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Bart to Silicon Valley, How Now?

Mineta Transportation Institute
San José State University
San Jose, CA 95192-0219

MTI Report F-01-01

Bart to Silicon Valley, How Now?

April 6, 2001

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16. Abstract In April 2001, the Mineta Transportation Institute co-sponsored with the Commonwealth Club of California a symposium designed to deliver information to the public about the proposed BART extension from Alameda County to the Silicon Valley. While the recent success of ballot measures go far in ensuring that a BART extension will unite San Jose to Alameda County, the logistics and the plans are not as simple and straightforward as many citizens believe. What is the best specific route? How can BART and the Santa Clara Valley Transit Authority interface into a seamless, fully-integrated system which will best meet the needs of Bay Area residents? The forum brought together transportation leaders and policy-makers to discuss how best to proceed with the BART extension. The panel consisted of the following individuals: Pete Cipolla, General Manager, VTA; Ron Gonzales, Mayor of San Jose; Carl Guardino, President and CEO of the Silicon Valley Manufacturing Group; Dianne McKenna, member of the California State Transportation Commission on Building for the 21st Century and California State Transportation Commission; Tom Margro, General Manager, BART; with Gary Richards, "Mr. Roadshow" columnist from the San Jose Mercury News acting as moderator.			
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- Research Director Trixie Johnson;
- Publications Assistant Sonya Cardenas;
- Graphic Designer Ben Corrales;
- Noelle Celine Major, who transcribed the event;
- Editorial Associates Robyn Whitlock and Catherine Frazier; and
- Joe Gurkoff, who provided the photographs of this event that appear in this document.

Thanks also to the California Commonwealth Club and the expert panel who shared their knowledge and opinions on how the Silicon Valley can best proceed with bringing BART to San Jose.

TABLE OF CONTENTS

1. FOREWARD.....	1
2. EXECUTIVE SUMMARY.....	3
3. INTRODUCTIONS.....	5
4. OPENING REMARKS-MORNING.....	11
5. QUESTIONS AND ANSWER -MORNING.....	29
6. KEYNOTE ADDRESS.....	51
7. QUESTIONS AND ANSWERS-MIKE HONDA.....	59
8. PANEL DISCUSSION.....	73
9. CLOSING REMARKS.....	81
10. ABBREVIATIONS, ACRONYMS, AND TERMS.....	83
11. APPENDIX A: BART TO SANTA CLARA COUNTY.....	85
12. APPENDIX B: BART BROCHURE.....	91

Table of Contents

FOREWARD

The recent success of ballot measures, especially Measure A by over 70 percent, goes far in ensuring that in the not-too-distant future, a BART extension from Alameda County will unite San Jose with much of the San Francisco Bay Area.

Nearly everyone agrees that the time is right for a BART extension. Any commuter who has spent time on Highways 880 or 680 understands gridlock and the time lost sitting in bumper-to-bumper rush-hour traffic. However, implementing plans for the BART extension is not as simple and straightforward as many citizens believe.

What is the best specific route? How can BART and the Valley Transit Authority interface seamlessly into a state-of-the-art, fully-integrated system designed to meet the needs of many Bay Area residents? Most importantly, how will Alameda and Santa Clara Counties find the additional funding for the proposed Warm Springs and Downtown San Jose extensions?

This forum, which was held in April 2001 and co-sponsored by the Mineta Transportation Institute and the Commonwealth Club, brought together transportation leaders and policy-makers to discuss how best to proceed with the BART extension. Dr. Gloria Duffy, President and CEO of the Commonwealth Club of California convened an expert panel consisting of:

Pete Cipolla, General Manager, Valley Transportation Authority.

Hon. Ron Gonzales, Mayor of San Jose.

Carl Guardino, President and CEO of the Silicon Valley Manufacturing Group.

Dianne McKenna, Member of the California State Transportation Commission on Building for the 21st Century and California State Transportation Commission.

Tom Margro, General Manager, Bay Area Rapid Transit (BART).

Gary Richards, "Mr. Roadshow" columnist from the San Jose Mercury News acted as moderator.

The issues regarding the extension are complex. What will be the best manner to address parking concerns at BART stations? What is a reasonable time frame for the completion of the projects? How much will the extension relieve highway gridlock?

The luncheon keynote speaker, the Honorable Mike Honda, Member of Congress, 16th District, enlightened attendees regarding funding and regional cooperation in transportation issues. He also revealed one of his key priorities in Congress will be ensuring that transit funding remains needs-based.

A question-answer period followed the panelists' presentations, and the event was capped off with a free-for-all discussion about transportation issues.

The purpose of forums such as BART to Silicon Valley: How Now? is to bring transportation and planning issues that are vital to the future of the San Francisco Bay Area to the forefront of public and industry awareness. The information presented, and the ensuing discussion were an important early step for the BART/Silicon Valley project.

I would like to take this opportunity to thank the following individuals who helped bring this publication to fruition: MTI staff including Research Director Trixie Johnson, Publications Assistant Sonya Cardenas, Graphic Designer Ben Corrales, Noelle Celine Major who transcribed the event, Editorial Associate Catherine Frazier, and Joe Gurkoff, who provided the photographs of this event that appear in this document.



Rod Diridon
Executive Director

EXECUTIVE SUMMARY

This year, the Commonwealth Club and the Mineta Transportation Institute joined together to deliver information to the public about BART and the challenges that are expected in implementing it. The main event was a forum, Bart To Silicon Valley, How Now, held on April 6, 2001. This publication, a transcript and summary of the April forum, is a next step in the information transfer effort.

Dr. Gloria Duffy of the Commonwealth Club brought together an expert panel consisting of:

Gary Richards, "Mr. Roadshow" Columnist, San Jose Mercury News acted as moderator.

Honorable Ron Gonzales, Mayor of San Jose, CA.

Dianne McKenna, Member-California State Transportation Commission on Building for the 21st Century and California State Transportation Commission.

Pete Cipola, General Manager-BART.

Carl Guardino, President and CEO-Silicon Valley Manufacturing Group.

With a public audience, the morning panel discussed the issues involved in bringing BART to Silicon Valley and other transportation issues in the San Francisco Bay Area. After the panelists' introductory statements, Gary Richards steered the discussion via questions and answers from the audience.

The luncheon keynote speaker was Congressman Mike Honda who discussed the federal and fiscal issues involved in bringing BART to San Jose. The afternoon question and answer session was led by California State Automobile Association Vice-President of Corporate Communications and Public Affairs Rose Gilbaud.

MORNING SESSION

INTRODUCTIONS

ROD DIRIDON

My name is Rod Diridon and I am the Executive Director of the Mineta Transportation Institute. The proper name of the institute is the Normal Y. Mineta International Institute for Service Transportation Policy Studies. We call it the Mineta Transportation Institute for obvious reasons. The moral of that story is don't let Congress name your institutes. Actually, we're very proud of Norm's association with us and his recent appointment to the Secretary of Transportation responsibility.

Let me run through some administrative things, and then lead very quickly into the panel discussions. The first administration issue that you all should be aware of, and I hope this doesn't empty the room, is if you are parked in this parking lot, you are going to get a ticket. All of those spots are reserved for one person or another, typically City Council members or members of the County Board of Supervisors, and it's patrolled rather vigorously. So if your car is over here, you might find a discrete moment when you can move it. Otherwise, you can expect a ticket. There is parking across the street here, or in the large parking garage just a half a block down the street on the other side. So there's adequate parking around.

Secondly, thank you to the County of Santa Clara for their hosting--not hosting of this because they are not, but they're certainly providing the meeting facilities for us and we appreciate that. And, I have a fond feeling toward the county so I want to mention them anyway.

I'd like to mention now the cosponsors of the activity. If you don't have one of these agendas, there's one right here and it will guide you through the day with a kind of a timed sequence to let you know whether or not we're staying on time. And so make sure you have one of those. You don't know the players unless you have the program. That's a better way of putting it if you don't mind baseball parlance.

I'd like to read off the names of the sponsors now, and let you know how much we appreciate them. In alphabetical order: BART helped us with mailing out material and so on and has sent us their General Manager; CSAA has provided you the refreshments this morning and helped finance the program; the Commonwealth Club of California, Silicon Valley Group did much of the organizing and set much of the effort up; Metropolitan Transportation Commission helps with the mail-outs and so on; the Mineta Transportation

Institute; Silicon Valley Manufacturing Group-Carl, thank you very much for helping us with the mail-outs; and the Valley Transportation Authority also helped us with the mail-outs. So we appreciate that broad group of sponsors and we'll give them credit later on.

This is an official regional hearing conducted by the Mineta Transportation Institute and will be therefore transcribed and published both electronically and in hard copy. And, you will be able to gain access to that, if you like, through the Mineta Transportation Institute. It also will be broadly communicated by the Commonwealth Club of California, and that's in the final paragraph on the second page of your program.

I'd like to say thank you to a couple of elected officials who are here today and we appreciate them being here. Linda Lezotte who--someone parked in her parking place so shame on you--but Linda, thank you very much for being here. She is a City Council member from San Jose; Aldyth Parle from the City of Santa Clara, my home city. Thank you Councilman Parle; Rod Diridon, Jr. who I am very proud to introduce from the City Council in Santa Clara is here; and, I'd also like to introduce Harry Yahata. Harry is the Regional Administrator or Regional Director for Caltrans. And it's nice to have you here, Harry. Many of the rest of you who are representing elected officials and other important dignitaries, if I have not introduced you properly and you'd like to be, just slip me a note and I will do that later.

Let me conclude my comments by saying that the BART process is as old as politics. Recent politics in this valley began with the study back in the late 40s and 50s. The Mineta Transportation Institute is pleased to be the recipient of one of those studies, all moss covered with crinkled pages. And, if you'd like to come down and look at it sometime, you can see how it was originally going to cover five counties in the bay region, instead of three. And as it turned out, San Mateo County Board of Supervisors opted out. The Santa Clara County Board of Supervisors never even took it up, and as a consequence, the BART system was built as it is now and is being expanded in San Francisco, Alameda, and Contra Costa counties. Back in the early 80s, on through the end of the 80s, the Board of Supervisors asked Supervisor Lofgren and I to negotiate our entry into the BART system. You can see how successful we were. We're still not in. There were some rather heated discussions that ultimately developed a package that seemed to be saleable and then that went sideways. The result was that it took the leadership of Mayor Gonzales and the guidance and the campaign of Jude Berry and Carl Guardino, who ran that campaign, to make it happen in November of last year. And we will always have to remember to thank those three individuals, especially the Mayor for his leadership on an issue that was a tough issue at a time in the valley when we absolutely needed

that additional transit support. Seventy-one percent on a major tax measure is unheard of in the State of California, especially an "all transit" tax measure and it made my heart feel good. So, now we have the opportunity and it's a matter of how we take advantage of the opportunity. And we're here today to hear from those who will be the players in that process. We have a panel made up of the individuals who will be the functionaries at the various levels of government who will bring the BART system to this valley. And I will not read their names because they are going to be introduced to you, except that I will just introduce the gentleman who just came in the door because he's going to be so important to that process and you'll hear from him directly at noon. And that is Congress member Mike Honda. It strikes me, Mike, that we have a quorum of the old Board of Supervisors. In fact, we have four out of five. But, Mike will give you the perspective in the keynote address at noon, from the federal government; and Mike has been assigned the coveted responsibility of being a member, a unique or a new member of the Congress, so that you can see that he's trusted back there--a member of the House Transportation and Infrastructure Committee, which is the authorizing committee that earmarks transportation projects at the national level. So we'll hear from Mike at the lunch period, at the keynote address.

Without any further adieu, then, let me introduce Mr. Roadshow from the Mercury News, the Mercury News columnist who writes about transportation on a daily basis and knows probably more about this than any of us would like to hear. But, certainly has the background to be the moderator and conduct this panel--Gary Richards.

GARY RICHARDS

Thank you Ron. Each week in the Roadshow column, we get about four or five hundred questions from readers. There are two questions more than any other that we receive. The first one is, "Why is my traffic light always red?" And the second one is, "Why doesn't BART come to San Jose?" And when the election was going on last fall, the chance of getting two-thirds was slim to none. And Alameda County somehow pulled off nearly 81 percent I believe; Santa Clara County--70.5 percent. Put that in perspective. Four years earlier, there was a ballot measure in Santa County to widen Interstate 880 and 101, the two biggest bottlenecks in this region. It drew almost 51 percent. So the voters have stated their will. They want BART to San Jose; they want light rail; they want all that good stuff. And the people behind us are going to tell us how that is going to happen. The devil is in the details. And the negotiations have begun and they will hopefully conclude by the end of this year. What is a fair share for Santa Clara County to pay to help bring BART down here, above and beyond what they're already going to pay through the sales tax?

You will have an opportunity to ask questions today. There will be cards like this and people will be going around. You can fill them out, submit them, and after our five speakers give their speeches, you'll be able to ask questions.

PANELISTS

The first person who is going to speak today--I am going to introduce all five initially--will be Carl Guardino. Carl is the CEO of the Silicon Valley Manufacturing Group. When it comes to sales tax ballot measures, Carl is the man. A few years ago, we asked who were some of the power brokers in the valley and the response came back that Carl is the "money man." He's got to be there. And he's run three campaigns, and they've all passed. We won't talk about that one that just got barely 15 percent, Carl, but 71 percent is pretty impressive.

Mayor Ron Gonzales will follow. The Mayor actually gave a spark that ignited this whole thing. And when he gave his "State of the City" speech a few years ago, he was talking about "a connection to BART." And he wasn't talking about running BART to San Jose. That still seemed like a big dream at the time. He was talking about running Caltrain-type service to connect with BART in Warm Springs or Fremont. Well that set off a wave of interest in the East Bay. The next day, Scott Haggerty is on the phone and he's talking to the Mayor. And pretty soon, you've got people on both sides, the East Bay and the South Bay, who want to make BART to San Jose happen. And now two years later, there's a ballot measure and it's going to raise nearly \$3.8 billion to make that happen.

The next two speakers will be actually the men who are going to do the work. Pete Cipola is the General Manager of the Valley Transportation Authority; and Tom Margro, the General Manager at BART. Tom has had experience with extensions in BART up to the North Bay and the East Bay. Pete has had various experiences with extending light rail and now he gets his chance with BART. And those two will be sitting on the table when they're talking about the details that are to come up.

And the last speaker, we save the most powerful for last, is Dianne McKenna, former Mayor and former Supervisor and now a member of the California Transportation Commission. It was Dianne who set in motion the creation of the Valley Transportation Authority, one agency to basically oversee all transportation issues in this county. When I started covering transportation, I think there were five or six and they had to go into meetings every night. So finally Dianne said, "Gary, we'll give you a break. We're going to do one agency."

So each speaker will speak for approximately ten minutes, and then, remember, if you have questions, ask for a card and they'll pass them out to you and we can turn them in later. And up first will be Carl Guardino.

OPENING REMARKS

CARL GUARDINO

As he mentioned, my name is Carl Guardino. I'm President and CEO of the Silicon Valley Manufacturing Group and it is truly a pleasure to be here this morning with so many people from our county and beyond that worked together to pass Measure A to make this day even possible; and with people who are on the other side. And that's fair and good and wise in a democracy--that we can have a spirited debate and now move forward to implement the public's will.

Very briefly, an overview of the manufacturing group that I am so proud to work for. The organization was founded by a true community problem solver, David Packard, co-founder of Hewlett Packard, who back in 1977, because of a small issue called rolling blackouts that were plaguing our valley at the time, pulled together 33 of the visionaries who formed Silicon Valley to request that instead of solely being the fierce competitors that they were in the business community, that they would be fierce collaborators together for the public good when it came to advancing Silicon Valley's economy and quality of life.

And out of that, the manufacturing group was born. Today it consists of 190 of the most respected private sector employers in Silicon Valley, who collectively provide 275,000 jobs in Silicon Valley alone, which is one of every four private sector jobs. And when forming the manufacturing group, Mr. Packard made a statement about private citizens, you and I, being involved in the public policy process. And when Gary mentioned that I've had the pleasure of running a few half-cent transportation sales tax initiatives, that in saner days in California only required a 50 percent majority vote as they should. And then we had this gauntlet of a 67 percent super-majority vote, rung these words to mind that Packard said, and they were simple: "When you do something well, don't gloat about it. Go out and find something harder and better to do." Well it's truly harder to get 67 percent rather than 50 percent. And it's truly better to put an initiative on the ballot with the vision of the VTA and Mayor Ron Gonzales instead of the piece meal approach we had done in the past of a ten-year measure and a nine-year measure, to do a 30-year measure when 100 percent for public transit.

Before I jump into the rest of my comments with the remaining seven-and-a-half minutes, I want to publicly thank someone who was alluded to earlier, and that is Jude Berry--who until recently, was Mayor Ron Gonzales' quite able Chief of Staff--for working so diligently to make this dream of bringing BART to Silicon Valley a reality. And I am glad to see that Jude is here today. We call

him Saint Jude because many felt that we were crazy to even try this, but he had the faith to do it.

And so let me begin my comments about BART, since I said Saint Jude, with an album cover by Bob Dylan from about a decade ago, when he released an album called "Slow Train Coming." I think that is a good description of bringing BART to Santa Clara County.

Back in 1961, a few significant events happened. John F. Kennedy was President of the United States; I Love Lucy was still on TV; prayer was banned from public schools; I was born. Thank you for agreeing that was significant. You and my mom both. And county leaders in Santa Clara County at that time let the State legislature know that they did not want to be a part of the BART system. Of all those things that happened, I think that was one of the most significant and negative items that happened in terms of the Bay Area and Santa Clara County. So, I'd like to spend my time, very quickly, on the history of BART and Santa Clara County; some of the benefits that this will bring to our region and residence; some of the cost comparisons as different areas have come into the BART system; the work that BART and VTA have started to work together to make this a reality; and then turn it over to a very able panel.

The history as you know is fairly well known. But since it all began before I was even born, I think it bears repeating. It was in 1957 that the legislature formed the San Francisco Bay Area Rapid Transit District. It started with five counties: Alameda, Contra Costa, San Francisco--that remained in the district--but also Marin and San Mateo. In 1961, San Mateo decided to withdraw from the district and Marin was forced to withdraw in early 1962 because it couldn't absorb its share of BART's projected cost given its small tax base. So the San Francisco BART district was reduced to three counties. Then in 1988, MTC adopted that famous Resolution 1876. And it was the policy document that included cost estimates for a BART extension to Millbrae through San Francisco International Airport. In 1990, the BART district and SanTrans hammered out a more specific and binding agreement that specified the terms under which BART would build the SFO extension. And the project was broken down into two parts: Daly City to Colma; and, Colma to Millbrae via SFO. And SanTrans paid 25 percent of the capital cost for Phase 1, the Daly City/Colma extension, which was about \$43 million. And they paid \$185 million for Phase 2, and that money could be used for something other than the extension itself. And BART did choose, in fact, to apply some of those funds to other improvements in the East Bay. Now, when it became clear that that proposal was going to greatly exceed the cost that they first thought that two part extension would be, SanTrans did not pay more than the amount of the original agreement. So in total, SanTrans paid \$327.5 million for that

extension. And thus far, as you know, San Mateo County has chosen not to be a part of the BART district, so it doesn't have representation on the BART board. And consequently, SanTrans is responsible for the operations and maintenance cost of the Daly City to Millbrae extension. That's just the history bringing us a little bit up to date.

