Northern Virginia Transportation Commission

NVTC COMMISSION MEETING

THURSDAY, NOVEMBER 5, 2009

NVTC CONFERENCE ROOM

8:00 PM

NOTE: A buffet supper will be provided for attendees.

AGENDA

1. **Minutes of the NVTC Meeting of September 3, 2009.**

   Recommended Action: Approval.

2. **VRE Items**

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

   B. Approval of Spotsylvania County Membership Agreement and VRE Master Agreement Amendments--Action Item/Resolution #2132.

   C. Additional VRE Locomotives--Action Item/Resolution #2133.

   D. VRE Operations/Maintenance Contract--Closed Session (Section 2.2-3711 A (6) (7) and (29) of the Code of Virginia).

3. Status of I-66 Transit/TDM Study.

DRPT staff will be present to brief the commission on this study and respond to questions.

Presentation Item.

4. Status of New Regulations for the NVTC/PRTC Motor Fuels Tax.

NVTC and local staff have been asked to comment on draft regulations prepared by the Virginia Department of Taxation.

Discussion Item.

5. Legislative Items.

The status of state and federal legislative initiatives will be reviewed, including federal authorization, climate change and appropriations. A staff paper on national transportation policy is provided.

Discussion Item.

6. WMATA Items.

Current items of interest will be reviewed, including information on shares of customers of various transit systems now using SmarTrip cards, ridership trends and a forum co-sponsored by NVTC on WMATA's FY 2011 budget.

Information Item.

7. Vanpool Incentive Program.

NVTC staff has submitted an application for federal funds from NVTA for a proposal to encourage additional vanpooling and to increase the region's earnings of federal formula assistance.

Information Item.

8. Regional Transportation Items.

A. Potomac River Ferry Demonstration.
B. Status of I-95/395 HOT Lanes Project.
C. Transit Technologies--Bus Shelter Ads and Electric Power from Transit Customers.
D. MWCOG Guaranteed Ride Home.
E. Success of Virginia's Telework Day.
F. NVTC Media Release on I-66 Mode Shares.
G. Safe Trip I-95 Travel Time Website.
H. Transit, Call Centers and 511 Report.
I. Virginia Air Quality Improvements.
J. New Tysons Bus Services.

Information Item.

9. NVTC Financial Items for August and September, 2009.

Information Item.

AGENDA ITEM #1

MINUTES
NVTC COMMISSION MEETING – SEPTEMBER 3, 2009
NVTC CONFERENCE ROOM, ARLINGTON, VIRGINIA

The meeting of the Northern Virginia Transportation Commission was called to order by Chairman Zimmerman at 8:07 P.M.

Members Present
David Albo
Charles Badger
Sharon Bulova
Kelly Burk
Adam Ebbin
William D. Euille
Jay Fisette
John Foust
Jeffrey Greenfield
Mark R. Herring
Pat Herrity
Catherine Hudgins
Dan Maller
Jeffrey McKay
Thomas Rust
Mary Margaret Whipple
Christopher Zimmerman

Members Absent
Mary Hynes
Joe May
Paul Smedberg

Staff Present
Lynn Everett
Rhonda Gilchrest
Scott Kalkwarf
Steve MacIsaac (VRE)
Greg McFarland
Adam McGavock
Kala Quintana
Jennifer Straub (VRE)
Rick Taube
Dale Zehner (VRE)

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Minutes of the July 2, 2009 NVTC Meeting

Mr. Maller requested that the minutes reflect further clarification concerning a potential conflict of interest with a proposed VRE station. He suggested the following wording in the second paragraph on page 5: "Mr. Maller disclosed that he will recuse himself from any action concerning this project because he has a potential conflict of interest since one of his clients owns a piece of property in the service area, which may be the location of a proposed station, and Mr. Maller has a personal financial interest in the affected property."

Mr. Euille moved, with a second by Mrs. Bulova, to approve the amended minutes. The vote in favor was cast by commissioners Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Hudgins, Maller, Rust, Whipple and Zimmerman.

WMATA General Manager's Presentation

Chairman Zimmerman welcomed Mr. John Catoe, WMATA's General Manager. Mr. Catoe began his presentation by announcing that WMATA will undertake a complete track overhaul on the Blue and Yellow lines over the Labor Day Weekend, which will close the Pentagon, Crystal City and National Airport Metrorail stations. The stations will close at 9:30 P.M. Friday, September 4th and will reopen again on Tuesday, September 8th at 5:00 A.M. The work involves replacing track switches, rails and ties, as well as performing concrete and deck joint repairs, conducting fire line maintenance and installing cable to upgrade cell phone service in the Metrorail system. The track switch replacement is work recommended by the National Transportation Safety Board (NTSB) and the cell phone service upgrade is a congressional mandate. He explained that these improvements are important and necessary for system safety and reliability and cannot be accomplished in a four-hour overnight period. By doing it over a weekend holiday, WMATA will save $1 million in late-night maintenance costs that would have resulted in 150 days of single-tracking. This specific weekend was chosen because Labor Day weekend is the least busy time for air travel and, therefore, will have the least impact for the National Airport station.

Mr. McKay arrived at 8:10 P.M.

Mr. Catoe stated that in the future WMATA will do a better job of communicating to passengers about upcoming closures, especially since much of the system is over 30 years old and the region will see more closings for improvements over the next several years. WMATA plans to have over 60 employees located at these stations to help customers navigate around the track work and Metro will also run free shuttle buses to get people past the affected work area.

Mr. Catoe described the status of the ongoing investigation of the recent Metrorail accident. Although federal regulations prohibit WMATA from releasing information about an investigation headed by the NTSB, he is able to report that the investigation is currently focusing on modules in the control system. Whatever the result of the investigation, it will probably impact rail systems throughout the United States and parts of Europe. Mr. Catoe reported that WMATA will continue to operate trains manually until a cause of the accident is determined. Other steps being taken include inspections of 3,000 track circuits and daily testing; independent/external review of the Automatic Train Control System; putting older railcars between newer cars; and ongoing public relations (additional personnel on Red Line, flyer distribution and website updates).

Mr. Catoe reviewed the new practices already put into place as a result of the accident, including senior management meeting with each WMATA employee to talk about safety, as well as improved hiring criteria for drivers/operators. The criteria are much more stringent so that under the new criteria, four out of six current operators would not have been hired. Also, there is a zero tolerance policy for cell phone usage by operators.

Mr. Catoe announced that the Metropolitan Police were awarded $9.5 million of stimulus funding from a Homeland Security grant, which will fund 20 additional transit officers for three years, as well as provide equipment for anti-terrorism training. In addition, WMATA has also received funds from a Department of Homeland Security urban area security initiative that will allow WMATA to put additional cameras on Metrobuses.

Mr. Catoe then reviewed the proposed FY 2011 WMATA Budget which will be presented to the WMATA Board on September 10th. The budget includes the assumption that the amount of jurisdictional subsidies will not increase. However, there still remains a budget gap. He also announced that President Obama has signed the WMATA compact amendments, which will allow WMATA to receive federal funding when appropriated ($150 million). These new funds will first be applied to whatever recommendations are made by the NTSB after they issue their findings concerning the Metrorail accident and then it will be recommended that the 1000 series railcars be replaced. The capital needs inventory for the next 10 years is $11.4 billion, of which $8 billion is necessary to keep the system in good repair and does not include major expansion of the system. Mr. Catoe concluded by stating that this is a challenging year for the Metro budget and that the budget must be balanced by June, 2010. Above all, it is important to focus on safe operations.

Mr. Herrity arrived at 8:32 P.M.

In response to a question from Delegate Rust, Mr. Catoe explained that the Rail to Dulles project is being funded separately by Metropolitan Washington Airports Authority (MWAA) capital improvements funds, and is not a Metro project, although Metro serves as a paid project consultant. Chairman Zimmerman explained that although the capital costs to build the project are not part of WMATA's budget, the operating and maintenance costs will be part of the budget once the extension is operational. Mr. Herrity asked if there have been any estimates for operating and maintenance costs. WMATA staff member, Shiva Pant, stated that it is estimated that it will result in a three percent overall budget increase. Chairman Zimmerman further stated that the resulting subsidy increases will vary by jurisdiction.

Mrs. Burk asked for on-time statistics since she has heard complaints from riders that on-time performance is not reliable. Mr. Catoe explained that on-time performance has been affected by the trains being run in manual mode so that schedules are not as precise, which causes the entire system to back up. Also, fewer trains can run if trains are run manually.

Mrs. Bulova expressed her appreciation to Mr. Catoe as he has been doing radio and other media interviews to answer riders' questions and discuss issues.

VRE Items

Report from the VRE Operations Board. Mr. Zehner reported that on-time performance remains strong, with six out of the last eight months at 90 percent or higher systemwide. This can be attributed to good relationships with the railroads, completed capital improvement projects, and improved mechanical performance. Systemwide ridership has also increased 6.3 percent compared to last year. He also announced that commissioners will be invited to attend the inauguration event on September 30th for the new state sponsored train service from Lynchburg to Washington, D.C. Regular service will begin October 1, 2009.

Sale of Three F-40 Locomotives. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2125, which would authorize VRE's CEO to modify the contract with Motive Power, Inc., to increase the base order to 12 from nine locomotives. This increases the contract value to $48.5 million, an increase of $12 million including contingency. The unit price of the new locomotives remains the same at just under $3.7 million. Grant funds are available for this purchase.

Mr. Maller asked what the book value is for the locomotives. Mr. Zehner stated that he can find out this information and provide it to the commission.

On a motion by Mrs. Bulova and a second by Mr. McKay, the commission unanimously approved the resolution (copy attached). The vote in favor was cast by commissioners Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

Spotsylvania County Joining VRE/PRTC. Mrs. Bulova announced that Spotsylvania County voted to join PRTC and VRE. She stated that there is a new updated version of Resolution #2129, which would forward VRE master agreement amendments to the jurisdictions for them to take action first. Mr. MacIsaac explained the changes to the resolution. Initially, the resolution called for the amendments and membership agreement to be approved by the commissions first. Now the jurisdictions would act first and then NVTC (and PRTC) would act on November 5th. He reported that PRTC adopted the same version of the resolution that NVTC is being asked to approve.

Mrs. Bulova moved, with a second by Mr. McKay, to approve Resolution #2129.

Mrs. Bulova reviewed the steps that need to be accomplished: Jurisdictions and commissions need to approve the membership agreement and an amendment to the VRE Master Agreement by November 30, 2009; PRTC is requested to act by November 30, 2009 to approve and execute an amendment to its founding ordinance and to obtain certification from the Secretary of the Commonwealth that Spotsylvania County's membership in PRTC is effective February 15, 2010 and contingent on all three agreements being in full force and effective on that date; and PRTC must also forward the certification to the Spotsylvania County Board of Supervisors for entry into the minutes of a Board meeting by November 30, 2009.

Delegate Albo arrived at 8:45 P.M. and joined the discussion.

In response to a question from Delegate Rust, Chairman Zimmerman stated that the parking lot issue is no longer an issue at this time. Mr. MacIsaac stated that the agreement is silent on this point; however, it could be resurrected at some point.

The commission then voted on the new Resolution #2129 and it passed (copy attached). The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

Endorsing Virginia's High Speed Rail ARRA Application. Mrs. Bulova reported that the VRE Operations Board recommends approval of Resolution #2130, which would endorse Virginia's application for funds from the $8 billion high speed rail portion of the American Recovery and Reinvestment Act (ARRA). The Governor's office is requesting endorsements. The portion of the application pertaining to $72 million for rail improvements between Arkendale and Powell's Creek, including construction of 11-miles of third track, is of immediate benefit to VRE.

Mrs. Bulova moved, with a second by Mr. Greenfield, to approve Resolution #2130.

Mr. Fisette asked about the locations of Arkendale and Powell's Creek. Mr. Zehner explained that Powell's Creek is in Prince William County and Arkendale is 11 miles further south in Stafford County. Mr. Fisette asked for a synopsis of the longer range plans for the rest of the rail segments. Mr. Badger replied that this segment is an important element to a series of improvements. These projects are being done to increase capacity and not necessarily to create a new third track the entire length of the corridor. In response to another question from Mr. Fisette, Mr. Badger stated that the improvements needed to the Richmond Terminal area will be addressed in other funding requests.

In response to a question from Senator Whipple, Mr. Zehner stated that this is the only project in Virginia (as well as the rest of the United States) at the 30 percent completed stage. Since the environmental work is complete, it is considered a "ready to go" project. If selected, VRE would need to do a design build, which would expedite the timeline. CSX and the Commonwealth have no objection to this.

The commission then voted on the motion and it passed. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman. (A copy of Resolution #2130 is attached.)

FY 2011 Preliminary VRE Budget. Mrs. Bulova stated that the VRE Operations Board recommends approval of Resolution #2131. This resolution receives the preliminary FY 2011 VRE Budget and refers it to the VRE jurisdictions for review and comment. Currently there is a $2.4 million shortfall that must be closed by December, 2009. At the last Operations Board meeting, some VRE Board members urged that each local subsidy amount be held constant or reduced, while VRE staff pledged to hold the line on total local subsidies.

Mrs. Bulova explained that changes to the current FY 2010 budget include higher state aid and lower fuel costs, together with a $4.1 million favorable variance at the end of FY 2009. VRE staff will propose how these surplus funds can be used in December, 2009. In the meantime, VRE staff proposed several possibilities, and some VRE Board members also suggested returning some or all of the surplus to the jurisdictions.

Mrs. Bulova moved, with a second by Mr. Greenfield, to approve the resolution (copy attached).

Chairman Zimmerman clarified that the budget is not balanced yet; however, the commission is not being asked to approve it, just to send it to the jurisdictions. Mrs. Bulova stated that the budget process is a challenge as the Operations Board attempts to have no subsidy increase, no reduction in service and, hopefully, no fare increase.

The commission then voted on the motion and it unanimously passed. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

2009 VRE Passenger Survey Results. Mrs. Bulova stated that the results of VRE's onboard passenger survey are completed. Overall, the results are slightly better than the 2008 survey. The VRE train crews received the highest marks.

Mr. Herrity stated that it would be interesting to know the reasons why people have stopped using VRE. Mr. Zehner stated that the turnover rate is 30 percent a year, but this region tends to be transient. However, he offered to look at how staff could obtain this information.

Vanpool Incentive Program

Mr. Taube explained that the commission is being asked to endorse obtaining consultants for the design of a vanpool incentive program and to authorize staff to actively pursue funding for that purpose including, but not limited to, an application for FY 2011 CMAQ or RSTP funding through NVTA. The funds would provide seed money to cover half of the cost of consultants to design a new regional vanpool incentive program in which capital and/or operating subsidies would be provided. The FAMPO region would provide the other half. Further, funds would be requested from NVTA to cover up to half of the estimated cost of the first year of implementing the program, if it is successfully designed. These funds ($500,000) could allow the program to begin in FY 2011 and result in Section 5307 earnings being available much sooner (there is a two-year gap between reporting NTD data and receiving federal formula funds). Mr. Taube suggested that this request to NVTA for implementation funds should be contingent on a successful design; NVTA could select a backup project that could be funded if the region determines that the vanpool incentives program should not be implemented in FY 2011.

It is important to note that this program, if properly designed, will save energy, reduce pollution, combat traffic congestion, and lower green house gas emissions as new vanpools are formed through incentive payments. Further, because such vanpools can be included in annual submissions to the National Transit Database, the initial cost will be recovered in the third year of operation and thereafter substantial net Section 5307 earnings will be realized. These will be shared among WMATA, PRTC and FAMPO districts.

Mr. Taube stated that NVTC staff has performed extensive research on the subject. A regional meeting on August 11th and several subsequent meetings of jurisdiction staff revealed significant support for design of the project, although many important details will need to be worked out after the consultant is hired. He explained that it is believed that there are at least 650-750 vanpools operating from Virginia with destinations in the core of Metropolitan Washington. If just 200 vanpools participate (new or existing), about $2 million annually in new Section 5307 earnings would be realized, net of subsidy costs, two years after the initial NTD filing. Virtually every other major metropolitan area in the country already operates such vanpool incentive programs (including Richmond and Hampton Roads). NVTC is already involved in helping submit local bus data to the NTD, which results in $5 million of additional funding for Metro each year ($180,000 is used by NVTC for a consultant). The payoff could be even greater with vanpools because of the distances traveled. However, there still is hard work that needs to be accomplished, including reaching an agreement about how the proceeds would be divided by jurisdictions.

Mr. Euille moved, with a second by Mrs. Hudgins, to endorse obtaining consultants for the design of a vanpool incentive program and to authorize staff to actively pursue funding for that purpose including, but not limited to, an application for FY 2011 CMAQ or RSTP funding through NVTA. The application would include a request for up to $100,000 for design. Further, it would request up to $500,000 for implementing the project but only if the design was successful and only if NVTA determined that such funding is desirable after considering other competing projects.

In response to a question from Delegate Albo, Mr. Taube explained that the funding would come from CMAQ or RSTP funding, which is provided by the federal government though the Commonwealth for allocation by NVTA and requires no match. Delegate Albo asked about what other projects would be competing for the same funds. Mr. Taube explained that CMAQ and RSTP funds can be spent on road and transit projects, signalization, etc. Projects are prioritized by NVTA which decides which projects are funded. In this case, the funds provided would be returned through the Section 5307 earnings, so it would be more like a loan. Senator Whipple stated that an important benefit is the air quality improvements since it would reduce emissions. In response to a question from Mr. Herrity, Chairman Zimmerman stated that by law Section 5307 funds go to Metro, which in turn lowers jurisdictional Metro payments.

Mrs. Bulova stated that she is supportive of moving ahead with this action, but before funding is reserved for implementation she would like to know what other projects would be competing for funding. Mrs. Hudgins stated that it is important to keep the focus on capturing more transit dollars. Chairman Zimmerman also expressed his support and reminded commissioners if Virginia does not apply for these federal dollars they will go to other parts of the country.

The commission then voted on the motion and it passed. Commissioners who voted in favor were Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Whipple and Zimmerman. Delegate Albo voted no and Delegate Rust abstained.

NVTC's Preliminary Administrative Budget for FY 2011

Mr. Taube reported that the preliminary budget for FY 2011 adheres to the guidance provided by NVTC commissioners for FY 2010. That is, the preliminary budget contains no increase in total expenditures; no increase in total local contributions; and freezes staff salaries at the levels of June 30, 2009. Expenditures would remain at $1.2 million and local contributions at $310,000. Almost $60,000 is available from FY 2009 budgeted funds that were saved through economies during the past year. This budget has been reviewed with local staff. Mr. Taube explained that the budget will come back to the commission in January for approval. Mr. Euille observed that the budget seems to be a “status quo” budget with no subsidy or salary increases.

Senator Whipple moved, with a second by Mrs. Bulova, to authorize NVTC staff to provide the preliminary FY 2011 budget to NVTC's jurisdictions for use in planning their respective budgets. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

Status of NVTC's Projects

Mr. Taube asked staff members to provide an update on several NVTC projects. Mr. Taube stated that Mr. McFarland is responsible for the vanpool project, but since it was already discussed, he will not be providing an update on this project.

Real-Time Bus Information. Mr. McGavock reported that NVTC is managing two projects to provide real-time bus information. The MARTHA project developed a very simple software system that utilizes GPS-enabled cell phones and a simple IVR system to deliver real-time bus departure information to transit riders. In-service demonstration and testing were successfully completed in November, 2008 and exceeded WMATA Real-Time Bus Information performance requirements during the demonstration period. The MARTHA software will be distributed free of charge as an open source initiative. Blacksburg Transit has agreed to host the distribution, in cooperation with Virginia Tech. Mr. McGavock also reported that the real-time bus information project in Alexandria will provide information via SMS Text messaging, web-based maps, and at selected DASH and Metrobus stops. This system will be the first transit system to integrate with RITIS, with the intention of having RITIS serve as the central transit information repository for the region. System-wide installation will begin soon with completion by November of 2009.

E-Schedules. Ms. Quintana reported that the use of electronic schedules (E-schedules) continues to expand in Northern Virginia, under NVTC's partnership with Arlington County. Overall, the e-schedules page is consistently among the top requested pages of all the pages on CommuterPage.com and the majority of the requests for e-schedules come directly from Google.com and WMATA.com. There has been a 40 percent increase in usage compared to the same time last year and a 69 percent increase over the last two years. It is a very cost effective program ($16,000 for e-schedules and $14,000 for promotion).

I-66 Mode Share Report. Ms. Everett reported that the I-66 Outside the Beltway Cordon Count Study was performed by MWCOG with VDOT funding and NVTC coordination of transit data. To summarize, approximately 95,250 people commute inbound during the peak A.M. period every day. Transit and HOV make up 44 percent of person trips. Ms. Everett stated that MWCOG is looking at doing cordon counts for the Dulles Access Road/Tollway in fall of 2009. Delegate Rust encouraged staff to contact MWAA because it is his understanding that they already do traffic counts and may have data that would be useful.

Senator Whipple observed the following impressive statement in the results: "The I-66 HOV lane moves more persons per lane per hour than any of the other roadways in this study at 2,626 persons per lane per hour compared to 1,003 persons per lane per hour on the general purpose lanes of I-66."

Legislative Items

State Legislative Items. Mr. Taube explained that he, as chairman of VTA's Legislative Committee, prepared a presentation of the VTA legislative agenda for the 2010 General Assembly session with essential information about public transit performance. VTA's intent is to use portions of the presentation, and an accompanying three-page summary, as briefing material for Virginia's gubernatorial candidates. Revisions will be made as comments are received from VTA members.

Federal Legislative Items. Mr. Taube stated that Congress recessed in August without completing several key pieces of legislation, including the FY 2010 transportation appropriations bill and the six-year surface transportation reauthorization. Representative Moran's office notified NVTC that a $350,000 appropriation is contained in the transportation appropriations bill passed by the House for a study of multi-modal transportation in the Alexandria/Falls Church/Fairfax County Route 7 Corridor.

Status of I-95/395 HOT Lanes Project

Mr. Taube reported that at a July 28th briefing on the HOT lanes' BRT Operations Analysis, VDOT staff revealed that financial markets do not currently permit the entire project to proceed as originally planned. Accordingly, VDOT and its consultants are quickly examining the entire project for cost-cutting opportunities, especially phasing. This "scoping review" will examine whether to eliminate or delay construction of proposed in-line stations, such as at Lorton. DRPT staff assured the group that Secretary Homer will not jeopardize the promised $195 million advance payment for transit. The 3,000 new parking spaces will also be preserved. The third lane on I-395 will not be recommended for deferral but whether the third lane further south on I-95 will be deferred is still under consideration.

It was also reported that Arlington County has filed a lawsuit in U.S. District Court in Washington D.C. challenging FHWA's decision to exempt the project from more detailed environmental analysis. Air quality and congestion on local streets were cited as serious concerns.

Regional Transportation Items

Monthly Transit Ridership Report. Mr. Taube reported that for FY 2009, Northern Virginia's transit ridership grew four percent compared to FY 2008, reaching 149.1 million passenger trips. Statewide ridership was 196.5 million. During the month of July, ridership declined slightly overall.

2007/2008 MWCOG Household Travel Survey. Mr. Taube reported that MWCOG has completed its first such survey since 1994. About 11,000 households were surveyed regarding their work and non-work trips. Mode shares for transit are up significantly in most jurisdictions compared to 1994, as are walking and biking. Single occupant driving shares are up in D.C. and Fairfax, Loudoun and Prince William counties, but down elsewhere. Auto passengers (ridesharing) shares are down significantly across the region.

City of Fairfax Operates Six New Hybrid Buses. Six new 35-foot, 30-passenger hybrid-electric buses began service in mid-August. They feature an aerodynamic look and bike racks. The buses will use up to 40 percent less diesel fuel per mile.

Status of Regional BRT TIGER Grant Application. The application deadline for the regional effort is mid-September. The regional package of projects includes a K Street transitway; a collection of priority bus corridors and services; a bike-sharing system; improvements to two Metrorail stations and the creation of one new transit center; existing and planned management (HOV/HOT) lanes; and additional bus priority treatments across two Potomac River crossings and along three arterials.

Texas Transportation Institute 2009 Urban Mobility Report. The annual report provides an easily understood analysis of congestion and mobility issues nationwide. The 2009 report, based on 2007 data collected from state and federal traffic agencies covering 439 urban areas, seeks to quantify congestion and mobility issues, and show the costs of congestion in terms of time and fuel. The report also provides comparisons of congestion in very large, large, medium and small urban areas. For the Washington Metropolitan area, the average commuter spent 62 hours in congestion, at an annual cost of $2.76 billion for the region. This is the second worst in the U.S.

Statewide Transit Plan/Surface Transportation Plan/Corridors of Statewide Significance. DRPT staff conducted a briefing on July 28th. Consultants have compiled lists of specific transit projects and services that are in existence or planned. In the case of the transit plan, these are split according to whether they are needed to maintain a state of good repair, are part of capacity expansion plans, or are part of major corridor investment needs. Population/employment growth and completed Transit Development Plans were used to identify these needed projects. Areas that are not served by transit but should be were included. For Northern Virginia, several current capacity issues were listed (e.g. Metrobus REX routes at King Street Terminal; Metrorail Orange Line in Rosslyn Tunnel).

VTrans 2035 Research. Dr. John Miller of the Virginia Transportation Research Council has provided a research report titled, "Socioeconomic and Travel Demand

Forecasts for Virginia and Potential Policy Responses." The report is available at www.vtrc.net.

APTA 2009 Public Transportation Fact Book. Each year APTA publishes a fact book. The 60th edition (data are nationwide from calendar 2007) contains interesting information, including the fact that WMATA ranked fourth in combined bus and rail passenger trips and sixth in passenger miles while its service territory ranked eighth in population. VRE ranks 12th among commuter rail agencies in unlinked passenger trips (3.4 million) and passenger miles (103 million).

2008 Transportation Statistics Annual Report (U.S. Bureau of Statistics). The U.S. Bureau of Transportation Statistics has released its annual report. Some highlights include that transportation emits 34 percent of CO_2 (2 billion metric tons in 2007) and passenger cars emit a third of that (and trucks almost half); the average costs of owning and operating an automobile were 54-cents per mile in 2007; and Amtrak's Union Station was the second busiest station with 4.1 million riders boarding or alighting in FY 2007.

Transportation Energy Data Book. The U.S. Department of Energy released the 28th Edition of this comprehensive review of transportation energy information, with many historical data current through 2008.

Try Transit Week. Mr. Taube reported that this year the week of September 21-25 is designated Try Transit Week by APTA. DRPT again is taking the lead in encouraging an active statewide response.

David R. Goode National Transportation Policy Conference. This conference for invited experts will occur September 9-11, 2009 at the Miller Center for Public Affairs at the University of Virginia in Charlottesville. NVTC's Executive Director will participate. The purpose is to develop a comprehensive set of proposals for the authorization of America's transportation programs. A full report on the conference will be provided at NVTC's next meeting.

Stranded at the Station (Transportation for America). This August 2009 report examines the impact of the financial crisis on public transportation.

NVTC Financial Items for June and July, 2009

Commissioners were provided with a copy of NVTC's financial reports. Mr. Taube observed that gas tax revenues continue to trend downward.

Closed Session for a Personnel Item

Chairman Zimmerman moved, with a second by Senator Whipple, the following motion:

> Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (1) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in Closed Session concerning a personnel item, pertaining to the annual performance review of NVTC's executive director.

The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

The commission entered into Closed Session at 9:40 P.M. and returned to Open Session at 9:47 P.M.

Mr. Euille moved, with a second by Mr. McKay, the following certification:

> The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:
>
> 1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act discussed; and
>
> 2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

Mr. Euille moved, with a second by Mr. McKay, to approve the recommendation presented to the commission during the closed session concerning the executive director's annual performance review. The vote in favor was cast by commissioners Albo, Badger, Bulova, Burk, Ebbin, Euille, Fisette, Foust, Greenfield, Herring, Herrity, Hudgins, Maller, McKay, Rust, Whipple and Zimmerman.

Adjournment

Without objection, Chairman Zimmerman adjourned the meeting at 9:50 P.M.

Approved this 5th day of November, 2009.

Christopher Zimmerman
Chairman

William Euille
Secretary-Treasurer

Northern Virginia Transportation Commission

AGENDA ITEM #2

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: VRE Items

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

B. Approval of Spotsylvania County Membership Agreement and VRE Master Agreement Amendments--Action Item/Resolution #2132.

C. Additional VRE Locomotives--Action Item/Resolution #2133.

D. VRE Operations/Maintenance Contract--Closed Session (Section 2.2-3711 A (6), (7) and (29) of the Code of Virginia).

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Item #2A

Report from the VRE Operations Board and Chief Executive Officer

Attached for your information are minutes from the VRE Operations Board meetings of September 18 and October 16, 2009. Also attached are reports from the VRE Chief Executive Officer for September and October, including ridership and on-time performance, among other information. An article describes the new Virginia Amtrak service launched recently with VRE's cooperation.

Virginia Railway Express

CHIEF EXECUTIVE OFFICER'S REPORT

September 2009

MONTHLY DELAY SUMMARY

	May	June	July	August
System wide				
Total delays	50	76	45	74
Average length of delay (mins.)	15	21	20	16
Number over 30 minutes	2	18	5	9
Days with Heat Restrictions/Total days	0/20	3/22	0/22	4/21
On-Time Performance	91.4%	88%	92.9%	87.8%
Fredericksburg Line				
Total delays	33	43	24	38
Average length of delay (mins.)	18	22	19	15
Number over 30 minutes	2	11	2	4
On-Time Performance	87.3%	84.9%	91.6%	86.1%
Manassas Line				
Total delays	17	33	21	36
Average length of delay (mins.)	11	19	21	17
Number over 30 minutes	0	7	3	5
On-Time Performance	94.7%	90.6%	94.0%	89.3%

SYSTEM RIDERSHIP

The total number of August trips in 2009 was 2.4% higher than in August 2008. However, this is the fifth consecutive month of this calendar year in which ridership increased on the Manassas Line and decreased on the Fredericksburg Line. We are continuing to attempt to determine the reason for this occurrence. The average daily ridership number is 15,480 which represents a 1.8% year-to-date gain in ridership.

SYSTEM ON TIME PERFORMANCE

System on time performance for August was 87.8%. OTP on the Manassas Line was 89.3% and the Fredericksburg Line was 86.1%. Most delays (45%) were due to 4 days of heat-related speed restrictions and one afternoon of switch/signal failures due to a signal bungalow overheating (HVAC failed). Despite these delays, 11 out of 21 days operated 90% or better.

NEW LOCOMOTIVE UPDATE

The production of the first new locomotive has begun at Motive Power in Boise, Idaho. The first unit will be delivered in June 2010. The subsequent 11 units are scheduled to roll off the production line beginning in November 2010 and will continue at about two per month. I will continue to work to secure funding for the eight remaining units needed.

OCTOBER SCHEDULE CHANGE

The new state-funded train from Lynchburg will begin on October 1st. The train will accept VRE passengers using an Amtrak "Step-Up" ticket, which upgrades a VRE ticket for an extra $10.00. In order to accommodate this train, the VRE schedule was adjusted slightly. Train 331 on the Manassas line is 5 minutes later and train #307 on the Fredericksburg line is 5 minutes earlier.

Manassas Line

VRE Trains

"S" trains operate every service day, but will be the only trains to operate on "S" schedule

Manassas Line Northbound — Effective October 1, 2009

Train #	322	S 324	326	S 328	S 330	S 332	336	338
Frequency	M -F	M-F	M-F	M-F	M-F	M-F	M-F	M-F
Broad Run	5:05a	5:45a	6:15a	6:40a	7:20a	7:50a	2:45p	5:10p
Manassas	5:11	5:51	6:21	6:47	7:26	7:56	2:51	5:16
Manassas Park	5:16	5:56	6:26	6:53	7:31	8:01	2:56	-----
Burke Centre	5:28	6:08	6:38	7:05	7:43	8:13	3:08	-----
Rolling Road	5:33	6:13	6:43	7:11	7:48	8:18	-----	-----
Backlick Road	5:40	6:20	6:50	7:18	7:55	8:25	-----	-----
Alexandria (L)	5:52	6:33	7:03	7:31	8:08	8:39	3:30	5:52
Crystal City (L)	6:01	6:43	7:13	7:41	8:18	8:48	-----	-----
L'Enfant (L)	6:10	6:53	7:23	7:49	8:26	8:58	-----	-----
Union Station	6:18	7:00	7:30	7:55	8:35	9:05	3:55	6:25

"S" trains operate every service day, but will be the only trains to operate on "S" schedule days.

Manassas Line Southbound — Effective October 1, 2009

Train #	321	S 325	S 327	329	S 331	333	S 335	337
Frequency	M-F	M-F	M-F	M-F	M-F	M-F	M-F	M-F
Union Station	6:25a	1:15p	3:45p	4:25p	5:05p	5:30p	6:10p	6:50p
L'Enfant	-----	1:21	3:51	4:31	5:11	5:36	6:16	6:56
Crystal City	-----	1:26	3:57	4:37	5:17	5:42	6:21	7:01
Alexandria	6:42	1:33	4:04	4:44	5:25	5:49	6:28	7:08
Backlick Road	-----	1:44	4:15	4:55	5:37	6:00	6:39	7:19
Rolling Road (L)	-----	1:51	4:22	5:02	5:46	6:07	6:46	7:26
Burke Centre (L)	-----	1:56	4:27	5:07	5:51	6:13	6:52	7:31
Manassas Park (L)	-----	2:11	4:42	5:22	6:07	6:28	7:07	7:46
Manassas (L)	7:30	2:19	4:50	5:30	6:15	6:36	7:15	7:54
Broad Run	7:40	2:28	5:00	5:39	6:24	6:45	7:24	8:03

AMTRAK Trains

Available to VRE passengers in posession of VRE Ten-Ride, Five-Day, TLC or Monthly ticket and a $10.Step-Up ticket.

Train #	Amtrak 20*	Amtrak **176****	Amtrak 50*
Frequency	M-F	M-F	W,F
Broad Run	-----	-----	-----
Manassas	8:46a	**10:21a**	4:35p
Manassas Park	-----	-----	-----
Burke Centre	-----	**10:36**	-----
Rolling Road	-----	-----	-----
Backlick Road	-----	-----	-----
Alexandria	9:48	**11:05**	5:19
Crystal City	-----	-----	-----
L'Enfant	-----	**11:14**	-----
Union Station	10:10	**11:20**	5:55

Available to VRE passengers in posession of VRE Ten-Ride, Five-Day, TLC or Monthly ticket and a $10.Step-Up ticket.

Train #	Amtrak 51*	Amtrak **171****	Amtrak 19*
Frequency	W,F	**M-F**	M-F
Union Station	11:10a	**4:50p**	6:30p
L'Enfant	-----	**4:56**	-----
Crystal City	-----	-----	-----
Alexandria	11:29	**5:11**	6:49
Backlick Road	-----	-----	-----
Rolling Road	-----	-----	-----
Burke Centre	-----	**5:29**	-----
Manassas Park	-----	-----	-----
Manassas	12:02	**5:47**	7:22
Broad Run	-----	-----	-----

**New Lynchburg Service

For VRE information: www.vre.org or call 1-800-RIDE-VRE. For Amtrak information, call 1-800-USA-RAIL.
(L) indicates train may leave early if everyone has boarded or deboarded, regardless of schedule time.

OPERATION ALERTS

On September 9th, Amtrak police, TSA officials and more than 100 local police departments across 13 states including Washington, D.C., mobilized for Operation ALERTS (Allied Law Enforcement for Rail and Transit Security). This was a joint, coordinated and synchronized rail security operation performed throughout the northeastern United States. Every train station between Fredericksburg, Virginia and Essex Junction, Vermont was involved in the operation.

This exercise was not in response to any particular threat, but rather part of an ongoing proactive approach to expand counterterrorism and incident response capabilities. VRE arranged to have local law enforcement presence at all VRE stations on the Fredericksburg and Manassas Lines as well as CSX and Norfolk Southern police at key stations.

WOODBRIDGE STATION UPDATE

The shifting of the west track at the Woodbridge station by CSX has been completed. The exterior painting on the bridge has also begun and the project is expected to be completed in December.

H1N1 VIRUS

With increased attention being given to the impending flu season, particularly the potential spread of the H1N1 virus, VRE has begun a proactive approach to alerting riders of steps being taken as a front line defense. Railcars are inspected each evening and all touch points disinfected, i.e., handrails, handles and bathrooms. In addition, VRE is encouraging riders' diligence in disease prevention, such as washing hands and coughing into the sleeve. VRE will also be featured in an upcoming issue of APTA's Passenger Transport regarding our efforts.

CLIFTON DAY

The Clifton Betterment Association (CBA) has again approached VRE to operate excursion trains to and from the Clifton Day Antique, Arts & Crafts Festival on Sunday, October 11, 2009. Trains will stop at Manassas, Manassas Park, Burke Centre and Rolling Road, bringing riders to Clifton Day. The CBA and VRE are currently finalizing the contract for this service. The cost of train operations is paid for in advance by the CBA, who also receives proceeds from ticket sales. The full train schedule will be posted on the VRE web site shortly.

BUS SERVICE TO TYSON'S CORNER

Beginning in November, PRTC will be starting a new bus service to Tyson's corner connecting with VRE at the Woodbridge station. Four round trips are anticipated. Passengers with a VRE monthly ticket can transfer to the bus one way for free (Woodbridge to Tyson's Corner) but must pay for the return bus trip. Prices and schedules are being finalized and will be posted on the VRE web site when available.

NVTA TRANSPORTATION SEMINAR

On Wednesday, September 9th, I made a presentation before local elected officials and area business leaders at the request of the Northern Virginia Transportation Alliance (NVTA). This is the fifth year that the NVTA held a transportation seminar to address critical transportation needs in our region. This year's topic focused on the impact of the I-66 corridor and surrounding communities. Fellow speakers included Tom Harrington, Metro; John Lynch, VDOT; Nick Nicholson, VDOT; and were highlighted by Secretary Pierce Homer's insight into the current state of transportation in the Commonwealth. My presentation included a summary of VRE performance as well as an update on the Gainesville-Haymarket project.

MONTHLY PERFORMANCE MEASURES – AUGUST 2009

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
August Fredericksburg OTP Average	86.1%
August Manassas OTP Average	89.3%
VRE AUGUST OVERALL OTP AVERAGE	87.8%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2009 Passenger Totals	669,524
VRE FY 2008 Passenger Totals	657,813
PERCENTAGE CHANGE	1.5%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	**MONTHLY RIDERSHIP**
AUGUST 2009	326,954
AUGUST 2008	319,222
PERCENTAGE CHANGE	2.4%
SERVICE DAYS (CURRENT/PRIOR)	21 / 21

Monthly Ridership and OTP: August 2009

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	3,681	3,904	7,585	100%	3,966	4,133	8,099	100%	15,684	100%
4	3,935	4,174	8,109	63%	4,197	4,671	8,868	69%	16,977	66%
5	3,895	3,882	7,777	100%	4,265	4,297	8,562	100%	16,339	100%
6	3,829	3,879	7,708	88%	3,980	4,307	8,287	92%	15,995	90%
7	3,147	3,169	6,316	100%	3,647	3,587	7,234	85%	13,550	93%
8										
9										
10	3,819	3,747	7,566	81%	4,210	4,227	8,437	62%	16,003	72%
11	3,991	4,047	8,038	100%	4,330	4,225	8,555	62%	16,593	83%
12	3,773	3,817	7,590	94%	4,349	4,138	8,487	100%	16,077	97%
13	3,909	3,881	7,790	94%	4,083	3,904	7,987	92%	15,777	93%
14	3,074	3,147	6,221	81%	3,617	3,867	7,484	92%	13,705	86%
15										
16										
17	3,567	3,627	7,194	81%	4,025	3,832	7,857	54%	15,051	69%
18	3,906	3,711	7,617	94%	4,226	4,113	8,339	69%	15,956	83%
19	3,768	3,755	7,523	75%	4,234	4,139	8,373	85%	15,896	79%
20	3,652	3,711	7,363	100%	4,040	4,086	8,126	100%	15,489	100%
21	3,164	3,064	6,228	94%	3,435	3,626	7,061	100%	13,289	97%
22										
23										
24	3,635	3,538	7,173	94%	3,895	3,894	7,789	85%	14,962	90%
25	3,912	4,150	8,062	88%	4,016	4,492	8,508	92%	16,570	90%
26	4,121	3,841	7,962	75%	3,938	4,200	8,138	92%	16,100	83%
27	3,755	3,823	7,578	81%	4,171	4,216	8,387	92%	15,965	86%
28	3,087	3,123	6,210	100%	3,603	3,607	7,210	92%	13,420	97%
29										
30										
31	3,731	3,464	7,195	94%	4,167	4,318	8,485	92%	15,680	93%
	77,351	77,454	154,805	89%	84,394	85,879	170,273	86%	325,078	88%
		Adjusted total:	154,844			Adjusted Total:	171,750	Adjusted Total:	326,594	

# of Service Days:	21			Total Trips This Month:	326,594	Adjusted Total: 326,594
Manassas Daily Avg. Trips:	7,372	Adjusted Avg.:	7374	Prior Total FY-2009:	342,930	
Fred'burg Daily Avg. Trips:	8,108	Adjusted Avg.:	8179	Total Trips FY-2009	669,524	
Total Avg. Daily Trips:	15,480	Adjusted Avg.:	15,552	Total Prior Years:	44,455,982	
				Grand Total:	45,125,506	

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

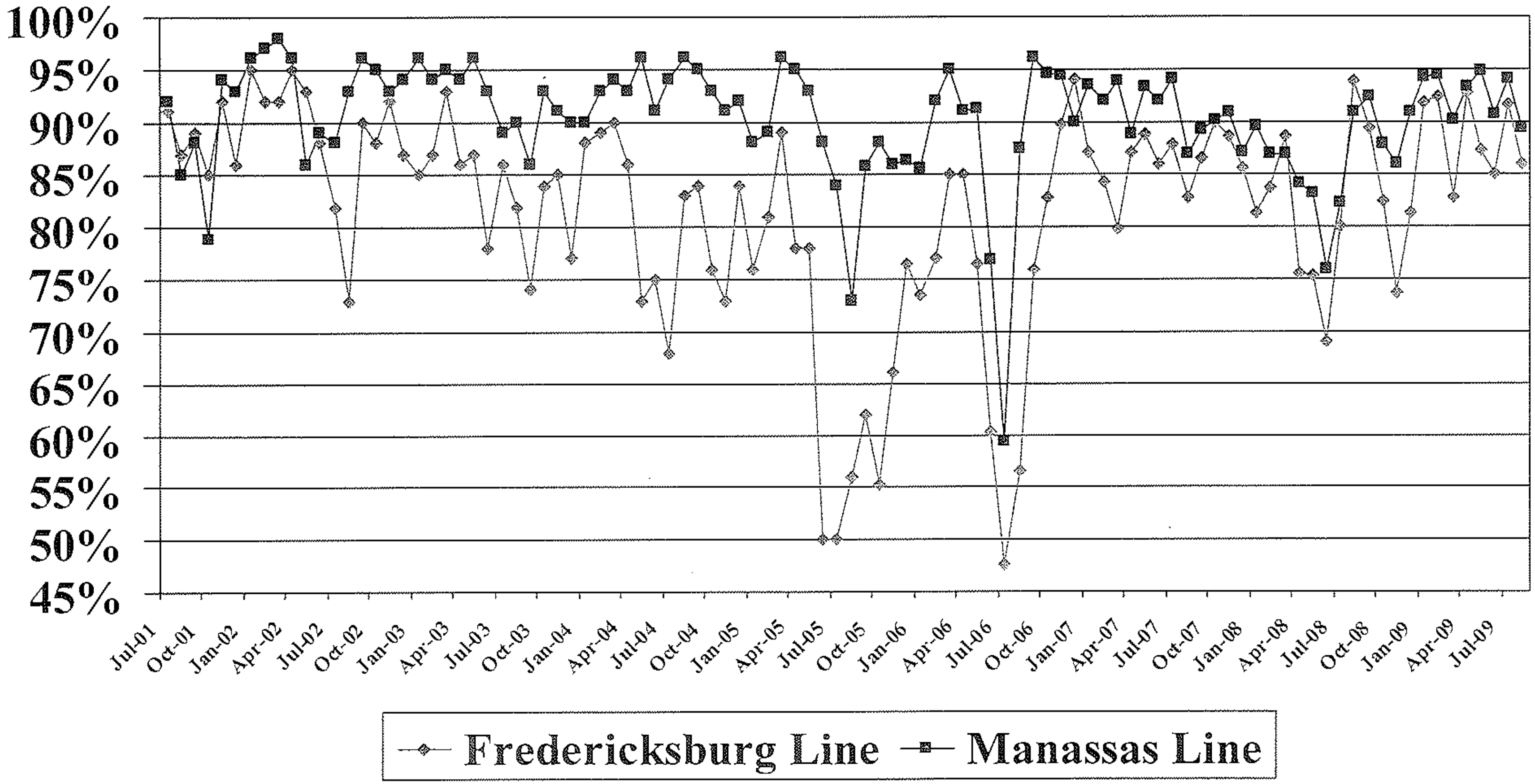
Monthly Ridership Changes:
FY 2009 v. FY 2010

	MANASSAS			FREDERICKSBURG				
Current Month	Cumulative FY2009	Cumulative FY2010	% change	Cumulative FY2009	Cumulative FY2010	% change	Current Total	% change
July	154,066	163,100	5.9%	184,525	179,830	-2.5%	342,930	1.3%
August	298,659	317,944	6.5%	359,154	351,580	-2.1%	669,524	1.8%
September	456,054			542,275				
October	620,865			730,116				
November	746,905			875,201				
December	883,468			1,035,994				
January	1,021,679			1,192,914				
February	1,165,667			1,352,042				
March	1,328,811			1,527,273				
April	1,492,195			1,707,585				
May	1,640,938			1,867,882				
June	1,808,366			2,049,280				

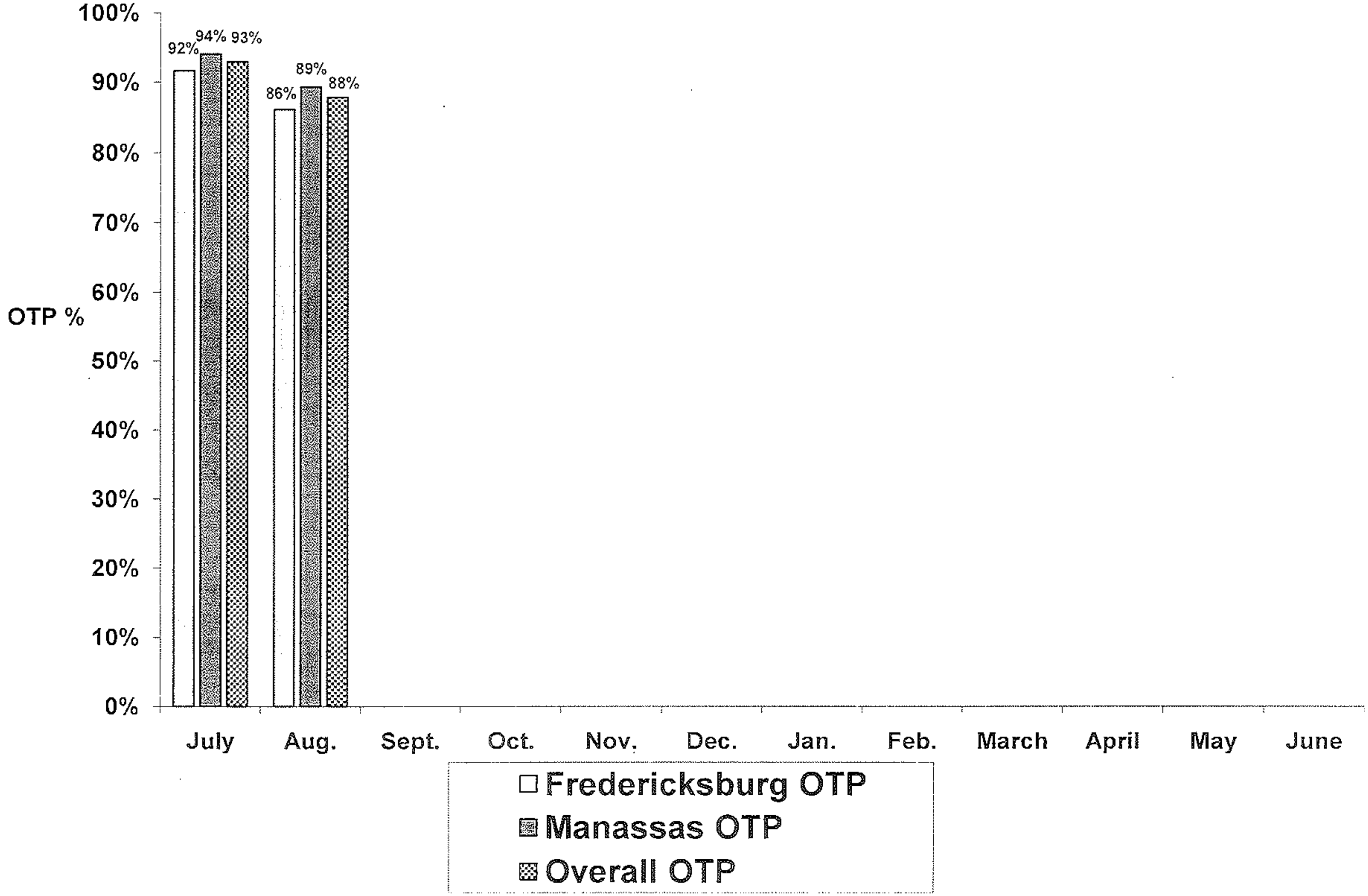
*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

On-Time Performance

July 2001 – August 2009



Average On-Time Performance FY-2010



FINANCIAL STATISTICS FOR AUGUST 2009

Copies of the August 2009 Operating Budget Report are attached.

Fare income for the month of August 2009 was $61,869 above the budget – a favorable variance of 2.68%. The cumulative variance for the year is 5.63% or $259,799 above the amended budget. Revenue in the first two months of FY 2010 is up 18.5% over FY 2009. This positive variance is the result of higher than anticipated ridership and the July 2009 fare increase.

A summary of the financial results (unaudited) as of August 2009 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report.

Measures		Goal	Actual
Operating Ratio		55%	91%
Budgeted Revenue	69,844,110		
Budgeted Revenue YTD	15,633,955		
Actual Revenue YTD	15,807,504		
Cumulative Variance	173,549		173,549
Percent Collected FY 07 YTD		22.38%	22.63%
Budgeted Expenses	69,844,110		
Budgeted Expenses YTD	13,681,497		
Operating Expenses YTD	12,543,094		
Cumulative Variance	1,138,403		1,138,403
Percent Collected FY 07 YTD		19.59%	17.96%
Net Income (Loss) from Operations			1,311,952

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2010 Operating Budget Report
August 31, 2009

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE $	YTD VARIANCE %	TOTAL FY10 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	2,367,567	2,305,698	4,871,195	4,611,396	259,799	5.6%	26,917,683
Equipment Rental and Other	29,172	12,977	35,296	25,954	9,342	36.0%	151,500
Subtotal Operating Revenue	2,396,739	2,318,675	4,906,491	4,637,350	269,141	5.8%	27,069,183
Jurisdictional Subsidy (1)	-	-	7,660,457	7,660,457	-	0.0%	14,959,826
Federal/State/Other Jurisdictional Subsidy	568,372	1,652,656	3,235,519	3,305,311	(69,792)	-2.1%	27,185,101
Appropriation from Reserve	-	-	-	-	-	0.0%	400,000
Interest Income	2,594	15,418	5,037	30,837	(25,800)	-83.7%	230,000
Total Operating Revenue	2,967,705	3,986,749	15,807,504	15,633,955	173,549	1.1%	69,844,110
							-
OPERATING EXPENSES							
Departmental Operating Expenses	3,856,421	4,019,258	6,910,823	8,038,516	1,127,693	14.0%	47,323,821
Debt Service	567,380	515,084	1,019,458	1,030,168	10,710	1.0%	13,582,380
Insurance	-	-	4,612,813	4,612,813	-	0.0%	5,095,000
Other Non-Departmental Expenses	-	-	-	-	-		3,842,909
Total Operating Expenses	4,423,801	4,534,342	12,543,094	13,681,497	1,138,403	8.3%	69,844,110
NET INCOME (LOSS) FROM OPERATIONS	(1,456,096)	(547,593)	3,264,410	1,952,459	1,311,952		-
CALCULATED OPERATING RATIO			91%				

(1) Total jurisdictional subsidy is $16,376,967. Portion shown is attributed to Operating Fund only.

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M I N U T E S

VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
SEPTEMBER 18, 2009

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)	Prince William County
John D. Jenkins (PRTC)	Prince William County
Matthew Kelly (PRTC)	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)	Stafford County
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Patrick Herrity (NVTC)	Fairfax County
Suhas Naddoni (PRTC)	City of Manassas Park
Paul Smedberg (NVTC)	City of Alexandria

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Charles Badger	DRPT
Brad Ellis	City of Fredericksburg
Harry Crisp (PRTC)	Stafford County
Mark Dudenhefer (PRTC)	Stafford County
Jay Fisette (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
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
John Stirrup (PRTC)	Prince William County

STAFF AND GENERAL PUBLIC	
Laura Bateman – PHD Consulting/ Bombardier	Steve MacIsaac – VRE counsel
Tim Craver – BLET	April Maguigad – VRE
Anna Gotthardt – VRE	Greg Marston – IBT
Kelly Hannon – Free Lance-Star	Betsie Massie – PRTC staff
Al Harf – PRTC staff	Dick Peacock – citizen
Christine Hoeffner – VRE	Lynn Rivers – Arlington County
Angela Horan –PW Attorney	Mark Roeber – VRE
Ann King – VRE	Mike Schaller - citizen
Mike Lake -- Fairfax DOT	Jennifer Straub – VRE
Trinh Lam – VRE	Rick Taube – NVTC staff
Bob Leibbrandt – Prince William County	Walter Yeatts – United Transp. Union
	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 Zimmerman called the meeting to order at 9:35 A.M. Following the Pledge of Allegiance, roll call was taken.

Approval of the Agenda – 3

Mr. Zehner stated that Agenda Item #9C has been updated with a correction. Mr. Covington moved, with a second by Mr. Jenkins, to approve the amended agenda. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Minutes of the August 21, 2009, VRE Operations Board Meeting – 4

Ms. Bulova moved, with a second by Mr. Kelly, to approve the minutes. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Chairman's Comments – 5

Chairman Zimmerman had no comments.

Chief Executive Officer's Report – 6

Mr. Zehner reported that VRE ridership for the period from July and August is up 1.5 % compared to the same time last year. On-time performance still remains strong. He also reported that he met with other commuter rail CEOs at a meeting in Chicago on September 15th and learned that nationally, commuter rail ridership is down (New York 4%, Los Angeles 6%, San Francisco 5%, and Chicago 5%). All of these systems are much bigger systems than VRE, but the economy has affected their ridership. Some of the systems will have to make service cuts.

Mr. Zehner also reported that Mark Roeber has been working with VDOT on a project to install 120 VRE pathfinder signs around the stations and roadways. Currently, 63 signs have been put up. The signs have VRE's new logo, which is easier to read.

Mr. Zehner announced that Clifton Day is scheduled for Sunday, October 11th and VRE will again run special trains for this event. The event will be promoted on VRE's website and via seat notices on the trains.

Mr. Zehner also announced that beginning November 9th, PRTC will start a new bus service to Tysons Corner with a connection at the Woodbridge VRE station. Four round trips are currently scheduled, most of which were designed to meet VRE trains at the station. VRE riders with a monthly ticket will be able to receive a free trip to Tysons Corner, but must pay the full fare for the return trip. Prices and schedules are being finalized. VRE and PRTC will be closely monitoring this new service and will make adjustments as necessary. Mr. Zehner explained that this is a new market that PRTC and VRE do not currently serve and actually is not served very well by any form of transit. Mr. Harf explained that this is a mitigation project funded by the Commonwealth and is being launched because of the Beltway HOT Lanes construction. The expectation is that when the HOT Lanes are completed, the market will be ripe for bus traffic.

Mr. Zehner stated that VRE is being proactive in its response to addressing the H1N1 flu. Railcars are being thoroughly wiped down on all "touch points" (i.e., handrails, door handles and grab handles). VRE is also conducting internal training to better inform staff of H1N1 and emphasize VRE's contingency plans. Amtrak has taken steps to ensure that their train crews are immunized and extra boards are fully staffed to replace sick crew members. In addition, managers who are qualified to operate trains will do so, if needed. The last resort would be to cut service (starting with mid-day service), but that is unlikely.

<u>VRE Riders' and Public Comment – 7</u>

Dick Peacock stated that he is pleased to see that the state sponsored train service from Lynchburg to Washington, D.C. will stop at the L'Enfant Plaza station, which is a major tourist destination station, as well as a station that serves four Metrorail lines. He is also pleased with VRE's on-time performance, PRTC bus service to Tysons Corner, and contingency plans for H1N1.

<u>Consent Agenda – 8</u>

Ms. Caddigan moved, with a second by Mr. Kelly, to approve the following Consent Agenda items:

Resolution #8A-08-2009: <u>Authorization to Issue an Invitation for Bids for Gallery Railcar Parts</u>

Resolution #8B-08-2009: <u>Authorization to Amend a Task Order with HDR for Construction Phase Geotechnical and Materials Testing</u>

The Board voted on the motion and it unanimously passed. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

<u>Authorization to Execute a Purchase Order with Dominion Power for Installation of New Electric Service at the Broad Run Yard - 9A</u>

Mr. Zehner stated that the Operations Board is being asked to authorize him as CEO to execute a purchase order with Dominion Power for installation of new electric service for the Broad Run Yard in the amount of $67,272, plus a 15 percent contingency of

$10,091, for a total amount not to exceed $77,363. Resolution #9A-09-2009 would accomplish this.

Mr. Zehner explained that an electric service capable of meeting the increased demands of the new maintenance facility is now required. This new service will provide the necessary upgrades to the existing service and allow VRE to begin use of the facility immediately upon construction completion. The installation will be performed by Dominion Power.

Mr. Covington moved, by a second by Ms. Caddigan, to approve the resolution. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

<u>Authorization to Conduct Public Hearings Related to a Proposed Tariff Amendment and Amend the VRE Tariff – 9B</u>

Mr. Zehner stated that the Operations Board is being asked to authorize him to amend the VRE tariff to reflect changes in the discounted fare policy process, Free Ride Certificate/Service Guarantee Program (FRC program), and other administrative changes. The Board is also being asked to authorize him to solicit comments through a public hearing in Alexandria related to a proposed change to eliminate the discounted youth fare.

Mr. Zehner explained that as part of the budget process, VRE staff not only examined opportunities to reduce expenses and/or increase revenue, but also considered policy changes that could be made to enhance the rider experience. Based on these discussions, two tariff changes are being recommended: changes to the discounted fare program and lowering the FRC threshold. In addition, several other administrative changes are being recommended to ensure consistency with current policies. Jurisdictional staff have been briefed on these changes.

Mr. Zehner stated that VRE currently has three types of discounted fares entitling patrons to ride at a 50 percent discount: youth, seniors and riders with disabilities. VRE has built a system of checks and balances into the discounted fare system to mitigate the potential for discounted fare abuse. First, discounted fares can only be purchased at an authorized vendor. Currently, all vendors are trained to look for specific identification indicating that a rider is eligible for a discount. Second, conductors have the authority to check the identification used to purchase the discounted ticket when a rider may not appear to be eligible. Despite these efforts, over the past several months, VRE staff has noticed an increase in the usage of discounted tickets by riders who are not eligible for a discount. Therefore, staff is recommending some changes.

Mr. Zehner stated that for the senior fare it is recommended that VRE continue to offer the same discount for seniors 65 years and older, but limit the number of vendors selling discounted tickets to those near destination stations of Franconia/Springfield, Alexandria, Crystal City, L'Enfant and Union Station. In addition, Commuter Direct would be able to sell the discounted tickets for seniors. Mr. Schwartz observed that a senior traveling from Fredericksburg would not be able to purchase a senior fare in Fredericksburg. Mr. Zehner stated that the senior would have to purchase a one-way fare for the first trip and then could purchase a 10-Ride discounted ticket when he reached his destination. Currently there are only 11 vendors, so many stations are not being served by a vendor. Ms. Straub stated that most regular riders buy their tickets in advance. Mr. Way asked what percentage of senior tickets are sold near destination stations. Mr. Zehner stated that staff does not know this information. Mr. Way asked if staff is convinced that this change will not represent any serious inconvenience for seniors. Mr. Zehner responded no. However, potentially a senior tourist or one-time rider could be inconvenienced.

Mr. Zehner stated that the recommended change for disabled fare would be to continue to offer the discount, but bring in-house the distribution of the identification card required to purchase disabled tickets. The number of vendors selling these types of tickets would also be limited to the destination stations. In addition, Commuter Direct would be able to sell the discounted tickets by mail for riders with disabilities.

Mr. Zehner stated that the recommended change for the youth fare is for children 10 years and under to ride free with a fare paying adult and eliminate further youth discounts. VRE would conduct a public hearing on this fare change and report back to the Board with a recommendation. Ms. Bulova asked if Metro or other transit systems have a youth fare. Chairman Zimmerman replied that Metro does not; Prince Georges just cut its youth fare; and Arlington has a half price bus youth fare. Mr. Zehner does not believe that MARC has a youth fare.

Mr. Zehner stated that the Free Ride Certificate (FRC) program is another program that VRE can adjust to provide an extra level of customer service without additional cost. Despite the improvement in on-time performance, VRE riders are still concerned about arriving at their destination at the scheduled time. VRE staff believes that decreasing the FRC program threshold back to 30 minutes from 60 minutes will not only highlight VRE's commitment to on-time performance, but will promote a sense of goodwill among the riders at a time when fares are rising. The change in this policy is expected to have no effect on the budget.

Mr. Zehner explained the other administrative changes that need to be made to the tariff to bring it in line with current VRE policies, which include:

1. <u>Bicycle policy</u> – In May 2009, VRE amended its bike policy to allow full-sized bicycles on select trains. The tariff would be changed to reflect those changes.

2. <u>Dangerous Items, Weapons, and Firearms</u> – VRE's tariff currently states that firearms are not permitted on-board trains. However, that conflicts with the current laws of the Commonwealth of Virginia. The tariff would be amended to reflect Commonwealth laws and further delineate those items which are banned from the train.

3. Ticket Names – the names of different ticket types have caused confusion for some of VRE's new riders. For instance, there are those who have mistaken a 10-trip ticket to be good for 10 round trips, rather than 10 one-way trips. Tariff changes to ticket names may assist riders in better understanding VRE's system and avoiding fare evasion penalties. In this example, 10-Trip would be changed to 10-Ride.

In response to a question from Chairman Zimmerman, Mr. Zehner explained that VRE only needs a public hearing regarding the proposed change to the youth fare discount, which would be held during October/early November in Alexandria. Staff will report back to the Operations Board with a summary of comments and recommendation for action in November. With all of the recommended changes, staff believes that between 15 and 30 percent of current discounted fares will be converted to full fare purchases. This could result in an increase in annual fare revenue of between $150,000 and $300,000. In response to a question from Chairman Zimmerman, Mr. Zehner stated that the other tariff changes just require Board action, which would be accomplished by approving Resolution #9B-09-2009.

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

Mr. Milde stated that he has the opportunity to ride VRE occasionally and he hears regularly from passengers that they did not like it when VRE changed the FRC program to 60 minutes. Chairman Zimmerman asked how much revenue was generated from the last fare increase. Mr. Zehner replied that it was approximately $1.5 million. Chairman Zimmerman stated that the estimated cost for the FRC program is $20,000 and, therefore, changing the FRC policy is a smart thing to do.

Chairman Zimmerman noted for the record that encouraging people to bring guns onto loaded trains is a stupid idea. He personally would not change the tariff. He worries about the message that is being sent to the public. In response to a question from Mr. Way, Mr. Zehner stated that VRE makes it clear to any rider that asks about firearms, that once the train crosses the river into Washington, D.C., the rider is under D.C. law, which requires people to have permits to carry a firearm. Mr. Milde disagreed with Chairman Zimmerman and stated that there is no evidence that a person carrying a firearm on a train increases the risk of violence. In fact, it could decrease the risk. Ms. Bulova stated that whether carrying firearms on a train is a good idea or not, there is a state law that allows it, so VRE is bringing its policies into consistency with the laws of the Commonwealth.

Mr. Covington stated that he would like to see some flexibility with the tourist element, especially in the summer time when there is more space on the trains. He encouraged VRE to look at possible variations that would not hurt VRE's revenue stream.

The Board then voted on the motion and it passed. The unanimous vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Virginia Railway Express

CHIEF EXECUTIVE OFFICER'S REPORT

October 2009

MONTHLY DELAY SUMMARY

	June	July	August	September
System wide				
Total delays	76	45	74	36
Average length of delay (mins.)	21	20	16	15
Number over 30 minutes	18	5	9	2
Days with Heat Restrictions/Total days	3/22	0/22	4/21	0/21
On-Time Performance	88%	92.9%	87.8%	94.1%
Fredericksburg Line				
Total delays	43	24	38	13
Average length of delay (mins.)	22	19	15	14
Number over 30 minutes	11	2	4	0
On-Time Performance	84.9%	91.6%	86.1%	95.2%
Manassas Line				
Total delays	33	21	36	23
Average length of delay (mins.)	19	21	17	16
Number over 30 minutes	7	3	5	2
On-Time Performance	90.6%	94.0%	89.3%	93.2%

SYSTEM RIDERSHIP

The year-to-date gain in ridership is 9,986 riders higher than last year which represents a 1% increase. However, the total number of September trips in 2009 was -0.5% lower than in September 2008.

