

From: Board.Secretary
Sent: Tuesday, December 30, 2008 4:09 PM
To: Board.Secretary
Cc: Burns, Michael
Subject: Ridership Memo - November 2008

To VTA Board of Directors:

Attached is the Ridership Memo for the month of November, 2008.

Deborah Harrington
Board Secretary
Santa Clara Valley Transportation Authority
408.321.5773

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: December 24, 2008

SUBJECT: VTA, Inter-agency Partners, and Contracted Services Ridership for November 2008

November 2008 total monthly system ridership for bus and light rail was 3,708,275, an increase of 6.6% over November 2007. The average weekday system ridership for November 2008 was 10.7% more than in November 2007 and the highest November average weekday ridership since 2001. November 2008 had two less weekdays compared to November 2007.

Average weekday bus ridership for November 2008 was 116,234, a 9.7% increase compared to November 2007. Light rail recorded an average weekday ridership of 35,270 for November 2008, an increase of 14.1% compared to November 2007, and the highest November average for light rail in VTA history.

VTA inter-agency partners experienced ridership increases for the month of November 2008 when compared to November 2007. Ridership information for Highway 17 Express and Altamont Commuter Express train were based on October 2008 and October 2007 data.

For contracted services, Paratransit and ACE shuttles total boardings were lower compared to last year because of the two less weekday services in November 2008. But average weekday ridership for both services increased compared to last year.

<u>VTA Ridership</u>	November 2008	November 2007	Percent Change
VTA System Boardings	3,708,275	3,477,526	6.6%
System Average Weekday	151,504	136,910	10.7%
Bus Boardings	2,833,325	2,689,819	5.3%
Bus Average Weekday	116,234	105,994	9.7%
Light Rail Boardings	874,950	787,707	11.1%
Light Rail Average Weekday	35,270	30,916	14.1%

<u>Inter-agency Partners Ridership</u>	November 2008	November 2007	Percent Change
Dumbarton Express Boardings	19,599	16,890	16.0%
Dumbarton Average Weekday	1,032	804	28.4%
Highway 17 Express Boardings*	31,536	23,667	33.2%
Highway 17 Average Weekday*	1,140	856	33.2%
Monterey-San Jose Express Boardings	2,856	2,231	28.0%
Monterey-San Jose Average Weekday	93	77	20.8%
Caltrain Boardings	1,007,443	948,390	6.2%
Caltrain Average Weekday	39,685	36,454	8.9%
Caltrain Shuttles Boardings	92,772	58,444	58.7%
Caltrain Shuttles Average Weekday	4,639	2,657	74.6%
Altamont Commuter Express Boardings*	85,537	72,957	17.2%
ACE Average Weekday *	3,719	3,172	17.2%
Capitol Corridor Boardings	140,288	136,650	2.7%

* October 2008 and October 2007 ridership

<u>Contracted Services Ridership</u>	November 2008	November 2007	Percent Change
Paratransit Boardings	82,733	87,396	-5.3%
Paratransit Average Weekday	3,692	3,668	0.7%
ACE Shuttles Boardings	17,979	18,150	-0.9%
ACE Shuttles Average Weekday	999	908	10.0%
IBM Light Rail Shuttle Boardings	2,268	3,409	-33.5%
IBM Shuttle Average Weekday	126	170	-25.9%

From: Board.Secretary
Sent: Tuesday, December 30, 2008 4:44 PM
To: Board.Secretary
Cc: Burns, Michael
Subject: Legislative Update - Week of December 22, 2008

MEMORANDUM

TO: Santa Clara Valley Transportation Authority
Board of Directors

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

DATE: December 29, 2008

SUBJECT: Weekly Legislative Update: Week of December 22, 2008

FEDERAL

The First 100 Days: Al Gore wants quick action on climate change. Sen. Edward Kennedy (D-MA) says health care reform cannot wait. Labor unions want a bill making it easier to organize. The American Civil Liberties Union is calling for the immediate closure of the military's prison for foreign terror suspects at Guantanamo Bay, Cuba. The liberal advocacy group MoveOn.org is urging a steady troop withdrawal from Iraq. The National Governors Association is pleading for billions in aid to states. The American Lung Association wants to make all federal work sites smoke-free.

New administrations always face a cacophony of competing demands, but few presidents have been confronted with the sort of urgent and varied pleas that are being made to Barack Obama. After eight years of a Republican president whose central domestic policy was tax cuts, Americans who want a more activist federal government are aching to see their causes addressed. During the campaign, Obama told many of them just what they wanted to hear. The question now is which pledges will he tackle first, which ones will have to wait, and which ones will survive Congress and the special interest groups in Washington, D.C.?

While the President-elect so far has not discussed the timing of his agenda, one thing is certain. Both Obama and congressional Democrats have made it clear that they intend to pass a package of spending and tax cuts as early as January. That so-called stimulus package is designed to jump-start the nation's economy, to begin fulfilling Obama's pledge of a middle-class tax cut, and to set the groundwork for transforming the energy and health-care sectors.

