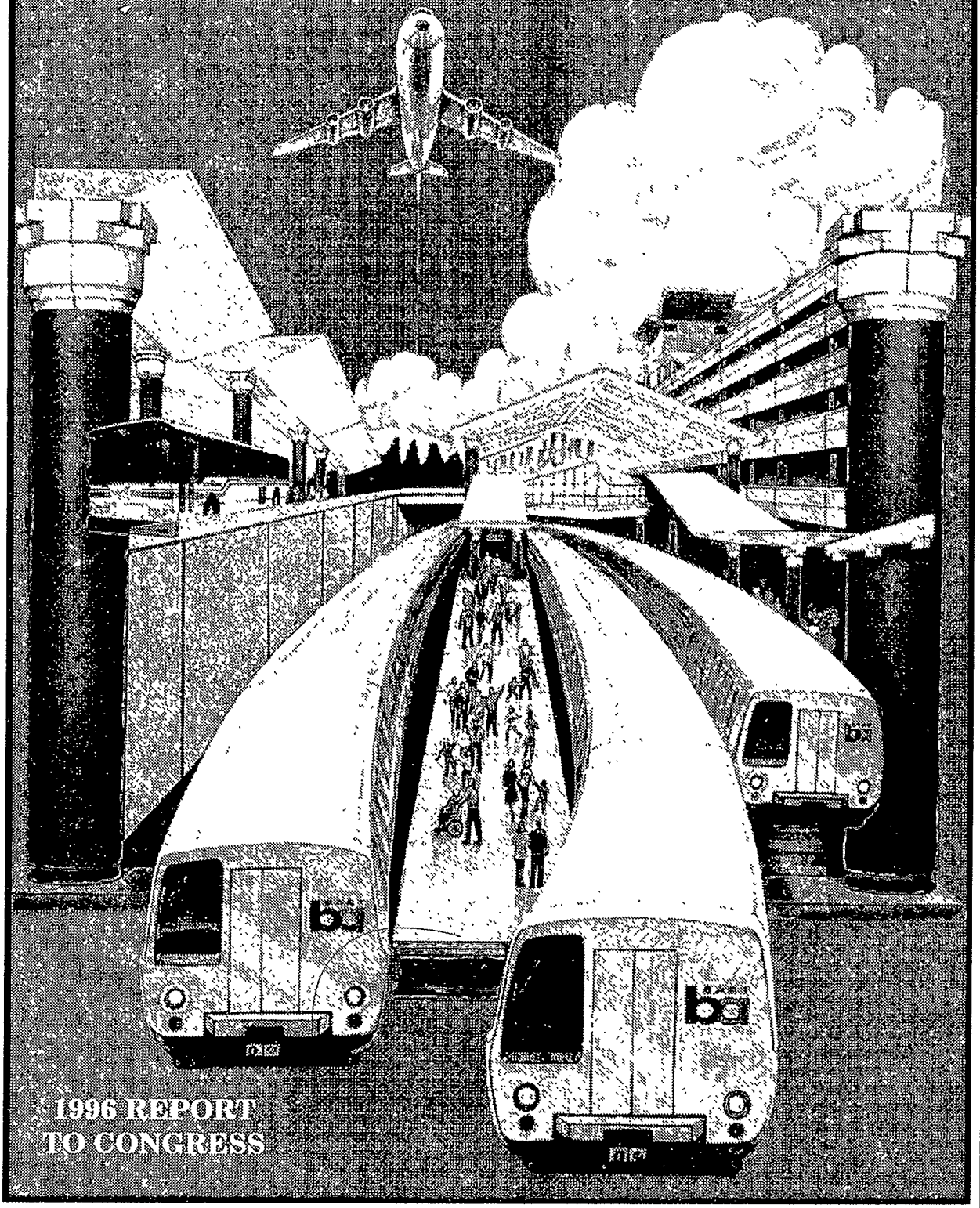
BART

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT



1996 REPORT TO CONGRESS

BAY AREA RAPID TRANSIT DISTRICT
800 Madison Street - Lake Merritt Station
P.O. Box 12688
Oakland, CA 94604-2688
Telephone (510) 464-6000

March, 1996

Dear Member of Congress:

On behalf of the Board of Directors of the San Francisco Bay Area Rapid Transit District (BART), I am pleased to transmit our 1996 Report to Congress. The report provides highlights of BART today and describes plans on the horizon for expanding and revitalizing our world class transit system. I hope you will find it a useful reference as you develop transportation-related legislation in the year ahead.

For more than two decades, the original 71.5-mile BART system has provided efficient, convenient, safe and reliable rapid transit service to more than one billion passengers. Our trains have logged over 15.5 billion passenger miles crisscrossing four counties and 16 cities to connect people to jobs, services, neighboring communities, shopping, and recreation. Every weekday, BART consistently draws over 250,000 riders. A high farebox recovery ratio and a dedicated local fund source enable BART to deliver quality transit service without any federal operating assistance.

To keep pace with the Bay Area's increasing demand for improved mobility, BART has embarked upon a $2.8 billion rail expansion program, 70 percent of which is financed by local, regional, and state revenues. The cornerstone of this program, the San Francisco International Airport (SFO) Extension, reached a key milestone in February of this year with completion of Phase 1a, the Colma Station Extension. This historic achievement marks the beginning of the most important part of the project, Phase 1b, BART service to the airport.

Continued congressional support for the BART SFO Extension is crucial to ensuring that we finish the job we started in cooperation with the airport's planned $2.5 billion expansion project. We have a rare opportunity to connect Northern California's largest regional rail system to the fifth largest airport in the country. By so doing, we will have created an extraordinarily efficient public infrastructure project that will serve our region and our nation for generations to come.

We deeply appreciate our Congressional delegation's strong support of the BART SFO Extension, the Bay Area's top transit priority. We look forward to working with you to secure Section 3 New Rail Starts appropriations necessary to complete the project.

Sincerely,

Dan Richard

Dan Richard
President

San Francisco Bay Area Rapid Transit District

1996 REPORT to CONGRESS

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PUTTING the FUTURE on TRACK

Message from Richard A. White,
General Manager

1996 marks the dawning of a new era for BART. With station openings on both sides of the San Francisco Bay, we have finally bridged the gap between our first and second generations of rail transit service. As the next millennium approaches, we find ourselves in a period of profound transition, determined to put the future on track.

We are forging ahead with a $2.8 billion expansion program while at the same time renovating our existing 23-year-old system. Meeting these dual challenges and delivering high-quality rail passenger service on a daily basis is daunting, particularly when fund sources for both capital expansion and system renovation are increasingly scarce. Nevertheless, we are moving forward in cooperation with our local, state, and federal funding partners to ensure that BART continues to make significant contributions to Northern California's mobility, economic strength, and quality of life.

Colma Station Extension - Gateway to SFO - Now Operational
Thanks to Congressional appropriations of Section 3 New Rail Starts funds, which covered 75 percent of project costs, on February 24, 1996, BART and the San Mateo County Transit District (SamTrans) celebrated the opening of the Colma Station Extension. Completion of the project, Phase 1a of the BART San Francisco International (SFO) Airport Extension, marks a key milestone in our ultimate quest to provide BART service to the San Francisco International Airport. Located roughly two miles south of the existing Daly City BART Station in northern San Mateo County, the $170 million facility is among the largest in the system and features a modern, three-track, two-platform station with a five-story parking garage.

SFO Extension on Track with New Cost Savings
We are making steady progress on Phase 1b, the BART SFO Extension. One of the largest public infrastructure projects in the San Francisco Bay Area, the BART SFO Extension is on the threshold of creating thousands of high-paying jobs and producing considerable secondary economic benefits.

We are nearing completion of an exhaustive environmental evaluation and expect to adopt a project in May of this year. We anticipate FTA issuance of a Record of Decision early this summer and subsequently, a long-term federal commitment to the project. These actions would unleash a flurry of economic activity beginning with right-of-way acquisitions, award of the first construction contract for site preparation, and the bid and award process for utility relocation work. By January of 1997, BART would be positioned to initiate the bid and award process for a major turnkey (design-build) contract.

Last year, at the urging of the House and Senate Appropriations Committees, we decided to take another look at the project's Locally Preferred Alternative (LPA) with an eye for reducing project costs, particularly the federal share. I'm pleased to report that, with the full cooperation of the San Francisco Airports Commission, we have successfully redesigned the LPA in a manner that reduces the federal share of project costs by approximately $100 million - without sacrificing passenger convenience or safety.

We arrived at these cost savings by modifying last year's LPA - which would have tunneled BART onto airport property - and substituting a new, lower-cost aerial design option. The revised LPA, Alternative VI Aerial Design Option, would use an aerial approach to the airport and deliver passengers to a BART airport station located in front of the future International Terminal. The proximity of the proposed station would afford over 50 percent of BART passengers the opportunity to reach their airport check-in destinations within a four to five-minute walk of the BART platform.

East Bay Extensions Take Shape

BART service to the East Bay took a giant leap forward when the first station on the Pittsburg/Antioch Extension - North Concord/Martinez - opened its fare gates in December 1995, the first new station to open in nearly 20 years. Revenue service to the second station, Pittsburg/Bay Point, is expected later this year. Both stations on the 14-mile Dublin/Pleasanton Extension are slated to open in 1996.

