



**NVTC COMMISSION MEETING
(JOINTLY WITH NVTA)**

**THURSDAY, FEBRUARY 7, 2008
GENERAL ASSEMBLY BUILDING
ROOM 4 EAST
RICHMOND, VIRGINIA**

5:30 P.M.

AGENDA

1. Oath of Office for New NVTC Commissioners.

Recommended Action: Chairman Euille will administer the oath.

2. Minutes of the NVTC Meeting of January 3rd, 2008.

Recommended Action: Approval.

3. Joint Procurement of NVTC/ VRE Auditors.

NVTC/ VRE's auditors have served for five years and a new joint competitive procurement is needed. NVTC and VRE will sign separate contracts with the recommended firm. NVTA and other local/ regional agencies also will be eligible to contract with the selected firm.

Recommended Action: Authorize NVTC staff to issue a request for proposals for an audit firm for the next three years with two additional two-year options.

4. VRE Items.

- A. Report from VRE's Operations Board and Chief Executive Officer—Information Item.**
- B. Locomotive Manufacturing Contract Award—Action Item/ Resolution #2094.**
- C. VRE Locomotive Construction Engineering and Inspection—Action Item/ Resolution #2095.**
- D. Sale of 10 Gallery Cars—Action Item/ Resolution #2096.**



5. NVTC's FY 2009 State Grant Application

For FY 2009, NVTC staff is eligible for over \$287 million of state transit operating and capital assistance for WMATA, VRE and NVTC's jurisdictions' local bus systems. Staff has submitted the application to meet the February 1, 2008 deadline set by the Virginia Department of Rail and Public Transportation.

Recommended Action: Approve Resolution #2097.

6. Support for Dulles Rail Project.

In light of recent information that FTA does not favor the project, NVTC is asked to join other local and regional agencies in urging FTA to provide a full funding grant agreement.

Recommended Action: Approve Resolution #2098.

7. Safety and Enforcement on I-95/395 HOT Lanes Project.

Correspondence is attached.

Information Item.

8. NVTC Financial Items for December, 2007.

Information Item.

9. Legislative Items.

A review of progress in the ongoing General Assembly session will occur jointly with members of the Northern Virginia Transportation Authority.

Discussion Item.

AGENDA ITEM #1

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: January 31, 2008
SUBJECT: Oath of Office for New NVTC Commissioners

If any new commissioners selected to join NVTC are present they are required to receive an oath of office.

Chairman Euille will administer the following oath to any new commissioners:

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.





AGENDA ITEM #2

MINUTES

**NVTC COMMISSION MEETING – JANUARY 3, 2008
NVTC CONFERENCE ROOM – ARLINGTON, VIRGINIA**

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Snyder at 8:21 P.M.

Members Present

Chip Badger
Sharon Bulova
Gerald Connolly
Adam Ebbin
William D. Euille
Catherine M. Hudgins
Scott Silverthorne
Paul Smedberg
David F. Snyder
Mary Margaret Whipple
Christopher Zimmerman

Members Absent

David Albo
Eugene Delgaudio
Jay Fisette
Joe May
Thomas Rust

Staff Present

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



NVTC Minutes of December 6, 2007 Meeting

Mr. Connolly moved, with a second by Mr. Zimmerman, to approve the minutes. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Oath of Office for New NVTC Commissioners and Financial Disclosure Forms

Chairman Snyder noted that no new commissioners were present to take the oath of office, but reminded commissioners that they are required by the state to annually file a Financial Disclosure Statement with the clerk of their respective city or county governing body by January 15th. Local and state elected officials are required to file irrespective of membership on NVTC so this notice should not require action by any NVTC member.

Election of Officers

Mrs. Bulova moved, with a second by Mrs. Whipple, to nominate Gerry Connolly and select him as NVTC's Secretary-Treasurer. There were no additional nominations.

Mrs. Whipple moved, with a second by Mr. Zimmerman, to close the nominations. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman. The commission then voted on the main motion and it passed unanimously. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

On a motion by Mr. Euille and a second by Mr. Connolly, the commission unanimously voted to nominate Chris Zimmerman as NVTC's Vice-Chairman. There were no further nominations.

Senator Whipple moved to close nominations and to cast a unanimous ballot for this nomination. Mr. Zimmerman seconded. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Mr. Zimmerman moved, with a second by Mr. Smedberg, to nominate Mr. Euille and select him as NVTC's Chairman. There were no more nominations.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to close the nominations. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

The commission then unanimously approved the main motion. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

After administering the oath of office to Mr. Euille, Mr. Zimmerman and Mr. Connolly, Chairman Snyder handed the gavel over to Mr. Euille.

Chairman Euille presented a plaque to Mr. Snyder in recognition of his outstanding work as chairman during 2007. Chairman Euille thanked Mr. Snyder for his dedicated commitment to regionalism and improved transportation for Northern Virginia. Mr. Snyder recognized NVTC as having the finest group of public officials at any level of government. He stated that it is an honor to serve along side them. He also recognized staff from NVTC, VRE and the jurisdictions for their hard work.

Selection of NVTC Representatives to Boards and Committees

Chairman Euille announced the nominations for the WMATA, VRE and VTA boards, with the understanding that the action is contingent upon subsequent action taken by the Fairfax County Board of Supervisors at its January 7th meeting. Mr. Connolly provided tentative information on Fairfax County's recommendations.

WMATA Board

Principals: Chris Zimmerman and Cathy Hudgins
 Alternates: Bill Euille and Jeff McKay

VRE Operations Board

Principals: Sharon Bulova, Pat Herrity, Chris Zimmerman and Paul Smedberg

Alternates: Jay Fisette, Timothy Lovain and Jeff McKay

Virginia Transit Association Board of Directors

Principals: Chris Zimmerman and Bill Euille
 Alternates: Mary Margaret Whipple and Rick Taube

NVTC Legislative Committee

Gerry Connolly (Chairman)
 Dave Albo (House of Delegates)
 Mary Margaret Whipple (Virginia Senate)
 Bill Eulle
 Scott Silverthorne
 Dave Snyder
 Kelly Burk
 to be determined – Arlington County

NVTC Executive Committee

Bill Eulle, Chairman
 Chris Zimmerman, Vice-Chairman
 Gerry Connolly, Secretary-Treasurer
 Mary Margaret Whipple, General Assembly
 Dave Snyder, Immediate Past Chair
 Catherine Hudgins, WMATA Board

In response to a question from Chairman Eulle, Mr. Taube explained that the Legislative and Executive Committee members are appointed by the Chairman.

On a motion by Mr. Snyder and a second by Senator Whipple, the commission unanimously approved the selections of NVTC's representatives on the Boards and Committees, subject to Fairfax County action. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Eulle, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Designation of NVTC Signatories and Pension Trustees

Chairman Eulle stated that Resolution #2085 would establish that NVTC's new Secretary-Treasurer, Gerry Connolly, is eligible to sign NVTC documents (including financial transactions) and to serve as trustee of NVTC's Employees' Pension Trust. Mr. Taube stated that the resolution was also modified to remove Colethia Quarles (Assistant Financial Officer) from the list of signatories, to maintain better internal financial controls. Senator Whipple stated that it is her understanding that Ms. Quarles has not been signing checks, so this action just aligns the authorization with current practice. Mr. Taube confirmed this. Chairman Eulle stated that Mr. Connolly's name will be added to the resolution to reflect his position as Secretary-Treasurer.

On a motion by Mr. Zimmerman and a second by Senator Whipple, the commission unanimously approved the revised Resolution #2085 (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Eulle, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Public Hearing on and Approval of NVTC 2008 Workprogram and Schedule

Chairman Euille began the public hearing at 8:25 P.M.

Mr. Alan Munchnik, who is affiliated with the Virginia Bicycle Federation and the Arlington Coalition for Sensible Transportation, expressed his appreciation for the efforts NVTC makes to improve bicycle and pedestrian access to transit. He stated that priority needs to be given to improve bicycle and pedestrian access to WMATA stations, as well as hiring additional bicycle and pedestrian planning staff. He reported that funds are being sought for two currently unfunded bicycle initiatives. Fairfax County is seeking \$1 million to enhance bicycle parking and access at the Vienna Metrorail station and WMATA is seeking \$600,000 to improve bicycle parking at Metrorail stations including an on-demand bike locker rental program using smartcard technology. Mr. Munchnik also stated that he is looking forward to bike-on-rail access with the new VRE railcars coming into service over the next months. Reverse commute service in the future would be ideal for bicycle riders.

Mr. Munchnik also endorses a competitive bidding process for the Dulles Rail project, particularly for a 3.5-mile tunnel under Tysons Corner. He stated that something also needs to be done with the Rosslyn portal.

In response to a question from Mr. Connolly, Mr. Munchnik stated that although many of the regional transit systems can accommodate bikes, the smaller systems like DASH cannot. Mr. Connolly reported that Fairfax Connector buses have been retrofitted and Mr. Zimmerman stated that Metrobuses and ART buses have been too. Chairman Euille stated that DASH has a few buses that are fitted for bicycle access and all new buses will be equipped. Mr. Connolly stated that it is important to have uniformity across the Washington region.

There were no other speakers and Chairman Euille closed the public hearing at 8:32 P.M.

Mr. Zimmerman moved, with a second by Mr. Connolly, to approve the 2008 workprogram and schedule.

Mr. Zimmerman clarified that the "Pike Ride Trolley Project" listed under Item #12 is actually called the "Columbia Pike Street Car Project." Mr. Taube stated that the document will be corrected.

The commission then unanimously approved the workprogram and schedule. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Preliminary FY 2009 NVTC Administrative Budget and Performance Objectives

Chairman Euille reported that the preliminary budget, which was originally presented in September 2007, has been reviewed by local staff. Again for FY 2009, total local contributions are held constant at \$310,000, with individual local shares based on shares of state grants and regional gas taxes received from NVTC. NVTC ended FY 2007 with an unappropriated surplus of over \$100,000 (almost 10% of the administrative budget) and those funds are being used to help fund this proposed FY 2009 budget. The overall level of expenditures would increase in FY 2009 by two percent compared to the approved budget for FY 2008. In FY 2009 salaries would be constant (including a reserve for performance-based increases but no cost of living increases).

Mr. Zimmerman moved, with a second by Senator Whipple, to approve the FY 2009 NVTC Administrative Budget and Performance Objectives.

Mr. Connolly, citing a staff memorandum about NVTC employee benefits just discussed by the NVTC Executive Committee, applauded staff for moving forward with a telework program.

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

VRE Items

Report from the VRE Operations Board and VRE's Chief Executive Officer. Mrs. Bulova urged commissioners to read the minutes of the December 21, 2007 Operations Board meeting. Mr. Zehner announced that ridership continues to grow and is up four percent from last year. On-time performance is averaging 90 percent on both lines. VRE received the first set of five new railcars and after testing, they went into service on December 19th. VRE will now receive five railcars each month until October, 2008. Each railcar can carry two bicycles. VRE is also working with Prince William and Fairfax counties to improve bike access to the VRE stations.

Mr. Zehner reported that VRE's 12th Annual Toys for Tots drive brought in donations of 3,100 toys and \$9,500 in monetary donations. VRE is proud to be one of the largest contributors to the Toys for Tots program in the region.

Approval of FY 2009 VRE Capital and Operating Budget and Revisions to the FY 2008 Budget. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2086, which would adopt the proposed FY 2009 VRE budget and revisions to the FY 2008 budget. The budget would then be forwarded to VRE's participating and contributing jurisdictions so that they can approve funding, as called for by the VRE Master Agreement. She explained that up to a three percent fare increase is proposed, which would yield approximately \$650,000 annually. The VRE Board intends to consider an indexed fare policy, and given the fact that four recent annual fare increases

have occurred, the board may ultimately recommend that the three percent fare increase for FY 2009 be modified. Mrs. Bulova explained that there are two versions of the budget: one that includes HB 3202 funding and the other without the funding. If VRE receives the HB3202 funding, the budget proposes that \$21.35 million of NVTA funds include \$17.2 million for locomotives and \$4 million for the insurance trust fund. The remainder of NVTA's VRE funds could be used to cover local subsidies or even held for future capital expenditures.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to adopt Resolution #2086.

Mr. Connolly thanked the VRE Operations Board for its sensitivity in responding to the HB 3202 issues raised at the last commission meeting. He also expressed his support for the three percent fare increase, in light of the increased costs in fuel. Senator Whipple stated that the projections are that gasoline prices will spike even higher in the near future. Mr. Zimmerman stated that at the Operations Board meeting Mr. Zehner made some good points on the timing of a fare increase, in light of the on-time performance problems VRE had previously. In general, a fare increase is a good idea, but it's important to be sensitive to the problems VRE has had with on-time performance and reliability, which adversely affected ridership growth.

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

Extend CSXT and Norfolk Southern Operating Agreements. Mrs. Bulova stated that both agreements need to be extended to July 31, 2008 without change to the current terms. Negotiations are continuing, but insurance remains an outstanding issue. Resolution #2087 would extend the CSXT Operating Agreement and Resolution #2088 would extend the agreement with Norfolk Southern.

Mrs. Bulova moved, with a second by Mr. Connolly, to approve Resolutions #2087 and #2088 (copies attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Contract for Engineering/Environmental Services for the Gainesville-Haymarket Extension. Mrs. Bulova stated that Resolution #2089 would authorize VRE's Chief Executive Officer to execute a contract with VHB, Inc. for a total of \$1,537,338 (including contingency). VHB was selected from among three firms competing for the contract award. VHB will conduct a Major Investment and Alternatives Analysis study (part of the EIS) for the Gainesville-Haymarket Extension. State and federal grant funds are available for this work, and Prince William County is lending the \$300,000 local match until regional HB 3202 funds become available. In response to a question from Mr. Connolly, Mr. Zehner stated that the capital costs of the project would be borne by the localities or the localities would match any federal or state funds.

On a motion by Mrs. Bulova and a second by Mr. Zimmerman, the commission unanimously adopted Resolution #2089 (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Contracts for General Engineering Services. Mrs. Bulova reported that Resolution #2090 would authorize VRE's CEO to award three general engineering consulting contracts to HDR Engineering, Inc., DMJM Harris, and STV/Ralph Whitehead Associates. The three firms will respond to task orders within an authorization of \$5 million over a term of five years. These firms were chosen through a competitive bidding process.

Mrs. Bulova moved, with a second by Mr. Smedberg, to approve the resolution (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Contract Amendment with Scheidt and Bachmann for Fare Collection Equipment Maintenance. Mrs. Bulova explained that Resolution #2091 would extend the existing fare collection equipment maintenance contract with Scheidt and Bachmann to add one year plus two, one-year options to be executed at the discretion of VRE's CEO. The amount of the extension will not exceed \$1,802,804 (including contingency). The total contract value would increase to \$6,193,773.

Mrs. Bulova moved, with a second by Mr. Zimmerman, to approve Resolution #2091 (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Amendments to VRE Insurance Management Agreement. Mrs. Bulova reported that Resolution #2092 would authorize NVTC's Chairman to execute an amended Liability Insurance Management Agreement with Virginia's Division of Risk Management. The original agreement was executed in 1989 and has not been modified since. Last month, the commission approved the changes to the Insurance Plan and the Insurance Trust Fund Agreement. This action modifies the Management Agreement with DRM to clarify several items.

On a motion by Mrs. Bulova and a second by Senator Whipple, the commission unanimously approved Resolution #2092 (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Federal Grant Application for Arlington County

Mr. Taube stated that Arlington County staff has asked NVTC to apply for \$2.9 million of earmarked federal secondary funds to be flexed from the Federal Highway Administration to the Federal Transit Administration. The funds will be used for Rosslyn Metrorail Station access improvements. These funds will be used by WMATA for design of the \$50 million project, which will be paid for with local, state and federal and private sector funds. Mr. Zimmerman stated that the funds will be used for three high-speed, high-capacity elevators.

The commission is asked to authorize NVTC staff to execute a project management agreement with Arlington County and to apply for federal funds and manage the resulting grant. The funds are likely to lapse if NVTC does not apply for the funds on behalf of Arlington. Resolution #2093 would accomplish this.

Mr. Zimmerman moved, with a second by Senator Whipple, to approve Resolution #2093. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Memorandum of Understanding on Transportation Planning Responsibilities for the National Capital Region

Mr. Taube reported that the Transportation Planning Board has asked NVTC to execute a memorandum of understanding that is required by federal transportation planning regulations. The MOU sets forth mutual responsibilities for establishing and maintaining a cooperative, comprehensive metropolitan transportation planning process. NVTC has been asked to join with several of the public transit operators and state and local governments and agencies in the region in executing the agreement because of NVTC's status as a "designated recipient" of federal transit funds. Mrs. Hudgins moved, with a second by Mr. Zimmerman, to authorize NVTC's executive director to execute the MOU on behalf of NVTC. The vote in favor was cast by commissioners Badger, Bulova, Connolly, Ebbin, Euille, Hudgins, Silverthorne, Smedberg, Snyder, Whipple and Zimmerman.

Metro Items

Fare Increase Proposal. Chairman Euille reported that the WMATA Board adopted the fare increase which will go into effect January 6, 2008. Mr. Connolly expressed his concern about the impact of a fare increase on ridership, especially in Northern Virginia. He asked that ridership numbers be monitored closely. There are other issues that NVTC may want to discuss at a future meeting, including the possible relocation of Metro headquarters. Chairman Euille agreed.

As incoming WMATA Board Chairman, Mr. Zimmerman stated that he could invite WMATA's General Manager John Catoe to a NVTC meeting to discuss some of these concerns. He stated that it would be useful for NVTC to meet with the General Manager at least once a year. In response to the impact on ridership from the fare increase, Mr. Zimmerman stated that it takes at least three months to see if the increase has impacted ridership. The WMATA Board directed its staff to look at developing a transportation cost index that could be used to implement a policy of regular fare increases. WMATA now has a biannual fare adjustment process.

Mrs. Hudgins stated that any time fares are raised it is difficult. There needs to be a long-term planning process. It is important for the region to look at the big transit picture. Metro still needs to find a way to fix the inequity issue. Mr. Smedberg stated that the inequity issue has not gone unnoticed by the public. Mr. Connolly stated that it is not only an equity issue, but also a social policy issue in the suburbs, where we are trying to get people out of their automobiles and to use transit. Metro members need to work as a region. If increased fares do adversely impact ridership, it may solve the short-term budget problem but at a long-term cost. Mr. Zimmerman agreed and stated that once the fare increase was advertised, there was not a lot of room for compromise. He hopes that this situation does not repeat itself.

Chairman Euille stated that NVTC could be more effective in protecting its constituents by inviting the WMATA General Manager to another NVTC meeting and then following it up with a joint work session with NVTC and the WMATA Board. It is important to convey Northern Virginia's concerns that this not happen again.

Legislative Item

State. Mr. Taube reported that the Virginia General Assembly will begin its 2008 session on January 9th and conclude in mid-March. NVTC's Legislative Agenda has been sent to the entire Northern Virginia delegation and a media release has been issued.

Mr. Badger announced that he is pleased to present NVTC with state grant contracts for \$80 million for VRE and Metro railcars, as well as the West Ox Road garage.

Chairman Euille expressed his concern regarding Governor Kaine's proposed budget which includes taking some of the transportation funds to balance the budget. Mr. Connolly stated that it is his understanding that it is general fund money and not transportation trust fund money, which is a big distinction. He suggested that NVTC monitor the situation and not rush to judgment. Senator Whipple stated that it is important to continue to press for a dedicated source of revenue for transportation.

Federal. Mr. Taube reported that the omnibus appropriations act for FY 2008 has been passed by Congress. This legislation provides \$9.5 billion in budget authority for transit programs, an increase of \$517 million compared to FY 2007. The bill prohibits USDOT from spending more than 10 percent of unallocated Bus and Bus Facilities money on any DOT congestion reduction initiative, since last year all of these funds went to a few winners in the congestion pricing program. The omnibus spending legislation provides \$400 million for public transportation and rail security assistance. At least \$25 million of that total will be allocated for Amtrak security.

Regional Transportation Items

NVTA Administrative Actions. Chairman Euille reported that at its December 6, 2007 meeting, NVTA approved a lease for office space in the city of Fairfax; a public hearing on the first year of the six-year program; and recruiting a Chief Financial Officer. The public hearing will be at George Mason High School on January 10th at 6:00 P.M. John Mason has been selected to be NVTA's first Executive Director, subject to NVTA Board approval on January 10th.

Water Line Metro, Inc. Water Line Metro, Inc. is a company that is proposing to operate a ferry commuter service on the Potomac River using hovercraft. Among the potential station sites is a floating platform on Metrorail's Yellow Line Bridge that could accommodate 30,000 passengers per day and another on Four Mile Run that could handle 20,000 each day.

Editorial Praising Arlington's Metrorail Land Use Policies. An article from the Virginia Pilot (Hampton Roads) cites Arlington's policies as a useful lesson for Norfolk's new light rail system.

Briefing on I-95/395 Transit/TDM Study

Tanya Husick of DRPT reminded commissioners that this process is at the beginning planning stage. Jay Evans of Cambridge Systematics gave an overview of progress that has been made on the study. Analysis shows modest increases in transit usage (10,000-20,000 riders) when looking at the refined alternatives. Mr. Connolly stated that the promise of the Hot Lanes proposal has been that it will enhance transit and improve utilization. A modest increase is better than a decrease but somewhat tarnishes the promise of the HOT Lanes in this particular corridor.

Corey Hill explained that while they have provided information about potential implementation times, strategies and potential costs, it is too soon to come forth with a plan to program the money. This is a theoretical list of what could be done. Further analysis would be needed and they would return for final approval. In response to a question from Mr. Smedberg, Mr. Hill stated that staff from the jurisdictions, VRE, NVTC, Pentagon, MPO's, and transit operators have been involved in the process. Mr. Zimmerman noted that although they have been part of the process, they don't necessarily endorse it. There continue to be concerns.

In response to a question from Mr. Zimmerman, Mr. Hill stated that funding assumptions include \$195 million of revenues from the HOT Lanes project, to be used for corridor enhancements, such as additional railcars for VRE, as well as \$40 million in federal discretionary funding and \$63 million in farebox recovery, for a total of \$298 million. Mr. Hill stated that the commonwealth and Fluor-Transurban have not finalized their agreement, but it is his understanding that the state would receive the \$195 million as an upfront lump sum. In response to a question from Mr. Connolly, Mr. Hill stated that DRPT will continue to pursue all avenues of additional federal funding.

In response to a question from Chairman Euille, Mr. Hill stated that the commonwealth is drafting a response to Alexandria's letter regarding access to Seminary Road. He stated that specific locations have not been looked at in detail.

In response to a question from Mr. Zimmerman, Mr. Hill stated that the bus-only lane modeling data will be shared with the Technical Advisory Committee at its next meeting. Preliminary results show that from a travel time perspective there would not likely be a travel time advantage for a transit-only lane. Mr. Zimmerman asked that the modeling results be made available to see how conclusions are drawn. He stated that the I-95/395 HOV Lane facility is a transit facility, built originally as a transit facility with federal funding, and has gradually over the years been turned over to cars, and now the state wants to turn it over to a private company to run it to benefit cars. If the state really wanted to improve transit, it would make transit more attractive and would designate transit-only lanes throughout Northern Virginia. Mr. Connolly stated that it is imperative to be clear on the value added proposition. The I-95 HOT Lanes project is different from the Beltway HOT Lanes. The Beltway project

adds value and service, while the I-95 project is an existing facility, so it's up to the proposer to convince the region that there will be a public benefit.

Tim Young from Fluor-Transurban gave a presentation on the development process of the project. Research shows that 60 percent of travelers support HOT lanes if they help relieve congestion, with the caveat that some of the revenues need to be used to improve transit. Senator Whipple asked what the region is doing wrong if transit and HOV riders are happy, while SOV drivers are miserable and their quality of life is degraded, but they will not switch to carpools or transit. Mrs. Bulova observed that some times the HOV lanes are just as clogged. Mr. Connolly stated that Senator Whipple's question is intriguing as to what it would take to modify their behavior. In response to a question from Senator Whipple, Mr. Young explained that gas price assumptions were not included in the modeling.

Jeff Cole of Fluor-Transurban gave an overview of the physical and operational aspects of the HOT lanes. The proposed 11-foot lanes (with nine foot shoulders) are not an uncommon width for urban areas. There will be six emergency pull-off areas (about every 1 – 1½ mile) inside the Beltway, which will allow for enforcement and emergency response, with 21 total along the Northern section. These areas are called enforcement bays. In response to a question from Delegate Ebbin, Mr. Hill stated that currently there are no enforcement bays along I-95.

Mr. Young stated that the goal is to maintain free-flowing conditions for all users (buses, carpools and customers) and the facility must maintain a flow of at least 45 m.p.h. When it goes below that, toll rates will go up. He also explained the technology of the transponder system. All users must have an E-Z Pass or a new switchable transponder. The transponder would allow users to conveniently switch between carpool and toll-paying options. It will be compatible with E-Z Pass and can be used on other toll roads in Virginia, although the HOV option would only apply to HOT lanes. The transponder will also have occupancy detection technology, which may be used in the future, that could indicate how many people are in the vehicle. In response to a question from Mr. Smedberg, Mr. Young explained the HOV enforcement measures: a license plate detection system captures license plate numbers and generates a violation for which a ticket will be mailed by the commonwealth. Delegate Ebbin stated that current legislation allows for toll road camera enforcement.

Mr. Snyder stated that it would be helpful to have relevant modeling regarding fuel cost assumptions to determine the impact of increased fuel prices. Mr. Young responded that currently this type of modeling does not exist because of its incredible complexity. He offered to followup with his staff on this issue. Mr. Snyder stated that he is impressed with the attention given to safety issues. He asked if there will be a formal review or independent risk assessment done by a consultant that affirms that a certain level of safety is achieved that is comparable to what the level would be with wider shoulders and incident management, so that it is no riskier or worse than the facility with full shoulders.

Mr. Young reviewed the continued opportunities for public input and offered to meet with other groups NVTC recommends.

NVTC Financial Report for November, 2007

The financial report was provided to commissioners. They had no questions or comments.

Next NVTC Meeting

Chairman Euille reminded commissioners that the February 7th meeting will be held in Richmond at 5:30 P.M.

Adjournment

On a motion by Mr. Snyder and a second by Senator Whipple, the commission unanimously voted to adjourn. Chairman Euille adjourned the meeting at 10:31 P.M.

Approved this 7th day of February, 2008.

William Euille
Chairman

Gerald Connolly
Secretary-Treasurer

NVTC Northern Virginia Transportation Commission

RESOLUTION #2085

SUBJECT: Designation of NVTC Signatories and Pension Trustees.

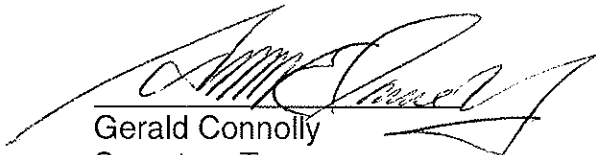
WHEREAS: The Honorable Gerald E. Connolly has been elected Secretary-Treasurer of NVTC for 2008; and

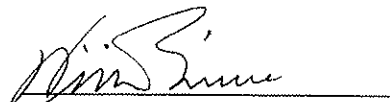
WHEREAS: NVTC desires that the person holding the office of Secretary-Treasurer be designated as an official signatory as well as a pension trustee.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby selects the following persons to serve as NVTC signatories (who are eligible to sign individually for any transaction of less than \$5,000 and with one other signatory for transactions of \$5,000 or greater) and the same individuals shall serve as NVTC employees' pension trustees.

Hon. Gerald E. Connolly	Secretary-Treasurer
Richard K. Taube	Executive Director
Scott C. Kalkwarf	Director of Finance and Administration

Approved this 3rd day of January, 2008.


Gerald Connolly
Secretary-Treasurer


William Euille
Chairman



4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
E-mail nvtc@nvtdc.org • Website www.thinkoutsidethecar.org

NVTC Northern Virginia Transportation Commission

RESOLUTION #2086

SUBJECT: FY 2009 VRE Budget and FY 2008 Budget Revisions.

WHEREAS: The VRE Master Agreement requires that the commissions be presented with a fiscal year budget for their consideration at their respective January meetings prior to the commencement of the subject fiscal year;

WHEREAS: The VRE Operations Board has recommended a budget prepared by the jurisdictional chief administrative officers task force in cooperation with VRE staff; and

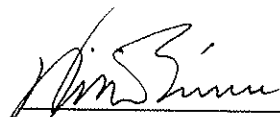
WHEREAS: The VRE Operations Board recommended the version of the FY 2009 budget that included \$21.35 million of HB 3202 funding while a version of that budget without the HB 3202 funding has also been prepared.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission approves the revised FY 2008 and proposed FY 2009 VRE Operating and Capital Budget recommended by the VRE Operations Board (including both the version that includes HB 3202 funding and the version that does not) and authorizes staff to forward the FY 2009 budget to the local jurisdictions for inclusion in their budgets in accordance with the Master Agreement.

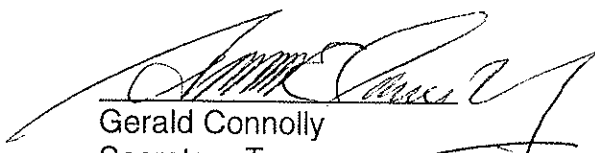
BE IT FURTHER RESOLVED that NVTC also authorizes the executive directors of both PRTC and NVTC to submit to the Transportation Planning Board of the National Capital Region and to the Federal Transit Administration or other federal agencies, the appropriate Transit Improvement Program and grant applications for FY 2008 and FY 2009.

BE IT FURTHER RESOLVED that NVTC also authorizes its executive director to submit to the commonwealth the approved budget as part of the FY 2009 VRE state aid grant applications.

Approved this 3rd day of January, 2008.



William Euille
Chairman



Gerald Connolly
Secretary-Treasurer



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NVTC Northern Virginia Transportation Commission

RESOLUTION #2087

SUBJECT: Extend CSXT Operating Agreement.

WHEREAS: The commission currently has an amended operating access agreement with CSXT relating to VRE operations in the Fredericksburg to Washington corridor, with said agreement ending on January 31, 2008;

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

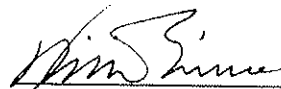
WHEREAS: An extension would allow time to negotiate and resolve the outstanding liability issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2008 budget to allow VRE to continue its operations over CSXT tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the existing agreement with CSXT to July 31, 2008.

Approved this 3rd day of January, 2008.


Gerald Connolly
Secretary-Treasurer


William Euille
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2088

SUBJECT: Extend Norfolk Southern Operating Agreement.

WHEREAS: The commission currently has an amended operating access agreement with Norfolk Southern related to VRE operations in the Manassas to Washington corridor, with said agreement ending on January 31, 2008;

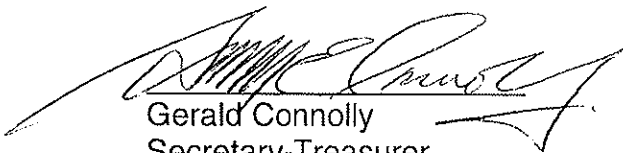
WHEREAS: VRE staff has reached an agreement in principle on many substantive items relating to a new agreement following detailed negotiation sessions with Norfolk Southern representatives;

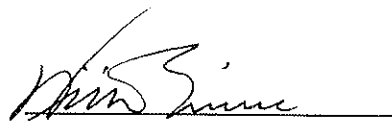
WHEREAS: An extension would allow time to negotiate and resolve the outstanding insurance issues relating to a new agreement; and

WHEREAS: Necessary funding has been incorporated into the FY 2008 budget to allow VRE to continue its operations over Norfolk Southern tracks via this contract extension.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to execute an extension of the existing agreement with Norfolk Southern to July 31, 2008.

