



NEWS

APRIL 21, 1994

CONTACT: RICK JAGER/JIM SMART
MTA NEWS BUREAU
(213) 244-6165, 244-6347
FOR IMMEDIATE RELEASE

MTA OUTLINES FARE AND SERVICE ADJUSTMENT POSSIBILITIES AT SERIES OF COMMUNITY MEETINGS; FORMAL HEARING IS APRIL 23

The MTA this week completed a series of 16 community meetings held to inform the public about MTA's \$126 million operating deficit and some of the possible fare and service changes being considered to help erase it.

A formal public hearing will be held Saturday, April 23, 1994, to gather public input on the various fare scenarios and service change packages to be considered by the MTA Board of Directors next month. The hearing will be at 10 a.m. at the Kenneth Hahn Hall of Administration, Board of Supervisors Hearing Room, third floor, 500 W. Temple Street, downtown Los Angeles.

The community meetings were designed to provide as much information as possible to interested citizens prior to the hearing, said Franklin White, MTA's chief executive officer.

"Our decision to even consider fare and service changes has not been made without first taking a close look at ourselves and taking some painful actions including staff layoffs and other internal cost reduction measures," White said.

"Each of the fare and service restructuring scenarios were discussed in detail at these community meetings, and they will be again at the April 23 hearing. We want the public to be fully informed about our current financial situation and what some of our options are for solving it."

Realizing that a deficit was imminent, MTA has taken major steps toward trimming budget expenses. Among them:

(MORE)

FARE HEARING

Page 2

- In January, 1994, a hiring freeze was ordered.
- By the end of FY 1994, a total of 515 positions -- about 20 percent of the agency's administrative, planning and construction staff -- will have been eliminated, without affecting the ranks of bus and train operators. These actions are expected to save \$55.5 million.
- MTA eliminated a number of outside contractors used for services by its predecessor agencies. When FY 1994 ends on June 30, the MTA is expected to have cut in half the number of outside services contracts awarded as compared with two years ago, saving millions of dollars.
- With labor negotiations with MTA's major unions now underway, MTA will be proposing to the unions several ways to achieve greater efficiency, thus further stretching taxpayer dollars.

"There's no easy way to present this situation to the people of Los Angeles County," White acknowledged. "But we must hold these meetings so that everyone who may be affected can learn what our options are, and tell us what they think is the fairest way to go."

A combination of factors has led to the \$126 million budget deficit projected for Fiscal Year 1995, White said. For most of the decade of the 1980s, fare levels were dictated by the amount of government subsidies available in any given year.

White also noted that Proposition A, a ½-cent Los Angeles County sales tax earmarked specifically for transportation, was approved by voters in November of 1980. Following is a recent history of fare levels:

- **July, 1981** -- Base fare established at 85 cents.
- **July, 1982** -- Following a protracted court challenge which Proposition A survives, base fare is lowered to 50 cents, where it stays for three years.

(MORE)

FARE HEARING

Page 3

- July, 1985 -- Citing rising costs, the former RTD Board of Directors raises base fare back to 85 cents.
- July, 1988 -- The base fare is raised to \$1.10, where it has remained for six years.

"Traditionally, fares pay for about 40 percent or more of a large transit system's operating costs, with subsidies covering the rest," White said. "For example, in 1989, fares paid for 43.3 percent of our operating costs. Four years later in 1993, fares paid for only 30 percent of our operating costs, which continued to rise each year."

MTA's costs also have significantly increased in order to meet local, state and federal clean air regulations. Add to this the fact that government subsidies have been drastically cut in recent years, and a major reason for the deficit becomes clear, White said.

White also noted that if MTA's fares had kept pace with rising inflation, operating costs and lowered subsidies over the six years, the base fare would be \$1.55 today. "The same fare that bought \$1.10 worth of goods and services in 1988 now buys only 86 cents worth," he said.

Among fare options being considered are charging higher fares during peak travel hours; increasing fares across the board; providing reduced-cost tokens and passes for the economically disadvantaged; a 25-cent co-payment for senior and disabled pass holders during peak travel periods, and having student passes valid only between the hours of 6 a.m. and 6 p.m.

The following service change options will be separately considered:

- Cancellation of Saturday and/or Sunday and/or special event bus service.

(MORE)

FARE HEARING

Page 4

- Cancellation of all late-night service between 1 a.m. and 5 a.m., or late-night service just on the following 13 MTA bus lines: 10, 18, 28/83/84, 38, 76, 92, 105, 111, 180, 424 and 446.
- Reduction or cancellation of service on lines 114 and 130.
- Cancellation of lines 56, 410, 457 and 497, which largely parallel Metro Blue Line and Metrolink rail service.
- Cancellation of holiday service.
- Cancellation, modification or transfer of portions of 60 lines to municipal transit operators.
- Cancellation of all school-related service, affecting 55 lines.
- Cancellation, or reassignment to another operator, of 18 peak-hour only express bus lines: 402, 406, 407, 410, 412, 418, 426, 427, 429, 426, 442, 443, 445, 457, 466, 489, 497, 576.
- Cancellation, or reassignment to another operator, of the following lightly-used lines: Daily service on lines 56, 119, 127, 208, 250/253; weekend service on lines 56, 168, 202, 250; Saturday service on lines 209, 225/226, 254; Sunday service on lines 107, 124, 161, 167, 236, 245.
- Re-routing of 24 downtown Los Angeles lines and restructuring of service on the El Monte Busway and the future Harbor Freeway Transitway.
- Reduction of service frequency on selected bus lines by 25 percent, and reductions in train service frequency.

#