


April 3, 2008

TO: Chairman Jones and Commissioners

FROM: Alfred H. Harf 
Executive Director

RE: Monthly Report – April 2008

Highlights of staff's efforts and other noteworthy developments in March 2008 follow:

1. Federal legislative developments. This past month both the Senate and the House passed their respective FY 2009 Budget Resolutions, calling for the FY 2009 appropriation to mirror the SAFETEA-LU authorized level (\$10.3 billion for transit), or some \$200 million more than the Bush Administration had proposed for transit. The Senate version also incorporates an additional \$3.5 billion in ready-to-go infrastructure projects as part of a proposed second economic stimulus package.

While the budget/appropriations efforts are obviously matters of great interest, climate change/global warming legislation will soon be a major focus of the Congress. Late last year the Senate Environment and Public Works Committee approved America's Climate Security Act of 2007 (also known as S.2191 or the "Lieberman – Warner bill"), and there were stirrings this month about the full Senate taking up this bill in May or June. The House is not as far along – its Energy and Commerce Committee is expected to begin work on a bill later this year – and thus the conventional wisdom is that a bill will not be enacted during this Congressional session. Nonetheless, deliberations on this subject during the current session are seen as important foundational work for the bill likely to be enacted during the next session. S.2191 is discussed at greater length in the next section of this month's report – a summary of what transpired at the APTA Legislative Conference and related committee meetings -- where a session was devoted to global warming/climate change.

2. State legislative developments. The Supreme Court's decision invalidating the NVTAs taxes and fees happened too close to the end of the regular session for the General Assembly to take remedial action during the regular session, so a special session is necessary though it has not been scheduled as yet. From a transportation perspective, the most noteworthy outcome of the now concluded regular session was

the action to eliminate the “abusive driver” fees, one of the funding sources that HB 3202 had designated for transportation investment (with an estimated annual yield of \$65 million). The elimination of these fees adds to the transportation funding shortfall that the General Assembly will confront during the special session. Summaries of other enacted bills pertinent to PRTC / its member governments from a transportation perspective and the budget amendments appear here as attachment one.

3. APTA Legislative Conference. As is customary, the APTA Legislative Committee met during the weekend prior to the start of the Conference (I am a Committee member and was in attendance for the meeting). A meeting of the “reauthorization” task force also took place that weekend that I attended (I am a member of that task force too). The observations that follow are drawn from the Conference and the two meetings.

At the “reauthorization” task force meeting, work continued on a set of reauthorization principles, which APTA leadership aims to complete by October 2008. Task Force Co-chairpersons John Catoe (WMATA’s General Manager), Stephanie Negriff from Santa Monica’s Big Blue Bus system, and Alan Wulkan (an independent consultant and APTA Business Member) laid out an ambitious time line for principles drafting and review (attachment two) that envisions meetings virtually monthly to accomplish this aim. A draft of the principles was then constructively critiqued, resulting in a newer draft that was distributed to the APTA Legislative Committee the next day (attachment three). As you will see, it is still very much a work in progress. Also coloring the principles drafting effort are proposals percolating up from APTA’s other committees and groups of stakeholders, including the so-called Small Operations Committee, the Metropolitan Rail Discussion Group, and other members on an individual basis, conceived to benefit each of the groups/individuals in targeted ways. Copies of proposals distributed by those groups/individuals at the meeting appear here as attachment four.

There was also brief update at the meeting on Congressional and stakeholder activities since the issuance of the National Surface Transportation and Revenue Policy Commission’s report, including related testimony at the House T&I Committee given by Chris Boylan (APTA’s Vice Chair, Governmental Affairs). Chris’s testimony appears here as attachment five, and Chris reported that it was very well received. Finally, there was a brief discussion about the interim report (*The Path Forward – Funding and Financing Our Surface Transportation System*) issued in late February by the other SAFETEA-LU legislated commission – the National Surface

Transportation Infrastructure Financing Commission – which outlines funding ideas that Commission is proposing for evaluation and the evaluation criteria for conducting this evaluation (the final report has a statutory deadline of April 2009). The interim report was forwarded to PRTC’s Commissioners in electronic form, but a copy of it is appended here for your ease of access (attachment six).

