

From: Board.Secretary
Sent: Monday, July 14, 2008 5:02 PM
To: Board.Secretary
Cc: Burns, Michael
Subject: Response to Referral from April 25, 2008 Board of Directors Workshop

To VTA Board of Directors:

Attached is a response, from the Chief SVRT Program Officer, to the referral from the April 25, 2008 Board of Directors Workshop. Board Member Kishimoto requested for clarification on various items on the Board Workshop.

Thank you.

Yolanda L. Cruz
Assistant Board Secretary
Voice: 408.321.5669 Fax: 408.955.0895

Date: _____ July 9, 2008

Committee Meeting Date: _____ N/A

Board Meeting Date: _____ N/A

BOARD MEMORANDUM

INFORMATION ITEM

TO: Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Carolyn M. Gonot
Chief SVRT Program Officer

SUBJECT: Response to Referral from April 25, 2008 Board of Directors Workshop Agenda Items

FOR INFORMATION ONLY

In response to an email inquiry from Board Member Kishimoto requesting further clarification on various items on the Board of Directors Workshop on April 25, 2008. The following are responses to the inquiries.

Agenda Item #4: Receive an update on the 2000 Measure A Program

Please give a summary of the dollars which have come in under Measure A, how much has been spent (and/or allocated), to which projects, and how much is unspent.

As of December 2007, VTA's Board approved an adopted budget of \$1.3 billion, with \$741 million dollars incurred. Please refer to Attachment A for a complete list of projects, approved budget, and incurred costs.

Draft EIS mid-2008: Will the Board review this before submission to FTA?

An Environmental Impact Statement (EIS) is a federal document prepared by a federal agency in compliance with the National Environmental Policy Act. In the case of the Silicon Valley Rapid Transit Project, VTA is assisting in the preparation of the Draft EIS on behalf of the Federal Transit Administration (FTA). Once FTA considers the content of the Draft EIS as comprehensively addressing the environmental issues, a Notice of Availability will be published in the Federal Register. VTA is currently responding to FTA concerns regarding the content of the 1st Administrative Draft EIS and hopes that FTA will release the Draft EIR in late November. This is in contrast to an Environmental Impact Report under the California Environmental

Quality Act where there is a local Lead Agency, such as VTA, that must review, consider and approve the environmental document prior to a project going forward.

What alternatives will be developed for EIS and VTA planning purposes?

The EIS will include SVRTP (extension to Santa Clara), BEP (extension to Berryessa Station), and No-build alternatives. The EIS will also include a section addressing other alternatives that were considered in the Major Investment Study Process.

Funding: The Comprehensive Agreement between VTA and BART calls for the dedication of a \$48 million BART subsidy no later than January 1, 2009. Has this been done already? The agreement goes on to say that the default is that automatic dedication of TDA funds shall be implemented immediately without any further action by the VTA Board of Directors (this is referred to on page 25). What happens if BART does not go or start as planned? Does VTA have to pay every year?

A VTA BART Pledge letter was sent from Kevin Allmand, Acting General Counsel to the VTA Board of Directors on June 5, 2008. Please refer to Attachment B.

Funding: What is the outlook for the Warm Springs Extension funding gap?

Currently, the Warm Springs Extension has a \$144 million funding shortfall. MTC's Resolution 3434 Draft Strategic Plan proposes to close the gap with the following fund sources:

<i>MTC:</i>	<i>\$40 million (State Local Partnership Program)</i>
<i>MTC:</i>	<i>\$34 million (Revised Bridge Toll Estimates)</i>
<i>Alameda County:</i>	<i>\$30 million (State Local Partnership Program)</i>
<i>Santa Clara County:</i>	<i>\$16 million (State Local Partnership Program/other)</i>
<i>BART:</i>	<i>\$24 million (State Local Partnership Program/other)</i>

The Resolution 3434 Draft Strategic Plan also recommends a two-step process for closing the cashflow gap with SFO Extension revenues that are not expected to be available during the project's construction. This process includes shifting \$91 million in RM2 funds from the Dumbarton Rail project, and advancing \$54 million that are programmed to BART and ACTIA for the Warm Springs Extension.

