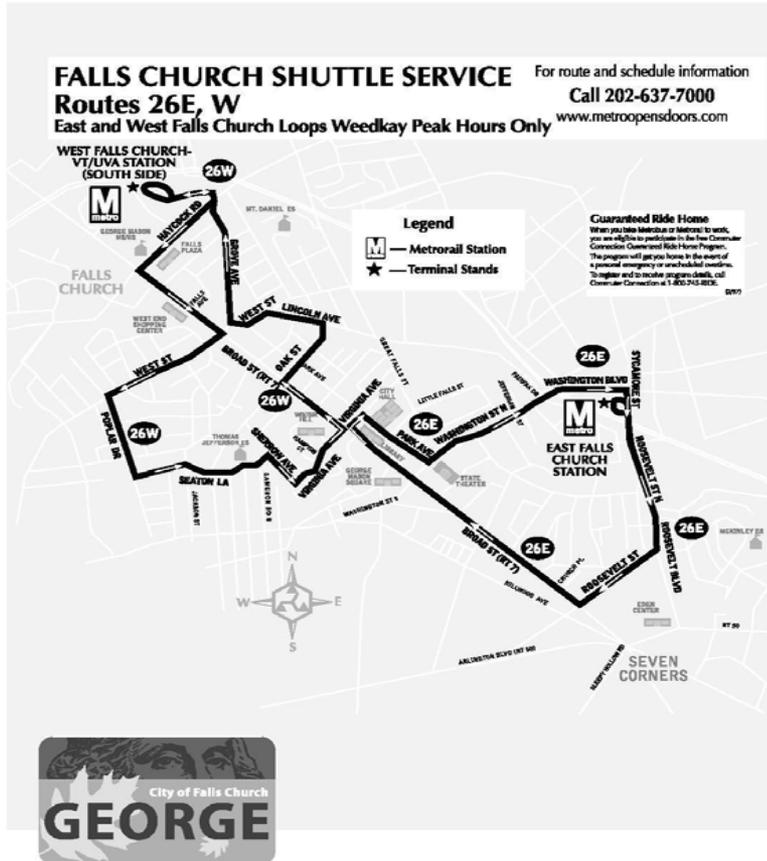
- Demonstration project using primarily state and federal funds, coordinated by NVTC with the city of Falls Church, WMATA and (initially) Virginia Power.
- Four-bus fleet of 30-passenger vehicles using state-of-the-art, clean diesel technology.
- Revenue service began in January of 2003.
- As of April 2005, Falls Church is now entirely responsible for paying WMATA to operate the service.

GEORGE Bus Dedication Ceremony – January 11, 2003





GEORGE Bus Routes (26E, 26W, 26A)





WHAT IS IN THE FINAL PROJECT EVALUATION REPORT?



Chapter 1, Executive Summary

Brief summary of the report.

Chapter 2, Operation

Ridership, route modifications, service changes, and parking.

Chapter 3, Background

Background information on the city of Falls Church, and a history of the project.

Chapter 4, Technology

A description of the technologies found on the GEORGE bus, provided by WMATA.



WHAT IS IN THE FINAL PROJECT EVALUATION REPORT?



Chapter 5, Technical Results

The performance of the technologies found on the GEORGE bus, also from WMATA.

Chapter 6, Customer Responses

A discussion of the passenger survey results.

Chapter 7, Conclusions

Lessons learned, successes and failures.

Appendices

Route maps, schedules, technological output, marketing materials, survey tabulations, funding details.



FALLS CHURCH BUS PROJECT – SELECTED TIMELINE



Working group formed with members from NVTC, WMATA, Falls Church and Virginia Power to explore electric bus service.

February, 1997

NVTC approves award of contract to Electric Vehicles International; contract canceled due to EVI's inability to provide a working vehicle.

July-October, 1998

NVTC approves award of a contract to Advanced Vehicle Systems (AVS); contract canceled due to AVS's inability to provide a working vehicle.

January, 1999
November 2001



FALLS CHURCH BUS PROJECT – SELECTED TIMELINE



NVTC approves award of contract for Thomas Built buses and exhaust gas recirculation filters.

April, 2002

Revenue service begins on the GEORGE Routes.

January, 2003

Falls Church assumes entire operating cost of service.

April, 2005



HAS THE FALLS CHURCH BUS PROJECT ACHIEVED THE ORIGINAL [GOALS AND OBJECTIVES](#) OF THE DEMONSTRATION PROJECT?

Demonstrate Innovative Technologies

- Rigorous WMATA testing essential to success of project.
- Technologies tested:
 - **Electric buses**
 - **Hybrid-electric buses**
 - **DNOx exhaust gas filtration system**
 - **Automated passenger counters**
 - **Automated voice annunciators**
 - **Electronic display signs**
 - **Automatic vehicle monitoring system**
- Some technologies performed very poorly (electric and hybrid-electric buses).
- Some technologies performed very well (Clever Devices AVM system, DNOx system).



HAS THE FALLS CHURCH BUS PROJECT ACHIEVED THE ORIGINAL [GOALS AND OBJECTIVES](#) OF THE DEMONSTRATION PROJECT?

Provide Improved Transit Service for Falls Church Residents

- 66% of GEORGE Bus passengers reside in Falls Church.
- Ridership up to 7,500 passengers per month.
- Ridership per hour, per vehicle, in range of other smaller local transit systems.



HAS THE FALLS CHURCH BUS PROJECT ACHIEVED THE ORIGINAL **GOALS AND OBJECTIVES** OF THE DEMONSTRATION?

Reduce Automobile Vehicle Miles and Trips

- 49% of GEORGE Bus passengers surveyed report having automobile available for trip, but chose to ride the GEORGE bus.
- 43% of GEORGE Bus passengers responded that they liked GEORGE because it was “cheaper than driving.”
- Should improve as ridership increases in support of Falls Church’s development objectives.



HAS THE FALLS CHURCH BUS PROJECT ACHIEVED THE ORIGINAL [GOALS AND OBJECTIVES](#) OF THE DEMONSTRATION?

Provide Measurable Clean Air Benefits

- Retrofitted exhaust gas filtration system provides significant emissions reductions compared with standard diesel buses:
 - o 94% reduction in carbon monoxide emissions
 - o 100% reduction in hydrocarbon emissions
 - o 94% reduction in particulate matter emissions
 - o 26% reduction in nitrous oxide emissions



HAS THE FALLS CHURCH BUS PROJECT ACHIEVED THE ORIGINAL **GOALS AND OBJECTIVES** OF THE DEMONSTRATION?

Provide Better Links to Regional Metrorail System

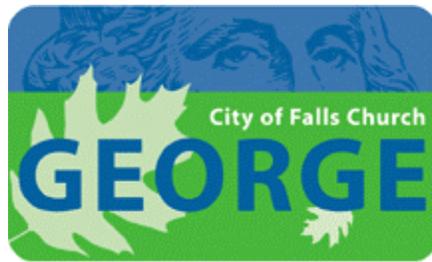
According to the passenger survey...

- 87% of GEORGE Bus passengers transfer to/from Metrorail.
- 12% of GEORGE Bus passengers transfer to/from Metrobus.
- 52% say that "Improved access to Metrorail" is what they like best about GEORGE.



QUESTIONS AND DISCUSSION

After discussion, the commission is asked to approve distribution of the evaluation report to project sponsors and to post it on NVTC's website.



FINAL PROJECT EVALUATION
FALLS CHURCH BUS PROJECT

--DRAFT: JULY 27, 2005--



Final Project Evaluation, Falls Church Bus Project

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I. Executive Summary

After two years of operations, the GEORGE service has proven successful in many ways. Ridership has grown by 150% over the past two years. Costs have been reduced by a combination of streamlined routes and increased fares, allowing the project funding to be extended to 27 months from the original 18-month plan. The GEORGE bus system is also doing a good job of enticing some commuters away from their cars, thereby reducing the number of vehicle miles traveled, and provides Falls Church with an excellent gateway for the region's major transit system.

Exhaust emissions from the buses are some of the lowest in WMATA's fleet, and are comparable to the emissions from natural gas fueled buses. As is normal with new buses, initial reliability was poor until the learning curve was mastered by the WMATA bus maintenance staff. Currently, the reliability of the GEORGE buses is on par with similar buses in WMATA's fleet. Reliability can be expected to improve further as WMATA maintenance personnel become even more familiar with the technology. The advanced AVM system installed has proven to be very effective. It is reliable, provides accurate and timely information, and has been used to restructure routes to improve on-time performance and target high ridership areas.

The GEORGE Bus path to success has proven to be a rocky one. When the city of Falls Church began reviewing proposals for contracted bus service in 1996, they could not have imagined that almost seven years would pass before the buses hit the street. As the first GEORGE buses began revenue service in January of 2003, it marked the end of a difficult and frustrating process fraught with contractual disputes, two contractual defaults, and one bankruptcy. The Falls Church Bus Project also featured a great deal of effective coordination on the part of NVTC, WMATA, Virginia Power, and Falls Church, some of which will be detailed in the body of this report.

Though the initial goal of procuring an effective, 26-passenger electric or hybrid-electric bus to provide service to Falls Church could not be accomplished, NVTC and its

partners procured and are successfully operating a Thomas Built SLF bus equipped with a Cummins® ISB diesel engine. This bus was equipped with a STT Emtec DNOx™ emission reduction system, and a Clever Devices' IVN-2™ automatic vehicle monitoring (AVM) system. Together, these systems allowed NVTC to procure the cleanest diesel technology available, and the most advanced Automated Vehicle Monitoring (AVM) system used for route planning and maintenance monitoring.

Falls Church has now assumed full funding responsibility for the GEORGE bus service, with the buses operated under contract with WMATA. City officials and staff are pleased overall with the quality of the service, and are optimistic that the service will continue to grow in the future.

II. Operation

On the cold morning of January 10th, 2003, a dedication ceremony for the GEORGE bus service was held at the Falls Church Community Center (see **Figure 1**). State, local and federal elected officials attended the dedication, along with various other transportation officials from the region. The purpose of the ceremony was to celebrate the inception of the region's newest transit system, and inspect the state-of-the-art buses that would be running the GEORGE routes. Since that frigid beginning, the GEORGE service has blossomed into a full-fledged bus system, an important amenity of the Falls Church community, and a fully-integrated component of the region's transit network.



Figure 1: Local Elected Officials at the GEORGE Dedication Ceremony

Revenue bus service on the GEORGE routes began on January 11th of 2003. The two peak routes, the 26E and 26W, served the East Falls Church and West Falls Church Metrorail stations respectively. The 26E route traveled south from the East Falls Church Metrorail station on Roosevelt Street, turned west on Broad Street, and veered north on Virginia Avenue to serve the Falls Church City Hall and Community Center area. The

route then covered a short distance on Washington Street before traveling through the narrow streets of the Broadmont neighborhood on the way back to the East Falls Church Metrorail station via Roosevelt Street. The 26W route left West Falls Church Metrorail station heading southwest on Haycock Road, turned east on Broad Street, and headed south on West Street to serve the Virginia Forest neighborhood. The 26W route then traveled back to Broad Street on Virginia Avenue, heading west briefly, then turning north on Oak Street and following Lincoln and Gibson Avenues back to the West Falls Church Metrorail station via Haycock Road. The off-peak 26A route was essentially a combination of the 26E and 26W routes, run by a single bus in the afternoons and late evenings. The fare for GEORGE bus service was 25 cents. Maps of the original GEORGE routes are shown in **Appendix A**.

The GEORGE buses were operated under an agreement with WMATA. The operating agreement was negotiated through months of discussion between WMATA, Falls Church and NVTC staff, and provided for the buses to be titled to WMATA for a nominal fee, and maintained at WMATA's Arlington garage. The initial operating cost was \$62.77 per platform hour.

Initial ridership reports on the GEORGE buses were disappointing. Although there were no formal demand studies, the initial financial plans for the GEORGE bus estimated over 12,000 trips per month. For January 2003, there were approximately 3,000 passenger trips on the new GEORGE buses, and February ridership showed an 8% increase. By May, the monthly ridership had increased to over 6,000 passenger trips, which was a substantial improvement over January, but still far from what had been hoped for. Monthly GEORGE bus ridership in June of 2003 peaked at just under 8,000 passenger trips, and fell to 5,500 passenger trips by December of 2003.

For the calendar year 2003, the total GEORGE bus ridership was approximately 60,000 passenger trips. During FY 2004 (July 2003 – June 2004), the GEORGE bus ridership was 74,000 passenger trips. Ridership for FY 2005 is estimated to be approximately 66,000 passenger trips, but it should be noted that weekend service and

late evening service were discontinued at the beginning of FY 2005, so the decrease in ridership should be expected. For comparison purposes, the GEORGE bus system has by far the smallest average weekday ridership of any local transit system in Northern Virginia, but the GEORGE system also operates the fewest vehicles of any transit system in Northern Virginia (see **Figure 2** below). In terms of annual passengers per vehicle operated in revenue service, the GEORGE system is comparable with other transit systems in Northern Virginia, especially those that are relatively new. It should also be noted that the GEORGE service does not run on evenings or weekends.

Figure 2: FY 2004 Operating Data for Northern Virginia Transit Systems

	ART	Connector	CUE	DASH	GEORGE	Loudoun
Ridership	674,806	7,990,825	985,500	3,131,284	74,000	392,901
Vehicles	17	163	8	37	2	17
Pass. / Vehicle	39,694	49,023	123,188	84,629	37,000	23,112

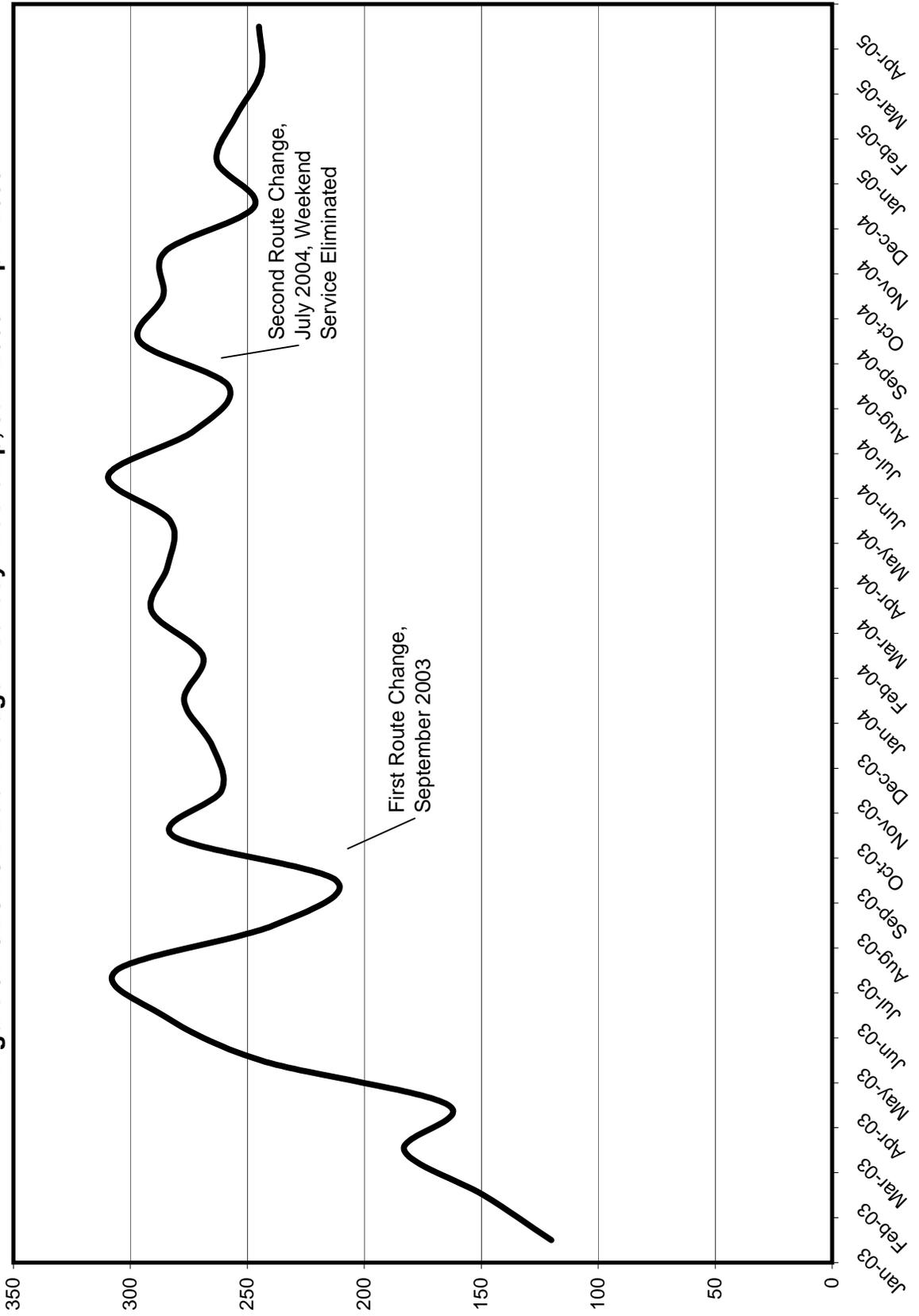
During the first months of GEORGE service in 2003, there were several customer complaints. The most frequent complaint was late-arriving vehicles, followed by complaints about speeding vehicles (especially in the Grove Avenue area), and a number of complaints about buses traveling on the narrow residential streets of the Broadmont neighborhood. WMATA, NVTC and Falls Church staff considered a number of solutions to address these complaints. WMATA personnel spent several days riding the routes and observing the running time. It was found that certain sections of the route were slowing the buses, particularly the areas with 15mph speed limits, speed bumps, and heavy traffic. As a result, the buses were running late, falling behind schedule by as much as 40 minutes during rush hour. Because the buses were running so far behind, drivers were speeding in a futile attempt to catch up to their schedule, which then generated complaints from residents. WMATA's assessment was that the routes were too long, and that either the routes would have to be shortened, or another bus would need to be added. Since there was no funding for adding additional service, the choice was not difficult.

In June of 2003, a working group comprised of WMATA, NVTC and Falls Church staff met at Falls Church City Hall to look at shortening the GEORGE routes. The working group looked at three factors in deciding which segments to eliminate: segments with little or no ridership, segments that were prone to delay or slow traffic, and segments that had received a lot of “my house is shaking” complaints. The Clever Devices Automated Passenger Counters (APC) on the GEORGE buses greatly simplified the ridership-by-segment analysis. Normally, to get a sense of which segments are under-performing, it would be necessary to perform 100% on/off counts on both a typical weekday and a typical weekend day. That can be an expensive and time-consuming process. The APCs allowed the working group to look at the total boardings at each stop for every day of the six months that the buses had been in service.

The working group identified three segments of the routes that had zero boardings for the six-month period: The George Mason High School loop, the Virginia Avenue-Great Falls Street-Little Falls Street segment in the area of City Hall, and the Columbia Street-Van Buren Street-19th Street segment in the Broadmont neighborhood. These segments matched up with segments that had been identified as slow areas for the buses, either because of low speed limits, speed bumps, narrow streets, or congestion. In addition, two of the zero-ridership segments (Broadmont, City Hall area) were also a major source of residential complaints. The working group decided to revise the routes by removing those three segments. The changes took effect on September 7 of 2003. WMATA provided revised schedules and maps at no charge. Maps of the revised routes are provided in **Appendix B**. WMATA staff spent a day riding the revised routes, and their report was very encouraging. The GEORGE buses were maintaining their schedule while adhering to the posted speed limits.

Figure 3 shows the average weekday ridership on the GEORGE bus service from its inception through April of 2005. Note that there was a fairly sharp dip in ridership that centered on the September 2003 service changes, but also that the ridership rebounded strongly after the route changes went into effect.

Figure 3: GEORGE Bus Average Weekday Ridership, Jan. 2003 - April 2005



During the early months of 2004, NVTC worked with Falls Church staff to develop plans for funding the GEORGE bus service after the demonstration funds were exhausted. In the spring of 2004, Falls Church staff developed several options for reducing the cost of the GEORGE bus service and increasing revenue, in an effort to reduce the funding burden on the city. These options were discussed extensively with NVTC and WMATA staff, and two alternatives were developed. The first option was to discontinue all off-peak service (afternoons, evenings, and weekends) provided by the 26A route. The second option was to discontinue weekend and late evening service, but continue to provide afternoon off-peak service on a re-structured 26A route. The proposed 26A route concentrated service on the high-ridership corridors of Roosevelt Street, Broad Street, and Washington Street, and removed the “neighborhood” segments of the route. Both options included a doubling of the GEORGE bus’s 25-cent fare. These options were presented in a public hearing conducted by WMATA staff at Falls Church City Hall, on May 5, 2004. After the public hearing, WMATA and Falls Church staff reviewed the comments they received, and made the decision to adopt the second alternative of eliminating weekend and evening service, doubling the fare, and revising the 26A for afternoon off-peak service. The docket from the public hearing, including the proposed/adopted revisions to the 26A route, is included in **Appendix C** of this report. The maps and schedules for the current GEORGE routes are included in **Appendix D**.

The ridership impacts of the latest service changes on the GEORGE routes, which went into effect on July 1, 2004, are noticeable. There is a clear dip in the weekday ridership numbers starting in July of 2004 (see **Figure 3**), but weekday ridership has rebounded in the months following, and seems to have returned to where it was before the service change. At the same time, there has been a significant impact in the cost of service. The platform hours and quarterly billings from WMATA dropped significantly, from an average of 753 hours and \$48,000 per month in FY 04 to 491 hours and \$34,000 per month in FY 05 (note also that the platform hour billing rate increased from \$63.98 to \$69.47 between FY 04 and FY 05). This enabled NVTC to stretch the demonstration

funding from covering 18 months to covering 27 months. The reduction in costs also made it easier for Falls Church to begin pay for the service starting in April of 2005.

Now that the routes have been rationalized, the GEORGE service will benefit from a renewed emphasis on marketing and customer outreach. In 2004, Falls Church staff made face-to-face visits to every business in the city, extolling the qualities of the GEORGE bus service, and handing out copies of the new route maps and schedules that were designed and produced by city staff. Examples of the marketing materials distributed by Falls Church staff are shown in **Appendix E**. Falls Church staff have also made several improvements to the GEORGE bus website, with sections detailing the benefits of the clean diesel technology, and other benefits that the system provides for the city. The URL for the website is <http://www.ci.falls-church.va.us/george/index.html>. These outreach efforts may lead to increased ridership on the GEORGE routes.

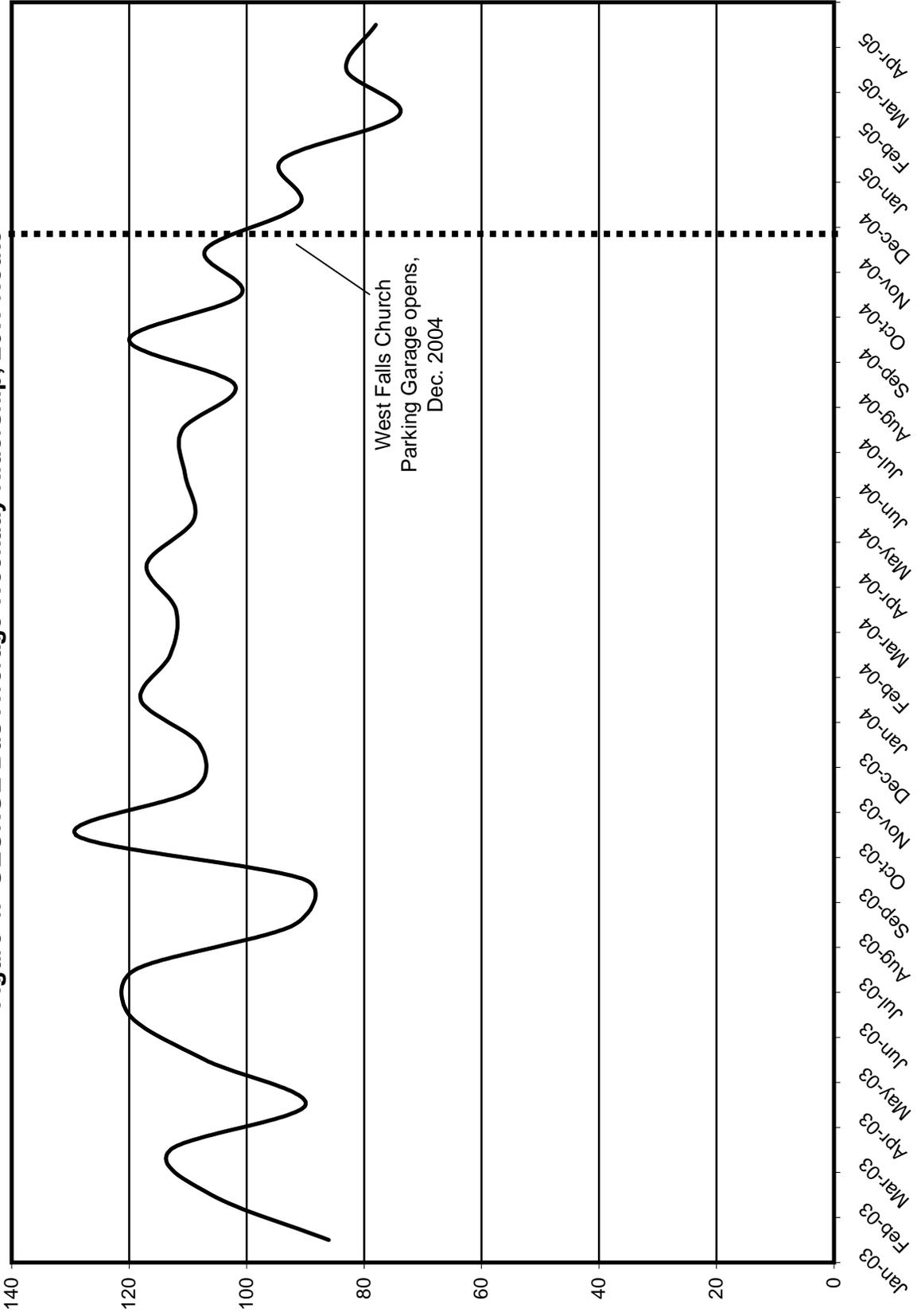
Metrobus service changes could also have an impact on the GEORGE bus ridership. The Metrobus 3B route runs northward from the Rosslyn Metrorail station on Lee Highway to East Falls Church Metrorail Station. From there, the route essentially travels through the GEORGE bus service area, following Washington Street to a right turn on Broad Street, and proceeding to West Falls Church Metrorail station. There has been discussion among Falls Church staff and NVTC staff regarding the re-alignment of the 3B route, in an effort to remove the duplication of service along the GEORGE bus routes, perhaps using the 3B to serve Seven Corners since there is no longer bus service between East Falls Church and the shopping center. This could certainly boost ridership on the GEORGE routes, although it would degrade the level of service in the corridor. The possible service changes will be discussed with WMATA staff in the near future.

In the fall of 2004, NVTC contractors distributed survey forms to passengers on the GEORGE bus routes. The main purposes of the survey were to determine their attitudes and preferences toward the customer-focused ITS demonstrations on the GEORGE buses (Automatic Voice Annunciators, electronic display signs), as well as looking at the customer preferences with regard to the GEORGE buses and GEORGE

service, and collecting basic demographic and origin/destination information. The one-page survey was provided in both English and Spanish, and was completed by 309 respondents (289 in English, 20 in Spanish). A copy of the survey form is located in **Appendix F**, along with a weighted tabulation of responses to each of the survey questions. Subsequent sections of this report will discuss the survey responses in more detail.

One of the more interesting pieces of information provided by the survey was the high percentage (48.9%) of respondents who indicated that they had a car available, but chose to ride the GEORGE bus. A majority of these discretionary riders also indicated that the main reason they chose to drive was the cost and scarcity of parking at East Falls Church Metrorail Station. As one would expect, the opening of the West Falls Church parking facility in December of 2004 has made a clear, negative impact on the ridership on the GEORGE system. **Figure 4** shows the average weekday ridership on the 26W route from its inception in January 2003 through April of 2005. The portion of the chart to the right of the vertical dotted line indicates the time period following the opening of the parking facility. In the year prior to the opening of the garage, weekday ridership on the 26W route averaged 111 passengers, never dipping below an average of 100 for any given month. In the months following the opening of the parking facility, the monthly average weekday ridership for the 26W route has never topped 100, with an overall average of 87 daily passengers for the five-month period. It should be noted that there are still spaces available at the West Falls Church parking facility, and that as these spaces are filled, the ridership on the 26W may rebound.

Figure 4: GEORGE Bus Average Weekday Ridership, 26W Route



III. Background

When the city of Falls Church staff began reviewing proposals for contracted bus service in 1996, they could not have imagined that almost seven years would pass before the buses hit the street. As the first GEORGE buses began revenue service in January of 2003, it marked the end of a difficult and frustrating process fraught with contractual disputes, two contractual defaults, and one bankruptcy. The Falls Church Bus Project also featured a great deal of effective coordination on the part of NVTC, WMATA, Virginia Power, and Falls Church, some of which will be detailed in the following paragraphs. A detailed chronology of the project is shown in **Appendix G**.

The city of Falls Church occupies two square miles bordering the counties of Fairfax and Arlington in Northern Virginia, approximately nine miles from Washington D.C. (see **Figure 5**) The city was named for the Falls Church, which was founded in 1734 at the intersection of two major Indian trails (which later became Leesburg Pike and Lee Highway), and still stands today as a historic landmark in the center of town. Falls Church was founded as an independent city in 1943, and has in recent years grown into a prosperous and well-educated community. According to the 2000 Census, Falls Church had the highest median family income of any city or county in the United States. Falls Church also features outstanding public schools, recently ranked as the best in the nation by Newsweek magazine.

Falls Church is served by two Metrorail stations that are located just outside the city limits, in Arlington and Fairfax: East Falls Church, and West Falls Church. For many years, Falls Church officials sought to develop local transit service that would link the Metrorail stations with residential and commercial areas in the center of town, and supplement the Metrobus service on the main corridors of Leesburg Pike and Lee Highway. City officials envisioned feeder routes that would transport commuters to the two Metrorail stations, and would also carry residents to shopping and social destinations in the center of town.

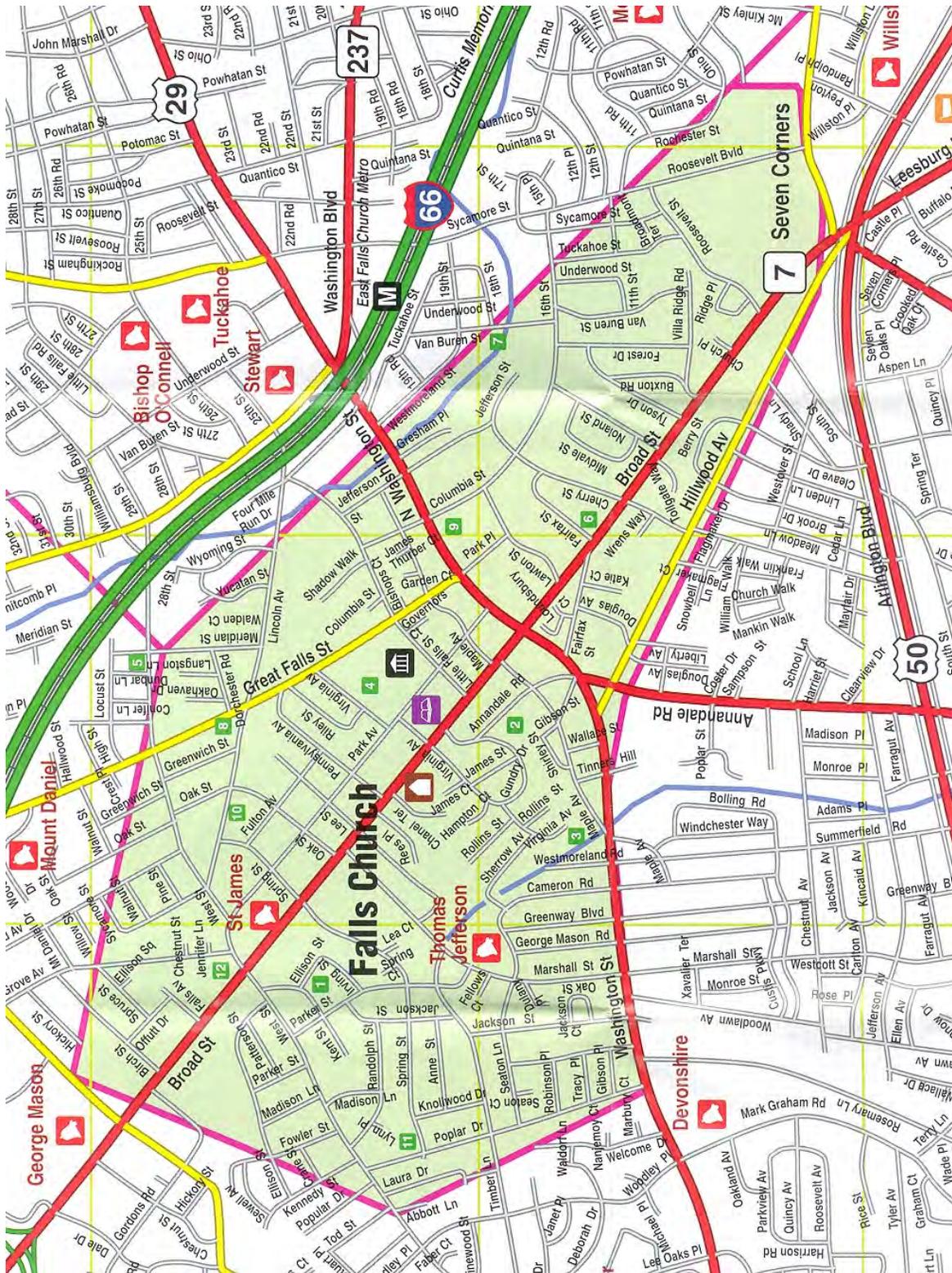


Figure 5: Map of The City of Falls Church

In 1995, the Northern Virginia Transportation Commission (NVTC), a state-chartered organization that provides funding and advocacy for transit programs in Northern Virginia, was enlisted to assist Falls Church with the process of developing local transit service. The Washington Metropolitan Area Transit Authority (WMATA), the organization that runs the Metrorail and Metrobus systems that provide service to Northern Virginia, was also brought in to provide technical expertise and assistance.

In early 1996, Falls Church solicited proposals from contract bus service providers, in an effort to develop a local feeder bus system for the city. Many proposals were received and evaluated, but in the end the city agreed to a NVTC plan to help fund the city's existing Metrobus service.

In 1997, the mayor of Falls Church returned from a trip to Chattanooga excited at the prospects of the battery-powered electric buses he had seen there. A working group was formed to explore the possibility of providing service to Falls Church using electric buses. The working group was comprised of representatives from Falls Church, WMATA, NVTC, and Virginia Power. Virginia Power (now known as Dominion Virginia Power), the provider of electricity to Northern Virginia, offered to provide Falls Church with the power and charging facilities for electric buses, free of charge. WMATA would operate the 22-foot, battery powered buses under contract, and maintain the vehicles. NVTC would apply for and coordinate funding for the project.

By the spring of 1998, NVTC had secured a Transportation Efficiency Improvement Fund (TEIF) grant from the Commonwealth of Virginia in the amount of \$345,000, \$83,000 in Virginia Revolving Fuel (VARF) funds, and a federal earmark of \$391,000. The grant application stated that the primary purposes of the project were to demonstrate innovative technologies, provide improved public transit service for Falls Church residents, reduce automobile vehicle miles and trips, provide measurable clean air benefits, and provide better links to the regional Metrorail system. These purposes are repeated almost verbatim in the documentation for the CMAQ and other federal grants. The complete set of project funding sources is shown in **Appendix H**. With this funding

in place, and a detailed bus specification developed by WMATA, NVTC issued RFP 98-3 to procure four electric buses powered by high-tech nickel metal-hydrate batteries. In July of 1998, NVTC awarded the hybrid-electric bus contract to Electric Vehicles International (EVI) of Indiana, to purchase four hybrid-electric buses at a cost of \$254,850 apiece. Unfortunately, the contract was terminated in October of 1998 because of EVI's inability to perform under the terms of its proposal. The firm essentially admitted that it could not design and build a bus that would meet the specifications it had agreed to in the contract. As a result, EVI forfeited its \$80,000 performance bond.

During the course of the several months it took to develop the bus specifications, WMATA staff came to believe that battery-powered buses lacked the range necessary for the proposed routes in Falls Church. Accordingly, WMATA conducted further research and consulted with industry experts on the use of 22-foot hybrid-electric buses. The hybrid-electric buses were powered by a combination of batteries and a small turbine engine, which could be fueled by either diesel fuel or compressed natural gas. The fuel turbine provided electric charging power to the batteries while the bus was in service, replacing energy drained by uphill descents or hard acceleration, and extending the range of the bus to over 300 miles. The turbine also provided extra power for the air-conditioning system. While 22-foot battery-powered buses were in service, and 40-foot hybrid-electric buses had been successfully deployed, there were no examples of 22-foot hybrid-electric buses operating successfully. The project sponsors agreed that they should proceed to develop and test the promising new technology.

By the fall of 1998, NVTC had secured an FY 99 federal earmark for electric bus technology in the amount of \$379,000. In November of 1998, NVTC issued RFP 99-2 using a similar funding plan and specifications from RFP 98-3. The specifications called for a 22-foot hybrid-electric bus using a Capstone Micro-Turbine engine. The contract was awarded to Advanced Vehicle Systems, Inc. (AVS) of Chattanooga, Tennessee, in January of 1999, with the notice to proceed given in April of 1999. The price per bus was \$273,189.

The contract with AVS called for the four hybrid-electric buses to be delivered to WMATA in April of 2000. To that end, several steps were taken to prepare for the delivery of the vehicles. Virginia Power installed two chargers for the buses at the WMATA garage in Arlington. One of the vehicles was a prototype of a “quick charger” that was among the new technologies to be tested. Because they were already working successfully with WMATA, Clever Devices was awarded a sole source contract for the Automated Vehicle Management (AVM) system that included the on-board communication devices that would announce the stops (a requirement of the Americans with Disabilities Act), the automated passenger counters (APC) and the vehicle component monitoring and maintenance management system (IVAN).

Falls Church approved the routes and service plan, which had been developed in collaboration with WMATA and NVTC. Buses would provide neighborhood circulator service between the East and West Falls Church Metrorail stations. The exact routes had been determined based on extensive street-by-street surveys, asking residents about their desire or need for bus service. The fare was set at 25 cents. Falls Church, with input from the community, approved the name “Electrek” for their new bus system, with associated bus graphics that emphasized the electric aspect of its hybrid-electric drive train (see **Figure 6** below).



Figure 6: Electrek Bus

At the same time, WMATA staff was making periodic trips to the AVS manufacturing facility to monitor the progress of the buses being constructed. Disappointing progress reports foreshadowed impending problems with AVS vehicles. The first bus was to be completed and shipped to WMATA in October of 1999 for on-site testing. Because of parts delays, and problems with the diesel-fueled turbine, the first bus was not actually delivered to WMATA until February of 2000. As an omen of future events, that bus was improperly transported, and arrived with water damage. The second bus was not delivered until August of 2000, four months past the original delivery date in the contract. By this time, NVTC had made over \$400,000 in contractual milestone payments to AVS, and the problems with the vehicles were mounting. One major issue involved changing the problematic battery-management systems on the vehicles, which required a retrofit of vehicles already delivered. AVS promised to have all vehicles delivered and/or retrofitted by December of 2000.

In December of 2000, WMATA utilized Booz-Allen to evaluate the new battery management systems. The Booz-Allen report was completed in February of 2001, and it found that significant problems still existed with the battery-management system. AVS disputed that report. Meanwhile, the remaining two buses were finally delivered in March of 2001, but they could not be tested because their turbines were not functioning. AVS agreed to repair the turbines on the non-functioning buses, and established with WMATA a 45-day testing period for the four buses. At the end of this 45-day testing period, AVS and WMATA disagreed over what constituted a “failure”. According to WMATA, the turbine problem had still not been resolved. WMATA also pointed out the fact that, during the 45-day test, the AVS buses had averaged 75 miles between failures. WMATA’s bus fleet averages 12,000 miles between failures in daily service.

Also, in March of 2001, the project team learned of a brake failure issue with AVS buses operating in Tempe, Arizona. AVS assured the working group that if there were any necessary adjustments or modifications to be made to the Falls Church buses,

AVS personnel would make them. In July of 2001, AVS decided to install new brake systems on all of their buses.

WMATA and NVTC contacted several AVS clients nationwide, and assembled an informal roundtable of AVS customers. Participants included Island Transit in Galveston, Texas, and Hillsborough Area Transit of Tampa, Florida. Tempe was invited but chose not to participate. The goal was to facilitate the sharing of information and to learn from each other about various problems with AVS vehicles. The group would also attempt to exert collective pressure on AVS to be more responsive to their complaints.

The communications with Hillsborough and Galveston were very informative for the Falls Church Bus working group. In addition to the same problems that had been discovered by WMATA testing, the working group learned that there had been numerous other problems with the AVS buses in Florida and Texas, such as repeated stalling, battery failures, tire problems, “wandering” steering, leaking windows and wiring problems with the driver’s console. While AVS continued to claim that these problems had all been successfully addressed, officials from Hillsborough and Galveston vehemently disagreed.

In the spring of 2001, AVS had sent a bus to the FTA testing facility in Altoona for structural and safety testing, but the bus axles failed in the pre-test evaluations. The working group requested a copy of the engineering report for the failed testing in July of 2001, but the report was not provided until October. AVS assured the working group that the corrective axle plate was not needed on the NVTC buses.

NVTC gave AVS one final chance to provide acceptable vehicles. The four buses underwent five days of “shake-down” testing at WMATA facility in October of 2001, and all four buses failed. This time, the steering system failed, specifically the tie-rod ends. WMATA expressed serious reservations about AVS’s proposed re-engineering of the steering system. This was the final straw.

In November of 2001, 18 months after the contractual deadline for the delivery of the four hybrid-electric buses, NVTC issued Notice of Default Termination to AVS. Unfortunately, because AVS had allowed its performance bond to expire, NVTC was not able to recover all of the funds it had paid to AVS for achieving intermediate contract milestones. In April of 2002, AVS and NVTC agreed to a contractual settlement. The settlement required AVS to return \$200,000 of the \$426,350 in progress payments it had received from NVTC, and to provide a demonstration vehicle for six months free of charge. AVS was never able to provide a functioning hybrid-electric bus to WMATA, and by the summer of 2003 AVS had declared bankruptcy. Because AVS was now unable to deliver the promised demonstrator vehicle that was included in the April 2002 settlement agreement, NVTC felt that AVS was in breach of the settlement agreement. In August of 2003, NVTC filed a claim in the United State Bankruptcy Court in Tennessee seeking to recover the \$226,350 that was not returned to NVTC as part of the settlement. The results of the NVTC claim are still pending.

Once the AVS settlement was completed, the working group was reluctant to issue another proposal for hybrid-electric vehicles, given ITS experiences with the first two contractors. Clean diesel technology was seen as an environmentally friendly choice, which would not carry the same functional risks as the emerging hybrid technology. The working group identified Thomas Built buses equipped with DNOx low-pressure exhaust gas re-circulation (EGR) filters as a preferred choice among clean diesel vehicles. The DNOx EGR filters employed new and innovative technologies, and had out-performed other clean diesel aftermarket systems in emissions testing for NOx, VOC, and Hydrocarbons. The Federal Transit Administration (FTA) agreed in March of 2002 to allow a mid-course correction to the project, letting NVTC transfer the earmarked funding for the purpose of purchasing clean diesel buses, and operating instead an 18-month demonstration project. At this point, Virginia Power withdrew from the project.

In April of 2002, NVTC approved a resolution to initiate the purchase of four Thomas Built buses, four DNOx EGR filter systems, and to apply for additional federal funds to support this purchase. NVTC staff worked with Congressman Jim Moran's

office to revise the language of a 1999 earmark for Falls Church, thereby allowing the earmark to be used for the purchase of the clean diesel buses.

The issue of what to name the bus again came into play. Since hybrid-electric buses were no longer being used, the Electrek name was no longer an appropriate choice. Falls Church staff had developed the name “E-Connector”, which was intended to represent green energy (the “E” in E-Connector was to be green, the other letters blue) without explicitly referencing electric propulsion. However, the Falls Church City Council instead chose the name GEORGE for the city’s bus service. The name GEORGE was chosen in honor of George Washington, who was a vestryman at the Falls Church (after which the city is named). Falls Church staff quickly developed a graphics scheme for the GEORGE buses, which was then approved by the Falls Church City Council (see **figure 7** below).



Figure 7: The GEORGE Bus

The four Thomas Built buses were purchased by NVTC in October of 2002 from a state contract, to ensure the most favorable price. The final cost for each bus was \$236,151. The DNOx EGR filters were purchased directly from the manufacturer at a cost of \$20,000 each. The first bus was delivered to WMATA in November of 2002, with the remaining three delivered in early December of 2002. DNOx personnel flew in from Sweden to train the WMATA staff on the installation and maintenance of the EGR filter system, the first of which was installed in early December of 2002. The GEORGE

buses began non-revenue service on December 15, 2002, providing free service along the original routes designed in 1999. Revenue service began less than a month later.

IV. Technology¹

Among the requirements set for the operation of this service was the implementation of the latest available technology. In lieu of using an electric or hybrid-electric bus, WMATA and NVTC staff consulted with various vendors to find the best technology to ensure the lowest emissions possible, and to improve the operations with the use of an advanced vehicle monitoring system. In addition, the selected technology had to be cost-effective, as the project was operating on a fixed budget. Through WMATA's involvement in other programs, STT Emtec's DNOxTM technology was selected for emissions reductions, and Clever Device's IVN-2TM system was selected as the vehicle monitoring system. The STT Emtec DNOx filters cost approximately \$20,000 apiece. That cost, in addition to the \$236,000 cost of the 31-foot Thomas Built low-floor buses, compared very favorably with the cost of hybrid-electric buses (approximately \$500,000 each). Clever Devices provided the IVN-2 system free of charge for the 18-month demonstration. It typically would cost approximately \$30,000 per vehicle.

The DNOxTM system is a low-pressure, exhaust gas recirculation system (LP-EGR). There is significant experience in the industry with high pressure EGR, and many engine manufacturers use this technology to meet stringent EPA emission standards. The advantage of the DNOxTM system is that it can be retrofitted to in-use engines, something that is not possible with high pressure EGR systems.

At the time of the procurement, no low-pressure EGR units had been successfully installed in transit vehicles in the US. However, the manufacturer had extensive European experience with the system, and assured the group that it could be successful in this application. The DNOxTM system was expected to reduce particulate emissions (PM) by 90% or more, Nitrous Oxides (NOx) emissions by 30%, while virtually eliminating all Hydrocarbon (HC) and Carbon Monoxide (CO) emissions. Since this was new technology for WMATA, and the project could not afford any further delays, WMATA

¹ Sections IV and V of this report provided by WMATA Bus Maintenance staff and consultants

worked closely with the manufacturer on the installation to ensure that this system would perform reliably and deliver the expected emission reductions.

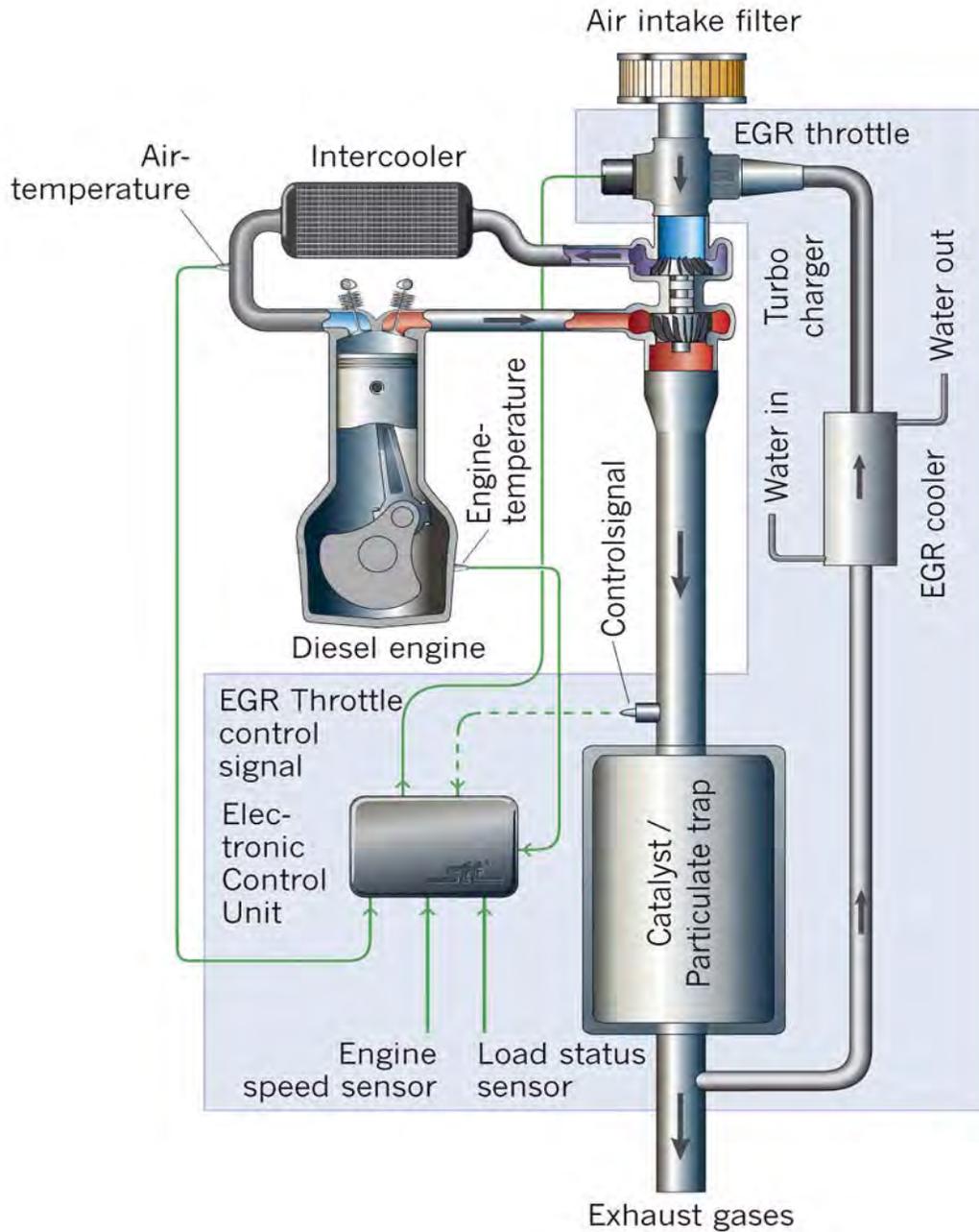


Figure 8: DNOx System General Layout

The DNOx™ system is electronically controlled, and interfaces with all bus electronics utilizing the standard J-1939 CAN data link. This system is particularly well suited to meet the demands of the Falls Church bus system by its ability to simultaneously control PM and NOx, something that is not commonly offered. The system works by first, flowing the hot exhaust gases through a particulate filter. This removes most of the PM emissions. As the gases exit, a portion of the exhaust gas is captured, cooled, and reintroduced into the turbocharger (hence the name Exhaust Gas Recirculation –EGR). This effectively controls the combustion temperature and lowers the NOx emissions. The amount of recirculated gas is metered closely and controlled by the on-board control unit. The unit can be programmed with different strategies to maximize NOx reduction. To achieve a balance between emission reductions, reliability, and reduce possible drivability concerns, WMATA worked with the vendor to target a 30% NOx reduction.

In addition to emission reduction technology, Falls Church and NVTC requested to have an advanced vehicle tracking and monitoring system installed. WMATA had been working on a separate project with Clever Devices using an older generation of their products. Clever Devices suggested that this would be a perfect opportunity to install their latest iteration of the automatic vehicle monitoring system. WMATA suggested to NVTC to install this system, which includes the following items:

- **Automatic Vehicle Monitoring (AVM)** is a Clever Devices product through which transportation, operations and maintenance staff of the Transit Authority can access data and information generated by intelligent systems located on a vehicle. In addition, AVM provides the means for transferring updated operational data, configuration data, and software updates to intelligent systems on board vehicles. The AVM system is comprised of a suite of integrated hardware and software products designed to provide transit authorities with the tools needed to automate the collection of data from vehicle sub-systems, and to provide the means through which this data is converted to information and delivered to end-users. The primary components of the system include: On-

vehicle integration computer, On-vehicle software that runs on IVN2™ Wayside communications server and wireless LAN, used to get the data on to and off of the buses, Wayside database and server used to store the data collected from the buses, Wayside web-based reporting system, and Real time Exception Reporting System

- The **IVN2™** is a rugged computer which serves as the vehicle integrator, listening to and communicating with the diverse array of microprocessor-controlled systems inside the transit vehicle. IVN2™ understands the standard and sometimes unique languages or protocols through which each system communicates.
- **BuswareNT™** is the Clever Devices software that runs on IVN2™ and provides the functions of Automatic Voice Annunciation, AVM, navigation, and more. The IVN2™ also stores the AVM data collected from the vehicle subsystems until such time as it can communicate the data to the wayside AVM system. The on-vehicle system is configured to collect and store data gathered from the engine and transmission systems.
- **APC** (Automatic Passenger Counting) Automated collection and storage of passenger counts relative to Bustools™ bus stop inventory from Clever Devices APC
- **AVA** (Automatic Voice Annunciation) Automated voice and text based announcements at Bustools™ bus stop inventory locations.
- **PerfectNav™** vehicle navigation system with GPS. Highly accurate vehicle positioning information shared with other BuswareNT™ software components as well as stored and forwarded to wayside intranet FTP site location.

- **BusLink™** provides the means through which the AVM data collected on-vehicle by IVN2™ and BuswareNT™ is transmitted to wayside systems. Utilizing standard off-the-shelf wireless LAN technology (e.g. Wi-Fi) married with Clever Devices software, BusLink™ retrieves and stores AVM data from IVN2™ equipped vehicles in a managed and secure manner. BusLink™ runs on a Microsoft Windows NT server strategically located within the Arlington facility such that the attached wireless LAN access point (antenna) provides sufficient range to capture data from the vehicles on a regular basis. Once data are received by the BusLink™ system at the Arlington facility it is now in the realm of the WMATA corporate IT infrastructure and relies on the networking resources inherent in that infrastructure to deliver the data to the other components of the AVM system, namely the Fleet Data Bank™ database server and TA- Tools™ web server, and ultimately to the end-users. For this demonstration, the Fleet Data Bank database server and TA- Tools web server was located at the Clever Devices corporate headquarters in Syosset, NY.
- **The Fleet Data Bank™** is a database running on a Microsoft Windows NT server and is designed to accommodate storage and management of data retrieved from the IVN2™ equipped vehicles at the Arlington facility. The Fleet Data Bank™ is configured to accept data from the IVN2™ equipped vehicles currently in service.
- **A TA- Tools™** web server is installed at the Clever Devices corporate headquarters and configured to provide reports, derived from Fleet Data Bank™ resident data, to a specified list of end-users. TA- Tools™ was to provide NVTC with access to information that had previously been unavailable, untimely or inaccessible. Through TA-Tools™, information like engine performance characteristics, duty cycles, dwell times, and more could now be delivered to the end-user's desktop. No longer did one have to probe each vehicle directly for information; views of information by vehicle type or by facility could now be realized.

- Mobile TA Tools** is Clever Devices software product which provides the Maintenance Center with real time reporting of vehicle maintenance status. Maintainers can use Mobile TA Tools for viewing the maintenance status of the vehicle as it pulls within range of the Maintenance Center. Mobile TA Tools allow the Maintainer to determine if the Vehicle has an active or inactive exception and the component and condition that caused the exception.

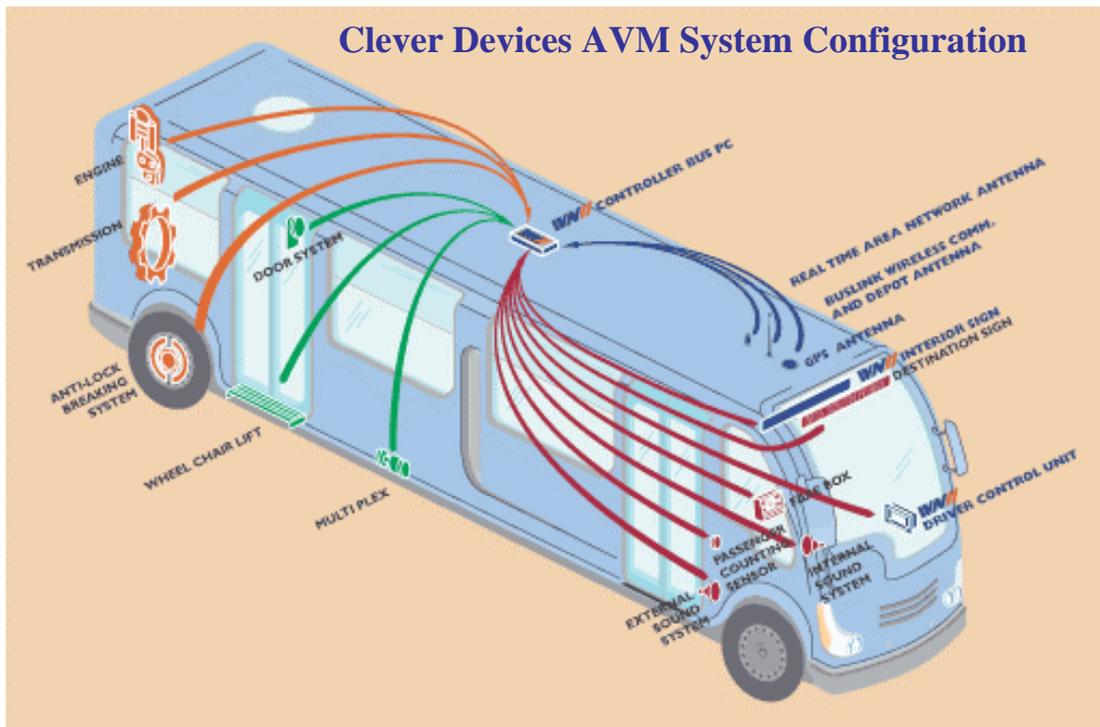


Figure 9: Clever Devices AVM System Configuration

All four GEORGE buses were equipped with the full AVM system. The IVN-2™ system wirelessly transmits all data to a central location which can then be queried by the maintenance garage. The system is currently set up to automatically notify WMATA maintenance personnel if any faults exist in the vehicle, and whether the bus should be held for repair before being sent out on revenue service.

Several examples of information gathered from the IVN2™ have been included in **Appendix I** and **Appendix J**.

V. Technical Results

The demonstration project has run for approximately two years. WMATA has kept maintenance records and operational costs for the four buses.

The GEORGE bus operates with a Cummins ISB engine developing 175 hp. The engine was certified to meet EPA's 2002 emission requirements. The addition of the DNOx™ system reduced the engine emissions to below EPA standards, approaching levels attained by the WMATA's compressed natural gas (CNG) fleet.

Direct emission measurements on the bus were not possible due to budget constraints. However, two other tests performed can be used to estimate with reasonable accuracy the emission reductions achieved by the GEORGE buses.

The first test carried out was performed on an engine dynamometer ("test bed") during calibration of the DNOx™ system. This data provides the most precise measurement of emission reduction under ideal conditions. The second test used for comparison was a direct emission test carried out on a chassis dynamometer by West Virginia University. This test used the same system installed on a different engine. The chassis dynamometer test is the most accurate way of determining 'real world' emission performance. The two measurements taken together provide an accurate assessment of the emission reductions. The results are provided in **Figure 10** below:

Figure 10: Observed Emission Reductions

Pollutant	Emission Reductions
CO	94%
HC	100 %
PM	94%
Nox	26%

Note: Baseline is 2000 Model Year bus

After the installation of the DNO_xTM system, these buses are now some of the cleanest buses running in WMATA's fleet.

As mentioned above, due to technical difficulties the original plan to purchase electric or hybrid-electric buses could not be fulfilled. However, NVTC and WMATA were able to find the cleanest alternative possible, while still providing reliable, cost effective service to the community. **Figure 11** (below) illustrates the reductions gained, and how this bus compares to a typical 2000 model year diesel bus, and to WMATA's 2003 Cummins CNG buses.

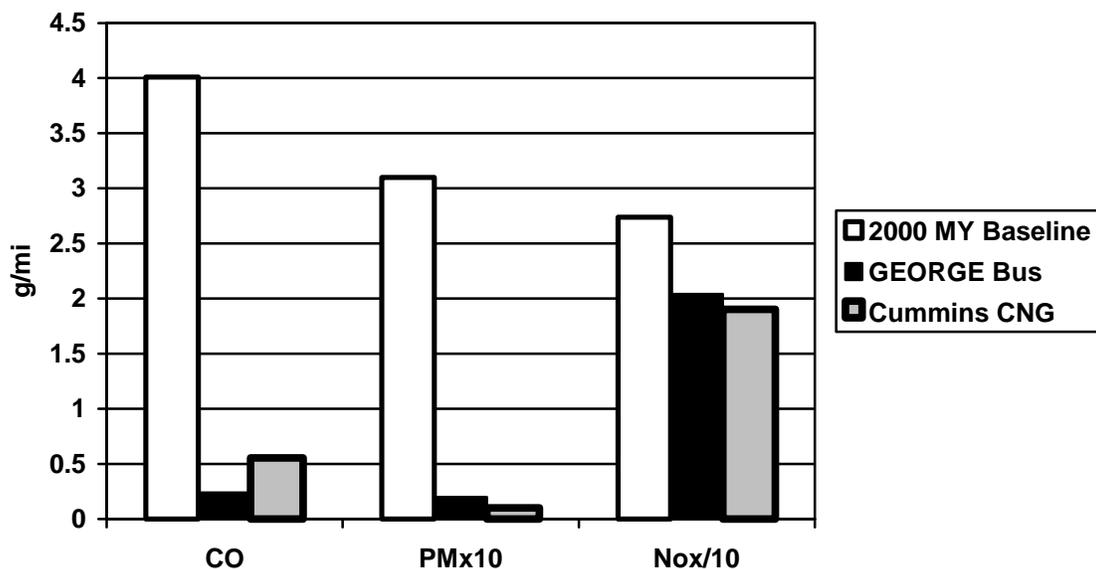


Figure 11: Comparative Emissions Performance in WMATA Fleet

NVTC staff recently evaluated the performance of the Clever Devices Automatic Passenger Counting (APC) system on the GEORGE bus. The evaluation utilized a methodology outlined in a December 2003 NVTC report entitled "Development of a Continuing Process for Monitoring Performance Data on Transit-Related ITS Investments." The APC system was compared with the traditional method of counting passengers using ride checkers. The evaluation found that the APC system offered advantages in terms of the efficiency of data collection and processing, although the

extent of the benefit depended on the frequency with which ridership counts are required. In terms of the quality of service and route planning, the APCs provide a much greater quantity of data, and much easier access to the data. The APCs also provide a significant advantage in terms of responding to special requests for data, since they are always counting. In terms of data accuracy, the evaluation found that there was no evidence that the APCs are any better or any worse than traditional ride checkers, as both depend on human operators and both are prone to human failures. Overall, the evaluation found that the Automatic Passenger Counters provided measurable and significant benefits over traditional counting methods in three of the four evaluation categories. The complete evaluation is included in **Appendix K**.

During the 18-month period of the demonstration, NVTC and Falls Church staff received monthly APC reports from Clever Devices. Clever Devices was also responsible for maintaining the APCs during the demonstration period, and this required them to re-calibrate the system when the routes changed. Since the demonstration period has ended, Clever Devices are no longer responsible for generating reports. Additionally, since the final route change occurred after the demonstration period had ended, Clever Devices did not re-calibrate the system for the new routes. WMATA is now responsible for maintaining the APCs on the GEORGE buses, but WMATA is also deploying Clever Devices APCs on several hundred vehicles in their Metrobus fleet. The re-calibration of the GEORGE APCs will be a part of the larger deployment, and Falls Church staff will hopefully be receiving regular APC reports within the next year.

Over the course of this demonstration, the Clever Devices AVM system has continuously monitored and collected data from both the Cummins ISB engine and Allison transmission on-board the four GEORGE buses. This includes fault codes and performance data points broadcast by the intelligent systems on-board the vehicle. Collecting such data provided NVTC with continuous status on the health of the vehicles and automatically notified WMATA's maintenance department when problems were detected.

These data were then externalized via weekly reports produced by both TA Tools and Mobile TA Tools and forwarded to WMATA for review and action. Several examples of the type of information gathered are found in **Appendix L** and **Appendix M**. These represent just a few of the data points that were monitored during this demonstration.

This information was used in a number of ways:

- **Fueler-Shifter:** The shifter uses AVM to triage buses returning to the depot according to their need for maintenance.
- **Foreman:** Reviews the listing of vehicles with exceptions to determine work assignments for staff. Better able to identify which buses can go back into service and when.
- **Maintenance/Engineering:** Reduce the time mechanics spend diagnosing problems. Engineers can perform trend analysis via year-to-date reports on performance, exceptions, and component usage.
- **Integration:** Integrate Clever Devices' AVM software with existing maintenance management systems to facilitate information flow between departments and continue to drive data into information.