At the APTA Legislative Committee meeting, attendees were briefed on legislative/developments, and APTA’s already adopted positions on same. Those positions and correspondence sent to Congressional leaders elaborating on these positions appear here as attachment seven. While the “global warming/climate change” issue was among the issues discussed, it is of sufficient importance to warrant a separate discussion later in this section of the ED Report.

APTA Legislative Committee attendees were also briefed on regulatory developments (summarized in attachment eight), including but not limited to the recently issued FTA final charter rule, the “new starts/small starts” NPRMs that have been temporarily halted by a Congressional moratorium, and trio of troubling U.S. Department of Health and Human Services (HHS) proposed/final rulemakings that have the practical effect of dumping expenses borne to-date by Medicaid/Medicare on transit operators. While the HHS rulemakings are most troubling for transit operators operating “fixed route” systems with complementary paratransit service, operators of demand responsive systems like PRTC’s local bus services would also be adversely affected because certain types of trips would cease to qualify for Medicaid-sponsored special transportation, adding to the demand for deviated OmniLink service.

The three HHS rulemakings and their current status are summarized below:

- Elimination of reimbursement under Medicaid for school administration expenditures and costs related to transportation of school age children between home and school. Published as an NPRM on September 7, 2007, the draft rule proposed that costs related to transportation of school age children between home and school cease to be a Medicaid-qualifying expense except as it pertains to pre-school children accessing Medicaid-qualifying services at schools, and then only if the transportation service is being provided by employees of the state or local Medicaid agency as an “in-house” expense. The NPRM triggered 1,240 responses to the Federal docket, including one from APTA on behalf of its members. APTA’s reply (a copy of it and a copy of the NPRM appear here as

attachment nine) took strong exception to the NPRM for proposing to significantly diminish qualifying transportation expenses, characterizing the proposal as an unfunded federal mandate that the regulatory impact analysis failed to adequately address. HHS then issued a final rule on December 28, 2007 that left the NPRM provisions largely intact (making no changes to the provisions APTA flagged as objectionable), which in turn prompted the Congress to legislate a moratorium on the enactment of the final rule before June 30, 2008 (see attachment ten).

- Non-emergency medical transportation. Published as an NPRM on August 24, 2007, the draft rule proposes that Medicaid reimbursement for non-emergency transportation be limited to “the rate charged the general public” rather than the fully allocated cost of the transportation service provided. Such a change would have the effect of causing substantial numbers of people needing non-emergency transportation under Medicaid-qualifying auspices to shift from special transportation arrangements to public transit operators. For those that cannot use fixed route transportation services, such a shift would add to the demand for complementary paratransit service and the subsidy required for sustaining such service, which is borne largely by states and localities rather than the federal government. Recognizing that the NPRM would have the effect of dumping costs that are now federally borne on states and localities, APTA sent comments taking strong exception to this as another unfunded federal mandate (a copy of it and a copy of the NPRM appear here as attachment eleven). HHS has not issued a final rule as yet.

- Medicaid program: state flexibility for Medicaid benefit packages. Published as an NPRM on February 22, 2008, the proposed rule would waive the requirement that non-emergency medical transportation by Medicaid-eligible recipients be eligible for Medicaid reimbursement in states that opt for a “benefit benchmarking” package instead of the standard benefit package. Again APTA is taking strong exception to the proposed rule on the grounds that it is a misconstruction of what is allowed under the Deficit Reduction Act of 2005, and has the effect of again dumping an expense on transit providers without an offsetting source of revenue. APTA’s comments (along with the NPRM) appear here as attachment twelve. The closing date for comments was recent (March 24th), so no final rule is expected for awhile.