Caltrain service upgrade: Has staff evaluated the need for the two South Terminal projects and the \$60 million near-term rolling stock needs? (both in the "year 1-5" list)

Staff has evaluated the South Terminal project and a funding agreement/budget augmentation is scheduled to come to the Board in August. Staff is still evaluating the need for rolling stock replacement as it relates to electrification and schedule for that project.

Capitol Expressway to Eastridge: Previous budgets noted that operating budget for this could be impacted by potential BART operating costs. What is the incremental operating budget needed?

It is estimated that the annual operating costs for the Capitol Expressway to Eastridge Light Rail extension would be \$4.44 million in 2008 dollars.

Agenda Item #5: Discuss the Proposed Policy Guidance for Measure A Revenue and Expenditure Plan

How does budget adoption fit into this schedule (appropriation of funds)?

Based on the direction from the Board on the Measure A Revenue and Expenditure Plan, the budget would include project budgets for activities moving forward during the budget cycle.

Agenda Item #6: Receive a presentation on the VTA Measure A Financial Planning Structure and Process

Is pricing of parking included as well as price of transit? Is it possible to do some sensitivity analysis if we bring price of parking up to market rate?

The pricing of parking is considered in the travel demand forecast model, which projects ridership. Ridership is input into the financial planning model. The sensitivity analysis of parking pricing can occur within the travel demand model.

The SVRT model showed e.g. 18,000 boarding/exits at Santa Clara Station by 2015 after a couple years of operation. Civic Center in San Francisco has about 19,000 boarding/exits in 2007 after 35 years of operations (and high density development). Am I reading the data right?

The SVRT BART Extension to Milpitas, San Jose, and Santa Clara Final Environmental Impact Report dated November 2009 included a table with Year 2015 projected boardings. In this document, the Santa Clara Station showed Year 2015 boardings at slightly over 18,000. The projections in this document used a set of land use forecasts that have been updated since this document was circulated and approved. VTA is currently updating travel forecasts using ABAG Projections 2007 land use forecasts. VTA staff will be presenting the resulting ridership late summer or early fall 2008.

Operating subsidy based on 86 weekday trains? Today, it's 98 weekday trains.

The Caltrain Operating Subsidy is based on 98 weekday trains.

ACE assumes 6 weekday trains, there seems to be 8 weekday trains today. Does it make a difference?

ACE has added an additional round trip (two trains) as a mitigation measure for a highway construction project in San Joaquin County. It is a temporary service enhancement. The operating costs for that extra trip is paid for by Caltrans.

Measure A Funds - Allocated, Spent and Unspent (through December 2007)

\$'s in Millions			
Project/Category	a Adopted Budget Through FY09	b Incurred Costs Dec-07	c Remaining Budget Dec-07
<u>2000 Measure A Programwide</u>			
Programwide Expenses	\$9.3	\$1.2	\$8.1
Financing Costs			\$0.0
VTA Operating Assistance	\$101.0	\$52.4	\$48.6
<i>Total</i>	<i>\$110.3</i>	<i>\$53.6</i>	<i>\$56.7</i>
<u>BART - SVRT</u>	<i>\$606.3</i>	<i>\$412.3</i>	<i>\$194.0</i>
<u>Freight Rail Relocation</u>	<i>\$45.0</i>	<i>\$2.4</i>	<i>\$42.6</i>
<u>Light Rail Program</u>			
Low Floor Light Rail Vehicles	\$201.0	\$200.3	\$0.7
DTEV - CELR to Eastridge	\$119.7	\$38.8	\$80.9
DTEV - CELR Eastridge to Neiman	\$0.0	\$0.0	\$0.0
New Rail Corridors Study	\$1.8	\$0.4	\$1.4
LRT Extension to Vasona Junction	\$9.1	\$0.0	\$9.1
<i>Total</i>	<i>\$331.6</i>	<i>\$239.5</i>	<i>\$92.1</i>
<u>Commuter Rail Program</u>			
Dumbarton Rail Corridor	\$6.6	\$0.4	\$6.2
Caltrain Service Upgrades	\$47.9	\$10.9	\$37.0
Palo Alto Intermodal Transit Center	\$0.4	\$0.2	\$0.2
Caltrain South County	\$73.1	\$3.6	\$69.5
ACE Upgrades	\$0.0	\$0.0	\$0.0
Caltrain Electrification - SF to Tamien	\$0.0	\$0.0	\$0.0
Caltrain Electrification - Tamien to Gilroy	\$0.0	\$0.0	\$0.0
<i>Total</i>	<i>\$128.0</i>	<i>\$15.1</i>	<i>\$112.9</i>
<u>Bus Program</u>			
ZEB Demonstration Project	\$18.5	\$17.9	\$0.6
DTEV - Santa Clara/Alum Rock	\$55.0	\$0.0	\$55.0
BRT Line 22, Monterey and Stevens Creek	\$22.1	\$0.1	\$22.0
Hwy 17 Bus Service Improvements	\$0.4	\$0.0	\$0.4
BRT - Sunnyvale / Cupertino	\$0.0	\$0.0	\$0.0
Zero Emmissions Buses	\$0.0	\$0.0	\$0.0
<i>Total</i>	<i>\$96.0</i>	<i>\$18.0</i>	<i>\$78.0</i>
<u>San Jose Mineta Airport People Mover</u>	<i>\$2.0</i>	<i>\$0.0</i>	<i>\$2.0</i>
GRAND TOTAL	<i>\$1,319.2</i>	<i>\$740.9</i>	<i>\$578.3</i>