Approved this 3rd day of January, 2008


Gerald Connolly
Secretary-Treasurer


William Euille
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2089

SUBJECT: Contract for Engineering/Environmental Services for the Gainesville/Haymarket Extension.

WHEREAS: On March 17, 2006, the Operations Board authorized issuing a Request for Proposals (RFP) for consulting services related to the Gainesville-Haymarket extension;

WHEREAS: This contract work will develop various design options, identify potentially affected environments, define the general scope of work and formulate a project cost estimate and time line;

WHEREAS: On August 10, 2007, three proposals were received and Vanasse Hangen Brustlin (VHB) was selected by a staff committee;

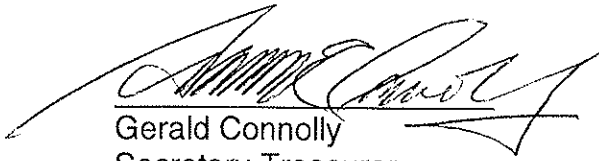
WHEREAS: This contract is being funded from both a state Rail Enhancement Fund grant and a Congestion Mitigation Air Quality (CMAQ) grant; and

WHEREAS: Matching funds for the Rail Enhancement Fund grant are being loaned to VRE by Prince William County until such time as the money is available from HB3202 regional funds.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to Vanasse Hangen Brustlin, Inc. for engineering and environmental services for the Gainesville-Haymarket Extension project in the amount of \$1,397,338, plus a contingency of \$140,000, for a total amount not to exceed \$1,537,338.

BE IT FURTHER RESOLVED THAT the contract will not be executed until the Rail Enhancement grant is fully executed, including receipt of the local match from Prince William County.

Approved this 3rd day of January, 2008.


Gerald Connolly
Secretary-Treasurer


William Euille
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2090

SUBJECT: Contracts for General Engineering Services.

WHEREAS: General engineering needs for VRE include civil project work, technical report writing and research and planning;

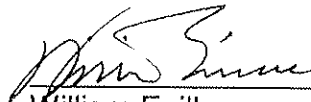
WHEREAS: Existing GEC contracts will expire on April 10, 2008 and the total authorization limit of \$5,000,000 is close to being reached;

WHEREAS: Six proposals were received on October 4, 2007 and an evaluation committee was formed to evaluate them; and

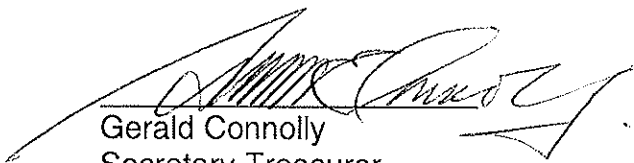
WHEREAS: HDR Engineering, Inc, DMJM HARRIS and STV/ Ralph Whitehead Associates have been recommended for award.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes VRE's Chief Executive Officer to award general engineering consulting service contracts to HDR Engineering, Inc; DMJM HARRIS; and STV/ Ralph Whitehead Associates. The terms of the contract call for shared authorization for a period no longer than five years and an amount not to exceed \$5,000,000.

Approved this 3rd day January, 2008.



William Euille
Chairman



Gerald Connolly
Secretary-Treasurer



NVTC Northern Virginia Transportation Commission

RESOLUTION #2091

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

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

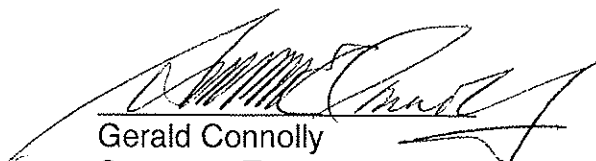
WHEREAS: On October 31, 2002, the system was accepted and maintenance support began;

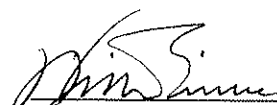
WHEREAS: The current maintenance agreement is set to expire on January 31, 2008; and

WHEREAS: VRE needs to keep its fare collection system in serviceable condition to ensure there is coverage during the entire service day.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to amend the Scheidt & Bachmann (S&B) contract to add one year of maintenance services, with the option for two one-year renewals, in an amount not to exceed \$1,782,840, plus a contingency of \$20,000, for a total contract value not to exceed \$6,193,773.

Approved this 3rd day of January, 2008.


Gerald Connolly
Secretary-Treasurer


William Euille
Chairman





RESOLUTION #2092

SUBJECT: Amendments to VRE's Insurance Management Agreement.

WHEREAS: NVTC and PRTC established the Commuter Rail Liability Insurance Plan ("Insurance Plan") in 1989;

WHEREAS: The Insurance Plan is administered by the Commonwealth of Virginia's Division of Risk Management (DRM) and provides for the indemnification obligations accepted by the commissions in agreements with VRE's host railroads;

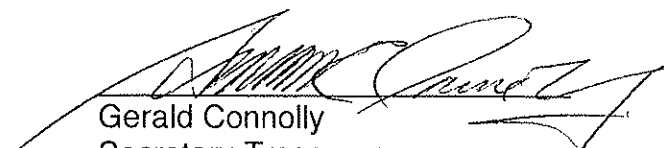
WHEREAS: Amendments to the Insurance Fund Agreement and Liability Insurance Plan were recommended by the Operations Board and approved by the commissions last month; and

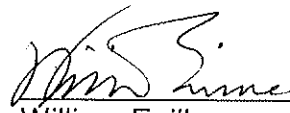
WHEREAS: Changes to the Management Agreement for administration of the Liability Insurance Plan have now been agreed to by DRM.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission approves the Amended and Restated Management Agreement for administration of the Liability Plan for Commuter Rail Services.

BE IT FURTHER RESOLVED THAT NVTC authorizes its chairman to execute the agreement.

Approved this 3rd day of January, 2008.


Gerald Connolly
Secretary-Treasurer



William Euille
Chairman



NVTC Northern Virginia Transportation Commission

RESOLUTION #2093

SUBJECT: Authorization to Apply for Federal Grant Funds for Arlington County.

WHEREAS: The Northern Virginia Transportation Commission is eligible to apply for, receive and manage federal transit grants;

WHEREAS: NVTC, as a service to its member jurisdictions, can also apply for, receive and manage federal transit grants on behalf of those members;

WHEREAS: The Federal Transit Administration (FTA) requires grant recipients to comply with all grant requirements, including a certification from the Department of Labor regarding labor protection (Section 13(c)); and

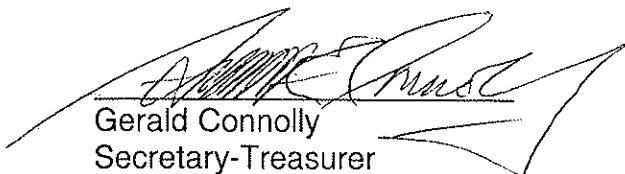
WHEREAS: Staff of Arlington asked NVTC to apply for federal transit funds and indicated that Arlington is willing to protect NVTC against any and all 13(c) labor protection claims and related expenses using state transit assistance funds held in trust by NVTC.

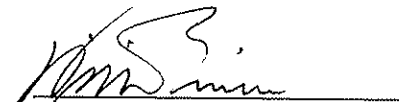
NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission authorizes its executive director to apply to FTA for transit funding and complete all required certifications on behalf of Arlington County for \$2.9 million of earmarked federal funds.

BE IT FURTHER RESOLVED that NVTC authorizes its staff to amend the commission's 2008 approved work program to include these grant applications.

BE IT FURTHER RESOLVED that NVTC authorizes its executive director as trustee of state transit assistance received by Arlington at NVTC, to use funds from Arlington's account at NVTC and/or from future receipts of such funds, to pay any and all expenses arising from 13(c) labor protection claims and related costs (including legal fees) associated with this federal grant, after first informing Arlington and providing appropriate documentation of the expenses.

Approved this 3rd day of January, 2008.


Gerald Connolly
Secretary-Treasurer


William Euille
Chairman





Agenda Item #3

TO: Chairman Eulle and NVTC Commissioners
FROM: Scott Kalkwarf and Rick Taube
DATE: January 31, 2008
SUBJECT: Joint Procurement of NVTC/ VRE Auditors

Requested Action

The NVTC/ VRE contract for auditing services with PBGH, LLP expired with the audit of the FY 2007 financial statements. This contract was entered into during April 2003 for a period of three years, with the option of one additional two-year period, which was exercised. NVTC is asked to authorize staff to issue a Request for Proposals for auditing services covering NVTC, NVTC's pension plan and VRE.

The Northern Virginia Transportation Authority (and potentially other agencies) would have the option of ordering services from the selected firm in accordance with the pricing, terms and conditions of the agreement with NVTC. If NVTA chooses to do so, it would have its own separate contract, including scope of services, issuance of purchase orders, invoices and payments. The selected firm is not required to offer such services, however.

Reasons for Requesting Competitive Proposals

NVTC staff recently polled member jurisdictions about their policies and practices regarding auditing services. The jurisdictions largely follow the recommendations of the Government Finance Officers Association (GFOA). The GFOA's recommended practices for audit services procurement includes the recommendation to enter into multiyear agreements of at least five years in duration. Such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the audit. Multiyear agreements can also help to reduce audit costs by allowing auditors to recover certain "start-up" costs over several years, rather than over a single year. At the conclusion of the contract, a competitive procurement process is recommended whereby participation of all qualified firms, including the current auditors, is sought.



While auditor independence may be enhanced by required auditor rotation at the end of the audit contract as is often done in the private-sector, the GFOA recognizes the frequent lack of competition among audit firms fully qualified to perform public-sector audits and meeting a government's unique selection criteria. Accordingly, the GFOA does not recommend the mandatory rotation of auditors. The GFOA further recommends that the audit procurement process should be structured so that the principal factor in the selection of an auditor is the auditor's ability to perform a quality audit.

Schedule

It is expected that the RFP will be issued in early February, with proposals due in early March, and a contract awarded in April. This will allow time for the selected firm properly to plan and staff the engagement so that the audit may be conducted in the most efficient and effective manner. Following the GFOA's recommendations, the RFP will state that NVTC and VRE desire to enter into a multiyear contract, specifically a three-year contract with the option to extend for two additional two-year periods.

Selection Process

NVTC and VRE will enter into separate contracts, but will do so with the mutually selected firm. This will allow NVTC's and VRE's audit committees to evaluate performance of the auditor independently. A selection committee will be established to rate the proposing firms and ultimately make a recommendation to the audit committees. Members of the selection committee will be responsible for reviewing and rating all proposals received. Committee members will also need to be available for interviews and oral presentations of the top rated firms. The selection committee will be made up of individuals with a complete understanding of NVTC and VRE's operations and activities, as well as the specific audit and reporting requirements we must follow. It is also important that the members are familiar with current auditing standards, an understanding of various audit approaches and procedures, and experience dealing with a variety of auditing firms and personnel. Members possessing these qualities will allow the committee to best assess the proposing firms' ability to perform a quality audit of NVTC and VRE, which the GFOA states should be the principal factor in the selection of an auditor. The selection committee will be comprised of financial staff from NVTC, VRE, PRTC and DRPT.

Funding

Funds for this procurement will be reserved in NVTC's and VRE's annual operating budgets.

Agenda Item #4

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube
DATE: January 31, 2008
SUBJECT: VRE Items

- A. Report from VRE's Operations Board and Chief Executive Officer—Information Item.
- B. Locomotive Manufacturing Contract Award—Action Item/ Resolution #2094.
- C. VRE Locomotive Construction Engineering and Inspection—Action Item/ Resolution #2095.
- D. Sale of 10 Gallery Cars—Action Item/ Resolution #2096.



Item 4A**Report from VRE's Operations Board and Chief Executive Officer**

A copy of the minutes of the VRE Operations Board meeting of January 18, 2008 is attached for your information. Also attached are excerpts from the report of VRE's CEO, describing ridership, on-time performance and financial results.

The VRE Operations Board's officers and members for 2008 are listed on another attachment. The board acted to set public hearings on a fare increase for FY 2009 and to inform the public that the board is considering adopting a policy for fare indexing. A copy of a briefing on the subject of fare indexing is also attached.

Finally, a notice is provided describing the tentative settlement between Amtrak and nine labor organizations. The settlement averted a strike that could have put VRE out of service and seriously disrupted commuting in this region and in many other metropolitan areas.



CHIEF EXECUTIVE OFFICER'S REPORT

January 2008

MONTHLY DELAY SUMMARY

	September 07	October 07	November 07	December 07
System wide				
Total delays	66	63	56	75
Average length of delay (mins.)	25	18	17.8	19.4
Number over 30 minutes	20	11	9	12
Days with Heat Restrictions/Total days	0/19	0/22	0/19	0/20
On-Time Performance	88%	90.10%	89.80%	86.50%
Fredericksburg Line				
Total delays	33	29	28	36
Average length of delay (mins.)	22	16	21.4	17.4
Number over 30 minutes	8	4	6	5
On-Time Performance	86.6%	89.90%	88.70%	85.60%
Manassas Line				
Total delays	33	34	28	39
Average length of delay (mins.)	28	20	13.8	21.2
Number over 30 minutes	12	7	3	7
On-Time Performance	89.1%	90.30%	90.80%	87.20%

SYSTEM RIDERSHIP

Ridership increased 5.1% when December 2006 ridership is compared to December 2007. This is the sixth consecutive month of growth. During the first six months of FY 2008, the cumulative ridership has climbed 3.0%. There are now 50,711 more passenger trips than there was a year ago.

The on-time performance is hovering in the high 80's on each line. CSX, Amtrak, and VRE are collectively dedicated to achieving at least 90% on both lines. It is proving difficult with minor delays on both sides. In December, we had 17 mechanical delays with an average individual delay length of 21.0 minutes. This is above my targeted goal of 11.3 delays with an average delay length of 17.5 minutes. I'll continue to work diligently at reducing both the number of mechanical delays and their length.

EQUIPMENT UPDATE

The first five cars from the 50-car Gallery option cars entered revenue service on December 19th on trains 330, 327, 337 and 338. The second set of five cars will be shipped on January 16th and will be put into revenue service by January 30th. I expect the third 5 car shipment to occur in mid-February.

In addition, I expect to receive delivery of the three leased locomotives in February, which will provide us more locomotive flexibility by ensuring that protect locomotives are at all yards and permit more time for locomotive maintenance. Lastly, the last Sounder consist of six coaches and one locomotive will be returned to Seattle in March. The consist will be replaced with a consist of six new Gallery coaches.

UPDATE ON AMTRAK STRIKE POTENTIAL

The five-member Presidential Emergency Board (PEB) made its recommendations to settle a labor dispute between Amtrak and eight of its labor unions. The report was delivered on December 30th to the White House, which publically released that report on January 3rd.

As provided in the Railway Labor Act, the two sides must now preserve the status quo until January 30th while each side studies the recommendations for settlement, which are not binding. If no resolution and no extension of the cooling off period is agreed to or imposed, unions may strike or Amtrak may unilaterally impose a lock out or rule and working condition changes. Therefore, the deadline for action by either group will be the end of January.

Amtrak is carefully reviewing the recommendations of the PEB regarding the issues brought before the PEB by Amtrak and the eight unions representing a portion of Amtrak's employees. Amtrak's concern has always been the railroad's ability to make pay increases retroactive and to achieve efficiencies through work rule reform, and they will be looking closely at the recommendations particularly as they relate to these issues.

I will brief you on VRE contingency plans at the January 18th Operations Board meeting. I will participate in an Amtrak conference call on January 15th and continue to keep you apprised of any developments that occur on this matter.

MANASSAS PARKING GARAGE STATUS

The site work has been completed and foundations are about 50% complete. Precast concrete delivery is expected in early March, at which time the structure will begin to take shape. It is expected that the garage will be opened in the summer of 2008.

BURKE STATION PARKING GARAGE STATUS

Fairfax County reports that the garage structure is nearing completion. The platform extension has been completed and the new canopy is expected to be complete by the end of January. At that time an additional 80 feet of platform will be opened for use. The garage is expected to be opened early this summer, while the remaining work on the access road and new kiss and ride is being completed.

BROOKE STATION PARKING EXPANSION

At the request of Stafford County, VRE will be conducting an environmental assessment and preliminary design of a parking expansion project at the Brooke VRE station. This additional parking will provide much needed capacity. The current parking facility has 431 parking

spaces, and is at/or near capacity each work day. VRE received notification on December 20th that CMAQ (Congestion and Mitigation Air Quality) funding would be made available to VRE for the environmental and initial design work. This work is estimated to cost \$275,000. Though it will take some time for the environmental work at Brooke to be completed, VRE is committed to bringing more parking to the riders of VRE.

INCREASED COST FOR TLC PASS

Due to a recent increase in Metrorail's fares, the cost of the Transit Link Card (TLC) passes will be increased by \$25.00. This change in fare will be effective starting for the month of February. February TLC's went on sale January 10, 2008.

EMERGENCY RESPONSE VIDEO

A seventeen minute Emergency Response Video has been produced to train emergency responders on critical details of VRE equipment. Professional fire fighters and police officers from various jurisdictions volunteered to reenact events to demonstrate what procedures to follow in the event of a derailment, fire, terrorist attack or other potential emergency. This educational DVD will be widely distributed to all fire and rescue and police departments in participating VRE jurisdictions. Copies will be provided to the Operations Board members.

MONTHLY PERFORMANCE MEASURES – DECEMBER 2007

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
December Fredericksburg OTP Average	85.6%
December Manassas OTP Average	87.2%
VRE DECEMBER OVERALL OTP AVERAGE	86.5%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2008 Passenger Totals	1,731,041
VRE FY 2007 Passenger Totals	1,680,330
PERCENTAGE CHANGE	3.0%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	MONTHLY RIDERSHIP
DECEMBER 2007	245,720
DECEMBER 2006	233,766 (Adjusted)
PERCENTAGE CHANGE	5.1%
SERVICE DAYS (CURRENT/PRIOR)	18.5/20

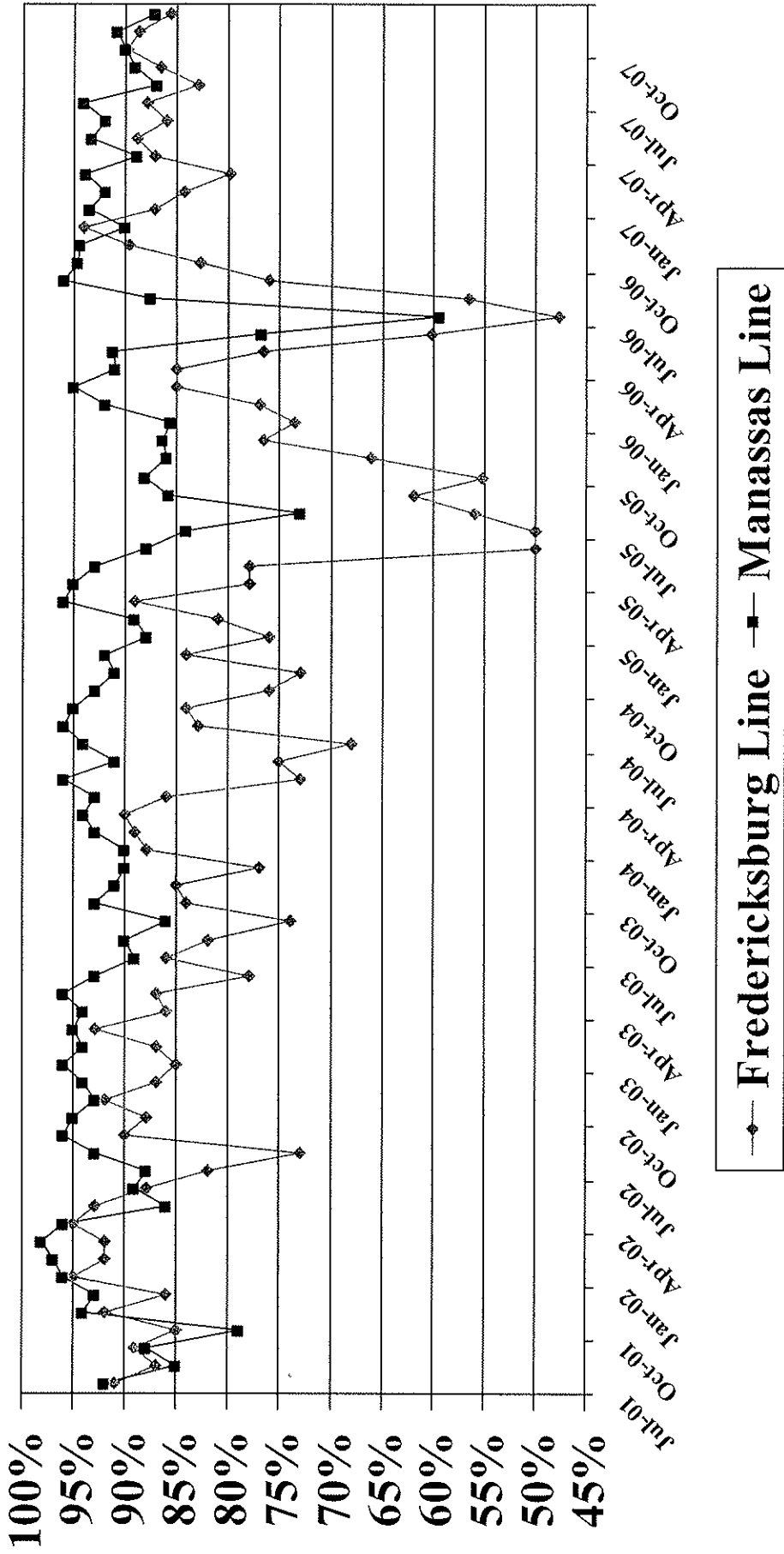
Monthly Ridership and OTP: December 2007

Date	Manassas AM	Manassas PM	Total Manassas	Actual OTP TD	Fred'burg AM	Fred'burg PM	Fred'burg Total	Actual OTP TD	Total Trips	Actual OTP TD
1										
2										
3	3,576	3,517	7,093	75%	3,882	3,906	7,788	85%	14,881	79%
4	3,510	3,387	6,897	88%	3,933	3,990	7,923	85%	14,820	86%
5	3,650	3,718	7,368	69%	3,979	4,693	8,672	85%	16,040	76%
6	3,434	3,369	6,803	75%	3,978	4,021	7,999	62%	14,802	69%
7	2,935	2,944	5,879	69%	3,837	3,951	7,788	77%	13,667	72%
8										
9										
10	3,581	3,317	6,898	100%	3,845	3,933	7,778	92%	14,676	97%
11	3,715	3,602	7,317	100%	4,025	4,059	8,084	92%	15,401	97%
12	3,818	3,164	6,982	75%	3,951	4,106	8,057	77%	15,039	76%
13	3,534	3,425	6,959	100%	3,883	4,040	7,933	100%	14,892	100%
14	3,278	3,198	6,476	100%	3,413	3,644	7,057	100%	13,533	100%
15										
16										
17	3,419	3,287	6,706	100%	3,675	3,893	7,568	100%	14,274	100%
18	3,489	3,314	6,813	94%	3,669	3,959	7,638	92%	14,451	93%
19	3,292	3,356	6,648	63%	3,717	4,062	7,779	62%	14,427	62%
20	3,112	3,095	6,207	94%	3,391	3,892	7,283	92%	13,490	93%
21	2,526	2,394	4,920	81%	2,849	3,449	6,298	92%	11,218	86%
22										
23										
24*	115	109	224	100%	200	202	402	100%	626	100%
25										
26	1,338	1,427	2,765	88%	1,930	1,933	3,863	85%	6,628	86%
27	1,532	1,805	3,437	94%	2,807	2,316	5,123	92%	8,560	93%
28	1,450	1,822	3,272	94%	2,444	2,131	4,575	69%	7,847	83%
29										
30										
31*	1,084	1,059	2,143	100%	1,348	1,255	2,603	75%	4,746	88%
	56,498	55,309	111,807	87%	64,766	67,445	132,211	86%	244,018	86%
	Adjusted total:		109,461		Adjusted Total:		130,235	Adjusted Total:	239,696	
	# of Service Days:		18		Total Trips This Month:		245,068	Adjusted Total:	239,696	
	Manassas Daily Avg. Trips:		5,590	Adjusted Avg.:	Prior Total FY-2008:		1,485,973			
	Fred'burg Daily Avg. Trips:		5,611	Adjusted Avg.:	Total Trips FY-2008		1,731,041			
	Total Avg. Daily Trips:		12,201	Adjusted Avg.:	Total Prior Years:		36,969,773			
					Grand Total:		38,700,814			

Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days. * designates "S" schedule day

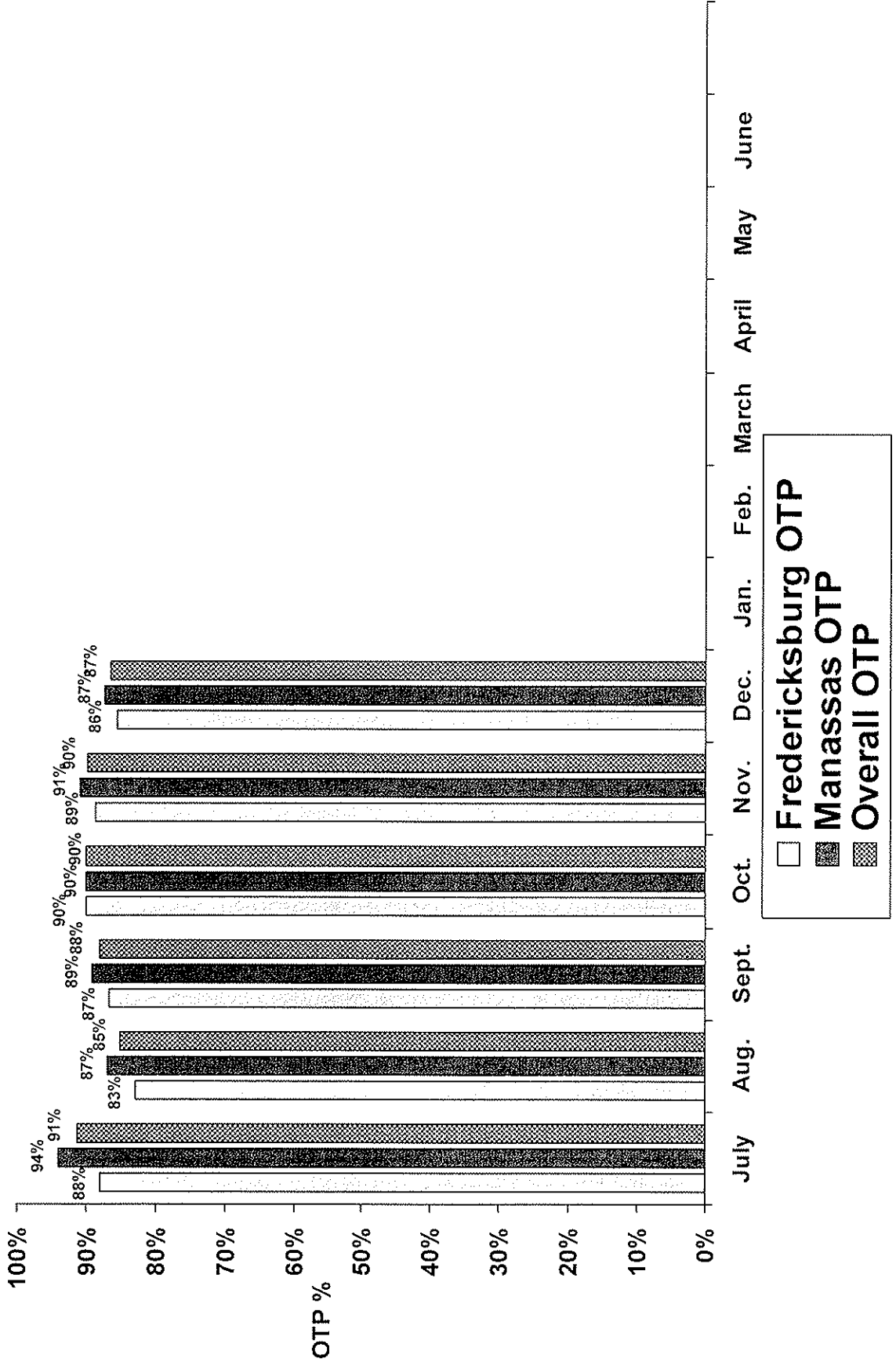
On-Time Performance

July 2001 – December 2007



Average On-Time Performance

FY-2008



FINANCIAL STATISTICS FOR DECEMBER 2007

Copies of the December 2007 Operating Budget Report are attached.

Fare income for the month of December 07 was \$102,101 below the budget – an unfavorable variance of 6.27%. The cumulative variance for the year is 0.67% or \$70,752 below the budget. This negative variance is generally in line with current projections and reflects the anticipated gradual increase in ridership. Revenue in the first six months of FY 2008 is up 9.0% over FY 2007.

A summary of the financial results (unaudited) as of December 2007 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report.

Measures		Goal	Actual	Trend
Operating Ratio		55%	66%	↑
Budgeted Revenue	61,499,872			
Budgeted Revenue YTD	28,850,138			
Actual Revenue YTD	28,960,808			
Cumulative Variance	110,670		110,670	↑
Percent Collected FY 07 YTD		46.91%	47.09%	
Budgeted Expenses	61,499,872			
Budgeted Expenses YTD	30,811,387			
Operating Expenses YTD	30,674,143			
Cumulative Variance	137,244		137,244	
Percent Collected FY 07 YTD		50.10%	49.88%	↑
Net Income (Loss) from Operations			247,914	↑

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2007 OPERATING BUDGET REPORT
 December 2007

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE \$	YTD VARIANCE %	TOTAL FY08 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	1,525,823	1,627,924	10,467,912	10,538,664	(70,752)	-0.7%	21,334,369
Equipment Rental and Other	7,759	39,204	75,891	100,960	(25,069)	-24.8%	513,775
Subtotal Operating Revenue	1,533,582	1,667,127	10,543,803	10,639,624	(95,821)	-0.9%	21,848,144
Jurisdictional Subsidy (1)	-	-	6,389,596	6,389,596	-	0.0%	12,518,448
Federal/State Subsidy	1,941,368	1,952,653	11,869,172	11,715,919	153,254	1.3%	26,923,280
Appropriation from Reserve	-	-	-	-	-	0.0%	-
Interest Income	23,512	17,500	158,237	105,000	53,237	50.7%	210,000
Total Operating Revenue	3,498,462	3,637,281	28,960,808	28,850,138	110,670	0.4%	61,499,872
OPERATING EXPENSES							
Departmental Operating Expenses	3,523,613	3,503,305	20,002,518	20,203,464	200,946	1.0%	43,866,359
Debt Service	910,031	879,974	5,493,867	5,415,854	(78,014)	-1.4%	12,409,373
Insurance	210,000	210,000	5,160,000	5,160,000	-	0.0%	5,160,000
Other Non-Departmental Expenses	-	(168,321)	17,758	32,070	14,312	44.6%	64,140
Total Operating Expenses	4,643,644	4,424,957	30,674,143	30,811,387	137,244	0.4%	61,499,872
NET INCOME (LOSS) FROM OPERATIONS	(1,145,182)	(787,677)	(1,713,335)	(1,961,249)	247,914		0
CALCULATED OPERATING RATIO							
						66%	

(1) Total jurisdictional subsidy is \$13,379,154. Portion shown is attributed to Operating Fund only.