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Returning to the "climate change/global warming" issue, S.2191 is the first of what is likely to be multiple legislative proposals to curb carbon emissions, and from a transit perspective it is a great start. It is a "cap and trade" proposal in which utilities and other larger carbon dioxide emitters will need to invest in emissions curbing remedies to comply with emissions caps, with the aim of reducing emissions to 65% below 1990 levels by 2050 (with an interim target of reaching 1990 emissions levels by 2020). This has the effect of creating a market for "emissions allowances" with a value estimated at \$146 billion. During the Committee mark-up of S.2191, Committee Chair/California Senator Boxer embraced an amendment proposed by Maryland Senator Ben Cardin calling for 1% of this market value to be reserved for public transit investment, adding a potentially significant supplemental source of funding for transit. A white paper and public information piece providing further detail on the "climate change/global warming" issue was distributed, as well as a letter sent by APTA staff to Senator Cardin to express the Association's appreciation for his transit advocacy in this arena (attachment thirteen).

While transit systems would not be subject to carbon caps, the "cap and trade" proposal is certain to drive the cost of fuel up further, and there is real concern that the increased cost of fuel could end up diminishing, if not eclipsing, what transit stands to gain financially if only 1% of the market value of the emissions allowances is designated for transit. Consequently, the 1% set-aside is seen as too modest a set-aside, prompting those in attendance who are most knowledgeable about this issue to urge the Association to make a compelling case for much more.

To this end, APTA has commissioned several monographs/reports to "make the transit case" (attachment fourteen). Among them is a report entitled *A Conservative Proposal for Energy Independence: A National Defense Public Transportation Act*, authored by noted Conservative opinion leader Paul Weyrich and his associate Paul Lind. Weyrich and Lind are transit champions with strong Conservative credentials who have collaborated with APTA on past efforts, articulating the value of transit from a Conservative perspective. The subject report makes the argument that weaning ourselves of our foreign oil dependence is imperative for national security reasons, and public transit has a vital role to play since it is inherently energy conserving. The other reports approach the subject from different perspectives, highlighting the degree to which increased reliance on transit saves energy.

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At the APTA Legislative Conference, all sessions were plenary, and several were especially noteworthy. One was a panel of “partners in the reauthorization debate” that followed a speech by Pennsylvania Governor Ed Rendell who, together with California Governor Arnold Schwarzenegger and New York City Mayor Michael Bloomberg, is trying to rekindle the *Rebuild America* initiative to draw public attention to “infrastructure underinvestment” problem in the United States and its deleterious effects on the United States’ global competitiveness. Rendell, who is also the incoming chair of the National Governors Association (NGA), made it clear that the NGA will be pushing hard for a well-endowed reauthorization bill.

The ensuing panel session featured AASHTO Executive Director John Horsley, ATU President Warren George, Senior Vice President of the American Trucking Association Tim Lynch, and League of American Bicyclists President Andy Clarke. Horsley noted that AASHTO’s reauthorization position calls for a doubling of transit ridership in twenty years, and he went on to say that AASHTO has expressed strong objections to the Administration’s FY 2009 budget proposal (which would appropriate transportation funds at a level less than the SAFETEA-LU authorization) and the Administration’s proposed transfer of \$3.2 billion from the transit account of the Transportation Trust Fund to the highway account, characterizing this as “robbing Peter to pay Paul” (a copy of AASHTO’s statement appears here as attachment fifteen).

Another panel discussion focused on the “climate change/global warming” issue, with presentations by a pair of technical experts focused on how much carbon reduction is necessary and the consequences of failing to do so (i.e., David Gardiner, former EPA Assistant Administrator and currently President, David Gardiner and Associates, and Steve Winkelman, Manager of Transportation Programs for the Center for Clean Air Policy). A third panelist at that session – Senator Carper’s transportation legislative assistant (Beth Osborne) – talked about the timetable for legislation, urging the transit industry to become a more active player in the immediate future. A third panel discussion featured three of the twelve Commissioners from the National Surface Transportation Infrastructure Financing Commission (i.e., Steve Heminger [Executive Director of the Metropolitan Transportation Commission], Frank Busalacchi [Secretary, Wisconsin Department of Transportation], and Francis McArdle [Senior Advisor, General Contractors Association]), who recounted the Commission’s deliberations and shared their thoughts about legislative prospects.

