



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

300 Lakeside Drive, P.O. Box 12688
Oakland, CA 94604-2688
(510) 464-6000

June 5, 2009

2009

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6TH DISTRICT

Lynette Sweet
7TH DISTRICT

James Fang
8TH DISTRICT

Tom Radulovich
9TH DISTRICT

The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol Building
Sacramento, CA 95814

RE: BART Labor Contract Negotiations

Dear Governor Schwarzenegger:

The BART Board of Directors will not be requesting a 60-day cooling off period if we are unable to reach an agreement to renew our labor contracts when they expire on June 30, 2009. **To avoid unnecessarily prolonged negotiations, we respectfully ask that you deny any request that a BART union may seek from you for a cooling off period for the following reasons:**

- It would cost an additional \$500,000 - \$1 million to negotiate for 60 more days.
- It would set a new contracts deadline around the Labor Day weekend, when Caltrans has asked BART to run service 24-hours a day for 4+ days while the Bay Bridge will be closed for a major construction project. A BART service interruption around this time would immobilize the Bay Area.
- It would not allow BART to realize critical savings in the first year of the contracts from health benefit changes and staffing level adjustments.

BART faces a \$250 million budget deficit over the contracts' 4-year term. Just this past month, BART raised passenger fares and outlined service cuts to reduce this shortfall by \$110 million. BART pledges to identify an additional \$40 million in cost savings over the next 4 years. After these difficult decisions and after an assumption of a 0% wage increase for 4 years for our employees, there still remains a \$100 million deficit. We cannot ask any more from our riders or cut any deeper into our service without impacting the accessibility of our service and the mobility of the region. In the new contracts we must seek labor cost savings and efficiencies to keep BART affordable, safe and convenient for our passengers.

We have presented to our unions several options to solve this \$100 million deficit - through changes to employee benefit packages and by addressing the problems caused by outdated and inefficient work rules. For example, capping an employee health care cost to the equivalent of the Kaiser Permanente plan would save the District \$23 million over the next 4 years. Also, allowing management to change work rules to adjust staffing levels based on need would save millions, preserve employee benefits, and most significantly improve service to our customers.

Governor Schwarzenegger
June 5, 2009

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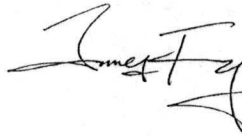
We recognize the invaluable role that our hardworking employees play in making BART the successful public transit system that it is. We are committed to finding a fair and equitable solution to the District's financial challenges by June 30, 2009. Given the economic realities that face all of us in California, a quick resolution to these contracts is the best opportunity to put BART on a solid financial foundation, so we can continue to focus on providing quality transportation for the region and for the 350,000 riders who rely on BART daily.

If you have any questions or concerns, please feel free to contact BART Board President Tom Blalock at (510) 464-6095. Thank you for your consideration.

Sincerely,



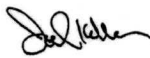
Thomas M. Blalock, P.E.
President
District 6



James Fang
Vice-President
District 8



Bob Franklin
Director
District 3



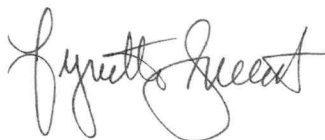
Joel Keller
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District 2



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District 5



Gail Murray
Director
District 1



Lynette Sweet
Director
District 7



Carole Ward Allen
Director
District 4