SYSTEM ON TIME PERFORMANCE

System on time performance for September was 94.1%. OTP on the Manassas Line was 93.2% and the Fredericksburg Line was 95.2%. The last time we had 95% OTP on the Fredericksburg Line was 2001. We had a total of 36 delays out of 609 trains during the month of September, 25% were Amtrak interference. We only had six mechanical delays. We have achieved over 90% system wide for 6 months during CY 2009.

TOP TEN RIDERSHIP DAYS

VRE experienced its highest ridership day ever on Tuesday, October 6, 2009. The total ridership number was 17,826. Ridership was pretty evenly distributed between the Manassas line at 8,869 and the Fredericksburg line at 8,957. The second largest ridership day at 17,751 was January 6, 2009. Six out of the remaining eight top ten ridership days were in 2009 and two were in 2008.

MASTER AGREEMENT SURVEY

The annual Master Agreement Survey to determine jurisdictional subsidies was performed on Wednesday, October 7th. Station counters and survey workers were on every train and at each station to ensure accurate results. The surveys will be tabulated and the results made available in December.

CLIFTON DAY

VRE provided train service for Clifton Day on October 11th. Trains ran from the Manassas, Manassas Park, Rolling Road and Burke Centre Stations to Clifton for free. Tickets for the return trip from Clifton were purchased at the festival for $5. The train service was paid for by the Clifton Betterment Association, who was also responsible for selling the tickets and collecting the ticket revenue.

WOODBRIDGE STATION EXPANSION UPDATE

Work continues on various elements of the elevator/stair tower and pedestrian bridge, including painting and window installation, at the Woodbridge station. Shifting of the west track and construction of the platform are complete. Upcoming work includes canopy construction and elevator installation. The project is expected to be completed by December of this year.

BROOKE PARKING EXPANSION UPDATE

The Department of Historic Resources is currently reviewing the archeological report for Brooke. Once their comments have been received, the draft Environmental Assessment (EA) will be submitted to FTA. The surface parking lot to the south of the existing lot has been selected as the preferred alternative. Stafford County is working with the property owner on advanced property acquisition via the hardship process. In an effort to expedite this process, VRE hired a consultant to perform the title search and appraisals per federal requirements. The property may be acquired using federal funds as soon as either the hardship application or the EA is approved by FTA.

LEELAND PARKING EXPANSION UPDATE

FTA notified VRE that the EA for Leeland Road should be approved this month. Final design will begin as soon as the EA is officially approved. The preferred alternative for the 200 space surface parking expansion is the PRTC property to the west of the existing lot. The Stafford County Board of Supervisors reclassified the zoning of this property to allow parking at their October 6, 2009 meeting.

Authorization to Enter Into a Contract for Custodial and Facility Maintenance Services – 9C

Mr. Zehner explained that the VRE Operations Board is being asked to authorize him to enter into contracts for custodial and facility maintenance services with NV Enterprises of Reston, Virginia in an amount not to exceed $2.6 million. Resolution #9C-09-2009 would accomplish this.

Mr. Zehner explained that the existing contract will expire on October 31, 2009. Different from previous years, VRE issued an RFP that separated daily custodial services and routine maintenance into two separate contracts, allowing specialized firms to bid either or both scopes of work. One proposal for each solicitation was received on July 31, 2009. Following selection committee review of the proposals, VRE staff is recommending award of both contracts to NV Enterprises. The procurement was designed to allow for a five-year contract for each service (base year, plus four one-year renewable options). Award of the first year of the custodial facilities contract is being recommended at an amount not to exceed $1.8 million. Award of the first year of the maintenance services contract is being recommended at an amount not to exceed $800,000. Due to the size of the contract, award of subsequent contract years will be brought before the Operations Board annually.

Ms. Bulova moved, with a second by Mr. Schwartz, to approve Resolution #9C-09-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Adjournment

Without objection, Chairman Zimmerman adjourned the meeting at 10:11 A.M.

Approved this 16th day of October 2009.

____
Christopher Zimmerman
Chairman

____
Sharon Bulova
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the September 18, 2009 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

MONTHLY PERFORMANCE MEASURES – SEPTEMBER 2009

MONTHLY ON-TIME PERFORMANCE	ON-TIME PERCENTAGE
September Fredericksburg OTP Average	95.2%
September Manassas OTP Average	93.2%
VRE SEPTEMBER OVERALL OTP AVERAGE	94.1%

RIDERSHIP YEAR TO DATE	RIDERSHIP
VRE FY 2009 Passenger Totals	1,008,315
VRE FY 2008 Passenger Totals	998,329
PERCENTAGE CHANGE	1.0%

RIDERSHIP MONTH TO MONTH COMPARISON	
DESCRIPTION	**MONTHLY RIDERSHIP**
SEPTEMBER 2009	338,791
SEPTEMBER 2008	340,516
PERCENTAGE CHANGE	-0.5%
SERVICE DAYS (CURRENT/PRIOR)	21/21

Monthly Ridership and OTP: September 2009

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	3,930	4,177	8,107	94%	4,236	4,268	8,504	100%	16,611	97%
2	3,895	3,769	7,664	81%	4,053	4,185	8,238	92%	15,902	86%
3	3,936	3,696	7,632	88%	3,799	4,206	8,005	92%	15,637	90%
4	2,785	2,737	5,522	100%	3,444	3,795	7,239	85%	12,761	93%
5										
6										
7										
8	3,865	3,759	7,624	100%	4,095	4,090	8,185	92%	15,809	97%
9	3,998	4,136	8,134	100%	4,192	4,224	8,416	92%	16,550	97%
10	3890	4,112	8,002	100%	4,338	4,255	8,593	100%	16,595	100%
11	3,513	3297	6,810	94%	3,784	4,195	7,979	100%	14,789	97%
12										
13										
14	3,876	4,048	7,924	81%	4,266	4,270	8,536	77%	16,460	79%
15	3,923	4,125	8,048	88%	4,353	4,720	9,073	92%	17,121	90%
16	4,033	4,118	8,151	100%	4,203	4,241	8,444	100%	16,595	100%
17	3,915	3,857	7,772	88%	4,135	4,205	8,340	85%	16,112	86%
18	3,377	3,237	6,614	100%	3,722	3,951	7,673	92%	14,287	97%
19										
20										
21	3,908	3,883	7,791	100%	4,137	4,165	8,302	100%	16,093	100%
22	4,011	4,058	8,069	100%	4,393	4,493	8,886	100%	16,955	100%
23	4,032	4,030	8,062	81%	3,970	4,054	8,024	100%	16,086	90%
24	3,880	4,104	7,984	100%	4,444	4,342	8,786	100%	16,770	100%
25	3,609	3,365	6,974	88%	3,681	4,004	7,685	100%	14,659	93%
26										
27										
28	3,931	3,967	7,898	88%	4,477	4,353	8,830	100%	16,728	93%
29	4,363	4,073	8,436	100%	4,394	4,529	8,923	100%	17,359	100%
30	4,104	4,085	8,189	88%	4,435	4,401	8,836	100%	17,025	93%
	80,774	80,633	161,407	93%	86,551	88,946	175,497	95%	336,904	94%
		Adjusted total:	161,481			Adjusted Total:	177,310	Adjusted Total:	338,791	

# of Service Days:	21			Total Trips This Month:	338,791	Adjusted Total:	338,791
Manassas Daily Avg. Trips:	7,686	Adjusted Avg.:	7690	Prior Total FY-2009:	669,524		
Fred'burg Daily Avg. Trips:	8,357	Adjusted Avg.:	8443	Total Trips FY-2009	1,008,315		
Total Avg. Daily Trips:	16,043	Adjusted Avg.:	16,133	Total Prior Years:	44,455,982		
				Grand Total:	45,464,297		

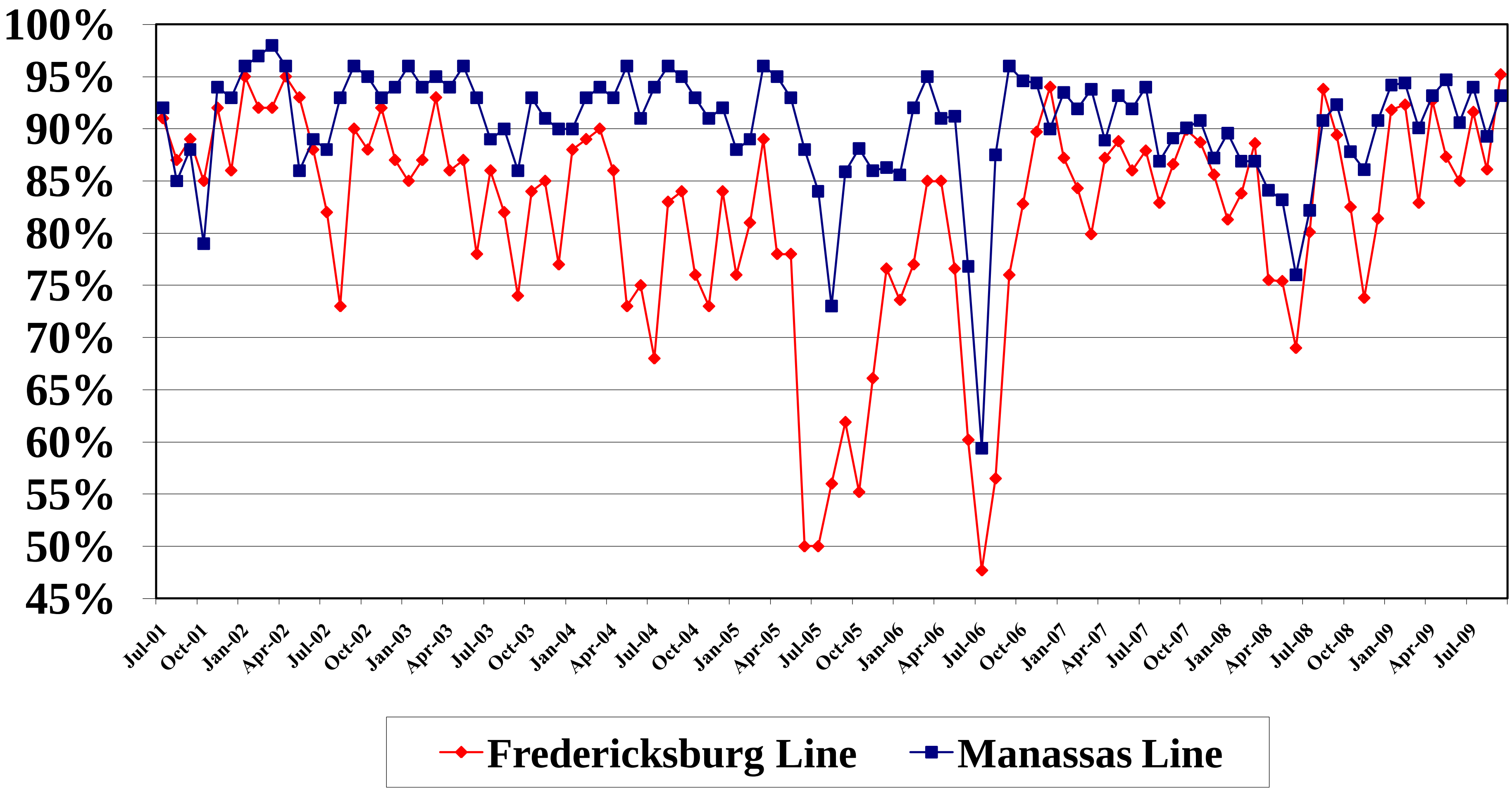
Note: Adjusted Averages & Totals include all VRE trips taken on Amtrak trains, but do not include "S" schedule days.
" designates "S" schedule day

Monthly Ridership Changes:
FY 2009 v. FY 2010

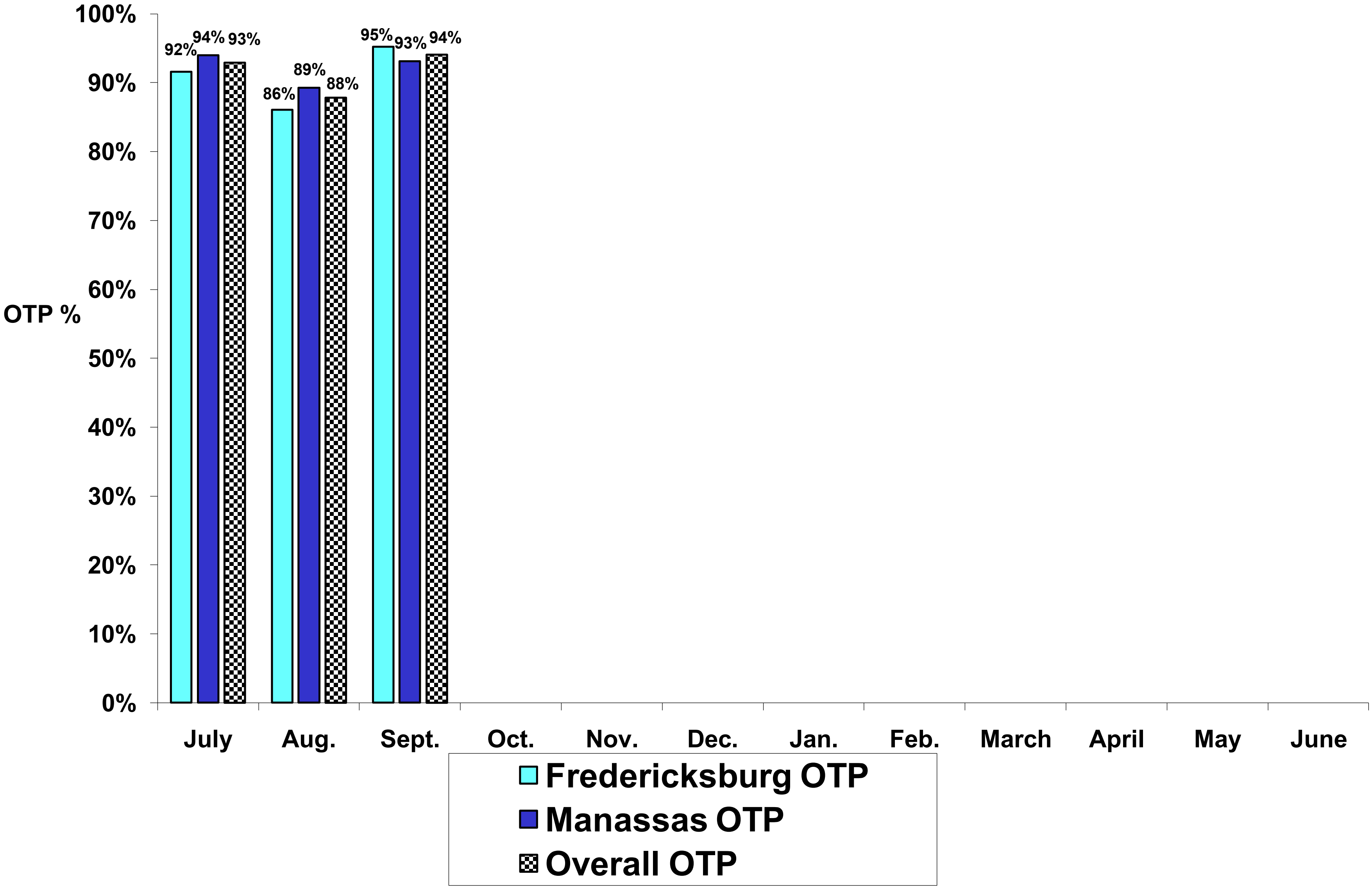
	MANASSAS			FREDERICKSBURG				
Current Month	Cumulative FY2009	Cumulative FY2010	% change	Cumulative FY2009	Cumulative FY2010	% change	Current Total	% change
July	154,066	163,100	5.9%	184,525	179,830	-2.5%	342,930	1.3%
August	298,659	317,944	6.5%	359,154	351,580	-2.1%	669,524	1.8%
September	456,054	479,425	5.1%	542,275	528,890	-2.5%	1,008,315	1.0%
October	620,865			730,116				
November	746,905			875,201				
December	883,468			1,035,994				
January	1,021,679			1,192,914				
February	1,165,667			1,352,042				
March	1,328,811			1,527,273				
April	1,492,195			1,707,585				
May	1,640,938			1,867,882				
June	1,808,366			2,049,280				

*Ridership figures are shown in passenger trips. Includes Amtrak cross honor train riders.

On-Time Performance
July 2001 – September 2009



Average On-Time Performance FY-2010



FINANCIAL STATISTICS FOR SEPTEMBER 2009

Copies of the September 2009 Operating Budget Report are attached.

Fare income for the month of September 2009 was $180,148 above the budget – a favorable variance of 8.00%. The cumulative variance for the year is 6.41% or $439,947 above the adopted budget. Revenue in the first three months of FY 2010 is up 17.5% over FY 2009. This positive variance is the result of higher than anticipated ridership and the January and July 2009 fare increases.

A summary of the financial results (unaudited) as of September 2009 follows. Detail on the major revenue and expense categories are provided in the attached Operating Budget Report.

Measures		Goal	Actual
Operating Ratio		55%	84%
Budgeted Revenue	69,844,110		
Budgeted Revenue YTD	20,057,768		
Actual Revenue YTD	20,354,225		
Cumulative Variance	296,457		296,457
Percent Collected FY 07 YTD		28.72%	29.14%
Budgeted Expenses	69,844,110		
Budgeted Expenses YTD	18,855,259		
Operating Expenses YTD	17,576,631		
Cumulative Variance	1,278,628		1,278,628
Percent Collected FY 07 YTD		27.00%	25.17%
Net Income (Loss) from Operations			1,575,085

These figures are preliminary and unaudited.

VIRGINIA RAILWAY EXPRESS
FY 2010 Operating Budget Report
September 30, 2009

	CURR. MO. ACTUAL	CURR. MO. BUDGET	YTD ACTUAL	YTD BUDGET	YTD VARIANCE $	YTD VARIANCE %	TOTAL FY10 BUDGET
OPERATING REVENUE							
Passenger Ticket Revenue	2,432,225	2,252,077	7,303,420	6,863,473	439,947	6.4%	26,917,683
Equipment Rental and Other	31,207	12,675	66,503	38,629	27,874	72.2%	151,500
Subtotal Operating Revenue	2,463,432	2,264,752	7,369,923	6,902,102	467,821	6.8%	27,069,183
Jurisdictional Subsidy (1)	-	-	7,660,457	7,660,457	-	0.0%	14,959,826
Federal/State/Other Jurisdictional Subsidy	2,080,611	2,144,001	5,316,130	5,449,312	(133,183)	-2.4%	27,185,101
Appropriation from Reserve	-	-	-	-	-	0.0%	400,000
Interest Income	2,678	15,060	7,715	45,896	(38,181)	-83.2%	230,000
Total Operating Revenue	4,546,721	4,423,813	20,354,225	20,057,768	296,456	1.5%	69,844,110
							-
OPERATING EXPENSES							
Departmental Operating Expenses	3,797,104	3,932,827	10,707,927	11,971,343	1,263,416	10.6%	47,323,821
Debt Service	1,236,008	1,240,935	2,255,466	2,271,103	15,637	0.7%	13,582,380
Insurance	-	-	4,612,813	4,612,813	-	0.0%	5,095,000
Other Non-Departmental Expenses	425	-	425	-	(425)		3,842,909
Total Operating Expenses	5,033,537	5,173,762	17,576,631	18,855,259	1,278,628	6.8%	69,844,110
NET INCOME (LOSS) FROM OPERATIONS	(486,816)	(749,949)	2,777,594	1,202,510	1,575,084		-
CALCULATED OPERATING RATIO			84%				

(1) Total jurisdictional subsidy is $16,376,967. Portion shown is attributed to Operating Fund only.

10/14/09

R:\Finance and Accounting\Accounting FY 2010\Financial Reports FY10\03 - Sept 09\[Board Revenue and Expense Report Sept 09.xls]BoardReport wtop.com

Amtrak launches new train service in Virginia

September 30, 2009 - 4:24pm

MANASSAS, Va. - Giving people easier access to the Northeast -- that's the idea behind a new Amtrak service that starts Thursday.

Local leaders got a whistle stop tour of the Northeast Regional on Wednesday. The service will expand daily round-trip service from Lynchburg, Culpeper and Manassas to the District, Philadelphia, New York and Boston.

Virginia Transportation Secretary Pierce Homer says 50,000 passengers a year will make it viable.

"We are going to continue to grow it incrementally and develop the jobs and the mobility for the region."

Homer says if the pilot project works, it could spark extended train service statewide.

Manassas Mayor Harry Parrish Jr. says it makes the communities along the way more attractive to employers.

"You get passengers from outside of this area, coming to this area, and being able to travel to the northeast as well."

Virginia Gov. Tim Kaine says there are positive implications for the environment as well.

"The expanded service will support economic growth and benefit the environment by taking more cars off the road, improving air quality, and saving fuel."

Here is a breakdown of the key departure times on weekdays:

- Lynchburg at 7:38 a.m.
- Charlottsville at 8:49 a.m.
- Culpeper at 9:42 a.m.
- Manassas at 10:21 a.m.
- Alexandria at 11:05 a.m.

The expanded service is part of a partnership among Amtrak, the Virginia Department of Rail and Public Transportation, Norfolk Southern and CSX. Virginia invested $17.2 million over a three-year period for the service.

< Back

M I N U T E S

VIRGINIA RAILWAY EXPRESS

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FAX: (703) 684 – 1313
Web Site: www.vre.org

VRE OPERATIONS BOARD MEETING
PRTC HEADQUARTERS – PRINCE WILLIAM COUNTY, VIRGINIA
OCTOBER 16, 2009

MEMBERS PRESENT	JURISDICTION
Sharon Bulova (NVTC)	Fairfax County
Maureen Caddigan (PRTC)	Prince William County
Wally Covington (PRTC)**	Prince William County
Patrick Herrity (NVTC)	Fairfax County
John D. Jenkins (PRTC)	Prince William County
Matthew Kelly (PRTC)	City of Fredericksburg
Paul Milde (PRTC)	Stafford County
Kevin Page	DRPT
George H. Schwartz (PRTC)	Stafford County
Paul Smedberg (NVTC)**	City of Alexandria
Jonathan Way (PRTC)	City of Manassas
Christopher Zimmerman (NVTC)	Arlington County

MEMBERS ABSENT	JURISDICTION
Suhas Naddoni (PRTC)	City of Manassas Park

ALTERNATES ABSENT	JURISDICTION
Marc Aveni (PRTC)	City of Manassas
Charles Badger	DRPT
Brad Ellis	City of Fredericksburg
Harry Crisp (PRTC)	Stafford County
Mark Dudenhefer (PRTC)	Stafford County
Jay Fisette (NVTC)	Arlington County
Frank C. Jones (PRTC)	City of Manassas Park
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
John Stirrup (PRTC)	Prince William County

STAFF AND GENERAL PUBLIC	
Michelle Basch – WTOP Radio	Steve MacIsaac – VRE counsel
Laura Bateman – PWHD/Bombardier	April Maguigad – VRE
William Bates – United Transp. Union	Greg Marston – IBT
Donna Boxer – VRE	Betsie Massie – PRTC staff
Jennifer Buske – Washington Post	Sirel Mouchantaf – VRE
Nancy Collins – Stafford County	Peyton Onks – Sup. Herrity's Office
Rich Dalton – VRE	Lynn Rivers – Arlington County
John Duque – VRE	Mark Roeber – VRE
Kelly Hannon – Free Lance-Star	Mike Schaller - citizen
Al Harf – PRTC staff	Jennifer Straub – VRE
Herbert Harris – BLET	Rick Taube – NVTC staff
Ann King – VRE	Mark Thomas – Sup. Bulova's Office
Uriah Kiser – News and Messenger	Keisha Ware – DC Examiner
Mike Lake -- Fairfax DOT	Kyle Weis –
Lezlie Lamb - VRE	Walter Yeatts – United Transp. Union
Bob Leibbrandt – Prince William County	Dale Zehner – VRE

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

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

Approval of the Agenda – 3

Without objection, the Board accepted the agenda as presented.

Minutes of the September 18, 2009, VRE Operations Board Meeting – 4

Mr. Kelly moved, with a second by Ms. Bulova, to approve the minutes. The vote in favor was cast by Board Members Bulova, Caddigan, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Way and Zimmerman.

Chairman's Comments – 5

Chairman Zimmerman stated that he participated in the inaugural run on September 30th of the "Amtrak Virginia," which is an intercity rail service from Washington, DC to Lynchburg being sponsored by the Commonwealth of Virginia. He stated that it is an important step in the overall restoration of rail service in the Commonwealth's future, as well as the entire country's future. VRE helped to make the service possible by providing some of its train slots. Chairman Zimmerman also reported that he attended the recent APTA Conference and there was tremendous interest in high speed rail throughout the country.

[Mr. Covington and Mr. Smedberg arrived at 9:35 A.M.]

Chief Executive Officer's Report – 6

Mr. Zehner pointed out that pictures are on display of the Woodbridge second platform construction project, which should be completed by December 2009. He also introduced a new VRE employee, Rich Dalton, who has joined VRE as Director of Rail Equipment and Services. Mr. Dalton has 20 years of locomotive maintenance experience.

Mr. Zehner stated that in response to a request from Mr. Milde, a satellite connected clock will be installed at the Brooke VRE station as a pilot project. If successful, staff will look at installing more clocks at other stations.

Mr. Zehner reported that ridership through September is up one percent. Compared to other systems in the commuter rail industry, this is still good news. On October 14th ridership hit 18,000 for the first time in VRE's history. On-time performance for September was 95 percent on the Fredericksburg line and 93 percent on the Manassas line. VRE parking demand is also up and five out of 13 origination stations are at critical levels for parking capacity: Broad Run (117%), Leeland (111%), Fredericksburg (110%), Manassas Park (110%), and Rolling Road (95%). This means that these five station parking lots completely fill up and people are parking on streets around the station. Mr. Zehner stated that there are two major parking initiatives underway at Leeland Road and a potential garage deck at Broad Run. FTA notified VRE that the Environmental Analysis (EA) for Leeland Road should be approved this month. Final design would begin as soon as the EA is officially approved. Prince William County is providing $1 million to start the Environmental Analysis and potential design of the Broad Run parking deck.

Mr. Way expressed his concern that there is a safety hazard with the parking situation at the Broad Run station. The parking lots are filled to capacity and people are parking on feeder streets and have to walk on the streets to get to the station. He observed that the Gainesville extension, if it happens, could alleviate some of this problem, but it is at least eight years away. VRE needs to find an interim solution.

Mr. Zehner also announced that VRE has received 18 comments to date concerning discontinuing the youth fare discount. VRE will continue to receive comments and a recommendation will be made at the next Board meeting. He also reported that Clifton Day on October 11th was a success, with VRE running excursion trains.

Ms. Bulova stated that she also enjoyed riding the “Amtrak Virginia” inaugural train, but there are still a few kinks that need to be worked out. People are receiving conflicting information when they call DRPT and/or Amtrak about whether there is a stop at Burke Centre station, which there is. There is also some confusion about the step-up fare. She has already talked with Secretary of Transportation Pierce Homer, but asked VRE staff to work with DRPT and help resolve these issues. Mr. Page explained that the Burke Centre station was added as a step-up station at the request of VRE. Amtrak has been formally asked to add this station to its national system. There may be some minor schedule adjustments that need to be made. Also, DRPT is looking at adding ticket vending machines at the station. Mr. Page stated that there has been strong interest in this train service already. Chairman Zimmerman observed that the farther south the inaugural train traveled, the more people turned out for the festivities at each station. This shows how significant this service is to those communities.

<u>VRE Riders’ and Public Comment – 7</u>

William Bates, Legislative Director (Washington, DC) for the United Transportation Union, explained that he represents VRE’s train conductors. He stated that since VRE’s inception in 1992, Amtrak employees have been manning VRE trains and have done a fantastic job, especially in the area of safety. He provided statistics on performance and safety. He concluded by reviewing the benefits of keeping Amtrak as VRE’s contractor.

Herbert Harris, Chairman and State Representative (Washington, DC) for the Brotherhood of Locomotive Engineers and Trainmen (BLET), stated that he represents the engineers that operate VRE trains. He stated that VRE’s selection of a contract provider will signal two important things: a commitment to safety, as well as a potential for growth and expansion into new communities and counties. Therefore, he stated in their view only one bidder, Amtrak, can partner with VRE to meet these expectations. Also, there is a renewed commitment to safety and improvement at Amtrak under the new leadership of President/CEO Joseph Boardman. Mr. Harris provided a written copy of his statement to the Board.

Chairman Zimmerman thanked Mr. Bates and Mr. Harris for their comments and asked them to extend the Board's appreciation to the train crews for their hard work and dedication to VRE.

Authorization to Award a Contract for the VRE Electronic Newsletter - 8A

Mr. Zehner stated that the VRE Operations Board is being asked to authorize him to award a contract for the VRE electronic newsletter to TransitTalk, LLC in an amount not to exceed $60,000 over a five year period. Resolution #8A-10-2009 would accomplish this.

Mr. Zehner explained that Train Talk, VRE's e-mail announcement system, is an essential tool that provides VRE passengers with the latest information on VRE service. The e-mails provide real-time information during major service disruptions as well as information on safety, courtesy, possible weather related issues, policy changes and other information that might affect one's commute. Train Talk has proven to be VRE's most successful method for disseminating information to passengers and is an indispensible customer service tool.

Mr. Zehner further explained that VRE's current contract for these services expires in January of 2010. VRE issued a RFP and two proposals were received on September 18, although only one was deemed responsive. Following an evaluation committee review and negotiations, a recommendation for award is being made to TransitTalk, LLC of Atlanta, Georgia. The contract will be for five years, a base year plus four options years, with the CEO exercising the option years at his discretion. The base year and the option years include upgrades requested as part of the RFP as well as annual maintenance, archiving, communications infrastructure and personnel support. Upgrades include a passenger vacation deferral setting and additional rider preference options. The new contract reflects an annual cost reduction of $3,000 as compared to the existing contract.

Mr. Jenkins moved, with a second by Ms. Caddigan, to approve Resolution #8A-10-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

Authorization to Execute a Right of Way Agreement with Dominion Virginia Power for a Utility Easement – 8B

Mr. Zehner stated that Resolution #8B-10-2009 would authorize VRE's CEO to execute a Right of Way Agreement with Dominion Virginia Power for a utility easement at the Leeland Road radio tower site. He explained that the Mid-Atlantic Tower Holding

Company is under contract with VRE to construct a radio communication tower at the Leeland Road VRE station. Dominion Virginia Power will be providing the power to operate the dish antennae and other equipment at the power site. The tower site is located on the southeastern corner of the parcel owned by PRTC at the station site. The proposed easement is entirely on this parcel and measures 15' wide by 170' long. As the PRTC property is land-locked from Leeland Road, with access to the site coming across a Stafford County owned parcel to the east, additional easement applications have been made to Stafford County by both VRE and Dominion Virginia Power.

Mr. Zehner stated that all installation work is expected to be complete by December 2009 and will not disturb the existing parking configuration. VRE will not incur any expense for installation and operations at this site. The work is being performed in close coordination with the Leeland parking expansion project.

Mr. Smedberg moved, with a second by Mr. Schwartz, to approve Resolution #8B-10-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

<u>Authorization to Amend the Contract for the VRE Woodbridge Station Expansion Project – 8C</u>

Mr. Zehner stated that the Operations Board is being asked to authorize him to execute a change order with Costello Construction for a temporary Kiss and Ride lot at the Woodbridge VRE station, increasing the contract value by $300,744, for a total contract value not to exceed $4,545,660.

Mr. Zehner explained that the Woodbridge VRE station expansion project will construct a platform on the west side of the tracks along with an overhead pedestrian bridge connecting into the existing parking garage on the east side. The project was originally designed to include a Kiss and Ride facility serving the new elevator/stair tower, with access to and from Route 1. While VRE worked to coordinate construction of the Kiss and Ride with the proposed Route 1/123 interchange project, VDOT has postponed the proposed interchange construction date, due to a lack of funding, until at least 2015.

Mr. Zehner further explained that the property adjacent to the elevator/stair tower currently consists of broken asphalt pavement and remains of structures that have been demolished. Until such time as a formal Kiss and Ride facility can be constructed, VRE recommends providing temporary passenger car and bus access at this location. In response to a question from Mr. Way, Mr. Mouchantaf explained that work would include paved drive lanes and an ADA-accessible concrete sidewalk along the driveway, leading to the tower entrance. Lighting, fencing and basic landscaping are also included in the scope.

In response to a question from Mr. Milde, Mr. Zehner stated that this project had an original budget but the cost of this construction project is much less than anticipated, allowing these funds to be used for this purpose, which was not part of the original design. The original design assumed that the Route 1/123 interchange would be completed before VRE completed the second platform. Federal funds are being used for the local match, which is eight percent of the total ($24,000).

Mr. Milde asked who owns the property. Mr. Zehner explained that the property is owned by the VRE system, but all property is held in the name of the commissions, in this case by PRTC. Mr. Milde also asked if VRE reviewed this proposal with the MPO and Mr. Zehner responded that it was discussed with the local jurisdictions. Mr. Zehner stated that this project has a unique history and pre-dates the VRE policy change where parking projects now must have a local match by the local jurisdictions. Mr. Milde observed that this work is an addition to the original project. Mr. Mouchantaf stated that Prince William County provided the local match for the entire project, including the Kiss and Ride. It is not costing the other member jurisdictions anything because it is a federal earmark and being matched with state funds, and funding from Prince William County.

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

Ms. Caddigan stated that this is the busiest parking lot in the Route 1 corridor and the improvements to the Kiss and Ride will be beneficial.

Mr. Kelly stated that he will support this because it is a good project, but expressed his frustration that there are critical parking situations shared by other jurisdictions. Parking is a critical issue especially as VRE continues to grow and, therefore, VRE needs to look at how it will deal with parking issues. In response to Mr. Milde, Mr. Jenkins stated that parking costs have always been the responsibility of the jurisdiction. Ms. Straub further explained that in this situation the 2003 federal grant is frozen and can only be used for the Woodbridge project. So VRE can do this additional work and have it funded by the grant, or the funds need to be returned. Mr. Milde observed that there are no savings to VRE if this work is not done.

Mr. Harf clarified that PRTC does not intend to have buses use this temporary Kiss and Ride lot because it would be considered hazardous to cross Route 1. The permanent Route 1/123 interchange, which has been delayed until 2015, was designed for bus use.

The Board then voted on Resolution #8C-10-2009. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

<u>Authorization to Modify the Contract for a New Locomotive Purchase – 8D</u>

Mr. Zehner stated that Resolution #8D-10-2009 would recommend that the Commissions authorize him to modify the contract with Motive Power, Inc., for the purchase of locomotives so that the base order is increased from 12 to up to 15 locomotives, increasing the contract value by $10,997,829, plus a 10% contingency of $1,099,783, for a total contract value up to $60,579,992.

Mr. Zehner explained that two of these locomotives would be purchased using bonus obligation funding provided through the Commonwealth of Virginia and VRE formula funds. Match for the bonus obligation grant will be provided using proceeds from the sale of the Mafersa railcars and state matching funds. VRE formula funds are matched via state and proceeds from the Mafersa railcar sale. The third unit will be purchased pending approval of a FY 2010 federal earmark, with match being provided from the same sources. Senator Warner and Senator Webb are sponsors of this earmark.

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

Closed Session – 9

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

> Pursuant to the Virginia Freedom of Information Act (Sections 2.2-3711A (6) and (7) of the Code of Virginia), the VRE Operations Board authorizes a Closed Session for the purposes of consultation with legal counsel concerning the requirements of the Public Procurement Act and discussion of a matter involving the expenditure of public funds where competition and bargaining is involved and where discussion in public would adversely affect VRE's financial interest and its bargaining position and negotiation strategy.

The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Page, Schwartz, Smedberg, Way and Zimmerman.

The Board entered into Closed Session at 10:21 A.M. The Operations Board returned to Open Session at 12:19 P.M.

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

> The VRE Operations Board certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:
>
> 1. Only public business matters lawfully exempted from open meeting requirements under Chapter 37, Title 2.2 of the Code of Virginia were discussed; and
>
> 2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Schwartz, Smedberg, Way and Zimmerman. Mr. Page abstained.

Ms. Bulova moved, with a second by Mr. Way, to approve Resolution #9A-10-2009, which recommends that the Commissions approve an award of a contract with Keolis Rail Services of America for VRE operation and maintenance services and mobilization in the amount of $18,459,348 through June 30, 2011, and to authorize the VRE CEO to execute the contract on behalf of the Commissions.

Ms. Bulova stated that this was a long Closed Session with a thorough discussion regarding VRE's positive experience with Amtrak employees, including conductors and engineers. Many of them have been part of the VRE family since the beginning. Part of the discussion was to make sure that they are treated fairly and equitably. She is pleased to see portability of all benefits, including seniority, retirement and insurance for these workers who want to transfer to Keolis. Mr. Milde stated that this has been a healthy and competitive process. VRE's goal is to improve the experience of riding VRE and to making it a "standout" amongst passenger rail services in the country. This decision brings VRE closer to that goal. Mr. Herrity stated that it is important to note that it was not just about cost, but also about better service for VRE riders. He commended staff for running a tight procurement process, which includes a vision for VRE. Mr. Way stated that this has been a good process, a good result, and a good future for VRE.

The Board then voted on the motion and it passed. The vote in favor was cast by Board Members Bulova, Caddigan, Covington, Herrity, Jenkins, Kelly, Milde, Schwartz, Smedberg, Way and Zimmerman. Mr. Page abstained.

<u>Adjournment</u>

Without objection, Chairman Zimmerman adjourned the meeting at 12:25 P.M.

Approved this 20th day of November, 2009.

____

Christopher Zimmerman
Chairman

____

Sharon Bulova
Secretary

CERTIFICATION

This certification hereby acknowledges that the minutes for the October 16, 2009 Virginia Railway Express Operations Board Meeting have been recorded to the best of my ability.

Rhonda Gilchrest

Rhonda Gilchrest

Item #2B

Approval of Spotsylvania County Membership Agreement and VRE Master Agreement Amendments

The VRE Operations Board recommends approval of Resolution #2132. This resolution approves a membership agreement with Spotsylvania County and approves an amendment to the VRE Master Agreement. All of VRE's jurisdictions have acted affirmatively on these items. Also, PRTC has been requested to act on November 5th to approve and execute an amendment to its founding ordinance and to obtain certification from the Secretary of the Commonwealth that Spotsylvania County's membership in PRTC is effective February 15, 2010 and contingent on all three agreements being in full force and effect on that date. PRTC must also forward the certification to the Spotsylvania County Board of Supervisors for entry into the minutes of a Board meeting by November 30, 2009.

Several attachments show the proposed agreements and provide background on the action taken by the Spotsylvania County Board of Supervisors on August 18th.

RESOLUTION #2132

SUBJECT: Approval of VRE Membership Agreement with Spotsylvania County and of Amendments to VRE Master Agreement.

WHEREAS: On August 18, 2009, the Board of Supervisors of Spotsylvania County approved and authorized execution of the following: (1) an Agreement Governing Spotsylvania County's Admission to Membership in PRTC and Participation in the VRE (the "VRE Membership Agreement"); (2) an amended VRE Master Agreement; (3) an amended PRTC Founding Ordinance and Master Agreement (the "PRTC Founding Ordinance");

WHEREAS: The VRE Membership Agreement must be approved by NVTC and PRTC, the amended VRE Master Agreement must be approved by PRTC, NVTC, and each Participating and Contributing Jurisdiction, and the PRTC Founding Ordinance must be approved by PRTC;

WHEREAS: In order to complete the required steps for Spotsylvania County to become a member of PRTC, a certification from the Secretary of the Commonwealth must be obtained stating that the requirements for enlarging PRTC have been complied with, and that certification must be entered into the minutes of a Spotsylvania County Board of Supervisors' meeting;

WHEREAS: The VRE Membership Agreement approved by Spotsylvania County provides that approval of the three agreements and completion of the certification process must occur by all required parties by November 30, 2009;

WHEREAS: The VRE Membership Agreement approved by Spotsylvania County provides that the effective date of Spotsylvania County's membership in PRTC and its participation in VRE is effective February 15, 2010, subject to each party's right to terminate the VRE Membership Agreement on 30 days notice prior to the effective date;

WHEREAS: The VRE Operations Board has recommended to PRTC and NVTC the following: (1) that the VRE Membership Agreement, as approved by Spotsylvania County, be approved by PRTC and NVTC by November 30, 2009; (2) that the amended VRE Master Agreement be forwarded to the

Participating and Contributing Jurisdictions for approval by them and by the Commissions, by November 30, 2009; and (3) that by November 30, 2009, PRTC approve the amended PRTC Founding Ordinance and obtain the certification of the Secretary of the Commonwealth that Spotsylvania County's membership in PRTC is effective February 15, 2010, and contingent upon the three agreements described herein being in full force and effect on that date;

WHEREAS: On September 3, 2009, NVTC forwarded the amended VRE Master Agreement to the Participating and Contributing Jurisdictions for approval by them by October 31, 2009; and

WHEREAS: Each of the Participating and Contributing Jurisdictions has approved the amended VRE Master Agreement.

NOW, THEREFORE BE IT RESOLVED that the Northern Virginia Transportation Commission hereby approves the VRE Membership Agreement, as approved by Spotsylvania County, effective February 15, 2010, and authorizes the Chairman to execute it on behalf of the Commission; and

BE IT FURTHER RESOLVED that the Northern Virginia Transportation Commission hereby approves the amended VRE Master Agreement, effective February 15, 2010, and authorizes the Chairman to execute it on behalf of the Commission.

Approved this 5th day of November, 2009.

Christopher Zimmerman
Chairman

William Euille
Secretary-Treasurer

August 26, 2009

SPOTSYLVANIA COUNTY MEMBERSHIP IN PRTC AND VRE
MEMBERSHIP AGREEMENT SUMMARY

The following outlines the terms of the attached draft PRTC\VRE membership agreement.

1) Three agreements are required:

   a. Agreement Governing Spotsylvania County's Admission to Membership in PRTC and Participation in VRE ("Membership Agreement")

      i. This defines terms and conditions of membership in PRTC and participation in VRE

      ii. Expires November 30, 2009, unless all three agreements are approved

      iii. Effective February 15, 2010 provided the three agreements are approved

      iv. Can be terminated anytime prior to effective date upon 30 days notice; thus, notice not later than January 15, 2010

   b. Amended Founding Ordinance and Master Agreement for PRTC ("Amended PRTC Founding Ordinance")

      i. Approval of Amended PRTC Founding Ordinance by Spotsylvania County

         1. County gets two seats on PRTC

      ii. Certification by Secretary of Commonwealth required

         1. Results in gas tax being collected in County

   c. Amended Master Agreement for Provision of Commuter Rail Services in Northern Virginia ("VRE Master Agreement")

      i. Under Master Agreement, County gets one seat on Operations Board

ii. VRE Master Agreement must be approved by Spotsylvania County, PRTC, NVTC, and each Participating and Contributing Jurisdiction

iii. Proposed amendments include two new financial guidelines making explicit the current practice of trying to keep local subsidy level and enabling PRTC members to rely on gas tax for subsidy

2) Rail Station in Spotsylvania County

   a. County funds property acquisition, environmental review, design and construction of platform and 1,000 space parking lot (500 initially)

      i. Complete on or before later of February 15, 2012 or completion of railroad line extension

   b. VRE shall assist in obtaining federal and state grant funding for County

   c. County not obligated to fund more than 20% of station construction cost inclusive of value of proffers and other contributions

      i. remainder paid by grants

      ii. if grant match exceeds 20%, County may defer construction until more favorable funding is obtained

3) Extension of Rail Line

   a. VRE funds property acquisition, environmental review, design and construction of an extension of the existing rail line to serve County station, subject to funding and CSXT approval

   b. Complete on or before February 15, 2012 subject to funding

4) Financial Matters

   a. PRTC administrative expenses

      i. Beginning first full month after certification by Secretary of Commonwealth, County shall pay, within 90 days, prorated amount of administrative expenses for PRTC and full amount for each year thereafter

      ii. If fail to pay prorated amount, County agrees it may be withheld from share of gas tax

b. VRE subsidy

   i. County shall pay, as provided in Amended VRE Master Agreement, its share of VRE's annual budget

      1. In first fiscal year, County owes a prorated amount and the full amount for each year thereafter

      2. If fail to pay prorated amount, County agrees it may be withheld from share of gas tax

c. Deferral

   i. Defer PRTC administrative expenses and VRE subsidy for 3 years as follows:

      1. FY 2010 – 100%
      2. FY 2011 – 100%
      3. FY 2012 – 50%

   ii. Once deferral period ends, payment required within 60 days, without interest

   iii. If County fails to pay, County agrees deferral amount may be withheld from share of gas tax

d. Withdrawal

   i. If Spotsylvania withdraws from the VRE Master Agreement by agreement, the County may remain a member of PRTC and collect the gas tax until it satisfies the agreed conditions of withdrawal

AGREEMENT GOVERNING SPOTSYLVANIA COUNTY'S ADMISSION TO MEMBERSHIP IN PRTC AND PARTICIPATION IN THE VRE

THIS AGREEMENT, made the __ day of _____, 2009, between and among the Potomac and Rappahannock Transportation District Commission, (hereinafter referred to as "the Potomac and Rappahannock Transportation Commission" or "PRTC"), the Northern Virginia Transportation District Commission, (hereinafter referred to as "the Northern Virginia Transportation Commission" or "NVTC"), (PRTC and NVTC hereinafter referred to collectively as "the Commissions" or "the VRE"), and the Board of County Supervisors of Spotsylvania County, Virginia, (hereinafter referred to as "Spotsylvania County" or "the County").

WITNESSETH:

WHEREAS, by duly adopted resolution, Spotsylvania County has found, in accordance with §15.2-4504 of the Code of Virginia, 1950, as amended, that the orderly growth and development of the County and the comfort, convenience and safety of its citizens require an improved transportation system, and that joint action with the members of the Potomac and Rappahannock Transportation Commission will facilitate the planning and development of the needed transportation system; and

WHEREAS, among the elements of the Potomac and Rappahannock Transportation Commission's transportation plan that Spotsylvania County has determined furthers its transportation interests is the Virginia Railway Express commuter rail service, (hereinafter referred to as the "VRE service"), jointly owned by the Potomac and Rappahannock Transportation Commission and the Northern Virginia Transportation Commission and operated by the Virginia Railway Express Operations Group; and

WHEREAS, Spotsylvania County has requested that the Potomac and Rappahannock Transportation Commission permit it to become a member of the District in accordance with the terms and conditions hereafter set forth; and

WHEREAS, the Potomac and Rappahannock Transportation Commission has agreed to permit Spotsylvania County to become a member of the District in accordance with the terms and conditions hereafter set forth;

NOW, THEREFORE, in consideration of the foregoing and the terms hereof, the value and sufficiency of which are hereby mutually acknowledged, the Potomac and Rappahannock Transportation Commission, the Northern Virginia Transportation Commission, and Spotsylvania County agree to the following terms and conditions:

1. Effective Date.

   a) This Agreement shall be effective February 15, 2010, conditioned upon its approval and execution by PRTC, NVTC, and Spotsylvania County, and the occurrence of each of the following:

      i. Approval by Spotsylvania County of an Amended Founding Ordinance and Master Agreement for PRTC, (hereinafter referred to as "the Amended PRTC Founding Ordinance"), providing for Spotsylvania County's admission to PRTC as a member;

      ii. Certification by the Secretary of the Commonwealth that the requirements of §15.2-4529 of the Code of Virginia, 1950, as amended, have been satisfied and that Spotsylvania County is a member of PRTC, and entry of such certification in the minutes of a meeting of the Spotsylvania County Board of County Supervisors; and

      iii. Approval and execution by PRTC, NVTC, the counties of Arlington, Fairfax, Prince William, and Stafford, the cities of Alexandria, Fredericksburg, Manassas, and Manassas Park, and Spotsylvania County of an Amended Master Agreement for the Provision of Commuter Rail Services in Northern Virginia, (hereinafter referred to as "the VRE Master Agreement"), providing for Spotsylvania County becoming a participating jurisdiction as such term is used in the VRE Master Agreement.

   b) Spotsylvania County shall approve and execute this Agreement, the Amended PRTC Founding Ordinance, and the VRE Master Agreement prior to consideration of approval of any of those documents by the parties thereto.

   c) In the event the preceding events do not occur by November 30, 2009, this Agreement shall be void and of no effect.

2. Spotsylvania County's Membership in PRTC.

   a) Not later than thirty (30) days from approval of this Agreement by Spotsylvania County, the County shall approve the Amended PRTC Founding Ordinance, and thereafter agrees to be bound by its terms.

   b) As a member of PRTC, Spotsylvania County shall be entitled to all of the rights, and obligated for all of the responsibilities, of such membership as provided by this Agreement, the Amended PRTC

Founding Ordinance, and the VRE Master Agreement, as well as the laws of the Commonwealth of Virginia.

c) Such membership rights shall include but not be limited to participation in the transaction of PRTC business through two voting representatives of the County on the PRTC governing commission, and the levy within Spotsylvania County of a motor vehicle fuels sales tax in accordance with the laws of the Commonwealth of Virginia and its receipt by PRTC for use for transportation purposes of the District subject to the consent of Spotsylvania County as provided for in the Amended PRTC Founding Ordinance.

d) Such membership responsibilities shall include but not be limited to payment of Spotsylvania County's proportionate share of PRTC's administrative expenses as hereafter described.

e) If Spotsylvania County withdraws from the VRE Master Agreement, as set forth in Section XI of the VRE Master Agreement or Section 11 of this Agreement, PRTC agrees that Spotsylvania County may remain a member of PRTC and continue to collect the fuel tax set forth in § 58.1-1720 of the Code of Virginia, 1950, as amended, until it satisfies the conditions of withdrawal agreed upon by Spotsylvania County, the Commissions, and the other parties to the VRE Master Agreement.

3. Applicability of § 58.1-1721 of Code of Virginia, 1950, as amended.

a) The parties acknowledge that Spotsylvania County is subject to the provisions of § 58.1-1721 of the Code of Virginia, 1950, as amended, requiring a reduction of Spotsylvania County's real estate tax, or its real estate and other locally levied taxes, in certain circumstances. The parties agree that this Agreement complies with those provisions and those provisions do not apply because, among other reasons, in the first full fiscal year in which the motor vehicle fuels sales tax is levied those revenues (1) will not be used for bus services the County would otherwise have paid for since the County will continue to use general fund revenues for those purposes, and (2) will not be used for rail services the County would otherwise have paid for since there are no rail services the County would have agreed to fund and the only rail services the County will participate in are those funded with the motor vehicle fuels sales tax.

b) The parties acknowledge that, notwithstanding the foregoing, the obligation to comply with §58.1-1721 of the Code of Virginia, 1950, as amended, is Spotsylvania County's; however, the Commissions agree to provide their resources and assistance to the County in responding to any question of whether there has been compliance. In the event there is a final determination that the County failed to comply with §58.1-1721 of the Code of Virginia, 1950, as amended, then PRTC agrees that it shall consent to the use of motor vehicle fuel sales tax revenues generated in the County, to the extent such revenues are available, to reimburse the County the amount of general fund revenue that was used for bus or rail services that might otherwise have been funded with motor fuels sales tax revenues.

4. Certification by the Secretary of the Commonwealth.

   a) Upon the occurrence of 1.a.(i) and (iii) above, PRTC shall, in accordance with §15.2-4529 of the Code of Virginia, 1950, as amended, file with the Secretary of the Commonwealth all documentation required by the laws of the Commonwealth of Virginia and the Secretary to evidence the addition of Spotsylvania County as a member of PRTC and to certify such membership as required by law.

   b) Spotsylvania County agrees to cooperate as necessary to accomplish the foregoing, and to enter such certification promptly in the minutes of a meeting of the County's Board of County Supervisors.

5. PRTC Administrative Expenses, VRE Subsidy and Debt Service.

   a) Effective upon the later of February 15, 2010, or the first full month following the date of certification of Spotsylvania County's membership in PRTC by the Secretary of the Commonwealth, Spotsylvania County shall be obligated to pay a portion, prorated by month and equal to the remaining months in the fiscal year, of its annual share of PRTC's administrative expenses for the then current fiscal year as such shares are determined for all PRTC members in the Amended PRTC Founding Ordinance. The foregoing amount shall be paid to PRTC in accordance with the provisions of paragraph 9.

   b) In the event that Spotsylvania County fails to pay the aforesaid amount in full within the stated time, PRTC may fund such unpaid amount from the motor fuels sales tax revenue generated in the County. Spotsylvania County hereby consents to the use of the tax revenue for such purpose.

   c) In each fiscal year following the fiscal year in which this Agreement becomes effective, Spotsylvania County shall, in accordance with the Amended PRTC Founding Ordinance, pay its proportionate share of PRTC's administrative expenses in the amount set forth in PRTC's adopted budget for that fiscal year. The foregoing amount shall be paid to PRTC in accordance with the provisions of paragraph 9.

d) Notwithstanding the above, the total obligations incurred by Spotsylvania County as a result of becoming a member of PRTC and VRE, shall consist of the following: (1) PRTC administrative expenses and (2) the VRE subsidy, which includes both the existing VRE related debt service approved under the VRE Master Agreement and would include any new VRE related debt service as authorized by Spotsylvania County as a participating jurisdiction under the VRE Master Agreement.

6. Spotsylvania County's Participation in VRE.

a) Not later than thirty (30) days from approval of this Agreement by Spotsylvania County, the County shall approve and execute the VRE Master Agreement.

b) As a participating jurisdiction in the VRE commuter rail service, Spotsylvania County shall be entitled to all of the rights, and obligated for all of the responsibilities, of a participating jurisdiction as provided by the VRE Master Agreement, as well as by this Agreement.

c) Spotsylvania County shall have the right to participate in the transaction of VRE related business through its membership in PRTC. The County shall have a right and be entitled, to representation on the VRE Operations Board in accordance with the formula set forth in the VRE Master Agreement.

d) Following the later of February 15, 2010, or the date of certification of Spotsylvania County's membership in PRTC by the Secretary of the Commonwealth, and in accordance with the provisions of paragraph 9, Spotsylvania County shall pay a portion, prorated by month and equal to the remaining months in the fiscal year, of its annual share of the VRE budget for the then current fiscal year in which this Agreement was effective as such shares are determined for all VRE participating jurisdictions in the VRE Master Agreement. The foregoing amount shall be paid to the VRE in accordance with the provisions of paragraph 9.

e) In the event that Spotsylvania County fails to pay the aforesaid amount in full within the stated time, PRTC may fund such unpaid amount from the motor fuels sales tax revenue generated in the County. Spotsylvania County hereby consents to the use of the tax revenue for such purpose.

f) In each fiscal year following the fiscal year in which this Agreement becomes effective, Spotsylvania County shall, in accordance with the VRE Master Agreement, be obligated to consider appropriating funds sufficient to pay its annual share of the VRE budget as set forth in the VRE adopted budget each fiscal year. Upon appropriation, the foregoing amount shall be paid to the VRE in accordance with the provisions of paragraph 9.

g) If Spotsylvania County withdraws from the VRE Master Agreement or PRTC, it shall have no obligation or requirement as part of its withdrawal to pay for the debt service for any VRE related debt approved under the VRE Master Agreement or any debt of PRTC, which was incurred prior to Spotsylvania County becoming a member of PRTC or a participating jurisdiction under the VRE Master Agreement.

7. <u>Spotsylvania County VRE Station.</u>

a) Spotsylvania County shall be responsible for funding the acquisition of property, environmental review, design, and construction of a commuter rail station, including a boarding platform in the railroad right-of-way which will be subject to a station lease between the VRE and CSX Transportation and under the operation and control of the VRE, and an adjoining commuter rail patron parking lot accessible to publicly maintained roads at a location agreed upon by Spotsylvania County and the VRE in Spotsylvania County (hereinafter collectively referred to as "Station Construction"). The station design shall be consistent with the design of stations now served by the VRE service and shall be approved by the VRE. The parking lot, which shall be subject to the operation and control of Spotsylvania County, shall have a parking capacity of not less than one thousand (1,000) spaces and may be built in phases approved by the VRE. However, the capacity of the parking lot at the time the station is initially served by the VRE shall be not less than five hundred (500) spaces, (hereinafter referred to as "the initial parking lot"). All costs associated with Station Construction shall be borne by Spotsylvania County but may be payable from grant funds or other proceeds including monies or improvements from proffers accepted by Spotsylvania County pursuant to a conditional rezoning. Such Station Construction costs may include but are not limited to property acquisition, rezoning or other local government approvals, compliance with requirements prerequisite to obtaining state or federal funding for the station or parking lot such as archeological and environmental study, and permits. To the extent some of the aforesaid responsibilities of Spotsylvania County are combined, by agreement, with work being performed by the VRE pursuant to paragraph 8, the County shall be responsible for the portion of the costs attributable to the County's responsibilities. VRE will assist the County in gaining grant funding for Station Construction costs if the County desires such assistance.

While the VRE Operations Board policy provides that any required grant funding match for station and parking projects be provided by the jurisdiction in which the project is located, numerous options exist for providing this match beyond a cash contribution, including but not limited to in-kind services and proffered improvements. However, in the event Spotsylvania County would be required to spend more than 20% of local funding, including proffers, toward the cost of constructing the station then Spotsylvania County may defer station construction until such time as the foregoing limitation on local funding can be satisfied or the County chooses to proceed with station construction irrespective of the limitation.

b) The construction of the station and the initial parking lot shall be completed and ready for use by the VRE service on or before the later of two (2) years from the effective date of this Agreement or at the time of completion by the VRE of an extension of the railroad line necessary to serve the station as such extension is described hereinafter in paragraph 8. The VRE and the County will work together so that the station and initial parking lot is available for service contemporaneously with the completion of the VRE line extension described in paragraph 8. Once such station and initial parking lot is available for service, the VRE shall provide VRE service to the station in accordance with the VRE's established schedules and operating policies.

c) The VRE shall facilitate the Station Construction and in particular the boarding platform located within railroad right-of-way. VRE shall also be responsible for serving as the liaison between the County and CSX Transportation. This shall not, however, require the expenditure of funds by the VRE, nor shall it modify or relieve Spotsylvania County of its responsibilities set forth above, with the exception of any work done in the railroad right-of-way which shall be subject to obtaining all necessary approvals from CSX Transportation.

d) By separate agreement between Spotsylvania County and the VRE, the VRE may agree to perform specified responsibilities of the County, including but not limited to hiring or managing contractors to design or construct the station or parking lot, subject to funding by the County of such responsibilities.

e) The VRE will provide station amenities similar to those provided at other VRE stations including fare collection and passenger notification equipment.

8. Extension of Rail Line By VRE.

a) The VRE shall be responsible for funding the property acquisition, environmental review, design, and construction of an extension of the existing railroad right-of way, and all other related infrastructure necessary to provide VRE service to the station provided for in paragraph 7 above. The extension shall be completed on or before two (2) years from the effective date of this Agreement; however, the VRE's responsibilities shall be subject to obtaining funding for the foregoing. In addition, VRE shall also be responsible for obtaining the necessary approvals from CSX Transportation for the foregoing.

b) The VRE shall commence such environmental review, design, and construction, and shall seek funding for the same, not later than upon the effective date of this Agreement.

c) Spotsylvania County shall cooperate with the VRE in completing the foregoing work, providing assistance in obtaining prompt plan review and permit issuance, among other things, to the extent reasonably possible.

9. Deferral of Debt Service, PRTC Administrative Expenses and VRE Subsidy.

a) PRTC and VRE agree to defer Spotsylvania County's payment of its PRTC Administrative Expenses and any VRE annual subsidy for three (3) fiscal years as follows which would permit the County to accrue motor vehicle fuels tax revenue to fund the County's transportation related expenses and without using general fund monies. The deferral for fiscal years 2010 and 2011 would be one hundred percent (100%) each year. The deferral for fiscal year 2012 would be fifty percent (50%). Such deferral shall be without interest.

b) Within sixty (60) days of the start of fiscal year 2013, Spotsylvania County shall pay to PRTC the full amount of PRTC administrative expenses deferred by PRTC and shall pay to the VRE the full amount of the County's annual subsidy deferred by the VRE in addition to payment of the PRTC administrative expenses and the VRE annual subsidy for that fiscal year as provided for in the Amended PRTC Founding Ordinance and the VRE Master Agreement.

c) In the event that Spotsylvania County fails to pay either of the aforesaid amounts in full within the stated time, PRTC may fund such unpaid amounts from the motor fuels sales tax revenue generated in the County. Spotsylvania County hereby consents to the use of the tax revenue for such purposes.

10. Marketing of VRE Service in Spotsylvania County.

Contemporaneous with the commencement of VRE service to Spotsylvania County, the VRE will include, in its on-going evaluation of marketing and promotion of VRE service, an analysis of methods to reflect the expansion of service to the County, as well as other potential places, so that VRE ridership is maximized. The VRE agrees to consult with Spotsylvania County staff during the aforesaid analysis.

11. Termination.

This Agreement may be terminated by any party at any time prior to its effective date upon not less than thirty (30) days written notice addressed to the chairman of the each of the respective parties' governing bodies. After its effective date, this Agreement may not be terminated except as provided for in the Amended PRTC Founding Ordinance and the VRE Master Agreement, and with the mutual consent of each of the parties thereto.

12. Governing Law.

This Agreement shall be governed by the laws of the Commonwealth of Virginia.

13. Entire Agreement.

This Agreement, together with the Amended PRTC Founding Ordinance and the VRE Master Agreement, constitutes the entire agreement between the parties pertaining to Spotsylvania County's admission as a member of PRTC and the County's participation in the VRE service, and supersedes all prior oral and written understandings. Amendments to this Agreement shall not be effective unless in writing and signed by all parties hereto.

14. Severability.

If any provision of this Agreement shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision hereof, all of which other provisions shall remain in full force and effect. It is the intention of the parties that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

15. Time.

With respect to all time periods contained in this Agreement, it is expressly understood that time shall be of the essence.

16. Waiver.

Failure by any party to insist upon or enforce any of its rights hereunder shall not constitute a waiver thereof.

17. Authorized Signatures.

This Agreement has been duly approved by the respective governing bodies of each of the parties and the below signed individuals have each been duly authorized to execute this Agreement on behalf of the party.

18. Conflicting Provisions.

In the event of a conflict between the provisions of this Agreement and the VRE Master Agreement or the Amended PRTC Founding Ordinance, the provisions of this agreement shall control.

WHEREFORE, the parties hereto, by their duly authorized representative, have executed this Agreement as of the date aforesaid.

POTOMAC and RAPPAHANNOCK
TRANSPORTATION COMMISSION

____
CHAIRMAN

____
CLERK

NORTHERN VIRGINIA
TRANSPORTATION COMMISSION

____
CHAIRMAN

____
CLERK

BOARD OF COUNTY SUPERVISORS OF
SPOTSYLVANIA COUNTY

____
CHAIRMAN

Approved as to form:

____
Jacob P. Stroman, IV, County Attorney

____
CLERK

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Amended ~~7/07~~ 8-12-09

MASTER AGREEMENT FOR PROVISION OF COMMUTER RAIL SERVICES IN NORTHERN VIRGINIA -- ESTABLISHMENT OF THE VIRGINIA RAILWAY EXPRESS

I. INTRODUCTION

A. PARTIES

This MASTER AGREEMENT is entered into between and among the Northern Virginia Transportation Commission, hereinafter referred to as "NVTC," the Potomac and Rappahannock Transportation Commission, hereinafter referred to as "PRTC," both of which shall collectively be referred to as "the COMMISSIONS," the jurisdictions of Fairfax County, the City of Manassas, Prince William County, Stafford County, Spotsylvania County, the City of Manassas Park and the City of Fredericksburg, hereinafter referred to as the "PARTICIPATING JURISDICTIONS," and the jurisdictions of the City of Alexandria and Arlington County, hereinafter referred to as the "CONTRIBUTING JURISDICTIONS."

B. NAME OF THE COMMUTER RAIL SERVICE

The commuter rail service established hereby shall be known as the VIRGINIA RAILWAY EXPRESS.

C. PURPOSES

The purposes of this MASTER AGREEMENT are:

(1) to provide for the operation and maintenance of commuter rail service by acquiring the necessary capital equipment and financing therefor; to provide for the construction of necessary platforms, stations, parking areas, storage facilities, and all other facilities necessary for the operation of commuter rail service; to establish an adequate plan of insurance; and to pay for the operation and maintenance of a commuter rail service project consisting of trains making round trips on each of two lines originating in the Manassas area and the Fredericksburg area to Union Station in the District of Columbia, ("D.C. Service"), , or, as a contingency plan until the D.C. service can begin, to Crystal City, Virginia, ("Crystal City contingency plan"), according to formulae set forth herein;

(2) to agree and commit to a complete financial plan, and the procedure by which annual budgets shall be developed that are satisfactory to the PARTICIPATING and CONTRIBUTING JURISDICTIONS;

(3) to secure funding from state, federal and local sources for the capital and operating costs of the project and to allocate the costs thereof;

(4) to establish and organize responsibility for the administration and operation of commuter rail services and for the administration of contracts, leases and other agreements entered into by the COMMISSIONS for such service;

(5) to authorize the COMMISSIONS to execute all appropriate and necessary contracts with the National Railroad Passenger Service Corporation (Amtrak), the Richmond, Fredericksburg and Potomac Railroad Company (RF&P), the Southern Railway Company (Southern), the Consolidated Rail Corporation (Conrail), the Virginia Department of Transportation (VDOT), other appropriate federal agencies and agencies of the Commonwealth

of Virginia, and such other parties as may be required for the provision of the services contemplated hereby;

(6) to provide for land acquisition, the construction of station sites, platforms and parking facilities at mutually agreed locations, and the maintenance of rolling stock; and

(7) such other purposes as are necessary for the efficient capitalization and operation of the Virginia Railway Express.

