



**NVTC COMMISSION MEETING
THURSDAY, NOVEMBER 2, 2006
8:00P.M.**

NVTC CONFERENCE ROOM

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

AGENDA

1. Oath of Office for New Commissioner.

Matthew Tucker, Director of the Virginia Department of Rail and Public Transportation, will be joining NVTC as a new commissioner.

Recommended Action: Chairman Connolly will administer the oath of office.

2. Minutes of NVTC Meeting of October 5, 2006.

Recommended Action: Approval.

3. Recognition of NVTC Chairman Connolly's APTA Award.

Chairman Connolly has earned the prestigious Local Distinguished Service Award for 2006 from the American Public Transportation Association. He was recognized by the 1,600-member organization for "significant contributions at the local level to public transportation through policy, legislative initiative and leadership."

Information Item.



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4. VRE Items.

- A. Report from the VRE Operations Board and VRE Chief Executive Officer (with minutes of the VRE Board meeting of October 20, 2006)—Information Item.
- B. Memorandum of Understanding with CSXT for Construction of L'Enfant Storage Track—Action Item/Resolution #2039.
- C. Task Order for General Fleet Maintenance—Action Item/Resolution #2040.
- D. Change to Authority Delegated to the VRE Operations Board—Action Item/Resolution #2041.

5. NVTC's FY 2006 Audit.

PBG&H has completed its audit and representatives of the firm will report on its findings.

Recommended Action: Authorize NVTC's executive director to forward the audited financial statements to the commission's distribution list of agencies, regulatory bodies and bondholders and to post the results on NVTC's website.

6. Metro Items.

- A. 2005 Development-Related Ridership Survey.
- B. Delay of Dulles Rail Project.
- C. WMATA Governance Task Force.

Recommended Action: Authorize comments on the draft Governance Task Force report to be sent to WMATA.

7. Legislative Items.

A. NVTC's Legislative Committee will meet in November and present its recommendations for the commission's 2007 Legislative Agenda on December 7th. Commissioners are invited to provide suggestions for consideration by the committee.

B. Washington Post Survey on Transportation Taxes.

C. Correspondence and Media Coverage.

Discussion Item.

8. Interim Final Report to FTA on SmarTrip Farebox Project.

NVTC staff has submitted the required report to FTA and will brief the commission on the status of farebox testing in Northern Virginia.

Discussion Item.

9. Status Report on Congestion Mitigation Demonstration.

Staff will describe progress and request feedback from commissioners.

Information Item.

10. Status Report on Transit on I-95/395 HOV/HOT Lanes.

Staff will describe progress and request feedback from commissioners.

Information Item.

11. Status Report on FAMPO Transit Formula Funding Issue.

Staff will brief the commission on actions by FAMPO, NVTA and TPB regarding efforts to capture some federal transit formula funding at the expense of WMATA. NVTC has acted to oppose FAMPO's request.

Information Item.

12. Regional Transportation Items.

- A. Northern Virginia Tour for Senior State Transportation Officials.
- B. U.S. Compared to Northern Virginia Transit Ridership.
- C. Public Transportation: Who's On Board to Get To Work.
- D. TRB Publication: Commuting in America III.
- E. Notes from APTA's Annual Conference.

Information Item.

13. NVTC Financial Items for September, 2006.

Reports are provided.

Information Item.



AGENDA ITEM # 1

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Oath of Office for New NVTC Commissioner.

Chairman Connolly will administer the following oath to Matthew Tucker, Director of the Virginia Department of Rail and Public Transportation:

I do solemnly swear that I will support the Constitution of the United States and the Commonwealth of Virginia and that I will faithfully discharge all the duties incumbent upon me as a member of the Northern Virginia Transportation Commission, according to the best of my ability.



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AGENDA ITEM #2

MINUTES
NVTDC COMMISSION MEETING – OCTOBER 5, 2006
NVTDC CONFERENCE ROOM – ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Connolly at 8:10 P.M.

Members Present

David Albo
Chip Badger (DRPT)
Sharon Bulova
Gerald Connolly
Jeannemarie Devolites Davis
Adam Ebbin
William D. Euille
Paul Ferguson
Jay Fisette
Catherine M. Hudgins
Dana Kauffman
Dan Maller (Alternate, Falls Church)
Joe May
Elaine McConnell
Thomas Rust
Paul Smedberg
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

Eugene Delgaudio
Scott Silverthorne
David F. Snyder

Staff Present

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



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Oath of Office for New NVTC Commissioner

Chairman Connolly announced that Paul Smedberg, who has been serving as an alternate for the City of Alexandria, has taken Ludwig Gaines's place as a NVTC commissioner. Chairman Connolly administered the oath of office to Mr. Smedberg.

Chairman Connolly welcomed several NVTA members, including Judy Connolly and Martin Nohe.

Minutes of NVTC's Meeting of September 7, 2006

On a motion by Senator Whipple and a second by Ms. Bulova, the commission unanimously approved the minutes. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Euille, Ferguson, Hudgins, Kauffman, Maller, May, McConnell, Smedberg, Whipple and Zimmerman.

VRE Items

Report from the VRE Operations Board and VRE Chief Executive Officer. Mrs. Bulova urged commissioners to read the minutes of the September 15, 2006 VRE Operations Board meeting.

Contract Amendment with Scheidt & Bachmann for Fare Collection Equipment Maintenance. Mrs. Bulova explained that Resolution #2038 would authorize VRE's CEO to amend the existing contract with Scheidt & Bachmann to increase the new equipment maintenance amount by up to \$83,639. This would increase the total contract value to \$3,803,021. The current agreement expires October 31, 2006 and this action would extend the expiration date for three months while negotiations are concluded over a one-year extension.

Mrs. Bulova moved, with a second by Senator Whipple, to approve Resolution #2038 (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Euille, Ferguson, Hudgins, Kauffman, Maller, May, McConnell, Smedberg, Whipple and Zimmerman.

Transit on I-95/395 HOV/HOT Lanes

Mr. Taube introduced Tim Young of Fluor-Transurban, the private consortium that is negotiating with the commonwealth to build and operate HOT lanes in the I-95/395 corridor. Mr. Young introduced the rest of his team members.

Senator Devolites Davis arrived at 8:14 P.M.

Mr. Young explained that the project covers 56 miles of managed lanes in the I-95/395 corridor. The first segment of the project would be expansion of the existing HOV system from two lanes to a three lane HOV/HOT/Bus lane system. The second segment would extend that system south to Fredericksburg. The northern terminus would be located at Eads Street in Arlington. Mr. Young reassured the commission that Fluor-Transurban is committed to open dialogue and a transparent process. Senator Whipple suggested that any future reports should accurately reflect that the existing HOV system is a HOV/Bus system.

At 8:20 P.M., Delegate Rust arrived.

Mr. Young stated that it is estimated that the project will generate excess revenues for transit activities in the corridor (either a \$250 million upfront concession payment or \$500 million over time from revenues). Chairman Connolly asked if there is an understanding with the commonwealth that Northern Virginia would receive these funds and revenues would not be sent to other parts of the state. Mr. Young replied that VDOT has signaled that the revenues would be used for Northern Virginia transit and would go through the CTB process. Chairman Connolly stated that it is very important that the funds get "locked" in because this revenue needs to stay in Northern Virginia.

Mr. Fiset joined the discussion at 8:24 P.M.

Mr. Young stated that the proposal has been enhanced to include a Shirlington ramp, an in-line station at Lorton, additional proposed entry/exit points, revised timing of the park and ride lots and responses to BRAC issues. Mr. Kauffman observed that the new Army Museum is expected to generate significant jobs and traffic. The Newington northbound exit ramp will be heavily used to get to the museum. Mr. Young stated that traffic modeling analysis can be done.

Delegates Albo and Ebbin arrived at 8:27 P.M.

In response to a question from Mrs. McConnell, Mr. Young stated that the locations of the park and ride facilities have not yet been identified. In response to a question from Mrs. Bulova, Mr. Young stated that a categorical exclusion on the northern segment is based on staying in the right-of-way and no impacts to the environment are anticipated, although this must be proven. Mr. Zimmerman noted that it is also a capacity issue.

Delegate Rust observed that there is no final agreement signed yet between Fluor-Transurban and the commonwealth. He expressed concern about the recent legislation passed by the House that these types of agreements must be reviewed by the General Assembly. Fortunately, when the bill went to the Senate it did not pass. However, similar legislation will probably be introduced again and this could be a concern to Northern Virginia as it may signal an attempt to take funds away from Northern Virginia.

In response to a question from Senator Whipple, Mr. Badger stated that the costs and benefits to the commonwealth will be reviewed. Senator Whipple advised that there needs to be an analysis done on the effects on this project if gas prices go up to \$4-\$6 a gallon.

Mr. Zimmerman stated that he would like to know how many public outreach events occur before TPB is asked to act on the project. Chairman Connolly stated that traditional public outreach does not work because usually only those opposed to a project speak out, which does not necessarily reflect public opinion. NVTa conducted a scientific survey which resulted in striking results and he encouraged Fluor-Transurban to find other mechanisms besides public comment sessions to test public opinion.

Mr. Zimmerman observed that the original Fluor-Transurban proposal included a prominent role for transit with a HOT/BRT proposal. Now BRT is strikingly absent. Mr. Young stated that FHWA requires dedicated lanes for BRT and this proposal allows multiple uses so the term BRT was dropped. Mr. Zimmerman replied that the northern segment is an existing system. The Shirley Highway Busway was built as a BRT facility and in its current form counts as a fixed guideway. He is concerned that the current proposal would degrade what is a current BRT facility to something else. He would rather have seen the proposal adjusted as opposed to the name adjusted to meet some other definition. Chairman Connolly asked if DRPT is satisfied that the substance of the proposal is the same and the changes were only in nomenclature. Mr. Badger replied that DRPT is satisfied and committed to making sure that bus service is enhanced.

Mr. Zimmerman expressed another concern about maintaining free flow traffic conditions without shoulders in the event of any incident. This will degrade transit on the system. A Fluor-Transurban representative stated that expanding the shoulders would be ideal, but there is no way to expand the width of the corridor. Rapid incident response is a way to provide immediate relief. Fluor-Transurban has had successful experiences in Melbourne, Australia where there is a mandatory five minute incident response.

Chairman Connolly stated that there are several important concerns regarding this project, including that there's no deterioration of existing levels of transit service on the I-95/395 HOV lanes, there is enhancement of additional transit service, and excess revenues need to stay and be spent on transit in this region.

Senator Devolites Davis stated that she would be interested in knowing what percentage of people currently use bus in the corridor, since many people don't like to get out of their cars. Mr. Taube stated that there was a study just recently done for the I-66 corridor inside the Beltway and in the fall a study will be done for I-395 inside the Beltway. As of yet there has not been any analysis done of mode shares for the entire I-95 corridor. Senator Whipple stated that the two HOV lanes carry 25 percent more people than the other four lanes of traffic.

Delegate May stated that if video technology is being considered for enforcement for this project, he suggested Fluor-Transurban start working with legislators now to draft legislation. Senator Whipple stated that the General Assembly already passed legislation for improved toll road enforcement in Richmond.

Mr. Zimmerman asked that if the northern terminus is at Eads Street, what prevents big traffic backups at the 14th Street Bridge. Mr. Young replied that they don't know yet, but through traffic modeling will be looking at ways to alleviate any problems. Fluor-Transurban is committed to keeping NVTC, local jurisdictions, transit agencies and the public informed and there are opportunities for input throughout the process.

Comments on FTA Proposed Policy Regarding HOT Lanes as Fixed Guideway Miles

Mr. Taube explained that FTA has requested comments on a proposed policy titled "When High-Occupancy Vehicle Lanes Shall be Classified as Fixed Guideway Miles for FTA's Funding Formulas...." NVTC staff drafted a letter that would reinforce the most essential points: First, continued monitoring of the performance of HOV lanes converted to HOT lanes is needed to ensure no degradation. Second, in order to qualify as fixed guideway miles when a HOV lane is converted to a HOT lane, transit vehicles should not be assessed tolls. Finally, federal income from the fixed guideway miles of the HOT lane facility should be directed to the designated recipients for funding eligible public transit capital projects.

Commissioners had no objections to the letter being signed by Chairman Connolly and sent.

Analysis of A.M. Peak Period Travel in Northern Virginia's I-66 Corridor

Ms. Rodgers reported that MWCOG staff conducted traffic counts in mid-September 2005 for VDOT at a screenline on I-66 at Glebe Road and other major parallel roadways in the I-66 corridor. At the request of NVTC, MWCOG included transit ridership provided by Northern Virginia's transit systems. About 64 percent of inbound person trips were by transit or ridesharing during the three-hour morning peak period.

Senator Devolites Davis observed that considering only HOV riders can be on I-66 during the peak period, it would be a more fair analysis to also count outside the Beltway. Mr. Taube explained that counts outside the Beltway will also be done in the future. For this analysis, not only I-66 but also other parallel roads were counted. Ms. Rodgers also noted that the analysis was conducted for an hour before HOV goes into effect, so there were some non-HOV data collected.

Senator Devolites Davis stated that since this analysis is not representative of the entire I-66 corridor it is important to specify "Beltway to Washington, D.C." on press releases and other printed material.

Mr. Taube stated that this was a pilot project and now further analysis can be done for other corridors in the region. In response to a question from Ms. Hudgins, Mr. Taube explained that the screenline was at Glebe Road so the analysis does not directly include all drivers coming from the feeder lanes from the Toll Road (since they could exit I-66 before reaching the Glebe Road screenline).

There were no objections from commissioners to releasing the press release.

NVTC Statement for November 1, 2006 CTB Public Meeting

Mr. Taube stated that the Commonwealth Transportation Board will conduct its annual public meeting in Northern Virginia on November 1st at the Fairfax County Government Center. NVTC's draft statement was amended to include jurisdictional staff comments. The statement shows that annual transit ridership in Northern Virginia is up 17 percent since FY 2002. Every transit system in Northern Virginia, with the exception of VRE, saw ridership growth over the last year. Some systems experienced double digit growth. Mrs. McConnell observed that VRE had on-time performance issues with CSX.

There were no objections to Chairman Connolly or his designee providing the statement to CTB.

Legislative Items

Chairman Connolly thanked the senators and delegates for their legislative initiatives that they tried to get passed during the General Assembly session and special session. Delegate Albo thanked local governments for their comments and suggestions which made his bill much better. Unfortunately, it did not get passed. Chairman Connolly cautioned the legislators that there is a growing public repulsion that nothing can be done for transportation down in Richmond.

Delegate Albo thought his bill would at least have a chance. Irregardless, he learned some things to improve the legislation for the next session. Delegate May observed that the business community really stepped up and supported this legislation. Mrs. McConnell asked if there is a list of legislators who didn't support the bill. Mr. Taube stated that he will forward a list generated by the Northern Virginia Transportation Alliance.

Senator Devolites Davis suggested that legislators need to hear from advocacy groups. There also needs to be a grass roots effort. Local governments can help to get the message out. Ms. Hudgins agreed. Mr. Euille stated that the Virginia Municipal League and the Virginia Association of Counties should be invited to participate in the process.

Senator Devolites Davis acknowledged Tom Biesiadny of Fairfax County DOT who did an outstanding job of providing information to legislators.

FY 2006 Transit Ridership and Trends in Northern Virginia

As discussed earlier, there is very positive transit growth in the region. Commissioners had no questions.

Congestion Mitigation Demonstration

Mr. Taube explained that NVTC staff is suggesting that local transportation staff, with careful coordination with TPB's Value Pricing Task Force and VDOT, consider whether to develop a Northern Virginia grant proposal that could be used to gather more information about the potential success of the type of demonstration described by Mr. Duvall at the September NVTC meeting. There were no objections to NVTC staff continuing to collect information and to continue a dialogue with USDOT and the other agencies.

Metro Items

Chairman Connolly expressed his deep disappointment with the Washington Post for its gross mischaracterization of Northern Virginia's position regarding WMATA's search for a new general manager. Northern Virginia was never against Dan Tangerlini, but Virginia objected to not having a selection process. Last year the Post ran relentless articles about the disfunctionality and mismanagement at Metro, and now to criticize Northern Virginia for wanting a selection process is unbearable. He, along with Mr. Zimmerman, Mr. Kauffman, Mr. Euille and Mrs. Hudgins, sent a letter to the Post, but the Post refused to print it. Mr. Zimmerman stated that it was not only Northern Virginia's position, but also Montgomery and Prince George's counties who also wanted a process. Chairman Connolly asked NVTC staff to contact the Post and send a response. Mr. Euille suggested that there should be a meeting with Post editorial staff.

Regional Transportation Items

Installation of SmarTrip Fareboxes at DASH. The SmarTrip equipped fareboxes are scheduled for limited installation for testing on five DASH buses in early October.

New Census Bureau Release on D.C. Metro Area Commuting. On September 21st the Washington Post showed a trend of increasing use of single-occupant vehicles between 1990 and 2005, relying on Census Bureau findings. As of 2005, the national average was 77 percent of commuters driving alone. All of Northern Virginia's jurisdictions are less than that average, except Loudoun County. The Census Bureau released another report describing commuting times as of 2003. These data show that the average commute is taking longer, with the current average in the region of 33 minutes one way to work. The nationwide average was 24.3 minutes. Virginia as a whole ranks 9th among the states at 25.8 minutes.

Virginia AARP Forum on Senior Mobility. Jana Lynott is an invited speaker at the statewide AARP forum to be held in Richmond on October 30-31, 2006.

VTA Fall Conference. VTA's fall conference is scheduled for November 1st in Richmond.

Tour of Northern Virginia Transit Facilities. NVTC staff is taking the lead in arranging a tour for new DRPT Director Tucker and other senior state transportation officials. The format will be similar to the successful tour last fall for several members of the General Assembly.

Final Approval of NVTA's 2030 Plan. The press conference to announce and celebrate the final approval of the plan was well attended.

NVTC Financial Items for August, 2006

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

Closed Session

Mr. Euille moved, with a second by Mrs. Bulova, as follows:

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 regarding a personnel matter.

The vote in favor was cast by commissioners Badger, Bulova, Connolly, Euille, Ferguson, Hudgins, Kauffman, Maller, May, McConnell, Smedberg, Whipple and Zimmerman. The commission entered into closed session at 9:45 P.M. and returned to open session at 9:55 P.M.

Mr. Euille moved, with a second by Mrs. Bulova, 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 Badger, Bulova, Connolly, Euille, Ferguson, Hudgins, Kauffman, Maller, May, McConnell, Smedberg, Whipple and Zimmerman.

A joint motion was made by Mr. Zimmerman and Mr. Ferguson to approve the recommendations of the executive committee, which were discussed in closed session, to increase NVTC's executive director's total compensation by 4.5 percent with the understanding that the salary shall not increase by more than \$2,000, with the remaining distribution at the discretion of the executive director. Mrs. Bulova seconded the motion. Mr. Euille clarified that the action is retroactive to the executive director's contract date. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Euille, Ferguson, Hudgins, Kauffman, Maller, May, McConnell, Smedberg, Whipple and Zimmerman.

Adjournment

Without objection, Chairman Connolly adjourned the meeting at 9:59 P.M.

Approved this 2nd day of November, 2006.

Gerald E. Connolly
Chairman

William D. Euille
Secretary-Treasurer

NVTC

Northern Virginia Transportation Commission

RESOLUTION #2038

SUBJECT: Contract Amendment with Scheidt & Bachmann for Fare Collection Equipment Maintenance.

WHEREAS: On June 16, 2000, the VRE Operations Board authorized a contract with Scheidt & Bachmann for the delivery of a new fare collection system;

WHEREAS: On October 31, 2002, the system was accepted and four years of contracted maintenance support began;

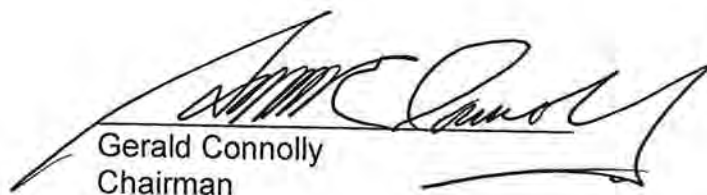
WHEREAS: The current maintenance agreement is set to expire on October 31, 2006 and negotiations are continuing over a one-year extension; and

WHEREAS: VRE needs to keep its fare collection system in serviceable condition at all times.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend the existing contract with Scheidt & Bachmann to extend the current fare collection equipment maintenance contract and increase the contract amount by up to \$83,639, for a total contract value not to exceed \$3,803,021.

Approved this 5th day of October, 2006.


William Euille
Secretary-Treasurer


Gerald Connolly
Chairman





AGENDA ITEM #3

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Recognition of Chairman Connolly's APTA Award.

Chairman Connolly has earned the prestigious Local Distinguished Service Award from the American Public Transportation Association and its 1,500 member transit systems and suppliers. The attachment is an excerpt from the awards program. Also attached is an NVTC media release with more details.

APTA's President Bill Millar is expected to present the award to Chairman Connolly at the Fairfax County Board of Supervisors meeting in the near future. The award was originally announced at APTA's annual conference in San Jose, California on October 10, 2006.

NVTC won the APTA award for Outstanding Performance by a Government Agency in 1996.



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PRESS RELEASE

For Immediate Release

October 23, 2006

Contact: Kala Quintana
703/ 524-3322 ext. 104
Mobile: 703/597-4970
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**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
CHAIRMAN, GERRY CONNOLLY, EARNS
2006 LOCAL DISTINGUISHED SERVICE AWARD FROM THE
AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA)**

***LOCAL LEADER ACKNOWLEDGED FOR SIGNIFICANT CONTRIBUTIONS IN
NORTHERN VIRGINIA TO PUBLIC TRANSPORTATION THROUGH POLICY,
LEGISLATIVE INITIATIVE, AND LEADERSHIP.***

Arlington, VA – On October 11, 2006 prestigious awards were presented to the top public transportation agencies and transit leaders in North America by the American Public Transportation Association (APTA). Nearly 2,000 public and private sector transit leaders from North America attended the 2006 Annual Meeting in San Jose, CA representing APTA's 1,500 member transit agencies and suppliers. Among those honored were Gerry Connolly (D - Fairfax), chairman of Northern Virginia Transportation Commission (NVTC) and chairman of the Fairfax County Board of Supervisors received APTA's Local Distinguished Service Award.

Chairman Connolly's commitment to improving public transportation is a key part of his mission as NVTC chairman and as chairman of the Fairfax County Board of Supervisors. Mr. Connolly has served on NVTC since 1999 and, in addition to his duties as chairman of NVTC, currently chairs NVTC's Executive and Legislative committees.

NVTC vice-chairman David Snyder applauded APTA for acknowledging Connolly. "Northern Virginia couldn't ask for a better champion for public transportation. He has been at the forefront of this regional issue every step of the way."

Connolly has long been an advocate for dedicated transit funding, transit oriented development, and the expansion on Metrorail through Tyson's Corner and the Dulles Corridor. He is also a steadfast supporter of the Fairfax Connector bus system, as well as the Richmond Highway Express (REX) bus rapid transit-style system which connects Fort Belvoir with the Huntington

Metro Station, along the Route 1 corridor. Both systems continue to grow under his leadership. Ridership on the Fairfax Connector is up 12 percent in the past year and up 39 percent since 2001.

Chairman Connolly is also a member of the Northern Virginia Transportation Authority (NVTA) and is an alternate member of the Metropolitan Washington Council of Governments (MWCOC) Transportation Planning Board (TPB). He earned the Outstanding Contribution to Public Transit award from the Virginia Transit Association (VTA) in 2005.

Virginia Governor Tim Kaine acknowledged Connolly's dedication to transportation, "As transportation was a central theme for the 2006 legislative session in Virginia, Chairman Connolly made sure that the discussion recognized the important role that public transportation plays in reducing congestion and creating livable communities. Chairman Connolly is a staunch advocate for transit, and I'm pleased to see him honored for his consistent support."

Mr. Connolly was pleased by APTA's acknowledgment of his support for transportation in Northern Virginia, "I hope that my work here in Northern Virginia and the work of my colleagues throughout the region, serves to inspire other local elected officials throughout the United States to embrace public transportation as a viable solution to solving the nation's transportation challenges. We cannot pave our way out of gridlock and oil is a precious resource. The more we do now to find alternatives, the better off we will all be."

Mr. Connolly went on to say, "Maintaining and expanding our public transportation network is vital to keeping the region moving and giving citizens choices to get where they need to go. Providing transportation options is the centerpiece of Northern Virginia's recently adopted TransAction 2030 plan, along with being good policy."

NVTC was honored by APTA as the outstanding government agency supporting public transit in 1996.

For more information contact the Northern Virginia Transportation Commission by going to www.thinkoutsidethecar.org.

NVTC is the leading source of information about public transportation issues in Northern Virginia.

NVTC is a regional agency with the mission of managing traffic congestion, restoring clean air, boosting the economy and improving the quality of life for all of Northern Virginia's citizens through effective public transit and ridesharing networks. NVTC includes the counties of Arlington, Fairfax and Loudoun and the cities of Alexandria, Fairfax and Falls Church covering over 1,000 square miles with a population of 1.6 million. The agency manages over \$120 million of state and federal grant funds each year for public transit and serves as a forum for its board of 20 state and local elected officials to resolve issues involving public transit and ridesharing. For information about NVTC, please visit www.thinkoutsidethecar.org or call 703-524-3322.

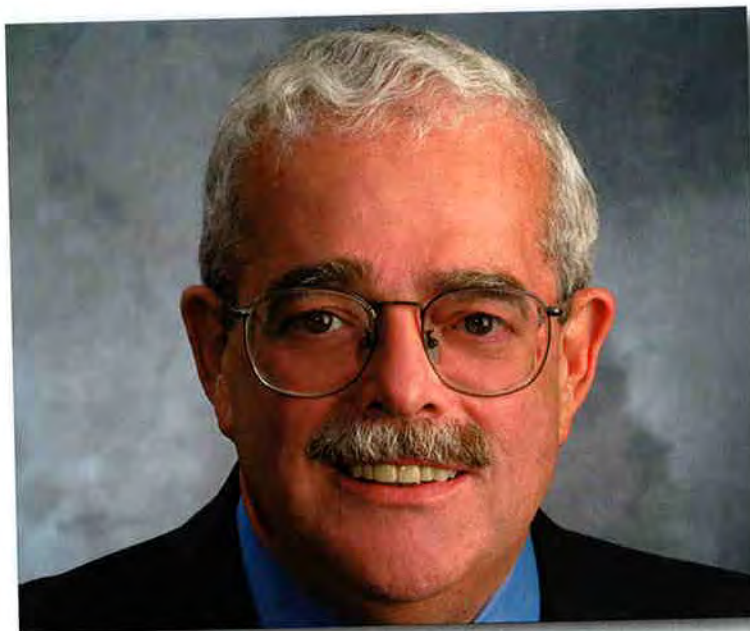
NVTC

Local Distinguished Service

For significant contributions at the local level to public transportation through policy, legislative initiative, and leadership.

“As transportation is a central theme of this year’s legislative session in Virginia, Chairman Connolly made sure that the discussion recognized the important role that public transportation plays in reducing congestion and creating livable communities. Chairman Connolly is a staunch advocate for transit, and I’m pleased to see him honored for his consistent support.”

*Governor Tim Kaine
Virginia*



“I’m honored by this recognition, and thank my colleagues on the board of supervisors for their support of public transportation’s role in making the metropolitan Washington region and, in particular Fairfax County, a better place to live, work, and play.”

Gerald E. Connolly

Gerald E. "Gerry" Connolly Chairman Fairfax County Board of Supervisors

Gerry Connolly is chairman of the Fairfax County Board of Supervisors, representing more than one million constituents in the largest jurisdiction of Virginia. Gerry was elected to this position, and took office in January 2004. Prior to becoming chairman, he served as supervisor of the county's Providence District.

As both a supervisor and board chairman, Gerry has represented Fairfax County on the Northern Virginia Transportation Commission (NVTC) since 1999, currently serving as chair of NVTC's executive committee. Gerry also chairs the Northern Virginia Transportation Authority (NVTA) and is an alternate member of the Metropolitan Washington Council of Governments (MWCOG) Transportation Planning Board. He previously served as MWCOG's chairman in 2001, receiving the Elizabeth and David Scull Award for regional leadership. The Virginia Transit Association gave him its Outstanding Contribution to Transit Award in 2005.

Gerry's commitment to improving public transportation is a key part of his mission as board chairman. He has been a staunch supporter of the Fairfax Connector bus system, which continues to grow under his leadership and will expand with completion of the West Ox garage in 2008, the creation of additional bus routes, and growth of the fleet size from 170 to 200+ vehicles.

In 2003, he developed a Four-Year Transportation Plan that laid out various transportation improvements the county would undertake during his term. Significant among the plan's projects were the extension of Metrorail through Tyson's Corner and the Dulles Corridor, and the 2004 launch of the South County Bus Plan, which increased bus service in southern Fairfax County by 40 percent and introduced "REX" – Richmond Highway Express, offering limited-stop, Bus Rapid Transit-style service connecting Fort Belvoir with the King Street Metro Station. Approved unanimously by the board of supervisors, the plan also called for a \$165 million bond referendum to be put before county voters in November 2004. The bond passed with a record 78 percent approval rate, and allocated \$110 million to Fairfax County's share of the "Metro Matters" capital improvement program.

Gerry is a strong advocate for dedicated transit funding. On his motion, the NVTA recommended the levy of a regional sales tax to fund Metro operations and capital needs. This would put Metro on par with other large transit systems that depend on dedicated funding sources rather than relying almost exclusively on jurisdictional subsidies.

He has also been a strong supporter of transit-oriented development, especially near the Vienna Metrorail Station, and additionally he created the Tyson's Corner Transportation and Urban Design Study, which seeks to ensure that rail service through Tyson's Corner is complemented by urban design that fosters a sense of community and encourages transit use.

As Gerry explains, "Maintaining and expanding our public transportation network in Fairfax County is vital to keeping the region moving and giving citizens choices to get where they need to go. Providing transportation options is the centerpiece of Fairfax County's Four-Year Transportation Plan, along with being good policy."

Fairfax County citizens are certainly fortunate to have Gerry—a dedicated public transportation leader who is providing an outstanding public transit network that is adequately funded for the future.



AGENDA ITEM #4

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: VRE Items.

- A. Report from the VRE Operations Board and VRE Chief Executive Officer—Information Item.
- B. Memorandum of Understanding with CSXT for Construction of L'Enfant Storage Track—Action Item/Resolution #2039.
- C. Task Order for General Fleet Maintenance—Action Item/Resolution #2040.
- D. Change to Authority Delegated to the VRE Operations Board—Action Item/Resolution #2041.



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Report from the VRE Operations Board and VRE Chief Executive Officer.

Minutes are attached from the VRE Operations Board meeting of October 20, 2006. Also attached are a report from VRE's CEO and ridership and on-time performance data.

Also attached is a recent article about the Metro North commuter rail system in the New York City area. For the first time fewer than half of its riders are suburban commuters headed to the Grand Central Terminal. Shifting employment has led to relatively stronger growth in reverse commuters headed north, commuters traveling between suburbs and shoppers and tourists. Such shifts may ultimately be in VRE's future.



CHIEF EXECUTIVE OFFICER'S REPORT

October 2006

SCHEDULE CHANGE

A schedule change will be implemented on October 30th, which makes slight modifications to both VRE lines. As discussed at the August Operations Board meeting, work has been underway for several months to make adjustments for the travel and dwell times. VRE fine-tuned the schedule changes with CSX and Norfolk Southern to improve overall run times and station dwell times. The changes should provide increased on-time performance on both rail lines. New Riders Guides, pocket schedules and station posters will be published and available by the end of the month.

MONTHLY DELAY SUMMARY

Monthly Delay Summary

	Jul-06	Aug-06	Sep-06
System wide			
Total delays	287	176	74
Average length of delay (mins.)	25.5	16	18.7
Number over 30 minutes	78	16	8
Days with heat restrictions/total days	18/20	18/23	0/20
On-Time Performance	53.9%	73.6%	87.2%
Fredericksburg Line			
Total delays	146	130	61
Average length of delay (mins.)	28.7	16.4	19.4
Number over 30 minutes	47	11	7
On-Time Performance	47.7%	56.5%	76.5%
Manassas Line			
Total delays	141	46	13
Average length of delay (mins.)	22	15	15.3
Number over 30 minutes	31	5	1
On-Time Performance	59.4%	87.5%	95.9%

On-time performance continues to improve on both railroad lines. The total number of delays has fallen significantly and more importantly the number of 30 minute delays has been reduced from 78 in July to 8 in September. I continue to work with CSX and Norfolk Southern to improve our on-time performance.

MASTER AGREEMENT SURVEY

The annual VRE Master Agreement Survey will be conducted on Wednesday, October 18, 2006 on all morning trains. This survey is compiled by PRTC to calculate subsidy contributions by the participating jurisdictions to fund VRE operations. This year, volunteers from VRE, PRTC and NVTC will be on hand to collect the surveys, answer questions and ensure that all goes smoothly.

ON LINE FORUM – OCTOBER 18, 2006

In partnership with Speaker Howell, Senator Houck and Senator Chichester, I will be participating in two public forums in the Fredericksburg area on October 18, 2006. These forums, one a live on-line forum hosted by Federicksburg.com (11:00 AM) and another town hall meeting (7:30 PM) later that evening are designed to give our riders, elected officials and concerned citizens an opportunity to personally engage in conversation about VRE train service on the Fredericksburg line.

During the legislative session, we had many conversations with the Speaker and the Senators about what all of us could do to improve service and bring more commuting opportunities to the people of the region. We highlighted that often we held public meetings, and monthly live VRE internet forums to hear from our riders, and that spawned the idea for a broader dialogue with the legislators, CSX and VRE. We are thankful for the opportunity to participate and I will report to the Operations Board at the October board meeting on how both events turned out.

VRE BURKE CENTRE GARAGE CONSTRUCTION

Braddock District Supervisor Sharon Bulova hosted a “Pardon our Dust” meeting on Thursday, October 12th at 7:30pm at the Bonnie Brae Elementary School in Fairfax. This town hall-style meeting gave area residents and Burke Centre VRE riders an opportunity to find out more about the VRE Burke Centre garage construction project. Construction is scheduled to begin on October 23rd, at which time over 100 parking spaces will become unavailable at the station. Shuttle service from the Burke Library will begin the same day, meeting all VRE trains, to accommodate passengers who can no longer park at the station. In addition to being hosted by Supervisor Bulova, staff from VRE, Fairfax County DOT, and Smoot (the selected construction contractor) were available to answer questions.

FALL ADVERTISING CAMPAIGN

VRE’s fall advertising effort, including a radio and print ad campaign, began on October 9th and will run for six weeks. The campaign is designed to attract new riders as a primary target and returning riders as a secondary target. It demonstrates the stress relieving and productivity benefits afforded to those who ride VRE. Publications are designed to reach our target audience in Prince William County, Manassas, Quantico, Fredericksburg, and Stafford County.

The radio spot will mirror the copy on the print ads and will air on WFLS, WBQB, WTOP, WJFK, WGRQ, WMZQ, and WMAL-AM. To ensure that we reach single occupancy drivers, the ads will run Monday through Friday from 5:00 am – 11:00 am and again from 3:00 pm – 8:00 pm.

CLIFTON DAY

The historic town of Clifton held its 39th Annual Clifton Day on Sunday, October 8th. Once again, VRE transported people to and from the festival—which included crafts and fine arts, antiques, a flea market, children’s activities, live bluegrass music and food. VRE ran trains from the Manassas, Manassas Park, Rolling Road and Burke Centre stations to Clifton. Children six and under rode free with a fare-paying adult. The Clifton Betterment Association covered all costs associated with running the trains as well as managed ticket sales.

GENERAL ASSEMBLY SPECIAL SESSION ON TRANSPORTATION

At the end of September, the Virginia General Assembly convened a special legislative session to address transportation. Entering the session, the thought was that both chambers would at least forward legislation to the Governor authorizing the appropriation of surplus revenues (those numbers varied from \$339 million to \$540 million).

Prior to the session, VRE spent a great deal of time working initiatives and made considerable headway in advancing \$15 million for high capacity railcars; \$10 million for new Tier-II locomotives; \$2.5 million for completion of the Gainesville-Haymarket preliminary design and environment assessment work; and \$2.5 million for completion of the Fredericksburg Third Track preliminary design and environmental assessment work

In the end, no agreement was reached and, as a result, no meaningful legislation came from the effort before the session closed. All funding requests for VDOT, VDRPT, WMATA and VRE remained on the table.

VRE is working to find options to meet these needs as well as continuing to communicate with Congress about our legislative agenda. VRE has reached out to leadership on both chambers of the Virginia General Assembly to again advance our capital needs for the next session. We will also try and enlist the help of the Governor to advance specific capital needs.

