

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

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

**DATE:** April 20, 2009

**SUBJECT:** Weekly Legislative Update: Week of April 13, 2009

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### **FEDERAL**

***High-Speed Rail:*** President Barack Obama announced a new push to transform travel in the United States by creating high-speed rail lines from city to city to reduce dependence on cars and airplanes, and to spur economic development. He released a strategic plan that identifies \$8 billion in federal economic stimulus funding, and \$1 billion a year for five years in annual appropriations as a down payment to jump-start a potential world-class passenger rail system and to set the direction for transportation policy for the future. The plan formalizes the identification of 10 high-speed rail corridors as potential recipients of federal funding, including the proposed system in California.

The strategic plan will be followed by detailed guidance addressing how state and local entities may apply for the funds. By late summer, the Federal Railroad Administration (FRA) is scheduled to begin awarding the first round of grants. Additional funding for long-term planning and development of high-speed rail lines is expected to be made available in upcoming legislation to reauthorize federal surface transportation programs.

President Obama's vision for high-speed rail mirrors that of former President Dwight Eisenhower, the father of the Interstate Highway System, which revolutionized the way Americans traveled. Now, high-speed rail has the potential to reduce U.S. dependence on foreign oil, lower carbon emissions, foster new economic development, and give travelers more choices when it comes to moving around the country. "My high-speed rail proposal will lead to innovations that change the way we travel in America. We must start developing clean, energy-efficient transportation that will define our regions for centuries to come," the President commented. "A major new high-speed rail line will generate many thousands of construction jobs over several years, as well as permanent jobs for rail employees and increased economic activity in the destinations these trains serve. High-speed rail is long-overdue, and this plan lets American travelers know that they are not doomed to a future of long lines at the airports or jammed cars on the highways."

The strategic plan envisions: (a) creating new corridors for world-class high-speed rail similar to those found in Europe and Japan; and (b) making passenger rail service along existing rail lines incrementally faster. High-speed rail development is expected to advance along the following three funding tracks:

1. Individual Projects: Providing grants to complete individual projects that are ready to go, with an emphasis on near-term job creation.
2. Corridor Programs: Developing entire phases or geographic sections of high-speed rail corridors that have completed corridor plans and environmental documentation, and have a prioritized list of projects to help meet corridor objectives.
3. Planning: Entering into cooperative agreements for planning activities in order to help establish a structured mechanism and funding stream for future corridor development activities.

**Budget Resolution: General:** The House and Senate each passed its budget resolution drafted to President Obama's specifications, though differences between the two versions still need to be reconciled in conference committee. The House plan calls for spending \$3.6 trillion in FY 2010. It envisions a deficit of \$1.2 trillion for the upcoming fiscal year, which would then fall to a projected \$598 billion after five years. In comparison, the Senate version recommends \$3.5 trillion in spending, while estimating a \$1.2 trillion deficit in FY 2010 and \$508 billion in FY 2014. Both plans boost spending for domestic programs, raise taxes on the wealthy, and clear the way for action later in the year on President Obama's priority items of health care, energy and education.

Republicans in both chambers, however, accused Democrats of drafting plans that would hurt the economy in the long run rather than help it, and that would saddle future generations with too much debt. In an effort to reduce the red ink, Democrats did cut some of the President's proposed spending, ignored his call for another \$250 billion in bailout money for the financial industry, and assumed that his signature tax cuts of \$400 for individuals and \$800 for couples would expire in FY 2011. And while President Obama made a series of specific proposals to fund his initiatives, Democrats avoided taking a position on his recommended curtailing of Medicare spending or imposing hundreds of billions of dollars in new costs on the nation's polluters.

**Budget Resolution: Transportation:** With regard to transportation, both the House and Senate versions of the budget resolution allow for unspecified spending increases for the upcoming federal surface transportation reauthorization. The House plan specifies that any reauthorization must maintain the solvency of the Highway Trust Fund. Meanwhile, the Senate budget resolution allows for new spending for federal surface transportation programs only by boosting revenues to the Highway Trust Fund, and requires that any added spending not increase the federal deficit through FY 2019. The Senate version also creates two additional deficit-neutral reserve funds. One would allow for added spending for a multimodal transportation reauthorization as long as it includes performance measures and mandatory cost-benefit analyses for projects, and provides flexibility for states and localities. The other would support legislation

to “provide for a robust federal investment in America’s infrastructure, which may include projects for public housing, energy, water, or other infrastructure projects.” This fund could support the creation of a national infrastructure bank, which has been proposed by President Obama and Senate Banking Committee Chairman Christopher Dodd (D-CT).