Under a pivotal regional agreement, MTC Resolution No. 1876, none of these long-sought rail extensions in the East Bay receives any federal funds. Instead, 100 percent of project costs are borne by local, regional, and state fund sources. Set apart from these projects is the BART SFO Extension. Due to its indisputable significance to national transportation policy objectives, it is the only BART extension to receive federal funding.

Excellence in Operations is Our Mission

Beyond this ambitious capital program, BART is working hard to continually improve customer service and trim overhead costs. Last year, we initiated a hands-on "Customer Connections" program, which had BART administrators visit stations to get feedback from riders. These encounters renewed our commitment to making BART a safe and pleasant transportation experience.

Despite a low incidence of crime on our system, many passengers wanted greater police visibility. In response, we developed a strategy to decentralize BART police services and bring officers closer to outlying communities by establishing four police sub-stations throughout the system. The first sub-station opened in downtown San Francisco and three others are slated to open in the East Bay. BART police headquarters remain at Oakland's Lake Merritt Station.

Over the last several years, BART has employed tough efficiency measures to limit the growth in the operating budget. We negotiated fair-minded, but fiscally responsible three-year labor

contracts, reduced administrative/management staff by 20 percent, and maintained an extremely low cost per passenger mile (23 cents per mile in FY 1995).

Keeping a lid on costs enabled us to avoid a fare increase for nine years until last April when the Board of Directors initiated a three-year fare increase to pay for a critical triple challenge: system renovation, ADA-mandated paratransit services and operating costs associated with the extensions.

Systemwide Renovation Program

Our system renovation program is well underway and already producing results. Last year, BART signed a $330 million contract with AEG Transportation Company to overhaul the original fleet of 439 train cars, which will extend their useful life for another 15 - 20 years. As part of the renovation effort, each car will be stripped down to its shell and the internal parts restored or replaced - everything from propulsion systems and brakes to upholstery and carpeting.

Customers are already beginning to see dramatic results from the renovation's "Mint Car" project, which calls for 100 older cars to have their interiors completely renewed. Vandalized windows and dirty, worn carpeting, seat cushions, and upholstery are being replaced and lighting fixtures renewed. The fast-paced schedule calls for 16 cars to be refurbished each month through June.

BART's 10-year $1 billion system renovation program is not glamorous or high profile. But, this essential investment will extend the life of existing assets, control costs, improve train availability and on-time performance, and build our base of customers. Moreover, the forthcoming surge in ridership generated by the extensions makes system renovation an imperative.

Moving Ahead in Partnership with the Congress

Although many challenges confront us, we face the future determined to keep the San Francisco Bay Area on track. The BART SFO Extension holds great promise for the future of our region and our nation. However, we need the Congress' continued support to make that vision a reality.

1996/97 Federal Legislative Agenda

BART recommends the following actions as Congress deliberates the FY 1997 Department of Transportation appropriations bill and other transit-related legislation:

New Rail Starts Request for BART SFO Extension

- Appropriate $120 million in Section 3 New Rail Starts for the San Francisco Bay Area earmark, authorized under the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA).

- Based on project needs, the Bay Area region would allocate $87 million to the BART SFO Extension (see page 7 for more details) and $33 million to the Tasman Light Rail Project.

- Continued federal support for the BART project is critical to ensuring that we finish the job we started and deliver a world-class rail/airport link. To date, federal investments in the Colma and SFO Extensions total $245 million ($124 million to Colma, $65.5 million to SFO).

Fund Programs that Support Existing Transit Infrastructure

- Preserve the federal commitment to programs that maintain existing transit infrastructure, including Section 3 Fixed Guideway, Section 9 Capital, and the Congestion Mitigation and Air Quality (CMAQ) program. These programs are crucial to safeguarding and maximizing the public investment in transit infrastructure, particularly when funds are increasingly scarce for capital development and renovation.

- The BART Systemwide Renovation Program is scheduled to receive, through the year 2000, $239 million in Section 3 Fixed Guideway, $140 million in Section 9 Capital, and $30 million in CMAQ funding.

- We urge Congress to sustain these programs at levels approaching the ISTEA authorization.

Provide Funding to Fulfill the Promise of the Americans with Disabilities Act (ADA)

- The federal government must acknowledge its obligation to fund transit services required by the Americans with Disabilities Act (ADA) by committing adequate Section 9 operating assistance (or a similar dedicated funding program) for ADA implementation. This landmark 1990 civil rights legislation is expected to cost Bay Area transit operators $52 million annually, more than four times the federal operating assistance currently received by the region.

- BART joins other Bay Area transit operators in urging Congress to implement

recommendations made in a January 1996 preliminary report on federal mandates by the Advisory Commission on Intergovernmental Relations, which says: "Either provide increased federal funding to state and local governments to assist in compliance, including funding for paratransit, or modify some deadlines and requirements to let state and local governments meet ADA goals in a manner that recognizes the local technical and budget constraints without abridging the national commitment to the rights of individuals with disabilities."

- Monitor the Federal Transit Administration's (FTA) progress in implementing a Congressional directive to develop a strategic plan for coordinating and consolidating the myriad U.S. Department of Health and Human Services programs that now expend $1.2 billion annually for non-emergency paratransit services.

Preserve the Basic Framework of ISTEA in Surface Transportation Reauthorization

- The Intermodal Surface Transportation Efficiency Act (ISTEA), enacted with bipartisan support in 1991 as the federal Interstate Highway System was nearing completion, has revolutionized transportation policies and project selection in the San Francisco Bay Area.

- In the intervening years, ISTEA has accomplished its primary objectives: encouraging more efficient investments of federal transportation dollars, placing a greater reliance on state and local decision-making, and spurring new partnerships among various transportation providers and stakeholders.

- BART encourages the Congress to support the following Metropolitan Transportation Commission recommendations to guide reauthorization:

  - Long-term, sustained investment in the nation's transportation infrastructure;

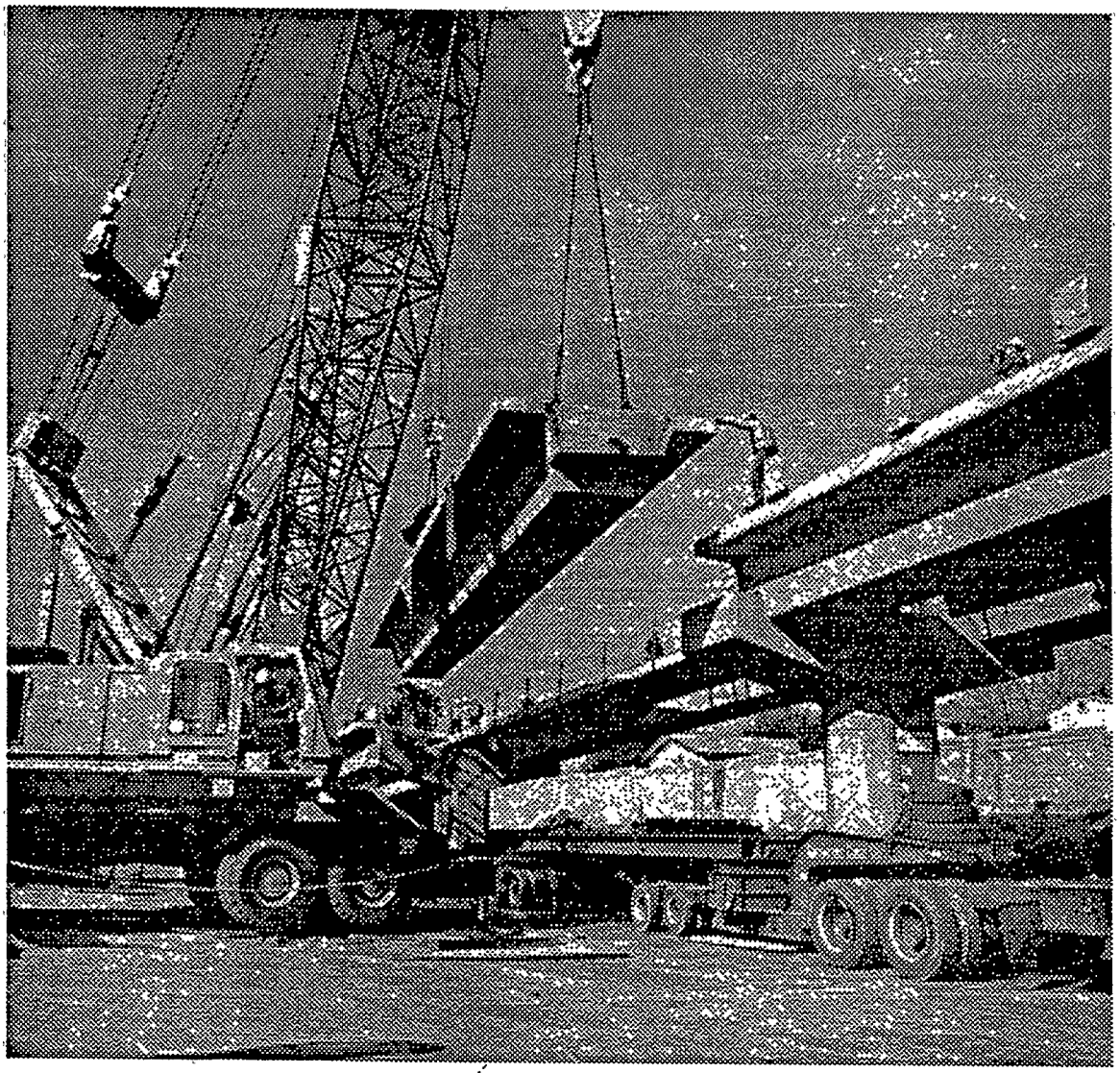
  - Transportation funding flexibility to meet the diverse needs of states and localities;

  - Streamlined federal oversight and regulations; and

  - Strengthened partnerships between federal, state and local interests.