MONTHLY PERFORMANCE MEASURES – SEPTEMBER 2006

RIDERSHIP OVERVIEW	RIDERSHIP
VRE FY 2007 Passenger Totals (to date)	854,533
VRE FY 2006 Passenger Totals (to date)	947,512
PERCENTAGE INCREASE	(-9%)

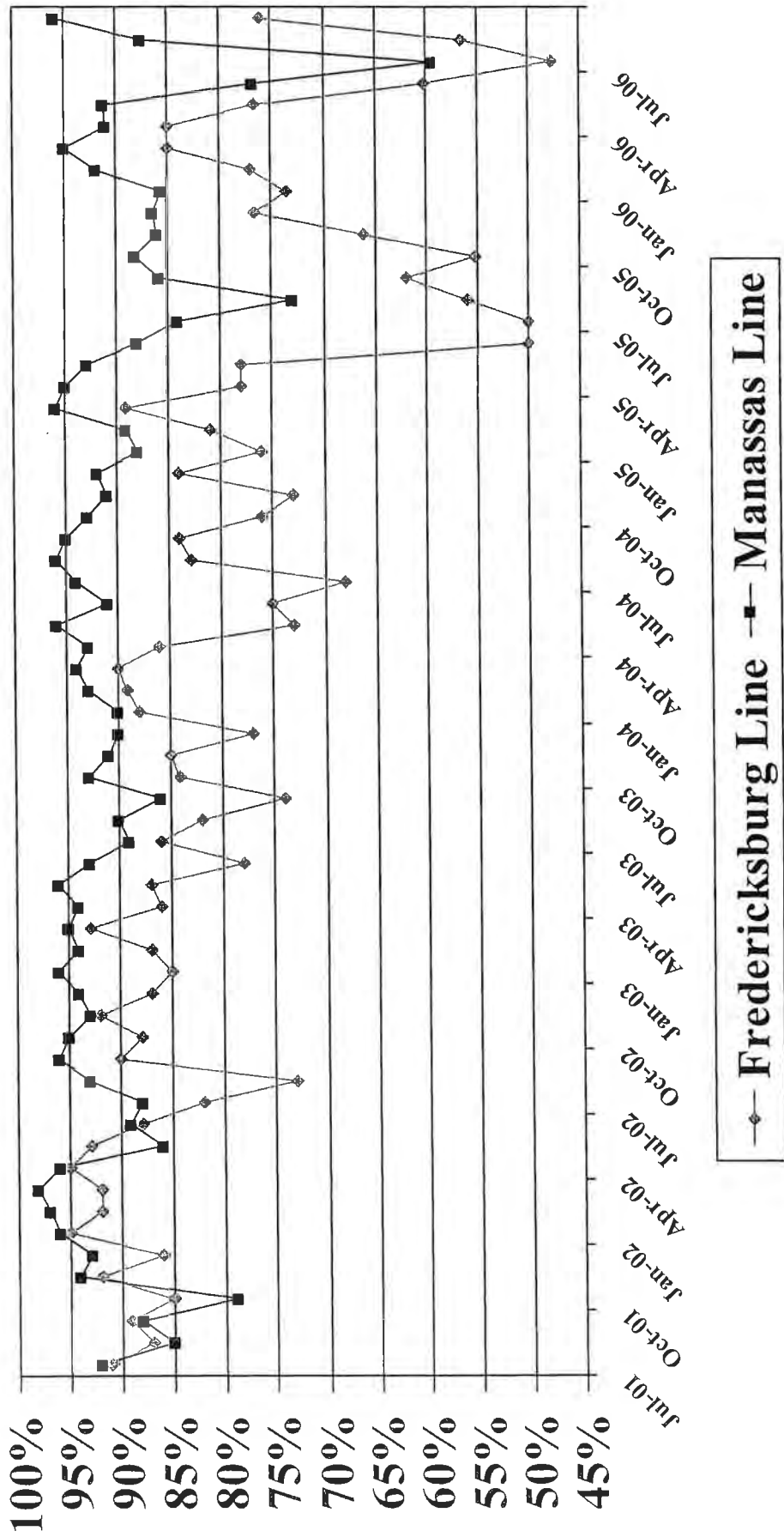
MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
September Fredericksburg OTP Average	76.5%
September Manassas OTP Average	95.9%
VRE SEPTEMBER OVERALL OTP AVERAGE	87.2%

REASON	TOTALS	PERCENT
Signal/Switch Failure	11	15%
Slow Orders	21	28.5%
M/W	1	.5%
Train Interference	20	27.5%
AMTRAK	6	8%
Freight	10	13.5%
VRE	4	6%
Mechanical Failure	11	15%
Late Turn	0	0%
PAX Handling	4	6%
Weather	0	0%
Crew Related	1	.5%
Other	5	7%
TOTAL	74	100%

FINANCIAL INDICATORS	AUGUST 2006			
MEASURES		GOAL	ACTUAL	TREND
OPERATING RATIO		55%	69%	↑
BUDGETED FARE REVENUE YTD	\$11,793,109			
ACTUAL FARE REVENUE YTD	\$10,724,703			
CUMULATIVE VARIANCE	(\$1,068,406)	0	(\$1,068,406)	↓
PERCENT COLLECTED FY 06 YTD		21.55%	19.60%	↓
EXPENSES	\$54,727,245			
BUDGET EXPENSES YTD	\$10,377,695			
OPERATING EXPENSES YTD	\$8,775,279			
CUMULATIVE VARIANCE	\$1,602,416	0	\$1,602,416	↑
PERCENT EXPENDED FY 06 YTD		18.96%	16.03%	↑
NET INCOME LOSS			534,006	↑

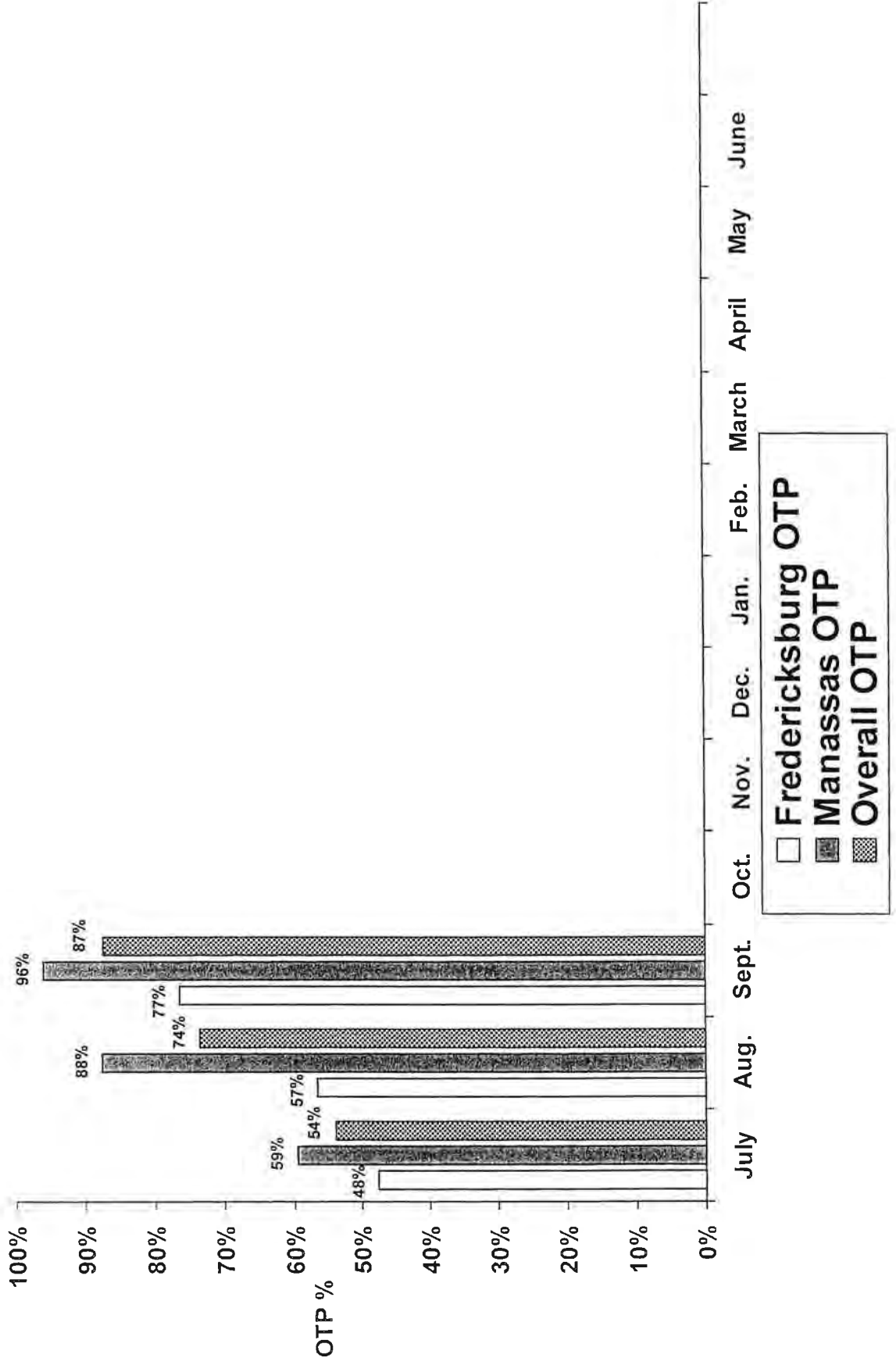
On-Time Performance

July 2001 – September 2006

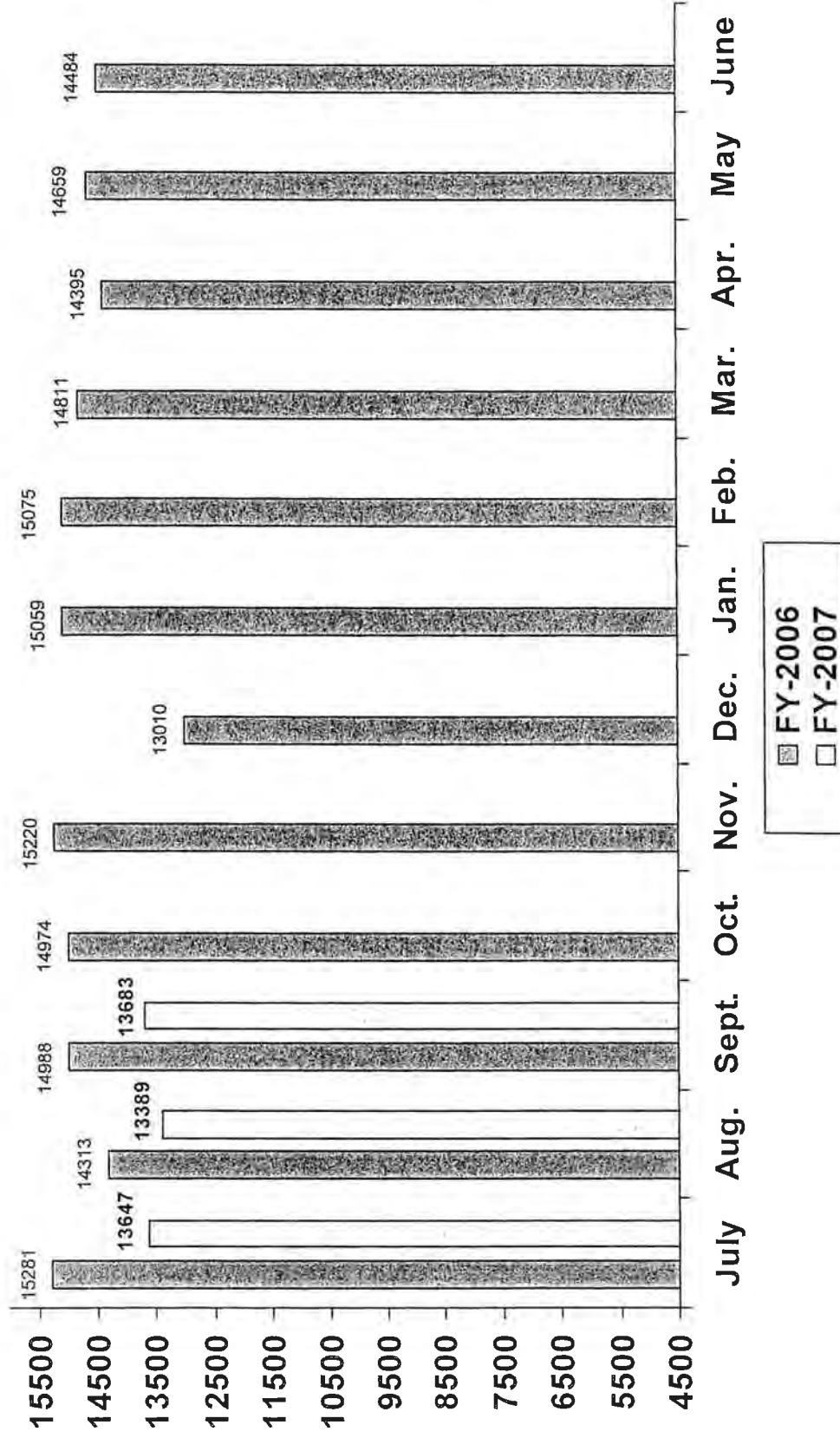


Average On-Time Performance

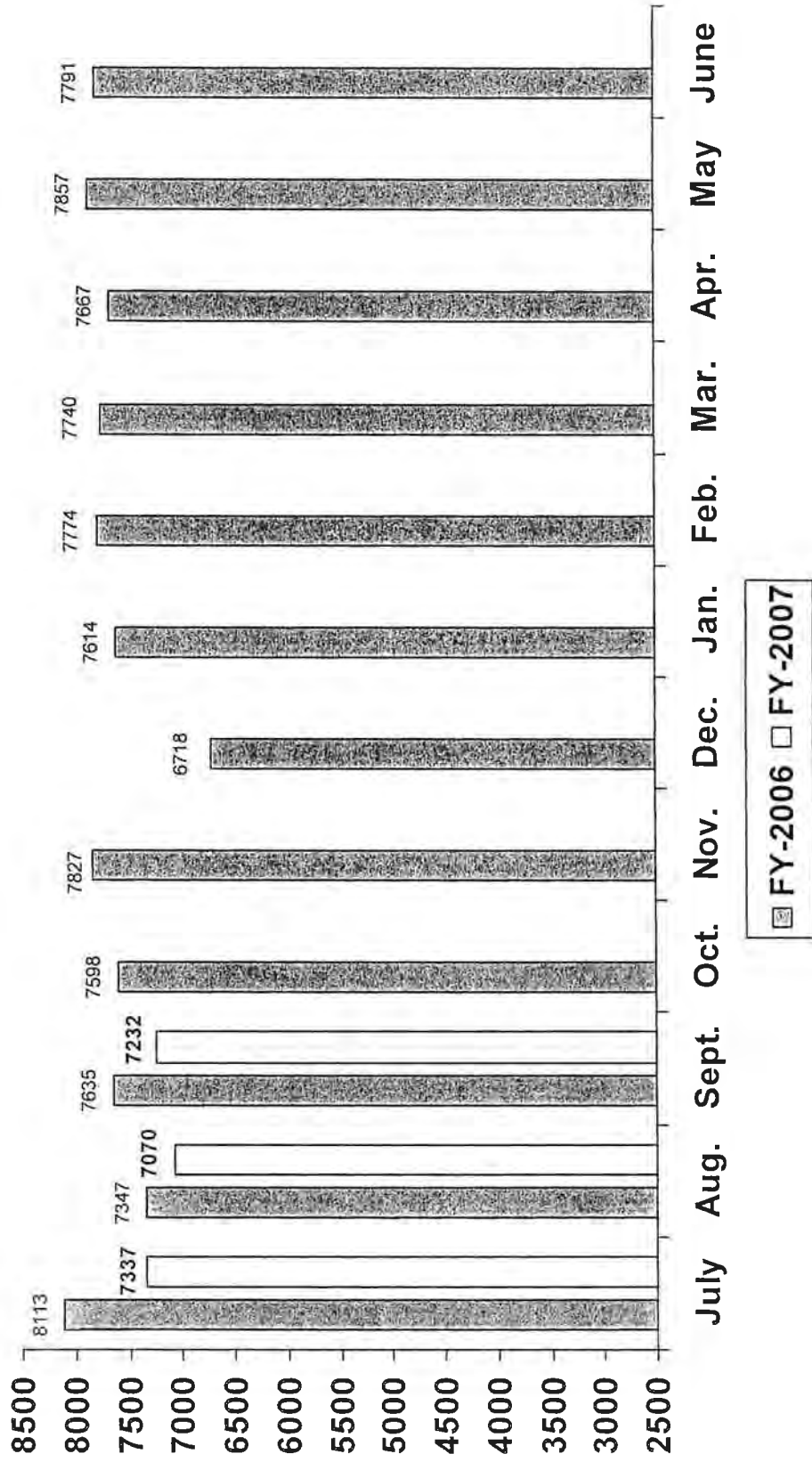
FY-2007



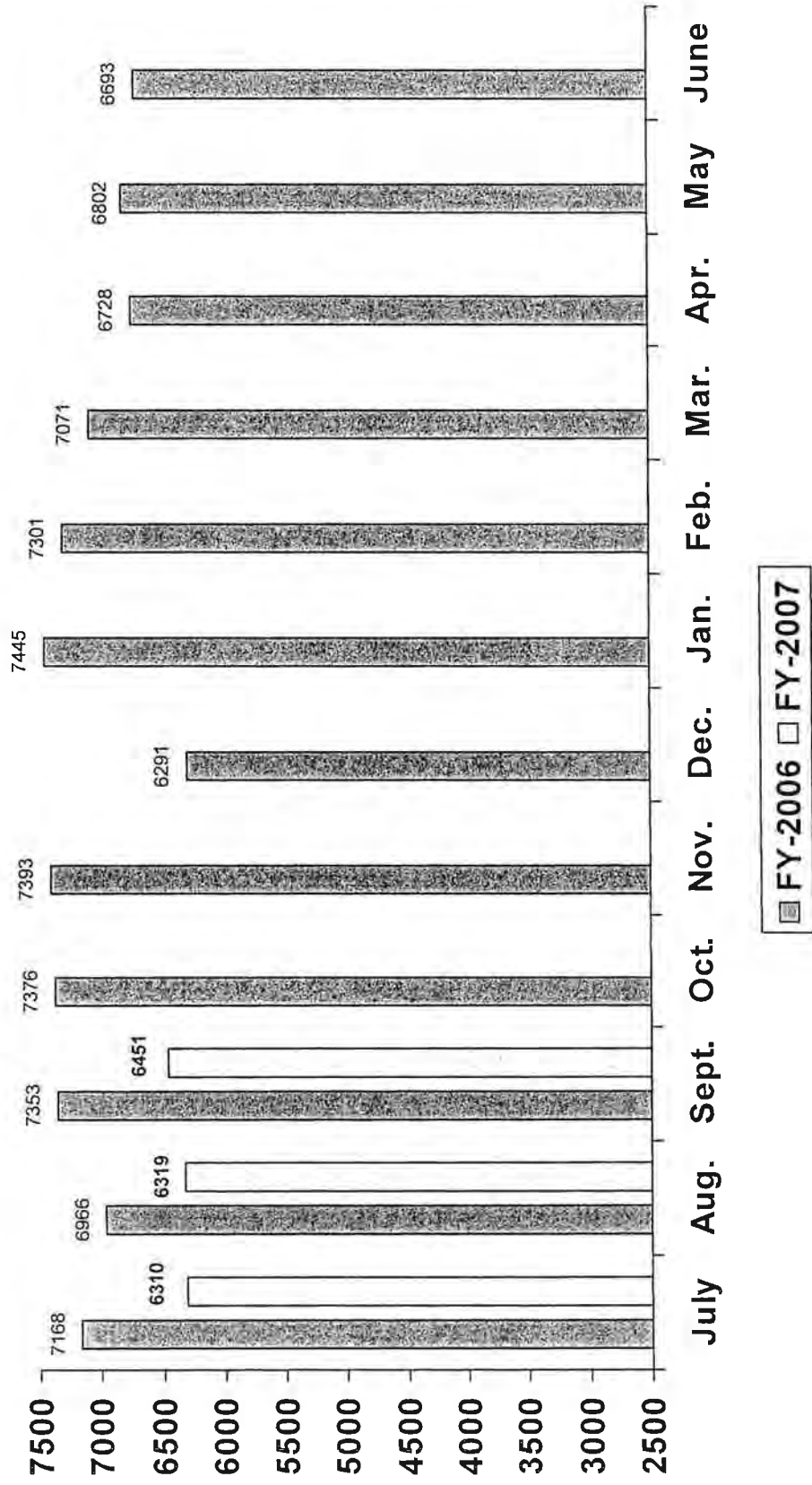
VRE Total Average Daily Ridership



VRE Average Daily Ridership Fredericksburg Line



VRE Average Daily Ridership Manassas Line





October 17, 2006

Commuter Conformity Is Out for a Metro-North Majority

By WILLIAM NEUMAN

For the first time in the history of the Metro-North Railroad — a quintessential commuter link between the city and the leafy suburbs to the north — fewer than half of its riders are suburban commuters who take the train to Grand Central Terminal in the morning and head home at night, according to data compiled by the railroad.

Shifts in regional employment patterns and a sustained effort by the railroad to attract new types of riders and fill underused trains are major reasons. A seat on Metro-North that once would have belonged almost exclusively to suburban stockbrokers and office workers may now be occupied by an immigrant home health aide heading to work in White Plains, a retiree from Chappaqua attending a Broadway matinee or a Bridgeport, Conn., resident going to work at an insurance office in Stamford.

It is not that there are fewer traditional suburb-to-Grand Central commuters; in fact, Metro-North's ridership is higher than it has ever been in the system's 23-year history. But other categories of riders have grown at a much higher rate, including reverse commuters traveling to jobs north of the city, riders traveling between suburbs and day-trippers on shopping or sightseeing trips.

Commuters to Grand Central made up 49.4 percent of total riders on the three Metro-North lines east of the Hudson River last year, according to Robert MacLagger, director of operations planning for the railroad.

That is down from 65.3 percent in 1984, the year after Metro-North took over commuter operations of Conrail in New York and Connecticut. The data does not include two smaller lines that Metro-North operates in Rockland and Orange Counties.

"It's kind of a benchmark that shows what has been building over the last several years and demonstrates the way the region is changing: more job growth in the suburbs and more diverse commuting patterns," said Christopher Jones, vice president for research at the Regional Plan

Association, a nonprofit organization that monitors transportation and development issues.

“Cities are still job centers, and Manhattan has held its own much more than a lot of other city centers across the country,” Mr. Jones said. “But we’ve become much more of a multicentered region. For the last two to three decades, jobs have been growing more quickly in the suburbs than they have within the five boroughs.”

The number of jobs in Westchester, Putnam and Dutchess Counties grew by 10.1 percent from 1997 to 2005, an increase of almost 51,000 jobs, according to the United States Bureau of Labor Statistics. In the same period, employment in New York City grew by 7.2 percent, an increase of more than 241,000 jobs.

Overall ridership on the region’s two other main railroad systems, the Long Island Rail Road and New Jersey Transit, is still dominated by workers headed to Manhattan, although an expansion in other types of riders has been noted on those lines as well.

Even on Metro-North, suburban commuters to Manhattan still fill about two-thirds of the seats on weekdays. But with the growth of other kinds of riders, including riders on weekends, those traditional commuters now contribute less than half the annual tally, Mr. MacLagger said.

Last year, 35.9 million one-way trips were logged by suburban commuters who bought monthly and weekly passes for travel on Metro-North to and from Grand Central Terminal, a 17 percent increase over the 30.6 million such trips recorded in 1984.

But other types of travel on the railroad grew much faster during the same period. The biggest percentage growth was among reverse commuters, whom the railroad defines as people who travel north from stations in Manhattan or the Bronx during the morning rush. One-way trips taken by reverse commuters more than quadrupled, to 4.5 million in 2005 from 1 million in 1984. In 1984, reverse commuters made up roughly 2 percent of Metro-North riders. Now they make up more than 6 percent.

The biggest group of riders after traditional commuters is made up of what the railroad calls discretionary riders, those who travel during off-peak hours for reasons other than work. In 1984 they accounted for a quarter of all riders; now they represent nearly a third.

And the number of workers traveling between suburban stations has nearly tripled and now makes up 13.5 percent of total trips.

“Going back to the mid-90’s, we started concentrating on those areas where we had capacity

and the opportunity to grow market share,” said Peter A. Cannito, the president of Metro-North, the nation’s second-largest commuter railroad, after the Long Island Rail Road. He said the railroad had increased service, bought new rail cars and spent money to promote weekend excursions and the convenience of train travel for reverse commuters who might have been inclined to drive.

The trend at Metro-North is similar to rider patterns on the Long Island Rail Road. In 1985, 70 percent of Long Island riders used a monthly or weekly ticket, predominantly for traditional commuting from the eastern suburbs into New York City, according to data provided by the Long Island Rail Road. Today that figure has dropped to 60 percent.

New Jersey Transit estimates that 58 percent of its ridership this year will be made up of commuters traveling during the weekday rush hour, most of those bound for Manhattan.

The depth of the changes on Metro-North was evident during a morning weekday visit of several hours to the Fordham station, at East Fordham Road and Third Avenue in the Bronx. The northbound platform for trains to places like White Plains, Chappaqua, New Rochelle and Greenwich was usually jammed with well over 100 people.

The opposite platform, for trains bound for Grand Central Terminal, was virtually deserted by comparison. Part of the reason was that taking the subway is cheaper.

The station is Metro-North’s fourth busiest, behind Grand Central, Stamford and White Plains, but in contrast to those stations, a suit and tie is a rarity there. Instead, there are construction workers in boots and blue jeans, factory workers in comfortable shoes and home health aides in uniforms. Rider tallies show that northbound passenger boardings at Fordham during the morning rush rose to more than 3,400 people a day last year compared with 500 people a day in 1984.

Christine Soto of the Bronx was waiting for a train to White Plains, where she works three days a week as a dental assistant. Ms. Soto also attends John Jay College of Criminal Justice in Manhattan. On Metro-North trains she often has to stand during the 17- to 31-minute ride to and from work, she says. On the subway to and from school she almost always gets a seat.

“The D train is actually less crowded than the Metro-North,” Ms. Soto said.

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Memorandum of Understanding with CSXT for Construction of L'Enfant Storage Track.

The VRE Operations Board recommends adoption of Resolution #2039. This resolution authorizes VRE's CEO to enter into an agreement with CSXT for construction of the L'Enfant storage track in an amount not to exceed \$830,000. VRE has received that amount from the Department of Homeland Security for the project which will allow two VRE trains to be stored there during mid-day. The final agreement will be reviewed by VRE's legal counsel before it is executed.



RESOLUTION #2039

SUBJECT: MOU with CSXT for Construction of L'Enfant Storage Track.

WHEREAS: VRE received \$830,000 from the Department of Homeland Security for a storage track project adjacent to the L'Enfant station;

WHEREAS: This project would allow VRE to operate trains from L'Enfant to points south in the event of an emergency, as it would provide storage beyond the First Street tunnel for two train sets; and

WHEREAS: A force account agreement is being negotiated with CSXT for this work.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer following legal review to enter into an agreement with CSXT for construction of the L'Enfant storage track project in an amount not to exceed \$830,000.

Approved this 2nd day of November, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer



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AGENDA ITEM 8-B ACTION ITEM

TO: CHAIRMAN CADDIGAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 20, 2006

**RE: AUTHORIZATION TO ENTER INTO A MOU WITH CSXT FOR
CONSTRUCTION OF L'ENFANT STORAGE TRACK**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to enter into an agreement with CSXT for construction of the L'Enfant storage track project in an amount not to exceed \$830,000.

BACKGROUND:

In August, the Operations Board approved the execution of a Memorandum of Understanding (MOU) with the Department of Rail and Public Transportation (DRPT) for the construction of a storage track adjacent to the L'Enfant VRE station. VRE received \$830,000 from the Department of Homeland Security for this project which will allow two VRE train consists to be stored at L'Enfant during the mid-day and, therefore, be available in the event of an incident.

Since this action in August, DRPT has determined that they do not wish to amend their construction documents with CSX to include this work and enter into a MOU with VRE. Despite the fact that funding had been received for the project, their change in position was based on not wanting to assume a liability on behalf of VRE. While disappointed, VRE staff was able to subsequently negotiate a force account agreement directly with CSX for this work and now requires new Operations Board approval for this contract. VRE's legal counsel has endorsed this approach and will approve the final agreement once complete.

The force account agreement will be a cost plus contract and any change orders exceeding the authorization limit would require additional Operations Board approval. While a final construction schedule is not yet available, construction is expected to take approximately six months to complete.

FISCAL IMPACT:

The project is funded using a FY 2005 DHS grant and no local match is required.

Task Order for General Fleet Maintenance.

The VRE Operations Board recommends approval of Resolution #2040. This resolution authorizes VRE's Chief Executive Officer to amend a task order with STV, Inc. for general fleet maintenance by \$377,015 for a total value not to exceed \$754,030. Amtrak has delayed further its procurement of a new contractor so VRE must use its own contractor for this work anticipated through the end of December, 2006. Funding is available in the approved FY 2007 VRE budget.



RESOLUTION #2040

SUBJECT: Task Order for General Fleet Maintenance.

WHEREAS: VRE, through STV, Inc., currently performs the maintenance, periodic inspections and repairs in the Virginia yards on all of its Gallery cars and other units of VRE's equipment under the MEC IV contract;

WHEREAS: Amtrak will not be ready to assume those duties through a sub-contractor until some time between November and December 31, 2006; and

WHEREAS: A task order amendment is, therefore, being requested under the MEC IV contract to allow normal maintenance activities to continue without interruption through December 31, 2006.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend a task order with STV, Inc. for general fleet maintenance by \$377, 015 for a total task order not to exceed \$754,030.

Approved this 2nd day of November, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer





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AGENDA ITEM 8-D ACTION ITEM

TO: CHAIRMAN CADDIGAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 20, 2006

RE: AUTHORIZATION TO AMEND A TASK ORDER FOR GENERAL FLEET MAINTENANCE

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to amend a task order with STV, Inc. for general fleet maintenance by \$377,015 for a total task order value not to exceed \$754,030.

BACKGROUND:

In June of 2006, the Operations Board approved a task order for general fleet maintenance in an amount not to exceed \$377,015. The task order was designed to cover normal maintenance and repair work on VRE's railcars through the end of September 2006, anticipating that Amtrak would have a new sub-contractor to assume the maintenance duties by that time.

While the new Amtrak sub-contractor was estimated to be fully functional by September 30, 2006, a variety of delays in Amtrak publishing the RFP and a large volume of questions during the procurement have pushed this date to mid-November, at the earliest.

This task order amendment is, therefore, being requested under the MEC IV contract to allow normal maintenance activities to continue without interruption through December 31, 2006. VRE staff is requesting this task order through the end of the year so that if additional delays do occur, no additional Operations Board action would be required. If

the new sub-contractor does, in fact, become operational prior to December 31st, the task order will be canceled at that point.

FISCAL IMPACT:

Funding for this task order is available in the FY 2007 Operating Budget.

Change to Authority Delegated to the VRE Operations Board.

The VRE Operations Board recommends approval of Resolution #2041. This resolution authorizes the Operations Board to act on items up to \$1 million. The current limit is \$500,000. This change is part of the three-year phased approach adopted by the commissions in December, 2005. There have been no objections during the past year to the previous increase in delegated authority.



RESOLUTION #2041

SUBJECT: Change to Authority Delegated to the VRE Operations Board.

WHEREAS: In December, 2005 the commissions approved a delegation of authority plan which streamlined and clarified the oversight of VRE in order to allow the commissions to focus on other policy matters;

WHEREAS: The plan included a three-year approach to increase authority of the Operations Board; and

WHEREAS: The plan has proven effective and VRE's Operations Board is recommending approval of the second phase of the plan which would increase the financial delegation of authority to the Operations Board from \$500,000 to \$1 million per item.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission approves an increase in the financial delegation to the Operations Board from \$500,000 to \$1 million per item as part of the phased plan adopted in December, 2005.

Approved this 2nd day of November, 2006.

Gerald Connolly
Chairman

William Euille
Secretary-Treasurer



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AGENDA ITEM 8-A ACTION ITEM

TO: CHAIRMAN CADDIGAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 20, 2006

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

RECOMMENDATION:

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

BACKGROUND:

In November 2005, the Operations Board took action on a delegation of authority plan which streamlined and clarified the oversight of VRE in order to allow the Commissions to focus on other policy matters. The plan included a three-year approach to increase the authority of the Operations Board. The current authority of the Operations Board includes financial delegation of \$500,000, ability to determine the discretionary spending authority of VRE's CEO, and determining the level of compensation of VRE's CEO.

The plan required providing information and a recommendation to the Commissions on the effectiveness of these changes. Since the Commissions approved the changes, five items between \$200,000 and \$500,000 were acted on by the Operations Board and did not require Commission approval, per the new authority level. These items were management of VRE's equipment parts warehouse at Broad Run; project agreement with Prince William County for construction of the Broad Run parking facility; locomotive top deck rebuild work; construction support services; and general fleet maintenance. As envisioned, the change to the delegation of authority allowed action items more operational in nature to be acted upon independently.

As the Commissions have had no reason to question the approvals made by the Operations Board, VRE staff is recommending approval of the second phase of the plan which would increase the financial delegation of the Operations Board from \$500,000 to \$1 million. In addition, if approved by the Commissions, VRE staff will return to the Operations Board next month with a proposal to amend the CEO's authority and items eligible for the consent agenda.

Next year, information on effectiveness will again be presented along with a request to consider giving the Operations Board full authority on spending if the amount is included in the annual budgets and six-year financial plans; ability to execute railroad, insurance and all other contractual agreements, not excluded by the Master Agreement; and approval of tariffs (fares) if consistent with annual budgets and six-year financial plans.

FISCAL IMPACT:

There are no funding implications associated with this policy change.



AGENDA ITEM #5

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Scott Kalkwarf
DATE: October 26, 2006
SUBJECT: NVTC's FY 2006 Audit.

PBGH has completed its audit and provided an unqualified (clean) opinion. A copy of the FY 2006 Financial and Compliance Report is attached. Other communications from the auditors will be provided at the meeting. Representatives of PBGH will meet with NVTC's Executive Committee to go over the results in detail. The auditors will also be present at NVTC's full board meeting to provide a brief explanation of their work and to respond to questions.

The requested action by the commission is to authorize staff to forward the FY 2006 Financial and Compliance Report to the commission's distribution list of agencies, regulatory bodies and bondholders and to post the results on NVTC's website.

VRE's audit will go first to the VRE Operations Board (likely on November 17th) and then be presented to NVTC (on December 7th).



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NORTHERN VIRGINIA TRANSPORTATION COMMISSION

**Financial and Compliance Reports
Year Ended June 30, 2006**

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
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INDEPENDENT AUDITORS' REPORT

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

We have audited the accompanying financial statements of the governmental activities and each major fund of Northern Virginia Transportation Commission as of and for the year ended June 30, 2006, which collectively comprise Northern Virginia Transportation Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Northern Virginia Transportation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Northern Virginia Transportation Commission as of June 30, 2006, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 25, 2006 on our consideration of Northern Virginia Transportation Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis (pages 3 to 8) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northern Virginia Transportation Commission's basic financial statements. The accompanying supplementary information and Schedule of Expenditures of Federal Awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

PBGH, LLP

Harrisonburg, Virginia
August 25, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Northern Virginia Transportation Commission's (NVTC) financial performance provides an overview of NVTC's financial activities for the fiscal year that ended on June 30, 2006. Please read it in conjunction with the accompanying financial statements which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented include all of the activities of the NVTC which are part of the NVTC reporting entity using the integrated approach as prescribed by the Governmental Accounting Standards Board (GASB).

The government-wide financial statements present the financial picture of NVTC from the economic resources measurement focus using the accrual basis of accounting. Excluded from these statements are the activities of the jurisdiction trust funds, which are considered fiduciary funds and, therefore, not part of the primary government.

The fund financial statements include a set of statements for each of the two categories of funds—governmental and fiduciary. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary fund is prepared using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets presents the assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities shows in broad terms how the net assets changed during the fiscal year.

Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of NVTC is improving or declining. Net assets are reported in three categories; net assets invested in capital assets, net assets that are restricted in use, and net assets that are unrestricted. The revenue supporting the activities and programs are classified under three broad categories: operating grants and contributions, capital grants and contributions, and charges for services. While NVTC receives grant revenue used ultimately for capital purposes, the revenue is classified as operating since it is passed through to other entities. Accordingly, NVTC does not report revenues under the capital grants and contributions category.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the NVTC reporting entity can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year.

NVTC maintains two governmental funds: the General Fund and the Special Revenue Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each of these funds. The General Fund includes the administrative, planning and project activities of NVTC. The Special Revenue Fund reports the intergovernmental revenue received by NVTC and allocated to the member jurisdictions by a formula maintained by NVTC. Once allocated, the funds are remitted to the fiduciary funds.

Fiduciary Funds. Fiduciary funds are used to account for resources held by NVTC for the benefit and restricted use of the programs of other governments. Additions to the fiduciary funds consist of revenue remitted from the Special Revenue Fund and investment income. Deductions from the fiduciary funds are disbursements directed by the individual member jurisdictions for restricted purposes. The accounting methods used for fiduciary funds are much like that used for proprietary funds. The two statements included for the fiduciary funds are the Statement of Fiduciary Net Assets, and the Statement of Changes in Fiduciary Net Assets.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

Additional information is presented as a supplement to the basic financial statements. Although not required to be presented and not part of the basic financial statements, the schedules are included to provide additional information of interest to certain financial statement users.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This management discussion and analysis is required to present information on a government-wide basis. Because of NVTC's unique structure, the discussion included in the fund analysis section provides information that may be more meaningful.

As noted earlier, net assets may serve as a useful indicator of a government's financial position. As shown below, total assets exceeded liabilities by \$246,869. Net assets invested in capital assets of \$13,717 and unrestricted net assets of \$233,152 make up the balance of net assets. Please refer to the funds analysis for a discussion of the components and changes in the governmental activities.

Condensed Statements of Net Assets

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 932,367	\$ 1,153,351	\$ (220,984)
Capital assets	13,717	22,176	(8,459)
Total assets	946,084	1,175,527	(229,443)
Current and other liabilities	660,254	866,670	(206,416)
Long-term liabilities outstanding	38,961	31,650	7,311
Total liabilities	699,215	898,320	(199,105)
Net assets:			
Invested in capital assets	13,717	22,176	(8,459)
Unrestricted	233,152	255,031	(21,879)
Total Net Assets	\$ 246,869	\$ 277,207	\$ (30,338)

The following table shows the revenues and expenses and the change in net assets of the governmental activities. For the fiscal year ending June 30, 2006, over \$139 million in revenues were reported, which is an increase of approximately \$42 million from the previous year, and similar to the increase in expenses. Net assets decreased by \$30,338 from the previous year. A discussion of the key components of these changes is included in the funds analysis.

Changes in Net Assets

	<u>Fiscal Year Ended</u>		<u>Increase (Decrease)</u>
	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>(Decrease)</u>
Revenue:			
Program revenues:			
Operating grants and contributions	\$ 139,444,986	\$ 97,633,114	\$ 41,811,872
Charges for services	-	14,767	(14,767)
General revenues:			
Interest Income	16,359	9,911	6,448
Total Revenue	139,461,345	97,657,792	41,803,553
Expenses:			
General and administration	829,139	785,883	43,256
Depreciation	13,465	14,840	(1,375)
Project costs	1,430,075	1,287,230	142,845
Payments to fiduciary funds	137,219,004	95,546,010	41,672,994
Total expenses	139,491,683	97,633,963	41,857,720
Increase (decrease) in net assets	(30,338)	23,829	(54,167)
Net assets, beginning of year	277,207	253,378	23,829
Net assets, end of year	\$ 246,869	\$ 277,207	\$ (30,338)

FINANCIAL ANALYSIS OF THE REPORTING ENTITY'S FUNDS

Governmental Funds

General Fund. The General Fund reports the project, planning and administrative activities of NVTC. The unreserved fund balance represents the net resources available for spending at the end of the fiscal year.

NVTC adopts an annual operating budget for the planning and administrative activities of the General Fund for the purpose of determining the annual contributions from the member jurisdictions required to fund these activities. In addition, the various projects included in the General Fund have individual budgets. While certain administrative expenditures such as payroll and payroll related expenses are part of the annual operating budget, they may be included in project costs if they were incurred directly for a project. Since non-administrative project expenditures are generally fully funded from sources other than those for the planning and administrative activities, the unreserved fund balance is mainly the result of the planning and administrative activities of the General Fund.

As of June 30, 2006 the General Fund had a total fund balance of \$298,299, a decrease of \$12,340 from the prior year, of which all was unreserved. The decrease is the result of a budgeted draw down of the fund balance partially offset by a favorable budget variance.

NVTC started one new project during the fiscal year; the cell phone GPS based / automated vehicle locator (AVL) demonstration project. This two year project is funded with a 95% grant from the Virginia Department of Rail and Public Transportation, with the local match consisting of contributed payroll. Including the GPS/AVL project, NVTC had eight active grant funded regional projects during the fiscal year, with total direct costs in excess of \$1.4 million.

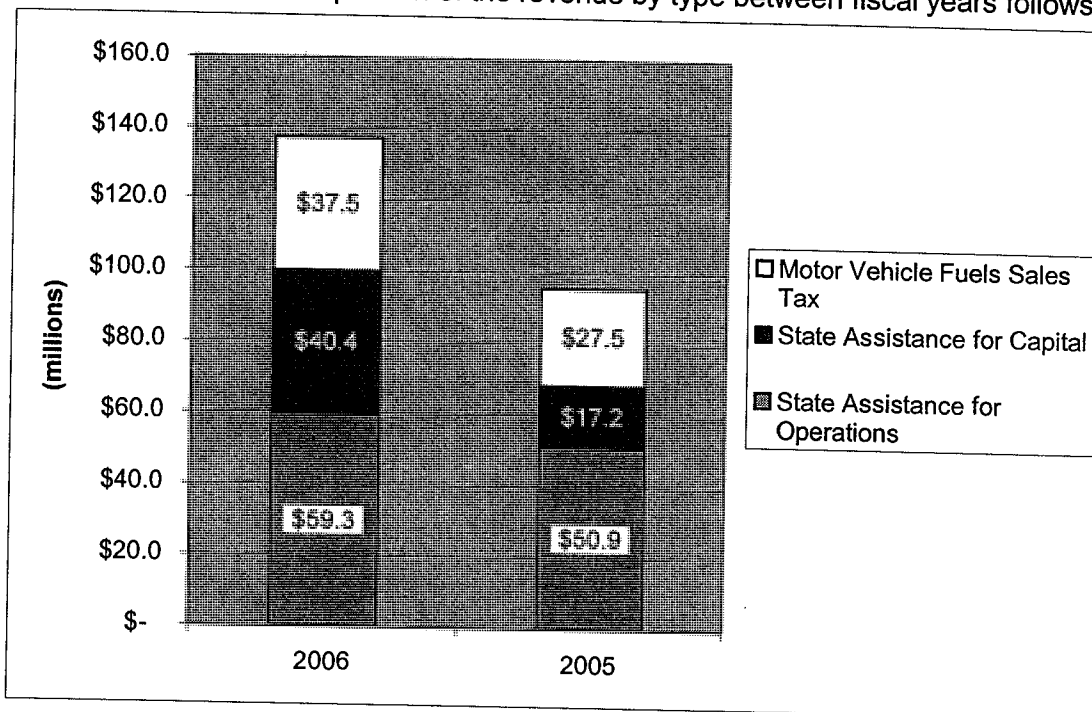
In terms of dollars expended, the TransAction 2030 project and the SmarTrip regional fare projects were the most active during the fiscal year, making up 71% of the total direct project costs. In terms of project budgets, the SmarTrip program is by far the largest of NVTC's current projects with a total budget of \$6.2 million. This multiyear project is funded using state, federal and local sources.

State and Federal funding sources for projects during the fiscal year totaled \$954,423. Other funding sources include local contributions from NVTC and other governments of \$475,165. NVTC's contributions consist primarily of payroll and payroll related costs.

A portion of NVTC's general and administrative contributions, the Marketing program, and the Bus Data NTD collection project, which are all part of the General Fund, receive funding from the state assistance for operating and the Motor Vehicle Fuels Sales tax. For the fiscal year, this equaled \$725,873 in state assistance and \$487 in sales tax, which is in addition to the revenue reported in the Special Revenue Fund.

Special Revenue Fund. The special revenue fund reports intergovernmental revenue for the jurisdictions' transit programs, including local bus systems and the operating and capital subsidies of the Washington Metropolitan Area Transit Authority ("WMATA"). The intergovernmental revenue includes state operating assistance, state capital assistance and the motor vehicle fuels sales tax. As the revenue is recognized by the Special Revenue Fund, it is allocated using the Subsidy Allocation Model formula ("SAM"). This formula, which is defined and established by NVTC board resolution and the *Code of Virginia*, is maintained and updated annually by NVTC. After the revenue has been allocated by the SAM and each jurisdiction's share has been identified, the funds are remitted to the Jurisdiction Trust Fund for the restricted use by the member jurisdictions individually to support the programs of their respective locality.