These functionalities allowed WMATA to run a more efficient operation, thereby reducing the cost to operate the buses. Since the AVM system allows one to integrate on-vehicle systems into a single, common view of information, personnel can identify problems early, reducing the number of road-calls and service interruptions. Additionally, the AVM system has reduced diagnostic time and improved resource allocation.

One important benefit of having AVM functionality on-board the buses is the constant monitoring of the bus's performance, as well as health and safety related

performance. AVM is always collecting and filtering data to prevent road calls and customer dissatisfaction due to unreliable service.

Reliability is generally measured in terms of mileage traveled between service interruptions, commonly called Mean Distance Between Failure (MDBF). WMATA tracks bus reliability in terms of MDBF for each of its fleets of buses.

The graph below represents the observed reliability of the GEORGE buses compared to the system-wide average, and a similar sized, similar duty cycle bus, the Orion II.

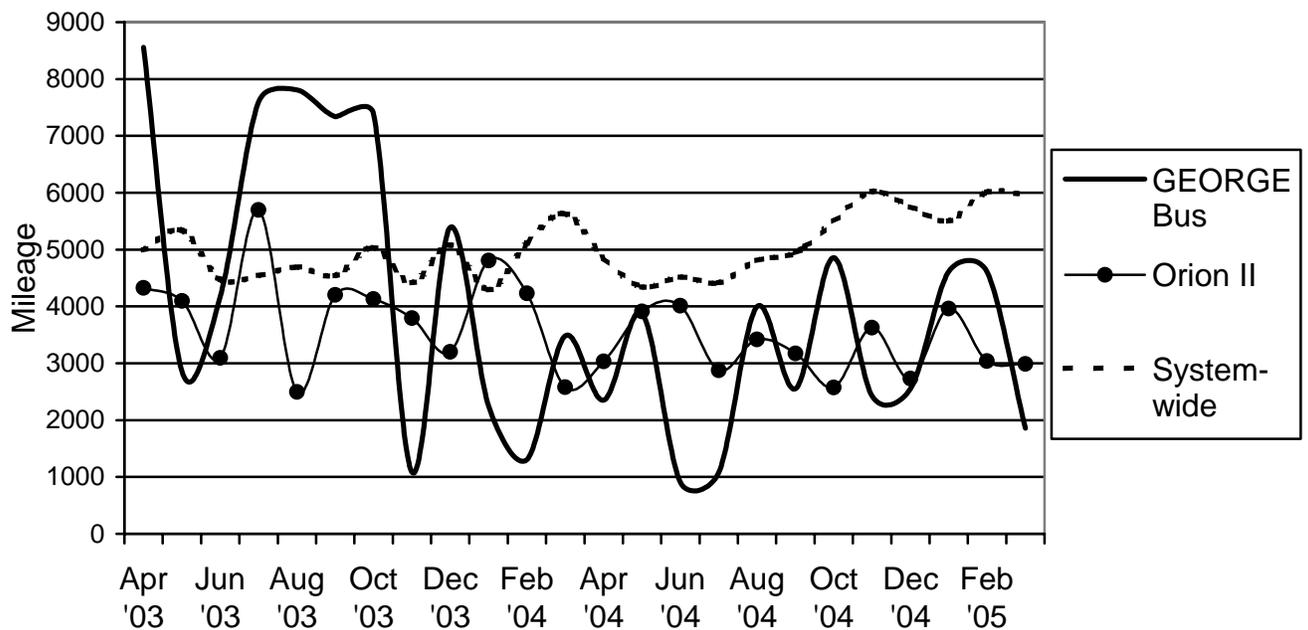


Figure 12: Mean Distance Between Failures, GEORGE, Orion II, WMATA Fleet

As seen in the chart, bus reliability is commonly variable, but several factors made the GEORGE buses more prone to wide fluctuations. The George buses operate on only three routes not shared with any other buses. This limits their monthly accumulated mileage. Hence, only one breakdown is sufficient to have a significant impact on reliability numbers. In addition, there are only four buses in this fleet. It can clearly be seen that a small number of buses provides a skewed statistical sample, and a single

failure can lead to a large impact on the reliability numbers (e.g. one breakdown means that 25% of the fleet is down!). WMATA generally operates fleets of at least 30 units, with many fleets of over 100 units. WMATA currently operates a total of 1450 buses.

One additional factor that merits caution is the small size of this bus. Most of WMATA's fleet (reflected in the 'system-wide' average) is comprised of full size (40ft.) buses. These buses are heavier duty and generally outperform smaller buses in terms of reliability. Hence, a true apples-to-apples comparison may not be possible.

For the above reasons, it is important to analyze the reliability of the buses in finer detail. What is observed after two years of operations tells a story that is similar to other bus procurements that WMATA has been involved with. The GEORGE buses underwent a normal 'shakedown' period shortly after beginning service. This is observed in most new bus procurements, and issues were addressed as part of normal warranty work. As the buses have matured, and maintenance practices improved, the reliability improved. Again, this is something that is normally found after receiving new buses. The buses are now entering their third year of operation, and the expected component failures begin to appear. Corrosion may have been the cause for several electrical relay faults on one particular bus. One transmission failure was recorded, and due to parts shortages could not be immediately repaired. These failures are not unusual, but for the reasons described above, the MDBF is lower than average.

In terms of cost of operation, the GEORGE bus is also in line with similar buses. Fuel consumption for this bus is slightly better than average, at about 3.59 mpg.

VI. Customer Responses

As mentioned in Section II, NVTC surveyed GEORGE bus passengers in the fall of 2004 to determine (among other things) their attitudes and preferences with regard to the ITS features being demonstrated on the GEORGE system. Specifically, the survey questioned respondents about the effectiveness of the Clever Devices Automatic Voice Annunciator system and electronic display signs that provide stop information to passengers. When asked if they could hear the stop announcements that are made outside the bus, only 35% of respondents said yes, and of those respondents only 32% said they were helpful, and only 42% said they were timely. These low ratings may be a result of early noise complaints from residents along the GEORGE routes, which led to a volume reduction on the stop announcements broadcast outside the bus. When asked about the stop announcements inside the bus, the responses were far more positive, with 98% responding that they could hear the announcements. Of those who responded that they could hear the announcements, 90% found them helpful, and 87% felt that the stop announcements were made in a timely manner.

When asked if the electronic display stop listing inside the bus was helpful to them, 87% of respondents answered yes. Automatic Voice Annunciators and electronic displays like those demonstrated inside the GEORGE bus are being installed by transit systems throughout the region as a means of ensuring ADA compliance, but it is good to know that they are seen as a benefit by the vast majority of passengers.

The survey results also provide excellent information about the GEORGE bus ridership. Two-thirds of the GEORGE passengers surveyed live within the City of Falls Church, while 12% live in Fairfax County and 7% live in Arlington. Fifteen percent of the respondents live in another jurisdiction. The average age of the respondents was 42 years old, and over 57% of respondents were female. Over 99% of the respondents transferred either from Metrorail (87%) or Metrobus (12.1%), which represents an astounding level of interaction with the regional transit system. Nearly 50% of respondents (48.9%) responded that they had a car available to them, but chose to ride the

GEORGE bus, which shows that the GEORGE system is doing a good job of attracting discretionary riders, and removing vehicle trips from the region's roads and highways. Eighty percent of respondents reported that their trip was for work, while seven percent chose "school" as a trip purpose, and eight percent chose "other". Two-thirds of respondents reported that they ride the system daily, 19% ride weekly and eight percent ride monthly. When asked to select three things they like most about the GEORGE bus service, "clean buses" was chosen by 59% of respondents, "improved access to Metrorail" was chosen by 52% of respondents, "low fares" was chosen by 50% of respondents, and "cheaper than driving" was chosen by 43% of respondents.

A copy of the survey form is located in **Appendix H**, along with a weighted tabulation of responses to each of the survey questions.

VII. Conclusions

In terms of lessons learned, one of the most important aspects of the Falls Church Bus Project is the management of the AVS contract. While some might look at the results of that three-year period as a failure, that would not be an accurate assessment. The most important thing to remember about the AVS situation is that WMATA's policies of regular inspections, progress reports, and cooperative troubleshooting at the AVS plant and during testing in Northern Virginia, ultimately proved successful. The AVS hybrid-electric vehicles never went into service because they could not pass WMATA's rigorous screening. While it was disappointing for the working group to deal with the repeated failures of the AVS buses, it would have been far worse for transit passengers to experience those failures. WMATA staff should be commended for not allowing that to happen.

Ultimately, the working group found an excellent compromise and delivered an environmentally friendly bus that today operates very well. The DNOx™ system is successfully lowering emissions matching that of the cleanest buses available. The AVM system has proven to be a valuable tool for scheduling buses, maintenance tracking, and lowering cost of operations. Overall, the GEORGE buses are delivering similar reliability to other buses in WMATA's fleet while achieving lower levels of emissions.

While the ridership on the GEORGE routes has been less than expected, it is still comparable to smaller transit systems in the area (in terms of passengers per vehicle and passengers per route). As mentioned in Section III (page 17) of this report, the GEORGE bus has been successful in attracting a large number and percentage of discretionary riders to ride the bus. Transit systems everywhere are searching for ways of enticing discretionary riders to leave their vehicles at home and take transit. As the number of zero and single car households decreases each year, this is the only way for transit systems to increase ridership. Attracting discretionary riders is also the only way to get people out of their automobiles, reduce the number of vehicle miles traveled, and improve the region's air quality. According to a 2001 region-wide survey conducted by

NVTC, approximately 37 percent of passengers on local transit systems are considered discretionary riders (see <http://www.thinkoutsidethecar.org/resource/research.asp> for more info). On the GEORGE bus system, 49 percent of passengers are discretionary riders. Although some of the discretionary ridership can be attributed to the lack of parking at the Metrorail stations, that is normally the case at every Metrorail station, so the GEORGE bus has made a significant achievement with attracting these riders. The survey also found that over 99 percent of GEORGE passengers are transferring either to or from Metrorail (87 percent) or Metrobus (12.1 percent), which represents an astounding level of interaction with the regional transit system. The point here is to note that, although the GEORGE bus ridership is not as high as some hoped, it is certainly doing a good job of enticing commuters away from their cars, and providing an excellent gateway for the region's major transit system.

The financing for the project provides a fascinating case study of teamwork and flexibility. As shown in **Appendix B**, over \$2.6 million was assembled by the project sponsors over the life of the project. These funds came from a multitude of state, federal, regional, local and private-sector sources, including cash grants and in-kind products and services. As the nature of the project evolved, some funding sources were lost (e.g. Virginia Power), others were altered, and new sources were identified. As Falls Church assumes full funding responsibility after two years of operations and nine additional months of development funded by the project sponsors, the city is well positioned to use this new community resource to its best advantage to improve mobility, clean its air, and boost its economic vitality.

Looking back at the original purpose and objectives of the project, as outlined in the various State and Federal grant applications, the GEORGE service has clearly met the majority of goals that were set. The demonstration provided an excellent test bed for new and innovative technologies. Some of these technologies, like the EVI and AVS electric vehicles, were found to be lacking in terms of reliability and performance. Other technologies, such as the Clever Devices AVM systems, were found to work quite well. The service provides improved transit service for residents of the City of Falls Church,

and, as found in the passenger survey, provides an excellent gateway to the regional Metrorail and Metrobus systems. The passenger survey also showed, with the number and percentage of discretionary riders on the GEORGE service, that the bus system is meeting the stated goal of reducing automobile usage and vehicle miles traveled. In terms of providing measurable clean air benefits, the data from the WMATA Bus Maintenance Office clearly shows that the DNOx system provides significant measurable benefits in comparison with a traditional diesel bus, and is comparable to the emissions performance of a CNG-fueled vehicle. Again, while the ridership on the GEORGE system has not met expectations, the service has met many of its original goals.

Falls Church staff are taking a long term approach to judging the success of the GEORGE bus system. According to Assistant City Manager Wyatt Shields “the City sees the GEORGE bus system as a long term need.” “It may take time to build a consumer base for the bus system, like it did in Alexandria” referring to the DASH system serving the City of Alexandria, which experienced growing pains in its early years of service. Mr. Shields also pointed to the new, high-density development in the center of town, stating that these new residents will be less likely to own automobiles, and more likely to ride transit.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: August 25, 2005
SUBJECT: VRE Items

- A. Report from the VRE Operations Board (including minutes of the Board meeting of August 19, 2005) and from VRE's CEO--Information Item.
- B. Policy on Terms of Entry--Discussion Item.
- C. Policy on Delegation of Authority to the VRE Operations Board--Discussion Item.
- D. Referral of the Preliminary FY 2007 Operating and Capital Budget to the Jurisdictions--Action Item/Resolution #1085.
- E. Option for Locomotive Fuel Supply--Action Item/Resolution #1086.
- F. Lease at Woodbridge VRE Station--Action Item/Resolution #1087.
- G. Contract for Septic Tank Services--Action Item/Resolution #1088.
- H. Contract for Railroad Equipment Jacks--Action Item/Resolution #1089.
- I. Contract Amendment for Fare Collection Equipment Maintenance--Action Item/Resolution #1090.
- J. Task Order for Engineering Service for Crossroads Yard—Action Item/Resolution #1091.
- K. May, 2005 Customer Opinion Survey Results--Information Item.



Report from the VRE Operations Board and VRE's CEO

Minutes are attached from the VRE Operations Board meeting of August 19, 2005. Also provided is the report of VRE's CEO and ridership and on-time performance tables. Also attached is an update on VRE projects and issues that helps to explain the very difficult month in terms of train delays and cancellations.



CHIEF EXECUTIVE OFFICER'S REPORT

August 2005

QUOTE OF THE MONTH

"I recall fondly when I first took office trying to help launch VRE. Today, I am delighted that our collective work has brought greater commuting options for our region. Without question, the success of VRE is an integral and effective solution to this region's traffic congestion. It continues to enhance this region's quality of life by ensuring that residents along the I-95 corridor remain connected to their place of employment and that Alexandria and Fairfax County continue to serve as the engine of economic prosperity and opportunity. I am certain VRE will continue serve this region well for many more years to come."

Congressman James Moran (D-VA)

ANNUAL RIDERSHIP EXCEEDS 3.75 MILLION FOR FY 2005

With the close of the fiscal year on June 30th, final VRE ridership rose to over 3.75 million passengers annually - exceeding original ridership projections for the year of 15,100 average daily riders.

ANNUAL RIDERSHIP OVERVIEW	ANNUAL RIDERSHIP
VRE FY 2005 Passenger Totals	3.754 M
VRE FY 2004 Passenger Totals	3.559 M
PERCENTAGE INCREASE	5.5%

In June, average daily ridership grew to 15,460, exceeded 16,000 on four separate occasions, and approached 16,000 on five other days. These are very strong numbers given the operational issues currently facing VRE.

ON-TIME PERFORMANCE

On-time performance in June was unacceptable. It seemed that everyday we faced not just one issue, but also rather multiple issues including heat restrictions, slow orders, train interference, switch problems and mechanical issues.

VRE service was hampered by 192 service delays in June, significantly higher than any time during the year. July's service did not fare much better with 189 service delays. As has been past practice, the Manassas line continues to outperform the Fredericksburg line, but for the first time even service on the Manassas line was below 90%. While this is the lowest on-time performance on the Manassas line for the entire year, it should be noted that many of the delays were a direct result of heat restrictions.

As for the Fredericksburg line, performance dipped to 50% for the months of June and July. Many of the performance woes were attributed to the same factor as on the Manassas line; heat restrictions, but we also encountered delays due to train interference and weather.

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
VRE June and July 2005 Fredericksburg OTP Average	50%
VRE June and July 2005 Manassas OTP Average	86%
VRE JUNE AND JULY 2005 OVERALL OTP	68%

June 2005 Train Delays	REASON	TOTALS	PERCENT
	Signal/Switch Failure	22	12%
	Slow Orders	11	6%
	M/W	5	3%
	Train Interference	53	28%
	AMTRAK	19	36%
	Freight	24	45%
	VRE	10	19%
	Mechanical Failure	7	4%
	Late Turn	3	2%
	PAX Handling	9	5%
	Weather	55	29%
	Crew Related	1	.5%
	Other	26	14%
TOTAL	192	100%	

July 2005 Train Delays	REASON	TOTALS	PERCENT
	Signal/Switch Failure	20	11%
	Slow Orders	11	6%
	M/W	2	1%
	Train Interference	45	24%
	AMTRAK	17	38%
	Freight	21	47%
	VRE	7	16%
	Mechanical Failure	21	11%
	Late Turn	3	2%
	PAX Handling	13	7%
	Weather	53	28%
	Crew Related	6	3%
Other	15	8%	
TOTAL	189	100%	

MANASSAS PARK PLATFORM

Work on the Manassas Park Platform is underway and soon riders will see a new, permanent platform on the North end of the station. Construction began July 11th and surveyors are already laying out the new platform. The old platform was demolished the week of July 18th.

During construction, 45 parking spaces will be blocked off for staging. This will add to the current lack of parking at this station, though it is necessary in order to use large equipment and move pieces of prefabricated concrete on site. The parking spaces will be restored after the construction is completed.

The finished structure will be 300 feet in length and the entire job is expected to be completed and ready for use by the end of November.

RIPPON IMPROVEMENTS

The Rippon Station is receiving a facelift. This station endures extra wear and tear due to the proximity of a wetland across the tracks and the station's open staircase. The platform canopy is being replaced and will be completed in September. Additional work includes repairing the elevator, sandblasting the station's metal support structures and repainting them, putting up anti-slip treads on the stairs, and replacing the pedestrian bridge deck. Construction will be done during nonservice hours and on weekends in order to minimize any disruption to Rippon Station passengers.

EXTENSION OF LEASE FOR SOUNDER CARS

We are pleased to announce that we will now be able to keep two Sounder trains running in VRE territory. Originally, VRE had anticipated returning one set of Bombardier cars to Sound Transit in August. However, in mid-July, VRE staff was able to renegotiate our lease so that only one car had to be returned - leaving us with eleven Bombardier cars in service. These cars will, however, need to be returned to Seattle in December 2007.

SPOTSLVANIA TOUR

On August 2, 2005 a delegation of Spotsylvania representatives met with VRE staff, toured the administrative offices, Ivy City facilities and rode four VRE trains. In attendance were:

Bob Hagan	Chairman of the Board of Supervisors
Randy Wheeler	County Administrator
Richard Goss	Planning Director
Michael Freitas	General Services Director
Jesse Beavon	General Services
Don Cole	Traffic Engineer
Rodney White	Transportation Planner

The visit was extremely successful and informative for both Spotsylvania and VRE staff.

STEP UP TICKET

Step up tickets went into effect on July 5, 2005. In an effort to give passengers a chance to get used to the new tickets and not penalize them right out of the block, VRE did not enforce the penalty of having to purchase a one-way Amtrak ticket for two weeks. Preliminary data shows no change in ridership from June levels.

INDEPENDENCE DAY EXPRESS

This past 4th of July marked VRE's 13th year of running the Independence Day Express. This train, which stops at both Union Station and L'Enfant, brings riders within two blocks of the mall to watch the fireworks. This year saw almost a 100% increase in ridership from the previous year.

	MANASSAS			FREDERICKSBURG			
YR	NB	SB	TOTAL	NB	SB	TOTAL	GRAND TOTAL
2004	147	151	298	419	412	831	1129
2005	349	286	635	713	717	1430	2065

TRAIN TALK

The migration to the new and improved Train Talk (TTNI) system continues. Currently, more than 5,500 people have signed up almost 8,000 addresses. Feedback on the system is generally positive with the improved notifications winning the most attention.

We have ceased operating the old system. Multiple reminders were sent to all “old system” Train Talk subscribers in an effort to encourage them to migrate to TTNI. Another final reminder will be sent in September for any vacationers we may have missed.

PUBLIC OUTREACH CAMPAIGN

In June, VRE distributed the new Annual Report to the Board and Commissions. Since that time, copies have been sent to all members of Congress that sit on Appropriations Committees and/or sit on one of the authorization committees for transportation funding. Additionally, the entire Virginia Congressional delegation was sent copies to both their Washington, DC and regional offices. Copies were also distributed to all members of the Virginia Senate and House of Delegates. Also receiving a copy were the Governor, his Cabinet, all members of the Commonwealth Transportation Board, and appropriate state personnel. Also, for the first time, copies were sent to regional board of directors for the local Chambers.

We have received very positive feedback from a host of people thanking us for sharing a copy of the report with them.

LONGER TRAINS

With the new Amtrak agreement, VRE will take advantage of 20 more mid-day storage slots at the Ivy City Yard. We expect to add 10 to 12 more cars than are currently in service by the end of the year. While this process may take several months to complete, riders on our largest trains noticed a difference on July 11. On that date, we began operating one 8-car set on each line. They are:

- #328 (departing Broad Run at 6:45a) and train #331 (departing Union Station at 5:00p) - 300 more seats; now will seat over 1100 people
- #300 (departing Fredericksburg at 5:15a) and train #307 (departing Union Station at 4:45p) - 200 more seats; now will seat over 1,000 people.

FAIRFAX COUNTY PLANNING COMMISSION APPROVES BURKE CENTRE DECK

On June 29th, the Fairfax County Planning Commission approved the parking facility proposed for the Burke Centre VRE station. The station’s current lot has just over 600 spaces and

commuters are forced to park on grassy areas. The new 1,525 space garage is five-levels, made of pre-cast concrete with brick inlays, and will include an 87-foot clock tower.

REAUTHORIZATION

Reauthorization is finally complete as President Bush signed the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005: A Legacy for Users (SAFETEA-LU) during a ceremony this week in Aurora, Illinois.

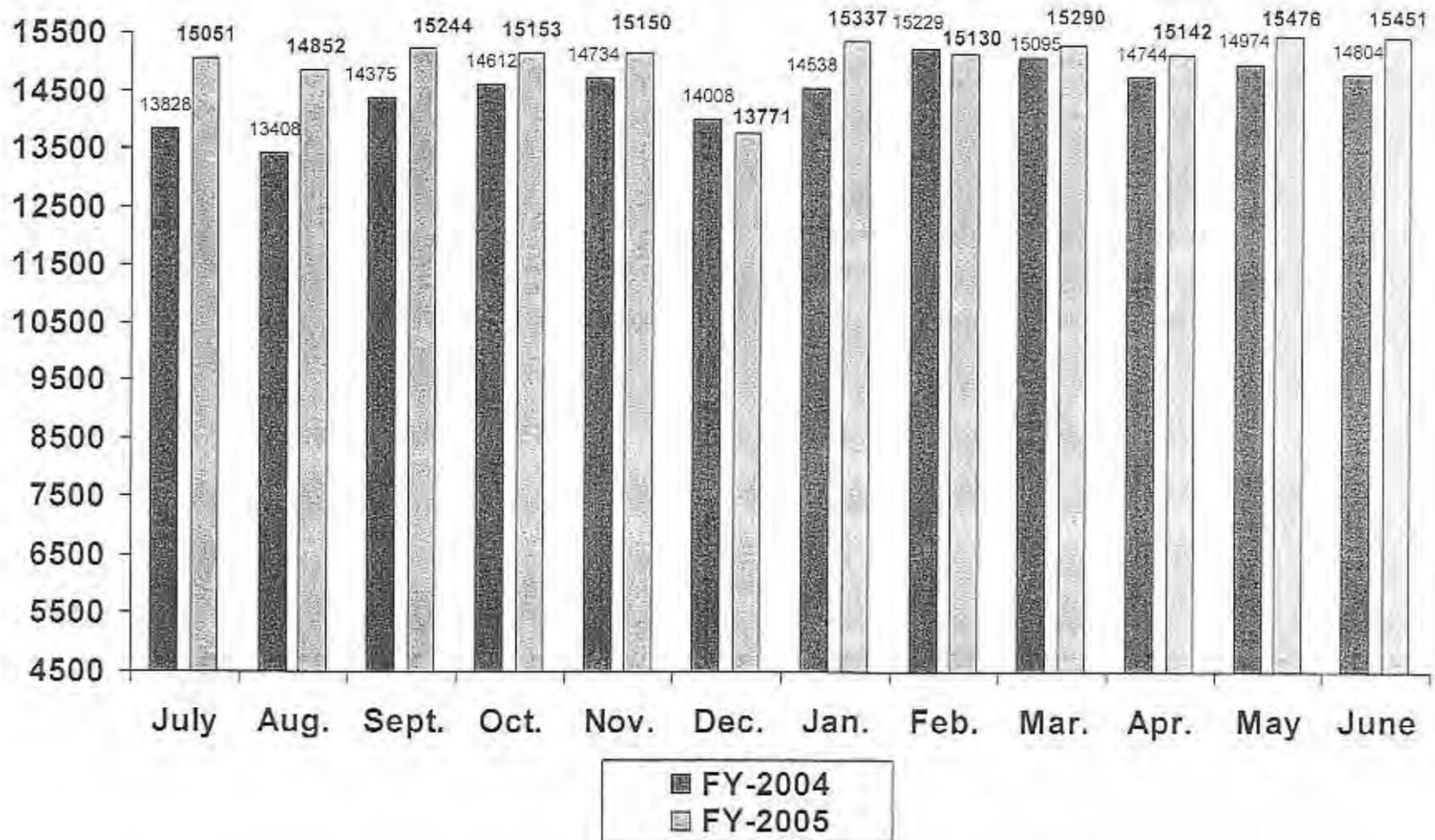
Approved by Congress on July 29, the bill provides \$286.5 billion for transit and highway projects during the next six years. SAFETEA-LU includes \$52.6 billion in guaranteed funding for public transportation projects through 2009.

VRE is cited in two separate areas of the bill. The first under the New Starts program for fixed guideways which calls for improvements in rail capacity. Though noted in the legislation, no direct earmark was given to VRE. Communications with congressional staff, as well as staff for the House Transportation and Infrastructure Committee, indicate that with the full-funding grant agreement for Dulles being included in the bill, other NOVA public transportation projects would not be cited for large earmarks.

We are already working with FTA Administrator Dorn's office and FRA Administrator Boardman's office to better position VRE for immediate consideration. This will allow VRE to act on the option for the 50 additional railcars.

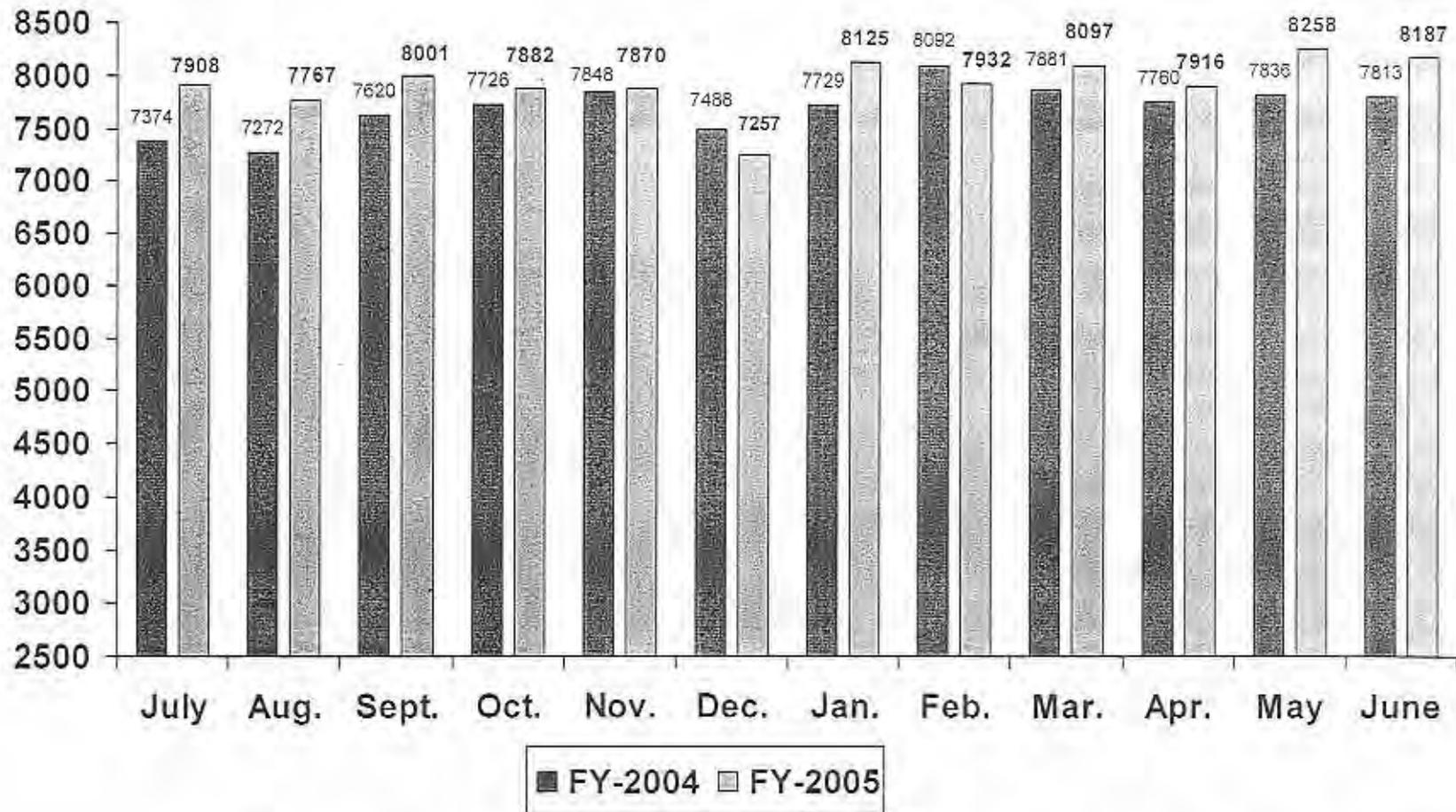
Additionally, VRE - thanks to the efforts of Congresswoman Davis - will receive \$2.09 million to make improvements to the Fredericksburg Station. These improvements are necessary to ensure public safety as cement fragments from the CSX railroad overpasses continue to fall on the streets below. We will also improve drainage at the station to prevent further breakdown of the cement abutments.

VRE Total Average Daily Ridership



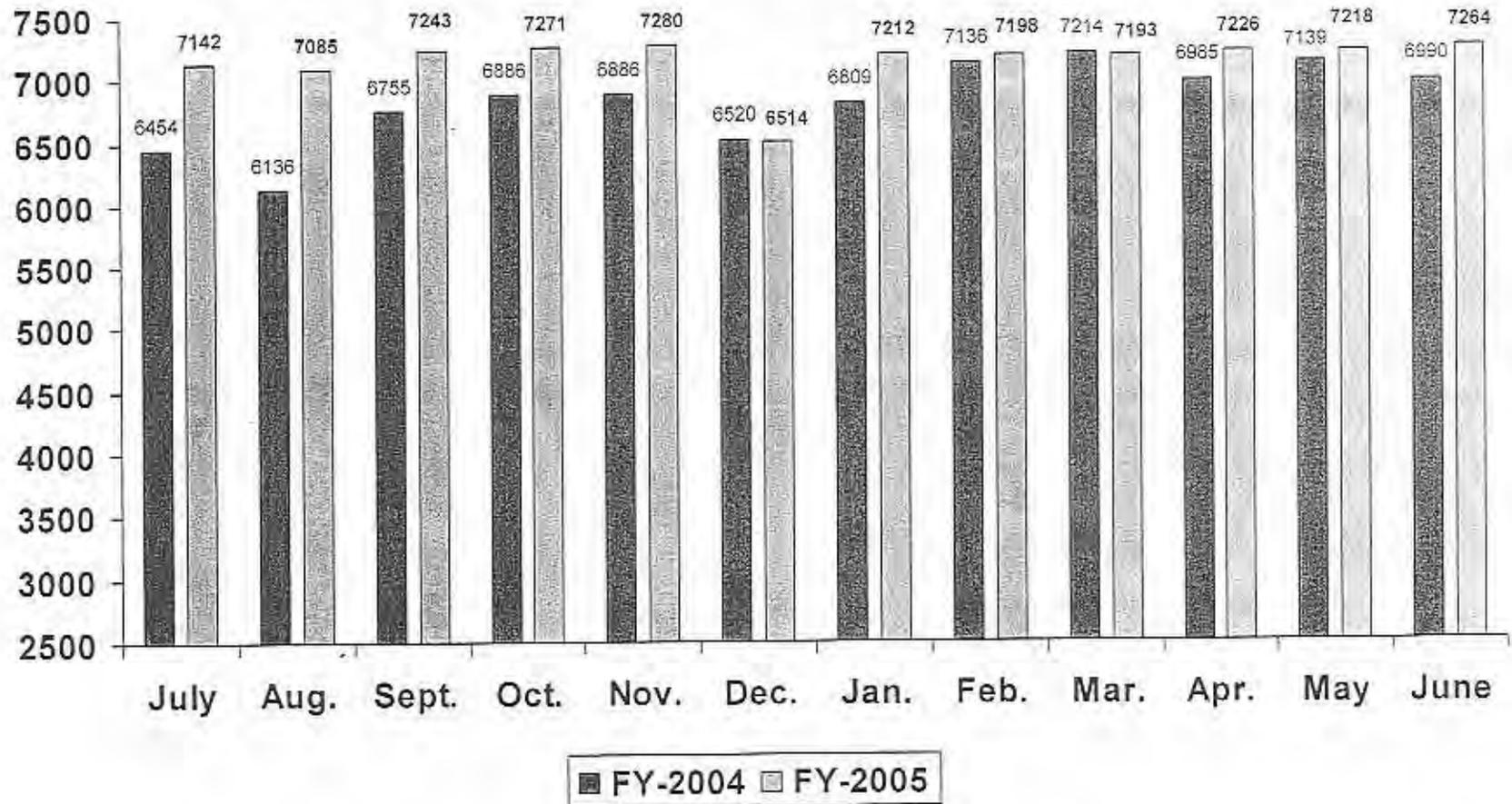
*December 2004 numbers are lower than 2003. Because of the CSX derailment in 2003, the number of days calculated led to a higher than usual number for December.

VRE Average Daily Ridership Fredericksburg Line



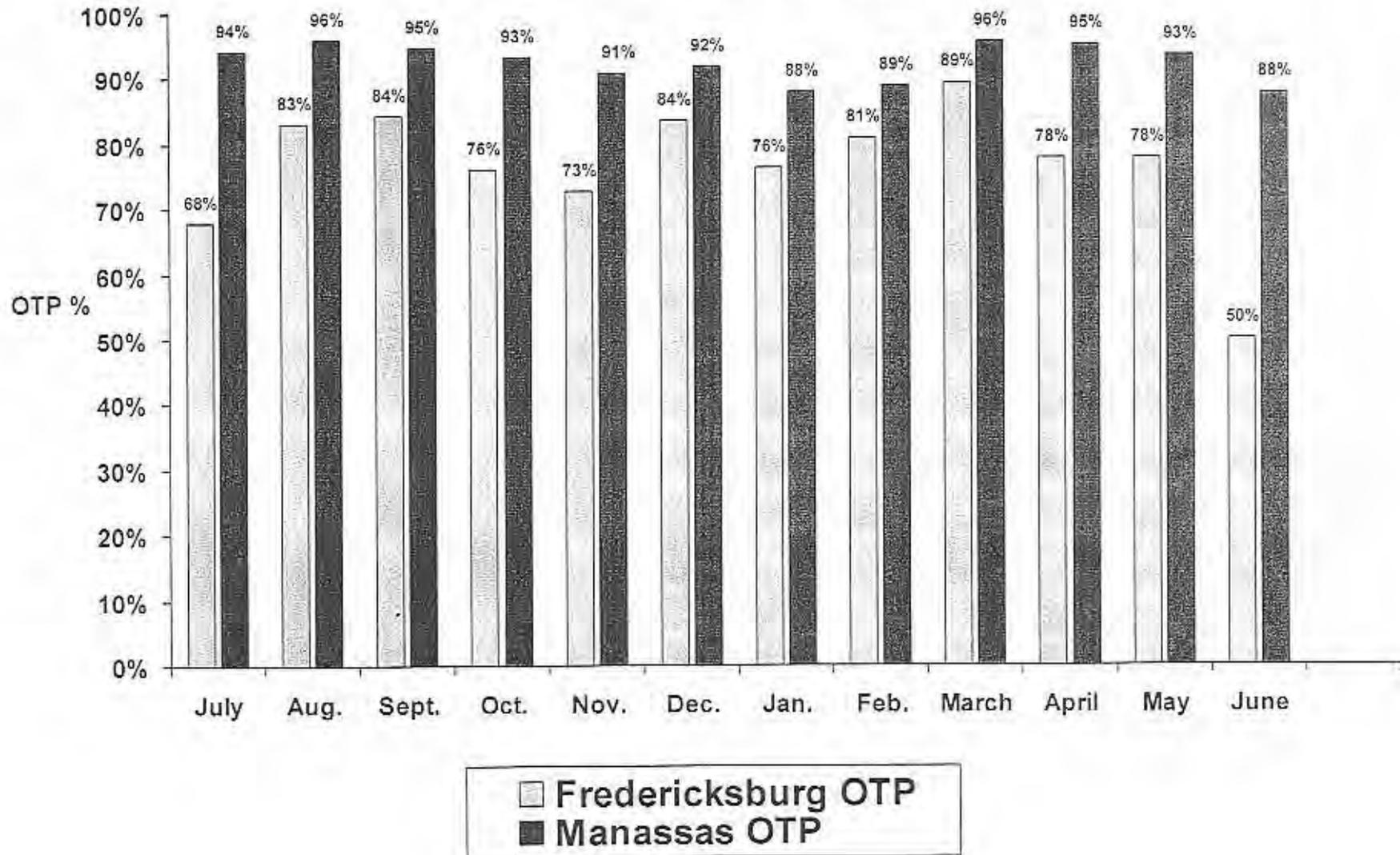
*December 2004 numbers are lower than 2003. Because of the CSX derailment in 2003, the number of days calculated led to a higher than usual number for December.

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



AGENDA ITEM 9-B
INFORMATION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

RE: UPDATE ON RAILROAD PROJECTS AND ISSUES

On-time Performance

VRE's on time performance during the summer has dropped significantly. This slump is not unusual, because hot weather brings heat-restricted delays. However, in June and July a large number of heat delays combined with several CSX switch and signal delays caused OTP to drop to 50%. The chart below illustrates the type of delays encountered by trains on the CSX owned tracks. With trackwork and the Arkendale Crossover cut in approaching, it is not likely that OTP will improve significantly in the near term. VRE staff continues to engage CSX in a dialogue, with Mr. Zehner recently traveling to Jacksonville to express our continued frustration with these issues.

Number of Delays 2005

Month	CSX Trains	Speed Restrictions	Switch and Signal	Other Trains	Misc. Delays	Mechanical*	OTP
January-05	31	46	36	42	70	8	76%
February-05	26	26	20	31	61	9	81%
March-05	10	8	19	24	61	7	89%
April-05	33	62	28	38	58	13	78%
May-05	27	30	36	39	89	9	78%
June-05	48	146	43	56	100	4	50%
July-05	37	113	57	57	71	26	50%
Average	30	62	34	41	73	11	72%

* This represents the total delays encountered. Some trains may be delayed for more than one reason, both accounted for.

Mechanical Concerns

While our recently acquired equipment has enabled VRE to increase seating capacity more than 28%, the use of older equipment comes with an increased risk of mechanical failures. We have recently seen this on our Metra Gallery cars whose air conditioning has failed at a higher than normal rate. Several issues have contributed to these failures including three failed compressors; a bad mix of refrigerates, and blocked ductwork. STV/RailPlan is working daily on these outages in an attempt to bring them to an acceptable level.

Work on the PA system appears to be improving the reliability of the equipment. Each day Amtrak checks the PA's to be sure that they are operational and notifies our Mechanical Engineering Consultant (MEC) when they are not. In addition to repairing deficiencies as they arise, the MEC is halfway through a program to improve the reliability of the PA amplifiers on the Metra Gallery cars. Since this program was initiated, the number of PA complaints has dropped. VRE staff expects this program to be completed by September.

Arkendale Interlocking

VRE first proposed this project in 1994 when it became apparent that the 18 mile CSXT line segment between Quantico and Fredericksburg lacked any infrastructure for trains to cross from one main track to the other in the event of track maintenance or disabled trains.

This construction of a "universal crossover" in Stafford County became the first priority in VRE's MOU with CSXT, after the Quantico Bridge. This project will be complete by the end of the month and essential flexibility will be placed in the hands of the CSXT Jacksonville dispatcher. Some delays to VRE trains will be eliminated, and others substantially reduced.

Tie Renewal Project – Norfolk Southern

On August 6, 2005, the NS launched an accelerated tie and surface program (see attached graphic) at Bristow and will work rapidly north to Alexandria on track 1 (the track used by VRE). Working closely with VRE to minimize impact on commuters, the NS crew is working 12-hour days on Saturday and Sunday and nine-hour days on Monday. There are 3,250 ties per mile and NS is renewing 30,000 ties over 35 miles. This heavy replacement will preclude a return of the program for 7-10 years; a relief to VRE. NS hopes to be wrapped up by Labor Day.

Tie Renewal Project – CSXT

On August 28, 2005, CSXT will commence their tie replacement program, similar to NS. In the case of CSXT, where lean times have slowed down programmed maintenance, the installation will approach 80,000 ties in roughly 80 track miles (40 route miles) between Washington and Fredericksburg. CSXT will be working Sunday through Wednesday at night, in deference to VRE trains. Work will stretch out into November. A smoother ride, less encumbered with “slow orders” will result.

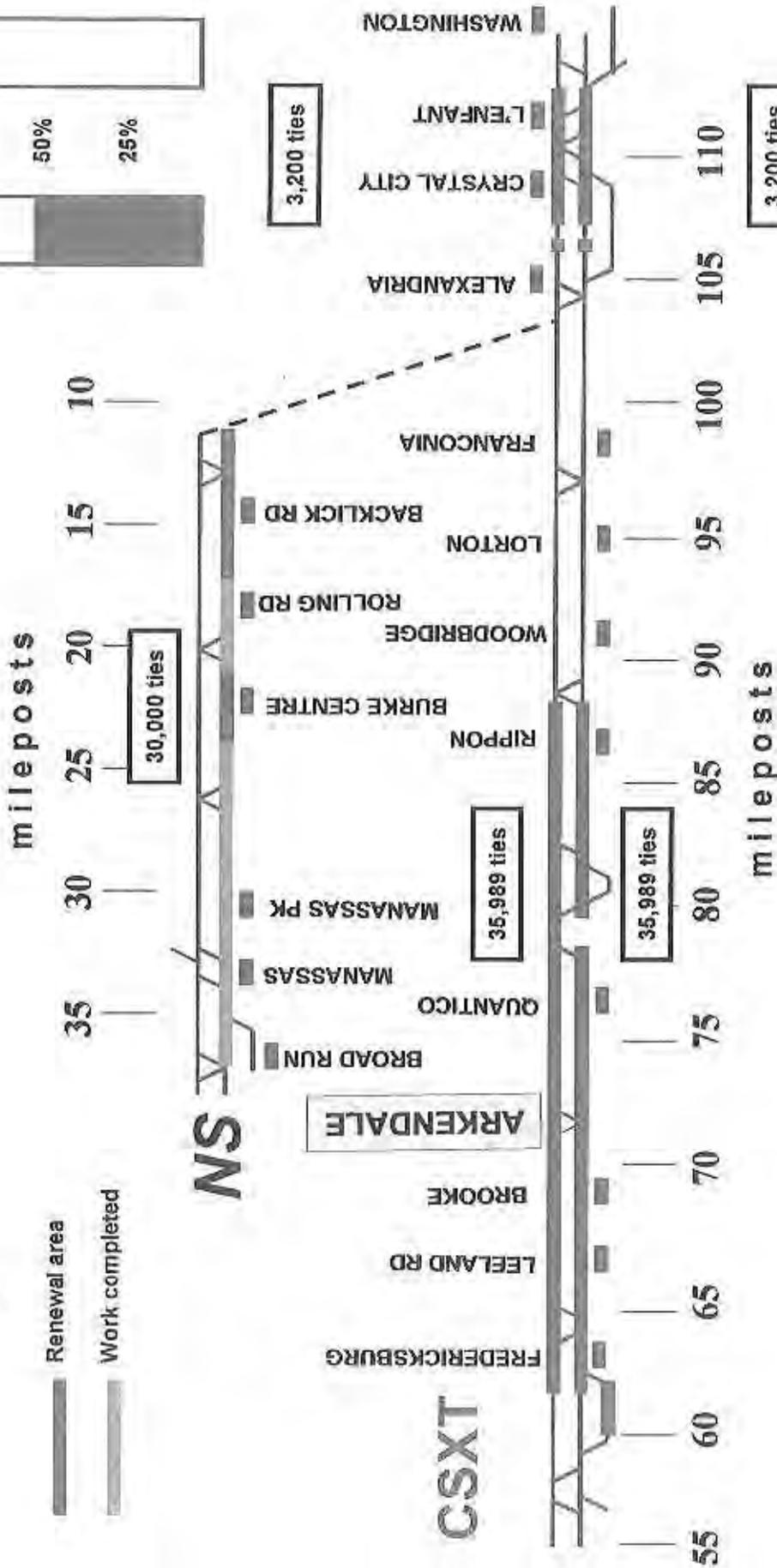
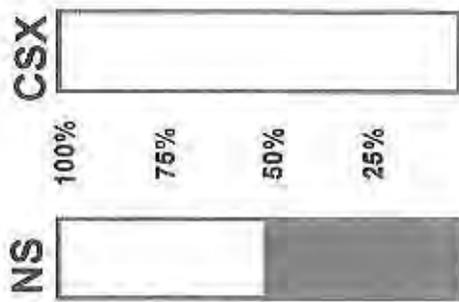
In both cases, the track programs will result in some delays to VRE trains, generally early in each workweek. Once all work is complete, the on-time performance for VRE should increase measurably.



VIRGINIA RAILWAY EXPRESS

2005 tie renewal programs

Date: 8-16-05



Renewal area
Work completed



**VIRGINIA RAILWAY
EXPRESS**

**OPERATIONS BOARD
MEMBERS**

**ELAINE MCCONNELL
CHAIRMAN**

**MAUREEN S.
CADDIGAN
VICE CHAIRMAN**

**DANA KAUFFMAN
SECRETARY**

**ROBERT GIBBONS
TREASURER**

HILDA BARG

SHARON BULOVA

WALLY COVINGTON

WILLIAM GREENUP

JOHN D. JENKINS

KAREN RAE

DOUG WALDRON

**CHRISTOPHER
ZIMMERMAN**

**DALE ZEHNER
CHIEF EXECUTIVE
OFFICER**

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MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
AUGUST 19, 2005**

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Robert Gibbons (PRTC)	Stafford County
John D. Jenkins (PRTC)	Prince William County
Karen Rae	VDRPT

MEMBERS ABSENT	JURISDICTION
Dana Kauffman (NVTC)	Fairfax County
Elaine McConnell (NVTC)	Fairfax County

ALTERNATES PRESENT	JURISDICTION
Hilda Barg (PRTC)	Prince William County
Wally Covington (PRTC)**	Prince William County
Doug Waldron (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)**	Arlington County

ALTERNATES ABSENT	JURISDICTION
William Greenup (PRTC)	City of Fredericksburg/VHSRDC

STAFF AND GENERAL PUBLIC	
Tamara Ashby – VRE	Steve MacIsaac – VRE counsel
George Billmyer – citizen	Betsy Massie – PRTC staff
Donna Boxer – VRE	Sirel Mouchantaf – VRE
Raynetta Cross – VRE	Ian Newberg – Cubic
E.B. Easter – VRE	Dick Peacock – citizen
Sue Faulkner – Stafford County	Michael Poe – VRE
Anna Gotthardt – VRE	Mark Roeber – VRE
Jay Guy – Fairfax DOT	Brett Shorter – VRE
Alfred Harf – PRTC staff	Jennifer Straub – VRE
Ann King – VRE	Rick Taube – NVTC staff
Wendy Lemieux – VRE	Dale Zehner – VRE
Bob Liebbrandt – Prince William County	

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

Vice Chairman Caddigan called the meeting to order at 9:32 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Zehner stated that Agenda Item #8B “Authorization to Amend the MOU with CSXT for Improvements to the Rail Corridor” was removed from the agenda. Ms. Rae requested that VRE work to bring this item back to the next meeting for action. Mr. Zehner stated that Information Item #9B “Update on Railroad Projects and Issues” was included in the agenda at the request of Mr. Gibbons. There were no objections to the changes to the agenda.

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

Minutes of the June 17, 2005, VRE Operations Board Meeting – 4

Mr. Jenkins moved, with a second by Ms. Barg, to approve the minutes. Mr. Zehner stated that the signature block would be changed to reflect Vice Chairman Caddigan’s signature since she chaired the meeting. The vote in favor to approve the amended minutes was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins and Rae.

Chairman’s Remarks – 5

Vice Chairman Caddigan reported that Chairman McConnell is on vacation and will return in September.

Chief Executive Officer’s Report – 6

Mr. Zehner introduced Michael Poe, VRE’s new Project Engineer. Mr. Zehner reported that ridership remains strong. On both lines on-time performance was unacceptable for June and July, due to heat restrictions, slow orders, freight interference, switch problems, mechanical issues and construction projects. Ms. Barg stated that there were major delays on the Fredericksburg Line due to the Arkendale project and she asked if riders were notified ahead of time of delays. Mr. Zehner stated that while VRE did not anticipate a delay of that magnitude, information on the work was provided to passengers in advance. He stated that he will discuss this incident in greater detail later in the agenda. Mr. Waldron expressed his appreciation for the timely e-mails keeping Board Members informed of these incidents.

Mr. Zehner announced that VRE won an APTA Ad Wheel award for VRE's 2004 Annual Report. VRE will compete for the grand prize award.

Mr. Roeber stated that the Reauthorization Bill is finally complete as President Bush signed the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005 (SAFETEA-LU). The bill provides \$286.5 billion for transit and highway projects during the next six years. VRE is cited in two separate areas of the bill, although no direct earmark was given to VRE for railcar procurement. Staff is working with FTA Administrator Dorn's office and FRA Administrator Boardman's office to better position VRE for immediate consideration, which would allow VRE to act on the option for the 50 additional railcars. Mr. Roeber also reported that VRE will receive a \$2.09 million earmark for improvements to the Fredericksburg Station.

Mr. Zehner reported that PRTC and VRE had a triennial review and auditors commented that it was very successful and clean audit. The auditors have issued a corrective action in their report due to the way VRE calculates its half-fare prices, which VRE will adjust at the next fare increase.

VRE Riders' Comments – 7

Mr. Billmyer stated that CSXT has announced that it is planning to spend \$300-400 million in rail improvements along the Chicago-Florida and Albany, NY-New Jersey rail lines over the next several years. CSXT money is being spent there for improvements and not here in this region.

Mr. Billmyer stated that the population is going to continue to increase in this area. The Metrochek increase will impact VRE ridership and spiking gas prices will also push people out of their cars and onto mass transit. VRE is having trouble with freight traffic on the CSX lines now, but freight traffic is also predicted to double by 2020. He expressed his opinion that the region needs a freight bypass. Mr. Gibbons stated that containers arriving in ports are also on the increase, which will result in additional freight traffic. Mr. Billmyer stated that by 2020 international traffic will increase by 310 percent.

Mr. Peacock expressed his disappointment with CSXT. He stated that CSXT is not only getting income from VRE and Amtrak, but also getting improvements funded by the state for their infrastructure, which ultimately helps freight traffic.

Referral of Preliminary FY 2007 VRE Operating and Capital Budget to the Commissions – 8A

Mr. Zehner stated that the Operations Board is being asked to authorize him to refer the preliminary FY 2007 VRE Operating and Capital Budget to the Commissions for their consideration, and that the Commissions, in turn, refer these recommendations to the

jurisdictions for their review and comment. Resolution #8A-08-2005 would accomplish this.

Mr. Zehner explained that the preliminary budget is \$61.5 million with \$2.05 million (3.3 percent) currently unfunded. VRE staff will work with jurisdiction staff to reduce overall operating expenses and/or identify additional funding sources in order to balance the budget. He explained that he is presenting an unfunded budget because there will be a lot of activity happening in the fall that will impact the budget. Outstanding issues that could affect the budget are fare revenue, federal and state funding, and ridership growth. With the Budget Task Force, staff will submit a final balanced budget to be presented to the Commissions in December.

Ms. Barg asked if staff anticipates any additional revenue, such as revenue from the sale of the Mafersa railcars. Mr. Zehner replied that there is no buyer for these railcars at this time, but it is always a possibility. Federal funding could increase as well. Ms. Rae updated the Board on TransDominion, an advocacy group, who is interested in buying the Mafersa railcars. TransDominion is moving toward incorporating into a body, which would then allow them to begin purchasing railcars.

Ms. Bulova observed that this is the first time staff has presented an unfunded preliminary budget and asked if the shortfall was operating or capital. Mr. Zehner replied that the shortage is in operating. Ms. Bulova suggested that when forwarding the budget to the Commissions, staff include recommendations of how they propose to close the budget gap. Mr. Zehner explained that three possible scenarios for closing the gap would be raising fares, reducing costs, and/or finding out what funding the state will provide. Ms. Bulova stated that it is important that these issues be clearly articulated to the Commissions. Mr. Waldron agreed. He asked if the preliminary budget is basically a working draft. Mr. Zehner stated that VRE must submit a preliminary budget in August and the final budget would be submitted in December.

[Mr. Covington joined the discussion at 9:55 A.M.]

Ms. Rae explained that VDRPT and VRE staff have been conservative in their predictions for state aid. She also stated that it is important that VRE begin spending the \$20 million earmark for railcars provided during the last General Assembly session before the next legislative Session. Mr. Gibbons observed that VRE also won't receive federal funding amounts until mid-September or October.

Mr. Harf stated that he shares Mr. Zehner's confidence that the budget gap can be closed. However, he stated that deferral of capital is not a luxury VRE can afford with regard to rolling stock. The Sounder railcars will need to be returned to Seattle and VRE ridership continues to grow. The state already has invested \$20 million for railcars and there may be a potential need to increase assistance from the public side to accomplish what needs to be done. Mr. Zehner reminded Board Members that VRE's option for 50 railcars must be signed by April 2006. He expressed his opinion that this option needs to be exercised. Mr. Gibbons asked staff to compile information regarding

the life expectancy of VRE's rolling stock and fleet strategy. He stated that it is important to be upfront with the public and provide them with information so they understand the issues.

[Mr. Zimmerman arrived at 10:02 A.M.]

Ms. Rae stated that the downside of the Federal funding program is that there is no funding for railcar replacement. This is a problem for transit agencies across the county, not just VRE.

Mr. Gibbons moved, with a second by Ms. Bulova, to approve the resolution. Vice Chairman Caddigan stated that it is understood that the comments from Board members will be incorporated into the minutes.

Ms. Bulova asked for Mr. Taube's opinion on this action. He replied that he has no objection, since the Operations Board only is asking that the Commissions forward the preliminary budget to the jurisdictions for their consideration.

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

Authorization to Utilize Reserve Fund – 8C

Mr. Zehner reported that Resolution #8C-08-2005 would authorize the CEO to utilize the Reserve Fund in an amount up to \$4 million between now and the end of December 2005 as the result of anticipated delay in the receipt of Federal funds for operations projects during that time period. The Reserve Fund would be replenished when the Federal funds are received. Ms. Bulova observed that this is the reason why the Operations Board created the fund.

Mr. Zehner explained that VRE has been notified by PRTC that the applications for the FY 2005 Federal grants (which are used during VRE's FY 2006 budget) have been setback due to the delay in Congressional approval of the budget as well as new procedures in the State Transportation Improvement Program (STIP) approval process. As a result, the approval of the grant applications will not occur for several months.

Mr. Zehner stated that ongoing projects that would be funded using the Reserve Fund are the debt service for the Kawasaki cars and the fare collection equipment; the reimbursement for the track leases; and the reimbursement for grant and project management costs.

Ms. Rae explained that the Commonwealth would consider accelerated payments to help minimize or negate using the Reserve Fund. VDRPT staff will work with VRE staff on this issue. She expressed her opinion that the action should still be taken to give

VRE's CEO the flexibility he needs if the cash flow gap cannot be totally closed by the accelerated payments.

In response to a question from Mr. Zimmerman, Mr. Zehner stated that the Federal funds are anticipated by December 2005. Mr. Zimmerman asked how using the Reserve Fund would impact lost interest income. Mr. Zehner stated that the lost interest would be approximately \$10,000 a month. Mr. Zehner stated that he will take this into account when deciding on a course of action.

Ms. Bulova moved, with a second by Mr. Gibbons, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Authorization to Extend Contract for Advertising Sales Revenue – 8D

Mr. Zehner reported that the VRE Operations Board is being asked to authorize the CEO to exercise a five-year contract option with Viacom Outdoor Advertising for the sale of advertising on VRE trains and platforms. Resolution #8D-08-2005 would accomplish this.

The initial contract was awarded to Viacom in October 2000, for a period of five years with a five-year renewable option. This contract has been successful in generating non-fare revenue. VRE currently receives 65 percent of revenue generated from the sale of advertising and is currently earning approximately \$100,000 per year. In addition, Viacom is presently working to sell advertising space on the outside of VRE trains, similar to bus advertising. If successful, resulting revenue would likely cause annual revenue to exceed current estimates.

Ms. Barg moved, with a second by Mr. Jenkins, to approve the resolution.

Mr. Zimmerman stated that it is important to make sure that the contract doesn't preclude the possibility of future advertising opportunities, such as electronic signage. Ms. King responded that this contract is only for signage and not electronic signage. Ms. Rae cautioned that it warrants another look at the contract to make sure. Mr. Maclsaac stated that a major advertising problem for VRE is that VRE does not own the platforms so there is a limit to what kind of advertising can be done. Mr. Zimmerman expressed his support of the motion, but stated that it would be in VRE's best interest before the contract is signed to have VRE and its legal counsel review the contract terms.

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

Authorization to Execute a Lease for Available Space at the Woodbridge Commuter Rail Station – 8E

Mr. Zehner reported that Resolution #8E-08-2005 would recommend that the Commissions authorize VRE's CEO to enter into a lease agreement pending approval by legal counsel, with Greyhound Lines, Inc. for the operation of concessions at the Woodbridge VRE station for a term not to exceed five years.

Mr. Zehner explained that for the past seven years, Prince William County leased the vendor space at the Woodbridge station to Greyhound Lines, Inc. for the sale of tickets and concessions. The county recently transferred the responsibility for managing the lease to VRE. Lease terms have been agreed to in which Greyhound would pay VRE \$500 per month to cover the cost of utilities in the space. The terms of the lease have been discussed with Prince William County staff and found to be acceptable. Execution of this lease agreement would allow Greyhound Lines to continue the service of ticket sales and concession services to bus and rail patrons using the station. The lease would be exercised for one year with four one-year renewable options. VRE is requesting authorization for the total term of the contract, with VRE's CEO exercising the option years at his discretion.

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

Authorization to Award a Contract for Septic Tank Pumping and Flushing Services – 8F

Mr. Zehner reported that Resolution #8F-08-2005 would recommend that the Commissions authorize VRE's CEO to award a contract to A Royal Flush of Washington, DC or the next lowest responsive and responsible bidder for the septic tank pumping and flushing services for VRE's railcar fleet. The contract would not exceed \$1,499,087 for a period of one year with two additional one-year options, which would be exercised at VRE's CEO's discretion.

Ms. Barg moved, with a second by Mr. Zimmerman, to approve Resolution #8F-08-2005. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Ms. Bulova observed that this item is an example of a VRE "housekeeping" item that gets referred to the Commissions. NVTC had a discussion at its last meeting on how to deal with these types of agenda items and is looking into possibly using a consent agenda for some actions.

Authorization to Purchase Railroad Equipment Jacks – 8G

Mr. Zehner explained that as VRE continues to migrate fleet maintenance functions to the yards, specific equipment to support and conduct such work is required. Railroad equipment jacks are essential to the ability to change wheels. Four jacks are required at each yard, for a total of eight. VRE issued an IFB and bids were due on August 9, 2005. VRE received one responsive and responsible bid from Whiting Corporation, which was found to be consistent with project estimates. Resolution #8G-08-2005 would authorize the CEO to award a contract to Whiting Corporation in an amount not to exceed \$280,000 for the purchase of eight railroad equipment jacks and four controllers.

Ms. Barg moved, with a second by Ms. Bulova, to approve Resolution #8G-08-2005. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Authorization to Amend the Fare Collection Maintenance Contract – 8H

Mr. Zehner stated that the Operations Board is being asked to approve Resolution #8H-08-2005, which would recommend that the Commissions authorize VRE's CEO to amend the current fare collection contract with Scheidt & Bachmann to include a second staff person to perform maintenance and increase the contract by up to \$251,177, for a total contract value of \$3,796,933.

Mr. Zehner explained that the fare collection system has been operational for almost three years. The additional machine usage due to ridership increases, coupled with the long travel times between stations to make repairs, necessitates the addition of a second fare collection maintenance person to adequately service this system. The additional person would improve the reliability of the system and ensure that VRE has coverage during the entire day of service.

In response to a question from Mr. Zimmerman, Mr. Zehner stated that staff anticipates final acceptance of the fare collection system to occur in September or October. It will not have the SmarTrip capability although staff has been working with Scheidt and Bachmann and Cubic to work on a solution. There are proprietary issues between the two companies. Mr. Zimmerman observed that it is outrageous that VRE is in the position to introduce a technological advance that will benefit VRE's customers, but there are proprietary issues standing in the way. VRE should be looking at other ways to resolve it, such as legislative changes. Mr. Zehner will pursue this issue and report back to the Board. Mr. Zimmerman suggested setting a time limit for the two companies to resolve the issue. Ms. Rae suggested that if it can't be resolved VRE could send an editorial letter to APTA's Passenger Transport which would elevate the issue to a national level.

Ms. Bulova moved, with a second by Mr. Zimmerman, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Authorization to Extend Personnel Service Contract for VRE Contract Employee – 8I

Mr. Zehner stated that Resolution #8I-08-2005 would authorize him to increase a personnel service contract with Terri Anomnachi for fare collection support by \$39,038, for a total not to exceed \$101,769. The original contract was executed in August 2003. In April 2004 the Board authorized an increase in the total contract value to \$62,731 so that Ms. Anomnachi could support VRE staff in executing a change order requiring software changes and troubleshooting remaining system punch list items. Since then, the change order has been completed and most major items have been resolved. However, several small punch list items and one key vendor-related software change must still be completed before the system can be accepted.

Mr. Zehner also explained that VRE staff is recommending retaining Ms. Anomnachi on an as-needed basis should any other issues arise regarding the Scheidt and Bachmann fare collection equipment after system acceptance. Planned activities include restructuring of the maintenance contract, moving maintenance personnel and system hardware to Fredericksburg, and the integration of the current system with the regional SmarTrip system. It is anticipated that the increased contract authority would cover work during the next 18-24 months.

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

Authorization to Issue a Task Order for Design and Limited Construction Support Services for the Crossroads Yard Expansion Project – 8J

Mr. Zehner reported that the VRE Operations Board is being asked to recommend that the Commission authorize VRE's CEO to award a task order under the GEC IV contract to Parsons Brinckerhoff (PB) for design and limited construction support services for this project in the amount of \$476,934, plus a 10 percent contingency of \$47,694, for a total amount not to exceed \$524,628. Resolution #8J-08-2005 would accomplish this. The design is expected to take eight months to complete. VRE staff will return to the Board to obtain authorization to issue a solicitation to procure a contractor to construct the facility.

Mr. Gibbons moved, with a second by Mr. Covington, to approve Resolution #8J-08-2005. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Authorization to Exercise an Option for Locomotive Fuel Supply at the Broad Run Yard – 8K

Mr. Zehner explained that Resolution #8K-08-2005 would recommend that the Commissions authorize VRE's CEO to exercise the first option year to Mifco Heating Oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run yard. The option is being requested in an amount not to exceed \$1.5 million for a period of no more than one year. The option value is being recommended based on VRE's most recent fuel costs plus an escalation factor to balance the rising fuel costs. Staff continues to work with the fuel vendor in an effort to monitor the appropriate timing of hedging opportunities.

Mr. Covington moved, with a second by Ms. Barg, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Review of Customer Opinion Survey from May 2005 – 9A

Mr. Zehner reported that VRE conducted its 11th Annual Customer Opinion Survey on May 11, 2005. Ms. Lemieux provided highlights of the survey results. Overall, the results of the survey are consistent with those from last year. The level of customer satisfaction remained steady at 70 percent and 23 percent of the survey responders noted that service had improved. On-time performance was cited as the number one concern, followed by crowded trains, increased fares and lack of station parking. There were positive responses concerning the quality of e-mail responses, personal security, ticket checking, and cleanliness of the trains.

