



# NEWS

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## FOR IMMEDIATE RELEASE

### Record Amount of Bus Service

## **MTA FY 02 BUDGET HOLDS THE LINE DESPITE HIGHER FUEL, OTHER COSTS**

MTA will fund a record amount of bus service in Los Angeles County as part of the \$2.724 billion budget that MTA directors today adopted for the fiscal year that starts July 1, 2001. The transportation agency's spending plan also funds expanded Metro Rail service on the Metro Blue and Green lines, new street and highway improvements and other regional transportation programs including moving forward with preliminary engineering for busway and light rail projects in some of the most traffic clogged corridors in the county.

The budget does not call for a fare increase; however, MTA directors may consider a new comprehensive fare structure later this year. There has been no change in MTA fares in more than six years.

The \$2.724 billion MTA budget is balanced. It is up \$183 million, or approximately 6.7 percent more than the current fiscal year budget. This reflects expansion of Metro Bus and Metro Rail service, more funding for freeway carpool lanes and sound walls as well as more money for the municipal bus operators, Metrolink, and paratransit services. Moreover, MTA faces sharp increases in fuel and energy costs as well as higher premiums for workers compensation insurance.

MTA is still negotiating new contracts with LAPD and the sheriff's department. If those contracts cost more or less than what is earmarked in the adopted budget, MTA directors would consider a budget amendment at a later date.

Higher fuel costs, alone, will add \$2.21 an hour to MTA's operating costs next year. MTA also is projecting an increase in workers compensation expenses.

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## 1st Add/MTA Draft Budget

### **MTA Holds Line On Operating Costs**

Despite these challenges and a projection of 3 percent more Metro riders, Metro Bus hourly operating costs in the next fiscal year will be \$98.41, an increase of just 11 cents or 1/10<sup>th</sup> of 1 percent compared with this fiscal year. Hourly costs for operating light rail trains will dip 7.5 percent next year to \$294.74 an hour while the Metro Red Line subway hourly operating costs will rise 1.9 percent to \$242.21.

“I think this budget does a remarkable job of holding the line on costs,” said MTA CEO Julian Burke. “The new labor contracts we negotiated last fall will allow us to operate more efficiently. At the same time, we’re pushing forward with Metro Rapid bus technology, light rail, traffic signalization, freeway carpool lanes, and other significant projects that can squeeze more capacity out of local streets and freeways on a faster timetable with less cost than MTA’s past emphasis on subways.”

### **Record Bus Service**

Buses will remain the highest priority in FY 2002. The MTA will spend 45.4 percent of its budget (\$1.239 billion) on MTA bus operating and capital and municipal bus operator subsidies. These bus expenditures compare with 43.8 percent (\$1.114 billion) this fiscal year.

The FY 02 budget includes \$15 million for preliminary engineering for new bus rapid transit projects linking the West San Fernando Valley and the Metro Red Line North Hollywood station, as well as possible bus rapid transit and/or light rail in the Wilshire Boulevard/Mid-City corridor.

MTA will operate a record amount of Metro Bus and contract bus service in FY 02. The peak hour bus fleet will increase to 2,129 buses compared with 2,012 currently. MTA revenue bus service hours will be 7.485 million next year compared with 7.312 million this fiscal year and nearly 1 million more service hours than MTA delivered just three years ago.

MTA will take delivery of 420 new low floor compressed natural gas buses next year and also order new buses that have greater capacity than the standard 40-foot buses.

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## 2<sup>nd</sup> Add/MTA Draft Budget

Buoyed by the success of the two Metro Rapid Bus lines on Ventura Boulevard in the San Fernando Valley and along Wilshire and Whittier boulevards, MTA directors later this year will consider expanding Metro Rapid to other high volume bus lines throughout Los Angeles County. MTA's recently adopted Long Range Transportation Plan calls for establishing another 22 Metro Rapid Bus lines within the next decade.

The distinctive red and white painted Metro Rapid buses are outfitted with special transmitters that extend green traffic lights. They also make fewer stops than local buses yielding an estimated 25 percent savings in travel time. As a result ridership on the two demonstration lines launched last summer has soared 25 percent.

MTA next year also will provide \$197 million in subsidies for the 16 municipal bus operators in Los Angeles County, an increase of \$35 million, or 21 percent, over this year.

### **More Money for Streets, Highways**

The second largest slice of the budget pie -- \$535 million or 19.6 percent -- is for highway and other regional transportation programs such as freeway carpool lane construction (42 miles will be funded in FY 02), freeway sound walls (13 projects in FY 02), street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other local transportation improvements. It also includes continued funding for the Metro Freeway Service Patrol to help stranded motorists. This portion of the MTA budget is up \$44 million, or 9 percent, over FY 01.

### **Metro Rail Service Will Expand**

The next biggest portion of the MTA budget -- \$411 million or 15.1 percent -- is for Metro Rail construction and operating costs. This includes monies to close out construction activities for the subway extension to North Hollywood which opened last year, completion of the 101 Freeway overpass bridge serving the new Universal City Metro Red Line Station, buying new rail cars, and preliminary engineering and design of a Metro Rail light rail extension from Union Station to Atlantic Boulevard in the Eastside.

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### 3<sup>rd</sup> Add/MTA Draft Budget

There will be a sharp 17.3 percent jump in Metro Rail service on the Metro Blue and Green lines in FY 02 once MTA begins running three car trains on the Metro Blue Line later this year when the station platforms are extended on the 22-mile line from downtown Los Angeles to Long Beach. The Metro Green Line from Norwalk to El Segundo then will begin running two car trains.

Burke noted that in FY 02 it will be cheaper to carry passengers on Metro Rail than by MTA operated buses and its contract carriers -- 47 cents versus 54 cents per mile.

In addition, in FY 02 MTA is contributing \$37 million in subsidies to the Metrolink commuter rail operation, a \$1 million increase over the current year and representing 1.4 percent of the MTA's budget.

#### **Paratransit Gets Increased Subsidies**

MTA's FY 02 budget also will fund an array of other transportation programs including subsidies for door-to-door paratransit service for the disabled who cannot access regular fixed route public transportation. The adopted budget includes \$60 million in such funding in FY 02, an increase of \$11.5 million over this year.

#### **Debt Service Stable**

Rounding out the FY 02 spending plan is debt service. MTA's debt service next year will be \$339 million, 12.5 percent of the total budget, compared with \$332 million or 13.1 percent of the current MTA budget.

MTA funding comes from the farebox, local, state and federal governments and other sources such as lease rentals, investment income, and advertising revenue from bus ads.