Intergovernmental revenues increased approximately \$41.6 million (44%) from fiscal year 2005 to fiscal year 2006. A comparison of the revenue by type between fiscal years follows:



State assistance for operations is revenue from the state FTM/Admin formula assistance program. The \$8.4 million increase in assistance from fiscal year 2005 to fiscal year 2006 recognized by the special revenue fund just about mirrors the increase in the state's Mass Transit Trust Fund. The FTM/Admin assistance program is funded at the statutory fixed rate of 73.5% of projected Mass Transit Trust Fund revenue.

State assistance for capital expenditures recognized by the special revenue fund during fiscal year 2006 includes \$17.3 million from the capital formula assistance program, and \$23.1 million from the VTA 2000 program, contrasted with fiscal year 2005 revenue of \$14.2 million from the capital formula assistance program, and \$3 million from the VTA 2000 program. The increase in the capital revenue is due to an increase in the capital matching ratio, partially offset by an increase in costs covered under the VTA 2000 program.

Similar to the FTM/Admin formula assistance, the capital formula assistance program receives its funding exclusively from the Mass Transit Trust Fund, but at the statutory rate of 25%. The state capital matching ratio increased from 38% to 63% due to a 15.8% increase in the Mass Transit Trust fund revenue and an increase in capital costs covered by other state programs.

The VTA 2000 program provides state funds from sources other than the Mass Transit Trust Fund, and do not require a local match. The VTA funds were made available to the NVTC jurisdictions for the payment of certain WMATA capital expenditures.

The Motor Vehicle Fuels Sales tax is levied on the retail sales of gasoline within NVTC's jurisdictions. Sales tax revenue increased by \$10 million, or 36% from the previous fiscal year. This increase is consistent with the national average price increase for all grades over the same period, as calculated from U.S. DOE weekly price data. Overall demand, the price elasticity impacting demand and grade mix are some of the other factors that effect revenue collections.

Fiduciary Fund

The fiduciary fund is a private purpose trust fund, which is titled the Jurisdiction Trust Fund.

Jurisdiction Trust Fund. The Jurisdiction Trust Fund holds the assets that were remitted from the special revenue fund and are accounted for on an individual jurisdiction basis. These funds are invested primarily in the Virginia Local Government Investment Pool, and are available for disbursement for restricted purposes by instructions of the member jurisdictions. The change in the fund balance from year to year is dependent upon the remittances from the special revenue fund, investment income and the amount each member jurisdiction instructs NVTC to disburse from the fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

NVTC's capital assets consist of office furniture, equipment, computer hardware and software. No significant changes have occurred in capital assets from the prior fiscal year.

NVTC has issued debt to finance, in part, the construction and purchase of the capital assets of the Virginia Railway Express (VRE). The debt and related capital assets are not recognized on the financial statements of NVTC, but rather on those of VRE. Complete financial statements for VRE can be obtained from the Director of Finance and Administration of NVTC at 4350 N. Fairfax Drive, Suite 720, Arlington, VA 22203, or by email to nvtc@nvtdc.org.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of NVTC's finances for all those interested. If you have any questions about this report or need additional financial information, contact the Director of Finance and Administration, Northern Virginia Transportation Commission, 4350 N. Fairfax Drive, Suite 720, Arlington, Virginia 22203, or by email to nvtc@nvtdc.org.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET ASSETS
June 30, 2006

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 285,217
Accounts receivable:	
Commonwealth of Virginia grants	199,323
Federal grants	6,660
Virginia Railway Express	14,438
Advances, deposits and prepaid items	19,655
Restricted cash and cash equivalents	407,074
Capital assets:	
Office equipment and furniture	144,750
Less accumulated depreciation	(131,033)
Total assets	<u>946,084</u>
LIABILITIES	
Accounts payable	215,939
Accrued salaries	11,055
Project funds advanced	407,074
Compensated absences:	
Due within one year	26,186
Due in more than one year	38,961
Total liabilities	<u>699,215</u>
NET ASSETS	
Invested in capital assets	13,717
Unrestricted	233,152
Total net assets	<u>\$ 246,869</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2006

	Governmental Activities		
	Functions / Programs		
	Totals	Planning and Administrative	Jurisdiction Transit
Expenses:			
General and administration	\$ 829,139	\$ 829,139	\$ -
Depreciation	13,465	13,465	-
Project costs	1,430,075	1,430,075	-
Payments to fiduciary funds	137,219,004	-	137,219,004
Total expenses	139,491,683	2,272,679	137,219,004
Program revenues:			
Operating grants and contributions	139,444,986	2,225,982	137,219,004
Net program expense	(46,697)	\$ (46,697)	\$ -
General revenues:			
Interest income	16,359		
Change in net assets	(30,338)		
Net assets, beginning of year	277,207		
Net assets, end of year	\$ 246,869		

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2006

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 285,217
Accounts receivable:	
Commonwealth of Virginia grants	199,323
Federal grants	6,660
Virginia Railway Express	14,438
Advances, deposits and prepaid items	19,655
Restricted cash and cash equivalents	<u>407,074</u>
Total assets	<u><u>\$ 932,367</u></u>
LIABILITIES	
Accounts payable	\$ 215,939
Accrued salaries	11,055
Project funds advanced	407,074
Total liabilities	<u>634,068</u>
FUND BALANCES	
Unreserved	<u>298,299</u>
Total fund balance	<u>298,299</u>
Total liabilities and fund balance	<u><u>\$ 932,367</u></u>

Reconciliation of fund balance on the balance sheet for the governmental fund to the net assets of the governmental activities on the statement of net assets:

Fund balance - governmental fund	\$ 298,299
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds. The cost of the assets is \$144,750 and the accumulated depreciation is \$131,033.	13,717
Compensated absences are liabilities not due and payable in the current period and therefore are not reported in the governmental fund.	<u>(65,147)</u>
Net assets - governmental activities	<u><u>\$ 246,869</u></u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2006

	Major Funds		
	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Intergovernmental revenues:			
Contributions:			
Commonwealth of Virginia	\$ 602,185	\$ -	\$ 602,185
Local jurisdictions	310,000	-	310,000
Grants:			
Federal	66,324	-	66,324
Commonwealth of Virginia	895,894	99,680,367	100,576,261
Motor vehicle fuel sales tax	487	37,538,637	37,539,124
Project chargebacks, Virginia Railway Express	80,000	-	80,000
Local project contributions	271,092	-	271,092
Interest income	16,359	-	16,359
Total revenues	2,242,341	137,219,004	139,461,345
Expenditures:			
Current:			
General and administration	819,600	-	819,600
Project costs	1,430,075	-	1,430,075
Payments to fiduciary funds	-	137,219,004	137,219,004
Capital outlay	5,006	-	5,006
Total expenditures	2,254,681	137,219,004	139,473,685
Change in fund balances	(12,340)	-	(12,340)
Fund balances at beginning of year	310,639	-	310,639
Fund balances at end of year	\$ 298,299	\$ -	\$ 298,299

Change in fund balances - total governmental funds \$ (12,340)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	5,006
Deduct - depreciation expense	(13,465)

The change in compensated absences included in the expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (9,539)

Change in net assets of governmental activities \$ (30,338)

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2006

	<u>Jurisdiction Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 82,123,589
Commonwealth of Virginia grants receivable	5,027,101
Motor fuels sales tax receivable	<u>7,317,650</u>
Total assets	<u>94,468,340</u>
LIABILITIES	
Unearned revenue	<u>961,120</u>
Total liabilities	<u>961,120</u>
NET ASSETS	
Net assets held in trust for member jurisdictions	<u><u>\$ 93,507,220</u></u>

The accompanying notes are an integral part of the financial statements.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND**

For the year ended June 30, 2006

	<u>Jurisdiction Trust Fund</u>
Additions:	
Contributions from government	\$ 137,219,004
Investment income	2,884,237
Total Additions	<u>140,103,241</u>
Deductions:	
Funds disbursed to WMATA:	
Metro Matters capital	22,456,938
Beyond Metro Matters capital	691,861
Rail capital	4,778,602
Metrorail operating	29,314,933
Metrobus operating	36,185,174
Metroaccess operating	4,988,697
Metro debt service	7,412,500
Other funds disbursed:	
Other capital disbursements	14,384,603
Other operating disbursements	1,169,128
Total Deductions	<u>121,382,436</u>
Change in net assets	18,720,805
Net assets held in trust for member jurisdictions	
Beginning of year	74,786,415
End of year	<u>\$ 93,507,220</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Northern Virginia Transportation Commission ("NVTC") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

A. Reporting Entity

The Northern Virginia Transportation District (the "District") was created by the 1964 Acts of Assembly of the Commonwealth of Virginia, Chapter 630, to assume the powers and purposes of transportation districts under the Act. The transportation district comprises the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax and Loudoun, and has all the powers granted transportation districts in the Act. The Act was created for the purpose of developing transportation systems necessary to the orderly growth and development of urban areas of the Commonwealth of Virginia for the safety, comfort, and convenience of its citizens and for the economical utilization of public funds. The District has no taxing power, although a tax imposed by the Virginia General Assembly is collected within the District's boundaries for its benefit. The Northern Virginia Transportation Commission is the governing body of the District, and was created pursuant to the Authorizing Legislation to manage and control the functions, affairs, and property of the District.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) report only information of the governmental activities supported by intergovernmental revenues and excludes the fiduciary activities of NVTC.

The government-wide Statement of Activities is designed to report the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The Motor Vehicle Fuels Sales tax is reported as program revenue because the Commonwealth of Virginia, not the NVTC, has the authority to collect this tax.

The government-wide Statement of Net Assets reports net assets as restricted when externally imposed constraints on those net assets are in effect. Internally imposed designations of resources are not presented as restricted net assets.

Separate fund financial statements are provided for governmental funds and fiduciary funds. The governmental funds are reported on balance sheets and statements of revenues, expenditures and changes in fund balances (fund equity). The fiduciary funds are reported on a statement of fiduciary net assets and statements of changes in fiduciary net assets. The fiduciary funds are not included in the government-wide statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues, consisting primarily of Federal and Commonwealth of Virginia grants, designated for payment of specific expenditures, are recognized at the time the expenditures are incurred. Any excess of revenues or expenditures at year-end are recorded as deferred revenue or accounts receivable, respectively. Derived tax revenues are recognized when the underlying transactions have occurred.

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose NVTC considers revenues to be available if they are collected within 90 days of the end of the current fiscal year end. Expenditures are recorded when a liability is incurred under the full accrual method of accounting.

Fiduciary Funds – The financial statements of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

D. Fund Accounting

The financial activities are recorded in individual funds, each of which is deemed to be a separate accounting entity with a self-balancing set of accounts. Financial activities have been classified into the following major governmental and fiduciary funds:

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

1. Governmental Funds

General Fund – This fund accounts for all financial activities of NVTC not accounted for in other funds and includes project, planning and administrative activities.

Special Revenue Fund – This fund accounts for revenue from state capital grants, state operating grants, and motor vehicle fuels sales tax received from the Commonwealth of Virginia for NVTC member jurisdiction transit purposes. NVTC is required by statute to receive this revenue and allocate to the jurisdictions located within the transportation district based upon a formula developed and maintained by NVTC. Upon allocation, the revenue is transferred to a fiduciary fund where it is available for the jurisdictions' restricted use.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee capacity for the member jurisdictions. These funds are available to support the programs of the member jurisdictions, not the programs of the NVTC reporting entity.

Jurisdiction Trust Fund – The resources received from the Special Revenue Fund are invested and held in a fiduciary capacity for each member jurisdiction until such time as they are disbursed upon the instructions of the individual jurisdictions.

E. Budgeting

Although not statutorily required, NVTC adopts an annual operating budget for the planning and administrative activities of the General Fund. The budgeting process enables NVTC to determine the annual contributions required from the member jurisdictions and the Commonwealth of Virginia to fund its planning and administrative activities. Accumulated fund balances in excess of anticipated minimum operating cash requirements are recognized as a revenue source in subsequent budgets.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets

NVTC's capital assets are accounted for at cost in accordance with the capitalization policy and depreciated using the straight-line method over the following estimated useful lives:

Computer hardware and software	3 years
Office equipment	5 - 10 years
Office furniture	7 - 10 years

G. Unearned Revenue

Grant and project revenue that has been received, but not yet earned, is recorded as unearned revenue in the governmental and fiduciary funds. At the end of the current fiscal year, unearned revenue consists of reimbursable grant revenue received by the fiduciary funds in advance of the related expenditures.

H. Indirect Expenditure Allocation

Employee benefits are allocated to projects based on direct labor charges. Overhead and other indirect costs are not charged to NVTC projects.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

J. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are funds that are restricted for use by NVTC for the SmarTrip project. These funds have been contributed by member jurisdictions to be used only for the costs resulting from contract change orders with the project vendor.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

Vacation leave is granted to all employees and is earned based upon the length of employment. Employees with up to 10 years of service may carryover a maximum of 240 hours of accumulated leave while employees with 11 or more years of service may carryover a maximum of 320 hours of leave. The Executive Director may carryover a maximum of 360 hours of leave. The allowed accumulated leave earned, yet not paid has been recorded as a liability since the leave vests and an obligation to make payment exists if an employee terminates.

Sick leave may also be accumulated by employees. After five years of service NVTC employees are eligible to receive 25 percent of their accumulated sick leave, limited to \$5,000, upon separation. This amount has been recorded as a liability.

Note 2. DEPOSITS AND INVESTMENTS

At June 30, 2006 cash and cash equivalents consisted of the following, at cost which approximates fair value:

	Governmental Activities	Fiduciary Funds	Total
Cash	\$ 204,919	\$ -	\$ 204,919
Local Government Investment Pool	80,298	-	80,298
	<u>285,217</u>	<u>-</u>	<u>285,217</u>
Restricted:			
Local Government Investment Pool	407,074	82,123,589	82,530,663
Total	<u>\$ 692,291</u>	<u>\$ 82,123,589</u>	<u>\$ 82,815,880</u>

Deposits: All cash of NVTC is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance.

Investments: Statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes; banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 2. DEPOSITS AND INVESTMENTS (Continued)

The Commission has investments in the LGIP. The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share. The LGIP has been assigned an "AAAm" rating by Standard and Poors and all of the investments made by the commission are held here. The maturity of the LGIP is less than one year.

The Commission's investment policy establishes the maximum percentages of the portfolio permitted in each of the following instruments:

LGIP	100%
US Treasury Obligations	100%
Certificates of Deposit	75%
Bankers' Acceptances	50%
Repurchase Agreements	35%
Commercial Paper	25%

Note 3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Office equipment and furniture	\$ 139,744	\$ 5,006	\$ -	\$ 144,750
Less accumulated depreciation for:				
Office equipment and furniture	(117,568)	(13,465)	-	(131,033)
Governmental activities capital assets, net	<u>\$ 22,176</u>	<u>\$ (8,459)</u>	<u>\$ -</u>	<u>\$ 13,717</u>

Depreciation expense was charged to the Governmental activities, planning and administrative \$ 13,465

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. JOINT VENTURE - VIRGINIA RAILWAY EXPRESS

Pursuant to a Master Agreement signed in 1989, NVTC and the Potomac and Rappahannock Transportation Commission ("PRTC") jointly (as the "Commissions") own and operate the Virginia Railway Express ("VRE"). VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and terminating at Union Station, Washington, D.C. The service uses existing track of the CSX Transportation Corporation ("CSX"), and the Norfolk Southern Railway Company, under respective operating access agreements. Trains are operated and maintained pursuant to a Purchase of Services Agreement between Amtrak and the Commissions.

VRE is managed by the Commissions. Certain functions have been delegated to the VRE Operations Board, consisting of three commissioners appointed from each of NVTC and PRTC and one representative of the Commonwealth of Virginia's Department of Rail and Public Transportation. The system is not currently configured for fare revenues alone to produce positive net income. In addition to fares, the project is financed with proceeds from the Commuter Rail Revenue Bond issues, Federal and Commonwealth of Virginia grants, and local jurisdictional contributions based on a population/ridership formula that is supplemented by voluntary donations from contributing jurisdictions. Participating jurisdictions include the counties of Fairfax, Prince William, and Stafford; and the cities of Manassas, Manassas Park, and Fredericksburg, Virginia. Contributing jurisdictions include Arlington County and the City of Alexandria, Virginia.

Commuter Rail Revenue Bonds have been issued in the name of NVTC for the VRE project. This debt and the capital assets acquired with the debt are not recognized on the financial statements of NVTC, but rather on those of VRE. Following is a schedule of the bonds outstanding as of June 30, 2006 as reported by VRE:

\$37,625,000 Commuter Rail Revenue Refunding Bonds, series 1993; due in annual maturities of \$4,145,000 to \$5,065,000 through July 2010, plus semi-annual interest at 4.9% to 5.25%	\$ 22,945,000
\$23,000,000 Commuter Rail Revenue Bonds, series 1997; due in annual maturities of \$1,000,000 to \$2,115,000 through July 2017, plus semi-annual interest at 4.7% to 6.0%	16,690,000
\$31,700,000 Commuter Rail Revenue Refunding Bonds, series 1998; due in annual maturities of \$110,000 to \$6,555,000 through July 1, 2014, plus semi-annual interest at 4.3% to 5.375%	<u>24,895,000</u>
	64,530,000
Less unamortized:	
Deferred loss	(1,649,630)
Discount	(124,393)
(Premiums)	490,234
Total bonded debt	<u>\$ 63,246,211</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. JOINT VENTURE - VIRGINIA RAILWAY EXPRESS (Continued)

The 1993, 1997 and 1998 Series Bonds are payable from a pledge of revenues attributable to VRE, including government grants, local jurisdictional contributions and passenger revenue. A financial guaranty bond guarantees payments of each bond series. Mandatory debt service requirements consist of the following:

Years Ended June 30	Principal	Interest	Total Required
2007	\$ 5,255,000	\$ 3,296,729	\$ 8,551,729
2008	5,520,000	3,027,016	8,547,016
2009	5,795,000	2,731,522	8,526,522
2010	6,105,000	2,411,369	8,516,369
2011	6,435,000	2,073,792	8,508,792
2012-2016	31,295,000	4,822,619	36,117,619
2017-2018	4,125,000	225,585	4,350,585
	<u>\$ 64,530,000</u>	<u>\$ 18,588,632</u>	<u>\$ 83,118,632</u>

Deferred bond and lease costs, consisting of issuance costs and insurance premiums are shown net of accumulated amortization. These costs are amortized on a straight-line basis over the life of the debt. Amortization of deferred bond and lease costs, approximating \$67,082, is included in interest expense in 2006.

The Indentures of Trust for the 1997 Commuter Rail Revenue Bonds required VRE to maintain a debt service reserve. During fiscal year 2000 VRE purchased a surety in substitution of the debt service reserve fund, releasing the proceeds from the reserve. The Indentures of Trust for the 1997 issue also require the maintenance of an operating reserve equivalent to one-third (33.3%) of annual budgeted operating expenses. As of June 30, 2006, VRE designated \$26,544,436 of its cash, the restricted bond interest and principal funds, inventory and receivables as this operating reserve. The reserves represented 71.21% of budgeted operating expenses.

Funds are invested by the Trustee pursuant to the Indentures of Trust and are classified as restricted. Funds held by the Trustee as of June 30, 2006 are as follows:

Bond Interest Fund	\$ 1,730,071
Bond Principal Fund	<u>5,278,280</u>
Total Held by Trustee	<u>\$ 7,008,351</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. JOINT VENTURE - VIRGINIA RAILWAY EXPRESS (Continued)

VRE has entered into the following capitalized lease financings for its fare collection system and to acquire rail cars.

Capitalized lease – Fare Collection

\$2,717,409 capitalized lease obligation \$39,347 due monthly, interest at 5.73%, maturing in 2009, collateralized with a fare collection system with a carrying value of \$1,037,250

\$ 1,265,435

Capitalized lease – Gallery IV

\$25,100,000 capitalized lease obligation \$965,679 due semi-annually, interest at 4.59%, maturing in 2025, collateralized with Gallery IV cars. First payment will be in November 2006

\$ 24,311,791

Financial information from VRE's fiscal year 2006 audited financial statements is shown below. Complete financial statements for VRE can be obtained from the Director of Finance and Administration of NVTC at 4350 N. Fairfax Drive, Suite 720, Arlington, VA 22203.

Under an agreement entered into between NVTC and VRE for the current fiscal year, project charge backs to VRE for staff support equals \$80,000 for the fiscal year, and amounts due from VRE equaled \$14,438 as of June 30, 2006.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. JOINT VENTURE - VIRGINIA RAILWAY EXPRESS (Continued)

**VIRGINIA RAILWAY EXPRESS
STATEMENT OF NET ASSETS**

June 30, 2006

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 6,974,333
Accounts receivable	10,199,863
Inventory	2,361,863
Prepaid expenses	545,149
Restricted cash and cash equivalents	60,047,130
Total current assets	<u>80,128,338</u>
Other Assets	
Deferred bond costs, net	936,764
Capital assets (net of \$53,342,775 accumulated depreciation)	135,482,041
Total other assets	<u>136,418,805</u>
Total assets	<u>\$ 216,547,143</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable and accrued liabilities	\$ 11,075,158
Deferred revenue	20,464,351
Contract retainage	906,580
Note payable	60,000
Current portion of capital lease obligations	1,235,118
Current portion of long-term debt	5,255,000
Total current liabilities	<u>38,996,207</u>
Noncurrent Liabilities	
Capital lease obligations	24,342,108
Note payable	600,000
Bonds payable, net	57,991,211
Total noncurrent liabilities	<u>82,933,319</u>
Total liabilities	<u>121,929,526</u>
Net Assets	
Invested in capital assets, net of related debt	68,818,854
Restricted for liability insurance plan	10,204,517
Restricted for debt service	7,008,351
Restricted grants or contributions	14,013
Unrestricted assets	8,571,882
Total net assets	<u>94,617,617</u>
Total liabilities and net assets	<u>\$ 216,547,143</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. JOINT VENTURE - VIRGINIA RAILWAY EXPRESS (Continued)

**VIRGINIA RAILWAY EXPRESS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS**

Year Ended June 30, 2006

Operating revenues	\$ 19,895,953
Operating expenses	42,657,540
Operating loss before depreciation	<u>(22,761,587)</u>
Depreciation	<u>(8,217,233)</u>
Operating loss	<u>(30,978,820)</u>
Nonoperating revenues (expenses):	
Subsidies:	
Commonwealth of Virginia grants	13,137,477
Federal grants	10,721,335
Jurisdictional operating contributions	6,878,061
Capital grants and assistance:	
Commonwealth of Virginia	1,769,727
Federal	12,796,829
Interest income:	
Operating funds	367,292
Insurance trust	721,919
Other restricted funds	840,383
Interest, amortization and other nonoperating expenses, net	<u>(4,953,443)</u>
Total nonoperating revenues, net	<u>42,279,580</u>
Loss on disposal of assets	<u>(1,366,531)</u>
Change in net assets	9,934,229
Net assets, beginning	<u>84,683,388</u>
Net assets, ending	<u>\$ 94,617,617</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 5. PENSION PLAN

NVTC contributes to the Northern Virginia Transportation Commission Pension Trust (the "Plan"), a single employer public employees retirement system, contributory target benefit pension plan covering substantially all employees. Under the terms of the Plan, the normal retirement date is the July 1st closest to the participant's 65th birthday. Early retirement may be elected if the participant has attained age 55 with ten years of continuous service. Employees vest in the employer's contributions at the rate of 20% for each year of service until fully vested.

The plan is funded in amounts determined by an actuarial consultant. Employer contributions for the year ended June 30, 2006 totaled \$46,898 (8.2% of covered payroll). Required employee contributions for the year ended June 30, 2006 totaled \$10,644 (1.9% of covered payroll). Since 1994, participants have been required to contribute 2.0% of covered salary, not to exceed 50% of the aggregate gross annual contribution for benefits. NVTC contributes the balance of the cost of the Plan. NVTC's payroll for employees covered by the plan for the year ended June 30, 2006 was approximately \$572,000.

Note 6. OPERATING LEASES

NVTC leases office space under a 10-year agreement which expires December 31, 2010. Office rent under this lease totaled \$154,798 for the year ended June 30, 2006. The lease provides for an adjustment to the base rental for increases in basic costs. Escalation is limited to five percent per year in basic costs of building operation, maintenance and management and the actual increases in real estate taxes and electricity.

NVTC leases office equipment under a five-year agreement which expires December 31, 2010. Minimum monthly payments equal \$564 per month. Payments under this lease totaled \$4,452 for the year ended June 30, 2006.

Future minimum lease payments required as of June 30, 2006 for the operating leases are as follows:

<u>Year Ended June 30,</u>	
2007	\$ 158,212
2008	162,755
2009	167,435
2010	172,255
2011	<u>87,350</u>
Total	<u>\$ 748,007</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 7. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

During fiscal year 2002 NVTC exercised an option included in a contract entered into by WMATA for equipment and services for the SmarTrip program. The option enabled NVTC to contract directly with the vendor on behalf of several transit systems for the Northern Virginia portion of the program, pursuant to the terms and conditions of the WMATA contract and additional terms and conditions negotiated with the vendor by NVTC. The maximum commitment outstanding under the terms of the agreement is \$3,817,898 as of June 30, 2006.

NVTC entered into a contract during fiscal year 2002 with a consulting firm to provide support service for the SmarTrip program. The maximum commitment outstanding under this agreement is \$89,609 as of June 30, 2006.

During fiscal year 2006, NVTC entered into a contract with a consulting firm to develop the GPS / AVL system. The maximum commitment outstanding under this agreement is \$164,220.

A combination of Federal and Commonwealth of Virginia Grants and local funds are available to finance substantially all of the NVTC contracted services for the projects. Significant NVTC contracts include a sufficiency of funding clause in the event funding becomes unavailable.

All project expenditures are expensed as incurred, including expenditures for tangible assets developed through the SmarTrip program, as the equipment becomes the property of the transit systems upon completion of the contract. Software developed under the GPS / AVL program will become available to all transit systems within the Commonwealth free of charge.

The Commissions have outstanding commitments on behalf of the VRE for construction of facilities and equipment. A combination of Federal and Commonwealth of Virginia grants will be used to finance these capital projects. The following is a summary of the more significant contractual commitments relating to VRE as of June 30, 2006:

Station and parking lots	\$	343,171
Maintenance and layover yards		332,671
Track and signal improvements		9,290,669
Other administrative		216,477
Railcars		22,551,139
		<u>\$ 32,734,127</u>

In August 2003 VRE entered into a banking services agreement with SunTrust bank. The agreement provides for up to \$1 million guidance line of credit maturing August 2006, including interest payable monthly on any outstanding balance at a rate of 30 day LIBOR plus 1%. The credit line is in the name of NVTC for the benefit of VRE.

NVTC has received proceeds from several federal and state grant programs. In the event of an audit of these grants certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such findings may result in the refund of grant monies to the grantor agencies. Based on NVTC's policies and past experience, management believes that no refunds would be due in the case of an audit and accordingly no provision has been made in the accompanying financial statements for the refund of grant monies.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 8. Pending GASB Statements

At June 30, 2006 the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by NVTC. The statements which might impact NVTC are as follows:

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards from the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and required supplemental information. Statement No. 45 will be effective for periods beginning after December 15, 2008.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, establishes criteria that governments will use to ascertain whether the proceeds received collateralized by future collections of receivables or revenues should be reported as revenues or as a liability. This Statement also includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components. Statement No. 48 will be effective for periods beginning after December 15, 2006.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS BY JURISDICTION
JURISDICTION TRUST FUND
For the year ended June 30, 2006

	<u>City of Alexandria</u>	<u>Arlington County</u>	<u>City of Fairfax</u>	<u>Fairfax County</u>	<u>City of Falls Church</u>	<u>Loudoun County</u>	<u>Totals</u>
Additions:							
Contributions from primary government:							
Virginia General Assembly	\$ 15,686,111	\$ 26,208,693	\$ 1,727,316	\$ 55,032,800	\$ 1,025,447	\$ -	\$ 99,680,367
Motor Vehicle Fuels Sales Tax	2,596,189	3,747,147	1,134,762	20,640,650	454,881	8,965,008	37,538,637
Investment Income	117,983	307,286	139,123	1,400,655	52,239	866,951	2,884,237
Total additions	18,400,283	30,263,126	3,001,201	77,074,105	1,532,567	9,831,959	140,103,241
Deductions:							
Funds disbursed to WMATA:							
Metro Matters capital	1,909,436	5,737,002	255,000	14,184,500	371,000	-	22,456,938
Beyond Metro Matters capital	-	260,730	5,790	416,911	8,430	-	691,861
Rail capital	1,322,501	2,608,339	65,814	674,252	107,696	-	4,778,602
Metro rail operating	3,373,277	12,365,102	293,829	12,936,826	345,899	-	29,314,933
Metrobus operating	9,042,761	3,993,926	295,468	22,034,826	818,193	-	36,185,174
Metroaccess operating	327,494	467,421	31,920	4,008,488	153,374	-	4,988,697
Metro debt service	1,418,200	2,740,200	46,700	3,168,900	38,500	-	7,412,500
Other funds disbursed:							
Other capital disbursements	-	-	263,603	14,121,000	-	-	14,384,603
Other operating disbursements	-	150,142	577,621	231,441	195,103	14,821	1,169,128
Total deductions	17,393,669	28,322,862	1,835,745	71,777,144	2,038,195	14,821	121,382,436
Reciprocal exchange of VTA funds	-	(874,438)	225,447	648,991	-	-	-
Change in net assets	1,006,614	1,065,826	1,390,903	5,945,952	(505,628)	9,817,138	18,720,805
Net assets held in trust for member jurisdictions							
Beginning of year	4,350,824	10,762,242	2,920,563	37,544,374	1,844,664	17,363,748	74,786,415
End of year	\$ 5,357,438	\$ 11,828,068	\$ 4,311,466	\$ 43,490,326	\$ 1,339,036	\$ 27,180,886	\$ 93,507,220

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL, ADMINISTRATIVE AND PROJECT EXPENDITURES
GENERAL FUND
For the year ended June 30, 2006**

	<u>Total</u>	<u>General and Administrative</u>	<u>Projects</u>
Expenditures:			
Advertising	\$ 1,455	\$ 678	\$ 777
Capital purchases	5,006	5,006	-
Commissioners' per diem	14,450	14,450	-
Computer expense	7,061	4,989	2,072
Conference registration and training	2,928	2,928	-
Copier duplicating	12,137	11,562	575
Disability insurance	3,154	2,310	844
Employee group insurance	46,489	34,056	12,433
Employee retirement	48,468	35,505	12,963
Employer payroll taxes	45,405	33,261	12,144
Leave - annual, holiday, and sick	88,517	64,844	23,673
Legal and auditing	19,625	19,625	-
Memberships and subscriptions	2,475	2,475	-
Miscellaneous	3,768	3,768	-
Office supplies	4,698	4,102	596
Office rent	155,223	155,223	-
Insurance and liability bonds	3,930	3,930	-
Parking and Metrochek	11,470	10,763	707
Postage and shipping	3,718	3,053	665
Project consultants and other project costs	1,171,307	-	1,171,307
Public information	58,962	4,320	54,642
Salaries and wages	529,418	393,418	136,000
Telephone	6,299	6,003	296
Travel and meetings	8,718	8,337	381
Total expenditures	<u>\$ 2,254,681</u>	<u>\$ 824,606</u>	<u>\$ 1,430,075</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES
GENERAL FUND**

For the year ended June 30, 2006

	GPS / AVL	Senior Mobility	TransAction 2030	Bus Shelter	Marketing	Falls Church Bus	Bus Data Collection	SmarTrip	Code Red	Totals
Revenues:										
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,324	\$ -	\$ 66,324
Commonwealth of Virginia	35,684	72,960	599,298	18,477	9,712	-	113,976	15,753	22,239	888,099
Local	-	2,560	-	-	-	-	-	268,532	-	271,092
Other revenue	-	-	-	-	487	-	-	-	-	487
NVTC match	7,866	45,984	37,663	-	83,794	944	182	27,406	234	204,073
Total revenue	\$ 43,550	\$ 121,504	\$ 636,961	\$ 18,477	\$ 93,993	\$ 944	\$ 114,158	\$ 378,015	\$ 22,473	\$ 1,430,075
Expenditures:										
Salaries and wages	\$ 5,060	\$ 30,259	\$ 25,533	\$ -	\$ 56,212	\$ 648	\$ 125	\$ 18,002	\$ 161	\$ 136,000
Fringe benefits	2,309	13,807	11,651	-	25,649	296	57	8,214	74	62,057
Advertising	448	329	-	-	-	-	-	-	-	777
Computer	404	-	-	-	1,668	-	-	-	-	2,072
Consultants	35,280	75,520	554,380	-	-	-	113,976	82,904	3,325	865,385
Postage	-	175	462	-	-	-	-	28	-	665
Telephone	-	86	44	-	153	-	-	13	-	296
Office supplies	-	591	5	-	-	-	-	-	-	596
Travel	-	57	238	-	86	-	-	-	-	381
Parking	49	105	231	-	-	-	-	322	-	707
Public information	-	-	44,417	-	10,225	-	-	-	-	54,642
Copier duplicating	-	-	-	-	-	-	-	-	-	575
Costs incurred	-	-	-	18,477	-	-	-	268,532	18,913	305,922
Total expenditures	\$ 43,550	\$ 121,504	\$ 636,961	\$ 18,477	\$ 93,993	\$ 944	\$ 114,158	\$ 378,015	\$ 22,473	\$ 1,430,075

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES
GENERAL FUND**

Project Costs to Date - Active Projects

	GPS / AVL	Senior Mobility	TransAction 2030	Bus Shelter	Marketing	Falls Church Bus	Bus Data Collection	SmartTrip	Code Red	Totals
Revenues:										
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,601,879	\$ 113,067	\$ 1,190,213	\$ -	\$ 2,905,159
Commonwealth of Virginia	35,684	114,000	999,960	304,276	231,129	744,526	514,921	797,553	1,559,914	5,301,963
Local	-	4,000	-	-	-	80,000	50,000	268,532	-	402,532
Other revenue	-	-	-	-	671	171,653	-	67,915	-	240,239
NVTC match	7,866	82,791	66,524	-	364,666	110,001	40,565	154,672	26,641	853,726
Total revenue	\$ 43,550	\$ 200,791	\$ 1,066,484	\$ 304,276	\$ 596,466	\$ 2,708,059	\$ 718,553	\$ 2,478,885	\$ 1,586,555	\$ 9,703,619
Expenditures:										
Bus purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240,978	\$ -	\$ -	\$ -	\$ 1,240,978
Capital outlays	-	-	-	-	17,556	-	-	-	-	17,556
Salaries and wages	5,060	54,084	43,876	-	315,606	88,543	37,522	102,196	16,865	663,752
Fringe benefits	2,309	25,398	20,727	-	144,757	38,227	15,949	47,259	8,099	302,725
Advertising	448	965	791	-	354	10,557	852	377	652	14,996
Computer	404	-	-	-	7,268	-	-	-	-	7,672
Consultants	35,280	118,000	955,042	-	-	13,499	662,941	237,764	77,841	2,100,367
Dues and memberships	-	-	-	-	770	-	-	-	-	770
Legal	-	-	-	-	-	12,814	-	-	-	12,814
Postage	-	361	462	-	-	537	861	43	329	2,593
Telephone	-	113	44	-	473	532	18	117	30	1,327
Office supplies	-	591	-	-	187	-	-	-	-	778
Travel	-	298	364	-	2,972	7,516	350	1,298	20	12,818
Parking	49	406	756	-	273	604	60	1,008	196	3,352
Public information	-	-	44,417	-	106,250	-	-	-	3,161	153,828
Copier duplicating	-	575	-	-	-	-	-	-	-	575
Costs incurred	-	-	-	304,276	-	1,294,252	-	2,088,823	1,479,362	5,166,713
Total expenditures	\$ 43,550	\$ 200,791	\$ 1,066,479	\$ 304,276	\$ 596,466	\$ 2,708,059	\$ 718,553	\$ 2,478,885	\$ 1,586,555	\$ 9,703,614

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
 For the year ended June 30, 2006

Grant	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue		Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 06/30/06	Cumulative Expenditures
				06/30/05	06/30/06					
Northern Virginia Transportation Commission										
Virginia Department of Rail and Public Transportation (DRPT)										
Capital:										
Fiscal Year 2006	07/01/05	73006-15	\$ 125,954	\$ -	\$ -	\$ 95,195	\$ -	\$ -	\$ -	\$ -
Fiscal Year 2006	07/01/05	73006-16	566,479	-	-	95,195	95,195	-	-	95,195
Fiscal Year 2006	07/01/05	73006-17	31,500	-	-	-	-	-	-	-
Fiscal Year 2006	07/01/05	73006-18	1,028,000	-	-	-	-	-	-	-
Fiscal Year 2006	07/01/05	73006-25	7,076,790	-	-	-	-	-	-	-
Fiscal Year 2006	07/01/05	73006-26	256,000	-	-	-	-	-	-	-
Fiscal Year 2006	07/01/05	73006-29	12,926,646	-	-	12,315,638	12,315,638	-	-	12,315,638
Fiscal Year 2005	07/01/04	73005-09	12,869,173	-	-	2,662,327	2,662,327	-	-	12,869,173
Fiscal Year 2005	07/01/04	73005-10	1,028,332	-	-	62,368	62,368	-	-	62,368
Fiscal Year 2005	07/01/04	73005-11	486,020	-	-	-	-	-	-	-
Fiscal Year 2005	07/01/04	73005-12	114,000	-	-	33,795	33,795	-	-	96,218
Fiscal Year 2005	07/01/04	73005-13	5,085,160	-	-	959,150	959,150	-	-	995,245
Fiscal Year 2004	07/01/03	73004-15	3,250,848	-	-	246,032	246,032	-	-	1,219,810
Fiscal Year 2004	07/01/03	73004-16	17,600	-	-	16,158	16,158	-	-	16,158
Fiscal Year 2004	07/01/03	73004-17	20,000	-	-	-	-	-	-	-
Fiscal Year 2004	07/01/03	73004-18	620,000	-	-	454,492	454,492	-	-	454,492
Fiscal Year 2004	07/01/03	73004-19	200,000	-	-	40,000	51,821	-	11,821	200,000
Fiscal Year 2003	07/01/02	73003-08	6,122,054	-	-	1,049	1,049	-	-	2,910,285
Fiscal Year 2003	07/01/02	73003-10	200,000	-	-	200,000	200,000	-	-	200,000
Fiscal Year 2003	07/01/02	73003-11	263,500	-	-	211,984	211,984	-	-	211,984
Fiscal Year 2003	07/01/02	73003-12	30,000	-	-	30,000	30,000	-	30,000	30,000
Fiscal Year 2002	07/01/01	73002-10	28,000	-	-	-	-	-	-	-
FTM/Admin (Operating):										
Fiscal Year 2006	07/01/05	72006-49	60,007,252	-	-	55,006,644	60,007,252	5,000,608	-	60,007,252
Fiscal Year 2005	07/01/04	72005-25	51,653,090	2,582,651	-	2,582,651	-	-	-	51,653,090
VTA 2000:										
Fiscal Year 2004	07/01/03	87001-02	27,000,000	(10,004,704)	14,015,394	23,058,978	23,058,978	(961,120)	-	26,038,880
Demonstration \ Experimental:										
Fiscal Year 2006	07/01/05	71106-08	199,500	-	-	-	35,684	35,684	35,684	35,684
Fiscal Year 2005	07/01/04	71105-10	114,000	30,951	103,911	72,960	72,960	-	-	114,000
Fiscal Year 2004	07/01/03	71004-40	48,545	-	-	-	-	-	-	-
Fiscal Year 2002	01/01/02	71002-47	82,365	4,325	18,496	15,753	15,753	1,582	-	45,175
Fiscal Year 2001	04/30/02	100-73501-51-1	4,074,712	-	-	-	-	-	-	752,376

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
For the year ended June 30, 2006