VRE BOARD MEMBERS

<u>Alexandria City</u>	
<u>Member</u>	<u>Alternate</u>
Paul C. Smedberg	Timothy B. Lovain
<u>Arlington County</u>	
<u>Member</u>	<u>Alternate</u>
Christopher Zimmerman	Jay Fisette
<u>Fairfax County</u>	
<u>Members</u>	<u>Alternate</u>
Sharon Bulova	Jeff McKay
Patrick Herrity	
<u>Fredericksburg</u>	
<u>Member</u>	<u>Alternate</u>
Marvin J. Dixon	Matthew J. Kelly
<u>Manassas</u>	
<u>Member</u>	<u>Alternate</u>
Douglas S. Waldron	Marc Aveni
<u>Manassas Park</u>	
<u>Member</u>	<u>Alternate</u>
Frank C. Jones	Bryan Polk
<u>Prince William County</u>	
<u>Members</u>	<u>Alternates</u>
Maureen S. Caddigan	Michael C. May
W.S. "Wally" Covington	Martin E. Nohe
John D. Jenkins	John Stirrup
<u>Stafford County</u>	
<u>Members</u>	<u>Alternates</u>
Paul V. Milde	TBD
George H. Schwartz	TBD
<u>VDRPT</u>	
<u>Member</u>	<u>Alternate</u>
Kevin Page	Matthew Tucker

Discussion of Indexing and Fare Policy

January 18, 2008

Background

- Operations Board requested briefing on indexing future fare increases
- Approach Used – look back, then forward:
 - Calculated actual fare and subsidy increases for prior years
 - Compared increases to AAR and CPI indices
 - Determined actual funding needed for next six years
 - Compared increase to AAR and CPI indices



Indices Used

- Indices used:
 - Association of American Railroads (AAR)
 - QMPW Index - measures increases in materials, supplies, fuel, wages and benefits for the freight railroads.
 - CPI: Consumer Price Index – All Urban Customers, U.S. Transportation only

Index Information

FY 2004 – FY 2007

Period	AAR	CPI
2003	3.5%	3.1%
2004	6.5%	3.5%
2005	18.2%	6.6%
2006	-5.0%	4.0%
2007	13.3%	1.6%*
Average Increase	8.31%	3.75%
*Estimated annual index		

Actual Fares and Subsidy

FY 2003 – FY 2007

Fiscal Year	Fare Revenue	Subsidy	Total	Inc
FY 2003	\$15.0M	\$5.8M	\$20.8M	
FY 2004	16.9M	6.4M	23.3M	11.9%
FY 2005	19.5M	6.4M	25.8M	10.8%
FY 2006	19.5M	6.9M	26.3M	2.0%
FY 2007	19.7M	8.8M	28.5M	8.2%
Percent Increase	6.9%	11.2%	8.2%	
Fare Increase	3.75%			
Ridership Growth	3.15%			

Average fare increase equal to CPI index for past five years
 Subsidy increase has been greater than CPI and AAR indices
 Total fare and subsidy increase close to AAR increase



VRE Budget Process

- VRE's Six Year Plan
 - Required by Master Agreement
 - Done as part of the annual budget process
 - Estimates:
 - Number of trains
 - Ridership levels
 - Federal and state funding levels
 - Capital requirements
- Provides snapshot of the future

Six Year Plan Projections

FY 2009 – FY 2014

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Number of Trains	30	32	32	34	34	34
Annual Ridership	3.7M	3.8M	3.9M	4.0M	4.1M	4.2M
Fare Revenue	\$21.5M	\$22.3M	\$23.6M	\$24.5M	\$25.3M	\$26.1M
Ave Fare	5.87	5.87	5.87	5.87	5.87	5.87
Fare and Subsidy	\$38.8M	\$41.3M	\$41.5M	\$44.1M	\$44.7M	\$46.3M
Add'l Fare/Subsidy Needed		\$2.5M	\$0.2M	\$2.6M	\$0.6M	(\$1.6M)
Average Annual Increase = 3.63%						

Assumptions:

Fares held constant

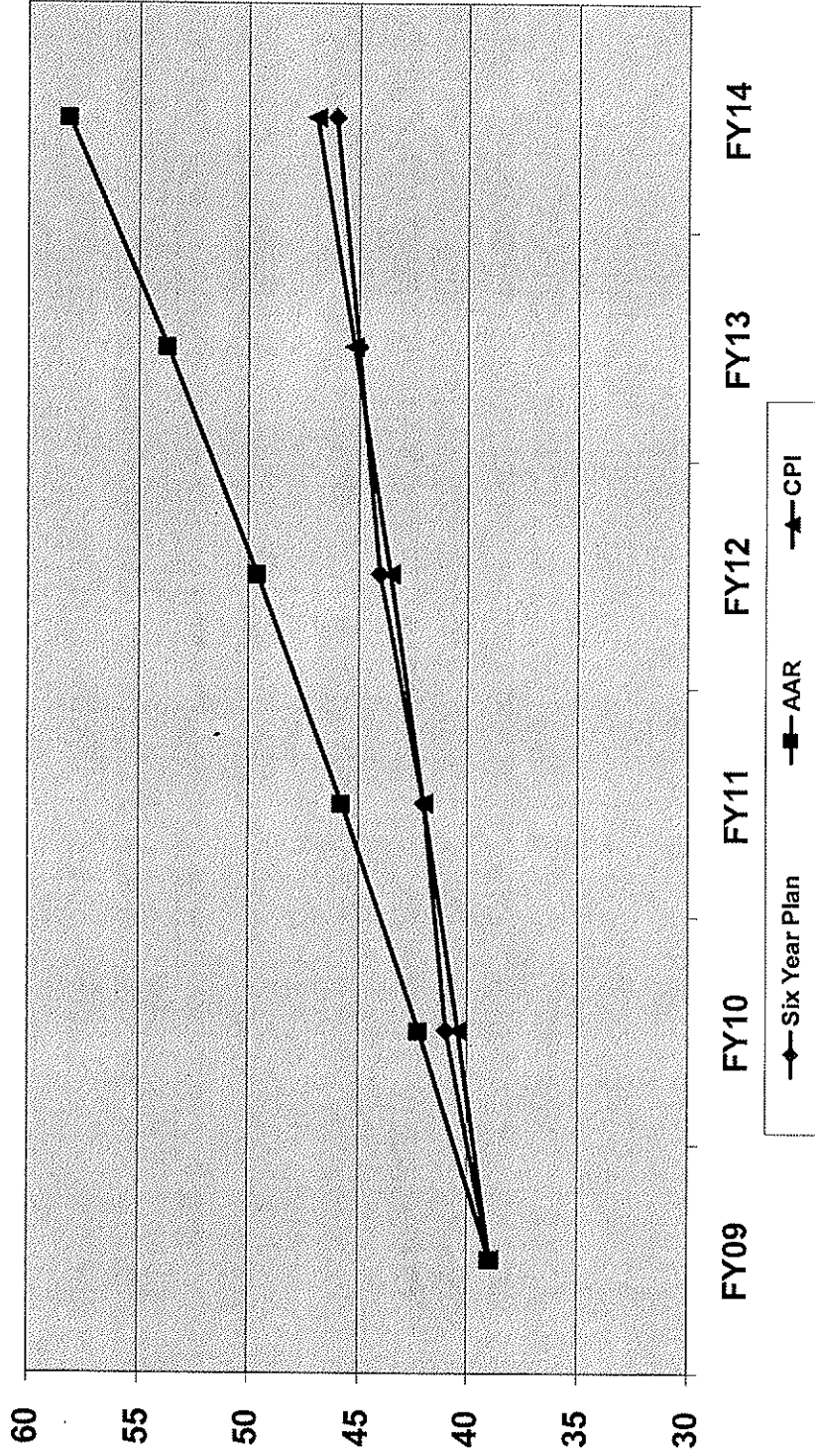
Subsidy held constant at \$17.3 million

Ridership growth estimated – goes from 3.7M to 4.2M riders

Federal and state funding estimated

Funding requirements estimated to be less than the past

Six Year Plan Compared with AAR and CPI Indices



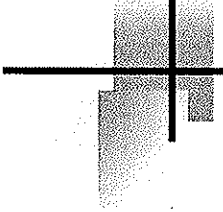


Conclusions

- A consistent approach to fare and subsidy increases is beneficial to both riders and jurisdictions.
- Due to grant fluctuations and other unknowns, VRE has a large variability in costs from year to year.
- Fare revenue increases are a combination of ridership growth and fare rate increases – must consider impact of rate increases on ridership.

Recommendations

- Develop an indexing policy that would:
 - Be adjusted year-to-year as part of budget process based on six-year plan
 - Use a range of between 3.5%– 3.75% annually
 - Consider annual vs. biannual fare increases
 - Consider managing year to year variability by adjusting annual subsidy levels



Questions?

Rick Taube

From: Dale Zehner [dzehner@vre.org]
Sent: Friday, January 18, 2008 12:58 PM
To: Rick Taube; aharf@omniride.com
Cc: Steve MacIsaac
Subject: FW: AMTRAK AND LABOR ORGANIZATIONS SIGN TENTATIVE AGREEMENT, AVERTING A STRIKE - ATK-08-004

For your information.

Dale

From: Bourne, Frances [mailto:BourneF@amtrak.com]
Sent: Fri 1/18/2008 11:18 AM
To: Bourne, Frances
Subject: FW: AMTRAK AND LABOR ORGANIZATIONS SIGN TENTATIVE AGREEMENT, AVERTING A STRIKE - ATK-08-004

From: Amtrak Media Relations
Sent: Friday, January 18, 2008 11:09 AM
To: Amtrak Media Relations
Subject: AMTRAK AND LABOR ORGANIZATIONS SIGN TENTATIVE AGREEMENT, AVERTING A STRIKE - ATK-08-004

FOR IMMEDIATE RELEASE
January 18, 2008

ATK-08-004
Contact: Media Relations
202 906.3860

AMTRAK AND LABOR ORGANIZATIONS SIGN TENTATIVE AGREEMENT, AVERTING A STRIKE

Pact requires rank-and-file ratification

WASHINGTON -- Amtrak and representatives of nine labor organizations that were legally free to strike January 30, 2008, today signed a tentative agreement that keeps the national passenger railroad and numerous commuter railroads that are dependent on Amtrak and its facilities in full operation. The National Mediation Board had released the parties from mediation on November 1, 2007, and a Presidential Emergency Board handed down recommended settlement terms December 30.

Details of the tentative pact will be sent to the affected union members for their ratification vote

1/18/2008

during the next several weeks and will be withheld from public release until the ratification process has begun.

Amtrak President and CEO Alex Kummant said, "Investing in the railroad comes in many forms, and one of the best ways is to invest in its people, which we've done with this tentative agreement. I want to thank the leadership of the labor organizations. It has not been easy for any of us, and I know they share our sense of relief and resolve to move forward in a productive and cooperative spirit to provide excellent passenger rail service. The Amtrak Board of Directors, management and labor are now united in that single purpose. By reaching these tentative agreements, we have averted a possible strike that could have had a crippling effect on the lives of millions of Americans."

The labor organizations that signed the tentative agreements today are as follows:

- 1) Brotherhood of Maintenance of Way Employes
- 2) International Brotherhood of Electrical Workers
- 3) International Association of Machinists & Aerospace Workers
- 4) Brotherhood of Railroad Signalmen
- 5) Joint Council of Carmen, Helpers, Coach Cleaners and Apprentices
- 6) American Train Dispatchers Association
- 7) National Conference of Firemen & Oilers/Service Employees International Union
- 8) American Railway & Airline Supervisors Association (Maintenance of Equipment; Maintenance of Way)



COMMONWEALTH of VIRGINIA

MATTHEW O. TUCKER
DIRECTOR

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
1313 EAST MAIN STREET, SUITE 300
P.O. BOX 590
RICHMOND, VA 23218-0590

(804) 786-4440
FAX: (804) 786-7286
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

January 11, 2008

Mr. Dale Zehner
Chief Executive Officer
Virginia Railway Express
1500 King Street, Suite 202
Alexandria, Virginia 22314-2730

Dear Dale:

I understand that VRE is in the process of developing contingency plans to mitigate a potential strike of Amtrak employees. As you are aware, a potential disruption of VRE service could have long term negative ridership impacts. Accordingly, I want to offer our assistance in developing a ridership contingency plan that would ensure that effective communication occurs with VRE customers and that a transportation plan is developed that would support the continued use of transit by VRE customers.

Please feel free to contact me or Kevin Page, Chief of Rail Transportation, if we can assist in your planning efforts.

Sincerely,

A handwritten signature in black ink that reads 'Matt O. Tucker'.

Matthew O. Tucker

- c: Honorable Pierce R. Homer, Secretary of Transportation
 Honorable Christopher Zimmerman, Northern Virginia Transportation Authority
 ✓ Honorable William D. Euille, Northern Virginia Transportation Commission
 Honorable Frances C. Jones, Potomac & Rappahannock Transportation Commission



**VIRGINIA RAILWAY
EXPRESS**

MINUTES

**VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
JANUARY 18, 2008**

BOARD MEMBERS

**JOHN JENKINS
CHAIRMAN**

**SHARON BULOVA
VICE-CHAIRMAN**

**CHRIS ZIMMERMAN
TREASURER**

**PAUL MILDE
SECRETARY**

**MAUREEN CADDIGAN
WALLY COVINGTON
MARV DIXON
PATRICK HERRITY
FRANK JONES
KEVIN PAGE
GEORGE SCHWARTZ
PAUL SMEDBERG
DOUG WALDRON**

ALTERNATES

**MARC AVENI
JAY FISETTE
MATT KELLY
TIMOTHY LOVAIN
MICHAEL MAY
JEFF MCKAY
MARTIN NOHE
BRYAN POLK
JOHN STIRRUP
MATT TUCKER**

**DALE ZEHNER
CHIEF EXECUTIVE
OFFICER**

1500 King Street, Suite 202
Alexandria, VA 22314-2730
(703) 684 – 1001
FAX: (703) 684 – 1313
Web Site: www.vre.org

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Marvin J. Dixon (PRTC)	City of Fredericksburg
John D. Jenkins (PRTC)	Prince William County
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)*	Stafford County
Paul Smedberg (NVTC)	City of Alexandria
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)	Prince William County
Patrick Herrity (NVTC)	Fairfax County
Frank C. Jones (PRTC)	City of Manassas Park
Doug Waldron (PRTC)	City of Manassas

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Jay Fiset (NVTC)	Arlington County
Matthew Kelly (PRTC)	City of Fredericksburg
Timothy Lovain (NVTC)	City of Alexandria
Michael C. May (PRTC)	Prince William County
Jeff McKay (NVTC)	Fairfax County
Martin E. Nohe (PRTC)	Prince William County
Bryan Polk (PRTC)	City of Manassas Park
John Stirrup (PRTC)	Prince William County
Matthew Tucker	DRPT

STAFF AND GENERAL PUBLIC	
Donna Boxer – VRE	Steve MacIsaac – VRE counsel
John Duque – VRE	Betsy Massie – PRTC staff
Jeremy Flores – VRE	Peyton Onks – Sup. Herrity's office
Dan Gentz – Washington Post	Dick Peacock – citizen
Anna Gotthardt – VRE	Mark Roeber – VRE
Al Harf – PRTC staff	Lynn Rivers – Arlington County
Ann King – VRE	Brett Shorter – VRE
Mike Lake – Fairfax County	Jennifer Straub – VRE
Dennis Larson – VRE	Rick Taube – NVTC staff
Bob Leibbrandt – Prince William County	Sara Wolfenden-Stafford
April Maguigad – VRE	Dale Zehner – VRE

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

Chairman Jenkins called the meeting to order at 9:38 A.M. Following the Pledge of Allegiance, roll call was taken.

Installation of New Officers – 2

Chairman Jenkins stated that since all the officers are elected members of their respective bodies and have already taken an oath of office, he declared that all the officers that were elected are duly installed.

Approval of the Agenda – 3

Ms. Bulova moved, with a second by Mr. Dixon, to approve the agenda. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Smedberg and Zimmerman.

Minutes of the December 21, 2007, VRE Operations Board Meeting – 4

Mr. Dixon moved, with a second by Mr. Milde, to approve the minutes. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Smedberg and Zimmerman.

[Mr. Schwartz arrived at 9:40 A.M.]

New Chairman's Comments -- 5

Chairman Jenkins welcomed everyone and thanked Board Members for serving on the VRE Operations Board. He stated that this is a very exciting time for VRE. He has been a Prince William County Supervisor for 26 years and he has had the opportunity to be there at VRE's beginning. He has a great deal of pride seeing the trains run to and from Washington, D.C. and to see all that VRE has been able to do. VRE has new railcars arriving monthly and is in the process of acquiring new locomotives. He acknowledged two new members on the Board: Pat Herrity from Fairfax County and George Schwartz from Stafford County. He looks forward to this opportunity to serve as the Board Chairman for 2008.

Chief Executive Officer's Report -- 7

Mr. Zehner announced that the second shipment of five new railcars will arrive tomorrow and, after testing, should go into revenue service by January 28th. The third set will be shipped in the middle of February. VRE will start a new advertising campaign on January 28th, with two different alternating radio spots. Board Members were also provided with a copy of a First Responder Training video. Ridership continues to climb and VRE averaged 100 new riders in January.

Mr. Zehner introduced Jeremy Flores, VRE's new service manager, who works the morning shift from 4:30 A.M. – 1:00 P.M. With the addition of Jeremy in the morning and April Maguigad covering the afternoon shift, this provides more emphasis on customer service and operations.

VRE Riders' and Public Comment – 8

Dick Peacock expressed his concern regarding the proposed three percent fare increase. He stated that VRE should look at the discount structure. He would like to see the 10-trip ticket be discounted from eight percent to ten percent in order to reward the frequent rider. He also talked with a representative of the National Association of Railroad Passengers, who feels that an Amtrak strike is unlikely. He asked if the EZ buses now being used to provide service to the Burke Centre station during construction of the parking garage can be used afterwards to provide service to the Rolling Road Station, which has reached capacity. Mike Lake of Fairfax County staff stated that when the Burke Centre parking garage is operational in spring 2008, staff will work to determine what bus service will remain. Mr. Zehner stated that once the Burke Centre parking garage is complete, some of the Rolling Road patrons will migrate back to Burke Centre. He predicted that Rolling Road will not be at capacity once the Burke Centre garage is open.

Authorization to Conduct Public Hearings Related to Proposed Tariff Amendments – 9A

Chairman Jenkins reported that Resolution #9A-01-2008 would authorize the CEO to solicit comments through public hearings related to the proposed fare change and subsequent amendment of VRE's tariff.

Mr. Dixon moved, with a second by Ms. Bulova, to approve the resolution.

Mr. Milde asked if this includes fare indexing, which was discussed at the last meeting. Mr. Zehner stated that a presentation will be given later in the meeting on indexing. Currently, the fare increase is part of the budget process

In response to a question from Mr. Zimmerman, Mr. Zehner explained that the hearings will be conducted during February and March in D.C. as well as at other locations on both lines, including Crystal City, Fredericksburg, Manassas, the PRTC office for the Woodbridge area, and the Burke Centre area. Staff will report back to the Operations Board with a summary of comments. In response to another question from Mr. Zimmerman, Mr. Zehner stated that he serves as the hearing officer, but Board Members are welcome to attend. Mr. Zimmerman stated that to the extent that it is possible, at least one Board Member should be at each hearing. Chairman Jenkins asked staff to provide Board Members with a list of hearings dates and times.

Mr. Dixon agreed to amend his motion to change the resolution to include hearing locations. Ms. Bulova, as the seconder, also agreed.

In response to a comment made by Mr. Zimmerman, Mr. MacIsaac explained that the intended scope of this public hearing advertisement is on this one increase. If the Board wants a hearing on a fare indexing proposal, it would need to be included in the motion. Ms. Bulova observed that the Board has not had an opportunity to discuss a fare indexing proposal. Mr. Milde stated that there seems to be broad support for fare indexing, so the sooner it gets out there the better. Ms. Bulova suggested that the public hearing advertisement could just give notice that the Board will be considering a fare indexing proposal at a later time. Chairman Jenkins suggested that the second whereas clause of the resolution make a reference that the Operations Board will consider fare indexing. The maker and seconder of the motion agreed to this change.

The Board then voted on the amended motion and it passed. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Schwartz, Smedberg and Zimmerman. [Mr. Page was out of the room at the time of the vote.]

Authorization to Issue Request for Proposals for Banking Services and Line of Credit – 9B

Mr. Zehner reported that the Operations Board is asked to authorize him to issue a RFP for banking services for a period of three years, with an option to extend it for up to two additional years. Resolution #9B-01-2008 would accomplish this.

Mr. Zehner explained that VRE's current contract with SunTrust Bank will expire at the end of July 2008. Therefore, a new procurement must be initiated. In addition to the \$1 million line of credit, the solicitation will also include optional services such as trustee and escrow services, investment custodial services, and the provision of credit or purchasing cards. Both PRTC and NVTC were asked if they would like to be included in the solicitation. PRTC has asked to be included, while NVTC has declined since they do not need new banking services at this time.

Mr. Zimmerman moved, with a second by Mr. Dixon, to approve the resolution. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Schwartz, Smedberg and Zimmerman.

Authorization to Sell Ten Gallery Cars – 9C

Mr. Zehner explained that the VRE Operations Board is being asked to recommend that the Commissions authorize the VRE CEO to sell ten Gallery cars to the Regional Transit Authority of Nashville, Tennessee. Board Members were provided confidentially the amount of the sale. Resolution #9C-01-2008 would accomplish this.

Mr. Zehner explained that the reason the price is confidential is because VRE still needs to sell 10 additional railcars and is in discussions with several interested companies. In response to a question from Mr. Zimmerman, Mr. Zehner explained that with the new

higher-capacity railcars arriving, VRE does not have the storage capacity to keep all the Gallery cars. Mr. Page stated that the Commonwealth has no interest in these railcars.

Mr. Zehner explained that the action would be contingent upon disposition approval from the Federal Transit Administration and will not occur until such approval is received.

Mr. Zimmerman moved, with a second by Ms. Bulova, to approve the resolution. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Schwartz, Smedberg and Zimmerman.

Authorization to Award a Contract for the Manufacture of New Locomotives – 9D

Mr. Zehner reported that the Operations Board is being asked to recommend that the Commissions authorize him to award a contract to Motive Power, Inc. of Boise, Idaho for the manufacture of two new locomotives in the amount of \$9,098,274, plus a contingency of \$909,827 for a total amount not to exceed \$10,008,101. Resolution #9D-01-2008 would accomplish this.

Mr. Zehner stated that the RFP was published on August 20, 2007, and proposals were due on November 30, 2007. Two proposals were received. A selection committee evaluated the proposals, conducted interviews with all the candidates and recommends that the contract be awarded to Motive Power, Inc. The RFP was structured to allow for a base order of two locomotives, with options to purchase up to a total of 20 locomotives over a five year period at a fixed, but indexed price.

In response to a question from Ms. Bulova, Mr. Zehner stated that this information was provided to the Budget Committee. Mr. Zimmerman stated that he would prefer that jurisdictional staff had more of an opportunity to review the information, but since it is within the budget, he can support the motion.

Ms. Bulova moved, with a second by Mr. Zimmerman, to approve the resolution.

Mr. Page stated that the Commonwealth of Virginia has in good faith allocated funds for this project and it is the lack of local funding initiative that is keeping it from moving forward.

Mr. Zehner suggested that the price could go lower, so he suggested changing the wording in the resolution to “up to \$909,827...” Ms. Bulova and Mr. Zimmerman both agreed to the amendment.

The Board then voted in the amended motion and it passed. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Schwartz, Smedberg and Zimmerman.

Authorization to Award a Contract for Construction Engineering and Inspection Services for the Purchase and Manufacture of Diesel-Electric Locomotives -9E

Mr. Zehner explained that Resolution #9E-01-2008 would recommend that the Commissions authorize the VRE CEO to enter into a contract with STV Incorporated dba STV Group Incorporated of Fairfax, Virginia for construction engineering and inspection services for the purchase and manufacture of up to 20 diesel-electric locomotives in the amount of \$3,769,000, plus a contingency of \$376,920, for a total amount not to exceed \$4,145,920.

Mr. Zimmerman moved approval of the resolution, with the understanding that jurisdictional staff committees will be briefed on this issue. Mr. Dixon seconded the motion.

The Board voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Schwartz, Smedberg and Zimmerman.

Authorization to Participate in Joint Auditing Services Contract – 9F

Mr. Zehner stated that Resolution #9F-01-2008 would authorize VRE's CEO to participate in a joint RFP for auditing services for a period of three years, with options to extend for up to four additional years in two-year increments. The solicitation will be issued by NVTC on behalf of both NVTC and VRE. The intention would be for NVTC and VRE to enter into separate contracts with the auditor to provide the requested services.

Ms. Bulova moved, with a second by Mr. Dixon, to approve the resolution. The vote in favor was cast by Board Members Bulova, Dixon, Jenkins, Milde, Page, Schwartz, Smedberg and Zimmerman.

[Mr. Smedberg left the meeting at 10:27 A.M.]

Presentation of Potential Amtrak Strike – 10A

Chairman Jenkins stated that there is a possibility that Amtrak and the unions will not be able to reach agreement but may be able to continue service under the existing agreement. He asked staff to prepared letters to be sent to Congressional members to ask for their assistance if a strike occurs. Mr. Zehner provided a brief history of issues dealing with a potential strike. The major outstanding issues are back pay and health care issues. If there is a walk-out or strike, VRE service would shut down. All indications are that a strike is remote or won't last long. VRE will recommend riders carpool, telecommute, or use transit service in the event of a strike. However, VRE could not provide alternative service for everyone. The earliest time a strike will occur is January 30, 2008. Mr. Zimmerman stated that if a strike occurs, VRE will shut down and will not be in a position to provide alternative service. Mr. Page stated that it is important that VRE provide some kind of service. It is important to prepare riders for a

potential strike. The Commonwealth would like to have VRE provide a contingency plan with potential costs. Mr. Zimmerman stated that VRE cannot deliver riders without trains. Ms. Bulova agreed, but stated that VRE should provide referral information of different alternatives. There also needs to be coordination with the jurisdictions. Chairman Jenkins stated that OmniRide is an alternative for people. Mr. Zehner stated that staff has already compiled a list of referral information. Ms. Bulova suggested including telecommuting programs.

Presentation and Discussion of Fare Indexing -- 10B

Mr. Zehner stated that VRE staff looked at two existing fare indexing programs from the Association of American Railroads and Consumer Price Index: "All Urban Customers U.S. Transportation Only." He reviewed the history of both indices over the last five years.

Mr. Zehner then reviewed the fare increase history of VRE. Over the past five years, there were fare increases for four of those years, which averaged a 3.75 percent increase. Coincidentally, this matches the CPI index.

Mr. Zehner stated that he recommends that as part of the budget process VRE should look forward over a five year period to determine what fare increase and subsidy increase will be needed. VRE could have a 3.75 percent increase every year or wait and have a 6 percent increase every other year.

Mr. Zimmerman stated that it is important to have a policy basis that makes sense. It should be based on CPI. It is helpful for the customer and the jurisdictions to know ahead of time that there will be fare increases. He supports fare increases every other year. Ms. Bulova expressed her support of having an indexing method. It makes sense. Mr. Dixon stated that he agrees with Mr. Zimmerman that VRE should wait every other year for fare increases.

Adjournment

On a motion by Mr. Page, and a second by Mr. Dixon, the Board unanimously voted to adjourn. Chairman Jenkins adjourned the meeting at 11:05 A.M.

Approved this 15th day of February, 2008.

JOHN D. JENKINS
Chairman

PAUL MILDE
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the January 18, 2008 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

Rick Taube

From: Dale Zehner [dzehner@vre.org]
Sent: Wednesday, January 30, 2008 4:10 PM
To: Bulova, Sharon; dwaldron@ci.manassas.va.us; f.jones@manassasparkva.gov; falmouthsupervisor@hotmail.com; John Jenkins; kevin.page@drpt.virginia.gov; mjdixon@fredericksburgva.gov; Maureen S. Caddigan; pat.herrity@fairfaxcounty.gov; pmilde@co.stafford.va.us; paulsmedberg@aol.com; wcovington@pwcgov.org; czimmerman@arlingtonva.us
Cc: Rick Taube; Alfred Harf; Steve MacIsaac; Mike Lake; Biesiadny, Tom; Bob Leibbrandt; April Maguigad; Jennifer Straub; Anna Gotthardt; Mark Roeber
Subject: VRE Public Hearings on potential Fare Increase and Indexing

Dear Board Members,

At the January Operations Board meeting, approval was given to hold public hearings on the proposed fare increase and potential of indexing future fare increases. The times, dates, and locations are shown below for the public hearings. Please let me know if you are able to attend any of the hearings.

Date	Location	
Wednesday, February 20, 2008	PRTC	14700 Potomac I
Thursday, February 21, 2008	Holiday Inn (L'Enfant)	550 C. Street, S.'
Friday, February 22, 2008	Crystal City Marriott	1999 Jefferson C VA
Tuesday, February 26, 2008	Burke Centre Conservancy/Ponds Community Center	9837 Burke Ponc
Wednesday, February 27, 2008	Stafford County Government Center	1300 Courthouse
Tuesday, March 4, 2008	Rappahannock Regional Library	1201 Caroline St
Thursday, March 13, 2008	Manassas City Hall	9027 Center Stre

I will attend each of the hearings.

Written comments will also be accepted through Friday, March 14, 2008. A summary of all comments will be provided to the Operations Board at the April 18th Operations Board meeting.

If adopted, the proposed fare increase would go into effect on June 30, 2008.

Sincerely,

Dale

Item #4B**Locomotive Manufacturing Contract Award**

The VRE Operations Board recommends approval of Resolution #2094. This resolution authorizes VRE's CEO to execute a contract with Motive Power Inc. of Boise, Idaho for two locomotives plus an option for 18 additional locomotives. The two locomotives will cost up to \$9,634,396 including contingency. If executed, options for additional locomotives will have a lower base cost although an escalator clause will also apply.

The attached memo describes the terms in somewhat more detail. The total project cost is up to \$86,647,000 and subsequent funding from HB 3202 regional funds and other resources is expected to lead to the ultimate purchase of all 20 units.

RESOLUTION #2094

SUBJECT: Locomotive Manufacturing Contract Award.

WHEREAS: On April 20, 2007 the VRE Operations Board authorized the issuance of a Request for Proposals (RFP) for the acquisition of new locomotives;

WHEREAS: That RFP was issued on August 20, 2007;

WHEREAS: Proposals were received on November 30, 2007; and

WHEREAS: A selection committee evaluated the proposals and conducted interviews with all candidates.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to award a contract to **Motive Power, Inc. of Boise, Idaho** for the manufacture of **two** new locomotives in the amount of **\$8,758,542 plus a contingency of \$875,854 for a total amount not to exceed \$9,634,396.**

Approved this 7th day of February, 2008.

William Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer



AGENDA ITEM 9-D
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 18, 2008

**RE: AUTHORIZATION TO AWARD A CONTRACT FOR THE
MANUFACTURE OF NEW LOCOMOTIVES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to award a contract to Motive Power, Inc. of Boise, Idaho for the manufacture of two new locomotives in an amount not greater than \$8,758,542, plus a contingency of \$875,854, for a total amount not to exceed \$9,634,396.

BACKGROUND:

VRE's locomotive fleet is aging and must be replaced to allow for satisfactory on-time performance. As such, on April 20, 2007, the Operations Board authorized the issuance of a Request for Proposals (RFP) for the acquisition of up to twenty new locomotives. The RFP was published on August 20, 2007, followed by a mandatory pre-bid meeting on September 13, 2007. Proposals were due on November 30, 2007 and two proposals were received.

A selection committee evaluated the proposals, conducted interviews with all candidates and is recommending that the contract be awarded to Motive Power, Inc.

The RFP was structured to allow for a base order of two locomotives, with options to purchase up to a total of twenty locomotives over a five year period at a fixed, but indexed price. Based on the proposal and available funding, VRE is currently in a position to exercise the base order of two locomotives.