4. SmarTrip card activation. The first several weeks following the March 3rd activation of the SmarTrip card have been fairly uneventful, a testimony to careful planning and implementation. Start-up problems were largely confined to customers getting acclimated to the proximity readers on the fareboxes which, if "tapped" too quickly, can fail to register. This has happened to a small number of customers (much less than 1%), necessitating some after-the-fact card adjustments that PRTC is able to do on site. Customer traffic being handled by Customer Service staff has increased markedly, however, because customers who are paper MetroChek recipients find the PRTC Transit Center is the most convenient place to convert paper Metrocheks into SmarTrip card value (the only other way at the present time that paper Metrocheks can be converted to added value on a SmarTrip card is by using a ticket vending machine capable of such transactions which exist at only selected Metrorail stations). The added customer traffic at the Transit Center has necessitated the use of temporary staffing so waits are not unduly long and other business that the customer service agents need to do is not compromised.

5. I-395/I-95 HOT lanes project. Replies have been received to the letters PRTC sent to Governor Kaine and USDOT Secretary Mary Peters about project-related safety, enforcement, and operating speed concerns (attachment sixteen). The letter addressed to the Governor was answered by the Commonwealth's Transportation Secretary Homer. Secretary Homer seeks to put the safety/enforcement concerns in perspective, observing that the upcoming NEPA sign-off is merely one step in a multi-step process such that not all the issues need to be resolved before then. Homer's letter also recites federal statutory rules already known to the Commission that govern operating speed minimums. The letter addressed to USDOT Secretary Peters was answered by the FHWA Division Office, acknowledging the importance of the issues raised, pledging careful consideration of these issues, and describing the multiple approvals the project will require going forward.

Than on March 13th, PRTC and First Transit management attended a half-day workshop (along with other transit providers in the corridor) to discuss with VDOT and its recently contracted highway safety consultant (Halcrow) safety and enforcement concerns. After some introductory remarks by VDOT staff at this kick-off meeting about the study aims and schedule, Halcrow representatives summarized their progress on a literature search of experiences elsewhere. Then the meeting attendees: (1) identified safety/enforcement concerns; and (2) classified them in terms of frequency and severity of the risk. According to VDOT staff, Halcrow is to deliver a draft report in April so a final report can be produced by May. The meeting was a good start on an important effort with an ambitious time schedule.

6. FY 2009 budget deliberations. PRTC management presented the FY 2009 budget proposal (and the variant that excludes the proposed Haymarket Metro-Direct route) to the Prince William Board of Supervisors at a budget work session on March 12th. Management did the same at a City of Manassas budget work session on March 26th. Both were uneventful.
7. Teen Summer OmniLink Pass. Management wrapped up its planning on the subject initiative, which was funded by a state TEIF grant awarded last year. A summary of the program appears here as attachment seventeen.
8. Spring schedule change. Work on the spring schedule change was largely wrapped up this past month. The effective date of the change is April 28th.
9. Bus yard expansion construction. Construction work continued to progress as planned this month. Change order computations are still incomplete, however, so the request to increase the contingency allowance to cover the cost of the looming change order will not be made until the May Board meeting. The security fencing has been installed on one of the two parcels acquired for the planned new commuter park-ride lot so that buses can be stored there in a secure fashion, easing the overcrowding conditions present in the bus yard.
10. Other transportation needs/funding reports. The looming federal transportation reauthorization issue has spawned multiple research/advocacy efforts, and products of several of these efforts were released this past month:
 - The American Automobile Association (AAA) released a very interesting research report it sponsored that comparatively analyzes the costs borne by the nation as a result of accidents vs. the more widely reported costs resulting from congestion (which the Texas Transportation Institute estimates annually). The AAA report -- *Crashes Vs. Congestion: What's the Cost to Society?* -- finds that "accident-related" costs are much higher than "congestion-related" costs, no matter what the metropolitan area size (ranging from a factor of nearly two in the largest metropolitan areas to a factor of seven in the smallest metropolitan areas).