Meanwhile, other demands continue to pour in. More than 100 retired generals and admirals are calling for a repeal of the military's "don't ask, don't tell" policy so that gay men and lesbians can serve openly—an issue that paralyzed the early months of Bill Clinton's presidency. The World Food Program is asking Obama to "give hunger its rightful place on the foreign policy agenda." Amnesty International is urging the President-elect "to show true leadership by making human rights central to his new administration." American Rivers, which advocates for river restoration, is asking him to make "water infrastructure a top economic stimulus priority." The Secular Coalition for America is calling on the President-elect to overhaul military policies to reduce what it sees as religious discrimination against non-believers in the armed forces.

While comparisons with Franklin Roosevelt's first months in office are unavoidable, Obama will be up against a number of constraints that Roosevelt did not have to face. For example, with a federal budget deficit approaching a trillion dollars, the President-elect may be hamstrung on major expenditures, particularly after undertaking a multibillion-dollar economic stimulus package. Another factor is the extent of any opposition that the President-elect might encounter. In the first 100 days, Roosevelt was granted extraordinary deference. However, in Obama's case, conservatives and some interest groups are skeptical about his plans.

Economic Stimulus Package: With the nation's economic outlook worsening, President-elect Obama has increased his employment goal for stimulus legislation, seeking to create or save 3 million jobs over the next two years instead of the 2.5 million that he proposed last month. Obama set the more ambitious target after meeting with his top economic advisers, who cautioned that the nation's unemployment rate could exceed 9 percent given the current pace of job losses.

The President-elect's transition team and congressional staff are scrambling to come up with ways to pump public money into science, energy, education, health care, and infrastructure programs, as well as to help the poor and unemployed. They hope that unleashing a torrent of spending in the near term will create jobs and lift the economy. Obama and his Democratic allies in Congress want to enact the still-emerging plan as soon as possible after he takes office on January 20. The plan could swell to about \$850 billion after negotiations with Congress.

Obama has directed his transition team to incorporate several principles into his economic stimulus plan, including:

- No earmarks for any spending proposals.
- Requirements that states and local governments use federal funds quickly to ensure immediate job creation.
- New public-private partnerships to support innovation.
- Full transparency to ensure oversight of funding allocations.
- Investments in ideas that work over ideology.
- A focus on reducing waste in the federal budget.

- Steps to protect workers from future recessions by enacting measures such as the existing unemployment insurance program that automatically expand stimulus in tough times.

Auto Industry: A \$17.4 billion loan infusion from the Bush Administration will keep General Motors and Chrysler on life support for three months, but the automakers' troubles are far from over. President Bush's "bridge loan" plan, crafted after Congress failed to pass bailout legislation, provides enough help to plunk the problem on President-elect Obama's doorstep. The plan will deliver \$9.4 billion over the next two months to General Motors and \$4 billion to Chrysler. The companies could get an additional \$4 billion in February if Congress releases the next \$350 billion of the federal financial rescue fund. Ford has not asked for any loans now.

As a condition of receiving the federal loan funds, General Motors and Chrysler are required to develop restructuring plans by the end of March to become more viable; otherwise they would have to repay the loans immediately, which would likely force bankruptcy. In addition, the loan terms include targets for when United Auto Workers' wages would have to be brought in line with what foreign companies pay their non-unionized workers in their U.S. plants. The union, however, is calling on the Obama Administration to remove these "unfair conditions" when it takes office. Creditors also are being asked to cut the money owed to them by the automakers by two-thirds in exchange for stock or some other form of equity.

STATE

State Budget: California's deteriorating fiscal condition continues to dominate the scene in Sacramento. The most recent figures issued by the Department of Finance indicate that Gov. Arnold Schwarzenegger and lawmakers need to first close a \$15 billion shortfall in this year's budget and then deal with an anticipated \$25 billion deficit in FY 2010. Here is a recap of the major actions that have recently taken place:

December 1: Gov. Schwarzenegger welcomed the new class of legislators to Sacramento by calling a special session on the budget, and by putting on the table a \$9.2 billion plan that consisted of \$4.5 billion in spending reductions touching virtually all state-funded programs and \$4.7 billion in revenue increases. Under this plan, the Governor proposed a temporary increase in the state sales tax rate of 1.5 percent for a three-year period, a new 9.9 percent oil severance tax, an increase in the alcohol beverage tax of five cents per drink, and a \$12 boost to vehicle registration fees. At the same time, he came forth with an economic stimulus package that called for pushing more Proposition 1B transportation bond money out the door, specifically \$700 million for local streets/roads and \$800 million for public transit capital projects. He also proposed waiving California Environmental Quality Act (CEQA) requirements to expedite the delivery of 11 other Proposition 1B bond-funded projects administered by Caltrans, and urged the Legislature to enact bills to eliminate any remaining barriers to using public-private partnerships and design-build contracting for infrastructure projects.

December 15: Republican legislative leaders put their own “no-new-taxes” proposal on the table, which called for deep cuts to schools and social service programs. Neither the Governor nor Democrats embraced the \$22 billion plan, which included \$6 billion in revenues raised by tapping into voter-approved preschool and mental health funds.

