

The Mayor of Milwaukee and the Milwaukee County Executive both have proposed Bus Rapid Transit (BRT) plans. The County Executive's plan does assume that BRT would largely replace existing bus service in the BRT corridors. Under this assumption, there would be little or no additional operating cost for the BRT service and hence no impact on MCTS funding.

The plan for a streetcar system in downtown Milwaukee would take up to \$3 million in transit aid currently provided to the Milwaukee County Transit System (MCTS).

The BRT service proposed by the County Executive would still qualify as an enhancement because it would be part of a package of new vehicles, right-of-way improvements, signal preemption, improved customer information and other elements that will improve operating speed and make the service more attractive to those who travel longer distances.

The analysis did assume that there would be no changes in the current funding structures. We did assume that Federal formula funds would increase slightly given new ridership on the rail component. We did not include an estimate of potential Federal funding changes or revenue from BRT, since we were just asked to review the possible impact of the rail component. The impact of a \$1 million loss of Federal funds was an estimate, based on our best guess of the costs to operate a system of the type proposed. It could be high or low. As we pointed out in our original report, the entire funding formula could change in 2009.

The estimate of the potential loss of State funds did assume a fixed pot for Milwaukee without the addition of funds if a new system were begun. What would actually be allocated to the Milwaukee area would be determined by the State legislature.

We do agree that it would be best if some type of compromise could be reached on these proposals, so that we do not waste a lot more time and money just studying improvements. If there is some way we can assist in this process, please let me know. Anita