



NEWS

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MTA BOARD ADDRESSES FTA CONCERNS, RENEWS COMMITMENT TO RED LINE AND ADOPTS TOUGH ETHICAL STANDARDS

The MTA Board of Directors January 10 took several actions designed to assure federal authorities of the MTA's commitment to high ethical standards, reaffirmed support for the Metro Red Line subway as the agency's highest priority rail project, and adopted a revised financial plan and schedule for completing Segment 3 of the Red Line.

The Board's actions included the transfer of \$300 million in federal funding from HOV lanes to the rail program, a delay in completing the Eastside Extension by one year, and a delay in completing the Mid City Extension by 2 ½ years. The Pasadena Blue Line also could be delayed, but efforts already are underway to shorten any impacts.

"I'm proud of the actions taken by our Board today in response to concerns raised by Secretary of Transportation Federico Pena and Federal Transit Authority Administrator Gordon Linton during a meeting on December 16 in Washington, D.C.," said MTA Chairman Larry Zarian. "Our code of ethics and financial recovery plan will assure all of our funding partners, including the federal government, of our commitment to complete the Red Line project in a timely and cost-effective manner. The federal officials asked us to complete these tasks by the middle of January, and I take great satisfaction in the fact we have done so."

Pena and Linton called on the MTA to take the following steps:

- Adopt a Code of Conduct for Board members;
- Reaffirm its commitment to the Metro Red Line as its highest priority;

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- Submit a recovery plan for completing segments of the Red Line now under construction; and
- Submit recovery plans for the East Side and Mid City Extensions of the Red Line.

Reduced sales tax forecasts, increased bus expansion and shortfalls in federal funding required the recovery plan.

The transfer of \$300 million from the HOV program to rail construction will allow work to continue on the rail program, with no impact to bus operations. A motion offered by Mayor Richard Riordan and adopted by the Board certifies that the funds transfer will not affect implementation of the consent decree that will add 152 buses to the MTA fleet to relieve overcrowding.

The funds transfer may cause a 1-2 year delay, no sooner than five years from now, to 30 miles of HOV lanes, out of 280 miles programmed for L.A. County. Without the transfer, the rail program faced an additional 5-7 year delay.

The plan calls for the completion of the sections of the Red Line now under construction without additional delay. The remaining portion of Red Line Segment 2, Vermont Avenue/Hollywood Boulevard, is scheduled to open in December 1998. The North Hollywood Extension of Segment 3 has a forecast opening of May 2000.

The completion of the Eastside Extension will be delayed two years, until November 2004. The Mid City Extension will be delayed 2 ½ years, with a new opening date of July 2009.

The Pasadena Blue Line receives no federal funds, but may still experience delays due to local funding shortfalls.

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"We're looking at ways to minimize the impact to the Pasadena Blue Line," said MTA Deputy CEO Linda Bohlinger. "Different approaches to construction or additional funds from other sources could improve the current schedule."

The recovery plan also reduces the MTA's budget by five per cent as part of the agency's five year business plan, and commits the MTA to continue implementing cost-saving measures which will be designed to improve project schedules.

The Code of Conduct tightens prohibitions regarding procurement and political contributions. It spells out a series of progressive sanctions of Board members for violations that may include public censure by the Board, disqualification from voting on a particular matter, suspension from the Board, or a fine.

The recovery plan will be presented to FTA officials by January 15 for approval and subsequent incorporation into the MTA's Full Funding Grant Agreement with the federal government. The new project schedules and budgets will be incorporated into the MTA's Long Range Transportation Plan, which will be revised and adopted later this year.

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