- Most importantly to BART, we strongly encourage the Congress to include in the next reauthorization bill, a provision that authorizes sufficient appropriations of Section 3 New Rail Starts funds to complete Phase 1b, the BART SFO Extension.

New Rail Starts Request for BART SFO Extension



BART

New Starts Request for BART SFO Extension

BART urges Congress to appropriate $120 million in Section 3 New Rail Starts for the San Francisco Bay Area earmark in FY 1997. Based on project needs, the region has agreed to allocate $87 million to the BART SFO Extension and $33 million to the Tasman Light Rail Project in Santa Clara County.

BART and the San Mateo County Transit District (SamTrans) are nearing completion of an exhaustive environmental evaluation for the proposed project. As the tentative schedule below illustrates, BART would apply the FY 1997 federal funds toward right-of-way acquisitions - which have an estimated federal share of $116 million, award the first construction contract for site preparation, and begin the bid and award process for utility relocation work. These actions would position BART to initiate the bid and award process for a major turnkey (design - build) contract in January of 1997.

Timing has become a critical element to the successful implementation of this project. The San Francisco Airports Commission has already begun construction of its $2.5 billion expansion project, which includes the new International Terminal, adjacent to the proposed BART airport station. The window for designing and building both projects in a collaborative manner is narrow, but taking advantage of this unique opportunity will maximize federal investments in each project and best serve the needs of the traveling public. BART and the Airports Commission are mutually committed to this objective and plan to move forward in sync with one another's project schedules.

Review of Recent Project Milestones

In recent months, BART and SamTrans have made some important modifications to the Locally Preferred Alternative (LPA) in an effort to reduce costs (particularly the federal share) and to ensure that the best possible project alternative is selected. To better understand the current status of the project, a review of key actions since last year's appropriations process was completed, may be helpful.

Summer, 1995

In response to Congressional directives to reduce costs and project risks, BART and SamTrans initiated a study of an aerial design option into the airport, with the cooperation of the San Francisco Airports Commission. Accordingly, the environmental documents were revised, recirculated, and made available for public comment, pushing back the project schedule. Also, during the summer of 1995, BART and the San Francisco Airports Commission adopted Passenger Services Quality Standards for rail service into the airport to guide the design of the aerial design option.

September, 1995

The Focused Recirculated Draft Environmental Impact Report/Supplemental #2 Draft Environmental Impact Statement (FRDEIR/S#2DEIS) was released, which evaluated the aerial

design option to Alternative VI (including two optional airport station configurations).

November, 1995
BART and SamTrans adopted a new LPA. This revised LPA, the Alternative VI Aerial Design Option, would locate the BART airport station in front of the future International Terminal, enabling over 50% of BART passengers to reach their airport check-in destinations within a four to five-minute walk of the BART platform in keeping with the Passenger Services Quality Standards adopted by BART and the Airports Commission.

February, 1996
The Colma Station Extension, Phase 1a of the BART SFO Extension, opened for revenue service.

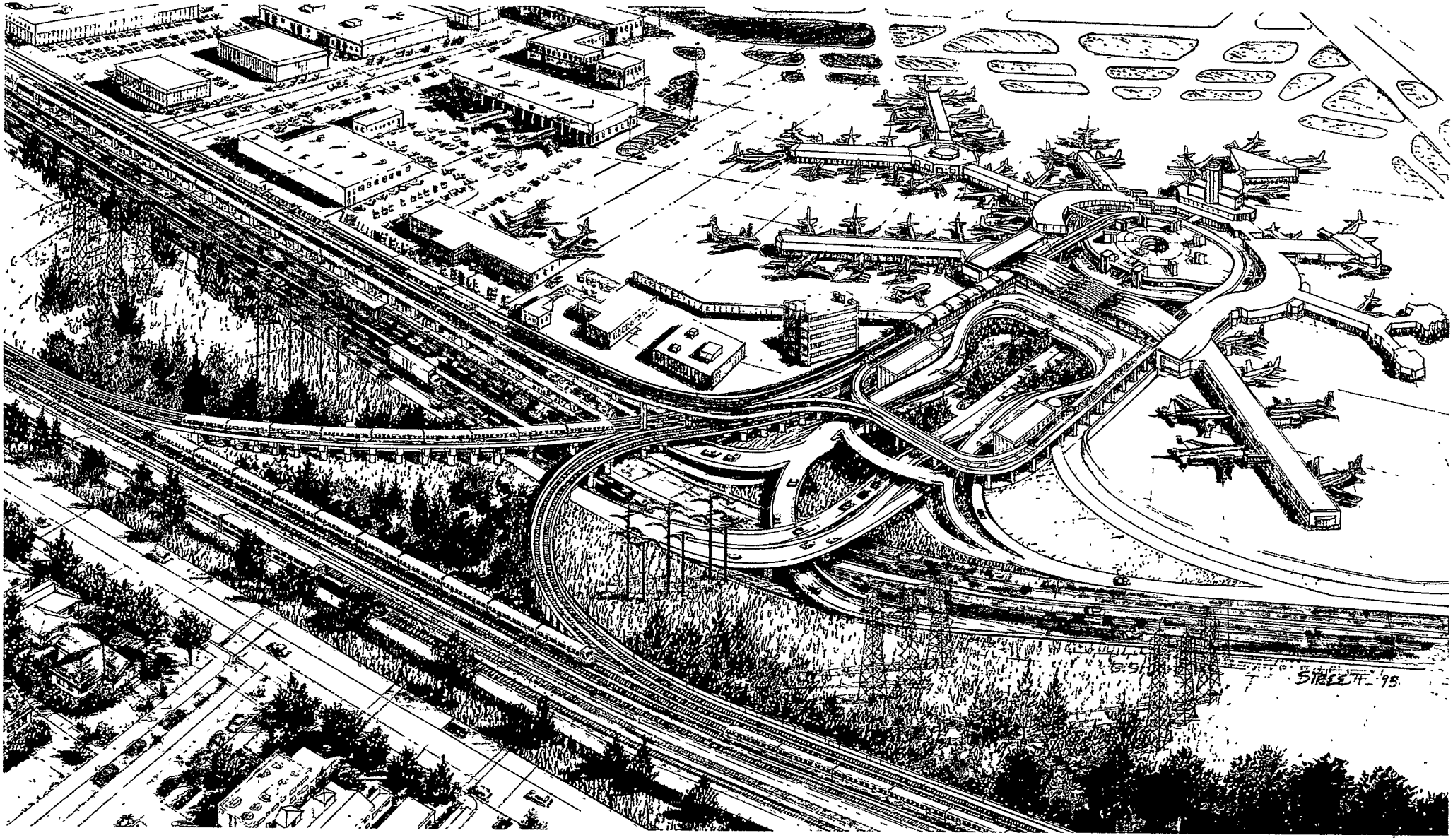
Tentative Project Schedule
Continued federal support for the project in FY 1997 will ensure that the project stays on schedule and moves forward in full cooperation with the San Francisco International Airport's expansion plans.

May, 1996
BART and SamTrans are expected to consider certifying the final environmental documents and adopting a project.

June, 1996
FTA is expected to issue a Record of Decision (ROD). With a ROD in place, BART would enter into a long term funding agreement with the federal government. Thereafter, BART would initiate a 50-month project implementation plan.

September, 1996
BART and SamTrans would begin right-of-way acquisitions, award the first construction contract for site preparation, and begin the bid and award process for utility relocation work ($116 million is the estimated federal share of right-of-way and utility relocation work) in preparation for the award of a major turnkey (design - build) contract.

January, 1997
BART proposes to advertise for bids on the first major design - build contract, with an estimated federal share of $250 million for line, trackwork and systems components.