**Climate Change Legislation:** House Energy and Commerce Committee Chairman Henry Waxman (D-CA) released draft climate change legislation that requires states and metropolitan planning organizations (MPOs) with populations exceeding 200,000 to develop a plan establishing goals for reducing transportation-related greenhouse gas emissions within three years of enactment of the bill. Activities that would be viewed as reducing vehicle emissions include increased public transportation, better transportation and land-use planning, construction of bike and pedestrian pathways, congestion pricing, and improved intermodal freight planning. The draft legislation also establishes a low-carbon fuel standard to promote advanced biofuels and other clean transportation fuels; requires electric utilities to put in place a plan to deploy infrastructure to support hybrid and electric vehicles; and provides grants and loans to cities, states and private companies for regional large-scale demonstrations of electric vehicles.

Perhaps the centerpiece of the draft legislation is the establishment of a cap-and-trade program that seeks to reduce emissions from electric utilities, oil companies and large industrial sources by 3 percent below 2005 levels by 2012; 20 percent below 2005 levels by 2020; 42 percent below 2005 levels by 2030; and 83 percent below 2005 levels by 2050.

**Fuel-Economy Standards:** The Obama Administration’s new fuel-economy standards for 2011 vehicles, the first industrywide increase in miles-per-gallon (mpg) requirements since the mid-1980s, were challenged in court by an environmental group that said the rules are too weak and do not consider the impact of emissions on global warming. The standards proposed by the administration would boost average fuel-economy requirements to 27.3 mpg for all vehicles. Passenger cars would have to reach 30.2 mpg and light trucks 24.1 mpg.

Some environmental groups have said the new standards are a small step in the right direction, but the Center for Biological Diversity claimed that they are actually weaker than the requirements that the Bush Administration proposed last year for 2011 vehicles. In fact, the group has asked the Ninth U.S. Circuit Court of Appeals in San Francisco to declare that the Obama Administration violated a federal law requiring that fuel-economy standards be set at the maximum feasible level in light of current technology, economic impact and the nation’s need to conserve energy.

## **STATE**

**State Budget:** California’s recently enacted state budget is expected to be billions of dollars in the red before the new fiscal year begins in July, although state officials believe it is a manageable gap. However, if voters reject a package of measures on the May 19 special election ballot, then the projected shortfall could push the state’s deficit to more than \$15 billion, creating a new fiscal crisis and perhaps prompting the same kind of partisan posturing over tax increases and program cuts that led to last summer’s record-setting budget impasse.

Soon after Gov. Arnold Schwarzenegger and the Legislature struck a deal to close a record budget shortfall of nearly \$42 billion in February, the non-partisan Legislative Analyst's Office reported that the state's revenues would fall short by \$8 billion in the fiscal year that begins July 1. However, state finance officials say that gap could be managed because the enacted budget includes \$2 billion in cash reserves, and the state could find an extra \$3 billion in savings by reducing education spending and backfilling that with federal funds. But that may be the best-case scenario.

In fact, the state could be staring at a deficit greater than \$15 billion. Voters must agree with the Governor and legislative leaders on the May 19 ballot measures. Proposition 1C would pump \$5 billion into the state's coffers by borrowing against future lottery sales, while Propositions 1D and 1E would allow the state to shift nearly \$1 billion in taxes for mental health and children's programs into the General Fund. Rejection of these measures would instantly create a \$6 billion hole in the budget. But in reality, the ballot measures represent far more than \$6 billion. For example, if Proposition 1A fails, the recently approved sales and income tax increases would expire after two years rather than four. And if Proposition 1B fails, K-12 schools would not see \$9 billion that the measure would guarantee in future years.

Moreover, the state's economy continues to worsen. Within weeks after the legislative analyst's revenue forecast, the state reported its unemployment rate had risen to 10.5 percent in February, the highest rate since April 1983. The state's expenses could also rise, which is typical in down economies when more people rely on safety net services and programs such as Medi-Cal and SSI/SSP.

**Low-Carbon Fuel:** California regulators issued a far-reaching proposal to slash carbon emissions from transportation fuels. The low-carbon fuel standard, if approved by the California Air Resources Board (CARB), would be the first in the nation to restrict greenhouse gases produced by a fuel from its source to its burning. Eleven states are considering similar rules, and President Obama has called for a national low-carbon fuel standard as part of his initiative to cut U.S. greenhouse gas emissions by 80 percent by mid-century.

The fuel standard is one of the key elements in California's climate plan. It is projected to reduce carbon emissions by 16 million metric tons by 2020. It would result in the replacement of 20 percent of the fossil fuel used by California cars with cleaner alternatives by 2020, including electricity, biofuels and hydrogen. By forcing refineries, producers and importers to reduce the "carbon intensity" of their fuel, CARB is taking a different approach from the Renewable Fuels Standard that former President George W. Bush pushed through Congress in 2007. That law requires that 36 billion gallons of biofuels be sold by 2022, of which 15 billion could be ethanol derived from corn.