**OFFICE OF THE GENERAL COUNSEL
MEMORANDUM**

Writer's Direct Telephone:
321-7552

TO: VTA Board of Directors

FROM: Kevin D. Allmand, Acting General Counsel

DATE: June 5, 2008

SUBJECT: VTA BART Pledge

Under the terms of the 2001 Comprehensive Agreement between VTA and BART for the SVRT Extension, VTA is to pay a subsidy to BART to cover BART's operating, maintenance and capital costs once the Extension begins operation. The Agreement also requires VTA to identify a dedicated source of revenue to serve as security for payment of the subsidy, prior to commencement of revenue service, or no later than January 1, 2009.

The Agreement further provides that if VTA does not identify a dedicated source of revenue by the January 1, 2009 date, by default the dedicated revenue stream will become VTA's Transportation Development Act (TDA) Funds. In a TDA Pledge and Assignment Agreement dated July 1, 2002, VTA and BART agreed that the TDA Funds pledged as security for this purpose are those "commencing with the year in which the SVRT Extension commences operation."

The TDA Pledge and Assignment Agreement also states that VTA will begin payment of the subsidy to BART only at the time of "the commencement of the SVRT Extension" (the Comprehensive Agreement similarly requires initial payment of the subsidy "on the first day of the BART fiscal quarter in which BART service commences on the SVRT Extension.") In both the Comprehensive Agreement and the TDA Pledge and Assignment Agreement, the "SVRT Extension" is defined to be "(t)he completed SVRT Project."

Therefore, if VTA does not provide alternate security for the payment of the subsidy by the January 1, 2009 date, no further action is required since the TDA Funds have already been pledged. Payment of the subsidy to BART, and the attachment of the lien on the TDA Funds, will occur only upon commencement of revenue service on the completed SVRT line.

We have discussed this issue with BART management and they concur with our position. Please let me know if you have any questions concerning this matter.

c: Michael T. Burns, General Manager

To: VTA Board of Directors
From: Kurt Evans, Government Affairs Manager
Date: July 15, 2008
Subject: General Information: Weekly Legislative Report

For your information, I am attaching the weekly legislative update for the week of July 7, 2008.

MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

FROM: Kurt Evans, Government Affairs Manager
Santa Clara Valley Transportation Authority

DATE: July 14, 2008

SUBJECT: Weekly Legislative Update: Week of July 7, 2008

FEDERAL

FY 2009 Appropriations: The House and Senate have kicked off the FY 2009 appropriations process. Several House and Senate subcommittees have held mark-up sessions on their respective FY 2009 spending bills, and a handful of measures have been approved by the full committees. With only July and a few weeks in September available for Congress to complete the FY 2009 appropriations bills, it is widely assumed that many of them will not be passed into law before the new fiscal year begins on October 1. In fact, there is already speculation that most of the measures will be wrapped up into an omnibus spending bill that would be acted upon after the 2008 election.