Grant	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 06/30/05		Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 06/30/06	Cumulative Expenditures
					\$					
Northern Virginia Transportation Commission (continued)										
Virginia Department of Rail and Public Transportation (DRPT) (continued)										
Transportation Demand Management:										
Fiscal Year 2006										
Directory Translation	07/01/05	71406-04	\$ 39,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interim:										
Fiscal Year 2006	07/01/05	71206-07	24,700	-	-	-	-	-	-	-
Fiscal Year 2005	07/01/04	71205-2	24,700	5,807	13,602	7,795	7,795	-	-	24,700
Regional STP Match:										
NOVA 2020 Plan Update	08/01/04	47004-22	200,000	44,841	135,356	111,861	111,861	21,346	21,346	191,992
Subtotal - DRPT			195,814,120	349,615	89,174,242	100,650,292	100,650,292	4,139,921	4,139,921	170,539,715
Virginia Department of Transportation (VDOT)										
STPG:										
Fiscal Year 2006										
Multimodal LOS Analysis*	12/19/05	N/A	40,000	-	-	40,000	40,000	40,000	40,000	40,000
Senior Transp. Phase 2	01/26/06	N/A	150,000	-	-	-	-	-	-	-
Subtotal - VDOT			190,000	-	-	40,000	40,000	40,000	40,000	40,000
Subtotal - NVTC			196,004,120	349,615	89,174,242	100,690,292	100,690,292	4,179,921	4,179,921	170,579,715

*VDOT STPG Multimodal LOS Analysis expenditures include direct consulting costs in the amount of \$40,000, as budgeted.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS, Continued
For the year ended June 30, 2006

Grant	Grant Number	Grant Award	Accrued (Deferred) Revenue		Cash Received	Revenue Recognized		Expenditures		Accrued (Deferred) Revenue 06/30/06	Cumulative Expenditures
			05/30/05	06/30/06		06/30/05	06/30/06	06/30/05	06/30/06		
Virginia Railway Express											
Capital:											
Fiscal Year 2006	73006-27	\$ 4,202,759	\$ -	\$ 1,472,539	\$ 1,472,539	\$ 1,472,539	\$ 1,472,539	\$ -	\$ -	\$ -	\$ 1,472,539
Fiscal Year 2005	73005-14	2,717,108	1,069,303	2,717,108	1,647,805	1,647,805	(72,371)	-	-	-	2,717,108
Fiscal Year 2004	73004-20	4,825,414	72,371	-	-	-	(280,895)	123,823	-	-	3,943,093
Fiscal Year 2003	73003-13	5,192,803	404,718	-	-	-	259,239	-	-	-	4,532,635
Fiscal Year 2002	73002-12	462,070	-	259,239	-	-	418,443	-	-	-	383,670
Fiscal Year 2001	477-73001-22-1	5,397,972	-	418,443	-	-	(4,900)	-	-	-	5,397,972
Fiscal Year 1999	477-73099-1-2	3,773,645	4,900	-	-	-	-	-	-	-	3,737,092
Capital - State Transit Partnership:											
Fiscal Year 2006	73006-19	20,000,000	-	20,000,000	-	-	-	(20,000,000)	-	-	-
New Railcar Purchase											
FTM/Admin (Operating):											
Fiscal Year 2006	72006-01	7,694,373	-	6,985,000	7,694,373	7,694,373	-	-	649,373	-	7,694,373
Fiscal Year 2005	72005-31	5,640,579	470,579	470,579	-	-	-	-	-	-	5,640,579
Priority Transportation Fund Projects:											
Fiscal Year 2001	473-73001-50-1	10,000,000	-	1,060,401	1,060,401	1,060,401	15,238	-	-	-	10,000,000
Capital Service Express	100-73001-32-1	590,000	16,832	32,070	15,238	15,238	-	-	-	-	590,000
VTA Transit Initiatives	473-80001-1-3	210,000	-	-	-	-	-	-	-	-	45,093
Washington-Richmond	77503-01	250,000	41,245	-	-	-	-	41,245	-	-	81,592
High Priority Projects	44504-15	950,000	-	950,000	950,000	950,000	-	-	-	-	950,000
Other Special Projects:	478-73000-8-1	250,000	-	28,425	28,425	28,425	-	-	-	-	250,000
Fiscal Year 2003	77503-01	250,000	41,245	-	-	-	-	-	41,245	-	81,592
Woodbridge Station Platform	478-73000-26-1	600,000	-	-	-	-	-	-	-	-	600,000
Governor's Congestion Relief Prog.:	EN02-29-139	160,000	-	-	-	-	-	-	-	-	160,000
Fiscal Year 2004 (various projects)	80001-02	6,137,000	-	1,246,281	1,354,107	1,354,107	-	-	107,826	-	1,607,993
CTB High-Speed Rail Capital:	71206-08	38,000	-	-	-	-	-	-	-	-	38,000
Fiscal Year 2000	71205-3	22,800	-	7,219	7,219	7,219	-	-	-	-	22,800
Quantico Creek Bridge	71405-2	20,000	-	-	-	-	-	-	-	-	20,000
Fiscal Year 2001	71405-2	20,000	-	-	-	-	-	-	-	-	20,000
AF Interlocking - Norfolk So.	71106-17	15,000	-	-	-	-	-	-	-	-	15,000
Regional STP Fiscal Year 2003:	71306-02	100,000	-	60,320	60,320	60,320	-	-	-	-	60,320
Burke Center Station Canopy	71305-2	55,000	-	-	-	-	-	-	-	-	55,000
VTA 2000:	71003-42	100,000	-	99,992	99,992	99,992	-	-	-	-	99,992
Fiscal Year 2003	N/A	N/A	-	-	-	-	-	-	-	-	-
Quantico Creek Bridge	N/A	N/A	-	-	-	-	-	-	-	-	-
Item:											
Fiscal Year 2006		79,344,523	2,079,948	35,807,616	14,792,246	14,792,246	14,792,246	14,792,246	(18,935,422)	14,792,246	49,832,541
Fiscal Year 2005		275,158,643	2,429,563	124,981,858	115,442,538	115,442,538	115,442,538	115,442,538	(14,795,501)	115,442,538	220,372,256
Fiscal Year 2004											
Fiscal Year 2003											
Fiscal Year 2002											
Fiscal Year 2001											
Fiscal Year 1999											
Fiscal Year 2000											
Fiscal Year 2006											
Fiscal Year 2005											
Fiscal Year 2004											
Fiscal Year 2003											
Fiscal Year 2002											
Fiscal Year 2001											
Fiscal Year 1999											
Fiscal Year 2000											
Wage Works Passport											
Technical Assistance:											
Fiscal Year 2006											
Fredericksburg Platform Improv.											
Station Access Study											
Fiscal Year 2005											
Gainesville-Haymarket Study											
Fiscal Year 2003											
I-66 Commuter Rail Study											
Eligible expenditures accrued, not yet assigned to specific grants											
Subtotal - VRE											
Total State Assistance											

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2006**

Federal CFDA Number	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/05	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/06	Cumulative Expenditures
Northern Virginia Transportation Commission								
Federal Transit Administration								
20.507	VA-26-7009	\$ 200,000	\$ 18,211	\$ 77,875	\$ 66,324	\$ 66,324	\$ 6,660	\$ 190,213
		<u>200,000</u>	<u>18,211</u>	<u>77,875</u>	<u>66,324</u>	<u>66,324</u>	<u>6,660</u>	<u>190,213</u>
Virginia Department of Rail and Public Transportation								
20.205	47004-22	800,000	179,367	541,420	447,437	447,437	85,384	767,968
20.205	401-47099-1-1	2,230,000	-	22,239	22,239	22,239	-	1,559,913
20.205	47000-02	360,000	-	18,477	18,477	18,477	-	304,276
		<u>3,390,000</u>	<u>179,367</u>	<u>582,136</u>	<u>488,153</u>	<u>488,153</u>	<u>85,384</u>	<u>2,632,157</u>
		\$ 3,590,000	\$ 197,578	\$ 660,011	\$ 554,477	\$ 554,477	\$ 92,044	\$ 2,822,370
		<u>\$ 3,590,000</u>	<u>\$ 197,578</u>	<u>\$ 660,011</u>	<u>\$ 554,477</u>	<u>\$ 554,477</u>	<u>\$ 92,044</u>	<u>\$ 2,822,370</u>

* closed as of June 30, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

COMPLIANCE SECTION

YEAR ENDED JUNE 30, 2006

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2006**

Federal Grantor/State Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
Department of Transportation		
<u>Direct payments:</u>		
<u>Federal Transit Administration:</u>		
NVTC - SmarTrip Program	20.507	\$ <u>66,324</u>
<u>Pass-through payments:</u>		
<u>Virginia Department of Rail and Public Transportation:</u>		
NVTC - Code Red Program	20.205	22,239
NVTC - Bus Shelter Project	20.205	18,477
NVTC - NOVA 2020 Plan Update	20.205	<u>447,437</u>
		<u>488,153</u>
Total Federal Awards Expended		\$ <u>554,477</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Northern Virginia Transportation Commission and is presented on the modified cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the “Schedule of Expenditures of Federal Awards.”

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule of Expenditures of Federal Awards.

Major Programs – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for NVTC were determined using a risk-based approach in accordance with OMB Circular A-133.

Catalog of Federal Domestic Assistance – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the accompanying schedule.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND OTHER MATTERS AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

We have audited the financial statements of Northern Virginia Transportation Commission, as of and for the year ended June 30, 2006, and have issued our report thereon dated August 25, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northern Virginia Transportation Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Virginia Transportation Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners, management, the Auditor of Public Accounts, and other federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

PB&H, LLP

Harrisonburg, Virginia
August 25, 2006



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

Compliance

We have audited the compliance of the Northern Virginia Transportation Commission (NVTC), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, that are applicable to its major Federal program for the year ended June 30, 2006. NVTC's major Federal program is identified in the Summary of Independent Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal program is the responsibility of NVTC's management. Our responsibility is to express an opinion on NVTC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards, specifications, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about NVTC's compliance with those requirements, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on NVTC's compliance with those requirements.

In our opinion, NVTC complied, in all material respects, with the requirements referred to above that are applicable to its major Federal program for the year ended June 30, 2006.

Internal Control Over Compliance

The management of NVTC is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered NVTC's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commissioners, management, the Auditor of Public Accounts and other Federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

PB&H, LLP

Harrisonburg, Virginia
August 25, 2006

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified: Yes No
 Reportable conditions identified that are not considered to be material weaknesses Yes None Reported
 Noncompliance material to financial statements noted Yes No

Federal awards

Internal control over major programs:

Material weaknesses identified: Yes No
 Reportable conditions identified that are not considered to be material weaknesses Yes None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? Yes No

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO
BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT
AUDITING STANDARDS**

A. Reportable Conditions in Internal Control

None Reported

B. Compliance Findings

None

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2006**

A Single Audit was not performed in the prior year.



MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Metro Items.

A. 2005 Development-Related Ridership Survey.

The survey covered 1,950 people who lived, worked or visited businesses within a half-mile of 13 Metrorail stations (including six in Virginia). These stations were surveyed in 1989 and one purpose of the study was to observe trends over that decade and a half. Regression results showed that for any distance from a station, trips to/from home attract bigger Metrorail shares than trips to/from places of work. However, since 1989, Metrorail shares at office locations have jumped 93% (to 34% from 17.6%) but have remained steady at residential sites (to 45% from 46%). Regressions also illustrated relationships between mode shares by distance from station, time of day and trip purpose.

Among the policy issues raised by the study is what type of developments to encourage at suburban stations. Since residences have greater transit shares than offices, that would argue for more residential developments. But when railcar capacity is considered, it might be wise to encourage more offices at suburban stations to help balance peak flows.

Charts are attached from the report as samples of the findings.

B. Delay of Dulles Rail Project.

DRPT has revealed that its construction schedule has been pushed back by about a year. It should now begin late in 2007 or early in 2008. It was reported in the media that DRPT cited the exploration of a Tysons Tunnel alternative for the delay, but some local officials suggested other possible reasons such as administrative issues at DRPT or an unfilled FTA administrator position.



C. WMATA Governance Task Force.

WMATA has provided the attached draft report to NVTC with the request for comments by November 13th. The commission is asked to authorize its chairman to respond with the comments included in the attached letter.

The draft report of the task force of WMATA Board members recommends several actions, including:

- Commitment to building the capacity of the board;
- Strengthened board governing structure with four standing committees;
- Productive board-general manager partnership with explicit negotiated performance measures;
- Improved self-management of the board with performance targets;
- Proactive strategic decision-making role with regular work sessions.

One obvious but minor weakness is in the suggested name of the standing committee responsible for communications with stakeholders, including customers. It is labeled “External/Legislative Relations.” As satisfying the customer is the primary objective of WMATA’s service, sending the message that customers are an “external responsibility” may be unwise. The committee could instead be called simply “Communications” or “Stakeholder Relations.”

Other more fundamental concerns, as expressed in the attached draft letter, include:

- 1) This effort was guided in part by the Interim General Manager. It would be wise to delay enactment until the next General Manger is selected and can provide input.
- 2) Several responsibilities are split by the proposed committee structure, including preparation of the budget by one committee and monitoring adherence to the budget by another as well as overseeing employee relations (the major component of the budget) by a third.
- 3) Since the committee responsibilities are only described in very broad terms, assigning committee responsibility for specific board actions may generate uncertainty, confusion or even turf wars.
- 4) Any committee structure should promote regionalism and discourage parochialism. It is not clear how the Task Force addressed those concerns.

If commissioners wish to provide any additional comments NVTC staff will add them to the prepared letter for Chairman Connolly’s signature.



LOCAL

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Study: Transit-friendly development is working

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Mike Rupert, The Examiner

Aug 8, 2006 5:00 AM (10 hrs ago)

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WASHINGTON - Nearly 1 in 3 residents who live or work within a half-mile of a Metro station use the rail system daily, according to a new study that is likely to provide more fuel to efforts to develop around the region's 86 stations.

The study, released by the Washington Metropolitan Area Transit Authority, also showed that more than half of residents who live and or work within one-quarter mile also choose public transportation over their cars.

Metro officials surveyed 1,950 people who lived, worked or visited other businesses within a half-mile of 13 rail stations. In 1989, just 18 percent of those who worked near a station reported using the subway to get to work. And while the numbers are less dramatic for those who live near a station, which jumped from 45 percent in 1989 to 54 percent this year, the volume of customers has increased significantly. Ridership has jumped 43 percent since 1990, officials said, with the addition of just two new stations.

Nat Bottigheimer, Metro planning director, said when Metro or other transit services provide "quality access to transit," the system appears to be working well.

Metro Interim General Manager Dan Tangherlini said with the recent ridership increases and several new large developments planned around stations in Virginia, Maryland and the District, Metro is finally fulfilling a promise its supporters made 30 years ago.

"At the time it was considered an extravagance by critics," Tangherlini said. "Now it's becoming a necessity and we are just now beginning to see the full potential of what Metro can do for this region."

Tangherlini called the trend an "evolution," and said the transit agency needs to harness the momentum.

mrupert@dce Examiner.com

Examiner

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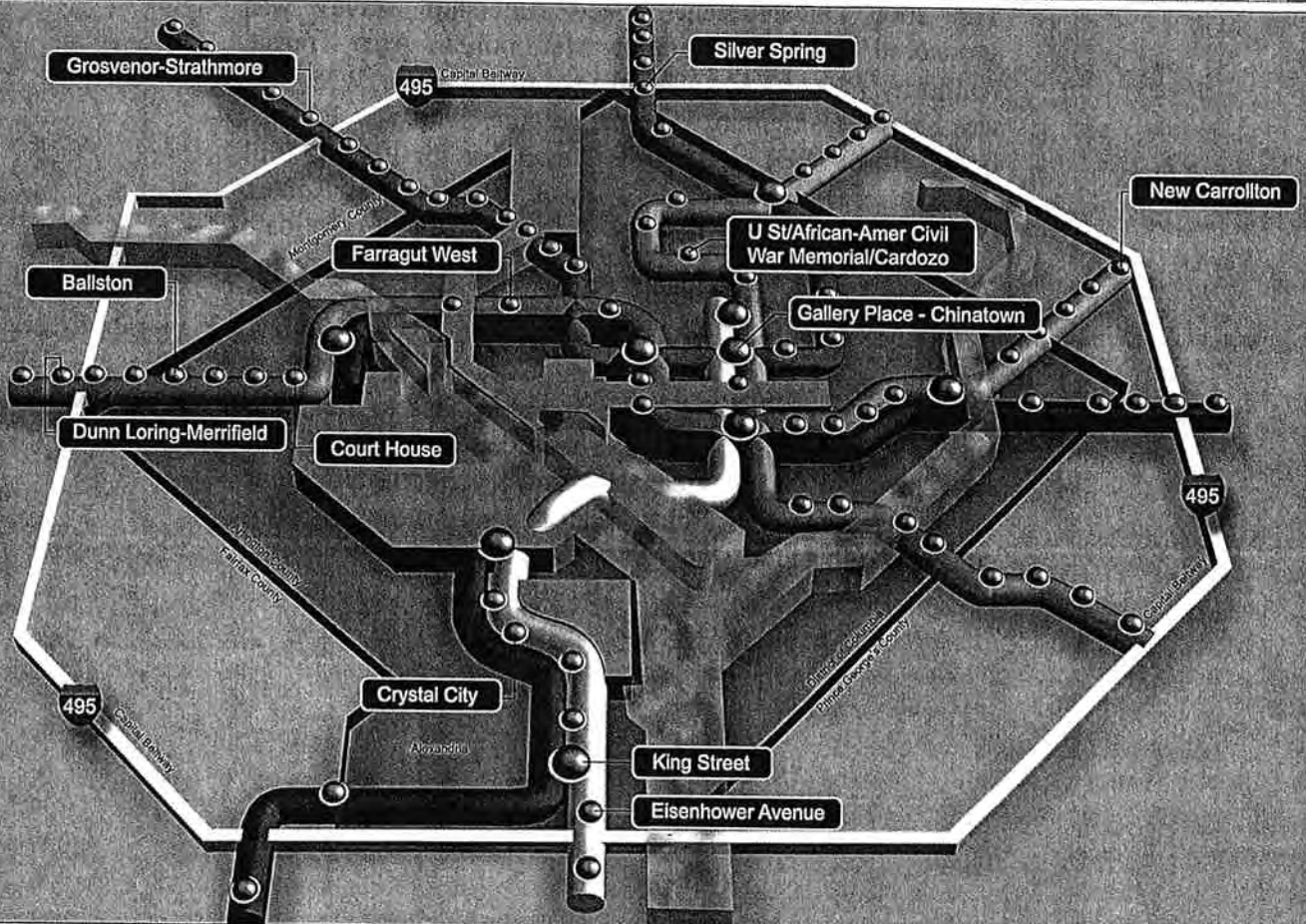
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2005 DEVELOPMENT-RELATED

Ridership Survey

FINAL REPORT



Washington Metropolitan
Area Transit Authority

The 2005 Development-Related Ridership Survey was sponsored by the Washington Metropolitan Area Transit Authority (WMATA). The project manager for WMATA was Kristin Haldeman. The prime consultant was Parsons Brinckerhoff (PB). The project manager for PB was Phil Braum. He was assisted by Jason Yazawa and Robert Donnelly. Diversity Services, Inc. conducted the data collection. Its project manager was Ellen DeBremond, and the field supervisor was Salvador Cortes.

WMATA wishes to acknowledge and thank the many people who provided their time and assistance to make this survey effort a success. These included local jurisdiction staff, property and site managers and local community and business groups. Without their cooperation and support, conducting this study would not have been possible.

Executive Summary

S.1 Study Purpose

The purpose of the 2005 Development Related Ridership Survey was to update a 16-year old study conducted by the Washington Metropolitan Area Transit Authority (WMATA) that surveyed the travel behavior of persons traveling to and from office, residential, hotel and retail sites near Metrorail stations. The 2005 effort sought to determine if modal splits for these land uses have changed over time and whether certain physical site characteristics still impact transit ridership. In 2005, 49 sites of the land uses listed above plus entertainment venues near 13 Metrorail stations participated in the study, which was designed to mimic the earlier efforts as a way to provide some context for comparison.

S.2 Background

In the 16 years since WMATA last surveyed development around its rail stations to determine how much transit ridership certain land uses generate when placed near rail stations, much has changed in the Washington metropolitan region in terms of population growth, the regional economy and the built environment. Given these changes, WMATA determined that the time was right to conduct a new survey, modeled on the 1989 survey, to evaluate whether this changed environment had affected modal splits at certain types of land uses in Metrorail station areas and to determine if certain physical attributes of these land uses impact transit ridership.

In 1989, stations were organized into three typologies: CBD location, Suburban-Inside the Beltway and Suburban-Outside the Beltway. The 2005 effort was designed to update these figures based on the changed environment and has generally organized data based upon the same typologies.

The 1989 study and an earlier 1987 study¹ identified a set of statistical relationships between the distance at which a building (office, residential, retail or hotel) is sited from the rail station and the amount of transit ridership it generates. The 2005 effort aimed to assess to what degree these relationships were still valid and whether additional variables might also show a strong relationship with transit ridership. Some of the additional variables tested include: quality of the pedestrian environment; housing density in the station area; job density in the station area; attractiveness of automobile access; and the availability of transit subsidies.

As in the earlier studies, the 2005 survey targeted high-density commercial office and residential sites, retail and hotel sites, as well as a new use, “entertainment” (which for this study’s purposes was defined as movie theaters), as these are the types of land uses typically proposed in joint development projects. The 2005 study secured participation from 49 sites distributed as shown in Table S-1.

¹ In addition to the 1989 Survey, WMATA also conducted a similar survey in 1987.

**Table S-1
Final Distribution of Survey Sites by Land Use Type and Station Location**

Station Area	Classification ¹	Office	Residence	Retail	Hotel	Enter.	Total
Ballston	I	2	2	1	1	1	7
Court House	I	2	2	--	--	--	4
Crystal City	I	2	2	2	2	--	8
Dunn-Loring	O	--	1	--	--	--	1
Eisenhower Avenue	I	--	--	--	--	1	1
Farragut West	C	2	--	--	--	--	2
Friendship Heights	I	2	2	--	1	--	5
Gallery Place	C	--	2	--	--	--	2
Grosvenor	O	--	4	--	--	--	4
King Street	I	2	--	--	--	--	2
New Carrollton	O	1	--	--	--	--	1
Silver Spring	I	3	2	1	1	2	9
U Street/African-Amer Civil War Memorial/Cardozo	I	1	1	1	--	--	4
Total		17	18	5	5	4	49

¹ C = CBD; I=Inside Beltway; O=Outside Beltway

S.3 Summary of Findings

It is important to note that response rates varied considerably from site to site, and particularly with the office surveys. In addition to changes in the physical environment (e.g., greater urbanization in rail station areas, increasing suburbanization of outer jurisdictions) over the last 16 years, the region, like the rest of the nation and even the world, has experienced a change in attitude with respect to security (especially in light of the September 11, 2001, attacks) and to providing personal information to outside entities. The project team anticipated that potential respondents might be reluctant to answer the survey and that property managers might also refuse to allow survey efforts to be conducted at their locations.

These expectations seem to have been borne out in the low response rates at some buildings, offices in particular, as well as in the final number of sites agreeing to participate. For the most part, at office sites where there was a 'champion' from building management or on-site staff, response rates were fairly high. However, without the 'insider assistance,' response rates faltered. The project team also found a resistance on the residential side to the hand-delivery of survey forms, and on the office management side to even approaching tenants with survey forms. Lastly, the project team attempted to secure some federal participation at stations, but was unable to do so for a variety of reasons, namely security concerns. For these reasons, the 2005 effort faced a number of challenges that only performing the study could have revealed. In the end, the process itself yielded a wealth of information to be incorporated into subsequent study efforts.

Nonetheless, the information gleaned from these sites does provide a good look into the current state of travel at sites around rail stations and offer some explanation as to cause and effect. That

said, there also is sufficient reason for additional, more targeted research to be conducted in certain areas to delve more deeply into the reasons for certain modal splits.

S.3.1 General Observations

1. 2005 survey results confirmed previous findings that the walking distance between a site and the Metrorail station affects transit ridership (see Table S-2). In general, the closer a site is to the station, the greater likelihood those traveling to/from or within a site choose Metrorail as their travel mode. Based on the survey results, this relationship was stronger for residential sites than for office sites.

Table S-2
Regression Equation Summary for Office Commute and Residential Trips by Distance from Station

Distance (Mile)	Metrorail Mode share		All Transit ¹ Mode Share		Auto Mode Share	
	Office Commute	Residential	Office Commute	Residential	Office Commute	Residential
0	35%	54%	46%	55%	48%	29%
1/4	23%	43%	30%	45%	66%	41%
1/2	10%	31%	13%	36%	83%	54%

Notes: ¹ Includes Metrorail, Metrobus, commuter rail and other transit options.

2. In urban fringe or outlying locations, residential uses may be more reliable in boosting Metrorail ridership than office uses (see Table S-3). Based on the results of the survey, outlying office sites tended to produce trips connected with areas outside the core, which typically are not well served by transit.
3. At the overall site level, survey results showed that high-density, mixed-use environments with good transit access generated higher shares of transit and walk trips—especially midday trips from and visitor trips to office sites, than those areas dominated by a single use.
4. Metrorail continues to remain competitive with the automobile in markets where it provides good access and service and has increased its mode share in the core since 1989. In each surveyed land use category, those trips recorded to or from the District, the jurisdiction with the greatest number of rail stations and a comprehensive bus network, showed the highest rates of Metrorail and transit use.
5. Overall, when compared to the results of the 1989 Survey, the 2005 results suggest that land uses surrounding Metrorail stations are supporting higher transit use than in 1989 (see Table S-4). For office sites, the overall average transit share among the sites was about 93 percent greater than the overall average transit share among the 1989 sites. For residential sites, transit shares appeared to have changed little.

**Table S-3
Office Commute and Residential Mode Share
by Concentric Location Typology**

Mode Share	CBD	Inside the Beltway	Outside the Beltway
Office Site Commute			
Metrorail	63%	21%	8%
Metrobus & Other Transit	12%	9%	3%
Auto	21%	66%	89%
Walk & Other	5%	6%	0%
Residential Sites			
Metrorail	50%	43%	31%
Metrobus & Other Transit	6%	6%	1%
Auto	18%	39%	62%
Walk & Other	26%	14%	6%

**Table S-4
Comparison of Transit Share Results from 2005 & 1989 Surveys**

Land Use Type	Transit ¹ Share Range		Transit Share Average		
	2005 Survey	1989 Survey	2005 Survey	1989 Survey	% Change
Office: Commute	8% - 76%	8% - 50%	34% (17 locations)	17.6% (10 locations)	93%
Residential	17% ² - 67%	30% - 74%	45% (18 locations)	46.2% (10 locations)	-3% ³
Retail	19% - 57%	34% - 56%	37% (5 locations)	44.2% (8 locations)	-16%
Hotel	12% - 51%	11% - 38%	31% (5 locations)	25.2% (10 locations)	23%
Entertainment	13% - 44%	N/A	32% (4 locations)	N/A	N/A

Notes: ¹ Transit mode share includes Metrorail, Metrobus and Other Transit.

² The 17% figure is from a site converting its apartments to condominiums, and is an outlier. The next lowest end of the range is 32%.

³ This figure may be skewed due to the low figure reported from the site converting its apartments to condominiums.

S.3.2 Land Use Specifics

For each land use type, survey results were tabulated to display frequencies and regression analyses were performed to test the strength of relationships between transit ridership and certain independent variables. A summary of the frequency results follows:

Office (17 sites; 15 percent response rate)

- 25 percent of all workplace survey respondents use Metrorail to commute to work.
- 44 percent of District residents responding to the workplace survey used Metrorail to commute to work. This figure exceeds the auto mode share for District residents, which was 41 percent. District residents accounted for only 14 percent of all survey responses, but accounted for more than 25 percent of all Metrorail commute trips.

- 16 percent of Arlington County residents responding to the workplace survey reported using the ‘walk or other’ mode to commute to and from work.
- 76 percent of workplace survey respondents who have no vehicle at their disposal use transit to commute; 63 percent of those used Metrorail. 31 percent of single-vehicle households use transit to commute; 28 percent of those use Metrorail.
- The sites with the highest midday Metrorail and walk trips are sites located in areas with a solid mix of office, retail and eating establishments.
- Visitors to the 13 office sites that allowed interviews used Metrorail 15 percent of the time and used the ‘walk/other’ mode 22 percent of the time.
- Office sites on the low end of the transit share scale in 2005 are located in areas with good auto access and ample parking. On the high end, survey results show that transit mode shares have grown in the inner areas—where traffic congestion is high, highway access limited and parking is constrained.

Residential (18 sites; 12 percent response rate)

- On average, 45 percent of all trips from these sites used transit.
- 55 percent of all work or school trips used Metrorail.
- 67 percent of trips to the District were made on Metrorail.
- 73 percent of zero-vehicle households and 42 percent of single-vehicle households used transit for their reported trips; 66 percent of zero-vehicle households and 40 percent of single-vehicle households used Metrorail as their travel mode.
- Residents living in areas with comparatively higher density housing and dense street networks are less likely to use their car, and more likely to use transit and Metrorail.

Retail (5 sites)

- 1,300 survey respondents.
- 36 percent of retail site patron and employee respondents used transit to access the site; 28 percent of those used Metrorail.
- 28 percent used the walk/other mode

Hotel (5 sites)

- 167 survey respondents.
- 35 percent of respondents used transit to access the site; 30 percent of those used Metrorail.

Entertainment (Movie Theaters) (4 sites)

- 974 survey respondents
- 28 percent used transit; 20 percent of those used Metrorail

S.4 Conclusions and Policy Considerations

The 2005 Development Related Ridership Survey effort provides a starting point for renewed efforts to analyze the travel characteristics of development around Metrorail stations. Despite some challenges related to privacy and security, this latest study provides a useful update to the past work, confirming some historic findings and pointing to some new findings regarding transit ridership. However, study findings also bring to light some areas where the process and data could be improved, and raise some questions as to the considerations and implications of

WMATA joint development opportunities. These are presented below. That said, the base provided herein gives WMATA a place from which to determine its next steps.

S.4.1 Potential Study Improvements

Increased Sample Size – Greater Statistical Significance

The findings from this study should help guide WMATA decision-making with respect to its joint development program and overall station-area planning. However, given that the unit of analysis for this study is at the site level, the survey sample size is admittedly small. Collecting more detailed data for station areas throughout the WMATA system could result in effective increases in the sample size and could create a more robust data set. In particular, a program focusing on federal sites might prove useful as the region supports an extensive federal workforce, but this study was unable to attract specific federal participation.

Weekend Data

Local jurisdictions already have suggested that having weekend ridership data would be useful. There has been a noticeable increase in transit ridership on weekends. Collecting weekend station area transit use data could help WMATA assess the implications of increased weekend service on operations and service planning, maintenance programs and capital spending.

Parking Pricing

Additionally, this effort was unable to adequately address the issue of parking pricing as it relates to workplace transit ridership in Metrorail station areas, as so many variables must be evaluated. For example, at the site level, each employer may have a different parking subsidy policy; at the station level, parking of varying price levels, availability and distance may be available to employees. Research focusing on this issue may also add to the tools at WMATA's disposal.

S.4.2 Questions Raised

Finally, the current study findings raise questions for WMATA with respect to a number of interesting and potentially important policy matters. For example, WMATA has significant unused capacity on outbound railcars in the peak-period. The system as a whole would benefit from increased utilization of this essentially “free” capacity, and office uses at suburban stations could help achieve this goal. To that end, there may be public policy benefits to encouraging office development at suburban rail stations as a complement to residential development, striking a balance between uses. The question raised is, what steps must be taken to raise the transit mode share for transit-proximate office space in suburban settings? More detailed survey information linked to site design and transit use characteristics of different office labor markets (e.g., federal, IT, financial services, biotechnology, back-office support, etc.) could help WMATA and others better understand the implications and opportunities presented by alternative development scenarios, and what steps could be taken to raise transit mode shares in suburban office settings.

Additionally, the 2005 Development Related Ridership Survey data continue to point to the question of how WMATA best meets the access needs of those residents who wish to use

Metrorail but are located in outlying or low-density areas, while maximizing the use of its station areas. For example, can bus service improvements, car-sharing arrangements or bicycle facility enhancements offer alternatives to those who currently drive to a rail station, freeing up some demand for parking? Additional research could tease out the variety of reasons why some Metrorail riders drive to stations and begin to classify those reasons and address them through targeted planning efforts.

These and other questions merit additional research and analysis. It is possible that WMATA's ongoing planning work program could provide opportunities to incrementally address these and related questions. Refinements and supplements to the findings from this study will be presented as they are developed through this work program.

washingtonpost.com



Metro Extension To Dulles Delayed

State Says Schedule Pushed Back a Year

By Lisa Rein
Washington Post Staff Writer
Thursday, October 19, 2006; B01

The months-long debate over whether to build a Metrorail extension to Dulles International Airport below ground through Tysons Corner has pushed the construction schedule back about a year, state officials said yesterday.

Subway construction probably won't begin until late next year or early 2008, said officials of the Virginia Department of Rail and Public Transportation. It was supposed to start early next year, prompting some Fairfax County supervisors to question whether the state's management of the project was also to blame.

Corey Hill, the state's project manager for the planned rail extension from West Falls Church to the airport, cited a five-month review of a tunnel option under Tysons Corner as the main factor setting construction back. Gov. Timothy Kaine (D) decided last month to nix the tunnel after federal officials and area congressmen made clear that the costs of an underground link could jeopardize the entire 23-mile, \$4 billion project.

"There are now some activities that should have occurred [during the tunnel review] that didn't," Hill said. "It's longer than just the time we made the decision to look at a tunnel."

Exploring the tunnel no doubt cost planners and engineers valuable time, county supervisors agreed. But they also blamed the delays on what they called the state's sluggish management.

"The tunnel was a valiant effort," said Fairfax Supervisor T. Dana Kauffman (D-Lee). "But the state is visibly trying to blame someone other than itself for its delays in setting the terms and conditions of the project."

The delay means that riders -- and voters -- are unlikely to watch the first leg of the line break ground before next November, when the Board of Supervisors and General Assembly are up for reelection. Northern Virginia politicians in both parties are eager to show off a new rail line in the absence of other big transportation improvements in the congested region.

Design work began last spring on the first phase, a 11.6-mile segment from West Falls Church through Tysons to Reston. At that time, state officials estimated that construction would begin next year and end in late 2011.

Now the Tysons leg would open to riders in 2012. The line would reach the airport and Loudoun County by 2015.

"I would like to have rail up and running by yesterday," Board Chairman Gerald E. Connolly (D) said.

Advertisement



"We're anxious to get on with this."

The federal government is expected to commit \$900 million for the \$2 billion leg through Tysons before construction can proceed. Virginia and Fairfax County are splitting the rest of the cost. Connolly said he told Hill and other state officials that the project must reach some milestones by next fall. "Anything we can do to expedite this process," Connolly said.

Before the Federal Transit Administration can sign off on its contribution, an environmental review must be completed, and Congress must review it, Hill said.

Connolly and other supervisors also attributed the delays to a change in leadership at the Federal Transit Administration, where the top job was vacant for several months this year. They also said it took the state longer than expected to put in place a system to oversee the preliminary engineering.

Kauffman said he is concerned that Virginia has been slow to set terms and conditions on the project "to make sure we don't get taken to the cleaners." He said he is pushing for the state to hire a construction management expert to oversee design work and preliminary engineering.

That work is being done by the state's contractor, Dulles Transit Partners. After negotiating with Dulles Transit, the state will decide whether to keep the company as the main contractor to build the line or seek other bidders.

Once the FTA approves the final design, the Metropolitan Washington Airports Authority is scheduled to take over the project sometime next year.

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NVTC

Northern Virginia Transportation Commission



November 2, 2006

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Debra A. Johnson
Board Secretary
Washington Metropolitan Area Transit Authority
600 Fifth Street N.W.
Washington, D.C. 20001

Dear Ms. Johnson:

At its meeting of November 2, 2006, the Northern Virginia Transportation Commission authorized me to provide to you the following comments on the draft action report of the Governance Task Force. We have also asked our Metro Board members to keep these comments in mind as they act on the final recommendations of the Task Force.

1. It is healthy to examine carefully the goals, structure and working relationships of the Metro Board and this effort is a worthwhile effort to provide more clarity and enhance effectiveness.
2. The timing of the recommendations should be reexamined in light of the ongoing search for a new General Manager. The person selected should have the opportunity to discuss the proposals with the board before they are enacted.
3. Because the duties of the four new standing committees are described only in general terms, there is a likelihood that some confusion may arise regarding how to assign specific items to the committees. It would be unfortunate if such a structure were so rigid that turf wars might erupt. The principles for assigning items to committees need further elaboration.

4. Examples provided of the duties of the four committees illustrate some possible pitfalls. For example, one committee makes budget decisions, another monitors budget performance and still another examines employee relations (wages are the major component of the budget). Three different committees with budget-related responsibilities may lead to undue overlap. Specialization by board members may contribute to enhanced expertise while splitting budget functions among several committees may inhibit such specialization.
5. In our view, perhaps the biggest challenge facing the Metro Board is the need for enhanced regional cooperation. It is not clear how the Task Force approached the essential goal of reducing parochialism in board actions.
6. One committee is named "External/Legislative Relations." Its duties include customer relations. Given Metro's customer focus, it sends the wrong message to identify customers as "external." We suggest a new name such as "Communications" or "Stakeholder Relations."

Thank you for the opportunity to comment. Please direct any questions to NVTC's Executive Director, Rick Taube.

Sincerely,

Gerald Connolly
Chairman

Cc: Hon. William Euille
Hon. Dana Kauffman
Hon. Catherine Hudgins
Hon. Christopher Zimmerman



October 13, 2006

Dear WMATA Stakeholder:


Earlier this year, the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors participated in a day-long strategic work session, at which Board members discussed development in the rapidly changing field of public transit governance and brainstormed ways to strengthen Board leadership. As a follow-up to that session, the WMATA Board of Directors agreed to establish a WMATA Governance Initiative and create the Governance Task Force to spearhead the Initiative.

A draft Action Report was developed, which culminates a carefully designed and methodically managed four-month process. This report is being circulated for public review for a period of 30 days and enclosed is a copy for your review.

Please return any comments to Ms. Debra A. Johnson, Secretary, Washington Metropolitan Area Transit Authority. Comments may be sent via U.S. mail to: 600 Fifth Street, NW, Washington, DC 20001 or electronically to boardsecretary@wmata.com by **5:00 p.m., Monday, November 13, 2006**. Additionally, please reference the Governance Task Force Draft Action Report in your response.

Thank you for your time.

Sincerely,


Debra A. Johnson
Board Secretary

Enclosure

Washington
Metropolitan Area
Transit Authority

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ACTION REPORT TO THE BOARD OF DIRECTORS

WMATA GOVERNANCE TASK FORCE

Representing the WMATA Board:

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Ray Briscuso

Charles Deegan, Vice-Chair

William Euille

Catherine Hudgins

Dana Kauffman

Representing the WMATA Staff:

Dan Tangherlini, ex officio Task Force member

Staff Task Force Advisors:

- **Emeka Moneme**
- **Debra Johnson**
- **Jim Haggins**
- **Jack Requa**

Doug Eadie, Governance Counsel

Draft: October 12, 2006

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DRAFT

1. EXECUTIVE SUMMARY

INTENT OF THIS ACTION REPORT

The Board of Directors of the Washington Metropolitan Area Transit Authority (WMATA) has provided strong leadership since the Authority's founding, overseeing the development of a premier transportation system that has made a powerful contribution to the quality of life of residents in the Washington metropolitan area. However, these rapidly changing, always challenging times demand even stronger governance, and the WMATA Governance Task Force was created to address this need. This Action Report is the culmination of a 4-month process that has included 10 intensive Task Force work sessions, including one in which all Board members were invited to participate and a session with Board members sitting as the Policy Legislative/Administration Committee, at which the Task Force Action Report was reviewed.

The Action Steps that are described in Section 4 of this Action Report build on the Board's solid track record of high-impact governance and capitalize on recent significant developments in the field of public/nonprofit governance. The Action Steps are intended to fine-tune – rather than radically reform – WMATA governance, updating governance roles, structure and processes in the interest of even stronger leadership of this precious regional asset. They are designed to be highly practical and relatively easily implemented, without an extraordinary expenditure of either time or money.

OVERVIEW OF THE ACTION STEPS

Section 4 of this Action Report recommends that the WMATA Board implement five major Action Steps:

I. Make a formal commitment to Board capacity building.

This Action Step recommends that the Board adopt the “Commitment to Board Capacity Building” resolution (I-A) and a Board Governing Mission (I-B) spelling out the Board's major governing responsibilities.

II. Strengthen the Board's governing structure.

Action Step II-A recommends that the Board adopt a structure of four standing committees to assist in carrying out its Governing Mission: Governance; Planning and Budget Development; Operational Monitoring/Audit;

External/Legislative Relations. Action Step II-B recommends that the Board adopt a set of guidelines to govern standing committee operations.

III. Ensure a strong, productive Board-GM Partnership.

Action Step III-A recommends that the Board assign maintenance of the Board-GM partnership to the Board's new Governance Committee. Action Step III-B describes a process that the Governance Committee can employ in regularly evaluating GM performance.

