

Metro™ QUARTERLY

FALL 2006

America's  Best

Metro Soars to New Heights

LA wins transit industry's most prestigious award for 2006



Metro

Chief Executive
Officer
Roger Snoble



I have very good news to share with you this month: Metro has been selected to receive the Outstanding Public Transportation System Achievement Award for 2006. This prestigious award – the transit industry’s highest honor – will be presented to Metro, October 10, by the American Public Transportation Association (APTA).

APTA presents the award to transportation systems “that have demonstrated achievement in efficiency and effectiveness.” I believe it confirms the agency’s standing as a national transportation leader.

We want every resident of Los Angeles to be as proud of the Achievement Award as we are. We owe a lot to our customers, to the taxpayers who voted dollars for transit, to our local and state leaders who fought for funding, and to the members of our Board of Directors and congressional delegation for their leadership and for the support they have given us.

We also give great credit to our employees. Whether they drive a bus or train, clean or maintain our vehicles; whether they’re involved in planning, construction, operations, procurement, communications, customer relations or staff support – it was their individual contributions that helped bring us this great honor.

What helped Metro win the Achievement Award for 2006? I believe it was service innovations, technological advances, customer-focused initiatives, improved public recognition and acceptance of Metro services. We also can’t forget the successful Metro Orange Line opening, expansion of the Metro Rapid system, all-time high customer satisfaction ratings and all-time low customer complaints.

In this issue of Metro Quarterly, we’ll put the APTA Outstanding Public Transportation System Achievement Award into context – what it is, what it means to Metro, to our customers and to the industry; and how Metro gained recognition as a “world-class” transportation system.

Sincerely,

Roger Snoble

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NAMED AMERICA'S BEST

In October, Metro will join the ranks of America's best transit agencies – properties that have earned the industry's highest honor. The American Public Transportation Association (APTA) has named Metro the 2006 recipient of the Outstanding Public Transportation System Achievement Award – an accolade conferred upon agencies that have demonstrated achievement in efficiency, effectiveness and innovation in public transit.

The award will be presented to Metro executives at the APTA annual convention in San Jose, Oct. 10. Although the Outstanding Public Transportation System Achievement Award is a first for Metro since it was formed in 1993, the agency's predecessors both won significant APTA awards. The Los Angeles County Transportation Commission won the Innovation Award in 1989; the Southern California Rapid Transit District won it in 1990.

"It's a positive recognition for our nearly 9,000 employees, our Board of Directors, the cities and municipal operators that have contributed over the years to improving the agency and our services," says Roger Snoble, Metro's chief executive officer.

"The award helps give us the confidence we need to face the challenges ahead. It bolsters the agency's morale and gives us the knowledge that we can accomplish even more."

METRO CEO ROGER SNOBLE

Promoting Excellence in Transit

The Outstanding Public Transportation System Achievement Award was created in 1983 by APTA to highlight the best public transportation systems. It is part of a larger APTA awards program that was established to increase the efficiency and effectiveness of public transportation in North America through the acknowledgment and promotion of excellence and high achievement among the individuals and organizations in the transit industry.

"It is important to recognize organizations that are doing a superb job in delivering public transportation service," says APTA President William W. Millar, who was general manager of the Pittsburgh system prior to becoming APTA president. "In addition, everyone in the industry can learn from these top organizations and model what they have done well. As we all know, many people are quick to criticize a system when something goes wrong. This award distinguishes the many unsung heroes at Metro who work day in and day out to provide excellent service."

"We're proud of our employees – the mechanics, service attendants, bus and rail operators, supervisors, staff, and all the others – who made this award happen," says John Catoe, Metro deputy chief executive officer. "I want to praise them for their efforts and commitment to carry out the vision."



Advancing America's Public Transportation

The American Public Transportation Association (APTA) is a Washington, D.C.-based non-profit trade association that represents and supports 1,500 members who serve more than 90 percent of the public transit riders in the United States and Canada.