Meanwhile, the House Appropriations Subcommittee on Transportation, and Housing and Urban Development approved the initial draft of its FY 2009 spending bill. Subcommittee Chairman John Olver (D-MA) and Ranking Minority Member Joe Knollenberg (R-MI) announced that the bill provides \$40.2 billion for highways and \$10.3 billion for transit, the full levels authorized and guaranteed in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The amount for highways is \$800 million more than President George W. Bush requested in his budget proposal. In the case of transit, the recommended appropriations level is \$203 million more than the President's request, and the number represents a \$700 million increase over the amount provided in FY 2008. The legislation rejects the President's proposal to borrow funds from the Mass Transit Account to make up for the expected shortfall in the Highway Account. Finally, the bill does not include project earmarks. These are expected to be added when the legislation is considered by the full House Appropriations Committee.

Public Transit Security: The House Appropriations Committee approved the FY 2009 Department of Homeland Security spending bill. This legislation includes \$400 million for transit and rail security grants, the same as the current fiscal year. This amount is \$225 million more than President Bush requested in his budget, but \$350 million short of the level authorized in H.R. 1, the "9/11 Commission Recommendations Act of 2007." The bill

includes language to prohibit a local match requirement for the funding and directs the Department of Homeland Security to distribute the grants directly to public transit agencies instead of through the states.

The Senate Appropriations Committee also has approved its version of the bill, which provides the same \$400 million for transit and rail security grants as the House legislation does. The Senate measure also prohibits a local match requirement, but does not include language directing the Department of Homeland Security to distribute the grants directly to public transit agencies.

It is expected that both bills will go to the House and Senate Floors for further consideration sometime this month. However, it is unclear whether Congress will attempt to enact the legislation into law prior to the end of the current congressional session.

Amtrak Reauthorization: By a vote of 311-104, the House approved H.R. 6003, the “Passenger Rail Investment and Improvement Act of 2008.” This bill authorizes \$14.4 billion for Amtrak over a five-year period. In addition, it:

- Creates a capital grant program for intercity passenger rail projects.
- Helps Amtrak to reduce its debt.
- Authorizes funding for grants to states or Amtrak to finance the construction of high-speed rail corridors.
- Authorizes the Surface Transportation Board (STB) to mediate disputes between passenger rail providers and freight railroads over the use of freight rail tracks or rights-of-way.

The Bush Administration is opposing the legislation, arguing that it does not provide any meaningful reforms with regard to Amtrak’s governance or operations, and would not allocate resources based on the demand for passenger rail services.

Last October, the Senate passed its own version of the Amtrak authorization bill, which provides different funding levels and does not include a number of policy provisions contained in the House legislation. Therefore, the House and Senate will need to convene a conference committee to develop a compromise version of the bill to present to both chambers for a final vote before the measure could be sent to President Bush.

Global Warming: President Bush and leaders of the world’s richest nations pledged to “move toward a low-carbon society” by cutting greenhouse gas emissions in half by 2050. The declaration by the Group of 8—the United States, Japan, Germany, Britain, France, Italy, Canada, and Russia—is the first time that the President has publicly backed an explicit long-term target for reducing the emissions of the gases that scientists have said are causing global warming. But the declaration failed to set a goal for cutting emissions over the next decade, and drew sharp criticism from environmentalists, who called it a missed opportunity. Environmentalists contended that the declaration leaves unclear whether the cuts made by 2050 would be pegged to current emissions levels, or to 1990 levels, as many advocates had hoped. A 50 percent cut from current levels would result in a smaller decrease by 2050 than

Japan and European nations had envisioned under the Kyoto Protocol, the international climate agreement that the Bush Administration rejected after it took office. Kyoto and earlier agreements had set 1990 as the baseline for cuts.

In a sense, the Group of 8 document represents an environmental quid pro quo. In exchange for agreeing to the “50 by 2050” language, President Bush got what he has sought as his price for joining an international accord—a statement from the rest of the Group of 8 that developing nations like China and India, which have not accepted mandatory caps on carbon emissions, must be included in any climate change treaty. European leaders, who have long pressed President Bush to take a more aggressive stance on global warming, said the declaration could enhance efforts to reach a binding agreement to reduce emissions when negotiators meet in Copenhagen next year under the auspices of the United Nations.