D. EFFECTIVE DATE AND TERM

(1) Effective Date -- This Agreement shall be effective upon a date certain established by the COMMISSIONS, not more than thirty (30) days following the adoption of the pre-revenue service budget, the initial annual budgets for the D.C. service and the Crystal City contingency plan and the initial six (6) year financial plans for the D.C. Service and the Crystal City contingency plan, each provided for herein, by resolution of each of the PARTICIPATING JURISDICTIONS.

(2) After the effective date of the MASTER AGREEMENT, at such time as the COMMISSIONS may deem appropriate, the COMMISSIONS may:

(a) complete the procurement of rail equipment and locomotive vendors and award and execute contracts with such vendors for manufacture of rail passenger equipment and locomotives, such contracts to provide for the acquisition of locomotives and equipment sufficient for the D.C. Service or, at such time as the COMMISSIONS may so determine, in the event revenue service into the District of Columbia cannot occur prior to the start of commuter rail service, then locomotives and equipment sufficient for the Crystal City contingency plan; and

(b) issue bonds or notes in the name of NVTC to finance the purchase of rail passenger equipment and locomotives, insurance costs, and other costs of the commuter rail service as provided for in budgets approved by the parties hereto.

(3) The issuance of bonds by the COMMISSIONS shall not occur until the following conditions precedent have been complied with:

(a) Final agreement has been reached on a contract document ready for execution by Amtrak and the COMMISSIONS for the operation of commuter rail passenger equipment, and for the right to use Amtrak's tracks and facilities for the operation of commuter rail service.

(b) Final agreement has been reached on a contract document ready for execution by the RF&P and the COMMISSIONS for the right to use the RF&P's tracks and facilities for the operation of commuter rail service.

(c) Final agreement has been reached on a contract document ready for execution by the Southern and the COMMISSIONS for the right to use the Southern's tracks and facilities for the operation of commuter rail service.

(d) Final agreement has been reached on a contract document ready for execution by Conrail and the COMMISSIONS for the right to use Conrail's tracks and facilities for the operation of revenue commuter rail service into the District of Columbia, or for non revenue service from Crystal City, Virginia, to the District of Columbia as part of the Crystal City contingency plan.

(e) Final agreement has been reached on an insurance plan, mutually acceptable to the aforesaid railroad companies, the Virginia Division of Risk Management, and the COMMISSIONS, to cover the liabilities arising out of the operation of commuter rail service.

(4) Term -- This Agreement shall continue indefinitely unless terminated sooner as provided herein.

E. CONDITIONS PRECEDENT TO START OF RAIL SERVICE

The COMMISSIONS shall establish the starting date of commuter rail service, and the number of trains to be operated initially on each line, in accordance with the provisions of this MASTER AGREEMENT. Commuter rail service may begin contemporaneously or successively on both rail lines, as soon as practical after the effective date of this MASTER AGREEMENT, provided that such service shall not start on a line until the COMMISSIONS are satisfied that:

the station facilities on the line on which service is to begin are substantially ready for commuter service and rail passenger equipment capacity is available to carry at least 75% of estimated initial ridership on that line. Estimated initial ridership for the D.C. Service and for the Crystal City contingency plan shall be based upon the studies entitled Patronage and Revenue Forecasts for the Virginia Railway Express (May 1987) by R.H. Pratt and the Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1989), attached as Appendices Al and A2, respectively.

F. CRYSTAL CITY CONTINGENCY PLAN

Subsequent to the effective date of this Master Agreement, and prior to the start of commuter rail service, the COMMISSIONS shall determine whether revenue service into the District of Columbia can occur. In the event that the factors necessary to enable the D.C. Service are not, or will not be, in place prior to the start of rail service, including the execution of an agreement with CONRAIL for the use of that railroad's tracks and facilities, then the COMMISSIONS may implement the Crystal City contingency plan authorized hereunder. In such event, those budgets and financial plans contained herein applicable to the Crystal City contingency plan shall determine the costs and expenses of the commuter rail service as funded by the parties hereto.

G. DEFINITIONS

As used in this MASTER AGREEMENT, the following words and terms shall have the following meanings unless the context shall indicate another meaning or intent:

(1) "Cost of Commuter Rail Service" shall mean operating and capital costs.

(2) "Capital Costs" shall mean those costs to be paid by the COMMISSIONS for capital items (other than costs, if any, classified as operating costs), including debt service, with respect to capital or operating costs which are financed with borrowed money or other types of deferred payment instruments.

(3) "Operating Costs" or "Operating Expenses" shall mean the expenses or costs of operating and maintaining the Virginia Railway Express, including, without limitation (unless otherwise specifically provided herein), costs of insurance, as defined for the purposes of this Agreement in Section VIII.B.(1), and costs of the COMMISSIONS which are not paid from bond proceeds, including operating reserves.

II. ORGANIZATION

A. CO-ORDINATION BETWEEN NVTC AND PRTC

The COMMISSIONS shall enter into all agreements with third parties necessary to the establishment and operation of the Virginia Railway Express, and the Executive Directors thereof shall coordinate the presentation of all matters requiring the COMMISSIONS' consent so that decisions required to be reached by both may be made in an efficient and timely fashion.

B. ESTABLISHMENT OF THE OPERATIONS BOARD

(1) In order that the COMMISSIONS shall have an efficient mechanism for the formulation of operational policy and the execution of decisions required for the commuter rail service, the COMMISSIONS shall enter into an agreement setting forth the COMMISSIONS' relationship, duties and responsibilities regarding the commuter rail service, which agreement may be modified from time to time as the COMMISSIONS deem appropriate. The agreement shall establish a committee responsible to the COMMISSIONS which shall be known as the OPERATIONS BOARD to consist of the number of elected officials hereafter set forth from the governing bodies of each of the PARTICIPATING and CONTRIBUTING JURISDICTIONS selected by the COMMISSION of which the jurisdiction is a member from among its commissioners; and an ex officio representative of the Chairman of the Commonwealth Transportation Board selected as that Chairman shall determine. A copy of the aforesaid agreement, and any subsequent amendments thereto, shall be attached hereto and incorporated herein as Appendix B upon adoption by the COMMISSIONS.

(a) The CONTRIBUTING JURISDICTIONS shall each have one member on the OPERATIONS BOARD, and each may have one alternate appointed from its governing body in the same manner as regular members.

(b) The PARTICIPATING JURISDICTIONS shall each have a number of members on the OPERATIONS BOARD proportionate to the ridership from the jurisdiction as determined in accordance with Section VIII.C. Such number shall be as follows:

(1) PARTICIPATING JURISDICTIONS with 25% or more of the total system ridership shall have three (3) members on the OPERATIONS BOARD;

(2) PARTICIPATING JURISDICTIONS with 15% to 24% of total system ridership shall have two (2) members on the OPERATIONS BOARD; and

(3) PARTICIPATING JURISDICTIONS with less than 15% of total system ridership shall have one (1) member on the OPERATIONS BOARD.

(4) Each PARTICIPATING JURISDICTION may also have one alternate for each of its regular members appointed from its governing body in the same manner as regular members.

(2) The first members of the OPERATIONS BOARD shall be appointed not later than upon execution of this MASTER AGREEMENT, and shall continue as members until their successors shall have been selected, provided that under no circumstances, except in the case of the Chairman of the Commonwealth Transportation Board's representative, shall membership on the OPERATIONS BOARD continue after a member ceases to be both a member of a governing body from a PARTICIPATING or CONTRIBUTING JURISDICTION and a commissioner of his appointing transportation district commission.

(3) The OPERATIONS BOARD shall elect from among its members a chairman and such other officers as it may deem essential each to serve for a term of one year or until a successor is elected. All officers shall be eligible for reelection.

(4) The OPERATIONS BOARD shall endeavor to conduct its business by consensus to the extent possible. Nonetheless, each jurisdiction represented on the OPERATIONS BOARD shall be entitled to a vote with a weight proportionate to the jurisdiction's annual subsidy determined in accordance with Section VIII.A.(1) and (2) for the then current fiscal year, e.g., a jurisdiction paying 25% of the annual jurisdictional subsidy shall have a vote with a weight equal to 25% of the total. The members of the OPERATIONS BOARD from jurisdictions with more than one representative may each cast an individual vote with a weight based on an equal proportion of the jurisdiction's total voting weight. A quorum of the OPERATIONS BOARD shall consist of a majority of the members which shall include at least one member from a majority of the PARTICIPATING and CONTRIBUTING JURISDICTIONS, The presence of a quorum and a vote of the majority of members present, including at least one affirmative vote from a majority of the members from the PARTICIPATING and CONTRIBUTING JURISDICTIONS, which majority shall constitute not less than sixty percent (60%) of the total annual jurisdictional subsidy, shall be necessary for the OPERATIONS BOARD to take any action. The representative of the Chairman of the Commonwealth Transportation Board shall have one vote on the OPERATIONS BOARD.

(5) The OPERATIONS BOARD shall hold regular meetings at such locations and times as the members may determine, which meetings shall be called and conducted in accordance with such by-laws of the OPERATIONS BOARD as may be adopted by the members thereof. Roberts' Rules of Order, Revised shall govern those procedural matters not set forth in the by-laws.

C. FUNCTION OF OPERATIONS BOARD

The OPERATIONS BOARD shall serve as an advisory body to the COMMISSIONS and shall oversee the management, operation and control of operational decisions, functions, affairs and property of the commuter rail service on behalf of the COMMISSIONS, exercising such powers and authority as may be delegated to it by the COMMISSIONS.

(1) FINANCIAL MANAGEMENT -- The OPERATIONS BOARD shall oversee the management of all monies attributable to commuter rail service, including federal and state grant funds and local contributions, consistent with such terms and conditions as may be agreed upon for administration by the Virginia Division of Risk Management of a liability insurance plan. The financial management responsibilities of the OPERATIONS BOARD shall be specified by the COMMISSIONS in the agreement between them (Appendix B), and shall include supervision of funds collected from the sources identified in this MASTER AGREEMENT, maintenance of accounts, investments, and disbursement of funds in accordance with approved budgets.

(2) MAINTENANCE OF ACCOUNTS -- In order to ensure the proper management of the monies of the commuter rail service, for so long as the COMMISSIONS so determine, NVTC shall serve as the repository for all such monies, and shall perform all necessary accounting duties. NVTC shall disburse such funds only on direction of the OPERATIONS BOARD as authorized by the COMMISSIONS.

D. COMMUTER RAIL CHIEF EXECUTIVE OFFICER

At such time as the COMMISSIONS may direct, and in no event later than the start of service hereunder, the OPERATIONS BOARD shall recommend a CHIEF EXECUTIVE OFFICER for selection by the COMMISSIONS.

(1) The CHIEF EXECUTIVE OFFICER shall report directly to, and shall act at the direction of, the OPERATIONS BOARD.

(2) With the exception of matters expressly delegated by the COMMISSIONS or the OPERATIONS BOARD to the extent of its own authority, the CHIEF EXECUTIVE OFFICER shall act only upon the prior authorization of the OPERATIONS BOARD.

(3) The OPERATIONS BOARD may direct the CHIEF EXECUTIVE OFFICER to act only to the extent authorized by the COMMISSIONS.

(4) To the extent directed by the OPERATIONS BOARD, as authorized by the COMMISSIONS, the MANAGER shall be responsible for the proper administration of all day to day functions and affairs of commuter rail services, which responsibilities shall include but not be limited to:

(a) monthly reports to the COMMISSIONS regarding matters of administration and operation, including claims management and the financial condition of the commuter rail project;

(b) execution of annual budgets;

(c) day-to-day operational decisions incident to the provision of continuous commuter rail services, including those required in the event of emergency circumstances; and

(d) such other duties as may be delegated by the OPERATIONS BOARD and authorized by the COMMISSIONS.

(5) Until such time as the COMMISSIONS determine otherwise, the CHIEF EXECUTIVE OFFICER shall serve either as an employee of NVTC, paid by the COMMISSIONS as an operating expense, or an independent contractor similarly paid.

E. STAFF AND OTHER COMMITTEES

Upon the request of the OPERATIONS BOARD, the COMMISSIONS may employ staff, or retain independent contractors, to serve as technical advisors, consultants and the like useful in discharging the responsibilities of the COMMISSIONS and the OPERATIONS BOARD under this MASTER AGREEMENT, and may establish committees for the purposes set forth herein.

III. FINANCIAL PLANS AND BUDGETS

A. PREPARATION OF SIX-YEAR FINANCIAL PLANS

Together with the annual budget, the preparation of which is provided for in Section III.C., the OPERATIONS BOARD shall annually prepare a revised six-year financial plan for approval by the COMMISSIONS as part of the budget approval process. The financial plan shall contain a six-year forecast and shall be the basis for annual budgets and requests by the COMMISSIONS for financial assistance from the PARTICIPATING JURISDICTIONS in accordance with the funding formulae set forth herein, as well as from the CONTRIBUTING JURISDICTIONS, and other funding sources. The initial six-year plans for service into the District of Columbia and for the Crystal City contingency plan are attached to this MASTER AGREEMENT as Appendices C1 and C2, respectively.

Formulation of the financial plan shall be guided by the following principles:

(1) Accurate and adequate estimates of the costs of operation shall be prepared for all aspects of the project operation, and a preliminary financial plan shall be formulated and presented by the OPERATIONS BOARD to the COMMISSIONS and transmitted to the PARTICIPATING and CONTRIBUTING JURISDICTIONS on or before September 30 of the preceding fiscal year for their review. A final recommended financial plan shall be presented to the COMMISSIONS on or before December 1 for approval by the COMMISSIONS. The COMMISSIONS shall act by February 1, and, thereafter, transmit to the PARTICIPATING JURISDICTIONS the financial plan together with the budget for the next fiscal year and a request to budget and appropriate their share, as established herein, of the costs of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSIONS shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to contribute to the costs of commuter rail service for the fiscal year.

(2) The COMMISSIONS shall utilize responsible debt financing to the extent that such is financially advantageous to the commuter rail project and is in the interests of the parties hereto. Provided, however, that in no event shall the COMMISSIONS issue a debt related to the commuter rail project, other than that initial debt necessary for the initial acquisition of equipment and facilities to begin service hereunder and the establishment of an insurance reserve, absent the unanimous consent of all parties hereto.

(3) With the exception of fares for the Crystal City contingency plan, fares shall be set to recover, initially, no less than 50% of the annual estimated operating costs unless otherwise agreed to unanimously by the PARTICIPATING JURISDICTIONS, and with the understanding that a shared objective of the COMMISSIONS and the PARTICIPATING JURISDICTIONS will be the periodic adjustment in the fare structure in order to achieve a minimum of 50 % recovery of operating costs from fare revenue.

(4) The costs of commuter rail service shall be borne by the PARTICIPATING JURISDICTIONS subject to, and in accordance with, the formula set forth in Section VIII.A.(2), below; however, the COMMISSIONS shall seek all state aid available to acquire rolling stock.

(5) Costs for parking lots, stations, and other capital costs as provided in Section IV. shall be the responsibility of the PARTICIPATING JURISDICTION in which the improvement is made; however, the COMMISSIONS shall seek financial assistance for these improvements from the Commonwealth's Mass Transit Fund and federal sources.

(6) The COMMISSIONS shall seek funds from the Commonwealth and federal government, and apply such funds for the performance of the responsibilities contained herein in accordance with the provisions of Section IV.B. hereof; no general obligation of PARTICIPATING or CONTRIBUTING JURISDICTIONS shall be required, or established hereby.

(7) Banking, investments, and accounting practices shall be governed by the requirements of state and federal grantor agencies, the terms of the agreement between the COMMISSIONS (Appendix B), operating contract(s), lease payments, and/or any indentures supporting borrowed funds.

(8) PARTICIPATING JURISDICTIONS may attempt to secure funds from private sources to off-set capital costs for which the PARTICIPATING JURISDICTION is

responsible; however, securing such funds shall not serve to decrease the financial support which the PARTICIPATING JURISDICTION is otherwise entitled to receive under Section IV. herein.

(9) To the extent federal and state aid is available, the COMMISSIONS shall seek such to fund the costs of commuter rail service, and shall credit the PARTICIPATING JURISDICTIONS with their pro rata share of such aid based on the formula set forth in Section VIII.A.(2).

(10) In preparing the annual budget for commuter rail service, the OPERATIONS BOARD shall make every effort to maintain as level the total local subsidy for the cost of commuter rail service, subject to the payment requirements of outstanding debt service; however, the amount of the subsidy for individual jurisdictions may vary from year to year due to fluctuations in ridership.

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(11) In preparing the annual budget for commuter rail service, the OPERATIONS BOARD shall make every effort to enable those Participating Jurisdictions that have access to dedicated transportation funding sources to rely upon the monies received from those dedicated sources to fund their respective share of the costs of commuter rail service , subject to the payments requirements of outstanding debt service, and not general fund monies.

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(12) Such other principles as may be agreed upon by the parties hereto.

B. INITIAL ANNUAL BUDGETS

(1) The FY 1990 and estimated 1991 pre-revenue capital and operating budgets for the provision of commuter rail services are attached hereto and incorporated herein as Appendices D 1 and D2, and set forth expenses to be incurred prior to, and in preparation for, the start of commuter rail service. The parties hereto understand that approval of this Master Agreement includes approval of the FY 1990 budget, and agree that, upon approval of this Master Agreement, appropriations shall be made in accordance with the FY 1990 budget and payments shall be made in accordance therewith as directed by the COMMISSIONS.

(2) The estimated FY 1992 capital and operating budgets for the provision of commuter rail services into the District of Columbia and for the Crystal City contingency plan are attached hereto and incorporated herein as Appendices E1 and E2, respectively, and set forth the costs of commuter rail service for the start of commuter rail service and its first year of operation.

C. PREPARATION OF SUBSEQUENT ANNUAL BUDGETS

Commencing with the budget for FY 1991, and consistent with the six-year financial plans (Appendices C 1 and C2) and subsequent revisions thereto, the OPERATIONS BOARD shall prepare a preliminary annual budget to cover the period from July 1 to June 30 of each fiscal year and submit it to the COMMISSIONS, the PARTICIPATING JURISDICTIONS, and the CONTRIBUTING JURISDICTIONS by September 30 of the preceding fiscal year for review and comment. The OPERATIONS BOARD shall receive all comment, written and oral. Thereafter, and upon consideration of the comments received, the OPERATIONS BOARD shall prepare a final recommended annual budget by December 1 for approval by the COMMISSIONS by February 1. Thereafter, the COMMISSIONS shall transmit to the PARTICIPATING JURISDICTIONS a request to budget and appropriate their respective shares of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSIONS shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to budget and appropriate the funds identified for each in the final recommended annual budget. Once the PARTICIPATING and CONTRIBUTING JURISDICTIONS have budgeted and appropriated their respective shares, payment shall be made in accordance with the COMMISSIONS' directions.

In preparing the budget, and with the COMMISSIONS' authorization, the OPERATIONS BOARD may prepare and distribute all necessary requests for proposals or bid documents, and prepare requisite specifications, for all equipment, services, and supplies which may be required for the purposes hereof; and may request the COMMISSIONS to employ architects, engineers, consultants, and others as it may deem necessary to draft such specifications, to design structures, to estimate costs, or to advise with respect to insurance programs and the like.

D. SHORTFALLS IN BUDGETED FUNDS

In the event budgeted funds are insufficient to meet the financial obligations of the COMMISSIONS for the costs of commuter rail service during any fiscal year, the OPERATIONS BOARD shall so advise the COMMISSIONS which shall then seek additional funding therefor from the PARTICIPATING JURISDICTIONS beyond that which has heretofore been provided, and which is required for commuter rail services. To obtain such additional funding the COMMISSIONS shall direct the OPERATIONS BOARD to prepare a draft amended budget, which shall be transmitted by the OPERATIONS BOARD to the PARTICIPATING JURISDICTIONS for their review and comment. The OPERATIONS BOARD shall then submit a final amended budget to the COMMISSIONS for approval. Thereafter, the COMMISSIONS shall request the PARTICIPATING JURISDICTIONS to budget and appropriate their respective proportionate shares to fund the amended budget, and to make payment in accordance therewith as directed by the COMMISSIONS.

The governing bodies of each of the PARTICIPATING JURISDICTIONS hereby direct the County Executive, County Administrator, County or City Manager, or such other officer as may be charged with the responsibility for preparing the PARTICIPATING JURISDICTION'S budget, to submit a request to the governing body to budget and appropriate such additional proportionate share as the COMMISSIONS may deem necessary to fund an amended budget for commuter rail service.

E. LOCAL CONSIDERATION AND FUNDING

The adopted annual budget shall reflect, to the greatest extent practicable, the consensus of the PARTICIPATING JURISDICTIONS and the CONTRIBUTING JURISDICTIONS. Upon adoption of the budget by the COMMISSIONS, and in no event later than February 1 of each year, the COMMISSIONS shall transmit to the governing bodies of the PARTICIPATING JURISDICTIONS a request to budget and appropriate their respective proportionate shares of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSION shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to budget and appropriate the funds identified for each in the adopted annual budget. In furtherance of the purposes of this MASTER AGREEMENT, the PARTICIPATING JURISDICTIONS hereby declare their intent to make sufficient annual appropriations to pay their share of the costs for commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII, and to make payments pursuant to such appropriations as directed by the COMMISSIONS. Beyond the consideration of annual budgets, as such may be amended during the fiscal year, as provided for herein, it is not the intent of this MASTER AGREEMENT for the PARTICIPATING JURISDICTIONS to make a legally binding commitment beyond the fiscal year for which an appropriation is made, and the PARTICIPATING JURISDICTIONS' obligation to make such payments shall be subject to annual appropriations being made from time to time by the PARTICIPATING JURISDICTIONS for such purpose. No obligation for the expenditure of money by the PARTICIPATING JURISDICTIONS for the payment of Operating Costs, including insurance costs, and Capital Costs shall be incurred, except pursuant to legally enacted appropriations. Once such appropriations are made, the PARTICIPATING JURISDICTIONS shall make payments in accordance therewith and the COMMISSIONS shall be entitled to rely upon such payment being made.

The governing bodies of each of the PARTICIPATING JURISDICTIONS hereby direct the County Executive, County Administrator, County or City Manager, or such other officer as may be charged with the responsibility for preparing the PARTICIPATING JURISDICTION'S budget, to include in the budget for each fiscal year during which Operating Costs are incurred or debt for Capital Costs is outstanding, a request for an amount equal to that requested by the Commissions and sufficient to pay the costs of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII.

The CONTRIBUTING JURISDICTIONS shall be requested each fiscal year by the COMMISSIONS to budget and appropriate funds to assist in defraying the costs of commuter rail during the fiscal year. However, the CONTRIBUTING JURISDICTIONS shall not be obligated in any way to make an appropriation for any fiscal year, nor shall the CONTRIBUTING JURISDICTIONS be obligated to include such an appropriation in the proposed annual budget for consideration by the CONTRIBUTING JURISDICTIONS' governing bodies.

IV. STATION SITES AND CAPITAL GRANT FUNDING

A. Stations and/or platforms shall be located initially in the vicinity of the following sites:

RF&P Corridor

South Stafford
Brooke
Quantico
Woodbridge
Pohick/Lorton

Franconia*

Southern Corridor

Manassas Airport* *
Manassas
Manassas Park****
Burke Centre
Burke/Rolling Road

Backlick Road

Joint Corridor

Alexandria - Union Station
Crystal City
L'Enfant Plaza***

Washington D.C. - Union Station***

* subject to agreement with the Washington Metropolitan Area Transit Authority

** subject to agreement between Manassas and Prince William County regarding cost sharing

* * * provided the D.C. Service is implemented

* * * * the parties acknowledge and agree that, unless otherwise agreed, the City of Manassas Park shall be responsible for maintenance and control of the access road and parking lot at the Manassas Park station site. This responsibility shall not include maintenance of improvements within the railroad right-of-way.

B. Construction of stations, platforms, and parking lots shall be the responsibility of the PARTICIPATING JURISDICTIONS in which such are located, except as otherwise stated herein. The costs to construct stations, platforms, and parking lots shall be funded from a variety of sources, including federal and state grants and matching contributions from PARTICIPATING JURISDICTIONS. The foregoing funds shall be distributed to the PARTICIPATING JURISDICTION responsible for such costs in accordance with the formula set forth in Section VIII.A.(2). However, before distribution of federal and state grant monies to the PARTICIPATING JURISDICTIONS, such grant funds shall be applied by the COMMISSIONS to the costs listed below as follows:

Primary Facility Costs -- capital facility costs, specifically those required for the RF&P and Southern line storage facilities, the stations at Alexandria, Crystal City, L'Enfant Plaza, and Union Station, and platforms at all remaining stations. Construction of the aforesaid facilities, and the costs therefor, shall be the responsibility of the COMMISSIONS and not of the PARTICIPATING JURISDICTIONS in which located.

Remaining federal and state funds, if any, will be distributed for:

1st Priority -- costs for remaining stations and parking lots

2nd Priority -- remaining capital facility costs, e.g., land acquisition

(1) RF&P Line -- Upon meeting the primary facility costs described above, the sums remaining from federal, state and local sources for station and parking lot construction purposes shall be allocated to the PARTICIPATING JURISDICTIONS based on the formula in Section VIIIA.(2), and shall be applied to the costs for construction of stations and parking lots on the RF&P line meeting minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS. Remaining capital facility costs associated with stations and parking, e.g., land acquisition, shall be the responsibility of the PARTICIPATING JURISDICTION in which such facilities are located.

(2) Southern Line -- Similarly, upon meeting the aforesaid primary facility costs, the sums remaining from federal, state and local sources for station and parking lot construction purposes shall be allocated to the PARTICIPATING JURISDICTIONS based on the formula in Section VIII.A.(2), and shall be applied to the costs for construction of stations and parking lots on the Southern line meeting minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS. Manassas shall use its good offices to obtain the use of a station located within the City which is owned and operated by the Southern. Remaining capital facility costs for stations and parking, e.g., land acquisition, shall be the responsibility of the PARTICIPATING JURISDICTION in which such facilities are located.

(3) Federal funds -- NVTC has applied for federal capital grant funding from the Urban Mass Transportation Administration of $750,000.00 for the capital facility costs located

on the RF&P line, which, upon receipt, shall be earmarked for, and applied by the COMMISSIONS to, such costs.

(4) State funds -- A share of the costs for stations, platforms, and parking lots on both of the lines has been requested by the COMMISSIONS from the Virginia Department of Transportation. VDOT, by agreement, will provide a maximum of $8 million through FY 1990, which shall be applied as provided in subparagraphs (1) and (2), above.

(5) Local funds -- The PARTICIPATING JURISDICTIONS shall pay their proportionate share of the remaining capital costs, according to the procedures set out in subparagraphs (1) and (2), above.

C. The COMMISSIONS shall enter into a formal agreement with VDOT satisfactory to VDOT, for VDOT to design, construct and/or maintain parking lots and ancillary station area improvements (other than those constructed or maintained by any PARTICIPATING JURISDICTION), excluding platforms. The COMMISSIONS, through the OPERATIONS BOARD, shall reimburse VDOT for the costs of design and construction from the funds identified in approved budgets. In separate formal agreements with the appropriate COMMISSIONS and/or PARTICIPATING JURISDICTIONS, satisfactory to VDOT, VDOT shall be provided with the right of entry upon and use of those parking lots for which VDOT accepts maintenance responsibility. The COMMISSIONS will be responsible for providing insurance for the parking lots, and will, to the extent possible, name the parties hereto as additional insureds on any property, casualty or liability policies obtained. In lieu of insurance policies, coverage by an insurance plan approved and/or operated by the Virginia Division of Risk Management or a self-insurance plan approved by the State Corporation Commission may be established.

D. With the exception of those cost items identified in Section IV.B. and C., each PARTICIPATING JURISDICTION in which a station site is located shall be responsible for the prompt construction of the station in accordance with minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS, and for the costs thereof. The sites shall be constructed at or near the locations identified in Section IV.A. The COMMISSIONS shall be responsible for station improvements at L'Enfant Plaza and Union Station in the District of Columbia, and at Crystal City and Alexandria, as well as for capital costs for the RF&P and Southern line storage facilities. If all platforms cannot be in service on the first day of commuter rail service, level surfaces from which boarding can occur will be provided on a temporary basis, with permanent platforms provided as soon as possible.

E. All station sites and platforms shall be accessible to the handicapped.

F. Within the limits established in approved budgets, the COMMISSIONS may, based upon the OPERATIONS BOARD's recommendation, authorize contracts for custodial services, limited to trash pickup and snow removal, for all terminals, stations, platforms and parking lots except those areas maintained by Amtrak or VDOT. A condition of such contracts shall be the contractor's indemnification, through adequate insurance acceptable to the COMMISSIONS and evidenced by certificates of insurance, of the OPERATIONS BOARD, the COMMISSIONS, VDOT and the PARTICIPATING and CONTRIBUTING JURISDICTIONS against any claims, suits, judgments, or other legal proceedings arising out of the performance of contractual responsibilities by the contractor.

G. Upon the recommendation of the OPERATIONS BOARD, the COMMISSIONS may authorize contracts with vendors for vending operations such as newspaper and food sales at station sites. Such contracts shall contain the requirements stated above in Section IVY.

Revenues from such sales shall be included in the annual budget to be applied to system costs, and shall not be returned directly to each PARTICIPATING JURISDICTION. Such vending operations shall be subject to all applicable state and local regulations.

H. Any of the PARTICIPATING JURISDICTIONS may provide for new or expanded stations, platforms, or parking lots at station sites within its territory, subject to approval by the COMMISSIONS. Financing for such shall be the sole responsibility of the PARTICIPATING JURISDICTION.

V. CONTRACT OPERATIONS

A. TRAIN OPERATION

(1) Subject to such requirements and limitations as may be set out in this MASTER AGREEMENT, upon the request of the OPERATIONS BOARD, the COMMISSIONS shall enter all appropriate agreements necessary to initiate and operate the commuter rail services, to provide associated parking facilities, and to provide an adequate insurance program as set forth in Section VII below.

(2) The contracts authorized hereby shall provide, at a minimum, three trains per line with the capacity to carry at least 75% of initial estimated ridership on a line each federal government workday, with an intended goal of four trains per line, on specified schedules. Such contracts shall further provide the option, to be approved by the COMMISSIONS, to add service and additional cars to each line within the agreed-upon financial limits set forth herein. Ridership estimates are provided in Appendices A1 and A2.

(3) The COMMISSIONS shall be responsible for obtaining necessary initial approvals by regulatory authorities for the commuter rail services, but each PARTICIPATING JURISDICTION shall be responsible for all necessary local permits and approvals in connection with construction of platforms, stations, terminals, and parking lots in its jurisdiction.

B. ROLLING STOCK AND FACILITIES MAINTENANCE

The COMMISSIONS shall jointly enter into such agreements as they shall deem necessary and appropriate for the maintenance of the rolling stock and other equipment and facilities required for the commuter rail service.

VI. SERVICE PLAN

A. SCHEDULES

The OPERATIONS BOARD shall recommend, and the COMMISSIONS shall establish, initial schedules for commuter rail services into the District of Columbia and for the Crystal City contingency plan in consultation with the PARTICIPATING JURISDICTIONS, and appropriate means to amend the schedules as necessary.

The initial schedules shall establish the target level of service for each station, and for each line. The COMMISSIONS may adjust the schedules to accommodate day-to-day fluctuations in demand as such adjustments may be recommended by the OPERATIONS BOARD. However, the minimum level of service established as a target in the initial schedules shall not be reduced without the express consent of the affected jurisdictions.

B. FARES

The initial fare structures for the D.C. service and for the Crystal City contingency plan shall be established by the COMMISSIONS upon the recommendation of the OPERATIONS BOARD, in consultation with the PARTICIPATING JURISDICTIONS.

(1) The COMMISSIONS may agree to discount the fares of employees of those railroads with which they contract for services hereunder as an offset against fees and charges under those contracts, and may adopt other fare structures from time to time as they shall best determine during the operation of commuter rail services, including special promotional fares, V.I.P. free passes, and the like; however, except for such special promotions, no fare shall be lower than those established by the initial fare structure absent the express unanimous consent of the PARTICIPATING JURISDICTIONS.

(2) Any PARTICIPATING JURISDICTION may purchase tickets at the current price for resale at rates less than those set forth in the initial fare structure or any subsequent fare structure established by the COMMISSIONS.

VII. RISK MANAGEMENT

A. INSURANCE PLAN ADMINISTERED BY DIVISION OF RISK MANAGEMENT

(1) In order to provide adequate insurance coverage for liabilities associated with commuter rail service, the parties hereto hereby establish the following requirements for administering claims, and paying settlements, judgments, awards and legal and other expenses which may arise out of such operations. The obligation of the COMMISSIONS under this section, including the provision of insurance, and the limits thereof, shall apply collectively, and not severally, to commuter rail operations over the lines of the Southern Railway Company, Amtrak and Conrail between the Manassas, Virginia area, and Union Station in the District of Columbia, and to commuter rail operations over the lines of the RF&P, Amtrak and Conrail between the Fredericksburg, Virginia area, and Union Station in the District of Columbia.

(2) The COMMISSIONS shall develop, fund, and maintain a liability insurance plan acceptable to, and administered by, the Virginia Division of Risk Management pursuant to Section 2.1-526.8:1 of the Code of Virginia, 1950, as amended, which provides insurance coverage in the annual aggregate sum of, at least, $200,000,000.00. The insurance plan may include the use of a program of self-insurance, commercial insurance, or any other alternative insurance mechanism acceptable to the Division of Risk Management. Any portion of the insurance plan which is self-insured shall at all times be, as part of the Division of Risk Management's administration, acceptable to, and subject to continuing approval by, the Division of Risk Management.

(3) The COMMISSIONS' initial insurance plan is attached hereto and incorporated herein as Appendix F. Such plan shall provide coverage for all risks of loss or damage to persons or property which may be incurred by the COMMISSIONS, or by others and assumed by the COMMISSIONS under any contract, as a consequence of the operation of commuter rail services hereunder. The COMMISSIONS shall provide directly or by contract for defense or settlement of all claims, suits, causes, or actions to which they, or any insured as defined in Appendix F, may become subject, shall acquire or provide for such legal and other services as may be required for the purpose, and shall defend, indemnify, and hold harmless the PARTICIPATING JURISDICTIONS, the CONTRIBUTING JURISDICTIONS, and other non-participating member jurisdictions of the COMMISSIONS in the event any are named in a suit, cause, action, or claim arising from the provision of commuter rail services. The initial insurance

plan may be amended by the COMMISSIONS from time to time, subject to the approval of the Division of Risk Management.

B. FUNDING OF INSURANCE PLAN

(1) In order for the COMMISSIONS to carry out these obligations and for no other purpose, the PARTICIPATING JURISDICTIONS hereby agree to provide in the manner and in the amounts set forth in the annual budget, sufficient monies to fund the costs of the foregoing insurance plan. Such costs shall include any and all costs associated with securing, maintaining, and administering the insurance plan, all costs for defense and settlement of claims, suits, causes or actions covered by the plan, and shall specifically include, but not he limited to, the costs to purchase commercial insurance, to participate in alternative insurance mechanisms, and to obtain the services of the Division of Risk Management as administrator of the insurance plan.

(2) Insurance Plan -- Subject to the provisions of Section X governing non-appropriation of funds, each PARTICIPATING JURISDICTION shall budget and appropriate its respective share of the costs to provide the insurance plan to include, in its initial formulation, (i) a self-insurance reserve satisfactory to the Virginia Division of Risk Management to cover liabilities of less than $5 million per occurrence, and (ii) a combination of retained risk and insurance coverage obtained through commercial carriers and alternative insurance mechanisms, including captive insurance companies, sufficient to cover liabilities which exceed $5 million per occurrence subject to an annual aggregate limit of liability of $200 million. In accordance with the insurance plan, monies may be used to employ such lawyers, accountants, expert witnesses, and other services as may be required to defend any claim.

(3) Actuarial Evaluation -- At the end of the first year of commuter rail services, and periodically thereafter as the COMMISSIONS may determine, an actuarial evaluation of claims history will be undertaken to determine the adequacy of the insurance plan provided hereby, and the OPERATIONS BOARD shall propose to the COMMISSIONS, as part of the annual budget process, a revised insurance plan and funding therefor, with revised proportionate contributions thereto, to be approved in accordance with the budget approval process set forth herein.

(4) Loans From Commonwealth -- In the event that claims or judgments or other insurance costs exceed the amount available in the budget, the COMMISSIONS, with the consent of the PARTICIPATING JURISDICTIONS, may request from the Governor payment of up to $5 million from a contingent loan fund established for that purpose by the 1988 Regular Session of the General Assembly.

In any fiscal year in which any part of the Loan for Major Claims provided in Section 4-5.02(b) of the 1988-1990 Budget Bill of the Commonwealth of Virginia, Chapter 800, 1988 Va. Acts, at page 1588, is received from the State Treasury by the COMMISSIONS, on account of the operation of the commuter rail project, the PARTICIPATING JURISDICTIONS agree, subject to Section X governing non-appropriation of funds, to repay such loan amounts m the fiscal year next following the year in which the loan proceeds were received, in the same proportions as are set out in Section VIIIA.(2)(b) hereof, upon such terms as the State Treasurer may require.

C. CLAIMS ADMINISTRATION

Pursuant to the insurance plan, the COMMISSIONS shall contract with the Virginia Division of Risk Management to administer the insurance plan. The parties hereto further agree to accept the decision of the COMMISSIONS regarding settlement of claims and payment of judgments and awards. The COMMISSIONS will contract with Amtrak for the investigation and administration of claims, and for the settlement of or payment of any claim, judgment or award not in excess of $10,000 without specific prior approval of the COMMISSIONS. The COMMISSIONS shall establish a policy with respect to the foregoing to be followed by Amtrak. Necessary risk management procedures shall be developed by a consultant and recommended by the OPERATIONS BOARD for consideration by the COMMISSIONS.

VIII. LOCAL SUBSIDIES AND OTHER PAYMENTS

A. SHARING OF COSTS AND REVENUES IN INITIAL YEARS

(1) The costs of commuter rail service shall be shared as follows:

(a) Alexandria shall contribute, prior to and in the first year of service, the fixed amounts indicated in Appendices D 1 and D2 and E 1 or E2, respectively. These monies will be considered a contribution and, therefore, Alexandria will not be subject to the formula payment defined in Section VIIIA.(2). Alexandria shall be requested to make subsequent annual contributions. However, the requested annual contributions shall not exceed the fixed amount indicated in Appendices E1 or E2, as adjusted upwards each year by a factor of 5%.

(b) Arlington shall contribute, prior to and in the first year of service, the fixed amounts indicated in Appendices D 1 and D2 and E 1 or E2, respectively. These monies will be considered as a contribution and, therefore, Arlington County will not be subject to the formula payment defined in Section VIIIA.(2). Arlington shall be requested to make subsequent annual contributions. However, the requested annual contributions shall not exceed the fixed amount indicated in Appendices E1 or E2, as adjusted upwards each year by a factor of 5%.

(2) (a) Subject to the provisions of Section X governing non-appropriation of funds, Fairfax County, Manassas City, Prince William County, Manassas Park, Fredericksburg City, ~~and~~ Stafford County, and Spotsylvania County shall budget their entire shares of the costs of commuter rail service determined according to the formulae set forth in Section VIIIA.(2)(b) below for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII.

(b) The costs of commuter rail service, except those otherwise paid on some other specific basis, shall be apportioned among the PARTICIPATING JURISDICTIONS so that 90 percent of the total costs shall be determined by the number of the jurisdiction's residents riding commuter rail, and 10 percent of the costs shall be determined by the total population of each PARTICIPATING JURISDICTION, as follows:

(i) The costs of commuter rail service for the then current year, minus the net contributions of Arlington and Alexandria, shall be multiplied by 10%, and the resulting sum shall be apportioned among the PARTICIPATING JURISDICTIONS in the proportion their respective populations bear to the total population of all PARTICIPATING JURISDICTIONS as set forth in Section VIII.A.(4).

(ii) For the aforesaid year the remaining 90% of the costs of commuter rail service shall be apportioned among the PARTICIPATING JURISDICTIONS in accordance with the estimates of ridership set forth in Section VIII.A.(4)(b) and shown in Appendices A1 and A2 for years to and including the first year of commuter rail service, and in accordance with actual ridership for subsequent years as provided for in Section VIII.C.

(c) The above allocation formula shall be modified beginning with FY 2008, and phased in over the next ensuing three fiscal years in equal increments, to reduce the population component and increase the ridership component of the formula, such that by FY 2011, 100% of the costs of commuter rail service shall be apportioned among the

PARTICIPATING JURISDICTIONS in accordance with actual ridership as provided for in Section VIII.C.

(3) Revenues -- For the purpose of determining the cost of commuter rail service for which revenues pledged to the payment thereof are estimated to be insufficient, revenues shall be attributed to each PARTICIPATING JURISDICTION based on the number of residents from that jurisdiction who ride the service, multiplied by the fares charged from that jurisdiction. During the first year of commuter rail service, estimated ridership revenue as set forth in Section VIII.A.(4) shall be used to apportion revenues. In subsequent years, actual ridership from the most recent year available shall be used to allocate revenues. The OPERATIONS BOARD shall recommend, and the COMMISSIONS shall establish a rider survey procedure to determine the residences of riders.

(a) Revenues from riders residing outside the PARTICIPATING JURISDICTIONS, or whose residence cannot be determined, shall be considered "system" revenues, and shall be used to reduce overall costs of commuter rail service before allocation to the PARTICIPATING JURISDICTIONS.

(b) Public or private bus operators honoring commuter rail tickets shall be reimbursed by the COMMISSIONS from passenger revenues by attribution of the value thereof to the account of the jurisdiction of residence of the bus rider. For such bus passengers residing outside the PARTICIPATING JURISDICTIONS, system revenue shall be used to reimburse the bus operator.

(4) Population and Ridership Figures

(a) Population figures to the extent used in any year, shall be the provisional estimates of the Center for Public Service, available as of December 1 of year preceding the applicable firscal year for which a budget is being prepared. In the first year of service, the population figures identified below shall be used.

(b) Ridership figures shall be updated annually after the first year of service. Estimated ridership by jurisdiction for the first year of service are as follows:

D.C. SERVICE

JURISDICTION	1988 POP	POP %	RIDERSHIP	RIDERSHIP %
Fairfax County	759,300	71.4972%	3,052	41.0878%
Manassas	23,300	2.1940%	95	1.2924%
Prince William County	194,700	18.3333%	3,252	43.7803%
Stafford County	55,900	5.2637%	486	6.5428%
Manassas Park	7,300	0.6874%	98	1.3193%
Fredericksburg	21,500	2.0245%	96	1.2924%
Total	1,062,000	100.0000%	7,428	100.0000%

CRYSTAL CITY CONTINGENCY PLAN

JURISDICTION	1988 POP	POP %	RIDERSHIP	RIDERSHIP%
Fairfax County	759,300	71.4972%	1,512	26.9519%
Manassas	23,300	2.1940%	370	6.5955%
Prince William County	194,700	18.3333%	3,178	56.6488%

Stafford County	55,900	5.2637%	318	5.6684%
Manassas Park	7,300	0.6874%	112	1.9964%
Fredericksburg	21,500	2.0245%	120	2.1390%
Total	1,062,000	100.0000%	5,610	100.0000%

NOTE: The ridership estimates for the D.C. Service are taken from Exhibit 20 "1987 Passenger Trip Estimate by Jurisdiction of Residence" in Patronage and Revenue Forecasts for the Virginia Railway Express, May, 1987 (page 5-17). As indicated in Appendix A1, there are an additional 766 trips estimated to come from non-participating jurisdictions. These trips are not assigned to any PARTICIPATING JURISDICTION. The ridership estimates for the Crystal City contingency plan are taken from the Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1989).

(5) Totals

Total costs, revenues and subsidies, for each participating jurisdiction for the first year of commuter rail service, shall be in accordance with the initial annual budget as shown in Appendices E 1 or E2.

B. PAYMENT PROCEDURES FOR PARTICIPATING JURISDICTIONS

(1) After adoption of the annual budget as provided for in Section III.B. and C. and E., above, each PARTICIPATING JURISDICTION shall pay to the COMMISSIONS, on the first business day in July, one half of the amount owed as the share of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2). for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. Six months thereafter, on the first business day in January, the PARTICIPATING JURISDICTION shall pay the remaining half of the aforesaid amount to the COMMISSIONS. The COMMISSIONS shall provide notice to each of the PARTICIPATING JURISDICTIONS, thirty (30) days prior to the date on which payment is due, of the amount to be paid by the jurisdiction and the date when due. The amounts owed shall be paid on or before the due date specified by the COMMISSIONS. With the exception of funds for the insurance plan, all funds shall be accounted for by the COMMISSIONS as separate operating accounts for each PARTICIPATING JURISDICTION.

(2) The COMMISSIONS shall separately account for each PARTICIPATING JURISDICTION's payments for insurance, and the COMMISSIONS shall forward such funds to the Division of Risk Management. Payments for claims, judgments, awards and associated claims and adjusting expenses shall be paid from such funds by the Division of Risk Management in administering the self-insurance plan.

(3) After adoption of the annual budget, and the appropriation of the amount therein, the CONTRIBUTING JURISDICTIONS shall pay to the COMMISSIONS, on or before the first business day in July, the entire amount of their respective contributions, which sums shall be accounted for as system revenues and used to reduce overall costs.

(4) Upon receipt, passenger revenues shall be posted to each PARTICIPATING JURISDICTION's account, according to the agreed revenue allocation. If a payment is not made by a PARTICIPATING JURISDICTION, passenger revenues attributable to such PARTICIPATING JURISDICTION shall not be used to reduce the amount due by other PARTICIPATING JURISDICTIONS nor shall such failure to make payment result in an increase in the amount due by the other PARTICIPATING JURISDICTIONS. In instances where the actual revenues received and posted to a PARTICIPATING JURISDICTION are either greater or less than the revenues estimated to be received, the PARTICIPATING

JURISDICTION shall be requested to pay any such deficit or the COMMISSIONS shall provide a credit against the PARTICIPATING JURISDICTION'S next year's payment.

(5) Any interest earned on unexpended balances attributed to each PARTICIPATING JURISDICTION's account shall be credited monthly to the account of the individual jurisdiction in proportion to the monthly totals of cash and fare revenues credited to the account of the jurisdiction.

(6) At the request of the OPERATIONS BOARD, the COMMISSIONS shall utilize the monies attributed to the PARTICIPATING JURISDICTIONS' accounts to make necessary operating cost payments consistent with the cost allocation formula contained in Section VIIIA.(2).

C. SHARING OF COSTS AND REVENUES FOR SUBSEQUENT YEARS

Payments for costs for each year after the initial year of commuter rail services shall be calculated as follows:

Actual ridership from the most recent year available shall be used to determine allocated costs and revenues for the next year, according to the allocation formulae set out in Sections VIII.A.(2) and (3). The OPERATIONS BOARD will review the data and advise the COMMISSIONS and the PARTICIPATING JURISDICTIONS of each jurisdiction's projected share of the costs of commuter rail for the next year in September as part of the preliminary budget submission set forth in Section III.C. above. Arlington and Alexandria shall not participate in the revised allocation, but shall make such contributions as may be agreed upon. After final approval of a budget each year, and upon its effective date, the PARTICIPATING JURISDICTIONS shall pay to the COMMISSIONS one half of the amount owed for the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The CONTRIBUTING JURISDICTIONS shall pay to the COMMISSIONS the entire amount of their respective contributions. Six months thereafter the PARTICIPATING JURISDICTIONS shall pay the remaining half of the aforesaid amount to the COMMISSIONS. Payments shall be made on the same basis as provided for in Section VIII.B.

D. ADDITIONAL CONSIDERATIONS

(1) Each PARTICIPATING JURISDICTION is encouraged to obtain contributions from developers and employers to offset the costs assigned to that PARTICIPATING JURISDICTION.

(2) An audit of accounts shall be conducted annually by the COMMISSIONS to establish any credit due to, or any payments owed by, PARTICIPATING JURISDICTIONS.

IX. MARKETING

The OPERATIONS BOARD shall prepare, annually, a marketing plan providing for programs of promotion, publicity and the pre-selling of passes through such means as direct mail, payroll deduction, banks and transportation management associations, for consideration and approval by the COMMISSIONS. The PARTICIPATING JURISDICTIONS shall share in the costs of the marketing plan according to the terms set forth in Section VIIIA.(2) of this MASTER AGREEMENT.

X. NON-APPROPRIATION OF FUNDS

The PARTICIPATING JURISDICTIONS pledge their best efforts to provide the funds necessary to support a successful, continuing program of commuter rail service in light of the long-term obligations to be incurred by the COMMISSIONS in order to initiate service. Notwithstanding any other provision of this MASTER AGREEMENT to the contrary, the obligations of a PARTICIPATING JURISDICTION under this MASTER AGREEMENT are expressly contingent upon the continuing appropriation of funds to its purposes by such PARTICIPATING JURISDICTION for each fiscal year. The failure of a PARTICIPATING or CONTRIBUTING JURISDICTION to make its payment shall not relieve the other jurisdictions of their obligations hereunder. The COMMISSIONS in their sole discretion may refuse to provide service to any PARTICIPATING JURISDICTION that fails to appropriate and pay its share of the cost of commuter rail service.

XI. WITHDRAWAL FROM MASTER AGREEMENT

A PARTICIPATING JURISDICTION or CONTRIBUTING JURISDICTION may terminate its involvement with commuter rail service and withdraw from the MASTER AGREEMENT upon terms and conditions, including those pertaining to outstanding third-party claims, mutually acceptable to all parties hereto. Unless so terminated, this MASTER AGREEMENT shall continue for any period while any bonds issued to finance the Virginia Railway Express are outstanding.

XII. CHANGES AND AMENDMENTS

Upon mutual consent of all signatories, and subject to the approval of the COMMISSIONS' bond insurers, this MASTER AGREEMENT may be amended.

XIII. SEVERABILITY

In the event any of the provisions of this MASTER AGREEMENT are determined to be in violation of any statute or rule of law to which this MASTER AGREEMENT is subject, then such provision(s) shall be deemed inoperative to the extent the provision(s) is contrary to the requirements of the law, and shall be deemed to be modified to conform with such statute or rule of law, or stricken entirely from this MASTER AGREEMENT.

XIV. AUTHORIZED SIGNATURES

The undersigned individuals have been duly authorized to commit their respective organizations and jurisdictions to the terms of the MASTER AGREEMENT.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have executed this Master Agreement on separate signature pages on the dates and year hereafter written:

From: Dale Zehner [dzehner@vre.org]
Sent: Wednesday, August 19, 2009 10:10 AM
To: aharf@omniride.com; Rick Taube
Subject: FW: Free Lance Article

From: Anna Gotthardt
Sent: Wednesday, August 19, 2009 7:22 AM
To: Dale Zehner
Subject: Free Lance Article

SUPERVISORS OK VRE MEMBERSHIP

August 19, 2009 12:47 am

BY DAN TELVOCK
BY DAN TELVOCK

At 10:02 last night, the Spotsylvania County Board of Supervisors agreed to accept membership into Virginia Railway Express.

But it won't become effective until Feb. 15--after this November's election.

That date in the motion that Supervisor Jerry Logan requested is important because two people who do not support VRE will challenge two VRE-supporting supervisors in November. And if they win, they could reverse any decision to join.

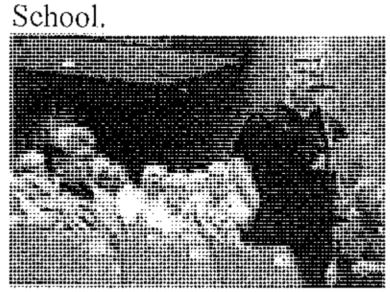
The original date was Jan. 1, before any possible new members would officially take office. The motion angered Supervisors Benjamin Pitts and Gary Skinner, who face two anti-VRE opponents.

"The voters of the Battlefield District voted for me in November 2007 with over 50 percent of the votes in a three-way race. I am entitled to make a vote on behalf of the Battlefield residents on VRE until I am no longer in office," Pitts said.

The decision to wait until Feb. 15 basically provides the residents of the Battlefield and Lee Hill districts a referendum on VRE.

In the end, Pitts and Skinner supported the motion because it was the only option left to vote on. They joined Supervisors Hap Connors and Logan. Supervisors Emmitt Marshall, T.C. Waddy and Gary Jackson voted against the motion. Jackson wanted to postpone the vote until Del. Mark Cole introduced legislation that would allow the county to hold advisory referendums to put the issue to a vote. That motion died 5-2.


Hap Connors, chairman of the Spotsylvania Board of Supervisors, listens to the public comment portion of last night's hearing on VRE membership at Courtland High School.


Audience members listen as Alan Branfman speaks during a public hearing on VRE membership.

About 100 people attended last night's public hearing. Based on people who signed up to speak, VRE supporters outnumbered the opposition by almost a 2-to-1 margin.

The VRE Operations Board, which meets Friday, has until Nov. 30 to unanimously approve the changes to the agreement that the county has requested. Some of those revisions include delaying payments to VRE for three years, guaranteeing a station and third rail to connect the county's future train station are finished within two years, and capping the subsidy so that the county would never have to dip into general fund budget dollars to fund its share of VRE.

VRE supporters said the money left over after paying the county's share of VRE operations--estimated to be as much as $3 million annually--can be used to pay the bond debt from the 2005 bond, pave dirt roads and improve other roads.

That bond referendum included $12 million for a VRE station. Supporters also said that county residents are already paying the 2 percent gasoline tax (2.1 percent in January) required to join VRE, and that joining VRE could spur economic development here.

Jim Smith, a former county supervisor, said the county is leaving money for transportation on the table when it could be using it to pay debt or pave roads.

"Otherwise, we are going to have to tack it onto the real estate taxes because that bond is going to have to be paid," he said.

Some VRE foes said they shouldn't have to pay for commuters' rides to Washington. Some believed that the excess gasoline tax money won't be as high as elected leaders have estimated. Some opponents also said it is nearly impossible to exit the agreement with VRE if the county ever decides it no longer wants to partner with the rail service. Those who oppose it asked for a referendum on whether to join VRE, but the General Assembly would have to take action for that to happen.

Dan Fields owns a vanpool service that takes about 300 people to Washington a day. He said it can take more than two hours one way to get from Fredericksburg to D.C. on VRE trains. He said vanpools are a better option.

"I don't know how many people are riding the train, but I am not asking you to subsidize my business, and I would appreciate you not asking me to subsidize a business I am competing with," he said.

Dan Telvock: 540/374-5438
Email: dtelvock@freelancestar.com

Vote YES to VRE in Spotsylvania!

POSITIVE ECONOMIC DEVELOPMENT WHEN IT'S NEEDED MOST!

Home Contact Your Supervisor GasBuddy.com Gas Report

VRE YES is a coalition of businesses and community interests that support Spotsylvania County joining the ***Virginia Railway Express****. The VRE YES campaign to organize support in favor of a VRE yes vote by the Spotsylvania County Board of Supervisors is organized and paid for by the* ***Fredericksburg Area Association of REALTORS®****, a registered trade association. This campaign effort is also endorsed by Spotsylvania's citizen-led* ***committee of 500****, a non-partisan managed-growth political action committee.*

SHOW YOUR SUPPORT AT THE NEXT PUBLIC HEARING

Tuesday, August 18
6:30 p.m.
Courtland High School
6701 Smith Station Road, Spotsylvania

"Depending on the price of gasoline, Spotsylvania could see has much as $3.2 million from the gasoline tax after paying its share of VRE operations." --The Free-Lance Star

For more endorsement information, articles, and op-eds go to the Committee of 500's web site - www.committee500.org.

POSITIVE ECONOMIC DEVELOPMENT WHEN IT'S NEEDED MOST!

Bringing higher paying jobs to Spotsylvania is a common goal shared by elected officials, business leaders and citizens alike. Businesses that offer higher paying, professional office jobs *want* to be located near public transportation.

VRE in Spotsylvania will make the county *more* attractive to expanding or relocating businesses.

According to economic development officials in our region, firms that have expressed interest in locating here have *stressed* the need for access to the Washington metro area. As noted in a number of articles in the Free Lance-Star, those potential employers see VRE as *critical* to that access.

Visit the **American Public Transit Association** for cited evidence of public Transportation's importance to both job creation and economic development.

Research it: Google returns over **100,000 entries** for the specific and combined search terms, ["commuter rail" and "economic development"].

SPOTSYLVANIA CAN BE EXPECTED TO GENERATE MILLIONS OF DOLLARS FOR TRANSPORTATION NEEDS WITHOUT RAISING YOUR REAL ESTATE OR PERSONAL PROPERTY TAXES!

As a result of joining VRE, Spotsylvania will get desperately needed dollars to help keep our roads safe, to help pay for school buses, patrol cars and other safety vehicles, FRED-Bus service (or expanded FRED-Bus service) and/or to help the county board of supervisors ***pay for paving and improving rural roads.***

In fact, the millions of dollars generated for localities that are VRE members must, by Virginia law, be used for local transportation-related priorities that are determined by your local county elected officials. Want Spotsylvania County to support van pool options or to build more public parking facilities? VRE can be the revenue generating engine to make these investments possible.

So how does VRE membership translate into desperately needed new revenue for Spotsylvania County? The answer: ***By getting a percentage of the gas money you and other drivers ALREADY pay in Spotsylvania BACK!***

That's right, as reported in the Free Lance-Star on March 8, the small two-percent gas tax that VRE membership requires is *already* being paid at the pump in Spotsylvania; the county just doesn't get anything back in return. According to an independently compiled gas price report cited in the newspaper, which is available by clicking the gas report tab at the top of this webpage, "**motorists won't see gas prices rise if the county votes to join VRE.**" (Click the quoted text to read the whole Free Lance-Star report.)

ADMITTEDLY, THE ONLY WAY TO PROVE THIS SMALL VRE TAX WON'T RAISE THE PRICE WE PAY AT THE PUMP IS TO SHOW A RECORD OF THE SAME OR LOWER PRICES PER GALLON, AT THE SAME STORES, IN THE CITY AND STAFFORD WHERE THE TAX IS CHARGED...

PROOF:

The **gas price report** includes regional listings of recorded gas prices and comparisons between localities of specific fuel brands. North America's leading gas related consumer advocacy group **www.GasBuddy.com** provides daily gas price information throughout the United States and Canada. Their gas price data is used by Google, consumer-advocacy organizations and newspapers throughout North America, including the Free Lance-Star. (The Free Lance-Star publishes the region's ten cheapest per-gallon gas prices, by location, every Friday.)

The gas price data contained within the report was recorded and provided by **www.GasBuddy.com**; it is specific to Spotsylvania, Stafford and Fredericksburg and includes daily per gallon gas prices by station name, address, date and time. The data in this report spans a two month time period ending January 27, 2009

WHAT YOU WILL FIND:

If you buy gas at WaWa in Spotsylvania, for example, the evidence shows you are paying the exact same price at the same *time* someone is buying gas at WaWa in Fredericksburg. Moreover, this same evidence shows you are paying no more than those buying gas at the same time at a WaWa in Stafford.

Two conclusions can be made from this and related evidence provided in the gas price report:

1) the tax is too small to affect the market-determined price of gasoline, and

2) Spotsylvania gas stations are already collecting the difference without passing any of the revenue on to the county.

Either way, *this evidence means Spotsylvania is needlessly giving up millions of dollars it desperately needs for county transportation priorities each year.*

SO HOW MUCH HAS SPOTSYLVANIA BEEN LOSING BY NOT BEING A VRE MEMBER?

As shown in the gas price report, in just the eight years since 2001, *After* generating all the money required to pay for the cost of VRE membership, Fredericksburg and Stafford haved pocketed nearly $25 million to spend on local transportation needs. Spotsylvania has paid the same prices for gas and received nothing.

From the gas price report:

2% Gas Tax Collections, Associated VRE Costs and New Revenue (2001-08)

	FREDERICKSBURG	*STAFFORD*	*SPOTSYLVANIA*
Total 2% Tax Collected (2001-08):	*$9,875,413*	*$23,360,455*	*$0*
VRE Member Costs (2001-08):	*$1,143,448*	*$7,440,013*	*$0*
New Revenue Remaining:	*$8,731,965*	*$15,920,442*	*$0*

THESE NUMBERS MEAN MOST OF THIS REVENUE IS COLLECTED FROM NON-RESIDENTS DRIVING THROUGH OUR REGION!

Two-percent of a $2.00 gallon of gas is four cents. The total amount collected by Stafford and the city in the above years since 2001, from a two-percent levy, totaled just over $33 million. *Even with fluctuating gas prices, there are not nearly enough residents or cars in these two localities to buy the millions of gallons required to turn a few pennies per gallon into over $33 million in just eight years.*

This means most of the revenue was collected from non-residents driving through these two localities (which can be explained by the fact one of the *world's busiest* highways bisects our region). The evidence also shows Stafford and Fredericksburg kept over two-thirds of the total revenue generated from this small, market absorbed tax ($25 million of the total $33 million collected).

According to the Fredericksburg Regional Alliance, two-thirds of the US population live *within* a one day drive of our region. So, with millions of gallons sold in our region each year, most of the two percent tax collected in Spotsylvania could just as well be coming from drivers from New Jersey. Regardless, as the evidence shows, ALL those who buy gas in Spotsylvania are already paying the difference. Why shouldn't Spotsylvania get its fair share of the revenue?

WITH THIS EVIDENCE IN MIND, JOINING VRE IS SIMPLY A SMART BUSINESS DECISION

Click here to read the entire gas pricing report.

LET YOUR SUPERVISORS KNOW YOU SUPPORT SPOTSYLVANIA JOINING VRE.

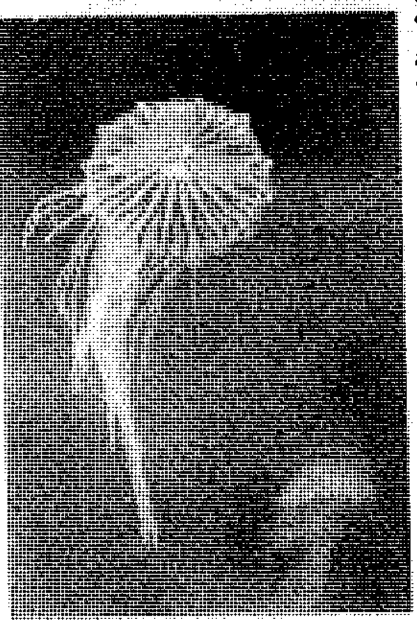
OPINION

OPINION PAGE EDITOR PAUL E. AKERS 540/374.5531

VRE: Logan's run

THERE is no need to rush the book "Profiles in Courage" into a new printing to include the name of Spotsylvania Supervisor Jerry Logan. On Tuesday, Mr. Logan provided the key fourth vote for county membership in the Virginia Railway Express on the condition that the joining become effective *after* the November elections that could bring two VRE foes to power and scotch the whole deal. Mr. Logan, a Republican, evidently feared that the anti-tax foamers in his party—what! two more pennies on a gallon of gasoline!—would complicate his political life if he made Spotsylvania's VRE entree a *fait accompli.*

That means the fall elections in the Battlefield and Lee Hill districts, now served respectively by pro-VRE Supervisors Benjamin Pitts and Gary Skinner, will be virtual referenda on county affiliation with the commuter-rail service. Well, bring it on.



DENNIS MOJADO / WIKIPEDIA

Supervisor material?

The virtue of Mr. Logan's registration in the phylum Cnidaria, one of whose members is pictured above, is that it sets the stage for the first pure, up-or-down de facto vote on VRE—at least in two districts—in county history. Who can oppose bringing democracy into the equation? Pro-VRE arguments, made here many times, outweigh contrary ones and should prevail.

Besides, Mr. Pitts and Mr. Skinner face opponents who could be fairly described as unprepossessing—a former supervisor best known for trying to bark the shins of unoffending foreign workers and another chap backed by that fevered-brow element of the GOP that seems to think "government" is just another way to spell "socialism."

So let's get ready to rumble. But a modest suggestion: Spotsylvania's membership in VRE hinges upon the railway board's approval of several stipulations sought by the county. Is it too late to add one more?

Data from the 2005–07 U.S. census' American Community Survey (courtesy of George Mason University's Center for Regional Analysis) suggest that just over 2 percent of Spotsylvania County outside-the-home workers use VRE. More county residents would find benefit in VRE membership if the service ran a night train out of Union Station back to Fredericksburg. That way, Spotsylvanians and their regional neighbors could attend evening functions in D.C. without worrying about traffic congestion, parking, fender benders, and the other impediments to joy attendant to driving into the District.

In any case, soon when the conductor hollers, "All aboard!" let's hope Spotsylvania County holds a ticket to ride.