While an additional \$9 million in state funding is available for this project, there are no matching funds. Once additional match is obtained, through HB 3202 or another source, VRE staff will return to the Board to exercise additional options. Because the price of the first two locomotives includes one-time costs, subsequent orders will be less expensive than the first two. However, these option orders will include an agreed upon indexed increase as the contract period gets older. The total proposal cost was submitted at \$86,647,000.

FISCAL IMPACT:

Funding for these two locomotives is being provided using an FY 2007 state earmark, which is being matched using the proceeds from the sale of the Mafersa cars, and a FY 2007 federal grant, which is being matched using state and local funds.

Item 4C**VRE Locomotives Construction Engineering and Inspection**

The VRE Operations Board recommends approval of Resolution #2095. This resolution authorizes VRE's CEO to execute a contract with STV Group Inc. doing business as STV Group Incorporated of Fairfax, Virginia. STV will perform construction engineering and inspection services for up to 20 locomotives to be procured by VRE. The amount of the STV contract is up to \$4,145,920 including contingency.

STV is providing similar services for VRE's ongoing railcar purchase. The locomotive inspection contract will cost VRE 4.3 percent of the purchase price of the locomotives. The STV railcar inspection contract cost 4.2 percent.

RESOLUTION #2095

SUBJECT: VRE Locomotive Construction Engineering and Inspection.

WHEREAS: VRE has contracted for the manufacture of new diesel-electric locomotives; and

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

NOW, THEREFORE, BE IT RESLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to enter into a contract with **STV Incorporated dba STV Group Incorporated of Fairfax, Virginia** for construction engineering and inspection services for the purchase and manufacture of up to 20 diesel-electric locomotives in the amount of **\$3,769,000, plus a contingency of \$376,920, for a total amount not to exceed \$4,145,920.**

Approved this 7th day of February, 2008.

William Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer





Virginia Railway Express Operations Board

1500 King Street • Suite 202 • Alexandria, Virginia 22314-2730 • (703) 684-1001 • FAX (703) 684-1313
Web Site: <http://www.vre.org> • E-Mail: gotrains@vre.org

AGENDA ITEM 9-E ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 18, 2008

**RE: AUTHORIZATION TO AWARD CONTRACT FOR
CONSTRUCTION ENGINEERING AND INSPECTION SERVICES
FOR THE PURCHASE AND MANUFACTURE OF DIESEL-
ELECTRIC LOCOMOTIVES**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the VRE Chief Executive Officer to enter into a contract with **STV Incorporated dba STV Group Incorporated of Fairfax, Virginia** for construction engineering and inspection services for the purchase and manufacture of up to twenty diesel-electric locomotives in the amount of **\$3,769,000, plus a contingency of \$376,920, for a total amount not to exceed \$4,145,920.**

BACKGROUND:

In August of 2007, the Operations Board authorized the solicitation of consultant services for construction engineering and inspection services for the new locomotive acquisition. On November 9, 2007, a Request for Proposals was published, with proposals due on January 7, 2008. **Two proposals were received.** Following a competitive solicitation, interviews and an evaluation, VRE staff is recommending award to **STV Incorporated dba STV Group Incorporated of Fairfax, Virginia.**

This contract will include design reviews, first article inspections, in-plant inspections, on-site inspections and warranty administration. The consultant will

also be responsible for the acceptance of each locomotive into service. Similar to the locomotive procurement structure, this solicitation was also structured to allow incremental notices to proceed, such that authorization for oversight will be issued concurrently and proportionately with locomotive option orders. However, due to the nature of this work, the Operations Board is being asked to provide authorization to the CEO for oversight of the entire order. The CEO will then execute notices to proceed as each option order for additional locomotives is authorized.

The cost of this contract is based on a 24-month contract period for the base order, plus costs for overseeing the options based upon a prescribed schedule, which includes the manufacturing process and the associated warranty period.

As a point of comparison, oversight for the recent railcar procurement was 4.2% of the total project budget. This oversight work, which for locomotives is more technical, is estimated at 4.3%.

FISCAL IMPACT:

Funds for this contract are included in VRE's Capital Improvement Program (CIP) as part of the capital fleet expansion, locomotive project. Funding is from FY 2006 and FY 2007 federal and state grants. The local match is provided for using state and local funds.

Item 4D**Sale of 10 Gallery Cars**

The VRE Operations Board recommends approval of Resolution #2096. This resolution authorizes VRE's CEO to sell 10 Gallery cars to the Regional Transit Authority of Nashville, Tennessee. The VRE Operations Board was shown a confidential copy of the amount of the bid. It is not being divulged publicly at this time because of potential negotiations with other bidders for the remaining 10 cars. It will become public after NVTC and PRTC have both approved the sale.

VRE is currently receiving new bi-level railcars at the rate of five per month and needs to sell these Gallery cars as there is no available storage space for them.

RESOLUTION #2096

SUBJECT: Sale of 10 Gallery Cars.

WHEREAS: In March, 2007 the VRE Operations Board granted authority to sell up to 25 Gallery railcars in anticipation of the new railcar delivery that began in December, 2008;

WHEREAS: VRE received an offer to purchase 10 gallery cars; and

WHEREAS: No federal or state interest will remain these cars at the time of sale.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes the VRE Chief Executive Officer to sell 10 Gallery cars to the Regional Transit Authority of Nashville, Tennessee, in an amount provided confidentially to and approved by the VRE Operations Board (and which will be made public following action by NVTC and PRTC); and

BE IT FURTHER RESOLVED THAT this sale is contingent upon disposition approval from the Federal Transit Administration and will not occur until such approval is received.

Approved this 7th day of February, 2008.

William Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer



AGENDA ITEM 9-C
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 18, 2008

RE: AUTHORIZATION TO SELL TEN GALLERY CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to sell ten Gallery cars to the Regional Transit Authority of Nashville, Tennessee, in an amount to be provided confidentially to Board Members at the Operations Board meeting.

BACKGROUND:

In March of 2007, the Operations Board granted authority to sell up to 25 railcars in anticipation of the new railcar delivery that began this past December. Since that time, the available equipment, including these Gallery cars, was posted on VRE's web site for public sale and existing and developing commuter rail agencies were notified of the sale. VRE staff since received a proposal from the Regional Transit Authority of Nashville, Tennessee to purchase ten of the remaining twenty Gallery cars available.

The proposal is for the amount indicated in the confidential envelope which will be provided to each Operations Board Member at the meeting. This transaction also includes the buyer paying freight to remove the cars from VRE property. Because ten additional Gallery cars remain for sale and prices are being negotiated, any additional discussion on the price proposal must take place in closed session.

If approved for sale, VRE estimates that the cars will be shipped by mid-February. While VRE has calculated that no federal or state interest will remain in these cars at the time of sale, formal approval from the Federal Transit Administration is still

pending. Sale of these cars is contingent on this approval and will not occur until this approval is received.

FISCAL IMPACT:

This additional revenue will be allocated to the restoration of the operating reserve as required by the bond indenture.

MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Rick Taube and Scott Kalkwarf
DATE: January 31, 2008
SUBJECT: NVTC's Authorization to Submit FY 2008 State Grant Applications.

NVTC's applications on behalf of WMATA, VRE and the commission's local jurisdictions are due February 1, 2008. To meet this deadline, NVTC staff will submit electronically the attached materials. They have been carefully reviewed by local staff. The commission is asked to adopt Resolution #2097, which confirms the commission's support of these applications and is a requirement of the Virginia Department of Rail and Public Transportation.

An attachment compares total eligibility for WMATA and the local bus systems for FY 2009 versus 2008. As can be seen, for NVTC's jurisdictions and WMATA the FY 2009 eligibility is about \$11 million less than in FY 2008, consisting of \$32 million less for capital and \$21 million more for operations.

For VRE, the FY 2009 eligibility is \$2.2 million more than in FY 2008, consisting of \$1.2 million less for capital and \$3.5 million more for operations.

It should be noted that in addition to the amounts reported above in FY 2008 operating and capital assistance from DRPT, NVTC has recently executed grant agreements with DRPT for \$60 million in General Funds for WMATA rolling stock as well as \$15 million in General Funds for VRE rolling stock.

The amount of assistance actually received by NVTC for FY 2009 is likely to be much less than the eligible amount of \$287 million unless the General Assembly acts to provide significantly greater funding.

One additional VRE grant request is included. VRE is seeking up to \$38,000 for an intern. Also, NVTC is seeking up to \$30,000 for additional testing of the "MARTHA" low-cost bus arrival information system. The purpose is described in detail in the attached memo.



RESOLUTION #2097

SUBJECT: Approval of FY 2009 NVTC and VRE State Administrative/FTM, Capital, and Related Grant Applications and Authority to Apply for Funds from the Commonwealth Transportation Board, Federal Transit Administration and other Grant Agencies.

WHEREAS: The Northern Virginia Transportation Commission (NVTC) wishes to obtain state and federal grants to help defray NVTC, WMATA, local bus systems and Virginia Railway Express (VRE) operating and capital costs; to conduct a further demonstration of a new method for predicting bus arrival times and to support a VRE intern.

NOW, THEREFORE, BE IT RESOLVED that the Northern Virginia Transportation Commission's executive director is authorized, for and on behalf of NVTC and its members, 1) to execute and file an application to the Virginia Department of Rail and Public Transportation (DRPT), for grants of public transportation assistance for the fiscal year 2009 commencing July 1, 2008 in the amount of \$160,668,331 to defray the public transportation cost of NVTC and its members for administration, fuels, tires, lubricants and maintenance parts at a matching ratio of 95%; 2) to accept from DRPT grants in such amounts as may be awarded; and 3) to furnish DRPT such documents and other information as may be required for processing the grant request;

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and its members, 1) to execute and file an application to DRPT, for grants of public transportation assistance for FY 2009 for capital expenses in an amount that will not exceed \$95,032,846 to defray up to 95 percent of the costs borne by NVTC and its members for equipment, facilities and the associated expenses of any approved capital grant; 2) to revise the capital portion of the application to reflect refined estimates by WMATA or local governments when they become available; 3) to accept from DRPT grants in such amounts as may be awarded; and 4) to furnish to DRPT such documents and other information as may be required for processing the grant request;



RESOLUTION #2097

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and PRTC and their members, 1) to execute and file FY 2009 VRE applications to DRPT and to seek up to \$17,619,474 for FTM and administrative costs and up to \$13,801,058 for capital; 2) to revise the application to reflect refined estimates by VRE; 3) to accept from DRPT grants in such amounts as may be awarded; and 4) to furnish to DRPT such documents and other information as may be required for processing the grant request;

BE FURTHER RESOLVED that NVTC's executive director is authorized, for and behalf of NVTC and its members, 1) to execute and file an application to DRPT for a grant of financial assistance in the amount of \$30,000 to defray 95 percent of the cost of a further demonstration of a low-cost bus arrival time prediction system; 2) to accept from DRPT grants in such amounts as may be awarded; and 3) to furnish DRPT such documents and other information as may be required for processing the grant request;

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and PRTC and their members, 1) to execute and file an application to DRPT for a grant of financial assistance in the amount of \$38,000 to defray 95 percent of the costs of a VRE intern; 2) to accept from DRPT grants in such amounts as may be awarded; and 3) to furnish DRPT such documents and other information as may be required for processing the grant request;

BE IT FURTHER RESOLVED that NVTC certifies that the funds for all of the above grants will be used in accordance with the requirements of Section 58.1 638.A.4 of the Code of Virginia, that NVTC will provide matching funds in the ratio required by the Act, that the records of receipts of expenditures of funds granted to NVTC may be subject to audit by DRPT and by the State Auditor of Public Accounts, and that funds granted to NVTC for defraying the public transportation expenses of NVTC shall be used only for such purposes as authorized in the Code of Virginia; and

BE IT FURTHER RESOLVED that NVTC's executive director is authorized, for and on behalf of NVTC and its members, to furnish to TPB, CTB and other state and federal funding agencies such documents, information, assurances and certifications as may be required for pursuing the above grant requests and continuing previously awarded grants.

RESOLUTION #2097

Approved this 7th day of February, 2008.

William Euille
Chairman

Gerald E. Connolly
Secretary-Treasurer

NVTC
SUMMARY OF STATE CAPITAL AND FORMULA GRANT ASSISTANCE APPLICATIONS
FOR FY 2009

<u>NVTC</u>	<u>FY 09</u>	<u>FY 08</u>	<u>Increase (Decrease)</u>
<u>CAPITAL</u>			
Local Capital (see schedule A)			
Alexandria	1,233,960	235,000	998,960
City of Fairfax	-	3,000,000	(3,000,000)
Fairfax County	20,239,301	71,543,658	(51,304,357)
Arlington	21,196,828	4,978,820	16,218,008
Falls Church	-	-	-
Total	<u>42,670,089</u>	<u>79,757,478</u>	<u>(37,087,389)</u>
Eligibility amount @95%	<u>40,536,585</u>	<u>75,769,604</u>	<u>(35,233,020)</u>
WMATA Capital (see schedule B)			
Metro Matters Program	49,127,000	45,311,000	3,816,000
Beyond Metro Matters - IRP	-	-	-
BMM - Project Development	825,000	825,000	-
Debt Service	7,412,486	7,412,486	-
Total	<u>57,364,486</u>	<u>53,548,486</u>	<u>3,816,000</u>
Eligibility amount @95%	<u>54,496,262</u>	<u>50,871,062</u>	<u>3,625,200</u>
Total Capital	<u>100,034,575</u>	<u>133,305,964</u>	<u>(33,271,389)</u>
Eligibility amount @95%	<u>95,032,846</u>	<u>126,640,666</u>	<u>(31,607,820)</u>
<u>OPERATING FTM/ADMIN (see schedule C)</u>			
Eligibility amount @ 95%			
WMATA	139,351,468	121,153,293	18,198,175
Local	21,316,863	18,802,640	2,514,223
Total operating eligibility	<u>160,668,331</u>	<u>139,955,933</u>	<u>20,712,398</u>
<u>VRE</u>			
<u>CAPITAL (see schedule D)</u>			
Total budget (non-federal)	14,527,429	15,837,212	(1,309,783)
Eligibility amount @ 95%	<u>13,801,058</u>	<u>15,045,351</u>	<u>(1,244,293)</u>
<u>OPERATING FTM/ADMIN</u>			
Eligibility amount @ 95%	<u>17,619,474</u>	<u>14,146,732</u>	<u>3,472,742</u>

NVTC
 APPLICATION FOR STATE CAPITAL GRANT ASSISTANCE
 LOCAL CAPITAL
 FY 2009

SCHEDULE A

	<u>TOTAL COST</u>	<u>FEDERAL</u>	<u>NON- FEDERAL</u>
CITY OF ALEXANDRIA			
Engine Assembly, Spare Parts, ACM (5) - engine/trans rebuilds	125,000	-	125,000
Purchase 35-ft Expansion Buses (2) - hybrid low floor buses	1,078,960	-	1,078,960
Purchase Sedans (2) - replace relief vehicles	30,000	-	30,000
	-	-	-
Total	<u>1,233,960</u>	-	<u>1,233,960</u>
CITY OF FAIRFAX			
	-	-	-
	-	-	-
Total	<u>-</u>	-	<u>-</u>
FAIRFAX COUNTY			
ADP Software	915,000	-	915,000
Bus 3rd Party Project Management - for purchase of 36 buses	414,000	-	414,000
Bus 3rd Party Project Management-for bldg bus operations facility	525,000	-	525,000
Purchase Expansion Buses 40 ft- (21)	8,505,000	-	8,505,000
Purchase Fare Collection Equipment - (21) boxes for expansion buses	105,000	-	105,000
Purchase Bike Racks - (21) bike racks for expansion buses	84,000	-	84,000
Purchase Misc. Equipment - (8) solar lighting for transit centers	150,000	-	150,000
Purchase Radios - (21) for expansion buses	73,500	-	73,500
Purchase Replacement Buses 40 ft - (15) low floor	6,298,500	-	6,298,500
Purchase Shop Equipment - for expansion garage	1,876,000	-	1,876,000
Purchase Support Vehicles - (7) for expansion of service	251,300	-	251,300
Purchase Support Vehicles - (3) service trucks for expansion service	254,001	-	254,001
Rehabilitate/Rebuild Buses - (4) rebuild 4 RTS buses	788,000	-	788,000
	-	-	-
Total	<u>20,239,301</u>	-	<u>20,239,301</u>
ARLINGTON			
Construction Rail Related Facilities - Crystal City/Potomac Yd	5,782,688	-	5,782,688
Eng/Design Rail Related Facilities-Pentagon City multimodal	2,400,000	1,920,000	480,000
Eng/Design Rail Related Facilities-Rosslyn access improvements	3,670,000	2,936,000	734,000
Eng/Design Rail Related Facilities-Rosslyn access improvements	7,606,000	-	7,606,000
Eng/Design Rail Related Facilities-Columbia Pk street car	1,500,000	-	1,500,000
Other-concept plan & cost est. for access improvements, Ballston	200,000	-	200,000
Other-communication installation on Columbia Pk real-time bus	200,000	-	200,000
Purchase Fare Collection Equipment - (10) full size fareboxes	120,250	-	120,250
Purchase Bus Shelters - (50) purchase new & rehab older	500,000	-	500,000
Purchase Replacement 35' Buses - (10)	3,873,890	-	3,873,890
Rehabilitation Rail Related Facilities-Pentagon City ped tunnel rehab	200,000	-	200,000
	-	-	-
Total	<u>26,052,828</u>	<u>4,856,000</u>	<u>21,196,828</u>
CITY OF FALLS CHURCH			
	-	-	-
	-	-	-
Total	<u>-</u>	-	<u>-</u>
GRAND TOTAL	<u><u>47,526,089</u></u>	<u><u>4,856,000</u></u>	<u><u>42,670,089</u></u>

NVTC
 APPLICATION FOR STATE CAPITAL GRANT ASSISTANCE
 WMATA CAPITAL SUBSIDIES
 FY 2009

SCHEDULE B

	<u>Alexandria</u>	<u>Arlington</u>	<u>Fairfax City</u>	<u>Fairfax County</u>	<u>Falls Church</u>	<u>Total</u>
Metro Matters Program (a)	7,924,000	15,527,000	346,000	24,828,000	502,000	49,127,000
Beyond MM - IRP (b)	-	-	-	-	-	-
BMM - Reimbursable (c)	-	-	-	-	-	-
BMM - Project Development (d)	133,000	261,000	6,000	417,000	8,000	825,000
Debt Service (e)	1,418,184	2,740,174	46,723	3,168,927	38,478	7,412,486
Total	<u>9,475,184</u>	<u>18,528,174</u>	<u>398,723</u>	<u>28,413,927</u>	<u>548,478</u>	<u>57,364,486</u>

(a) From the FY09 Metro Matters Annual Work Plan distributed on December 14, 2007.

(b) Beyond Metro Matters IRP is the IRP outside of Metro Matters. For FY09 this will consist of programs funded by a mixture of re-programmed Metro Matters funds and issuance of new debt.

(c) Beyond Metro Matters Reimbursable projects - These are non-regional projects that the individual jurisdictions include on their respective state capital grant request based upon their understanding of the current year budgeted expenditures

(d) Beyond Metro Matters Project Development - Regional capital costs for project development activities not part of the Metro Matters funding agreement.

(e) Gross Revenue Transit Refunding Bonds Series 1993 and 2003 maturing FY 2011 and FY 2014 respectively.

NVTC

SCHEDULE C

APPLICATION FOR FTM/ADMIN OPERATING FORMULA ASSISTANCE

FY 2009

	LOCAL SYSTEMS						TOTAL		
	City of		Fairfax County		Arlington County	Falls Church	LOCAL SYSTEMS	NVTC & WMATA	TOTAL NVTC
	Alexandria	Fairfax	Fairfax	County	County				
FY07 total operating expenses (certification)	11,212,588	2,867,979	41,038,727	7,189,630	450,834	62,759,758	294,287,930	357,047,688	
FTM	1,730,000	563,288	6,964,664	1,347,271	80,326	10,685,549	47,727,363	58,412,912	
Administrative Expenses	1,476,900	151,260	6,500,353	3,600,668	24,073	11,753,254	103,170,474	114,923,728	
Other Operating Expenses	9,179,440	2,599,124	32,966,077	4,130,718	385,601	49,260,960	194,799,927	244,060,887	
Total Operating Expenses	12,386,340	3,313,672	46,431,094	9,078,657	490,000	71,699,763	345,697,764	417,397,527	
Total Operating Revenue	3,041,000	596,087	5,955,610	2,054,901	18,000	11,665,598	199,012,008	210,677,606	
Deficit	9,345,340	2,717,585	40,475,484	7,023,756	472,000	60,034,165	146,685,756	206,719,921	
Total Federal / Other State Operating Asst	-	-	7,445,000	-	-	7,445,000	-	7,445,000	
Deficit before State Operating Assistance	9,345,340	2,717,585	33,030,484	7,023,756	472,000	52,589,165	146,685,756	199,274,921	

Eligibility Amounts -

FTM/Admin @ 95% 3,046,555 678,821 12,791,766 4,700,542 99,179 21,316,863 139,351,468 160,668,331

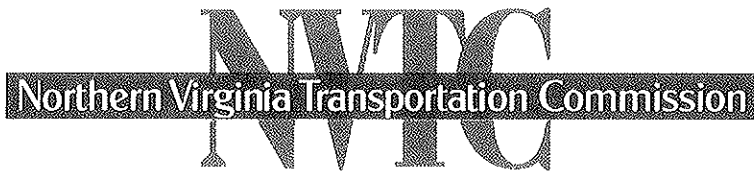
NVTC

VRE

APPLICATION FOR STATE CAPITAL GRANT ASSISTANCE
 FY 2009

SCHEDULE D

	<u>Total Cost</u>	<u>Federal</u>	<u>Funding Source</u>	<u>Non-Federal</u>
1) Track Lease/Improvements	\$8,970,000	\$7,176,000	Statewide ST	1,794,000
2) Fare Collection Upgrade	\$250,000	\$200,000	FTA 5309	50,000
3) Fare Collection II	\$433,000	\$346,400	FTA 5307	86,600
3) Fare Collection II	\$123,000	\$98,400	FTA 5307	24,600
4) Grant and & Project Management/Training	\$350,000	\$280,000	FTA 5307	70,000
4) Grant and & Project Management/Training	\$297,000	\$237,600	FTA 5309	59,400
5) Security Enhancements	\$110,000	\$88,000	FTA 5307	22,000
6) Capital Project Contingency	\$108,000	\$86,400	FTA 5307	21,600
6) Capital Project Contingency	\$217,000	\$173,600	FTA 5309	43,400
7) Construction Management	\$250,000	\$200,000	FTA 5309	50,000
8) Facilities Infrastructure Renewal	\$600,000	\$480,000	FTA 5309	120,000
9) Fredericksburg Parking - Lease Lots	\$44,000	\$35,200	FTA 5307	8,800
10) WUT Access - Capital Improvements	\$1,000,000	\$800,000	FTA 5307	200,000
11) Broad Run Yard Expansion	\$1,045,000	\$836,000	FTA 5309	209,000
11) Broad Run Yard Expansion	\$1,763,000	\$1,410,400	FTA 5307	352,600
12) Locomotive Lease	\$200,000	\$160,000	FTA 5307	40,000
13) Capital Fleet Expansion - Locomotives	\$999,000	\$799,200	FTA 5309	199,800
13) Capital Fleet Expansion - Locomotives	\$432,000	\$345,600	FTA 5307	86,400
14) Kawasaki Acquisition Payments	\$1,913,000	\$1,530,400	FTA 5307	382,600
15) Fredericksburg Rail Station (SAFETEA-LU)	\$679,000	\$543,200	FTA 5309	135,800
16) Rolling Stock Modifications	\$1,200,000	\$960,000	FTA 5307	240,000
17) Sumitomo Acquisition - 50 Car Option	\$1,850,000	\$1,480,000	FTA 5309	370,000
17) Sumitomo Acquisition - 50 Car Option	\$650,000	\$520,000	FTA 5307	130,000
18) Sumitomo Acquisition - Cab Cars	\$1,932,000	\$1,545,600	FTA 5309	386,400
19) Rippon Lease	\$140,000	\$112,000	FTA 5307	28,000
20) Debt Service for Rail Projects	\$8,119,729	\$0		8,119,729
21) Broad Run Yard Expansion	\$971,000	\$776,800	FTA 5309	194,200
22) Capital Fleet Expansion - Locomotives	\$4,900,000	\$3,920,000	FTA 5309	980,000
23) Gainesville/Haymarket Extension	\$612,500	\$490,000	FTA 5309	122,500
	\$40,158,229	\$25,630,800		14,527,429



MEMORANDUM

TO: Chairman Euille and NVTC Commissioners
FROM: Adam McGavock
DATE: February 7, 2008
SUBJECT: MARTHA Project Additional Deployment

NVTC is applying for \$30,000 in state aid funds to make several hardware and software improvements to and verify the deployment capabilities of the MARTHA real-time bus information system. The improvements to the phone and central computer hardware, along with the associated software changes, will provide for a robust system that requires no driver interaction or involvement.

With a \$199,000 grant from DRPT, the MARTHA system was developed and tested using the Falls Church GEORGE bus system as a "test bed". The GEORGE service is operated by WMATA out of their Four Mile Run garage. While the in-service demonstration of the MARTHA system on the GEORGE routes is proceeding as planned, the project team feels it would be beneficial to implement the MARTHA system with improved hardware at another transit agency. Because the GEORGE fleet is such a tiny fraction of the total WMATA fleet, with high turnover among GEORGE bus drivers, and because the operation and maintenance of the MARTHA system is not officially a part of the WMATA operating agreement with the city of Falls Church, there has been some difficulty in getting necessary attention from the WMATA staff and drivers. Re-deploying the MARTHA system at a smaller transit agency should provide the staff attention necessary to effectively run and test the MARTHA system. The additional funds will provide for six months of testing and demonstration after deployment at another agency.



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

The development and test period for the MARTHA system has been hampered by several hardware-related issues: The unreliability of the Thomas-Built buses in the GEORGE fleet has led to numerous breakdowns, which then results in the power supply to the phones being interrupted, and requires a manual reset of the on-board equipment. The original vision for the project called for inexpensive, consumer-grade cell phones to be used on-board the buses. Testing thus far has determined those phones to be insufficient for this task. The additional funds will provide for more robust, commercial grade on-board equipment, which should solve the power and reliability issues.

In addition, the development and testing to this point indicate that the MARTHA system requires a more powerful central computer than previously envisioned. The original vision for the project called for an inexpensive, standard desktop computer to be used for the central computer in the MARTHA system. The central computer currently running the MARTHA system employs a 2.8GHz Intel Celeron processor with 1 GB of RAM. This central computer hardware is not able to handle the intensive processing and data input/output required by the MARTHA system, and needs to be upgraded. Additional project funds will provide for more powerful central computer hardware.

There are also several needed improvements to the system that the development period has brought to light. The current method for creating routes, which involves the manual entry of GPS data for stop locations and the development of trips and timepoints, is cumbersome and time-consuming. The additional funds will provide for enhanced import capabilities, which will allow the system to import routes, patterns, and time points. Additionally, the current web application provides a map of bus locations to agency staff for the purpose of managing the system. The additional funds will provide for the development of a mapping application for customers to see the bus location information via the web.

Budget

Improved on-board hardware	\$1,000
Upgraded Central Computer	\$3,000
Programming for Additional Functions	\$23,000
<u>Communications and IVR hosting</u>	<u>\$ 3,000</u>
Total Additional Funds Requested	\$30,000

NVTC

Northern Virginia Transportation Commission

NVTC

Agenda Item #6

TO: Chairman Euille and NVTC Commissioners

FROM: Rick Taube

DATE: January 31, 2008

SUBJECT: Support for Dulles Rail Project

The Federal Transit Administration has indicated it is not prepared to provide approvals required to qualify this region for up to \$ 900 million of funding for the Dulles Rail Project. Virginia's congressional delegation, Governor Kaine, the Northern Virginia General Assembly delegation and many local governments and regional agencies have acted to encourage FTA to provide the necessary full funding grant agreement.

Copies of many of these responses are provided. NVTC is asked to adopt the attached Resolution #2098, authorize a cover letter to FTA, and ask staff to publicize this action and explain its significance to residents of this region.



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E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org



RESOLUTION #2098

SUBJECT: Request for Federal Funding of the Dulles Rail Project.

WHEREAS: The Northern Virginia Transportation Commission (NVTC) was created in 1964 by the Virginia General Assembly in part to plan for and fund the transit system of the Washington Metropolitan Area Transit Authority (WMATA);

WHEREAS: NVTC appoints Virginia's members of WMATA's Board of Directors under the terms of WMATA's Interstate Compact;

WHEREAS: Since its creation, NVTC has followed closely the evolution of studies and proposals to extend rail service to Dulles International Airport along the Dulles Access Road corridor through Tysons Corner and has been instrumental in evaluating many of those efforts, culminating in the current proposal now under consideration by the Federal Transit Administration (FTA);

WHEREAS: NVTC has examined a letter from FTA to Virginia's Governor Kaine dated January 24, 2008 in which Administrator James Simpson expresses "serious concerns whether it would be appropriate to continue further investment of Federal New Starts funds in this project....;" and

WHEREAS: NVTC has also examined letters of response from the Fairfax County Board of Supervisors, Northern Virginia Regional Commission, and Northern Virginia Transportation Authority, among others.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission expresses its utmost support for timely federal funding of the Dulles Rail Project at the requested level of \$900 million;

BE IT FURTHER RESOLVED that NVTC endorses and associates itself with the reasons for this support expressed in the letters of response from the elected officials and agencies listed above; and



BE, IT FURTHER RESOLVED that NVTC particularly wishes to emphasize the project management skills of the Metropolitan Washington Airports Authority; the traffic congestion relief to be provided by the project; the regional connectivity to Dulles Airport and federal facilities; the enhanced emergency relief capability so clearly demonstrated by WMATA on September 11, 2001; the economic development stimulus which, contrary to the implications in Mr. Simpson's letter, is a very positive consideration; the overwhelming public support documented by repeated public opinion polls; the air quality benefits; the significant non-federal funding share of about 80% and the cap on federal funding at \$900 million thereby mitigating federal risk; and the absolute commitment to maintain WMATA as a premier public transit system as evidenced by over three decades of strong financial commitments and by Northern Virginia's recent actions to provide \$50 million annually of additional guaranteed funding.

Approved this 7th day of February, 2008.

William Euille
Chairman

Christopher Zimmerman
Secretary-Treasurer



U.S. Department
of Transportation
**Federal Transit
Administration**

Administrator

1200 New Jersey Ave., S.E.
Washington, DC 20590

The Honorable Tim Kaine
Governor
Commonwealth of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

JAN 24 2008

Dear Governor Kaine:

The Federal Transit Administration (FTA) has reviewed the Metropolitan Washington Airports Authority's (MWAA) September 21, 2007 request to advance the Dulles Corridor Metrorail Project—Extension to Wiehle Avenue (the Dulles Project or the Project) into Final Design. FTA has evaluated the Project under the New Starts criteria and has also considered the full range of risks associated with the Project. Unfortunately, the project in its current form faces the following challenges to meeting the statutory criteria.

Under the New Starts evaluation process, the Project in its current form would receive an overall New Starts rating of Medium-Low, which would render it ineligible to advance into Final Design. This rating, described in more detail below, is based on the information currently available. Even if MWAA were able to improve the New Starts rating, however, other factors have led FTA to doubt that there is a "reasonable likelihood" that the Project in its current form would continue to meet the statutory New Starts evaluation criteria in the future, as is required by 49 U.S.C. § 5309(d)(5). These factors are: (1) the management arrangements under which the Project would be implemented; (2) MWAA's limited experience with transit projects and with exceptionally large design-build contracts; and (3) the uncertainties of the Washington Metropolitan Area Transit Authority's (WMATA) ability to finance its ongoing capital needs systemwide in order to maintain service levels and a state of good repair.