December 16: Assembly Democrats and Republicans split along party lines in rejecting a \$19 billion Democratic plan that included \$11.3 billion in tax increases and \$7 billion in spending reductions. To generate additional revenues, this plan embraced Governor Schwarzenegger’s oil severance tax proposal, but called for a ½ percent increase in the state sales tax rate versus the Governor’s recommended 1.5 percent. The Democratic plan also included a new 2.5 percent surcharge on personal income tax liabilities and a new 3 percent withholding requirement for payments in excess of \$600 per year made by businesses to independent contractors.

December 17: California officials cut off funding for thousands of infrastructure projects statewide. Fortunately, no VTA-sponsored project was impacted by this decision. Treasurer Bill Lockyer said the action was necessary to preserve cash in order to allow the state to pay its bills.

December 18: Democrats approved a package of 16 bills to increase taxes and make program cuts, an \$18 billion effort that passed the Legislature without any Republican votes. GOP lawmakers claimed that the package was illegal because it raised \$9.3 billion in taxes without a two-thirds vote. Democrats argued that by stitching together proposals that lower some taxes and raise others, the package was “revenue-neutral” and, thus, could be passed by a simple majority vote. The \$9.3 billion in tax provisions consist of: (a) a half-cent increase in the state portion of the sales tax and a quarter-cent hike in the local part of the tax; (b) the 2.5 percent surcharge on personal income taxes; (c) elimination of the 18-cent-per-gallon excise tax on gasoline, as well as the sales tax on gasoline, both of which would be replaced by a new 39-cent-per-gallon gas fee; (d) the oil severance tax; and (e) the 3 percent income tax withholding requirement for payments to independent contractors. The \$7.3 billion in cuts include: (a) \$2.5 billion from elementary and high schools, and community colleges; (b) \$677 million from programs for the aged, blind and disabled; (c) \$132 million from the University of California and California State University systems; (d) \$100 million from welfare programs; and (e) \$657 million from compensation to state workers, subject to negotiations with employee unions. The bills currently are being held at the Assembly and Senate desks in order to buy time for Democratic leaders to negotiate with Gov. Schwarzenegger, who vowed to veto the package unless certain changes were made.

December 19: Gov. Schwarzenegger ordered state employees to take two unpaid furlough days each month starting in February and hinted that the least tenured state workers could face layoffs. Unlike the once-monthly furlough plan that he pursued in November, the two-day measure does not require legislative approval and would take effect barring legal intervention. Service Employees International Union Local 1000 took immediate action to block the Governor’s efforts, filing an unfair labor practices complaint with the state Public Employee Relations Board. Meanwhile, Professional

Engineers in California Government (PECG), the union representing state engineers, initiative a lawsuit in Sacramento Superior Court.

December 21: Senate President Pro Tem Darrell Steinberg (D-Sacramento) and Assembly Speaker Karen Bass (D-Los Angeles) met with Gov. Schwarzenegger for more than three hours via videophone in an attempt to deal with the latter's objections to their 16-bill budget package. During the meeting, the Governor indicated that the cuts were not deep enough, the taxes were too high, and the economic stimulus would not provide enough jobs or prevent further home foreclosures. All three believed some progress was made. Missing from the discussions were the two GOP legislative leaders. Assembly Minority Leader Mike Villines (R-Clovis) called the Democrat's proposal, which was designed to cut the Republicans out of the picture by maneuvering around the two-thirds vote requirement, "an illegal tax increase package" and suggested that it "will be tied up in court for months and even years." Democratic leaders countered by saying the Republicans' refusal to consider any tax increases leaves them out of the current budget discussions.

December 22: In a letter to the Governor and the Legislature, Controller John Chiang once again warned that the state could be out of cash and paying vendors with IOUs by the end of February. "In order to ensure that the state can meet its constitutionally required obligations to schools and debt service, the Capitol's budget paralysis may leave me no choice but to, in full or in part, withhold payments or to issue IOUs to other individuals and entities entitled to state payments," Chiang wrote. "Given the current financial instability of the banking industry, it is highly unlikely that the banks, if they accept the IOUs at all, will be able to do so for any sustained period of time. Consequently, the recipients of the registered warrants may have no apparent options but to hold them until redemption."

Energy: Gov. Schwarzenegger suggested that nuclear power plants could help the state meet its aggressive long-term goals for reducing carbon emissions. After previously dismissing nuclear power because of waste storage problems, he said it should be considered a serious option among alternative fuels. "I myself think that nuclear power has a great future, and I think that we should look at it seriously again," the Governor commented. "I know there are people who are scared about it, and I know there are certain environmentalists that put the scare tactics out there, and they frighten everyone that we're going to have another blowup and all of those things. But I think technology has advanced so much."

State lawmakers imposed a moratorium on building new nuclear plants in 1976. While Gov. Schwarzenegger believes California should study nuclear power, he is not proposing lifting the ban. Environmental groups remain opposed to an expansion of nuclear power, asserting that nuclear plants could lead to major disasters and leave behind waste that cannot be safely stored.

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.