



Patrick D. Kelly
Secretary-Treasurer and
Principal Officer

LOCAL UNION NO. 952

GENERAL TRUCK DRIVERS, OFFICE, FOOD & WAREHOUSE UNION

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TO ALL COACH OPERATORS EMPLOYED AT ORANGE COUNTY TRANSPORTATION AUTHORITY

November 3, 2009

Re: Recent Events - UPDATE

As you already know, the Board of Directors at OCTA approved a service reduction plan that has cut 233,000 revenue vehicle hours to date. An additional 300,000 revenue vehicle hour reduction was approved for March 2010.

At the Finance and Administration Committee meeting on October 28, 2009, staff made recommendations regarding the service reductions approved for March 2010. CEO Will Kempton talked about looking for fiscal opportunities to cut the approved reductions in half. He focused on the lawsuit won by the California Transit Association and money currently in the budget that is transit eligible, but is being used for other projects. He encouraged the Board members present to "glide-down" to 150,000 revenue vehicle hours for the March service change.

After much discussion, a modified version of the recommendations were approved by those present. The recommendations are as follows:

- A. Approve a service reduction plan that eliminates 150,000 annual revenue vehicle hours in March 2010.
- B. Approve a service reduction plan that eliminates at least an additional 150,000 annual revenue vehicle hours as early as March 2010 but no later than March 2012 if a state funding source, such as the State Transit Assistance Program, is not restored or identified.
- C. Authorize the Chief Executive Officer to execute an internal transfer of up to \$68 million from the Commuter and Urban Rail Endowment Fund (CURE) to the Bus Operations Fund.

These recommendations will go to the full Board on November 9, 2009. We anticipate that there will be much discussion and debate. Once a decision has been reached, we will report back to you.

During this phase, we will continue to work with OCTA to locate federal money that can be used to backfill projects that are using transit eligible funds. We are also working in tandem with OCTA on H.R. Bill 1835 and Senate Bill 1408. This legislation would extend the excise tax credits for alternative fuel, alternative fuel infrastructure and alternative fueled vehicles (See Patrick's letter to James P. Hoffa). Under the existing code, OCTA has received more than \$5 million annually from this program. This amount translates into roughly 60,000 revenue vehicle hours.

We will continue to closely monitor the various meetings at OCTA. We will provide additional information as it becomes available. Please approach a steward or contact me directly at (714) 740-6235 if you have any questions.

In Unity,

Donna A. Metcalfe
Recording Secretary &
Business Representative