Based on extensive experience with over \$80 billion of investments in New Starts projects, FTA is concerned that the cumulative risks and uncertainties that characterize the Dulles Project in its current form are extremely likely to result in further cost escalation and schedule delays. Thus, the current Dulles Project does not appear to be a prudent investment under the New Starts Program. The New Starts rating process and considerations of Project risks and uncertainties are discussed in greater detail below.

New Starts Rating

Based on FTA regulations at 49 CFR Part 611 on major transit investment projects and the *FY 2009 New Starts and Small Starts Evaluation and Rating Process* guidance, a project must receive a "Medium" rating or higher for both the Project Justification and Local Financial Commitment criteria to obtain a "Medium" overall rating and advance into Final Design. The Dulles Project in its current form would receive a "Medium-Low" rating for Project Justification, based on a "Medium" rating for Transit Supportive Land Use and a "Low" rating for Cost Effectiveness." The Project also would receive a "Medium-Low" rating for Local Financial Commitment. Hence, the Project's Overall Summary Rating would be "Medium-Low." The two primary elements leading to the Project's Summary Rating are the Cost Effectiveness Rating and the Capital Financial Plan Rating.

Cost Effectiveness. In an October 4, 2007 response to MWAA's application to enter the Project into Final Design, FTA stated that its acceptance of approximately \$250 million in cost reductions to achieve a \$2.96 billion Project budget was dependent on "commitments" for these cost reductions being in place before FTA could make a decision on Final Design approval. Orally, MWAA informed FTA that proof of these commitments would be forthcoming by mid-December 2007. On January 17, 2008, FTA received MWAA's letter indicating that change orders would be signed for \$16.5 million in the Firm Fixed Price portion of the MWAA-Dulles Transit Partners contract and that Dulles Transit Partners had committed to work towards a target of an additional \$67.1 million worth of savings under the Allowances portion of the contract. FTA was expecting verification of the cost reductions in the form of copies of change orders processed as required by Article 19 of the MWAA-Dulles Transit Partners contract. Specifically, FTA was anticipating receipt of copies of negotiated change orders to the Firm Fixed Price portion of the contract, directed change orders to the Allowances portion of the contract, and documentation of WMATA and MWAA "owner" changes.

Because FTA has not yet received satisfactory confirmation of the proposed cost reductions, the Cost Effectiveness index value of the project would be computed without consideration of the proposed cost reductions. The exceptions were the Route 7 and Spring Hill Road improvements, which were reduced from the budget because they are clearly not integral parts of the Dulles Project. Consequently, the resulting Cost Effectiveness index value would exceed \$31.00 and would merit a "Low" rating. As indicated in FTA's *FY 2009 New Starts and Small Starts Evaluation and Rating Process* guidance, a "breakpoint" of \$30.00 and over equates to a "Low" Cost Effectiveness rating. A "Low" Cost Effectiveness rating combined with a "Medium" Land Use Rating would result in a "Medium-Low" Project Justification rating.

Capital Financial Plan. FTA's primary concerns with MWAA's capital financial plan for the Project in its current form are that it includes: (1) optimistic assumptions on the number of toll transactions and the growth in toll revenues, which are not consistent with

historical experience; (2) an aggressive financing structure, including significant backloading of debt; and (3) significant growth in capital rehabilitation and replacement costs for the WMATA system, assumed to be covered by a near doubling of local and Federal funding, the reasonableness of which has not been substantiated. Consequently, the resulting rating for the Capital Financial Plan would be "Medium-Low." FTA's guidance for the *FY 2009 New Starts and Small Starts Evaluation and Rating Process* explains that if either the capital or operating finance plan receives a "Medium-Low" or "Low" rating, FTA will give a summary rating for Local Financial Commitment no higher than "Medium-Low."

Project Risks and Uncertainties

Apart from the New Starts rating, other factors would contribute to FTA's assessment of the Project in its current form. FTA is concerned that the project is vulnerable to cost escalations and schedule delays - thus, jeopardizing the Project's ability to meet the New Starts criteria in the future. The Project is dependent on many and complicated inter-organizational management arrangements for Project design and implementation. MWAA is a first-time New Starts applicant that lacks experience with heavy rail construction and has limited experience with design-build contracts, raising serious questions about its ability to control project costs and schedule. The Dulles Transit Partners contract for this Project is valued at \$1.6 billion - making it the single largest design-build contract in the history of FTA's New Starts program.

In addition, FTA is concerned about potential conflicts between MWAA, as the sponsor and constructor, and WMATA, as the ultimate owner/operator and the authority on technical standards for the Project. In FTA's experience, without comprehensive agency integration, including owner/operator staff reporting to the project manager during design, risks of cost escalation and schedule delays are increased. Early indications of potential inter-agency conflicts are already apparent in the Dulles Project.

FTA also is deeply concerned that, because WMATA faces significant, unresolved capital funding needs for maintaining the current system, the proposed extension to Metrorail may pose serious financial and operational challenges, and further strain the system as a whole.

Conclusion

FTA has worked diligently over the last decade with local stakeholders to advance a major capital transit project in the Dulles Corridor. FTA recognizes that this corridor is in need of viable public transportation options to relieve regional highway congestion. FTA also recognizes that any large public infrastructure project will face challenges. The Dulles Project, however, has encountered an extraordinarily large set of challenges including changes in mode and sponsorship, a revised termination point, a dramatically escalating budget, delays in the development of the public-private contract, local dissent about the design of the project, and lawsuits.

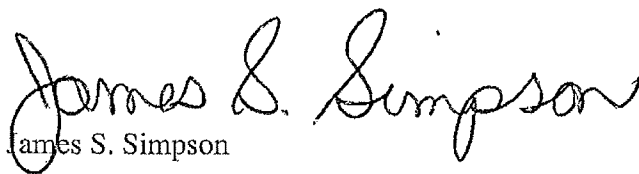
In July 2007, the Department of Transportation's Office of Inspector General (OIG) issued a baseline assessment of this mega-project, corroborating many of the same issues about which FTA was concerned and urging FTA to exercise "extra vigilance" with this Project. The OIG recommended that FTA re-compute the transportation benefits of the Project, using current FTA standards, which would mean a reduction of over 40 percent of the travel-time benefits forecast for the Project. FTA elected not to recalculate these benefits; such action is normally limited to situations when a project undergoes significant scope changes that affect service plans. But FTA has been extra vigilant, including arranging an additional independent budget review beyond FTA's normal rigorous assessment of a proposed project. Through this due diligence FTA believes that the Dulles Project in its current form would be unlikely to be completed on-time and within budget.

MWAA may in time be able to overcome some of the concerns FTA describes in this letter. However, the sheer number and magnitude of the current Project's technical, financial, and institutional risks and uncertainties are unprecedented for a candidate New Starts project - particularly one seeking nearly \$1.5 billion in Federal participation (i.e., \$900 million in New Starts funds and \$580.4 million in a loan under the Department of Transportation's Transportation Infrastructure Finance and Innovation Act) and lacking transportation benefits commensurate with the cost.

For all of the reasons discussed in this letter, I have serious concerns whether it would be appropriate to continue further investment of Federal New Starts funds in this Project, except for reimbursement of FTA-approved activities. I have enclosed a copy of the recommendation memorandum by FTA staff on this subject for your information.

As always, I am available to discuss this matter further if you have any questions. Please do not hesitate to call me at (202) 366-4040.

Sincerely,


James S. Simpson

Enclosure



GERALD E. CONNOLLY
CHAIRMAN

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX
BOARD OF SUPERVISORS
FAIRFAX, VIRGINIA 22035

Suite 530
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chairman@fairfaxcounty.gov

The Honorable James Simpson
Administrator
Federal Transit Administration
1200 New Jersey Avenue, S.E.
4th & 5th Floors, East Building
Washington, D. C. 20590

Dear Administrator Simpson:

The Fairfax County Board of Supervisors is an ardent supporter of the Dulles Corridor Metrorail Project to Tysons Corner and Dulles International Airport and hereby reaffirms its longstanding support for this project. This project has been the County's highest transportation priority since 1999. This project serves the millions of United States citizens who visit the nation's capital each year. It is not simply another local project competing for scarce federal funds. We are deeply concerned by statements made during your January 24th meeting with Governor Kaine and your subsequent letter. We exhort the United States Department of Transportation (USDOT) and the Federal Transit Administration (FTA) to take a detailed appraisal of Governor Kaine's response into your considerations. We trust that you will reach the same conclusion as we have – that expansion of the Metrorail system to Dulles merits, and needs, the funding support of the federal government.

Fairfax County and our partners at the Metropolitan Washington Airports Authority (MWAA), the Washington Metropolitan Area Transit Authority (WMATA), Loudoun County and the Commonwealth of Virginia have complied with every requirement placed on us by the FTA during more than 10 years of project planning, development, and engineering. We have not wavered from our goal to bring a Metrorail extension to the Dulles Corridor, a vision established by the Federal Aviation Administration in 1964, despite the more than 3 years of delay endured by changes in FTA technical guidance and administrative policies. FTA-imposed delays have cost this project almost \$400 million.

We have a unique project that not only provides increased transit capacity to the Dulles Corridor, Tysons Corner, and Dulles International Airport by providing about 100,000 transit trips daily, but also provides for the most cutting edge of financing of any transit project in the nation. Our funding is comprised of a \$400 million tax improvement district on commercial and industrial properties petitioned by landowners and almost \$1 in billion toll revenue from the Dulles Toll Road, and business and professional licensing fees. For Phase I of this project, the FTA funds of \$900 million comprise about 36% of total project cost and fall to 17% when Phase II is factored in. No other project in the nation has these varied sources of public and private funding, and tolling, and none has requested such a low percentage of federal participation. This project should be a model for the nation.

In addition to our unique funding approach, we have embarked on major activities to improve land use within Tysons Corner and at all proposed stations in the Dulles Corridor. In 2005, Fairfax County initiated a major study of changes required in our Comprehensive Plan to transform Tysons Corner – the single largest employment center outside of D.C. and the largest retail center on the East Coast outside of New York City - into a more urban, pedestrian-friendly environment with transit supportive land use. We have engaged the services of PB Placemaking, an internationally renowned land use and transportation consultant, to assist our staff and a citizens' task force in the effort to reshape Tysons Corner. We are in the process of obtaining bids from private developers to design and construct a transit-oriented development at the site of the proposed Wiehle Avenue station in Reston, and to participate in the planning of all future station facilities. Such developments will only further increase ridership and the cost effectiveness of this undertaking.

Fairfax County, the business community and the public have been proactive and have made significant investments in financial and human resources to make the Dulles Corridor Metrorail Project a reality. Recent polling data shows that more than 90% of residents of Northern Virginia support the construction of the Dulles Corridor Metrorail Project (DCRA Survey, 11/2007), lest there be doubt in your mind about public support.

WMATA's Compact member jurisdictions, which include Fairfax County, have always provided the funding necessary to meet WMATA's operating, capital, and construction needs. We have all approved the Metro Matters program and have taken positive steps to fund it through dedicated Northern Virginia Transportation Authority funds of \$50 million annually. We will not shrink from the duties and are prepared to fully fund WMATA now and in the future.

This project has significant economic impacts on the Washington metropolitan region, the Commonwealth of Virginia, and the federal government. The Dulles Corridor is the fastest growing area in this region. It houses over 2,300 private businesses and well over 250,000 employees. Many of these companies are Fortune 500 companies and six Fortune 500 companies have their national headquarters in this corridor. Many of these businesses service the federal government in the defense, telecommunication, IT, and homeland security industries. This project will allow the corridor to continue to be the economic engine of the region. The federal government has a critical role to play in transportation for the national capital region, of which Northern Virginia is a part. By assisting to fund the Dulles Corridor Metrorail Project through a partnership with state and local authorities, the federal government would meet its responsibility to improving transportation for the entire national capital region.

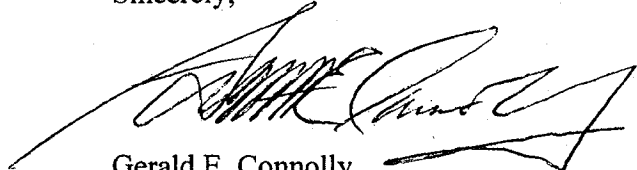
This project also will serve as an economic stimulus to the region and to the country. Every dollar of federal funds is matched by \$2 dollars of local funds to provide an economic stimulus package. Over \$2 billion of the project budget will pay for salaries of construction craft workers, administrative employees, and engineers, and for materials and equipment that will come from the four corners of the United States. The project will offer employment to those craftsmen currently suffering in the downturn of the commercial and residential construction markets. It will provide the nation's manufacturing industry the opportunity to supply steel, concrete, cabling, and other materials necessary to construct the rail extension. The benefits of this project will not only aid local businesses, but also will assist many businesses nationwide. It

would be ironic indeed to have the federal government turn down this critical investment while appropriating a \$150 billion stimulus package at the same time.

The Dulles Corridor Metrorail Project is not just important to Fairfax County as our highest transportation priority; it also will shape our future land use and the economy of the Washington metropolitan area. We have done our part to reach New Starts standards; this project is cost-effective; the cost of the project has been verified by two independent contractors selected by the FTA. MWAA is fully capable of constructing this project as it has constructed more than \$7 billion of improvements at Washington Reagan National Airport and Dulles International Airport; WMATA, with its experience in constructing and operating for 32 years the 106 mile Metrorail system, will provide technical assistance to the project; FTA exposure is capped at \$900 million – never have we asked for more funding. It is now time for you to make the right decision to approve this project for Final Design and to ensure that it receives its federal funding share of \$900 million through a Full Funding Grant Agreement.

I welcome the opportunity to discuss the benefits of the Dulles Corridor Metrorail Project with you at your earliest convenience.

Sincerely,



Gerald E. Connolly

Cc:

The Honorable Timothy Kaine
The Honorable John Warner
The Honorable James Webb
The Honorable Thomas Davis
The Honorable James Moran
The Honorable Frank Wolf
The Honorable Mary Peters



The Northern Virginia Transportation Authority

January 25, 2008

The Honorable James S. Simpson, Administrator
Federal Transit Administration
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Administrator Simpson:

The Northern Virginia Transportation Authority (NVTA) has been charged by the Commonwealth of Virginia with developing a Northern Virginia *regional* transportation plan, developing *regional* priorities and policies to improve air quality, and serving as an advocate for the transportation needs of Northern Virginia. It is from this perspective that, on behalf of the four counties (Arlington, Fairfax, Loudoun and Prince William) and five cities (Alexandria, Fairfax, Falls Church, Manassas and Manassas Park), we urge you to reconsider the intention to disapprove Federal New Starts funding for the Dulles Corridor Metrorail Project – Extension to Wiehle Avenue into Final Design.

Rail to Dulles International Airport is a critical element in the NVTA's *TransAction 2030* plan for addressing the significant challenges in our region. Without the capacity provided by heavy rail in the Tysons – Dulles corridor, the economic viability of this corridor is at risk. This, in turn, puts at risk an important element of the economic basis for the entire Washington region.

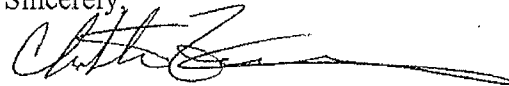
We appreciate the importance of the Federal Transit Administration (FTA) ensuring that “due diligence” is satisfied when investing taxpayers’ dollars in New Starts; however, we would suggest that there are unique aspects to this project that should also be considered before making a final decision:

- National significance. Rail to Dulles isn't simply of local or even regional significance. It is of national import. With Dulles International Airport a major gateway to our nation and the premier international airport to our nation's capital, it is almost unthinkable that there isn't a direct rail link from Dulles to Washington, DC. London, Paris, Tokyo and other major capitals all have such linkages. It no doubt seems absurd to visitors to our nation's capital that the richest nation on earth can't afford such a commonly accepted convenience.
- Federal work force. Given that travel to and from Government work is heavily dependent on Metrorail – as is appropriate – it is increasingly important to extend heavy rail to where the work force lives. This is increasingly in the region's outer suburbs. Analysis has clearly shown that light rail or BRT does not have the capacity to satisfy this requirement.

- Emergency response. As demonstrated on September 11, 2001, the road network in the Washington region can never provide adequate capacity to evacuate the core area; Metrorail is essential, especially through major corridors and activity centers.
- Funding. Typically, New Starts are a 50-50 financial investment between the federal government and state/local governments. With an estimated total cost of approximately \$5 billion (to Loudoun County), Virginia has taken the unprecedented step of capping its request for federal funding at \$900 million, just under 20%. This willingness on the part of the Commonwealth and local jurisdictions is an indication of the importance that we place on this initiative.
- Air quality. We are in a non-attainment region. Every effort must be made to maximize transit and reduce the emissions from our region's highways. **Rail to Dulles will remove 150,000 vehicle trips from the region's highway system every day.**
- Funding for WMATA's existing needs. NVTAA and its member jurisdictions have been very concerned about funding for WMATA's current capital needs. We have repeatedly made this case to the Virginia General Assembly. In April 2007, the General Assembly authorized NVTAA to raise new transportation revenues. The Authority has since acted to provide a special, \$50 million per year allocation for WMATA's infrastructure renewal needs as a top funding priority. It is our understanding that the District of Columbia and Maryland have or are taking similar actions, which we hope will be matched by Congress. **The need for re-investment in the existing Metrorail system should not be an excuse for failing to make an essential investment of generational significance to connect the nation's capital with its primary international airport, and its largest employment sector outside the downtown.**

While we appreciate the need to assess this project with the required FTA criteria, we urge you take into account these unusual and compelling reasons that argue for FTA and Virginia working together to resolve any remaining issues, and expedite the implementation of this vitally-needed project.

Sincerely,



Christopher Zimmerman
Chairman

C: The Honorable Timothy M. Kaine
The Honorable John W. Warner
The Honorable James Webb
The Honorable Thomas M. Davis III
The Honorable James P. Moran
The Honorable Frank R. Wolf
The Honorable Mary E. Peters

January 28, 2008

The Hon. Mary E. Peters Mr. James S. Simpson, Administrator
Secretary of Transportation Federal Transit Administration

4th & 5th Floors East Building
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Ms. Peters and Mr. Simpson:

The Northern Virginia Regional Commission, a regional council of governments representing Arlington, Fairfax, Loudoun and Prince William Counties, the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park, and the Towns of Dumfries, Herndon, Leesburg, Purcellville and Vienna, voted overwhelmingly Thursday night to urge the Federal Transit Administration to reconsider its decision to not fund the Dulles Corridor Metrorail Project – Extension to Wiehle Avenue (the Dulles Project). The Commissioners directed that this letter be sent to express our collective displeasure with the decision. It is the feeling of the Commission that the decision to not fund the Dulles Project will be catastrophic to the region. The failure of the federal government to support the Dulles Project is a great disappointment to all of us.

The national capital area and Northern Virginia in particular, continues to suffer from the second worst traffic in the United States. This is the most important project for improving transportation in the Northern Virginia region. Failing to fund this project keeps 150,000 cars on already congested roadways - roadways that help to link the federal government with its workforce.

However, the benefits go beyond just transportation. The Dulles Project is one of both regional and national significance. Dulles International Airport is the premier airport for the national capital area. The failure to provide a rail link from Dulles to Washington, D.C., is unthinkable.

This project is critical to the federal government and the entire national capital region for homeland security evacuation, air quality improvements, economic development and improved long-term planning. It is the federal government's responsibility, in cooperation with state and local governments, to fund transit in Northern Virginia as part of the national capital area.

The Hon. Mary E. Peters
Mr. James S. Simpson
Page two
January 28, 2008

Local, regional, and state partners in this project have met every goal and benchmark established for them. The technical reports on the project indicate just that. Additionally, unlike other New Start projects where the federal government provides 50% of the funding, local jurisdictions and the Commonwealth submitted a plan where it asked for less than 20% of total project funding to be provided by the federal government.

The Northern Virginia Regional Commission strongly urges the Federal Transit Administration to reconsider its decision to not fund the Dulles Project.

Sincerely,

Gerald E. Connolly
Chairman

GC/ls

cc: Hon. John Warner
Hon. Jim Webb
Hon. Tom Davis
Hon. Jim Moran
Hon. Frank Wolf
Hon. Tim Kaine

NVTC

Northern Virginia Transportation Commission

Agenda Item #7

TO: Chairman Euille and NVTC Commissioners

FROM: Richard K. Taube

DATE: January 31, 2008

SUBJECT: Safety and Enforcement on the I-95/395 HOT Lanes Project

The attached letter to the NVTC/ PRTC/ NVTA chairmen from VDOT Commissioner Ekern and DRPT Director Tucker addresses these issues. The letter to Secretary Homer from PRTC Chairman Jones expresses that commission's concerns in detail. These items are provided for information. At NVTC's March 6th meeting the commission may wish to discuss these issues in more detail and formulate a written response.



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E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org



January 16, 2008

Mr. Christopher Zimmerman, Chairman
Northern Virginia Transportation Authority
4031 University Drive, Suite 200
Fairfax, Virginia 22030

Mr. William D. Euille, Chairman
Northern Virginia Transportation Commission
4350 North Fairfax Drive
Arlington, Virginia 22203

Mr. Frank C. Jones, Chairman
Potomac and Rappahannock Transportation Commission
14700 Potomac Mills Road
Woodbridge, Virginia 22192

Gentlemen:

The development and implementation of High Occupancy Toll (HOT) lanes is new to Virginia. The Virginia Department of Transportation (VDOT), as the owner of the highways, is leading their development and implementation in a careful and deliberate manner. For example, the Capital Beltway HOT Lanes agreement has just been signed after five years of evaluation, collaboration, and negotiation. Without the private commitment, this project would not become a reality.

The second project, the proposed I-95/I-395 HOT lanes project, is currently in the environmental review/planning phase of development. The environmental process by its very nature is independent of any particular solution. As part of this process and as stewards of the public trust, VDOT and the Department of Rail and Public Transportation are working collaboratively to ensure that the project will enhance from a capacity, operational, and safety perspective the use of I-95/I-395 by the public. We are ever mindful that the public includes single-occupancy vehicles, buses, vanpools, and carpools (including sluggers). Because of this broad perspective, we moved early to create a Transit Advisory Committee which has just released its first findings.

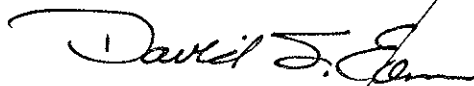
In reviewing the Committee's work and the comments and questions of the Northern Virginia Transportation Commission, Northern Virginia Transportation Authority, Potomac and Rappahannock Transportation Commission, other groups, and citizens, it is clear that we need to focus additional resources on further defining the safe operations of the I-95/I-395 HOT

January 16, 2008
Page Two

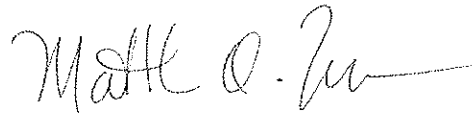
lanes. VDOT has tasked Halcrow, Inc., an internationally recognized expert in this area, to lead this effort. Halcrow will work with VDOT and the Department of Rail and Public Transportation to develop specific technical, operational, and performance requirements that will be incorporated into any public-private agreement. As the requirements are considered, modeling and simulation of their impact will be developed when feasible. Furthermore, the Commonwealth's current HOV and toll enforcement activities will also be available to the HOT lanes. We assure you that the public will be kept informed of this work and the various requirements.

We want to be very clear. Whether it be the Capital Beltway HOT Lanes or the I-95/I-395 HOT Lanes, VDOT is charged with making sure that they are operated in a safe and efficient manner that meets the demands of the traveling public. Our private partners have expertise in this area which we will all benefit from but the ultimate responsibility for defining these requirements rests with the Commonwealth.

Sincerely,



David S. Ekern
VDOT Commissioner



Matthew O. Tucker
DRPT Director

Copy: The Honorable Pierce R. Homer

January 17, 2008

The Honorable Pierce R. Homer
Secretary of Transportation
Commonwealth of Virginia
Patrick Henry Bldg., 3rd Floor
1111 East Broad Street
Richmond, VA 23219

Dear Mr. Secretary:

On behalf of the Potomac and Rappahannock Transportation Commission (PRTC), I am writing to inform you of the Commission's continuing, serious concerns about "safety" and "enforcement" issues associated with the proposed I-395/I-95 HOT lanes project. I'll preface my discussion of these concerns by acknowledging PRTC's receipt of a letter dated January 16, 2008 that VDOT Commissioner David Ekern and DRPT Director Matthew Tucker sent jointly sent to PRTC, NVTC, and NVTA, informing the recipients of VDOT's and DRPT's intention to "focus additional resources on further defining safe operations", with the help of a recognized expert (Halcrow, Inc.). We view this as a very positive step, and we hope the observations made later in this letter serve the constructive purpose of providing a fuller elaboration of the issues PRTC believes the VDOT / DRPT / Halcrow effort needs to address.

The views expressed in this letter account for the content of Fluor / Transurban's most recent presentation to PRTC, which occurred on January 3rd (a copy of that presentation is enclosed for your ease of reference). With regard to safety, PRTC is especially concerned about the sub-standard width travel lanes and shoulders from the northernmost end of the proposed project southward to Prince William County, and most particularly inside the beltway where the widths are most constricted and where a shoulder on one side of the roadway would be all but eliminated.

By Fluor/Transurban's telling, safety concerns should be allayed by the fact that "emergency pull-offs/enforcement bays" are envisioned at intermittent locations, coupled with unspecified plans for rapid response to incidents when they arise. As the Fluor/Transurban presentation I've enclosed describes, six such pull-offs/enforcement bays are foreseen along the more than eight mile stretch inside the beltway, meaning that they will be 1.25 miles apart on average. Thus vehicles experiencing mechanical or other problems that necessitate stopping while they are in the lanes will have to either navigate

their way to the nearest of these bays if possible or content themselves with pulling off on the shoulder if the nearest bay is beyond their reach. Moreover, with the bay on one side of the three proposed lanes, vehicles needing to pull over will have to traverse as many as two travel lanes to access the shoulder or the bay depending on where they are.

Our safety concerns are especially acute in relation to bus operations, since our bus fleet consists of 102-inch wide vehicles (exclusive of the rear-view mirrors on both sides of the bus, which protrude outward approximately six inches on each side). With a planned shoulder width as narrow as nine feet, a bus in a stopped state on a shoulder would barely fit, and there would be no room whatsoever for passengers to exit the bus if they had to for emergency reasons. Bear in mind that with the bus door on the opposite side of the bus from where the operator sits, opening the door to allow passengers to exit could mean passengers having direct exposure to traffic in a travel lane depending on which way the bus is traveling and which side of the road the shoulder or bay resides.

Fluor/Transurban representatives have expressed confidence that a condition like this would be for a very short duration, since a “rapid response to incidents” capability is planned and, once the incident response team arrives, a travel lane could be temporarily blocked to create more of a refuge area. When asked what a rapid response means, however, Fluor/Transurban’s representatives demurred, indicating that this is a subject requiring further analysis and negotiation. Indeed, we understand that a performance standard for response time has yet to be defined for the beltway HOT lanes project, which as you know is much further along in development.

For all of these reasons, at the January 3rd PRTC meeting, VDOT and Fluor/Transurban representatives were urged to:

- Complete a risk analysis of the proposed project, and disclose the results for public review and comment; and
- Provide accident history data for HOT lanes already in existence, differentiating between facilities that are Fluor and/or Transurban-affiliated and those that are not.

Building on what was said at the January 3rd meeting, the risk analysis PRTC believes is necessary would entail estimation of the numbers of violators and breakdowns by all vehicle types that safety and enforcement accommodations would have to handle, and an assessment of the adequacy of these accommodations as planned. Performance

metrics for assessing adequacy should be explicitly defined, and all the stakeholders should have the opportunity to participate in both the formulation of the metrics and the assessment itself.

Turning to enforcement, enforcement plans must be able to address two types of violators as you know: those that use the lanes without a transponder; and those that use the lanes with a transponder and claim to be HOV3+ who are not (hereinafter referred to as "HOV3+ violators"). The first of these types of violators poses a comparatively easy enforcement challenge, since proven technology exists to detect vehicles without transponders and since photo identification of such vehicles should be able to all but eliminate evasion. HOV3+ violators are another story, however, since there is not yet proven technology to detect vehicle occupancy with a sufficiently high level of accuracy for vehicles on the move.

Fluor/Transurban's representatives acknowledge that occupancy detection is not yet possible technologically, while expressing optimism that it will be eventually. In the interim, enforcement will largely depend on roadside visual detection by law enforcement, reportedly with some degree of technological support though the nature of this support is unclear. Strikingly, though the proposed HOT lanes project would introduce new enforcement challenges, the project team asserts that the rate of violators in the lanes (relative to the violation rate in the HOV lanes) will be dramatically lowered, presumably based on the belief that higher levels of roadside enforcement coupled with the planned enforcement bays will be an effective deterrent.

PRTC's concern with regard to enforcement is that roadside apprehension is already very difficult without the new enforcement challenges, so much so that law enforcement must "walk a fine line" about how many vehicles to apprehend lest it cause major traffic back-ups with far more extensive shoulders present than what is envisioned by the proposed project. To date, there has been no persuasive evidence presented that roadside apprehension of violators under the changed conditions meets a reasonable test of viability, and consequently PRTC fears that apprehension efforts will be far more difficult than acknowledged, jeopardizing safety and operations on this critically important roadway.

Reliance on State Police for roadside enforcement also poses a manpower challenge. PRTC has the impression that it has been a daunting task for the State Police to maintain necessary manning levels under present circumstances, and soon there will be the added enforcement demands of HOT lanes on the beltway and traffic management demands associated with Tyson's rail construction. To the extent that enforcement will depend on roadside enforcement by the State Police, affirmation that these added demands on the State Police are manageable is essential.

The Honorable Pierce R. Homer
January 15, 2008
Page 4

More broadly, PRTC believes it is essential to substantiate that plans for addressing “safety” and “enforcement” issues are sound before any irrevocable decision to proceed is made. Actions that the Federal Highway Administration (FHWA) will be asked to take later this year (i.e., concluding that the northerly segment is NEPA compliant and approving design exceptions) surely should require a finding that the concerns described here have been adequately addressed. The fact that these are actions that the project team expects to happen in 2008 is what compels PRTC to communicate with you now in this fashion.

I’ll close by observing that PRTC understands the importance VDOT and Fluor/Transurban assign to “HOT lanes” safety and unimpeded traffic operation, but the stakes are too high to rely simply on good intentions. The HOV lanes continue to be one of the most successful people moving facilities in the Commonwealth, and the proposal to convert this pair of lanes to three dynamically tolled lanes poses new complexities that are without precedent. Each of PRTC’s buses carries as many as 57 passengers, which fully loaded amounts to nearly 60,000 pounds, with huge potential consequences in the event of an accident and little margin for error. A thorough and objective risk assessment is essential, and PRTC stands ready to provide whatever assistance it can in bringing this about.

Sincerely,

Frank C. Jones
Chairman

Enclosure: As stated

cc: PRTC Commissioners
VDOT Commissioner David Ekern
DRPT Director Matthew Tucker
NVTC Chairman William Euille
NVTA Chairman Christopher Zimmerman

NVTC

Northern Virginia Transportation Commission

NVTC

Agenda Item #8

TO: Chairman Euille and NVTC Commissioners.

FROM: Scott Kalkwarf and Colethia Quarles

DATE: January 31, 2008

SUBJECT: NVTC Financial Items for December, 2007

NVTC's financial reports are attached for December, 2007 for your information.