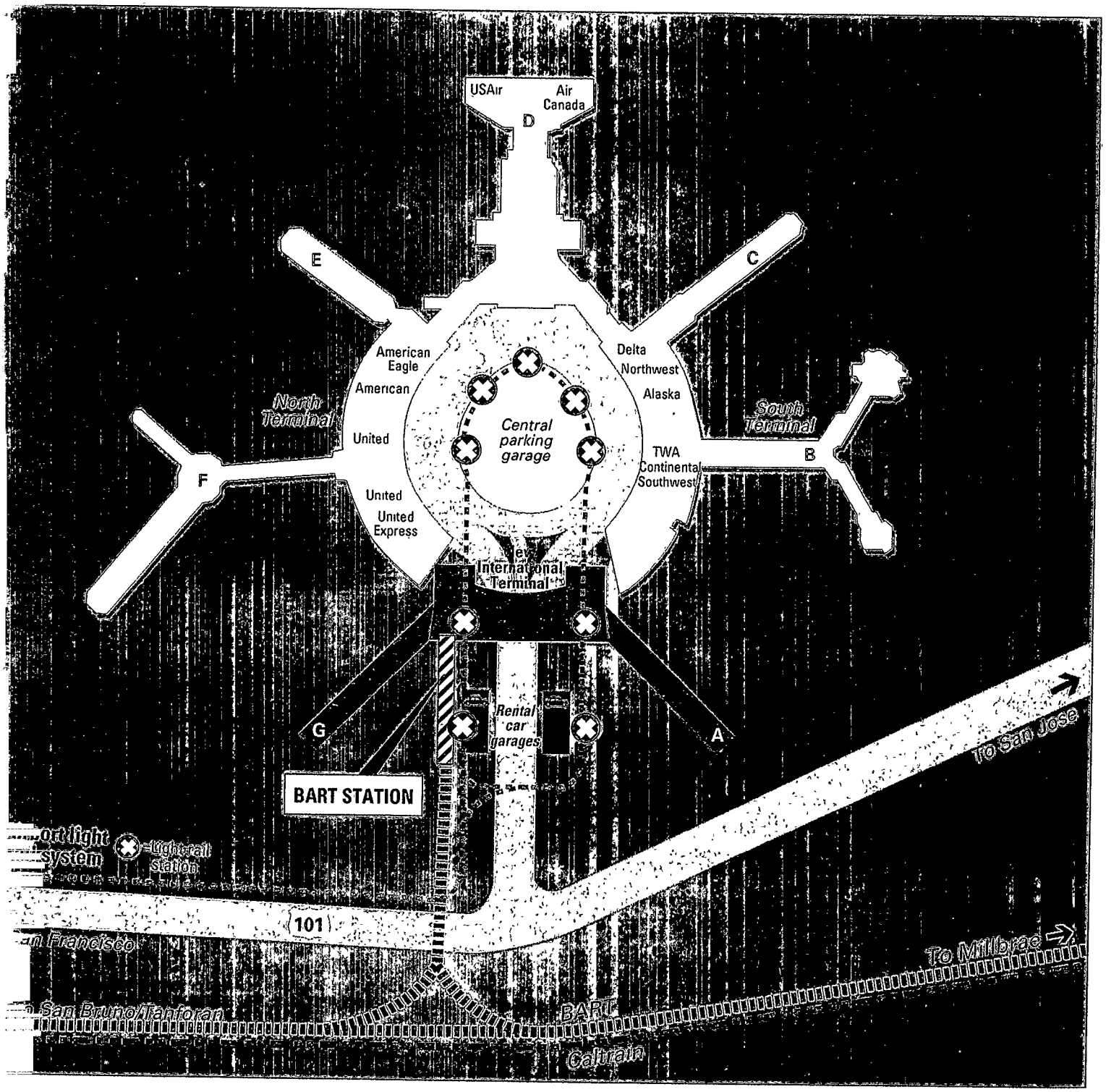


BART EXTENSION INTO THE
SAN FRANCISCO INTERNATIONAL AIRPORT

BIRD'S EYE PERSPECTIVE LOOKING NORTHEAST
OF AERIAL WYE ALIGNMENT PROVIDING RAIL ACCESS

BART EXTENSION INTO THE SAN FRANCISCO INTERNATIONAL AIRPORT

SCHEMATIC STATION LOCATION PLAN



Overwhelming Support for BART SFO Extension

Transportation projects of this scope and impact upon local communities require an enormous amount of cooperation and consensus-building to bring them into being. This has certainly been the case with the BART SFO Extension, which, after years of planning, analysis and community input, has captured the enthusiastic support of the traveling public, business leaders, civic groups, and decision-makers at every level of government.

Cities impacted by the project have passed resolutions of support; voters in San Mateo County have twice approved ballot measures directing local funds to be used for the SFO Extension; every major daily newspaper in the BART service area has given editorial support for the project; and a 1994 survey of 1,001 registered voters in the Bay Area found that 89 percent wanted BART to serve SFO.

The project enjoys this widespread support because it promises to offer tens of thousands of daily passengers an alternative to wasted time and fossil fuel stalled in freeway gridlock by providing quick and convenient access to and from SFO. Policy-makers have long since recognized the project's appeal and since 1988, the SFO Extension has been the number one priority for Section 3 New Rail Starts funds under a regional agreement (Resolution No. 1876) adopted by the nine-county Metropolitan Transportation Commission.

The BART SFO Extension promises to be a national model of efficiency and intermodalism. The project's extraordinary regional, national, and international benefits, illustrated below, clearly merit further federal investments.

A state-of-the-art rail/airport link, the BART SFO Extension would provide a world-class connection between BART's 75-mile (and growing) rapid transit system and the San Francisco International Airport - the fifth busiest airport in the country. An estimated 70,000 daily passengers are expected to use the four stations on the BART SFO Extension. These would include airport passengers and employees, daily commuters, business travelers, and tourists drawn by the Bay Area's scenic beauty and rich cultural and recreational opportunities.

During construction, the BART SFO Extension would create over 50,000 direct and indirect jobs, energizing not only the Bay Area's regional economy, but other regional economies around the country due to participating contractors and suppliers nationwide. Once complete, the project would help to fortify the nation's long-range economic health by efficiently transporting people to and from the greater San Francisco Bay Area, the gateway to Pacific Rim trade.

Auto emissions account for a major portion of the Bay Area's air quality problem. In an effort to reduce emissions, the Bay Area Air Quality Management District has named the BART SFO Extension as one of the region's key transportation-related measures aimed at achieving and maintaining improved air quality. Businesses concerned about bureaucratic controls will

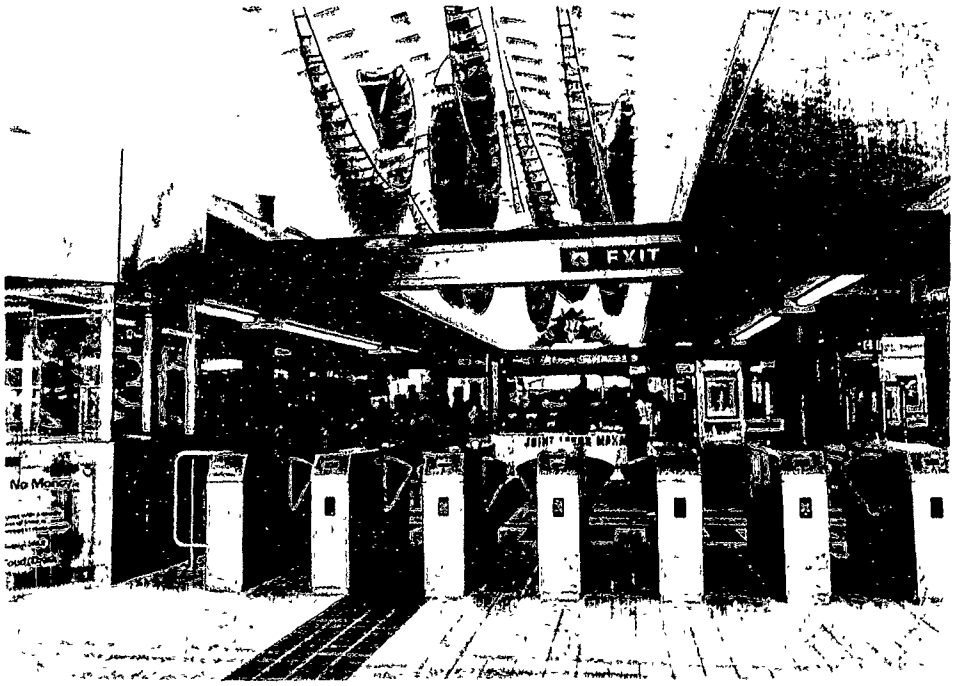
appreciate the project's inherent clean air benefits, which offer a functional alternative to regulatory attempts to reduce auto emissions.

Like the rest of the BART system, which operates without any federal operating subsidies, the BART SFO Extension would achieve unparalleled fiscal and operational efficiency, with an estimated farebox recovery of 85 percent. Finally, the project would accommodate the 70 percent growth in air passengers expected as a result of the airport's planned $2.5 billion capital expansion program, currently under construction.