In response to a question from Mr. Gibbons, Mr. Lemieux stated that eight percent of the responders identified themselves as military. She stated that military personnel often work unique hours. Mr. Zehner added that VRE schedules don't always fit military hours. Mr. Jenkins observed that when one looks at the overall population of the region, military personnel is a very small percentage. Mr. Gibbons asked for a breakout of government employees and how many work for different departments. Ms. Lemieux responded that the survey question wasn't that detailed, but next year's survey could be changed to find out this information. Mr. Harf stated that there may be a way to differentiate between HUD and USDOT employees from this year's survey. Ms. Lemieux stated that she will look into this.

In response to a question from Mr. Zimmerman, Ms. Lemieux provided information about the Mystery Shopper Program, which will be brought to the Board for action at next month's meeting. Mr. Zimmerman stated that one of VRE's strengths is its customer service. Ms. Bulova stated that even during difficult times (i.e. on-time performance) VRE does a good job of communicating with passengers about what is going on and they respond well to that.

Update of Railroad Projects and Issues – 9B

Mr. Zehner reported that this past week has been the worst for on-time performance. He provided an overview of what happened during the week when the Arkendale Crossover project caused major delays, some over an hour. VRE had to run restricted service on several days.

Mr. Zehner stated that on August 29th CSXT will begin a tie replacement program, in which 80,000 ties will be replaced over 80 track miles (40 route miles) between Washington, D.C. and Fredericksburg. Once completed, the quality of track conditions will be much improved, which should increase on-time performance. CSXT will be working Sunday through Wednesday at night and work will stretch into November. VRE staff has asked to be a part of the plan, so VRE can communicate delays with passengers. On the Manassas Line, Norfolk Southern is also doing a tie replacement program, which is at least 50 percent complete. Both railroads have asked for VRE's input on these tie replacement programs.

Mr. Gibbons asked to have this information put in the Freelance Star so the public knows the schedule. Mr. Zehner stated that the information is on VRE's website. Ms. Lemieux stated that VRE has publicized this to some extent. It is her understanding that there have been articles written about this in the Freelance Star.

Mr. Gibbons expressed his opinion that CSXT is insensitive to the fact that VRE and Amtrak are moving people and not freight. There's a problem with having people sit on the trains for more than an hour, which is unacceptable. There are health and safety issues. There needs to be involvement from the Federal Railroad Administration and/or the congressional delegation. Ms. Rae stated that she called CSXT in Jacksonville on behalf of the Governor. A meeting has been scheduled at the state level in September, in which CSXT, VRE, Amtrak, and MARC have been invited to attend. She stated that the best hope for a long term solution is the language in the Reauthorization Bill that charges USDOT to find solutions in dealing with passenger rail operations on freight rail lines.

Gainesville-Haymarket Implementation Plan – 9C

Mr. Zehner reported that the first draft of the Gainesville-Haymarket implementation has been completed and distributed to stakeholders, including Prince William County staff, Norfolk Southern, and VDRPT. Comments are due back by August 22, 2005. A second draft will be produced and presented to the Operations Board and Commissions for their approval at their September/October meetings. The final draft will be presented as an information item to the Prince William County Board of Supervisors in mid-October. VDRPT should receive the final report by November and transmit it to the Virginia General Assembly by December 1, 2005.

Ms. Rae stated that for the long-term it is important to look at three track options rather than just two. Some of the decisions being made now by the County (such as bridge or overpass projects) could preclude three tracks. Mr. Jenkins stated that he and Mr. Covington had discussions with developers insisting on a three-track right of way. Ms. Barg stated that VRE must continue to work on the third rail on the Fredericksburg Line and continue to pursue funding for it. Mr. Gibbons stated that Virginia Senator Harkins has expressed interest in seeing separate rail lines for rail and freight and mentioned the I-95 corridor.

Ms. Rae stated that it will also be important to take time outside of the study to structure bigger policy issues about the continuing demands for VRE growth and expansion. Ms. Bulova agreed that there are growth and expansion issues. If there are large expansions, the entire system will be impacted. There is also the question of fairness and equity to the original participating jurisdictions. Vice Chairman Caddigan observed that the 50 railcar option is crucial to the VRE system as it grows.

Mr. Covington stated that he would like to see the Commonwealth consider future expansion of rail service from Gainesville/Haymarket to the Dulles Corridor, which would provide a full circuit of mass transit. He expressed his opinion that it is vital to the whole region.

Virginia Liability Insurance – 9D

Mr. Zehner stated that during the last General Assembly Session, VRE worked closely with the host railroads to offer a legislative remedy to passenger rail transportation liability issues in the Commonwealth. Delegate William Janis drafted House Bill 2898 that called for amending the Code of Virginia by specifying a maximum aggregate liability from a railroad incident for which the host railroads or third parties would be responsible. The threshold was set at \$200 million per single incident and allowed for a self-insurance retention in an amount of not more than \$5 million. However, the bill did not make it out of the House Committee on General Laws prior to the end of the Session. The Virginia Division of Risk Management estimated that this legislation would have resulted in annual savings for VRE of nearly \$250,000. Currently VRE retains \$250 million of liability coverage.

Mr. Zehner explained that VRE will approach Delegate Janis regarding his interest in authoring the bill again this December (pre-session), as well as speaking with House leadership to better position the bill for the General Assembly Session. Also, VRE will be working with the Northern Virginia Senatorial delegation to offer the companion legislation in the Senate.

Mr. Harf asked Ms. Rae if the state would welcome a similar legislation initiative to encompass bus systems as well, not necessarily with the same liability cap. Ms. Rae responded that at this point, VDRPT would be supportive of such a liability cap initiative. It is not taking away from the responsibility of a public entity to be safe and operate

safely. VDRPT staff will look at the pros and cons of combining bus and rail. Mr. MacIsaac stated that he would recommend separate bills for rail and bus since there is a mix of different liability issues for each. Mr. Taube suggested working with local legislative liaisons before lobbying Northern Virginia General Assembly members. Mr. Roeber stated that VRE has already been working with Northern Virginia legislative liaisons.

Closed Session – 10

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

Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A(1) and (7) of the Code of Virginia), the VRE Operations Board authorizes discussion in Closed Session concerning one legal matter relating to the terms and conditions for inclusion of new participating jurisdictions in the Master Agreement for Commuter Rail and one personnel item.

The vote in favor was cast by Board members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman. The Board entered into Closed Session at 11:16 A.M. and returned to Open Session at 11:59 A.M.

Mr. Zimmerman moved, with a second by Ms. Barg, the following certification:

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

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

The vote in favor was cast by Board members Bulova, Caddigan, Gibbons, Jenkins, Rae and Zimmerman.

Vice Chairman Caddigan stated that the Board had nothing to report from the Closed Session. The next VRE Operations Board meeting is September 16th.

Adjournment

Without objection, Vice Chairman Caddigan adjourned the meeting at 12:00 P.M.

Approved this 16th day of September 2005.

Maureen Caddigan
Vice Chairman

Dana Kauffman
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the August 19, 2005, Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

Policy on Terms of Entry

At its meeting of July 7, 2005, the commission adopted a resolution asking staff to return with information about possible payments that could be requested from new entrants into the VRE project. The attached discussion paper has been reviewed with local staff but has not yet been considered by the VRE Operations Board. Accordingly it is presented here for discussion only.

DISCUSSION PAPER:

**PROS AND CONS OF ENTRY FEES
FOR NEW JURISDICTIONS JOINING VRE**

DRAFT

--August 18, 2005--

Background

Staff prepared a detailed confidential paper about alternative policies for admitting new jurisdictions to the VRE project. It included recommendations that were reviewed in closed sessions with the VRE Operations Board and commissions in May and June, 2005.

Staff did not recommend entry fees for new entrants over and above the regular annual assessments made to all participating jurisdictions using the subsidy allocation formula in VRE's Master Agreement. Based on those closed session discussions, staff exchanged views with representatives of several jurisdictions that are contemplating joining VRE/PRTC (e.g. Caroline, Fauquier and Spotsylvania counties).

At NVTC's July 7th meeting, commissioners adopted a motion in open session calling on staff to return with information and recommendations regarding additional payments that might be requested from potential new members. These payments could reflect the value of past efforts made by existing members or be assessed on some other reasonable basis.

This paper has been drafted by staff of NVTC and has been discussed with VRE's General Counsel, VRE's Chief Executive Officer and PRTC's Executive Director and General Counsel, as well as NVTC's Management Advisory Committee (local staff). The views expressed are those of NVTC staff and do not necessarily reflect the views of the others.

The Concept of an Entry Fee

The concept of an entry fee in addition to recurring usage payments is well known. Examples include telephone/cable services, in which the customer pays an initial fee for installation and then monthly fees for use. Like the telephone system, VRE provides greater benefits to all users and non-users the more widespread is its scope and use (greater access, cleaner air, fewer cars on the road), but this is only true if existing users do not suffer degraded service from too many new users relative to capacity.

Another example would be lump sum fees assessed for hookups to water and sewer systems in addition to subsequent charges based on use.

Still another example is that of partners in businesses in which initial equity contributions may be required after which new partners can share in the current profits. In this example the purpose is to be fair to those who took financial risks in the past to create a successful enterprise, and to avoid creating an incentive for potential participants to wait to join until most risks have been abated.

There are several reasons to consider levying entry fees for new VRE members and these are reviewed in the next section. Potential drawbacks are then discussed.

Reasons to Consider an Entry Fee

As stated above, there are several defensible reasons to call for a VRE entry fee for new jurisdictions. These include:

- 1) Equity—Compensation for jurisdictions who participated from the beginning and risked their financial resources to build a successful enterprise.
- 2) Good Faith—If new jurisdictions are willing to pay substantial sums to support a project, they may be more committed to its long-term success.
- 3) Efficiency—There may be costs that are best assessed in a lump sum that are not directly linked to VRE’s current annual budgets.
- 4) Incentives—Jurisdictions might be asked to pay a premium for failing to financially support the system from the beginning while its residents used the system. This fee for being “free riders” may deter other jurisdictions from postponing participation.
- 5) Protection for Existing Riders—If a new jurisdiction joins and additional riders from that jurisdiction are induced to ride without corresponding new railcars being available, existing riders—especially those from inner jurisdictions—may experience more crowding. The entry fee could provide the means to purchase sufficient additional capacity, although there are other operational changes that could also address this issue, such as a skip-stop service.
- 6) Leverage—Outlying jurisdictions may not all have pressing needs to join VRE since in most cases relatively few residents currently ride. This makes their projected annual VRE fees small. What they may covet are the revenues from the two percent motor fuels tax that come with joining PRTC. They can use these revenues for pressing local transportation needs. Accordingly, assessing a “right-sized” entry fee for joining VRE would still leave a strong incentive to join. Thus, the size of the entry fee could be individually tailored to fit each situation by shifting some of the benefits from the new entrants to the existing members.
- 7) Lack of Benefits for Existing Members—If existing members have little to gain from admitting new members, this fee may serve as a counterbalance to cause potential new entrants to be more deliberate. If the fee can be varied to fit individual circumstances, it could be an effective regulatory device (e.g. low for a jurisdiction with lots of current riders to encourage payment of operating subsidies and higher for a jurisdiction with few current riders whose formula share of the annual budget will be low).

Reasons to Oppose Such an Entry Fee

- 1) Precedent—In the past, VRE has admitted Fredericksburg, Manassas and Manassas Park without additional entry fees. Some would argue, however, that these three jurisdictions entered before service started, are responsible for bonds issued to support VRE and are fundamentally different from jurisdictions now considering entry.
- 2) Bad Faith—Initial discussions with Caroline, Fauquier and Spotsylvania counties have not included such references. Introducing the concept now could be considered an act of bad faith, although some would argue that fine-tuning the terms of an ongoing negotiation is not out of line. But if these three are exempted from the policy, later new entrants will want the same exception.
- 3) Deterrent to Joining—Regardless of whether a previous proposal is on the bargaining table, a request for such a payment may be regarded as punitive and cause potential members to delay (or eliminate) the prospect of joining, thereby perpetuating the free rider problem and denying existing members some new revenues for the project.
- 4) Insignificant Amounts—After agreeing on a defensible basis on which to levy such a fee, the amounts assessed may be relatively small, meaning that the difficulty of negotiating payment may outweigh the benefits to the project.
- 5) Equivalent Investments—Spotsylvania County will be asked to pay for a new station and parking at a projected cost of \$14 million. This far exceeds station expenses incurred by most current members. In the case of a jurisdiction contemplating such station investments, an additional entry fee may be regarded as excessive.
- 6) Lack of Solid Justification—It may be difficult to achieve consensus among current members on the appropriate basis for levying such an entry fee. If such disputes exist, it may be necessary to abandon the concept to avoid the appearance of divisiveness as negotiations with potential members occur.
- 7) No Apparent Benefit to New Jurisdictions—If the fee is perceived as entirely punitive with no benefit to the jurisdiction asked to pay, the jurisdiction may be especially reluctant to accept it.
- 8) Inflexible—Growth pressures are increasingly originating from areas beyond the boundaries of the existing system, creating a tension between the need for expansion and the reluctance of existing members to bear the costs. A one-size fits all entry fee may not facilitate flexible and innovative approaches on a case-by-case basis.

Assuming an Entry Fee is Appropriate, How Should it be Determined?

In the previous sections, the pros and cons of an entry fee were listed, but here it is assumed that such an entry fee is appropriate. How could it be levied?

- 1) Share of current assets: At the close of FY 2004, VRE's audited financial statements showed assets valued at \$168 million. Each new participant could be asked to make a one-time payment of their share using the current subsidy allocation formula. That formula is 90 percent jurisdiction of residence of riders and 10 percent jurisdictional population. Assuming a new entrant would pay five percent of the local subsidy in the current budget, the entry fee would be five percent of \$168 million, or \$8.4 million.
- 2) Cost of new railcars/locomotives: Based on forecasts of future ridership from the new jurisdiction, a fee would be levied that is sufficient to cover the costs of acquiring additional railcars and locomotives to carry the riders from that jurisdiction. If a new entrant was forecast to add up to five percent to VRE's ridership base during the next five years (say 1,000 riders as a percentage of 20,000 total riders in 2010), then the fee would reflect the cost of acquiring a five percent increment to VRE's fleet (say three bi-levels and one locomotive or about \$8 million). If federal funds are available, this local contribution could leverage total capacity investments of as much as \$40 million.
- 3) Share of accumulated local subsidies: Since the start of VRE service in 1992 through FY 2004, local governments participating in and contributing to VRE have paid \$73 million. Applying the new jurisdiction's share of the current local subsidy to that total (say five percent), the entry fee would be \$3.7 million.
- 4) Local subsidy for past three years: Applying VRE's subsidy allocation formula (90% ridership/10% population) to total local subsidies by including the new jurisdiction for the past three years would yield a more modest entry fee. Assuming ridership is about five percent of the total in those years and population is relatively low in the outlying jurisdiction, the entry fee would be about \$350,000 annually for three years, or \$1.1 million.

It should be noted that, regardless of the basis used to determine the entry fee, the proceeds generally could be spent in some other specified manner. For example, a fee calculated as a share of current assets (Alternative 1 above) could be placed in a restricted fund and used to purchase new rolling stock. The same is true of Alternatives 3 and 4. For Alternative 2, however, it would be unwise to base the fee on the need for rolling stock and then divert the funds to some other use.

**Estimates of VRE Entry Fees Using Alternative Methods
(\$millions)**

<u>Jurisdiction</u>	<u>Method of Assessment</u>			
	<u>Share of Current Assets</u>	<u>Cost of New Rolling Stock</u>	<u>Share of Local Subsidies</u>	<u>Local Subsidy for Past Three Yrs.</u>
Caroline Co.	\$1.0	\$2.0	\$0.5	\$0.1
Fauquier Co.	\$1.0	\$2.0	\$0.5	\$0.1
Spotsylvania Co.	\$8.4	\$8.0	\$3.7	\$1.1

NVTC Staff Alternative for Discussion

- 1) Adopt an explicit policy that takes effect starting in FY 2007 (this would provide an incentive to Spotsylvania County and other jurisdictions to escape the entry fee by joining VRE in the next year while avoiding the appearance of exempting them from the policy).
- 2) Require entry fees to be assessed using the share of the cost of new railcars/locomotives as described in Alternative 2 above. This would benefit existing as well as new entrants and can help ensure that new entrants don't crowd out passengers from existing members.
- 3) In addition, require firm commitments to build stations/parking or pay for shuttle bus service at specified trigger points (e.g. when the outlying jurisdiction fills 10 percent of existing parking spaces). This element of the policy would offer the greatest opportunity for flexibility, as the conditions could be adjusted based on the current and anticipated future volume of riders, the perceived degree of interest on the part of the prospective member and the ratio of benefits to costs of the new member with respect to existing members.
- 4) Upon agreement with the commissions, the entry fee can be deferred while a new jurisdiction accumulates funds for a VRE station/parking. However, interest costs would accrue (since the commissions may then need to borrow to procure new rolling stock).
- 5) Otherwise the entry fee will be available immediately and be placed in a fund for VRE rolling stock procurements. It will not be available to reduce local subsidies or fares.



Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



AGENDA ITEM #4B

DISCUSSION PAPER:

**PROS AND CONS OF ENTRY FEES FOR
NEW JURISDICTIONS JOINING VRE**

-September 1, 2005-



BACKGROUND



- Staff prepared a detailed confidential set of recommendations regarding negotiations for entry with several new jurisdictions, considered by commissions in June, 2005 in closed sessions.
- Following NVTC's July 7th meeting, the commission requested more information and recommendations about the possible use of entry fees.



CONCEPT OF ENTRY FEES



- Examples of an entry fee with recurring usage charges:
 - Cable television.
 - Sewer and water hookups.
- Example of businesses requiring equity contributions from partners to reflect past financial risks to create a successful enterprise.



REASONS FOR AN ENTRY FEE

1. Equity—Compensation for past risks.
2. Good Faith—Greater commitment with greater financial stake.
3. Efficiency—Some costs might best be assessed up front rather than as a continuing usage fee.
4. Incentives—A premium for being a “free rider” in the past.



REASONS FOR AN ENTRY FEE



5. Protection for Existing Riders—New seats and parking may be needed as ridership from the new jurisdiction grows.
6. Leverage—New entrants will have most of their new two percent gas tax available for their other transportation needs and might accept a “right-sized” fee to shift some of the net benefits to existing members.
7. Lack of Benefits for Existing Members—With relatively little to gain from adding new members with few current riders and the potential for a costly line expansion, existing members may use the fee as a disincentive.



REASONS TO OPPOSE AN ENTRY FEE

- 1) Precedent—Previous new entrants haven't paid a fee (although they joined before service began).
- 2) Bad Faith—Negotiations have not previously mentioned a fee to Caroline, Fauquier and Spotsylvania County.
- 3) Deterrent to Joining—Could be regarded as punitive and drive new entrants away, costing existing members additional funding partners.
- 4) Insignificant Amounts—If the basis for the fee produces very little revenue, the negotiating costs may outweigh the benefits.



REASONS TO OPPOSE AN ENTRY FEE

- 5) Equivalent Investments—Spotsylvania county may need to pay \$14 million for a new station and parking, so an additional fee could be overkill.
- 6) Lack of Solid Justification—Without consensus among existing members on an acceptable basis for the fee, divisiveness could harm negotiations.
- 7) No Apparent Benefit to New Jurisdictions—Without a clear mutual benefit to existing and new members, it could be regarded as merely punitive.
- 8) Inflexible—A one-size fits all policy doesn't recognize differences (e.g. between new entrants with large or small numbers of current riders).



ASSUMING AN ENTRY FEE IS APPROPRIATE, HOW SHOULD IT BE DETERMINED?

- 1) Share of current assets—Use budget formula (90% ridership/10% population) to determine fee based on share of current assets. FY 2004 assets are \$168 million. 5%=\$8.4 million.
- 2) Cost of new railcars/locomotives—Forecast five-year future share of VRE ridership from new jurisdiction times cost of investment in rolling stock. 5%=\$8.0 million.
- 3) Share of accumulated local subsidies—Since 1992, total through FY 2004 is \$73 million. Apply formula share of current budget times that total. 5%=\$3.7 million.
- 4) Local subsidy for past three years: Apply new jurisdiction's hypothetical formula budget share to past three VRE budgets. 5%=\$1.1 million.



ESTIMATES OF VRE ENTRY FEES USING ALTERNATIVE METHODS

Method of Assessment (\$millions)

Jurisdiction	Share of Current Assets	Cost of New Rolling Stock	Share of Local Subsidies	Local Subsidy for Past Three Yrs.
Caroline Co.	\$1.0	\$2.0	\$0.5	\$0.1
Fauquier Co.	\$1.0	\$2.0	\$0.5	\$0.1
Spotsylvania Co.	\$8.4	\$8.0	\$3.7	\$1.1



NVTC STAFF ALTERNATIVE FOR DISCUSSION



- 1) Adopt entry fee policy to begin FY 2007 (encourages current three negotiations to conclude by then and does not provide exemptions).
- 2) Use Alternative 2 (share of future ridership times cost of rolling stock increment). Provides mutual benefits.
- 3) In addition require commitments for future stations/parking using specific triggers (e.g. shares of existing parking spaces). Can be applied flexibly on a case-by-case basis.



NVTC STAFF ALTERNATIVE FOR DISCUSSION

- 4) With commission approval can defer entry fee while accumulating funds for new station/parking, but with interest (to account for commissions borrowing to buy rolling stock).

- 5) Restrict entry fee use to new rolling stock (not to reduce local subsidy or fares).



NEXT STEPS

Refer to VRE Operations Board,
with or without recommendations?

Policy on Delegation of Authority to the VRE Operations Board

At several commission meetings, board members have expressed concerns about the volume of VRE items presented for their consideration. The attached discussion paper presents pros and cons of one option for resolving those concerns—Increasing the delegation of authority to the VRE Operations Board. While local staff discussed this paper it has not been considered by the Operations Board. Accordingly, it is presented here for discussion only.

DISCUSSION PAPER:

**PROPOSED CHANGES TO DELEGATED AUTHORITY
FROM NVTC AND PRTC TO THE VRE OPERATIONS
BOARD**

DRAFT

--August 18, 2005--

Background

NVTC commissioners have expressed interest in streamlining their consideration of VRE action items at the monthly NVTC meetings. There are several ways in which that could be accomplished, from simply instituting a consent agenda to increasing the delegation of authority to the VRE Operations Board to significantly altering the governance structure of the project in order to reposition VRE for the expansion envisioned in its strategic plan.

The VRE Master Agreement was adopted on October 3, 1989 and amended on March 17, 1992. It is an agreement between NVTC and PRTC and their individual jurisdictions governing the structure of and responsibilities for the VRE project.

In Section II of the Master Agreement, the VRE Operations Board is established and its functions defined:

The Operations Board shall serve as an advisory body to the commissions and shall oversee the management, operation and control of operational discussions, functions, affairs and property of the commuter rail service on behalf of the commissions.

From time to time the commissions have adopted by resolution plans of delegation that reallocate oversight responsibility among the VRE Operations Board and commissions, with a steady trend to assigning more power to the VRE Operations Board within the confines of the Master Agreement. Similarly, there has been a steady trend to greater responsibility for the VRE staff relative to the staff of the two commissions. See, for example, NVTC Resolution #420 (November 7, 1991) and #878 (May 3, 2001).

For example, the Master Agreement designated NVTC as the repository of all project funds, but now VRE staff is primarily responsible with assistance from NVTC staff (bond issuance and state grants) and PRTC staff (federal grants). In adopting Resolution #420, the commissions retained full authority over spending decisions over \$100,000 and all legislative, policy and legal matters. Negotiations of major railroad and insurance contracts were joint efforts of commission and VRE staff. Today, VRE has its own government affairs staff, negotiates all railroad contracts on its own, and the VRE Operations Board has spending authority up to \$200,000, as specified in Resolution #878.

Current Governance

Currently VRE is a joint project of the two commissions. It is not an independent legal entity. The commissions co-own VRE assets (\$168 million as of the end of FY 2004).

VRE has a staff of almost 40 persons and a chief executive officer entirely focused on VRE affairs. The VRE Operations Board has three principal members from NVTC and three from PRTC plus the Director of DRPT and several alternate members from the commissions. These commissioners typically take the lead in addressing action items referred to the commissions from the VRE Operations Board. The VRE Operations Board also has its own subcommittees including an important Audit and Finance Committee that meets directly with VRE's auditors, among other duties.

VRE staff meets monthly with staff of its member jurisdictions in a group known as the VRE Coordinating Committee (VCC). One purpose is to highlight upcoming VRE Operations Board actions to permit the jurisdictions to understand in advance the purpose of the actions and to communicate with their VRE Operations Board members if they wish to express any concerns. Currently, not all jurisdictions choose to send staff to these meetings, however.

Some consultation and collaboration occur among VRE's CEO, the executive directors of NVTC and PRTC and VRE's General Counsel on most VRE matters that go before the VRE Operations Board and commissions. Accordingly, if the VRE Operations Board contemplates an action that may be considered detrimental to the best interests of a commission or its jurisdictions, the directors usually have an opportunity to communicate these concerns to VRE Operations Board members before that board acts.

Reasons to Consider Increased Delegation of Authority

Given the current state of cooperation, some commission board members have expressed a desire to delegate greater authority to the VRE Operations Board. Too many minor and repetitive VRE actions may clog the commissions' meeting agendas. Another reason may be the concern that actions by the commissions generally do not vary from decisions made by the VRE Operations Board because commissioners who are not on the VRE's Operations Board do not have the time to fully understand the issues on which they are asked to vote. Another reason is the difficulty of NVTC achieving a quorum, which could delay essential VRE actions.

Alternatives to Increase VRE Autonomy

To address these concerns, changes could be enacted by the commissions without formally amending the VRE Master Agreement. For example, the current delegation of authority to approve expenditures could be altered somewhat (say to \$500,000 from \$200,000) or a series of future increases could be agreed to now contingent on favorable experience with each incremental level of delegation.

The following alternative (called “full delegation”) goes to the end of the spectrum of increased delegation by giving full authority to the VRE Operations Board for virtually everything that does not require a change to the Master Agreement. This alternative could be phased in or enacted immediately in its entirety by the commissions.

Full Delegation Alternative

Just as the regional Metro Board of Directors has its Virginia members appointed by and from NVTC but otherwise functions independently of NVTC, so too could the commissioners appoint the VRE Board members but largely turn over full responsibility to that board.

- 1) With certain exceptions listed below, delegate all spending decisions to the VRE Operations Board, regardless of amount, if funding for the actions is included in budgets and Capital Improvement Programs that have been approved by the commissions. Thus, the commissions would continue to be called upon to adopt annual budgets, CIP's and six-year financial plans, and would more frequently be asked to act upon amendments to those documents so that the VRE Operations Board could exercise more flexibility on routine spending. Thus, railroad and insurance agreements would no longer be ratified by the commissions, although they could offer advice and policy guidance to their representatives on the VRE Operations Board during negotiations.
- 2) Delegate approval of all VRE lease agreements that produce revenue to the VRE Operations Board. Examples include renting space to vendors at VRE stations or leasing out VRE railcars or locomotives. Delegate approval of lease agreements that require VRE outlays to the VRE Operations Board as long as the costs are included in approved budgets.
- 3) Delegate approval of all VRE tariffs (fares) to the VRE Operations Board.

- 4) With provision for commission dissent, provide authority to the VRE Operations Board over all VRE personnel matters, including decisions to hire and fire and alter compensation of VRE's CEO. The commissions could be informed in advance of such pending actions with an opportunity to offer recommendations. Also, the commissions could be informed after the fact of these contingent actions by the VRE Operations Board and could have the opportunity to object at their next meeting before they became fully effective. No action within the specified time would mean approval.
- 5) Delegate to the VRE Operations Board the determination of the independent spending authority of VRE's CEO.
- 6) Continue commission approval of grant applications prepared for VRE by commission staff and bond issues in the name of the commissions.
- 7) Continue approval by the commissions of VRE's proposed annual legislative agendas.
- 8) Continue approval by the commissions of terms and conditions for new VRE participants.
- 9) Continue approval by the commission's of VRE's strategic plans and updates.
- 10) As part of the budget process, the VRE Operations Board and commissions would agree on performance objectives for VRE and agree on a schedule of VRE performance reports to be provided from the VRE Operations Board to the commissions.
- 11) All other responsibilities would remain unchanged.

Likely Benefits

Taken together, these changes should streamline commission meetings while retaining (and enhancing) the high-level policy oversight role of commissioners who are ultimately responsible for stewardship of VRE's assets. They can elevate the importance of being a VRE Operations Board member and encourage regular attendance and committed participation by those selected to serve. The changes can also serve to clarify that the VRE Operations Board members are ultimately responsible if something were to go wrong in the future with VRE contracting, personnel or financial practices, since the commissions and their staffs could be clearly seen to play a high-level policy oversight role and

not one of monitoring day-to-day performance. There are several possible drawbacks, however. Those are discussed in the next section.

Possible Concerns

There are some possible concerns with the above recommendations that should be considered. Some concerns would apply to the full delegation alternative but not necessarily to a lesser degree of delegation. These are generic concerns and are not meant to apply specifically to any board members of VRE or the commissions:

- 1) In this era of corporate scandals, board responsibility is a sensitive subject. Any action that appears to involve a reduction in scrutiny by board members may be perceived by the public to be a dereliction of duty.
- 2) Board members who immerse themselves in the details of an organization and interact frequently with its staff may be more likely to accept recommendations by that staff.
- 3) VRE's original model of staff interaction included activities distributed across three separate organizations with significant checks and balances. As this model has evolved into more and more activities undertaken by the VRE staff, it could be argued that checks and balances at the board level are more important than ever, and the more boards and board members that examine VRE actions from varying perspectives, the safer will be the public interest.
- 4) VRE did have an unfortunate incident in the past in which its financial controls and administrative practices came into question by auditors. Depending on one's point of view, this was either evidence that the VRE Operations Board was vigilant in identifying and rectifying the situation or was symptomatic of a need for implementing more rigorous oversight by all three organizations and their boards.
- 5) As more members are added to VRE, representation on the VRE Operations Board becomes more of an issue, since all new members are likely to join PRTC and compete for its three board slots. Inevitably, some PRTC members will not have votes on the VRE Operations Board but will have votes at PRTC. Accordingly, eliminating VRE actions at the commission level may diminish the opportunity for such jurisdictions to vote.

- 6) Similarly, many General Assembly members serve on NVTC and PRTC but have not been appointed to the VRE Operations Board. Greater delegation may deny these legislators the opportunity to vote directly on VRE matters, and with less attention paid to VRE at commission meetings, VRE advocates may lose an opportunity to educate these valuable allies about the benefits of greater support for VRE.
- 7) Some local jurisdictions may be able to send staff to cover commission meetings but not VRE Board meetings or the VRE Coordinating Committee.
- 8) VRE is not a legal entity. Ultimately the commissions bear legal responsibility and will be the entities that are sued. If the commissions are ultimately responsible, too much delegation without careful monitoring of performance may be unwise.
- 9) Consideration by the commissions of such matters as tariff changes facilitates further understanding by commissioners' local elected boards and can help build support for the changes from those local boards as well as helping elected officials to respond to citizen questions and concerns about those matters.
- 10) This proposed action to delegate more authority to the VRE Operations Board does not address whether or not a fundamental restructuring of governance is needed through amending the Master Agreement. By simply enacting changes in delegated authority to the VRE Operations Board, are the commissions merely postponing the inevitable need to address more serious issues?

Conclusion

The VRE Operations Board and commissions have the luxury of discussing these issues in a deliberate way, as the overall performance of the project remains strong. Fine-tuning the governance structure by increasing the powers delegated to the VRE Operations Board along the lines discussed above may serve to make a good system even better.



Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



AGENDA ITEM #4C

DISCUSSION PAPER:

**PROPOSED CHANGES TO DELEGATED
AUTHORITY FROM NVTC AND PRTC TO
THE VRE OPERATIONS BOARD**

-September 1, 2005-



BACKGROUND



- Master Agreement (October 3, 1989) creates VRE Operations Board and defines general functions.
- Commissions own VRE project and have delegated further authority to the Board in 1991 and again in 2001.
- Board now can act on spending decisions up to \$200,000.
- Many other staff functions have evolved to VRE from NVTC and PRTC.



REASONS TO CONSIDER GREATER DELEGATED AUTHORITY TO THE VRE BOARD



- Concern about too many minor and repetitive VRE matters clogging commission agendas.
- Concern about commissioners not on the VRE Board not having enough time to fully understand complex VRE issues leading to “rubber stamping” board decisions at the commission level.
- Concern about NVTC’s lack of quorums delaying essential VRE actions.



ALTERNATIVES TO INCREASE VRE BOARD AUTHORITY



- Changes could be as simple as increasing the delegation of authority to the VRE Board for spending decisions (say to \$500,000 from \$200,000).
- A series of increases could be agreed to, contingent on the success of previous steps (say increasing by \$100,000 each fiscal year).
- At the end of the spectrum, almost all decisions not prohibited by the Master Agreement could be delegated. This is labeled “Full Delegation Alternative.”



FULL DELEGATION ALTERNATIVE



1. Along the lines of the regional Metro Board, delegate all spending decisions to the VRE Board, if funding for the actions is included in a budget and/or CIP approved by the commissions. This would include railroad and insurance agreements, but the commissions could offer advice and policy guidance during negotiations.
2. Delegate all lease agreements.
3. Delegate approval of tariffs (fares).



FULL DELEGATION ALTERNATIVE



4. Delegate approval of all personnel matters. For VRE's CEO hiring and compensation, require advance notice to commissions and the opportunity at the next meeting after the VRE Board action to disapprove.
5. Delegate the determination of the VRE CEO's independent spending authority.
6. The commissions retain all other functions (grants, bonds, legislation, strategic plan, policies for new entrants).



FULL DELEGATION ALTERNATIVE



7. Upgrade performance budgeting/reporting from VRE to commissions.



LIKELY BENEFITS



- 1) Streamline commission meetings.
- 2) Greater commission attention to high-level policy.
- 3) More responsibility for commissions' VRE Board members.
- 4) Clarify responsibility for VRE oversight.



POSSIBLE CONCERNS



- 1) Appearance to the public of reduced oversight despite a previous “incident.”
- 2) Fewer checks and balances.
- 3) Diminished role for jurisdictions not represented on the VRE’s Board.
- 4) Reduced opportunities to educate General Assembly members of the commissions. 9



POSSIBLE CONCERNS



- 5) Jurisdictions with limited staff may give less coverage to VRE than to the Commissions.
- 6) Since VRE is not a legal entity, the commissions will still be sued yet members may have less knowledge of day-to-day VRE operations.
- 7) Reduced understanding of and buy-in for actions such as VRE fare increases from commissioners and their local boards.
- 8) Does not address fundamental restructuring of VRE through Master Agreement amendments.



FUTURE ACTIONS



- Refer to VRE Operations Board, with or without recommendations?

Referral of the Preliminary FY 2007 VRE Operating and Capital Budget to the Jurisdictions

The attached Resolution #1085 is recommended for approval by the VRE Operations Board. It authorizes VRE staff to forward to the participating and contributing jurisdictions the attached budget, with a request for comment. The VRE Operations Board will be asked to recommend approval of the final FY 2007 VRE budget in December and the commission will have an opportunity to act in January, 2006.

Currently the budget document reflects a shortfall of revenues of over \$2 million, plus as much as \$5 million additional for resolving VRE's need for new railcars. It is reported that, working with local staff, a balanced budget will be available by December featuring some combination of expense reduction and revenue increases. The 50-railcar option expires in March, 2006, so a decision is needed coincident with approval of this final budget.

RESOLUTION #1085

SUBJECT: Referral of the Preliminary FY 2007 VRE Operating and Capital Budget to the Jurisdictions.

WHEREAS: The VRE Master Agreement requires the VRE Operations Board to forward a draft budget to the commissions each September for the succeeding fiscal year;

WHEREAS: The commissions, in turn, are to refer the budget to the VRE participating and contributing jurisdictions for comment;

WHEREAS: In December the VRE Operations Board will be asked to forward a recommended FY 2007 VRE budget to the commission for action in January, 2006.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to forward to NVTC's participating and contributing jurisdictions the draft FY 2007 VRE operating and capital budget for review and comment, recognizing that further discussions are needed on expense reduction, sources of revenues and the exercise of an option for up to 50 new bi-level railcars.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

SUBJECT: REFERRAL OF PRELIMINARY FY 2007 VRE OPERATING AND CAPITAL BUDGET TO THE COMMISSIONS

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to refer the Preliminary FY 2007 VRE Operating and Capital Budget to the Commissions for their consideration, and that the Commissions, in turn, refer these recommendations to the jurisdictions for their review and comment.

BACKGROUND:

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2007 VRE Operating and Capital Budget is attached for review. This document follows the adopted guidelines of the Operations Board developed in concert with jurisdictional Chief Administrative Officers (CAO). The preliminary FY 2007 Budget is \$61.5M with \$2.05M (3.3%) currently unfunded. VRE will submit a balanced budget to the jurisdictions in November so that it can be evaluated prior to its submission to the Operations Board in December. The areas that will be addressed are outlined below.

The assumptions used in preparing the preliminary draft are addressed below:

1. Continued operation of the current 32-train service level with contractually set increases in operating expenses. No increases in fares or local subsidy are shown at this time. It is estimated that a CPI increase of 3.1%

on fare and the local subsidy would result in approximately \$935,000 of additional revenue.

2. Increase in fare revenue from \$19,898,500 in the FY 2006 budget to \$23,340,040 (17,1% increase) in FY 2007, due to an increase in projected ridership from 15,600 to 17,400 average daily riders (10.3% increase).
3. Increase in Insurance Trust Fund premiums from \$500,000 to \$1,000,000.
4. Rise in fuel expenses of approximately \$1.1 million to a total of \$2.9 million due to diesel oil prices increases.
5. Increase in Amtrak terminal access fees from \$1.5M to \$2.0M with the addition of twenty additional mid-day storage spaces.
6. Continued funding of ongoing capital projects, which includes fleet storage, rolling stock modifications, WUT access, and Crossroads Yard expansion.

The following items are **not** included in the FY 2007 Operating and Capital Budget:

1. No funding is provided for additional train-sets or railcars.
2. No change in VRE staffing. While services and riders have increased, no positions have been added. A choice will need to be made regarding adding staff or not maintaining current customer service levels. Staff will continue to review this issue.
3. No provision has been made for possible additional federal formula funding and the accompanying need for a local match for these funds.
4. No provision has been made for the impact of additional jurisdictions joining PRTC/NVTC and the possible effect on future subsidy allocations.
5. No provision has been provided for financing the execution of the 50-railcar option estimated to cost approximately \$100 million.

The 50-railcar option must be exercised by April 2006. Viable alternatives for exercising all or part of the option will be discussed with the Audit and Finance Committee and briefed to the Operations Board in September. Any financing option should be finalized by December so that the FY 2007 funding requirement can be shown in the FY 2007 Operating and Capital budget.

Variables in developing these options include the total program amount, number of railcars purchased, timing of match requirements for federal and state funding, leasing or loan prospects, potential funding available from reauthorization and/or earmarks, and sale of VRE equipment to assist in financing.

Possible funding options are significantly affected by federal participation and matching requirements as shown below:

Program Value	Federal Portion	State Portion	Local Requirement
\$100M	80%	\$20M	\$0
\$100M	70%	\$20M	\$10M
\$100M	60%	\$20M	\$20M
\$100M	50%	\$20M	\$30M
\$100M	40%	\$20M	\$40M

Currently the potential federal share for any purchase for new railcars is unknown. We will also continue to seek additional state revenue.

DISCUSSION:

Budgeting for FY 2007 is significantly more difficult than previous years due to uncertainties in state and federal funding, estimating the extent of significant ridership increases and corresponding fare revenue, increases in fuel expenditures, and the rise in overall operating costs. More clarity will be achieved as we transition to the fall and can better estimate ridership projections as we lengthen trains with more railcars and more maintenance functions are transitioned to the VRE yards.

NEXT STEPS:

As a part of the continuing budget review with the CAO Budget Task Force this fall additional funding solutions will be explored. The particular areas that will be addressed include:

- A review of the state operating and capital grants with DRPT, because of the extreme variability of these amounts from year to year.
- Continued analysis of alternatives to reduce overall cost of operations, including the impact of moving all coach maintenance operations to the VRE yards and reducing mechanical forces.

- The impact of an increase in federal formula funding availability for capital expenditures and the accompanying need for a local match.
- The impact of any need for increases in fares and/or local subsidy.
- The impact of additional jurisdictions joining PRTC by July 2006 and the potential affect on local revenue that could be forth coming.
- Review of VRE operating and administrative expenses.
- Development of additional preliminary budget options for review by the CAO Budget Task Force as expenses and revenues are adjusted.
- Development of proposed funding options to exercise the option to purchase 50 new railcars and its impact on the proposed FY 2007 Operating and Capital Budget.

The cumulative affect of the above analysis and evaluation will result in a balanced budget in November, which can be evaluated by all jurisdictions prior to submission to the Operations Board in December 2005.

FISCAL IMPACT

The current budget shortfall is estimated at \$2.05M. VRE staff will work with jurisdiction staff to reduce overall operating expenses and/or identify additional funding sources. Additional draft budgets will be formulated during the fall resulting in a balanced budget by December 2005.

Attached are the following:

- FY 2007 Source and Use Statement
- Variances between FY 2006 Budget and FY 2007 Preliminary Budget
- FY 2007 Operating and Capital Budget Detail

TO: CHAIRMAN McCONNELL AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: AUGUST 19, 2005
RE: REFERRAL OF PRELIMINARY FY 2007 VRE OPERATING AND
CAPITAL BUDGET TO THE COMMISSIONS

RESOLUTION
8A-08-2005
OF THE
VIRGINIA RAILWAY EXPRESS
BOARD OF DIRECTORS

WHEREAS, the VRE Master Agreement requires that the Commissions be presented with a preliminary fiscal year budget for their consideration at their respective September meetings prior to the commencement of the subject fiscal year; and,

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board with the preliminary FY 2007 Operating and Capital Budget within the guidelines developed in concert with the jurisdictional Chief Administrative Officers; and,

WHEREAS, staff recommends a budget built on an average daily ridership of 17,400 average daily riders; and,

WHEREAS, subject to the direction provided by the Operations Board, the budget will be updated with additional ridership and cost data and further refined through the CAO Budget Task Force review during the fall of 2005.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board refer the preliminary FY 2007 VRE Operating and Capital Budget to the Commissions for their consideration; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommend that the budget be forwarded to the jurisdictions for further formal review and comment; and,

BE IT FURTHER RESOLVED THAT, VRE staff is directed to consider and address comments by the jurisdictions and to forward a final recommended budget to the VRE Operations Board at the December 2005 meeting for consideration and referral to the Commissions for adoption in January 2006.

Preliminary FY 2007 Operating and Capital Budget

Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
Operating Revenue										
Fare Revenue										
41010-000	TVM Credit Card Sales	10	11	41010	4,851,457	5,205,792	5,980,670	6,526,335	7,224,135	-
41015-000	Vendor Credit Card Sales	10	11	41015	467,517	1,038,045	1,486,788	1,117,651	1,440,125	-
41020-000	TVM Debit Card Sales	10	11	41020	696,072	853,241	994,887	923,268	1,195,238	-
41025-000	Vendor Debit Card Sales	10	11	41025	39,765	47,101	70,558	48,995	93,031	-
41030-000	Vendor Cash Sales	10	11	41030	6,030,071	8,935,984	10,190,304	10,215,949	12,178,207	-
41035-000	Vendor Metrochek Sales	10	11	41035	-	-	-	-	-	-
41037-000	Metrochek Overages	10	11	41037	5,025	4,827	5,534	5,283	123	-
41050-000	Transit Sales	10	11	41050	855,148	942,079	904,029	1,052,588	1,224,057	-
41060-000	Off-Site Vendor Sales	10	11	41060	2,123,889	-	16,520	-	-	-
41070-000	Office Ticket Sales	10	11	41070	454	5,564	7,365	6,340	6,085	-
41080-000	Special Train Revenue	10	11	41080	20,941	36,511	29,268	91,700	83,485	-
41085-000	Group Ticket Sales	10	11	41085	4,644	6,390	7,220	7,351	8,519	-
41090-000	Customer Refunds	10	11	41090	(42,457)	(42,873)	(46,867)	(45,539)	(51,991)	-
41100-000	Vendor Sales Returns	10	11	41100	(5,679)	(95,842)	(182,719)	(51,399)	(60,848)	-
41200-000	Sales Returns and Allowances	10	11	41200	-	(7,171)	-	-	-	-
41300-000	Finance Charges - Vendor past due accts	10	11	41300	1,416	(18)	-	(22)	-	-
					15,048,262	16,929,628	19,463,557	19,898,500	23,340,163	-
Miscellaneous Revenue										
42100-000	Equipment Rentals	10	11	42100	15,226	-	-	-	-	-
42150-000	Office Lease Revenue	10	11	42150	-	-	-	-	-	-
42200-000	Merchandise Sales	10	11	42200	1,154	2,950	232	1,200	1,500	-
42300-000	Miscellaneous Revenue	10	11	42300	234,032	86,050	29,407	50,000	50,000	-
42500-000	Advertising Revenue	10	11	42500	41,674	99,257	91,734	250,000	250,000	-
					292,086	188,256	121,373	301,200	301,500	-
Jurisdictional Subsidy										
43100-000	Fairfax County Contributions	10	11	43100	2,607,621	2,972,894	2,963,820	3,159,642	-	-
43200-000	Prince William County Contributions	10	11	43200	1,878,919	1,956,513	2,061,006	2,236,676	-	-
43300-000	Manassas Contributions	10	11	43300	286,196	270,491	270,924	276,306	-	-
43400-000	Manassas Park Contributions	10	11	43400	127,728	129,176	149,758	179,422	-	-
43500-000	Stafford County Contributions	10	11	43500	554,900	726,284	609,222	699,424	-	-
43600-000	Fredericksburg Contribution	10	11	43600	79,191	68,274	57,544	73,827	-	-
44100-000	Alexandria Contributions	10	11	44100	88,648	93,078	97,734	102,621	-	-
44200-000	Arlington Contributions	10	11	44200	129,688	136,180	142,992	150,142	-	-
					5,752,890	6,352,890	6,353,000	6,878,060	8,931,310	-
Federal/State Subsidy										
45100-000	In-Kind Contributions	10	11	45100	457,149	3,143,319	-	-	-	-
45200-000	Local Jurisdiction Capital Match	10	11	45200	-	-	-	-	-	-
46100-000	Federal Operating Subsidies	10	11	46100	7,168,237	6,226,445	6,253,054	5,914,441	6,580,000	-
46110-000	Federal Capital Assistance	10	11	46110	8,597,822	6,689,765	10,708,695	10,877,600	-	12,048,138
46120-000	Federal - Other Grants	10	11	46120	-	-	-	-	-	-
46200-000	Virginia Grant Aid - Operating	10	11	46200	5,002,085	5,830,562	5,872,534	6,221,729	7,200,000	-
46210-000	Virginia Grant Aid - Capital	10	11	46210	6,150,235	4,238,109	4,317,252	3,266,474	-	2,902,784
46220-000	Virginia Grant Aid - Insurance	10	11	46220	-	-	-	-	-	-
46230-000	Virginia Grant Aid - Other	10	11	46230	0	1,622,714	(45,120)	1,800,000	-	-
					27,375,528	27,750,914	27,106,415	28,080,244	13,780,000	14,950,923
Interest Income										
81000-000	Investment Income - Insurance Trust	10	11	81000	1,171,667	837,583	688,816	-	-	-
91100-000	Interest Inc - Unrestricted Assets	10	11	91100	27,236	3,285	31,932	5,000	15,000	-

Preliminary FY 2007 Operating and Capital Budget

Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap	
91110-000	Interest Inc - Interest On LGIP	10	11	91110	13,004	7,884	91,896	10,000	10,000		
91200-000	Interest Income - Bond Proceeds	90	11	91200	39,518	33,222	71,898	35,000	35,000		
91210-000	Interest Income - Project Funds	10	11	91210	1,333	-	15,211	-	-		
91220-000	Interest Income - DSRF	10	11	91220	6,719	-	-	-	-		
91230-000	Interest Income - Operating Reserve	10	11	91230	-	-	-	255,000	150,000		
					1,259,476	881,974	899,753	305,000	210,000		-
	Total Revenue				49,728,243	52,103,662	53,944,098	55,463,004	46,562,973	14,950,923	
	Operating Expenses										
	VRE - Non-Departmental Operating										
	Bad Debt Expense	10	11	61550	-	-	-	-	-		
64100-000	Liability Insurance	10	11	64100	2,047,946	2,870,949	3,413,960	-	-		
79030-000	Budgeted Insurance Trust Trans	10	11	64100	-	-	-	500,000	1,000,000		
64150-000	Liability Insurance Reimbursements	10	11	64150	-	-	-	-	-		
64200-000	Property Insurance	10	11	64200	-	-	-	-	-		
	Other Costs	10	11	75500	-	-	75	-	-		
75600-000	Impaired Asset Expense	10	11	75600	(598,270)	-	-	-	-		
79010-000	Budgeted Capital Reserve	10	11	79010	-	-	-	-	-		
79020-000	Contingency	10	11	79020	-	-	-	130,000	489,623		2.50% Contingency rate
82000-000	DRM Administrative Charges	10	11	82000	(7,015)	208,331	125,997	-	-		
83000-000	Claims Paid & Losses Incurred	10	11	83000	340,483	116,982	-	-	-		
84000-000	Provision for Future Losses	10	11	84000	-	30,240	-	-	-		
92100-000	Bond Interest Expense	10	11	92100	-	-	-	10,760,539	-		
92101-000	Bond Interest Expense - 1990	10	11	92101	-	-	-	-	-		
	Bond Principal - 1993	10	11	-	-	-	-	-	-		
92102-000	Bond Interest - 1993	10	11	92102	1,773,638	1,601,318	1,416,833	-	-		
	Bond Principal - 1997	10	11	-	-	-	-	-	-		
92103-000	Bond Interest - 1997	10	11	92103	1,029,500	989,250	946,480	-	-		
	Bond Principal - 1998	10	11	-	-	-	-	-	-		
92104-000	Bond Interest - 1998	10	11	92104	1,286,022	1,281,985	1,277,685	-	-		
92150-000	Interest Expense - Office Building	10	11	92150	16,546	10,178	13,560	76,000	-		
92200-000	Other Interest Expense	10	11	92200	154,920	136,917	107,939	475,000	-		
92300-000	Arbitrage Rebate Due IRS	10	11	92300	(2,634)	-	-	-	-		
92400-000	Capitalized Interest (Contra)	10	11	92400	-	-	-	-	-		
92505-000	SNAP-Investment Fees	10	11	92505	-	-	-	-	-		
92506-000	SNAP-Custodian Fees	10	11	92506	-	-	-	-	-		
92509-000	VRE-Financing-Administration Fees	10	11	92509	8,480	11,486	262,666	8,000	8,000		
95100-000	Depreciation Expense - Admin Assets	10	11	95100	37,830	129,458	53,922	-	-		
95150-000	Depreciation Expense - Office Building	10	11	95150	28,540	28,540	19,329	-	-		
95200-000	Depreciation Expense - Locomotives	10	11	95200	1,225,784	1,220,613	1,306,822	-	-		
95300-000	Depreciation Expense - Railcars	10	11	95300	1,840,282	2,571,237	2,397,123	-	-		
95400-000	Depreciation Expense - Facilities	10	11	95400	965,755	973,894	645,872	-	-		
95450-000	Depreciation Expense - Track and Signal	10	11	95450	921,038	921,038	714,467	-	-		
95500-000	Depreciation Expense - Equipment	10	11	95500	675,519	605,818	481,548	-	-		
95610-000	Depreciation Expense - Company Vehicle	10	11	95610	-	2,288	3,813	-	-		
96100-000	Amortization - Equity in Local Prop	10	11	96100	142,813	142,813	52,191	-	-		
96200-000	Amortization - Bond Issuance Costs	10	11	96200	-	-	-	-	-		
96201-000	Amortization - Bond Issuance Costs - 1990	10	11	96201	-	-	-	-	-		
96202-000	Amortization - Bond Issuance Costs - 1993	10	11	96202	30,344	30,344	25,286	-	-		
96203-000	Amortization - Bond Issuance Costs - 1997	10	11	96203	11,707	11,707	8,780	-	-		
96204-000	Amortization - Bond Issuance Costs - 1998	10	11	96204	14,931	14,931	12,443	-	-		
96300-000	Amortization - Bond Insurance Prem	10	11	96300	-	-	-	-	-		
96301-000	Amortization - Bond Insurance Costs - 1990	10	11	96301	-	-	-	-	-		

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Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
96302-000	Amortization - Bond Insurance Costs - 1993	10	11	96302	16,617	16,617	13,847	-	-	-
96303-000	Amortization - Bond Insurance Costs - 1997	10	11	96303	10,257	10,257	7,693	-	-	-
96304-000	Amortization - Bond Insurance Costs - 1998	10	11	96304	21,706	21,706	18,088	-	-	-
96400-000	Amortization - Refinance Loss Bonds - 1998	10	11	96400	235,661	235,661	196,384	-	-	-
97100-000	Gain/Loss on Disposal of Assets	10	11	97100	-	-	3,590,975	-	-	-
97500-000	Extraordinary Loss-1993 Bond Refin	10	11	97500	-	-	-	-	-	-
41040-000	TRACS Credit Card Sales	10	11	xx	-	-	-	-	-	-
	VRE - Non-Departmental				12,228,400	14,194,555	17,113,778	11,949,539	1,497,623	-
	Executive Mgmt and Planning									
51100-001	Salaries-Office of the COO	10	21	51100	374,426	141,438	329,085	205,494	362,804	
51150-001	VRE Incentive Bonus	10	21	51150	500	-	-	25,200	25,000	
51190-001	Overtime Pay - Office of the COO	10	21	51190	-	-	10	9,765	10,000	
51500-001	Temporary Employ-Office of the COO	10	21	51500	-	-	2,487	-	2,500	
51200-001	Fringe Benefits-Office of the COO	10	21	51800	96,749	31,252	78,191	53,428	94,329	
52100-001	Local Travel-Office of the COO	10	21	52100	10,323	544	1,308	4,000	4,000	
52150-001	Other Empl Reimb-Office of the COO	10	21	52150	820	2,199	1,769	1,000	1,000	
52200-001	Non Local Travel-Office of the COO	10	21	52200	10,918	1,929	2,300	5,000	5,000	
52300-001	Conf/Training/Staff Exp-Office of the COO	10	21	52300	30,728	10,213	1,410	10,000	10,000	
52410-001	Board Member Exp-Local Travel	10	21	52410	-	1,850	1,700	1,300	1,500	
52420-001	Board Member Exp-Other Local	10	21	52420	2,000	250	-	500	500	
52430-001	Board Member Exp-Non Local Travel	10	21	52430	-	-	-	2,000	2,000	
52440-001	Board Member Exp-Conference Regis	10	21	52440	-	-	-	-	-	
52500-001	Vehicle Expense-Office of the COO	10	21	52500	3,761	9,622	1,548	700	700	
55100-001	Legal Fees - Office of the COO	10	21	55100	125,988	204,942	97,981	167,000	170,000	
55300-006	Consulting - Operations	10	21	55300	-	150	-	-	750,000	
	Admin Support	10	21	55500	-	-	759	-	-	
55600-001	Consulting - Management Info Sys	10	21	55600	-	-	-	-	-	
55700-001	Other Professional Services	10	21	55700	501,448	180,053	70,542	150,000	70,000	
	Repairs and Maint - Fare Collection	10	21	68200	-	-	27,830	-	-	
	Total Executive Mgmt and Planning				1,157,659	584,443	616,920	635,387	1,509,333	-
	Administration									
51100-002	Salaries-Administration	10	22	51100	21,607	117,685	189,955	175,727	201,345	
51190-002	Overtime Pay - Administration	10	22	51190	-	12,728	12,200	15,121	15,000	
51500-002	Temporary Employ-Administration	10	22	51500	40,073	49,449	12,705	36,000	36,000	
51200-002	Fringe Benefits-Administration	10	22	51800	175	39,905	54,955	45,689	52,350	
52100-002	Local Travel-Administration	10	22	52100	5,241	1,875	1,190	1,900	1,900	
52150-002	Other Empl Reimb-Administration	10	22	52150	340	447	116	500	500	
52200-002	Non Local Travel-Administration	10	22	52200	49	-	-	-	-	
52300-002	Trainig/Staff-Admin	10	22	52300	7,716	8,501	6,299	7,000	7,000	
52500-002	Vehicle Expense-Administration	10	22	52500	5,860	564	1,508	-	1,000	
53100-002	Postage & Shipping	10	22	53100	39,008	35,183	27,965	36,000	36,000	
53110-002	Copier Equipment & Supplies	10	22	53110	25,003	26,260	29,372	28,800	30,000	
53120-002	Printing & Notices	10	22	53120	60,846	47,676	52,360	48,500	50,000	
	Local Telephone	10	22	53130	-	-	1,181	-	-	
	Other Telephone Costs	10	22	53150	-	-	680	-	-	
53155-002	Office Utilities	10	22	53155	14,947	19,021	31,136	19,000	30,000	
53160-002	Office Supplies	10	22	53160	44,119	35,973	36,887	36,300	36,000	
53170-002	Office Rent/Parking	10	22	53170	12,532	11,009	60,834	12,000	60,000	
53175-002	Office Condominium Fee	10	22	53175	25,117	20,074	24,209	24,000	25,000	
53180-002	Office Furniture & Equipment	10	22	53180	5,068	1,867	4,842	2,000	5,000	
53190-002	Office Maintenance	10	22	53190	36,788	20,981	23,379	25,000	25,000	
	Special Events	10	22	54600	-	-	259	-	-	
	Admin and Support Services	10	22	55500	-	-	18,061	-	-	

26% Fringe Rate

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Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
	Other Professional Services	10	22	55700	-	-	5,111			
56100-002	Organizational Memberships & Dues	10	22	56100	49,009	49,096	119,391	55,000	120,000	
56200-002	Periodicals & Publications	10	22	56200	6,492	5,112	36,926	6,000	40,000	
56300-002	Miscellaneous Administrative Exp	10	22	56300	78,830	23,345	8,952	24,500	25,000	
62350-002	Answering Service	10	22	62350	-	-	-	-		
62350-005	Answering Service	10	22	62350	-	400	4,077	-		
	Other Costs/Contingency	10	22	75500			260			
	Total Administration				478,820	527,151	764,810	599,037	797,095	-
	Public Affairs									
	Salaries-Public Affairs	10	23	51100	-	-	91,405	-	99,392	
	Overtime Pay-Public Affairs	10	23	51190	-	-	117	-	-	
	Temporary Employment-Public Affairs	10	23	51500	-	-	5,304	-		
	Fringe Benefits-Public Affairs	10	23	51800	-	-	18,650	-	25,842	
	Local Travel	10	23	52100	-	-	3,475		3,500	
	Non Local Travel	10	23	52200	-	-	13			
	Special Events	10	23	54600	-	-	1,386		1,500	
	Organization Membership and Dues	10	23	56100	-	-	959		1,000	
	Misc Expense	10	23	56300	-	-	792		1,000	
	Total Public Affairs				-	-	122,101	-	132,234	-
	Marketing									
	Salaries-Marketing	10	24	51100	-	-	85,630	-	91,552	
	Overtime Pay-Marketing	10	24	51190	-	-		-	-	
	Temporary Employment-Marketing	10	24	51500	-	-		-		
	Fringe Benefits-Marketing	10	24	51800	-	-	21,087	-	23,804	
	Local Travel	10	24	52100	-	-	248			
	Conference and Training	10	24	52300	-	-	195			
	Postage and Shipping	10	24	53100	-	-	34			
54100-004	Agency Fee	10	24	54100	115,960	125,204	47,563	120,000	125,000	
54200-004	Marketing Production Costs	10	24	54200	138,299	163,502	287,232	135,000	165,000	
54300-004	Media Advertising	10	24	54300	252,402	166,924	21,784	190,000	165,000	
54410-004	Promotional Material	10	24	54410	29,602	22,108	35,417	30,000	35,000	
54500-004	Inaugural & Start Up Costs	10	24	54500	-	-		50,000		
54600-004	Special Events	10	24	54600	74,032	51,838	71,462	60,000	70,000	
	Misc Expense	10	24	56300	-	-	1,802			
	Total Marketing				610,295	529,576	572,454	585,000	675,356	-
	Customer Service									
51100-004	Salaries-Marketing & Customer Serv	10	26	51100	515,058	544,443	249,998	608,763	292,374	
51190-004	Overtime Pay - Customer Service &	10	26	51190	-	1,771	3,542	2,587	2,500	
51500-004	Temporary Employ-Mkt & Cust Service	10	26	51500	4,049	23,092		-		
51200-004	Fringe Benefits-Mkt& Cust Serv	10	26	51800	123,461	141,095	80,695	158,278	76,017	
52100-004	Local Travel-Mkt & Customer Service	10	26	52100	3,807	2,527	3,319	2,800	3,000	
52150-004	Other Empl Reimb-Mkt & Customer Serv	10	26	52150	7,199	2,828	1,518	3,000	3,000	
52200-004	Non Local Travel-Mkt & Cust Serv	10	26	52200	3,382	8,321	7,111	9,000	8,000	
52300-004	Conf/Training/Staff Exp-Mktg & CS	10	26	52300	7,812	12,029	20,178	12,800	20,000	
	Printing and Notices	10	26	53120			5,389		5,500	
	Office Utilities	10	26	53155			557			
	Office Supplies	10	26	53160			971			
	Computer Equipment	10	26	53185			1,309			
54400-004	Guaranteed Ride	10	26	54400	1,270	8,746	7,528	9,400	9,000	
54405-004	Security Blanket - Daycare	10	26	54405	562	550	70	550		
	Special Events	10	26	54600	-	-	16,475	-	16,000	
	Admin and Support Services	10	26	55500	-	-	2,894			

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Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
55600-004	Consulting - MIS-Internet	10	26	55600	-	29,350	70,184	32,000	35,000	
55700-002	Other Professional Services	10	26	55700	18,235	9,393	3,640	10,800	5,000	
55800-004	Platform Boarding Counts/Surveys	10	26	55800	1,480	7,303	6,387	7,500	7,500	
69300-002	Disaster Response Coordination	10	26	69300	49	-	-	-	-	
74600-004	Bus Service-JumpStart/Emerg.	10	26	74600	1,883	3,860	1,428	8,000	5,000	
74600-007	Bus Service-PRTC	10	26	74600	59,973	-	-	-	-	
74600-008	Bus Service-NVTC	10	26	74600	75,632	-	-	-	-	
74700-008	Connecting Bus Charges	10	26	74700	7,660	85,908	-	-	-	
	Total Customer Service				831,511	881,217	483,193	865,478	487,891	-
	Budget and Finance									
51100-003	Salaries-Budget & Finance	10	31	51100	366,030	376,144	361,308	392,505	419,487	
51190-003	Overtime Pay - Budget & Finance	10	31	51190	-	5,032	5,959	3,869	5,000	
51500-003	Temporary Employ-Budget & Finance	10	31	51500	5,183	1,699	-	15,750	30,000	
51200-003	Fringe Benefits-Budget & Financ	10	31	51800	87,740	93,120	82,797	102,052	109,067	
52100-003	Local Travel-Budget & Finance	10	31	52100	6,237	3,946	3,713	4,000	4,000	
	Other Employee Reimb	10	31	52150	-	-	5	-	-	
52200-003	Non Local Travel-Budget & Finance	10	31	52200	531	708	1,416	2,000	2,000	
52300-003	Conf/Training/Staff Exp-Finance	10	31	52300	3,509	7,203	23,983	5,000	10,000	
	Computer Equipment	10	31	53185	-	-	836	-	-	
	Maintance Service Agreements	10	31		-	-	-	-	40,480	
55200-003	Audit and Accounting Fees	10	31	55200	28,100	63,835	38,725	60,000	50,000	
55600-003	Consulting - Management Info Sys	10	31	55600	4,725	-	75	-	-	
55700-003	Other Professional Services	10	31	55700	-	-	31,987	-	-	
61100-003	Retail Sales Commissions	10	31	61100	499,523	458,347	397,305	460,000	460,000	
61150-003	TLC Sales Commission	10	31	61150	16,892	52,760	79,318	55,000	80,000	
61200-003	Bank Discounts (credit/debit card proc)	10	31	61200	103,780	134,184	154,485	145,000	155,000	
61300-003	Bank Service Charges	10	31	61300	26,962	5,480	8,670	6,000	9,000	
61400-003	Settlement Fees ADS	10	31	61400	22,437	27,254	26,842	29,600	30,000	
61475-003	Metrocheck-Customer Reimb. Exp	10	31	61475	1,034	4,733	26,376	1,000	25,000	
61500-002	Transit Link Cost	10	31	61500	48,070	57,920	18,159	68,000	60,000	
61500-004	CSC/Transit Store Fees	10	31	61500	-	-	-	-	-	
61550-003	Bad Debt Expense	10	31	61550	151,305	-	92,860	-	-	
68590-003	ADJ Cost of Repair Parts	10	31	xx	-	-	-	-	-	
	Total Budget and Finance				1,372,060	1,292,363	1,354,819	1,349,776	1,489,033	-
	Communication and Info Tech									
51100-006	Salaries-Communication & Information	10	36	51100	206,261	223,390	250,991	204,895	268,419	
51190-006	Overtime Pay - Communications & Info.	10	36	51190	-	19,694	17,079	9,945	25,000	
51500-006	Temporary Employment-Comm. Information	10	36	51500	-	6,381	-	-	-	
51200-006	Fringe Benefits-Communication & Info Sys	10	36	51800	47,611	67,542	71,221	53,273	69,789	
52100-006	Local Travel-Communication & Info Sys	10	36	52100	3,154	4,721	7,053	4,300	7,000	
52150-003	Other Empl Reimb-Budget & Finance	10	36	52150	109	2,521	720	500	-	
52150-006	Other Empl Reimb-Transportation Planning	10	36	52150	-	150	-	-	-	
52200-006	Non Local Travel-Communication & Info Sys	10	36	52200	-	1,973	1,902	2,000	2,000	
52300-006	Conf/Training/Staff Exp-Comm & Info Sys	10	36	52300	24,858	27,688	37,365	32,000	30,000	
52500-006	Vehicle Expense-Trans Planning	10	36	52500	-	-	-	-	-	
53130-002	Local Telephone	10	36	53130	37,585	11,549	11,814	12,000	12,000	
53140-002	Long Distance Telephone	10	36	53140	16,536	1,922	-	2,000	2,000	
53150-002	Other Telephone Costs	10	36	53150	72,833	75,443	70,773	85,000	75,000	
	Office Utilities	10	36	53155	-	-	92	-	-	
	Office Supplies	10	36	53160	-	-	52	-	-	
53185-003	Computer Equipment	10	36	53185	149,710	101,897	170,352	60,000	103,000	
	Media Advertising	10	36	54300	-	-	400	-	-	
55700-006	Other Professional Services	10	36	55700	-	2,438	1,615	-	47,000	