IV. Strengthen the Board's self-management capability.

Action Step IV-A recommends that the Board's Governance Committee take responsibility for the WMATA Board's management of itself as a governing body. Action Step IV-B describes how the Governance Committee can develop the Board as a human resource, and Action Step IV-C sets forth a process for managing the Board's governing performance.

V. Develop the Board's strategic decision-making role.

Action Step V-A recommends that the Board's Planning and Budget Development Committee take responsibility for working closely with the GM in designing a process for involving the Board in strategic decision-making. Action Step V-B recommends that the Planning and Budget Development Committee design and host a Strategic Work Session biannually as a vehicle for proactive Board involvement in the strategic decision-making process.

2. PREFACE

A CHALLENGING SITUATION

Since WMATA's founding in 1967, the WMATA Strategic Leadership Team – the Board of Directors, General Manager, and Executive Managers – has overseen the development of a premier public transit system, which is rightly seen nationally as a model of regional cooperation and sound governance. However, the aging of WMATA's physical infrastructure, the continued growth in ridership, and a rapidly changing, ever more challenging environment in the Washington metropolitan area mean that WMATA is entering a new era in its history. To ensure the continued success of WMATA in meeting the public transportation needs in the region while preserving this precious regional asset, even stronger strategic and policy leadership will be required. It is, therefore, critical that the WMATA Strategic Leadership Team make strengthening WMATA governance a high priority.

MEETING THE CHALLENGE

On March 23, 2006, several WMATA Board members participated in a daylong strategic work session, at which Board members discussed developments in the rapidly changing field of public transit governance and brainstormed ways to strengthen Board leadership. Following up on this session, the WMATA Board of Directors agreed to establish the WMATA Governance Initiative and to create the Governance Task Force to spearhead the Initiative. Board Chair Gladys Mack's June 15 memorandum inviting Board members to serve on the Governance Task Force charged the Task Force to

“. . .generate an Action Report for presentation to the Board in October 2006.

The Action Report will consist of detailed, practical recommendations for strengthening the Board's governing role, structure, and processes. In light of the critical importance of the Governance Initiative, I will serve as Task Force Chair.”

The Governance Task Force Action Report that will be presented to the WMATA Board of Directors at its November 2006 meeting is the culmination of a carefully designed and methodically managed four-month process that has involved the active participation of Task Force members. Key milestones in this process include:

- Selection of a consultant to serve as “Governance Counsel” to the Task Force, in this capacity conducting research on WMATA governance, facilitating Task Force work sessions, and drafting sections of the Action Report for Task Force review.
- Governance Counsel’s interviews with Board members, the Interim General Manager, and senior executives in June.
- A three-hour in-person work session on June 22 at which Task Force members familiarized themselves with significant developments in the field of public transit governance and discussed the format of the Task Force Action Report to the Board, guidelines for the Task Force to follow in fashioning its recommendations to the Board, and the governance issues meriting serious Task Force attention.
- A teleconference on July 13, at which the Task Force finalized the design guidelines and governance issues to be addressed and reviewed the first draft of a “Board Governing Mission” setting forth the Board’s preeminent governing responsibilities.
- A two-hour in-person work session on July 20 at which the Task Force reached agreement on a fine-tuned Board structure consisting of 4 standing committees to assist the Board in carrying out its Governing Mission in a full and timely fashion.
- A teleconference on July 27 at which Task Force members reached consensus on the process to follow in naming the chairs and members of the recommended new standing committees.
- A teleconference on September 15 at which Task Force members reviewed a draft of the full Action Report and reached agreement on the process for reviewing the Action Report with the Board’s Policy Legislative/Administration Committee and presenting the Report to the full Board.

(To be completed after the last Task Force work session has been held)

3. DESIGN GUIDELINES

The following design concepts, principles, and assumptions have guided the WMATA Governance Task Force in fashioning the action recommendations that are at the heart of the Task Force Action Report to the WMATA Board of Directors:

- The preeminent responsibility of the WMATA Board of Directors is to govern this large, complex public corporation that provides essential transit services in the Washington Metropolitan Area. The Board's governing work basically consists of judgments and decisions that flow along four broad governing streams:
 - ❖ Board self-management (including developing the Board's governing capacity, setting Board performance standards/targets, and monitoring Board performance)
 - ❖ Planning (including setting strategic directions and adopting the annual operating plan and the capital and operating budgets)
 - ❖ Performance oversight (including monitoring operational and financial performance and updating operating policies)
 - ❖ External relations (including promoting a positive public image and maintaining effective relationships with customers and other critical stakeholders)

- In a rapidly changing, always challenging environment, the work of governing becomes more complex and demanding, making systematic development of the Board's governing capacity an even higher priority. This capacity building primarily involves:
 - ❖ Clarifying and refining the Board's governing role and functions
 - ❖ Fine-tuning the Board's governing structure (meeting schedule and formats; standing committees; committee guidelines)
 - ❖ Mapping out processes for involving the Board in key functions such as strategic decision making and budget development

- The Task Force’s recommended enhancements in the WMATA Board’s governing role, structure, and process are aimed at moving the Board toward *higher-impact* governing. High-impact governing is defined as Board decisions and judgments that: (1) involve Board members creatively and proactively in leading WMATA as a public corporation; (2) capitalize on the Board as a precious WMATA resource, taking full advantage of Board members’ knowledge, experience, expertise, and diverse perspectives; (3) make a significant difference in the affairs of WMATA; and (4) effectively address the preeminent strategic and policy issues facing WMATA.
- In fashioning its recommendations, the Task Force has kept in mind a critical distinction in the world of public/nonprofit governance: between GOVERNING WMATA and ADVISING WMATA on detailed technical matters. The Task Force is keenly aware that many public and nonprofit boards have diluted their influence by focusing on operational details at the expense of high-impact governance.
- In making its recommendations to strengthen WMATA governance, the Task Force has drawn on recent significant advances in the rapidly developing field of public transportation governance, rather than merely reinventing the proverbial wheel.
- Rather than engaging in radical reform, the Task Force has focused on fine-tuning the Board’s role, structure, and process in the interest of higher-impact governing, while retaining practices that work well.
- In dealing with structural questions, the Task Force has been guided by the universally accepted organizational development principle that form should follow function, meaning in practice that Board standing committees should correspond to the actual flows of governing decisions that the Board should regularly and systematically be making (for example, strategic and operational planning; performance monitoring).

- The Task Force has tackled the highest priority governance issues first, pacing the implementation of enhancements so that the WMATA system is not overextended.

4. ACTION STEPS

I. MAKE A FORMAL COMMITMENT TO BOARD CAPACITY BUILDING.

I-A Adopt the “Commitment to Board Capacity Building” resolution that is found in Exhibit A of this Action Report.

- By adopting this resolution, the Board will embrace a contemporary definition of governing and commit to the full utilization of WMATA Board members as a precious resource.
- Passage of this resolution will also solemnize – and lend legitimacy to – the recommendations that follow in this Action Report.

I-B Adopt the Board Governing Mission.

- The WMATA Board Governing Mission is basically intended to serve as a high-level “job description” that spells out the Board’s primary responsibilities as WMATA’s governing body. The Governing Mission tells one and all that “This is what we are all about as a governing body; this is how we aspire to exercise leadership.” In light of its importance as a tool for strengthening governance, the Board Governing Mission should be formally adopted by the Board and thereafter be updated periodically.
- It is recommended that the Board adopt the resolution and attached Governing Mission that are set forth in Exhibit B of this Action Report.

II. STRENGTHEN THE BOARD’S GOVERNING STRUCTURE.

II-A Adopt by resolution (Exhibit C) a structure of four Board standing committees to directly support the Board in accomplishing its governing work: Governance; Planning and Budget Development; Operational Monitoring/Audit; and External/Legislative Relations.

- **Governance Committee**

Headed by the Board Chair and consisting of the chairs of the other three standing committees and the GM (ex officio), the Governance Committee is responsible for: overseeing and coordinating the Board's governing work; putting together the Board agenda; developing the Board's governing capacity; managing the working relationship with the GM, including evaluating GM performance. **Note that the Governance Committee is not intended to be a "petite" Board that screens the work of the other three standing committees; it is truly a coordinating committee.**

- **Planning and Budget Development Committee**

The Planning and Budget Development Committee is responsible for coordinating Board participation in the WMATA strategic and operational planning process, including: capital program planning; regional corridor development and system expansion planning; coordination of regional planning issues; regional transit service planning and coordination with other transportation service providers; transit access planning; preparation of WMATA's annual operating plan and budget (making sure that WMATA plans are designed to produce a safe and secure, reliable, and clean transit system). The Planning and Budget Development Committee recommends planning "products" to the Board (such as an updated vision/values statement and the annual budget) and reaches agreement with the GM on the WMATA strategic and operational planning calendar.

- **Operational Monitoring/Audit Committee**

The Operational Monitoring/Audit Committee is responsible for monitoring and assessing all WMATA operational and financial performance, including: rail and bus operations; operational expenditures against budget; and capital projects. The Committee also reviews and recommends Board action on operational policies meriting Board attention (relating to such matters as procurement and contracting, human resources, compensation and benefits, insurance coverage, and business systems) and real estate acquisitions (fee simple and lease) in accordance with guidelines established by the Board. The Operational Monitoring/Audit Committee in addition oversees the WMATA audit function, in this capacity:

reviewing audit finding and corrective actions; monitoring the activities of the external auditor to ensure the appropriate degree of independent audit oversight; and reviewing WMATA internal controls to ensure compliance with laws, regulations, policies, ethical standards, and conflict of interest requirements.

- **External/Legislative Relations Committee**

The External/Legislative Relations Committee is responsible for overseeing WMATA communication with customers and key WMATA stakeholders, in this capacity reviewing and approving strategies for ensuring that customers and stakeholders (including the media) understand WMATA's vision, values, mission, and services and that customer and stakeholder feedback is systematically obtained and analyzed. The Committee is also responsible for ensuring that the WMATA Board is systematically involved in WMATA's external communication strategies, including speaking on behalf of WMATA in appropriate regional forums. Additionally, the External/Legislative Relations Committee is responsible for overseeing WMATA state and federal legislative strategies, developing coordinated transit advocacy programs and pursuing dedicated funding solutions. Exhibit D provides a detailed rationale for the recommended standing committee structure.

II-B Adopt formal standing committee guidelines to ensure that the standing committees function effectively.

The following straightforward guidelines to govern the operation of the recommended standing committees should be adopted by Board resolution (Exhibit E):

1. The Board Chair will appoint the chairs and members of the Planning and Budget Development, Operational Monitoring/Audit, and External/Legislative Relations Committees, in keeping with current WMATA practice.
2. Each committee (other than Governance) will consist of five Board members: one voting member from each of the three jurisdictions and two alternate members from different jurisdictions.
3. Each Board member will generally serve on only one of the standing committees (except for the committee chairs, who will also serve on the Governance Committee), except that one voting member and two alternates will receive a

second committee assignment in order to make up five-member committees. This will ensure that each standing committee has a “critical mass” of members and will guard against Board members’ overextension and the consequent dilution of governance.

4. Each committee (other than Governance) will be chaired by a voting member of a different jurisdiction. An alternate Board member will be appointed Deputy Chair of each committee (except for Governance).
5. Alternate members will replace voting members on the committees based on jurisdictional voting rules.
6. Only Board members may serve on the Board’s four standing committees. Non-Board volunteers from the three jurisdictions may serve on any ad hoc subcommittees and task forces that the Governance Committee – on the recommendation of other standing committees – creates to provide input to the standing committees.
7. All matters coming to the full Board as part of its business meeting agenda should go through the appropriate standing committee and be introduced by committee members. No action items should be introduced directly to the full Board, without having come through the appropriate Board standing committee, and all reports to the Board should be made by standing committee members (with the sole exceptions of the regular Board Chair and GM reports to the Board and when non-Board advisory committee members or staff members present special briefings under the aegis of the standing committees).
8. Committees should, whenever feasible, meet far enough in advance of the regular Board business meeting that committee recommendations can be prepared in a full and timely fashion for transmittal to the full Board.
9. Whenever a standing committee believes that the full Board should be involved in-depth in dealing with an issue, the committee should take the initiative in recommending to the Governance Committee that a special full Board work session be held as part of the regular Board meeting.

10. Board members should be rotated among committees regularly to ensure that their governing experience is richer and more diverse, and, when feasible, standing committee chairs should also be rotated on a regular basis.
11. The standing committees should receive strong staff support, including the preparation of agendas and reports to the Board. WMATA's GM and Executive Management Team should work closely together to ensure that the standing committees are well staffed. A member of the Executive Management Team should be assigned to serve as Chief Staff Liaison to each of the committees.
12. The GM should regularly attend standing committee meetings as an ex officio member.
13. While the Governance Committee should be involved in developing the full Board agenda, it should not pre-review or revise the content of committee reports and recommendations to the full Board. All Board standing committees report directly at Board meetings.

III. ENSURE A STRONG, PRODUCTIVE BOARD-GM PARTNERSHIP.

- Experience has taught that one of the critical determinants of a public/nonprofit corporation's effectiveness over the long run is a cohesive "Strategic Leadership Team" consisting of a fully developed governing board that is doing truly high-impact governing work and a strong CEO who works in close partnership with the board. Professional relationships – just as personal ones – require considerable attention if they are to remain close, positive, and productive, and the more complex and high-stakes the relationship, the more attention it deserves. This is certainly true of Board-CEO partnerships.
- It is essential that the WMATA Board-GM partnership be thought out in detail – making clear the respective roles and responsibilities and the reciprocal obligations – and that it be periodically refined, and meticulously managed in the interest of a productive, healthy working relationship. This working out of roles, responsibilities, and reciprocal obligations is best thought of as a high-level, creative, and dynamic negotiation process that is repeated annually, as

organizational and environmental circumstances evolve. There is, then, no such thing as THE right Board-GM partnership; there is, rather, the specific partnership that is consciously crafted by specific partners in specific organizations during specific periods of time.

III-A Assign accountability to the Governance Committee.

- In light of its responsibility for coordinating the Board's governing work and the fact that its membership includes the Board Chair, the other standing committee chairs, and the GM (ex officio), the Governance Committee is the ideal body to oversee and manage the Board's working relationship with its GM. This role should include:
 - ❖ Keeping the GM position description updated
 - ❖ Within the framework of the position description, annually negotiating GM performance targets that relate not only to WMATA's organizational performance targets but also to GM-specific targets
 - ❖ And regularly – at least annually – evaluating GM performance against these negotiated targets

III-B Strengthen Board evaluation of GM performance.

- Formal, annual Board evaluation of GM performance will be one of the most important ways to maintain a healthy, productive Board-GM working partnership. Not only does it provide an effective means for pinpointing relationship problems before they become serious, it also protects the GM from the sadly common "All is Well Until All is Lost Pathology" (characterizing boards that give the GM the impression that things are fine until festering problems lead the board to terminate the GM).
- The WMATA Board and GM can make sure that GM evaluation is a meaningful tool for relationship building by:

- ❖ Making sure that the evaluation is based on explicitly negotiated GM performance targets
 - ❖ Assigning responsibility for performing the evaluation to the Governance Committee
 - ❖ Involving the whole Board in an executive-session discussion with the GM at which the Governance Committee's evaluation is reviewed in detail
 - ❖ Employing the formal evaluation process as a positive tool for strengthening both GM performance and the Board-GM working relationship
 - ❖ Ensuring that a timetable for corrective actions to address any identified performance shortfalls is one of the outcomes of the evaluation process
 - ❖ Avoiding pitfalls that have made the evaluation processes of many public/nonprofit organizations less effective, such as: delegating the evaluation responsibility to an individual on the Board, often the chair; using one of those functional checklist approaches that inevitably trivialize the process by leaving out the most important element: performance targets; asking the GM to take responsibility for the process by producing a self-evaluation; not setting aside enough time for the full Board work session at which the evaluation is discussed and a schedule of corrective actions negotiated.
- With regard to the GM performance targets on which a sound evaluation process should be based, there are two levels of GM performance that must be considered: (1) the overall performance targets of WMATA as a public corporation, which are annually determined through the operational planning/budget preparation process; and (2) GM-specific leadership targets which relate to the GM's use of his time, above and beyond overall WMATA performance. These targets, which relate to the GM's individual, specific value-added contributions, fall in the following categories:
 - ❖ **Support for the Board:** what the GM plans to do to promote high-impact Board leadership

- ❖ **External relations:** what the GM plans to do to promote WMATA's image and to build and maintain key external relationships
 - ❖ **Strategic and entrepreneurial development:** what the GM plans to do to carry out specific strategic directions and to grow and diversify WMATA's services and revenues
 - ❖ **Internal operations and system development:** what initiatives the GM intends to take to strengthen WMATA's administration and management of its services
 - ❖ **Individual professional development:** what initiatives the GM intends to take to strengthen his professional standing and professional skills
- Of course, the GM is always responsible to the whole Board of Directors for the overall effective and efficient functioning of WMATA as a whole, but these more individual targets enable the Board and GM to negotiate performance that is at the heart of an effective working relationship. To take an example, let's say that the Board and GM agree that the GM should play an aggressive individual role in building positive partnerships with selected key stakeholders in the region. Exactly which stakeholders, what outcomes are expected from each new relationship, and the time that the GM should devote to relationship building are obviously key matters that must be negotiated in setting performance targets. The negotiation process must be reciprocal, with the Board's committing the necessary support to the GM to achieve the targets. Taking the external partnership building initiative as an example, the GM might need to devote less time to another Board priority, or might need to be provided with consulting assistance. These needs should be addressed as part of the negotiating process.

IV. STRENGTHEN THE BOARD'S SELF-MANAGEMENT CAPABILITY.

IV-A Assign responsibility to the Governance Committee.

- Public/nonprofit boards tend to be terribly under-managed as governing bodies, principally because no particular board committee is explicitly responsible for making sure that the board functions effectively as a governing body. This can easily be remedied by assigning responsibility for Board of Directors self-management to the Board's new Governance Committee.

- Board self-management involves two key components: Board human resource development; and Board performance management.

IV-B Strengthen Board human resource development.

- Governing boards are, above all else, people, and a critical path to high-impact governing is to ensure that Board member governing skills are systematically developed.
- Accordingly, the Governance Committee should annually develop a plan and accompanying budget for Board member governing skills development, including:
 - ❖ A thorough orientation program for new Board members that pays considerable attention to the role, functions, and structure of the Board, using the Board Governing Mission and the detailed descriptions of their governing work that are developed by the standing committees
 - ❖ Education and training programs aimed at building governing skills
 - ❖ A lending library of books and periodicals on governance that can be circulated among Board members
 - ❖ A mentoring program that assigns each new Board member to a senior member from the same jurisdiction who will during the new member's first six months provide advice and counsel aimed at making the new member a fully productive participant in the Board leadership process

IV-C Strengthen Board performance management.

IV-C-1 Strengthen individual Board member performance management.

- WMATA Board members should be encouraged to adhere to a detailed set of performance standards/targets that are developed by the Governance Committee and adopted by the full Board, and periodically updated to reflect changing circumstances.
- The Board member performance standards might relate to such factors as: attendance; preparation for meetings; service on standing committees; speaking on behalf of WMATA in appropriate forums; representation of WMATA in

meetings with stakeholder organizations; participation in WMATA special events; and the like.

- No formal assessment of individual Board member performance is necessary. Rather, the performance targets and standards should be made available to all Board members, who should be encouraged to meet them.
- Of course, being who they are, Board members virtually always rise to the occasion, making target setting a self-fulfilling process, helping an excellent Board become even better at carrying out its governing work. Another result of setting Board performance targets will be to attract even more interest around the region in serving on the WMATA Board of Directors.

IV-C-2 Strengthen the full Board's Performance Management.

- The Planning and Budget Development, Operational Monitoring/Audit, and External/Legislative Relations Committees should also be encouraged to develop Board governing performance targets in their respective functional areas, and these targets should be reviewed and approved by the Governance Committee.
- The Governance Committee should annually prepare a "Board Report Card" based on the standing committees' assessments of Board performance in their respective areas, and this Report Card should be employed in identifying governance issues and fashioning Board capacity building initiatives.

V. DEVELOP THE BOARD'S STRATEGIC DECISION-MAKING ROLE.

- It is widely recognized in the field of public/nonprofit governance that the "governing gold standard" for a board is proactive, creative participation in making strategic decisions as part of a well-designed process. This is especially critical in the context of a rapidly changing, always challenging regional environment. The WMATA Board has traditionally played a strong role in operational planning/budget development and in long-range capital planning and budgeting. However, on the strategic front, the WMATA Board and its GM face a twin challenge:

- ❖ To identify strategic issues facing WMATA in the form of major challenges and opportunities for expansion and diversification.
- ❖ To select the highest-priority issues that demand near-term attention and work with the GM and Executive Managers in fashioning Strategic Innovation Initiatives to address these issues.
- Fortunately, the WMATA Board – and especially its Planning and Budget Development Committee – can take advantage of recent dramatic advances in the field of innovation/change management in designing an approach to strengthening Board involvement in strategic decision making.

V-A Make planning process design the joint responsibility of the Board’s Planning and Budget Development Committee and the GM.

- One of the most important responsibilities of the Planning and Budget Development Committee will be to ensure – working closely with the GM – that the annual planning cycle (from updating values and vision through adopting the annual operational plan and budget) appropriately involves the Board in providing proactive, creative direction setting.
- The Planning and Budget Development Committee should annually set time aside to assess WMATA’s planning process in terms of both planning outcomes and Board involvement, identifying design enhancements intended to strengthen the process. In carrying out this responsibility, the Planning and Budget Development Committee should capitalize on developments in the rapidly changing field of strategic decision-making.

V-B Consider Employing a Strategic Work Session As a Vehicle For Proactive Board Involvement In Strategic Decision Making.

- In updating the Board’s involvement in strategic decision-making, the Planning and Budget Development Committee should consider employing an intensive Strategic Work Session (or retreat) involving the Board of Directors, GM, and Executive Staff as a tool for periodically updating WMATA’s Strategic Change Portfolio. Designed and hosted by the Planning and Budget Development Committee, the session would focus on:
 - ❖ Clarifying/updating WMATA’s values and vision

- ❖ Reviewing external conditions and trends (perhaps involving a presentation, using graphics and visual aids, by members of the Planning and Budget Development Committee)
- ❖ Identifying strategic issues facing WMATA
- ❖ Brainstorming possible change initiatives to address the issues
- ❖ Assessing the prior year's operational performance (perhaps using a presentation by the Operational Monitoring/Audit Committee)
- It is critical that this strategic work session be highly participatory, enabling Board members to play a leading role rather than being an audience for formal staff presentation.
- At least a full day should be set aside for the Board Strategic Work Session. Many public and nonprofit boards around the country hold such work sessions annually, but in light of the tremendous time demands on WMATA Board members, a biannual Strategic Work Session might make sense.

5. EXHIBITS

DRAFT

EXHIBIT A

COMMITMENT TO BOARD CAPACITY BUILDING

Whereas, WMATA's long-term effectiveness and development in a changing, challenging environment depend on the strong leadership of a Board that continuously answers three critical questions in a full and timely fashion: Where should WMATA be headed, and what should it become, over the long run? What should WMATA be now and in the near-term? How is WMATA performing as a public transportation organization, both financially and in terms of serving customers?

Whereas, the WMATA Board Chair appointed the Governance Task Force to identify critical governance issues and to fashion recommendations aimed at addressing these governing issues,

Whereas, the WMATA Governance Task Force has submitted its detailed Action Report to the Board of Directors,

Be it resolved that:

The WMATA Board of Directors: (1) affirms its commitment to continuously building its leadership capacity (2) accepts the Governance Task Force Action Report in principle; and (3) declares its intention to strengthen the Board's governing role, structure, and processes during 2006 and beyond.

EXHIBIT B

BOARD OF DIRECTORS GOVERNING MISSION

BOARD RESOLUTION

Whereas, the Board of Directors of the Washington Metropolitan Area Transit Authority (WMATA) is committed to functioning as a high-impact governing body, providing WMATA with the strong leadership required to ensure success in carrying out its regional public transportation mission in a changing, challenging world;

Whereas, providing such high-impact leadership requires a clearly defined Board of Directors governing role;

Whereas, the WMATA Board Governance Task Force has developed a Governing Mission spelling out the major governing responsibilities of the Board of Directors as WMATA's governing body;

Be it resolved that:

The Board of Directors adopts the Board Governing Mission that is attached to, and made a part of, this Resolution, and directs that this Governing Mission be periodically updated and that it serve as a framework for further developing the Board's governing work, structure, and processes over time in the interest of high-impact governing.

ATTACHMENT TO EXHIBIT B

BOARD OF DIRECTORS GOVERNING MISSION

The Board of Directors, as the governing body of the Washington Metropolitan Area Transit Authority:

- Serves as the steward and guardian of WMATA's values, vision, mission, and resources.
- Plays a leading, proactive role in WMATA strategic decision making, and in setting strong, clear strategic directions and priorities for all of WMATA's functions and operating units, ensuring that the region's public transportation needs are met as fully and efficiently as feasible.
- Ensures that WMATA's relationships with its customers and key stakeholders are positive.
- Monitors WMATA's operational, financial, and administrative performance against clearly defined performance targets, in keeping with its fiduciary responsibility to ensure that public resources are wisely managed.
- Adopts policies to govern WMATA operations in the interest of organizational efficiency and effectiveness and sound leadership and management principles.
- Serves as an advocate for public transportation in the legislative arena and other appropriate forums.
- Strives to ensure that WMATA possesses the financial and other resources necessary to realize its vision and carry out its mission fully in the region.
- Ensures that Board members are fully engaged in the governing process, that the resources they bring to the Board are fully utilized in governing, and that their governing skills are systematically developed.
- Takes accountability for its own performance as a governing body, setting detailed governing performance targets and regularly monitoring the Board's performance against these targets.
- Hires the General Manager, Secretary, and Inspector General of WMATA, works in close partnership with the GM, ensures that clear, detailed GM performance targets are set, and at least annually evaluates GM performance against these targets.

EXHIBIT C

BOARD STANDING COMMITTEES

Whereas, the Action Report of the Governance Task Force recommends that the WMATA Board of Directors adopt a structure of four standing committees consisting of Board members for the purpose of accomplishing the detailed governing work of the Board: the Governance Committee; the Planning and Budget Development Committee; the Operational Monitoring/Audit Committee; and the External/Legislative Relations Committee;

Be it resolved that:

The four Board standing committees recommended in the Action Report be adopted as the governing structure of the WMATA Board of Directors, the functions of these four standing committees adhere to the committee descriptions that are set forth in the Action Report, and the attached Standing Committee Organization Chart be employed to describe the committee structure.

**ATTACHMENT TO EXHIBIT C
COMMITTEE ORGANIZATION CHART**

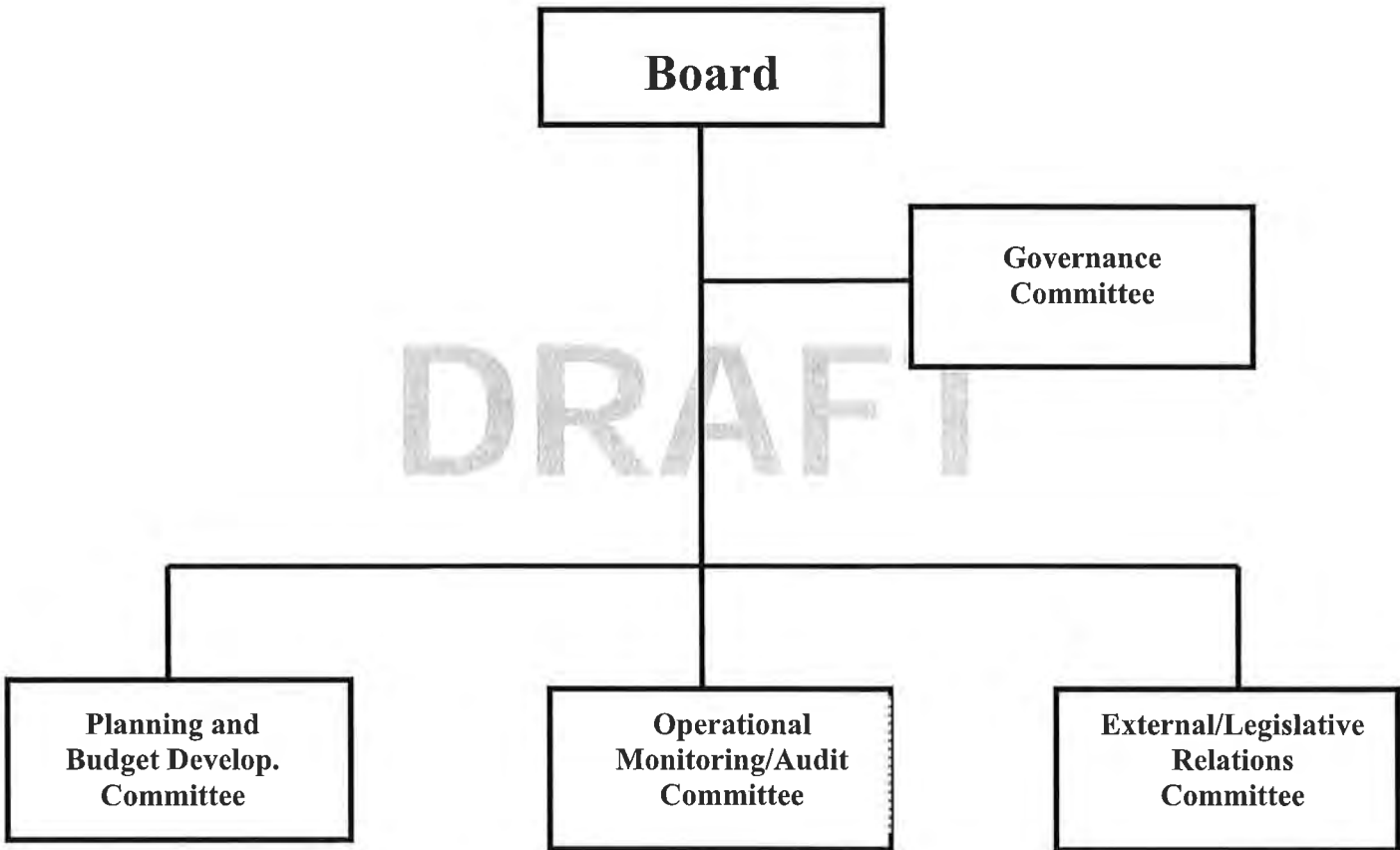


EXHIBIT D

STANDING COMMITTEE ANALYSIS

Advantages of Well-Designed Standing Committees

It is now widely recognized in the field of public/nonprofit governance that a well-designed structure of Board standing committees can serve as a powerful engine for carrying out the governing work of a board of directors at a high level, helping to ensure truly high-impact decision making. Well-designed committees produce significant benefits:

- A well-designed structure of standing committees makes it possible to divide the very complex and demanding work of governing into manageable pieces on which Board members can focus serious attention. Such division of governing labor is essential in light of the limited time that busy Board members can devote to their governing responsibilities.
- Such standing committees enable Board members to acquire in-depth experience and expertise in broad governance functions such as planning and performance oversight, and this experience can be shared through regular rotation of Board members among the standing committees.
- They help to make full Board meetings more productive by ensuring thorough preparation.
- And they provide a comfortable forum for intensive Board-staff interaction that is not feasible at regular Board business meetings, thereby helping to build a more cohesive “strategic leadership team.”

Committee Design Factors

Experience has taught that board standing committee structures that function as highly effective “governance engines” – supporting truly high-level governance – are built on a foundation consisting of:

- A firm commitment to function as a full-fledged **PUBLIC CORPORATE GOVERNING BODY** (in WMATA’s case a large and complex public corporation) whose primary responsibility is to guide and oversee corporate operations and growth, making sure that the corporate mission is being fully carried out. This model

of a public corporate board is in clear contrast to the traditional legislative governance model, which sees boards as essentially representative bodies whose main role is to reconcile competing constituency needs and demands. The latter model, which is still found in some public transit agencies, is without question far less effective than the Public Corporate Governing Model in terms of governance.

- A high level of trust and mutual respect among board members, which makes a division of labor among committees feasible.

In terms of specific design features, the standing committees that function effectively:

- Correspond to the broad streams of governing decisions and judgments that the Board makes (e.g., strategic/operational planning and budget development; performance oversight/monitoring), satisfying a universally accepted management principle that structure should follow function.
- Cut across all operational and administrative functions of the organization. This is the polar opposite of old-time “silo” committees that correspond to narrow programmatic and administrative functions (e.g., the personnel and paratransit committees that many transit systems still employ).
- Combine like functions (most notably: planning and budget development; financial and non-financial operating performance monitoring).
- Rotate board members among committees to enrich their governing experience and ensure diverse perspectives.

EXHIBIT E
STANDING COMMITTEE GUIDELINES

Whereas the Action Report of the Governance Task Force recommends that the Board of Directors adopt guidelines to ensure that the Board's four standing committees function effectively;

Be it resolved that:

The WMATA Board of Directors adopts the Board standing committee guidelines set forth in the Action Report and directs the WMATA Governance Committee to periodically update the guidelines to ensure that the Board's standing committees function smoothly and productively, carrying out their responsibilities in a full and timely fashion.

DRAFT



MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube and Kala Quintana
DATE: October 26, 2006
SUBJECT: Legislative Items.

A. Ideas for NVTC's 2007 Legislative Agenda.

NVTC's Legislative Committee will convene in November to develop recommendations on the 2007 Legislative Agenda for action by the commission at its December meeting. In the meantime, suggestions for consideration by the committee are welcome.

B. Washington Post Survey on Transportation Taxes.

On October 18th the Washington Post published a front page story about its survey showing a large majority of Northern Virginia residents want the state to spend more to fix roads and public transit. More than 75 percent want the opportunity to raise local taxes to do it. As shown in the attachments, telephone interviews were conducted with 1,004 randomly selected Virginia likely voters on October 10-12, 2006. Sampling error is plus or minus three percentage points.

The attached bar charts compare the Northern Virginia response to the rest of the commonwealth. Northern Virginians are much more dissatisfied with the performance of the General Assembly, less satisfied with overall state government performance, rank transportation as a much more important issue, blame Governor Kaine less and House and Senate Republicans more, favor more strongly allowing voters to approve local tax increases for road projects, and prefer increased taxes for all Virginians more and tolls less.



C. Correspondence and Media Coverage.

Attached are responses to NVTC letters as well as articles citing NVTC work products and quoting NVTC commissioners and staff.

7B

washingtonpost.com

Poll Shows Support for Tax Increase

N.Va. Favors Fund For Transportation

By Michael D. Shear
Washington Post Staff Writer
Thursday, October 19, 2006; A01

A large majority of Northern Virginia residents want the state to spend more money to fix the region's roads and rails, and more than three-quarters say they wanted the opportunity to raise local taxes to do it, a new Washington Post poll shows.

Overall, the survey finds deep resentment among the region's voters toward their government in Richmond, particularly the General Assembly. Only 9 percent of likely Northern Virginia voters polled said they were "very satisfied" that the government is working for the best interests of their part of the commonwealth. Forty-eight percent of those voters said they were dissatisfied, compared with 37 percent in other parts of the state.

That result suggests that General Assembly members in Richmond are taking the brunt of the blame for the stalemate over transportation funding that consumed lawmakers for much of the year. In the poll, 55 percent of the region's likely voters blamed lawmakers, especially Republicans, for the failed special session last month. Only 11 percent blamed Kaine.

Asked for their assessment of the job General Assembly members are doing, just 42 percent of Northern Virginians gave a positive response, compared with 56 percent in other parts of the state.

The results highlight a truth about the Washington suburbs: There is desperation for a traffic fix and frustration with a state government that has not been able to deliver one.

"Every day it gets worse," said Elias Ullah, 32, an independent voter and father of two who commutes from Manassas to Alexandria. "I'd like to pay more taxes. The time you're wasting [in traffic] is more valuable than the tax money you would pay."

Northern Virginia has been struggling for years with highways that become congested daily, a Metro system that doesn't reach the largest population or work centers and aging roads and bridges that need repair. Officials and business leaders have put the price tag for fixing those problems in the tens of billions of dollars.

Four years ago, voters in Northern Virginia rejected a regional sales tax increase that would have raised \$5 billion over a decade. Now, the poll suggests that people in the region might think differently if given a second chance.

Seventy-six percent of likely Northern Virginia voters said they want the opportunity to vote again on a local tax increase. And about half of those voters said they would support a general tax increase or higher fees and tolls to pay for new roads, bridges and mass transit.

Advertisement



"I'm not in favor of paying more taxes, but people have to be willing to raise their taxes to pay for public needs," said Karen Rosenbaum, 68, of Arlington.

Del. Timothy D. Hugo (R-Fairfax), who voted against a package of tax increases during the special session, said Northern Virginia commuters would feel differently if they knew that Republicans in the House had pushed to use the state's surplus for transportation against the wishes of others in the legislature.

"It would have been a step in the right direction," he said of the GOP plan. "When people see there is a huge surplus, their answers will be, 'Spend that money first.' "

The statewide poll of 1,004 likely voters in November's election was conducted Oct. 10-12 and has a margin of error of plus or minus three percentage points.

Despite intense support for action in Northern Virginia, the poll suggests that people in other parts of the state feel less urgency about transportation problems.

For example, just 9 percent of the people in Lynchburg and Southside Virginia and 16 percent in Richmond said it is "extremely important" that the state spend more on roads. That compares with 40 percent of people in Northern Virginia who said the transportation needs are "extremely important."

There is a measure of hope for Northern Virginians: Two-thirds of respondents in the rest of Virginia were willing to allow regions to raise their own taxes to fund transportation.

Statewide, however, voters remain split about how to finance the needed work.

Asked how they would prefer government to pay for new transportation projects, 17 percent said higher taxes on all Virginians would be their first choice. Twenty-three percent said government should reduce spending on other services. And 32 percent said government should increase user fees, such as tolls.

Elected leaders in Northern Virginia said they are not surprised by the results, especially the expression of frustration with General Assembly members.

"They treat us like a bank," Fairfax County Board of Supervisors Chairman Gerald E. Connolly (D) said of the legislature. "If we have needs, they are transparently uncaring and unresponsive while they are taking billions of dollars in sales and income tax revenue. Our voters are smart. They get it. That's not a good deal."

Connolly and other elected officials in Northern Virginia have pushed for statewide tax increases that would boost transportation spending statewide. Those efforts have been blocked largely by Republicans in the House of Delegates, who say they oppose any general tax increase to pay for road improvements.

Del. Leo C. Wardrup Jr. (R-Virginia Beach), chairman of the House Transportation Committee, said members of the public are often willing to say they will support tax increases for roads until they are presented with a specific plan to do so.

"When people talk about, 'Yes, we're willing to see a rise in taxes,' the next question is, 'Who's it going to be on?' " he said. "I really question the veracity of these polls."

The House GOP has paid for its own polls, which it said show no appetite for tax increases in Northern

Virginia or elsewhere.

Members of both parties in the General Assembly have promised to discuss transportation funding again when lawmakers return to Richmond in January. But most express little hope of reaching a compromise soon.

Instead, many Virginia politicians are expecting a spirited debate about who's to blame as all 140 House and Senate seats come up for election next year.

"That's what a campaign is for," Connolly said. "Between now and then, there will be a lot of effort to raise public awareness about who to hold accountable."

The Post poll suggested that both parties have a lot of work to do. In the survey, 19 percent statewide blamed House Republicans; 18 percent blamed Senate Republicans; and 15 percent blamed Democrats in the House and Senate.

Taken together, General Assembly members received the majority of the blame, but 17 percent said everyone in state government was equally to blame, and 17 percent had no opinion.

"I'm not blaming a party, but the fact is that all legislators are stubborn. So I'm blaming the legislature," Rosenbaum said Wednesday. Kaine "obviously doesn't have the persuasive powers of his predecessor, but I'm not laying the blame at his doorstep."

Tina Miller, 77, a Democrat from Alexandria, said she blames the General Assembly for the transportation stalemate.

"They sat on it," she said. "They don't live in Northern Virginia. The governor was trying, or he said he was trying."

Aides to Kaine said they believe the governor has avoided political harm by making an effort, even if it has not been successful. Kaine spokesman Kevin Hall hinted that the governor will be an active player in the political blame game next year.

"Governor Kaine will continue to insist on smarter and better transportation reforms. The so-far-unsuccessful fight for adequate resources is not over," he said. "But let's be clear: This delay will result in higher costs and additional aggravation for Northern Virginia residents and businesses."

Polling director Jon Cohen and staff writer Eric M. Weiss contributed to this report.