The association's roots go back to 1882 and the era of horse-drawn street railway cars. APTA serves a diverse membership through advocacy, innovation and information-sharing to strengthen and expand public transportation.

APTA and its members serve the public by providing safe, efficient and economical transit services, and by improving those services to meet national energy, environmental and financial concerns.

APTA's Mission

Among the tenets of APTA's mission are:

- Support members' efforts to increase ridership, promote mobility, and expand business opportunities.
- Influence decision-makers to adopt policies favorable to public transportation.
- Assist members in creating successful organizations for the 21st century.
- Provide services to members that create a safer and more secure environment for public transportation riders, workers and the public at large.





Transit Industry's Most Prestigious Award

Like the entertainment industry's Academy Awards or the print media's Pulitzer Prize, the American Public Transportation Association's (APTA) Outstanding Public Transportation System Achievement Award is the public transportation industry's most prestigious award – only the best-run organizations are presented with the designation. Winners are chosen by the APTA Awards Committee, which is composed of leaders from all areas of the public transportation sector.



“Being chosen as the APTA Outstanding Public Transportation System of the year award winner is perhaps the most objective assessment of a system’s performance and abilities...”

CHRISTOPHER P. BOYLAN, DEPUTY EXECUTIVE DIRECTOR, NEW YORK METROPOLITAN TRANSPORTATION AUTHORITY

Metro Has Joined 'A Very Elite Club'

“The Los Angeles County Metropolitan Transportation Authority has joined a very elite club of top, large transit systems in North America,” says APTA President William W. Millar. Past award recipients include the Orange County Transportation Authority, MTA New York City Transit, Denver Regional Transportation District, and the San Francisco Bay Area Rapid Transit District (BART).

Originally, the award was given to three categories of public transportation systems – small, medium and large – and was based on the number of vehicles. However, as the nation’s public transportation has evolved substantially over the last 20-plus years, the award has expanded as well. Currently, it includes four categories determined by the number of annual passenger trips.

This year, Metro is the winner in APTA’s largest category – 30 million or more trips annually.

A Record of Achievement

APTA’s process for award selection is rigorous. Each transportation system wishing to be considered must submit a detailed nomination form that covers both quantitative and qualitative measures. To meet the quantitative requirements, the agency must provide three consecutive years of statistical data in the areas of ridership, costs, vehicles in service, passenger miles, employees, customer complaints and demand response performance.

Additionally, every agency must outline specific improvements and achievements over the last three years in safety, operations, customer service, financial management, attendance and employee costs, minority and women’s advancement, marketing, policy and administration, and community relations.

'A Significant Honor'

APTA’s Millar notes that there were many reasons why Metro won the award, including its demonstrated concept innovation and effective problem-solving techniques. A key factor was Metro’s outstanding customer service and ever-growing ridership numbers. Last year was one of the most productive in Metro’s history with customer satisfaction

and ridership soaring to the highest level ever – while complaints were at an all-time low. Metro bus and rail average weekday ridership rose 7.8 percent in the first half of 2006 compared to the same period in 2005.

APTA also cited Metro’s aggressive schedule in adding new services, such as the new freeway express buses and the very successful Metro Orange Line; first-year ridership for the Orange Line reached the levels projected for 2020. Moreover, APTA was impressed with the growth of Metro’s Bus Rapid Transit (BRT) system, now on its way to placing more than 700 vehicles in operation by 2008.

“The award is a very significant honor because it is a reflection on the transportation industry as a whole,” says Arthur T. Leahy, chief executive officer of the Orange County Transportation Authority, and a former Awards Committee member. “The Awards Committee is very careful to make sure that the winners are of high merit. There have been times when an award was not given in a category if there wasn’t a system considered to have sufficient merit.”

It's a tale of hard work, commitment and vision, a saga fit for the silver screen: Metro, its employees and partners have worked diligently over the past decade to transform a once ailing transit system into a world-class leader.