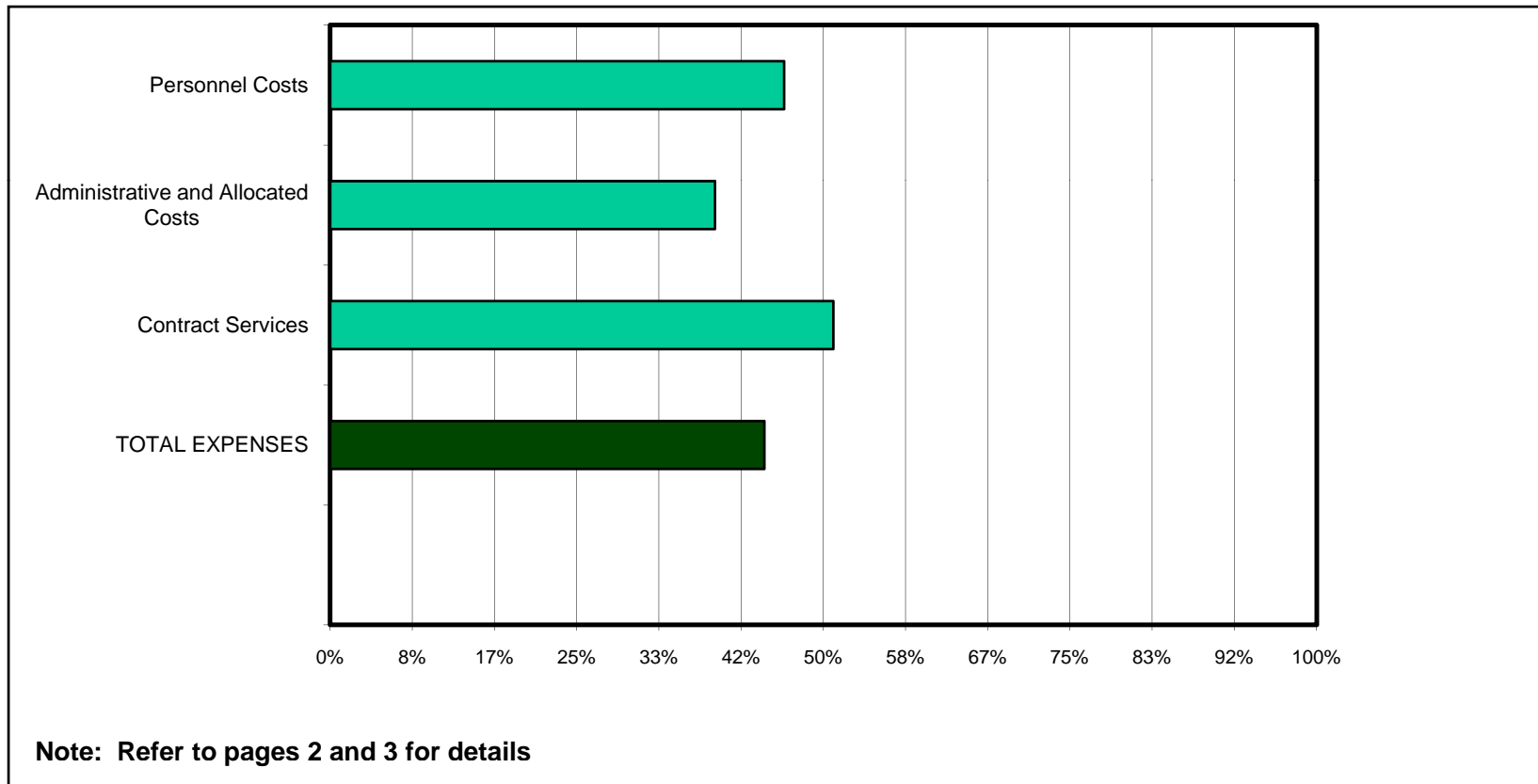


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E-mail nvtc@nvtc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports
December, 2007

Percentage of FY 2008 NVTC Administrative Budget Used
December, 2007
(Target 50% or less)



**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
December, 2007**

	<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	\$ 43,648.33	\$ 336,437.94	\$ 701,400.00	\$ 364,962.06	52.0%
Temporary Employee Services	-	-	1,000.00	1,000.00	100.0%
Total Personnel Costs	43,648.33	336,437.94	702,400.00	365,962.06	52.1%
<u>Benefits</u>					
Employer's Contributions:					
FICA	2,823.49	21,338.41	48,900.00	27,561.59	56.4%
Group Health Insurance	2,754.80	20,798.77	65,750.00	44,951.23	68.4%
Retirement	4,285.00	25,710.00	56,200.00	30,490.00	54.3%
Workmans & Unemployment Compensation	-	1,840.89	3,400.00	1,559.11	45.9%
Life Insurance	297.00	1,605.52	3,750.00	2,144.48	57.2%
Long Term Disability Insurance	266.23	1,542.83	4,450.00	2,907.17	65.3%
Total Benefit Costs	10,426.52	72,836.42	182,450.00	109,613.58	60.1%
<u>Administrative Costs</u>					
Commissioners Per Diem	1,550.00	6,250.00	18,400.00	12,150.00	66.0%
<i>Rents:</i>					
Office Rent	14,675.91	87,294.96	184,950.00	97,655.04	52.8%
Parking	630.00	4,888.00	11,900.00	7,012.00	58.9%
<i>Insurance:</i>					
Public Official Bonds	200.00	450.00	2,600.00	2,150.00	82.7%
Liability and Property	1,713.00	1,713.00	1,800.00	87.00	4.8%
<i>Travel:</i>					
Conference Registration	-	-	2,000.00	2,000.00	100.0%
Conference Travel	80.10	524.24	4,500.00	3,975.76	88.4%
Local Meetings & Related Expenses	763.57	1,962.22	6,200.00	4,237.78	68.4%
Training & Professional Development	-	695.00	3,500.00	2,805.00	80.1%
<i>Communication:</i>					
Postage	724.89	1,557.81	4,600.00	3,042.19	66.1%
Telephone - LD	-	516.99	1,200.00	683.01	56.9%
Telephone - Local	401.39	2,622.79	5,800.00	3,177.21	54.8%
<i>Publications & Supplies</i>					
Office Supplies	136.57	1,294.72	4,500.00	3,205.28	71.2%
Duplication	1,215.57	5,413.65	9,300.00	3,886.35	41.8%
Public Information	500.00	500.00	10,000.00	9,500.00	95.0%

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
December, 2007**

	<u>Current Month</u>	<u>Year To Date</u>	<u>Annual Budget</u>	<u>Balance Available</u>	<u>Balance %</u>
<i>Operations:</i>	132.44	1,626.39	25,650.00	24,023.61	93.7%
Furniture and Equipment	-	-	12,650.00	12,650.00	100.0%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	132.44	1,626.39	12,000.00	10,373.61	86.4%
<i>Other General and Administrative</i>	207.07	2,315.17	6,800.00	4,484.83	66.0%
Subscriptions	-	-	400.00	400.00	100.0%
Memberships	-	966.00	1,700.00	734.00	43.2%
Fees and Miscellaneous	207.07	1,349.17	2,900.00	1,550.83	53.5%
Advertising (Personnel/Procurement)	-	-	1,800.00	1,800.00	100.0%
40th Anniversary	-	-	-	-	0
Total Administrative Costs	22,300.51	114,736.94	291,800.00	177,063.06	60.7%
<u>Contracting Services</u>					
Auditing	6,225.00	11,225.00	19,700.00	8,475.00	43.0%
Consultants - Technical	-	-	1,000.00	1,000.00	100.0%
Legal	-	-	1,000.00	1,000.00	100.0%
Total Contract Services	6,225.00	11,225.00	21,700.00	10,475.00	48.3%
 Total Gross G&A Expenses	<u>\$ 82,600.36</u>	<u>\$ 535,236.30</u>	<u>\$ 1,198,350.00</u>	<u>\$ 663,113.70</u>	<u>55.3%</u>

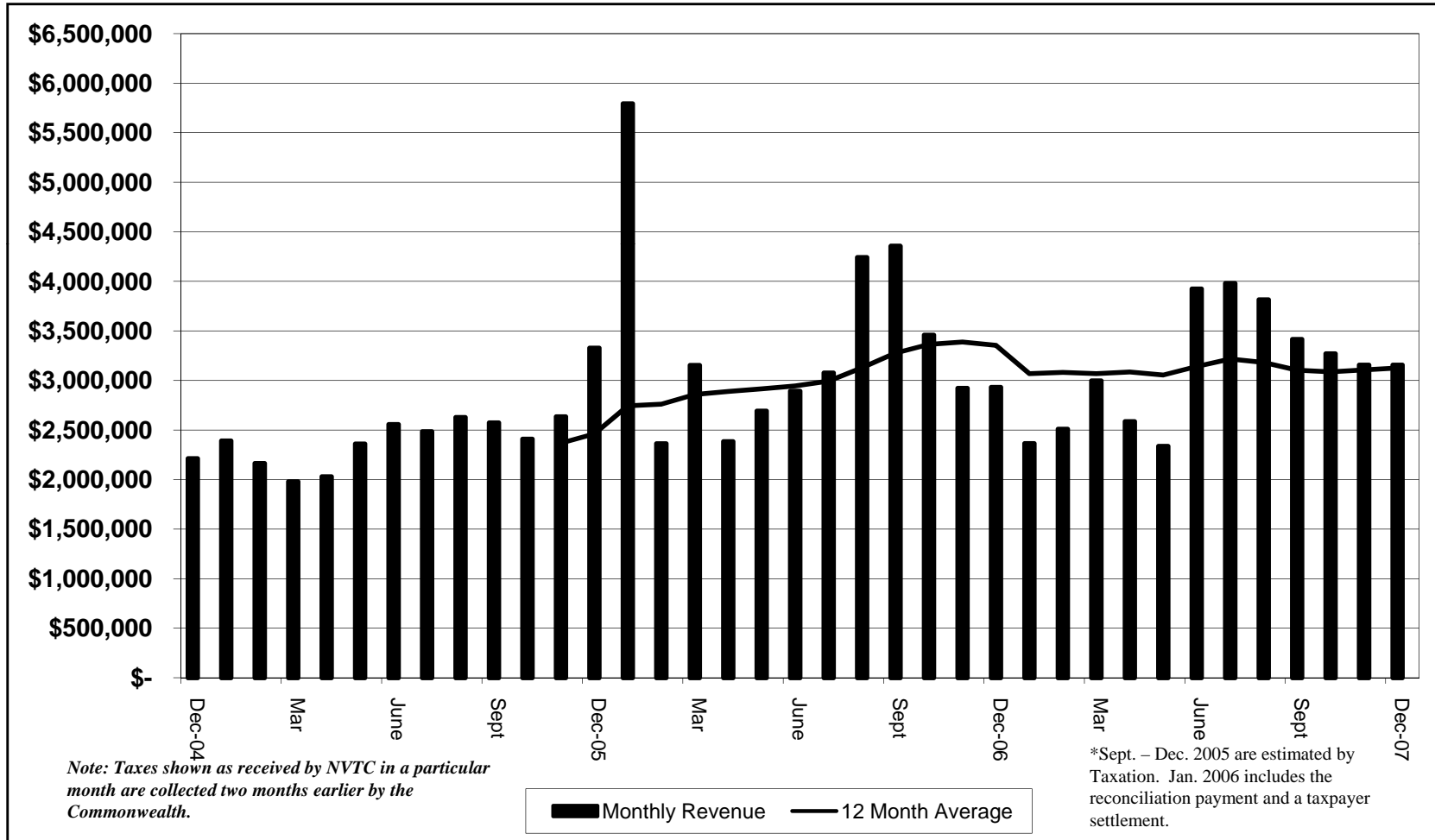
**NVTC
RECEIPTS and DISBURSEMENTS
December, 2007**

<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						
6	DRPT	HFI demonstration grant receipt			\$ 24,985.00	
11	DRPT	Capital grant receipt				1,737,986.00
18	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt				3,155,947.12
20	VRE	Reimbursement for staff support		6,668.55		
20	Staff	Reimbursement of expenses		3.38		
21	DRPT	FTM/Admin grant receipt				4,347,693.00
21	NVRC	Sr. Mobility grant receipt		4,473.91		
28	DRPT	Code Red grant receipt			13,360.00	
31	Banks	December interest		754.85	2,994.13	455,120.04
			<u>-</u>	<u>11,900.69</u>	<u>41,339.13</u>	<u>9,696,746.16</u>
DISBURSEMENTS						
31	Various	NVTC project and administration	(78,851.75)			
7	Stantec	Consulting - Bus Data	(7,975.81)			
7	Canadian Hydrogen	Hydrogen Bus costs incurred	(13,150.00)			
7	Canadian Hydrogen	Hydrogen Bus costs incurred	(13,150.00)			
21	WB&A	Consulting - Sr. Mobility	(4,473.91)			
21	Fairfax County	SmarTrip advance refund			(125,550.00)	
31	WMATA	Code Red costs incurred			(13,360.00)	
31	Wachovia Bank	December service fees	(45.81)			
			<u>(117,647.28)</u>	<u>-</u>	<u>(138,910.00)</u>	<u>-</u>
TRANSFERS						
7	Transfer	From LGIP to checking	60,000.00		(60,000.00)	
11	Transfer	From LGIP to LGIP (Bus Data)			7,975.81	(7,975.81)
20	Transfer	From LGIP to checking	55,000.00		(55,000.00)	
			<u>115,000.00</u>	<u>-</u>	<u>(107,024.19)</u>	<u>(7,975.81)</u>
NET INCREASE (DECREASE) FOR MONTH			<u>\$ (2,647.28)</u>	<u>\$ 11,900.69</u>	<u>\$ (204,595.06)</u>	<u>\$ 9,688,770.35</u>

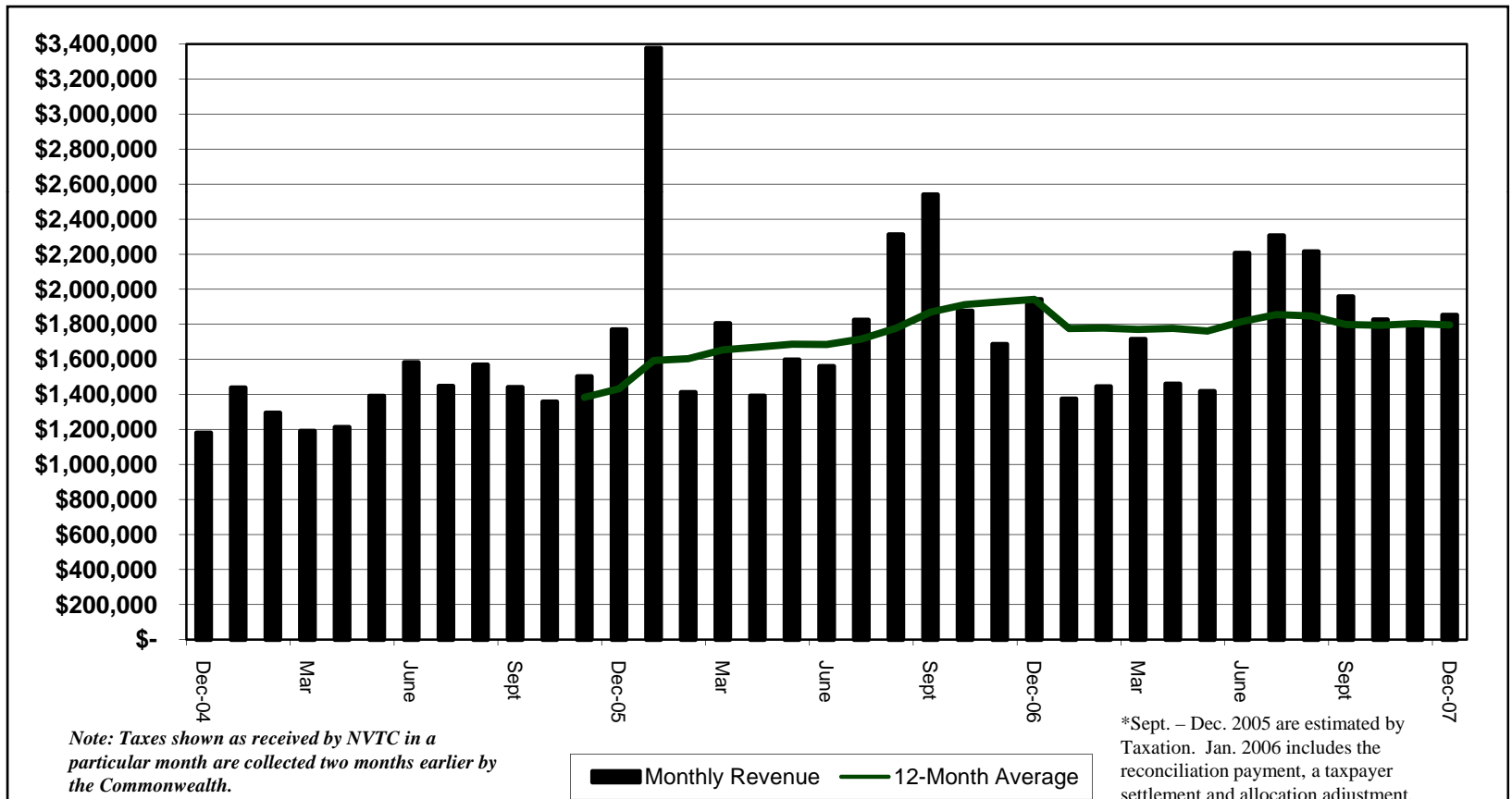
**NVTC
INVESTMENT REPORT
December, 2007**

<u>Type</u>	<u>Rate</u>	<u>Balance 11/30/2007</u>	<u>Increase (Decrease)</u>	<u>Balance 12/31/2007</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	\$ 14,995.77	\$ (2,647.28)	\$ 12,348.49	\$ 12,348.49	\$ -	\$ -
Wachovia: NVTC Savings	3.43%	259,882.16	11,900.69	271,782.85	271,782.85	-	-
<u>Investments - State Pool</u>							
Nations Bank - LGIP	4.78%	108,715,546.06	9,484,175.29	118,199,721.35	599,503.56	85,643,629.89	31,956,587.90
		<u>\$ 108,990,423.99</u>	<u>\$ 9,288,833.64</u>	<u>\$ 118,483,852.69</u>	<u>\$ 883,634.90</u>	<u>\$ 85,643,629.89</u>	<u>\$ 31,956,587.90</u>