Housing: Californians may be at the epicenter of the nation’s foreclosure crisis, but more than half of them live in high-cost areas that could be denied aid under a proposed federal bailout. While Congress is promising to approve a massive bill aimed at keeping thousands of Americans in their homes, its passage is being delayed partly by a dispute over who would be eligible for government-backed loans. Earlier this year, Congress temporarily set the loan limits at \$729,750. But the Senate is now proposing to reduce it to \$625,000, which would make it harder for struggling homeowners to refinance loans in California, Florida, Hawaii, and other states with high property values.

The limits will determine who can cash in on a \$300 billion program aimed at paying for new mortgages for homeowners facing foreclosure. It would allow the Federal Housing Administration (FHA) to help an estimated 400,000 borrowers who would otherwise not qualify for new and cheaper 30-year, fixed-rate mortgages that would be guaranteed by the U.S. government. Under the new program, lenders would have to agree to take losses on the original mortgages, but they would have a good incentive to do so. Not only would they have a new government-assured loan in their portfolio, but they also would lose less money than if the existing loan went into foreclosure.

If the Senate does not change the bill, it could hurt the 21 million Californians who live in 14 counties where the median price of a house is so high they would already qualify for the maximum loan of \$729,750. Those counties are Alameda, Contra Costa, Marin, San Francisco, San Mateo, San Benito, Santa Clara, Santa Cruz, Los Angeles, Orange, Napa, Santa Barbara, Monterey, and Ventura. Still, the program has the potential to help thousands of Californians. There are no official estimates, but with California accounting for roughly 20 percent of all foreclosure cases, the federal aid should help 80,000 to 100,000 households in the state. And while the 14 high-cost counties may account for more than half of the state’s population, the greatest concentration of defaults and foreclosures have been elsewhere.

The housing bill is one of the few major pieces of legislation that has a good chance of passing before Congress adjourns this year, although President Bush has indicated he might veto it.

STATE

State Budget: The Assembly-Senate Budget Conference Committee acted on the unresolved transportation funding items in the FY 2009 budget. The committee also closed out as many of the remaining items that they could in all other policy areas, voted out on a partisan basis a sweeping package of new taxes and other revenue increases designed to help address the \$15.2 billion General Fund deficit, and sent a final version of the budget to the Assembly and Senate Floors.

The conference committee's plan rejects Governor Arnold Schwarzenegger's deep cuts in education and health care. Specifically, it provides \$2.3 billion more for K-12 education than the Governor recommended, and restores \$1.5 billion for health care programs that the Governor wanted to cut. The conference committee's plan also calls for \$9.7 billion in new revenues. The package of revenue proposals includes the following:

- Imposes a new rate of 10 percent for taxpayers filing joint returns on the portion of their income above \$321,000 and 11 percent on the portion of their income above \$642,000. This proposal would raise \$5.6 billion.
- Suspends the net operating loss deduction for businesses for three years, generating \$1.1 billion.
- Restores the franchise tax rate for businesses from 8.8 percent to 9.3 percent, raising \$470 million. This tax was cut in 1997.
- Rolls back the dependent credit for taxpayers with an adjusted gross income that exceeds \$150,000. Under this proposal, the current allowable exemption for each child would be lowered from \$294 to \$94. It would bring in \$215 million.
- Eliminates the annual inflation indexing of state income tax brackets for FY 2009.

This long-awaited list of revenue proposals, however, faces certain defeat as Republican lawmakers have repeatedly said they are united in their opposition to any tax increases. Approving a budget and increasing taxes require a two-thirds vote of both the Assembly and Senate, meaning that some GOP support is needed. For their part, Democratic legislative leaders said they have done all they can to trim the budget without harming education, health care and human services.