A Winning Performance

A Leader in Transit Innovation

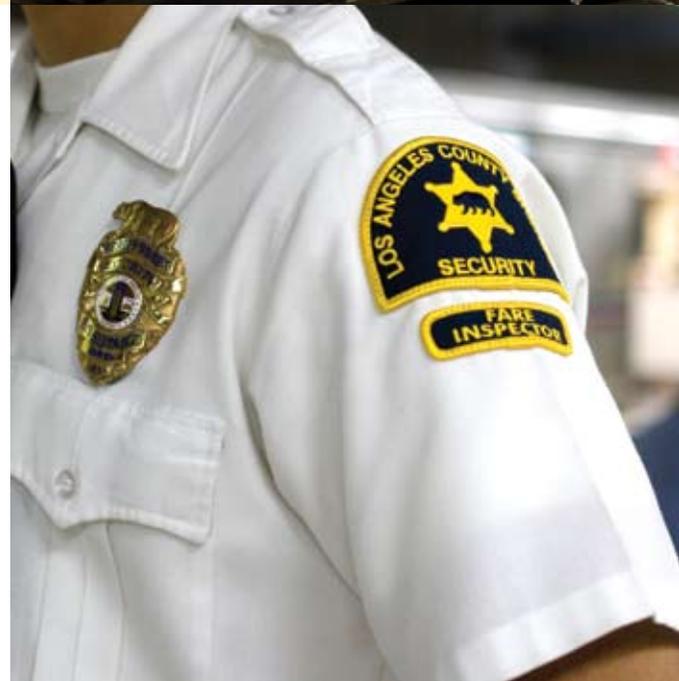
From offering the coolest vehicles on the high-profile Los Angeles roads to pioneering the design/build construction process, Metro is advancing LA's rapid transit system. Two current design/build projects are the Metro Gold Line Eastside Extension, slated to open in late 2009, and the 8.5-mile Exposition Light Rail Line, expected to begin operation in 2010.

This year, Metro found a bright new way to harness Southern California's sunshine using solar panels to provide 20 percent of the electrical power at San Fernando Valley operating divisions. The agency also moved its Universal Fare System into high gear by installing new ticket vending machines, validators and fare boxes for the "TAP" online smart card fare payment system.

Safety and Security: Top Priorities

Metro's top priorities remain safety and security for passengers, bus and rail operators, construction crews, staff and business partners. The agency is taking full advantage of a \$6.9 million grant from the U.S. Department of Homeland Security to improve bus and rail security with high-tech surveillance equipment. Security patrols include canine teams that help in firearms and explosives detection, and search and rescue missions.

Workers building the Eastside Extension have set an unprecedented record – no lost-time injuries in one million work-hours spent on that complicated construction job since July 2004. Agency employees also work hard to deliver the rail safety message to schools and area residents. Last year alone, they made presentations to 153,000 students, teachers and parents.



3 Advancing Service and Mobility

The Metro Orange Line's resounding success has taken everyone by surprise. The 20,760 average daily boardings in July 2006 were more than three times the original ridership projections. Additionally, Metro is creating the most extensive Bus Rapid Transit network in the nation. By 2008, the agency expects to operate 28 Rapid lines with 700-plus vehicles.

LA County transit riders also have a variety of mobility needs. Metro's fully accessible system is as close to being 100 percent ADA-compliant as an agency can get. All buses feature wheelchair lifts or ramps, and stops are announced automatically. Metro Rail trains also are equipped for passengers with hearing, mobility and visual impairments.

4 Putting Customers First

Without customers, Metro would be running on empty. That's why the agency focuses its efforts on putting customers first.

Larger capacity buses have been added to the fleet. The new 46-seat "Compo-Bus", built of fiberglass-based composite materials, is bigger but lighter than a conventional steel bus. Metro also added to its fleet 60-foot articulated buses that seat 50 percent more passengers than 40-foot buses. And with TransitTV now on board, customers can stay informed, as well as entertained while they enjoy the ride.

Recent surveys show 85 percent of customers are satisfied with service and 83 percent think service has improved over the previous year. This satisfaction has translated into increased ridership – and revenues.