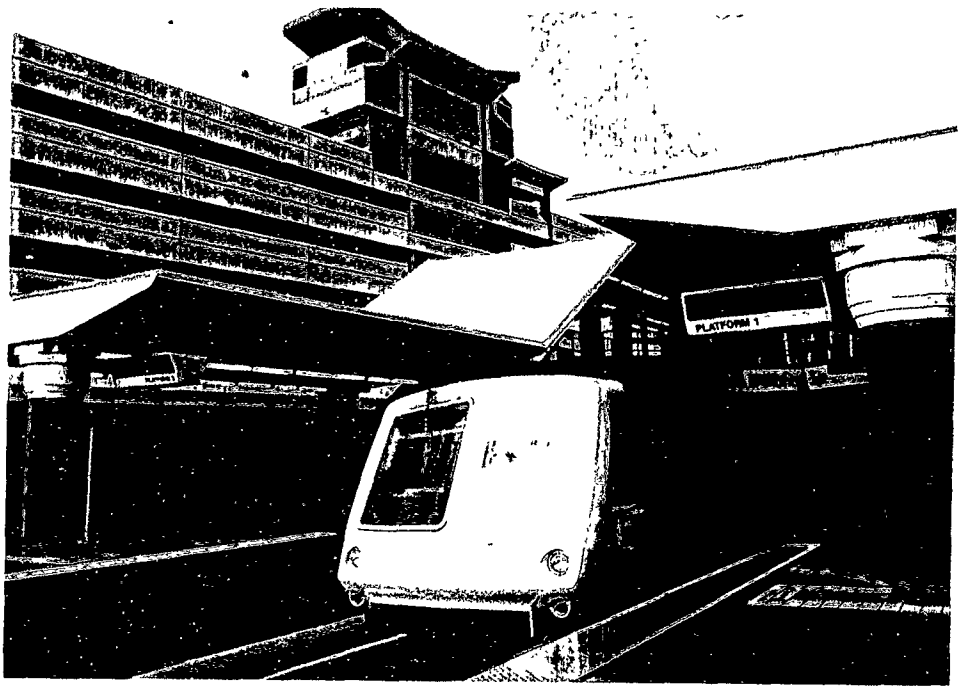
Congress has already appropriated a total of $284 million to the San Francisco Bay Area to complete the first leg of the BART airport line, the Colma Station Extension, identified in ISTEA as Phase 1a of the BART San Francisco International Airport Extension, and to begin Phase 1b - the segment from Colma to the airport with an end-of-the-line intermodal station in the City of Millbrae. (This $284 million total includes approximately $93 million for the Tasman Project in Santa Clara County.)

Completion of Phase 1a calls for celebration; however, this achievement is only the beginning. Congressional intent, expressed under the ISTEA authorization and in annual appropriations since 1990, has always been to complete Phase 1b and extend BART all the way to SFO. In order for the federal investment to have real value, the federal/local partnership must continue until the job is finished.

San Francisco Bay Area Rapid Transit District
BART



Above: faregates with artwork above.
Below: platform area.



Colma Station
In service since February 24, 1996

Completion of Colma Station Celebrated

On February 24, 1996 BART and SamTrans jointly celebrated the opening of the new Colma Station Extension, which marks the first step in linking BART to the San Francisco International Airport. Located roughly two miles south of the existing Daly City BART Station in northern San Mateo County, the $170 million facility is among the largest in the system and features a modern, three-track, two-platform station with a five-story parking garage. The station is expected to serve more than 18,000 new daily riders.

A coalition of funding partners, led by the Federal Transit Administration, which covered 75 percent of project costs, made the project possible. However, implementing this complex project also took innovation and determination.

A Complex Project

Building the Colma Station Extension presented a number of engineering challenges and involved several construction projects at once. A hill on the east side of BART's Daly City Yard had to be removed in order to construct the station. A section of an adjacent street also had to be removed to lay BART tracks. In order to comply with unprecedented seismic safety standards, the station was designed and built in three separate structures and includes over five million pounds of reinforcing bars to support the station. Another challenge involved the design and construction of the 1,400-space parking structure, which is situated above an existing train storage and maintenance yard - the first time in California history that such construction was undertaken over an operational rail facility.

Station Features

The facility features five pedestrian and auto bridges which connect the station and parking structure to access points on three sides of the multi-modal complex. One pedestrian bridge leads directly to an adjacent SamTrans park & ride lot. Another bridge spans a major boulevard leading to the tailtrack subway structure, which adjoins an historic cemetery. There are Kiss & Ride drop-off areas, bicycle lockers and SamTrans bus bays. The project also includes a new on-ramp to Interstate 280 South for easy highway access, and masonry sound walls to shield nearby residents. Local residents participated actively with state and local agencies to influence many aspects of the project, including the route itself and visual design elements such as landscaping, perimeter fencing, entry and exit treatments and lighting.

Completely Accessible

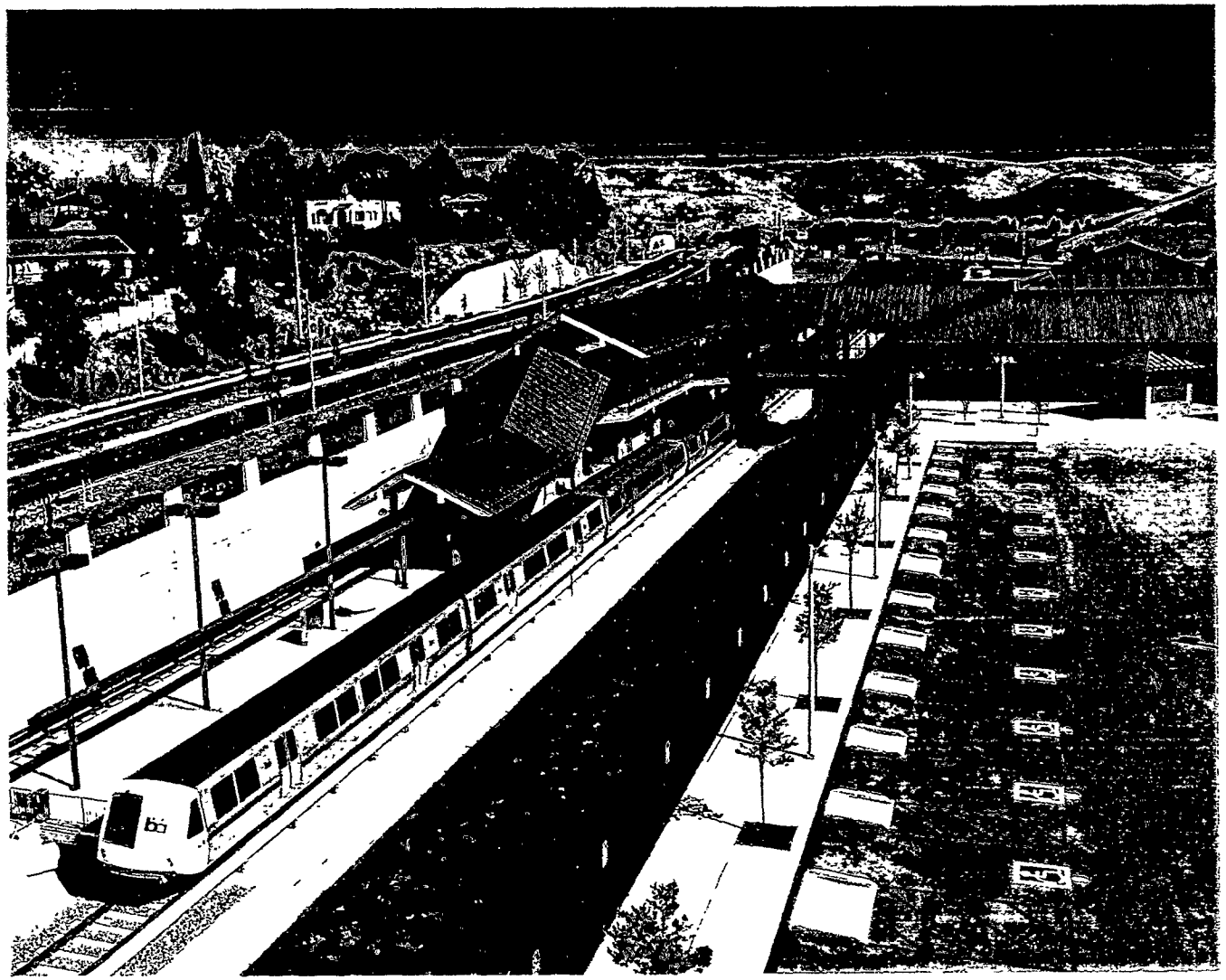
Like all BART facilities, the Colma Station is completely accessible to people with disabilities. Textured walkway strips easily identify platform edges and locate where train doors open. Wider fare gates make entry and exit easy. Also, five glass elevators allow space for up to two wheelchairs each and provide a hands-free speaker phone that communicates directly with the station agent's booth.

Light and Motion Captured in Colma Station Sculptures
Two pieces of dynamic art were created by internationally known local artists to enhance the beauty of the station. Michael Hayden's "Arco Iris," seen from the platform, is a high-tech sculpture of reflecting panels that cast rainbows and shimmer in the light. "Leonardo's Dream," Daniel Joshua Goldstein's blue and green overhead sculpture representing wind and movement, is displayed on the station concourse.

An Important Source of Jobs
Construction of the Colma Station brought thousands of jobs to local workers, suppliers, and contractors throughout the San Francisco Bay Area and beyond. A total of 75 different subcontractors worked on the project.

Colma Station a Gateway to SFO
With Phase 1a of the BART SFO Extension now complete, BART continues to move forward with Phase 1b, the final segment which will bring BART service into the airport. The project is at a critical juncture as BART prepares to conclude final environmental documentation and adopt a project. It is imperative that the Bay Area secure sufficient federal appropriations to keep the project on schedule and to integrate BART construction with the airport's $2.5 billion expansion program. Continued Section 3 New Rail Starts will ensure that the region reaches its long-sought goal of providing a world-class link between BART and SFO.