There are many contemporary issues, though, that I think that we should raise relative to cost comparison. We have heard much in our county about buying into "the system." It's a term we don't like to use in polite company. But it is occasionally used. And I would mention an excellent overview--and I don't just say that because he's sitting behind me with a gavel in his hand and a watch in the other--but an excellent overview by Gary Richards that ran on March 15 that compares costs that others have paid to become a connector to the BART system, and what Santa Clara County residents have generously offered by taxing themselves. And when you add up the funds, in the San Mateo County example, when you add up all the funds they will pay for that extension, that is a \$1.5 billion extension, they will pay 22 percent of the cost, 22 percent. Here in Santa Clara County, our voters for that \$3.2 billion extension from Warm Springs through Milpitas, San Jose, and on to the City of Santa Clara where it will then connect to our airport with people mover connections--we will pay 61 percent. And because of our collective leadership, working with the Governor and the legislature, another 25 percent of the funds have been secured. So Santa Clara County is coming to the table with nearly 85 percent of the funds for the extension. 22 percent, 85 percent. I think we have done a magnificent job, as county residents, of coming forward in a bold way to do our share. The measure, as you know, also covers the operation and the maintenance costs of bringing the extension to Santa Clara County, estimated annually somewhere between \$25 and \$39 million a year, based on ridership. We are paying for that through Measure A.

What I think is most important, though, and sometimes seems to almost get lost in that debate, is the benefits. We are a region of transportation users who need regional solutions to a regional problem. We recognize that in Santa Clara County. San Mateo County recognized that. Alameda's most recent measure recognized that as well. We don't stick to artificial borders, and Measure A recognized that. And that's why, when we talk about benefits, we really need to focus that we are helping folks from throughout this region travel to education employment and entertainment opportunities as expeditiously as possible. It's interesting. When State Senator Tom Torlekson, a good friend and an elected official who I truly respect, argues that word, "buy-in," for Santa Clara County, I think we forget to recognize that even in his own seventh Senate district, more than 20,000 of his constituents travel from their homes in his district each

day to jobs in the Silicon Valley, and will soon, hopefully in a decade, have an extension with BART to get them out of their own cars and onto BART cars to make that trip on a tax that, overwhelmingly, they will not be paying. But it's good for the overall region. We're blessed in Congress to have Congressman Mike Honda on the transportation committee and equally blessed to have a leader of the stature of Ellen Tauscher also on that committee. And Ellen often jokes that "her district is where Silicon Valley sleeps." She understands that so many of the riders of the line that we will build with our tax dollars start and end their day in Contra Costa and Alameda counties. And we need to think like a region together rather than be divisive in individual portions of that region. What has always been the strength of the Bay Area in making transportation improvements happen is that we do work together, first under the leadership of Norm Mineta, and making sure that we had Bay Area consensus. And now under the collective leadership of Ellen Tauscher and Mike Honda.

And that just brings me to a quick comment that I want to make about the ongoing negotiations between the Valley Transportation Authority and BART. As you see, they're sitting together. I'm not sure what's dividing them right now. But, I'm sure that it's not a message they're sending. I see this as the beginning...the laughter is not part of my time. I see this as the beginning of a great marriage. They are in discussions now as they start this dating process. But it's going to be a long and fruitful marriage, and a wonderful romance because both sides know that it's good for all Bay Area residents to make this important and vital extension happen. As Bob Dylan said, "It is a slow train coming." But once that train is built, it will greatly increase the speed at which residents throughout our region can travel from their homes to jobs, education, and entertainment. And we are just fortunate at the manufacturing group that we were able to be a small part in making that happen. Thank you very much for letting me be here this morning.

With that, I'm going to make available that copy of Gary Richard's article, and on the other side, you will find what I think is an excellent regional thought from the Contra Costa Times editorial board of BART expansion rules that I also found in concert with the thought of regional leaders working together as a region rather than being divisive.

GARY RICHARDS

Thank you, Carl. I do have a request that we ask people to turn off pagers and cell phones during the meeting today.

Up next will be Mayor Ron Gonzales, who when the attempt was made to put the sales tax on the ballot for a two-third's vote, which was described in the Mercury News as: A³/₄"a miracle shot" or B--"a desperation heave at the

buzzer." Desperation heaves at the buzzer sometimes go in. I present San Jose Mayor, Ron Gonzales.

MAYOR RON GONZALES

Thank you very much, Gary. I was just thinking--you may not want to do too many of these seminars because if we keep being successful at finding solutions for traffic congestion, you'll be out of a job. Or maybe you'll be writing about that other story called energy, who knows. Everybody is writing about that story these days.

I was thinking when Gary was talking about my "State of the City" a couple of years ago, I was reminiscing that never have I been so misunderstood and glad that I was so misunderstood. Because what I said was that by the end of my service as a Mayor, that San Jose and Silicon Valley would be connected to BART. And what I was talking about simply was--the money that was already in the voter improved Measures A and B to connect Silicon Valley with the BART system with the commuter rail system. I'm sure glad everybody misunderstood me because as Gary mentioned, the next day the phone started ringing off the hook in our office and that began the journey that we all took together as a region, and it was a very interesting journey, one that I'm sure many of us would not want to repeat. But, it was rewarded with a significant victory at the polls last November.

You know, Carl talked about this wonderful marriage coming together and I guess the agreement that we're trying to begin to negotiate with BART I guess is the "pre-nup," so it's very important that we make sure that all the "Ts" are crossed and the "Is" are dotted--that's certainly the case.

Well, I don't know how much more I can add to this discussion. Carl, in his usual way, has covered a lot of groundwork and background. But, it's certainly safe to say that this whole discussion about BART and Measure A...I think it's important that while this Forum really does focus on BART, it's important to note too that the voters of Santa Clara County said yes to a lot of things last November.

They said yes that we overwhelmingly want BART here, in Santa Clara County. We want to be connected with BART. But they also said that we wanted to expand our Light Rail system and make it a true network. They also said we wanted to improve CalTrain service. They said we want to improve the ACE Train service that comes over every day from San Joaquin Valley and through Contra Costa County and into Fremont and into Silicon Valley. And they also wanted to improve our bus service, that is going to be the service lines into all that rail. So what they said yes to was more than BART, but

certainly BART was the main ticket item. I always felt that BART was going to be the one that put it over the top and that certainly was the case.

The discussion around BART and the discussion around Measure A also, I think, helped San Jose have a stronger voice--a voice that's now heard in the Regional Transportation discussions, and that's very important. We've been successful in the past in getting extensions for our Light Rail system, but in terms of really having the influence that a region that has this size population has had in the past, I think it's fair to say that we did not have a voice loud enough and as effective as we've had more recently. And I think the voters here in Santa Clara County have helped us get a stronger voice at the region, which has helped us reach consensus more easily on a regional basis.

Part of my job as Mayor is to make sure that our community's desire to be connected to the region is heard at the regional level, and that is not accomplished by me alone. We have representatives that serve this county very ably. The Chair of the Board of Supervisors, Jim Bell, represents this valley on MTC and he does a very good job there. And so it's not just a one-person show. It's the VTA and its Board, it's our staff, it's the individual cities of this valley that are raising our voice at the regional level so that we can make sure that even though the voters have given substantial amounts of public funds to all of these projects, that the remaining share for either federal or state money is being allocated to us through the regional process.

And the best way to make sure that we're heard, obviously, is to work in partnership. In partnership with others, to make sure that our goal of connecting BART to the South Bay, and to San Jose, is met. After that state of the city message, we heard very, very quickly, and Gary mentioned this, from Alameda County Supervisor Scott Hagerty. And after he called and expressed his interest in working with us to accomplish that objective, we began to have a series of several meetings involving policymakers at the local, state, and federal level to look at the whole concept of connecting Silicon Valley with the BART system. We also included MTC, BART itself, and VTA in a series of meetings that led to the feasibility study, looking at the feasibility of bringing BART to the South Bay. That was supported, to a great extent, by a professional staff representing all the jurisdictions, which is always the case. It's the professional staff who really does the grunt work and it was that staff that put together the study that was released last June that declared that BART, in fact, was a feasible project and we should, in fact, pursue it.

In the meantime, when we learned last spring that the State may have a surplus, that they were looking for the possibility of funding transportation projects throughout the State, I, and I want to emphasize many, many others, asked the

Governor to consider the importance of connecting the Bay Area's largest transportation system, BART, to the Bay Area's largest city, San Jose and our region, Silicon Valley. Obviously, we know that the Governor and the State Legislature responded quickly and with great enthusiasm, allocating \$760 million to the design and construction of the BART connection to the South Bay. That significant funding really gave the project the legs to stand on. And it was one of the key factors that was presented to the voters last year. The ability to match those state dollars with local dollars, and to put them into use in an effective way, was very effectively communicated by the campaign, led by Jude Barry and all the volunteers and also the County Manufacturers Group. That message, along with the longstanding message I think that people in Santa Clara County wanted to be connected to BART really really gave this project legs to stand on, and we've been walking ever since that message from the Governor and the State Legislature. Last summer, San Jose worked in partnership with its sister agencies on the VTA to place a \$6 billion tax measure on the November 2000 ballot that included two billion in funding for bringing BART to San Jose. And I remember, very distinctly, "Why now? Why can't we wait?" And one of the points I made was that, in my experience as a public policymaker, the one thing I've learned about taxes is you've got to go when the economy is strong. And definitely, the economy was strong last year. I think the voters rewarded us, not only for Measure A, but a couple of bond measures that we passed in San Jose. And I don't think we could put that measure on this year's ballot, given the status of the economy now, the concern about each person's pocketbook and wallet. And that just drives home the point that when we are considering these measures, we've got to consider them when the economy is strong, and certainly we were rewarded for that.

The Silicon Valley Manufacturing Group was one of the groups, "the" major group that stepped forward as an important part, a partner in the BART effort. They supported the ballot measure and provided significant talent and other resources to the campaign. And those of you who have run campaigns, you know what that phrase "other resources" means. To make it clear--money. And that was really important. When you're trying to convince more than two-thirds of the voters to pass a tax election, you've got to have a lot of information to them, and Carl and his member organizations, companies, really, really came through on the fundraising.

The voters, as you know, of Santa Clara County overwhelmingly responded by approving the measure by 71 percent and their voice was clearly, clearly heard, not just here in Santa Clara County, but I think throughout the region and in other places like Sacramento and Washington, D.C. Since the passage of the measure, the Silicon Valley Manufacturing Group and I sponsor regular

meetings of key agency stakeholders related to BART. These include local, state and federal legislators, the Valley Transportation Agency, and BART. And in fact, this group meets monthly and will be meeting later this afternoon for our monthly meeting. Our goal is to make sure that we're working together to achieve the outcome now firmly supported by the voters of this valley. All of these actions, I believe, demonstrate that San Jose has been working in an active partnership with our partners, member cities on the Valley Transportation Authority Board, State and Federal Legislators, the Governor and transportation agencies, and certainly the private sector represented by the Silicon Valley Manufacturing Group, and certainly BART.

We, just this past week, while Gary described it as "the negotiations have begun," I think a fairer description is that the talks have begun. We, this past Monday--Manny Valerio, who serves as the Chair of the VTA and myself, and Willy Kennedy, who serves as the Chair of the BART Board and Tom Blalock, who's here and I, and Tom Margro and Pete Cipola met--just as an opportunity to get to know each other and talk about our schedules and look at the possibility of meeting more often to begin those discussions. Obviously, you're going to find today that there are many more questions than there are answers. You've got to understand that this project was just approved last November. And later in the day you're going to hear about the time process that's involved in keeping this project moving forward, all of the federal requirements that have to be met, the environmental impact reports. But I think one of the most pressing things that we have to do as a region is come together as a region on a new Resolution 1876. That is extremely important. One of the reasons that this Bay Area has been so successful in meeting its transportation needs in the past has been being able to have all of our Congressional delegation from the Bay Area pitching one plan, pitching one concept, back in Washington, D.C. I know that our VTA Staff and our meeting with other congestion management agencies staff members and talking about the root elements of that "peace plan," as I call it, the regional peace plan, that's important; and I'm hoping that we can get resolution to that very, very quickly so that we can move on to do what was expected of us when voters here passed Measure A; and that's to get traffic relief into effect as much, as quickly as possible. Thank you very much.

GARY RICHARDS

Thank you Ron. We're already getting a ton of questions and I just want to remind you to print your questions on the cards and pass them down at the end of the aisle and people will collect them.

We're going to get to the people who I think will be doing the work, and when you hear today's discussion, remember both sides have some very valid concerns. For example, BART to SFO is going to attract nearly 70,000 riders. And as some BART Board Directors have told me, BART made some, there were some mistakes made--very few station improvements in San Francisco to handle that huge surge of extra riders who'll be taking the BART line. Those are some of the issues that are going to be discussed as BART comes to San Jose because it will put a strain on the system. And the men who are going to be working that are Pete Cipola and Pete will be up first, followed by Tom Margro.

PETE CIPOLA

Thank you, Gary. Not to dwell on this too much, but last November, the voters in Santa Clara County were pretty explicit in their desire to have BART serve our community. The VTA Board of Directors were equally explicit, both by placing the 2000 Measure on the ballot, and by their recent adoption of the VTP 2020--the Valley Transportation Plan. So our marching orders at VTA are pretty clear. We're charged with doing everything that we possibly can do to make sure that this project becomes a reality, and that's what we're going to do. With that said, there are a series of events and processes that really must take place, particularly if we are to be seeking federal money. And that is the large part of the project. The most significant of these processes, if you will, that we have to follow is there are probably four major areas of concern: the Major Investment Study; the VTP 2020 Expenditure Plan; the Regional Transit Expansion Policy, which as the Mayor said, is essentially a replacement of MTC Resolution 1876; and the 2002 Regional Transit Plan Update, and that is being worked right now at MTC, at the Metropolitan Transportation Commission. I just want to briefly touch on each of these and while these are the key factors at this point in time, there's significant elements of them that we won't get into today. But know that both Tom's staff and my staff will be working very diligently in following this process and these processes over the next several years. And that's what it will take--several years. The Major Investment Study (MIS)--we've left some brochures around out on the front table and I know Lisa, I think, has some more with her, and that lays out a schedule, and such, and does discuss the elements of the Major Investment Study, but the Major Investment Study has essentially begun. And this is a critical part of the federal process.

We were previously successful, a few years ago, in having this corridor authorized in the New Starts Process in TEA-21. And that was an endeavor unto itself, just getting in an authorized manner in TEA-21, which puts us in

the queue. And it's very important for us to have this process, this corridor, in that queue, as we'll see as we discuss this a little bit further.

The MIS is the next vital step in the process. And as I indicated, the MIS process has already begun. And because of all the work that has been done and over the last millennium, I would suppose, on this corridor, then we're able to draw upon that data and draw upon the studies that have been done and actually able to expedite the process that the MIS will result in. It defines the preliminary alternative modes. It will screen and define potential impacts, consequences of various investment strategies. It involves substantial public involvement, and I think if you know anything about BART and anything about VTA, if we don't do anything else right, we do involve the public. And we involve them in a substantial process. And the public is going to be very involved in this process, not only at this level, but throughout the ultimate construction. Among the key elements, we're going to be identifying the travel needs, the mobility issues; we'll conduct technical analysis; we'll evaluate that analysis; we'll compare BART with commuter rail with light rail, with bus options, with no options. We're scheduled to complete this element of the process by the end of this year. At that point in time, upon the Board adoption, then we would be prepared to move directly into the environmental compliance process. Essentially, in tandem with this process, we're currently involved in the development of the VTP 2020 Expenditure Plan. As many of you are aware, the Board adopted the VTP 2020 Plan, Valley Transportation Plan, a few months ago. The next element is essentially prioritizing the projects, which the board is having a whole series of workshops and developing criteria and such and prioritization. The board is also working diligently and our Board is involved in this process very deeply. This is...there are Board Members around that know, and I know the Mayor knows, that the Board is very deeply involved in this process of allocating the funds that will be flowing into the organization, how those funds are going to be allocated, and how those funds might be used in a bonding mechanism in order to expedite the projects, and how much of the funds...the question that need to be answered is how much is the board prepared to put to pay in debt service and such? These are all issues that have to be discussed and have to be resolved at our Board of Directors level.

To the extent possible, the document, this document has taken the VTP 2020 Transportation Plan projects, and our goal is to have those projects prioritized and to have our Expenditure Plan adopted by their Board of Directors by the early fall of this year. So we have our work cut out for us. We have at least two major projects going on that have direct relationship to the BART project,

which would be the MIS Study, the beginning of environmental compliance work, and the development of the VTP 2020 Expenditure Plan.

The MTC, Metropolitan Transportation Commission, also has two major efforts underway which we will have a major role in and will have a direct effect on the BART proposed project. What I mentioned earlier, the Regional Transit Expansion Policy, as they are calling it, which is the replacement of Document 1876. And essentially what this is, is a document, or an agreement if you will, of the priority projects that the nine county Bay Region considers our highest priorities in seeking non-local funding, which is both state and federal funding. To be successful in our quest for federal funds, it is essential that the proposed project be considered as a top priority, if not the top priority in this document. We're hoping MTC will adopt this plan by mid-fall of this year. The Regional Transit Expansion Plan feeds directly into the 2002 Regional Transit Plan Update. Again, to be successful at the federal level, this proposed project must be included in this update. The process has already begun for re-authorization of TEA-21 at the federal level. It's safe to say--as I think both Tom and I and those that are close to transportation issues at the federal level are well aware--that there will be hundreds upon hundreds of projects submitted for consideration and New Starts funding, and there are limited funds and limited projects that will be identified at the federal level. Essentially, only a few will be selected and we have our work cut out for us to make sure that, among those few, our project is there. We have a leg up because we are in the, already identified as the corridor. We've begun the planning process. We have a substantial amount of local funding, we're over funded from a federal perspective, so...but it is imperative that we consistently keep the pressure on, keep the pressure on MTC, participate in the number of outreach meetings, so that we can develop a project that everybody is comfortable with and that we're successful in having a regional push to have this project completed at the federal level. Thank You.

GARY RICHARDS

Now, the man who I think spends half his time in Washington going after those New Starts money, Tom Margro from BART.

TOM MARGRO

Thank you and good morning everybody. Well, you know, great things can't happen without a great vision. And thinking back over the last year, I must acknowledge the vision and courage of the Silicon Valley leaders, and especially Mayor Gonzales, who made this BART to San Jose more than just a vague notion and talk. We wouldn't be here today without that vision and

leadership, shown by the Mayor and others, and of course, without the action by the citizens of Santa Clara County, who voted to pass Measure A.