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Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
	Sortware Licensing	10	36						33,000	
62100-002	Telephone Expenses - TVM	10	36	62100	74,106	79,148	75,007	85,000	-	
62100-005	Telephone Expenses - Fare Collection	10	36	62100	-	-	-	-	-	
62200-002	Telephone Expenses - TRIP	10	36	62200	81,386	98,023	83,467	105,000	255,000	
62300-002	Telephone Expenses - Yards	10	36	62300	6,595	6,504	6,957	6,900	-	
62400-002	Other Communications Costs	10	36	62400	84,105	3,266	23,397	40,000	-	
67600-005	Ticket Stock - Fare Collection	10	36	67600	109,187	60,870	34,138	40,000	35,000	
68200-005	Repairs & Maintenance - Fare Collection	10	36	68200	382,703	135,824	74,576	285,000	470,000	
68200-007	Repairs & Maintenance - Fare Collection	10	36	68200	8,627	-	-	-	-	
68210-005	Repairs & Maintenance - Trip One	10	36	68210	-	1,098	-	-	-	
68220-005	Repairs & Maintenance - Trip Two	10	36	68220	3,515	8,000	487	10,400	30,000	
68300-005	Repairs & Maintenance - Public Add	10	36	68300	4,506	2,810	410	3,300	3,000	
68300-007	OSC Support	10	36	68301	39,019	5,515	3,354	6,000	3,000	
68350-007	Repairs & Maintenance-Hardware - Wang	10	36	68350	-	-	-	-	-	
	Station Security	10	36	69100	-	-	4,800	-	22,000	
	Total Communication and Info Tech				1,352,407	948,366	948,022	1,047,513	1,492,208	-
	Construction and Cap Proj									
51100-014	Salaries-Capital Programs	10	41	51100	451,187	472,996	276,533	564,700	335,819	
51190-014	Overtime Pay - Capital Programs	10	41	51190	-	1,210	-	786	1,500	
51200-014	Fringe Benefits-Capital Programs	10	41	51800	113,371	131,672	72,031	147,721	87,313	
51400-000	Recovery of Capital Labor	10	41	51900	-	-	-	-	-	
52100-014	Local Travel-Capital Programs	10	41	52100	17,245	11,498	5,028	12,600	5,000	
52200-014	Non Local Travel-Capital Programs	10	41	52200	2,063	1,857	6,228	2,200	6,000	
52300-014	Conf/Training/Staff Exp-Capital Programs	10	41	52300	7,260	13,607	27,710	15,600	28,000	
52500-005	Vehicle Expense-Railroad Services	10	41	52500	15,144	2,573	4,381	3,000	5,000	
	Office Utilities	10	41	53155	-	-	57	-	-	
	Office Supplies	10	41	53160	-	-	182	-	-	
55400-014	Consulting	10	41	55400	-	-	28,878	-	30,000	
	Other Professional Services	10	41	55700	-	-	964	-	1,000	
	Materials and Supplies - Station	10	41	67300	-	-	2,038	-	2,000	
	Repairs and Maint - Shipping/Surcharge	10	41	68700	-	-	10	-	-	
	Total Construction and Cap Proj				606,270	635,413	424,040	746,607	501,631	-
	Facilities Maintenance									
	Salaries-Facilities Maintenance	10	45	51100			80,841	-	90,423	
	Overtime Pay - Facilites Maintenance	10	45	51190			-	-	-	
	Temporary Employment-Facilities	10	45	51500			-	-	-	
	Fringe Benefits-Facilities Maintenance	10	45	51800			26,634	-	23,510	
	Vehicle Expenses	10	45	52500			1,280		10,000	
	Office Supplies	10	45	53160			48			
	Office Maintenance	10	51	53190					18,000	
	Other Professional Services	10	45	55700			5,652		5,000	
65050-005	Station Parking Fees	10	45	65050	329,929	263,197	594,448	284,000	405,000	
65100-002	Station Electricity	10	45	65100	84,850	78,132	85,166	84,981	90,000	
	Water & Swage - Yards	10	45	65500					7,500	
	Water & Swage - Stations	10	45						5,000	
67300-005	Materials & Supplies - Stations	10	45	67300	33,073	54,396	142,891	62,000	150,000	
68400-005	Repairs & Maintenance - Stations	10	45	68400	778,628	1,012,207	902,362	1,200,000	950,000	
68420-005	Repairs & Maintenance - Parking	10	45	68420	973	12,672		14,700	14,700	
	Repairs & Maintenance - Yards and Lead	10	45	68600	-	-	20,600		75,000	
	Yard Security	10	45	69200	-	-	75			
69300-006	Contingency Costs	10	45	69301	(85)	-	-	-		
	Total Facilities Maintenance				1,227,369	1,420,604	1,859,997	1,645,681	1,844,133	-

Preliminary FY 2007 Operating and Capital Budget

Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
	Purchasing and Contract Admin									
	Salaries-Purch and Contracts	10	46	51100	-	-	139,794	-	174,943	
	Overtime Pay-Purch and Contracts	10	46	51190	-	-	1,079	-		
	Temporary Employment-Purch and Contrats	10	46	51500	-	-	-	-		
	Fringe Benefits-Purch and Contracts	10	46	51800	-	-	32,747	-	45,485	
	Local Travel	10	46	52100			130			
	Conference and Training	10	46	52300			4,910		5,000	
	Office Supplies	10	46	53160			16			
	Repairs and Maint - Stations	10	46	68400			78			
	Total Purch and Contract Admin				-	-	178,754	-	225,429	-
	Equipment Operations									
51100-005	Salaries-Railroad Services	10	51	51100	87,710	94,342	97,176	169,474	163,847	
51500-005	Temporary Employment-Railroad Serv	10	51	51500	6,129	14,734	7,112	16,000	8,000	
51200-005	Fringe Benefits-Railroad Serv	10	51	51800	22,860	26,756	28,498	45,567	42,600	
52100-005	Local Travel-Railroad Services	10	51	52100	8,966	5,310	4,845	5,500	5,000	
52150-005	Other Empl Reimb-Railroad Services	10	51	52150	4,234	4,690	1,640	4,500	2,000	
52200-005	Non Local Travel-Railroad Services	10	51	52200	11,089	5,346	4,454	6,000	4,500	
52300-005	Conf/Training/Staff Exp-Rail Svcs	10	51	52300	2,439	3,574	7,474	6,000	7,500	
	Office Utilities	10	51	53155			278			
	Office Supplies	10	51	53160			4			
	Office Maintenance	10	51	53190			14,759		-	
55400-005	Consulting - Equipment	10	51	55400	375,311	632,255	367,504	433,000	375,000	
	Admin and Support Services	10	51	55500			9,205		10,000	
55700-005	Other Professional Services	10	51	55700	464,193	208,765	47,629	480,000	100,000	
	Misc Admin Expense	10	51	56300			122			
63900-005	Equipment Lease Costs	10	51	63900	145,047	50,820	138,820	151,200	150,000	
63950-005	Equipment Lease	10	51	63950	1,635,920	1,622,714	1,830,746	1,800,000	1,200,000	
	Station Electricity	10	51	65100			20,144			
65300-002	Yard Electricity	10	51	65300	22,376	26,564	47,137	30,000	50,000	
65400-002	Stand by Electricity	10	51	65400	251,841	237,313	235,984	260,000	240,000	
65500-002	Water & Sewage	10	51	65500	5,619	3,605	6,434	4,000		
66100-005	Diesel Fuel - Contract	10	51	66100	1,156,996	1,414,188	2,308,156	1,788,948	2,900,000	
67200-005	Materials & Supplies - Equipment	10	51	67200	67,882	29,287	102,109	32,000	600,000	
67500-005	Materials & Supplies - Yards	10	51	67500	4,650	323	12,686	5,000	13,000	
68100-005	Repairs & Maintenance - PA	10	51	68100	3,250	4,732	2,496	5,500	5,000	
68500-005	Repairs & Maintenance - Rolling Stock	10	51	68500	183,981	81,186	(7,162)	50,000	50,000	
68510-005	Repairs & Maintenance - Mafersa	10	51	68510	16,212	29,638	(4,829)	-		
68515-005	Repairs & Maintenance - Gallery III Metra	10	51	68515	-	-	87,240	-	90,000	
68520-005	Repairs & Maintenance - Kawasaki	10	51	68520	22,759	6,635	4,704	20,000	20,000	
68530-005	Repairs & Maintenance - Budd	10	51	68530	16,000	3,400	-	-		
68540-005	Repairs & Maintenance - Gallery	10	51	68540	412,630	525,890	1,529,772	400,000	1,550,000	
68550-005	Repairs & Maintenance - Heritage	10	51	68550	3,029	517	-	1,000	1,000	
68560-005	Repairs & Maintenance - Sounder	10	51	68560	96,939	220,198	347,299	100,000	350,000	
68580-005	Repairs & Maintenance - Locomotives	10	51	68580	15,116	168,370	96,982	91,000	100,000	
68600-005	Repairs & Maintenance - Yds & Lead	10	51	68600	9,661	145,545	39,510	162,900	50,000	
68700-005	Repairs & Maintenance - Shipping	10	51	68700	-	974	12,357	-	15,000	
	Station Security	10	51	69100	-	-	4,575			
71055-005	Inspection Labor	10	51	71055	-	-	-	451,356		
72701-005	Car Cleaning - Coaches Exterior	10	51	72701	30,743	24,219	79,983	25,700	80,000	
72702-005	Car Cleaning - Coaches Interior	10	51	72702	28,227	69,233	14,764	73,400	15,000	
	Total Equipment Operations				5,111,810	5,661,124	7,500,607	6,618,045	8,197,448	-
	Operations and Safety									
51100-013	Salaries-Operations & Safety	10	56	51100	97,744	113,498	108,948	106,222	114,898	

Preliminary FY 2007 Operating and Capital Budget

Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
51200-013	Fringe Benefits-Operations & Safety	10	56	51800	22,191	23,145	24,680	27,618	29,873	
52100-013	Local Travel-Oper. & Safety	10	56	52100	494	1,308	673	1,500	1,000	
52200-013	Non Local Travel-Oper. & Safety	10	56	52200	2,214	621	1,038	700	1,000	
52300-013	Conf/Training/Staff Exp-Oper. & Safety	10	56	52300	1,284	(163)	694	1,200	700	
	Other Professional Services	10	56	55700	-	-	281			
69100-005	Station Security	10	56	69100	148,071	186,114	227,317	200,000	240,000	
69200-005	Yard Security	10	56	69200	4,993	149,587	285,629	150,000	300,000	
	Total Operations and Safety				276,991	474,110	649,260	487,240	687,471	-
	PRTC									
	VRE Salaries	10	71	51100			26,527			
	Fringe Benefits	10	71	51800			7,958			
51100-007	Salaries-PRTC Staff Support	10	71	52710	204,226	120,921	83,703	133,315	130,000	
51500-007	Temporary Employ-PRTC Staff Support	10	71	52750	-	-	-	-	-	
51200-007	Fringe Benefits-PRTC Staff Support	10	71	52780	62,031	37,437	25,111	41,275	33,800	
51300-007	Indirect Costs - PRTC Staff Support	10	71	52790	19,360	22,231	23,163	24,500	25,000	
52100-007	Local Travel-PRTC Staff Support	10	71	52810	559	3,368		3,900	4,000	
52150-007	Other Local-PRTC Staff Support	10	71	52810	-	132		-	-	
52200-007	Non Local Travel-PRTC Staff Support	10	71	52820	5,569	3,669		3,400	3,500	
52300-007	Conf/Training Exp - PRTC Staff	10	71	52830	1,212	-	292	-	-	
	Professional Services	10	71	52850			1,153			
55700-007	Other Professional Services	10	71	55700	-	-	-	-	-	
	Total PRTC				292,957	187,758	167,907	206,390	196,300	-
	NVTC									
51100-008	Salaries-NVTC Staff Support	10	75	52710	36,218	525		-	-	
51500-008	Temporary Employ-NVTC Staff Support	10	75	52750	-	-		-	-	
51200-008	Fringe Benefits-NVTC Staff Support	10	75	52780	16,296	506		-	-	
51300-008	Indirect Costs - NVTC Staff Support	10	75	52790	22,224	421	37,500	-	38,000	
52100-008	Local Travel-NVTC Staff Support	10	75	52810	269	122		-	-	
52150-008	Other Local-NVTC Staff Support	10	75	52810	-	-		-	-	
52200-008	Non Local Travel-NVTC Staff Support	10	75	52820	-	-		-	-	
52300-008	Conf/Training Exp - NVTC Staff	10	75	52830	-	-		-	-	
55700-008	Professional Services--NVTC Retainer	10	75	52850	-	90,000	46,792	80,000	50,000	
	Total NVTC				75,007	91,574	84,292	80,000	88,000	-
	Amtrak									
63550-009	Ticket Sales Compensation	10	82	61100	-	-		-	-	
61600-004	Adjustment Cost of Inventory Parts-	10	82	61600	-	-		-	-	
63400-009	Railroad User Fee (Amtrak)	10	82	63400	-	-		-	-	
63500-009	Terminal Access Fee (Amtrak)	10	82	63500	925,871	1,179,270	1,500,000	1,500,000	2,000,000	
63560-009	Passenger Charges-AMTRAK trains	10	82	63560	916,217	939,319	1,049,618	982,300	1,130,000	
63570-009	AMTRAK Employee Tickets	10	82	63570	(38,532)	(34,830)	(37,726)	-	-	
63600-009	Union Station Operations (Amtrak)	10	82	63600	-	-		-	-	
63900-009	Equip Lease Costs - Amtrak	10	82	63900	-	(1,420)	147,940	-	-	
64800-009	Risk Charges	10	82	64800	20,466	21,276	22,044	22,500	22,500	
64850-009	Claims Services	10	82	64850	17,496	18,192	18,846	19,300	20,000	
65400-009	Stand by Electricity - Amtrak	10	82	65400	38,214	30,844	12,491	34,000	20,000	
66200-009	Diesel Fuel - Amtrak	10	82	66200	19,577	26,494	63,375	45,500	70,000	
71010-009	Engineer Labor	10	82	71010	3,554,809	3,851,941	3,862,794	4,100,200	4,470,000	
71020-009	Conductor Labor	10	82	71020	-	-		-	-	
71030-009	Assistant Conductor Labor	10	82	71030	-	-		-	-	
71040-009	Extra Board Charges	10	82	71040	-	-		-	-	
71050-009	Crew Expenses	10	82	71050	229,028	233,545	238,934	246,000	260,000	
71060-009	Pin Up Crew	10	82	71060	-	-		-	-	

Preliminary FY 2007 Operating and Capital Budget

Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
71070-009	Training Expenses	10	82	71070	86,455	67,682	83,819	81,000	84,000	
71075-009	New Crew Training	10	82	71075	-	-	-	-	-	
71080-009	Switching	10	82	71080	270,028	292,789	285,542	316,400	300,000	
72100-009	Maintance of Equipment (Labor)	10	82	72100	1,966,968	2,274,102	2,405,849	2,278,000	2,530,000	
72200-009	Shop Expense	10	82	72200	616,103	689,036	741,595	790,400	780,000	
72300-009	Maintenance Materials	10	82	72300	478,514	799,426	584,996	544,660	610,000	
72400-009	Materials Handling	10	82	72400	-	-	-	-	-	
72500-009	Materials Handling (Labor)	10	82	72500	189,491	204,969	228,101	220,200	240,000	
72600-009	Radio Repair	10	82	72600	17,400	16,680	16,920	19,600	20,000	
72700-009	Car Washing	10	82	72700	47,628	36,962	26,494	60,000	30,000	
72800-009	Wheel Truing	10	82	72800	19,179	33,324	34,395	36,200	40,000	
73100-009	Yard Maintenance - Broad Run	10	82	73100	666,911	744,707	730,881	805,000	770,000	
73200-009	Yard Maintenance - Crossroads	10	82	73200	-	-	-	-	-	
73300-009	Railroad Payments	10	82	73300	-	-	-	-	-	
73400-009	Station Maintenance - Amtrak	10	82	73400	-	-	-	-	-	
74050-009	Disruption of Service	10	82	74050	-	-	-	-	-	
74100-009	Special Trains	10	82	74100	18,083	47,079	75,055	56,200	80,000	
75100-009	Time Table Printing	10	82	75100	-	-	-	-	-	
75200-009	Supervision G&A	10	82	75200	504,083	565,060	648,805	619,000	680,000	
75300-009	Management Fees	10	82	75300	1,637,640	1,702,482	1,763,958	1,802,000	1,850,000	
75350-009	Commuter Service Management	10	82	75350	294,570	306,234	317,286	324,200	325,000	
75400-009	Performance Incentives	10	82	75400	631,806	636,246	665,064	672,300	675,000	
75450-009	Performance Bonus	10	82	75450	149,980	43,709	-	-	-	
75500-009	Other Costs	10	82	75500	418,230	527,975	96,944	409,700	200,000	
75599-009	Running Rate Adjustment	10	82	75599	-	-	-	(444,000)	(500,000)	
75800-009	Subcontractor Services for Amtrak	10	82	75800	51,732	15,212	-	17,600	10,000	
	Total Amtrak				13,747,948	15,268,304	15,584,020	15,558,260	16,716,500	-
	Norfolk Southern									
63100-010	Station Leases - (NS)	10	84	63100	-	-	-	-	-	
63700-010	Right of Way Access - (NS)	10	84	63700	1,606,919	1,706,011	1,743,057	1,781,961	1,900,000	
63800-010	Track Retention Costs (NS)	10	84	63800	374,148	391,060	406,702	415,000	430,000	
63900-010	Equip Lease Costs - N.S.	10	84	63900	-	-	-	-	-	
68700-010	Railroad Maintenance Surcharges	10	84	68700	461	-	667	-	-	
74100-010	Special Trains	10	84	74100	16,857	20,304	15,988	22,500	20,000	
75100-010	Time Table Printing - NS	10	84	75100	-	-	-	-	-	
75400-010	Performance Incentives	10	84	75400	-	-	-	-	-	
	Total Norfolk Southern				1,998,385	2,117,375	2,166,414	2,219,461	2,350,000	-
	CSXT									
63100-011	Station Leases - CSXT	10	85	63100	193,472	80,274	161,792	82,600	175,000	
51100-011	Salaries-CSXT Staff Subsidy	10	85	63300	264,589	-	261,415	-	260,000	
51200-011	Fringe Benefits-CSXT Staff Subsidy	10	85	63300	-	-	-	-	-	
52200-011	Non Local Travel-CSXT Staff Subsidy	10	85	63300	-	-	-	-	-	
63300-011	Direct Services - CSX	10	85	63300	45,394	312,820	-	346,400	-	
63700-011	Right of Way Access - CXST	10	85	63700	2,426,528	3,133,484	2,953,769	3,229,590	3,400,000	
63750-011	CSXT back pay	10	85	63750	-	-	-	-	-	
63800-011	Track Retention Costs?	10	85	63800	-	-	-	-	-	
65600-002	Real Estate Taxes	10	85	65600	-	-	7,802	-	-	
74100-011	Special Trains - CSXT	10	85	74100	23,881	17,281	36,127	15,000	40,000	
75100-011	Time Tables, Materials, etc.	10	85	75100	-	-	-	-	-	
75400-011	Incentive - CSXT	10	85	75400	(4,000)	-	-	-	-	
75500-011	Contingency	10	85	75500	-	-	-	-	-	
	Total CSXT				2,949,863	3,543,860	3,420,905	3,673,590	3,875,000	-

Preliminary FY 2007 Operating and Capital Budget

Old Code	GL Account	Fund	Dept	Object	FY03 Actual	FY04 Actual	FY05 Actual*	FY06Approved	FY07 Oper	FY07 Cap
	Old Conrail									
63100-012	Station Leases - Conrail	10	87	63100	-	-	-	-	-	
63700-012	Right of Way Access - Conrail	10	87	63700	-	-	-	-	-	
63900-012	Equip Lease Costs - Conrail	10	87	63900	-	-	-	-	-	
	Total Old Conrail				-	-	-	-	-	-
	Operating Budget				32,089,350	34,163,238	36,898,515	36,317,465	41,265,062	-
79000-000	Budgeted CIP Expenditures	90	11	79001	-	-		7,196,000		7,667,000
	VRE - Non-Departmental Other									
	Bad Debt Expense	10	11	61550					50,000	
92100-000	Lease Debt Service (Master Lease)	10	11	92100					1,931,358	
92101-000	Bond Interest Expense - 1990	10	11	92101						
	Bond Principal - 1993	10	11						4,145,000	
92102-000	Bond Interest - 1993	10	11	92102					1,085,188	
	Bond Principal - 1997	10	11						1,000,000	
92103-000	Bond Interest - 1997	10	11	92103					887,815	
	Bond Principal - 1998	10	11						110,000	
92104-000	Bond Interest - 1998	10	11	92104					1,323,726	
92150-000	Interest Expense - Office Building	10	11	92150					76,000	
92200-000	Other Interest Expense	10	11	92200					475,000	
95100-000	Depreciation Expense - Admin Assets	10	11	95100						
95150-000	Depreciation Expense - Office Building	10	11	95150						
95200-000	Depreciation Expense - Locomotives	10	11	95200						
95300-000	Depreciation Expense - Railcars	10	11	95300						
95400-000	Depreciation Expense - Facilities	10	11	95400						
95450-000	Depreciation Expense - Track and Signal	10	11	95450						
95500-000	Depreciation Expense - Equipment	10	11	95500						
95610-000	Depreciation Expense - Company Vehicle	10	11	95610						
96100-000	Amortization - Equity in Local Prop	10	11	96100						
96200-000	Amortization - Bond Issuance Costs	10	11	96200						
96201-000	Amortization - Bond Issuance Costs - 1990	10	11	96201						
96202-000	Amortization - Bond Issuance Costs - 1993	10	11	96202						
96203-000	Amortization - Bond Issuance Costs - 1997	10	11	96203						
96204-000	Amortization - Bond Issuance Costs - 1998	10	11	96204						
96300-000	Amortization - Bond Insurance Prem	10	11	96300						
96301-000	Amortization - Bond Insurance Costs - 1990	10	11	96301						
96302-000	Amortization - Bond Insurance Costs - 1993	10	11	96302						
96303-000	Amortization - Bond Insurance Costs - 1997	10	11	96303						
96304-000	Amortization - Bond Insurance Costs - 1998	10	11	96304						
96400-000	Amortization - Refinance Loss Bonds - 1998	10	11	96400						
97100-000	Gain/Loss on Disposal of Assets	10	11	97100						
					-	-	-	-	11,084,087	-
	Total CIP and Other Expenditures				-	-	-	7,196,000	11,084,087	7,667,000
	Grand Total Expenses				44,317,750	48,357,793	54,012,293	55,463,004	53,846,772	7,667,000
	Net Gain (Loss)				5,410,493	3,745,869	(68,195)	-	(7,283,799)	7,283,923

* Preliminary Unaudited

8/15/05

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FY07 VRE - Source and Use Budget Worksheet

LEVEL OF SERVICE FOR FY 2007 32 trains 17,400 average daily riders

Leases	8,225,000	CSXT	3,875,000
Programmed Funding		NS	2,350,000
Add'l funding needed	8,225,000	Amtrak	2,000,000
		Total	8,225,000

USES OF FUNDS	SOURCES OF FUNDS											
	FARE INCOME	INTEREST	EQUIP RENT AND MISC	LOCAL SUBSIDY	OTHER SOURCES	STATE OPERATING	STATE CAPITAL	STATE SSTP	5307	5309	TOTAL	
Operating Expenses	41,265,062	23,340,040	210,000	301,500	968,382	0	7,200,000	185,940	6,580,000	2,259,200	220,000	41,265,062
Non-Operating Expenses:												
Operating Reserve	489,623			489,623								489,623
Insurance Reserve	1,000,000			1,000,000								1,000,000
Debt Service (1993 & 1998)	6,663,914			4,664,740			1,999,174					6,663,914
Debt Service (Kawasaki)	1,887,815			264,294			113,269		1,510,252			1,887,815
Debt Service (Gallery IV)	1,931,358			270,390			115,881		1,545,086			1,931,358
Fare Collection II	475,000			66,500			28,500		380,000			475,000
Office Loan	76,000			76,000								76,000
Other (Bad Debt/Admin)	58,000			58,000								58,000
Non-Operating Summary	12,581,710	0	0	0	6,889,547	0	0	2,256,824	0	3,435,338	0	12,581,710
Total Expenses (Subtotal)	53,846,772	23,340,040	210,000	301,500	7,857,929	0	7,200,000	2,442,764	6,580,000	5,694,538	220,000	53,846,772
Capital Projects:												
Security enhancements	100,000			14,000				6,000		80,000		100,000
Facilities infrastructure	400,000			56,000				24,000		0	320,000	400,000
CrossRoads extension/maintenance	982,000			137,480				58,920		785,600		982,000
Train storage	2,305,000			322,700				138,300		668,800	1,175,200	2,305,000
Fleet expansion	0			0				0		0		0
Fleet expansion 50 rail cars	771,000			107,940				46,260		616,800		771,000
Rolling stock mods	1,015,000			142,100				60,900		812,000		1,015,000
Capital project contingency	327,000			45,780				19,620		32,000	229,600	327,000
Platform Expansion Development	767,000			107,380				46,020		613,600		767,000
	0			0				0		0		0
WUT project	1,000,000			140,000				60,000		800,000		1,000,000
	0			0				0		0		0
	0			0				0		0		0
Capital Project Summary	7,667,000	0	0	0	1,073,380	0	0	460,020	0	4,408,800	1,724,800	7,667,000
TOTAL	61,513,772	23,340,040	210,000	301,500	8,931,309	0	7,200,000	2,902,784	6,580,000	10,103,338	1,944,800	61,513,772

FY06 subsidy unfunded 6,878,060
(2,053,249)

	Program	Match	Funding	Federal Amt
Debt Service Gallery IV	1,931,358	local subsidy	5307	1,545,086
Debt Service Kawasaki	1,887,815	fare revenue	5307	1,510,252
Lease funding	8,225,000	fare revenue	SSTP	6,580,000
Fare Collection II	475,000	fare revenue	5307	380,000
Rail Car lease	1,000,000	fare revenue	5307	800,000
Cap Needs Assessment	750,000	fare revenue	5307	600,000
Project Management	422,000	fare revenue	5307	337,600
Project Management	275,000	fare revenue	5309	220,000
Scheidt/Bachman	118,000	fare revenue	5307	94,400
Construction Mgmt	350,000	fare revenue	5307	280,000
Rippon Parking Lease	140,000	fare revenue	5307	112,000
Fredericksburg P. Leases	44,000	fare revenue	5307	35,200
Subtotal	15,618,173			
Capital Projects	7,667,000	local subsidy	5307/5309	6,133,600
Federal Cap Program	23,285,173			18,628,138

Federal Reimbursement rate	80%
State Match Reimbursement rate	30%

Calculated Operating Reserve:	
33%	13,617,470

8/15/05

Option for Locomotive Fuel Supply

The VRE Operations Board recommends approval of Resolution #1086. This resolution authorizes VRE's CEO to exercise the first option year of a contract with Mifco Heating Oil of Manassas for delivery of diesel fuel to Broad Run Yard for VRE's locomotive fleet. The amount will not exceed \$1.5 million of budgeted funds.

RESOLUTION #1086

SUBJECT: Option for Locomotive Fuel Supply.

WHEREAS: VRE consumes approximately 600,000 gallons of fuel each year at the Broad Run Yard;

WHEREAS: VRE awarded a contract for the provision of fuel to Mifco Heating Oil of Manassas, Virginia in 2004; and

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

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to exercise the first option year of the contract with Mifco Heating Oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run Yard for VRE's locomotive fleet, in an amount not to exceed \$1,500,000 for a period of no more than one year.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-K
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

**RE: AUTHORIZATION TO EXERCISE OPTION FOR LOCOMOTIVE
FUEL SUPPLY AT THE BROAD RUN YARD**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to exercise the first option year to Mifco Heating Oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run Yard for VRE's locomotive fleet. The option is being requested in an amount not to exceed \$1,500,000 for a period of no more than one year.

BACKGROUND:

VRE locomotives require fueling every night after performing revenue service. Over the course of a year, VRE consumes approximately 600,000 gallons of diesel fuel at the Broad Run Yard. An Invitation for Bids was published on March 25, 2004 and closed on April 19, 2004. VRE received one bid for fuel delivery at the Broad Run Yard, which was awarded to Mifco Heating Oil of Manassas, Virginia.

Following a year of service, VRE staff is recommending award of the first option year. The option value is being recommended based on VRE's most recent fuel costs plus an escalation factor to balance rising fuel costs. VRE staff continues to work with the fuel vendor in an effort to monitor the appropriate timing of hedging opportunities.

Lease at Woodbridge VRE Station

The VRE Operations Board recommends approval of Resolution #1087. This resolution authorizes VRE's CEO to enter into a lease agreement, subject to approval by VRE's legal counsel, with Greyhound Lines, Inc. for operation of concessions at VRE's Woodbridge station. Previously Prince William County leased the space to Greyhound but now VRE is responsible. Greyhound will pay \$500 monthly to cover the cost of utilities while the firm sells tickets and provides other services to rail and bus passengers at the station. The term of the lease is one year with three additional one-year options. VRE's CEO would be authorized to exercise these options on his own authority, subject to review by legal counsel.

RESOLUTION #1087

SUBJECT: Lease at Woodbridge VRE Station.

WHEREAS: VRE is now responsible for the management and operation of this space; and

WHEREAS: Lease terms have been agreed to in which Greyhound would pay VRE \$500 monthly to cover the cost of utilities in the space while Greyhound sells tickets and provides other services to bus and rail customers.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to enter into a lease agreement, subject to approval by legal counsel, with Greyhound Lines, Inc. for the operation of concessions at the Woodbridge VRE station for \$500 monthly payable to VRE for a one-year term with three, one-year options to be exercised on the authority of VRE's CEO, subject to review by legal counsel.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-E
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

**RE: AUTHORIZATION TO EXECUTE A LEASE FOR AVAILABLE
SPACE AT THE WOODBRIDGE COMMUTER RAIL STATION**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to enter into a lease agreement, pending approval by legal counsel, with Greyhound Lines, Inc. for the operation of concessions at the Woodbridge VRE station for a term not to exceed five years.

BACKGROUND:

For the past seven years, Prince William County has leased the vendor space at the Woodbridge station to Greyhound Lines, Inc. for the sale of tickets and concessions. This space is adjacent to the vendor space the Operations Board approved to be leased last month.

Prince William County recently transferred the responsibility for managing this lease to VRE. Lease terms have been agreed to in which Greyhound pays VRE \$500 per month to cover the cost of utilities in the space. The terms of the lease have been discussed with Prince William County staff and found to be acceptable. Execution of this lease agreement will allow Greyhound Lines, Inc. to continue the service of ticket sales and concession services to bus and rail patrons using the Woodbridge station. The lease will be exercised for one year with four one-year renewable options. VRE is requesting authorization for the

total term of the contract, with the VRE CEO exercising the option years at his discretion.

FISCAL IMPACT:

VRE will receive \$500 per month in revenue as a result of this agreement.

Contract for Septic Tank Services

The VRE Operations Board recommends approval of Resolution #1088. This resolution authorizes award of a contract to A Royal Flush of Washington D.C. or the next responsive and responsible bidder for an amount not to exceed \$1,499,087 for no more than three years. The contract term is one year with two, one-year options, that would be exercised on the authority of VRE's CEO. VRE currently has 21 railcars with waste retention tanks that require dumping and flushing two or three times each week. Funds are provided in the approved FY 2006 VRE budget and in the draft FY 2007 budget.

RESOLUTION #1088

SUBJECT: Contract for Septic Tank Services.

WHEREAS: VRE has 21 railcars in its fleet that contain retention type toilet tanks;

WHEREAS: Retention tanks require dumping and flushing two to three times per week;

WHEREAS: A competitive solicitation for this type of service was issued on July 7, 2005 with two bids received; and

WHEREAS: A Royal Flush of Washington, DC was found to be the lowest responsive and responsible bidder.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to award a contract to A Royal Flush of Washington, DC, or the next lowest responsive and responsible bidder in an amount not to exceed \$1,499,087 for a period of no more than three years for septic tank pumping and flushing services for VRE's rail car fleet.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-F
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

**RE: AUTHORIZATION TO AWARD A CONTRACT FOR SEPTIC
TANK PUMPING AND FLUSHING SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a contract to A Royal Flush of Washington, DC or the next lowest responsive and responsible bidder for the septic tank pumping and flushing services for VRE's rail car fleet. The contract is being requested in an amount not to exceed \$1,499,087 for a period of no more than three years.

BACKGROUND:

VRE currently operates 11 cars that are leased from Sound Transit. Each car has a bathroom with a waste retention tank. Ten of the Gallery cars that were purchased from Metra also have toilets with waste retention tanks. Each car requires dumping and flushing three times per week for approximately half of the year and two times per week for the balance of the year.

VRE issued an Invitation for Bids on July 7, 2005, and bids were due on August 8, 2005. VRE received two bids for this service and the lowest responsive and responsible bidder was A Royal Flush of Washington, DC. The term of the contract is for one year with two additional one-year options. VRE is requesting authorization for the total term of the contract, with the VRE CEO exercising the option years at his discretion.

Contract for Railroad Equipment Jacks

The VRE Operations Board recommends approval of Resolution #1089. This resolution authorizes award of a contract to Whiting Corporation of Monee, Illinois for eight railroad equipment jacks and four controllers. The contract amount will not exceed \$280,000. This was the only bid received but staff believes it is responsive and responsible. Funds are budgeted in the FY 2005 VRE budget.

RESOLUTION #1089

SUBJECT: Contract for Railroad Equipment Jacks.

WHEREAS: VRE is in the process of transferring its rail car maintenance to its Virginia yards;

WHEREAS: Such maintenance requires four railroad equipment jacks at each yard;

WHEREAS: A competitive solicitation was issued on July 7, 2005 and one bid was received; and

WHEREAS: Whiting Corporation was found to be a responsive and responsible bidder.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to award a contract to Whiting Corporation of Monee, IL in an amount not to exceed \$280,000 for the purchase of eight railroad equipment jacks and four controllers.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-G
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

RE: AUTHORIZATION TO PURCHASE RAILROAD EQUIPMENT JACKS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a contract to Whiting Corporation of Monee, IL for the purchase of eight railroad equipment jacks and four controllers. The contract is being requested in an amount not to exceed \$280,000.

BACKGROUND:

As VRE continues to migrate fleet maintenance functions to its Virginia yards, specific equipment to support and conduct such work is required. Essential to the ability to change wheels are railroad equipment jacks. Four jacks are required at each yard, for a total of eight. These jacks can be moved to fit the jacking pads on various pieces of VRE's equipment. The purchase of controllers at each yard, for a total of four, permits the mechanical forces to elect to operate the jacks as pairs, resulting in better lift control and more lifting options.

VRE issued an Invitation for Bids on July 7, 2005, and bids were due on August 9, 2005. VRE received one responsive and responsible bid, from Whiting Corporation, which was found to be consistent with project estimates.

FISCAL IMPACT:

Funding will be provided by FY 2005 Operating Budget.

Contract Amendment for Fare Collection Equipment Maintenance

The VRE Operations Board recommends approval of Resolution #1090. This resolution authorizes an amendment to the current fare collection equipment maintenance contract with Scheidt & Bachmann to include a second maintenance employee. This would increase the contract by \$251,177 through October, 2006 to a total of \$3,796,933. With growing ridership more frequent cleaning and servicing is now required. Funds are included in VRE's approved CIP.

While not directly related to this item, the VRE Operations Board discussed the need for prompt integration of this Scheidt & Bachmann equipment with the regional SmarTrip program using Cubic technology, with the responsibility for improved cooperation resting with these companies

RESOLUTION #1090

SUBJECT: Contract Amendment for Fare Collection Equipment Maintenance.

WHEREAS: On June 16, 2000, the VRE Operations Board awarded a contract to Scheidt & Bachmann for the delivery of a new fare collection system to include four years of maintenance support;

WHEREAS: The system has been in operation since October, 2002, during which time ridership has grown from 13,400 to 15,500 average daily riders;

WHEREAS: Machine usage due to increased ridership, coupled with the long travel times between stations to make repairs, necessitates the addition of a second fare collection maintenance person to adequately service the system; and

WHEREAS: An additional person will improve the reliability of the system and ensure there is coverage during the entire service day.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to amend the current fare collection maintenance contract with Scheidt & Bachmann to include a second staff person to perform maintenance and increase the contract by \$251,177 through October, 2006 for a total contract value of \$3,796,933.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-H
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

**RE: AUTHORIZATION TO AMEND THE FARE COLLECTION
MAINTENANCE CONTRACT**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to amend the current fare collection contract with Scheidt & Bachmann to include a second staff person to perform maintenance and increase the contract by up to \$251,177, for a total contract value of \$3,796,933.

BACKGROUND:

On June 16, 2000, the VRE Operations Board awarded a contract to Scheidt & Bachmann for the delivery of a new fare collection system to include four years of maintenance support. The system has been operational for almost three years, during which time ridership has grown from 13,400 to 15,500 average daily riders. The additional machine usage due to the ridership increase, coupled with the long travel times between stations to make repairs, necessitates the addition of a second fare collection maintenance person to adequately service the system.

The additional person will improve the reliability of the system with more frequent cleaning and servicing of the equipment. Having two fare collection maintenance employees will also ensure that we have coverage during the entire service day, rather than the current partial coverage. The cost of the amendment includes mobilization costs of up to \$49,542 and a monthly payment of \$15,510.42 until

October 31, 2006, when the contract has been completed. The mobilization costs include recruiting, training, relocation and vehicle acquisition; VRE will pay the actual costs for these items. The monthly charge includes regular and overtime, as well as vehicle operating costs. When the contract is complete in October 2006, VRE will competitively procure the fare collection system maintenance.

FISCAL IMPACT:

Funding for this phase of the project is included in VRE's Capital Improvement Program (CIP) as part of the Fare Collection project and in the FY 2006 Operating Budget. The local match is provided for using state and local funds.

Task Order for Engineering Services for Crossroads Yard

The VRE Operations Board recommends approval of Resolution #1091. This resolution authorizes award of a task order under VRE's General Engineering Contract IV to Parsons Brinckerhoff for design and limited construction support services for VRE's Crossroads Yard expansion. The amount is \$524,628 including a 10 percent contingency. Funding is available from a FY 2003 federal grant. Design should be complete in about eight months.

RESOLUTION #1091

SUBJECT: Task Order for Engineering Services for Crossroads Yard.

WHEREAS: Overcrowding of storage, maintenance and inspection facilities at Washington Union Terminal has necessitated the relocation of inspection and minor maintenance activities to the outlying VRE yards;

WHEREAS: The initiative to shift more fleet maintenance to outlying yards was approved by the Operations Board at the June 18, 2004 meeting; and

WHEREAS: Detailed plans and specifications for a locomotive maintenance building, train washing facility, and track expansion must be developed in order to construct the facilities.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby authorizes the VRE Chief Executive Officer to amend a task order under the GEC IV contract to Parsons Brinckerhoff for design and limited construction support services for the Crossroads Yard Expansion project in the amount of \$524,628 including a 10 percent contingency.

Approved this 1st day of September, 2005.

Paul Ferguson
Chairman

David F. Snyder
Secretary-Treasurer



AGENDA ITEM 8-J
ACTION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

RE: AUTHORIZATION TO ISSUE A TASK ORDER FOR DESIGN AND LIMITED CONSTRUCTION SUPPORT SERVICES FOR THE CROSSROADS YARD EXPANSION PROJECT

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a task order under the GEC IV contract to Parsons Brinckerhoff (PB) for design and limited construction support services for the Crossroads Yard Expansion project. This task order is being requested in the amount of \$476,934, plus 10% contingency of \$47,694, for a total amount not to exceed \$524,628.

BACKGROUND:

The VRE Crossroads storage yard, located at the end of the Fredericksburg line, consists of eight stub-end tracks that store six VRE train sets overnight. Due to overcrowding of storage, maintenance and inspection facilities at Washington Union Terminal, VRE has initiated relocation of inspection and some maintenance activities to the outlying yards. This shift was accelerated by the January 2002, Section 238 regulation that requires passenger cars to go through a 184-day inspection, overwhelming existing Amtrak inspection facilities. The initiative to shift more fleet maintenance to outlying yards was approved by the Operations Board at the June 18, 2004 meeting.

This action item will authorize the award of a task order to conduct detailed design and develop plans and specifications to construct a locomotive maintenance building, a train washing facility, and track expansion within the existing yard area. The design is expected to take eight months to complete. Once the task order has been completed, VRE staff will return to the Operations Board to obtain authorization to issue a solicitation to procure a contractor to construct the facilities.

FISCAL IMPACT:

Funding for this phase of the project is included in VRE's Capital Improvement Program (CIP) as part of the Crossroads Maintenance Facility project. Funding is from a FY 2003 federal grant. The local match is provided for using state and local funds.

May, 2005 Customer Opinion Survey Results

As shown in the attachment, results of VRE's annual customer opinion survey have been compiled. The results give generally strong marks to VRE's service.

AGENDA ITEM 9-A
INFORMATION ITEM

TO: CHAIRMAN MCCONNELL AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 19, 2005

RE: REVIEW OF CUSTOMER OPINION SURVEY FROM MAY 2005

VRE conducted its 11th Annual Customer Opinion Survey on May 11, 2005. The annual survey gauges the perceived strengths and weaknesses of VRE service and programs. Rider feedback gleaned from the survey is valuable for planning and service upgrades both on the organizational and jurisdictional levels.

Overall, the results from the 2005 survey are consistent with those from last year. The level of customer satisfaction remained steady at 70% and 23% of riders noted that service had improved.

Riders cited on-time performance as their primary concern. This was followed by crowded trains, increased fares, and lack of station parking. Despite their concerns, 55% of riders rated the level of fare for the quality and value of service as "excellent" or "good."

The survey results are illustrated in an attached graphic summary. Full results are available from the VRE Website as downloadable Microsoft Word or PDF files.



VRE

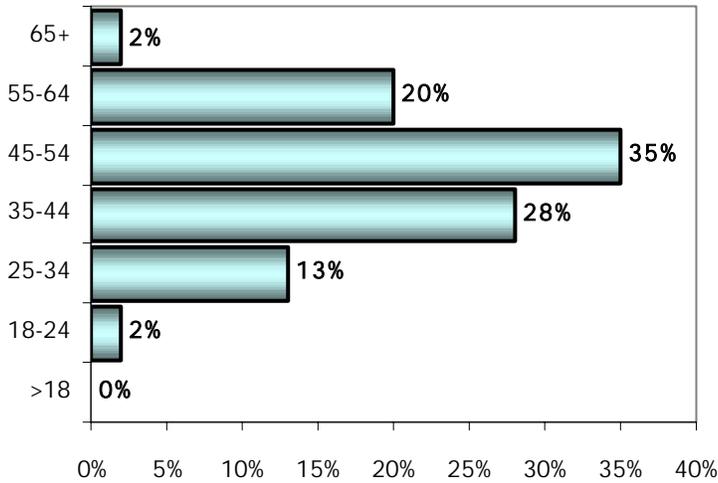


2005 Passenger Survey Results

Rider Demographics



Age



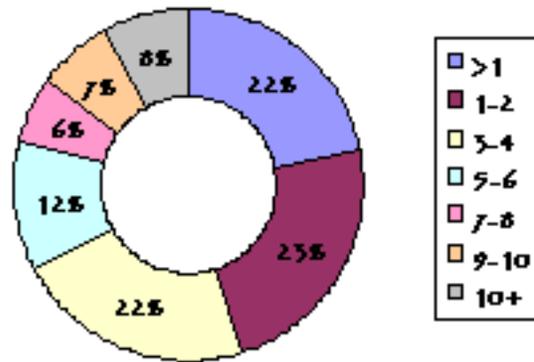
Gender

- 63% Male
- 37% Female

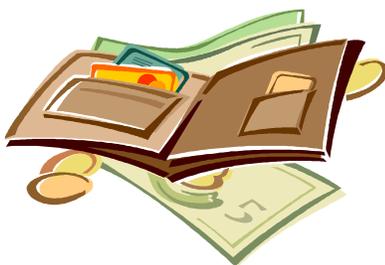
Years Riding

Sector of Employment

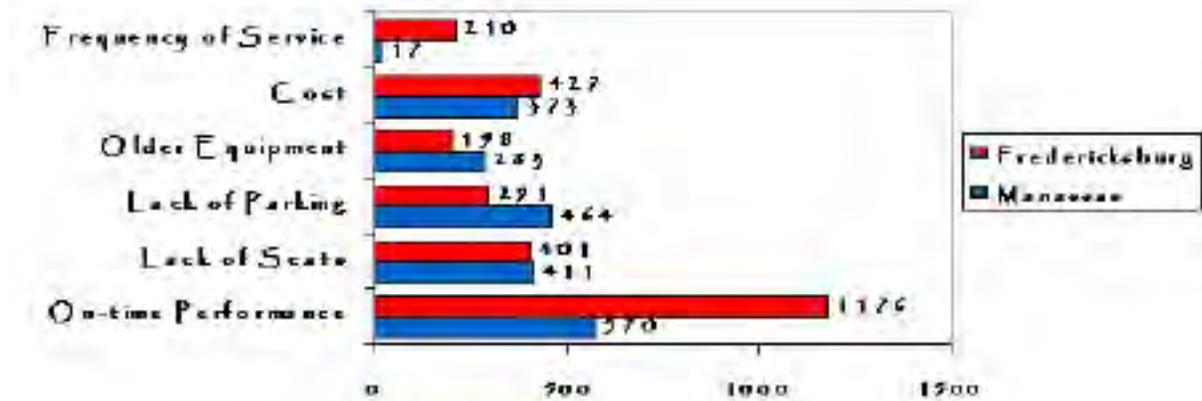
- 56% Government
- 8% Military
- 27% Private
- 5% Association
- 1% Self Employed
- 3% Other



Household Income



Top Concerns About Service



Reasons for Switching to VRE

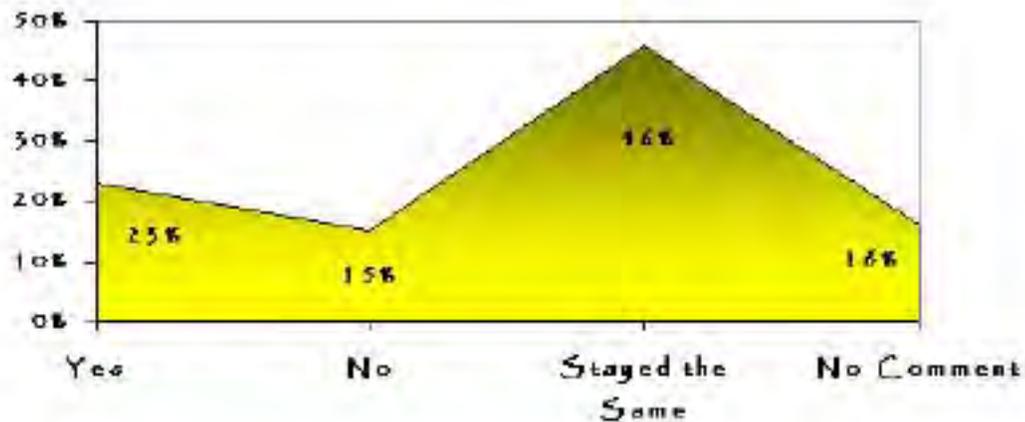
1. Traffic
2. Relocation
3. Job Change



Riders Traveling On

- Monthly T tickets - 47%
- Transit Link Cards - 5%
- Ten-Trip T tickets - 40%
- Five-Day Passes - 6%

Has Service Improved?



Did You Know?

- 74% of Riders Receive Metrocheks
- 82% of Riders Drive Alone and Park at the Station
- 72% of Riders Travel on the Train 5 Days a Week
- 68% of Riders Have Been Using VRE for 4 Years or Less
- 35% of Riders Drive to Work Alone When They Don't Use the Train
- 24% of Riders Transfer to Metrorail to Reach Their Final Destination



VRE Report Card

	<u>2005</u>	<u>2004</u>
Customer Service		
Responsiveness of VRE Staff	84%	84%
Friendliness of VRE Staff	84%	86%
VRE Follow-Up to Delays or Problems	58%	59%
Lost and Found	73%	75%
Timeliness of E-mail Responses	59%	57%
Quality of E-mail Responses	63%	60%
Quality of Website	78%	80%
Timeliness of Website Information	70%	71%
Timeliness of Train Talk (E-mail News Service)	68%	69%
Quality of Train Talk	68%	69%
Overall Communication with Passengers	69%	69%
Train Crew Members		
Are Knowledgeable About VRE Operations	89%	90%
Are Helpful	87%	89%
Are Courteous	86%	88%
Make Regular Station Announcements	77%	81%
Make Timely Delay Announcements	68%	71%
Check Tickets Regularly	76%	72%
Present A Professional Appearance	91%	91%
Overall Crew Performance	86%	88%
VRE Operations		
Convenience of Schedules	63%	66%
On-time Performance	59%	57%
Cleanliness of Trains	80%	86%
Cleanliness of Stations	79%	82%
Communication between VRE Staff & Riders	71%	71%
Automated Telephone System	56%	55%
Reliability of Ticket Vending Machines	38%	41%
Ease of Buying a Ticket	65%	67%
Ease of Using Metrocheks	60%	62%
Station Parking Availability	40%	45%
Public Address System On Train	36%	45%
Public Address System On Platform	38%	41%
Timeliness of Platform Information	32%	34%
Personal Security at Station & On Train	60%	55%
Safety of Train Equipment	71%	72%
Station Signage	69%	68%
Level of Fare for Quality and Value of Service	55%	53%
Overall Service Quality	70%	70%

*Percentages represent ratings of "excellent" or "good"

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube and Jana Lynott
DATE: August 25, 2005
SUBJECT: Northern Virginia 2030 Transportation Plan Update Survey Results

Staff will present the results of a telephone survey of 1,263 Northern Virginia adults that was completed in April and May, 2005 for the ongoing update of the 2030 Northern Virginia Transportation Plan. NVTC staff is managing the \$1 million grant for this update for the Northern Virginia Transportation Authority and assisted in preparing the survey and analyzing the results. The survey, with an overall margin of error of ± 2.8 percent, shows some very encouraging results regarding support and willingness to pay for public transit improvements throughout the region.

Among these results:

Frustration

- Three fourths (76%) of outer suburb residents are very or somewhat frustrated with their trips, while three-fifths (61% and 58%) are frustrated in the inner suburbs and core. Traffic is given as the reason for frustration by 90%.
- Those who take transit are frustrated only half as frequently as those who drive and are also not frustrated twice as frequently as those who do drive.

Preferred Projects

- When offered specific projects to which to react in the corridors in which they actually travel, respondents often selected transit as their first or second priority. Examples include Metrorail in the Dulles Corridor (71% as the first or second priority); Metrorail from Dunn Loring to Maryland through Tyson's Corner (74%); Metrorail along I-66 to Centreville (52%); and Metrorail to Potomac Mills along I-95 (53%).



- Respondents preferred road projects in some corridors but when asked in general about their preferred types of transportation improvements, 74% of all respondents picked transit as first (50%) or second (24%) most important, while roads and highways received much lower rankings (28% first and 23% second). Other choices were sidewalks (27%); bike trails (18%) and HOV lanes (20%). These relative rankings held steady over all jurisdictions. While 66% of transit users ranked transit as their top priority, almost half (48%) of non-transit users also picked transit first.

Willingness to Pay

- Respondents reported their willingness to pay to construct the improvements they favored in the corridors in which they travel. The grand mean for top priority transit projects in all corridors was \$2.06 per day versus \$1.46 for highways. In virtually every corridor those who preferred transit were willing to pay more for transit than those who prefer highways were willing to pay for highway improvements. Examples include \$2.10 per day for Metrorail to Dulles versus \$1.40 for widening Route 7; \$2.22 per day for light rail connecting Manassas to Dulles versus \$1.05 for widening Route 28; \$1.84 for priority buses in the Fairfax County Parkway Corridor versus \$1.24 for widening the Parkway; \$2.13 for express bus on the Beltway and \$1.87 for Metrorail to Maryland through Tyson's versus \$1.41 for widening the Beltway; \$2.30 for extending VRE to Haymarket and \$2.12 for extending Metrorail to Centreville along I-66 versus \$1.48 for widening I-66 outside the Beltway; and \$2.26 for extending Metrorail to Potomac Mills along I-95 and \$2.07 for expanding VRE service in that corridor versus \$1.62 for widening Route 1 in Stafford County.
- Over a fifth (21%) would pay \$3 or more per day (well over a thousand dollars a year) to expand service on public transit and reduce crowding on Metrorail and VRE; another 38% would pay between \$1 and \$3 per day. Only 15% would be unwilling to pay anything.
- Thus, 59% are willing to pay at least one dollar a day for public transit improvements. A dollar a day for one person is roughly equivalent to a gas tax of 61 cents per gallon at 12,000 miles per year per person and 20 miles per gallon. Willingness to pay even \$1 a day (\$365 annually) is a significant sum.

Acceptable Funding Methods

- Respondents were asked to choose between three options that each raised \$175 million annually. They were raising \$25 per \$10,000 of taxable income, one-half cent per \$1 of taxable purchases and 17.5-cents per gallon of gas. Interviewers probed to get respondents to pick one even if initially they did not. The sales tax option was the overwhelming top choice at 46% while 23% picked the income tax and 20% the gas tax. Including first and second choices, the respective shares were 72%, 57% and 39%. The strongest relative

support for sales taxes versus gas taxes came from the outer suburbs and the opposite was true for the core jurisdictions.

- When asked if they would pay highway tolls if the proceeds would be used to pay for public transit improvements, almost as many responded positively (about 70%) as the slightly higher percent that would support tolls for highway improvements. These shares did not vary significantly with location.
- The percentage of support for using the proceeds of a gas tax increase for highways or for transit improvements was very similar, except in Loudoun County. In Loudoun County, 50% supported using the gas tax for highways and 39% for transit.
- Overall 70% would vote for state bonds paid for by state income taxes to construct all types of transportation improvements in Northern Virginia. There was very little variation by jurisdiction.

NVTA members discussed the implications at their July 28, 2005 meeting. Among their observations:

- The survey confirmed strong support for transportation improvements. It is up to elected officials to establish trust that if new funds are provided they will be spent wisely to solve the traffic congestion problem.
- Some opponents of the November, 2002 referendum to raise the region's sales tax by one-half percent argued at the time that there were not enough transit projects. The survey results confirm the widespread popularity of transit, especially in the five jurisdictions paying for Metro service.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube, Elizabeth Rodgers and Kala Quintana

DATE: August 25, 2005

SUBJECT: NVTC's New Look Website.

As the commission's website becomes an increasingly important communications device, staff is devoting even more attention to its performance. Elizabeth Rodgers has completed a redesign that improves the aesthetics and functionality of the site, which has also been improved with greater content of NVTC research products and relevant links. Staff is also tracking volume of use carefully with the intent to respond quickly to customer trends.

A brief PowerPoint presentation will highlight the most significant improvements.





NVTC's Website Redesign

September 1, 2005



Previous Design



- First launched in 2003
- Needed a “face lift”
- Update keyword search capabilities
- Incorporate new best practices

NVTC
Northern Virginia Transportation Commission

An action agency:
Thinking *Outside* the Car

Search

Home | About NVTC | Consumer Information | Get Involved | Newsroom | Products | Services | Special Projects | Networks | Transit | Performance | Sun Day Bicycles

Four out of five Americans (81%) agree that an increased investment in public transportation would strengthen the economy, create jobs, reduce traffic congestion and air pollution, and save energy. (WISN Wisconsin Poll, 2005) [Click for more](#)

1964 NVTC 2004

An award winning commission that is pioneering for tomorrow and investing in the future of transit in Northern Virginia

Serving commuters and communities of Northern Virginia since 1964.

What's New

Website Under Construction!
Week of May 9, 2005

Please contact us if you need assistance

NVTC Commission Meeting
May 5, 2005
(Click here to view kit)
[Learn More About](#)

- Transit Funding
- NVTC Motor Fuels Tax

NVTC Embarks on Senior Mobility Study
[Takeaway Survey of Seniors Coming Soon](#)

[NVTC 2005 Handbook](#)

VMU Job Openings

- **Equipment Specialist**
 - Job Announcement
 - Job Description
- **Account Manager**
 - Job Announcement
 - Job Description

Metro Funding Panel Report
NVTC Press Release January 11, 2005
[Click Here for the Complete Metro Funding Panel Report](#)

NVTC Quarterly and Compliance Reports
Fiscal Year Ended June 30, 2005

Government's Work Link From Recommendations

Find out how these may affect your commute!

[Downloadable Public Transit Schedules](#)

Site Last Updated May 9, 2005

4500 N. Falls Drive #700, Arlington, VA 22203
Tel: 703-524-5322 • Fax: 703-524-1756
E-mail: ext@nvtrc.org • www.thinkoutsidethecar.org
Site Map - Legal



New Design!



- Fresh look – better integrated with design of print materials
- Better organization of categories
- Enhanced keyword search
- New Metro section
- Comprehensive research section
- 40th Anniversary archive
- StatCounter – website measurement tool

The screenshot shows the NVTC website homepage. At the top, there is a banner with the NVTC logo and the tagline "Thinking Outside the Car Since 1964". Below the banner is a navigation menu with links for Home, Contact Us, and Search. A date indicator shows "June 7, 2005". A secondary navigation bar lists "Links to Transit Systems" including Metrorail/Metrobus, ART, CUE, VRE, DASH, Fairfax Connector, GEORGE, and Loudoun County Transit. A left sidebar contains a table of contents with links to About NVTC, Meetings, NVTC Research, Transit & HOV Performance, Financial Resources, NVTC Motor Fuels, Legislative, Outreach, NVTC Special Projects, Commuter Info, Washington METRO Facts, Hot Links, and Site Map. The main content area features a "What's New" section with bullet points: "NVTC's Commission Meetings: June 2, 2005 (click here to view Kit)", "Presentation given to NVTC by Richard White, CEO of WMATA", "NVTC Embarks on Senior Mobility Study", and "New VRE Job Openings (click here for more)". Below this is a "Popular Links" section with links to "NVTC's 2005 Handbook", "Metro Funding Panel Report: Press Release and Complete Report", "Financial and Compliance Reports: FY Ended June 30, 2004", and "Governor's HOV Task Force Recommendations (January 4, 2005)". A "Commuter Pages" section promotes "Mobile Services" with a smartphone image and text: "Free Commuter news and schedule information straight to our web enabled cell phone and handheld computer. Download your schedule to your mobile device today!". At the bottom left, contact information for NVTC is provided: "4350 N. Fairfax Drive, #720, Arlington, VA 22203, Phone: (703) 524-3322, Fax: (703) 524-1756". A circular anniversary logo for "1964-2004" is also visible.



Reorganized Content



About NVTC	About NVTC
Meetings	Background
NVTC Research	Map of District
Transit & HOV Performance	Commissioner Biographies
Financial Resources	NVTC Staff
NVTC Motor Fuels Tax	Policies
Legislative	Brochure
Outreach	2005 Handbook
NVTC Special Projects	2005 Work Program
Commuter Info	Job Openings
Washington METRO Facts	Procurements
Links	Photo Gallery
Site Map	40th Anniversary
	VRE
	Directions
	Contact NVTC

- User friendly categories
- What you see is what you get
- No more guessing – new pop up menus



Enhanced “Keyword” Search



Search

Search for:

*Score = Closeness of Match

[Search Help](#)

[Home](#)



New Search Results



- Document name
- Date document was last modified
- File size
- Score = Closeness of match

Search Results

Document	Date	Size	Score
NVTC COMMISSION MEETING	6/20/2005 7:16:48 PM GMT	100,741	502
may 5, 2005 agenda item 1 minutes of nvtc meeting of april 7, 2005.pdf	6/20/2005 7:12:57 PM GMT	258,140	327
press_releases.asp	6/20/2005 1:28:42 PM GMT	23,175	223
may 5, 2005 agenda item 3 wmata items.pdf	6/20/2005 7:13:57 PM GMT	4,322,589	215
metro.asp	6/20/2005 6:05:07 PM GMT	6,489	188
Microsoft Word - Media Release NVTC Endorses lue Ribbon Panel Report 1-13-...	5/6/2005 3:55:57 PM GMT	113,891	118
3.pdf	5/26/2005 6:22:50 PM GMT	2,543,128	110
research_copy(1).asp	6/20/2005 6:12:41 PM GMT	25,298	108
site_map.asp	6/20/2005 6:14:02 PM GMT	25,300	108
AGENDA ITEM # 1	5/5/2005 2:42:20 PM GMT	687,362	86



Washington Metro Facts



Metro

NVTC appoints Virginia's two principal and two alternate members of the board of directors of the Washington Metropolitan Area Transit Authority. NVTC is supporting Metro in its need for dedicated, sustainable funding.

- [Quick Facts](#)
- [Straight Scoop Archive](#)
- [NVTC Promotional Material](#)
- [Building the Metro](#)
- [Public information Strategy to Promote Sustainable Funding for WMATA](#)
- [Report of the Metro Funding Panel - January 6, 2005 \(PDF\)](#)
 - The Report of the Panel on the Analysis of and Potential for Alternate Dedicated Revenue Services for WMATA.
- [Presentation given to NVTC by Richard White, CEO of WMATA on June 2, 2005](#)
- [Open Letters to the Public \(coming soon\)](#)
- [Congestion Blog \(coming soon\)](#)





Comprehensive Research Section



NVTC Research

NVTC is the leading source of information about public transportation issues in Northern Virginia. NVTC sponsors research and performs studies on many transit related topics. Use the search feature above to identify the NVTC reports of greatest interest to you or scroll through the chronological list in the completed research section. This helps all to make informed choices and decisions.

- [Ongoing NVTC Research](#)
- [Completed NVTC Research](#)

NVTC Research





Ongoing Research



Special Projects and Ongoing Research

NVTC has several ongoing projects to help its member jurisdictions and transit systems serve the public more efficiently and maximize the benefits of clean air, mobility, job access, and fuel savings.

- [Code Red](#)
- [Falls Church Bus Project](#)
- [SmarTrip Fareboxes and the Regional Clearinghouse](#)
- 2030 Plan Update (coming soon)





Completed Research



- Over 60 documents from 1967 - 2005

Completed NVTC Research

Two of NVTC's continuing goals are to work closely with area transit providers to coordinate public transit in the region and to support a coordinated regional effort to improve air quality, conserve energy, and integrate land use and transportation. In order to further these goals, the commission advocates innovations in transportation. From alternative fuels to an integrated regional smartcard based fare system, NVTC is continuously looking for new solutions to improve the transportation system in Northern Virginia. The following links provide opportunities for transportation research related to NVTC's mission.



NVTC Document Archive

Choose a Document



Go

[Bibliography of NVTC Studies](#) (This links to a complete list of studies). **As we add the complete file for each study, they will appear below in chronological order from newest to oldest.**

Note: Please keep in mind that many of these PDFs are large files and may take a short time to open. Please be patient.