'A Premier Transit Agency'

Like all Hollywood stories, the Metro tale has a happy ending.

"Metro's commitment is to focus on quality of service – services that meet the needs of county residents, and services that people want to use," notes John Catoe, Metro deputy executive officer. "We've put enough pieces of the transportation puzzle together so that people can now see the advantages of using transit to get to work, to school, to the doctor and for recreational activities. The APTA award symbolizes a turnaround point for us as an agency. Our goal is to truly be the premier transit agency in the country."



A World-Class Transportation System



While it's a commonly held belief that the car is king in Los Angeles, the reality is that the region is home to a world-class transportation system. In addition to the Metro System's 2,700 buses and four rail lines, LA County boasts 16 primary municipal transit operators, several award winners among them.

“As APTA award-winning agencies, we don’t compete with each other, we learn from each other.”

ARTHUR T. LEAHY, CHIEF EXECUTIVE OFFICER, ORANGE COUNTY TRANSPORTATION AUTHORITY

Operating Transit Where the Car is King

Over the last 17 years, Long Beach Public Transit Corporation, Foothill Transit, Santa Monica’s Big Blue Bus – and now Metro – all have won the American Public Transportation Association (APTA) Outstanding Public Transportation System Award.

The 2005 winner was the Orange County Transportation Authority (OCTA). “What this means is that Southern California now has solid transit organizations that can compete and perform surprisingly well – especially when compared to the big traditional properties on the East Coast such as New York, Boston and Washington, D.C.,” notes OCTA Chief Executive Officer Arthur T. Leahy.

For Metro, which dates from the 1993 merger of two predecessor agencies, the APTA award makes a strong statement that the agency has matured as it has continued to serve the county’s ever-growing transportation needs.

Strong Legislative Support

“The APTA award would not have been possible without the strong advocacy of the Los Angeles County congressional delegation, our two U.S. senators and also the state legislative delegation,” says David Kim, Metro’s Washington, D.C.-based director of Government Relations. “Their legislative advocacy – in both

Sacramento and Washington – has enabled Metro to achieve the success that we have. It’s a real recognition that Metro is an asset to be protected.”

Community Benefits

While our community members may never have heard of APTA, everyone understands what being Number One means. “It’s a nice calling card, but the real calling card is what you’re delivering daily to the community,” says Lynda Bybee, deputy executive officer of Community Relations. “Whether you drive, bike, walk or take public transit, Metro plays a role in everyone’s lives. With each project, we partner with Metro planning and our construction teams to continue to reach out to the communities to understand their transportation needs.”

Businesses Expanding Along Metro’s Lines

Metro is also as involved in the business community as it is in the residential community. Today, as more people are choosing to go Metro, there’s been an increase in investment along the rail and bus lines. “In the past, people shied away from partnering with Metro, but now they’re aggressively seeking us out,” notes Matt Raymond, Metro’s chief communications officer. “Everyone from advertisers to developers to businesses is realizing the benefits a well-run transportation agency can provide.”

Bruce Ackerman, president and chief executive officer of the Economic Alliance of the San Fernando Valley, believes that, in addition to the business opportunities that Metro offers, it’s the agency’s attitude toward its business partners that has fueled economic growth. “Metro has always been easy to work with – fluid, mobile and able to make decisions quickly,” he says. The opening of the Metro Orange Line in October 2005 and the joint development projects along the Metro Red Line in North Hollywood are just two examples of Metro’s beneficial business partnerships.

Adds Gary Toebben, president and chief executive officer of the Los Angeles Chamber of Commerce, “Being a newcomer to Los Angeles, I’m looking at housing – some of it built right on the Metro lines. It’s a smart move on the part of housing developers to partner with Metro and it makes it easier for people to navigate the city.”

Looking Toward the Future

“The APTA recognition is part of a turnaround that has been taking place at Metro,” notes David Abel, publisher of the Metro Investment Report. “It gives credence to the notion that the necessary leadership and vision are in place to deal with Los Angeles’ mobility challenges successfully and that can only result in a positive outcome.”