With regard to transportation, the conference committee voted for a "compromise" between the Assembly and Senate versions of the budget. While the full \$317 million Public Transportation Account restoration is maintained and while most of that money is dedicated to the State Transit Assistance Program (STA), \$64.7 million would be used to obviate the need for a loan from the Traffic Congestion Relief Program (TCRP) to keep the account solvent. This loan was originally proposed by the Governor in his May Revise. Thus, about \$253 million would be restored to STA, bringing the amount up from the Governor's May Revise funding level of \$306 million to about \$559 million. The conference committee took

no action to suspend Proposition 42, so the full gasoline sales tax amount of approximately \$1.4 billion would be available for the Public Transportation Account, the State Transportation Improvement Program (STIP), and local streets and roads.

There is no indication that the budget approved by the conference committee will be sustainable in either the Senate or the Assembly, primarily due to its reliance on tax increases. The conference committee's plan is obviously a Democratic budget and, thus, is merely a starting point. Legislative leaders will have to negotiate a real budget that has a chance of attracting the two-thirds vote needed to send a final plan to the Governor. Meanwhile, Controller John Chiang and Treasurer Bill Lockyer continue to warn that California would face a cash shortage next month unless lawmakers can come to an agreement. They warn that a protracted budget fight would force the state to borrow billions from Wall Street, a move that could jeopardize California's credit rating and result in substantial interest costs to the state.

HOUSING: Mortgage lenders must contact California home borrowers to discuss loan modifications by phone or in person before entering foreclosure proceedings under legislation signed into law by Gov. Schwarzenegger. SB 1137 (Perata), which takes effect immediately, prohibits lenders from filing a default notice until 30 days after contacting a borrower or making legitimate attempts to do so. The bill is intended to help stem the tide of foreclosures in California by forcing lenders to contact home borrowers before starting costly foreclosure proceedings. It is reasoned that early communication will encourage both parties to explore payment modifications that would avoid foreclosure. In addition, SB 1137 enables cities to impose fines of up to \$1,000 a day on property owners who do not maintain vacant homes purchased in foreclosure, a tool aimed at preventing blight in hard-hit neighborhoods.

REGIONAL

Metropolitan Transportation Commission (MTC): At its July 9 meeting, MTC's Programming and Allocations Committee deferred taking action on the Resolution 3434 Strategic Plan until September. The Strategic Plan provides a framework for implementing MTC's Transit Expansion Program. It includes specific programming actions to be taken to deliver ready-to-go projects. Of note, the Strategic Plan recommends shifting \$91 million in Regional Measure 2 funds currently programmed to the Dumbarton Rail Project to the BART Extension to Warm Springs. In exchange, the Dumbarton Rail Project would receive \$91 million in future-year Alameda County Regional Transportation Improvement Program (RTIP) funds.

At its July 11 meeting, MTC's Planning Committee adopted the financially constrained program and high-occupancy toll (HOT) lane network implementation principles for the Regional Transportation Plan (RTP). The financially constrained program is a key element of the RTP. It includes the projects and programs that could be funded with federal, state, regional, and local revenues that are expected to be available over the next 25 years. The HOT lane implementation principles will set the foundation for upcoming discussions between MTC, Caltrans and the Congestion Management Agencies (CMAs) regarding the delivery of a regional HOT lane network.

At its July 11 meeting, MTC’s Legislative Committee decided to support and seek amendments for AB 2558 (Feuer), which authorizes MTC and the Los Angeles County Metropolitan Transportation Authority (LA Metro) to impose a climate change mitigation and adaptation fee, subject to voter approval. MTC and LA Metro could impose the fee in one of two ways—either as a fee paid at the gas pump or as an annual vehicle registration surcharge. Based on the Legislative Committee’s action, MTC will seek amendments to: (1) allow local streets and roads to be an eligible expenditure for fee revenues; and (2) include a “return-to-source” provision in the legislation for the revenues collected.

NOTE: Also contributing to this report were Susan Lent with Akin, Gump, Strauss, Hauer & Feld; Mark Watts with California Strategies; and Scott Haywood, VTA’s Policy and Community Relations Manager.

From: Board.Secretary
Sent: Tuesday, July 15, 2008 9:59 AM
To: Board.Secretary
Cc: Burns, Michael
Subject: Letter from Senator Barbara Boxer

To VTA Board of Directors:

Attached is the response from Senator Barbara Boxer regarding the letter we sent her on May 1, 2008 about the Boxer-Lieberman-Warner Climate Security Act. A copy of the letter we sent her is also attached.