- [Funding Public Transit in Northern Virginia - January 18, 2005 \(PDF\)](#)
Immediate action is needed to identify stable, reliable and sustainable dedicated funding sources to protect transit systems from collapse and to build up these systems to meet



Video Archive



NVTC's 40th Anniversary: Video Archive

**May take several minutes to load*

- [Metro "GO!"](#) film about Metrorail coming to Washington Metro area: Circa 1967
- [WTOP Channel 9 Editorial](#) on the Shirley Express Busway: April, 1971
- [APTA video about NVTC](#) for award ceremony held October 8, 1996



Downloadable Players:





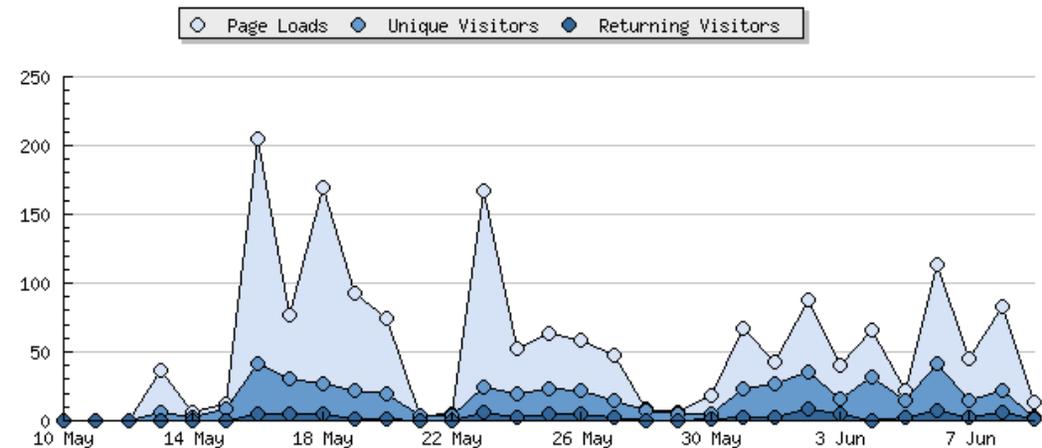
Measurement Tools



StatCounter.com

- Accurate real-time website statistics with detailed visitor tracking and analysis

- Visitor counts
- Page loads
- Entry/Exit pages
- Visit length
- Keyword search
- Country/State/City of visitor





What's Next?

- Voter Voice
 - Online legislative action tool
 - Mobilizes Northern Virginia residents to take action on political issues affecting transportation.
 - Year round communications with Northern Virginia residents
 - Customized reports
 - Response/Action tracking
 - Customized emails and targets



What's Next

- RSS Feeds
 - RSS (or Really Simple Syndication) feeds are free content feeds from Web sites that contain article headlines, summaries and links back to full-text articles on the web.
 - Automatically alerted when transportation topics appears on favorite Web sites.
 - Washington Post
 - Google
 - MSNBC.com



www.thinkoutsidethecar.org



Don't forget to visit NVTC on
the web for all of your
transportation questions and
needs.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: August 25, 2005
SUBJECT: WMATA Items

A. Metro Board Digest for July and August, 2005.

Copies are attached for your information.

B. Northern Virginia Committee to Promote Dedicated Funding.

At its June 2nd meeting, NVTC adopted a motion inviting NVTA to jointly convene a working group of Northern Virginia business leaders to help accomplish a dedicated regional funding source for WMATA.

A region wide group is now pursuing this objective. It is known as Business Transportation Action Coalition (BTRAC) and is chaired by David Winstead (former Maryland Secretary of Transportation). Among the sponsors of the BTRAC group are the Greater Washington Board of Trade, Federal City Council and Washington Business Improvement District. Among its activities to date, BTRAC is developing refined revenue estimates for alternative funding sources and also considering strategies to obtain federal participation. (Please refer to the attached fact sheet).

NVTC's proposed Virginia group would coordinate with BTRAC and would work to develop a plan for dedicated WMATA funding that would be acceptable to Virginia's leadership before the proposed October 3rd regional summit.

NVTA acted affirmatively on July 28th. Staff will report on progress in convening this group.



C. New Bill for WMATA Funding

The attached materials describe a bill introduced by Rep. Tom Davis that would provide \$1.5 billion to WMATA over 10 years beginning in FY 2007 to keep the system in good repair and relieve crowding. Conditions to be included in Compact amendments would include hiring an inspector general reporting to the Metro Board, providing dedicated state/local funding for all non-federal operating/maintenance subsidies and expanding the Metro Board to include one new federal voting member and one alternate.

This bill should provide strong motivation for WMATA's local and state partners to act on the need for dedicated funding. It does raise questions, however, since it would take several years to amend the WMATA Compact and the bill is silent on whether the single new federal board member could exercise a "jurisdictional veto."

D. Testimony of GAO.

On July 28, 2005, the Director of Physical Infrastructure Issues of the General Accountability Office testified on WMATA before the House Committee on Government Reform. Among her statements of interest were:

- WMATA's Blue Ribbon Panel found a \$2.4 billion shortfall between FY 2006 and 2015, but that did not include an approximately \$1 billion additional shortfall for Metro Access.
- Since 2003, multiple oversight agencies have issued hundreds of reports (618 are listed in the attached table) with dozens of recommendations for WMATA management. GAO issued nearly 500 reports on internal and external audits and reviews of contracts and pricing proposals; WMATA's own external auditor annually reviews financial statements and internal controls. FTA issued 125 monthly monitoring reports on seven major projects and conducted a triennial review. An APTA peer review panel also developed recommendations for improved efficiency and effectiveness of WMATA's rail and bus operations. "WMATA has generally implemented or plans to implement the recommendations resulting from the various oversight reviews."
- Nevertheless, Congress could consider additional safeguards such as requiring WMATA to report periodically to Congress; specify the types of projects for which federal funds could be used; and create additional oversight bodies.
- The federal government provided \$6.9 billion of approximately \$10 billion spent on constructing the 103-mile Metrorail system since 1969 plus 43% of the \$3.5 billion spent on other capital projects from FY 1995 through FY 2005 and another \$49.9 million during the last decade for congressionally designated projects such as a new Metrorail station at New York Avenue in D.C.

- 35% of all Metrorail riders are federal employees (excludes contractors) and during morning and afternoon peaks the shares rise to 41% and 37%, respectively. Looked at another way, 40% of federal employees ride Metrorail.
- GAO intends to analyze in more detail the many reviews of WMATA's performance and add its own oversight reviews.

E. Jurisdictional Veto of Funding for Metrobus 16H.

In July the WMATA Board failed to approve an increase in annual subsidy of \$58,000 for Metrobus Route #16H to be extended in the east to Crystal City from Pentagon City and in the west approximately three-quarter miles west of Bailey's Crossroads out Columbia Pike. Maryland's board members did not vote for it apparently because it would have increased the annual subsidy of Montgomery and Prince Georges County by \$2000 each. A revised motion that did pass provided the funding from Arlington County.

F. Phase I Preliminary Engineering Cost Estimate for Dulles Metrorail.

As shown on the attached news release, the revised capital cost estimate is \$1.8 billion, which is \$600 million below the top of the range submitted in June, 2005 by Dulles Transit Partners LLC. The new estimate is 20 percent above the \$1.5 billion estimate in the environmental impact statement.

(A)



July 21, 2005

MEMORANDUM FOR: Chairman and Members of the Board

SUBJECT: July Board Digest

Four Shutdowns Planned Between Now and Labor Day

Parts of the Orange and Red lines will be closed on four separate weekends for track maintenance projects this summer. The Vienna/Fairfax/GMU and Dunn Loring-Merrifield stations on the Orange Line will be closed the weekends of July 29-31 and August 12-14. The Red Line will be closed between Medical Center and Grosvenor-Strathmore stations from August 19-21, and the Takoma Metrorail station will be closed September 2-5 (Labor Day weekend). Free Metrobus shuttles will transport customers from the closed rail stations to the nearest station running service.

During the Orange Line shutdowns, we will replace the bearings on the aerial structure between Vienna and Dunn Loring, which requires elevating the pillars along a portion of the aerial structure, inserting new bearing pads beneath the pillars and lower in pillars onto the new bearings. Over the July 29-31 weekend, we also will conduct a switch modernization project at West Falls Church-VT/UVA station and trains will operate into the station using one track. Throughout the both shutdowns, Metrobus shuttle service will run between Vienna/Fairfax-GMU, Dunn Loring-Merrifield and West Falls Church-VT/UVA stations.

Similar group replacement work will take place on the Red Line from August 19-21 on the aerial structure between Grosvenor-Strathmore and Medical Center stations. During this time Red Line trains will operate in two sections between the Shady Grove and Grosvenor-Strathmore stations, and between the Glenmont and Medical Center stations. Metrobus shuttles will run between Grosvenor-Strathmore and Medical Center stations.

**Washington
Metropolitan Area
Transit Authority**

500 15th Street, NW
Washington, DC 20001
202/962-1234

*By Metrorail:
Judiciary Square-Red Line
Gallery Place-Chinatown
Red, Green and
Yellow Lines*

*A District of Columbia,
Maryland and Virginia
Transit Partnership*

Chairman and Members of the Board

Page 2

Over the Labor Day weekend, September 2-5, we will conduct a major switch replacement project outside the Takoma station, resulting in the closure of the station. Red Line service will operate between the Glenmont and Silver Spring stations, and between the Shady Grove and Fort Totten stations. Metro will provide free shuttle bus service between the Silver Spring and Fort Totten stations.

For all four scheduled shutdowns, Metro will implement a comprehensive communications campaign to educate customers and stakeholders about how these major track renovation projects will impact travel times. We will use the Web, e-mail, e-Alerts, brochures, station signage, train and station announcements, news media releases and the PIDs. In addition, volunteer Metro Information Persons will be deployed in affected stations to assist customers with their trips, direct customers to the shuttle buses and answer questions.

Metro Security Raised Following London Terror Attack

Metro ramped up security immediately after learning about the series of subway and bus terrorist attacks during London's morning rush hour on July 7. Metro employees from throughout the Authority pulled together to secure our system as best we could and reassure our customers that we put safety and security first.

Metro Transit Police deployed its Special Response Teams and Explosive Ordnance Detection Teams throughout the system. Police officers armed with automatic weapons and canines trained to sniff for explosives checked buses, bus garages, trains, stations and rail yards. Federal, state and local police partners also offered assistance in patrolling buses, trains and stations in their jurisdictions. For example, Fairfax County police offered to patrol rail stations in the county, while U.S. Capitol Police stopped and boarded Metrobuses in the Capitol Hill vicinity. Any bus or service delays to customers due to security sweeps were kept to a minimum. MTPD received regular updates from the FBI Terrorism Task Force and the region's chiefs of police during the period of heightened security. In addition, MTPD has had conversations with local and federal law enforcement agencies to examine ways to leverage resources and sustain high levels of security after the threat level was lowered.

In addition to a strong police presence on Metro properties, employees throughout the Authority jumped into action, donning high-visibility vests to make themselves easily identifiable to customers and fellow

employees. Metrobus and Metrorail operators checked their trains and buses at the ends of the lines for bags or other items left behind, and kept their eyes and ears open for suspicious activities. Station managers also kept watch and custodians emptied the trash more frequently. All employees were reminded to secure doors that are supposed to remain locked, take their tools and other equipment with them, and report suspicious activities, unattended packages or unusual behaviors to the police.

Customers were also asked to take a share of the responsibility for their safety. Station and train announcements reminded them to remain vigilant and report suspicious behavior to the police or any Metro employee. The police assured customers that every report of a suspicious package would be taken seriously.

To reassure customers that Metro is focused on their safety, some 75 Metro managers, dispersed to rail stations throughout the system to hand out safety information during the evening rush hour on the day of the London attacks. These PACT2 members handed out cards that say, "See it? Say it!" The yellow business card-sized handout asks customers to report unusual behavior, unattended packages and anything that seems suspicious to a Metro employee. The flip side of the card encourages customers to visit our Web site to get information about emergency preparedness information, including emergency evacuation procedures and alternate routes.

DC Circulator Begins Service

The DC Circulator began bus service on July 10 on two routes—one from Union Station to Georgetown and the second from the Southwest Waterfront to the Washington Convention Center. The Circulator routes complement Metrobus and Metrorail service, and are designed to provide quick and inexpensive transportation to major tourist attractions and business centers. The east-west route travels between Union Station and Georgetown along K Street, while the north-south route connects the Southwest Waterfront with the convention center by way of the National Mall and Seventh Street. On July 13, I joined DC Mayor Anthony Williams, Congresswoman Eleanor Holmes Norton, DC Council Chair Linda Cropp, DC Council member Carol Schwartz, civic and business leaders to celebrate the arrival of this new public transportation option for tourists and residents.

Metro helped to select the vehicles and the operator for the service, and will manage Circulator service. First Transit, Inc. will operate the DC Circulator. Funding for the Circulator comes from the District of Columbia and city business groups.

The Circulator bus features a colorful design and large windows. It seats 32 people, has low floors and three doors to facilitate boarding and exiting. The fleet consists of 29 vehicles-24 will be in service daily and five will be kept in reserve. The Circulator operates from 7 a.m. to 9 p.m., running every five to 10 minutes, and costs \$1 to ride. The Circulator accepts cash, SmarTrip, Metro transfers, and special Circulator passes and tickets. The DC Circulator is expected to carry 9,000 people a day.

Ridership Continues To Grow and June Ridership Sets Record

While June is typically a strong ridership month for Metrorail, more people took trips on Metrorail in June 2005 than any other in month in our 29-year history. June ridership totaled 18,556,046, helped by 18 days when rail ridership surpassed 700,000 trips. Weekday ridership averaged 734,582 last month. In addition, 13 June days reached the top-25 high-ridership list. June 30, the rail system carried nearly 764,000 trips-our fifth highest ridership day in history. The previous monthly all-time-high ridership month was April 2005, when customers made 17,863,153 trips.

For the entire fiscal year 2005 (July 1, 2004, through June 30, 2005), Metrorail carried 195,186,512 customer trips, a 2.7 percent increase, or more than five million more customers than in fiscal year 2004. Average weekday ridership in fiscal year 2005 was 668,002, compared to 652,578 in the previous year. This marks the ninth consecutive year of increased ridership for Metrorail.

Metrobus ridership is growing as well. In May (most current available) Metrobus carried approximately 13 million customers, a 3.8 percent increase from May 2004. Fiscal year to date, Metrobus carried 139.2 million trips, up 3.8 percent from the previous year.

Metro Carries Crowds To July 4 Baseball Game and Independence Day Celebrations

On July 4, Metrorail carried 540,875 customers-our highest Independence Day ridership since 2000 when ridership topped 582,000. This July 4 provided an additional challenge for Metro as it was the first time we had to take customers to and from both a Major League Baseball game and the National Mall for the concert and fireworks display. The favorable, sunny weather also contributed to high ridership. On the rail side, terminal stations saw heavy traffic early in the day, while Federal Triangle, L'Enfant Plaza, Metro Center, Union Station and Stadium-Armory hosted the day's largest crowds.

To accommodate the large crowds, Metro put 824 rail cars into service, including 10 eight-car trains. It followed the special Fourth of July service pattern and cleared the downtown area approximately two hours after the fireworks.

To alleviate some crowding at Stadium-Armory following the afternoon baseball game, 12 DC Circulator buses and three Metrobuses took 975 customers to Union Station from RFK Stadium. Metrobuses also shuttled customers from the National Mall to the Pentagon following the fireworks, and several dozen Metrobuses were used to block city streets from vehicular traffic.

Additional Metro Transit Police officers, station managers, street supervisors and other operations employees—along with a corps of volunteer Metro Information Persons—helped customers, including many tourists and first-time riders navigate the system throughout the busy Fourth of July holiday.

Rail Station Cooling System To Get Needed Upgrades

Metro will upgrade the cooling system in rail stations by replacing eight cooling towers, five chiller units and 40 station air-conditioning units over the next five years. Metro Matters funding to the tune of \$34 million will pay for the upgrades. The work to upgrade the cooling system has been pushed back in previous years because a lack of funding. The station cooling system was developed in the 1970s and the temperatures in stations were set to reflect energy conservation efforts.

SmarTrip Vending Machine Sales Grow

Transactions at WMATA's fare and SmarTrip vending machines reached a record high in June, with more than 540,000 transactions generating \$9.3 million in sales. This represents a 38 percent increase in number of transactions and 48 percent increase in value compared with June 2004. For fiscal year 2005 which ended June 30, SmarTrip vending machines tallied more than 5 million transactions for \$87 million in sales. Compared with fiscal year 2004, the number of SmarTrip transactions rose 42 percent and sales jumped 57 percent. In addition, the amount of currency collected in these machines is up 4 percent over last year.

Metrochek Sales Exceed Goal

Metrochek program sales in fiscal year 2005 reached a total of \$214.9 million, 22 percent above our net sales goal of \$175 million. The Metrochek program began in 1993 with sales of \$8.3 million. Today, nearly 229,000 employees from more than 4,300 private and federal employers participate in the program.

Financial Report Attains Award of Excellence

For the 18th year in a row, WMATA's Comprehensive Annual Financial Report (CAFR) has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This certificate, recently awarded for WMATA's Fiscal Year 2004 CAFR, is the highest form of recognition in government accounting and financial reporting.

Metro, Fairfax County and Alexandria Participate in Emergency Drill

Metro held an emergency preparedness safety exercise with first responders from Alexandria and Fairfax County on Sunday, June 26, at the Huntington Metrorail station. The drill scenario involved a brake fire on a Metrorail train that caused the train to overrun the platform and strike a post. The mock "incident" resulted in fire, smoke and injuries.

Alexandria and Fairfax County sent approximately 50 fire and police personnel to participate in the drill. Representatives from Metro's departments of System Safety and Risk Protection and Operations were involved as well.

The exercise helped test the response and readiness of local fire departments and emergency responders. We regularly conduct drills with local first responders as part of our ongoing safety training and emergency preparedness efforts. A larger, multi-jurisdictional emergency drill will take place in the fall.

Four Recruits Graduate and Join the Metro Transit Police Department

Four new Metro Transit Police officers joined the ranks of the Metro Transit Police after taking the oath of office at their graduation ceremony on July 1.

Robert A. Acre, Stafford County, VA; Patrick O'Connell, Alexandria, VA; Rebecca J. Payne, Sterling, VA; and Petrina N. Wilson, Fort Washington, MD, made up Class 67. The officers completed 37 weeks of police training that included classes on customer service, weapons of mass destruction, responding to Metrorail emergencies, criminal law, vehicle law, ethics, courtroom testimony, collection of evidence and accident investigation. MTPD officers learn the rules, regulations and laws governing the District of Columbia, Maryland and Virginia.

New Ads Reference Rising Gas Prices

Given the continuing rise in gas prices this summer, Metro initiated a campaign to encourage people to "vacation in your own backyard." The first element was radio traffic sponsorships, which began the last week in June and will continue through the end of August. The campaign will be extended soon with 40 exterior bus tails bearing the message: "A trip to the gas pump is no vacation." Since gas prices are not anticipated to drop any time soon, we are developing a second bus tail to replace the first in mid-September, after vacation season.

Metro Continues Customer Outreach With New Shopping Mall Program

To enhance public awareness and support of WMATA's services, the office of Project Communications has launched a community outreach program targeting area shopping malls that have direct Metrorail and/or Metrobus service. This program is an expansion of our current marketing program which promotes ridership through ad pieces: "Metro. Wherever You Go." The marketing and advertising campaign promotes off-peak ridership. The shopping mall outreach campaign began on Sunday, July 17, at the Springfield Mall followed by a second event on July 20 at the

Chairman and Members of the Board
Page 8

Ballston Common Mall. Additional dates are being confirmed for Maryland and District of Columbia malls.

Upcoming Events

July 28

House Committee on Government Reform hearing, Rayburn House Office Building, 10 a.m.

July 29

Management Leadership Team meeting, 8 a.m.

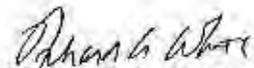
August 5

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

August 10

FTA Quarterly Review, 10 a.m.

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



Richard A. White

General Manager and Chief Executive Officer



August 18, 2005

MEMORANDUM FOR: Chairman and Members of the Board

SUBJECT: August Board Digest

September Marks National Preparedness Month

National Preparedness Month kicks off September 1 at Union Station with a public emergency preparedness fair and remarks by U.S. Department of Homeland Security Secretary Michael Chertoff. Metro Safety, Police and other officials will participate at the Union Station event, distributing information and answering questions about Metro system safety, alternate route planning, and planning for Metro emergencies. National Preparedness Month is a nationwide effort sponsored by the Department of Homeland Security and American Red Cross to encourage Americans to prepare for emergencies, including what to have in an emergency supply kit, what to do in various emergency scenarios, where to go, how to get there and how to contact family members.

Throughout the month, Metro will reach out to customers and employees about the importance of planning for emergencies. Department of System Safety and Risk Protection will offer safety seminars at the offices of regional employers, including the US Postal Service, about what to do in the event of an emergency on Metrorail. Safety and Transit Police representatives will host safety outreach sessions at various Metrorail stations every Tuesday and Thursday in September. Additional efforts include onboard train announcements featuring safety and transportation preparedness tips, and system advertisements from the National Capital Region Emergency Preparedness Campaign, and promotions of Metro's Alternate Route Planning Guide and emergency preparedness information available on our Web site. A detailed presentation will be made during the September 8 Policy and Legislative Committee meeting.

**Washington
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20036-5000

Employees Get Lessons in Transit Security

Metro employees repeatedly are asked to remain vigilant and report suspicious persons, packages and employees to bus and train operators, station managers and Metro Transit Police officers. Because of the responsibility all 10,000 employees have for securing our Metrobus and Metrorail system, WMATA offers a variety of resources—from videos and training classes to brochures and safety bulletins—to help employees recognize warning signs and indicators, and know how to respond in emergency situations. Of note are a 19-minute video on transit system security and a class on terrorism given by the Metro Transit Police Department (MTPD).

Warning Signs, a transit system security video created specifically for transit employees by the National Transit Institute, is available to all employees on WMATA's intranet site. Topics covered include observing, identifying and reporting suspicious activities and behaviors, how to determine whether items are unattended or suspicious, and how to respond to incidents. To date, more than 1,500 employees have viewed *Warning Signs* on the intranet.

Warning Signs has been incorporated into New Employee Orientation, and initial and refresher training for bus and train operators, and station managers. The Operations Training office will be offering the course System Security—Warning Signs, which shows the video, for all operations employees beginning on August 22. The class will be offered at all bus garages, the Carmen E. Turner Facility, and several rail yards and facilities.

MTPD is offering a class on Terrorist Activity Recognition and Reaction for employees on August 30. The course covers the role of Metro employees in safeguarding WMATA's facilities, employees and customers. The class emphasizes the fact that all Metro employees have a responsibility for system security while performing their primary job duties. The class also focuses on monitoring for out-of-the-ordinary activities and behavior, and identifying suspicious activities and objects.

In addition, the Safety, Operations Training, Transit Police and Organization Development departments are working with the National Transit Institute and GTA to develop WMATA-specific training for all employees. Also, staff is working to address system and facilities security issues with all contract employees, including elevator/escalator

Chairman and Members of the Board

Page 3

and paratransit contractors, tying security training into safety training courses.

Government Hearings To Focus on Transit Security

Next month, transit security will be the focus of both a District of Columbia and federal government hearing. The July terrorist bombings in the London transit system have renewed an emphasis on the need to secure mass transit properties. On September 16, I, along with MTPD Chief Polly Hanson will discuss Metro's safety and security measures before the District of Columbia City Council's Committee on Public Works and the Environment. In addition, the Senate Committee on Homeland Security and Government Affairs intends to hold a hearing on transit security in September and that WMATA will be invited to testify. The date for this hearing has not yet been confirmed.

Premium Parking Charges for FedEx Field Events Take Effect

Washington Redskins fans who park at Morgan Boulevard and Largo Town Center Metrorail stations and walk to FedEx Field will need \$25 of value on their SmarTrip cards to pay for parking and exit the Metro-operated lots following the games. The Redskins will play 10 games at FedEx Field between now and December 24. The majority of the games will be played on Sundays when parking in Metro lots is normally free. However, those who park at the two new Blue Line stations and do not ride the rail system will be charged the premium parking fee. Metrorail customers who park at Morgan Boulevard and Largo Town Center and ride the system on game days will be permitted to exit the lots for free. Their SmarTrip cards, which they can use for bus, rail and parking, will indicate whether they have ridden the system or just used the parking lot.

The new premium parking policy goes into effect tomorrow, August 19, when the Redskins play a preseason game against the Cincinnati Bengals. The \$25 fee is comparable to what the Redskins charge to park at FedEx Field. The parking fees collected by Metro at Morgan Boulevard and Largo Town Center will help offset costs for extra parking attendants, police and maintenance staff. Combined, the stations offer 2,800 parking spaces.

The Blue Line's Morgan Boulevard and Largo Town Center stations opened in December 2004 before the Redskins' final home game last

Chairman and Members of the Board

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season. Both stations are close to FedEx Field, with Morgan Boulevard situated less than mile away. For that last Redskins home game, approximately 4,500 customers used the two stations to get to and from the game.

This year, Metro is encouraging Redskins fans to take the Blue Line to Morgan Boulevard and walk to FedEx Field. We will distribute a free "walking guide" brochure in stations and post it on the Web site. It will illustrate how to get from the station to the stadium. We will also have extra operations, parking and police staffing to assist customers. The Redskins also will continue shuttle service from the Landover Metrorail station to the stadium as long as there is a demand. As in the past, Metrobus will operate the shuttle on behalf of the Redskins and customers will pay \$5 to FedEx Field staff to ride the shuttle buses.

For those who choose to park at Morgan Boulevard and Largo Town Center, there will be take-one brochures and banners in the parking facilities about the \$25 parking fee and need to use SmarTrip for payment. On game days, Metro sales staff will sell \$30 SmarTrip cards by hand in the Morgan and Largo parking lots to alleviate crowding at the SmarTrip vending machines in the stations. The \$30 fee includes \$5 for the SmarTrip card itself and \$25 to cover the premium parking fee. Parking customer service representatives also will be on hand for the games to explain the fees and payment procedures.

Four Mile Run Division Ready for CNG Buses

The new Compressed Natural Gas (CNG) bus facility at the Four Mile Run Metrobus Division will open on Wednesday, September 7 with an official ribbon-cutting ceremony. The bus garage has been retrofitted to house 175 new CNG buses. The Four Mile Run bus facility is Metro's second CNG fueling and maintenance facility. The Bladensburg Metrobus Division currently maintains 164 CNG buses.

Metrobus needed to make revisions at Four Mile in order to meet local code compliance for CNG bus operations. The renovations include enhanced ventilation and heating; new generators for backup emergency power; upgrades and the addition of doors and walls to achieve more stringent fire ratings; installation of a methane detection and control system; and installation of an emergency lighting system.

Town Hall Meeting Set for September 13

As part of our ongoing efforts to improve communications with our customers, we will hold our third Town Hall Meeting on September 13 at the Food and Drug Administration (FDA) Auditorium in College Park, MD. This meeting, our second in 2005, will give customers an opportunity to express their comments, concerns and ideas about Metro directly to the Board of Directors and Metro staff. The town hall meeting format provides an open forum for customers and is part of our ongoing efforts to engage customers in dialogue about a broad range of issues related to service, funding and long-term plans. Additionally, this format will enable us to articulate the unique challenges that face Metro and motivate our customers to advocacy.

As in the past, the meeting will be preceded by an Open House featuring exhibits on construction, ADA programs, funding issues, planned improvements in bus, rail, and escalator/elevator programs, and more. The open house will begin at 6 p.m. and the town hall program will start at 7 p.m.

Metro held its first Town Hall Meeting in November 2004. Its success spurred the initiative to hold three meetings in 2005, one in Virginia, Maryland and the District of Columbia. The D.C. meeting will take place in the fall.

Chevy Chase Bank Promotes ATMs in Metro

Chevy Chase Bank will step up promotions and advertising in the Metro system as the installation of 36 Chevy Chase Bank automated teller machines (ATMs) at Metrorail stations wraps up this month. In addition to advertisements on buses, trains and in stations, Chevy Chase has wrapped five rail cars—one to travel on each Metrorail line. The bank also is planning an "ATM Day" on September 14, awarding prizes to lucky Metro customers and Chevy Chase ATM users. Chevy Chase Bank will unveil a new mascot who will travel to our Metro Center, Gallery Pl-Chinatown and Bethesda stations to give away prizes and distribute information about the bank and the ATMs.

Metro Employees Honor London Transit Workers

On July 27, a delegation of Metro employees went to the British Embassy to present British Ambassador Sir David Manning with

messages of support for London transit workers. Following the July 7 bombings of three subway trains and a bus in London, and the attempted July 21 bombings, hundreds of Metro employees expressed their concerns, solidarity and good wishes with their counterparts across the Atlantic by signing a large Metro poster. Sir Manning assured Metro employees that London's transit workers will receive WMATA's messages of support.

Upcoming Events

August 19-21

Red Line shutdown between the Medical Center and Grosvenor-Strathmore Metrorail stations for grout replacement project on the aerial structure between the two stations; free Metrobus shuttle service will operate between the two stations; 10 p.m. Friday, August 19, to 5 a.m. Monday, August 21

September 2-5 (Labor Day weekend)

Takoma Metrorail station closed for switch replacement project; free Metrobus shuttle service will operate between the Fort Totten and Silver Spring Metrorail stations; 10 p.m. Friday, September 2, to 5 a.m. Tuesday, September 5

September 7

CNG ribbon cutting ceremony at Four Mile Run Metrobus Division; 11 a.m.

September 9

Senior Leadership Team Meeting, JGB meeting room, 8:30 a.m.

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

September 12

FTA triennial site visit/entrance conference

September 13

Northern Virginia transit tour, Arlington, 11 a.m.

Town Hall Meeting and Open House, FDA Auditorium, 5100 Paint Branch Parkway, College Park, College Park-U of Md Metrorail station. Open House begins at 6 p.m. Town Hall begins at 7 p.m.

Chairman and Members of the Board

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September 14

COG Board Meeting, COG Board Room, noon

September 16

DC Council Committee on Public Works and the Environment hearing on WMATA security, John Wilson Building, 10 a.m.

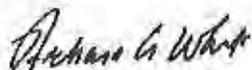
September 22

Hispanic Heritage Month celebration, JGB Board room, 1 p.m.

September 25-28

American Public Transportation Association Annual Meeting and 2005 Expo; Dallas, Texas

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



Richard A. White

General Manager and Chief Executive Officer

Business Transportation Action Coalition (BTRAC)

The business leadership of the Greater Washington region has come together through BTRAC to support the Washington Metropolitan Area Transit Authority (Metro) in securing its long term funding needs. The region has recognized that it must address a \$ 2.4 billion capital and operating funding shortfall over the next 10 years and beyond.

Background

The funding challenges facing Metro have been recognized by the Greater Washington Board of Trade (GWBOT), Federal City Council (FCC), the Metropolitan Washington Council of Governments (MWCOCG) and others. With the support of these organizations, a regional Metro Funding Panel (Panel) was created in the fall of 2004 to address the 10-year need and to recommend long-term solutions. This blue ribbon panel issued its recommendations and alternative regional funding options in a report which was released on January 6, 2005, following a public comment period.

Since the release of the report, BTRAC has been organized and is working with leadership groups and other stakeholder organizations, as well as elected officials in the region, to support continued progress to achieve long term funding stability.

Program Focus

With administrative support from the Board of Trade, and financial contributions from initial BTRAC members, a program has been structured which is focusing on the following objectives over the next six months:

- Continue to brief regional businesses, COG and elected officials, and stakeholder leadership groups on the actions that must be taken to support and implement the Metro Funding Panel recommendations.
- Complete the revenue and tax analysis of Panel recommendations which have been undertaken by the PB/Fore Consulting team, and BDO Seidman, LLP.
- Expand the "All Aboard Metro.Com" web-site and communication campaign established by Mindshare Internet Campaigns LLC to broaden the understanding and support for Metro's funding needs and options.
- Secure resources to support the planned July 2005 Metro Regional Summit.

Rick Taube



From: Shiva K. Pant [spant@wmata.com]
Sent: Thursday, July 28, 2005 7:43 AM
To: Shiva K. Pant
Subject: Proposed Metro legislation



DavisB11072705.pdf

** Proprietary **

Attached is a copy of the bill that Representative Davis, co-sponsored by others in the area delegation, plans to introduce later this morning (Thursday). It authorizes \$1.5 billion in federal capital funds to be provided contingent that the funds be matched with state/local dedicated funding. The \$1.5 billion in federal funds covers 50% of the capital shortfall identified by the Blue Ribbon Panel, as well as sufficient funding to cover the cost of going to 8-car trains on 100% of the rush period trains. The federal funding, which could be appropriated beginning in FY07, would not be made available until WMATA Compact amendments were adopted to:

- 1) require all payments from WMATA signatories for operating and maintenance costs to be derived from dedicated funding sources
- 2) establish an Inspector General reporting to the Board
- 3) expand the Board of Directors to include 2 federal appointees

As you know, the Compact amendment process will/may probably take several years since the amending legislation, as approved, has to be identical in Virginia, Maryland, DC Council and final ratification by Congress.

The bill includes extensive language on the establishment of an Inspector General, as well as language prohibiting WMATA from selling, leasing or conveying land associated with developments in the vicinity of the Vienna, Takoma Park and Largo Stations until certain conditions have been met.

Thanks

Shiva

Shiva K. Pant
Government Relations Officer (Virginia)
Washington Metropolitan Area Transit Authority
600 Fifth Street, NW
Washington, DC 20001

Phone: (202) 962-1721
Fax: (202) 962-2466
e-mail: spant@wmata.com

.....
(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

To amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for maintaining and improving the transit system of the Washington Metropolitan Area Transit Authority, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TOM DAVIS of Virginia introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for maintaining and improving the transit system of the Washington Metropolitan Area Transit Authority, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*



1 **SECTION 1. SHORT TITLE; FINDINGS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “National Capital Transportation Amendments Act of
4 2005”.

5 (b) **FINDINGS.**—Congress finds as follows:

6 (1) Metro, the public transit system of the
7 Washington metropolitan area, is essential for the
8 continued and effective performance of the functions
9 of the Federal Government, and for the orderly
10 movement of people during major events and times
11 of regional or national emergency.

12 (2) On 3 occasions, Congress has authorized
13 appropriations for the construction and capital im-
14 provement needs of the Metrorail system.

15 (3) Additional funding is required to protect
16 these previous Federal investments and ensure the
17 continued functionality and viability of the original
18 103-mile Metrorail system.

19 **SEC. 2. FEDERAL CONTRIBUTION FOR CAPITAL PROJECTS**
20 **FOR WASHINGTON METROPOLITAN AREA**
21 **TRANSIT SYSTEM.**

22 The National Capital Transportation Act of 1969
23 (sec. 9—1111.01 et seq., D.C. Official Code) is amended
24 by adding at the end the following new section:



1 "AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBU-
2 TION FOR CAPITAL AND PREVENTIVE MAINTENANCE
3 PROJECTS

4 "SEC. 18. (a) AUTHORIZATION.—Subject to the suc-
5 ceeding provisions of this section, the Secretary of Trans-
6 portation is authorized to make grants to the Transit Au-
7 thority, in addition to the contributions authorized under
8 sections 3, 14, and 17, for the purpose of financing in
9 part the capital and preventive maintenance projects in-
10 cluded in the Capital Improvement Program approved by
11 the Board of Directors of the Transit Authority.

12 "(b) USE OF FUNDS.—The Federal grants made pur-
13 suant to the authorization under this section shall be sub-
14 ject to the following limitations and conditions:

15 "(1) The work for which such Federal grants
16 are authorized shall be subject to the provisions of
17 the Compact (consistent with the amendments to the
18 Compact described in subsection (d)).

19 "(2) Each such Federal grant shall be for 50
20 percent of the net project cost of the project in-
21 volved, and shall be provided in cash from sources
22 other than Federal funds or revenues from the oper-
23 ation of public mass transportation systems. Con-
24 sistent with the terms of the amendment to the
25 Compact described in subsection (d)(1), any funds



1 so provided shall be solely from undistributed cash
2 surpluses, replacement or depreciation funds or re-
3 serves available in cash, or new capital.

4 “(e) APPLICABILITY OF REQUIREMENTS FOR MASS
5 TRANSPORTATION CAPITAL PROJECTS RECEIVING FUNDS
6 UNDER FEDERAL TRANSPORTATION LAW.—Except as
7 specifically provided in this section, the use of any
8 amounts appropriated pursuant to the authorization under
9 this section shall be subject to the requirements applicable
10 to capital projects for which funds are provided under
11 chapter 53 of title 49, United States Code, except to the
12 extent that the Secretary of Transportation determines
13 that the requirements are inconsistent with the purposes
14 of this section.

15 “(d) AMENDMENTS TO COMPACT.—No amounts may
16 be provided to the Transit Authority pursuant to the au-
17 thorization under this section until the Transit Authority
18 notifies the Secretary of Transportation that each of the
19 following amendments to the Compact (and any further
20 amendments which may be required to implement such
21 amendments) have taken effect:

22 “(1) An amendment requiring all payments
23 made by the local signatory governments for the
24 Transit Authority and for the cost of operating and
25 maintaining the adopted regional system are made



1 from amounts derived from dedicated funding
2 sources. For purposes of this paragraph, a 'dedi-
3 cated funding source' is any source of funding which
4 is earmarked and required under State or local law
5 to be used for payments to the Transit Authority.

6 “(2) An amendment establishing the Office of
7 the Inspector General of the Transit Authority in
8 accordance with section 3 of the National Capital
9 Transportation Amendments Act of 2005.

10 “(3) An amendment expanding the Board of
11 Directors of the Transit Authority to include two ad-
12 ditional Directors appointed by the Administrator of
13 General Services, one of whom shall be nonvoting.

14 “(e) AMOUNT.—There are authorized to be appro-
15 priated to the Secretary of Transportation for grants
16 under this section an aggregate amount not to exceed
17 \$1,500,000,000 to be available in increments over 10 fis-
18 cal years beginning in fiscal year 2007, or until expended.

19 “(f) AVAILABILITY.—Amounts appropriated pursu-
20 ant to the authorization under this section—

21 “(1) shall remain available until expended; and

22 “(2) shall be in addition to, and not in lieu of,
23 amounts available to the Transit Authority under
24 chapter 53 of title 49, United States Code, or any
25 other provision of law.”



1 **SEC. 3. WASHINGTON METROPOLITAN AREA TRANSIT AU-**
2 **THORITY INSPECTOR GENERAL.**

3 (a) **ESTABLISHMENT OF OFFICE.—**

4 (1) **IN GENERAL.—**The Washington Metropoli-
5 tan Area Transit Authority (hereafter referred to as
6 the “Transit Authority”) shall establish in the Tran-
7 sit Authority the Office of the Inspector General
8 (hereafter in this section referred to as the “Of-
9 fice”), headed by the Inspector General of the Tran-
10 sit Authority (hereafter in this section referred to as
11 the “Inspector General”).

12 (2) **DEFINITION.—**In paragraph (1), the
13 “Washington Metropolitan Area Transit Authority”
14 means the Authority established under Article III of
15 the Washington Metropolitan Area Transit Author-
16 ity Compact (Public Law 89—774).

17 (b) **INSPECTOR GENERAL.—**

18 (1) **APPOINTMENT.—**The Inspector General
19 shall be appointed by the vote of a majority of the
20 Board of Directors of the Transit Authority, and
21 shall be appointed without regard to political affili-
22 ation and solely on the basis of integrity and dem-
23 onstrated ability in accounting, auditing, financial
24 analysis, law, management analysis, public adminis-
25 tration, or investigations, as well as familiarity or
26 experience with the operation of transit systems.



1 (2) **TERM OF SERVICE.**—The Inspector General
2 shall serve for a term of 5 years, and an individual
3 serving as Inspector General may be reappointed for
4 not more than 2 additional terms.

5 (3) **REMOVAL.**—The Inspector General may be
6 removed from office prior to the expiration of his
7 term only by the unanimous vote of all of the mem-
8 bers of the Board of Directors of the Transit Au-
9 thority, and the Board shall communicate the rea-
10 sons for any such removal to the Governor of Mary-
11 land, the Governor of Virginia, the Mayor of the
12 District of Columbia, the chair of the Committee on
13 Government Reform of the House of Representa-
14 tives, and the chair of the Committee on Homeland
15 Security and Governmental Affairs of the Senate.

16 (c) **DUTIES.**—

17 (1) **APPLICABILITY OF DUTIES OF INSPECTOR**
18 **GENERAL OF EXECUTIVE BRANCH ESTABLISH-**
19 **MENT.**—The Inspector General shall carry out the
20 same duties and responsibilities with respect to the
21 Transit Authority as an Inspector General of an es-
22 tablishment carries out with respect to an establish-
23 ment under section 4 of the Inspector General Act
24 of 1978 (5 U.S.C. App. 4), under the same terms
25 and conditions which apply under such section.



1 (2) CONDUCTING ANNUAL AUDIT OF FINANCIAL
2 STATEMENTS.—The Inspector General shall be re-
3 sponsible for conducting the annual audit of the fi-
4 nancial accounts of the Transit Authority, either di-
5 rectly or by contract with an independent external
6 auditor selected by the Inspector General.

7 (3) REPORTS.—

8 (A) SEMIANNUAL REPORTS TO TRANSIT
9 AUTHORITY.—The Inspector General shall pre-
10 pare and submit semiannual reports summa-
11 rizing the activities of the Office in the same
12 manner, and in accordance with the same dead-
13 lines, terms, and conditions, as an Inspector
14 General of an establishment under section 5 of
15 the Inspector General Act of 1978 (5 U.S.C.
16 App. 5). For purposes of applying section 5 of
17 such Act to the Inspector General, the Board of
18 Directors of the Transit Authority shall be con-
19 sidered the head of the establishment, except
20 that the Inspector General shall transmit to the
21 General Manager of the Transit Authority a
22 copy of any report submitted to the Board pur-
23 suant to this paragraph.

24 (B) ANNUAL REPORTS TO LOCAL SIGNA-
25 TORY GOVERNMENTS AND CONGRESS.—Not



1 later than March 31 of each year, the Inspector
2 General shall prepare and submit a report sum-
3 marizing the activities of the Office during the
4 previous year, and shall submit such reports to
5 the Governor of Maryland, the Governor of Vir-
6 ginia, the Mayor of the District of Columbia,
7 the chair of the Committee on Government Re-
8 form of the House of Representatives, and the
9 chair of the Committee on Homeland Security
10 and Governmental Affairs of the Senate.

11 (4) INVESTIGATIONS OF COMPLAINTS OF EM-
12 PLOYEES AND MEMBERS.—

13 (A) AUTHORITY.—The Inspector General
14 may receive and investigate complaints or infor-
15 mation from an employee or member of the
16 Transit Authority concerning the possible exist-
17 ence of an activity constituting a violation of
18 law, rules, or regulations, or mismanagement,
19 gross waste of funds, abuse of authority, or a
20 substantial and specific danger to the public
21 health and safety.

22 (B) NONDISCLOSURE.—The Inspector
23 General shall not, after receipt of a complaint
24 or information from an employee or member,
25 disclose the identity of the employee or member



1 without the consent of the employee or member,
2 unless the Inspector General determines such
3 disclosure is unavoidable during the course of
4 the investigation.

5 (C) PROHIBITING RETALIATION.—An em-
6 ployee or member of the Transit Authority who
7 has authority to take, direct others to take, rec-
8 ommend, or approve any personnel action, shall
9 not, with respect to such authority, take or
10 threaten to take any action against any em-
11 ployee or member as a reprisal for making a
12 complaint or disclosing information to the In-
13 spector General, unless the complaint was made
14 or the information disclosed with the knowledge
15 that it was false or with willful disregard for its
16 truth or falsity.

17 (5) INDEPENDENCE IN CARRYING OUT DU-
18 TIES.—Neither the Board of Directors of the Tran-
19 sit Authority, the General Manager of the Transit
20 Authority, nor any other member or employee of the
21 Transit Authority may prevent or prohibit the In-
22 spector General from carrying out any of the duties
23 or responsibilities assigned to the Inspector General
24 under this section.

25 (d) POWERS.—



1 (1) IN GENERAL.—The Inspector General may
2 exercise the same authorities with respect to the
3 Transit Authority as an Inspector General of an es-
4 tablishment may exercise with respect to an estab-
5 lishment under section 6(a) of the Inspector General
6 Act of 1978 (5 U.S.C. App. 6(a)), other than para-
7 graphs (7), (8), and (9) of such section.

8 (2) STAFF.—

9 (A) ASSISTANT INSPECTOR GENERALS AND
10 OTHER STAFF.—The Inspector General shall
11 appoint and fix the pay of—

12 (i) an Assistant Inspector General for
13 Audits, who shall be responsible for coordi-
14 nating the activities of the Inspector Gen-
15 eral relating to audits;

16 (ii) an Assistant Inspector General for
17 Investigations, who shall be responsible for
18 coordinating the activities of the Inspector
19 General relating to investigations; and

20 (iii) such other personnel as the In-
21 spector General considers appropriate.

22 (B) INDEPENDENCE IN APPOINTING
23 STAFF.—No individual may carry out any of
24 the duties or responsibilities of the Office unless
25 the individual is appointed by the Inspector



1 General, or provides services procured by the
2 Inspector General, pursuant to this paragraph.
3 Nothing in this subparagraph may be construed
4 to prohibit the Inspector General from entering
5 into a contract or other arrangement for the
6 provision of services under this section.

7 (C) APPLICABILITY OF TRANSIT SYSTEM
8 PERSONNEL RULES.—None of the regulations
9 governing the appointment and pay of employ-
10 ees of the Transit System shall apply with re-
11 spect to the appointment and compensation of
12 the personnel of the Office, except to the extent
13 agreed to by the Inspector General. Nothing in
14 the previous sentence may be construed to af-
15 fect subparagraphs (A) through (B).

16 (3) EQUIPMENT AND SUPPLIES.—The General
17 Manager of the Transit Authority shall provide the
18 Office with appropriate and adequate office space,
19 together with such equipment, supplies, and commu-
20 nications facilities and services as may be necessary
21 for the operation of the Office, and shall provide
22 necessary maintenance services for such office space
23 and the equipment and facilities located therein.

24 (e) TRANSFER OF FUNCTIONS.—To the extent that
25 any office or entity in the Transit Authority prior to the



1 appointment of the first Inspector General under this sec-
2 tion carried out any of the duties and responsibilities as-
3 signed to the Inspector General under this section, the
4 functions of such office or entity shall be transferred to
5 the Office upon the appointment of the first Inspector
6 General under this section.

7 **SEC. 4. RESTRICTIONS ON DISPOSITION OF CERTAIN PROP-**
8 **ERTIES.**

9 (a) **PROHIBITION ON DISPOSITION OF CERTAIN**
10 **PROPERTY.—**

11 (1) **IN GENERAL.—**The Washington Metropoli-
12 tan Area Transit Authority (hereafter in this section
13 referred to as the “Transit Authority”) may not sell,
14 lease, or otherwise convey or dispose of the property
15 described in paragraph (2).

16 (2) **PROPERTY DESCRIBED.—**The property de-
17 scribed in this subsection consists of approximately
18 3.75 acres located in Fairfax County, Virginia, and
19 is contained in all or part of the following parcels on
20 the Fairfax County tax map:

- 21 (A) Parcel 48—1((1)), 90 Portion.
22 (B) Parcel 48—1((1)), 91B Portion.
23 (C) Parcel 48—1((6)), 7A.
24 (D) Parcel 48—1((6)), 8B.
25 (E) Parcel 48—1((24)), 38A.



1 (b) CONDITIONS FOR DISPOSITION OF CERTAIN
2 PROPERTY.—

3 (1) IN GENERAL.—The Transit Authority may
4 not sell, lease, or otherwise convey or dispose of the
5 property described in paragraph (2) unless the
6 Transit Authority meets each of the following condi-
7 tions:

8 (A) The Transit Authority has met with
9 the Mayor and members of the Council of the
10 City of Takoma Park, Maryland, and commu-
11 nity representatives designated by the Mayor to
12 discuss concerns related to the disposition of
13 such property.

14 (B) The Transit Authority has presented a
15 development plan for the property which—

16 (i) facilitates the movement of buses
17 and other vehicular traffic, pedestrians,
18 and bicycles to and from the Takoma Met-
19 rorail station, and provides sufficient bus
20 bays so that the development of the prop-
21 erty will not cause a direct increase in traf-
22 fic, congestion, or pollution in neighbor-
23 hoods surrounding the station; and

24 (ii) preserves and enhances public
25 green space on the property.



1 (C) The Transit Authority has submitted a
2 statement to the Committee on Government Re-
3 form of the House of Representatives and the
4 Committee on Homeland Security and Govern-
5 mental Affairs of the Senate certifying that the
6 Transit Authority has met the conditions de-
7 scribed in subparagraphs (A) and (B).

8 (2) PROPERTY DESCRIBED.—The property de-
9 scribed in this paragraph consists of Lots 820, 821,
10 822, 823, 829, 831, 832, 833, 839, 840, 841, 845,
11 846, 847, 848, 849, 850 and 851 in Square 3352
12 and Lots 811, 812 and 813 in Square 3353 of the
13 District of Columbia Real Property Assessment
14 Database.

15 (c) RESTRICTIONS ON DEVELOPMENT OF CERTAIN
16 PROPERTIES.—

17 (1) RESTRICTION.—The Transit Authority may
18 not sell, lease, or otherwise convey any of the real
19 property described in paragraph (2) other than in
20 accordance with a development plan for the property
21 which meets the following requirements:

22 (A) The plan shall require that any portion
23 of the property used for residential purposes
24 shall be used only for owner-occupied, multi-
25 family dwellings.



1 (B) The plan must provide for the use of
2 a portion of the property for commercial pur-
3 poses.

4 (C) The plan shall be developed in con-
5 sultation with appropriate representatives of the
6 local governments and communities for the area
7 in which the property is located.

8 (2) PROPERTY DESCRIBED.—The property de-
9 scribed in this paragraph is any real property of the
10 Transit Authority which is located within one mile
11 of the Largo Town Center Metro Rail Station.

12 (d) NO EFFECT ON OTHER AUTHORITIES.—Except
13 as specifically provided, nothing in this section may be
14 construed to affect any law, rule, or regulation governing
15 the development or disposition of real property of the
16 Transit Authority.

17 **SEC. 5. STUDY AND REPORT BY COMPTROLLER GENERAL.**

18 (a) STUDY.—The Comptroller General shall conduct
19 a study on the use of the funds provided under section
20 18 of the National Capital Transportation Act of 1969
21 (as added by this Act).

22 (b) REPORT.—Not later than 3 years after the date
23 of the enactment of this Act, the Comptroller General shall
24 submit a report to the Committee on Government Reform
25 of the House of Representatives and the Committee on



- 1 Homeland Security and Governmental Affairs of the Sen-
- 2 ate on the study conducted under subsection (a).



washingtonpost.com

Advertisement

Bill Offers Metro \$1.5B in Funds

Rep. Thomas M. Davis III (R-Va.)
Thursday, July 28, 2005; 1:15 PM

In Thursday's [article](#), Washington Post staff writer Lyndsey Layton reports:

"Rep. Thomas M. Davis III plans to file a bill today asking Congress to make a major new commitment to Metro and provide \$1.5 billion to keep trains, tracks, stations and buses in good repair and relieve the crowding that threatens to overwhelm the system.

"But the money, which no other transit system in the country would receive and which Metro says it deserves because of its unique role in carrying federal workers and visitors in the nation's capital, comes with several strings attached."

"The bill says Metro can have the funds only if it hires an inspector general, who would track the way the agency is managed and spends its money, investigate employee reports of wrongdoing and publicly report the findings."

Rep. Thomas M. Davis III was online **Thursday, July 28, at 1 p.m. ET** to discuss his proposal to provide \$1.5 billion to Metro.

Read the full story: [Bill Offering Metro \\$1.5 Billion Insists On More Oversight, Dedicated Funding](#) (Post, July 28)

More From The Post: [A Package Deal For Transit](#)

The transcript follows.

washingtonpost.com: Rep. Davis will be with us shortly.

Rep. Thomas M. Davis III: I am pleased to be here with you today, and look forward to your questions.

Arlington, Va.: The proposed \$1.5 B in funding is a great idea (and much needed) as are the requirements for two federal representatives on the board and a new inspector general. However, the Vienna land-use limitation smacks solidly of NIMBY-ism. Shouldn't the land use issue be left up to the local government? Would you support the bill without the Vienna restriction? (simple questions that need to be addressed, not talked around)

Rep. Thomas M. Davis III: Land use is left up to the local government. We hope the provision will prove unnecessary, but the Board has to address our concerns about parking and the balance between commercial and residential densities.

The site can be developed without the Metro parcel. We only address Metro's property.

Arlington, Va.: Mr. Davis, As a whole, your bill is one of the most sensible measures I've seen in years. But why are you pushing for a less dense development at Metro West? Isn't the point of Metro, or any public transit system, to encourage dense development?

Rep. Thomas M. Davis III: Vienna is the terminus for the Orange Line. The elimination of 650 parking places when there is already a parking shortage is nonsensical. I have to protect Metro's interests. I believe the Board needs to do the appropriate traffic studies before it decides to increase the densities. And I have concerns about the ability of Metro's cars to handle increased ridership coming from Vienna, and what that means to riders further down the Orange Line.

McLean, Va.: Representative Davis,

I think the proposals outlined in the article are entirely reasonable, given Metro's history and circumstances.

When a Virginia referendum to add a penny to the sales tax to support transit was voted down a few years ago, I remember a colleague saying he voted against it because "once you add the tax it never goes away." Will the promise of federal funds be enough to convince the average voter to accept a local tax increase?

Rep. Thomas M. Davis III: We don't mandate a local tax increase. All we require is a dedicated source of revenue that is reliable. That could include taxes that are already collected that would be dedicated to Metro instead of going into the general fund.

I did favor the sales tax increase because transportation never seems to win out in the struggle for general fund money.

Arlington, Va.: Rep. Davis,

This is a terrific proposal that recognizes the importance of Metro to the federal government. Does your bill require that a portion of the funding be used for security enhancements?

Rep. Thomas M. Davis III: We believe security enhancements should be funded through the Homeland Security appropriations. This bill goes for maintenance and other capital needs. We have fought for additional dollars elsewhere in the federal budget for Metro security.

Vienna, Va.: Tom - Thank you for adding the "no sale/no lease" language to your bill (for Fairlee Metro West). Thank you for standing up to Gerry Connolly. You have the support of at least one Democrat, and I suspect a whole lot more.

Rep. Thomas M. Davis III: Thank you.

Ashburn Campus, MCI: Hello Congressman, I am happy to see that someone realizes Metro needs another set of eyes and ears on the board in order to keep things running. My question to you is if the money is given to Metro, will any of it be going towards the Dulles Extension, especially after the report yesterday that they are over budget on the Tysons portion, even before one hole is dug?

Rep. Thomas M. Davis III: No, this money is for the maintenance of the current system. We have money for the extension to Reston in the transportation bill that will come before the House this evening, provided it meets Federal Transit Administration standards.

However, FTA is currently reviewing the numbers on the cost of the extension to see if it is viable. It is possible that the local and state governments badly underestimated the capital costs and that could jeopardize the project.

I hope not.

Centreville, Va.: Mr Davis,

As you may have noticed, this area is experiencing a severe housing shortage. If we don't build more housing units closer in, those people will end up out in Gainesville, still adding more cars to 66 and 29. The problem with Vienna's traffic isn't Vienna residents. It's the long distance commuters. Given the incredible success of the high density developments in Arlington (Rosslyn, Clarendon, Ballston), what is your justification for opposing a similar development in Vienna? And given your proximity to the site in question, don't you think you're a little too close to the issue to be impartial?

Rep. Thomas M. Davis III: First of all, I live six miles from the site. Secondly, Vienna is not Arlington, and doesn't want to be Arlington. It has Tysons on one side, and if this development goes through, the Town of Vienna -- just voted the fourth best place to live in the country -- will change forever.

Moreover, if you are trying to take the Metro from Centreville, this eliminates 650 parking places currently available at the Vienna station. I think it needs another look and some compromise has to be reached. We don't argue with higher density. But the densities envisioned here appear to me to be too excessive.

Fairfax, Va.: Congressman Davis, thank you for encouraging our local officials to commit to dedicated Metro funding and to be more responsible in Metro land deals. The Vienna Metro Station may lose 750 parking spaces due to proposed development. Will the 1.5 billion be earmarked for projects such as parking garages?

Rep. Thomas M. Davis III: At this time, Metro's plans do not allow for construction of parking garages. However, we do save 650 parking places from being eliminated at the Vienna station.

Reston, Va.: Mr Davis,

Thank you for taking the time to answer questions with us.

In general, I think this Bill makes sense and can be very helpful. How soon do you think it could be passed and Metro would be able to access these desperately needed funds?

Thanks

Rep. Thomas M. Davis III: If the Compact is amended in a timely manner -- the Compact is the agreement among the federal government, Virginia, Maryland and D.C. -- this should take effect by 2007.

It can't come soon enough.

Washington, D.C.: There are six principal directors and six alternate directors on Metro's Board of Directors. How will the addition of two seats for federal overseers possibly make any bit of difference in the performance of metro? Wouldn't that just slow down the need for changes by increasing bureaucratic politics?

Rep. Thomas M. Davis III: First, having a federal voting member serves as a tiebreaker -- seven votes, rather than six. Second, it gives the federal government a voice at the table, something we currently lack.

But we do not upset the balance of having Metro be a primarily locally operated system.

Washington, D.C.: Recent Washington Post articles have outlined Metro's numerous lapses in fiscal mismanagement, customer service, and shuttle/bus maintenance. Why should a fiscally irresponsible company be given a billion-dollar buyout?

washingtonpost.com: Washington Post Series: Off the Rails (Post, June 5-8)

Rep. Thomas M. Davis III: Without more money, the system collapses. And without better management, the system also collapses.

Our bill does both. It gives Metro more money, but we add an independent inspector general, federal representation on the board, and more reporting requirements to go with the money.

Burke, Va.: Rep. Davis,

Have you given any consideration to mandating that the two new proposed "federal" members of the Metro board be regular (preferably daily) Metro users? (Or mandating the appointment of a passenger representative?) Only 1 or 2 of the current members ever ride the system.

Rep. Thomas M. Davis III: That issue was brought up today by Mr. Van Hollen at a hearing of the Government Reform Committee that I chaired. It is a distinct possibility, but we still need to hear from the Administration on this.

Metro West: Eliminate 650 parking spaces? Are they kidding? What about all of the people who will drive to work at Metro West from Loudoun and Prince William, adding who knows how many cars?

It seems that the people in favor of it are only too happy to have someone powerful in their corner -- Gerry Connelly -- and we who are opposed to it aren't allowed to have anybody powerful in our corner who can actually do something about it. Keep up the fight against that no-good non-smart-growth development!

-- A constituent from near Vienna Metro

Rep. Thomas M. Davis III: Thank you. I think you are one of the silent, unrepresented majority on this issue.

Washington, D.C.: Excellent idea. What are the odds of this bill being passed and how long would it take for it take affect? Doesn't metro basically have to accept this proposal? It would be irresponsible for them not to accept it based on the current situation.

Rep. Thomas M. Davis III: I think the odds are pretty good. We don't intend to mark this bill up until the fall. We would like to move it out of the House by the end of the year, to get it over to the Senate.

But we need to continue to work with the Administration to shape it.

Washington, D.C.: Thanks for your willingness to address some of the problems with Metro. I'd like to know how your bill will ensure that Metro uses the extra money it's receiving for the most high-priority projects (buying more train cars, extending lines, etc.) instead of wasting it on unneeded things like pedestrian tunnels.

Rep. Thomas M. Davis III: The money goes to Metro's Capital Improvement Plan -- this includes 340 new rail cars to run 8-car trains during peak hours; 275 new buses and 3 bus garages; and needed maintenance at Metro stations.

Pedestrian tunnels are an important way to relieve the burden at transfer stations, and this bill also includes funding for tunnels connecting Farragut North and West, and Gallery Place and Metro Center.

Richmond, Va.: As a Republican, do you believe the Federal Government should have less of a say in the daily operations of State Governments? Also as an extension of that shouldn't the Federal Government remove itself from interfering with the decisions of a local government in regards to land use when the state has given the locality the power over local landuse decisions? Does this bill set a

precedence for a new role by the Federal Government to rule on local land use decisions?

Rep. Thomas M. Davis III: The local government can do whatever it wants. It just can't use Metro land to do it. Metro should not be selling property to lose parking spaces. That's hardly interference.

Reston, Va.: Mr. Davis, many thanks for spearheading efforts to provide the necessary investments to maintain and improve Metro service for the entire D.C. metropolitan area. If your bill passes, how long do you think it will be before we begin to see improvements in Metro services (more trains, more frequent trains, etc.)?

Rep. Thomas M. Davis III: Thank you. The answer to your question depends on how long it takes the states to ratify the changes to the Metro Compact.

In this case, the federal government brings some additional oversight and \$1.5 billion dollars. We ask the localities to dedicate a source of revenue. That could take a month, or it could take years. But it's the only leverage we have.

Vienna, Va.: Chairman Davis -

Why do you oppose the proposed condo development at the Vienna Metro station? Is it true you oppose this development because you believe that Democrats tend to live in such developments?

Rep. Thomas M. Davis III: No, that's ridiculous. I have no way of knowing who is going to move into the development. But I do wonder where all the cars are going to go, with no improvements on I-66.

This is a similar concern to that of Congressman Al Wynn, a Democrat in Prince George's County.

Vienna, Va.: Mr. Davis, as a resident of Vienna, thank you for doing what you can to make sure Fairfax County listens to us. The proposed development around the metro system is way too big, will cause huge traffic delays, and they're basing their decision on an extension out to Dulles that might not even happen!

Rep. Thomas M. Davis III: Thank you.

Arlington, Va.: I can understand the concern about parking in Vienna, but why not allow the dense development that will take advantage of the transportation network and increase "feeder" bus service to the metro? I think a lot more people would be willing to give up their cars if we made it easier to get to the station by other means.

Rep. Thomas M. Davis III: The county is in the middle of a transportation study to determine that. Currently, we know that 2,200 new units in Vienna will generate thousands of trips per day in vehicles. And no one has worked to mitigate that impact on I-66 and the surrounding area.

We don't try to stop the development. We simply try to mitigate its effects on commuters and surrounding citizens, who elect me.

Vienna, Va.: If your concerns about MetroWest are related to parking shortages and traffic, why not add requirements for studies on these to the bill? Instead (according to The Post article) you simply banned the sale/lease of the Vienna land.

Other local members of Congress reportedly added such practical stipulations, yet you (reportedly) simply banned the Metro from selling/leasing land for Metro West.

How do you explain this? Was it bad reporting or bad governing?

Rep. Thomas M. Davis III: I'm willing to remove all restrictions if the concerns are addressed, as opposed to writing a criteria that can be indefinite and be the basis for litigation.

Same concerns, just a different approach. I'm hopeful this will work out for everyone involved.

Falls Church, Va.: Why has it taken so long for dedicated funding for Metro to be considered?

Rep. Thomas M. Davis III: It's been 25 years. Previous chairmen of this Committee have not seen it as a priority.

Alexandria, Va.: You State "The local government can do whatever it wants. It just can't use Metro land to do it. Metro should not be selling property to lose parking spaces. That's hardly interference." Please elaborate on why the local government can not use the land and why it is not interference?

Rep. Thomas M. Davis III: The re-zoning includes 67 non-Metro acres, which we don't touch in any way, shape or form. We simply don't allow Metro's three acres to be part of the plan until its interests are protected as well as those of the Metro riders.

Fairfax, Va.: Mr Davis, you say you wonder where all the cars for the MetroWest development will go. My question is where they will all go if MetroWest is NOT built? It's not like stopping MetroWest will stop people from moving to Northern Virginia. They have to go somewhere. Where do you propose they go if not next to Metro stations?

Rep. Thomas M. Davis III: I doubt that the people who move to MetroWest, into high rises, will instead move to Centreville or Gainesville. Their orientation is more to downtown. I guess you could ask, how far out do you want the city to come. Centreville? Washington D.C. had 800,000 people in 1950 and currently has 550,00 people. There is adequate room for density in the core without creeping out further.

Having said that, these are ultimately county decisions, and not federal. But the interests of Metro riders

at the Vienna terminus deserve consideration, which in my opinion has been lacking.

Also, the Town of Vienna Council unanimously opposes this development and we are trying to bring them into the process. You'd hope that local officials would have done this, and I'm sorry that I have to be the one to do it. But these voters elect me, too. And we have a Metro system, which at the Congressional level, I oversee.

Again, our goal can't be to stop the development, but to temper it.

Rep. Thomas M. Davis III: Thank you very much for all of your questions.

Editor's Note: Washingtonpost.com moderators retain editorial control over Live Online discussions and choose the most relevant questions for guests and hosts; guests and hosts can decline to answer questions.