We all know that commuting is a daily frustration for too many Bay Area residents. I know my trip here this morning—I went by car to BART. Of course, I took BART to Fremont and then I took a car with Director Blalock here this morning. It took me over two hours, and it was a relatively easy trip. But two hours is two hours that I'd like to spend doing something else. So what we're looking at here is an investment that's available to us, and it's not just an investment for the next twenty or thirty years, I'd say that it's an investment for 100 years. Witness some of the great systems that have been built throughout the world and in the East Coast. Those systems are still operating today, and they're approaching 100 years. So we have an obligation in front of us, not just an opportunity, to look to the future and to ensure the mobility for the generations to come, not only today. As Carl Guardino just said earlier, we must think like a region when we approach this project.

As the map shows you here, and I think we all recognize, BART's a regional transit operation, ties together many major activity centers--San Francisco, Oakland, Walnut Creek, Fremont, just to name a few. We make inter modal connections in four counties with other rail operations such as CalTrain, MUNI, Capitol Corridor, and, of course, we connect with all the major bus systems in the region. Now we have an opportunity to provide a significant enhancement to the transportation network. The investment that we're considering will not just expand the BART system, but it will also provide rail connection around the Bay, greatly enhancing mobility for the Bay Area.

Now let me put some background and context around the issues that will be coming up and that Pete and I will be dealing with over the next few months as we discuss the proposed extension. So what will you get with BART? Well, more than 30 years ago, the residents of Alameda, Contra Costa and San Francisco counties also had a great vision for a high-speed regional rail system. They voted to tax themselves to pay for what became BART. So they paid 100 percent. The original system began service in '72, was about a \$1.5 billion investment in those dollars, and that's in those days. Inflating that to today, this investment would be worth somewhere in the ten to \$15 billion. Of course, if we tried to replicate and build BART from scratch today, I'm sure it would be much more than that. In the 90s, as mentioned, we expanded from the original 72 miles and 34 stations to 95 miles and 39 stations. And of course, next year when we complete the extension to the airport, we will grow to 103 miles and 43 stations.

So with that, how are we doing today? Well, our on-time performance averages around 95 percent. But most importantly, our customer satisfaction remains very high. Ninety percent of our riders indicate that they would recommend BART. We're averaging about 335,000 weekday riders. We're the second largest transit provider in the region, and when the airport comes online, we expect that to grow to about 400,000. Our ridership actually increased 27 percent over the last three years, primarily due to, you probably guessed, traffic congestion. We feel we've handled those increases and continued to maintain a high level of service for our customers. And, by the way, at the same time we've been in the middle of a \$1.4 billion renovation program.

Just a few words about some key financial indicators. We have a fare-box ratio of approximately 65 percent, which is extremely high. One of the keys to solid financial performance is not only the high fare-box ratio, but also the dedicated sales tax that we have in the three BART counties. The combination of this stable revenue source and high fare-box recovery not only pays for the operations and maintenance of the system, but importantly, it also enables us to fund capital improvements on the system with some of these operating revenues. In fact, of that \$1.4 billion approximately one-third of that is actually coming out of those two funding sources. And speaking of that, I wanted to dispel what I think is a myth anyway, and I've seen referred to in print--I won't say where in print--but, this issue of deferred maintenance. Well, this program that we have, this renovation program of \$1.4 billion, is a top-to-bottom program. We're dealing with things as small as elevators, escalators and stairways, to things like cars, our vehicles, fare collection, you name it. In three years, this program will be done and we will basically have renovated all of our major systems.

So with that sort of as a background and a context, how do we get this extension done? What's required? Well I think we know from experience what it takes to do that. We have a model. First, as the Mayor said, we need a regional consensus similar to that which was provided over 10 years ago by the MTC Resolution 1876. We need a similar consensus that would address equity issues in the region, unify us on our priorities, and allow us to move forward as a region.

It's important to understand that any BART extension, whether it's in San Jose, to San Jose, or anywhere else for that matter, must be part of a regional consensus, especially if the intent is to seek federal funds. At the same time, we still must honor the commitments made in Resolution 1876. We still have remaining commitments of federal funding to complete the BART extension to the airport, and there are other projects that were part of that agreement. One of those, which must be completed of course--Christine's shaking her head

reminding me--is the Warm Springs Project, which is key to the extension beyond Warm Springs, to San Jose and Santa Clara.

So, that's the regional context, and so now we get down to the nitty-gritty. And that means we need an agreement between BART and VTA that would cover those little things like funding, construction, operations, maintenance, etcetera. And so what might be some of the key aspects of such an agreement?

Well first, any new extension must provide high-quality service, not only to the new areas, of course that's a given, but also must maintain the quality service levels in the existing system. Secondly, in building any new extension, we must address impacts that that extension might have on the core system. And finally, we must make sure that we provide for the financial integrity of the entire system and not just the extension.

Of course, there are many other elements that will be encompassed in an agreement, but I think these are just some of the key things that we will be concentrating on. So, in summary, we've been given a great opportunity and now we have a very hefty obligation to deliver an investment in mobility that will affect the region's quality of life for generations to come. That's pretty exciting. We also have a large challenge ahead. It's not the challenge, I believe, of funding or engineering. I think our biggest challenge might be the politics of agreement. And I think we all understand that it's our job to take the long view, think like a region, not let politics be the obstacle to making this rail connection a reality. I know it's a very tall order, but I think, and I know, I'm confident that through the leadership that's been shown, and through the partnership that you've heard, we'll be able to work real hard and get it done. Thank you.

GARY RICHARDS

Thank you, Tom. I'd also like to welcome County Supervisor Pete McCue from Milpitas. Pete will be on the negotiating team with BART VTA. You do know that, right Pete?

Our next speaker will talk about the Statewide perspective. It's interesting to note that it was almost a year ago today that the Governor introduced his Congestion Relief Plan, as he called it. And that allocated \$725 million plus another \$35 million for the right of way, and it was the first time any money had ever been appropriated to BART to San Jose. If you're looking for those sparks that ignited where we are at today, that was one of them. And there had been some hope that the State would come up with some more money for BART to San Jose, but with the threat of rolling blackouts--Dianne McKenna

will talk about that. Dianne is a former County Supervisor and now a member of the California Transportation Commission.

DIANNE MCKENNA

I always wondered if rolling blackouts meant that the lights went out on the trains, but...as Gary said, I've had the unique opportunity to work on transportation issues at the local, regional, and now the state level. And, as you might imagine, things look differently depending upon where you sit. At the local level, you're always working to gain state and federal funding. At the regional level, you're always trying to deal with competing interests from around the Bay Area. At the state level, you're working to see that local projects that you funded get completed in a timely manner. But each level brings its challenges and its own rewards. And I'd like to illustrate best what the CTC does by my recent experience at our last meeting in March, when I said to the CTC Director, "I notice that all our comments on the EIRs (Environmental Impact Reports) deal with funding or funding options. You know, I'm used to EIRs where we deal with environmental issues." And the Executive Director responded, "When your role is the banker, then your most important response is about funding." And so, I'm here from the perspective of the funder and the banker of this project, somewhat. CTC, historically, has supported and funded urban commuter, inner-city rail, as essential to part of the state's overall transportation system.

And if you look to it in the Bay Area, the CTC has funded BART, MUNI, the ACE Train, the Peninsula Commute Service and the VTA, for such things as new rail starts, increasing services, building extensions, purchasing right of ways, making improvements, and purchasing vehicles. In 1988 the CTC, as a funding partner, committed \$248 million from all transportation funding sources for BART extensions. Ten years later, the CTC increased its commitment by \$288 million, to a total of \$536 million for all BART extensions. That \$536 million commitment completed BART extensions to Colma, Pittsburg, Dublin, Pleasanton and the San Francisco Airport extension, scheduled for completion in 2002. Only the Fremont-Warm Springs extension remains from the original \$536 million that has yet to be completed because of environmental and funding issues.

Now, for the third year in a row, the CTC is going to be meeting in San Jose in June of this year and it's likely that we will ask both the VTA and BART for a progress report on their work to extend BART to San Jose. But one of the reasons we are here today, in addition to the fine work of all the gentlemen behind me, is the fact that the Governor initiated, and the Legislature supported, the Traffic Congestion Relief Act, which provided new funding for

rail, transit, and roads across the State of California. It provides \$4.9 billion in general funds, rather than the traditional transportation funding, for 141 transit and highway projects throughout the State. Our commission aggressively streamlined our current procedures that we used in the STIP (State Transportation Improvement Program) to help get all of the congestion relief projects approved, funded, and delivered more quickly and easily.

Just to give you an example, we now review projects within 45 days, rather than the 90 days, and we allocate funds within 21 days, rather than 60 days. We accept partial applications, phase-by-phase, as the project progresses. And we require CalTrans and the implementing agency to draw up their cooperative agreement concurrently with Commission review and approval of the project application and funding. So we're trying to do our part to get the projects online as quickly as possible. Now of the \$4.9 billion, \$725 million, or about 15 percent, the largest single commitment in the legislation and the Act, was designated for the BART Extension from Fremont and Alameda County to downtown San Jose. Subsequent legislation designated that the VTA would be the lead agency. Just last February, the CTC approved \$8 million for the BART extension to San Jose. This was to select a preferable transportation alternative option on the South Bay Transportation Corridor, between Alameda and Santa Clara Counties, and to prepare an environmental assessment of the transportation options between those two.

There are, however, statutory limits on the State Traffic Congestion Relief funds. The VTA must apply for the remaining \$717 million by July, 2002. Otherwise, as required by the Act, the CTC would have to notify the administration and legislature and seek statutory identification and approval of another project for the use of these funds. Once the funds are allocated, the VTA has three years to encumber the funds, and two years to liquidate them, for a total of five years after the allocation. In light of this compression of timeframes, the VTA and the Board may wish to consider requesting, if necessary, that proportionate funding of the project be shifted to allow the state's TCR funding to be used earlier. In other words, rather than using their local dollars now, to use the state dollars first so they wouldn't lose the funding. From the CTC's perspective, some of the expectations and concerns that we would have is that--in approving the application for the environmental phase, the CTC was informed that extending BART from Fremont to San Jose is considered, by BART and Santa Clara, to be two separate but interrelated projects. The legislation says that we must extend BART from Fremont downtown to San Jose in Santa Clara and Alameda Counties. As such, the VTA, in partnership with BART, must deliver a project that covers the entire project limits that is from the current BART terminus in Fremont to the

proposed BART terminus in San Jose. So in other words, we're looking at it as one project, not as two. But, we have to have the cooperative agreement from the two presented to us in such a way that it reads as one project.

The BART Fremont-Warm Springs Project is estimated to cost \$550 million while the Santa Clara-Warm Springs Project is estimated to cost \$3.3 billion. In total, the entire extension from Fremont to San Jose is estimated to cost about \$3.9 billion. Even with the local measures' dollars from both counties and the state's money, Santa Clara and Alameda must come up with at least \$865 million in Federal New Rail Starts funding or other funding to fully support the project. The CTC expects that when the VTA submits an application for capital funding, it will show how the VTA Board and MTC have worked together to develop a viable transportation option. In other words, we're going to be looking for an operational plan for funding the new extension's operation within the context of the entire BART system. As MTC updates its Resolution 1876 for rail starts extensions in the BART area, we would strongly consider regional support for the BART extension in terms of capital and operational priorities. The regional support would certainly strengthen BART and Santa Clara's ability to compete nationally for the \$865 million that's needed in federal new rail starts funding.

MTC, BART, and VTA must also reach resolution on how operation and maintenance will be funded by BART and by Santa Clara, who will own the line and the new rail vehicles purchased to run on the new extension; and how will rehabilitation costs be handled between BART and Santa Clara for the existing BART lines and new extension. The proposed extension of BART from Fremont to San Jose is an exciting project for the local communities, the region, and the state. The California Transportation Commission is a very supportive funding partner with BART, and Santa Clara and the VTA and MTC to see this extension become a reality. We're confident that the agencies can secure the federal funding needed for the extension to reach to San Jose. And the CTC is willing and able to assist in any equitable resolution of the issues that face all the parties in bringing BART to San Jose.

Thank you.

QUESTIONS AND ANSWERS-MORNING

GARY RICHARDS

It's interesting being up here when you're hearing all these numbers, and your thought is, are these numbers right? Well, I look at Christine Momson from the Alameda County Transportation Authority. If she's shaking her head yes, we're in good shape.

To summarize very quickly, the BART to San Jose, actually to Santa Clara project is estimated between \$3.8, 3.9 billion. Local sales tax will raise between \$1.8 billion and \$2 billion. The Governor has committed nearly \$800 million, \$760 million in total. Bottom line, you're going to be short about \$800 million. That's one issue to cover. The second issue is--how much above and beyond that should Santa Clara County help pay? What's a fair share to help pay for the extra strain that will be added to BART?

So, the very first question is a question that "Roadshow" would get, and I love it.

"How long will it take to reach the County?" Pete?

PETE CIPOLA

There we go. See, I'm not used to being on this side. I'm used to being down there. Best case scenario is a 9 to 10 year opening, and that is a best case scenario.

GARY RICHARDS

Second question.

"What benefits would Santa Clara County gain from joining the BART Board?"

Tom--you want to handle that?

TOM MARGRO

I don't think I can answer that, unless I want to put my job in jeopardy. I learned a long time ago those big policy questions usually go to policymakers.

MAYOR RON GONZALES

Gary, as it's envisioned now, there's not a plan for Santa Clara County to join the BART Board. What we presented to the voters was that the money that would be in the Measure would be used to build and own the infrastructure that

BART would run on and we'd operate it also. So, at this time, it's not a vision that we would be part of the BART Board.

GARY RICHARDS

And there are two operations out there right now: San Mateo County--SanTrans--is not a member of the BART Agency, but the other three counties are. Next question.

"Can any of the Governor's Traffic Relief Funds be used to update the environmental document and to begin the design work on the Warm Springs extension from Fremont to Warm Springs?"

Dianne?

DIANNE MCKENNA

I think I already answered that--that we're going to be very flexible in taking a look at using...with both the VTA and BART coming to CTC and asking us for that kind of a question. Yes, it's something we would...

GARY RICHARDS

And I believe Alameda's about \$200 million short on that part of the project right now.

"What steps must be taken by the local and state governments to obtain the federal funds needed to complete BART to San Jose?"

Peter?

PETE CIPOLA

Well, I think what the first steps that we're actually beginning right now and I already talked about this a little bit. The top 3 items right now are the MIS Process that we're involved in right now; the Regional Transit Expansion Plan, which is a replacement of 1876; and making sure the BART Project is in the Regional Transportation Plan. Then the next major effort that we as a region need to unify around and really push very hard, work closely with Congressman Honda on and Congresswoman Tauscher, the rest of our delegation is--the reauthorization process for ISTEA has actually already begun. And that will really take on a real high priority process next year. So, we will be spending a great deal of time in Washington, D.C. to assure that our project is included in the ISTEA reauthorization.

MAYOR RON GONZALES

Gary, just one note. I don't know if these were sitting out on the front table or not, but this is a very nice brochure put together by the VTA that spells out the

entire process that Peter went through, as well as inside there's some actual target dates here that might be helpful to the public.

GARY RICHARDS

The next two questions deal with a little nagging question called "cost overruns."

First one is, "Caltrans announced this week that the current estimate for the Bay Bridge reconstruction may rise 50-70 percent higher than expected. How comfortable are you with the current BART to Santa Clara estimates of \$3.8 billion and what backups will there be if there are cost overruns?"

Pete and Tom?

PETE CIPOLA

Well, I think both of us have been working very closely to make sure that the estimates are accurate. These are, in fact, planning estimates and planning dollars, but I also think that both organizations, particularly recently, have had a very positive track record in actually bringing in construction projects at or under target and ahead of schedule. Each of the steps that we go through, we refine the numbers and we refine the process. So, I have every bit of confidence that we're going to be able to work to a refined budget and refined dollars and be able to come in at that.

GARY RICHARDS

Tom?

TOM MARGRO

I agree with what Pete has said. And I think the other thing we have going for us is with so many construction projects that we've both been engaged in over the last couple of years, we have a great database of information that we can use that's just not planning numbers, but actual experience. And that's been utilized in coming up with some of these estimates as well.

GARY RICHARDS

And Carl?

CARL GUARDINO

The other point that I would make is that this county has an incredibly deserved reputation for delivering transportation improvements on time and on budget. Our Measure A from 1984 delivered on the promise that we as private citizens gave to our fellow private citizens and delivered all of the improvements on time and on budget. The 1996 Measures A and B--Jeff Davis

is here who is administrating that program and has done a wonderful job in helping us keep our word of delivering those 18 improvements that are not only on time and on budget, but I believe were still under time and under budget in their entirety. And I believe that we will continue with the leadership of VTA and BART on this line, and VTA overall on the other lines with the other partners that they have to also deliver on time and on budget.

GARY RICHARDS

Pete, I think this should be directed to you.

"If there are cost overruns, how can we ensure that those funds won't be taken from, withdrawn from bus systems?"

PETE CIPOLA

I think the Board of Directors has basically adopted the VTP 2020 Expenditure Plan, and that clearly the voters also approved the vote to see that our long-range plan included an expansion of our bus system to 750 buses. I don't think, you know, I know that's been raised as an issue, but we see the bus system and the bus network continuing the expansion that we've had over the past 5 years. We have an immediate plan to expand over the next several years to a 600-bus fleet. We're programmed to do that. The expenditure plan that we're working on takes into consideration a timed expansion to 750 buses. I just don't really see that happening. I don't see one replacing the other.

GARY RICHARDS

Either Pete or Tom.

"What's happening with the cost comparisons--benefits, riderships, etc. of alternative routes between Fremont and San Jose?" I think we're talking MIS.

PETE CIPOLA

That's basically in the MIS process.

GARY RICHARDS

And that's a process that will be completed by?

PETE CIPOLA

This fall. Late fall.

GARY RICHARDS

"To date, the public has not seen a complete financial plan for BART to San Jose or how other projects in Measure A will be completed. What assurances can you give us that you can build and operate all the projects in Measure A?"

PETE CIPOLA

I think I answered that with the Expenditure Plan discussion.

GARY RICHARDS

The next question follows up on that.

"Do you foresee another sales tax to cover operational costs in the future for BART and Light Rail?"

PETE CIPOLA

I don't. This sounds like the campaign all over again.

MAYOR RON GONZALES

You know, I think we've done a very good job of estimating the operating costs and maintenance costs of all of these networks, and I'm confident that we'll be able to carry out the wish of the people.

GARY RICHARDS

Tom, I think this should go to you.

"What are the environmental concerns about the Fremont to Warm Springs Extension?"

TOM MARGRO

Actually, we've already completed the environmental document for Fremont to Warm Springs. That was done actually in '91, so we will be doing an update on that. There are a number of things that are addressed in the environmental document--how we go through the park in Fremont--there are things like burrowing owls and those types of things. And all of those have been addressed in the document, which was adopted by the board, actually by the BART Board, back in '91. We'll be doing an update on that in the next year and to revise it to be current with the current conditions there.