Item #2C

Additional VRE Locomotives

The VRE Operations Board recommends approval of Resolution #2133. This resolution authorizes VRE's Chief Executive Officer to modify the contract with Motive Power, Inc. to purchase three additional locomotives. This increases the total to 15. The contract value will increase by $10,997,829 plus a 10 percent contingency. The new total is $60,579,992.

Additional funds for two of the locomotives became available to VRE through Virginia's portion of the federal bonus obligation and other formula funds to be matched with funds from VRE's sale of Mafersa cars. Purchase of the third locomotive is dependent on approval by Congress of an earmark in the pending FY 2010 appropriations bill.

Northern Virginia Transportation Commission

RESOLUTION #2133

SUBJECT: Additional VRE Locomotives.

WHEREAS: VRE has a contract with Motive Power, Inc. for new locomotives and has currently ordered 12 with a contract value of $48.4 million;

WHEREAS: VRE has identified funds that would permit the addition of three locomotives to the Motive Power contract at a cost of $10,997,829 plus a 10 percent contingency; and

WHEREAS: VRE's Operations Board recommends that NVTC and PRTC approve this action.

NOW, THEREFORE, BE IT RESOLVED THAT the Northern Virginia Transportation Commission authorizes VRE's Chief Executive Officer to increase VRE's locomotive order with Motive Power, Inc. to 15 from 12, with the new contract value increasing to $60,579,992 including contingency.

Approved this 5th day of November, 2009.

Christopher Zimmerman
Chairman

William Euille
Secretary-Treasurer

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AGENDA ITEM 8-D
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 16, 2009

RE: AUTHORIZATION TO MODIFY THE CONTRACT FOR NEW LOCOMOTIVE PURCHASE

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to modify the contract with MotivePower, Inc., for the purchase of locomotives so the base order is increased from twelve to up to fifteen locomotives, increasing the contract value by $10,997,829, plus a 10% contingency of $1,099,783, for a total contract value up to $60,579,992.

BACKGROUND:

In January of 2008, the Operations Board authorized VRE to enter into a contract with MotivePower, Inc. of Boise, Idaho for the manufacture of two new locomotives in an amount not to exceed $9.6 million. Since that time, additional approvals have been sought and received as follows:

- October 2008 - three additional units (five total) for a contract total of $20.3 million.
- March 2009 - four additional units (nine total) for a contract total of $36.4 million.
- June 2009 - three additional units (twelve total) for a contract total of $48.4 million.

Authorization is now being sought for up to three additional units. The first two units will be purchased using bonus obligation funding provided through the Commonwealth of Virginia and VRE formula funds. Match for the bonus obligation grant will be provided using proceeds from the sale of the Mafersa railcars and state matching funds. VRE formula funds are matched via state and local sources. The third unit will be purchased pending approval of a FY 2010 federal earmark, with match being provided from the same sources.

In January 2008, the Operations Board authorized up to $4,145,920, including contingency, to STV, Inc. for construction engineering and inspection services for the purchase of all twenty locomotives. Similar to the locomotive contract, this contract was structured to allow incremental notices to proceed, such that authorization will be issued concurrently and proportionately with locomotive option orders. As such, no additional Board authorization is needed for the oversight work.

FISCAL IMPACT:

Funding is available from the locomotive acquisition line item of the VRE capital budget. The first two units will be purchased using bonus obligation funding and VRE formula funds. Match for the bonus obligation grant will be provided using proceeds from the sale of the Mafersa railcars and state matching funds. VRE formula funds are matched via state and local sources. The third unit will be purchased pending approval of a FY 2010 federal earmark, with match being provided from the same sources.

Item #2D

VRE Operations/Maintenance Contract

As shown on the attached resolution and media release, the VRE Operations Board recommends the award of a contract to Keolis Rail Services America for VRE operations and maintenance for a five-year term commencing July 1, 2010, with two subsequent five-year options.

The commission will be asked to discuss the matter in closed session prior to acting. To enter the closed session:

> Pursuant to the Virginia Freedom of Information Action (Sections 2.2-3711A (6), (7), and (29) of the Code of Virginia), the Northern Virginia Transportation Commission authorizes discussion in closed session for the purpose of consultation with counsel concerning the requirements of the Public Procurement Act and a matter involving the expenditure of public funds where competition and bargaining is involved and where discussion in public would adversely affect NVTC's financial interests and its bargaining position and negotiating strategy.
>
> Following the closed session:
>
> The Northern Virginia Transportation Commission certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:
>
> 1. Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
>
> 2. Only such public business matters as were identified in the motion by which the Closed Session was convened were heard, discussed or considered.

Virginia Railway Express

News Release

Mark Roeber 703-838-5416 October 16, 2009

VRE Recommends New Operating and Maintenance Services Contract with Keolis

ALEXANDRIA, October 16, 2009 – The Virginia Railway Express (VRE) Operations Board announced today that the commuter rail agency is recommending award of a contract to Keolis Rail Services America (Keolis) for commuter rail operations and maintenance services. The contract includes train operations, locomotive and railcar equipment maintenance and repair, yard operations and warehouse management. The recommendation is being made to VRE's parent commissions, the Northern Virginia and Potomac and Rappahannock Transportation Commissions, for consideration at their November 5, 2009 meetings.

"VRE has an opportunity to provide enhanced customer service with a more cost effective contract," stated VRE Chairman, Chris Zimmerman. "Keolis was able to bring these qualities to the table along with vast experience." Over the past several years, VRE has expanded its facilities so the resources were in place to allow issuance of a competitive procurement for VRE's largest contract ever. The existing contract is held by Amtrak and was issued as a sole-source when VRE began operations in 1992. That contract expires on June 30, 2010. "I want to make it absolutely clear that our selection of Keolis is in no way a reflection on Amtrak or their employees because they have been a loyal partner from the beginning. They are an important reason why we stand here today." Keolis has committed to providing comparable benefits and seniority to any Amtrak employee hired by Keolis.

"We are delighted to have the opportunity to partner with Keolis and continue to improve VRE rail service," said Dale Zehner, VRE Chief Executive Officer. Zehner added that, "Keolis has a proven track record as a major European provider for public transportation authorities, safely operating over 5,000 trains daily and providing service to over 360 million passengers annually."

According to Chairman Zimmerman, "VRE is entering a new and exciting phase of its development. The Operations Board ensured VRE had the necessary facilities to permit a competitive procurement and VRE staff did an excellent job writing the solicitation and managing the procurement process. We look forward to working with Keolis to continue to improve the VRE operation."

If approved by the Commissions on November 5, 2009, Keolis will assume operations on July 1, 2010, with a transition period running from December 1, 2009 to June 30, 2010. The contract term is five years with two five year renewal options.

For more information on this contract or other VRE issues, please contact Mark Roeber at mroeber@vre.org or 703-838-5416. Questions about Keolis Rail Services America may be directed to Steve Townsend, Executive Vice-President of Keolis America, at (301) 251-5612.

####

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: OCTOBER 16, 2009
RE: AUTHORIZATION TO AWARD A CONTRACT FOR OPERATING AND MAINTENANCE SERVICES

RESOLUTION
9A-10-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, Amtrak has been the sole source provider of VRE transportation and mechanical services under an Operations and Services contract since 1992 which expires June 30, 2010; and,

WHEREAS, presently there are a number of viable third party contractors willing and able to compete for these responsibilities; and,

WHEREAS, since 1992, VRE has developed all infrastructure needed for a third party contractor to perform the routine and intermediate maintenance on VRE locomotives and railcars that Amtrak currently provides; and,

WHEREAS, a competitive procurement, in which four proposals were received, and successful negotiations with the top ranked firm have been completed.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions approve the award of a contract with Keolis Rail Services America for VRE operating and maintenance services and mobilization in the amount of $18,459,348, through June 30, 2011, and authorize the CEO to execute the contract on behalf of the Commissions.

Northern Virginia Transportation Commission

AGENDA ITEM #3

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: Status of I-66 Transit/TDM Study

DRPT staff will be present to brief the commission on the status of the study. A copy is attached of a Power Point presented at public information meetings in September, together with a news report on those meetings.

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 nvtdc.org • Website www.thinkoutsidethecar.org

Fixing I-66: How do you do it?

October 15, 2009 - 4:03am
Adam Tuss, WTOP.com

WASHINGTON - Brake lights stack up side by side on Interstate 66 every day. You'll see them eastbound and westbound, just about any time of day in any direction.

But on a road where it can take 40 minutes in the morning to travel the 6.5 miles from Route 50 to the Beltway, push may be coming to shove.

An amazing 66 percent of solo drivers who use the roadway now say they are thinking about a switch to transit. The Virginia Department of Rail and Public Transportation is about to complete a sweeping review of I-66, providing a basis for short-term and long-term relief from the gridlock.

DRPT just wrapped-up three public information meetings on the topic and has delivered a preliminary report.

"It's pretty obvious that service is not reliable. It is just unpredictable how long it is going to take on the roadway," says Mike Harris, coordinator with DRPT.

"One of the things we heard in the public meetings and the survey we did was time. People's time came up across the board as the most valuable thing, in this region in particular. In other regions in the country, you find cost rising to the top. Cost was certainly a factor (on I-66), but time was very, very important here in this region."

So the question becomes, how do you give commuters their time back?

A Metrorail extension throughout the corridor is a long-term solution, but in the near term, DRPT is focusing on components, such as a system of fast-moving buses that travel from point to point. For example, commuters could drive to a parking lot in Gainesville, leave their cars and get on a bus that would zip them directly into D.C.

"Express type service, is really what we are finding a demand for," says Harris.

Direct access ramps along the roadway that provide immediate connections to Metro parking lots also are moving forward. Right now, a direct ramp from the HOV lanes on I-66 to the Vienna Metro Station is moving into the preliminary engineering stage.

"That certainly will help alleviate some weaving and crossing over those general purpose lanes," says Harris.

The High Occupancy Vehicle lanes also seem destined for a change. VDOT is currently studying how changes to the hours of use and number of people required to use the lanes could improve traffic flow.

"They are looking at different operational aspects to help increase efficiency," says Harris.

"We really need to do what we can to make sure the HOV lanes operate at full performance. As you know with those HOV lanes, in congestion, sometimes the speed is about the same as the general purpose lanes."

The need to take action on I-66 appears pressing.

DRPT's travel forecast for the I-66 corridor shows that from 2005 to 2030, commuter trips that begin along the corridor will increase by 22 percent. The number of trips destined to the corridor will increase by 40 percent.

A final report with a set of concrete recommendations is due next month.

< Back

Virginia Department of Rail and Public Transportation

I-66 Transit/TDM Study

Public Information Meetings

September 2009

Overview

- Study Context
- Existing Conditions
- General Travel Forecasts
- Stakeholder Interviews and Market Research
- Study Recommendations - Proposed Infrastructure and Services
- Preliminary Findings
- Next Steps

Genesis of the I-66 Transit/TDM Study

- Congestion along the Corridor has been documented in previous studies as an existing and future problem

- Commonwealth and Congressional members acknowledged need to advance findings from previous studies and address local requests for multimodal corridor studies

- The Virginia Department of Rail and Public Transportation (DRPT) has initiated the first multimodal corridor study, called the I-66 Transit/Transportation Demand Management (TDM) study to examine improvements along the Corridor from D.C. to Haymarket

Study Overview

- Study Goal

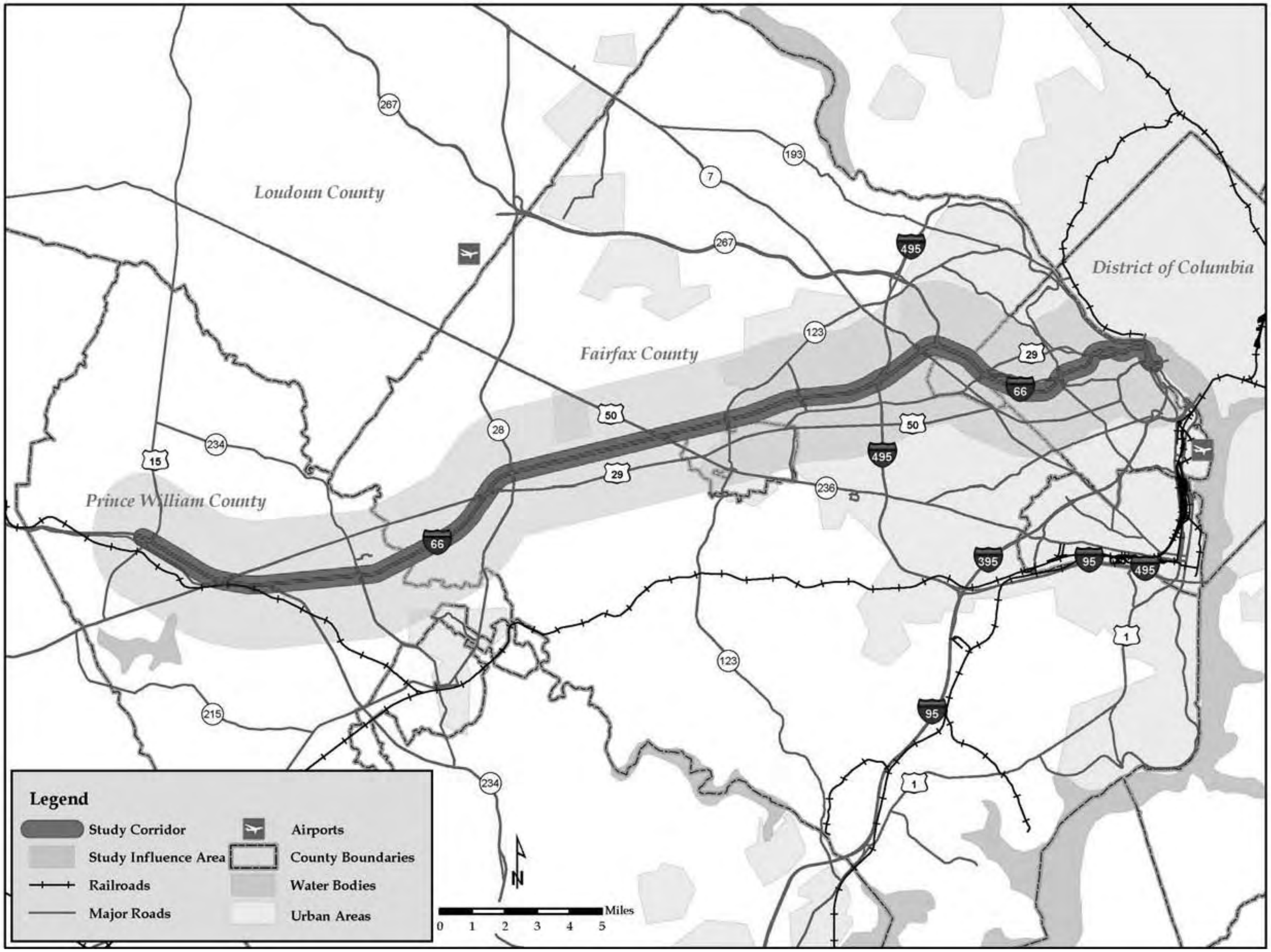
  To identify more transportation choices through transit and transportation demand management (TDM) enhancements that will increase mobility in the I-66 corridor

- Study Scope
  - Study the I-66 corridor from Washington D.C., to Haymarket
  - Evaluate short- and medium-term transit and TDM improvements and make recommendations
  - Managed by DRPT in coordination with a Technical Advisory Committee consisting of local, state, regional and federal jurisdictional/agency staff

Study Team

- Conducted by DRPT in coordination with a Technical Advisory Committee (TAC)
- TAC Members
  - Review and provide comments on study scope and all deliverables
  - Transit operators and government agencies:
    - Arlington County
    - City of Fairfax
    - City of Falls Church
    - City of Manassas
    - District of Columbia
    - DRPT
    - Fairfax County
    - Loudoun County
    - Metropolitan Washington Council of Governments (MWCOG)
    - Northern Va. Transportation Commission (NVTC)
    - Prince William County
    - Potomac and Rappahannock Transportation Commission (PRTC)
    - Virginia Dept. of Transportation (VDOT)
    - Virginia Railway Express (VRE)
    - WMATA (Metro)

Study Corridor Map



Existing Conditions

- I-66 Corridor, Outside Capital Beltway:
  - 198 buses per day
  - Orange Line Metrorail service
  - 47% of commuter trips are going to D.C. core on transit
- I-66 Corridor, Inside Capital Beltway:
  - 144 buses per day
  - Orange Line Metrorail service
  - 75% of commuter trips are going to D.C. core on transit

General Travel Forecasts

- From 2005 to 2030:
  - Commuter trips originating in the corridor increase by 22%
  - Commuter trips destined to the corridor increase by 40%
  - The relatively larger increase in destinations in the corridor are reflective of expanded suburban job opportunities
  - That is, travel patterns change with less emphasis on "downtown" commutes
- Despite the gradual shift in commuter patterns, transit mode share from the I-66 corridor remains high (greater than 60%)
- Transit market potential remains greatest for commuter trips, thus the near-term development of priority bus infrastructure and services is focused on commuter trips

Key Stakeholder Interviews

- Over 40 stakeholders were interviewed about their preferences for mobility in the I-66 corridor

- Key stakeholders included:
  - Elected and appointed officials
  - Homeowner and civic associations
  - Chambers of commerce
  - Northern Virginia Realtors Association
  - Metro, Potomac Rappahannock Transportation Commission (OnmiRide), Rideshare

Key Stakeholder Interview Findings

- Traffic congestion in the I-66 corridor should be addressed as soon as possible
- There is not just one solution to traffic congestion but rather a mix of improvements will be needed
- Recommended improvements include:
  - Improved HOV – hours of use, number of people required, consistency of regional networks, and reverse usage
  - Improved bus service including priority bus options until Metrorail can be expanded
  - Increased capacity at park and ride lots
  - Increased cooperation between agencies
- Implementing elements of Bus Rapid Transit (BRT) was considered by most to make good sense for this region as a low cost alternative to rail or a precursor to rail

Market Research Findings

- Objectives of the market research were to:
  - Understand current travel patterns
  - Identify factors guiding commuting decisions
  - Identify interest in potential transit/TDM improvements in the I-66 corridor

- Key Findings:
  - The **most important factors** in choosing transit modes are:
    1. Time savings
    2. Cost savings
    3. Service reliability
  - 66% of those who drive alone expressed interest in shifting to transit
  - BRT with limited stops is an attractive option
  - Improved access to stations will improve usage

Preliminary Findings

- Enhancing priority bus infrastructure and services contributes to transportation choices and improved mobility

- D.C., Rosslyn-Ballston, and Tysons Corner are major transit destinations

- Express services are most attractive
  - Operating express bus service to D.C. through the Ballston Station area generates significant ridership
  - Metrobus Express service on U.S. 29 and U.S. 50 offers 35 minutes of travel time savings

Preliminary Findings
(Continued)

- Improved convenience and comfort amenities help attract more riders
- Reliable travel time performance of the HOV lane would enhance the transit ridership potential in the corridor
- Expanding park and ride opportunities is important to growing transit ridership
- Land use will play a critical role in determining the corridor transit usage potential

Preliminary Findings
(Continued)

- Vienna Metrorail direct access ramp
  - Proposed ramp from HOV lane at Vaden Drive provides fast and direct transit access to the station
  - Yields about 5 minutes of transit travel time savings and operational efficiencies
  - Eliminates merging and weaving movements across general-purpose lanes, helping reduce congestion
  - Recommended to move immediately toward preliminary engineering

Preliminary Findings
(Continued)

- Important complementary transit services
  - Dulles Corridor Metrorail will benefit the I-66 corridor
    - Serves the strongest reverse transit markets
    - Becomes attractive option for some I-66 corridor commuters
  - Route 28 Corridor needs further study as to appropriate transit infrastructure and services

Study Recommendations – Proposed Infrastructure

- ALL
  - Proposed infrastructure does not preclude future rail transit service
  - Proposed station locations will be selected with consideration of potential future rail service (i.e., can serve as future multimodal centers)
- 2015
  - Enhance park and ride facilities, such as expanding existing Stringfellow Road lots and constructing new Cushing Road lot
  - Implement recommendations from forthcoming VDOT I-66 HOV Lane Operational Study
  - Construct direct access ramps from HOV lane at Vienna Metrorail Station, Stringfellow Road, and Monument Drive
  - Dulles Corridor Metrorail opened to Wiehle Avenue
- 2030
  - Further expand existing corridor park and ride lots and potentially construct new lots
  - Construct direct access ramps from HOV lane at additional locations, including (potentially) Centreville, Bull Run, VA 234, and Haymarket
  - Dulles Corridor Metrorail opened to Dulles Airport and Loudoun County

Study Recommendations - Proposed Services

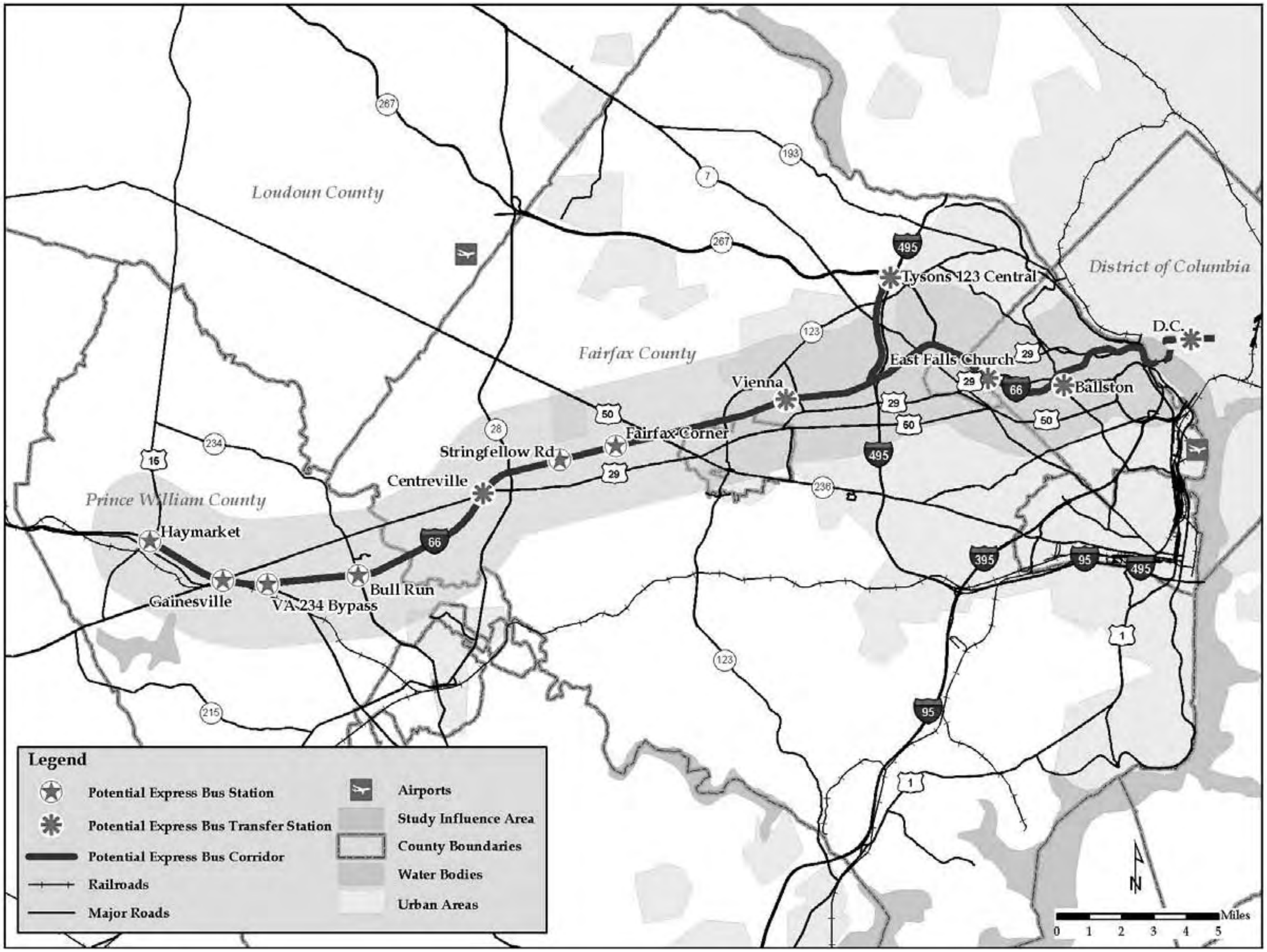
- Improvements to the corridor priority bus services
  - Traveler information system upgrades (e.g., next bus, message notification)
  - Customer comfort and productivity amenities (e.g., seating at stations, WiFi service)

- Increased service levels of bus services
  - Higher frequency of service (shorter wait times) on selected routes (OmniRide Linton Hall to D.C., Manassas OmniLink, Manassas Park OmniLink, and WMATA Columbia Pike-Farragut Square Line)
  - New express service on U.S. 29 and U.S. 50 (Metrobus Express services)

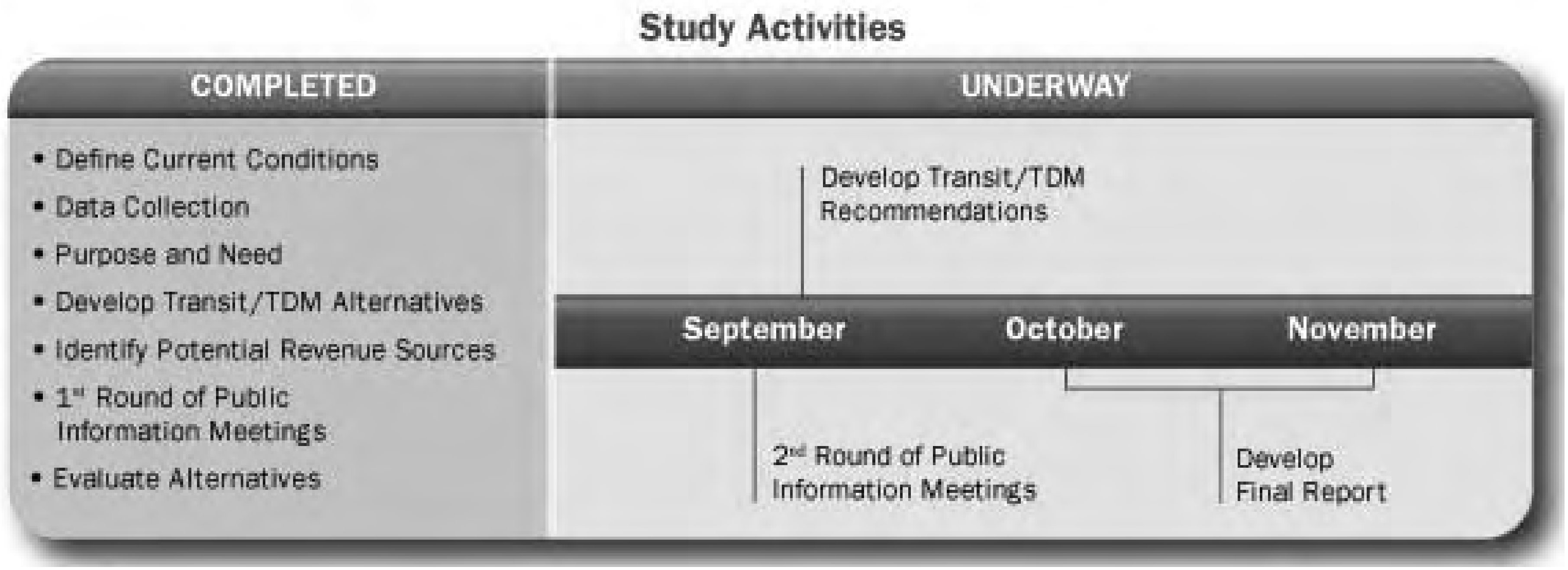
- Expanded transit destinations served
  - More service direct to Tysons Corner
  - More bus service into D.C.

- Enhanced transit-supportive transportation demand management (TDM) strategies
  - Rideshare programs
  - Transit information programs

Stations and Parking



Next Steps


Study Activities
COMPLETED
• Define Current Conditions
• Data Collection
• Purpose and Need
• Develop Transit/TDM Alternatives
• Identify Potential Revenue Sources
• 1st Round of Public Information Meetings
• Evaluate Alternatives
UNDERWAY
Develop Transit/TDM Recommendations
September
October
November
2nd Round of Public Information Meetings
Develop Final Report

Next Steps
(Continued)

- This study is a first step toward implementing transit and TDM improvements along the I-66 corridor
- Results will be used to develop project-specific plans to implement enhanced transit and TDM services over the next 5 to 15 years
- This study's results will inform the I-66 Multimodal Studies which are underway…
  - Attributes study draft report due spring 2010
  - Key issues draft report due spring 2010
  - Draft NEPA document(s) due 2011

Stay Involved

- **Provide Comments on the Study**
  - Mail comments to:

    DRPT Public Information Office

    600 E. Main St., Suite 2102

    Richmond, VA 23219

  - E-mail comments to drptpr@drpt.virginia.gov
  - Comments will be accepted until October 9, 2009

DRPT

Virginia Department of Rail and Public Transportation

The Smartest Distance Between Two Points

www.drpt.virginia.gov

drptpr@drpt.virginia.gov

804-786-4440

AGENDA ITEM #4

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: Status of New Regulations for the NVTC/PRTC Motor Fuels Tax

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On January 1, 2010, distributors of motor fuels sold to retailers in the NVTC/PRTC districts will begin to pay a 2.1 percent tax and retailers will no longer collect a two percent tax on the retail pump price.

NVTC and PRTC staff have met with officials of the Virginia Department of Taxation (TAX) to discuss plans for the transition. NVTC staff coordinated comments on a set of draft regulations circulated by TAX. At this point it is unclear how those comments will be incorporated.

There were three main issues identified in NVTC's staff comments:

1. Will significant motor fuel escape taxation under the transition rules proposed by TAX?

2. If the tax is not assessed on the actual sales price to retailers, but rather on a "cost price" paid by distributors (excluding transportation costs and certain administrative items), will that significantly reduce the yield to NVTC/PRTC?

3. How will TAX inform and audit taxpayers during the transition?

NVTC staff will brief commissioners on the current status of the transition, with less than two months remaining before this significant change takes effect.

AGENDA ITEM #5

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: Legislative Items

A. State Legislative Items

NVTC's Legislative Committee will be asked to meet prior to the commission's December 3rd meeting to recommend a state and federal legislative agenda. Committee members are as follows:

David Albo
Kelly Burk
Jeffrey Greenfield
William Euille
Catherine Hudgins
Mary Hynes
Dan Maller
Mary Margaret Whipple

NVTC staff has compiled a draft for discussion, with input from local government staff and the Virginia Transit Association. Commissioners with suggested topics for consideration of the NVTC Legislative Committee should contact NVTC staff.

Several items are attached for your information, including a September 18th letter from WMATA's General Manager, John Catoe, regarding efforts to secure federal appropriations; and a resolution from Northern Virginia's business community.

B. Federal Legislative Items

A lengthy discussion paper is attached for your information as background for development of NVTC's federal legislative agenda. It describes issues raised at a recent national transportation policy conference at the Miller Center in Charlottesville.

The Washington Post

Taxes or Traffic

In Virginia, a plea for one to fix the other

Wednesday, October 7, 2009

A COALITION of 17 of the biggest business groups in Northern Virginia, representing thousands of companies and hundreds of thousands of employees, has just issued an extraordinary plea. After a dozen "whereases" and four "be it resolveds," the plea amounts to this: If Virginia does not raise taxes for its badly underfunded and rapidly crumbling transportation system, it won't get fixed -- period.

The group, which calls itself the Northern Virginia Transportation Coalition, includes almost everybody who is anybody in the richest, best-educated and most globally engaged part of the state. These are the people, and the corporations, with the most to lose if Virginia hews to its head-in-the-sand, two-decade-old policy of refusing to tap significant, reliable and dedicated new funds to improve a sclerotic roads network. In a resolution released last week, the group assures Virginia's leaders that without new revenue -- yes, taxes -- the state's economic engine will sputter and die. Translation: Goodbye jobs and growth.

The coalition's resolution does not explicitly endorse the Democratic candidate for governor, state Sen. R. Creigh Deeds, but it hardly takes a logical leap to read it that way. Showing courage and candor that few candidates possess, Mr. Deeds has called for new taxes to address the state's transportation crisis. His Republican opponent, former attorney general Robert F. McDonnell, has ruled out new taxes and instead enumerated a laundry list of phony-baloney proposals that will not pay for much in the way of road improvements. According to the resolution, ruling out tax increases is "contrary to [Virginia's] best interests . . . and future economic prosperity."

The coalition recognizes that taxes are not the entire solution to fixing the transportation mess. Using bonds and tolls, shifting funds from other areas of the budget and changing the state's road-funding allocation formula all should play a part. But without taxes, the coalition makes clear, any attempt at improving the region's stultifying traffic will fall badly short. "If you do the math, you really can't come up with a solution without some taxes and fees

The Washington Post

Taxes or Traffic

in there," said Bob Chase, who organized the coalition. "The fiscal and political realities are that you can't get enough money" from existing revenue.

That point is amply illustrated by the resolution, which lays out the eye-popping scale of the state's predicament: unfunded statewide road-building needs exceeding $100 billion over the next 20 years; cuts in the state's construction program of $4 billion in the last two years; the imminent threat that the state, with its transportation spending shrinking, will be unable to tap millions in federal matching funds; $3.7 billion needed to fix structurally deficient bridges; and steep job losses at Virginia's Department of Transportation.

Against that sobering reality, practically every Republican candidate in the state mouths the slogan "No new taxes!" As an electoral strategy in the midst of a recession, the slogan might work. As a formula for easing traffic and assuring Virginia's long-term economic health, it is folly.

NORTHERN VIRGINIA TRANSPORTATION COALITION
7600 COLSHIRE DRIVE · SUITE 215 · MCLEAN, VIRGINIA 22102 · 703/883-1830 · FAX 703/883-1850

2009 Northern Virginia Business Community Resolution

WHEREAS, greater investment in transportation infrastructure is essential to short-term economic recovery and long-term economic prosperity; and

WHEREAS, transportation-dedicated taxes and fees have remained virtually unchanged in Virginia since 1987; and

WHEREAS, documented unfunded transportation requirements exceed $100 billion, including more than $3.7 billion in structurally deficient bridges and $1 billion in interstate and primary highway repaving needs; and

WHEREAS, inadequate capacity and poor pavement conditions annually cost $4.7 billion or nearly $1,000 per licensed Virginia driver in accidents, operating costs and congestion-related delays; and

WHEREAS, Virginia's Six-Year Improvement Program, which has experienced over $4 billion in cuts in the past two years, is not an accurate reflection of the Commonwealth's acute transportation needs; and

WHEREAS, $400 million in Virginia's Transportation Trust Fund for construction is diverted annually to the Highway Maintenance and Operations Fund, and the annual growth factor for state maintenance funds to localities has been reduced from 4% to 3%, leaving fewer funds to meet growing needs; and

WHEREAS, the Virginia Department of Transportation has already significantly consolidated operations and reduced personnel by 2,000 with 1,000 more scheduled by next July; and

WHEREAS, the revenue stream created by 2007 legislation to support $3 billion in transportation bonds over a ten-year period is currently capable of funding only $2 billion worth of bonds and is insufficient to support any bonds before 2010; and

WHEREAS, declining state revenues and expanding needs have increased Virginia's dependence upon federal funds at a time when the state soon will be unable to provide federal matching dollars, meaning that for every $20 in matching dollars the Commonwealth lacks it forgoes $80 federal dollars; and

WHEREAS, the federal surface transportation program is up for re-authorization this year and future allocation levels are very much in doubt; and

WHEREAS, the Commonwealth lacks funds for transportation infrastructure to attract new business and supplement public-private partnership transportation investments; and

WHEREAS, the organizations listed below have previously affirmed support for a minimum of $400 million per year in new, dedicated, sustainable transportation funds for Northern Virginia and for the position that such funds must not be viewed or used as a replacement for new or existing state transportation revenues.

NOW, THEREFORE, BE IT RESOLVED THAT the undersigned organizations are united in the position that:

- Bonds, public-private partnerships, General Funds, allocation formula changes, tolls and other currently used mechanisms are part of the solution, but are inadequate individually or collectively to address well-documented needs.
- Fiscal and political realities dictate that the Commonwealth's transportation needs cannot be met without new, reliable revenues in the form of dedicated taxes and/or fees.
- No-tax pledges on transportation funding by candidates for public office are contrary to the best interests of the citizens of the Commonwealth and future economic prosperity.
- Virginia's next Governor and members of both parties in the state legislature must work together and do whatever is necessary to secure significant, new, dedicated, reliable transportation revenues to erase Virginia's crippling transportation deficit, which threatens Virginia's long-term prosperity.

Apartment and Office Building Association of Metropolitan Washington
Arlington Chamber of Commerce • Committee for Dulles
Dulles Area Transportation Association • Dulles Corridor Rail Association
Dulles Regional Chamber of Commerce • Greater Reston Chamber of Commerce
Loudoun County Chamber of Commerce
NAIOP Northern Virginia, Commercial Real Estate Development Association
Northern Virginia Association of Realtors
Northern Virginia Building Industry Association • Northern Virginia Technology Council
Northern Virginia Transportation Alliance
Prince William Regional Chamber of Commerce • Reston Association
Prince William County-Greater Manassas Chamber of Commerce
Washington Airports Task Force

September 18, 2009

The Honorable Pierce R. Homer
Secretary of Transportation
Commonwealth of Virginia
1111E. Broad Street, Room 3054
Richmond, VA 23219

The Honorable Beverley K. Swaim-Staley
Secretary
Maryland Department of Transportation
7201 Corporate Center Drive, 4th Floor
Hanover, MD 21076

Mr. Gabe Klein
Director
District Department of Transportation
2000 14th Street, N.W., 6th Floor
Washington, DC 20009

Dear Secretary Homer, Secretary Swaim-Staley, and Director Klein:

This letter is to inform you about recent progress towards achieving dedicated funding for the Washington Metropolitan Area Transit Authority (Metro). As you are aware, Section 601 of the Passenger Rail Investment and Improvement Act of 2008 (P.L. 110-432), which passed last year, authorized $1.5 billion of federal grants for Metro over ten years, to be matched with an equal contribution by local partners. It now appears likely that Metro will receive $150 million during federal fiscal year 2010 pursuant to that authorization. As a result, we believe it is time to begin working together to finalize planning to assure that matching funds are available in a timely manner so that federal grants can be secured and obligated as soon as possible.

Earlier this year, Metro submitted a request for $150 million in the FY2010 appropriations process to each member of the region's Congressional delegation. The delegation strongly supported this request. The House Transportation-HUD appropriations bill, which has passed the full House, includes $150 million for Metro, to be used to address "the immediate safety shortfalls identified by the NTSB, including, but not limited to, the improved crashworthiness of the agency's rail car fleet and the maintenance and modernization of WMATA's overall signal and automatic train-control system." The Senate Transportation-HUD appropriations bill, which has passed the full Senate, also includes $150 million in funding for Metro, along with more specific language directing its use than was included in the House bill. While final passage is not assured, the fact that $150 million for Metro has been included in both the House and Senate appropriations bills strongly suggests that this funding could become available during FFY2010 for specific uses.

Washington
Metropolitan Area
Transit Authority

600 Fifth Street, NW
Washington, DC 20001
202/962-1234

By Metrorail:
Judiciary Square—Red Line
Gallery Place-Chinatown—
Red, Green and
Yellow Lines
By Metrobus:
Routes D1, D3, D6, P6,
70, 71, 80, X2

A District of Columbia, Maryland and Virginia Transit Partnership

We appreciate the action each of the Compact jurisdictions took to quickly pass legislation amending the Metro Compact as required by the federal authorizing legislation. On August 19, 2009, when President Obama signed S.J.Res. 19, a Joint Resolution of Congress consenting to the amendments, they became effective. One of those amendments requires that "[a]ll payments made by the local Signatory governments for the Authority for the purpose of matching federal funds appropriated in any given year as authorized under title VI, section 601, Public Law 110-432 regarding funding of capital and preventative maintenance projects of the Authority shall be made from amounts derived from dedicated funding sources." For purposes of that section, a "dedicated funding source" is defined as "any source of funding that is earmarked or required under State or local law to be used to match Federal appropriations authorized under title VI, section 601, Public Law 110-432 for payments to the Authority."

Each of the signatories has taken initial action to meet this requirement:

- In the District of Columbia, legislation has passed to create a WMATA Fund from which the match would be drawn.
- Maryland has passed legislation designating the Transportation Trust Fund as the source of the matching funds. The $50 million local match is also included in the six-year Consolidated Transportation Program beginning in the state's FY2011.
- In Virginia, the FY2009-2010 budget for the Commonwealth authorizes the Virginia Secretary of Transportation to allocate the funds necessary to match federal funds that are appropriated for WMATA. The Commonwealth has also programmed the $50 million local match in its six-year transportation program, starting in the Commonwealth's FY2011.

As you know, this funding comes at a critical time for Metro. Not considering the cost of financing, we have determined that our capital needs over the next ten years exceed $11 billion. Most, or $7.6 billion, will be required just to maintain Metro's aging bus and rail systems in a state of good repair. Many of those needs are safety-critical. We must replace our 300 oldest rail cars, for example, and upgrade rail systems with new safety-enhancing technologies as soon as possible.

I look forward to discussing our next steps toward making sure Metro can make use of this funding to address our urgent capital needs. Our staff will be contacting you or your staff to schedule a mutually convenient time for this conversation.

Sincerely,

John B. Catoe, Jr.
General Manager

cc: WMATA Board of Directors
Mr. James Hartmann, City Manager, City of Alexandria
Ms. Laura Triggs, Director of Finance, City of Alexandria
Mr. Ron Carlee, County Manager, Arlington County
Mr. Mark Schwartz, Director, Management/Finance, Arlington County
Mr. Neil Albert, City Administrator, District of Columbia
Mr. Freddie Fuller, Associate Director, District of Columbia
Ms. Leah Treat, Deputy Director, Resource Management, District of Columbia
Dr. Natwar Gandhi, Chief Financial Officer, District of Columbia
Mr. Robert Sisson, City Manager, Fairfax County
Mr. David Hodgkins, Assist. City Manager, Finance Director, City of Fairfax
Mr. Anthony Griffin, County Executive, Fairfax County
Mr. Edward Long, Jr., Deputy County Executive, Fairfax County
Mr. F. Wyatt Shields, City Manager, City of Falls Church
Mr. John Tuohy, Chief Financial Officer/General Manager, City of Falls Church
Mr. David Fleming, Chief Financial Officer, Maryland Department of Transportation
Mr. Thomas Webster, Manager, WMATA Liaison Office, Maryland Department of Transportation
Mr. Timothy Firestine, Chief Administrative Officer, Montgomery County
Ms. Jennifer Barrett, Director, Department of Finance, Montgomery County
Mr. Joseph Beach, Director, Management and Budget, Montgomery County
Dr. Jacqueline Brown, Chief Administrative Officer, Prince George's County
Mr. Michael Dougherty, Jr., Director of Finance, Prince George's County
Mr. Jonathan Seeman, Director of Management and Budget, Prince George's County

RECEIVED

OCT 2 6 2009

OFFICE OF THE LEGISLATIVE DIRECTOR
301 King Street, Suite 3400
Alexandria, Virginia 22314-3211

BERNARD CATON
Legislative Director

(703) 746-3963
Fax: (703) 836-6476

October 23, 2009

Rick Taube, Executive Director
Northern Virginia Transportation Commission
4350 North Fairfax Dr., Suite 720
Arlington, VA 22203

Dear Rick:

Please find enclosed a resolution (No. 2361) passed by Alexandria City Council on October 13, 2009. In it the Council asks the Governor and General Assembly to create bi-partisan, sustainable, and permanent sources for transportation funding that do not reduce funding for other core services.

Sincerely,

Bernie

Bernard Caton
Legislative Director

Enclosure

RESOLUTION NO. 2361

A Resolution on the Need for Transportation Solutions that Protect Virginia's General Fund for Education, Mental Health, Public Safety and Other Core Services

WHEREAS, transportation dedicated taxes and fees have remained virtually unchanged in the Commonwealth since 1987; and

WHEREAS, quality transportation, high achieving public schools, effective public safety and health services are essential to ensure Virginia can build a long and sustainable economic recovery; and

WHEREAS, the current Recession has presented Alexandria and local governments across the Commonwealth with the largest loss of revenue and the most challenging budgets since the Great Depression and continues to require unprecedented cuts to local services; and

WHEREAS, the economy has forced State budget cuts to health, mental health, social, conservation, public safety and other important programs which have further strained local services; and

WHEREAS, we anticipate additional pressure on local budgets from the predicted drop in commercial property values and from significant and mandatory Virginia Retirement System payments; and

WHEREAS, we applaud Governor Kaine's leadership in protecting the funding for K-12 education, but understand that continued weakness in Virginia's economy puts the continued protection of K-12 funding at risk; and

WHEREAS, the Constitution of Virginia requires the Commonwealth to properly fund quality elementary and secondary education services that ensure every child has the opportunity to succeed in school and life; and

WHEREAS, U.S. Stimulus dollars will not last forever and can't be counted on to prop-up education and other essential funding; and

WHEREAS, the Commonwealth and local governments have long-standing partnerships for the provision of education, health services, social service programs, mental health services, conservation programs and public safety services; and

WHEREAS, continued service cuts reduce our chance at a sustainable economic recovery as weakened crime, drop-out and other preventive programs will cause higher future costs to society through increased crime and a less prepared work-force; and

WHEREAS, essential transportation maintenance as well as system improvements throughout our Commonwealth are essential to a lasting economic recovery, but VDOT has been reduced to essentially a very limited maintenance organization threatening the Commonwealth's ability to sustain an improving economy; and

WHEREAS, city streets, bridges, bike paths, the DASH bus system and the Washington Metropolitan Area Transportation System are critical to our regional economy and the quality of life of our residents; and

WHEREAS, the lack of a sustainable State transportation funding is causing Alexandria and communities throughout the Commonwealth to struggle to keep up with basic transportation maintenance, let alone improvements; and

WHEREAS, in upcoming years, it will be impossible, using existing resources, to maintain basic City services.

NOW, THEREFORE, BE IT RESOLVED, that the Alexandria City Council ask the Governor and the Virginia General Assembly:

1) To work expeditiously to enact a bi-partisan solution to Virginia's transportation challenges that will meet Virginia's transportation needs, using sustainable, reliable, proven, and permanent sources of funding and that will not reduce the capacity of the state General Fund to support education, health, public safety and other core services.
2) To ensure a new and dedicated transportation-funding plan that includes a sustainable and reliable funding source for transit services.
3) To oppose any transportation-funding plan that would reduce state funding for elementary and secondary education, thus forcing local school boards to cut teacher jobs, increase class sizes or otherwise harm the quality of Virginia public schools.
4) To oppose any transportation-funding plan that would force local governments to cut public safety, mental health and other core services that protect their community.
5) To ensure that any transportation funding plan honors the longstanding partnership between local government and the Commonwealth to share in the support for the quality of life and economic prosperity of our community.

ADOPTED: October 13, 2009

William Euille

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson

Jacqueline M. Henderson, CMC City Clerk

2009 INFRASTRUCTURE REPORT CARD

Commonwealth of Virginia

VIRGINIA SECTION · AMERICAN SOCIETY OF CIVIL ENGINEERS

The following summaries highlight that the infrastructure vital to Virginia's economy, public safety, and environmental health are in peril. Sustained investment is direly needed to maintain Virginia's competitive business climate and ensure our high quality of life. The 2009 grading of the 13 areas below averages out to a D+.

Component grades are based on review of current conditions and needs; levels of current funding; future needs; and identification of sustainable funding sources. Full reports on each of these categories will be released in January 2010, please visit our website at www.ascevirginia.org for further updates, and let us know your perspectives via e-mail to infrastructure@ascevirginia.org. Thank you for your interest in improving Virginia's infrastructure.

AVIATION - Aviation infrastructure in Virginia rates a grade of C+. This passing grade is strongly influenced by 10 years of sustained infrastructure investment at Reagan National and Dulles International airports; investments which have significantly improved safety and efficiency for 40 million air travelers in Virginia each year.

This assessment indicates Virginia's airport infrastructure is slightly above the national average of a "D" however significant investments are required to address Virginia's higher level of safety incidents and air cargo service limitations. Over the next 15 years, Virginia's VTrans 2025 plan identifies $3.1 billion in aviation infrastructure investments required to support the 164,000 jobs and $10 billion in annual economic impact associated with air transport in Virginia.

[illegible] – One in every four of Virginia's bridges and culverts are functionally obsolete or structurally deficient, (3,442 structures of the 13,417 listed on Virginia's National Bridge Inventory). VDOT manages an additional [illegible] structures not on the national inventory, and six major road tunnels. [illegible]istics rank Virginia bridge conditions 32nd out of the 50 states.

7,513 of Virginia's national bridge inventory assets have been in service for over 40 years and 4,428 of these are more than 50 years old. As these structures reach their design life over the next 15 years renovation and replacement is projected to require $30 billion to maintain current levels of service. This does not account for any capacity upgrades or new bridge installations required to support growth. Sustainable, long term funding sources are required to maintain the functionality of these critical assets in Virginia.

DAMS The 2007 National Inventory of Dams lists 1,637 regulated dams in Virginia. New Virginia dam safety regulations enacted in 2008 are expected to add 1,400 dams to the state's dam safety program due to potential hazards these dams present to downstream communities. As many as 50,000 individuals live in the dam break inundation zones of noncompliant dams in Virginia.

The cost to improve Virginia's dams to meet minimum safety standards could be as high as $220 million, with an additional $25 to $30 million needed for definitively mapping dam break inundation areas. With the new regulations and additional dams subject to regulation, these costs could double. The Virginia Division of Dam Safety currently does not have enough staff or funding to manage the existing regulated structures; and the additional requirements of the 2008 regulations have only exacerbated this problem. Mandated life-safety improvements will require significant funding and more trained staff to effectively implement the state's dam safety program.

DRINKING WATER – As of 2009, there are 2,944 regulated public water supply systems serving more than seven million Virginians. USEPA's 2007 Drinking Water Needs Survey identified a need of $6.1 billion to maintain these systems over the next 20 years. Ninety-six percent of this need is related to replacement of transmission, storage and distribution components by 2030.

880 Safe Drinking Water Act violations were issued in Virginia in 2007. Of those violations, 430 were related to exceedances of maximum contaminant levels; affecting the drinking water of more than 900,000 Virginians. Considering the growing strains of population growth and emerging contaminants, sustained investments to improve the resiliency and efficiency of Virginia's waterworks is essential to protect public health and well being.

This $6.1-billion requirement will be funded primarily by water users, through increased billing rates and user fees. The average billing rate in Virginia has already risen by 40 percent since 1999, including a 4.2 percent increase in 2008. Over the next 20 years, water rates will need to increase by 80 percent to maintain current levels of service.

ENERGY – Virginia's rising energy demand follows national trends. Generating capacity grew by 470 megawatts (MW) per year or 2.5 percent during the 1990s. From 2000 to 2007, capacity grew by 295 MW per year or 1.3 percent. At this rate, Virginia will need 2,950 MW of new capacity by 2017 just to keep up with increases in demand. Currently over 93 percent of Virginia's electrical energy is produced by coal and nuclear sources.

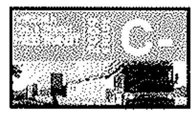
Increasing global concerns about the impact of coal use is expected to significantly impact Virginia's ability to meet energy demands. Investment in providing alternative energy sources to consumers is critical to sustaining Virginia's future demands. With 80 percent of our electricity generated in-state, loss of in-state generating capacity will require significant transmission grid improvements to enable cost-effective delivery to consumers. Funding of these alternative sources and grid improvements is projected to increase electrical rates by 5 to 7 percent annually, representing a 50 to 70 percent increase in electrical power rates over the next 10 years.

PARKS AND RECREATION – Virginia has made sustained long-term commitments to preserving and promoting public access and stewardship of our natural, cultural and scenic resources. This responsibility grows more critical each year as population growth, land development and habitat changes affect our natural resources and the state's recreation and tourism economy.

In 2005, Virginia's national parks brought in 14 million visitors and $263 million in annual spending, providing 6,100 jobs statewide. Virginia's 1.6-million acres of national forests drew another 1.37 million visitors. Attendance at Virginia state parks exceeded 7 million people; 40 percent of these visitors came from out of state and generated $157 million for the state's tourism industry, this is the principal economic engine of many rural communities near these recreational areas. Based on current levels of visitors, the Virginia Department of Conservation and Recreation projects 12,000 additional acres of parkland will be needed by 2010 to meet the high demand for public access. Sustaining this stewardship and relationship with the land is a continuing challenge for Virginia.

PORTS AND NAVIGABLE WATERWAYS – In 2006, Virginia economic activity produced or facilitated by port operations exceeded $41.1 billion, including in-state employee compensation of $13.5 billion to 343,000 employees. In turn, this generated state and local sales, income and property taxes amounting to more than $1.2 billion.

Virginia enjoys significant competitive and economic advantages as a major transportation hub of the Mid Atlantic region due to our geographic location, multi-modal capabilities and extensive network of navigable waterways. This advantage is threatened by increasing roadway congestion and a lack of funds for necessary rail, road and inland navigation improvements. Ports remain relatively well capitalized as they are primarily self-sustaining, however security and infrastructure upgrades are projected to create a $400-million funding shortfall over the next 15 years. In order for port facilities to grow with increasing global demand, which is projected to outpace current capacity by 2020, the supporting road and rail network must be adequately funded to sustain this vital sector of Virginia's economy.



RAIL AND TRANSIT – Twelve freight and two passenger railroads operate over 3,400 miles of railway in Virginia. Over the next two decades, the Virginia Department of Rail and Public Transport expects freight rail traffic to double. Currently, over 178 million tons of freight is moved by rail in Virginia, and the recently completed Heartland Rail Corridor project will significantly increase this volume.

Coupling this with an increase of 20 percent in public transit ridership, or 30 million additional bus, rail and subway trips between 2002 and 2006, growth in mass transit operations within Virginia is significantly above the national rate of 4 percent. Average per trip operating cost in Virginia is also 15 percent less than the national average, representing better transit operating efficiencies. Rail and transit have significant benefits as they replace vehicles miles traveled, reduce congestion, reduce greenhouse gases, promote urban land use, save and reduce foreign dependency on fuel. They also are a key part of the comprehensive solution of a multi-modal transportation system. The VTrans 2025 plan identifies a $30.7 billion funding shortfall for rail through 2025. In order to maintain system efficiency and safety a sustainable source of funding needs to be identified for new or expanded rail and transit services that maintain the vitality of Virginia's economy through effective multi modal transportation.

ROADS –Virginian's manage the 3rd largest road system in the country, with over 70,000 miles of roads. Currently over 30 percent of interstate and primary road lane miles are providing deficient levels of service. This is projected to grow to 79 percent by 2025, with 96 percent of our urban interstates failing to meet standards by 2025, representing a $74 billion backlog of maintenance needs.

In 2009, Virginia diverted $400 million in annual new construction funds to address these maintenance needs. Following this trend all matching federal highway new construction funds will end in 2014, and by 2018 maintenance activity will consume all state road funding. Currently, trucking delays due to inadequate roads in Virginia have a $100 million annual cost. Commuter delays in northern Virginia average 38 hours annually, while delays in the Hampton Roads region are rated as the 2nd worst in the nation for recreational travelers. Adequate levels of service from our roadways are vital to sustaining Virginia's economy; inefficient travel impinges on all components of business from tourism to heavy freight transfer; poor road conditions increase the cost of goods and services and negatively impact the environment. Sustained and increased investment in Virginia's road network is an economic imperative that can no longer be ignored.

SCHOOLS –A Virginia General Assembly commission in 2005 noted local government had programmed $4.76 billion in K-12 school construction between 2003 and 2008, with $2.6 billion "unfunded and unmet" after 2008. Construction statistics show actual expenditures for new schools and renovations from 2003 to 2008 totaled $3.5 billion, indicating deferral of up to $1.2 billion, increasing this unmet requirement to $3.8 billion currently.

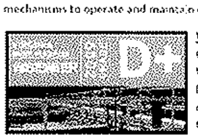
With 46 percent of Virginia's school facilities over 40 years old, over three quarters of Virginia's K-12 school districts cite prohibitive school repair costs as reasons for programming new school construction. School enrollments have also increased by 10 percent over the last decade, to over 1.2 million students in 2008 exacerbating this need. Bridging this gap with over 6,000 portable and temporary classrooms reduces the quality of public education in Virginia and is an unsustainable approach. Innovative public-private financing of school construction and effective low interest revolving loan programs have been helpful, however Virginia's localities are faced with a rising backlog of school maintenance and replacement needs backed by swelling student populations, making sustainable funding of our K-12 schools critical to maintaining Virginia's competitive edge in today's global marketplace.

SOLID WASTE – In 2008, there were 197 waste management facilities operating in Virginia, including composting sites, transfer stations, incinerators and landfills. In 2008, these facilities processed more than 22 million tons of waste. Approximately 15.4 million tons was generated within Virginia and 6.6 million tons was imported from out of state, ranking the state as the second largest importer of refuse in the country.

Based on current landfill rates, Virginia's existing solid waste landfills will be at capacity within 20 years. Closure costs for these facilities alone are expected to exceed $175,000 per acre, with replacement landfill construction costs projected at $750,000 per acre. To sustain this loss in capacity, landfill replacement cost will likely drive disposal fees from a statewide average of $40 per ton to more than $80 per ton within the next 20 years. At current instate generation rates, this equates to an increase of more than $600 million in annual waste disposal costs for Virginians. Clearly more cost effective and sustainable means of waste management are needed to conserve Virginia's limited fiscal resources.

STORMWATER – Stormwater drains from Virginia's urban areas via a $20-billion network of ditches, pipes, culverts and treatment ponds, prior to being released to natural waterways. This water collects a multitude of pollutants which significantly impact the environment, particularly the Chesapeake Bay, a vital regional economic resource. This non-point pollution affects all Virginians, impacting recreational and commercial fishing, increasing water treatment costs and closing swimming areas.

Localities are faced with severely inadequate funding to maintain and improve stormwater conveyance and treatment facilities. With 34 percent of stormwater systems in the state more than 50 years of age and 29 percent between 25 and 50 years of age, the cost to maintain and replace existing systems that are reaching the end of their design life exceeds current funding. These existing systems are projected to require an ongoing annual investment of $200 million to simply maintain current functionality, yet localities are only investing 25 percent of this amount to correct deficiencies. Recent water quality mandates focused on more intensive water quality and runoff volume controls are projected to increase this annual operations and maintenance cost. In order to address these economic limitations, we must manage our watersheds more effectively and implement sustainable funding mechanisms to operate and maintain our stormwater infrastructure.



WASTEWATER – There are an estimated 746 municipal wastewater treatment facilities serving more than two million households in Virginia. Wastewater discharged from sewage treatment plants (STP) is the second largest source of nitrogen pollution in the Chesapeake Bay, significantly contributing to the bay's 150-mile "dead zone" that stretches from Baltimore to the York River.

Of the 81 STPs discharging more than 0.5 million gallons per day in Virginia, 59 facilities were ranked as unsatisfactory based on total nitrogen discharge concentration in 2008. By 2020, an estimated 45 percent of water and sewer pipes in Virginia will require major renovation or replacement. Improvements to these systems will be funded by increases in sewerage rates. Average rates increased by 9.5 percent from 2007-2008, and there has been a 65 percent increase in average rates since 1999. The 2004 EPA Clean Water Needs Survey Report identified Virginia had a $4.4-billion need for wastewater infrastructure in 2004; a 20 percent increase from the 2000 report, the 2008 report is currently being finalized. Aging infrastructure, mandates for greater nutrient reductions, burgeoning growth demands and construction cost increases are expected to drive this unfunded requirement above $5.0 billion in 2009.

NVTC
Northern Virginia Transportation Commission

Notes on National Transportation Policy

Selected Ideas from the Miller Center's Conference
September 9-11, 2009

DRAFT: October 9, 2009
Rick Taube

This is a draft staff paper and has not been reviewed or approved by NVTC's Board.

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Introduction

National transportation policy is a complex and timely subject with Congress missing the September 30, 2009 deadline to enact a successor to SAFETEA-LU (a six-year reauthorization of surface transportation programs). Many groups have stepped forward to propose substantial reforms of those policies and programs (see reference section below).

This paper reflects essential points raised by a group of invited experts at a conference convened at the Miller Center in Charlottesville, Virginia on September 9-11, 2009. The purpose of the conference was to provide material for the Miller Center leadership and staff to create a set of policy recommendations to shape action by Congress.

The material below reflects observations made at the conference as interpreted by NVTC's Executive Director who was one of the invited participants. The purpose of providing this summary is to emphasize some key points raised at the conference that are relevant to NVTC's Board as it crafts its federal legislative agenda for 2010. Additional observations not discussed at the conference are also included and will be shared with the Miller Center staff for its consideration as it drafts the conference report. Not all of the observations below would be agreeable to all (or even a majority) of the participants but they are included here for their particular relevance to the issues of greatest concern to NVTC.

Former Virginia Governor Gerald Baliles, currently Director of the Miller Center of Public Affairs at the University of Virginia, convened the conference. To paraphrase his remarks: Entitled *Beyond Stimulus: Toward a New Transportation Agenda For America*, the conference brought together approximately 75 invited participants representing a wide array of transportation interests for sessions that examined issues critical to how we plan for and develop our national transportation system. The group included bipartisan representation from political, academic, commercial, financial, labor and environmental interests. Under the leadership of Conference Co-Chairs and former Secretaries of Transportation Norman Y. Mineta and Samuel K. Skinner, the conference sought to build on the work of previous commissions and studies and incorporate new solutions from the assembled group of recognized transportation experts in the Miller Center's final recommendations to policy makers. The final report is expected to be completed by early 2010.

National Transportation Policy is a Complex Organism

A policy is defined as a guide for choice – a method for choosing between competing ways to pursue goals. U.S. transportation policies are set by many policymakers at many levels of government and within many agencies. There is a statement of national intermodal transportation policy in the U.S. Code at Title 49, Subtitle III, Chapter 55, Subchapter I, Section 5501.

TITLE 49 > SUBTITLE III > CHAPTER 55 > SUBCHAPTER I > § 5501

§ 5501. National Intermodal Transportation System policy

(a) **General.—** It is the policy of the United States Government to develop a National Intermodal Transportation System that is economically efficient and environmentally sound, provides the foundation for the United States to compete in the global economy, and will move individuals and property in an energy efficient way.

(b) **System Characteristics.—**

(1) The National Intermodal Transportation System shall consist of all forms of transportation in a unified, interconnected manner, including the transportation systems of the future, to reduce energy consumption and air pollution while promoting economic development and supporting the United States' preeminent position in international commerce.

(2) The National Intermodal Transportation System shall include a National Highway System consisting of the Dwight D. Eisenhower System of Interstate and Defense Highways and those principal arterial roads that are essential for interstate and regional commerce and travel, national defense, intermodal transfer facilities, and international commerce and border crossings.

(3) The National Intermodal Transportation System shall include significant improvements in public transportation necessary to achieve national goals for improved air quality, energy conservation, international competitiveness, and mobility for elderly individuals, individuals with disabilities, and economically disadvantaged individuals in urban and rural areas of the United States.

(4) The National Intermodal Transportation System shall provide improved access to ports and airports, the Nation's link to commerce.

(5) The National Intermodal Transportation System shall give special emphasis to the contributions of the transportation sectors to increased productivity growth. Social benefits must be considered with particular attention to the external benefits of reduced air pollution, reduced traffic congestion, and other aspects of the quality of life in the United States.

(6) The National Intermodal Transportation System must be operated and maintained with insistent attention to the concepts of innovation, competition, energy efficiency, productivity, growth, and accountability. Practices that resulted in the lengthy and overly costly construction of the Dwight D. Eisenhower System of Interstate and Defense Highways must be confronted and stopped.

(7) The National Intermodal Transportation System shall be adapted to "intelligent vehicles", "magnetic levitation systems", and other new technologies, wherever feasible and economical, with benefit cost estimates given special emphasis on safety considerations and techniques for cost allocation.

(8) When appropriate, the National Intermodal Transportation System will be financed, as regards Government apportionments and reimbursements, by the Highway Trust Fund. Financial assistance will be provided to State and local governments and their instrumentalities to help carry out national goals related to mobility for elderly individuals, individuals with disabilities, and economically disadvantaged individuals.

(9) The National Intermodal Transportation System must be the centerpiece of a national investment commitment to create the new wealth of the United States for the 21st century.

(c) **Distribution and Policy.-** The Secretary of Transportation shall distribute copies of the policy in subsections (a) and (b) of this section to each employee of the Department of Transportation and ensure that the policy is posted in all offices of the Department.

But that statement of national policy is not the only example. In 1979 the National Transportation Policy Study Commission listed over a thousand U.S. distinct transportation policies defined by 60 federal agencies and 30 congressional committees.[1] New policies are defined as new issues emerge and are layered --without clearing the debris—on top of existing policies established in the past to cover different circumstances. Consequently, numerous gaps and conflicts are inevitable.

When the call is made for a "unified national transportation policy" one must recognize the wide scope of existing policies to be unified.

Transportation policy is influenced by an array of stakeholders, including carriers, employees, customers, lenders and investors, interest groups, suppliers of equipment and government agencies and officials at all levels. Through their channels of influence they interact with policymakers to produce policies. The policies, in turn, are implemented through various instruments, including government organizations (institutional architecture); regulations; program guidance; ownership and/or operation; funding, pricing and taxing; planning; and information.