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Table 2: Selected Entities Providing Oversight of WMATA

Oversight entity	Type of oversight	Subject of review	Number of reports ^a
WMATA's Auditor General	Internal audits	Cash processes and revenue sources, reliability and effectiveness of WMATA's paratransit contractor, workers' compensation and benefits programs, escalator and elevator maintenance contracts, inventory management, and internal controls related to the budget and fixed assets	39
	Investigative audits	Preventing or detecting mismanagement, waste, fraud, or abuse within WMATA	18
	Information technology audits	Information technology systems that are under development; electronic collection of revenue (e.g. Smart Card, MetroCheck sales, and Internet sales)	7
	Contract audits	Cost reasonableness of sole-source contracts, contract modifications and cost-reimbursable tasks and contracts, oversight and review of engineering firms	404
	Control self-assessments	Quality of customer service within WMATA (designed to improve working relationships among departments within the agency)	20
Independent external auditor	Single Audit Act	WMATA's financial statements and internal controls related to these statements and to major federal programs	2
FTA	Project management oversight program	Monthly reports on various aspects of major capital projects, including scheduling, budget, and performance	125
	Triennial Review	Compliance with statutory and administrative requirements in 23 areas	1
American Public Transportation Association (APTA)	Peer reviews	WMATA's overall bus and rail operations	2
Total			618

Sources: GAO analysis of data from WMATA, FTA, and APTA.

^aNumbers are for reports issued since January 2003, except for the Triennial Review, which was most recently completed for WMATA in September 2002.

WMATA's Auditor General

WMATA's Auditor General is responsible for planning and implementing operational, financial, and information system audits, as well as for carrying out investigations to prevent or detect mismanagement, waste, fraud, or abuse. The Office of Auditor General also conducts audits of contracts to ensure they are being done in accordance with WMATA policy and cost-effectively. The Auditor General reports directly to the General Manager/Chief Executive Officer and briefs the audit committee of the board of directors quarterly. The Auditor General prepares an annual audit plan that covers most aspects of the agency.

(E)



SERVICE CHANGE STAFF SUMMARY SHEET

ROUTING	TO	BY DATE	FOR	DATE:
1	CEO	7/15/05	1,2	APPROVAL
2	Operations Committee	7/21/05	3	VOTE
3	BOARD	7/21/05		CONCURRENCE

APPROVAL	SUBJECT
	Extension of Regional Metrobus Route 16H to Crystal City and into Fairfax County, VA
PREPARED BY:	EXTENSION:
OPAS - V. Jackson	x 2237
DEPT. APPROVAL:	
AGM/OPER - J. Hughes	

CATEGORIES:

- BUS
- MAJOR
- FREQUENCY
- PUBLIC HEARING
- ROUTE ANALYSIS
- RAPID TRANSIT
- MINOR
- SPAN
- IS IS NOT
- IS IS NOT
- STATIONS
- ROUTING
- REQUIRED
- ATTACHED

PURPOSE

To obtain Board approval to extend regional Metrobus Route 16H on the east end of its route from Pentagon City to Crystal City as experimental service, and to extend Route 16H on the west end of the route from Columbia Pike & Four Mile Run Drive in Arlington County to Columbia Pike & Blair Road or Jefferson Street in Fairfax County.

DISCUSSION

Regional Metrobus Route 16H was established in September, 2003 as part of the Columbia Pike service restructuring plan ("Pike Ride"). Nine A.M. eastbound and seven P.M. westbound peak trips operate every 24 minutes between Columbia Pike & Four Mile Run Drive and Pentagon City station on weekdays, averaging approximately 13 passengers per trip.

To improve productivity on Route 16H, Arlington County has requested that two extensions be implemented. On the east end of the route, it is proposed to extend service from Pentagon City to Crystal City to provide a direct bus connection between the Crystal City area and the Columbia Pike corridor. This would provide a convenient, one seat ride for customers, eliminating the bus-rail transfer currently required at either Pentagon or Pentagon City station for customers traveling between Crystal City and the

COORDINATION (Routing)	Initial	Date	GOMP	ENCLOSURES:
RAIL			<i>[Signature]</i> 7/7	
X BUS	<i>[Signature]</i>	4/30/05	SECT	GENERAL MANAGER ACTION: Approved
X GOVR	<i>[Signature]</i>	7/7/05	<i>[Signature]</i> 7/7/05	Approved for Submission to the Board
X OPAS	<i>[Signature]</i>	6/30/05	Deputy / ADMN	<i>[Signature]</i> / <i>[Signature]</i> / 7/15/05
ADA				Signature Date
X FIMA	<i>[Signature]</i>	7/15/05	Deputy / OPER	BOARD ACTION: Approved by the Board of Directors on
COUN			<i>[Signature]</i> 7/7/05	Secretary

Service Change Staff Summary Sheet
Extension of Regional Metrobus Route 16H
to Crystal City and into Fairfax County, VA
Page 2

Columbia Pike corridor. The east extension would operate via (A.M. route) South Hayes Street, 15th Street South, South Bell Street (formerly South Clark Place) to Crystal City station. The return route in the P.M. would operate from Crystal City via South Bell Street, 18th Street South, and South Hayes Street to Pentagon City station and continue present and extended route to Columbia Pike & Blair Road or Jefferson Street as described below.

On the west end, it is proposed to extend Route 16H from the present terminal at Columbia Pike & Four Mile Run Drive in Arlington to Columbia Pike & Blair Road or Jefferson Street in Fairfax County, approximately 3/4 mile west of Baileys Crossroads. This extension would provide additional service to the medium density residential areas along Columbia Pike immediately west of Baileys Crossroads and relieve overcrowding on Metrobus Routes 16A, 16D and 16L to and from Annandale. Arlington County, in coordination with Virginia Department of Transportation (VDOT) and Fairfax County, is funding construction of a slip ramp from the service roadway to the main roadway of eastbound Columbia Pike, east of Blair Road, to facilitate bus turnaround movements required by the extension of Route 16H to the Blair Road intersection. If the slip ramp is not constructed the turnaround would be Jefferson Street.

For both extensions, the same number of 16H trips, nine A.M. eastbound and seven P.M. westbound trips, would continue to be operated. The 24 minute frequency of service would be maintained. The extension to Crystal City would be implemented in September, 2005 for an 18 month experimental period. The extension to Columbia Pike & Blair Road or Jefferson Street in Fairfax County would be implemented as permanent service upon construction of the eastbound slip ramp as described above.

ALTERNATIVES

1. Approve only one of the proposed extensions on Route 16H.
2. Do not approve either of the proposed extensions on Route 16H.

PRIOR APPROVALS

None

IMPACT ON FUNDING

	Annual	FY06
Revenue	\$6,000	\$4,500
Expense	\$64,000	\$48,000
Subsidy	\$58,000	\$43,500

Service Change Staff Summary Sheet
Extension of Regional Metrobus Route 16H
to Crystal City and into Fairfax County, VA
Page 3

The proposed extensions to Route 16H would have the following impacts on the Metrobus regional subsidy allocation:

Jurisdiction	Annual	FY06 Impact
District of Columbia	\$3,000	\$2,300
Montgomery County	\$2,000	\$1,500
Prince George's County	\$2,000	\$1,500
Alexandria	\$0	\$0
Arlington County	\$30,000	\$22,500
Fairfax City	\$0	\$0
Fairfax County	\$21,000	\$15,700
Falls Church	\$0	\$0
Total	\$58,000	\$43,500

The proposed extensions on Route 16H would not require an increase in peak buses, operators or mechanics.

RECOMMENDATION

Approve the extension of regional Metrobus Route 16H on the east end of its route from Pentagon City to Crystal City effective September 2005, and to extend Route 16H on the west end from Columbia Pike & Four Mile Run Drive in Arlington County to Columbia Pike & Blair Road or Jefferson Street in Fairfax County upon construction of the slip ramp east of Blair Road.

F



News Release

FOR IMMEDIATE RELEASE
August 10, 2005

Contact: Marcia McAllister
(703) 288-7100
marcia.mcallister@dullesmetro.com

Preliminary Engineering Estimate for Phase 1 Released

DRPT Releases \$1.8 Billion Dulles Corridor Metrorail Project Cost Estimate as Part of Federal Review Process

Vienna, Va., August 10, 2005 – The Virginia Department of Rail and Public Transportation (DRPT) on August 15, 2005, will submit its annual New Starts program update to the Federal Transit Administration (FTA). The update includes a revised capital cost estimate of \$1.8 billion for the first phase of the Dulles Corridor Metrorail Project. The first phase of the project extends Metrorail from the East Falls Church Metrorail station to Wiehle Avenue near Reston.

This figure is \$600 million below the top of the range of estimates submitted to the state in June by Dulles Transit Partners, LLC. Dulles Transit Partners is currently performing preliminary engineering support to the Commonwealth under Virginia's Public Private Transportation Act.

As a result of aggressive efforts to find possible cost savings, the revised plan maintains all of the service and operations described in the approved environmental impact statement.

"The route is the same, the stations are in the same locations and it serves the exact same business and residential customers," said Sam Carnaggio, DRPT project director. "Our goal was to reduce the costs, not the service."

Since the first range of estimates came in earlier this summer, DRPT has been working with Dulles Transit Partners, the Washington Metropolitan Area Transit Authority, the Metropolitan Washington Airports Authority, Loudoun and Fairfax counties, the Town of Herndon and the Virginia Department of Transportation to analyze the design and the cost drivers. In addition, DRPT brought in an independent engineering consultant, to review and evaluate the project cost estimate.

Reducing the depth and length of a tunnel through the highest point in Tysons Corner and moving the Tysons Central 7 station from underground to the surface will save almost \$200 million. Another \$100 million will be saved by redesigning the elevated support structures for the aerial portions of the track along Routes 7 and 123. These savings result from using simpler, more commonly-used structural beams and columns as well as anticipated lower labor costs associated with the construction of these structures.

(more)

Cost Estimate

Page 2

Other cost savings in this revised plan include the following:

- The development of a more cost effective approach to providing primary and back-up electricity to the extension
- A slight shift of the Tysons East Station platform to the west to allow for more economical support pier placement due to the location of the station near a stream.
- Modifications to the Tysons Central 123 station between Tysons Corner Center and Tysons Galleria. The current plan relocates the mezzanine from above the platform to ground level. "This layout will be similar to the King Street and Braddock Road stations on the Blue and Yellow lines," Carnaggio said.

Additional cost savings include a decision by the Metropolitan Washington Airports Authority to allow soil from the construction sites to be taken to airport-owned land at Dulles International Airport.

The current estimate represents a 20 percent increase over the \$1.5 billion estimated in the environmental impact statement. The increase is based on several factors, such as significant increases in the cost of right of way, labor, materials and fuel.

"We are not done looking at ways to reduce costs," Carnaggio said. "We still have a lot of design to complete and I have challenged the entire team to look for better and more economical ways to build this project."

About the Dulles Corridor Metrorail Project

The Dulles Corridor Metrorail Project is a partnership led by the Virginia Department of Rail and Public Transportation. Project partners include the Federal Transit Administration, Federal Aviation Administration, Washington Metropolitan Area Transit Authority, Metropolitan Washington Airports Authority, Fairfax County, Town of Herndon, Loudoun County, Virginia Department of Transportation and Dulles Transit Partners, LLC.

The project will provide seamless access to the regional Metrorail system with a one-seat ride to Arlington County and downtown Washington, D.C. With the equivalent peak capacity of four highway lanes on the Dulles Toll road, the Dulles Corridor Metrorail Project will play a key role in helping to manage the growth of congestion for drivers and transit riders alike.

For additional information, visit www.dullesmetro.com.

About DRPT

The Virginia Department of Rail and Public Transportation facilitates the movement of people and goods throughout Virginia. Through rail, public transportation and commuter services, DRPT focuses on congestion relief, economic development and mobility. DRPT's mission is to plan, establish, maintain, improve and promote public transportation services, passenger rail and freight rail transportation systems and transportation demand management strategies that provide efficient mobility and transportation choices to the citizens and businesses of the Commonwealth. For more information, visit www.drpt.virginia.gov.

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MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube and Kala Quintana
DATE: August 25, 2005
SUBJECT: Legislative Items

A. State.

Attached for your information is a draft itinerary of a legislative tour of Northern Virginia to be sponsored by NVTC, VTA, PRTC and the local governments. Commissioners are welcome to join in the event, which is designed to demonstrate the acute need for greater transportation funding here, including the vital role of public transit.

Also attached is a draft VTA legislative agenda. While FY 2006 provided a one-time boost in state aid for transit, FY 2007 promises to be a very dismal year unless the General Assembly acts.

DRPT staff determined that for FY 2007, about \$200 million more state aid would be needed in order to allow the commonwealth to meet the General Assembly's target of a 95 percent matching ratio for transit assistance. Without the additional aid, the matching ratio for capital would plummet to 24 percent and for "operating" assistance to 42 percent. For administration, fuels, times and maintenance (driver wages are not eligible), state aid would have to double to \$189.1 million from \$95.4 million, up \$93.7 million. In NVTC's five WMATA jurisdictions this would add \$62.6 million plus another \$0.6 million for VRE, \$3.9 million for PRTC and \$0.5 million for Loudoun County.

For capital projects (non-federal share), state aid would need to jump to \$133.9 million from \$38.3 million to approach the 95 percent state share target, up \$95.6 million. In NVTC's territory, WMATA and local bus systems would add \$49.4 million, plus \$7.3 million for VRE, \$2.4 million for PRTC and \$0.1 million for Loudoun County.



Combined, all Northern Virginia transit systems would need to receive \$126.8 million more if the state is to meet its 95 percent target.

VTA's members are assembling specific examples of how the additional funding would translate locally into better transit service. One indicator is that statewide \$200 million in additional funding could purchase at least 400 new buses. This fact is illustrated on the attached figure.

Finally, during the ongoing gubernatorial campaign, one of the candidates is repeatedly citing NVTC as his choice to receive the power to identify transportation priorities and propose taxes to pay for them (see attached article).

B. Federal.

Reauthorization of TEA-21

With the passage of SAFETEA-LU on July 29, 2005, Congress provided \$52.6 billion in guaranteed funding for transit through FY 2007, up 46 percent from TEA-21. President Bush has signed the bill into law. Other significant features of the bill include:

- As shown in the attachment from the American Public Transportation Association, several new programs are included such as \$600 million discretionary funding for "Small Starts" (for new starts of \$75 million federal share or less) and the "New Freedom Federal Program" with \$339 million of formula funding for initiatives beyond those required by the Americans with Disabilities Act for persons with disabilities. Also, the New Starts federal share stays at 80 percent. The existing competitive Job Access and Reverse Commute Program is changed to a formula grant program.
- Codified an executive order issued in 2000 that requires federal agencies in this area to offer tax-free transit benefits of up to \$105 monthly to employees. Congress extended the benefits to employees in the legislative and judicial branches. (An increase in the monthly benefit eventually to \$200 was dropped, but efforts are underway to restore this change through the FY 2006 appropriations process.)
- Lifted a ban on agencies providing shuttle services to connect to public transit.
- Exempted the Dulles Corridor Rail Project from new federal standards for cost-effectiveness, which mandates a rating of medium or above for approval. The project has been rated medium-low and will continue to be evaluated under these old standards.
- Provided \$100 million of \$260 million in federal funding assumed in Metro Matters for railcars. While this leaves a gap, substantial increases in formula allocations are anticipated that could reduce the shortfall.

- Initiated a new pilot program for fringe parking with grants to states from \$9.3 million annually nationwide to support HOV travel (Section 176).
- Listed “VRE capacity expansion” under the grouping “preliminary engineering/alternatives analysis” which allows VRE to be a candidate for unearmarked Section 5309 new starts discretionary funding. There are 264 potential candidates listed and authorized funding is \$115 million for FY 2005, \$120 million for FY 2006, \$125 million in FY 2007, \$136 million for FY 2008 and \$144 million for FY 2009.
- Earmarked over FY 2006 through FY 2009 for bus-related projects \$1.7 million for Richmond Highway public transit in Fairfax County; \$2.1 million for improvements to VRE’s station in Fredericksburg; \$2.5 million for the Potomac Yard Busway in Arlington and \$1 million in Alexandria, both to improve bus service by ART and DASH, add shelters and finish the design of the eventual BRT route; \$2.9 million for Columbia Pike bus improvements in Arlington; \$1.7 million for an intermodal transportation center in Falls Church; \$1.7 million for Pentagon City multimodal improvements in Arlington; \$3.1 million for Eisenhower Avenue intermodal station improvements including construction of bus bays, pedestrian highways and lighting; \$1 million for city-wide transit improvements in Alexandria; and \$3.4 million for design to replace the Royal Street Garage in Alexandria.
- The Transportation Research Board produced a comparison of research funding in the remaining five years of the new bill versus the amounts in six-years of TEA-21. Programs for surface transportation research and technology deployment are up 17 percent to \$982 million. Training and education are up 31 percent to \$133.5 million. On the other hand, funding for the Bureau of Transportation Statistics is down 27 percent to \$135 million and ITS Standards, Research, Testing and Development

are down 9 percent to \$550 million. Total funding in the research title of HR3 is up 14 percent to \$2.1 billion. Funding for research in other titles of the bill is up 13 percent to \$501 million.

Transportation Reform for the 21st Century

In 2003 the Brookings Institution began to publish a series of papers about transportation policy reform. These essays have been updated and consolidated into a book to be published soon, authored by Bruce Katz and Robert Puentes. The title is: Taking the High Road--A Metropolitan Agenda for Transportation Reform. The recommended reforms are well worth considering as the reauthorization of TEA-21 did not address most of them:

- Congress should ensure that states do more to meet the needs of their metropolitan areas, that often are donors of tax revenue to other areas;

- More decision-making authority should be provided to metropolitan areas regarding the use of federal transportation aid, since metropolitan local governments currently make decisions on only 10-cents of every transportation dollar they generate and own the vast majority of transportation infrastructure (although the Commonwealth of Virginia owns more than is true of most other states). Even with CMAQ and other regional programs, TEA-21 only provided direct control over seven percent of highway and bridge funding to metropolitan areas;
- Since building out of congestion won't work, Congress should tie transportation funding to integrated regional decision-making on land use, housing and economic development, recognizing that traffic flows are regional, not local or statewide;
- More performance measures are needed since federal transportation programs return more money to state and local governments than any other federal initiative for infrastructure;
- Rearrange the rules that adversely affect transit, including strict project criteria and justifications that don't also apply to highways. Since MPO's spend four times as much on transit with their limited funds as do states, more authority for MPO's will help transit.
- Since elderly populations will double in 25 years, federal policy should accommodate a preference for a "repertoire of travel options to give them freedom and flexibility in the face of declining skills."

The first chapter is available for review at:

www.brookings.edu/book_details.asp?product_id12150.

C. Northern Virginia's Economic Value to the Commonwealth of Virginia.

As shown on the attachment, if Northern Virginia were a state, it would rank ahead of 20 existing states in personal income. Without Northern Virginia, Virginia's rank would plummet to 21st from 12th in personal income and to 39th from 10th in personal income per capita. Northern Virginia would rank first in the U.S. among states in per capita income (at \$62,855), far ahead of the existing top state of Connecticut (at \$45,398).

With 20.5 percent of Virginia's population, Northern Virginia jurisdictions generate 38 percent of the commonwealth's income tax. With 38 percent of fair market value real estate the region collects 42 percent of local real estate taxes, suggesting a greater relative local effort to raise funds to support government services.

Virginia Transit Association

Legislative Agenda for the 2005 Gubernatorial and General Assembly Campaigns and the 2006 General Assembly Session

DRAFT: July 25, 2005

The Immediate and Continuing Need for More State Transit Funding

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

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

If adequate funding could be assured, transit systems could serve Virginia's citizens using more new buses and rail cars and offer increased frequency of service. Indeed, with the additional \$200 million necessary to meet the General Assembly's own statutory target, transit systems could acquire 400 new buses each seating 45 passengers. Even if those buses only made one full trip in the morning and one in the afternoon, 36,000 cars would be removed from Virginia's congested urban highways each day.

With their shares of the \$200 million, transit systems could accomplish the following:

- WMATA:
- Hampton Roads:
- Richmond:
- etc.

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

grows only as fast as vehicle miles traveled so as to maintain its current market share.

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

The time is overdue to act to address this funding crisis. Statewide transit ridership since 1986, the last time transportation user fees were increased in Virginia, has grown 64 percent (to 161 million from 98 million passenger trips). Without \$200 to \$866 million in additional annual state assistance, transit can't continue to serve its existing passengers or expand into new markets to help our communities meet congestion and clean air challenges, save fuel, provide job access, enhance mobility, and boost economic growth. Further, with substantial increases in federal funding for transit anticipated from the reauthorization of TEA-21, local sponsors need an immediate infusion of state dollars to match these federal grants and avoid leaving federal aid on the table.

VTA's Legislative Proposals for Additional Funding for Public Transit

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

1. Restore sufficient permanent funding to the Transportation Trust Fund (TTF) to meet the commonwealth's statutory 95 percent share of transit operating and capital costs (net of fares and federal assistance). This would require at least \$200 million annually (as of FY 2007) in new funds for the limited transit projects and eligible operating costs included in CTB's six-year program. Further, VTA supports action to provide an additional \$411 million annually for transit capital needs in the VTrans 2025 middle scenario, plus another \$455 million annually for unfunded operating costs.
2. VTA also supports the use of unallocated state budget funds for one-time transit capital and operating initiatives, but emphasizes the critical need for a permanent trust fund solution.

3. At least until the commonwealth's 95 percent matching obligation is fulfilled, for new statewide transportation revenue sources not specifically assigned to transit, direct the proceeds to the TTF (of which transit receives a 14.7 percent share) rather than directing such proceeds to the HMOF or new programs from which transit derives a smaller share.
4. Secure the funds in the TTF by adopting a constitutional amendment or other mechanism to prevent diversion of transportation funds to other uses. Similarly, require local governments to maintain their levels of effort as additional state funding is provided.
5. At the same time statewide funding shortfalls are being addressed, VTA supports regional efforts to acquire new and increased revenue sources for public transit. For example, VTA supports the recommendations of the Blue Ribbon Panel on Metro Funding for a new dedicated source of funding for WMATA.
6. If local referendums on funding for multimodal projects are permitted by the General Assembly, VTA calls upon the commonwealth to do so within a unifying state program to avoid balkanization of projects and to ensure that state funds are not reduced in those regions that raise more local revenue. VTA also urges local authorities to include effective transit projects to the maximum feasible extent in any referendum list with a target of at least 50 percent of the total project funding.

Additional VTA Policy Positions

1. Moving people (rather than vehicles) efficiently and safely should be the primary objective of the commonwealth's transportation policies and programs.
2. VTA recognizes that land use is a prerogative of Virginia local governments, and supports legislation that encourages state-funded transportation projects to be coordinated with those local governments through effective land use and multimodal transportation planning while providing safe pedestrian and bicycle access for transit users and others.
3. VTA supports legislation that would allow local jurisdictions located in clean air non-attainment areas to permit the transfer of development rights into districts well served by mass transit.
4. Sufficient state agency funds should be budgeted to expand programs of free and discounted transit passes to all state employees to build on the success in Northern Virginia and take full advantage of federal tax incentives. VTA also supports a rigorous state teleworking effort.

5. With increased levels of federal funding available for homeland security, the commonwealth should give transit security a high priority in allocating funds at its disposal, recognizing that security is now a part of transit's core mission, including funding for security sweeps, explosive detecting dogs and training.
6. Recognizing the growing interest in high occupancy toll (HOT) lanes and the use of the Public Private Transportation Act (PPTA) as means to complete transportation projects that otherwise could not be funded, VTA urges (to the extent permitted by federal law) that transit operating and maintenance expenses be a priority use of toll revenues in excess of debt service; that public transit vehicles be exempt from tolls; that through multimodal planning the new facilities include adequate access for and provision of public transit services; that any loss of federal formula grant funds from the Federal Transit Administration that may result from converting HOV lanes to toll lanes should be fully reimbursed from toll revenues; and that credits for tolls as match for federal grants should be used for transit in addition to CTB's current practice of matching highway grants.
7. Recognizing the synergy between public transit and expanded commuter and intercity passenger rail services, and consistent with the recommendations of the Governor's Commission on Rail Enhancement for the 21st Century, the Virginia Transit Association favors requirements that would provide access to any such new sources of state funding for freight railroads only if the private railroads provide matching funds, allow access for public passenger rail service on reasonable terms and agree to complete projects entrusted to them on time and on budget.
8. VTA favors revised state parking policies. For example, in attracting new industry, state economic development funding should emphasize transit and pedestrian access instead of only parking.
9. VTA favors state efforts to boost multimodal approaches to transportation in congested corridors. The commonwealth should consider a limited pilot program of providing corridor-specific block grants of new revenue to regions to evaluate and implement multimodal solutions. This pilot program should be informed by JLARC's study of trade-offs between modes in VTrans 2025.



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Gridlock one thing nominees agree on

By Heather Greenfield

ASSOCIATED PRESS

Published July 18, 2005

When it comes to resolving gridlock in a region ranked third nationally for traffic problems, the candidates for Virginia governor are riding in the same vehicle — at least along part of the road.

They agree traffic threatens Northern Virginia's economic development and quality of life.

"It's critical. The next governor is going to have to move decisively and quickly," said former Virginia Attorney General Jerry W. Kilgore, Republican candidate for governor.

Lt. Gov. Timothy M. Kaine, the Democratic nominee, agrees the problem has been a lack of leadership, saying growth in Northern Virginia got ahead of planned infrastructure.

Both candidates want to put the trust back in the state's transportation trust fund with a constitutional amendment to protect it from legislative raids.

And while neither candidate wants to levy any new taxes for transportation, Mr. Kilgore is willing to let residents decide. He proposes giving the Northern Virginia Transportation Commission the power to identify transportation priorities and propose taxes to pay for them. Voters then would decide in a referendum.

Mr. Kilgore also would like a constitutional amendment to allow taxes raised by local authorities for transportation projects to stay in that area without having to go through Richmond.

Kilgore spokesman Tucker Martin said Northern Virginia voters rejected a half-cent increase in the sales tax for transportation projects in 2002 because they didn't trust Richmond with the money.

Mr. Martin realizes getting a constitutional amendment to bypass Richmond would take years. In the meantime, Mr. Kilgore vows to veto any budget that tries to make the money come through Richmond first.

"This is a priority," Mr. Martin said. "It is something he will act on in the first legislative session."

A Kaine spokeswoman criticized the plan as too slow.

"I supported Northern Virginia's right to have a referendum [in 2002], but that's no substitute for leadership at the state level," Mr. Kaine said.

A regional transportation specialist is not impressed with what he has heard so far from the candidates.

"They're talking to the issue, but they're not putting something out there to get it done," said John McClain, deputy director of the Center for Regional Analysis at George Mason University.

Mr. McClain salutes the idea of giving more control to a local transportation body. But he warns it would be too slow to solve critical transportation problems he expects will only get worse if military jobs leave Arlington and Alexandria for Fort Belvoir.

Mr. McClain said the candidates should price critical road and transit projects, then raise the gasoline tax to pay for them.

"Show some leadership. Bite the bullet and do it," advised Mr. McClain, adding, "I don't have much hope."

Neither candidate sounds likely to lobby the General Assembly to pass a quarter-percent regional sales-tax increase in Northern Virginia to give Metro a permanent source of funding. A blue-ribbon panel recommended the tax also be imposed in the District and parts of Maryland.

"I think it would have a real hard time because of questions about the management of Metro and its efficiency," Mr. Kaine said.

Mr. Kilgore said a regional sales-tax increase could be an issue for his more influential Northern Virginia Transportation Commission to decide and then put before voters.

When it comes to specific Northern Virginia road projects, the candidates split.

Mr. Kaine supports adding toll lanes to widen the Capital Beltway and would also like to widen Interstate 66 west of the Beltway. Mr. Kilgore supports widening I-66 east of the Beltway, which is mostly two lanes each way under an old agreement that got the road built,

Before deciding on the need for a new Potomac River bridge, Mr. Kaine wants more data on the number of "horseshoe" commutes, so named for the route people must take to travel between the Dulles area and Interstate 270 in Maryland.

Mr. Kilgore said he is prepared to take the lead in getting a new bridge, citing a 1960s planning report that recommended seven crossings to handle traffic.

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*****FINAL DRAFT*****

Addressing the Mobility Needs in Northern Virginia

A Tour for Virginia Legislators

Hosted by the Virginia Transit Association, the Northern Virginia Transportation Commission, and the Potomac and Rappahannock Transportation Commission

Dates: September 12-13

Day 1

Legislators arrive in Fredericksburg or at the dinner destination in the Reston area (NoVa Members).

4:30 pm

- Legislators arrive in Fredericksburg.

5:00 pm

- Depart for Reston via I-95 north, Beltway and Dulles Toll Road to view congestion heading south
- Discuss Dulles Rail Project as bus goes through Tyson's Corner and out the Dulles Corridor.

7:00

- Check into Hyatt Reston Town Center

7:30 pm

- Dinner in the Reston area and meet up with NoVa legislators.
- Welcoming remarks by Joe May, Gerry Connolly (if available) and others.
- No other presentations during dinner.

10:00 pm

- Retire to Reston Hyatt

Day 2

7:00 am

- Breakfast
- (Preview of Days Activities by _____, welcome by Gerry Connolly, if not done previous evening).

7:45 am

- Depart hotel via Fairfax Connector bus via Fairfax County Parkway and I-66 to the Vienna Metrorail Station -- additional discussion of Dulles Rail Project (Gerry Connolly) and Connector, Loudoun County CUE and GEORGE bus operations while on the bus.
- At Vienna Station: brief discussion of user funded parking projects, crowding on the Orange Line, and SmarTrip Cards.
- Ride the Orange Line to the Ballston Station in Arlington (before leaving the station note Orange Line crowding and difficulty passengers have boarding train).

9:00 am

- Bus tour of development above/around the Ballston Metrorail Station (only traveling a short distance from the station) (Arlington County Economic Development Staff).

9:30 am

- Meeting room in CACI building- Arlington Economic Development Office.
- Welcome by Arlington County Board Member Chris Zimmerman paired with developer.
- Continue Transit Oriented Development Presentation

10:00 am

- Break & Refreshments

10:20 am

- Overview of Northern Virginia transportation and mobility situation currently, projections, and needs including air quality concerns; Northern Virginia self help including general fund contributions, local bonds, fare and parking increases; toll increases.
- Discussion of results of NVTA Survey – David Snyder.

11:00 am

- WMATA presentation with Question and Answer with Richard White (and Metro board members, if available).
- Discussion of Federal Legislation with Rep Tom Davis.
- Funding of Metro: Current resources, expenditures and unmet needs.
- Need for a dedicated funding source and/or Blue Ribbon Panel recommendations.
- Lunch during presentations.

1:00 pm

- Break

1:15 pm

- DASH bus from Arlington to King Street VRE Station via Alexandria to view economic development along transit routes.
- En route discussion of ART and DASH.
- Welcome by Mayor Euille.

2:30 p.m.

- Continue on bus to Franconia-Springfield VRE Station.
- En route discussion of Richmond Highway Public Transportation Initiative).

3:00 pm

- Arrive at Franconia-Springfield Transportation Center
- Impact and benefits of transit for businesses in the region with Jack Mutarelli, Calibre.
- Brief tour of Franconia-Springfield with Dana Kauffman.
- Discussion of inter-modal aspects of station: Metro, VRE, local bus, Greyhound.
- VRE presentation by Dale Zehner; PRTC presentation with Al Harf.

4:38 pm

- VRE Train to Fredericksburg (arrives 5:35 pm).
- Northern Virginia legislators will be transported back to Reston Hyatt via Fairfax Connector bus.



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August 3, 2005

Tea 21 Reauthorization Bill Passed And Sent To President! Congress Also Passes 12th Short-term Extension of TEA 21

SAFETEA-LU Authorization Bill Guarantees \$52.6 Billion for Transit!

On Friday, July 29, the conference agreement on the Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (H.R. 3) (SAFETEA-LU) was overwhelmingly approved by the House (412-8) and Senate (91-4). Separately that same day, Congress passed a 12th short-term TEA 21 extension through August 15 which the President signed into law July 30. That extension does not provide new funding authority but keeps transit and highway programs running until the President signs the new long-term bill into law. A Presidential bill-signing ceremony is expected to be held August 10.

The bill provides \$286.4 billion in guaranteed funding for federal surface transportation programs over six years through FY 2009, including \$52.6 billion for federal transit programs - a 46% increase over transit funding guaranteed in TEA 21. For the transit program the bill provides \$8.6 billion in FY 2006; \$9.0 billion in FY 2007; \$9.7 billion in FY 2008; and \$10.3 billion in FY 2009.

Summary of SAFETEA-LU Transit Provisions and Funding

The chart below shows the bill's funding levels. Also below is a summary of the transit title of the bill, title III - the Federal Public Transportation Act of 2005 - and its accompanying Conference Report (H. Rept. 109-203). The bill and Conference Report are available for review at www.house.gov/rules. While this summary reflects a six-year transit authorization program, the bill technically authorizes funding for FY 2005 through FY 2009. FY 2004 funding was authorized under the Surface Transportation Extension Act of 2004, Part IV (PL 108-290).

APTA will be developing more materials and information on SAFETEA-LU, and will be scheduling a webinar to review its details soon.

New Programs

The following new transit programs are created under the bill:

Growing States and High Density States Program (§ 3009) distributes funds to the urbanized area formula and rural formula programs under new factors. Half of the funds are made available under a formula based on population forecasts for 15 years beyond the most recent Census; amounts apportioned for each state are then distributed between urbanized areas and rural areas based on the ratio of urban/rural population within each state. The High Density States program distributes the other half of the funds to states with population densities in excess of 370 persons per square mile. These funds are apportioned only to urbanized areas within those states.

SAFETEA-LU Funding Levels

Program	FY 2004 (Millions)	FY 2005 (Millions)	FY 2006 (Millions)	FY 2007 (Millions)	FY 2008 (Millions)	FY 2009 (Millions)	Six-Year Total (Millions)
Total All Programs	7,309.0	7,646.3	8,622.9	8,974.8	9,730.9	10,338.1	52,622.0
Formula Programs Total	3,964.0	4,123.9	4,671.7	4,860.3	5,268.1	5,596.6	28,484.6
§ 5307 Urbanized Area	3,445.9	3,593.2	3,466.7	3,606.2	3,910.8	4,160.4	22,183.2
§ 5340 Growing/High Density States	---	---	388.0	404.0	438.0	465.0	1,695.0
§ 5311 Rural Area	240.6	250.9	388.0	404.0	438.0	465.0	2,186.5
§ 5310 Elderly and Disabled	90.7	94.5	112.0	117.0	127.0	133.5	674.7
§ 5317 New Freedom	---	---	78.0	81.0	87.5	92.5	339.0
§ 5338(a)(2)(C) Alaska Railroad	4.8	4.8	---	---	---	---	10
§ 5308 Clean Fuels Formula	50.0	49.6	43.0	45.0	49.0	51.5	288.1
§ 3038 Over-the Road Bus	7.0	6.9	7.5	7.6	8.3	8.8	46.0
§ 5316 Job Access/Reverse Commute	125.0	124.0	138.0	144.0	156.0	164.5	851.5
§ 5320 Alternative Transp. in Parks	---	---	22.0	23.0	25.0	26.9	96.9
§ 5335 Reports and Audits	---	---	3.5	3.5	3.5	3.5	14.0
§ 5339 Alternatives Analysis	---	---	25.0	25.0	25.0	25.0	100.0
§ 5309 Capital Investment Total	3,137.5	3,312.1	3,716.3	3,869.5	4,197.8	4,459.8	22,692.9
Fixed-Guideway Modernization	1,206.5	1,204.7	1,391.0	1,448.0	1,570.0	1,666.5	8,486.7
New Starts Total	1,323.8	1,437.8	1,503.0	1,566.0	1,700.0	1,809.3	9,339.9
<i>New Starts Less Than \$75 Million</i>	---	---	---	200.0	200.0	200.0	600.0
<i>New Starts \$75 Million or More</i>	---	---	---	1,366.0	1,500.0	1,609.3	4,475.3
Bus and Bus Facilities	607.2	669.6	822.3	855.5	927.8	984.0	4,866.3
Planning Total	73.0	72.4	95.0	99.0	107.0	113.5	559.9
§ 5303 Metropolitan Planning	60.4	59.9	78.6	81.9	88.5	93.9	463.2
§ 5313 State Planning	12.6	12.5	16.4	17.1	18.5	19.6	96.8
Research Total	59.0	60.6	58.0	61.0	65.5	69.8	373.8
§ 5311(b)(2) RTAP	5.3	5.2	---	---	---	---	10.5
§ 5313(a) TCRP	8.3	8.2	9.0	9.3	9.6	10.0	54.3
§ 5315 National Transit Inst.	4.0	4.0	4.3	4.3	4.3	4.3	25.2
§ 5314 National Research	35.5	37.2	37.7	40.4	44.6	48.5	243.9
§ 5506 University Centers	6.0	6.0	7.0	7.0	7.0	7.0	40.0
FTA Operations	75.5	77.4	82.0	85.0	92.5	98.5	510.9

Small Starts Program (§ 3011) is funded by take down from the capital investment program. It would provide funding for smaller projects with a federal New Starts share below \$75 million, including streetcar, trolley, bus rapid transit (if a substantial portion of the project operates in a separate right of way in a defined corridor dedicated for public transit use during peak hours or it has other characteristics of a fixed guideway system), and commuter rail projects. Small Starts projects could not total more than \$250 million. Simplified procedures and criteria apply to the program.

Alternatives Analysis Program (§ 3037) provides \$25 million each fiscal year from FY 2006 through FY 2009 for alternatives analysis for New Starts projects. Earmarked projects are specified for FY 2006 and FY 2007.

New Freedom Program (§ 3019) would provide formula funding for new transportation services and public transportation alternatives beyond those required by ADA to assist persons with disabilities. The New Freedom Program would be allocated using a formula based on the disabled population in a state, with 60% of the funds allocated to urbanized areas with populations larger than 200,000, 20% to states for use in urbanized areas of less than 200,000, and 20% to states for use in rural areas. The funds would be made available to transit systems and the states. The program contains language mandating coordination of transportation services with other federal human service programs. The labor protection provisions at § 5333 (formerly known as section 13(c)) do not apply to this new program.

Alternative Transportation in Parks and Public Lands Program (§ 3021) designed to develop public transportation in National Parks, with the goal of improving mobility and reducing congestion and pollution. The Departments of Transportation and Interior will work cooperatively to develop and select capital projects. The labor protection provisions at § 5333 (formerly known as section 13(c)) do not apply to this new program.

Other Programs & Provisions

Metropolitan Transportation Planning (§ 3005)

The bill maintains a strong metropolitan planning program with increased funding. The bill consolidates all provisions for metropolitan planning under section 5303 of title 49. It maintains the requirement for separate transportation plans and transportation improvement programs (TIP) and requires certification and updating of the metropolitan plan and TIP every four years. The current law provisions regarding the scope of the planning process are amended to provide more detail on how protection of the environment is to be considered and adds a reference to planned growth patterns. A new public participation plan is established to afford parties who participate in the metropolitan planning process a specific opportunity to comment on the plan and TIP before its approval. A new provision is added that requires the Secretary to issue rules regarding the publication of the projects in the transportation improvement program for which funds have actually been obligated.

Urbanized Area Formula Program (§ 3009)

Consistent with APTA's recommendation, the bill establishes a new tier for transit intensive urbanized areas with less than 200,000 in population that will grow from \$35 million in FY 2006 to \$42 million in FY 2009 funded through a set aside from the formula program. Transit agencies in urban areas reclassified as being larger than 200,000 in population under the 2000 Census may continue to use formula funds for operating expenses in FY 2006 at 50% of their current limits, and 25% in FY 2007. The transit enhancement program will be administered by certification, and a grantee must submit an annual report of such projects to the FTA.

New Starts Program (§ 3011)

The bill does not change the New Starts federal share of 80%. The bill includes a number of earmarks (see § 3043). As noted previously, a new Small Starts Program is created for smaller projects with a federal share of less than \$75 million. The current three-level rating system for New Starts is replaced by a five-level system – High, Medium High, Medium, Medium-Low, Low. Economic development/land use is explicitly added to the project justification criteria. A grantee will be allowed to keep a portion of the cost savings when projects are completed under budget. A higher than requested federal share can be provided for projects which keep cost and ridership estimates within ten percent of the forecasts used as basis for establishing locally preferred alternative. FTA is to implement New Start Program changes by a rulemaking. There is a pilot program to demonstrate the benefits of public private partnerships. The FTA annually is to issue a contractor performance assessment report to analyze the consistency and accuracy of cost and ridership estimates made by contractors developing major capital investments. The FTA may take into consideration extenuating factors outside the control of a contractor in making its evaluations.

Fixed Guideway Modernization (§ 3011)

The bill does not change the Fixed Guideway Modernization program or distribution formula.

Discretionary Bus (§ 3011)

The bill makes few changes in the program, but provides significant increases in funding. Some 600 earmarks are included in this section with approximately \$10 million for ferryboats and related facilities; these earmarks cover about half of the discretionary bus program resource in each fiscal year through FY 2009. The bus earmarks may be viewed at www.house.gov/rules. A new intermodal facilities program is established with a \$35 million annual set aside from the discretionary bus program. The intercity portion of intermodal terminals is eligible for funding under this program if the facility serves as a connector to public transportation.

Rural Program (§ 3013)

The bill significantly increases funding for the rural program of the transit formula program. A new formula tier based on land area is established to address the needs of low-density states; 20% of section 5311 funds are distributed through this tier. Indian tribes are added as eligible recipients, and a portion of funding is set aside each year for Indian tribes - \$8 million in FY 2006 and rising to \$15 million by FY 2009. Rural transit systems receiving formula funds will be required to report data to the National Transit Database; report language states that the reporting requirements should be tailored to the smaller size of most rural agencies. The sliding scale federal match available under the federal highway program for states with a high percentage of federal lands is now available as well under the section 5311 program. The bill codifies current practice by requiring the Secretary of Labor to use a special warranty for § 5333 requirements (formerly known as section 13(c)). The rural transportation assistance program is funded with a 2% set aside of the rural formula program rather than from the Research program as under current law. Up to 15% of such funds can be used by FTA to carry out national projects.

Formula Grants for Special Needs of Elderly Individuals and Individuals with Disabilities (§ 3012)

The conference agreement maintains the current program for special needs of elderly individuals and individuals with disabilities. Because of strong interest in extending the authority to use section 5310 grant funds for operating assistance, a new seven-state pilot program is established for fiscal years 2006 through 2009 to determine whether this expanded authority improves services to elderly individuals and individuals with disabilities.

Job Access and Reverse Commute (JARC) Formula Grants (§ 3018)

The JARC program is changed to become a formula program rather than the existing competitive discretionary grants program. The formula is based on ratios involving the number of eligible low-income and welfare recipients in each urbanized area, with 60% of funds going to urban areas with more than 200,000 population, 20% for urban areas with less than 200,000 population, and 20% to rural areas. The bill contains report language expecting the FTA to continue its practice of providing maximum flexibility to job access projects designed to meet the needs of individuals who are not effectively served by public transportation. The bill requires coordination between private, non-profit, and public transportation providers and other federal programs in the JARC program, the New Freedom Program, and the Elderly and Disabled program.

Clean Fuels Grant Program (§ 3010)

The bill reauthorizes the Clean Fuels grant program with some modifications. Grants would be provided for the purchase clean fuels buses, including clean diesel vehicles (up to 25% of grants annually), in certain non-attainment areas and areas trying to maintain compliance with clean air standards. Grants would be made by the Secretary.

Research Programs (§ 3014)

The research programs are generally unchanged. The Transit Cooperative Research Program would grow from its current fixed amount of \$8.2 million a year to \$10 million in FY 2009. A number of studies and entities are funded: a National Academy of Sciences study of 38 transit systems ability to accommodate evacuation in times of emergency; Center for Transit Oriented Development at \$1 million a year; transportation equity research program to assess transportation impacts on transit dependent at \$1 million a year; transit career ladder training program at \$1 million a year; pilot program for remote infrared audible signs \$500,000 per year; hydrogen fuel cell shuttle deployment demonstration project at \$800,000 each year for two years; human services transportation coordination at \$1.6 million per year; Portland streetcar prototype deployment at \$1 million per year; public transportation participation pilot program at \$1 million a year; transportation infrastructure and logistics research at \$500,000 a year for University of Alabama at Huntsville; National Bus Rapid Transit Institute at \$1.75 million a year for University of South Florida; ITS application at \$400,000 for Northern Kentucky University; ITS pilot project at \$465,000 for Ohio State; regional public safety training center at \$500,000 a year for Lehigh-Carbon Community College; transit security training facility at \$750,000 for Chester Community College; Small Urban and Rural Transit Center \$800,000 per year at North Dakota State University; advanced technology BRT at \$500,000 per year for Connecticut project; New Haven fuel cell-powered bus research at approximately \$500,000 a year; Center for Advanced Transportation Initiatives at approximately \$500,000 a year at Rutgers; New Jersey Institute of Technology TELUS program at approximately \$500,000 a year; Southern California regional transit training consortium pilot program at \$540,000 a year.

Transit Commute Benefit (§ 3049)

The bill does not increase the transit commute benefit. The bill does provide that all qualified federal employees in the National Capital Region will receive the tax-free transit benefit to cover their commuting costs up to the maximum allowed by law. In addition, a federal agency may provide shuttle service to a transit facility, a previously restricted activity.

Buy America (§ 3023 (i))

The bill includes language requiring FTA to conduct a rulemaking on the Buy America program to clarify that the microprocessor waiver is limited to computers and similar devices; define end product to ensure that major systems procurements are not used to circumvent Buy America, and that such definition include a list of representative items subject to the Buy America requirements; provide for non-availability waivers after contract award; and clarify that it is the certification submitted with a final offer that applies to a negotiated procurement. The issues outlined for the rulemaking are consistent with the principles developed by APTA's Buy America Task Force.

Charter Bus (§ 3023 (d))

The bill permits the partial withholding of federal funds by the FTA in the case of a continuing pattern of violations of the charter or school bus law and regulations. Report language accompanying the bill calls for a negotiated rulemaking by the FTA to consider ways to improve the charter bus complaint and appeals process; improve the administration and enforcement of the charter bus regulation, including use of the internet to help communications; and to consider whether there are potential limited conditions under which public transit agencies can provide community-based charter services directly to local governments and private non-profit agencies that would not otherwise be served in a cost-effective manner by private operators. Under a negotiated rulemaking, a balanced group of public and private providers would meet with a representative of the FTA as part of a federally chartered advisory committee to negotiate the text of a proposed rule. Meetings are announced in the Federal Register and are open to the general public. If the group cannot agree on the text of a proposed rule, FTA would draft it.

Changes to § 5333 Labor Protection Provisions (§ 3031)

The bill does not apply "13(c)" labor protection provisions to two new programs created under the bill, the New Freedom and Alternative Transportation in Parks and Public Lands Programs. The bill codifies the Department of Labor Las Vegas decision relating to contractor-to-contractor issues in cases involving buses. Further, the administrative special warranty for section 5311 programs is now codified in law. Finally, grants for purchase of like-kind equipment do not have to be referred by DOL prior to certification.

Bus Dealer Requirements (§ 3025 (i))

The bill provides that no state law requiring buses to be purchased through in-State dealers shall apply to vehicles purchased with a grant under the federal transit program.

Bus Axle Weight Limitations (§ 1309)

The bill extends the current exemption from axle-weight limitations for transit buses and over-the-road buses through FY 2009.

General Provisions

- Certain bond proceeds may be used as local matching funds. Section 5307 funds may be deposited in a debt service reserve under a pilot program for ten eligible recipients.
- Security and emergency preparedness projects, including training and drill expenses, are eligible for capital funding.
- A transit system may allow the incidental use of federally funded alternative fueling facilities and equipment by nontransit public entities and private entities so long as funds earned are used for transit purposes.
- The bill would increase the take down for project management oversight as follows: 0.5% of 5305 funds; 0.75% of 5307 funds; 1% of 5309 funds; 0.5% of 5310 funds; 0.5% of 5311 funds; 0.5% of 5320 funds – and add "safety and security management" to project management and oversight review requirements.
- The bill provides flexibility to permit transit systems complying with more than one DOT drug and alcohol testing to simplify the varying requirements.
- The bill would change all references in transit law from "transit" to "public transportation."

Federal Highway Programs

The federal highway program essentially continues existing programs affecting transit. The highway portion of the bill includes new opportunities to use tolling programs to reduce traffic, increase capacity of the overall transportation system and help fund improved transit services. In addition, eligibility is broadened under the Congestion Mitigation Air Quality largely to support diesel retrofit programs, electronic plug-ins for trucks, and traffic flow/operational improvements with clean air benefits.

For Further Information

For further information on the funding chart, contact APTA's John Neff at jneff@apta.com or (202) 496.4812, and for information on any of the provisions of the bill contact Dan Duff at dduff@apta.com or (202) 496.4860, or Rob Healy at rhealy@apta.com or (202) 496.4811.

**NORTHERN VIRGINIA'S ECONOMIC VALUE TO THE
COMMONWEALTH OF VIRGINIA**

--July 13, 2005--

While the term “economic engine” may be somewhat overused in describing Northern Virginia’s importance to the economic health of Virginia, as shown in the table below it is undeniable that the commonwealth’s prosperity depends on the state and local tax revenues paid by residents of the six members of NVTC.

Using the most recent published figures from the Virginia Department of Taxation, those six local jurisdictions comprised the following percentages of statewide totals:

- Population: 20.5%
- Sales Tax Collections: 28.4%
- Recordation Tax: 41.3%
- Income Tax: 38.2%
- Fair Market Value Real Estate: 38.0%
- Real Estate Levies: 41.9%
- Tangible Personal Property Levies: 34.9%

Governing magazine has just published rankings by state for personal income (Virginia was 12th) and per capita personal income (Virginia was 10th). Excluding Northern Virginia’s amounts from the Virginia total, Virginia would drop to 21st from 12th in personal income and to 39th from 10th in personal income per capita. If Northern Virginia were a state, it would rank ahead of 20 states in personal income. It would be number one in per capita income at \$62,855 (number two would be Connecticut, far behind at \$45,398 per capita).

Northern Virginia Shares (%) of Statewide Population and Taxes							
Jurisdiction	% Pop	Actual CY04 1% Local Option Sales	2000-04 Average Recordation Tax	CY02 Income Tax	CY03 FMV Real Estate	CY03 Local Real Estate Taxes	CY03 Tangible Pers. Prop. Levies
Arlington	2.676	3.343	4.191	5	5.6	5.5	4.1
Fairfax	13.696	16.203	25.085	24.7	22.8	26.5	22
Loudoun	1.907	4.776	8.583	7.4	5.4	5.6	5.4
Alexandria	1.812	2.513	3.095	3.1	3.3	3.4	2.9
Fairfax	0.304	1.17	0.22	0.4	0.6	0.5	0.4
Falls Church	0.147	0.41	0.156	0.3	0.3	0.4	0.1
Total:	20.542	28.415	41.33	38.2	38	41.9	34.9

Source: Virginia Department of Taxation





Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



AGENDA ITEM #8C

NORTHERN VIRGINIA'S ECONOMIC VALUE TO THE COMMONWEALTH OF VIRGINIA

-September 1, 2005-



LEVEL OF EFFORT



<u>Category</u>	<u>NVTC's Six Jurisdictions % of State</u>
Population	20.5%
Sales Tax Collected	28.4%
Recordation Tax	41.3%
Income Tax	38.2%
Fair Market Value Real Estate	38.0%
Real Estate Levies	41.9%
Tangible Personal Property Levies	34.9%

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



IF NORTHERN VIRGINIA WERE A STATE



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

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners

FROM: Rick Taube, Kala Quintana, Elizabeth Rodgers, Adam McGavock

DATE: August 25, 2005

SUBJECT: Regional Transportation Items

A. BWI SmartPark and BART Smart Parking Systems

Holiday decorators are not responsible for the rows of red and green lights that adorn the ceilings of the new Daily A Garage and Hourly Garage at BWI Airport. The lights are there year-round, part of an innovative system that lets customers know where to find open parking spaces in crowded parking garages. Sensors above each parking space communicate the space's availability to a central computer, which then relays this information to electronic signs located at the end of each row of parking spaces. When a customer drives down the central aisle of the garage, these bright LED readouts show a green arrow or red "X", indicating the availability and number of open parking spaces. There are also green and red LED lights above each space, indicating whether a space is occupied. When a vehicle enters a row, the number of available parking spaces that is shown on the display sign at the end of the row is reduced by one.

The components of the SmartPark system are simple and straightforward, with ultrasonic sensors connected to a Windows 2000 PC via telephone cord. The LED display signs are connected to the computer via similar cables. So far, BWI



has spent \$600,000 to deploy the SmartPark system on 1,000 spaces, and it is estimated that it will cost an additional \$3 million to wire the remaining 3,600 parking spaces at the airport. The SmartPark system is manufactured by Schick, a Swiss technology firm. In addition to BWI Airport, SmartPark is deployed in several other locations around the world, including an underground mall in Barcelona, the Samsung headquarters in Seoul, and it is scheduled to be deployed at the Jacksonville airport in Florida.

The BART system in San Francisco is in the process of introducing a similar innovative parking system that is not only designed to make it easier for customers to find a vacant spot, but also to reduce congestion on adjacent roadways. Working in conjunction with CalTrans, the California Partners for Advanced Transit to Highways, the Quixote Corporation of Chicago, and Acme Innovations of Emeryville California, BART is implementing a pilot program that uses flashing signs on the highway to display realtime updates on the number of parking spaces available at the BART station. BART hopes that the real-time updates of available parking will lure commuters off of congested roadways and on to their trains. The system also allows customers to reserve spaces up to two weeks in advance via the internet, and track availability via the internet, cell phone, or PDA.

Sensors track the number of vehicles entering and exiting the parking facility,



and this information is routed to a central computer that maintains a master record of available spaces. This real-time information is then routed to the display signs, and also to customers via the internet, cell phones, and PDAs. The current pilot project involves only 50 spaces, but project officials are pleased with the outcome thus far, and are optimistic that plans for expansion may soon be underway. The cost per

parking space of the pilot program was approximately \$200, but that cost is expected to drop to between \$30 and \$40 dollars a spot for subsequent applications.

B. HOV Enforcement Task Force

On May 12, 2005 the task force convened to consider VDOT's improved methods of measuring and reporting performance, the Virginia State Police's enforcement efforts and new data on hybrid vehicle registrations. The task force will complete its third and final report this fall. It was created by Virginia's

Transportation and Public Safety secretaries.

Examples of the material discussed at the meeting include:

- 1) Travel time savings in some HOV corridors exceed 45 minutes and time savings per mile are quite consistent among longer and shorter corridors.

- 2) VDOT is providing web-based real-time charts of travel speeds that allow comparisons between HOV and conventional lanes and also permit trend analysis using archived data.
- 3) Ironically, the General Assembly has provided to private toll road authorities the power to use photo enforcement, but has denied localities that opportunity.
- 4) Hybrid vehicle registration (measured by clean fuel license plates issued) reached 9,200 statewide as of May, 2005, with 85 percent in use in Northern Virginia. Virginia trails only California in hybrid registrations in 2004 and the Washington D.C. metropolitan area trails only Los Angeles and San Francisco. The reauthorization of TEA-21 may contain language that defines the maximum permissible degradation of HOV speeds due to exemptions. If so, the CTB may be asked to act to remove immediately the current exemption for hybrid vehicles. Currently the Virginia exemption is set to expire in 2006. The task force seemed to believe that it would be useful to see data on the extent to which air pollution would change if growing hybrid vehicle use led to clogging of the HOV lanes.
- 5) As an example of a successful State Police enforcement campaign, an effort in April, 2005 using 14 troopers resulted in over 900 tickets, including a third for reasons other than HOV violations (e.g. expired licenses, outstanding warrants and one carjacking). Of the remaining 600, 41 were second offenders and 10 were third offenders. About \$150,000 in fines is expected to result from these tickets. In a different enforcement effort, the extent of unmarked law enforcement vehicles using the HOV lanes also became apparent. Thirty-eight such exempt vehicles were stopped and released while 155 tickets were issued to violators in the Newington to Pentagon corridor of I- 95/395. Many more law enforcement vehicles were recognized before they were pulled over. Public reaction overall to the increased enforcement has been very positive.

C. NVTC Correspondence.

Attached for your information are additional items pertaining to NVTC correspondence.

Clean Special Fuel (CF) License Plate Data

Date of Data Collection	5-Feb-05	19-Mar-05	9-May-05
Total Number of Active CF Plate Registrations Statewide	8,412	8,882	9,281
Increase/(Decrease) from Previous Run	n/a	470	379
Total Number of Active CF Plate Registrations Statewide that are Hybrids	8,161	8,622	8,998
Increase/(Decrease) from Previous Run	n/a	461	376
Percentage of Total Active CF Plate Registrations Statewide that are Hybrids	97%	97.1%	97.2%
Total Number of Active CF Plate Registrations in Select Northern Virginia Jurisdictions	7,136	7,521	7,826
Increase/(Decrease) from Previous Run	n/a	385	305
Percentage of Total Active CF Plate Registrations Statewide in Select Northern Virginia Jurisdictions	84.8%	84.7%	84.5%
Total Number of Active CF Plate Registrations in Select Northern Virginia Jurisdictions that are Hybrids	6,949	7,330	7,632
Increase/(Decrease) from Previous Run	n/a	381	302
Percentage of Total Active CF Plate Registrations in Select Northern Virginia Jurisdictions that are Hybrids	97.4%	97.5%	97.5%
Percentage of Total Active Hybrid CF Plate Registrations Statewide that are in Select Northern Virginia Jurisdictions	85.1%	85%	85%

NOTE: Select NOVA jurisdictions include: Cities of Alexandria, Fairfax, Falls Church, Manassas, Manassas Park; Counties of Arlington, Fairfax, Loudoun, Prince William and Stafford (these jurisdictions were selected because they are subject to the emissions inspection program pursuant to Va. Code § 46.2-1178)



Hybrid Vehicle Registrations Increase 81 Percent In 2004

R. L. Polk & Co. reports Prius as dominant leader with 64 percent market share

SOUTHFIELD, Mich. (April 25, 2005) – Nationwide registrations for new hybrid vehicles rose to 83,153 in 2004 – an 81 percent increase from 2003 according to R. L. Polk & Co. The Toyota Prius recorded 53,761 new hybrid vehicle registrations in 2004, a 33 percent increase over 2003. The Prius occupies 64 percent of the hybrid market, a sizeable lead over the Honda Civic, which had 25,586 registrations and 31 percent market share. (Graph 1). Since the introduction of hybrid vehicles in 2000, the market has grown by more than 960 percent.

"Expectations of continuing high gas prices, combined with the introduction of new models to the consumer market, have heightened interest in hybrid vehicles," said Lonnie Miller, director of Polk's Analytical Solutions. "Hybrids offer improved fuel efficiency and lower emissions while maintaining the functionality and convenience of gasoline-powered vehicles. Hybrid technology is also easy to produce and works within the existing transportation infrastructure."

Hybrid vehicles are automobiles powered by internal combustion engines, but are also equipped with batteries recharged during driving and an electric motor to assist with power demand. There are different levels of hybrids, ranging from minor systems to "full hybrid" systems. Hybrids do not need to be plugged in, yet they deliver superior mileage and are considered environmentally-friendly alternatives to traditional internal combustion vehicles.

HYBRID BUYER OPTIONS EXPANDING

The range of hybrid vehicle choices continues to expand. In addition to the Toyota Prius, Honda Civic, Accord and Insight, and Ford Escape, several new hybrid models were introduced in the past few months including the Dodge Ram, Lexus RX 400h and the Mercury Mariner. The 2006 model year will expect to see the introduction of a hybrid version of the Saturn VUE, Toyota Highlander and the Nissan Altima. Major manufacturers are planning a total of almost a dozen new hybrid vehicles in the next three years.

REGIONAL STRENGTHS

California strongly outpaces all other states in new hybrid vehicle registrations. In 2004 there were 25,021 new hybrid vehicle registrations in California, about 4.5 times that of second place Virginia with 5,613. Washington came in third with 3,441; Florida came in fourth with 3,272 and Maryland rounds out the top five with 3,238 new hybrid vehicle registrations in 2004 (Table 1).

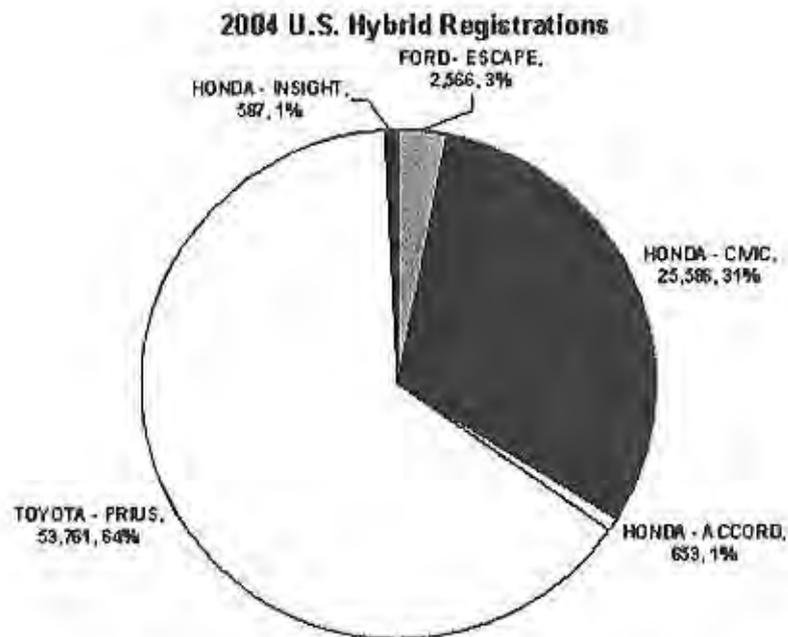
Similarly, Los Angeles remains the top metropolitan area for hybrid vehicles with 10,399 new hybrid vehicle registrations in 2004, more than doubling the total from 2003. San Francisco came in second at 8,051 followed by Washington D.C. with 6,473 new hybrid vehicle registrations. New York came in fourth at 3,779 followed by Seattle with 2,857 new hybrid vehicle registrations in 2004. Each of these markets experienced significant growth in the number of new hybrid vehicle registrations compared with the previous year, a confirmation of the robust strength of this new vehicle segment. (Table 2)

About R. L. Polk & Co.

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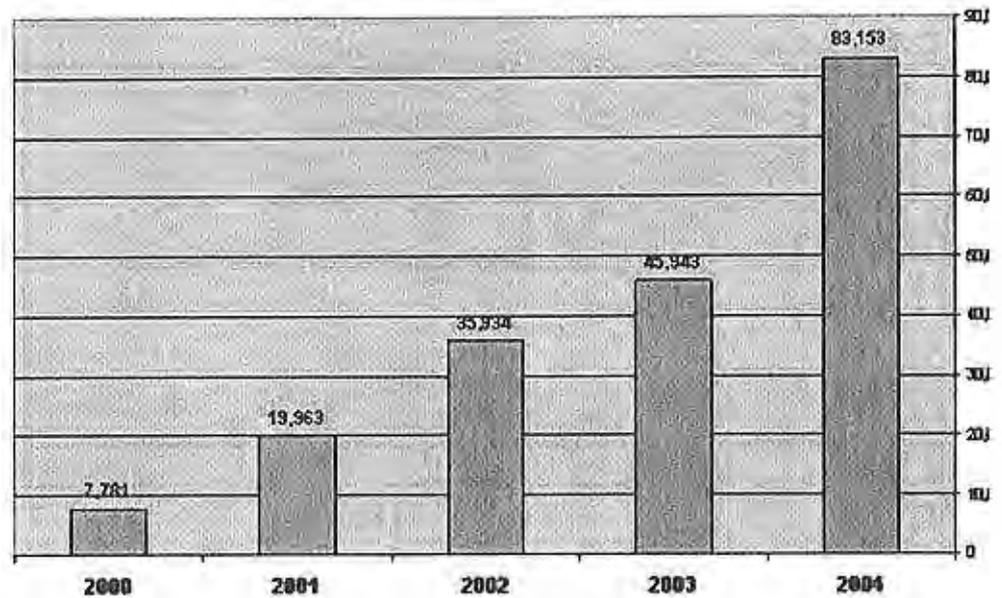
Graph 1



Source: R. L. Polk & Co. U.S. registrations

Graph 2

U.S. Hybrid Market Growth



Source: R. L. Polk & Co. U.S. registrations

Table 1

Top States 2004 - New Hybrid Registrations

	State	2004	% Change vs. 2003
1	CALIFORNIA	25,021	102.3%
2	VIRGINIA	5,613	56.7%
3	WASHINGTON	3,441	73.0%
4	FLORIDA	3,272	60.2%
5	MARYLAND	3,238	66.4%
6	NEW YORK	3,123	84.2%
7	TEXAS	2,922	63.2%
8	ILLINOIS	2,707	74.0%
9	MASSACHUSETTS	2,590	81.5%
10	PENNSYLVANIA	2,308	83.8%
11	OREGON	2,282	103.9%
12	NEW JERSEY	2,053	137.9%
13	OHIO	1,763	42.3%
14	NORTH CAROLINA	1,715	75.2%
15	ARIZONA	1,672	76.9%

Source: R. L. Polk & Co. U.S. registrations

Table 2**Top DMAs 2004 - New Hybrid Registrations**

	DMA®	2004	% Chan
1	LOS ANGELES	10,399	10
2	SAN FRAN OAKLAND SAN JOSE	8,051	9
3	WASHINGTON DC	6,473	5
4	NEW YORK	3,779	11
5	SEATTLE TACOMA	2,857	6
6	BOSTON	2,720	8
7	SACRAMENTO STKTN MODEST O	2,182	10
8	CHICAGO	2,122	7
9	SAN DIEGO	1,851	13
10	PHILADELPHIA	1,770	8
11	PORTLAND OR	1,767	10
12	BALTIMORE	1,514	7
13	DENVER	1,432	7
14	PHOENIX	1,217	8
15	DALLAS FT WORTH	1,076	8

Source: R. L. Polk & Co. U.S. registrations

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COMMONWEALTH of VIRGINIA
Office of the Governor

Mark R. Warner
Governor

April 7, 2005

RECEIVED

APR 13 2005

Mr. Paul Ferguson, Chairman
Northern Virginia Transportation Commission
4350 N. Fairfax Drive, Suite 720
Arlington, Virginia 22203

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,


Pierce R. Homer
Secretary of Transportation

Sincerely,


John W. Marshall
Secretary of Public Safety

Copy: Mr. Philip A. Shucet



March 10, 2005

Chairman

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Vice Chairman

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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

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.