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Prince William Virginia

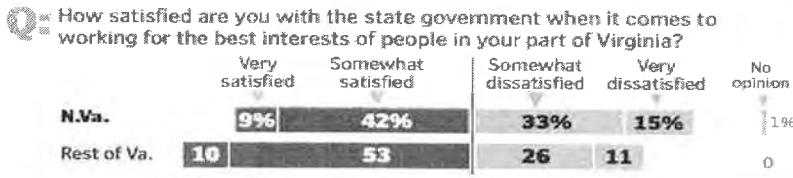
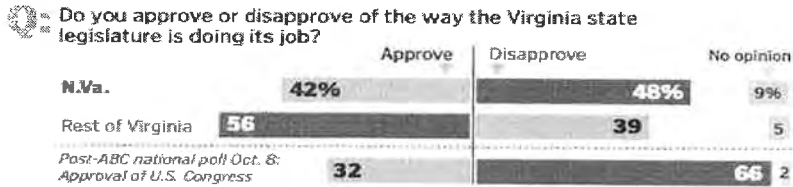
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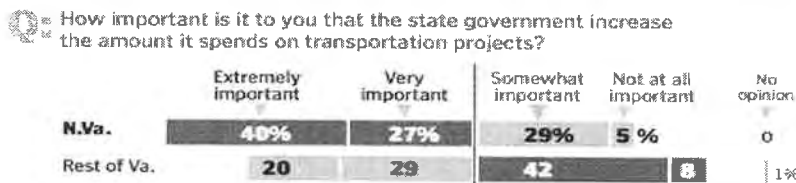
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The Washington Post POLL: The Transportation Issue

A poll conducted by The Washington Post shows that Northern Virginia is more concerned about transportation projects and financing than is the rest of the state. The poll also shows that the General Assembly in Richmond is being held accountable for the impasse in approving a transportation plan for the state.



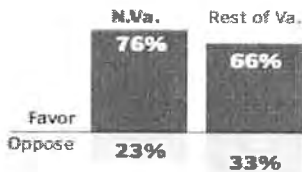
Transportation



Q4 As you may know, Governor Kaine called the state legislature into a special session on transportation, but adjourned without reaching an agreement. Who do you blame the most for the failure to reach agreement?

	N.Va.	Rest of Va.
Governor Kaine	11%	15%
Republicans in the House of Delegates	23	18
Republicans in the state Senate	22	16
Democrats in the state House and Senate	10	17
All equally (volunteered)	15	19
No opinion	19	16

Q5 Would you favor or oppose a transportation plan that would allow voters to approve local tax increases to fund road projects in their area?



NOTE: No opinion was 1% for each

Q6 How would you most prefer that the state government increase the level of current funding for transportation projects?

	N.Va.	Rest of Va.
Reduce spending for other state services	22%	23%
Increase taxes on all Virginians	21	15
Increase user fees such as tolls	29	34

NOTE: Those responding "some other way" not shown.

This Washington Post poll is based on telephone interviews with 1,004 randomly selected Virginia likely voters and was conducted Oct. 10-12. The margin of sampling error for results based on likely voters is plus or minus 3 percentage points. Sampling, data collection and tabulation by TNS of Hursham, Pa.

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Transportation woes will continue to worsen in N.Va

Christy Goodman, The Examiner

Sep 30, 2006 5:00 AM (13 days ago)

Current rank: # **4,600** of 7,911 articles

Richmond - Northern Virginia begged and pleaded, but the Virginia General Assembly did not come through with a regional — or even a state — transportation plan.

The region's transportation officials, while depressed, thanked the senators and delegates who tried to stand up to the few who were able to strong-arm the rest of their colleagues into leaving a four-day session after only two days -- and with no results.

"It is amazing that a few people are able to thwart the will of others and cause the continuation of unacceptable conditions of others," said David Snyder, chair of the Northern Virginia Transportation Authority, regarding the Republican House leadership that refused to sign onto any plan that increased taxes.

"This is the result of a decade of talks, plans, reports, surveys -- every conceivable way to describe the problem has been pursued. But when it came down to solving it, Richmond refused to do so," said Snyder, who added that the business community could get frustrated and leave.

"I think people will be stuck in traffic to get to the polls," said Kala Quintana, spokeswoman for the Northern Virginia Transportation Commission. "That means that ambulances can't get to people having heart attacks. That means children will be sitting on buses trying to get to school. That means people will be standing on crowded platforms watching full trains go by. It means we'll have to cut back on buses because they don't have the funding to continue."

NVTC, which allocates state and federal funds to the region's public transit systems, is receiving 22 percent state support, not the 95 percent required by the state.

"That is \$228 million less, according to their own (the state) standards," Quintana said.

The Route 234 bypass project, widening Interstate 66 in Gainesville and Haymarket and widening Route 1 will receive no funding from the state, said Dana Fenton, Prince William County's director of legislative affairs.

"The only projects that will get funded are already in construction or what we have money set aside for," he said. The county has a \$300 million transportation bond referendum coming up in November.

As for Metro funding, unless Virginia signs up to the \$1.5 billion challenge set by Rep. Tom Davis, R-Va., the entire region could lose that federal funding, said Dana Kauffman, a Virginia representative on the Metro Board.

"It would be a different situation if this was something new or something folks couldn't grasp. But it doesn't take a rocket scientist or a member of the General Assembly to realize our trains are overflowing and we are getting closer to what could be called rail gridlock," he said.

cgoodman@dcexaminer.com

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EXAMINER.COM**LOCAL**

More seats for Fairfax Connector riders



(Jay Westcott/Examiner)

A Fairfax Connector bus waits for passengers at the Transit Center at Reston Town Center in Reston. The route from Reston to the Pentagon is changing due to delays and overcrowding

Christy Goodman, The Examiner
Oct 2, 2006 5:00 AM (11 days ago)
Current rank: *Not ranked*

Fairfax County - The nearly 1,000 Fairfax Connector commuters going to Crystal City or the Pentagon today may find a place to sit.

The 989 route that went from Reston Town Center to both Crystal City and the Pentagon switched to two separate routes this weekend, 595 to the Pentagon and 598 to Crystal City, said Jim Carrell, Fairfax County's senior transportation planner.

Being able to stay on schedule, handle the growing ridership and have enough seats became a problem, so the county looked into its options, he said.

"We anticipate [the new routes] will divide the loads up so [the riders] can have a seat going back and forth, rather than having to stand," he said.

There will be seven morning and seven evening trips to the Pentagon, leaving on the hour and half hour. The Crystal City-bound bus will have five trips each way with a similar schedule.

Route 504 between Reston Town Center and Tysons Corner was discontinued due to low service and the buses were used to supply the new eastbound routes. Route 574 is an alternative for 504 users, Carrell said.

The Fairfax Connector ridership rose by 12 percent from 2005 to 2006, according to Northern Virginia Transportation Commission statistics. Other bus routes in Northern Virginia also saw double-digit rises in the past year.

Over the past four years, bus ridership in Northern Virginia has increased by more than 50 percent.

"Buses have always been a more challenging product for people to accept. The situation is so bad and so unreliable [on the roads], people are looking at other options, and rising gas prices caused people to rethink their commute," said Kala Quintana, a commission spokeswoman.

Lower bus fares, reliability, comfortable shelters and rides, electronic shelters and other features have made buses "more attractive than sitting in the car for an hour to go 18 miles," she said.

Fairfax Connector route changes

- » Route 504: Discontinued. Use Route 574 as an alternate.
- » Route 574: Rerouting and scheduling within Reston changed. Additional weekday and weekend trips. The bus can be caught at Reston's Bay J instead of K.
- » Route 929: Routing and scheduling changed within Franklin Farm and Chantilly Highlands. Buses now operate on the same route in mornings and afternoons.
- » Route 989: Split into Route 595 to the Pentagon and 597 to Crystal City. Route 595 can be found at the Reston East Park-and-Ride in Bay E.

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Transportation project planning goes on

Christy Goodman, The Examiner

Oct 6, 2006 5:00 AM (7 days ago)

Current rank: # **2,144** of 8,242 articles

Fairfax County - The Virginia Department of Transportation and Department of Rail and Public Transportation are beginning to hold public hearings to formulate the state's six-year plan for transportation projects, without receiving any new funding from the state.

The 2007-12 program had \$7.1 billion in highway construction projects and \$2.3 billion for rail and public transportation projects, VDOT spokeswoman Sande Snead said.

"We hold these meetings so we can hear from the public about where to invest money — what little money we have — to other projects that will be included in the program until 2013. ... At this point what we'll be looking at are project,s that are critical priorities or critical safety needs that have to be addressed," Snead said.

The public hearings provide firsthand comment to help the Commonwealth Transportation Board make decisions on the six-year plan.

"We are asking the CTB to do everything in its power to get any kind of funding ... for the state's shortfall," said Kala Quintana, spokeswoman for the Northern Virginia Transportation Commission.

At the hearings, the commission will underscore that it does not receive the state's target funding of 95 percent for public transportation, she said. The level is currently about one-third of that.

"Increasing traffic congestion and higher gas prices are equivalent to a substantial tax hike. Increased transit funding and funding for transportation in general is a form of tax relief," said Quintana, who added the Washington metropolitan area spends \$2.5 billion annually — or \$577 per commuter — idling. "That is like a commuter paying more than a dollar a day, every single day of the year, just to sit in traffic."

The addition of a fourth lane on Interstate 95 from Occoquan to Newington has no funding in the plan, and the improvement of the Gainesville Interchange at Interstate-66 and Route 29 will be accruing funding, but no construction is planned until after 2012, VDOT spokesman Ryan Hall said.

"What you get is a continued lack of sustained planning and funding, resulting in a stop and start approach to transportation infrastructure, and you just can't maintain a world-class economy with that haphazard approach," said David Snyder, former chair of the Northern Virginia Transportation Authority.

VDOT hearing

» November 1 from 6 to 8 p.m.

» Fairfax County Government Center, 12000 Government Center Parkway

cgoodman@dcexaminer.com

Examiner

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Northern Virginia going after its share of \$339 million surplus

Christy Goodman, The Examiner

Oct 9, 2006 5:00 AM (4 days ago)

Current rank: *Not ranked*

Richmond - Northern Virginia is beginning to plot how to get its share of the \$339 million in surplus funds that the state's General Assembly left behind with everything else during the transportation special session.

The funds were earmarked for one-time projects in the early days of the regular session. Members of the assembly decided to wipe those earmarks out and deal with the surplus money when they were dealing with new funding for the state's transportation system.

Now the funding sits in the unallocated balance of the general fund, which the legislature will have to sign off on through the amendments Gov. Tim Kaine will introduce in December, Kaine spokesman Kevin Hall said.

He said that the governor has not been approached by anyone yet on how to spend the surplus money, but added, "I imagine in coming months we'll get frequent and stark reminders of the cost of the legislature's failure to address our transportation challenges."

VRE spokesman Mark Roeber said, "We're hopeful that the set-aside money will be used for transportation in the next session, given that we are prioritizing the list and making sure those needs are known by the General Assembly members."

VRE was expecting \$15 million toward 50 new railcars. The company already took out a federal loan and cut back on other capital needs to cover the initial payments for the cars, Roeber said.

The one-time money would definitely help Metro get more railcars, "but of course it is a fraction of what we need to get on an annual basis," said Chris Zimmerman, a Metro Board member. Metro still needs \$50 million a year from the state in order to receive \$1.5 billion from the federal government. The District has found a dedicated source for its portion and Maryland is still discussing the matter.

"The money ought to go where the needs are the greatest and where you serve the most people. Unfortunately, the prioritization process in Virginia is a political process. ... It is the case here unless we really impose some discipline that hasn't existed before," former NVTA chair David Snyder said.

The Northern Virginia Transportation Commission is optimistic the surplus will be used for transportation, "but that is the equivalent of trying to plan your retirement on your tax refund every year ... That is exactly what they are relegating this to," NVTC spokeswoman Kala Quintana said. "Planning your future on whatever is left over and that is not a way to do business."

cgoodman@dcexaminer.com

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EXAMINER.COM

LOCAL

Kala Quintana: Northern Virginia Transportation Commission spokeswoman

The Examiner

Oct 13, 2006 5:00 AM (7 hrs ago)

Current rank: # 320 of 8,242 articles

Richmond - A recent traffic study by the Northern Virginia Transportation Commission found the majority of commuters on the Interstate 66 corridor are taking advantage of mass transit and high occupancy vehicle lanes during the morning rush, as opposed to driving alone on the car-clogged road network.

How does this traffic-counting program change your previous understanding of how commuters travel on the I-66 corridor?

It confirms what we've felt to be true all along. If commuters are given travel options, other than driving alone, they will take advantage of those options. During any single work day between 6:15 and 9:15 am approximately 63,000 people cross the Glebe Road screen line (used for this count) using I-66, US 50, US 29, VA 237 and Wilson Boulevard. What's surprising is that 64 percent of people chose to take transit or ride-share (HOV 2-plus).

Do you expect the results to bring in any change in state transportation funding for Northern Virginia?

NVTC hopes that this information, along with recently released statistics showing double-digit increases in bus and rail ridership, will further reinforce what we've been telling the General Assembly for years. We are bursting at the seams and in Northern Virginia we recognize the value that public transportation adds to our region. Without sufficient reliable funding for transportation — including public transportation — we can't continue to provide these much needed transportation choices.

Should more commuters be taking advantage of mass transit and HOV lanes?

They should, and from what this study tells us, they are. We know that there's not a "one-size-fits-all" approach for commuters. What we are trying to do is to provide a menu of choices for commuters to choose from. Whether that's a bus, VRE, Metrorail, ridesharing/HOV or riding a bike. And if you're a die-hard drive alone kind of person, you should be the biggest supporter of transit because one more person on a bus, train or bike means one less car in front of you.

Examiner

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Steve Eldridge: Walk? What a concept

Steve Eldridge, The Examiner

Oct 16, 2006 5:00 AM (5 hrs ago)

Current rank: # **35** of 6,104 articles

WASHINGTON - Given the number of e-mails I received, people are simply incredulous that anyone would have the nerve to suggest that people actually walk or take stairs when using Metro, I imagine the board members received a similar response from their constituents. That may be what led them to vote not to move the idea of converting some escalators to stairs. It's tough to take things away from people, even if there are other options.

People are afraid of change, especially if it could mean getting a workout. Of course, the board could have voted against the work because they didn't want to spend the money up front.

Today is the first day of scheduled construction on Interstate 295 at Malcolm X Avenue. The work will run into next summer. The plan is to maintain two lanes in each direction as they install new bridge decking between 7 a.m. and 7 p.m. There could be significant delays during the next few rush hours. It seems like any change along that stretch of road, even a broken down car on the shoulder, gets everyone's attention. After a few days or so drivers will get used to it and things should return to normal.

Those of us with Pocket PC-equipped devices have been pretty much out of luck, but that's changing slowly. Verizon still doesn't make many of its navigation and other services available for Pocket PC, but now you can download local train and bus schedules to your device at [CommuterPage.com](#).

It should be noted that schedules for several local transit services are available, but only ones from Virginia at this point.

Here are a few pointers for those interested in increasing gas mileage:

- » Drive gently. The EPA says that eliminating those jackrabbit starts and high speeds can be worth 25 percent more miles per gallon.
- » Service your vehicle at regular intervals. Make sure that the engine is tuned properly and that filters are clean and clear.
- » Make sure your tires are inflated properly. This is one of the easiest and most overlooked things you can do to increase mileage and save the expense of tire replacement before it's time. You might even think about getting your tires filled with one of the alternative gases such as nitrogen.
- » Take a look in your trunk and get rid of all those cinder blocks or golf clubs or hefty manuals from work. Each 200 pounds of weight reduced can be worth an extra mile per gallon.
- » Don't sit and idle. This could be anything from waiting for someone to come out of the store to waiting at a drive thru — go inside instead.
- » Combine trips. Plan ahead and try to avoid jumping in the car to grab a half gallon of milk if you can. Shop in areas where all of your needs are taken care of, such as the drug store and the grocery store and the video rental place and the bank.

Questions, comments, random musings? Write to Steve@SprawlandCrawl.com.

Examiner

Rick Taube

From: Scott Kalkwarf
Sent: Tuesday, October 17, 2006 5:15 PM
To: Rick Taube
Subject: FW: Letter to Senator Allen

-----Original Message-----

From: Perry, Brent (Allen) [mailto:Brent_Perry@allen.senate.gov]
Sent: Tuesday, October 17, 2006 5:17 PM
To: nvtc
Subject: Letter to Senator Allen

Dear Chairman Connolly -

Thank you for your letter regarding the National Capital Transportation Amendments Act of 2006. Senator Allen shares your support for moving the legislation in the Senate. Prior to the Senate's recess he sent a letter to the Senate Homeland Security and Government Affairs Committee urging immediate action on the bill. In addition, Senator Allen spearheaded the effort to pass the National Capital Transportation Amendments Act by unanimous consent. Please be assured that we will continue to work to pass the legislation when the Congress returns in November. If you have any questions please call me at the number below. Thank you.

Best regards,

Brent Perry

Deputy Legislative Director
Office of Senator George Allen
204 Russell Senate Office Building
Washington, D.C. 20510
(202) 228-3692
Brent_Perry@Allen.Senate.gov

10/18/2006



AGENDA ITEM #8

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners

FROM: Adam McGavock

DATE: October 26, 2006

SUBJECT: Interim Final Report to FTA on the SmarTrip Farebox Project.

NVTC staff has submitted the attached report to the Federal Transit Administration on the lessons learned so far as the region converts all of its transit systems to SmarTrip fare collection capability.

Staff will describe the initial results of in service testing of the new fareboxes on five DASH buses. If testing continues to go smoothly, fareboxes should be completely installed on the remaining Northern Virginia bus systems by the end of January, 2007.



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Northern Virginia Transportation Commission

NVTC

Thinking Outside the Car Since 1964



AGENDA ITEM #6
SMARTTRIP FAREBOX PROCUREMENT
Special Update

Adam McGavock

--November 2, 2006--



- SmarTrip fareboxes are in revenue service on five DASH buses serving the Pentagon.
- If no major problems or operational issues are discovered in the next month, SmarTrip fareboxes will be installed on the remainder of the DASH fleet.
- Currently testing the Fairfax Connector and Arlington ART configurations and business rules. Once the DASH installation is completed, Connector and ART will be next, followed by the remaining NVTC properties.
- The installations are expected to be completed in January of 2007.

Final SmarTrip Project Evaluation Report for FTA

- **As a condition for extending the grant agreement for VA-26-7009, FTA required that NVTC staff provide the final project evaluation at the end of September 2006, despite the fact that the project was not yet completed.**
- **Draft final project evaluation (included with your package) includes a narrative history of the project, and a discussion of lessons learned so far.**
- **NVTC staff will provide a recap and discussion of issues surrounding installation, testing, and final acceptance as addenda to this draft final report.**



AGENDA ITEM #9

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Status Report on Congestion Mitigation Demonstration.

The commission considered the attached item last month (revised slightly to reflect recent events). No significant changes have occurred since then since staff is awaiting the publication in the Federal Register of the details about a new federal funding program. Staff intends to examine those details when they are available and determine whether it is appropriate to seek authorization from NVTA and/or NVTC to apply for funds. The federal funds would be used to determine the feasibility and practicality of conducting a congestion pricing pilot project in Northern Virginia. Coordination among all interested agencies would be needed to conduct such a feasibility study, especially with TPB's Value Pricing Task Force.

The expected release of the Federal Register notice is now sometime in November, 2006, according to FTA staff.

An article is attached explaining the results of the September, 2006 referendum in Stockholm. Congestion pricing there will now be made permanent.



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CONSIDERATION OF A PROPOSED CONGESTION MANAGEMENT DEMONSTRATION IN NORTHERN VIRGINIA

--September 19, 2006--
Revised: October 26, 2006



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BACKGROUND

Assistant U.S. Secretary of Transportation Tyler Duvall has met with several state and local elected officials in Virginia to describe USDOT's interest in a congestion management demonstration in Northern Virginia involving road pricing and other elements. After Mr. Duvall's presentation to NVTC on September 7, 2006, the commission asked staff to consider the proposal and report back at the October 5th NVTC meeting. NVTC and local staff then met with representatives from the office of the Secretary of Transportation, FHWA and FTA on September 19th. On October 5th, NVTC considered this document and had no objection to staff considering additional information to determine whether a subsequent grant application would be desirable.

USDOT has conducted a Value Pricing Pilot Program for several years with \$10 million annually funding approximately half million dollar grants to states for planning. This program focused on pricing for newly built facilities over the long term. USDOT has now begun a major initiative to partner with urban areas to promote and test the benefits of congestion pricing on a much larger scale with a new focus on existing facilities in the short term.

The Bush Administration has requested \$100 million in its budget proposal for the new program and envisions one to five grants in the next year. Urban Partnership Agreements would be negotiated with local governments and the private sector in those areas chosen to implement these pricing strategies involving the use of new technologies. Specific performance objectives would be included. Additional components of these agreements will be new or expanded bus rapid transit services, expanded telecommuting/flexible work scheduling and expedited completion of key road capacity projects.

USDOT expects the benefits to include reduced congestion as road prices varying by time of day and congestion levels on specific facilities cause residents to alter their trip-making behavior and turn to alternatives such as transit and telework. The revenues from the congestion fees will finance improvements to the road and transit networks although it is essential that transit improvements are available before the start of the demonstration.

Successful examples of this approach include Stockholm and London, as well as SR-91 in Los Angeles. USDOT has provided grants to several locations to begin to study and implement these congestion pricing demonstrations including \$1 million for the San Francisco Bay area.

USDOT will soon solicit additional grant requests for the new program and suggests that Northern Virginia may wish to apply. Federal officials have suggested that several other federal inducements are possible, including funding through USDOT's value pricing pilot program and other federal sources, environmental streamlining and technical expertise. Local match could be

provided through staff hours and/or toll credits (costs of HOT lane development applied as “soft match” for other federal projects).

POSSIBLE LOCATIONS

Several planned or ongoing projects may have potential to be included in such a demonstration:

1. I-95/395 and Beltway HOT lanes;
2. Arlington/Fairfax counties light rail on Columbia Pike;
3. Transit way on Route 1 from Alexandria to Crystal City;
4. BRT on Route 1 in Fairfax County;
5. Responding to BRAC employment growth/congestion around Ft. Belvoir/EPG;
6. Wilson Bridge;
7. Entire Beltway in Virginia;
8. Cordon line around Northern Virginia core;
9. GW Parkway;
10. I-66.

POTENTIAL PAY OFF

Initial order of magnitude modeling results provided by USDOT show potential increases in vehicle peak period throughput, average travel speed and daily time savings on selected corridors using congestion pricing. Also, with congestion charges of \$1 to \$2.30 on the GW Parkway, I-66, I-95 and I-495, average daily toll revenues could approach \$357,200 or almost \$90 million annually.

To achieve this result, USDOT estimates that \$34 million of capital investment would be needed and \$13 million of annual operating costs incurred.

Benefits for transit systems and their riders would include travel time savings, increases in ridership, faster trips and greatly expanded levels of service financed by revenues from the congestion charges.

Details of USDOT modeling results have been requested by NVTC staff.

POLITICAL ISSUES

USDOT argues that tangible improvements in commuting, increased transportation revenues and improved transit systems resulting from this demonstration will quickly win over skeptics (as occurred in London and Stockholm). In contrast to fixed toll facilities which could cause diversion to

nearby streets and roads, facilities with peak congestion changes combined with greatly expanded transit and telework opportunities would not cause such diversion. Voters will soon recognize and appreciate quality of life enhancements. USDOT suggested the demonstration could occur in phases with opportunities for voter confirmation before the changes become permanent.

Some local officials point out that a Republican administration is proposing that Democratic local leaders impose these charges on their constituents, with many local elected officials facing elections in 2007. They fear that diversion of traffic onto parallel streets away from priced facilities will induce voter wrath. Some believe that the Virginia General Assembly may be further encouraged to avoid providing new transportation revenues if this demonstration goes forward.

Other concerns include a fear that revenues would be diverted from Northern Virginia to other parts of the commonwealth, that insufficient transit operating funds will be forthcoming and that planning for this project could interfere with delicate negotiations ongoing with private firms proposing to build, operate and maintain HOT lanes on the Beltway and I-95/395.

TPB has a Value Pricing Task Force and TPB staff is engaged in analyzing various value pricing scenarios for the entire region. TPB, supported by VDOT, has also prepared an application to USDOT's Value Pricing Program for a \$300,000 study. That grant has been awarded. USDOT staff encouraged Northern Virginia to prepare and submit its own proposals for a feasibility study and subsequent demonstration because they believe the TPB Task Force is focused on newly built facilities over the long term while the new program is focused on existing facilities in the immediate term. TPB representatives have pointed out that their proposal does include some existing facilities such as the George Washington Parkway.

Notwithstanding these concerns, it should prove to be acceptable for local staff to continue discussions with USDOT staff while gathering more information.

NEXT STEPS

1. After publication of the anticipated notice of the new program in the Federal Register (now expected in November) establish a volunteer staff task force from NVT/NVTC jurisdictions to review TPB Value Pricing Task Force materials and consider whether a separate study for Northern Virginia is warranted (November).
2. Staff task force meetings (November/December).
3. With the concurrence of local and state officials, staff recommendations regarding potential grant applications would go to NVTC (January 4) and/or NVT (January 11) for action.

4. If the grant application is submitted and approved, consultants would work with staff over the next few months to identify and prioritize potential pricing corridors/cordons; quantify costs and benefits; examine funding sources; develop public outreach strategies; propose efficient institutional arrangements; and search for fatal flaws. Otherwise, Northern Virginia could continue its involvement exclusively through TPB's Value Pricing Task Force.

Stockholm congestion tax

From Wikipedia, the free encyclopedia

The **Stockholm congestion tax** or **The Stockholm Trials** (in Swedish: *Trängselskatt i Stockholm* or *Stockholmsförsöket*) is a traffic congestion and environmental tax that was imposed on most vehicles in Stockholm, Sweden during a trial period between January 3, 2006 and July 31, 2006. In the referendum in September 2006 the residents of Stockholm municipality voted yes and in 14 other municipalities voted no to implement it permanently. At October 1, 2006, the Alliance for Sweden declared it will implement the Stockholm congestion tax permanently. [1]



The payment station at Norrtull.
Photo: Mikael Ullén

(<http://www.dn.se/DNet/jsp/polopoly.jsp?d=572&a=576709&previousRenderType=6>)

The primary purposes of the congestion tax is to reduce traffic congestion and improve the environmental situation in central Stockholm.

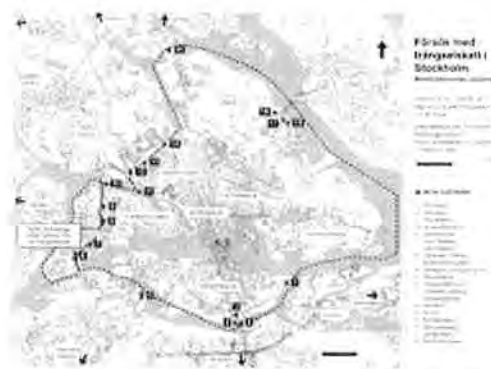
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Affected area

The congestion tax area encompasses essentially the entire Stockholm City Centre, which includes for instance Södermalm, Norrmalm, Östermalm, Vasastaden, Kungsholmen, Stora Essingen, Lilla Essingen and Djurgården.

There are unmanned electronic payment stations at all entrances to this area. The congestion tax is applied on both entry and exit of the affected area.



The area affected by the congestion tax and location of the payment stations

Amount of tax to pay

The amount of tax that one has to pay depends on what time of the day one enters or exits the congestion tax area. The tax is not in effect on Saturdays, Sundays, public holidays or the day before public holidays, nor during nights (18:30 – 06:29). The maximum amount of tax per vehicle per day is 60 SEK (6.44 EUR, 8.23 USD).

Time of day	Tax	In other currencies ¹
06:30 – 06:59	10 SEK	1.07 EUR, 1.37 USD
07:00 – 07:29	15 SEK	1.61 EUR, 2.06 USD
07:30 – 08:29	20 SEK	2.15 EUR, 2.74 USD
08:30 – 08:59	15 SEK	
09:00 – 15:29	10 SEK	
15:30 – 15:59	15 SEK	
16:00 – 17:29	20 SEK	
17:30 – 17:59	15 SEK	
18:00 – 18:29	10 SEK	
18:30 – 06:29	0 SEK	

¹/ Tax amount shown in a couple other currencies for comparative purposes. Currency rates as of May 25, 2006.

Method of payment

Payment of the tax is to be present on the Swedish Road Administration's account within five days of passage of a payment station. No bill is sent to the vehicle holder - one must keep track of this oneself. If one uses the transponder, one can choose to pay through *autogiro*, a service which allows the tax to be automatically deducted from one's bank account. Another alternative is to pay the tax on 7-Eleven and Pressbyrån convenience stores.

Failure to pay the tax within the allotted five days, has the result that a reminder bill will be sent with an added 70 SEK (7.50 EUR, 9.60 USD) fee. If one still hasn't paid the tax within four weeks, another additional fee of 500 SEK

(54 EUR, 70 USD) will be added. In the end, cases of unpaid taxes will be forwarded to the Swedish Enforcement Administration. Taxes have a special procedure in Sweden regarding this. They must be paid within the assigned time even if the person owing them consider them wrong. The Dept Enforcement Administration will claim the money from e.g. the bank account without asking. This will immediately be noted in the public "bad payer" record. If the tax claim is later considered wrong the money will be paid back. For other types of depts the claim can be disputed in a court of law before the claim is enforced (on the condition you dispute them rather quickly).

Exemptions from the congestion tax

Some classes of vehicles are exempt from the congestion tax:

- Emergency services vehicles — while responding to an emergency
- Buses with a total weight of at least 14 tonnes
- Diplomatic corps registred vehicles
- Vehicles of the transportation service for the disabled with a total weight of under 14 tonnes
- Military vehicles
- Cars used by persons who have been granted a parking permit for disabled people.
- Environmental cars — cars that are driven entirely or partially with electricity, alcohol or other approved fuel
- Motorcycles and mopeds
- Foreign-registered vehicles

Also, due to the fact that Lidingö has its only access to the mainland through the congestion tax affected area, all traffic to and from Lidingö to and from the rest of the Stockholm County is exempt from the tax, provided that one passes the Ropsten payment station and some other payment station within 30 minutes of eachother.

The Essingeleden motorway, part of European route E4, that goes through the congestion tax effected area is also exempt, due to it being the main road when travelling past central Stockholm, and no other viable alternatives are present in the vicinity. All exits and entrances of Essingeleden that are within the congestion tax area have payment stations placed at them.

Technology

The vehicles passing the payment stations are photographed and their licence plates registered. An optional transponder can be used also to identify the vehicles, with which one can utilise an automated payment method. There are no payment booths at the payment stations, despite their name. The driver or owner has to pay later. Se the section Method of payment above. At a traditional toll booth, a substantial percentage of the toll goes to costs for the staff, which is avoided here.

History

Fee or tax?

Initially this was planned as a congestion fee, not a tax. But the Swedish government ruled that this kind of endeavour was considered a tax and not a fee, and thus this was made a governmental tax, not a local tax, as

municipalities in Sweden are not allowed to create new taxes.

Debate

The Stockholm Trials (*Stockholmsförsöket*) was before it's inception a highly debated proposition, especially in the peripheral parts of Stockholm county where residents who lived outside of the payment stations but worked in the city center argued that they should also have a say in whether or not the proposition was to be accepted. In the time since the payment stations were put in place however the debate has calmed down considerably as the system works smoothly and the actual cost of passing these stations is an acceptable one to most residents, as well as the fact that central Stockholm has been getting cleaner since the proposition went into action. The debate has instead in many instances shifted toward the political reasons behind the proposition, where some argue that the proposition is simply a way to punish the residents of Stockholm for the centralised Swedish political system, which reportedly many people in rural parts of Sweden feel favours Stockholm above other regions.

Future

The congestion tax trial period lasted from January 3, 2006 to July 31, 2006, after which the congestion taxes were lifted until a municipal referendum regarding this matter is held. The referendum will be held in the Stockholm municipality in September 2006, and it will determine whether the congestion taxes will be implemented permanently or not.

The municipalities surrounding Stockholm in Stockholm County, especially those which are part of the Stockholm urban area, have shown discontent with the fact that the people of those municipalities get no say whether the congestion taxes will be implemented permanently or not. A substantial number of the inhabitants of the nearby municipalities travel to and from work through the congestion tax area. Therefore several of these municipalities have decided also to have local referendums. A municipality is allowed to hold an advisory referendum at any time.

The result of the referendum in the Stockholm municipality was that 53 % voted Yes, and 47 % voted No. In most surrounding municipalities the results were clearly No.

The government is making the final formal decision, not any municipality, although it has promised to obey the Stockholm referendum. It is unclear what the significance of the other referendums is.

Referendum

These are the results from the referendums held in and around Stockholm:

The figures are calculated as "yes" and "no" votes as a percentage of all votes including blank and invalid votes. Therefore the sum of "yes" and "no" is not 100 %.

Municipality	Votes		
	#	Yes	No
Danderyd	16,962	32,5%	67,5%
Ekerö	13,528	39,9%	60,1%
Haninge	37,548	40,8%	59,2%
Lidingö	24,926	29,6%	70,4%
Nacka	44,785	42,9%	57,1%
Nynäshamn	12,588	41,2%	58,8%
Salem	7,563	39,6%	60,4%
Sollentuna	32,409	40,8%	59,2%
Solna	35,598	43,9%	56,1%
Stockholm	437,572	51,5%	45,8%
Tyresö	22,526	44,3%	55,7%
Täby	35,630	34,2%	65,8%
Vallentuna	14,884	42,5%	57,5%
Vaxholm	5,699	45,9%	54,1%
Österåker	20,140	40,9%	59,1%
Total	324,786	39,8%	60,2%



Map showing the results of the referendum in each municipality.

- 'Yes'-majority.
- 'No'-majority.
- No referendum held.

The question asked on the ballots were in Stockholm (translated): "Environmental fees/congestion tax means that fees will be charged in road traffic with the purpose to reduce queing and improve the environment. The incomes will be returned to the Stockholm region for investments in public transport and roads."

In the other municipalities the question on the ballots were: "Do you believe that congestion tax should be permanently introduced in Stockholm ?"

The government has before the referendum day only supported the Stockholm referendum. The parties of the coming government has given support also to the other referendums, which makes the situation unclear until the government makes the final decision.

Sources:

- <http://www.stockholm.se/Extern/Templates/PageWide.aspx?id=109698>

- <http://val.cscs.se/>

See also

- Road pricing
- Electronic toll collection

External links

- Stockholmsförsöket (<http://www.stockholmsforsoket.se/>) — official website, Swedish
- The Stockholm Trials (<http://www.stockholmsforsoket.se/templates/page.aspx?id=183>) — official website, English
- Trängselskatt / Vägverket (http://www.vv.se/templates/page3____10911.aspx) — official page regarding the Stockholm congestion tax at the Swedish Road Authority

Retrieved from "http://en.wikipedia.org/wiki/Stockholm_congestion_tax"

Categories: Articles with sections needing expansion | Stockholm | Electronic toll collection | Urban studies and planning

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AGENDA ITEM #10

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Status Report on Transit on I-95/395 HOV/HOT Lanes.

As explained in the attached memorandum considered at the October 5th NVTC meeting and revised to include recent events, transit agencies have expressed concerns about the process and prospects for this public-private sector initiative. Transit system meetings occurred with the project team and NVTC was briefed by that team. PRTC will be briefed on November 2nd.

Transportation Secretary Homer asked DRPT Director Tucker to convene a task force of transit system representatives to work to resolve these issues and develop a transit service plan. The first meeting of that task force is now set for November 3rd in NVTC's conference room.



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MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners

FROM: Rick Taube

DATE: October 6, 2006

SUBJECT: Revised Description of Transit Issues on I-95/395 HOV/HOT Lanes.

Background

Representatives of Fluor-Transurban, the private consortium that is negotiating with the commonwealth to build and operate HOT lanes in the I-95/395 corridor, met with the commission and NVTA members on October 5th at NVTC. Representatives of the consortium also met with local transportation staff on October 4th at NVTC. At both meetings, Fluor-Transurban responded to questions and concerns and described their plans as negotiations continue with the commonwealth. PRTC is scheduled to receive a similar briefing on November 2nd.

In a September 28th letter to Virginia Transportation Secretary Pierce Homer, NVTA called upon the commonwealth to be more open in its development plans for the project. Also, the commonwealth was encouraged to facilitate the prompt completion of transit service and financial plans to support the HOT lane project. These plans would be incorporated into agreements to be signed between the commonwealth and Fluor-Transurban to be certain that the existing transit/ridesharing facilities to be converted to HOT lanes are not degraded and are, in fact, improved.

As a result of that NVTA action, Secretary Homer, in a memo to DRPT Director Tucker, called for the creation of a committee of stakeholders to address local government and transit system concerns (attached). DRPT has now scheduled the first meeting of this group for November 3rd at NVTC.

In addition, NVTA forwarded a proposed TIP amendment (enacted by TPB on September 20th) to add approximately \$8.4 million to the project for environmental analysis. The Fredericksburg MPO approved the TIP amendment later in September. The commonwealth is also providing a \$10 million interest-free loan to the consortium to keep the project moving expeditiously.



At the September 7th NVTC meeting, the commission asked staff to investigate concerns about transit improvements associated with the Fluor-Transurban HOT-lanes proposal for I-95/395. The commonwealth is expected to sign an interim agreement soon to allow the project to move forward. Discussions among transit staff, including a regionwide meeting at NVTC on September 13th, brought the following concerns to light. These issues are urgent to the transit systems because preliminary determinations have been made by FHWA that very limited federal environmental requirements will apply. The transit representatives fear that this could permit transit improvements to be bypassed and restrict opportunities for public involvement.

Concerns of Transit Systems and Local Governments

These concerns of the transit systems have now been shared with Fluor-Transurban:

- 1) The current HOV lanes serve basically as a restricted-access transit and ridesharing facility. Since these will be opened up to single-occupant vehicles, it is essential that transit services not be degraded. Unless transit service is actually improved, the current purpose of lanes should not be altered.
- 2) The process employed so far by the commonwealth has excluded local governments from informed participation and has led to concerns about the content of future agreements between the state and the private consortium. Will Fluor-Transurban be compelled to live up to its original sales pitch? In fact, this lack of transparency has contributed to heightened concerns by those who are not privileged to know the details of the commonwealth's plans.
- 3) Mandatory opportunities for public comment are severely constrained because the project has received a categorical exclusion (CE) with conditions from the need for environmental analysis for the north segment. In the south, only an environmental assessment (EA) is required, again with limited requirements for public involvement. When these implications for lack of public comment are more widely realized, there may be a severe public reaction. Given the extensive conditions attached to the CE (which are unlikely to be met), there is also concern that the ultimate need to complete an EA in the north will delay the project unless it is undertaken in the first place.
- 4) While consultants met individually with transit systems in the region, the perception of many participants was that the consultants did not share the regional transit perspective and looked at transit's involvement on a piecemeal basis.

- 5) There is a perception that promises made before Fluor-Transurban was selected are now being ignored. For example, BRT was featured prominently in initial presentations, but it now appears Fluor-Transurban does not intend to operate transit service, treat it as a project cost, or even guarantee funding from excess revenues.
- 6) The use of excess project revenues to fund transit operated by others may be in jeopardy anyway since transit systems sense from Fluor-Transurban that costs are accelerating, revenue projections may be slipping, and forecast excess revenues (relatively modest at \$200 million up front or \$500 million over 40 years) are to go to CTB for further allocation with no guarantee transit systems will receive any.
- 7) TPB has warned that tolls must be much higher than Fluor-Transurban projected in order to meet revenue targets. This may add to pressure to charge HOV vehicles for use of the HOT lanes.
- 8) Improved access for transit to reach new suburban markets is still under study by Fluor-Transurban with as many as 20 ramps being evaluated for net profitability. If each ramp is evaluated separately on a stand-alone cost-benefit basis, some ramps needed for transit access may be sacrificed. Also, Alexandria opposes a new ramp at Seminary Road even though it may benefit transit access and it is unclear whether the consultants are fully aware of that jurisdiction's concerns.
- 9) Adding a third lane may result in shoulders that are too narrow to accommodate disabled transit vehicles safely. An incident management plan that includes transit is needed to ensure safety.
- 10) Many questions exist about the consequences for traffic at the north end of the facility and the role of the District of Columbia. The consultants have said these are outside the scope of this project. Such concerns are referred to the 14th Street Bridge EIS. But how will these two projects be coordinated?
- 11) Significant new traffic will exit /enter at Eads Street at the Pentagon. This intersection is already overburdened and concern exists that even two left turn lanes will not be able to accommodate the new traffic, thereby slowing buses. Are the intersection improvements adequate? Who will pay for the improvements?
- 12) New and expanded park-and-ride lots are needed, especially for the new southern segment, to allow transit systems to pick up and discharge customers in those new markets. Apparently the lots are not funded within the project but are recommended by Fluor-Transurban. Who will pay and ensure that the lots are built?