GARY RICHARDS

Is the main concern with the Warm Springs Extension now money?

TOM MARGRO

Yes, I would say that. That's really, we've got a good handle with the environmental document being done. We did some preliminary engineering as well. And our next step would be to, in concert with updating the environmental document and getting engineering going, would be to work with ACTA and others to find the \$200 million, which is a funding gap at the moment.

GARY RICHARDS

Perhaps Carl might want to take this one.

"Implied by a couple of speakers is that congestion will be relieved with the BART Extension to San Jose. Will that truly happen? Can anyone cite any case where transit has actually relieved congestion?"

CARL GUARDINO

Dianne McKenna and I will tag-team on this. Hopefully, Silicon Valley and the Bay Area will continue to thrive and prosper, and that means we will continue to add residents and employment opportunities. What we have learned from the 1984 Measure A and the 1996 Measures A and B as those improvements come online--'84 we have some data to show--is that we obviously have relief in those corridors that, as we grow, our overall system is still impacted. Yet, can anyone here imagine what this valley and what our commutes would be like, for even a moment, if 1984 Measure had not passed, and Highway 237 were still a two-lane road with a half a dozen traffic lights? If Highway 101 still narrowed to two and/or three lanes in each direction from Bernal Road in South San Jose to the San Mateo County border, and if Highway 85 did not exist? It's the same as we add rail transit with a light rail line, not a system, but a line presently that is grown nearly every month for about 48 straight months, with nearly 30,000 daily trips, if all those trips were back on our road system. The truth of the matter is that we're going to continue, hopefully, to thrive and prosper, and only because we've taken these private citizen steps, to tax ourselves for improvements. And the result, if we hadn't passed them, would be incredibly worse than the traffic we have now.

And I want to link it to the economy for a moment. Rob Elder, who does such a good job as the Editorial Page Writer for the Mercury News, noted recently that he noticed some relief in traffic congestion, done the way none of us want to see, because of a slowing in our economy. Our economy will continue to be impacted if we don't address these needs and that is, again, not the way we want traffic relief. So will we continue to have traffic because of a healthy economy? I hope so. But does that let us off the hook of doing everything we can to improve key corridors with transit options? As we grow we're absolutely responsible to do that. And Commissioner McKenna also wanted to comment.

DIANNE MCKENNA

Well, I think, if you look at what we had projected over the years, if you simply wanted to build roads to solve transportation, I think one of the ones was that you'd need 18 lanes on 101, you'd need 18 lanes on 280 and the rest, and you know you can't build that. But I think the thing that hit me, sitting at the state

level, and just recently having the report of the rail transit throughout the State of California--look at the Capitol Corridor going from San Jose to Sacramento, and you look at 45 percent increase in ridership. And you look at the Ace Train that comes from San Joaquin into Santa Clara County, where you had standing room only for some of the trains. And then you look at the San Joaquins in Central Valley going down south into Southern California. And you look at the rest and you look at the increase in ridership, where people said, "No, you wouldn't like transit, people don't like transit." Well, that isn't the case. It is growing, and you have to provide it as an option. There is no magic bullet for a solution of transportation. Roads aren't going to do it, transit isn't going to do it, trains aren't going to do it. You have to have that as a combination, and so I think that when you look at the ridership, and the CalTrain service, I mean, I think when the three counties took over the CalTrain service and people said that wouldn't be successful, I think the statistic that was alarming to me is that we have now more people--Pete, if you correct me if I'm wrong--riding within Santa Clara County on the CalTrain service than taking it to another county--to San Mateo and San Francisco. That tells you that people are demanding transit service and will use it.

PETE CIPOLA

Yeah Gary, I think there are a couple of things I'd like to bring out. With the creation of VTA, we've really been taking a very balanced transportation approach to projects and programs and in dealing with the issue of congestion relief and in working in partnership with a lot of the communities. Just talking in terms of dealing with 87 out here, the Coleman Avenue interchange, we're widening 101, we're going to be going to eight lanes and taking out the bottleneck in 101; we're ready to start breaking ground on the widening of 880, which will help Rob Elder also and Mr. Richards. The extension, the Tasman West extension, we expected ridership on that extension to grow to about 7000, 8000 riders after we had been in operation for five or six years. Well, it took us less than a year to get to 7,000 riders. And, don't quote me on the number of new riders on that, but I would venture to guess that about 5,000 of those 7,000 are actually brand new riders to the rail system. So I totally agree with what Dianne is saying--that you have to take a balanced transport...there's no single issue. The BART Project is going to be a significant, have a significant impact on congestion within our community. It will be our obligation, VTA's obligation, once those people get here, hopefully all 77,000 of those people that we're looking to be riding that system, or more, once the redevelopment is all done downtown too. But, when you start looking at those things and you look at the potential numbers of people that will be able to be riding the system and the obligation of VTA and this community then to

redistribute those people, you darn well gotta believe that all these projects and programs are going to be relieving congestion. And we're going to be up a creek if we don't do something about it.

GARY RICHARDS

I think it's interesting to note that the CalTrain ridership has almost doubled since 1995. It's over 35,000 a day. light rail's over 30,000 a day. I can remember when it was 16,000 or 17,000 a day. BART is up 27percent--I believe it was, Tom? The Capitol Corridor which comes from Sacramento down to San Jose is not a commuter train--it's up 45percent and I believe it's the fastest-growing train line in the country.

DIANNE MCKENNA

One of the interesting things, and I wish I had this statistic because I've forgotten about it, but it comes from Oakland to San Jose, which is a lot of the route that BART is going to take. And what they're seeing is a tremendous growth, people using that now as a commuter rail, when it wasn't intended to be commuter. So it would be interesting to take a look at the number of people riding from Oakland to San Jose who are probably going to become BART riders in the future.

GARY RICHARDS

This question, I think Tom, should be directed at Tom.

"Parking is a real problem at existing stations. How can we be assured that there will be adequate parking as BART comes to San Jose?"

TOM MARGRO

Whoever wrote that question is right on the money. Parking is, and access is, a very big problem. Sort of a problem of success, you might say, or at least a problem of frustration with congestion. We have a program that we're undertaking with our BART Board that is looking at how to improve access and how to improve, and parking is one of those. That is one of the elements of the study that was done was to look at the parking need and to address accesses, not just parking, but to include all modes. So there's good inter-modal connection, for example, with the Tasman. There's good inter-modal connection down at Diridon Station here on this extension. And estimates have been made on what the parking need will be for those stations and other stations as well. So, that's all part of the study that we do to determine that and to make sure that we have enough access.

GARY RICHARDS

Pete, what about parking in Santa Clara County, the future BART stations?

PETE CIPOLA

For BART? You know, I really don't know that we're going to require that much parking for the reverse, at this point in time, within Santa Clara County. The design of all the stations that we've been looking at, with exception to the ones right in the heart of downtown, do have parking involved in it. The Milpitas Station. We've allowed for, within the design, done a preliminary look for substantial parking at several of the station locations. Diridon Station, which will obviously be a major multi-modal center with both bus and all the commuter rail, Amtrak and Vasona light rail line, has a potential for parking. And we're working with the Redevelopment Agency in a, really just to re-look at that whole area down there. So, I think where we foresee the need for parking, we'll be including it. I know that the Redevelopment Agency is also looking at the whole parking issue, and I'm not sure...I would defer to the Mayor on that issue, on the whole parking issue in the CBD area.

MAYOR RON GONZALES

Gary, the City of San Jose is pursuing a parking strategy for its downtown and its redevelopment area. It doesn't, at this point, speak specifically to the BART issue. But one of the advantages of the BART corridor that's been presented to the voters is that it comes into San Jose through areas that are likely to see some type of private redevelopment take place. The other advantage is that, particularly the UP Line as it comes over 101 and into downtown, and would eventually go into a subway format around the Santa Clara/28th Street area of San Jose, that whole area is likely to see a lot of changes. The advantage, of course, is that it's right off 101 and that's one of the reasons I've strongly endorsed that route in the past is that people will be able to get to BART from South San Jose and the southern part of Santa Clara County, up 101 and get off 101 either at Santa Clara Street or at Julian Street exit and not have to travel through neighborhoods to get to the BART station. So, I think, combining parking with private development that takes place in that area makes a lot of sense.

GARY RICHARDS

Dianne, I'll address this to you. There are two questions, actually, wrapped into one, but two different people.

"BART to Silicon Valley seems like such a logical solution. Why do you think it took so long to put into motion?"

And B: "Why didn't Santa Clara County push harder for BART 30, 40 years ago?"

DIANNE MCKENNA

You know, 30 or 40 years ago, I'm trying to think when I moved to Santa Clara County^{3/4}1968, so what is that, thirty-some-odd years ago, I don't remember the opportunity for, you know, Santa Clara discussing it. But I think part of the resistance, particularly on the Peninsula, was the fact that we had the CalTrain service. And there was a question of whether or not, I think the politics was whether or not BART would try to take over the CalTrain service and the people who wanted the trains. And so, there was that push and pull that went on because of the CalTrain service running up and down the Peninsula. So I think once the discussion began and the development occurred, because the Peninsula is pretty much, if you will, land-locked, and the development occurred the way it did, with most of the traffic now coming from the east. Once the discussion began that BART would come in on the east side, as opposed to the west side, a whole new era opened up for that kind of discussion. I think part of it, that everyone has talked about today, is that you have a regional plan. And the regional plan has to include the new rail starts. And I think that with the competition for Light Rail in the South Bay, and the East Bay and the BART wanting to have their particular stations developed first, there wasn't a way to get funding for it before now.

But, I think, there also wasn't the type of leadership that we have now. And I think when you have people like Mayor Gonzales who says, you know, whether he thinks of it as a train or what, but "I want to have BART in San Jose," and says, "That's my priority. I'm going to work on it, I'm going to see it happen," that takes on a whole new vision in the era that people hadn't thought of before. And quite frankly, the other thing that hasn't happened before, and it's more of a policy "won't" kind of attitude, is that the VTA decided to put this on the ballot knowing that it would take a two-thirds vote. Because if you remember, all the other ones had been put on by the Board of Supervisors, assuming a majority vote. That was a very gutsy thing to do. So you had leadership and you had guts and all of that coming together. And an East Bay entrance as opposed to a West Bay entrance.

GARY RICHARDS

The next question I'll answer unless Pete wants to jump in.

"Why is Measure A all devoted to transit?"

The reason for that is that the way the laws are written in California, the VTA is a special district, and special agencies have to go out for special taxes, which means a two-thirds vote. So they can only go after transit. What the VTA has done is take a policy that future state/federal dollars, I believe, coming in will be devoted to roads, and that's over \$2 billion, I believe, over the next thirty years.

PETE CIPOLA

That's right. All the flexible money that is available to VTA for distribution would be going for the roadway projects.

GARY RICHARDS

And that leads into a question someone wrote in here.

"What about road projects?"

And they mentioned specifically the 880 and the 101 bottlenecks outside Morgan Hill, and outside the Mercury News. Those will be widened this summer as part of the Measure A plus B, which was passed in 1996, and should be online, I believe, in 2003.

MAYOR RON GONZALES

Actually, we're really looking at the Mercury News entrance. We think it would be great that you guys got to work late.

GARY RICHARDS

Fine with me.

CARL GUARDINO

Gary, if I may comment on the road projects element too. It's funny, we've done three half-cent sales tax/transportation measures in this county that have passed and been sustained by the courts for specific improvements. We did four really, and one was overturned by the Supreme Court. But those three, we went from one being 100 percent road, the second being 65 percent rail/35 percent road, and the third one being 100percent rail. What I found rewarding about the third measure, in addition to it turning the corner to truly provide options to the automobile in a comprehensive way, is that, in their wisdom, the VTA Board on August 29 voted that they would use those flexible state and federal funds for road improvements during the life of the measure if we as voters in this county passed Measure A. And that, again, conservative estimates, frees up about \$2.1 billion to meet all of the high-priority road needs captured in the VTP 2020 Visioning Document. We know that that word will be kept and we're all going to be working closely with VTA to ensure that

those improvements are delivered as well. Because even though we want to provide options to the automobile, we recognize that even transit riders occasionally do need to use cars, as well as part of a comprehensive system.

MAYOR RON GONZALES

Gary, I just want to add one thing. You know, there's been a lot of visionaries being talked about this morning, but I think the most important group of visionaries are the voters of Santa Clara County. We are so blessed to have such smart voters in Santa Clara County that understand that Measure A was really "the" big solution--that they knew that the crisis on traffic congestion in Santa Clara County wasn't going to be solved by one more single light rail line, or one more freeway extension, or new freeway interchange. But it really took a 30-year solution. It took a big solution for a big crisis, and they were the ones that truly had the vision, to the tune of 70 percent plus.

CARL GUARDINO

I want to echo that, but what Mayor Gonzales said. Seventy-one percent, specifically 70.6 percent of voters agreeing on anything, let alone a tax, let alone a 30-year tax, let alone a 30-year tax 100 percent for transit, that they were going to pay. Again, we have the most educated electorate in the nation, in Santa Clara County, and weighing the pros and cons, they put their wallets where their words are, and voted overwhelmingly in support. I think that shows not only what a strong, balanced, visionary measure it was, but again, as Ron said, the most educated electorate in the country voting in their enlightened self-interest, and they're to be commended.

GARY RICHARDS

Pete, I believe this next question should go to you and it again refers back to the Major Investment Study.

The questioner asks, "It appears there's not a non-BART rail alternative. Is there one?"

PETE CIPOLA

Yeah, there's a no-build alternative included in the MIS Study.

GARY RICHARDS

Is there another train alternative?

PETE CIPOLA

Yes, commuter rail, light rail is also considered, along with buses only.

GARY RICHARDS

And there was a plan to run commuter rail through the A and B? Tell us what happened there.

PETE CIPOLA

Well, basically, as we got into, we were proceeding rapidly as usual. We had already actually purchased locomotives and were well on our way to purchase rail cars for the commuter rail option and have been--and I won't go any farther than just mentioning--in heavy negotiations with Union Pacific for the rail line itself and moving very quickly into it. And as we were having many discussions with the residents up and down the corridor, kind of two things came together all at once. One, the sales tax measure, Measure A, passed, and basically the edict was--"build BART." And secondly, as we were talking to the people in the corridor, they raised the issue, "I would rather you build BART and not build the commuter rail." And they said that in some less gentle ways sometimes, but we have a lot of people in the audience who were there, on the front lines, handling those meetings.

But it really became very, very clear that this was an opportunity for us to proceed and proceed relatively rapidly. And I know 9 to 10 years doesn't sound like very rapidly, but proceed relatively rapidly and make that investment. And with the cooperation of the county, hopefully, in using funds that perhaps might have been used for the commuter rail operation, and placing those funds into this project, and proceeding through this project, then it just became more clear that that's where we should be devoting our efforts.

GARY RICHARDS

Tom, there are two questions referring to BART in San Mateo County.

The first is, "Do you ever envision San Mateo County joining the BART Board?"

Secondly, "When will north San Mateo County, i.e. south of Millbrae, get BART?"

TOM MARGRO:

On the first question, about San Mateo County joining, there actually were some discussions back in the early 90s, '91, '92, '93, with San Mateo County about the subject of annexation, or of the County joining the BART District. And they started, and they sort of got stalled, and there really hasn't been much discussion of that lately. So, I don't see that on the immediate horizon anyway.

And, I'm sorry, the second question was?

GARY RICHARDS

When will BART extend further south in San Mateo County?

TOM MARGRO

Actually, that will be up to San Mateo County. They actually do have, I believe, in their long-range plan, some consideration of extending beyond Millbrae. That's just really in the planning stage at the moment. A couple of years ago there was a movement afoot to put another measure on the ballot to look at extending, but that again didn't go anywhere. Because I think the thought at that time was--let's get BART down to the airport and to Millbrae, let's get it in operation and let's get that done first, and then we'll proceed from there.

GARY RICHARDS

And there's two more questions, Tom, about the BART to SFO extension.

"When is it going to open?"

And secondly, the person writes, "I've read that BART to SFO will pay for itself. Is that true?"

TOM MARGRO

First, on the opening, we've announced that it will open in the fall of next year. We haven't been more specific than that because the way we approach that is we need to get more into the testing of our systems, which will start happening, really, next spring. And then we'll announce a date and we'll open on that date. So, we envision, sometime in the fall around Thanksgiving is the latest of what I think where we'll be.

As far as paying for itself, that really has to do with the way that the agreement with San Mateo was structured. There's actually a fare surcharge for all the stations in San Mateo County. And the idea is looking at what the combination of the base fare and the surcharge, how that compares to what the operating costs are. And of course, with the ridership that we projected, with that surcharge on top of the fare, the base fare, and of course, as I mentioned before, our fare box recovery is in the 65-70 percent, it puts it up right very close, or just above the break-even point.

MAYOR RON GONZALES

Gary, can I just add one thing? While it doesn't cover San Mateo County, there were funds designated in the Measure A Program to look at a future kind of vision study that would look at the possibility, once we get the project down into the South Bay and loop through San Jose and terminated at this point in

Santa Clara, of a vision study that would look at how we expand rail up the Peninsula. And that was done primarily at the advocacy of cities, Palo Alto, Mountain View, and Sunnyvale, looking at that corridor.

GARY RICHARDS

Dianne, this should be for you.

"What is the possibility that the state legislature will determine the BART to VTA Agreement and not allow BART and VTA to get bogged down in negotiations?"

DIANNE MCKENNA

What was the question again, Gary?

GARY RICHARDS

Will the State Legislature--could they jump in and say, "We're going to determine what's going to happen here?" instead of the two agencies?

DIANNE MCKENNA

Oh. I think anyone who's ever observed local government, or worked in local government, in different levels of government, know that the best resolution is at the local level. And, so, I think that there might be a potential. If things didn't work out, you could see members of the Legislature want to jump in and do something or recommend something. But I would always say that I would encourage and probably seek for a little more time or whatever to allow the locals to come up with it. It's always going to be a better solution if the locals do it, rather than the state or the federal legislators jump into something like this.

CARL GUARDINO

If I may comment on that as well Gary. I concur with Commissioner McKenna. The best decisions usually are when local leaders come together at the local level. And that is what we, as Silicon Valley residents and our leaders on the public side, are doing with those meetings that Mayor Gonzales mentioned that he has been kind enough to help facilitate. In addition, that allows us to then reach out to local leaders, not only at BART, but also in the East Bay and San Francisco and San Mateo County, to make sure we have regional consensus. That not only works best, but I think it also recognizes something that is not without controversy. And that is that allows facts, rather than fiction, to play a bigger role. I will just give a couple of examples. At the state level, it is easy not to have all the information that we have at the local level. And a good example of that with again that so-called "buy-in" issue has been recognizing a

very real concern of some East Bay residents that they've been buying in for a long time, and therefore, shouldn't Santa Clara County pay even more than a combined state and local share of nearly 85 percent in ongoing operation and maintenance costs?

