



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

To: Partnership Transit Coordination Committee

Date: November 18, 2009

From: Executive Director

Re: Transit Sustainability Project

As reported to the Commission earlier this year, the analysis for Transportation 2035 suggests that the region's transit system is not sustainable based on current projections of transit costs and reasonably anticipated revenues. The collective magnitude of anticipated operating and capital shortfalls is a cause for regional concern and action. As a result, the Commission made a commitment to proceed with a regional Transit Sustainability Project to (1) identify service productivity improvements that could yield more from the region's existing investment in transit services, and (2) pursue strategies to secure new transit operating and capital revenues.

On October 21st, the Commission held a workshop to get more background information on what would be involved in carrying out the Transit Sustainability Project, to have an opportunity to discuss the overall framework and approach, and to provide direction on next steps.

In preparation for the workshop, MTC staff interviewed a number of stakeholders, including a subset of the region's transit general managers, academic researchers, interest groups, and business organizations, to gather their ideas about what we should consider when addressing transit sustainability. Admittedly, this is a small subset of the full set of stakeholders that will be involved once the project gets underway. Nonetheless, we believe several themes emerged from those interviews that provided a good insight for the Commission's consideration.

At the workshop, staff presented statistics that provide a regional-level picture of current conditions, and information from recently completed analyses at SF MTA and Santa Clara VTA that addressed this very issue for their respective service areas. Nathaniel Ford, Executive Director and Chief Executive Officer of the SF MTA, and Michael Burns, General Manager of the Santa Clara VTA, presented information from recently-completed analyses of their service areas and offered insights into how the approaches taken in their respective jurisdictions could be conducted on a regional or sub-regional scale. Subhash Mundle, who has conducted performance audits of the Bay Area transit agencies for the past 15 years, also offered his perspectives on the biggest challenges to the long term viability of the region's transit system. Presentation material from the workshop may be downloaded from MTC's website at <http://apps.mtc.ca.gov/events/agendaView.akt?p=1372>.

At the conclusion of the workshop, the Commission voiced strong support for moving forward on the Project and emphasized the following:

1. The Transit Sustainability Project represents a significant undertaking that will require fact-based financial analysis of the existing system, cost containment and new revenue options.
2. The project should be based on a comprehensive assessment that acknowledges the role of external factors, such as land use and transportation pricing in the long-term viability of transit.
3. The project will need to be clearly linked to the preparation of the Bay Area Sustainable Communities Strategy pursuant to SB 375, which will highlight the importance of a robust transit network in achieving the region's GHG emissions reduction target.
4. This project will need to educate and engage multiple stakeholders to tackle tough questions about how to contain the growth in transit costs, how to boost the system's productivity and reinvest savings to meet the growing demand for transit, and how to improve service reliability and convenience to attract more riders.

Staff is preparing a specific scope of work for approval by the end of the year. One of the first tasks is to document the efforts already completed in the past several years that could be instrumental in informing this Project. We will be establishing an advisory structure including multiple stakeholders and technical experts and we look forward to working closely with you and other transportation stakeholders on this critical project.

A handwritten signature in black ink, appearing to read 'Steve Heminger', written over a horizontal line.

Steve Heminger