- 13) While Fluor-Transurban did not assume otherwise, the region may not receive as much of a financial advantage from the new HOT lane segments because a proposed federal policy would deny to such new lanes the designation of "fixed guideway." Fixed guideway miles increase federal transit formula allocations. Will Fluor-Transurban help convince FTA to change its proposed policy?
- 14) Growth in employment and traffic congestion near Ft. Belvoir/EPG as a result of BRAC recommendations requires explicit planning by Fluor-Transurban. It is not clear that they sense the urgency.
- 15) Another area of strong transit interest is at the Lorton VRE station which could support a new regional transfer facility in conjunction with new structured parking. This would relieve the need for transit customers bound for Fairfax County destinations to travel all the way north to the Pentagon. How could Fluor-Transurban cooperate with Fairfax County in examining this potential improvement?
- 16) Consultants have asked transit systems individually for their preferred service plans. They asked what service could be offered if external funding is provided and what service would be added if transit systems have to supply their own funds. The consultants are expected to provide a sketch plan based on this transit system input in a few weeks. Transit systems have complained, however, that they had a hard time responding without the benefit of traffic studies and a full understanding of the Fluor-Transurban proposal and the plans of the other transit systems.
- 17) Transit systems would like to work with the consultants to develop a coherent vision for future transit service and how it will be funded. To that end, a staff task force from NVTC and PRTC jurisdictions is being formed to initiate a conceptual plan. Consultants for an ongoing bus study at WMATA might also contribute to this effort over the next couple of months. Presumably this will provide input to the new committee being formed by DRPT.

Fluor-Transurban Response

Among the points made in response to transit system/local government concerns:

- 1) The proposal has not changed from the original concept except to add access ramps and other components. BRT was never to be provided by the consortium. It was to be the responsibility of others using excess toll revenues.
- 2) State statutes and informal indications from VDOT suggest that the excess revenues will be reserved by CTB for transit.

- 3) The public involvement process is open and will provide sufficient opportunities for public comment.
- 4) Future modeling will demonstrate conclusively that transit and HOV uses will not be degraded.

Conclusion

Two emphatic points have made by local elected officials:

- 1) The current facility is a “busway” paid for by tax dollars. It cannot be degraded with more highway traffic to yield a profit for the private sector;
- 2) Local officials require appropriate decision-making authority to ensure an effective outcome, not just an opportunity to comment after the fact.

Presumably, these and other issues will be examined and resolved in DRPT’s task force.



COMMONWEALTH of VIRGINIA

Office of the Governor

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Pierce R. Homer
Secretary of Transportation

(804) 786-8032
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September 19, 2006

TO: Mr. Matthew O. Tucker, Director DRPT
FROM: Pierce R. Homer *PH*
RE: Transit / HOV Stakeholder Committee I-95/395 PPTA

At a recent regional meeting of elected officials in Northern Virginia, questions were asked about how the Commonwealth of Virginia would provide local jurisdictions and transit providers with opportunities for direct feedback into the feasibility and NEPA processes during the evaluation the I-95/395 Public Private Transportation Act (PPTA) proposal from Fluor/Transurban. The feasibility and NEPA studies will inform and determine provisions of any agreement with the applicant for the construction and operation of the project. Citizen information meetings and public hearings will be scheduled once the processes are underway, but there was interest from the local elected officials in having greater opportunity for input into the processes.

To provide assurance to stakeholders that they will have multiple opportunities to provide input and feedback, I am asking you to chair a committee of stakeholders that will include representatives from local jurisdictions, transit providers, BRAC/Ft. Belvoir, and others. The committee will provide feedback to the Secretary, DRPT, and the Virginia Department of Transportation on information and analyses undertaken during the feasibility and environmental studies so that the products of these studies reflect the input of the concerned stakeholders. DRPT will staff the committee and assist the chair and the committee members to insure that questions, concerns, issues, and recommendations are addressed in the information and decision making processes.

Please extend invitations and set up the first meeting quickly so that the feasibility and environmental processes will have the benefit of these critical stakeholders.

Copy: Mr. David A. Ekern
Mr. Mal Kerley
Ms. Barbara Reese
Mr. Dennis Morrison



AGENDA ITEM #11

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Status Report on FAMPO Transit Formula Funding Issue.

Attachments show recent developments. The Fredericksburg Area Metropolitan Planning Organization (FAMPO) has passed resolutions that ask, among other things, for a share of transit formula funding now going to WMATA. Staff of the Transportation Planning Board (TPB) has drafted a proposed response that suggests FAMPO work with TPB to address this allocation issue. This draft has not yet been presented to the TPB for action.

The Northern Virginia Transportation Authority (NVTA) has written to TPB asking that the TPB letter not be sent and that instead a meeting be convened by TPB with the existing designated recipients of funding (primarily WMATA but also Maryland Transit Administration, PRTC and VRE).

NVTC is already on record opposing FAMPO's proposal.



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DRAFT - 10/6/06

Honorable Matthew Kelly
Chairman
Fredericksburg Area
Metropolitan Planning Organization
P.O. Box 863
Fredericksburg, VA 22404

RE: Allocation and Sharing of Federal Transit Administration (FTA) Section 5307
Funds for the Washington Urbanized Area

Dear Chairman Kelly:

In a Transportation Planning Certification Summary Report for the National Capital Region Transportation Planning Board (TPB) issued on March 16, 2006, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) recommended that the TPB and the Fredericksburg Metropolitan Planning Organization (FAMPO) work cooperatively to reach a resolution on the allocation and sharing of FTA Section 5307 formula funds for the Washington urbanized area. At its September 20, 2006 meeting, the TPB received copies of five resolutions adopted on September 18, 2006 by the FAMPO Policy Committee stating FAMPO policies with respect to the allocation of these FTA funds. In this letter the TPB addresses the FAMPO policy statements in each of these resolutions, and outlines its responses and recommendations on each of the topics addressed in the resolutions.

Over the past several months, TPB staff has reviewed the current procedures for allocating FTA Section 5307 formula funds within the Washington urbanized area, and has consulted with senior staff at FAMPO and other organizations potentially affected by the programming of the funds, including the Washington Metropolitan Area Transit Authority (WMATA), the Potomac and Rappahannock Transportation Commission (PRTC), the Northern Virginia Transportation Commission (NVTC), the Northern Virginia Transportation Authority (NVTA), the Virginia Department of Rail and Public Transportation (VDRPT), and the District of Columbia, Maryland, and Virginia Departments of Transportation. At its October 6 and November 3 meetings, the TPB Technical Committee was briefed on the current procedures for allocating FTA Section 5307 funds in the Washington urbanized area, the FAMPO policy statements, and proposed procedures for the allocation and sharing of these funds in the future. At its November 15 meeting, the TPB was briefed on these current procedures and the FAMPO policy statements, and approved sending this letter to FAMPO for its consideration and further discussion.

DRAFT October 6, 2006

Regarding FAMPO Resolutions FY 06-32a on bus service generated funding and FY 06-32b on VRE generated funds, the TPB is in general agreement with FAMPO's policy positions. These positions conform to current procedures for allocating and sharing Section 5307 FTA formula funds in the Washington urbanized area, under which certain funds generated by transit service-based measures in the FTA formula are distributed to the rail or bus transit operators that provide the relevant services, through agreements between designated recipients and operating agencies. The TPB believes that this process is working well and should continue.

FAMPO Resolution FY 06-32c addresses Section 5307 funds which are apportioned among small urbanized areas in the Commonwealth of Virginia by the Virginia Department of Rail and Public Transportation (VDRPT). These small urbanized area funds are in a separate category from the Section 5307 funds apportioned by the FTA formula for the Washington urbanized area, and the TPB does not intend to take any position on the apportionment of these small urbanized area funds. Regarding FAMPO Resolution FY 06-32d with respect to the designation of urbanized areas as a result of the 2010 Census, the TPB does not intend to take any position on this issue at this time.

Regarding FAMPO Resolution FY 06-32e on the portion of FTA Section 5307 funds for the Washington urbanized area that are based on population and population density factors, the TPB recommends that FAMPO proceed in accordance with the following guidance provided by the FHWA and FTA in an August 9, 2004 letter to Mr. Henry Connors, Jr., Chairman of FAMPO:

“With a population of about 47,000, northern Stafford County represents approximately 1.2 percent of the 3.9 million people residing throughout the Washington, D.C. urbanized area. Although formula-based sub-allocation of Section 5307 funds within urbanized areas is inconsistent with Federal law, this percentage may be considered by local jurisdictions as an indicator of the level of travel needs in northern Stafford County, relative to the rest of the urbanized area.”

“TPB, along with the FTA designated recipients in the Washington D.C. urbanized area determine how Federal transit funds are spent in that urbanized area, which encompasses northern Stafford County. Therefore, FAMPO may wish to participate in the TPB planning process, as projects and programs serving the needs of northern Stafford County are eligible for a portion of the Federal funds apportioned to the Washington D.C. urbanized area.”

Based upon this federal guidance, the TPB recommends that FAMPO participate in the TPB planning and programming process with regard to projects and programs serving the needs of northern Stafford County. Such participation in the TPB process would give FAMPO the opportunity to propose projects that are eligible for Section 5307 funds for possible inclusion in the Washington region's long range plan and transportation improvement program (TIP).

The TPB will continue to work closely with FAMPO with respect to conducting the transportation planning process in the Stafford County portion of the Washington urbanized area, in accordance with the agreement between the TPB and FAMPO of November 17, 2004. The TPB proposes that TPB and FAMPO work together to develop a new article for this agreement to address the allocation and sharing of FTA Section 5307 funds that is consistent with the guidance provided by the FHWA and the FTA in their August 9, 2004 letter to FAMPO.

The TPB looks forward to receiving comments from FAMPO on these recommendations on the allocation and sharing of FTA Section 5307 funds for the Washington urbanized area. Please contact Ronald Kirby, staff director for the TPB, at (202) 962-3310 if you have any questions regarding this proposal.

Sincerely

Michael Knapp
Chair, National Capital Region
Transportation Planning Board

7.B.

**Interim Technical Committee
Northern Virginia Transportation Authority**

MEMORANDUM

TO: Christopher Zimmerman, Chairman
Northern Virginia Transportation Authority

Members
Northern Virginia Transportation Authority

FROM: Tom Biesiadny, Chairman
Interim Technical Committee
Northern Virginia Transportation Authority

SUBJECT: Fredericksburg Area Metropolitan Planning Organization Request (Item 7.B.)

DATE: Draft: October 5, 2006

Recommendation:

The Interim Technical Committee recommends that the NVT A approve the attached letter to the Transportation Planning Board urging the TPB to take no action on the FAMPO request for an allocation of a portion of the federal transit funds, but to convene a meeting of the region's designated recipients of formula transit assistance (the Washington Metropolitan Area Transit Authority, the Potomac and Rappahannock Transportation Commission, the Virginia Railway Express and the Maryland Department of Transportation) to formally review FAMPO's most recent request.

Background:

In August 2005, the Fredericksburg Area Metropolitan Planning Organization (FAMPO) wrote to the Transportation Planning Board (TPB) seeking changes to the allocation of Federal Transit Administration Section 5307 formula funds received by the Washington urbanized area (UZA). In summary, these two changes were:

- An allocation of the portion of 5307 funds that the region receives based on population and population density factors.
- An allocation of the portion of 5307 funds that the region receives based on fixed guideway miles.

Chairman Christopher Zimmerman
Members, Northern Virginia Transportation Authority
Draft: October 5, 2006
Page Two

In addition, as part of TPB's triennial review, released in March 2006, the Federal Highway Administration and Federal Transit Administration included a recommendation that TPB resolve these outstanding allocation issues with FAMPO within six months.

These issues are summarized in three parts below:

Current Allocation of Section 5307 Funds Received by the Washington UZA

Currently, there are four designated recipients of federal transit funds in the Washington UZA receiving Section 5307 funds. They are: the Washington Metropolitan Area Transit Authority (WMATA), the Virginia Railway Express (VRE), the Maryland Area Rail Commuter (MARC) and the Potomac Rappahannock Transportation Commission

(PRTC). Each year these four agencies agree on the allocation of federal transit funds. Each agency receives a proportional share of the federal transit funds that are allocated by fixed guideway miles, as well as amount of service and ridership. WMATA receives all the funds allocated to the region based on population. This allocation of funds has been in place since for some time. Prior to that time, WMATA received all federal formula transit funds allocated to the region. WMATA continued to receive all the population based funds in recognition that all three of the other systems transfer passengers to WMATA. In practice, all four of the agencies must agree to the allocation each year.

Allocation of Population/Population Density Funds

Based on the population and population density as measured in the 2000 Census, a portion of Stafford County is considered part of the Washington UZA. According to the FTA allocation formula, this area of Stafford County generate between \$150,000 and \$250,000 annually. FAMPO has asked that these funds be allocated to them. When considered in isolation, these funds do not represent a significant portion of the transit funds received by the region. However, if these funds are allocated to Stafford County, it will set a precedent. There are several other jurisdictions, including Prince William County, Loudoun County and Anne Arundel County that are part of the Washington UZA, but do not receive WMATA service directly or contribute to its operating and capital budgets. If all of these jurisdictions made the same request FAMPO is making, WMATA would lose \$1.0 to \$2.0 million per year in federal transit assistance. The WMATA compact jurisdictions would need to increase their WMATA subsidy by an equal amount.

Allocation of Fixed Guideway Funds

In their letter to TPB, FAMPO correctly noted that a portion of VRE track is located in FAMPO jurisdictions. This track generates funding under the fixed guideway portion of the FTA formula. FAMPO requested that these funds, which are currently allocated to VRE, be allocated to FAMPO, so that FAMPO would determine how they should be spent. This approach could create a very difficult financial environment for VRE. Currently, the VRE Operations Board, PRTC and the Northern Virginia Transportation Commission (NVTC) must approve the VRE budget. If implemented, this approach would require another approval, and VRE would not be assured that they would receive these funds. In addition, VRE riders from FAMPO jurisdictions benefit from capital improvements VRE makes north of the Prince William County/Stafford County line, such as the new Quantico bridge, the interlocking improvements in Alexandria and the third track between Alexandria and the Potomac River, as well as VRE's equipment purchases.

Over the past several months, the FAMPO Board has discussed their position on both of these requests. In addition, FAMPO's Executive Director met with the NVTA Interim Technical Committee regarding FAMPO's request. PRTC and NVTC have also discussed these requests. NVTC has taken a position specifically opposing FAMPO's request. A copy of NVTC's letter to NVTA is attached.

As a result of these discussions, it appears that FAMPO may modify their request. The Interim Technical Committee understands that FAMPO is likely to drop its request for an allocation of fixed guideway funds. In addition, FAMPO has discussed a long term strategy for the allocation of the population/population density funds. When the 2010 census is conducted, it is likely that the urbanized portion of north Stafford County that is connected to the Washington UZA will also be connected to the Fredericksburg UZA. At that time, it will be appropriate for the Census Bureau to divide the two regions. Using the parameters developed for the 2000 Census, it is likely that the dividing line will be the Prince William County/Stafford County line. This would be similar to the dividing line drawn between the Washington and Baltimore UZAs. If the Census Bureau uses these same parameters following the 2010 Census, the issue of the population/population density funds should be resolved. As such, the population/population density funds for all of Stafford County would be attributed to FAMPO without setting a precedent for other jurisdictions in the Washington UZA that do not receive WMATA service directly.

Chairman Christopher Zimmerman
Members, Northern Virginia Transportation Authority
Draft; October 5, 2006
Page Four

In addition, in early 2005, Stafford County established contact bus service in the portion of north Stafford County that is part of the Washington UZA. Stafford County will be reporting the bus vehicle revenue miles to FTA and will consequently qualify for FTA formula funds for this service. These funds would represent new revenue to the Washington UZA, just as reporting by PRTC, VRE and MARC represented new revenue to the region. FAMPO would like this revenue to be allocated to it. The Interim Technical Committee believes that at such time as the bus service in north Stafford County generated new transit revenues to the Washington UZA, these revenues should be allocated to FAMPO.

Since FAMPO has approved a resolution reaffirming their request for transit formula funding, based on population and population density factors in September 2006, the Interim Technical Committee recommends that the NVTA approve the attached letter to the Transportation Planning Board urging the TPB to take no action on the FAMPO request for an allocation of a portion of the federal transit funds, but to convene a meeting of the region's designated recipients of formula transit assistance (the Washington Metropolitan Area Transit Authority, the Potomac and Rappahannock Transportation Commission, the Virginia Railway Express and the Maryland Department of Transportation) to formally review FAMPO's most recent request.

The ITC members and I will be available at the Authority meeting on October 12, 2006, to answer questions.

Cc: Members, NVTA Interim Technical Committee

Attachments: a/s

Northern Virginia Transportation Authority

c/o Northern Virginia Regional Commission
3060 Williams Drive, Suite 510
Fairfax, Virginia 22031

October 17, 2006

The Honorable Michael Knapp, Chairman
National Capital Region Transportation Planning Board
777 North Capital Street, N.E., Suite 300
Washington, D.C. 20002-4290

Subject: Fredericksburg Area Metropolitan Planning Organization Request for
Allocation of Federal Transit Formula Funding


Dear Chairman Knapp:

On October 12, 2006, the Northern Virginia Transportation Authority discussed the Fredericksburg Area Metropolitan Planning Organization (FAMPO) request for allocation of federal transit formula funding, particularly related to population and population density factors. Due to the financial implications and precedent setting nature of this request, the Authority provisionally asks that the TPB take no formal action on this request, but convene a meeting of the region's designated recipients of formula transit assistance (the Washington Metropolitan Area Transit Authority, the Potomac and Rappahannock Transportation Commission, the Virginia Railway Express and the Maryland Department of Transportation) to formally review FAMPO's most recent request for an allocation of federal transit funds.

The Authority also asks that the results of the designated recipients meeting be forwarded to the Authority for additional consideration before any formal action by TPB.

Thank you very much for your assistance with this matter.

Sincerely,



Christopher Zimmerman
Chairman

Cc: Members, Northern Virginia Transportation Authority
Tom Biesiadny, Chairman, NVTA Interim Technical Committee



MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Rick Taube
DATE: October 26, 2006
SUBJECT: Regional Transportation Items.

A. Northern Virginia Tour for Senior State Officials.

The attachment shows the planned itinerary for December 7 and 8, 2006. The purpose is to provide an overview of public transit operations and funding issues in this region. Commissioners wishing to participate should contact NVTC staff.

B. U.S. Compared to Northern Virginia Transit Ridership Trends.

At NVTC's October 5th meeting, staff presented FY 2006 Northern Virginia transit ridership results with comparisons to the previous five years. For FY 2006, public transit ridership here grew 7 percent compared to FY 2005. The national FY 2006 growth rates are for the first six months only, and show 3.2% growth. Thus, Northern Virginia's growth is over twice as fast as the national average for all types of transit over that period (but this conclusion may change somewhat as the remaining two quarters of FY 2006 national data are compiled).

C. Public Transportation: Who's On Board to Get to Work.

As shown in the attached table from the Washington Post (October 18, 2006 at B-3), the 2005 American Community Survey by the U.S. Census can be compared to the 1990 U.S. Census results. The Post showed public transit commuters by jurisdiction in those two years. In general the percent shares of such commuting trips are steady in each jurisdiction, but for Arlington fewer absolute public transit commuters are shown in 2005 than in 1990.



Overall for the jurisdictions listed, 357,751 daily public transit commuting trips are recorded in 2005 and 307,541 in 1990, an increase of 50,210 or 16.3%. During the same period, Metrorail trips for all purposes (not only commuting) increased by almost 80 percent and NVTC's local bus systems grew by about 315 percent. Either the Census is missing current commuting trips or the proportion of commuting trips to total transit trips is declining sharply.

What can account for Arlington losing transit commuters and for transit commuting trips growing much more slowly than total transit ridership? One reason is a mistake in reporting by the Post. Their 1990 figures include taxis, while their 2005 figures exclude them. This error alone accounts for almost 600 trips in Arlington and correcting the error eliminates the apparent decline in absolute transit commuting there.

D. TRB Publication: Commuting in America III.

Alan Pisarski (a Falls Church resident and well-known consultant) has published the third edition of his informative commuting in America series. The entire book or copies of a lengthy summary are available from NVTC staff on request. Among the details at the national level:

- 1) Work travel comprises only about 16% of total travel, primarily due to more rapidly growing other trip purposes, although commuting has the most serious peaking costs. Trip chaining is rising (multiple stops to/from work).
- 2) Immigration is a surprisingly large component of population growth with immediate consequence for the workforce and trip-making. Immigrants predominantly live in central cities and are more inclined to take transit. For example, foreign-born individuals comprise 35% of all 4-person carpools trips, 30% of bus passenger trips, and almost 40% of subway trips. The longer immigrants are in the U.S., the more likely they are to use single-occupant automobiles. Foreign-born individuals comprise 14% of the 2000 U.S. population and work force.
- 3) Older workers' share of the workforce grew much more rapidly than their population. Will this disproportionate growth of workforce participation continue as the older population explodes after 2010? Older women outnumber men significantly and there is an 18-percentage point difference between drivers' licenses for women over 65 now and women approaching 65. This suggests the likelihood of much more driving in the future by older women.
- 4) Roughly half of the U.S. population is now suburban, 30% live in central cities and the rest in non-urban areas. Transit's strongest market is central cities.
- 5) Traditional commuting to the core is declining as a share of all commuting trips (now 19%). Suburb to suburb commuting is 46% of the total and increasing.

- 6) The carpooling share of commuting dropped to 12% in 2000 from 20% in 1980, and the walking share was cut in half.
- 7) Times at which commuters leave home for work are spreading the peak, with substantially more persons leaving before 5 AM and from 5-6:30 AM as well as 9-11 AM. Transit's mode share is much higher during the peak hours.
- 8) Congestion is getting worse in intensity, extent and duration. The spill-over effects of disabled vehicles are very substantial and this suggests that more enforcement of automobile safety inspections is needed.
- 9) Fridays have the greatest number of trips but the fewest weekday work trips.
- 10) The author recognizes a point repeatedly emphasized in NVTC materials: "Transit users cannot ride unless service is provided. Transit selection must be seen as a combination of demographics and service availability "(see attached excerpt).
- 11) Another excerpt is attached that uses Fairfax County as a case study of how the spatial location of workers and jobs interact to influence commuting patterns.
- 12) The Washington Metropolitan area has two of the 15 worst congestion bottlenecks in the U.S. I-495 at I-270 wastes 19.4 million hours each year and I-495 at I-95 wastes 15.0 million hours.

E. Notes from APTA's Annual Conference.

Selling Transportation Assets to the Private Sector.

A panel of financial experts described the substantial demand for purchase of infrastructure currently, driven by pension fund money in Australia and elsewhere. These funds are seeking long-lived assets to match their long-term liabilities.

Compared to governments considering sales of bonds to finance projects, these private equity investors generally make more optimistic revenue projections and take a longer-term view. Even considering the 8-10% annual rate of return they are seeking, the private offers can be financially more beneficial to governments than issuing their own bonds.

Even subsidized assets can be sold in this way, either through concession contracts that provide income from the seller and/or by recognizing the depreciation that provides tax benefits to purchasers. Within subsidized transit systems, some assets may yield positive income streams, such as parking lots or even some rail lines and these can be sold separately.

Planned transit oriented development projects are now sold at a steep discount given the real estate risks involved. After TOD projects are completed they can be sold at a better price with the proceeds rolled into new developments.

In an institutional setting such as that in Virginia in which a state controls roads and local governments control public transit, there is a danger of spill over effects if the state sells the roads and leaves the local transit systems to fend for themselves (this is a real fear in Northern Virginia's I-95/395 and Beltway HOT-lane projects).

Federal Highway Trust Fund and Road Pricing Issues.

The federal gas tax rate has not increased since 1993. Several speakers pointed to projected deficits in the U.S. Highway Trust Fund by as early as FY 2008 (next year) and certainly by FY 2009. While the Transit Trust Fund is not forecast to run out of funds until 2013, the pressure for Congress to raid the transit fund to finance the highway shortfall will be great. This is especially true since federal obligation ceilings would need to be reduced by \$4 for each \$1 shortfall in the Highway Trust Fund.

The National Transportation Policy and Revenue Commission is supposed to report to Congress next year on what to do about this. Since the Interstate Highway System was begun 50 years ago, it is past time for a new national vision that emphasizes international economic competitiveness, security and quality of life. Transit's role in that vision would include such factors as mobility, congestion relief and social equity.

FTA's Chief Counsel stated that in order to engage the public, the specters of failed bridges and miserable commutes provide powerful incentives to action. USDOT surveys show that the issue of congestion ranks higher with suburban voters than education or health care. Unfortunately, the public doesn't trust government to do the right things to fix the problem.

FTA's interest in congestion pricing was reiterated. The speaker pointed out that transit gains from such an approach in two ways. First, toll revenues can support enhanced transit services. Second, transit fares can be higher, yielding even more revenue, since a major competitor would no longer be priced below market.

Also, terminology can be important. Instead of "congestion pricing," a better term would be "congestion relief zone." The ideal institutional setting for such congestion pricing would be a Regional Mobility Corporation with government and private sector stakeholders who would price the entire transportation network appropriately in response to market signals.

Customer Service.

Dr. Oren Harari reminded the group that quality is now expected in our "copy cat" economy. To excel a service provider must "de-commoditize" and lead the customer to an impossible place.

Satisfaction is now a commodity response. People are looking for “wow!” They need beauty, grace and style to make services feel right. Providers should identify a higher cause, such as Starbucks’s “a place of refuge,” Whole Foods’s “changing the way America eats” or Harley’s “be bad” image.

12A

DRAFT

Transit Tour

for

**DRPT Director Matthew Tucker &
Dep. Sec. of Transportation Scott
Kasprowicz**

Confirmed Dates:

December 7 (12:00 pm - 6:00 pm) & 8 (7:00 am – 1:30 pm), 2006

Special Notes:

The tour will be informal and will provide opportunity to view everything up close and personal with a free exchange of dialogue between key stakeholders and the Director and Deputy Secretary.

Next to presentation topics throughout the tour names appear in parentheses. These are suggested names of presenters only and are subject to change.

Daylight availability

Thursday & Friday -- December 7 & 8, 2006
Eastern Standard Time

Sunrise 7:13 am
Sunset 4:46 pm

DRAFT Tour Outline

Thursday -- 12/7/06

- 12:00 pm Lunch (FFX Co.) at South County Government Center
Topics: Tour Overview (Quintana), Welcome, BRAC, NoVA Self-Help Efforts, and Telework (Connolly); Fairfax Connector/REX preview (Axton); Dulles Corridor BRT/FFX Connector (Ichter); view REX Bus Shelters.
- 2:15 pm Connector Bus via Route 1 to view REX BRT and BRAC locations en route to Franconia/Springfield from South County Government Center (route TBD by Fairfax County Staff)
- 3:00 pm Tour of Franconia/Springfield Multi-Modal Center (Kauffman);
Snack (Hot Chocolate, coffee, bottled water and cookies provided by TAGS).
- 3:45 Blue Line to Alexandria King Street Metro Station
- 4:15 Arrive at King Street VRE Station; VRE Overview and efforts to upgrade on-time performance (Zehner)
- 4:45 DASH bus (with SmarTrip farebox) from Alexandria, King Street. Alexandria to Courthouse -- Overview en route (Euille/ Modell) via Carlyle/Hoffman Center Development (US Patent and Trade Office/Federal Courthouse complex) to NVTC. Discussion of SmarTrip issues (McGavock).
- 6:00 pm Arrive at NVTC. Break
- 7:00 pm Buffet Dinner at NVTC HQ
- 8:00 pm NVTC Commission Meeting

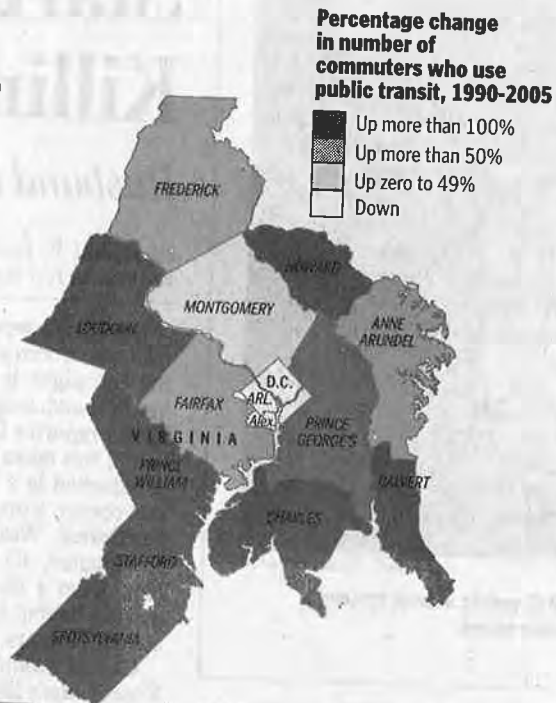
Friday 12/8/2006

- 7:00 am Breakfast to Go from Tucker/Kasprowicz Hotel near Ballston. ART bus from Ballston to the Pentagon (Arlington staff to determine route). Informal discussion of I-66 mode share results and transit performance in NoVA (Taube).
- 7:30 am View Pentagon Transit Center - Bus Bays and NextBus passenger information (Zimmerman or Arlington Staff); Discussion about LC Transit (Gourley) – view LC Transit buses at Pentagon bus bays @ L-11; Discussion about OMNIRide (PRTC Staff) – View buses at Pentagon bus bays.
- 9:00 am Yellow Line from Pentagon to Gallery Place/Chinatown.
- 9:30 am Visit Metro HQ/ OCC (Metro CEO, OCC Director) Highlight dedicated funding for Metro and Blue Ribbon panel recommendations; need support in Richmond; need for additional Metrorail railcars. (Coffee & Hot Chocolate)
- 11:00 am ART Bus from WMATA to Clarendon/Transit Oriented development via Washington Blvd or Wilson; discussion of Columbia Pike Ride and Light Rail projects (Zimmerman). Route TBD by Arlington staff.
- 12:00 pm Arrive at NVTC. LUNCH
Topics: Ballston TOD (Zimmerman); I-95 HOT Lane issues (Taube); Cue (FFX City Staff); George (Snyder/Shields); TransAction 2030 (Snyder). Q&A
- 1:30 pm Tour ends.

THE METROPOLIST

Public Transportation: Who's Onboard To Get to Work

If you live in the District, there's almost a 40 percent chance that you're reading this on a Metro train or bus. The 2005 American Community Survey tells us so. The annual survey, taken by the federal government to keep track of things in the 10 years between each official census, is full of interesting information. This tabulation of who commutes in our region is some some of it.



By county/ jurisdiction	2005 (estimate)			1990	
	Public transit commuters	As a percentage of total commuters	Rank as a percentage of total commuters	Public transit commuters	As a percentage of total commuters
United States	6,202,014	5%		6,069,589	5%
THE DISTRICT	94,260	38	1	111,422	37
Arlington	27,133	24	2	27,679	25
Alexandria	13,766	18	3	12,845	18
Prince George's	71,461	17	4	51,995	13
Montgomery	69,907	15	5	54,083	13
Fairfax	45,442	9	6	36,612	8
Prince William	9,952	5	7	2,032	2
Charles	3,746	5	8	553	1
Howard	5,530	4	9	2,531	2
Spotsylvania	1,585	3	10	577	2
Stafford	1,578	3	11	610	2
Anne Arundel	6,463	3	12	4,140	2
Loudoun	3,312	2	13	699	1
Calvert	1,056	2	14	137	1
Frederick	2,560	2	15	1,626	2

SOURCES: U.S. Census, American Community Survey

Washington Post (10/18/06) at B-3

	2005 ACS	1990 Census
Alexandria	13,766	12,607
Arlington	27,133	27,082
Fairfax County	45,442	35,953
Prince William	9,952	1,849

Corrected Totals (both exclude taxis)

12D

washingtonpost.com

Va., Md. Top List for Percentage of Out-of-County Commutes

By Eric M. Weiss
Washington Post Staff Writer
Tuesday, October 17, 2006; A06

Washington area workers are more likely to travel to jobs outside their home counties than commuters in any other region in the nation, according to a new study.

A higher percentage of Virginia residents live and work in different counties than commuters in any other state; Marylanders ranked second, according to "Commuting in America III," a national report on commuting patterns and trends published yesterday by the Transportation Research Board.

The Washington region is second only to New York for the percentage of workers with "extreme commutes," which the study defined as 90 minutes or more each way. Of the 12 counties with the highest percentage of long commutes, the region had three: Prince William, Prince George's and Montgomery.

The extreme commutes of Prince George's and Montgomery residents suggest that many of them are traveling to jobs in other suburbs rather than in the District.

Alan E. Pisarski, the Falls Church-based author of the report, said the region also has rush hours that are beginning earlier.

"It's the combination of those things that really makes the area stand out," he said.

But the report also highlights some positive trends in the region, such as the use of transit and carpools. Washington ranked third in that area, just behind New York and San Francisco.

The report was based on an analysis of census data and is considered by transportation planners to be the most comprehensive study of commuting habits. Previous editions were published in 1996 and 1987.

Across the nation, there are more cars and more drivers on the roads. According to the report, 30 million vehicles were added to households between 1990 and 2000, with 13 million of them going to households that already had two or more vehicles.

And there are more solo drivers logging more hours on the road. The number of drivers who commute alone grew by nearly 13 million in the past decade, and the number of workers with commutes over an hour jumped by nearly 50 percent in the same period.

Among the national findings in the report, Pisarski said the number of immigrant workers has increased, helping to counter the number of baby boomers who are retiring.

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1 Bath with Balcony

Many of the new immigrants share rides, boosting the number of carpools. Although immigrants make up 14 percent of all workers, they represent about 40 percent of those in large carpools, according to the report.

Pisarski said that although Washington will always have a large suburb-to-city commuting pattern because of federal government jobs, changing national patterns show that reverse commuting is growing fast, increasing by 20 percent in the 1990s.

Although the report looks back in time, Pisarski said the future growth of the Washington region and the demand for skilled workers probably will force changes in coming years.

"You will see people making longer commutes to live where they want to and work where they want," Pisarski said. "The good news is that there will be more people working at home, and employers will be forced to be more flexible in schedules. Employers will have to create options, especially to attract women and older women in the workforce."

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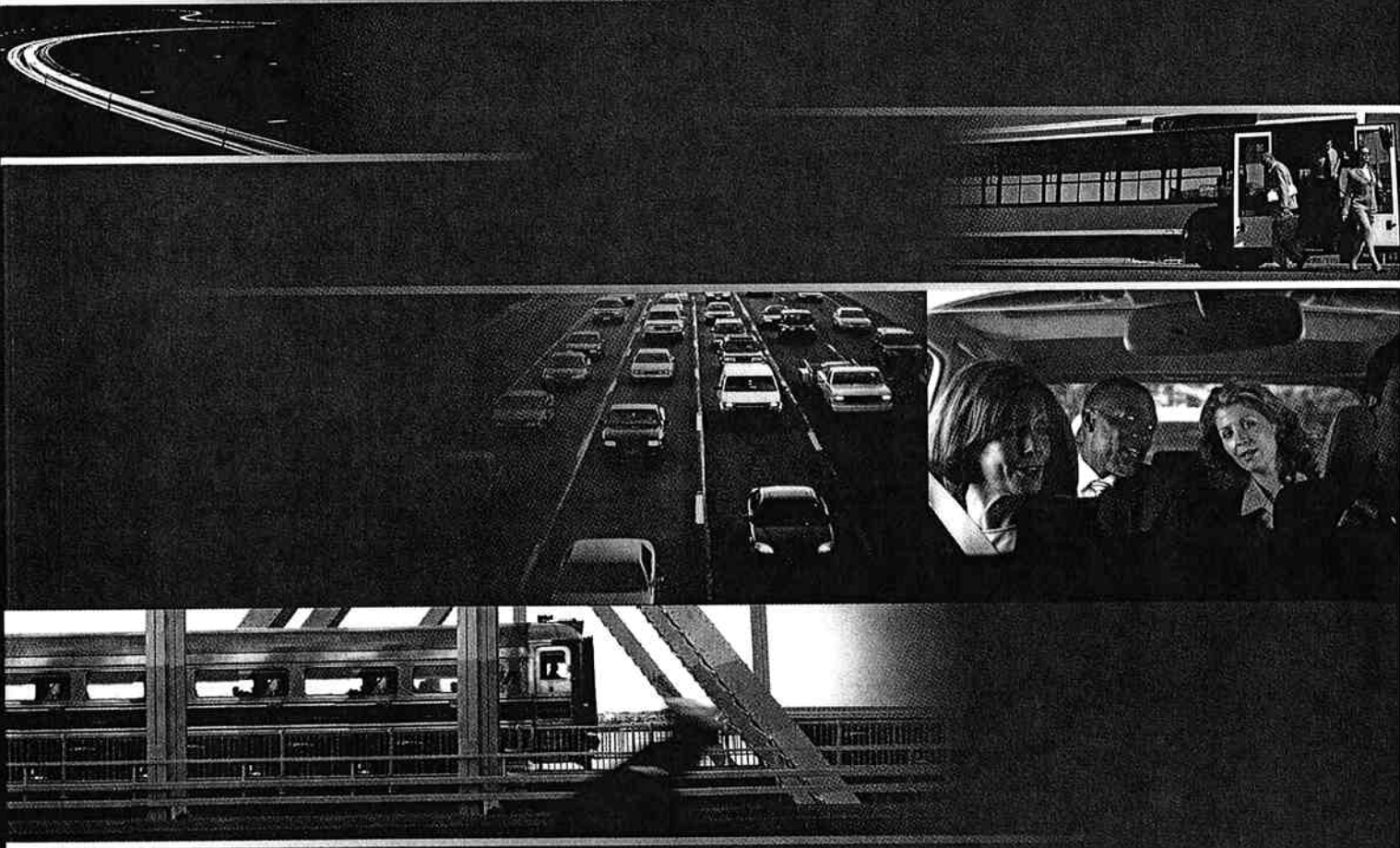
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12D

COMMUTING IN AMERICA III

The Third National Report on Commuting Patterns and Trends



NCHRP REPORT 350
National Cooperative Highway Research Program
TCRP REPORT 110
Transit Cooperative Research Program

TRANSPORTATION RESEARCH BOARD
OF THE NATIONAL ACADEMIES

National statistics and trends concerning commuting are not necessarily representative of the experience in individual communities, or even entire regions. This can be true of carpooling, bicycling, walking, and—particularly—public transportation. Mode selection is a function of trip patterns, demographics, and service availability. The choice of transit is subject to the timing, routing, quality, and costs of service. The vast differences in transit availability across the nation are reflected in uneven transit mode selection.

Transit is more prevalent in densely populated areas, such as in downtowns and along the well-served transit corridors of the 12 megametropolitan areas with population over 5 million where mitigating congestion is a primary concern. Particularly in these densely populated areas, transit use grows well beyond the national average as metropolitan area size increases. The figure (top right) shows the strong influence of population density on transit ridership.

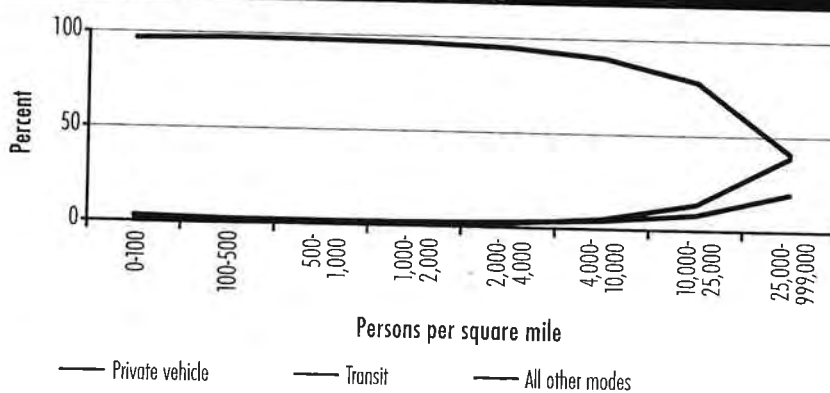
Commuting patterns in these areas are notably different from the national pattern and reveal modal usage that is heavily reliant on transit. A more detailed view of the significant effect of metropolitan size on modal usage shows average transit share in areas over 5 million is at about 11.5% overall and, as shown in the figure (bottom right), 23% of central city commuting where services are extensive. Overall, almost 73% of national transit usage occurred in areas over 5 million in 2000. With the recent additions of Miami, Atlanta, and Houston, transit's share would decline. Between 1985 and 2004, total passenger trips on transit (for both nonwork and work purposes) increased.

Transit use also tends to increase when employment densities are high. Using San Francisco as an example shows that when focused on the city center or on specific rail corridors to the center, transit shares become substantial. In the San Francisco metropolitan area a tremendous

proportion of the region's transit users, roughly two-thirds, have a destination in San Francisco County. Transit's share of total commuting in the Bay Area was at just about 9.7%, but slightly over 36% of all workers commute to San Francisco jobs by public transportation with the Alameda to San Francisco Corridor flow at 51% of all workers on transit; Contra Costa to San Francisco with almost 48%; Marin to San Francisco at 30%, and Santa Clara to San Francisco at 23%. Excluding San Francisco, the transit share in the region was 3.7%.