San Francisco Bay Area Rapid Transit District
BART



North Concord/Martinez Station
In service since December 16, 1995

East Bay Extensions Take Shape

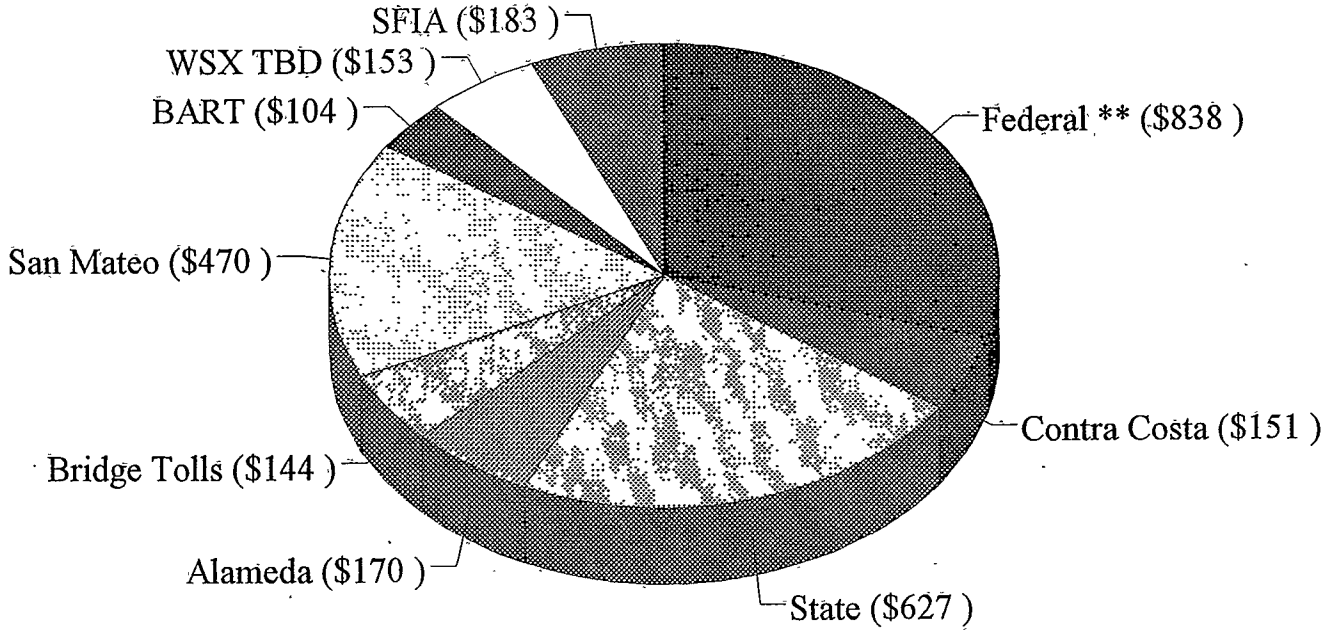
Pittsburg/Antioch Extension
On December 15, 1995, BART celebrated the opening of the North Concord/Martinez Station in Contra Costa County - the first new station to be built in nearly 20 years. Not long afterward, BART riders were already driving into the station's 2,000-space parking lot and streaming through the new facility's fare gates. Located off Highway 4 and adding about 3 miles of track to the system, North Concord/Martinez is the first of two new stations on the Pittsburg/Antioch Extension, and is designed to take the load off the former terminus station at Concord. The second station, Pittsburg/Bay Point, is slated to open later this year. Total average daily ridership on the eight-mile, two-station extension is expected to reach 12,000 passengers per day.

Dublin/Pleasanton Extension
The winter storms and floods of 1995 took their biggest toll on the Dublin/Pleasanton Extension. The 14-mile, two-station Alameda County project suffered a chain reaction of rain delays that pushed the grand opening of the new line to 1996. BART had plotted the construction schedule using 30 years of National Weather Service data which recorded an average of 14 days of rain for each year of construction. We expected no more than 42 stormy interruptions during the last three years. Instead, workers were hit with 221 wet days. Nevertheless, the project is moving forward and BART is preparing opening ceremonies for later this year. Once complete, the Castro Valley and East Dublin/Pleasanton Stations are expected to draw over 22,000 average daily riders.

Warm Springs Extension
In June of 1993, the BART Board of Directors suspended all work on the Warm Springs Extension in southern Alameda County, pending the resolution of the following key issues: the City of Fremont's lawsuit on the adequacy of the Final Environmental Impact Report (FEIR), the project's funding shortfall, and the lack of a rail connection to the project from Santa Clara County. Despite these hurdles, BART continues to promote improved rail transit service in the Fremont-South Bay corridor.

BART PHASE I EXTENSIONS: FUND SOURCES

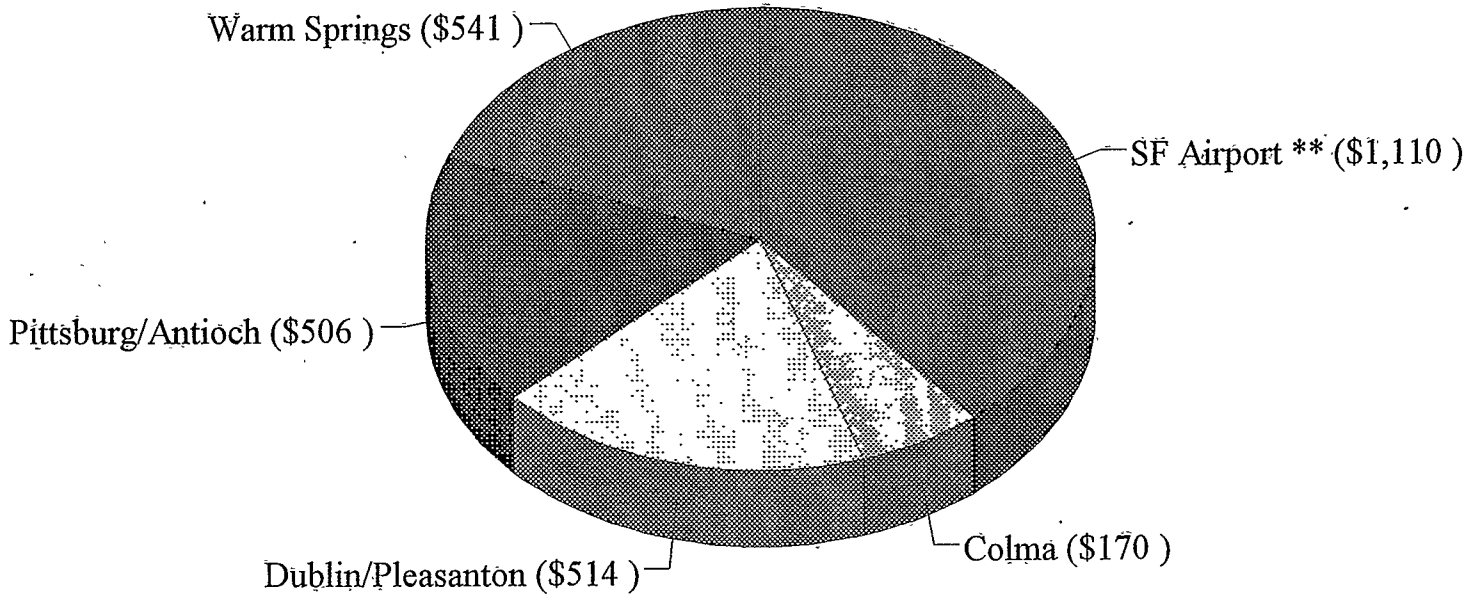
$2.841 Billion, w/ New SFO LPA



** Federal amount excludes funds needed for SFO Extension financing costs.

BART PHASE I EXTENSIONS: FUND USES

$2.841 Billion in Escalated Dollars



** Amount for SFO Extension excludes financing costs.

BART Performance Highlights

Heading for the Future
With extensions opening in 1995 and 1996, BART will provide an additional 3.7 million new trips a year for a total of more than 73.3 million annual trips. BART morning and evening peak service is expected to increase 33 percent with the overall addition of 14 trains during these hours of operation. With safety and customer service as the District's number one priorities, BART will concentrate on keeping stations and cars both clean and secure. Savings achieved through cost-containment strategies have been dedicated to removing graffiti, cleaning cars inside and out, and training and security improvements. BART approaches the new century intent upon reinforcing its legacy of efficiency and customer service by delivering an ambitious program of expanded and revitalized rapid transit service in the San Francisco Bay Area.

Ridership
BART ridership for FY 1995 totaled 72,045,140 - a 1.5 percent decrease from FY 1994 when annual ridership reached 73,175,021. During FY 1995, weekday passenger trips averaged 248,169. The ridership decline last year was a lingering symptom of the region's slow economic recovery from recession-driven unemployment rates. A fare increase in April - the first in nine years - brought a dip in passenger trips for the last quarter of the fiscal year.