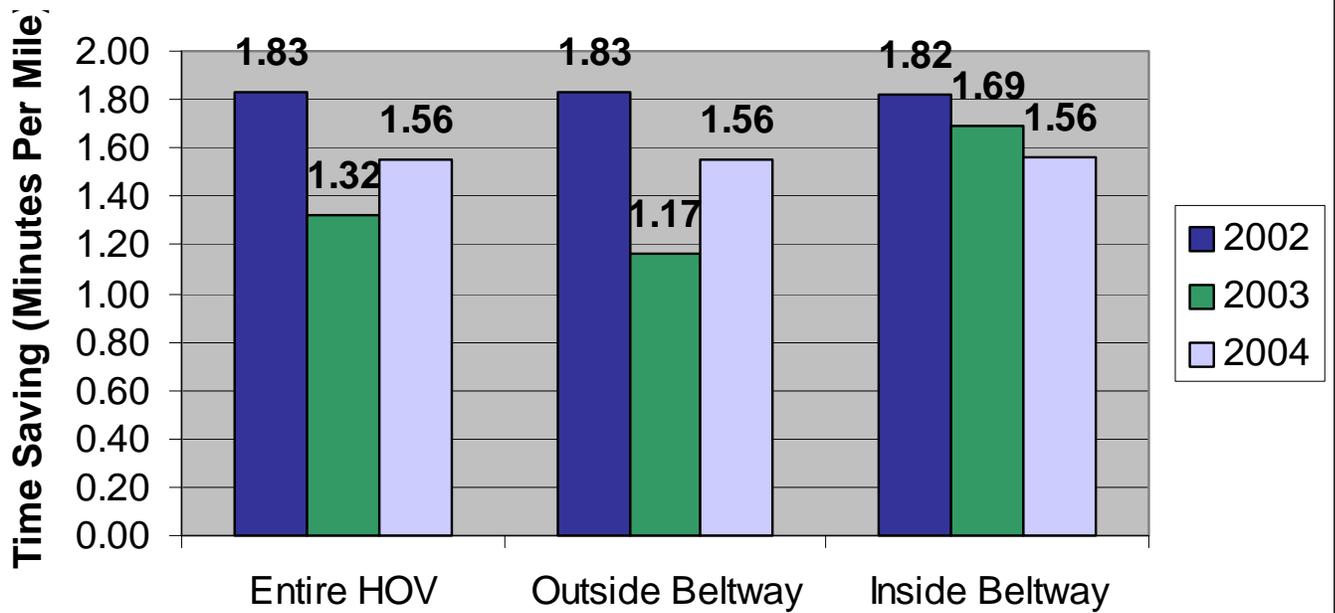
Sincerely,



Paul Ferguson
Chairman

cc: Phillip A. Shucet

TRAVEL TIME SAVINGS PER MILE ON HOV LANES





NVTC

Northern Virginia Transportation Commission



August 18, 2005

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Hon. Paul Ferguson

Vice Chairman
Hon. Gerald E. Connolly

Secretary/Treasurer
Hon. David F. Snyder

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Del. Gary A. Reese

Executive Director
Richard K. Taubie

Ms. Karen Rae
Director
Virginia Department of Rail and Public Transportation
1313 E. Main Street, Suite 300, P.O. Box 590
Richmond, VA 23218-0590

Dear Ms. Rae:

Staff of NVTC and its local jurisdictions have discussed the allocation of \$40 million provided by the Virginia General Assembly for Metro railcars. We understand these funds will be available during FY 2006.

With the recent passage of HR3 (reauthorization of TEA-21) by Congress and its signing by President Bush, an earmark for Metro capital is now available for approximately \$100 million. However, \$260 million was anticipated when the Metro Matters funding agreement was executed by NVTC's jurisdictions. Accordingly, a funding gap of about \$160 million now exists, of which Virginia's share may be as much as \$44 to \$46 million. We therefore urge you to make available the commonwealth's \$40 million to fill this unfunded gap.

We also recommend that if DRPT chooses to provide funds directly to WMATA, it must first have an explicit agreement that establishes exactly how the funds will be used.

Regarding credit for the \$40 million among Virginia jurisdictions, if WMATA's railcar billing formula is used, a different allocation will result than if NVTC's allocation formula is used. We recommend that an allocation should be used in this case that reflects the actual sharing arrangement for \$45 million previously provided by DRPT for WMATA railcars. Our suggestion would allocate 40 percent of the \$40 million by WMATA's railcar formula and 60% by NVTC's allocation formula. This would reflect the \$18 million that was allocated by Metrorail formula and \$27 million that was allocated by NVTC's formula of the original \$45 million.

If DRPT wishes to obligate the \$40 million quickly while it negotiates with WMATA, the funds could be held in an escrow account at NVTC.

Ms. Karen Rae
August 18, 2005
Page 2

We would appreciate hearing your reactions to our recommendations and would be pleased to respond to your questions or comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick", written in black ink.

Richard K. Taube
Executive Director

cc: NVTC MAC Members
Sharmila Samarsinghe
Mr. Pierce Homer, Secretary of Transportation



COMMONWEALTH of VIRGINIA

Department of Taxation

August 9, 2005

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

Re: Estimated Motor Vehicle Fuels Sales Tax Distribution – Northern Virginia
Transportation Commission

Dear Mr. Taube:

On August 16, 2005, the Department of Taxation (TAX) will implement the Integrated Revenue Management System (IRMS). The new computer system will replace the State Tax Accounting and Reporting System (STARS). This conversion of our back-office system will cause a disruption of the Department of Taxation's normal workflow in making the distribution of motor vehicle fuels sales tax. We have developed a method for minimizing any impact this should have on your receipt of motor vehicle fuels tax revenues. This letter is intended to provide information relative to the method we propose using in order to enable you to anticipate any effect you would experience on your cash flow this fall. Again, we do expect any impact to be minimal.

Conversion

On July 29, 2005, TAX began the process of converting data from STARS to IRMS. The STARS database will be frozen for 17 days and TAX will have read-only access to STARS. During the conversion process, TAX will continue to deposit moneys in the bank and record the deposits in the Commonwealth Accounting and Reporting System (CARS).

Controlled Production

IRMS will "Go Live" on August 16 and the system will begin to process payments and returns at a controlled rate to ensure the new system is working properly. During Controlled Production, TAX will first process payments and returns

Mr. Richard K. Taube
August 9, 2005
Page 2

that were received during the 17 days of conversion. During the initial phase of Controlled Production, TAX will validate all transactions by processing a low volume of returns and payments. This will result in a backlog of returns to be processed. As TAX validates the system, the volume of returns being processed will increase daily as we work to eliminate the backlog.

Distribution Methodology

TAX will deposit motor vehicle fuels sales tax receipts received after July 29 but will not be able to process the returns until after "Go Live" occurs on August 16. To ensure your revenue stream remains uninterrupted, your September 2005 motor vehicle fuels tax distribution will be based on an estimate rather than actual receipts. The estimate will be your September 2004 motor vehicle fuels sales tax distribution increased by fifteen percent (15%). Your October 2005 distribution will be your October 2004 distribution increased by 15% as will November's. The attached spreadsheet provides the amount of estimated distribution your transportation district will receive for the months of September, October and November 2005.

Reconciliation

TAX will remit to your district an estimated amount for distribution each month during Controlled Production. After the returns are processed and the system validated, your estimated distributions will be compared with actual receipts and adjustments will be made accordingly. We anticipate that this reconciliation will occur before the end of December 2005.

Reconciling the motor vehicle fuels sales tax distribution as soon as possible is a high priority and TAX will work to ensure your revenue stream is not interrupted as we implement IRMS. Please let me know if you have any questions.

Sincerely,



Gerald H. Gwaltney
Deputy Tax Commissioner

Attachment

ESTIMATED DISTRIBUTION TO TRANSPORTATION DISTRICTS OF THE 2% TAX ON MOTOR FUELS:

LOCALITIES	Dist. Amount Sep-05	Dist. Amount Oct-05	Dist. Amount Nov-05
INCREASE %			
15.00%			
Northern Virginia Transportation Commission:			
Arlington	\$ 279,131.24	\$ 205,874.73	\$ 303,652.66
Fairfax	\$ 1,439,627.40	\$ 1,356,418.84	\$ 1,501,344.45
Loudoun	\$ 490,962.73	\$ 492,194.79	\$ 500,827.99
Alexandria	\$ 208,492.18	\$ 215,961.18	\$ 178,448.11
Fairfax City	\$ 120,277.55	\$ 109,342.72	\$ 118,971.25
Falls Church	\$ 34,974.00	\$ 29,168.70	\$ 31,789.84
Totals for NVTC:	\$ 2,573,465.09	2,408,960.96	\$ 2,635,034.30
Potomac and Rappahannock Transportation Commission:			
Prince William	\$ 836,028.12	\$ 820,133.05	\$ 678,453.91
Stafford	\$ 314,121.60	\$ 292,843.97	\$ 189,888.77
Fredericksburg	\$ 136,183.18	\$ 121,643.30	\$ 78,742.31
Manassas	\$ 105,958.00	\$ 62,864.93	\$ 122,746.53
Manassas Park	\$ 61,941.90	\$ 71,212.11	\$ 66,969.80
Totals for PRTC:	\$ 1,454,232.80	1,368,697.35	\$ 1,136,801.31
Total:	\$ 4,027,697.89	\$ 3,777,658.31	\$ 3,771,835.61



TONI COPELAND
CLERK TO THE
COUNTY BOARD

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE COUNTY BOARD

#1 COURTHOUSE PLAZA, SUITE 300
2100 CLARENDON BOULEVARD
ARLINGTON, VIRGINIA 22201-5406
(703) 228-3130 • FAX (703) 228-7430
E-MAIL: countyboard@arlingtonva.us



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CHRISTOPHER ZIMMERMAN
VICE CHAIRMAN

BARBARA A. FAYOLA
PAUL FERGUSON
J. WALTER TEJADA

August 2, 2005

RECEIVED

AUG 05 2005

The Honorable Pierce R. Homer
Secretary of Transportation
Ninth Street Office Building
202 North 9th Street – 5th Floor
Richmond, Virginia 23219

Dear Secretary Homer:

Thank you for the opportunity to comment on the Public/Private Transportation Act proposals of Fluor-Transurban and Clark-Shirley for I-95/I-395. The 60-day comment period is quite brief for a proposal of this magnitude. We find that new information on the proposals continues to become available with each Advisory Panel Meeting. Also, coordinating a comprehensive review and response during Arlington County Board's summer meeting schedule was not possible. As a result, we can give you only preliminary comments, and hope that there are other opportunities for comment later.

The current express lanes along I-395 and I-95 are quite successful, especially during high-occupancy-vehicle (HOV) hours. Arlington supports improvements that include providing better access to travelers in low-occupancy vehicles who are willing to pay tolls, **if and only if** such improvements build on the current success of HOV travel. Guaranteed-free access for HOV and generous use of toll revenue to support transit throughout the corridor are two essential principles toward insuring that these improvements will build on today's success. If these two principles won't be met, it is our preference to maintain what's there, without tolls and with peak-period HOV incentive, along I-395, even if High Occupancy Toll (HOT) Lanes are implemented along I-95.

To summarize our position on these proposals, please consider our two primary principles:

I. Guaranteed-Free HOV and Assurance of Service Level

HOV has been very successful in moving large numbers of people as well as a significant benefit to the region's air quality. Maintaining free HOV and a high level of service should be absolutely firm requirements of any future agreement. Arlington is pleased that both proposers have seemed willing to have HOV-only operations if necessary during certain hours, and have pointed to Level of Service C as the operating threshold, so it seems to be a matter of writing such requirements in the agreement(s).

II. Transit Compensation; Balanced Geographic Revenue/Investment

- As has occurred in the past (e.g., for the Shirley Highway Bus-on-Freeway Demonstration), it is important that transit providers be reimbursed for any revenue foregone because of the toll/LOV feature of these proposals.
- Both proposers recommend using toll revenue to fund transit and commuter parking along the I-95 corridor, but nothing is specified for the transit systems that focus their service along I-395. If the mileage of I-395 is part of the toll calculation, the transit systems in the corridor inside I-495 need to have a proportional and firmly-specified portion of the toll revenue that goes to transit. Plainly speaking, the vast majority of the investment appears to be in the south end of the corridor to extend lanes south of VA 234 and for transit there, while the revenue to do so appears to come from throughout the corridor. There needs to be a broader distribution of the revenue, clearly-specified and guaranteed, for the north end of the corridor. Otherwise, similar to the original Clark-Shirley proposal, I-395 needs to be excluded and perhaps considered separately later.
- Simply buying more VRE cars won't increase commuter rail capacity. A number of other factors are involved and would need to be addressed. The Clark-Shirley proposal to purchase additional VRE cars would come at an additional expense to Arlington and all local governments because there would be a corresponding need for locomotives, parking and maintenance. If this transit benefit is pursued Arlington requests that VDOT account for these costs in any future agreement.

In addition, please consider the six additional points that are outlined below:

III. Reinstate the HOV Incentive North of the Pentagon

Arlington favors reinstating the HOV incentive between the Pentagon and Potomac River at least in the peak flow direction, and possibly also in the contra flow direction. As outlined in the Fluor proposal, Arlington is in favor of coordinating the findings and recommendations of the upcoming Environmental Impact Statement for the 14th Street Bridge with any future plans for HOT lanes in this corridor.

IV. Increase Capacity and Improve Flow at the Eads Street Exit

The Virginia Department of Transportation (VDOT) has recognized that this intersection is at capacity and throughput/flow improvements at this location are needed. Arlington supports efforts to address traffic operations at the Eads Street exit and vicinity.

V. Better Connections To/From Crystal City and Potomac Yard

Arlington supports Fluor's proposal to provide additional HOV/HOT lane access to Jefferson Davis Highway (U.S. 1 and VA 110) in order to provide better transit and vehicular access to Crystal City and Potomac Yard. These growing economic, recreational and housing centers will benefit from improved access to the express lanes on I-395.

VI. Noise Walls

Arlington neighborhoods are concerned about current I-395 noise levels. With the addition of a third express lane it is appropriate to consider noise mitigation.

VII. Provide Ramp Connections at Shirlington to and from the South

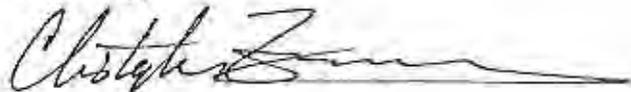
Presently, other than a southbound entrance from the general-purpose lanes to the express lanes near Edsall Road, there are no northbound exits from the I-395 express lanes or southbound entrances between the Pentagon area and I-495. As such, the HOV incentive is not very useful for travelers to employment centers along I-395 anywhere between I-495 and the Pentagon. While finding adequate space to construct the necessary ramp(s) to accommodate this commuting pattern would be an engineering challenge due to the lack of right of way at this location, travelers to and from the growing economic, housing and recreational centers at Shirlington and Nauck would benefit from this addition. In addition to ramps at Shirlington, Arlington supports the Clark-Shirley-proposed feature to add a northbound exit ramp from the express lanes to the general-purpose lanes, to complement the existing southbound entrance ramp.

VIII. Bus Rapid Transit Facility at Shirlington

Arlington is pleased that the Fluor-Transurban proposal calls for Bus Rapid Transit (BRT) in the corridor. Investing in transit facilities at this location and an associated BRT facility would leverage existing investments while also benefiting both the region and Shirlington.

Again, I thank you for the opportunity to comment on the I-95/I-395 HOT Lane proposals. We hope to provide further input as additional information becomes available and the process moves forward with the Northern Virginia Transportation Authority and the Advisory Panel. I am pleased to send a copy to this letter to the Chairmen of both, and am requesting that they please share it with their members.

Sincerely,



Christopher Zimmerman
Vice Chairman

- c: The Honorable John A. Rollison III, Chairman, Advisory Panel for I-95/395 PPTA
The Honorable David F. Snyder, Chairman, Northern Virginia Transportation Authority
Richard A. White, General Manager, Washington Metropolitan Area Transit Authority
Richard K. Taube, Executive Director, Northern Virginia Transportation Commission



ACTION - 3

Endorsement of Recommendations on the Public-Private Transportation Act Proposals for HOT Lanes on I-95/I-395 (Lee, Mount Vernon, and Mason Districts)

ISSUE:

Board review of the Public-Private Transportation Act (PPTA) proposals by Clark/Shirley and Fluor/Transurban for the development, financing, design, construction, operation, and maintenance of the I-95/I-395 High Occupancy Toll (HOT) Lanes. This project would consist of adding an additional lane to the existing two High Occupancy Vehicle (HOV) lanes between the 14th Street Bridge and Route 234, extending the HOV lanes to Route 17 in Spotsylvania County, and converting the HOV Lanes to HOT Lanes to accommodate HOV-3 and transit vehicles for free in addition to vehicles that wish to pay a toll to travel in those less congested lanes.

RECOMMENDATION:

The County Executive recommends that the Board approve the attached draft letter (Attachment I) from Chairman Connolly to Secretary Homer transmitting the following comments and recommendation to the Virginia Department of Transportation (VDOT) on the PPTA proposals by Clark/Shirley and Fluor/Transurban for the development, financing, design, construction, operation, and maintenance of the I-95/I-395 HOT Lanes with the following considerations:

- While both proposals have components that provide funding for various transit improvements, it is important that the determination of how transit funds are spent be coordinated through the existing local and regional boards, rather than have decisions made by the private sector as part of an approach to generate support for their projects. In addition to design and operational consideration for transit, construction of park-and-ride lots, and other transit oriented construction and improvements, an allowance for funding transit service needs to be considered. Toll collection revenue should be used to significantly support transit and other transportation improvements in the corridor. The Board of Supervisors has taken a similar position in its endorsement of the Capital Beltway HOT Lanes Proposal to insure that enhancement of transit is a significant component of the proposal and that the tolling provides a source of funds for its operation.
- The proposals indicate that with the additional lanes, the reduction in congestion in the HOV lanes will provide added capacity for those drivers that do not meet the HOV requirements and are willing to pay a variable rate toll to use these lanes. A concern is that the users paying the toll will cause congestion and then to maintain

Board Agenda Item
August 1, 2005

an adequate revenue source, HOV users will no longer have free access to the facility. It is essential that HOV users continue to have free access and that if congestion occurs, the variable pricing will be increased to discourage the non-HOV vehicles sufficiently to allow for an acceptable traffic flow.

- Both proposals include additional improvements to the mainline of I-95 south of the Beltway. It is essential that as part of any proposal all planned and proposed improvements on I-95 be completed. This would include such projects as Phase VIII of the Springfield Interchange and the construction of the fourth lane on I-95 between the Fairfax County Parkway and Route 123 (Occoquan).
- Direct connections need to be made to all HOV and potential HOT facilities. This includes connecting the I-95/I-395 corridor to the Capital Beltway. While there is a current proposal for HOT lanes on the Beltway toward the American Legion Bridge, access should also be provided toward the Woodrow Wilson Bridge. This would provide as a minimum access from the general purpose lanes on this portion of the Beltway to and from the I-95/I-395 HOT lanes but not preclude future HOT Lanes to and from the Woodrow Wilson Bridge.
- The need to provide adequate sound walls is essential to any improvement to this corridor. Those living along the corridor should be assured that all the Federal requirements for noise mitigation will be met.

TIMING:

Board action is requested on August 1, 2005, so that the Board's comments can be submitted to VDOT by the August 2, 2005, deadline.

BACKGROUND:

Under the Virginia Public-Private Transportation Act of 1995, Clark/Shirley submitted on September 24, 2003, to VDOT a proposal for the development, financing, design, construction, operation, and maintenance of HOT lanes on I-95/I-395. They proposed to add one lane to the existing HOV lane on I-95 outside the Beltway, construct Phase VIII of the Springfield Interchange, and extend the new HOT lanes to Route 17 south of Fredericksburg. The Clark/Shirley proposal also included an option to add a third lane to the I-395 HOV lanes inside the Beltway extending the HOT lanes to the 14th Street Bridge (which has been included in their current proposal).

After the initial Clark/Shirley proposal was reviewed and found to be viable, the Commonwealth advertised a public solicitation of any other firms that would be interested in a similar proposal. Fluor/Transurban submitted a proposal on March 1, 2004. The Fluor proposal expands and/or extends the I-95/395 HOV lanes from the 14th Street Bridge to

Board Agenda Item
August 1, 2005

Massaponax south of Fredericksburg and provides a transit component which links Massaponax to the Dulles Toll Road corridor and other transit facilities in the Northern Virginia area. Additionally, Clark/Shirley modified its proposal to include funding for Virginia Railway Express rail cars. On January 20, 2005, the Commonwealth Transportation Board approved both concepts and recommended them for further review and evaluation by the Advisory Panel. Both proposers submitted detailed proposals on June 3, 2005, which are the documents currently being reviewed.

The Advisory Panel is comprised of individuals having the expertise and knowledge to objectively evaluate and analyze which project would promote the Commonwealth's transportation goals and is in the public's best interest. The panel is chaired by Special Advisor to the Secretary John A. Rollison, III, and includes VDOT's Chief Financial Officer and Chief Engineer, an engineering representative from the academic community, and several members of the Commonwealth Transportation Board. The Advisory Panel is conducting four meetings concerning the review of the I-95/395 HOT Lanes PPTA proposals. The first meeting was held July 12, 2005, in Stafford, and the next meeting will be July 26, 2005, in Arlington. The third meeting, at which the public will have an opportunity to comment on the proposals, will be August 21, 2005, in Woodbridge. The final meeting will be held October 11, 2005, in Fairfax. After this meeting a recommendation will be made by the Advisory Panel to the Commissioner of VDOT. If the Commissioner decides to move forward with the project, VDOT will begin negotiating a comprehensive agreement with one or both of the proposers.

Project Schedule and Cost

If no delays are encountered, portions of the improvements could be open in 2009, with completion of the entire system in 2011. The proposals estimate the total cost of this project to be up to \$1 billion.

FISCAL IMPACT:

No fiscal impact on the County budget.

ENCLOSED DOCUMENT:

Attachment I: Draft Letter from Chairman Connolly to Secretary Homer

Attachment II: Executive Summary of Clark/Shirley's proposal for the I-95/I-395 HOT Lanes

Attachment III: Executive Summary of Fluor/Transurban's proposal for the I-95/I-395 HOT Lanes

STAFF:

Robert A. Stalzer, Deputy County Executive

Katharine D. Ichter, Acting Director, Fairfax County Department of Transportation (FCDOT)

Douglas S. MacTavish, Capital Projects Section, FCDOT



NVTC

Northern Virginia Transportation Commission

July 21, 2005

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Hon. Paul Ferguson

Vice Chairman
Hon. Gerald E. Connolly

Secretary/Treasurer
Hon. David F. Snyder

Commissioners:
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Hon. William D. Euille
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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
Del. Adam P. Ebbin
Del. Timothy D. Hugo
Del. Gary A. Reese

Executive Director
Richard K. Taube

The Honorable Pierce Homer
Secretary of Transportation
1111 East Broad Street, 3rd Fl, Rm 3054
Richmond, VA 23219

Dear Secretary Homer:

When you spoke to our commission in early June, you invited us to contact you with specific ideas about how the commonwealth could boost the effectiveness of telework in Virginia and take the lead in encouraging local governments and businesses to implement this low cost/high productivity method to reduce traffic congestion and clean our air.

At our July 7th meeting we carefully reviewed a background paper prepared by NVTC staff and agreed on a set of recommendations to share with you. The 10 recommendations are listed on a short attachment in priority order. The informative background paper is also attached.

The paper documents that persons teleworking in the Washington Metropolitan area already save a very impressive two million vehicle miles traveled, 100,000 gallons of gas and 1.5 tons of NOx emissions per day. Fairfax County is on track to meeting its goal of 20% of eligible employees teleworking one or two days a week (1,000 out of 5,000).

The pay off from meeting the region's telework goals is stunning: there are approximately 320,000 workers in this area that now telework at least one day a week. If an additional 180,000 workers would telework, MWCOCG would meet its regional 20% goal. Meeting that goal would almost match the ridership of the entire Metrorail system on an average day.

NVTC regards the need for strong state leadership on this issue to be of the utmost importance. We urge you to work with the entire Warner Administration to elevate these proposed telework policies to be a top priority in the next few months.

Secretary Pierce Homer
July 19, 2005
Page 2

We are, of course ready to support such an effort with whatever assistance we can provide. Please let us know your reactions to our proposals and contact us if we can be helpful in implementing them.

Sincerely,

A handwritten signature in cursive script that reads "Paul Ferguson".

Paul Ferguson
Chairman

cc: CTB Members

**NVTC Recommendations for Improved Telework
Policies in the Commonwealth of Virginia**

1. The commonwealth should implement existing statutes by establishing specific goals for telecommuting by its own employees, especially for those located in dense urban areas, on an agency by agency basis. At the very least one or more state agencies should be designated as pilot agencies for the commonwealth to get the ball rolling.
2. Use existing federal or local telework agreements as a model to offer state employees quick and easy on-line access to facilitate necessary documentation of employee performance requirements, since the current state agreement is not serving that purpose.
3. As directed by state statute, conduct telework audits to identify which state employee positions (at every level) are or are not applicable for telework, using the federal government audit as a model. Be certain to identify institutional and technological barriers.
4. Develop and promote clear telework policies, educational tools and sample HR manuals that can be customized. Use the federal www.Telework.gov as a model. Conclude work on the state website and begin to use it.
5. Centralize telework information -- it needs to be clear and concise. Maintain accurate statistics on eligible state employees, agency goals, and actual teleworkers using common definitions. It should be as easy as one stop shopping for an individual or business. The federal government has successfully done this—so too should the commonwealth and the region for its employees and as a model for local governments and the private sector.
6. Initiate an aggressive marketing campaign to promote telework at both state and local levels as a team effort. Clearly brand telework as another piece of the multimodal “pie”—offering yet another choice for commuters. This means marketing telework as a viable sustainable solution that doesn’t have to be a full time commitment.
7. Identify adequate and sustainable funding for the Telework!VA program including outreach and website promotion. Find a dedicated state source to support marketing efforts, web site and centers without intruding on existing sources for transit.

8. Create a Virginia telework council. NVTC recently sent a letter to Governor Warner referencing past efforts by Del. Jim Scott and others to create such a council. The council should also be responsible for a significant education and outreach effort designed to increase knowledge, understanding and benefits of teleworking for Virginians.
9. Provide tax incentives for companies to implement programs. Reimburse employers/employees for the costs of phone and internet services for telework. Develop strong partnerships with private industries that sell equipment to support teleworking and encourage equipment discounts and donations to regional telework centers. Tie donations or discounts to a cross marketing campaign with private industries that will benefit from additional equipment sales.
10. Consider whether the usefulness of telework centers could be enhanced with broader community benefits and services, similar to the televillage or e-village concepts in California and Illinois. Alternatively, determine if telework centers are no longer viable since telecommunications improvements have made work at home such an attractive possibility. If so, direct resources to more productive uses.

**BACKGROUND AND RECOMMENDATIONS
FOR IMPROVED TELEWORK POLICIES
IN THE COMMONWEALTH OF VIRGINIA**

Kala Leggett Quintana

--July 20, 2005--

Introduction

NVTC has agreed on 10 prioritized telework recommendations, which it is submitting to Pierce Homer, Secretary of Transportation of Virginia, for his further consideration. The recommendations are listed in the last section of this report. As described below, promising telework initiatives are underway at all levels of government and the private sector but given the enormous potential to reduce traffic congestion and clear our air, NVTC believes more needs to be done to provide strong leadership and cut through bureaucratic red-tape and institutional inertia. NVTC's recommendations call on state government to take the lead in accomplishing these improvements.

According to the Washington Metropolitan Council of Governments, telework is defined as “*wage and salary employees who at least occasionally work at home or at a telework or satellite center during an entire workday, instead of traveling to their regular workplace.*” In reporting the extent of telework in this region, MWCOG further refines that definition to specify that a teleworker does so at an average of 1.36 days per week (this is the average based upon the range of respondents who telecommute as many five days per week to respondents who commute less than one day per month).

The Texas Transportation Institute estimates that commuters in the Washington DC region spend an average of 69 hours stuck in traffic each year, a number that continues to rise and which places Northern Virginia as #3 in the nation for worst traffic congestion. As a result of severe congestion the region has had to look at alternatives to ease these challenges. One of those alternatives is telework.

Telework offers great promise to ease traffic congestion and clean the air in the Metro Washington Area. Residents in the region have access to technology and many have jobs that are telework appropriate. More and more government agencies and private companies in the commonwealth are embracing teleworking as a practical alternative for their employees. However, getting management buy in, developing trust with their workers and making the shift to results-based management and institutionalizing opportunities through outreach to Human Resources Departments continue to be challenges for governments and private industry alike. Middle management continues to struggle with the concept in terms of personnel management and ensuring that they are achieving maximum productivity from their teleworking employees.

What follows is a comprehensive report on the emergence of telework into the mainstream working culture. Perspectives from a federal, state and local level are also offered.

The Emergence of the Telework Concept Into the Mainstream

Telework as a viable choice over traditional commuting continues to develop and take hold in the mainstream. According to Nicole Ellison in her book Telework and Social Change¹, “True social change usually takes about fifty years and, in truth, teleworking is ahead of the social learning curve.”

According to an article² by Wendell Joice, Ph D, Research Psychologist of the U.S. General Services Administration’s Office of Government-Wide Policies, recent studies, such as those from the International Telework Association (ITAC), indicate that there is a gradual but steady increase in both utilization of and interest in work arrangements that allow employees to work at least part of the time at alternate worksites in or close to their residences. Joice states, “Such work arrangements, commonly known as telework, telecommuting, or flexiplace, have been in use for well over a decade, and as it grows in prominence, telework seems poised to become a mainstream workplace option with global applications rather than an occasional perk.”

Extent of Teleworking in the U.S.

Estimates of the number of U.S. workers teleworking now and in the future vary. A recent Department of Energy study³ projects the number of U.S. telecommuters to reach 17.5 million in the year 2005 (16% of all workers), and 29.1 million in 2010 (27.4% of all workers). Especially here in one of the nation's most congested areas, telework can make an important, positive contribution to the region's economic viability and quality of work-life.

According to a March 2002 U.S. Bureau of Labor Statistics survey, one in seven (14%) American workers worked at home at least once per week during 2001.

Access Markets International Partners, a New York based telecom and internet research group, predicts that more than half of the U.S. workforce (approximately 67 million people) will telework in some form by 2006, bringing this alternative work option into the mainstream.

¹ Ellison, Nicole. Telework and Social Change: How Technology is Reshaping the Boundaries Between Home and Work. (Praeger, 2004).

² Joice, Wendell, “The Evolution of Telework in the Federal Government,” Executive Update Online February, 2003.

³ Department of Energy, 1998.

Tangible and Intangible Benefits to Telecommuting

A primary goal of telecommuting continues to be as a congestion mitigation tool; however telecommuting has a greater potential to address the challenges faced by communities affected by urban sprawl. If workers are able to disassociate their housing choices from their actual work location telecommuting has the potential to change the structural make-up of communities. Telework experts warn decision makers to be vigilant and ensure that telework doesn't actually drive sprawl and instead use it as a tool to "shape a new kind of balanced, urban lifestyle."⁴

Teleworking, when properly managed, has many advantages over traveling to a central office:

For the Employer:

- Increases productivity
- Reduces overhead and occupancy costs
- Helps recruit and retain good employees
- Improves attendance
- Increases efficiency through advanced technology

For the Employee:

- Increases productivity
- Promotes job satisfaction
- Reduces commuting time
- Reduces transportation expenses
- Improves quality of life (more family and personal time, less stress)

For the Community:

- Decreases traffic and highway congestion
- Lessens parking problems

⁴ Robinson, Nancy "Home Office Space: Freed from Their Cubicles, Where Will Commuters Go Instead?" The Next American City October, 2004.

- Decreases air pollution
- Reduces energy consumption
- Increases time for civic involvement

A 1999 Telework America (a public-private education effort funded by the non-profit International Telework Association and Council - ITAC) survey discovered that **companies in which employees telework can save up to \$10,000 per teleworker, per year in reduced absenteeism and retention costs.** As part of its Telework America program, ITAC has conducted ongoing research to better understand how Americans are working from home and other locations.

According to Professor Patricia L. Mokhtarian, Director of the Telecommunications and Travel Behavior Research Program at the University of California, Davis's Institute of Transportation Studies, telecommuting is not for everyone. "Many people just don't have the drive to telecommute," she says. "The natural level of telecommuting in the workforce is relatively modest. The real barrier is usually something institutional or social or psychological."⁵

Telework and the Federal Government

The Washington, DC metropolitan area is one of the more active locations for telework. Some of this DC-area activity emanates from the region's largest employer, the federal government.

The federal government has had an enlightened approach to telework for over a decade. It has determined eligible employees, set agency goals and mandated compliance. It measures and reports progress and maintains helpful websites to promote new teleworkers.

In addition to general legislation (Public Laws 104-52, § 620 (31 USC 1348) of Nov. 19, 1995 and 105-277, Omnibus Appropriation Act, Title IV, § 630, of Oct. 21, 1998:) that created telework mandates, the General Services Administration (GSA) was given legal authority in 1994 to establish telework centers where appropriate under Public Law 103-123; (107 stat. 1226). This law provided funding for the acquisition, lease, construction, and equipping of telecommuting centers in the Washington DC area.

Throughout the process of developing the federal telework program, Congress played a significant role. As early as September of 1992, Congress authorized GSA to set aside \$5 million to:

⁵ Robinson, Nancy "Home Office Space: Freed from Their Cubicles, Where Will Commuters Go Instead?" The Next American City October, 2004.

1. Establish telecommuting centers in the greater Washington, D.C. area (Public Law 102-393); and
2. Promote and implement telecommuting within the federal government.

In 1993, Congress modified that legislation by increasing the appropriation to \$6 million. The project born of this appropriation became known as the Interagency Telecommuting Pilot Project.

Due to the success and popularity of the Interagency Telecommuting Pilot Project, Congress appropriated another \$5 million in 1995 for the expansion and continuation of the telecommuting center project in the metropolitan Washington area. GSA then began establishing partnerships in several localities around Washington, D.C. to plan, manage, and promote the telecommuting effort in their geographic areas.

In October of 1998, Congress passed an Appropriations Bill that included \$2.1 million for the acquisition, lease, construction, and equipping of "flexiplace telecommuting centers."

Legislation, Public Law 106-346, Section 359, enacted in October, 2000 mandated goals and timetables for increased federal utilization of telework:

"Each executive agency shall establish a policy under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance. Not later than 6 months after the date of the enactment of this Act, the Director of the Office of Personnel Management shall provide that the requirements of this section are applied to 25 percent of the Federal workforce, and to an additional 25 percent of such workforce each year thereafter."

To provide additional structure for government managers and workers, GSA established www.telework.gov, a comprehensive website designed to assist agencies, management and employees, at all levels, with understanding and implementing telework programs.

Beginning in 2001, the Office of Personnel Management (OPM) and GSA conduct an annual survey of teleworking in the federal government.

In their State of Teleworking in Government 2004 report, OPM and GSA reported that the number of telework-eligible and teleworking employees continues to grow. In 2003, federal agencies nation-wide reported that a total of 751,844 employees (43 percent) are eligible to telework, compared with the 625,313 employees (35 percent) reported in 2002. This represents an increase of 126,531 (more than 20 percent) telework-eligible employees.

For the purpose of this report the federal government defines telework--using the definition from P.L. 106-346-- as "an alternative work arrangement for employees

to conduct all or some of their work away from the primary workplace. This concept can be applied to a variety of work experiences. The work location might be a residence, a telecenter [described later in this document], an office closer to the employee's residence, or another acceptable location. The telework schedule may be fixed or episodic." Further, an eligible employee is one "whose job may typically be performed at least one day per week at an alternative workplace."

According to the Office of Personnel Management, the number of employees teleworking grew from 90,010 in 2002 to 102,921 in 2003. Most noteworthy is that from the first telework survey in April 2001 (when 53,389 employees were teleworking) until October 2003 (with 102,921 reported federal teleworkers) there has been an overall increase of 93 percent in the number of employees teleworking.⁶

For this annual survey teleworkers are divided into two categories: core and situational. To qualify as a core worker, federal employees must telework at least one day per week. Situational teleworkers must telework at least one day per month. Core teleworkers averaged six days per month and situational teleworkers averaged three days per month.⁷

The conclusion of the report is that telework is growing steadily in the Federal Government, whether measured by the number of employee's teleworking or by the growing maturity of agency telework programs. Telework is slowly but steadily moving into the mainstream, as an expected part of an effective agency's personnel strategy, rather than as a "special" program needing a great deal of external support.

Thanks to the efforts of Congress and the work of GSA, other important telework-related initiatives are now underway. The White House and GSA are undertaking efforts to establish better links between telework and emergency preparedness. Congressman Frank Wolf of Virginia has recently introduced in Congress "The National Telecommuting and Air Quality Act." This Act would establish an air pollution credits trading program, which would offer organizations credits for avoiding nitrogen oxides emitted from vehicles if they let their employees telework or participate in other pollution-reducing initiatives.

In April 2005, the federal government teamed up with private industry to help them further develop their telework program. A group of public and private executives announced a new web site to help promote telework in the federal government and end the bureaucratic gridlock that has prevented it from flourishing.

⁶ Office of Personnel Management. Status of Telework in the Federal Government 2004
<http://www.telework.gov/documents/tw_rpt04/status-director.asp>

⁷ Office of Personnel Management. "Status of Telework in the Federal Government 2004."
Figure 2, "Core and Situational Teleworkers"
<http://www.telework.gov/documents/tw_rpt04/status-results.asp>

The web site -- www.teleworkexchange.org -- is intended to provide information to federal employees about how they can join the telework ranks. It also provides an online chat room called the Water Cooler for federal workers to discuss problems. To promote the new web site, they have distributed bumper stickers that say, "*Honk if you'd rather be teleworking*" and "*My other car is a PC.*"

The web site features calculators that tally the cost of federal commuting and include the potential savings both in cost and environmental impact. Federal employees can register on the site and log how many miles they commute to work or save by teleworking.

Industry partners for the partnership, known as the Telework Exchange, include Intel, CDW Government, Citrix Systems and Juniper Networks.

Telework and Private Industry in the Washington Metro Area

As local residents commonly say, however, there is far more going on in the DC area than just the federal government. This is certainly true of telework activity.

A prominent advocate of telework in the private industry for DC is the Metropolitan Washington Council of Governments (COG). COG defines a teleworker as a "wage or salaried employee who occasionally works at home or at a telework center during an **entire** work day instead of traveling to their work place."

In 2001, COG set an aggressive goal: to have 20 percent of the total workforce in the Washington, DC region teleworking by the year 2005. To date, COG reports that 12.8% (or 320,000 people) of the workers in the Metropolitan Washington area telecommute at least 1.3 days per week (up from 11.8% last year), falling short of their goal by 7.2% -- or 180,000 workers.

COG's latest State of the Commute report indicates that between 2001 and 2004 federal teleworkers in the Washington Metro area increased each year from 6.9% to 11.8% and non-federal teleworkers in the Washington Metro area increased each year from 12.6% to 13.4%.

COG also reports that of those **not** teleworking, 25% have telework appropriate job responsibilities and 19% (or 420,000 workers) could and would telework, if offered the opportunity.

According to COG, teleworkers are reducing congestion, saving fuel and reducing NOx emissions. COG reports that teleworkers are responsible for the savings of over 2 million vehicle miles traveled, 100,000 gallons of gasoline and 1.5 tons of NOx emissions -- **per day.**

COG's Commuter Connections programs have spearheaded the effort to promote telework. Commuter Connections is a regional network of transportation organizations coordinated by the Metropolitan Washington Council of Governments. Commuter Connections also helps employers establish commuting benefits and assistance programs, including telework/telecommute programs, for their employees. Funding for Commuter Connections is provided to the Metropolitan Washington Council of Governments by the U.S. Department of Transportation, District of Columbia Department of Transportation, Maryland Department of Transportation, and Virginia Department of Transportation. Many of the local Commuter Connections members receive grant funding directly from their respective state governments.

Due to the efforts of the federal government and COG an aggressive public policy is in place here. Such an aggressive policy means a dramatic increase in the number of teleworkers in the DC area in a relatively short period of time, and it has spurred a variety of local telework-development activities.

Telework Centers in Virginia

Currently, there are eight telework centers in Virginia all of which are in Northern Virginia and are part of a pilot program sponsored by the General Services Administration (GSA): City of Fairfax, Fredericksburg, Herndon, Manassas, Stafford, Sterling, Winchester and Woodbridge. The Fairfax, Herndon and Manassas centers are managed and operated by NoCommute.org and are a cooperative effort between the GSA, George Mason University's Mason Enterprise Center, and Lockheed Martin. The Fredericksburg, Stafford and Woodbridge centers are a cooperative effort between the GSA and the Rappahannock Area Development Commission. The Sterling and Winchester are not partners with any private entity.

All centers in Virginia were built with GSA funds. According to a 1998 Ernst and Young Telework Survey, the telework centers funded by GSA were built at an average cost of \$400,000 and offer an average of 30 work stations at each location. Operating costs for these 30 work station centers average approximately \$250,000 annually.

The Virginia telework centers are open to both federal employees as well as private sector employees. However, the Manassas center is only open to US citizens.

The average fee charged for a non-federal worker is \$115 per workstation per month for access to a workstation one day per week. Federal workers using the facility are billed for their usage by GSA quarterly. This fee is reimbursed by their agency. By federal law, agencies must set aside \$50,000 annually for this purpose.

The Virginia telework centers can all be found in strip malls or adjacent to corporate campuses. Approved workers have access to the telework centers 24 hours a day.

The telework centers offer the latest computer technology, high speed internet access and on site technical support. They also allow teleworkers to make an "electronic reservation" for a station at a center.

All centers have a digital telephone system with voice mail, LaserJet printers, scanners, shredders, photocopier and a plain-paper fax machine. The computer equipment at each center includes networked Pentium-class IBM-compatible PCs with high-speed internet access, DSL, individual modems or a modem pool for dial-out, Microsoft Windows, PC Anywhere for Windows, Microsoft Office Professional (Microsoft Word, Excel, PowerPoint, Access), Corel Perfect Office 7 for Windows, Symantec Lotus 1-2-3 for Windows, Microsoft Internet Explorer, Netscape Communicator/Navigator, and Norton or McAfee Antivirus. Four of the Virginia centers offer video conferencing.

While teleworking has some impact on congestion related issues in the region, telework centers are not necessarily profitable. The majority of telework centers do not reach profitability or cover their operating expenses from the fees they charge. Most telework centers have also had difficulty filling their workstation seats to maximum capacity. On average, the telework centers are only at 52% capacity on any given day.

The lack of a financially successful telework program has been attributed to many factors: foremost among them is an outdated fee schedule set by the government that fails to adequately recover all operating and construction costs. Other reasons include poor marketing and non-centralized organization of the telework centers.

However, the success of any telework program cannot be measured by profitability alone. It must instead be gauged by a combination of cost savings to the government and employers and the improved quality of life for employees using the center, as well as potential congestion relief and air quality benefits for the entire population.

Various studies completed by the GSA have evaluated the costs and benefits of the telework center programs. While reports in recent years have declared the program a failure when strictly based on financial terms, the 1998 Ernst and Young study noted several of the program's achievements, including improving quality of life for workers, increasing worker productivity, and achieving an "economically attractive alternative to the daily commute." The Ernst and Young report also suggested steps through which telework centers could become a financially viable program. One way to increase the success of a center, by increasing the profitability and making it a more valuable community asset, is to diversify the clients and number of uses for the center. This can be done through

a variety of means, including: a small-business incubator, a support facility to home-based telecommuters, executive suites for businesses, a community training internet access center, and a conference or meeting center.

But given the rapid force of technological development, many are now rethinking the concept of these centers; it seems that work at home offers most of the advantages and few of the disadvantages. This has lead some to recommend that telework centers need to perform a wider variety of community services. This concept is explained further in the next section.

The Marriage of Telecommuting Centers and Urban Planning

In Compton, California, a private firm, along with the Los Angeles County Metropolitan Transportation Authority, the City of Compton, and the Drew Economic Development Corporation, built the Blue Line Televillage, at a cost of \$659,000, to bolster economic opportunity in an otherwise depressed area. Adjacent to a 26-mile light rail system, the televillage attempts to reduce community reliance on automobiles by providing virtual services, like ATM access, through interactive kiosks. The televillage also incorporates a community meeting room, a state-of-the-art computer center, video conferencing facilities, education programs, and telecommuting workstations. The modest participation fee, no more than \$10 per family per year, and the walking distance to most local residences ensures community-wide accessibility.

In contrast to Virginia's telework centers, these centers offer one stop high tech "shopping" for area residents who may not otherwise have access to the latest technology. Overall 620 memberships were sold during the demonstration period of nine months from 91 different zip codes in central Los Angeles, Santa Monica and the Orange County border, suggesting that there was wide spread interest in the TeleVillage concept. The concentration of members came from 3 zip codes (52% from 3 zip codes). Consistent with the design concept the televillage functioned as an activity center for the immediate area as intended. Overall, participants rated the Blue Line TeleVillage demonstration project was deemed successful. By marrying technology and old-fashioned community planning, the Compton facility's success is encouraging for future projects.

Riverdale, located just outside Chicago, is a 110-year-old Frederick Law Olmstead-designed village in need of economic redevelopment. The village will begin its transformation with a network station and e-Village. Telecommuting can play a significant role in creating more communities with a relative balance of jobs, housing, services, recreation, and amenity. Seimbab consultants completed the technical report in April, 2003 and Riverdale is in search of funding for the effort.

Communities like these offer many benefits to their residents like reducing travel times, fostering economic stability and a better quality of life, and promoting environmental sustainability. E-villages like these can provide attractive alternatives for many people, whether they want to live in city or country.

Virginia's Telework Initiatives

Eight percent of Virginia residents are currently classified as teleworkers (teleworking at least eight days a month or slightly less than two days a week). This amounts to well over 560,000 of Virginia's seven million plus residents. According to MWCOG's 2004 annual State of the Commute report there are 144,597 teleworkers who reside in Northern Virginia and they telecommute an average of 1.36 days per week. Accordingly, over a quarter of the commonwealth's teleworkers reside in this region.

The 2001 Virginia General Assembly passed a bill that established telework goals for Virginia state employees. Section 2.2-203.1 of the Virginia Code requires a statewide telework policy to be established by the Secretary of Administration. The policy, to be administered by the Department of Human Resources Management, could include an incentive program. The policy is to promote telecommuting or alternative work schedules "to the maximum extent possible without diminishing employee performance or service delivery." Each agency head "shall set annual percentage targets work schedules. By July 1, 2009, each state agency shall have a goal of not less than 25 percent of its eligible workforce participating..." (Section 2.2-2817.1.B of the Virginia Code).

Another action by the 2005 General Assembly considerably strengthened these Code sections by adding requirements to identify and justify broad categories of positions determined to be ineligible to participate and to include "specific budget requests for information technology, software, or other equipment needed to increase opportunities."

In response to the 2001 General Assembly, Governor Gilmore issued a mandate to implement a telework program in Virginia and gave the task to the Department of Rail and Public Transportation (DRPT).

According to DRPT staff who administer programs developed to promote telework statewide, telework is enjoying some success and is poised for even better performance in the future, especially if more resources are devoted to the task. Among state agencies, the Virginia Department of Transportation encourages its employees to telework (although we are aware of no explicit goal). There is a basic telework agreement available at www.dhrm.state.va.us/hrpolicy/policy/telecommute1_61.pdf. (although there are reports that agencies seeking to use this agreement are referred to Virginia's

Attorney General's office for case by case opinions that discourage widespread use).

DRPT is developing a central website for its Telework!VA program with separate sections for state employees and the private sector. It will have policies and sample human resource manuals available for customization. Some marketing funds have been budgeted but spending has been delayed pending development of this website and training of staff. Some marketing has been accomplished through the Washington Metropolitan Area's Commuter Connections program and telework has been promoted in a television campaign as part of the Springfield Interchange congestion mitigation program. The goal of the pending marketing effort will be to raise the 1.36 day per week telework average in Northern Virginia up to two days per week.

DRPT established Telework!VA, to provide financial incentives-- up to \$35,000 (\$3,500 per employee for up to ten employees) per employer. The program is administered by the Metropolitan Washington Council of Governments (MWCOG). The program offers consultant assistance, equipment lease terms and options for the employers.

To date, 60 companies have accessed the funding currently available to start up a telework program and the Telework!VA pilot program through MWCOG has awarded nearly \$320,000 of grants.

In order to qualify for the Telework!VA grants, participating business sites must be a private for-profit business enterprise or non-profit organization classified as such under Section 501(c) of the Federal Internal Revenue Code and located in Northern Virginia. Priority is given to the counties of Arlington, Fairfax, Loudoun, Prince William, Stafford, Spotsylvania and the cities of Alexandria, Falls Church, Fairfax, Fredericksburg, Manassas and Manassas Park. Applicants must have a minimum of 20 employees working from the Northern Virginia site.

A pilot program evaluation conducted in August, 2003 provided valuable information about the current Telework!VA program.

First, it appeals primarily to small and mid-sized companies. Second, the incentives currently offered are not high enough to motivate large companies. Third, not all companies require the service of a consultant and finally, there is a lot of "red tape" to get through to receive reimbursement resulting in too much time (six to nine months) passing between the initial application and the actual contract signing.

However, Telework!VA has addressed these issues and has made the contracts less onerous. They've simplified the program and increased flexibility. They are preparing to increase their marketing efforts by conducting focus groups with businesses and conducting internet surveys through the Chamber of Commerce.

To date DRPT reports receiving over 61,600 web hits, over 600 phone inquiries and over 300 site visits. They are expanding the program to all Virginia workers vs. Virginia residents only. They are modifying the Telework!VA program to transfer consultant activities to the Transportation Demand Management (TDM) representatives in each jurisdiction, for a more hands on approach than has been offered by COG. They began training a sales outreach force in May, 2004. They will roll out an incentive based program in July 2005 in Richmond and Hampton Roads.

DRPT is also developing a non incentive based, sustainable program which can be implemented state-wide and which will include a web-based self help resource including on-line e-learning training, sample policies, testimonials and an employee handbook, similar to the federal www.telework.gov site. Telework!VA will also continue promotional activities with Commuter Connections and through printed materials, such as brochures and fact sheets.

DRPT awarded the Dulles Area Transit Association (DATA) a \$100,000 grant to promote Telework!VA in Northern Virginia to supplement the outreach efforts that are conducted by DRPT and MWCOG. Currently DATA is conducting outreach seminars for area businesses and educating them about the Telework!VA program.

Telework and Local Governments

Fairfax County

Local governments are also taking significant steps to implement telework programs for county and city employees.

Fairfax County defines telework as allowing employees to work from a home-based office or local work center during normal work hours, instead of commuting. Fairfax County government began their teleworking program with 50 employees in 1995. During that year, those teleworkers saved a total of 180,000 commuting miles and 6,000 commuting hours.

Currently, more than 825 county employees telework an average of 1-2 days a week. An expansion plan is underway to raise that number to 1,000 by the end of 2005. Fairfax County reports that 5,000 of its 11,000 employees have positions that could allow them to telework. Accordingly, the Fairfax County Board of Supervisor's goal of 10 percent of eligible employees teleworking one or two days per week is within reach.

Arlington County

Arlington County has created the Telework Advisory Network. This unique program was created as an opportunity for Arlington County employers to obtain

peer advice to start or formalize telework programs. They have defined telework as the ability to work from home or a satellite office. They tout telework as a progressive benefit that meets the needs of today's competitive business environment. The Telework Advisory Network enables employers to receive from a major Arlington County employer, information and advice about setting up a telework program.

Loudoun County

The County reports that 10 to 15 percent of regular employees -- about 300 people -- telecommute at least one day a month. Over the next six months the county hopes to expand that to 15 to 20 percent of eligible employees.

City of Falls Church

Falls Church just instituted its own telework program and defines telecommuting as a "flexible work arrangement between an employee and the City that allows eligible employees to complete specific work assignments from a remote work site other than the office." Their telework program provides either Core or Situational opportunities for city employees.

Core teleworkers are defined as having "off-site work hours that are designated on a regular basis – e.g. every Wednesday."

Situational teleworkers are defined as "off-site work hours that are determined on an as-needed basis."

Once the Telecommuting Work Application is approved and in place, employees must complete a Task Summary Sheet for each pay period in which they telecommute. Situational telecommuters must also complete and receive approval for the Telecommuting Work Agreement prior to telecommuting.

Falls Church is also rolling out a Commuter Incentive Program to encourage employees to find alternatives to driving alone to work

The cities of Fairfax and Alexandria are still developing telework policies for their employees, but they actively promote teleworking to businesses and residents in their jurisdictions.

NVTC Recommendations

With federal and state governments taking the lead on this issue, and assisting local governments as needed, businesses will be encouraged to follow thereby increasing productivity in this information age, reducing our dependence on foreign oil, reducing toxic emissions, and creating a better quality of life for our citizens.

NVTC has identified the following possible actions to increase the effectiveness of teleworking in our region and statewide and has listed them in priority order.

Prioritized Recommended Actions For The Commonwealth To Take The Lead In Implementing Effective Telework Programs

1. The commonwealth should implement existing statutes by establishing specific goals for telecommuting by its own employees, especially for those located in dense urban areas, on an agency by agency basis. At the very least one or more state agencies should be designated as pilot agencies for the commonwealth to get the ball rolling.
2. Use existing federal or local telework agreements as a model to offer state employees quick and easy on-line access to facilitate necessary documentation of employee performance requirements, since the current state agreement is not serving that purpose.
3. As directed by state statute, conduct telework audits to identify which state employee positions (at every level) are or are not applicable for telework, using the federal government audit as a model. Be certain to identify institutional and technological barriers.
4. Develop and promote clear telework policies, educational tools and sample HR manuals that can be customized. Use the federal www.Telework.gov as a model. Conclude work on the state website and begin to use it.
5. Centralize telework information -- it needs to be clear and concise. Maintain accurate statistics on eligible state employees, agency goals, and actual teleworkers using common definitions. It should be as easy as one stop shopping for an individual or business. The federal government has successfully done this—so too should the commonwealth and the region for its employees and as a model for local governments and the private sector.
6. Initiate an aggressive marketing campaign to promote telework at both state and local levels as a team effort. Clearly brand telework as another piece of the multimodal “pie”—offering yet another choice for commuters. This means marketing telework as a viable sustainable solution that doesn’t have to be a full time commitment.
7. Identify adequate and sustainable funding for the Telework!VA program including outreach and website promotion. Find a dedicated state source to support marketing efforts, web site and centers without intruding on existing sources for transit.
8. Create a Virginia telework council. NVTC recently sent a letter to Governor Warner referencing past efforts by Del. Jim Scott and others to

create such a council. The council should also be responsible for a significant education and outreach effort designed to increase knowledge, understanding and benefits of teleworking for Virginians.

9. Provide tax incentives for companies to implement programs. Reimburse employers/employees for the costs of phone and internet services for telework. Develop strong partnerships with private industries that sell equipment to support teleworking and encourage equipment discounts and donations to regional telework centers. Tie donations or discounts to a cross marketing campaign with private industries that will benefit from additional equipment sales.
10. Consider whether the usefulness of telework centers could be enhanced with broader community benefits and services, similar to the televillage or e-village concepts in California and Illinois. Alternatively, determine if telework centers are no longer viable since telecommunications improvements have made work at home such an attractive possibility. If so, direct resources to more productive uses.

MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Quarles
DATE: August 25, 2005
SUBJECT: NVTC Financial Reports for June and July, 2005.

The reports are attached for your information.