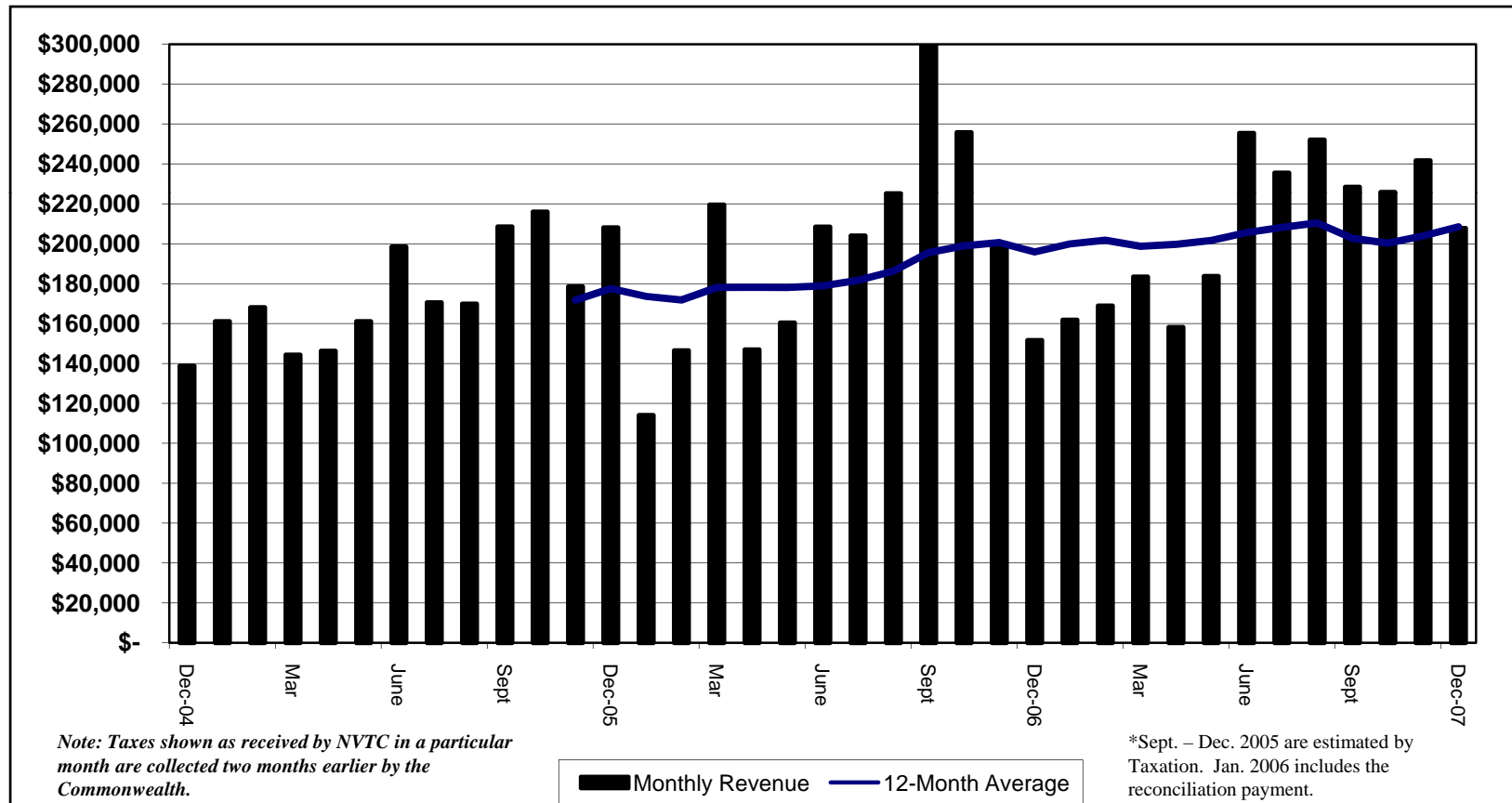
NVTC MONTHLY GAS TAX REVENUE ALL JURISDICTIONS FISCAL YEARS 2005-2008



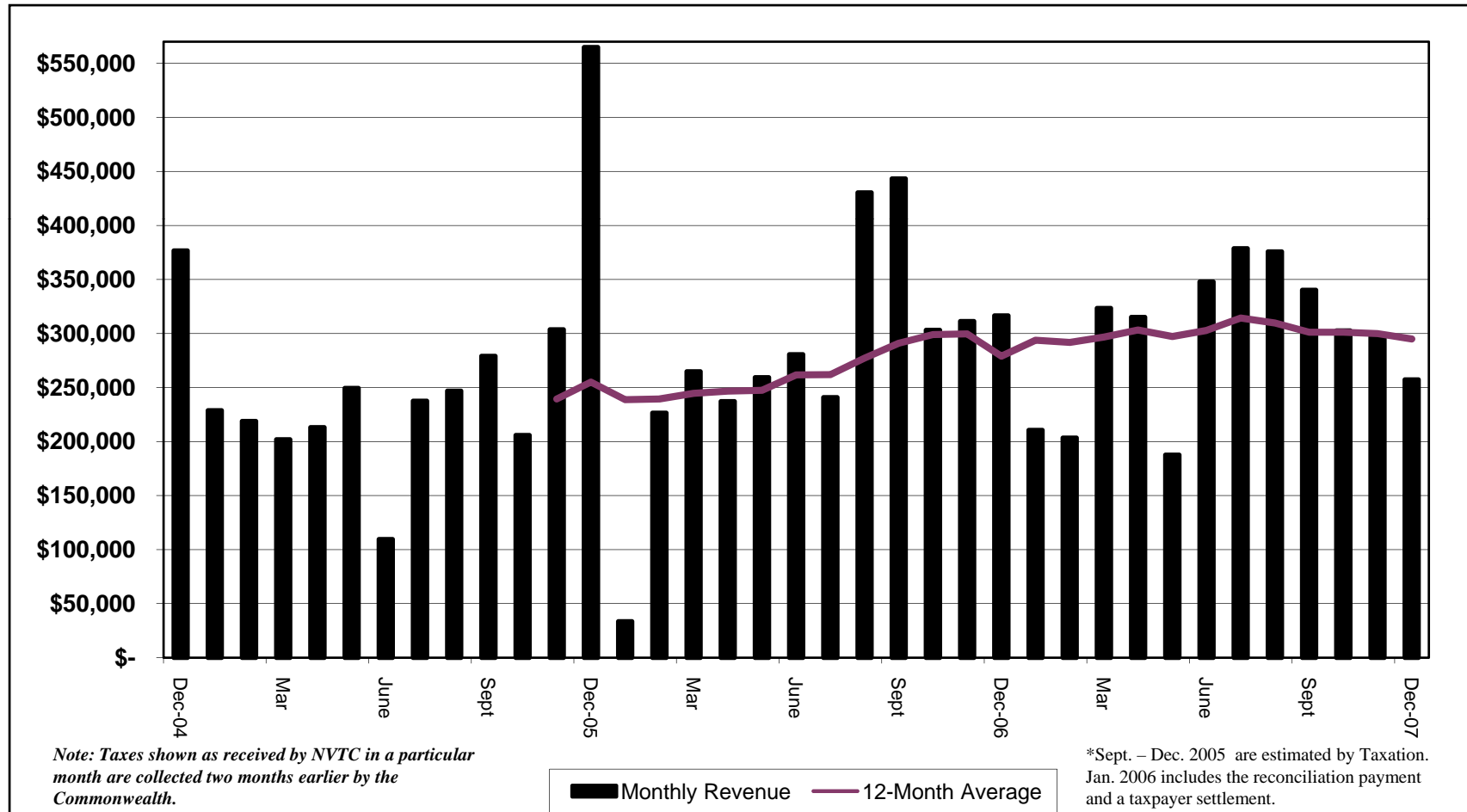
NVTC MONTHLY GAS TAX REVENUE FAIRFAX COUNTY FISCAL YEARS 2005-2008



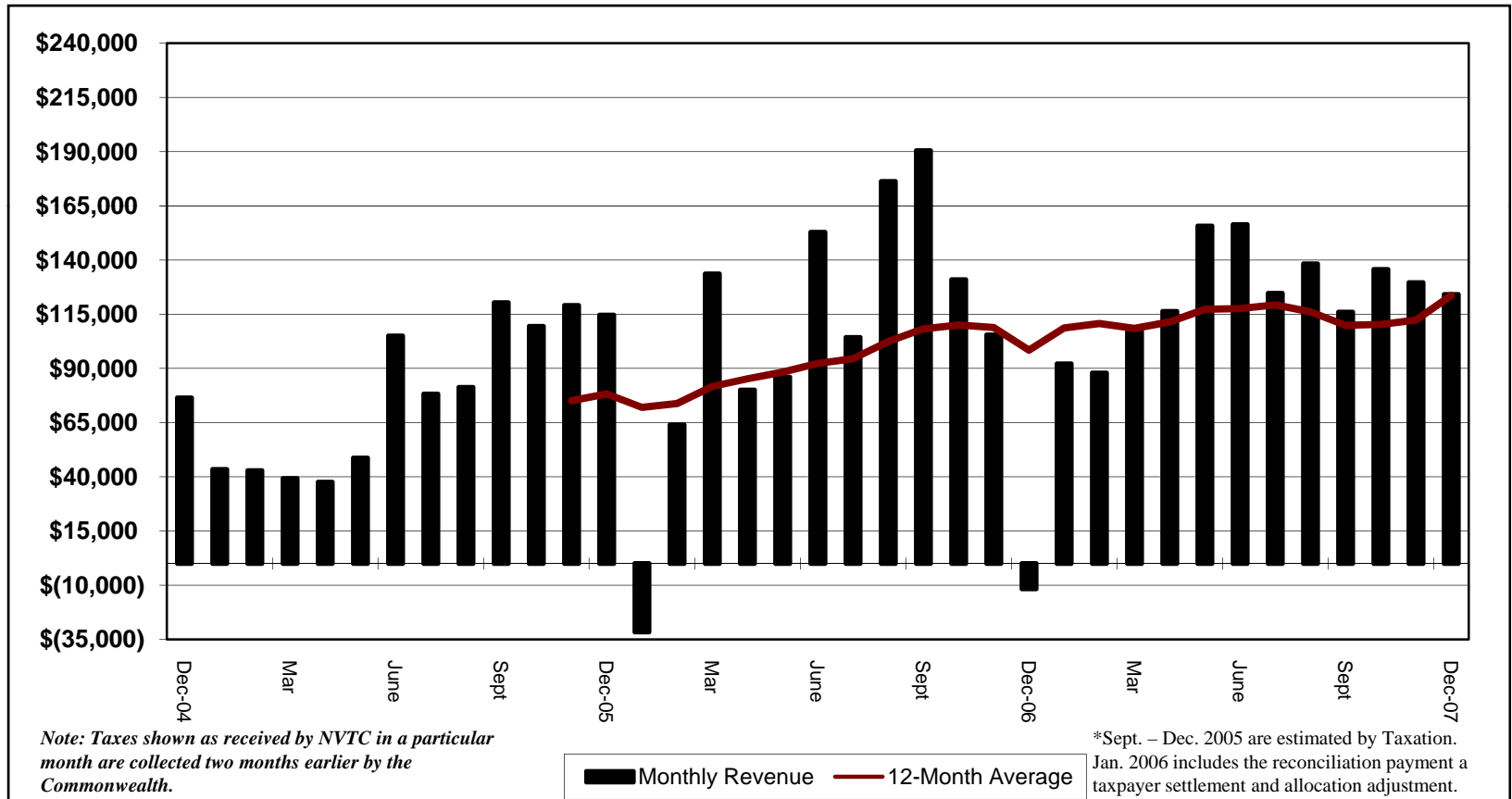
NVTC MONTHLY GAS TAX REVENUE CITY OF ALEXANDRIA FISCAL YEARS 2005-2008



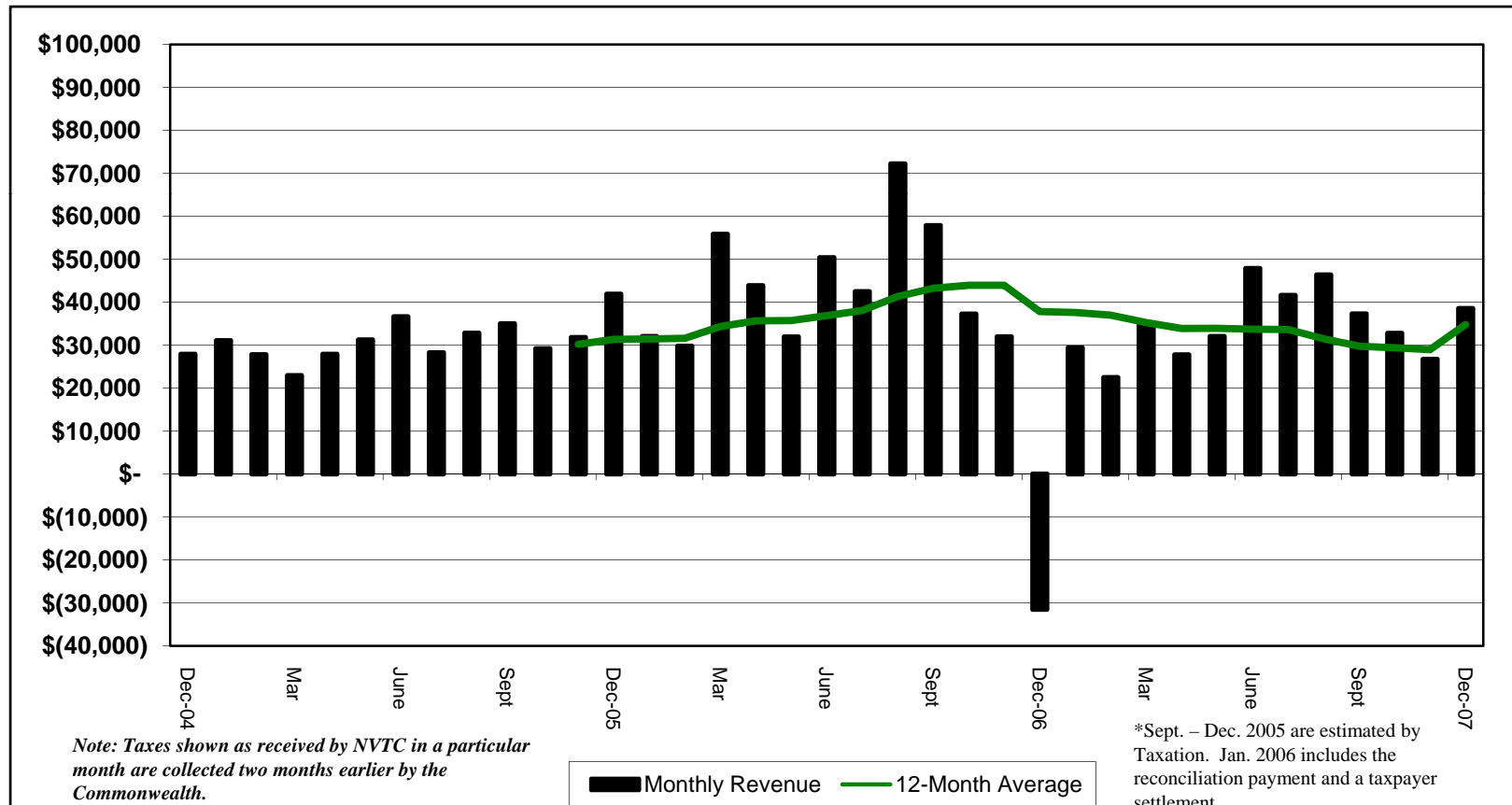
NVTC MONTHLY GAS TAX REVENUE ARLINGTON COUNTY FISCAL YEARS 2005-2008



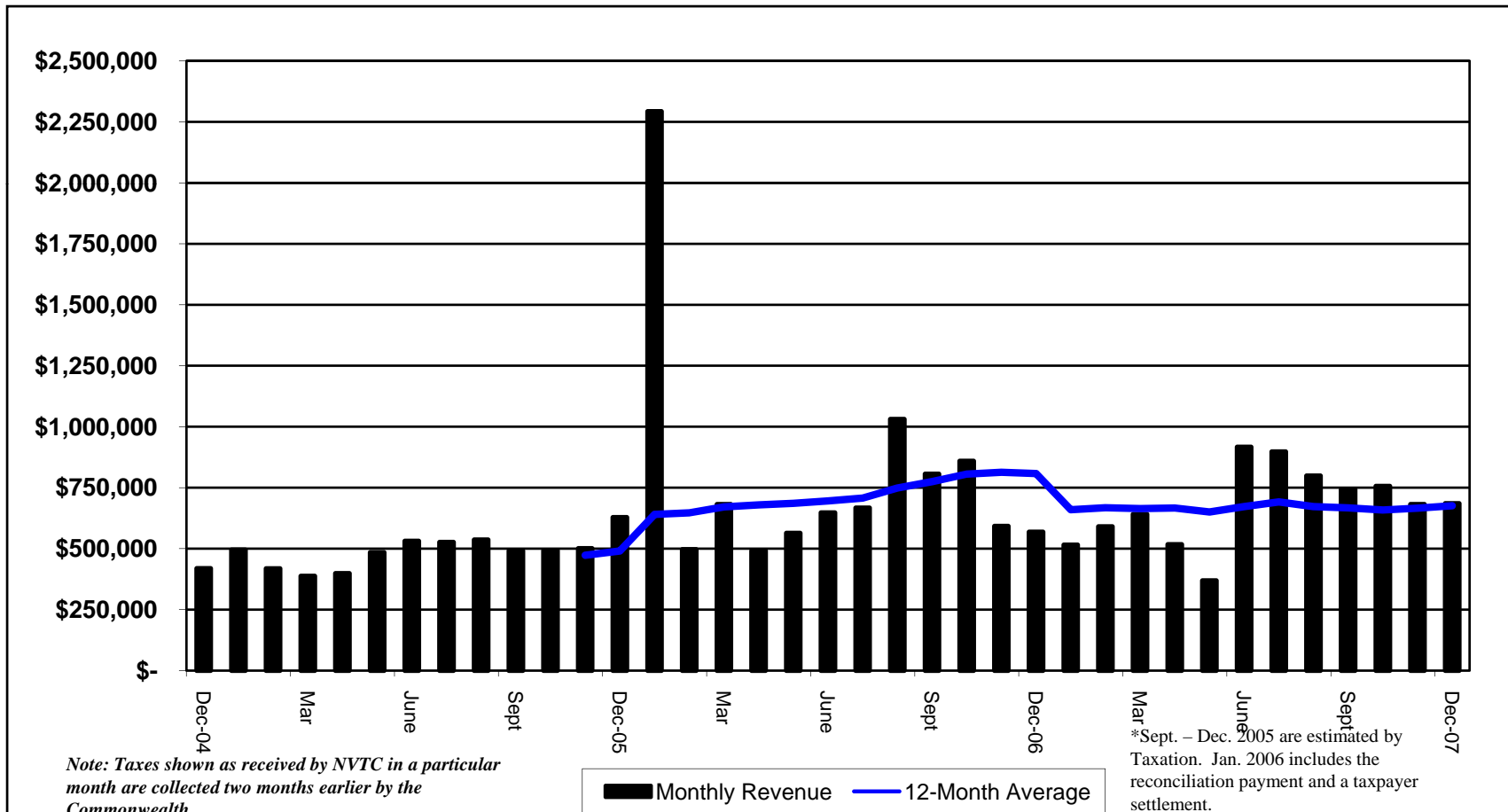
NVTC MONTHLY GAS TAX REVENUE CITY OF FAIRFAX FISCAL YEARS 2005-2008



NVTC MONTHLY GAS TAX REVENUE CITY OF FALLS CHURCH FISCAL YEARS 2005-2008



NVTC MONTHLY GAS TAX REVENUE LOUDOUN COUNTY FISCAL YEARS 2005-2008



NVTC

Northern Virginia Transportation Commission

Agenda Item #9

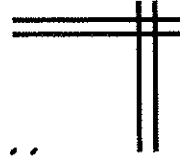
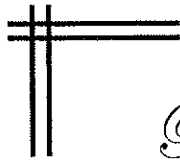
TO: Chairman Euille and NVTC Commissioners
FROM: Richard K. Taube
DATE: January 31, 2008
SUBJECT: Legislative Items

The commission will have the opportunity for a discussion of legislative strategy with members of the Northern Virginia Transportation Authority.

Attached for your information is a list of General Assembly bills being tracked by staff. Also attached for your information is a notice of a legislative reception sponsored by the Virginia Transit Association to be held on February 18, 2008 from 5:30 p.m. to 7:30 p.m. in the Old City Hall Lobby near the General Assembly Building in Richmond. All commissioners and staff are invited.



4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
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Please Join Us...



*Transportation Choices
Legislative Reception*

Monday, February 18, 2008

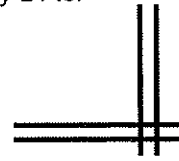
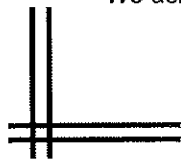
5:30-7:30 p.m.

Hosted by:
Virginia Transit Association and Sponsors

Old City Hall Lobby
1001 East Broad Street, Richmond

We ask that you please RSVP before January 24 to:

Patricia Villa at (804) 643-1166 or
pvilla@mcm1.net



Jurisdiction and Agency Coordinating 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: Update on General Assembly Activities (Item I.V.)

DATE: Draft: January 28, 2008

Recommendation:

The Jurisdiction and Agency Coordinating Committee recommends that the Northern Virginia Transportation Authority consider and adopt positions on the bills included in Attachment A.

Background:

The General Assembly has been in session since January 9, 2008. Progress has been made on several of NVTA's legislative initiatives. An annotated version of the NVTA legislative program showing the activity on each legislative initiative, is included as Attachment B. Also attached is a matrix of transportation funding, allocation and constitutional amendment bills and their status (Attachment C).

Jurisdiction and Agency Coordination Committee members and I will be available at the February 7, 2008, NVTA meeting to answer questions.

Cc: Members, NVTA Jurisdiction and Agency Coordinating Committee
John Mason, Executive Director

Recommendations for Specific NVTA Positions
Draft: January 29, 2008

Bills Specifically Addressing Items in NVTA's Legislative Program

Pedestrian Safety Legislation

- HB 1270 (Ebbin) and SB 644 (Ticer); **Recommend Support**

Transportation Efficiencies

- Increase Limits on Task Order Contracts; **HB 944 (Albo); Recommend Support**
- Increase Limits on Highway Construction by Local and State Employees; **SB 189 (Herring); Recommend Support**

Revenue Sharing

- Restores program to pre-2005 form; **HB 571 (Crockett-Stark); Recommend Support**
- Restores program to pre-2005 form, but requires 10 % local funds as part of the match versus allowing the match to be 100 % developer contributions; **HB 1286 (Athey); Recommend Support with amendment to allow developer contributions to make up 100 % of the local match**
- Modifies the existing tier structure to give the highest priority to projects managed by the locality; allows developer contributions to make up 100 % of match; **HB 111 (Scott)/SB 99 (Ruff); Recommendation Pending**

Restriction of NVTA's Ability to Collect Taxes and Fees Authorized in HB 3202

- Herndon Charter Change to require Council approval of excise taxes; **HB 761 (Rust); Recommend Oppose**
- Restrictions on Collection of NVTA Initial Vehicle Registration Fees and \$10 Annual Registration Fee; **HB 649 (Hogan); HB 1524 Athey; and SB 728 (Saslaw); Recommend discussion.**
- Repealing NVTA and HRTA's authority to impose the taxes and fees authorized by HB 3202 and transferring the authority to the affected local governments; **SB 724 (Cuccinelli); Recommend Oppose**

Bills Presented for Discussion

- Exempting vehicle towing and storage from NVTA and HRTA sales tax on labor associated with vehicle repairs; **HB 361 (Purkey)**
- Adding a town members to NVTA; **HB 451(Rust)/HB 957 (Shannon)/SB 453 (Petersen)**
- Authorizing NVTA to Collect a 0.5 % Sales Tax instead of the initial vehicle registration fee, the 5% sales tax on labor associated with vehicle repairs, and the \$10 vehicle inspection fee; **SB 728 (Saslaw)**

Legislative Update
2008 General Assembly Session
Draft: January 29, 2008

NVTA Legislative Agenda Items

Additional Transportation Funding

Position: Support additional state transportation funding for highway, transit, bicycle and pedestrian improvements.

NVTA asks the General Assembly to:

- Replace any revenue sources included in HB 3202 which are successfully challenged in court with a stable, reliable, and permanent source(s) that generates an equal or greater amount of transportation funding.

Status: Numerous bills have been introduced to repeal and replace the abusive driver fees approved in HB 3202. All of the Senate bills have been incorporated into SB 1 (Houck) that repeals the fees. It was reported by the Senate Finance Committee on January 24. There are also numerous House bills related to abusive driver fees. These bills have been assigned to the House Transportation Committee. HB 649 (Hogan) was reported and approved by the full House (95-2). This bill also prohibits the auto dealers from collecting NVTA's one-percent initial vehicle registration fee or the \$10 annual registration fee. HB 1243 (Hugo) which simply repeals the abusive driver fees was also reported by the House Transportation Committee on January 24. On January 28 an emergency clause was added on the House floor to make the bill effective immediately upon signature by the Governor. All these bills are described in more detail in the attachment.

- Coordinate any changes to the regional funding packages included in HB 3202 that may be proposed with both the Northern Virginia and the Hampton Roads regions. (Northern Virginia is not seeking any changes to the regional funding packages).

Status: Two bills have been introduced so far that make changes to the Hampton Road funding packages. They are HB 507 (Hamilton) and SB 176 (Belvins). HB 507 eliminates the 5 % sales tax on labor associated with vehicle repairs, the initial vehicle registration fee, the congestion relief fee, and the increased commercial real estate tax. The bill increases the tax on motor fuels from 2 % to 5 %, the car rental fee from 2 % to 5 %, and the annual vehicle license fee from \$10 to \$50. It also makes changes to the Hampton Roads project list. SB 176 makes the following changes: reduces from \$10 to \$5 the annual motor vehicle inspection fee; eliminates the 5% sales tax on labor associated with vehicle repair; reduces the grantor's tax from \$0.40 per \$100 to \$0.20 per \$100; (iv) increases the tax on motor fuels from 2% to 5%; and (v) increases the car rental fee from 2% to 5%. HB 507 has been assigned to House Transportation. SB 176 was referred to Senate Finance.

In addition, SB 729 (Saslaw) authorizes NVTA to impose a 0.50 % sales tax. If NVTA imposes the sales tax, the NVTA shall no longer be authorized to impose: (i) the initial 1% vehicle registration fee; (ii) the 5% sales tax on labor associated with vehicle repairs; or (iii) additional annual \$10 vehicle inspection fee. SB 729 was assigned to Senate Finance.

- Provide increased transportation funding for all modes from a stable, reliable, and permanent source(s) to address Northern Virginia's and the Commonwealth's transportation needs not covered by the funding authorized in HB 3202.

Status: *Several other transportation revenue bills have been introduced. See the attached chart.*

- Meet the Commonwealth's statutory 95 percent share of transit operating and capital costs (net of fares and federal assistance). This would require approximately \$190 million annually in new funds for the limited transit projects and eligible operating costs included in CTB's six-year program.

Status: *No specific bills have been introduced and printed yet.*

- Modify any bond-related provisions in HB 3202 which are successfully challenged in court

Status: *Not applicable.*

Base Realignment and Closure (BRAC) Commission Recommendations

NVTA supports the inclusion of sufficient funding in the 2008-2010 biennium budget to ensure significant fiscal resources to address the enormous planning and transportation issues associated with the Base Realignment and Closure Commission recommendations.

Status: *No specific bills have been introduced and printed yet.*

Pedestrian Safety

Position: The NVTA supports revisions to Virginia's existing pedestrian law to clarify the responsibilities of drivers and pedestrians in order to reduce the number of pedestrian injuries and fatalities that occur each year. In particular, NVTA supports legislation that would require motorists to stop for pedestrians in crosswalks at unsignalized intersections on roads where the speed is 35 mph or less.

Status: Two bills have been introduced. HB 1270 (Ebbin) has been assigned to House Transportation. SB 644 (Ticer) was heard by the Senate Transportation on January 24. A decision was delayed one week to allow the patron to work with a committee member on language to address the member's concerns. HB 1270 will likely be heard in subcommittee on February 4.

Secondary Road Program

Position: NVTA opposes any legislative or regulatory moratorium on the transfer of newly

constructed secondary roads to VDOT for the purposes of ongoing maintenance. In addition, NVTA opposes any legislation that would require the transfer secondary road construction and maintenance responsibilities to counties.

Status: *No specific bills have been introduced and printed yet.*

Revenue Sharing

Position: NVTA supports legislation that caps the state's revenue sharing program at \$50 M; streamlines the allocation process approved by the General Assembly in 2005 and clarifies that proffers can be used for the entire local match.

Status: *Four bills have been introduced. HB 111 (Scott, E)/SB 99 (Ruff) would reorder the priorities in the code to make the highest priority those projects being implemented by the locality. They also clarify that developer contributions can be used for 100% of the local match. HB 571 (Crockett-Stark) restores the revenue sharing program to the way it was before 2005. It clarifies that developer contributions can be used for 100% of the local match. HB 1286 (Athey) restores the revenue sharing program to the way it was before 2005. It says that developer contributions can be used for 90% of the local match. HB 111 has been assigned to House Appropriations. HB 571 and HB 1286 have been assigned to House Transportation. SB 99 has been assigned to Senate Transportation.*

Transportation Efficiencies

Position: NVTA supports legislation to enact efficiencies in the delivery of transportation projects, including increasing the limits on task order or "on-call" contracts for architectural and professional engineering services to a maximum of \$5 million (from \$1 million) and a maximum of \$1 million per task (from \$200,000) and increasing the limit of highway construction projects that can be undertaken by local government employees from \$300,000 to \$1 million.

Status: *HB 944 (Albo) addresses the task order portion of this position. It has been assigned to the House General Laws Committee, Freedom of Information Act Subcommittee which unanimously recommended that that bill be reported by the full committee. It will be heard by the full committee on January 29. SB 189 (Herring) addresses the highway construction by local/state government employees portion of the recommendation. It passed the Senate (40-0).*

Efforts to Restrict NVTA Ability to Collect the Taxes and Fees Authorized by the General Assembly

Position: NVTA opposes efforts to restrict or complicate its ability to collect the taxes and fees authorized by the General Assembly in 2007, including its ability to collect the transient occupancy tax in towns within its nine jurisdictions.

Status: *Several bills have been introduced. HB 761 (Rust) would not allow NVTA to collect its transient occupancy tax in the Town of Herndon without the Council's approval. It was heard by a subcommittee of House Counties Cities and Towns on January 23; however, the subcommittee members requested that the town and Fairfax County attempt to reach a compromise.*

Other Bills that Would Affect NVTA Directly

HB 361 (Purkey) would exempt towing and vehicle storage from the NVTA and HRTA sales tax on labor associated with vehicle repairs. HB 361 was assigned to House Transportation.

HB 451(Rust)/HB 957 (Shannon)/SB 453 (Petersen) would all add a town representative to NVTA. In HB 451 the representative would be appointed by NVTA's Chairman. In HB 957 and SB 453, the representative would be appointed by the Governor. HB 451 was heard by a subcommittee of House Counties, Cities and Towns on January 16; however action was deferred pending input from NVTA. HB 957 was assigned to House Transportation. SB 453 was assigned to Senate Local Government.

HB 649 (Hogan) would prohibit the auto dealers from collecting NVTA and HRTA's 1% initial vehicle registration fee and \$10 annual vehicle registration fee. The bill also contains a repeal of the abusive driver fees. HB 649 passed the House (95-2) on January 22.

HB 1524 (Athey) would only allow the Department of Motor Vehicles (DMV) and voluntary agents of DMV to collect NVTA and HRTA's 1% initial vehicle registration fee and \$10 annual vehicle registration fee. HB 1524 was assigned to House Transportation.

HJ 20 and HJ 21 (Marshall, R.) are constitution amendment bills that would prohibit any entity from imposing taxes other than the Commonwealth, counties, cities, towns or regional governments. They were both assigned to House Privileges and Elections. Both bills were carried over to 2009.

SB 724 (Cuccinelli) would repeal NVTA and HRTA's ability to impose the taxes and fees authorized by HB 3202 and transfer that authority to the affected local governments. SB 724 was assigned to Senate Finance.

SB 728 (Saslaw) would prohibit the auto dealers from collecting NVTA and HRTA's 1% initial vehicle registration fee and \$10 annual vehicle registration fee.

Other Bills of Interest to NVTA

HB 135 (Nichols) would prohibit HOT lanes on I-95 north of Fredericksburg. HB 135 was assigned to House Transportation.

HB 342 (Plum) would extend the hybrid exemption on Northern Virginia's HOV lanes until 2012. HB 342 was assigned to House Transportation. Incorporated into HB 1014 by Subcommittee #1.

HB 1014 (Hugo) would extend the hybrid exemption on Northern Virginia's HOV lanes until 2009. HB 1014 was assigned to House Transportation. Subcommittee #1 recommended reporting the bill on January 28.

HB 1573 (Hall) would create the Central Virginia Regional Transportation Authority including Chesterfield, Hanover, Henrico and Richmond. The authority would be given similar revenue generating powers as NVTA and HRTA. HB 1573 was assigned to House Counties, Cities and Towns.

SB 720 (Barker) would require that any contract for the construction of HOT lanes on I-95/395 between Arlington and Spotsylvania Counties must specify that the average speed in the HOT lanes be 45 mph. SB 720 was assigned to Senate Transportation.

Studies

HJ 63(Nichols) would study the impact of the BRAC recommendations at Fort Belvoir of transportation, public schools, the environment, and affordable housing in Northern Virginia.

HJ 98 (Watts) would study the establishment of bus rapid transit corridors in Northern Virginia.

HJ 153 (Watts) would study competitive bidding on projects under the Public-Private Transportation Act of 1995 and similar projects.

HJ 157 (Bouchard) would study the functions and authorities of state entities with transportation responsibilities.

HJ 158 (Bouchard) would study the impact on Virginia of a decline in funding from the federal Highway Trust Fund.

SJ 83 (Barker) would study mass transit options and potential improvements in Northern Virginia. Incorporated into SJ 122 (Colgan) by the Senate Rules Study Subcommittee on January 29, 2008.

SJ 122 (Colgan) would study enhancing (bus) rapid transit service in Northern Virginia. Senate Rules Study Subcommittee recommended reporting on January 29, 2008.

2008 General Assembly Session
Transportation Funding/Allocation Bills

Bills	Patron	Description	Committee	Status	Position	Notes
HOUSE		Transportation Funding Bills				
HB 26	Putney	Civil remedial fees on certain drivers; repealed	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 41	Scott	Motor fuels tax; modifies rates of taxation thereof.	H Finance #2			Modifies the rates of taxation on motor fuels to be the greater of (i) the current specific cents-per-gallon rates or (ii) percentage rates, 7.7 percent for gasoline/gasohol, and 6.8 percent for diesel. The percentage rates would be applied to the average price per gallon, less federal and state taxes, as determined by the Commissioner of the DMV over rolling 6 month periods.
HB 50	Cole	Civil remedial fees on certain drivers; repealed	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 67	Marshall, R.	Civil remedial fees on certain drivers; repealed	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 154	Nichols	Civil remedial fees on certain drivers; repealed.	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007) and requires repayment of fees collected with interest.
HB 161	Albo	Liquidated damage fees; fees to be paid by all abusive drivers on State highways.	H Trans			Repeals "civil remedial fees;" replaces with "liquidated damages" that apply to all drivers including Non-Virginia residents; lists offenses and penalties
HB 179	Marshall, R.	Civil remedial fees; alternatives to fee for certain offenses.	H Trans			Provides that if a reckless driving offense involves speeding in excess of 85 miles per hour; the court may order the installation of a device to limit the speed of the vehicle routinely driven by the defendant to 75 miles per hour in lieu of a civil remedial fee. Also provides that if the offense involves driving while intoxicated, the court may order that the person install and use an ignition interlock system for a period of 12 consecutive months in lieu of a civil remedial fee.
HB 185	Marshall, R.	Trucks and combination vehicles; Transportation Board to impose fee for use in maintaining highways.	H Trans #2			Requires the CTB to impose a fee on trucks and combination vehicles for use in maintaining state highways.
HB 275	Watts	Motor fuels tax; rate increase.	H Rules			Increases the tax on gasoline, diesel fuel, and alternative fuel by \$0.10 per gallon; increases the motor carrier road tax by an equivalent of \$0.10 per gallon of fuel used in the Commonwealth. All motor fuels taxes will be indexed every two years beginning July 1, 2009, by an amount equal to the percentage change in the Producer Price Index for Highway and Street Construction. The revenue generated is used for transportation purposes.
HB 287	Kilgore	Civil remedial fees on certain drivers; repealed	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 290	Englin	Civil remedial fees on certain drivers; repealed	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 377	Marshall, D.	Civil remedial fees; court to order community service in lieu of imposition of fees.	H Trans			Allows a court to order community service in lieu of imposition of civil remedial fees when it finds that the person is unable to pay or that payment will present a substantial hardship.
HB 446	Rust	Civil remedial fees; fees shall be assessed on person who operates motor vehicle on highways.				Provides that abusive driver civil remedial fees shall be assessed on any person who operates a motor vehicle on the highways of Virginia, whether licensed by Virginia or not, whether a resident of Virginia or not. Provides that a civil remedial fee will not be imposed for driving on a suspended license if the suspension or revocation was based solely upon a person's failure to pay a court fine, court cost, or civil remedial fee. Limits application of the fees upon the commission of unnamed traffic misdemeanors to Class 1 and Class 2 misdemeanors. Provides that no fee is to be imposed for reckless driving when the violation was as a result of traveling (a) less than 80 miles per hour in a 55 mile-per-hour zone or (b) less than 90 miles per hour in a 65 mile-per-hour zone.
HB 490	Amundson	Transportation funding; increases motor fuels tax and repeals certain abusive driver fees.	Committee Assignment Pending			Repeals Abusive Driver Fees approved in HB 3202 (2007); replaces with a 1.5 cent motor fuels tax statewide.
HB 649	Hogan	Motor vehicle dealers; collection of annual license and registration fees in certain localities.	H Trans	Passed House (95-2)		Repeals Abusive Driver Fees approved in HB 3202 (2007); requires DMV to collect NVTA and HRTA initial vehicle registration fee and annual registration fee, rather than the automobile dealers.
HB 747	Caputo	Civil remedial fees on certain drivers; repealed.	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007) and requires repayment of fees collected with interest.
HB 1113	Cole	Certificate of occupancy; imposition of fee for issuance	H Counties, Cities and Towns			Imposes a fee for the issuance of a certificate of occupancy for every building or structure that is neither exempt from taxation by law nor actually valued at less than \$100,000 at the time such final certificate of occupancy is issued. 2/3 of the fees to be allocated to Transportation Trust Fund. 1/3 of the fees to be allocated to local government for transportation purposes.
HB 1188	Moran	Civil remedial fees on certain drivers; repealed.	H Trans			Repeals the Abusive Driver Fees approved in HB 3202 (2007) and requires repayment of fees collected with interest.

2008 General Assembly Session
Transportation Funding/Allocation Bills

HB 1231	Vanderhye	Civil remedial fees on certain drivers; repealed	H Trans	Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 1243	Hugo	Civil remedial fees on certain drivers; repealed	H Trans	Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 1266	Hull	Motor fuels tax; increase.	H Finance #2	Increases the tax on gasoline, diesel fuel, and alternative fuel by \$0.055 per gallon; increases the motor carrier road tax by an equivalent of \$0.055 per gallon of fuel used in the Commonwealth; and increases the alternative use fee for certain motor carriers from \$100 to \$150. The revenue generated is used for transportation purposes.
HB 1291	Athey	Civil remedial fees on certain drivers; repealed	H Trans	Repeals the Abusive Driver Fees approved in HB 3202 (2007).
HB 1375	Morrisey	Civil remedial fees on certain drivers; repealed	H Trans	Repeals the Abusive Driver Fees approved in HB 3202 (2007).
SENATE				
SB 1	Houck	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	As reported by S Courts of Justice, repeals the Abusive Driver Fees approved in HB 3202 (2007). Refund provisions have been removed.
SB 445	Petersen	Motor fuels tax; funding for transportation related alternatives	S Finance	Increases the statewide motor fuels tax by 1.0 cents per gallon. Deposits into the Biofuels Production Fund.
SB 526	Locke	Vehicle safety inspections; required every 24 months instead of every 12 months	S Trans	Governor's package. Reduces safety inspections from annually to bi-annually. Increases the fee from \$16 to \$20.
SB 597	Normnt	Simulcast horse racing; Racing Commission authorizes wagering thereon & allocates proceeds.	S Gen Laws	Authorizes wagering on historical horse racing and allocates 51 percent of the proceeds to the Transportation Trust Fund.
SB 713	Saslaw	Motor fuels tax; rate increase.	S Finance	Increases the state motor fuels tax rate by \$0.05 per gallon in increments of \$0.01 per gallon in each of the next five fiscal years with the revenues deposited to the Highway Maintenance and Operating Fund.
Transportation Allocation Formula Bills				
HOUSE				
HB 94	Nichols	Secondary highway system; allocates construction funds among counties based on population	H Approp. Trans Sub.	Changes secondary road funding allocation to populations only.
HB 389	Bulova	Highway systems; allocation of maintenance funds	H Trans #1	Changes maintenance allocation formula to link budget to meeting performance standards.
HB 471	Watts	Highway construction, primary system; funds allocation	H Trans #1	Changes primary system allocation formula to include a congestion factor (VMT/mile miles).
HB 788	Ingram	Highway maintenance payments; Arlington and Henrico Counties	H Approp. Trans Sub.	Allows counties that maintain their own secondary highways (Henrico and Arlington) to receive the same per-mile maintenance payments provided for roads within urban transportation service districts in other counties
HB 1108	Rust	Highway construction, primary system; funds allocation	H Approp. Trans Sub.	Changes primary system allocation formula to include a congestion factor (VMT/mile miles).
HB 1288	Athey	Bridge and safety funding; prioritization by Transportation Board	H Trans #4	Requires CTB to make the replacement and/or repair of certain bridges, the highest priority for all available bridge and safety funding.
HB 1385	Miller, J	Highway construction funds, primary and secondary; funds allocation	H Trans	Revises the formulas used to allocate primary and secondary highway construction funds, so that such funds are allocated on the basis of population.
SENATE				

2008 General Assembly Session
Transportation Funding/Allocation Bills

Protecting the Transportation Trust Fund						
House:						
HJ 29	Moran	Constitutional Amendment; Transportation Funds	H Privileges and Elections			Protects the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and Priority Transportation Fund; allows borrowing with 2/3 +1 vote of General Assembly, requires repayment in three years.
HJ 48	Marshall, R.	Constitutional Amendment; Transportation Funds	H Privileges and Elections			Protects the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and Priority Transportation Fund; allows borrowing with 2/3 +1 vote of General Assembly; requires repayment in four years.
Senate:						
SJ 91	Norriant	Constitutional Amendment; Transportation Funds	S Privileges and Elections			Protects the Commonwealth Transportation Fund, Transportation Trust Fund, Highway Maintenance and Operating Fund, and Priority Transportation Fund; allows borrowing with 2/3 +1 vote of General Assembly, requires repayment in three years; limits use of non-transportation funds for transportation purposes.
Regional Transportation Authority Tax Bills						
House:						
HB 361	Purkey	Retail Sales and Use Tax; exemptions include motor vehicle repairs in certain localities.	Committee Referral Pending			Exempts towing and vehicle storage from sales tax on automobile repairs implemented by NVTA and HRTA.
Senate:						
SB 729	Saslaw	Retail Sales & Use Tax; Northern Virginia Transportation Authority authorized to impose.	S Finance			Authorizes NVTA to impose a 0.50% sales tax in the counties and cities embraced by the NVTA. Provides that if NVTA imposes the sales tax, then, beginning at such time that the tax is first imposed, NVTA shall no longer be authorized to impose the (i) one-time 1% vehicle registration fee; (ii) 5% sales tax on labor or services charged in the repair of motor vehicles; or (iii) additional annual \$10 vehicle inspection fee.
Other Transportation Bills						
House:						
Senate:						

Legislation No Longer Under Consideration

Bill Number	Author	Description	Committee	Disposition	Notes
Transportation Funding Bills					
HOUSE					
SENATE					
SB 4	Puller	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007) and required repayment of fees collected with interest.
SB 6	Lucas	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007) and required repayment of fees collected with interest.
SB 42	Reynolds	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007) and required repayment of fees collected with interest.
SB 57	Colgan	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007) and required repayment of fees collected with interest.
SB 95	Cucunelli	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007).
SB 287	Wampler	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007).
SB 411	Puckett	Motor fuels tax; funding for transportation related alternatives	S Finance	Incorporated into SB 1	As reported by S Courts of Justice, would have repealed the Abusive Driver Fees approved in HB 3202 (2007); also enacts a 2.5 cent increase in the statewide motor fuels tax.
SB 430	Vogel	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007).
SB 443	Petersen	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007).
SB 444	Petersen	Motor fuels tax; funding for transportation-related alternatives	S Finance	Incorporated into SB 1	Would have increased the statewide motor fuels tax by 2.0 cents per gallon. Deposits one-half into the Biofuels Production Fund and one-half into the Highway Maintenance and Operations Fund.
SB 469	Hanger	Transportation funding; repeals certain abusive driver fee, changes to motor fuels tax rate, etc.	S Finance	Incorporated into SB 1	Would have repealed the Abusive Driver Fees and the regional sales tax on labor associated with vehicle repairs approved in HB 3202 (2007); and replaces them with the 2.0 cent increase in the statewide motor fuels tax.
SB 664	Newman	Civil remedial fees on certain drivers; repealed.	S Courts of Justice	Incorporated into SB 1	Would have repealed the Abusive Driver Fees approved in HB 3202 (2007).
Transportation Allocation Formula Bills					
HOUSE					
SENATE					
Transportation Trust Fund Bills					
HOUSE					
SENATE					
Transportation and Land Use					
HOUSE					
SENATE					
Other Transportation Bills					
HOUSE					
SENATE					

Legislative Update
2008 General Assembly Session
January 25, 2008

NVTA Legislative Agenda Items

Additional Transportation Funding

Position: Support additional state transportation funding for highway, transit, bicycle and pedestrian improvements.