The corn from which ethanol is derived requires large amounts of water and petroleum-based fertilizer to produce and, according to some studies, diverts land from pastures and rain forests, which store carbon. The result is increased carbon in the atmosphere. In its proposal, CARB seeks to quantify these so-called "indirect land-use changes," a calculation that effectively assigns a high carbon intensity to corn-based ethanol in relation to other fuels. That decision has touched off a furious debate among scientists, some of them industry-supported and others with

environmental affiliations. A letter criticizing CARB's methods released by the New Fuels Alliance, an ethanol industry group, was signed by 111 scientists. Several missives supporting the approach were signed by leading California energy academics. Meanwhile, environmentalists praised the rule as the only fair approach.

## **REGIONAL**

**Metropolitan Transportation Commission (MTC):** At its April 8 meeting, the Programming and Allocation Committee recommended that the state element of the federal economic stimulus funds for highways be directed to existing Proposition 1B bond projects, which would allow these ready-to-go projects to proceed immediately. This action also would free up funding capacity for new Proposition 1B highway projects in the Bay Area that MTC would consider in the next few months. The committee also recommended programming additional federal economic stimulus funding for local street/road rehabilitation projects and for VTA's State Route 237/I-880 Express Connector Project. Meanwhile, on April 10, the Planning Committee recommended the approval of Transportation 2035 Plan, the Bay Area's long-range transportation plan, and the accompanying environmental impact report. Finally, the Legislation Committee recommended a support position for AB 744 (Torrico), which calls for establishing a regional express lane network in the Bay Area.

**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: Friday, April 24, 2009 5:06 PM  
To: Board.Secretary  
Subject: Premium Service Customer Letter

To VTA Board of Directors:

The attached letter is being sent to all 15,000 registered paratransit clients as well as all Advisory Committees. The letter identifies various aspects of the paratransit program and proposed changes in service and fare structure. Information regarding dates and times of review meetings on the budget, fare modifications and ADA paratransit service changes was included with the letter.

Deborah Harrington  
Board Secretary  
Santa Clara Valley Transportation Authority  
408.321.5773

April 23, 2009

Ms. Jane Doe  
3331 North First Street  
San Jose CA 95134

Dear Ms. Doe:

Thank you for participating in the VTA ADA paratransit program. The Americans with Disabilities Act of 1990 (ADA) requires VTA to provide paratransit service at a level that is comparable to its fixed route bus and light rail service. The service is provided for eligible individuals with functional disabilities who are unable to use fixed route service for some or all of their trips. VTA contracts with OUTREACH, a non-profit organization, to provide its ADA paratransit service.

As you are aware public agencies and businesses across the country have been adversely affected by the severe economic downturn and the Santa Clara Valley Transportation Authority (VTA) is no exception. VTA is taking a systematic approach throughout the organization to reduce its projected budget deficit of \$78 Million over the next two years.

Despite this tremendous economic challenge, VTA is committed to meeting the mobility needs of persons with disabilities certified in our paratransit program. Our paratransit program serves nearly 15,000 certified customers and provides over 1 million passenger trips per year. VTA needs to plan our resources to sustain the paratransit program consistent with the ADA and continue to meet year to year growth.

For many years, VTA has been able to provide OUTREACH paratransit customers with premium services that are above and beyond ADA requirements. While customers have paid higher fares for some of these premium services, there is still significant expense to provide these services which exceed the ADA. VTA is not proposing to change all of these program features. Same day and subscription services, both of which exceed ADA requirements, will be retained.

However, VTA is proposing changes to other “premium” services effective October 1, 2009, in order to cost contain, meet growth, and impact the fewest customers. The paratransit program data indicates that the vast majority of customers takes standard pre-scheduled rides and will not be impacted by these proposed changes. Customers currently taking premium trips can take standard pre-scheduled trips in place of the premium service options.

The following premium services are proposed for change: **Open Returns, Second Vehicles, and Service Area and Service Hours.**

### **Open Returns (Will-Call Rides)**

This premium service allows customers to make reservations without a specific time for the return trip. On the day of service these customers call when they are ready for the return trip. If this service is discontinued as proposed, customers will need to make reservations with a specific time for pick-up when they make their initial reservation. This will ensure better trip planning for all customers, especially during the busiest times of the day when it is a challenge to add open return trips without inconveniencing other customers. Reservation agents are available to assist in planning your return trips.

### **Requesting a Second Vehicle**

VTA and OUTREACH is committed not to strand any customer in the community. On your return trip, if due to circumstances beyond your control, and you are not at the location or ready to board, then a second vehicle will be sent. In this case, the customer will only be charged one base fare. However, there will no longer be a premium service that allows a customer to request a second vehicle when it is a matter of choice.