Satisfied Customers: The Winning Element

Metro Receives High Marks from Our Customers

Innovative, high-capacity buses. Convenient, modern rail lines. Easy-to-use signage and wayfinding tools. Sure, Metro has what it takes to run a world-class transportation system. But most important, what Metro has is satisfied riders. And the numbers keep growing every day.

In its most recent survey of 15,752 customers – surveys are conducted twice yearly in the spring and the fall – Metro’s customers gave the agency high marks. Says customer Wajeha Bilal, “Metro helps the riders get from place to place in a matter of seconds. With the rise in gas costs, the park and ride lots are a great help. You can park your car, get on the train and ride to all the places you need to go – it’s a blessing all around. I would give Metro an A+.”

Consider this:

- 34% of riders who have other transportation options choose Metro – up from 22% in late 2002.
- 91% of survey respondents said Metro Bus and Metro Rail service are convenient to use.
- 82% of surveyed customers said Metro’s service schedule meets their needs.
- 74% of respondents said their bus arrived on time.
- 78% believe Metro buses and trains are clean.
- 88% feel safe riding the Metro system.

“I really enjoy riding Metro’s rail lines,” says customer Dorthea Jaster. “I’ll make any excuse to go Downtown just to take the Blue Line.”

Metro Employees Keep Their ‘Eyes on the Prize’

Metro employees have learned to keep their “eyes on the prize” as they have pursued excellence in public transportation. The agency’s mission calls for a “continuous improvement of an efficient and effective transportation system for Los Angeles County.” Metro’s vision urges it to lead the nation in “safety, mobility and customer satisfaction.”

In fact, says Chief Planning Officer Carol Inge, “No other transit agency in the nation has the breadth of responsibility that Metro has in planning, constructing and operating transportation services. Through these responsibilities, Metro has demonstrated that it has the ability to make a difference in improving transportation for the Los Angeles community.”

Being named APTA’s Outstanding Public Transportation System Achievement Award winner for 2006 “validates what our customers have been saying and supports the hard work of the men and women of Metro,” says Communications Manager Alonzo Williams, whose Metro Information agents answer some 7,000 customer inquiries every day.

Over the years, “Metro’s public image has vastly improved,” notes Community Relations Manager Jody Feerst-Litvak. The public’s “faith and confidence is hard-earned, but deserved... it is an important and valued asset that we will try to retain and improve.”

In striving for its goals, Metro has been an industry innovation leader in planning, constructing and operating new transportation services, developing new vehicles – such as the 60-foot Metro Liners and the “Compo-Bus” – and encouraging ridesharing and transit oriented development (TOD).

Metro has “raised the bar for providing mobility,” says Corporate Safety Director Vijay Khawani, and has lived up to its vision “to provide the best public transportation in the nation, supported by a dedicated, conscientious team of individuals who excel at what they do.”

“Metro is focused on getting the right job done right,” adds Robin Blair, a transportation planning manager for Metro’s Central Area Team. “Quality does matter.”

Some of the 8,866 Reasons Metro is America’s Best

Team Metro is bus and train operators, equipment maintenance staff, transportation planners, construction engineers, operations professionals, customer relations agents and support staff – 8,866 people working together to provide America’s best transit service.



Homeland Security Chief Sees Metro's Canine Teams in Action



The growing use of canine teams for bomb detection and security work, along with expanded cooperation between federal and local law enforcement agencies, will help deter terrorist activity against rail transit systems, Homeland Security Secretary Michael Chertoff said during a recent visit with Metro officials.

Chertoff observed a rail security exercise in the Union Station East Portal as a team of Federal Air Marshals worked with Sheriff's Transit Services Bureau canine teams. The animals were provided to Metro by the Transportation Security Administration (TSA).

In the event of terrorist activity, Chertoff said, air marshals – the law enforcement arm of TSA – could “surge in and really ramp up the manpower available in the

subway to make sure there's an elevated security posture.”