Thank you.

Yolanda L. Cruz
Assistant Board Secretary
Voice: 408.321.5669 Fax: 408.955.0895

May 1, 2008

The Honorable Barbara Boxer
U.S. Senate
112 Hart Senate Office Building
Washington, DC 20510

Dear Senator Boxer:

On behalf of the Santa Clara Valley Transportation Authority (VTA), I want to thank you for your interest in seeking greater emissions reductions from the transportation sector when the Senate considers the Lieberman-Warner Climate Security Act (S. 2191). Our nation's transportation system produces one-third of all carbon dioxide (CO₂) emissions in the United States, and transportation is the fastest growing source of greenhouse gas emissions. Between 1990 and 2006, transportation emissions increased by more than 25 percent, representing almost half of the total national growth in greenhouse gas emissions during this period.

Public transportation use already cuts CO₂ emissions by more than 37 million metric tons every year by reducing travel and congestion on roadways, and by supporting more efficient land-use patterns. VTA applauds the initial efforts of the Senate Environment and Public Works Committee to recognize public transportation's role in reducing greenhouse gas emissions. The current Lieberman-Warner bill allocates 1 percent of the revenues from emissions allowances directly for public transportation investment. However, more investment is needed to effectively reduce a significant amount of emissions from the transportation sector. Therefore, consistent with the position of the American Public Transportation Association (APTA), VTA urges Congress to dedicate no less than 6 percent of the revenues from the Lieberman-Warner bill to direct investment in public transportation, and we urge Congress to dedicate no less than 4 percent of Lieberman-Warner revenues to support local, regional and state efforts to minimize transportation-related greenhouse gas emissions.

The current emissions reductions from public transportation are important, but much more can and should be done to address greenhouse gas emissions from the transportation sector. Studies indicate that projected growth in vehicle travel in the next 30 years will negate the emissions savings from the recent changes in Corporate Average Fuel Economy (CAFE) standards. If that occurs, then the burden of emissions reductions will fall more heavily on other sectors of our economy. Public transportation investment, transit-supportive land-use policies and other strategies that increase mobility while simultaneously reducing emissions are a less intrusive and more effective way to address emissions from the transportation sector.

As climate change legislation moves forward, we hope Congress will protect, preserve and expand public transportation services across the nation. Public transportation ridership has increased by 32 percent since 1995, providing more than 10.3 billion passenger trips in 2007. However, as ridership has increased, transit facilities across the country are often operating at

The Honorable Barbara Boxer
May 1, 2008
Page Two

capacity during peak travel times, and transit providers are struggling to maintain the quality of their physical infrastructure and the reliability of their services. To achieve the gains in transit ridership that will significantly reduce greenhouse gas emissions from the transportation sector, we believe Congress must begin to address the estimated \$32.8 billion annual capital funding shortfall for public transportation.

In addition to recognizing the benefits of capital investment in public transportation, climate change legislation should consider the operating needs of transit providers. Transit agencies across the country are currently under pressure to raise passenger fares or find other means to pay for higher operating costs produced by the rising cost of fuel and electricity. At current prices, transit providers in the United States will spend more than \$3.8 billion on diesel, electricity and other fuels for passenger operations in 2008, three times more than they spent in 2003, and federal climate change legislation will add to these operating costs. A portion of revenues from Lieberman-Warner should be used to offset increased fuel and electricity costs, which may otherwise necessitate fare increases or service reductions that discourage transit use.

Climate change legislation should also encourage new investment in energy efficient technologies that could increase the annual CO2 savings from public transportation services and reduce the cost of transit operations, thereby increasing resources for expanded service. Transit agencies, often using local funding, have already begun to invest in new low-emission vehicle technologies and new energy efficient facilities. Federal investment would speed the adoption of energy efficient technologies in the transit industry and would spur demand for these products.

Finally, VTA supports creating a new source of funding to support local, regional and state efforts to advance mobility in ways that reduce the projected growth of vehicle travel. New funding could be linked to performance-based goals and planning efforts that will capture maximum emissions savings through energy efficient land-use patterns, expanded transit, bicycle and pedestrian facilities, and transit-oriented development. These investments would give communities the full range of tools they need to fight congestion and expand mobility, while reducing greenhouse gas emissions from transportation.