Transportation policies are not directed solely toward the accomplishment of transportation goals such as efficient operation of transportation systems, elimination of traffic congestion and enhancing personal mobility and movement of freight. For example, various transportation policies define how to: improve air quality (vehicle emission standards); conserve energy (fuel efficiency standards); enhance safety (mandatory seatbelts, crashworthiness standards, truck driver hours of service and speed limits); address climate change; provide choices of travel modes; pursue income and housing equality; enhance public health; accomplish community connectivity; achieve equal rights (transit for persons with disabilities, Title VI).

Further, policies promulgated to meet goals set for the general economy, for domestic housing or environmental protection and for international relations impinge on the transportation sector. Examples include federal financial policies to encourage the use of transparent financial instruments and accurate disclosure of risks; antitrust regulations; and the negotiation of international air carrier access to domestic and foreign markets.

Many recent policy studies and recommendations have focused on the impending six-year authorization of federal surface transportation programs and have called for that bill to be the primary mechanism to accomplish fundamental policy reforms. But that bill covers only a portion of the federal transportation policy apparatus and primarily defines and authorizes funding for specific surface programs. In contrast to policies (guidelines for making choices), programs are specific means to achieve goals (desired ends) and objectives (measurable goals).

[1] The report was authored by NVTC's current Executive Director, who served as Director of Policy Development for NTPSC.

The point is that refocusing U.S. transportation policy should not be confined solely to ensuring surface transportation infrastructure is built and maintained with sustainable funding sources.

The federal interest covers more than just infrastructure investments. For example, caps on liability for third parties could help commuter rail systems operating on freight railroads. Incentives for research may be needed.

Federal policy should set guidelines for refereeing competing interests, especially when the federal government itself is directly involved. For example, unionized air traffic controllers are said to be resisting the next generation air traffic control system. Also, metropolitan areas charged with developing evacuation plans are foiled when federal defense protection agencies assert their power to “do whatever is necessary at the time,” including shutting down evacuation routes approved by state and local authorities.

To summarize, when demands are made for a more unified and effective national transportation policy, the motivation may be: an effort to correct perceived problems with gaps and conflicts in existing policies; issues with the application of policies through the various instruments; or even disputes about the wisdom of the transportation (or broader national) goals and objectives to which the policies are addressed.

Defining and Selling the Message

As stated, transportation policy is complex and replete with vested interests. Accomplishing change would benefit from grass roots support which depends on a clear, understandable message. Whether it is cell phones or automobiles, the average person probably has a better understanding of individual devices than the underlying system that permits operation of the devices. Crafting a simple, direct message to mobilize energetic support for change of complex transportation systems is not an easy task.

The Interstate Highway system is cited as a model of success. It benefitted from decades of planning, a map, a cost to complete, a tie to national defense, a sustainable new funding source, a clear goal of national connectivity and a simple message about driving coast to coast without hitting a single traffic signal.

But the days of a “man on the moon” program are probably gone. We are left with mature systems requiring fine tuning rather than pushing into uncharted waters. We have been living off of past investments that now require rehabilitation, which is not as exciting as pioneering efforts that forge across virgin territory.

In the current environment the best hope for generating an emotional response that creates grass roots support is to emphasize job creation and access, and safety and security. Images of failing infrastructure (2007 I-35 W Bridge in Minneapolis) and accidents dues to aging equipment and systems (June, 2009 WMATA Metrorail accident) may evoke a public understanding of urgency. Willingness to conserve fuel and pay higher gas taxes may flow from an emphasis on the connections to hostile oil exporting nations.

Recognizing and addressing strong public fears, concerns and prejudices should be part of crafting a successful message. What guarantees exist that public funds will be spent wisely, are sufficient to achieve the intended results and will not be diverted? What specific benefits will result? Are there any short-term results that can demonstrate significant progress? Are there any real-world examples of success to which to point?

Beyond convincing the general public of the wisdom of policy change, strategies must be defined for accomplishing the desired changes in the policymaking arena. This means working with stakeholders to influence Congress and/or agencies. Among the possible elements of such a "getting to yes" strategy that have worked in the past to get over difficult public policy hurdles are: hold harmless; broaden eligibility; temporary measures and demonstrations; special studies and Blue Ribbon panels; phasing in; flexibility of projects; packaging; and quid pro quo.

Trends and Challenges

National transportation policy should respond to trends and anticipate changes in order to remain relevant and effective. Some of the big forces that are likely to shape U.S. transportation now and in the future are:

- Given current economic malaise, job access and creation is of paramount concern and financial regulation is more acceptable

- The transportation network is more mature necessitating more carefully targeted investments to yield strong returns

- The focus of markets is shifting to the Far East (China) specifically and to globalization generally

- U.S. workers are more likely to work to live rather than live to work

- Widespread distrust of government feeds unwillingness to pay more taxes, even for needed transportation improvements

- Among younger generations social networking puts a premium on real-time information and counteracts fears of loss of privacy among older generations

- Internet shopping illustrates “the long tail” concept of permitting individuals to have access to choice; this carries over to an expectation that mode choice should be available

- Freight traffic is expected to double by 2035

- Senior population should also double by 2035

- Technology has boosted U.S. productivity generally and transportation policy must embrace its development and implementation

- Climate change may force dramatic measures to control VMT and accelerate Smart Growth measures (mixed use, walkable, sustainable communities)

- In contrast to decades of suburbanization, many believe that livable communities provide safe and reliable transportation choices; promote location and energy-efficient housing choices to increase mobility and reduce combined housing/transportation costs; enhance economic competitiveness; and support public health and improved quality of life

- Past transportation investments are deteriorating and needs for expansion into new markets are growing

- Declining VMT, reduced fuel consumption and serious recession have decimated traditional sources of funding at all levels of government, spotlighting the absolute necessity of indentifying sustainable new sources of revenue

General Consensus on the Need to Revise National Transportation Policy

Among the many groups that have published recommendations for a new national transportation policy, several key concepts appear to have widespread support:

- Fundamental reform is required now, not simple reauthorization of existing federal policies and programs

- Fewer program categories

- Streamlined project review

- Refocus on national objectives

- Performance based

- Outcome driven
- Tolling and pricing encouraged for revenue and demand management
- Enlist private capital
- Multimodal approach stressing intermodal connections
- Existing gas tax can't maintain current system or expand needed investments
- More revenue needed based at least partially on user fees
- Sustainable funding
- Added capacity at critical links
- Operate existing facilities efficiently
- Manage demand
- Preservation
- Fix fragmented project planning

Recommended Approach

In light of the widely shared views of what is needed, the following approach has merit:

1. Define policies for a national interest system of investments and regulations (including a national strategic freight plan) with links to other sectors (economy, safety/security, climate change);

2. Tie sustainable funding and accurate transportation market pricing to #1, including a federal capital budget;

3. Define objectives and identify performance measures with real data while requiring transparency and accountability in exchange for flexibility;

4. Craft the resulting policy changes into the six-year transportation authorization bill and related bills (airport trust fund reauthorization, etc.) and coordinate with agencies' policy pronouncements throughout the federal level to redress policy gaps and conflicts;

5. Pursue a relentless campaign to find allies, motivate the public and overcome the current toxic congressional system to enact the coordinated policy changes.

While many may favor the above approach, agreement on the content of the policies is not simple, as illustrated in the following sections. There are many “on the one hand and on the other hand” illustrations which lack clear cut consensus policy solutions.

Institutional Architecture

In order to structure federal, state and regional governments to efficiently deliver new programs consistent with a revised federal transportation policy, institutional changes such as these may be required.

A permanent, independent federal commission to prioritize investments via program areas (not projects), or to develop a national strategic transportation plan, could be substituted for the 30 or so congressional committees that now decide transportation policy and programs via earmarks and “what’s in it for my state?”

DOT should be reorganized into market-based divisions (city, regional, national, international) to eliminate the silos that funnel money to states without regard for other national goals. Reduce over 100 DOT funding programs to about 10.

Greater emphasis is needed on coordination among federal departments (HUD, H&HS, EPA, DOE, etc.) to achieve broad federal goals. Federal funds could be used as carrots/sticks to pursue these goals (including stimulus of economy).

MPO boundaries could be redrawn to reflect economic spheres of interest rather than strictly population and population density.

Defining the Appropriate Federal Role to Deliver Effective National Policy

The federal government can collect some revenues more efficiently than state, regional or local entities. Should it try to return funds in direct proportion to where they were collected (e.g. federal equity bonus) or direct the funds to pursue a national interest? And if the funds are directed, should they be for specific projects or more general programs?

Certainly federal investment funds for states/regions/locals currently are heavily prescribed programmatically.

Transmitting those revenues to state DOT’s risks underinvestment in metropolitan areas. But sharing directly with MPO’s risks short-circuiting the existing state political processes and some MPO’s are not yet equipped to make unbiased multimodal investment decisions.

If the federal government attaches detailed strings to the funds it passes along it interferes with local objectives. And, the temptation exists to attach strings to the way states/regions/local entities perform their own services, whether or not they receive federal funds (e.g. unfunded mandates such as transit service for persons with disabilities, positive train control, BRAC).

Is there a justifiable federal interest in every project? Are effective truck and rail movements out of waterports more important nationally than bike lanes? Is every rural bridge worthy of federal funding?

Currently congressional score keeping hurts long-term investment by counting expenditures in the first year while benefits extend over many years.
On the other hand, it is relatively easy to get bi-partisan support in Congress for investments in transportation facilities.

On balance, given the scarcity of available resources the federal level of involvement must inevitably become more focused. With the great majority of economic activity now generated in metropolitan areas, the practice of providing most federal funds to states should also be modified to tilt more toward MPO's.

Performance Objectives/Measures

In general it seems to be wise policy to define program objectives and insist that progress be measured. However, the choice of targets, unless very thoughtfully structured, may violate mode neutrality (e.g. measuring VMT favors highways, passenger miles favor long-distance transit such as commuter rail, passenger trips favor short distance transit such as subways/light rail, passenger fatalities favor rural highways).

Few existing federal programs are focused on outcomes, with the exception of CMAQ that emphasizes air quality improvements in areas of greater need.

In adopting federal programs, currently Congress will weigh a measure such as "construction jobs per congressional district," which is not likely to reflect the greater good.

Since ISTEA in 1991, the U.S. spent $600 billion on surface transportation and no one has carefully measured progress toward national goals that matter (congestion, safety, freight movement, air quality).

Properly measuring performance can help to settle conflicts among advocates of various modes. Opponents of public transit insist that transit has only a two percent national mode share and therefore should not receive the much larger share of public investments that mode now enjoys. This fails to recognize that where access to transit actually exists, especially during peak travel hours in the most congested corridors, transit and other alternatives to the single-occupant auto are much higher. For example, close to half of person trips in many Northern Virginia peak period corridors are made by transit and ridesharing which regional policymakers believe justifies decisions to program about half of capital and operating funds for transit and ridesharing.

Pricing

Value or congestion pricing alone is not a silver bullet, although certainly more is needed. The proper target of public policy is to seek to minimize the costs of congestion plus the costs of preventing congestion. HOT lanes my reduce congestion on mainlines but shift congestion to access and egress points due to failure of FHWA's Interchange Justification Reports to require examination of impacts on local streets and interactions of various interchanges. Eliminating all congestion is too costly (e.g. in Manhattan).

Both Transportation System Management (supply side improvements such as lane monitors and digital signs) as well as Transportation Demand Management (e.g. telework, flexible work hours) are needed in a market-based strategy.

If transportation markets aren't properly priced, how can anyone know what the true needs are for more investments? Congestion (excess demand) is often reflective of too low a price to clear the market. Vehicle Miles Traveled (VMT) fees need to be tailored to work best (e.g. based on gross vehicle weight for trucks) and reinforced (e.g. with auto insurance rates that vary with VMT). Currently, many people aren't necessarily responding effectively to congestion through indirect price signals (e.g. the value of time). Will they respond any better to direct prices? Pricing is very unpopular with the public, as many feel they are being asked to pay twice for the use of roads.

As a prelude to VMT taxes, consider providing "practice prices." Either via in-car devices or via external digital message signs, show what the trip would cost if it were properly priced and how the driver could travel differently to reduce the price (different route, different time, different mode).

A political mechanism will be needed to adjust VMT fees. Gas tax increases have stalled politically and the VMT adjustment mechanism must be more affective.

In response to VMT fees, some people may disconnect devices, require search warrants, etc. Given intense opposition to taxes and user fees, picking low hanging fruit might suggest in the interim more value capture from developers.

Intermodalism/Multimodalism/Mode Neutrality

As described above, U.S. DOT has a statutory policy requiring intermodalism (see title 49, Section 5501). Despite that policy, the structure of modal administrations, statutes, programs and congressional committees are all diverse and focused on single modes. According to Jeff Shane (former U.S. DOT under secretary for policy), creating a separate DOT administrator for intermodalism is like Ben & Jerry's creating a VP for deliciousness; the policy already dictates that intermodalism should permeate the U.S. DOT mission. Nonetheless, federal policy currently overtly subsidizes certain modes in varying circumstances (e.g. essential air service routes, U.S. flag water carriers).

We need better programs and processes, not only new policies. For example, Major Investment Studies are no longer required (an assessment of modal alternatives) and totally different investment criteria are required to evaluate new highways, transit, and high-speed rail. There are modal/cultural imbalances at many state DOT's so devolution may not be an effective strategy. Competition for open-ended TIGER and other stimulus grants seems to boost multimodalism but pits every region of the country against the others, versus formula-driven funding allocations that predetermine geographic distribution.

Intermodalism emphasizes connections and integration for a whole greater than the sum of its parts. Multimodalism emphasizes unbiased choices of modes. The option value of choices of modes generates consumer surplus, and a lack of choices smacks of social engineering.

A good model of effective policy is the Canadian Gateway, a partnership of various levels of government, railroads, ports and distribution firms, who have joined together to compete more effectively against the U.S. In the U.S., the CSXT Heartland Corridor offers federal, state and private partnerships for freight rail and ports. Also, corridor coalitions (e.g. Northeast) emphasize multiple modes, including improvements for passengers and freight to boost the regional economy.

Engineering of highway interchanges separates trip types for greater throughput (e.g. through versus local). The same approach should be used in managing the network of networks that comprise our transportation system (e.g. sort into interstate, intercity, rural, urban, international markets and facilitate the choice of appropriate modes in gateways).

Funds that are not tied to a particular mode facilitate wiser choices (e.g. an energy fee on all modes).

The new emphasis on high-speed rail has not been justified and drains resources from other modes.

Current federal policy retains modal bias. Funds are available for highway maintenance but generally not for transit operations in the largest urbanized areas. The federal government regulates all areas of safety but provides FAA air traffic control with no external oversight. General aviation is subsidized much more than major airlines.

Currently about 18% of SAFETEA-LU funds can be flexed among modes. That share could be boosted substantially.

Airports have become transportation hubs for entire regions. They generate revenue from selling parking and rental cars. They are often served by rail transit and surrounded by intense development. Yet, reauthorization of federal airport programs has been delayed for years and policies are determined by separate congressional committees and bills than so-called “surface transportation modes.”

Revenues/Funding/Financing

Without specifying stable, reliable, sustainable sources of funding, national transportation policy will be doomed to ineffectiveness.

Because many benefits of federal transportation investments accrue far into the future, federal policies should facilitate borrowing. About 60% of airport projects are bonded but most are subject to the Alternative Minimum Tax. The stimulus bill exempted such bonds from AMT and could result in even more bonding.

Since benefits of federal transportation investments accrue through time, a National Infrastructure Bank could be established and benefit/cost analyses and multiple funding partners could be required. State Infrastructure Banks could be recapitalized with federal funds. States/regions/locals could be required to leverage federal grants with rewards for over-matching.

New federal lending programs often bog down with complex regulations (e.g. TIFIA, FRA rail loans.)

Assessing fees on purchases of autos allows buyers to roll the costs into their loans. It becomes affordable and invisible.

In addition to encouraging greater use of borrowing for long-term capital improvements, realistically any new program must come with the caveat: Taxes must be raised to pay for this.

A variable oil security fee could be adjusted to maintain a minimum retail price of motor fuel of $3.50 per gallon.

User fees could be devoted to maintenance and funds for new infrastructure could come from general revenues, special tax districts, proffers, special sales taxes, etc. to capture the broad beneficiaries.

Eliminating misallocations could free some existing funds (e.g. focus on major structurally deficient bridges rather than those that are merely functionally obsolete, eliminate congressional earmarks).

Gas tax rates could be indexed to construction prices enough to offset reduced VMT and increased fuel efficiency. Revenue targets could be set (if not met, rates could be increased further assuming motor fuel consumption is inelastic.)

Avoid ticket taxes on modes producing net benefits greater than current fares.

Allow tolling/congestion pricing on federal-aid highways but require proceeds to be dedicated to transportation improvements in the specific corridors in which the user fees are collected.

Consider federal formula aid for existing systems and offer competitive discretionary grants for new investments.

For new investments, government recipients of federal funding could be required to capture the value created by the funded projects to apply to maintenance of the assets. In the past USDOT required WMATA's jurisdictions to enact "stable and reliable" sources of operating funding in exchange for continuing federal construction grants. Currently, state and local governments receive increments of general revenues (e.g. sales and property taxes) induced by such investments: Federal policy could require that these be restricted to use for transportation.

Conclusion

To recap the essential lessons describe above, transportation policies are created by a myriad of congressional committees and federal agencies, resulting in gaps and conflicts that can't be remedied by focusing solely on transportation infrastructure via surface transportation authorization bills.

Transportation policy does not exist in a vacuum: it influences and is influenced by policies designed to meet a broad spectrum of other national goals and objectives. So a unified transportation policy must be coordinated with policies addressing climate change, fair housing, energy conservation, national security and economic vitality, among others.

Among the most important trends to recognize in revised transportation policy are technology-driven access to information and social changes pushing us toward mixed use, walkable and sustainable communities.

Most agree on desirable qualities of national transportation policy, including fewer program categories, increased use of market prices and reorganizing USDOT into market-oriented divisions (e.g. urban, intercity, rural, international). Most also agree on the outline of an approach that defines more precisely the national interest, establishes sustainable funding sources and measures outcomes. Further, there is no dispute about the difficulty of achieving fundamental policy reforms in the current weak economy and partisan political environment.

But ultimately difficult choices must be made, including whether to replace states with MPO's as principal recipients of federal funds, whether to cut back on federal mandates, how to convince the public that market pricing is needed in transportation (for enhanced revenue as well as to manage congestion and establish accurate levels of required investments) and how to even the playing field among modes while stressing the need for connectivity.

Finally, how can the federal government carve out a sustainable stream of resources to fund the maintenance, rehabilitation and improvement of transportation systems needed to meet vital U.S. goals and objectives?

One hopes that the Miller Center's final report will serve to crystallize these points and help propel the U.S. toward the effective national transportation policy that so many stakeholders are demanding.

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The Washington Post

Transportation Policies Have Miles to Go and Not Much Time

By Roger K. Lewis
Saturday, October 3, 2009

"Darn -- delayed by yet another stimulus-funded road construction project." This thought, which recurs while I'm driving, provokes another: "Will all these widely dispersed road construction projects add up to something that improves mobility in the decades to come?"

If transportation planning and funding continue as in the past, the answer is: probably not.

A few projects -- such as the Intercounty Connector between Montgomery and Prince George's counties and Virginia's Dulles Corridor Metrorail Project -- represent new infrastructure investments, planned years ago, that could measurably improve and sustain long-term regional transportation efficiency.

But other projects, such as widening arterial roads, will increase capacity and relieve congestion only in the short term. And many stimulus-funded repaving projects seem to be little more than cosmetic tweaks.

So how timely that the University of Virginia's Miller Center of Public Affairs hosted a conference last month titled "Beyond Stimulus: Toward a New Transportation Agenda for America."

Many of the nation's top transportation experts converged on Charlottesville to wrestle with difficult questions such as: Is there a crisis? What are the most severe transportation problems, and what should be done to solve them? Which solutions are politically and economically feasible? And what should be the role and responsibilities of the federal government concerning transportation policy and projects?

If a crisis exists, and if transportation is so vital to the economy and so strongly affects energy consumption, carbon emissions and climate change, many also asked why transportation is not higher on the nation's political agenda.

Participants didn't mince words in citing deficiencies in transportation policy, planning and project development at all levels of government and concerning all modes of transportation.

-- There is no national transportation vision analogous to President Dwight D. Eisenhower's historic 1958 interstate highway program. Federal road and rail transportation policy seems fragmented and obsolete.

-- Surface transportation planning has not been adequately coordinated with land-use and zoning, housing, environmental, health and other public-sector planning efforts, much of which occurs at state and local levels.

-- Improving road, rail and transit safety needs more attention. Reportedly, treatment of injuries from car accidents costs $200 billion annually.

-- Intermodality -- one travel mode linking conveniently and efficiently to other modes -- is below par. Smooth, direct connections among airports, transit systems, road networks, railway terminals and ports is often lacking.

-- The gap between funding that's needed for essential transportation infrastructure and funding that's available is wide and growing wider. But, too often, taxpayers are unwilling to finance necessary transportation investments.

-- Not charging for roadway use -- "mispricing" -- guarantees traffic congestion. Most Americans feel that "freeways" and public streets are entitlements and oppose paying for the miles they drive. They also are unaware of how much each mile of roadway and driving costs.

Conference participants proposed several strategies.

Most of the nation's economic activity and population is concentrated in urban regions and will be more so in the future. Therefore, a new transportation agenda must focus on metropolitan, multi-modal initiatives.

Federal, state and local transportation planners must collaborate continually with planners concerned with land use, zoning, housing, health, energy and the environment to achieve smart-growth goals as well as improved mobility.

Vehicle-miles-traveled (VMT) fees seemed to be the preferred method for providing future transportation funding. The rationale is compelling.

With smaller cars powered by new technologies, gasoline consumption is destined to plummet, as is gasoline tax revenue, a primary funding source for building and maintaining roads.

Meanwhile, transponder technology, akin to E-ZPass, could record and charge for miles driven. Like the Intercounty Connector plan, charges could vary with time of day, vehicle type and location. Such systems are operational in some countries.

Conference participants believe that implementing VMT charges is unavoidable. They spoke about risks -- to the U.S. economy, global competitiveness, travel efficacy and safety, the environment and quality of life -- if a new, multi-modal transportation agenda, with new approaches to planning and pricing, is not adopted with urgency.

Roger K. Lewis is a practicing architect and a professor emeritus of architecture at the University of Maryland.

National Capital Region Transportation Planning Board

Fundamental changes are needed in the current structure and funding of federal surface transportation programs: current planning, programming, and environmental processes are overly cumbersome and inefficient, and inadequate funding levels are resulting in serious under-investment in transportation.

An explicit program focus is needed to put and keep the nation's transportation infrastructure in a state of good repair, and to ensure that it is operated efficiently and safely.

Decisions on investment in new transportation capacity should be based on a rigorous and comprehensive analysis of economic, social and environmental benefits and costs, which assesses all modal and intermodal options with uniform evaluation procedures and criteria.

Federal transportation policy should provide for increased federal funding focused on metropolitan congestion and other metropolitan transportation challenges, with stronger partnerships between federal, state, regional and local transportation officials.

A substantial increase in federal transportation funding will be needed to address the current under-investment in the nation's transportation system, and should be sought from:

- Increases in federal fuel taxes or other user-based taxes and fees;
- Pricing strategies enabled by emerging technology for all modes of travel, including rates that vary by time of day, type of vehicle, level of emissions, and specific infrastructure segments used;
- Inclusion of major transportation investments in legislation to create national infrastructure banks or bonding programs; and
- Auction of pollution emissions allowances.

Approved September 17, 2008

INNOVATION NEWSBRIEFS

CELEBRATING OUR 20TH YEAR OF PUBLICATION

September 17, 2009

RECONSIDERING THE CURRENT PARADIGM: NOTES FROM THE MILLER CENTER TRANSPORTATION CONFERENCE

Extending the existing federal surface transportation program no longer is a question of "whether" but rather "for how long." This much has been conceded by Rep. James Oberstar (D-MN), chairman of the House Transportation and Infrastructure Committee. A spokesman for Mr. Oberstar has confirmed that passage of the bill by the full Congress before the current program authority expires at the end of September is "unrealistic given the position the Senate and the White House are holding" ("Highway Bill Passage This Fall Is Unlikely," The Wall Street Journal, September 11, 2009).

Speculation has turned now to the expected length of the extension. Estimates obtained from an informal poll we conducted among fellow journalists and professional colleagues at a September 14 "Newsmaker Media Briefing" at the National Press Club, range from a period as short as six months to as long as 15 months. The former estimate would shift the deadline to March 2010, a period presumably of a still weak economy and continued reluctance to raise taxes of any kind. A program extension of 12 months or longer might offer the prospect of an improved economy - a condition that both Congress and the Administration consider as essential to a possible increase in the gasoline tax. But lengthening the extension beyond 12 months might make enactment of a gas tax politically more difficult. A full 18-month extension, as proposed by the Senate and the Administration (and expected to be voted on by the full Senate very shortly) would expire a mere three months after the start of a new Congress. With new faces and the possibility of a political realignment in Congress, the extention could easily morph into a two-year or longer delay.

Whatever the length of the extension the House and Senate leaders should compromise on, work on the bill will probably begin without delay. Congress and the Administration will search for ways to fund a multi-year program without adding to the already sky-high budget deficit. They also will look for fresh ideas on how to restructure the transportation program in ways that better satisfy the diverse constituencies, resolve current disagreements and engender bicameral support. The Senate Environment and Public Works (EPW) Committee may be expected to take a more substantive role in shaping the new legislation, and the Senate Commerce Committee is likely to emerge as a more prominent player because of the new bill's likely increased emphasis on high speed passenger rail, freight, and multimodal transportation. The White House will almost surely want also to weigh in with its own policy proposals.

Fortunately, the process of legislative development does not have to proceed in a vacuum. Over the past three years an impressive body of analysis focused on reforming the nation's surface transportation system has emerged. Major contributions to the policy debate have been made by two congressionally-mandated commissions - the National Surface Transportation Policy and Revenue Commission (Transportation for Tomorrow), and the National Surface Transportation Infrastructure Financing Commission (Paying Our Way). Also making significant contributions have been the reports of the Bipartisan Policy Center's National Transportation Policy Project (Performance Driven: A New Vision for U.S. Transportation Policy) and The Brookings Institution (A Bridge to Somewhere). Other active participants in the policy dialogue have been industry and advocacy groups and think tanks, notably ARTBA (the "Critical Commerce Corridors" initiative), AASHTO (The Bottom Line Report), the

Transportation for America Campaign (The Route to Reform), the National Academy of Public Administration (Financing Transportation in the 21st Century: An Intergovernmental Perspective), and the Urban Land Institute (Infrastructure 2009). The National Chamber of Commerce, the American Trucking Association, the International Bridge, Tunnel and Turnpike Association (IBTTA) and the Coalition for America's Gateways and Trade Corridors have all enriched the debate through position papers. Another significant contribution has been the 2008 report prepared by former Secretary Mary E. Peters and her transportation policy team, Refocus. Reform. Renew. Interested readers will find all of the above-mentioned efforts discussed in the pages of past issues of Innovation NewsBriefs.

The Miller Center's Initiative: "Beyond Stimulus: Toward a New Transportation Agenda for America"

A welcome new addition to the policy dialogue is the inquiry launched by the Miller Center of Public Affairs at the University of Virginia (first mentioned in our NewsBrief of September 3). Its aim, in the words of its organizers, is to develop "an informed, forward-looking, credible agenda to guide the legislative process." To this end, the Center, whose director is former Governor of Virginia Gerald L. Baliles, convened the "David R. Goode National Transportation Policy Conference", named for the former Norfolk Southern chairman and the conference's principal benefactor. Co-chaired by former Secretaries of Transportation Norman Y. Mineta and Samuel K. Skinner, and directed by Jeff Shane, former U.S. DOT Undersecretary for Policy and currently partner in the law firm Hogan & Hartson, the Conference brought together a stellar group of transportation professionals for two days of intensive and animated discussions at the Center's Charlottesville facility.

In launching the inquiry, the Miller Center has wisely chosen to build upon past efforts. To this end, the introductory session of the conference on September 9 featured a review of the current state of thinking as represented by four key reports: those of the already mentioned congressionally-mandated commissions, the Bipartisan Policy Center and The Brooking Institution. At the risk of oversimplifying this truly impressive body of analysis, one could summarize the studies as coming to the following shared consensus:

Simply reauthorizing the existing program is not a solution. Rather, there is a need to bring new approaches and fresh thinking to the table. The new bill must articulate a compelling new vision and the nation's transportation policy and program must be fundamentally "reformed", "reinvented" or "transformed." Individual program categories must be reduced in number, consolidated and refocused to reflect more closely national objectives. The future program must be performance-based and outcome- or results-driven. State and local transportation agencies must be held accountable for demonstrable progress toward achieving clearly defined goals. Tolling and pricing should be encouraged as potentially valuable sources of revenue and, more importantly, as effective tools for managing travel demand. Private capital can play an important role in infrastructure renewal but private investment and public-private partnerships are not a substitute for public capital. The project review and approval process must be streamlined with a goal of getting projects completed in far less time than has been the case to date. Congress must elevate freight transportation to a new national priority and establish a national freight program, perhaps with its own dedicated source of funding.

The fuel tax will remain the principal source of income to the Highway Trust Fund for many years to come but the tax revenue currently collected is not sufficient to maintain existing infrastructure, let alone provide the funds needed to expand and modernize the transportation system. Increased vehicle fuel economy standards and a possible leveling of future travel demand is likely to lead to steadily declining receipts from fuel taxes. Hence, the gas tax needs to be supplemented, and eventually replaced, with a more sustainable source of revenue that relies on direct user charges. In other words, the days of the fuel tax are numbered - but not just yet.

If these concepts and ideas make so much sense, how come they have not been promoted more aggressively in the past? This is how Jeff Shane, moderator of the introductory session, challenged the assembled audience which included more than a few former senior federal transportation officials.

One possible explanation came from former U.S. Senator from the State of Washington, Slade Gorton. In the final analysis, all politics is local and transportation politics is no exception, he told the audience in an after-dinner talk. When confronted with unfamiliar and untested ideas, the elected officials' first reaction is to turn to their state officials and ask how this is going to affect their own state. "Will we be better off or worse off under this plan?" they will want to know. Many new initiatives fail to gain traction, concluded the Senator, because the proposed reform does not appear beneficial to local decisionmakers.

What follows are some observations about the remaining sessions of the conference. We wish to stress that this is not a report of the conference, strictly speaking. The task of distilling and synthesizing the essence of the three days' discussion lies in the capable hands of the Miller Center and the Conference Director. Ours are more in the nature of personal impressions and reflections stimulated by the discussion in the formal sessions, and by the no-less-valuable informal interaction with participants outside the conference sessions. The fact that we have singled out certain issues for comment does not mean that we deem other issues on the Conference agenda - such as freight, urban congestion and intermodality- any less important. We simply chose to limit ourselves, for purposes of emphasis and our self-imposed policy of brevity, to a discrete number of issues which, in our judgment, still lack a consensus.

Funding

"Funding is the key," announced Secretary Mineta in his introductory remarks, a sentiment that was echoed widely by the participants. The conference accepted as a given the growing inadequacy of the present fuel tax-based revenue system and the need for a more sustainable revenue source. A substantial majority agreed that transportation funding should be governed by the "user-pay" principle. "There has to be a paradigm shift," said Jeff Shane. People are used to getting bills for using many aspects of our infrastructure, he observed, but for some reason not for roads. And yet roads, too, can be viewed as a kind of public utility. A user fee in the form of a VMT (vehicle miles of travel) fee is probably the proper goal to aim for in the long term, conference participants agreed, but the difficulties- operational and political- of implementing a user-fee revenue system at the national level should not be underestimated. What is more, a VMT fee-based system is not without its own political baggage. While it would not suffer the threat of a steep decline in revenue like the current gas tax-based system, it would still be subject to the vagaries of the political process in setting and revising fee levels.

Gas Tax Increase vs. General Revenue

Within the time frame of the next two or three legislative authorization cycles, the principal means of funding the "infrastructure deficit" will be higher fuel taxes and general revenue. The prospect of a major increase in the gas tax (say, on the order of ten cents per gallon or more) met with considerable pessimism among many participants. According to some of them, the possibility of a variable oil security charge, with its proposed price "floor" of $3.50 per gallon on gasoline (i.e. a government-imposed variable tax to bring the price of gasoline up to $3.50), could make gas tax hikes problematical even after the economy has recovered. While such a fee might appear conjectural today, the very prospect that a charge of this kind could be enacted at some future date, could act as a strong deterrent to voting for a gas tax increase, it was argued.

Because of the potential difficulties facing a substantial increase in the fuel tax, the possibility of supplementing the Highway Trust Fund (HTF) with general revenue has taken on new significance. The proportion of general revenue in total surface transportation funding is likely to grow, according to some observers. Recent congressional action - using general funds to rescue the HTF from insolvency, to support the proposed 18-month extension, and to fund a portion of the FY 2010 federal surface transportation program- tends to confirm their judgment.

In an email intended to amplify a point he made to us in a personal conversation at the conference, one participant made the following observation: "It is noteworthy that much of the new revenue generated for transportation capacity expansion over the past two decades has come from sources other than user fees, including developer proffers and tax districts, local government bonding against general revenue, special state and local sales taxes, and most recently substantial infusions of general revenue into the federal Highway Trust Fund. By comparison, examples of increases in gas taxes are few and far between.... Perhaps user fees like the gas tax should be devoted primarily to maintenance, rehabilitation, operation and safety of the existing road systems, while funding for new multi-modal and inter-modal capacity should be drawn from a broader range of beneficiaries, by looking to various sources of special and general tax revenues in addition to user fees." Financing of major new capacity improvements, he added, could be accomplished through a national infrastructure bank with a full benefit/cost approach to project evaluation (as in U.S. DOT's current TIGER grant program) and using strong incentives for cost-sharing among federal, state, local and private sector beneficiaries as well as system users.

Federal Capital Budget

Another issue on which opinions diverged was the subject of a federal (or national) capital budget. Invited guest, former U.S. House Majority Leader Richard Gephardt, made an impassioned plea in support of a national capital budget as a tool of funding essential infrastructure. There is a distinction between consumption and investment, Gephardt observed, and every private company and every foreign nation recognizes it. We need to develop a bipartisan consensus, he continued, and convince the President and Congress that this is the way to go. Now may be the best moment to change the traditional budget mentality. But skeptics among the participants focused on the obstacles. While a capital budget is theoretically appropriate, its implementation, they pointed out, would be politically difficult. A capital budget would necessitate a fundamental change in budget "scoring" rules (so that capital expenditures are depreciated over time rather than charged to the budget in year one). Moreover, capital budgeting could be interpreted as usurping the congressional prerogative to decide how public capital is to be spent. There would be considerable political resistance to shifting capital investment decisions out of the hands of Congress and placing them- to put it bluntly- in the hands of unelected bureaucrats.

National Goals and Performance Measures

That the existing surface transportation program lacks a sense of direction and a clear, well-defined mission has been long recognized and decried by the transportation community. The report of the Bipartisan Policy Commission has offered a solution by recommending that the transportation policy and programs need to be "more performance-driven, more directly linked to a set of clearly articulated goals and more accountable for results." This sentiment, along with the need to measure progress toward achievement of the articulated goals, resonated strongly throughout the conference. However, critics cautioned that the difficulties of implementing a "performance-based, outcome-oriented" program must not be ignored. For example, who is to set performance goals? Can uniform performance standards be set for the country as a whole, given the varied conditions prevailing in different parts of the country? Should performance metrics be applied to broadly stated conceptual goals such as "metropolitan accessibility," "national connectivity" and "congestion relief"? Or should they relate, as one participant suggested, to specific projects and improvements with which the public can more readily identify? Some participants pointed out that the current lack of data and data collection capability at state and federal levels place the practical implementation of a comprehensive performance-driven system many years into the future.

The Federal Role in Transportation

In discussing this subject, participants drew a distinction between the federal role and the national (or public) interest. There are many transportation activities in which Congress and the federal government may have a legitimate interest but not necessarily a role to play. An oft-cited example are the concession-based public private partnerships- arrangements that have their ardent supporters but also have drawn criticism from congressional lawmakers. Thus, placing certain constraints and limitations on private toll concessions in the interest of protecting the public interest (e.g., limiting the length of concession agreements, prohibiting contractual non-compete clauses) may be of legitimate interest to Congress, but ensuring that the necessary protections are in place, approving the public-private agreements and enforcing their conditions is (or should be, according to prevailing opinion) the role of state and local government. Perhaps the time has come, as many of the studies have recommended, to apply a stricter definition of the federal role and focus federal funding on projects and programs of truly national scope and significance. A less expansive definition of the federal role would allow for elimination of a number of existing non-essential programs at a substantial saving to the Treasury - and would reduce the need for additional funding.

What is the "Story Line?"

While the need for a fundamental overhaul of the nation's transportation policies and programs and the need for more investment in transportation infrastructure have been the subject of a broad consensus within the transportation community, Congress has been unwilling to treat it as a front-burner issue. The need to carry the message of transportation reform in a way that would resonate with the lawmakers and the public was a recurrent theme throughout the Conference and was emphasized strongly by the politically astute Secretaries Mineta and Skinner and Governor Baliles.

As Governor Baliles pointed out, the interstate highway program was sold to Congress and the public on the strength of a rather simple and readily understood message: a map showing a national network of superhighways that offered promise of driving from coast to coast "without stopping for a single traffic light." Proponents also bolstered support for the new system by naming it the Interstate and Defense Highway System, thereby making it a national security priority. The benefit of national connectivity embodied in the Interstate System was also easily grasped by the public. President Eisenhower described the interstate highways as an element inherent in the very name we bear - the United States. Without a national highway network, he famously stated, "we would be a mere alliance of many separate parts." (Address to Congress, February 22, 1955).

Unfortunately, the current need for transportation reform does not lend itself to such simple yet dramatic persuasion. What is our own message that we want to convey, and how should we package and promote it, the Governor asked. What, to borrow the language of Madison Avenue, is our own "story line?" The answer, it is hoped, will come in the Conference report which Gov. Baliles promised to be "concise, compelling and convincing."

We wish to commend the Miller Center, its distinguished director, Gov. Gerald Baliles and the Conference Director, Jeff Shane, for organizing a truly outstanding conference. We have been impressed by the organizers' ability to enlist two former Secretaries of Transportation as co-sponsors; to assemble some of the best transportation minds in the country as participants; to select an outstanding group of speakers and panelists; and to structure discussion in ways that encouraged maximum interaction and a free flow of ideas.

Every once in a while there comes a conference that, because of the power of its ideas, the quality of its participants and its timeliness, has a profound influence on policymaking. We wonder if the Miller Center's National Transportation Policy Conference might not be judged in retrospect to have been just such an event.

Northern Virginia Transportation Commission

AGENDA ITEM #6

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: WMATA Items

Several items are presented for discussion.

Data on SmarTrip use through July, 2009 show strong growth among all local and regional transit systems. Loudoun County Transit customers lead the region with a 98.1 percent share.

Ridership on WMATA is dropping below budget projections (refer to the detailed Power Point presentation attached).

NVTC co-sponsored a public forum with WMATA on October 21, 2009. Many NVTC commissioners attended along with other state elected officials and members of the public. Notes from the forum are attached.

Regional SmarTrip® Usage Comparison

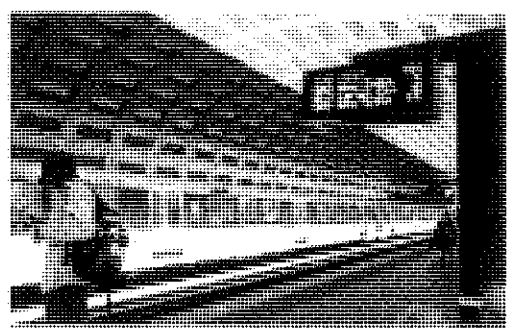
	Oct - Dec 2008	*Jan - Mar 2009*	*July 2009*
WMATA-Bus	29.79%	57.26%	61.55%
WMATA-Rail	69.43%	72.78%	70.20%
DC Circulator	34.43%	55.12%	49.17%
ART	26.35%	56.71%	59.91%
Fairfax Connector	33.69%	70.71%	73.95%
CUE	19.12%	39.05%	46.49%
DASH	30.53%	51.76%	52.90%
Ride On	14.72%	35.33%	37.60%
PG County	15.33%	46.05%	50.68%
PRTC	55.97%	62.81%	60.91%
Loudoun County	97.96%	97.56%	98.10%
Average:	**50.84%**	**65.18%**	60.13%

Local

Ridership drops on Metro, falling below budget expectations

By: Kytja Weir
Examiner Staff Writer
October 5, 2009

Metro ridership has dropped below past levels on both the train system and bus lines since the June 22 crash, leaving the transit system short millions of dollars in anticipated fares.



Metro's weekday train ridership was down 3.8 percent in July and 2.5 percent in August compared with the same periods the year before. (Jay Westcott/Examiner File)

The transit system's bread-and-butter weekday train ridership was down 3.8 percent in July and 2.5 percent in August compared with the same periods the year before, according to a Metro report.

Meanwhile, Red Line ridership fell even further, down 10.4 percent in July and 8.3 percent in August. That steep decline suggests some of the decrease could be directly attributed to the deadly train crash and the continuing delays on that line.

"The Red Line accident is still negatively affecting rail ridership," the report says.

Metro officials initially had shied away from connecting falling ridership to the crash after *The Examiner* first reported on the drops in August.

Fewer riders

Fiscal 2009	fiscal 2010 budget	fiscal 2010 actual **Rail**	39.5 milllion	40.7 million	38.4 million **Bus**	23.8 million

The economic crisis and its resulting unemployment also may have contributed to the decline. The report said declining bus ridership has been disproportionately affected by D.C.'s jobless rate, which reached 11.1 percent in August.

The agency also may be feeling a recalibration from last year's blockbuster ridership when record-high gasoline prices inspired more people to ditch their cars for transit. Now that fuel prices have dropped, some riders may have returned to driving.

No matter the causes, the drops mean that the agency had $8.2 million less in fare revenue than expected just two months into the fiscal year, the report said. Metro officials forecast a shortfall of $22.4 million if the pace continues.

The transit agency had built its current budget on assumptions that the ridership would continue to steadily grow, not drop. And it had assumed it would earn $10 million by eliminating paper transfers in January that riders used when moving from bus to bus. Instead, the report says, it expects the agency to make just $6.8 million from the change.

Metro said it is working on a plan to address the declining ridership and what it means for the agency's finances. "That's still being developed right now," spokesman Steven Taubenkibel said.

kweir@washingtonexaminer.com

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

FY2010 Ridership and Revenue Review

Finance, Administration and Oversight Committee

October 8, 2009

Purpose

- To discuss rail and bus ridership trends and the impact on FY2010 operating revenues
- To provide general reasons for declines in Metrorail and Metrobus ridership and revenues, including rising District of Columbia unemployment, the Red Line Metrorail accident of June 22, 2009, decreasing gas prices, and declining levels of service dues to maintenance and track repairs

FY2010 Ridership Overview

- For the first two months of the fiscal year (July and August) Metrorail ridership is below FY2009 and FY2010 budget projections

- AM peak period rail trips, which are predominately work trips, were below the same period last year in July and August of 5.1 and 3.7 percent, respectively. Average weekday ridership fell 3.8 and 2.5 percent below July and August 2008

- The Red Line accident is still negatively affecting rail ridership. In July and August, average weekday Red Line ridership fell below the same period last year by 10.4 and 8.3 percent, respectively

Year-to-Date Ridership (July and August)					
(1,000)	FY09 Actual	FY10 Budget	FY10 Actual	Variance to FY09 Actual	Variance to FY10 Budget
Rail	39,527	40,698	38,441	(1,086)	(2,258)
Bus	23,828	24,793	22,733	(1,094)	(2,060)
MetroAccess	326	372	394	68	22
Total	63,680	65,864	61,568	(2,112)	(4,296)

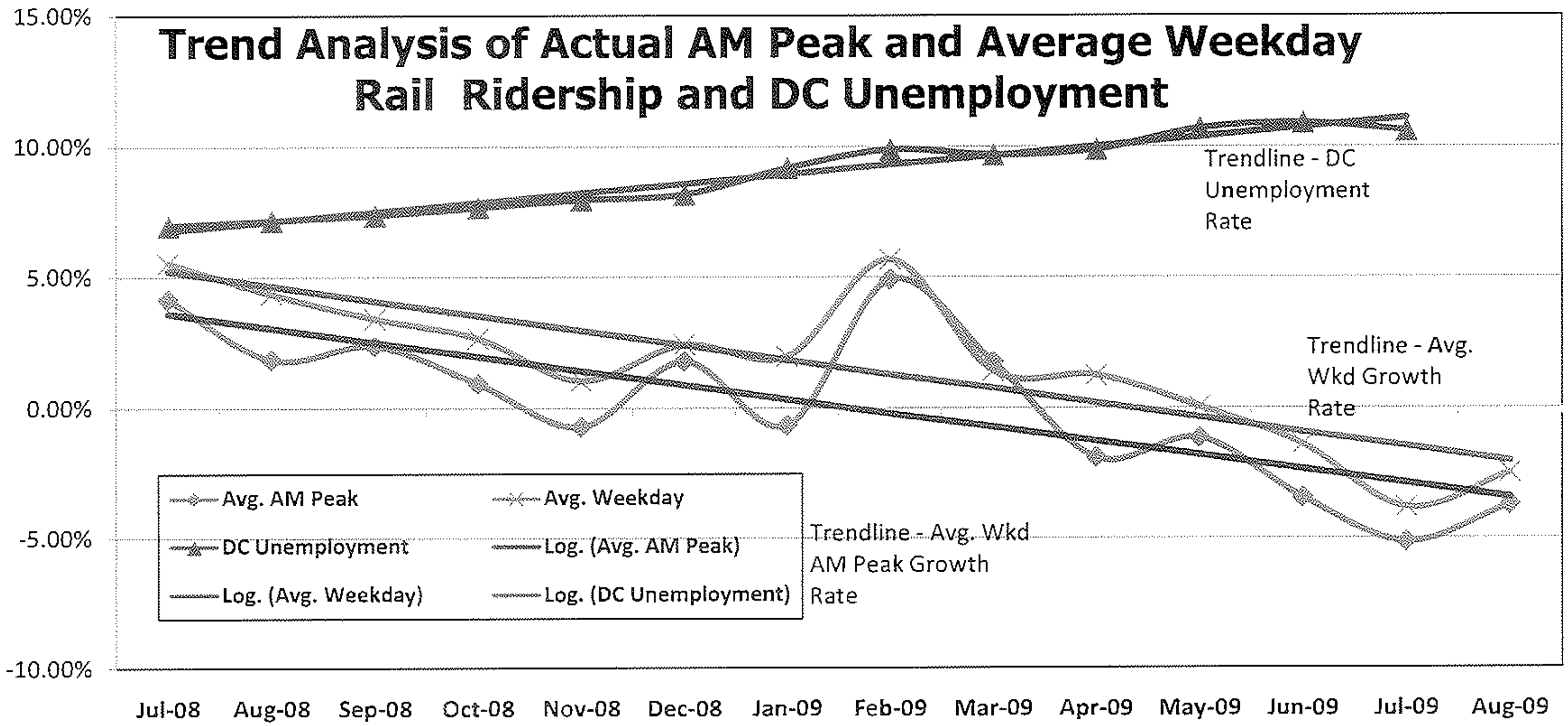
FY2010 Revenue Review

- Year-to-date rail passenger revenue is below budget by $5.8 million, or 6 percent
- Metrobus passenger revenue is $2.3 million below budget, or almost 12 percent

Year-to-Date Passenger Revenue (July and August)					
(in millions)	FY09 Actual	FY10 Budget	FY10 Actual	Variance to FY10 Budget	Variance to FY09 Actual
Rail	$88.5	$92.6	$86.8	($5.8)	($1.7)
Bus	$20.0	$20.5	$18.2	($2.3)	($1.8)
MetroAccess	$0.6	$0.8	$0.7	($0.1)	$0.1
Total	$109.1	$113.9	$105.7	($8.2)	($3.4)

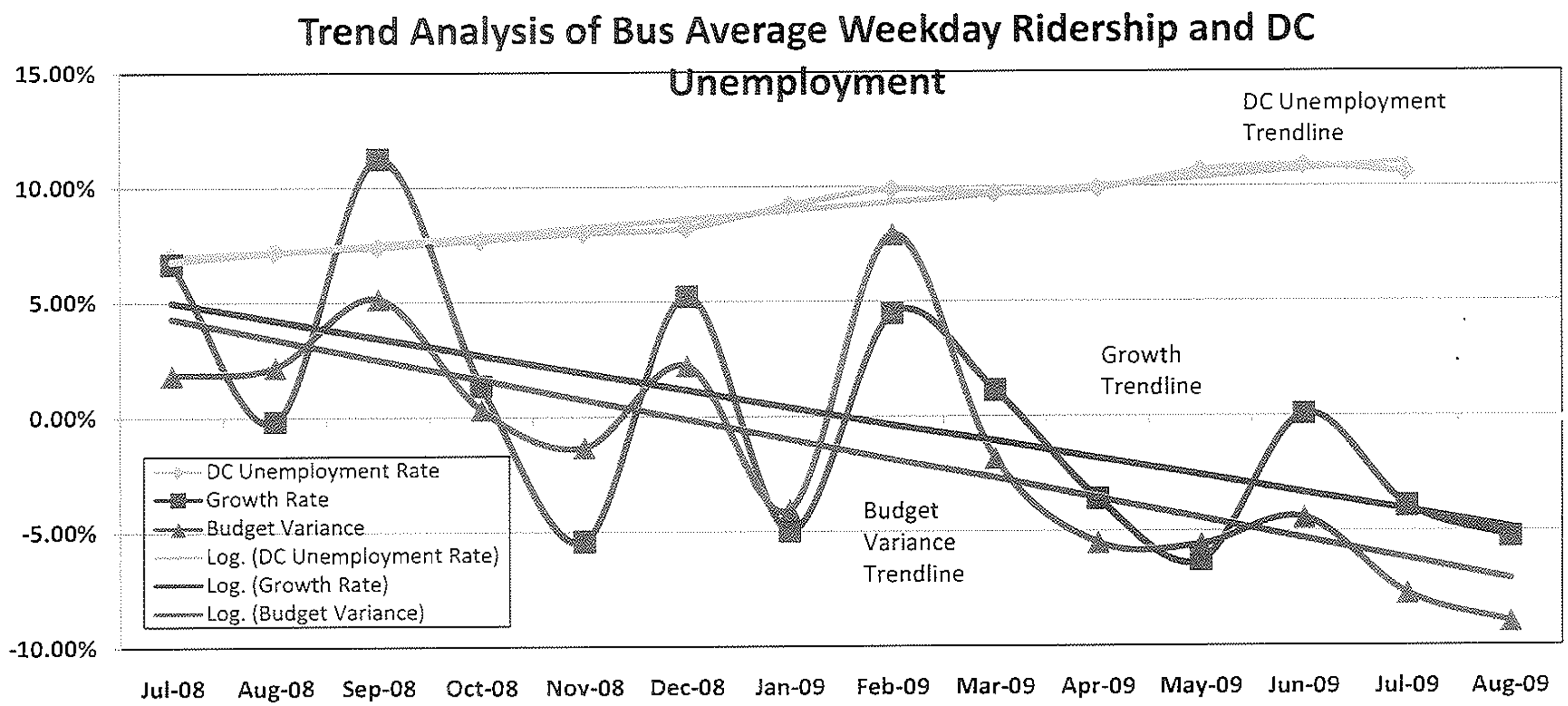
FY2010 Metrorail Ridership

- The DC employment rate is directly correlated to Metrorail ridership
- As the unemployment rate has risen, Metrorail ridership and revenues have declined
  - DC unemployment, August: 11.1%, July 9.7%
  - National unemployment, August 9.7%, July 9.4%



FY2010 Metrobus Ridership

- Metrobus ridership declined in July and August below the same period last year
  - The downturn in economic conditions and rising unemployment is disproportionally affecting bus ridership.



FY2010 Passenger Revenue Forecast

- Given ridership and revenue trends, preliminary forecasts predict an overall passenger revenue shortfall of $22.4 million in FY2010
  - This assumes rail and bus revenue declines through December of 5.6 and 11.5, percent, respectively
  - This forecast is based on the average revenue decline for July and August, 2009

FY2010 Passenger Revenue Forecast

Passenger Revenue forecasted to decrease $22.4 Million
(forecast through September 25, 2009)
(in $millions)

	Metrorail	Metrobus	MetroAccess	Total
FY2010 Approved Budget	$525.9	$116.7	$5.0	$647.6
Budget Variance (August 2009)[1]	-$5.9	-$2.4	-$0.1	-$8.4
Forecast Variance (Sept-Dec)[2]	-$9.3	-$4.5	-$0.2	-$14.0
FY2010 Revised Forecast (Sept. 25, 2009)	$510.7	$109.8	$4.7	$625.2
FY2010 Forecasted Budget Variance	-$15.2	-$6.9	-$0.3	-$22.4

[1] Actual Budget Variance through August 2009

[2] Forecasted budget variance. Assumes rail revenue will decline 5.6% from September through December due to effects of the recession. Assumes bus revenue will decline 11.5% for the same period. Ridership for bus and rail after December 2009 projected at budgeted levels

FY2010 Metrobus

- In January, Metro eliminated paper transfers, implemented balanced transfers and require Smartrip for free bus-to-bus transfers

- As part of the FY2010 Budget, the Board included $10 million in revenue from the elimination of paper transfers. The current estimate for the elimination of paper transfers is $6.8 million

- From January through June 2009, Metro realized $3.4 million from the elimination of paper transfers and anticipates that an additional $3.4 million will be realized from July through December 2009, given our actual experience to date

M metro

Next Steps

- Staff are developing a plan to deal with declining ridership and revenues, and expenditure pressures. The Board will be provided an update on our progress at the November meeting.

Northern Virginia FY 2011 Metro Budget Forum

*The **Washington Metropolitan Area Transit Authority** and the **Northern Virginia Transportation Commission** invite the public to join Northern Virginia's elected officials and decision-makers at a unique forum.*

The focus of the forum is to address Metro's critical budget issues including operating challenges and capital needs.

Date:	**October 21, 2009**
Time:	**Open House at 6:30 pm** **Meeting at 7:00 pm**
Location:	**George Mason High School** **7124 Leesburg Pike** **Falls Church, Virginia 22043**
By Metro:	**West Falls Church**

For more information please visit www.thinkoutsidethecar.org

Fast Facts

Overview:

- 4th largest transit agency in U.S.
    - 2nd largest heavy rail system
    - 6th largest bus network
    - 8th largest paratransit network
- Ridership for Fiscal Year 2009 total trips:
    - Metrorail: 223 million
    - Metrobus: 134 million

History:

- Established in 1967 as an interstate compact agency of the District of Columbia, State of Maryland, and Commonwealth of Virginia
- Mandate: Plan, finance, construct and operate a comprehensive mass transit system for the Washington, D.C. metropolitan area

Metrorail:

- 106 miles, 86 stations
- 1,130 rail vehicles
- 57,732 parking spaces
    - Largest parking provider in region
- 589 escalators and 229 elevators

Metrobus:

- 319 routes on 174 lines
- 1,524 buses and 9 bus garages
- 12,227 bus stops
- 2,398 shelters (597 owned by Metro)

MetroAccess:

- 450 vehicles provide shared-ride paratransit service
- 2.1 million passengers in FY2009

NVTC/Metro Public Forum on WMATA's FY 2011 Budget

--October 21, 2009--

Time	Activity	Person Responsible
6:30 p.m.	Open House	
7:00 pm	Welcome and acknowledgement of elected officials	Christopher Zimmerman, NVTC Chair and Metro Board Member Catherine Hudgins, NVTC Vice Chair and Metro Board Member
7:10 pm	Metro budget presentation	John Catoe, General Manager, Metro
8:00	Remarks by invited officials	Metro Board members NVTC members CTB members Other Northern Virginia elected officials Northern Virginia chief administrative officers Metro Riders' Council members
8:45	Comments from the public	
9:15	General Discussion	
10:00	Summary	Mr. Zimmerman & Mrs. Hudgins

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

FY2011 Budget Forum

Northern Virginia

October 21, 2009

0

Meeting agenda

- What is Metro and what is the value of Metro service?
- What are the Fiscal Year 2011 budget challenges?
- What are the potential budget options?

1

Budget calendar

- Key budget milestones:
  – October 2009 - Public forums
  – December 2009 – Proposed budget to Board
  – January – March 2010 – Board considers budget
  – Spring 2010 – Public hearings on possible service and fare changes
  – June 2010 – Budget approval
  – July 1, 2010 – Fiscal Year 2011 begins

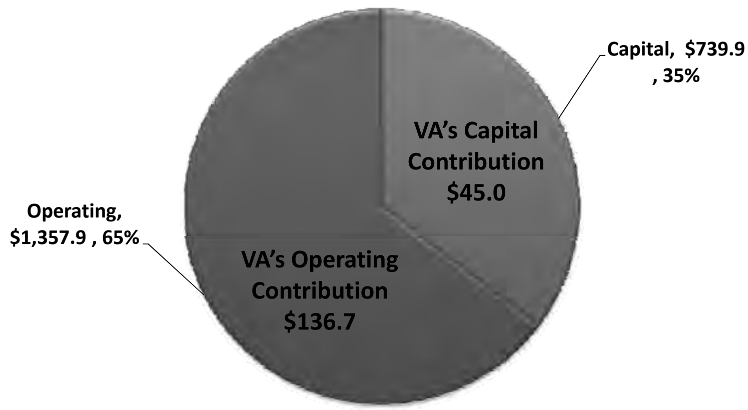
What is Metro's value to the region?

- Congestion Relief
  - Metrorail takes 600,000 cars off the road each weekday and eliminates the need for 1,400 highway lane miles
- Mobility Choice
  - Washington region: 2nd highest share of commuting trips on transit
  - Riders save an average of $9,700 a year riding Metro and having one less car
- Economic Catalyst
  – Supports region's $359B economy
  – Every $1 invested in Metro yields $10
- Environmental Impacts
  – Metro eliminates more than 1 million tons of air pollutants every year

Metro's FY10 annual budget

Total Budget= $2,097.8

(in millions)



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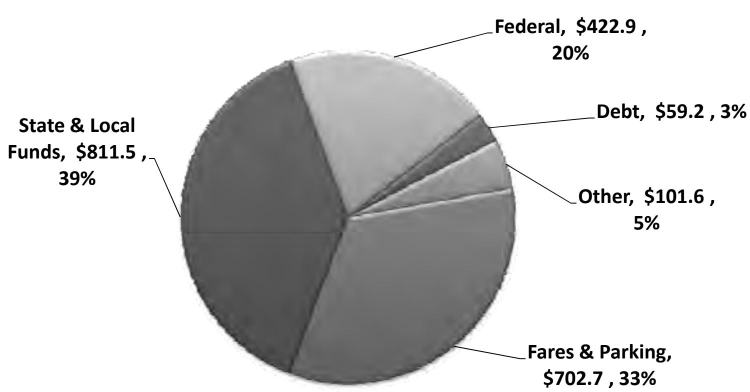
Metro's FY10 budget – Source of funds

Operating & Capital Budget - $2,097.8

(in millions)



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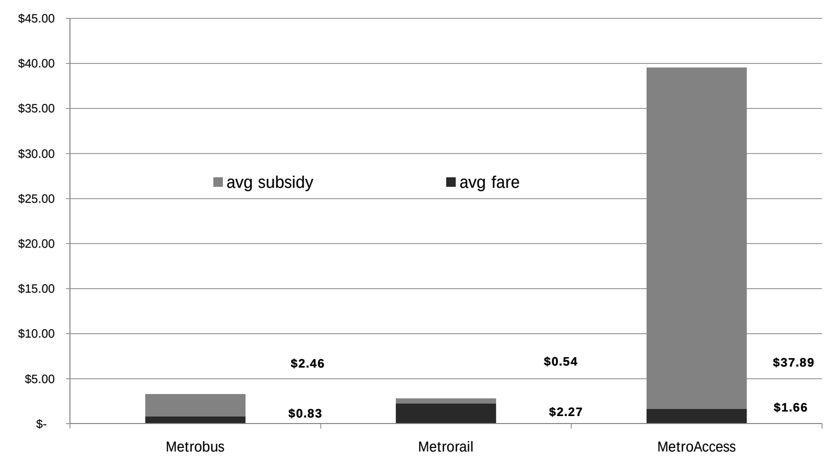
Actual 2009 fare and subsidy per passenger



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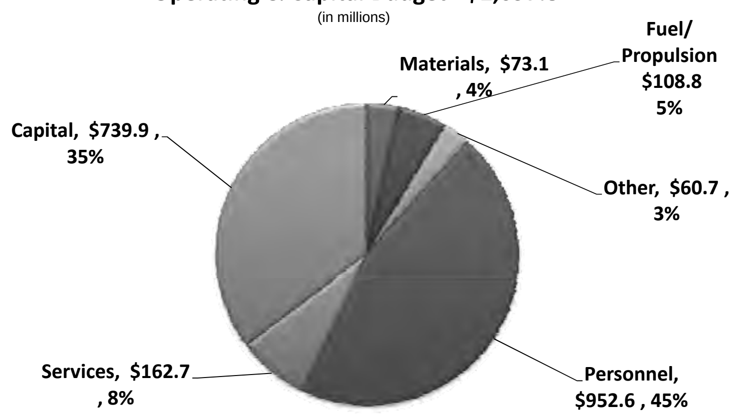
Metro's FY10 budget – Use of funds

Operating & Capital Budget - $2,097.8
(in millions)

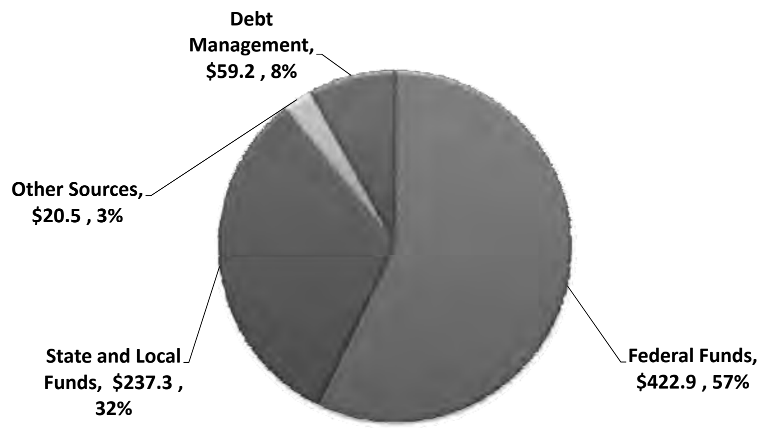


7

Metro's FY10 Capital Budget – Sources of funds

Total Capital Budget= $739.9

(in millions)



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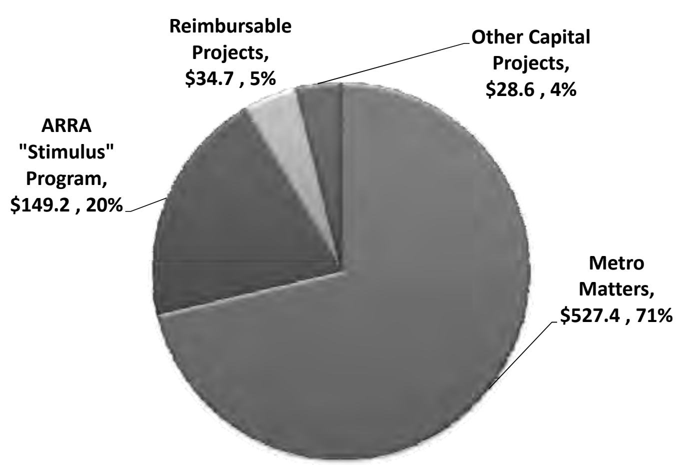
Metro's FY10 Capital Budget – Uses of funds

Total Capital Budget= $739.9

(in millions)



9

Capital budget – What it buys

Bus mid-life rehab & replacements

Rail system rehab

Railcar rehab & replacements

Rail maintenance facilities rehab

Replace obsolete bus garages

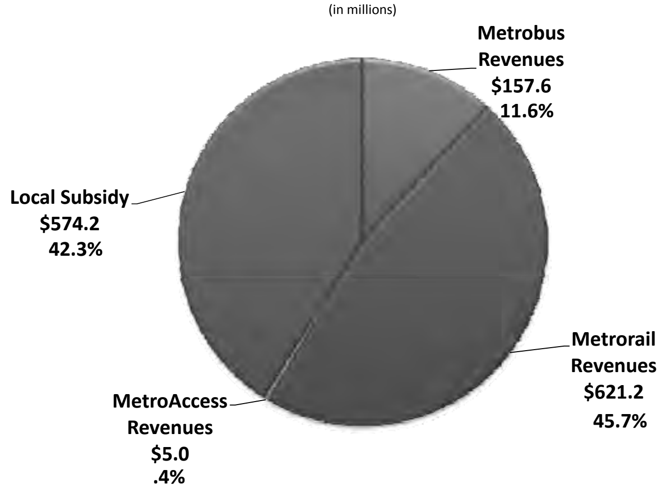
IT – Software, security & data centers

10

Metro's FY10 Operating Budget – Sources of funds

Total Operating Budget= $1,357.9

(in millions)

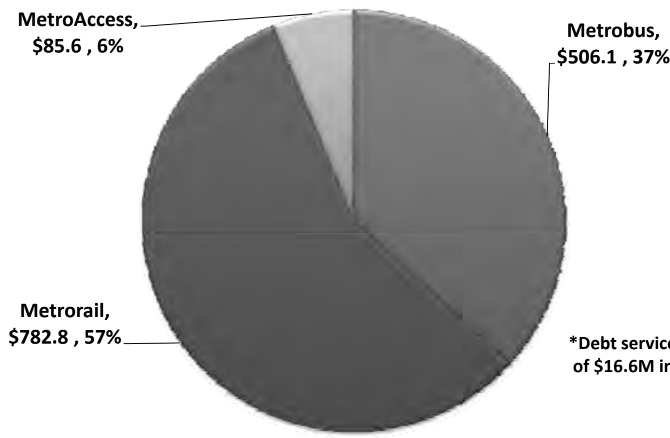


11

Metro's FY10 Operating Budget – Uses of funds*

Total Operating Budget= $1,357.9

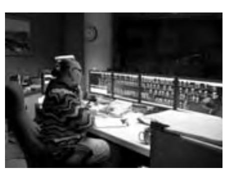
(in millions)



***Debt service/other credit of $16.6M included**

12

Operating budget – What it buys


System safety


Rail power, utilities and fuels

Bus, rail and paratransit operations


Bus and rail car maintenance


Transit police force


Facilities and grounds maintenance

13

Budget challenges in FY2011 and beyond

- Capital Program:
  - $11.4 billion in needs over next 10 years
  - Current six-year agreement expires June 30, 2010
- Operating Budget:
  - $100+ million shortfall projected for FY11

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Capital program challenge

- $11.4B* of capital needs over the next 10 years:

  - Replace hundreds of older railcars
  - Replace system components
  - Rising demand for MetroAccess
  - Brief lifecycle for IT investment
  - Some needs have been deferred (garages)

- Major multi-year projects require multi-year funding commitment

* NTSB recommendations have yet to be identified or quantified

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Operating budget challenge

- Projected budget gap - over $100 million
- Cost drivers:
  - Contractual union wage/benefit obligation
  - Pension contributions
  - Fuel and electricity inflation
  - Escalating claims costs
  - Enhanced security-related costs
  - Maintenance costs increase as system ages
  - Revenues decrease as unemployment triggers ridership declines

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Budget options

To balance the budget, Metro can:

- Reduce expenditures
- Increase revenues
- Increase jurisdiction contributions
- Combination of the above

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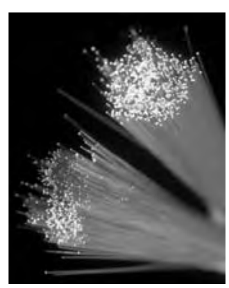
What has Metro done to reduce expenditures without impacting service?

