



NEWS

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Revised

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FOR IMMEDIATE RELEASE**

MTA BOARD APPROVES DEMOBILIZATION PLAN; NEW RAIL CONSTRUCTION PUT ON HOLD

The MTA Board of Directors Wednesday approved a plan to suspend efforts on three major rail projects.

The Board approved a modified plan set forth by MTA CEO Julian Burke which will suspend work on the Pasadena Blue Line and the East Side and Mid-City extensions of the Metro Red Line for at least six months.

Burke will report to the Board on a monthly basis regarding any change in the status of federal and state programmed fundings. He also will report on the ability and timing of restarting one or more of these projects, including any third party proposals to support such efforts.

In addition, Burke will return to the Board in six months or less to report on any feasible options for the remobilization of any of the three projects.

The MTA is suspending activities, not canceling its rail construction program, officials stressed.

Burke had informed the Board that he had carefully considered all other options including possible construction schedule extensions, various funding assumptions and different alignment options but that he believed none would satisfy the requirement that the agency's financial and managerial problems be fully resolved before funding resumed.

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The plan calls for an orderly demobilization to conserve the large investment in the three projects. MTA's outside panel of tunneling experts has reported that the completed design work will have a shelf life of 12 to 48 months.

MTA officials assured the Board that staff will do everything in its power to maintain the agency's options with respect to the amount and application for funds, noting that some \$1 billion has been programmed by the state and federal governments.

Suspension of the three projects will reduce MTA's FY98 Rail Capital Budget from \$229.8 million to \$65.7 million.

The demobilization plan will require a gradual downsizing. The Authority does not anticipate major layoffs and will make every effort to find open positions for employees where jobs are eliminated.

The demobilization plan also calls for the cessation of work by a number of outside design and construction firms.

Work on the Hollywood and North Hollywood extensions of the Metro Red Line will proceed without interruption.

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