



June 26, 2020

The Honorable Jim Spring, Commissioner  
Metropolitan Transportation Commission  
Bay Area Metro Center  
375 Beale St., Suite 800  
San Francisco, CA 94105-2066

Dear Commissioner Spring:

We are looking forward to presenting the Public Health on Transit Plan and discussing options for the second tranche of CARES Act funding at the Task Force's June 29 meeting. These items are critically important to our continued focus on prioritizing the health of riders and workers, and to the near term financial sustainability and rebuilding of the region's transit network.

The Public Health on Transit Plan is the product of rapid, effective collaboration across the Bay Area's transit systems to develop a common, yet scalable set of guidelines and best practices that reinforce our focus on protecting the health of riders and transit workers as the region continues to reopen. The Plan was informed by public health experts and a thorough evaluation of the experiences and recommendations of peer agencies at a local, national, and international level.

As this plan is rolled out, it will provide riders with a comprehensive set of guidelines that will guide expectations about what the experience on transit will be like during recovery. It will also detail the steps we are taking to rebuild consumer confidence in our systems as we move through the phases of recovery under the challenging circumstances of the pandemic.

Our Service and Operations Planning Subgroup has also been collaborating to develop operating concepts that emphasize network connectivity as systems begin to adjust service in response to, and in anticipation of, returning demand.

These concepts include:

- Depicting the regional frequent network on a map to demonstrate existing network connectivity and identify gaps
- Analysis of transit agency passengers and employer survey results to guide coordinated decision making
- Establishment of Guiding Principles for service, schedule and transfer coordination between transit agencies
- Development of criteria for resuming fare collection
- Coordinated display of transit information at multi-agency transit hubs

- Advancing implementation of transit priority infrastructure at bridge crossings and approaches
- Identification of revenue sources to fund transit quick-build projects that improve service Performance

There is a great deal of work happening to ensure that the region's transit network is functioning to support current ridership demand and to prepare it to respond in a coordinated way as those demands evolve. We request that you set aside time on an upcoming Task Force agenda for a presentation and discussion of these concepts in more detail.

Thank you once again for partnering with us to ensure that riders throughout the Bay Area can count on transit to be there for them when they need it, and to preserve it as a preferred mobility option as more and more residents start to travel again.

Sincerely,



Nuria Fernandez,  
General Manager  
Santa Clara Valley  
Transportation Authority



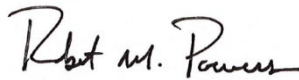
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Manager/Executive Director  
San Mateo County Transit  
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Michael Hursh,  
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Denis Mulligan,  
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Rick Ramacier,  
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Diane Feinstein  
Interim Transportation  
Manager  
City of Fairfield

Joan Malloy  
City Manager  
Union City Transit

Jeanne Krieg  
Chief Executive Officer  
Tri Delta Transit

Cc: Members, MTC Blue Ribbon Transit Recovery Task Force  
Members, Bay Area State and Federal Legislative Delegations  
Ray Tellis, Region IX Administrator, Federal Transit Administration



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EXECUTIVE DIRECTOR

June 27, 2020

The Honorable Jim Spering, Commissioner  
Metropolitan Transportation Commission  
Bay Area Metro Center  
375 Beale St., Suite 800  
San Francisco, CA 94105-2066

Dear Commissioner Spering:

All transit agencies throughout the Bay Area and across the country are suffering unprecedented operational and financial challenges as a result of the COVID-19 Pandemic. The Metropolitan Transportation Commission (MTC) staff proposal for tranche 2 allocation of CARES Act funding will not be sufficient to cover the cost of operating Caltrain service through the end of the year unless ridership returns to 30% of pre-pandemic levels over that time.

Recognizing that this level of ridership growth is unlikely, Caltrain can only reluctantly support the MTC staff proposal, and can only do so on the condition that a new Principle 6 be added that addresses the allocation of future relief funding. According to the most recent economic data, the MTC staff proposal is not an accurate reflection of the revenue losses that agencies are experiencing, but is more accurate than the initial tranche 2 options that were considered.

The following principle would only apply to future relief revenues and would account for the deficiencies of the tranche 2 proposal by recognizing that a truly needs-based approach cannot be accomplished in the absence of reliable data that more accurately reflects the revenue losses that agencies are experiencing. It also acknowledges that moving forward, fare revenue is likely to suffer deeper and more prolonged impacts than other revenue sources:

Principle Six:

Due to the ongoing public health crisis and slow-to-return transit riders, fare revenues, in particular, are likely to remain substantially below pre-COVID levels for an extended period of time. Thus, new sources of funding relief will be prioritized to:

1. Use the most up-to-date information to true-up prior CARES Act funding allocations so they more accurately reflect the actual losses that operators experience through the end of the calendar year.

2. Recognize that looking forward, operators most reliant on fares are likely to be most vulnerable to substantial ongoing revenue shortfalls for an extended period of time (i.e., beyond Fiscal Year 20/21).
3. Consider that the length and depth of fare revenue loss may be greater than other transit revenue sources.