- Cut 350 positions
  - Nearly 10% reduction of administrative positions
  - Savings: $31M
- Reduced overtime expenses 35%
  - FY08= $74.2M
  - FY10= $48.3M
  - Savings= $26M
- Reduced travel, training and consultant costs
  - Savings= $10M

18

What has Metro done to increase non-passenger revenues?

- Negotiated more revenue from fiber optics leases
  - $2.3M between FY08 and FY09
- More advertising opportunities
- CNG tax rebate
  - $3M annually since FY07
- Issued RFP for retail in stations
- Leased bank ATM service in rail stations
  - FY05-FY09 revenue: $4M



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We invite your ideas

- For bus, rail, paratransit and parking services, please share your thoughts on:
  - Adjusting service
  - Fare increases
  - Ideas for additional revenue

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Appendix

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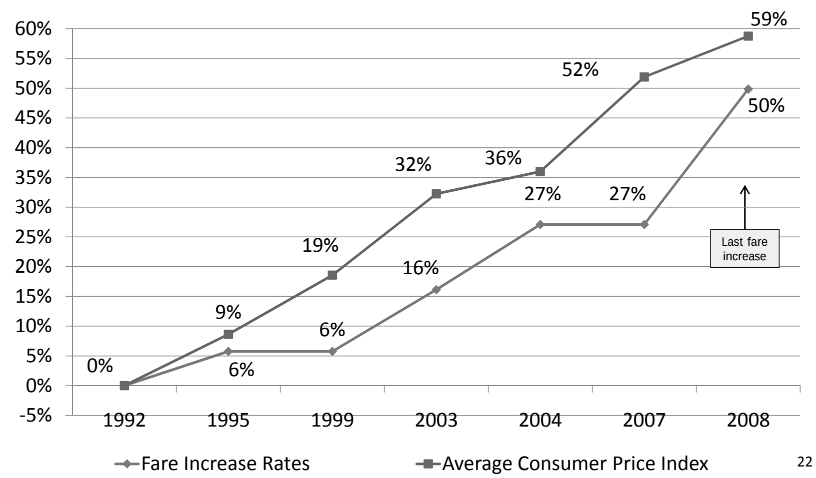
Recent Metrorail Fare History



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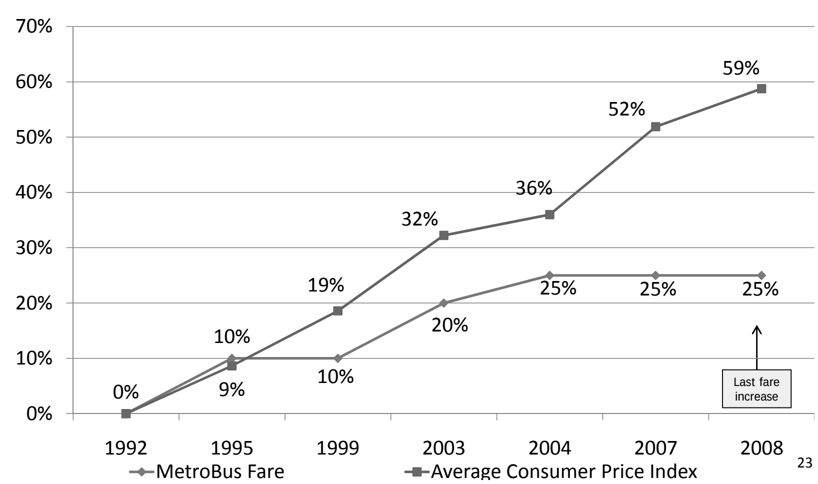
Recent Metrobus Fare History



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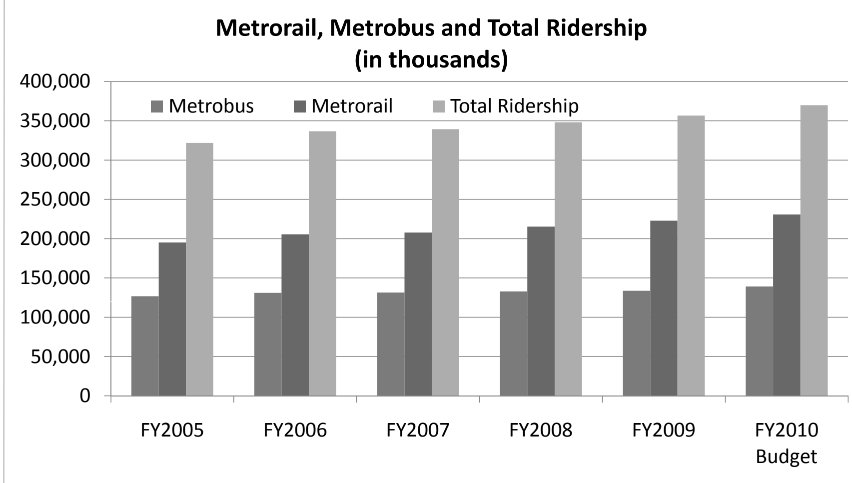
Rail and Bus Ridership, FY05 - FY10



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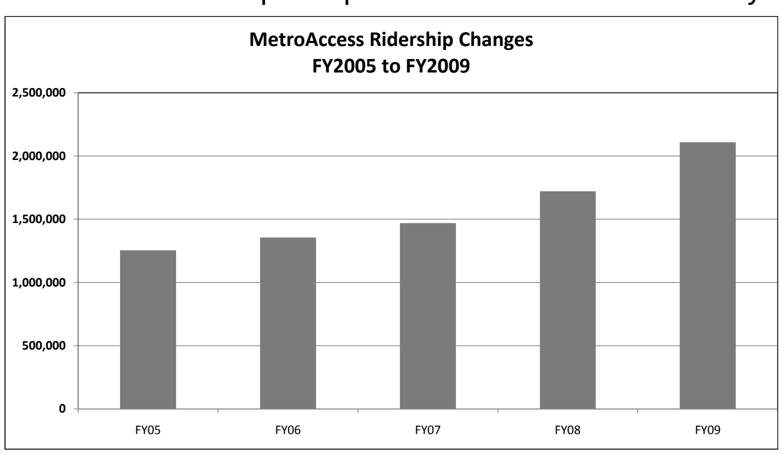
MetroAccess Ridership, FY05 – FY09

MetroAccess ridership is expected to be over 2 million this year



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Overview of Metro

- Metro is the 4th largest transit agency in U.S.
  - Second largest heavy rail transit system
  - Sixth largest bus network
  - Eighth largest paratransit network

Overview of Metro

Established: With the consent of the federal government, Metro was established in 1967

Multi-Jurisdictional: Metro is an interstate compact agency of the District of Columbia, State of Maryland, and Commonwealth of Virginia

Mandate: To plan, finance, construct and operate a comprehensive mass transit system for the Washington, D.C. metropolitan area

Overview of Metro

- 10,000+ budgeted employees
- 1,524 buses
- 589 escalators and 229 elevators
- 106 miles of track
- 86 rail stations
- 1,130 rail vehicles
- 57,732 parking spaces
  - Largest parking provider in region
- 9 bus garages

Metrorail

- 1,130 rail cars serve 86 stations in the 106-mile system
- 223 million trips in FY2009
- Average fare $2.27 in FY2009
- Average subsidy $0.54 per passenger in FY2009

Metrobus

- 1,524 buses serve 12,000 stops on 340 routes
- 134 million trips in FY2009
- Average fare $0.83 (including discounts) in FY2009
- Average subsidy $2.46 per passenger in FY2009

MetroAccess

- 450 vehicles provide shared-ride paratransit service
- 2.1 million passengers in FY2009
- Fare $1.66 plus surcharge for trips outside corridor
- Average subsidy $37.89 per passenger in FY2009

Get There
With Dr. Gridlock and The Post's Transportation Team

Metro urged to avoid service cuts, find more money

The most obvious place to make big cuts in the transit authority budget is in MetroAccess, the service for disabled riders. It's the most heavily subsidized of Metro's services, its growth is out of control, and the transit authority exceeds the service requirements set in federal law.

Yes, it's obvious. Until riders who are in wheelchairs, who are blind or who are frail begin to tell their stories about how MetroAccess connects them with the world. Without it, they'd be shut in their homes. They'd certainly have to quit their jobs and severely limit their social contacts. Then you start to visualize people like Ann Pimley of Fairfax sitting at home when they would otherwise be out making a big contribution to their community, and you wonder if you'll be thinking about that every time you save a dime on your fare card.

"People have made life decisions based on the services they receive," she said.

This is a typical scenario for a forum about Metro's budget problems. They start with bookkeeping presentations. Here's how much money the transit authority expects to have. Here's how much it expects to spend. Here's the impressive difference. Here's what we propose to cut.

Then actual humans who use these services get up and start to talk. The numbers don't look so impressive. The humans do.

On Wednesday night in Falls Church, the Northern Virginia Transportation Commission sponsored a forum with Metro officials that followed that basic pattern, though with a bit of a different format. When Metro -- or any government agency -- holds a budget hearing, it's basically: You talk, they listen, then everybody goes home.

In this one, the leaders discussed, the public talked, the leaders discussed what the public said, then the people got their say again and the leaders again reacted. That was nice. Some call it two-way communication.

In fact, that was the point. Metro's leaders know they've got a real problem this year that's likely to lead to a fare increase, or service cuts, or both. Before General Manager John B. Catoe Jr. actually proposes something, Metro board members wanted to go around the region to share their side of this, perhaps building support, or at least tolerance, for some upcoming pain. But at the same time, they are giving the public an early chance to offer their own ideas about how to make the transit system work better.

Sometimes, the public's ideas give the Metro officials a chance to make their case. For example, riders often ask why Metro can't balance its budget by getting more advertising. There's all that space and such a big, captive audience on the trains and buses. Metro says it makes about $40 million a year on an advertising contract that's about to expire. They say that contract, negotiated during a more robust economy, was pretty good. Metro isn't likely to do as well with a new one.

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But there are other times when the leaders have to acknowledge a point. Catoe promised that he'd have a response today about why some some outdoor station lights are on all day.

If that saves some money, it will be a little bit. But it's really unlikely anyone will have the one big idea that causes the Metro leaders to smack their heads and yell, "That's it!" There will be a batch of light bulb ideas over the next few months that Metro will have to act on, and then there will be some of the usual rough and tumble over how much money the local jurisdictions can contribute to maintain services and how much of a fare increase we can tolerate.

And there will be plenty more stories about how much people have come to depend on something as seemingly tenuous as a bus or a van.

By Robert Thomson | October 22, 2009; 8:49 AM ET
Categories: Metro , transit | Tags: Dr. Gridlock, Metro budget, Metrobus, Metrorail
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Next: Metro adding service for Monday night football

Comments

Bus fare must increase. Jim Graham needs to realize that he can't hold the system hostage. Rail riders at the ends of the lines bear the burden, and bus riders need to start paying their fair share. Bus fare should be at least $1.50 per ride. That's still less than a one-way minimum fare during peak hours on rail lines.

Posted by: lrubens | October 22, 2009 10:33 AM | Report abuse

Let's get into a little more detail about that contract Doc. All too often the ads are expired, outdated, or even empty. Metro responds to my emails saying the contract and third party vendor guarantee a revenue stream. If Metro managed it themselves in a manner more efficient then this third party vendor is obviously failing to do (given I saw ads in April 2009 for December 2008) then Metro would be maximizing the revenue it generates, without a third party vendor taking a cut.

The problem is Catoe and Metro management in general, not revenue.

Service cuts will lead to fewer riders, which will decreasing revenue, which will lead to more service cuts.

The solution is change management, get a regional consensus on federal contributions and implement.

We want regional jobs, get Congress to build third and fourth rails, an additional tunnel and the Beltway line we so desperately need.

Is this the national Capital or are we a second rate city with a second rate subway. At the moment we look and act like the latter.

Posted by: anarcho-liberal-tarian | October 22, 2009 11:26 AM | Report abuse

Metro is in a corner. The biggest expense growth is in Metro Acess but no one is going to come out for any cuts there. Everyone wants the service and the fares to stay the same. They want Metro to somehow comeup with the money to cover the expense gap. If they don't they want the Metro management to be replaced. Haven't we been down this path before?

Posted by: Jimof1913 | October 22, 2009 12:09 PM | Report abuse

Metro can raise fares on tourists and infrequent riders while causing minmal harm to to regular riders.
MetroBus should be $2 one-way for cash and $1.50 SmartTrip, free transfers should go back to 2 hours.
MetroRail should charge $1 per paper fare card plus $1.75 minimum off-peak and $2 minimum peak for farecard users. SmartTrip users would be $1.50 off-peak and

RESOURCES
- Transportation and the Inauguration
- Transportation News
- Traffic Center
- The Commuter Graphic
- Commute Calculator
- Current Gas Prices
- Taxi Fare Calculator
- Dr. Gridlock Columns
- Q&A: Dr. Gridlock
- Q&A: Roads & Rails
- Commuting 101
- Transit Links
- CommuterPage.com

METRORAIL
- Riding Metro
- System Map
- Trip Planner
- Alerts

COMMUTER RAIL
- Routes, Ticketing
- MARC (Maryland)
- Virginia Railway Express

BUS SYSTEMS

District:
- Metrobus
- Circulator
- Chinatown Buses

Maryland:
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- Calvert County
- Corridor Transportation
- Howard Transit
- Maryland Mass Transit Administration
- Ride On (Montgomery)
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Virginia:
- ART (Arlington)
- CUE (Fairfax)
- DASH (Alexandria)
- Fairfax Connector
- Fred (Fredericksburg)
- George (Falls Church)
- LINK (Reston)
- Loudon County Transit
- Omniride (Prince William, Manassas)
- TAGS (Springfield)
- TheBus (Pr. George's)
- TYTRAN (Tysons)
- Valley Connector (Shenandoah Valley)

ROADS
- Carpooling
- Traffic Center
- Toll Roads
- Current Gas Prices
- Taxi Fare Calculator
- The Commuter Graphic

$1.75 peak (raises of only $0.15 and $0.10). Max Fare for papercards is now $6 peak and $4 off-peak while going down to $5 and $3 for SmartTrip users.
Charge $1 for parking on weekends.
Express Bus: $4 for Cash, stays at $3 for SmartTrip.
Charge peak fares for special events like Cherry Blossoms, July 4th, etc.
These fare increases would force more regular and infrequent riders to buy a SmartTrip card, which will speed up buses and faregates. But more importantly it will increase revenue while having litle impact on regular riders and having the SmartTrip card may encourage more use of the system from infrequent riders.
Since adopton of SmartTrip by more rides is imporant to Metro, there must be a real financial benefit to having a SmartTrip card, $0.10 isn't it to people who ride the bus once a week and no benefit on Metro, I bet paper farecards ar emuch more expensiveto mero than a paper transfer! So, charge people $1 for each paper farecard!

Posted by: GlenBurnie | October 22, 2009 12:43 PM | Report abuse

---

whats the point of having metroaccess if the crippled are virtually sodomized trying to get onto overcrowded trains?

Posted by: member5 | October 22, 2009 1:21 PM | Report abuse

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metro mgt needs a change. First off, they should actually take the metro. Then they can see what everyone else experiences, unreliable and slow service. Next thing is that they need to return service to normal speed. My commute takes an extra 20 minutes since the accident. Then, they should increase the fair cost. Im guessing 70-80% of the riders dont pay out of pocket since federal employees get metro subsidies. Therefor, metro can get more federal subsidies indirectly. Increase fair costs, that will help.
One last not so innovative solution: Offer pay-per service internet on the trains like they have at National/Dulles airport. I know some people would be willing to pay for internet service on the subway. Heck, the way metro is going, if they keep making the trains run slower and less in between, they could even offer a sleeping train.

Posted by: gte534j | October 22, 2009 2:52 PM | Report abuse

The real problem that nobody wants to talk about is everything is negotiated with the the transit union. You see what wonders the UAW is doing with the car industry and how wonderful our education system is with the teachers union. Get rid of the union and metro will be just fine.

Posted by: icmp | October 22, 2009 2:55 PM | Report abuse

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Northern Virginia Transportation Commission

NOTES ON NVTC/WMATA FORUM

ON WMATA's FY 2011 BUDGET

---OCTOBER 21, 2009--

AWARD WINNER NVTC APTA 1996

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The forum was convened by NVTC Chairman/WMATA Board Member Chris Zimmerman and NVTC Vice-Chairman/WMATA Board Member Catherine Hudgins. An agenda and notice are attached.

John Catoe, WMATA's General Manager, provided a Power Point presentation (attached) and responded to comments and questions from panelists (NVTC board members and members of WMATA's Riders Council) and the public. Thirteen NVTC board members were present, plus one additional NVTC alternate.

Several themes and important points were raised during discussion by various board members and speakers, including:

- WMATA faces a historic confluence of worst case scenarios with crushing economic pressures hitting all levels of government and the private sector simultaneously while the June, 2009 Metrorail accident reinforced the necessity of rehabilitating old and failing equipment at enormous expense.

- People have made life altering choices to give up auto use with the understanding that they will continue to be well served by transit. Budget discussions can't be all about numbers and also must recognize impacts of service cuts on people's lives. As people respond to transit and move toward interconnected urban villages, the trend should not be jeopardized by cutting back transit.

- Competition from private sector transit operators should be considered, given favorable experiences by VRE and others. WMATA also should consider contracting out for internal services (such as maintenance). Local governments should consider taking over more routes from WMATA where savings can be realized. However, when considering further takeovers of Metrobus service by local systems, the need for coordination is even more important, remembering that the regional Metrobus system was created originally to repair a dysfunctional collection of private bus companies.

- More funding is needed from the federal government because WMATA is a de facto federal transportation system given the extent to which federal employees rely on WMATA.

- WMATA creates enormous benefits, including tax revenues for local and state governments. To capture that value, those governments should be compelled to spend those proceeds on transit rather than roads.

- When it was built, WMATA was a world class system but it is in danger of deteriorating into a second class system without a sustainable source of funding. TPB consistently has stressed the need for more dedicated funding.

- ADA for transit is an unfunded federal mandate. Federal funding should be provided for Metro Access because it is an essential lifeline to jobs for persons with disabilities. An APTA peer review suggested several ways to reduce Metro Access costs, and WMATA is examining many of them. But also under consideration are incentives such as free fares for persons with disabilities on Metrorail and Metrobus.

- While Metro Access service enriches the lives of users, its costs and demand are rising much faster than those of Metrobus and Metrorail. It has been said that at the current Metro Access growth rate, WMATA may not be able to afford any regular Metrobus service in 10 years. Currently, costs less fares for Metro Access are about $80 million annually, $161 million for rail and $240 million for bus. WMATA through APTA will be seeking access to funds from federal social programs for Metro Access.

- While a simple fare structure has appeal, the notion of a new peak of the peak fare surcharge may have merit. Also, the differential between bus and rail fares has grown to be quite large. More enlightened pricing of parking could ensure some available spaces throughout the day to encourage rail use and yield significantly more revenue.

- Lowering transit service frequency is equivalent to a fare increase because the value of the product per dollar is eroded. So just raise the fares instead.

- WMATA currently earns $40 million annually from its soon to expire advertising contract. Aggressive sales of advertising (station naming rights, bus wraps) should be pursued, but especially in this weak economy revenue is likely to decline. At any rate it comprises only a modest share of WMATA's $1.2 billion operating budget.

- WMATA's bus and rail blue collar wage scales are not unreasonable and overtime is now under control. Trainee's start at a modest $11 per hour and the ultimate maximum salary is about $54,000 a year (rising to about $60,000 with longevity) for a 40-hour week. Benefits are subject to binding arbitration (specified in the WMATA Compact) and management has been unsuccessful in convincing unions and arbitrators to give up defined benefit pensions in favor of defined contribution plans. Economies in revising benefits and wage freezes should also be considered for management. Also economies might be squeezed by a better mix of part and full-time work.

- Speakers called for WMATA to devote more attention to: communication with customers (e.g. in e-mail alerts identifying the severity of causes of delays); energy conservation (restore sensors to turn off day-time lighting of outdoor Metrorail stations and night-time lighting at the Jackson Graham headquarters); restoring trust; better amenities (Wi-Fi, possibly for a fee); asking those who can afford it to pay more for all of WMATA's services, including Metro Access and parking; measuring performance; installing new technologies for revenue and to enhance the customer experience (such as in-station TV monitors, car sharing at stations); and creating a WMATA culture stressing safety and transparency.

- Bus route consolidation, better stop spacing, queue jumping signals and dedicated lanes should be pursued to improve efficiency. Also, a regionwide network of such lanes should be created with the involvement of VDOT, MDOT and DDOT. TPB's ARRA application seeks $270 million of federal stimulus funding to initiate such a network. These improvements would improve bus efficiency and in turn increase demand with corresponding revenue enhancement. New HOV lanes are included in Fairfax County's comprehensive plan for Braddock Road outside the Beltway and Route 1, but rights-of-way and engineering funding are needed. The county is also completing a Transit Development Plan, since not even the denser parts of the county have enough transit service. The use of freeway shoulders for transit (as is successfully done in Minneapolis) should also be pursued.

- Riders have a role to play in educating local officials about the necessity of retaining effective transit service. One couple described their Facebook page dedicated to fight potential DASH service cuts in Alexandria. A more "community centered" transit planning process was suggested.

Northern Virginia Transportation Commission

AGENDA ITEM #7

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: Vanpool Incentive Program

NVTC is promoting a broad regional effort to initiate a new Vanpool Incentive Program that would increase vanpooling and allow WMATA to receive significantly more federal formula assistance to be shared among the participating regions.

Significant progress has occurred, including:

1. FAMPO has reserved $100,000 of CMAQ funds available now for a design study;

2. NVTC has applied to NVTA for $100,000 CMAQ funds and PRTC has volunteered to provide that amount in FY 2010 if it will be restored in FY 2011. NVTA will act on this request on November 12th;

3. NVTC has also requested that NVTA reserve some FY 2011 CMAQ funds for implementation of the project, contingent on prior completion of an acceptable project design study;

4. A substantial technical advisory committee of local, regional and state governments and private sector representatives has met several times and agreed on a scope of work for the design study;

5. FAMPO is prepared to issue the RFP on November 13th assuming favorable action by NVTA;

6. DRPT staff agreed to serve as the project manager to ensure impartiality;

7. Details are being worked out with FHWA, VDOT and DRPT staff regarding the complex process for funding this joint project with money from two different regions;

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8. The consultant selection committee has been selected and should be ready to recommend award of contract for action by FAMPO and NVTC no later than January 7, 2010; and

9. The target for completion of design is no later than June 30, 2010.

Attached for your information are the scope of work and program design project schedule.

VANPOOL INCENTIVE PROGRAM DESIGN PROJECT SCHEDULE

Activity	**Date**
Final revision of scope for RFP, approval of project schedule and creation of consultant selection committee by Technical Advisory Committee (TAC)	October 13, 2009
Comments on final scope of work due	October 16
Initiate process to include design project in TPB and FAMPO TIP's and seek approval of scope for FAMPO by VDOT/FHWA	October 19
Approval by FAMPO of CMAQ funds for project and for issuing RFP. Separately the Selection Committee agrees on selection criteria	October 26
Recommendation for approval of transfer of FY 2010 CMAQ funds for project by NVTA's JACC	October 29
Approval by NVTA of FY 2010 CMAQ funds for design and of FY 2011 CMAQ funds to restore funds used for design	November 12
FAMPO issues RFP	November 13
Pre-proposal conference	November 30
Responses to RFP due	December 14
Consultant interviews by TAC Selection Committee. Separately FAMPO authorizes execution of consulting contract and agreement with DRPT to serve as project manager	December 21
Recommendation of consulting team by TAC selection committee	December 28
Deadline for completion of process to include design project in TPB and FAMPO TIP's and of FAMPO and NVTC to have access to CMAQ funds	December 31
NVTC authorizes award of contract to recommended consulting team and agreement with DRPT to serve as project manager. NVTC and FAMPO execute consulting contract and issue notice to proceed	January 7, 2010
Technical Advisory Committee initial meeting with consulting team	January 11, 2010
Design project complete	June 30, 2010

VANPOOL INCENTIVE PROGRAM
TO ENHANCE THE NORTHERN VIRGINIA / FREDERICKSBURG REGIONS'
SECTION 5307
FEDERAL TRANSIT FORMULA ASSISTANCE EARNINGS AND INCREASE THE
NUMBER OF VANPOOLS

SCOPE OF WORK FOR CONSULTING ASSISTANCE TO DESIGN THE PROGRAM

--October 14, 2009--

Introduction

Throughout the United States, Metropolitan Planning Organizations (MPO's), state Departments of Transportation (DOT's) and transit agencies are collecting and reporting vanpool statistics to the National Transit Database (NTD) in order to increase their Section 5307 earnings from the Federal Transit Administration (FTA). To be eligible, vanpools must be publicly operated or a public transit system must own or lease the vans directly or through a contractor, although the Federal Transit Administration is currently considering a revised policy that would define how private vanpools could submit data to NTD to generate Section 5307 earnings through an eligible FTA grant recipient.

In Virginia, the Greater Richmond Transportation Company (GRTC) and Hampton Roads Transit (HRT) receive Section 5307 funds on a total of about 100 vanpools, but no entity in the DC metropolitan region or the FAMPO region reports vanpool activity to the NTD. This represents a net opportunity loss of millions of dollars of Section 5307 earnings annually in Northern Virginia and Fredericksburg (assuming survey-determined totals of 600 to 800 active vanpools). These estimates are provided in a NVTC staff report titled "Section 5307 Earnings Potential from Vanpools in the D.C. Metropolitan Area" dated August, 2009 and available on NVTC's website at www.thinkoutsidethecar.org.

A previous effort to use Virginia Department of Transportation (VDOT) funding and Washington Metropolitan Area Transit Authority (WMATA) administration concluded about five years ago without producing an acceptable program of vanpool subsidies to generate Section 5307 earnings, although substantial progress was made. This current project builds on that earlier work in an effort to create a program to subsidize the use of vanpools.

In addition to increasing earnings of Section 5307 formula funds, newly formed vanpools would make significant contributions to clean air, reduced greenhouse gas emissions, energy conservation and relief of traffic congestion.

This scope of work details the tasks required to design a program for inclusion of Fredericksburg and Northern Virginia vanpools in the NTD, including estimating the number of vanpools that might participate, definition of data collection and reporting requirements, development of draft agreements, design of an administrative structure and assignment of responsibilities, verification of expected formula earnings and assignment of those earnings to the various participants, assistance in resolving issues that are identified as obstacles to a successful vanpool subsidy program, obtaining FTA approvals and sign-offs on agreements (assuming a program design agreeable to the stakeholders can be fashioned) and (as options) help with procurement of additional consulting expertise to assist in the implementation of various aspects of the program and expanding it to Maryland and the District of Columbia.

The duration of this contract will be up to nine months from notice to proceed, with a target completion date of six months for Tasks 1-6. This will permit the program to begin compiling NTD data for FY 2011 by July 1, 2010 (or as soon thereafter as possible), if a source of implementation funds is available then. Submission of the FY 2011 and subsequent NTD reports would permit Section 5307 earnings to begin in FY 2013 (October, 2012).

A staff-level technical advisory committee (TAC) has been convened from state and regional agencies, local governments and private vanpool leasing firms choosing to participate. These agencies/governments include, but are not limited to, the following:

Northern Virginia Transportation Commission (NVTC)
Potomac and Rappahannock Transportation Commission (PRTC)
Washington Metropolitan Area Transit Authority (WMATA)
Department of Rail and Public Transportation (DRPT)
Virginia Department of Transportation (VDOT)
Virginia Railway Express (VRE)
Fredericksburg Area Metropolitan Planning Organization/ George Washington Regional Commission (FAMPO/GWRC)
Metropolitan Washington Council of Governments/Transportation Planning Board (MWCOG/TPB)
Alexandria
Arlington County
Falls Church
Fairfax (city)
Fairfax County
Loudoun County
Fredericksburg
Manassas
Manassas Park
Prince William County
Stafford County
Spotsylvania County
Caroline County
King George County
Richmond Ridefinders
VPSI, Inc.
ABS Vans

Maryland and D.C. agencies may also be invited to participate.

The TAC reserves the right to discontinue the project if it appears that a workable program cannot be achieved.

Task 1: Research Best Practices.

Review research materials containing background and assumptions. Research and determine the FTA requirements for a vanpool NTD program. Examine national examples of best practices. Report findings.

The consequences of proposed changes in FTA policies and federal legislation should also be examined (e.g., allowing private vanpools to submit NTD data, allowing vanpool fares to count as local match for Section 5307 and other federal grants and the possible roll-back of the maximum allowable tax-free commuter benefit). Emphasis should be placed on identifying best practices that would be applicable in this region and would lead to including existing vanpools as well as creating new vanpools.

Task 2: Recommend program goals and objectives and analyze significant issues.

Recommend program goals and objectives. Identify, analyze and recommend solutions to program hurdles and uncertainties including such issues as match monies, the 2010 Census, leasing agreements (including purchase options and FTA's capital cost of contracting regulations), liability and indemnification, data collection technology (even beyond best practices), and legal/regulatory hurdles to providing incentives to drivers. Develop and recommend a structure of roles and activities in the NOVA and FAMPO regions to implement a vanpool NTD program consistent with FTA requirements and national best practices.

Several issues have been identified as obstacles to the success of the proposed project or of potential importance. For each of the issues listed below, and others that may be identified by the consulting team and the TAC, the consulting team will propose cost-effective remedies and assist the region in negotiating agreements as to how to proceed, based on successful experiences in other regions and on tentative agreements reached in this region's earlier efforts. Having resolved these issues, the consultant will work with the TAC to obtain agreement on the goals and objectives of the program.

Incentives for Vanpool Formation and NTD Participation:

A. What factors will influence vanpool participation in the program including: levels of subsidization, operating costs, financial support for van purchases, availability and affordability of insurance, the extent to which paperwork is required to comply with NTD data collection mandates, and whether the van is owner-operated or a part of a larger fleet?

B. What are the pros and cons (including legal and regulatory hurdles) to providing incentives to drivers so they will be willing to form vanpools and to provide NTD data?

Impact of SmartBenefits:

C. What level of vanpool subsidy, if any, is required by FTA to allow NTD data to contribute to Section 5307 earnings? Can receipt of SmartBenefits by vanpoolers count toward that required level of subsidy?

D. Given the eligibility of many vanpoolers to receive up to $230 monthly in SmartBenefits (at least until the end of 2010) to cover fares, how would an additional government Vanpool Incentive Program operating subsidy induce more vanpoolers (including non-federal employees) or a willingness of existing vanpoolers to submit NTD Data?

Insurance/Indemnification Risks:

E. How can all participating agencies best be fully indemnified?

F. Are there insurance issues for vanpool operators which cannot be addressed through the Advantage Insurance Program?

G. What are other potential risks of the program and how can they be mitigated?

Effect of 2010 Census:

H. Following the 2010 census, the FAMPO region may qualify as a TMA based on urbanized area population. If that happens, would net earnings be greater for the region as a whole if a new designated recipient in the FAMPO region were to file a portion of the NTD data? How could a current governing structure and allocation agreement reflect such a future change?

Technologies:

I. Document specific technologies that will facilitate low cost, accurate collection of NTD data.

J. If vans are provided, what are the most appropriate makes and models?

Structure of Roles and Activities:

K. Who decides? With so many agencies involved, which ones will actually administer project funds, make go/no go decisions, administer the program and provide oversight to any consultants?

L. Should Maryland and D.C. be invited to participate, at some point in the future, perhaps through a regional program at MWCOG? How does the presence or absence of Maryland and D.C. affect Section 5307 funding allocations and what would need to happen to ensure that if Maryland and D.C. were absent, Virginia would realize the full benefit of the increased Section 5307 earnings? [Note: optional Task 9 would enlist the consultant's help in implementing expansion to include Maryland and D.C. if stakeholders agree.]

M. How can the existing vanpool and TDM agencies best participate in the new Vanpool Incentive Program? How can their expertise be incorporated into the program? What agency or agencies should have a lead role in managing the program? How can undue burdens on these agencies be avoided?

N. Should vans be purchased and leased for vanpool operations? Should one or more contractors be selected competitively to provide subsidized leases of vans to new vanpools in cooperation with vanpool/TDM agencies, or should any van lessors who may have existing leases or who may wish to lease subsidized or unsubsidized vans to new vanpools be encouraged to participate? How would such a new program mesh with existing public and private programs? What are the implications for public acceptance, including implications for vans purchased/leased without public subsidy?

Task 3: Resolve significant issues and develop administrative structure.

After assessing the issues above in Task 2, the consulting team will facilitate discussions required to achieve a consensus on their resolution. If successful, the consulting team will then develop an administrative structure, with rules, regulations, policies and procedures. The extent to which existing agencies and/or outside contractors should be used for the various administrative functions should be determined. This task should, at a minimum, describe how to accomplish the following:

A. Complete a detailed program of subsidization;

B. Publicize and build support for the program;

C. Work with existing TDM agencies and vanpool agencies to educate existing vanpool operators about the subsidy program and encourage them to join the program;

D. Work with existing TDM agencies and vanpool agencies to establish new vanpools and encourage the new vanpool operators to participate in the subsidy program;

E. Complete a program to obtain and file required NTD data, using the latest technology;

F. Ensure compliance with all applicable federal, state and local regulations with appropriate documentation, controls and independent audits;

G. With the goal of encouraging widespread participation, what should the “eligibility” criteria” for vanpool participation be? FTA and state requirements are compulsory criteria, and others may or may not be advisable – the bulleted list below is presented simply for the purpose of consideration, including, but not limited to:

- Drivers age and other qualifications
- Vehicle ownership
- Acceptable driving records
- Minimum and maximum passengers
- Lease terms
- Gas, maintenance included?
- Spare/loaner vans?
- ADA equipped vans?
- Vanpool reporting forms
- Origins of vanpools
- Maximum number of riders pulled from existing vanpools (to discourage diversion)
- Fare policies
- Insurance/Indemnification
- Free miles for personal use by driver
- Special incentives for drivers and/or bookkeepers
- Training programs
- Support staff for questions, promotion, assistance and marketing
- Dispute resolution
- Recruiting

There will need to be a compelling reason for adding criteria beyond FTA and state dictates, inasmuch as there is an overarching aim of encouraging greater vanpool formation.

H. For the above rules, regulations, policies and procedures, as well as the items listed here, conduct sensitivity analyses to demonstrate whether each item is likely to exert a positive net benefit for the program:

- Branding
- Discounts with transit systems for mid-day trips
- Passenger recruitment bonuses
- Bike racks on vans
- Vanpool transfer policies

I. Clearly distinguish vanpool driver/passenger responsibilities versus vanpool program administrator responsibilities and identify appropriate contract and NTD data collection forms and procedures that will facilitate compliance.

Information from other regions with successful vanpool subsidization and NTD reporting programs should be presented to establish appropriate baselines for comparison of performance.

Task 4: Working with TDM agencies and vanpool operators, affirm the number of current and future vanpools in both regions for the next decade.

Through examination of existing surveys and databases, working with TDM professionals, and using other data sources such as conducting new surveys, the consulting team will affirm the numbers of current vanpool operators and participants in both regions and to the extent possible their patterns of origins and destinations.

Working with TDM agencies and vanpool operators, and based on various assumed levels of subsidies for operations and van purchases, paperwork requirements and scenarios for gas prices, employment, traffic congestion and insurance availability, the consulting team will estimate levels of participation for the proposed program for the next decade.

Task 5: Provide estimates of the costs.

Provide an estimate of the total annual cost for each van enrolled in the Vanpool Incentive Program. This total cost will include the cost of data collection for each van, a subsidy amount for each van and the shared cost of program-wide data consolidation and verification, prior to its NTD submittal. Develop total cost estimates for data collection, data consolidation/verification, NTD reporting and audits. Quantify non-monetary benefits (air quality, energy savings, greenhouse gas emissions, safety improvements, congestion relief).

In this cost estimating task, various scenarios should be considered to allow the TAC to determine the most cost-effective program while also considering non-monetary benefits. Diversion of customers from public and private transit systems and existing vanpools should also be quantified.

Task 6: Estimate the total 5307 revenues to be obtained from the program and sharing formulas.

Estimate the total 5307 revenues to be obtained from the program given alternative numbers of enrolled vans by region, and estimate the net program revenues, after data collection, data consolidation and verification and vanpool subsidy costs are paid. Propose formula options for inter- and sub-regional allocation formulas for net program revenues.

Assist stakeholders in deciding how earnings will be shared. Currently Section 5307 earnings go to WMATA but some are shared under specified circumstances with other entities (e.g. MTA, VRE, PRTC, FRED). To provide the assistance to stakeholders described here, sharing arrangements elsewhere in the U.S., an allocation proposal developed for this area in 2003, WMATA's Board policy, and this region's current procedures for agreeing on "split letters" for Section 5307 funds will all require examination. How can jurisdictions not accepting federal transit capital funds be included if they so desire? How can adequate local match for Section 5307 funds be obtained each year, whether or not Congress adopts legislation allowing vanpool fares to count as local match?

For each of the prospective sharing formula options, the consulting team will calculate expected Section 5307 gross and net earnings at various levels of vanpool participation. These earnings will be shown for each future year with a theoretical allocation of formula earnings, at both the regional and sub-regional levels. The gross and net earnings will be shown for each region and will be determined using the cost information from Task 5 with revenue information from this task.

Task 7: Prepare Detailed Budgets, Business Plans and Performance Objectives.

Pro forma administrative and program budgets should be prepared for the first five years of operation.

Also, a five-year business plan should define techniques to ensure a successful program. Participant feedback should be an important component.

Performance objectives should be established to enable objective measurement of the program's success at various stages of development. Describe how implementing agencies could involve the public. Also, consider the benefits of a uniform marketing campaign, perhaps developed by DRPT with stakeholder input.

Optional Task 8: Assist in implementation procurements.

As an option, the consultant may be asked to assist in procurement of continuing services, such as consolidation and verification of data provided by vanpool operators.

Optional Task 9: Assist in extending the Vanpool Incentive Program to Maryland and D.C.

As mentioned in Task 2L, if stakeholders determine that the program should be extended, the consultants may be asked to assist in modifying the program design for that purpose.

Northern Virginia Transportation Commission

AGENDA ITEM #8

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Rick Taube

DATE: October 29, 2009

SUBJECT: Regional Transportation Items

A. Potomac River Ferry Demonstration.

As explained in the attached Washington Post article from September 17, 2009, a $225,000 feasibility study prepared for the Prince William County Board examined potential ferry service on the Potomac River. The study included trial runs with a ferry boat. The study concluded that service would be feasible but additional funding would be required. The Prince William County Board would look for partners if it decides to proceed.

B. Status of I-95/395 HOT Lanes Project.

Two items are attached. First, a letter from Fairfax County Board Chairman Sharon Bulova dated September 15, 2009, to Governor Kaine expresses the Board's views on the project. Second, a memorandum from the VDOT and DRPT directors of an ongoing BRT operations study describes how the scope of that study will be altered to reflect reduced funding for the HOT Lanes project.

C. Transit Technologies—Bus Shelter Ads and Electric Power from Transit Customers.

One attachment shows ads that change as they appear on bus shelter walls when activated by a camera tracking passengers' eyes. The second

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attachment explains that heavy foot traffic at Japanese subway stations could be used to generate electricity for station lighting. Elements capable of generating electricity are embedded in floor tiles and covered by a mat. The pressure and vibration of commuter foot steps are converted to electricity.

D. MWCOG Guaranteed Ride Home.

The attached news article recounts that the regional program to provide free rides for commuters who need to leave work for unexpected emergencies provided a record number of trips in FY 2009. A total of 3,096 trips (up slightly from 3,006 trips in FY 2008) were provided. With 11,000 persons registered, and each person eligible for up to four trips a year, the program is functioning as an effective "insurance policy" for commuters. The average cost to MWCOG is $65 per trip.

E. Success of Virginia's Telework Day.

In the attached media release dated September 3rd, the Governor's Office reported that teleworkers on the August 3rd Telework Day saved $113,000, escaped driving 140,000 miles and avoided almost 76 tons of pollutants. A total of 4,057 persons participated statewide. If all eligible employees teleworked one day per week for a year, 602 million fewer miles would be driven, 360,800 tons of pollution avoided and $807 million in commuting costs saved. This is equivalent to a $1,822 average raise for each employee, plus saving 46 hours per person in commuting time.

F. NVTC Media Release on I-66 Mode Shares.

A copy of the release is attached on the study described at the September NVTC meeting. Also attached is a news article containing additional comments.

G. Safe-Trip I-95 Travel Time Website.

As shown on the attachment, a new website (www.i95travelinfo.org) uses real time vehicle data to allow travelers to view congestion and obtain travel times on the I-95 corridor from northern New Jersey through southern North Carolina.

H. Transit, Call Centers and 511 Report.

Excerpts are attached from the report (TCRP Report #134). It examined the status of transit systems interacting with the 511 transportation information systems promoted by the FCC. Among the pertinent findings:

- In a survey of 25 transit agencies, they generally believed that regardless of 511 connections, their own staffed telephone information lines are essential, because many customers, especially the elderly, want to speak to a 'real" person.

- In a survey of all 42 national 511 transportation information numbers, 22 had no transit presence (as of March, 2009).

- Of the twenty 511 systems with some transit presence, only three included real-time transit information.

- On page 45, a case study is presented of WMATA, which is included in Virginia's 511 system, but only as an option to transfer to WMATA's own customer information service telephone line.

I. Virginia Air Quality Improvements.

The attached media release from the Governor's Office reports that between 1999 and 2009, Virginia experienced a 96 percent decrease in the number of days exceeding the national standard for ozone. In 1999 there were 76 "bad air days." In 2009 there were three (all in Northern Virginia). Northern Virginia's decline was from 48 days in 1999 to three in 2009. The Governor's release attributed the improvements to several causes but did not mention public transit.

J. New Tysons Bus Services.

The attached VDOT news release describes new bus routes sponsored by the Mega Projects office to help commuters during construction of the Beltway HOT Lanes and the Dulles Rail project.

Correction to This Article

A previous version of this article said the ferry would travel at an average of 30 knots an hour. This version has been corrected to say the ferry would travel an average of 30 knots.

PRINCE WILLIAM COUNTY

Potomac Ferry Would Need $20 Million, Report Finds

The 149-passenger Provincetown III was used for a three-day trial run in May. (By Tracy A. Woodward -- The Washington Post)
Buy Photo

By Jennifer Buske
Washington Post Staff Writer
Thursday, September 17, 2009

A Potomac River ferry could cut travel time significantly for some Washington commuters but would require local jurisdictions to find at least $20 million to fund it, according to a report released Tuesday.

The commuter ferry feasibility study was funded by a $225,000 grant from the Virginia Transportation Department and prepared for the Prince William Board of County Supervisors by the consulting firm Greenhorne & O'Mara.

"It's not like we are pulling our checkbook out today," said Prince William Supervisor Frank J. Principi (D-Woodbridge), who has spearheaded the effort. "We still have homework to do, but I think a commuter ferry is a viable option in the region."

On Tuesday night, the supervisors unanimously endorsed the study and directed county staff members to explore ways to pay for an analysis to determine how many people would ride the ferry and how the service would affect mass transit.

"We are not interested in competing with the [Potomac and Rappahannock Transportation Commission] or the Virginia Railway Express, but we are looking to provide an additional transportation option," Principi said. "Our intent is not to take people off buses and trains but off Interstate 95."

The study says the ferry would have competitive pricing and service when compared with VRE and the PRTC. Ferry times were determined after a 149-seat ferry boat ran test trips during several days in May. Consultants said ferry service between Maryland and Virginia could reduce some cross-river trips from two hours to less than 20 minutes, such as a route between Fort Belvoir and Indian Head.

The ferry-commuting estimates include:

-- Indian Head to Fort Belvoir; eight miles; 14 minutes.

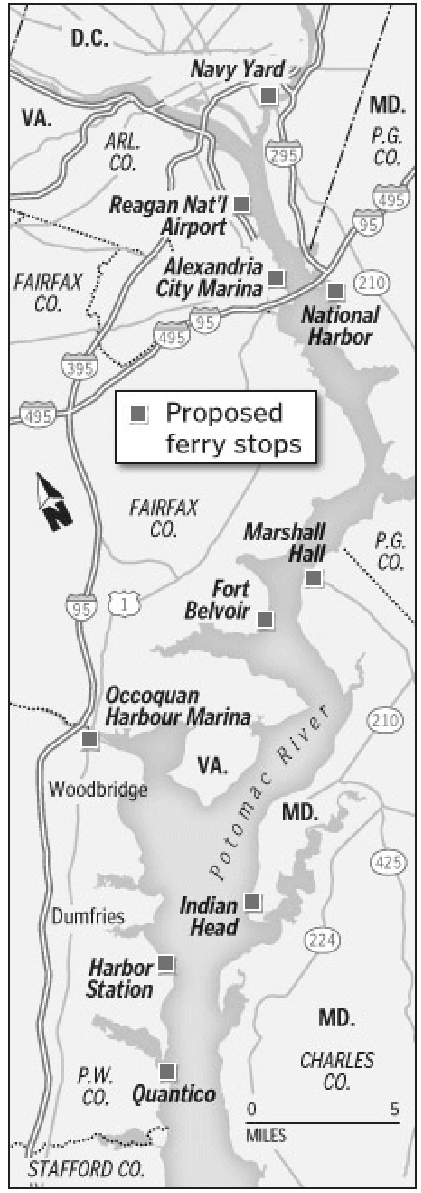
-- Marshall Hall to Fort Belvoir; three miles; seven minutes.

-- Occoquan Harbour Marina to Anacostia; 30 miles; 58 minutes.

-- Prince William Marina to Reagan National Airport; 28 miles; 66 minutes.

The running times assume that the ferry would travel an average of 30 knots and that no-wake restrictions in Old Town Alexandria and along the Anacostia River would be lifted, said Cody Smith, a spokesman for Greenhorne & O'Mara.

Operating a ferry from the Woodbridge area to Washington would cost almost $4 million annually, the study says, and service from Fort Belvoir to Marshall Hall would cost about $3 million. Before the ferry can begin operating, however, localities



The Washington Post

must make nearly $30 million in capital improvements along the Woodbridge to D.C. route or about $20 million in improvements for service from Virginia to Maryland. Improvements would include docks, parking lots, ticketing centers and the purchase of six boats, the report says.

The study projects that if 141,300 passengers ride annually and fare prices are about $11 round-trip -- comparable to VRE's fares -- ticket revenue would generate about $2 million, which would cover about 50 percent of annual operating costs. By comparison, the Potomac Riverboat carries about 115,000 passengers annually between Alexandria and National Harbor on its river taxi service and charges $16 round-trip, said company owner Willem Polak.

The ferries would ideally make an average of 20 trips daily, five days a week, although fog, ice, high waves or river debris could affect the number, the study says. But Greenhorne officials said that all commuter services encounter problems and that with plush seats, a concession stand and wireless Internet service, the ferries could provide a pleasant commute.

The study now moves to the Northern Virginia Regional Commission and the Metropolitan Washington Council of Governments for review, Principi said. After that, a regional committee, which could have representatives from the military, private agencies and local jurisdictions, would begin looking for funding for the project.

"I'm excited and think this [ferry service] is very feasible," Principi said. "We just need to look at this as a regional transportation effort with regional sources of funding."

B

COMMONWEALTH OF VIRGINIA

County of Fairfax

BOARD OF SUPERVISORS

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SUITE 530
FAIRFAX, VIRGINIA 22035-0071

TELEPHONE: 703/324-2321
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SHARON BULOVA
CHAIRMAN

September 15, 2009

The Honorable Timothy M. Kaine, Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Dear ~~Governor~~ Kaine: Tim,

We appreciate your continued support of creative approaches to keep projects of regional and local significance moving forward at a time when the nationwide economic recession and reductions in state funding have severely cut public funding for transportation. While these approaches may not be perfect, there is no lack of effort to find solutions to transportation needs.

I am writing today on behalf of the Fairfax County Board of Supervisors to make you aware of the Board's strong concerns regarding the delay in the implementation of the I-95/I-395 HOT lanes project as discussed at today's Board meeting. The Board fully understands the realities of the current economic situation, the continuing turmoil in the financial markets, and the resulting difficulties in obtaining project financing and was not surprised that in the current climate there might be some delay in the project associated with obtaining financing. However, the Board wants to strongly encourage the state to continue development of the project both outside and inside the Beltway at an expedited pace.

The transit and highway infrastructure associated with the project is too important to the region's transportation network to be put on hold indefinitely. Further, given the diminutive amount of transportation funding available through other traditional revenue sources, the Board views a tolling option, such as the HOT lanes proposal, as the only viable opportunity to secure the critical infrastructure needed in the I-95/I-395 corridor in the foreseeable future, as well as promote further use of mass transit.

As you know, the I-95/I-395 HOT lane project is to provide a significant level of funding to support enhancements to bus service in the region as well as commuter parking and other public transit and highway infrastructure important to the regional network. It is very important that the project's commitment to public transit and to commuter parking continue to move forward regardless of the delay in the larger project. This is particularly true of the commuter parking lot to be provided in the Springfield area. In order to fast track the lot's construction, Fairfax County has already committed to purchase the former Circuit City site and is counting on the state's completion of the other land acquisition (namely the service station and former Long John Silver's restaurant) for the parking lot. The land acquisition needs to move forward near-term to allow the parking to be completed well ahead of commencement of HOT lanes construction. The provision of this commuter parking will significantly facilitate HOV use and reduce traffic during project construction as well as after the project is completed.

The Board has very grave concerns about the idea of stopping the HOT lanes project, as an initial phase, at the Capital Beltway because of the expected negative impacts resulting from the associated traffic diversion within Fairfax County and the loss of significant infrastructure improvements north of the Beltway. As expressed previously when the BRAC location decisions were being made, the Board is extremely concerned about the lack of public transit and network capacity to be provided at the Mark Center BRAC facility in Alexandria. The Board's concerns are even greater without the transit, interchange, and lane widening improvements proposed as part of the I-95/I-395 HOT lanes project on which the BRAC location decision was based. The woefully under-capacity interchange of I-395 with Route 236 (Duke Street/Little River Turnpike) and mainline of Route 236 and Beauregard Street are expected to particularly be impacted without the planned HOT lanes enhancements at the Seminary Road interchange. Terminating the project at the Beltway will further exacerbate the commuting nightmare resulting from the BRAC decision to locate more than 6,000 employees at the Mark Center with very limited transit and roadway network capacity improvements and will make an unimproved Seminary Road area impassable.

Further, without the HOT lanes continuing north of the Beltway, the Phase VIII Springfield interchange ramps may no longer be adequately sized. Stopping the project at the Beltway greatly lessens the value of the project for Fairfax County motorists and public transit users heading to jobs in Arlington, Alexandria, and DC. This will unfairly burden other transportation infrastructure in Fairfax County with traffic heading to inside the Beltway destinations and does not solve the many existing access problems inside the Beltway.

The Board calls on the state to immediately re-examine the issues associated with the proposed phasing of the I-395/I-95 HOT lanes project, in close coordination with Fairfax County officials, and to evaluate, at a minimum, an option to include the Seminary Road interchange as the northern terminus for the first phase of construction rather than terminating the project at the Capital Beltway. The Fairfax County Board and staff are ready to assist the state to re-evaluate the project limits and to quickly resolve all other remaining issues. The Board believes that the remaining project issues can be successfully resolved and encourages the state to keep this project of regional and local importance moving forward to completion on an expedited basis.

Sincerely,

Sharon Bulova

Sharon Bulova
Chairman

cc: Members, Board of Supervisors
Pierce Homer, Secretary of Transportation, Commonwealth of Virginia
David Ekern, Commissioner, Virginia Department of Transportation
Anthony H. Griffin, County Executive
Robert A. Stalzer, Deputy County Executive
Morteza Salehi, Northern Virginia District Administrator, Virginia Department of Transportation
Katharine D. Ichter, Director, Department of Transportation

COMMONWEALTH of VIRGINIA

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DAVID S. EKERN, P.E.
COMMISSIONER

MEMORANDUM

RTN-I95I395-14-1009

TO: Transit Operators Committee

FROM: Ronaldo T. Nicholson, P.E.
Regional Transportation Program Director

Corey W. Hill
Chief of Public Transportation, DRPT

DATE: October 20, 2009

REF: I-95/I-395 HOV/Bus/HOT Lane Project

SUBJECT: Completion of BRT Operational Analysis

The purpose of this memorandum is to update the Transit Operators Committee on the above effort. The memorandum also defines the process for completing this effort. Much of the original scope of the study is intact. Because of current negotiation under the PPTA, the BRT schema will be scaled down to incorporate more express bus service and supporting infrastructure. Also, in-line stations will not be part of the analysis because of cost and right-of-way take considerations.

The following approach will be adapted to complete the study within the next two months:

- The study report will provide **service analysis** including: ridership demand figures, route structures, boardings and alightings at proposed transit stations, modes of arrival, headways, service characteristics, and markets served.
- The study report will provide **infrastructure analysis** including: station locations, infrastructure required to support express bus. Station area conceptual level maps will be provided at the following locations, showing supporting infrastructure:
    1. Prince William Parkway;
    2. Route 1/ Route 610;
    3. PRTC Transit Center;
    4. Lakeridge Park and Ride;
    5. Lorton (to show a station adjacent to VRE; plan access to the north that minimizes cost and minimizes exposure to local traffic); and
    6. Seminary Road using BRAC Transit Center as base (Develop with Mark Center IJR flyover alternative).

- The study report will provide **cost analysis** including: capital and operating costs, revenues, and subsidies will be analyzed. With regard to proposed supporting infrastructure; preliminary construction costs and operating costs will also be provided.

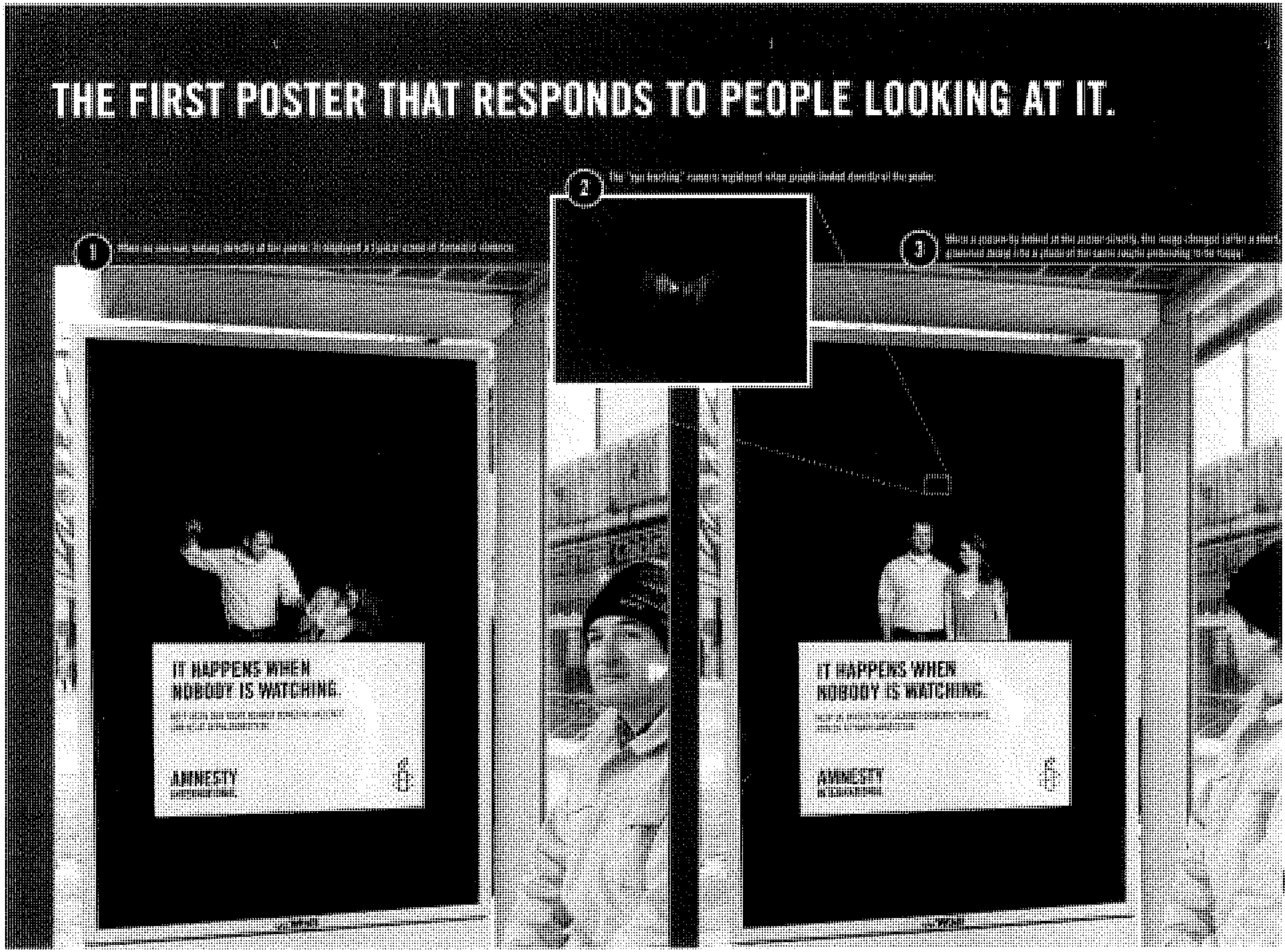
- No micro-simulation will be conducted for any of the station areas.

Schedule

There will be two Transit Operators Committee meetings – one via a teleconference call to present results of the analysis and the other will be in the form of a regular meeting to discuss the final draft report. Please put the following dates on your calendar.

- TOC call on the analysis – Friday November 6th
- TOC meeting on draft final Report – Friday November 20th
- Final Draft Report completed by end of November 2009

Cc: Pierce Homer
Chip Badger
David S. Ekern, P.E.
Morteza Salehi
Jo Anne Sorenson
Valerie Pardo
Mike Harris
Young Ho Chang, P.E.
Paul Prideaux, P.E.
Document Control I95I395 HOT Lanes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AMNESTY
IT HAPPENS WHEN
NOBODY IS WATCHING.
AMNESTY

Will The 40-Day Anniversary Of Neda Agha-Sultan's Murder Reignite Iran's Green Revolution?
by Abbas Milani

If We Want To Reform Health Care, We Shouldn't Be Afraid To Tax The Rich
by John B. Judis

The Evil That Men Do: Harrowing New Accounts Of The Armenian Genocide
by Mark Mazower

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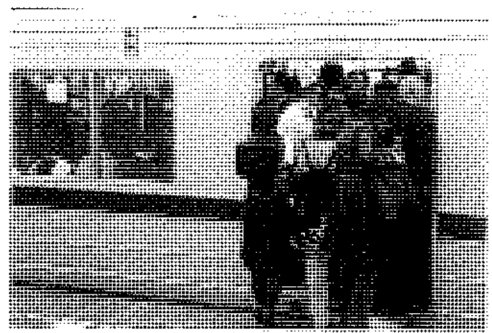
21.07.2009
Stomp If You Want Electricity

They really do come up with the wackiest ideas over there in Japan:



> Heavy foot traffic at busy subway stations could soon be widely used to power station lighting and other electrical equipment thanks to technology currently being trialled in Tokyo.
>
> In a small-scale experiment at Tokyo Station, one of the city's busiest subway stops, so-called *hatsudenyuka* floors were installed at station gates, hallways and staircases.
>
> The technology features elements capable of generating piezoelectricity, which are embedded in 0.4mm flooring tiles and covered by a mat. The piezo elements convert the pressure and vibration of commuter footsteps into electricity, which is used to power the station's lights.
>
> The experiment is being run by subway operator East Japan Railway Co, Tokyo's Keio University and public research body New Energy and Industrial Technology Development Organization.
>
> The trial, which started in 2006, was put on hold in March to analyse data, and early indications are that the energy harvesting system could be rolled out more widely. East Railway said it now hopes to eventually use the flooring as a clean source of supplementary power for other station technologies such as automatic ticket barriers and display panels.

This idea has actually been wafting around for some time. A British firm has been noodling over a system that would employ a "matrix of hydraulic compression pads" under sidewalks and stairs to generate electricity from foot traffic—in theory you could use the energy created by pedestrians stomping around to keep nearby lights running. Some entrepreneurs have even pondered whether you could fabricate a similar system for roads, converting truck traffic into electricity. But it's unclear whether drumming up power this way is even remotely cost-effective, and it always seemed like a totally fanciful idea. Apparently, though, Japan's taking the notion quite seriously.

(*Flickr photo credit:* emptybits)

--Bradford Plumer

D

The Examiner

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Transit backup program gave 3,096 free rides home last year

By: Kytja Weir
Examiner Staff Writer
September 28, 2009

A program that gives commuters a free ride home for unexpected emergencies provided a record number of trips last year.

The Commuter Connections program through the Metropolitan Washington Council of Governments offers a "guaranteed ride home" to commuters who walk, take public transit, bike or carpool to work. The idea is to reduce traffic on the region's notoriously congested roads by knocking away hurdles that prevent commuters from leaving the car at home.

It provided 3,096 free trips in the fiscal year that ended in June, according to a new report. That was a slight increase over the prior year's 3,006 rides -- and the most provided since the program began in 1996.

But that's a small number of trips considering the more than 11,000 people registered for the service, especially given that each person can receive up to four rides in a single year.

"It's more of an insurance policy," said Commuter Connections Director Nicholas Ramfos.

Commuters tap into the program if they have a family emergency or have to work late. But the rides are not allowed for scheduled events, such as school classes or doctor's appointments, nor for major crises such as weather emergencies or building evacuations.

If the ride is approved, the program dispatches a taxi to the person's workplace or sets them up with a car rental so they can go home, Ramfos said. The average cost of each ride is $65, but free to the commuter except for any tips or fuel fees.

If the ride is approved, the program dispatches a taxi to the person's workplace or sets them up with a car rental so they can go home, Ramfos said. The average cost of each ride is $65, but free to the commuter except for any tips or fuel fees.

About 40 percent of those who took the free trips used it for illnesses in the last fiscal year, according to the report. Some 16 percent had unscheduled overtime that kept them at work, while another 16 percent had child care or family emergencies.

Those who use the program must work within the metropolitan area. More than two-thirds of those registered for the program live in Virginia, while 31 percent live in Maryland and just 2 percent in the District. Another 2 percent live in Delaware, Pennsylvania and West Virginia.

