

## Bus Improvements, Transit Corridors Discussed...



# MTA to Request \$99 Million to Cover NoHo Startup Costs, Lipsky tells Congress

By BILL HEARD, Editor

(March 8) The MTA plans to request approximately \$99 million in federal New Start funds over the next two fiscal years to help cover startup costs for the Metro Red Line's North Hollywood Extension, MTA Chief Operating Officer Allan Lipsky told a House subcommittee, today, in Washington.

The federal New Start funding share of the \$1.31 billion subway extension project is \$681 million. There are two remaining increments of \$50 million for FY 2001 and approximately \$49 million for FY 2002. The new extension is scheduled to open June 24.



In testimony before the House Appropriations Committee's Subcommittee on Transportation, Lipsky noted that the North Hollywood project is 90 percent complete and will be delivered "on budget" and almost six months early. He said \$25 million in added administrative and overhead costs "can be fully covered by available contingency" funds.

"The North Hollywood Project is now a significant MTA success story," Lipsky said. "For a project of this magnitude and complexity, completion within the original project budget is both impressive and unusual."

### Bus service No. 1 priority

The MTA has made improving bus service its Number One priority, Lipsky told the committee. "Almost half the MTA's financial resources are committed to improving the bus system," he said, with more than \$7 billion committed to improvements between FY 1996 and FY 2004. The agency also has added 600,000 revenue service hours to meet terms of the federal Consent Decree.

"More than 98 percent of our service now meets the stringent load factor standards," he said.

But, Lipsky warned the committee that the MTA could face millions of dollars in capital funding deficits if its Consent Decree appeal to the U.S. Ninth Circuit Court of Appeals is denied.

### Court ordered bus purchases

In May, 1999, the Special Master ordered the MTA to buy an additional 379 buses. A District Court order in September, 1999, reduced the purchase figure to 297 buses, but also ordered the agency to operate 88 temporary buses. The Court of Appeals, at the MTA's request, stayed these orders and is expected to hear arguments later this year.

"If the current Ninth Circuit stay is lifted and the District Court ruling is reinstated," Lipsky testified, "the MTA could be faced with a capital deficit in the amount of \$115 million. If the Special Master's May, 1999, ruling is reinstated...the deficit in capital funding could be \$411 million...."

The MTA expects an operating expense shortfall through FY 2004 or approximately \$197 to \$282 million. "The MTA has in the past

demonstrated its capacity to manage shortfalls of this magnitude," he said, adding that lack of success in court "will place financial burdens on the MTA that will be difficult to manage even with the most rigorous cost containment and revenue enhancement programs."

#### **MTA committed to Eastside, Mid-City**

Meanwhile, the MTA remains "committed to addressing the substantial transportation needs of residents in the Eastside and Mid-City corridors," Lipsky said. The Board, which in February voted to begin work on draft environment impact documents, has emphasized the critical importance of preserving \$647 million in federal funding for those transit projects and in the San Fernando Valley.

He said studies, thus far, have indicated that a light-rail alternative being considered for the Eastside would be almost twice the length of the proposed subway line at about 65 percent of the cost. Similarly, a bus rapid transit alternative in the Mid-City area would be almost 12 miles longer than the proposed subway line and could be built for some \$250 million less.

"Given the significant funding demands on the federal New Start program," Lipsky said, "federal grantees should be encouraged to develop the most cost-effective projects possible and should certainly not be faced with the disincentive of losing federal funds if they decide not to pursue expensive subway projects."

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