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**SECRETARY PEÑA ANNOUNCES AVAILABILITY OF \$275 MILLION  
FOR MTA METRO RED LINE PROJECTS NOW UNDER CONSTRUCTION;  
PLEDGES \$186.5 MILLION FOR EAST SIDE EXTENSION**

U.S. Secretary of Transportation Federico Peña today announced that the MTA will receive \$275 million in discretionary and formula funds to help pay for construction of the Metro Red Line. A future commitment for an additional \$186.5 million also was announced at a press conference in Los Angeles.

The monies will be used to help pay for extensions of the Red Line into North Hollywood, into the Mid Cities area, and into East Los Angeles from the line's current eastern terminus at Union Station.

The \$275 million will be used to help pay the final costs of Segment II, which is now under construction in Hollywood and mid-Wilshire. The remainder of the funds will be used to pay for construction of the subway into North Hollywood.

The \$186.5 million commitment will be used to help pay the cost of building the line from Union Station east 3.8 miles to serve four stations. The Federal Government already has environmentally cleared the full East Side Extension of 6.8 miles and seven stations. Additional funding for this line segment will be sought under the Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization in 1996/7.

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"We're obviously delighted with the Secretary's actions today," said MTA Vice Chairman and Glendale City Councilman Larry Zarian. "This brings our vision of a world class transportation system closer to reality, and represents a real vote of confidence from the federal government."

The final environmental reports for the East Side Extension have been certified, and preliminary engineering is complete. Design status of the Mid-City extension to Pico and San Vicente Boulevards is about one-third complete.

"Today's Full Funding Grant Agreement will take the Metro Red Line into one of the most transit dependent areas of Los Angeles County," said MTA Director and L.A. County Supervisor Chair Gloria Molina. "The people of East Los Angeles deserve better transportation service. This will help them get it."

"This is a historic moment for the residents of East Los Angeles," stated MTA Director and Los Angeles City Councilman Richard Alatorre. "With ground breaking set for mid-1996, we're happy to say that residents of the East Side, with over twice the county-wide level of transit dependency, will benefit from a first class subway project.

Federal discretionary and formula funds will have paid for 55.6 per cent of the entire Metro Red Line system by the time the last extension is operational, in the year 2002. Local matching funds will pay the rest, along with 100 per cent of the cost of the three light rail systems in operation or under construction -- the Blue Line, Green Line, and Pasadena Blue Line.

The \$275 million breaks down as follows:

<u>METRO RAIL</u>	<u>SECTION 3 GRANT</u>	<u>SECTION 9 FORMULA</u>	<u>TOTAL</u>
Segment 2	\$69,346,885	\$52,100,000	\$121,446,885
Segment 3	\$133,424,060	\$20,000,000	\$153,424,060
TOTAL	\$202,770,945	\$72,100,000	\$274,870,945

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Future projects and possible sources of funding will be addressed in the MTA's Long Range Plan, which will be acted upon by the Board of Directors in the coming months.

"This represents a solid federal commitment to public transportation in Los Angeles County," said MTA Chief Executive Officer Franklin White. "The people of Los Angeles also committed themselves by providing the local matching funds that, together with federal dollars, will build a system our grandchildren will be proud to use."

Secretary Peña was in Los Angeles as part of a trip to examine flood damage and the effectiveness of emergency response measures. He also reviewed with local officials lessons learned from the federal-state-local partnership that directed recovery efforts after the Northridge Earthquake one year ago.

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