Let me dispel some of that. I think Livermore and Antioch have a great point, that they have been buying into the system for more than 30 years. Yet at the local level, we're able to peel past that onion, that perhaps state leaders wouldn't see because of dealing with 4,000 bills a session. And, peeling back that onion shows that in that time, those two fine communities have paid about \$55 million and \$53 million each, total, during that time. And of course, that wasn't for capital construction costs. That was just part of the overall system, a system that they've enjoyed being in those BART counties and have been able to use.

When you look at extensions to those communities, you're looking at more than \$1 billion each. So if you do the math, you see that you're talking about amounts of less than 5 percent each, even if that was for capital construction costs of what it would take to build extensions of BART to those communities. Now, to even be eligible for federal matching funds, you need at least 20 percent. And they're so competitive, you really need more than 50 percent to be eligible, and of course working together we're looking at having 80-85 percent, so less than 5 percent. That is why, at the local level, when the creative leaders at BART are talking about getting to those two communities with T-BART and other ways that are more cost-sensitive based on the amount of money that those two communities might have, and that the BART system might be able to help provide, makes a lot of sense. But when you elevate things to the state level, I think we lose some of those numbers that are very real here at the local level and that we realize. And so, again, I would reiterate Commissioner McKenna's point--let's let local leaders at the local level work together on what's best for the region and all of its citizens, rather than elevate it to a political level at the state legislature.

DIANNE MCKENNA

Let me use one more example that's unrelated to the BART/VTA agreement. I was on Metropolitan Transportation Commission when we adopted Resolution 1876, so I've been around a long time, that it's now coming back. And I remember the delicate balance that we had to come up with to get the region to buy into 1876, with everyone getting a portion of state and federal funding. If at the state level, if any one, whether we talk about the CTC or state legislature, a member of the state legislature, had cherry-picked or taken one of those projects out, I think the whole thing would have fallen apart. And I think that

it's only when you work at the local level that you understand how important, but also how fragile, agreements on both the regional level and the local level. So, if you start pushing on one side, it starts bulging on another. And, that's why I think it's very important. Because people have come together, have gotten the agreement. And the minute you take it up to the other level, there's not the realization of how that's all been balanced at either the regional level or the local level. So, I think State Legislature or Federal Legislators, I would probably give them the advice that they may not accept, but not to go tinkering with something that should be done at the local level.

CARL GUARDINO

And to their credit, I think state and federal officials want us to solve this at the local level. It is our responsibility. Two examples--huge kudos to Senator Vasconcellos and Assembly Transportation Chair John Dutra, who sat down with Senator Torlekson who had reintroduced a bill again, implying that Santa Clara County residents should pay for lines to other communities. And again, working with him again reiterated, "Let's let locals work that out." MTC now has a process to do that. We think by the end of the year with VTA and BART sitting down together, we will do that. We will reach that. So even state legislatures are encouraging that. And at the federal level, Congressman Honda had a letter through his leadership signed by the entire Bay Area delegation, that reiterated that we want to see local solutions. And we praise Congressman Honda, Congresswoman Tauscher, and others for working together, again, pushing down for local solutions. And to his credit, now Secretary Mineta, who endorsed Measure A and is a huge supporter of what we're trying to do, appropriately, is saying, "You at the local level need to have a regional consensus before we at the administration side would ever step in." That's appropriate too. So I think we are starting to see that gel that needs to be a local decision. That is fair and I think most state and federal officials from our region would concur.

GARY RICHARDS

The next question is for either Tom or Pete.

"What projects in the Bay Area would be competing with San Jose to become the top project for federal funds?"

TOM MARGRO

Well I think part of that process will come out this summer. As Pete mentioned, when the look is made by MPC at other regional projects, some of those would include...for example, MUNI is looking at the extension of their Third Street light rail into the central business district into Chinatown. There are other

projects in the East Bay such as the T-BART and E-BART that are being looked at now in addition to, or maybe instead of, a full BART extension out in those counties. Those are just two right off the bat, or a couple that will be in the mix, I think. Any others you can think of Pete?

PETE CIPOLA

You know, there are several projects that I think...under the New Starts program, it is not only restricted now to rail projects, but you could also have bus projects in there as well. So I feel certain that we'll probably see something coming out of AC Transit also.

MAYOR RON GONZALES

Can I ask a follow-up question? Do any of those projects currently have the local funding percentage compared to the BART extension that we have?

PETE CIPOLA

Not to my knowledge.

MAYOR RON GONZALES

That's certainly a key advantage that this project would have.

PETE CIPOLA

Which again brings this project up to the top because it is more viable than in going in and having an 85 percent...

MAYOR RON GONZALES

It would rank high on transportation or traffic relief...

PETE CIPOLA

Absolutely.

GARY RICHARDS

Or high on funding already made available?

PETE CIPOLA

It has to, yes.

CARL GUARDINO

And this goes back to the earlier comment about local decisions. MTC has just finished what I think is a very good set of principles, about seven, by which they as commissioners working towards a new 1876 by the end of the year, can evaluate any proposals. And having that criteria in place first is sound. So that

every potential proposal can be evaluated not as a beauty contest, but on the merits of each potential proposal and then ranked accordingly.

TOM MARGRO

Gary, just one thing I need to bring up is--while there will be competition, surely, here in the local Bay Area, the one thing on the New Starts that we have to keep in mind is that there is still a large sum of money that needs to come to finish off the funding for the San Francisco Airport. The full funding we have with the federal government, there's about \$450 million yet to come, each year. That comes via appropriation of Congress. And the heartening this past year has been, with all of this discussion of, "What's the next project," is everybody has been standing tall recognizing that we have to finish that program off first.

GARY RICHARDS

The next question comes from someone in the audience who says--he looks at the map up here and says, "To complete BART, you really need to come down 680 from the Walnut Creek Area to the South Bay. Is that on the horizon?"

And by horizon he means "next hundred years"?

TOM MARGRO

Yes. I think we have a lot on our plate now. I mean, just thinking about an extension to San Jose, finishing off the extension to the airport, maybe someday in the future that will be a route. I think what Carl said before about how the people's thoughts have gone from just highway to now being able to tax themselves for not just a little bit of rail but even more rail, I think shows you that people recognize that we can't just build out by highways--that it takes a combination of things. So maybe someday in the future that might be there.

GARY RICHARDS

We have time for one more question and I'm not sure this is the audience for it, but the question has been asked.

"What is the biggest argument against BART to San Jose?"

MAYOR RON GONZALES

I don't know what it is but it wasn't successful with the voters last November.

GARY RICHARDS

Rod says I have time for one more question and the question concerns the route coming to San Jose, and maybe Ron this should be for you.

It's talking about, "Why do downtown San Jose when the jobs are in the golden triangle?"

MAYOR RON GONZALES

Well the jobs are all over Silicon Valley and the jobs are coming to downtown. Just for example, right now we have about three million square feet and commercial space under construction right now. And I will tell you, without disclosing the names of the companies, since the November election, we have had a number of companies that have come to us expressing an interest in downtown. They were waiting to see if in fact BART would be approved. The downtown will continue to expand. We have 1,000 new homes under construction right now. We have 1,000 hotel rooms. It just makes sense. Just as the way San Francisco's downtown is served, Oakland's downtown is served, that you have the largest cities downtown served by BART. It makes a lot of sense. It supports our smart growth planning principles in our general plan and allows us to buy the kind of density both in terms of jobs and housing next to BART stations and provide some opportunities for very unique partnerships with the private sector at those BART stations. That could in fact help finance the extension itself.

GARY RICHARDS

Well thank you very much. We're going to take a break for lunch. We ask everyone to reconvene at 11:45. But first Rod will have a few words.

ROD DIRIDON

A couple of administrative points. First I'd like to apologize to the BART board members here for not introducing you earlier. Tom, I looked right down at you and I thought, "Now remember to introduce Tom," and I forgot. So, Tom Blalock, as you know, is Chairman of the BART board here.

Roy Nakatagawa, an old friend from the AC Transit board and now the BART board.

And my good friend and a very courageous member of the Board of Supervisors, Pete McCue, who supported the Measure A program all the way through.

Now I was threatened by my staff that if I didn't mention something about the Mineta Transportation Institute, that I couldn't go home. So, a commercial--out on the desk out front is a general brochure about the Mineta Transportation Institute. There were research project listings that Trixie Johnson, who is our Research Director and past council member and Vice Mayor of San Jose. Trixie is in the back of the room and Trixie put those out there. I think they've

been taken, but if you'd like to know what the names of the eighteen research projects that we've concluded and the 30-plus research projects that we have in process are, then ask Trixie and she'll get that information to you. Also we have the education program brochure here. It's a Masters in Science in Transportation Management that we are very pleased to be able to teach over the video conference bridge provided to us by the California Department of Transportation. So we're teaching it in 14 different locations throughout the State of California. And it is a Systems Masters that teaches you how to manage transportation systems. That's a very unique kind of program designed by 25 members of our worldwide Board of Trustees.

Now let me close the morning session by thanking Gary very much, and the panel members. The panel will be back this afternoon after the keynote speech by Congress member Honda and they then will be joined by Mike to try to talk about what the steps are remaining to be accomplished in order to deliver BART in the shortest period of time and with the best possible kind of program.

There are box lunches. If you signed up for a box lunch with the Commonwealth Club and paid the Commonwealth Club for the box lunch, there's a box lunch right in the foyer out in front. And, the County cafeteria is also serving, thanks Pete. And you could go on down to the cafeteria and grab a quick lunch down there. But please be back in your chairs--this is very important now because of the recording processes and so on--be back in your chairs by 12:45 PM. 11:45 PM, pardon me.

I guess the box lunches have not yet arrived so...you may have to chew your fingernails for a bit or have a cup of coffee or go on down to the cafeteria. But please be back here 11:45 in your chairs.

Thank you very much.

KEYNOTE ADDRESS

GLORIA DUFFY

Good afternoon, everyone, and welcome to today's meeting of the Commonwealth Club Silicon Valley, brought to you from the Isaac Newton Center Auditorium in San Jose, California.

I'm Gloria Duffy, CEO of the Commonwealth Club and your Chair for today.

We'd like to welcome the listeners of KALW--91.7 FM and to thank the California State Automobile Association, the Mineta Transportation Institute, and our other co-sponsors for joining us in today's event.

Now it is my pleasure to introduce Rose Gilbaud, California State Automobile Association Vice-President of Corporate Communications and Public Affairs and a member of our Board at the Commonwealth Club, who's going to introduce our keynote speaker and conduct our Question and Answer session. Rose...

ROSE GILBAUD

Thank you, Gloria. Ladies and Gentlemen, it is my pleasure to introduce our keynote speaker today, Congressman Mike Honda. Proudly serving the Silicon Valley, Santa Clara, and Santa Cruz counties, Mike has become a respected and well-known politician, actively involved in all levels of government. A former teacher and principal, Mike began his career in public office as a member of the San Jose City Planning Commission.

Over the next 20 years, Mike served in a variety of positions, including the Santa Clara Board of Supervisors, California State Assembly, and U.S. House of Representatives. While in the State Assembly, Mike was instrumental in passing landmark legislation in education, environment, public safety, and high-tech business. Among his numerous awards, he was recognized and named "High-Tech Legislator of the Year 2000" by the American Electronics Association. As a member of the House, Mike serves on the prestigious Budget Committee, responsible for allocating monies to various committees and programs, and paying off our National Debt.

Mike also serves on the influential Transportation and Infrastructure Committee, which works diligently to make our commutes on the road, in the air, or in the water safer and more efficient. Mike was also selected to serve as the Democratic Regional Whip for Northern California, Hawaii, American Samoa and Guam, and continues to be a strong voice for social justice and

tolerance as the Vice-Chair of the Congressional Asian Pacific American Caucus. Ladies and Gentlemen, please join me in welcoming Congressman Mike Honda.

MIKE HONDA

Thank you, Rose. It's good to be here and I appreciate you all inviting me to be with you here today. It's always good to be among friends--and let me tell you, I mean friends. It's also an honor to be part of this important summit, to offer my perspective on how we can successfully enable our Bay Area to reap the benefits of the next generation of transportation projects. I noticed up here that we have four of the five Supervisors that we served together. Since we're not sworn Supervisors now, we don't have to worry about the Brown Act.

But let me first commend the distinguished panelists for all their work to improve our state's transportation infrastructure: Mayor Gonzales, Pete Cipola, Carl Guardino, Tom Margro and Dianne McKenna have all played a critical role in advancing the Silicon Valley Rapid Transit Corridor proposal. I'm extraordinarily pleased that this event is sponsored by the Mineta Transportation Institute. Under the leadership of Rod Diridon, the Mineta Institute has become one of our nation's most prestigious academic and research centers for transportation policy.

The Institute, through its graduates and research, speaks volumes about our nation's ability to provide increasingly innovative solutions to our most troubling transportation dilemmas.

On a more personal note, I'm proud to work with an Institute that bears the name of my good friend and my mentor, Secretary Norm Mineta. To many of us here in Silicon Valley, Norm will always be a local hero, as well as a native son. He's a public servant whose dedication to his constituents served our region well over two decades. But Norm is not only a local hero. He's also a national hero, who distinguished himself in the House by rewriting our nation's transportation policy. Norm Mineta was instrumental in writing and implementing ISTEA--the Inter-modal Surface Transportation Equity Act. ISTEA radically transformed the manner in which state and local agencies sought federal dollars for transportation projects. In the past, politics not policy too often constituted the basis of federal funding. Those who wielded the most political clout usually received commitments for federal funding. ISTEA changed all that, by redesigning National Transportation Policy to reward sound planning, regional cooperation and local funding commitments. Let me repeat that. It rewards sound planning, regional cooperation, and local funding

commitments. It marked the birth of inter-modulism, a truly integrated approach to transportation planning that enabled our local, state, and federal leaders to work together with a clearer sense of the big picture. In 1997, Congress re-authorized ISTEA under the Title TEA-21, which reaffirmed the rigorous process put in place by ISTEA. By once again following this model, the Bay Area has been extraordinarily successful in winning vital funds for important projects that relieve congestion on our freeways and our roadways.

However, the federal Transit Administration has allocated all of the commitment, authority, and contingent commitment authority that was provided in TEA-21 for transit New Starts projects, an amount roughly equal to \$8.7 billion. The focus, therefore, has now turned to reauthorization of TEA-21, an effort that should culminate in 2003. I've already heard some suggest that Santa Clara County is well poised to include Silicon Valley Rapid Transit Corridor Project in the reauthorization. And I must warn all of us that we should make no assumptions about our position and we should not count on any one person for the success of this project. The reality is that in the highly competitive sphere of federal transportation funding, we need to follow strictly the rigorous process that Norm helped establish and now stewards as Secretary.

There are no gifts in this process, folks, just opportunities. In order to capitalize on these opportunities, we must focus on the fundamentals: sound planning, regional cooperation, cost-effectiveness, and local funding commitments. These fundamentals are the criteria by which transportation projects are evaluated to determine eligibility for New Starts money.

A project that I believe embodies these fundamentals of sound planning and regional cooperation is the Tasman West Light Rail Extension. This extension was completed under budget and ahead of schedule, and with only 50 percent federal share. Our success in extending Light Rail to Mountain View established a strong reputation for Bay Area Transit agencies. It is a meaningful success that we must continue to build upon, and as we move toward reauthorization of TEA-21, we can expect these same key principles of sound planning, regional cooperation, cost-effectiveness, and local financial commitments to govern how federal transit administration evaluates projects for inclusion in the reauthorization of TEA-21.

I don't want to get bogged down in the details of how the New Starts evaluation rating process works. I have great faith in the Metropolitan Transportation Commission's and the Valley Transportation Authority's ability to shepherd our region's most important projects through this incredibly intricate and highly competitive process. But I do quickly want to express a few concerns relative to the criteria that I mentioned.

Sound planning: I'm convinced that federal transportation policies' emphasis on sound transportation planning benefits our region. I've already said the Bay Area has a strong legacy of successful transportation planning. I have no doubt that this merit-based system brings more federal dollars to California than might otherwise come through political opportunism. And furthermore, I believe that our region's interest with this corridor has already given us a head start in planning this project. The Fremont-South Bay Corridor has long been considered a promising corridor for transit. Accordingly, it has been studied numerous times over the last 15 years. These studies have convinced many Bay Area leaders that the Silicon Valley Rapid Transit Corridor is the best project to mitigate congestion in that corridor. My concern relates to the FTA's discouragement of local entities who seemingly predetermine what technology is employed in a project before an exhaustive alternative analysis and major investment study has been completed.

It is important, therefore, that we respect environmental review process and work hard to reach out to impacted neighborhoods and constituencies for their input. Under TEA-21, applicants must undertake studies to measure the ability of alternative projects to accomplish the same goals as outlined in the proposed project. These studies further evaluate the merits of the project. FTA officials become uneasy when they feel that a conclusion has been reached before appropriate studies and public meetings have been completed. In other words, we must continue to contain our enthusiasm and follow through with the process as it was intended.

Now--regional cooperation. As a member of the Transportation Committee, I will work continually to preserve unity among our Bay Area Congressional delegation. This unity is essential to obtaining federal funding for a new generation of transportation projects for the Bay Area. Maintaining unity can be difficult. Often, government cannot provide the adequate funds to meet our region's burgeoning transportation needs. Tensions have heightened as the MTC pushes local transportation congestion management agencies to complete negotiations so that the commission may begin the arduous process of establishing a new regional rail and bus plan.

It is my great hope that the Bay Area leaders on transportation will present a united front and avoid compromising the region's ability to secure precious federal dollars. As I stated earlier, national transportation policy rewards regional cooperation. In order for a New Starts project to be considered, it must be included in its region's and state's transportation plan. The Silicon Valley Rapid Transit Corridor project, therefore, will need to be included in the MTC Regional Transit Plan. In order to accomplish this goal, we need all Bay Area legislators to support its inclusion. I don't believe that we are there yet.

I recently circulated a transportation letter, which every Bay Area member signed. The letter was designed to re-unify the delegation and to signal to MTC Chairwoman Sharon Brown that the Bay Area delegation is supportive of the negotiations currently underway by local congestion management and transportation agencies. The letter also states what I've already clearly told all of you: a regional approach to transportation is essential if we are to obtain federal dollars for the next generation of transportation projects.

Now--local funding commitment. On a matter of local funding commitment, I have no concerns. Just applause for the individuals who provided leadership for the Measure A campaign and to the residents of Santa Clara County, who decided that the half-cent sales tax was worth renewing for the sake of expanded transportation infrastructure. When considering which projects to approve, the Transportation Committee and the Federal Transit Administration specifically look for local funding commitments, both the dedicated local revenue and the broad-base voter support that we enjoy here. Once again, our valley has offered an impressive transportation proposal based on real and significant local funds, including \$760 million from the Governor and around \$2 billion from Measure A for this project alone.