Thank you for your consideration of our comments.

Sincerely,

Liz Kniss, Chairperson
Board of Directors
Santa Clara Valley Transportation Authority

United States Senate

HART SENATE OFFICE BUILDING
SUITE 112
WASHINGTON, DC 20510-0505
(202) 224-3553
<http://boxer.senate.gov/contact>

June 19, 2008

The Honorable Liz Kniss, Board Chairperson
Santa Clara Valley Transportation Authority
3331 North First Street
San Jose, CA 95134-1927

Dear Supervisor Kniss:

Thank you for contacting me about the Boxer-Lieberman-Warner Climate Security Act. I appreciate your support for this landmark global warming bill and your suggestions for improving it.

I am pleased to report that on June 6, 2008, a clear bipartisan majority of 54 Senators emerged in support of moving forward with meaningful legislation to tackle the pressing problem of global climate change, supporting our effort to end the filibuster of the Climate Security Act. This strong support demonstrates that despite a reluctant Administration, most of my Senate colleagues are ready to take decisive action to fight global warming.

Unfortunately, we needed 60 votes to break a filibuster. However, I am confident that we will continue to build on our progress to pass a tough global warming bill in the next Congress. We look forward to the inauguration of a new President who will work with us to protect our planet and our people from the catastrophic effects of global warming.

As I keep working with my colleagues to improve, strengthen, and ultimately pass this vital legislation, be assured that I will keep in mind your support for additional resources for direct investment in public transportation and for efforts to reduce transportation-related greenhouse gas emissions.

Again, thank you for contacting me about this vital issue. Please keep in touch with me about this and other issues of concern to you and the Valley Transportation Authority.

Sincerely,



Barbara Boxer
United States Senator

From: Board.Secretary
Sent: Friday, July 18, 2008 1:48 PM
To: Board.Secretary
Cc: Burns, Michael
Subject: VTA Ridership - June 2008

VTA Board of Directors:

Attached is the Ridership Report for June 2008.

Tracene Y. Crenshaw
Board Assistant
Office of the Board Secretary
(408) 321-5544

MEMORANDUM

Writer's Direct Telephone: (408) 321-7005

TO: VTA Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Donald A. Smith, Jr.
Chief Operating Officer

DATE: July 16, 2008

SUBJECT: Ridership for June 2008

June 2008 total monthly system ridership for bus and light rail was 3,832,862, an increase of 7.6% over June 2007. The average weekday system ridership for June 2008 was 9% more than in June 2007 and the highest since June 2002.

Average weekday bus ridership for June 2008 was 112,784, an increase of 10.2% compared to June 2007. Average Saturday and Sunday ridership increased by 2% and 5%, respectively. Bus ridership for FY 2008 totaled 33,103,495, up 4.6% compared to FY 2007.

Light rail recorded an average weekday ridership of 37,536 for June 2008, an increase of 5.6% compared to June 2007, and the highest June average weekday ridership for light rail in VTA history. Average Saturday and Sunday ridership increased by 5.7% and 3.8%, respectively. Light rail ridership for FY 2008 totaled 10,451,136, up 1.7% compared to FY 2007.

Ridership	June 2008	June 2007	Percent Change
SYSTEM BOARDINGS	3,832,862	3,563,540	7.6%
System Average Weekday	150,320	137,909	9.0%
System Average Saturday	83,618	81,260	2.9%
System Average Sunday / Holiday	68,335	65,286	4.7%
BUS BOARDINGS	2,869,599	2,646,508	8.4%
Bus Average Weekday	112,784	102,350	10.2%
Bus Average Saturday	62,130	60,930	2.0%
Bus Average Sunday / Holiday	50,523	48,127	5.0%
LIGHT RAIL BOARDINGS	963,263	917,032	5.0%
Light Rail Average Weekday	37,536	35,559	5.6%
Light Rail Average Saturday	21,488	20,330	5.7%
Light Rail Average Sunday / Holiday	17,812	17,159	3.8%