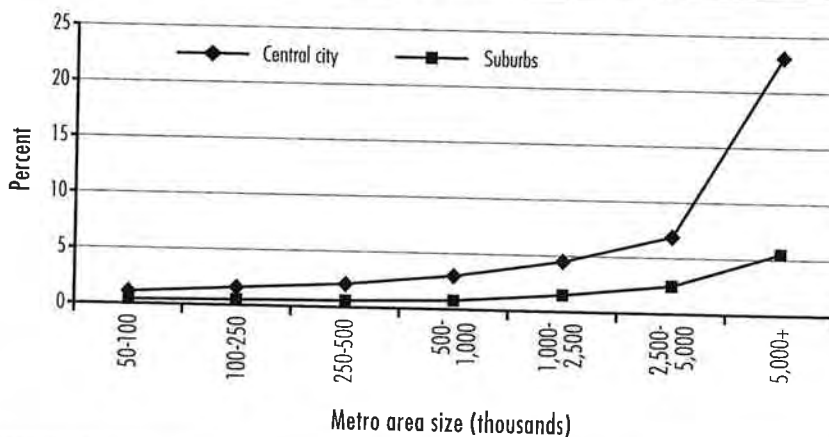
Just as vehicle users do not drive unless there are roads, transit users cannot ride unless service is provided. It should be noted that a considerable increase in transit supply is coming. Under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) there will be an extensive number of new start projects.

The Impact of Density on Modal Usage



Note: Densities were calculated at the Census tract level.

Transit Shares by Metropolitan Area Size and Ring



Looking Beyond the Numbers—The Case of Fairfax County, Virginia

The example of Fairfax County, a rapidly developing Virginia suburb in the Washington, D.C. metropolitan area with a population of about 1 million, is a useful case study mirroring many suburban counties around the country.

In 1990, the ratio of jobs in the county to the number of workers in the county (i.e., the job-worker ratio) was close to 79 jobs per 100 workers, roughly 4 jobs for every 5 workers residing in the county. This was calculated using census data to divide the number of commuter destinations in the county by the number of commuters counted in the census. One way to interpret these data is that if all jobs were taken by residents, then 21% of workers residing in the county would still have to leave the county to work each day. This is a useful measure of the county's ability to fill its own job needs—its job potential. This was a dramatic improvement over 1980 when the job-worker ratio was 54 jobs per 100 workers (or roughly 1 job for every 2 workers—a

classic “bedroom suburb”) as jobs in the county increased by about 100,000, substantially greater than worker growth.

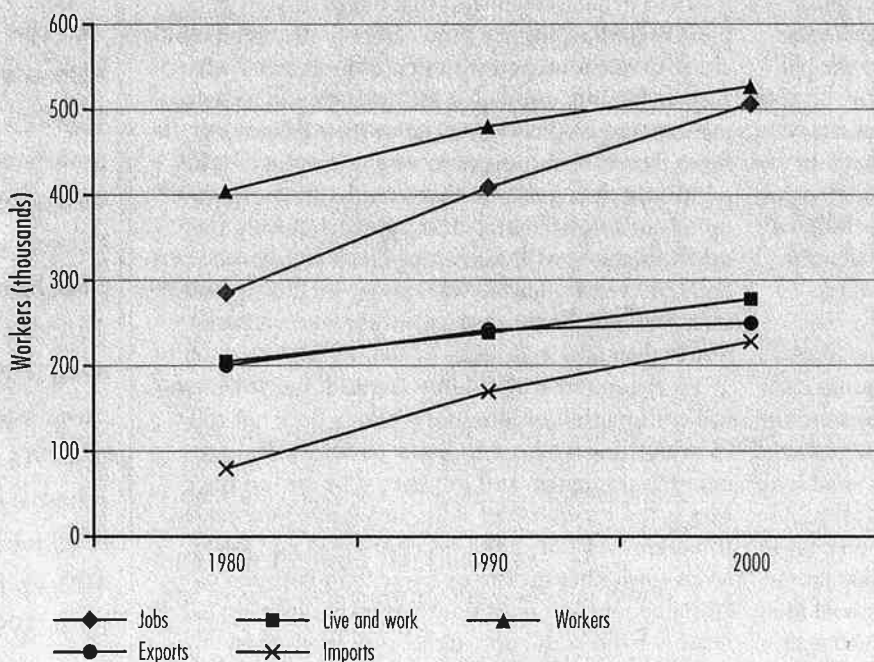
In fact, the percentage of resident workers who actually worked in the county (the live-work ratio) was about 50% in 1990, a great increase from only around 35% in 1980. As a result, about 240,000 workers had to leave the county each day, not 70,000, the ideal. In addition, about 170,000 workers had to be imported each day. Thus, an almost sixfold increase in total flow across the borders contrasted to the ideal potential. By contrast, even in 1990, the neighboring county of Arlington, which is more a part of the central city than a bedroom community, had a job-worker ratio of about 1.5, higher than many cities. However, its live and work percentage was more like 30%, far less than that in Fairfax and almost certainly attributable to a considerable skills mismatch between workers and jobs. In percentage terms, Arlington generated much more cross-border flow than Fairfax.

By 2000, the Fairfax job-worker ratio was effectively 1.0, that is, the “perfect” situation of one job per worker. At this time, if every worker in the county worked at one of the jobs available in the county, there would have been no one entering or leaving the county to work. So, were the goal to reduce congestion by minimizing the need for work travel, the county ostensibly would have been close to achieving it. In reality, only about 53% of county resident workers worked in the county in 2000, a steady increase from 1990, but this still yielded a considerable need for imports and exports. The fact that large numbers of workers were moving in both directions is a measure of the differences in skills and attractions, and certainly not some kind of failure. As the figure shows, the live-and-work pattern has grown, more than keeping pace with worker growth; the number of workers exported each day has grown but at a considerably slower pace than in the past. But, as a result of job growth well beyond worker growth, the need to import workers was tremendous. Thus, the county saw a surge of imported workers of about 50,000 per day as a result of the apparent “improvement” in the job-worker ratio.

Examples of other suburban counties and their job-worker ratios include the following:

- Westchester County, a New York City suburb with a job-worker ratio of .94;
- Waukesha County, a suburb west of Milwaukee, Wisconsin, that has reached 1.09 and exceeded balance;
- Boulder, Colorado, which has reached 1.15 and exceeded balance; and
- Leavenworth County, west of Kansas City, Kansas, which remains a bedroom suburb at .77.

Fairfax County Commuting Balance Trends





AGENDA ITEM #13

MEMORANDUM

TO: Chairman Connolly and NVTC Commissioners
FROM: Scott Kalkwarf and Colethia Quarles
DATE: October 26, 2006
SUBJECT: NVTC Financial Items for September, 2006.

Reports are attached for your information.



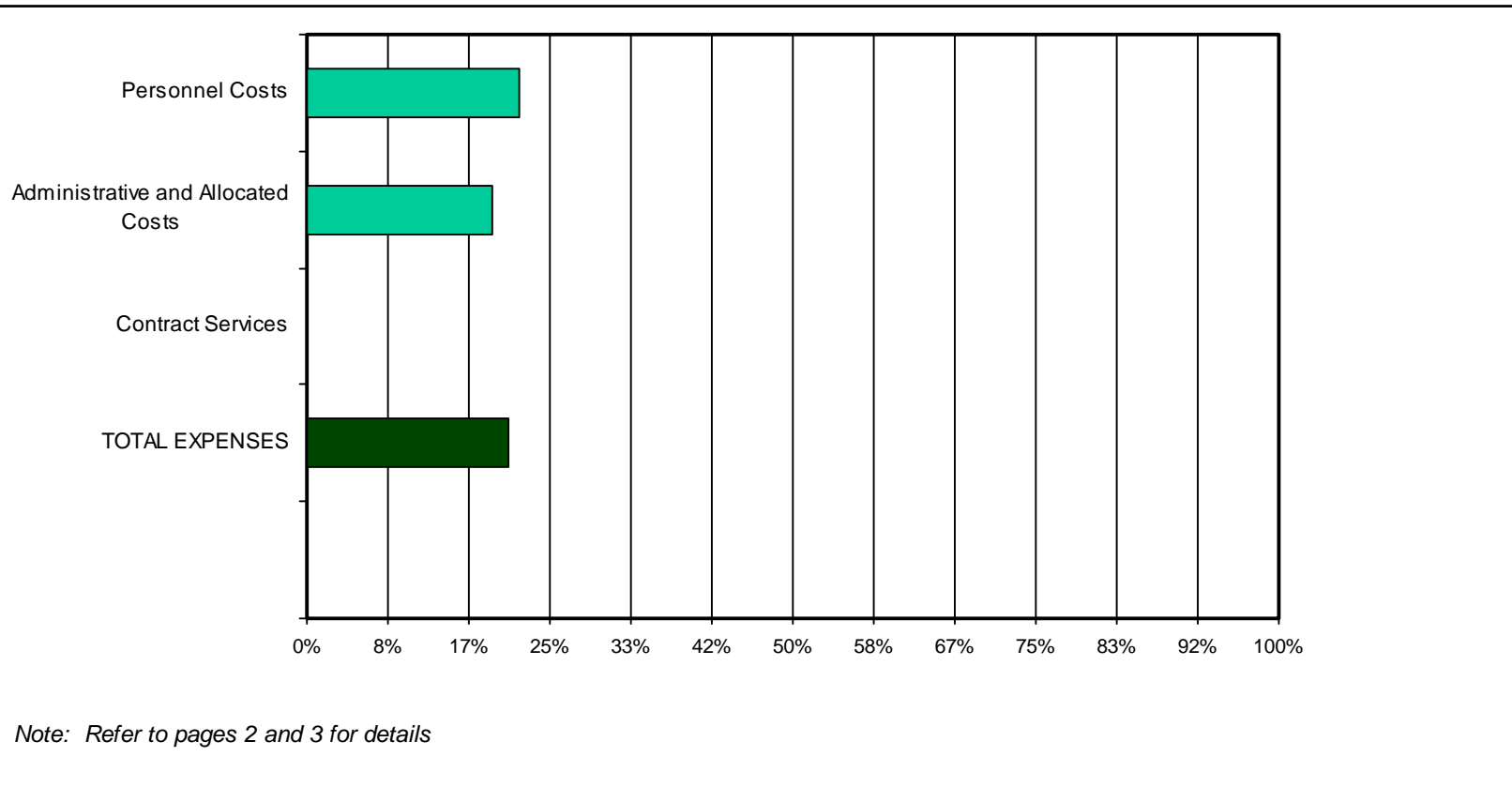
4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports

September, 2006

Percentage of FY 2007 NVTC Administrative Budget Used
September, 2006
(Target 25% or less)



NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September, 2006

	<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	\$ 49,655.90	\$ 145,295.79	\$ 649,150.00	\$ 503,854.21	77.6%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	49,655.90	145,295.79	650,150.00	504,854.21	77.7%
<u>Benefits</u>					
Employer's Contributions:					
FICA	4,566.00	11,475.24	45,700.00	34,224.76	74.9%
Group Health Insurance	2,787.34	10,969.75	70,500.00	59,530.25	84.4%
Retirement	3,890.75	11,672.25	49,500.00	37,827.75	76.4%
Workmans & Unemployment Compensation	-	990.00	4,250.00	3,260.00	76.7%
Life Insurance	308.17	855.61	3,500.00	2,644.39	75.6%
Long Term Disability Insurance	273.88	823.28	4,400.00	3,576.72	81.3%
Total Benefit Costs	11,826.14	36,786.13	177,850.00	141,063.87	79.3%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,250.00	2,000.00	21,700.00	19,700.00	90.8%
<i>Rents:</i>					
Office Rent	14,373.00	43,598.20	174,400.00	130,801.80	75.0%
Parking	890.00	3,270.00	11,500.00	8,230.00	71.6%
<i>Insurance:</i>					
Public Official Bonds	-	400.00	3,200.00	2,800.00	87.5%
Liability and Property	-	-	1,700.00	1,700.00	100.0%
<i>Travel:</i>					
Conference Registration	228.08	1,972.76	22,950.00	20,977.24	91.4%
Conference Travel	-	1,315.00	2,000.00	685.00	34.3%
Local Meetings & Related Expenses	143.14	287.10	5,000.00	4,712.90	94.3%
Training & Professional Development	84.94	370.66	12,200.00	11,829.34	97.0%
	-	-	3,750.00	3,750.00	100.0%
<i>Communication:</i>					
Postage	836.96	2,426.15	10,600.00	8,173.85	77.1%
Telephone - LD	162.87	790.87	4,600.00	3,809.13	82.8%
Telephone - Local	201.24	259.79	1,300.00	1,040.21	80.0%
	472.85	1,375.49	4,700.00	3,324.51	70.7%
<i>Publications & Supplies</i>					
Office Supplies	1,761.07	2,969.88	29,800.00	26,830.12	90.0%
Duplication	258.95	339.72	4,300.00	3,960.28	92.1%
Public Information	1,502.12	2,630.16	15,500.00	12,869.84	83.0%
	-	-	10,000.00	10,000.00	100.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September, 2006

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	162.02	783.49	23,800.00	23,016.51	96.7%
Furniture and Equipment	-	-	7,800.00	7,800.00	100.0%
Repairs and Maintenance	82.07	212.07	1,000.00	787.93	78.8%
Computers	79.95	571.42	15,000.00	14,428.58	96.2%
<i>Other General and Administrative</i>	173.18	1,955.68	6,400.00	4,444.32	69.4%
Subscriptions	-	-	400.00	400.00	100.0%
Memberships	-	1,343.00	1,400.00	57.00	4.1%
Fees and Miscellaneous	173.18	612.68	2,800.00	2,187.32	78.1%
Advertising (Personnel/Procurement)	-	-	1,800.00	1,800.00	100.0%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	<u>18,784.31</u>	<u>56,106.16</u>	<u>294,550.00</u>	<u>238,443.84</u>	<u>81.0%</u>
	<u>Contracting Services</u>				
Auditing	-	-	16,200.00	16,200.00	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>18,200.00</u>	<u>18,200.00</u>	<u>100.0%</u>
 Total Gross G&A Expenses	<u>\$ 80,266.35</u>	<u>\$ 238,188.08</u>	<u>\$ 1,140,750.00</u>	<u>\$ 902,561.92</u>	<u>79.1%</u>

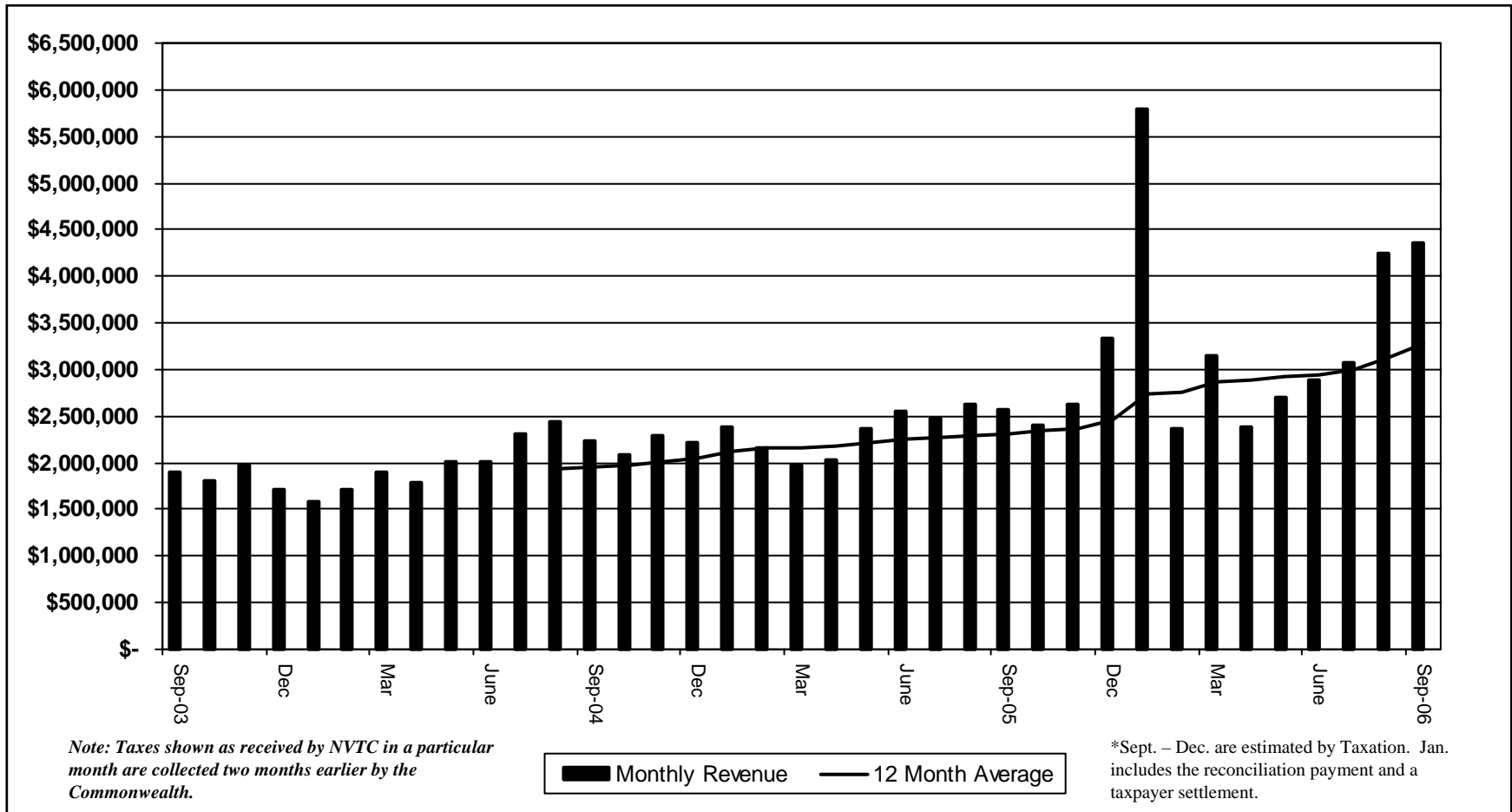
NVTC
RECEIPTS and DISBURSEMENTS
September, 2006

<u>Date</u>	<u>Payer/ Payee</u>	<u>Purpose</u>	<u>Wachovia (Checking)</u>	<u>Wachovia (Savings)</u>	<u>VA LGIP</u>	
					<u>G&A / Project</u>	<u>Trusts</u>
RECEIPTS						
7	VRE	Staff support		\$ 7,483.33		
7	Staff	Expense reimbursement		3.02		
11	DRPT	Code Red grant receipt			128,541.00	
13	FTA	SmarTrip grant receipt			5,310.00	
19	DRPT	FTM/Admin grant receipt				4,934,301.00
20	Dept of Taxation	Motor Vehicle Fuels Sales tax receipt				4,354,241.36
26	DRPT	Capital grant receipt				2,381,941.00
28	FTA	SmarTrip grant receipt			4,477.00	
29	Staff	Expense reimbursement		21.09		
30	Banks	September investment income		1,078.82	4,414.03	367,801.95
			<u>-</u>	<u>8,586.26</u>	<u>142,742.03</u>	<u>12,038,285.31</u>
DISBURSEMENTS						
1-30	Various	NVTC project and administration	(70,654.55)			
8	City of Fairfax	Other capital			(21,560.00)	
12	City of Fairfax	Code Red costs incurred			(2,146.00)	
12	City of Alexandria	Code Red costs incurred			(7,400.00)	
12	Loudoun County	Code Red costs incurred			(12,446.00)	
12	PRTC	Code Red costs incurred			(28,053.00)	
12	WMATA	Code Red costs incurred			(69,077.00)	
13	Arlington County	Code Red costs incurred	(9,419.00)			
18	IBI Group	SmarTrip consulting	(6,637.85)			
21	Vollmer & Assoc.	Bus Data consulting	(9,928.71)			
27	IBI Group	SmarTrip consulting	(17,299.51)			
30	Wachovia Bank	September service fees	(22.00)			
			<u>(113,961.62)</u>	<u>-</u>	<u>(140,682.00)</u>	<u>-</u>
TRANSFERS						
12	Transfer	From LGIP to checking	40,000.00		(40,000.00)	
22	Transfer	From LGIP Trust to G&A - Bus Data project			9,928.71	(9,928.71)
27	Transfer	From LGIP to checking	65,000.00		(65,000.00)	
			<u>105,000.00</u>	<u>-</u>	<u>(95,071.29)</u>	<u>(9,928.71)</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (8,961.62)</u>	<u>\$ 8,586.26</u>	<u>(93,011.26)</u>	<u>\$ 12,028,356.60</u>

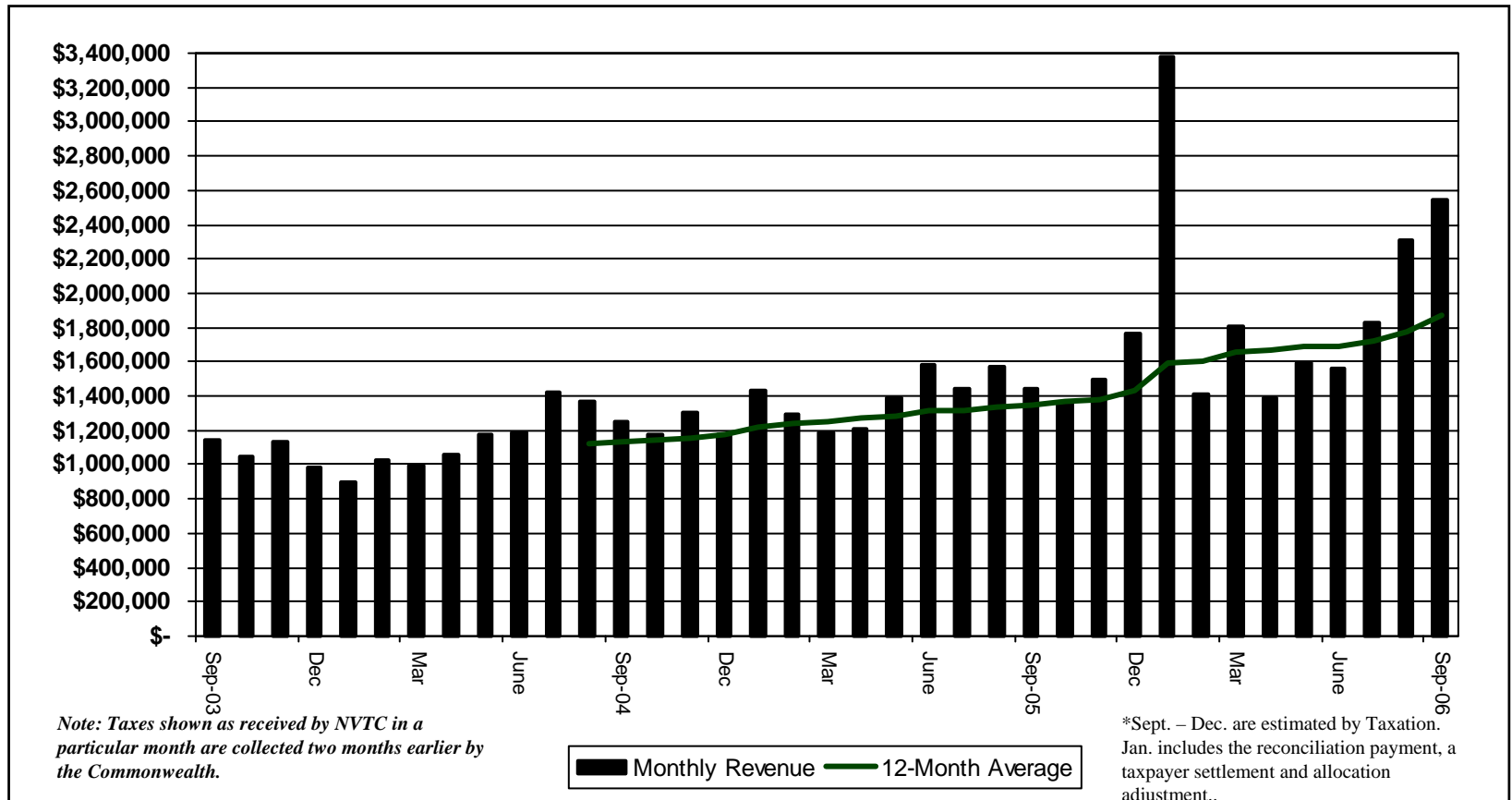
**NVTC
INVESTMENT REPORT
September, 2006**

<u>Type</u>	<u>Rate</u>	<u>Balance 8/31/2006</u>	<u>Increase (Decrease)</u>	<u>Balance 9/30/2006</u>	<u>NVTC G&A/Project</u>	<u>Jurisdictions Trust Fund</u>	<u>Loudoun Trust Fund</u>
<u>Cash Deposits</u>							
Wachovia: NVTC Checking	N/A	\$ 38,755.29	\$ (8,961.62)	\$ 29,793.67	\$ 29,793.67	\$ -	\$ -
Wachovia: NVTC Savings	4.70%	289,626.26	8,586.26	298,212.52	298,212.52	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	5.26%	82,084,877.84	11,935,345.34	94,020,223.18	959,733.78	64,724,265.57	28,336,223.83
		<u>\$ 82,413,259.39</u>	<u>\$ 11,841,958.72</u>	<u>\$ 94,348,229.37</u>	<u>\$ 1,287,739.97</u>	<u>\$ 64,724,265.57</u>	<u>\$ 28,336,223.83</u>

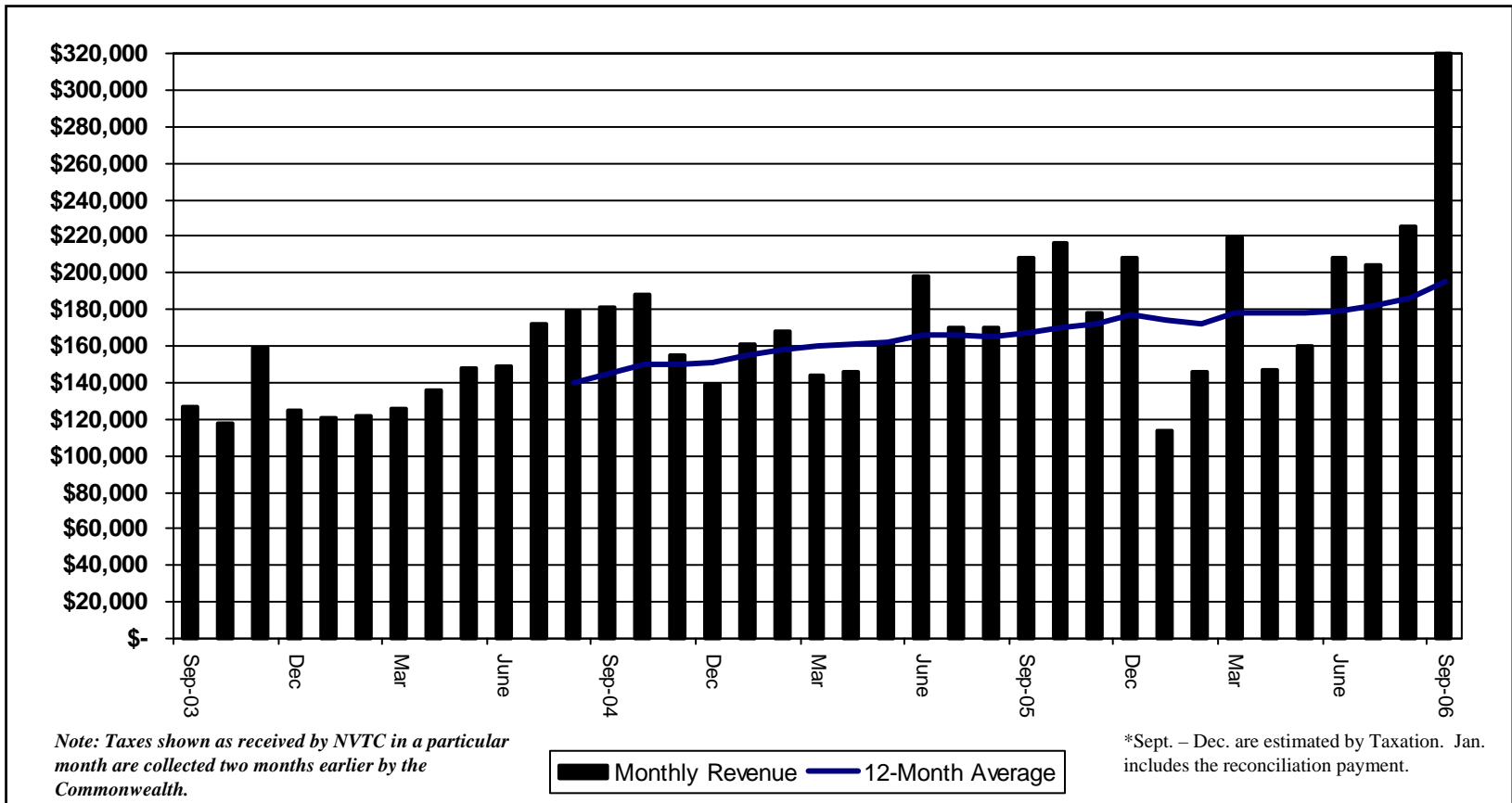
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2004-2007



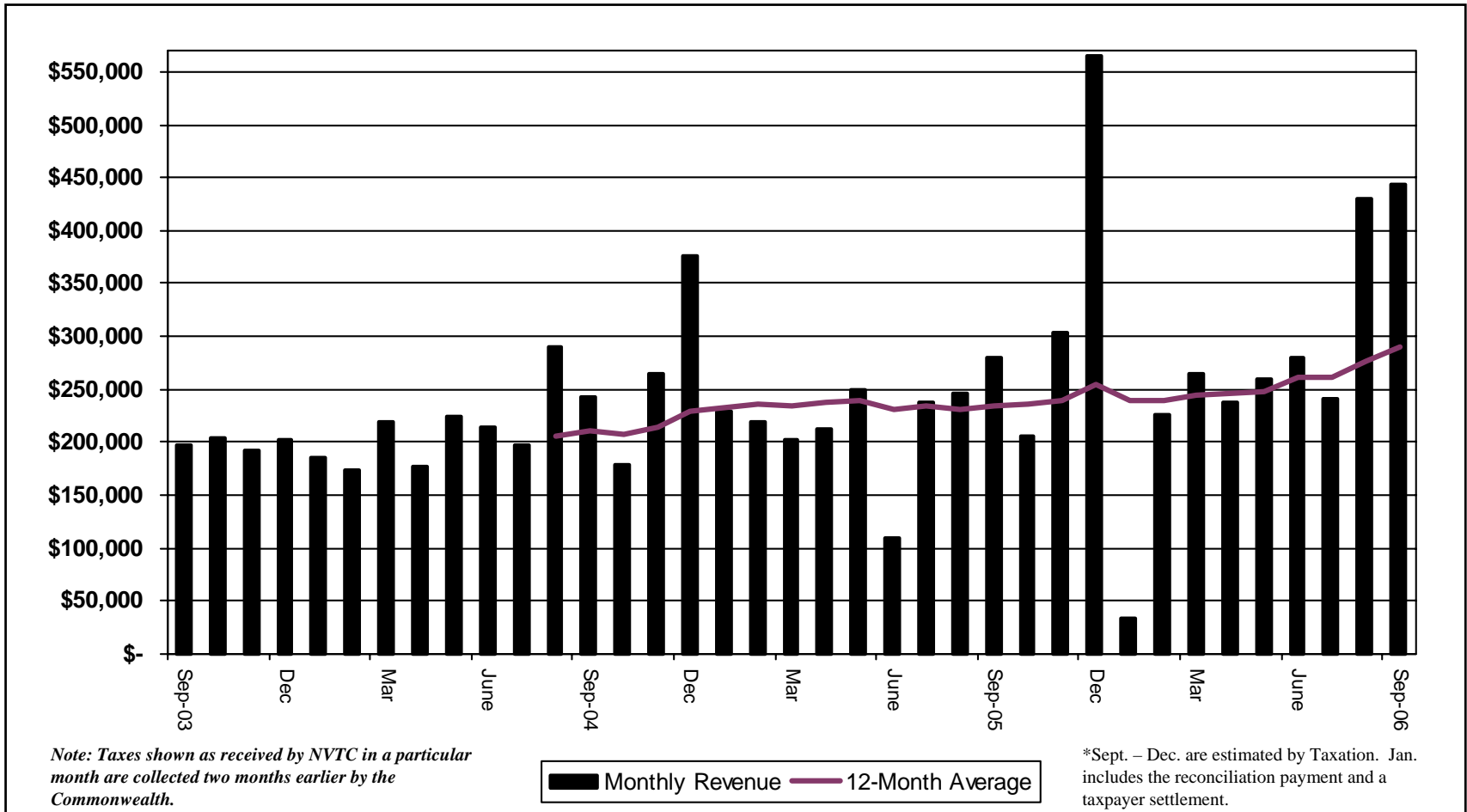
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2004-2007



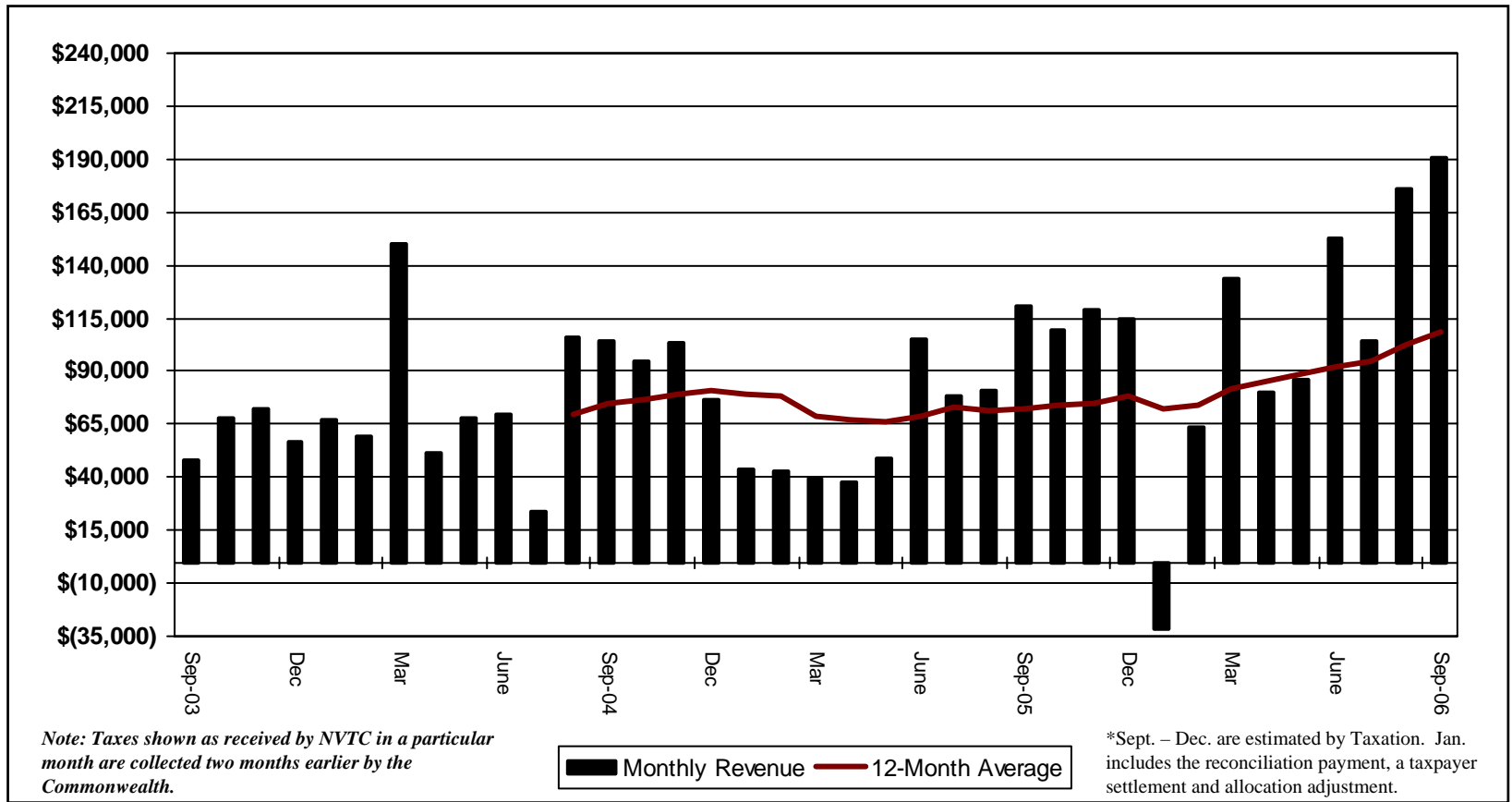
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2004-2007



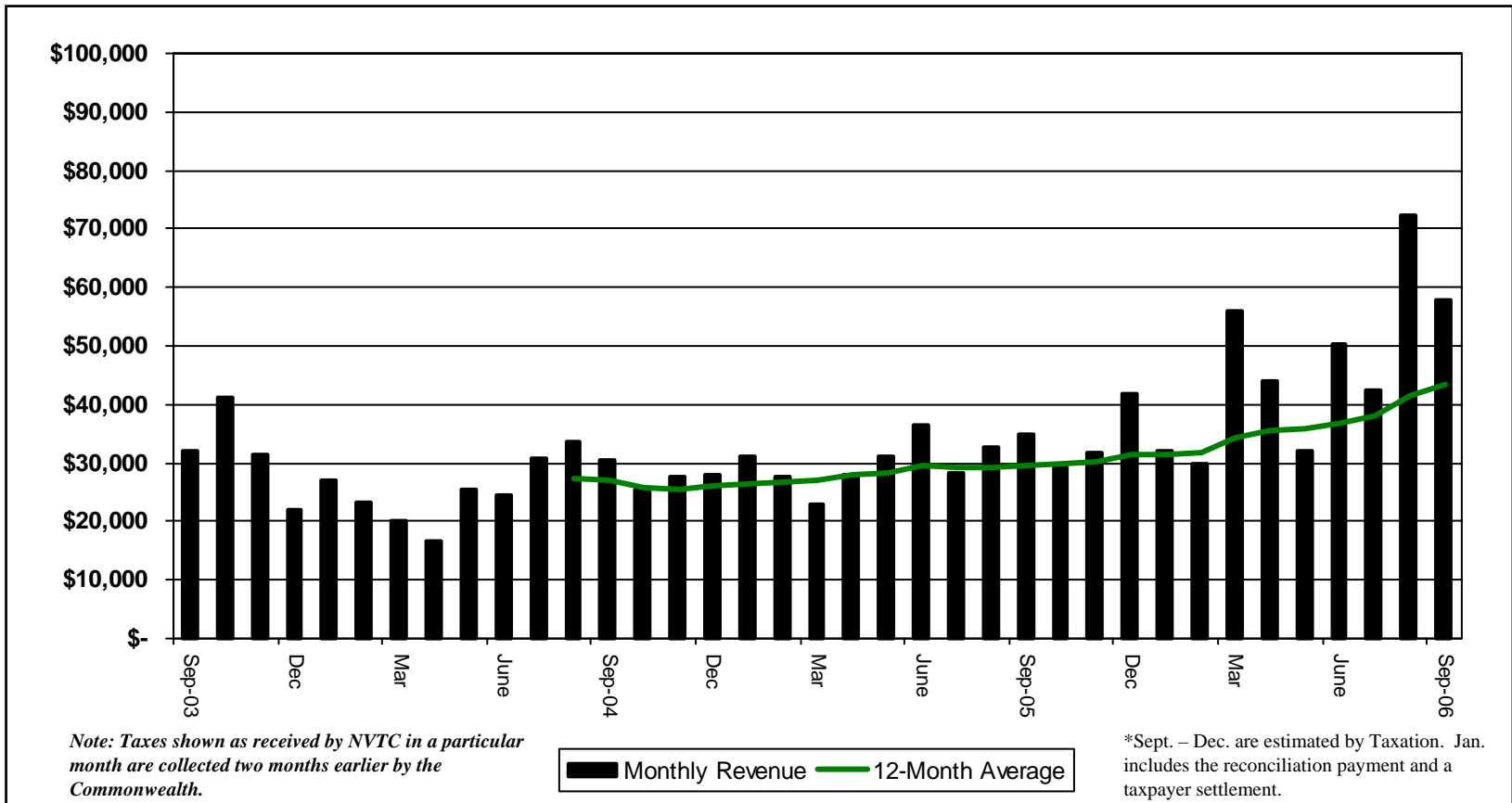
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2004-2007



NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2004-2007



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2004-2007



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2004-2007