Now--funding. I only wish that the federal government could be equally effective as our Bay Area at raising sufficient capital to meet our transportation needs. The reality is that the New Starts Program for transit is terribly oversubscribed and incredibly under-funded. Transit is critical to mitigating congestion and although TEA-21 has not met all of our transit needs, it did represent a significant jump forward over ISTEA funding levels. TEA-21 also provided a guaranteed funding source, which has been respected by the appropriators and the new administration. Just this week, Secretary Mineta told my committee that next year's budget, as well, will respect the funding guarantees, which will provide a total transit program of \$7.2 billion--nearly double ISTEA levels--and a New Starts funding level of \$1.2 billion. While this is extraordinary progress, we still have far to go in meeting the demand of expanded transit services across the nation.

TEA-21 actually authorized hundreds of millions more in general fund support for transit, and yet not one penny has been sought by Presidents Clinton or Bush, or was provided for by the Appropriations Committee. Further, transit was excluded from sharing in a funding windfall to the Highway Program, in the form of a so-called "Revenue-Aligned Budget Authority," or commonly called RABO. This special fund established by TEA-21 takes excess federal fuel excise taxes collected and redistributes them to the four core highway programs. It is the only major highway trust fund supported program element in which transit does not get a historic 20percent share. This share alone--that

would have been able to secure \$1 billion in additional funds for transit, but for this barrier to funding.

We need to correct this inequity in the next authorization cycle. To make up for this shortfall, we should grow the transit program by at least 10 percent a year. The New Starts Program alone would need to triple its funding in order to satisfy a deep pipeline of meritorious and fiscally prudent projects across this country. And how do we achieve this lofty goal?

First, we must extend the concept of funding guarantees whereby trust fund dollars are used strictly for their intended purpose--infrastructure investment. Second, we must work collaboratively in public and private sectors alike to make a more compelling case for increased general fund support for transportation. Third, we must ensure that transit gets its equitable share of future RABO money. Fourth, we cannot escape the need for additional resources. Just this week, one major highway trade association advocated the need for as much as ten cents a gallon gas tax increase just for new highway spending alone. Imposing major tax increases of this nature is simply not realistic. So we have our work cut out for us in making the case for significant new transportation spending, whether it comes from gas tax increases or elsewhere.

Now there's another thing that's going on and it's called the anti-California mood. I thought everybody loved us. But we must pursue these important policy and project objectives in a less favorable political climate right now because of this anti-California mood. And the anti-California sentiment in this arena is best evidenced by Senator Shelby's 1999 effort to cap transit funding for any one state at 12.5 percent. Now, the Transit Funding Equity Provision, as it was called, would have hurt only two states in this nation: California and New York. Californians and New Yorkers constitute 50 percent of all U.S. mass transit riders. Fortunately, Senator Shelby, Chair of the Senate Transportation Appropriations Sub-Committee, was forced to eliminate this provision from the Fiscal Year 2000 Transportation Appropriations Bill, after Senators Boxer and Feinstein waged a spirited and ultimately a successful battle to stall the bill until the necessary deletions were made.

Had Shelby been effective in implementing this cap, the consequences could have been drastic for our state. In fiscal year 2000, California received 14 percent, 14.6 percent of transit funding. Had Shelby succeeded, California would have suffered a 2.1 percent reduction, costing our state \$117 million, and the Bay Area alone would have lost approximately \$35 million. Unfortunately, Shelby is not alone, however. Southern Republicans and Prairie Dog Populace of both parties have received key committee seats that position

them well to push for increased funding for their states. The three states that receive the highest percentage increase in funding from ISTEA to TEA-21 were South Carolina, Georgia, and Tennessee. And California ranked thirty-third.

I'm determined to make sure that transit funding remains needs-based. Transit funding should go to the most severely congested corridors with the highest potential ridership. But we can expect that this battle will be renewed during reauthorization of TEA-21, particularly in the form of what is often called "minimum guarantees." Minimum guarantees ensure that a donor state receives a better return on gas tax contributions to their mass transit account, at the expense of states with far greater demonstrated need, such as ours. My cautionary words would serve not to dampen your spirits, but rather to strengthen, to strengthen your resolve to follow the federal New Starts program process. And I believe in the merits of Silicon Valley Rapid Transit Corridor Project. I've joined with many of you in the past to fight worthy causes and battles, and now we come together again to strategize on yet another great campaign. The inclusion of the Silicon Valley Rapid Transit Corridor Project in the reauthorization of TEA-21 and a significantly expanded transit program, which would be able to support such a large project. But there is much education, out-reach, and advocacy to be done. So I call upon our friends in the private sector to build upon their extraordinary commitment to date, and policy makers to work in a collaborative and timely manner, to achieve the consensus I need to be effective back in Washington.

Robert Louis Stevenson once wrote, "It is often better to travel hopefully than to arrive." But when it comes to the future of California's transportation system, I believe he was only half-right. While I do look forward to continuing our hopeful journey together, to build the rails, the highways, and the corridors that make up the vital veins and arteries of our great state, I truly believe that together, we can arrive. And we can make our hopes and dreams a reality, and that this great achievement will secure a safe, prosperous future for our children and our grandchildren and generations to come. Thank you very much.

QUESTIONS AND ANSWERS-MIKE HONDA

ROSE GILBAUD

Thank you, Congressman Mike Honda for those insights into transportation alternatives here in the Bay Area.

Now, we have a number of questions that the audience wants to ask, and we'll begin with the first one.

"Transportation is such a nightmare in the Bay Area. Are we really doing all that's possible to solve or ease the transportation issue?"

MIKE HONDA



Mike Honda

No matter which way you go, you know...I believe that as a community, that we are doing as much as we can. The community has said, "We're going to tax ourselves a half-cent, to fund a program." And the state has come together and

said that we'll help you. And our local leaders and our community leaders have come together and said this is important.

Our next step is to make sure that we dance together to that music, in step, and with a joyful noise like the bagpipes, to build that consensus that we at the federal level need. And I have to really, really reiterate how important, how critical the consensus is. Because what ISTEA had done was taken out the politics and replaced it with a policy process. And to the extent that we can bring that consensus for this Bay Area, then our delegation can work together to make it happen.

And I'll jump ahead on a couple of comments. There's been much said about being bipartisan in Congress. But I have to tell you that my only experience in terms of bipartisan, in terms of policymaking, the Transportation Committee. With the past leadership of Norm, and the current leadership of Don Young, and the Democratic ranking member Jim Overstar, they have created this expectation and also the sense and the willingness of the members of both parties to work together in this Transportation Committee. So, there's some hope there.

ROSE GILBAUD

"What do you feel is the most important transportation problem that needs to be addressed by our elected officials?"

MIKE HONDA

Repeating doesn't hurt. Building consensus and working together. I think that there's going to be a tough one because everybody has to represent the local needs and their local demands. But then, as a region, if we are to be successful in attracting federal dollars, then the most diplomatic and the skills they're going to have to hone in on, and focus in on, is the skill to be able to come to consensus.

ROSE GILBAUD

"What is the realistic legislative schedule for the region through MTC to have a consensus-approved list of projects for inclusion in the TEA-21 Reauthorization?"

MIKE HONDA

Some of you probably know the answer better than I do, but I believe it's before 2003. Is that the right answer?

ROSE GILBAUD

There's no right or wrong answer, Congressman.

“Panels have suggested transit relieves congestion. Your words were 'Transit mitigates congestion.' Is it fair to say transit provides an alternative to driving in congested traffic?”

MIKE HONDA

Transit, mass transit, does provide a viable alternative to the congestion that we face on our roads. And that's why this community is so committed to moving people through our mass transit system. And I believe that that's why a lot of our local governments have been committed to looking at land use policies that affect congestion on our roads. And I think that the leadership and the conceptual change, the envelope that people have in their minds in terms of local government and local decision-making, has been positively-impacted--because they focus in on what's the impact on our roads, and how do we move people faster and encourage them to take mass transit.

ROSE GILBAUD

"Congressman Mike Honda, does the economic downturn in the Valley postpone the need for greater mass transit in the region?"

MIKE HONDA

No. Now I'll mess it up. No, I think it only emphasizes a greater need for mass transit.

ROSE GILBAUD

I have a series of questions on BART. “Do you support BART to San Jose? From the federal level, what can we expect?”

MIKE HONDA

Well, I voted for the measure, so therefore I support it. But from the federal level, those of us who are representative of the Congressional Delegation are looking towards the local leaders, the local agencies, and the local cities and counties to get together to create the consensus I've been talking about. And that's the mantra I'll be repeating, time after time after time--that we have to focus our skills and our energies to create that consensus.

ROSE GILBAUD

“Cost-effective analysis of MTC estimated that express buses could provide adequate transit at less than 1/10 of the BART system per rider. Do you believe this to be cost-effective?”

MIKE HONDA

I think the question that might be really asked is that bus transit is more effective than BART. And in our valley, all those modes of transportation are important because it moves people from one region to another, one spot to another. And we have to have a really well developed network of transportation services and this is one of them.

ROSE GILBAUD

"What obstacles, locally and nationally, are most likely to undermine the BART to San Jose Project, and how could we act to prevent these obstacles from arising?"

MIKE HONDA:

Well, again, the main obstacle is not reaching consensus at the local level. Nationally, I think that what Norm and the Chair of the Transportation Committee had done just recently to make sure that there was no cap on transportation funding was a huge barrier that was removed. Another barrier that we're looking at is trying to make sure that we can bring in more funding for transit and for our New Starts projects. But at a national level, I think, again, let me reiterate the delegation is looking towards the local leaders to come to consensus, And that is going to be the greatest barrier to success.

ROSE GILBAUD

"The VTA Major Investment Study (MIS) only includes non-competitive commuter rail as a non-BART rail alternative. What can you do to encourage VTA to study a non-BART rail alternative with BART-comparable service?"

MIKE HONDA

My understanding of the MIS is that all major and viable alternatives have to be studied. So if that's considered to be viable, then I'm sure the VTA will do that. And that's going to be expected and looked for at all the levels of evaluation.

ROSE GILBAUD

"What do you say to the opponents of BART expansion who worry that it is too expensive or that it will fundamentally change the small communities along the Peninsula such as Los Altos, Palo Alto, etc.?"

MIKE HONDA

The communities that were mentioned--Los Altos and Palo Alto--I'm not sure that Los Altos would be impacted significantly. But what I will say is that without this transportation format, our communities that do exist right now will probably suffer greater surface transportation congestion on the streets and that

when we have less alternatives to move people from one place to another, the congestion will only be part of the problem. The other problem will be our economy, our local economy, the kinds of communities that we'll be having. It will be negatively impacted.

And someone asked previously, "Why did Santa Clara County not get into BART in the first place?" And with hindsight, one would say we should have. But, we didn't. And so, we have to create our communities, and create our ways of moving people, in the most efficient way and the environmentally sound and community-friendly way possible. And I'm sure that when everything is being evaluated, the neighborhood environment will be substantially considered.

ROSE GILBAUD

"Why do you think it took so long to start plans for BART to San Jose?"

MIKE HONDA

I guess it's been over 40 years since the county had its first opportunity to decide whether to get involved in BART. If I recall correctly, it was a question of extending BART to Warm Springs and who was going to pay for it. And our county said, "We're not going to do that because it doesn't affect our county, doesn't come up to our county line." And since then, it has not become a subject of contention until we started to realize that having different modes of transportation, moving people around the Bay Area, became important. And so, it takes a little bit of time sometimes to change. It takes a crisis for us to move and see the opportunities and reconsider opportunities. And so this is the time the community and local government and local leaders and the private sector decided that if we wait any longer, and if we don't take this opportunity to move, that we will be deeper in this quagmire. So, I think it's timely, and it's a good time to move.

ROSE GILBAUD

"Do you have any advice to get our politicians," I assume this is local politicians, "to work for a regional plan?"

MIKE HONDA

Think Consensus. And I think that the most thoughtful suggestion I can make is: listen to your constituents and then look at the big picture and then follow, not only your heart, but follow your head and understanding what the big picture is really needed. And I believe that, with that, the political will and the political courage will come together to make the right decisions to create this consensus that our Bay Area needs.

ROSE GILBAUD

"By letting the private sector get involved, are we asking for trouble? Should we let companies like Cisco, Oracle, etc. pay for more VTA lines, BART stations, etc.?"

MIKE HONDA

No. I think that's welcomed. And I think that they also see that they have a stake in a good, efficient transportation system. And being good corporate community citizens, they're doing their part. So we're not saying "no" to them. At least I wouldn't say no to them.

ROSE GILBAUD

Okay, we're going to move away from BART into some national questions. Transportation questions.

"What is our biggest transportation problem nationally? Is it lack of funding?"

MIKE HONDA

Lack of funding is one major problem, but I think the other one is some of the barriers I talked about in my presentation, in trying to remove some of the political barriers that have come up over the last couple years. And also to help other states understand that if states like California and New York don't take care of, and don't get cooperation on the national level, to help solve our transit problems, that the economy will be affected. Wherever New York and California go, so goes the nation in terms of the economy. And I think that we have to make that argument in order to be able to secure more support from the other states.

ROSE GILBAUD

"The new Bush Administration has proven to be one of the most conservative and backward-looking in recent generations"--this is somebody else's opinion--"overturning important environmental standards and antagonizing our allies. Will this new Administration support public transportation and appropriate funds for such programs?"

MIKE HONDA

Let me answer on a personal note. I know how our Secretary of Transportation feels about mitigating and taking care of the environment. I've heard the discussion when Mr. Mineta had testified two days ago before the Transportation Committee, and one of the questions that was raised was about environment. And that there was a reiteration of his commitment that the CEQA process would not be circumvented. But at the same time, there were

some members who stated that they supported his position. There were other members that said, Although we're a bipartisan committee and we're working very closely on many issues, I believe, and this is a quote, "that we may disagree a bit on environmental issues." But I think that when we look at transportation policy and process, that we can hold our committee to the process and not let that become an issue of contention. Then on the other issue, I believe that President Bush and Secretary Mineta understand one thing about transportation. That they're going to stick close to the policies and minimize politics.

ROSE GILBAUD

"What are the odds that low-cost, high-service but unknown transportation options like PRT (Personal Rapid Transit) can garner federal funds?"

MIKE HONDA

I'll have to study that more. I'm not sure what all of that means, so, not too bad for saying I don't know.

ROSE GILBAUD

How about, "Is there reason to expect new controls in the next authorization bill that would limit the tinkering that takes place during annual appropriations bills?"

MIKE HONDA

I think that folks can rest assured that the leadership and the members of the Transportation Committee are going to fight very hard to keep people from tinkering with the appropriations process. But at the same time, the leadership is going to be very aggressive with the Appropriations Committee to make sure that more money, and more revenues, are freed up--and that some of the trust funds that have been segregated from transit will be freed up. And I know that they're going to have a renewed effort to free up more money in that area.

ROSE GILBAUD

"Congressman Honda--whose back do you have to scratch to get federal funding for Bay Area projects?"

MIKE HONDA

The local leaders in this valley. Because I really think that if we had that consensus from this area, that the collective backs that can be scratched will be done by the nine Bay Area legislators from this area. And I think that when we do that together, we have a better rate of success. As in the past, we've proven

that when we stick together and we stick to the process and the model that was established by this county, actually, that we can be successful.

ROSE GILBAUD

"Do you know when the Bush Administration will announce a new FTA Administrator?"

MIKE HONDA

No, I don't. That's been a question that's been bantered around a bit, but no I don't.

ROSE GILBAUD

This is off the point a little bit, but it's still a national question.

"Would you speak about our energy situation in California? And what do you see Washington doing?"

MIKE HONDA

On a serious note, the California Delegation has gotten together in supporting a couple of bills that Congressman Fulner and Congresswoman Eshoo had put forth to cap the cost, the rising cost of rates to "cost plus," and that bill is a limited bill in that it has a sunset date. And we're trying to make sure that, we're trying to get the Bush Administration to move off the sidelines and to do their statutory responsibility and fulfill their responsibility in capping the rates so that the rates would be just and reasonable. And I believe that we're putting the pressure on and I think that the Administration is beginning to understand that it's not only California that's in this dilemma but it's the Western states. And again, if the Western states are in trouble and need help, then certainly the whole nation's in trouble and going to need help at one point or another.

ROSE GILBAUD

"The public seems excited about alternative fuel vehicles: electric, fuel cell, etc. But the auto companies have just lobbied to get the California Air Resources Board to radically reduce the requirements for sale of zero-emission vehicles. Can Congress do anything to create greater incentives for the auto companies to manufacture these vehicles?"

MIKE HONDA

Yes, we can create more incentives, and sometimes leadership through behavior is important too. And I'm in negotiations personally to buy a hybrid automobile because I think it's the right thing to do. And so I'm wanting to spend my own personal funds to do that, and to show that, you know, it can

work, that there's alternatives to the other, larger, internal combustion engines, and that besides modeling, we have to increase the incentives. So that, you know, we're going to change the behavior of our, not only consumers, but of our producers of automobiles.

ROSE GILBAUD

"The major problem of transportation is that transportation, both highways and transit, is not integrated to development and land use. Do you advocate better regional and statewide planning as carrots to gain federal funding for transportation?"

MIKE HONDA

Yes, I do, and having been on a Planning Commission and on a Board of Supervisors, I know that local planning and land-use decisions really do affect and impact our roadways and how people move around. In regional planning, when you start looking at solving problems and trying to address those problems, I think we have to look at land use on a regional basis too. And we're maturing in that area as a community, whereas in the past we resisted regional planning in the area of land use, so I think that we have to move toward regional planning also.

ROSE GILBAUD

Congressman Honda, this question asks: "Why does it take so long to get anything done?"

MIKE HONDA

The Latinos have a terminology that says, "Hay mas tiempo que vida," that there's more time than life, and that a lot of times, changing, changing our habits, changing our perspective, changing our views and how we do things is probably the most difficult thing, even though we advocate change. I think that moving our envelopes, personally and as a community, is a challenge, and so, I think that as a community, and in a democracy, we have to create this consensus among our own individual citizens in order to make changes--and that takes time. And I think that sometimes it's better to take time to make changes than to look for immediate, easy solutions, which cause more unintended consequences. Life's taught me that, you know. So, a lot of times if you are thoughtful and you take your time, that your outcomes are better.

But I think that a lot of times we need a little incentive and a little fire under us to stimulate that thought. But I think that it's not a bad thing for time. But I think that we have to understand when to make a decision too.

ROSE GILBAUD

A couple of personal questions about your time as a Congressman. The first one is:

"What has been the hardest about your first few months as a freshman Congressman? And what has been the greatest pleasure?"

MIKE HONDA

Probably the most difficult experience was the process of us dealing with a tax bill before we had a budget. And in the state of California, when I was in the Assembly, we always had a budget first to understand what we want to support, what kinds of programs we want to budget, and then we looked at other issues such as tax cuts and things like that. And, it was more reasonable, and it was more thoughtful. It was process-oriented. And I think that's been the most disappointing process that I've faced in Congress. But then, you know, we're not in power right now.