Prior to start of the COVID-19 Pandemic, Caltrain was the 7<sup>th</sup> largest commuter railroad in the nation and also the most efficient. Unlike other Bay Area transit systems, Caltrain does not have diversified, dedicated revenue sources. More than 70% of its operating costs are covered by fares and other self-generated revenues.

Since the start of the pandemic and the initial shelter in place orders, Caltrain has seen an abrupt and dramatic decline in ridership. Ridership has declined by as much as 98%, and Caltrain estimates its fare losses at roughly \$2 million per week. Without a dedicated source of funding Caltrain was preparing to lay off contractors and had begun evaluating options to shut down the service. The initial tranche of CARES Act funding will allow the railroad to avoid layoffs and maintain operations into September, providing an essential regional transit service along the west side of the bay.

The MTC staff recommendation for tranche 2 will result in limited additional funds coming to the railroad and will once again leave Caltrain in a precarious financial position unless ridership rapidly returns. We do not believe that such a return in ridership is likely based on both our own surveys of employers as well as the current progress of the pandemic. If ridership remains depressed or recovers only slowly, Caltrain will be forced again to prepare for a suspension of passenger service this fall. The implications of a corridor shutdown are not simple. In addition to depriving the riding public of regional rail service between San Francisco and San Jose, such an undertaking will be complicated and costly and the path and timing of a return of service would be uncertain and difficult.

While we can still provide service, Caltrain staff is taking active steps to ensure that our trains provide the essential regional connections our riders and the public need most at this difficult time. We have introduced a new, simplified service pattern and have focused on enhancing the connection of our trains to BART in Millbrae and to the other key transit nodes on the corridor. Our Board increased our upcoming low income fare discount from 20% to 50% and we are planning to bring further equity and connectivity principles to our Board for consideration over the course of the summer.

While we are focused on making Caltrain as safe, convenient and reliable as possible for current travelers, we are also working to understand the best approach for serving an evolving customer base that will emerge as the region continues to reopen. Recent data and market research specific to Caltrain suggests a number of important considerations:

1. Ridership is starting to slightly tick up  
With the launch of Caltrain's 70-train schedule on June 15, ridership has increased, doubling from its low point during shelter-in-place.

2. Caltrain riders are likely to return to the system after the pandemic  
Survey data shows that major employers on the Caltrain corridor are generally planning for a phased-in return of employees to workplace. In addition, recent polling shows that over 80% of riders anticipate eventually returning to the system and about 70% say that they will use Caltrain as much or more than they did previously. Also, preliminary data from a survey of frequent Caltrain riders shows that almost half of them would like to return to the system before the end of the year, if possible, and half of those planning to return say they will use Caltrain as much as they did previously.
3. Low income riders are likely to be a higher percentage of total ridership compared to Caltrain's pre-pandemic customer base.  
More information is being collected in real time, but initial data supports the notion that Caltrain is an essential rail link for lower income riders who depend on transit to make regional trips. Serving the customers who need our service the most is our focus and we are taking steps to support and grow this market, both during the pandemic and beyond, including the increased discount that we are providing under the Clipper Start program. This is important context for the discussion about how to allocate funding in support of equity. Basing these allocations on pre-pandemic ridership demographics will not reflect current conditions or needs.

The CARES money is insufficient to support the needs of the region and so we are faced with the unenviable choice of deciding where and how to focus financial support now, and in the future. There is no ready replacement for Caltrain. It is the regional transit spine of the Peninsula, the western leg of the Bay Area's rail network, and without further support, the rail corridor is at imminent risk of going dark.

Sincerely,



Jim Hartnett  
Executive Director

Cc: Members, MTC Blue Ribbon Task Force  
Steve Kinsey, CivicKnit  
Caltrain State and Federal Legislative Delegations  
Commissioners, Metropolitan Transportation Commission  
Directors, Peninsula Corridor Joint Powers Board

June 28, 2020

MTC Blue Ribbon Task Force on Transit Recovery  
Metropolitan Transportation Commission  
375 Beale Street  
San Francisco, CA 94105

**Re: Blue Ribbon Task Force on Transit Recovery Meeting- June 29, 2020**

Dear Commissioner Spering and Task Force Members,

SPUR is a member-supported nonprofit organization that promotes good planning and good government through research, education and advocacy. Improving public transportation in the Bay Area is a core priority for our organization, and now is a pivotal moment that will shape the future of transit for decades to come.

The spirit of collaboration and ingenuity that we have seen from Bay Area transit agencies and MTC during the COVID-19 crisis has been remarkable. We must continue to draw on that same spirit of leadership to steer transit's recovery as the region begins to reopen.

We offer the following suggestions to help strengthen our recovery efforts.

**1. Item 4a - Transit Public Health and Safety Plan**

We appreciate the Task Force's efforts to elevate the importance of minimizing community spread on transit and that operators have coordinated to develop the Bay Area Healthy Transit Plan.