The budget for the program is $545,000, including administrative costs and regular marketing campaigns for the region's ever-shifting population, Ramfos said. It is paid for through federal and local matching funds.

kweir@washingtonexaminer.com

Rick Taube

E

From: Kala Quintana
Sent: Thursday, September 03, 2009 3:02 PM
To: Rick Taube
Subject: FW: Governor's News Release

FYI

From: Governors Update Mailing List [mailto:govupdate@governor.virginia.gov]
Sent: Thursday, September 03, 2009 12:01 PM
To: GovernorsUpdate mailing list
Subject: Governor's News Release

COMMONWEALTH OF VIRGINIA
Office of the Governor

Timothy M. Kaine
Governor

FOR IMMEDIATE RELEASE
September 3, 2009

Contact:	**Gordon Hickey**	**Meghan O'Neil, Telework Exchange**
Phone:	**(804) 225-4260**	**(703) 883-9000, ext. 125**
Cell Phone:	**(804) 291-8977**	
Internet:	**www.governor.virginia.gov**	**www.teleworkexchange.com**

GOVERNOR KAINE HIGHLIGHTS CONTRIBUTIONS, SAVINGS FROM TELEWORK DAY

~ Report illustrates environmental and economic impact ~

RICHMOND – Governor Timothy M. Kaine today announced that Virginia teleworkers saved approximately $113,000, avoided driving 140,000 miles and removed 75.89 tons of pollutants from the air through participation in Telework Day on August 3, 2009. The "What We Saved; What We Learned" report, compiled by the public-private partnership Telework Exchange, also reveals an increase in productivity by participants and reports satisfaction with their teleworking experience.

"I commend the individuals and organizations that took the Telework Day pledge," Governor Kaine said. "The results are clear – telework plays an important role in meeting the Commonwealth's green objectives, reducing strain and traffic on our roads, increasing savings for our employees, and will provide our businesses with increased employee productivity."

2,286 federal and private sector employees as well as 1,765 state employees participated in Telework Day in Virginia, for a total of 4,051 participants statewide. Eighty-one percent of participating state employees said they had teleworked before, compared to 78 percent of respondents nationwide, showing that Virginia's efforts to promote teleworking in state government have been successful.

The report illustrates the potential impact of teleworking on employees' budgets and productivity, as well as the environment. If all eligible employees teleworked one day per week for a year, teleworkers in the Commonwealth would collectively avoid driving 602 million miles, remove 360,800 tons of pollutants from the air, and save $807 million in commuting costs. Over the course of a year this would equal a $1,822 annual raise for every teleworker in Virginia, and save 46 hours a year in commuting.

A survey of Virginia's teleworkers also showed that 69 percent felt they accomplished more than a typical day at the office and 91 percent said that they would be more likely to telework again as a result of their experience. Seventy-eight percent of respondents reported no difficulties in performing their duties on Telework Day.

"We are committed to ensuring that telework has a firm stake in the ground in Virginia," said Karen Jackson, Deputy Secretary of Technology. "The 'What We Saved; What We Learned' report provides us with a snapshot of the critical impact telework will continue to have on business continuity, the environment, strengthening work and family balance, and much more, as state agencies and organizations continue to adopt and expand their telework programs."

"Just one telework day really does make a difference," said Jennifer Thomas Alcott, Program Manager at Telework!VA. "Telework is a key component to reducing traffic, removing carbon emissions from the environment, and providing substantial cost-savings on both an individual and organizational level."

"On behalf of Telework Exchange, we applaud the Commonwealth of Virginia for its telework leadership and foresight," said Cindy Auten, General Manager of Telework Exchange. "From environmental concerns and economic pressures to making jobs available in rural areas and increasing productivity, telework is a critical tool for Virginia, its employees, and its organizations. We encourage other states to take the next step to telework success and host their own Telework Day."

To download the full results of the "What We Saved; What We Learned" report, please visit www.teleworkexchange.com/teleworkdayreport.

# # #

F

MEDIA RELEASE

For Immediate Release
September 29, 2009

Contact: Kala Quintana
703/ 524-3322 ext 104
kala@nvtdc.org

NORTHERN VIRGINIA TRANSIT AND RIDESHARING NEARLY MATCH SINGLE-OCCUPANT VEHICLES IN MORNING COMMUTES IN THE I-66 CORRIDOR OUTSIDE THE BELTWAY

Arlington, VA— The Northern Virginia Transportation Commission (NVTC) has released a new report on morning commuting in one of the region's major corridors—I-66 just outside the Beltway. The report shows that nearly half of all commuters in this corridor are ridesharing or using transit.

With funding from the Virginia Department of Transportation (VDOT), staff of the Metropolitan Washington Council of Governments (MWCOG) counted traffic crossing a screen line stretching between Idylwood Road and Braddock Road including I-66, U.S. 29, U.S. 50 and Little River Turnpike (Rte 236) in the fall of 2008. The traffic counts also included bus and rail passengers.

Nearly half (44%) of the persons traveling inbound during the peak hours of the morning commute (6:30 am – 9:30 am) across the screen line were using transit (Metrorail, Metrobus, VRE and OmniRide) or ridesharing. The remaining travelers (56%) were driving alone.

In the newly released report, rail and bus passengers comprised 23% of the total and persons who were ridesharing totaled 21%.

The peak hour for this study was 7:00 am – 8:00 am. During this hour transit ridership increased from 23% to 26% and single occupant vehicles decreased from 56% to 53%.

Many people assume that there is little use of transit in areas outside the region's core employment locations. Therefore it is particularly noteworthy that nearly half of the inbound morning peak travelers were not driving alone but in fact were either ridesharing or using bus and rail while crossing the screen line, indicating that both suburban and ex-urban commuters traveling in this corridor are relying heavily on ridesharing and transit for their morning commutes.

Another significant finding was that the single I-66 HOV lane carried an average of 2,626 persons per lane per hour during the 6:00 to 9:00 A.M. peak -- more than two and a half times as many persons per lane per hour as the 1,003 persons using the general purpose /unrestricted lanes on I-66.

Three previous studies by MWCOG for VDOT and NVTC found significant shares of commuters were also using transit and ridesharing in other key commuting corridors in Northern Virginia.

In the fall of 2007, counts at a screenline in the I-95 corridor just outside the beltway showed that 47% of inbound peak period commuters in this corridor were either ridesharing or using transit.

In the I-395 corridor in fall of 2006, inside the Beltway at a Glebe Road screen line (stretching from the George Washington Parkway in the east to Columbia Pike west of I-395), 34% of persons traveling inbound during the morning peak period used transit and another 31% were ridesharing. Only 35% drove alone.

Similarly, in the I-66 corridor at a 2005 screen line inside the Beltway at Glebe Road (stretching from Route 29 to the north to Route 50 to the south), during the inbound morning peak period, transit carried 37% and ridesharing comprised another 26%. Only 36% drove alone.

NVTC's current report contains detailed tables of data from the fall of 2008 for the most recent screenline count. It is available on NVTC's website at:

http://www.thinkoutsidethecar.com/research/reports/I-66%20Outside%20Beltway%20FINAL%20DRAFT.pdf

NVTC is *the* leading source of information about public transportation issues in Northern Virginia. NVTC is a regional agency with the mission of managing traffic congestion, restoring clean air, boosting the economy and improving the quality of life for all of Northern Virginia's citizens through effective public transit and ridesharing networks. NVTC includes the counties of Arlington, Fairfax and Loudoun and the cities of Alexandria, Fairfax and Falls Church covering over 1,000 square miles with a population of 1.6 million. The agency manages up to $200 million of state and federal grant funds each year for public transit and serves as a forum for its board of 20 state and local elected officials to resolve issues involving public transit and ridesharing. **For more information please visit www.thinkoutsidethecar.org or call 703-524-3322.**

NVTC

The Examiner

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Report: Nearly half of I-66 corridor commuters avoid interstate

By: Kytja Weir
Examiner Staff Writer
October 1, 2009

Nearly half of the Northern Virginia commuters heading toward D.C. each morning on the Interstate 66 corridor use transit or ride sharing to get through the notoriously clogged region, according to a new report.

The study released this week by the Northern Virginia Transportation Commission counted the stream of commuters headed inbound at various points along a north-south line just outside the Beltway, creating a snapshot of the commuters on the highway itself plus other roads and transit modes.

It found that 44 percent of the commuters from 6:30 a.m. until 9:30 a.m. on a typical weekday last fall were either traveling in a car pool or via public transit, compared with 56 percent who drove vehicles or motorcycles by themselves. About 21 percent carpooled, compared with 17 percent who took Metrorail.

Much of the interest for using transit or carpooling comes from the hassle of driving on Interstate 66 itself, local experts said.

"It's an incredibly difficult trip," said Bob Chase, with the nonprofit Northern Virginia Transportation Alliance that represents businesses and is not affiliated with the commission. "A lot of people don't even try to make that trip on I-66 anymore because it's so congested."

A.M. commuters along Interstate 66 corridor

» Single-occupancy vehicles: 56 percent

» HOV: 21 percent

» Metrorail: 17 percent

» Virginia Railway Express: 4 percent

» Bus: 2 percent

Source: Northern Virginia Transportation Commission

He wondered if the study could even capture all those drivers who avoid the highway. One man in his office uses a convoluted set of back roads to circumvent the highway. "It's like water," he said. "People find a way to move around that."

Others spread out their trips to avoid the morning rush, he said, scheduling meetings downtown for 11 a.m. instead of 9 a.m.

Others spread out their trips to avoid the morning rush, he said, scheduling meetings downtown for 11 a.m. instead of 9 a.m.

"It's a pretty congested corridor," agrees Ronald Kirby, the Metropolitan Washington Council of Governments transportation planning director. "Looking out into the future, something needs to be done."

But what can be done is under debate -- and now under review.

The Virginia Department of Transportation was slated to wrap up a series of public hearings on Wednesday night as part of a long-term study of how to improve the highway.

Earlier this year, a dispute occurred among local officials when some stood in the way of some spot-widening work of the highway inside the Beltway, arguing that a full study of the future of the road was needed before making incremental adjustments that might not solve the broader problems.

Some have pushed for more transit options, while others are eyeing a high-occupancy-toll lane that would allow commuters who drive alone to use the lane only if they pay a toll.

Chase advocates expanding the roadway itself rather than pushing more of the commuters onto neighborhood streets. "You have to start adding more capacity," he said. "You need one additional lane in each direction."

kweir@washingtonexaminer.com

Find this article at:
http://www.washingtonexaminer.com/local/Report_-Nearly-half-of-I-66-corridor-commuters-avoid-interstate-8320502-62912882.html

☐ Check the box to include the list of links referenced in the article.

G

From:	Adam McGavock
Sent:	Tuesday, August 25, 2009 3:26 PM
To:	Melissa Walker
Cc:	Rick Taube
Subject:	FW: Link to the SafeTrip I-95 Travel Time Website

Melissa,

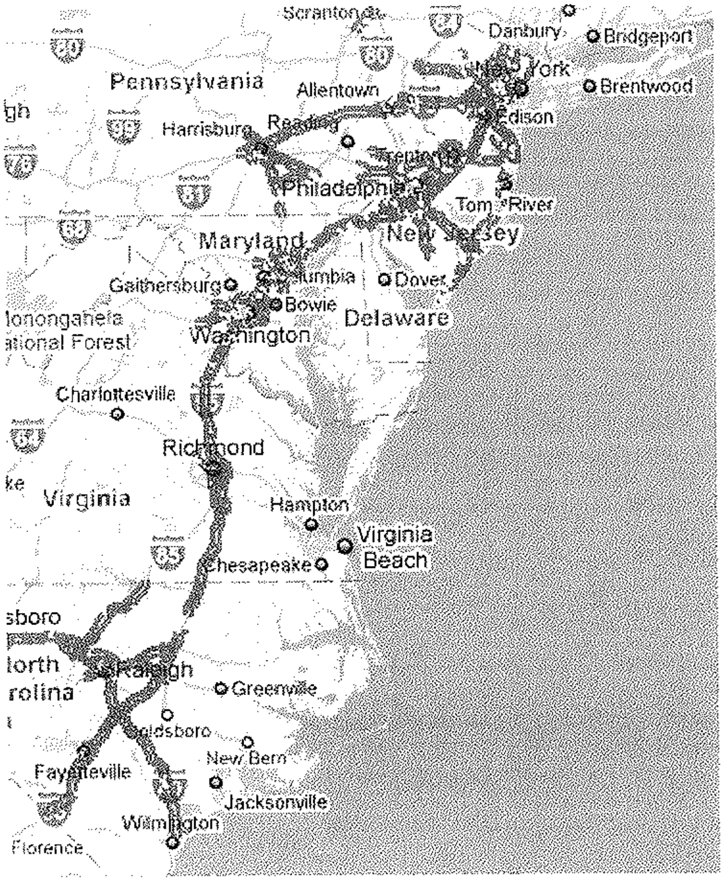
When you have the chance, please add a link on our website to this website.

Thanks,

Adam

From: Bijelic, Aleksandra [mailto:ABijelic@pbsj.com]
Sent: Wednesday, July 29, 2009 11:41 AM
To: Bijelic, Aleksandra
Subject: Link to the SafeTrip I-95 Travel Time Website

Greetings -
My name is Lexi, I work with PBS&J and in partnership with the U.S. Department of Transportation's Volpe Center and Research and Innovative Technology Administration (RITA), a new website has been launched, accessible at www.i95travelinfo.org, which uses real time vehicle probe data to allow long distance travelers to see congestion and get travel times on the I-95 corridor from the northern border of New Jersey through the southern border of North Carolina.



The "Traffic" page offers users speed and congestion information on the I-95 corridor, including I-95, the Beltways surrounding each major city, and all associated routes that together make up the corridor. Visitors to the website can manipulate the map to zoom to any of the covered states and D.C. The "Travel Time" page provides both the current, as well as the normal travel time for the selected route, using a list of provided locations. Users can select from a list of large cities, airports, and other landmarks to set departing locations and destinations, and the system will return real time travel time estimates, based on live vehicle probe data.

In our attempt to make the website accessible to all users who can benefit from the information, we'd like to ask you to consider adding a link to our **(your) website from yours (ours).**

If you have any questions or would like to discuss further, please call or email.

Thank you very much,

Aleksandra Bijelic (Lexi)
ITS Technician
PBS&J
7200 Glen Forest Drive, Suite 303
Richmond, VA 23226
Office: 804-560-7600 Ex. 25
Cell: 804-314-2402
Fax: 804-560-5129
abijelic@pbsj.com
www.pbsj.com

H

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REPORT 134

TRANSIT
COOPERATIVE
RESEARCH
PROGRAM

Sponsored by
the Federal
Transit Administration

Transit, Call Centers, and 511: A Guide for Decision Makers

TRANSPORTATION RESEARCH BOARD
OF THE NATIONAL ACADEMIES

useful in identifying a set of technologies characteristic of call centers in general. (*16-18*) That list of technologies, ranging from the fairly basic, common technologies, to the very advanced and less common technologies, was then used as a checklist (prompts) in the 25 transit agency telephone interviews that were conducted. These technologies were organized into two categories, basic and advanced, and are presented in Table 7.

Most of the technologies described above are not utilized by the transit agencies that were interviewed. As shown in Figure 5, the interviews indicated that voicemail, automatic call distribution (ACD), voice recording, and interactive voice response are the most prevalent technologies used by transit agencies. Voicemail is implemented in more than 85% of the interviewed agencies, and ACD is implemented at 65%. Since none of the interviewed agencies use speech analytics, this technology does not appear in Figure 5.

Figure 6 summarizes the reasons that transit agency interviewees gave for investing in call center technologies. The most commonly cited rationale for technology investments, as noted by just over half of the agencies interviewed, was to improve customer satisfaction. Many agencies identified a desire to improve the productivity of their call centers—to handle more calls with a given number of operators—as a prime motivation for technology investments. A few agencies that have not implemented many technologies cited financial constraints as the reason for their lack of investment. One agency said that they felt it was less expensive to meet call demand by adding operators than by implementing technology.

A recently published article in *Metro Magazine* reports several efforts made by agencies across the country to revamp call center operation with the use of technology, including the

Table 7. Call center technologies.

Call Center Technology	Description
Basic Technologies	
Automatic Call Distribution (ACD)	A technology that automatically distributes incoming calls to customer agents in a call center. ACD sends calls to the next available phone operator based on a routing strategy that is configured in the ACD software.
Voicemail	A commonly used technology that can be employed by customers to leave a message when their call can not be answered by a telephone operator. Advanced technologies such as CTI allow telephone operators to view these messages in their mailboxes.
Voice Recording	A technology used by call center operators to record telephone conversations between customers and call takers for quality control and future analyses.
Advanced Technologies	
Interactive Voice Response (IVR)	A telephone technology that detects and responds to customer requests through either voice or use of a touch keypad on a phone. IVR systems are usually installed in call center environments to filter customers based on the type of information being requested. Also, IVR systems assist in operating an automated call center during non-business hours.
Guided Speech IVR	An advanced IVR technology in which a live operator monitors customer prompts and helps the IVR system understand the customer responses to those prompts since customer responses can be misinterpreted by a computer system.
Computer Telephony Integration (CTI)	A technology that integrates a telephone system with computers. This allows telephone operators to use their computers to manage phone functions such as monitoring incoming and outgoing calls; answering, hanging up or conferencing phone calls; and monitoring call queue lists.
Customer Relationship Management (CRM)	A technology used by call centers to manage customer information and their relationships with customers. CRM helps transit agencies automate various call center functions such as building a contact database of customers, storing and analyzing customer data to determine customer needs and preferences, and performing marketing and sales activities.
Customer Interaction Management (CIM)	CIM is a technology used by call centers as an integrated portal for communicating with customers. CIM technologies are installed with a CRM system and allow a variety of modes of communication such as e-mail, telephone, fax, chat, and voice chat (using the customer information stored in the CRM database) from a single user interface.
Text to Speech (TTS)	Also known as speech synthesis, TTS is a technology used to produce human language speech from text inputs. Transit call centers use TTS to provide information through their IVR systems during non-business hours.
Speech Analytics	An automated process to extract specific information from telephone conversations. This technology can help agencies determine customer needs and preferences in an automated fashion.

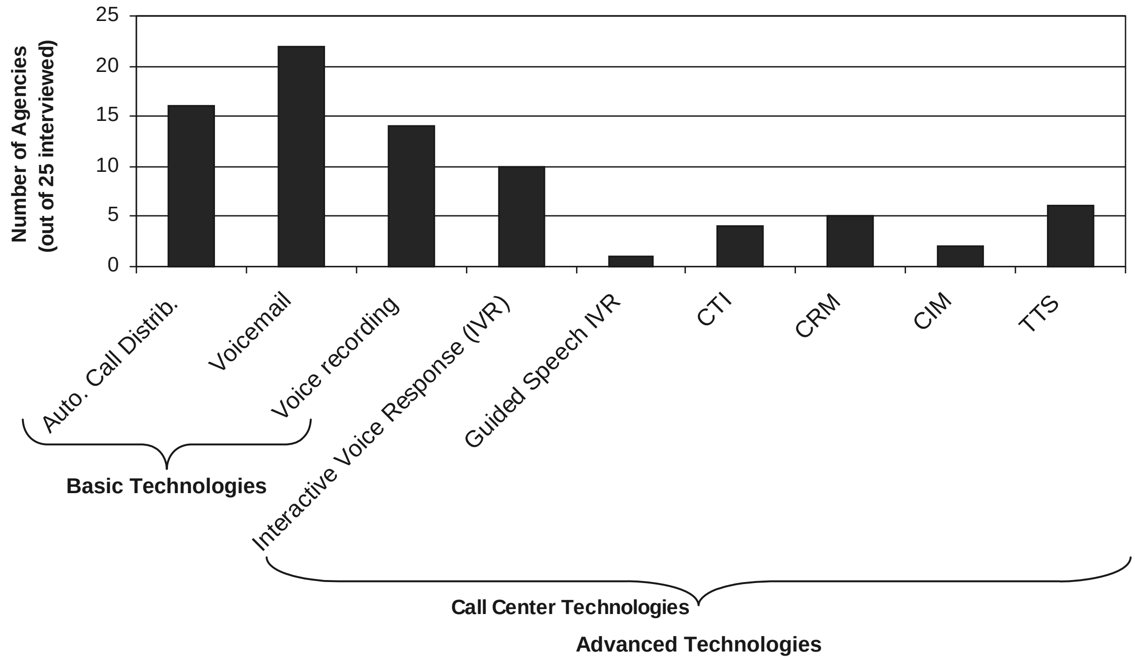


Figure 5. Technology use in transit call centers.

following steps taken by transit agencies to handle the problems faced by their customers while calling in:

> Many transit systems are beginning to address these types of customer service issues by revamping their call centers to provide simplified trip planning options, more user friendly automated systems or, in some cases, a live person with the ability to assess complaints and address them immediately. (*19,* p. 100)

Agencies that were interviewed adopted call center technologies mainly for customer service improvement (e.g., at Capital Metro Transportation Authority [CMTA], Austin, TX, and Pinnelas Suncoast Transit Authority [PSTA], St. Petersburg, FL), CSR training/retraining (Southeastern Pennsylvania Transportation Authority [SEPTA], Philadelphia, PA), and complaints management (Pace Suburban Bus, Chicago, IL). According to this same article, CMTA found that the deployment of a 24-h IVR system helped reduce the number of calls handled by live operators by 20% to 25% within the first several months of its implementation. Similarly, PSTA has imple-

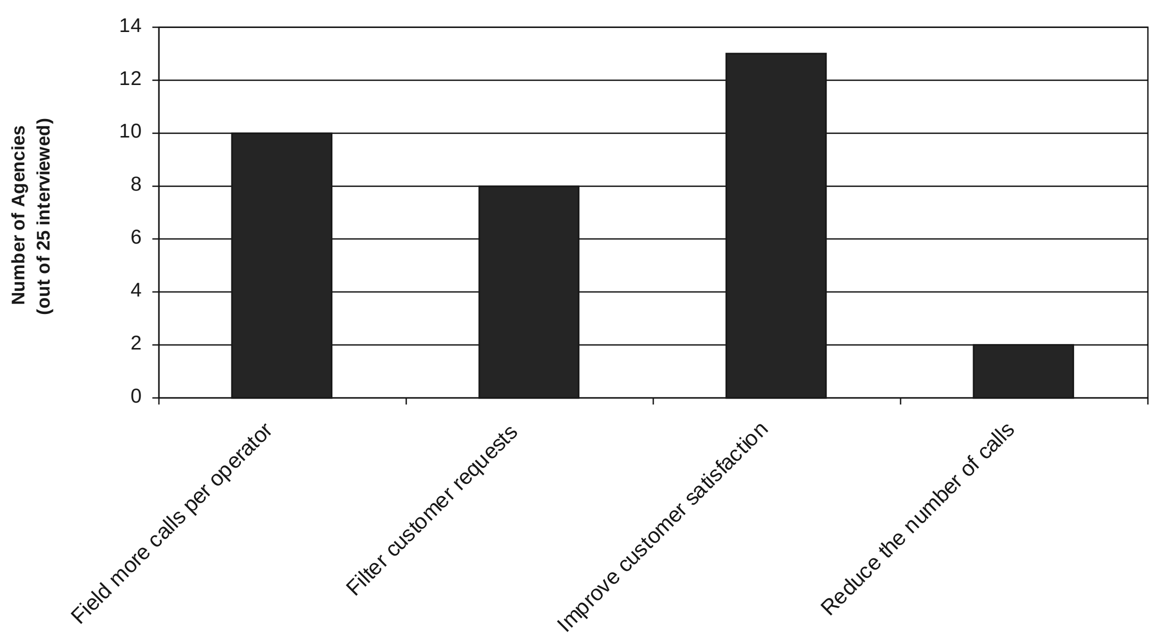
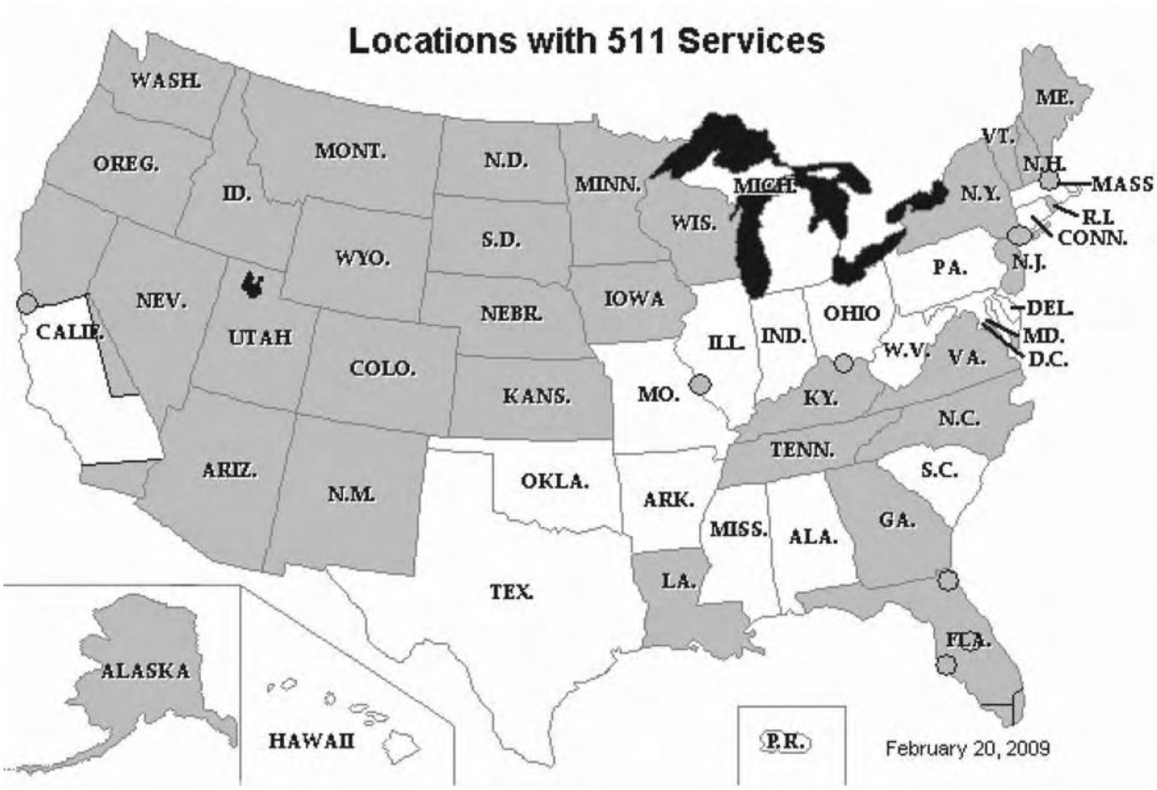


Figure 6. Reasons for implementing transit call center technologies.



Note: Shaded states have active 511 systems as of March 6, 2009.
Source: Federal Highway Administration, March 6, 2009; http://deploy511.org/deployment-stats.html.

Figure 8. Summary of 511 deployment.

plans to deploy systems. Of the 44 operational systems, 12 cover specific regions or metropolitan areas. The circles on the map provided in Figure 8 indicate these regional systems (e.g., St. Louis, MO). Interestingly, some of the largest metropolitan areas in the United States—including Los Angeles, Chicago, Houston and Dallas—currently are not covered by any 511 system.

The vast majority of 511 systems are operated by state departments of transportation (DOTs). Rare exceptions include the San Diego and San Francisco Bay Area regional systems, which are operated by their respective MPOs, the San Diego Association of Governments (SANDAG) and the Metropolitan Transportation Commission (MTC). Many of the 511 systems are not new telephone information systems. These systems were typically operational for many years providing highway information as conventional 10-digit toll-free information numbers. They became 511 systems when the necessary programming on the phone switches allowed callers within the service area to reach the system by dialing 511. Early in the federal 511 program, $50,000 was offered to each state to cover such reprogramming costs. In most cases, the pre-511, 10-digit toll-free phone number was retained, and can also be used to reach the system.

Perhaps because of their origins as highway/traffic-only systems, almost none of the 511 systems' main menus list transit or public transportation as their first choice. The exceptions are Alaska (ferries) and San Francisco. Additionally, almost none of the 511 systems have the option of speaking with a live 511 operator, with the exceptions being the Georgia and South Florida 511 systems.

3.3.2.2 Transit Agency Participation in 511 Systems

In order to determine transit agency involvement in the operational 511 systems, each of the 42 systems in the United States was called, using the "backdoor" (standard 10-digit) phone numbers. Table 11 presents these results by system, with transit presence or participation in 511 categorized into the following three types: (1) general information on transit services (e.g., services provided, service disruptions, the telephone number for the transit agency's customer service line, hours of operation, fares, etc.); (2) the ability to automatically transfer to the transit agency; and (3) real-time transit information (e.g., vehicle arrival/departure time estimates). The results can be summarized as follows:

- As of March 2009, 22 of the 42 total 511 systems have no transit presence or content whatsoever.
  - Most of these systems provide only highway/traffic information, which may include road-weather information.

Table 11. Transit participation on active 511 systems.

	511 System/Service Area	511 System Launch Date	"Backdoor"/ Local Phone	Type of Transit Information/Options: General Info (Service Disruptions, Fares, etc.)	Call Transfer to Transit Agency	Real-Time Transit Info
1.	Cincinnati/ Northern Kentucky	June 2001	513-333-3333	X	X	
2.	Nebraska	Oct 2001	800-906-9069	None		
3.	Utah	Dec 2001	866-511-UTAH	X	X	
4.	Arizona	Mar 2002	888-411-ROAD	X	X	
5.	Orlando/Central Florida	June 2002	866-510-1930		X	
6.	Minnesota	July 2002	800-542-0220	X	X	
7.	Southeast Florida	July 2002	866- 914-3838	X	X	
8.	Iowa	Nov 2002	800-288-1047	None		
9.	South Dakota	Nov 2002	866-MYSD 511	None		
10.	Kentucky, Statewide	Nov 2002	866-RDREPORT	None		
11.	San Francisco Bay Area, CA	Dec 2002	866-736-7433	X	X	X
12.	Montana	Jan 2003	800-226-7623	None		
13.	Vermont	Jan 2003	800-ICY-ROAD	None		
14.	North Dakota	Feb 2003	866-MY ND 511	None		
15.	Alaska	Apr 25, 2003	866-282-7577	X	X	
16.	Maine	May 2003	866-282-7578	X		X
17.	New Hampshire	May 2003	866-282-7579	None		
18.	Washington State	July 2003	800-695-ROAD	X		
19.	Oregon	Dec 2003	503-588-2941	None		
20.	Kansas	Jan 2004	866-511-KDOT	None		
21.	North Carolina	Aug 2004	877-511-INNC		X	
22.	Sacramento/Northern CA	Sept 2004	877-511-TRIP		X	
23.	Tampa Bay, FL	Sept 2004	800-576-3886	X		
24.	Colorado	July 2007	303-639-1111	None		
25.	Virginia	Aug 2004	800-578-4111	X	X	
26.	Rhode Island	Mar 2005	888-401-4511	None		
27.	Florida, Statewide	Nov 2005	866-511-3352	None*		
28.	Idaho	Nov 2005	888-432-7623	None		
29.	Wyoming	July 2006	888-996-7623	None		
30.	Tennessee	Aug 2006	877-244-0065	None		
31.	Nevada	Aug 2006	877-687-6237	None		
32.	Louisiana	Dec 2006	888-762-3511	None		
33.	Jacksonville/Northeast Florida	Oct 2006	866-511-3352		X	
34.	San Diego, CA	Jan 2007	619-839-0198		X	X
35.	Southwest Florida	Apr 2007	866-511-3352		X	
36.	St. Louis, Missouri	May 2007	877-478-5511	None		
37.	California, Eastern Sierra	May 2007	800-427-7623	None		
38.	Georgia	Aug 2007	877-MYGA511		X	
39.	New Jersey	Aug 2007	866-511-NJDT	None		
40.	Boston/Eastern Massachusetts	Oct 2007	617-374-1234		X	
41.	New Mexico	Dec 2007	800-432-4269	None		
42.	New York (Beta Version)	Jan 2009	888-465-1169	X	X	

* The Florida statewide system serves as a gateway that can transfer callers to the regional 511 systems in Florida. Although those regional systems include transit information, no transit information is directly accessible on the main, statewide system menu.

- Nearly all of the 22 systems that have no transit presence or information are statewide systems. Most of these systems are for large states with relatively low population densities (e.g., Iowa, Wyoming, and Nevada). The exceptions are New Jersey and Rhode Island. The regional systems that lack transit information are St. Louis and California—Eastern Sierras.

- Of the 20 systems with some form of transit present or content, the type of information provided is represented as follows (note that because some systems have multiple types of information, the list below does not sum to 20):
  - Two have only general transit information (e.g., list the phone number for a transit agency);
  - Seven have only an option to transfer to transit agencies;
  - Nine have both general transit information and call transfer options; and
  - Three—San Francisco, San Diego, and Maine (Bar Harbor area)—include real-time transit information.

it's "too early to tell." (Note that the interview was conducted only three months after the system became operational.) In addition to the fact that they have not yet changed their own marketing materials to reference 511, NCTD indicated that Caltrans' park and ride signs still reference the old, pre-511, 1-800-COMMUTE system. They feel that both factors could impact the number of calls to 511. They also noted that marketing of the 511 system performed by the 511 sponsor does not target transit users. NCTD expects that there will be some of that transit-specific marketing in the future and plans to be involved.

NCTD does not contribute directly to the financing of the 511 system. Their investment thus far has been limited to the staff time associated with their participation in 511-related meetings.

NCTD did have some transit-related 511 statistics, but only for the popularity of the public transportation menu option in general (i.e., nothing specific to their agency). The general statistics indicate that the public transportation menu option accounts for about 8% of all menu requests.

NCTD considers 511 a supplement, rather than an alternative, to their own IVR (they participate in the regional Info Express IVR) or their own staffed customer service phone system (they participate in the Regional Transit Information Office regional system and have their own small customer service group of 10 employees, who answer phones among other duties). They feel that many transit customer service calls will require interaction with a live operator and that until such a time as the current staff is overwhelmed, they do not see 511 replacing any of their other telephone information services. Although 511 is not expected to replace any other phone services in the foreseeable future, NCTD does hope that some of their operator calls will eventually divert to 511, which was one explicit motivation for their participation in 511.

Issues. NCTD identified two challenges or concerns with their 511 experience. First, they noted that putting their information into the 511 system has been fairly time consuming, and that this process included the consultant they use for their IVR activities (the regional Info Express IVR). Second, like MTS, they were disappointed that the regional 511 consultant initially brought a one-size-fits-all approach to the San Diego 511 system, unsuccessfully attempting to adopt the San Francisco Bay Area 511 model to San Diego. NCTD indicated that they, and the other regional 511 partners, had to work closely with the consultant to get what they wanted.

Outlook. Overall, NCTD seems very pleased with their 511 experience and, although they generally feel it is too early to see results yet, they expect a number of benefits. They seem to have no reservations about 511 and encourage other transit agencies to investigate 511 participation. Their only other advice to transit agencies relates to the two issues noted previously, which are (1) plan on devoting significant time to getting your agency's information into 511 and for general 511-related planning meetings and (2) in order to make sure that the 511 system deployed meets the needs of your region and agency, plan on working closely with the 511 implementers, who may be inclined to try to apply a 511 system model that they've used elsewhere.

NCTD summed up their motivation for 511 participation as another way to serve their customers and a logical continuation of their historic, technology-based customer service investments, saying "You just want to be of service to your passengers any way you can; joining 511 is just like when you first added a website."

NCTD's future plans for 511 consist of continuing to add real-time departure times for additional routes and services and shifting their customer service marketing to eventually feature 511 as the primary phone number for customer service.

3.4.1.9 Sun Tran (St. George, Utah)

The Utah 511 system became operational in December 2001, which was in time for the 2002 Winter Olympics held in Salt Lake City. The Utah 511 system provides information on traffic, public transit, road conditions, and ferry services. The public transit option provides only information about the Utah Transit Authority (UTA), which serves Salt Lake City.

SunTran is a small transit agency serving the City of St. George, which is in southwest Utah. SunTran has three bus routes and paratransit service for people with disabilities. It is operated by the City of St. George. (*43*)

Rationale for participation. SunTran is not represented on Utah's 511 system. According to SunTran, the agency never made a decision not to participate in 511, rather, they were never offered a chance to participate.

Outlook. SunTran could not identify any compelling reasons for participating in 511, stating that "It may not be worth it." They seemed to feel that the value of 511 could be limited since they are such a small agency.

3.4.1.10 Washington Metropolitan Area Transportation Authority

The Washington Metropolitan Area Transportation Authority (WMATA) operates the second largest rail transit system and the fifth largest bus network in the United States. Metrorail and Metrobus (Metro) serve a population of 3.5 million within a 1,500 sq-mi area. The transit zone consists of the District of Columbia, the suburban Maryland counties of Montgomery and Prince George's and the Northern Virginia counties of Arlington, Fairfax, and Loudoun and the cities of Alexandria, Fairfax, and Falls Church. The Metrorail system consists of over 1,000 rail cars serving 5 lines covering 106 miles and including 86 stations. The Metrobus system includes more than 1,200 buses, 12,301 bus stops, and 3,133 shelters. (*44*)

Metro is included in the Virginia statewide 511 system, which is operated by the Virginia Department of Transportation. The 511 system became operational in February 2005. Metro information is located within the public transportation main menu option. The information and options for Metro are limited to an option to transfer to Metro's customer service line and a listing of the Metro customer information phone number. For some other transit agencies on the Virginia 511 system, additional information is provided, including basic information on services provided.

Metro operates their own IVR system, which is where all incoming customer service calls are directed (there are then multiple opportunities to transfer to a customer service operator). The Metro IVR is extensive, and contains a wide variety of information arrayed under five main menu options for (1) trip schedule, (2) fare information, (3) general information, (4) patron services, and (5) customer assistance (transfer to operator). Among the information provided under the trip schedule option are real-time bus arrival time estimates and service disruption announcements.

Rationale for participation. It was not possible to reach the individuals at WMATA who were involved in the decision to participate in 511.

Impacts. The Metro call center representatives seemed to have very little, if any, involvement or awareness of 511. This lack of involvement combined with Metro's very low profile on 511, suggest that 511 is in no way a central or significant component of their customer service strategy. It appears that the Metro call center perceives no impact resulting from their continuing participation in 511.

Although the call center representatives did not comment directly on the question of whether they view 511 as an alternative to their own IVR, it seems clear—based on their continued reliance on their own IVR—that they do not view 511 as an alternative.

Issues. WMATA identified no issues or concerns—past or present—regarding their 511 participation.

Outlook. WMATA, or at least those who could be reached (call center manager and staff), were not aware of 511 or WMATA's participation in it, and therefore have no pro or con perspective. Although it appears that 511 participation does not generate any adverse impacts on call center operations, at least as perceived by WMATA, 511 is clearly not an important, or even explicit, part of WMATA's telephone customer service strategy.

3.4.1.11 Blacksburg Transit (Virginia)

Blacksburg Transit (BT) serves the Town of Blacksburg, Virginia Tech, and communities in the New River Valley. The system's service area covers 28 sq mi with a population of 56,000. BT provides fixed-route bus service and paratransit service for people with disabilities. The agency has 33 buses and 11 vans. In 2005, system ridership was almost 2.4 million one-way trips. About 95% of the system's riders are Virginia Tech students, faculty, and staff. (*45*)

BT does not have a formal call center for customer information. Instead, its operations and administrative staff field the agency's telephone calls. The agency does have a "fairly robust" website and its passengers can also sign up for Blacksburg Alerts via phone, fax, or e-mail.

The Virginia Department of Transportation operates the statewide 511 system. BT is included in the public transportation option on the main menu. The system offers the option to transfer to BT's customer service center and provides the agency's phone number. No other information is provided.

Impacts. BT was not aware of any impacts of their participation in 511. Almost all of BT's riders are college students, and BT feels the students are more likely to look for information on the Internet than they are to use the phone. BT's buses have WiFi capacity, so passengers can access web-based information even when they are on the vehicle.

Issues. BT cited no issues or concerns with their 511 participation.

Outlook. Overall, BT was neutral about participation in 511. Although BT saw no real disadvantages to participation, they also did not see any particular advantages for their customers.

3.4.1.12 Southeast Florida 511

The South Florida 511 Traffic and Transit Information Service is provided by the Florida Department of Transportation (FDOT), Miami-Dade Expressway Authority, and the SunGuide Partners. The system provides highway and transit information for Miami-Dade, Broward, and Palm Beach Counties. This 511 system is one of just a handful nationwide that includes the option of speaking to a live 511 operator.

Callers may select public transit from the main menu. This option allows callers to select one of the following four transit organizations or the regional ridesharing service:

- Broward County Transit (BCT),
- Miami-Dade Transit (MDT),
- Palm Tran,

Rick Taube I

From: Kala Quintana
Sent: Friday, October 02, 2009 12:29 PM
To: Rick Taube
Subject: FW: Governor's News Release

FYI – for the next meeting...

From: Governors Update Mailing List [mailto:govupdate@governor.virginia.gov]
Sent: Friday, October 02, 2009 12:17 PM
To: GovernorsUpdate mailing list
Subject: Governor's News Release

COMMONWEALTH OF VIRGINIA
Office of the Governor

RENEW VIRGINIA
energy and environment

Timothy M. Kaine
Governor

FOR IMMEDIATE RELEASE
October 2, 2009

Contact:	**Gordon Hickey**	**Bill Hayden, DEQ**
Phone:	**(804) 225-4260**	**(804) 698-4447**
Cell Phone:	**(804) 291-8977**	
Internet:	**www.governor.virginia.gov**	**www.deq.virginia.gov**

GOVERNOR KAINE ANNOUNCES SIGNIFICANT IMPROVEMENTS IN VIRGINIA AIR QUALITY

~ Number of poor air quality days declines from 76 to three statewide ~

RICHMOND – Governor Timothy M. Kaine today announced significant improvements in Virginia's air quality during the past decade. Between 1999 and 2009, the Commonwealth saw a 96 percent decrease in the number of days that exceeded the national air quality standard for ground-level ozone at monitoring stations statewide, with summer 2009 standing out as the best year on record.

"We've made incredible strides in the last decade to improve our air quality through deliberate pollution reduction initatives," Governor Kaine said. "By tackling ozone pollution in particular, we're making steady gains that protect the environment, promote human health, and will continue to benefit Virginians for generations to come."

The number of poor air quality days in Virginia declined from 76 in 1999 to three in 2009, according to the most recent data from the Virginia Department of Environmental Quality (DEQ). Summer 2009 had the fewest number of days on record that did not meet air quality standards. There were only three days with poor air quality in Northern Virginia, and zero days in Richmond and Hampton Roads.

The downward trend in Virginia occurred in all parts of the state that the U.S. Environmental Protection Agency has designated as not meeting air quality standards. During the last 10 years:

- Metropolitan Richmond declined from 47 poor air quality days to zero.
- Hampton Roads declined from 32 days to zero.
- Northern Virginia declined from 48 days to three.

Stronger emission controls on power plants and other industrial sources, as well as cleaner motor vehicles have contributed to improved air quality in Virginia. Controls were implemented in the late 1990s and again in 2004. In addition, the vehicle emissions inspections in place in Northern Virginia since the 1980s supplement the improved emission control equipment on newer automobiles. This year, Governor Kaine established a unique program to survey air pollution from facilities throughout the Commonwealth that were initially grandfathered by the 1970 federal Clean Air Act. This groundbreaking initiative—the first of its kind in the nation—allows DEQ to work with individual facilities as appropriate to reduce pollution and ensure compliance with National Ambient Air Quality Standards (NAAQS).

The weather has also factored into the overall improvement in Virginia's air quality. Ozone pollution occurs most often in hot weather with stagnant air conditions, so the relatively mild temperatures in Virginia this summer helped make 2009 a record year for good air quality.

Ground-level ozone is a colorless gas formed by the reaction of sunlight with vehicle emissions, gasoline fumes, solvent vapors, and power plant and industrial emissions. It has been linked to short-term health concerns, particularly among children, people with heart or respiratory disease, and older adults.

The national air quality standard for ground-level ozone is 75 parts per billion and "poor air quality" is designated when the ozone concentration exceeds 75 parts per billion during an eight-hour period. EPA will consider an additional reduction to this standard in the coming months.

DEQ monitors and analyzes ground-level ozone data through its statewide monitoring network, which includes monitoring stations across the Commonwealth. More ozone air quality data, daily forecasts, and the location of monitors are available on the DEQ website at www.deq.virginia.gov/airquality/.

Today's announcement comes as Governor Kaine continues to advance his "Renew Virginia" initiative—an effort to promote renewable energy, create green jobs, and encourage preservation of the environment. During his administration, Governor Kaine has incentivized the production of cleaner energy, dedicated over a billion dollars to Chesapeake Bay cleanup, protected nearly 350,000 acres of open space, and led the effort to promote regional cooperation to combat climate change.

For more information on Renew Virginia, visit www.governor.virginia.gov.

# # #

VDOT VIRGINIA MEGAPROJECTS

J

DRPT
Virginia Department of Rail and Public Transportation

News Release

www.VAmegaprojects.com

RELEASE: Immediate
CONTACT: Steve Titunik, VDOT
571-483-2591 (office), 703-928-6569 (cell)
Chris Arabia, DRPT
804-786-1059 (office)

October 15, 2009
NR09-MP01

New Tysons' Bus Services Begin in November

Buses to help commuters during beltway and Dulles rail construction

ALEXANDRIA—Commuters can ride free for a week in November with the launch of a new express commuter bus – equipped with wi-fi – that travels from Woodbridge to Tysons Corner. The service is sponsored by Virginia Megaprojects to help commuters during construction of the I-495 Capital Beltway HOT Lanes and Metrorail to Dulles.

The Potomac and Rappahannock Transportation Commission's (PRTC's) OmniRide express buses will make four morning trips from Woodbridge to Tysons Corner and four return evening trips. Free fares will be offered during the first week of service, starting Nov. 9. The fares for the next six months of service will be half price: $2.40 one-way for riders paying with a SmarTrip card, or $3 for riders paying cash.

Buses will depart the Woodbridge VRE Station between 6:10 a.m. and 8:05 a.m., with one stop at the I-95/Route 123 commuter lot. Buses will travel the I-95 HOV lanes and the beltway to Tysons Corner. Evening buses will leave Tysons Corner between 4 p.m. and 6 p.m.

In addition, starting November 23, the Fairfax Connector will provide free lunchtime bus service around Tysons Corner. Buses will run every 10 minutes between 10:00 a.m. and 2:30 p.m. during the weekdays only. Two routes will serve both the two large malls and nearby employers in the business district.

In fall 2010, the Megaprojects will also sponsor first-time direct bus service from Loudoun County to Tysons Corner.

The Virginia Megaprojects, a partnership between the Virginia Department of Transportation and the Virginia Department of Rail and Public Transportation, are a series of large-scale transportation improvements to help mitigate congestion in Northern Virginia.

More information is available at PRTCtransit.org and VAmegaprojects.com. Click here for the new OmniRide schedule.

(END)

Northern Virginia Transportation Commission

AGENDA ITEM #9

TO: Chairman Zimmerman and NVTC Commissioners

FROM: Scott Kalkwarf and Colethia Quarles

DATE: October 29, 2009

SUBJECT: NVTC Financial Items for August and September, 2009

Attached for your information are NVTC financial reports for August and September 2009.

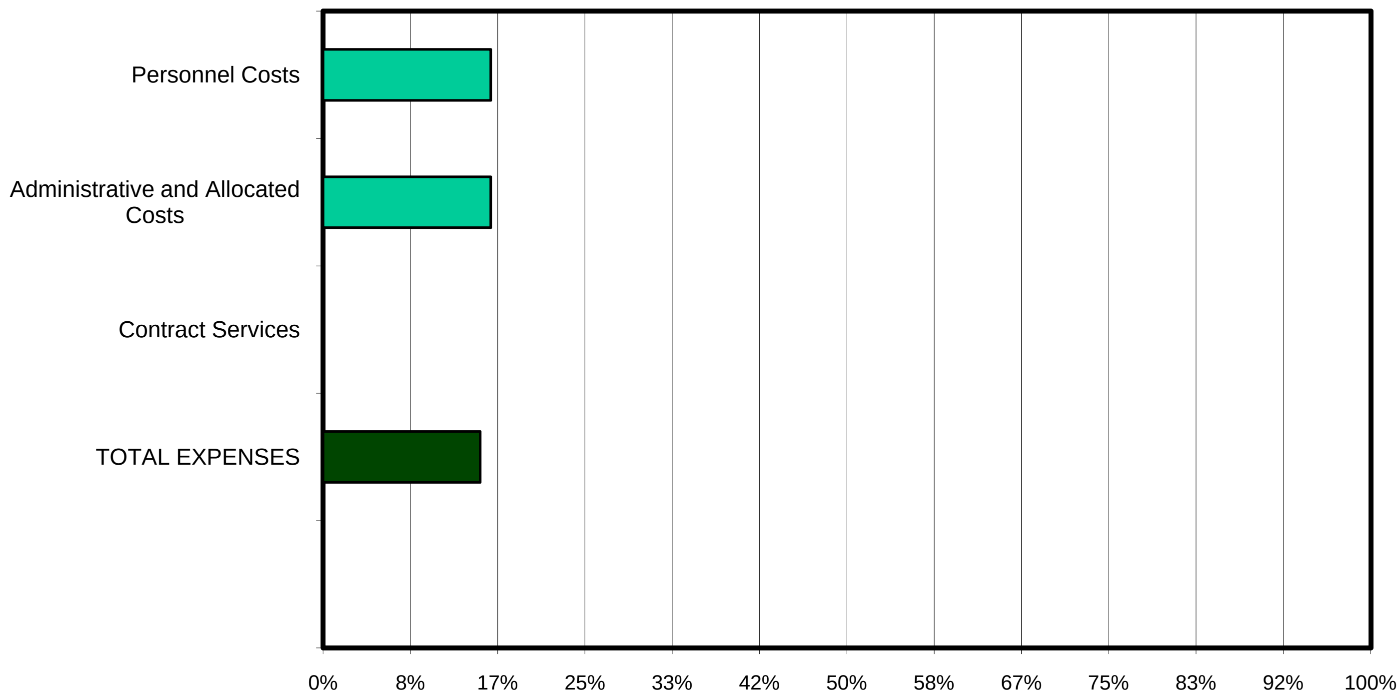
4350 N. Fairfax Drive • Suite 720 • Arlington, Virginia 22203
Tel (703) 524-3322 • Fax (703) 524-1756 • TDD (800) 828-1120 • VA Relay Service
E-mail nvtdc.org • Website www.thinkoutsidethecar.org

Northern Virginia Transportation Commission

Financial Reports

August, 2009

Percentage of FY 2010 NVTC Administrative Budget Used
August, 2009
(Target 16.67% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
August 2009

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Personnel Costs					
Salaries	$ 59,543.03	$ 117,934.22	$ 734,500.00	$ 616,565.78	83.9%
Temporary Employee Services	-		-	-	
Total Personnel Costs	59,543.03	117,934.22	734,500.00	616,565.78	83.9%
Benefits					
Employer's Contributions:					
FICA	5,987.24	9,970.49	51,800.00	41,829.51	80.8%
Group Health Insurance	4,925.35	10,064.15	70,400.00	60,335.85	85.7%
Retirement	4,700.00	9,400.00	69,500.00	60,100.00	86.5%
Workmans & Unemployment Compensation	95.00	190.00	3,400.00	3,210.00	94.4%
Life Insurance	338.35	676.70	4,150.00	3,473.30	83.7%
Long Term Disability Insurance	288.43	580.63	4,100.00	3,519.37	85.8%
Total Benefit Costs	16,334.37	30,881.97	203,350.00	172,468.03	84.8%
Administrative Costs					
Commissioners Per Diem	1,200.00	1,900.00	17,450.00	15,550.00	89.1%
Rents:	*16,532.23*	*32,200.46*	*191,880.00*	*159,679.54*	*83.2%*
Office Rent	14,989.23	29,978.46	179,980.00	150,001.54	83.3%
Parking	1,543.00	2,222.00	11,900.00	9,678.00	81.3%
Insurance:	-	-	*4,100.00*	*4,100.00*	*100.0%*
Public Official Bonds			2,200.00	2,200.00	100.0%
Liability and Property			1,900.00	1,900.00	100.0%
Travel:	*234.23*	*621.18*	*7,800.00*	*7,178.82*	*92.0%*
Conference Registration	-		-	-	0.0%
Conference Travel	91.10	91.10	2,500.00	2,408.90	96.4%
Local Meetings & Related Expenses	143.13	530.08	5,000.00	4,469.92	89.4%
Training & Professional Development	-		300.00	300.00	100.0%
Communication:	*483.93*	*922.81*	*10,350.00*	*9,427.19*	*91.1%*
Postage	(6.69)	(8.01)	4,000.00	4,008.01	100.2%
Telephone - LD	158.59	267.66	1,300.00	1,032.34	79.4%
Telephone - Local	332.03	663.16	5,050.00	4,386.84	86.9%
Publications & Supplies	*1,494.02*	*2,346.21*	*13,600.00*	*11,253.79*	*82.7%*
Office Supplies	-	55.17	3,500.00	3,444.83	98.4%
Duplication	1,494.02	2,291.04	9,600.00	7,308.96	76.1%
Public Information	-	-	500.00	500.00	100.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
August 2009

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Operations:	*554.66*	*1,021.61*	*8,000.00*	*6,978.39*	*87.2%*
Furniture and Equipment	-	-	-	-	0.0%
Repairs and Maintenance	-		1,000.00	1,000.00	100.0%
Computers	554.66	1,021.61	7,000.00	5,978.39	85.4%
Other General and Administrative	*365.20*	*1,265.77*	*5,250.00*	*1,984.23*	*37.8%*
Subscriptions	-	-	-	-	0.0%
Memberships	72.43	749.86	1,300.00	550.14	42.3%
Fees and Miscellaneous	292.77	515.91	950.00	434.09	45.7%
Advertising (Personnel/Procurement)	-	-	1,000.00	1,000.00	100.0%
Total Administrative Costs	20,864.27	40,278.04	258,430.00	216,151.96	83.6%
Contracting Services					
Auditing	-	-	25,600.00	25,600.00	100.0%
Consultants - Technical	-		-	-	0.0%
Legal	-		-	-	0.0%
Total Contract Services	-	-	25,600.00	25,600.00	100.0%
Total Gross G&A Expenses	$ 96,741.67	$ 189,094.23	$ 1,221,880.00	$ 1,030,785.77	84.4%

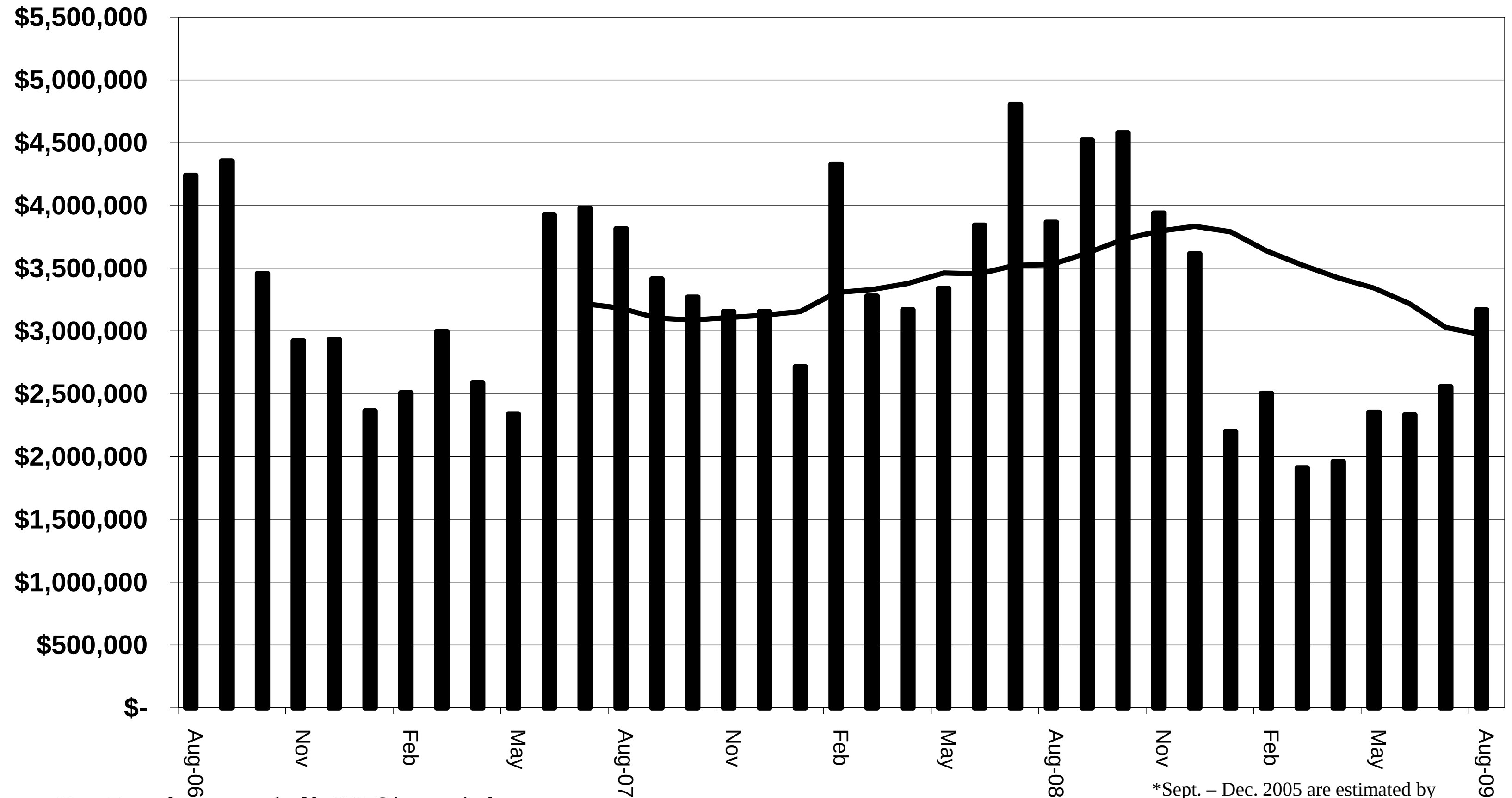
NVTC
RECEIPTS and DISBURSEMENTS
August, 2009

Date	Payer/ Payee	Purpose	Wachovia (Checking)	Wachovia (Savings)	VA LGIP G&A / Project	VA LGIP Trusts
	RECEIPTS					
4	PRTC	SmarTrip local contribution		$ 2,640.00		
10	DRPT	FTM/Admin grant receipt			749,380.00	3,731,907.00
18	Dept. of Taxation	Motor Vehicle Fuels Sales tax receipt				3,168,387.32
18	DRPT	FTM/Admin grant receipt				7,299,441.00
27	VRE	Reimburse for staff support		6,276.88		
27	Staff	Expense reimbursement		14.89		
27	City of Fairfax	G&A contribution		3,382.50		
31	Banks	Interest earnings		20.37	228.82	45,467.79
			-	12,334.64	749,608.82	14,245,203.11
	DISBURSEMENTS					
1-31	Various		(84,719.36)			
11	Arlington County	Other operating				(927,558.00)
24	City of Fairfax	Other capital				(3,293,328.00)
27	City of Fairfax	Other capital				(9,004.00)
31	Wachovia	Bank charges	(78.05)	(15.51)		
			(84,797.41)	(15.51)	-	(4,229,890.00)
	TRANSFERS					
14	Transfer	LGIP to LGIP (bus data project)			2,565.00	(2,565.00)
27	Transfer	LGIP to LGIP (bus data project)			1,478.07	(1,478.07)
27	Transfer	LGIP to checking	150,000.00		(150,000.00)	
			150,000.00	-	(145,956.93)	(4,043.07)
	NET INCREASE (DECREASE) FOR MONTH		$ 65,202.59	$ 12,319.13	$ 603,651.89	$ 10,011,270.04

NVTC
INVESTMENT REPORT
August, 2009

Type	Rate	Balance 7/31/2009	Increase (Decrease)	Balance 8/31/2009	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
Cash Deposits							
Wachovia: NVTC Checking	N/A	$ 71,986.53	$ 65,202.59	$ 137,189.12	$ 137,189.12	$ -	$ -
Wachovia: NVTC Savings	0.100%	236,300.51	12,319.13	248,619.64	248,619.64	-	-
Investments - State Pool							
Nations Bank - LGIP	0.457%	111,533,794.73	10,614,921.93	122,148,716.66	671,993.62	100,523,448.89	20,953,274.15
		$ 111,842,081.77	$ 11,296,095.54	$ 122,534,525.42	$ 1,057,802.38	$ 100,523,448.89	$ 20,953,274.15

NVTC MONTHLY GAS TAX REVENUE
ALL JURISDICTIONS
FISCAL YEARS 2007-2010



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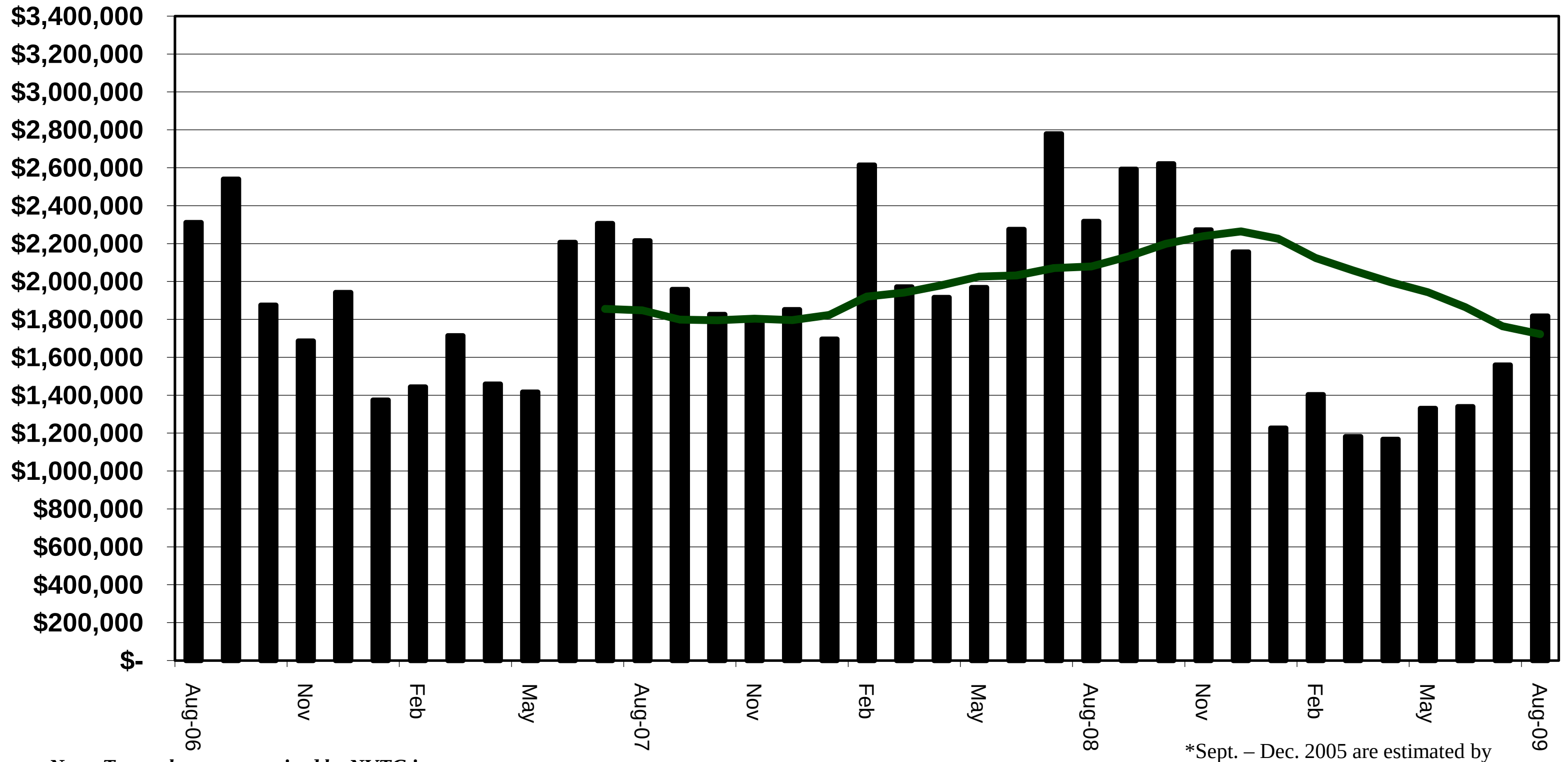
NVTC MONTHLY GAS TAX REVENUE
FAIRFAX COUNTY
FISCAL YEARS 2007-2010