“If there were a threat, we'd want to be able to detect explosives,” he said. “This is a kind of mobile bomb detection system. It also elevates confidence and it's a deterrent when the bad guys realize that we're active with patrolling. If and when we do have an event, we'll be able to deploy (the teams) at the relevant transit systems.”

The secretary's visit “shows us a very strong commitment to making sure that all our transportation systems are safe,” said CEO Roger Snoble, who briefed Chertoff on some of Metro's security needs.

Currently, the Transit Services Bureau and Metro Security have a total of 12 canine teams on patrol.

Articulated Buses to be Assigned to Metro Local Lines



The first of 96 articulated buses painted in bright poppy orange and silver – and slated for Metro Local service – was on display, recently, at Metro Headquarters.

Although work still must be done to make bus stops ready to receive the 60-foot coaches, 22 of the new “artics” are expected to see their first use in local service on the 12-mile Van Nuys Boulevard Line 233 between Sherman Oaks and Lakeview Terrace.

The local service artics would join the articulated buses already in use on Van Nuys Metro Rapid Line 761

in December, or sooner, says Richard Hunt, general manager of the San Fernando Valley Service Sector.

Currently, articulated buses are assigned only to the Metro Orange Line and to some Metro Rapid lines.

Later this year, articulated buses may be assigned to Arthur Winston Division 5, according to South Bay General Manager Dana Coffey.

Metro Design Studio Featured in Communication Arts



A 10-page lead article in the September/October issue of *Communication Arts*, the design world's premier journal, features the work of Metro's Design Studio. The profile describes the Design Studio's creative process and the eye-catching ads, signage, informational brochures, magazines and merchandise designed by the 17-member staff. It's the first time the magazine has featured the work

of a transportation agency's graphic design department.

“We are so fortunate to have a highly-skilled group of designers, writers, photographers and project managers at Metro” says Creative Director Michael Lejeune, “The work they are producing is an important and effective part of Metro's plan to build ridership and increase mobility.”

San Gabriel Valley Sector Celebrates “Topping Out” of New Transportation Building



San Gabriel Valley Service Sector officials celebrated the construction of the steel skeleton of a new 45,515-square foot transportation building with a “topping out” ceremony in August.

When it opens in spring 2007, the building will include space for Division 9 transportation offices and bus operators, the sector administrative offices, as well as a Sheriff's Transit Services Bureau field office.

“The operators at Division 9 need this new building, and this milestone of steel shows us that we are well on our way to completion,” said General Manager Jack Gabig.

The \$11.8 million building will permit a 50 percent growth in Division 9 operations.

Division 9's new transportation building has been designed to achieve a Leadership in Energy and Environmental Design (LEED) Silver designation.

Metro Information: Celebrating 100 Years of Customer Service

Metro celebrated 100 years of telephone information service to Southern California transit riders in August. The Metro Board of Directors designated Aug. 1, 2006 as the Centennial Celebration for Metro Information.

The Board's proclamation declared that the Metro Information staff “has helped to inform and assist

thousands of Los Angeles County residents and others on how to utilize public transportation services....”

A certificate of appreciation signed by CEO Roger Snoble recognized “the dedicated services provided to our transit customers and the community...” by Metro Information customer information agents.

Metro Information traces its roots to Aug. 1, 1906 when the first information clerk – Sybil Mather Raymer – was hired by Pacific Electric. Metro Information now serves customers not only in Los Angeles County, but also in Orange, Riverside, San Bernardino and Ventura counties.



FACTOIDS

Did You Know...

- > 28 Metro Rapid lines with 700-plus buses will be in operation by 2008.
- > Metro used a \$6.9 million Homeland Security grant to add high-tech surveillance equipment on its rail lines and at other facilities.
- > Metro helped secure \$4.5 billion in federal funding for LA County, including \$833 million for highway and transit projects.
- > More than 153,000 students, teachers and parents viewed transit safety presentations in the "Metro Experience" mobile theater.
- > Carpool registrations grew 167%, from 39,000 in fiscal year 2002 to some 104,000 today.

TRANSIT



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