


**TO:** MP&L Committee

**DATE:** October 7, 2011

**FROM:** Rick Ramacier  
General Manager 

**SUBJECT:** Metropolitan Transportation  
Commission (MTC) Transit  
Sustainability Project (TSP)

### **Background**

Last month, the MP&L Committee made a recommendation to the Board to pursue a joint letter with other small operators to MTC regarding:

- 1.) Concerns with a possible proposal from TSP consultants to have MTC require all transit operators to have a 20% farebox ratio.
- 2.) Concern with no written MTC response to the letter written by some of the small operator general managers regarding TSP concerns and suggestions.

At the Board meeting in October, it was determine to hold off on any letter pending new information. Since that time a number of significant things have occurred that are encouraging and greatly reduce the need for a letter. They include:

- A letter from MTC dated September 30, 2011 adequately addressing the concerns raised by the general managers on April 27, 2011. This includes stating that only regional transit routes are likely to be subject to farebox ratio standards in relation to receiving "regional" funding. The letter also indicates that the small operators will not be subject to the same financial performance requirements as the large operators. The letter suggests that implementation of the Clipper card by the small operators is of greater interest to MTC than having the small operators meet some sort of performance standard(s). Finally, the letter mentions using the work of the TSP to promote goals related to improving paratransit performance in a manner consistent with our own goals. A copy of this letter is attached.
- Comments made for the record at the TSP Steering Committee meeting of September 19, 2011 by MTC Executive Director Steve Heminger that stated that it is not MTC's intention to apply service standards to anything beyond "regional" transit services. He also indicated that financial performance requirements would possibly be made retroactively to 2008. This would increase the likelihood that many operators have already made progress as many operators have lowered their operating costs per hour since 2008, largely due to labor cost reductions made by many operators over the past few years.
- No other small operator's Board of Directors has indicated a willingness to sign a joint letter to MTC at this time.

**Recommendation**

For these reasons and developments, I am recommending that we hold off on seeking to send a joint Board letter to MTC at this time. Staff will bring updates to the MP&L Committee monthly with appropriate action recommendations – if necessary.

**Action Requested**

Staff respectfully requests that the MP&L Committee forward this report and the attached MTC letter to the Board of Directors along with the staff recommendation for their consideration at the Board meeting of October 20, 2011.



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September 30, 2011

Mr. Rick Ramacier  
General Manager  
Central Contra Costa Transit Authority  
2477 Arnold Industrial Way  
Concord, CA 94520-5327

Dear Mr. <sup>Rick</sup>Ramacier,

As the Transit Sustainability Project begins focusing on a set of draft recommendations, I would like to take this opportunity to respond to your letter transmitted on April 27, 2011. We have been working extensively with the transit operators over the past year to develop a performance-based framework focused on financial and service-related metrics that will help make transit in the region more sustainable in the future. We appreciate the feedback we have received from the transit operators throughout the process, and believe the project has benefited greatly from the transit operators' active involvement.

The draft financial performance metrics were presented at the January and March PSC meetings<sup>1</sup>. At the September 19<sup>th</sup> TSP Project Steering Committee (PSC), we discussed a draft proposal for the service performance metrics. The current staff recommendations would (1) apply the financial performance metrics and improvement targets to the seven largest operators, and (2) apply the service performance metrics and targets to regional, as distinct from local, transit services.

### Financial Performance

As you know, the seven largest operators in the region account for 96 percent of the costs of the region's transit network and 93 percent of the passengers. In addition, the large operators generally have significantly higher operating costs per hour of service than the smaller operators. Therefore, staff's draft recommendation of reducing operating costs per hour of service by ten percent over the next three years would apply only to these seven large operators.

<sup>1</sup> <http://www.mtc.ca.gov/planning/tsp/>

## **Service Performance**

Staff's proposed recommendation on regional service performance metrics would apply to "regional transit" service and would include all transit modes that cross the Bay and all routes of a length of twenty miles or more that cross a county line. (See Attachment A for the draft list of regional services.) The focus on the performance of regional services stems from the fact that as the regional agency, MTC is more directly involved in funding regional bus and ferry operating and rail capital investments. MTC/BATA is also involved in setting toll policy and bridge operations, which are often closely linked with regional transit serving the bridge corridors. The service performance metrics proposed for the regional services include both a capacity utilization metric, as well as a farebox recovery metric. Staff is not recommending that performance metrics be applied to any sub-regional or local services. However, we are recommending that all transit agencies remain responsible for establishing performance metrics for their sub-regional and local services, and track and report these metrics on an ongoing basis.

In addition to the regional service performance measures, staff recommends measures that would track speed improvements in the urban trunk system. (See Attachment A for a draft list of urban trunk routes.) The urban trunk routes account for over fifty percent of transit riders in the region, and have significant operational challenges resulting in the system currently operating at an average speed of nine miles per hour. The current proposal would make funding available to projects that will speed service on urban trunk corridors. Staff will be working to further develop this concept over the coming months.

Please note that several members of the Project Steering Committee did not support staff's proposal and would like MTC to establish performance metrics for all services, including local services. We anticipate this will be a continued point of discussion as the project moves towards final recommendations for Commission action in early 2012.

## **Clipper Implementation**

While staff is not recommending that regional performance metrics and targets be applied to non-regional, local services, we do expect that the TSP institutional analysis will focus on joint, coordinated efforts to improve the transit customer experience, including implementation of the Clipper program on the region's smaller operators. At the September 9<sup>th</sup> MTC Operations Committee meeting ([http://apps.mtc.ca.gov/meeting\\_packet\\_documents/agenda\\_1718/item\\_3.pdf](http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1718/item_3.pdf)) MTC staff proposed a roll out strategy that groups smaller operators into sub-regional groups that would each be responsible for jointly implementing Clipper using a standard set of business rules, uniform fare policies, and fare revenue distribution procedures. This joint implementation approach will provide a simplified system for transit customers and make Clipper® Phase III implementation more cost and time effective.

## **ADA Paratransit**

The TSP also includes analysis of ADA-paratransit. Initial findings, which were developed in consultation with the Paratransit Technical Advisory Committee, were presented at the September 19<sup>th</sup> PSC meeting. As we move forward with conducting user focus groups and finalizing recommendations to both manage costs and improve mobility, we anticipate that while the recommendations will not be uniform across all agencies, they will include some items for all operators in the region. We look forward to CCCTA's continued active participation in the development of recommendations to address cost containment and service improvements for ADA paratransit services.

Thank you for your continued engagement in the TSP. We look forward to continuing to work with you as we advance this critical effort to make the region's transit system more sustainable. Please contact me (510-817-5820 or [aflemer@mtc.ca.gov](mailto:aflemer@mtc.ca.gov)) if you have any questions.

Sincerely,



Ann Flemer

Deputy Executive Director, Policy

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## Regional Transit Services

- Regional system as defined by:
  - crossing the Bay, or
  - having a route length of twenty miles or more and crossing a county line
- Includes:
  - BART, Caltrain
  - TransBay bus services
  - Express bus services that cross a county line
  - Ferry services



# Urban Trunk Routes