### **Outside the Service Area**

This premium service allows paratransit to be provided to and from locations that are beyond the ¾ mile boundary of the bus and light rail system as established by ADA. Currently, customers pay a \$7.00 surcharge if they travel to or from an area outside the ¾ mile boundary of the VTA bus and light rail system. South County customers (south of Cochrane Road) traveling outside the ¾ mile boundary of bus and light rail system have been exempted from this surcharge since 2003. The paratransit service area is currently defined as a ¾-mile corridor around the VTA bus routes and light rail and does not change throughout the day as these routes do. If this premium service is discontinued, paratransit will no longer be provided outside the ¾ mile area around fixed route bus and rail service countywide.

Customers, who live or travel outside the service area, will still be eligible for paratransit service. A customer's eligibility for paratransit service is only affected if their medical condition or functional disability changes; service area is not a factor in determining paratransit eligibility. Customers can come into the revised service area and pay the base paratransit fare to use the service.

### **Extended Service Hours**

In most parts of the nation the paratransit programs operates the same hours and area as the bus and light rail services per the ADA requirements. However, VTA currently offers paratransit service from 5:00 am to 2:00 am seven days a week, 365 days a year with 24 hour service along Line 22 and light rail. These hours do not change as VTA's bus and light rail routes change throughout the day. This premium service allows paratransit to operate longer hours than bus and light rail service is provided along those same routes.

If this is discontinued as proposed, paratransit will be provided within the ¾ mile boundary of VTA bus routes and light rail only during the same hours of the day and days per week that bus and light rail trains are running on those routes.

## **Fares**

VTA is proposing to increase fares for bus, light-rail and paratransit but not effective until July 1, 2010. The paratransit one-way fare and the companion fare would increase from \$3.50 to \$4.00. The "Same-Day" trip fare would increase from \$14 to \$16 and same day companion fare would increase be \$8.00.

## **Advanced Trip Scheduling**

The ADA requires one-day advance reservations. Currently, paratransit customers can book trips up to 14 days in advance. The advance reservation period is proposed to change from 14 days to 3 days in two phases.

Phase 1, effective on October 1, 2009, the advanced reservation period will be 7 days. The shorter reservation period will better accommodate the introduction of automated trip bookings over the phone (voice or touchtone). Customers will be able to book trips to their "favorite" pre-selected places (e.g. work, home, doctor, church, shopping, etc.). Customers will also be able to confirm or cancel trips through the automated phone system. Phase 2, the reservation period will go from 7 days to 3 days effective July 1, 2010 as the automated trip booking is fully deployed.

Customers or other parties sending reservations in by fax, mail or email may continue to do so. Live reservation agents will continue to be taking calls. Customers using Subscription Service will not experience any change as their repetitive trips requests do not require customers to call.

Customers who are interested in commenting on these proposed changes can attend public meetings on VTA's proposed budget. Please see the enclosed meeting schedule. If you require special accommodations to participate in the meetings, please contact VTA at least five days in advance of the meetings. If you are unable to attend the public meetings, you can comment by contacting VTA's Customer Service department.

VTA Customer Service  
(408) 321-2300  
(408) 321-2330 TTY  
Email: [customer.service@vta.org](mailto:customer.service@vta.org)  
Weekdays 6:00 am – 7:00 pm  
Saturday 7:30 am – 4:00 pm

Again, we want to reiterate that VTA will continue to provide OUTREACH paratransit in compliance with the ADA. We appreciate your understanding during these difficult financial times.

Sincerely,



James B. Unites  
Deputy Director, Operations  
Service Planning & Accessible Services

## **VTA FY2010 and FY2011 Recommended Budget, Fare Modification and ADA Paratransit Service Changes Review Meetings**

### **Monday, May 4, 2009**

3-5 p.m. and 6-8 p.m.

County of Santa Clara

Isaac Newton Senter Auditorium

70 West Hedding Street, San Jose

This location is served by VTA Light Rail and Bus Lines 61, 62, 66, 180 and 181.

### **Tuesday, May 5, 2009**

6-8 p.m.

Morgan Hill Community & Cultural Center

17000 Monterey Road, Morgan Hill

This location is served by VTA Bus Line 68.

### **Wednesday, May 6, 2009**

6-8 p.m.

Milpitas Public Library, Room B

160 North Main Street, Milpitas

This location is served by VTA Bus Line 66.

### **Monday, May 11, 2009**

6-8 p.m.

Mountain View Council Chambers

500 Castro Street, Mountain View

This location is served by VTA Light Rail and Bus Lines 35, 51 and 52.

### **Tuesday, May 12, 2009**

6-8 p.m.

Quinlan Community Center

10185 N. Stelling Road, Cupertino

This location is served by VTA Bus Lines 23, 25, 54 and 55.