According to the AAA researchers, the total nationwide cost of crashes is a staggering \$164.2 billion annually, or nearly two and-a-half times the annual cost of traffic congestion nationally (i.e., \$67.6 billion). The researchers (Cambridge Systematics and Georgia Tech's Michael Meyers) conclude that the findings

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underscore the importance of according an even higher priority to highway safety, as the National Surface Transportation and Revenue Policy Commission's report recommends. A copy of the AAA press release and the executive summary of this report appear here as attachment eighteen.

- GAO Report – Surface Transportation: Restructured Federal Approach Needed for More Focused, Performance-based and Sustainable Programs. GAO expressed many of the same sentiments expressed by the National Surface Transportation and Revenue Policy Commission about the need for more clearly defined national transportation objectives and a reconstituted federal transportation program that is more performance-based in the subject report, which was issued in March. A copy of the “Results in Brief” and GAO’s transmittal letter appear here as attachment nineteen.
- A report that was a product of an “Intergovernmental Forum on Transportation Finance” convened by the National Academy of Public Administration (in concert with NACO, NLC, and others) was released this month that is another expression of the need for increased national transportation investment, a reordering of governmental roles and responsibilities, and recognition of the fact that traditional transportation funding sources are insufficient to address needed levels of investment. The report – Financing Transportation in the 21st Century: An Intergovernmental Perspective – is another interesting read, adding further legitimacy to the calls for substantially increased investment and new sources of funding to do so. A copy of the Executive Summary appears here as attachment twenty.

11. DRPT reorganization. On March 17th, DRPT Director Tucker sent out a “grantee” communication outlining the latest DRPT organizational changes. The communication refers readers to the DRPT web-site for a full-fledged profile of current staffing, which I have retrieved. Both the communication and current staffing profile appear here as attachment twenty-one.

12. Marketing Department’s efforts.

SmarTrip Card Activation

- Coordinated distribution of comprehensive introductory brochure;
- Sent Rider Express announcing start of card sales and reminder of activation timeline;

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- Produced and distributed on-board notices (in English and Spanish) announcing start of card sales;
- Posted web notice announcing start of card sales and posted downloadable version of introductory brochure;
- Submitted information for PWC's Channel 23 Prince William Edition segment;
- Submitted SmarTrip announcement to Panorama Latino (local Hispanic cable show) for broadcast in March;
- Posted SmarTrip info on Slug-lines.com website;
- Developed SmarTrip messages for McCoart marquee display;
- Completed design of print ads and booked newspaper ad campaign;
- Wrote and distributed news release.

Rider Express

- 5095 subscribed addresses;
- Sent messages to:
 - Advise OmniRide passengers of delays due to poor road conditions on February 12;
 - Answer customer questions regarding icy commute service delays on February 12;
 - Remind customers of President's Day holiday schedule;
 - Announce new IVR phone system;
 - Caution customers about winter weather related service changes on February 22.

Website (www.PRTCtransit.org)

- Posted service update notices for items sent as Rider Express messages;
- Posted additional service update notices for:
 - New AM Dale City trip and rerouting of PM Lake Rider trip to ease overcrowding;
 - Temporary removal of Route 1 OmniLink bus stop due to construction on Route 1 at Neabsco;
 - Monthly Commission Meeting notice.
- Revised Dale City and Lake Ridge OmniRide schedules to incorporate new trips;
- Website overhaul continues to progress:
 - Finalized homepage design and template for interior pages
 - Developed contents for new pages

Brochures/Schedules

- Distributed bulk schedules to seven outlets;
- Produced and distributed introductory brochure for new Interactive Voice Response phone system;
- Started schedule production process for all 31 schedule brochures for Spring Service Change;
- Finalized design of general agency brochure that introduces and describes PRTC.