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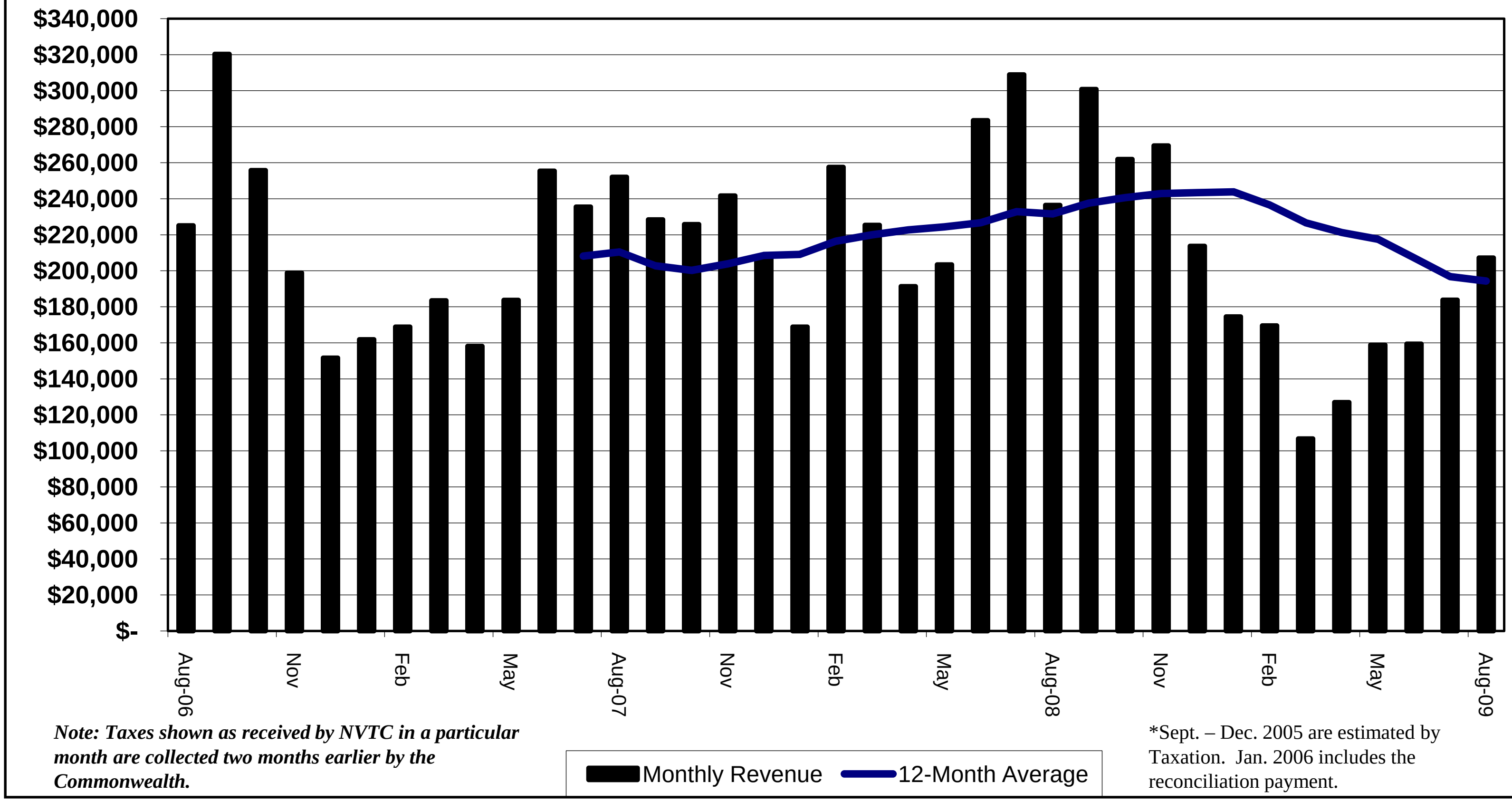
NVTC MONTHLY GAS TAX REVENUE
CITY OF ALEXANDRIA
FISCAL YEARS 2007-2010



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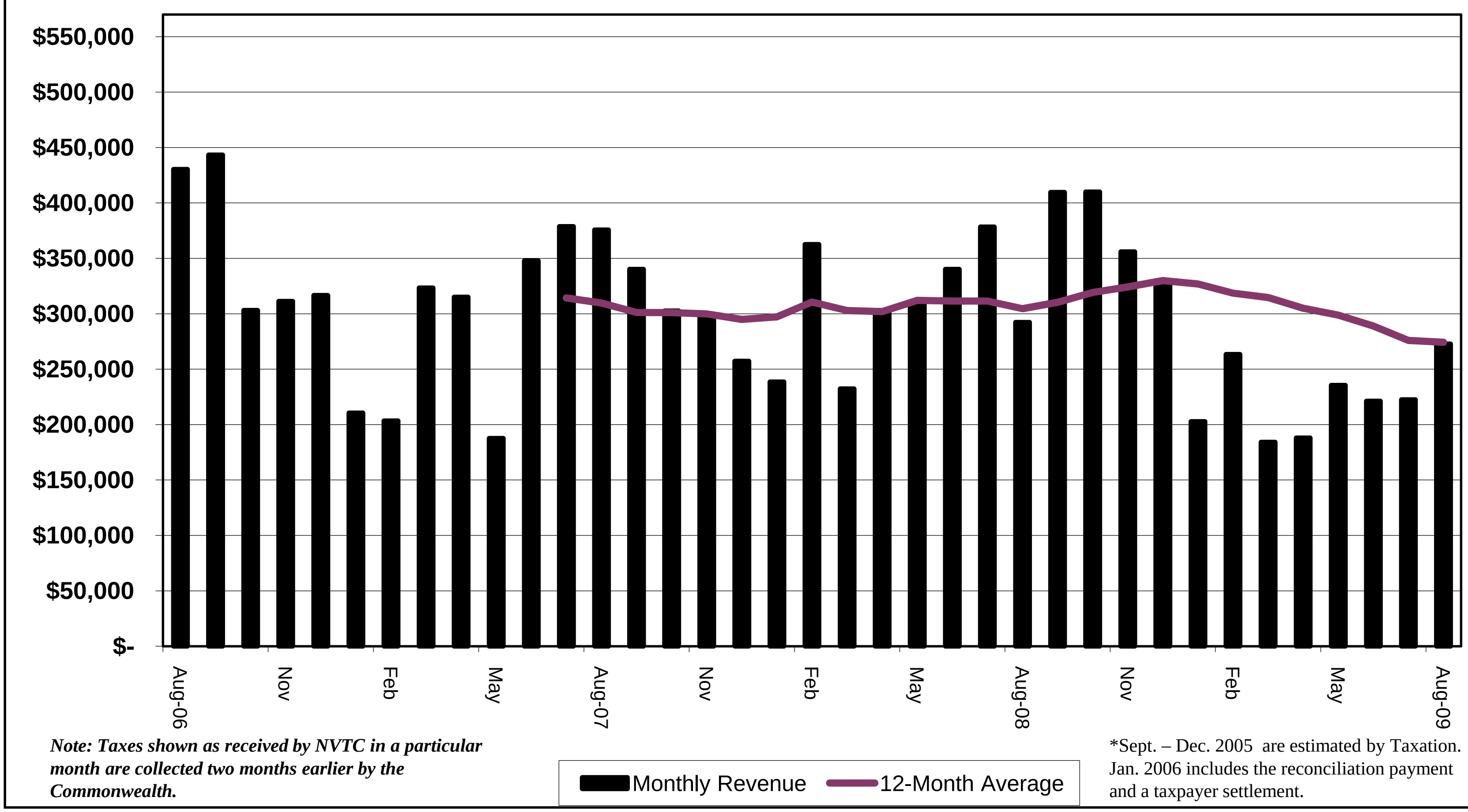
NVTC MONTHLY GAS TAX REVENUE
ARLINGTON COUNTY
FISCAL YEARS 2007-2010



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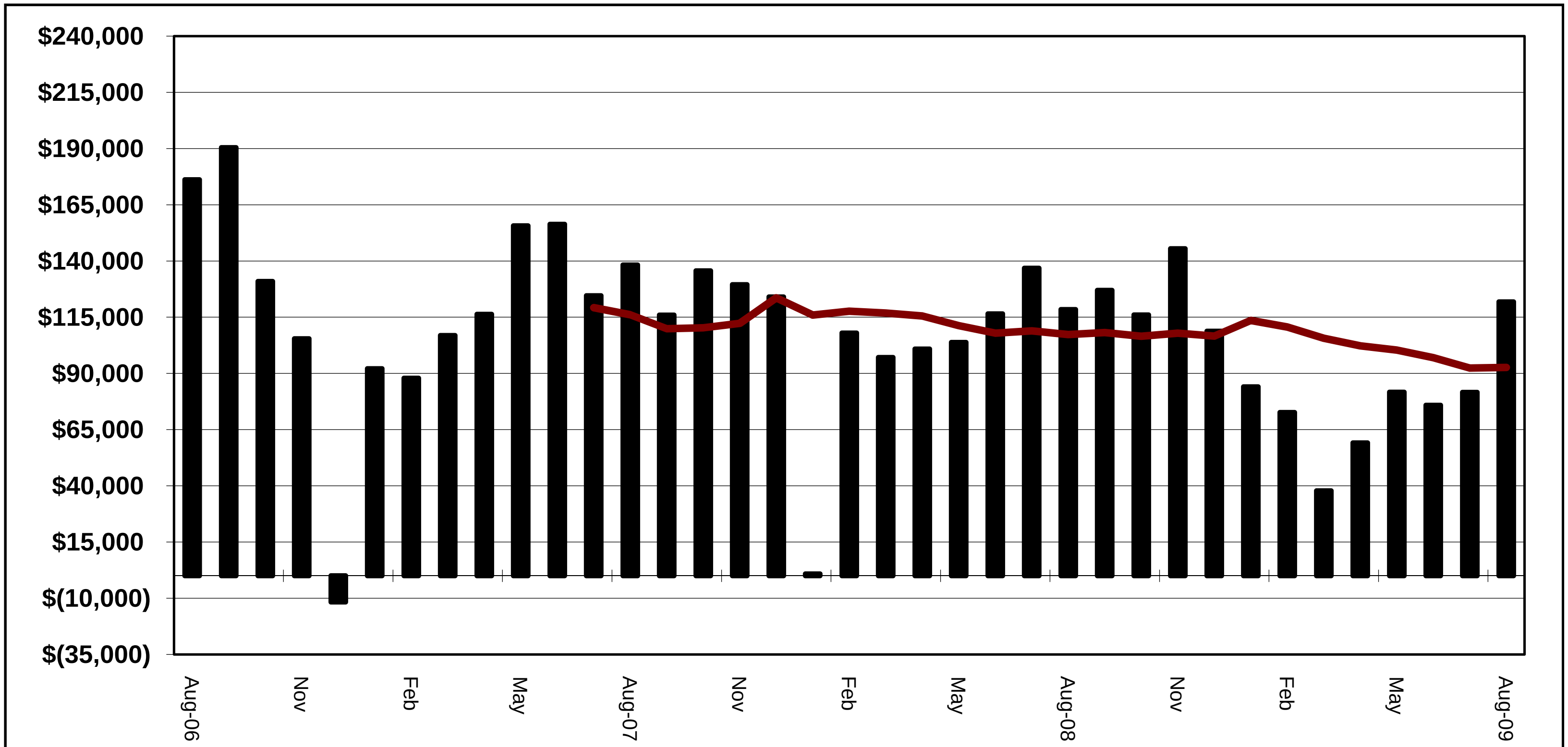
NVTC MONTHLY GAS TAX REVENUE
CITY OF FAIRFAX
FISCAL YEARS 2007-2010



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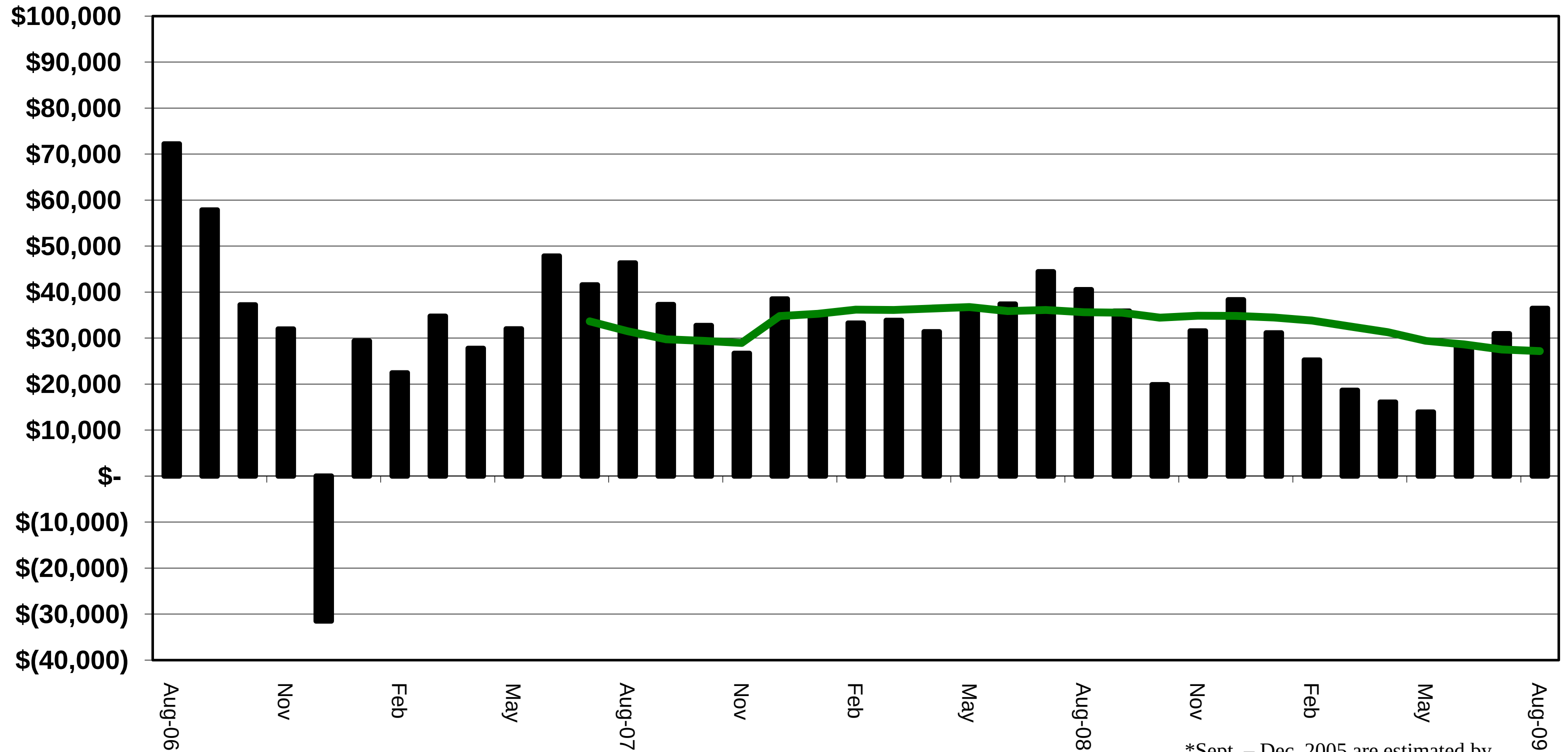
NVTC MONTHLY GAS TAX REVENUE
CITY OF FALLS CHURCH
FISCAL YEARS 2007-2010



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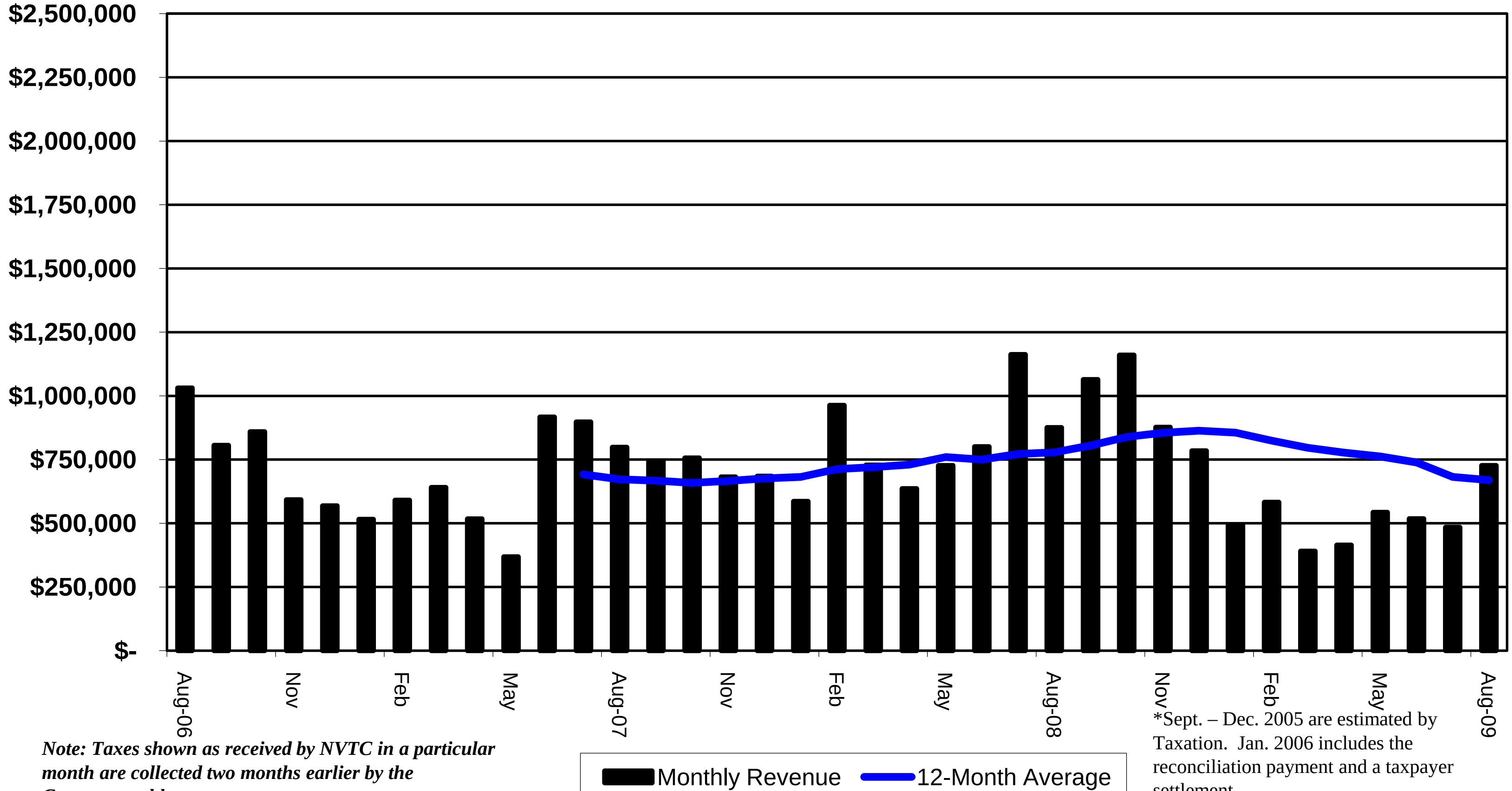
NVTC MONTHLY GAS TAX REVENUE
LOUDOUN COUNTY
FISCAL YEARS 2007-2010



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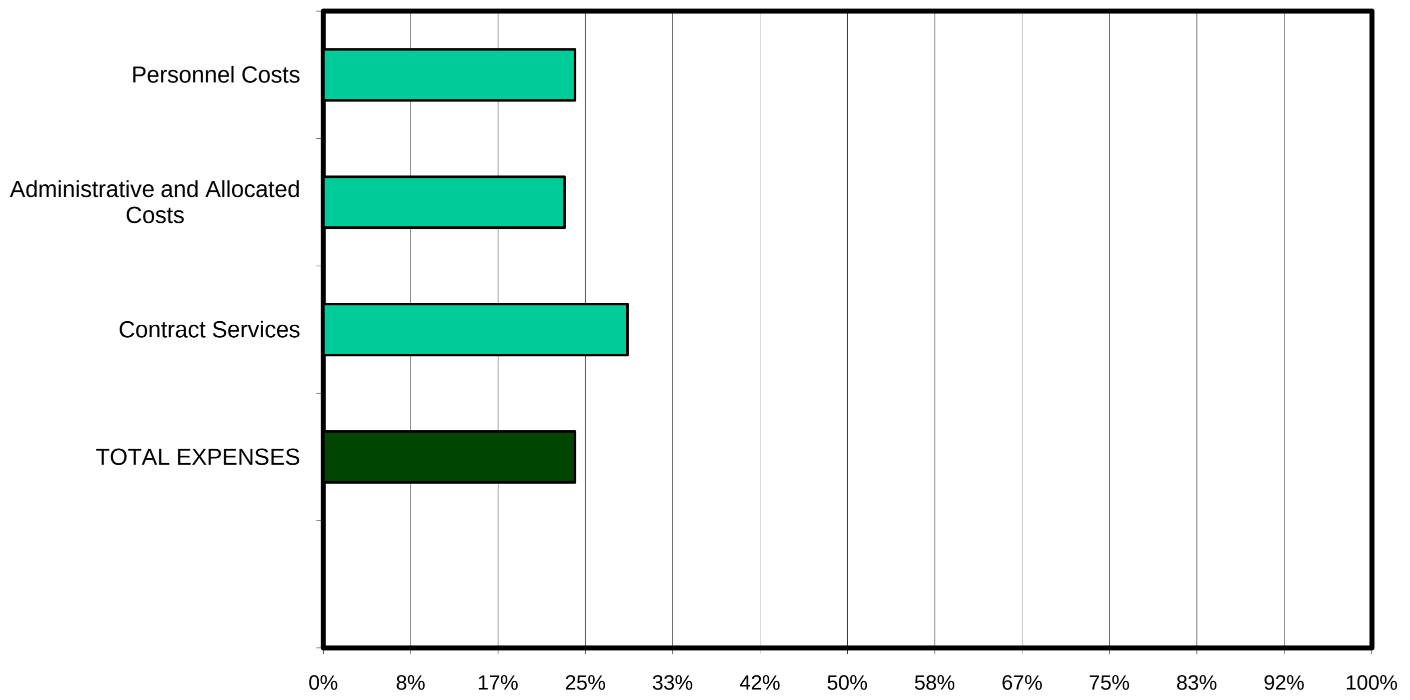
Northern Virginia Transportation Commission

Financial Reports

September, 2009

Percentage of FY 2010 NVTC Administrative Budget Used
September, 2009
(Target 25% or less)



Note: Refer to pages 2 and 3 for details

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September 2009

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Personnel Costs					
Salaries	$ 58,591.59	$ 176,525.81	$ 734,500.00	$ 557,974.19	76.0%
Temporary Employee Services	-	-	-	-	
Total Personnel Costs	58,591.59	176,525.81	734,500.00	557,974.19	76.0%
Benefits					
Employer's Contributions:					
FICA	3,684.92	13,655.41	51,800.00	38,144.59	73.6%
Group Health Insurance	5,188.90	15,253.05	70,400.00	55,146.95	78.3%
Retirement	4,700.00	14,100.00	69,500.00	55,400.00	79.7%
Workmans & Unemployment Compensation	95.00	285.00	3,400.00	3,115.00	91.6%
Life Insurance	338.35	1,015.05	4,150.00	3,134.95	75.5%
Long Term Disability Insurance	288.43	869.06	4,100.00	3,230.94	78.8%
Total Benefit Costs	14,295.60	45,177.57	203,350.00	158,172.43	77.8%
Administrative Costs					
Commissioners Per Diem	1,300.00	3,200.00	17,450.00	14,250.00	81.7%
Rents:	*15,668.23*	*47,868.69*	*191,880.00*	*144,011.31*	*75.1%*
Office Rent	14,989.23	44,967.69	179,980.00	135,012.31	75.0%
Parking	679.00	2,901.00	11,900.00	8,999.00	75.6%
Insurance:	*575.00*	*575.00*	*4,100.00*	*3,525.00*	*86.0%*
Public Official Bonds			2,200.00	2,200.00	100.0%
Liability and Property	575.00	575.00	1,900.00	1,325.00	69.7%
Travel:	-	*621.18*	*7,800.00*	*7,178.82*	*92.0%*
Conference Registration	-	-	-	-	0.0%
Conference Travel	-	91.10	2,500.00	2,408.90	96.4%
Local Meetings & Related Expenses	-	530.08	5,000.00	4,469.92	89.4%
Training & Professional Development	-	-	300.00	300.00	100.0%
Communication:	*747.09*	*1,669.90*	*10,350.00*	*8,680.10*	*83.9%*
Postage	219.29	211.28	4,000.00	3,788.72	94.7%
Telephone - LD	121.10	388.76	1,300.00	911.24	70.1%
Telephone - Local	406.70	1,069.86	5,050.00	3,980.14	78.8%
Publications & Supplies	*1,418.07*	*3,764.28*	*13,600.00*	*9,835.72*	*72.3%*
Office Supplies	348.90	404.07	3,500.00	3,095.93	88.5%
Duplication	1,069.17	3,360.21	9,600.00	6,239.79	65.0%
Public Information	-	-	500.00	500.00	100.0%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
G&A BUDGET VARIANCE REPORT
September 2009

	Current Month	Year To Date	Annual Budget	Balance Available	Balance %
Operations:	*239.26*	*1,260.87*	*8,000.00*	*6,739.13*	*84.2%*
Furniture and Equipment	-	-	-	-	0.0%
Repairs and Maintenance	-	-	1,000.00	1,000.00	100.0%
Computers	239.26	1,260.87	7,000.00	5,739.13	82.0%
Other General and Administrative	*393.89*	*1,659.66*	*5,250.00*	*1,590.34*	*30.3%*
Subscriptions	-	-	-	-	0.0%
Memberships	72.43	822.29	1,300.00	477.71	36.7%
Fees and Miscellaneous	321.46	837.37	950.00	112.63	11.9%
Advertising (Personnel/Procurement)	-	-	1,000.00	1,000.00	100.0%
Total Administrative Costs	20,341.54	60,619.58	258,430.00	195,810.42	75.8%
Contracting Services					
Auditing	7,500.00	7,500.00	25,600.00	18,100.00	70.7%
Consultants - Technical	-	-	-	-	0.0%
Legal	-	-	-	-	0.0%
Total Contract Services	7,500.00	7,500.00	25,600.00	18,100.00	70.7%
Total Gross G&A Expenses	$ 100,728.73	$ 289,822.96	$ 1,221,880.00	$ 930,057.04	76.1%

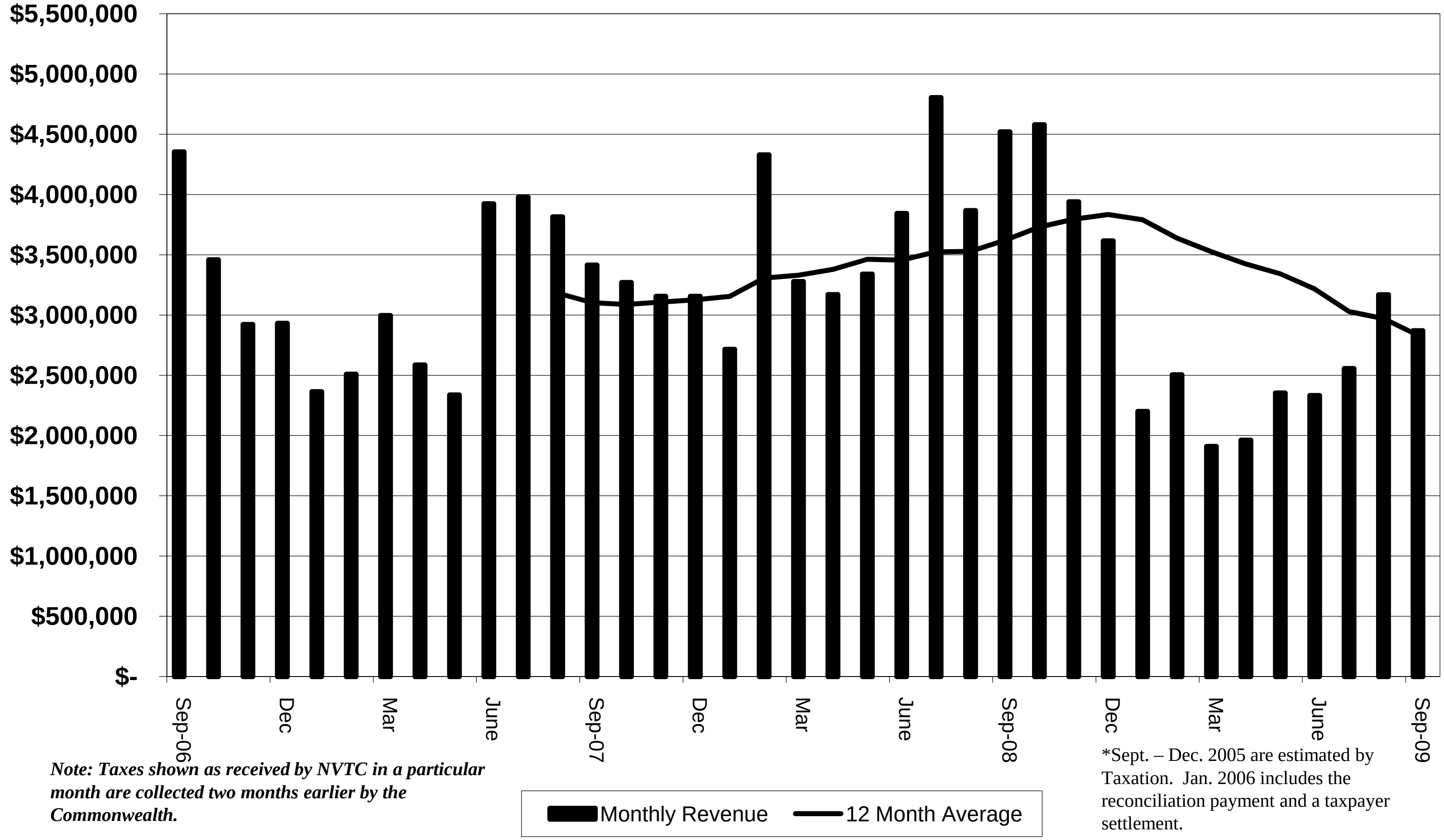
NVTC
RECEIPTS and DISBURSEMENTS
September, 2009

Date	Payer/ Payee	Purpose	Wachovia (Checking)	Wachovia (Savings)	VA LGIP G&A / Project	VA LGIP Trusts
	RECEIPTS					
4	DRPT	Capital grant receipt				$ 38,247.00
10	DRPT	Capital grant receipt				158,813.00
16	VRE	Staff support		6,247.67		
16	Arlington County	G&A contribution		15,643.25		
16	Dept. of Taxation	Motor Vehicle Fuels Sales tax				2,870,713.34
17	DRPT	Operating grant receipt				4,481,287.00
21	DRPT	Capital grant receipts				5,173,944.00
29	DRPT	Capital grant receipt				3,753,422.00
30	DRPT	Capital grant receipt				2,400,000.00
30	Banks	Interest earnings		19.99	217.36	40,533.65
			-	21,910.91	217.36	18,916,959.99
	DISBURSEMENTS					
1-30	Various		(115,851.67)			
09	VRE	Other capital				(40,000.00)
17	Redmon Group	E schedule project	(2,841.15)			
17	Stantec	Consulting - bus data	(20,935.44)			
17	WMATA	Other operating				(3,624.72)
22	Falls Church	Other operating				(37,349.44)
30	Wachovia	Bank charges	(36.37)			
			(139,664.63)	-	-	(80,974.16)
	TRANSFERS					
17	Transfer	LGIP to LGIP (Bus data project)			20,935.44	(20,935.44)
28	Transfer	Savings to checking	150,000.00	(150,000.00)		
			150,000.00	(150,000.00)	20,935.44	(20,935.44)
	NET INCREASE (DECREASE) FOR MONTH		$ 10,335.37	$ (128,089.09)	$ 21,152.80	$ 18,815,050.39

NVTC
INVESTMENT REPORT
September, 2009

Type	Rate	Balance 8/31/2009	Increase (Decrease)	Balance 9/30/2009	NVTC G&A/Project	Jurisdictions Trust Fund	Loudoun Trust Fund
Cash Deposits							
Wachovia: NVTC Checking	N/A	$ 137,189.12	$ 10,335.37	$ 147,524.49	$ 147,524.49	$ -	$ -
Wachovia: NVTC Savings	0.100%	248,619.64	(128,089.09)	120,530.55	120,530.55	-	-
Investments - State Pool							
Nations Bank - LGIP	0.389%	122,148,716.66	18,836,203.19	140,984,919.85	693,146.42	118,705,837.31	21,585,936.12
		$ 122,534,525.42	$ 18,739,602.27	$ 141,252,974.89	$ 961,201.46	$ 118,705,837.31	$ 21,585,936.12

NVTC MONTHLY GAS TAX REVENUE
ALL JURISDICTIONS
FISCAL YEARS 2007-2010



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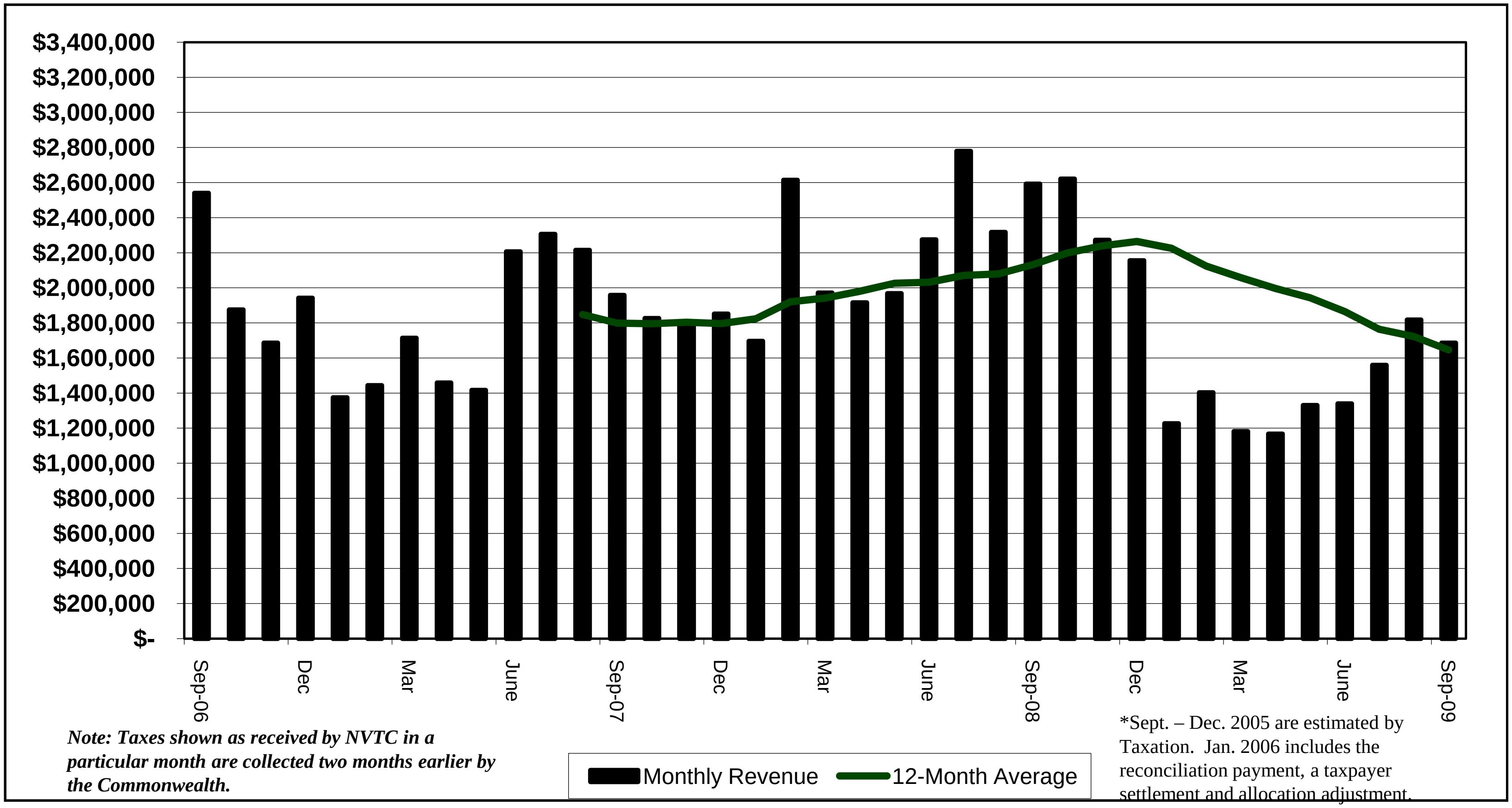
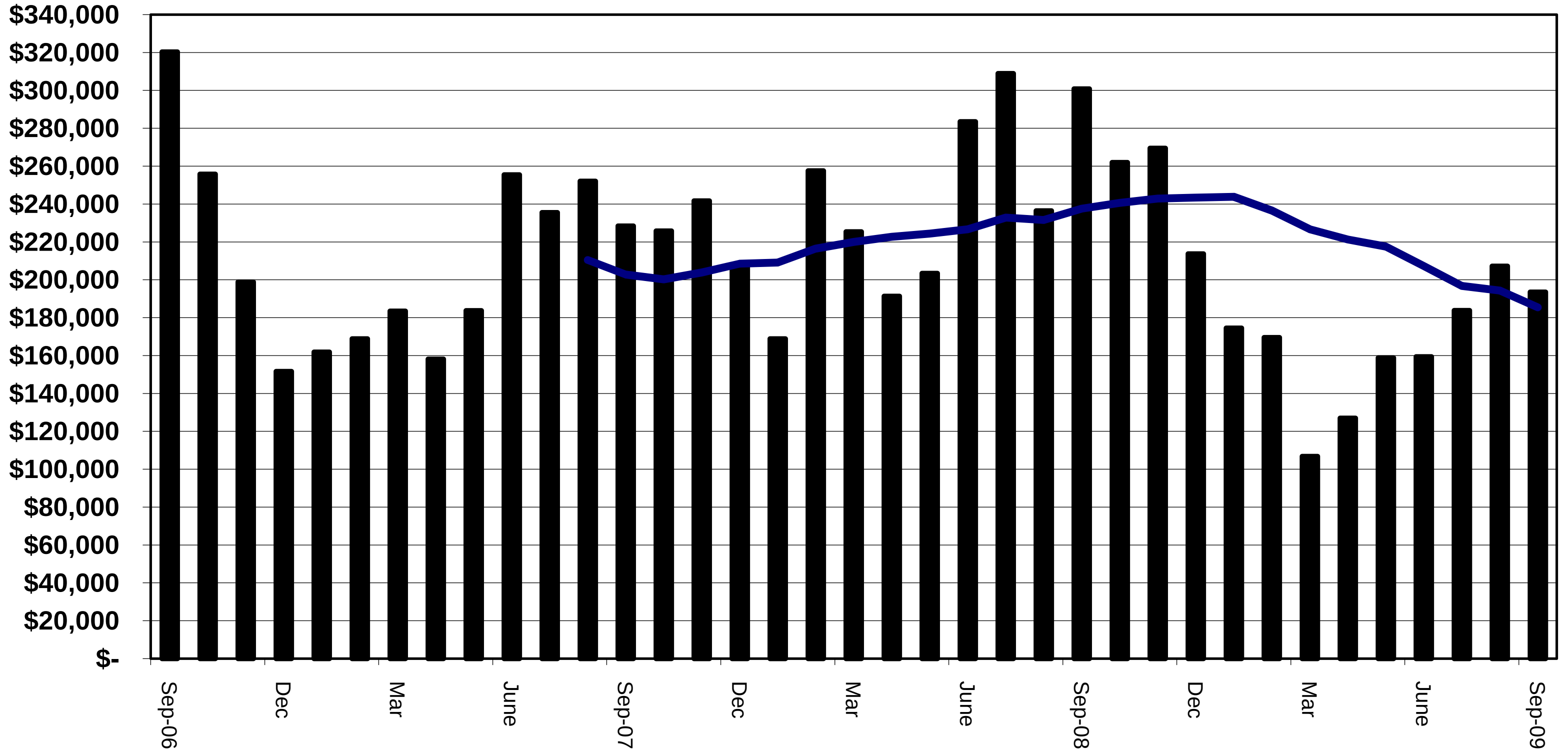
NVTC MONTHLY GAS TAX REVENUE
FAIRFAX COUNTY
FISCAL YEARS 2007-2010



NVTC MONTHLY GAS TAX REVENUE
CITY OF ALEXANDRIA
FISCAL YEARS 2007-2010



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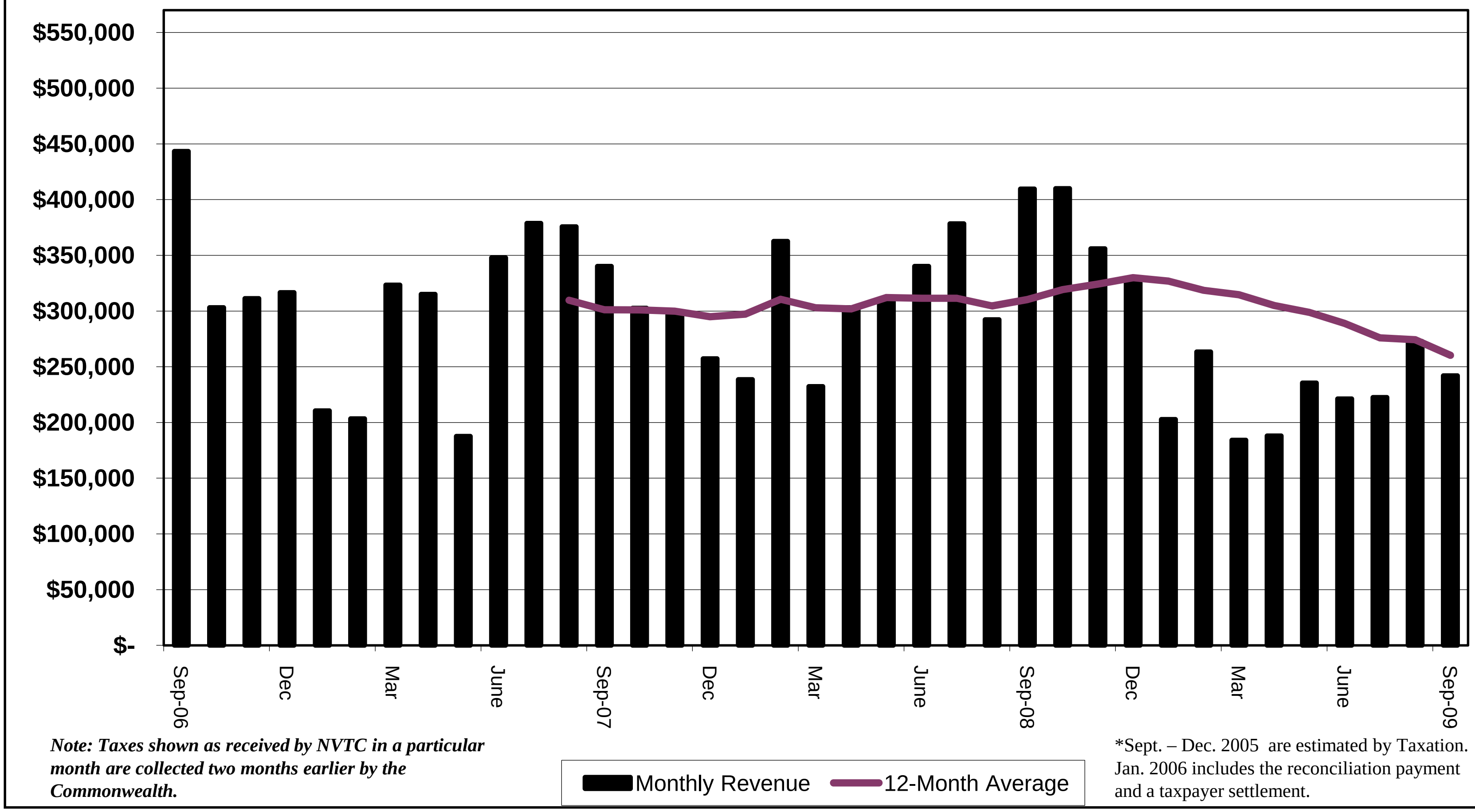
NVTC MONTHLY GAS TAX REVENUE
ARLINGTON COUNTY
FISCAL YEARS 2007-2010



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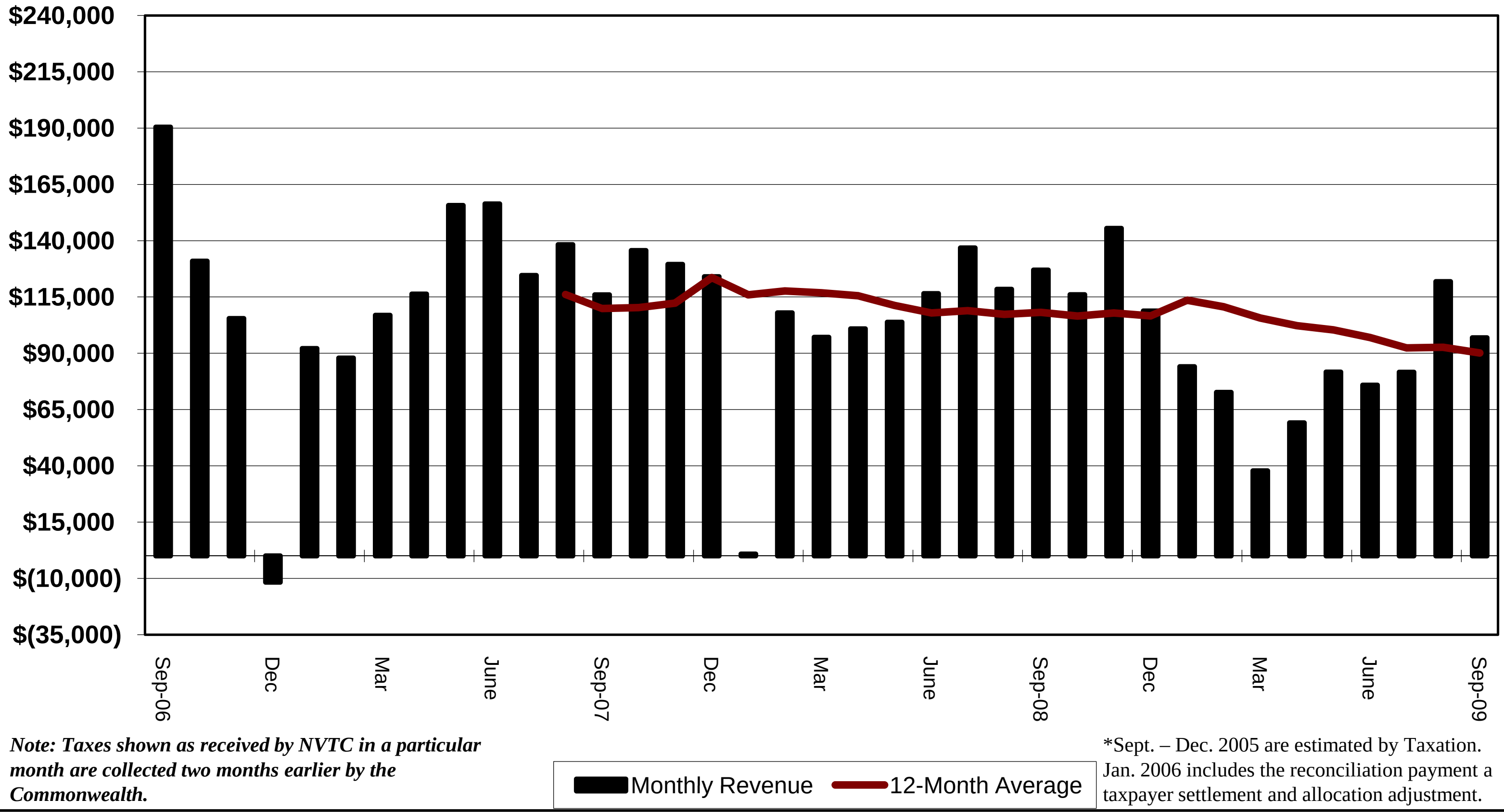
NVTC MONTHLY GAS TAX REVENUE
CITY OF FAIRFAX
FISCAL YEARS 2007-2010



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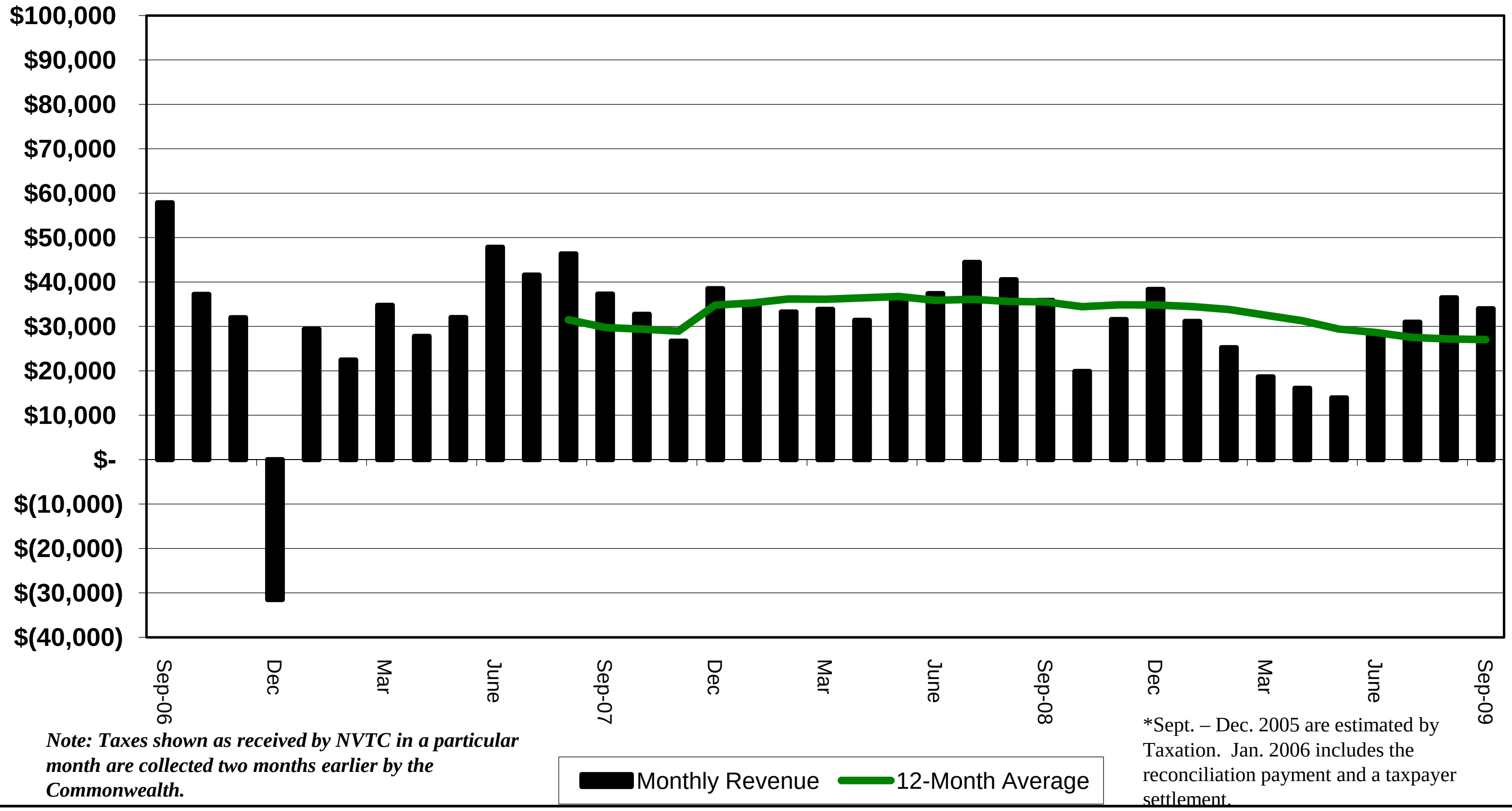
NVTC MONTHLY GAS TAX REVENUE
CITY OF FALLS CHURCH
FISCAL YEARS 2007-2010



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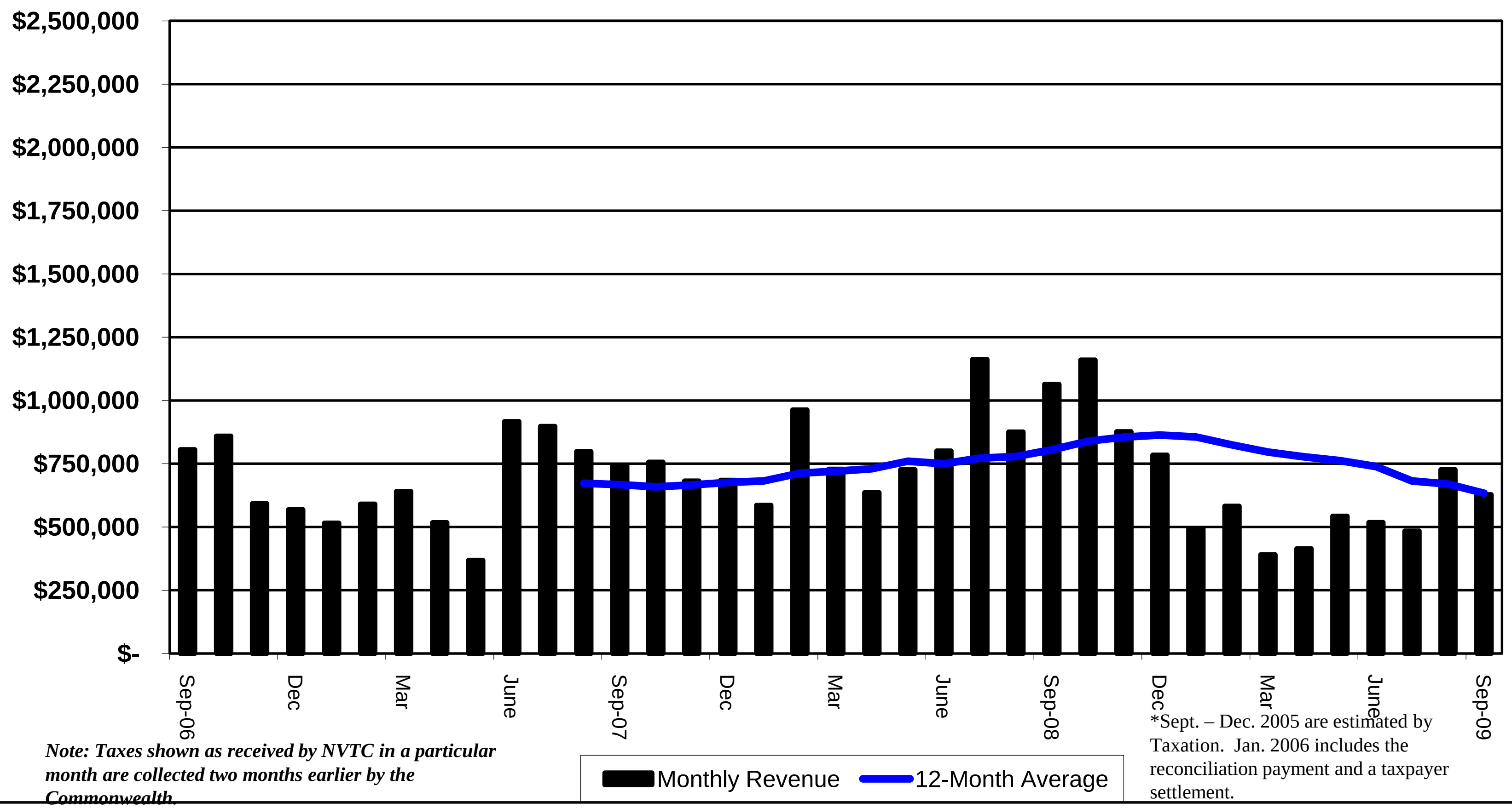
NVTC MONTHLY GAS TAX REVENUE
LOUDOUN COUNTY
FISCAL YEARS 2007-2010



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Blue Item

Virginia Department of Rail and Public Transportation

I-66 Transit/TDM Study

Study Update
November 5, 2009

Presentation Outline

- Study Overview
- Existing Conditions
- General Travel Forecasts
- Analysis Findings
- Market Research Findings
- Stakeholder Interview Findings
- Study Recommendations - Proposed Infrastructure and Services
- Next Steps

Study Overview

- Study Goal

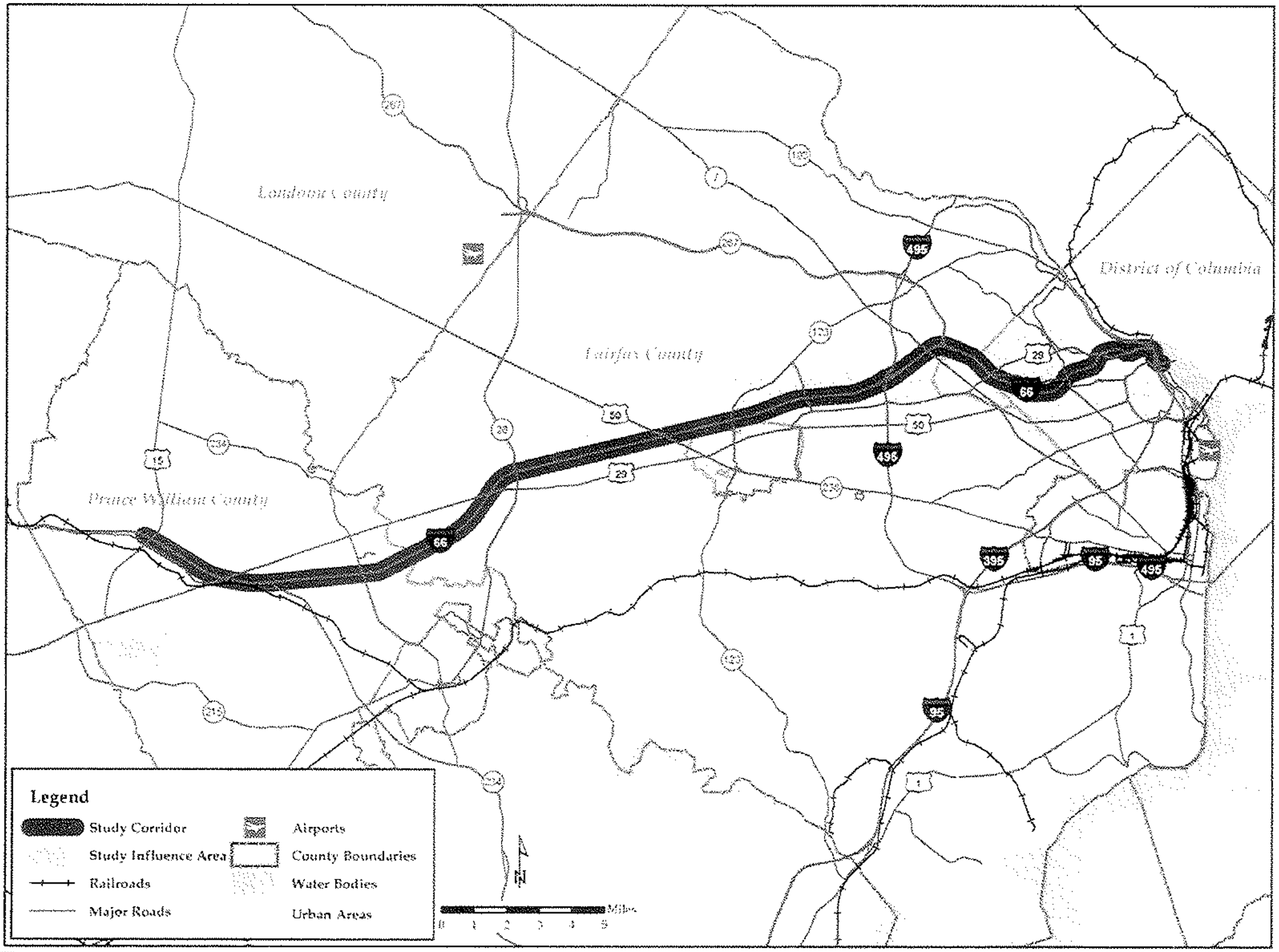
  To improve mobility choices for the I-66 Corridor through short term and medium term transit and TDM improvements

- Study Scope
  - Study the I-66 corridor from Washington D.C., to Haymarket including parts of Route 29 and Route 50
  - Evaluate short- and medium-term transit and TDM improvements and make recommendations
  - Recommendations support established future vision of extending Metrorail

- Conducted by DRPT in coordination with a Technical Advisory Committee (TAC)

Study Overview

Corridor Map



Existing Conditions

- I-66 Corridor, Outside Capital Beltway:
  - 198 buses per day
  - VRE Manassas Line and Metrorail Orange Line service
  - 47% of home-based work commuter trips to D.C. core on transit
- I-66 Corridor, Inside Capital Beltway:
  - 144 buses per day
  - VRE Manassas Line and Metrorail Orange Line service
  - 75% of home-based work commuter trips to D.C. core on transit

General Travel Forecasts

- From 2005 to 2030:
  - Commuter trips originating in the corridor increase by 22%
  - Commuter trips destined to the corridor increase by 40%
  - The increase in destinations in the corridor are reflective of expanded suburban job opportunities
  - More dispersed travel pattern with greatest growth in suburban activity centers but growth in the core as well
- Transit mode share from the I-66 corridor to the core remains high (greater than 60%)
- Transit market remains greatest for commuter trips

Analysis Findings

- **Growth/New Markets:** D.C., Rosslyn-Ballston, and Tysons Corner are major transit destinations

- **New Services:** Express bus services are most attractive
  - Point-to-point express services offer maximum time savings
  - Operating express bus service to D.C. through the Ballston Station area generates significant ridership
  - Metrobus Express service on U.S. 29 and U.S. 50 offers up to 50% travel time savings over regular Metrobus service

- **Travel Time:** Reliable travel time in the HOV lane outside the Capital Beltway would increase transit ridership by approximately 3% (1,250 daily work trips)

- **Land Use:** Land use plays a critical role in determining the corridor transit usage potential. Density is key to effective transit access.

Analysis Findings
(Continued)

- **New Infrastructure:** Vienna Metrorail direct access ramp (part of the recent TIGER regional application)
  - Proposed ramp from HOV lane at Vaden Drive provides fast and direct transit access to the station
  - Yields a 40% travel time improvement in accessing the station drop off area and increases operational efficiencies
  - Eliminates merging and weaving movements across general-purpose lanes, helping reduce congestion and improve safety

- **Complimentary Services:** Important complementary transit services
  - Dulles Corridor Metrorail will benefit the I-66 corridor
    - Serves the strongest reverse transit markets
    - Becomes attractive option for some I-66 corridor commuters
  - Route 28 Corridor needs further study as to appropriate transit infrastructure and services

Market Research Findings

Approximately 2,800 Completed Surveys

- Objectives:
  - Understand current travel patterns
  - Identify factors guiding commuting decisions
  - Identify interest in potential transit/TDM improvements

- Key Findings:
  - The **most important factors** in choosing transit modes are:
    1. Time savings
    2. Cost savings
    3. Dependability
  - **66%** of those who drive alone expressed interest in shifting to transit if BRT/Express bus enhancements were provided

Market Research Findings
(continued)

- 63% of current SOV drivers indicate that improved convenience and comfort amenities will help attract more riders

- 32% of current SOV drivers surveyed said expanding park and ride opportunities is important to growing transit ridership

Key Stakeholder Interviews

- Over 40 key stakeholders were interviewed about their preferences for mobility in the I-66 corridor
- Key stakeholders included:
  - Elected and appointed officials
  - Homeowner and civic associations
  - Chambers of commerce
  - Northern Virginia Realtors Association
  - Metro, Potomac Rappahannock Transportation Commission (OnmiRide), Fairfax Connector, CUE, ART

Key Stakeholder Interview Findings

- Traffic congestion in the I-66 corridor should be addressed as soon as possible
- There is not just one solution to traffic congestion but rather a mix of improvements will be needed
- Recommended improvements include:
  - Improved HOV – hours of use, number of people required, consistency of regional networks, and reverse usage
  - Improved bus service including priority bus options until Metrorail can be extended
  - Increased capacity at park and ride lots
  - Increased cooperation between agencies
- Implementing elements of Bus Rapid Transit (BRT) was considered by most to make good sense for this region as a low cost alternative to rail or a precursor to rail

Study Recommendations

Proposed Infrastructure

- Proposed bus station locations selected with consideration of potential future rail service (i.e., can serve as future multimodal centers)
- Enhance park and ride facilities, such as expanding existing Stringfellow Road lots and constructing new Cushing Road lot
- Construct buffer between HOV lane (outside the Beltway) and General Purpose Lanes to strengthen enforcement and improve operating speeds
- Construct direct access ramps from HOV lane at Vienna Metrorail Station, Stringfellow Road, Monument Drive, Centreville, Bull Run, VA 234, and potentially Haymarket
- Buses on shoulders in applicable areas of Route 29 and Route 50

Study Recommendations
Proposed Services

- Increased service levels for bus
  - Higher frequency of service (shorter wait times) on selected routes
  - New express service on U.S. 29 and U.S. 50 (Metrobus Express services)
- Expanded transit destinations served
  - Direct service to Tysons Corner
  - More bus service into D.C.
- Improvements to the corridor bus services
  - Traveler information system upgrades (e.g., next bus, message notification)
  - Customer comfort and productivity amenities (e.g., seating at stations, WiFi service)
- Enhanced transit-supportive transportation demand management (TDM) strategies
  - Rideshare programs
  - Transit information programs

Next Steps

- ❑ Finalize Recommendations with TAC
- ❑ Draft Report – November, Final Report - December
- ❑ Results will be used to develop project-specific plans to implement enhanced transit and TDM services over the next 5 to 15 years
- ❑ This study's results will also inform the I-66 Multimodal Studies which are underway…
  - Attributes study draft report due spring 2010
  - Key issues draft report due spring 2010
  - Draft NEPA document(s) due 2011

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