



Metro

Daily Brief

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CEO Roger Snoble

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National Highway Funding Commission Holds Inaugural Meeting

The National Surface Transportation Policy and Revenue Study Commission held its first meeting this morning in Washington. SAFETEA-LU created the commission, also known as the National Highway Funding Commission, in order to develop recommendations on the future of financing highway and transit systems. During today's meeting, which was closed to the public, Transportation Secretary and Commission Chairman Norman Mineta characterized the current state of transportation as facing a crossroads. He cited the precarious nature of the Highway Trust Fund and urged the 12-member commission to find solutions to the funding dilemma. The remainder of the three-hour meeting touched upon the commission's responsibilities and organizational matters as well as a presentation on the history of the transportation financing system.

Over the next few months, the commission will begin delving into major funding issues with the goal of producing a report to Congress by July 1, 2007, as mandated by SAFETEA-LU. I will keep you informed of the commission's schedule of meetings and activities.

Congressional Panel Explores Growing Private Sector Involvement in Financing Highway Projects

The House Subcommittee on Highways and Transit convened a hearing today in Washington to review the potential for utilizing public private partnerships (PPP's) to help meet future highway infrastructure needs. Governor Mitch

Daniels (R-IN) and Governor Tim Kaine (D-VA) were among the invited witnesses. The two governors highlighted their states' successful experience in leasing highways to private firms and converting them to toll roads. Governor Kaine also explained Virginia's strategy of utilizing toll road revenue to finance the Metro rail subway extension to Dulles Airport. California was mentioned by another witness as one of the more recent states to implement PPP's as a result of a provision in the infrastructure bond package that authorizes PPP development of eight projects.

While members of both parties made the case for PPP's as a promising tool for increasing transportation investments, they also cautioned that PPP's should not be viewed as the ultimate solution and that all three levels of government must continue to focus heavily on delivering projects and protecting public assets.

Security Costs

This morning, I held a media briefing with reporters from the Los Angeles Times, Daily News and City News Service regarding the proposed FY07 budget. The reporters were told about preliminary findings made by an APTA peer review panel ensuring transit security costs are maximizing safety but also using our resources effectively.

The APTA peer review panel met last week with representatives from Washington D.C., Chicago, San Jose and BART. Their opinion was that administrative cost in the LASD contract could be reduced without impacting safety. Metro spends more than twice as much on security as other transit properties. Board policy is to limit security expenditures to five percent of the transit operations budget and currently we are running at about 6.44 percent.

In light of the \$112 million operating deficit and projected operating deficits in future years, I will recommend that we reduce our contract with the LASD in FY07 by \$10 million. Stories may appear tomorrow in advance of the Board meeting regarding the recommendation.

Go Metro This Memorial Day Weekend

Media Relations distributed a news release this afternoon encouraging people to avoid the high cost of gas and Go Metro this Memorial Day weekend. The release notes various destination points that are accessible by taking Metro Rail or Metro Buses instead of driving their personal vehicles.

Link to News Release: http://www.metro.net/news_info/press/metro_082.htm

Metro Service Sector Meetings Set For June

Media Relations distributed a news release this afternoon announcing the June Metro Service Sectors monthly meetings. The release notes that the

Westside/Central Service Sector plans to have a special workshop on Metro Connections as part of their regular meeting. The release also notes a location change in the South Bay sector meeting in June as it will be held at the Arthur Winston Division in South Los Angeles instead of in Carson.

Link to News Release:

http://www.metro.net/news_info/press/metro_081.htm#TopOfPage

FTA New Starts Projects Quarterly Review Meeting

The FTA New Starts Projects Quarterly Review meeting is scheduled for Wednesday May 31, 2006 at 10 a. m. in the Metro Gateway Conference Room. Topics include construction reports on the Metro Gold Line Eastside Extension, Mid-City/Exposition LRT and the Metro Orange line as well as an overview of the 2550 Rail Vehicle Program.

Metro Gold Line/Union Station Art Installation

Metro Art is currently installing a glass mosaic artwork in the entrance area to the Metro Gold Line at Union Station. The work, by artist Roy Nicholson and entitled Solar Shift: San Bernardino and Santa Monica, celebrates the natural beauty of Los Angeles' favorable geographic position on the 34th parallel and depicts the Santa Monica sunset to the west and the San Bernardino mountains to the east. The artwork creates a richly textured, jewel-like surface at the entrance area and was fabricated by a world-renowned fourth generation firm using both Italian and Mexican glass. The installation is expected to be completed this week.

Of Note

On this date in 2001, the Board adopted light rail as the locally preferred alternative to link East Los Angeles with Union Station's transportation hub. The Metro Gold Line Eastside Extension will serve one of the most densely populated and heavily transit-dependent areas in Los Angeles County.

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Los Angeles County Metropolitan Transportation Authority
1 Gateway Plaza
Los Angeles, California 90012-2952
Phone: 213-922-6888
Fax: 213-922-7447