**We encourage MTC to play a more proactive role in ensuring a high level of consistency in communications and tactical efforts to reduce community spread.** Though we recognize that each agency has its own set of operating and financial constraints, consistency is key to instilling trust back into transit. Inconsistencies will hurt all transit operators--even those that do everything possible to reduce community spread. For instance, riders who use both VTA and Caltrain may not choose transit at all if any part of the journey feels unsafe.

Further, this is a place where greater communication with other sectors and industries can support transit's recovery. For example, as much as the region has been working to "flatten the curve", MTC and transit agencies will need to "flatten the peak" as the economy recovers in order to comply with social distancing requirements on transit. Transport for London (TfL) is doing this by working with specific sectors to shift schedules and reduce peak demand.

## 2. Item 4b - Near-Term Recovery Efforts

**We strongly encourage MTC to work with transit agencies to develop a core, rapid transit network plan that maximizes access, equity and financial sustainability. Network coordination at a regional level is an essential part of recovery planning. Failure to do so is simply a race to the bottom.**

The COVID-19 crisis has laid bare the ways in which our current system puts modes in competition with each other—with serious consequences for access, equity, and the financial stability of the network. The failure to coordinate service now could leave the Bay Area’s riders with significantly degraded service and access. For example, it could leave the Bay Area without a frequent and rapid backbone transit network as the economy reopens. Caltrain, which is almost completely dependent on fares, is at risk of shutting down in just a few months. Additionally, if BART lets go of operators to reduce costs, it could take up to a year to rehire staff, which means it would be slow to increase service when the region reopens.

As we move into the next phase of recovery, it is critical that we ask: how can near-term service decisions shape the transit network for the better in the long-run? Creating a network focused on high-quality, frequent backbone and feeder services, and supported by coverage routes to reach the rapid network, is one of the primary ways to achieve a more equitable region and an essential part of achieving a “better normal”.

## 3. Item 5a - CARES Phase II Funding Distribution

We appreciate that MTC has worked quickly with operators to determine a pathway for distributing the remainder of the CARES funds.

**This equity adjustment should only be a stop-gap measure, and should be coupled with immediate steps to create a truly more equitable transit network by 1) providing high-quality, frequent service that puts major destinations within easy reach of people of color and low-income people as well as 2) rationalizing fares to make transit more affordable.**

SPUR strongly supports policies that create a more equitable region by expanding access to transit and opportunity among low income and vulnerable groups. The proposed equity adjustment provides additional support to agencies that carry higher numbers of very low-income riders, but this method reinforces existing inequities in the Bay Area’s fare policies that perpetuates the myth that buses are for low-income people and trains are for high-income people. In other places around the world with more integrated transit networks and fares, no mode or transit brand is considered to be more equitable than any other. With integrated fares, the affordable choice is *any* choice. People choose what mode to use based on convenience and access—not cost.

As part of the CARES allocation, we strongly recommend giving close consideration to the following strategies to create a more affordable and equitable transit network, while also working to spread riders across modes and “flatten the peak” to comply with social distancing requirements over coming months.

- Eliminating transfer fees between trains and buses.
- Creating a consistent price or honoring local bus fares on rail.



- Expanding the means-based fare discount pilot to 50% across all participating agencies.
- Implementing an accumulator pass, which caps how much people spend on transit on any given day.

#### 4. Continued Funding Needs

**We encourage MTC and transit agencies to proactively fill remaining funding gaps and reduce costs.** We cannot count on another national emergency package before many of our transit agencies hit their “fiscal cliffs”. We encourage MTC to seek additional state support in order to avoid serious and prolonged consequences for the Bay Area.

We also encourage transit agencies and MTC to take additional measures to reduce financial volatility and make limited funds go further, including:

- Working with cities to manage and reduce congestion to improve transit productivity and reduce operating costs, permanently. The SFMTA has been able to run 10% more bus service than it otherwise would simply because streets are empty. As congestion returns, transit will once again be stuck in traffic. As local elected officials, the MTC Commission has an important role to play in improving transit productivity.
- Integrating some functions and services. The Bay Area’s transit costs are among the highest in the world. Some of this is driven by a duplication in the functions and services that each agency performs. Now is a time to encourage flexibility and experimentation so that transit agencies can deliver more service for less money.
- Diversifying transit’s business model. The Bay Area is not alone in having a system that is highly dependent on fares and locally-generated funds. For instance, Transport for London receives no subsidy from the national government. Consequently, it monetizes its stations and real estate through leases, has developed a consulting branch, and owns its own bike-share platform and uses sponsorship to generate revenue, and more. Though these cannot replace steady fares or an emergency package, non-core revenue generators can provide some level of financial stability.

Thank you for your continued leadership and advocacy to support the Bay Area’s recovery.

Sincerely,



Laura Tolkoff  
Regional Planning Policy Director