Advertising and Media Relations

- Produced notices for:
 - o Temporary removal of Route 1 OmniLink stop due to construction in English & Spanish;
 - o New AM Dale City trip and rerouting of PM Lake Rider trip
 - o President's Day Holiday service reminder in English & Spanish
 - o New IVR phone system in English & Spanish
- Assembled and mailed 259 "Welcome to the Neighborhood" packets to new area homeowners;
- Wrote and distributed news releases for new IVR phone system;
- Wrote response to Potomac News/Manassas Journal Messenger regarding a complaint about traffic flow in the Lake Ridge Commuter Lot;
- Booked ad in Park Authority's spring edition of Leisure Magazine;
- Customer Profile (April 2008) – Donna Duplessis (attachment twenty-two)

Community Outreach

- Public Relations Specialist made presentations about OmniLink service to:
 - o 30 special education students and eight staff members at Independent Hill/PACE School
 - o Seven special education students and 3 staff members from Hylton High School at PRTC, included tour of facility;
- Participated in 9th Annual Transition Fair to educate those transitioning out of high school about public transportation options;
- Participated in Leadership Prince William program's "Human Services Day" on Feb. 21 – led discussion about participant's first-time experience on an OmniLink bus, importance of transit on the community and funding of bus services.
- Staff participated in the preparations for the "RIDE FREE Kickoff" event scheduled for April 30, 2008, inaugurating this year's free ride on "bad air days program" (attachment twenty-three)

13. Customer Service and Dispatch Stats from February 24 - March 22

- Handled 10,192 calls – This is the first month where call reporting is based on the interactive voice response system (IVR), which began limited operation in mid-February. Currently, customers can access the IVR 24/7 to cancel and confirm trips, but cannot schedule their trips. Preliminary reports shows that the average wait time for calls handled by Customer Service Agents fell from an average of just over two minutes during the last quarter to just shy of a minute and a half for the first three weeks of March. More functionality will be introduced in the coming weeks that will allow the IVR to place reminder calls to customers who have booked off-route trips as well as enabling the customers to book their own off-route trips. As the increased functionality is incrementally introduced, we expect the average wait time to be further reduced as more calls are handled by the automated system.
- Replied to 90 e-mail requests for transit information;
- Returned 64 voice mail messages for transit information;
- Assembled and mailed 20 requests for New Rider Kits and another 104 requests for schedules and brochures;
- Rideshare Specialist participated in several activities this month which included:
 - A meeting regarding the I-495 HOT Lanes. Contractors building the I-495 HOT Lanes provided stakeholders with an overview of the “maintenance of traffic” plan and construction schedule for the project. The project will be has three parts, and construction will be occurring simultaneously throughout the project area. At one point every overpass crossing the beltway will be under construction.
 - A training session for the new Commuter Connections TDM software. Commuter Connections hosted an all-day training session to familiarize local rideshare programs with the new TDM/Ridematching software. It is anticipated that the software will be in use by spring. Use of the software will be phased in jurisdiction by jurisdiction. PRTC will be one of the first four jurisdictions to begin using the software. The software should be available for general public use about July 1st. Troubleshooting efforts are underway to

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resolve continuing problems with the migration of data from the currently used database to the new software. Local jurisdictions have been asked to check and monitor current data prior to implementation.

- o An I-495 HOT Lanes TMP TDM Committee meeting. The Committee met to review proposals for PRTC bus service between Woodbridge and Tyson's Corner and an employer-sponsored vanpool program proposed by Fairfax County Employer Services.

Naturally, staff and I would be pleased to respond to any questions this report may prompt.

Attachments: As stated