NVTA asks the General Assembly to:

- Replace any revenue sources included in HB 3202 which are successfully challenged in court with a stable, reliable, and permanent source(s) that generates an equal or greater amount of transportation funding.

Status: Numerous bills have been introduced to repeal and replace the abusive driver fees approved in HB 3202. All of the Senate bills have been incorporated into SB 1 (Houck) that repeals the fees. It was reported by the Senate Finance Committee on January 24. There are also numerous House bills related to abusive driver fees. These bills have been assigned to the House Transportation Committee. HB 649 (Hogan) was reported and approved by the full House (95-2). This bill also prohibits the auto dealers from collecting NVTA's one-percent initial vehicle registration fee or the \$10 annual registration fee. HB 1243 (Hugo) which simply repeals the abusive driver fees was also reported by the House Transportation Committee on January 24. All these bills are described in more detail in the attachment.

- Coordinate any changes to the regional funding packages included in HB 3202 that may be proposed with both the Northern Virginia and the Hampton Roads regions. (Northern Virginia is not seeking any changes to the regional funding packages).

Status: Two bills have been introduced so far that make changes to the Hampton Road funding packages. They are HB 507 (Hamilton) and SB 176 (Belvins). HB 507 eliminates the 5 % sales tax on labor associated with vehicle repairs, the initial vehicle registration fee, the congestion relief fee, and the increased commercial real estate tax. The bill increases the tax on motor fuels from 2 % to 5 %, the car rental fee from 2 % to 5 %, and the annual vehicle license fee from \$10 to \$50. It also makes changes to the Hampton Roads project list. SB 176 makes the following changes: reduces from \$10 to \$5 the annual motor vehicle inspection fee; eliminates the 5% sales tax on labor associated with vehicle repair; reduces the grantor's tax from \$0.40 per \$100 to \$0.20 per \$100; (iv) increases the tax on motor fuels from 2% to 5%; and (v) increases the car rental fee from 2% to 5%. HB 507 has been assigned to House Transportation. SB 176 was referred to Senate Finance.

In addition, SB 729 (Saslaw) authorizes NVTA to impose a 0.50 % sales tax. If NVTA imposes the sales tax, the NVTA shall no longer be authorized to impose: (i) the initial 1% vehicle registration fee; (ii) the 5% sales tax on labor associated with vehicle repairs; or (iii) additional annual \$10 vehicle inspection fee. SB 729 was assigned to Senate Finance.

- Provide increased transportation funding for all modes from a stable, reliable, and permanent source(s) to address Northern Virginia's and the Commonwealth's transportation needs not covered by the funding authorized in HB 3202.

Status: Several other transportation revenue bills have been introduced. See the attached chart.

- Meet the Commonwealth's statutory 95 percent share of transit operating and capital costs (net of fares and federal assistance). This would require approximately \$190 million annually in new funds for the limited transit projects and eligible operating costs included in CTB's six-year program.

Status: No specific bills have been introduced and printed yet.

- Modify any bond-related provisions in HB 3202 which are successfully challenged in court

Status: Not applicable.

Base Realignment and Closure (BRAC) Commission Recommendations

NVTA supports the inclusion of sufficient funding in the 2008-2010 biennium budget to ensure significant fiscal resources to address the enormous planning and transportation issues associated with the Base Realignment and Closure Commission recommendations.

Status: No specific bills have been introduced and printed yet.

Pedestrian Safety

Position: The NVTA supports revisions to Virginia's existing pedestrian law to clarify the responsibilities of drivers and pedestrians in order to reduce the number of pedestrian injuries and fatalities that occur each year. In particular, NVTA supports legislation that would require motorists to stop for pedestrians in crosswalks at unsignalized intersections on roads where the speed is 35 mph or less.

Status: Two bills have been introduced. HB 1270 (Ebbin) has been assigned to House Transportation. SB 644 (Ticer) was heard by the Senate Transportation on January 24. A decision was delayed one week to allow the patron to work with a committee member on language to address the member's concerns. HB 1270 will likely be heard in subcommittee on February 4.

Secondary Road Program

Position: NVTA opposes any legislative or regulatory moratorium on the transfer of newly constructed secondary roads to VDOT for the purposes of ongoing maintenance. In addition, NVTA opposes any legislation that would require the transfer secondary road construction and maintenance responsibilities to counties.

Status: *No specific bills have been introduced and printed yet.*

Revenue Sharing

Position: NVTA supports legislation that caps the state's revenue sharing program at \$50 M; streamlines the allocation process approved by the General Assembly in 2005 and clarifies that proffers can be used for the entire local match.

Status: *Four bills have been introduced. HB 111 (Scott, E)/SB 99 (Ruff) would reorder the priorities in the code to make the highest priority those projects being implemented by the locality. They also clarify that developer contributions can be used for 100% of the local match. HB 571 (Crockett-Stark) restores the revenue sharing program to the way it was before 2005. It clarifies that developer contributions can be used for 100% of the local match. HB 1286 (Athey) restores the revenue sharing program to the way it was before 2005. It says that developer contributions can be used for 90% of the local match. HB 111 has been assigned to House Appropriations. HB 571 and HB 1286 have been assigned to House Transportation. SB 99 has been assigned to Senate Transportation.*

Transportation Efficiencies

Position: NVTA supports legislation to enact efficiencies in the delivery of transportation projects, including increasing the limits on task order or "on-call" contracts for architectural and professional engineering services to a maximum of \$5 million (from \$1 million) and a maximum of \$1 million per task (from \$200,000) and increasing the limit of highway construction projects that can be undertaken by local government employees from \$300,000 to \$1 million.

Status: *HB 944 (Albo) addresses the task order portion of this position. It has been assigned to the House General Laws Committee, Freedom of Information Act Subcommittee which unanimously recommended that that bill be reported by the full committee. It will be heard by the full committee on January 29. SB 189 (Herring) addresses the highway construction by local/state government employees portion of the recommendation. It passed the Senate (40-0).*

Efforts to Restrict NVTA Ability to Collect the Taxes and Fees Authorized by the General Assembly

Position: NVTA opposes efforts to restrict or complicate its ability to collect the taxes and fees authorized by the General Assembly in 2007, including its ability to collect the transient occupancy tax in towns within its nine jurisdictions.

Status: Several bills have been introduced. HB 761 (Rust) would not allow NVTA to collect its transient occupancy tax in the Town of Herndon without the Council's approval. It was heard by a subcommittee of House Counties Cities and Towns on January 23; however, the subcommittee members requested that the town and Fairfax County attempt to reach a compromise.

Other Bills that Would Affect NVTA Directly

HB 361 (Purkey) would exempt towing and vehicle storage from the NVTA and HRTA sales tax on labor associated with vehicle repairs. HB 361 was assigned to House Transportation.

HB 451 (Rust)/HB 957 (Shannon)/SB 453 (Petersen) would all add a town representative to NVTA. In HB 451 the representative would be appointed by NVTA's Chairman. In HB 957 and SB 453, the representative would be appointed by the Governor. HB 451 was heard by a subcommittee of House Counties, Cities and Towns on January 16; however action was deferred pending input from NVTA. HB 957 was assigned to House Transportation. SB 453 was assigned to Senate Local Government.

HB 649 (Hogan) would prohibit the auto dealers from collecting NVTA and HRTA's 1% initial vehicle registration fee and \$10 annual vehicle registration fee. The bill also contains a repeal of the abusive driver fees. HB 649 passed the House (95-2) on January 22.

HB 1524 (Athey) would only allow the Department of Motor Vehicles (DMV) and voluntary agents of DMV to collect NVTA and HRTA's 1% initial vehicle registration fee and \$10 annual vehicle registration fee.

HJ 20 and HJ 21 (Marshall, R.) are constitution amendment bills that would prohibit any entity from imposing taxes other than the Commonwealth, counties, cities, towns or regional governments. They were both assigned to House Privileges and Elections.

SB 724 (Cuccinelli) would repeal NVTA and HRTA's ability to impose the taxes and fees authorized by HB 3202 and transfer that authority to the affected local governments. SB 724 was assigned to Senate Finance.

SB 728 (Saslaw) would prohibit the auto dealers from collecting NVTA and HRTA's 1% initial vehicle registration fee and \$10 annual vehicle registration fee.

Other Bills of Interest to NVTVA

HB 135 (Nichols) would prohibit HOT lanes on I-95 north of Fredericksburg. HB 135 was assigned to House Transportation.

HB 342 (Plum) would extend the hybrid exemption on Northern Virginia's HOV lanes until 2012. HB 342 was assigned to House Transportation.

HB 1014 (Hugo) would extend the hybrid exemption on Northern Virginia's HOV lanes until 2009. HB 1014 was assigned to House Transportation.

HB 1573 (Hall) would create the Central Virginia Regional Transportation Authority including Chesterfield, Hanover, Henrico and Richmond. The authority would be given similar revenue generating powers as NVTVA and HRTA. HB 1573 was assigned to House Counties, Cities and Towns.

SB 720 (Barker) would require that any contract for the construction of HOT lanes on I-95/395 between Arlington and Spotsylvania Counties must specify that the average speed in the HOT lanes be 45 mph. SB 720 was assigned to Senate Transportation.

Studies

HJ 63 (Nichols) would study the impact of the BRAC recommendations at Fort Belvoir of transportation, public schools, the environment, and affordable housing in Northern Virginia.

HJ 98 (Watts) would study the establishment of bus rapid transit corridors in Northern Virginia.

HJ 153 (Watts) would study competitive bidding on projects under the Public-Private Transportation Act of 1995 and similar projects.

HJ 157 (Bouchard) would study the functions and authorities of state entities with transportation responsibilities.

HJ 158 (Bouchard) would study the impact on Virginia of a decline in funding from the federal Highway Trust Fund.

SJ 83 (Barker) would study mass transit options and potential improvements in Northern Virginia.

SJ 122 (Colgan) would study enhancing (bus) rapid transit service in Northern Virginia.



Virginia Transit *ISSUES*

News from the Virginia Transit Association—The Voice of Public Transportation in Virginia

Maintaining funding for transit provided in HB 3202 is VTA's top priority. Further, we will watch for opportunities to advance funding and promote legislation that supports and encourages transit usage.

TRANSIT AND RAIL FUNDING

Governor Kaine's Introduced Budget

	<u>FY09</u>	<u>FY10</u>
Public Transportation Programs	\$ 264,236,159	\$ 273,802,597
*includes federal funds and \$60M in state bond funds		
Commonwealth Mass Transit Fund & Transportation Trust Fund	186,035,124	194,366,436
Statewide Formula Assistance	146,911,125	152, 881,320
*hold harmless for systems that maintain level of service		
Capital Assistance	35,445,961	36,728,340
Special Programs	2,126,758	2,203,701
Congestion Management	5,344,000	5,344,000
*\$4M annually TEIF Program		
Human Service Transportation Programs	5,027,095	5,175,043
Increases from \$.8M to \$1.5M in FY09 and \$2.5M in FY10 for paratransit capital projects and enhanced transportation services for elderly and disabled.		
Other Funds		
STP & Minimum Guarantee [Equity Program]	22,913,649	23,282,741
Rail Program	42,916,432	43,167,735
Rail Preservation Program	3,372,600	3,385,641
Rail Enhancement Program	39,543,832	39,167,735

Budget Language:

- 1) Intent that local maintenance of effort, transit sustainability, public benefit and asset management be part of all public transportation programs. Beginning in FY09 DRPT Director shall recommend and board consider establishment of maintenance of effort requirement to ensure sustained local investment for public transportation operations. The CTB shall begin to incorporate such principles in the allocation of public transportation funding for FY10.
- 2) CTB may allocate up to 3% of transit and rail funds to support costs of project development, planning, administration and compliance by DRPT.

2007 HB 3202 ISSUES

Recap of benefits for transit: Beginning this July (FY09), 2 cents of statewide recordation revenues are dedicated to transit operation.

- 1) **Recordation Tax to Transit Operating** – As the housing market slumps, recordation taxes are down, reducing funds from this source for transit operating by about \$4M (\$38M rather than the originally estimated \$42M).
- 2) **\$3 Billion Bond Package** – Transit is to receive 20% of the total amount generated. Transit projects have already received capital support from these bonds. Debt service is funded in part from general funds (GF). Governor Kaine has deferred use of \$180M in GF until FY10 to correspond to actual project construction and payment schedules. Secretary Homer and DRPT Director, Matt Tucker, indicate these funds will not be needed in FY09 and this will not result in any road or transit project being deferred or delayed.

HB 3202 Related Issues:

- 1) **Va. Supreme Court to Rule on Constitutionality of Regional Transportation Authorities Taxing Authority** – At their next meeting on February 29, the Supreme Court may rule on constitutional issues related to the taxing authority of the Northern Virginia and Hampton Roads Authorities created by HB 3202. If their authority were to be overturned, this issue would be back before the General Assembly. NVTA plans to spend 43% of their revenues on transit projects. The ruling of the court will affect current and future efforts of other regions considering regional transportation authorities. (Senator John Watkins' SB 767 would create a similar transportation authority for the Richmond region.)
- 2) **Repeal of Driver "Abuser" Fees** – Currently, this is the major transportation issue at the General Assembly, but it does not directly affect transit. As a response to citizen pushback, the governor and dozens of legislators have called for a repeal of this section of HB 3202, which was to provide approximately \$65M exclusively for highway maintenance. The key question is whether a substitute funding source will be provided to fill that gap.

THE ATTACHED BILL CHART provides an overview of key transportation/transit and land use bills as of 1/18/08. This was the bill filing deadline so additional bills will be added to the list.

TRANSIT SUPPORTERS APPOINTED TO KEY POSTS

Senate Finance Committee:

Sen. Charles Colgan (Prince William) – New chairman of the Senate Finance Committee
Sen. Saslaw (Fairfax) – New chairman of Finance Transportation Subcommittee Transportation
Sen. Louise Lucas (Portsmouth, Chesapeake, rural southside counties)
Sen. Henry Marsh (Richmond; former mayor)

New Appointees to Finance and Finance Transportation Subcommittee:

Sen. Mary Margaret Whipple (Arlington/Alexandria) and *Sen. Yvonne Miller* (Norfolk) join the current Transportation subcommittee members, *Sen. William Wampler* (Bristol), *Sen. Ed Houck* (Fredericksburg/Spotsylvania), *Sen. Ken Stolle* (Virginia Beach), *Sen. John Watkins* (Richmond/ Chesterfield)

New Senate Transportation Appointments:

Sen. Yvonne Miller (Norfolk) – New chairman of Senate Transportation
Sen. Patsy Ticer (Alexandria)
Sen. Ken Cucinelli (Fairfax)
Sen. Chap Peterson (Fairfax)
Sen. Ralph Smith (Roanoke region)
Sen. J.C. Miller (Newport News)

House Appropriations:

Del. Lacey Putney (Bedford) – New chairman
Del. Phil Hamilton (Newport News) – New vice chairman

House Appropriations Transportation Subcommittee:

Del. Joe May (Loudoun) – Remains subcommittee chairman

New members:

Del. John O'Bannon (Henrico) *Del. Scott Ligamfelter* (Prince William), *Del. A.T. Howell* (Norfolk) and *Del. Dan Bowling* (Oakwood) join current members *Del. Jim Scott* (Fairfax), *Del. Beverly Sherwood* (Frederick Co/Winchester)

New Appointees to House Transportation Committee:

Del. Bob Tata (Virginia Beach), *Del. Jeff Frederick* (Pr. William), *Del. Manoli Loupassi* (Richmond City), *Del. Bob Brink* (Arlington), *Del. David Toscano* (Charlottesville) and *Del. Paul Nicols* (Woodbridge)

BUDGET CONFEREES ANNOUNCED EARLY

Senate: Colgan, chairman; Houck, Howell (new), Wampler, Stosch, Stolle (Advisory on Public Safety Issues)

House: Putney, Hamilton, Cox, Sherwood (new), Hogan (new), Johannou

KEY GENERAL ASSEMBLY DATES

- January 9** General Assembly convened.

- February 12** Each house must complete work on its own legislation, except for appropriation, debt, revenue and retirement bills.

- February 13** Crossover- Each house may consider only legislation and amendments of the other house, except the Budget Bill(s) and appropriation, debt, revenue, and VRS bills.

- February 15** House of introduction to complete work on appropriation, debt, revenue and VRS bills.

- February 17** Senate Finance and House Appropriations Committees vote on their subcommittee amendments to the Budget Bills. Copies of Budget amendments are available on February 19.

- February 18** **VTA Legislative Reception 5:30 – 7:30 Old City Hall**
President’s Day; however, the General Assembly will be in session.

- February 21** House and Senate must vote on their amendments to the Budget Bill.

- February 27** Last day for each house to act on the Budget Bill(s) and revenue bills of the other house.

- March 4** Budget conferees to complete work on Budget Bill by midnight (if all goes well).

- March 6** Budget Bill(s) conference report available by noon; last day to put bills in conference.

- March 8** Last day of session.

- April 1** Veto session.

GENERAL ASSEMBLY LINKS OF INTEREST

- Home Page <http://legis.state.va.us/>
- State Budget <http://leg2.state.va.us/MoneyWeb.NSF/sb2008>
- Standing Committees <http://leg1.state.va.us/081/com/COM.HTM>
- Schedule of Meetings <http://leg1.state.va.us/cgi-bin/legp504.exe?081+oth+MTG>
- Bill Information <http://leg1.state.va.us/cgi-bin/legp504.exe?081+men+BIL>
- Constituent Comment Line 698-1990 (Richmond area); (800) 889-0229 (outside Richmond)



Virginia Transit *ISSUES*

News from the Virginia Transit Association—The Voice of Public Transportation in Virginia

2008-2010 Biennium Legislator Transit & Rail Budget Amendments

House DRPT Budget Amendments

Change

	<u>Yr 1 \$ Change</u>	<u>Yr 2 \$</u>
448 1g Metro Expansion Study	\$100,000	\$0
449 3h Hampton Roads Hybrid Buses	\$2,000,000	\$0
449 4h VRE Insurance Trust Fund	\$2,500,000	\$0
449 5h HRT Southside Operating Facility	\$5,000,000	\$5,000,000
450 1h Richmond Area Transit Transfer centers	\$0	\$0
450 2h Use of Rail Enhancement Fund	\$0	\$0
451 1h Noise Walls Dulles Rail Extension	\$0	\$0

<http://leg2.state.va.us/WebData/08amend30.nsf/House%20Agy?OpenForm&Start=1&Count=200&Expand=39&Seq=1> ((Scroll down and click arrow next to amendment number for detail))

House Transportation Budget Amendments

448 1h Metro Expansion Study	\$100,000	\$0
455 9h rte 234 1-95 park and ride lot	\$2,000,000	\$2,000,000

<http://leg2.state.va.us/WebData/08amend30.nsf/House%20Sec?OpenForm&Start=1&Count=200&Expand=26&Seq=1> ((Scroll down and click arrow next to amendment number for detail))

Senate DRPT Budget Amendments

448 1s Trans Dominion Express Authority	\$5,520	\$5,520
448 2s Rail Transportation Development Authority	\$267,200	\$267,200
449 1s Hampton Roads Universal Shuttle	\$2,000,000	\$0
449 2s Hampton Roads Transit Operating Facility	\$5,000,000	\$5,000,000

<http://leg2.state.va.us/WebData/08amend30.nsf/Senate%20Agy?OpenForm&Start=1&Count=200&Expand=38&Seq=1> (Scroll down and click arrow next to amendment number for detail))

Senate Transportation Budget Amendments

448 2s Rail Transportation Development Authority	\$267,200	\$267,200
449 1s Hampton Roads Universal Shuttle	\$2,000,000	\$0
449 2s Hampton Roads Transit Operating Facility	\$5,000,000	\$5,000,000
457 1s Interstate 81 Toll Facilities	\$0	\$0

<http://leg2.state.va.us/WebData/08amend30.nsf/Senate%20Sec?OpenForm&Start=1&Count=200&Expand=26&Seq=1> ((Scroll down and click arrow next to amendment number for detail))

**BUDGET AMENDMENTS
VTA**

Item	Patron	FY 08-09	FY 09-10	Source
284 #2s	<i>Puckett</i>	2,500,000	2,500,000	GF
Provides \$2.5 million GF each year to expand transportation funding at each area agency on aging by \$100,000.				
438 #1s	<i>Houck</i>		Language	
Requires the Commonwealth Transportation Board to approve the Plan between CSX and the Department of Rail and Public Transportation for addressing heat restrictions and other factors impacting passenger rail service on the I-95 corridor.				
284 #4s	<i>Wampler</i>	75,000	75,000	GF
Provides \$75,000 GF each year for a program of community education, public information, outreach and care coordination for Mountain Empire PACE to develop, implement and maintain a sustainable rural model of care for frail elderly and their family caregivers.				
284 #5s	<i>Wampler</i>	65,000	0	GS
Provides \$65,000 GF the first year for space to house Mountain Empire's PACE. (Program of All-Inclusive Care for the Elderly) staff and PACE Center enrollees in the Mountain Empire program located in Big Stone Gap.)				
284 #6s	<i>Puller</i>	2,500,000	2,500,000	GF
Provides \$2.5 million GF each year to expand transportation funding at each area agency on aging by \$100,000. Funding will enable older Virginians to remain in community-based settings, allowing them to age in place.				
340 #1h	<i>Byron</i>	50,000	50,000	NGF
Provides an additional \$50,000 each year from the federal Temporary Assistance to Needy Families (TANF) block grant for the Alliance for Families & Children of Central Virginia for the Ways To Work Program, a small loan program designed to lift citizens out of poverty and off the welfare rolls in Central Virginia.				
493 #114h	<i>Byron</i>	50,000	0	GF
Provides \$50,000 in the first year from the general fund to the Alliance for Families & Children of Central Virginia for the Ways To Work Program, a small loan program designed to lift citizens out of poverty and off the welfare rolls in Central Virginia.				
390 #1h	<i>Byron</i>		Language	

Requires the Departments of Corrections and Correctional Education, in partnership with Liberty University, to develop a computer-based program of remedial, secondary, and post-secondary education for implementation by September 1, 2008.

111 #1h	Putney	2,000,000	2,000,000	GF
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Increases the appropriation for the Enterprise Zone program by \$2.0 million from the general fund each year to help reduce the necessity to pro-rate grants to eligible recipients under this economic development program.

462 #1h	Putney	0	180,000,000	GF
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Reverses the Governor's action in House Bill 30 as introduced which would defer \$180.0 million of the \$500.0 million from the general fund dedicated to transportation by the 2007 Session of the General Assembly from transportation in fiscal year 2009 and reappropriate those funds in fiscal year 2010.

VTA Preliminary Bill List

	Bill #	Catch line	Chief Patron	Last Action
Repeal Abusive Driver Fees				
	HB 26	Civil remedial fees on certain drivers; repealed.	Putney	Referral Pending
	HB 50	Civil remedial fees on certain drivers; repealed.	Cole	Referral Pending
	HB 67	Civil remedial fees on certain drivers; repealed.	Marshall, R.G.	Referral Pending
	HB 287	Civil remedial fees; repeals provision for those imposed on certain drivers.	Kilgore	Referral Pending
	HB 290	Civil remedial fees; repeals provision for those imposed on certain drivers.	Englin	Referral Pending
	HB 154	Civil remedial fees; repeals provision for those imposed on certain drivers.	Nichols	Referral Pending
	HB 747	Civil remedial fees; repeals provision for those paid, imposed on certain drivers, refunds of fees.	Caputo	Referral Pending
	HB 1188	Civil remedial fees; repeals provision for those paid, imposed on certain drivers, refunds of fees.	Moran	Referral Pending
	HB 1231	Civil remedial fees; repeals provision for those imposed certain drivers.	Vanderhye	Referral Pending
	HB 1291	Civil remedial fees; repeals provision for those imposed certain drivers.	Athey	Referral Pending
	HB 1375	Civil remedial fees; repeals provision for those imposed certain drivers.	Morrissey	Referral Pending
	SB 1	Civil remedial fees on certain drivers; repealed.	Houck	Senate Courts of Justice
	SB 4	Civil remedial fees on certain drivers; repealed.	Puller	Senate Courts of Justice
	SB 6	Civil remedial fees on certain drivers; repealed.	Lucas	Senate Courts of Justice
	SB 42	Civil remedial fees; repeals provision for those imposed on certain drivers.	Reynolds	Senate Courts of Justice
	SB 57	Civil remedial fees; repeals provision for those imposed on certain drivers.	Colgan	Senate Courts of Justice
	SB 85	Civil remedial fees; repeals provision for those imposed on certain drivers.	Cuccinelli	Senate Courts of Justice
	SB 287	Civil remedial fees; repeals provision for those imposed on certain drivers.	Wampler	Senate Transportation
	SB 430	Civil remedial fees on certain drivers.	Vogel	Senate Transportation
	SB 443	Civil remedial fees on certain drivers; repealed.	Petersen	Senate Transportation
	SB 664	Civil remedial fees on certain drivers.	Newman	Senate Transportation
Replacement Funding				
	HB 275	Motor fuel tax; rate increase.	Watts	House Rules
	HB 1266	Motor fuel tax; increase.	Hull	House Finance
	HJ 29	Constitutional amendment; Transportation Funds (first reference).	Moran	House P & E
	HJ 48	Constitutional amendment; Transportation Funds.	Marshall, R.G.	House P & E
	SB 411	Transportation funding; motor fuels tax and abusive driver fees.	Puckett	Senate Transportation
	SB 444	Funding for transportation and transportation-related alternatives.	Petersen	Senate Finance
	SB 445	Funding for transportation and transportation-related alternatives.	Petersen	Senate Finance
	SB 469	Transportation funding.	Hanger	Senate Finance

VTA Preliminary Bill List

	Bill #	Catch line	Chief Patron	Last Action
	SJ 91	Constitutional amendment (first resolution); Transportation Funds.	Normont	Senate P & E
Highway Construction	HB 147	Transportation Plan; Plan to include regional goals and performance measures for highway districts.	Fralin	House Transportation sub #1
	HB 471	Highway construction, primary system; funds allocation.	Watts	House Transportation sub #1
	HB 1108	Highway construction, primary system; funds allocation.	Rust	House Appropriations
	HJ 158	Highway Trust Fund, federal; joint subcommittee to study impact on State of decline in funding.	Bouchard	House Rules
Transportation Authorities	HB 393	Northern Virginia Transportation Authority; changes applicability of certain fund distribution.	Bulova	Referral Pending
	HB 828	Hampton Roads Transportation Authority; removes York County & Cities of Hampton & Poquoson.	Gear	Referral Pending
	HB 829	Hampton Roads Transportation Authority; abolishes Authority, taxes, etc., dedicated to operation.	Gear	Referral Pending
	HB 957	Northern Virginia Transportation Authority; increases membership.	Shannon	House Transportation
	HB 1304	Hampton Roads Transportation Authority; procedures to be followed.	Oder	Referral Pending
	SB 660	Hampton Roads Transportation Authority.	Miller, Y.B.	Senate Transportation
	SB 676	Hampton Roads Transportation Authority. Abolishes the Authority and the	Miller, J.C	Senate Transportation
HOT/HOV				
	HB 135	High-occupancy toll (HOT) lanes; prohibits designation thereof on certain portions of I-95.	Nichols	House Transportation
	HB 342	High-occupancy vehicle (HOV) lanes; use by vehicles bearing special fuel vehicle license plates.	Plum	House Transportation sub #1
	HB 454	High-occupancy toll (HOT) lanes; revises procedures for enforcing violations.	Rust	House Transportation sub #3
	HB 1014	High-occupancy vehicle (HOV) lanes; use by vehicles bearing special fuel vehicle license plates.	Hugo	House Transportation
	SB 570	HOT Lanes.	Saslaw	House Transportation
PPTA				
	HB 627	PPTA; requires projects undertaken thereunder be part of Transportation Board's six-year plan.	May	House Transportation sub #1
	HJ 153	Public-Private Transportation Act of 1995; study competitive bidding on projects thereunder.	Watts	House Rules
	SB 449	PPTA; competitive bidding.	Petersen	Senate Transportation
Land Use				
	HB 1033	Urban transportation service districts; grants towns authority to create.	Frederick	House Counties, Cities and Towns

VTA Preliminary Bill List

Bill #	Catch line	Chief Patron	Last Action
HJ 22	Residential and commercial development, new; joint subcommittee to study identifiable costs.	Marshall, R.G.	House Rules
SB43	Environmental impact reports; requires state or local authority to submit for major state projects.	Miller, Y.B.	Reported from Senate Agriculture, Conservation and Natural Resources with amendments (12-Y 0-N)
Transit			
HB 856	Rail Enhancement Fund; allows Director to waive certain requirements regarding project funding.	Ebbin	House Transportation sub #1
HJ 98	Bus rapid transit corridors; joint subcommittee to study establishment thereof in Northern VA.	Watts	House Rules
HR 4	Encouraging Secretary of Transportation to consider Portsmouth; personal rapid transit.	Joannou	House Transportation
SB 11	Rail Enhancement Fund; allows Director to waive certain requirements regarding project funding.	Miller, Y.B.	Stricken at request of Patron in Transportation (15-Y 0-N)
SB 121	TransDominion Express Commission; created.	Edwards	Senate Transportation
SB 122	Rail Transportation Development Authority; created.	Edwards	Senate Transportation
SB 371*	Rail Enhancement Fund; allows Director to waive certain requirements regarding project funding.	Watkins	Senate Transportation
Other			
HB 855	Pedestrian and bicycle advisory committees, regional; VDOT to establish.	Ebbin	House Transportation
HB 1270	Pedestrians and drivers; sets out responsibilities at marked and unmarked crosswalks.	Ebbin	House Transportation
HJ 157	State entities; Joint Commission on Transportation Accountability to study functions & authorities.	Bouchard	House Rules
SB 233	Transportation Plan; include quantifiable measures & achievable goals for greenhouse gas emission.	Whipple	Senate Transportation
SB 234	Greenhouse gas emissions; mandatory reporting.	Whipple	Senate Agriculture, Conservation and Natural Resources
SB 459	Sales and use tax exemptions; nonprofit entities.	Ruff	Senate Finance
*	Sponsored by VTA		