The most exhilarating, I think, is the fact that I'm there, and I live about a block and a half away from the Congressional offices, and I walk to work. And when I see the dome, when I turn the corner, it reminds me what a privilege it is to be in Washington, D.C. It also reminds me that in the House of Representatives, our seat is the only seat that is delegated by vote--we are sent there by the people. Every other seat in this country can be assigned by appointment if it's vacated. And so we really do represent the constituents and the population of this country. And there's 435 of us, and all of us work hard together to make this thing we call democracy work. And nobody ever said that democracy was efficient. But, there's no other government in this world that works better, and when I get discouraged, I just think of alternatives to ballots and voting and that's bullets and fighting. And so, considering the alternatives, I think that it just reinforces what a great system we have, even though we may be disappointed that it is based upon a process that's basically safe and democratic.

ROSE GILBAUD

"Does Secretary Mineta's appointment help you have more legislative leverage in Congress? Will that help with the BART project?"

MIKE HONDA

That's a fair question. I was appointed to the Transportation Committee before Norm was called by the President. So, I think that we can put Norm out of the influence state. But I think that the legacy he's left with the members of the Committee, on both sides of the party, has been profound in that he's helped shape the process for ISTEA and he's also helped create the sense of the need

for bipartisan approaches to the transportation problems that we face in this country.

ROSE GILBAUD

Well, speaking of the Transportation Committee, "How did you get on that Committee? Was it difficult, and can you tell us a little bit about the range of issues you're dealing with on that Committee?"

MIKE HONDA

Are you making up these questions as we go along? How did I get on there? Well, we lobbied. We lobbied very hard. We lobbied both leaderships on both sides. And we argued that being on the Transportation Committee means a lot for this area. And the argument that we put forth was that it's not only issues around transportation and the need to address the challenges of transportation in this country, but also in this valley because this valley represents the economic engine. If we don't solve and don't have help at the federal level to address the transportation problems, the economy will be affected negatively. And having been able to argue that point and the folks understanding what that means, I believe that those arguments bode well for us. And I have to say that the delegates in this area, from Anna Eshoo, Zoe Lofgren, Nancy Pelosi, Sam Farr, Pete Stark, Ellen Tauscher, all moved together in a consensus to help me attain that position. And it's unusual because it's unusual to have a freshman on that Committee and it's unusual to have two members from Northern California, from the same region, to sit on one committee. So, I think that the help and the lobbying was very effective.

ROSE GILBAUD

"Have there been any serious discussions of a gas tax increase to help fund the nation's transportation needs?"

MIKE HONDA

I haven't heard any more than what I just mentioned in my presentation about increase in tax, a tax increase for gas. But I did hear, and I do know that there's going to be an effort to secure our fair share of the gas tax that has been segregated from transit that would basically accrue a little over a billion dollars more for transit in this country.

ROSE GILBAUD

"Will you use your position, the "bully pulpit," to encourage, even force a local consensus?"

MIKE HONDA

I never thought of myself as a "bully pulpit." No, we can't. I don't believe in forcing anything down anybody's throats. I do believe in emphasizing how important it is that the local authorities make those difficult choices and come up with a consensus plan for this area. And I believe that they have the political will and they have the political spirit to be able to do that. Because, in the end, what we're really looking at is what's best for this entire region.

ROSE GILBAUD

Another question not on the topic of transportation.

"What are the chances that the House of Representatives will pass Campaign Reform?"

MIKE HONDA

Geez, if I knew that, I'd run for President. I think that the rhetoric about having campaign reform is loud and I think people want that. I do. I think the format that it comes in is going to be critical for both parties. And people on both sides are saying if it doesn't have this or that, they're not going to support it even though it comes under the title "campaign reform." Specifically, I think that independent expenditures is an area that can be illuminated. I think that soft monies have to be revisited so it's not used in a negative way, and I think that soft monies can be looked at in terms of helping create voter registration drives and voter education, The \$3,000 increase, from \$1,000, I personally don't support. I think that \$1,000 is a good cap for us to have and not \$3,000.

ROSE GILBAUD

And for the final question,

"Congressman Mike Honda, while you are in Congress, what do you hope to accomplish?"

MIKE HONDA

World Peace. I say that tongue-in-cheek, but I think that any effort we have to bring people together, to understand each other better, either through statutes or through our behaving with each other in Congress; to promote understanding and promote reconciliation and understanding is a big step, even for our own country. And to also promote very vigorously the issue of public education--and public education is probably one of the paramount themes I have in my work in Congress. Everything from making sure that our schools are modernized and that we have adequate and safe classrooms for our youngsters and our teachers, to having a very professional salary schedule, salary level for our teachers, that we can attract young people into the field of teaching. And people say that you can't throw money at a problem. But I think money is a

critical component of making sure that our public education is viable, is vibrant, and it's how we do that and how we allocate those funds that's going to be important. So, public education and our youngsters truly are our future and the cornerstone of this democracy.

GLORIA DUFFY

You know, as I drive my electric car to the Colma BART station every day on the way to San Francisco, I've noticed the last couple weeks, especially, the traffic is really, really thinning out. In American politics when the pressure's off, sometimes we tend to relax and defer decisions. But the key to good public policy, locally, nationally, and internationally, is being foresightful and realizing we have a lot of new people in the Bay Area--the traffic will be back. And we really do need to keep the focus on bringing BART to San Jose and establishing the consensus to do so that Mike has talked about.

So, I commend you all. I commend what Mike is doing. And commend what all the local officials are doing to try to help that happen. Being foresightful in public policy-making. I want to thank Congress member Mike Honda, I want to thank Vice-President of the California State Automobile Association Rose Gilbaud, and I want to thank the Co-Sponsor, The Mineta Institute and our other co-sponsors. This meeting of The Commonwealth Club Silicon Valley, part of the nation's largest public affairs forum, is adjourned.

As I understand it, the morning panelists are supposed to return to their seats up here for the conclusion of the discussion.

PANEL DISCUSSION



From left to right:

Carl Guardino, *CEO Silicon Valley Manufacturing Group*, **Tom Margro**, *Director of BART*, **Pete Cipolla**, *General Manager Valley Transportation Authority*, **Dianne McKenna**, *Vice-Chair California Transportation Commission*, **Hon. Ron Gonzalez**, *Mayor of the City of San Jose*, **Gary Richards**, *Transportation columnist San Jose Mercury News*, and **Rod Diridon**, *Executive Director Mineta Transportation Institute*.

ROD DIRIDON

Pardon me. Let's now ask, probably, if we could start with Pete Cipola. If you can, Pete, summarize what you perceive to be the, from a local perspective, a kind of step-by-step action plan for bringing BART in as short a period of time, but with an as strong and as appropriate a project as possible, into the Valley.

PETE CIPOLA

Well, I think, as I mentioned earlier, we're into the critical path type of items right now. We've begun the MIS, the Major Investment Study process. We need to complete that by the end of this year.

At the same time, from VTA's perspective, we need to complete the VTP, the Valley Transportation Plan, the 20/20 Expenditure Plan, which actually gives us kind of the guidance from our Board of Directors of which items and what areas we can expect to bond or advance funds to.

We fully realize that to bring this project in, assuming it's the main project going on through this entire process, that we're going to have to bond in order to bring it in. Because the expectation is that even if we are 100percent successful very early on in getting this a New Starts project, and even though it may be an authorized project, and even though we may enter into a full funding grant agreement with the government, we will not actually be receiving any actual dollars from the government through the appropriation process until the SFO project is fully funded, and I think that's about 7 years out.

ROD DIRIDON

I should have done this earlier, but Pete Cipola was recently recognized as the Best General Manager of a Transit Agency in the United States and has been elected to be the next Chair of the American Public Transit Association. Both of those are great credits to Pete and the local transit agency and we appreciate it. I would hasten to say that it's just because he's Italian, but then I wouldn't get away with that, so I'll indicate that he must be a pretty good Transit Manager too.

DIANNE MCKENNA

And Tom Margro...

ROD DIRIDON

And you all understand that, you all know that my name was Diridoni before my father changed it, so us Italians are doing okay! Margro's also Italian. And Honda ends with an "a" so it must be Italian also!

MIKE HONDA

Sure. Why not?

ROD DIRIDON

Maybe I can ask now, with that framework that Pete has just given, and recognizing that the Authorization Bill is only approved every six years. The

last one was the Transportation Efficiency Act of the 21st Century, approved in 1998. The next bill must be approved in time to take effect by October of 2004, which means the legislative work on it has to be done in 2002 and 2003, don't you think Mike?

So there is precious little time to craft the local consensus, the regional consensus in time to have MTC provide a list of regional-approved projects to the federal Delegation to have that go into the bill. How can that be hastened?

Let's have a free-for-all discussion now. Whoever would like...

My concern is that, if we're going to have a list of consensus projects from the region to the Congressional Delegation in time to insert it into the bill, it really has to be to them, at the very latest, at the end of 2002 and even that's pretty late.

PETE CIPOLA

I think we're looking at having the Regional Transit Plan Expansion Policy from MTC done this fall. I think it's critical that it's done this fall and I don't know, Tom may...I think Tom agrees with me. That's what congestion management agencies are working towards. That's what we are working towards because it's also critical that it goes into the Regional Transportation Plan update which MTC also has responsibilities for. So this fall is really critical in order for us, as a region, to enter the year 2002 with basically a policy mandate from the region, of these are the priority projects. Because next February when we begin our flights back to Washington, D.C., we begin working with the members of FTA and the various subcommittees, the Appropriations Subcommittees, of both the House and the Senate. We're going to have to basically have our act together to get our projects in line.

TOM MARGRO

I would agree with Pete. I think it's important for us as a region to be together, to all be speaking with the same voice. It's one of the easiest things, one of the things that I've heard when I've been back in Washington, that's been very positive has always been that the California delegation is there. And I think, hopefully, we help the California delegation because we're all there singing sort of from the same hymnbook. And with the re-authorization coming up, it's even more important now that we as a region are together and we know what it is that we want so when we go back and we prevail upon our Congressmen, Congressman Honda and the others, that hopefully we can help them by being together as well.

DIANNE MCKENNA

Well, I would agree. I think from the state level, you know the Regional Transportation Improvement Program is incorporated into state plan and I think the expectation is that with Resolution 1876 being revised or renewed or updated, that should occur by the end of this year. No later than the end of this year because then it has to go into the state plan and then it has to go to the federal level. So I think, I mean, what's encouraging me this morning is that, for the first time, and I think, again, it's more of a policy issue than it is an issue that might concern the public is...but for the first time, I'm hearing that the new, the MTC is working through the congestion management agencies, and bringing recommendations to the Commission. Because that hasn't happened in the past. And I think the congestion management agencies have really been working hard on projects relative to their respective counties, but also projects that cross county lines. And I think that's encouraging, and I'm hoping that that continues and will bring a quicker resolution to getting consensus than has happened in the past.

ROD DIRIDON

And the congestion management agency in Santa Clara Valley is the Valley Transportation Authority (VTA). So, fortunately, because of your leadership back on the Board of Supervisors back in '94, those two activities were merged into one responsibility, under the VTA Warden.

DIANNE MCKENNA

Yeah. That wasn't intended for me to pat myself on the back.

ROD DIRIDON

You owe me.

DIANNE MCKENNA

That wasn't my intention. What used to happen, at the regional level, is that you had individuals who may have their own point of view, but may not have gotten a countywide view. And I'm hoping that with the congestion management agencies that have to take a countywide view, if they all come together with countywide views, then it may be simpler. It may not be, but I'm hoping that that would be the case.

ROD DIRIDON

Congress member--assuming that the timeline that Pete and Tom have identified, that is getting a consensus to you late this year, early 2002, does that meet the timeline for you to work with the other Congress members to insert something into the bill?

MIKE HONDA

I think it would. The additional comment I would make, when it comes together, and in that timeframe, it also gives us an ability to create a larger public and private lobbying voice to Congress and to the Administration. Because once we have that consensus, we bring the community back together on board. Not only the community, but also the high-tech companies and the business communities, they have a voice that the Administration listens to and I think that would be effective, to the extent we can have that voice heard early, clear, and consistent is going to play well for us.

ROD DIRIDON

I should note in regards to the Industry's representative, Carl Guardino was ill and he got out of a sick bed to come to be with us for his presentation. He's tried to stay with us, but was not able to weather his temperature this afternoon so he had to go home, but he stressed his continued support for the process.

Is there anything that can be added from the industrial community to assist you in crafting this consensus?

PETE CIPOLA

Well, I think that, frankly, the Manufacturing Group and the Chamber of Commerce here have been very instrumental in working with MTC and I think...I also think that MTC recognizes the significance of this particular project. I also believe there's a good opportunity, a viable opportunity is probably a better way of posing it, for the region to be able to go in to the next re-authorization process with at least two high-priority projects.

I think I wanted to pick up a little bit of what the Congressman was saying. The value of us having this done, in having this package of projects very early on, is that then we basically, before authorization actually is before Congress for a vote in two more years, we actually have two more years to work the system, so to speak, and take advantage of the Conference of Mayors, the NAOP, all these other meetings and groups. If Washington, D.C., and I mean both the administration and the bureaucracy side and the congressional side, the committee side see each of these groups coming into Washington, D.C., speaking with the same voice, and for two years, then that builds up the pressure on them to understand that this is in fact a high-priority project. That's why it's very important to have this. We need as much time to lobby back there and lobby from as many different perspectives for the same projects that we can.

ROD DIRIDON

So for the sake of the synopsis, which is going to be developed for the meeting and be published and distributed, the manufacturers and the various private associations that are related to the manufacturers and in industry and commerce, through their advocates in Washington, can really help by communicating with their liaison legislators to support this program.

PETE CIPOLA

It's another campaign on as large a scale, or larger, than what we underwent in November of last year.

ROD DIRIDON

It's a very important statement that we all need to remember in that our jobs as private citizens are not done in regard to the project.

Dianne, you were looking expectant... is there a thought? And you did a good job. The state has, being the largest state in the nation, the California Department of Transportation and the Commission have tremendous advocacy capacities in Washington also. Have you any thoughts on things that could be done back in Washington to support the matter?

DIANNE MCKENNA

No, but I think I was concerned because I anticipated what Mike said about the anti-California mood. I just anticipated that because, just reading the national papers, I don't know whether it's the lack of response to our energy crisis or just the fact that, like New York, California, they seem to be the two states that seem to have the greatest need for transit. And yet, you have small states like Rhode Island saying maybe they want the same share. So, I think that Mike's comments were well taken about the fact that when you're large and you have those kinds of demands, you're going to have to work extra hard. And I think that, possibly, the best thing that could happen is if we would have not only the region but representatives of the state when we go back to lobby for projects. I think we're all aware, as Tom aptly mentioned that our first priority is going to be fulfilling BART to San Francisco and we're going to be lobbying for that. But after that, the new rail starts, we're looking at San Jose and the others. So I think it would be helpful for the state to join the region and the locals here when we go back to lobby, obviously. And it's difficult because the legislature is so split. I mean it's so split 50/50, and so I'm hoping that the legislature will also be willing to work with us on consensus. You know, that's the difficult fact we face in Washington right now. And it doesn't take much to figure out

that from the state, three out of the four Senators that would come from New York and California are Democratic women.

ROD DIRIDON

That's a feminist statement, and I think that bodes well for us in many ways. And none are expectant.

So, in summary, if I understood the comments of all of the panelists, and especially Pete's lead-in comments, and as described in the flyer that he brought, the Major Investment Study is in process now. It's well on its way; it's based on other alternative analyses data that began back in 1982, as I recall, it intends to be completed by the fall of 2003.

PETE CIPOLA

That's the MIS portion that will be completed this year. The full environmental work will be completed by 2003.

ROD DIRIDON

Understood. That then paves the way for the consensus which will be spawned in part by this study as the alternatives are defined and refined and the preferred alternative is chosen. There will naturally be a consensus as we've seen in our other rail projects around one of the preferred alternatives. That then should lead into the selection of a preferred, or the identification of a preferred, alternative in the regional master plan, and then the state master plan, and then on to the legislative process that Mike will carry. That seems to have good integrity in terms of a timeline. It certainly has integrity in terms of the voters' desires in our valley, which were profoundly expressed by over 70percent. And the only impediment to that is the ability of good-thinking people to work together. And I have an idea that that will be accomplished.

Would each one of you like to have maybe a couple of minutes for a wrap-up, final comment?

MIKE HONDA

Okay. They passed the gavel. Let me just close by thanking the panelists here for their thoughts and their comments and also the Commonwealth for putting this on, and then I really do appreciate even more deeply the purpose, the mission of the Institute that you're heading up Rod. And I guess I just can't emphasize enough how critical it is for our communities to come together and work together to create this consensus. ISTEAs have had its birth here in this valley, and the model that was created in ISTEAs came from this model that we've created through our own efforts and our own initiative to solve a local problem. And because this model came from here, I think we should be very

well-entrenched and solid in our confidence in this model and move this model forward so that it can be brought forth to the federal level and pushed there. And with that I would have highest confidence that we'll have the best possible outcome as far as getting the federal funding that we need. And I just thank the efforts of everybody here in moving this forward. It's not for ourselves. It's for the betterment in the quality of life for all citizens in this Bay Area.

CLOSING REMARKS

ROD DIRIDON

Let's close this version of our Hot Spots forums. The Transportation Hot Spots forum ends with a thank you to each one of the panel members, to Congressman Honda for coming in here off the red-eye and doing such a wonderful job in presenting the federal perspective.

Please note that the Commonwealth Club, the Automobile Association and ourselves, the Mineta Transportation Institute, are committed to at least one more of these. It's the Marin-Sonoma Corridor in the fall, probably the early fall, and you'll all be invited to that.

Also, although I have an idea that the direct constituency will be a little bit further north, and we may look at another, the downtown extension of the CalTrain system to downtown San Francisco has re-emerged as a possibility under the leadership of Mayor Brown--that's Willie Brown, the westside Brown. And we'll have a look at that and determine whether or not that will also be a Transportation Hot Spots forum that we'll present to the public.

But thank you all very much. Thank you for the sponsors. Thank you especially to the staff of the Commonwealth Club, Pat Compton and all of her staff; and to Trixie Johnson and all of her staff at the Mineta Transportation Institute. And at this point we should all step outside, have another box lunch if you can grab one quickly enough, and we'll see you again at the next session.

ABBREVIATIONS AND ACRONYMS AND TERMS

BART	Bay Area Rapid Transit - A medium-rail system that operates throughout various locations in the Bay Area
VTA	Valley Transportation Authority
MTC	Metropolitan Transportation Commission
Resolution 1876	Adopted in 1988, a multiyear rail expansion program that has delivered new BART service to Dublin and Bay Point in the East Bay, the Tasman light-rail extension in Silicon Valley, and the BART extension to the San Francisco International Airport, expected to open in 2002.
2020 Valley Transportation Plan	VTA's 2020 Transportation Plan and Expenditure Program is a long-range transportation planning effort focused on addressing the Valley's transportation challenges. The goals of the plan are to provide transportation facilities and services that support and enhance our community's continued success by fostering a high quality of life to residents, and continued health of the economy.
TEA-21	Transportation Equity Act for the 21st Century - On May 22, 1998, Congress passed TEA 21 - landmark transportation legislation covering highway, highway safety, transit and transportation research programs. For the next 6 years, TEA 21 will ensure that America builds the world-class transportation system it needs for the next century.
MIS	Major Investment Studies (MIS) examine which alternative transportation strategy, or mix of strategies, will best work to solve a transportation problem within a corridor.
ACE	Altamont Commuter Express (ACE)
PERT	Personal Rapid Transit - Personal rapid transit is a subset of a class of transit systems known as Automated People Movers (APMs).