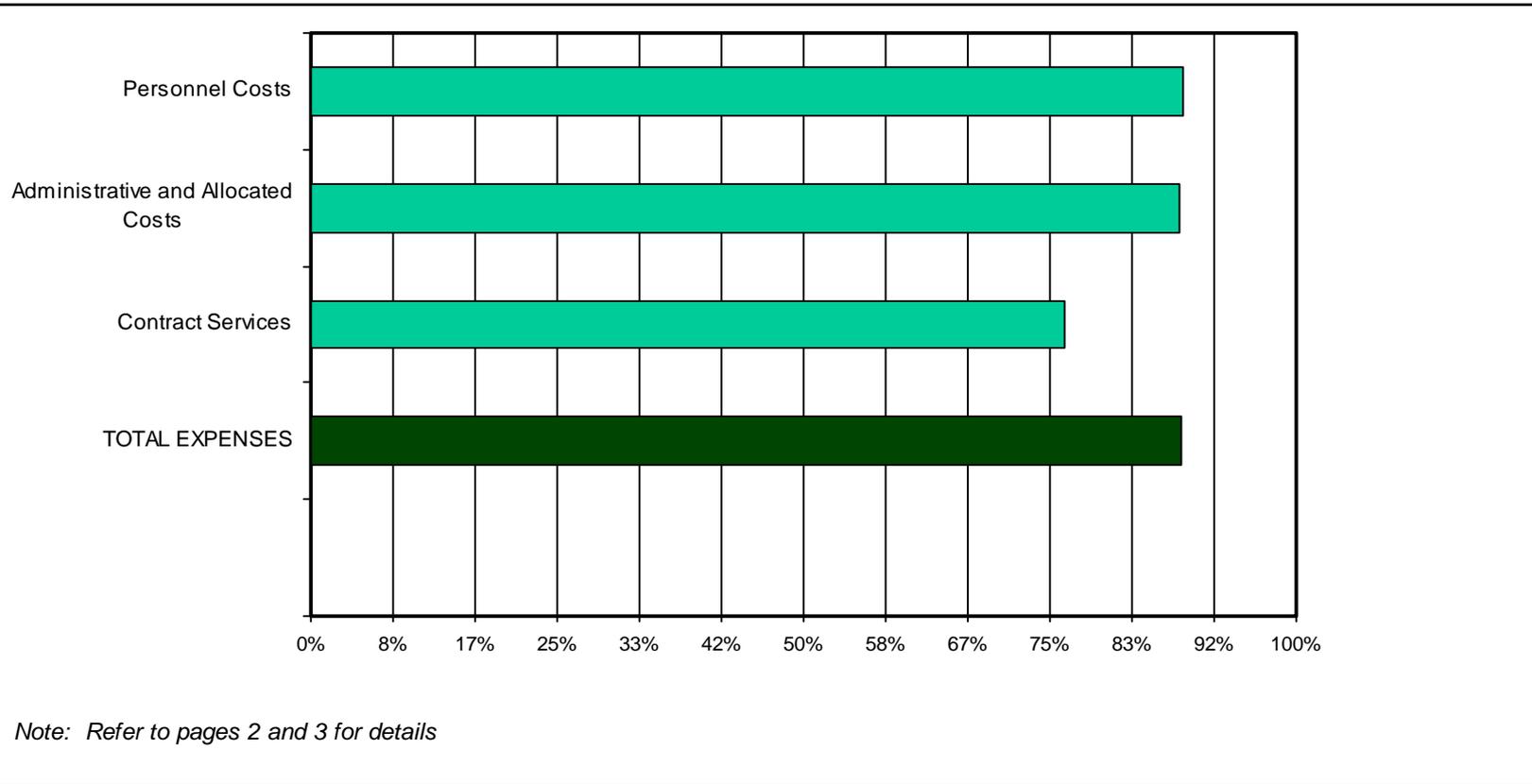


Northern Virginia Transportation Commission

Financial Reports

June, 2005

Percentage of FY 2005 NVTC Administrative Budget Used
June, 2005
(Target 100% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
June, 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	\$ 51,724.71	\$ 565,338.93	\$ 625,800.00	\$ 60,461.07	9.7%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	51,724.71	565,338.93	626,800.00	61,461.07	9.8%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,258.91	38,663.11	44,900.00	6,236.89	13.9%
Group Health Insurance	2,834.60	56,760.30	77,000.00	20,239.70	26.3%
Retirement	3,673.00	45,671.96	52,500.00	6,828.04	13.0%
Workmans & Unemployment Compensation	76.62	5,799.99	2,000.00	(3,799.99)	-190.0%
Life Insurance	273.72	3,169.32	3,300.00	130.68	4.0%
Long Term Disability Insurance	237.43	2,750.58	3,450.00	699.42	20.3%
Total Benefit Costs	10,354.28	152,815.26	183,150.00	30,334.74	16.6%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,150.00	12,050.00	15,250.00	3,200.00	21.0%
<i>Rents:</i>					
Office Rent	13,277.58	160,728.31	160,000.00	(728.31)	-0.5%
Parking	12,682.58	150,563.31	148,500.00	(2,063.31)	-1.4%
	595.00	10,165.00	11,500.00	1,335.00	11.6%
<i>Insurance:</i>					
Public Official Bonds	472.80	4,220.60	3,850.00	(370.60)	-9.6%
Liability and Property	450.00	2,882.00	2,000.00	(882.00)	-44.1%
	22.80	1,338.60	1,850.00	511.40	27.6%
<i>Travel:</i>					
Conference Registration	1,698.16	15,674.22	25,000.00	9,325.78	37.3%
Conference Travel	79.00	1,994.00	3,000.00	1,006.00	33.5%
Local Meetings & Related Expenses	-	2,139.38	5,500.00	3,360.62	61.1%
Training & Professional Development	1,500.16	11,009.14	12,000.00	990.86	8.3%
	119.00	531.70	4,500.00	3,968.30	88.2%
<i>Communication:</i>					
Postage	680.24	7,680.98	13,800.00	6,119.02	44.3%
Telephone - LD	240.84	2,654.78	7,000.00	4,345.22	62.1%
Telephone - Local	100.28	887.90	1,800.00	912.10	50.7%
	339.12	4,138.30	5,000.00	861.70	17.2%
<i>Publications & Supplies</i>					
Office Supplies	1,073.22	18,258.35	24,500.00	6,241.65	25.5%
Duplication	80.10	3,315.18	5,300.00	1,984.82	37.4%
Public Information	993.12	13,437.87	13,200.00	(237.87)	-1.8%
	-	1,505.30	6,000.00	4,494.70	74.9%

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

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	4,053.90	15,814.78	23,500.00	7,685.22	32.7%
Furniture and Equipment	1,407.55	5,598.74	8,000.00	2,401.26	30.0%
Repairs and Maintenance	229.00	260.00	1,000.00	740.00	74.0%
Computers	2,417.35	9,956.04	14,500.00	4,543.96	31.3%
 <i>Other General and Administrative</i>	 78.38	 5,387.73	 6,300.00	 1,040.61	 16.5%
Subscriptions	-	31.13	500.00	468.87	93.8%
Memberships	(350.00)	1,412.00	1,200.00	(212.00)	-17.7%
Fees and Miscellaneous	428.38	2,703.94	2,300.00	(403.94)	-17.6%
Advertising (Personnel/Procurement)	-	1,112.32	2,300.00	1,187.68	51.6%
40th Anniversary	-	128.34	-	-	0
Total Administrative Costs	<u>22,484.28</u>	<u>239,814.97</u>	<u>272,200.00</u>	<u>32,513.37</u>	<u>11.9%</u>
	<u>Contracting Services</u>				
Auditing	3,000.00	12,225.00	14,000.00	1,775.00	12.7%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	<u>3,000.00</u>	<u>12,225.00</u>	<u>16,000.00</u>	<u>3,775.00</u>	<u>23.6%</u>
 Total Gross G&A Expenses	 <u>\$ 87,563.27</u>	 <u>\$ 970,194.16</u>	 <u>\$ 1,098,150.00</u>	 <u>\$ 128,084.18</u>	 <u>11.7%</u>

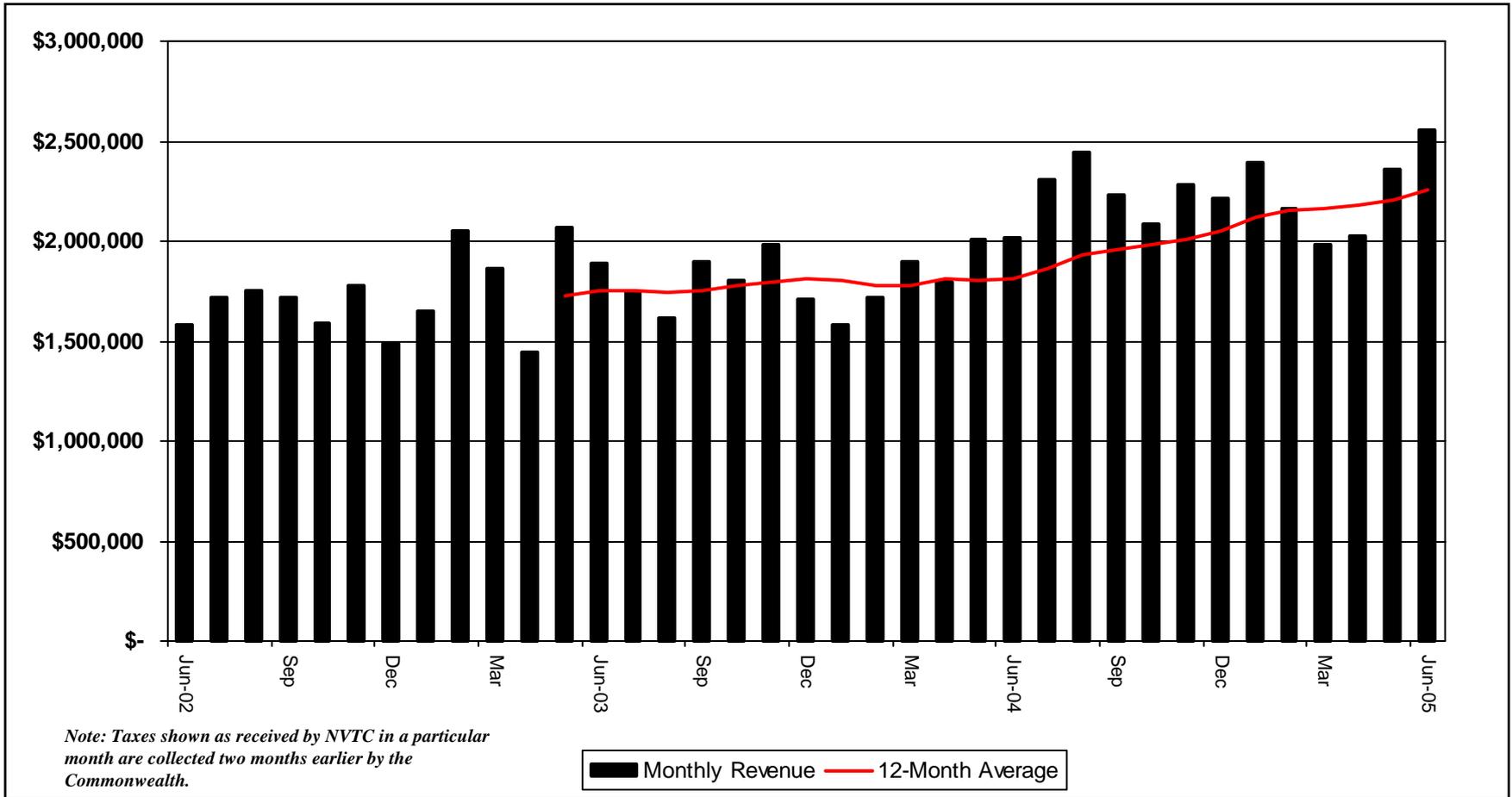
NVTC
RECEIPTS and DISBURSEMENTS
June, 2005

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	<u>VA SNAP</u>
RECEIPTS						
3	DRPT	2030 Plan Update grant receipt			\$ 40,768.00	
9	FTA	SmarTrip grant receipt			17,388.00	
10	DRPT	SmarTrip grant receipt			4,129.00	
13	Dept. of Taxation	Motor Vehicle Fuels Sales Tax receipt			2,556,852.11	
15	DRPT	Capital grant receipt			1,400,000.00	
17	DRPT	FTM/Admin grant receipt			4,460,949.00	
24	VRE	Reimbursement for staff support		8,026.38		
27	DRPT	2030 Plan Update grant receipt			68,903.00	
29	DRPT	VTA Metrorail grant receipt			3,984,606.00	
29	City of Falls Church	G&A contribution		3,197.00		
29	Staff	Expense reimbursement		26.03		
30	Banks	June investment income		394.91	173,611.68	
			-	11,644.32	12,707,206.79	-
DISBURSEMENTS						
1-30	Various	NVTC project and administration	(82,374.33)			
3	BMI-SG Associates	2030 Plan Update consulting	(40,768.21)			
10	IBI	SmarTrip consulting	(21,734.76)			
28	BMI-SG Associates	2030 Plan Update consulting	(32,987.99)			
28	George Hoyt	Bus Data consulting	(9,147.45)			
28	BMI-SG Associates	2030 Plan Update consulting	(35,914.98)			
30	Wachovia Bank	June service fees	(65.13)			
			(222,992.85)	-	-	-
TRANSFERS						
3	Transfer	From LGIP to checking	40,768.00		(40,768.00)	
10	Transfer	From LGIP to checking	47,000.00		(47,000.00)	
24	Transfer	From LGIP to checking	99,000.00		(99,000.00)	
27	Transfer	From LGIP to checking	9,147.45		(9,147.45)	
27	Transfer	From LGIP to checking	68,903.00		(68,903.00)	
			264,818.45	-	(264,818.45)	-
NET INCREASE (DECREASE) FOR MONTH			\$ 41,825.60	\$ 11,644.32	\$ 12,442,388.34	\$ -

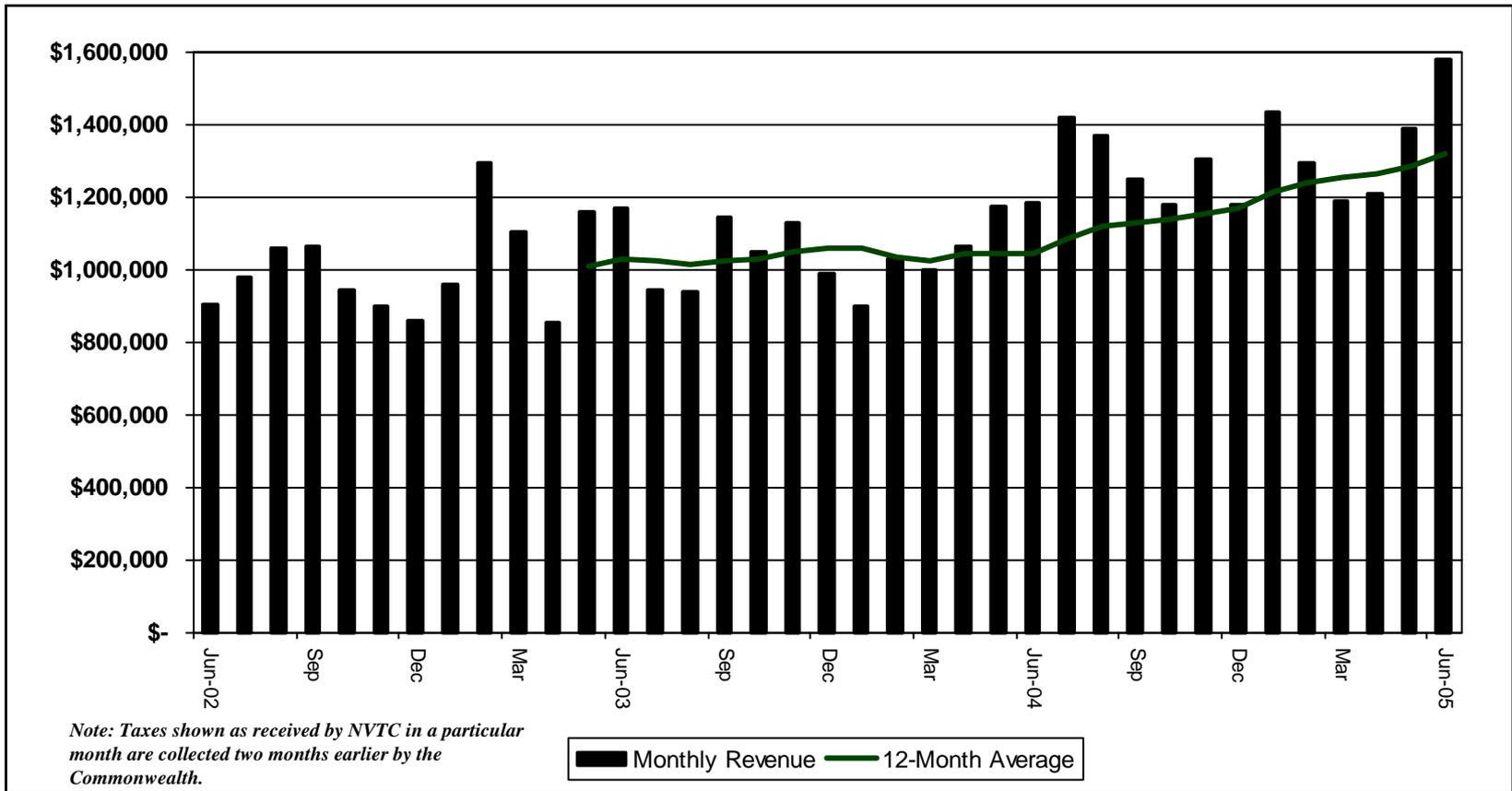
**NVTC
INVESTMENT REPORT
June, 2005**

<u>Type</u>	<u>Rate</u>	<u>Balance 5/31/2005</u>	<u>Increase (Decrease)</u>	<u>Balance 6/30/2005</u>	<u>NVTC G & A</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun County</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 21,118.57	\$ 41,825.60	\$ 62,944.17	\$ 62,944.17	\$ -	\$ -
Wachovia: NVTC Savings	2.37%	203,966.59	11,644.32	215,610.91	215,610.91	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	3.02%	65,209,817.21	12,442,388.34	77,652,205.55	540,772.12	60,808,218.95	16,303,214.48
		<u>\$ 46,380,968.96</u>	<u>\$ 12,495,858.26</u>	<u>\$ 77,930,760.63</u>	<u>\$ 819,327.20</u>	<u>\$ 60,808,218.95</u>	<u>\$ 16,303,214.48</u>

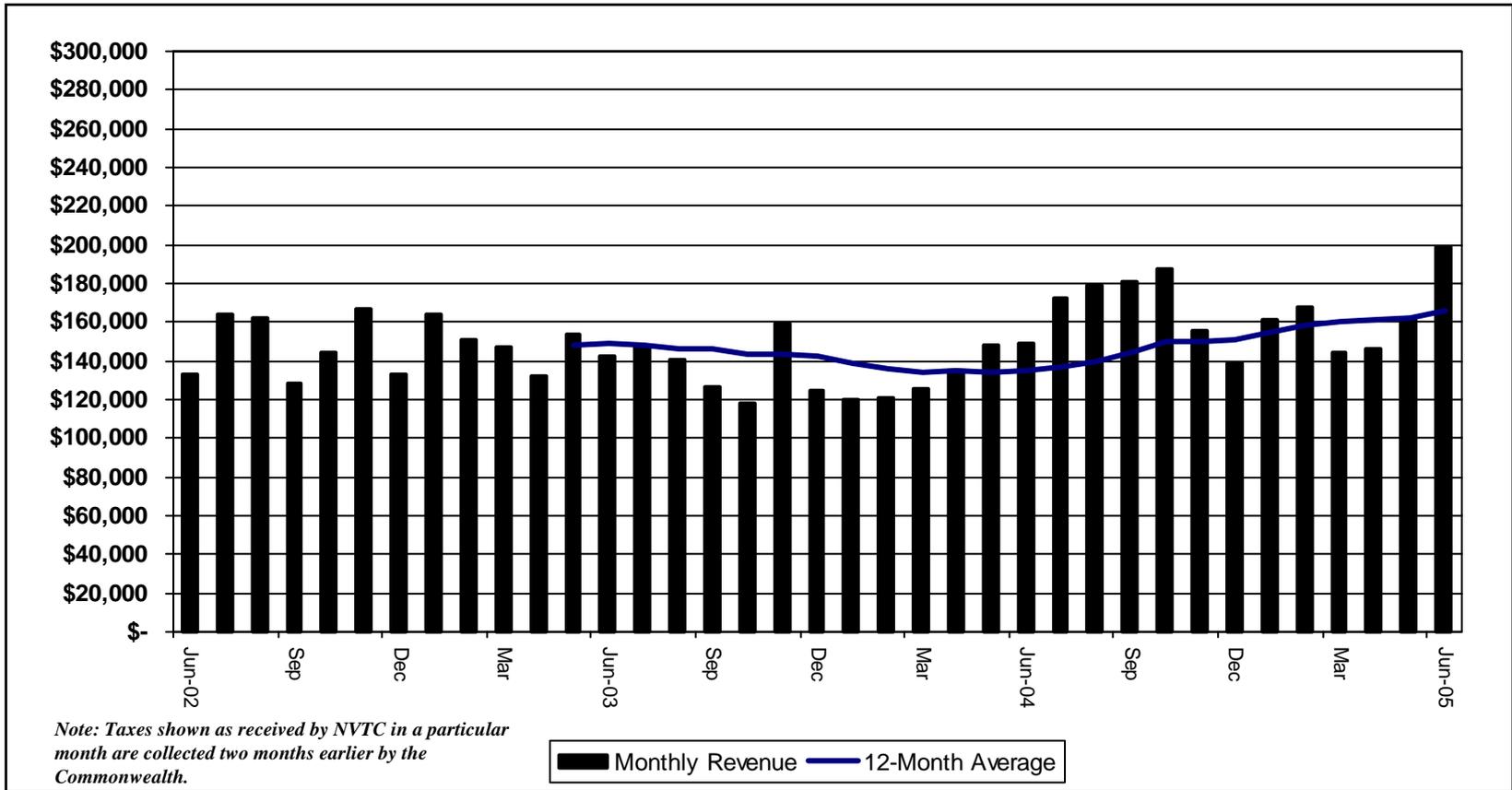
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2002-2005



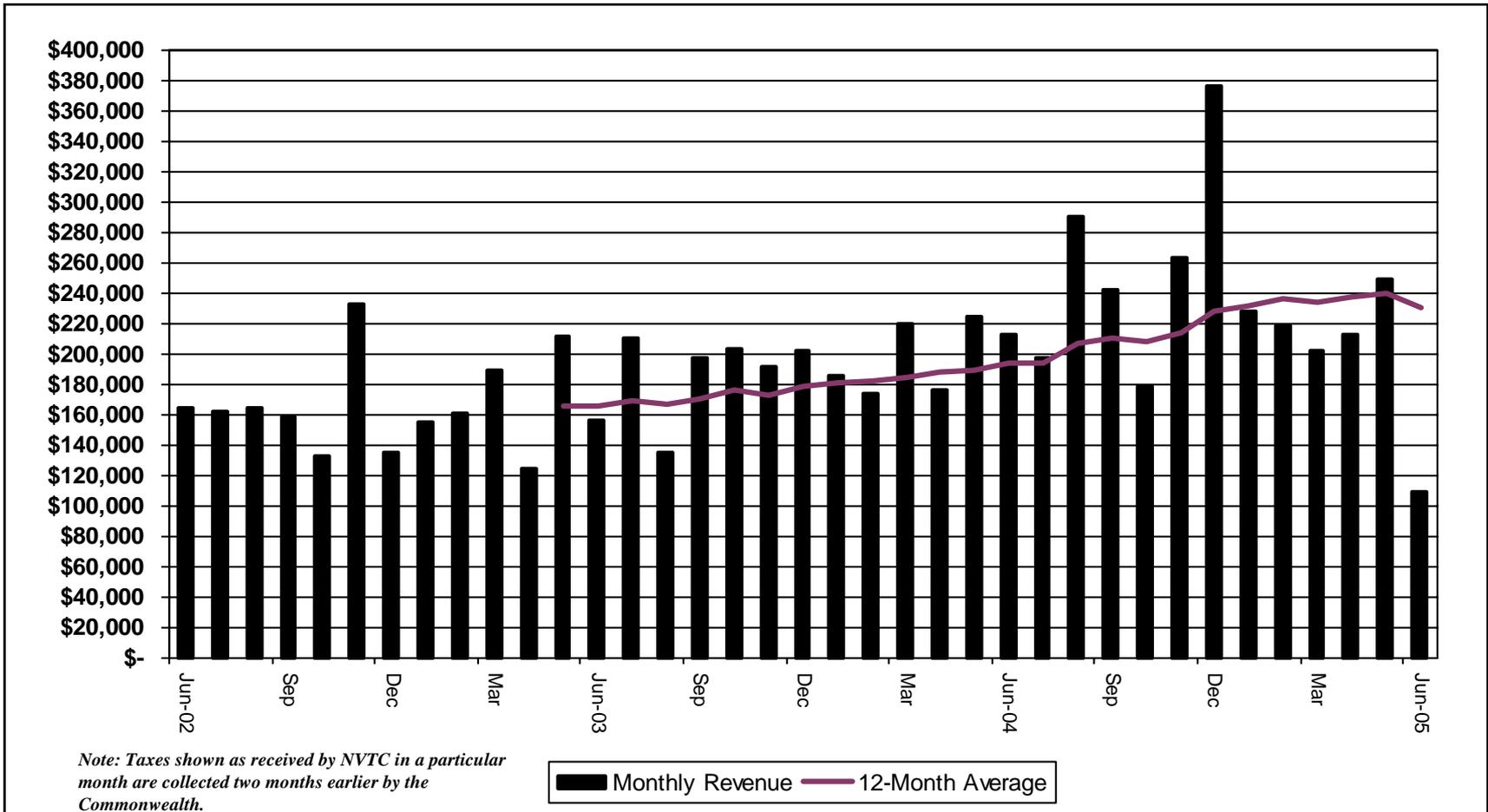
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2002-2005



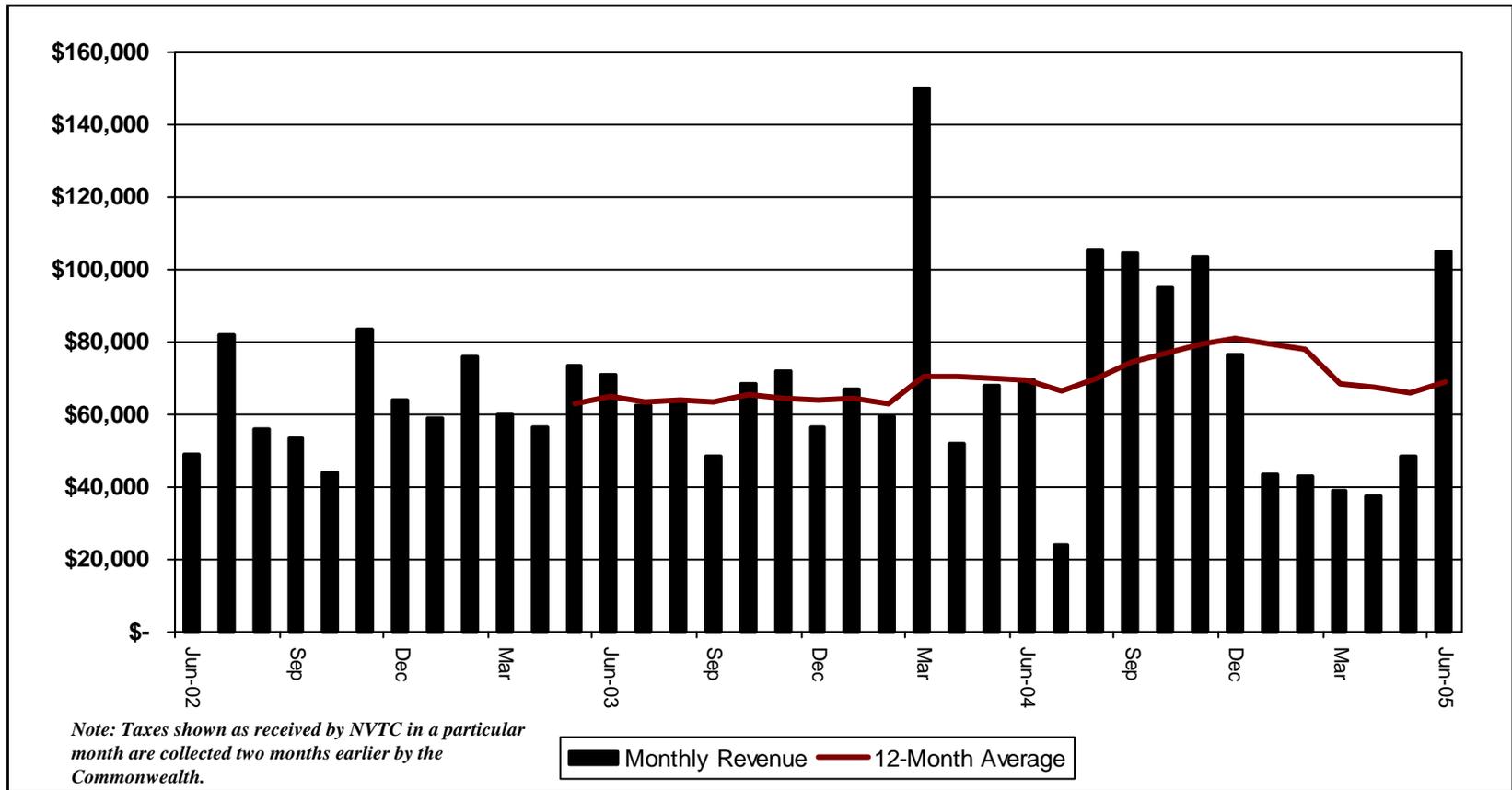
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2002-2005



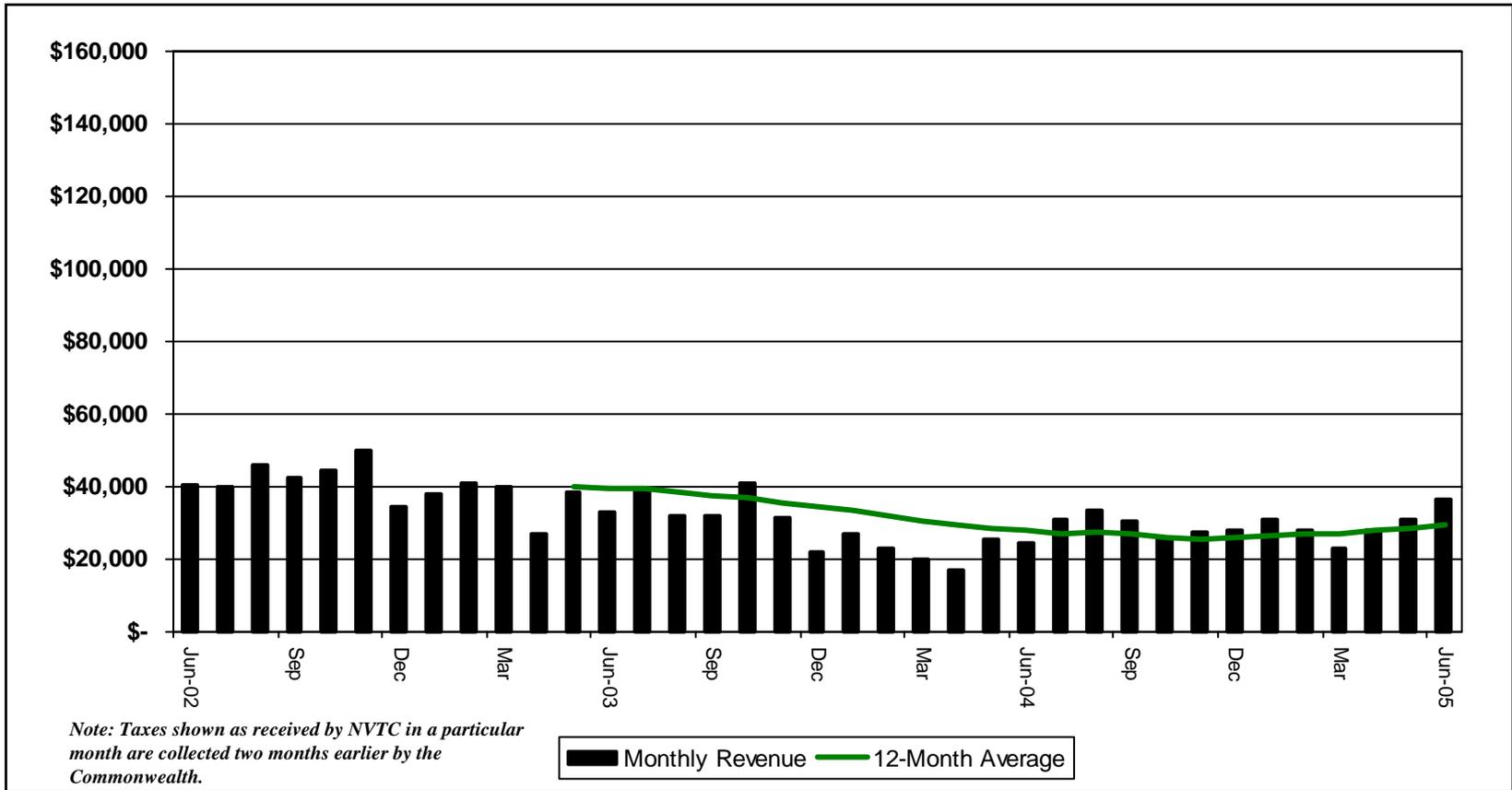
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2002-2005



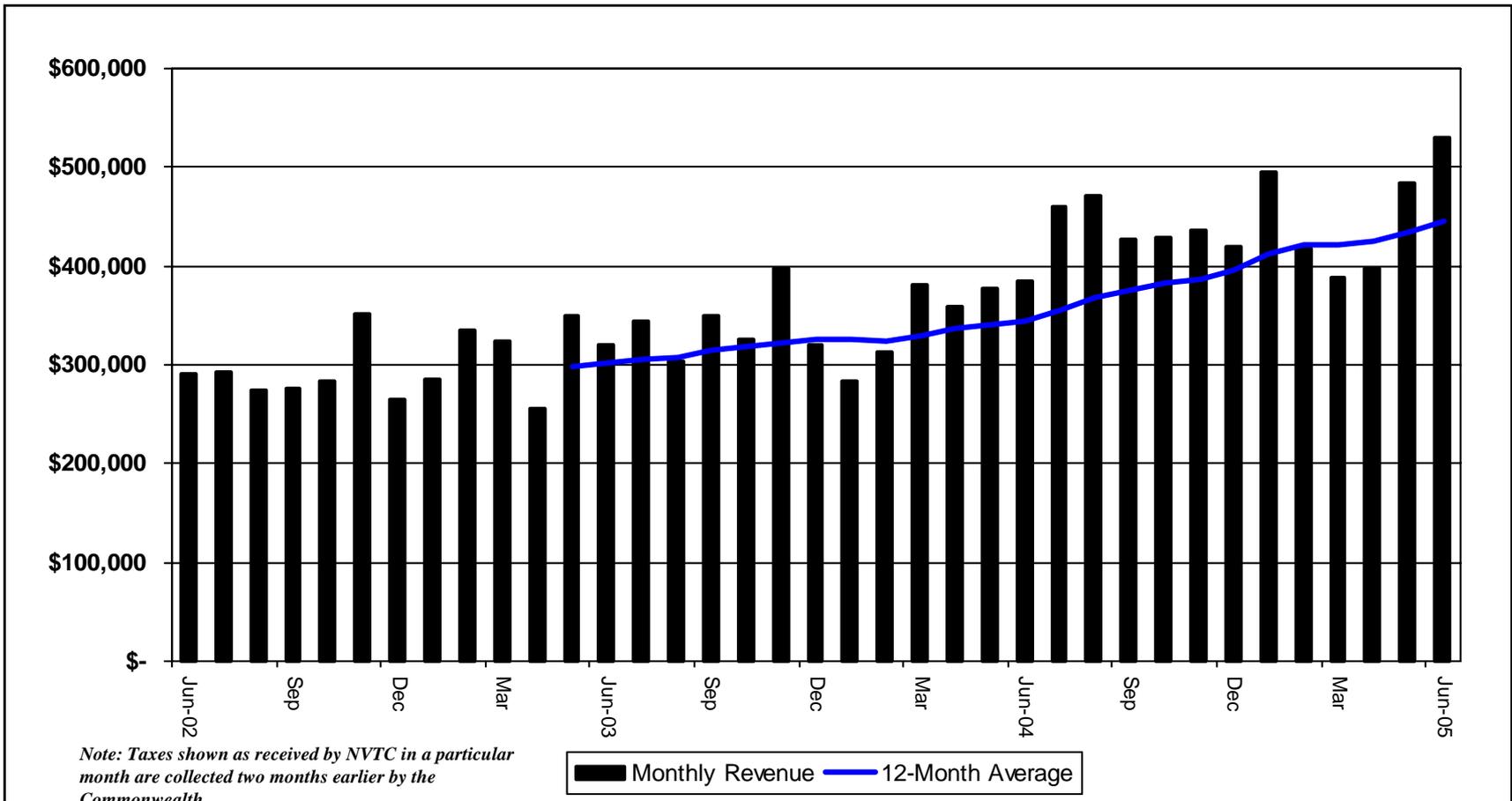
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2002-2005

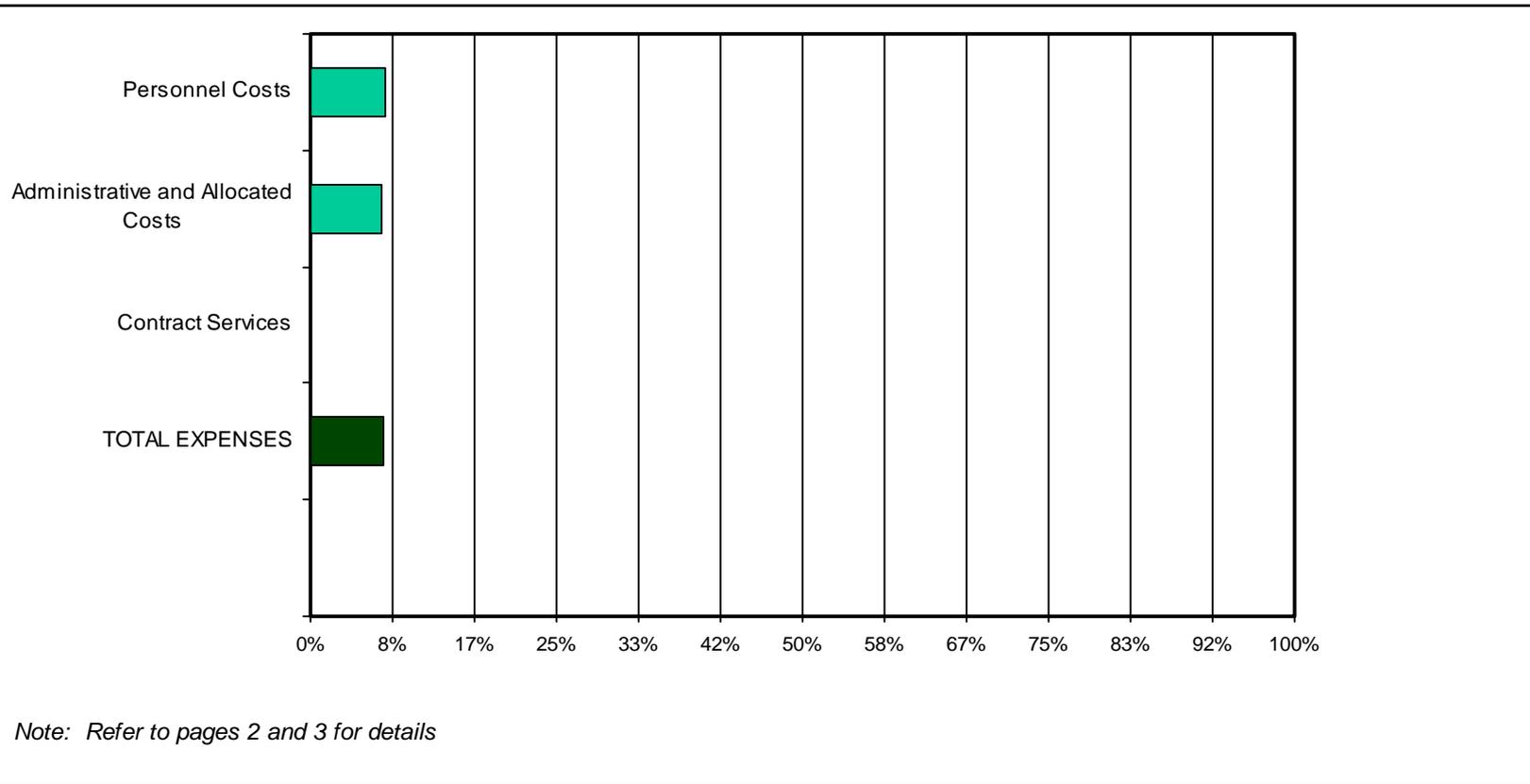


Northern Virginia Transportation Commission

Financial Reports

July, 2005

Percentage of FY 2005 NVTC Administrative Budget Used
July, 2005
(Target 8.33% or less)



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

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<u>Personnel Costs</u>					
Salaries	\$ 49,168.37	\$ 49,168.37	\$ 612,384.00	\$ 563,215.63	92.0%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	49,168.37	49,168.37	613,384.00	564,215.63	92.0%
<u>Benefits</u>					
Employer's Contributions:					
FICA	3,415.18	3,415.18	40,869.00	37,453.82	91.6%
Group Health Insurance	4,329.23	4,329.23	92,749.00	88,419.77	95.3%
Retirement	3,673.00	3,673.00	48,800.00	45,127.00	92.5%
Workmans & Unemployment Compensation	885.00	885.00	3,000.00	2,115.00	70.5%
Life Insurance	273.72	273.72	3,150.00	2,876.28	91.3%
Long Term Disability Insurance	275.99	275.99	3,902.00	3,626.01	92.9%
Total Benefit Costs	12,852.12	12,852.12	192,470.00	179,617.88	93.3%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,150.00	1,150.00	13,800.00	12,650.00	91.7%
<i>Rents:</i>					
Office Rent	14,167.98	14,167.98	167,481.00	153,313.02	91.5%
Parking	1,295.00	1,295.00	10,800.00	9,505.00	88.0%
<i>Insurance:</i>					
Public Official Bonds	22.80	22.80	3,850.00	3,827.20	99.4%
Liability and Property	-	-	2,000.00	2,000.00	100.0%
	22.80	22.80	1,850.00	1,827.20	98.8%
<i>Travel:</i>					
Conference Registration	815.05	815.05	23,000.00	22,184.95	96.5%
Conference Travel	-	-	2,000.00	2,000.00	100.0%
Local Meetings & Related Expenses	-	-	5,000.00	5,000.00	100.0%
Training & Professional Development	815.05	815.05	12,000.00	11,184.95	93.2%
	-	-	4,000.00	4,000.00	100.0%
<i>Communication:</i>					
Postage	1,023.26	1,023.26	12,500.00	11,476.74	91.8%
Telephone - LD	600.00	600.00	6,000.00	5,400.00	90.0%
Telephone - Local	71.55	71.55	1,500.00	1,428.45	95.2%
	351.71	351.71	5,000.00	4,648.29	93.0%
<i>Publications & Supplies</i>					
Office Supplies	1,444.41	1,444.41	29,100.00	27,655.59	95.0%
Duplication	451.29	451.29	5,000.00	4,548.71	91.0%
Public Information	993.12	993.12	14,100.00	13,106.88	93.0%
	-	-	10,000.00	10,000.00	100.0%

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

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	621.78	621.78	23,500.00	22,878.22	97.4%
Furniture and Equipment	-	-	8,000.00	8,000.00	100.0%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	621.78	621.78	14,500.00	13,878.22	95.7%
<i>Other General and Administrative</i>	1,183.08	1,183.08	6,400.00	5,216.92	81.5%
Subscriptions	-	-	500.00	500.00	100.0%
Memberships	885.00	885.00	1,300.00	415.00	31.9%
Fees and Miscellaneous	298.08	298.08	2,600.00	2,301.92	88.5%
Advertising (Personnel/Procurement)	-	-	2,000.00	2,000.00	100.0%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	<u>20,428.36</u>	<u>20,428.36</u>	<u>279,631.00</u>	<u>259,202.64</u>	<u>92.7%</u>
<u>Contracting Services</u>					
Auditing	-	-	17,700.00	17,700.00	100.0%
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>-</u>	<u>19,700.00</u>	<u>19,700.00</u>	<u>100.0%</u>
 Total Gross G&A Expenses	 <u>\$ 82,448.85</u>	 <u>\$ 82,448.85</u>	 <u>\$ 1,105,185.00</u>	 <u>\$ 1,022,736.15</u>	 <u>92.5%</u>

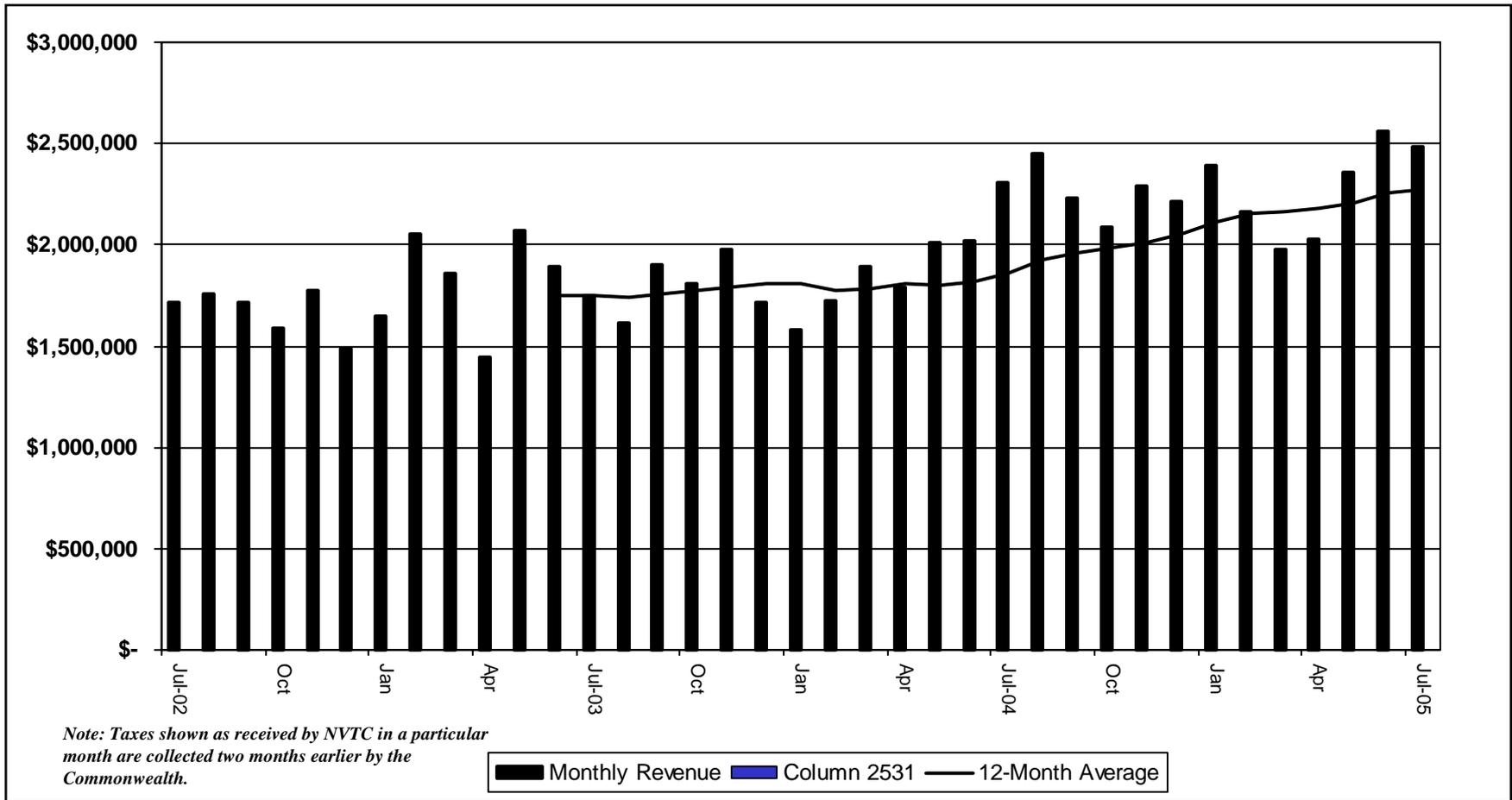
NVTC
RECEIPTS and DISBURSEMENTS
June, 2005

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	<u>VA SNAP</u>
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			<u>(222,992.85)</u>	<u>-</u>	<u>-</u>	<u>-</u>
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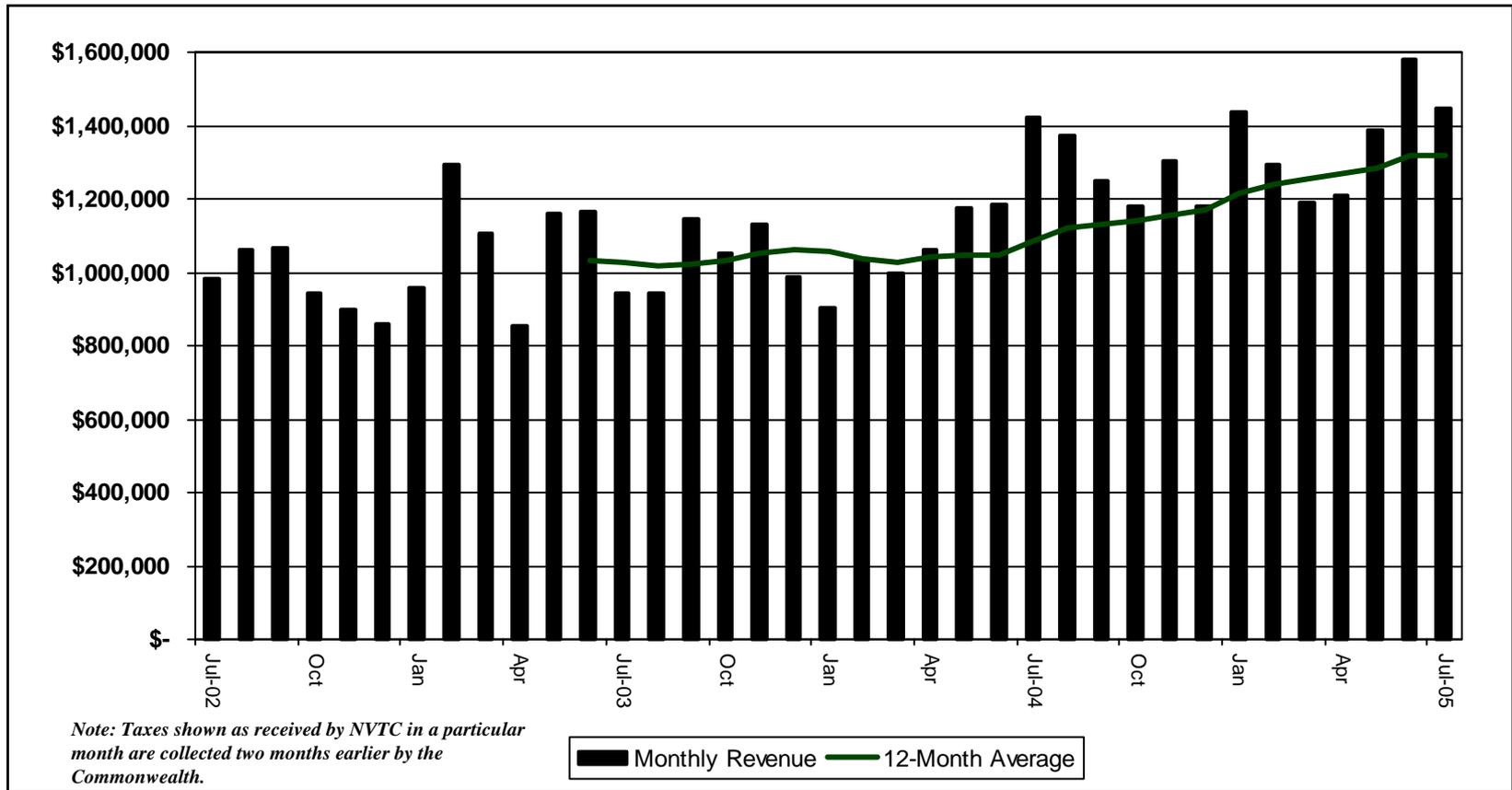
**NVTC
INVESTMENT REPORT
June, 2005**

<u>Type</u>	<u>Rate</u>	<u>Balance 5/31/2005</u>	<u>Increase (Decrease)</u>	<u>Balance 6/30/2005</u>	<u>NVTC G & A</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun County</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 21,118.57	\$ 41,825.60	\$ 62,944.17	\$ 62,944.17	-	-
Wachovia: NVTC Savings	2.37%	203,966.59	11,644.32	215,610.91	215,610.91	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	3.02%	65,209,817.21	12,442,388.34	77,652,205.55	540,772.12	60,808,218.95	16,303,214.48
		<u>\$ 46,380,968.96</u>	<u>\$ 12,495,858.26</u>	<u>\$ 77,930,760.63</u>	<u>\$ 819,327.20</u>	<u>\$ 60,808,218.95</u>	<u>\$ 16,303,214.48</u>

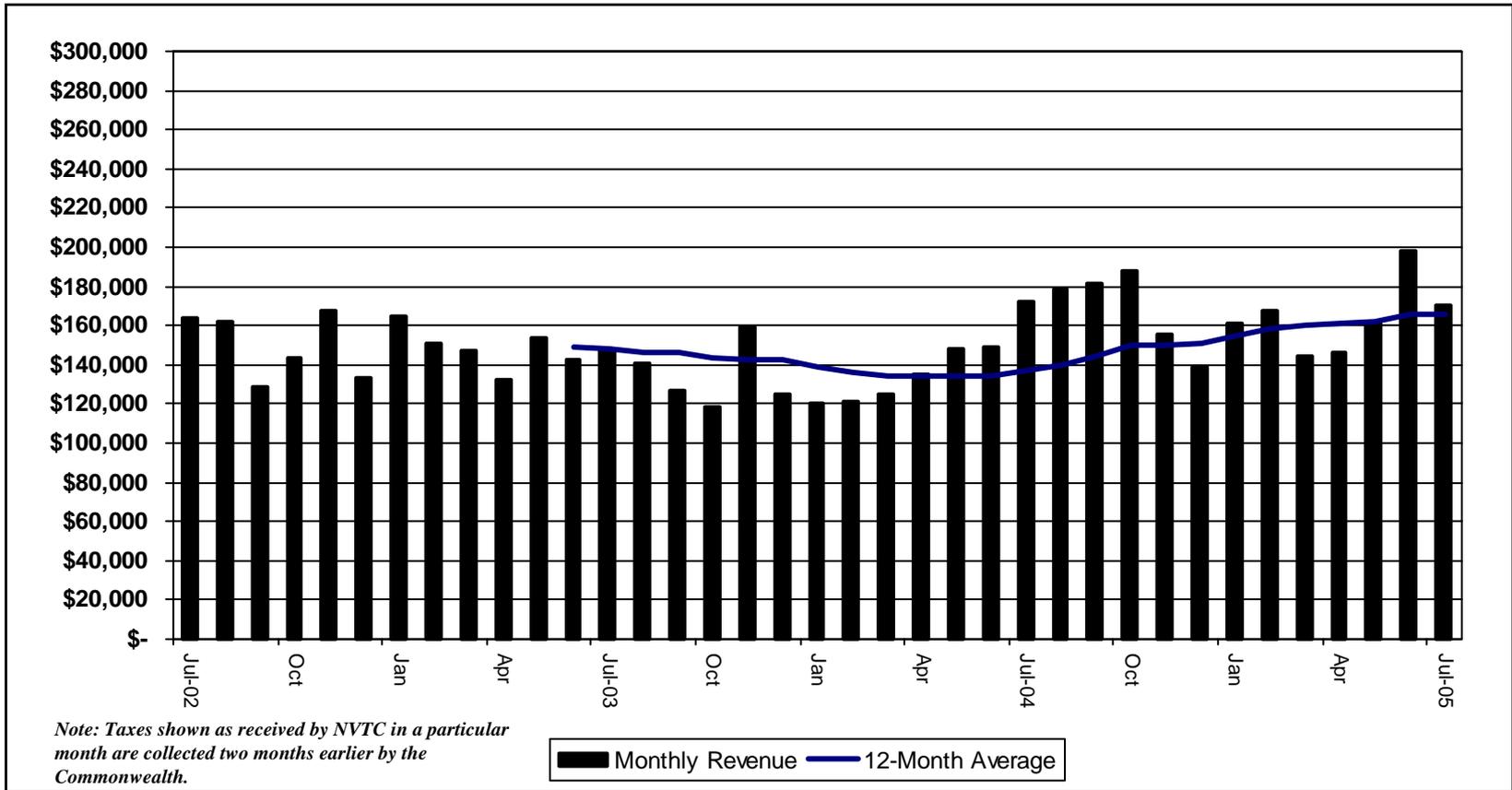
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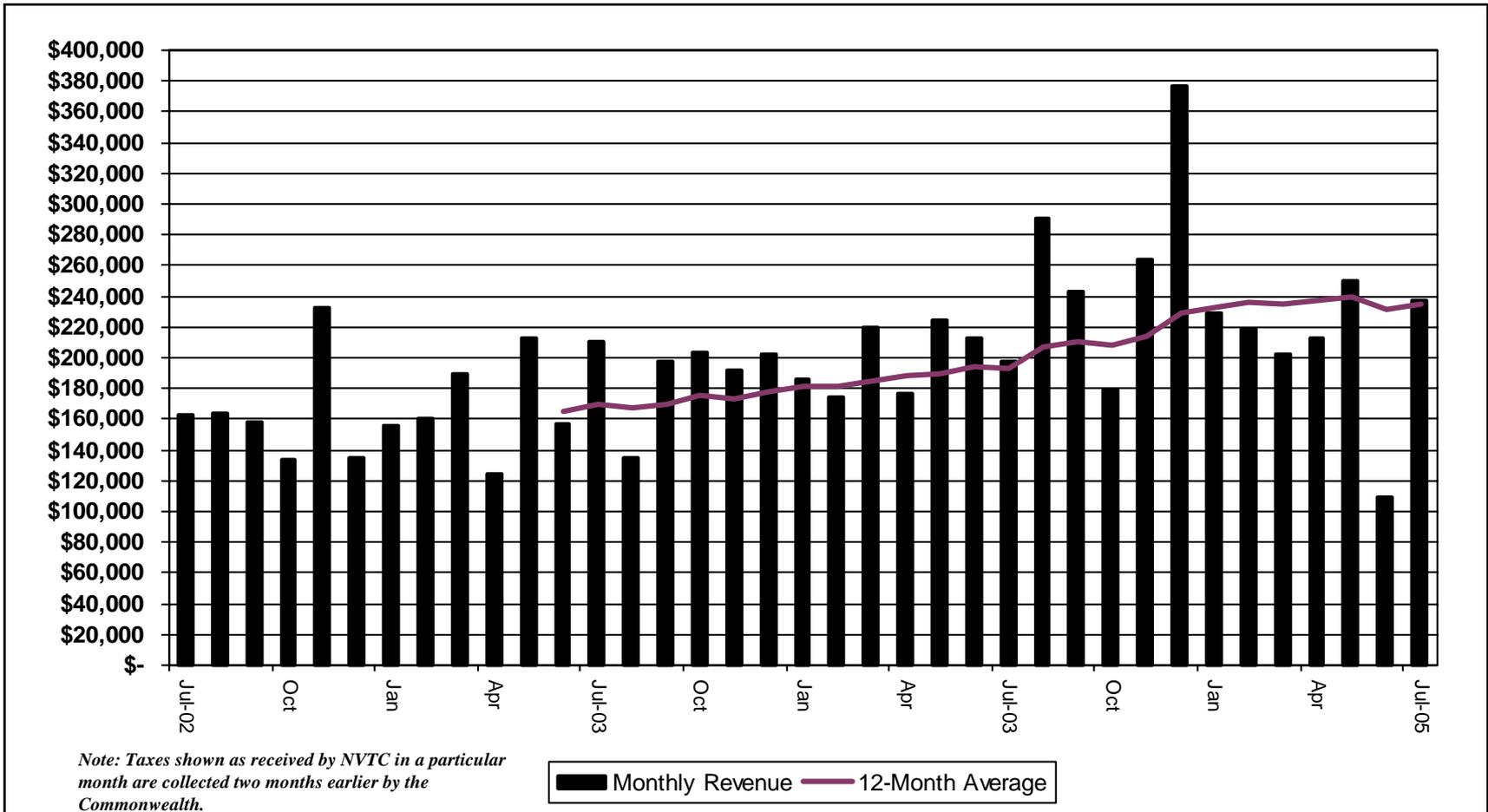
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2002-2005



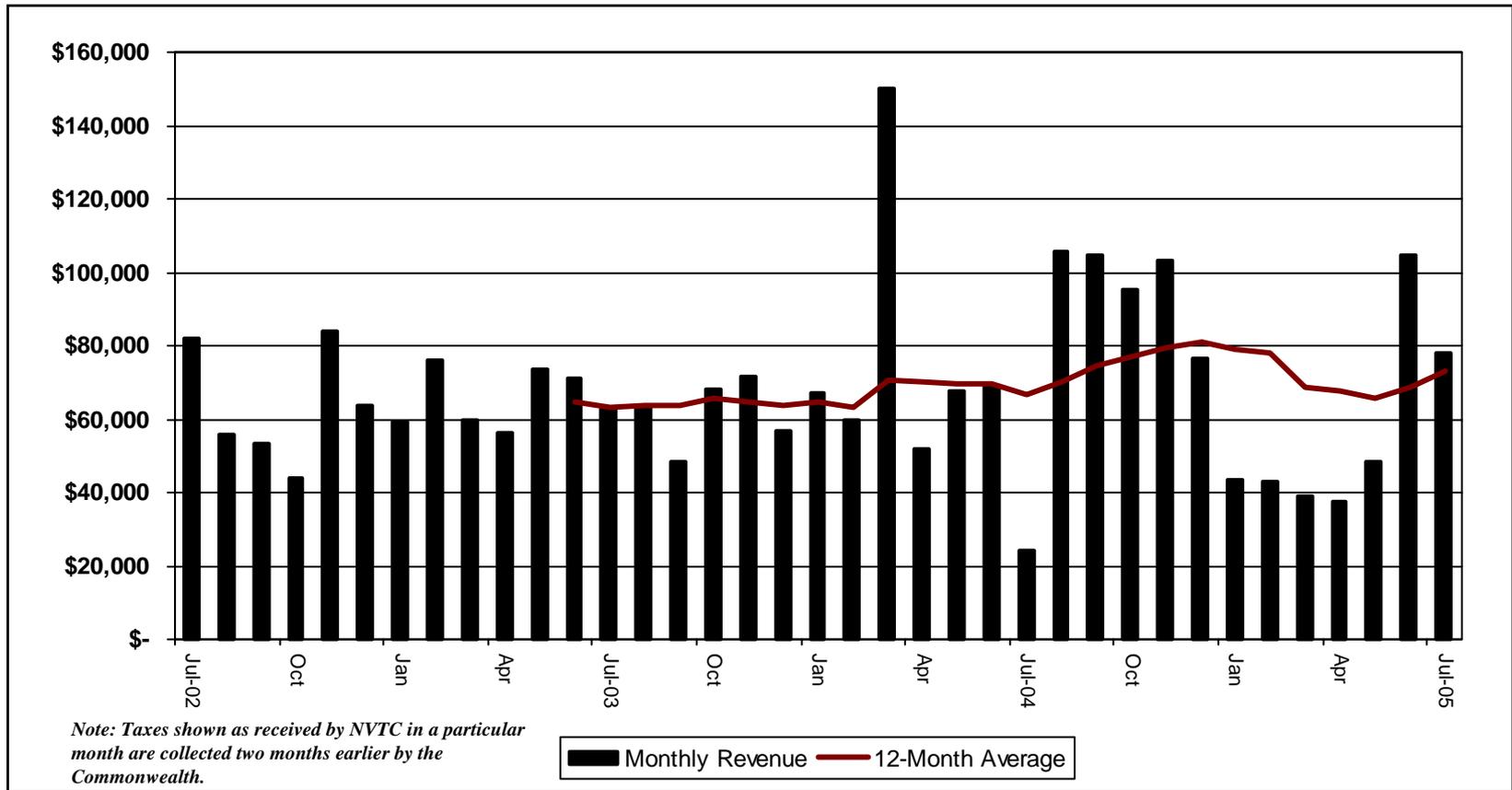
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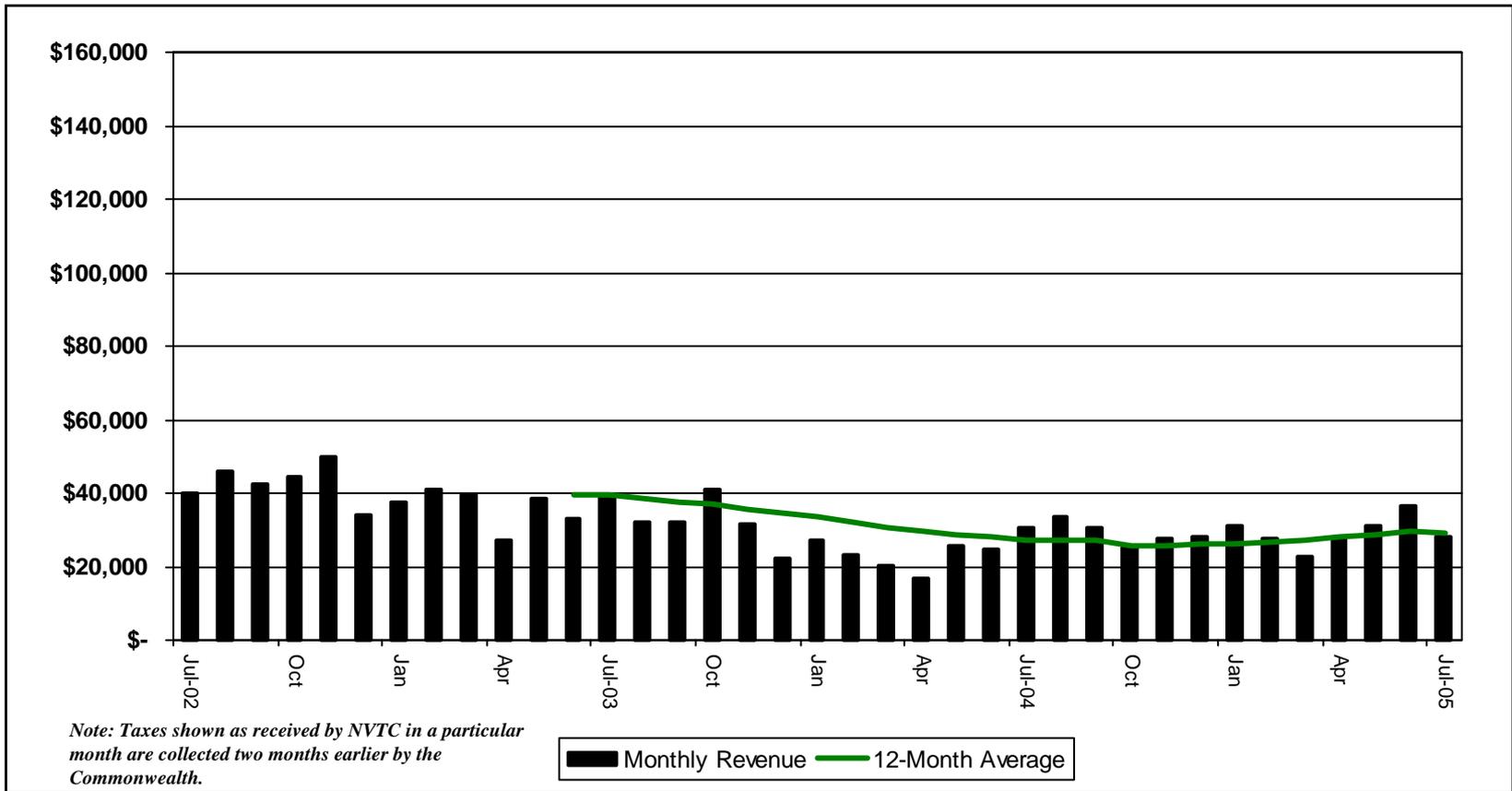
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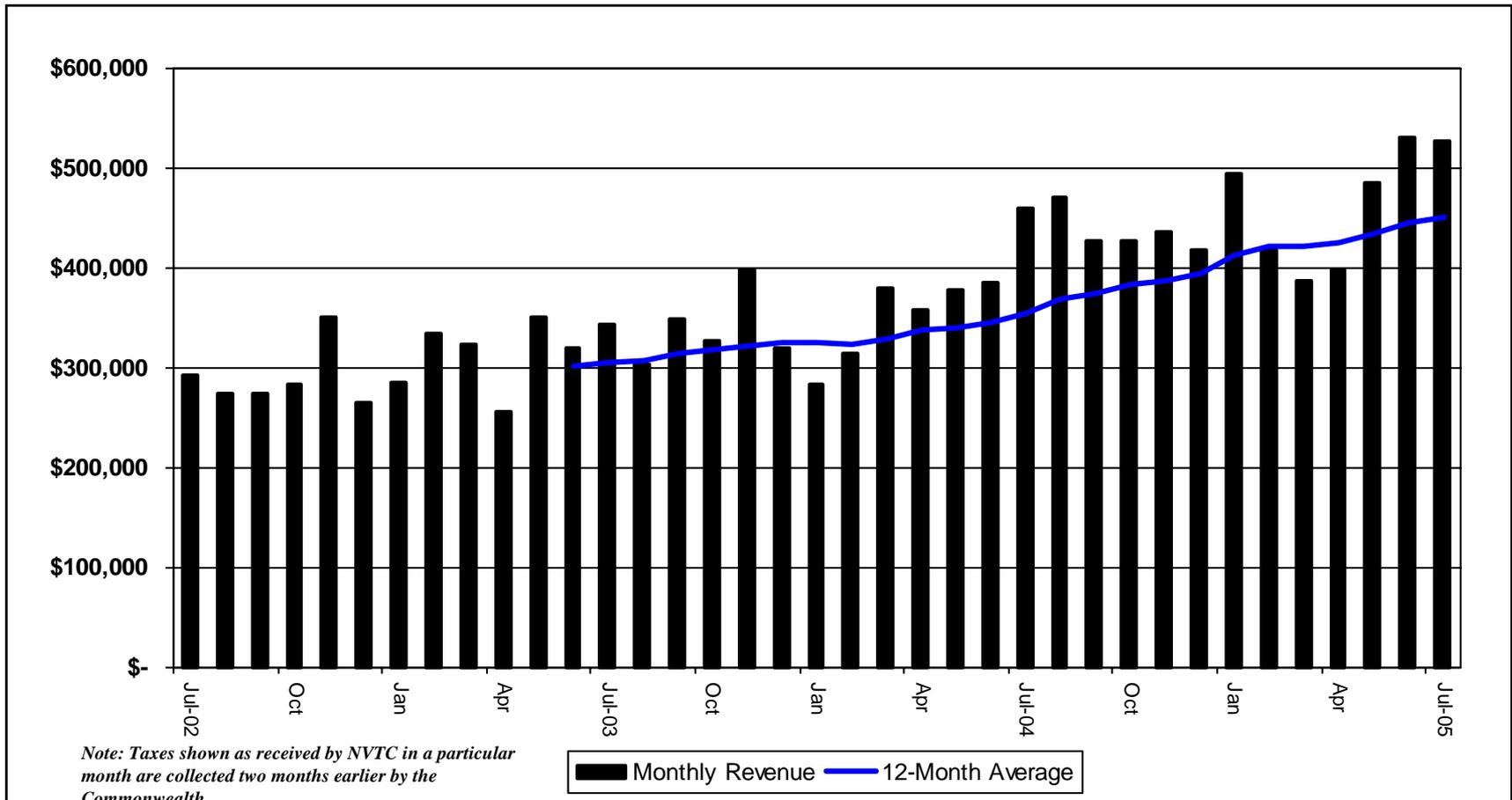
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2002-2005



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2002-2005



MEMORANDUM

TO: Chairman Ferguson and NVTC Commissioners
FROM: Rick Taube
DATE: August 25, 2005
SUBJECT: Personnel Matters

This item will be discussed in closed session. Following the closed session, it is anticipated that the commission will act on Resolution #1092.

To enter the closed session:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A(1) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in closed session concerning two personnel matters.

At the conclusion of the closed session:

The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded closed session:

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

