



NEWS

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MTA TO SAVE \$4.5 MILLION ANNUALLY IN CONTRACTING OUT SEVEN BUS LINES TO PRIVATE OPERATOR

Effective Sunday, February 18, 1996, bus service on Line 205 (Willowbrook-Harbor City-San Pedro) becomes the third MTA bus line this year to be contracted out to ATE Management & Service Co., Inc. as part of an ongoing effort to provide public transit at the lowest cost possible, announced the MTA.

"The contracting out of this bus service, as negotiated with our unions, is good business and benefits all riders," said MTA Board Chairman Larry Zarian. "These contracts will reduce the cost to the taxpayer for these services and the savings will be used to continue our commitment to improving transportation throughout the County."

MTA estimates that once the first seven bus lines have been contracted with ATE Management & Service Co., Inc., a savings of approximately \$4.5 million a year will be realized.

MTA presently already has contracted with ATE Management & Service Co., Inc. to provide bus service on Line 130 (Artesia Blvd.) and Line 125 (Rosecrans Ave.).

MTA bus lines 225/226 (Aviation Blvd.-Palos Verdes Peninsula); 232 (Long Beach-LAX); 270 (Monrovia-El Monte-Cerritos) and 266 (Lakewood Blvd.-Rosemead Blvd.) are expected to be turned over to the firm this Spring.

More...

The agreement reached in July, 1994 between the MTA and the United Transportation Union, representing MTA bus operators, provides the Authority the opportunity to subcontract or transfer up to seven high subsidy local bus lines during the first two years of the contract and an additional six local bus lines in the third year of the agreement.

The Amalgamated Transit Union representing MTA mechanics and service workers, agreed to subcontracting of maintenance for these bus lines in December, 1995.

High subsidy lines are those that operate at a subsidy per boarding which is more than fifty percent higher than the MTA's average subsidy per boarding.

"ATE Management and Service Co., Inc. was awarded a three year contract to operate these services based on a competitive proposal that offered the highest potential cost savings to the MTA," said MTA interim Chief Executive Officer Joseph E. Drew. "We believe they provide an outstanding management and operating team. They have a national reputation for quality performance."

Drew noted that six additional lines are presently being identified for similar contract operation in July, fulfilling MTA's commitment under the labor agreements to subcontract 13 bus lines to private carriers.

"As the savings of subcontracting these various lines to a private operator materialize, it is our hope to redirect some of the savings to improve and enhance MTA's bus operation," said Drew.

MTA presently operates a fleet of 1,700 buses during the peak periods and carries approximately 1.1 million boarding passengers each weekday. MTA also operates a rail network including the Long Beach to Los Angeles Blue Line, the Green Line from Norwalk to El Segundo and the first segment of the Metro Red Line subway system in downtown Los Angeles.

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