The Bay Area Blueprint for the 21st Century	The Blueprint Plan focuses primarily on providing near-term relief in the region's most congested travel corridors.
SFO	San Francisco International Airport
NTC	National Transportation Center
Bay Area	The San Francisco, California Bay Area
State Legislature	California State Legislature, Sacramento, CA
Silicon Valley	The Santa Clara Valley and its surrounding area; the area south of the San Francisco Peninsula; primarily located in the South Bay, though the definition is somewhat flexible and can include any nearby area where semi-conductor or computer related enterprises exist, from as far north as Marin County, south and west as Watsonville, and east as Livermore.
New Starts Funds	Major new fixed guideway transit systems or extensions to existing fixed guideway systems
ISTEA	Intermodal Surface Transportation Efficiency Act
CalTrain	Provides commuter rail service between San Francisco and Gilroy via San Jose
KALW - 91.7	Bay Area non-commercial radio station in San Francisco

APPENDIX A: BART TO SANTA CLARA COUNTY

FRAMEWORK FOR NEGOTIATIONS

The San Francisco Bay Area Rapid Transit District (BART) is a 95-mile, 39 station regional rapid rail system serving four counties: Alameda, Contra Costa, San Francisco and San Mateo. Since opening in 1972, BART has carried over 1.5 billion people more than 19.5 passenger miles. It is the principal commuter transportation system for residents of Alameda and Contra Costa Counties who work in the City and County of San Francisco, accounting for over half of all transbay, home-to-work trips that terminate in the core part of San Francisco's central business district. Construction is currently underway on an 8.7 mile, four-station extension to the San Francisco International Airport (SFO Extension).

For nearly 30 years, BART has provided the backbone of the region's transportation network. Although the system operates in four counties, only three counties, Alameda, Central Coast and San Francisco, are members of the District and contribute 3/8 of one percent general sales tax as a permanent operating subsidy, along with county congestion management funds for systemwide improvements. Together with fares and a property tax in the three member counties, these funds are used for operations, maintenance, and rehabilitation of the BART system. The sales tax is also used to secure Sales Tax Revenue Bonds, which have provided over \$350 million in proceeds for the District's initial system renovation program, comprised of the renovation of 439 rail cars, escalator and elevator rehabilitation, station renovation, fare collection modernization, etc.

The proposed Santa Clara County BART extension, exclusive of the 5.4-mile BART to Warm Springs Extension, would extend over 16 miles into Santa Clara County and add seven stations to the BART system. This represents a significant, 16 percent increase in track miles and 16 percent increase in stations to serve a county whose population is 55 percent of the sum of the District's member counties populations. This impact should not be underestimated; it will exacerbate existing capacity problems since BART is already straining under the demands of the highest patronage ever with an average of 335,000 and peaks of 350,000 to 370,000 daily trips being achieved. In some cases, basic system infrastructure such as Operations

Central Control would need to be resized. Santa Clara needs to mitigate these impacts to the maximum extent possible through recognition that BART is a regional system and that the impacts of the proposed extension would extend to the core system as well.

Negotiations are about to begin with the Valley Transportation Authority (VTA) on arrangements for the proposed extension. In addition, discussions are occurring with the Metropolitan Transportation Commission (MTC), transit operators, congestion management agencies and other parties regarding funding for the proposed extension. The following principles are intended to guide BART's participation in these deliberations.

A. Interagency Agreements(s)

Any agreement(s) with the Valley Transportation Authority (VTA) for a proposed BART extension into Santa Clara County must ensure that the following issues are addressed:

Institutional

1. The extension must be operated and maintained in a manner and with an identity that is consistent with the overall BART system.
2. Service levels and standards must be approved by the BART Board.
3. Fares, surcharges and ancillary fees and charges must be approved by the BART Board.
4. If the extension right-of-way is not owned by BART, BART must have a perpetual easement for operations and maintenance.

Land Use:

Transit-oriented land use around the proposed BART stations is essential to ensuring that the full value of the public's investment in the BART extension is realized. Transit-oriented development increases transit ridership, reduces vehicle trips, facilitates reverse-commute transit trips, optimizes existing infrastructure, increases transportation choices, and provides badly needed housing and jobs for communities along the BART line.

BART and VTA shall jointly develop a set of land-use policies and guidelines for the area within a third-mile of planned BART stations between Fremont and San Jose, which will include minimum residential densities, promotion of transit-oriented land uses, provision of high quality bicycle, pedestrian, local transit access, and urban design guidelines which orient buildings to the station and the surrounding streetscape.

Financial:

1. Construction costs for a proposed BART extension project must include both the cost to build a BART extension into Santa Clara County from Warm Springs and the cost of core system capacity improvements (e.g. fare gates, ticket vending machines, elevators and escalators, stairways, track capacity and intermodal access, including parking) directly attributable to the extension impacts and necessary to maintain BART service standards. **Full financial responsibility for a proposed extension and associated costs rests with VTA. Any regional agreement which included funding for a proposed BART extension into Santa Clara County must be consistent with the principles outlined in Section B below.**
2. Operations and maintenance costs must include the full cost of operating and maintaining the extension, including overhead and core BART system impacts. These costs must be funded by Santa Clara County.
3. Rehabilitation costs must include rehabilitation costs of the extension, rehabilitation costs of the core system impacts of the extension, and a proportionate share of the future systemwide rehabilitation and improvement programs such as vehicle renovation. These costs must be funded by Santa Clara County.
4. For operations, maintenance and rehabilitation costs, Santa Clara County must provide stable, ongoing support that is proportionate to the level of support currently paid to BART from the BART District member counties through fares, sales taxes and property taxes. In addition, for future systemwide rehabilitation and improvement programs, Santa Clara County must provide a proportionate share of its county allocations of regional, state and federal funds. Future extraordinary costs will be addressed in a similar manner.

5. BART shall participate in a share, to be negotiated, of any revenue generated by joint development of BART station sites on the extension.

Project Implementation

Discussions are ongoing between BART and VTA relative to implementation of the proposed project. Agreement on responsibility for design and construction of the proposed Santa Clara County Extension will be reached jointly by BART and VTA. While BART has extensive experience in design and construction of extensions, VTA has indicated its interest in being the lead agency to complete compliance with CEQA and NEPA and obtain all necessary environmental permits and approvals, and to design and construct the proposed extension. BART will agree to this arrangement if the following principles are satisfied:

1. The extension must be planned, designed, and constructed under the auspices of a joint VTA/BART policy body.
2. Safety, customer service, and convenience must be the primary focus of all planning, design, and construction decisions. Such decisions must also reflect BART policies (e.g. Strategic Plan, System Expansion Policy, Land Use, Access and Joint Development policies).
3. VTA must carry out the MIS and EIR/EIS in accordance with all state and federal law, consulting BART, as appropriate, to ensure that all principles herein are adhered to.
4. The extension must be built to BART's design standards, criteria and operational and maintenance requirements. BART approval will be required on all elements affecting functionality, operations and maintenance. BART will provide prompt reviews and approvals in accordance with mutually agreed schedules.
5. BART staff will be included as part of a joint project implementation team at every stage of planning, design, construction, testing and start-up.
6. BART staff will participate in the selection of consultants engaged by VTA to work on the proposed project.
7. The VTA will reimburse BART for its actual and direct costs in support of the project.
8. The parties will agree on each scope of work, schedule and budget.

9. All project communications will be through those individuals specifically designated by each agency.
10. All external project-related communication will be coordinated in advance.
11. Any disagreement between VTA and BART which may arise that is not resolved informally through good faith consultations shall be resolved through a mutually agreed to dispute resolution process.

B Regional Agreement(s)

In identifying funding for the construction costs of a BART extension into Santa Clara County, any regional agreement(s) with MTC, transit operators, congestion management agencies, and other parties at interest must ensure that the following principles are addressed.

1. The BART to SFO Extension must be assured as the highest and first priority for federal New Starts funding for the region until the full appropriation of \$750 million is achieved. The BART to Santa Clara County Extension must in no way compete for federal New Starts funding with the SFO extension.
2. A BART extension to Warm Springs and a proposed Oakland airport Connector project must be assured of full funding for construction costs.
3. Prior investments of BART district residents and the interests of those residents in extensions and expansions of service must be recognized and addressed through provision of funding for additional capital projects in the three BART counties.
4. Any new regional transit agreement(s) should include provisions for completion of the remaining Tier 1 projects in the existing New Rail Starts and Extension Program. In addition, performance measures and/or criteria must be consistent with BART's System Expansion Policy Framework.
5. Implementation of any regional agreement(s) which included a BART extension to Santa Clara County must be contingent on completion of a related BART/VTA interagency agreement that is consistent with the principles outlined in above section A.

APPENDIX B: BART BROCHURE

Silicon Valley Rapid Transit Corridor *Major Investment Study and Environmental Impact Statement/Environmental Impact Report*

Introduction

The Santa Clara Valley Transportation Authority (VTA) will be conducting a Major Investment Study (MIS) to identify a Preferred Investment Strategy for the Silicon Valley Rapid Transit Corridor. The MIS will be followed by the preparation of an Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) for the Preferred Investment Strategy. The purpose of the MIS/EIS/EIR is to identify a transportation solution for the corridor through an extensive analysis and public outreach process.

Background

The Silicon Valley Rapid Transit Corridor is primarily traveled by residents living in the East Bay and beyond who work in Silicon Valley. The corridor stretches over 20 miles from the City of Union City to the cities of Fremont, Milpitas, San Jose, and Santa Clara (see map inside). Residential development in the East Bay coupled with significant job growth in the corridor cities has led to very high and increasing levels of traffic congestion. The corridor is one of the most



congested in the San Francisco Bay area and presents a "missing link" in the regional rail transportation network. Filling this gap with transportation improvements is key to improving regional mobility and alleviating traffic congestion.

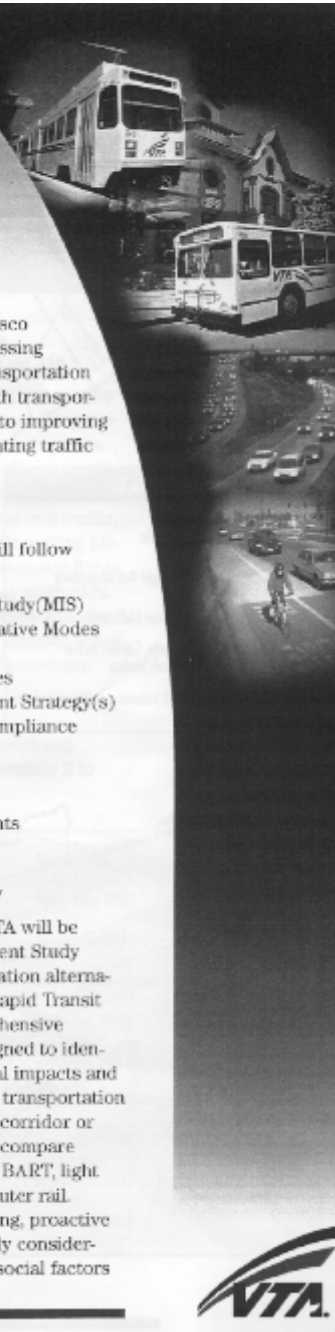
Overview

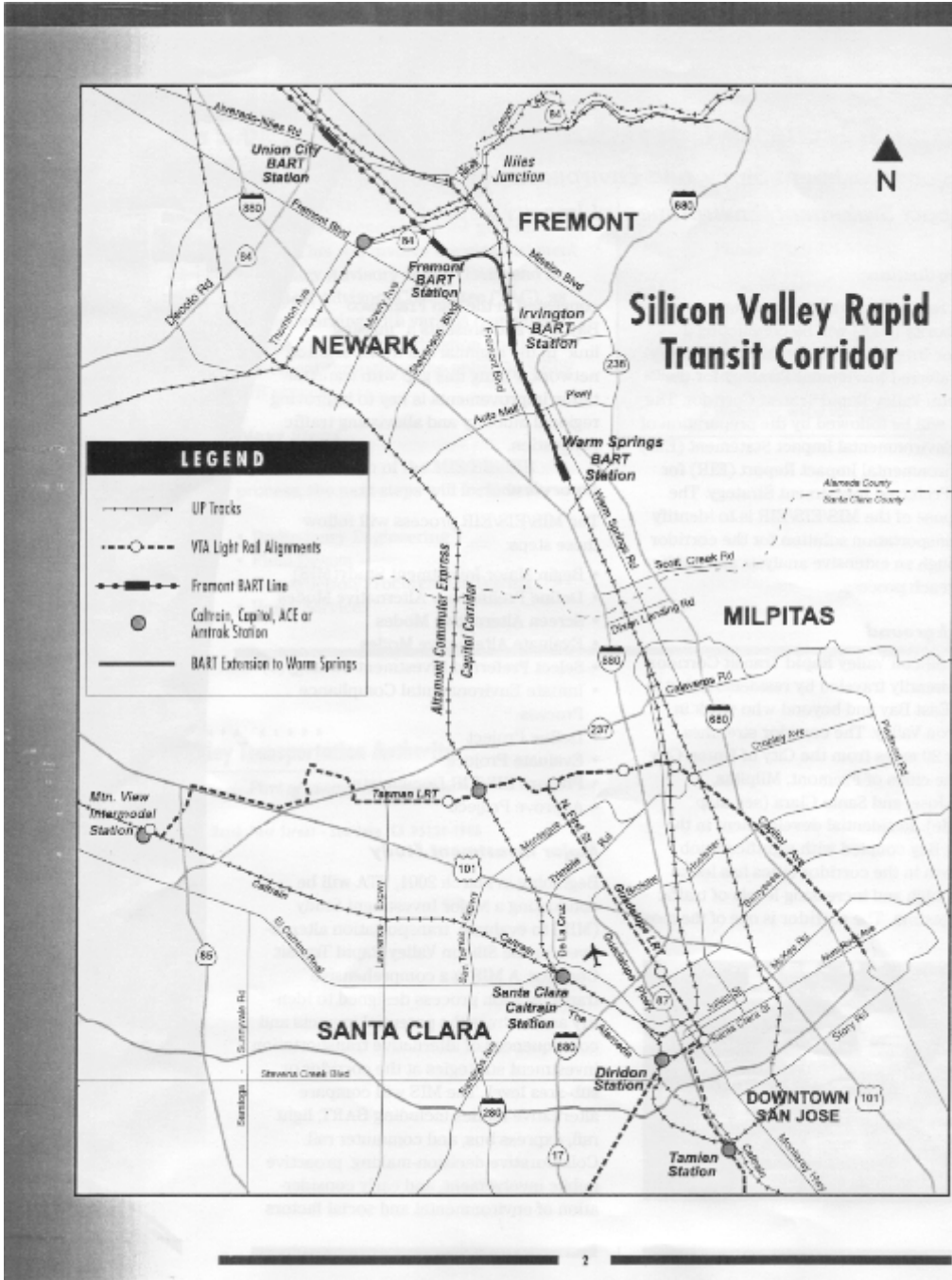
The MIS/EIS/EIR process will follow these steps:

- Begin Major Investment Study (MIS)
- Define Preliminary Alternative Modes
- Screen Alternative Modes
- Evaluate Alternative Modes
- Select Preferred Investment Strategy(s)
- Initiate Environmental Compliance Process
- Define Project
- Evaluate Project
- Prepare EIS/EIR Documents
- Approve Project

Major Investment Study

Beginning in March 2001, VTA will be conducting a Major Investment Study (MIS) to evaluate transportation alternatives for the Silicon Valley Rapid Transit Corridor. A MIS is a comprehensive transportation process designed to identify and address the potential impacts and consequences of alternative transportation investment strategies at the corridor or sub-area level. The MIS will compare alternative modes including BART, light rail, express bus, and commuter rail. Collaborative decision-making, proactive public involvement, and early consideration of environmental and social factors







The MIS will compare alternative modes including BART, light rail, express bus, and commuter rail.

are critical components of the MIS. The major steps in the MIS process include:

- Identify travel needs and mobility issues
- Establish goals and objectives
- Develop broad range of possible alternative transportation concepts
- Conduct initial screening process to proceed with the most promising alternatives
- Refine remaining alternatives to be carried forward
- Conduct technical analysis and evaluation of alternatives
- Select Preferred Investment Strategy(s).

The Preferred Investment Strategy refers to the selection of a transportation improvement strategy for the corridor which may include one or more projects for further development in the EIS/EIR phase.

Environmental Impact Statement (EIS)/ Environmental Impact Report (EIR)

Following completion of the MIS, an EIS/EIR document will be prepared for the Preferred Investment Strategy. An EIS/EIR is conducted to comply with the National Environmental Policy Act of 1969 (NEPA) and the California Environmental Quality Act of 1970 (CEQA) requirements respectively. Both NEPA and CEQA require the identification and evaluation of the resources potentially affected by a project.

The EIS/EIR process will initially involve further defining the project including the evaluation of various alignment options for the Preferred Investment Strategy. This will be followed by the appropriate technical analysis for transportation and traffic, noise and vibration, energy, air quality, biology, hazardous materials, magnetic fields, cultural resources, and visual/aesthetics. In addition, the EIS/EIR process will identify appropriate measures to mitigate potential impacts of the project if necessary.

Schedule

The MIS/EIS/EIR process is outlined below and will take approximately 2 to 2-1/2 years to complete.

• Begin Major Investment Study (MIS)	March 2001
• Define Preliminary Alternative Modes	April/May 2001
• Screen Alternative Modes	June/July 2001
• Evaluate Alternative Modes	August to November 2001
• Select Preferred Investment Strategy(s)	December 2001
• Initiate Environmental Compliance Process	December 2001
• Define Project	January 2002 to December 2002
• Evaluate Project	June 2002 to May 2003
• Prepare EIS/EIR Documents	September 2002 to August 2003
• Approve Project	September 2003

Study Coordination

The Santa Clara Valley Transportation Authority (VTA) will serve as Project Manager for the MIS/EIS/EIR process. However, VTA will conduct an extensive outreach effort to coordinate with the stakeholder agencies and the general public. This will involve the establishment of a Policy Advisory Board (PAB) and a Technical Advisory Committee (TAC), as well as working with various community groups to ensure coordination and involvement throughout the entire MIS/EIS/EIR process.

Next Steps

Upon completion of the MIS/EIS/EIR process, the next steps will include:

- Preliminary Engineering
- Final Design
- Construction/Procurement/Testing
- Begin Service.

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