Operating Revenues and Expenses
On the financial side, BART's total operating revenue increased $3.4 million in FY 1995, rising from $113,136,400 to $116,539,786. The fare increase accounts in part for a $1,379,586 increase in net passenger revenue, from $102,497,200 in the previous year to $103,876,786 in FY 1995. Other operating revenue, including interest income and advertising in trains and stations, rose a little over $2 million, going from $10,639,200 in FY 1994 to $12,663,000.

Net operating expenses for the fiscal year increased slightly from $217,425,800 to $218,333,800, well below the cost of inflation. However, BART was able to pay for 47.58 percent of its operating expenses from the net passenger revenue collected at the farebox. This compares favorably to last year's farebox ratio of 47.14 percent, and remains one of the highest farebox recovery ratios in the nation. Total operating ratio compares the total operating revenue to the total operating expenses. For FY 1995, BART's total operating ratio was an impressive 53.387 percent, an improvement over FY 1994, which was 52.03 percent.

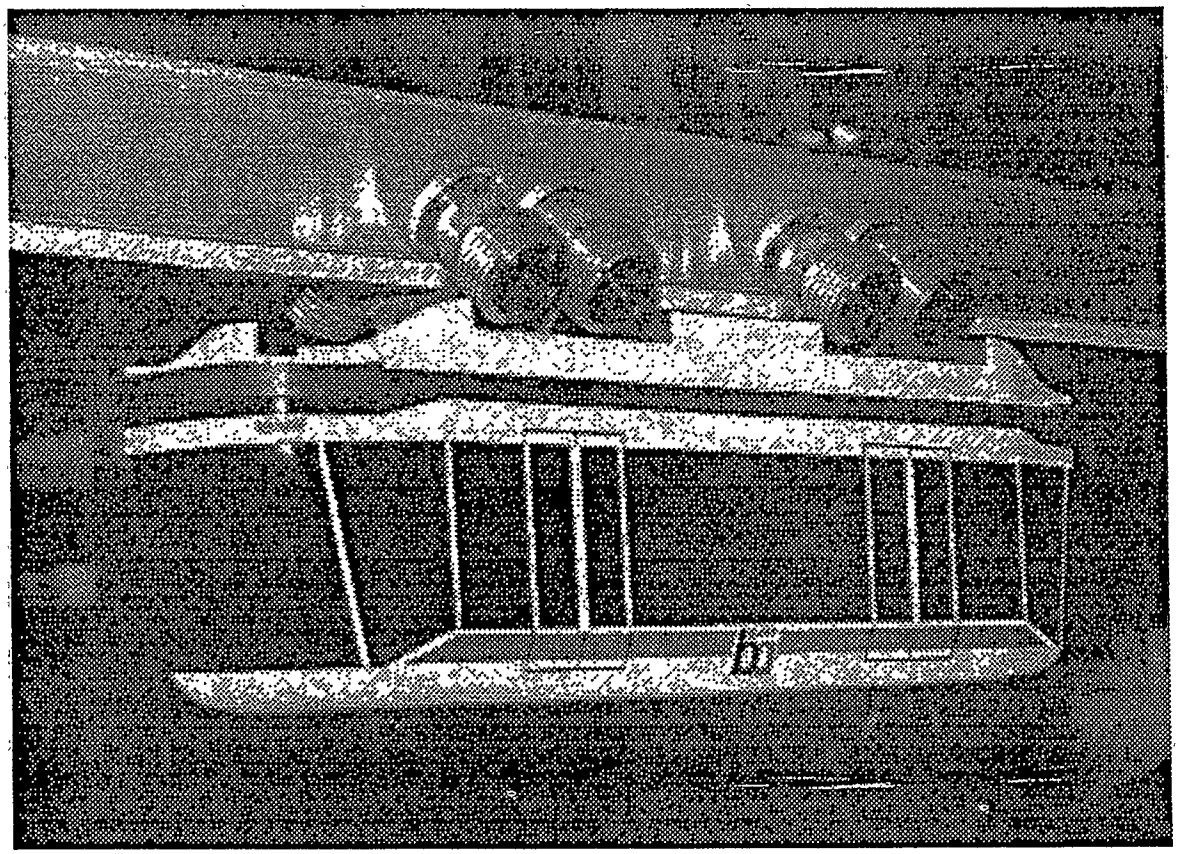
Fiscal Health Care
Last April, the BART Board of Directors approved a three-year fare increase in order to pay for a critical triple challenge: system renovation, ADA-mandated paratransit service, and operating costs associated with the extensions. Fares went up an average of 15 percent in 1995, with planned increases of 13 percent this April and 11.4 percent in April of 1997. The fare increase is expected to yield approximately $100 million over three years. BART directors also trimmed discounts for seniors, youth, and disabled people. These groups had enjoyed a 90 percent discount from regular fares, but now ride at a 75 percent discount.

The fare increase came on the heels of significant staff reductions. Over the prior two years, the District eliminated a total of 94 staff positions, 20 percent from administration/management. Between fiscal years 1992 - 1995, actual operating expenses rose 2.15%, while during the same period, inflation in the Bay Area increased 6.9%. Moreover, during FY 1995, BART reached agreement with two of its largest employee unions, which represent nearly 2,000 workers. The Service Employees International Union Local 790 and the Amalgamated Transit Union Local 1555 will receive two percent pay increases during each of the three years of the current contract.

BART Bond Rating Upgraded

BART launched its system renovation program in May, 1995 with the sale of revenue bonds, which generated approximately $120 million. In a show of confidence in the BART system, Wall Street investors eagerly bought up BART bonds within two and a half hours of bond issue at favorable interests ranging from 4.15 to 5.7 percent. The successful bond sale followed Standard & Poor's increase in BART's bond ratings from single-A-plus to double-AA-minus.

Oakland Airport Intermodal Connector Project



BART

Oakland Airport Intermodal Connector Project

BART and the Port of Oakland have been working together for several years now to develop a rail project that would bridge the 3-mile gap that currently exists between BART's Coliseum Station and the Oakland International Airport.

Known as the Oakland Airport Intermodal Connector, this system would use Suspended Light Rail Technology (SLRT), electrically-powered suspended rail cars, to provide a safe, fast, convenient, reliable, and cost-effective transit solution for the growing number of travelers and employees who would use this corridor.

The BART Coliseum Station would serve as an intermodal hub, delivering passengers to and from BART, the Oakland Airport, the regional bus network, adjacent freeways, bicycles, and eventually an intercity commuter rail service.

An estimated 7,200 direct and indirect construction-related jobs would be available during the three-year construction period, and many permanent workers would be hired to manage and maintain the Connector service once in operation. The SLRT vendor plans to establish a permanent assembly plant in Oakland in conjunction with project construction. This new plant would create as many as 1,440 operations-related positions in manufacturing, administration, and suppliers of goods, services, and parts. The Connector Project is overwhelmingly supported by community leaders, labor, business and local residents. It is also designated as an Enhanced Empowerment Zone within an Enterprise Community.

Project Status

The status of this project has not changed since last year's Report to Congress, although the Oakland Port Authority and Airport administrators are moving forward with Oakland International Airport expansion plans.

ISTEA authorized FTA to launch a nationwide competition to select and build an SLRT demonstration project. In October 1992, the Oakland Airport Intermodal Connector Project was selected as one of three project finalists to complete a Phase I feasibility study, which was submitted to FTA in September 1993.

Absent Congressional appropriations for Phase 2 of the pilot project, FTA has deferred selecting a winner of the competition. BART continues to urge Congress to appropriate funds for this purpose. In order to advance the Oakland Airport Connector Project, BART will pursue the following objectives either through legislation or the ISTEA reauthorization process:

1. Require the FTA Administrator to complete the SLRT competition by selecting a winner of the SLRT competition and to clarify that the FTA is not required to enter into a full funding grant agreement with the winner of the competition at the same time the winner is selected; and

2. That the FTA be directed to award to the winner of the competition the $4 million grant provided by ISTEA to complete the preliminary design and engineering and that the source of those funds be shifted to Section 4c of the Federal Transit Act (funds derived from defunct deobligated projects); and

3. That the FTA shall enter into a full funding grant agreement only when preliminary design and engineering is complete and all other required provisions have been met.

Commuter Rail Service

BART

Commuter Rail Service

BART is a multi-county public transportation agency formed to create a trunk line rapid transit system and to improve public transportation within its district boundaries, which consist of San Francisco, Alameda and Contra Costa Counties. In addition, service is provided to San Mateo County under a comprehensive agreement and is now expanded under BART's Phase I Extension Program, which includes the BART SFO Extension.

Although BART is perceived by many as the operator of only its rapid transit system responsible for connecting four counties, it could play a broader role with respect to potential new passenger rail corridors. Passenger rail service along these corridors could supplement BART's rapid transit trunk line and increase the overall benefits and utility of the regional public transportation system.

Currently, BART is in the process of a major program to expand service to Pittsburgh/Antioch and Dublin/Pleasanton in the East Bay, and to Colma, and the San Francisco International Airport in the West Bay.

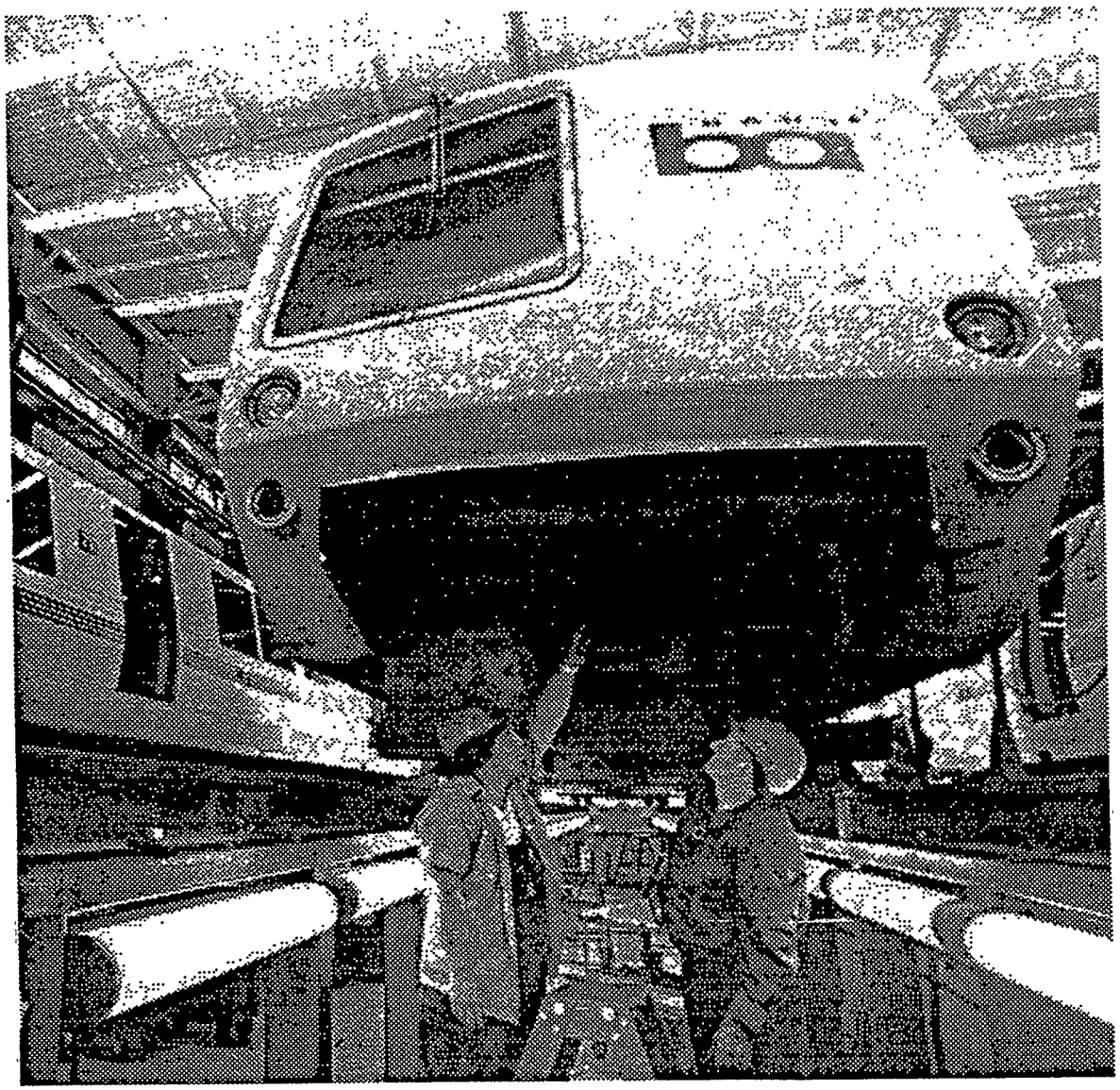
While these BART extensions will address significant regional travel needs, there are several corridors in the region which continue to require a significant increase in public transportation service. The high cost of extending BART rapid transit service and the lengthy implementation schedule has forced decision-makers to consider creating effective new public transportation corridors linked to BART's rapid transit system.

One such corridor would provide commuter rail service between the Bay Area and the Central Valley. BART has completed a feasiblity study that evaluates such a service and identifies numerous operating plans that would serve up to 200 miles of existing rail tracks along three major travel corridors within Solano, Contra Costa, Alameda, San Joaquin, and Santa Clara Counties.

BART is working with local and regional communities to identify opportunities to implement commuter rail service in the region. Recent state legislative proposals identify the transfer of Capitol Corridor (Sacramento-Oakland/SF-San Jose) passenger rail service from the State to regional control. This transfer would enable local transportation officials oversight and direction in the provision of the passenger rail service. As part of this transformation, BART has been identified as a member of a regional Joint Powers Board and as the managing agent for the service, responsible for administering the contract operator, which is currently AMTRAK.

Action is expected on these legislative proposals by spring 1996.

Systemwide Renovation Program



BART

Systemwide Renovation Program

BART's 23-year history has seen a dramatic increase in service levels and today, the system operates at a high degree of reliability. To ensure that we continue to deliver quality passenger rail service, BART has developed a comprehensive Systemwide Renovation Program. The largest single component of this 10-year, $1 billion effort is the rebuilding of the original fleet of 439 A & B train cars. Over the next several years, the cars will be rebuilt to make them more reliable, energy efficient, ADA accessible, and ready to perform for another 15 - 20 years. Other aspects of the overall system renovation project include rehabilitation of mainline systems, stations, controls and communications, and shops and yards.

Last year, BART signed a $330 million contract with AEG Transportation Company to overhaul the original A & B cars. As part of the renovation effort, each car will be stripped down to its shell and the internal parts restored or replaced - everything from propulsion systems and brakes to upholstery and carpeting.

Customers are already beginning to see dramatic results from the renovation's "Mint Car" project, which calls for 100 older cars to have their interiors completely renewed. Vandalized windows and dirty, worn carpeting, seat cushions, and upholstery will be replaced and lighting fixtures renewed. The schedule calls for 16 cars to be refurbished each month through June of 1996.

A portion of BART's three-year fare increase will pay for A & B car renovation. Under a 1994 agreement with the Metropolitan Transportation Commission (MTC), the District pledged to contribute $200 million in matching funds to qualify for local, state, and federal grants totaling $450 million through the year 2000. Federal sources in the form of Section 3 Fixed Guideway, Section 9 Capital, and Congestion Mitigation and Air Quality Improvement (CMAQ) funds comprise $400 million of these MTC monies. BART urges Congress to sustain these crucial transit infrastructure programs.

Leading Edge Technologies
Expand and Enhance BART Service

Advanced Automatic Train Control
BART has teamed up with Hughes Aircraft and Morrison Knudsen in a Regional Technology Alliance to develop a $44.3 million advanced control system that will allow trains to operate at closer intervals and at higher speeds while using less energy. The project is funded in part by a $19.5 million military dual-use grant awarded in 1994 as part of the federal Advanced Research Project Agency's (ARPA) Technology Reinvestment Program (TRP).

Operational efficiencies made possible by the AATC system are needed to maintain levels of service on the existing BART system as well as to facilitate the increased ridership and service demands associated with operating the extensions. Development activities are proceeding well and the project team is currently in the process of operating and testing a prototype version of the system at BART's test track in Hayward, California.

The AATC system will use the Department of Defense's Enhanced Position Location and Reporting System (EPLRS), which currently has a prohibitively high unit cost. By developing the technology commercially for transit systems, AATC would help lower the unit cost of EPLRS equipment by as much as 35 to 50 percent.

In the Bay Area, AATC has the potential to improve BART service dramatically and create employment opportunities for local workers by establishing a manufacturing base in Northern California for advanced train control products to be exported world-wide.

Electric Station Cars Partner with BART for an All Electric Commute
BART has secured $1.41 million in funding from the Bay Area Air Quality Management District, CALSTART, Pacific Gas and Electric Company, and the California Energy Commission to support a two-year demonstration of 40 electric station cars. The prototype vehicles chosen to demonstrate the concept are manufactured in Norway by the Personal Independent Vehicle Company (PIVCO). To date, twelve PIVCO station cars are in daily use at two BART stations and all 40 will be deployed by September of 1996. Employees of BART, Pacific Gas & Electric, the City of Emeryville, Sybase, Inc. and Bank of America are participating in the pilot project.

BART is investigating the possibility of a joint venture with a private partner (such as a rental car company) that would supply hundreds of Detroit-quality electric station cars in order to enhance access and increase participation. Station car services would yield new revenue streams as well as attract new patronage. Transportation Secretary Federico Pena has visited the demonstration, talked to the users, and has expressed his enthusiasm for deploying station cars at transit stations located near business parks.

Fiber Optics Telecommunications System

BART is the first rapid transit operator in the nation to leverage 100 miles of right-of-way to develop a major component of the emerging Information Superhighway. Under a lease agreement with MFS Network Technologies, Inc. and Pitney Bowes Credit Corp., fiber optics cable is being installed throughout BART's existing 75-mile right-of-way and 35 miles of new extension track. In exchange, BART will receive a state-of-the-art radio communications control system (valued at over $40 million) that will accommodate AATC, operation of the extensions, and increased train service. For added value, this public/private venture maximizes taxpayers' investment in the extensions by creating a new revenue stream to help fund operations. Over the 20-year life of the lease, BART will get a share of the revenues generated from private use of its right-of-way.

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